

Contributors

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On Deck for Friday, May 8<sup>th</sup>

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	05-08	05:45	Fed Governor Cook Speaks on Asset Tokenization				
US	05-08	07:00	Fed's Miran on Fox Business				
CA	05-08	08:30	Employment (000s m/m)	Apr	0.0	10.0	14.1
CA	05-08	08:30	Unemployment Rate (%)	Apr	6.7	6.7	6.7
US	05-08	08:30	Average Hourly Earnings (m/m)	Apr	0.3	0.3	0.2
US	05-08	08:30	Average Hourly Earnings (y/y)	Apr	3.8	3.8	3.5
US	05-08	08:30	Average Weekly Hours	Apr	--	34.2	34.2
US	05-08	08:30	Nonfarm Employment Report (000s m/m)	Apr	10	65.0	178.0
US	05-08	08:30	Unemployment Rate (%)	Apr	4.2	4.3	4.3
US	05-08	08:30	Household Employment Report (000s m/m)	Apr	--	--	-64.0
US	05-08	11:05	Fed's Goolsbee on CNBC				
US	05-08	14:20	Fed's Goolsbee on Bloomberg TV				
US	05-08	19:30	Fed's Waller, Bowman, Daly and Goolsbee on Panel				

KEY POINTS:

- **Markets on cautious footings into payrolls, developments in Iran**
- **Trump's misguided 10% Section 122 tariffs shot down—sort of**
- **The signs that US-Iran negotiations are not going well**
- **Nonfarm payrolls & Canadian jobs on tap**

Global markets are highly mixed into the end of the week amid swirling developments on tariffs (see below), conflict in the Middle East, and ahead of dual jobs reports out of the US and Canada. Oil is little changed after reversing yesterday morning's dip because of signs that US-Iran negotiations are not going well (see below). US and Canadian equity futures are a little higher, but European cash markets are down by up to about -1%. The dollar is generally softer but not by much. Sovereign bond yields are mixed with gilts outperforming. Mexican markets will follow US payrolls and oil market developments after Banxico delivered the universally expected -25bps cut with a narrow 3–2 vote and signalled the end of the easing cycle yesterday afternoon.

All of that could change very shortly and perhaps multiple times over today's market session.

NONFARM PAYROLLS

April's batch of US job market readings arrives at 8:30amET. Consensus expects 65k for the change in nonfarm payrolls and an unchanged unemployment rate and I'm at 10k with a downtick to 4.2% for the UR. A full preview was available in my [weekly](#) which I won't repeat here at this late stage. Onto the numbers.

CANADIAN JOBS

April's batch of Canadian job market readings also arrives at 8:30amET. Unlike the US that releases both the payroll and household surveys simultaneously, Canada will only release the household survey today. The Canadian payrolls measure lags by a couple of months and is poor quality with off-the-charts monthly revisions whereas the Labour Force Survey is only revised once per year.

Consensus is at 10k for the change in jobs and I'm at 0k with an unchanged UR at 6.7%. See my [weekly](#) for a full preview. Onto the interpretations and clean-up.

SECTION 122 TARIFFS SHOT DOWN—SORT OF

It has long been clear that the Trump administration abuses past pieces of legislation when it imposes tariffs. It's clear to many readers of a publication like this one that tariffs are just plain bad economic policy that damage global trade and global growth with

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American consumers and businesses paying for them. Yesterday's decision by the US Court of International Trade was the latest validation of those views.

The Court voted 2–1 against Trump's 10% global tariffs that he introduced under Section 122 of the Trade Act of 1974 back in February. They were imposed as a temporary replacement for IEEPA tariffs that were shot down and until bogus tariffs under Section 301 of the Trade Act can be imposed after fake investigations led by the (anti) Commerce Department. The Court ruled that the administration misinterpreted the act's definition of a balance of payments problem.

Next steps are highly uncertain. The Court only ruled in favour of the small business complainants. It rejected the standing of the states in the matter and did not issue a universal rejection of the Section 122 tariffs which seemed half-baked. The Justice Department will probably appeal. What we're left with is more soul-crushing uncertainty hanging over the American and global economies.

### SIGNS POINT TO NO US-IRAN DEAL

The US continues to wait for Iran's response to its 14-point plan to suspend or end the war. Developments in the background suggest that Iran may have made up its mind and is acting in such fashion as to have rejected the plan or is delaying along the lines of the 'managed irresolution' narrative.

1. Iran's Foreign Minister met with Pakistan's president after Iran's President met with Supreme Leader Khamenei. This suggests Iran may have decided on its course of action and communicated it through Pakistan as Iran said it would.
2. Iran's new mechanism for tracking ships and charging them fees for using the Strait is a direct affront to the US demand that the Strait be opened without such restrictions.
3. The US is planning to restart 'Project Freedom' ie: forced opening of the Strait and with apparent use of Saudi and Kuwaiti bases.
4. Attacks unfolded in both directions yesterday into today across the Strait included military clashes and Iran's seizure of a tanker.
5. News broke yesterday that the reason why Trump suspended "Project Freedom" earlier in the week—the effort to force the reopening of the Hormuz Strait—wasn't because the administration was offering a deal to Iran but because the Saudis and Kuwaitis refused to grant use of their airspace and bases by the US. The Saudis and Kuwaitis then reversed course yesterday and granted use, allowing the US to proceed with 'Project Freedom' shortly. Articles like [this](#) one argue that the 14-point US plan that was delivered to Iran coincided as cover for the suspension of 'Project Freedom' and as a cynical return volley to Iran's 14-point plan that was delivered to the US last week.

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.	3.90	3.91	3.88	4.02	4.04	4.02	4.37	4.39	4.37	4.95	4.96	4.96	Canada - BoC	2.25
CANADA	2.93	2.91	2.95	3.18	3.15	3.19	3.52	3.51	3.54	3.89	3.88	3.92	US - Fed	3.75
GERMANY	2.59	2.59	2.64	2.70	2.70	2.75	3.00	3.00	3.04	3.55	3.54	3.55	England - BoE	3.75
JAPAN	1.38	1.37	1.39	1.86	1.86	1.89	2.48	2.48	2.52	3.74	3.75	3.75		
U.K.	4.36	4.39	4.42	4.44	4.49	4.49	4.89	4.95	4.96	5.56	5.64	5.65		
	Spreads vs. U.S. (bps):													
CANADA	-96	-100	-93	-84	-89	-83	-85	-88	-83	-106	-108	-104	Euro zone - ECB	2.15
GERMANY	-131	-133	-124	-132	-134	-127	-137	-138	-133	-141	-142	-142	Japan - BoJ	0.75
JAPAN	-252	-254	-249	-216	-219	-212	-189	-191	-185	-122	-121	-121		
U.K.	46	48	54	42	45	47	52	56	59	61	67	69	Mexico - Banxico	6.50
Equities	Level						% change:							
	Last	Change			1 Day	1-wk	1-mo	1-yr						
S&P/TSX	33857	-125.2			-0.4	-0.3	0.7	34.1					Australia - RBA	4.35
Dow 30	49597	-313.6			-0.6	-0.1	3.5	19.9					New Zealand - RBNZ	2.25
S&P 500	7337	-28.0			-0.4	1.8	8.2	29.5					Next Meeting Date	
Nasdaq	25806	-32.7			-0.1	3.7	14.0	43.9					Canada - BoC	Jun 10, 2026
DAX	24492	-171.7			-0.7	0.8	1.7	4.9					US - Fed	Jun 17, 2026
FTSE	10269	-7.9			-0.1	-1.1	-3.2	20.4					England - BoE	Jun 18, 2026
Nikkei	62714	-120.2			-0.2	3.6	11.4	69.8					Euro zone - ECB	Jun 11, 2026
Hang Seng	26394	-232.6			-0.9	2.4	1.9	15.9					Japan - BoJ	Jun 16, 2026
CAC	8148	-53.8			-0.7	0.4	-1.4	5.9					Mexico - Banxico	Jun 25, 2026
Commodities	Level						% change:							
WTI Crude	94.67	-0.14			-0.1	-7.1	0.3	58.0					Australia - RBA	Jun 16, 2026
Natural Gas	2.81	0.04			1.6	1.2	3.3	-21.7					New Zealand - RBNZ	May 26, 2026
Gold	4720.18	34.38			0.7	2.3	0.0	42.8						
Silver	80.34	2.73			3.5	9.2	11.4	144.4						
CRB Index	387.72	-0.28			-0.1	-1.9	5.9	32.8						
Currencies	Level						% change:							
USDCAD	1.3651	-0.0014			-0.1	0.5	-1.4	-2.0						
EURUSD	1.1764	0.0038			0.3	0.4	0.9	4.8						
USDJPY	156.76	-0.1700			-0.1	-0.2	-1.1	7.4						
AUDUSD	0.7236	0.0027			0.4	0.5	2.7	13.1						
GBPUSD	1.3603	0.0048			0.4	0.1	1.6	2.7						
USDCHF	0.7784	-0.0018			-0.2	-0.5	-1.6	-6.4						

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