

DAILY POINTS

November 8, 2024 @ 7:00 EST

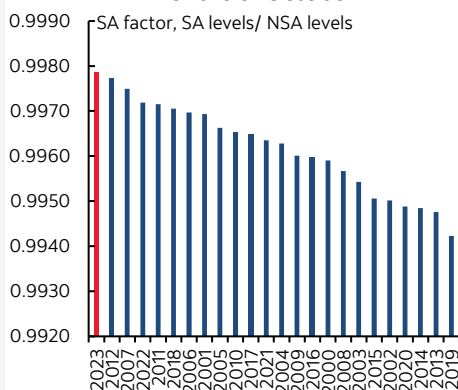
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Chart 1

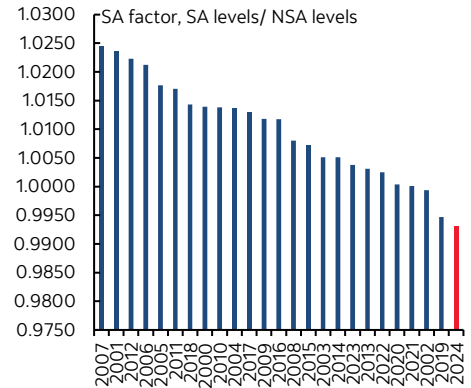
Comparing Canada LFS SA Factor for All Months of October



- it's a household survey, so anything could happen with a +/-57k 95% confidence band around the estimated change in jobs.
- The data is wonkier than normal because seasonal adjustments are messing with the figures. Part-time jobs fell by a massive 65k in September for the second biggest drop on record for like months of September because this time they had the weakest SA factor for a month of September on record. Also, the massive 112k gain in f-t jobs was the third biggest on record for a September behind early Covid rebound months and was driven by the biggest SA factor on record for like months of September. Had the SA factor for f-t jobs been average for months of September then the f-t job gain would have been about one-third of the reported gain.
- we could get the same effect happening this time. Last October was the biggest SA factor on record for like months (chart 1). If the recency bias in SA factors carries into this October, then it could artificially inflate the overall numbers. Other SA factors for full- and part-time jobs in September are shown in charts 2 and 3.
- youth employment contributed a fair amount (33k) of the overall employment gain in September (47k). Chart 4. They may have begun to fill in the reduction of growth in the temps and international students categories.
- UR: I went with a labour force rise of 20k and employment gain of 30k which gives a 0.1 downtick in the UR to 6.4%. The caution is that the labour force changes have been all over the map from a drop of 11k in July to a gain of 83k in August and then +16k in September. My theory is that the LF growth may extend cooling in the aftermath of September's implementation of changes to immigration policy for international students and temporary foreign workers before the further recent announcements. Chart 5 shows that the bulk of the run-up in Canada's unemployment rate has been driver by temps and recently landed immigrants.
- Wage growth has been decelerating in m/m SAAR terms for the past four months. I think it may be ripe for a rebound while the two main wage measures are contrasting one another of late (charts 6, 7).
- Hours worked: They were up 2.2% q/q SAAR in Q3 and the hand-off math to Q4 was tracking +2.1% which is a plus for GDP. October will update this Q4 tracking which will be important to the BoC.

Chart 3

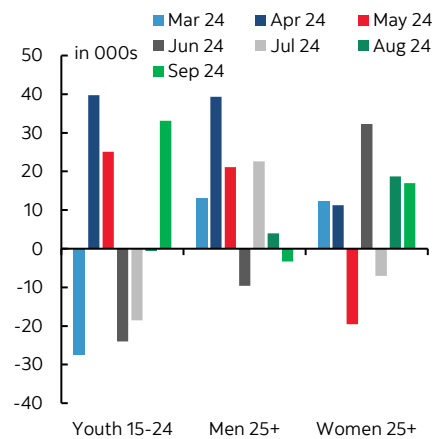
Comparing Part-Time Canada Jobs SA Factor for All Months of September



Sources: Scotiabank Economics, Statistics Canada.

Chart 4

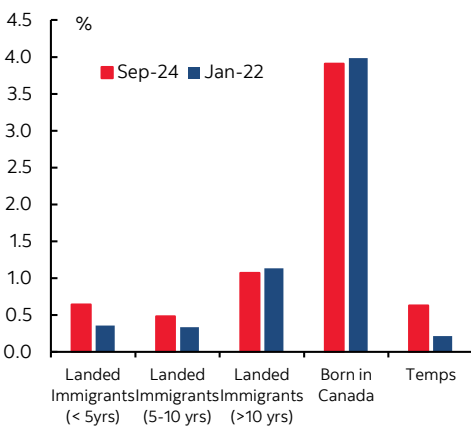
Youths Employment Rebounded



Sources: Scotiabank Economics, Statistics

Chart 5

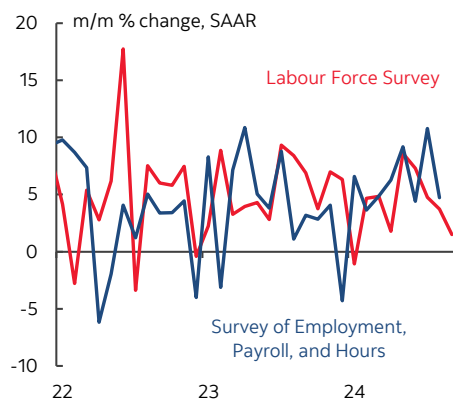
Weighted Contributions to the Canadian Unemployment Rate



Sources: Scotiabank Economics, Statistics Canada.

Chart 6

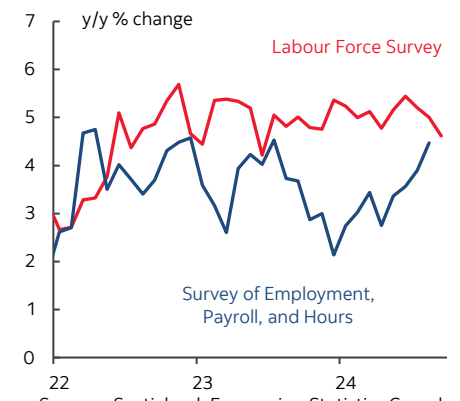
BoC's Main Wage Measures



Sources: Scotiabank Economics, Statistics Canada, Bank of Canada, Haver.

Chart 7

BoC's Main Wage Measures



Sources: Scotiabank Economics, Statistics Canada, Bank of Canada.

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.	4.17	4.20	4.21	4.15	4.17	4.23	4.31	4.33	4.38	4.51	4.53	4.58	Canada - BoC	3.75	
CANADA	3.05	3.07	3.10	3.01	3.03	3.07	3.20	3.22	3.29	3.22	3.23	3.35	US - Fed	4.75	
GERMANY	2.20	2.21	2.25	2.23	2.26	2.26	2.40	2.45	2.41	2.66	2.70	2.63	England - BoE	4.75	
JAPAN	0.51	0.51	0.47	0.65	0.64	0.59	1.01	1.01	0.95	2.25	2.26	2.22			
U.K.	4.43	4.45	4.43	4.34	4.37	4.32	4.47	4.50	4.45	4.94	4.96	4.90			
	Spreads vs. U.S. (bps):														
CANADA	-113	-113	-110	-114	-114	-116	-111	-111	-110	-130	-130	-123	Euro zone - ECB	3.40	
GERMANY	-197	-199	-196	-193	-191	-197	-190	-188	-198	-186	-183	-195	Japan - BoJ	-0.10	
JAPAN	-367	-370	-374	-351	-353	-364	-330	-332	-343	-226	-227	-236			
U.K.	26	25	22	19	19	10	16	17	6	42	43	32	Mexico - Banxico	10.50	
Equities	Level			% change:											
	Last			Change	1 Day	1-wk	1-mo	1-yr							
S&P/TSX	24846			208.5	0.8	2.9	3.2	27.2						Australia - RBA	4.35
Dow 30	43729			-0.6	-0.0	4.7	3.9	28.2						New Zealand - RBNZ	4.75
S&P 500	5973			44.1	0.7	4.7	3.9	36.3							
Nasdaq	19269			286.0	1.5	6.5	6.0	41.2							
DAX	19217			-145.8	-0.8	-0.2	0.8	26.2						Next Meeting Date	
FTSE	8066			-74.6	-0.9	-1.4	-1.5	9.0						Canada - BoC	Dec 11, 2024
Nikkei	39500			119.0	0.3	1.1	1.4	22.8						US - Fed	Dec 18, 2024
Hang Seng	20728			-225.2	-1.1	1.1	-0.9	18.0						England - BoE	Dec 19, 2024
CAC	7367			-58.4	-0.8	-0.6	-2.0	4.7						Euro zone - ECB	Dec 12, 2024
Commodities	Level			% change:											
WTI Crude	71.39			-0.97	-1.3	2.7	-3.0	-5.2						Japan - BoJ	June 14, 2024
Natural Gas	2.72			0.03	1.0	2.1	-0.5	-12.5						Mexico - Banxico	Nov 14, 2024
Gold	2690.52			-16.19	-0.6	-1.7	20.7	38.0						Australia - RBA	Dec 09, 2024
Silver	31.11			-0.70	-2.2	-7.4	-2.4	38.0						New Zealand - RBNZ	Nov 26, 2024
CRB Index	286.20			4.76	1.7	2.3	-0.4	4.7							
Currencies	Level			% change:											
USDCAD	1.3899			0.0038	0.3	-0.4	1.8	0.8							
EURUSD	1.0783			-0.0022	-0.2	-0.5	-1.8	0.7							
USDJPY	152.45			-0.4900	-0.3	-0.4	2.9	1.0							
AUDUSD	0.6630			-0.0049	-0.7	1.1	-1.7	3.6							
GBPUSD	1.2964			-0.0023	-0.2	0.3	-1.1	5.5							
USDCHF	0.8711			-0.0013	-0.1	0.1	1.6	-3.1							

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