

### DAILY POINTS

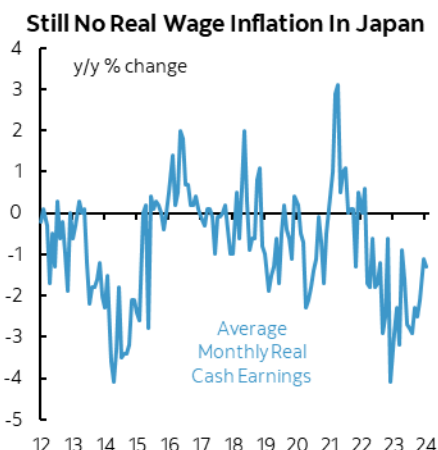
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Chart 1



Source: Scotiabank Economics, Ministry of Health, Labour and Welfare, Japan.

#### On Deck for Monday, April 8

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	04-08	13:00	Fed's Goolsbee on WBEZ-FM				
US	04-08	19:00	Fed's Kashkari Participates in Town Hall Meeting				

#### KEY POINTS:

- **Monday's markets look like Friday's**
- **Bonds continue to sell off on post-nonfarm reaction**
- **Oil prices are volatile as Israel moves troops, Iran threatens**
- **Mixed German data was ignored**
- **Japanese real wages fell again but don't include this year's Shunto gains**
- **Chile's CPI, Israel's central bank on tap**
- **Global Week Ahead reminder**

As a reminder, please see the Global Week Ahead—Hawks to Prey on Doves in full publication format [here](#) and the summary slide deck of just the charts drawn from it is in subscribers' inboxes. This issue primarily focuses upon the dovish and hawkish cases for this week's BoC communications and where I stand.

It's a very light start to the week. Most of the calendar-based action will be packed into Wednesday with US CPI, the BoC, FOMC minutes and then Chinese inflation. Geopolitical developments are dominating oil volatility.

This morning's global markets are picking up where they left off on Friday. Bonds continue to sell off as Asia reacts to Friday's US payrolls and the initial overnight drop in oil prices is being scaled back. Stocks are mixed with Europe and Asia mostly higher outside of mainland China while N.A. futures are flat. Markets have scaled back June Fed cut pricing from about 19bps pre-nonfarm to about half of a quarter-point cut. June cut pricing looks too high for the BoC.

Oil was initially about US\$2 lower overnight but has since clawed back over half of that. The catalyst is uncertainty toward developments in the Middle East. Did Israel's troop pullback from a city in Gaza signal a change of intent under wavering US support? Was it to consolidate forces for renewed action? Or was it to solidify defences elsewhere and with Iran threatening retaliation against Israel for its attack on Iran's consulate in Syria that could escalate matters?

Japanese real wages continue to fall. Real earnings were down 1.3% y/y in February. That's despite last year's large Shunto wage gain but before this year's gain can be incorporated.

German data was mixed and nobody really paid much attention to it. Industrial output was up 2.1% m/m in February (0.5% consensus) and built upon the prior month's upwardly revised 1.3% rise, but exports fell 2% m/m that same month (-0.5% consensus) following a large gain of over 6% the prior month.

Very little is expected into the N.A. session. Chile updates CPI (8amET). Speaking of Israel, consensus is roughly divided between a hold and a 25bps cut this morning (9amET). Inflation has been falling from the peak in early 2023 but the war raises risks to the inflation outlook.

Canada's calendar is clear today. US developments will only include the NY Fed's 1-year measure of inflation expectations (11amET) and another radio appearance by the Chicago Fed's Goolsbee (1pmET).

Fixed Income	Government Yield Curves (%):												Central Banks	
U.S. CANADA GERMANY JAPAN U.K.  CANADA GERMANY JAPAN U.K.	2-YEAR			5-YEAR			10-YEAR			30-YEAR			Current Rate	
	Last	1-day	1-wk	Last	1-day	1-wk	Last	1-day	1-wk	Last	1-day	1-wk		
	4.78	4.75	4.71	4.43	4.40	4.32	4.44	4.40	4.31	4.58	4.55	4.45	Canada - BoC	5.00
	4.22	4.18	4.17	3.62	3.58	3.53	3.59	3.55	3.47	3.52	3.46	3.35	US - Fed	5.50
	2.91	2.88	2.85	2.44	2.39	2.32	2.45	2.40	2.30	2.60	2.57	2.46	England - BoE	5.25
	0.22	0.21	0.20	0.39	0.38	0.36	0.80	0.79	0.74	1.82	1.82	1.83		
	4.24	4.22	4.17	3.96	3.92	3.82	4.11	4.07	3.93	4.62	4.58	4.42		
	Spreads vs. U.S. (bps):													
	-56	-57	-53	-81	-81	-80	-85	-86	-84	-106	-110	-110	Euro zone - ECB	4.50
	-186	-188	-186	-199	-201	-200	-199	-200	-201	-198	-198	-199	Japan - BoJ	-0.10
-456	-455	-451	-405	-401	-396	-364	-361	-357	-276	-274	-262			
-54	-53	-53	-48	-47	-50	-33	-33	-38	3	2	-3			
Equities	Level						% change:						Mexico - Banxico	11.00
	Last	Change			1 Day	1-wk	1-mo	1-yr					Australia - RBA	4.35
S&P/TSX	22264	212.6			1.0	0.4	2.4	10.2					New Zealand - RBNZ	5.50
Dow 30	38904	307.1			0.8	-2.3	0.5	16.2					Next Meeting Date	
S&P 500	5204	57.1			1.1	-1.0	1.6	26.8					Canada - BoC	Apr 10, 2024
Nasdaq	16249	199.4			1.2	-0.8	1.0	34.4					US - Fed	May 01, 2024
DAX	18277	102.4			0.6	-1.2	2.6	17.2					England - BoE	May 09, 2024
FTSE	7919	8.1			0.1	-0.4	3.4	2.3					Euro zone - ECB	Apr 11, 2024
Nikkei	39347	355.0			0.9	-1.1	-0.9	43.0					Japan - BoJ	'A Field Not Applica
Hang Seng	16733	8.9			0.1	2.1	2.3	-17.7						
CAC	8106	44.3			0.5	-1.2	1.0	10.7						
Commodities	Level						% change:							
WTI Crude	86.10	-0.81			-0.9	2.9	10.4	6.7					Mexico - Banxico	May 09, 2024
Natural Gas	1.78	-0.00			-0.1	-2.9	-1.2	-11.3					Australia - RBA	May 07, 2024
Gold	2340.60	10.85			0.5	4.0	7.4	16.6					New Zealand - RBNZ	Apr 09, 2024
Silver	26.78	-0.22			-0.8	9.1	11.9	8.2						
CRB Index	297.58	1.24			0.4	2.5	7.6	9.4						
Currencies	Level						% change:							
USDCAD	1.3593	0.0003			0.0	0.2	0.8	0.6						
EURUSD	1.0832	-0.0005			-0.0	0.8	-1.0	-0.2						
USDJPY	151.84	0.2200			0.1	0.1	3.3	13.6						
AUDUSD	0.6589	0.0010			0.2	1.5	-0.5	-0.8						
GBPUSD	1.2633	-0.0005			-0.0	0.6	-1.7	2.0						
USDCHF	0.9055	0.0037			0.4	0.1	3.2	-0.5						

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