TD Economics

Weekly Bottom Line

November 14, 2025

Highlights

Canada

- Prime Minister Carney unveiled a second tranche of six major projects designated for fast-track approvals.
- Inflation and retail sales data next week will likely confirm that prices are stabilizing and continued cautious spending from households.
- The Bank of Canada is likely done cutting interest rates. Risks to the outlook remain, but current rates appear to strike a balance between cushioning the impact from tariffs and preventing a new leg up in inflation.

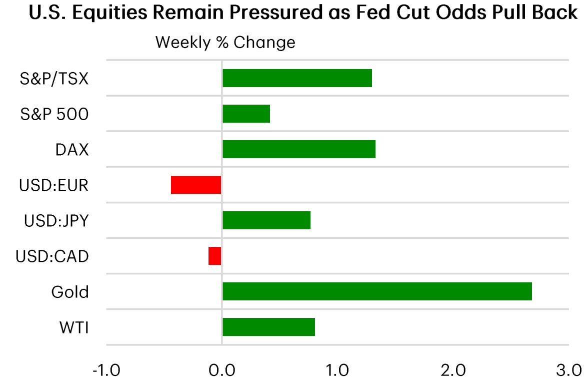
U.S.

- The longest U.S. government shutdown in history finally ended after 43 days. However, markets reacted cautiously, with equities generally trending lower amid a selloff in tech stocks.
- Recent Fed speeches highlighted persistent caution, with several officials signaling reluctance to ease policy further. Odds of a December rate cut fell to around 50% from over 60% earlier in the week.
- Small business optimism recorded a slight decline in October but remained above its long-term average. Related inflation indicators improved modestly, while labor market metrics appeared to hold their own.

This Week in the Markets				
	Current*	Week Ago	52-Week High	52-Week Low
Stock Market Indexes				
S&P 500	6757	6729	6891	4983
S&P/TSX Comp.	30295	29912	30828	22507
DAX	23883	23570	24611	19005
FTSE 100	9695	9683	9911	7679
Nikkei	50377	50276	52411	31137
Fixed Income Yields				
U.S. 10-yr Treasury	4.13	4.10	4.79	3.95
Canada 10-yr Bond	3.20	3.18	3.60	2.83
Germany 10-yr Bund	2.72	2.67	2.90	2.03
UK 10-yr Gilt	4.57	4.47	4.89	4.21
Japan 10-yr Bond	1.71	1.68	1.71	1.04
Foreign Exchange Cross Rates				
C$ (USD per CAD)	0.71	0.71	0.74	0.69
Euro (USD per EUR)	1.16	1.16	1.19	1.02
Pound (USD per GBP)	1.32	1.32	1.37	1.22
Yen (JPY per USD)	154.6	153.4	158.4	140.9
Commodity Spot Prices**				
Crude Oil ($US/bbl)	60.2	59.8	80.0	57.1
Natural Gas ($US/MMBtu)	3.59	3.76	9.33	1.65
Copper ($US/met. tonne)	10950.0	10698.3	11163.8	8571.4
Gold ($US/troy oz.)	4108.7	4001.3	4356.3	2563.3

*As of 11:44 AM on Friday. **Oil-WTI, Cushing, Nat. Gas-Henry Hub, LA (Thursday close price). Copper-LME Grade A. Gold-London Gold Bullion. Source: Bloomberg.

U.S. Equities Remain Pressured as Fed Cut Odds Pull Back



Note: Data as of 11:44 AM ET, Friday, November 14, 2025.
Source: Bloomberg, TD Economics.

Global Official Policy Rate Targets	
Central Banks	Current Target
Federal Reserve (Fed Funds Rate)	3.75 - 4.00%
Bank of Canada (Overnight Rate)	2.25%
European Central Bank (Refi Rate)	2.15%
Bank of England (Repo Rate)	4.00%
Bank of Japan (Overnight Rate)	0.50%

Source: Bloomberg.

Canada – Building a Nation

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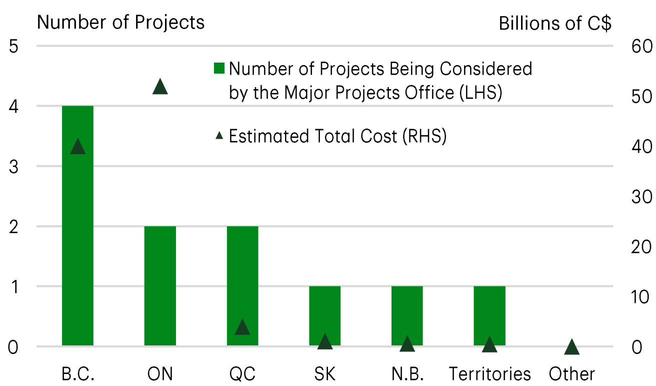
A light week of domestic economic data paved the way for the federal government to make another splash following the federal budget release. Prime Minister Carney announced six new projects of perceived "national importance" to be considered for fast-track approval, increasing the total to 11. Two additional projects are in B.C.—the North Coast Transmission Line and the Ksi Lisims LNG project—while Ontario's Crawford Nickel project and Quebec's Nouveau Monde Graphite project were also included. The Sisson Mine in New Brunswick and a hydroelectric project in Iqaluit have also been added to the roster (Chart 1). The projects included on the list are at various stages, from early-planning to mid-construction, and are estimated to cost a total of over $100 billion.

The hope is that fast-tracking these projects through the existing regulatory framework will bolster Canada's economy and help reach the government's broader goal of catalyzing $500 billion in private-sector investment over the next five years, a substantial tailwind for the economy should it materialize. From our lens, it the Major Projects Office still has its work cut out for it in bringing these projects to fruition. Given the novelty of the fast-tracking initiative, our outlook remains cautious but could be upgraded if notable progress on the investments is made.

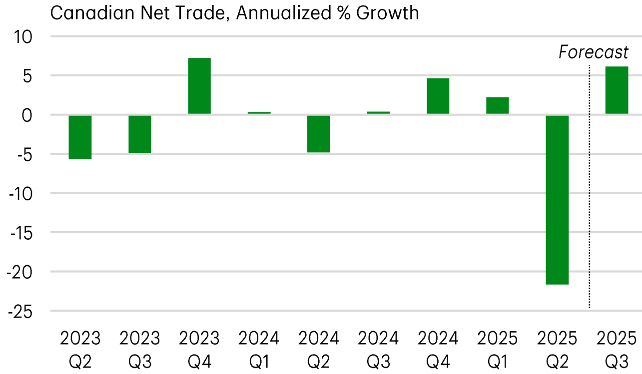
Next week will bring a slew of important data to the counter including an inflation update on Monday and retail data on Friday. Headline price growth in October is projected to slow, partly due to lower energy prices,

Chart 1: Canadian Nation-Building Projects Breakdown



Source: Project Management Office, TD Economics.

Chart 2: Canadian Trade Tracking a Rebound in the Third Quarter



Source: Statistics Canada, TD Economics.

while core inflation measures are expected to remain near the upper limit of the Bank of Canada's 1–3% inflation target range. Retail sales advanced estimates for September point to a contraction, which would continue the see-saw pattern of monthly declines then increases. Spending trends indicate that real personal spending growth in the latter half of 2025 should drift to a below-trend rate.

Further clarity about international trade developments in September is also expected soon, although the exact release date has not been announced. The U.S. government shutdown delayed Canada's international trade releases as they rely on U.S. government sources. Unless there is a significant decline in exports for September, something we don't expect, net trade is projected to contribute modestly to third-quarter GDP growth following a notably weak performance in the previous quarter (Chart 2).

The BoC's next decision is on Dec. 10th, where it is widely expected to hold rates steady. With the policy rate at 2.25%, it is at the bottom end of its estimated neutral rate range and likely marks the end of their easing cycle. This week's Summary of Deliberations highlighted that governing council believes it has done all it can to combat the impact from tariffs. The economy's path from here, including the impact of the recent federal budget, will dictate the path forward. Should the economy continue to evolve in line with expectations, we don't see a need for further interest rate cuts in the foreseeable future.

U.S. – Shutdown is Over, but Uncertainty to Linger Some More

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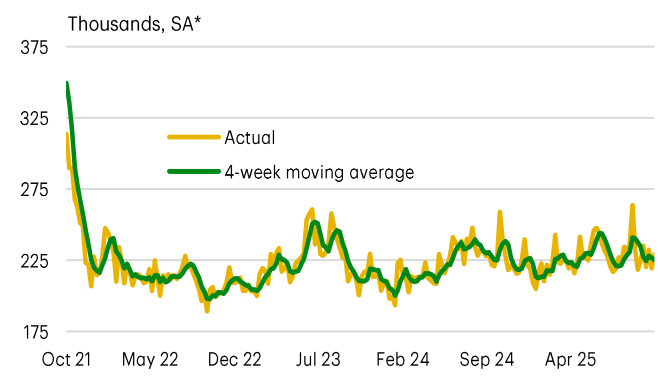
The longest U.S. government shutdown in history ended this week after 43 days, bringing relief to federal workers and the broader economy. Yet, markets responded with caution. A series of Fed speeches offered little clarity on the Fed's next move, with several officials appearing to favor a pause. Odds of a December rate cut have declined notably this week. Equities trended lower in the second half of the week, despite an uptick on Friday, with the tech-heavy Nasdaq faring worse.

Still, the end of the shutdown could be more of a temporary patch than a permanent fix. The deal includes full-year funding for only three out of 12 annual spending bills, with the rest funded only through January, leaving a real risk of a partial shutdown come February, especially if negotiations over Affordable Care Act subsidies falter. The full economic impact is uncertain, but the CBO estimates it could shave around 1.5 percentage points from fourth-quarter real GDP growth. We anticipate Q4 growth to slow to around 1%, down from a tracking of +3% in the third quarter.

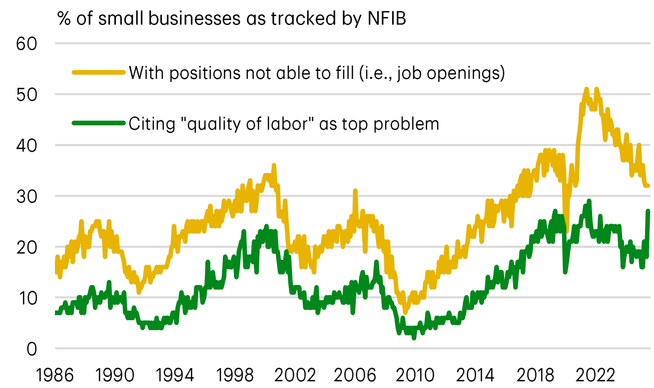
As departments like the Bureau of Labor Statistics (BLS) resume normal operations, delayed economic data should start to be released, but the revised schedule is unknown at time of writing. In the meantime, weekly initial jobless claims remain near recent levels (Chart 1). Small businesses also appear to be maintaining a hiring focus. The average change in employment for small firms did remain in shallow negative territory, but October small business employment indicators from the NFIB survey overall reinforced a "low hire, low fire" theme. Job openings are off pandemic highs, but remained in the upper range of historical norms in October (Chart 2). Meanwhile, the share of small firms citing "quality of labor" as their top problem surged to an all-time high of 27%, leaving concerns about taxes (16%) and inflation (12%) well behind.

Chart 1: U.S. Initial Jobless Claims Remained Relatively Low Through Start of November



Source: DOL, Haver, TD Economics. *Sum of states, estimated by Haver.

Chart 2: U.S. Small Businesses Still Focused on Hiring



Source: NFIB, TD Economics.

We will soon find out how well the alternative data guided us through the shutdown. September's job report would have been largely finished when the shut down began, and we expect it will be released next week. But, neither October's Consumer Price Index (CPI) survey, nor the household survey portion of the employment report would have been conducted in the usual way with government workers off the job. The White House has said these reports are unlikely to be released. We don't yet know if October data in both cases will be imputed from partial results or remain interpolations. The payrolls portion of the October jobs report is still likely to be released though. The lack of CPI for October will have knock on effects for other government data, like GDP, resulting in more estimation than usual.

All of these data disruptions mean the Fed is unlikely to have all the usual data it would ahead of it's interest rate decision. Markets are currently putting coin flip odds that the lack of data will lead the FOMC to pause in December, rather than proceed in a data fog.

Exhibits

Recent Key Economic Indicators: Nov 10 - 14, 2025						
Release Date		Economic Indicator/Event	Data for Period	Units	Current	Prior
United States						
Nov 11		NFIB Small Business Optimism	Oct	Index	98.2	98.8
Canada						
Nov 14		Manufacturing Sales	Sep	M/M % Chg.	3.3	-1.1
International						
Nov 11	UK	ILO Unemployment Rate	Sep	%	5.0	4.8
Nov 13	UK	Gross Domestic Product	3Q	Y/Y % Chg.	1.3	1.4
Nov 13	CH	Retail Sales	Oct	Y/Y % Chg.	2.9	3.0
Nov 13	CH	Surveyed Jobless Rate	Oct	%	5.2	5.2
Nov 14	EZ	Gross Domestic Product SA	3Q	Y/Y % Chg.	1.4	1.3
Nov 14	EZ	Employment	3Q	Y/Y % Chg.	0.5	0.6

Source: Bloomberg, TD Economics.

Upcoming Economic Releases and Events: Nov 17 - 21, 2025						
Release Date	Time*	Economic Indicator/Event	Data for Period	Units	Consensus Forecast	Last Period
United States						
Nov 17	8:30	Empire Manufacturing	Nov	Index	5.8	10.7
Nov 17	9:00	*Fed's Williams Delivers Welcome Remarks*				
Nov 17	13:00	*Fed's Kashkari Moderates Conversation*				
Nov 18	9:15	Industrial Production	Oct	M/M % Chg.	0.0	-
Nov 18	9:15	Manufacturing (SIC) Production	Oct	M/M % Chg.	0.1	-
Nov 18	9:15	Capacity Utilization	Oct	%	77.3	-
Nov 18	10:00	NAHB Housing Market Index	Nov	Index	-	37.0
Nov 18	11:00	*Fed's Barkin Speaks on the Economic Outlook*				
Nov 18	19:55	*Fed's Logan Delivers Closing Remarks at Conference*				
Nov 19	8:30	Housing Starts	Oct	Thsd	-	1307.0
Nov 19	8:30	Building Permits	Oct	Thsd	-	-
Nov 19	12:45	*Fed's Barkin Speaks on the Economic Outlook*				
Nov 19	14:00	*FOMC Meeting Minutes*	Oct 29			
Nov 20	8:30	Initial Jobless Claims	Nov 15	Thsd	-	-
Nov 20	8:45	*Fed's Hammack Delivers Opening Remarks*				
Nov 20	10:00	Existing Home Sales	Oct	Mlns	4.1	4.1
Nov 20	13:40	*Fed's Goolsbee Speaks in Moderated Discussion in Indianapolis*				
Nov 20	18:45	*Fed's Paulson Speaks on Economic Outlook*				
Nov 21	5:00	Bloomberg Nov. United States Economic Survey	Nov			
Nov 21	7:30	*Fed's Williams Delivers Keynote Speech*				
Nov 21	9:00	*Fed's Logan Speaks at Conference in Switzerland*				
Nov 21	9:45	S&P Global US Manufacturing PMI	Nov	Index	-	52.5
Nov 21	9:45	S&P Global US Services PMI	Nov	Index	-	54.8
Nov 21	9:45	S&P Global US Composite PMI	Nov	Index	-	54.6
Canada						
Nov 17	5:00	Existing Home Sales	Oct	M/M % Chg.	-	-1.7
Nov 17	8:15	Housing Starts	Oct	Thsd	-	279.2
Nov 17	8:30	Consumer Price Index NSA	Oct	M/M % Chg.	0.2	0.1
Nov 17	8:30	Consumer Price Index	Oct	Y/Y % Chg.	2.2	2.4
Nov 19	12:45	*BoC External Deputy Governor Nicolas Vincent Speech*				
Nov 20	7:00	CFIB Business Barometer	Nov	Index	-	46.3
Nov 20	8:30	Industrial Product Price	Oct	M/M % Chg.	-	0.8
Nov 21	8:30	Retail Sales	Sep	M/M % Chg.	-0.7	1.0
Nov 21	8:30	Retail Sales Ex Auto	Sep	M/M % Chg.	-	0.7
Nov 21	9:00	Bloomberg Nov. Canada Economic Survey	Nov			
Nov 21	10:30	Senior Loan Officer Survey	Q3			
International						
Nov 19	2:00 UK	Consumer Price Index	Oct	Y/Y % Chg.	3.6	3.8
Nov 19	5:00 EZ	Consumer Price Index	Oct	Y/Y % Chg.	2.1	2.1
Nov 20	18:30 JN	Natl Consumer Price Index	Oct	Y/Y % Chg.	3.0	2.9
Nov 21	2:00 UK	Retail Sales Ex Auto Fuel	Oct	Y/Y % Chg.	2.8	2.3

*Eastern Standard Time. Source: Bloomberg, TD Economics.

Disclaimer