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GLOBAL ECONOMICS

DAILY POINTS

September 3, 2026 @ *7:30 EST*

Contributors

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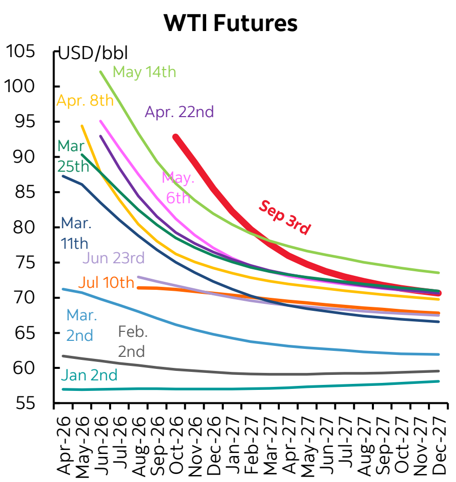
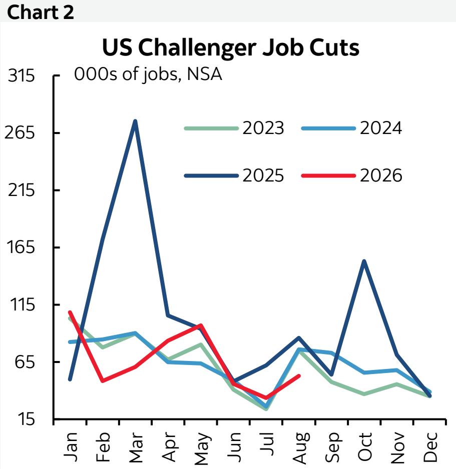
Chart 1



Sources: Scotiabank Economics, Bloomberg.

Chart 2



Sources: Scotiabank Economics, Challenger, Gray & Christmas Inc.

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.

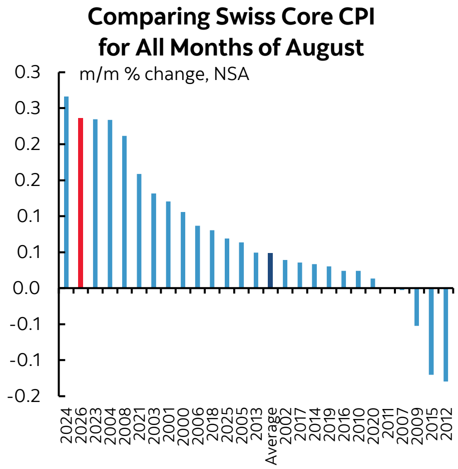
Previews for nonfarm and Canadian jobs were offered in my **weekly**. Scotia's house calls are +30k for nonfarm and +20k for Canadian jobs.

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.

Chart 3



Sources: Scotiabank Economics, Eurostat.

And the arrival on Saturday of the FOMC communications blackout is causing of 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%).

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.	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	3.09	3.10	2.97	3.40	3.42	3.30	3.79	3.79	3.71	4.16	4.17	4.13
GERMANY	2.97	3.00	2.86	3.10	3.12	2.98	3.35	3.38	3.25	3.83	3.84	3.76
JAPAN	1.85	1.87	1.70	2.28	2.32	2.16	2.96	3.03	2.91	4.08	4.17	4.08
U.K.	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):											
CANADA	-127	-127	-127	-113	-112	-110	-99	-99	-97	-109	-109	-106
GERMANY	-139	-137	-137	-143	-141	-142	-142	-140	-142	-142	-142	-144
JAPAN	-252	-250	-254	-225	-222	-224	-182	-175	-177	-117	-108	-112
U.K.	19	24	12	13	18	17	40	45	35	57	61	56

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
Dow 30	53062	295.1	0.6	-0.8	-0.2	17.2
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
Hang Seng	25213	-97.9	-0.4	-1.4	-3.1	-0.5
CAC	8262	-18.5	-0.2	-0.7	-4.1	7.0

Commodities	Level		% change:			
WTI Crude	92.39	1.38	1.5	10.6	15.0	44.4
Natural Gas	2.99	0.03	1.1	2.8	7.5	-2.4
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
EURUSD	1.1610	0.0022	0.2	-0.4	0.9	-0.4
USDJPY	156.11	-2.6000	-1.6	-2.1	-0.7	5.4
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

Central Banks	
Current Rate	
Canada - BoC	2.25
US - Fed	3.75
England - BoE	3.75
Euro zone - ECB	2.40
Japan - BoJ	1.00
Mexico - Banxico	6.50
Australia - RBA	4.35
New Zealand - RBNZ	2.75
Next Meeting Date	
Canada - BoC	Oct 28, 2026
US - Fed	Sep 16, 2026
England - BoE	Sep 17, 2026
Euro zone - ECB	Sep 10, 2026
Japan - BoJ	Sep 18, 2026
Mexico - Banxico	Sep 24, 2026
Australia - RBA	Sep 29, 2026
New Zealand - RBNZ	Oct 27, 2026