

DAILY POINTS

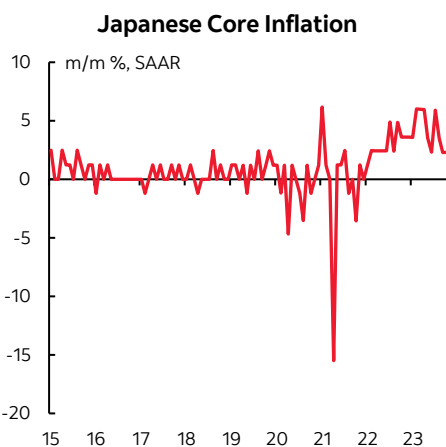
November 24, 2023 @ 7:05EST

Contributors

Derek Holt

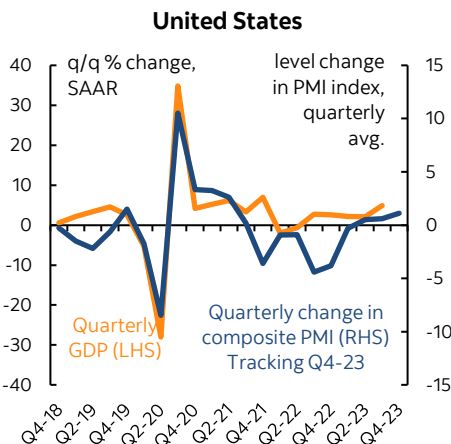
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Chart 1



Sources: Scotiabank Economics, Ministry of Internal Affairs and Communications.

Chart 2



Sources: Scotiabank Economics, S&P Global, Bloomberg.

On Deck for Friday, November 24

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	11-24	08:30	Retail Sales (m/m)	Sep	0.1	0.0	-0.1
CA	11-24	08:30	Retail Sales ex. Autos (m/m)	Sep	--	-0.1	0.1

KEY POINTS:

- Markets little moved by light developments
- Canada to update retail sales for September and October
- US global PMIs offer weak tracking of actual GDP growth
- Japan's core inflation and PMIs ebb
- German business confidence marginally rises
- Early bond and equity closures in the US today

The week is ending with a fairly dull session. Sovereign bonds are mildly cheaper primarily in the holiday-constrained US market. Equities are little changed with a very slight positive bias on average. There will be early equity (1pmET) and bond (2pmET) closes in the US today. Fresh developments are very light in nature.

Japan's core inflation continues to ebb. In year-over-year terms it slipped back to 4% (4.2% prior) and in m/m terms it was just 0.1% at a seasonally adjusted pace for the weakest monthly gain since January 2022 (chart 1).

German IFO business confidence edged slightly higher (87.3, 86.9 prior) on slight gains in both the expectations and current conditions components. The moves were not material.

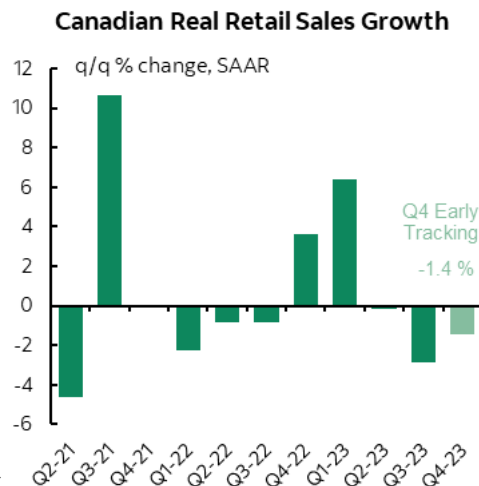
Japan's purchasing managers' indices slipped a touch and signal no growth in November (50, 50.5 prior). The mild softening was driven by manufacturing.

The US updates S&P PMIs for November this morning (9:45amET). They track global operations, as opposed to the ISM gauges that follow domestic conditions in greater alignment with the Fed's domestic dual mandate. The S&P gauges have not been well aligned with US GDP growth for quite a while (chart 2).

Canada will update retail sales for September and October this morning (8:30amET). Statcan had previously guided that sales were tracking unchanged for that month, and we'll get possible revisions to this guidance plus important details like volumes and drivers. They will also provide preliminary guidance for October's sales absent details. DesRosiers has reported rising auto sales in each month from August through October. Falling gasoline prices since mid-September will require placing emphasis upon volumes versus the reported headline nominal reading.

Chart 3 provides tentative tracking of Q3 retail sales growth in q/q terms. We'll be able to update Q3 tracking and provide tentative Q4 tracking after the release. It's not looking so pretty. There has been no growth for three quarters. Retail sales don't capture any services spending by consumers in Canada and don't include e-commerce on foreign websites. Retailers will be hoping for a merrier holiday shopping period.

Chart 3



Sources: Scotiabank Economics, Statistics Canada.

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		
	4.94	4.90	4.89	4.49	4.43	4.44	4.46	4.41	4.44	4.59	4.54	4.59	Canada - BoC	5.00
	4.45	4.43	4.47	3.82	3.82	3.82	3.72	3.71	3.68	3.52	3.52	3.49	US - Fed	5.50
	3.06	3.04	2.96	2.62	2.60	2.53	2.64	2.62	2.59	2.81	2.79	2.80	England - BoE	5.25
	0.06	0.04	0.04	0.36	0.31	0.33	0.78	0.73	0.76	1.68	1.64	1.69		
	4.71	4.72	4.55	4.33	4.31	4.12	4.29	4.26	4.10	4.75	4.72	4.54		
	Spreads vs. U.S. (bps):													
	-49	-47	-42	-67	-61	-62	-74	-70	-76	-107	-102	-110	Euro zone - ECB	4.50
	-188	-186	-192	-187	-184	-191	-182	-179	-185	-178	-175	-179	Japan - BoJ	-0.10
-488	-486	-484	-413	-412	-411	-369	-368	-368	-291	-290	-290			
-23	-19	-34	-16	-12	-32	-18	-15	-33	16	18	-5			
Equities	Level						% change:						Mexico - Banxico	11.25
	Last					Change	1 Day	1-wk	1-mo	1-yr				
S&P/TSX	20117					2.7	0.0	0.3	6.0	-1.1				
Dow 30	35273					184.7	0.5	0.8	7.1	3.2				
S&P 500	4557					18.4	0.4	1.2	8.1	13.1				
Nasdaq	14266					65.9	0.5	1.1	9.6	26.4				
DAX	16009					14.5	0.1	0.6	7.6	10.1				
FTSE	7465					-18.6	-0.2	-0.5	1.0	-0.0				
Nikkei	33626					173.7	0.5	0.6	8.5	19.6				
Hang Seng	17559					-351.4	-2.0	0.6	3.3	-0.6				
CAC	7288					10.3	0.1	0.8	5.7	8.7				
Commodities	Level						% change:							
WTI Crude	76.77					-0.33	-0.4	5.3	-8.3	-1.5				
Natural Gas	2.88					-0.02	-0.7	-6.0	-3.2	-60.6				
Gold	1995.88					3.63	0.2	0.8	1.3	13.7				
Silver	23.66					-0.18	-0.8	-0.1	2.0	11.2				
CRB Index	275.11					-1.95	-0.7	-0.6	-2.9	-0.6				
Currencies	Level						% change:							
USDCAD	1.3684					-0.0012	-0.1	-0.3	-0.4	2.6				
EURUSD	1.0915					0.0010	0.1	0.0	3.1	4.9				
USDJPY	149.56					0.0000	0.0	-0.0	-0.2	8.0				
AUDUSD	0.6571					0.0013	0.2	0.9	3.4	-2.9				
GBPUSD	1.2567					0.0033	0.3	0.8	3.3	3.7				
USDCHF	0.8834					-0.0008	-0.1	-0.3	-1.1	-6.3				
Next Meeting Date														
												Canada - BoC	Dec 06, 2023	
												US - Fed	Dec 13, 2023	
												England - BoE	Dec 14, 2023	
												Euro zone - ECB	Dec 14, 2023	
												Japan - BoJ	Dec 19, 2023	
												Mexico - Banxico	Dec 14, 2023	
												Australia - RBA	Dec 04, 2023	
												New Zealand - RBNZ	Nov 28, 2023	

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