RIVERSIDE ANALYTICS INC

DATE: October 24, 2025

RIVERSIDE ANALYTICS INC
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Economic Outlook

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- At Riverside, we assess probabilities using systematic quantitative methodology. We do not provide advice. There are no guarantees for positive return. All investing/trading is at your own risk.
- Riverside is about helping active and affluent investors learn how to make better decisions in financial markets.
- All charts shown in this presentation have been referenced from Amibroker unless otherwise noted.

Good investing is <u>not</u> an "event" like finding the next growth opportunity or catching the next market turn. Rather, good investing is a disciplined process that converts research and training into a well-tested methodology, and then makes a habit of following that approach day after day.

John P. Hussman, Ph.D
President, Hussman Strategic Advisors

ECONOMIC DATA

Indicator review

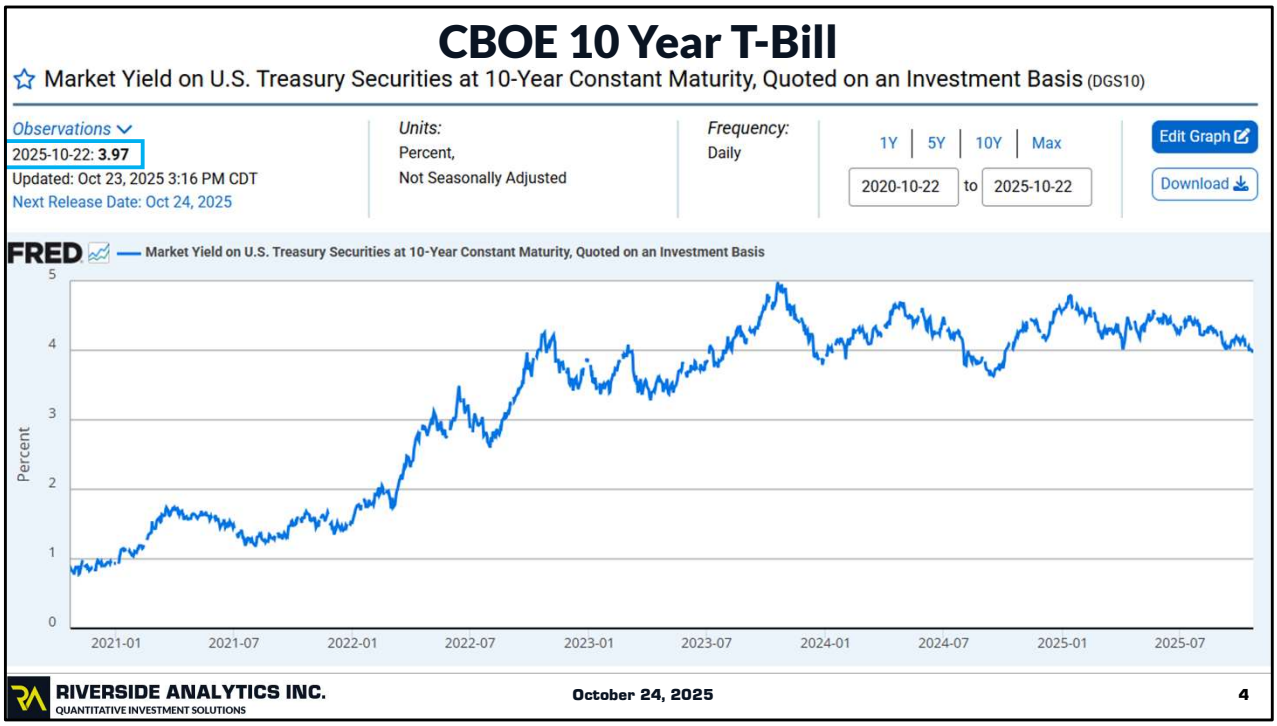
US Drives the bus, when it comes to the Canadian economy.

Please check the notes on each slide.
On the whole, Canadian growth is subdued, inflation is tame, we avoided a recession.

US Government shutdown is affecting timely reporting. Some charts have no updates.

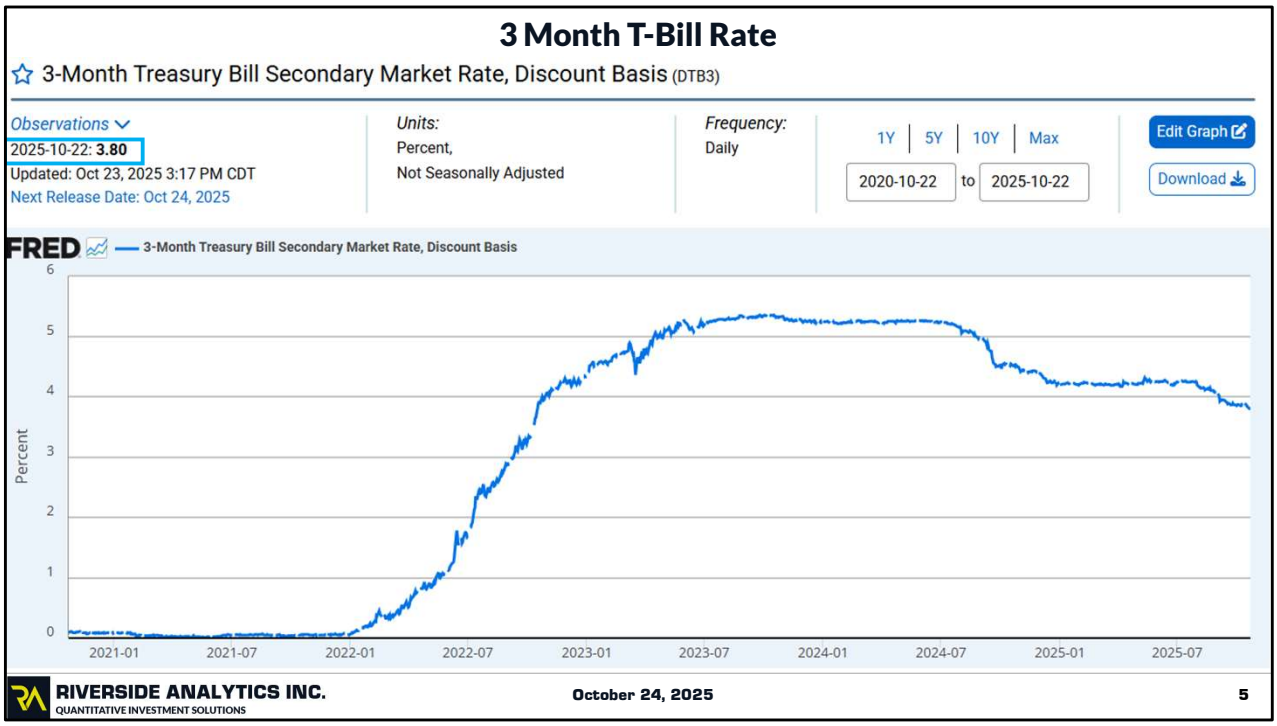
Fedwatch tool – no prediction changes. US job creation is poor.
US total inflation exceeds 3% at the retail level.
Only 38% of tariff costs have passed to the consumer
The Canadian loss of Automotive production is concerning.
Oil and Gas production is holding up the Canadian economy at the macro level

Ignore the noise, and pay attention to what is really important, mitigate as necessary.



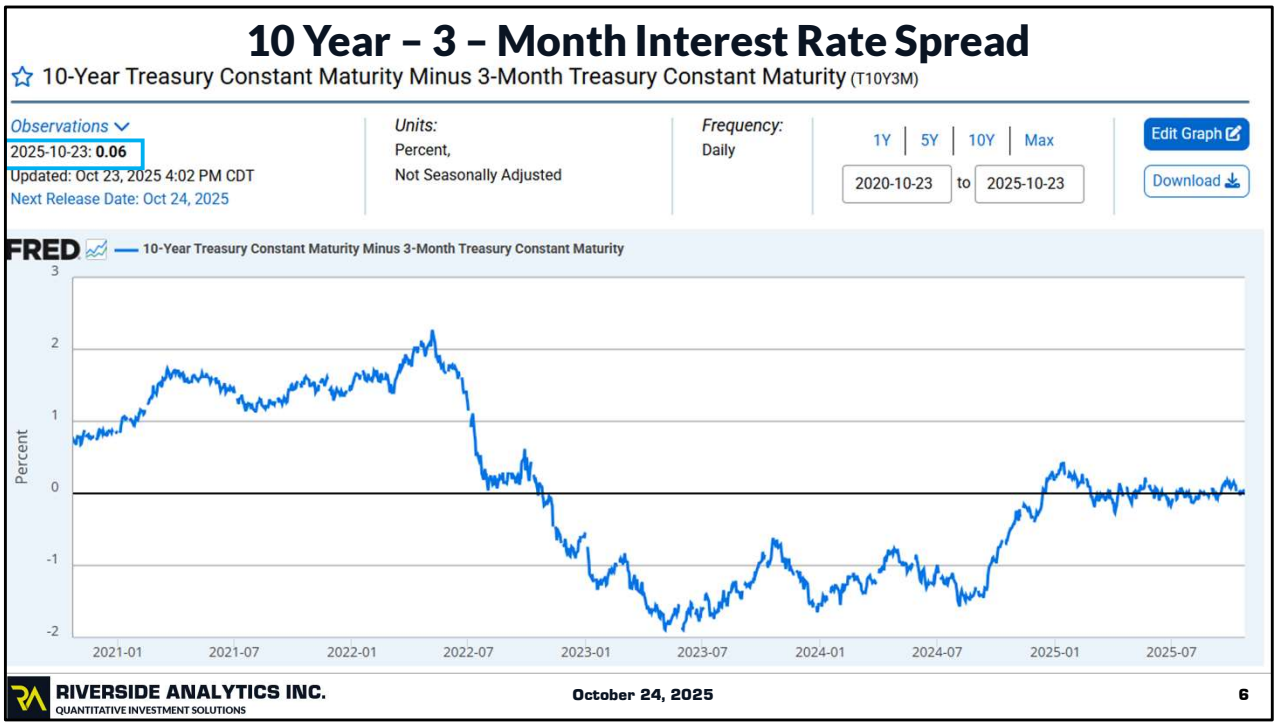
October – Last month was 4.04. Down this month a very marginal 7 basis points

Source : Board of Governors of the Federal Reserve System (US) via FRED



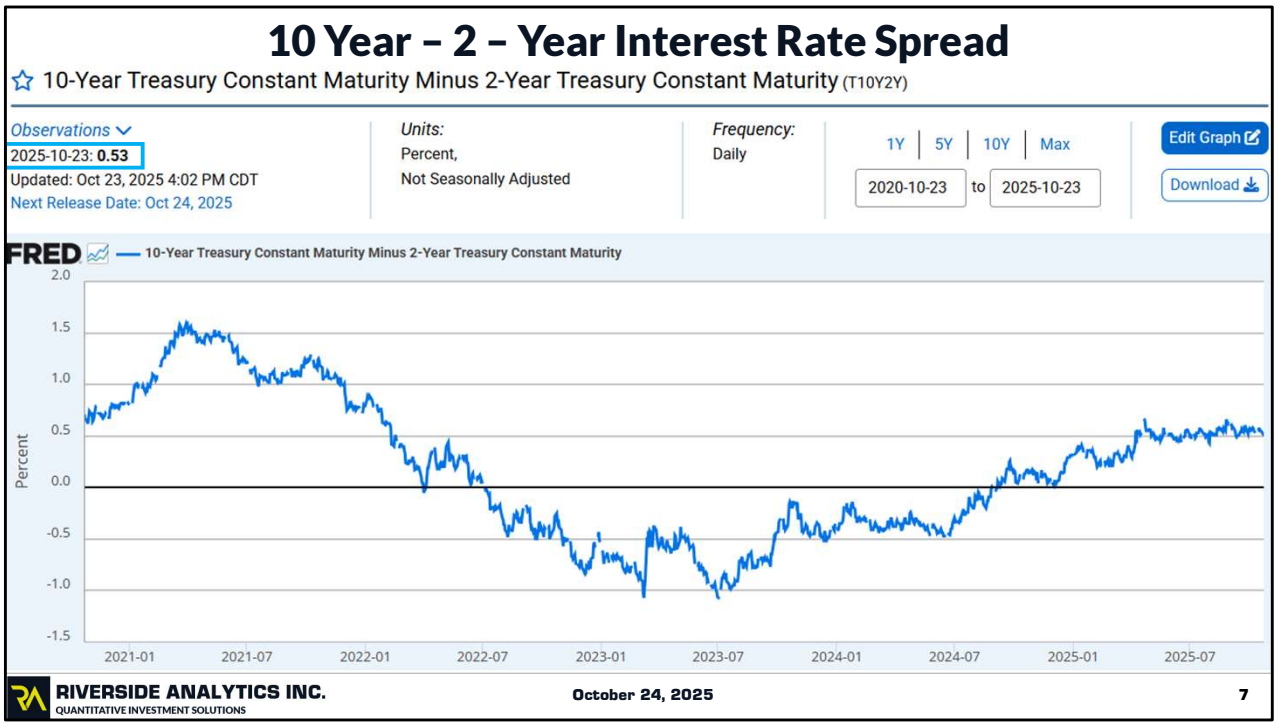
October – Last month was 3.90 – down 10 basis points this month.

Source : Board of Governors of the Federal Reserve System (US) via FRED



October - Last month was 0.04. This month, 0.06.. No change worth noting !

Based on previous Riverside analysis, a recession does not occur until AFTER the inversion as righted itself. This is a very long drawn out righting ! It has been going on all year, and continues to do so.



October – last month was 0.54 – This has been tightly rangebound since April and another month of … this month is no different !

BoC Interest Rates
September 18 – No Changes !



Weekly Wednesday, rates in percentage	CANSIM	2025-08-20	2025-08-27	2025-09-03	2025-09-10	2025-09-17
Prime rate[1]	V80691311	4.95	4.95	4.95	4.95	4.95
Conventional mortgage						
1-year	V80691333	6.09	6.09	6.09	6.09	6.09
3-year	V80691334	6.05	6.05	6.05	6.05	6.05
5-year	V80691335	6.09	6.09	6.09	6.09	6.09

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August – Same as last month.

CIBC has 5 year fixed – 4.54 – No change, Royal – 4.69 – Up 17 points, TD - 4.69 – Up 10 points, and BMO - 4.64 – No Change,
BNS DROPPED to 5.40 – No Change, still well above competitors.

One thing I heard from a real estate agent, is that TD is quick to respond to a brokers request for quote, but has trouble delivering the funds on time. Do not close a deal late in the day if you can help it !

BoC Interest Rates
October 22

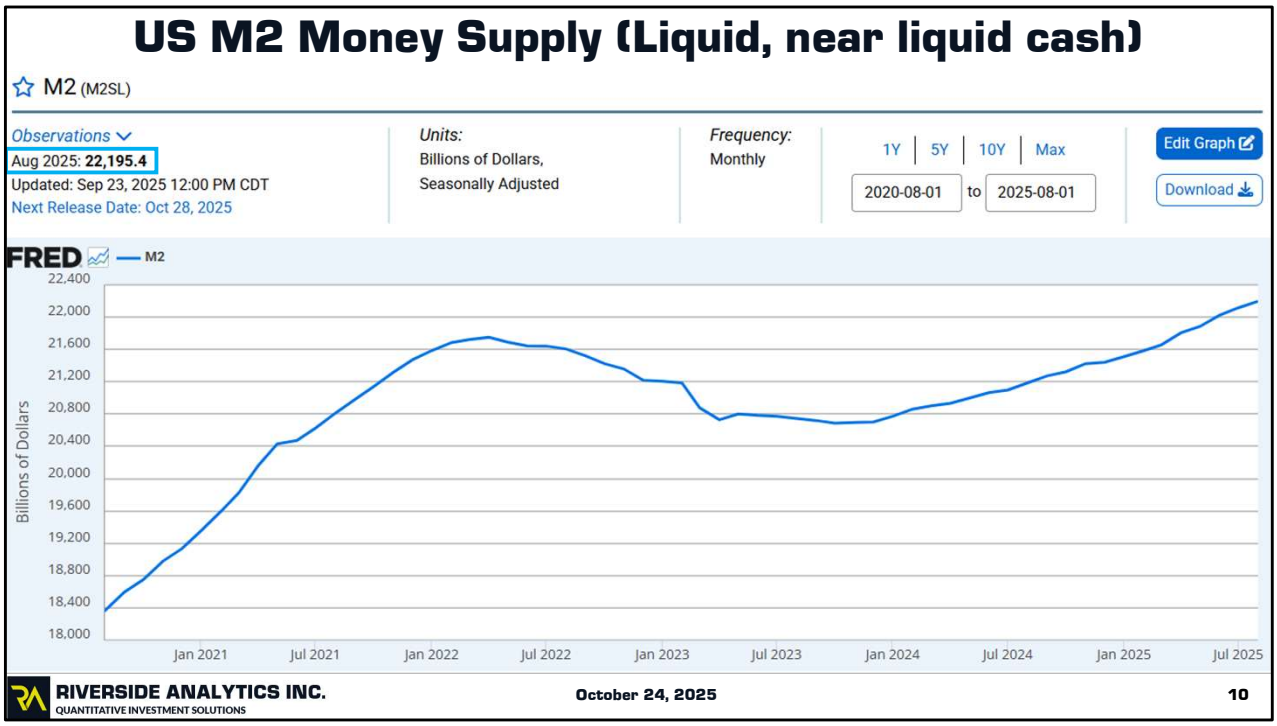


Weekly Wednesday, rates in percentage	CANSIM	2025-09-24	2025-10-01	2025-10-08	2025-10-15	2025-10-22
Prime rate[1]	V80691311	4.70	4.70	4.70	4.70	4.70
Conventional mortgage						
1-year	V80691333	6.09	6.09	6.09	6.09	6.09
3-year	V80691334	6.05	6.05	6.05	6.05	6.05
5-year	V80691335	6.09	6.09	6.09	6.09	6.09

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October – The Prime rate dropped 20 points, but none of the conventional mortgages moved !

CIBC has 5 year fixed – 4.54 – No change, Royal – 4.59 – No Change, TD - 4.69 – UP 5 points, and BMO - 4.64 – No Change,
BNS 6.09 – No Change.



October – Last month was 22,115.4 – M2 tends to lead inflation by about a year, to 2 years ! There is a significant lag between cause and affect.

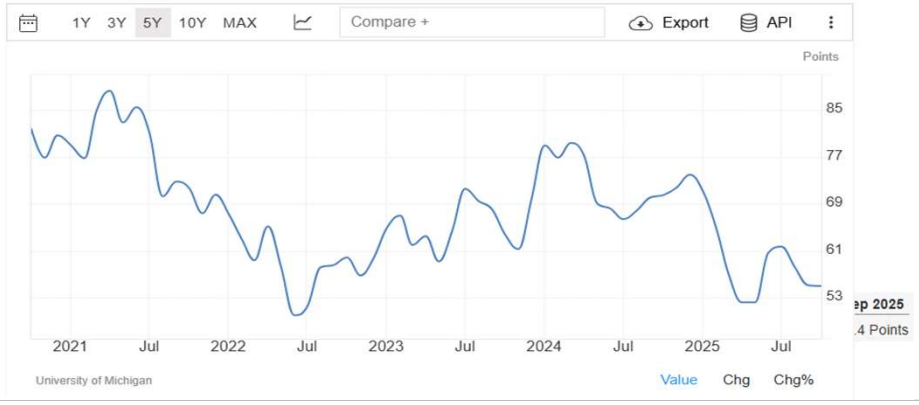
However, there is not always a cause and affect to the relationship. Quantitative Tightening helps combat inflation, and the US is executing this process now, and has been since 2002. This likely continues until the end of 2025. This helps offset inflationary aspects of M2 growth.

Source : https://fred.stlouisfed.org/series/M2SL

M2 consists of - Cash, checking deposits, and other deposits readily convertible to cash, such as CDs/GICs, are considered liquid money and are measured by the Fed's M2 money supply measurement.

UoM Sentiment Index

The University of Michigan consumer sentiment for the US came in at 55 in October 2025, compared to 55.1 in September and forecasts of 54.2, preliminary estimates showed. Consumer sentiment was virtually unchanged from September, as improvements in current personal finances and year-ahead business conditions were offset by declines in expectations for future personal finances as well as current buying conditions for durables. The current economic conditions subindex increased to 61 from 60.4 while the expectations gauge edged down to 51.2 from 51.7. Overall, consumers perceive very few changes in the outlook for the economy from last month. Meanwhile, year-ahead inflation expectations edged down to 4.6% from 4.7% while long-run inflation expectations held steady at 3.7%. source: University of Michigan

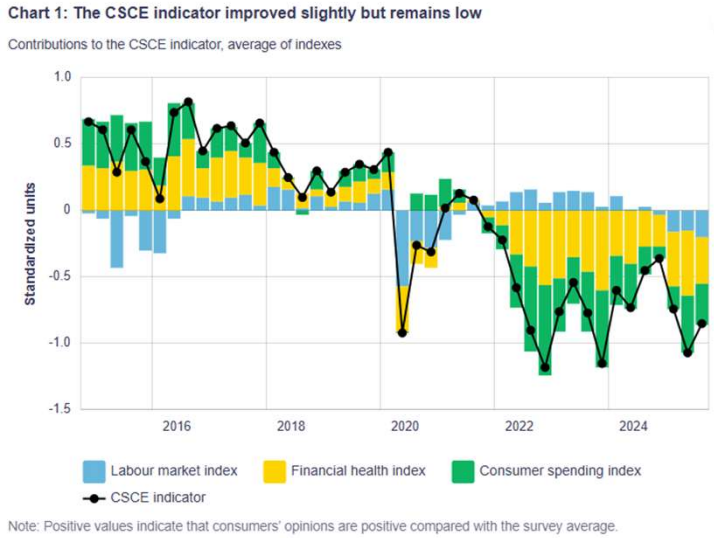


October – last month was 55.4. – This month it is down a smidgen to 55 even.

Its early in the Q3 earnings cycle to get a read on tariff impacts on profits. So far, SP500 is treading water. (3M profits down 39%, Coca-Cola up 30%, GE up 33%, NetFlix up 9% Ford Motor company beat expectations but will take a hit in Q4 from Aluminum plant fire), Earnings are mixed bag. Walmart will not release until third week in November. Dollar Tree reports middle and upper income shoppers are contributing “meaningfully” to growth !

Source : https://tradingeconomics.com/united-states/consumer-confidence

BoC Consumer Sentiment – Q3 Released



https://www.bankofcanada.ca/2025/10/canadian-survey-of-consumer-expectations-third-quarter-of-2025/

October – **This is a quarterly report – Q3 data released.**

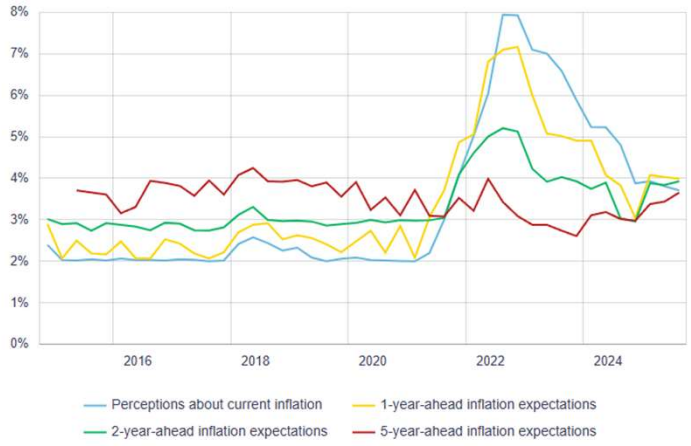
The CSCE indicator rose slightly in the third quarter (Chart 1).1 Consumers' perceptions of their financial health have improved, and their spending intentions are somewhat less negative. Despite the slight recovery, the indicator remains below levels observed prior to the trade conflict with the United States and well below its historical average.

There is lots in this report if you want to dig in !
https://www.bankofcanada.ca/2025/10/canadian-survey-of-consumer-expectations-third-quarter-of-2025/

BoC Inflation Expectations – Q3 Released

Chart 9: Consumers' expectations for short-term inflation have changed little

Inflation expectations for each horizon: What do you expect the rate of inflation (deflation) to be?
Perceptions about current inflation: What do you think the rate of inflation (deflation) was over the last 12 months?
(Interpolated median)



October - Consumers' expectations for short-term inflation are little changed in the third quarter of 2025 and still above their pre-pandemic averages (Chart 9, yellow and green lines). Expectations for inflation five years from now moved up again this quarter but remain near their pre-pandemic average (Chart 9, red line).

In particular, consumers' views on tariffs are leading them to anticipate significant increases in motor vehicle prices over the next 12 months.

BoC Expectations Spending Plans – cont. – Q3 Released

Chart 4: Spending plans have improved for consumers who feel their financial health is better or the same

Over the next 12 months, what do you expect will happen to the total spending of all members of your household (including you)?
Real spending growth expectations by perceived change in financial situation (median growth)



Note: The share of respondents perceiving their financial situation as better than 12 months ago is about 15% in 2025Q2 an 17% in 2025Q3. The share of respondents perceiving their financial situation as about the same as 12 months ago is about 46% in 2025Q2 and 47% in 2025Q3. The share of respondents perceiving their financial situation as worse than 12 months ago is about 39% in 2025Q2 and 35% in 2025Q3. Individual shares may not add up to 100 due to rounding.

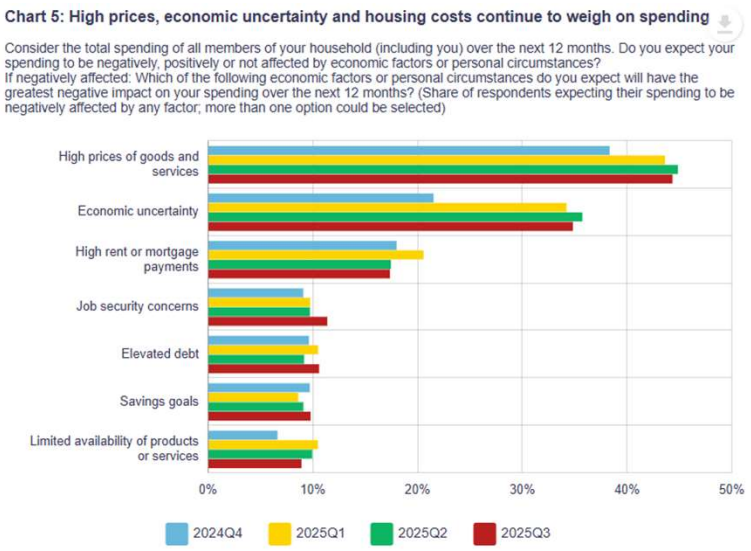
October – The changed from a 5 year to a one year !

The improvement in spending intentions is concentrated among consumers who have accumulated more wealth, such as homeowners and older people. Spending expectations declined, however, for other groups that tend to hold less wealth, such as younger people and those whose highest level of education is high school.

Though improving overall, spending intentions remain weak. Intentions to spend on discretionary items—such as durables (e.g., furniture, appliances), restaurant meals and vacations—remain low and mostly unchanged from last quarter. About half of consumers still perceive barriers to spending. Chart 5 shows the most frequently cited factors weighing on spending are:

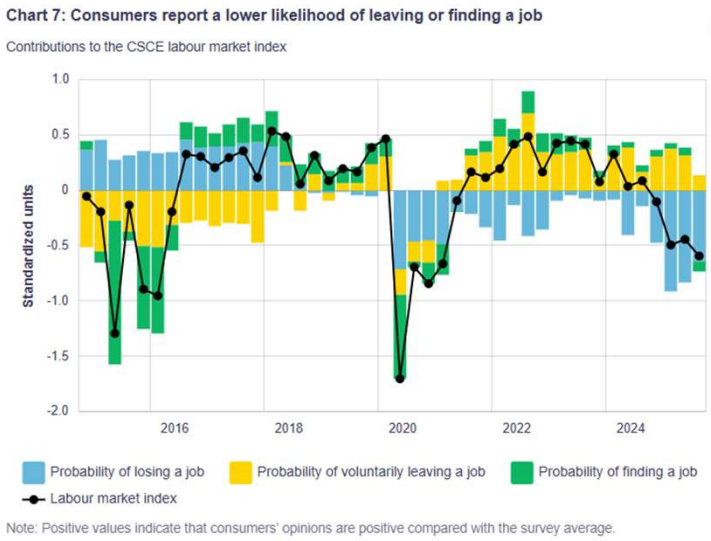
high prices of many goods and services
economic uncertainty
elevated housing costs

BoC Spending Plans – cont. – Q3 Released



October – The trade conflict also continues to affect consumers' spending behaviour. As they did last quarter, consumers continued to prioritize purchases of goods made in Canada and vacations within Canada. At the same time, they plan to spend less on goods made in the United States and vacations there (Chart 6). However, price differences between domestic and foreign-made goods remain a key deciding factor for many. Three-quarters of survey respondents indicated they are not willing to pay more than an additional 10% for a made-in-Canada product. For example, one respondent said, "I'm going more out of my way now to buy Canadian. I would say I am willing to pay more these days for products made in Canada. Not a substantial amount more. I'd say 5%–10% more at the most."

BoC Expectations – Job Security – cont. Q3



October – In particular, those working in the public sector at the time of the survey reported a lower probability of finding a job, possibly due in part to the federal government's comprehensive expenditure review. In a follow-up interview, one said, "The government's priority is to rein back spending, and that's having a direct impact on staffing. It's frustrating because I want to stay in the public sector and do something for Canadians, but the opportunities are shrinking."

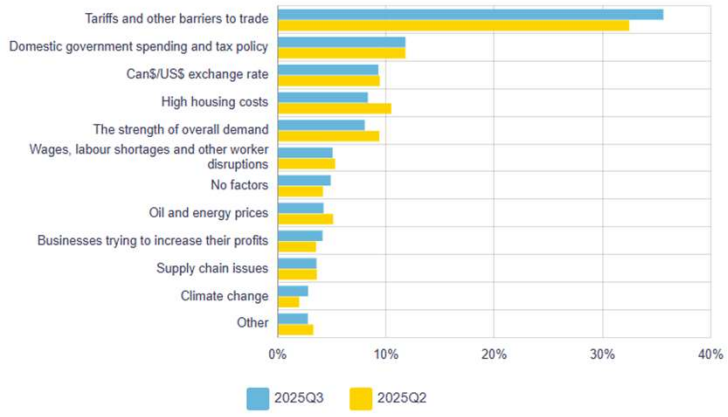
Consumers' reported chance of losing their job declined slightly this quarter but remains higher than before trade tensions started in early 2025. This elevated concern is concentrated among workers in sectors that are highly dependent on trade between Canada and the United States. These workers identified the following as top factors influencing their reported risk of losing their job:

the outlook for the economy
business conditions in their sector

BoC Expectations – Ability to Control Inflation – cont. Q3

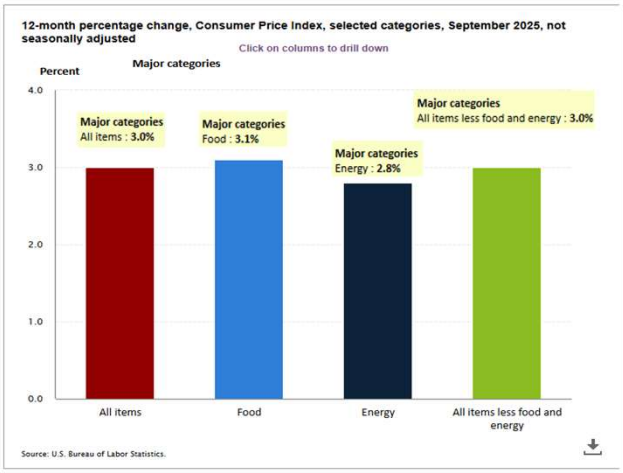
Chart 10: Many consumers think tariffs are the main obstacle that may interfere with the Bank of Canada's ability to control inflation

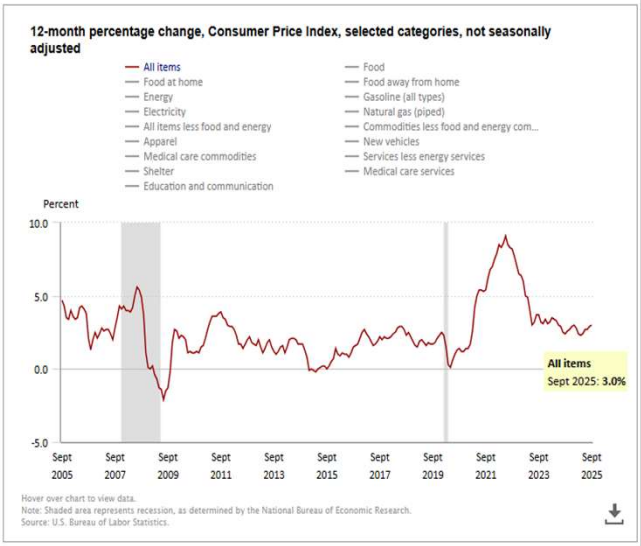
What is the most important factor affecting the Bank of Canada's ability to control inflation in Canada? Choose one. (Share of respondents)



October – Perceptions are interesting. The media has had a large influence ! CUSMA should be protecting consumers from tariffs.

US Inflation Rate





All items : 3.0% + 0.1%
Food : 3.1 - 0.1%
Energy : 2.8 + 2.6%
All items less food and energy : 3.0 % - 0.1

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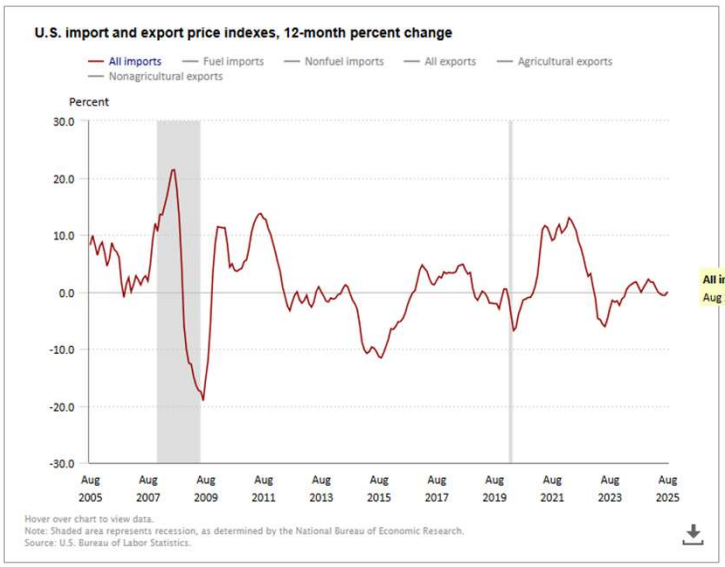
October – "All items" category went sideways . **The right chart is 12 month percent change "All Items".**

According to The New York Times, about 37% of tariff costs have been passed on to the consumer. About 9% forced onto suppliers, and 51 percent absorbed by the seller. This sets up an interesting situation. IF tariffs are declared illegal, some extra profits have been baked into revenue. IF the supreme court allows them, corporations will continue to raise prices to cover normal increases PLUS the tariffs in 2026.

Lots of additional detail is located here – Each of the index items in the right hand cart above, has its own data.
The way you avoid muddying up the chart, is click once on the item you want to remove in the index, then click on the item you want to see.
https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category-line-chart.htm

The left chart is here
https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category.htm#

U.S. Import and Export Price Indexes, 12-month-percent change – NO UPDATES



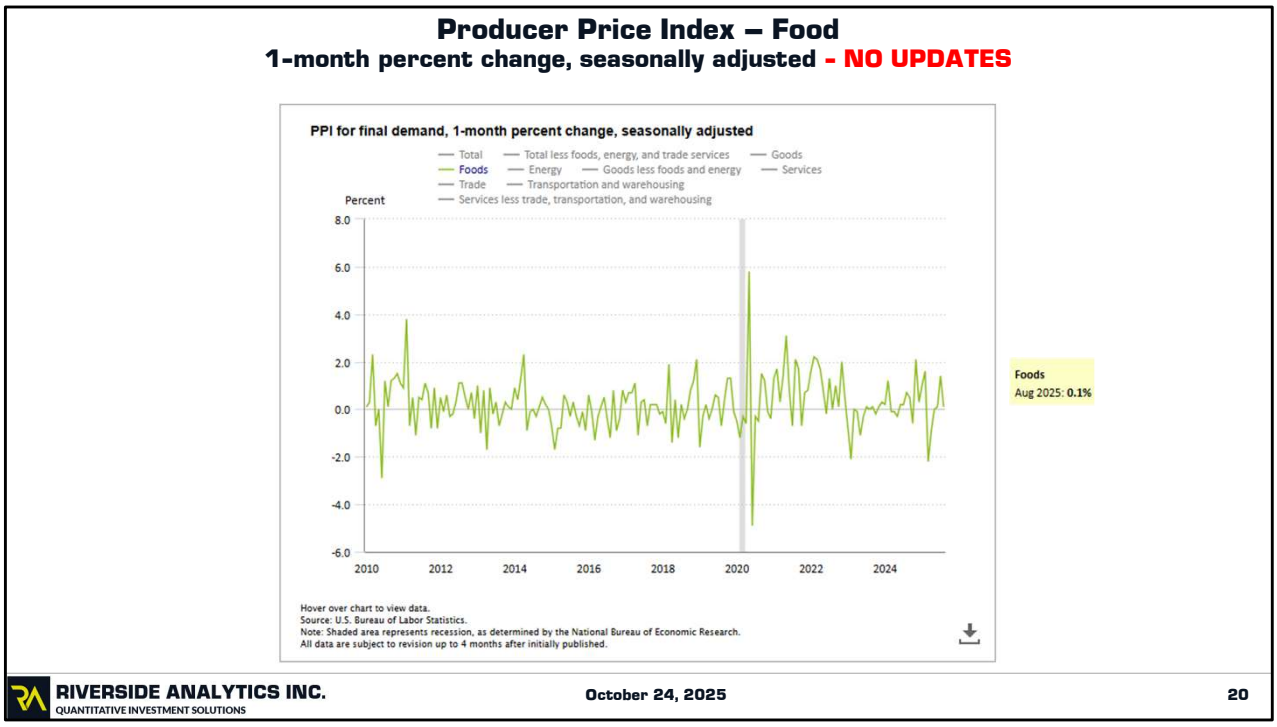
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October – **No Updates - this is due to the US government shutdown.**

Source : https://www.bls.gov/charts/import-export/us-import-and-export-price-indexes-12-month-percent-change.htm#
Source : https://www.bls.gov/mxp/

State of US Tariffs – Yale University >> https://budgetlab.yale.edu/research/state-us-tariffs-july-23-2025



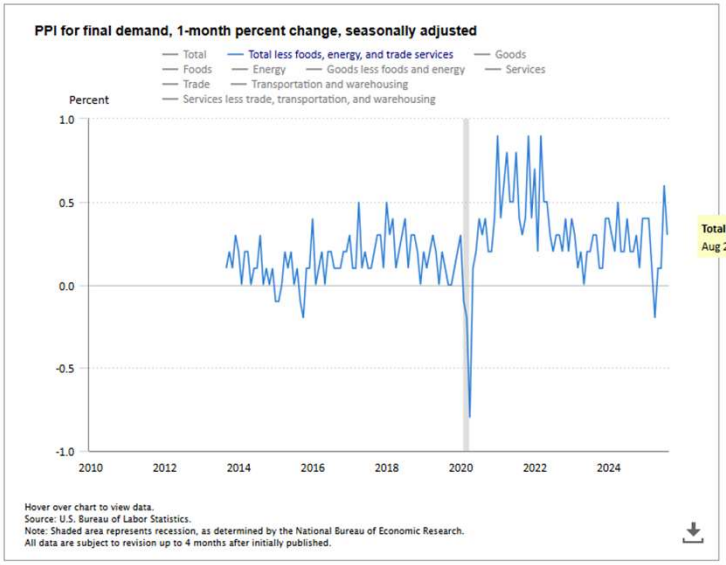
October – **No Updates - this is due to the US government shutdown.**

The Producer Price Index is a measure of the change in prices that domestic producers receive for their goods and services. The index is a measure of wholesale inflation and an indicator of the health of the economy.

– Details are here >> https://www.bls.gov/charts/producer-price-index/final-demand-1-month-percent-change.htm#

Producer Price Index – Total

1-month percent change, seasonally adjusted - NO UPDATES



3.6% Annual

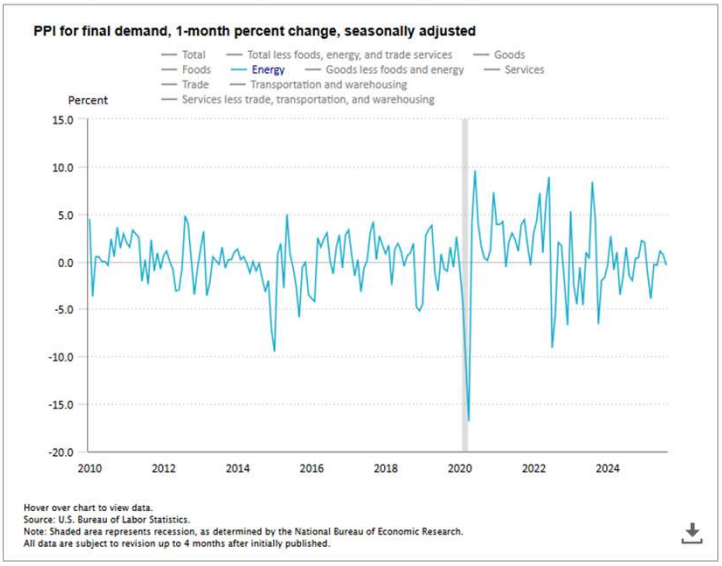
October – **No Updates - this is due to the US government shutdown.**

Tariffs tend to be one time price bumps that take a year to resolve themselves when the current year becomes the baseline year, 12 months hence.

https://www.bls.gov/charts/producer-price-index/final-demand-1-month-percent-change.htm#

Producer Price Index – Energy

1-month percent change, seasonally adjusted - NO UPDATES

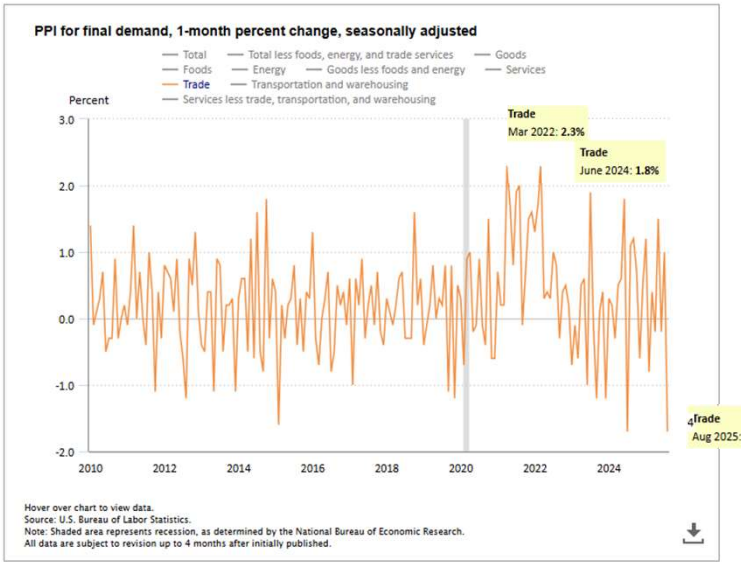


October – **No Updates - this is due to the US government shutdown.**

https://www.bls.gov/charts/producer-price-index/final-demand-1-month-percent-change.htm#

Producer Price Index – Trade

1-month percent change, seasonally adjusted - NO UPDATES

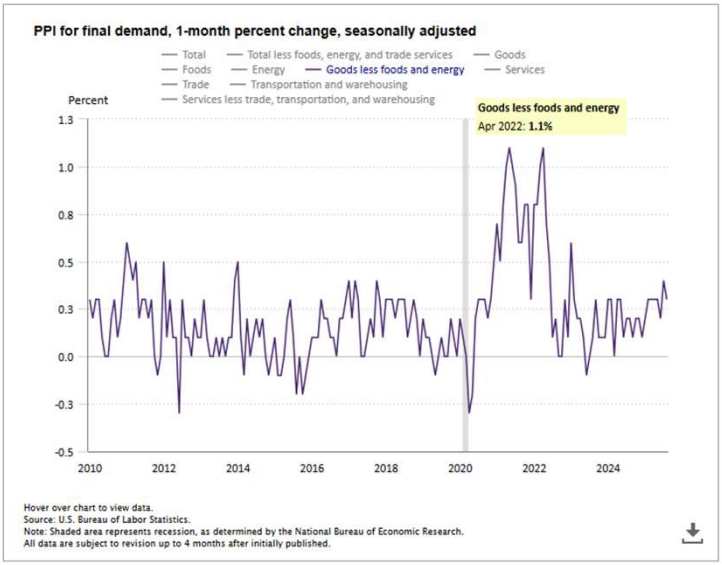


October – **No Updates - this is due to the US government shutdown.**

https://www.bls.gov/charts/producer-price-index/final-demand-1-month-percent-change.htm#

Producer Price Index – Goods less foods and energy

1-month percent change, seasonally adjusted - NO UPDATES

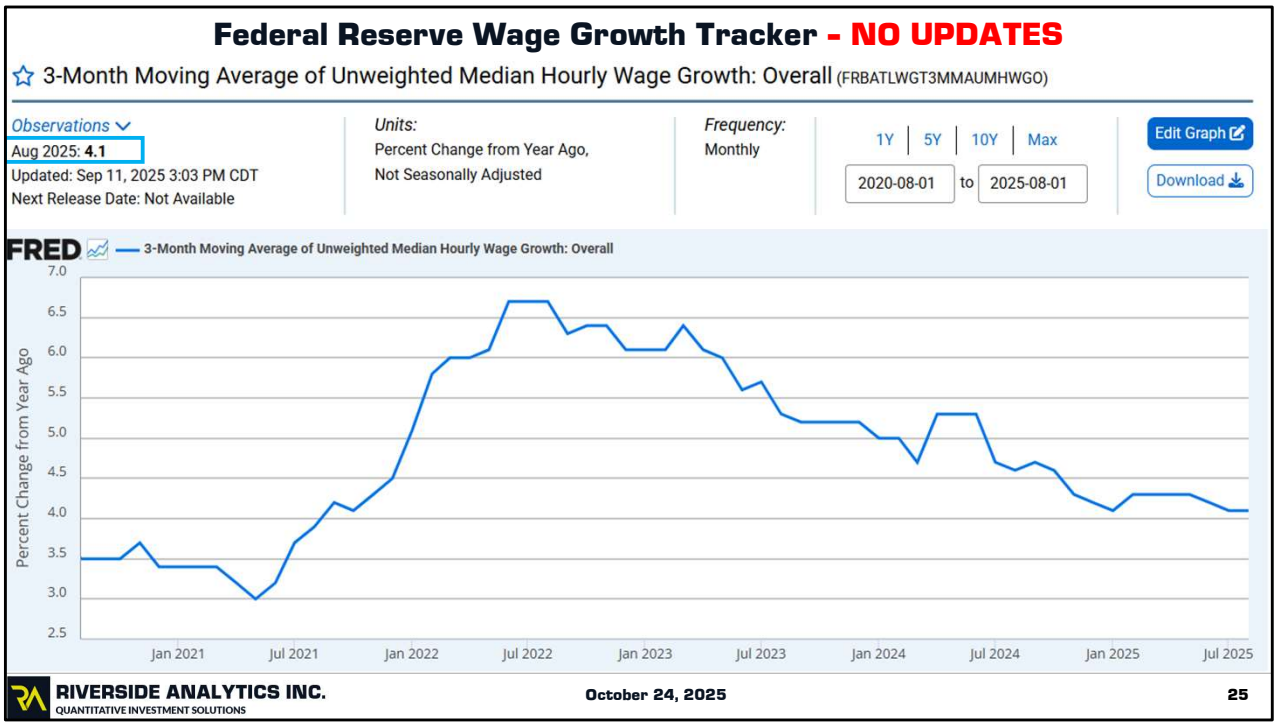


Goods less foods and energy
Aug 2025: 0.3%

3.6% Annual

October – **No Updates - this is due to the US government shutdown.**

https://www.bls.gov/charts/producer-price-index/final-demand-1-month-percent-change.htm#

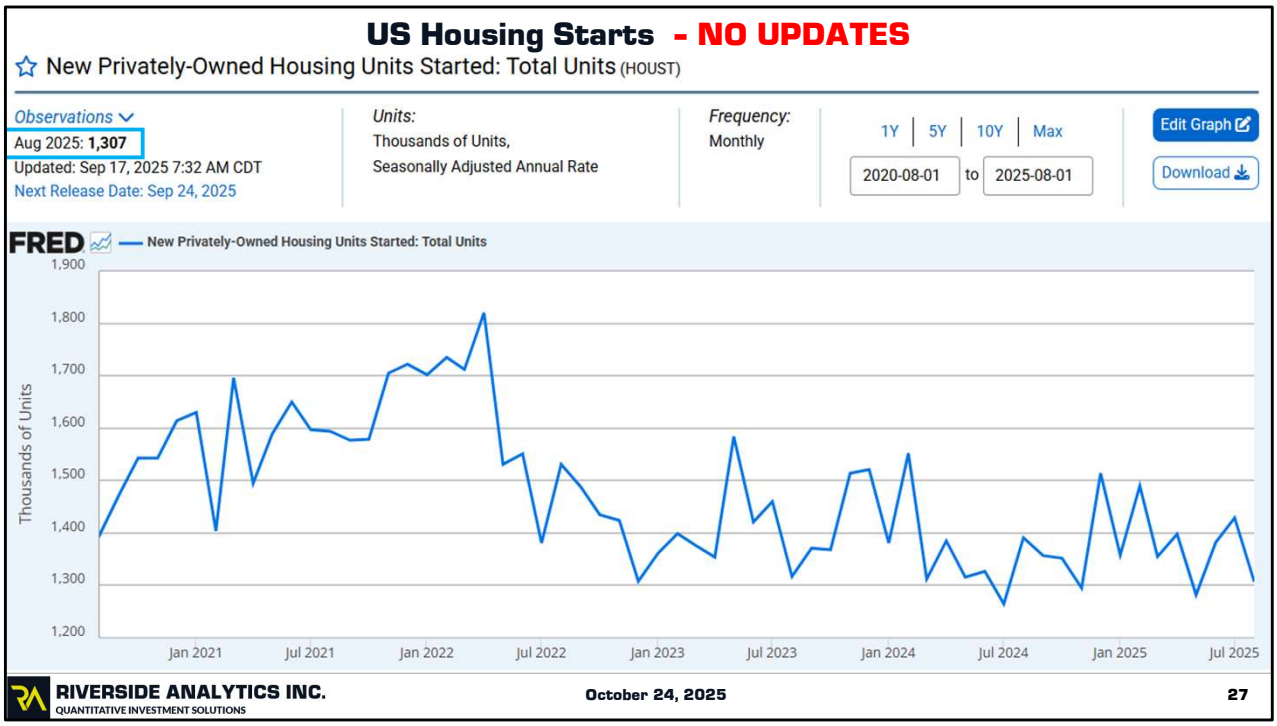


October – **No Updates - this is due to the US government shutdown.**

https://fred.stlouisfed.org/series/FRBATLWGT3MMAUMHWGO

Leading Indicators

Housing Starts
Manufactures New Orders
Commodity Prices
Average Hours Worked

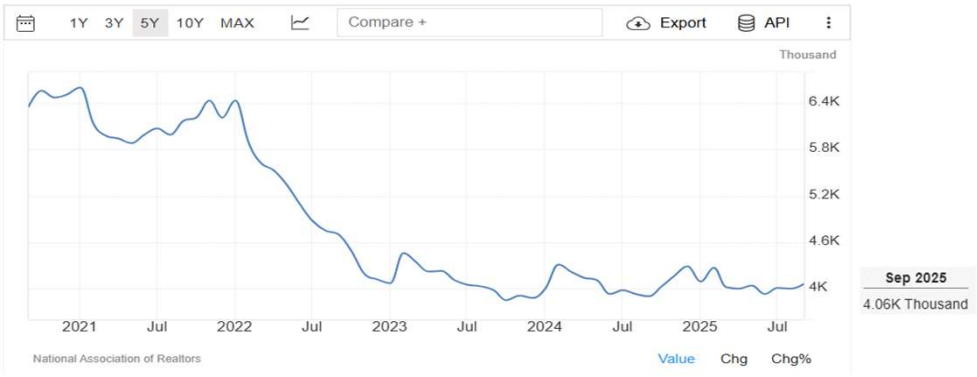


October – **No Updates - this is due to the US government shutdown.**

Starts are sourced from the US Census Bureau

US Existing Home Sales – July Data

Existing home sales in the United States rose 1.5% month-on-month to an annualized rate of 4.06 million in September 2025, the highest level in seven months, up from 4.0 million in August and slightly below market expectations of 4.1 million. The increase was supported by lower mortgage rates and improving housing affordability. Sales of single-family homes went up1.7% to to a seasonally adjusted annual rate of 3.69 million while sales of condominiums and co-ops remained at 370,000 units. Meanwhile, sales increased in the Northeast (2.1%), South (1.6%) and West (5.5%) but fell in the Midwest (-2.1%). Total housing inventory went up 1.3% to 1.55 million, representing 4.6-month supply of unsold inventory. Median existing-home price for all housing types, increased 2.1% from one year ago to $415,200, marking the 27th consecutive month of annual price increases. Year-on-year, sales of existing homes went up 4.1%. source: National Association of Realtors



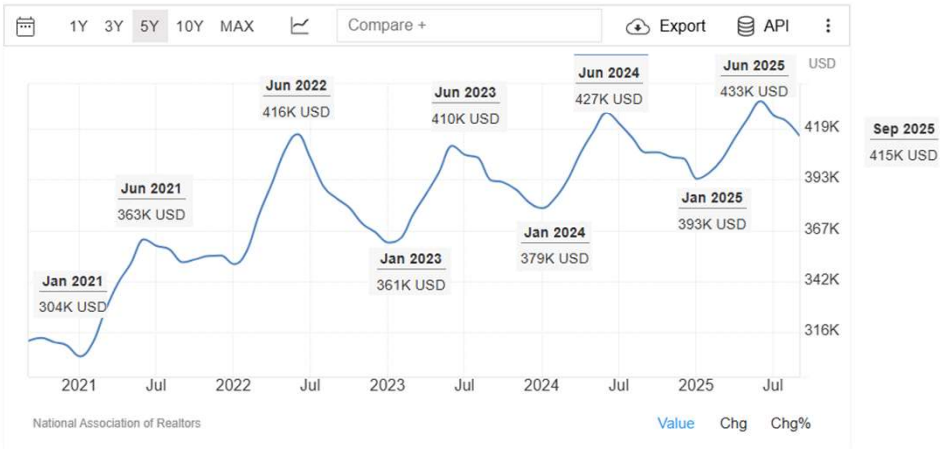
October – More rangebound activity. 4.01 to 4.06 !

Housing affordability and higher interest rates is keeping sales muted.

From Trading Economics, who sourced it from National Association of Realtors

US Existing Home Sales Prices – June Data

Single Family Home Prices in the United States decreased to 415200 USD in September from 422600 USD in August of 2025. Single Family Home Prices in the United States averaged 145191.34 USD from 1968 until 2025, reaching an all time high of 432700.00 USD in June of 2025 and a record low of 19700.00 USD in January of 1968. source: National Association of Realtors



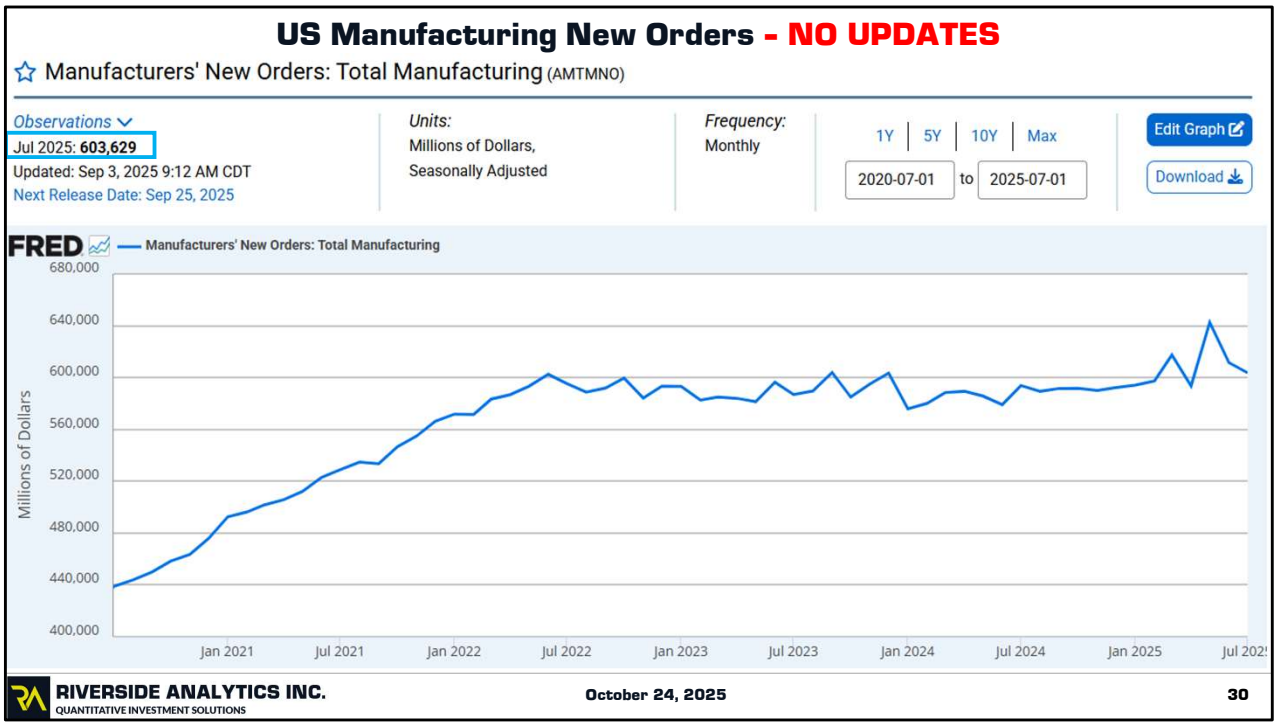
October – August was 423 USD. The normal annual pattern is playing itself out !

From Trading Economics, who sourced it from National Association of Realtors

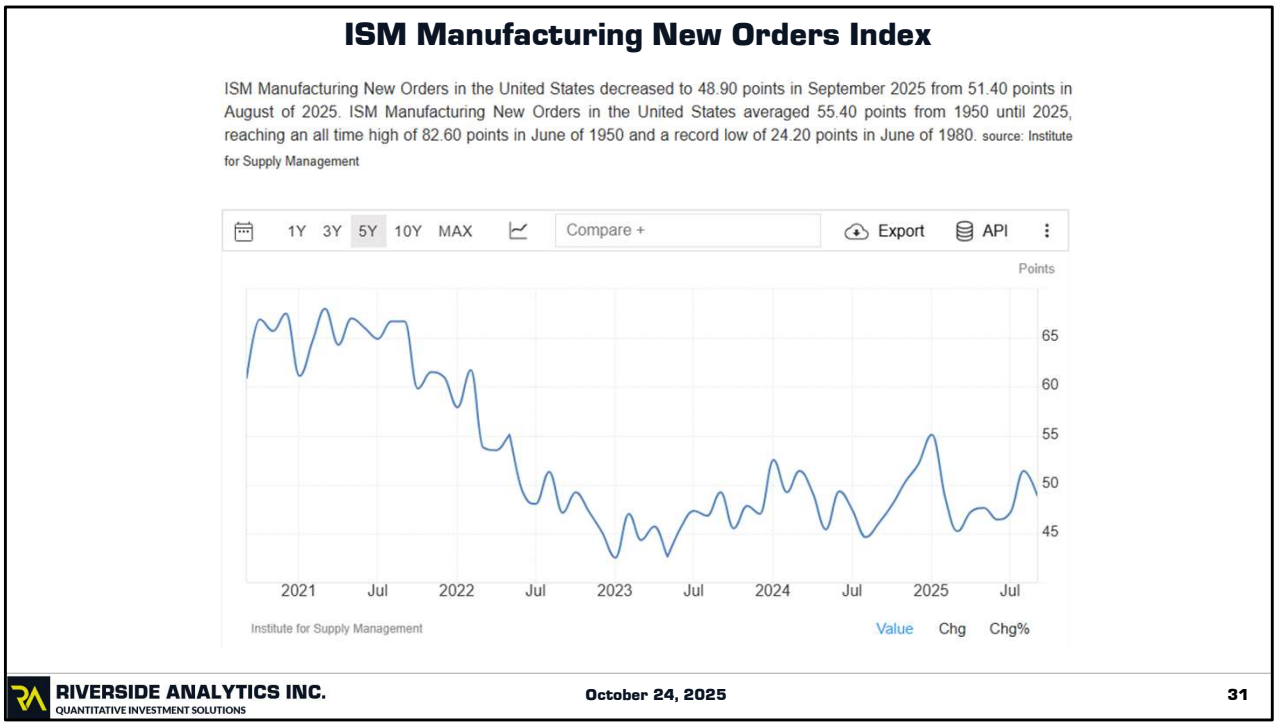
More information about median home prices by state can be found here >>
https://www.bankrate.com/real-estate/median-home-price/

“Home prices generally rise over time, but they do fluctuate in the short-term. For example, seasonality plays a role: Prices will typically rise in spring, peak around June, then steadily drop during the fall and hit a low point mid-winter before the cycle starts again. In addition, prices can very quite widely from one geographic location to another, even within the same state or city.” Bankrate.com

US Manufacturing New Orders - NO UPDATES



October – **No Updates - this is due to the US government shutdown.**



October – Last month was 51.4 – Its been more or less stuck between 45 and 50 for a couple years

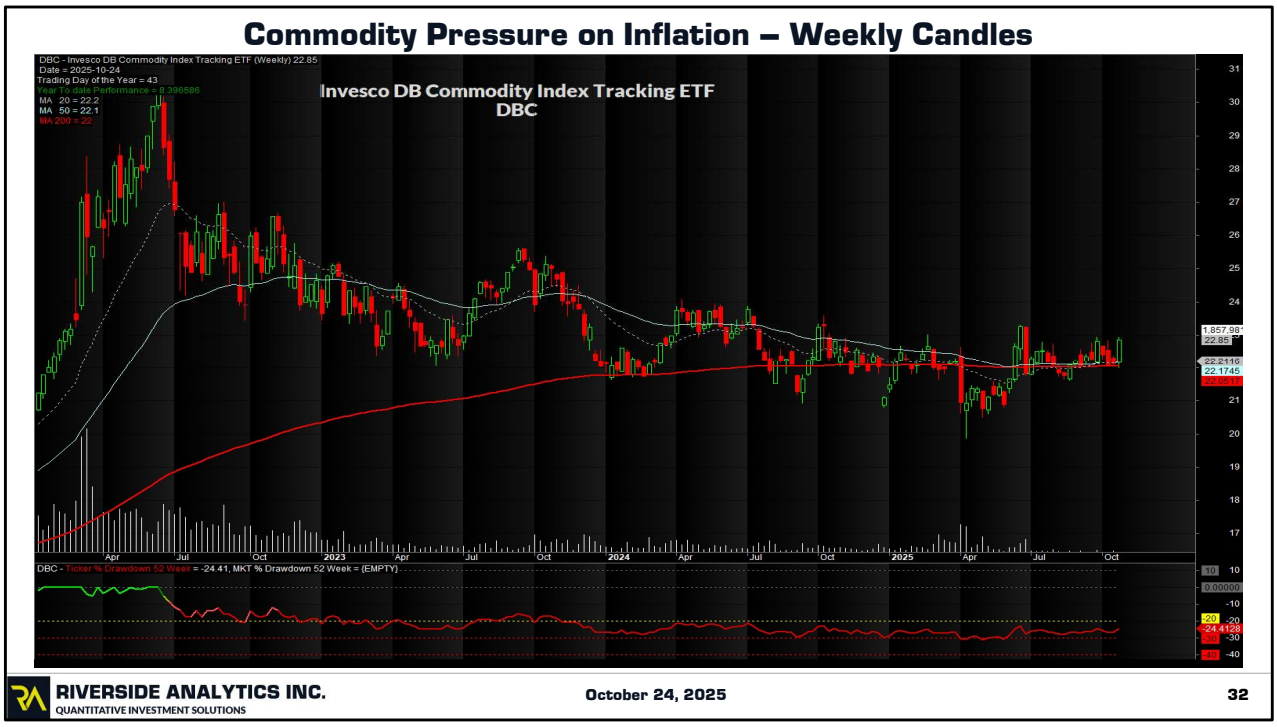
ISM offers a forward looking perspective vs US Manufacturing New orders reflects actual order volume.

I checked layoffs and discharges in manufacturing to see if anything unusual is happening in there. I found nothing out of the ordinary.

“By monitoring the ISM manufacturing index, investors can better understand national economic trends and conditions. When the index is rising, investors anticipate a bullish stock market in reaction to higher corporate profits. The opposite is the case in the bond markets, which may fall as the ISM manufacturing index rises because of the sensitivity of bonds to inflation.”

“The monthly announcement of the ISM manufacturing index can greatly influence investor and business confidence. This is because the index is a survey of purchasing managers and supply management executives who are at the forefront of their companies' supply chains.” Quote Source : Investopedia. (https://www.investopedia.com/terms/i/ism-mfg.asp)

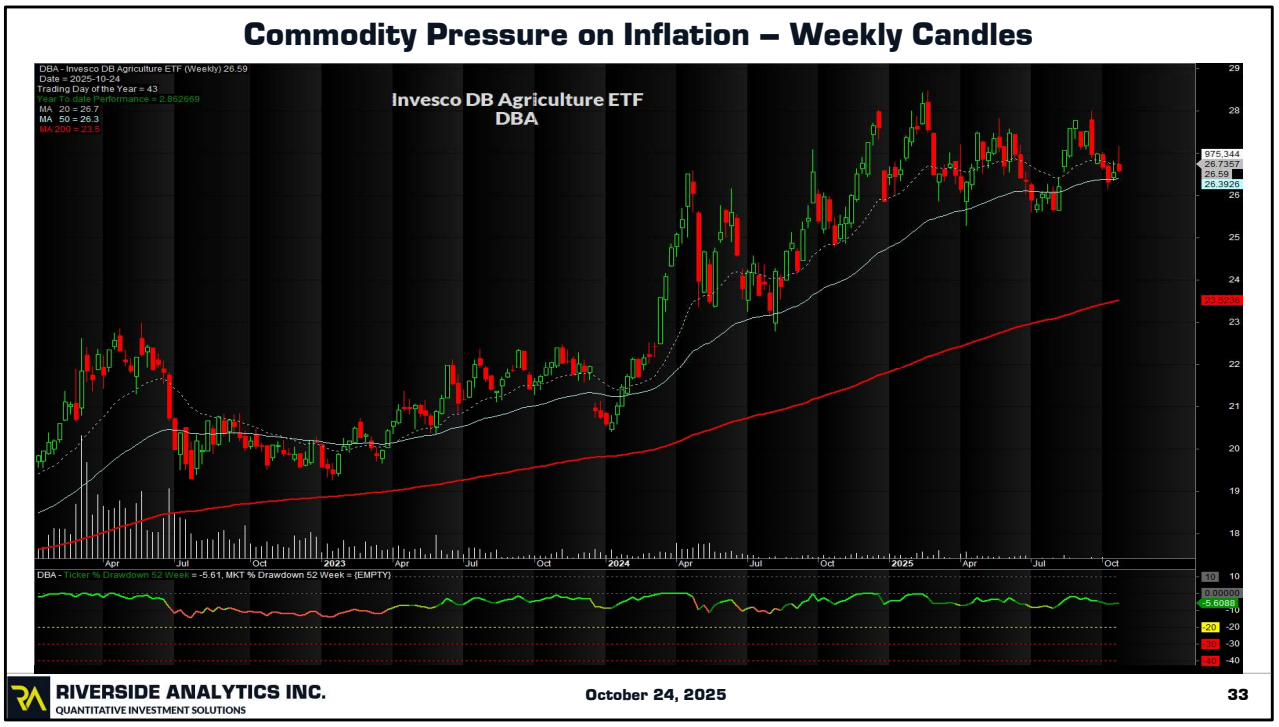
Chart Source : Trading Economics
https://tradingeconomics.com/united-states/ism-manufacturing-new-orders



October – same story as September ! Rangebound it is ! No inflation pressure here !

The 20, and 50 MA settling into a sideways motion, indicating a floor is being built on future inflation from carbon based energy, Gold, Silver, Aluminum, Zinc, Copper Grade A, Corn, Wheat, Soybeans, and Sugar.

All three Mas have settled on to the 22 number.



October – Same comment as September ! The trading range remains intact. Upward pressure on these items is muted.

The underlying index includes corn, soybeans, wheat, Kansas City wheat, sugar, cocoa, coffee, cotton, live cattle, feeder cattle, and lean hogs. The one good thing is that Y/Y comparisons are likely to be more favourable than 2024, thus the RATE of change should be lower for 2025.

Commodity Pressure on Inflation – Weekly Candles



RIVERSIDE ANALYTICS INC.
QUANTITATIVE INVESTMENT SOLUTIONS

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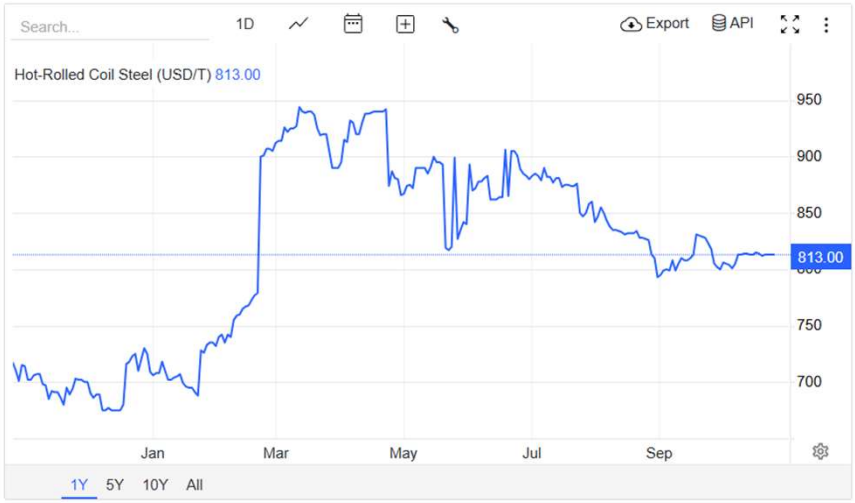
October – same as last month and the month before that ! - another trading range being maintained

NOTE: This is a general commodities ETF… There are some break out slides coming further in the presentation.

Consumers need protein in their diet, and typically make up about 1/3 of the calories they consume. This also covers grains, oils, some specialized transportation AND Cattle and Pork. Protein is not the predominate category of this ETF !

Hot Rolled Steel – 1 Year

HRC Steel traded flat at 813 USD/T on October 24, 2025. Over the past month, HRC Steel's price has fallen 0.61%, but it is still 14.51% higher than a year ago, according to trading on a contract for difference (CFD) that tracks the benchmark market for this commodity.



October – Last month was 813. This month, no change !

Source : https://tradingeconomics.com/commodity/hrc-steel

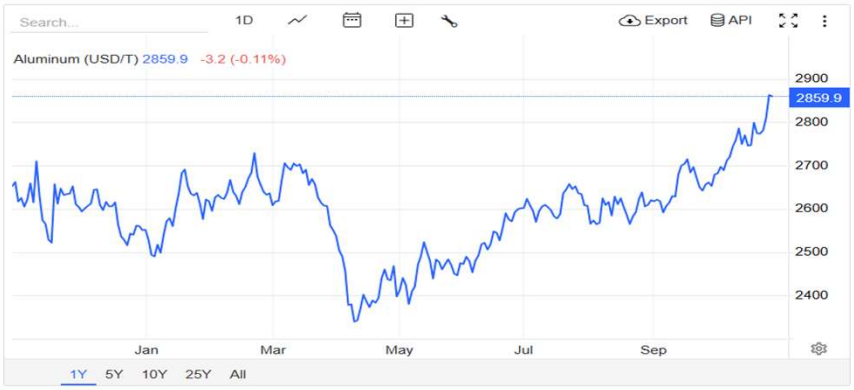
Hot Rolled Steel – Weekly Candles



October – The steel industry stocks got a nice bump after the tariffs AND has managed to break their highs from 2024 !

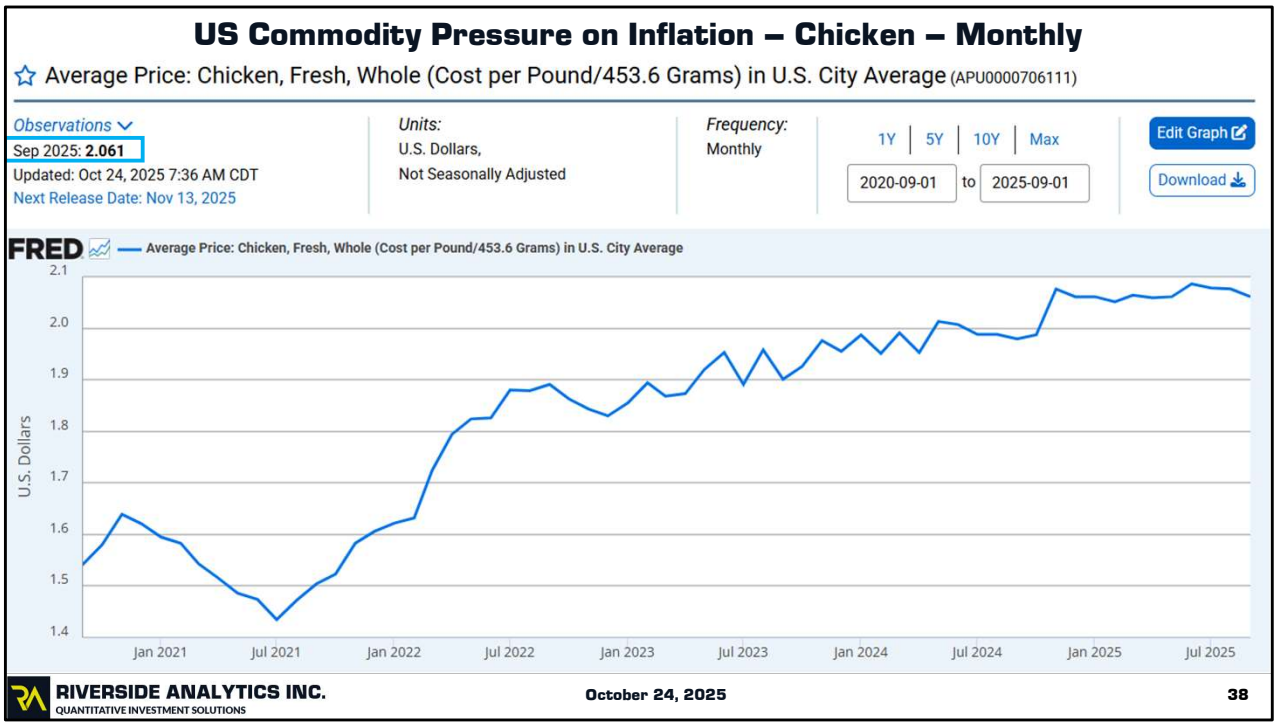
Aluminum – 1 Year

Aluminum futures in the UK rose to $2,815 per tonne in October, the highest in three years, on a backdrop of increasingly tight supply. Major consumers remained alert to near-term tightness in physical markets due to China's aluminum output cap of 45 million tons, which is set to be breached this year under current capacity. The move was exacerbated by Beijing cutting its annual output growth target for base metals to an average of 1.5% annually for next year, compared to the 5% target previously, aligned with its anti-involution campaign to slow deflationary pressures. Troubles for key refineries also pressured supply, with one of two potlines in Iceland's Grundartangi smelter being suspended due to electrical equipment failure. Also, Alcoa announced it will shut its Kwinana alumina refinery in Australia due to deteriorating bauxite or grades. Consequently, primary aluminum stocks at the LME this year fell by nearly 25% to 484,000 tonnes.



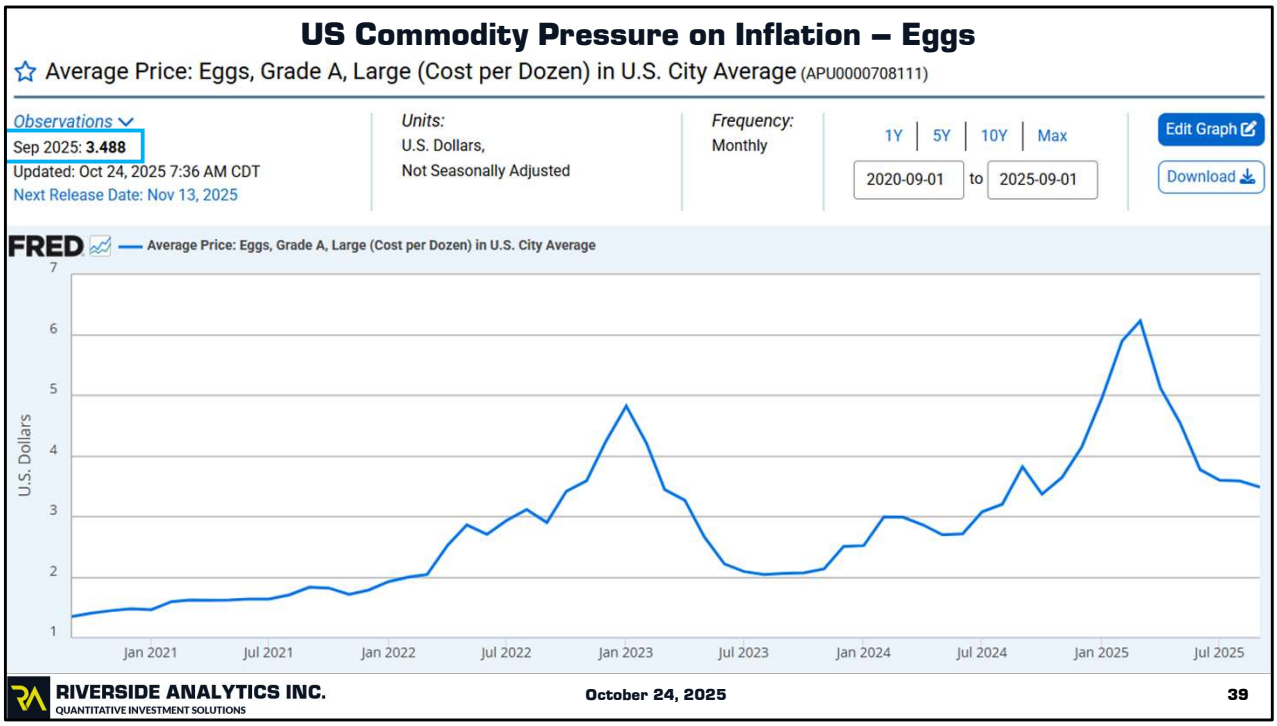
October – last month was 2696.5 – Up 6% month over month ! It has not been this high since May of 2022.

Source : https://tradingeconomics.com/commodity/aluminum



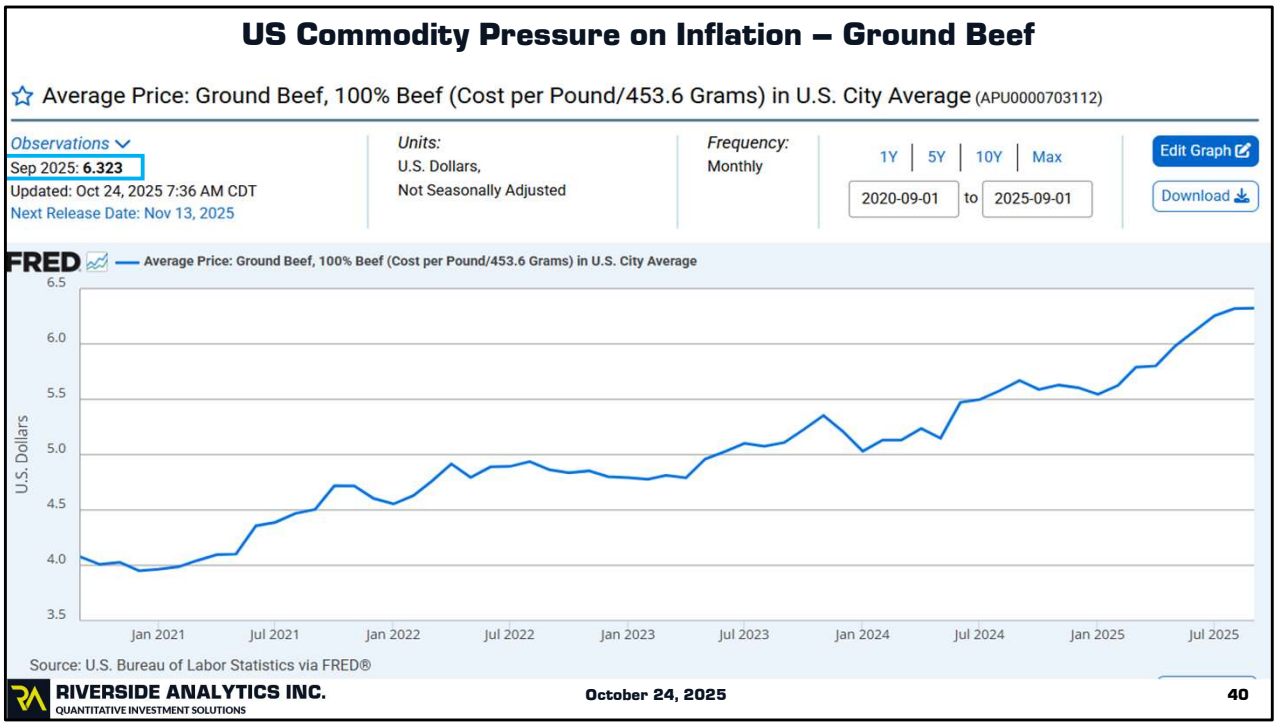
October – Last month was 2.076. This was very recently updated, and given the US government shutdown, I did not expect it !

Source : https://fred.stlouisfed.org/series/APU0000706111

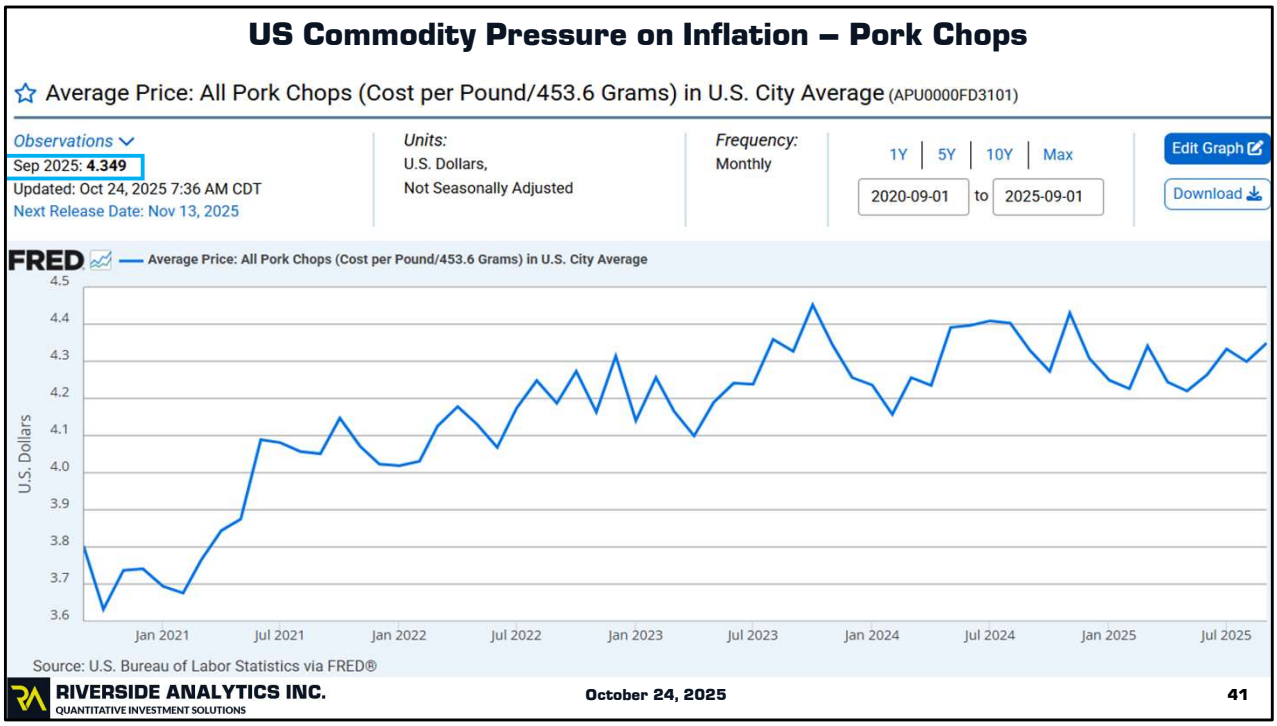


October – Last month – 3.587 – This month comes in at 3.488, down 10 cents. US average egg prices peaked at $6.22 per dozen in March. The egg price bubble continues to unwind.

US Commodity Pressure on Inflation – Ground Beef



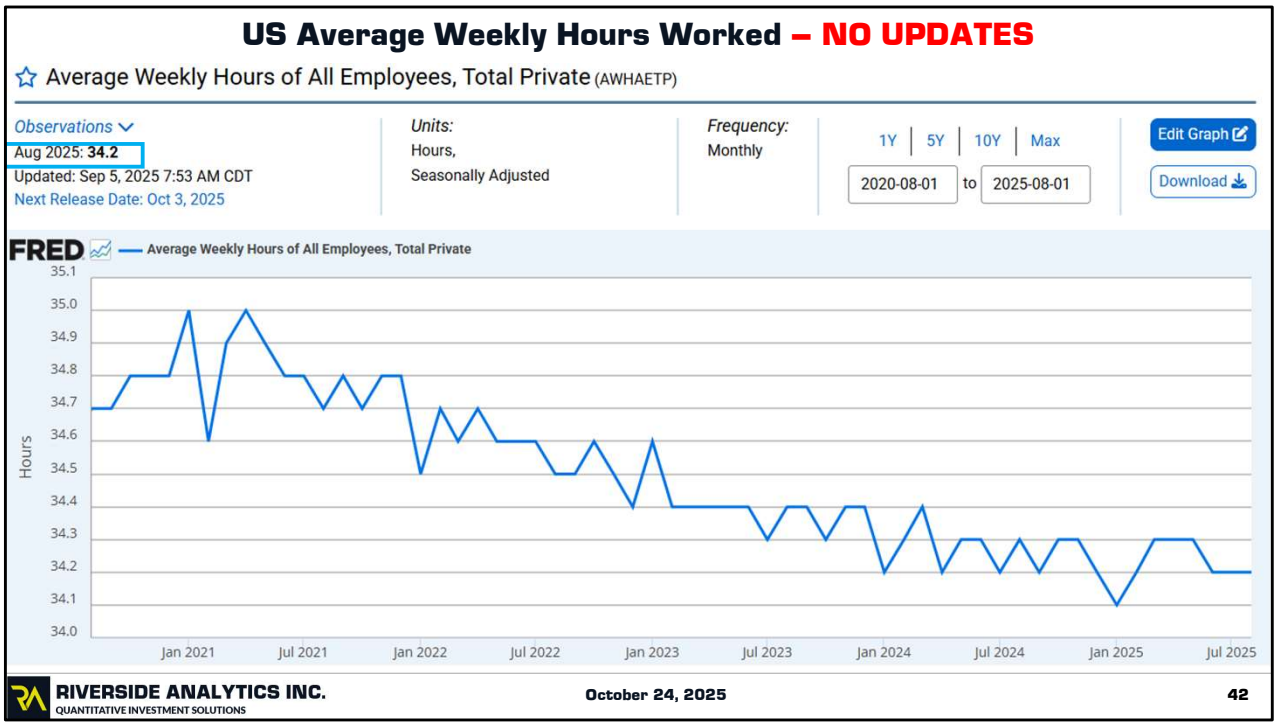
October – Last month was 6.318. You are not imagining things ! This is a 46.6 percent increase from July 2020.



October – Pork chops have remained in a price range since more or less since July 2022.

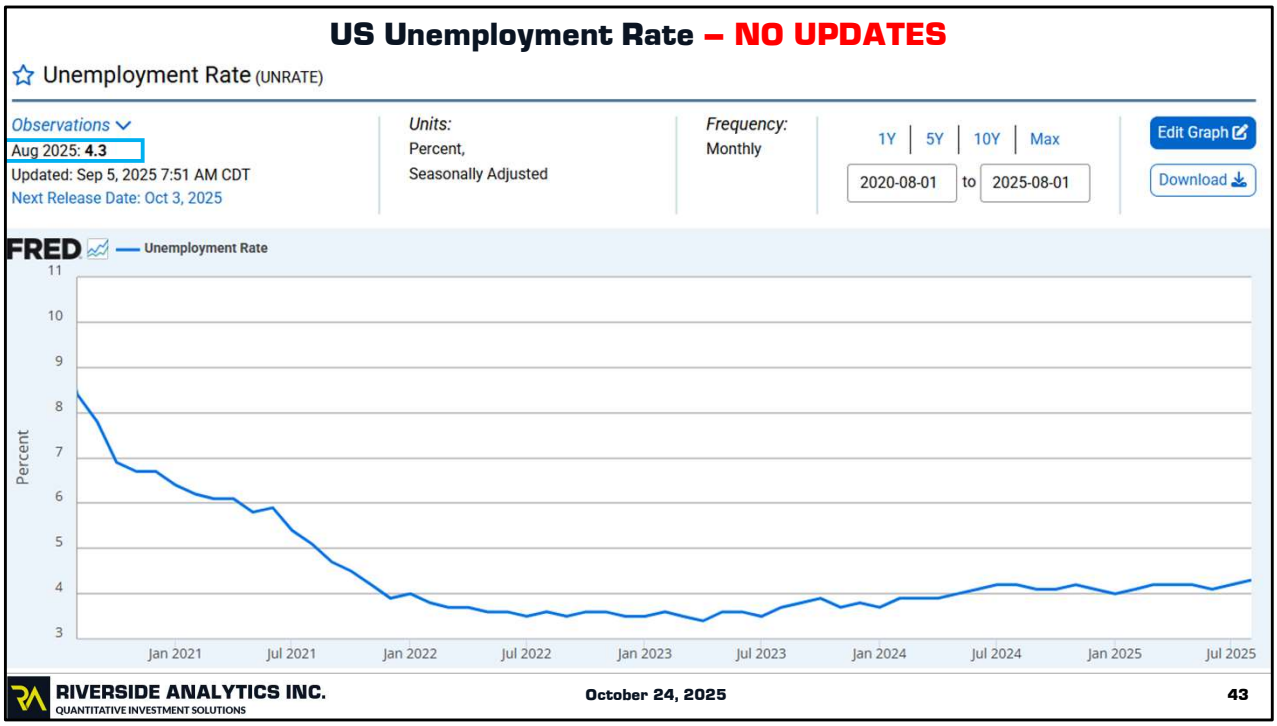
Canadian prices are very steady up only 7% in the past 5 years.

Statscan Source : [Monthly average retail prices for selected products]



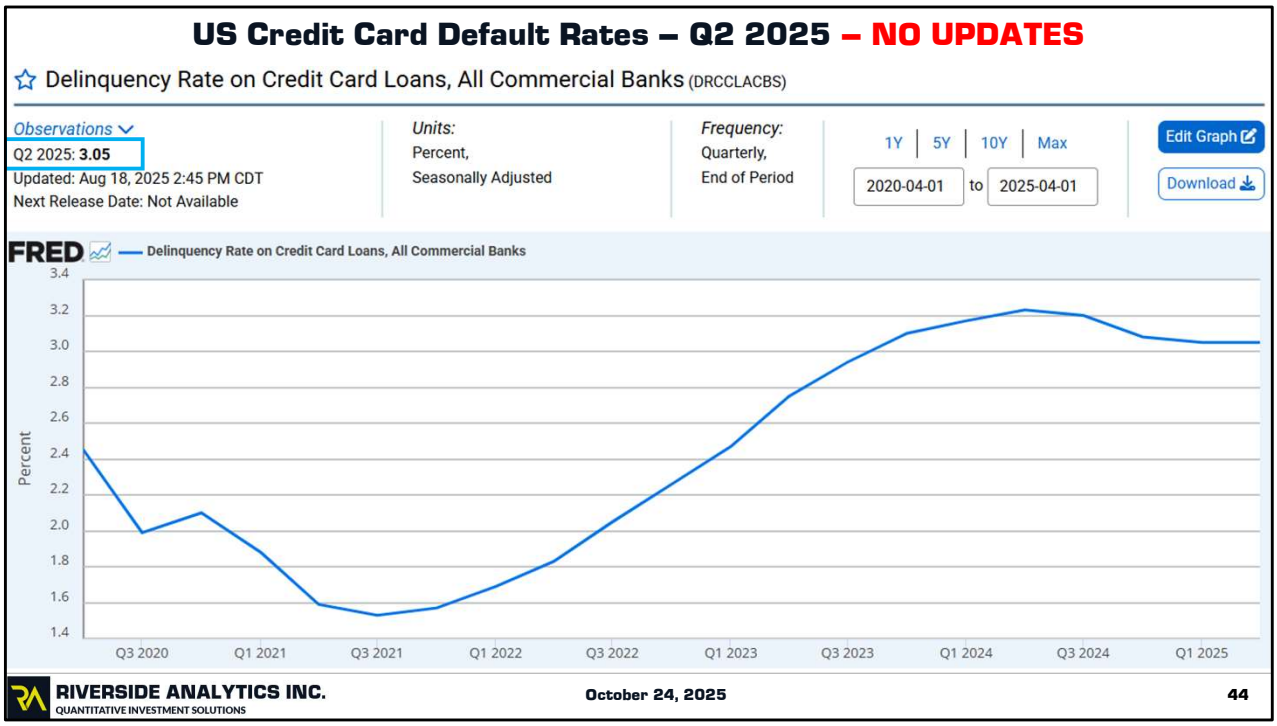
October – **No Updates - this is due to the US government shutdown.**

Source: https://fred.stlouisfed.org/series/AWHAETP



October – **No Updates - this is due to the US government shutdown.**

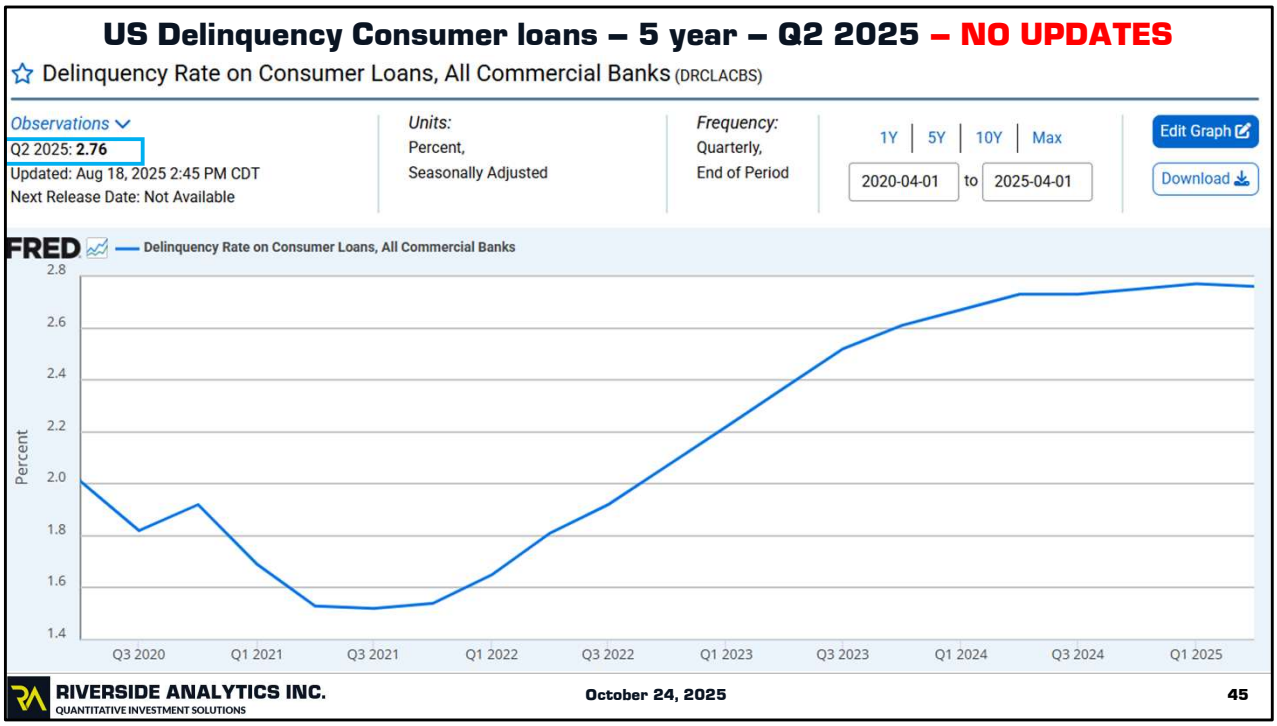
Source: [Unemployment Rate (UNRATE) | FRED | St. Louis Fed]



October – **No Updates - this is MAY due to the US government shutdown, but because this one is a quarterly release, probably not due until mid November. Q3 data likely will be delayed next month !**

As you will see on the next slide, there is a difference between numbers of cards defaulting, and the value of the debt defaulting!

Delinquent loans are those past due thirty days or more and still accruing interest as well as those in nonaccrual status. They are measured as a percentage of end-of-period loans.

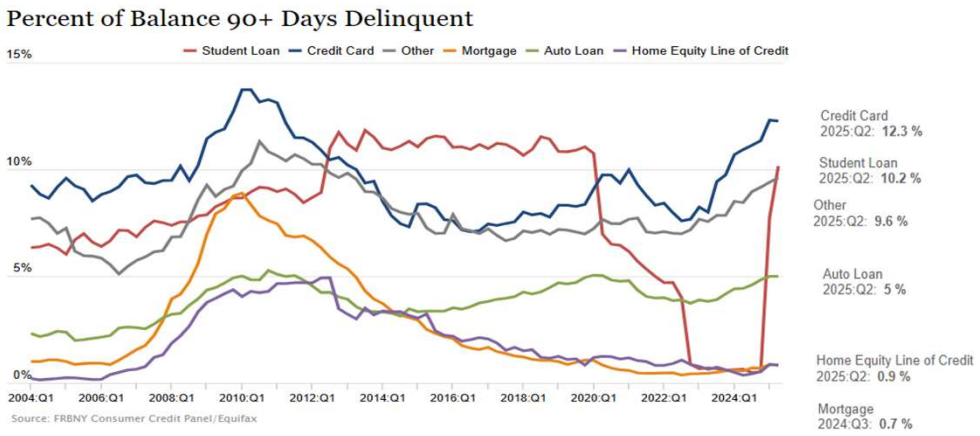


October – **No Updates - this is MAY due to the US government shutdown, but because this one is a quarterly release, probably not due until mid November. Q3 data likely will be delayed next month !**

The rate of defaults is in the concerning area, and well above pre-covid levels. Interest rates and inflation is causing more consumers to struggle with their debt. Price increases to cover tariff costs is going to make this worse for the lower class citizens.

Credit Card Default Rates – NY Fed – Serious Delinquency – NO UPDATES

US Household Debt Hits $18.39 Trillion Up from $18.20 T



Aggregate delinquency rates remained elevated in the second quarter of 2025. As of the end of June, 4.4% of outstanding debt was in some stage of delinquency, which is 0.1 percentage point higher than the first quarter. Transition into early delinquency held steady for nearly all debt types; the exception was for student loans, which saw another uptick in the rate at which balances went from current to delinquent due to the resumption of reporting of delinquent student loans on credit reports after a nearly 5 year pause due to the pandemic. Transition rates into serious delinquency, defined as 90 or more days past due, were largely stable for auto loans and credit cards; edged up slightly for mortgages and HELOCs; and rose sharply for student loans.

RIVERSIDE ANALYTICS INC. QUANTITATIVE INVESTMENT SOLUTIONS — October 24, 2025 — 46

October – **No Updates - this is MAY due to the US government shutdown, but because this one is a quarterly release, probably not due until mid November. Q3 data likely will be delayed next month !**

NOTE : Home Equity Revolving and Auto loan percents are the same.

Household Debt Hits $18.89 Trillion.

Balances

Mortgage balances shown on consumer credit reports grew by $131 billion during the second quarter of 2025 and totaled $12.94 trillion at the end of June. Balances on home equity lines of credit (HELOC) rose by $9 billion, the thirteenth consecutive quarterly increase. There is now $411 billion in outstanding HELOC balances, $94 billion above the low reached in the first quarter of 2022. Credit card balances rose by $27 billion during the second quarter and now total $1.21 trillion outstanding and are 5.87% above the level a year ago. Auto loan balances rose by $13 billion, and now stand at $1.66 trillion. Other

balances, which include retail cards and consumer finance loans, were roughly unchanged at $540 billion. Student loan balances edged up by $7 billion and now stand at $1.64 trillion. In total, non-housing balances increased by $45 billion, a 0.9% increase from 2025Q1.

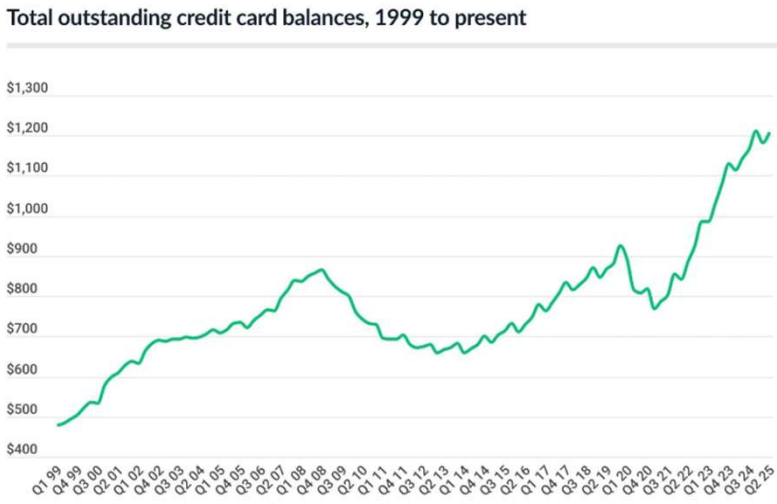
November – Federal Reserve Bank of New York.
https://www.newyorkfed.org/microeconomics/hhdc.html

Another way to look at the credit card delinquency rate. About 47% of cardholders carry a month to month balance. If 11 percent of those are in trouble, this infers about 23 percent of those carrying a balance, are in serious trouble.

What is the difference between delinquency and charge-off?
Charge-offs are the value of loans and leases removed from the books and charged against loss reserves. Charge-off rates are annualized, net of recoveries. Delinquent loans and leases are those past due thirty days or more and still accruing interest as well as those in nonaccrual status

Finally, if you really want to get into the weeds on this one >>
https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/HHDC_2025Q2

US Credit Card Outstanding Balances – NO UPDATES



$1.209 trillion

This is costing the 47 % of card holders on average $120.60 a month in interest charges or $1447 / year.

Average Interest rate : 21.16%
New CC Offer Rates : 24.35%

47% of card holders carry a balance month to month ! Average CC balance $7,321 in Q1 2025

October – NO UPDATES - I checked the source and it said the report had been updated October 9th, but digging deeper, and numbers did not change !

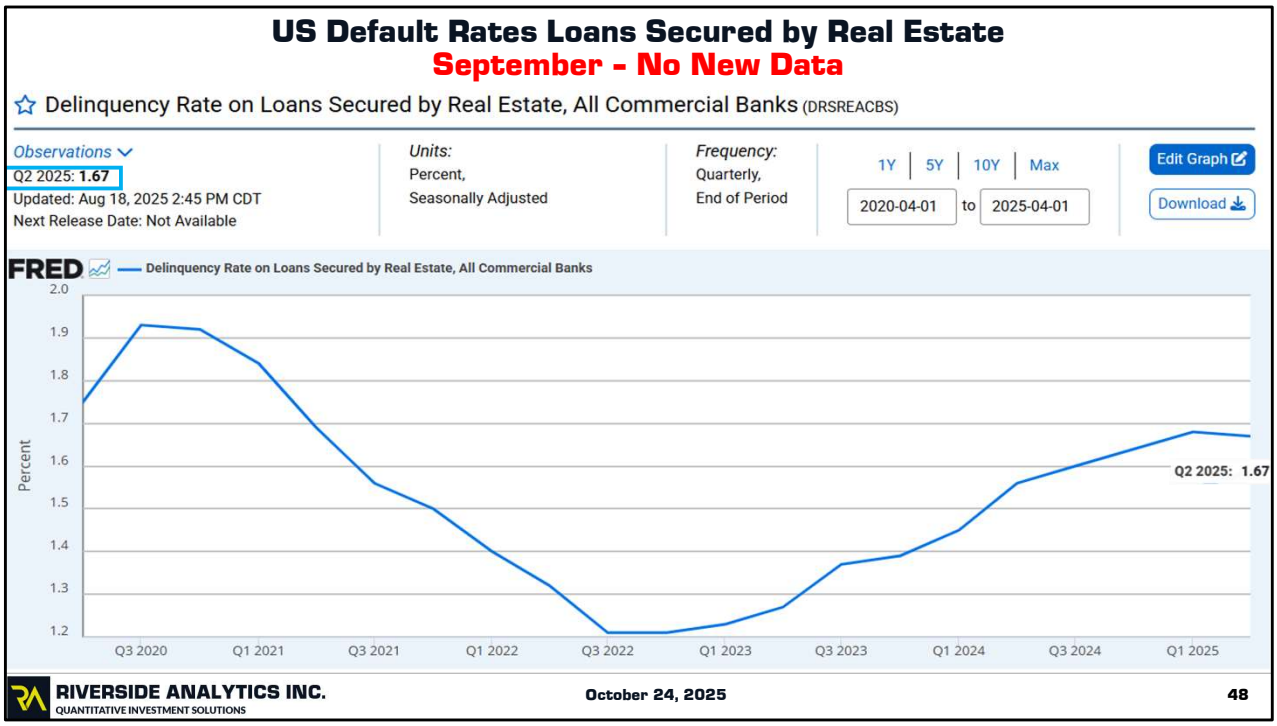
August – "It isn't unusual for credit card debt to rise in Q2. The last time we saw card debt decrease in Q2 of a year was 2020, when the pandemic was in full swing. Before that, it hadn't happened since 2012.

With this quarter's increase, credit card balances have risen by $439 billion since Q1 2021, when credit card debt bottomed out at $770 billion during the pandemic. That's a 57% increase in four years. Americans' credit card debt is $282 billion higher than the pre-pandemic record set in Q4 2019, when balances stood at $927 billion. (That's a 30% increase.) However, thanks to still-sky-high interest rates, stubborn inflation and myriad other economic factors, credit card balances are likely only going to climb."
Source: Lending Tree.

About half the population is paying some stiff interest charges on rotating debt.

https://www.lendingtree.com/credit-cards/study/credit-card-debt-statistics/
Additional detail here > https://www.bankrate.com/credit-cards/news/credit-card-debt-survey/#many-carry-debt-for-more-than-a-year

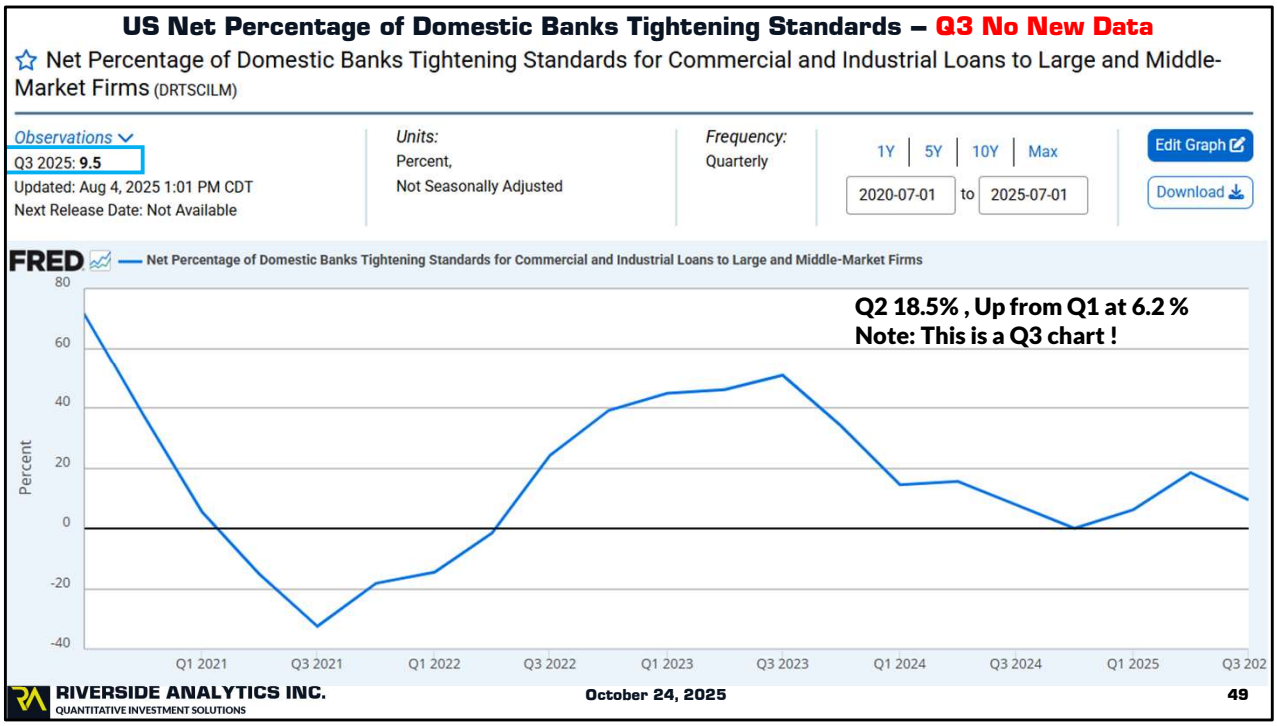
US Default Rates Loans Secured by Real Estate
September - No New Data



October – **No Updates - this is MAY due to the US government shutdown, but because this one is a quarterly release, probably not due until mid November. Q3 data likely will be delayed next month !**

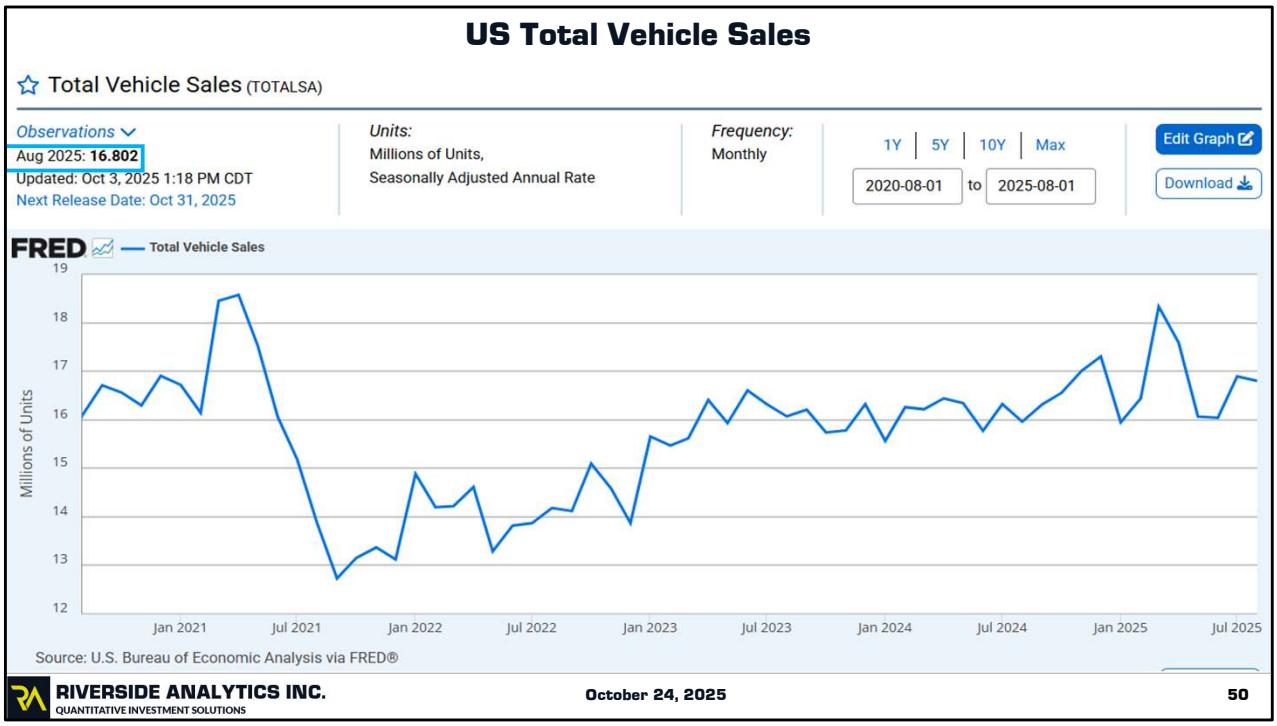
2024 Q4 was 1.64

Only about 10 percent of US Real Estate mortgages are variable rates.

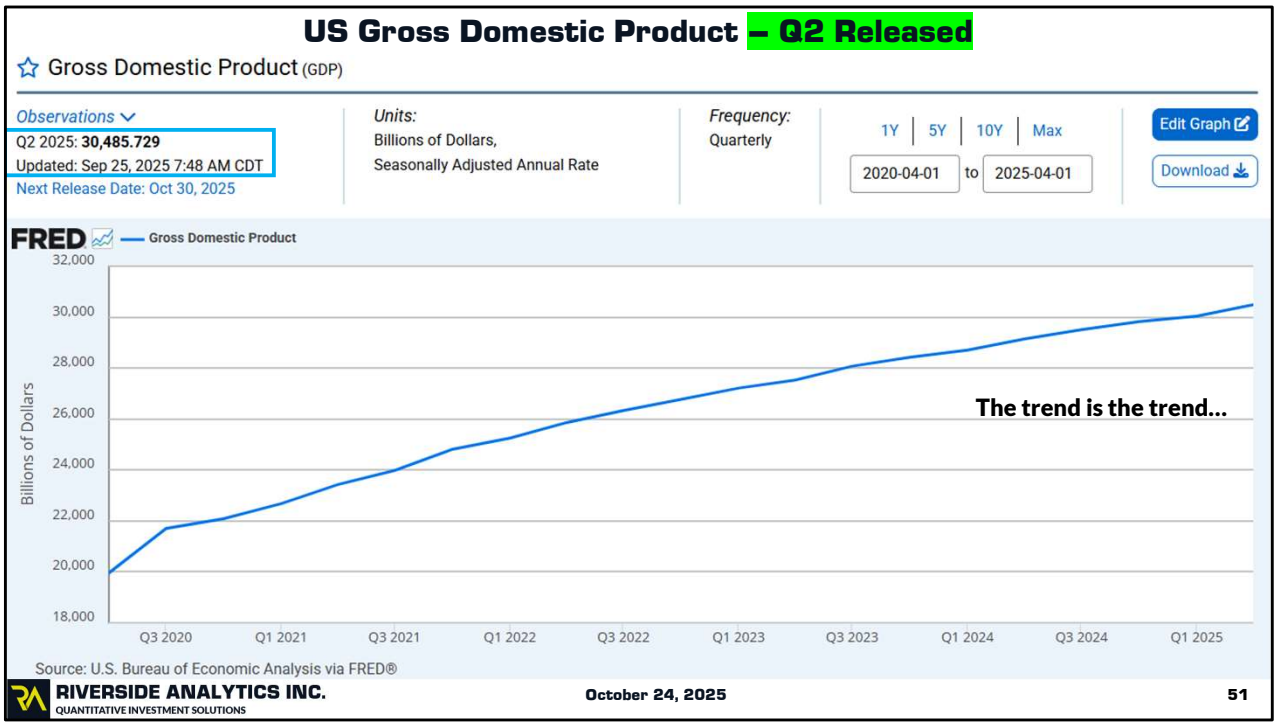


October – **No Updates - this is MAY due to the US government shutdown, but because this one is a quarterly release, probably not due until mid November. Q3 data likely will be delayed next month !**

– Q1 finished at 6.2, and Q2 has increased to 18.5. More banks are restricting access to debt !



October – Last month was 16.492 – No signs of a slowdown here due to tariffs, or otherwise ! Consumers are feeling good enough about their future to maintain vehicle purchases.

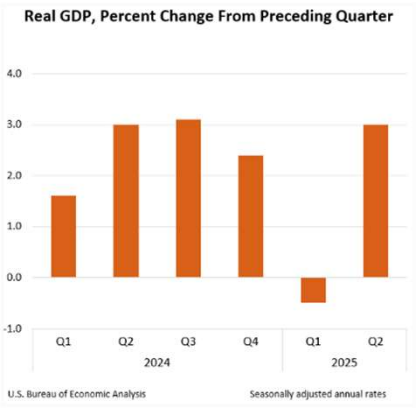


October – A slight adjustment to last months Q2 reported 30,353.902 – up 131.8 – Nothing to suggest any issues at this level caused by tariffs, will Q3 may be a little different ! I do not get that data until late October !

US GDP – Percent Change – No New Data

Q2 2025 (Adv)	+3.0%
Q1 2025	-0.5%

Real gross domestic product (GDP) increased at an annual rate of 3.0 percent in the second quarter of 2025 (April, May, and June), according to the advance estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP decreased 0.5 percent. The increase in real GDP in the second quarter primarily reflected a decrease in imports, which are a subtraction in the calculation of GDP, and an increase in consumer spending. These movements were partly offset by decreases in investment and exports.



October – No New data – “Due to a lapse in appropriations, this website is not being updated.”

Source : The Bureau of Economic Analysis of the United States Department of Commerce

S&P 500 YEARLY RETURNS

AVERAGE YEAR vs YEAR #1 OF THE US PRESIDENTIAL CYCLE

US Presidential Election Cycle - S&P 500 Performance Analysis

	Jan%	Feb%	Mar%	Apr%	May%	Jun%	Jul%	Aug%	Sep%	Oct%	Nov%	Dec%	Yr. Profit%
Average Year 1	0.76	-1.66	0.61	2.45	1.90	0.56	2.28	-0.04	-1.52	-0.59	0.68	0.54	6.63
Average Year 2	0.47	0.01	0.11	0.26	-0.76	-1.32	1.01	-0.45	-1.48	2.16	2.03	1.19	3.11
Average Year 3	3.40	1.58	0.57	2.55	-0.17	2.07	1.24	-0.02	-1.08	0.84	-0.50	2.24	13.51
Average Year 4	0.05	-0.25	0.36	-0.12	-1.23	1.69	2.19	2.90	-0.50	-0.34	1.14	1.51	6.56
Democrats Avg Year 1	0.56	-1.64	1.14	3.79	2.72	1.06	2.71	1.04	-0.92	-0.70	1.25	0.71	12.89
Democrats Avg Year 2	0.46	-0.08	-1.38	1.29	-1.57	-0.25	1.80	-1.52	-0.46	1.85	1.61	2.72	3.29
Democrats Avg Year 3	2.25	0.52	0.28	2.46	0.23	1.08	2.53	-0.71	0.99	2.07	-0.18	2.60	14.68
Democrats Avg Year 4	0.32	-0.55	2.48	0.00	-0.23	2.72	0.78	1.08	0.64	1.64	0.64	0.27	9.77
Republicans Avg Year 1	1.00	-1.68	-0.03	0.86	0.95	-0.02	1.76	-1.33	-2.23	-0.45	0.00	0.33	-0.76
Republicans Avg Year 2	0.47	0.12	1.88	-0.96	0.19	-2.59	0.07	0.81	-2.67	2.50	2.48	-0.47	2.89
Republicans Avg Year 3	4.66	2.72	0.89	2.65	-0.61	3.16	-0.16	0.73	-3.34	-0.51	-0.85	1.84	12.23
Republicans Avg Year 4	-0.25	0.07	-1.96	-0.26	-2.33	0.57	3.73	4.88	-1.65	-2.32	1.63	2.75	3.35

October – November tends to be flat, but you never know for sure !

CME FedWatch Tool

TARGET RATE PROBABILITIES AS OF **September 19, 2025**

FED FUND FUTURES												
ZQU5	ZQV5	ZQX5	ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6	ZQM6	ZQN6	ZQQ6	ZQU6
95.7788	95.9325	96.1475	96.2925	96.3775	96.4825	96.5325	96.6125	96.6775	96.7425	96.8325	96.8975	96.9350

	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES										
MEETING DATE	175-200	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450
10/29/2025					0.0%	0.0%	0.0%	0.0%	91.9%	8.1%	0.0%
12/10/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	80.4%	18.6%	1.0%	0.0%
1/28/2026	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	37.4%	51.7%	10.4%	0.5%	0.0%
3/18/2026	0.0%	0.0%	0.0%	0.0%	0.0%	19.1%	44.7%	30.6%	5.4%	0.3%	0.0%
4/29/2026	0.0%	0.0%	0.0%	0.0%	5.1%	26.0%	40.9%	23.8%	4.0%	0.2%	0.0%
6/17/2026	0.0%	0.0%	0.0%	3.1%	17.7%	35.0%	30.6%	11.9%	1.7%	0.1%	0.0%
7/29/2026	0.0%	0.0%	0.9%	7.2%	22.5%	33.8%	25.4%	9.0%	1.3%	0.1%	0.0%
9/16/2026	0.0%	0.3%	3.1%	12.5%	26.4%	30.8%	19.7%	6.3%	0.8%	0.0%	0.0%
10/28/2026	0.0%	0.6%	4.2%	14.2%	27.0%	29.5%	18.1%	5.7%	0.7%	0.0%	0.0%
12/9/2026	0.1%	1.1%	5.6%	15.9%	27.3%	27.9%	16.4%	5.0%	0.6%	0.0%	0.0%
1/27/2027	0.2%	1.6%	6.7%	17.2%	27.4%	26.6%	15.1%	4.5%	0.6%	0.0%	0.0%
3/17/2027	0.2%	1.6%	6.8%	17.3%	27.4%	26.6%	15.0%	4.5%	0.6%	0.0%	0.0%
4/28/2027	0.4%	2.1%	7.7%	18.1%	27.3%	25.6%	14.1%	4.1%	0.5%	0.0%	0.0%
6/9/2027	0.3%	1.9%	7.0%	16.9%	26.2%	25.8%	15.5%	5.3%	0.9%	0.1%	0.0%
7/28/2027	0.2%	1.2%	4.8%	12.5%	22.1%	26.0%	20.0%	9.8%	2.9%	0.5%	0.0%
9/15/2027	0.3%	1.5%	5.4%	13.3%	22.4%	25.5%	19.2%	9.2%	2.7%	0.4%	0.0%
10/27/2027	0.2%	1.3%	4.7%	11.9%	20.8%	24.9%	20.3%	11.1%	3.9%	0.8%	0.1%

RIVERSIDE ANALYTICS INC.
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September – October and December both have 25 point drops penciled in. That is change from last month. Weak job growth numbers are making it much easier to get the drops done.

CME FedWatch Tool

TARGET RATE PROBABILITIES – Aggregated AS OF September 19, 2025

FED FUND FUTURES											
ZQU5	ZQV5	ZQX5	ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6	ZQM6	ZQN6	ZQQ6	ZQU6
95.7788	95.9325	96.1475	96.2925	96.3775	96.4775	96.5325	96.6125	96.6775	96.7425	96.8325	96.8975	96.9350

	CME FEDWATCH TOOL - AGGREGATED MEETING PROBABILITIES					
MEETING DATE	275-300	300-325	325-350	350-375	375-400	400-425
10/29/2025	0.00 %	0.00 %	0.00 %	0.00 %	91.93 %	8.07 %
12/10/2025	0.00 %	0.00 %	0.00 %	79.65 %	20.35 %	0.00 %
1/28/2026	0.00 %	0.00 %	23.93 %	76.07 %	0.00 %	0.00 %
3/18/2026	0.00 %	0.00 %	77.03 %	22.97 %	0.00 %	0.00 %
4/29/2026	0.00 %	3.93 %	96.07 %	0.00 %	0.00 %	0.00 %
6/17/2026	0.00 %	64.14 %	35.86 %	0.00 %	0.00 %	0.00 %
7/29/2026	0.00 %	91.93 %	8.07 %	0.00 %	0.00 %	0.00 %
9/16/2026	26.75 %	73.25 %	0.00 %	0.00 %	0.00 %	0.00 %
10/28/2026	38.93 %	61.07 %	0.00 %	0.00 %	0.00 %	0.00 %
12/9/2026	52.45 %	47.55 %	0.00 %	0.00 %	0.00 %	0.00 %
1/27/2027	63.93 %	36.07 %	0.00 %	0.00 %	0.00 %	0.00 %
3/17/2027	64.36 %	35.64 %	0.00 %	0.00 %	0.00 %	0.00 %
4/28/2027	72.93 %	27.07 %	0.00 %	0.00 %	0.00 %	0.00 %
6/9/2027	61.22 %	38.78 %	0.00 %	0.00 %	0.00 %	0.00 %
7/28/2027	16.93 %	83.07 %	0.00 %	0.00 %	0.00 %	0.00 %
9/15/2027	25.30 %	74.70 %	0.00 %	0.00 %	0.00 %	0.00 %
10/27/2027	6.93 %	93.07 %	0.00 %	0.00 %	0.00 %	0.00 %

The Fedwatch tool's "Aggregated" view compares the rates implied by CME's Fed Funds futures with the current target rate range as set by the Federal Reserve. As such, it provides a view into the cumulative number of hikes or cuts that the market is pricing by a certain point in the future. This is provided in addition to the traditional "Conditional" view of probabilities, familiar to long-term users of the FedWatch tool.

September – Aggregated is indicating a floor in rates 25 points lower than last month occurring late 2026.

CME FedWatch Tool – Probabilities

TARGET RATE PROBABILITIES AS OF – Friday October 24

FED FUND FUTURES

ZQV5	ZQX5	ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6	ZQM6	ZQN6	ZQQ6	ZQU6	ZQV6
95.9100	96.1400	96.2950	96.3850	96.5100	96.5600	96.6400	96.7050	96.7650	96.8500	96.9200	96.9600	97.0150

CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES

MEETING DATE	175-200	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425
10/29/2025					0.0%	0.0%	0.0%	0.0%	98.3%	1.7%
12/10/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	91.1%	8.8%	0.1%
1/28/2026	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.4%	45.5%	4.0%	0.1%
3/18/2026	0.0%	0.0%	0.0%	0.0%	0.0%	25.8%	47.9%	24.3%	2.0%	0.0%
4/29/2026	0.0%	0.0%	0.0%	0.0%	6.9%	31.7%	41.6%	18.3%	1.5%	0.0%
6/17/2026	0.0%	0.0%	0.0%	3.9%	20.8%	37.2%	28.5%	8.8%	0.6%	0.0%
7/29/2026	0.0%	0.0%	1.2%	9.0%	25.7%	34.6%	22.6%	6.4%	0.5%	0.0%
9/16/2026	0.0%	0.4%	4.0%	15.1%	29.0%	30.3%	16.7%	4.2%	0.3%	0.0%
10/28/2026	0.1%	1.0%	5.7%	17.2%	29.2%	28.2%	14.8%	3.6%	0.2%	0.0%
12/9/2026	0.2%	1.7%	7.5%	19.1%	29.0%	26.1%	13.1%	3.1%	0.2%	0.0%
1/27/2027	0.3%	2.0%	8.0%	19.5%	28.9%	25.5%	12.6%	3.0%	0.2%	0.0%
3/17/2027	0.3%	2.1%	8.3%	19.8%	28.8%	25.1%	12.3%	2.9%	0.2%	0.0%
4/28/2027	0.3%	1.9%	7.7%	18.6%	27.8%	25.5%	13.7%	3.9%	0.5%	0.0%
6/9/2027	0.3%	1.9%	7.4%	18.1%	27.4%	25.6%	14.2%	4.3%	0.6%	0.0%
7/28/2027	0.2%	1.6%	6.5%	16.2%	25.8%	26.0%	16.2%	6.1%	1.3%	0.1%
9/15/2027	0.2%	1.6%	6.5%	16.2%	25.8%	26.0%	16.2%	6.1%	1.3%	0.1%

October – Same as last month - October and December have 25 point drops likely, then after that, all bets are off !

CME FedWatch Tool - Aggregated

TARGET RATE PROBABILITIES AS OF October 24th

FED FUND FUTURES												
ZQV5	ZQX5	ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6	ZQM6	ZQN6	ZQQ6	ZQU6	ZQV6
95.9100	96.1400	96.2950	96.3850	96.5100	96.5600	96.6400	96.7050	96.7650	96.8500	96.9200	96.9600	97.0150

	CME FEDWATCH TOOL - AGGREGATED MEETING PROBABILITIES					
MEETING DATE	275-300	300-325	325-350	350-375	375-400	400-425
10/29/2025	0.00 %	0.00 %	0.00 %	0.00 %	98.34 %	1.66 %
12/10/2025	0.00 %	0.00 %	0.00 %	90.99 %	9.01 %	0.00 %
1/28/2026	0.00 %	0.00 %	46.34 %	53.66 %	0.00 %	0.00 %
3/18/2026	0.00 %	0.00 %	97.45 %	2.55 %	0.00 %	0.00 %
4/29/2026	0.00 %	24.34 %	75.66 %	0.00 %	0.00 %	0.00 %
6/17/2026	0.00 %	80.41 %	19.59 %	0.00 %	0.00 %	0.00 %
7/29/2026	10.34 %	89.66 %	0.00 %	0.00 %	0.00 %	0.00 %
9/16/2026	46.84 %	53.16 %	0.00 %	0.00 %	0.00 %	0.00 %
10/28/2026	62.34 %	37.66 %	0.00 %	0.00 %	0.00 %	0.00 %
12/9/2026	77.75 %	22.25 %	0.00 %	0.00 %	0.00 %	0.00 %
1/27/2027	82.34 %	17.66 %	0.00 %	0.00 %	0.00 %	0.00 %
3/17/2027	85.06 %	14.94 %	0.00 %	0.00 %	0.00 %	0.00 %
4/28/2027	74.34 %	25.66 %	0.00 %	0.00 %	0.00 %	0.00 %
6/9/2027	70.06 %	29.94 %	0.00 %	0.00 %	0.00 %	0.00 %
7/28/2027	52.34 %	47.66 %	0.00 %	0.00 %	0.00 %	0.00 %
9/15/2027	52.34 %	47.66 %	0.00 %	0.00 %	0.00 %	0.00 %

The Fedwatch tool's "Aggregated" view compares the rates implied by CME's Fed Funds futures with the current target rate range as set by the Federal Reserve. As such, it provides a view into the cumulative number of hikes or cuts that the market is pricing by a certain point in the future. This is provided in addition to the traditional "Conditional" view of probabilities, familiar to long-term users of the FedWatch tool.

October – no significant change from last month – Cuts are likely in October, December, then again in March.

Canadian Charts

St Louis Fed has quite a number of charts of Canadian data !

Residential Property Prices

Unemployment rate

Consumer Price Index

Inverted Yield Curve

Gross Domestic Product

Cdn existing home sales

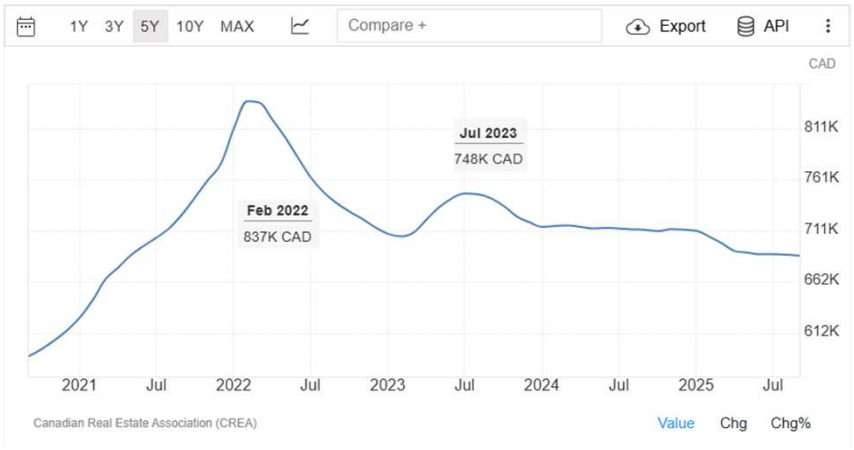
New Vehicle Sales

ST Louis Fed tracks a number of Canadian Metrics.

https://fred.stlouisfed.org/categories/32268

Average House Prices for Canada

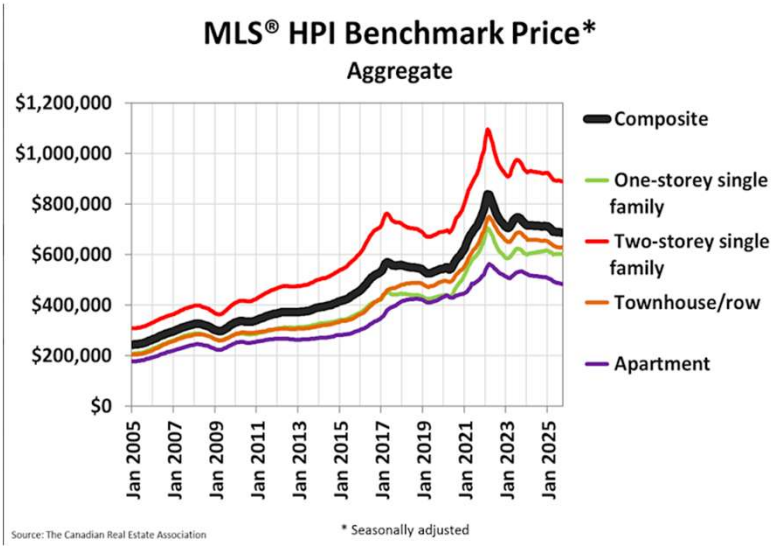
Average House Prices in Canada decreased to 686800 CAD in September from 687600 CAD in August of 2025. Average House Prices in Canada averaged 476869.08 CAD from 2005 until 2025, reaching an all time high of 837400.00 CAD in February of 2022 and a record low of 243300.00 CAD in January of 2005. source: Canadian Real Estate Association (CREA)



October – There was a minor update to Augusts' number this month. Last month was 687.6, and we see no material change this month at the macro level.

Source : Trading Economics

Canada Average House Price



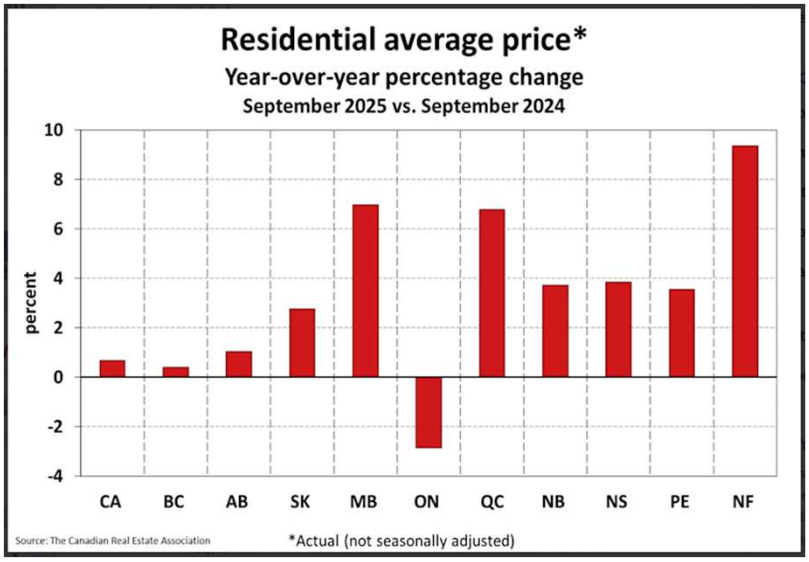
October – Average home prices are steady.

“While there are more buyers in the market now than at almost any other point in the last four years, sales activity is still below average and well below where the long-term trend suggests it should be,” said Valérie Paquin, CREA Chair. “As such, we expect things will continue to steadily pick up going forward. If you want to better understand how to buy or sell a property in this evolving market, contact a REALTOR® in your area today.”

Affordability remains an issue for many buyers. There is a limit to trading commute time for affordability !

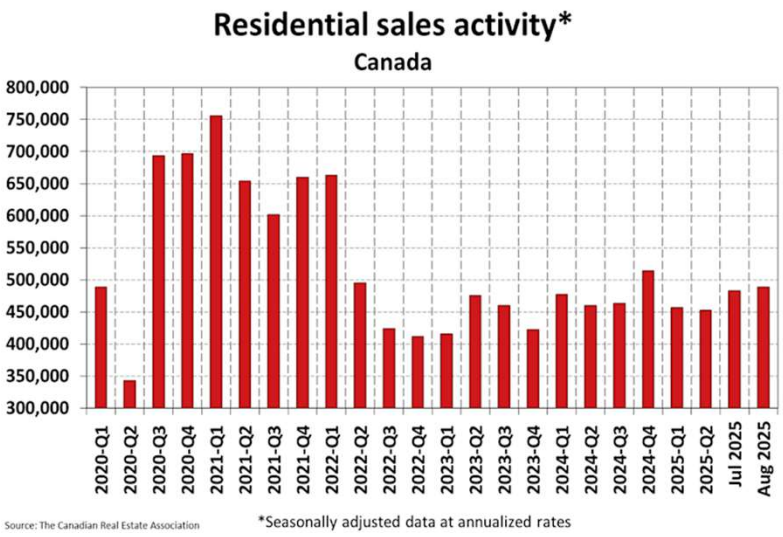
Full report is here > https://creastats.crea.ca/en-CA/

Average House Prices for Canada – cont.
By Province



October – Last month Saskatchewan, Quebec and Manitoba were leading the price increases. This month it is Quebec again, along with Manitoba and Newfoundland.

Home Sales Activity for Canada



October – Quarterly report – Q3 completed above the last two quarters.

Number of new listings is up sharply by 31.2% on an annual basis over July ! Supply is not this issue, affordability is !

A sellers market is considered to be below 3.6 months inventory. The market is considered to be in balanced state with 4.4 months worth of inventory to sell. The balanced market range is 3.7 to 6.4 months inventory. When it goes over 6.4 months, it is considered to be a buyers market.

This is from The Canadian Real Estate Association.

Housing Starts - % Change – Canada

Housing starts in Canada jumped 14% at a seasonally adjusted rate to 279,234 units in September 2025 from 244,543 in August, surpassing market expectations of 255,000. Urban housing starts in centres with populations above 10,000 rose 16% to a seasonally adjusted annual rate of 254,345 units, while rural starts were estimated at 24,889 units. The six-month moving average increased 4.1% to 277,147 units. The unadjusted number of urban housing starts rose 19% from a year earlier, reaching 22,375 units compared to 18,806 in September 2024. Montréal and Toronto posted 135% and 112% year-over-year increases in actual housing starts, respectively, both driven by significantly higher multi-unit starts.

source: Canada Mortgage And Housing Corporation

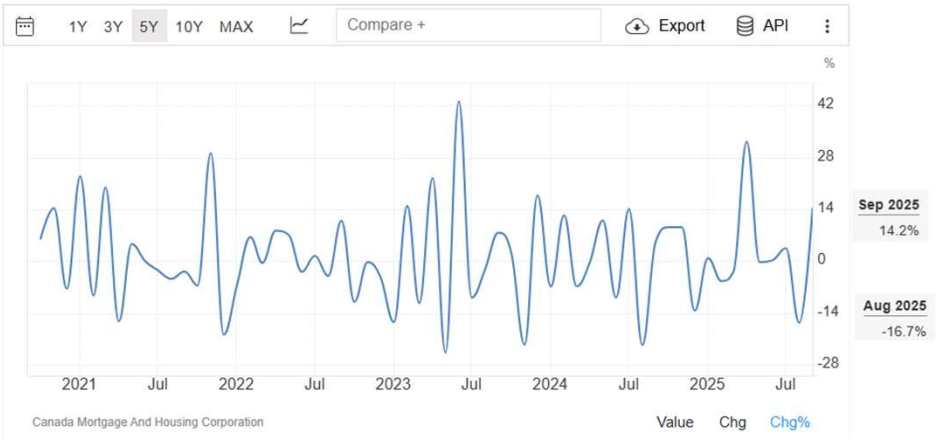


October –

CMHC – ""*The six-month trend in housing starts was pushed higher in September, driven by significantly higher monthly starts in Ontario, Québec, and the Prairie provinces. Notably, Montréal and Toronto were responsible for more than a quarter of the total monthly starts nationally, primarily due to increased rental apartments starts. While these results indicate some resilience, it is worth noting that current housing starts levels are generally reflective of decisions made months or even years ago when investor confidence was higher than it is today,"* said **Tania Bourassa-Ochoa, CMHC's Deputy Chief Economist." https://www.cmhc-schl.gc.ca/media-newsroom/news-releases/2025/housing-starts-september-2025**

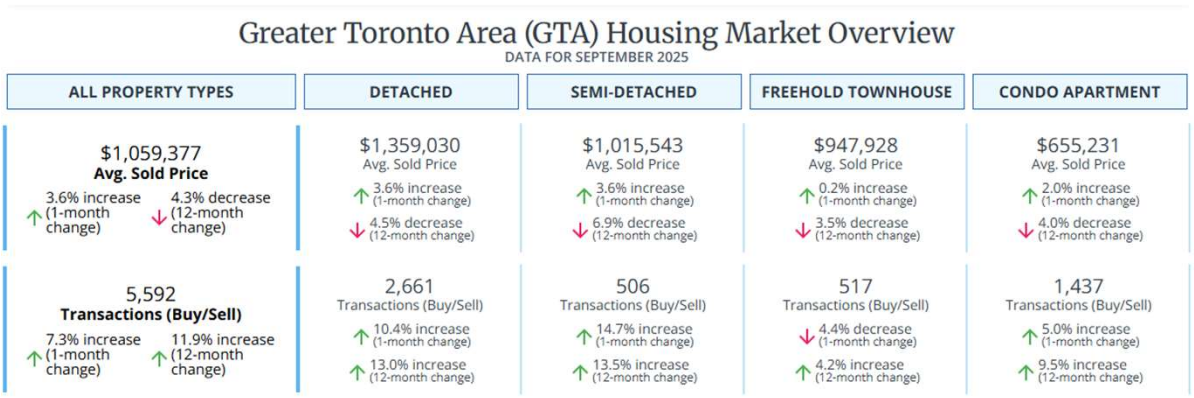
Source : Trading Economics

Housing Starts – 5 Year – Percent Change - Canada
6 Month Seasonally Adjusted Annual Rate



October - Trading Economics – Big picture – August was revised down to -16.7 from -16.3

Housing Sales Activity for GTA



https://wowa.ca/toronto-housing-market

October – Average prices are up month over month, but down year over year. Of note, the year over year average prices, with the exception of Semi-Detached, are not down as much as last month, with that metric improving between 0.8 and 2.7 percent.

Number of transactions with the exception of Freehold Townhouses are up M/M and Y/Y across the board.

WOWA – Detached / Semi Detached Prices for GTA

Single-Family Detached Home Prices in the GTA



Statistics for September 2025

Average Price:	$1,359,030	↓ -4.5% from Sep. 2024
Units Sold:	2,661	↑ 13.0% from Sep. 2024
New Listings:	9,267	↑ 10.8% from Sep. 2024

Semi-Detached Home Prices in the GTA



Statistics for September 2025

Average Price:	$1,015,543	↓ -6.9% from Sep. 2024
Units Sold:	506	↑ 13.5% from Sep. 2024
New Listings:	1,373	↑ 13.2% from Sep. 2024

https://wowa.ca/toronto-housing-market

October – New listings are 3.5 times greater than units sold for Single Family Detached, and 2.7 times for Semi-Detached

Single Family detached price average. Looking a the median prices around the GTA, all are below “average” price, therefore some larger units were sold in sufficient quantity to push the overall average up.

Of the nearby cities, Oshawa is the cheapest with an average price of 740k, and median of 715K

WOWA – Townhouse / Apartment Prices for GTA

Townhouse Prices in the GTA



Statistics for September 2025

Average Price:	$947,928	↓-3.5% from Sep. 2024
Units Sold:	517	↑4.2% from Sep. 2024
New Listings:	1,693	↑4.1% from Sep. 2024

Apartment Prices in the GTA



Statistics for September 2025

Average Price:	$655,231	↓-4.0% from Sep. 2024
Units Sold:	1,437	↑9.5% from Sep. 2024
New Listings:	5,252	↓-3.0% from Sep. 2024

https://wowa.ca/toronto-housing-market

RIVERSIDE ANALYTICS INC.
QUANTITATIVE INVESTMENT SOLUTIONS

October 24, 2025

67

October – 3.3 times new listings for Townhouses and 3.6 times new listings for "Apartments". LOTS of inventory to choose from.

Affordability – Townhouse example. At 947K selling price with 20 percent down, still leaves 757k mortgage infers about 190k a year household income needed to pay it ! The monthly payment will run near 4,000 a month !

There is lots of data to explore here.

https://wowa.ca/reports/canada-housing-market

WOWA - Housing Activity for GTA

Median Prices by Region

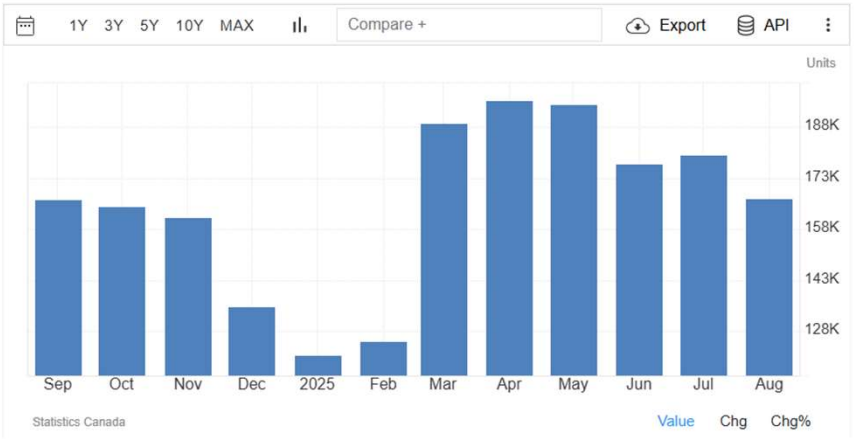
	City	Median Sold Price	1-Year Change	Total Transactions
#1	City of Toronto	$850,000	↓-3.5%	2,063
#2	York Region	$1,088,000	↓-6.6%	1,032
#3	Peel Region	$881,250	↓-10.8%	996
#4	Durham Region	$824,000	↓-1.9%	707
#5	Halton Region	$1,039,000	↑0.3%	585
#6	Simcoe County	$802,500	↓-5.6%	166
#7	Dufferin County	$755,000	↑4.5%	43
	GTA	**$909,500**	**↓-4.3%**	**5,592**

October – Breaking the areas within GTA, here is how they compare. Note, this is the MEDIAN not the AVERAGE !

https://wowa.ca/reports/canada-housing-market

New Vehicle Sales Activity for Canada

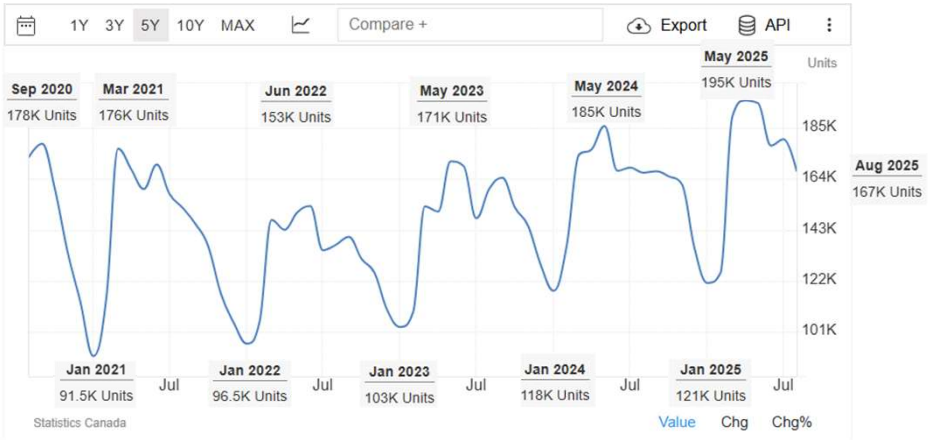
Car Registrations in Canada decreased to 167017 Units in August from 179801 Units in July of 2025. Car Registrations in Canada averaged 104480.61 Units from 1950 until 2025, reaching an all time high of 220858.00 Units in May of 2018 and a record low of 19807.00 Units in December of 1951. source: Statistics Canada



October – The buying patterns remain perfectly normal.

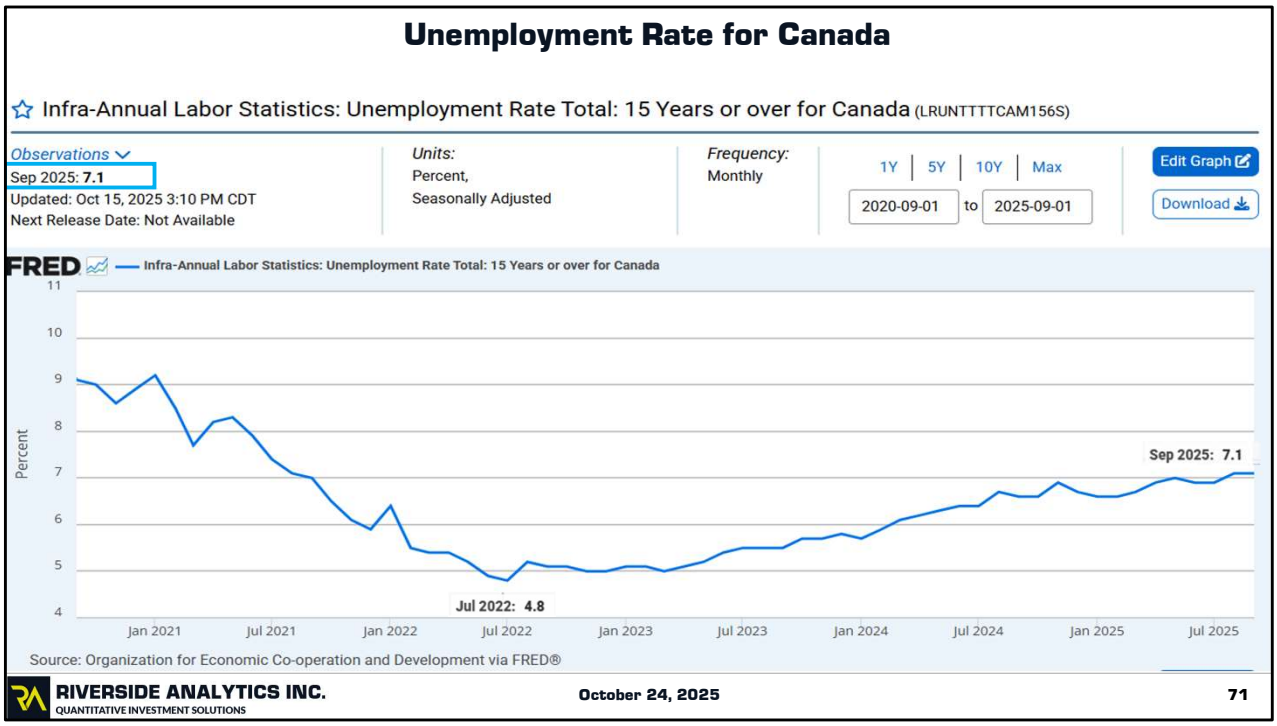
Source : Trading Economics

New Vehicle Sales Activity for Canada – 5 Year Chart



Normal patterns, higher highs, and higher lows is a good thing !

October - Trading Economics – Sales are following their normal patterns.

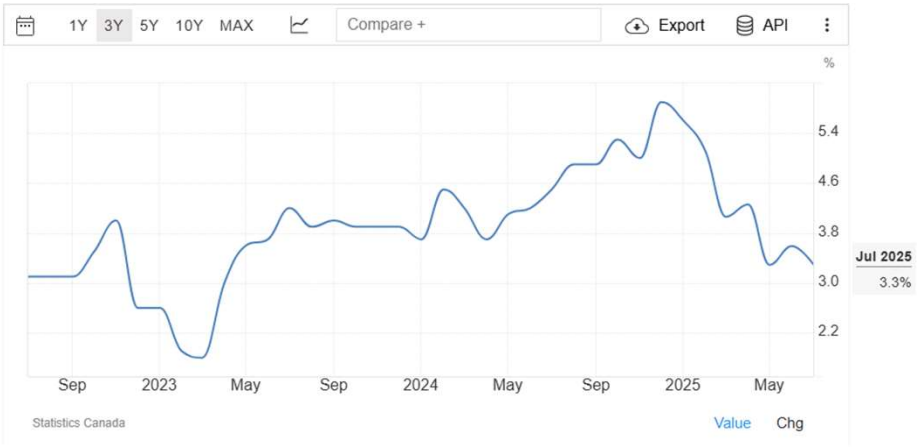


October - No change from last month.

Source: https://fred.stlouisfed.org/series/LRUNTTTTCAM156S

Canada Average Weekly Earnings YOY – 3 Year Chart

Average weekly earnings in Canada rose 3.3% year-on-year to C$1,307.86 in July 2025, easing slightly from 3.6% in June. Growth in average earnings can reflect not only wage changes but also shifts in employment composition, hours worked, and base-year effects. Month-over-month, earnings rose 0.6%. Average weekly hours worked held at 33.3 on a monthly basis, down 0.6% year-on-year. source: Statistics Canada



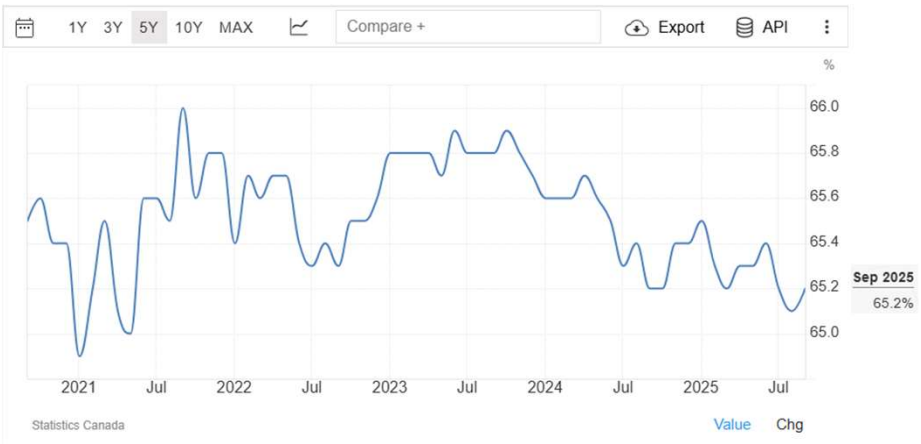
October – On average worker wages is still growing faster than inflation, but not by much, unless you are renter, then you probably not happy with your earnings increases as you will see later in the presentation.

Source is Trading Economics

There are LOTs of charts in this category on the Trading Economics website.
https://tradingeconomics.com/canada/wage-growth

Participation Rate - Employed Persons for Canada

The participation rate in Canada, which represents the proportion of the population aged 15 and older who were either employed or looking for work, rose by 0.1 percentage points to 65.2% in September 2025, as more people joined the labor force. The participation rate was unchanged on a year-over-year basis. source: Statistics Canada



Number of employed persons in Canada on a percentage basis

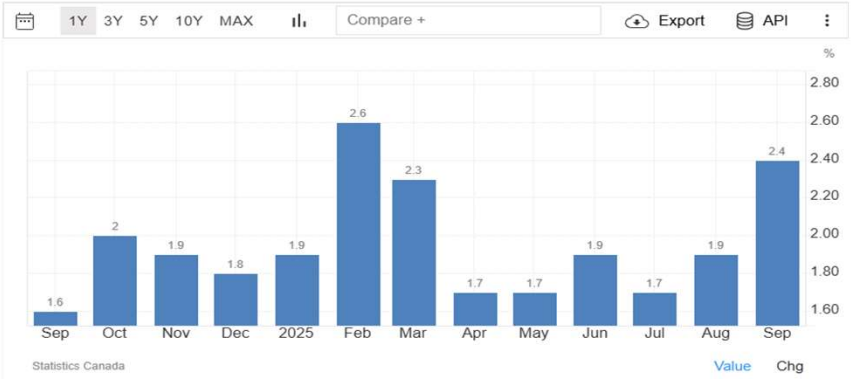
October – like last month, no meaningful change here.

Trading Economics > **https://tradingeconomics.com/canada/labor-force-participation-rate**

Details by age group are here >>
https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028702
The participation rates vary by age group. I would really like to see the 55 and over group broken into two pieces. 55 – 65, and 66 and over.

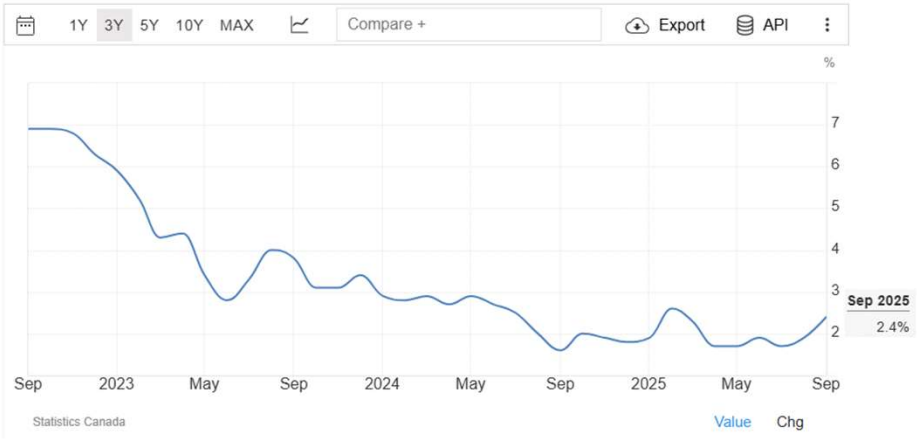
Consumer Price Index: Monthly Canada

The annual inflation rate in Canada rose to 2.4% in September of 2025 from 1.9% in the previous month, overshooting market expectations of 2.3% to mark the highest inflation rate since February. It was the first time inflation crossed the Bank of Canada's 2% threshold in six months. Base-year effects drove gasoline deflation to ease to 4.1% from 12.7% in August, with the drop in crude oil prices preventing a rebound in fuel prices. Consequently, transportation costs rose by 1.5% annually from the 0.5% drop last month. The CPI accelerated for food (3.8% vs 3.4% in August) due to a pickup in inflation for groceries (4% vs 3.5%), owed to a rebound in prices of vegetables 1.9% vs -2%) and a surge in sugar and confectionery (9.2% vs 5.8%). In turn, inflation rose for household operations (2.4% vs 2.1%) and recreation, education, and reading (1.6% vs 0.5). The mean core inflation rate, closely watched by the BoC, held at the one-year high of 3.2%, contrasting with expectations of 3%. source: Statistics Canada



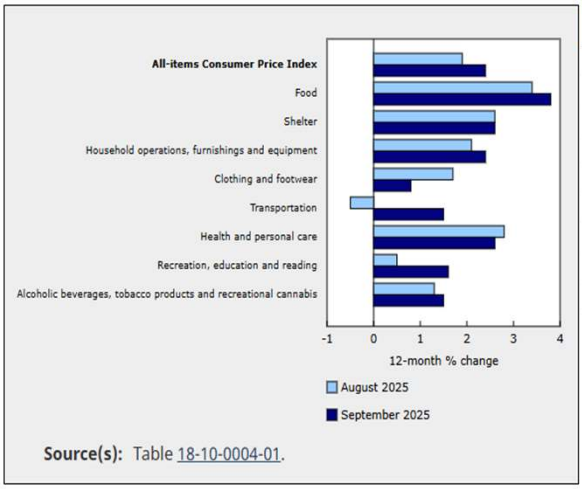
October – Consumers food budget continues to be hurt by higher prices. Canada imports about 92 percent of its sugar. Alberta is our prime sugar producing region.

Consumer Price Index: 3 Year View Canada



October – August was 1.9% - Inflation – long view

Consumer Price Index: Monthly Canada
12 Month % Change M/M



August 2025	September 2025
1.9	2.4
3.4	3.8
2.6	2.6
2.1	2.4
1.7	0.8
-0.5	1.5
2.8	2.6
0.5	1.6
1.3	1.5

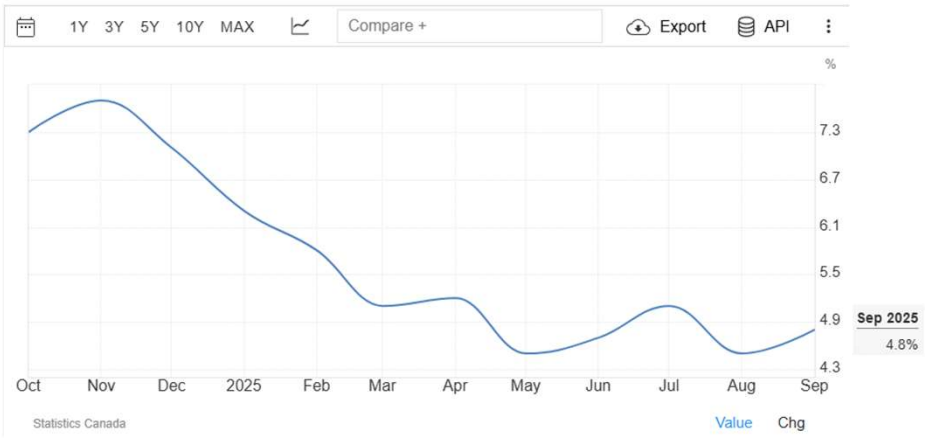
October - Food, and Shelter remain the worst culprits hurting consumer wallets. Food and shelter are about 40 percent of many household budgets.

At the national level, rent prices rose 4.8% year over year in September after a 4.5% increase in August. The faster price growth was largely driven by higher prices in Quebec (+9.6%), notably in Montréal. Slower rent price growth in British Columbia (+1.8%) moderated the acceleration at the national level.
Prince Edward Island (-2.2%) was the only province with a year-over-year decline in rent in September.

More details are here
Source : StatsCan - https://www150.statcan.gc.ca/n1/daily-quotidien/251021/cg-a002-eng.htm

Consumer Price Index: Rent

Rent Inflation in Canada increased to 4.80 percent in September from 4.50 percent in August of 2025. Rent Inflation in Canada averaged 2.80 percent from 1951 until 2025, reaching an all time high of 10.27 percent in September of 1982 and a record low of 0.00 percent in September of 1961. source: Statistics Canada



October – Like last month, Rent Inflation remains a sticky spot. Wage increases are not keeping up with rent increases !

https://tradingeconomics.com/canada/rent-inflation

Gasoline Prices – Canada Average

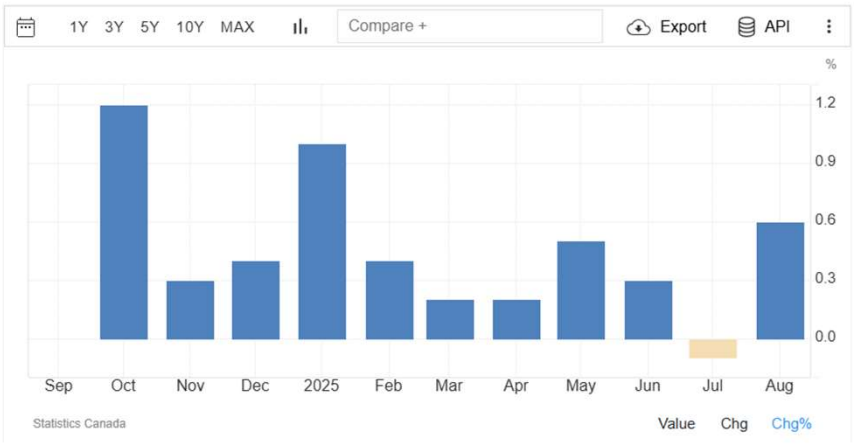


October – I was recently in Roseneath Ontario, and passed through the Alderville Indian Reserve. I paid under $1.10 a litre ! That was a pleasant gift !

https://www.gasbuddy.com/charts
Gas tools > Gas Price Charts, Choose Canada Average, and Canadian c/L

Canada - M2 Money Supply – M/M Percent Change

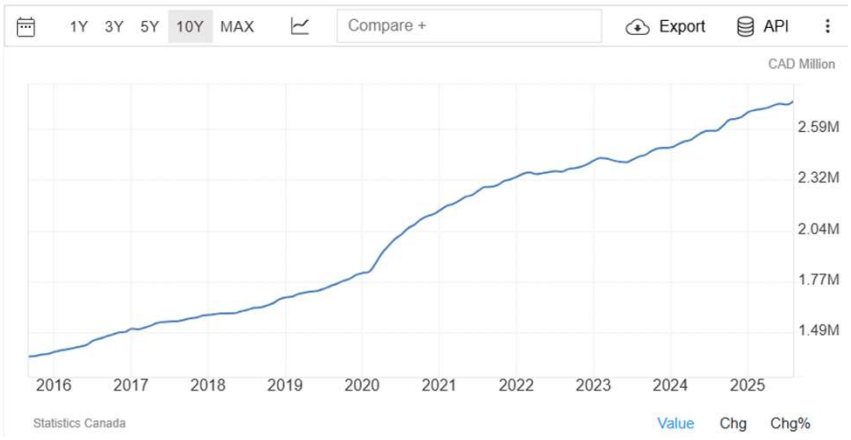
Money Supply M2 in Canada increased to 2736744 CAD Million in August from 2719813 CAD Million in July of 2025. Money Supply M2 in Canada averaged 658873.06 CAD Million from 1968 until 2025, reaching an all time high of 2736744.00 CAD Million in August of 2025 and a record low of 25523.00 CAD Million in January of 1968. source: Statistics Canada



October – Multiply these numbers by 12 to get annual rate of change

Source : Trading Economics

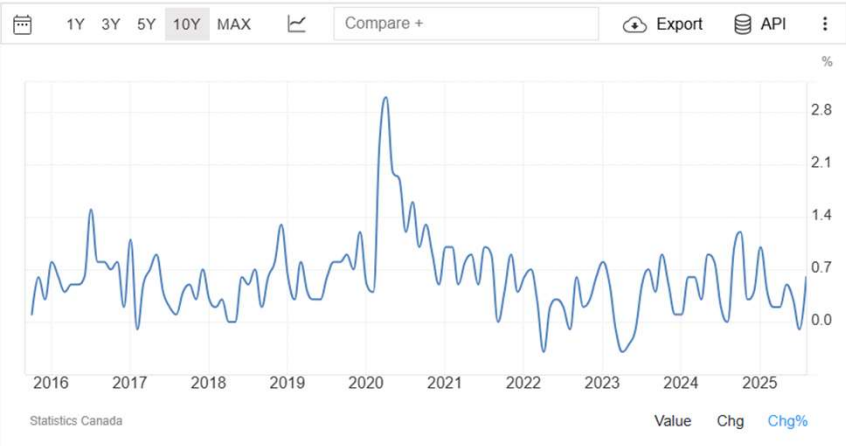
Canada - M2 Money Supply – Long Term View – No Updates



October – I am not convinced that M2 has a significant impact on inflation. I believe corporate pricing decisions are the dominate force in inflation. I will continue to noodle this one. Does it help maintain the 2 percent inflation rate? Maybe. The covid bump is correlated with inflation, but did it cause it? Jury is out! There seems to be about a 2 year delay between the growth of money supply and its inflationary effects.

Source : Trading Economics

Canada - M2 Money Supply – M/M Percent Change – Long View



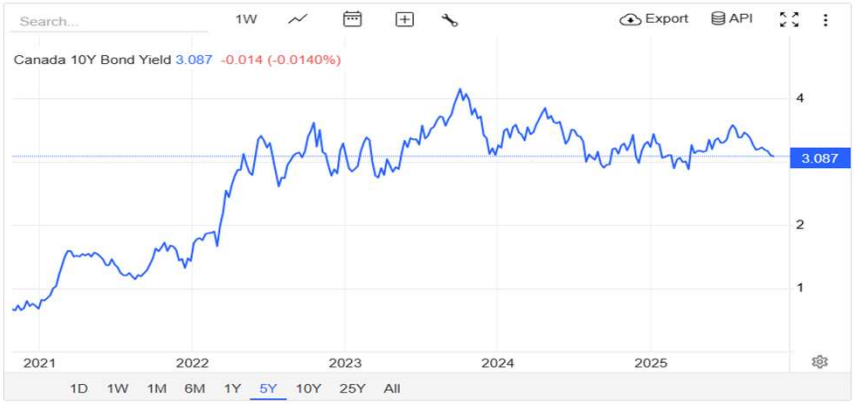
October – Multiply these numbers by 12 to get annual rate of change. Pumping money into the economy during covid, correlated with inflation.

In general inflation happens when corporations raise prices. Demand pull, Cost push and Profit margins all can impact the companies reasons for prices increases. When ever there is excess cash in certain areas of the economy, companies are incentivised to try to harvest it.

Source : Trading Economics

Interest Rates: Yields: 10-Year: Canada

The 10-year Canadian government yield slipped toward 3.07%, nearing six-month lows as markets moved to price in greater odds of monetary easing on both sides of the border. In Canada, markets priced a near-certain 25bp Bank of Canada cut and Washington's abrupt termination of trade talks raised the prospect of tariffs and weaker exports, increasing the likelihood that tariff and sectoral frictions will squeeze business investment and export revenues, depressing growth and nudging the BoC toward further easing to offset those effects. Markets now assign a high probability to a 25bp cut at the October 29th meeting after a run of soft domestic activity and survey readings. In the United States, a softer-than-expected inflation print firmed market bets that the Federal Reserve will cut rates again this year and sent Treasury yields down.



October – Last month was 3.202 Trading channel is maintained !

https://tradingeconomics.com/canada/government-bond-yield

Canada 10 Years / Canada 3 Months Government Bond spread Daily

The Canada 10 Years / Canada 3 Months Government Bond Spread reached a maximum value of 201.8 bp (27 March 2022) and a minimum value of -205.6 bp (20 December 2023).

Available Data Source: from 17 April 2015 to 26 October 2025



October – last month was 75.6

https://www.worldgovernmentbonds.com/spread/canada-10-years-vs-canada-3-months/

Canada 10 Years / Canada 3 Months Government Bond spread
10 Year View - Weekly



September – 10 years of data. Back into the pre-covid range of spreads !

https://www.worldgovernmentbonds.com/spread/canada-10-years-vs-canada-3-months/

Gross Domestic Product for Canada

Advance estimate for real gross domestic product by industry for August 2025

Advance information indicates that real GDP was essentially unchanged in August. Increases in wholesale trade and retail trade were offset by decreases in mining, quarrying, and oil and gas extraction, manufacturing, and transportation and warehousing. Owing to its preliminary nature, this estimate will be updated on October 31, 2025, with the release of the official GDP by industry data for August.

October – It is not hard to get into the weeds on this one. Mining, and oil and gas lead the economy in July.

Retail trade was the weakest sector with Clothing, sporting goods, hobby, book and music stores leading the decline. Non-Store retailers lead the segment at plus 2.4% increase.

Source : https://www150.statcan.gc.ca/n1/daily-quotidien/250926/dq250926a-eng.htm

Real Gross Domestic Product for Canada – October No New Data
BoC Survey Results

1.1 What is your forecast for real GDP growth (year-over-year percentage change) in Canada?

	GDP growth in Canada (year-over-year % change)			
	Q1	End of 2025 (n = 26)	End of 2026 (n = 25)	Q1
25th percentile of responses	0.5	0.5	1.5	1.4
Median of responses	1.0	0.8	1.8	1.7
75th percentile of responses	1.3	1.0	2.0	1.9

Note: Respondents were asked to calculate the four-quarter (year-over-year) growth rate based on the end of Q4. GDP is gross domestic product.

Note: The Q2 data Statscan Report has not been released yet.

October – **No New Data** – **NOTE THIS IS A SURVEY, not an analysis of country GDP from StatsCan.** GDP – Q2 survey results released – Somewhat softer than many would like, but doing ok with all the tariff turmoil. Nearer 2% would be nice ! Companies are expecting a soft finish to the year.

https://www.bankofcanada.ca/2025/08/market-participants-survey-second-quarter-of-2025/

Real Gross Domestic Product for Canada – October No New Data
BoC Survey Results

1.6 What is the probability of the Canadian economy being in a recession in each of the following individual time frames?*

	Probability of a recession in Canada (%)							
	In 0 to 6 months (n = 23)		In 6 to 12 months (n = 23)		In 12 to 18 months (n = 23)		In 18 to 24 months (n = 22)	
	Q1		Q1		Q1		Q1	
25th percentile of responses	25	25	30	23	24	15	11	15
Median of responses	38	35	40	30	30	25	20	20
75th percentile of responses	50	40	46	40	41	30	30	30

* A recession is defined as two consecutive quarters of negative economic growth, as measured by real gross domestic product.

October – **No New Data** – An interesting prediction – Canada really is doing decently considering all the noises in the media.

- The Market Participants Survey results are based on questionnaire responses from about 30 financial market participants.

https://www.bankofcanada.ca/2025/08/market-participants-survey-second-quarter-of-2025/

Real Gross Domestic Product for Canada – October No New Data
I found some interesting BoC Survey Results

2.1 What is your forecast for the Bank of Canada's policy interest rate?

	Policy interest rate (%)			
	25th percentile of responses	Median of responses	75th percentile of responses	Number of responses
2025				
July	2.50	2.75	2.75	27
September	2.38	2.50	2.75	27
October	2.25	2.50	2.50	27
December	2.13	2.25	2.50	27
2026				
January	2.00	2.25	2.44	26
March	2.00	2.25	2.25	26
April	2.00	2.25	2.25	26
June	2.00	2.25	2.25	26
Q3	2.00	2.25	2.25	25
Q4	2.00	2.25	2.25	25

October – **No New Data** – **BoC is expected to do a rate cut of 25 points on October 29th**

https://www.bankofcanada.ca/2025/08/market-participants-survey-second-quarter-of-2025/



October – Not helpful for imports, but useful for exports !

Summary

- The US government shutdown makes it much more difficult to assess US performance.
- Overall, the US and Canadian economies continue to be doing ok – US new job creation is very weak.
- Consumers are feeling good enough about their future to maintain vehicle purchases.
- Fedwatch tool predictions with 25 point cuts likely in October and December
- US overall inflation is above targets are likely will stay there due to tariffs. Only about 38 percent of tariff costs have flowed through to the retail level.
- US consumer budgets likely squeezed between $1100 and $2300 per year due to tariffs.
- Canadian Y/Y housing prices are flat to down, Units sold has declined. New listings continue to out pace sales by significant margins
- United States-Mexico-Canada Agreement (USMCA) is protecting Canadians from many tariffs.
- Canadian unemployment is steady but on the high side
- Expect tepid growth going into the end of the year with persistent tariff uncertainty
- Ignore the noise, and pay attention to what is really important, mitigate as necessary.


THAT'S IT FOR TODAY!
The End
RIVERSIDE ANALYTICS INC.
QUANTITATIVE INVESTMENT SOLUTIONS
October 24, 2025
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Good investing is <u>not</u> an "event" like finding the next growth opportunity or catching the next market turn. Rather, good investing is a disciplined process that converts research and training into a well-tested methodology, and then makes a habit of following that approach day after day.

John P. Hussman, Ph.D
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