

DAILY POINTS

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Contributors

Derek Holt

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

On Deck for Monday, August 29

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	08-29	10:30	Dallas Fed. Manufacturing Activity	Aug	--	-12.2	-22.6
US	08-29	14:15	Fed's Brainard Speaks at a FedNow Workshop				

KEY POINTS:

- **Markets extend Friday's ECB and Fed drivers with a risk-off tone**
- **London shut for a bank holiday. Take late August trading with a grain of salt.**
- **A\$ shakes off stronger retail sales**
- **ECB's Lane to speak on inflation panel**
- **Fed's Brainard unlikely to impact markets**
- **Global Week Ahead**

As a reminder, please see the Global Week Ahead—Marching Forward, Looking Backward [here](#) and the accompanying slide deck for clients is [here](#).

Key topics:

- No central banks!
- US nonfarm & wages to inform the Fed's next move
- Eurozone CPI could reinforce recent ECB hawkishness
- Canada's growth is softening
- PMIs: US, China
- Other global macro

Monday is bringing with it an extension of Friday's market activity that was driven by Powell's speech and ECB comments and rumours including contemplated of a 75bps hike at the September 8th ECB meeting. London is shut for a bank holiday and being late August take all market action with a bit of a grain of salt. Overnight calendars were very light and the same will hold true into the N.A. session.

EGB yields are mostly 11–14bps higher in 2s with 10s up by a little less and hence curves are flattening somewhat. US Treasury yields are up 4–8bps in 2s through 10s. Fed funds futures are pricing a rate peak of 3.75–4% until late next year when a 25bps cut is priced and OIS is pricing ~225bps of ECB hikes by next summer. The USD is broadly stronger but the euro is holding its own and backed by shifting ECB-speak. The yen continues to tumble from about 136.5 before Friday's events and at 138.5 now. Stocks are broadly lower with S&P futures down by ~1%, TSX futures down by a little less and European cash markets off by around 1½% on average and with London shut.

Australian retail sales surprised higher but had at best a fleeting effect on the A\$ and curve independent of broader forces. The value of sales increased by 1.3% m/m in July which was the largest gain since March. Some of that was no doubt due to higher prices which is reason to partly fade the estimates, but Australia only updates CPI quarterly.

ECB Chief Economist Lane speaks on a panel titled “high inflation and other challenges for monetary policy” along with two others at a Central Bank Research Association event in Barcelona (9amET).

Fed Vice Chair Brainard delivers pre-recorded remarks at a FedNow Service event and hence is likely to focus upon payments system issues (2:15pmET). US data only includes the Dallas Fed's manufacturing activity report for August (10:30amET).

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.	3.45	3.40	3.31	3.27	3.21	3.16	3.10	3.04	3.02	3.23	3.19	3.23	Canada - BoC	2.50
CANADA	3.54	3.49	3.42	3.19	3.17	3.07	3.02	3.01	2.94	2.98	3.00	2.94	US - Fed	2.50
GERMANY	1.11	0.99	0.90	1.32	1.18	1.12	1.50	1.39	1.31	1.58	1.52	1.45	England - BoE	1.75
JAPAN	-0.07	-0.08	-0.08	0.03	0.02	0.02	0.25	0.22	0.22	1.21	1.15	1.13		
U.K.	2.82	2.82	2.53	2.57	2.58	2.28	2.60	2.62	2.41	2.88	2.89	2.71		
	Spreads vs. U.S. (bps):													
CANADA	9	9	11	-8	-4	-9	-9	-4	-8	-26	-20	-29	Euro zone - ECB	0.50
GERMANY	-234	-241	-242	-196	-203	-204	-161	-165	-171	-166	-168	-178	Japan - BoJ	-0.10
JAPAN	-352	-348	-339	-325	-319	-314	-286	-282	-280	-203	-205	-209		
U.K.	-63	-58	-79	-70	-63	-88	-50	-43	-61	-36	-30	-51	Mexico - Banxico	8.50
Equities	Level						% change:							
	Last			Change	1 Day	1-wk	1-mo	1-yr						
S&P/TSX	19873			-299.0	-1.5	-1.2	0.9	-3.7					Australia - RBA	1.85
Dow 30	32283			-1008.4	-3.0	-4.2	-1.7	-8.9					New Zealand - RBNZ	3.00
S&P 500	4058			-141.5	-3.4	-4.0	-1.8	-10.0						
Nasdaq	12142			-497.6	-3.9	-4.4	-2.0	-19.7						
DAX	12802			-169.0	-1.3	-3.2	-5.1	-19.2						
FTSE	7427			-52.4	-0.7	-1.6	0.1	3.9						
Nikkei	27879			-762.4	-2.7	-3.2	0.3	0.9					Canada - BoC	Sep 07, 2022
Hang Seng	20023			-146.8	-0.7	1.9	-0.7	-21.2					US - Fed	Sep 21, 2022
CAC	6170			-104.4	-1.7	-3.3	-4.3	-7.7						
Commodities	Level						% change:							
WTI Crude	93.64			0.58	0.6	3.8	-5.0	36.2					England - BoE	Sep 15, 2022
Natural Gas	9.45			0.15	1.6	-2.4	14.8	116.1						
Gold	1729.08			-9.06	-0.5	-0.4	-2.1	-4.9					Euro zone - ECB	Sep 08, 2022
Silver	19.22			-0.11	-0.6	-0.1	3.6	-18.8						
CRB Index	299.09			2.35	0.8	2.4	2.4	36.5					Japan - BoJ	Sep 22, 2022
Currencies	Level						% change:							
USDCAD	1.3059			0.0026	0.2	0.0	2.1	3.6					Mexico - Banxico	Sep 29, 2022
EURUSD	0.9985			0.0019	0.2	0.4	-2.3	-15.4						
USDJPY	138.50			0.8600	0.6	0.7	3.9	26.0					Australia - RBA	Sep 06, 2022
AUDUSD	0.6865			-0.0032	-0.5	-0.2	-1.7	-5.9						
GBPUSD	1.1695			-0.0049	-0.4	-0.6	-3.9	-15.0					New Zealand - RBNZ	Oct 04, 2022
USDCHF	0.9684			0.0027	0.3	0.4	1.7	5.6						

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