Economics

THE WEEK AHEAD

November 16 - 20, 2026

Fragility without frugality: the backdrop for US consumers

by **Avery Shenfeld** avery.shenfeld@cibc.com

In the last few weeks we've seen what look to be contradictory readings on the financial health of American consumers, and their ability to keep on spending. Understanding what's driving that discrepancy can provide clues on where consumer demand goes from here.

Americans are spending with unbridled enthusiasm, as real consumption grew at 3.8% annualized in Q3. Having to cover rising prices, nominal consumption grew at a brisk 6.3% pace in the year to September, 2%-points faster than what we typically saw in the pre-pandemic cycle. If consumers were nervous, they would be showing more frugality by paying down debt or increasing savings. Instead, the saving rate has been in a steady decline.

Those decisions would seem to fly in the face of the past week's report on household debt service. Despite no widespread job losses, delinquencies have climbed, particularly for credit cards and student loans (Chart). So even though actual bankruptcies and foreclosures are well contained, you would expect that mounting unpaid bills would have weighed on spending.

So what gives? For credit cards, a NY Fed study found that more cards were issued in 2020-22 to cohorts with lower credit scores. As a result, we're seeing card delinquencies among households that weren't carrying a credit card in prior cycles. For student loans, the climb reflects an end to a grace period that allowed debtors to forgo payments.

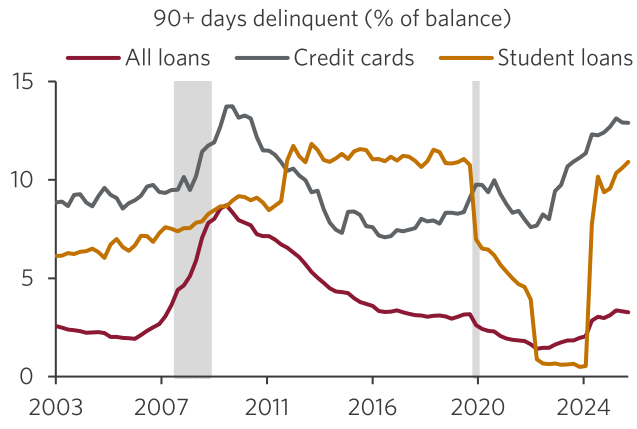
But the other factor at work here is simply this: those that are doing all that spending aren't the same families that are struggling to pay their bills. And wealth, as much as income, is driving those shoppers' ability to grow spending faster than incomes and let their saving rate decline.

The Fed's recent analysis of "Changes in Family Finances from 2022 to 2025" tells that story. It's in wealth, rather than incomes, where those at the top really won big. Real median net worth for the top 10% of income earners soared by 31% in that three year period, allowing that group to account for nearly 30% of all household spending by 2025.

Essentially, the US household sector is bifurcated. Those with soaring wealth levels have been able to spend freely even as prices have climbed. Further down the income and wealth spectrum, even with no climb in unemployment rates, there are indeed signals of stress, albeit exaggerated by student debt policy changes and looser credit card issuance practices. Survey data show 8.6% of respondents had a debt-service/income ratio of 40% or more in 2025, typically an indicator of financial vulnerability, up from 6.5% three years earlier.

If wealth has been a significant spur to consumption, that side of the economy would be vulnerable to a pull back in equities, which have held up much better than housing assets in the past year. And we've seen an increase in delinquencies and more Americans with vulnerable debt service ratios without a rise in the jobless rate, suggesting that there would be more to come on that front if the economy slowed enough to accelerate layoffs. All of that should weigh on the Fed's thinking on how fast they need to push up interest rates, and thereby dent equity markets and employment, in order to quell inflation.

Chart: Rising delinquencies on US household credit



Source: FRBNY, CIBC

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 16	8:30 AM	CPI M/M	(Oct)	(H)	0.4%	0.3%	0.1%
Monday, November 16	8:30 AM	CPI Y/Y	(Oct)	(H)	3.3%	3.2%	3.1%
Monday, November 16	8:30 AM	CPI ex food/energy Y/Y	(Oct)	(H)	2.0%	2.1%	2.1%
Monday, November 16	8:30 AM	CONSUMER PRICE INDEX	(Oct)	(M)	-	170.5	170.0
Monday, November 16	8:30 AM	CPI Core- Median Y/Y%	(Oct)	(M)	2.0%	2.0%	1.9%
Monday, November 16	8:30 AM	CPI Core- Trim Y/Y%	(Oct)	(M)	1.9%	1.9%	1.8%
Tuesday, November 17	-	AUCTION: 3-M BILLS $14.6B, 6-M BILLS $5.2B, 1-YR BILLS $5.2B	-	-	-	-	-
Tuesday, November 17	5:00 AM	EXISTING HOME SALES M/M	(Oct)	(M)	-	-	-2.3%
Tuesday, November 17	8:15 AM	HOUSING STARTS SAAR	(Oct)	(M)	230.0K	242.5K	248.9K
Tuesday, November 17	8:30 AM	INT'L. SEC. TRANSACTIONS	(Sep)	(M)	-	-	-$17.3B
Wednesday, November 18	11:30 AM	Speaker: Toni Gravelle (Deputy Gov.)	-	-	-	-	-
Thursday, November 19	-	AUCTION: 5-YR CANADAS $5B	-	-	-	-	-
Thursday, November 19	8:30 AM	INDUSTRIAL PROD. PRICES M/M	(Oct)	(M)	-	-	2.0%
Thursday, November 19	8:30 AM	RAW MATERIALS M/M	(Oct)	(M)	-	-	4.8%
Friday, November 20	8:30 AM	RETAIL TRADE TOTAL M/M	(Sep)	(H)	0.7%	0.7%	1.2%
Friday, November 20	8:30 AM	RETAIL TRADE EX-AUTO M/M	(Sep)	(H)	-	0.7%	1.2%
Friday, November 20	10:30 AM	Release: Senior Loan Officer Survey	-	-	-	-	-

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 16	8:30 AM	NEW YORK FED (EMPIRE)	(Nov)	(M)	-	19.0	25.5
Monday, November 16	5:00 AM	Speaker: Barr (Governor) (Voter)	-	-	-	-	-
Monday, November 16	9:05 AM	Speaker: Williams (Vice Chair, New York) (Voter)	-	-	-	-	-
Monday, November 16	12:00 PM	Speaker: Kevin M. Warsh (Governor)(Voter)	-	-	-	-	-
Tuesday, November 17	8:30 AM	RETAIL SALES M/M	(Oct)	(H)	0.2%	0.2%	0.8%
Tuesday, November 17	8:30 AM	RETAIL SALES (X-AUTOS) M/M	(Oct)	(H)	0.3%	0.4%	0.9%
Tuesday, November 17	8:30 AM	RETAIL SALES CONTROL GROUP M/M	(Oct)	(H)	0.3%	0.4%	0.1%
Tuesday, November 17	8:30 AM	IMPORT PRICE INDEX M/M	(Oct)	(L)	-	0.8%	1.1%
Tuesday, November 17	8:30 AM	EXPORT PRICE INDEX M/M	(Oct)	(L)	-	-	2.2%
Tuesday, November 17	9:15 AM	INDUSTRIAL PRODUCTION M/M	(Oct)	(H)	0.0%	0.1%	0.7%
Tuesday, November 17	9:15 AM	CAPACITY UTILIZATION	(Oct)	(M)	76.9%	76.8%	76.9%
Tuesday, November 17	10:00 AM	BUSINESS INVENTORIES M/M	(Sep)	(L)	-	0.5%	0.4%
Tuesday, November 17	10:00 AM	NAHB HOUSING INDEX	(Nov)	(L)	-	29.0	29.0
Tuesday, November 17	7:30 AM	Speaker: Musalem (St Louis) (Non-Voter)	-	-	-	-	-
Tuesday, November 17	9:10 AM	Speaker: Waller (Governor) (Voter)	-	-	-	-	-
Tuesday, November 17	9:30 AM	Speaker: Hammack (Cleveland) (Voter)	-	-	-	-	-
Tuesday, November 17	2:25 PM	Speaker: Williams (Vice Chair, New York) (Voter)	-	-	-	-	-
Wednesday, November 18	-	AUCTION: 20-YR TREASURIES $16B	-	-	-	-	-
Wednesday, November 18	7:00 AM	MBA-APPLICATIONS	(Nov 13)	(L)	-	-	6.2%
Wednesday, November 18	8:30 AM	HOUSING STARTS SAAR	(Oct)	(M)	1220K	1240K	1221K
Wednesday, November 18	8:30 AM	BUILDING PERMITS SAAR	(Oct P)	(H)	1368K	1378K	1398K
Wednesday, November 18	8:30 AM	PENDING HOME SALES M/M	(Oct)	(M)	-	-	-7.3%
Wednesday, November 18	2:00 PM	FOMC Meeting Minutes	(Oct 28)	-	-	-	-
Wednesday, November 18	4:00 PM	NET CAPITAL INFLOWS (TICS)	(Sep)	(L)	-	-	$279.2B
Wednesday, November 18	1:35 PM	Speaker: Barr (Governor) (Voter)	-	-	-	-	-
Wednesday, November 18	2:30 PM	Speaker: Williams (Vice Chair, New York) (Voter)	-	-	-	-	-
Wednesday, November 18	4:15 PM	Speaker: Kashkari (Minneapolis) (Voter)	-	-	-	-	-
Thursday, November 19	-	AUCTION: 10-YR TREASURIES $19B	-	-	-	-	-
Thursday, November 19	8:30 AM	INITIAL CLAIMS	(Nov 14)	(M)	-	197K	200K
Thursday, November 19	8:30 AM	CONTINUING CLAIMS	(Nov 7)	(L)	-	-	1697K
Thursday, November 19	8:30 AM	PHILADELPHIA FED BUSINESS OUTLOOK	(Nov)	(M)	-	24.5	20.9
Thursday, November 19	10:00 AM	LEADING INDICATORS M/M	(Oct)	(M)	-	0.0%	0.0%
Thursday, November 19	8:50 AM	Speaker: Hammack (Cleveland) (Voter)	-	-	-	-	-
Thursday, November 19	12:30 PM	Speaker: Goolsbee, Chicago (Non-Voter)	-	-	-	-	-
Thursday, November 19	2:15 PM	Speaker: Barr (Governor) (Voter)	-	-	-	-	-
Thursday, November 19	4:00 PM	Speaker: Barkin (Richmond) (Non-Voter)	-	-	-	-	-
Thursday, November 19	6:30 PM	Speaker: Paulson (Philadelphia) (Voter)	-	-	-	-	-
Friday, November 20	10:00 AM	MICHIGAN CONSUMER SENTIMENT	(Nov)	(H)	-	53.3	51.0
Friday, November 20	8:25 AM	Speaker: Waller (Governor) (Voter)	-	-	-	-	-
Friday, November 20	12:15 PM	Speaker: Cook (Governor) (Voter)	-	-	-	-	-

Week Ahead's market call

by Avery Shenfeld

In the **US**, the upcoming week will be light on data, but heavy on speeches. On the data front, we're a tick softer than consensus on some of the underlying measures for retail sales. Consumer spending appears to be slowing in Q4 after being well supported by wealth gains and low unemployment. Numerous Fed speakers have a chance to weigh in. While those who dissented in favour of a 25 bp hike in October could end up backing a 50 bp move in December to play catch up, with oil prices looking at least a tad softer, we see the consensus as sticking with a 25 bp move, but keeping the door open to a follow-up hike early next year depending on how the data look at that point. For now, our call is that the December hike is the last for the cycle, but we'll be compelled to add another hike to our forecast if energy prices back up from here, or if there's any upside surprise in core prices in the next couple of months.

In **Canada**, headline CPI won't be pretty, and could top consensus expectations by a tick, but we'd downplay the significance of that if our forecast is on the mark for two reasons. First, because we still see various measures of core inflation failing to see the pickup that the Bank of Canada fears, and second, because the October reading will include the lift from gasoline prices that everyone, including the Bank, knows have subsequently dropped by about 20 cents a litre. We're in line with consensus on retail sales that will mask weakness in volume terms, but expect housing starts to come in weaker than consensus.

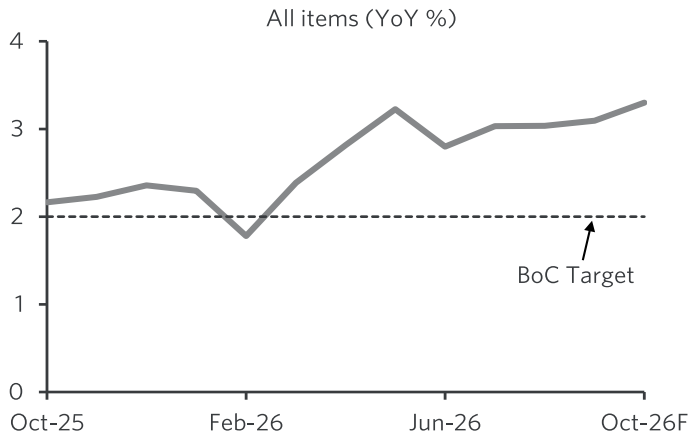
Week Ahead's key Canadian number: Consumer price index—October

(Monday, 8:30 am)

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Variable (%)	CIBC	Mkt	Prior
CPI NSA (m/m)	0.4	0.3	0.1
CPI (y/y)	3.3	3.2	3.1

Chart: Canadian consumer price index



Source: Statistics Canada, Haver Analytics, CIBC

Headline inflation is expected to accelerate further in October, albeit with core measures sticking close to 2%. While gasoline prices were broadly stable relative to the previous month, base effects mean that they will accelerate further on a year-over-year basis and contribute to the headline increase. Food price inflation may have also picked up a little, given higher transportation costs and a weaker Canadian dollar impacting imported prices.

An acceleration and broadening of food price inflation could impact some core measures of inflation, with CPI-trim and CPI-median expected to accelerate by a tick to 1.9% and 2.0% respectively. However, ex food/energy is expected to remain tame with weakness in shelter prices acting as a counterweight to modest pick-up in some imported goods prices.

Overall, CPI is expected to rise by 0.4% unadjusted in October (+0.3% after seasonal adjustment), and by 3.3% year-over-year. However, the average of four core inflation measures is expected to remain at 2.0% year-over-year.

Forecast implications — While headline inflation could hit a near 3-year high in October, declining gasoline prices to start November suggest that it will ease back next month. That move in gasoline prices, if sustained, combined with the still modest increases in core measures that we forecast, would support our call for the Bank of Canada to hold rates steady at the December meeting, if we have no progress on a Canada-US trade deal by then.

Other Canadian releases: Retail sales—September

(Friday, 8:30 am)

Headline retail sales likely rose by 0.7% in September, which would be in line with the advance estimate. However, with gasoline prices jumping on the month and flattering the nominal headline value, sales in volume terms will likely be little changed relative to the prior month. That flat trend is likely to have persisted with the advance estimate for October, as recent weakness in the labour market weighs on disposable incomes and spending.

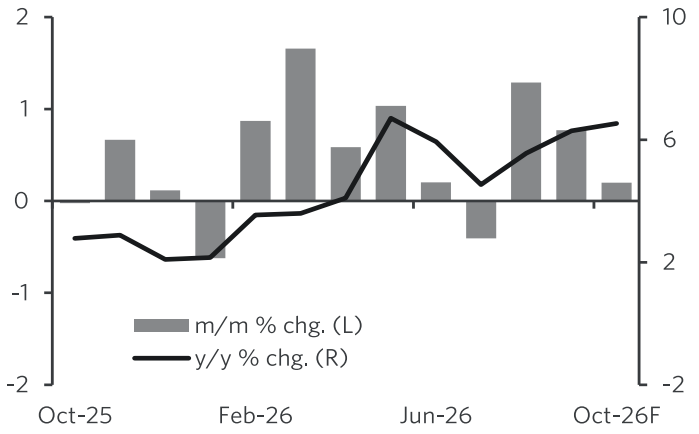
Week Ahead's key US number: Retail sales—October

(Tuesday, 8:30 am)

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Variable (m/m,%)	CIBC	Mkt	Prior
Retail sales	0.2	0.2	0.8
Retail sales - ex-auto	0.3	0.4	0.9
Retail sales control group	0.3	0.4	0.1

Chart: US retail sales



Source: Census Bureau, Haver Analytics, CIBC

October retail sales are expected to show slower growth after two months of robust expansion. We project headline retail sales will increase 0.2% m/m, down from September's 0.8% growth. Gasoline prices increased more modestly in the month and automotive sales contracted. Restaurant and bar spending is expected to cool following two consecutive months of strong performance. Additionally, the weakness in housing activities is likely to dampen demand at building materials retailers. These headwinds may be partially offset by strength in non-store retailing, particularly as a major e-commerce platform conducted its semi-annual promotional event in October, with reported year-over-year sales growth. Excluding some of these volatile components, we anticipate the retail sales control group will expand at a marginally faster pace of 0.3% month-over-month in October.

Forecast implications — Following two consecutive quarters of nearly 4% consumption growth, Q4 consumer spending is expected to moderate. The slowdown is already evident, as September personal spending remained essentially flat, a sharp deceleration from the robust growth recorded in the preceding two months. October is poised to extend this trend, with our forecast for decelerating retail sales reinforcing the softer trajectory. As persistent inflation erodes purchasing power, consumers are increasingly relying on savings drawdowns and equity wealth to maintain their spending levels. This dynamic underscores how inflation is progressively constraining American consumers' real spending capacity.

Other US Releases: Industrial production—October

(Tuesday, 9:15 am)

We expect October US industrial production to be flat, due largely to a reversal in weather-sensitive utilities as it comes off the warmest September on record. Manufacturing production likely grew at a stronger pace of 0.3%, matching the previous month. The ISM manufacturing production index rose in October as demand remained strong. Rig counts increased slightly in October suggesting modest growth in mining which includes oil and gas extraction.

Housing starts—October

(Wednesday, 8:30 am)

We expect housing starts to hold steady in October, after declining by about 5% m/m for the last three months. The 1220K expectation is near the May trough, but with home builder sentiment falling to a 14-year low in October and mortgage rates climbed well above 7% dampening demand, activity in the housing sector are likely to remain subdued.

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