

THE WEEK AHEAD

November 2 - 6, 2026

An information-rich week ahead

by Avery Shenfeld avery.shenfeld@cibc.com

In justifying the Fed's decision to hold off on a rate hike this week, Chairman Warsh cited an upcoming "information rich" period that would enable the committee to better assess its appropriate path. Cynics judged that as the best excuse he could come up with if the decision was really about staying out of the limelight ahead of US midterms. But Warsh does have a point here. An information rich period indeed lies just ahead, and the coming week will be the start of that deluge for both US and Canadian central banks and markets.

On its own, Tuesday's US election is unlikely to unleash a major turn in fiscal policy that could impact policy rates or the pressure on long rates from elevated deficits, with Democrats highly unlikely to attain a veto-proof majority in the Senate. But the White House has telegraphed that it's been holding back on making a major decision over its stance in the Persian Gulf. Once the votes are in, this might be one case where Trump's frequent comment that something will happen "soon" ends up being on the mark.

If he opts for a renewed military assault on Iran, the near term impact would likely be an escalation of fuel cost inflation. Iran's counter attacks will freeze traffic in the Straits, and take aim at refining assets in neighbouring Gulf states. Fuel prices are part of the US inflation picture, and at this point, really the only source of inflationary pressures in Canada. So a further escalation could cement the case for a Fed hike in December, and might have us moving up our forecast for a January Bank of Canada rate hike into December as well.

But there's also momentum towards a diplomatic solution. America's allies in the Gulf, who have important ties to the US and to Trump's extended family businesses, are attempting to come up with mediated plan that Iran and the US could live with. A peaceful resolution would see oil prices begin to ease on greater certainty over flows through the Straits, and allow for what would be a more gradual reduction in related product prices, easing pressure on the Fed and the BoC to hike again in December.

Trade policy could also come back into play soon, to move ahead of a threatened US tariff increase on Canada's auto sector for January 1st. Any move to improve Canada-US trade would indeed be "information rich" for the Bank of Canada. But if that January 1st tariff starts to look like a more credible threat, it would be a good reason for the Bank of Canada to hold off on

a December rate hike, and if it came into force, it might mark the end to this rate hike path.

Talk of a quick deal to dial down tariffs with Canada could actually fade a bit after Tuesday, because the greater intensity of discussions has come from the US side. The trade war has become an issue in closely fought Senate elections in Maine and Michigan, motivating the White House to see if a deal could be reached ahead of the midterms. If that's not forthcoming, it will temporarily drop down on the US agenda, but we expect the two sides to return to negotiations at some point in the next month.

In Canada, the coming week's Federal Budget seems unlikely to unveil enough of a surprise over deficits and financing needs to impact long term rates. The Parliamentary Budget Office estimate for the upcoming year's deficit, which should already be in the market, seems likely to end up being close enough to what the budget will unveil. Fiscal stimulus is en route, in the form of major projects that Ottawa hopes to lean into with financial support of one form or another. But our analysis of the projects on that list suggests that the ramp up of actual shovels in the ground, and therefore the lift to growth, won't really be that notable until 2028 and beyond, so it's not something the Bank of Canada should be counting on as an offset to its rate hikes.

That said, there's talk in Ottawa that next week's plans will take aim at tax reforms. Even if they are on balance revenue neutral, or only marginally negative for government revenues, growth oriented tax reforms could be a tailwind for the economy that could impact monetary policy. That said, tax reform is tricky political ground, because a "reform", as opposed to a "cut" agenda is about trimming taxes for some, and raising them for others.

Unlike spending measures, which are often telegraphed to the media as teasers ahead of budget day, tax changes are usually kept confidential until they're announced on the floor of the House. We're not sure, then, whether the budget will actually reveal the details of such reforms, beyond what was already announced in the mega-deduction for capital expenditures, or whether it will just announce the start of a consultation process for the coming year. As a result, the budget could indeed be information rich, or not, for both markets and the central bank.

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, November 2	-	-	-	-	-	-	-
Tuesday, November 3	-	AUCTION: 3-M BILLS \$13.4B, 6-M BILLS \$4.8B, 1-YR BILLS \$4.8B	-	-	-	-	-
Tuesday, November 3	11:00 AM	Speaker: Tiff Macklem (Governor) & Carolyn Rogers (Sr. Deputy Gov.)	-	-	-	-	-
Wednesday, November 4	-	AUCTION: 5-YR CANADAS \$5B	-	-	-	-	-
Wednesday, November 4	8:30 AM	MERCHANDISE TRADE BALANCE	(Sep)	(H)	\$3.5B	\$6.0B	\$4.2B
Thursday, November 5	-	Release: Canada Federal Government 2026 Budget	-	-	-	-	-
Friday, November 6	8:30 AM	EMPLOYMENT CHANGE	(Oct)	(H)	35.0K	12.2K	-68.3K
Friday, November 6	8:30 AM	UNEMPLOYMENT RATE	(Oct)	(H)	6.5%	6.5%	6.5%
Friday, November 6	10:00 AM	IVEY PMI	(Oct)	(L)	-	-	58.2

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, November 2	9:45 AM	S&P GLOBAL US MANUFACTURING PMI	(Oct)	(L)	-	-	56.0
Monday, November 2	10:00 AM	ISM - MANUFACTURING	(Oct)	(H)	54.6	54.7	54.5
Monday, November 2	10:00 AM	CONSTRUCTION SPENDING M/M	(Oct)	(M)	-	0.5%	0.9%
Monday, November 2	11:15 AM	Speaker: Austan D. Goolsbee, Chicago (Non-Voter)	-	-	-	-	-
Tuesday, November 3	10:00 AM	JOLTS Job Openings	(Sep)	-	-	7100K	7079K
Tuesday, November 3	10:00 AM	FACTORY ORDERS M/M	(Sep)	(M)	1.0%	1.1%	0.1%
Tuesday, November 3	10:00 AM	DURABLE GOODS ORDERS M/M	(Sep)	(H)	-	-	1.8%
Tuesday, November 3	10:00 AM	DURABLE GOODS ORDERS EX-TRANS M/M	(Sep)	(H)	-	-	0.5%
Tuesday, November 3	-	US Midterm Vote	-	-	-	-	-
Wednesday, November 4	7:00 AM	MBA-APPLICATIONS	(Oct 30)	(L)	-	-	3.4%
Wednesday, November 4	8:15 AM	ADP EMPLOYMENT CHANGE	(Oct)	(M)	-	70K	90K
Wednesday, November 4	8:30 AM	GOODS & SERVICES TRADE BALANCE	(Sep)	(H)	-\$108.0B	-\$107.9B	-\$105.6B
Wednesday, November 4	9:45 AM	S&P GLOBAL US SERVICES PMI	(Oct)	(L)	-	-	57.9
Wednesday, November 4	9:45 AM	S&P GLOBAL US COMPOSITE PMI	(Oct)	(L)	-	-	57.6
Wednesday, November 4	10:00 AM	ISM - SERVICES	(Oct)	(M)	54.8	54.7	54.9
Wednesday, November 4	-	Announcement: US Treasury Quarterly Refunding	-	-	-	-	-
Thursday, November 5	8:30 AM	INITIAL CLAIMS	(Oct 31)	(M)	-	-	194K
Thursday, November 5	8:30 AM	CONTINUING CLAIMS	(Oct 24)	(L)	-	-	1701K
Thursday, November 5	8:30 AM	NON-FARM PRODUCTIVITY	(3Q P)	(M)	3.0%	3.0%	1.4%
Thursday, November 5	8:50 AM	Speaker: Beth M. Hammack (Cleveland) (Voter)	-	-	-	-	-
Thursday, November 5	9:10 AM	Speaker: Thomas I. Barkin (Richmond) (Non-Voter)	-	-	-	-	-
Thursday, November 5	7:00 PM	Speaker: Lorie K. Logan (Dallas) (Voter)	-	-	-	-	-
Friday, November 6	8:30 AM	NON-FARM PAYROLLS	(Oct)	(H)	50K	55K	29K
Friday, November 6	8:30 AM	UNEMPLOYMENT RATE	(Oct)	(H)	4.2%	4.2%	4.2%
Friday, November 6	8:30 AM	AVERAGE HOURLY EARNINGS ALL EMPLOYEES M/M	(Oct)	(H)	0.3%	0.3%	0.1%
Friday, November 6	8:30 AM	AVERAGE WEEKLY HOURS ALL EMPLOYEES	(Oct)	(H)	-	34.4	34.4
Friday, November 6	8:30 AM	MANUFACTURING PAYROLLS	(Oct)	(H)	-	0K	9K
Friday, November 6	10:00 AM	MICHIGAN CONSUMER SENTIMENT	(Nov P)	(H)	-	47.3	48.0
Friday, November 6	3:00 PM	CONSUMER CREDIT	(Sep)	(L)	-	\$12.0B	\$8.3B
Friday, November 6	4:30 PM	Speaker: John C. Williams (Vice Chairman, New York) (Voter)	-	-	-	-	-
Friday, November 6	9:10 AM	Speaker: Alberto G. Musalem (St Louis) (Non-Voter)	-	-	-	-	-
Friday, November 6	12:15 PM	Speaker: Michelle W. Bowman (Governor) (Voter)	-	-	-	-	-

Week Ahead's market call

by Avery Shenfeld

In the **US**, Tuesday's midterm elections aren't likely to be immediate market movers, even more so if the Republicans manage to hang on to the Senate. As we discuss in the cover story, it's more that with the election out of the way, we'll be watching closely for White House decisions over what to do in the Persian Gulf. We're not far enough from consensus on payrolls or other releases to be anticipating any of them to market movers. Instead, with Warsh not saying much in his post-meeting press conference, the focus could be on the explanations offered by other FOMC members, both voters and non-voters, on why they opted to pause, and on what it will take for them to hike again in December and beyond. Some key tech company earnings will continue to draw attention as investors weigh the balance between heavy capital spending requirements and growing revenues.

In **Canada**, the federal budget will be watched for any news over tax reforms and other potential growth initiatives, but we're not expecting a big surprise on deficit totals versus the PBO estimates. Affordability will be another focus, which could include extending the timeframe for relief on federal fuel taxes. On the data front, we're looking for an above-consensus LFS employment figure due for a bounce back from what looked to be statistical noise in some of the prior month's weakness and hiring for the Alberta referendum, but perhaps not enough to bring down the 6.5% jobless rate.

Week Ahead’s key Canadian number:
Labour force survey—October

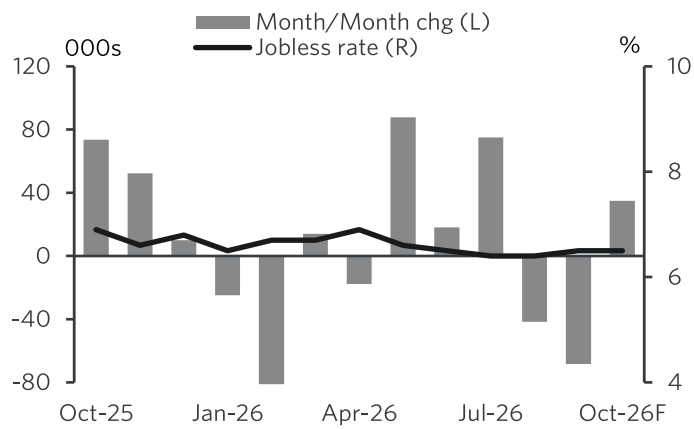
(Friday, 8:30 am)

Andrew Grantham andrew.grantham@cibc.com

Variable	CIBC	Mkt	Prior
Employment change	35.0K	12.2K	-68.3K
Unemployment rate	6.5%	6.5%	6.5%

Following two negative months, employment likely bounced back in October. That could mostly reflect hiring linked to the Alberta referendum, which should bring a temporary boost to public administration jobs. While the full number recruited likely won’t show up in this labour force data, because many may be counting votes as a second job and as a result are already classified as employed, this temporary boost should account for most of the employment growth that we expect. Education may also partially rebound following a suspiciously large decline in the prior month. Given that some of the public administration positions could be filled by people previously out of the labour market, we could also see the participation rate tick up which would limit the impact of a strong headline employment figure on the jobless rate.

Chart: Canadian employment



Source: Statistics Canada, Haver Analytics, CIBC

Forecast implications — The Bank of Canada is more concerned about the inflation outlook at the moment rather than the outlook for the labour market. However, continued labour market slack will likely keep services inflation in check, and prevent core measures of inflation from accelerating as much as the Bank of Canada appears to be fearing within its MPR projections.

Other Canadian releases:
Merchandise trade balance—September

(Wednesday, 8:30 am)

An increase in oil prices in September likely offset lower volumes and resulted in an increase in energy exports relative to the prior month. Normally that would result in a larger trade surplus, but new US tariffs likely negatively impacted trade in other areas particularly if the prior month was bolstered by front-running activity. We see the trade surplus narrowing slightly to \$3.5bn in September.

Week Ahead's key US number: Employment situation—October

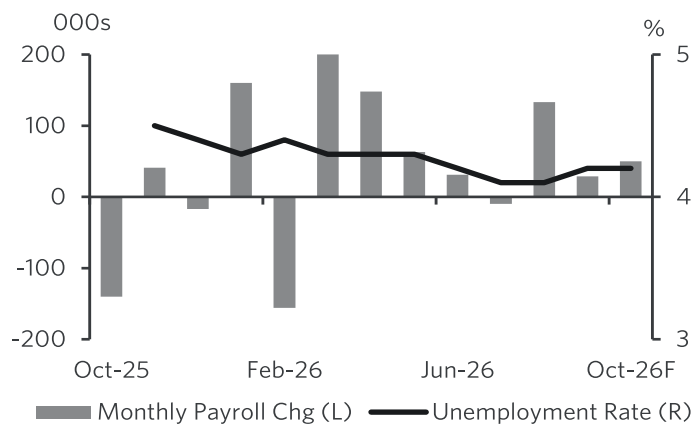
(Friday, 8:30 am)

Helen Lao helen.lao@cibc.com

Variable	CIBC	Mkt	Prior
Employment (m/m)	50K	55K	29K
Unemployment rate	4.2%	4.2%	4.2%
Avg hourly earnings (m/m)	0.3%	0.3%	0.1%

We expect employment to rebound slightly in October following below trend job gains last month. Government can post some job gains after shedding jobs last month, employment has been volatile in the sector recently. Initial claims also declined in October, and claims were particularly low during the payroll survey week. Our call of a 50K job gain is consistent with the three-month moving average and should still keep the unemployment rate unchanged at 4.2%. We expect average hourly earnings to accelerate slightly to 0.3% m/m, following a subdued 0.1% advance last month. That means year-over-year average hourly earnings likely decelerated from 3% to 2.9% in October, and below the current pace of CPI inflation at 3.7%. The annual pace of earnings growth in the US has trailed CPI inflation for 6 consecutive months.

Chart: US payroll employment



Source: BLS, Haver Analytics, CIBC

Forecast implications — Headline job gains have averaged lower in recent months, but with the unemployment rate expected to remain at 4.2%, the US labour market is still near full employment. That combined with Q3 GDP data showing solid economic activity this week, means the Fed can focus on inflation, as recent data shows some pick up in core inflation momentum. We expect the Fed to deliver a 25 bps hike in December.

Contacts:

Avery Shenfeld
avery.shenfeld@cibc.com

Benjamin Tal
benjamin.tal@cibc.com

Andrew Grantham
andrew.grantham@cibc.com

Katherine Judge
katherine.judge@cibc.com

Helen Lao
helen.lao@cibc.com

CIBC Capital Markets
PO Box 500
161 Bay Street, Brookfield Place
Toronto, Canada, M5J 2S8
[Bloomberg @ CIBC](#)

economics.cibccm.com

CIBC Capital Markets is a trademark brand name under which Canadian Imperial Bank of Commerce ("CIBC"), its subsidiaries and affiliates (including, without limitation, CIBC World Markets Inc., CIBC World Markets Corp. and CIBC Capital Markets (Europe) S.A.) provide different products and services to our customers around the world. Products and/or services offered by CIBC include corporate lending services, foreign exchange, money market instruments, structured notes, interest rate products and OTC derivatives. CIBC's Foreign Exchange Disclosure Statement relating to guidelines contained in the FX Global Code can be found at www.cibccm.com/fxdisclosure. Other products and services, such as exchange-traded equity and equity options, fixed income securities and futures execution of Canadian securities, are offered through directly or indirectly held subsidiaries of CIBC as indicated below.

Distribution

This report is written by the economics team at CIBC Capital Markets and is not the product of a CIBC Capital Markets research department. This report is issued and approved for distribution: (a) in Canada, by CIBC World Markets Inc., a member of the Canadian Investment Regulatory Organization, the Toronto Stock Exchange, the TSX Venture Exchange and a Member of the Canadian Investor Protection Fund; and (b) in the United States, by either: (i) CIBC World Markets Inc. for distribution only to U.S. Major Institutional Investors ("MII") (as such term is defined in SEC Rule 15a-6) or (ii) CIBC World Markets Corp., a member of the Financial Industry Regulatory Authority. U.S. MIIs receiving this report from CIBC World Markets Inc. (the Canadian broker-dealer) are required to effect transactions (other than negotiating their terms) in securities discussed in the report through CIBC World Markets Corp. (the U.S. broker-dealer).

This report is provided, for informational purposes only, to institutional investor and retail clients of CIBC World Markets Inc. in Canada and does not constitute an offer or solicitation to buy or sell any securities discussed herein, including (without limitation) in any jurisdiction where such offer or solicitation would be prohibited.

The distribution of this report in the United Kingdom is being made only to, or directed only at, persons falling within one or more of the exemptions from the financial promotion regime in section 21 of the UK Financial Services and Markets Act 2000 (as amended) ("FSMA") including, without limitation, to the following:

- authorised firms under FSMA and certain other investment professionals falling within article 19 of the FSMA (Financial Promotion) Order 2005 ("FPO") and directors, officers and employees acting for such entities in relation to investment;
- high value entities falling within article 49 FPO and directors, officers and employees acting for such entities in relation to investment; and
- persons who receive this presentation outside the United Kingdom.

The distribution of this report to any other person in the United Kingdom is unauthorised and may contravene FSMA. No person falling outside such categories should treat this report as constituting a promotion to them or rely or act on it for any purposes whatsoever. This report is distributed solely to eligible counterparties or professional clients and not retail clients as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

For all other jurisdictions, this report is distributed solely to institutional clients and not retail clients as defined by the applicable securities legislation and regulation to which CIBC Capital Markets may be subject in any jurisdiction.

Miscellaneous

This report does not take into account the investment objectives, financial situation or specific needs of any particular client of CIBC. Before making an investment decision on the basis of any information contained in this report, the recipient should consider whether such information is appropriate given the recipient's particular investment needs, objectives and financial circumstances. CIBC suggests that, prior to acting on any information contained herein, you contact one of our client advisers in your jurisdiction to discuss your particular circumstances. Since the levels and bases of taxation can change, any reference in this report to the impact of taxation should not be construed as offering tax advice; as with any transaction having potential tax implications, clients should consult with their own tax advisors. Past performance is not a guarantee of future results.

The information and any statistical data contained herein were obtained from sources that we believe to be reliable, but we do not represent that they are accurate or complete, and they should not be relied upon as such. All estimates and opinions expressed herein constitute judgments as of the date of this report and are subject to change without notice.

This report may provide addresses of, or contain hyperlinks to, Internet web sites. CIBC has not reviewed the linked Internet web site of any third party and takes no responsibility for the contents thereof. Each such address or hyperlink is provided solely for the recipient's convenience and information, and the content of linked third-party web sites is not in any way incorporated into this document. Recipients who choose to access such third-party web sites or follow such hyperlinks do so at their own risk.

Unauthorized use, distribution, duplication or disclosure without the prior written permission of CIBC World Markets Inc. is prohibited by law and may result in prosecution.

CIBC Capital Markets and the CIBC Logo Design are trademarks of CIBC, used under license.