

DAILY POINTS

May 1, 2026 @ 7:00 EST

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Chart 1

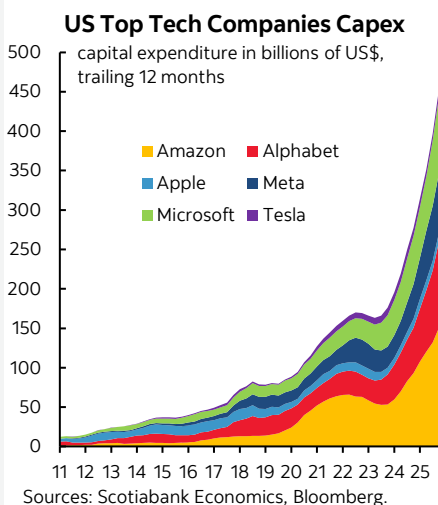
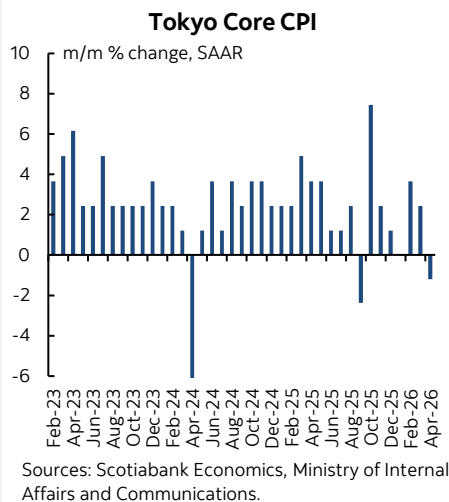


Chart 2



On Deck for Friday, May 1st

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	05-01	08:00	Fed's Miran Appears on Fox Business				
US	05-01	10:00	ISM Manufacturing Index	Apr	53.0	53.2	52.7
US	05-01	e.o.d	Total Vehicle Sales (mn a.r.)	Apr	15.8	16.0	16.3

KEY POINTS:

- **Markets are calm as much of the world is shut for May Day**
- **Japanese core inflation ebbed**
- **Will US ISM-mfrg be buoyed by AI spending?**
- **Peru's last inflation report won't affect the pre-election BCRP decision**
- **US vehicle sales probably dipped last month**
- **Canada may refresh auto sales today as well**
- **BoC's Macklem finally acknowledges small spending impact on inflation**

A jam-packed week is closing out with little by way of fresh developments as many of the world's markets are shut for May Day aka Labour Day outside of N.A. Apple's earnings release last evening is modestly supportive of risk appetite that is otherwise dealing with slightly higher oil prices again and month-end rebalancing transitions across portfolios as stocks outperformed sovereign bonds in April. Apple's cap-ex plans were reined in a touch compared to the prior quarter but chart 1 continues to show explosive growth in 'mag7' spending. Elsewhere, parents may have rejoiced more than investors did as Roblox's tumbling users in the aftermath of changed security measures tanked the stock.

Japanese Core Inflation Tumbles

Japanese core inflation ebbed last month. The fresh Tokyo core CPI (ex-food and energy) reading fell by 1.2% m/m SAAR in April. That was the weakest reading since September (chart 2). The yen temporarily softened post-release until other global forces took over to strengthen it again which adds to sentiment that intervention moves like the previous day's are fleeting.

US, Canada to Updates Manufacturing Indices, Vehicle Sales

The US and Canada update some PMIs this morning starting with Canada's little watched manufacturing PMI for April (9:30amET). US ISM-manufacturing in April (10amET) is expected to be little changed from March. The regional manufacturing gauges provided by

Chart 3

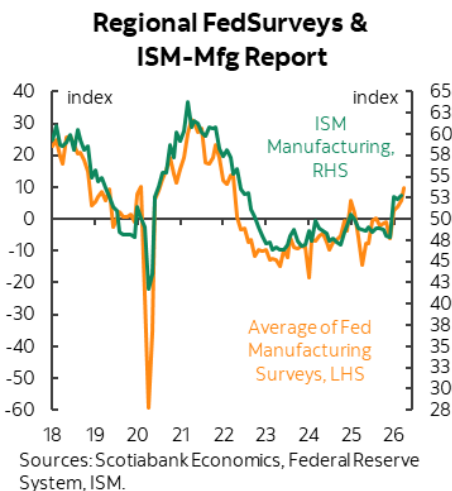


Chart 4



Fed District banks were somewhat mixed but generally sound as rough guides (chart 3). Surging cap-ex orders that are driven by AI-related demand for telecom equipment could be distorting (chart 4), so keep an eye on the accompanying remarks for breadth signals.

The US will also update vehicle sales during April but after markets shut when no one is paying attention. A modest decline is widely expected. Canada might also update auto sales today or early next week following a pull back over the past two months from elevated sales in January.

BoC's Macklem Finally Acknowledges Ottawa's Spending Increase

BoC Governor Macklem remarked yesterday that Ottawa's spendapalooza in Tuesday's Spring economic statement will have little impact on the bank's views on inflation. Of course it will be little relative to other forces, but quantify little, after not even mentioning it on Wednesday given the added spending would be about ½% of NGDP this year and about ¼% next year. Sequential, additive shocks to growth and inflation risk mean all of them need to be considered in holistic fashion which the BoC will be under pressure to do more thoroughly in the July MPR. Macklem did not mention surging non-energy commodities in his interview yesterday which remains unusual. Markets continue to price over a half percentage point of tightening this year.

Peru to Refresh Meaningless CPI

Peru will refresh CPI for April (11amET). It's the last reading before BCRP's rate decision on May 14th that may extend a hold in place since September and ahead of the run-off Presidential vote on June 7th which will probably keep the central bank out of the fray. It's a classic left-versus-right fight with right-of-centre candidate Fujimori in a polling toss-up with leftist candidate Sanchez. Neither side should much worry, I suppose, given the longstanding pattern that shows there will be another election shortly thereafter!

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.	3.88	3.87	3.78	4.02	4.01	3.92	4.38	4.37	4.30	4.98	4.97	4.91	Canada - BoC	2.25		
CANADA	2.95	3.03	2.84	3.19	3.26	3.11	3.54	3.61	3.48	3.92	3.97	3.89	US - Fed	3.75		
GERMANY	2.64	2.74	2.57	2.75	2.84	2.71	3.04	3.11	3.01	3.55	3.59	3.53	England - BoE	3.75		
JAPAN	1.39	1.39	1.36	1.89	1.90	1.84	2.52	2.53	2.44	3.75	3.75	3.68				
U.K.	4.48	4.45	4.35	4.55	4.52	4.44	5.02	5.01	4.91	5.69	5.69	5.59				
	Spreads vs. U.S. (bps):															
CANADA	-93	-84	-94	-83	-75	-81	-84	-77	-82	-106	-100	-102	Euro zone - ECB	2.15		
GERMANY	-124	-113	-121	-127	-117	-121	-134	-126	-129	-143	-138	-138	Japan - BoJ	0.75		
JAPAN	-249	-249	-242	-213	-211	-208	-186	-185	-186	-122	-122	-123				
U.K.	60	58	57	53	52	52	64	64	61	72	72	68	Mexico - Banxico	6.75		
Equities	Level						% change:									
	Last			Change			1 Day		1-wk		1-mo		1-yr			
S&P/TSX	33964			645.9			1.9		0.2		3.1		37.0		Australia - RBA	4.10
Dow 30	49652			790.3			1.6		0.7		6.6		21.8			
S&P 500	7209			73.1			1.0		1.4		9.6		28.6		New Zealand - RBNZ	2.25
Nasdaq	24892			219.1			0.9		1.9		14.0		40.5			
DAX	24292			337.8			1.4		0.6		4.9		5.2			
FTSE	10314			-65.0			-0.6		-0.6		-0.5		21.4			
Nikkei	59513			228.2			0.4		0.6		10.7		63.3		Canada - BoC	Jun 10, 2026
Hang Seng	25777			-335.3			-1.3		-0.5		2.6		14.5		US - Fed	Jun 17, 2026
CAC	8115			42.7			0.5		-1.4		1.9		4.4			
Commodities	Level						% change:									
WTI Crude	105.10			0.03			0.0		11.3		5.0		77.4		England - BoE	Jun 18, 2026
Natural Gas	2.80			0.03			1.1		10.9		-0.8		-19.6		Euro zone - ECB	Jun 11, 2026
Gold	4567.00			-50.85			-1.1		-3.0		-4.0		41.0		Japan - BoJ	Jun 16, 2026
Silver	73.55			0.78			1.1		-1.3		4.0		128.2			
CRB Index	395.11			0.62			0.2		3.5		6.5		36.5			
Currencies	Level						% change:									
USDCAD	1.3571			-0.0011			-0.1		-0.7		-2.2		-2.0		Mexico - Banxico	May 07, 2026
EURUSD	1.1745			0.0014			0.1		0.2		1.3		4.0			
USDJPY	156.60			0.0100			0.0		-1.7		-1.4		7.7		Australia - RBA	May 05, 2026
AUDUSD	0.7190			-0.0011			-0.2		0.5		3.8		12.6			
GBPUSD	1.3606			0.0002			0.0		0.5		2.3		2.5		New Zealand - RBNZ	May 26, 2026
USDCHF	0.7808			-0.0006			-0.1		-0.5		-1.7		-5.9			

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