

### DAILY POINTS

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Chart 1

#### United States Beveridge Curve

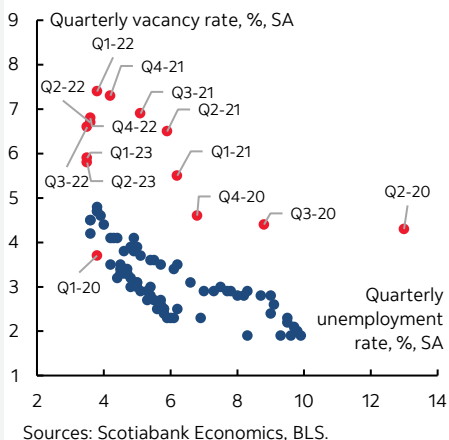
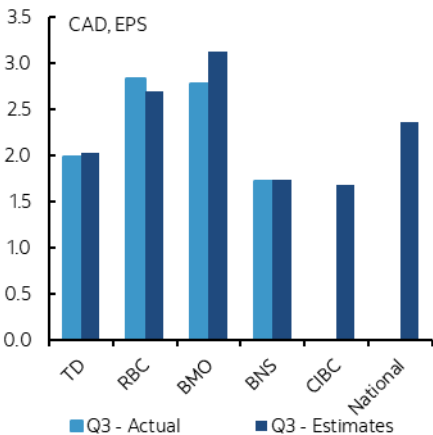


Chart 2

#### Canadian Banks' Earnings



### On Deck for Tuesday, August 29

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	08-29	09:00	S&P/Case-Shiller Home Price Index (m/m)	Jun	1.0	0.8	1.0
US	08-29	09:00	S&P/Case-Shiller Home Price Index (y/y)	Jun	--	-1.6	-1.7
US	08-29	10:00	Consumer Confidence Index	Aug	116	116.0	117.0
US	08-29	10:00	JOLTS Job Openings (000s)	Jul	--	9500.0	9582.0

#### KEY POINTS:

- **Mild risk-on sentiment supported by China's moves**
- **China jawbones fiscal stimulus, mortgage and deposit rate cuts**
- **New RBA Governor's hike warning ignored by markets**
- **US consumer confidence may face downside risk this time**
- **US repeat home sale prices probably increased again, downside ahead**
- **US job vacancies making slow progress toward lessening pressures**
- **Canada's so-far mixed bank earnings season**

Mixed risk appetite is characterized by flat N.A. equity futures versus mild gains across Europe that are led by the FTSE100 as the UK returns from holiday. Curves are little changed in the US and UK as bunds slightly bull flatten. The USD is flat on balance.

China jawboned fiscal stimulus. Anonymous sources guided that regulators may direct banks to cut mortgage rates on first homes as soon as today and for the first time since the GFC. Anonymous sources also indicated to the press that Chinese state banks may reduce deposit rates later this week in a plan reportedly approved by regulators.

New RBA Governor Bullock delivered her first speech overnight in her new capacity as Governor. The A\$ and overall rates complex ignored her guidance that "we may have to raise interest rates again, but we're watching the data very carefully." Australia updates CPI for July tonight and the RBA delivers its next decision next Tuesday that kicks off the month's global calendar of central bank decisions.

US data will focus upon the household sector:

- Watch consumer confidence as it probably faces downside risk as mortgage rates and gasoline prices rise alongside moderating wage gains (10amET). Also watch the 'jobs plentiful' measure as a labour market signal, and 1-year ahead inflation expectations.
- Another decent gain in repeat-sale home prices is expected, but it's lagging June data before the 30-year mortgage rate move higher during July and August (9amET).
- Job vacancies will help to inform the degree to which the labour market may be bringing supply and demand conditions back into balance which the Fed desires (10amET). So far that has been a very slow process as indicated by the updated Beveridge Curve (chart 1).

Overnight developments included Japan's jobless rate that unexpectedly moved up two-tenths to 2.7% in July. Sweden's GDP fell by less than expected in Q2 (-0.8% q/q SA, -1.3% consensus) partly due to a downward revision to Q1 (0.4% from 0.6% previously)

BMO's Q3 earnings sharply disappointed at C\$2.78 versus consensus at \$3.13 EPS. BNS slightly disappointed expectations with Q3 EPS at C\$1.73 (\$1.74 consensus). The bank's investor presentation is [here](#). Chart 2 shows the bank earnings season to date that has been characterized by one large miss, two small ones, and one modest beat with two more of the 'big six' still ahead.

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.	5.01	5.05	5.05	4.38	4.40	4.49	4.21	4.20	4.33	4.29	4.28	4.40	Canada - BoC	5.00
CANADA	4.79	4.78	4.80	4.03	4.04	4.08	3.68	3.70	3.77	3.49	3.50	3.59	US - Fed	5.50
GERMANY	3.06	3.07	3.09	2.58	2.60	2.65	2.56	2.56	2.65	2.67	2.67	2.73	England - BoE	5.25
JAPAN	0.01	0.01	0.02	0.23	0.24	0.24	0.65	0.66	0.67	1.67	1.67	1.67	Euro zone - ECB	4.25
U.K.	5.31	5.02	5.15	4.81	4.52	4.68	4.45	4.44	4.65	4.66	4.64	4.84	Japan - BoJ	-0.10
Spreads vs. U.S. (bps):														
CANADA	-22	-27	-25	-36	-36	-41	-53	-50	-55	-80	-78	-81	Mexico - Banxico	11.25
GERMANY	-194	-199	-196	-180	-181	-183	-165	-164	-168	-162	-161	-168	Australia - RBA	4.10
JAPAN	-499	-504	-502	-415	-416	-425	-355	-354	-366	-262	-261	-273	New Zealand - RBNZ	5.50
U.K.	30	-3	10	42	11	19	24	24	32	37	36	43	Next Meeting Date	
Equities	Level			Level			% change:			% change:				
	Last			Change			1 Day	1-wk	1-mo			1-yr		
S&P/TSX	20025			189.4			1.0	1.2	-2.4			1.0	Canada - BoC	Sep 06, 2023
Dow 30	34560			213.1			0.6	0.3	-2.5			7.7	US - Fed	Sep 20, 2023
S&P 500	4433			27.6			0.6	0.8	-3.2			10.0	England - BoE	Sep 21, 2023
Nasdaq	13705			114.5			0.8	1.5	-4.3			14.0	Euro zone - ECB	Sep 14, 2023
DAX	15875			82.1			0.5	1.1	-3.6			23.1	Japan - BoJ	Sep 22, 2023
FTSE	7450			111.1			1.5	2.6	-3.2			0.3	Mexico - Banxico	Sep 28, 2023
Nikkei	32227			57.0			0.2	1.2	-1.6			15.6	Australia - RBA	Sep 05, 2023
Hang Seng	18484			353.3			1.9	3.9	-7.2			-7.7	New Zealand - RBNZ	Oct 03, 2023
CAC	7358			33.2			0.5	1.6	-1.6			18.3		
Commodities	Level			Level			% change:			% change:				
WTI Crude	80.67			0.57			0.7	0.4	0.1			-16.8		
Natural Gas	2.56			-0.02			-0.7	0.0	-3.0			-72.6		
Gold	1921.66			1.49			0.1	1.3	-1.9			10.6		
Silver	24.19			0.00			0.0	6.1	-1.5			25.1		
CRB Index	278.64			0.44			0.2	1.4	-0.7			-7.7		
Currencies	Level			Level			% change:			% change:				
USDCAD	1.3606			0.0007			0.1	0.4	3.2			4.6		
EURUSD	1.0811			-0.0008			-0.1	-0.3	-1.7			8.1		
USDJPY	146.64			0.1000			0.1	0.5	3.1			5.7		
AUDUSD	0.6446			0.0017			0.3	0.4	-4.0			-6.6		
GBPUSD	1.2603			0.0001			0.0	-1.0	-1.8			7.6		
USDCHF	0.8845			0.0007			0.1	0.5	1.4			-8.6		

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