

DAILY POINTS

January 7, 2026 @ 7:55 EST

On Deck for Wednesday, January 7th

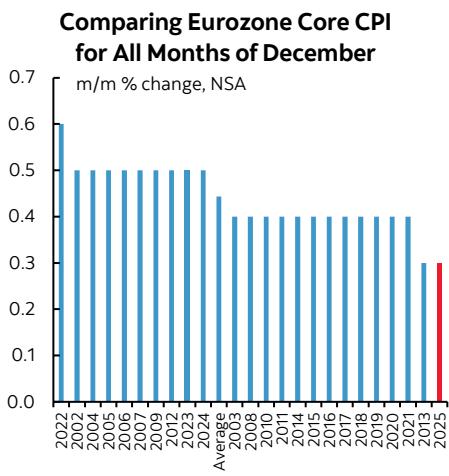
Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	01-07	07:00	MBA Mortgage Applications	Jan 02	--	--	-5.0
US	01-07	08:15	ADP Employment Report (000s m/m)	Dec	45.0	50.0	-32.0
US	01-07	10:00	Durable Goods Orders (m/m)	Oct F	--	-2.2	-2.2
US	01-07	10:00	Durable Goods Orders ex. Trans. (m/m)	Oct F	--	0.2	0.2
US	01-07	10:00	Factory Orders (m/m)	Oct	-1.0	-1.2	0.2
US	01-07	10:00	ISM Non-Manufacturing Composite	Dec	52.5	52.2	52.6
US	01-07	10:00	JOLTS Job Openings (000s)	Nov	7700	7647.5	7670.0
US	01-07	16:10	Fed's Bowman Speaks on Banking Supervision and Regulation				

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Chart 1



KEY POINTS:

- Classic mild risk-off sentiment awaits US data
- US ADP, ISM-services, JOLTS, factory orders on tap
- Soft Eurozone core CPI drew little attention
- Aussie surprises lower
- Why the US seized 30–50 million barrels of Venezuelan oil
- Venezuela's uneconomical oil development
- Costing Greenland

Equities have a slight softening bias as bond prices ricken. We used to think of that as a classic risk-off play. Oil prices are volatile but a touch lower and so is gold. The dollar is little changed against most crosses unless we're counting slight weakness by a few EMs.

Light overnight developments offered up a handful of releases that got little attention. Several US data releases are on tap but they're time wasters before payrolls. Comments follow on Venezuelan oil and how to value Greenland.

WHY THE US IS SEIZING VENEZUELAN OIL

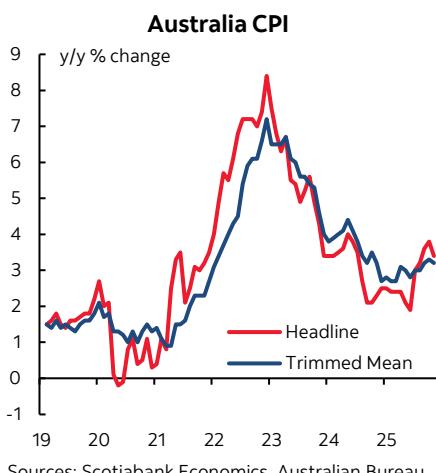
Oil markets should be careful with interpretations of Trump's social media post last evening that Venezuela will send 30–50 million barrels of oil to the US ([here](#)). He said the oil "will be sold at its market price, and that money will be controlled by me...to benefit the people of Venezuela and the United States."

Pieces like [this](#) one from the FT got it right for subscribers with access. An unintended consequence to the US oil blockade against Venezuela is that oil inventories are bulging in Venezuela and they're running out of storage space. As that becomes more binding, production will have to shut down and Venezuela's oil industry would seize up. Revenues would collapse, turmoil would ensue. Lifting 30–50 million barrels from Venezuelan storage is a temporary measure, assuming Venezuela fully complies. It maintains the optics of the blockade but pokes a large hole in it out of necessity. The issues around seizing another country's oil riches to the benefit of the US and exactly what purpose the President will put the estimated US\$3B of revenues from the sale are important but secondary to avoiding the full-on implosion of Venezuelan production and a severe crisis stemming from the blockade.

VENEZUELA'S OIL PRODUCTION IS UNECONOMICAL TO RUN

One of the best pieces on Venezuela that I've read in the past day or so is from our delightfully skeptical friends at The Economist (subscribers [here](#)). It's nothing new to folks well-versed in the country's oil sector and global breakeven comparisons but offers important balance to manna-from-heaven narratives I've seen. Scroll ahead to the part about breakevens where it flags "the breakeven price for the main Venezuelan projects

Chart 2



exceeds US\$80, well above the US\$50 or so a barrel fetches in the market." High-cost heavy crude sold with further costly development of the industry's capacity at high breakevens and sold at a loss in a global market that is already oversupplied makes no sense before even getting into shareholder appetite for probably hundreds of billions of investments that would be required over many years ahead.

GREENLAND—NAME YOUR PRICE

So, assuming you pay for it rather than invading it which is a whole other kettle of fish, how exactly do you value Greenland? It's an island that is essentially a giant snowcone with no infrastructure to reach scattered reserves of rare earths and energy that would be very costly to extract. If the world continues to warm and ice keeps melting, then looking past the associated downsides like what happens to coastal cities could provide greater access to cheaper shipping lanes through the Arctic. Then there are the supposed advantages to US national security by thwarting creeping influence by China and Russia.

Easy-peasy. We'll get our M&A teams right on it. I'm sure there's an Excel spreadsheet that has the answer.

Some attempts at valuing Greenland have been made, like [this](#) one. They take a variety of approaches and it's a worthwhile effort, but in the end, it's a totally arbitrary exercise that lands anywhere between US\$200B and nearly US\$3T. And it could be more. Denmark may be sitting pretty on this one, denying any interest which is often the first response by merger targets, while having not sought any bids and letting them come to it in a potential bidding war with China's deep pockets which would sharply raise tensions with the US. Rationality is often tossed out the window in normal M&As, let alone under these circumstances and with these actors.

OVERNIGHT RELEASES

And here is the ho-hum part of the morning note. There were a few light releases overnight:

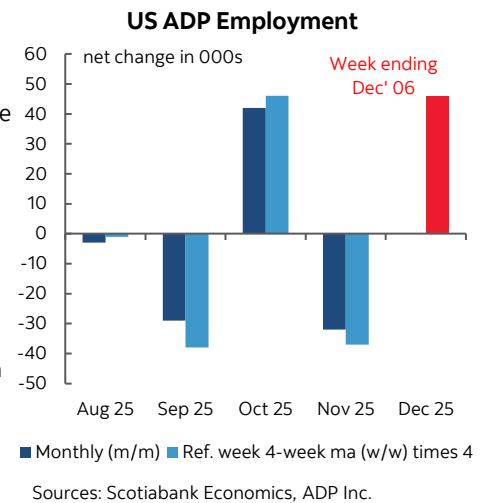
- Eurozone core CPI slipped to 2.3% y/y in December, down a tick from the prior month but still range bound with 2.3–2.4% readings since May. The Euro ignored it. EGBs were rallying before the release and ignored it. Monthly seasonally unadjusted core CPI was the weakest on record comparing like months of December (chart 1).
- Australian CPI landed softer than expected at 3.4% y/y (3.8% prior, 3.6% consensus). Trimmed mean core CPI edged a tick lower to 3.2%, in line with expectations. The A\$ shook it off. Australia's 2-year yield rallied by a couple of points. Chart 2.
- German retail sales fell -0.6% m/m in November against expectations for a small gain, but that was because the prior month's dip was revised up six-tenths to a 0.3% gain.

US DATA TEASERS

Several US releases will pass the time as we all wait Friday's nonfarm payrolls.

- ADP (8:15amET): A gain of around 45k is expected for December. This would be consistent with the four-week moving average of the weekly gauge (chart 3) but with revision risk and risk stemming from the fact they skipped the reference week's release so as not to scoop the purpose of their monthly gauge.
- ISM-services (10amET): Modest growth with a reading still around 52 and hence slightly in above-50 expansion mode is expected. The prices gauge has continued to rise at a rapid pace and serves as a leading indicator of inflationary pressures.
- JOLTS (10amET): If the broad correlations between JOLTS and Indeed job postings hold then we should get a vacancies reading around 7.7 million that would be little changed from the prior month.
- Factory orders (10amET): October's shutdown-lagged reading is expected to drop by less than the 2.2% decline in durable goods orders as nondurable orders post a gain.

Chart 3



Interest rates, yields, and spreads are as of 4:00pm EST on January 6, 2026. All rates are in percent, unless otherwise indicated. All rates are subject to change. Past performance is not indicative of future results.

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	3.46	3.48	3.69	3.71	3.73	4.14	4.17	4.17	4.83	4.87	4.84		
CANADA	2.57	2.58	2.59	2.93	2.96	2.97	3.40	3.43	3.43	3.86	3.89	3.86		
GERMANY	2.08	2.10	2.12	2.39	2.42	2.45	2.80	2.84	2.86	3.43	3.48	3.48		
JAPAN	1.17	1.19	1.18	1.58	1.60	1.55	2.12	2.14	2.07	3.51	3.50	3.40		
U.K.	3.68	3.70	3.74	3.87	3.92	3.93	4.42	4.48	4.48	5.16	5.23	5.21		
Spreads vs. U.S. (bps):														
CANADA	-89	-88	-89	-76	-76	-76	-74	-74	-74	-97	-98	-99	Euro zone - ECB	
GERMANY	-137	-136	-135	-130	-129	-128	-134	-133	-131	-139	-139	-137	Japan - BoJ	
JAPAN	-228	-228	-230	-211	-212	-218	-202	-204	-210	-131	-136	-144	Mexico - Banxico	
U.K.	23	23	26	18	20	20	28	31	31	33	36	36	Australia - RBA	
Equities	Level			% change:										
	Last	Change		1 Day	1-wk	1-mo	1-yr							New Zealand - RBNZ
S&P/TSX	32407	188.5		0.6	1.6	3.5	30.0							Canada - BoC
Dow 30	49462	484.9		1.0	2.1	3.1	16.3							US - Fed
S&P 500	6945	42.8		0.6	0.6	1.1	17.5							England - BoE
Nasdaq	23547	151.3		0.6	0.3	-0.1	20.8							Euro zone - ECB
DAX	25021	129.3		0.5	2.8	4.1	23.0							Japan - BoJ
FTSE	10058	-64.9		-0.6	1.2	4.0	22.0							Mexico - Banxico
Nikkei	51962	-556.1		-1.1	2.4	2.7	30.0							Australia - RBA
Hang Seng	26459	-251.5		-0.9	2.3	1.4	36.1							New Zealand - RBNZ
CAC	8224	-13.3		-0.2	0.7	1.3	9.8							Canada - BoC
Commodities	Level			% change:										
WTI Crude	57.04	-0.09		-0.2	-1.6	-5.1	-23.2							US - Fed
Natural Gas	3.53	0.18		5.3	-11.2	-33.3	2.3							England - BoE
Gold	4446.91	-47.92		-1.1	2.5	5.9	67.9							Euro zone - ECB
Silver	78.48	3.41		4.5	4.9	35.1	159.3							Japan - BoJ
CRB Index	302.07	-0.65		-0.2	0.3	-1.3	0.9							Canada - BoC
Currencies	Level			% change:										
USDCAD	1.3808	-0.0007		-0.1	0.6	-0.4	-3.9							Mexico - Banxico
EURUSD	1.1687	-0.0002		-0.0	-0.5	0.4	13.0							Australia - RBA
USDJPY	156.51	-0.1400		-0.1	-0.1	0.4	-1.0							Euro zone - ECB
AUDUSD	0.6733	-0.0005		-0.1	0.9	1.6	8.1							Japan - BoJ
GBPUSD	1.3493	-0.0008		-0.1	0.1	1.3	8.1							Canada - BoC
USDCHF	0.7959	0.0003		0.0	0.4	-1.4	-12.5							Mexico - Banxico
														Australia - RBA
														New Zealand - RBNZ
														Canada - BoC

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