

REVIEW - WEEK OF MAY 6TH 2024

During the past week, our attention was focused on Canadian jobs data, weekly jobless claims in the U.S., Federal Reserve speeches and tensions in the Middle East.

In Canada, April saw its largest employment gains in 15 months. The unemployment rate remained stable at 6.1%, below the 6.2% forecast by economists, while a net gain of 90,400 jobs was recorded, well above the 20,000 jobs expected.

South of the border, the latest monthly jobs report showed a slowdown in hiring compared to recent trends. U.S. initial jobless claims increased by 22,000 to reach 231,000, their highest level since August. Furthermore, continuing jobless claims (a measure of the number of people receiving unemployment) jumped over the course of the month to reach 1.79 million. Although resilient demand is leading businesses to be reluctant to fire workers, these data may indicate a gradual cooling of the U.S. labour market, contributing to the debate over whether we could see two rate cuts this year. U.S. Secretary of the Treasury Janet Yellen has stated that, although inflation has decreased, it is still not low enough to justify rate cuts.

While the debate on when the Federal Reserve will or should cut rates continues, Thomas Barkin of the Federal Reserve Bank of Richmond stated that the full impact of the Fed's rate hikes is yet to come. He expects restrictive policies to slow the economy and cool inflation to the 2% target. In another speech, Minnesota Fed President Neel Kashkari said that the central bank will hold interest rates steady for an extended period, until Fed members are certain that inflation is on the right track to hit the 2% target. Although it is not the most likely scenario, he stated that the Fed may even raise the rate if necessary.

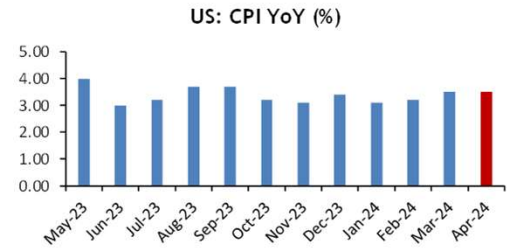
In terms of commodities, gold rose to its highest level in three weeks, while oil continued to climb as geopolitical risks rise and tensions persist in the Middle East.

Concerning the Middle East, Israel rejected a ceasefire proposal that militant Palestinian group Hamas said it had accepted. U.S. Secretary of Defense, Lloyd Austin, declared that the United States has paused weapons shipments to Israel due to concerns concerning a potential military offensive on Rafah, a city in the Gaza strip where 1.4 million Palestinians have been sheltering. Tensions continue to grow between Netanyahu and President Joe Biden, who has expressed his opposition to an attack on Rafah and reaffirmed this message during a call between the two leaders this Monday.

Next week, we will focus on inflation data and U.S. retail sales.

Have a great week!

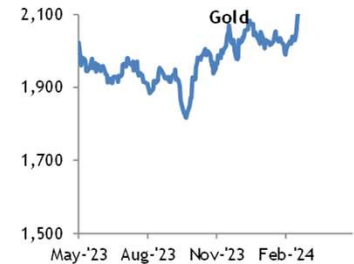
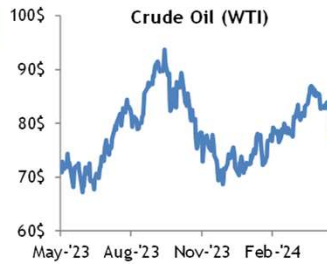
ECONOMIC RELEASES			Expected	Prior
CA	05/13	Building Permits	-4.3%	9.3%
US	05/15	CPI MoM	0.4%	0.4%
US	05/15	CPI YoY	3.4%	3.5%
US	05/15	CPI Ex Food and Energy MoM	0.3%	0.4%
US	05/15	Retail Sales Advance MoM	0.4%	0.7%



FX		Current	Wkly Chg	% Chg
	USDCAD	1.3670	+0.0004 ↑	0.0%
	EURCAD	1.4756	+0.0039 ↑	0.3%
	EURUSD	1.0794	+0.0025 ↑	0.2%
	GBPCAD	1.7156	-0.00 ↓	-0.1%
	CADJPY	114.012	+1.3790 ↑	1.2%
	CADCNY	5.2922	+0.0150 ↑	0.3%
	AUDCAD	0.9051	-0.0003 ↓	0.0%
	CADCHF	0.6627	-0.0005 ↓	-0.1%



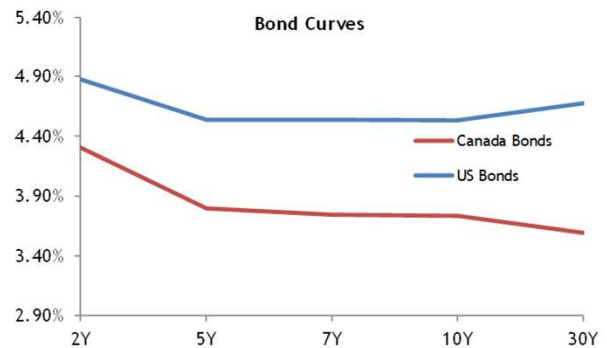
COMMODITIES		Current (USD)	Wkly Chg	% Chg
	Crude Oil- WTI (bbl.)	78.83	+0.35 ↑	0.4%
	Diesel - HO (gal.)	246.02	-0.12 ↓	0.0%
	Nat. Gas - NYMEX (MMbtu.)	2.26	+0 ↑	3.1%
	Gold (t oz.)	2,351.30	+20 ↑	0.9%
	Corn (bu.)	4.54	-4 ↓	-0.8%
	Soybean (bu.)	12.05	-30 ↓	-2.4%
Wheat (bu.)	6.46	+14 ↑	2.1%	



EQUITIES		Current	Wkly Chg	% Chg
	S&P TSX	22,309	+49 ↑	0.2%
	S&P 500	5,223	+42 ↑	0.8%
	Dow Jones	39,513	+661 ↑	1.7%
	Euro Stoxx	5,077	+1,629 ↑	47.2%
	VIX	13.3	-0 ↓	-1.3%



INTEREST RATES		Canada Bonds		US Bonds	
		CA	Wkly Chg	US	Wkly Chg
	O/N	5.00%	+0.0 bps	5.50%	+0.0 bps
	Prime	7.20%	+0.0 bps	8.50%	+0.0 bps
	2Y	4.31%	+12.4 bps	4.88%	+1.6 bps
	5Y	3.80%	+9.8 bps	4.54%	+1.0 bps
	7Y	3.74%	+9.0 bps	4.54%	+0.5 bps
	10Y	3.74%	+7.2 bps	4.53%	-0.5 bps
30Y	3.59%	+3.4 bps	4.68%	-0.7 bps	



	CDOR	Term SOFR
1M	5.27750	5.32284
3M	5.26750	5.33593

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