

DAILY POINTS

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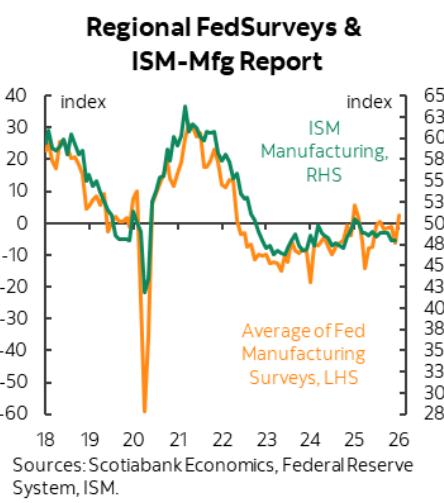
On Deck for Monday, February 2nd

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	02-02	10:00	ISM Manufacturing Index	Jan	48.0	48.5	47.9
US	02-02	12:30	Fed's Bostic Speaks at the Atlanta Rotary Club				

KEY POINTS:

- **Commodities taking it on the chin**
- **Crypto stabilizing after weekend sell-off**
- **RBA on deck tonight with hike risk in the air**
- **India's budget hits stocks**
- **US, Canadian manufacturing data on tap**
- **Light overnight data, US T borrowing estimates on tap**
- **Global Week Ahead — Mellow Metal's Mess ([here](#))**

Chart 1



Risk appetite is mixed across global markets to kick off the first week of February. Commodities are selling off with declines led by oil (futures down ~5%) and gold (-3%); so much for month-end rebalancing driving weakness versus broader forces. US equity futures are in the red by roughly ½% to 1% with TSX futures little changed. European cash markets are mildly higher. Asian equities fell across all major bourses with losses led by Seoul (-5¼%), Mainland China (-2½%) and the Nikkei (-1¼%). Bitcoin is off another 7% since Friday as crypto currencies took it on the chin throughout weekend trading, while tether has stabilized and inched back closer to the requisite parity to the dollar. Sovereign bonds are rallying a touch across the US and UK long-ends. Currencies are divided against the dollar.

There is very little by way of fresh developments to consider. India's Budget early Sunday morning (ET) drove a sell off in local stocks yesterday that is since moderating; the main issue was a tax hike on equity derivative trades.

Overnight data was light, including German retail sales volumes that barely grew (+0.1% m/m) in December. Chile's economy soared in December, posting a 0.6% m/m SA gain in the volatile monthly economic activity index (a GDP proxy) that consensus expected to fall. Peru's January CPI (+0.1% m/m SA) that was on the screws and Indonesia's CPI that was slightly softer than expected.

Key, however, will be tonight's RBA decision (10:30amET). A majority within consensus expect a 25bps hike that markets attach almost 75% odds to. See my weekly for an outline of the cases for and against a hike at this meeting.

On tap into the N.A. session is modest data risk on the N.A. manufacturing sector and US Treasury quarterly borrowing estimates (3pmET).

Canada updates the manufacturing PMI for January (9:30amET). The US will refresh ISM-manufacturing for January (10amET). The US gauge is expected to improve a touch partly on the back of regional manufacturing indices (chart 1).

Overall, however, markets will continue to consider the gulf between what Fed Chair nominee Warsh promised to get the job, and what he can and will deliver which in my opinion is ginormous. Warsh's Senate confirmation testimony—assuming it arrives given stonewalling by Senate Tillis—may extend the over promising. Friday's payrolls—with a side order of Canadian jobs—will also captivate markets.

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.	3.52	3.52	3.59	3.78	3.79	3.82	4.22	4.24	4.21	4.86	4.87	4.80	Canada - BoC	2.25		
CANADA	2.56	2.55	2.57	2.92	2.92	2.91	3.41	3.42	3.37	3.86	3.87	3.80	US - Fed	3.75		
GERMANY	2.10	2.09	2.10	2.43	2.42	2.47	2.85	2.84	2.87	3.50	3.49	3.48	England - BoE	3.75		
JAPAN	1.27	1.24	1.27	1.66	1.66	1.69	2.24	2.25	2.24	3.66	3.64	3.63				
U.K.	3.71	3.72	3.74	3.93	3.95	3.97	4.50	4.52	4.50	5.26	5.29	5.24				
Spreads vs. U.S. (bps):																
CANADA	-96	-97	-102	-86	-87	-91	-82	-82	-84	-100	-101	-101	Euro zone - ECB	2.15		
GERMANY	-142	-144	-149	-135	-137	-136	-137	-139	-135	-136	-138	-132	Japan - BoJ	0.75		
JAPAN	-225	-229	-232	-212	-213	-213	-198	-199	-198	-120	-123	-118				
U.K.	19	19	15	16	16	14	28	28	28	40	41	43	Mexico - Banxico	7.00		
Equities	Level			% change:												
	Last	Change		1 Day	1-wk	1-mo	1-yr									
S&P/TSX	31924	-1092.6		-3.3	-3.7	0.1	25.0						Australia - RBA	3.60		
Dow 30	48892	-179.1		-0.4	-0.4	1.1	9.8						New Zealand - RBNZ	2.25		
S&P 500	6939	-30.0		-0.4	0.3	1.2	14.9									
Nasdaq	23462	-223.3		-0.9	-0.2	1.0	19.5						Next Meeting Date			
DAX	24678	138.8		0.6	-1.0	0.6	13.6						Canada - BoC	Mar 18, 2026		
FTSE	10263	39.2		0.4	1.1	3.1	18.3						US - Fed	Mar 18, 2026		
Nikkei	52655	-667.7		-1.3	-0.4	4.6	33.1						England - BoE	Feb 05, 2026		
Hang Seng	26776	-611.5		-2.2	0.0	1.7	32.4						Euro zone - ECB	Feb 05, 2026		
CAC	8159	32.9		0.4	0.3	-0.4	2.6						Japan - BoJ	Mar 19, 2026		
Commodities	Level			% change:												
WTI Crude	61.90	-3.31		-5.1	2.1	8.0	-14.7						Mexico - Banxico	Feb 05, 2026		
Natural Gas	3.61	-0.74		-17.1	-46.9	-0.2	18.6						Australia - RBA	Feb 02, 2026		
Gold	4751.27	-142.96		-2.9	-5.1	9.7	69.8						New Zealand - RBNZ	Feb 17, 2026		
Silver	103.19	-15.26		-12.9	4.2	37.9	232.9									
CRB Index	320.09	-3.62		-1.1	2.5	7.5	5.0									
Currencies	Level			% change:												
USDCAD	1.3635	0.0022		0.2	-0.5	-0.7	-5.5									
EURUSD	1.1862	0.0011		0.1	-0.2	1.2	14.7									
USDJPY	154.79	0.0100		0.0	0.4	-1.3	0.0									
AUDUSD	0.6958	-0.0006		-0.1	0.6	4.0	11.7									
GBPUSD	1.3701	0.0015		0.1	0.2	1.8	10.0									
USDCHF	0.7756	0.0026		0.3	-0.2	-2.1	-14.8									

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