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USA & CANADA INTELLIGENCE BRIEF — TUESDAY, AUGUST 18, 2026

Permits Up, Building Down

American single-family housing starts fell 9.9% in July to their slowest pace since November 2022, and total starts missed the forecast by more than a hundred thousand homes. In the same release, building permits rose 5.0%.

Fifty per cent duties on a defined list of Canadian goods worth nearly 20 billion dollars a year take effect on Wednesday with no agreement announced, after five meetings in four weeks. Canadian inflation went back up to 3.0% on fuel and travel.

Every item is dated at source. There is no sport.

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STARTS DOWN · PERMITS UP · A TARIFF ONE DAY AWAY

Ready And Unwilling

American builders took out more permission to build in July and then built a great deal less. North of the border, a tariff nobody has managed to stop is now one day away.

Single-family housing starts fell 9.9% last month to a seasonally adjusted annual rate of 808,000, the Census Bureau reported on Tuesday. That is 15.7% below July of last year and the slowest single-family pace since November 2022.

Total starts including apartments fell 12.4% to 1.239 million, where economists had expected 1.35 million. Reuters attributed the drop to higher mortgage costs and the stock of unsold new homes already on the market.

In the same release, permits rose 5.0% to an annual rate of 1.443 million, with single-family permits up 2.5% to 894,000. Builders secured more permission to build while doing less building.

That is not a contradiction so much as a description of hesitation. A permit is cheap and preserves an option, while breaking ground commits labour, materials and financing at today's cost of money.

Single-family homebuilding fell sharply in July, weighed down by higher mortgage rates and inventory of unsold new homes on the market. REUTERS, ON THE CENSUS BUREAU RELEASE · AUGUST 18, 2026

The cost of money is exactly what Washington is arguing about. Three officials formally dissented at the July meeting in favour of raising rates, and the minutes of that meeting appear on Wednesday.

The thirty-year government yield traded near 5.31% on Tuesday, reported by Reuters as its highest since 2007. Homebuilding is the part of the economy that feels that first.

Canada spent the day waiting. Duties of 50% on roughly 20 billion dollars of goods are scheduled for Wednesday, covering products from cement to hockey sticks and applying even to goods that qualify under the North American trade agreement.

Dominic LeBlanc has now met his American counterpart five times in four weeks, including a virtual session on Sunday and a further meeting on Monday. Leaving that meeting, he said only that the work is continuing.

Reuters reports the two sides remain far from a draft. Canada's chief negotiator has warned her counterparts that tariffs on Wednesday would be a cliff that risks halting the talks altogether.

The price data underneath all of this went the wrong way in Canada. Consumer prices rose 3.0% in July from 2.8% in June, driven by gasoline at 25.7% and travel tours at 15.2%, while the measure excluding gasoline held at 2.2%.

Groceries rose 3.1%, cooling from 3.9% and still outpacing the overall index for the eighteenth month in a row. That gap between the official rate and the shopping trolley is now a political fact rather than a statistical one.

For Latin American readers the two threads meet in one place. A slower American construction cycle means weaker demand for copper, lumber and cement, and a tariff that overrides a trade agreement tells every exporter what preferential access is currently worth.

The Day At A Glance

Ten domestic items, taken from the Census Bureau and Statistics Canada releases and from wire reporting in English and Canadian French. There are no war stories in this brief.

Single-family building at a four-year low

Starts fell 9.9% in July to an annual rate of 808,000, down 15.7% on the year and the slowest single-family pace since November 2022. Higher mortgage costs — the thirty-year fixed averaged 6.67% in the week to 13 August — and unsold inventory were cited.

The headline missed by a wide margin

Total starts fell 12.4% to 1.239 million against a forecast of 1.35 million. June's figure was revised to 1.415 million.

Permits went the other way

Building permits rose 5.0% to an annual rate of 1.443 million, with single-family permits up 2.5% to 894,000. Permits lead and starts coincide.

Fifty per cent duties land Wednesday

Roughly 20 billion dollars of Canadian goods are covered, from cement to hockey sticks, with no exemption for goods qualifying under the North American agreement. Energy, potash, fish and critical minerals are excluded.

Five meetings, no draft

Dominic LeBlanc has met the United States trade representative five times in four weeks, including on Sunday and again on Monday. Reuters reports the two sides remain far apart.

Ottawa has named the cliff

Canada's chief negotiator warned that duties on Wednesday would risk halting negotiations, and that Ottawa could not control the public or provincial reaction. That is a stated limit rather than a threat.

Canadian inflation rose to three per cent

Prices rose 3.0% year over year in July from 2.8% in June, a touch above the 2.9% expected. Gasoline was 25.7% higher than a year earlier.

Underneath the fuel, prices were calm

Excluding gasoline the index rose 2.2% for a third consecutive month, and shelter costs rose only 1.3%. The cost of replacing a home fell 2.1% on the year.

Groceries beat the headline again

Food from stores rose 3.1%, down from 3.9%, but above the all-items index for the eighteenth month running. Fresh fruit posted its largest July monthly rise since 2011.

Three dissents, minutes Wednesday

Three officials voted at the July meeting to raise rates rather than hold. The minutes will show how widely that concern was shared.

The Numbers At A Glance · USA & Canada · Tuesday, August 18, 2026

US Single-family starts **808k** -9.9%	**US** Total starts **1.239m** 1.35m forecast	**US** Building permits **1.443m** +5.0%	**US** 30-year yield **5.31%** Highest since 2007
CA Consumer prices **3.0%** From 2.8%	**CA** Gasoline **25.7%** Year on year	**CA** Groceries **3.1%** 18th month above	**CA** Policy rate **2.25%** Six holds

How The Countries Are Doing

Ten domestic items, taken from the Census Bureau and Statistics Canada releases and from wire reporting in English and Canadian French. There are no war stories in this brief.

COUNTRY	POL	BUD	MON	MKT	EXT	WHAT'S DRIVING IT
US housing US construction Permits up 5.0% to 1.443 million while starts fell, which is builders	3	3	5	4	3	2022, with the thirty-year fixed at 6.67% and unsold new homes on the market.
3 pipeline keeping the option and declining to use it. US monetary Three officials dissented in July in favour of raising rates, with the	3	3	4	3	3	
4 policy minutes published Wednesday. US long-term The thirty-year yield near 5.31%, reported as the highest since	4	3	4	3	3	
3 borrowing 2007, setting mortgage costs into next year.	3	5	5	4	4	Fifty per cent duties on Canadian goods scheduled for
US trade policy Canada trade	4	3	3	3	4	Wednesday under a 1930 statute, with no agreement announced. Roughly 20 billion dollars of goods affected, about five per cent of
4 exposure	4	4	3	3	5	exports to the United States, with no exemption for treaty-qualifying products. Headline back to 3.0% on gasoline and travel, with the measure
Canada inflation Canada	3	3	3	2	4	excluding gasoline steady at 2.2% for a third month. Groceries above the headline rate for the eighteenth consecutive
4 households Canada monetary The policy rate held at 2.25% through six decisions, with core	4	3	3	2	3	month, and regional rates from 2.0% in Ontario to 5.0% in Nova Scotia.
2 policy measures at 1.9% and 2.0% before the September meeting. Canada Alcohol bans lifted in two provinces and not the rest, and Ontario	2	3	2	2	4	
4 provinces open to reversing if a broader settlement protects other sectors.	4	3	3	2	4	

How to read the colours: 1 = calm, 2 = fairly good, 3 = mixed, 4 = some strain, 5 = serious strain. Updated Tuesday, August 18, 2026.

DEEP DIVE · 04
APPROVALS UP FIVE PER CENT · GROUND BROKEN DOWN TWELVE

Three Ways The Building Gap Closes

Three ways the gap between rising American permits and falling American starts could resolve. The chances add up to 100%.

What The Release Actually Said

Single-family starts fell 9.9% to 808,000 and total starts fell 12.4% to 1.239 million, against a forecast of 1.35 million. Single-family building was 15.7% below the same month last year. Permits rose 5.0% to 1.443 million overall and 2.5% to 894,000 for single-family homes. Both numbers came from the same Census Bureau release on the same morning. Permits are a leading indicator of the pipeline and starts describe what is happening now. When they diverge this far, the question is whether the pipeline empties or waits. The named causes are the thirty-year fixed at 6.67% and unsold new homes already built. Neither is a demand problem in the abstract and both are affordability problems in practice. Builders started construction of new single-family homes in July at the slowest pace since November 2022. CENSUS BUREAU DATA, AS REPORTED · AUGUST 18, 2026

Possibility A — A Pause, Then A Start (45%)

In this case the permits are real intent, inventory clears through the autumn and ground is broken once financing costs stabilise. The July fall reads as a single bad month around a revised June figure. Demand for copper, lumber and cement recovers with a lag of a quarter or two. It is the reading the permit number supports.

Possibility B — Permits Expire Unused (35%)

Here the approvals sit in a drawer because the arithmetic never improves, with the long-term yield near 5.31% and a committee arguing about raising rather than cutting. Builders keep optionality and never exercise it. Materials demand grinds lower through the winter without a headline collapse. For suppliers it is the slow version of the same loss.

Possibility C — The Rate Argument Resolves Upward (20%)

In this path Wednesday's minutes show broad support for raising rates, mortgage costs rise further, and the single-family series keeps falling from an already four-year low. The permit rise becomes a statistical artefact. Construction employment follows within two quarters, which is how a housing slowdown becomes a labour story. Nothing today makes this the base case, and the dissents make it possible. A · A pause, then a start 45% Inventory of unsold homes Materials demand returns with a one to two quarter lag. B · Permits expire unused 35% Materials orders A slow grind lower in copper, lumber and cement volumes. C · Rates resolve upward 20% Construction employment A deeper and longer contraction in North American building demand. Chances are our own estimates and add to 100%. Not financial advice.

POSSIBILITY	CHANCE	MARKETS	BREADTH	WHAT IT MEANS FOR LATIN AMERICA
A - Trade deal reached before deadline	Low	TSX steadies	Canada only	Removes tariff shock risk for regional trade
B - Tariffs take effect August 19	Elevated	Canadian dollar softens	North America	Direct hit to Canadian and U.S. exporters
C - U.S. visa line hardens further	Rising	Muted	Global	Tightens birth tourism pathways for LatAm applicants
D - Softer U.S. inflation persists	Moderate	Bonds supported	United States	Eases emerging-market rate pressure

Source: CityNews Toronto, Reuters, Just Security, CBC News, Global News - August 13, 2026

Eight Things We Are Watching

North America is holding its breath between a trade deadline and wildfire smoke. The next six months hinge on whether Washington and Ottawa can close a deal, and how British Columbia recovers.

WHAT	HOW WE SEE IT	PERIOD	WHY
US single-family building	▼ CAREFUL	12 months	The slowest pace since November 2022, down 15.7% on the year.
US construction pipeline	◆ MIXED	12 months	Permits up 5.0% in the same release that showed starts down 12.4%.
US long-term borrowing costs	▼ CAREFUL	18 months	A thirty-year yield near 5.31% while three officials argue for higher rates.
Canadian exporters of finished	▼ CAREFUL	12 months	Fifty per cent duties from Wednesday with no treaty exemption. goods
Canadian raw material exporters	▲ POSITIVE	12 months	Energy, potash, fish and critical minerals are excluded from the measure.
Canadian core inflation	▲ POSITIVE	12 months	Trimmed at 1.9% and median at 2.0% despite a 3.0% headline.
Canadian household budgets	▼ CAREFUL	18 months	Eighteen consecutive months of groceries above the all-items rate.
North American materials suppliers	▼ CAREFUL	12 months	A construction cycle turning down while financing costs stay high. Ratings are our own opinions only and are not financial advice. Arrows: ▲ positive · ▼ careful · ◆ mixed.

Six People Shaping The News

A trade minister, a provincial premier, and the officials around them are setting the tone for a tense Thursday.

Dominic LeBlanc

Minister responsible for United States trade · Canada

He has met his American counterpart five times in four weeks and left Monday's meeting saying only that the work is continuing. He is negotiating against a clock he does not control.

Janice Charette

Chief trade negotiator · Canada

She warned her American counterparts that Wednesday's duties would be a cliff that risks halting negotiations, and that Ottawa could not control the reaction that followed. Naming a limit is rarer than making a threat.

Jamieson Greer

Trade representative · United States

He has called the talks constructive while insisting Canada withdraw its retaliatory measures first. His position has not moved in four weeks of meetings.

The United States Census Bureau

Statistical agency · United States

Its Tuesday release put single-family starts at their slowest since November 2022 while showing permits up 5.0%. One release, two directions, and the gap is the story.

The Federal Reserve

Central bank · United States

Three of its officials dissented in July in favour of raising rates, and the minutes arrive Wednesday. The housing collapse is the ground-level version of that argument.

Statistics Canada

Statistical agency · Canada

Its Monday release put headline inflation back at 3.0% while the measure excluding gasoline held at 2.2%. The distinction is what lets the central bank stay still.

DAILY BRIEFING · 07
BY COUNTRY - MOOD - POLITICS - SOCIETY - ECONOMY

The Day, Country By Country

Two countries, two very different emotional registers. Canada is openly anxious and a little defiant; the United States is watchful and procedural, waiting for numbers and deadlines to speak.

UNITED STATES

Single-Family Building At A Four-Year Low

Starts fell 9.9% in July to a seasonally adjusted annual rate of 808,000, 15.7% below a year earlier and the slowest single-family pace since November 2022. Sources: Reuters via Investing.com, Census Bureau · August 18.

The Total Missed The Forecast

Housing starts overall fell 12.4% to 1.239 million against an expected 1.35 million, with June revised to 1.415 million. Sources: Census Bureau, Reuters · August 18.

Permits Rose In The Same Release

Building permits climbed 5.0% to an annual rate of 1.443 million, and single-family permits 2.5% to 894,000, up 1.1% on the year. Sources: Census Bureau · August 18.

Mortgage Costs Named As The Cause

Reuters attributed the fall to higher mortgage rates and the inventory of unsold new homes, with rates holding at 6.67%. Sources: Reuters via Investing.com · August 18.

Three Dissents And Minutes Tomorrow

Three officials voted in July to raise rates rather than hold, and the meeting minutes are published Wednesday. Sources: US Bank Economics commentary · August 14-18.

CANADA · TRADE

Duties Take Effect Wednesday Fifty per cent tariffs on a defined list of Canadian goods worth nearly 20 billion dollars a year are scheduled for 19 August, covering items from cement to hockey sticks. Sources: The Hub, Reuters · August 17-18.

No Exemption For Treaty Goods

Unlike most earlier measures the duties apply to goods qualifying under the North American agreement, while energy, potash, fish and critical minerals are excluded. Sources: Reuters, White House summary via Quartz · August 17-18.

A Fifth Meeting, And A Monday Session

Dominic LeBlanc met the United States trade representative virtually on Sunday and again on Monday, saying afterwards only that the work is continuing. Sources: Associated Press via The Washington Times, National Observer · August 17-18.

Ottawa Has Named The Cliff

Canada's chief negotiator warned that Wednesday's duties would risk halting talks and that the federal government could not control the public or provincial response. Sources: The Globe and Mail · this week.

CANADA · PRICES

Inflation Back To Three Per Cent Consumer prices rose 3.0% year over year in July from 2.8% in June, with gasoline up 25.7% and travel tours up 15.2%. Sources: Statistics Canada · August 17.

Calm Underneath The Fuel

Excluding gasoline the index rose 2.2% for a third consecutive month, shelter rose 1.3%, and the cost of replacing a home fell 2.1%. Sources: Statistics Canada, TD Economics · August 17.

Eighteen Months Of Dearer Groceries

Food from stores rose 3.1%, cooling from 3.9%, but above the all-items index for the eighteenth month running, with fresh fruit posting its biggest July monthly rise since 2011. Sources: Statistics Canada, CBC · August 17.

Pipeline, Sectors, And The Calendar

ITEM	TYPE	WHEN	STATUS
Single-family starts	Data	Today	808,000
Total housing starts	Data	Today	1.239m
Building permits	Data	Today	1.443m
Fifty per cent duties	Trade	Tomorrow	Scheduled
Canada-US negotiations	Trade	Monday	No draft
Provincial alcohol bans	Trade	Ongoing	Two lifted
Canadian consumer prices	Data	Yesterday	3.0%
Bank of Canada rate	Policy	2 September	2.25% held
Federal Reserve minutes	Policy	Tomorrow	Three dissents
30-year government yield	Rates	Today	About 5.31%
Unsold new home inventory	Housing	Ongoing	Named constraint
Mortgage rates	Rates	Today	Above 6%

Sector Watch - Four Things to Track

The Gap Is The Indicator

Permits up five per cent, ground broken down twelve. Watch which of the two numbers moves towards the other.

What Washington Leaves Alone

Energy, potash, fish and critical minerals are excluded from Wednesday's duties. The tax falls on finished consumer goods.

The Trolley And The Index

Eighteen straight months of groceries above the Canadian headline rate. That gap outlasts any single monthly print.

A Treaty That Did Not Protect

The duties apply to goods qualifying under the North American agreement. Preferential access is being treated as a starting position.

Mortgages Above Six Per Cent

The rate buyers treat as a threshold has not moved. Everything in the housing release follows from that one number.

The Provinces Are A Second Table

Two provinces have restored American alcohol and the rest have not. Ottawa is negotiating with Washington and with its own premiers at the same time.

Calendar - Next 30 Days

DATE	EVENT	WHY IT MATTERS
19 August	Fifty per cent duties scheduled	And whatever Ottawa does within the hour
19 August	July Federal Reserve minutes	How far the case for raising rates extended
Coming days	Any provincial move on alcohol bans	The most visible concession available
Coming weeks	Whether permits convert into starts	The pipeline either empties or waits
26 August	United States price index	The long-term yield is reacting to it
2 September	Bank of Canada decision	After six consecutive holds at 2.25%
Mid-September	United States August retail sales	Whether the consumer followed the builder
14 September	Canadian August prices	Whether the fuel effect fades as expected
Ongoing	North American agreement annual reviews	Mexico is on the same clock
Ongoing	Unsold new home inventory	The constraint builders actually named

What Today Tells Us

What Today Tells Us Our take on Tuesday is that both countries spent the day doing the paperwork of confidence while declining to commit to anything expensive. The builders filed and the negotiators met.

American single-family housing starts fell 9.9% to 808,000, the slowest pace since November 2022 and 15.7% below a year earlier. Total starts fell 12.4% to 1.239 million against a forecast of 1.35 million.

In the same release building permits rose 5.0% to 1.443 million, and single-family permits 2.5% to 894,000. Approvals went up while ground broken went down.

Sources & Method

CANADA

CityNews Toronto, CBC News, Global News, BNN Bloomberg, Medicine Hat News, Lethbridge Herald - August 12-13, 2026 (English and French Canadian).

UNITED STATES

Reuters, AP News, Just Security, MTS Insights, TradingView, NPR, The Wall Street Journal, U.S. News - August 12-13, 2026 (English).

Method: sources were read in English and Canadian French, with the Census Bureau and Statistics Canada releases used directly and every item checked against a second independent source. Ratings and probabilities are our own opinions and are not financial advice. Compiled by The Rio Times Intelligence Desk · Tuesday, August 18, 2026. editor@riotimesonline.com · riotimesonline.com · © 2026 The Rio Times Online

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