

### DAILY POINTS

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Chart 1

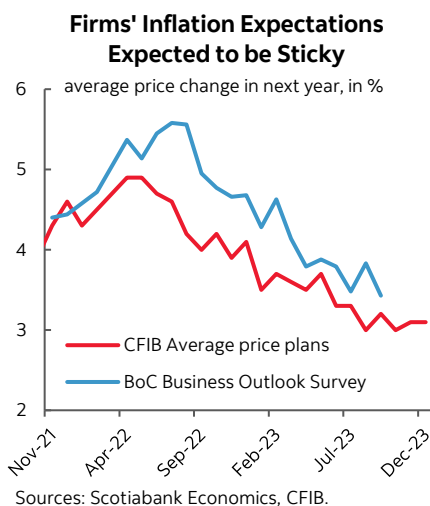
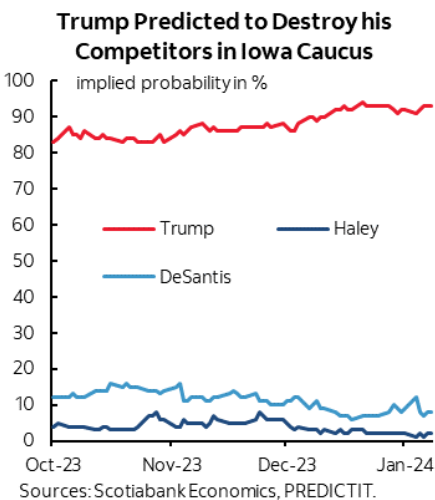


Chart 2



#### On Deck for Monday, January 15

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	01-15	08:30	Manufacturing Shipments (m/m)	Nov	1.2	1.0	-2.8
CA	01-15	08:30	Wholesale Trade (m/m)	Nov	0.8	0.8	-0.5
CA	01-15	09:00	Existing Home Sales (m/m)	Dec	--	--	-0.9
CA	01-15	10:30	Business Outlook Future Sales	4Q	--	--	14.0

#### KEY POINTS:

- **Bonds and stocks are mildly cheaper on light developments**
- **BoC surveys will probably show sticky inflation expectations**
- **Canada to update manufacturing, home sales, wholesale trade**
- **PBOC holds after providing a stimulus head fake**
- **Taiwan's election delivers expected result**
- **US markets shut for MLK Jr day**

As a reminder, please see the Global Week Ahead—Geopolitical Risk Shifts Into Higher Gear. The publication is [here](#) and clients have the slide deck in their inboxes. Key topics include the following:

- Taiwan's election could stoke tensions with China
- Comparing Biden to past Presidents on the economy and markets
- Trump is poised to crush the start of the US election calendar
- Why Biden's base is deserting him
- Middle East tensions on heightened alert
- Canadian inflation expectations likely to remain too high
- Will underlying Canadian inflation come in hot again?
- US earnings season accelerates
- China's central bank is expected to ease
- Chinese GDP, activity readings to inform momentum
- Are UK wages and CPI still trending cooler?
- Australian job market has been on fire ahead of an update
- Hoping for stability in Eurozone inflation expectations
- Bank Indonesia likely to stay on hold
- Global macro reports
- US shut for M.L.K. Jr Day on Monday

The US is out for MLK Jr day, they're just a few hours from hitting the bars in Davos at the big-government hang-out called the WEF that even central bankers avoid now, and overnight developments were very light ahead of some Canadian data. Bonds are mildly cheaper in Canada and Europe and stocks are playing defence alongside oil that is down by about 1%.

Chinese equities were mildly disappointed by the PBOC's decision to hold its 1-year Medium-Term Lending Facility Rate unchanged at 2.5%. Consensus had expected another 10bps cut given recent data and comments by policymakers. Inflation is perceived to be

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temporarily weighed down particularly by narrow driver and concern over yuan stability is driving what will probably be more of a focus upon easing lending conditions through other tools like required reserve ratios.

Taiwan's election result was generally as expected as the Democratic Progressive Party remained in power. It is viewed unfavourably by Beijing given that the DPP seeks closer ties with the US and aggressively asserts Taiwan's right to independence. Prospects for tensions with China have therefore increased.

Canada updates data and BoC surveys. Key will be the surveys (10:30amET) and especially various measures of inflation expectations that are likely to remain sticky given fresher and higher frequency signals (chart 1).

Canadian manufacturing sales were previously guided to have risen by 1.2% m/m in nominal terms during November (8:30amET). That may be revised, and we'll find out the split between price and volume effects plus other details. Wholesale trade was guided to have risen by 0.8% m/m with the same caveats (8:30amET). Existing home sales for December (9amET) will come on the heels of five consecutive monthly declines during the off-peak period following the key Spring housing market that surged ahead last year.

Iowa Republicans—among the most conservative in the country—vote in the Iowa caucus with results likely by about 9pmET. They're whining about cold weather. Those tough-talking soft Iowa Republicans don't know cold weather. Trump will cruise to victory (chart 2).

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.	4.14	4.15	4.38	3.83	3.83	3.99	3.94	3.94	4.03	4.18	4.18	4.19	Canada - BoC	5.00
CANADA	3.82	3.79	3.88	3.33	3.28	3.34	3.27	3.22	3.23	3.24	3.18	3.15	US - Fed	5.50
GERMANY	2.56	2.52	2.55	2.12	2.08	2.08	2.23	2.18	2.14	2.45	2.40	2.37	England - BoE	5.25
JAPAN	0.00	0.01	0.04	0.17	0.18	0.21	0.57	0.61	0.61	1.59	1.58	1.63		
U.K.	4.16	4.16	4.22	3.68	3.66	3.73	3.82	3.79	3.77	4.47	4.42	4.39		
	Spreads vs. U.S. (bps):													
CANADA	-32	-36	-50	-50	-56	-65	-67	-72	-80	-94	-100	-105	Euro zone - ECB	4.50
GERMANY	-159	-163	-183	-171	-175	-191	-171	-176	-190	-172	-178	-183	Japan - BoJ	-0.10
JAPAN	-414	-414	-433	-366	-365	-378	-337	-333	-342	-258	-260	-257		
U.K.	1	1	-16	-15	-17	-26	-12	-15	-26	29	25	19	Mexico - Banxico	11.25
Equities	Level						% change:							
	Last			Change			1 Day	1-wk	1-mo	1-yr				
S&P/TSX	20990			71.8			0.3	0.3	2.2	3.1			Australia - RBA	4.35
Dow 30	37593			-118.0			-0.3	0.3	0.8	9.6			New Zealand - RBNZ	5.50
S&P 500	4784			3.6			0.1	1.8	1.4	19.6			Next Meeting Date	
Nasdaq	14973			2.6			0.0	3.1	1.1	35.1			Canada - BoC	Jan 24, 2024
DAX	16649			-55.8			-0.3	-0.4	-0.6	10.4			US - Fed	Jan 31, 2024
FTSE	7604			-21.0			-0.3	-1.2	0.4	-3.1			England - BoE	Feb 01, 2024
Nikkei	35902			324.7			0.9	7.6	8.9	37.5			Euro zone - ECB	Jan 25, 2024
Hang Seng	16216			-28.3			-0.2	-0.1	-3.4	-25.4			Japan - BoJ	Jan 23, 2024
CAC	7432			-32.7			-0.4	-0.2	-2.2	5.8			Mexico - Banxico	Feb 08, 2024
Commodities	Level						% change:							
WTI Crude	71.90			-0.78			-1.1	1.6	0.7	-10.0			Australia - RBA	Feb 05, 2024
Natural Gas	3.14			-0.17			-5.1	5.5	26.2	-8.0			New Zealand - RBNZ	Feb 27, 2024
Gold	2053.08			4.02			0.2	1.2	1.7	6.9				
Silver	23.06			0.03			0.1	0.3	0.4	-2.7				
CRB Index	264.38			0.28			0.1	-0.6	-0.3	-4.2				
Currencies	Level						% change:							
USDCAD	1.3417			0.0007			0.1	0.5	0.3	0.1				
EURUSD	1.0945			-0.0006			-0.1	-0.0	0.5	1.1				
USDJPY	145.78			0.9000			0.6	1.1	2.6	13.4				
AUDUSD	0.6662			-0.0024			-0.4	-0.9	-0.6	-4.2				
GBPUSD	1.2732			-0.0021			-0.2	-0.1	0.4	4.4				
USDCHF	0.8541			0.0018			0.2	0.7	-1.9	-7.8				

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