

Highlights include US and Canada jobs, ISM PMIs, EZ and Chinese Inflation, and potential Fed Chair pick

- **SUN:** OPEC+
- **MON:** European Epiphany holiday (No After-Hours Trading in Italy); UK Mortgage Approvals/Lending (Nov), US ISM Manufacturing PMI (Dec), Final PMIs (Dec)
- **TUE:** European Epiphany holiday (No After-Hours Trading in Italy); French & German Prelim HICP (Dec), EZ Final PMIs (Dec), UK Final PMIs (Dec)
- **WED:** Australian CPI (Nov), German Retail Sales (Nov), Unemployment (Dec), Chinese FX Reserves (Dec), EZ Flash HICP (Dec), US ADP (Dec), ISM Services (Dec), JOLTS (Nov)
- **THU:** SNB Minutes (Dec); German Industrial Orders (Nov), Swedish Flash CPIF (Dec), Swiss CPI (Dec), EZ Producer Prices (Nov), Consumer Confidence Final (Dec), US Weekly Claims (w/e 27th Dec), Chinese Trade Balance (Dec)
- **FRI:** German Industrial Production (Nov), Norwegian CPI (Dec), EZ Retail Sales (Nov), US NFP (Dec), Canadian Jobs (Dec), US Uni. of Michigan Prelim. (Jan)

FED CHAIR NOMINEE (TBC): US President Trump has suggested that he will name the successor to Fed Chair Powell early in 2026, CNBC reported the first week of January. The list of candidates has greatly narrowed from the 12 candidates initially. For the most part, NEC Director Haseett was seen as the clear favourite to replace Powell. However, in recent weeks, several reports have suggested that insiders are recommending against appointing Haseett as Fed Chair, and his lead as favourite has diminished somewhat. President Trump again reiterated criticism of current Fed Chair Powell for cutting rates too slowly, calling him a fool; Trump also repeated claims that Fed HQ renovations cost USD 4.1bln (others have suggested it is around USD 2.5bln), threatening a lawsuit, and saying he would love to fire Powell. The four candidates are: NEC Director Haseett (Polymarket has him as favourite, at 41%), former Fed Governor Warsh (Polymarket's second favourite, at 32%), Fed Governor Waller (15%) and BlackRock's Rick Rieder (4%). Waller is the only internal candidate. Powell's chair term expires in May 2026. [To read the full preview, please click here.](#)

OPEC+ (SUN): OPEC+ is expected to reaffirm its production pause through Q1, maintaining the halt to further supply increases, according to Bloomberg sources. The stance reflects concerns over a looming global oversupply backdrop, with crude prices sharply lower over 2025 and forecasters warning of a potential glut in 2026. Delegates indicate little appetite to resume hikes at this stage, according to reports. Recent Saudi-UAE geopolitical tensions have generated headlines but are widely viewed as noise rather than a threat to OPEC cohesion, with no expectation that they will spill over into production policy.

ISM MANUFACTURING PMI (MON): As a basis of comparison, S&P Global's flash PMI data for December showed US manufacturing activity continued to expand in December, but momentum weakened. Output growth slowed to a three-month low, and overall PMI eased to 51.8, the weakest in five months. New orders fell for the first time in a year, signalling softening demand despite firms maintaining higher production levels. Backlogs declined, and input buying was cut, while inventories of unsold goods accumulated again. Looking ahead, S&P said that the outlook has become more cautious: lower sales raise concerns that current production levels are unsustainable unless demand recovers, while elevated costs linked to tariffs and supply delays continue to weigh on confidence.

ISM SERVICES PMI (WED): As a basis of comparison, S&P Global's flash PMI data for December showed services activity expanding in December but at a notably slower pace. The business activity index fell to a six-month low, with growth in new business slipping to its weakest in 20 months, pointing to cooling demand across the sector. Employment growth nearly stalled as firms became more cautious. The outlook remains positive but has deteriorated slightly, sitting below the long-run average, S&P said. Rising input costs and sharply higher prices charged—partly blamed on tariffs and labour costs—are eroding confidence, although hopes of policy support and lower interest rates provide some offset.

AUSTRALIAN CPI (WED): The previous release showed CPI at 3.8% Y/Y in October, up from 3.6%, with the trimmed-mean (RBA's preferred inflation gauge) at 3.3% Y/Y — both measures above the RBA's 2-3% target band. Inflationary pressures have lingered late in 2025, contributing to the ongoing debate around the RBA's policy outlook for 2026. Recent RBA narrative suggested that higher electricity prices due to the end of government rebates are biasing the annual inflation rate higher into mid-2026, and that policymakers have signalled they are prepared to reconsider rate moves if inflation does not subside.

EZ FLASH HICP (WED): Investec expects Eurozone inflation to remain in a "good place", with headline HICP seen dipping 0.1pp to 2.0% Y/Y, exactly in line with the ECB's target, while core HICP is forecast unchanged at 2.4% Y/Y. Disinflation is expected to be driven primarily by lower fuel prices, alongside a partial unwind of November's softness in non-energy goods and firmness in services. That said, services inflation will remain closely watched by the ECB given firmer-than-expected wage growth, while authorities are also monitoring potential trade diversion effects from Chinese exports, which have so far had a limited impact on consumer prices.

SNB MINUTES (THU): In December, the SNB maintained its policy rate at 0.00%, as expected, and reiterated its willingness to be active in the FX market as necessary. On the economy, the SNB maintained its inflation forecast for 2025 but sharply cut its 2026

projection to 0.3% from a previous forecast of 0.5%. At the subsequent press conference, Chairman Schlegel reiterated that the bank stands ready to intervene in the FX market and, more notably, said he could not say that a lower CPI outlook makes NIRP more likely. From the minutes, attention will be on further detail around the inflation forecasts and whether Schlegel's view on NIRP is shared by the board as a whole.

SWEDISH FLASH CPI (THU): November's reading came in cooler than expected at 2.3% Y/Y (exp. 2.5%, prev. 3.1%). Thereafter, the one-year money-market view fell to 1.6% from 2.1%, while the five-year view was maintained at 2.1%. In December, the Riksbank maintained its policy rate at 1.75%, as expected. On inflation, the Riksbank said that while there have been some month-to-month variations, inflation has overall developed in line with forecasts and is around the 2% mark. Looking ahead, the Riksbank maintained the view that it expects rates to remain at this level for some time; as such, the December inflation data is unlikely to alter this assessment.

SWISS CPI (THU): November's print was 0.0% Y/Y, following 0.1% in October. The Q4 2025 average forecast, as of the December statement, is 0.1%, down from a previous forecast of 0.4%, implying a December print of around 0.2%. While the release will draw attention, the primary focus remains on the medium-term outlook, which the SNB described as only "little changed" in December versus September. Crucially, CPI is expected to remain within the 0–2% target range for the entire forecast horizon. In the near term, Chairman Schlegel has arguably taken some of the sting out of any cooler-than-expected print, saying he cannot say that a lower CPI outlook makes a return to NIRP more likely.

CHINESE INFLATION (FRI): CPI Y/Y for December is expected to tick lower to 0.6% from 0.7%, whilst PPI is expected to remain at -2.2% Y/Y. In November, China's consumer inflation rose to 0.7% Y/Y, marking a 21-month high driven largely by food prices, while factory-gate prices (PPI) remained weak with a -2.2% Y/Y decline, underscoring persistent deflationary pressures amid weak domestic demand. Domestically driven price pressures have struggled to gain momentum despite recent policy support, and producer deflation has persisted for an extended period, reflecting ongoing slack in factory activity and weak global demand.

NORWEGIAN CPI (FRI): November's CPI showed core inflation at 3.0% Y/Y (exp. 3.1%, prev. 3.4%), while the headline rate was 3.0% Y/Y (exp. 2.7%, prev. 3.1%). For December, Norges Bank forecasts core inflation at 3.0% and the headline at 2.9%. Inflation in Norway is somewhat more pertinent than for its Scandinavian peers, as Norges Bank expects to ease the policy rate over the course of 2026, with the rate seen averaging 3.9% in 2026 and 3.4% in 2027, versus the current 4.00%. However, the December data are unlikely to materially alter the narrative that a cut could become possible from mid-2026, depending on developments in CPI and the NOK. As a reminder, Governor Bache struck a hawkish note in December, making clear the bank is in no hurry to cut.

CANADIAN JOBS (FRI): The December jobs report will be in focus to see if the strength seen in recent months, particularly November, continues. In November, the unemployment rate fell to 6.5%, marking three months of solid employment growth. The BoC Minutes noted that while this was a sign the labour market was improving, a broader set of indicators showed a mixed picture. "After large job losses over the summer, employment in the sectors most exposed to trade had stabilised at a lower level than before the trade conflict. Other sectors, particularly services, had boosted overall employment in recent months". Meanwhile, the BoC said that much of the recent hiring was in part-time jobs, and highlighted that vacancies were low and surveys of businesses indicated hiring intentions were subdued. The strong labour market reports recently have seen markets price in rate hikes now from the BoC. There is currently c. 20bps of hikes priced by year-end, implying a 76% probability of a 25bps hike.

US JOBS DATA (FRI): Expectations are currently for the December jobs report to show 55k jobs added, slowing from the prior 64k, with the unemployment rate expected to tick down to 4.5% from 4.6%. The December jobs data is expected to be relatively easier to interpret, following the October (headline -105k) and November (+64k) readings. Analysts suggest that October's large decline in federal worker payrolls (-162k) was a one-off, and November's data showed a more modest decline (-6k). Analysts also expect that November's government shutdown will have a diminished impact on the data. The December jobs data will ultimately be used to set expectations of how the Fed will conduct its monetary policy in January, following the recent softer-than-expected CPI data and resilient economic growth data, which many analysts see as an argument that the Fed may pause. The latest FOMC meeting minutes showed a finely balanced decision, with most participants backing a cut to 3.50–3.75% due to rising downside risks to employment, while some preferred no change, and one favoured a larger move (nine members voted for a 25bps rate cut; Miran voted for a 50bps reduction; Goolsbee and Schmid voted for unchanged). Most judged further cuts are likely if inflation declines, but several favoured holding rates steady to assess lagged effects. Inflation was seen above 2%, with tariff-related pressures noted, and risks were judged as tilted to the upside. Participants noted that labour markets were softening, growth was moderate, and balance-sheet management was focused on maintaining ample reserves. Analysts said the minutes underline a clear split within the Fed, reinforcing a cautious policy outlook. While the majority remain open to further easing, confidence is explicitly conditional on clearer disinflation, particularly given concerns that additional cuts could undermine commitment to the 2% target. The emphasis on a pause to assess lagged effects signals sensitivity to policy transmission risks. Softer labour conditions justify the recent cut, but persistent inflation uncertainty and tariff effects argue against near-term follow-through, leaving policy firmly data-dependent rather than on a preset course. Barclays said the minutes showed support for a December rate cut and further easing if inflation declines, but revealed divisions over the future rate path and timing. The bank writes that the minutes suggest a likely pause at the January meeting while the FOMC assesses the effects of recent cuts, noting that participants remained concerned about inflation, saw the labour market softening, and viewed growth as resilient.

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