

DAILY POINTS

June 3, 2025 @ 7:05 EST

Contributors

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Chart 1

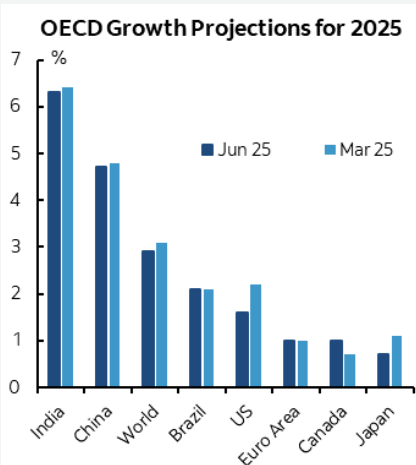
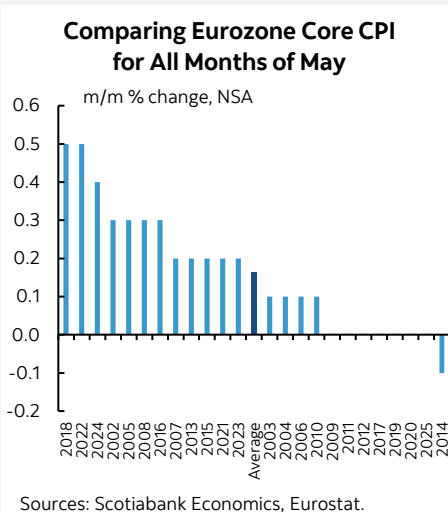


Chart 2



On Deck for Tuesday, June 3

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	06-03	10:00	Factory Orders (m/m)	Apr	-3.0	-3.2	3.4
US	06-03	10:00	JOLTS Job Openings (000s)	Apr	--	7100.0	7192.0
US	06-03		Total Vehicle Sales (mn a.r.)	May	15.8	16.0	17.3
US	06-03	12:45	Fed's Goolsbee Participates in Moderated Q&A				
US	06-03	13:00	Fed's Cook Discusses Economic Outlook				
US	06-03	15:30	Fed's Logan Gives Opening Remarks at Fed Listens				

KEY POINTS:

- **Risk-off sentiment driven by ongoing concerns about US policies**
- **OECD forecasts are merely catching up to tariffs**
- **Eurozone core CPI softens, ECB pricing holds steady**
- **Light US data: JOLTS, factory orders, vehicle sales**
- **More Fed-speak—and countless iterations of ‘patience’**
- **Canada waves the pom poms**

Risk off sentiment is driving equities lower, bond prices higher and the USD higher against all major crosses in a classic set of cross-asset moves. I don't see any major new catalysts as opposed to dealing with the same volatility around Trump's anachronistic policies that seek to impose great damage on the world economy.

OECD DOWNGRADES STALE PROJECTIONS

OECD forecasts are making headlines, but only because they forecast so infrequently; the downgrades to global growth are relative to its interim projections in March before ‘Liberation Day’ and to the main projections every six months. Tariffs are here, and the OECD just got the memo. Chart 1 shows that the biggest downgrade was to the US.

EUROZONE CORE CPI SOFTENS

Nor was it Eurozone CPI that mattered much. Eurozone CPI was about as expected because the thrill had come and gone after last week's releases by major economies, but core offered a little new information. CPI was flat (0% m/m) and edged lower to 1.9% y/y (2.2% prior). Core CPI was up 2.3% y/y (2.7% prior) which was a touch lower than all but three out of thirty-five forecasters expected. Core in m/m seasonally unadjusted terms was on the softer side of history (chart 2). Services inflation also decelerated (chart 3). There was little impact upon ECB pricing and EGB yields that had slightly rallied before CPI at the open.

US DATA — WEAK FACTORY ORDERS, LOWER VEHICLE SALES, JOLTS WILDCARD

Light US data may concentrate risk around JOLTS job openings in April (10amET) but using them to forecast payrolls is futile. Factory orders are expected to be soft in the wake of the already known 6.3% m/m plunge in durable goods orders and probably modest resilience in nondurable goods orders (10amET). Vehicle sales in May are also due out at the end of the day and industry guidance points to the beginning of the other side of the pulled forward tariff frontrunning effect that drove them much higher from February through April.

FED-SPEAK — COUNTLESS ITERATIONS OF ‘PATIENCE’

There will be more Fed-speak before the FOMC communications blackout kicks in on Saturday ahead of the June 18th decision. It's hard to imagine what they could say that would be new given the whole Committee subscribes to some variation of being ‘patient.’ Chicago's Goolsbee (12:45pmET), Governor Cook (1pmET) and Dallas President Logan (3:30pmET) are all on tap.

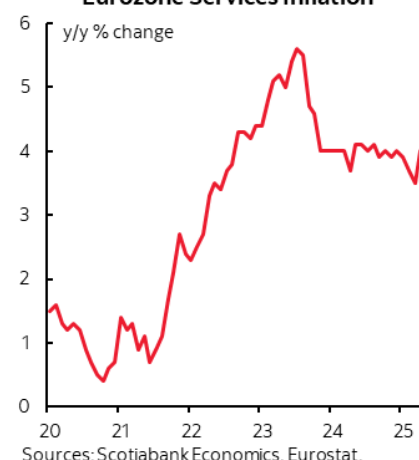
June 3, 2025

QUIET IN CANADA

There is nothing on tap in Canada where the pom poms and cheerleading of shorter approval periods and the laying down of loose criteria for preferred infrastructure projects sounds encouraging in a sense but will take ages to deliver. That may be what Canada simply has to accept as opposed to the past tendencies to prop up short-term growth with endless supports that compound problems in the economy at the expense of tackling important long-run issues. Eighteen years after its discovery, maybe, just maybe we'll see Ontario's mineral-rich 'Ring of Fire' being developed—in the decades to come. That could be wonderful. So could development of a new pipeline—again, many years from now and dependent upon how all the special interest groups jockey to get a piece of the action.

Chart 3

Eurozone Services Inflation



Fixed Income	Government Yield Curves (%):												Central Banks		
	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			
U.S.	3.92	3.94	3.98	3.98	4.01	4.03	4.42	4.44	4.45	4.95	4.97	4.95	Canada - BoC	2.75	
CANADA	2.57	2.58	2.64	2.81	2.83	2.87	3.21	3.22	3.25	3.48	3.50	3.55	US - Fed	4.50	
GERMANY	1.78	1.79	1.79	2.06	2.08	2.09	2.50	2.52	2.53	3.00	3.01	3.00	England - BoE	4.25	
JAPAN	0.77	0.77	0.74	1.03	1.04	1.01	1.49	1.51	1.47	2.94	2.95	2.87			
U.K.	4.00	4.03	4.02	4.12	4.16	4.15	4.61	4.67	4.67	5.34	5.41	5.44			
Spreads vs. U.S. (bps):															
CANADA	-135	-135	-134	-118	-118	-116	-122	-122	-119	-147	-147	-141	Euro zone - ECB	2.40	
GERMANY	-214	-215	-219	-192	-192	-194	-192	-192	-191	-195	-195	-195	Japan - BoJ	0.50	
JAPAN	-315	-316	-324	-295	-297	-303	-293	-293	-298	-200	-202	-209			
U.K.	8	9	4	13	16	12	19	23	22	40	44	48	Mexico - Banxico	8.50	
Equities	Level						% change:								
	Last	Change		1 Day		1-wk	1-mo	1-yr							
S&P/TSX	26389	213.9		0.8		1.2	5.4	19.3						Australia - RBA	3.85
Dow 30	42305	35.4		0.1		1.7	2.4	9.7							
S&P 500	5936	24.3		0.4		2.3	4.4	12.4						New Zealand - RBNZ	3.25
Nasdaq	19243	128.8		0.7		2.7	7.0	14.3							
DAX	23949	18.4		0.1		-1.1	3.7	28.7							
FTSE	8783	8.3		0.1		0.1	2.2	6.3							
Nikkei	37447	-23.9		-0.1		-0.7	1.7	-3.8						Canada - BoC	Jun 04, 2025
Hang Seng	23512	354.5		1.5		0.6	4.5	27.8						US - Fed	Jun 18, 2025
CAC	7717	-20.1		-0.3		-1.4	-0.7	-3.5						England - BoE	Jun 19, 2025
Commodities	Level						% change:						Next Meeting Date		
WTI Crude	62.74	0.22		0.4		3.0	7.6	-15.5						Euro zone - ECB	Jun 05, 2025
Natural Gas	3.71	0.02		0.4		9.2	2.2	34.6						Japan - BoJ	Jun 17, 2025
Gold	3357.08	-24.51		-0.7		-0.9	50.6	42.8						Mexico - Banxico	Jun 26, 2025
Silver	33.25	0.17		0.5		0.5	2.7	6.3						Australia - RBA	Jul 08, 2025
CRB Index	294.93	4.50		1.5		-0.6	1.6	2.0						New Zealand - RBNZ	Jul 08, 2025
Currencies	Level						% change:								
USDCAD	1.3735	0.0021		0.2		-0.5	-0.7	0.8							
EURUSD	1.1396	-0.0045		-0.4		0.6	0.7	4.5							
USDJPY	143.07	0.3600		0.3		-0.9	-0.4	-8.3							
AUDUSD	0.6457	-0.0038		-0.6		0.2	-0.2	-3.5							
GBPUSD	1.3506	-0.0038		-0.3		-0.0	1.6	5.4							
USDCHF	0.8204	0.0030		0.4		-0.8	-0.2	-8.4							

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