

## Economics

# THE WEEK AHEAD

October 13 - 17, 2025

## What Professor Gold is teaching us

by Avery Shenfeld [avery.shenfeld@cibc.com](mailto:avery.shenfeld@cibc.com)

Economists don't have a handy tool kit for predicting where gold prices are headed. Supply is essentially fixed by what's already in stock from centuries of mining. Demand is whatever gold buyers are willing to pay based on inflation fears, confidence in currencies, interest foregone, and a host of variables that provide very weak explanatory power in formal models.

But those basking in bullion's current sheen argue that Professor Gold is trying to teach us something about the state of the US economy. The problem is that most of these explanations contradict what other, larger markets are saying. It may be that gold buyers, particularly those resident in certain Asian economies, hold certain views, but the broader world of capital markets players disagrees.

If it's tied to fears of elevated US inflation, then why is gold peaking now, when price pressures are much cooler than in 2023? Inflation linked bonds aren't showing a rapid escalation in inflation fears.

Are investors fleeing US Treasuries and buying gold in fear of a default? Some foreign central banks from countries with shaky relations with Washington have been doing that trade. But rather than a general default, they may be concerned that American sanctions could one day prevent them from cashing in their bonds. The broader market isn't driving up long term US rates and the curve's steepness isn't out of line with pre-global-financial-crisis norms.

Could gold's gains be driven by talk of a politicized Fed that will undermine the dollar? If most investors shared a negative view of it, we would be seeing a lot more USD depreciation than the gentle to-and-fro movements of this year's forex market. More plausible is that economic jitters in tariff-afflicted China or India are seeing residents of those countries stockpile gold as a hedge against their own currencies.

A sign of impending economic peril? The equity market clearly doesn't think so. Gold is no longer trading with a negative beta to US stocks, and might therefore not be a safe haven should

equities weaken. Tight corporate spreads are also inconsistent with panicked views on the US economy.

So whatever gold is saying, the financial world isn't sending us messages about US economic peril, or an American fiscal or monetary malaise. But gold isn't rallying in isolation. Indeed, it's just one part of a larger story in which risky assets have moved up sharply. Is there's a connection in the simultaneous surge in precious metals, bitcoin, meme stocks, and equities trading with elevated price-earnings multiples?

While each asset class has its own investor pool, there appears to have been a shift from patient investing based on financial fundamentals, which rarely offer get rich quick opportunities, towards the rush of trading in assets, or placing bets, that can almost magically double, or soar tenfold. Social media was a factor in meme trading and interest in cryptos, and perhaps it's that culture, and the way it highlights the rich and famous, that has others chasing a quick and easy route to that dream.

In more formal terms, that would be equivalent to a reduction in risk aversion. That explanation would mesh well with a contemporaneous rally in high-multiple tech equities and cryptocurrencies, tight corporate bond spreads, and this summer's resurgence in US leveraged loan issuance. And maybe even sports betting, on a smaller scale.

That's not to say that all of this will come to naught. Risk taking lies behind many major economic innovations. But it does raise concerns that if we're seeing an unsustainable excess in risk taking, the riskiest slices of the financial market could be vulnerable to a change in what Keynes called "animal spirits", which could prompt investors to return to a more traditional asset mix.

## 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 13	-	Markets Closed (Thanksgiving)	-	-	-	-	-
Tuesday, October 14	8:30 AM	BUILDING PERMITS M/M	(Aug)	(M)	-	-	-0.1%
Tuesday, October 14	12:10 PM	Speaker: Carolyn Rogers (Sr. Deputy Gov.)	-	-	-	-	-
Wednesday, October 15	-	AUCTION: 30-YR CANADAS \$3B	-	-	-	-	-
Wednesday, October 15	8:30 AM	EXISTING HOME SALES M/M	(Sep)	(M)	-	-	1.1%
Wednesday, October 15	8:30 AM	MANUFACTURING SHIPMENTS M/M	(Aug)	(M)	-1.5%	-1.5%	2.5%
Wednesday, October 15	8:30 AM	WHOLESALE SALES EX-PETROLEUM M/M	(Aug)	(M)	-1.3%	-	1.2%
Thursday, October 16	8:30 AM	HOUSING STARTS SAAR	(Sep)	(M)	260.0K	247.5K	245.8K
Thursday, October 16	1:30 PM	Speaker: Tiff Macklem (Governor)	-	-	-	-	-
Friday, October 17	8:30 AM	INT'L. SEC. TRANSACTIONS	(Aug)	(M)	-	-	\$26.7B

## 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 13	-	Treasury Markets Closed (Columbus Day)	-	-	-	-	-
Monday, October 13	12:55 PM	Speaker: Paulson (Philadelphia, non-voter)	-	-	-	-	-
Tuesday, October 14	8:45 AM	Speaker: Bowman (Governor, voter)	-	-	-	-	-
Tuesday, October 14	12:20 PM	Speaker: Powell (Chairman, voter)	-	-	-	-	-
Tuesday, October 14	3:25 PM	Speaker: Waller (Governor, voter)	-	-	-	-	-
Tuesday, October 14	3:30 PM	Speaker: Collins (Boston, voter)	-	-	-	-	-
Wednesday, October 15	7:00 AM	MBA-APPLICATIONS	(Oct 10)	(L)	-	-	-4.7%
Wednesday, October 15	8:30 AM	NEW YORK FED (EMPIRE)	(Oct)	(M)	-	0.0	-8.7
Wednesday, October 15	8:30 AM	CPI M/M	(Sep)	(H)	0.3%	0.4%	0.4%
Wednesday, October 15	8:30 AM	CPI M/M (core)	(Sep)	(H)	0.3%	0.3%	0.3%
Wednesday, October 15	8:30 AM	CPI Y/Y	(Sep)	(H)	3.1%	3.1%	2.9%
Wednesday, October 15	8:30 AM	CPI Y/Y (core)	(Sep)	(H)	3.1%	3.1%	3.1%
Wednesday, October 15	2:00 PM	FED'S BEIGE BOOK	-	-	-	-	-
Wednesday, October 15	12:30 PM	Speaker: Miran (Governor, voter)	-	-	-	-	-
Wednesday, October 15	1:00 PM	Speaker: Waller (Governor, voter)	-	-	-	-	-
Thursday, October 16	8:30 AM	INITIAL CLAIMS	(Oct 11)	(M)	-	229K	-
Thursday, October 16	8:30 AM	CONTINUING CLAIMS	(Oct 4)	(L)	-	1930K	1916K
Thursday, October 16	8:30 AM	RETAIL SALES M/M	(Sep)	(H)	0.3%	0.4%	0.6%
Thursday, October 16	8:30 AM	RETAIL SALES (X-AUTOS) M/M	(Sep)	(H)	0.2%	0.3%	0.7%
Thursday, October 16	8:30 AM	RETAIL SALES CONTROL GROUP M/M	(Sep)	(H)	0.2%	0.3%	0.7%
Thursday, October 16	8:30 AM	PPI M/M	(Sep)	(M)	0.3%	0.3%	-0.1%
Thursday, October 16	8:30 AM	PPI M/M (core)	(Sep)	(M)	0.3%	0.2%	-0.1%
Thursday, October 16	8:30 AM	PPI Y/Y	(Sep)	(M)	-	-	2.6%
Thursday, October 16	8:30 AM	PPI Y/Y (core)	(Sep)	(M)	-	-	2.8%
Thursday, October 16	8:30 AM	PHILADELPHIA FED BUSINESS OUTLOOK	(Oct)	(M)	-	7.0	23.2
Thursday, October 16	10:00 AM	BUSINESS INVENTORIES M/M	(Aug)	(L)	-	0.2%	0.2%
Thursday, October 16	10:00 AM	NAHB HOUSING INDEX	(Oct)	(L)	-	-	32.0
Thursday, October 16	9:00 AM	Speaker: Waller (Governor, voter)	-	-	-	-	-
Thursday, October 16	9:00 AM	Speaker: Barr (Governor, voter)	-	-	-	-	-
Thursday, October 16	9:00 AM	Speaker: Miran (Governor, voter)	-	-	-	-	-
Thursday, October 16	10:00 AM	Speaker: Bowman (Governor, voter)	-	-	-	-	-
Thursday, October 16	4:15 PM	Speaker: Miran (Governor, voter)	-	-	-	-	-
Friday, October 17	8:30 AM	HOUSING STARTS SAAR	(Sep)	(M)	1350K	1315K	1307K
Friday, October 17	8:30 AM	BUILDING PERMITS SAAR	(Sep P)	(H)	1350K	1347K	1330K
Friday, October 17	8:30 AM	IMPORT PRICE INDEX M/M	(Sep)	(L)	-	0.1%	0.3%
Friday, October 17	8:30 AM	EXPORT PRICE INDEX M/M	(Sep)	(L)	-	-0.1%	0.3%
Friday, October 17	9:15 AM	INDUSTRIAL PRODUCTION M/M	(Sep)	(H)	0.1%	0.0%	0.1%
Friday, October 17	9:15 AM	CAPACITY UTILIZATION	(Sep)	(M)	77.5%	77.3%	77.4%
Friday, October 17	4:00 PM	NET CAPITAL INFLOWS (TICS)	(Aug)	(L)	-	-	\$49.2B
Friday, October 17	12:15 PM	Speaker: Musalem (St. Louis, voter)	-	-	-	-	-

## Week Ahead's market call

by Avery Shenfeld

In the **US**, odds are that the government shutdown will put the kibosh on official data releases, but the CPI could be an exception. BLS workers have been called back to get that report out the door, so that Social Security payments can receive their annual inflation bump. While we're unsure of its timing, or even if it will be ready in the coming week, the CPI report could show continued stickiness, with 0.3% gains in both headline and core, and an implied 0.3% gain in core PCE when that eventually comes out. Not the numbers the Fed wants to see, but its concern over employment likely keeps them on course for an October rate cut.

In **Canada**, a holiday-shortened week will be devoid of major releases that generate market reactions, and we'll still be waiting for the CPI data that will be of importance to the Bank of Canada's October decision. Manufacturing, wholesaling and housing starts reports will help fine tune Q3 GDP estimates a bit, and notwithstanding the partial rebound in September employment, GDP appears to have been tracking towards only meagre growth in the quarter. Senior Canadian government officials have been hanging out in Washington in an effort to get a deal on sectoral tariffs, with the most hope for a bit of relief in base metals. Bank of Canada Governor Macklem is also due to speak in that same city.

**There are no major Canadian data releases next week.**

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

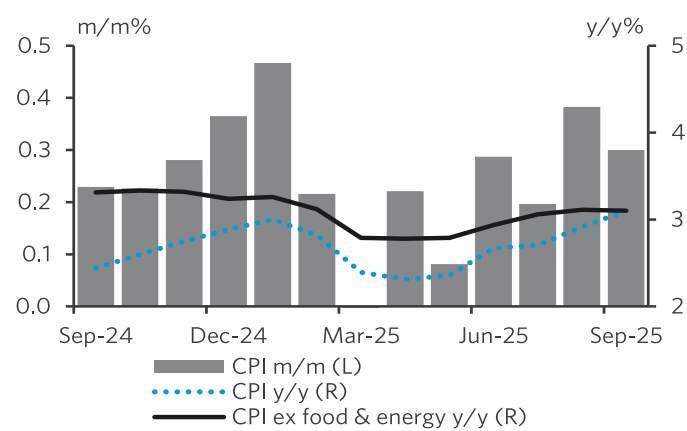
(Wednesday, 8:30 am)

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Variable (%)	CIBC	Mkt	Prior
Headline CPI (m/m)	0.3	0.4	0.4
Headline CPI (y/y)	3.1	3.1	2.9
Core CPI (m/m)	0.3	0.3	0.3
Core CPI (y/y)	3.1	3.1	3.1

If the government shutdown ends and the data calendar resumes as normal, CPI will have the spotlight next week. We expect the September print to show sticky inflation, with headline and core inflation showing another 0.3% m/m rise in prices. The imprint of tariffs on goods prices will show more and non-shelter services inflation should also remain elevated in the month, offsetting soft shelter costs.

Chart: US consumer price index



Source: BLS, Haver Analytics, CIBC

**Forecast implications** — We expect the 0.3% m/m in core CPI to be consistent with 0.3% reading in the Fed’s preferred inflation gauge, core PCE. Despite sticky price pressures, we expect the Fed to cut once more in October as more insurance for the job market.

Other US Releases:  
Retail sales—September

(Thursday, 8:30 am)

If we get extra lucky and also get retail sales, we expect those to show a modest slowdown in September. High-frequency credit card data point to the consumer taking a step down after strong summer. We expect total sales to come in at 0.3% m/m and the control group to gain 0.2%.

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