Scotiabank
Global FX Strategy

DAILY FX UPDATE

Tuesday, November 10, 2026

Analyst Team

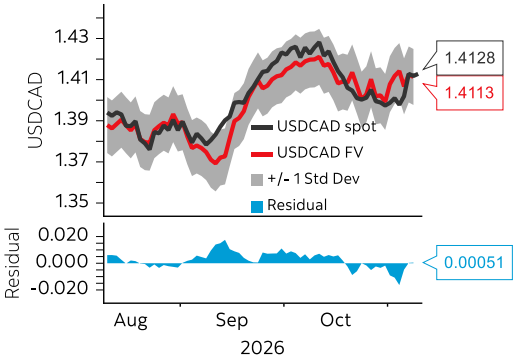
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Overview

- USD strengthening modestly on hawkish Waller comments into CPI.
- CAD flat despite wider spreads as markets look to BoC minutes.
- EUR holds range as markets ponder crude, stocks and await US CPI.
- GBP rebound stalls, dumps Cable back to the low 1.34s.
- JPY soft despite weaker oil prices after weak household spending data.
- AUD underperforms as consumer confidence slumps to near a 4Y low.
- MXN outperforms as yield draws buyers.

USDCAD Vs. Estimated Fair Value



Source: Macrobond, Scotiabank FICC Strategy

USD Finds Fresh Support On Hawkish Waller Comments W/ Risk In CPI

FX Market Update—The USD is seeing modest strength against a few of the G10 currencies however overall movement is limited and most of the currencies are trading flat to the USD as we head into Tuesday's NA session. The relative performance is offering little in terms of indicating the broader market's tone, with the NOK, AUD, and JPY underperforming as the CAD and EUR trade close to flat while the MXN outperforms with a modest gain. Trading is likely to remain muted throughout Tuesday's session as markets settle in for Wednesday's dual US-Canada Veterans' Day / Remembrance Day holidays where markets will remain open but most government offices will be closed. Hawkish comments from the Fed's Waller (BoG, voting) appear to be pulling the outlook for relative central bank policy back into the market's crosshairs following a period of sentiment-driven movement dominated by tech and geopolitics. Waller appeared to endorse the idea of a December hike and even hinted to the possibility of a 50bpt increase as he spoke of a rising r* or natural rate of interest and framed overall tightening by suggesting that – at minimum – the Fed needed to unwind the 3 'insurance cuts' delivered in Q4 2025. The market reaction to Waller's comments has been relatively swift, generating an immediate 5bpt rise in the 2Y yield while flattening the curve overall. The broader tone appears to be relatively quiet, with limited movement in US equity futures following broad gains across Asia and Europe. The focus on tech has softened somewhat, however the topic is likely to come back into focus as markets look to next week's Trump/Xi meeting on the sidelines of the APEC summit in Shenzen. Benchmark government bond yields are generally lower, leaving Treasurys as a lone outlier, as markets assess the implications of the continued decline in oil prices with WTI testing $85/bbl and Brent threatening $90/bbl. The weakness in oil prices appears to be following on President Trump's constructive tone in comments delivered to media late Monday. In metals, the price of copper is once again trading defensively while gold and silver respond to the Fed-driven rise in the USD. Tuesday's US release calendar will be dominated by the 8:30am ET CPI data. The BLS has announced that it will not be releasing the y/y figures, owing to last year's shutdown. The Fed calendar is heavy, and includes appearances from Logan (Dallas, voting), Schmid (KC, non-voting), Bowman (BoG, voting), and Paulson (Philly, voting). An endorsement of Waller's hawkishness would likely deliver additional near-term USD strength, given that the market's attention has recently been focused elsewhere. Market pricing for the December meeting has firmed somewhat, with a 25bpt hike now fully priced (from 20bpts Monday) and 54bpts of cumulative tightening priced by December (from 45bpts Monday). The latest Fed volley has helped to provided a fundamental lift for the USD, nudging our FV estimate (based on 2Y spreads) up to 100.5 – still below spot at 101.8.

USDCAD (1.4127) The CAD is trading flat to the USD and is a relative performer against most of the G10 currencies as we heading into Tuesday's NA session. The outlook for relative central bank policy is dominating as market participants contrast the latest hawkish comments from the Fed against the possibility of renewed caution from the BoC following last week's jobs data disappointment. The BoC will be releasing its latest summary of deliberations, which may offer some insights into policymakers' thinking as they proceed with tightening. Wider 2Y US-Canada spreads remain a headwind for the CAD, delivering a continued recovery in our USDCAD FV estimate to 1.4113.

USDCAD short-term technicals: Neutral/bullish – the latest gains have delivered a notable swing in momentum, lifting the RSI into the upper 50s. The break above the neutral threshold at 50 is important, and marks a clear turn from the bearish sub-40 levels observed as recently October 30th. We near-term resistance at 1.4150 and 1.4180, with support now seen below 1.4080.

EURUSD (1.1224) The EUR is essentially flat versus the USD on the session as investors ponder the pull of softer tech stocks and lower crude oil prices and consider today's US CPI report. While the USD has found some support from Waller's hawkish comments, ECB Economist Lane commented that a December hike would be "prudent" unless there was a shift in incoming Eurozone data, given Eurozone inflation is expected to hold a little

above 4% into year-end. Front-end EZ/US spreads have widened by a few bps but are holding near with the range of the past week or so.

EURUSD short-term technicals: Neutral – Spot remains range bound between resilient support in the low 1.11s and firm resistance around 1.1275. While spot's close was technically bullish Monday (via an "engulfing line" on the daily candle), there has been no follow through demand this morning. In fact, intraday price action looks soft, bordering on bearish. The pattern of trade suggests a high degree of indecision among position takers about the EUR's direction.

GBPUSD (1.3429) The GBP is down fractionally on the USD (but essentially unchanged from this time yesterday), with moderate EURGBP short covering helping nudge Cable lower from its earlier high. The British Retail Consortium's Like-For-Like (same store) Retail Sales rose a subdued 1.1% in October, up marginally from September's 1.0% print but a little below forecasts of a 1.2% rise.

GBPUSD short-term technicals: Neutral – A solid gain in the pound yesterday, delivering a bullish "piercing line" on the daily candle chart has not been greeted with additional buying power today. Instead, intraday price moves look bearish, suggesting a stall at 1.3460 – where we expected resistance. So far, GBP losses are holding at or just above the 200-day MA (1.3419), but loss of a broad zone of support around the figure area may drive the pound back to the low/mid-1.33s.

USDJPY (158.36) The JPY is a moderate underperformer on the session, ignoring the drop in oil prices. September Household Spending fell 6.8% in the year, a huge miss relative to the expected 3.0% drop. While a significant base effect partly explains the decline (sales rose sharply last September), the disconnect between real wage gains and weak real consumption will concern policymakers as they consider the outlook for interest rates.

TODAY'S CALENDAR

Time (ET)	Country	Release	Period	Consensus	Last
8:30	US	BLS Won't Publish Oct. 2026 YoY CPI, Real Earnings Data			
8:30	US	CPI MoM	Oct	0.3%	0.6%
8:30	US	Core CPI MoM	Oct	0.2%	0.3%
9:00	EC	ECB's Cipollone speaks			
10:50	US	Fed's Logan (Dallas, voting) speaks			
11:45	EC	ECB's Lane speaks			
12:30	EC	ECB's Escriva speaks			
13:30	CA	BoC Summary of Deliberations			
13:30	UK	BoE Chief Economist Pill speaks			
13:30	US	Fed's Schmid (KC, non-voting) speaks			
15:30	US	Fed's Bowman (BoG, voting) speaks			
18:30	US	Fed's Paulson (Philly, voting) speaks			
18:30	US	Fed's Bowman (BoG, voting) speaks			
1:00	JN	Machine Tool Orders YoY	Oct P	--	60.4%
2:00	GE	CPI MoM	Oct F	-0.2%	-0.2%
2:00	GE	CPI YoY	Oct F	2.8%	2.8%
2:50	EC	ECB's Cipollone speaks			
3:10	EC	ECB's Kazaks speaks			
3:20	EC	ECB's Nagel speaks			
4:45	EC	ECB President Lagarde speaks			

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