

DAILY POINTS

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Chart 1

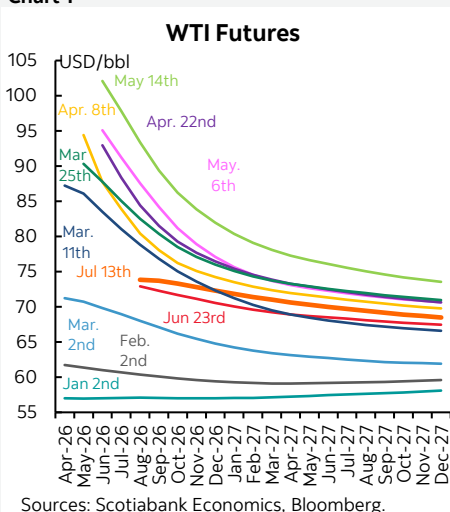
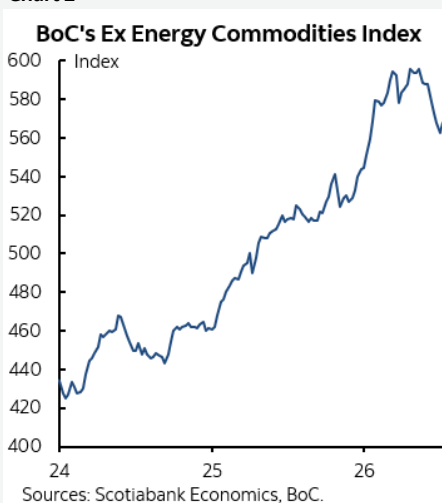


Chart 2



On Deck for Monday, July 13th

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	07-13	05:25	Fed's Bowman Speaks on Financial Regulation				
US	07-13	12:30	Fed's Waller Speaks at NYABE				
US	07-13	14:00	Treasury Budget (US\$ bn)	Jun	--	-128.3	-292.6

KEY POINTS:

- **Oil edges higher after weekend fighting**
- **Don't judge the week by today's light developments**
- **Fed's Waller on tap**
- **The Canada-US bridge deal could hurt future agreements**
- **Fresh maintenance round of forecasts from the Economics and FX Strategy teams**
- **Global Week Ahead—Double Jeopardy**

Don't judge the rest of this week's market action by what you are seeing today. This is a bland start to a packed week, particularly in Canada with the BoC on Wednesday, and the US with CPI, Q2 earnings focused upon financials, and two rounds of testimony by Chair Warsh on tap.

For now, it's a bit of the same pattern coming out of past weekends. The US and Iran spent the weekend attacking each other, oil moves up, bonds cheapen, and we remain on the slow grind toward a collapsed US-Iran MOU that any sensible person saw as one-sided and unsustainable while missing vital elements.

Oil prices are up by over a couple of bucks this morning. Sovereign bond yields are slightly higher everywhere. US equity futures are down by about ¼% (S&P) to 1% (Nasdaq) while TSX futures are flat, European cash markets are mixed and Asia-Pacific markets were mostly in the red and led by another 9% plunge by the Kospi. Currencies are mixed between small gains and losses to the USD among the majors.

Today's calendar is very light. Fed Governor Waller speaks at 12:30pmET with text and moderated Q&A. Governor Bowman spoke on regulatory issues this morning.

The world has changed a great deal since the BoC entered the year. WTI and Brent remain about US\$17/barrel higher than at the start of the year and higher throughout the futures curve (chart 1) while multiple other commodity prices remain higher as indicated by the BoC's commodity price index ex-energy that is off the peak but still much higher (chart 2). USDCAD is materially higher with CAD about 6–7 cents appreciated from the year's low. Jobs are on the mend with gains in three of the past four months after falling three out of four to start the year with some overlap. The economy is rebounding. Trade remains an overstated risk. More fiscal policy stimulus was added at the end of April. Pre-war inflation drivers remain intact. And so forth. My full preview of this week's decision, forecasts and broader communications is available in the Global Week Ahead.

Hooray, the new Gordie Howe bridge between Canada and the US will open on July 27th after a weekend deal between the US and Canada to address the Trump administration's sudden refusal to allow it to open. That's a plus for Commerce. It's bad for credibility, faith in contracts and a system of law and order, the viability of making long-term deals with the US, and democracy. It's blatantly unfair and commingles donor politics with commerce once again. Canadians have a right to know the full details, like was the Moroun family paid off somehow in the murky language of shared proceeds? Canada built the bridge, financed the bridge, and both the US and Canada signed the initial agreement stipulating that Canada would collect tolls until the investment was paid off after the US

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refused to chip in but Michigan welcomed the initiative. Years later, the US signature on the agreement is worthless—yet again—as the US demands a portion of the proceeds on an investment it never made and all seemingly prompted by the Moroun family that inherited a competing, aging, technologically obsolete bridge. Perhaps Canada's willingness to pay a bribe was the correct thing to do in the short-term, but signing long-term deals with the US on anything has suffered an additional blow. Remember that on trade.

And as a reminder, please see the Global Week Ahead—Double Jeopardy that was sent on Friday (reminder [here](#)). Key topics include:

- BoC to wish everyone a pleasant summer as pressure builds
- Fed Chair Warsh to deliver two rounds of Congressional testimony
- Why Fed hikes could be policy error...
- ...that risk putting its independence back on trial...
- ...while imperiling what the taskforces could achieve
- US CPI and PPI to inform the Fed's preferred inflation gauge...
- ...and watch super-supercore CPI
- US Q2 earnings season begins in earnest
- BoK expected to hike
- China's economy to post subdued GDP growth
- Global macro — US retail, light Canadian releases, UK data dump, Indian CPI

Lastly, we put out fresh macro forecasts this morning. They're the same, only different, in what can be billed as a maintenance round with contributions from across all of the entire Economics and FX Strategy team members throughout the Americas which is our shop's mandated focus. On rates, I pushed out the Fed cut call a bit to early next year from December, left the BoC call at -75bps over Q4/Q1, and Canada-US yield curves were tweaked as forecasts have generally been performing well.

Fixed Income	Government Yield Curves (%):												Central Banks	
U.S. CANADA GERMANY JAPAN U.K. CANADA GERMANY JAPAN U.K.	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		
	4.22	4.21	4.11	4.32	4.31	4.20	4.57	4.56	4.47	5.08	5.06	4.99	Canada - BoC	2.25
	2.85	2.82	2.73	3.15	3.13	3.03	3.54	3.51	3.42	3.95	3.92	3.84	US - Fed	3.75
	2.69	2.65	2.55	2.79	2.76	2.66	3.09	3.07	2.95	3.62	3.61	3.53		
	1.45	1.43	1.39	1.99	1.95	1.94	2.79	2.74	2.83	3.91	3.90	4.08	England - BoE	3.75
	4.28	4.22	4.13	4.46	4.41	4.31	4.92	4.87	4.79	5.63	5.60	5.54		
	Spreads vs. U.S. (bps):													
	-137	-139	-138	-116	-118	-117	-104	-105	-105	-113	-114	-115	Euro zone - ECB	2.40
	-153	-156	-157	-153	-154	-154	-149	-150	-152	-146	-146	-145		
-277	-278	-272	-232	-235	-226	-178	-182	-164	-116	-116	-90	Japan - BoJ	1.00	
6	1	1	14	10	11	34	31	32	56	54	55			
Equities	Level						% change:						Mexico - Banxico	6.50
	Last	Change			1 Day	1-wk	1-mo	1-yr						
S&P/TSX	35305	104.9			0.3	0.1	1.1	30.6				Australia - RBA	4.35	
Dow 30	52637	149.6			0.3	-0.5	2.8	18.6						
S&P 500	7575	31.8			0.4	1.2	1.9	21.0				New Zealand - RBNZ	2.50	
Nasdaq	26282	74.7			0.3	1.7	1.5	27.7						
DAX	25097	29.7			0.1	-2.8	1.9	3.5						
FTSE	10480	-17.4			-0.2	-1.6	0.1	17.2						
Nikkei	67243	-1315.0			-1.9	-3.6	1.9	69.9				Canada - BoC	Jul 15, 2026	
Hang Seng	24214	38.6			0.2	2.5	-2.0	0.3				US - Fed	Jul 29, 2026	
CAC	8340	1.5			0.0	-1.6	-0.1	6.5						
Commodities	Level						% change:							
WTI Crude	73.88	2.47			3.5	7.8	-13.0	7.9				England - BoE	Jul 30, 2026	
Natural Gas	2.90	-0.04			-1.3	-10.6	-7.0	-12.5						
Gold	4065.30	-54.63			-1.3	-2.4	-5.7	21.6				Euro zone - ECB	Jul 23, 2026	
Silver	58.54	-1.33			-2.2	-5.7	-16.4	53.5						
CRB Index	366.16	-2.35			-0.6	3.7	-0.7	20.6				Japan - BoJ	Jul 31, 2026	
Currencies	Level						% change:							
USDCAD	1.4131	-0.0023			-0.2	-0.5	1.0	3.1				Mexico - Banxico	Aug 06, 2026	
EURUSD	1.1430	0.0014			0.1	-0.1	-1.4	-2.0						
USDJPY	162.06	0.3800			0.2	-0.0	1.1	9.7				Australia - RBA	Aug 11, 2026	
AUDUSD	0.6945	-0.0009			-0.1	-0.1	-1.8	6.1						
GBPUSD	1.3396	-0.0008			-0.1	0.0	-0.1	-0.2				New Zealand - RBNZ	Sep 01, 2026	
USDCHF	0.8092	0.0006			0.1	0.5	1.9	1.4						

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