

### DAILY POINTS

April 14, 2025 @ 6:45 EST

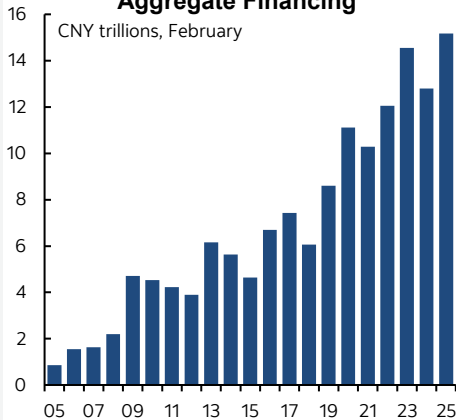
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Chart 1

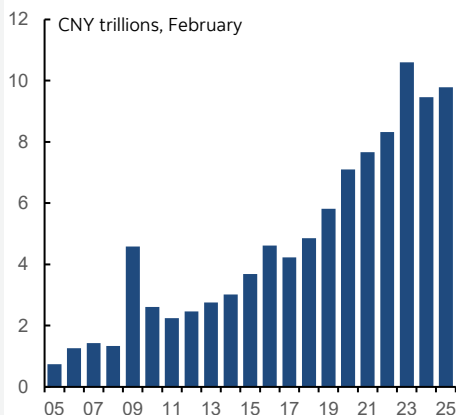
#### China's Year-to-Date Aggregate Financing



Sources: Scotiabank Economics, Bloomberg.

Chart 2

#### China's Year-to-Date New Yuan Loans



Sources: Scotiabank Economics, Bloomberg.

#### On Deck for Monday, April 14

| Country | Date  | Time  | Indicator                                      | Period | BNS | Consensus | Latest |
|---------|-------|-------|--|--------|-----|-----------|--------|
| CA      | 04-14 | 08:30 | Wholesale Trade (m/m)                          | Feb    | 0.5 | 0.4       | 1.2    |
| US      | 04-14 | 11:00 | NY Fed 1-Yr Inflation Expectations             | Mar    | --  | --        | 3.1    |
| US      | 04-14 | 13:00 | Fed's Waller Speaks on Economic Outlook        |        |     |           |        |
| US      | 04-14 | 18:00 | Fed's Harker Speaks on Role of Fed             |        |     |           |        |
| US      | 04-14 | 19:40 | Fed's Bostic Speaks in Fireside Chat on Policy |        |     |           |        |

#### KEY POINTS:

- **Markets put a positive spin on weekend tariff chaos**
- **Trump administration sloppily handles tariffs on consumer electronics**
- **Chinese financing and exports surpass expectations...**
- **...likely on temporary tariff front-running**
- **US bank earnings, Fed-speak on tap**
- **Global Week Ahead — The End of Dollar Dominance? ([here](#))**

What's a day without more turmoil in the Trump administration! Markets are clearly taking the wildly contradictory developments over the weekend as a positive sign on net, perhaps believing that the Trump administration continues to moderate its tariff overshoot. We also have strong overnight data from China to consider plus more US bank earnings on tap shortly after this note goes out. US equity futures are up by over 1%, European cash markets are up by around 2%, and Asian equity benchmarks also rallied. US Treasury yields are rallying by about 6–7bps across most maturities with Europe performing similarly. The dollar is broadly softer. Oil prices are up by about 1%.

#### TRUMP ADMINISTRATION ONCE AGAIN MAKING UP POLICY ON THE FLY

Head spinning headlines since Friday evening point to policy being made up on the fly as it applies to imports of consumer electronics. On Friday evening, the US Commerce Department issued a list of exemptions to tariffs ([here](#)) that made it sound like about 23% of imports from China and about 10% of total US imports were being exempt including smartphones, some computers, and chipmaking equipment. Then yesterday morning, Commerce Secretary Lutnick downplayed this by saying the items were only exempt from the (crazy) formula that determines reciprocal tariffs and semiconductor tariffs coming in “a month or two” would apply new tariffs to the affected items including iPhones. Then Trump weighed in and suggested nothing would be exempt by saying they will be “taking a look at semiconductors and the WHOLE SUPPLY CHAIN” with his emphasis added.

#### STRONG CHINESE FINANCING, EXPORTS REFLECT TARIFF FRONT-RUNNING

Chinese financing figures came in a bit stronger than expected for March. That may be tied to tariff front-running. Year-to-date financing is running at the hottest on record in terms of originations with local currency loans running at the second fastest pace of originations on record (charts 1, 2). Growth in outstandings of all financing products combined has been accelerating since November but remains low by historical standards (charts 3, 4). Growth in local currency loans outstanding continues to decelerate.

Chinese exports smashed expectations for March but probably because of greater than estimated tariff front-running (chart 5). In USD terms, exports were up 12.4% y/y but imports fell 4.3% y/y. Some of that was a currency effect, but yuan-denominated exports were up 13.5% y/y and imports fell 3.5%. China's overall trade surplus rebounded from the prior month's drop but is still shy of readings in December and January.

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## US BANK EARNINGS AND FED-SPEAK ON TAP

On tap will be more US bank earnings (GS, 7:30amET) and Fed-speak with a particular focus on Governor Waller's economic outlook (1pmET).

Light data will include an expected small gain in Canadian wholesale trade for February (8:30amET) and the NY Fed's 1-year inflation expectations reading for March (11amET).

Chart 3

### China's Loan Growth



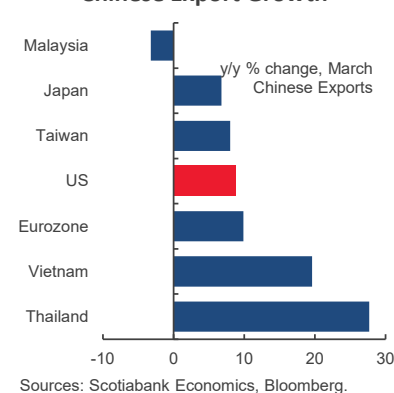
Chart 4

### China's Aggregate Financing Growth



Chart 5

### Chinese Export Growth



| Fixed Income                               | Government Yield Curves (%): |       |      |         |       |      |           |       |       |         |                    |                 | Central Banks     |               |                    |              |
|--|------------------------------|-------|------|---------|-------|------|-----------|-------|-------|---------|--------------------|-----------------|-------------------|---------------|--------------------|--------------|
| U.S.<br>CANADA<br>GERMANY<br>JAPAN<br>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      | 2.75          |                    |              |
|  | 3.89                         | 3.96  | 3.77 | 4.08    | 4.16  | 3.87 | 4.43      | 4.49  | 4.19  | 4.85    | 4.87               | 4.62            |                   |               |                    |              |
|  | 2.68                         | 2.63  | 2.36 | 2.88    | 2.83  | 2.50 | 3.26      | 3.23  | 2.88  | 3.55    | 3.55               | 3.19            |                   |               | US - Fed           | 4.50         |
|  | 1.76                         | 1.79  | 1.78 | 2.09    | 2.13  | 2.11 | 2.53      | 2.57  | 2.61  | 2.89    | 2.89               | 3.02            |                   |               |                    |              |
|  | 0.60                         | 0.61  | 0.58 | 0.81    | 0.82  | 0.74 | 1.34      | 1.32  | 1.12  | 2.83    | 2.71               | 2.28            |                   |               |                    |              |
|  | 4.00                         | 4.05  | 4.00 | 4.14    | 4.21  | 4.13 | 4.67      | 4.75  | 4.62  | 5.42    | 5.52               | 5.32            |                   |               |                    |              |
| Spreads vs. U.S. (bps):                    |                              |       |      |         |       |      |           |       |       |         |                    | Euro zone - ECB | 2.65              |               |                    |              |
| CANADA                                     | -121                         | -133  | -141 | -121    | -133  | -137 | -117      | -126  | -131  | -130    | -132               |                 |                   | -143          |                    |              |
| GERMANY                                    | -214                         | -217  | -199 | -199    | -203  | -176 | -190      | -192  | -157  | -197    | -198               |                 |                   | -161          | Japan - BoJ        | 0.50         |
| JAPAN                                      | -329                         | -336  | -319 | -327    | -334  | -313 | -309      | -317  | -307  | -202    | -216               |                 |                   | -234          |                    |              |
| U.K.                                       | 11                           | 8     | 23   | 6       | 5     | 27   | 24        | 26    | 43    | 56      | 64                 | 70              | Mexico - Banxico  | 9.00          |                    |              |
| Equities                                   | Level                        |       |      |         |       |      | % change: |       |       |         |                    |                 | Next Meeting Date |               |                    |              |
|  | Last                         |       |      | Change  |       |      | 1 Day     | 1-wk  | 1-mo  | 1-yr    |                    |                 |                   |               |                    |              |
| S&P/TSX                                    | 23588                        |       |      | 572.9   |       |      | 2.5       | 1.7   | -3.9  | 7.7     | Australia - RBA    | 4.10            |                   |               |                    |              |
| Dow 30                                     | 40213                        |       |      | 619.0   |       |      | 1.6       | 5.0   | -3.1  | 5.9     | New Zealand - RBNZ | 3.50            |                   |               |                    |              |
| S&P 500                                    | 5363                         |       |      | 95.3    |       |      | 1.8       | 5.7   | -4.9  | 4.7     |                    |                 |                   |               |                    |              |
| Nasdaq                                     | 16724                        |       |      | 337.1   |       |      | 2.1       | 7.3   | -5.8  | 3.4     |                    |                 |                   |               |                    |              |
| DAX  | 20845                        |       |      | 471.1   |       |      | 2.3       | 5.3   | -9.3  | 16.3    |                    |                 |                   |               |                    |              |
| FTSE                                       | 8108                         |       |      | 143.5   |       |      | 1.8       | 5.3   | -6.1  | 1.4     |                    |                 |                   |               |                    |              |
| Nikkei                                     | 33982                        |       |      | 396.8   |       |      | 1.2       | 9.1   | -8.3  | -14.0   | Canada - BoC       | Apr 16, 2025    |                   |               |                    |              |
| Hang Seng                                  | 21417                        |       |      | 502.7   |       |      | 2.4       | 8.0   | -10.6 | 28.1    | US - Fed           | May 07, 2025    |                   |               |                    |              |
| CAC  | 7244                         |       |      | 138.7   |       |      | 2.0       | 4.6   | -9.8  | -9.6    |                    |                 |                   |               |                    |              |
| Commodities                                | Level                        |       |      |         |       |      | % change: |       |       |         |                    |                 |                   | England - BoE | May 08, 2025       |              |
| WTI Crude                                  | 62.14                        |       |      | 0.64    |       |      | 1.0       | 2.4   | -7.5  | -27.5   |                    |                 |                   |               |                    |              |
| Natural Gas                                | 3.47                         |       |      | -0.06   |       |      | -1.7      | -5.2  | -15.5 | 95.8    | Euro zone - ECB    | Apr 17, 2025    |                   |               |                    |              |
| Gold                                       | 3209.62                      |       |      | -27.99  |       |      | -0.9      | 7.6   | 43.9  | 36.9    |                    |                 |                   |               |                    |              |
| Silver                                     | 31.27                        |       |      | 0.35    |       |      | 1.1       | -0.2  | -3.9  | 11.6    |                    |                 |                   |               |                    |              |
| CRB Index                                  | 290.42                       |       |      | 0.00    |       |      | 0.0       | 2.6   | -4.0  | -2.5    |                    |                 | Japan - BoJ       |               |                    | May 01, 2025 |
| Currencies                                 | Level                        |       |      |         |       |      | % change: |       |       |         |                    |                 | Mexico - Banxico  | May 15, 2025  |                    |              |
| USDCAD                                     | 1.3860                       |       |      | -0.0016 |       |      | -0.1      | -2.7  | -3.5  | 0.5     |                    |                 |                   |               |                    |              |
| EURUSD                                     | 1.1386                       |       |      | 0.0031  |       |      | 0.3       | 4.3   | 4.7   | 7.2     | Australia - RBA    | May 20, 2025    |                   |               |                    |              |
| USDJPY                                     | 143.18                       |       |      | -0.3600 |       |      | -0.3      | -3.2  | -3.7  | -7.2    |                    |                 |                   |               |                    |              |
| AUDUSD                                     | 0.6320                       |       |      | 0.0031  |       |      | 0.5       | 5.6   | -0.1  | -1.9    |                    |                 |                   |               |                    |              |
| GBPUSD                                     | 1.3182                       |       |      | 0.0095  |       |      | 0.7       | 3.6   | 1.9   | 5.9     |                    |                 |                   |               | New Zealand - RBNZ | May 27, 2025 |
| USDCHE                                     | 0.8182                       |       |      | 0.0034  |       |      | 0.4       | -4.8  | -7.6  | -10.2   |                    |                 |                   |               |                    |              |

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