

Friday January 17, 2025

TARIFFS AND... CRYPTO

During his confirmation hearing to be Treasury Secretary under Donald Trump, Scott Bessent defended the impact of the proposed tariff policies. He stressed that the rising U.S. dollar would play a crucial role in mitigating the negative impacts of tariffs on consumers. In his opinion, a stronger dollar combined with lower prices for imported goods would help protect Americans' purchasing power, while supporting the administration's protectionist objectives. Based on this dynamic, countries that have a trade surplus with the United States will become the main contributors to government coffers.

Closer to home, former Bank of Canada and Bank of England Governor Mark Carney launched his run to replace Justin Trudeau as Prime Minister of Canada, emphasizing his experience in crisis management. He will face off against Chrystia Freeland to lead the Liberal Party.

In good news for Bitcoin holders, Donald Trump is mulling making cryptocurrencies a major political priority, based on sources close to the issue. He plans to announce an executive order as soon as he is sworn in to position the United States as a global leader in this fast-growing sector.

China saw growth of 5% in 2024, which achieved the government's lofty objective for the year. On the currency front, the loonie is kicking off the day down against its peers.

Have a great weekend!

Yusuf Kocagozli

Economic news to watch today

Nothing to signal

Market Moves

Source: Bloomberg at market close

USD/CAD	1.4395 +0.0054
EUR/USD	1.0301 +0.0012
EUR/CAD	1.4825 +0.0071
TSX	24,846 +0.23%
S&P500	5,937 -0.21%
WTI Oil	78.68 -1.70%
CA 10-YR Bond Yield	3.34% -2.25%
US 10-YR Bond Yield	4.61% -0.87%

Trends

Range of the day	1.4375	1.4465
Range of the next 5 days	1.4300	1.4600

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