Financial HARTbeat

Jobs
Nov 9th 2026



Good Morning,

Strong job numbers can keep rates higher: More hiring and strong wage growth mean consumers have more income to spend, which can keep inflation elevated. A central bank may hold rates higher or consider raising them.

Weak job numbers increase the odds of rate cuts: Rising unemployment and slower hiring signal the economy is losing momentum. Central banks may cut interest rates to stimulate borrowing, spending, and investment.

Jobs help confirm where inflation is heading: Central banks watch employment, unemployment and wage growth together. If wage pressures cool and unemployment rises, it gives the Bank of Canada or Federal Reserve more confidence that inflation will continue falling, making rate cuts easier to justify.

Catch the playback of our Weekly Roundup ***Click here***
Also, catch the playback of our Annual Outlook ***Click here***

Chart of the Day: Jobs numbers have impacted both Canada and the USA here…in differing directions...

		Bank of Canada	Federal Reserve	European Central Bank
Rates	President / Chair	Tiff Macklem	Kevin Warsh	Christine Lagarde
	Policy rate	Overnight rate	Fed Funds Rate	Deposit facility rate
	Current policy rate	2.50%	4.00%	2.50%
Next meeting	Next meeting date	December 9, 2026	December 9, 2026	December 17, 2026
	Market-implied policy rate*	2.59%	4.19%	2.66%
	Spread vs. current rate	+9 bp	+19 bp	+16 bp
	Probability of…			
	… hike	37%	81%	65%
	… hold	63%	19%	35%
	… cut	0%	0%	0%
Rate cuts	25bps hikes (cuts) priced in...			
	... next 3 months	0.6	0.7	-
	... next 6 months	0.8	1.6	-
	... next 12 months	1.9	2.2	-

*Derived from OIS (Bank of Canada, European Central Bank) and Fed Funds Futures (Federal Reserve).



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Top News

Stock futures surged on Monday, boosted by a decline in oil prices as investors hunted for bargains following a steep slide in equities last week, and awaited more clarity on the controversy surrounding Nvidia CEO Jensen Huang. Investors also awaited the release of key inflation data and earnings from major artificial intelligence companies this week. The tech sector will also be focused on the surprise announcement Sunday that Nvidia's board of directors is opening an investigation into co-founder and CEO Jensen Huang's relationship with a businesswoman who U.S. intelligence agencies say is a Chinese spy.
This week, trader will be looking to key AI-related earnings with CoreWeave, Cisco and Applied Materials reporting and they'll also watch for the releases of both the consumer price index on Tuesday and the producer price index on Friday, looking for clues on the Fed's next move.

Futures tracking Canada's blue-chip stocks rose on Monday after a dip in oil prices tempered inflation worries, while investors awaited key US inflation data due later in the week. Canadian economic activity expanded at a slightly faster pace in October as a measure of employment rose, Ivey Purchasing Managers Index (PMI) data showed on Friday. The seasonally adjusted index edged up to 58.3 last month from 58.2 in September. Oil prices fell sharply on Monday after US President Donald Trump downplayed the likelihood of renewed strikes on Iran, though attacks on ships near the Strait of Hormuz kept supply concerns in focus.

Britain's FTSE 100 rose on Monday as lower oil prices helped ease inflation worries and rising gold prices lifted stocks of precious metal miners, while investors assessed the UK's latest jobs report. Britain's jobs market cooled in October but starting salaries for permanent jobs rose at a faster pace, according to a survey of recruiters published a few days after the Bank of England raised interest rates.

Mainland China stocks ended higher on Monday, tracking gains in regional peers, while Beijing called for more efforts to stabilise the market. China's producer inflation accelerated to its fastest rate in nearly 4-1/2 years in October as higher global oil prices raised manufacturing costs, even as consumer inflation cooled amid weak domestic demand, data showed on Monday. The producer price index climbed 5.7% last month from a year earlier, the National Bureau of Statistics said, higher than both the 5.0% increase



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in September and a Reuters poll forecast of a 5.3% rise. It was the largest annual rise since June 2022, when the PPI rose by 6.1%, according to LSEG data.

Japan's Nikkei share average rebounded on Monday after a tech-led selloff last week pushed the benchmark index into bear market territory.

Is Gridlock Good? (Argus)

Wall Street appeared confused last week, with stocks soaring one day and plummeting the next after the 2026 midterm election results pointed toward a government structure shared between Republicans and Democrats. The popular wisdom on the Street is that the best election outcome is gridlock. Investors perceive that when one party has hegemony -- which we define as controlling the presidency, House, and Senate simultaneously -- ideology supplants pragmatism and compromise; expensive and impractical legislation is passed; and the market suffers the consequences. Yet our analysis of S&P 500 performance since 1945 (admittedly a long look back) does not entirely substantiate this common belief.

Our analysis shows that Gridlock can be good -- but primarily when the Republicans have had two of the three DC institutions. In that scenario, average annual returns in stocks have been 12%. When the Democrats had two of three institutions, stocks have risen on average only 6%. The volatility surrounding last week's elections most likely stems from the substantial differences between the parties today as well as the decisiveness of the message delivered by voters. Market trends in place for years that are coming under new review with a new Congress include Artificial Intelligence development and competition, data center construction, banking regulation, energy policy, and social services spending, among others. That's a lot of potential change, or at least the risk of a substantial stall in economic momentum due to Washington gridlock.



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Bond Yields (bps (basis points) negative means prices up and positive means prices down)

Figure 1: Key Interest Rates (Canada & U.S.)

Canadian Key Rate	Last	Change bps	Canadian Key Rate	Last	Change bps
CDA o/n	2.50%	25.0	CDA 5 year	3.35%	-2.1
CDA Prime	4.70%	25.0	CDA 10 year	3.64%	-1.9
CDA 3 month T-Bill	2.57%	0.3	CDA 20 year	3.87%	-1.8
CDA 6 month T-Bill	2.73%	0.1	CDA 30 year	3.98%	-1.8
CDA 1 Year	2.93%	0.0			
CDA 2 year	3.13%	-1.9			
US Key Rate	**Last**	**Change bps**	**US Key Rate**	**Last**	**Change bps**
US FED Funds	3.75-4.00%	0.0	US 5 year	4.65%	0.0
US Prime	7.00%	0.0	US 10 year	4.85%	-0.6
US 3 month T-Bill	4.02%	1.0	US 30 year	5.25%	-0.7
US 6 month T-Bill	4.27%	1.3	5YR Sovereign CDS	47.76	
US 1 Year	4.34%	1.6	10YR Sovereign CDS	56.72	
US 2 year	4.53%	0.6			

Preferred Shares Indicators	Last	Daily %	YTD
S&P Preferred Share Index	697.71	-0.02%	0.21%
BMO Laddered Preferred Shares (ETF)	12.68	-0.16%	2.84%

Source: LSEG

Keep looking forward! Have a great day!

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