

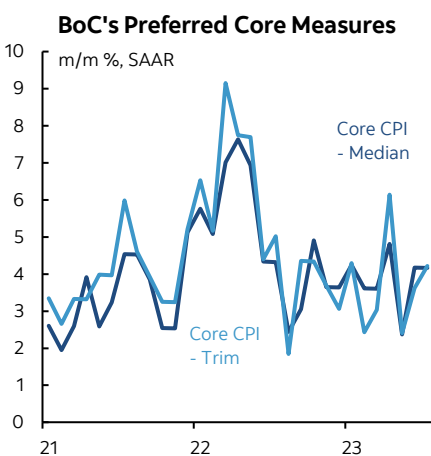
Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	09-19	08:30	Core CPI - Median (y/y)	Aug	--	3.7	3.7
CA	09-19	08:30	Core CPI - Trim (y/y)	Aug	--	3.7	3.6
CA	09-19	08:30	CPI, All items (m/m)	Aug	0.4	0.2	0.6
CA	09-19	08:30	CPI, All items (y/y)	Aug	4.0	3.8	3.3
CA	09-19	08:30	CPI, All items (index)	Aug	--	158.3	158.1
US	09-19	08:30	Building Permits (000s a.r.)	Aug	--	1440.0	1443.0
US	09-19	08:30	Housing Starts (000s a.r.)	Aug	1440	1439.0	1452.0
US	09-19	08:30	Housing Starts (m/m)	Aug	-0.8	-0.9	3.9
CA	09-19	08:30	Core CPI - Common (y/y)	Aug	--	--	4.8
CA	09-19	13:45	Bank of Canada Speech: Kozicki in Regina				

### Contributors

#### Derek Holt

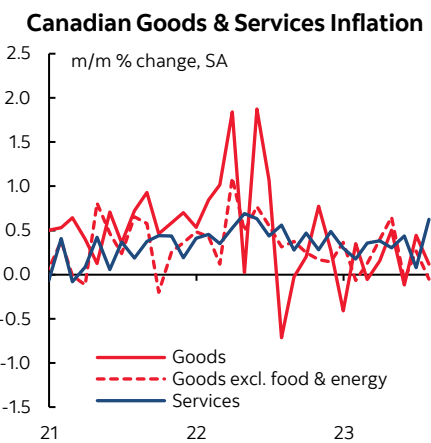
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Chart 1



Sources: Scotiabank Economics, Statistics Canada.

Chart 2



Sources: Scotiabank Economics, Statistics Canada, Haver.

### KEY POINTS:

- **Global markets await fireworks in second half of the week**
- **Canadian CPI will just be a placeholder on path to the BoC's next decision**
- **BoC speech may inform how monetary policy transmission has been affected**

Most of the focus will be upon Canadian CPI (8:30amET). A BoC speech will probably offer low market risk and a Canadian auto strike has been postponed as negotiations continue.

There were no material overnight developments as global markets await key central bank decisions and data from Wednesday through Friday. The OECD revised 2023 global growth up a few tenths to 3% this year mostly in the US, and down a couple of tenths to 2.7% next year. Eurozone CPI was revised down a tick to 0.5% m/m and 5.2% y/y in August with core left unchanged at 5.3% y/y and markets ignored this.

India accounts for 0.7% of both Canadian exports and Canadian imports and so the flaring dispute over an alleged assassination involves little direct economic risk.

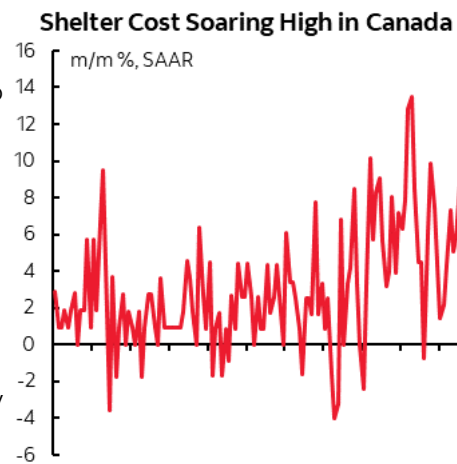
Most estimates for August's inflation are in the 0.2–0.4% m/m NSA range that would lift the year-over-year rate from 3.3% to between 3.7–4.0%.

Higher gas prices will play a significant role. Key will be underlying core measures. Trimmed mean and weighted median CPI were up by over 4% m/m SAAR in July and have been trending around 3½%. Services inflation and housing both flared in July while core goods inflation was soft (charts 2, 3). This update will be juxtaposed against recent updates that have pointed to strong wage gains, a rebound in employment and several rebounding indicators like hours worked, manufacturing, wholesale and maybe retail.

That said, this is just one of two inflation reports before the BoC's next decision on October 25th, along with another set of readings on jobs and wages plus the BoC's two consumer and business surveys including measures of inflation expectations. We may well get some market volatility around today's numbers, but there is a lot of further information on the path to the BoC's full forecast update in October.

BoC DepGov Kozicki speaks on 'how household differences have affected monetary policy since the onset of the Covid-19 pandemic.' The speech will be released at 1:45pmET. This may inform BoC thinking about factors that have influenced the monetary policy transmission effects. There will be a short audience Q&A but no presser.

Chart 3



Sources: Scotiabank Economics, Statistics 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.	5.05	5.05	5.02	4.45	4.45	4.43	4.31	4.30	4.28	4.39	4.39	4.35	Canada - BoC	5.00
CANADA	4.78	4.73	4.68	4.05	4.02	3.97	3.75	3.74	3.70	3.56	3.57	3.52	US - Fed	5.50
GERMANY	3.27	3.26	3.13	2.73	2.74	2.65	2.70	2.71	2.64	2.84	2.84	2.77	England - BoE	5.25
JAPAN	0.03	0.03	0.04	0.28	0.28	0.28	0.72	0.72	0.71	1.70	1.68	1.72		
U.K.	4.98	5.03	5.04	4.54	4.58	4.64	4.34	4.39	4.42	4.71	4.73	4.73		
	Spreads vs. U.S. (bps):													
CANADA	-27	-33	-34	-41	-43	-46	-56	-56	-59	-83	-82	-83	Euro zone - ECB	4.50
GERMANY	-179	-180	-190	-172	-171	-178	-161	-160	-164	-155	-154	-159	Japan - BoJ	-0.10
JAPAN	-502	-503	-499	-417	-417	-415	-359	-359	-357	-270	-270	-263		
U.K.	-7	-2	2	9	13	21	3	9	13	32	35	38	Mexico - Banxico	11.25
Equities	Level			% change:			1 Day		1-wk		1-mo		1-yr	
	Last		Change											
S&P/TSX	20493		-129.5				-0.6	1.5		3.4		4.8	Australia - RBA	4.10
Dow 30	34624		6.1				0.0	-0.1		0.4		11.6		
S&P 500	4454		3.2				0.1	-0.8		1.9		14.2	New Zealand - RBNZ	5.50
Nasdaq	13710		1.9				0.0	-1.5		3.2		18.9		
DAX	15727		-0.3				-0.0	0.1		1.0		22.8		
FTSE	7669		16.4				0.2	1.9		5.6		6.0		
Nikkei	33243		-290.5				-0.9	2.4		5.7		20.6	Canada - BoC	Oct 25, 2023
Hang Seng	17997		66.6				0.4	-0.2		0.3		-3.1	US - Fed	Sep 20, 2023
CAC	7300		23.5				0.3	0.6		1.9		20.4		
Commodities	Level			% change:			1 Day		1-wk		1-mo		1-yr	
WTI Crude	92.62		1.14				1.2	4.3		14.0		8.0	England - BoE	Sep 21, 2023
Natural Gas	2.72		-0.01				-0.5	-1.0		6.4		-65.0	Euro zone - ECB	Oct 26, 2023
Gold	1935.54		1.69				0.1	1.1		2.4		15.5	Japan - BoJ	Sep 22, 2023
Silver	23.20		0.14				0.6	0.4		1.8		22.1		
CRB Index	289.38		-0.23				-0.1	1.1		5.0		3.4		
Currencies	Level			% change:			1 Day		1-wk		1-mo		1-yr	
USDCAD	1.3442		-0.0044				-0.3	-0.8		-0.8		1.4	Mexico - Banxico	Sep 28, 2023
EURUSD	1.0699		0.0007				0.1	-0.5		-1.8		6.7		
USDJPY	147.67		0.0600				0.0	0.4		1.0		3.1	Australia - RBA	Oct 02, 2023
AUDUSD	0.6459		0.0022				0.3	0.5		0.7		-4.0		
GBPUSD	1.2393		0.0010				0.1	-0.8		-2.8		8.4	New Zealand - RBNZ	Oct 03, 2023
USDCHF	0.8962		-0.0009				-0.1	0.5		2.0		-7.1		

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