

ON DECK FOR MONDAY, AUGUST 30

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	08-30	08:30	Current Account (C\$ bn a.r.)	2Q	--	--	1.2
US	08-30	10:00	Pending Home Sales (m/m)	Jul	--	0.4	-1.9
US	08-30	10:30	Dallas Fed. Manufacturing Activity	Aug	--	23.0	27.3

KEY POINTS:

- **A new week starts off feeling just like late August**
- **Updated Alt-data shows the US economy is so far avoiding material downside as Delta variant cases keep climbing**
- **Euro shrugs off German, Spanish inflation updates**
- **US pending home sales July, Dallas Fed mfrg August**
- **Global COVID-19 trends**
- **Global Week Ahead**

As a reminder, please go [here](#) for my Global Week Ahead and there is an accompanying deck. The publication focuses upon:

- US payrolls to test resilience to Delta
- The evidence on Delta and kids
- Why jobs might disappoint into a new school year
- The Canadian election and markets
- GDP: Canada, Australia, India, Brazil
- PMIs: US (ISM), Mexico, China, India, Brazil
- CPI: EZ, Switzerland, Peru, Indonesia, SK
- CBs: Chile to hike

The week kicks off with a light calendar and generally little change across global asset classes. What do you expect for late August. It may well be like that until Friday's nonfarm payrolls, at least in terms of calendar-based risk.

The USD is little changed this morning but holding onto Friday's post-Powell depreciation. Ditto for US Treasuries with also little change across European yields. Stocks are mixed with small gains across most of Europe and little change in N.A. futures. Asian equities caught up to Powell and posted modest rallies overnight. Oil prices are down a few dimes and not reacting to Hurricane Ida with gas prices a bit firmer.

A couple of European inflation updates are so far largely being ignored by markets. German CPI landed on the screws at 0.1% m/m and 3.4% y/y. That said, only four German states updated into the national tally and so there may be revision risk. Spanish inflation, however, climbed by 0.4% m/m (0% consensus) and 3.3% y/y (2.9% consensus) significantly due to electricity prices while core CPI is running at 0.7% y/y, up a tick from the prior month.

CANADA

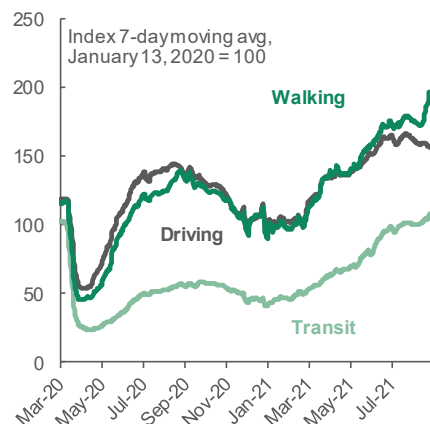
There is nothing material due out today. Tomorrow brings GDP and other than that the election will be in focus. Two polls published over the weekend show the Conservatives in the lead in terms of the share of the popular vote. Nanos/CTV

CONTACTS

Derek Holt, VP & Head of Capital Markets Economics
416.863.7707
Scotiabank Economics
derek.holt@scotiabank.com

Chart 1

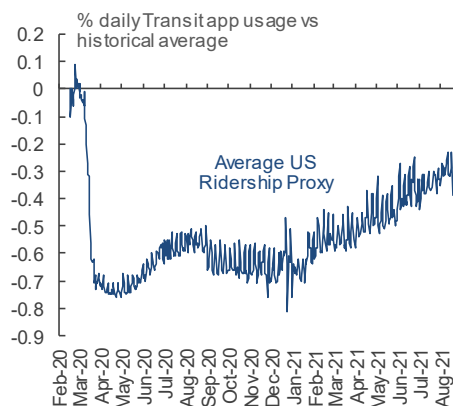
Method of Transportation in US



Sources: Scotiabank Economics, Apple.

Chart 2

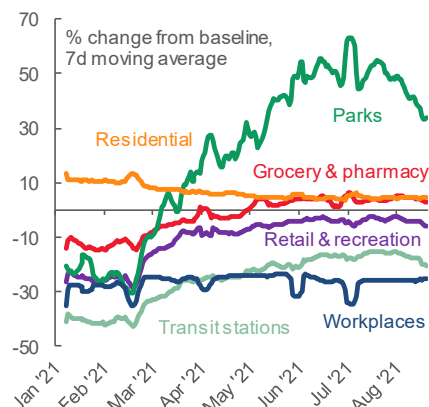
Public Transit Usage During COVID-19 Outbreak



Sources: Scotiabank Economics, Transit app.

Chart 3

Google Mobility Trends in US



Sources: Scotiabank Economics, Google LLC "Google COVID-19 Community Mobility Reports".

pegs the spread at 33–31–20 (Cons/Libs/NDP) while Mainstreet/iPolitics is much wider at 38–28–19. The status quo of a center-left Liberal minority propped up by the NDP remains the most likely outcome in terms of seat projections based upon poll composites.

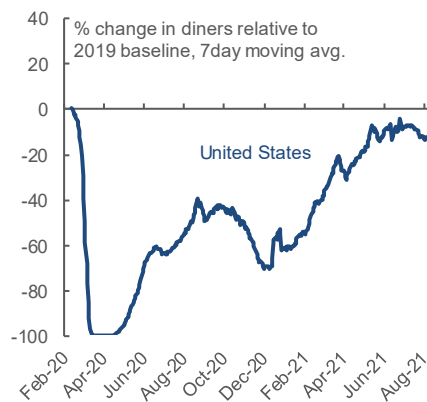
UNITED STATES

The US calendar only has pending home sales (10amET) and the Dallas Fed's manufacturing reading (10:30amET), neither of which are expected to offer material market effects.

A couple of weeks ago I did a focus on what high frequency alt-data is saying about the US economy. Updates don't reveal conclusive evidence of a big retrenchment in activity as seen in prior waves. Daily mobility readings by mode of transportation (charts 1, 2) and venue (chart 3) are holding up reasonably well with a small decline in driving that could be at least partly a seasonal effect and so people are still generally going about their business. Restaurant reservations are generally holding in (chart 4) and also in neighbouring Canada (chart 5). Air travel continues to decline which might be because of the Delta variant and some combination of reduced willingness to fly, tighter airline restrictions and a replay of seasonal and other influences like what happened in 2019 (chart 6). Movie theaters' box office receipts (chart 7) might be a little

Chart 4

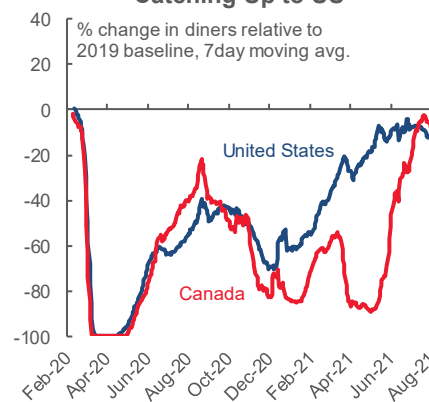
US OpenTable Reservations



Sources: Scotiabank Economics, OpenTable.

Chart 5

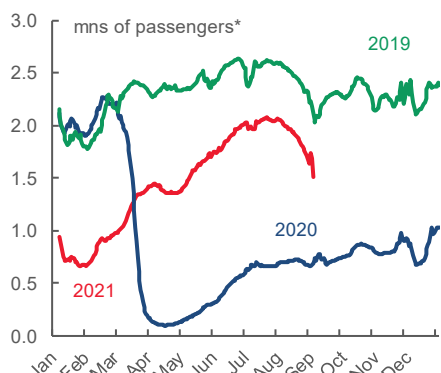
Canadian Restaurant Activity Catching Up to US



Sources: Scotiabank Economics, OpenTable.

Chart 6

US Air Travel

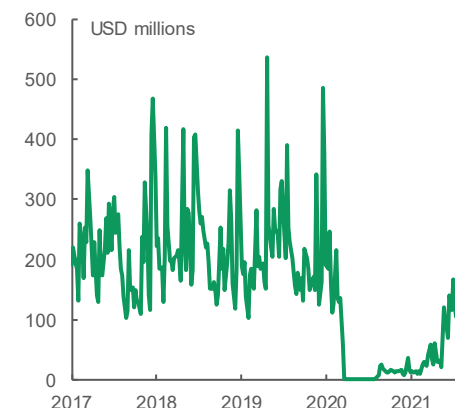


*Represents total number of passengers screened at US airports.

Sources: Scotiabank Economics, TSA.

Chart 7

Weekly US Box Office Grossings



Sources: Scotiabank Economics, IMDB.

softer but this is tough to read as a very volatile reading not least of which because it relies upon the flow of movies people actually want to see!

These perspectives offer an incomplete understanding of what's driving growth as previously argued but can give a fresher sense of what's happening especially in services. As one caution to going too far with what they mean to interpreting behaviour, widespread product shortages in autos, broad retail sales inventories and very lean resale home inventories offer little to buy.

GLOBAL COVID-19 CASE TRENDS

Here is the weekly Monday sweep through the 7-day moving average of new COVID-19 cases. See the charts on the next two pages.

Canada: New cases continue to trend higher. The rise is spread across the country with the highest per capita new case rates being recorded in Alberta, Saskatchewan and BC. Ontario and Quebec have relatively low per capital rates.

United States: Cases continue to trend higher. The South census region has almost twice the per capita case rate of the next on the list which is the west, but all regions are trending higher.

Latin America: Most major countries are trending lower. Mexico's new case rate is holding firm after previously rising but is relatively low.

Europe: Cases in the UK continue to trend higher. Most other countries are either trending lower or flat.

Asia-Pacific: Thailand could be coming off a peak and maybe Japan is getting there as well. Malaysia still has by far the highest new case rate per capita with Philippines much lower but still rising. Malaysia's case rate is on par with the US south.

Middle East: Israel's new case rate is the highest anywhere in this collection of charts and it is still trending higher. Israel's new case rate is eclipsing the previous peaks.

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			
	0.22	0.22	0.23	0.79	0.80	0.77	1.30	1.31	1.25	1.92	1.92	1.87	Canada - BoC	0.25	
	0.44	0.44	0.44	0.84	0.83	0.83	1.21	1.20	1.16	1.75	1.75	1.75	US - Fed	0.25	
	-0.74	-0.74	-0.75	-0.70	-0.71	-0.74	-0.42	-0.42	-0.48	0.05	0.05	-0.03	England - BoE	0.10	
	-0.11	-0.11	-0.12	-0.11	-0.11	-0.12	0.02	0.03	0.02	0.65	0.65	0.65	Euro zone - ECB	0.00	
	0.12	0.14	0.10	0.29	0.31	0.24	0.58	0.60	0.52	1.00	1.02	0.94	Japan - BoJ	-0.10	
	Spreads vs. U.S. (bps):														
	22	22	22	5	3	6	-10	-11	-9	-17	-17	-12	Mexico - Banxico	4.50	
	-95	-95	-97	-150	-151	-151	-172	-173	-173	-187	-187	-190	Australia - RBA	0.10	
-32	-33	-35	-91	-91	-89	-128	-128	-123	-127	-127	-122	New Zealand - RBNZ	0.25		
-10	-7	-12	-50	-49	-53	-73	-71	-73	-92	-90	-93	Next Meeting Date			
Equities	Level					% change:									
	Last	Change			1 Day	1-wk	1-mo	1-yr							
S&P/TSX	20645	140.5			0.7	0.8	1.8	23.6						Canada - BoC	Sep 08, 2021
Dow 30	35456	242.7			0.7	1.0	1.5	23.7						US - Fed	Sep 22, 2021
S&P 500	4509	39.4			0.9	1.5	2.6	28.5						England - BoE	Sep 23, 2021
Nasdaq	15130	183.7			1.2	2.8	3.1	29.4						Euro zone - ECB	Sep 09, 2021
DAX	15865	13.6			0.1	0.1	2.1	21.7						Japan - BoJ	Sep 22, 2021
FTSE	7148	23.0			0.3	0.8	1.6	19.9							
Nikkei	27789	148.2			0.5	1.1	1.9	20.1							
Hang Seng	25540	131.7			0.5	1.7	-1.6	1.4							
CAC	6693	11.4			0.2	0.2	1.2	33.8							
Commodities	Level					% change:									
WTI Crude	68.75	0.01			0.0	4.7	-7.0	60.0						Canada - BoC	Sep 08, 2021
Natural Gas	4.29	-0.10			-2.2	8.8	9.6	61.5						US - Fed	Sep 22, 2021
Gold	1815.37	-2.20			-0.1	0.6	0.1	-7.6						England - BoE	Sep 23, 2021
Silver	23.61	-0.07			-0.3	1.7	-6.0	-13.3						Euro zone - ECB	Sep 09, 2021
CRB Index	219.65	0.47			0.2	3.6	0.7	43.1						Japan - BoJ	Sep 22, 2021
Currencies	Level					% change:									
USDCAD	1.2601	-0.0019			-0.2	-0.4	1.0	-3.4						Mexico - Banxico	Sep 30, 2021
EURUSD	1.1798	0.0003			0.0	0.5	-0.6	-1.2						Australia - RBA	Sep 07, 2021
USDJPY	109.87	0.0300			0.0	0.2	0.1	3.7						New Zealand - RBNZ	Oct 05, 2021
AUDUSD	0.7301	-0.0011			-0.2	1.3	-0.6	-1.0							
GBPUSD	1.3766	0.0002			0.0	0.3	-1.0	3.0							
USDCHF	0.9153	0.0040			0.4	0.3	1.0	1.3							

Chart 8

Trend in European Daily Cases

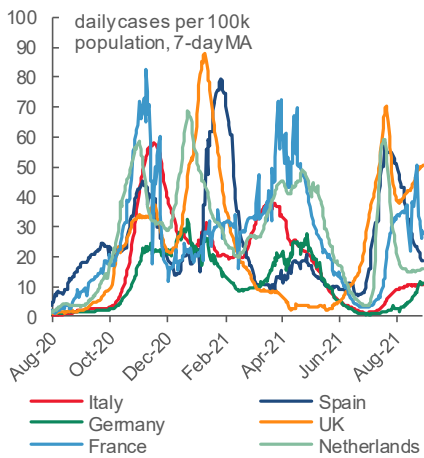


Chart 9

Trend in European Daily Cases

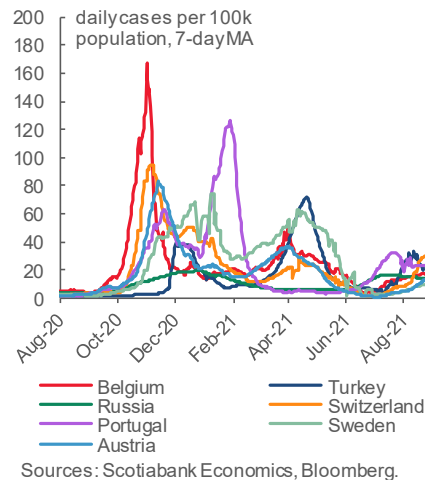


Chart 10

Trend in Latin American Daily Cases

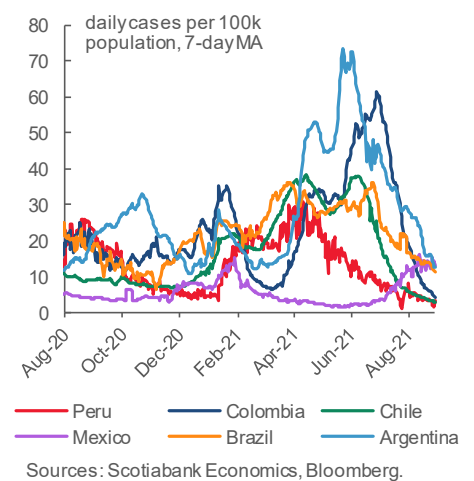


Chart 11

Trend in Asia Pacific Daily Cases

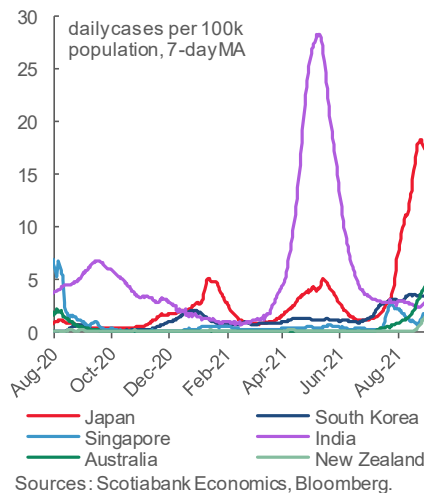


Chart 12

Trend in Asia Pacific Daily Cases

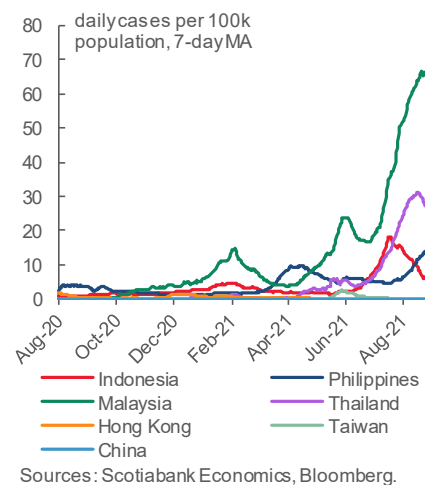


Chart 13

Trend in Middle Eastern Daily Cases

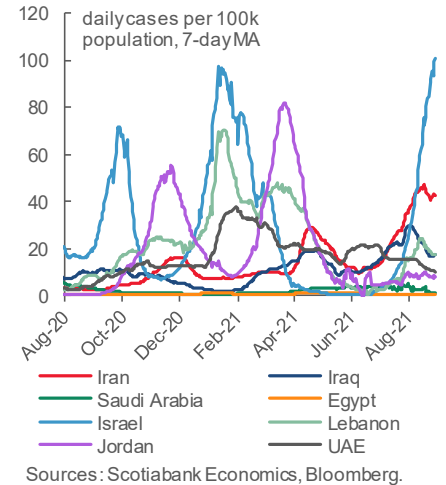


Chart 14

Trend in US Daily New Cases

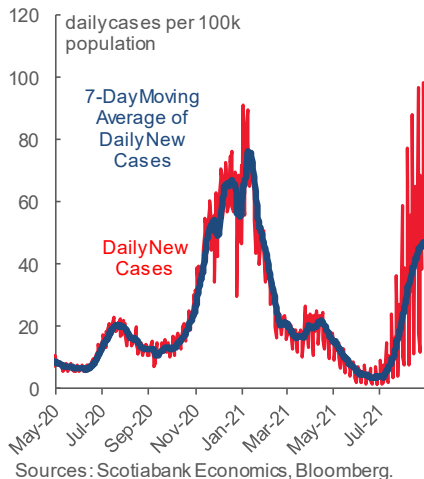


Chart 15

Daily Cases Trend in US Regions

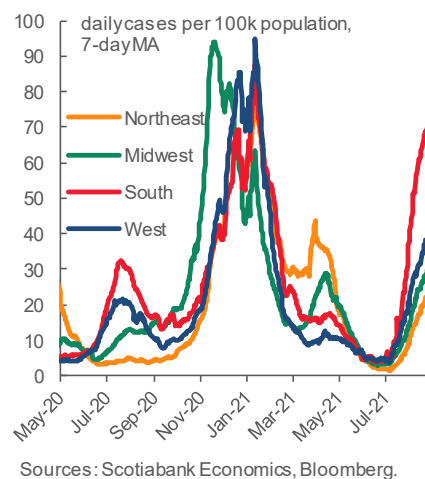


Chart 16

Canadian Trend in New Cases

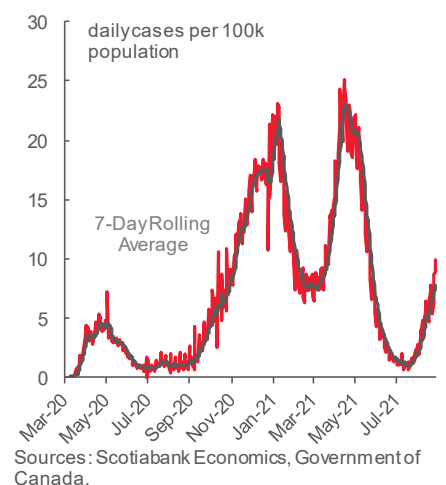
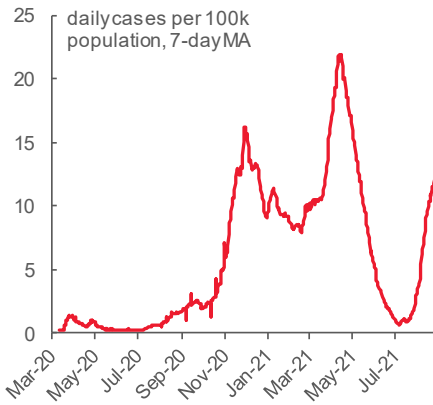


Chart 17

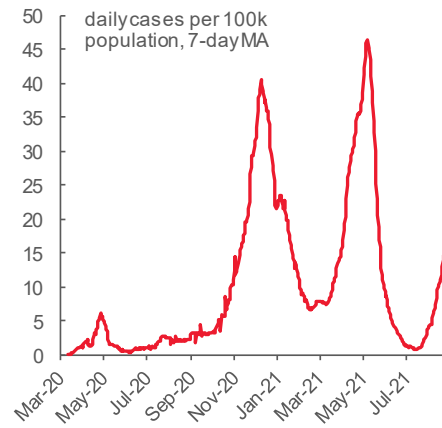
British Columbia Trend in New Cases



Sources: Scotiabank Economics, Government of Canada.

Chart 18

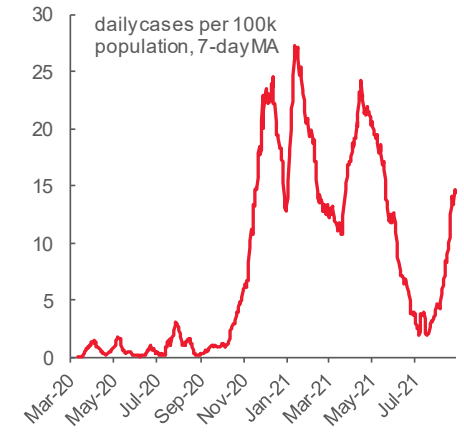
Alberta Trend in New Cases



Sources: Scotiabank Economics, Government of Canada.

Chart 19

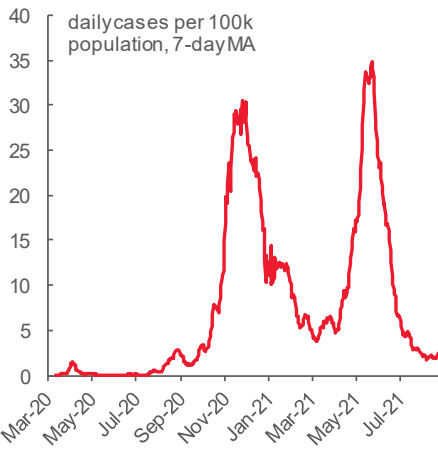
Saskatchewan Trend in New Cases



Sources: Scotiabank Economics, Government of Canada.

Chart 20

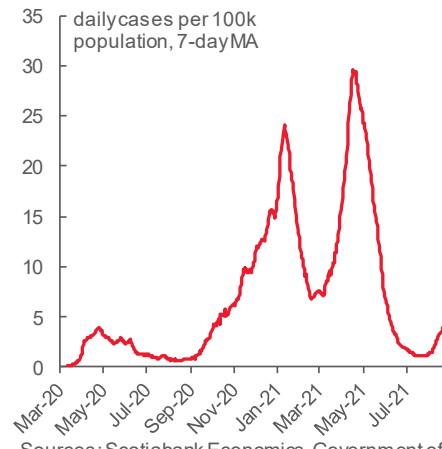
Manitoba Trend in New Cases



Sources: Scotiabank Economics, Government of Canada.

Chart 21

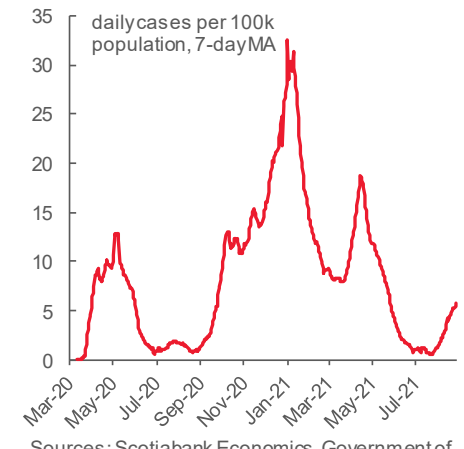
Ontario Trend in New Cases



Sources: Scotiabank Economics, Government of Canada.

Chart 22

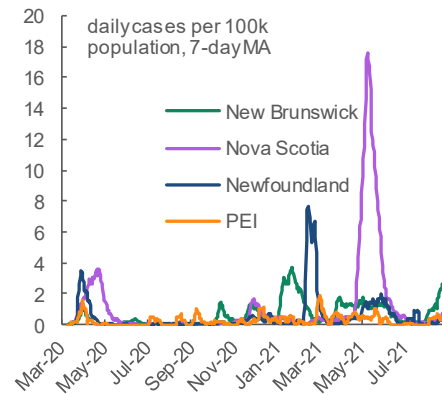
Quebec Trend in New Cases



Sources: Scotiabank Economics, Government of Canada.

Chart 23

Atlantic Provinces Trend in New Cases



Sources: Scotiabank Economics, Government of Canada.

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