

DAILY POINTS

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Chart 1

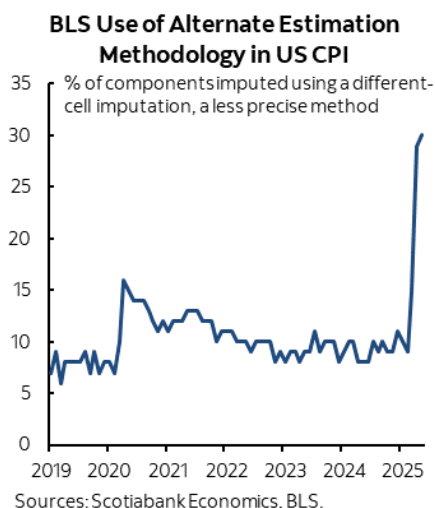
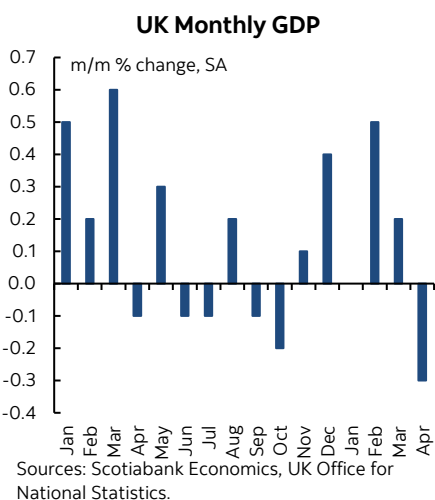


Chart 2



On Deck for Thursday, June 12

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	06-12	08:30	Initial Jobless Claims (000s)	Jun 07	230	242.0	247.0
US	06-12	08:30	Continuing Claims (000s)	May 31	1920	1910.0	1904.0
US	06-12	08:30	PPI (m/m)	May	0.3	0.2	-0.5
US	06-12	08:30	PPI ex. Food & Energy (m/m)	May	0.4	0.3	-0.4

KEY POINTS:

- **Trump drives stocks lower...**
- **...on a pledge to bring forward July 9th tariff deadline**
- **US PPI: yawn, it's all made-up data anyhow**
- **UK economy soured in April**
- **India's inflation rate ebb, but core increased**

Stocks are broadly in the red after Trump's latest tariff threat. Sovereign yields are broadly lower and so is the USD. Soft UK data isn't helping that market. There remains some focus on US inflation with PPI on tap. Boeing is down after an Air India crash.

TRUMP ESCALATES TARIFF THREATS AGAIN

Trump brought forward the July 9th tariff deadline for reciprocal tariffs to instead roughly two weeks from now when he claims he will set unilateral tariffs and send letters to various countries. Take everything he says with extreme caution given his unstable ways. The aim is likely to try to force others to negotiate where progress has been poor. I doubt it works versus inviting renewed measures by China, Europe etc.

US PPI TO FURTHER INFORM PCE ESTIMATE

It's less about the consensus expectations for total producer prices (0.2% m/m SA) and core (0.3%) and more about the components that feed into PCE calculations. That might have a marginal effect on PCE estimates in the wake of the soft CPI figures.

Nevertheless, US inflation data quality is low at the worst possible time. For a second month, the share of the CPI basket that was imputed by alternative means over harder data was 30%, triple the normal share before Trump's budget cuts hit the BLS ([here](#) and [here](#)). That's double the share at the start of the pandemic when the BLS couldn't send out its army of data gatherers (chart 1). The BLS never materially revised the inflation figures at that time which simply says you can't re-send the data gatherers back into the field to gather prior prices months later! Therefore, we're probably stuck with unreliable or highly questionable data. The effect is to compound uncertainty and this means the Fed may be even more patient. The US also updates weekly initial jobless claims (8:30amET).

UK ECONOMY STUMBLES

The UK economy stumbled with worse than expected figures for April. GDP shrank by 0.3% m/m, tripling what consensus feared (chart 2). Industrial output was down by six-tenths (-0.7% consensus) and led by a nearly 1% drop in manufacturing. Services shrank four times faster than consensus with a -0.4% drop. Construction was solid again with a 0.9% jump. Exports fell by 3.4% m/m with imports up 1%.

INDIA'S INFLATION RATE EBBS, BUT CORE INCREASED

India's inflation rate pulled back by more than expected in May. CPI was up 2.8% y/y (3.2% prior, 3% consensus) which is the weakest reading in about six years. Still, core inflation picked up to 4.3% y/y which is the highest since October 2023. Markets have little chance of a rate move at the RBI's next decision on August 6th.

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		
	3.92	3.95	3.92	3.97	4.02	3.99	4.37	4.42	4.39	4.87	4.92	4.88	Canada - BoC	2.75
	2.65	2.68	2.61	2.90	2.94	2.86	3.30	3.35	3.25	3.59	3.64	3.52	US - Fed	4.50
	1.81	1.85	1.87	2.07	2.13	2.17	2.47	2.54	2.58	2.94	3.01	3.03	US - Fed	4.50
	0.76	0.76	0.76	1.01	1.03	1.02	1.45	1.47	1.47	2.92	2.93	2.89	England - BoE	4.25
U.K.	3.88	3.91	4.01	4.00	4.04	4.13	4.50	4.55	4.62	5.21	5.28	5.33	England - BoE	4.25
Spreads vs. U.S. (bps):														
CANADA	-126	-127	-131	-108	-108	-113	-108	-107	-114	-128	-128	-136	Euro zone - ECB	2.15
GERMANY	-211	-211	-205	-190	-190	-182	-190	-189	-181	-193	-191	-185	Japan - BoJ	0.50
JAPAN	-316	-319	-316	-296	-299	-297	-292	-296	-293	-195	-199	-199	Japan - BoJ	0.50
U.K.	-3	-4	8	3	2	13	12	13	22	34	36	45	Mexico - Banxico	8.50
Equities	Level						% change:							
	Last	Change			1 Day	1-wk	1-mo	1-yr						
S&P/TSX	26524	97.8			0.4	0.7	3.9	20.8					Australia - RBA	3.85
Dow 30	42866	-1.1			-0.0	1.0	1.1	10.7					New Zealand - RBNZ	3.25
S&P 500	6022	-16.6			-0.3	0.9	3.0	11.1						
Nasdaq	19616	-99.1			-0.5	0.8	4.9	11.4						
DAX	23707	-241.8			-1.0	-2.5	0.6	27.2						
FTSE	8852	-12.6			-0.1	0.5	2.9	7.7						
Nikkei	38173	-248.1			-0.6	1.6	1.4	-1.8					Canada - BoC	Jul 30, 2025
Hang Seng	24035	-331.6			-1.4	0.5	2.1	34.0					US - Fed	Jun 18, 2025
CAC	7723	-52.6			-0.7	-0.9	-1.6	-1.8					England - BoE	Jun 19, 2025
Commodities	Level						% change:							
WTI Crude	67.15	-1.00			-1.5	6.0	8.4	-14.5					England - BoE	Jun 19, 2025
Natural Gas	3.62	0.11			3.2	-1.6	-0.7	18.9					Euro zone - ECB	Jul 24, 2025
Gold	3385.90	30.78			0.9	-0.9	51.8	45.6					Euro zone - ECB	Jul 24, 2025
Silver	36.20	-0.56			-1.5	5.4	11.3	23.8					Japan - BoJ	Jun 17, 2025
CRB Index	303.09	3.75			1.3	2.2	2.6	2.7					Japan - BoJ	Jun 17, 2025
Currencies	Level						% change:							
USDCAD	1.3630	-0.0042			-0.3	-0.3	-2.5	-0.7					Mexico - Banxico	Jun 26, 2025
EURUSD	1.1605	0.0118			1.0	1.4	4.7	7.4					Australia - RBA	Jul 08, 2025
USDJPY	143.45	-1.1100			-0.8	-0.1	-3.4	-8.5					Australia - RBA	Jul 08, 2025
AUDUSD	0.6517	0.0016			0.2	0.2	2.3	-2.2					New Zealand - RBNZ	Jul 08, 2025
GBPUSD	1.3595	0.0048			0.4	0.2	3.2	6.2						
USDCHF	0.8117	-0.0086			-1.0	-1.0	-4.0	-9.2						

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