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GLOBAL ECONOMICS

DAILY POINTS

September 14, 2026 @ 7:10 EST

Contributors

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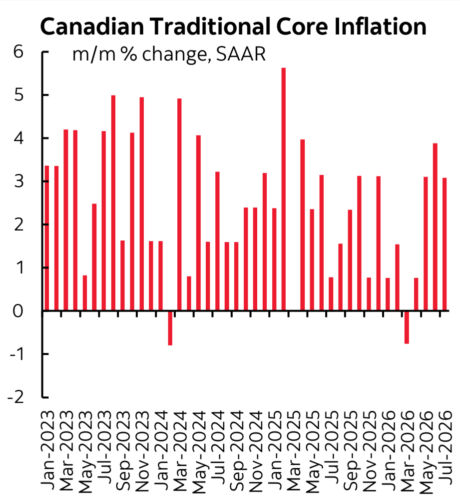
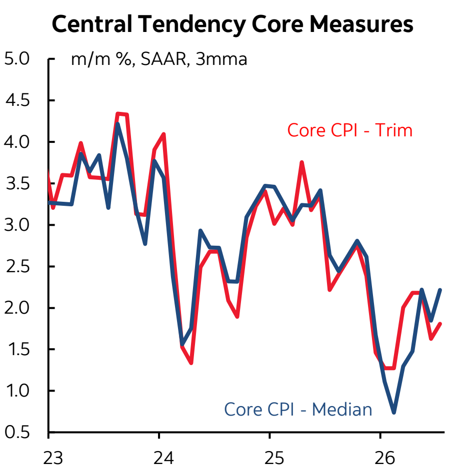
Chart 1



Sources: Scotiabank Economics, Statistics Canada.

Chart 2



Sources: Scotiabank Economics, Statistics Canada.

On Deck for Monday, September 14th

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	09-14	08:30	Core CPI - Median (y/y)	Aug	--	2.0	2.0
CA	09-14	08:30	Core CPI - Trim (y/y)	Aug	--	1.9	1.9
CA	09-14	08:30	CPI, All items (m/m)	Aug	0.1	-0.1	0.5
CA	09-14	08:30	CPI, All items (y/y)	Aug	3.2	3.0	3.0
CA	09-14	08:30	CPI, All items (index)	Aug	--	169.8	169.9
CA	09-14	08:30	Manufacturing Shipments (m/m)	Jul	-0.2	-0.2	0.1
CA	09-14	08:30	Core CPI - Common (y/y)	Aug	--	--	2.7
CA	09-14	08:30	CPI SA, All items (m/m)	Aug	--	--	0.3

KEY POINTS:

- **Stocks and bonds under pressure…**
- **…as oil prices continue to rise…**
- **…AI-warnings are hitting tech stocks…**
- **…and the aftermath of US CPI spills into European, Asian markets**
- **Canadian CPI update due, but does it even matter?**
- **Here is Canada's Investment Summit "prospectus"**
- **China's financing activity continues to slow to a quarter-century low**
- **Treat Trump's remark on a CUSMA deal with scepticism**
- **What could Carney's pining for a stronger affiliation with the EU entail?**
- **Global Week Ahead — Shouldn't But Probably Will (reminder here)**

Another day, another gain for oil prices. A shut Saudi pipeline late on Friday, a postponed meeting of Middle Eastern countries with Iran, and general tensions in the Middle East are behind about a 2–3% rise in oil prices to start the week. US Treasury yields are flat after Friday's post-CPI sell off. Canadian yields are slightly higher. EGBs and gilts are catching up to higher oil and US CPI with bear flatteners marked by 4–6bp increases in short-term yields. US Treasury yields are little changed, having repriced expectations for Wednesday's FOMC meeting after CPI (+22bps at present).

Equities are broadly lower with losses between less than ¼% (TSX futures), -¾% (S&Ps) and -1½% (Nasdaq) and with European exchanges trading in between this range except for a gain in London. Hitting the brakes on AI-related investment is contributed to the negative tone.

The dollar is broadly stronger again all major crosses on safe haven seeking. CAD is outperforming on oil and weekend headlines from Trump's remark that a CUSMA/USMCA deal could arrive "fairly soon." Treat with high scepticism given a) his erratic behaviour, b) he's promising a lot on the lead up to midterms, and c) maybe he's starting the read the room as Canada embraces and investment-led agenda and is perhaps turning toward a partnership with the EU in some form. We should learn more this week when Carney attends the EU Parliament as a guess of honour at EU Commission President von der Leyen's annual speech on Wednesday and then addresses parliament himself the next day.

WHAT COULD CLOSER CANADA-EU TIES ENTAIL?

What exactly would EU associate membership entail? We don't know is the short answer. There is speculation it might entail the free movement of goods and services between Canada and Europe, allow Canadians to live and work in Europe sans visas, promote investment such as underwater cables, joint data centers, and new satellite networks to compete against American offerings, and sign long-term deals for providing resources such as energy. It's all speculation and frankly don't get your hopes too high; the dysfunctional EU still hasn't fully approved the Canada-EU Comprehensive Economic and Trade Agreement (CETA) of 2017; many provisions are in force, but not all. The list of 10 countries that are holding it up (17 have ratified) and the parts that are not yet in force are listed **here**.

CANADA'S INVESTMENT PROSPECTUS

Canada's Investment Summit is swinging into high gear. **Here** is a copy of the 66 page "prospectus" with project details. Expect announcements this week on individual projects.

WILL CANADIAN CPI EVEN MATTER?

Canada will refresh CPI for the month of August this morning. It's one of two CPI prints before the next Bank of Canada decision on October 28th and it's unclear that backward inflation will carry the day on that decision as oil rips, fiscal stimulus is charging ahead, and Canada is on the path toward shutting spare capacity probably by early next year.

Consensus expects CPI to slip -0.1% m/m in seasonally unadjusted terms with most estimates in the -0.1% to +0.1% range (Scotia +0.1%). That would mean the year-over-year rate could land between 3% and 3.2% (Scotia 3.2%).

And those figures don't matter. If anything does, then it would be the core measures in m/m seasonally adjusted at an annualized rate terms (SAAR). See charts 1 and 2. Traditional core (ex-food and energy) has been over 3% m/m SAAR for three straight months. Trimmed mean and weighted median have been close to 2% y/y but more importantly were warmed in July in SAAR terms. See my weekly for a fuller preview.

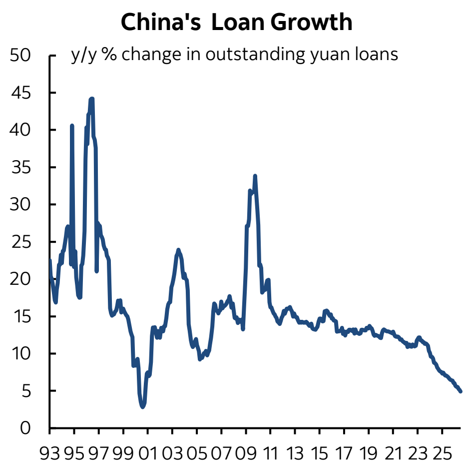
CHINA'S FINANCING ACTIVITY CONTINUES TO EBB

China refreshed monthly financing figures for August this morning (charts 3–6). They are a soup to nuts take on every form of financing in China's economy including domestic yuan-denominated loans, FX loans, bond and equity financing, and various shadow financing products.

Chart 3 shows that the deceleration in domestic currency loan growth continues in terms of y/y growth in balances outstanding; it's at its weakest since just after the Asian financial crisis and dot-com bust. Chart 4 shows the flow of new loans that is also decelerating.

Chart 5 shows that the flow of aggregate financing activity summed across all products is relatively stable in recent years, but relative to the expanding total pie of such activity the growth rate continues to dwindle (chart 6). As shares of ytd total financing, yuan-denominated loans equal 43%, corporate bond issuance accounts for 12% and government bond issuance equals 37% with the remaining small amounts spread across equity issuance, short-term paper, and shadow banking products.

Chart 3



Sources: Scotiabank Economics, Bloomberg.

Chart 4

Sources: Scotiabank Economics, Bloomberg.

Chart 5

Sources: Scotiabank Economics, Bloomberg.

Chart 6

Sources: Scotiabank Economics, Bloomberg.

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.	4.63	4.63	4.37	4.79	4.78	4.55	4.97	4.97	4.78	5.34	5.35	5.24
CANADA	3.37	3.35	3.10	3.66	3.64	3.45	3.95	3.94	3.78	4.28	4.27	4.16
GERMANY	3.24	3.20	3.01	3.32	3.29	3.13	3.52	3.50	3.39	3.88	3.90	3.85
JAPAN	1.85	1.84	1.85	2.30	2.28	2.24	3.01	2.99	2.93	4.09	4.05	4.01
U.K.	4.88	4.81	4.57	4.95	4.90	4.67	5.36	5.34	5.18	5.91	5.91	5.82
	Spreads vs. U.S. (bps):											
CANADA	-127	-127	-127	-113	-114	-110	-102	-103	-101	-107	-108	-108
GERMANY	-139	-143	-136	-146	-149	-141	-145	-146	-140	-146	-146	-139
JAPAN	-278	-278	-252	-249	-251	-230	-196	-198	-186	-126	-130	-123
U.K.	24	19	21	16	11	13	40	38	39	57	56	57

Equities	Level		% change:			
	Last	Change	1 Day	1-wk	1-mo	1-yr
S&P/TSX	35697	191.2	0.5	-2.6	-2.8	21.9
Dow 30	52573	509.2	1.0	-2.1	-2.2	14.7
S&P 500	7657	65.3	0.9	-1.2	-1.7	16.3
Nasdaq	26333	251.3	1.0	-0.9	-1.5	18.9
DAX	25482	-86.3	-0.3	-2.0	-3.6	7.5
FTSE	10726	75.9	0.7	-0.9	-0.2	15.5
Nikkei	63493	-518.3	-0.8	-4.4	-7.6	41.8
Hang Seng	24918	112.0	0.5	-1.9	-0.8	-5.6
CAC	8126	-54.0	-0.7	-2.2	-5.9	3.8
Commodities	Level		% change:			
WTI Crude	102.37	2.32	2.3	11.9	24.2	63.3
Natural Gas	2.89	0.06	2.2	-2.7	5.9	-1.6
Gold	4295.37	-53.71	-1.2	-2.5	-1.9	16.8
Silver	62.89	-1.60	-2.5	-4.9	-2.8	47.3
CRB Index	423.08	-6.07	-1.4	1.5	8.1	40.2
Currencies	Level		% change:			
USDCAD	1.3892	0.0021	0.2	0.6	0.1	0.8
EURUSD	1.1542	-0.0057	-0.5	-0.7	-0.2	-1.9
USDJPY	154.54	0.9300	0.6	0.1	-3.0	4.8
AUDUSD	0.7129	-0.0040	-0.6	-1.2	0.6	6.9
GBPUSD	1.3489	-0.0035	-0.3	-0.4	-0.4	-0.8
USDCHF	0.8174	0.0009	0.1	1.0	0.5	2.9

Central Banks	
Current Rate	
Canada - BoC	2.25
US - Fed	3.75
England - BoE	3.75
Euro zone - ECB	2.65
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	Oct 29, 2026
Japan - BoJ	Sep 18, 2026
Mexico - Banxico	Sep 24, 2026
Australia - RBA	Sep 29, 2026
New Zealand - RBNZ	Oct 27, 2026