

### DAILY POINTS

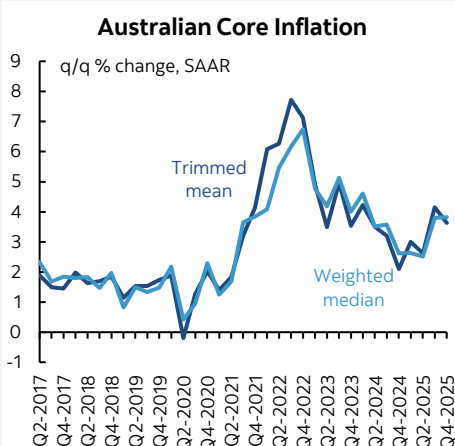
January 28, 2026 @ 7:10 EST

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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

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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 0k 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.

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

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