

Monday April 29, 2024

INFLATION STILL BEARS WATCHING

News concerning inflation was at the top of the headlines on Friday. The Personal Consumption Expense (PCE) deflator, which is the inflation benchmark most closely monitored by Federal Reserve (Fed) members came out +2.7% (compared to a projected 2.6 %). This confirmed once again market anticipations concerning the Fed's future monetary policy. The U.S. dollar rose on the news against its G10 peers, and thanks to solid results from tech firms the previous day, the S&P 500 and Nasdaq both closed up more than 1%.

In Canada, IBM announced on Friday that it would invest close to CAD 1 billion in its semi-conductor plant in Quebec, which should reinforce the group's position in the region.

This week, we'll be paying close attention to the key rate decision from the U.S. Federal Reserve, scheduled for Wednesday. The rate is expected to be left unchanged, but further to recent inflation data, we're especially waiting to see whether Jerome Powell confirms that rates will remain higher for longer. Currently, traders are only pricing in a single rate cut by December 2024. Late in the week, job data are also due out in the United States, with unemployment expected to remain unchanged at 3.8%, and Non-Farm Payroll data to examine as well.

Have a great week!

Jérémy Pascal

Economic news to watch today

Nothing to watch

Market Moves

Source: Bloomberg at market close

USD/CAD	1.3671 +0.0014
EUR/USD	1.0693 -0.0037
EUR/CAD	1.4619 -0.0034
TSX	21,969 +0.38%
S&P500	5,100 +1.02%
WTI Oil	83.85 +0.34%
CA 10-YR Bond Yield	3.82% -1.32%
US 10-YR Bond Yield	4.66% -0.87%

Trends

Range of the day	1.3600	1.3700
Range of the next 5 days	1.3500	1.3800

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