

DAILY POINTS

November 12, 2024 @ 7:25 EST

Contributors

Derek Holt

VP & Head of Capital Markets Economics
Scotiabank Economics
416.863.7707
derek.holt@scotiabank.com

Chart 1

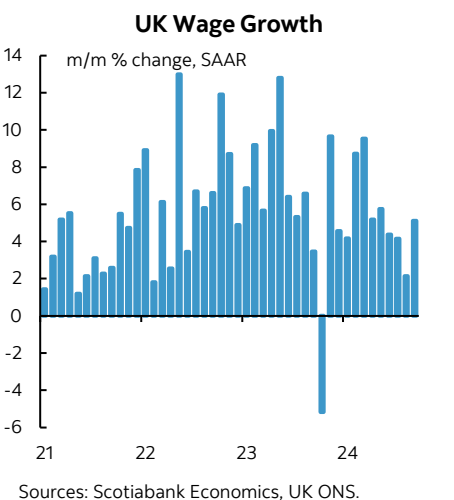
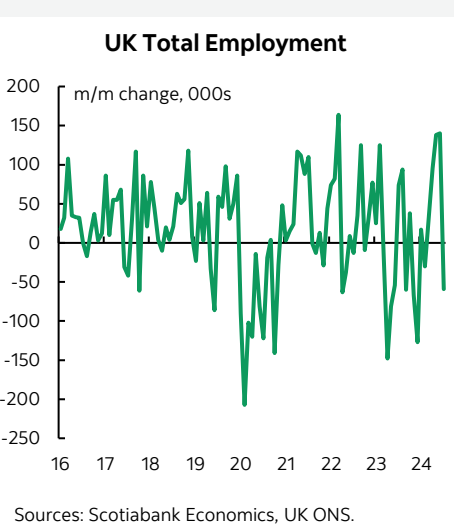


Chart 2



On Deck for Tuesday, November 12

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	11/12	08:30	Building Permits (m/m)	Sep	--	--	-7.0
US	11/12	06:00	NFIB small business confidence	Oct	--	92.0	93.7
US	11/12	10:00	Fed's Waller Speaks at Banking Conference				
US	11/12	10:15	Fed's Barkin Speaks				
US	11/12	14:00	Senior Loan Officer Opinion Survey on Bank Lending Practices				
US	11/12	17:00	Fed's Harker Speaks on Fintech, AI				
US	11/12	17:30	Fed's Barkin Speaks				

KEY POINTS:

- **Stocks and bonds fall, dollar firms on market unease toward Trumponomics 2.0**
- **Trump's weekend cabinet picks were trade, border, China and Ukraine hawks**
- **UK job growth cools, wage growth picks up**
- **German ZEW confidence fell as US, German political risk increased**
- **RBI watchers can forget about near-term cuts...**
- **...after CPI exceeded already hot expectations**
- **Fed-speak, credit survey on tap**
- **Global Week Ahead reminder [here](#)...**
- **...including a focus on the US election impact on Canada**

All the trades that warn about being overly exuberant toward the Trump trade are signalling caution to start a shortened week. Light data doesn't offer much.

Stocks are broadly lower with Asian equities faring the worst overnight as European cash benchmarks and NA futures are gently lower. US Treasuries are underperforming with higher yields across the curve that are dragging Canadian yields up with them but to a smaller extent. Gilts are slightly cheaper while EGBs are outperforming post-data and BoE -speak. The dollar is broadly firmer.

Why? Stocks were richly valued ahead of the US election without much room for multiple expansion or higher margins. Trump's weekend appointments to his incoming administration were generally trade, border, China and Ukraine hawks. Debt supply, US inflation risk and the harmful effects of population and trade policies on US and global growth are weighed against modest proposed tax cuts that are likely to widen the deficit. There is legitimate reason to view Trumponomics very differently this time.

Chart 3

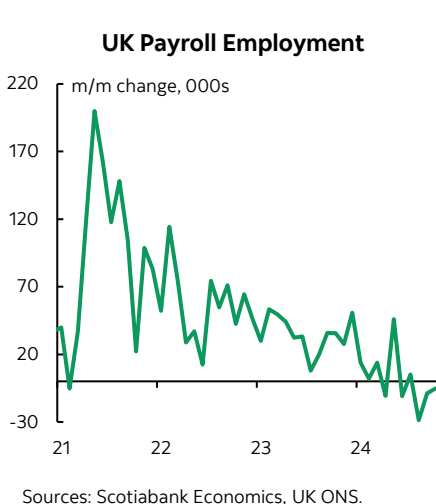
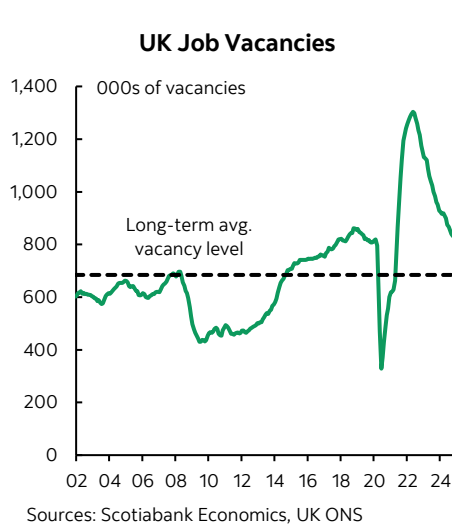


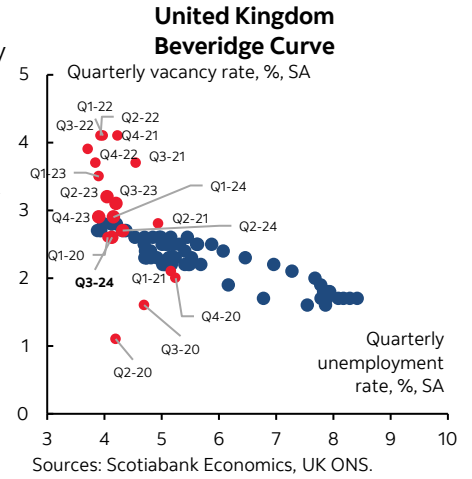
Chart 4



UK Jobs Cool, Wages Pick Up

Gilts are underperforming this morning on a combination of data and BoE-speak. Wage growth picked up to 4.3% y/y 3moMA from 3.9% previously because the m/m annualized growth rate increased to 5.1% which is the fastest since May (chart 1). That was led by a surge in public sector pay as private sector pay growth cooled a bit. BoE chief economist Pill noted that such gains were well above the inflation target. Job growth cooled somewhat with total employment down 59k m/m in September for the first drop since April (chart 2), and payrolls were down by 5k for the third straight decline and fourth in five months (chart 3). Job vacancies eased again to their lowest level since May 2021 (chart 4), driving a small further overall rebalancing of the job market (chart 5).

Chart 5



German Investor Confidence Cools as German, US Political Risk Heats Up

German ZEW investor expectations fell in both the current and expected conditions indices for November. Germany is being thrown into a period of more intense political uncertainty with an election called for February 23rd.

RBI Watchers Write Off Nearer-Term Cuts

RBI watchers took down a hotter than expected CPI print this morning. October CPI was up 6.2% y/y (5.5% prior, 5.9% consensus). A higher reading was expected given lagging effects of heavy rains on crop prices and particularly staples like onions and tomatoes. Food prices jumped by 10.9% y/y. That pretty much makes what was already an expected hold on December 6th a slam dunk.

Light N.A. Calendar

The US calendar contains Fed-speak (Waller 10amET, Kashkari 2pmET), Barkin 5:30pmET) and the Fed's lending survey (2pmET) that will inform the pace of credit tightening. NFIB small business confidence pick up a bit, but it's an October reading and hence pre-election. Small businesses will be significantly impacted by labour shortages and tariffs going forward.

Canada is quiet to start the week other than yet more crippling strikes as workers at ports in Montreal and BC were locked out.

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.	4.31	4.25	4.18	4.26	4.19	4.15	4.36	4.31	4.27	4.51	4.47	4.44	Canada - BoC	3.75
CANADA	3.11	3.08	3.15	3.06	3.02	3.07	3.20	3.18	3.25	3.21	3.19	3.27	US - Fed	4.75
GERMANY	2.10	2.14	2.30	2.13	2.16	2.29	2.30	2.33	2.43	2.52	2.56	2.61	England - BoE	4.75
JAPAN	0.51	0.50	0.46	0.66	0.65	0.58	1.02	1.00	0.94	2.27	2.26	2.22	Euro zone - ECB	3.40
U.K.	4.45	4.42	4.51	4.35	4.32	4.43	4.45	4.43	4.53	4.88	4.87	4.96	Japan - BoJ	-0.10
	Spreads vs. U.S. (bps):												Mexico - Banxico	10.50
CANADA	-119	-118	-103	-120	-118	-108	-116	-112	-103	-130	-128	-116	Australia - RBA	4.35
GERMANY	-221	-212	-188	-213	-204	-186	-206	-198	-185	-198	-191	-183	New Zealand - RBNZ	4.75
JAPAN	-380	-375	-372	-359	-355	-357	-334	-330	-333	-224	-221	-222	Next Meeting Date	
U.K.	14	16	33	9	12	28	9	12	26	37	40	52	Canada - BoC	Dec 11, 2024
Equities	Level						% change:						US - Fed	Dec 18, 2024
	Last	Change			1 Day	1-wk	1-mo	1-yr					England - BoE	Dec 19, 2024
S&P/TSX	24789	29.9			0.1	2.2	1.3	26.1					Euro zone - ECB	Dec 12, 2024
Dow 30	44293	304.1			0.7	6.0	3.3	29.2					Japan - BoJ	June 14, 2024
S&P 500	6001	5.8			0.1	5.1	3.2	35.9					Mexico - Banxico	Nov 14, 2024
Nasdaq	19299	12.0			0.1	6.2	5.2	39.9					Australia - RBA	Dec 09, 2024
DAX	19266	-182.8			-0.9	0.0	-0.6	26.5					New Zealand - RBNZ	Nov 26, 2024
FTSE	8044	-80.9			-1.0	-1.6	-2.5	9.3						
Nikkei	39376	-157.2			-0.4	2.3	-0.6	20.8						
Hang Seng	19847	-580.0			-2.8	-5.5	-6.6	13.9						
CAC	7330	-97.3			-1.3	-1.0	-3.3	4.0						
Commodities	Level						% change:							
WTI Crude	68.23	0.19			0.3	-5.2	-9.7	-11.6						
Natural Gas	2.93	0.01			0.3	9.7	11.3	-3.4						
Gold	2602.49	-16.33			-0.6	-5.2	16.7	34.1						
Silver	31.32	-0.24			-0.7	-4.6	0.4	39.2						
CRB Index	278.92	-2.76			-1.0	-1.4	-4.1	2.0						
Currencies	Level						% change:							
USDCAD	1.3952	0.0027			0.2	0.9	1.1	1.1					Mexico - Banxico	Nov 14, 2024
EURUSD	1.0608	-0.0047			-0.4	-2.9	-2.8	-0.8					Australia - RBA	Dec 09, 2024
USDJPY	154.09	0.3700			0.2	1.6	2.9	1.6					New Zealand - RBNZ	Nov 26, 2024
AUDUSD	0.6542	-0.0033			-0.5	-1.4	-2.7	2.6						
GBPUSD	1.2815	-0.0053			-0.4	-1.7	-1.9	4.4						
USDCHF	0.8811	0.0005			0.1	2.1	2.1	-2.3						

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