

### DAILY POINTS

September 26, 2023 @ 7:05 EST

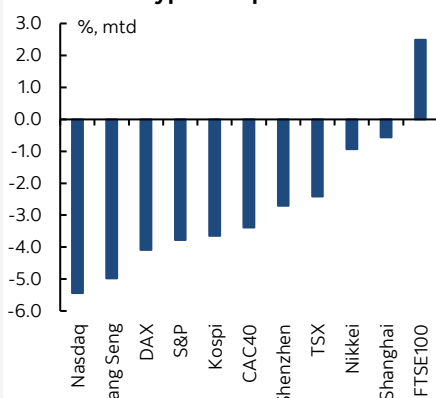
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Chart 1

#### Equities Are Having A Typical September



Sources: Scotiabank Economics, Bloomberg.

#### On Deck for Tuesday, September 26

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	09-26	09:00	S&P/Case-Shiller Home Price Index (m/m)	Jul	--	0.7	0.9
US	09-26	09:00	S&P/Case-Shiller Home Price Index (y/y)	Jul	--	-0.1	-1.2
US	09-26	10:00	Consumer Confidence Index	Sep	105.0	105.5	106.1
US	09-26	10:00	New Home Sales (000s a.r.)	Aug	695	698.0	714.0
US	09-26	10:00	Richmond Fed Manufacturing Index	Sep	--	-7.0	-7.0
US	09-26	13:30	Fed's Bowman Delivers Welcoming Remarks				

#### KEY POINTS:

- A worse than typical September for US equities
- Progress toward averting a US government shutdown?
- US consumer confidence, housing data on tap

Equities continue to push lower. This has been a classic September directionally speaking, conforming to the tendency for risk-off movements during this month. The magnitude of the correction is worse than a typical September, however, and with the sole exception being the FTSE100 (charts 1–3). The S&P is down almost 4% on the month, the Nasdaq is 5½% lower and the TSX is 2½% lower. Key is whether this is just the usual September effect, or something deeper especially given the likelihood of another Fed hike this year and that equity benchmarks have been sailing along oblivious to the Fed's tightening thus far. US Ts are slightly richer across the curve. The USD is flat on a DXY basis.

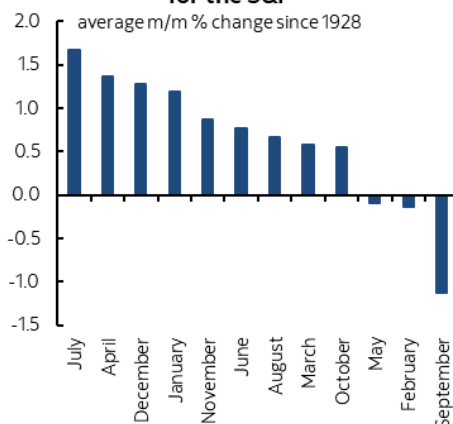
The macro calendar has a few light releases out of the US on it. The biggest on is consumer confidence that is forecast to slip (10amET). So are new home sales (10amET).

There may be progress toward averting a US government shutdown on two fronts. The House is plotting use of a so-called 'discharge petition' in which Dems would join with several GOP moderates to thwart Speaker McCarthy's power. At the same time, the Senate is advancing a bill to extend funding for a few weeks and if passed would then go to the House for McCarthy to decide whether to bring it to a floor vote. In that case, some suggest his deal with the extreme minority of members would put him out of a job which might not be a bad thing. Moody's threatened a downgrade on a shutdown late yesterday which is more about catching up to S&P's move to strip the US of its AAA rating ages ago and Fitch's move in late July.

Overnight developments offered little by way of any macro risk. Chinese equities continue to soften on property finance headlines. At 6 times trailing and around 8 times forward earnings it's hard not to see a lot of bad news priced into the Hang Seng.

Chart 2

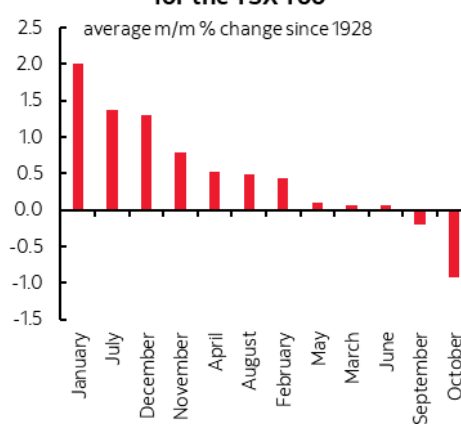
#### September Usually Spells Trouble for the S&P



Sources: Scotiabank Economics, Bloomberg.

Chart 3

#### September Spells Some Trouble for the TSX Too



Sources: Scotiabank Economics, Bloomberg.

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		
	5.12	5.13	5.09	4.59	4.62	4.51	4.51	4.54	4.36	4.63	4.65	4.43	Canada - BoC	5.00
	4.92	4.94	4.91	4.26	4.29	4.18	3.99	4.02	3.86	3.78	3.80	3.62		
	3.22	3.24	3.29	2.75	2.77	2.77	2.78	2.80	2.74	2.98	3.00	2.87	US - Fed	5.50
	0.03	0.03	0.03	0.30	0.30	0.28	0.74	0.74	0.72	1.71	1.70	1.70		
	4.78	4.82	4.99	4.37	4.40	4.54	4.30	4.32	4.34	4.78	4.80	4.71	England - BoE	5.25
	Spreads vs. U.S. (bps):													
	-20	-19	-18	-33	-33	-33	-52	-51	-50	-86	-85	-80	Euro zone - ECB	4.50
	-190	-189	-181	-184	-185	-174	-173	-174	-162	-165	-165	-156		
-509	-510	-506	-430	-432	-423	-377	-380	-364	-292	-296	-273	Japan - BoJ	-0.10	
-34	-31	-10	-22	-21	2	-21	-21	-2	15	14	29			
Equities	Level						% change:						Mexico - Banxico	11.25
	Last	Change					1 Day	1-wk	1-mo	1-yr				
S&P/TSX	19801	20.6					0.1	-3.4	-0.2	8.0			Australia - RBA	4.10
Dow 30	34007	43.0					0.1	-1.8	-1.0	16.2				
S&P 500	4337	17.4					0.4	-2.6	-1.5	18.7			New Zealand - RBNZ	5.50
Nasdaq	13271	59.5					0.5	-3.2	-2.3	22.8				
DAX	15296	-109.6					-0.7	-2.4	-2.1	25.1				
FTSE	7624	0.4					0.0	-0.5	3.9	8.6				
Nikkei	32315	-363.6					-1.1	-2.8	2.2	22.3			Canada - BoC	Oct 25, 2023
Hang Seng	17467	-262.4					-1.5	-2.9	-2.7	-2.2				
CAC	7068	-55.5					-0.8	-2.9	-2.2	22.5			US - Fed	Nov 01, 2023
Commodities	Level						% change:							
WTI Crude	88.94	-0.74					-0.8	-2.5	11.4	15.9			England - BoE	Nov 02, 2023
Natural Gas	2.60	-0.04					-1.6	-8.8	2.3	-62.4				
Gold	1911.01	-4.91					-0.3	-1.1	-0.2	17.8			Euro zone - ECB	Oct 26, 2023
Silver	23.56	-0.09					-0.4	1.6	-2.6	24.0				
CRB Index	284.94	-1.05					-0.4	-1.5	2.4	7.8			Japan - BoJ	Oct 31, 2023
Currencies	Level						% change:							
USDCAD	1.3500	0.0046					0.3	0.4	-0.7	-1.7			Mexico - Banxico	Sep 28, 2023
EURUSD	1.0591	-0.0002					-0.0	-0.8	-2.1	10.2				
USDJPY	148.95	0.0700					0.0	0.7	1.6	2.9			Australia - RBA	Oct 02, 2023
AUDUSD	0.6401	-0.0023					-0.4	-0.8	-0.4	-0.9				
GBPUSD	1.2176	-0.0035					-0.3	-1.7	-3.4	13.9			New Zealand - RBNZ	Oct 03, 2023
USDCHF	0.9130	0.0010					0.1	1.7	3.3	-8.1				

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