



Friday October 09, 2026

CANADIAN EMPLOYMENT IN FOCUS

Currency markets are relatively quiet this morning, just minutes ahead of the release of Canada's September employment data. The figures could nevertheless trigger a significant move in the Canadian dollar as investors assess the Bank of Canada's next policy decisions.

A stronger-than-expected report would reinforce expectations of an interest rate hike as early as December. Conversely, a disappointing result, amid the ongoing trade war, could prompt investors to revise their interest rate outlook downward.

Markets are currently pricing in four rate hikes by September 2027, a path broadly comparable to expectations for the United States. However, a weakening Canadian labour market could challenge these expectations and create a divergence between the monetary policies of the two countries. If the Federal Reserve maintained a more restrictive policy stance than the Bank of Canada, this gap would place additional pressure on the Canadian dollar.

Today's employment report will therefore be important in assessing the resilience of Canada's labour market and the economy's ability to sustain expectations for tighter monetary policy.

Happy Thanks Giving,
Alexandre Lavallée

Market Moves

Source: Bloomberg at market close

USD/CAD	1.4226 -0.0030
EUR/USD	1.1211 +0.0014
EUR/CAD	1.5946 -0.0016
TSX	35,145 +0.30%
S&P500	7,765 -0.47%
WTI Oil	91.49 +3.64%
CA 10-YR Bond Yield	3.93% -0.46%
US 10-YR Bond Yield	5.23% -1.08%

Trends

Range of the day	1.4200	1.4300
Range of the next 5 days	1.4175	1.4325

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Economic news to watch today

CA : Employment and unemployment data

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