

**ON DECK FOR MONDAY, APRIL 15**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	04/15	08:30	Empire State Manufacturing Index	Apr	--	8.0	3.7
CA	04/15	09:00	Existing Home Sales (m/m)	Mar	--	2.0	-9.1
CA	04/15	10:30	BoC Senior Loan Officer Survey	1Q	--	--	-16.0
CA	04/15	10:30	Business Outlook Future Sales	1Q	--	--	-1.0
US	04/15	13:00	Fed's Evans Discusses Economy and Monetary Policy				
US	04/15	16:00	Total Net TIC Flows (US\$ bn)	Feb	--	--	-143.7
US	04/15	16:00	Net Long-term TIC Flows (US\$ bn)	Feb	--	--	-7.2
US	04/15	20:00	Fed's Rosengren Speaks at Davidson College in North Carolina				

**CONTACTS**

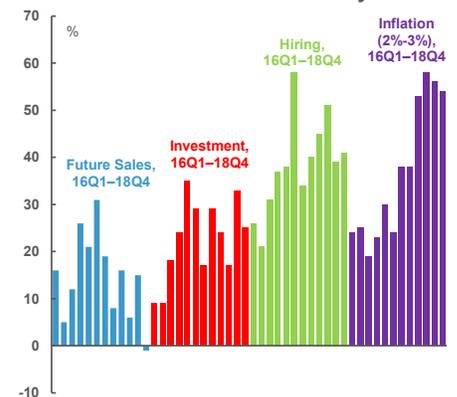
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**KEY POINTS:**

- **Global markets little changed to start the week**
- **US bank earnings continue to beat**
- **US Empire gauge on tap**
- **Fed's Evans, Rosengren to speak on the economy**
- **IMF statement indeed reads like a committee wrote it**
- **Trump's Fed-bashing raises Draghi's concern...**
- **...as Trump tries to wrongly slope off accountability for softer US growth**
- **CDN home sales could begin to stabilize**
- **BoC's Business Outlook Survey to inform growth and inflation anecdotes**
- **Global Week Ahead**

Please see the Global Week Ahead [here](#). Key sources of market risk this week will include:

- US earnings
- China GDP
- US retail sales
- Eurozone PMIs, ZEW
- Brexit negotiations
- US-China trade negotiations
- CPI: Canada, UK, Japan, NZ, Argentina
- CDN retail sales
- CDN trade, manufacturing, home sales, ADP
- China retail sales, industrial, investment
- UK retail sales
- BoC surveys
- Alberta's election
- Australian jobs
- Indonesian election
- Other US macro
- Fed-speak
- Bank of Korea
- Newfoundland's budget
- US, CDN auctions

**Business Outlook Survey**


Sources: Scotiabank Economics, Bank of Canada.

## INTERNATIONAL

Global markets are generally not following through on Friday's risk-on move in North American equity markets that followed a solid start to US bank earnings and Chinese macro readings. To do so, **markets may need another round of US earnings beats this morning**. The IMF meetings concluded the way they usually do with no clear direction on policy (see below) while Trump's latest escalation of Fed-bashing has sparked growing concern including among key central bankers (see below). Fed-speak, the Bank of Canada's quarterly surveys ahead of next week's rate decision and MPR and Canadian home sales round out the day's expected developments.

- Sovereign bond yields are generally little changed with US Treasuries and Canadas flat, gilts mildly cheaper along with French bonds while bunds are flat.
- Oil prices are down by just over half a buck.
- US equity futures are slightly positive while TSX futures are flat. European cash markets are slightly higher except for London that is roughly flat and with Milan leading the way (+0.4%) as an outlier. Asian equities were mixed with Tokyo higher by 1.4%, Seoul up 0.4%, but Hong Kong down 0.3% and mainland China down by between 0.3% (Shanghai) and 0.8% (Shenzhen).
- The USD is little changed on a DXY basis with the won, pound sterling and Swedish krona leading appreciating crosses while the petro-related ones are slightly softer (CAD, NOK, Mexican peso).

The conclusion of the annual IMF meetings in Washington resulted in the usual sort of vague, toothless statement that results from its annual meetings ([here](#)) in which the collection of finance and central bank officials declared "To protect the expansion, we will continue to mitigate risks, enhance resilience, and, if necessary, act promptly to shore up growth for the benefit of all." The rest of the statement does indeed read like one written by committee with no clear fresh insights into policy directions.

## UNITED STATES

**US earnings releases will dominate market attention today and for much of the next few weeks.** Goldman Sachs continued the earnings beats by posting EPS of US\$5.71 which was well above consensus that called for US\$4.97. Citigroup is next at 8amET. Recall that JP Morgan (US\$2.59, consensus US\$2.35) and Wells Fargo (US\$1.20, consensus US\$1.09) got the season off to a solid start on Friday.

Trump bashed the Fed yet again over the weekend, wrongly blaming it for softening US growth. **What is unique about this time is that global central bankers are getting uneasy about the potential implications.** Trump tweeted the following on Saturday:

"If the Fed had done its job properly, which it has not, the Stock Market would have been up 5000 to 10,000 additional points and GDP would have been well over 4% instead of 3%...with almost no inflation. Quantitative tightening was a killer, should have done the exact opposite!"

The tweet prompted ECB President Mario Draghi to express concern by saying he is "certainly worried about central bank independence...in the most important jurisdiction in the world" before going on to express concern that people may believe monetary policy is set entirely by political imperatives.

Apart from the fact that Trump flipped his opinions on easy money including quantitative easing the minute he got elected, **his accounting for what slowed growth is inaccurate to say the least.** For one thing, a temporary acceleration in US growth to 4.2% in 2018Q2 and 2018Q3 was driven by pre-midterm pump priming that took the form of the US\$300 billion spending bill in February 2018 and the Tax Cuts and Jobs Act that took effect the month before that. As stimulus effects waned, so did growth in classic electoral cycle fashion. Second, it's pretty obvious to most that US-centric trade tensions have damaged global growth and principally through the trade (see chart) and investment channels. The Fed is dealing with a difficult policy environment and the Trump administration is trying to slope off responsibility for softer growth that it caused while running the risk of further damaging confidence in the outlook by besmirching the Fed's name.

US data risk only consists of the **Empire gauge of regional manufacturing activity in New York** state (8:30amET). The reading kicks off each month's fresh round of manufacturing indicators.

**Fed-speak will bring out a pair of voting regional Presidents.** Chicago's Evans speaks on the economy and monetary policy at 1pmET and delivers a CNBC interview at 8:30amET. Boston's Rosengren speaks tonight at 8pmET.

## CANADA

The start of a very heavy week for Canada includes **monthly home resales for March (9amET)** and the **Bank of Canada's quarterly Business Outlook Survey (10:30amET)**. The BoC also releases the less widely followed Senior Loan Officer Survey at the same time. Resales are expected to rise somewhat following a large 9.1% m/m seasonally adjusted drop in February. The BoS survey will be watched for whether the Q1 edition retains optimism in hiring and investment in the context of inflation pressures as shown in past results (see chart). Be careful toward the headline reading that gets much of the attention that shows expectations for future sales growth that had been souring up to 2018Q4; the softer sales growth environment has reflected waning stimulus in both Canada and the US compared to the peak optimism in 2017.

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.	2.40	2.39	2.36	2.38	2.38	2.33	2.56	2.57	2.52	2.98	2.98	2.93	Canada - BoC	1.75
CANADA	1.64	1.63	1.61	1.65	1.64	1.60	1.79	1.78	1.73	2.07	2.06	2.00	US - Fed	2.50
GERMANY	-0.56	-0.56	-0.58	-0.37	-0.38	-0.41	0.07	0.06	0.01	0.73	0.71	0.64	England - BoE	0.75
JAPAN	-0.16	-0.16	-0.16	-0.16	-0.17	-0.16	-0.03	-0.06	-0.05	0.56	0.52	0.54	Euro zone - ECB	0.00
U.K.	0.80	0.78	0.71	0.95	0.93	0.86	1.23	1.21	1.12	1.74	1.73	1.66	Japan - BoJ	-0.10
Spreads vs. U.S. (bps):														
CANADA	-76	-76	-76	-73	-74	-73	-77	-79	-79	-91	-92	-92	Mexico - Banxico	8.25
GERMANY	-296	-295	-294	-275	-276	-274	-250	-251	-252	-225	-227	-229	Australia - RBA	1.50
JAPAN	-256	-255	-252	-254	-255	-249	-259	-262	-257	-242	-245	-239	New Zealand - RBNZ	1.75
U.K.	-160	-161	-165	-143	-145	-147	-133	-135	-141	-123	-125	-127	Next Meeting Date	
Equities	Level						% change:							
	Last	Change		1 Day		1-wk		1-mo		1-yr				
S&P/TSX	16481	81.1		0.5		0.5		2.1		7.9		Canada - BoC		Apr 24, 2019
Dow 30	26412	269.3		1.0		-0.0		2.2		8.4		US - Fed		May 01, 2019
S&P 500	2907	19.1		0.7		0.5		3.0		9.5		England - BoE		May 02, 2019
Nasdaq	7984	36.8		0.5		0.6		3.8		12.3		Euro zone - ECB		Jun 06, 2019
DAX	12017	17.3		0.1		0.5		2.8		-3.4		Japan - BoJ		Apr 25, 2019
FTSE	7431	-5.9		-0.1		-0.3		2.8		2.3		Mexico - Banxico		May 16, 2019
Nikkei	22169	298.5		1.4		1.9		3.3		1.8		Australia - RBA		May 07, 2019
Hang Seng	29811	-99.0		-0.3		-0.9		2.8		-3.2		New Zealand - RBNZ		May 07, 2019
CAC	5509	5.9		0.1		0.7		1.9		3.6				
Commodities	Level						% change:							
	Last	Change		1 Day		1-wk		1-mo		1-yr				
WTI Crude	63.23	-0.66		-1.0		-1.8		8.0		-6.2		England - BoE		May 02, 2019
Natural Gas	2.63	-0.03		-1.2		-3.0		-6.0		-3.9		Euro zone - ECB		Jun 06, 2019
Gold	1286.69	-3.66		-0.3		-0.8		-1.2		-4.4		Japan - BoJ		Apr 25, 2019
Silver	15.07	-0.10		-0.6		-0.9		-2.5		-9.5		Mexico - Banxico		May 16, 2019
CRB Index	188.36	1.04		0.6		0.4		2.4		-5.7		Australia - RBA		May 07, 2019
Currencies	Level						% change:							
	Last	Change		1 Day		1-wk		1-mo		1-yr				
USDCAD	1.3315	-0.0008		-0.1		0.0		-0.2		6.0		New Zealand - RBNZ		May 07, 2019
EURUSD	1.1316	0.0017		0.2		0.5		-0.1		-8.6				
USDJPY	111.95	-0.0700		-0.1		0.4		0.4		4.5				
AUDUSD	0.7177	0.0004		0.1		0.7		1.3		-7.8				
GBPUSD	1.3111	0.0037		0.3		0.4		-1.3		-8.6				
USDCHF	1.0026	0.0002		0.0		0.4		0.0		4.4				

Source: Bloomberg. All quotes reflect Bloomberg data as at the time of publishing. While this source is believed to be reliable, Scotiabank cannot guarantee its accuracy.

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