

### DAILY POINTS

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Chart 1

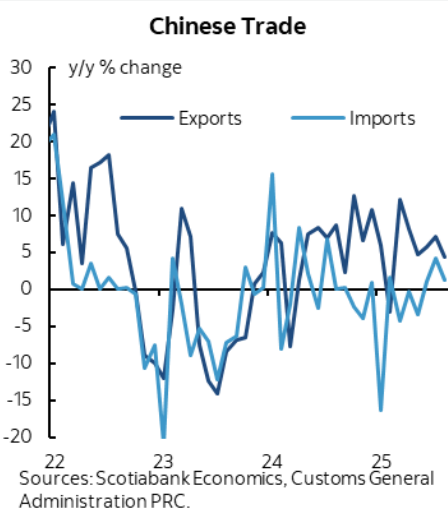
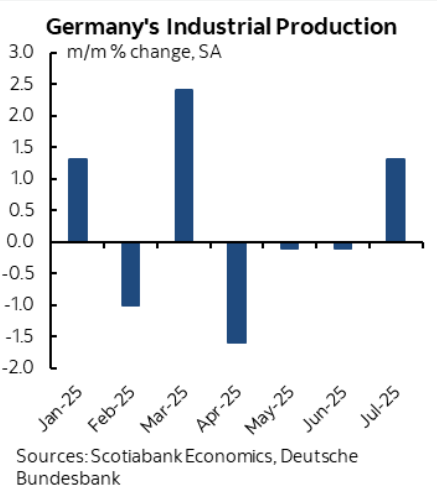


Chart 2



#### On Deck for Monday, September 8

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	09-08	15:00	Consumer Credit (US\$ bn m/m)	Jul	--	10.2	7.4

#### KEY POINTS:

- Risk appetite holding firm as political risk takes center stage
- Japan needs another PM; what else is new
- France's PM is probably gone by this afternoon
- Japanese GDP revised up on consumption
- Germany's economy was still keeping it together in July
- Chinese export growth softened in August
- Quiet N.A. calendar
- Global Week Ahead—Will Inflation Cooperate (reminder [here](#))

PMs are on the run this morning as politics continues to hang over markets. The yen is starting the week as the weakest cross to the dollar, but the Nikkei rallied by 1½% but also partly as catch up post-nonfarm. Eyes are on France's confidence vote this afternoon with European equities broadly higher and France spreads over bunds a little tighter. Overnight releases were pluses for Germany and Japan, but not China. There is nothing on tap into the N.A. session. Gold is up another \$30/oz to \$3,617.

Japan's Prime Minister Ishiba resigned over the weekend. There have been 39 prime ministers since the end of WWII; just as you memorize the name of one, in comes another. The average tenure is about two years. Ishiba was a weak PM. His LDP party's ruling coalition was trounced in both lower and upper house elections. Ishiba negotiated a weak trade deal for Japan with the US. Divisions within the LDP didn't help either.

France's Prime Minister is likely to be given the boot this afternoon. The results of a confidence vote that he called are expected to be available by 2–3pmET (8–9pm Paris). The issue centers around reforming France's public finances that are a mess. On the assumption that Francois Bayrou loses his own vote, either a new PM will be appointed by President Macron or Macron will dissolve the lower house and call elections. Macron has refused to resign. A new PM is the more likely scenario, but left hanging will be ongoing uncertainty over France's fiscal position.

Chinese export growth softened in August. On a month-over-month seasonally unadjusted basis they landed at -0.1% in yuan terms and +0.1% in USD terms, both of which were weaker than a typical month of August except for the pandemic. That dragged the year-over-year growth rates down to 4.8% (8% prior) and 4.4% (7.2% prior) in yuan and USD terms respectively. Chart 1 shows exports and imports in USD.

Japanese Q2 GDP was revised up to 2.2% q/q SAAR from 1.0%. Consumption was revised higher and the inventory drag was revised away while exports were left unchanged but business spending was revised lower.

German exports fell -0.6% m/m SA in July (+0.1% consensus) partly because of upward revisions to June (1.1% m/m from 0.8%). Imports were little changed (-0.1% m/m) after a strong 4.1% m/m prior gain.

By contrast, German industrial output strongly beat expectations in July. It was up 1.3% m/m (1.0% consensus) but was revised up to nearly flat (-0.1%) from a previously estimated plunge of -1.9%. Still, it's only the first solid month since March (chart 2).

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	Canada - BoC	2.75	
	3.50	3.51	3.62	3.58	3.58	3.70	4.08	4.08	4.23	4.77	4.76	4.93			
	2.54	2.62	2.64	2.82	2.89	2.93	3.27	3.35	3.37	3.74	3.81	3.82	US - Fed	4.50	
	1.93	1.93	1.96	2.22	2.22	2.28	2.67	2.66	2.75	3.30	3.30	3.36			
	0.83	0.84	0.89	1.10	1.12	1.17	1.57	1.58	1.63	3.28	3.25	3.20	England - BoE	4.00	
	3.93	3.91	3.97	4.06	4.05	4.13	4.66	4.65	4.75	5.52	5.50	5.64			
	Spreads vs. U.S. (bps):												Euro zone - ECB	2.15	
	-96	-89	-98	-76	-69	-77	-81	-73	-86	-103	-95	-111			
	-157	-158	-166	-136	-136	-142	-142	-141	-148	-147	-146	-157			Japan - BoJ
-267	-267	-273	-248	-247	-252	-251	-250	-260	-149	-151	-173				
43	40	35	48	47	44	58	57	52	74	74	71	Mexico - Banxico	7.75		
Equities	Level						% change:						Australia - RBA	3.60	
	Last	Change				1 Day	1-wk	1-mo	1-yr	New Zealand - RBNZ	3.00				
S&P/TSX	29051	134.7				0.5	2.2	4.7	27.5						
Dow 30	45401	-220.4				-0.5	-0.5	2.8	12.5						
S&P 500	6482	-20.6				-0.3	-0.3	1.4	19.8						
Nasdaq	21700	-7.3				-0.0	-0.0	1.2	30.0						
DAX	23767	170.2				0.7	-1.1	-1.6	29.9						
FTSE	9223	14.6				0.2	0.3	1.4	12.7						
Nikkei	43644	625.1				1.5	3.4	4.4	19.9						
Hang Seng	25634	215.9				0.8	0.1	3.1	46.9						
CAC	7713	38.4				0.5	0.1	-0.4	4.9						
Commodities	Level						% change:						Canada - BoC	Sep 17, 2025	
WTI Crude	63.11	1.24				2.0	-1.4	-1.2	-6.7	England - BoE	Sep 18, 2025				
Natural Gas	3.14	0.09				3.1	4.8	5.1	38.1						
Gold	3614.82	28.13				0.8	4.0	6.4	44.7			Euro zone - ECB			Sep 11, 2025
Silver	40.75	-0.22				-0.5	5.0	9.1	41.9						
CRB Index	297.77	-2.58				-0.9	-1.3	1.3	11.6						
Currencies	Level						% change:								
USDCAD	1.3807	-0.0023				-0.2	0.4	0.3	1.8	Mexico - Banxico	Sep 25, 2025				
EURUSD	1.1728	0.0011				0.1	0.1	0.7	6.3	Australia - RBA	Sep 30, 2025				
USDJPY	147.84	0.4100				0.3	0.4	0.1	3.3	New Zealand - RBNZ	Oct 07, 2025				
AUDUSD	0.6587	0.0030				0.5	0.5	1.0	-1.1						
GBPUSD	1.3526	0.0017				0.1	-0.1	0.6	3.5						
USDCHF	0.7954	-0.0026				-0.3	-0.6	-1.6	-6.3						

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