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GLOBAL ECONOMICS

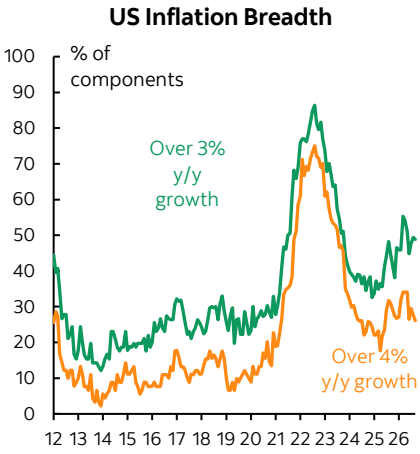
DAILY POINTS

November 10, 2026 @ *7:10 EST*

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Chart 1



Sources: Scotiabank Economics, BLS.

On Deck for Tuesday, November 10th

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	11-10	08:30	CPI (m/m)	Oct	0.3	0.3	0.6
US	11-10	08:30	CPI (index)	Oct	--	337.2	336.9
US	11-10	08:30	CPI ex. Food & Energy (m/m)	Oct	0.3	0.2	0.3
US	11-10	04:00	Fed's Waller Gives Keynote Speech				
US	11-10	10:50	Fed's Logan Gives Opening Remarks				
CA	11-10	13:30	Bank of Canada Summary of Deliberations				
US	11-10	13:30	Fed's Schmid Participates In Fireside Chat				
US	11-10	18:30	Fed's Paulson Speaks on Economic Outlook				
US	11-10	18:30	Fed's Bowman Speaks on Economic Outlook				

KEY POINTS:

- **Fed Governor Waller spiked the US front-end…**
- **…shifting market positioning into US CPI**
- **Has the US monetary policy dialogue gotten absurd?**
- **US CPI preview**
- **Oil is down again—but hardly cheap, with ongoing cost pressures**

It's US CPI day. I wouldn't say it's right up there with that important milestone on your social calendar or gotta-see big game, but it's a big deal in the obsessive world of mercurial Fed watchers.

Ditto for Fed officials. Enter Governor Waller who is at it again. He said this morning that he could support a 50 bps move on December 9th pending today's readings for inflation last month. Recall that he came out swinging just before July CPI, saying that he'd support a hike at the July 29th meeting dependent upon the outcome of US CPI on July 14th. That reading coughed up a donut (0% m/m core CPI) and Waller recanted thereafter. He has a proclivity toward attracting attention around big single point data calls and just did it again.

Waller's remarks shifted positioning into CPI. The US two-year yield jumped nearly 7bps right at 4amET when his overseas speech hit the screens. Pricing for the December meeting jumped about 4bps to a full quarter-point hike and if CPI is strong then it may go beyond. The dollar was given somewhat of a boost. US equity futures largely shook it off but are underperforming bigger gains in European cash markets that could be a lagging reaction to yesterday afternoon's N.A. gains.

Oil is down another $1-2. WTI is nearly US$20 below the late October peak and back to early September levels but still about US$30 higher than where it was at the start of the year so let's not be tempted to call it cheap with cost pass through over with; it's not. Brent is about US$23 off the late October peak and back to early September levels but still about US$30 higher than the start of the year.

Here is exactly what Waller said, snipped out of his **speech**:

"This means that even if, as I expect, the monthly rate of inflation improves in October, I am leaning toward supporting an increase in our policy rate of 25 basis points at the FOMC's December meeting. That's my plan if things proceed as I expect. But if the October CPI inflation data out later today are similar to the past two monthly readings—with core CPI inflation around 0.3 percent or even higher—then a stronger policy move may be needed. In that case, I believe a 50 basis point hike in the policy rate should be considered at the December meeting. Hiking only 25 basis points would put our credibility at risk, a risk I am not eager to take."

My bigger problem is the extent to which the FOMC has apparently given up on forecasting and taken its lead from Chair Warsh in that regard since he spends all of his time boycotting forecasts and avoiding guidance in favour of telling us a story about the last five years while tossing disparaging remarks at 'Wall Street.' Upsizing with a 50bps move with an open door to do more on the basis of backward-looking CPI risks overtightening. The problem I have with such mega-sizing conditionality on backward data is that it makes zero effort to anticipate conditions 6, 12, 18, 24 months off into the future—a time period that coincides with the full lagging effects of monetary policy adjustments today. It sounds like grandstanding.

What's your view on whether AI investment is cresting? Your view on fiscal policy turning restrictive and whether now is the time to combine increasingly restrictive monetary policy with restrictive fiscal policy? Your view on how long consumers can keep driving strong spending growth with no real income gains and no real house prices gains while depleting their saving rate? Your view on energy market dynamics and whether oil can keep falling—perhaps plunging—or whether the Iran war will flare again and the inability to trust either side of the conflict? Your view on the broad dollar's effects on net trade drivers of growth? Your view on how widening adoption of AI will impact the job market? Your view on whether first round pressures of tariffs and commodity shocks are more likely to give way to second-round disinflationary pressures in the US system where labour markets clear in real time and companies are more likely to slash and seek higher productivity? Your view on whether you really care what the task forces reveal or whether that's just a smoke-and-mirrors game? All that's just to name a few macro considerations oriented toward the future on an endless list without even broaching external risks like whether France's elections will skewer the eurozone next year.

As for the call, consensus sits at 0.3% m/m for total CPI and 0.2% for core CPI during October (8:30amET). I'm a little more nervous about core CPI at 0.3% along with about one-fifth of consensus. Arguments were given in my **weekly** which I won't repeat now. Breadth may also be key (chart 1). Then it's onto PPI on Friday to round out the ingredients to firm up a PCE call.

Then it's onto other FOMC reactions starting with Dallas President Logan (10:50amET), KC's Schmid (1:30pmET), Vice Chair Bowman (3:30pmET and 6:30pmET) and Philly's Paulson (6:30pmET).

Fixed Income	Government Yield Curves (%):												Central Banks	
	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		
U.S.	4.61	4.56	4.63	4.70	4.68	4.76	4.89	4.88	4.97	5.27	5.28	5.33	Canada - BoC	2.50
CANADA	3.19	3.15	3.28	3.38	3.38	3.50	3.66	3.66	3.78	4.00	4.01	4.10		
GERMANY	3.03	3.01	3.06	3.09	3.08	3.14	3.25	3.26	3.33	3.62	3.64	3.70	US - Fed	4.00
JAPAN	1.78	1.77	1.89	2.11	2.09	2.24	2.70	2.67	2.78	3.89	3.85	3.89		
U.K.	4.74	4.75	4.85	4.78	4.78	4.90	5.11	5.13	5.26	5.56	5.59	5.70	England - BoE	4.00
	Spreads vs. U.S. (bps):													
CANADA	-142	-141	-136	-132	-130	-126	-123	-123	-119	-127	-127	-123	Euro zone - ECB	2.65
GERMANY	-158	-155	-157	-162	-160	-162	-164	-162	-164	-165	-164	-163		
JAPAN	-283	-279	-274	-260	-259	-253	-219	-222	-218	-138	-143	-144	Japan - BoJ	1.25
U.K.	13	18	22	8	11	14	22	25	30	29	31	37		
Equities	Level						% change:						Mexico - Banxico	6.25
	Last			Change			1 Day	1-wk		1-mo		1-yr		
S&P/TSX	36446			657.2			1.8	1.8		2.2		20.2	Australia - RBA	4.85
Dow 30	52390			1104.0			2.2	0.8		1.4		10.6		
S&P 500	7550			173.1			2.3	0.1		-3.3		10.5	New Zealand - RBNZ	2.75
Nasdaq	25253			673.7			2.7	0.4		-7.7		7.3		
DAX	26615			347.8			1.3	2.9		6.1		11.1	Next Meeting Date	
FTSE	10831			47.9			0.4	1.8		2.6		10.7		
Nikkei	60460			1684.1			2.9	-4.2		-12.4		18.8	Canada - BoC	Dec 09, 2026
Hang Seng	24557			108.1			0.4	4.4		1.4		-7.9		
CAC	8326			92.9			1.1	3.8		6.7		3.4	US - Fed	Dec 09, 2026
Commodities	Level						% change:							
WTI Crude	85.41			-1.44			-1.7	-11.1		-7.0		42.0	England - BoE	Dec 17, 2026
Natural Gas	3.27			0.05			1.7	13.0		1.6		-24.6		
Gold	4077.19			-62.63			-1.5	3.8		-2.3		-0.9	Euro zone - ECB	Dec 17, 2026
Silver	52.43			-0.99			-1.9	5.3		-13.0		3.8		
CRB Index	386.13			-3.92			-1.0	-3.7		-6.9		26.6	Japan - BoJ	Dec 18, 2026
Currencies	Level						% change:							
USDCAD	1.4127			0.0009			0.1	0.8		-1.1		0.8	Mexico - Banxico	Dec 17, 2026
EURUSD	1.1218			-0.0005			-0.0	0.2		0.6		-2.9		
USDJPY	158.23			0.3200			0.2	-0.3		-0.2		2.6	Australia - RBA	Dec 07, 2026
AUDUSD	0.6911			-0.0016			-0.2	-0.8		-0.7		5.7		
GBPUSD	1.3426			-0.0016			-0.1	0.1		1.7		1.9	New Zealand - RBNZ	Dec 08, 2026
USDCHF	0.8206			0.0011			0.1	-0.0		-1.7		1.9		

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