

DAILY POINTS

December 3, 2025 @ 7:25 EST

Contributors

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Chart 1

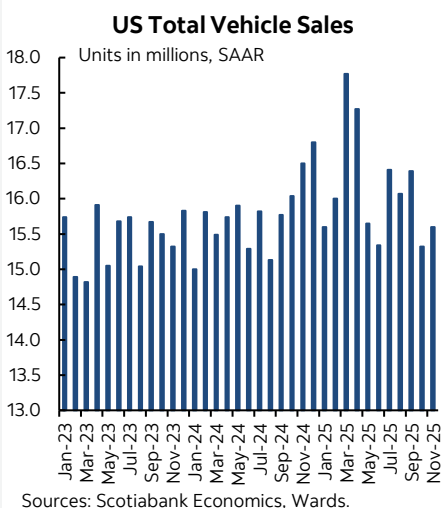
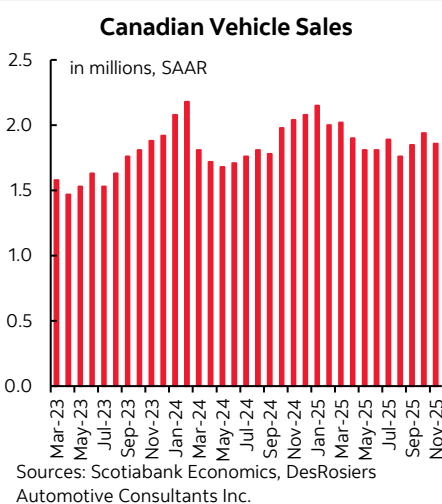


Chart 2



On Deck for Wednesday, December 3

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	12-03	07:00	MBA Mortgage Applications (w/w)	Nov 28	--	--	-1.4
US	12-03	08:15	ADP Employment Report (000s m/m)	Nov	20	10.0	42.0
CA	12-03	08:30	Productivity (q/q a.r.)	3Q	--	0.5	-1.0
US	12-03	08:30	Export Prices (m/m)	Sep	--	-0.1	0.3
US	12-03	08:30	Import Prices (m/m)	Sep	--	0.1	0.3
US	12-03	09:15	Capacity Utilization (%)	Sep	--	77.2	75.8
US	12-03	09:15	Industrial Production (m/m)	Sep	0.1	0.1	-0.1
US	12-03	10:00	ISM Non-Manufacturing Composite	Nov	52.0	52.0	52.4

KEY POINTS:

- **Mild risk-on sentiment ahead of US data**
- **US ADP, ISM-services and IP on tap**
- **Canadian bank earnings continue to beat the analysts**
- **Canadian productivity — watch revisions**
- **America's disappearing wealth effect**
- **US auto sales rise, Canadian sales fall**
- **More evidence China's economy is softening**
- **European PMI revisions signal more resilience**
- **Aussie GDP misses, SK GDP beats**
- **SNB faces renewed negative rate prospects**

Markets are in a generally positive frame of mind toward risk assets ahead of US data. Equities are mildly higher and cybercurrencies continue to recover from Monday's sell off—except for the ones affiliated with the Trump family. Sovereign bond yields are generally little changed with slight outperformance in the US. There were a few nuggets on the overnight calendars, but nothing earth shattering from a markets standpoint. The main events on the docket for today are US data including ADP private payrolls and ISM-services, and more Canadian bank earnings after Scotia's beat yesterday. Other overnight releases are covered below.

Since they started to roll in early October, cybercurrencies have lost US\$1.16 trillion in market capitalization versus all US equities that have gained only US\$0.4 trillion since then. At US\$71.2 trillion, US equity market capitalization still swamps cybercurrencies at US\$3.2T, but the changes at the margin are what count. Also note, however, that the too-long-of-a-name-to-mention measure of repeat sale home prices has gone from peak gains of over 20% y/y in 2022 to just 1.3% y/y now; real house prices are falling in the US. The housing wealth effect on consumption matters far more than the equity effect in aggregate and to mainstreet given massive income and wealth disparities in the US system. The effects are probably contributing to some of the softening in confidence measures.

But it could be worse. In the Trump cyber world, American Bitcoin Corp peaked at almost US\$100k very temporarily in 2019 and is now worth—wait for it—\$2.19. That won't even buy you a decent cup of coffee.

N.A. DATA UPDATES

US vehicle sales climbed a touch to 15.6 million SAAR in November after October's drop down to 15.3 that came after the expiration of EV credits. These are still decent levels (chart 1).

Canadian vehicle sales slipped by about 2½% m/m SA in November after the hottest month for sales since March (chart 2).

A trio of US readings could be impactful to markets this morning.

- **ADP private payrolls for November (8:15amET):** Consensus expects 5k with Scotia at 20k alongside potential negative revisions. Weekly estimates have been deteriorating including after the reference week for October's reading that may suggest a downward revision to that month. That said, the weekly measure doesn't line up very well with the monthly gauge and ADP itself is a poor guide to nonfarm private payrolls (chart 3).
- **Industrial output for September (8:15amET):** A weak reading with little change is so lagging because of the government shutdown that it may not garner much attention.
- **ISM-services for November (10amET):** This may show continued moderate growth with solid growth in new orders and sharply rising prices.

Canadian Q3 productivity figures (8:30amET) could post a gain for a change. The main reason is that hours worked were up only modestly (0.4% q/q SAAR). The Q3 GDP beat won't translate through very well to productivity given the import distortions. Also watch revisions to the 2022–24 period after GDP was revised substantially higher last Friday.

OVERNIGHT RELEASES

Swiss inflation was a touch weaker than expected and mildly reinforced markets pricing for a modest chance at returning to negative rates. CPI slipped -0.2% m/m and to 0% y/y. Core CPI is running at just 0.4% y/y. OIS pricing points to only about a one-in-five chance at negative rates on December 11th but half a chance later in 2026. Persistent Swiss franc strength since the start of the year adds to SNB's challenges.

China's private composite PMI fell six-tenths of a point in November to 51.2 as services softened half a point to 52.1. We already knew that the private manufacturing PMI slipped a touch beneath 50 in November.

There were mild upward revisions to the November purchasing manager indices for the Eurozone (52.8 instead of 52.4) and UK (51.2 instead of 50.5). Germany and France were revised up while first readings showed a higher Italian composite and a lower Spanish reading.

Australian GDP disappointed. Q3 growth of 0.4% q/q SA fell shy of consensus at 0.7% and the miss was only partially offset by a slight upward revision to Q2 (0.7% from 0.6%). Chart 4.

South Korean Q3 GDP slightly beat (1.3% q/q SA, 1.2% consensus).

CANADIAN BANK EARNINGS

Canadian bank earnings continue to beat after BNS led the way yesterday (chart 5). The analyst community was too negative for three banks and counting so far. A blue and gold bank is the latest (Q4 EPS C\$3.85, consensus \$3.54 with slightly higher than expected provisions and higher than expected revenues). Quebec's National Bank also beat (Q4 EPS C\$2.82, consensus \$2.63 with higher than expected revenues).

Chart 3

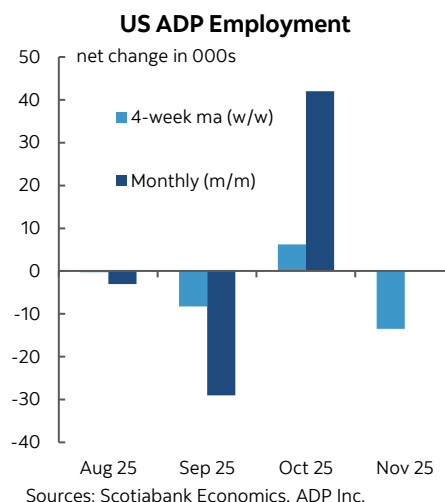


Chart 4

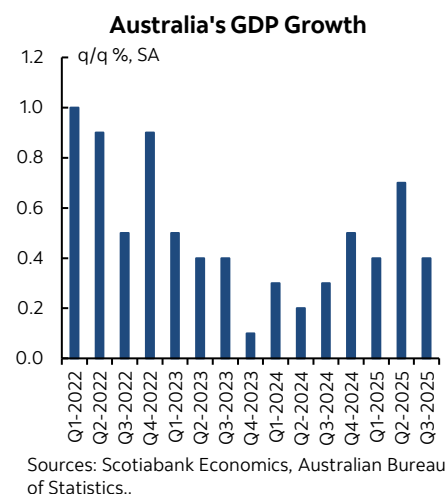
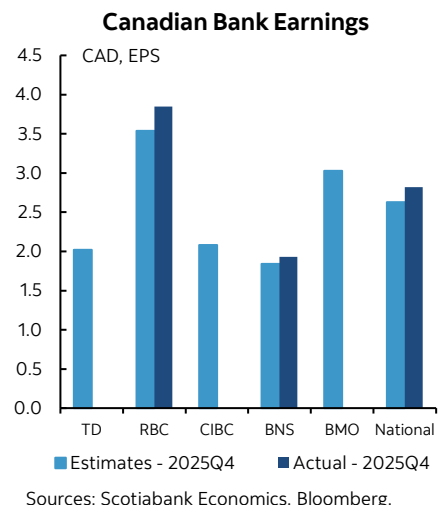


Chart 5



Fixed Income	Government Yield Curves (%):												Central Banks	
	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		
U.S.	3.49	3.51	3.48	3.62	3.66	3.57	4.06	4.09	4.00	4.72	4.75	4.64	Canada - BoC	2.25
CANADA	2.45	2.46	2.41	2.79	2.80	2.72	3.22	3.24	3.14	3.68	3.70	3.59	US - Fed	4.00
GERMANY	2.05	2.05	2.02	2.34	2.35	2.27	2.74	2.75	2.67	3.38	3.38	3.31	England - BoE	4.00
JAPAN	1.02	1.02	0.98	1.39	1.38	1.33	1.89	1.87	1.81	3.43	3.39	3.33		
U.K.	3.74	3.74	3.74	3.90	3.90	3.88	4.45	4.47	4.42	5.21	5.24	5.21		
	Spreads vs. U.S. (bps):													
CANADA	-104	-105	-107	-84	-85	-85	-84	-85	-86	-104	-105	-105	Euro zone - ECB	2.15
GERMANY	-143	-146	-146	-129	-131	-130	-132	-134	-132	-134	-137	-134	Japan - BoJ	0.50
JAPAN	-247	-249	-250	-224	-228	-224	-216	-222	-219	-129	-136	-131		
U.K.	25	23	26	27	25	31	39	38	43	49	49	56	Mexico - Banxico	7.25
Equities	Level						% change:							
	Last			Change			1 Day	1-wk	1-mo	1-yr				
S&P/TSX	31049			-52.5			-0.2	0.5	2.6	21.1			Australia - RBA	3.60
Dow 30	47474			185.1			0.4	2.2	0.3	6.2			New Zealand - RBNZ	2.25
S&P 500	6829			16.7			0.2	1.9	-0.3	12.9			Next Meeting Date	
Nasdaq	23414			137.8			0.6	2.4	-1.8	20.2			Canada - BoC	Dec 10, 2025
DAX	23766			54.7			0.2	0.2	-1.5	18.7			US - Fed	Dec 10, 2025
FTSE	9688			-13.9			-0.1	-0.0	-0.1	15.9			England - BoE	Dec 18, 2025
Nikkei	49865			561.2			1.1	0.6	-4.9	27.0			Euro zone - ECB	Dec 18, 2025
Hang Seng	25761			-334.3			-1.3	-0.6	-1.5	30.5			Japan - BoJ	Dec 19, 2025
CAC	8074			-0.4			-0.0	-0.3	-0.4	11.3			Mexico - Banxico	Dec 18, 2025
Commodities	Level						% change:							
WTI Crude	59.40			0.76			1.3	2.5	-2.7	-15.1			Australia - RBA	Dec 08, 2025
Natural Gas	4.97			0.13			2.7	12.3	16.5	63.4			New Zealand - RBNZ	Feb 17, 2026
Gold	4208.42			2.57			0.1	-0.9	88.7	59.2				
Silver	57.44			-0.05			-0.1	12.2	17.3	88.6				
CRB Index	300.87			-1.87			-0.6	1.7	-1.7	5.2				
Currencies	Level						% change:							
USDCAD	1.3941			-0.0029			-0.2	-0.7	-0.8	-0.9				
EURUSD	1.1666			0.0041			0.4	0.6	1.3	11.0				
USDJPY	155.41			-0.4700			-0.3	-0.7	0.8	3.9				
AUDUSD	0.6588			0.0025			0.4	1.1	0.8	1.6				
GBPUSD	1.3299			0.0086			0.7	0.4	1.2	4.9				
USDCHF	0.8002			-0.0029			-0.4	-0.5	-1.0	-9.7				

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