

DAILY POINTS

May 3, 2024 @ 6:45 EST

Contributors

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Chart 1

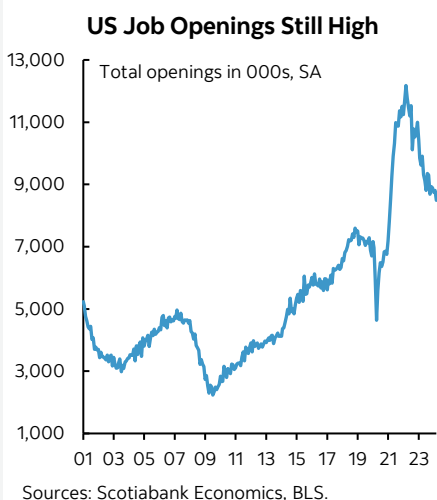
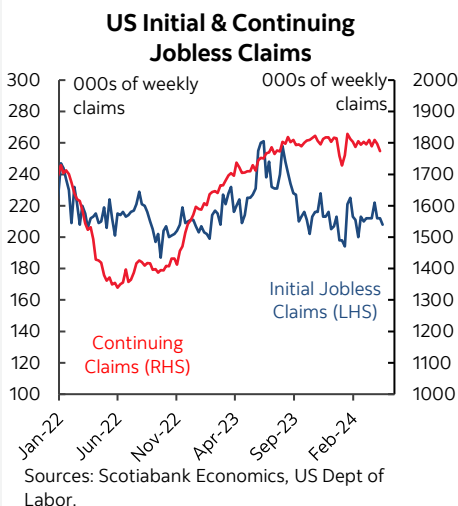


Chart 2



On Deck for Friday, May 3

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	05-03	08:30	Average Hourly Earnings (m/m)	Apr	0.3	0.3	0.3
US	05-03	08:30	Average Hourly Earnings (y/y)	Apr	4.1	4.0	4.1
US	05-03	08:30	Average Weekly Hours	Apr	--	34.4	34.4
US	05-03	08:30	Nonfarm Employment Report (000s m/m)	Apr	250	240	303
US	05-03	08:30	Unemployment Rate (%)	Apr	3.7	3.8	3.8
US	05-03	08:30	Household Employment Report (000s m/m)	Apr	--	--	498.0
US	05-03	10:00	ISM Non-Manufacturing Composite	Apr	52.0	52.0	51.4
US	05-03	10:30	Fed's Goolsbee on Bloomberg TV				
US	05-03	19:45	Fed's Goolsbee, Williams Participate in Panel				

KEY POINTS:

- **Apple lends a constructive tone to risk assets...**
- **...for nonfarm payrolls to make or break**
- **Leading indicators point to another solid US jobs report**
- **Norges Bank pushes out rate cut guidance**
- **ISM-services, Fed-speak to close it all out**

Leafs versus Boston, Game 7. Saturday night. Who cares about the rest of what follows!

In case you do, markets are starting off in risk-on fashion with equities broadly higher and the dollar broadly softer. Sovereign bond yields are little changed with a slight bid across EGBs and the longer ends in US Ts and gilts. Oil is flat and precious metals are a touch softer.

Apple's after-market earnings are helping market sentiment on the combination of the results, a hike in dividend and stock buybacks.

Norges Bank Pushes Out Cut Guidance

Overnight developments were very light. Norges Bank offers a loose reference for other central banks like the BoC that are significantly influenced by commodity markets. Norges held at 4.5% as universally expected but also sounded like it is in less of a rush to ease which many had expected. New forecasts are due with the June 20th decision, but for now, the verbal guidance pushed out prior guidance for when to expect easing and retained bidirectional willingness to tighten or ease depending on the data. Key points included:

"...the policy rate will likely be kept at today's level for some time ahead."

"Price inflation is slowing but is still markedly above target. Business costs have increased sharply in recent years, and high wage growth and a weaker krone are contributing to keeping inflation elevated."

"The data so far could suggest that a tight monetary policy stance may be needed for somewhat longer than previously envisaged." Recall that at the March meeting they had said "the policy rate will be held steady in the period to autumn before it is gradually lowered."

Nonfarm Payrolls Preview

Nonfarm payrolls will dominate the rest of the global market session. Job growth has been on fire this year. 303k nonfarm payroll positions were created in March after 270k in February and 256k in January. That average 276k monthly pace in Q1 picked up from 212k in Q4 which itself was lifted by the start of the acceleration with December's 290k rise.

Most advance readings suggest ongoing, resilient hiring at a fairly brisk pace. Here are highlights of expectations for the change in payrolls and other metrics:

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Scotia: 250k

Consensus median: 240k

Consensus mean: 234k (little skewness)

High-low: 280k / 145k (most within 200–270k)

Std Dev: 28k

90% confidence interval: +/-130k

UR: 3.8% unchanged / Scotia 3.7%

Wages: 0.3% m/m SA

Leading indicators are mixed but generally point to a still highly resilient US job market.

- JOLTS job openings fell in March either because of solid job growth and/or fewer postings to fill into April (chart 1).
- initial jobless claims remain low (chart 2).
- consumer confidence jobs plentiful fell 1.5 points to 40.2 (chart 3).
- layoffs eased to the lowest level since December (chart 4).
- NFIB small business hiring plans increased a touch but remain on a downward trend (chart 5).
- NFIB small business job openings hard to fill went up 3 points to the highest since December (chart 5 again).
- ISM-mfrg employment increased 1.2 points but is still contracting
- ADP payrolls were solid at 192k

No Canadian Jobs This Time

Remember that Canada's jobs report is off-cycle this time and arrives next Friday. I went with +25k for that one.

ISM-services and Fed-Speak

The last words will go to ISM-services for April (10amET) that could be impactful with most expecting a stable to slightly improved reading, and Chicago Fed President Goolsbee (10:30amET).

Chart 3

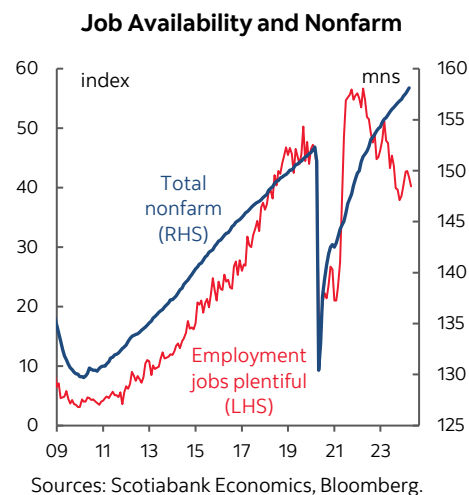


Chart 4

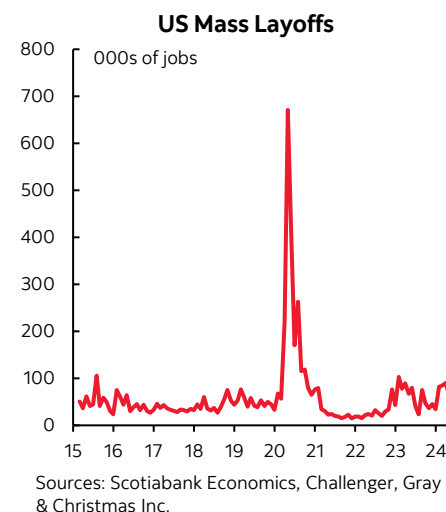
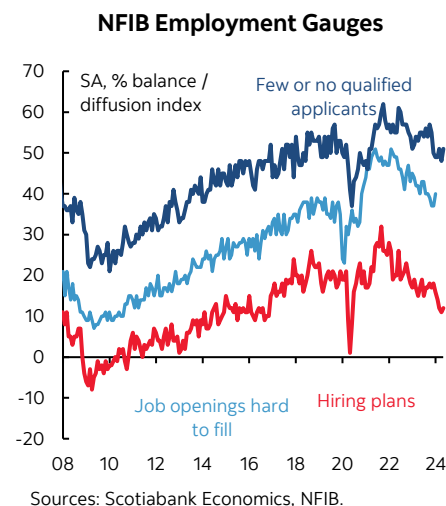


Chart 5



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Fixed Income	Government Yield Curves (%):												Central Banks		
U.S. 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	Canada - BoC	5.00	
	4.87	4.87	5.00	4.56	4.57	4.69	4.56	4.58	4.67	4.71	4.73	4.78			
	4.25	4.29	4.35	3.77	3.80	3.90	3.74	3.76	3.87	3.63	3.63	3.74			
	2.97	2.99	2.99	2.55	2.57	2.59	2.52	2.54	2.58	2.64	2.65	2.71			
	0.29	0.29	0.29	0.49	0.49	0.48	0.90	0.90	0.89	1.99	1.99	1.94			
	4.43	4.43	4.48	4.16	4.17	4.24	4.27	4.29	4.32	4.74	4.75	4.78			
Spreads vs. U.S. (bps):												Euro zone - ECB	4.50		
CANADA	-62	-59	-65	-79	-77	-79	-82	-83	-80	-108	-110			-104	
GERMANY	-191	-188	-201	-201	-200	-210	-204	-204	-209	-207	-208			-207	
JAPAN	-458	-458	-470	-407	-408	-421	-366	-368	-377	-272	-274			-284	
U.K.	-44	-45	-52	-40	-40	-45	-29	-30	-34	3	2	-0	Japan - BoJ	-0.10	
Equities	Level						% change:						Mexico - Banxico	11.00	
S&P/TSX Dow 30 S&P 500 Nasdaq DAX FTSE Nikkei Hang Seng CAC	Last			Change			1 Day	1-wk	1-mo	1-yr	Australia - RBA				4.35
	21823			94.7			0.4	-0.3	-1.3	7.2	New Zealand - RBNZ				5.50
	38226			322.4			0.9	0.4	-2.3	14.4					
	5064			45.8			0.9	0.3	-2.8	23.8					
	15841			235.5			1.5	1.5	-2.7	31.7					
	17989			92.8			0.5	0.4	-2.1	13.7					
	8211			38.5			0.5	0.9	3.4	5.4					
	38236			-38.0			-0.1	-0.6	-3.1	31.1	Canada - BoC				Jun 05, 2024
	18476			268.8			1.5	6.9	10.5	-6.2	US - Fed				Jun 12, 2024
	7962			47.6			0.6	-0.7	-2.3	7.5	England - BoE				May 09, 2024
Commodities	Level						% change:						Euro zone - ECB	Jun 06, 2024	
WTI Crude	79.06			0.11			0.1	-5.7	-7.5	15.2	Japan - BoJ				June 14, 2024
Natural Gas	2.03			-0.00			-0.1	25.9	10.4	-6.4					
Gold	2300.66			-3.17			-0.1	-1.6	3.2	12.8					
Silver	26.24			-0.25			-0.9	-4.1	2.3	5.9					
CRB Index	284.74			-0.70			-0.2	-4.3	-3.5	11.0					
Currencies	Level						% change:						Mexico - Banxico	May 09, 2024	
USDCAD	1.3663			-0.0011			-0.1	-0.1	1.0	0.4	Australia - RBA				May 07, 2024
EURUSD	1.0740			0.0015			0.1	0.4	-0.9	-2.9	New Zealand - RBNZ				May 21, 2024
USDJPY	153.07			-0.5700			-0.4	-3.3	0.9	13.6					
AUDUSD	0.6582			0.0017			0.3	0.8	0.3	-1.3					
GBPUSD	1.2553			0.0019			0.2	0.5	-0.8	-0.1					
USDCHF	0.9073			-0.0034			-0.4	-0.8	0.5	2.6					

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