

### DAILY POINTS

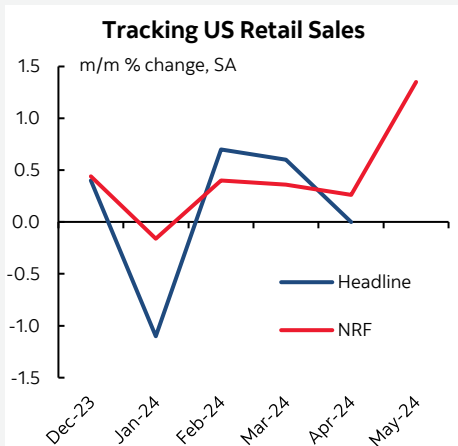
June 18, 2024 @ 7:15 EST

#### Contributors

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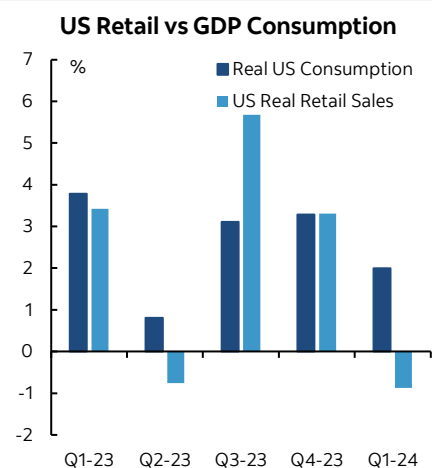
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Chart 1



Sources: Scotiabank Economics, U.S. Census Bureau, NRF.

Chart 2



Sources: Scotiabank Economics, BEA.

### On Deck for Tuesday, June 18

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	06-18	08:30	Retail Sales (m/m)	May	0.1	0.3	0.0
US	06-18	08:30	Retail Sales ex. Autos (m/m)	May	0.1	0.2	0.2
US	06-18	09:15	Capacity Utilization (%)	May	78.5	78.6	78.4
US	06-18	09:15	Industrial Production (m/m)	May	0.3	0.3	0.0
US	06-18	10:00	Business Inventories (m/m)	Apr	--	0.3	-0.1
US	06-18	10:00	Fed's Barkin Discusses US Economy				
US	06-18	11:40	Fed's Collins Gives Keynote Address				
US	06-18	13:00	Fed's Logan Speaks in Q&A				
US	06-18	13:00	Fed's Kugler Speaks on Economy, Monetary Policy				
US	06-18	13:20	Fed's Musalem Gives Speech on Economy, Monetary Policy				
US	06-18	14:00	Fed's Goolsbee Speaks in Panel Discussion				
US	06-18	16:00	Total Net TIC Flows (US\$ bn)	Apr	--	--	102.1
US	06-18	16:00	Net Long-term TIC Flows (US\$ bn)	Apr	--	--	100.5
US	06-18	16:40	Fed's Collins Appears on Yahoo Finance				

#### KEY POINTS:

- **European markets settle down, await France's first round election on June 30th**
- **RBA's hawkish hold talks up hike risk**
- **US retail sales for May due today...**
- **...and they understate growth in US consumer spending**
- **US markets shut tomorrow, today's positioning could be impacted**
- **German ZEW investor sentiment starts to show France's effects**
- **BCCh faces a somewhat more divided consensus**

Australia's curve is underperforming others in the wake of a hawkish sounding RBA. European markets are a bit calmer as they await the results of the June 30th first round French election. US retail sales could spice it up a bit this morning ahead of the US holiday tomorrow. That won't stop excessive Fed speaking today.

The RBA delivered a hawkish hold. The press conference hosted by Governor Bullock revealed that the Board discussed a possible hike and there was no discussion of a cut. They flagged some improvement in inflation but that it was proving to be persistent. Bullock emphasized the importance of Q2 CPI inflation data that is due on July 31st.

German ZEW investor sentiment slipped in June as a sign of the effects on confidence of European political turmoil. The current conditions component fell and the expectations component remained weak with no statistically significant change. July's reading after the French election will matter more.

US retail sales for May (8:30amET) are expected to post a small gain given what we know about vehicle sales and gas prices, but upside risk could come from the National Retail Federation's estimate for core sales (chart 1). Industrial production is also due for an update with May's figures expected to post a small rise (9:15amET).

The US consumer is very much alive despite softly trending retail sales volumes. What has been happening is a rotation of spending more toward services that are more fully captured in total consumption in the GDP accounts than in retail sales (chart 2).

The US holiday tomorrow could have market participants hesitantly managing their positions into today's regular close.

Chile's central bank delivers a policy decision after today's close. 14 out of 21 expect a 25bps cut, six expect -50bps including our Santiago-based economists, and one expects a hold. We may hear a more cautious sounding central bank toward the pace of easing either now or in future not least of which because of 525bps of cuts to date since they

began last July. Since the 50bps cut on May 23rd, inflation has been a little hotter than expected and at 3% y/y remains above target. The peso has appreciated more than other crosses given higher copper prices and the unemployment rate fell. GDP is tracking two consecutive months of decline, however, which could tip the balance toward a larger cut. The surprise hold by Peru's central bank and the FOMC's dot plot that is on the fence between 25bps and 50bps of cuts this year may also weigh on the decision.

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.	4.77	4.77	4.84	4.31	4.30	4.42	4.29	4.28	4.41	4.42	4.41	4.54	Canada - BoC	4.75		
CANADA	3.88	3.88	3.98	3.34	3.34	3.50	3.32	3.31	3.48	3.24	3.24	3.40	US - Fed	5.50		
GERMANY	2.84	2.81	3.02	2.45	2.42	2.65	2.42	2.41	2.62	2.57	2.57	2.77	England - BoE	5.25		
JAPAN	0.29	0.30	0.37	0.52	0.51	0.60	0.94	0.94	1.03	2.16	2.13	2.18	Euro zone - ECB	4.25		
U.K.	4.21	4.21	4.35	3.98	3.99	4.15	4.10	4.12	4.27	4.58	4.60	4.73	Japan - BoJ	-0.10		
	Spreads vs. U.S. (bps):															
CANADA	-89	-89	-86	-97	-96	-92	-97	-97	-93	-118	-117	-114	Mexico - Banxico	11.00		
GERMANY	-193	-195	-182	-187	-188	-177	-187	-187	-178	-185	-183	-176	Australia - RBA	4.35		
JAPAN	-448	-447	-446	-379	-379	-382	-335	-335	-338	-226	-228	-236	New Zealand - RBNZ	5.50		
U.K.	-55	-55	-49	-33	-31	-27	-19	-17	-14	16	19	20				
Equities	Level						% change:						Next Meeting Date			
	Last	Change		1 Day	1-wk	1-mo	1-yr									
S&P/TSX	21588	-51.2		-0.2	-2.2	-3.9	8.1							Canada - BoC	Jul 24, 2024	
Dow 30	38778	188.9		0.5	-0.2	-3.1	13.1							US - Fed	Jul 31, 2024	
S&P 500	5473	41.6		0.8	2.1	3.2	24.1							England - BoE	Jun 20, 2024	
Nasdaq	17857	168.1		1.0	3.9	7.0	30.4							Euro zone - ECB	Jul 18, 2024	
DAX	18139	71.2		0.4	-1.3	-3.0	10.9							Japan - BoJ	June 14, 2024	
FTSE	8177	34.9		0.4	0.4	-2.9	7.0							Mexico - Banxico	Jun 27, 2024	
Nikkei	38482	379.7		1.0	-1.7	-0.8	14.2							Australia - RBA	Jun 18, 2024	
Hang Seng	17916	-20.6		-0.1	-1.4	-8.4	-10.6							New Zealand - RBNZ	Jul 09, 2024	
CAC	7611	39.8		0.5	-2.3	-6.8	3.0									
Commodities	Level						% change:									
	Level		Change		1 Day	1-wk	1-mo	1-yr								
WTI Crude	80.24		-0.09		-0.1	3.0	0.2	11.8							England - BoE	Jun 20, 2024
Natural Gas	2.82		0.03		1.1	-9.9	7.3	7.1							Euro zone - ECB	Jul 18, 2024
Gold	2308.92		-10.22		-0.4	-0.3	3.5	17.9							Japan - BoJ	June 14, 2024
Silver	29.24		0.03		0.1	-1.5	-1.5	21.9							Mexico - Banxico	Jun 27, 2024
CRB Index	293.07		-0.96		-0.3	0.6	-0.2	8.2							Australia - RBA	Jun 18, 2024
Currencies	Level						% change:									
	Level		Change		1 Day	1-wk	1-mo	1-yr								
USDCAD	1.3748		0.0024		0.2	-0.1	0.9	4.1							New Zealand - RBNZ	Jul 09, 2024
EURUSD	1.0715		-0.0019		-0.2	-0.2	-1.3	-1.9								
USDJPY	158.13		0.3900		0.2	0.6	1.2	11.4								
AUDUSD	0.6616		0.0003		0.0	0.2	-0.8	-3.4								
GBPUSD	1.2685		-0.0020		-0.2	-0.4	-0.2	-0.8								
USDCHF	0.8878		-0.0017		-0.2	-1.1	-2.5	-0.9								

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