Scotiabank.

GLOBAL ECONOMICS

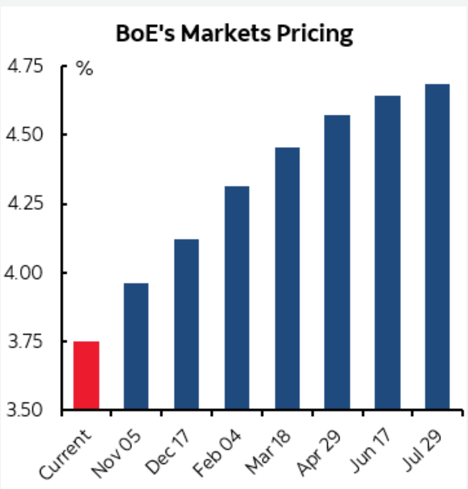
DAILY POINTS

September 17, 2026 @ *7:45 EST*

Contributors

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

Chart 1



Sources: Scotiabank Economics, Bloomberg.

On Deck for Thursday, September 17th

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	09-17	08:30	International Securities Transactions (C$ bn)	Jul	--	--	40.8
CA	09-17	08:30	IPPI (m/m)	Aug	--	0.0	0.6
CA	09-17	08:30	Raw Materials Price Index (m/m)	Aug	--	0.8	-2.2
US	09-17	08:30	Building Permits (000s a.r.)	Aug P	--	1408.0	1433.0
US	09-17	08:30	Housing Starts (000s a.r.)	Aug	1320	1320.0	1239.0
US	09-17	08:30	Housing Starts (m/m)	Aug	6.5	6.7	-12.4
US	09-17	08:30	Initial Jobless Claims (000s)	Sep 12	205	206.5	206.0
US	09-17	08:30	Continuing Claims (000s)	Sep 05	1780	1779.0	1774.0
US	09-17	08:30	Philadelphia Fed Index	Sep	--	32.1	47.4
US	09-17	10:00	Pending Home Sales (m/m)	Aug	--	-0.1	-2.3

KEY POINTS:

- **Markets starting off in a better place than yesterday afternoon**
- **FOMC aftermath: US yields rally but retain most of the post-FOMC rise**
- **BoE holds, warns, but doesn't quite sound ready to tighten**
- **Takeaways from PM Carney's speech**
- **Canadian producer price update a leading indicator of consumer inflation**
- **US claims, housing starts on tap**
- **Kiwi dollar firms on mild GDP beat**

The FOMC was sooo yesterday; onto the next obsession (FOMC recap **here**). That's the dominant narrative across markets this morning. US 2s are rallying a touch (-2bps) but are still about 12bps higher than just before yesterday's 2pmET announcements. US Ts are slightly bull flattening in 2s10s. Canadian yields are falling by a little more as front-end traders hand the keys to 2s over to WTI. Oil prices are down by about a couple of bucks. Equities are rallying by between 1/2% and over 1% (Nasdaq) across major global benchmarks. The dollar is slightly softer except against sterling and the won, while CAD and NOK are flat and underperforming due to lower oil.

CANADIAN PM CARNEY'S SPEECH

Canadian PM Carney's address to the European parliament is available to watch **here** or **here** and the latter may post the written transcript. He again frankly made many Canadians proud they have the right leader at the right time with the guts and intellect to do the job. His speech laid out a few more specifics in terms of what is being sought and offered on associate membership in the EU but only in very general terms and absent timelines. The list includes partnering on critical minerals and defence, AI, energy security, computing, allowing students to live and study in each other's regions via membership in the Erasmus+ program, and greater integration of agriculture and financial services. He pointedly noted that:

"I am not proposing a third bloc in order to become a great-power rival—only with better manners. We do not seek power to dominate others. On the contrary, we are pursuing resilience so no one, no one can control our open markets, impair our sovereignty, threaten our territorial integrity, or undermine our freedoms, our democracies, our rule of law."

These remarks were clearly aimed at the US and Trump—along with other veiled pokes during his speech—who responded yesterday to a question on how Canada may receive unprecedented associate membership in the EU with the following:

"If they do that, if I think it's at all a hostile act, I will put very serious tariffs or stop trading with Europe on many things. If Europe does that with a bad intention—if it's a good intention, that's fine—if it's a bad intention, we'll put very heavy tariffs on Europe."

Such remarks are likely best treated as jealous venting because Carney enjoyed a degree of warm adulation that Trump would never get in Europe. We'll see if Trump reacts today upon being advised on the contents from someone who has perhaps read the speech.

Yet make no mistake about the US intent—it seeks to control what agreements countries and regions can sign with each other as a direct violation of their sovereignty. On that, any hostile US tariffs could invite escalation of an EU-US-Canada trade war.

BANK OF ENGLAND—NOT QUITE READY

The Bank of England's MPC left Bank Rate unchanged at 3.75% as widely anticipated in a 6–3 vote with three preferring a hike which is unchanged despite some concern there may have been more this time. There was a modest relief rally in gilts and sterling softened somewhat as the verbiage fell a little short of more aggressively teeing up a move at the next meeting. Chart 1 shows updated meeting pricing. Key in the **statement** compared to the **prior** one was reference to how "There has been little evidence so far of material second-round effects in price and wage-setting." Nevertheless, the statement noted that "risks to the inflation outlook are tilted to the upside, and more so than at the time of the July Monetary Policy Report." The statement also noted that tightening risk "is greater the longer higher energy prices persists or are more volatile." November meeting pricing slipped by about 3–4 bps to 21bps of a quarter point hike. The 2-year gilt yield fell 6bps partly on position swings that were pushing the yield higher in the minutes leading up to the communications.

NZ$ BUOYED BY GDP BEAT

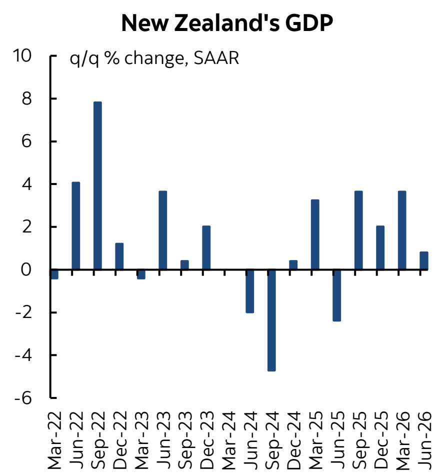
New Zealand's economy mildly beat expectations which buoyed the NZ$ a touch and contributed to two-thirds pricing of a 25bps hike on October 28th. Q2 GDP grew by 0.2% q/q SA (0.1% consensus) and the prior quarter's strong gain was revised up a tick to 0.9% q/q SA (chart 2). Growth was not particularly broad and led by construction, manufacturing, utilities, and IT.

N.A.—CANADIAN PRODUCER PRICES, LIGHT US DATA

North America's calendar is fairly light this morning.

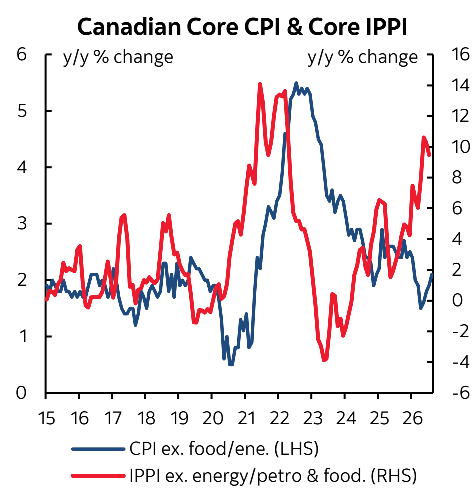
- Canada refreshes producer prices for August (8:30amET). Core industrial prices serve as a leading indicator of pass-through risk into core CPI (chart 3).
- US initial jobless claims are expected to continue hovering just above 200k with continuing claims still hovering toward the lows of early 2024.
- US housing starts during August are expected to partially rebound from the 12% prior drop (8:30amET).

Chart 2



Sources: Scotiabank Economics, Bloomberg.

Chart 3



Sources: Scotiabank Economics, Statistics Canada.

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.	4.71	4.74	4.59	4.83	4.88	4.76	4.97	5.02	4.96	5.32	5.36	5.37
CANADA	3.31	3.37	3.33	3.59	3.66	3.64	3.88	3.94	3.95	4.20	4.26	4.28
GERMANY	3.25	3.22	3.24	3.33	3.31	3.31	3.51	3.51	3.50	3.86	3.87	3.88
JAPAN	1.87	1.86	1.83	2.30	2.29	2.23	3.00	3.01	2.92	4.09	4.13	4.00
U.K.	4.72	4.76	4.87	4.80	4.85	4.95	5.24	5.30	5.37	5.77	5.86	5.93
	Spreads vs. U.S. (bps):											
CANADA	-140	-137	-126	-124	-123	-112	-110	-108	-101	-112	-110	-108
GERMANY	-146	-152	-135	-150	-157	-145	-146	-152	-146	-146	-149	-148
JAPAN	-284	-288	-276	-253	-259	-253	-197	-201	-204	-123	-124	-136
U.K.	1	2	28	-3	-3	19	26	27	41	45	50	56

Equities	Level		% change:			
	Last	Change	1 Day	1-wk	1-mo	1-yr
S&P/TSX	35491	-90.8	-0.3	-1.2	-3.2	21.0
Dow 30	51462	-631.2	-1.2	-1.8	-3.7	11.8
S&P 500	7552	-33.9	-0.4	-1.1	-2.5	14.4
Nasdaq	25978	-3.1	-0.0	-1.0	-2.5	16.7
DAX	25694	156.0	0.6	1.3	-2.4	10.0
FTSE	10744	55.1	0.5	1.3	0.2	16.7
Nikkei	64136	213.3	0.3	-1.7	-7.3	43.2
Hang Seng	24604	-109.5	-0.4	-1.4	-3.3	-8.6
CAC	8167	26.6	0.3	0.6	-4.8	4.9

Commodities	Level		% change:			
WTI Crude	100.73	-1.70	-1.7	-1.7	19.2	57.3
Natural Gas	2.89	-0.00	-0.2	1.8	7.3	-6.9
Gold	4327.37	63.72	1.5	0.2	-2.0	18.2
Silver	64.15	1.17	1.9	0.9	-2.5	53.9
CRB Index	426.14	-2.98	-0.7	0.7	7.3	40.4

Currencies	Level		% change:			
USDCAD	1.3997	0.0009	0.1	1.2	0.9	1.6
EURUSD	1.1469	0.0004	0.0	-1.2	-1.0	-2.9
USDJPY	155.83	-0.4300	-0.3	0.9	-2.3	6.0
AUDUSD	0.7108	0.0020	0.3	-0.7	0.0	6.8
GBPUSD	1.3368	-0.0013	-0.1	-1.1	-1.3	-1.9
USDCHF	0.8260	0.0003	0.0	1.6	1.9	4.7

Central Banks	
Current Rate	
Canada - BoC	2.25
US - Fed	4.00
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	Oct 28, 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