

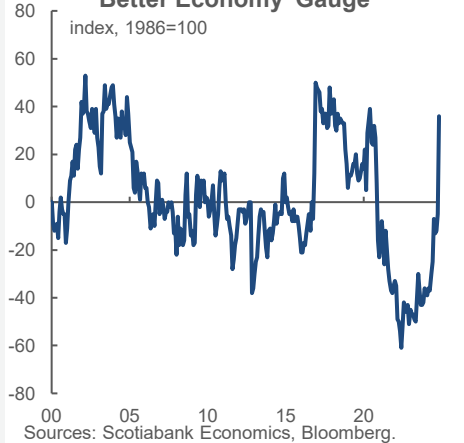
DAILY POINTS

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Chart 1
 NFIB Small Businesses 'Expect Better Economy' Gauge



On Deck for Tuesday, December 10

Country	Date	Time	Indicator	BNS	Consensus	Latest
US	12/10	06:00	NFIB Small Business Optimism	--	--	101.7
US	12/10	08:30	Productivity (q/q a.r.)	--	2.2	2.2
US	12/10	08:30	Unit Labor Costs (q/q a.r.)	--	1.4	1.9

KEY POINTS:

- **Defensive market tone ahead of the week’s key events**
- **RBA pivots, inches toward cutting**
- **Norway’s inflation surprises higher**
- **US small business confidence soars post-election...**
- **...but how will it stand up to tighter immigration and tariffs?**

Despite a soft tone for global risk appetite, there really isn't much to consider this morning. Australian markets dovish reacted to the RBA's tweaks and the local rates curve (the kiwi curve) outperformed others. Norway's curve went the other direction on CPI.

RBA Pivot Drives Weaker AUD, Lower Yields

The RBA delivered a bit more of a dovish jolt. The A\$ depreciated and the Australian rates curve rallied in bull steepener fashion. The policy rate was held at 4.35% as universally expected. The three main tweaks to the statement were "deliberate" as Governor Bullock put it, and included:

"Some of the upside risks to inflation appear to have eased,"

and "...the Board is gaining some confidence that inflation is moving sustainably toward target."

And gone is reference to "...the Board is not ruling anything in or out" by way of policy options which finally appears to be ruling out further tightening.

The market translation is that they are teeing up a pivot toward easing as soon as the next decision in February. Bullock did not comment further on timing. Markets added a couple of basis points to the chance of a cut on February 18th that now sits at about 15bps, but expect a full cut (and then some, -31bps) at the somewhat unfortunately timed April 1st meeting.

Onto tomorrow's Australian jobs report, but in the context of a very strong Australian labour market to date.

Norway’s Inflation Drives Higher Yields

Other overnight releases were minor. Chinese trade figures disappointed at softer levels. Norway's CPI (0.3% m/m, 0.2% consensus) and core CPI (0.1% m/m, -0.1% consensus) surprised a touch higher than expected for November and drove Norwegian yields higher by about 5–6bps across the curve as NOK mildly outperforms other majors.

US Small Business Confidence Jumps Post-Election

There is nothing material on the N.A. calendar today. US NFIB small business confidence spiked higher in November (101.7, 93.7 prior) as the 'expect better economy' subindex soared by 41 points to +36 which is its highest reading since late 2020 (chart 1). I'm thinking let's see how they feel upon arrival of tariffs and tightened immigration that removes a lot of the labour used by small businesses and hits their business input costs.

The US will also revise Q3 productivity and unit labour cost figures (8:30amET) as a teaser ahead of tomorrow's CPI.

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.	4.14	4.13	4.18	4.09	4.07	4.11	4.22	4.20	4.23	4.41	4.39	4.40	Canada - BoC	3.75
CANADA	2.92	2.89	3.05	2.85	2.81	2.96	3.04	2.98	3.08	3.17	3.10	3.12	US - Fed	4.75
GERMANY	1.99	2.00	1.94	1.97	1.98	1.90	2.13	2.12	2.05	2.36	2.35	2.28	England - BoE	4.75
JAPAN	0.59	0.58	0.62	0.74	0.72	0.75	1.07	1.05	1.08	2.27	2.27	2.30	Euro zone - ECB	3.40
U.K.	4.28	4.25	4.23	4.15	4.12	4.10	4.31	4.27	4.24	4.87	4.82	4.77	Japan - BoJ	-0.10
	Spreads vs. U.S. (bps):													
CANADA	-122	-124	-113	-124	-126	-116	-119	-122	-115	-124	-128	-128	Mexico - Banxico	10.25
GERMANY	-215	-213	-224	-212	-210	-221	-210	-208	-217	-205	-204	-213	Australia - RBA	4.35
JAPAN	-355	-354	-356	-336	-335	-337	-315	-315	-314	-215	-212	-210	New Zealand - RBNZ	4.25
U.K.	14	12	4	6	4	-2	9	7	2	46	44	37		
Equities	Level						% change:						Next Meeting Date	
	Last	Change		1 Day	1-wk	1-mo	1-yr							
S&P/TSX	25625	-66.4		-0.3	0.1	3.5	26.0						Canada - BoC	Dec 11, 2024
Dow 30	44402	-240.6		-0.5	-0.8	0.9	22.5						US - Fed	Dec 18, 2024
S&P 500	6053	-37.4		-0.6	0.1	1.0	31.5						England - BoE	Dec 19, 2024
Nasdaq	19737	-123.1		-0.6	1.7	2.3	37.0						Euro zone - ECB	Dec 12, 2024
DAX	20351	5.3		0.0	1.7	5.9	21.4						Japan - BoJ	Dec 19, 2024
FTSE	8309	-43.2		-0.5	-0.6	2.9	10.0						Mexico - Banxico	Dec 19, 2024
Nikkei	39368	207.1		0.5	0.3	-0.3	21.9						Australia - RBA	Dec 09, 2024
Hang Seng	20311	-102.8		-0.5	2.9	-2.0	24.3						New Zealand - RBNZ	Feb 18, 2025
CAC	7439	-41.1		-0.5	2.5	1.4	-1.2							
Commodities	Level						% change:							
WTI Crude	68.01	-0.36		-0.5	-2.8	-3.4	-4.5							
Natural Gas	3.11	-0.08		-2.4	2.1	16.3	20.3							
Gold	2672.39	12.09		0.5	1.1	19.8	33.3							
Silver	31.63	0.52		1.7	3.9	0.3	33.0							
CRB Index	289.06	2.72		0.9	1.6	2.6	10.0							
Currencies	Level						% change:							
USDCAD	1.4167	-0.0004		-0.0	0.7	1.7	4.4							
EURUSD	1.0529	-0.0025		-0.2	0.2	-1.2	-2.2							
USDJPY	151.68	0.4700		0.3	1.4	-1.3	3.8							
AUDUSD	0.6397	-0.0043		-0.7	-1.4	-2.7	-2.6							
GBPUSD	1.2759	0.0009		0.1	0.7	-0.8	1.6							
USDCHF	0.8797	0.0008		0.1	-0.7	-0.1	0.1							

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