

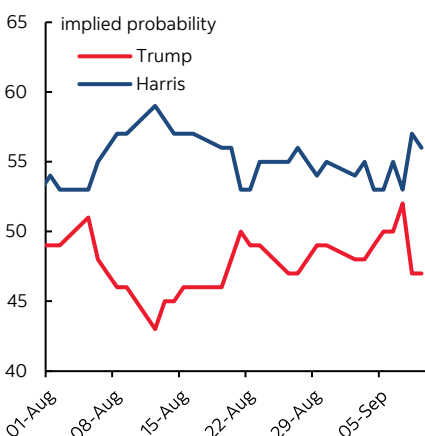
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Chart 1

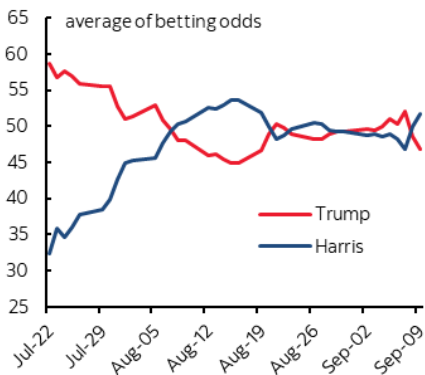
Who Won The Presidential Debate ?



Sources: Scotiabank Economics, PREDICTIT.

Chart 2

2024 US Presidential Election Betting Average



Sources: Scotiabank Economics, Real Clear Politics.

On Deck for Tuesday, September 11

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	09-11	07:00	MBA Mortgage Applications (w/w)	Sep 06	--	--	1.6
US	09-11	08:30	CPI (m/m)	Aug	0.2	0.2	0.2
US	09-11	08:30	CPI (y/y)	Aug	2.6	2.5	2.9
US	09-11	08:30	CPI (index)	Aug	--	314.8	314.5
US	09-11	08:30	CPI ex. Food & Energy (m/m)	Aug	0.2	0.2	0.2
US	09-11	08:30	CPI ex. Food & Energy (y/y)	Aug	3.2	3.2	3.2

KEY POINTS:

- **Markets have spoken. Trump lost the debate.**
- **US CPI probably won't materially change anything for the Fed**
- **Weakness in the UK economy humbled forecasters**

I had a great day marketing the global outlook in NYC yesterday with the number one question everyone was asking being 'are you going to watch?' The debate, of course, not today's US CPI that probably won't move the dial much if at all.

Markets are whispering that Trump lost the debate to Harris while sounding and looking like an old, totally crazy, angry bully with a tired dog-and-pony act. Let's see what polls show, but election proxies like US equity futures are slightly lower, PredictIt betting is giving the edge to Harris. The dollar is broadly softer perhaps on less safe haven demand and less concern that Fed rate cuts would be thwarted by looney tunes tariffs. Bitcoin is down because of Trump's hate-on toward the dollar and courtship of the cyber crowd. The MXN, yen and several Asian pairs are among the currency leaders partly on slightly less worry toward potentially very misguided US trade policy. Charts 1–3 show election odds with some pending updates in the debate's aftermath. Of course, relative polling matters less in the US given the role played by its Electoral College.

The other focus today will be on US CPI for August. Overnight releases were limited to the UK and were weak.

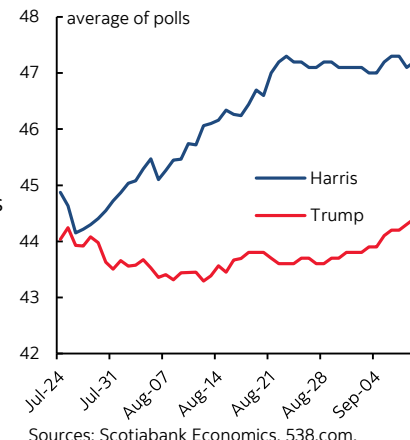
US core CPI (8:30amET) is widely expected to print at 0.2% m/m SA with 55 of 64 (64!!) forecasters expecting such a reading and the tails roughly even. The Cleveland Fed's nowcast leans slightly toward 0.3%. At this stage let's just get to the numbers and the clean-up. I doubt the release will matter much to Fed pricing or tip the balance on 25 or 50 with 25 likeliest opening salvo.

Chart 4 is a reminder that even SA inflation data may be following the same seasonally distorted pattern toward hot readings earlier in the year and cooler readings over the summer.

The UK economy struggled in the batch of releases for July that humbled UK forecasters. GDP was flat

Chart 3

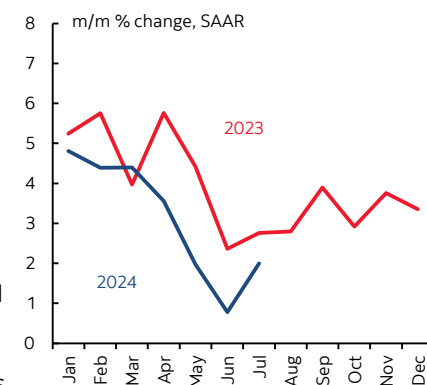
2024 US Presidential Election Polls



Sources: Scotiabank Economics, 538.com.

Chart 4

2024 is Looking Similar to 2023 for US Core CPI



Sources: Scotiabank Economics, BLS.

(+0.2% consensus). Industrial output reversed the prior month's gain (-0.8% m/m, +0.3% consensus). Construction output fell -0.4% (+0.5% consensus). Services grew slower than expected (0.1% m/m, 0.2% consensus). And the trade deficit widened by more than expected. Peachy.

And so as you might expect, the gilts front-end is outperforming other global benchmarks and sterling is underperforming gains by other crosses against the USD this morning. There is still little priced for the BoE's September decision, and November's pricing increased slightly and is over -30bps.

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.	3.58	3.60	3.76	3.41	3.42	3.55	3.62	3.64	3.76	3.94	3.96	4.06	Canada - BoC	4.25
CANADA	2.98	2.99	3.15	2.71	2.73	2.86	2.88	2.89	2.99	3.05	3.06	3.12	US - Fed	5.50
GERMANY	2.17	2.18	2.32	1.99	1.99	2.11	2.13	2.13	2.22	2.40	2.41	2.47	England - BoE	5.00
JAPAN	0.39	0.40	0.38	0.51	0.53	0.51	0.86	0.90	0.88	2.06	2.08	2.07		
U.K.	3.81	3.86	4.03	3.63	3.69	3.83	3.78	3.82	3.94	4.37	4.40	4.47		
	Spreads vs. U.S. (bps):													
CANADA	-61	-61	-60	-69	-70	-69	-74	-75	-76	-89	-91	-93	Euro zone - ECB	4.25
GERMANY	-141	-142	-143	-142	-143	-144	-150	-151	-153	-154	-156	-159	Japan - BoJ	-0.10
JAPAN	-319	-320	-338	-290	-289	-304	-277	-274	-287	-188	-189	-199		
U.K.	23	26	28	23	26	28	16	17	18	43	43	41	Mexico - Banxico	10.75
Equities	Level						% change:							
	Last			Change			1 Day	1-wk	1-mo			1-yr		
S&P/TSX	23003			-24.1			-0.1	-0.2	3.1			14.0		
Dow 30	40737			-92.6			-0.2	-0.5	3.1			17.5		
S&P 500	5496			24.5			0.4	-0.6	2.8			22.5		
Nasdaq	17026			141.3			0.8	-0.6	1.7			22.3		
DAX	18334			67.7			0.4	-1.4	3.4			16.0		
FTSE	8213			7.0			0.1	-0.7	0.5			9.6		
Nikkei	35620			-539.4			-1.5	-3.9	1.7			8.7		
Hang Seng	17109			-125.4			-0.7	-3.1	-0.0			-5.1		
CAC	7429			21.9			0.3	-1.0	2.2			2.1		
Commodities	Level						% change:							
WTI Crude	67.30			1.55			2.4	-2.7	-12.4			-22.9		
Natural Gas	2.22			-0.01			-0.4	3.6	3.7			-14.8		
Gold	2521.50			4.78			0.2	1.0	13.1			31.2		
Silver	28.44			0.31			1.1	0.4	3.1			23.6		
CRB Index	265.48			-4.12			-1.5	-2.7	-3.8			-7.3		
Currencies	Level						% change:							
USDCAD	1.3580			-0.0030			-0.2	0.5	-1.2			0.1		
EURUSD	1.1052			0.0032			0.3	-0.3	1.1			2.8		
USDJPY	141.70			-0.7400			-0.5	-1.4	-3.7			-3.3		
AUDUSD	0.6667			0.0015			0.2	-0.9	1.2			3.7		
GBPUSD	1.3091			0.0011			0.1	-0.4	2.5			4.7		
USDCHF	0.8462			-0.0008			-0.1	-0.0	-2.2			-5.0		
													Next Meeting Date	
													Canada - BoC	Oct 23, 2024
													US - Fed	Sep 18, 2024
													England - BoE	Sep 19, 2024
													Euro zone - ECB	Sep 12, 2024
													Japan - BoJ	June 14, 2024
													Mexico - Banxico	Sep 26, 2024
													Australia - RBA	Sep 24, 2024
													New Zealand - RBNZ	Oct 08, 2024

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