Spending Momentum Index

Canada

Canada's spending downturn deepens in October

The Visa Canada Spending Momentum Index (SMI) slipped to 96.0 in October, continuing a steady downtrend since August. Discretionary categories led this month's decline, as cautious consumers delayed home improvement projects and pulled back on online shopping. Thanksgiving celebrations also shifted, with more spending going toward food at home rather than eating out at restaurants.

Renewed cost-of-living pressures appear to be reshaping how Canadians allocate their budgets. Gasoline prices rose nearly 30 percent from a year earlier,[1] raising consumers' spending at the pump by a full percentage point of total average monthly spend. Consumers responded by prioritizing necessities, including groceries, while slowing spending on services such as haircuts and health checkups.

The slowdown has also become increasingly broad-based geographically, although its intensity varies considerably across Canada. Among the four largest provinces, British Columbia remains the weakest, both in its overall level and its month-over-month decline. More broadly, spending momentum has softened across most of the country since August, consistent with the ongoing strain on manufacturing-exposed regions. This divergence has also widened the gap in discretionary spending growth between larger population centers and smaller cities, which has more than tripled since August.

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October SMI at a glance

Latest index reading

Nationwide momentum:

Change from previous month

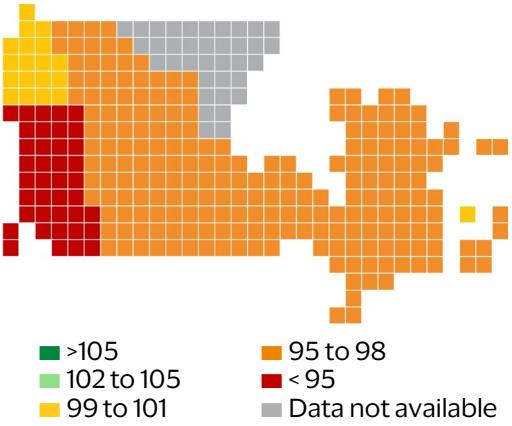
Total: -0.4

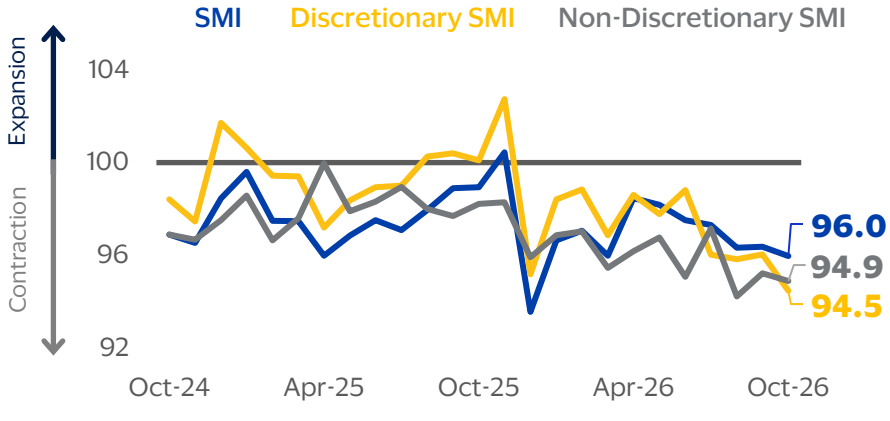
Discretionary: -1.5

Non-discretionary: -0.3

Spending Momentum Index*

(≥100 = expansion, <100 = contraction. Last actual: October 2026)





* Indices are seasonally adjusted to control for calendar effects and floating holidays. The discretionary and non-discretionary categories exclude restaurant and gas spending; both restaurant and gas are included in the total SMI. See additional details on spending category definitions and methodology on page 2. Source: Visa Business & Economic Insights. For accessibility, please refer to the data appendix file.

[1] Kalibrate Canada/Haver Analytics

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Spending Categories

Discretionary (airlines, lodging, auto rental, appliance retail, computer retail, fashion retail, florist, general department store, home goods retail, leisure goods retail, luxury goods retail, repurposed goods retail, sporting goods retail, attractions & amusements, duty free, entertainment, gambling, marina services, sport & recreation, transportation, travel agencies, construction services, electric goods repair, home repair services, personal services, professional services, spa/beauty services, telecommunication, charity, direct marketing, membership clubs).

Non-discretionary (medical/health services, pharmacy, food retail, supermarkets, postal/courier, utilities, education, tolls/fees, wholesale).

Methodology

The Visa Canada Spending Momentum Index (SMI) measures the breadth of year-over-year change in household spending within an economy, including the share of households with increased spending compared with those where spending was stable or declined. The index is generated using proprietary techniques that extract economic signals from business-related noise inherent in VisaNet transaction data, such as portfolio flips, routing changes or evolving acceptance across geographies or merchant segments. Regional and national aggregates are population-weighted averages.

The resulting sample data is then aggregated using a diffusion index framework in which index values are scored from 0 to 200. Values above 100 indicate broad-based net acceleration in economic momentum. Values below 100 indicate contraction on an annual basis.

Disclaimer

The Visa Canada SMI is based on a sample of aggregated, depersonalized VisaNet and third-party data; it is not reflective of Visa operational and/or financial performance. SMI is provided "as is" without warranties of any kind, express or implied, including, without limitation, as to the accuracy of the data or the implied warranties of merchantability, fitness for a particular purpose, and/or non-infringement. Visa is not responsible for your use of the information contained herein, including errors of any kind, or any assumptions or conclusions you might draw from its use. Each SMI report is as of the publication date, and Visa has no obligation to update data contained therein. The views, opinions and/or estimates, as the case may be ("views"), expressed herein are those of the Visa Business and Economic Insights team and do not necessarily reflect those of Visa executive management or other Visa employees and affiliates. This presentation and content, including estimated economic forecasts, statistics and indexes are intended for informational purposes only and should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice and do not in any way reflect actual or forecasted Visa operational or financial performance. Visa neither makes any warranty or representation as to the completeness or accuracy of the views contained herein, nor assumes any liability or responsibility that may result from reliance on such views. These views are often based on current market conditions and are subject to change without notice.

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