Scotiabank

GLOBAL ECONOMICS

DAILY POINTS

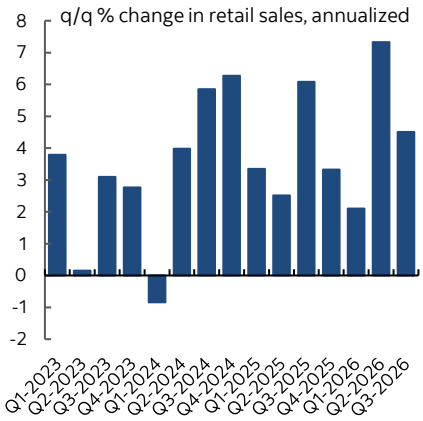
November 17, 2026 @ *7:40 EST*

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Chart 1

Retail Sales Control Group Growth



Sources: Scotiabank Economics, Census Bureau.

On Deck for Tuesday, November 17th

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	11-17	05:00	Existing Home Sales (m/m)	Oct	--	--	-2.3
US	11-17	07:30	Fed's Musalem Speaks at Banco Central de la República				
CA	11-17	08:15	Housing Starts (000s a.r.)	Oct	260	240.0	248.9
CA	11-17	08:30	International Securities Transactions (C$ bn)	Sep	--	--	-17.3
US	11-17	08:30	Export Prices (m/m)	Oct	--	0.4	2.2
US	11-17	08:30	Import Prices (m/m)	Oct	--	0.7	1.1
US	11-17	08:30	Retail Sales (m/m)	Oct	0.0	0.1	0.8
US	11-17	08:30	Retail Sales ex. Autos (m/m)	Oct	0.2	0.4	0.9
US	11-17	09:10	Fed's Waller Speaks on Payments				
US	11-17	09:15	Capacity Utilization (%)	Oct	76.9	76.8	76.9
US	11-17	09:15	Industrial Production (m/m)	Oct	0.1	0.1	0.7
US	11-17	09:30	Fed's Hammack Speaks at Brookings Institution				
US	11-17	10:00	Business Inventories (m/m)	Sep	--	0.5	0.4
US	11-17	10:00	NAHB Housing Market Index	Nov	--	29.0	29.0
US	11-17	14:25	Fed's Williams Speaks in Fireside Chat				

KEY POINTS:

- **Global equities playing defence into Nvidia earnings**
- **US retail sales to set the Q4 tone into Black Friday**
- **UK job market faltered, gilts mildly rallied**
- **The qualities that the next BoC Governor should possess**

Expect an antsy session today as markets await earnings from troubled Nvidia in the after-market (consensus EPS US$2.47). Tech stocks are volatile once again this morning. European and Asian equity benchmarks plus Canadian futures are a sea of red and US futures are volatile. Sovereign bonds may be picking up some of the flow with yields broadly lower by a handful of basis points in US Ts, CGBs, gilts and EGBs. The dollar is mixed.

Oil price are up a few dimes. If the Iran war is over as Trump has claimed, then you could've fooled me. The arrival of a third US aircraft carrier in the region, intelligence reports about Iran potentially planning a dirty bomb attack on Washington that would be sure to galvanize public opinion against Iran, and ongoing attacks suggest otherwise.

US RETAIL SALES TO SET THE CONSUMER TONE INTO BLACK FRIDAY

US retail sales are expected to post little to no growth in this morning's October reading, but the control group will be key (8:30amET). That measure excludes autos, food, building materials and gas and is more highly correlated with changes in total consumer spending and is coming off a fairly soft prior month. A weak headline could be dominated by a potentially solid control group.

After a strong Q3 when the control group advanced by about 4½% q/q SAAR (chart 1), this morning's numbers will inform momentum into Q4 with the peak holiday sales season just around the corner. Black Friday isn't what it used to be in the US as it extended into Black Monday, Tuesday, Wednesday, August, September, and October. Sales are always on, and the deals and discounting are not what they used to be on Black Friday and Cyber Monday.

The US also updates industrial output for October this morning (9:15amET). Manufacturing output is expected to continue posting moderate growth.

CANADIAN HOUSING UPDATES

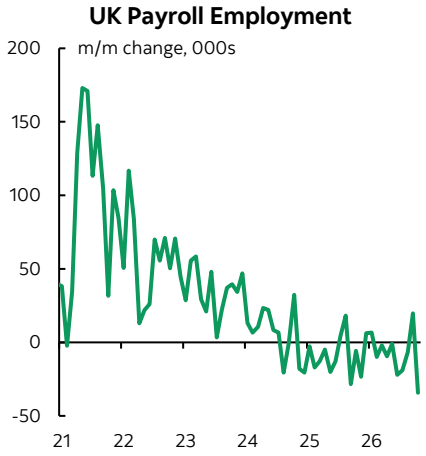
Existing home sales were flat during October (+0.3% m/m SA). They had fallen over the prior two months following a four-month string of gains. Housing starts during October are also due out (8:15amET).

DISAPPOINTING UK LABOUR MARKET READINGS

A round of UK labour market readings was generally soft and prompted a small rally in short-dated gilts.

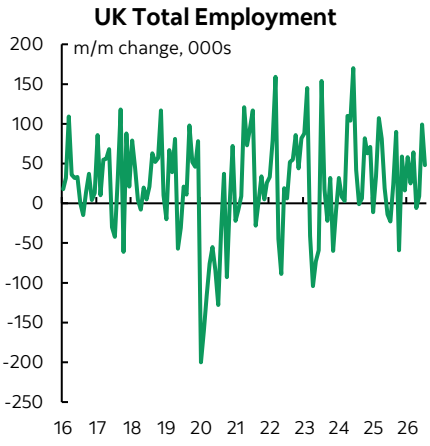
- Payroll jobs plunged by about 34k in October—the biggest drop since November 2020 (chart 2). The series can be heavily revised from month to month.
- Total employment lags by a month and was up by 48k in September which makes for about 150k new jobs in two months (chart 3).
- The unemployment rate also lags and fell a tick to 4.6% in September for the lowest since April 2025 (chart 4).
- UK job vacancies continue to fall but remain close to the long-run average (chart 5).
- Wage growth slowed to 1.7% m/m SAAR in September, the slowest since late winter (chart 6). The three-month moving average stands at 2.9%.

Chart 2



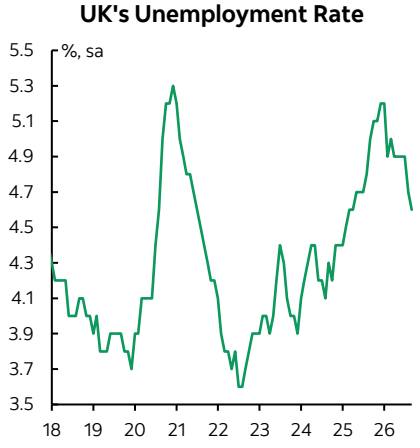
Sources: Scotiabank Economics, UK ONS.

Chart 3



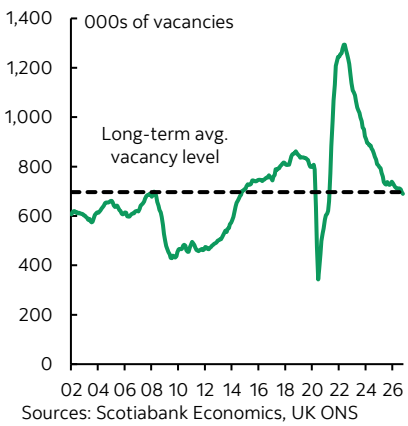
Sources: Scotiabank Economics, UK ONS.

Chart 4



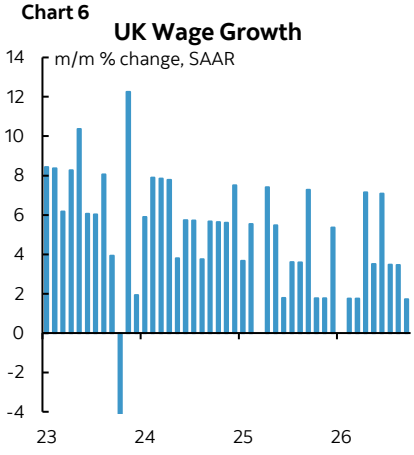
Sources: Scotiabank Economics, UK ONS.

Chart 5



Sources: Scotiabank Economics, UK ONS

Chart 6



Sources: Scotiabank Economics, UK ONS.

WHAT TO LOOK FOR IN THE NEXT BOC GOVERNOR

There is an odd game going on among media outlets that has them all trying to pretend that they have an inside scoop on who may be a candidate to replace Governor Macklem at the Bank of Canada next June. Macklem's news that he will not seek another term surprised no one who closely monitors the bank. New names get added every time I read one of their lists in what has turned into a biased fishing expedition. Nobody knows who they've spoken with, but the journalists don't appear to be talking to the street; nobody here, and nobody I can find on the street.

Also recall that these surveys have blown it in the past. Big time. **Bloomberg**, for example, had Macklem as a dark horse, distant third place candidate back in 2020 and yet he got the job. Their current survey is re-running the same two they had in the lead six years ago; how unimaginative. The only usefulness of the surveys is to attract attention to the media outlets themselves.

A better exercise could be to ask what are the qualities that the Board and the Carney administration may look for? Then one can line up the qualities with the rumoured candidates while leaving open the possibility the rumours are incomplete.

- Someone who treats the inflation target as sacrosanct and has a clear track record in saying so.
- A demonstrated track record of seasoned and sound judgement at key inflection points for shocks. Put otherwise, how did their forecasts perform specifically in terms of BoC policy rates?
- Respect for models, but having the experience and judgement to know when to override what at times seems to be slavish dependence upon models and confront staff and ask the questions that others don't.
- Fully fluent (French) bilingualism. Of course, it doesn't affect the ability to do the job in any way, but first, Canada has two official languages, and second, Quebec sensitivities are more acute now. That could narrow the pool, though language training could be picked up. I suspect francophones will have the edge this time.
- Solid training in economics and finance, whatever the combination of letters and relevant experience.
- Applied experience as a hands-on forecaster. You must have faced the discipline of putting a narrative, themes and numbers on paper.
- Market savviness and private sector experience.
- Experience managing relatively large teams and/or organizations.
- Familiarity with the BoC's culture. This could cut both ways as an asset in knowing the inner workings of the institution, or a liability if a fresh perspective is needed.

Now, since all of that is probably unavailable in a single candidate, the ultimate quality you would want is someone willing to surround him/herself with bright people who supplement their own shortfalls. A willingness to shake up the structure. A good manager. Carney did that when he took the helm at the BoC.

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.	4.82	4.83	4.74	4.93	4.94	4.82	5.12	5.13	4.99	5.47	5.48	5.35
CANADA	3.31	3.32	3.25	3.54	3.54	3.45	3.81	3.82	3.71	4.13	4.14	4.04
GERMANY	3.12	3.15	3.10	3.19	3.22	3.16	3.37	3.39	3.32	3.73	3.75	3.67
JAPAN	1.87	1.88	1.78	2.26	2.27	2.11	2.88	2.89	2.70	4.05	4.05	3.89
U.K.	4.99	5.01	4.88	5.02	5.04	4.90	5.36	5.37	5.22	5.80	5.81	5.66
	Spreads vs. U.S. (bps):											
CANADA	-151	-151	-149	-139	-140	-137	-131	-131	-128	-134	-134	-132
GERMANY	-169	-168	-164	-173	-172	-166	-175	-174	-167	-174	-173	-169
JAPAN	-294	-295	-296	-267	-268	-272	-224	-224	-230	-142	-143	-147
U.K.	17	18	14	9	10	8	24	23	23	34	33	30

Equities	Level		% change:			
	Last	Change	1 Day	1-wk	1-mo	1-yr
S&P/TSX	35722	-383.8	-1.1	-2.0	-1.3	18.8
Dow 30	51608	-739.4	-1.4	-1.5	-0.8	10.8
S&P 500	7417	-145.1	-1.9	-1.8	-3.2	11.2
Nasdaq	24510	-626.5	-2.5	-2.9	-6.2	7.9
DAX	26407	-191.8	-0.7	0.2	3.1	11.9
FTSE	10790	-91.3	-0.8	0.4	-0.8	11.5
Nikkei	58860	-801.6	-1.3	-2.6	-9.9	17.0
Hang Seng	23508	-245.7	-1.0	-4.3	-2.8	-10.9
CAC	8284	-67.5	-0.8	0.1	4.1	2.0
Commodities	Level		% change:			
WTI Crude	86.11	0.39	0.5	0.1	-15.1	43.7
Natural Gas	3.14	0.02	0.6	-4.7	0.8	-28.0
Gold	3854.98	-1.48	-0.0	-4.4	-6.9	-4.7
Silver	47.64	0.63	1.3	-7.5	-16.5	-5.1
CRB Index	379.76	-6.75	-1.7	-2.6	-9.5	25.9
Currencies	Level		% change:			
USDCAD	1.4301	0.0003	0.0	0.8	1.3	1.8
EURUSD	1.0987	-0.0010	-0.1	-1.6	-2.0	-5.2
USDJPY	159.29	-0.1800	-0.1	0.3	0.5	2.6
AUDUSD	0.6731	-0.0006	-0.1	-2.0	-3.6	3.6
GBPUSD	1.3191	0.0005	0.0	-1.1	-0.9	0.3
USDCHF	0.8402	0.0004	0.0	1.8	1.6	5.5

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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