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GLOBAL ECONOMICS

DAILY POINTS

July 30, 2024 @ *7:00 EST*

Contributors

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On Deck for Tuesday, July 30

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	07-30	09:00	S&P/Case-Shiller Home Price Index (m/m)	May	0.3	0.3	0.4
US	07-30	09:00	S&P/Case-Shiller Home Price Index (y/y)	May	--	6.5	7.2
US	07-30	10:00	Consumer Confidence Index	Jul	100	99.7	100.4
US	07-30	10:00	JOLTS Job Openings (000s)	Jun	--	8000.0	8140.0

KEY POINTS:

- **Markets tread water ahead of the week's key developments**
- **Eurozone GDP growth lands a pinch faster than guesstimated…**
- **…while inflation is tentatively tracking a touch softer**
- **Mexico's economy expected to record sustained growth**
- **US JOLTS, consumer confidence & house prices on tap**

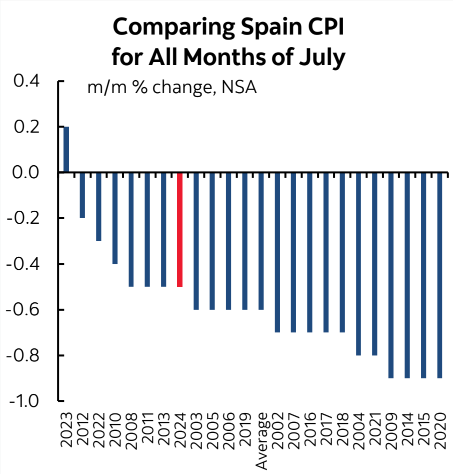
Moves across global markets are relatively small thus far as they await bigger developments starting tonight with the BoJ and tech earnings into tomorrow when the FOMC's communications arrive after Canadian GDP for May and June.

In the meantime, all we're left with today is a dump of Eurozone growth and inflation figures that plays second fiddle to more important readings on the path to the ECB's September decision. Big whoopdidoo. Modest US and Mexican data is also on tap.

Softer Eurozone Inflation, Stronger Growth

The first two Eurozone countries have reported inflation figures averaging a touch below expectations. Spain's CPI print was weaker than expected (-0.5%, -0.3% consensus), but not as weak as a typical month of July (chart 1). Individual German states reported CPI inflation that was roughly in line with expectations for the national number due out later this morning (8amET). Most states landed at 0.3% m/m with one at 0.6%. France and Italy report tomorrow along with the Eurozone tally.

Chart 1

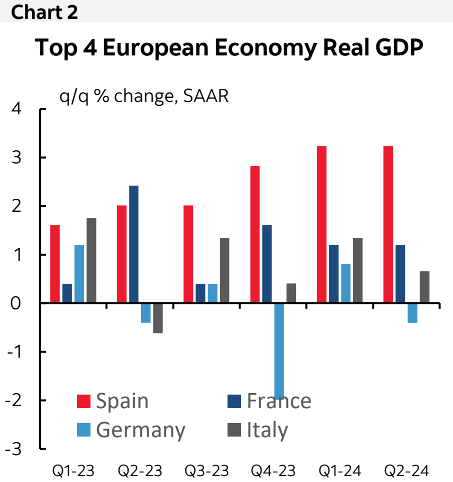


Sources: Scotiabank Economics, INE.

Eurozone GDP grew a little faster than expected in Q2 (0.3% q/q, 0.2% consensus). Charts 2 and 3. That matched the prior quarter's mild expansion. France (0.3%, 0.2% consensus) and Spain (0.8%, 0.5% consensus) beat while German disappointed (-0.1%, +0.1% consensus).

So, softer inflation and stronger growth are roughly cancel each other out and the deviations are small in any event. It means a little lighter inflation tracking, but less of a push toward required disinflationary spare capacity. The August CPI reading one month from now and Q2 negotiated wages are more likely to carry the ECB's September decision.

Chart 2

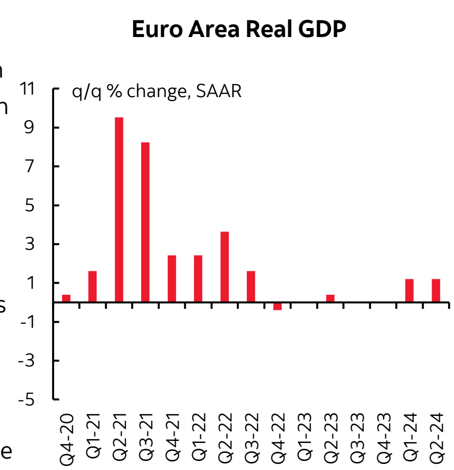


Sources: Scotiabank Economics, Bloomberg.

Mexico's economy could post a mild acceleration of back-to-back gains following a brief slow down in Q4 of last year. GDP is expected to grow by about 0.4% q/q SA nonannualized (8amET).

US data may spark some volatility, but likely won't have much if any bearing on Friday's nonfarm payrolls call in terms of JOLTS openings for June (10amET) or consumers' impressions about job availability in the confidence reading for July (10amET). Meanwhile, house prices keep edging higher with a 15th consecutive monthly rise expected for May's figures (9amET).

Chart 3



Sources: Scotiabank Economics, Bloomberg.

Fixed Income	Government Yield Curves (%):											
	2-YEAR			5-YEAR			10-YEAR			30-YEAR		
	Last	1-day	1-wk	Last	1-day	1-wk	Last	1-day	1-wk	Last	1-day	1-wk
U.S.	4.39	4.40	4.49	4.07	4.08	4.16	4.17	4.18	4.25	4.42	4.42	4.49
CANADA	3.57	3.57	3.71	3.21	3.21	3.33	3.28	3.28	3.39	3.33	3.33	3.39
GERMANY	2.60	2.59	2.71	2.30	2.29	2.40	2.36	2.36	2.44	2.57	2.57	2.63
JAPAN	0.38	0.40	0.35	0.59	0.60	0.61	1.00	1.03	1.07	2.12	2.12	2.18
U.K.	3.87	3.88	4.03	3.86	3.86	3.94	4.05	4.05	4.12	4.61	4.62	4.64
	Spreads vs. U.S. (bps):											
CANADA	-83	-83	-79	-86	-86	-83	-89	-89	-86	-109	-109	-109
GERMANY	-179	-181	-178	-177	-178	-177	-181	-182	-181	-185	-185	-185
JAPAN	-401	-400	-414	-348	-347	-356	-316	-315	-319	-230	-230	-230
U.K.	-52	-52	-47	-21	-21	-22	-12	-13	-13	18	19	15

Equities	Level		% change:			
	Last	Change	1 Day	1-wk	1-mo	1-yr
S&P/TSX	22780	-35.3	-0.2	-0.4	4.1	11.0
Dow 30	40540	-49.4	-0.1	0.3	3.6	14.3
S&P 500	5464	4.4	0.1	-1.8	0.1	19.2
Nasdaq	17370	12.3	0.1	-3.5	-2.0	21.3
DAX	18404	83.1	0.5	-0.8	0.9	11.7
FTSE	8276	-16.2	-0.2	1.3	1.4	7.6
Nikkei	38526	57.3	0.1	-2.7	-2.7	17.6
Hang Seng	17003	-235.4	-1.4	-2.7	-4.0	-14.6
CAC	7478	34.1	0.5	-1.6	-0.0	0.0
Commodities	Level		% change:			
WTI Crude	75.74	-0.07	-0.1	-1.6	-7.1	-6.0
Natural Gas	2.06	0.02	1.1	-5.9	-20.8	-21.9
Gold	2390.39	6.20	0.3	-0.8	7.2	22.0
Silver	28.14	0.39	1.4	-3.2	-4.2	16.2
CRB Index	274.94	0.00	0.0	-2.0	-5.3	-2.0
Currencies	Level		% change:			
USDCAD	1.3849	-0.0004	-0.0	0.5	0.8	5.0
EURUSD	1.0832	0.0011	0.1	-0.2	0.9	-1.5
USDJPY	154.82	0.8000	0.5	-0.5	-4.1	8.8
AUDUSD	0.6538	-0.0011	-0.2	-1.2	-1.8	-2.7
GBPUSD	1.2853	-0.0009	-0.1	-0.4	1.6	0.1
USDCHF	0.8860	-0.0001	-0.0	-0.6	-1.9	1.6

Central Banks	
Current Rate	
Canada - BoC	4.50
US - Fed	5.50
England - BoE	5.25
Euro zone - ECB	4.25
Japan - BoJ	-0.10
Mexico - Banxico	11.00
Australia - RBA	4.35
New Zealand - RBNZ	5.50
Next Meeting Date	
Canada - BoC	Sep 04, 2024
US - Fed	Jul 31, 2024
England - BoE	Aug 01, 2024
Euro zone - ECB	Sep 12, 2024
Japan - BoJ	June 14, 2024
Mexico - Banxico	Aug 08, 2024
Australia - RBA	Aug 06, 2024
New Zealand - RBNZ	Aug 13, 2024