

DAILY POINTS

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Contributors

Derek Holt

VP & Head of Capital Markets Economics
Scotiabank Economics
416.863.7707
derek.holt@scotiabank.com

Chart 1

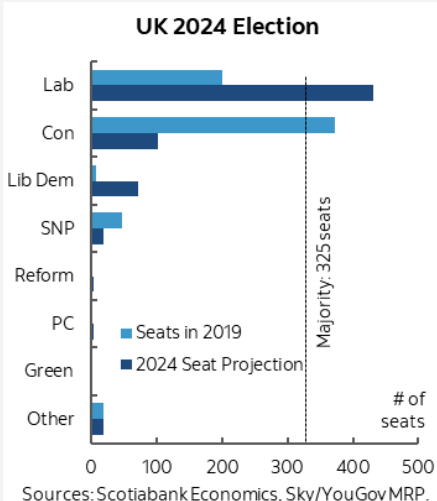


Chart 2



On Deck for Thursday, July 4

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	07/04	09:30	S&P Global Canada composite PMI	June	--	--	50.6
CA	07/04	09:30	S&P Global Canada services PMI	June	--	--	51.1

KEY POINTS:

- **UK markets await election outcome**
- **Fresh poll points to Labour securing biggest majority since 1832...**
- **...with the Tories getting crushed after years of mismanagement**
- **What Labour stands for in this election**
- **German factory orders continue to fall below pre-pandemic levels**
- **US markets shut for Independence Day**

The UK general election will be the main focal point as American markets are shut for Independence Day. Light data is on tap but probably won't be consequential to markets. There is nothing consequential on tap in N.A.

UK voting ends tonight at 10pm British Summer Time (5pmET). A few early results will start trickling in by 11pmBST/6pmET. We may have an idea of the overall results by late tonight (eastern time) and hence into the early morning hours in London.

It would be a wild shocker if Labour didn't win a large majority, let alone didn't win at all given their polling advantage. The key issues are whether Labour secures as large of a majority as the polls indicate and what shape the opposition may take.

The latest poll from YouGov ([here](#)) is indicating that Labour could win the largest majority of any government since 1832 (chart 1). PM Sunak may even lose his own seat. The projections point to a landslide outcome with Labour getting 431 seats, or 106 more than required to have a majority. The Conservatives may be crushed by getting just 102 seats, down massively from the last election. The Liberal Democrats would go from total obscurity to 72 seats. A stunning development would be if the Conservatives didn't even secure status as the official opposition party.

The UK is bucking the pattern elsewhere as the center-left Labour party looks set to oust the Conservatives by a wide margin but in the context of extreme instability within the Conservatives and their poor performance over the years since the Brexit vote in 2016.

[This](#) piece in today's Telegraph summarizes Labour's platform.

German Factories Are Struggling

German factory orders disappointed again. They fell 1.6% m/m in May and the prior month was revised lower (-0.6% m/m instead of -0.2%). Orders have been trending lower since 2021 and are materially lower than pre-pandemic levels. With the exception of the pandemic's initial effects, orders are at their lowest since 2012 (chart 2).

Not Much Else

Markets shook off a small miss on Swiss CPI. It was flat in June (+0.1% consensus). Pricing for the next SNB decision on September 26th was little changed.

Minutes to the ECB's June meeting arrive at 7:30amET but are unlikely to offer materially different guidance relative to the views expressed by President Lagarde et al.

Canada updates the little watched S&P Global purchasing managers index this morning (9:30amET).

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		
	4.71	4.71	4.71	4.32	4.33	4.30	4.36	4.36	4.29	4.53	4.53	4.43	Canada - BoC	4.75
	4.04	4.02	4.02	3.59	3.57	3.51	3.58	3.56	3.47	3.48	3.46	3.36		
	2.93	2.92	2.81	2.58	2.56	2.44	2.60	2.59	2.45	2.75	2.74	2.64	US - Fed	5.50
	0.35	0.36	0.35	0.58	0.59	0.61	1.08	1.10	1.08	2.28	2.28	2.28		
	4.18	4.17	4.24	4.05	4.03	4.01	4.20	4.17	4.13	4.69	4.67	4.61	England - BoE	5.25
	Spreads vs. U.S. (bps):													
	-66	-68	-69	-73	-76	-79	-78	-80	-81	-104	-106	-107	Euro zone - ECB	4.25
	-177	-179	-191	-175	-176	-186	-176	-177	-184	-177	-179	-179		
-436	-435	-436	-374	-373	-369	-328	-326	-321	-225	-225	-215	Japan - BoJ	-0.10	
-52	-54	-48	-28	-30	-29	-16	-19	-16	16	14	18			
Equities	Level						% change:						Mexico - Banxico	11.00
	Last	Change			1 Day	1-wk	1-mo	1-yr						
S&P/TSX	22224	269.9			1.2	2.0	1.1	10.0	Australia - RBA					4.35
Dow 30	39308	-23.8			-0.1	0.5	1.5	14.2						
S&P 500	5537	28.0			0.5	1.1	4.6	24.3	New Zealand - RBNZ					5.50
Nasdaq	18188	159.5			0.9	2.2	7.9	31.6						
DAX	18431	56.4			0.3	1.2	0.1	14.9						
FTSE	8234	62.7			0.8	0.7	0.0	9.5						
Nikkei	40914	332.9			0.8	4.0	5.3	22.4	Canada - BoC					Jul 24, 2024
Hang Seng	18028	49.7			0.3	-0.3	-2.3	-7.1						
CAC	7688	56.3			0.7	2.1	-3.1	4.3	US - Fed					Jul 31, 2024
Commodities	Level						% change:							
WTI Crude	83.42	-0.46			-0.5	2.1	13.9	19.5	England - BoE					Aug 01, 2024
Natural Gas	2.41	-0.01			-0.4	-10.3	-6.9	-11.1						
Gold	2358.17	1.97			0.1	1.3	5.8	22.5	Euro zone - ECB					Jul 18, 2024
Silver	30.13	0.82			2.8	4.5	-0.8	32.3						
CRB Index	294.02	1.67			0.6	0.9	2.7	12.7	Japan - BoJ					June 14, 2024
Currencies	Level						% change:							
USDCAD	1.3622	-0.0017			-0.1	-0.6	-0.4	3.0	Mexico - Banxico					Aug 08, 2024
EURUSD	1.0801	0.0015			0.1	0.9	-0.7	-0.7						
USDJPY	161.06	-0.6300			-0.4	0.2	4.0	11.5	Australia - RBA					Aug 06, 2024
AUDUSD	0.6729	0.0024			0.4	1.2	1.2	0.6						
GBPUSD	1.2757	0.0015			0.1	0.9	-0.1	0.3	New Zealand - RBNZ					Jul 09, 2024
USDCHF	0.9001	-0.0014			-0.2	0.2	1.1	0.3						

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