

### FED SLIPS INTO HUSH MODE

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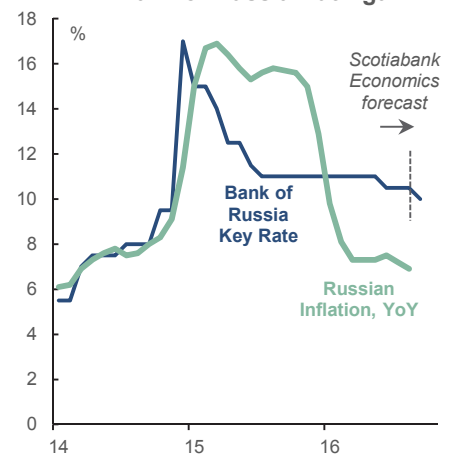
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### Next Week's Risk Dashboard

- ▶ Fed goes into black-out
- ▶ Bank of England
- ▶ Chinese macro reports
- ▶ Bank of Russia
- ▶ US CPI, consumer and industrial reports
- ▶ CDN manufacturing, housing
- ▶ BoC's Wilkins
- ▶ Indian CPI
- ▶ Bank of Thailand
- ▶ Australian jobs
- ▶ Swiss National Bank
- ▶ Banco Central de Chile
- ▶ Argentina's inflation credibility

### Chart of the Week

#### Will Bank of Russia Cut Again?



Source: Scotiabank Economics, Bloomberg.

Chart of the Week: Prepared by: Raffi Ghazarian, Senior Research Assistant.

## Fed Slips Into Hush Mode

### UNITED STATES — BLACK OUT

If you are looking for a signal from the Fed that might offer credible cause to firm up bets on possible policy actions on September 21st, then don't hold your breath. Next week is likely to pass the time observing some data while waiting for the Janet Yellen show the following Wednesday. The next week's FOMC statement and press conference will be parsed for signals that the Fed is indeed close to its second hike of this cycle. It's unlikely they tee up a hike just before the November 8th Federal election at the November 2nd FOMC meeting (there is no meeting in October) versus sticking to script in signalling that each meeting remains 'live' and the Fed is getting closer to its goals. In the meantime, a hush will fall over the Fed. The current communications schedule only has a pair of nonvoting regional Presidents speaking on Monday (Lockhart and Kashkari) before the black-out curtain descends the next day. See chart 1 for the latest market probabilities of a hike at each of the upcoming meetings.

A series of consumer and industrial sector reports will inform tracking risk for growth and inflation. Retail sales growth (Thursday) may struggle to stay afloat in light of about a 5% m/m drop in vehicle sales and a small decline in gasoline prices during August. Indeed, the third quarter is not shaping up terribly well for retailers given a flat retail sales headline in July and a small decline in core sales (ex-autos and gas) that month that may be followed by a weak August report next week. The next day's CPI will be the last inflation report before the Fed meets and at a very minimum the Fed is likely to require no evidence of slippage in headline inflation that was just 0.8% y/y in July and core inflation that was at 2.2%. How developments affect consumer confidence will be captured in the University of Michigan's consumer sentiment reading later that morning.

Industrial reports will include industrial production during August that could reverse some of the prior month's rise. That's particularly possible given the disappointing ISM-manufacturing print for the same month that slipped back into contraction territory. The next round of regional manufacturing reports on the road to the next ISM report will commence with Thursday's Empire survey and the Philly Fed's diffusion index.

The US Treasury auctions 3s, as well as reopenings for 10s and 30s.

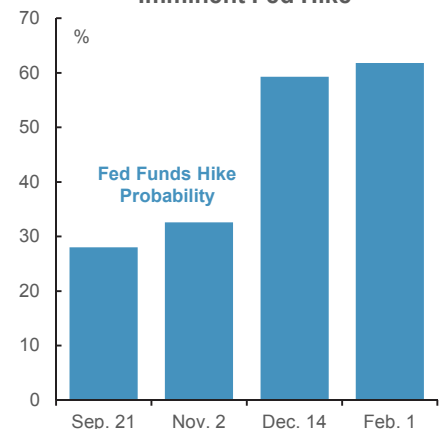
### ASIA — COOLING CHINESE LOAN GROWTH IS NO MORE OF A CRISIS THAN THE EARLIER ACCELERATION

China's economy and financial system will be on market radar screens over the coming week and will dominate Asian sources of market risks.

While the exact timing is uncertain, the August release for aggregate financing including new yuan loans will arrive over the coming week. As chart 2 demonstrates, financing growth was even stronger than usual at the start of this year. Because it is based upon fixed annual quotas given to the banking system, it's possible that the trend in monthly financing will continue to cool more abruptly than usual. There are two reasons for this. One is that the loan quotas are reset at the start of each calendar year and a competition to fill those quotas and preserve or gain market share then immediately ensues. This year's efforts may have been further influenced by the possible use of yuan-denominated financing vehicles as a hedge against a depreciating yuan. Amid expectations for further yuan depreciation, it would have made sense to borrow more in the local currency and service it out of foreign-currency flows converted back into less onerous local-currency debt service payments. If so, then the headlines about allegedly excessive loan growth at the start of the year could be transitioning toward headlines about sharply decelerating

Chart 1

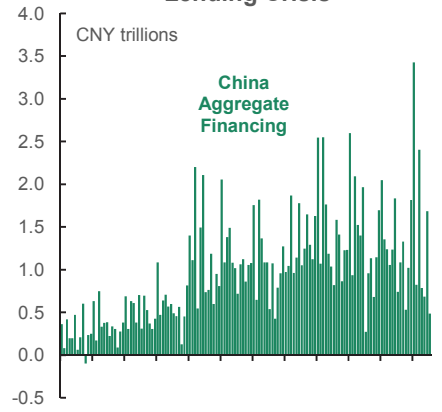
#### Markets Don't Believe In An Imminent Fed Hike



Source: Scotiabank Economics, Bloomberg.

Chart 2

#### Exaggerated Talk of Chinese Lending Crisis



Source: Scotiabank Economics, Bloomberg.

loan growth and the popping of a credit bubble. I don't see it that way and believe that much of this interpretation underweights the seasonality of the loan flows and the hedging argument.

More Chinese macro risk will be concentrated upon Tuesday's releases. Industrial output will likely grow around 6% y/y, retail sales around 10% y/y, and fixed asset investments around 8%. The monthly gyrations are often over-emphasized versus viewing most of the swings as statistical noise. Now, of course, since Chinese macro data is always perfect — unlike everywhere else in the world — these series are never revised following their initial publication. Imagine that!

The Bank of Thailand is expected to leave its repurchase market rate at 1.5% on Wednesday. And why not? CPI has been on the mend over the past year from a year-over-year decline of over 1% to a mild up-tick now, and the economy has grown for nine consecutive quarters following the coup-induced period of weakness.

Australia's latest jobs report for August (Wed night ET) will shoot for a fourth decent monthly rise after the volatile soft patch over the first half of the year. Indian CPI will likely slip back to just over the 5% y/y mark and, if so, possibly leave the door open for monetary easing by the Reserve Bank of India in line with a fair portion of consensus that expects a rate cut before year-end.

New Zealand GDP growth that is expected to marginally accelerate to a non-annualized 1% clip in Q2, trade reports from India and Indonesia, and industrial output from India round out the risks.

## EUROPE — IN DEFENSE OF THE BANK OF ENGLAND

After the ECB appeared frozen and disappointed market expectations, the same pressure to perform probably doesn't apply to the Bank of England. Its meeting next Thursday may be a focal point against an otherwise fairly light calendar of expected European developments. Market speculation over the possible course of future ECB actions will remain alive for an extended period as markets are likely to doubt that the ECB will simply stop "cold turkey" when its existing asset purchase program expires in about six months from now. The fact that the lending and share capital cycle remain growth headwinds will also continue to weigh on the decision (chart 3).

I've invited our London-based economist/strategist Alan Clarke to share his views on the Bank of England on page 6. He expects no policy changes from the BoE next week, rejects criticism that the BoE acted in an overly hasty manner when it introduced stimulus measures on August 4th, and keeps alive the risk of future easing. Clarke also expects UK CPI to be unchanged at about a 0.6% y/y pace next week. Retail sales face the risk of a give-back effect following a fairly robust 1.5% m/m gain in July.

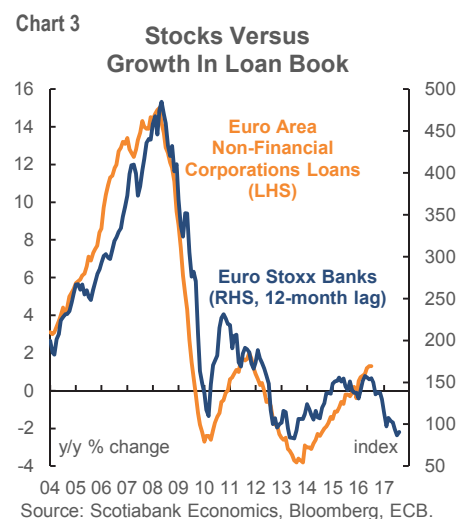
Bank of Russia is expected to ease policy on Friday with a 50bps cut to its benchmark rate. Cooling inflation pressures and a stated willingness to consider additional rate cuts are among driving factors behind expectations in addition to the sixth consecutive quarterly contraction in the economy during Q2 albeit at an ebbing rate.

The outlook for the Swiss National Bank became decidedly simpler in the wake of the ECB disappointment. It might have been expected to ease policy and follow the ECB to stem implications for the Swiss franc, but it will probably leave policy unchanged at a benchmark deposit rate of -0.75%. Similarly, there is also lessened risk of further future easing from other euro-proxy central banks like Denmark's and Sweden's.

Light data risk may be posed by August CPI revisions from across the Eurozone, the German and Eurozone editions of the ZEW survey of investor confidence, and Eurozone add-ups for industrial production and trade.

## CANADA — TALKING THROUGH (POSSIBLY) GOOD DATA

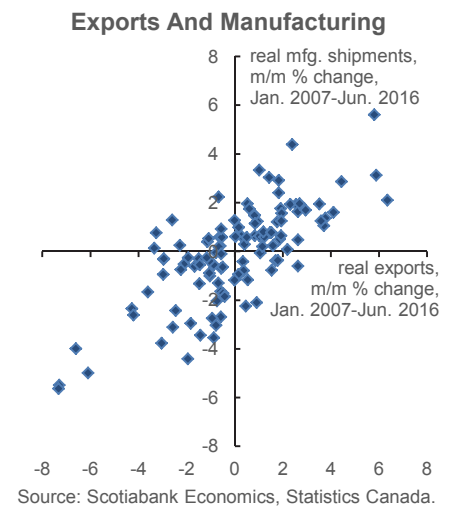
Good data will keep piling up for Canada next week, but the Bank of Canada has shifted gears toward talking it down and is likely to keep doing so. It took six months, but a perhaps charitable interpretation of BoC communications is that they spent the second



quarter talking through bad data to ward off rate *cut* expectations and are shifting toward spending the remainder of the year talking down good data in order to ward off rate *hike* expectations. Paradoxically, that risks feeding rate cut expectations again if the data sours later in the year following a possibly transitory pick-up in Q3. Such are the travails facing central banks trying to micro manage markets. While it's possible that this interpretation is too charitable (the BoC's story line could well have just lagged the data), if it's on the mark then it diminishes the extent to which investors should rely upon the BoC's interpretation of raw macroeconomic trends when the real aim could be to massage markets.

Manufacturing sales should further the march of data releases showing a Q3 economic rebound when the July release arrives on Friday, but there are at least three reasons why that is not guaranteed. Export volumes were up by 3.4% m/m in July and so it's natural to expect manufacturing shipments to at least follow the same direction. The historical connection is nevertheless hardly air tight (chart 4); the same pace of export growth can be associated with a wide range of manufacturing results. One caveat is that exports rebounded from a miserable trend that had them declining until the prior month, whereas manufacturing shipment volumes began to recover in June and so a further gain in July may be tempered. Second, not all of July's export surge was in categories that typically line up with manufacturing activities. Auto exports were up by about 6%, so were exports of industrial machinery, and aircraft/parts leapt ahead by almost 10%. Weak spots were in chemicals and plastics, electronics, and consumer goods. Thus, breadth of strength across the manufacturing categories was mixed at best. Energy exports fell, and other resources like forestry, metals and non-metallic minerals and agricultural goods contributed positively. Third, the rebound in exports was probably partly out of inventories and not just manufacturing production, as manufacturing inventories have been falling for five months.

Chart 4



A couple of days before the release, BoC Senior Deputy Governor Carolyn Wilkins will address a crowd in London but the topic is not yet known as we go to press.

A pair of housing reports will be the other focal point of the week; not a major focus to short-term markets that don't trade on the reports, but to housing observers focused upon the fuller cycle. Existing home sales and Teranet repeat-sale existing house prices will line up with August updates and may advance the debate over housing imbalances and the role of public policy. The nation's major housing markets may be starting to part company. The Greater Toronto Area's home resales were up 23.5% this August over the same month last year with solid gains in both the City and the 'burbs and across all categories of homes. In Vancouver, however, sales fell by 26% y/y in August. The drop was fed by an unknown combination of reduced foreign buying in the wake of the introduction of a 15% tax applied against foreign purchases, and reduced domestic buying perhaps partly in anticipation of better prices following reduced foreign appetite. By contrast, however, the city of Victoria did not witness such weakness with sales up 19.2% y/y in August, although it tends to attract less foreign buying interest than Vancouver. Calgary's sales were also soft in August (-4.3% y/y).

Canada conducts a 30 year auction on Wednesday. It will be just the third 30 year auction this year and the sixth in the past two years.

### LATIN AMERICA — RATE RISKS STIRRING IN CHILE?

Chile's latest central bank decision and limited macro reports will dominate domestic sources of market risk across Latin American markets next week, but spillover effects from developments abroad will be more influential.

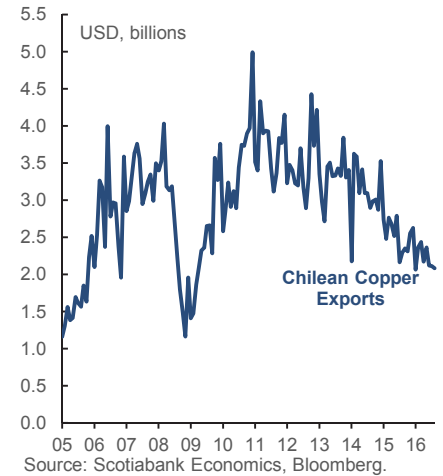
Banco Central de Chile's decision will be parsed for signs of whether a move away from a tightening bias last month could be followed up by a gradually more dovish orientation over time. The central bank is expected to leave its overnight rate unchanged at 3.5% for now. Recall that the economy contracted in Q2 by 0.4% q/q (non-annualized). Inflation has also marginally weakened over recent months from 4.8% y/y to start the year in January to 4% — among the softest readings of the past couple of years. Falling copper exports — key to Chile's economy — are a significant headwind as they are presently at their lowest since early

2009 (chart 5). Risks facing China's economy have negatively impacted the Chilean economy.

Data risk across the region will focus upon retail sales in Brazil and Colombia, and Argentina's latest inflation update. Since assuming office in December of last year, Argentina's President Mauricio Macri has spent his time attempting to restore credibility to the country's macro data including inflation figures after stating that the country faced a "statistical emergency". The effort to re-invent credible inflation data has only been underway long enough to generate three monthly inflation prints thus far. Nevertheless, when combined with moves such as eliminating electricity subsidies, the country's inflation trading market has become more interesting in 2016.

**Chart 5**

**Collapsing Chilean Copper Exports**



## Feature Article

### Bank of England — Meeting Preview

Next week's BoE meeting comes just one month since the BoE delivered a comprehensive package of policy easing measures. At that time there was still considerable shell-shock in the aftermath of the Brexit vote. This was perhaps best represented by the dive in the PMI surveys at that time, which had suggested that GDP growth could shrink by up to 0.5% q/q. Just one month later, the PMI surveys have more than recovered those losses and many are questioning "what was all the fuss about?"

Concentrating on just two PMI readings misses the bigger picture. Those surveys have been on a downward path for over a year and still point to slower growth than we saw back in 2014-2015. While we have revised up our GDP growth projection in light of the bounce in the PMI surveys, we think the UK will still be lucky to see 1% growth next year. That pace of growth is nothing to be proud of; it would be below trend, pointing to a widening in spare capacity and hence downside risks to the Bank's inflation projection. So while many have donned their 20-20 hindsight spectacles and suggested that the BoE overreacted, we think a wide angle lens is a more appropriate way of assessing the situation.

Needless to say, no policy action is likely at this meeting. Instead, all of the attention is likely to be on the wording in the minutes which are released alongside the decision. In turn, any repeat of / removal of / modification of one particular reference from last month is likely to be pounced upon. More specifically, the August minutes noted that:

*"If the incoming data proved broadly consistent with the August Inflation Report forecast, a majority of members expected to support a further cut in Bank Rate to its effective lower bound at one of the MPC's forthcoming meetings during the course of the year."*

In other words, the market will want to gauge how likely it is that the Bank will loosen monetary policy further at the November meeting or beyond. A key judgement therefore is whether incoming data have been broadly consistent with the Bank's latest forecasts. To a large extent, they have. Implicitly, the Bank's GDP projection had assumed that the PMI surveys would bounce back. The Bank never assumed that there would be a contraction in GDP.

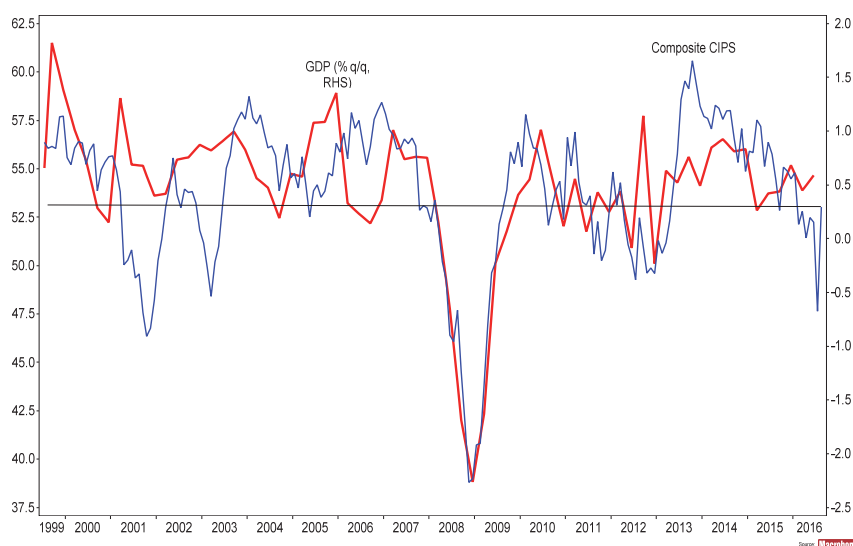
A lot could rest on the outcome of Q3 GDP which will be released on 27 October. A reading of 0.1% q/q or lower will probably trigger further policy easing in November. A reading of 0.4% q/q or higher would probably leave the MPC on hold (albeit with the QE programme hard wired to continue until February). Meanwhile a reading of 0.2-0.3% q/q is a tricky call. Unfortunately, the PMI surveys are pointing to an outcome in that tricky middle ground.

It is also worth considering the bigger picture on this front. The pace of GDP growth is still going to be around 2% y/y through to end-year. However, approaching mid-2017, the pace is likely to have slipped down towards 1% y/y and below. Presentationally, you could argue that if the Bank has limited ammunition in reserve, it should save what little it has for when the data justify it. The flipside is that given the lags in the transmission of monetary policy, the Bank should be pre-emptive, rather than waiting for the slowdown in growth to be confirmed. With any luck, we will get more clues on which way the MPC is leaning from these minutes.

#### CONTACTS

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Chart 1: UK Composite CIPS vs GDP



## Key Indicators for the week of September 12 – 16

### NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	SEP 12-13		Formal Job Creation Total	Aug	59.5	--	22.1
US	09/13	14:00	Treasury Budget (US\$ bn)	Aug	--	-98.0	-112.8
US	09/14	07:00	MBA Mortgage Applications (w/w)	SEP 9	--	--	0.9
CA	09/14	08:30	Teranet - National Bank HPI (y/y)	Aug	--	--	10.9
US	09/14	08:30	Export Prices (m/m)	Aug	--	-0.1	0.1
US	09/14	08:30	Import Prices (m/m)	Aug	--	-0.1	0.1
US	09/15	08:30	Current Account (US\$ bn)	2Q	--	-119.8	-124.7
US	09/15	08:30	Empire State Manufacturing Index	Sep	--	-1.0	-4.2
US	09/15	08:30	Initial Jobless Claims (000s)	SEP 10	260	--	259
US	09/15	08:30	Continuing Claims (000s)	SEP 3	--	--	2144
US	09/15	08:30	Philadelphia Fed Index	Sep	2.5	2.0	2.0
US	09/15	08:30	PPI (m/m)	Aug	--	0.1	-0.4
US	09/15	08:30	PPI ex. Food & Energy (m/m)	Aug	--	0.1	-0.3
US	09/15	08:30	Retail Sales (m/m)	Aug	-0.1	0.0	0.0
US	09/15	08:30	Retail Sales ex. Autos (m/m)	Aug	0.2	0.3	-0.3
CA	09/15	09:00	Existing Home Sales (m/m)	Aug	--	--	-1.3
US	09/15	09:15	Industrial Production (m/m)	Aug	-0.3	-0.2	0.7
US	09/15	09:15	Capacity Utilization (%)	Aug	--	75.7	75.9
US	09/15	10:00	Business Inventories (m/m)	Jul	--	0.1	0.2
CA	09/16	08:30	International Securities Transactions (C\$ bn)	Jul	--	--	9.0
CA	09/16	08:30	Manufacturing Shipments (m/m)	Jul	1.0	--	0.8
US	09/16	08:30	CPI (m/m)	Aug	0.1	0.1	0.0
US	09/16	08:30	CPI (y/y)	Aug	0.9	1.0	0.8
US	09/16	08:30	CPI (index)	Aug	--	240.7	240.6
US	09/16	08:30	CPI ex. Food & Energy (m/m)	Aug	0.1	0.2	0.1
US	09/16	08:30	CPI ex. Food & Energy (y/y)	Aug	2.2	2.3	2.2
US	09/16	10:00	U. of Michigan Consumer Sentiment	Sep P	90.0	91.0	89.8
US	09/16	16:00	Total Net TIC Flows (US\$ bn)	Jul	--	--	-202.8
US	09/16	16:00	Net Long-term TIC Flows (US\$ bn)	Jul	--	--	-3.6

### EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IT	09/12	04:00	Unemployment Rate (%)	2Q	--	11.5	11.6
GE	09/13	02:00	CPI (m/m)	Aug F	--	0.0	0.0
GE	09/13	02:00	CPI (y/y)	Aug F	--	0.4	0.4
GE	09/13	02:00	CPI - EU Harmonized (m/m)	Aug F	--	-0.1	-0.1
GE	09/13	02:00	CPI - EU Harmonized (y/y)	Aug F	--	0.3	0.3
SP	09/13	03:00	CPI (m/m)	Aug F	--	0.1	0.1
SP	09/13	03:00	CPI (y/y)	Aug F	--	-0.1	-0.1
SP	09/13	03:00	CPI - EU Harmonized (m/m)	Aug F	--	--	0.0
SP	09/13	03:00	CPI - EU Harmonized (y/y)	Aug F	--	--	-0.3
IT	09/13	04:00	Industrial Production (m/m)	Jul	--	0.1	-0.4
UK	09/13	04:30	CPI (m/m)	Aug	0.3	0.4	-0.1
UK	09/13	04:30	CPI (y/y)	Aug	0.6	0.7	0.6
UK	09/13	04:30	PPI Input (m/m)	Aug	--	0.5	3.3
UK	09/13	04:30	PPI Output (m/m)	Aug	--	0.3	0.3
UK	09/13	04:30	RPI (m/m)	Aug	0.3	0.3	0.1
UK	09/13	04:30	RPI (y/y)	Aug	1.7	1.7	1.9

Forecasts at time of publication.  
 Source: Bloomberg, Scotiabank Economics.

## Key Indicators for the week of September 12 – 16

### EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
EC	09/13	05:00	Employment (q/q)	2Q	--	--	0.3
EC	09/13	05:00	ZEW Survey (Economic Sentiment)	Sep	--	--	4.6
GE	09/13	05:00	ZEW Survey (Current Situation)	Sep	--	56.0	57.6
GE	09/13	05:00	ZEW Survey (Economic Sentiment)	Sep	--	2.5	0.5
FR	09/14	02:45	CPI (m/m)	Aug F	--	0.3	0.3
FR	09/14	02:45	CPI (y/y)	Aug F	--	0.2	0.2
FR	09/14	02:45	CPI - EU Harmonized (m/m)	Aug F	--	0.3	0.4
FR	09/14	02:45	CPI - EU Harmonized (y/y)	Aug F	--	0.4	0.4
SW	09/14	03:30	GDP (y/y)	2Q F	--	--	3.1
IT	09/14	04:00	CPI - EU Harmonized (y/y)	Aug F	--	0.0	0.0
UK	09/14	04:30	Average Weekly Earnings (3-month, y/y)	Jul	1.9	2.2	2.4
UK	09/14	04:30	Employment Change (3M/3M, 000s)	Jul	180.0	180.0	172.0
UK	09/14	04:30	Jobless Claims Change (000s)	Aug	-10.0	0.0	-8.6
UK	09/14	04:30	ILO Unemployment Rate (%)	Jul	4.9	4.9	4.9
EC	09/14	05:00	Industrial Production (m/m)	Jul	--	-0.8	0.6
EC	09/14	05:00	Industrial Production (y/y)	Jul	--	-0.7	0.4
IR	09/14	06:00	Real GDP (q/q)	2Q	--	--	-2.1
SZ	09/15	03:30	<b>SNB 3-Month Libor Lower Target</b>	<b>Sep 15</b>	<b>-1.25</b>	--	<b>-1.25</b>
SZ	09/15	03:30	<b>SNB 3-Month Libor Upper Target</b>	<b>Sep 15</b>	<b>-0.25</b>	--	<b>-0.25</b>
UK	09/15	04:30	Retail Sales ex. Auto Fuel (m/m)	Aug	0.1	-0.4	1.5
UK	09/15	04:30	Retail Sales with Auto Fuel (m/m)	Aug	0.1	-0.1	1.4
EC	09/15	05:00	CPI (m/m)	Aug	--	0.1	0.1
EC	09/15	05:00	CPI (y/y)	Aug F	--	0.2	0.2
EC	09/15	05:00	Euro zone Core CPI Estimate (y/y)	Aug F	--	0.8	0.8
EC	09/15	05:00	Trade Balance (€ mn)	Jul	--	31.1	29.2
UK	09/15	07:00	<b>BoE Asset Purchase Target (£ bn)</b>	<b>Sep</b>	<b>435.0</b>	<b>435.0</b>	<b>435.0</b>
UK	09/15	07:00	<b>BoE Policy Announcement (%)</b>	<b>Sep 15</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>
EC	09/16	05:00	Labour Costs (y/y)	2Q	--	--	1.7
RU	09/16	06:30	<b>One-Week Auction Rate (%)</b>	<b>Sep 16</b>	--	<b>10.00</b>	<b>10.50</b>

### ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CH	SEPT 9-15		Aggregate Financing (CNY bn)	Aug	--	914.4	487.9
CH	SEPT 9-15		New Yuan Loans (bn)	Aug	--	750.0	463.6
JN	09/11	19:50	Machine Orders (m/m)	Jul	--	-4.5	8.3
JN	09/12	02:00	Machine Tool Orders (y/y)	Aug P	--	--	-19.7
IN	09/12	08:00	CPI (y/y)	Aug	5.7	5.2	6.1
SK	09/12	19:00	Unemployment Rate (%)	Aug	3.6	--	3.6
CH	09/12	22:00	Fixed Asset Investment YTD (y/y)	Aug	--	7.9	8.1
CH	09/12	22:00	Industrial Production (y/y)	Aug	5.9	6.2	6.0
CH	09/12	22:00	Retail Sales (y/y)	Aug	10.2	10.2	10.2
HK	09/13	04:30	Industrial Production (y/y)	2Q	--	--	-0.4
JN	09/14	00:30	Capacity Utilization (m/m)	Jul	--	--	1.5
JN	09/14	00:30	Industrial Production (y/y)	Jul F	-3.8	--	-3.8
IN	09/14	02:30	Monthly Wholesale Prices (y/y)	Aug	--	4.0	3.6
TH	09/14	03:30	<b>BoT Repo Rate (%)</b>	<b>Sep 14</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>
NZ	09/14	18:30	Business NZ PMI	Aug	--	--	55.8
NZ	09/14	18:45	GDP (y/y)	2Q	--	3.5	2.8

Forecasts at time of publication.  
 Source: Bloomberg, Scotiabank Economics.



## Key Indicators for the week of September 12 – 16

### ASIA-PACIFIC (continued from previous page)

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
AU	09/14	21:30	Employment (000s)	Aug	--	15.0	25.3
AU	09/14	21:30	New Motor Vehicle Sales (m/m)	Aug	--	--	-1.3
AU	09/14	21:30	Unemployment Rate (%)	Aug	5.7	5.7	5.7
ID	SEPT 14-15		Exports (y/y)	Aug	--	--	-17.0
ID	SEPT 14-15		Imports (y/y)	Aug	--	--	-11.6
ID	SEPT 14-15		Trade Balance (US\$ mn)	Aug	--	--	598.3
IN	SEPT 14-16		Exports (y/y)	Aug	--	--	-6.8
IN	SEPT 14-16		Imports (y/y)	Aug	--	--	-19.0
PH	SEPT 14-15		Overseas Remittances (y/y)	Jul	--	5.5	4.8
SI	09/15	01:00	Retail Sales (y/y)	Jul	--	--	0.9
NZ	09/15	18:00	ANZ Job Ads (m/m)	Aug	--	--	1.4
SI	09/15	20:30	Exports (y/y)	Aug	--	--	-10.6
NZ	09/15	21:00	ANZ Consumer Confidence Index	Sep	--	--	117.7

### LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
BZ	09/13	08:00	Retail Sales (m/m)	Jul	--	--	0.1
BZ	09/13	08:00	Retail Sales (y/y)	Jul	--	--	-5.3
BZ	09/14		Economic Activity Index SA (m/m)	Jul	--	--	0.2
BZ	09/14		Economic Activity Index NSA (y/y)	Jul	--	--	-3.1
CO	09/15	15:00	Retail Sales (y/y)	Jul	--	--	-0.7
CL	09/15	17:00	<b>Nominal Overnight Rate Target (%)</b>	<b>Sep 15</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>
PE	09/15		Economic Activity Index NSA (y/y)	Jul	4.3	--	3.6
PE	09/15		Unemployment Rate (%)	Aug	--	--	7.1
CO	09/16	15:00	Trade Balance (US\$ mn)	Jul	--	--	-810.1

## Global Auctions for the week of September 12 – 16

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	09/12	01:00	U.S. to Sell 3-Year Notes
US	09/12	01:00	U.S. to Sell 10-Year Notes Reopening
US	09/13	01:00	U.S. to Sell 30-Year Bonds Reopening
CA	09/14	12:00	Canada to Sell 30-Year Real Return Bonds

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	09/13	05:00	Italy to Sell Bonds
NE	09/13	05:00	Netherlands to Sell Up to EUR3 Bln 0% 2022 Bonds
NO	09/14	05:05	Norway to Sell Bonds
SZ	09/14	05:15	Switzerland to Sell Bonds on Sep. 14
GE	09/14	05:30	Germany to Sell EUR1 Bln 2.5% 2044 Bonds
UK	09/14	05:30	U.K. to Sell GBP800 Mln 0.125% I/L 2046 Bonds
FR	09/15	04:50	France to Sell Bonds
SW	09/15	05:03	Sweden to Sell I/L Bonds
FR	09/15	05:50	France to Sell I/L Bonds

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	09/12	21:00	Australia Plans to Sell I/L Bonds
CH	09/12	21:20	Ningbo to Sell General Bonds
CH	09/12	22:20	Ningbo to Sell Special Bonds
JN	09/12	23:45	Japan to Sell 20-Year Bonds
CH	09/13	22:35	China to Sell Bonds
NZ	09/14	10:05	New Zealand Plans to Sell NZD150 Mln 2.75% 2025 Bonds

### LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	09/13	11:00	Brazil to Sell I/L Bonds - 05/15/2021
BZ	09/13	11:00	Brazil to Sell I/L Bonds - 08/15/2026
BZ	09/13	11:00	Brazil to Sell I/L Bonds - 05/15/2035
BZ	09/13	11:00	Brazil to Sell I/L Bonds - 05/15/2055
BZ	09/15	11:00	Brazil to Sell LFT - 09/01/2022

Source: Bloomberg, Scotiabank Economics.

## Events for the week of September 12 – 16

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	09/12	08:05	Fed's Lockhart Speaks to Business Economists in Atlanta
US	09/12	13:00	Fed's Kashkari Speaks on Economy and TBTF
US	09/12	13:00	Fed's Brainard Speaks about Economic Outlook in Chicago
CA	SEPT 12-14		IMF's Lagarde and Suncor CEO speak in Toronto
CA	09/13	09:00	IMF's Lagarde Host the Annual Sylvia Ostry Lecture
CA	09/14	06:15	Bank of Canada's Wilkins Lecture in London UK

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	SEPT 9-10		EU Finance Chiefs, Central Bankers in Bratislava Sept. 9-10
EC	09/10	03:00	EU-28 Finance Chiefs, Central Bankers Meet in Bratislava
EC	09/10	06:30	EU-28 Finance Chiefs, Central Bankers Meet in Bratislava
IT	09/13	03:10	Padoan, Cannata, Nicasastro Speak at Euromoney Conference
IT	09/13	05:00	ECB's Draghi Receives "Alcide De Gasperi" Award in Trento
SW	09/13	07:30	Riksbank Deputy Governor Ohlsson Gives Speech
SW	09/13	08:30	Sweden's Riksbank Deputy Governor Skingsley Speaks
EC	09/13	14:00	ECB's Lautenschlager Speaks in Strasbourg, France
AS	SEPT 13-14		OeNB/BIS conference on central banking in Vienna
EC	09/14		EU's Juncker Delivers State of Union Speech at EU Parliament
SZ	09/15	03:30	<b>SNB 3-Month Libor Target Range</b>
SZ	09/15	03:30	<b>SNB Sight Deposit Interest Rate</b>
UK	09/15	07:00	<b>Bank of England Bank Rate</b>
SW	09/16	02:00	Riksbank's First Deputy Governor Af Jochnick Speaks
SW	09/16	03:00	Swedish Finance Minister in Parliament Q&A
RU	09/16	06:30	<b>Key Rate</b>
RU	09/16		Bank of Russia Governor Nabiullina Speaks After Rate Decision
RU	09/16		Bank of Russia Publishes Monetary-Policy Report
FR	09/16		France Sovereign Debt to Be Rated by Moody's
IR	09/16		Ireland Sovereign Debt to Be Rated by Moody's
RU	09/16		Russia Sovereign Debt to Be Rated by S&P
PO	09/16		Portugal Sovereign Debt to Be Rated by S&P
IT	09/16		Italy Sovereign Debt to Be Rated by DBRS
EC	09/16		EU Leaders Meet Without U.K. to Discuss Brexit in Bratislava

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	09/12	18:30	RBA's Kent Speech at Bloomberg Sydney
AU	09/14	02:45	RBA's Richards Speed on Gold Coast
TH	09/14	03:30	<b>BoT Benchmark Interest Rate</b>
AU	09/14	05:50	RBA's Debelle Speech in London

### LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CL	09/15	17:00	<b>Overnight Rate Target</b>
CO	09/16	14:00	Colombia Monetary Policy Minutes

Source: Bloomberg, Scotiabank Economics.

## Global Central Bank Watch

### NORTH AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Bank of Canada – Overnight Target Rate	0.50	October 19, 2016	0.50	0.50
Federal Reserve – Federal Funds Target Rate	0.50	September 21, 2016	0.50	0.50
Banco de México – Overnight Rate	4.25	September 29, 2016	4.25	--

**Bank of Canada:** The Bank of Canada will be in a holding pattern ahead of the October 19th meeting at which fresh forecasts will be presented. In the meantime, it is talking through growth upsides such as perhaps next week's manufacturing sales report. **Federal Reserve:** The Federal Reserve slips into communications black-out on Tuesday ahead of the September 21st policy decision. We forecast the Fed to hike rates at its December meeting and do not expect a hike to be teed up at the September meeting ahead of the next FOMC meeting on November 2nd that is less than a week away from the US election.

### EUROPE

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
European Central Bank – Refinancing Rate	0.00	October 20, 2016	0.00	--
Bank of England – Bank Rate	0.25	September 15, 2016	0.25	0.25
Swiss National Bank – Libor Target Rate	-0.75	September 15, 2016	-0.75	--
Central Bank of Russia – One-Week Auction Rate	10.50	September 16, 2016	10.00	10.00
Sweden Riksbank – Repo Rate	-0.50	October 27, 2016	-0.50	--
Norges Bank – Deposit Rate	0.50	September 22, 2016	0.50	--

We expect the **Bank of England** to leave policy unchanged on September 15th. See Feature Article by Alan Clarke in this report for further elaboration. The **Bank of Russia** is expected to ease policy by 50bps. The pressure to potentially ease policy is now off the SNB, Riksbank and other European central banks following the ECB's inaction.

### ASIA PACIFIC

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Bank of Japan – Policy Rate	-0.10	September 21, 2016	-0.15	--
Reserve Bank of Australia – Cash Target Rate	1.50	October 3, 2016	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	2.00	September 21, 2016	2.00	2.00
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.50	October 4, 2016	6.25	--
Bank of Korea – Bank Rate	1.25	October 13, 2016	1.25	1.25
Bank of Thailand – Repo Rate	1.50	September 14, 2016	1.50	1.50
Bank Indonesia – 7-Day Reverse Repo Rate	5.25	September 22, 2016	5.00	--

The **Bank of Thailand** (BoT) will hold a monetary policy meeting on September 14th. At the August meeting, the BoT confirmed the need to preserve monetary policy space on the back of an uncertain global economic backdrop. We expect the benchmark interest rate be kept at 1.50% over the coming quarters barring any unforeseen economic shocks. Thailand's inflation outlook remains muted; after returning to positive territory in April, the consumer price index recorded only a small 0.3% y/y gain in August.

### LATIN AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Banco Central do Brasil – Selic Rate	14.25	October 19, 2016	14.25	--
Banco Central de Chile – Overnight Rate	3.50	September 15, 2016	3.50	3.50
Banco de la República de Colombia – Lending Rate	7.75	September 30, 2016	7.75	--
Banco Central de Reserva del Perú – Reference Rate	4.25	October 13, 2016	4.25	--

**Banco Central de Chile:** No change in rates is expected this week. Please see The Global Week Ahead text for further elaboration.

### AFRICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
South African Reserve Bank – Repo Rate	7.00	September 22, 2016	7.00	--

Forecasts at time of publication.  
 Source: Bloomberg, Scotiabank Economics.

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