

DAILY POINTS

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Contributors

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On Deck for Thursday, May 14th

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	05-14	05:00	Existing Home Sales (m/m)	Apr	--	0.7	-0.1
US	05-14	08:00	Fed's Miran Appears on Bloomberg TV				
CA	05-14	08:30	Wholesale Trade (m/m)	Mar	1.4	1.3	2.0
US	05-14	08:30	Export Prices (m/m)	Apr	--	1.2	1.6
US	05-14	08:30	Import Prices (m/m)	Apr	--	1.0	0.8
US	05-14	08:30	Initial Jobless Claims (000s)	May 09	205	205.0	200.0
US	05-14	08:30	Continuing Claims (000s)	May 02	1800	1780.0	1766.0
US	05-14	08:30	Retail Sales (m/m)	Apr	0.3	0.5	1.7
US	05-14	08:30	Retail Sales ex. Autos (m/m)	Apr	0.5	0.7	1.9
US	05-14	10:00	Business Inventories (m/m)	Mar	--	0.9	0.4
US	05-14	10:15	Fed's Schmid Speaks on Payments Innovation				
US	05-14	13:00	Fed's Hammack Gives Opening Remarks				
US	05-14	13:00	Fed's Bowman Delivers Pre-Recorded Remarks				
US	05-14	17:45	Fed's Williams in Moderated Discussion				
US	05-14	19:00	Fed's Barr Speaks at Money Marketeers				

KEY POINTS:

- **Markets unimpressed by US-China Summit thus far**
- **Summit developments point to potential one-offs versus any grand bargain**
- **UK economy was doing pretty well before the war's effects**
- **US retail sales update to inform weak consumer spending**
- **US import prices likely to surge, fade jobless claims**
- **Canada to update minor data**
- **Peru's central bank expected to hold ahead of coming election**

Thus far, markets have thin gruel to trade on by way of anything substantive out of US-China talks during Trump's visit to China with son in tow pursuing family business. That may change on the path to tonight's second meeting between President Xi Jinping and Trump following this morning's state banquet.

Yet so far, it's almost as if the US side is pumping up simply worded positive rhetoric while China generally resists and warns the US about Taiwan. My impression is that the optics are more about China asserting control. Expectations were pretty low going into the trip as Trump is the eleventh foreign leader to travel to China this year while Xi stays home. China's power and stature are rising on the world stage.

The timing of any communiqué and other announcements is uncertain. All we have to go by is talk—no announcements—on potential around a 'Board of Investment' and a 'Board of Trade' that could open up more room for China to invest and trade with the US, while Xi loosely pledged to open up China a little more to US businesses. There is also general talk of China buying more US agricultural products and planes and the US seeking to sell more oil to China in which case it should get in line. These sound like small one-offs against any grand bargain that wasn't expected in any event.

What markets would be interested in seeing would be any substantive progress toward meaningfully reducing tariffs shown in chart 1. Advance rumours suggested reducing tariffs on about 10% of US imports from China but the details are unknown.

As such, markets are generally little changed this morning. Stocks have a small positive bias. So do bond prices. Oil is little changed. Ditto for major currencies.

N.A. TO FOCUS ON THE WEAK US CONSUMER

US retail sales in April will be the main N.A. reading (8:30amET) and it is expected to post a moderate nominal advance driven by a small gain in core sales, higher gasoline and other

prices, and a decline in new vehicle sales. Growth in inflation-adjusted sales has stalled for several quarters with just 0.7% q/q SAAR growth in Q1 after -0.4% in Q4.

US inflation watch will continue with import prices for April that are likely to post another large rise (8:30amET). US jobless claims are also due (8:30amET) and see my weekly that included a view on why claims have been falling.

Canada posted a minor rise in existing home sales last month (0.7% m/m SA) after a string of soft readings and going into the heart of the Spring housing market (chart 2). Additional minor data will be delivered when

wholesale sales during March are expected to post a strong gain (8:30amET). The bigger news was the positive development for democracy in Alberta after the Court of King’s Bench of Alberta rejected the list of signatures and blocked a possible vote on separation. Premier Smith’s close alignment with the separatist movement has pledged to appeal.

UK ECONOMY WAS DOING WELL BEFORE THE WAR’S EFFECTS

- The UK economy put in a solid performance across various readings but markets largely ignored them as stale on arrival. More important data on jobs, wages and inflation arrives next week.
- Q1 GDP landed on consensus at 0.6% q/q SA nonannualized. Annualized growth is shown in chart 3. Consumption grew by 0.6%, investment slipped by -0.6%, and net trade shrank as imports (+0.6%) outpaced exports (0.1%).
- Monthly GDP for March continued to grow strongly. It was up by 0.3% m/m after 0.4% the prior month.
- Industrial production shrank by -0.2% m/m despite manufacturing output being up by 1.2% m/m in March.
- Services expanded by 0.3% m/m after 0.5% the prior month.
- the net trade deficit widened considerably in March as imports soared (+5.3% m/m) while exports were little changed (0.2%).

PERU’S CENTRAL BANK ON HOLD

Peru’s central bank is widely expected to hold at 4.25% tonight (7pmET) ahead of the June 7th final Presidential run-off. That vote is a classic right versus left contest in which the leftist candidate was just charged for financing irregularities.

Chart 1

US-China Tariff Summary				
Type	Note	Imports from China		Tariff Rate
		Level (in bil. US\$)	% of imports in 2024	
Section 301	On Sep. 13th, 2025: USTR announces additional tariffs ranging from 25% to 100% following statutory four-year review.	Roughly around \$370 billion worth of annual imports based on the original tariff lists (1,2,3,4A). However, since then the USTR conducted a 4-Year Review and listed tariffs ranging from 25%-100% with additional list of exclusions.		25-100%
Section 122	Not Stacked	199	45%	10%
Section 232	Not Stacked, Tariff rate varies by sector	148.8	34%	
	- Autos	2.61	1%	25%
	- Auto Parts	72.82	17%	25%
	- MHDV Trucks	0.04	0%	25%
	- Buses	0.03	0%	10%
	- Metals	62.02	14%	15-50%
	- Softwood Timber & Lumber	0.04	0%	10%
	- Upholstered Wooden Product	2.19	0%	25%
	- Kitchen Cabinets, Vanities, and Parts	1.34	0%	25%
	- Semiconductors	7.37	2%	25%
	- Pharmaceuticals	0.36	0%	100%

Source: Scotiabank Economics.

Chart 2

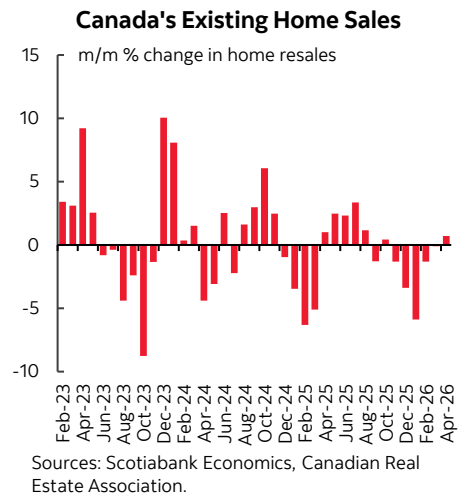
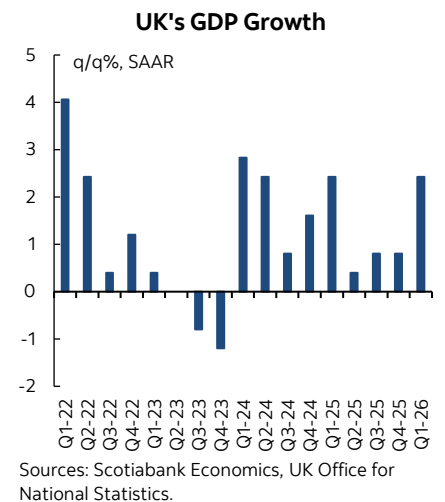


Chart 3



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.	3.96	3.98	3.91	4.10	4.12	4.04	4.45	4.47	4.39	5.02	5.04	4.96	Canada - BoC	2.25
CANADA	2.93	2.95	2.93	3.20	3.22	3.17	3.54	3.57	3.52	3.90	3.92	3.89	US - Fed	3.75
GERMANY	2.66	2.71	2.59	2.77	2.82	2.70	3.06	3.10	3.00	3.61	3.63	3.54	England - BoE	3.75
JAPAN	1.40	1.40	1.37	1.95	1.93	1.86	2.63	2.59	2.48	3.90	3.84	3.75		
U.K.	4.45	4.49	4.39	4.57	4.60	4.49	5.03	5.07	4.95	5.70	5.74	5.64		
	Spreads vs. U.S. (bps):													
CANADA	-103	-103	-98	-90	-90	-87	-91	-90	-87	-113	-111	-107	Euro zone - ECB	2.15
GERMANY	-130	-127	-133	-133	-130	-134	-139	-137	-138	-141	-141	-142	Japan - BoJ	0.75
JAPAN	-256	-259	-254	-215	-219	-219	-182	-188	-191	-112	-120	-121	Mexico - Banxico	6.50
U.K.	49	50	48	47	49	45	58	60	56	68	70	67	Australia - RBA	4.35
Equities	Level			Change			% change:				Next Meeting Date			
	Last						1 Day	1-wk	1-mo	1-yr				
S&P/TSX	34041					-249.3	-0.7	0.2	-0.2	32.5				
Dow 30	49693					-67.4	-0.1	-0.4	2.4	18.2				
S&P 500	7444					43.3	0.6	1.1	6.8	26.3				
Nasdaq	26402					314.1	1.2	2.2	11.7	37.9				
DAX	24470					333.2	1.4	-0.8	1.8	4.0				
FTSE	10364					38.2	0.4	0.8	-2.3	20.7				
Nikkei	62654					-618.1	-1.0	-0.3	8.3	64.3				
Hang Seng	26389					0.6	0.0	-0.9	2.0	11.6				
CAC	8067					58.6	0.7	-1.7	-3.1	2.9				
Commodities	Level			Change			% change:							
WTI Crude	100.97					-0.05	-0.0	6.5	10.6	59.9				
Natural Gas	2.85					-0.02	-0.6	2.8	9.5	-18.5				
Gold	4697.06					8.30	0.2	0.2	-3.0	47.8				
Silver	86.70					3.06	3.7	11.7	16.6	162.9				
CRB Index	404.39					0.00	0.0	4.3	8.9	35.5				
Currencies	Level			Change			% change:							
USDCAD	1.3719					0.0012	0.1	0.4	-0.3	-1.9				
EURUSD	1.1707					-0.0004	-0.0	-0.2	-0.8	4.8				
USDJPY	157.92					0.0600	0.0	0.6	-0.5	7.6				
AUDUSD	0.7243					-0.0015	-0.2	0.5	1.6	12.7				
GBPUSD	1.3515					-0.0008	-0.1	-0.3	-0.4	1.9				
USDCHF	0.7818					-0.0002	-0.0	0.2	0.1	-7.2				
													Canada - BoC	Jun 10, 2026
													US - Fed	Jun 17, 2026
													England - BoE	Jun 18, 2026
													Euro zone - ECB	Jun 11, 2026
													Japan - BoJ	Jun 16, 2026
													Mexico - Banxico	Jun 25, 2026
													Australia - RBA	Jun 16, 2026
													New Zealand - RBNZ	May 26, 2026

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