CIBC Economics

THE WEEK AHEAD

November 23 - 27, 2026

What happened to the Jobpocalypse?

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

In the early days of the AI revolution in the corporate world, i.e. last year, there was much talk about how it would bring about a massive wave of layoffs. That included a shocking May 2025 prediction from Anthropic's CEO that AI would, in one to five years, see a 20% climb in unemployment, and a 50% slashing in entry-level jobs.

So far, a year and a half later, there's nothing much to see in the aggregate US data. Whatever dent AI has made to some job categories has been offset by hiring tied to its capital spending boom and other sources of demand. Minimal population growth has meant that a low-hire, but low-layoff job market has kept the unemployment rate at rock bottom levels.

Canada, lacking much of an AI boost to GDP, might be a better place to hunt for the early signs of negative AI impacts on the job market. At this point, the data are by no means decisive, but do hint that something might be afoot. Occupations identified as vulnerable to AI substitution have seen outright employment declines in the last two years, and have lagged total hiring more than in the pre-COVID cycle trend (Chart).

That said, one way or another, the AI revolution will inevitably show up materially in labour market data in both the US and Canada in the coming two years. We say "one way or another" because there will be implications if AI is a roaring financial success, or if it fails to live up to expectations.

To earn enough revenue to be a financial winner after spending trillions of dollars on its roll out, AI would surely have to displace a lot of workers. While there could be gains for corporate revenues from better-targeted marketing, businesses would also need to find substantial savings on labour to justify spending big dollars on tokens. That's particularly true for the most sophisticated models that are likely to be too expensive to be everyday household products.

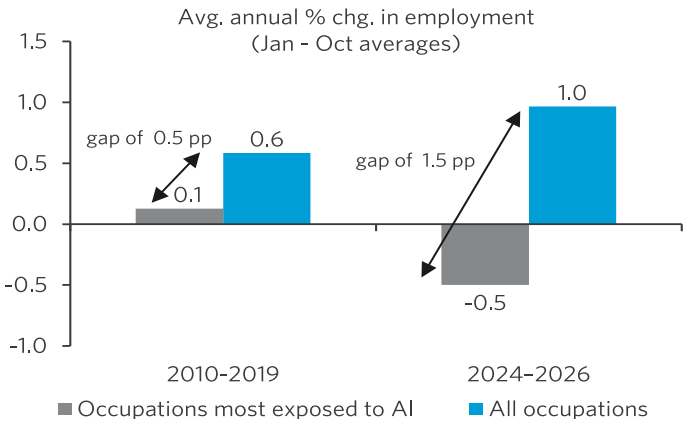
In a scenario in which AI proves itself to be a massive labour-saving tool, what will matter for total employment, and the unemployment rate, is how quickly workers in vulnerable occupations can be redeployed elsewhere. Historical evidence generally shows that the onset of new technologies, from 19th century automation at farms and factories to the internet era, did entail large scale gross job losses in some occupations.

But on a net basis, hiring in newly emerging occupations was a timely offset. Some of these were created by the new technology, such as webmasters and computer engineers. In the case of AI, there are already jobs emerging in cybersecurity and double-checking AI output to filter out the "slop". Other new jobs were made possible by the service sector spending power freed up when mechanization lowered the costs and relative prices for basic goods. Still, given how quickly AI tools are being deployed, we do expect to see a transition period in which unemployment is boosted, perhaps significantly, while that redeployment takes place.

In an alternative scenario, should AI start looking like a financial disappointment in a couple of years, because it fails to generate enough labour savings to justify huge corporate spending on tokens, then job losses, particularly in the US, will start to show up as positions tied to AI capital spending and financing begin to dry up.

But there are other avenues to replacing whatever jobs get unwound in companies in the sector, and in data centre and power plant construction. Top of the list would be a hefty dose of Fed rate cuts as AI's contribution to growth and inflation abates. Within today's steady US labour market, we're seeing material negative impacts as the resulting inflation and borrowing binge bids up interest rates, and squeezes out activity in sectors like homebuilding. If it comes to that, those building data centres will have a job waiting for them in putting up some houses and apartment buildings as interest rates ease.

Chart: AI may be impacting some Canadian occupations



Sources: Statistics Canada, Brouillette, Dahlhaus & Galassi (2026), CIBC calculations

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 23	-	AUCTION: 10-YR CANADAS $5B	-	-	-	-	-
Tuesday, November 24	11:30 AM	Speaker: Tiff Macklem (Governor)	-	-	-	-	-
Wednesday, November 25	-	AUCTION: 2-YR CANADAS $5.5B	-	-	-	-	-
Thursday, November 26	8:30 AM	PAYROLL EMPLOYMENT, EARNINGS & HRS	(Sep)	-	-	-	-49.6K
Friday, November 27	8:30 AM	CURRENT ACCOUNT BALANCE	(3Q)	(M)	$9.9B	$9.9B	$8.8B

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 23	-	AUCTION: 2-YR TREASURIES $69B	-	-	-	-	-
Monday, November 23	8:30 AM	CHICAGO FED NAT.ACTIVITY INDEX	(Oct)	(M)	-	-	0.1
Monday, November 23	9:45 AM	S&P GLOBAL US SERVICES PMI	(Nov P)	(L)	-	55.7	56.1
Monday, November 23	9:45 AM	S&P GLOBAL US COMPOSITE PMI	(Nov P)	(L)	-	-	55.9
Monday, November 23	9:45 AM	S&P GLOBAL US MANUFACTURING PMI	(Nov P)	(L)	-	54.5	54.9
Monday, November 23	4:00 PM	Speaker: John C. Williams (Vice Chairman, New York) (Voter)	-	-	-	-	-
Tuesday, November 24	-	AUCTION: 1-YR TREASURIES $54B	-	-	-	-	-
Tuesday, November 24	-	AUCTION: 5-YR TREASURIES $70B	-	-	-	-	-
Tuesday, November 24	-	AUCTION: 2-YR FRN $28B	-	-	-	-	-
Tuesday, November 24	8:30 AM	PHILADELPHIA FED NON-MANUFACTURING	(Nov)	(M)	-	-	-23.6
Tuesday, November 24	9:00 AM	HOUSE PRICE INDEX M/M	(Sep)	(M)	-	0.2%	0.3%
Tuesday, November 24	9:00 AM	S&P CORELOGIC CS Y/Y	(Sep)	(H)	-	2.7%	2.7%
Tuesday, November 24	10:00 AM	RICHMOND FED MANUF. INDEX	(Nov)	(M)	-	-	-2
Tuesday, November 24	10:00 AM	CONF.BOARD CONSUMER CONFIDENCE	(Nov)	(H)	91.8	92.1	91.7
Wednesday, November 25	-	AUCTION: 7-YR TREASURIES $44B	-	-	-	-	-
Wednesday, November 25	7:00 AM	MBA-APPLICATIONS	(Nov 20)	(L)	-	-	-2.3%
Wednesday, November 25	8:30 AM	INITIAL CLAIMS	(Nov 21)	(M)	-	200K	203K
Wednesday, November 25	8:30 AM	CONTINUING CLAIMS	(Nov 14)	(L)	-	-	1763K
Wednesday, November 25	8:30 AM	PCE DEFLATOR Y/Y	(Oct)	(H)	3.9%	3.8%	3.6%
Wednesday, November 25	8:30 AM	PCE DEFLATOR Y/Y (core)	(Oct)	(H)	3.3%	3.2%	3.1%
Wednesday, November 25	8:30 AM	PERSONAL INCOME M/M	(Oct)	(H)	0.4%	0.3%	0.2%
Wednesday, November 25	8:30 AM	PERSONAL SPENDING M/M	(Oct)	(H)	0.5%	0.4%	0.5%
Wednesday, November 25	8:30 AM	GDP (annualized)	(3Q S)	(H)	3.4%	3.5%	3.4%
Wednesday, November 25	8:30 AM	GDP DEFLATOR (annualized)	(3Q S)	(H)	2.3%	2.3%	2.3%
Wednesday, November 25	8:30 AM	DURABLE GOODS ORDERS M/M	(Oct P)	(H)	0.3%	0.5%	1.9%
Wednesday, November 25	8:30 AM	DURABLE GOODS ORDERS EX-TRANS M/M	(Oct P)	(H)	0.2%	0.5%	0.5%
Wednesday, November 25	10:00 AM	NEW HOME SALES SAAR	(Oct)	(M)	-	645K	676K
Wednesday, November 25	10:00 AM	NEW HOME SALES M/M	(Oct)	(M)	-	-5.3%	-0.6%
Wednesday, November 25	2:00 PM	FED'S BEIGE BOOK	-	-	-	-	-
Thursday, November 26	-	Markets Closed (Thanksgiving Day)	-	-	-	-	-
Friday, November 27	8:30 AM	ADVANCE GOODS TRADE BALANCE	(Oct)	(M)	-$131.0B	-$133.0B	-$135.1B
Friday, November 27	8:30 AM	RETAIL INVENTORIES M/M	(Oct)	(H)	-	-	0.4%
Friday, November 27	8:30 AM	WHOLESALE INVENTORIES M/M	(Oct P)	(L)	-	-	0.7%

Week Ahead's market call

by Avery Shenfeld

In the **US**, traders will focus their eyes on different screens, watching football and playing their new video games, but hopefully also enjoying some family time over Thanksgiving. On the data front, we're expecting continued heat in PCE inflation, but price pressures are squeezing some of the juice out of real consumption, with nominal gains increasingly going mostly to cover higher prices in October. That said, November's relief in gasoline prices will open some room for spending volumes in the early days of the holiday shopping season.

In **Canada**, it's a light week for data, but we'll be keeping an eye on the less-watched payrolls data, for signs confirming the weakness we've seen in the more timely, but likely less accurate, household survey data. That said, markets are still expecting the Bank of Canada to lean towards another hike in December despite seeing three successive employment declines in the LFS survey. The Bank's Governor speaks on Tuesday, and we, like others, will be closely watching for any hints on whether a back-to-back hike is a foregone conclusion or if job losses, easing oil prices and the lack of momentum on a trade deal could put that hike off until January.

There are no major Canadian data releases next week.

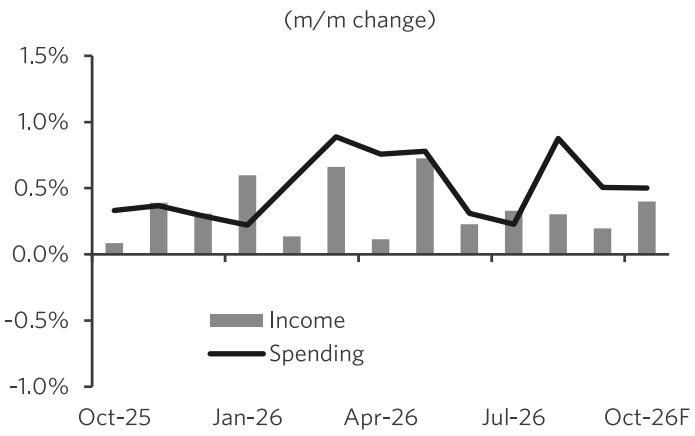
Week Ahead's key US number: Personal income & outlays—October

(Wednesday, 8:30 am)

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Variable (%)	CIBC	Mkt	Prior
Personal income (m/m)	0.4	0.3	0.2
Personal spending (m/m)	0.5	0.4	0.5
Core PCE price index (y/y)	3.3	3.2	3.1

Chart: US personal income and spending



Source: BEA, Haver Analytics, CIBC

Consumer spending is likely to have expanded at a steady 0.5% monthly rate in October, consistent with September's pace. However, when adjusted for PCE inflation, real spending growth is projected to remain subdued at just 0.1% m/m after an only flat reading in September. October's headline retail sales figures were dampened by declining auto sales, though the core retail sales measure, excluding autos, demonstrated more resilience with a robust 0.6% monthly increase. Personal income is expected to have risen 0.4% for the month, aligning with October's average hourly earnings growth.

On the inflation front, the PCE price index is expected to increase 0.4% m/m in October. Gasoline prices contributed to the headline increase, so core PCE inflation should grow at a slightly slower 0.3% monthly rate, matching the September pace. That will push the year-over-year core PCE inflation rate higher from 3.1% to 3.3% in October.

Forecast implications — Real spending growth stalled in September and is projected to expand only marginally in October, signaling a deceleration in real consumption growth in Q4. This slowdown is primarily due to elevated inflation, as monthly price increases have accelerated. In response to the persistent inflationary pressures, we look for the Fed to hike 25 bps at each of its next two meetings.

Other US Releases: Durable goods orders—October

(Wednesday, 8:30 am)

We expect a modest 0.3% monthly gain in durable goods orders in October after the near 2% increase from last month. October industrial production contracted with non-auto manufacturing declining. Transportation orders will likely increase as Boeing orders were up in October. Excluding transportation, we expect capital goods orders to grow more modestly by 0.2% m/m.

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