

### DAILY POINTS

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### Chart 1



### On Deck for Wednesday, January 28<sup>th</sup>

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	01-28	07:00	MBA Mortgage Applications (w/w)	Jan 23	--	--	14.1
CA	01-28	09:45	BoC Interest Rate Announcement (%)	Jan 28	2.25	2.25	2.25
US	01-28	14:00	FOMC Interest Rate Meeting (%)	Jan 28	3.75	3.75	3.75
US	01-28	14:00	Fed Interest on Reserve Balances Rate				
US	01-28	14:00	Fed Reverse Repo Rate				

### KEY POINTS:

- Dollar shakes off Trump's indifference ahead of central banks, Mag7 earnings**
- FOMC — A Long Yawn**
- BoC — All Talk, No Action**
- RBA on track toward becoming the first of the majors to hike...**
- ...after inflation ended 2025 higher than expected**
- Are US layoffs surging again?**
- Tech earnings may matter more than central banks**
- Brazil's central bank to hold**

It's the day you've all been waiting for this week. The Fed, the Bank of Canada and Brazil's central bank all deliver decisions and with Mag7 earnings in the after-market.

Market positioning could easily change by day's end, but for now, the broad tone across global markets is highly mixed. US equity futures are up mildly, TSX futures are flat and European exchanges are pushing lower by up to -1¼%. The rates space is dominated by moves Down Under after CPI pushed RBA hike pricing higher. Trump's indifference toward dollar weakening was soooo yesterday's trade as the dollar is gaining against several other major crosses this morning; what the President says plays third fiddle to fundamentals and broader sentiment. Gold is up another US\$70/oz or so and closing in on US\$5,300 with the latest headline motivators including Tether—that stablecoin turning hedge fund—and its actions to bulk up in gold.

Please see my Global Week Ahead—Excuses, Excuses! ([here](#)) for full previews of the central bank decisions that I won't repeat here other than brief highlights.

### BANK OF CANADA—ALL TALK, NO ACTION

Did you feel the earthquake last night? That question will likely cause more of a buzz in Ottawa and Canada's financial capital of Toronto than the Bank of Canada. No policy changes are expected. The numbers and verbal guidance may inform the bias going forward, but we're not expecting much.

The statement will be [here](#) and lands at 9:45amET along with Governor Macklem's written opening remarks to his press conference (to be [here](#) at that time) and the Monetary Policy Report (to be [here](#)) that includes full forecast updates. He and SDG Rogers will deliver a press conference at 10:30amET for around 45 minutes plus or minus; I recommend running multiple feeds (such as CPAC with translations) since the various outlets frequently have a/v and translation (if needed) issues.

Markets are priced for absolutely nothing to be done until at least the end of the year. The only pricing that matters is near-term in my opinion as markets lack much foresight to be able to see beyond.

### FOMC—A LONG YAWN

The FOMC statement will arrive at 2pmET sans forecasts or dots that were delivered at the last meeting in December with the next updates due in March. Chair Powell's press Visit our website at [scotiabank.com/economics](http://scotiabank.com/economics) | Follow us on Twitter at [@ScotiaEconomics](http://@ScotiaEconomics) | Contact us by email at [scotia.economics@scotiabank.com](mailto:scotia.economics@scotiabank.com)

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conference starts at 2:30pmET for around 45 minutes +/- depending upon how many ways he finds to say he's not doing anything for now.

Markets have the next cut fully priced only by the July meeting and have two cuts priced for all of 2026. I wouldn't necessarily pay attention to that; markets have missed countless inflection points at the Fed. Still, expect a patient message with policy being well situated for now.

### ARE US LAYOFFS SURGING AGAIN?

Challenger layoffs for the month of January are likely to spike again when released next Thursday. UPS announced 30,000 cuts and Amazon announced 16,000. Still, I'm not tracking other large layoffs for the month so we're likely looking at a spike to probably around the 80k mark that could be the second highest monthly tally since August. The UPS and Amazon layoffs are tied together through less demand for packages, rather than necessarily a wholesale deterioration in total job cuts in the US economy.

These latest announcements fall outside of the nonfarm reference period for January so next Friday's figures won't be affected.

Still, I went with Ok for the change in nonfarm payrolls in January and will provide a preview in Friday's weekly.

### THE RBA MAY BE THE FIRST TO HIKE

The RBA's meeting on February 3<sup>rd</sup> got a little more interesting after last evening's Australian CPI figures. Pricing for the decision jumped a little higher to about 18bps of a quarter point hike. Pricing pushes a little higher for the March 17<sup>th</sup> meeting and more than a quarter-point hike is priced for May 5<sup>th</sup>. Several local shops changed their rate calls to a hike at next week's meeting.

CPI ended the year up 3.8% y/y in December (3.4% prior, 3.6% consensus). Quarterly Q4 CPI was on the screws at 0.6% q/q SA nonannualized with trimmed mean (0.9%) and weighted median (0.9%) both matching expectations with a slight downward revision to median. At seasonally adjusted and annualized rates, trimmed mean CPI was up 3.6% q/q with weighted median up 3.8% (chart 1). Both are well above the RBA's 2-3% headline CPI target range and signalling persistence.

### TECH EARNINGS MAY MATTER MORE THAN CENTRAL BANKS

Tech earnings aplenty arrive in today's after-market. Tesla (Q4 EPS US\$0.45), Microsoft (US\$3.92) and Meta (US\$8.19) will release.

### BRAZIL'S CENTRAL BANK TO HOLD

Brazil's central bank also delivers its latest decision in the after-market (4:30pmET). A hold is widely expected.

Government Yield Curves (%):												Central Banks					
Fixed Income	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	Last	1-day	1-wk		
U.S.	3.57	3.57	3.59	3.83	3.83	3.83	4.24	4.25	4.24	4.87	4.86	4.86	Canada - BoC	2.25			
CANADA	2.58	2.59	2.60	2.94	2.94	2.95	3.42	3.42	3.41	3.86	3.86	3.84	US - Fed	3.75			
GERMANY	2.10	2.13	2.09	2.44	2.47	2.46	2.86	2.88	2.88	3.49	3.49	3.51	England - BoE	3.75			
JAPAN	1.25	1.28	1.23	1.67	1.72	1.68	2.24	2.29	2.29	3.64	3.67	3.74	Euro zone - ECB	2.15			
U.K.	3.73	3.74	3.69	3.98	3.99	3.92	4.53	4.53	4.46	5.28	5.27	5.21	Japan - BoJ	0.75			
Spreads vs. U.S. (bps):														Mexico - Banxico	7.00		
CANADA	-98	-99	-98	-89	-89	-88	-83	-83	-83	-101	-100	-102	Australia - RBA	3.60			
GERMANY	-146	-145	-150	-139	-136	-136	-139	-137	-136	-138	-137	-135	New Zealand - RBNZ	2.25			
JAPAN	-231	-229	-236	-216	-211	-214	-200	-195	-196	-122	-119	-113	Canada - BoC	Jan 28, 2026			
U.K.	17	17	10	15	16	9	29	28	21	41	41	35	US - Fed	Jan 28, 2026			
Equities	Level			% change:										England - BoE	Feb 05, 2026		
S&P/TSX	33096			3.1			0.0	1.1	3.4	30.2			Euro zone - ECB	Feb 05, 2026			
Dow 30	49003			-409.0			-0.8	1.1	0.6	9.3			Japan - BoJ	Mar 19, 2026			
S&P 500	6979			28.4			0.4	2.7	0.7	15.0			Mexico - Banxico	Feb 05, 2026			
Nasdaq	23817			215.7			0.9	3.8	0.9	20.7			Australia - RBA	Feb 02, 2026			
DAX	24852			-42.6			-0.2	1.2	2.1	16.0			New Zealand - RBNZ	Feb 17, 2026			
FTSE	10160			-47.5			-0.5	0.2	2.9	19.1			Canada - BoC	Feb 17, 2026			
Nikkei	53359			25.2			0.0	1.1	5.1	36.8			US - Fed	Feb 17, 2026			
Hang Seng	27827			700.0			2.6	4.7	7.8	37.6			England - BoE	Feb 05, 2026			
CAC	8073			-79.6			-1.0	0.1	-0.4	2.2			Euro zone - ECB	Feb 05, 2026			
Commodities	Level			% change:										Japan - BoJ	Feb 05, 2026		
WTI Crude	62.56			0.17			0.3	3.2	10.3	-15.2			Mexico - Banxico	Feb 05, 2026			
Natural Gas	6.45			-0.51			-7.3	32.2	47.6	85.7			Australia - RBA	Feb 02, 2026			
Gold	5257.75			77.60			1.5	8.8	16.0	90.3			New Zealand - RBNZ	Feb 17, 2026			
Silver	111.57			1.96			1.8	16.6	54.6	264.8			Canada - BoC	Feb 17, 2026			
CRB Index	317.58			2.47			0.8	3.7	5.7	3.7			US - Fed	Feb 17, 2026			
Currencies	Level			% change:										England - BoE	Feb 05, 2026		
USDCAD	1.3563			-0.0013			-0.1	-2.0	-0.9	-5.8			Euro zone - ECB	Feb 05, 2026			
EURUSD	1.1971			-0.0070			-0.6	2.4	1.7	14.8			Japan - BoJ	Mar 19, 2026			
USDJPY	152.57			0.3600			0.2	-3.6	-2.2	-1.9			Mexico - Banxico	Feb 05, 2026			
AUDUSD	0.7002			-0.0009			-0.1	3.5	4.6	12.0			Australia - RBA	Feb 02, 2026			
GBPUSD	1.3780			-0.0069			-0.5	2.6	2.0	10.7			New Zealand - RBNZ	Feb 17, 2026			
USDCHF	0.7676			0.0064			0.8	-3.5	-2.7	-15.1							

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