

#### Contributors

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Chart 1

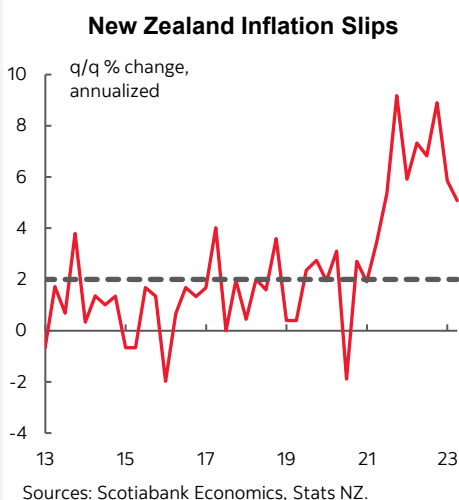
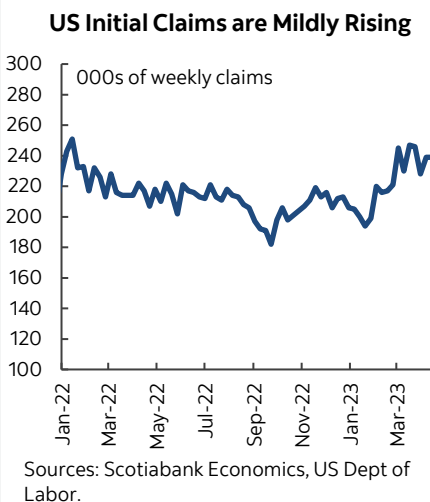


Chart 2



#### On Deck for Thursday, April 20

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	04-20	08:30	Initial Jobless Claims (000s)	Apr 15	240	240.0	239.0
US	04-20	08:30	Continuing Claims (000s)	Apr 08	1820	1825.0	1810.0
US	04-20	08:30	Philadelphia Fed Index	Apr	--	-19.3	-23.2
US	04-20	10:00	Existing Home Sales (mn a.r.)	Mar	4.4	4.5	4.6
US	04-20	10:00	Existing Home Sales (m/m)	Mar	-3.9	-1.8	14.5
US	04-20	10:00	Leading Indicators (m/m)	Mar	--	-0.7	-0.3
US	04-20	08:45	Fed's Waller Speaks at Global Interdependence Center Event				
US	04-20	12:20	Fed's Mester Discusses the Economic and Policy Outlook				
US	04-20	17:00	Fed's Bostic Discusses Economic Conditions				

#### KEY POINTS:

- **Earnings drive risk-off sentiment**
- **US regional banks mostly disappoint**
- **NZ inflation surprises lower, rates rally**
- **Chinese banks leave loan rates unchanged as expected**
- **Heavy Fed-speak before blackout**
- **Light N.A. data**

Mild risk-off sentiment is following some soft global earnings reports with light regional macro developments operating in the background. Sovereign curves are generally rallying across major markets this morning as they continue their erratic behaviour. The dollar is little changed on a DXY basis as gainers (euro, A\$, yen) offset losers (sterling, CAD, especially the NZ\$). N.A. equity futures are down by between 0.3% (TSX) and up to -1% (Nasdaq) with European cash markets down by ¼% to nearly -1% in Italy. Oil is slipping again and WTI is now almost right back to where it closed on the Friday before OPEC's surprise production cut into the following week despite predictions of \$100 oil. Markets never learn when it comes to the fleeting effects of OPEC+ changes.

If anything incrementally influences the market tone then it would be several earnings reports from US regional banks and a heavy line-up of Fed-speak. Regionals mostly disappointed expectations including Keycorp, Fifth Third, and Comerica with the latter beating on earnings and revenues but missing on deposit flows.

BoC Governor Macklem's reappearance should be a dud in the sense that nothing new is expected after the deluge of communications over the past week (11:30amET).

Kiwi inflation surprised by landing a bit lower than expected and that sparked a rally across the rates curve in 2s10s bull steepener fashion and pushed the NZ\$ to be the weakest cross to the dollar into this morning. Q1 CPI registered a 1.2% q/q non-annualized gain (1.5% consensus) that contributed toward a cooler year-over-year rate of 6.7% (7.2% prior, 6.9% consensus). This was the softest—but not soft—reading in some time but the figures are volatile and so more evidence is needed (chart 1). The breadth of price increases was also on the softer side outside of food prices that were up by 3.7% q/q. Clothing/footwear (-0.1%) and transportation (-1.3%) both fell and other major categories saw increases of 1% or less.

Chinese banks left their key lending rates unchanged as expected including the 5-year borrowing rate that serves as the benchmark for property markets. This is because the PBoC left its 1-year Medium-Term Lending Facility Rate unchanged.

Fed-speak will try to cram in whatever is left to say before Saturday's blackout ahead of the May 2nd–3rd meeting and there will be quite a few speakers on tap. I would expect them to reaffirm that a quarter-point hike is likely at the May meeting and stay tuned for



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