

ON DECK FOR TUESDAY, FEBRUARY 16

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	02-16	08:30	Empire Manufacturing	Feb	--	6	12.1
US	02-16	16:00	Total net TIC flows	Dec			214.1
CA	02-16	09:00	Existing home sales	Jan			7.2

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KEY POINTS:

- **US Treasury 10s yield at pre-pandemic high**
- **Global COVID-19 cases continue to plummet**
- **Empire kicks off a solid start to US regional surveys**
- **Light macro calendars today**
- **Global Week Ahead**
- **US-Canada Rates Outlook 2021–22**

Please see the Global Week Ahead — Resetting the Vaccine Narrative [here](#).

Key developments will include:

- Vaccine tracking
- CBs: FOMC minutes, Turkey, BI
- PMIs: US, Eurozone, UK, Australia, Japan
- Inflation: Canada, UK, Japan, Sweden
- GDP: Eurozone, Japan, Colombia, Peru, Thailand
- Jobs: Australia
- NF election

Also as a reminder, please see the US-Canada Rates Outlook 2021–22: So Long Emergency, Hello Inflation? ([here](#)).

Light calendar-based risk is placing most of the market attention on shrinking COVID-19 cases and positive vaccine news.

- Stocks are mixed so far this morning. US and Canadian indices are doing a bit of catch-up to yesterday's gains in Europe with Europe little changed this morning.
- Sovereign curves are bear steepening especially in the US on a similar cash catch-up argument with 10s and 30s up by about 5bps. The US 10 year is at 1.26% this morning. Canada's curve is underperforming a touch with 10s up 6bps to 1.09%.
- The USD is little changed from yesterday but is rising in the last hour or so of trading.
- Oil is flat and gold is down about 1%.

German investor confidence climbed by more than expected. The expectations component of the ZEW survey rose to 71.2 (61.8 prior, 59.5 consensus). Most of the Sept–Nov drop has been regained now. The current situation reading

slipped by just under 3 points. The ZEW survey is the first of the monthly survey-based readings to arrive (PMIs Friday, IFO business confidence Monday) so it's a decent start.

The Eurozone economy shrank at a slightly less than expected pace of -0.6% q/q (-0.7% consensus).

Another monthly round of regional US manufacturing gauges got off to a strong start this morning. The Empire gauge roughly doubled to 12 in February with solid gains across new orders, employment and prices paid that hit the highest reading since 2011.

The rest of the day will bring out Canadian existing home sales for January (9amET), US TIC flows (4pmET) and limited Fed-speak including Governor Bowman (11:10amET) and regional Presidents George (12:30pmET), Kaplan (1pmET) and Daly (3pmET).

Each week I include the global COVID-19 new cases charts found on the next page. New cases continue to plummet to multi-month lows across most major markets.

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.	0.11	0.11	0.12	0.52	0.49	0.47	1.25	1.21	1.16	2.06	2.01	1.95	Canada - BoC	0.25		
CANADA	0.21	0.19	0.19	0.54	0.50	0.49	1.09	1.03	1.00	1.70	1.63	1.58	US - Fed	0.25		
GERMANY	-0.70	-0.70	-0.71	-0.65	-0.65	-0.69	-0.37	-0.38	-0.45	0.14	0.12	0.02	England - BoE	0.10		
JAPAN	-0.11	-0.12	-0.11	-0.10	-0.10	-0.10	0.09	0.08	0.07	0.68	0.68	0.67				
U.K.	-0.04	-0.03	-0.03	0.11	0.11	0.07	0.60	0.57	0.46	1.20	1.17	1.04				
	Spreads vs. U.S. (bps):															
CANADA	9	8	7	2	0	1	-16	-18	-16	-37	-38	-37	Euro zone - ECB	0.00		
GERMANY	-81	-81	-83	-116	-114	-117	-162	-159	-160	-193	-189	-193	Japan - BoJ	-0.10		
JAPAN	-23	-23	-23	-61	-59	-57	-117	-113	-109	-138	-133	-128				
U.K.	-15	-14	-15	-40	-39	-40	-65	-64	-70	-86	-84	-91	Mexico - Banxico	4.00		
Equities	Level						% change:									
	Last			Change			1 Day		1-wk		1-mo		1-yr			
S&P/TSX	18460			67.2			0.4		0.7		3.1		3.4		Australia - RBA	0.10
Dow 30	31458			27.7			0.1		1.0		2.1		7.0			
S&P 500	3935			18.4			0.5		1.2		4.4		16.4		New Zealand - RBNZ	0.25
Nasdaq	14095			69.7			0.5		1.7		8.4		44.8			
DAX	14108			-1.0			-0.0		0.7		2.3		2.7			
FTSE	6772			15.7			0.2		3.7		0.5		-8.6			
Nikkei	30468			383.6			1.3		3.7		6.8		28.6		Canada - BoC	Mar 10, 2021
Hang Seng	30747			573.1			1.9		5.0		8.7		10.5		US - Fed	Mar 17, 2021
CAC	5786			-0.1			-0.0		1.7		3.1		-4.7			
Commodities	Level						% change:									
WTI Crude	59.65			0.18			0.3		2.9		13.9		14.6		England - BoE	Mar 18, 2021
Natural Gas	3.06			0.15			5.2		6.3		11.9		66.8			
Gold	1799.57			-19.29			-1.1		-2.1		-1.6		13.6		Euro zone - ECB	Mar 11, 2021
Silver	27.57			0.50			1.8		1.4		9.2		55.7			
CRB Index	186.71			1.42			0.8		1.7		6.5		8.0		Japan - BoJ	Mar 19, 2021
Currencies	Level						% change:									
USDCAD	1.2667			0.0028			0.2		-0.2		-0.7		-4.3		Mexico - Banxico	Mar 25, 2021
EURUSD	1.2118			-0.0011			-0.1		-0.0		0.3		11.8			
USDJPY	105.66			0.2800			0.3		1.0		1.9		-3.8		Australia - RBA	Mar 01, 2021
AUDUSD	0.7767			-0.0014			-0.2		0.4		1.1		15.7			
GBPUSD	1.3893			-0.0010			-0.1		0.6		2.3		6.8		New Zealand - RBNZ	Feb 23, 2021
USDCHF	0.8912			0.0009			0.1		-0.1		0.0		-9.1			

Chart 1
Trend in US Daily New Cases

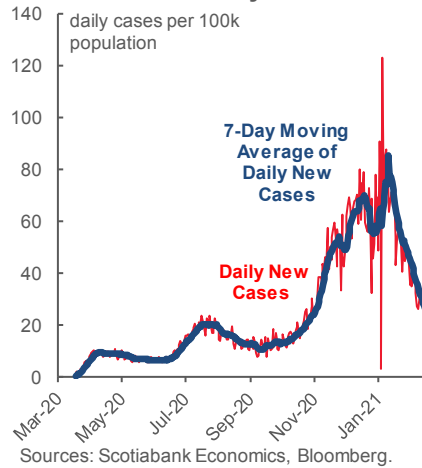


Chart 2
Canadian Trend in New Cases

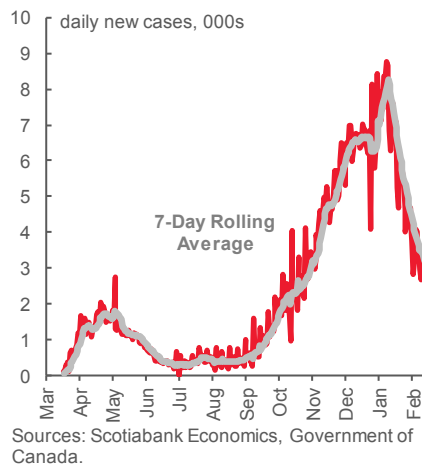


Chart 3
Trend in Latin American Daily Cases

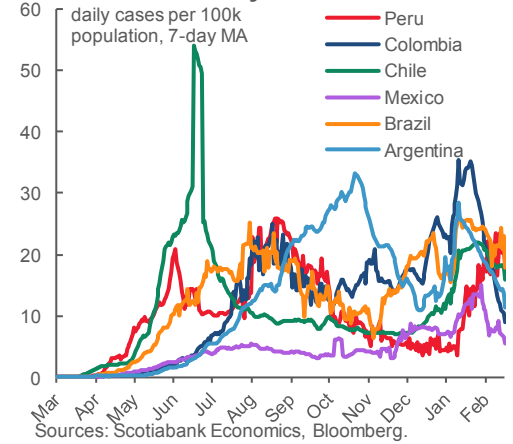


Chart 4
Trend in European Daily Cases

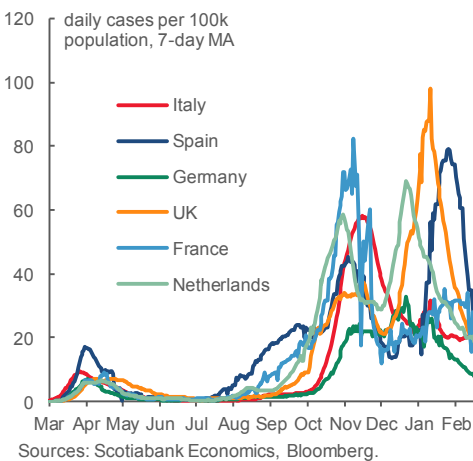


Chart 5
Trend in European Daily Cases

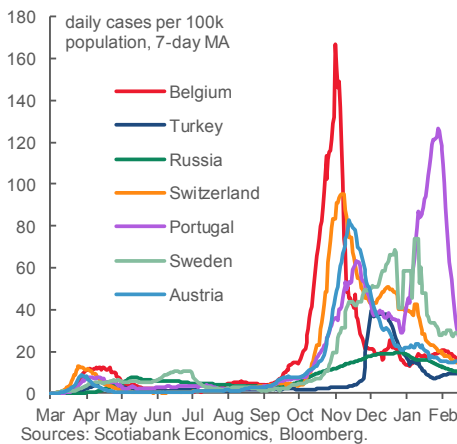


Chart 6
Trend in Asia Pacific Daily Cases

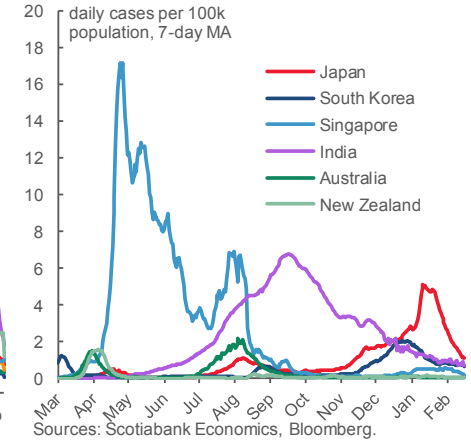


Chart 7
Trend in Asia Pacific Daily Cases

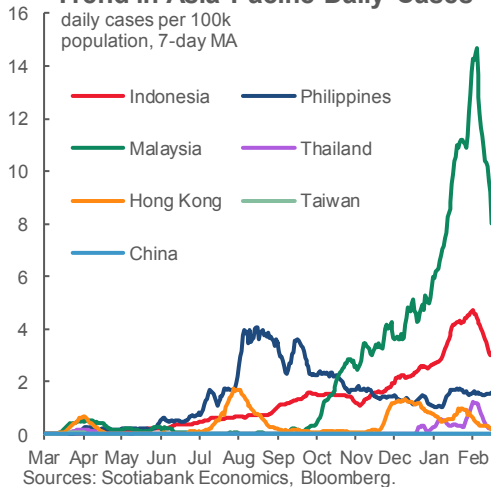
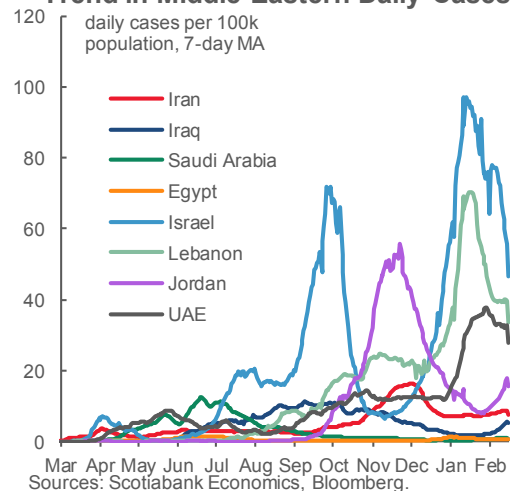


Chart 8
Trend in Middle Eastern Daily Cases



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