

ON DECK FOR THURSDAY, SEPTEMBER 16

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	09-16	08:15	Housing Starts (000s a.r.)	Aug	--	266.5	272.2
CA	09-16	08:30	International Securities Transactions (C\$ bn)	Jul	--	--	19.7
CA	09-16	08:30	Wholesale Trade (m/m)	Jul	-2.0	-2.0	-0.8
US	09-16	08:30	Philadelphia Fed Index	Sep	--	19.0	19.4
US	09-16	08:30	Retail Sales (m/m)	Aug	-1.2	-0.7	-1.1
US	09-16	08:30	Retail Sales ex. Autos (m/m)	Aug	-0.4	0.0	-0.4
US	09-16	08:30	Initial Jobless Claims (000s)	Sep 11	330	323	310
US	09-16	08:30	Continuing Claims (000s)	04-Sep	2800	2,740	2,783

KEY POINTS:

- **Dollar firmer into US retail sales**
- **US retail sales: key will be Delta's hit on core**
- **RBNZ rate hike odds go up post-GDP**
- **Markets ignore a bad Aussie jobs report**
- **Minor Canadian releases on tap**
- **Global COVID-19 new case trends**

INTERNATIONAL

Broad dollar strength is coinciding with mixed moves across other global asset classes. 10s are slightly cheaper in the US, Canada and UK but flat to a touch dearer across EGBs. N.A. equity futures are a touch weaker, while European cash markets are up by ½% to over 1% and following a generally weaker Asian overnight session.

Australia's jobs report was worse than expected all around, but largely anticipated by markets that have grown accustomed to the impact of lockdowns. The A\$'s depreciation to the dollar made it a middle-of-the-pack performer against other crosses while the yield curve steepened with longer yields up by about 5–6bps. 146k jobs were lost with a roughly even full-time part-time split. Hours worked fell 3.7% m/m. The participation rate fell 0.8% to 65.2% which drove a down tick in the unemployment rate to 4.5% as more people exited the workforce than lost their jobs.

New Zealand's Q2 GDP was another statistical footnote as the beat predates the lockdowns that arrived on August 16th. Q2 growth was 2.8% (1.1% consensus). Still, markets viewed pre-lockdown momentum as fanning higher odds of an RBNZ hike at the October 5th meeting and so the curve flattened with 2s up 7bps and 10s up 4bps while the NZ\$ is a top performer. The RBNZ was pretty clear the last time that they would have hiked on August 17th only if not for the prior night's single COVID-19 case that sparked lockdowns. A temporary modest spike in new cases peaked by early September and has since fallen sharply.

UNITED STATES

The main focus this morning will be upon the state of the US consumer. US retail sales (8:30amET) are expected to drop (consensus -0.7% m/m, Scotia -1.2%) and I think there is more downside than upside to my estimate. Auto sales tanked last month and the Delta effect plus product shortages likely hit sales ex-autos. I

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still think that choppy data doesn't throw out the trend in favour of a solid consumer outlook given very healthy finances but rolling waves of COVID-19 variants create noisy data while damaged supply chains have consumers willing to spend but often unable to find product.

The Philly Fed's business gauge (8:30amET) will be watched to see if it builds upon today's Empire beat on the path to the next ISM-manufacturing reading. Weekly jobless claims are edging toward the nonfarm reference period for September around pandemic lows (8:30amET).

Canadian data doesn't matter with just housing starts for August (8:15amET) and a likely drop in wholesale trade (8:30amET) on tap.

GLOBAL COVID-19 CASE TRENDS

See the next two pages for a sweep through global COVID-19 new case trends including Canadian provinces. Brief observations include the following:

- **Canada:** Cases continue to climb but so far remain at a pace equal to about one-fourth of the US rise. The largest provinces are all in upswings but new case counts per capita remain low in Quebec and Ontario and are much higher in the western part of the country and especially Alberta and Saskatchewan.
- **US:** Cases may be plateauing particularly as they decline in the South and West census regions.
- **Latin America:** Cases continue to push lower across all major countries.
- **Europe:** UK cases remain elevated while the rest of Europe has seen declines or maintained low readings.
- **Asia-Pacific:** Cases are falling in Japan, Thailand and Malaysia (albeit very high in Malaysia), still low in India, exceptionally low in NZ, but Singapore, Australia and Philippines continue to trend upward.
- **Middle East:** Israel's new case trend continues to reach for the sky with the highest per capita rate of any country shown in the collection of global charts.

Chart 1

Trend in European Daily Cases

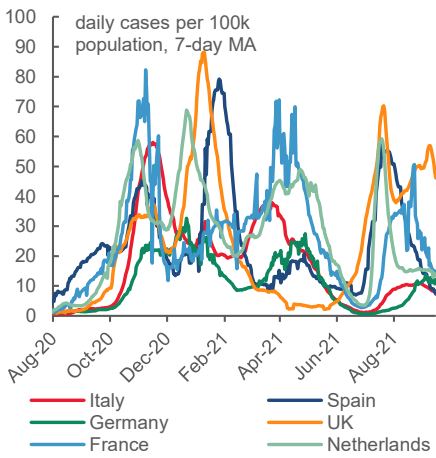


Chart 2

Trend in European Daily Cases

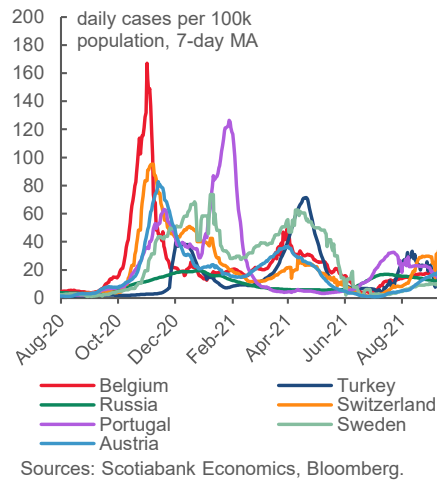


Chart 3

Trend in Latin American Daily Cases

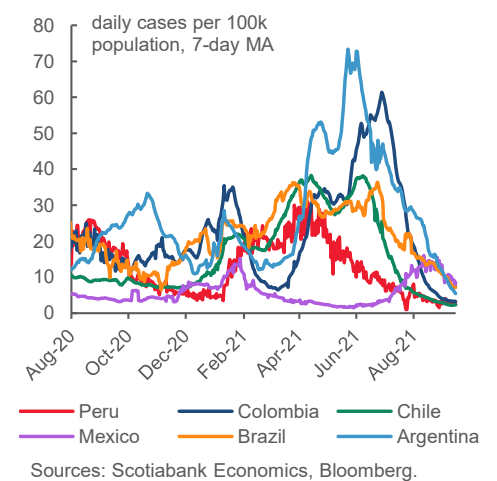


Chart 4

Trend in Asia Pacific Daily Cases

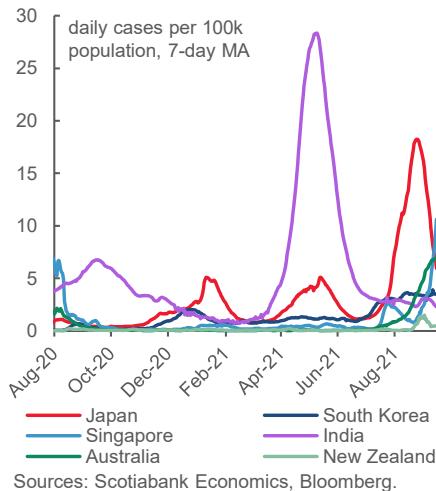


Chart 5

Trend in Asia Pacific Daily Cases

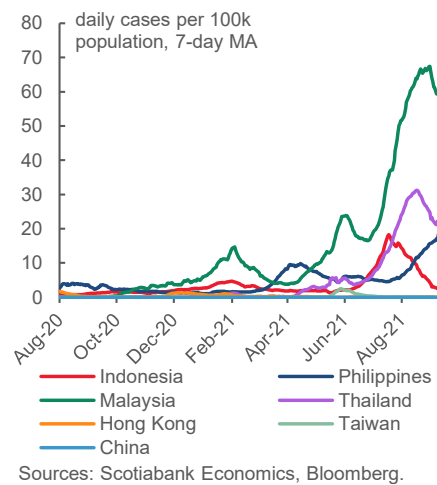


Chart 6

Trend in Middle Eastern Daily Cases

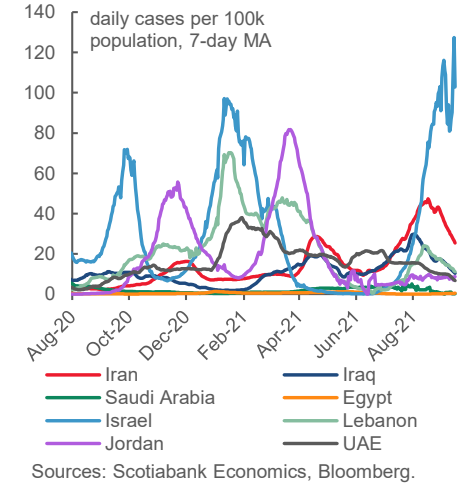


Chart 7

Trend in US Daily New Cases

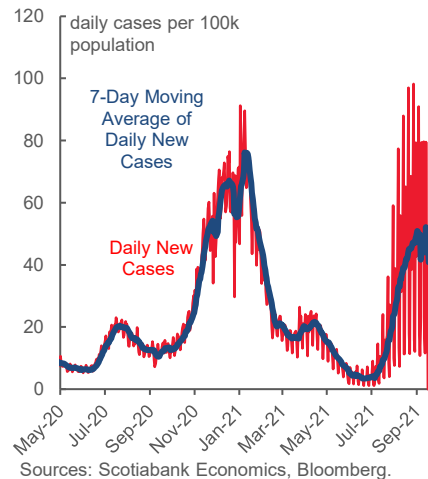


Chart 8

Daily Cases Trend in US Regions

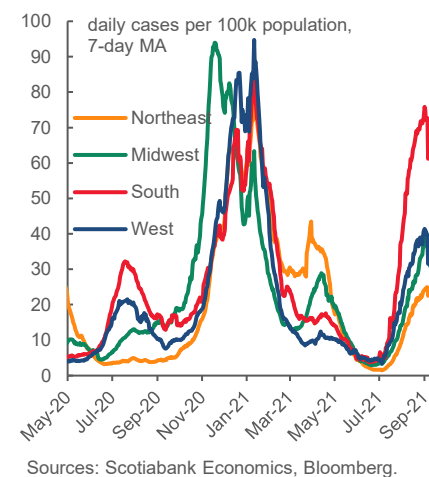


Chart 9

Canadian Trend in New Cases

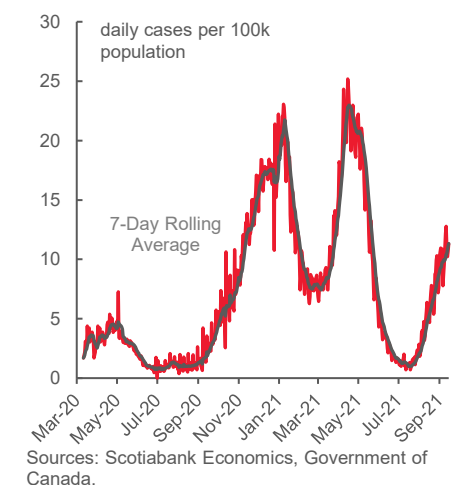
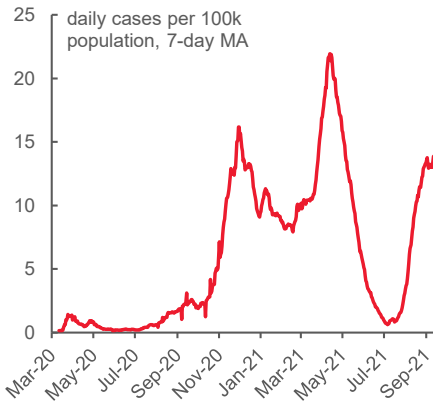


Chart 10

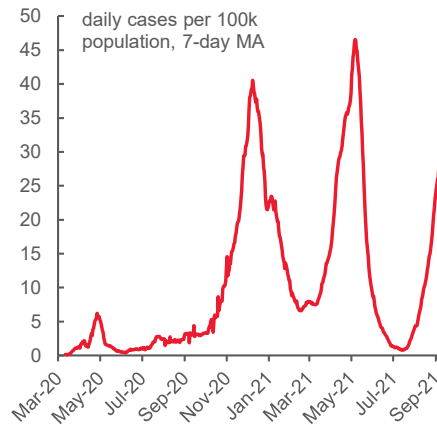
British Columbia Trend in New Cases



Sources: Scotiabank Economics, Government of Canada.

Chart 11

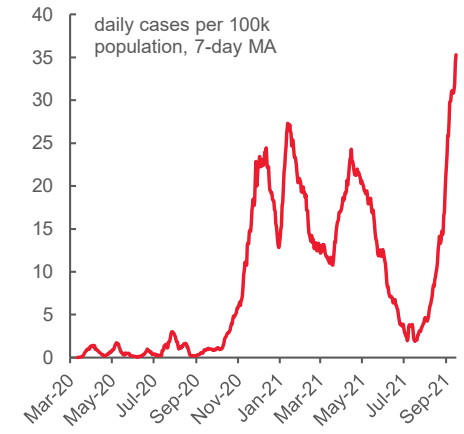
Alberta Trend in New Cases



Sources: Scotiabank Economics, Government of Canada.

Chart 12

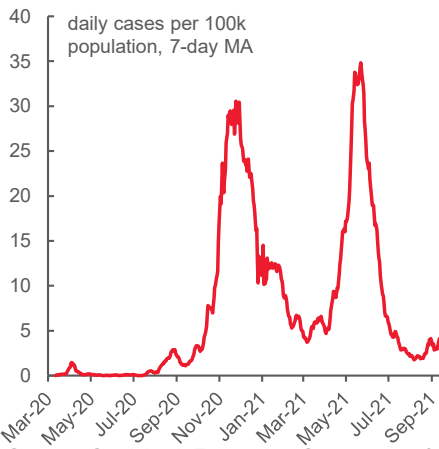
Saskatchewan Trend in New Cases



Sources: Scotiabank Economics, Government of Canada.

Chart 13

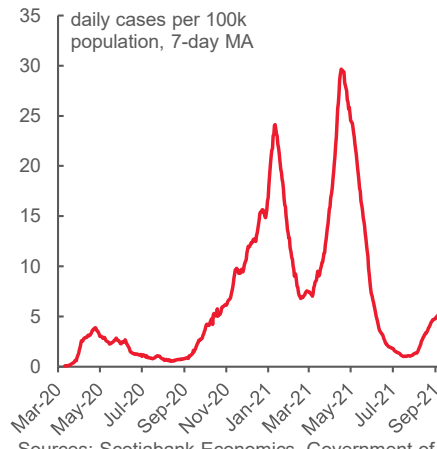
Manitoba Trend in New Cases



Sources: Scotiabank Economics, Government of Canada.

Chart 14

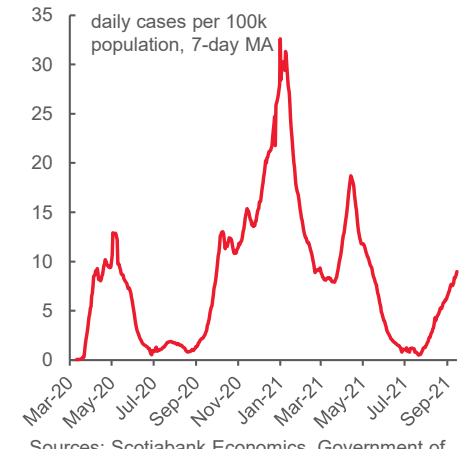
Ontario Trend in New Cases



Sources: Scotiabank Economics, Government of Canada.

Chart 15

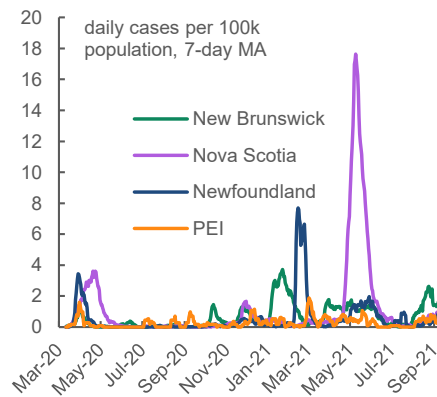
Quebec Trend in New Cases



Sources: Scotiabank Economics, Government of Canada.

Chart 16

Atlantic Provinces Trend in New Cases



Sources: Scotiabank Economics, Government of Canada.

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			
	0.21	0.21	0.21	0.81	0.80	0.79	1.31	1.30	1.30	1.87	1.86	1.90	Canada - BoC	0.25	
	0.43	0.42	0.40	0.85	0.83	0.79	1.24	1.22	1.17	1.79	1.77	1.74	US - Fed	0.25	
	-0.70	-0.70	-0.71	-0.62	-0.62	-0.66	-0.30	-0.31	-0.36	0.20	0.19	0.13	England - BoE	0.10	
	-0.13	-0.13	-0.12	-0.09	-0.10	-0.10	0.05	0.04	0.04	0.65	0.65	0.66			
	0.27	0.26	0.22	0.47	0.45	0.41	0.80	0.78	0.74	1.11	1.08	1.06			
	Spreads vs. U.S. (bps):														
	21	21	18	4	3	0	-7	-8	-13	-8	-9	-16	Euro zone - ECB	0.00	
	-91	-91	-92	-143	-142	-145	-161	-161	-166	-167	-167	-177	Japan - BoJ	-0.10	
-34	-34	-34	-90	-90	-89	-126	-126	-126	-122	-121	-124				
6	5	1	-34	-34	-38	-51	-52	-56	-77	-78	-84				
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				
	20694	140.5			0.7	-0.1	1.0	27.0	New Zealand - RBNZ		0.25				
	34814	236.8			0.7	-0.6	-2.3	24.2							
	4481	37.6			0.8	-0.7	0.0	32.4							
	15162	123.8			0.8	-0.8	2.5	37.2							
	15709	93.1			0.6	0.6	-1.4	18.5							
	7046	29.2			0.4	0.3	-1.5	15.9							
	30323	-188.4			-0.6	1.1	10.6	30.0							
	24668	-365.4			-1.5	-4.1	-4.2	1.3							
	6657	73.4			1.1	-0.4	-2.7	31.2							
Commodities	Level						% change:						Next Meeting Date		
WTI Crude Natural Gas Gold Silver CRB Index	72.40	-0.21			-0.3	6.3	7.6	80.3	Canada - BoC		Oct 27, 2021				
	5.29	-0.17			-3.2	5.1	34.0	133.2	US - Fed		Sep 22, 2021				
	1772.03	-22.04			-1.2	-1.3	-0.9	-9.6	England - BoE		Sep 23, 2021				
	23.84	0.24			1.0	-2.0	1.9	-13.5	Euro zone - ECB		Oct 28, 2021				
	225.46	3.93			1.8	2.8	4.4	50.6	Japan - BoJ		Sep 22, 2021				
									Mexico - Banxico		Sep 30, 2021				
Currencies	Level						% change:						Australia - RBA		Oct 04, 2021
USDCAD EURUSD USDJPY AUDUSD GBPUSD USDCHF	1.2631	0.0001			0.0	-0.3	0.5	-4.2	New Zealand - RBNZ		Oct 05, 2021				
	1.1771	-0.0046			-0.4	-0.5	-0.1	-0.4							
	109.39	0.0100			0.0	-0.3	0.1	4.2							
	0.7320	-0.0013			-0.2	-0.7	-0.2	0.2							
	1.3840	0.0000			0.0	0.0	-0.1	6.7							
	0.9246	0.0048			0.5	0.8	1.4	1.7							

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