Financial HARTbeat

Canada Jobs
Oct 30th 2026



Good Morning,

Jobs fell by 68,000 in September, versus economists expecting roughly **+9,000**. That followed a **42,000-job loss in August**, meaning Canada shed about **110,000 jobs over two months**.

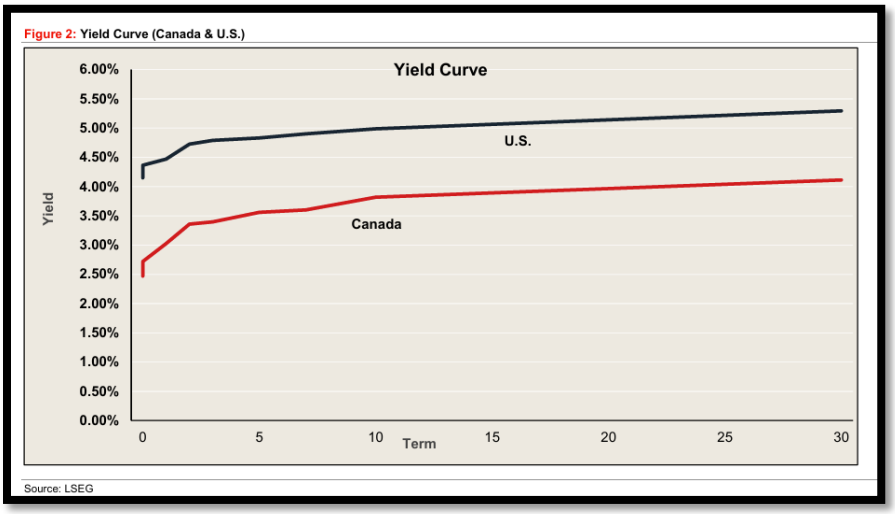
Unemployment rose to 6.5%, while the participation rate fell to **64.8%**. The softer participation rate helped prevent an even larger increase in unemployment.

The composition was concerning: September losses were split between full-time (-35,400) and part-time (-32,900), with weakness concentrated in the public sector and major declines in Quebec, B.C. and Ontario. Overall, the back-to-back losses pushed **2026 job creation into negative territory**.

Catch the playback of our Weekly Roundup ***Click here***

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

Chart of the Day: Flat yield curve in both Canada and the USA…showing a weakening economy





Ben Hart
Senior Wealth Advisor & Portfolio Manager
› 613-760-3788
› ben.hart@nbc.ca

National Bank Financial - Wealth Management
50 O'Connor Street Suite 1602
Ottawa, ON K1P 6L2

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Top News

Markets point to lower open as Nasdaq futures slid more than 2% after Amazon's plans for continued heavy AI spending and Intel's warning of cash burn this year deepened investor concerns about escalating costs of AI infrastructure buildout and the timeline for returns. Amazon shares lost 6% in premarket trading after the company reported earnings and revenue for the third quarter that fell short of Wall Street's expectations. The company also posted negative free cash flow of $42.4 billion and maintained its 2026 capital expenditures forecast for $220 billion. Intel tanked more than 25% after the chipmaker warned it would burn cash this year due to a weak market for personal computers, manufacturing bottlenecks and heavy spending to expand production. The concerns around AI spending coincide with expectations that the Federal Reserve would raise interest rates by more than 50 basis points by mid-2027, according to LSEG data, even after the central bank held rates steady earlier this week, as expected.

Canada's economy stalled in August following no growth in the previous month as increases in retail, manufacturing and construction were largely offset by drop in activity in wholesale trade and public administration, data showed on Friday. Analysts polled by Reuters had forecast the gross domestic product to increase by 0.2% in August, from 0% in July.

European shares inched lower on Friday as technology stocks came under pressure from renewed concerns over rising AI investment costs, although the benchmark index was still on track for its best month since June on strong corporate earnings. The euro zone economy grew faster than predicted last quarter, displaying exceptional resilience to headwinds from expensive energy, even as surging borrowing costs and rapid inflation cloud the outlook. The economies of the 21 nations sharing the euro grew by 0.4% in the third quarter, a slowdown from an exceptionally strong 0.6% three months earlier, but far above expectations for 0.2% .

Japan's Nikkei share average dropped as much as 3% on Friday, led by chip-related stocks, as concerns mounted over the sustainability of spending to fund the AI boom. Annual core inflation in Japan's capital well exceeded the central bank's 2% target in October, data showed on Friday, highlighting mounting price pressure and cementing the case for further interest rate hikes.



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China's factory activity was likely flat in October from the previous month, as the manufacturing sector continued to move at two speeds, with advanced manufacturers racing ahead and legacy ones still under pressure. The official manufacturing purchasing managers' index (PMI) is expected to dip to 50 from 50.1 in September, according to the median forecast in a Reuters poll of 23 economists. A reading above 50 signals expansion, while one below 50 indicates contraction.

Fed Steady Ahead of Midterms (Argus)

3Q GDP Jumps 3.4% Internal Use Only | October 30, 2026 According to the advance estimate released by the Bureau of Economic Analysis (BEA), U.S. gross domestic product (GDP) rose in the third quarter at an annualized rate of 3.4%. That's above the 3.2% consensus and an acceleration from 2.2% in the second quarter. Real final sales to private domestic purchasers, which focuses on the core consumer spending and business investment, were up a strong 4.9%, topping a sturdy 4.6% increase in 2Q. The measure often provides a better signal of economic momentum than headline GDP. The results are consistent with the Federal Open Market Committee's (FOMC's) recent comment that economic activity is expanding at a strong pace. Nominal GDP, which is not adjusted for inflation, was up 5.6% in 3Q. The FOMC voted 10-2 to maintain the Federal Funds target at 3.75%-4.0%. Argus Fixed Income Strategist Kevin Heal expects a quarter-point hike in December before the FOMC moves to the sideline in 2027. Spending by consumers rose 3.8% in 3Q, matching 2Q. Durable goods slowed, but the big services category grew 4.1%, up from 3.4% in 2Q. Services added about 1.9 points of growth. Private investment grew 19.4%. Spending on Artificial Intelligence continued to be an important driver of growth. Intellectual property products grew by 8.4%. Equipment grew 20.9%. Net exports of goods and services, also called the trade balance, reduced 3Q GDP by 3.3 percentage points. Imports increased by 19.7%. Spending and investment by the federal government was up 15.8% after a 2.4% decline in 2Q.

National defense spending was up 11.7%, but contributed only 0.41 percentage point to growth. In other reports from the BEA, headline PCE inflation was up 3.6% on a year-over-year basis in September. That was in line with consensus, but up from a 3.4% pace in August and well above the Federal Reserve's 2% target. The FOMC acknowledged Wednesday that inflation has been running above the committee's objective for close to six years, but doubled down on returning inflation to the 2% target. Core PCE inflation was also elevated, up 3.1%, in line with consensus, but a tick higher than in August.



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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%	0.0	CDA 5 year	3.52%	-1.5
CDA Prime	4.70%	0.0	CDA 10 year	3.79%	-1.3
CDA 3 month T-Bill	2.57%	-0.1	CDA 20 year	4.01%	-0.8
CDA 6 month T-Bill	2.75%	-1.0	CDA 30 year	4.10%	-0.5
CDA 1 Year	3.02%	-3.5			
CDA 2 year	3.31%	-2.0			
US Key Rate	**Last**	**Change bps**	**US Key Rate**	**Last**	**Change bps**
US FED Funds	3.75-4.00%	0.0	US 5 year	4.71%	-8.8
US Prime	7.00%	0.0	US 10 year	4.92%	-6.8
US 3 month T-Bill	4.00%	-0.9	US 30 year	5.29%	-3.7
US 6 month T-Bill	4.27%	-2.2	5YR Sovereign CDS	46.50	
US 1 Year	4.38%	-4.4	10YR Sovereign CDS	54.71	
US 2 year	4.58%	-8.1			

Preferred Shares Indicators	Last	Daily %	YTD
S&P Preferred Share Index	697.98	-0.07%	0.25%
BMO Laddered Preferred Shares (ETF)	12.75	-0.55%	3.41%

Source: LSEG

Keep looking forward! Have a great day!
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