

### DAILY POINTS

February 17, 2026 @ 7:20 EST

### Contributors

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Chart 1

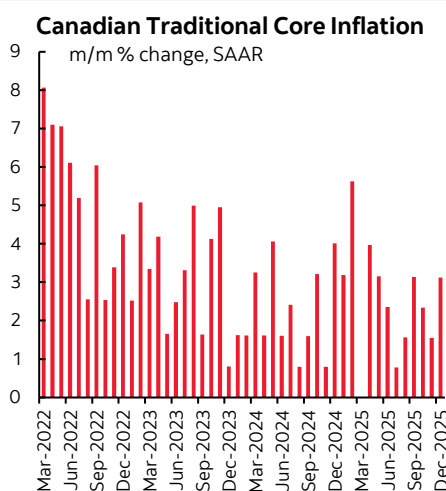
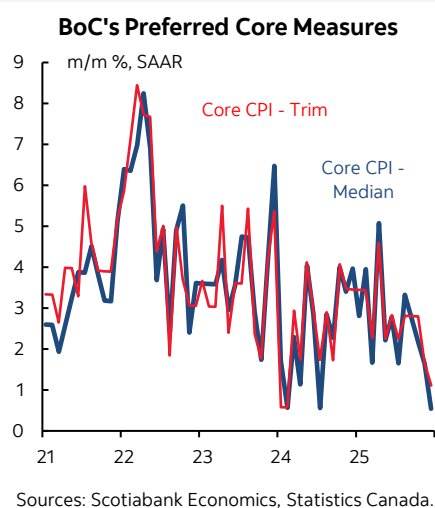


Chart 2



### On Deck for Tuesday, February 17<sup>th</sup>

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	02-17	08:30	Core CPI - Median (y/y)	Jan	--	2.5	2.5
CA	02-17	08:30	Core CPI - Trim (y/y)	Jan	--	2.6	2.7
CA	02-17	08:30	CPI, All items (m/m)	Jan	0.1	0.1	-0.2
CA	02-17	08:30	CPI, All items (y/y)	Jan	2.4	2.4	2.4
CA	02-17	08:30	CPI, All items (index)	Jan	--	165.0	165.0
CA	02-17	08:30	International Securities Transactions (C\$ bn)	Dec	--	--	16.3
CA	02-17	08:30	Wholesale Trade (m/m)	Dec	2.0	2.1	-1.8
US	02-17	08:30	Empire State Manufacturing Index	Feb	--	6.2	7.7
CA	02-17	08:30	Core CPI - Common (y/y)	Jan	--	--	2.8
CA	02-17	08:30	CPI SA, All items (m/m)	Jan	--	--	0.3
US	02-17	10:00	NAHB Housing Market Index	Feb	--	38.0	37.0
US	02-17	12:45	Fed's Barr Speaks on AI and the Labor Market				
US	02-17	14:30	Fed's Daly Speaks on AI and the Economy				

### KEY POINTS:

- Markets kick off shortened trading week with some apprehension
- Canadian CPI—one of two before March BoC & pick your core measure!
- BC kicks off Canada's provincial budget season
- UK job market updates add slightly to BoE March cut pricing
- GDP disappointments in Japan, Colombia, Thailand
- Global Week Ahead: US Growth is Strong — Don't Blow It! (reminder [here](#))

Global markets are starting a shortened trading week in Canada and the US with some apprehension. Sovereign bond yields are broadly lower by 1–3bps or so across most yardsticks. Equities are mixed with N.A. futures slightly in the red versus European cash markets that are slightly in the black. The yen is recovering this morning after getting hit by GDP to start the week, but otherwise, most currencies are little changed versus the dollar with the notable exception of pound sterling post-jobs. Gold is down US\$50 or so, oil is mixed with Brent flat and WTI up 1.5%.

What you may have missed while out yesterday (a trio of GDP disappointments plus minor Canadian data) is recapped below along with overnight developments (UK jobs).

The main thing on the docket today is Canadian CPI and then the start of Canada's provincial budget season.

### CANADIAN CPI — SIT THIS ONE OUT

Canada updates one of two CPI readings before the next BoC decision on March 18<sup>th</sup> this morning (8:30amET). January's reading is expected to be up by only 0.1% m/m NSA and unchanged at 2.4% y/y. See my preview in the week ahead article.

Key will be the various core readings. Monitor each of them since they have recently offered conflicting signals. Chart 1 shows traditional core CPI that excludes food and energy commodities and how it picked up and has generally been more resilient of late. Chart 2 shows the trimmed mean and weighted median gauges that have been waning. The BoC keeps flip-flopping between which measure(s) it prefers and lacks consistent clarity on the matter. Onto the data.

### UK JOB MARKET READINGS BARELY IMPACT MARKETS

UK job market readings prompted slightly lower UK two year yield and a small depreciation of pound sterling to the dollar. The probability of a Bank of England cut on March 19th increased a bit to about 80%. The overall effects were minor.

- total employment fell by 59k m/m in December. After surging up to June, employment has been largely trading water (chart 3).
- Payroll jobs fell another 10.6k but the prior month was revised to a dip of only 6k instead of 43k (chart 4).
- wage growth accelerated to 5.4% m/m SAAR in December (chart 5). The three-month moving average is running at 3.6%.
- jobless claims picked up to 29k in January but the prior month was revised down to about 3k from 18k.
- job vacancies fell 10k in January. They remain slightly above the long-term average (chart 6).

So where does this leave us in terms of how the BoE may view the overall state of the UK labour market? Chart 7 shows the balance between job vacancies and unemployment.

### JAPAN'S ECONOMY DISAPPOINTS

Japan's economy disappointed expectations and the yen kicked off the week as the worst performing major FX cross to the dollar while JGBs bull steepened after GDP was updated on Monday morning. GDP grew by only 0.2% q/q SAAR versus 1.6% consensus. The disappointment came despite a mild upward revision to Q3 that saw GDP shrink by 2.6% instead of 2.3% as originally reported.

Consumption was soft at a nonannualized growth rate of just 0.1% q/q SA with a mild upward revision to 0.4% in Q3 (from 0.2%). Business spending grew by only 0.2% after previously shrinking by -0.3%. Net exports were flat after a -0.3% drop in Q3 as both exports and imports shrank -0.3% implying no export contribution and less of an import leakage drag effect. Inventories dragged only -0.2% points off of Q4 GDP after a -0.1% drag in Q3.

Overall, Japan's economy was posting moderate growth over 2024Q3 to 25Q2 but the wheels fell off over the last half of 2025 and the trends across the components suggest it's not just because of global trade turmoil. Tightening monetary policy has been a contributing factor as well. Somewhat related was yen appreciation until last Spring.

Thailand's economy sharply exceeded expectations with Q4 GDP growth of 1.9% q/q SA (0.6% consensus) and a mild upward revision to -0.3% in Q3 (from -0.6%). Construction was the fastest growing sector in Q4.

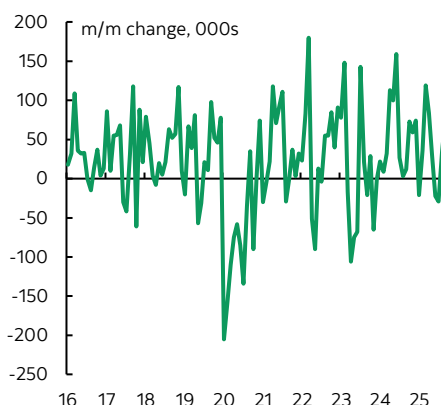
### OTHER MINOR CANADIAN UPDATES

A pair of reports was issued on Monday morning when domestic and US markets were shut. Federal agencies didn't get Family Day which is a provincial holiday and didn't care to adjust their release schedules.

Canadian housing starts weakened to 238k SAAR in January from about 281k the prior month. That was a little weaker than my guesstimate (255k). All of the slowdown was in multiples (184,8k from 234.6k) as they overshot in December, while singles increased 15.8% m/m in

Chart 3

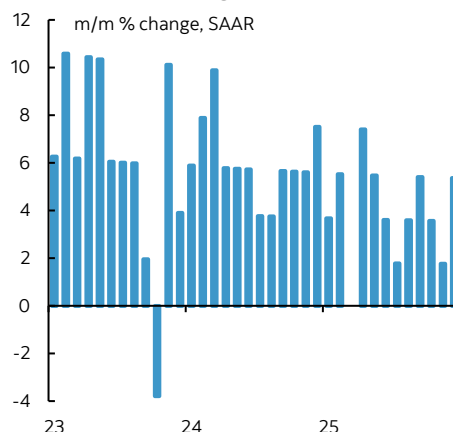
#### UK Total Employment



Sources: Scotiabank Economics, UK ONS.

Chart 5

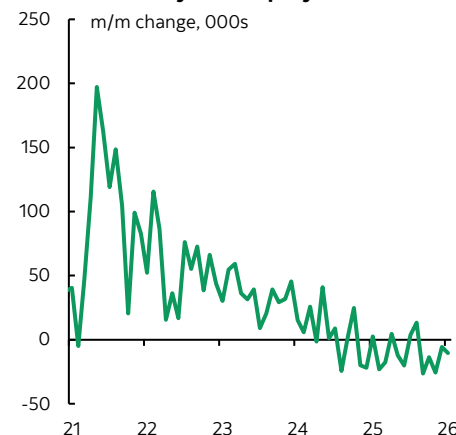
#### UK Wage Growth



Sources: Scotiabank Economics, UK ONS.

Chart 4

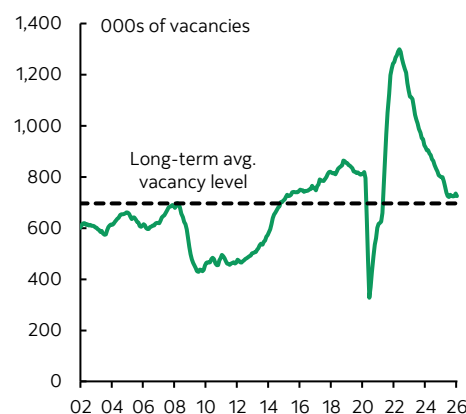
#### UK Payroll Employment



Sources: Scotiabank Economics, UK ONS.

Chart 6

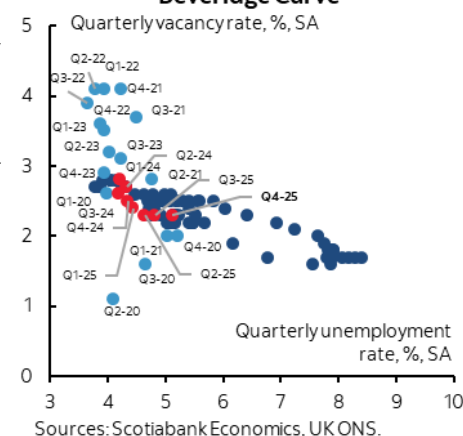
#### UK Job Vacancies



Sources: Scotiabank Economics, UK ONS.

Chart 7

#### United Kingdom Beveridge Curve



Sources: Scotiabank Economics, UK ONS.

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January. Singles carry more economic value-added than multiples. Canada continues to post elevated readings for housing starts over about the past five years (chart 8).

Canadian manufacturing sales increased 0.6% m/m SA in December which was in line with Statcan's earlier flash guidance. Volumes were up 1.8% which reverses most of the -2.1% drop in November. The inventory-to-sales ratio slipped to 1.69 months from 1.72 previously and has been cruising around little changed readings since a post-pandemic run-up until 2022.

## OTHER UPDATES

Germany ZEW investor confidence slipped in February's reading. The expectations component fell but remains close to the highest reading since mid-2021. At least the German analyst and investor community remains upbeat for what that's worth.

Colombia's economy disappointed expectations for Q4 GDP that grew by only 0.1% q/q SA (0.5% consensus).

The US calendar will be very quiet today with just the Empire regional manufacturing gauge for February (8:30amET) that kicks off another month of readings on the path to the next ISM-manufacturing report.

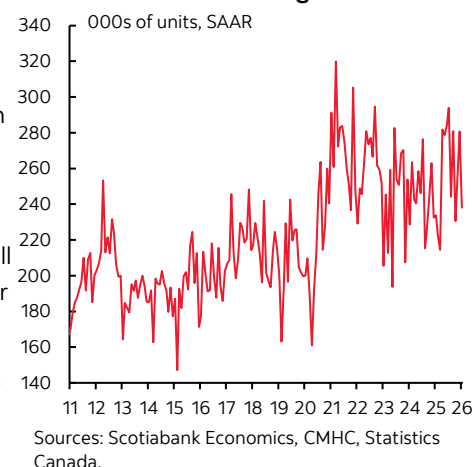
## BC BUDGET TODAY

BC will kick off provincial budget season this afternoon with its 2026 budget at about 4:30pmET. Mitch Villeneuve shares his thoughts.

In its budget last year, BC forecast fairly sizeable deficits and a debt burden doubling from 17% of GDP in 2023–24 to 34% in 2027–28, earning ratings downgrades from S&P and Moody's. Its fiscal updates since then show that the deficit for this year isn't growing much further than initially planned, but the government will hope to make better progress in shrinking deficits going forward. The government has signalled that today's budget will announce stronger spending restraint, though also that the large spending categories of health, education, and public safety will be protected—significantly limiting the scope for spending reductions.

Chart 8

## Canadian Housing Starts



Fixed Income	Government Yield Curves (%):												Central Banks	
	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		
U.S.	3.40	3.41	3.45	3.59	3.61	3.70	4.03	4.05	4.14	4.67	4.70	4.78	Canada - BoC	2.25
CANADA	2.47	2.47	2.54	2.78	2.79	2.89	3.24	3.25	3.36	3.71	3.73	3.81	US - Fed	3.75
GERMANY	2.03	2.04	2.07	2.32	2.34	2.38	2.73	2.75	2.81	3.40	3.43	3.49	England - BoE	3.75
JAPAN	1.24	1.27	1.31	1.62	1.67	1.71	2.14	2.21	2.24	3.41	3.49	3.51	Euro zone - ECB	2.15
U.K.	3.57	3.59	3.64	3.78	3.81	3.89	4.36	4.40	4.51	5.17	5.21	5.33	Japan - BoJ	0.75
Spreads vs. U.S. (bps):														
CANADA	-93	-94	-92	-81	-82	-82	-79	-80	-78	-96	-97	-97	Mexico - Banxico	7.00
GERMANY	-138	-137	-139	-127	-127	-132	-130	-130	-134	-127	-126	-129	Australia - RBA	3.85
JAPAN	-217	-214	-214	-197	-193	-199	-189	-184	-190	-126	-121	-128	New Zealand - RBNZ	2.25
U.K.	16	18	19	19	20	19	33	35	36	50	51	54	Next Meeting Date	
Equities	Level						% change:							
	Last	Change		1 Day		1-wk	1-mo		1-yr					
S&P/TSX	33074	608.4		1.9		1.9	0.1		29.8				Canada - BoC	Mar 18, 2026
Dow 30	49501	48.9		0.1		-1.2	0.3		11.1				US - Fed	Mar 18, 2026
S&P 500	6836	3.4		0.0		-1.4	-1.5		11.8				England - BoE	Mar 19, 2026
Nasdaq	22547	-50.5		-0.2		-2.1	-4.1		12.6				Euro zone - ECB	Mar 19, 2026
DAX	24865	63.7		0.3		-0.5	-1.7		9.1				Japan - BoJ	Mar 19, 2026
FTSE	10518	44.7		0.4		1.6	2.8		20.0				Mexico - Banxico	Mar 26, 2026
Nikkei	56566	-239.9		-0.4		0.4	4.9		44.4				Australia - RBA	Mar 16, 2026
Hang Seng	26706	138.8		0.5		-1.2	0.8		18.3				New Zealand - RBNZ	Feb 17, 2026
CAC	8325	8.2		0.1		-0.0	0.8		1.7					
Commodities	Level						% change:							
WTI Crude	63.93	1.04		1.7		-0.7	7.6		-9.6				England - BoE	Mar 19, 2026
Natural Gas	3.14	-0.10		-3.1		0.1	1.2		-15.7				Euro zone - ECB	Mar 19, 2026
Gold	4939.10	-52.98		-1.1		-1.7	7.5		70.5				Japan - BoJ	Mar 19, 2026
Silver	77.09	-0.26		-0.3		-4.1	-15.1		132.9					
CRB Index	306.54	0.31		0.1		-1.0	1.5		-1.8					
Currencies	Level						% change:							
USDCAD	1.3644	0.0008		0.1		0.7	-1.6		-3.8				Mexico - Banxico	Mar 26, 2026
EURUSD	1.1835	-0.0016		-0.1		-0.5	1.6		12.9				Australia - RBA	Mar 16, 2026
USDJPY	153.09	-0.3800		-0.2		-0.8	-3.2		1.0				New Zealand - RBNZ	Feb 17, 2026
AUDUSD	0.7065	-0.0007		-0.1		-0.1	5.2		11.2					
GBPUSD	1.3568	-0.0061		-0.4		-0.5	1.1		7.5					
USDCHF	0.7701	0.0005		0.1		0.3	-3.4		-14.5					

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