

Contributors

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On Deck for Thursday, April 9<sup>th</sup>

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	04-09	08:30	GDP (q/q a.r.)	4Q F	0.7	0.7	0.7
US	04-09	08:30	GDP Deflator (q/q a.r.)	4Q F	--	3.8	3.8
US	04-09	08:30	Initial Jobless Claims (000s)	Apr 04	205	210.0	202.0
US	04-09	08:30	Continuing Claims (000s)	Mar 28	1850	1829.0	1841.0
US	04-09	08:30	PCE Deflator (m/m)	Feb	0.4	0.4	0.3
US	04-09	08:30	PCE Deflator (y/y)	Feb	2.8	2.8	2.8
US	04-09	08:30	PCE ex. Food & Energy (m/m)	Feb	0.3	0.4	0.4
US	04-09	08:30	PCE ex. Food & Energy (y/y)	Feb	2.8	3.0	3.1
US	04-09	08:30	Personal Spending (m/m)	Feb	0.6	0.6	0.4
US	04-09	08:30	Personal Income (m/m)	Feb	0.3	0.3	0.4
US	04-09	10:00	Wholesale Inventories (m/m)	Feb F	--	-0.2	-0.5

KEY POINTS:

- **Global markets had their fun, return to reality today**
- **Here's the evidence behind how the fragile ceasefire is already in tatters**
- **US releases income, spending, PCE and GDP revisions**
- **Mexican CPI to jump ahead of Banxico minutes**
- **BCRP expected to stay on hold**
- **Germany's mixed readings**

Markets had their fun yesterday. Today it's back to reality. Position covering drove exaggerated market responses to the fragile US-Iran ceasefire yesterday. It was only a matter of hours before doubts crept back into markets.

Oil is up about US\$4-5/barrel. Stocks are broadly but gently lower with N.A. futures down about ¼%, European cash markets down by -¼% to 1¼% after Asian equities backpedalled. Currencies are mixed. Sovereign bond yields are higher by single digits across gilts and EGBs as US Ts and Canadian govies hold firm.

**A Fragile Truce Became Imperilled Only Hours After Agreement**

What doubts are driving these market moves? Maybe pour another coffee, the list is long.

Iran's Speaker of its Parliament declared the ceasefire over in yesterday's [post](#) just hours after it began. Iran insists upon the right to enrich uranium as indicated by the Speaker's remark and by comments by the head of the Atomic Energy Organization of Iran. Trump delivered another high schoolish [post](#). Israel keeps bombarding Lebanon and Israeli PM Netanyahu insists upon the right to continue hitting Hezbollah which violates one of Iran's demands even if that's a.o.k. in the minds of others. US VP Vance declared Lebanon isn't part of the agreement. The Strait of Hormuz isn't unblocked as of yet as ship captains say 'you first' to each other amid reports the Strait has been mined. Iran reportedly approached Russia about restarting nuclear research. Trump whined about NATO again, repeating his line it's never there for the US despite having been there after 9/11 and fighting side by side in Afghanistan, despite the fact Article 25 wasn't triggered this time, and despite the argument that NATO isn't designed to behave like groupies on a hegemon's world tour with next feared stops being Greenland, Cuba, Canada, etc, and despite the lost goodwill with allies on multiple counts.

Well, there you go, it's all going just peachily. If you want evidence of next moves, then once again, watch Polymarket for the corrupt actions of insiders as per yesterday's fresh evidence while regulators drag their heels on what to do about it.

All the while Russia lurks in the background. It has been an agitator during the conflict. Putin's economy is driven by war and oil with the latter funding the former and therefore

anything that keeps oil prices high but without causing a global recession is likely very desirable to him. Putin's whole modus operandi is to destabilize the west, NATO, the US economy and political system etc. I don't really think Iran has fundamental interest in peace, nor does Israel, and all it takes is a false flag planted by Putin to blow it all open again while Trump treats him as a trusted friend for reasons we may never know.

**US Macro Readings on Tap**

Stale data is very likely to play a backseat role to developments in the Iran war. Data might marginally matter by tomorrow when we get US CPI for March as a first indication of the war's effects and Canadian jobs for March.

On tap into the N.A. session will be several US readings all at 8:30amET.

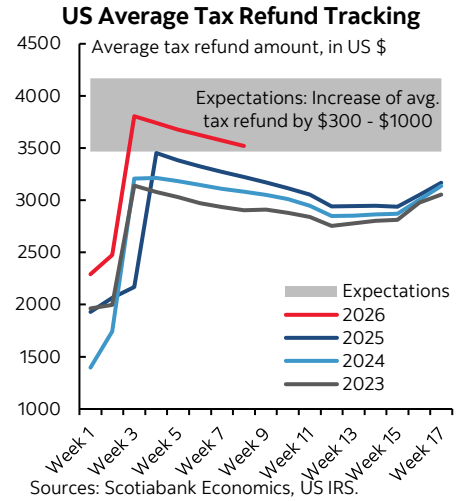
- US personal income (February): A decent gain of 0.3% m/m is expected. Being February, there won't be much effect from tax refunds that continue to track at the low end of the range of expectations (chart 1). The figures will also aid our ability to update Q1 tracking of income growth after the US economy posted zero income growth in Q3 and Q4 (chart 2) while nonfarm payrolls ex-health trended lower.
- US personal spending (February): Spending probably surged given that we already know that the retail sales control group that feeds into the report was up 0.5% m/m and that spending on services probably offered an additional boost.
- US PCE (February): I went with a rise of 0.4% m/m for headline inflation and 0.3% for core PCE inflation ex-food and energy. Markets will likely fade it as pre-war nostalgia. Still, it remains valid to observe that the US had not licked its inflation problem before the war (chart 3) and that the war only compounds the challenges.
- US weekly initial/continuing claims are likely to continue to be reasonably well behaved into the start of April.
- US Q4 GDP-r 3rd estimate: No change to the prior weak estimate of 0.7% q/q SAAR is expected but the risk is focused upon translating the quarterly services spending report from the Census Bureau into what it means for services GDP.
- US Q4 core PCE 3rd estimate: No change is expected to the prior 2.7% q/q SAAR estimate and if you think February PCE is stale on arrival then this one has that beat.

**Other Data**

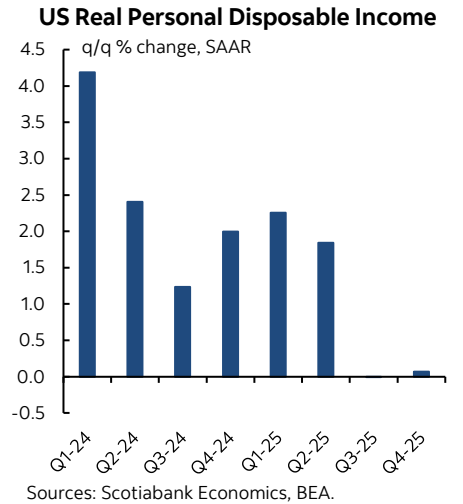
German data was mixed as exports soared in February (3.6% m/m, consensus 1.3%) after upward revisions, and industrial production whiffed (-0.3% m/m, consensus 0.7%) albeit largely due to upward revisions. Spanish factories also disappointed (-0.1% m/m, consensus +0.2%) with negative revisions.

LatAm markets will get a couple of things to consider today. Mexican CPI (8amET) is expected to spike in the early read on the war's effects on prices during March. Minutes to Banxico's meeting that led to the controversial 25bps cut on March 26<sup>th</sup> will be released at 11amET. Then Peru's central bank is widely expected to stay on hold at 4.25% this evening (7pmET).

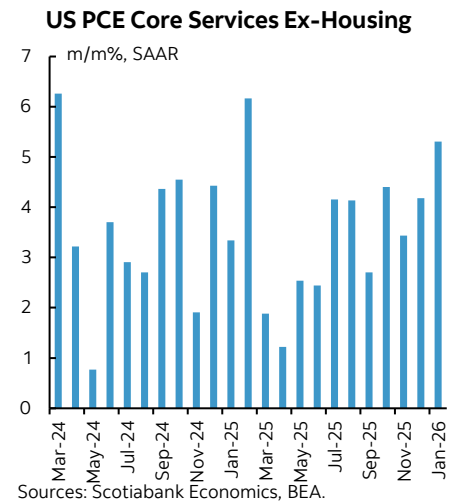
**Chart 1**



**Chart 2**



**Chart 3**



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.	3.78	3.79	3.80	3.91	3.92	3.95	4.28	4.29	4.31	4.88	4.88	4.88	Canada - BoC	2.25		
CANADA	2.80	2.80	2.81	3.07	3.08	3.08	3.45	3.46	3.48	3.89	3.90	3.91	US - Fed	3.75		
GERMANY	2.55	2.49	2.62	2.68	2.64	2.71	2.99	2.94	2.99	3.50	3.47	3.47	England - BoE	3.75		
JAPAN	1.39	1.39	1.39	1.80	1.79	1.81	2.39	2.37	2.39	3.62	3.62	3.69	Euro zone - ECB	2.15		
U.K.	4.23	4.17	4.32	4.32	4.26	4.38	4.77	4.71	4.83	5.42	5.35	5.46	Japan - BoJ	0.75		
	Spreads vs. U.S. (bps):															
CANADA	-98	-99	-99	-84	-85	-86	-83	-83	-83	-99	-99	-97	Mexico - Banxico	6.75		
GERMANY	-124	-130	-118	-123	-129	-124	-130	-135	-131	-138	-142	-141	Australia - RBA	4.10		
JAPAN	-239	-240	-241	-211	-213	-214	-189	-193	-192	-125	-127	-119	New Zealand - RBNZ	2.25		
U.K.	45	38	52	40	33	43	49	42	53	54	47	58				
Equities	Level						% change:						Next Meeting Date			
	Last	Change		1 Day	1-wk	1-mo	1-yr									
S&P/TSX	33621	383.1		1.2	2.6	1.3	41.7							Canada - BoC	Apr 29, 2026	
Dow 30	47910	1325.5		2.8	3.4	0.4	18.0							US - Fed	Apr 29, 2026	
S&P 500	6783	166.0		2.5	3.9	-0.2	24.3							England - BoE	Apr 30, 2026	
Nasdaq	22635	617.1		2.8	4.8	-0.3	32.2							Euro zone - ECB	Apr 30, 2026	
DAX	23769	-312.0		-1.3	4.8	1.5	20.8							Japan - BoJ	Apr 28, 2026	
FTSE	10575	-34.3		-0.3	3.9	3.2	37.7									
Nikkei	55895	-413.1		-0.7	6.5	6.0	76.2									
Hang Seng	25752	-140.6		-0.5	4.0	1.4	27.1									
CAC	8187	-76.9		-0.9	4.7	3.4	19.3									
Commodities	Level						% change:									
	Level		Change		1 Day	1-wk	1-mo	1-yr								
WTI Crude	99.27		4.86		5.1	-11.0	4.7	59.2							England - BoE	Apr 30, 2026
Natural Gas	2.73		0.00		0.1	-2.6	-12.6	-28.5							Euro zone - ECB	Apr 30, 2026
Gold	4742.28		23.13		0.5	1.4	-7.7	53.8								
Silver	76.81		4.70		6.5	2.6	-6.7	153.4								
CRB Index	366.27		-15.11		-4.0	-1.7	2.6	27.2								
Currencies	Level						% change:									
	Level		Change		1 Day	1-wk	1-mo	1-yr								
USDCAD	1.3849		0.0003		0.0	-0.5	1.9	-1.7							Mexico - Banxico	May 07, 2026
EURUSD	1.1680		0.0017		0.1	1.2	0.4	6.7								
USDJPY	158.99		0.4200		0.3	-0.4	0.8	7.6							Australia - RBA	May 05, 2026
AUDUSD	0.7036		-0.0008		-0.1	1.8	-0.6	14.4								
GBPUSD	1.3408		0.0014		0.1	1.4	-0.2	4.6							New Zealand - RBNZ	May 26, 2026
USDCHF	0.7911		-0.0003		-0.0	-1.0	1.7	-7.7								

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