

### DAILY POINTS

September 27, 2022 @ 7:05 EST

#### Contributors

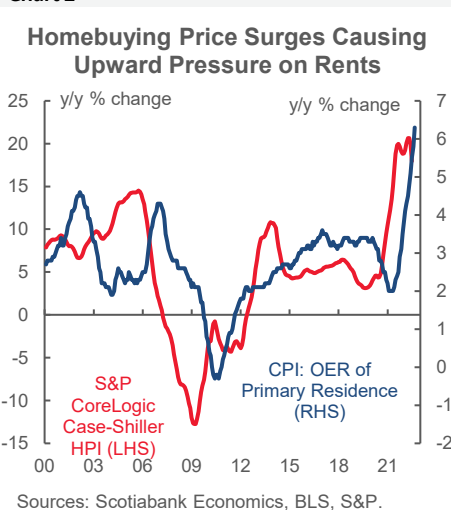
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Chart 1



Chart 2



#### On Deck for Tuesday, September 27

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	09-27	07:30	Powell Takes Part in Panel on Digital Currencies				
US	09-27	08:30	Durable Goods Orders (m/m)	Aug P	0.0	-0.3	-0.1
US	09-27	08:30	Durable Goods Orders ex. Trans. (m/m)	Aug P	0.3	0.2	0.2
US	09-27	09:00	S&P/Case-Shiller Home Price Index (m/m)	Jul	--	0.2	0.4
US	09-27	09:00	S&P/Case-Shiller Home Price Index (y/y)	Jul	--	17.1	18.7
US	09-27	10:00	Consumer Confidence Index	Sep	105	104.5	103.2
US	09-27	10:00	New Home Sales (000s a.r.)	Aug	490	500.0	511.0
US	09-27	10:00	Richmond Fed Manufacturing Index	Sep	--	-10.0	-8.0
US	09-27	20:35	Fed's Mary Daly Speaks at Banking Event in Singapore				

#### KEY POINTS:

- **More positive market tone consolidates Fed, UK, Italian shocks**
- **US equipment investment is an underappreciated strength**
- **US consumer confidence to trade off job gains and lower gas against market turmoil**
- **US new home sales probably fell again**
- **US OER is probably still a long way from cooling**
- **Fed's Evans reinforces market's interpretation of the dots**
- **Former NY Fed official Dudley expects "millions out of work"**

Global markets are a bit calmer this morning in what may be consolidation of all the developments from the Fed through the UK's fiscal plans and Italy's election alongside little by way of fresh developments.

The USD is broadly softer with even sterling rebounding. US Treasury yields are 10–12bps lower across the curve, Canada's curve is slightly underperforming Treasuries, gilts are lower by double digit amounts through 10s, bunds are a touch richer but Italian and peripheral spreads are widening by ~10bps over bunds through much of the curve. As for stocks, US futures are up by over 1% with the TSX up by ½% and Europe is mixed as London is a touch softer amid mild gains elsewhere.

There were minimal overnight developments. Chicago Fed President Evans remarked that the Fed could pause by March which is pretty much how the dot plot was interpreted. Former NY Fed President Dudley is accusing the FOMC of being disingenuous when it downplays the likelihood that its hikes won't hurt much and instead says that millions of jobs will be lost. The PBoC set a firmer yuan fix again but it still fell again versus the dollar in onshore markets. China's industrial profits fell 2.1% ytd/ytd for the softest tally since September 2020.

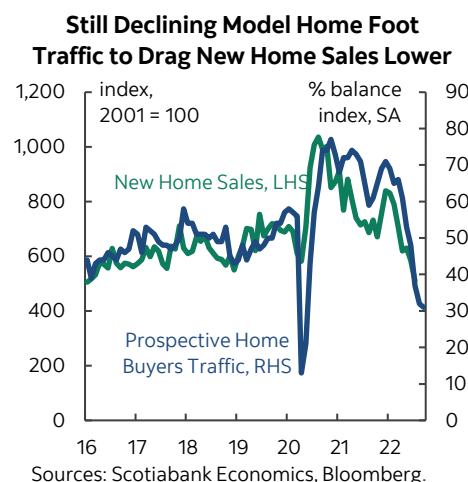
Most of the calendar-based focus will be upon Fed and BoE speak plus a number of US releases.

- Watch for continued gains in core capital goods orders in the US (8:30amET) as they have been on a tear (chart 1).
- Consumer confidence might improve on lower gas and strong jobs but also watch inflation expectations (10amET).
- New home sales (10amET) probably fell again given weak builder traffic (chart 2).
- Repeat sales home prices are due for a July update (9amET) and matter because they have yet to turn softer and it takes an extended period afterward before owners' equivalent rent in CPI turns softer as shown in chart 3.

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- The Richmond Fed's manufacturing gauge will also be updated with the September print this morning (10amET).
- Fed Chair Powell will speak this morning but on digital currencies (7:30amET).
- St. Louis Fed President Bullard speaks at 9:55amET. A pair of ECB speakers will also step up to the mic including Guindos (9:15amET) and Villeroy (11:15amET).

Chart 3



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.	4.23	4.35	3.97	4.06	4.19	3.75	3.81	3.93	3.56	3.68	3.74	3.57	Canada - BoC	3.25
CANADA	3.78	3.84	3.76	3.28	3.37	3.28	3.14	3.23	3.10	2.98	3.05	3.02	US - Fed	3.25
GERMANY	1.87	1.95	1.71	2.02	2.10	1.82	2.07	2.12	1.93	1.94	1.95	1.92	England - BoE	2.25
JAPAN	-0.04	-0.05	-0.07	0.09	0.08	0.06	0.25	0.25	0.26	1.43	1.39	1.33	Euro zone - ECB	1.25
U.K.	4.31	4.57	3.33	4.33	4.55	3.31	4.14	4.24	3.29	4.63	4.54	3.59	Japan - BoJ	-0.10
	Spreads vs. U.S. (bps):												Mexico - Banxico	8.50
CANADA	-45	-51	-20	-78	-83	-47	-67	-70	-46	-70	-70	-55	Australia - RBA	2.35
GERMANY	-236	-240	-225	-204	-210	-192	-174	-181	-164	-173	-180	-165	New Zealand - RBNZ	3.00
JAPAN	-427	-440	-403	-397	-412	-369	-356	-367	-331	-224	-236	-225	Next Meeting Date	
U.K.	8	22	-64	27	36	-44	32	32	-27	95	80	2	Canada - BoC	Oct 26, 2022
Equities	Level			Change			1 Day			1-wk			US - Fed	Nov 02, 2022
S&P/TSX	18327			-153.9			-0.8			-5.4			England - BoE	Nov 03, 2022
Dow 30	29261			-329.6			-1.1			-5.7			Euro zone - ECB	Oct 27, 2022
S&P 500	3655			-38.2			-1.0			-6.3			Japan - BoJ	Oct 28, 2022
Nasdaq	10803			-65.0			-0.6			-6.3			Mexico - Banxico	Sep 29, 2022
DAX	12307			78.7			0.6			-2.9			Australia - RBA	Oct 03, 2022
FTSE	7012			-9.1			-0.1			-2.5			New Zealand - RBNZ	Oct 04, 2022
Nikkei	26572			140.3			0.5			-3.6				
Hang Seng	17860			5.2			0.0			-4.9				
CAC	5808			38.6			0.7			-2.9				
Commodities	Level			Change			1 Day			1-wk				
WTI Crude	77.85			1.14			1.5			-7.8				
Natural Gas	7.05			0.15			2.2			-8.6				
Gold	1637.19			14.83			0.9			-1.7				
Silver	18.64			-0.37			-1.9			-1.9				
CRB Index	264.30			-4.17			-1.6			-5.5				
Currencies	Level			Change			1 Day			1-wk				
USDCAD	1.3685			-0.0050			-0.4			2.4				
EURUSD	0.9628			0.0019			0.2			-3.4				
USDJPY	144.29			-0.4600			-0.3			0.4				
AUDUSD	0.6492			0.0036			0.6			-2.9				
GBPUSD	1.0801			0.0112			1.0			-5.1				
USDCHF	0.9873			-0.0064			-0.6			2.4				

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