

ON DECK FOR FRIDAY, SEPTEMBER 10

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	09-10	08:30	Capacity Utilization (%)	2Q	--	81.3	81.7
CA	09-10	08:30	Employment (000s m/m)	Aug	50	67.5	94.0
CA	09-10	08:30	Unemployment Rate (%)	Aug	7.3	7.3	7.5
US	09-10	08:30	PPI (m/m)	Aug	0.6	0.6	1.0
US	09-10	08:30	PPI ex. Food & Energy (m/m)	Aug	0.6	0.5	1.0
US	09-10	10:00	Wholesale Inventories (m/m)	Jul F	--	0.6	0.6

KEY POINTS:

- Canadian curve steepens into jobs
- CDN jobs on tap
- CDN Leaders debate? Pfft. All eyes were on NYC last night
- Peru, Russia hike
- Sterling ignores generally soft UK readings

Global markets are poised to end the week with a mild risk-on bias. Let's see if Canada cooperates.

My focus this morning will be on the pending Canadian jobs report and whether the BoC publishes its piece on revised estimates of slack in the labour market given Macklem's nod yesterday. Both developments could materially inform BoC sentiment. See yesterday morning's DP ([here](#)) for a recap of expectations and drivers as well as the week ahead, and the Macklem speech note I put out yesterday for the slack reference ([here](#)). 50k is my guesstimate with consensus at 68k and a spread from 50k–160k due to one upside outlier.

As for last night's Canadian leaders debate? Let's just say that if you had a hankering for some Canadian content on tv then you would've been wayyyy better off watching developments in NYC. You pick, the Jays sweeping the Yankees in the wild card race or the US Open women's semi-final. Go Leylah! Good for her.

UK readings were mixed but generally soft this morning but few cared because it was July data. Monthly GDP barely grew in July (0.1% m/m, 0.5% consensus) following a large unrevised 1.0% prior gain. The main reason is that services disappointed by coming in flat (0.6% m/m consensus, 1.5% prior) because the initial reopening impulse fizzled out. Industrial output soared, however, with a gain of 1.2% m/m in the same month despite flat manufacturing output as a big gain in resources drove the surge thanks to oil and gas output being up 28% m/m and mining up 21.9% m/m.

Eurozone industrial output was all over the map in July with Spain down 1.1% m/m for a second consecutive month, Italy up 0.8% m/m and France in the middle with a mild 0.3% rise. The euro ignored stale data.

Across LatAm, Peru's markets will be monitored for reaction to last evening's 50bps hike and guidance that generally leaned toward more to come. Mexico clocked a 1.1% m/m gain in industrial output in July (0.2% consensus) with some of the beat due to downward revisions to the prior month (-0.9% instead of -0.5%).

Russia hiked only 25bps a short time ago versus consensus expectations for a 50bps hike although there was a fair portion of consensus that got it right. Guidance pointed to another forthcoming hike on inflation concerns.

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Fixed Income	Government Yield Curves (%):												Central Banks		
U.S. 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	Canada - BoC	0.25	
	0.22	0.21	0.21	0.80	0.79	0.78	1.32	1.30	1.32	1.92	1.90	1.94			
	0.40	0.40	0.39	0.81	0.79	0.78	1.20	1.17	1.19	1.76	1.74	1.75			
	-0.70	-0.71	-0.71	-0.65	-0.66	-0.67	-0.35	-0.36	-0.36	0.14	0.13	0.15			
U.S.	-0.12	-0.12	-0.12	-0.09	-0.10	-0.10	0.05	0.04	0.04	0.66	0.66	0.65	US - Fed	0.25	
U.K.	0.22	0.22	0.20	0.41	0.41	0.37	0.74	0.74	0.72	1.06	1.06	1.07	England - BoE	0.10	
Spreads vs. U.S. (bps):														Euro zone - ECB	0.00
CANADA	19	18	19	0	0	-0	-12	-13	-14	-16	-16	-20			
GERMANY	-92	-92	-91	-145	-145	-146	-167	-166	-169	-178	-177	-180			
JAPAN	-34	-34	-33	-90	-89	-89	-127	-126	-128	-126	-124	-129			
U.K.	1	1	-1	-39	-38	-41	-58	-56	-61	-86	-84	-88			
Equities	Level						% change:						Mexico - Banxico	4.50	
S&P/TSX Dow 30 S&P 500 Nasdaq DAX FTSE Nikkei Hang Seng CAC	Last	Change					1 Day	1-wk	1-mo	1-yr	Australia - RBA	0.10			
	20705	-36.5					-0.2	-0.4	1.0	27.9	New Zealand - RBNZ	0.25			
	34879	-151.7					-0.4	-1.2	-1.1	26.7	Next Meeting Date				
	4493	-20.8					-0.5	-0.7	1.3	34.6	Canada - BoC	Oct 27, 2021			
	15248	-38.4					-0.3	-0.4	3.1	39.6	US - Fed	Sep 22, 2021			
	15696	72.4					0.5	-0.5	-0.5	18.8	England - BoE	Sep 23, 2021			
	7050	26.2					0.4	-1.2	-1.5	17.4	Euro zone - ECB	Oct 28, 2021			
	30382	373.7					1.2	4.3	8.9	30.8	Japan - BoJ	Sep 22, 2021			
	26206	489.9					1.9	1.2	-1.5	7.8	Mexico - Banxico	Sep 30, 2021			
	6709	24.1					0.4	0.3	-1.6	33.5	Australia - RBA	Oct 04, 2021			
Commodities	Level						% change:						New Zealand - RBNZ	Oct 05, 2021	
WTI Crude	69.30			1.16			1.7	-1.0	1.5	85.8					
Natural Gas	5.02			-0.01			-0.2	8.2	22.8	116.2					
Gold	1795.14			0.56			0.0	-1.8	3.8	-7.8					
Silver	24.15			-0.17			-0.7	-0.1	1.3	-9.0					
CRB Index	218.47			-0.82			-0.4	0.2	1.5	49.5					
Currencies	Level						% change:								
USDCAD	1.2616			-0.0048			-0.4	0.7	0.8	-4.4					
EURUSD	1.1830			0.0005			0.0	-0.4	0.9	0.1					
USDJPY	109.93			0.2100			0.2	0.2	-0.6	3.6					
AUDUSD	0.7398			0.0030			0.4	-0.8	0.7	1.9					
GBPUSD	1.3872			0.0035			0.3	0.0	0.2	8.3					
USDCHF	0.9175			0.0005			0.1	0.4	-0.5	0.8					

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