

**ON DECK FOR MONDAY, OCTOBER 25**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
US	10-25	10:30	Dallas Fed. Manufacturing Activity	Oct	--	6.2	4.6

**KEY POINTS:**

- Quiet markets to start an active week
- PBOC injects highest amount of liquidity since January
- German business confidence slips
- US after-market earnings risk
- Global Week Ahead

As a reminder, please see the Global Week Ahead—Managing Markets ([here](#)). Key developments this week will be focused upon:

- BoC preview
- ECB to push back?
- Is US consumer confidence a warning shot?
- Earnings fan out with big names
- CBs: Brazil, Colombia to hike, BoJ to snooze
- GDP: US, Canada, EZ, Mexico, Sweden, SK, Taiwan
- Inflation: US, EZ, Australia, Japan
- Other macro

Monday offers a very quiet start to a potentially active trading week with several central banks and key earnings reports on tap. Overnight developments were light and that's likely to persist through to at least the earnings after market.

Stocks are little changed on average including across N.A. futures. London is up ½% as the main upside performer. Mainland China's equities initially slipped but then rallied ¾% mostly on the back of the PBOC's injection. The US Treasuries, Canada and gilts curves are slightly bear steepening but most other curves are little changed. The USD is also little changed. Oil is up by just under 1% with Saudi Arabia's oil minister cautioning against higher production.

The PBOC injected the highest amount of liquidity into markets since last January (chart 1). 200 billion yuan was injected through 7-day reverse repo which netted 190 billion after small maturities. Some of this is thought to be oriented toward month-end funding requirements including requirements for tax payments and government bond issuance.

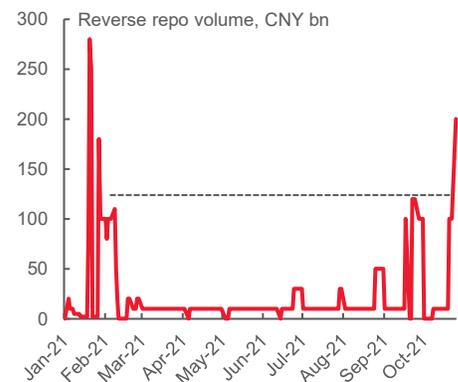
German IFO business confidence slipped a touch through the expectations component that has reversed most of the rise that had occurred this year.

There is nothing material on tap in the US or Canada this morning. Facebook releases earnings in the after-market.

**CONTACTS**

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Chart 1

**PBoC Ups Liquidity Injections to Support the Economy**


Sources: Scotiabank Economics, Bloomberg.

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.	0.46	0.46	0.43	1.21	1.20	1.17	1.66	1.63	1.60	2.10	2.07	2.04	Canada - BoC	0.25		
CANADA	0.88	0.87	0.83	1.36	1.34	1.29	1.68	1.65	1.59	2.07	2.04	1.97	US - Fed	0.25		
GERMANY	-0.65	-0.64	-0.63	-0.43	-0.42	-0.46	-0.09	-0.11	-0.15	0.28	0.24	0.24	England - BoE	0.10		
JAPAN	-0.10	-0.10	-0.11	-0.06	-0.07	-0.07	0.11	0.10	0.10	0.72	0.71	0.71	Euro zone - ECB	0.00		
U.K.	0.67	0.66	0.72	0.84	0.83	0.84	1.17	1.15	1.14	1.37	1.36	1.37	Japan - BoJ	-0.10		
	Spreads vs. U.S. (bps):															
CANADA	42	42	40	15	14	12	2	2	-2	-3	-3	-7	Mexico - Banxico	4.75		
GERMANY	-111	-109	-105	-163	-162	-163	-175	-174	-175	-182	-183	-180	Australia - RBA	0.10		
JAPAN	-55	-56	-53	-127	-126	-124	-155	-154	-151	-139	-136	-133	New Zealand - RBNZ	0.50		
U.K.	21	21	30	-36	-37	-33	-49	-49	-47	-73	-71	-66				
Equities	Level						% change:						Next Meeting Date			
	Last	Change			1 Day	1-wk	1-mo	1-yr								
S&P/TSX	21216	3.8			0.0	1.1	4.0	30.1					Canada - BoC	Oct 27, 2021		
Dow 30	35677	73.9			0.2	1.1	2.5	25.9					US - Fed	Nov 03, 2021		
S&P 500	4545	-4.9			-0.1	1.6	2.0	31.2					England - BoE	Nov 04, 2021		
Nasdaq	15090	-125.5			-0.8	1.3	0.3	30.7					Euro zone - ECB	Oct 28, 2021		
DAX	15580	37.3			0.2	0.7	0.3	23.2					Japan - BoJ	Oct 28, 2021		
FTSE	7239	34.5			0.5	0.5	2.7	23.5								
Nikkei	28600	-204.4			-0.7	-1.5	-5.4	21.6								
Hang Seng	26132	5.1			0.0	2.8	8.0	4.9								
CAC	6726	-7.5			-0.1	0.8	1.3	37.0								
Commodities	Level						% change:									
	Level			% change:												
WTI Crude	84.46			0.70			0.8		2.5		14.2		111.9		England - BoE	Nov 04, 2021
Natural Gas	5.54			0.26			5.0		11.1		7.8		86.5		Euro zone - ECB	Oct 28, 2021
Gold	1800.60			7.95			0.4		2.0		2.9		-5.3			
Silver	24.31			0.08			0.3		4.6		6.9		-2.4			
CRB Index	237.68			1.08			0.5		-0.7		5.5		57.7		Japan - BoJ	Oct 28, 2021
Currencies	Level						% change:									
	Level			% change:												
USDCAD	1.2355			-0.0011			-0.1		-0.2		-2.2		-6.5		Mexico - Banxico	Nov 11, 2021
EURUSD	1.1623			-0.0020			-0.2		0.1		-0.6		-1.6			
USDJPY	113.70			0.2000			0.2		-0.5		2.4		8.5		Australia - RBA	Nov 01, 2021
AUDUSD	0.7491			0.0025			0.3		1.1		2.8		5.2			
GBPUSD	1.3771			0.0016			0.1		0.3		0.5		5.7		New Zealand - RBNZ	Nov 23, 2021
USDCHF	0.9189			0.0031			0.3		-0.5		-0.7		1.2			

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