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Economy Week Ahead

November 15, 2026

Dr. Win Thin
Chief Economist

"Economics is not an exact science. It's a combination of an art and elements of science."

Paul Samuelson

Markets are likely to remain jittery this week on concerns that more bad news about NVDA will emerge. Meanwhile, last week's CPI data ran hot and has led to increased Fed tightening expectations and pushed UST yields higher. Lastly, Iran concerns ratcheted up after Trump downplayed the need for a deal, which boosted oil prices and yields too. This toxic mix of negative market drivers is likely to carry over into this week.

Geopolitics

President Trump reportedly told his advisers that he would hold off on attacking Iran again barring any new provocations. This comes days after Trump claimed that the US did not need a deal with Iran. This claim will be tested as tensions remain high in the region.

Iran struck an air base in Bahrain over the weekend. Iran said the attack was in response to “blatant aggression of the US military” but added that a path to ending the conflict is open if the US accepts Iran’s “logical conditions.” Elsewhere, the Saudi-led coalition in Yemen intercepted two Houthi missiles headed for Riyadh. Lastly, Iran claimed that five oil tankers hit mines and caught fire in the Strait of Hormuz.

Presidents Trump, Xi, and Putin will reportedly meet Thursday in Shenzhen on the sidelines of the APEC summit. Reports suggest denuclearization and the Iran conflict will be the main topics of discussion, with US officials saying Ukraine would not be brought up.

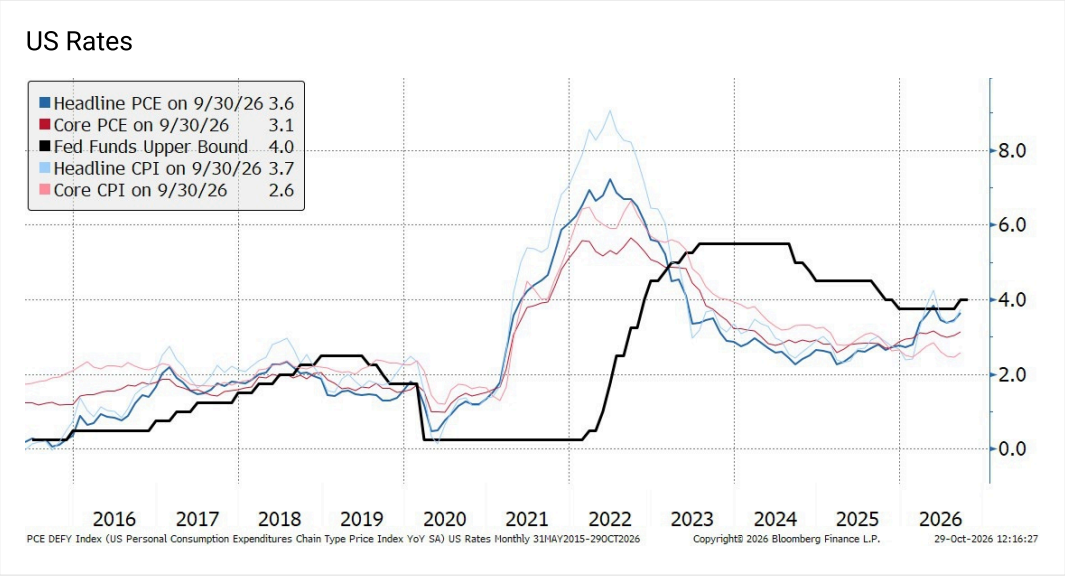
Reports suggest Trump and Xi will also hold a bilateral meeting. They last met in September, when Trump hosted Xi for an official state visit in Washington DC. At that meeting, the two nations announced that the trade truce would be extended until January 2027 and so we suspect another extension will be discussed at this meeting and perhaps finalized at the December G20 summit in Doral, Florida.

Americas

FOMC minutes Wednesday will be very important. At that meeting, the Fed kept rates steady by a 10-2 vote, with the two dissents (Hammack and Cook) in favor of a 25 bp hike. It will be interesting to see how close other officials may have been to dissenting.

Since that decision, inflation has accelerated and the economy has gained momentum. Indeed, Governor Waller raised the possibility of a 50 bp hike in December, though that seems unlikely. Still, market expectations for Fed tightening have picked up. A 25 bp hike next month is fully priced in, with 10% odds of a larger 50 bp move. Looking ahead, the swaps market is pricing in 50% odds of a fourth hike in this cycle.

We get plenty of Fed speakers this week. We expect a hawkish tone to prevail that should cement a hike in December. Barr, Williams, and Warsh speak Monday. Musalem, Waller, Hammack, and Williams speak Tuesday. Barr, Williams, and Kashkari speak Wednesday. Hammack, Goolsbee, Barr, and Paulson speak Thursday. Waller and Cook speak Friday.



US data highlight will be October retail sales Tuesday. Headline is expected at 0.2% m/m vs. 0.8% in September, ex-autos is expected at 0.4% m/m vs. 0.9% in September, and ex-autos and gas is expected at 0.3% m/m vs. 0.2% in September. The so-called control group used for GDP calculations is expected at 0.4% m/m vs. 0.1% in September. The Chicago Fed CARTS model estimates October retail sales ex-autos at 0.8% m/m. Consumption has held up well despite the squeeze on household budgets.

Of note, the Atlanta Fed GDPNow model estimates Q4 GDP growth at 3.5% SAAR and will be updated Tuesday. Elsewhere, the New York Fed Nowcast model estimates Q4 GDP growth at 2.9% SAAR and will be updated Friday.

US Retail Sales, % y/y



Canada highlight will be October CPI data Monday. Headline is expected to pick up a tick to 3.2% y/y, core median is expected to pick up a tick to 2.0% y/y, and core trim is expected to pick up a tick to 1.9% y/y. If so, headline would match the cycle high from May and would keep modest pressure on the Bank of Canada to continue hiking. The market sees around 65% odds of a back-to-back hike at the December 9 meeting and this becomes fully priced in for the January 27 meeting.

At the last meeting October 28, the bank started a tightening cycle with a 25 bp hike to 2.5% and said it may need to hike again but plans to "proceed carefully." Yet the growth forecasts were revised higher and the inflation forecasts were marked up significantly, with headline expected to remain above the 2% target until mid-2028. To us, this suggests that the BOC should be hiking aggressively, not cautiously.

Canada Rates

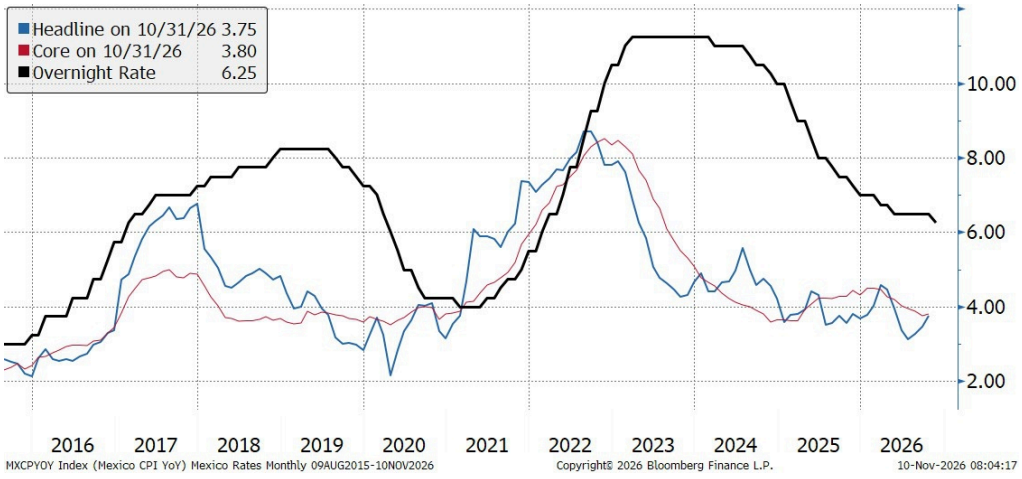


BOC Monetary Policy Report October 2026 (July)

	2026	2027	2028
GDP Growth	1.0% (0.7%)	2.0% (1.8%)	2.0% (1.8%)
CPI Inflation	2.9% (2.5%)	3.1% (2.0%)	2.2% (2.1%)

Banco de Mexico releases its minutes Thursday. At the November 5 meeting, the bank delivered a dovish surprise and cut rates 25 bp to 6.25% by a 3-2 vote. The two dissents were in favor of a hold. The bank signaled the likely end of the easing cycle as it noted "Looking ahead, the Governing Board considers that maintaining the reference rate at the attained level for an extended period will support the convergence of inflation to its target and will be adequate to face the challenges posed by the external macroeconomic environment." It added dovish guidance, however, as "Economic slack is still expected to persist throughout the forecast horizon along with downward risks to economic activity." Since that meeting, October inflation data ran hot and so the swaps market no longer sees another cut and is now pricing in the start of a tightening cycle over the next six months.

Mexico Rates



Europe

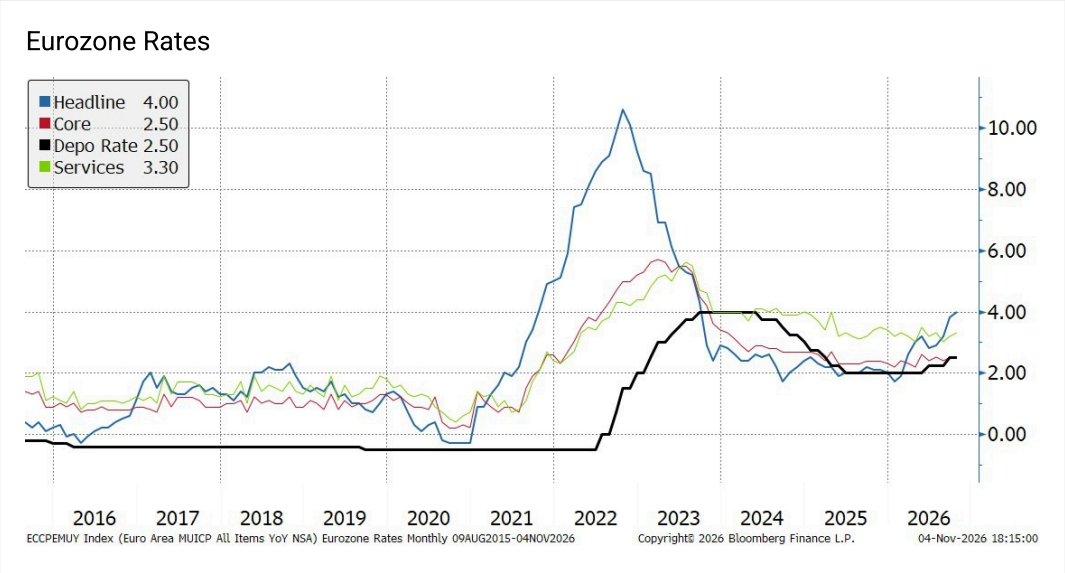
The deadline for eurozone countries to submit nominations for two senior European Central Bank vacancies is Wednesday. After that, final recommendations will be made for a decision at the November 26-27 EU summit in Brussels as to who will replace Executive Council member Schnabel (Germany) and Chief Economist Lane (Ireland), as well as President Lagarde (France). The nomination window to replace Lagarde has already closed and the two contenders are De Cos (Spain) and Knot (Netherlands). Reports suggest Germany would like to keep Schnabel's post, which oversees market operations. When all is said and done, however, we do not foresee any shift in ECB policymaking regardless of who the incoming replacements end up being.

Eurozone reports Q3 labor costs Thursday and negotiated wages Friday. Negotiated wages are expected to pick up two ticks to 2.6% y/y. At her October 29 press conference, President Lagarde downplayed any second round effects and characterized wage pressures as "moderate." She added that negotiated wage growth is expected at 2.5-2.8% for the rest of the year. If so, the ECB could be vindicated in its cautious approach to tightening.



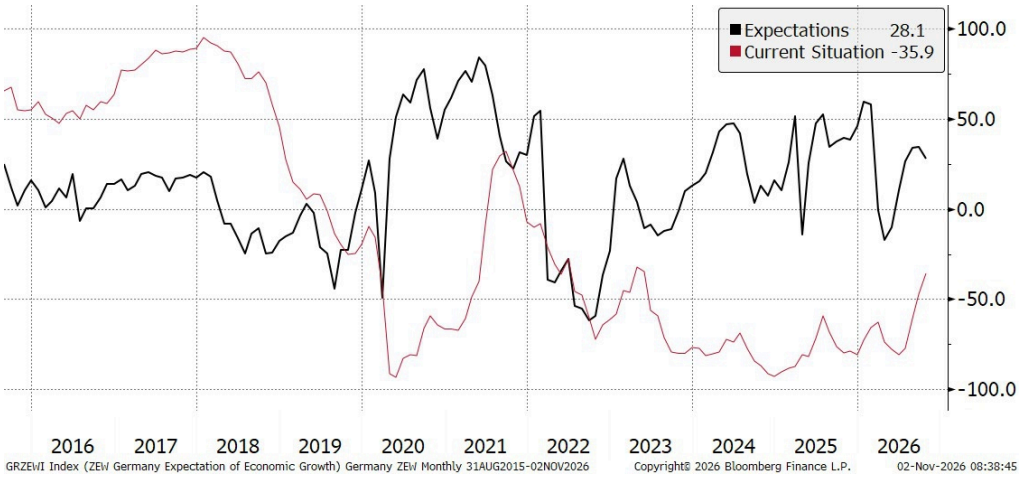
Despite modest wage pressures, inflation continues to rise and so the ECB is widely expected to hike 25 bp at the December 16-17 meeting. Looking ahead, the swaps market is pricing in 75 bp of total tightening over the next twelve months. We get plenty of ECB speakers this week. Vujcic, Kocher, Kazimir, Zigman, and Stournaras speak Monday. Moulin, Cipollone, Makhlouf, Lane, Nagel, and Escriva speak Tuesday. Vujcic, Dolenc, Kocher, and Lagarde speak Wednesday. Lagarde and Cipollone speak Thursday. Lagarde and Nagel speak Friday. All are likely to point to a hike next month.

More hawkish Fed expectations helped push the euro down to a new cycle low last week near $1.1025. if the $1.10 level breaks, the next target is the March 2025 low near $1.0735. This is more of a strong dollar story than a weak euro story, as EUR/CHF has rebounded from its recent low near .91240 to end last week near 0.92580. That said, any recovery in EUR/CHF is likely to be limited as eurozone fiscal concerns are still simmering.



Germany ZEW survey for November will be reported Tuesday. Expectations component is expected to rise two ticks to 28.3 and the current situation component is expected to rise six ticks to -35.3. As we noted in a previous piece here, "the ZEW surveys investment and finance professionals and measures market sentiment and so it is a better predictor of German financial market performances. On the other hand, the ifo surveys executives at actual firms and measures developments in each sector and so it is a better predictor of German economic activity." The November ifo survey will be reported next Tuesday.

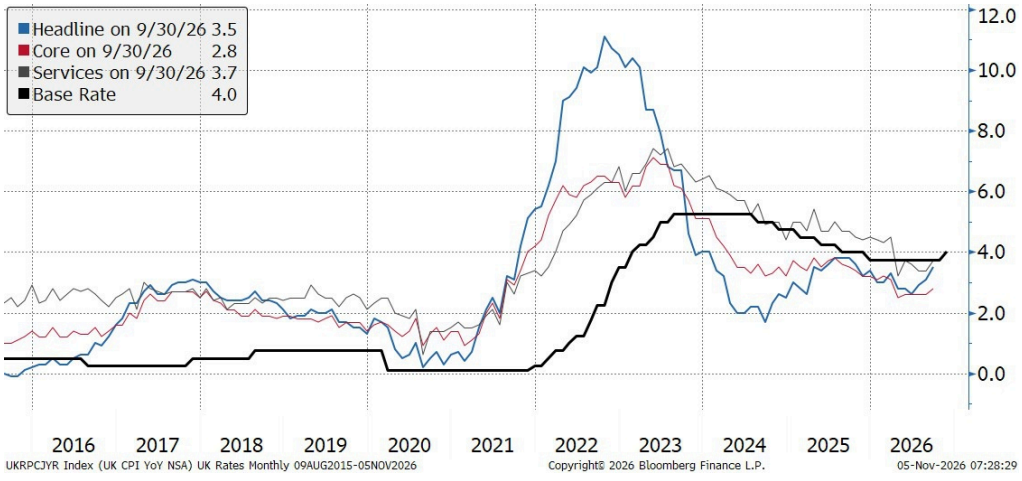
German ZEW Survey



UK highlight will be October CPI data Wednesday. Headline is expected to pick up a tick to 3.6% y/y, core is expected to remain steady at 2.8% y/y, and CPIH is expected to pick up a tick to 3.7% y/y. If so, headline would accelerate for the fourth straight month to the highest since October 2025. Of note, services inflation is expected to pick up a tick to 3.8% y/y. Earlier this month, the Bank of England started the tightening cycle with a 25 bp hike to 4.0% and released updated macro forecasts and scenarios.

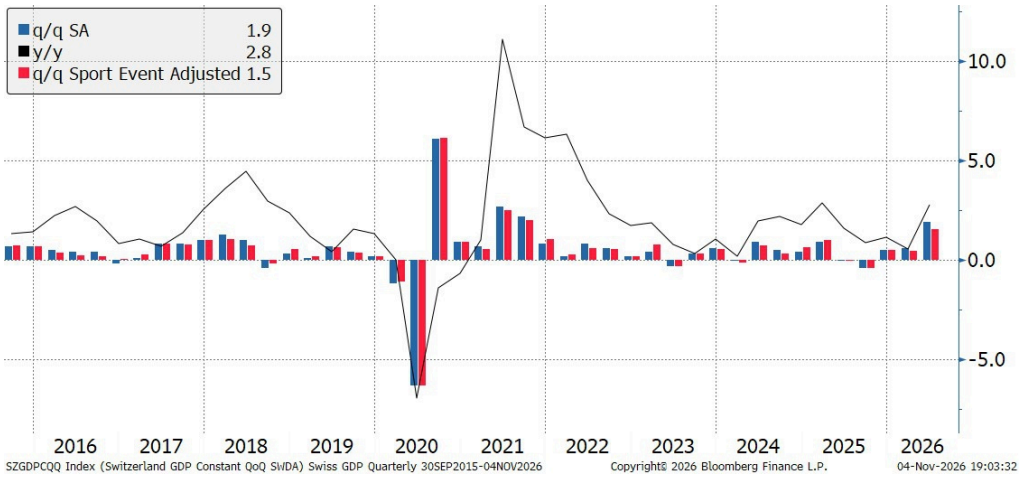
Inflation data should keep the bank on its tightening path, and the market sees nearly 80% odds of back-to-back hikes at the December 17 meeting. Looking ahead, the swaps market is pricing in nearly 100 bp of total tightening over the next twelve months. There are several Bank of England speakers this week. Governor Bailey speaks twice Wednesday. MPC member Dhingra speaks Thursday.

UK Rates



Switzerland reports sport event adjusted GDP data for Q3 Monday. GDP is expected to contract -0.1% q/q vs. 1.5% growth in Q2. Full GDP data won't be reported until November 30. At the last meeting in September, the Swiss National Bank raised its 2026 growth forecast to 1.5-2.0% vs. 1.0% previously but maintained its 2027 forecast at 1.5%. Inflation forecasts were raised modestly but for now, it's steady as she goes for the SNB.

Swiss GDP Growth, %



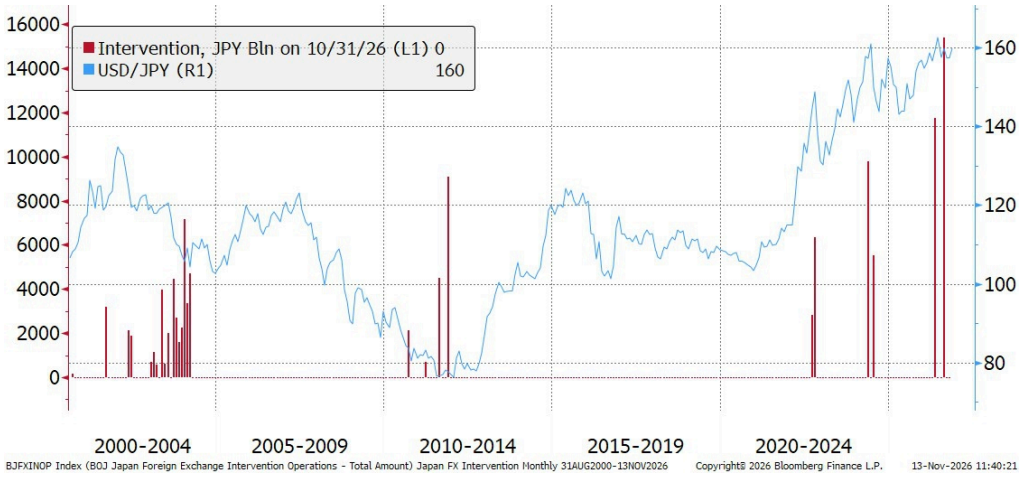
SNB Monetary Policy Assessment September 2026 (June)

	2026	2027	2028
GDP Growth	1.5-2.0% (1.0%)	1.5% (1.5%)	n/a
CPI Inflation	0.7% (0.6%)	0.8% (0.6%)	0.8% (0.7%)

Asia

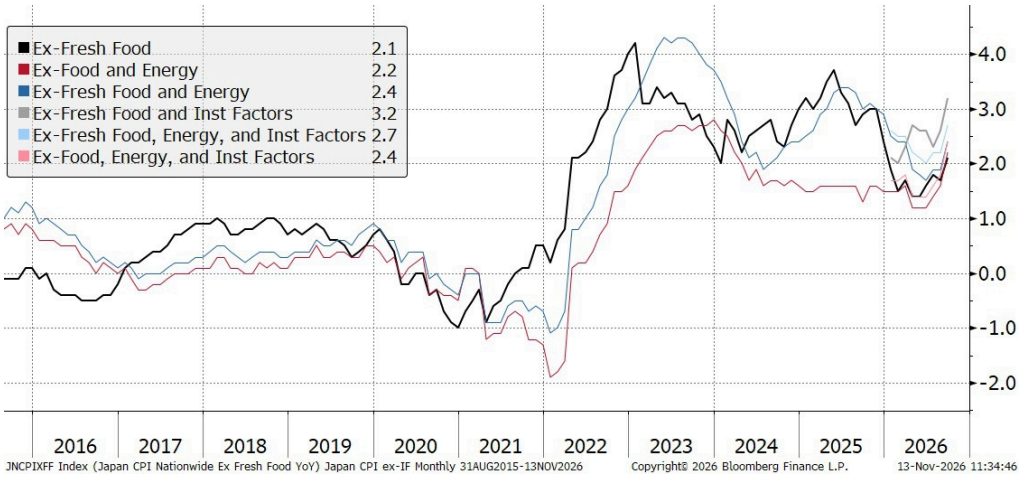
Markets are on the alert for possible intervention as USD/JPY tests the 160 area. Last week, Ministry of Finance official Mimura said recent FX moves have been too fast and warned markets not to forget this summer, when the BOJ last intervened. We note that USD/JPY has moved only two yen over the past couple of days within the context of broad dollar strength after the US CPI data, so the moves are hardly worrisome. Instead, Mimura seems to be sending a signal that 160 is some sort of line in the sand, which is always risky since markets never met a line in the sand that they didn't want to test. Risks of FX intervention rise as the pair moves about 160 but the US may not help this time as we can't imagine Bessent is happy with BOJ dovishness. Stay tuned.

Japan FX Intervention

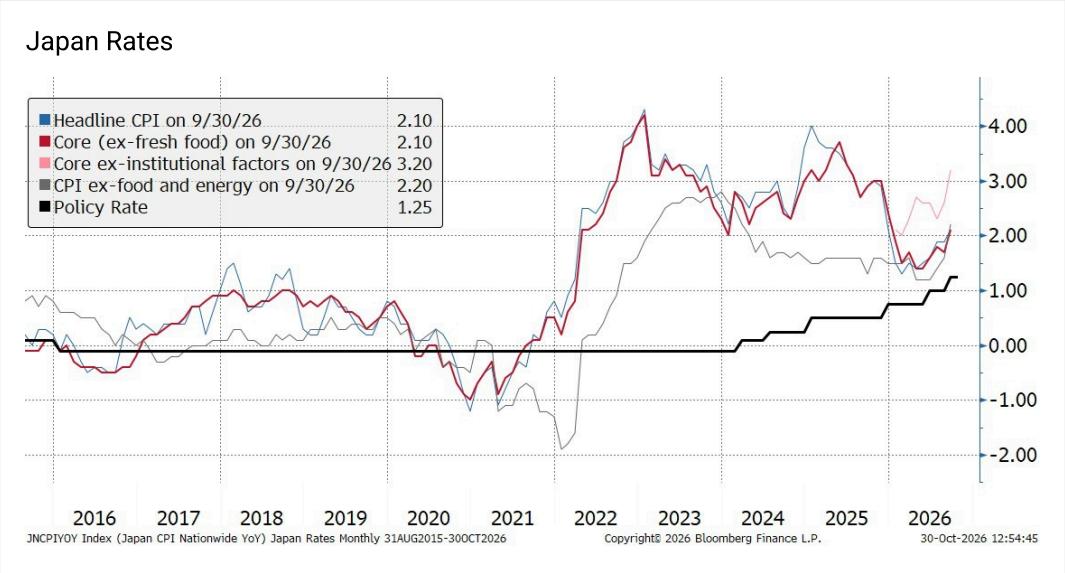


Japan data highlight will be October national CPI Friday. Headline is expected to pick up four ticks to 2.5% y/y, core (ex-fresh food) is expected to pick up two ticks to 2.3% y/y, and core ex-energy is expected to fall a tick to 2.3% y/y. However, we know that the Bank of Japan puts much emphasis on CPI ex-institutional factors and these measures will be reported next week. Core ex-institutional factors rose a cycle high 3.2% y/y and argues for more forceful tightening.

Japan Inflation, % y/y

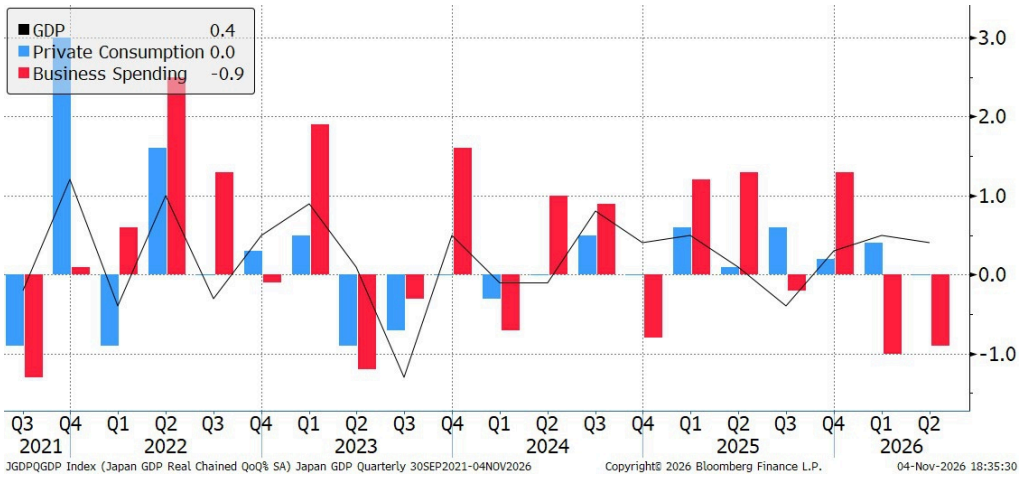


However, Bank of Japan tightening expectations remain muted. The market sees nearly 85% odds of a hike at the next meeting December 17-18 and becomes fully priced in for the January 21-22 meeting. Looking ahead, the swaps market is pricing in 75 bp of total tightening over the next twelve months. Board member Takata speaks Monday. He is one of the most hawkish and was the lone dissent in favor of a 25 bp hike when the BOJ kept rates steady at the October 29-30 meeting.



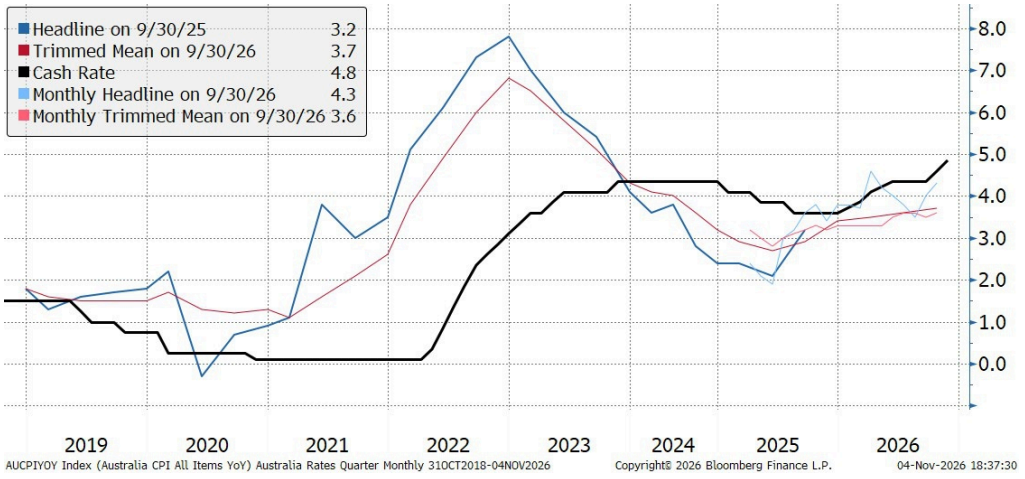
Japan Q3 GDP data Monday will also be important. Growth is expected at 0.1% q/q vs. 0.4% in Q2, while the SAAR is expected at 0.2% vs. 1.4% in Q2. Private consumption is expected at -0.2% SAAR vs. flat in Q2 while business spending is expected at 1.5% SAAR vs. -0.9% in Q2. Furthermore, inventories are expected to be neutral for growth after adding 0.3 ppt in Q2 and net exports are expected to subtract -0.5 ppt after adding 0.5 ppt in Q2. Potential softness in the GDP data is likely keeping the doves nervous, but high underlying inflation supports the hawks contention that the BOJ must continue tightening.

Japan GDP Growth, %

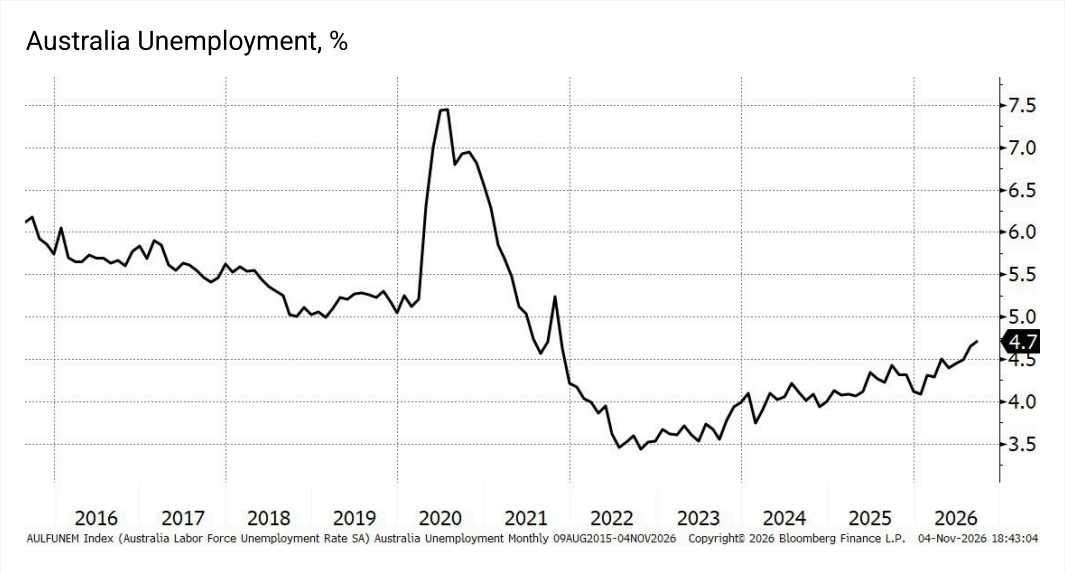


Reserve Bank of Australia releases its minutes Tuesday. At the November 3 meeting, the bank hiked rates 25 bp to 4.85% by a 6-3 vote, with the three dissents in favor of steady rates. The bank omitted the phrase that it was willing to hike further if needed, suggesting a pause is in order. When asked about the change in guidance, Governor Bullock said "I'd not be interpreting this as saying we're not going up. I wouldn't be interpreting it as saying we definitely are going up. We're basically preserving our options." Next meeting is December 8 and no change is expected. Looking ahead, the swaps market is not pricing in any further tightening in this cycle. We get a couple of RBA speakers this week. Governor Bullock speaks Tuesday and board member Fry-McKibbin speaks Friday.

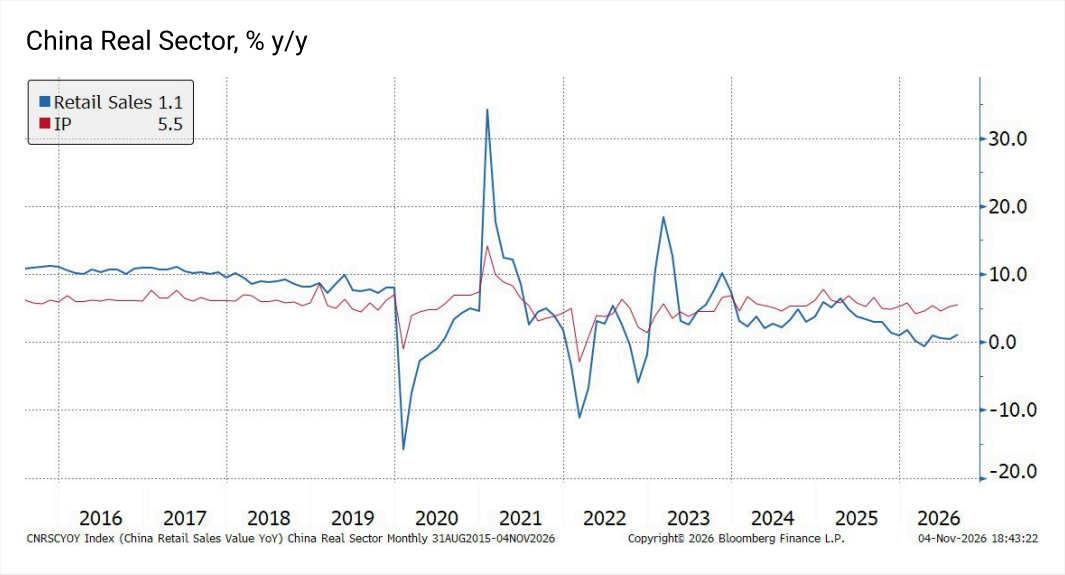
Australia Rates



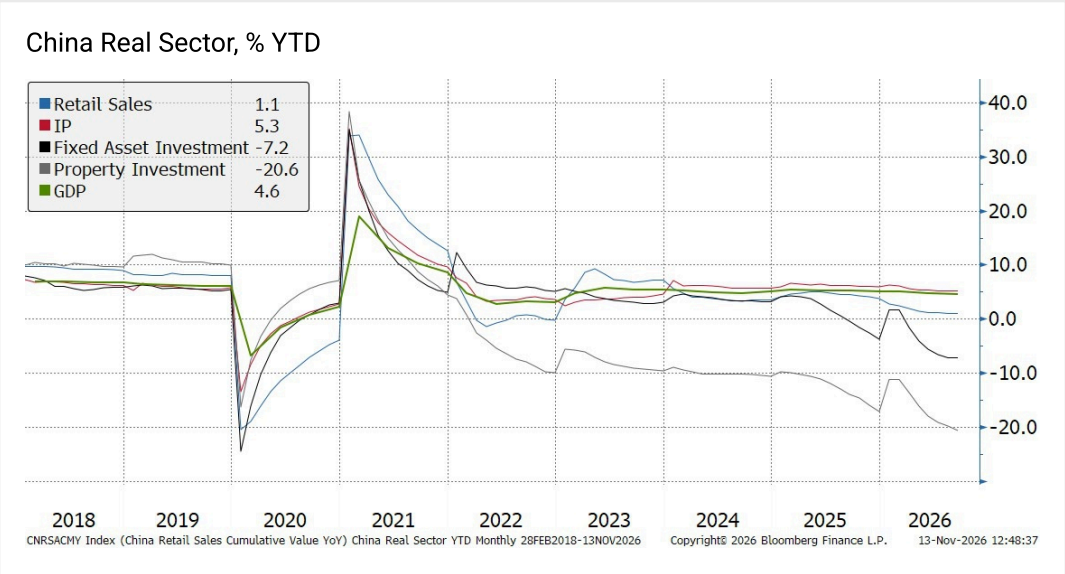
Australia data highlight will be October jobs report Thursday. Consensus sees 25.0k jobs created vs. -39.3k in September, while the unemployment rate is expected to remain steady at 4.7%. This is the highest rate since October 2021 and so it's no surprise that wage growth has remained under control. Q3 wage data will be reported Wednesday and is expected to pick up two ticks to 3.4% y/y. A big upside miss may force the RBA to rethink its pause after accelerating price pressures forced the bank to hike rates 125 bp over the course of this year.



China reports October real sector data Monday. Retail sales are expected to slow three ticks to 0.8% y/y and IP is expected to slow two ticks to 5.3% y/y. While the export sector is outperforming, domestic activity is softening and so the overall economy is losing momentum as official PMIs fell below 50 in October. The October new loan data was disappointingly weak, suggesting policymakers will need to inject more stimulus.



Elsewhere, investment also remains weak. Fixed asset investment is expected at -7.0% YTD and property investment is expected at -21.0% YTD. With C and I basically dead in the water, G and X-M will have to pick up the slack.



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