

DAILY POINTS

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On Deck for Tuesday, January 6th

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	01-06	08:00	Fed's Barkin Speaks on Economic Outlook				

KEY POINTS:

- Markets are treading water until Friday's payrolls
- Soft Eurozone inflation drives mild EGB outperformance
- Q4 auto sales rise in Canada, fall in the US
- Miller escalates brash threats against Greenland
- It's high time for Polymarket's wild west to invite regulatory action
- A coming Canadian by-election will change nothing

Barring significant off-calendar developments, calendar-based developments should put even the most unexcitable reader to sleep today.

Markets are catching their breath between invasions—including Venezuela over the weekend, and Stephen Miller's brash (to be polite...), escalating threats against Greenland ([here](#), or on Bloomberg type NSN T8FPQCTV15MO). Ultimately the key is what American voters think of American foreign policy on November 7th in addition to domestic policies and whether Mr. Trump respects the results.

In the meantime, markets await Friday's nonfarm payrolls as the week's marquee development. Small gyrations in European bonds are being motivated by small surprises in Eurozone and UK inflation readings. Equities are highly mixed with flat to slight downside across N.A. futures. Light data late yesterday showcased consumer strength in the US and Canada.

EUROPEAN INFLATION READINGS SPARK SMALL MOVEMENTS IN BONDS

Inflation reports are motivating very slight outperformance by EGBs. After Spain's CPI reading for December landed on the screws last week with a slight uptick in core, Germany and France did not seem to follow suit overnight. It doesn't much matter, however, as the ECB is very clear about being in a prolonged holding pattern.

- France's CPI was weaker than expected at +0.1% m/m NSA as the year-over-year rate dipped a tenth to 0.7%.
- German states revealed inflation figures that tracked well below consensus expectations for the national print that arrives at 8amET. The individual states reported readings between 0% m/m and 0.2% while consensus expected the national reading to be up by 0.3% m/m (0.4% on an EU-harmonized basis).
- UK food inflation climbed in December according to the British Retail Consortium. They were up by 3.3% y/y for the first acceleration since August. The group's estimate of non-food prices was weak enough to hold back total shop price inflation to 0.7% y/y.

Q4 AUTO SALES RISE IN CANADA, FALL IN THE US

Auto sales in the US and Canada went in separate directions in Q4.

US vehicle sales slightly surpassed expectations but they suggest a drag on Q4 consumer spending on big-ticket durables relative to Q3. They will add to estimates for December's retail sales figures due out next week and suggest that the expiration of EV credits in September has been shaken off (chart 1). Sales landed at 16.02 million at a seasonally adjusted and annualized rate versus what had been industry guidance for 15.8, for a gain

Chart 1

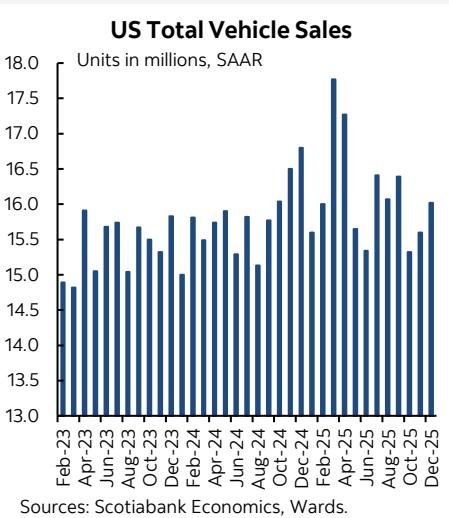
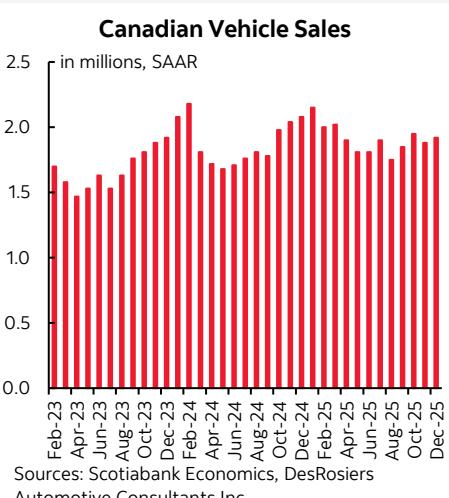


Chart 2



of 2.7% m/m SA over the prior month's 15.6 reading. Q4 over Q3 was down by 14.8% q/q SAAR which more than reverses the 5% q/q SAAR gain in Q3.

Canadian vehicle sales were up by close to 2% m/m SA in December ([here](#)). Q4/Q3 looks like about a 16% q/q SAAR gain which fits the picture of soaring job growth. Auto sales are holding up rather well (chart 2). The figures suggest resilient Canadian consumer spending on big-ticket items like autos.

OTHER STUFF

A Canadian by-election is coming after Liberal MP Chrystia Freeland announced she would resign her University-Rosedale seat "in the coming weeks" ([here](#)). Her riding is traditionally a rather centre-left stomping ground which likely means little threat to the Carney administration's status as being one-seat shy of a majority versus a status quo outcome.

Richmond Fed President Barkin (nonvoting 2026) speaks on the outlook (8amET).

There is a lot of coverage of suspicious trading activity in the lead up to the US invasion of Venezuela including possible tipping ([here](#)) and trading ([here](#)) on a totally unregulated platform with anonymous accounts that settles in USDC, a stablecoin. Proving who did it is next to impossible given reports of multiple leaks to energy companies, media, and across members of the Trump administration. It's stunning to me that such a platform's tactics are apparently allowed to operate beyond the reach of regulators and the SEC. For the sake of market confidence it's high time regulators clamped down on these platforms.

Fixed Income	Government Yield Curves (%):										Central Banks	
	2-YEAR			5-YEAR			10-YEAR			30-YEAR		
	Last	1-day	1-wk	Last	1-day	1-wk	Last	1-day	1-wk	Last	1-day	1-wk
U.S.	3.46	3.45	3.45	3.72	3.71	3.68	4.18	4.16	4.12	4.87	4.85	4.81
CANADA	2.58	2.57	2.58	2.96	2.94	2.95	3.44	3.42	3.41	3.90	3.88	3.83
GERMANY	2.11	2.13	2.12	2.44	2.45	2.45	2.85	2.87	2.86	3.49	3.51	3.48
JAPAN	1.19	1.20	1.18	1.60	1.60	1.55	2.14	2.13	2.07	3.50	3.47	3.40
U.K.	3.70	3.72	3.73	3.93	3.94	3.95	4.49	4.51	4.50	5.24	5.25	5.23
Spreads vs. U.S. (bps):												
CANADA	-89	-88	-87	-77	-76	-73	-74	-74	-71	-97	-97	-97
GERMANY	-135	-132	-133	-128	-125	-123	-133	-129	-127	-138	-134	-133
JAPAN	-227	-225	-227	-212	-211	-213	-204	-204	-206	-137	-138	-141
U.K.	24	27	28	20	23	27	31	34	38	37	40	42
Equities	Level			% change:								
	Last	Change		1 Day	1-wk	1-mo	1-yr					
S&P/TSX	32220	336.6		1.1	0.7	2.9	28.9					
Dow 30	48977	594.8		1.2	0.5	2.1	14.7					
S&P 500	6902	43.6		0.6	-0.4	0.5	15.5					
Nasdaq	23396	160.2		0.7	-0.8	-0.8	17.8					
DAX	24933	64.5		0.3	2.4	3.8	23.3					
FTSE	10070	65.0		0.6	2.1	4.2	22.1					
Nikkei	52518	685.3		1.3	4.2	4.0	33.6					
Hang Seng	26710	363.2		1.4	4.2	2.4	35.7					
CAC	8180	-31.1		-0.4	0.8	0.8	9.9					
Commodities	Level			% change:								
WTI Crude	58.59	0.27		0.5	0.9	-2.5	-20.4					
Natural Gas	3.41	-0.11		-3.2	-27.2	-35.5	-7.1					
Gold	4461.99	12.84		0.3	3.0	6.3	69.2					
Silver	75.07	0.86		1.2	0.6	29.2	151.8					
CRB Index	302.72	4.90		1.6	0.8	-1.1	1.3					
Currencies	Level			% change:								
USDCAD	1.3777	0.0005		0.0	0.6	-0.6	-3.9					
EURUSD	1.1705	-0.0017		-0.1	-0.4	0.6	12.7					
USDJPY	156.38	0.0000		0.0	-0.0	0.3	-0.8					
AUDUSD	0.6720	0.0006		0.1	0.4	1.4	7.6					
GBPUSD	1.3520	-0.0022		-0.2	0.4	1.5	8.0					
USDCHF	0.7933	0.0016		0.2	0.2	-1.7	-12.3					
Spreads vs. U.S. (bps):												
Canada - BoC		2.25										
US - Fed		3.75										
England - BoE		3.75										
Euro zone - ECB		2.15										
Japan - BoJ		0.75										
Mexico - Banxico		7.00										
Australia - RBA		3.60										
New Zealand - RBNZ		2.25										
Next Meeting Date												
Canada - BoC		Jan 28, 2026										
US - Fed		Jan 28, 2026										
England - BoE		Feb 05, 2026										
Euro zone - ECB		Feb 05, 2026										
Japan - BoJ		Jan 23, 2026										
Mexico - Banxico		Feb 05, 2026										
Australia - RBA		Feb 02, 2026										
New Zealand - RBNZ		Feb 17, 2026										

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