

DAILY POINTS

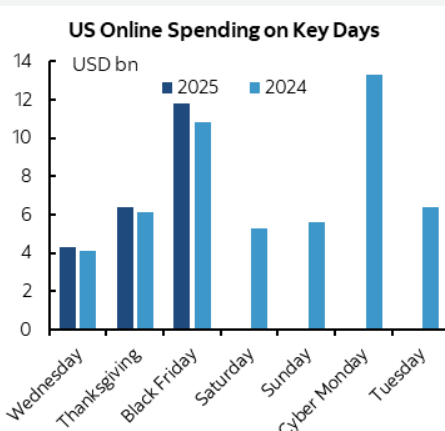
December 1, 2025 @ 7:25 EST

Contributors

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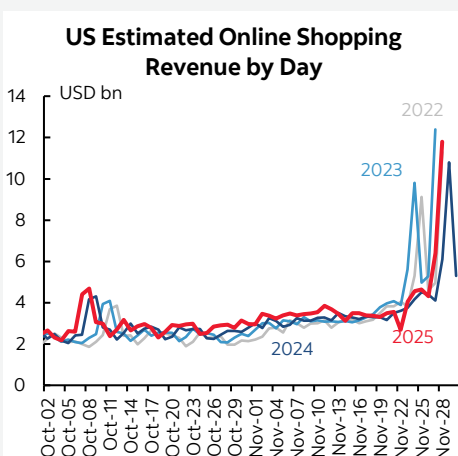
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Chart 1



Sources: Scotiabank Economics, Adobe 2025 Holiday Shopping Report.

Chart 2



Sources: Scotiabank Economics, Adobe 2025 Holiday Shopping Report.

On Deck for Monday, December 1

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	12-01	10:00	ISM Manufacturing Index	Nov	49.5	49.0	48.7

KEY POINTS:

- Five catalysts are behind a risk-off start to December
- BoJ's Ueda may have teed up a December hike
- Black Friday sales volumes appeared to be soft
- Cybercurrencies are getting rocked again
- China's composite PMI signals first contraction since late 2022
- US, Canada to refresh manufacturing PMIs likely to stay in contraction
- Chile's economy surged
- Global Week Ahead—Newly Invigorated (reminder [here](#))

There are four catalysts to a negative start to December in terms of risk appetite: the Bank of Japan's guidance, evidence of a softening Chinese economy, Black Friday sales results, and falling cybercurrency prices. See below for highlights of each driver. The US (ISM) and Canada will release manufacturing PMIs this morning.

The result is that the dollar is mixed but mostly a touch softer against the majors especially the yen. Sovereign bond yields are broadly but gently higher by low single-digit movements across most major global benchmarks as JGB carry effects from BoJ guidance sweep through markets. Equities are broadly lower with US futures down about ¾%, TSX futures down ¼% just before banks start releasing tomorrow, and European benchmarks ranging from flat (FTSE) to down (DAX -1½%). Japanese equities didn't like the hike guidance with the Nikkei 225 down by nearly 2%.

Black Friday Sales Volumes Appear to be Soft

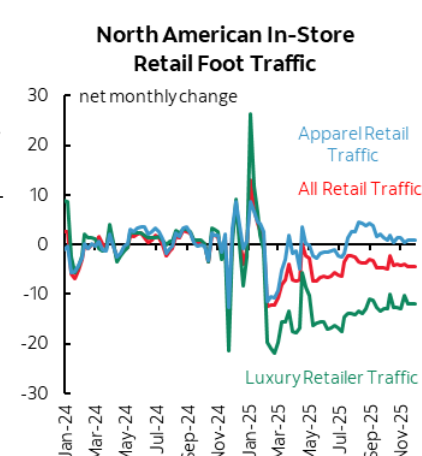
Black Friday sales results were marked by two observations. One is that sales volumes were soft after taking account of higher prices. Two is that consumers avoided bricks-and-mortar retail in favour of online shopping. The various trackers offered mixed assessments. Given the focus upon online spending, today's CyberMonday results may matter more. See charts 1–3 for some depictions along with the following assessments.

- Salesforce: Online spending was up 6% y/y globally and 3% y/y in the US. They say that prices were up 7% y/y with volumes down 1%. Here's what they had to say:

"Black Friday delivered an important signal for the U.S. economy. On the surface, sales were strong, hitting \$18 billion, a 3% jump year-over-year. But with the average selling price for goods climbing 7%, U.S. shoppers continued to feel the bite of inflation."

- Mastercard SpendingPulse: The value of sales ex-autos +4.1% y/y which probably implies weak volumes after taking account of higher prices. If that maps onto the Census Bureau's retail sales report then it implies a slowdown since nominal retail sales ex-autos in September were up by 5.2% y/y. Almost all of the growth was in online sales.

Chart 3



Sources: Scotiabank Economics, Prodcio.

- Adobe Analytics: E-commerce sales were up 9.1% y/y.
- RetailNext: In-store traffic fell 3.6% y/y.
- Pass-by: This company says retail store foot traffic was up by 1.2% y/y.

Bank of Japan's Ueda Possibly Teed up a December Hike

The yen vaulted forward and the JGBs curve bear steepened with the two-year yield up 2bps and the long end up by 4–6bps. The catalyst was guidance from Bank of Japan Governor Ueda who intimated that a hike could be delivered at the December 19th meeting, earlier than some expectations for a hike the following month.

Ueda said the BoJ “will consider the pros and cons of raising the policy interest rate and make decisions as appropriate,” in reference to data dependency.

Pricing for the December meeting edged up by about 6bps from Friday to an over 80% chance of a hike.

Cybercurrency Prices Are Down Again

Several key cybercurrency prices are lower this morning. Bitcoin is off by over 5%. Ethereum is down by nearly 7%. XRP is more than 7% lower and Binance is down about 6%. Tether is flat.

Bitcoin—the largest by far—is down 31% from the peak in early October. The declining interest in cybercurrencies is not new but S&P's warning about Tether's dollar peg on November 26th is adding to negative sentiment. The warning brings back memories in the cybercurrency space of stablecoin Terra's collapse in May 2022 when they lost their dollar peg and that hit everyone. Bitcoin, for example, fell by over half from early April to June 2022 by the time the dust settled.

China's Composite PMI Contracts for First Time Since Late 2022

China's state purchasing managers indices signalled softness in China's economy during November. The Saturday night (ET) release when no one was watching showed the composite slipped three-tenths to 49.7. While that's a small move for soft data, it's symbolic in that it's the first sub-50 and hence contractionary reading since late 2022.

The manufacturing PMI was up two-tenths to 49.2 but the non-manufacturing PMI fell six-tenths to 49.5 and drove the composite weakness. Chart 4.

The private sector version of the manufacturing PMI fell by seven-tenths to 49.9. It is more heavily weighted toward smaller producers than the state PMIs that are more weighted to SOEs. The private composite PMI will be released tomorrow night. Chart 5.

US ISM-manufacturing Probably Remained Weak

US ISM-manufacturing for November is expected to remain in contraction with sharply rising prices and weak new orders and employment (10amET).

Light Data Due out of Canada

The S&P manufacturing PMI for November is due out this morning (9:30amET). It was already slightly in contraction ever since January but a poor indicator of the volatility in actual manufacturing output during the fits and starts of the tariff war being pursued by the US.

Chile's Economy Beat Expectations

Chile's economic activity index—a GDP proxy—surged by 0.7% m/m in October (0.4% consensus) with a minor downward revision to 0.4% growth in September (from 0.5%). Chart 6.

Chart 4

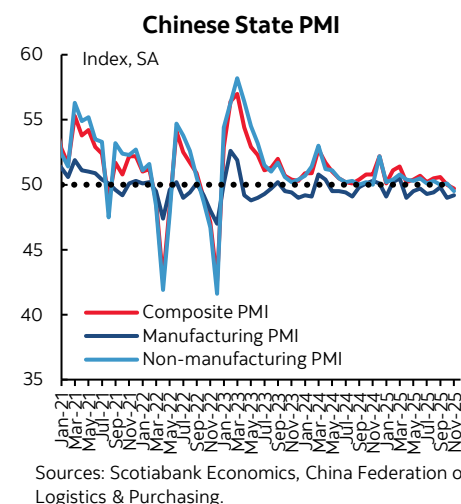


Chart 5

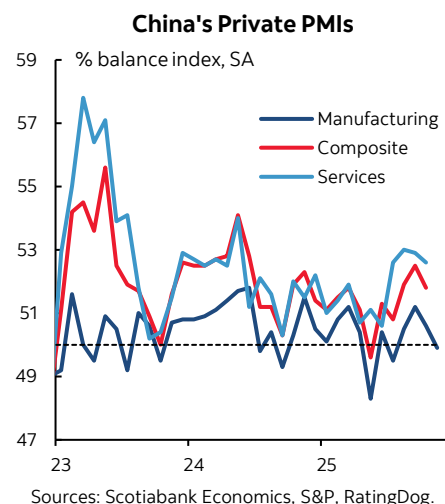
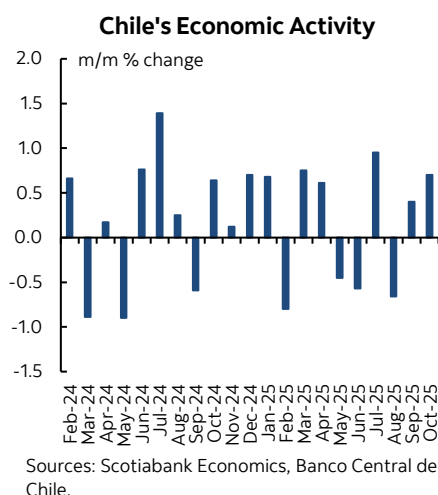


Chart 6



Fixed Income	Government Yield Curves (%):												Central Banks	
U.S. CANADA GERMANY JAPAN U.K. CANADA GERMANY JAPAN U.K.	2-YEAR			5-YEAR			10-YEAR			30-YEAR			Current Rate	
	Last	1-day	1-wk	Last	1-day	1-wk	Last	1-day	1-wk	Last	1-day	1-wk		
	3.49	3.49	3.50	3.61	3.60	3.59	4.04	4.02	4.03	4.70	4.66	4.67	Canada - BoC	2.25
	2.44	2.42	2.42	2.76	2.73	2.75	3.19	3.15	3.17	3.63	3.59	3.63	US - Fed	4.00
	2.05	2.03	2.01	2.32	2.29	2.28	2.73	2.69	2.69	3.37	3.33	3.32	England - BoE	4.00
	1.02	0.98	0.95	1.38	1.33	1.31	1.87	1.81	1.78	3.39	3.35	3.32		
	3.76	3.75	3.78	3.91	3.89	3.97	4.47	4.44	4.54	5.23	5.19	5.36		
	Spreads vs. U.S. (bps):													
	-106	-107	-108	-85	-87	-84	-86	-87	-86	-107	-107	-104	Euro zone - ECB	2.15
	-145	-146	-149	-128	-131	-131	-131	-133	-133	-133	-134	-135	Japan - BoJ	0.50
-247	-251	-255	-223	-227	-228	-217	-220	-225	-131	-131	-135			
27	25	28	30	29	37	43	42	51	53	53	69	Mexico - Banxico	7.25	
Equities	Level						% change:							
	Last	Change					1 Day	1-wk	1-mo	1-yr				
S&P/TSX	31383	186.1					0.6	4.1	3.7	22.4			Australia - RBA	3.60
Dow 30	47716	289.3					0.6	4.3	0.3	6.2			New Zealand - RBNZ	2.25
S&P 500	6849	36.5					0.5	4.7	0.1	13.5				
Nasdaq	23366	151.0					0.7	5.8	-1.5	21.6				
DAX	23438	-399.1					-1.7	0.9	-2.2	19.4				
FTSE	9719	-1.0					-0.0	1.9	0.0	17.3				
Nikkei	49303	-950.6					-1.9	1.4	-5.9	29.0			Canada - BoC	Dec 10, 2025
Hang Seng	26033	174.4					0.7	1.2	0.5	34.0			US - Fed	Dec 10, 2025
CAC	8050	-72.4					-0.9	1.1	-0.9	11.3			England - BoE	Dec 18, 2025
Commodities	Level						% change:							
WTI Crude	59.26	0.71					1.2	2.1	-2.8	-12.9			Euro zone - ECB	Dec 18, 2025
Natural Gas	4.78	-0.07					-1.4	4.5	16.0	42.3			Japan - BoJ	Dec 19, 2025
Gold	4250.60	11.16					0.3	2.8	6.2	60.8				
Silver	53.91	0.51					1.0	10.2	16.1	79.3				
CRB Index	301.49	3.64					1.2	1.3	-0.3	5.1				
Currencies	Level						% change:							
USDCAD	1.3970	-0.0007					-0.1	-1.0	-0.6	-0.5			Mexico - Banxico	Dec 18, 2025
EURUSD	1.1633	0.0035					0.3	1.0	1.0	10.8			Australia - RBA	Dec 08, 2025
USDJPY	155.05	-1.1300					-0.7	-1.2	0.5	3.6			New Zealand - RBNZ	Feb 17, 2026
AUDUSD	0.6553	0.0003					0.0	1.4	0.2	1.2				
GBPUSD	1.3246	0.0011					0.1	1.1	0.8	4.7				
USDCHF	0.8022	-0.0018					-0.2	-0.8	-0.7	-9.5				

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