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GLOBAL ECONOMICS

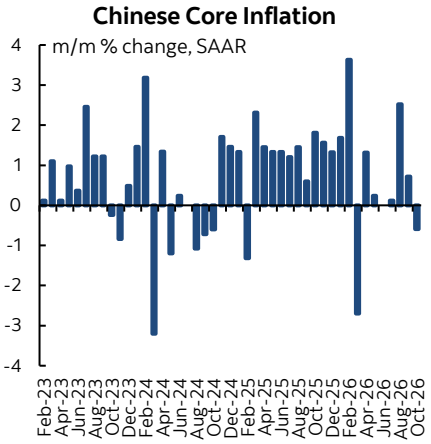
DAILY POINTS

November 9, 2026 @ *7:10 EST*

Contributors

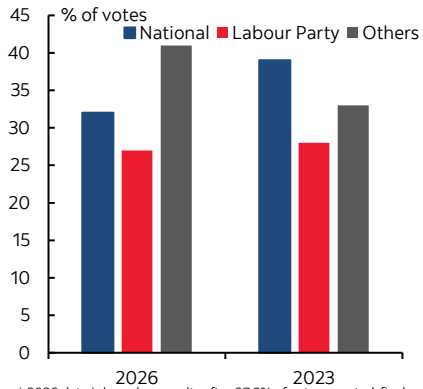
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Chart 1



Sources: Scotiabank Economics, China National Bureau of Statistics.

Chart 2



* 2026 data is based on results after 97.3% of votes counted, final results are due on November 27

Sources: Scotiabank Economics, Electoral Commission of New Zealand, Reuters.

On Deck for Monday, November 9th

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	11-09	10:00	Wholesale Inventories (m/m)	Sep F	--	0.6	0.6
US	11-09	10:00	Fed's Goolsbee Speaks in Moderated Q&A				
US	11-09	12:15	Fed's Barkin Speaks to Greater Greer Chamber of Commerce				

KEY POINTS:

- **Risk-on as AI trade rebounds despite Nvidia's troubling romance**
- **Oil down again in lose-lose situation for US-Israeli coalition**
- **NZ election tentatively buoys the NZ$**
- **The PBOC's inflation target is pointless**
- **China formalizes temporary deescalation of trade war with US**
- **German trade rebounds**
- **Mexican CPI surprises a touch higher**
- **Fed-speak to react to nonfarm on eve of CPI**
- **Philippines peso sinks on GDP miss, ignores Canada deal**
- **Otherwise quiet N.A. calendars**
- **Global Week Ahead—It Won't be Lame (reminder here)**

Stocks are broadly higher partly as the AI trade rebounds and oil prices continue to slide in the wake of a solid nonfarm payrolls reading (recap **here**). With any luck, US CPI won't ruin it all tomorrow with core expected to be up 0.3% m/m SA (consensus 0.2%).

US futures are up by around ½% including Nasdaq futures as the AI trade rebounds despite Nvidia's troubling romance that has its stock down in the pre-market. TSX futures are also up by about ¾%. European cash markets are rallying by between ¾% and 2%.

Sovereign bond yields are mixed with Treasury yields flat, gilts and EGBs slightly richer, and Key Asian curves ending the overnight session a touch cheaper.

The USD is broadly softer against all majors. The biggest outliers are the won (recovering AI-trade), the Philippine peso (big miss on GDP) and the NZ$ (election results).

OIL DOWN ON AS IRANIAN REGIME IS APPEARING VICTORIOUS

It's lose-lose for the Trump administration in Iran which presents an awkward combination of lower energy prices accompanied by political defeat. Trump punctuated this assessment by stating that attacking Iran is "highly unlikely."

Do nothing further against Iran, and you've achieved nothing since February. Iran's regime is still in place, it still retains enriched uranium, it continues to develop nuclear technology, it retains large stockpiles of missiles and drones that it is growing, and it retains plenty of friends in low places.

Yet the US administration can't do much for two reasons. It may be losing its Israeli partner given that President Herzog asked Gadi Eisenkot to attempt to piece together a fragile coalition government that could include Arab party partners, though success against incumbent PM Netanyahu is not assured. Several weeks of uncertainty may lie ahead.

Further, the US will to escalate the war against Iran is weak, given political realities after a drubbing in the midterms and the party's future by 2028 heavily in doubt.

Lower gas prices may await, but America may have lost another conflict against an inferior foe in what has amounted to a totally botched conflict from the beginning. The outlook for energy prices is uncertain amid a Middle East situation that has been worsened by a thoroughly mismanaged war and with Iran holding all the cards in any negotiations including over such matters as the future of the Strait of Hormuz.

MOSTLY QUIET N.A. CALENDARS

A wave of weekly Fed-speak starts with Vice Chair Bowman (8:40amET), then Chicago's Goolsbee and Richmond's Barkin (12:15pmET). Reaction to nonfarm payrolls will be a focus but may be tempered on the eve of fresh inflation figures due out tomorrow.

Mexican CPI slightly surprised higher in October (0.65% m/m, 0.56% consensus). The fact that Mexico releases CPI on a bi-weekly basis makes a monthly surprise somewhat rare. Core CPI was in line at 0.32% m/m.

Otherwise, the US and Canadian calendars will be quiet today.

THE PBOC'S INFLATION TARGET IS A JOKE

China's rate of inflation moved a touch lower in October. Total CPI was up by only 0.7% y/y (0.9% prior, 0.8% consensus). Core CPI was up 0.8% y/y (1.0% prior, 0.9% consensus). In month-over-month seasonally unadjusted terms (as per convention), core CPI was little changed and hence a little lower than typical when comparing like months of October over history (chart 1).

The PBOC clearly doesn't treat its 3% inflation target seriously as it serially falls well shy of it. It may not wish to inflame property markets all over again as they continue to decline, but the yuan has been on a sharply appreciating trend since April of last year; it has gained about 9% to the dollar over this period.

NEW ZEALAND'S ELECTION NAILBITER BUOYS THE NZ$ — FOR NOW

The NZ$ outperformed other major crosses in the wake of the NZ election results even though final results will be pending for a while. Chart 2 shows the outcome so far. The incumbent National Party and its coalition partners—Act Party and NZ First—appear to have won a fragile majority by a single seat despite having their numbers culled. Other coalitions are being explored and counting of special votes including overseas voters will continue.

CHINA FORMALIZES TEMPORARY DEESCALATION OF TRADE WAR

China formally suspended additional retaliatory 24% tariffs on US goods for two months and held the rate at 10% on some goods while also suspending plans to impose special fees on US ships at Chinese ports. The move formalizes a step that was agreed upon between China and the US earlier and following the US-China Summit. China noted that it is watching US plans to replace IEEPA tariffs with 301 tariffs as a sign of the conditionality surrounding next steps.

GERMANY'S EXPORTS REBOUNDED SHARPLY

German export growth came back from the dead in September. Exports were up 2% m/m after two months of decline. Growth was the strongest since February. Imports grew by even more than exports (4.2% m/m), therefore squeezing the net trade balance, although that remains largely trendless through recent years.

PHILIPPINE PESO HIT BY GDP MISS

News that the Philippines and Canada have struck a trade agreement didn't budge the peso, but disappointing GDP did. The trade relationship with Canada is too small to matter for now. Q3 GDP landed at 0.1 % q/q (0.8% consensus) with a slight downward revision to Q2 (0.5% instead of 0.6%). The year-over-year rate fell back to 2.1% (3.1% consensus) in a pretty stunning downside disappointment to local forecasters.

Across the components, consumption was up 2.4% y/y as growth continues to slide. Investment was flat (-0.2% y/y). Exports were up 8.6% y/y while imports accelerated to 7.7% y/y. Inventories were flat again.

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.	4.53	4.51	4.60	4.65	4.65	4.71	4.86	4.86	4.91	5.26	5.27	5.29
CANADA	3.13	3.14	3.27	3.36	3.37	3.48	3.65	3.66	3.75	3.99	4.00	4.07
GERMANY	2.99	2.99	3.04	3.07	3.07	3.11	3.25	3.25	3.29	3.63	3.63	3.66
JAPAN	1.77	1.74	1.89	2.09	2.06	2.24	2.67	2.65	2.78	3.85	3.84	3.89
U.K.	4.74	4.77	4.80	4.78	4.80	4.84	5.12	5.15	5.19	5.58	5.61	5.63
	Spreads vs. U.S. (bps):											
CANADA	-140	-138	-133	-129	-128	-123	-121	-120	-116	-127	-127	-121
GERMANY	-154	-152	-156	-158	-158	-160	-161	-160	-162	-163	-164	-162
JAPAN	-276	-277	-270	-257	-258	-247	-219	-220	-213	-141	-143	-140
U.K.	21	25	20	13	16	13	26	30	28	32	35	34

Equities	Level		% change:			
	Last	Change	1 Day	1-wk	1-mo	1-yr
S&P/TSX	35789	183.8	0.5	0.5	0.3	19.6
Dow 30	51286	-237.3	-0.5	-0.9	-0.7	9.1
S&P 500	7377	23.1	0.3	-2.7	-5.6	9.6
Nasdaq	24579	264.4	1.1	-3.4	-10.2	6.8
DAX	26078	257.3	1.0	0.4	3.9	10.6
FTSE	10750	75.8	0.7	-0.1	1.9	11.0
Nikkei	58776	1340.7	2.3	-7.1	-14.9	16.9
Hang Seng	24449	-32.9	-0.1	4.5	1.0	-6.8
CAC	8200	60.8	0.7	1.9	5.1	3.1
Commodities	Level		% change:			
WTI Crude	88.57	-2.26	-2.5	-8.2	-3.6	48.2
Natural Gas	3.01	0.02	0.5	5.5	-6.4	-30.2
Gold	4109.46	38.66	0.9	4.1	-2.0	-0.2
Silver	52.70	0.78	1.5	4.1	-13.4	4.3
CRB Index	390.05	-0.49	-0.1	-5.1	-6.0	29.6
Currencies	Level		% change:			
USDCAD	1.4096	-0.0032	-0.2	0.8	-1.1	0.5
EURUSD	1.1187	0.0044	0.4	0.0	-0.1	-3.2
USDJPY	157.96	-0.5200	-0.3	0.0	-0.2	2.5
AUDUSD	0.6898	0.0031	0.5	-1.4	-1.2	5.5
GBPUSD	1.3413	0.0061	0.5	0.1	1.4	1.8
USDCHF	0.8185	-0.0020	-0.2	-0.0	-1.4	1.7

Central Banks	
Current Rate	
Canada - BoC	2.50
US - Fed	4.00
England - BoE	4.00
Euro zone - ECB	2.65
Japan - BoJ	1.25
Mexico - Banxico	6.25
Australia - RBA	4.85
New Zealand - RBNZ	2.75
Next Meeting Date	
Canada - BoC	Dec 09, 2026
US - Fed	Dec 09, 2026
England - BoE	Dec 17, 2026
Euro zone - ECB	Dec 17, 2026
Japan - BoJ	Dec 18, 2026
Mexico - Banxico	Dec 17, 2026
Australia - RBA	Dec 07, 2026
New Zealand - RBNZ	Dec 08, 2026

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