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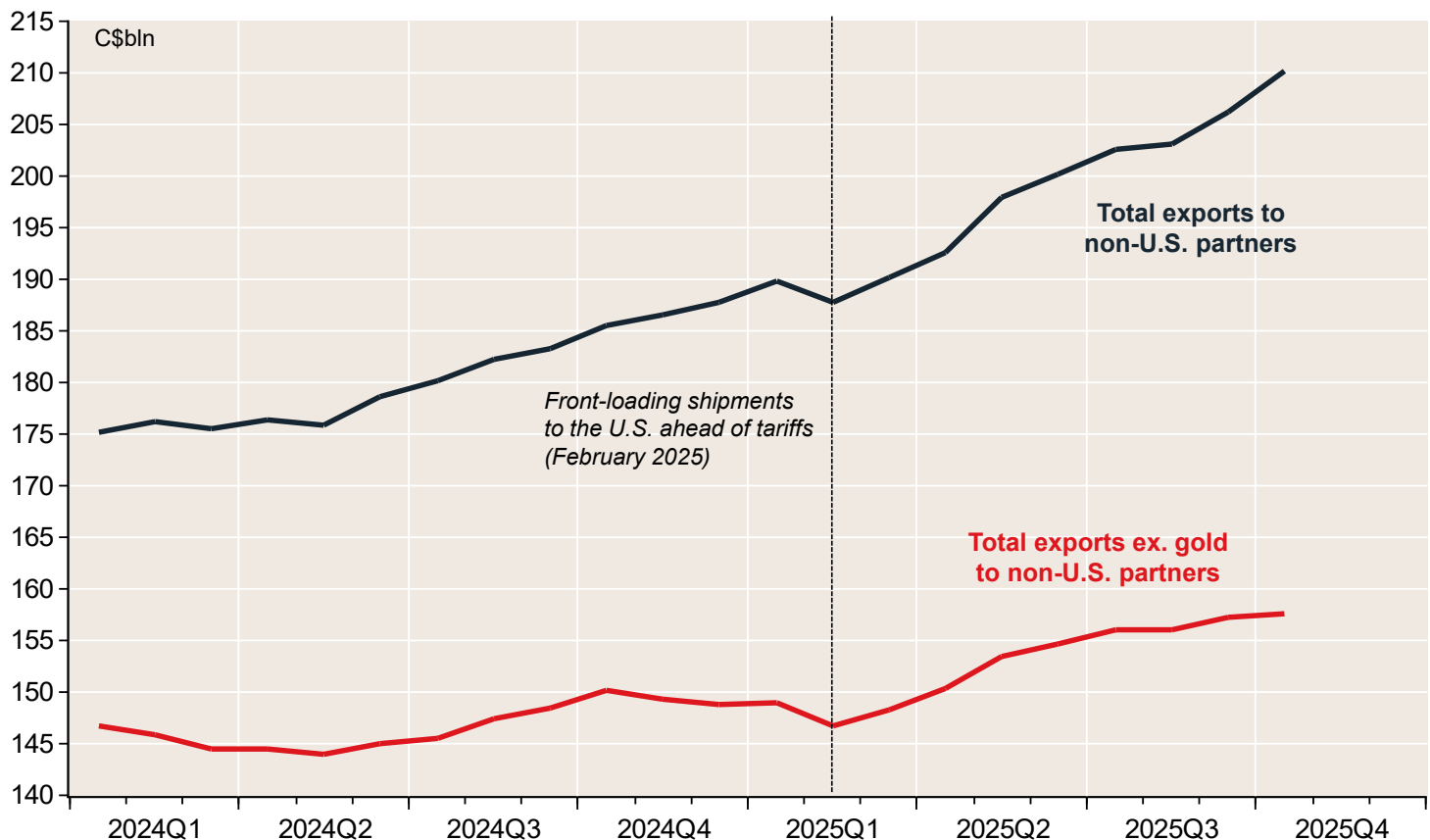
Canada Watch

By Ethan Currie and Stefane Marion

Tariffs and geopolitics are set to remain key themes in 2026, as we discussed ([here](#)) upon the arrival of fresh trade data yesterday. The Government of Canada has set an ambitious agenda which aims to diversify international trade, doubling non-U.S. exports within the next decade. Following front-loading activity ahead of early 2025's tariff implementations, the share of Canada's exports heading overseas has gained significant ground. Representing not quite a quarter of business in 2024, exports to non-U.S. destinations climbed to a ~33% share in the latest available month of data (October 2025). While this appears a welcome development, there's perhaps more to it than meets the eye. As today's *Hot Chart* shows, nominal exports to non-U.S. partners have increased predominantly due to gold. That is then predominantly a function of price impacts—spot gold surging by 70% since last January—suggesting that true, volume-based trade diversification away from the U.S. is perhaps not making the strides it appears to be on the surface. Canadian gold products, a relatively greater share of which already find their way to non-U.S. partners, represented over 13% of October's export basket, the highest on record (by a mile). Ultimately, Canada's near-term economic resilience hinges on a renewed, still-preferential USMCA agreement. Longer-run, effective, and sustained trade diversification (which is still a good goal), can not properly materialize in the absence of a renewed, confidence-bolstering deal, and the associated private capital investment.

Canada: The golden diversification delusion?

Canadian nominal exports to countries other than the U.S. – total and total excluding gold (12M rolling sum)



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