

DAILY POINTS

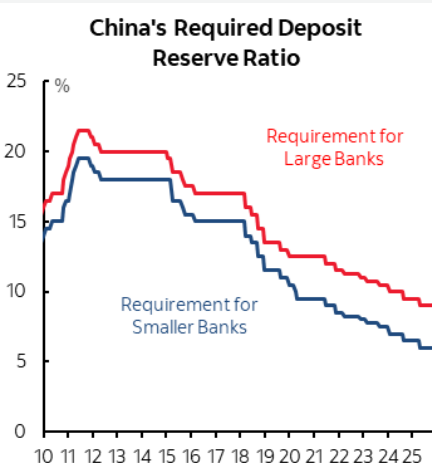
December 11, 2025 @ 7:15 EST

Contributors

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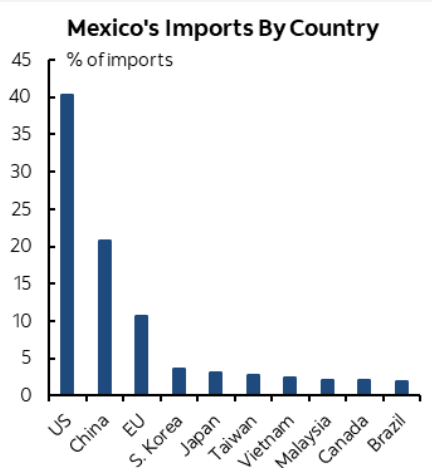
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Chart 1



Sources: Scotiabank Economics, PBoC.

Chart 2



Sources: Scotiabank Economics, WTO.

On Deck for Thursday, December 11

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	12-11	08:30	Merchandise Trade Balance (C\$ bn)	Sep	--	-4.5	-6.3
US	12-11	08:30	Trade Balance (US\$ bn)	Sep	--	-63.1	-59.6
US	12-11	08:30	Initial Jobless Claims (000s)	Dec 06	220	220.0	191.0
US	12-11	08:30	Continuing Claims (000s)	Nov 29	1980	1938.0	1939.0
US	12-11	10:00	Wholesale Inventories (m/m)	Sep F	--	0.1	0.0

KEY POINTS:

- **Mixed markets post-FOMC as tech earnings disappoint alongside local market drivers**
- **China loosely pledges stimulus, faces inelastic demand for money**
- **Aussie jobs disappoint, drive A\$ weaker, bonds richer**
- **Mexico sets a high price for Trump's affections**
- **CHF rallies as SNB indicates a high bar for negative rates**
- **BSP signals end of easing campaign, peso rallies**
- **Brazil's central bank held**
- **US, Canadian trade figures could inform Canadian GDP revisions**
- **Lira barely flinched after Turkey's mega cut**
- **US jobless claims on tap**
- **SCOTUS IEEPA decision could come at any moment**

Overnight markets were mixed post-FOMC that drove rallies in Treasuries and equities yesterday afternoon (recap [here](#)). Canadian markets are still pricing a hike by late next summer with September's meeting fully priced after yesterday's BoC decision (recap [here](#)).

Asian equities generally pushed lower in Japan, China and South Korea, while European equities got a bit of a lift. Sovereign bonds are slightly dearer across Europe and with a similar bias in US Ts this morning. US equity futures are being dragged somewhat lower this morning on tech earnings as Oracle's results spill over. Currency markets are divided with outlier moves explained by localized developments like central bank decisions and Aussie jobs (see below). On tap is light data out of Canada and the US with most of the emphasis upon implications for Canadian GDP revisions.

CHINA SIGNALS EASING AHEAD

China's Central Economic Work Conference wrapped up with guidance that "moderately loose" monetary policy to counter very weak inflation will be accompanied by "more proactive" fiscal policy next year. That sounds like rate cuts and required reserve ratio cuts alongside unclear fiscal targets. Chinese equities were left unimpressed. China, however, faces relatively inelastic demand for money that may not respond to easier monetary policy. Constantly falling house prices create reticence to take on big liabilities. Years of cuts to required reserve ratios won't necessarily spawn increased borrowing on either the supply or demand sides (chart 1).

WHAT PRICE IS TOO HIGH FOR MEXICO?

What price is too high to avoid the wrath of Trump? Mexico may be on the verge of finding out. The country approved tariffs of up to 50% on Chinese and other Asian imports but with most of the focus on China. Chart 2 shows the large share of imports coming from

China. Trade diversion is possible, but still, the outcome is likely to drive Mexican prices higher as the effects rattle through the economy. Bear in mind, however, Trump's threats to impose tariffs while demanding concessions including access to water. That should concern Canadians; the US has been trying to get Canadian water since the 1980s trade negotiations but it has been a consistently firm red line for many reasons not least of which because of poor water conservation practices stateside.

AUSTRALIAN MARKETS RATTLED BY JOBS

Australian markets were rocked by a weak jobs report for November. The A\$ is the weakest major cross to the dollar this morning and Australia's rates curve rallied by about 9bps across most maturities except slightly less at the long end. Employment fell by 21k as full-time jobs fell by 57k and part-time fell 35k. Chart 3. The unemployment rate nevertheless stayed unchanged at 4.3% because folks exited the workforce. The labour force participation rate slipped by two-tenths to 66.7%. The RBA would look at trends whereas markets don't. The country gained 52k jobs over the prior two months and is up by 130k ytd with one month left.

SNB SETS HIGH BAR FOR NEGATIVE RATES

The Swiss franc heaved a sigh of relief post-SNB to become the strongest of the major performers this morning. The Swiss National Bank held its policy rate unchanged at 0% that was universally expected. Key was the bias. While President Schlegel said they are open to returning to negative rates if needed, the broad tone dampened speculation the SNB may be moving there anytime soon. The SNB lowered its inflation forecast a touch to just 0.2% y/y in 2025, 0.3% next year, and 0.6% the year after. Schlegel downplayed the forecast revisions, deflected any sense that the inflation outlook makes negative interest rate policy more likely, and indicated a willingness to intervene if CHF strengthens. Clearly they view a return to negative rates through a different light this time around, or they're wrong and we'll see in 2026.

BSP SIGNALS END OF RATE CUTS, PESO RALLIES

Bangko Sentral ng Pilipinas cut its policy rate by 25bps to 4.5% as widely expected. No surprises this time. Governor Remolona indicated that rate cuts "may have ended already. This may be the last cut." That bias drove the peso higher. Take it with a grain of salt given BSP's proclivity toward surprises.

BRAZIL'S CENTRAL BANK STRUCK A SLIGHTLY MORE NEUTRAL TONE

Brazil's central bank held its Selic rate unchanged at 15% last evening as widely expected. The tone of the statement and forecasts was a touch more neutral but indicated no rush to ease.

LIRA SHAKES OFF MEGA CUT BY TURKEY'S CENTRAL BANK

Turkey's central bank cut by 150bps to 38% on the one-week repo rate. A little less than half of consensus expected -150bps with a slightly larger contingent at -100bps. The lira barely budged.

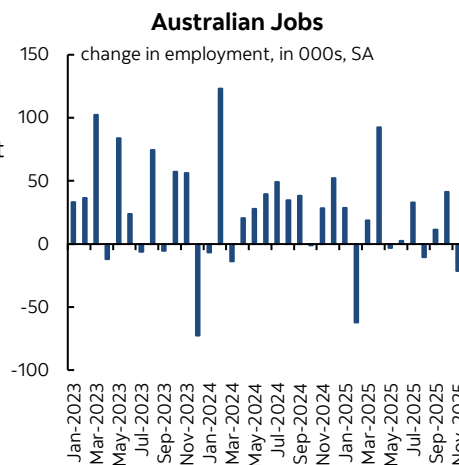
TRADE FIGURES COULD DRIVE CANADIAN GDP REVISIONS

On tap into the N.A. session will be a batch of Canadian and US trade figures for September (8:30amET). Normally we get the US advance merchandise figures before the full set of accounts that are due today, but that advance report was a casualty of the shutdown. Ergo, today's figures will be the first look at US trade in September. By corollary, we'll get the first glimpse at Canadian trade that month now that the US side is back to collaborating on data.

The figures matter more to Canada than the US. That's because of the role that imports played in propelling Q3 Canadian GDP to 2.6% q/q SAAR. That was based on made-up trade figures in the absence of anything more concrete. There could be implications for GDP revisions, but we can't tell the direction and magnitude until seeing the numbers.

The US also updates weekly claims data (8:30amET).

Chart 3



Fixed Income	Government Yield Curves (%):												Central Banks	
U.S. 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		
	3.53	3.54	3.52	3.71	3.73	3.67	4.13	4.15	4.10	4.78	4.79	4.76	Canada - BoC	2.25
	2.62	2.63	2.46	3.00	3.01	2.81	3.41	3.42	3.25	3.83	3.84	3.74		
	2.17	2.18	2.07	2.47	2.48	2.37	2.85	2.85	2.77	3.46	3.45	3.41	US - Fed	3.75
	1.06	1.07	1.03	1.42	1.44	1.41	1.93	1.96	1.94	3.39	3.40	3.40		
CANADA GERMANY JAPAN U.K.	3.77	3.79	3.74	3.96	3.98	3.88	4.49	4.51	4.44	5.20	5.21	5.16	England - BoE	4.00
	Spreads vs. U.S. (bps):													
	-91	-91	-106	-71	-72	-86	-72	-73	-84	-94	-95	-102	Euro zone - ECB	2.15
	-136	-136	-145	-124	-126	-130	-128	-130	-133	-131	-133	-135		
	-247	-247	-250	-229	-229	-226	-220	-219	-216	-139	-139	-135	Japan - BoJ	0.50
24	25	21	25	25	21	36	36	34	43	42	41			
Equities	Level						% change:						Mexico - Banxico	7.25
S&P/TSX Dow 30 S&P 500 Nasdaq DAX FTSE Nikkei Hang Seng CAC	Last	Change					1 Day	1-wk	1-mo	1-yr				
	31491	246.5					0.8	1.1	3.6	22.7	Australia - RBA	3.60		
	48058	497.5					1.0	0.4	0.3	8.9				
	6887	46.2					0.7	0.5	0.6	13.2	New Zealand - RBNZ	2.25		
	23654	77.7					0.3	0.9	0.8	18.1				
	24141	11.4					0.0	1.1	0.2	18.3				
	9672	16.2					0.2	-0.4	-2.3	16.5				
	50149	-454.0					-0.9	-1.7	-1.4	27.4	Canada - BoC	Jan 28, 2026		
	25531	-10.3					-0.0	-1.6	-4.4	26.7				
	8053	30.4					0.4	-0.8	-1.3	8.5	US - Fed	Jan 28, 2026		
Commodities	Level						% change:							
WTI Crude	57.78	-0.68					-1.2	-3.2	-5.3	-17.8	England - BoE	Dec 18, 2025		
Natural Gas	4.49	-0.11					-2.3	-11.4	-1.7	32.9				
Gold	4214.67	-14.18					-0.3	0.2	2.1	55.1	Euro zone - ECB	Dec 18, 2025		
Silver	61.04	2.41					4.1	4.6	22.0	91.3				
CRB Index	301.38	1.75					0.6	-0.3	-1.8	2.6	Japan - BoJ	Dec 19, 2025		
Currencies	Level						% change:							
USDCAD	1.3798	0.0005					0.0	-1.1	-1.6	-2.5	Mexico - Banxico	Dec 18, 2025		
EURUSD	1.1718	0.0023					0.2	0.6	1.2	11.6				
USDJPY	155.62	-0.4000					-0.3	0.3	0.9	2.1	Australia - RBA	Feb 02, 2026		
AUDUSD	0.6659	-0.0017					-0.3	0.7	2.0	4.6				
GBPUSD	1.3391	0.0008					0.1	0.5	1.8	5.0	New Zealand - RBNZ	Feb 17, 2026		
USDCHF	0.7962	-0.0037					-0.5	-0.9	-0.5	-10.0				

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