

ON DECK FOR FRIDAY, NOVEMBER 6

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	11/06	08:30	Employment (000s m/m)	Oct	100	75.0	378.2
CA	11/06	08:30	Unemployment Rate (%)	Oct	9.1	9.0	9.0
US	11/06	08:30	Average Hourly Earnings (m/m)	Oct	0.2	0.2	0.1
US	11/06	08:30	Average Hourly Earnings (y/y)	Oct	4.6	4.5	4.7
US	11/06	08:30	Average Weekly Hours	Oct	--	34.7	34.7
US	11/06	08:30	Nonfarm Employment Report (000s)	Oct	500	593.0	661.0
US	11/06	08:30	Unemployment Rate (%)	Oct	7.9	7.6	7.9
US	11/06	15:00	Consumer Credit (US\$ bn m/m)	Sep	--	7.5	-7.2

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KEY POINTS:

- **Markets cautious ahead of nonfarm**
- **Biden ahead in Georgia, Philly update pending**
- **Will nonfarm exceed downside signals?**
- **CAD nervously anticipates jobs update**

INTERNATIONAL

Markets are cautious ahead of nonfarm payrolls, given softening signals like ADP and the employment component within ISM-services. Election fever is heating up again as Biden is ahead in Georgia and that state alone would declare him winner if he retains Arizona. So could Pennsylvania where Trump is ahead but an update “maybe in the tens of thousands” is pending shortly. Markets may also be reflecting mild concern that the US election results will be contested in a prolonged legal attack by Trump following a rambling televised complaint that was widely panned last night. Canada’s jobs report is of regional market interest and while you know as well as I that it can be volatile, this one has some good reasons to expect either much slower growth or a dip. For recap of the Fed and Ontario’s budget go [here](#) and [here](#).

- US S&P futures are off by ½%. TSX futures are little changed. European stocks range from a mild decline in London to down by ¾% – 1% (Germany, France, Spain).
- Sovereign bond yields are little changed with a touch of cheapening across the US longer end and mild spread compression in Italian over Germany bonds.
- The USD is very slightly softer as currencies are divided. CAD is among the decliners with slight depreciation ahead of jobs and given lower oil, while sterling, the A\$ and Mexican peso are a touch on the softer side. The offsets are gains across the Euro and euro-related crosses.
- Oil prices are down by about 3%.

UNITED STATES

The latest vote tallies by key states are as follows. A Biden win in either Georgia or Pennsylvania would declare him winner and we may find that out this morning, but the Philly results in particular are expected to arrive in chunky fashion through to late in the day.

- Georgia: Biden assumed a slim lead of 1,096 overnight. There remaining about 10k votes to be counted and they are generally mail-in ballots that have so far favoured Biden.
- Pennsylvania: Trump is still up by +18,229. A Philly update coming roughly between 7–8amET. 163k votes are left to be counted—50k of which in Philly—and once again the vote composition of what remains likely favours Biden.
- Arizona: Biden is ahead by 47,052.
- Nevada: Biden is ahead 11,438

Nonfarm payrolls are due at 8:30amET. Consensus expects a rise of 593k (Scotia 500k) with a range of estimates roughly between 300k–900k. To the upside, we probably won't see a repeat of the 231k lost education jobs the prior month. To the downside may be ADP's disappointment on Wednesday, the softer employment sub-gauge to ISM-services and the effects of tightened pandemic restrictions.

CANADA

Canada updates its job figures at 8:30amET. The October tally is widely expected to be a cooler print with possible risk of a negative reading. Consensus expects 75k (Scotia 100k) with a range of -100k to +189k. One risk is that 70% of what drove the job gain in September—moms returning to work in droves when the kids went back to school, and youths as restrictions eased—won't repeat. Another thing is that the biggest provinces tightened restrictions between reference weeks (calendar week including the 15th of the month). There are about 1 million jobs nationwide in the hospitality sector with about 40% in Ontario and one-quarter in Quebec. They are the ones facing renewed downside risk as restaurants, bars etc shut.

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.	0.15	0.15	0.16	0.34	0.33	0.39	0.77	0.76	0.87	1.54	1.52	1.66	Canada - BoC	0.25		
CANADA	0.25	0.25	0.26	0.38	0.38	0.40	0.61	0.61	0.66	1.19	1.19	1.25	US - Fed	0.25		
GERMANY	-0.78	-0.78	-0.79	-0.81	-0.81	-0.82	-0.64	-0.64	-0.63	-0.23	-0.23	-0.22	England - BoE	0.10		
JAPAN	-0.14	-0.13	-0.12	-0.11	-0.11	-0.09	0.02	0.02	0.04	0.63	0.61	0.65				
U.K.	-0.05	-0.05	-0.03	-0.06	-0.05	-0.04	0.23	0.23	0.26	0.81	0.80	0.83				
	Spreads vs. U.S. (bps):															
CANADA	10	10	10	5	5	1	-16	-15	-21	-34	-33	-41	Euro zone - ECB	0.00		
GERMANY	-93	-93	-95	-115	-114	-121	-141	-140	-150	-177	-175	-188	Japan - BoJ	-0.10		
JAPAN	-28	-27	-27	-45	-44	-48	-75	-74	-83	-91	-91	-101				
U.K.	-20	-19	-19	-39	-38	-42	-54	-53	-61	-73	-72	-83	Mexico - Banxico	4.25		
Equities	Level						% change:									
	Last			Change			1 Day		1-wk		1-mo		1-yr			
S&P/TSX	16298			299.4			1.9		4.6		0.4		-2.7		Australia - RBA	0.10
Dow 30	28390			542.5			1.9		6.5		2.2		3.3		New Zealand - RBNZ	0.25
S&P 500	3510			67.0			1.9		6.1		4.4		14.1			
Nasdaq	11891			300.2			2.6		6.3		6.6		41.4			
DAX	12447			-121.1			-1.0		7.7		-3.6		-5.6			
FTSE	5890			-15.7			-0.3		5.6		-1.0		-20.4			
Nikkei	24325			220.0			0.9		4.3		3.8		4.4		Canada - BoC	Dec 09, 2020
Hang Seng	25713			17.1			0.1		6.7		7.2		-7.1		US - Fed	Dec 16, 2020
CAC	4942			-41.8			-0.8		7.6		1.0		-15.8		England - BoE	Dec 17, 2020
Commodities	Level						% change:									
WTI Crude	37.59			-1.20			-3.1		5.0		-7.6		-33.3		Euro zone - ECB	Dec 10, 2020
Natural Gas	2.95			0.00			0.2		-12.1		16.9		4.2		Japan - BoJ	Dec 18, 2020
Gold	1953.52			3.86			0.2		4.0		4.0		31.1			
Silver	24.57			0.60			2.5		6.8		2.7		36.2			
CRB Index	149.16			0.25			0.2		3.0		-0.2		-17.4			
Currencies	Level						% change:									
USDCAD	1.3067			0.0022			0.2		-1.9		-1.8		-0.9		Mexico - Banxico	Nov 12, 2020
EURUSD	1.1873			0.0047			0.4		1.9		1.2		7.3		Australia - RBA	Nov 30, 2020
USDJPY	103.26			-0.2300			-0.2		-1.3		-2.2		-5.2			
AUDUSD	0.7263			-0.0020			-0.3		3.3		2.3		5.5			
GBPUSD	1.3128			-0.0020			-0.2		1.4		1.9		2.1		New Zealand - RBNZ	Nov 10, 2020
USDCHF	0.9005			-0.0042			-0.5		-1.8		-1.9		-9.3			

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