

DAILY POINTS

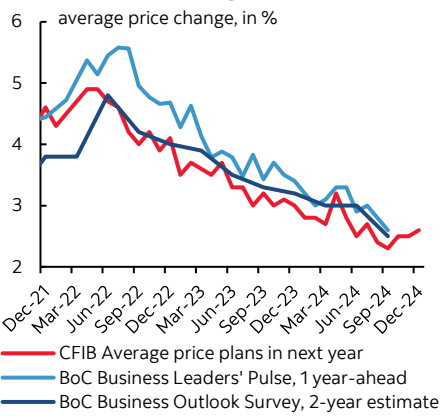
January 20, 2025 @ 6:50 EST

Contributors

**Derek Holt**  
 VP & Head of Capital Markets Economics  
 Scotiabank Economics  
 416.863.7707  
[derek.holt@scotiabank.com](mailto:derek.holt@scotiabank.com)

Chart 1

**Firms' Inflation Expectations Ticking Up!**



On Deck for Monday, January 20

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	01/20	10:30	BoC Business Outlook Survey	4Q	--	--	--
CA	01/20	10:30	BoC Survey of Consumer Expectations	4Q	--	--	--
US	01/20	12:00	President Trump's Inauguration Ceremony				
US	01/20	12:00	Trump's executive orders begin				

KEY POINTS:

- **Markets are dead quiet, but don't get used to it**
- **MLK Jr Day has US markets shut for Inauguration Day**
- **Trump's weekend rally speech was classic Trump**
- **Executive orders will start flying shortly after 12pmET...**
- **...with the key being tariffs—and the responses**
- **BoC to release stale surveys**
- **Reminder: Global Week Ahead—Nobody's Victim ([here](#))**

It's very quiet, but that will probably change in a few hours. MLK Jr Day has US markets shut on US Inauguration Day. There were no overnight releases. The BoC's twin surveys arrive shortly before around 100 executive orders start to fly after 12pmET when Trump takes his oath, and that's only for Day One. The list into tomorrow stretches to 200 orders. Tariffs—and Canada's response—will be the main focus for Canada and there are no advance indications of what to expect through the press.

BOC'S SURVEYS

Today's release of the Business Outlook Survey and the Canadian Survey of Consumer Expectations will be of interest in terms of their broad array of measures on expected growth, hiring—and particularly inflation expectations (10:30amET). The prior survey showed that inflation expectations of both businesses and consumers remained above target. Today's releases are likely to be stale by about two months. A fresher survey done by the CFIB that measures small business expectations is correlated with the BoC measures and suggests that they may show firmer inflation expectations (chart 1).

YESTERDAY'S RALLY SPEECH HAD LITTLE TO OFFER ON SPECIFICS

Yesterday's inaugural rally speech by Trump was classic Trump: loud, off the cuff, lacking focus, and short on specifics before a group of like-minded faithful. It was consistent with his approach of making the strongest economy in the world falsely sound like it's in a crisis to set the stage for how only he can fix absolutely everything. It's a curious mix of extreme nationalism and downright denigration of the country. Significant parts of the speech were mockingly full of divisive hatred.

He left tariffs until the end as a passing comment. Ditto for taxes. That may or may not mean anything; he can't do anything on taxes via executive order and we'll soon find out about how he abuses ancient pieces of US legislation to impose tariffs. He put the vast overwhelming majority of his emphasis on other campaign promises. His unscripted speech was heavy on anti-immigration themes, border controls, deregulation especially around energy, TikTok, anti-DEI remarks, his stance against gun control, stopping illegal immigration, crime while blaming immigrants for all of it, pursuing a US 'iron dome' like Israel's, cutting government, plans to finally go to LA on Friday, cutting taxes, cutting prices despite raising tariffs and somehow raising wages, tariffs, ending the war in Ukraine that may never truly end, releasing JFK and MLK Jr docs, giving education back to the states, etc etc.

Phew! In other words, the speech lacked focus, which we've come to expect in Trump's addresses, and presented a long, divisive wish list. There were ineloquent remarks by Musk who appeared with "X." But overall there were no specifics which will have to wait until this afternoon when executive orders start flying after he takes the oath after 12pmET.

Interestingly, Trump's team seems to have borrowed a slogan from Canadian—and specifically Ontario's—Conservatives. Today's speech is to have a "revolution of common sense" theme that sounds awfully similar to the "Common Sense Revolution" of former Ontario Premier Mike Harris.

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.	4.28	4.28	4.38	4.43	4.43	4.60	4.63	4.63	4.78	4.86	4.86	4.96	Canada - BoC	3.25
CANADA	2.93	2.96	3.07	3.01	3.05	3.16	3.30	3.34	3.44	3.42	3.46	3.53	US - Fed	4.50
GERMANY	2.23	2.23	2.29	2.34	2.34	2.40	2.54	2.54	2.61	2.77	2.76	2.81	England - BoE	4.75
JAPAN	0.68	0.69	0.65	0.86	0.87	0.83	1.20	1.20	1.20	2.28	2.29	2.31		
U.K.	4.39	4.38	4.60	4.40	4.39	4.60	4.69	4.66	4.89	5.24	5.21	5.44		
	Spreads vs. U.S. (bps):													
CANADA	-135	-133	-131	-143	-138	-143	-133	-129	-134	-144	-139	-143	Euro zone - ECB	3.15
GERMANY	-205	-206	-209	-209	-209	-220	-209	-209	-217	-209	-209	-215	Japan - BoJ	-0.10
JAPAN	-360	-360	-373	-357	-357	-377	-343	-343	-358	-258	-257	-265	Mexico - Banxico	10.00
U.K.	11	9	22	-3	-5	0	6	3	11	38	36	48	Australia - RBA	4.35
Equities	Level						% change:						Next Meeting Date	
	Last	Change		1 Day	1-wk	1-mo	1-yr							
S&P/TSX	25068	221.7		0.9	1.2	1.9	19.9						Canada - BoC	Jan 29, 2025
Dow 30	43488	334.7		0.8	3.7	1.5	14.9						US - Fed	Jan 29, 2025
S&P 500	5997	59.3		1.0	2.9	1.1	23.9						England - BoE	Feb 06, 2025
Nasdaq	19630	291.9		1.5	2.4	0.3	28.2						Euro zone - ECB	Jan 30, 2025
DAX	20910	7.1		0.0	3.9	5.2	26.3						Japan - BoJ	Dec 19, 2024
FTSE	8515	9.9		0.1	3.5	5.3	14.1							
Nikkei	38903	451.0		1.2	-0.7	0.5	8.2							
Hang Seng	19926	341.8		1.7	5.6	1.0	30.2							
CAC	7714	4.0		0.1	4.1	6.0	4.6							
Commodities	Level						% change:							
WTI Crude	77.71	-0.17		-0.2	-1.4	11.9	5.9						England - BoE	Feb 06, 2025
Natural Gas	3.77	-0.18		-4.6	-4.2	0.5	49.6						Euro zone - ECB	Jan 30, 2025
Gold	2707.66	4.41		0.2	1.7	21.4	33.4							
Silver	30.63	-0.08		-0.2	0.9	1.1	34.3							
CRB Index	311.08	-0.27		-0.1	1.7	6.5	17.2							
Currencies	Level						% change:							
USDCAD	1.4465	-0.0012		-0.1	0.6	0.7	7.3						Mexico - Banxico	Feb 06, 2025
EURUSD	1.0323	0.0050		0.5	0.8	-1.0	-5.1						Australia - RBA	Feb 17, 2025
USDJPY	156.38	0.0800		0.1	-0.7	0.0	5.6							
AUDUSD	0.6204	0.0011		0.2	0.4	-0.8	-5.6							
GBPUSD	1.2201	0.0032		0.3	-0.0	-2.9	-4.0						New Zealand - RBNZ	Feb 18, 2025
USDCHF	0.9135	-0.0015		-0.2	-0.4	2.3	5.1							

This report has been prepared by Scotiabank Economics as a resource for the clients of Scotiabank. Opinions, estimates and projections contained herein are our own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness. Neither Scotiabank nor any of its officers, directors, partners, employees or affiliates accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

These reports are provided to you for informational purposes only. This report is not, and is not constructed as, an offer to sell or solicitation of any offer to buy any financial instrument, nor shall this report be construed as an opinion as to whether you should enter into any swap or trading strategy involving a swap or any other transaction. The information contained in this report is not intended to be, and does not constitute, a recommendation of a swap or trading strategy involving a swap within the meaning of U.S. Commodity Futures Trading Commission Regulation 23.434 and Appendix A thereto. This material is not intended to be individually tailored to your needs or characteristics and should not be viewed as a “call to action” or suggestion that you enter into a swap or trading strategy involving a swap or any other transaction. Scotiabank may engage in transactions in a manner inconsistent with the views discussed this report and may have positions, or be in the process of acquiring or disposing of positions, referred to in this report.

Scotiabank, its affiliates and any of their respective officers, directors and employees may from time to time take positions in currencies, act as managers, co-managers or underwriters of a public offering or act as principals or agents, deal in, own or act as market makers or advisors, brokers or commercial and/or investment bankers in relation to securities or related derivatives. As a result of these actions, Scotiabank may receive remuneration. All Scotiabank products and services are subject to the terms of applicable agreements and local regulations. Officers, directors and employees of Scotiabank and its affiliates may serve as directors of corporations.

Any securities discussed in this report may not be suitable for all investors. Scotiabank recommends that investors independently evaluate any issuer and security discussed in this report, and consult with any advisors they deem necessary prior to making any investment.

**This report and all information, opinions and conclusions contained in it are protected by copyright. This information may not be reproduced without the prior express written consent of Scotiabank.**

™ Trademark of The Bank of Nova Scotia. Used under license, where applicable.

Scotiabank, together with “Global Banking and Markets”, is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including: Scotiabank Europe plc; Scotiabank (Ireland) Designated Activity Company; Scotiabank Inverlat S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat, Scotia Inverlat Casa de Bolsa, S.A. de C.V., Grupo Financiero Scotiabank Inverlat, Scotia Inverlat Derivados S.A. de C.V. – all members of the Scotiabank group and authorized users of the Scotiabank mark. The Bank of Nova Scotia is incorporated in Canada with limited liability and is authorised and regulated by the Office of the Superintendent of Financial Institutions Canada. The Bank of Nova Scotia is authorized by the UK Prudential Regulation Authority and is subject to regulation by the UK Financial Conduct Authority and limited regulation by the UK Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia's regulation by the UK Prudential Regulation Authority are available from us on request. Scotiabank Europe plc is authorized by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulation Authority.

Scotiabank Inverlat, S.A., Scotia Inverlat Casa de Bolsa, S.A. de C.V., Grupo Financiero Scotiabank Inverlat, and Scotia Inverlat Derivados, S.A. de C.V., are each authorized and regulated by the Mexican financial authorities.

Not all products and services are offered in all jurisdictions. Services described are available in jurisdictions where permitted by law.