

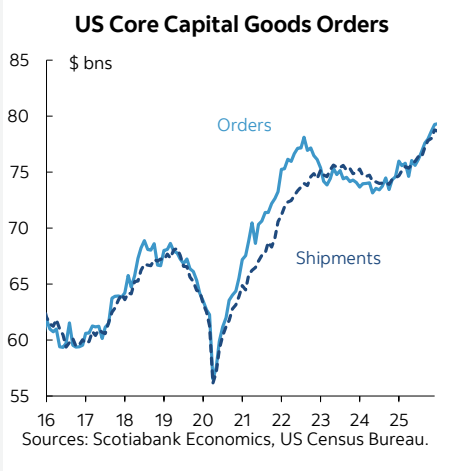
Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	04-07	08:30	Durable Goods Orders (m/m)	Feb P	-1.5	-1.2	0.0
US	04-07	08:30	Durable Goods Orders ex. Trans. (m/m)	Feb P	0.4	0.5	0.4
US	04-07	08:30	Fed's Williams Appears on Bloomberg Television				
US	04-07	12:35	Fed's Goolsbee Speaks on Monetary Policy				
US	04-07	13:45	Fed's Goolsbee Speaks in Radio Interview				
US	04-07	15:00	Consumer Credit (US\$ bn m/m)	Feb	--	10.3	8.1
US	04-07	17:50	Fed's Jefferson Speaks on Economic Outlook				

Contributors

Derek Holt

VP & Head of Capital Markets Economics
 Scotiabank Economics
 416.863.7707
derek.holt@scotiabank.com

Chart 1



KEY POINTS:

- **Global markets don't really believe Trump's threats...**
- **...but Iran seems to**
- **US core durable goods orders are likely to remain strong on data centers and metals**
- **Small test markets show little inflation in early war readings**

Tick, tick, tick, tick.....

That's the sound of 12amET tonight approaching. Markets may be on tenterhooks until then to see if either side blinks before Trump's threat to escalate by bombing civilian infrastructure in Iran possibly becomes reality.

The pattern is for Trump to repeatedly back down, but we'll see. He also says it will be a four-hour window of decimation, but we'll see on that as well.

This doubt is probably why markets are not really showing that much concern at this point. Oil prices are volatile but little changed. Equities were rallying in Europe as they caught up from a four-day weekend and to developments such as nonfarm payrolls, but have since lost most of the early morning gain while NA equity futures are a touch lower. The USD is little changed. Sovereign bond yields have a mild cheapening bias across major global benchmarks.

Iran, however, is showing all signs of fully expecting a bombardment with no appetite for negotiations. Iran ordered train service to be cancelled across multiple major cities this morning. Both sides kept attacking each other overnight.

Inflation Undershoots in Small Markets on War's First Effects

At the same time, we have evidence of very soft inflation during March despite the war's effects but from two small markets. Sweden's krona is the worst currency performer among the majors and semi-majors this morning after CPI surprised lower than expected. CPI fell -0.6% m/m NSA (0% consensus) with underlying CPI matching. That dragged the yearly rate down to just 0.6% y/y which bolstered the case for the Riksbank to remain on hold, for now.

Thailand's March CPI reading also fell shy of expectations at 0.6% m/m (0.9) consensus) with core CPI up 0.6% m/m like the prior month.

US Core Durable Goods Orders Likely Remained Strong

US durable goods orders for February (8:30amET) will probably be faded as backward looking in the current war context. Maybe they shouldn't be. A significant headline drop is expected due to lower transportation orders but core orders excluding defence and transportation are expected to keep rising. Core orders have been accelerating over the past two years (chart 1) as orders for computers and electrical equipment continue to soar likely due to the AI and data center spending boom. Primary and fabricated metal orders are also strong and partially driven by higher prices due to tariffs.

The rest of the line-up is pretty dull. The US releases the weekly ADP private payrolls report (8:15amET) and Canada updates the little watched Ivey PMI for March (10amET) that mashes so many things together from the private and public sectors that you never can tell what's driving it.

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.	3.86	3.85	3.80	3.99	3.98	3.94	4.34	4.33	4.32	4.90	4.89	4.91	Canada - BoC	2.25	
CANADA	2.85	2.83	2.82	3.12	3.09	3.09	3.49	3.46	3.47	3.91	3.88	3.89	US - Fed	3.75	
GERMANY	2.67	2.62	2.62	2.77	2.71	2.73	3.03	2.99	3.00	3.49	3.47	3.46	England - BoE	3.75	
JAPAN	1.39	1.40	1.35	1.81	1.82	1.78	2.42	2.42	2.35	3.76	3.76	3.71			
U.K.	4.36	4.32	4.41	4.42	4.38	4.47	4.87	4.83	4.92	5.48	5.46	5.52			
	Spreads vs. U.S. (bps):														
CANADA	-101	-103	-97	-87	-89	-85	-85	-87	-85	-100	-101	-102	Euro zone - ECB	2.15	
GERMANY	-119	-123	-118	-123	-128	-122	-131	-134	-131	-141	-142	-146	Japan - BoJ	0.75	
JAPAN	-247	-245	-244	-218	-216	-217	-193	-191	-196	-114	-113	-120			
U.K.	51	47	61	43	40	52	52	50	60	58	57	61	Mexico - Banxico	6.75	
Equities	Level						% change:								
	Last		Change		1 Day		1-wk		1-mo		1-yr				
S&P/TSX	33182		73.8		0.2		3.8		0.3		45.2		Australia - RBA		4.10
Dow 30	46670		165.2		0.4		3.3		-1.8		22.9		New Zealand - RBNZ		2.25
S&P 500	6612		29.1		0.4		3.8		-1.9		30.6				
Nasdaq	21996		117.2		0.5		5.0		-1.7		41.0				
DAX	23152		-16.5		-0.1		3.8		-1.9		17.0				
FTSE	10432		-4.4		-0.0		4.7		1.4		35.4				
Nikkei	53430		15.9		0.0		4.6		-3.9		71.6		Canada - BoC		Apr 29, 2026
Hang Seng	25117		-177.5		-0.7		1.0		-2.5		24.8		US - Fed		Apr 29, 2026
CAC	8004		42.0		0.5		3.9		0.1		15.6				
Commodities	Level						% change:								
WTI Crude	114.69		2.28		2.0		13.1		26.2		88.9		England - BoE		Apr 30, 2026
Natural Gas	2.81		-0.00		-0.0		-2.6		-11.8		-23.1		Euro zone - ECB		Apr 30, 2026
Gold	4642.05		-7.80		-0.2		-0.6		-9.7		55.6		Japan - BoJ		Apr 28, 2026
Silver	70.99		-3.88		-5.2		5.5		-25.0		109.6				
CRB Index	382.46		1.44		0.4		3.7		8.6		35.1				
Currencies	Level						% change:								
USDCAD	1.3921		0.0010		0.1		0.0		2.5		-2.3		Mexico - Banxico		May 07, 2026
EURUSD	1.1552		0.0011		0.1		-0.0		-0.7		5.9		Australia - RBA		May 05, 2026
USDJPY	159.82		0.1400		0.1		0.7		1.4		8.1		New Zealand - RBNZ		Apr 07, 2026
AUDUSD	0.6929		0.0011		0.2		0.4		-2.1		15.8				
GBPUSD	1.3242		0.0007		0.1		0.1		-1.5		4.1				
USDCHF	0.7998		0.0017		0.2		0.0		2.9		-6.9				

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