

INTERNAL USE ONLY

October 2, 2025

U.S. EQUITY FUTURES	LAST	CHANGE	%CHG	COMMODITIES/ FX	LAST	CHANGE	
Dow Jones MINI futures	46,707.00	-18.00	-0.04%	CRUDE OIL WTI	\$61.52	-\$0.26	
S&P500 MINI futures	6,778.75	17.25	0.26%	NATURAL GAS	\$3.45	-\$0.02	
NASDAQ MINI futures	25,155.25	137.75	0.55%	GOLD	\$3,887.91	\$22.46	
CANADA EQUITY MARKET	LAST	CHANGE	%CHG	COPPER	\$4.92	\$0.09	
S&P/TSX 60 futures	1,779.60	3.40	0.19%	CAD / USD	\$0.7169	-\$0.0007	
OVERSEAS MARKETS	LAST	CHANGE	%CHG	CAD / EUR	€ 0.6103	-€ 0.0014	
STOXX EUROPE 600 INDEX	569.68	5.06	0.90%	USD / EUR	€ 0.8513	-€ 0.0011	
FTSE 100 INDEX	9,458.71	12.28	0.13%	USD / JPY	¥146.97	¥0.08	
DAX GERMANY	24,470.33	356.71	1.48%	GOVERNMENT BONDS	2YR	5YR	10YR
CAC 40 Index	8,084.48	117.53	1.48%	CANADA (YLD%)	2.46%	2.73%	3.19%
NIKKEI 225 INDEX	44,936.73	385.88	0.87%	U.S. (YLD%)	3.56%	3.69%	4.11%
HANG SENG INDEX	27,287.12	431.56	1.61%				
SHANGHAI COMPOSITE INDEX	3,882.78	Closed	Closed	Source: LSEG			

Source: LSEG

Morning News

Futures tied to the S&P 500 and the Nasdaq indexes advance this morning, a day after weaker-than-expected private payrolls data bolstered hopes for interest rate cuts, while traders brace for a data-light session due to the U.S. government shutdown. Investors remain sensitive to any signal of policy easing, with rate-cut optimism underpinning much of the recent rally that has taken equities to high valuations. The data vacuum created by the shutdown has left investors leaning more heavily on alternative sources, such as Wednesday's ADP National Employment Report, which was much weaker than expected. The weekly jobless claims report, a key gauge of labor market health that was due this morning, became the first data casualty of the shutdown that began on yesterday amid a standoff between Republicans and Democrats. Historically, government shutdowns have had limited impact on equity markets. But with investors closely watching for signs of monetary easing, the current data vacuum poses a greater risk to the Fed's ability to assess the economy and guide policy. Later today, investors will also parse commentary from Dallas Fed President Lorie Logan. Futures tied to Canada's main stock index are flat this morning, as investors take a breather after the previous session's record peak when a sharper contraction in domestic manufacturing fueled expectations of further rate cuts by the Bank of Canada. An uncertain trading environment weighed on production and new orders, causing the S&P Global Canada Manufacturing Purchasing Managers' Index (PMI) to fall to 47.7 in September from 48.3 in August, marking the eighth consecutive month the index remained below the 50 threshold (see chart). In commodities, gold and oil prices edge higher, while copper prices climbed on the London Metal Exchange. Alberta will submit by spring of 2026 an application for a new crude oil pipeline for fast-track approval by the federal government, the province said yesterday, even though no private company has said it will build the project. European shares surged to a record high this morning, driven by a global rally in chip-related stocks, while sentiment remained buoyant amid expectations that the U.S. Federal Reserve will cut interest rates later this month. Technology stocks added more than 2%, tracking yesterday's gains on Wall Street. Autos climbed over 2%, boosted by a 7% gain in Stellantis after market data showed an improved trend in new car sales for the group in Italy and the U.S. Hong Kong stocks climbed to their highest level in over four years, on their first trading day in October as tech shares jumped, fuelled by upbeat sentiment over artificial intelligence. Hong Kong market resumed trading today after a one-day holiday, while mainland China markets are closed from October 1 to 8 for the Golden Week holiday. Japan's Nikkei share average rose today, snapping four straight sessions of losses, as chip-related stocks tracked their U.S. peers higher.

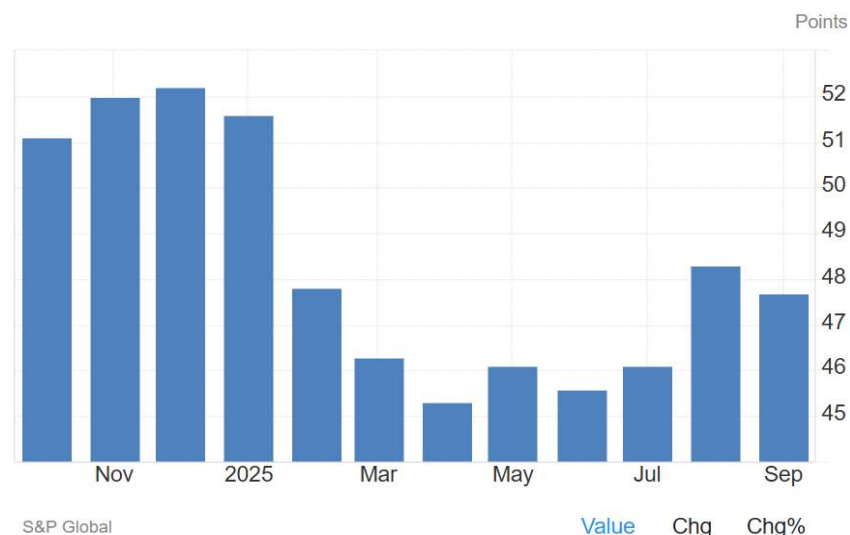
U.S. Economic Calendar

Local Time	Indicator Name	Period	Reuters Poll	Actual	Prior	Revised
07:30	Challenger Layoffs	Sep		54.064k	85.979k	
08:30	Initial Jobless Clm	27 Sep, w/e	223k		218k	
08:30	Jobless Clm 4Wk Avg	27 Sep, w/e			237.50k	
08:30	Cont Jobless Clm	20 Sep, w/e	1.932M		1.926M	
10:00	Factory Orders MM	Aug	1.4%		-1.3%	
10:00	Factory Ex-Transp MM	Aug			0.6%	
10:30	EIA-Nat Gas Chg Bcf	26 Sep, w/e	68B		75B	

Canada Economic Calendar

No major data expected

Chart of the Day





Morning News

Air Canada: The company is betting on free beer and wine at the back of the plane to help fill more seats, an executive said on Wednesday, as North American airlines face passenger pushback over fees for extra baggage to legroom. Air Canada is now the only North American legacy carrier offering free alcohol in economy class on all flights, Scott O'Leary, vice president of loyalty and product, said in an interview. Following an outpouring of anger by passengers on social media, lawmakers in Canada and the United States criticized airlines last year, including Air Canada, for levying additional fees on luggage and seat assignments in certain economy classes. Waiving charges for beer and wine is more affordable than cutting baggage fees which offset handling costs, O'Leary said.

Restaurant Brands International Inc. (QSR): Restaurant Brands International plans to expand its Popeyes brand across Mexico over the next ten years. The Canadian-American quick service restaurant operator--which also houses the Tim Hortons and Burger King brands--said Thursday that it has signed new development agreements with regional franchisees in Mexico to open over 300 new Popeyes restaurants in the country. The expansion represents a large pipeline of new openings across Mexico's Northwest, West, Central, and Southeast regions. This will involve franchisee groups Star Louisiana, Border Crunch, Grupo Euro and Grupo Berny, who will each cover their own specific region. Restaurant Brands said the decision to invest in Popeyes in Mexico builds on the brand's international growth momentum, including openings in several markets such as Costa Rica, Italy and the Balkans.

NBF Research

Rating and Target Price Changes

Lithium Americas Corp. - [Agreement Reached with U.S. DOE Including 5% Equity and 5% Project... Target: C\\$10 \(Was C\\$5\)](#)

Daily Bulletin Highlights

BCE INC. - 3Q Nov. 6, Street Has To Better Adjust For Media One-Timer Last Year, Investor Day Oct. 14

BCE (TSX; NYSE): C\$32.72; US\$23.50 **Event:** 3Q Preview

Target: **C\$38.00**
(Unchanged)

Stock Rating: **Outperform**
(Unchanged)

Est. Total Return: **21.5%**

Key Takeaways: We forecast Revs \$6063M, EBITDA \$2730M, Adj. EPS \$0.72 & FCF \$671M, with consensus per BCE at \$6083M, \$2736M, \$0.72 & \$622M. Zply Fiber closed Aug. 1 and Media boosted +\$41M in 3Q24 (carriage rate adjustments) which we don't think got fully accounted for by Street - adjusting for both, we see revs -0.5% & EBITDA -1.0%. 2H timing of working capital explains higher FCF. Investor Day on Oct. 14, as we await more clarity on road ahead. Target's based on average of 2025E/2026E DCF & 2026E/2027E NAV, with implied EV/EBITDA 7.3x PF2025E & 7.1x 2026E. We updated our forecast and removed Northwestel sale until this deal eventually closes.

EXCHANGE INCOME CORPORATION - Q3 preview and model updates - maintaining positive outlook

EIF (TSX): **C\$74.00**

Event: We update our forecast for Exchange Income ahead of Q3 results.

Target: **C\$84.00**
(Unchanged)

Key Takeaways: We maintain our Outperform rating and \$84.00 target on Exchange Income. We are positive on the company's near-term growth prospects supported by contract wins, organic growth across multiple business segments and the acquisition of Canadian North. Longer-term, we see opportunities for the company from investment in



Stock Rating:	Outperform (Unchanged)	Northern Canada, new aerial surveillance contracts globally and from the Canadian Government's push to expedite new "nation-building" projects.
Est. Total Return:	17.1%	

LITHIUM AMERICAS CORP. - Agreement Reached with U.S. DOE Including 5% Equity and 5% Project Economic Stakes

LAC (TSX; NYSE):	C\$7.95; US\$5.71	Event: LAC announced that it reached an agreement with the U.S. DOE and GM to enable first draw on the DOE loan.
Target:	C\$10.00 (Was C\$5.00)	Key Takeaways: As a result of this agreement, we reduced LAC's ownership in Thacker Pass to 59% from 62%, assumed the U.S. DOE's execution of the warrants, fine-tuned our DOE loan amortization and lower our project discount rate to 8% from 10% to reflect reduced construction period risk from the Government backing. On this basis, our NAV increases 108% to \$8.96/sh from \$4.95 with the lower project discount rate offset by equity dilution and lower ownership interest in the project. We additionally raised our multiple to 1.1x from 1.0x to reflect the U.S. critical minerals premium now ascribed to LAC. The structure announced today reinforces the strategic nature of the project to the U.S. Government, increases the overall financial and offtake flexibility. However, it falls short, in our view, to mimic the MP Materials Corp. (not covered) style deal.
Stock Rating:	Sector Perform (Unchanged)	
Est. Total Return:	25.8%	

Other Comments

BCE Inc. - [3Q Nov. 6, Street Has To Better Adjust For Media One-Timer Last Year, Investor Day Oct. 14](#)
Exchange Income Corporation - [Q3 preview and model updates - maintaining positive outlook](#)
Maple Leaf Foods Inc. - [Q3 2025 Preview: Updating our estimates due to the Canada Packers spin-out](#)
TELUS Corp. - [3Q Nov. 7 Along With Next Dividend Increase That Could Be Above NBCM +1.5% But Below +3.5%](#)

Research Flashes

CBRE Q3/25 Office & Industrial Stats - [Downtown Class A Toronto office \(trendsetting or bucking the trend?\); Montreal industrial ...](#)
Oil, Gas & Consumable Fuels - [London Energy Conference Recap](#)
Allied Gold Corp. - [Staged Hybrid Power Plans to Improve Costs at Sadiola in the Near to Medium Term](#)
Constellation Software Inc. - [Business As Usual](#)
DPM Metals Inc. - [Loma Larga FS Shows Bouyant NPV at ~Spot, Remains Non-Core](#)
Enbridge Inc. - [Alberta Government steps up to rekindle Northern Gateway Pipeline \(2.0\)...](#)
Gold Royalty Corp. - [Portfolio Update Highlights Optionality as Company Creates 250th Royalty](#)
Open Text Corp. - [Making \(Quick\) Moves](#)
Perpetua Resources Corp. - [CFO Succession Announced](#)

Street Rating and Target Changes

Agnico Eagle Mines Ltd AEM.TO: Canaccord Genuity raises target price to C\$255 from C\$215
Alamos Gold Inc AGI.TO: Canaccord Genuity raises target price to C\$64 from C\$55
Algoma Steel Group Inc ASTL.TO: RBC cuts target price to C\$6 from C\$8
Allied Gold Corp AAUC.TO: Canaccord Genuity raises target price to C\$39 from C\$34.50



Allied Gold Corp AAUC.TO: Cormark Securities raises target price to C\$33 from C\$27
Aris Mining Corp ARIS.TO: Canaccord Genuity raises target price to C\$20 from C\$17
Artemis Gold Inc ARTG.V: Canaccord Genuity raises target price to C\$44 from C\$36
B2Gold Corp BTO.TO: Canaccord Genuity raises target price to C\$9.25 from C\$7.75
BRP Inc DOO.TO: Citigroup raises to buy from neutral; raises target price to C\$102 from C\$93
Canada Packers Inc CPKR.TO: TD Cowen initiates coverage with price target C\$20
Canadian National Railway Co CNI.N: Barclays cuts target price to US\$97 from US\$99
Canadian Pacific Kansas City CP.N: Barclays cuts target price to US\$90 from US\$91
Centerra Gold Inc CG.TO: Canaccord Genuity raises target price to C\$19.50 from C\$16
DPM Metals Inc DPM.TO: Canaccord Genuity raises target price to C\$38 from C\$28.50
Eldorado Gold Corp ELD.TO: Canaccord Genuity raises target price to C\$42 from C\$30
Elemental Altus Royalties Corp ELE.V: Canaccord Genuity raises target price to C\$33 from C\$26.50
Equinox Gold Corp EQX.TO: Canaccord Genuity raises target price to C\$20.50 from C\$12.50
Fortuna Mining Corp FVI.TO: Canaccord Genuity raises target price to C\$15 from C\$10.50
Franco-Nevada Corp FNV.TO: Canaccord Genuity cuts to hold from buy; raises target price to C\$322 from C\$270
G Mining Ventures Corp GMIN.TO: Canaccord Genuity raises target price to C\$36 from C\$28
GFL Environmental Inc GFL.TO: CIBC cuts target price to C\$79 from C\$81
Gold Royalty Corp CROY.A: Canaccord Genuity raises target price to US\$4.25 from US\$3.25
IAMGOLD Corp IMG.TO: Canaccord Genuity raises target price to C\$19.50 from C\$15.50
Interfor Corp IFP.TO: RBC cuts target price to C\$17 from C\$19
Interfor Corp IFP.TO: TD Cowen resumes coverage with hold rating; target price C\$12 vs. C\$15
K92 Mining Inc KNT.TO: Canaccord Genuity raises target price to C\$20.75 from C\$18.50
Kinross Gold Corp K.TO: Canaccord Genuity raises target price to C\$37 from C\$29.50
Lithium Americas Corp LAC.TO: Canaccord Genuity cuts to sell from speculative buy
Lithium Americas Corp LAC.N: Deutsche Bank raise target price to US\$6.30 from US\$2.50
Lithium Americas Corp LAC.TO: National Bank of Canada raises target price to C\$10 from C\$5
Lundin Gold Inc LUG.TO: Canaccord Genuity raises target price to C\$78 from C\$60
Maple Leaf Foods Inc MFI.TO: TD Cowen cuts target price to C\$43 from C\$47
Metalla Royalty & Streaming Ltd MTA.V: Canaccord Genuity raises target price to C\$10 from C\$8.25
New Gold Inc NGD.TO: Canaccord Genuity raises target price to C\$12.50 from C\$9
Oceanagold Corp OGC.TO: Canaccord Genuity raises target price to C\$36 from C\$25
OR Royalties Inc OR.TO: Canaccord Genuity cuts to hold from buy; raises target price to C\$56 from C\$44
Orezone Gold Corp ORE.TO: Canaccord Genuity raises target price to C\$2.75 from C\$2.25
Onex Corp ONEX.TO: Scotiabank raises target price to C\$150 from C\$140
Pan American Silver Corp PAAS.N: Canaccord Genuity raises target price to US\$44 from US\$38
Sandstorm Gold Ltd SSL.TO: Canaccord Genuity raises target price to C\$22 from C\$18.50
Secure Waste Infrastructure Corp SES.TO: Stifel raises target price to C\$23.50 from C\$17.50
Silvercorp Metals Inc SVM.TO: Canaccord Genuity raises target price to C\$13 from C\$9.50
Torex Gold Resources Inc TXG.TO: Canaccord Genuity raises target price to C\$77 from C\$64
Triple Flag Precious Metals Corp TFPM.TO: Canaccord Genuity cuts to hold from buy; ups target price to C\$42 from C\$37.50
Vizsla Royalties Corp VROY.V: Canaccord Genuity raises target price to C\$4.50 from C\$3.75
Wesdome Gold Mines Ltd WDO.TO: Canaccord Genuity raises target price to C\$22.50 from C\$21.50
Wheaton Precious Metals Corp WPM.TO: Canaccord Genuity raises target price to C\$172 from C\$144

S&P/TSX Composite Index Earnings Calendar

No major S&P/TSX Composite companies are scheduled to report for the day.



Morning News

Apple Inc: The company has halted a planned overhaul of its Vision Pro mixed-reality headset to shift resources to smart glasses that would rival products from Meta Platforms, Bloomberg News reported on Wednesday, citing people familiar with the matter. The \$3,499 Vision Pro, launched in February 2024 to heavy fanfare, has struggled to sustain momentum amid a thin slate of mainstream content and competition from cheaper devices such as Meta's Quest. Apple is working on at least two types of smart glasses, the report said. The first, dubbed N50, will pair with an iPhone and lack its own display. Apple aims to unveil the model as soon as next year, ahead of a release in 2027. The second version, with a display, is planned for 2028, but Apple is now seeking to accelerate development of the product that could challenge the Meta Ray-Ban Display, the report said.

Eli Lilly & Co: Novo Nordisk's and Eli Lilly's blockbuster weight-loss drugs should be the first medicines doctors reach for to treat obesity and its complications, a major European medical association advised. Semaglutide, the active ingredient in Novo's Wegovy and Ozempic, and tirzepatide, sold as Zepbound and Mounjaro by Lilly, are so effective that they should be the first choice in almost all cases when substantial weight loss is necessary, according to a new guideline from the European Association for the Study of Obesity published in Nature Medicine. When a lesser degree of weight loss is required, other medications can be considered, including liraglutide, an older, less effective drug from the same class, naltrexone-bupropion, and phentermine-topiramate, the guideline says. The EASO guidelines are non-binding on individual countries.

Warner Music Group Corp: Universal Music and Warner Music are nearing landmark artificial intelligence licensing deals, the Financial Times reported, citing people familiar with the matter. Universal and Warner could each strike deals with AI companies within weeks, the newspaper said. Talks involved start-ups such as ElevenLabs, Stability AI, Suno, Udio and Klay Vision, the report said, adding that the music companies are also in talks with large technology groups, including Google and Spotify. The growing use of generative AI in creative industries has triggered a wave of lawsuits, with artists, authors and rights holders accusing AI firms of using copyrighted material without consent or compensation to train their models.

Williams Companies Inc: The U.S. pipeline operator said on Wednesday it plans to invest about \$3.1 billion in two projects to supply power to data centers. The move takes the total capital committed to such 'power innovation' projects to about \$5 billion, the company said in a filing. Power consumption is expected to hit record highs in 2025 and 2026, driven by a surge in demand from data centers used for artificial intelligence technologies, according to the U.S. Energy Information Administration (EIA). This rising demand is prompting utilities to add billions to capital plans to upgrade the grid and related infrastructure. Williams on Wednesday said it would raise its 2025 capital spending plan by \$875 million to between \$3.45 billion and \$3.75 billion.

Evercore ISI Research

Focus Research

Axalta Coating Systems Ltd. (AXTA) (In Line, TP: US\$32.00)

Downgrade to In-Line

- AXTA faces challenges as refinish destocking continues and industrial softness persists with FY25 guidance under threat and FY26 outlook looking tough. Despite being cheap, there are no immediate catalysts to drive the stock higher.
- Refinish and Industrial Trends: Destocking in refinish is extending into 1H26, and the industrial segment remains weak, putting pressure on AXTA's near-term sales and EBITDA outlook. Insurance Impact Lag: While insurance price moderation should eventually boost collision claims, the effect is delayed by 9-12 months due to regulatory and renewal timelines. This means claims volume recovery might not occur until late 2026 or early 2027.



- Additional Key takes:
 - Mobility Segment: Despite challenges, Mobility is a bright spot with improved global auto build projections, expected to grow by 2.5% in 2026.
 - Valuation: AXTA's valuation is at historic lows, trading at 7.5x ntm EBITDA, but without a clear catalyst for re-rating.
 - FY25 Guidance: Sales guidance is at risk, with potential cuts as the year progresses, especially given the ongoing destocking and industrial weakness.
- With these dynamics in play, AXTA's near-term prospects remain clouded, and the market may react cautiously as management navigates these headwinds

Target Price Changes

Five Below, Inc (FIVE) (In Line, TP: US\$157.00)

Bolstering the Ranks

- Five Below's recent leadership appointments are a promising move for long-term stability as they bring seasoned expertise to the team.
- Leadership Changes: Michelle Israel and Daniel Sullivan join as Chief Merchandising Officer and Chief Financial Officer, respectively, each bringing around 35 years of experience from reputable companies. This is expected to fortify the leadership under CEO Winnie Park. Financial Outlook: No formal guidance update was provided for 3Q or the year, but the company's current execution aligns with a healthy EPS outlook of \$5.15, slightly above the Street's \$5.11. Market Dynamics: Tariffs remain a significant variable that might not be fully accounted for in C26 EPS estimates. The classic risk of decelerating comps looms, as seen in other retail stocks.
- Additional Key takes:
 - Sales Performance: Five Below has maintained strong top-line performance through 3Q, supported by rising traffic and share gains.
 - Valuation Context: Trading at ~28x C26 EPS, Five Below is in line with its high square footage growth peers, though comp and tariff uncertainties could pressure multiples.

Other Comments

Halozyne Therapeutics, Inc (HALO) Thoughts on the Elektrofi acquisition

RPM International Inc. (RPM) Long Game

Dell Technologies Inc (DELL) "TOP 5" Focus Items Into Analyst Day Next Week

Vertiv Holdings Co (VRT) Key Takeaways from Liquid Cooling Expert Webinar.

The Kroger Co (KR) DoorDash Adds ID Sales/EBITDA helps Navigate Amazon Encroachment

S&P500 Index Earnings Calendar

No major S&P500 companies are scheduled to report for the day.

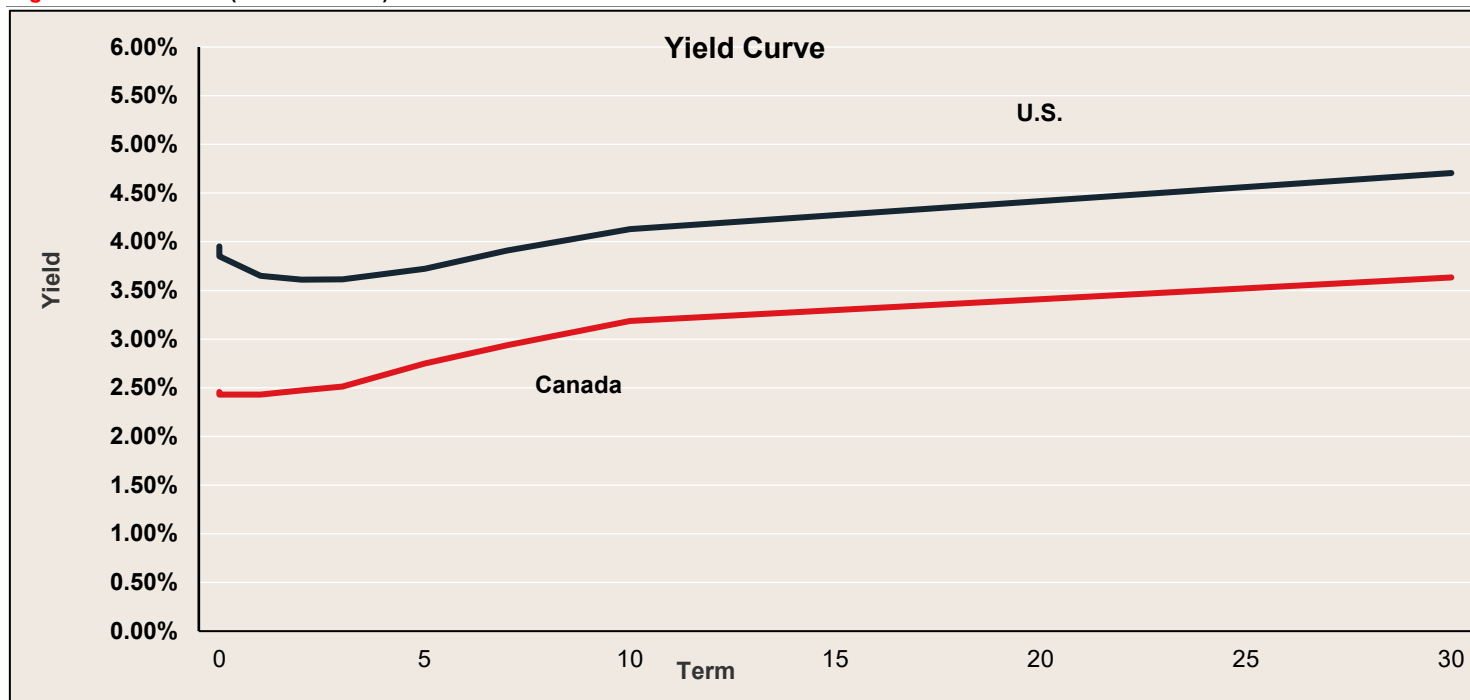


Figure 1: Key Interest Rates (Canada & U.S.)

Canadian Key Rate	Last	Change bps	Canadian Key Rate	Last	Change bps
CDA o/n	2.50%	0.0	CDA 5 year	2.75%	-0.2
CDA Prime	4.70%	0.0	CDA 10 year	3.19%	0.4
CDA 3 month T-Bill	2.45%	0.0	CDA 20 year	3.52%	0.0
CDA 6 month T-Bill	2.43%	0.0	CDA 30 year	3.66%	2.4
CDA 1 Year	2.43%	0.0			
CDA 2 year	2.47%	-0.5			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4-4.25%	0.0	US 5 year	3.72%	-1.4
US Prime	7.25%	0.0	US 10 year	4.14%	-1.1
US 3 month T-Bill	3.86%	0.0	US 30 year	4.73%	-0.5
US 6 month T-Bill	3.84%	-0.8	5YR Sovereign CDS	41.22	
US 1 Year	3.67%	-0.5	10YR Sovereign CDS	48.38	
US 2 year	3.60%	-0.8			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			681.03	0.05%	7.18%
BMO Laddered Preferred Shares (ETF)			11.94	0.42%	9.04%

Source: LSEG

Figure 2: Yield Curve (Canada & U.S.)



Source: LSEG



NBC Economics & Strategy

Snapshot - Bank of Canada Summary of Deliberations (September Decision)

Introduction:

This afternoon, the Bank of Canada published the **Summary of Deliberations** ([here](#)) for its interest rate decision on September 17th, where it lowered its policy rate by 25bps, to 2.50%, following three consecutive 'no change' meetings (our analysis of the September decision [here](#)). See below for more details on today's release and our analysis in the *Bottom Line*.

Key Takeaways:

- **Plenty of uncertain(ty) in these minutes (15 cases, to be exact):** "Given the uncertainty surrounding the impact of these structural changes on demand and supply, members acknowledged it was particularly difficult to assess the amount of slack in the economy."
- **Tariff uncertainty down, but replaced by CUSMA anxieties:** "While near-term uncertainty around US tariffs had diminished, uncertainty around the renegotiation of the Canada–United States–Mexico Agreement (CUSMA) was coming into greater focus."
- **Underlying inflation deemed unchanged at 2½%:** "Members reviewed a broad range of inflation indicators and agreed they continued to point to underlying inflation of around 2½%."
- **Labour market softness conceded, and it's not only in trade-concentrated sectors:** "[J]ob losses [were] concentrated in sectors that rely on US trade. However, employment growth in other parts of the economy had also slowed, as businesses had scaled back their hiring intentions. Members were concerned that continued tariffs and ongoing uncertainty [...] could lead to further labour market weakness across the economy."
- **Three key developments since July justified a cut:** "The economy had weakened, with further softening in the labour market [...] there was more evidence [...] that the upward pressures on core inflation may be easing [...] and] the removal of most retaliatory tariffs by Canada also meant there was less upside risk to future inflation."
- **Despite the uncertainty, GC will be comfortable in presenting forecasts in October:** "given the relative stability with respect to US tariffs since the July Report, members expected they would be able to present a baseline projection for growth and inflation in the October MPR."
- **Regarding the Bank's four key indicators for monitoring the impact of tariffs:**
 - **Reduction in Canadian export demand:** "The shift in US trade policy was clearly affecting demand for Canadian goods and services."
 - **Spill-over into employment & activity:** "Economic growth could slow further while the adjustment in business investment and jobs plays out."
 - **Cost pass-through:** "members agreed that the upside risks to inflation had diminished. Upward momentum in underlying inflation appeared to have turned [...] while the upside risks had diminished, they had not gone away [with trade disruptions implying new costs outside of those directly applied via retaliatory tariffs, such as spill-over from U.S. imports and inefficient trade architecture adding to price pressures]."
 - **Inflation expectations:** "Members did not have new information on inflation expectations."

Bottom Line:

Economic data began to roll over after the July decision and by the time September 17th arrived, the decision to cut was obvious. Indeed, these deliberations explain that the weaker economy/labour market, cooling inflation momentum and the removal of (most) retaliatory tariffs tipped the balance towards easing. The release does not, however, indicate how hotly debated the decision was. In prior SoD,



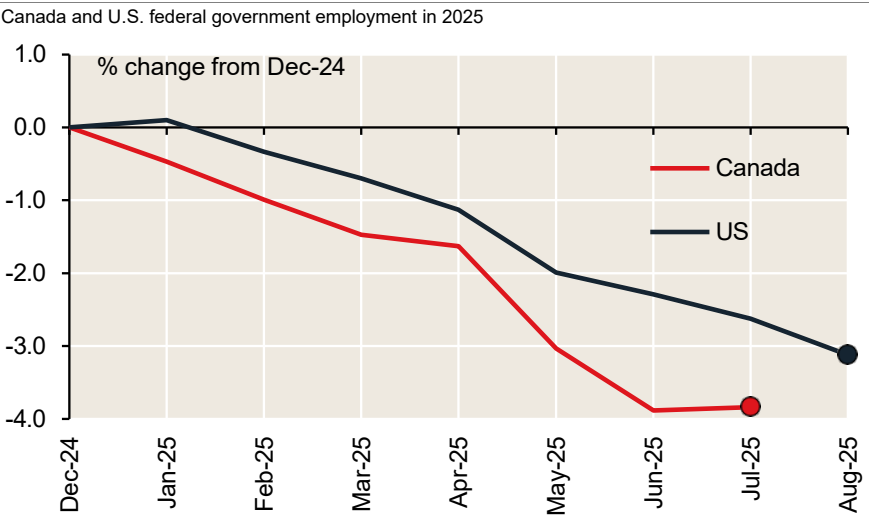
including in July, there appeared to be two distinct camps: one leaning towards further rate relief and one happy to hold policy steady indefinitely. Today's release suggests the more hawkish camp may have thinned out over recent months as you won't find dissenting commentary. Supporting this, the press conference following the decision indicated there was a "clear consensus" to ease.

While Governing Council sees inflationary pressures as "more contained" there is still significant uncertainty, which is a key theme throughout these deliberations. Uncertainty about inflation *and* trade *and* investment *and* the consumer all lead the Bank to retain its highly data dependent, non-committal stance. As a result, incoming information will help dictate the decision later this month, but we think October cut odds are higher than markets are discounting. Similarly, we'll happily 'take the over' on the ~22 bps of easing discounted for the balance of the year as we see a reasonably likely path to an October *and* a December cut. After all, if the Bank felt comfortable cutting once, they're probably prepared to go again, barring a major shift in the outlook/environment. Here, fiscal policy is a bit of a wildcard and GC acknowledges that government spending may prove stronger than they'd earlier thought. However, they won't have 20/20 vision later this month as the federal budget won't be published until November 4th.

Market View - Believe it or not: Government employment edition

Last month, we channeled our inner Robert Ripley, publishing [Believe It or Not: Government Finance Edition](#). As we explored, Canadian governments borrowed more than their U.S. counterparts (as a % of GDP), contrary to popular belief. Here's another that may run counter to one's intuition: Which federal government has cut more jobs in 2025? Hint: It's not the one that created a Department of Government Efficiency. No, it's in Ottawa where the bureaucracy has been under more pressure...

Figure 1: Ottawa has cut relatively more jobs than D.C. in 2025



Source: NBC, StatCan, BLS

[Click for the full report](#)

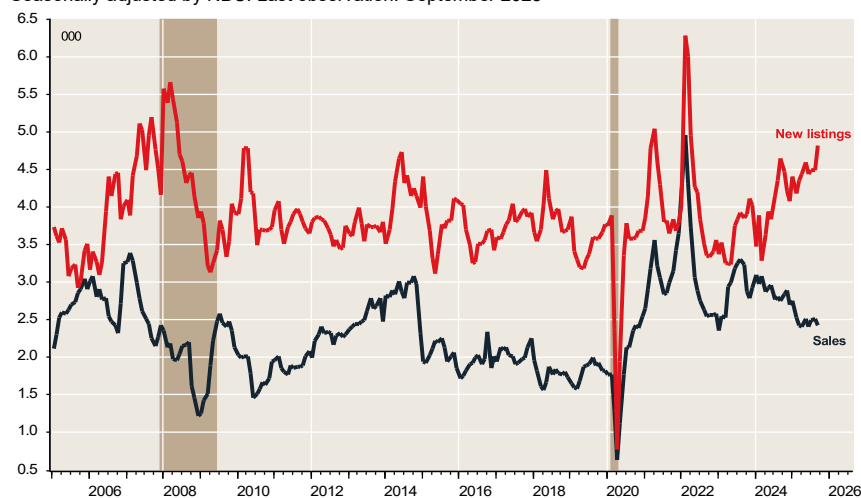
Calgary: Residential listings jump in September

Based on data from the Calgary Real Estate Board (CREB) for the Calgary economic region, our preliminary estimate indicates that seasonally adjusted home sales decreased by 3.4% from August to September, the first decline in three months. Although the number of transactions has fallen during the month and since February due to the trade context with the United States, the level of sales remains essentially on its historical average. While the recovery in consumer confidence despite continued uncertainty about tariffs and interest rate cuts by the Bank of Canada should help support the housing market, the fragilized job market, could weigh on a potential recovery in the residential market in the short term.



Figure 2: Calgary: Home sales and listings

Seasonally adjusted by NBC. Last observation: September 2025



Source: NBC Economics and Strategy (Historical data via CREB; last month estimated by NBC)

[Click for the full report](#)

Evercore ISI Research

Economics & Fixed Income Strategy

ADP Private Employment Tally Falls for September.

Key Points:

ADP private employment tally (not our favorite metric) was much weaker than expected as it fell -32K for September after falling a revised -4K in August. This is some -82K less than expected. Small business employment was notably soft. However, it has been a broken metric. But other high-frequency labor market metrics also suggest a soft employment gain in September. That said it is not clear when payroll employment for September will be released. This morning's release is a tailwind wind for lower Treasury yields and the dollar.

Global Policy & Central Banking Strategy

Flash Note – ADP Not Enough for a Fed 50 in Oct, Cook Interim Win Reduces Near-Term Fed Independence Risk

The negative ADP payroll print for September will unsettle Fed officials and further locks in a 25bp cut in October but – with the caveat that the Fed uses a version of ADP we do not see – it is very likely not enough to deliver a 50bp cut at that meeting, in particular given growth and markets. That would likely require in addition a very weak official employment report and/or a break in UI claims beyond that associated with a shutdown – data delayed for the duration of the shutdown, that may or may not be released in time.

We think the hurdle for a 50 in October is high: some combination of materially negative private payrolls, revisions that make more recent months negative, and a more abrupt step up in unemployment to 4.4 or 4.5 per cent, though less if there was a parallel sustained surge in UI claims ex-shutdown. It would be very hard to get there on private sector metrics alone in an extended shutdown: there would likely have to be a sharp across the board break mirrored in markets.



The negative run of ADP prints – three of four with benchmark revisions – does flag the risk further labor weakening could put a catch-up 50 in play for December. This is the downside version of our claim December is more data-dependent, though it is not perfectly symmetric. Our base case remains 25 in October, 25 in December.

Separately, the Supreme Court decision that Cook should remain in office ahead of oral arguments January regarding Trump's effort to fire her eases Fed independence concerns a little, though only a little. The treatment for Cook relative to regulators such as Slaughter underlines the Court's effort to treat the Fed distinctly, but it remains unclear what that will ultimately mean.

Without an early Cook vacancy, Trump will need to use the Miran seat – which has a new term starting in January – to bring in a new Chair-apparent unless he decides to pick from the existing Fed Board (Waller, or less likely Bowman or Miran.)

The slower transition also makes it less likely there will be a plurality of Trump appointees on the Fed Board in time to threaten the five-yearly reappointment of some regional Fed presidents in February if they voted as a block (which is not certain).

For more on the Fed and ADP, read on.



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THURSDAY: Michael Doumet, NBCM Industrials Analyst - [8:30 am English call](#) / [9h00 appel français](#)

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