

March 11th, 2024

REVIEW - WEEK OF MARCH 4th 2024

Last week, our attention was focused on the U.S. House of Representatives' funding package, a potential ceasefire between Israel and Hamas, the OPEC members' decision, and employment data.

Last week, U.S. House lawmakers approved a detailed package of spending bills that will extend the funding available to most government agencies for their activities until September 30th, 2024. The Senate had approved a short-term spending measure on February 29th to avoid a partial shut-down for some federal agencies, narrowly beating the March 1st deadline and buying more time to come to a long-term spending agreement. The new package provides a longer-term spending solution for other government agencies.

The new spending bill is valued at US\$436 billion and covers about a quarter of government agency funding. It's the first real progress by Congress after a series of temporary bills proposed just hours before the deadline were passed. This approach has also been criticized by President Biden, who would like once and for all to have a long-term government funding plan. Despite everything, some agencies like the Defense and Social Services departments will still have to wait for the second round of spending bills to find out about their budgets.

In other news, there have been developments in the Israel-Hamas war. Over the course of the week, there were announcements that Israel had "more or less" accepted a six-week ceasefire, provided that Hamas agrees to release 35 hostages considered vulnerable, including children, the elderly, and the wounded. Israeli agrees that the deal will take effect immediately after Hamas consents to releasing the hostages. Without officially accepting the agreement, Hamas said a delegation would travel to Cairo to outline the group's position on the ceasefire proposal. The group rejected Israel's demand to release a list of the living hostages, however, making it very difficult for Israel to find out more about the hostages who remain.

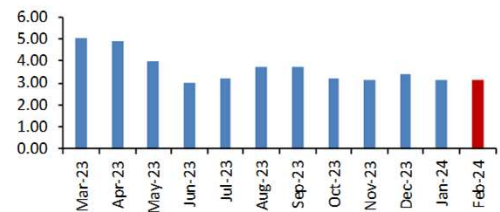
Elsewhere, OPEC members held a meeting to decide on production levels for the coming months. The group has agreed to curb production by 2 million barrels per day until the end of June. Based on their discussions, it seems that members believe that the current price that's fluctuating between \$75 and \$80 a barrel is insufficient and would prefer to see it reach the \$90 level. They have indicated that their latest decision was justified based on uncertainties about demand from China.

Last Friday, Canada and the United States released their employment data. The Canadian unemployment rate remained stable at 5.8%, while a net employment increase of 40.7K slightly exceeded expectations. The unemployment rate in the U.S. rose 20 basis points to 3.9% and 275,000 jobs were added in February.

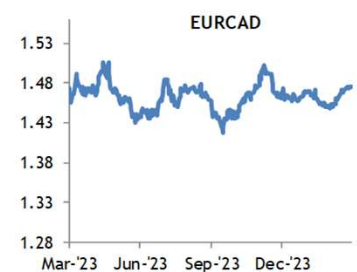
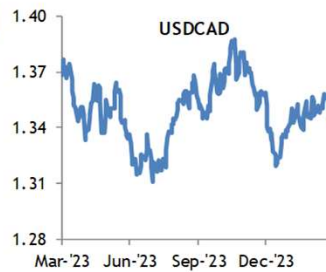
Next week, we'll be keeping an eye out for U.S. inflation and retail sales data.

Have a great week!

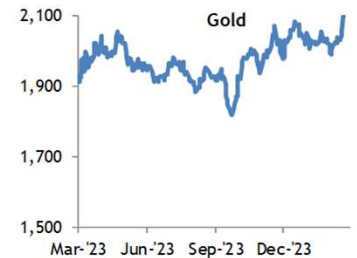
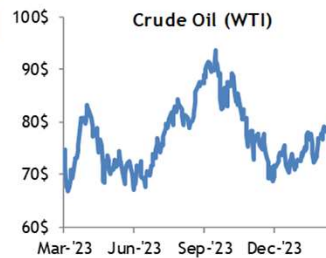
ECONOMIC RELEASES			Expected	Prior
US	03/12	CPI MoM	0.4%	0.3%
US	03/12	CPI YoY	3.1%	3.1%
US	03/14	Retail Sales Advance MoM	0.8%	-0.8%
US	03/14	PPI Final Demand MoM	0.3%	0.3%

US: CPI YoY (%)


FX		Current	Wkly Chg	% Chg
	USDCAD	1.3476	-0.0098 ↓	-0.7%
	EURCAD	1.4745	+0.0010 ↑	0.1%
	EURUSD	1.0942	+0.0086 ↑	0.8%
	GBPCAD	1.7316	+0.01 ↑	0.5%
	CADJPY	108.817	-2.0850 ↓	-1.9%
	CADCNY	5.3320	+0.0298 ↑	0.6%
	AUDCAD	0.8915	+0.0079 ↑	0.9%
	CADCHF	0.6502	-0.0017 ↓	-0.3%



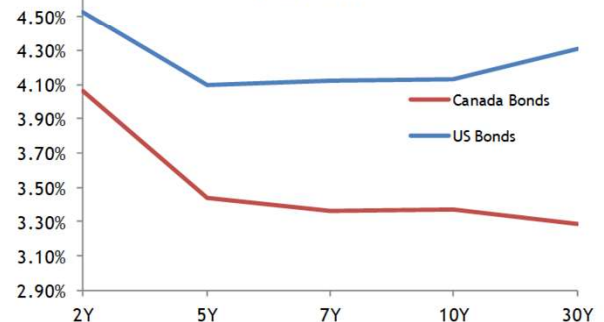
COMMODITIES		Current (USD)	Wkly Chg	% Chg
	Crude Oil- WTI (bbl.)	77.73	-1.01 ↓	-1.3%
	Diesel - HO (gal.)	262.08	-2.64 ↓	-1.0%
	Nat.Gas - NYMEX (MMbtu.)	1.79	-0 ↓	-6.4%
	Gold (t oz.)	2,185.30	+59 ↑	2.8%
	Corn (bu.)	4.23	+5 ↑	1.3%
	Soybean (bu.)	11.71	+24 ↑	2.0%
	Wheat (bu.)	5.27	-37 ↓	-6.5%



EQUITIES		Current	Wkly Chg	% Chg
	S&P TSX	21,738	+206 ↑	1.0%
	S&P 500	5,124	-7 ↓	-0.1%
	Dow Jones	38,723	-267 ↓	-0.7%
	Euro Stoxx	4,932	+1,483 ↑	43.0%
	VIX	15.6	+2 ↑	15.3%



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	4.06%	-9.5 bps	4.52%	-10.8 bps
	5Y	3.44%	-12.7 bps	4.10%	-14.4 bps
	7Y	3.36%	-13.1 bps	4.12%	-15.1 bps
	10Y	3.37%	-13.0 bps	4.13%	-13.2 bps
	30Y	3.29%	-10.1 bps	4.30%	-10.0 bps

Bond Curves


	CDOR	Term SOFR
1M	5.30500	5.32262
3M	5.31000	5.33112

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