

DAILY POINTS

January 30, 2026 @ 7:40 EST

On Deck for Friday, January 30th

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	01-30	08:30	PPI (m/m)	Dec	0.2	0.2	0.2
US	01-30	08:30	PPI ex. Food & Energy (m/m)	Dec	0.2	0.2	0.0
CA	01-30	08:30	Real GDP (m/m)	Nov	0.1	0.1	-0.3
US	01-30	09:45	Chicago PMI	Jan	--	43.7	42.7
US	01-30	11:10	Fed's Miran Speaks on CNBC				
US	01-30	13:30	Fed's Musalem Speaks on Economy and Policy				
US	01-30	15:00	Fed's Miran on Bloomberg TV				
US	01-30	17:00	Fed's Bowman Speaks on Monetary and Regulatory Policy				

KEY POINTS:

- Markets unsure about the Fed's coming policy mixture
- Trump picks Warsh as Fed Chair, Senate confirmation may be rocky
- Warsh said a lot to get the job. Now let's see what he's really about
- Warsh is likely to drive curve steepening on policy rate and balance sheet views
- Progress toward averting a US government shutdown
- Trump's latest tariff threat against Canada is empty, avoidable and rather rich
- Canada's economy likely grew in November, December uncertain
- Eurozone posts faster than expected growth, softer inflation
- Mexico's economy beat expectations
- BanRep's potential whiplash
- Fed-speak won't be just about Warsh

Chart 1

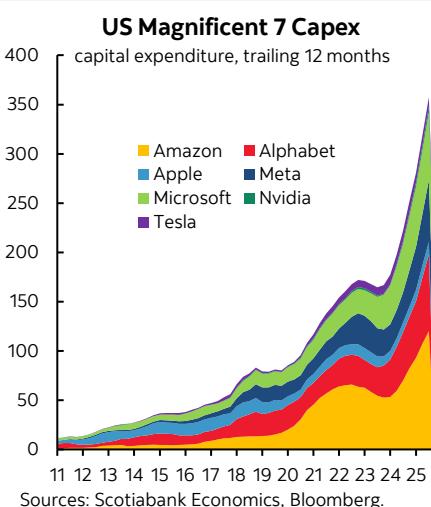
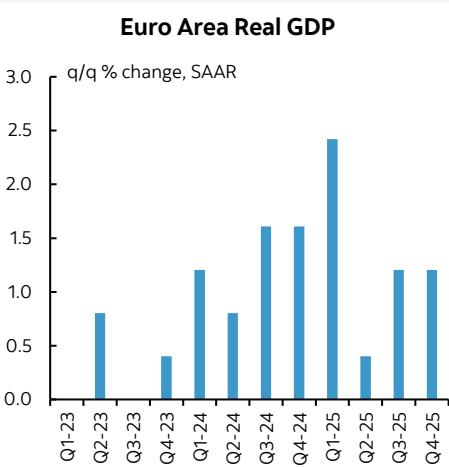


Chart 2



If Kevin Warsh is being chosen to lead the Fed because Trump views him as a dove, then markets have something to say about it this morning. Markets are sorting through his views that are a mixture of dovish and hawkish in favour of curve steepening (see below). The USD is broadly stronger, the Treasury yield curve is steeper and driven by a mild longer-end sell-off and a mild front-end rally, US equity futures are mildly lower and gold is getting smoked with a 5% drop back down to US\$5,100 with silver down 12%.

Other developments are barely worth acknowledging in terms of market influences. There appears to have been progress toward a funding deal to keep the US government open; I suppose we should cheer that something so blindingly unwise as another shutdown should be averted.

Apple earnings were impressive in yesterday's after-market but superseded by Warsh's impact. Key in the earnings season is the ongoing heavy commitment to AI cap-ex (chart 1).

German and Spanish inflation landed softly in January readings. Eurozone GDP growth was a tick above expectations at 0.3% q/q SA with each of Germany, Italy and Spain beating consensus while France matched. Chart 2.

Mexico's economy outperformed with GDP up 0.8% q/q SA in Q4 (0.6% consensus). South Korean factories are soaring with output up 1.7% m/m in December, more than tripling expectations. Tokyo CPI was softer than expected (1.5% y/y, 1.7% consensus) with core ex-food at 2.0% (2.2% consensus) which contributed to a rally in shorter-dated JGBs alongside weak retail sales and industrial output.

Today's calendar brings out Canadian GDP for November and the flash estimate for December (8:30amET) amid current tracking of a soft Q4 for GDP growth (chart 3). US

producer prices for December may garner little attention (8:30amET), and BanRep is expected to hike with consensus sitting at +50bps (1pmET). There will be other Fed-speak including Bostic (8:30amET), Musalem (1:30pmET), Miran (3pmET) and Bowman (5pmET).

Also watch for progress on averting a US partial government shutdown.

WARSH AS CHAIR—MORE DOVISH ON RATES & REGS, WATCH OUT ON THE BALANCE SHEET

Trump confirmed the choice in [this](#) social media post this morning. The signs were already lining up on multiple counts last night. He met with Trump at the White House yesterday. Trump said yesterday that “A lot of people think that this is somebody that could’ve been there a few years ago.” Recall Warsh lost to Powell in 2017 and Trump has since publicly lamented not choosing Warsh. Reports indicated that Trump’s advisers were informed of the choice last evening. Polymarket bets instantly pushed to 95% odds that it would be Warsh who gets the job.

Warsh’s confirmation in the Senate is probable, but not totally assured. Senate Majority Leader Thune said last evening “probably not” in response to whether the Senate can approve Warsh without support from Senator Tillis. Tillis has said he won’t approve anyone until Trump stops his probe into Powell’s role in approving renovations.

An added caution is that as powerful as the Chair is, Warsh must command a divided Committee with a disparate array of views across its members. One man cannot sail the ship alone, perhaps especially one man who has been so strikingly critical of the rest of them. Mr. Warsh will need to prove in short order that he can lead a consensus amid high risk of splintering the Fed into even greater factions that may not serve the economy and markets well.

Why are markets reacting this way? One reason may be that they were on the fence in their positioning around alternative candidates and the others may have been perceived to be more dovish.

Another is Warsh’s stance against QE and I’ve long shared the same concern since the GFC. The Fed got addicted to it in serial fashion. There are many other tools in its toolkit to address market dysfunction. Serial QE distorted capital allocation and contributed to fiscal largesse. Serial QE may have artificially inflated valuations with stability considerations. It’s only supposed to be a tool used in truly exigent circumstances that, once settled, should have the Fed getting out of the way.

And so markets may be pricing a combination of more rapid balance sheet run-off and/or lower probability that the Fed will ride to the rescue with QE in future shocks. Good. But do you have the steely nerve to pull it off, Mr. Warsh? To end America’s addiction to support from the Fed’s balance sheet through good times and bad? To court potential stability issues and abrupt corrections in risk appetite if your views are not carefully executed?

A trade-off in managing such risks is that markets should view him as more open to greater easing. He’s not sounding like the hawk of old. His [WSJ op-ed](#) last November emphasized AI as “a significant disinflationary force” that should drive the Fed to “discard its forecast of stagflation in the next couple of years.” That sounded like lower rates to prime the economy with the belief other forces will tamp down inflation. He also said the “Fed’s bloated balance sheet....can be reduced significantly” and that “largesse can be redeployed in the form of lower interest rates to support households and small and medium-size businesses.” I’m not clear on his connection here. Further, his tone on financial regs sounds open to deregulation and distancing the US from “global regulatory convergence” through frameworks such as Basel capital rules. Depending on the form of implementation and timing across various tools, this snubbing of global standards could carry profound knock-on implications outside of the US. That may be good for global growth, with commensurately higher risks.

Yet markets will view Warsh with healthy scepticism. Is he a chameleon who sacrifices Fed independence to the interests of the Trump administration? Look at his pivot on tariffs away from longstanding support for free trade. He has heaped praise on Trump as the race to lead the Fed heated up. He pivoted toward more dovish views during the race.

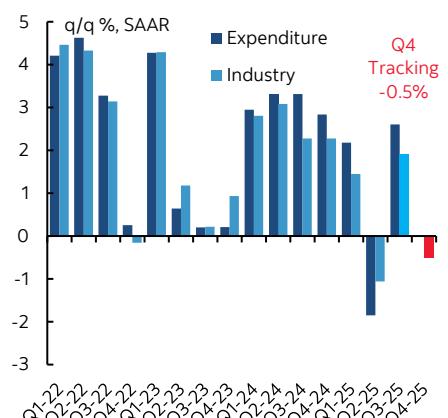
Time will tell. A lot of folks say a lot of things to get the top job and walk away mischievously grinning in disbelief that the

TRUMP THREATENS CANADA’S AEROSPACE SECTOR

Trump’s latest assault on Canada came through [this](#) social media post last evening. He threatened a 50% tariff on all aircraft sold by Canada into the US and decertifying all aircraft made in Canada. It’s a shot at Bombardier because of alleged Canadian foot dragging on approving Gulfstream jets.

Chart 3

Canadian GDP Growth



Sources: Scotiabank Economics, Statistics Canada.

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First, this could be another empty threat he backs down from, given the pattern to date.

But to my very limited understanding of this issue, it's not that Transport Canada Civil Aviation is blocking them, it's that it has its own validation process. Newer Gulf Streams like the G700 and 800 have not yet finished their process. Gulfstream jets do indeed fly in Canada and their jets have not been decertified in Canada.

Then again, don't get me started on how the US subsidizes Boeing on a totally uneven playing field.

These guys track Boeing's detailed subsidies. Direct subsidies total US\$15.6B plus loans and bailouts they figure are another US\$75B. And most of that is just since 2015, not going way back to Boeing's inception. The entire global aerospace business is replete with heavy government involvement including through subsidies. The Americans do it, so do the Europeans, so do the Brazilians.

As for exposures, total exports of all aircraft and parts from Canada to the world came to C\$30.2 billion in 2025 over the first eleven months for which we have trade data. That's 4.3% of total exports from Canada to the world. That's not nothing, but the macro impact would be limited.

We'll see how this evolves, but I would think there is an easy path forward to avoid escalation. Canada has a right to independently review its own policies.

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.	3.54	3.56	3.60	3.81	3.82	3.83	4.25	4.23	4.23	4.88	4.85	4.83	Canada - BoC	2.25		
CANADA	2.58	2.57	2.60	2.95	2.93	2.94	3.43	3.41	3.41	3.88	3.86	3.84	US - Fed	3.75		
GERMANY	2.09	2.08	2.13	2.43	2.42	2.50	2.85	2.84	2.91	3.50	3.49	3.51	England - BoE	3.75		
JAPAN	1.24	1.26	1.25	1.66	1.69	1.69	2.25	2.26	2.26	3.64	3.63	3.64	Euro zone - ECB	2.15		
U.K.	3.71	3.71	3.73	3.95	3.95	3.97	4.51	4.51	4.51	5.27	5.27	5.25	Japan - BoJ	0.75		
Spreads vs. U.S. (bps):																
CANADA	-97	-99	-100	-87	-88	-88	-82	-82	-81	-100	-99	-99	Mexico - Banxico	7.00		
GERMANY	-145	-148	-147	-139	-140	-132	-140	-139	-132	-138	-136	-131	Australia - RBA	3.60		
JAPAN	-231	-230	-234	-215	-213	-213	-200	-197	-197	-124	-122	-119	New Zealand - RBNZ	2.25		
U.K.	17	15	14	14	13	15	26	28	29	39	42	43	Next Meeting Date			
Equities	Level						% change:									
S&P/TSX	Last	Change	1 Day	1-wk	1-mo	1-yr	Canada - BoC	Mar 18, 2026	US - Fed	Mar 18, 2026	England - BoE	Feb 05, 2026	Euro zone - ECB	Feb 05, 2026		
Dow 30	33016	-159.9	-0.5	0.0	3.6	27.9	Japan - BoJ	Mar 19, 2026	Mexico - Banxico	Feb 05, 2026	Australia - RBA	Feb 02, 2026	New Zealand - RBNZ	Feb 17, 2026		
S&P 500	49072	56.0	0.1	-0.6	1.5	9.3	Next Meeting Date		Next Meeting Date		Next Meeting Date		Next Meeting Date			
Nasdaq	6969	-9.0	-0.1	0.8	1.1	14.8	Canada - BoC	Mar 18, 2026	US - Fed	Mar 18, 2026	England - BoE	Feb 05, 2026	Euro zone - ECB	Feb 05, 2026		
DAX	23685	-172.3	-0.7	1.1	1.1	20.3	Japan - BoJ	Mar 19, 2026	Mexico - Banxico	Feb 05, 2026	Australia - RBA	Feb 02, 2026	New Zealand - RBNZ	Feb 17, 2026		
FTSE	24546	236.3	1.0	-1.4	0.2	13.0	Next Meeting Date		Next Meeting Date		Next Meeting Date		Next Meeting Date			
Nikkei	10229	56.9	0.6	0.8	2.9	18.3	Canada - BoC	Mar 18, 2026	US - Fed	Mar 18, 2026	England - BoE	Feb 05, 2026	Euro zone - ECB	Feb 05, 2026		
Hang Seng	53323	-52.8	-0.1	-1.0	5.9	34.9	Japan - BoJ	Mar 19, 2026	Mexico - Banxico	Feb 05, 2026	Australia - RBA	Feb 02, 2026	New Zealand - RBNZ	Feb 17, 2026		
CAC	27387	-581.0	-2.1	2.4	5.9	35.4	Next Meeting Date		Next Meeting Date		Next Meeting Date		Next Meeting Date			
Commodities	Level						Canada - BoC	Mar 18, 2026	US - Fed	Mar 18, 2026	England - BoE	Feb 05, 2026	Euro zone - ECB	Feb 05, 2026		
WTI Crude	65.03	-0.39	-0.6	6.5	12.2	-10.6	Japan - BoJ	Mar 19, 2026	Mexico - Banxico	Feb 05, 2026	Australia - RBA	Feb 02, 2026	New Zealand - RBNZ	Feb 17, 2026		
Natural Gas	3.87	-0.05	-1.3	-26.7	-2.6	26.9	Next Meeting Date		Next Meeting Date		Next Meeting Date		Next Meeting Date			
Gold	5107.26	-267.98	-5.0	2.4	17.7	82.8	Canada - BoC	Mar 18, 2026	US - Fed	Mar 18, 2026	England - BoE	Feb 05, 2026	Euro zone - ECB	Feb 05, 2026		
Silver	118.45	5.66	5.0	26.8	58.7	289.1	Japan - BoJ	Mar 19, 2026	Mexico - Banxico	Feb 05, 2026	Australia - RBA	Feb 02, 2026	New Zealand - RBNZ	Feb 17, 2026		
CRB Index	323.71	4.81	1.5	5.0	7.3	5.7	Next Meeting Date		Next Meeting Date		Next Meeting Date		Next Meeting Date			
Currencies	Level						Canada - BoC	Mar 18, 2026	US - Fed	Mar 18, 2026	England - BoE	Feb 05, 2026	Euro zone - ECB	Feb 05, 2026		
USDCAD	1.3510	0.0020	0.1	-1.4	-1.4	-6.7	Japan - BoJ	Mar 19, 2026	Mexico - Banxico	Feb 05, 2026	Australia - RBA	Feb 02, 2026	New Zealand - RBNZ	Feb 17, 2026		
EURUSD	1.1939	-0.0032	-0.3	0.9	1.6	14.9	Next Meeting Date		Next Meeting Date		Next Meeting Date		Next Meeting Date			
USDJPY	153.95	0.8400	0.5	-1.1	-1.6	-0.2	Canada - BoC	Mar 18, 2026	US - Fed	Mar 18, 2026	England - BoE	Feb 05, 2026	Euro zone - ECB	Feb 05, 2026		
AUDUSD	0.7019	-0.0030	-0.4	1.8	4.8	13.0	Japan - BoJ	Mar 19, 2026	Mexico - Banxico	Feb 05, 2026	Australia - RBA	Feb 02, 2026	New Zealand - RBNZ	Feb 17, 2026		
GBPUSD	1.3775	-0.0034	-0.2	1.0	2.3	10.9	Next Meeting Date		Next Meeting Date		Next Meeting Date		Next Meeting Date			
USDCHF	0.7674	0.0031	0.4	-1.6	-3.1	-15.6	Canada - BoC	Mar 18, 2026	US - Fed	Mar 18, 2026	England - BoE	Feb 05, 2026	Euro zone - ECB	Feb 05, 2026		

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