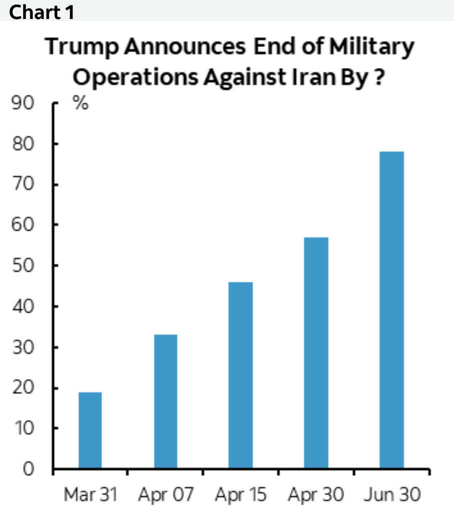
DAILY POINTS

March 25, 2026 @ *7:50 EST*

Contributors

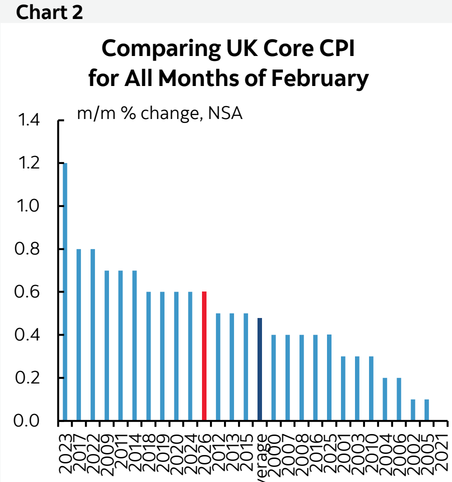
Derek Holt
VP & Head of Capital Markets Economics
Scotiabank Economics
416.863.7707
derek.holt@scotiabank.com

Chart 1



Sources: Scotiabank Economics, Polymarket.

Chart 2



Sources: Scotiabank Economics, Bloomberg.

On Deck for Wednesday, March 25th

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	03-25	07:00	MBA Mortgage Applications (w/w)	Mar 20	--	--	-10.9
US	03-25	08:30	Current Account (US$ bn)	4Q	--	-208.5	-226.4
US	03-25	08:30	Export Prices (m/m)	Feb	--	0.6	0.6
US	03-25	08:30	Import Prices (m/m)	Feb	--	0.6	0.2
US	03-25	16:10	Fed's Miran in Moderated Conversation on Digital Assets				

KEY POINTS:

- **Markets play the waiting game**
- **It's unclear who or what to believe about US-Iran talks…**
- **…but most signs hardly indicate agreement is near at hand**
- **UK core inflation slightly firmer than expected**
- **Aussie inflation was slightly weaker than expected**
- **Danish vote falls short of giving lefties a clear mandate**
- **US: Fed-speak, import prices**

Markets are erring on the side of mild optimism that the US and Iran will be able to strike some sort of agreement that deescalates the war. That's highly unclear amid signals to the contrary. Nevertheless, oil prices are down by about $5–6/barrel with WTI below $90 and Brent below $100. Gold is getting a bounce for a change with about a 2% gain. Sovereign yields are broadly lower with declines of 4–12bps across maturities and regions. Stocks are broadly higher in the 1%+ range across N.A. futures and European cash markets. The dollar is a touch softer against most crosses as higher-beta crosses gain.

Who are we to believe when both the US administration and Iran are merchants of disinformation? The wisdom of crowds—an oxymoron if I've ever heard one—is scattering its bets all over the map on when a ceasefire may be announced, when US forces may enter Iran, when military operations may end (chart 1), when Iran may attack someone else, etc (here). Maybe there will be clarity on the platform's odds when someone in the administration's orbit places their bets.

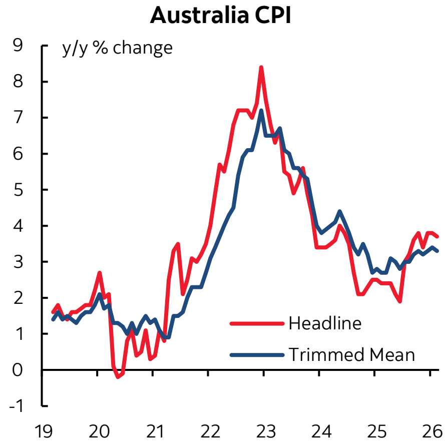
The signs from Iran are hardly indicative of accepting the agreement that Trump's extended family members have purportedly negotiated with an unknown Iranian leader with unclear power to sell and enforce any agreement. Iran continued to attack neighbours overnight. The head of its military and Revolutionary Guard—at least until the Israelis pop him off—said overnight that "someone like us will never come to terms with someone like you." US marines continue in transit to the region with more orders given yesterday. Israel wants nothing to do with negotiations and was reportedly surprised by the US gestures while pursuing its own aims. Can the US control Israel and would Iran settle with the US while the Israelis keep attacking?

As far as I'm concerned, Iran holds all the cards in a midterm election year as the GOP is looking set to be utterly destroyed on November 7th. Maybe get a CUSMA/USMCA 2.0 deal through Congress before January, just sayin'. Ditto for the always mischievous Russians as they dramatically escalate Spring attacks on Ukraine while rather enjoying seeing the US President practically on his knees begging for Iran to stop the war he started. So we wait. And wait. For someone to blink. For missiles and drones to stop being flung. For concrete signs of deescalation.

Meanwhile in the Department of All Things Irrelevant—which is experiencing a hiring boom by the way—we have a pair of stale inflation readings from the UK and Australia.

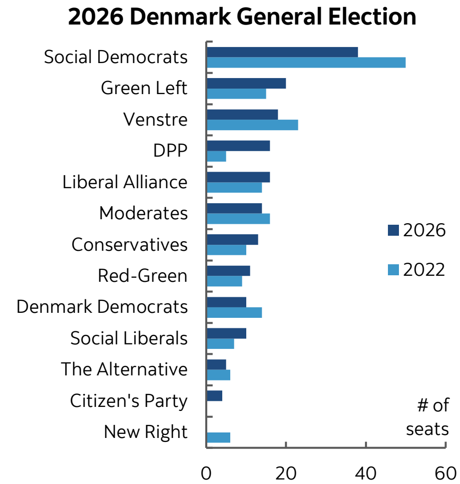
- UK CPI in pre-war February landed at 0.4% m/m seasonally unadjusted (ie: NSA), matching consensus expectations and up 3% y/y. Core inflation ex-food and energy was up 3.2% y/y (3.1% prior and consensus). The NSA core CPI reading in m/m terms was ever so slightly warmer than an average February which is the comparator when using seasonally unadjusted readings (chart 2). Services inflation continued to ebb but was not light. And next up is the war's effects in March CPI onward combined with Ofgem's price changes.
- Australian CPI was a smidge softer than expected. Prices were flat in m/m NSA terms in February and up 3.7% y/y for a tick beneath consensus. Trimmed mean core CPI which removes outlier price changes in both tails to focus on central tendency price pressures was up 3.3% y/y (3.4% consensus). It's hard to tell whether the A$ and Australian rates cared amid other developments. Chart 3.

Chart 3



Sources: Scotiabank Economics, Australian Bureau of Statistics.

Chart 4



Sources: Scotiabank Economics, Bloomberg.

Danes voted to give PM Mette Frederiksen the largest single share of the vote but not enough for her left-wing faction to form a government while underperforming her previous election results (chart 4). Trump made her Great Again over Greenland compared to her muddling and uninspiring performance beforehand, but not great enough.

The N.A. calendar is very light today. Fed Governor Miran speaks after the close and was the lone dissenter in favour of easing last week. Import prices during February (8:30amET) will be cast aside until we get meaningful data over coming months.

Fixed Income	Government Yield Curves (%):											
	2-YEAR			5-YEAR			10-YEAR			30-YEAR		
	Last	1-day	1-wk	Last	1-day	1-wk	Last	1-day	1-wk	Last	1-day	1-wk
U.S.	3.87	3.89	3.78	3.96	3.99	3.88	4.32	4.36	4.27	4.89	4.93	4.88
CANADA	2.89	2.97	2.75	3.15	3.22	3.06	3.50	3.57	3.45	3.90	3.96	3.89
GERMANY	2.61	2.67	2.44	2.69	2.76	2.61	2.95	3.03	2.94	3.43	3.49	3.48
JAPAN	1.31	1.30	1.26	1.72	1.71	1.64	2.26	2.27	2.22	3.53	3.56	3.50
U.K.	4.38	4.47	4.10	4.41	4.51	4.27	4.85	4.96	4.74	5.47	5.57	5.41
	Spreads vs. U.S. (bps):											
CANADA	-97	-92	-102	-81	-78	-81	-82	-80	-82	-99	-97	-99
GERMANY	-126	-122	-133	-126	-123	-126	-137	-134	-133	-146	-144	-141
JAPAN	-256	-259	-252	-224	-229	-223	-206	-210	-205	-136	-137	-138
U.K.	51	58	32	45	51	39	53	59	47	58	64	52

Equities	Level		% change:			
	Last	Change	1 Day	1-wk	1-mo	1-yr
S&P/TSX	31942	57.8	0.2	-3.0	-6.4	26.1
Dow 30	46124	-84.4	-0.2	-1.8	-6.8	8.3
S&P 500	6556	-24.6	-0.4	-2.4	-5.6	13.5
Nasdaq	21762	-184.9	-0.8	-3.2	-6.0	19.1
DAX	23027	389.8	1.7	-2.0	-8.5	-0.4
FTSE	10100	135.2	1.4	-2.0	-6.5	16.6
Nikkei	53750	1497.3	2.9	0.1	-8.5	41.3
Hang Seng	25336	272.2	1.1	-2.6	-5.3	8.5
CAC	7873	129.1	1.7	-1.2	-8.0	-2.9
Commodities	Level		% change:			
WTI Crude	87.07	-5.28	-5.7	-9.6	33.1	26.2
Natural Gas	2.89	-0.06	-1.9	-5.8	-2.7	-24.8
Gold	4576.03	100.52	2.2	-5.0	-11.4	51.5
Silver	69.97	2.74	4.1	-12.8	-20.6	111.5
CRB Index	359.25	8.51	2.4	-1.4	15.4	17.2
Currencies	Level		% change:			
USDCAD	1.3799	0.0036	0.3	0.5	0.9	-3.4
EURUSD	1.1599	-0.0009	-0.1	1.3	-1.8	7.5
USDJPY	158.91	0.2100	0.1	-0.6	1.6	6.0
AUDUSD	0.6964	-0.0032	-0.5	-0.9	-2.2	10.5
GBPUSD	1.3411	0.0000	0.0	1.2	-1.1	3.6
USDCHF	0.7891	0.0009	0.1	-0.5	2.1	-10.6

Central Banks	
Current Rate	
Canada - BoC	2.25
US - Fed	3.75
England - BoE	3.75
Euro zone - ECB	2.15
Japan - BoJ	0.75
Mexico - Banxico	7.00
Australia - RBA	4.10
New Zealand - RBNZ	2.25
Next Meeting Date	
Canada - BoC	Apr 29, 2026
US - Fed	Apr 29, 2026
England - BoE	Apr 30, 2026
Euro zone - ECB	Apr 30, 2026
Japan - BoJ	Apr 28, 2026
Mexico - Banxico	Mar 26, 2026
Australia - RBA	May 05, 2026
New Zealand - RBNZ	Apr 07, 2026