

DAILY POINTS

September 3, 2026 @ 7:30 EST

Contributors

Derek Holt

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

Chart 1

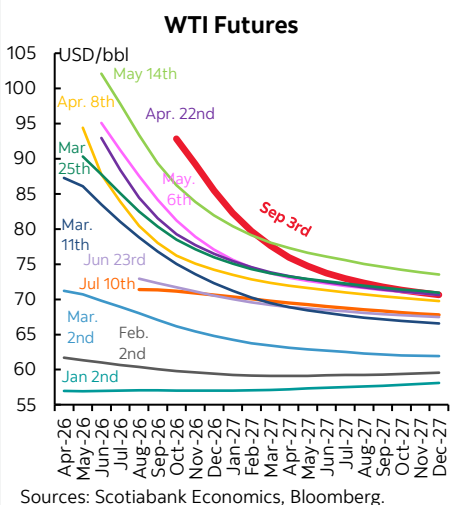
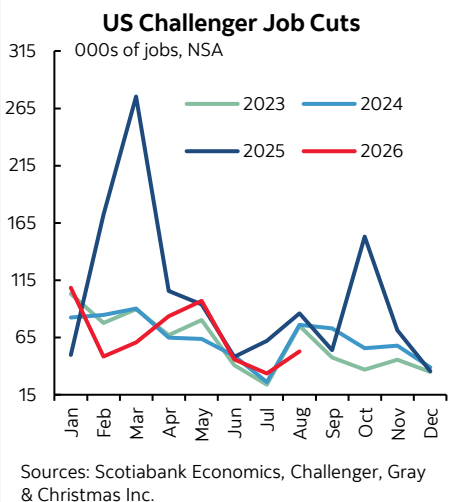


Chart 2


On Deck for Thursday, September 3rd

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	09-03	08:30	Merchandise Trade Balance (C\$ bn)	Jul	--	3.2	3.9
CA	09-03	08:30	Productivity (q/q a.r.)	2Q	--	--	-0.5
US	09-03	08:30	Initial Jobless Claims (000s)	Aug 29	205	205	203
US	09-03	08:30	Continuing Claims (000s)	Aug 22	1790	1785	1778
US	09-03	08:30	Productivity (q/q a.r.)	2Q F	--	1.4	1.4
US	09-03	08:30	Trade Balance (US\$ bn)	Jul	-90	-90.3	-73.3
US	09-03	08:30	Unit Labor Costs (q/q a.r.)	2Q F	--	1.3	1.3
US	09-03	08:30	Fed's Waller in Moderated Conversation				
US	09-03	10:00	ISM Non-Manufacturing Composite	Aug	54.5	54.1	54.1
US	09-03	15:00	Fed's Hammack Gives Opening Remarks				
US	09-03	15:55	Fed's Goolsbee Gives Closing Remarks				

KEY POINTS:

- Oil is up again as the US remains trapped in conflict with Iran
- Today will merely pass the time before nonfarm, Canadian jobs tomorrow
- JGBs rally as the BoJ tamps down a hawkish outlier
- Canadian trade to inform momentum into Q3
- US: layoffs up, ISM-services, trade and claims on tap
- FOMC officials cram in views before blackout
- Canada's investment announcement today will be the first of many
- Negara delivered a mildly hawkish hold
- Swiss franc rallies after GDP, CPI both beat

Oil's not well in the Middle East this morning. Prices are up by about 1–2% across WTI and Brent as the US and Iran swapped strikes. Futures prices are creeping higher (chart 1). Based on some comments from them it's finally sinking in within the GOP that there is no clear way out of it as they panic with two months to go before the midterms. Diverting attention by turning Washington into a real-life 'blame Canada' South Park sequel won't help either.

As for the rest, any market moves today are merely passing the time before potential fireworks with tomorrow's jobs reports. Talk from the usual 'people familiar with the matter' indicates that the BoJ is leaning toward +25bps on September 18th, tamping down a hawkish outlier on the Board who previously tried to open the door to upsizing and a greater frequency of hikes. JGB yields are lower in bull flattener fashion with the long-end down by 8–9bps. This is causing slight relief through the carry trade into other benchmarks as gilts and EGBs rally while Canada and the US tread water. The yen is outperforming as flow comes back into JGBs. Stocks are mixed but generally little changed across N.A. futures and European cash markets.

Markets continue to price about a 30% chance of a Bank of Canada hike on October 28th and most of hike by December. The way Governor Macklem spoke yesterday (recap [here](#)), I wouldn't shut the door on the view that such pricing is light. By the way, and for the rather less enlightened, that's the country's central bank; it has no branches in the US lol!!

N.A. RELEASES WILL MERELY TEASE BEFORE FRIDAY'S JOBS

Tomorrow's US payrolls and Canadian jobs reports for August will be the main focus over the duration of the week. The two countries release a few sideshows to bide the time this morning.

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Previews for nonfarm and Canadian jobs were offered in my [weekly](#). Scotia's house calls are +30k for nonfarm and +20k for Canadian jobs.

Canada refreshes trade figures for July this morning (8:30amET). Export volumes have been on a tear so I wouldn't be surprised to see some moderation. Canada also refreshes labour productivity figures for Q2 that might post a solid gain after strong GDP (8:30amET). Little watched PMIs for August (9:30amET) have not performed terribly well at tracking the economic rebound.

The US trade deficit is expected to blow out in this morning's July update (8:30amET). I estimate it will increase from -US\$73billion in July to about -\$90 billion in August.

More important may be US ISM-services for August (10amET). It's expected to be little changed from the 54.1 reading in July but often surprises. Watch prices paid that are probably going to remain very hot, while the employment subindex has been indicating job losses more often than gains so far this year.

And the arrival on Saturday of the FOMC communications blackout is causing a rush of officials seeking to jam in their views beforehand. Governor Waller speaks at 8:30amET and will be followed by uber-hawk Hammack at 3pmET and Chicago's Goolsbee at 3:55pmET. Listening to NY Fed President Williams yesterday had me thinking he is not convinced by the need to be raising rates.

US Challenger job cuts climbed to 52,881 in August. The figures are not seasonally adjusted and they were within the normal range for a month of August.

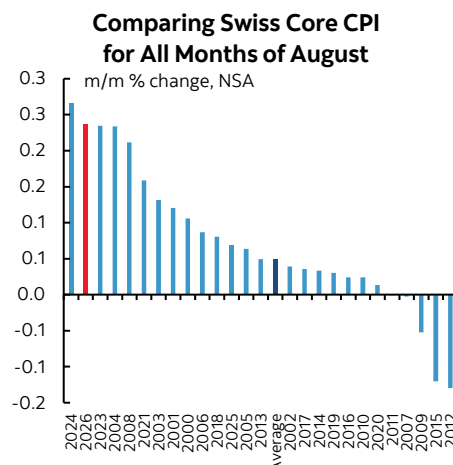
Lastly, PM Carney will announce "an historic investment in Canadian manufacturing" this morning at 10amET. It's in Thunder Bay where manufacturers include subway train cars including a contract awarded earlier this year to make 70 "state of the art" six-car trains for the TTC. With the Investment Summit about a week-and-a-half away we should be expecting more pre-announcements in the coming days.

LIGHT OVERNIGHT DEVELOPMENTS

Bank Negara Malaysia held its policy rate at 2.75% overnight as widely expected. It sounded like a mildly hawkish hold that observed inflation is relatively tame. That's largely because of fuel subsidies and caps that have kept prices down.

The Swiss franc rallied a touch on the back of stronger than expected GDP and inflation figures. Q2 GDP was up by 1.9% q/q SAAR (consensus 1.7%) with some of the beat due to a small downward revision to Q1 (0.6% from 0.7%). CPI increased by 0.4% m/m (consensus 0%). That still leaves inflation running at just 0.8% y/y (0.8% consensus) with core at 0.4% y/y (consensus 0.3%).

Chart 3



Sources: Scotiabank Economics, Eurostat.

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			
	4.36	4.37	4.23	4.53	4.53	4.40	4.77	4.78	4.68	5.25	5.26	5.19	Canada - BoC	2.25	
	3.09	3.10	2.97	3.40	3.42	3.30	3.79	3.79	3.71	4.16	4.17	4.13	US - Fed	3.75	
	2.97	3.00	2.86	3.10	3.12	2.98	3.35	3.38	3.25	3.83	3.84	3.76			
	1.85	1.87	1.70	2.28	2.32	2.16	2.96	3.03	2.91	4.08	4.17	4.08	England - BoE	3.75	
	4.56	4.62	4.36	4.66	4.72	4.58	5.17	5.23	5.03	5.82	5.87	5.76			
	Spreads vs. U.S. (bps):														
	-127	-127	-127	-113	-112	-110	-99	-99	-97	-109	-109	-106	Euro zone - ECB	2.40	
	-139	-137	-137	-143	-141	-142	-142	-140	-142	-142	-142	-144	Japan - BoJ	1.00	
-252	-250	-254	-225	-222	-224	-182	-175	-177	-117	-108	-112				
19	24	12	13	18	17	40	45	35	57	61	56	Mexico - Banxico	6.50		
Equities	Level					% change:									
	Last				Change		1 Day	1-wk	1-mo	1-yr					
S&P/TSX	36092				265.9		0.7	-2.0	2.5	25.5	Australia - RBA				4.35
Dow 30	53062				295.1		0.6	-0.8	-0.2	17.2	New Zealand - RBNZ				2.75
S&P 500	7667				35.1		0.5	-0.1	0.9	18.9					
Nasdaq	26218				118.1		0.5	0.3	1.2	22.0					
DAX	25850				10.3		0.0	-2.0	-0.6	9.6					
FTSE	10789				33.0		0.3	-0.8	-0.6	17.6					
Nikkei	64214				-111.2		-0.2	-2.9	0.7	53.1	Canada - BoC				Oct 28, 2026
Hang Seng	25213				-97.9		-0.4	-1.4	-3.1	-0.5	US - Fed				Sep 16, 2026
CAC	8262				-18.5		-0.2	-0.7	-4.1	7.0	England - BoE				Sep 17, 2026
Commodities	Level					% change:									
WTI Crude	92.39				1.38		1.5	10.6	15.0	44.4	Euro zone - ECB				Sep 10, 2026
Natural Gas	2.99				0.03		1.1	2.8	7.5	-2.4	Japan - BoJ				Sep 18, 2026
Gold	4432.94				51.26		1.2	-3.6	9.3	24.5					
Silver	65.77				0.45		0.7	-5.0	13.1	59.6					
CRB Index	416.84				-0.46		-0.1	3.8	9.7	37.7					
Currencies	Level					% change:									
USDCAD	1.3802				-0.0040		-0.3	-0.4	-1.7	0.1	Mexico - Banxico				Sep 24, 2026
EURUSD	1.1610				0.0022		0.2	-0.4	0.9	-0.4	Australia - RBA				Sep 29, 2026
USDJPY	156.11				-2.6000		-1.6	-2.1	-0.7	5.4	New Zealand - RBNZ				Oct 27, 2026
AUDUSD	0.7193				0.0024		0.3	-0.0	2.8	9.9					
GBPUSD	1.3491				0.0005		0.0	-0.8	0.4	0.3					
USDCHF	0.8088				-0.0041		-0.5	0.6	-0.2	0.6					

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