Scotiabank.

GLOBAL ECONOMICS

DAILY POINTS

February 11, 2026 @ *7:00 EST*

Contributors

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Chart 1

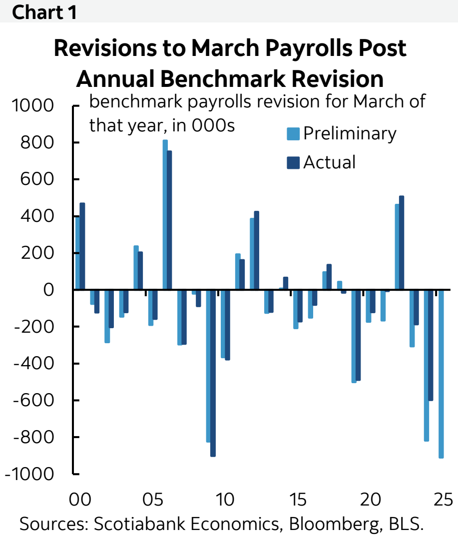
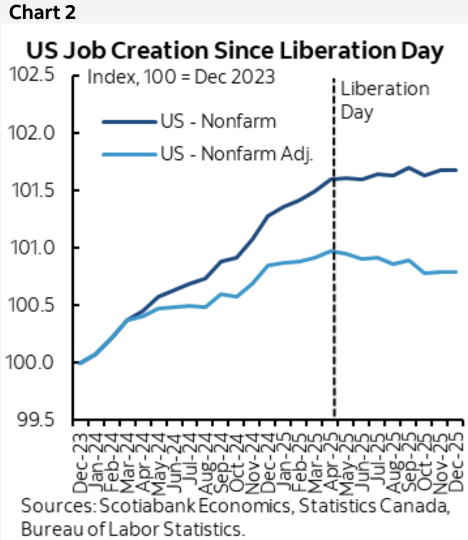


Chart 2



On Deck for Wednesday, February 11th

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	02-11	07:00	MBA Mortgage Applications (w/w)	Feb 06	--	--	-8.9
CA	02-11	08:30	Building Permits (m/m)	Dec	--	5.0	-13.1
US	02-11	08:30	Average Hourly Earnings (m/m)	Jan	0.2	0.3	0.3
US	02-11	08:30	Average Hourly Earnings (y/y)	Jan	3.5	3.7	3.8
US	02-11	08:30	Average Weekly Hours	Jan	--	34.2	34.2
US	02-11	08:30	Nonfarm Employment Report (000s m/m)	Jan	0	65	50
US	02-11	08:30	Unemployment Rate (%)	Jan	4.3	4.4	4.4
US	02-11	08:30	Household Employment Report (000s m/m)	Jan	--	--	232
US	02-11	10:00	Fed's Schmid Speaks on Monetary Policy and Economic Outlook				
US	02-11	10:15	Fed's Bowman in Moderated Conversation				
CA	02-11	13:30	Bank of Canada Summary of Deliberations				
US	02-11	14:00	Treasury Budget (US$ bn)	Jan	--	-94.4	-144.7
US	02-11	16:00	Fed's Hammack Speaks on Leadership at Ohio State University				

KEY POINTS:

- **Markets on cautious footings into nonfarm**
- **Nonfarm payroll expectations…**
- **….and it's clear that tariffs and broad policy uncertainty have quashed US job growth**
- **The GOP's performative tariff vote will be quickly vetoed**
- **Rumoured USMCA withdrawal is a baseless negotiating ploy**
- **China's core CPI signals persistently low inflation**

Finally. Welcome to nonfarm…err…Wednesday?! The delayed report lands this morning as the dominant meaningful development.

Markets are going into the reading on cautious footings. Stocks are flat to lower across US futures and European cash markets with just Toronto and London the exceptions. The dollar is broadly softer against the majors but CAD got dented by the USMCA rumour (see below). US Ts are little changed and ditto for most bond markets with the notable exception of the antipodeans. Cyber currencies are tumbling. Gold is up by over 1%, silver 6%, and oil over 1%.

PAYROLLS—EXPECTATIONS AND POLICY DRIVERS

Estimates for nonfarm payrolls for January (8:30amET) are clustered within 30k to 100k or so and with a few outliers in the upper and lower tails. I'm one of them at 0k and the opposite tail has votes over 100k. The 90% confidence band on the estimated change in payrolls is about +/-136k. I won't go over the ingredients to the murky soup again. See **here** and **here** for detailed views. Recall that this one will officially incorporate final annual benchmark revisions to last March's payrolls after last September's preliminary -911,000 markdown; the final revisions can deviate (chart 1). This one also includes tweaks to birth-death models.

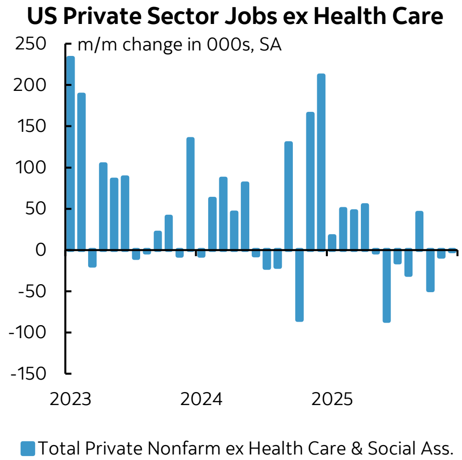
Let's just get the report over with after yet another delay and then onto Friday's CPI. Then we'll await another round of jobs and inflation readings before the March FOMC meeting. The two rounds of readings still leave the March decision in data dependent mode.

As for what is driving trend softness in nonfarm payrolls, I'll repeat chart 2. It's no coincidence that payrolls were on a clearly upward trend before the April 2nd 'Liberation Day' and then went flat. The chart also shows what incorporation of estimated revisions—including today's March revisions and subsequently—would do to the trend by pivoting it lower. Private payrolls ex-health care have been falling in six of the past eight readings, were flat in one, and up in just one (chart 3). Take a hint—it's the uncertainty brought on by erratic policy that has slammed hiring confidence more than any other single contributing factor.

OTHER DEVELOPMENTS

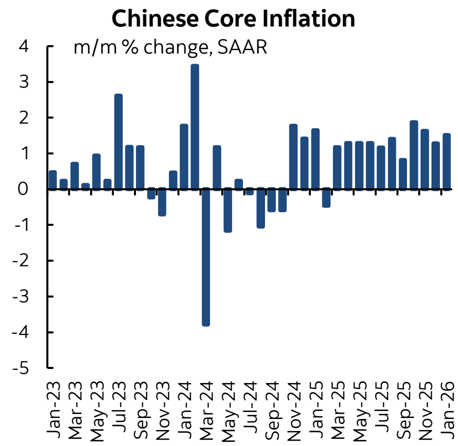
Absent a rumour, start one. Today's is from Bloomberg that says Trump is quietly considering withdrawal from the USMCA trade pact. It's a baseless negotiating ploy. I can think of dumber things to do when down in the polls and roiling supply chains and markets, but it's a pretty short list. Further, he doesn't necessarily have such powers as the chain of events to delivering a six-month withdrawal letter gets complicated in terms of pushback by the US business lobby, Congress and perhaps all the way to the Supreme Court. Treat with high scepticism in the wake of numerous other empty threats. You're going to get a lot of this volatility on the path to negotiations.

Chart 3



Sources: Scotiabank Economics, BLS.

Chart 4



Sources: Scotiabank Economics, China National Bureau of Statistics.

A US House vote against Trump's tariffs this afternoon is expected to pass with a few GOP defections—and a whole lot of complicit GOP enablers—but it's merely a performative stunt; Trump will veto it in a hurry.

China's CPI reading ebbed again to 0.2% y/y (0.8% prior, 0.4% consensus) with core CPI also slipped to 0.8% y/y (1.2% prior). The annualized and seasonally adjusted change in core prices is still holding around just north of 1% which is soft inflation, not deflation (chart 4).

Fixed Income	Government Yield Curves (%):											
	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.	3.45	3.45	3.56	3.69	3.70	3.83	4.13	4.14	4.28	4.78	4.78	4.92
CANADA	2.54	2.54	2.58	2.89	2.91	2.95	3.36	3.40	3.43	3.82	3.85	3.88
GERMANY	2.07	2.07	2.09	2.38	2.38	2.43	2.81	2.81	2.86	3.49	3.49	3.52
JAPAN	1.31	1.31	1.28	1.71	1.71	1.69	2.24	2.24	2.26	3.51	3.51	3.65
U.K.	3.64	3.64	3.72	3.89	3.89	3.97	4.50	4.51	4.55	5.32	5.33	5.33
	Spreads vs. U.S. (bps):											
CANADA	-91	-91	-98	-80	-79	-88	-77	-75	-84	-96	-93	-104
GERMANY	-137	-139	-146	-131	-132	-140	-133	-134	-142	-129	-129	-139
JAPAN	-213	-214	-227	-198	-199	-214	-189	-190	-202	-127	-128	-127
U.K.	19	19	16	20	19	14	37	36	27	54	54	41

Equities	Level		% change:			
	Last	Change	1 Day	1-wk	1-mo	1-yr
S&P/TSX	33257	233.5	0.7	2.7	2.0	29.7
Dow 30	50188	52.3	0.1	1.9	1.4	12.5
S&P 500	6942	-23.0	-0.3	0.3	-0.4	14.4
Nasdaq	23102	-136.2	-0.6	-0.7	-2.4	17.6
DAX	24940	-47.5	-0.2	1.4	-1.3	13.2
FTSE	10427	72.9	0.7	0.2	3.0	18.8
Nikkei	57651	1286.6	2.3	5.4	11.0	48.0
Hang Seng	27266	83.2	0.3	1.6	3.9	28.0
CAC	8316	-11.6	-0.1	0.7	-0.5	3.6
Commodities	Level		% change:			
WTI Crude	65.33	1.37	2.1	0.3	10.5	-10.9
Natural Gas	3.13	0.01	0.4	-9.8	-1.3	-11.1
Gold	5111.79	86.34	1.7	3.0	13.4	76.4
Silver	82.28	1.92	2.4	-6.0	5.3	155.0
CRB Index	308.33	-2.75	-0.9	-0.6	2.3	-1.6
Currencies	Level		% change:			
USDCAD	1.3537	-0.0015	-0.1	-0.9	-2.5	-5.2
EURUSD	1.1910	0.0015	0.1	0.9	2.1	15.0
USDJPY	153.50	-0.8900	-0.6	-2.1	-2.9	0.7
AUDUSD	0.7113	0.0038	0.5	1.6	6.0	13.0
GBPUSD	1.3692	0.0049	0.4	0.3	1.7	10.0
USDCHF	0.7661	-0.0019	-0.2	-1.5	-3.9	-16.1

Central Banks	
Current Rate	
Canada - BoC	2.25
US - Fed	3.75
England - BoE	3.75
Euro zone - ECB	2.15
Japan - BoJ	0.75
Mexico - Banxico	7.00
Australia - RBA	3.85
New Zealand - RBNZ	2.25
Next Meeting Date	
Canada - BoC	Mar 18, 2026
US - Fed	Mar 18, 2026
England - BoE	Mar 19, 2026
Euro zone - ECB	Mar 19, 2026
Japan - BoJ	Mar 19, 2026
Mexico - Banxico	Mar 26, 2026
Australia - RBA	Mar 16, 2026
New Zealand - RBNZ	Feb 17, 2026