

DAILY POINTS

July 15, 2025 @ 7:10 EST

Contributors

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Chart 1

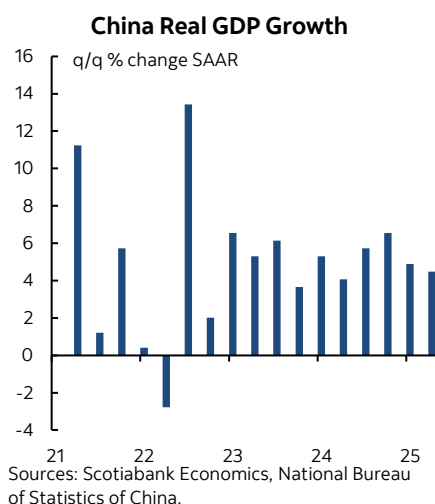
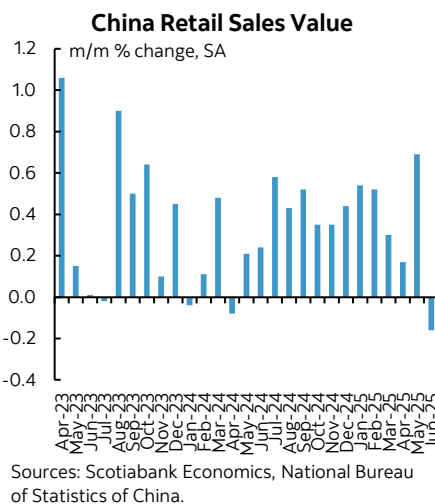


Chart 2



On Deck for Tuesday, July 15

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	07-15	08:15	Housing Starts (000s a.r.)	Jun	250	262.5	279.5
CA	07-15	08:30	Core CPI - Median (y/y)	Jun	--	3.0	3.0
CA	07-15	08:30	Core CPI - Trim (y/y)	Jun	--	3.0	3.0
CA	07-15	08:30	CPI, All items (m/m)	Jun	0.2	0.1	0.6
CA	07-15	08:30	CPI, All items (y/y)	Jun	2.0	1.9	1.7
CA	07-15	08:30	CPI, All items (index)	Jun	--	164.3	164.3
CA	07-15	08:30	Manufacturing Shipments (m/m)	May	-1.5	-1.3	-2.8
US	07-15	08:30	CPI (m/m)	Jun	0.2	0.3	0.1
US	07-15	08:30	CPI (y/y)	Jun	2.6	2.6	2.4
US	07-15	08:30	CPI (index)	Jun	--	322.5	321.5
US	07-15	08:30	CPI ex. Food & Energy (m/m)	Jun	0.3	0.3	0.1
US	07-15	08:30	CPI ex. Food & Energy (y/y)	Jun	3.0	2.9	2.8
US	07-15	08:30	Empire State Manufacturing Index	Jul	--	-9.2	-16.0
CA	07-15	08:30	Core CPI - Common (y/y)	Jun	--	--	2.6
CA	07-15	08:30	CPI SA, All items (m/m)	Jun	--	--	0.2
CA	07-15	09:00	Existing Home Sales (m/m)	Jun	--	4.0	3.6
US	07-15	09:15	Fed's Bowman Gives Welcoming Remarks				
US	07-15	12:45	Fed's Barr Speaks on Financial Inclusion				
US	07-15	13:00	Fed's Barkin Gives Speech in Baltimore				
US	07-15	14:45	Fed's Collins Delivers Closing Keynote at NABE Event				
US	07-15	19:45	Fed's Logan Speaks on the Economy				

KEY POINTS:

- Markets face a deluge of new information today
- China's economy put in a mixed performance
- US CPI won't settle anything for the Fed
- Ditto for Canadian CPI and the BoC
- Several Fed officials to react to CPI
- US bank earnings are beating so far
- The Attack of the Killer Tomatoes
- US copper tariffs aren't good for anyone including the US industry
- Trump is wrong on the US relative global standing on tariffs, NTBs, subsidies

Markets face a lot of information to digest into the N.A. session and so current market positioning means little. For what little it's worth, there is a mildly constructive tone across risk assets with equities more in the green than red across global benchmarks, the dollar

Chart 3

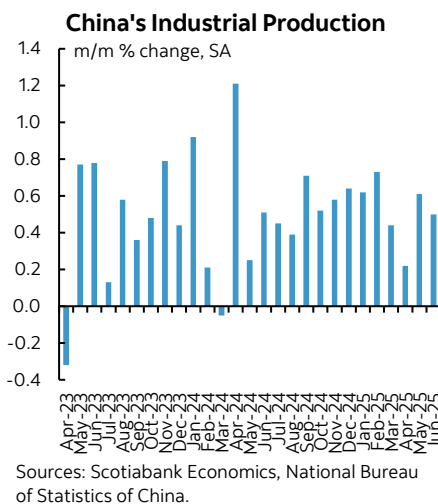
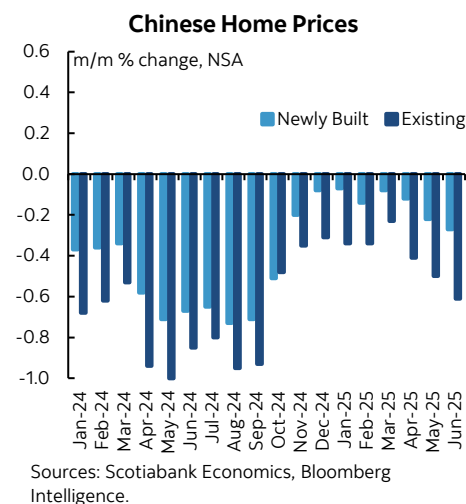


Chart 4



July 15, 2025

broadly softer against major crosses, and sovereign bond yields under mild downward pressure. Overnight developments took down mixed data on China's economy. We'll get US CPI, Canadian CPI, US bank earnings and Fed-speak today.

MIXED READINGS ON CHINA'S ECONOMY

China's economy put in somewhat of a mixed performance. Q2 GDP beat (1.1% q/q SA, 0.9% consensus) with consumer spending and net exports driving much of it (chart 1). Most economists expect growth to slow as export contributions wane once front-loading gives way to more of a bite from tariffs.

Other readings conflicted with one another (charts 2, 3, 4). Retail sales missed (4.8% y/y, 5.3% consensus) as sales fell -0.16% m/m SA. Industrial output beat (6.8% y/y, 5.6% consensus) and grew by 0.5% m/m SA, the jobless rate was on the screws at 5%, and fixed investment grew slower than expected. New and used home prices continue to fall.

FOUR MAIN DEVELOPMENTS INTO THE N.A. SESSION

A jam-packed session lies ahead that will primarily focus on the following four things:

1. US bank earnings reports are arriving in the pre-market. BlackRock smashed expectations with EPS of US\$12.05 (consensus (\$10.87) and bigger AUM than estimated but slightly missed on revenues. JP Morgan Chase beat expectations with adjusted EPS of US\$4.96 (consensus \$4.97) and stronger than expected revenues. BoNYM also beat on EPS and revenues. Citigroup (8amET), State Street (7:30amET) and Wells Fargo (7amET) are also due out.

2. US CPI follows (8:30amET), though one report is unlikely to settle much of anything for the Fed. Scotia's estimates are 0.2% m/m for headline and 0.3% for core. The BLS has warned that the estimated share of the CPI basket may rise again this time due to budget cuts (chart 5). Tariff effects will take months, quarters, if not years to fully show up and so whatever happens, nothing will be settled by this set of readings. See my Global Week Ahead [here](#) for a fuller preview.

3. Canadian CPI arrives at the same time as the US figures (8:30amET). Scotia's estimate is 0.2% m/m NSA for headline and I wouldn't be surprised to see a softer m/m SAAR set of core readings. After 83k jobs created in June plus no clarity on fiscal and trade policy, these CPI figures on their own will settle nothing for the BoC. Again, see my Global Week Ahead for a fuller preview ([here](#)).

4. Fed reactions to CPI may follow with several officials set to speak in varying capacities. Governor Bowman (9:15amET), Governor Barr (12:45pmET), Richmond President Barkin (1pmET), Boston President Collins (2:45pmET) and Dallas President Logan (7:45pmET) are scheduled to speak and there may be other impromptu remarks from others.

Other minor gauges will include the US Empire manufacturing report (8:30amET) that will get lost behind CPI, plus Canadian existing home sales for June (9amET) and manufacturing sales that probably fell based on advance Statcan guidance (8:30amET). Peru will release its unemployment rate for June (11amET) and May's monthly economic activity GDP proxy (11amET). Colombia will refresh retail sales (11amET).

TWISTED LOGIC ON COPPER TARIFFS

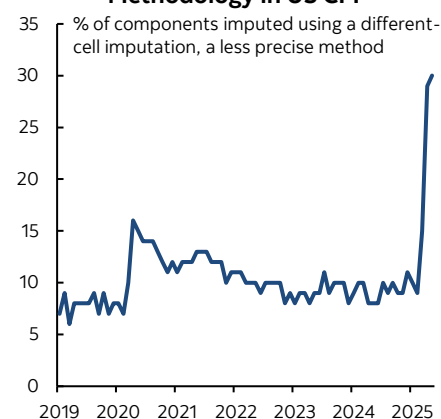
Get [this](#) for twisted self-serving logic. The author says copper tariffs are necessary mainly because of the widening COMEX-LME spread that has appeared since February (chart 6) which has encouraged taking cheap copper abroad and selling it in the US at the higher domestic price.

Lost on the author is that a major reason for the fact this spread has soared since then was the expected lead-up to the launch of a protectionist inquiry by Trump in February and the tariffs he has announced since then. The spread soared again this month following Trump's 50% copper tariff announcement.

And what's wrong with cheaper copper anyway, after many prior years in which Chinese demand drove it through the roof, adding to costs in various industries from construction to electronics.

Chart 5

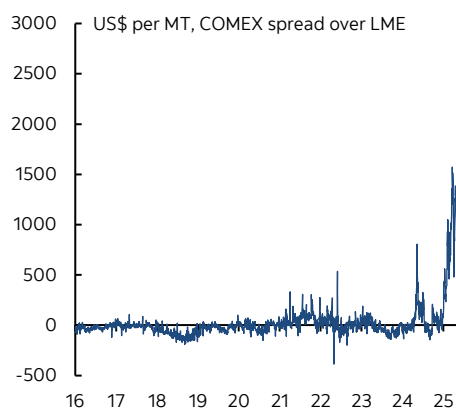
BLS Use of Alternate Estimation Methodology in US CPI



Sources: Scotiabank Economics, BLS.

Chart 6

Copper Prices Spread



Sources: Scotiabank Economics, Bloomberg.

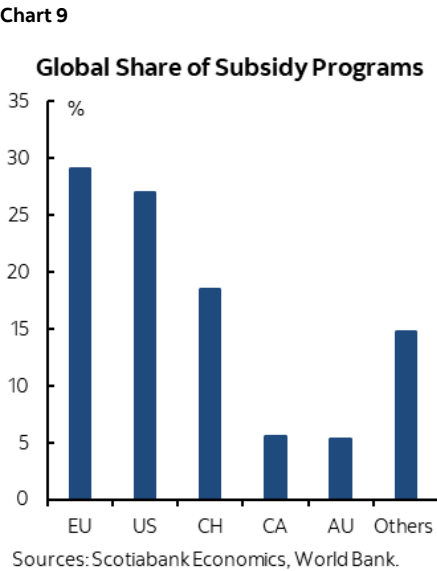
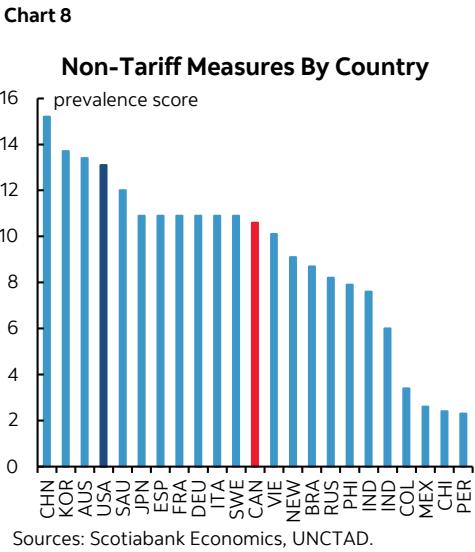
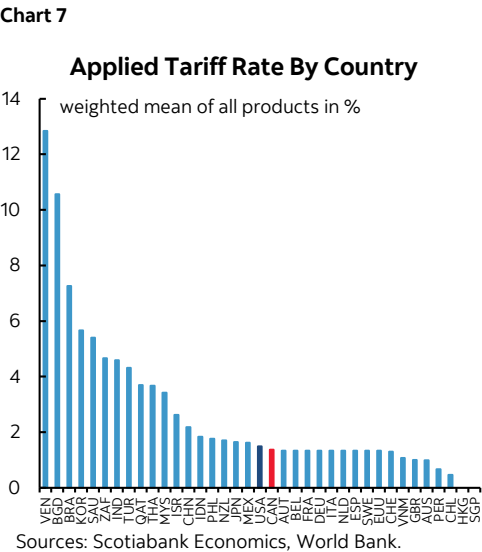
The last thing America needs is a tariff wall behind which producers can jack up prices and become less efficient. I can't see that as good for the industry in the long run, or the broader economy.

THE INVASION OF THE KILLER TOMATOES & AMERICA'S STANDING ON PROTECTIONIST POLICIES

Remember the bad 1970s movie? They're back. Tomatoes, from Mexico, are apparently a severe national security threat to the United States. Hence 17% tariffs announced by the Trump administration last evening.

On a somewhat more serious note, the US is messing with general price signals and relative price signals. Whether metals, or individual vegetables, or autos, or other sector-specific tariffs, Uncle Sam is massively distorting relative incentives to spend and invest.

And it's all based on the false MAGA narrative that the rest of the world is ripping off the US behind protectionist walls. I've made these points many times and repeat charts 7–9. US tariff rates are lower than many developing economies, but not materially different from Canada's, Mexico's, most of Europe and Australia etc and this is lagging data that doesn't incorporate US tariff measures this year which would probably vault the US to the top of the list with the world's highest tariff rates. US non-tariff measures are also not materially different from most other developed economies and if anything are more prevalent in the US and becoming more prevalent in light of this year's measures. US subsidies are rivalled only by Europe's and include a very lengthy list of massive subsidy programs like the Farm Bill, auto subsidies by southern and Midwest states, chips subsidies, other subsidies to tech firms, subsidies to aerospace firms, subsidies and preferential procurement programs for defence cos, bail-outs aplenty including the biggest in the GFC, arguably distorting Fed QE policies, etc etc etc. Some Americans subscribe to a false narrative that says their economy is free and open and lacking protectionist distortions that are prevalent elsewhere.



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		
	3.91	3.90	3.89	3.99	3.99	3.97	4.43	4.44	4.40	4.96	4.98	4.93	Canada - BoC	2.75
	2.77	2.76	2.70	3.05	3.05	2.97	3.51	3.52	3.43	3.83	3.83	3.73	US - Fed	4.50
	1.88	1.88	1.87	2.24	2.28	2.25	2.68	2.73	2.69	3.20	3.25	3.17	England - BoE	4.25
	0.78	0.78	0.74	1.08	1.08	0.99	1.58	1.58	1.50	3.16	3.17	3.07		
	3.81	3.81	3.87	4.00	4.02	4.04	4.57	4.60	4.63	5.40	5.43	5.45		
	Spreads vs. U.S. (bps):													
	-115	-114	-119	-94	-94	-100	-91	-92	-97	-113	-115	-120	Euro zone - ECB	2.15
	-204	-202	-202	-175	-171	-172	-174	-171	-171	-176	-173	-175	Japan - BoJ	0.50
-313	-312	-315	-291	-291	-298	-284	-285	-290	-180	-181	-186			
-10	-9	-2	1	3	7	15	16	23	44	45	53			
Equities	Level						% change:						Mexico - Banxico	8.00
	Last	Change					1 Day	1-wk	1-mo	1-yr				
S&P/TSX	27199	175.6					0.6	0.7	2.6	19.5	Australia - RBA	3.85		
Dow 30	44460	88.1					0.2	0.1	5.4	10.6				
S&P 500	6269	8.8					0.1	0.6	4.9	11.3	New Zealand - RBNZ	3.25		
Nasdaq	20640	54.8					0.3	1.1	6.4	11.7				
DAX	24203	42.1					0.2	-0.0	2.9	30.2				
FTSE	8992	-5.8					-0.1	1.6	1.6	9.9				
Nikkei	39678	218.4					0.6	-0.0	4.9	-3.7	Canada - BoC	Jul 30, 2025		
Hang Seng	24590	386.8					1.6	1.8	2.9	36.5				
CAC	7815	6.5					0.1	0.6	1.7	2.4	US - Fed	Jul 30, 2025		
Commodities	Level						% change:							
WTI Crude	66.70	-0.28					-0.4	-2.4	-8.6	-18.6	England - BoE	Aug 07, 2025		
Natural Gas	3.41	-0.06					-1.6	2.1	-4.8	58.0				
Gold	3360.75	17.24					0.5	1.8	-2.1	38.7	Euro zone - ECB	Jul 24, 2025		
Silver	39.00	1.50					4.0	7.6	8.1	26.9				
CRB Index	303.39	-0.13					-0.0	1.4	-2.1	4.5	Japan - BoJ	Jul 31, 2025		
Currencies	Level						% change:							
USDCAD	1.3684	-0.0021					-0.2	0.2	0.8	0.0	Mexico - Banxico	Aug 07, 2025		
EURUSD	1.1677	0.0013					0.1	-0.4	1.0	7.2				
USDJPY	147.83	0.1100					0.1	0.9	2.1	-6.5	Australia - RBA	Aug 12, 2025		
AUDUSD	0.6565	0.0020					0.3	0.5	0.6	-2.9				
GBPUSD	1.3451	0.0024					0.2	-1.0	-0.9	3.7	New Zealand - RBNZ	Aug 19, 2025		
USDCHF	0.7965	-0.0014					-0.2	0.1	-2.1	-11.1				

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