

Economics

THE WEEK AHEAD

October 12 - 16, 2026

When polls can mislead

by Avery Shenfeld avery.shenfeld@cibc.com

Polls are very much in the news these days, with Americans parsing the data on midterm voting intentions, and Canadians looking at polls on elections in BC and separation in Alberta and Quebec. Such polls can sometimes miss the mark due to differences in respondents' willingness to actually cast their ballots or respond to the pollster. But they generally do reasonably well, in part because these are one-person, one-vote decisions, and a sample of 1,000 random respondents provides a fairly tight confidence interval.

Economists and central bankers also look at what are essentially polls of consumers and businesses, and in both cases, there are risks that unweighted, qualitative responses can present a misleading picture of what aggregate, quantitative data will reveal. In Canada's case, that could be a material risk for this month's Business Outlook Survey (BOS), and the less formal outreach efforts that the Bank of Canada makes in the lead up to its October interest rate decision.

South of the border, consumer confidence surveys have been teaching us a repeated lesson on how the results of even a large sample poll can be off the mark in terms of their implications for aggregate activity. The polls show a persistent and darkening malaise among American households, but they're simply not working for their intended purpose, which is to provide a leading indicator of consumer spending, which has held up well.

The problem is that, as in political polling, all respondents are weighted equally; those of a very low-income earner who scrapes by on a \$10,000 a year and spends a commensurate sum, are averaged in with a tech entrepreneur who earns the same figure or more every day, and who spends accordingly. Wealth gains from equities, and in general, a rising share of the GDP pie going to profits rather than wages, mean that the top 20% of Americans are feeling good about their earnings and portfolios. Their consumption decisions can more than offset cautious spending by the other 80% of those in the confidence survey. Upper income Americans with stock market winnings can fill up their gas tank, and still head to the mall for a splurge.

Business surveys can similarly mislead if there are widely divergent conditions across sectors. If growth slowed by 1%

as a result of a widely distributed dent to sales, that would readily show up in the Bank of Canada's BOS survey, and in the other forms of outreach that the Governor and his team are engaged in. But if you faced the same slowdown in aggregate from having 1% of businesses virtually wiped out and others unaffected, an unweighted survey asking whether sales were up or down would miss the mark, and could fail to even have one of the affected firms in the sample.

That's not an academic issue in the current economic environment in Canada. As we've travelled across the country in recent weeks, similar to what the Governor found in his discussions with business leaders, most of those we talk to are feeling reasonably resilient, or in the oil patch, much better than that. But the 50% tariffs that were imposed on about 5% of what Canada exports has that minority of the business sector facing what in some cases is an existential threat. Others, in sectors like steel and lumber that were hit with tariffs a year earlier, are still wrestling with how to adjust to those challenges, with mixed results.

We're writing this around the time that the Bank of Canada will be compiling the results of its BOS survey, and the separate Business Leaders Pulse Survey, and writing the narratives that will accompany the raw data. Our hope is that they, and financial markets, will be cautious about interpreting the results of those surveys in an environment in which significant headwinds to a narrow slice of the economy could be understated in qualitative data that treats respondents equally.

More importantly, the potential for these qualitative surveys to miss the mark is just one more reason why the Bank ought to wait a few more months before judging how the economy is holding up in the face of additional tariffs. Our earlier research pointed to the narrow basis for Canada's inflation upturn, relative to that seen in the US, as a reason why the Bank has time to wait and see. But additional months of hard data, rather than surveys, will provide a clearer picture of whether there are enough disinflationary headwinds to growth to stand pat on rates for longer, and to see if fuel costs, the source of most of the inflationary impetus, turn the corner due to favourable geopolitical developments in the Persian Gulf.

Week Ahead Calendar And Forecast—Canada

H, M, L = High, Medium or Low Priority

SAAR = Seasonally Adjusted Annual Rate

Consensus Source: Bloomberg

Date	Time	Economic Releases, Auctions and Speakers	Month	Priority	CIBC	Consensus	Prior
Monday, October 12	-	Markets Closed (Thanksgiving)	-	-	-	-	-
Tuesday, October 13	-	-	-	-	-	-	-
Wednesday, October 14	-	AUCTION: 30-YR CANADAS \$3B	-	-	-	-	-
Wednesday, October 14	8:30 AM	BUILDING PERMITS M/M	(Aug)	(M)	-	-	-17.3%
Wednesday, October 14	-	Speaker: BoC Governor Macklem	-	-	-	-	-
Thursday, October 15	-	AUCTION: 5-YR CANADAS \$5B	-	-	-	-	-
Thursday, October 15	8:30 AM	MANUFACTURING SHIPMENTS M/M	(Aug)	(M)	1.3%	1.1%	-0.4%
Thursday, October 15	8:30 AM	WHOLESALE SALES EX-PETROLEUM M/M	(Aug)	(M)	-1.5%	-1.5%	0.3%
Thursday, October 15	5:00 AM	Speaker: BoC Senior Deputy Gov. Rogers	-	-	-	-	-
Friday, October 16	5:00 AM	EXISTING HOME SALES M/M	(Sep)	(M)	-	-	-0.7%
Friday, October 16	8:15 AM	HOUSING STARTS SAAR	(Sep)	(M)	220K	230K	229K
Friday, October 16	8:30 AM	INT'L. SEC. TRANSACTIONS	(Aug)	(M)	-	-	\$21B
Friday, October 16	12:15 AM	Speaker: BoC Governor Macklem	-	-	-	-	-
Friday, October 16	8:00 AM	Speaker: BoC External Deputy Gov. Alexopoulos	-	-	-	-	-

Week Ahead Calendar And Forecast—United States

H, M, L = High, Medium or Low Priority

SAAR = Seasonally Adjusted Annual Rate

Consensus Source: Bloomberg

Date	Time	Economic Releases, Auctions and Speakers	Month	Priority	CIBC	Consensus	Prior
Monday, October 12	-	Bond Market Closed (Columbus Day)	-	-	-	-	-
Monday, October 12	12:10 PM	Speaker: Hammack (Cleveland) (Voter)	-	-	-	-	-
Tuesday, October 13	8:30 AM	EXISTING HOME SALES SAAR	(Sep)	(M)	3.97M	3.96M	3.98M
Tuesday, October 13	8:30 AM	EXISTING HOME SALES M/M	(Sep)	(M)	-0.4%	-0.8%	-2.0%
Tuesday, October 13	2:00 PM	FEDERAL BUDGET BALANCE	(Sep)	(L)	-	-	-\$166.8B
Tuesday, October 13	3:45 AM	Speaker: Waller (Governor) (Voter)	-	-	-	-	-
Tuesday, October 13	1:00 PM	Speaker: Barkin (Richmond) (Non-voter)	-	-	-	-	-
Tuesday, October 13	4:00 PM	Speaker: Collins (Boston) (Non-voter)	-	-	-	-	-
Wednesday, October 14	7:00 AM	MBA-APPLICATIONS	(Oct 9)	(L)	-	-	-4.2%
Wednesday, October 14	8:30 AM	CPI M/M	(Sep)	(H)	0.6%	0.6%	0.4%
Wednesday, October 14	8:30 AM	CPI M/M (core)	(Sep)	(H)	0.3%	0.2%	0.3%
Wednesday, October 14	8:30 AM	CPI Y/Y	(Sep)	(H)	3.6%	3.6%	3.4%
Wednesday, October 14	8:30 AM	CPI Y/Y (core)	(Sep)	(H)	2.5%	2.5%	2.4%
Wednesday, October 14	2:00 PM	FED'S BEIGE BOOK	-	-	-	-	-
Wednesday, October 14	5:40 AM	Speaker: Bowman (Governor) (Voter)	-	-	-	-	-
Wednesday, October 14	1:30 PM	Speaker: Barkin (Richmond) (Non-voter)	-	-	-	-	-
Thursday, October 15	8:30 AM	INITIAL CLAIMS	(Oct 10)	(M)	-	-	197K
Thursday, October 15	8:30 AM	CONTINUING CLAIMS	(Oct 3)	(L)	-	-	1716K
Thursday, October 15	8:30 AM	RETAIL SALES M/M	(Sep)	(H)	0.4%	0.3%	1.1%
Thursday, October 15	8:30 AM	RETAIL SALES (X-AUTOS) M/M	(Sep)	(H)	0.6%	0.5%	1.3%
Thursday, October 15	8:30 AM	RETAIL SALES CONTROL GROUP M/M	(Sep)	(H)	0.3%	0.3%	1.2%
Thursday, October 15	8:30 AM	PHILADELPHIA FED BUSINESS OUTLOOK	(Oct)	(M)	-	26.4	37.8
Thursday, October 15	8:30 AM	PPI M/M	(Sep)	(M)	0.5%	0.5%	0.4%
Thursday, October 15	8:30 AM	PPI M/M (core)	(Sep)	(M)	0.3%	0.3%	0.2%
Thursday, October 15	8:30 AM	PPI Y/Y	(Sep)	(M)	-	5.3%	5.4%
Thursday, October 15	8:30 AM	PPI Y/Y (core)	(Sep)	(M)	-	4.4%	4.6%
Thursday, October 15	10:00 AM	BUSINESS INVENTORIES M/M	(Aug)	(L)	-	0.4%	0.8%
Thursday, October 15	4:30 PM	Speaker: Hammack (Cleveland) (Voter)	-	-	-	-	-
Thursday, October 15	11:30 PM	Speaker: Warsh (Chairman) (Voter)	-	-	-	-	-
Friday, October 16	8:30 AM	IMPORT PRICE INDEX M/M	(Sep)	(L)	-	0.6%	0.7%
Friday, October 16	8:30 AM	EXPORT PRICE INDEX M/M	(Sep)	(L)	-	1.0%	0.6%
Friday, October 16	9:15 AM	INDUSTRIAL PRODUCTION M/M	(Sep)	(H)	0.3%	0.4%	0.0%
Friday, October 16	9:15 AM	CAPACITY UTILIZATION	(Sep)	(M)	76.4%	76.5%	76.3%
Friday, October 16	4:00 PM	NET LONG-TERM TIC FLOWS	(Aug)	(L)	-	-	-\$27.9B

Week Ahead's market call

by Avery Shenfeld

In the **US**, markets seem convinced that the Fed will stand pat in October, but hike again in December, based on hints in that direction from some Fed speakers, the soft payrolls report. But the jobs data still have the economy sitting near full employment, so it's the central bankers' views on the other side of the Fed's dual mandate, inflation, that should matter more. If this week's CPI see a core print of 0.3% as we expect, we'd look for market pricing on the October FOMC to move towards something closer to an even split, although Persian Gulf developments will obviously matter as well. Retail sales, PPI and a bevy of Fed speakers will round out the week's news.

In **Canada**, manufacturing shipments in August were lifted by businesses rushing to get products across the border before a 50% tariff kicked in, so the strength we see that month could be offset by developments in upcoming months. Governor Macklem speaks at the end of this Thanksgiving week, but we don't expect him to talk turkey about whether he will or won't raise interest rates this month. Instead, look for a repeat of his earlier warning that rates will rise if energy inflation persists and spreads more broadly in the CPI, one that could support a rate hike now, but equally, presage a rate hike that comes only months from now.

There are no major Canadian data releases next week.

Week Ahead's key US number: Consumer price index—September

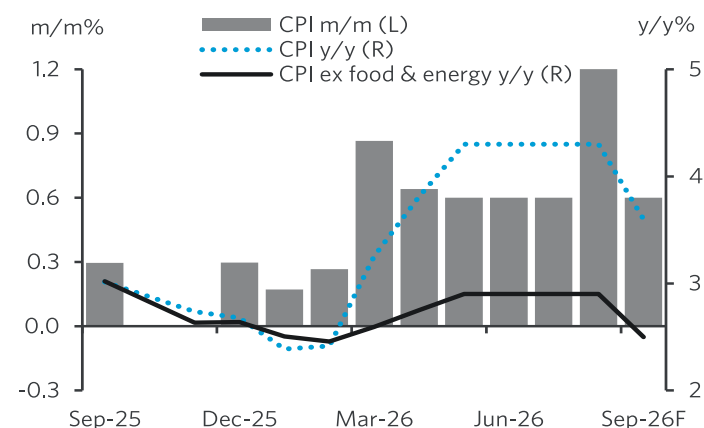
(Wednesday, 8:30 am)

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Variable (%)	CIBC	Mkt	Prior
Headline CPI (m/m)	0.6	0.6	0.4
Headline CPI (y/y)	3.6	3.6	3.4
Core CPI (m/m)	0.3	0.2	0.3
Core CPI (y/y)	2.5	2.5	2.4

Higher gasoline prices are expected to push the monthly pace of US CPI higher in September, to 0.6% compared with 0.4% in August. Excluding food and energy, CPI likely rose at a more moderate 0.3% month over month, same pace as August. This would push up the year-over-year growth of total CPI to 3.6% and core CPI to 2.5% in September. While a record jump in wireless telephone services last month is unlikely to recur this month, airfare prices could pick up due to higher jet fuel prices. Medical care services are also likely to rebound following last month's decline, as the component has shown a pattern of growth after each contraction since March. On the other hand, shelter could decelerate to 0.2%, following the 0.3% in August driven partly by a rebound in hotel prices. A pace of 0.3% m/m for core CPI for September would translate into a 0.25% core PCE print which means year-over-year core PCE would climb higher from 3% to 3.3%.

Chart: US consumer price index



Source: BLS, Haver Analytics, CIBC

Forecast implications — This will be the last inflation report before the next FOMC meeting, and a key decisive data for many members. The September dot plot signals at least one additional rate hike, but the timing of the hike has been a subject of debate with members such as Jefferson and Williams hinting at waiting until December. A monthly core CPI pace of 0.3% would imply a continued acceleration in year-over-year space and a lack of progress on inflation, that would persuade most members to vote for a hike in the upcoming FOMC meeting.

Other US Releases: Retail sales—September

(Thursday, 8:30 am)

We expect monthly retail sales growth to slow to 0.4% this month following the strong, broad-based increase of 1.1% recorded last month. Auto sales declined in September partly reflective of rising borrowing costs and elevated fuel prices, so we expect retail sales to be slightly stronger at 0.6% excluding autos. The headline retail sales figure is also flattered by higher gasoline prices, as retail sales excluding gasoline and autos likely increased by a more modest pace of 0.2%. The retail sales control group, which excludes more volatile categories such as gasoline, autos, and building supplies, is expected to post a steady 0.3% gain, supported by modest growth in nonstore retailers.

Industrial production—September

(Friday, 9:15 am)

Industrial production likely bounced back in September following a flat August. The unusual contraction in the manufacturing sector was the main weakness behind the August number and September's payroll suggests aggregate hours for manufacturing posted a modest increase. The Baker Hughes rig count data also suggests an increase from August to September, signalling higher activities in the mining oil and gas extraction sector. Utilities could also post a steady monthly increase as average temperature in September in the US was warmer than usual.

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