

Tuesday May 14, 2024

EXPECTATIONS FOR INFLATION ON THE RISE IN THE UNITED STATES

Markets were relatively calm yesterday as investors wait for tomorrow's Consumer Price Index data in the United States.

The April New York Federal Reserve Survey underscored an increase in U.S. consumers' expectations with regard to inflation and housing prices. More specifically, the median inflation forecast for the coming year rose from 3.0% to 3.3%, while expectations for growth in housing costs reached 3.3% (the highest level since July 2022).

In March, the number of building permits in Canada fell 11.7% compared to the previous month. Residential sector construction intentions dropped 8.3%, mainly due to a decline of 13.7% in Ontario. However, five other provinces recorded an increase in residential permits, including Quebec.

Today, we'll get a sneak peek at tomorrow's inflation numbers with the release of the Producer Price Index for April in the United States.

Have a great day!

Nicholas Laflamme

Economic news to watch today

US: Producer Price Index (April 2024)

Market Moves

Source: Bloomberg at market close

USD/CAD	1.3666 -0.0006
EUR/USD	1.0790 +0.0019
EUR/CAD	1.4746 +0.0018
TSX	22,259 -0.22%
S&P500	5,221 -0.02%
WTI Oil	79.12 +1.10%
CA 10-YR Bond Yield	3.68% -0.35%
US 10-YR Bond Yield	4.49% -0.22%

Trends

Range of the day	1.3600	1.3750
Range of the next 5 days	1.3550	1.3800

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