

DAILY POINTS

June 9, 2026 @ 7:50 EST

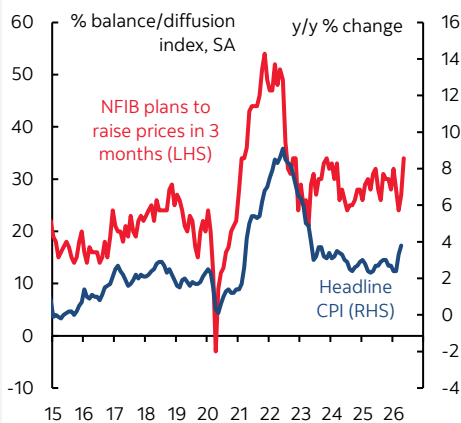
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Chart 1

NFIB Prices Index vs Headline CPI



Sources: Scotiabank Economics, Bloomberg, NFIB.

On Deck for Tuesday, June 9th

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	06-09	08:30	Merchandise Trade Balance (C\$ bn)	Apr	--	2.6	1.8
US	06-09	08:30	Trade Balance (US\$ bn)	Apr	-54.0	-56.1	-60.3
US	06-09	10:00	Existing Home Sales (mn a.r.)	May	4.1	4.1	4.0
US	06-09	10:00	Existing Home Sales (m/m)	May	2.0	1.1	0.3
US	06-09	10:00	Wholesale Inventories (m/m)	Apr F	--	0.6	0.5

KEY POINTS:

- **Calmer markets await ramped up developments**
- **Bonds don't always know best when it comes to the Fed**
- **Canada's stupidly timed youth social media ban**
- **Bank Indonesia surprises again**
- **Modest overnight readings**
- **US, Canadian trade and US home sales on tap**

A calmer market landscape awaits more material developments starting tomorrow with US CPI and the BoC and then Thursday's ECB communications. For now, oil is off by US\$2/ barrel as the daily gyrations on war headlines are never ending. Sovereign bond yields are lower by about 1–2bps across global benchmarks. Stocks are broadly higher across NA futures and European cash markets (except London) and following a mixed Asian session where the outlier move was South Korea's Kospi that gained over 8% after losing the same amount the previous day.

BONDS DON'T ALWAYS KNOW BEST

A narrative across markets remains that the market knows best and the Fed is going to hike. This is used as justification for not only the priced quarter-point hike by year-end and perhaps another in 2027, but also a view that the Fed could hike much sooner than that. Be careful.

The bond market has delivered some accurate calls, and many spectacular failures throughout years of the market-knows-best hubris. Take the aftermath of the GFC around 2010, for instance; the bond market was convinced that the Fed would be hiking on the view that the GFC would be quickly shaken off and policy would be normalized; instead, the policy rate wasn't raised until the end of 2015. Or take 2023, when the market was pricing Fed rate cuts in response to the regional banking crisis marked by the failure of Silicon Valley Bank without understanding the argument that the Fed had tools other than the policy rate to use in addressing the funding and liquidity challenges. Or how about 2021–22 when the bond market slept its way into the inflation shock, pricing very few rate hikes back in early 2022.

The bond market represents the distillation of all views based on publicly available information and serves as a clearing house for the street's opinions. It is hardly infallible, however, as it makes spectacular mistakes. For my two cents, it's wrong to be pricing hikes now.

As previously noted, Friday's jobs report was probably a FIFA World Cup report on hiring in the leisure and hospitality sector with little breadth to the payroll gain. This was part of my reasoning for going toward the top of consensus for the May payroll estimate and the coming effects were cited in my May 1st weekly:

"FIFA World Cup hiring may begin to make contributions in May but with the bulk of the hiring focused upon June and July before this effect reverses afterward. Estimates of the number of folks who will be hired or volunteer on a temporary basis push into the hundreds of thousands."

This also feels like a different inflation shock that shouldn't merit an overreaction by the already restrictive Fed. AI is driving some prices higher for now, tariffs are doing likewise for some goods prices but this effect may be waning, and the energy shock is raising limited passthrough risk to date. Warsh will shift inflation metrics toward some central tendency measure like trimmed mean which is behaving much better than core pce, indicating that this is more about a relative inflation shock than a generalized outburst. Annual nonfarm benchmarking revisions in September—one week before the FOMC—and downside risk to payrolls over H2 could pivot the Fed narrative pretty significantly.

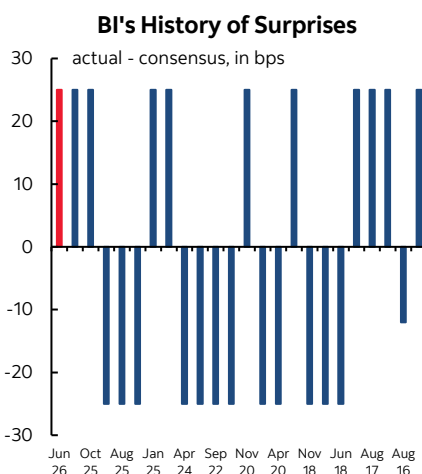
MODEST DATA DEVELOPMENTS

There were few fresh developments overnight and what's on tap isn't likely to be terribly impactful.

The US NFIB small business confidence readings for May were notable for hitting the highest share of businesses planning to raise prices over the next three months since November 2023 (chart 1).

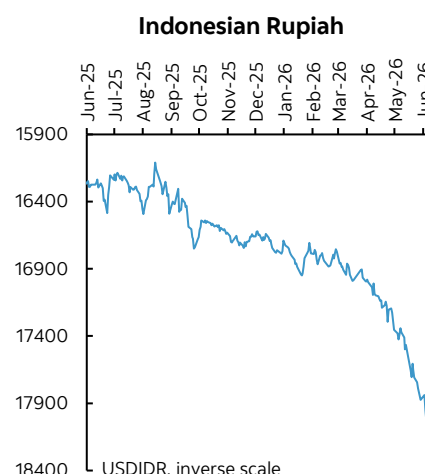
Bank Indonesia surprised markets with another unplanned intermeeting rate hike of 25bps to 5.5%. The aim was to support the tumbling rupiah as southeast Asian currencies have been getting hammered for a while. It worked, somewhat, as the rupiah slightly appreciated overnight to lead Asian crosses against the dollar. Still, the policy rate has been raised by 75bps since May 20th (+50bps) including last night's 25bps move, yet the rupiah has continued to depreciate by about 2% throughout the cumulative hikes. The history of wild-west surprises continues (chart 2) and the rupiah trend shows that further reforms are needed (chart 3).

Chart 2



Sources: Scotiabank Economics, Bloomberg.

Chart 3



Sources: Scotiabank Economics, Bloomberg.

The history of wild-west surprises continues (chart 2) and the rupiah trend shows that further reforms are needed (chart 3).

Germany's economy posted solid export, import and industrial output readings in April. Exports climbed by 0.9% m/m against expectations for a drop, imports grew by 1.2% m/m (consensus -2%), and industrial output was up by 0.4% which matched consensus but there were solid upward revisions.

On tap into the N.A. session will be a handful of US and Canadian readings. The US trade deficit should narrow given we already know the goods component (8:30amET). Canada's trade figures will help to inform Q2 growth tracking (8:30amET). The US ADP weekly gauge of payroll changes isn't terribly helpful given revisions when the monthly measure arrives and because it tracks initial nonfarm private payrolls poorly (8:15amET). US existing home sales will probably be little changed during May (10amET).

CANADA'S SOCIAL MEDIA BAN IS POORLY TIMED

Should Canada ban social media for kids under 16? That's the government's plan with possible exemptions should social media firms prove they can keep kids safe while using their platforms. That exemption could be the way out if companies—including gaming platforms that are notorious for poor controls—continue to tighten their standards. The effort would resurrect Bill C-63 that went nowhere in the transition from former PM Trudeau to PM Carney.

I have my personal views on social media for kids and don't support a blanket ban, but will stick to the main point on the economics in asking this question: Canada, do you want a trade deal with the US, or not?

This could add a potentially new trade irritant into the middle of CUSMA/USMCA trade negotiations. At a minimum, the timing is off, in a left-hand doesn't know what the right-hand is doing kind of way which has been all too common as a practice. The US tech bros have close ties to the Trump administration including their explicit financial support. Just as they lobbied against the Online Streaming Act and the Digital Services Tax, they may make the social media ban an issue that holds up negotiations and do so out of their own self-interest. Regardless of what one thinks of the merits, your timing stinks, in other words. As in 'why now???' You knew that the Trump administration opposed Australia's ban and you've heard the warnings to the Starmer regime in the UK ([here](#)) but went ahead anyway. The own goals by the feds and provincial governments risk scuttling the talks in the absence of a more disciplined approach focused upon the overall welfare of Canadians. I smell another policy error about to be humbled.

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.	4.13	4.16	4.04	4.27	4.29	4.17	4.55	4.56	4.44	5.03	5.04	4.96	Canada - BoC	2.25	
CANADA	2.87	2.88	2.80	3.17	3.18	3.07	3.52	3.53	3.41	3.90	3.91	3.79	US - Fed	3.75	
GERMANY	2.68	2.71	2.62	2.78	2.79	2.69	3.06	3.06	2.98	3.61	3.59	3.52	England - BoE	3.75	
JAPAN	1.42	1.42	1.39	1.94	1.95	1.87	2.68	2.73	2.58	3.89	3.96	3.87			
U.K.	4.35	4.38	4.31	4.48	4.50	4.42	4.92	4.94	4.86	5.61	5.62	5.55			
	Spreads vs. U.S. (bps):														
CANADA	-127	-128	-124	-110	-111	-110	-103	-104	-103	-112	-113	-117	Euro zone - ECB	2.15	
GERMANY	-145	-146	-142	-149	-150	-148	-149	-150	-147	-142	-144	-144	Japan - BoJ	0.75	
JAPAN	-271	-274	-266	-233	-234	-230	-186	-184	-187	-114	-108	-109			
U.K.	21	21	27	21	21	25	37	38	41	58	59	59	Mexico - Banxico	6.50	
Equities	Level						% change:								
	Last	Change			1 Day	1-wk	1-mo	1-yr							
S&P/TSX	34479	65.3			0.2	-0.7	1.2	30.7					Australia - RBA	4.35	
Dow 30	50786	-80.8			-0.2	-0.6	2.4	18.8					New Zealand - RBNZ	2.25	
S&P 500	7406	22.0			0.3	-2.6	0.1	23.3							
Nasdaq	25930	220.2			0.9	-4.3	-1.2	32.4							
DAX	24765	148.3			0.6	-1.4	1.7	2.4							
FTSE	10361	-12.2			-0.1	-0.1	1.3	17.3							
Nikkei	65417	1392.0			2.2	-2.0	4.3	71.2					Canada - BoC	Jun 10, 2026	
Hang Seng	24566	-91.2			-0.4	-5.7	-6.9	1.6					US - Fed	Jun 17, 2026	
CAC	8273	74.0			0.9	0.8	2.0	6.2							
Commodities	Level						% change:								
WTI Crude	89.39	-1.91			-2.1	-4.7	-6.3	36.9					England - BoE	Jun 18, 2026	
Natural Gas	3.18	0.03			0.9	0.3	15.2	-12.7					Euro zone - ECB	Jun 11, 2026	
Gold	4341.30	11.13			0.3	-3.3	-8.3	30.5					Japan - BoJ	Jun 16, 2026	
Silver	67.13	-5.53			-7.6	-11.3	-16.8	85.5							
CRB Index	377.37	0.98			0.3	-2.2	-3.1	25.2							
Currencies	Level						% change:								
USDCAD	1.3925	-0.0028			-0.2	0.6	1.8	1.6					Mexico - Banxico	Jun 25, 2026	
EURUSD	1.1571	0.0037			0.3	-0.5	-1.8	1.3					Australia - RBA	Jun 16, 2026	
USDJPY	160.17	0.0100			0.0	0.2	1.9	10.8							
AUDUSD	0.7059	0.0014			0.2	-1.7	-2.6	8.3							
GBPUSD	1.3401	0.0061			0.5	-0.5	-1.5	-1.1					New Zealand - RBNZ	Jul 07, 2026	
USDCHF	0.7958	-0.0019			-0.2	1.1	2.3	-3.2							

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