

ONE FOR THE BYRDS

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Chart of the Week

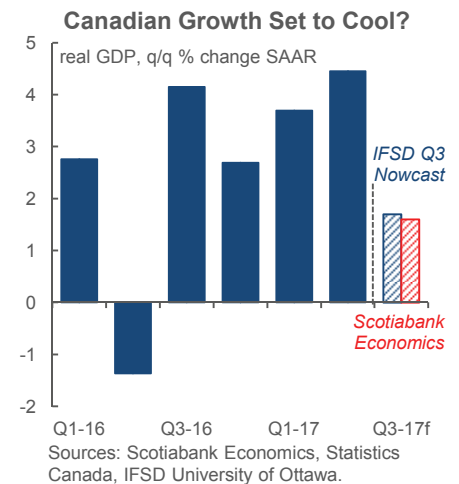


Chart of the Week: Prepared by: Raffi Ghazarian, Senior Research Analyst.

One For The Byrds

UNITED STATES—TAX REFORM RETURNS FRONT AND CENTER

With Congress returning from its Thanksgiving break, Senators will be all fired up for the challenge of crossing the finish line on tax reforms. The matter will dominate market action in the near term while Fed communications will be key and so will several data releases. So will tracking of Black Friday-Cyber Monday sales.

The first in a string of next steps in the pursuit of US tax reforms is for the Senate's version of the Tax Cuts and Jobs Act to pass a vote that may occur by late next week. Its passage is anything but assured at this stage. One GOP Senator—Lisa Murkowski—gave in and dropped concern about repealing the individual Obamacare mandate to purchase health insurance as part of the Senate's overall package, but plenty more current and prospective opponents still stand in the way and there may be others yet. Only two GOP votes can be lost in the Senate assuming all Democrats vote no. The Senate plan must ensure it stays under the \$1.5 million 10 year deficit addition constraint (the 'Byrd rule'), and there are large differences between the Senate and House plans across a full range of considerations.

Assuming that the Senate passes its bill (a big assumption), next steps then include:

Both bills go into Conference between the Senate Finance Committee and the House Committee to hash out a common plan.

- any agreed upon common plan then goes to fresh votes in the House and Senate with no possibility of further amendments. It will be a simple yea or nay vote.
- then it goes to the President's desk to be signed.

Other key complicating milestones along the way include the debt ceiling by mid-December and emergency measures that start one to two weeks in advance. Those emergency powers can result in Treasury postponing the point at which the debt ceiling becomes a binding constraint until about February, maybe March. The need for a spending bill also by mid-December to establish appropriations for 2018 is a more significant hurdle and a main reason why both chambers are rushing to try to get a tax reform plan passed given the logic of knowing the revenues before approving a spending plan.

In a grander sense, one could add one further key milestone assuming everything noted above is successful: will the US enjoy a durable permanent improvement in its tax competitiveness, or spark a renewed race to the bottom? As the proposed Federal statutory rate gets cut more in line with other countries (chart 1) and the METR rate likely becomes more competitive (chart 2), will other countries begin another round of tax cuts and broader reforms? In countries like Canada, I think equity markets are ignoring the prospect for such a move over time (chart 3).

Confirmation hearings for Fed Chair nominee Jerome Powell are scheduled to commence before the Senate Banking Committee on Tuesday. Outgoing Chair Yellen delivers her semi-annual Joint Economic Committee testimony before Congress on Wednesday and I would expect her to reaffirm messages delivered in her recent speech and the FOMC minutes ([here](#)). NY Fed President William Dudley—

Chart 1

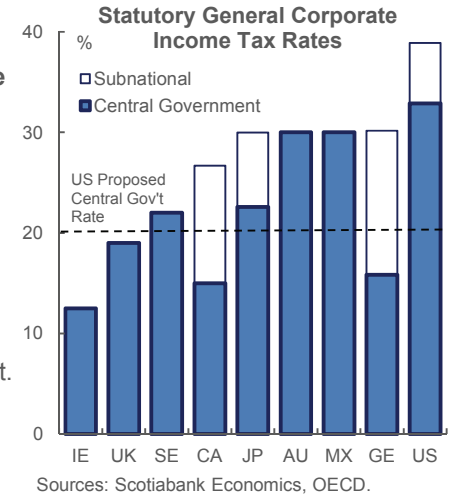


Chart 2

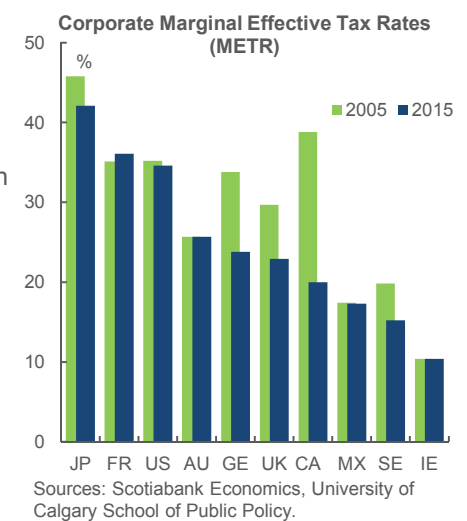
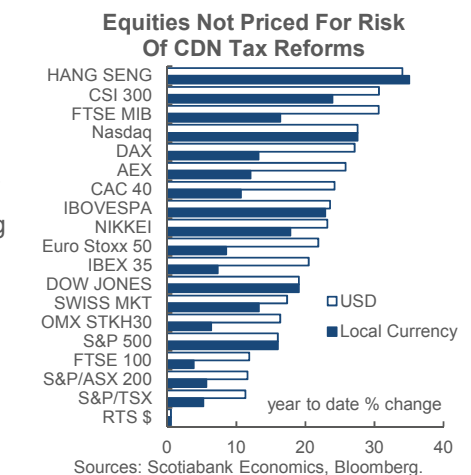


Chart 3



who retires in mid-2018—will speak twice, the first time being a recap of “10 year after the crisis) on Monday, the second time being to deliver remarks at a gathering on “The Evolving Structure of the U.S. Treasury Market” on Tuesday and then a third time the next day when he will be part of a moderated discussion on the economy. Philadelphia Fed President Harker speaks on demographics on Tuesday and then again on Friday, San Francisco Fed President Williams speaks on the economic outlook on Wednesday, Dallas Fed President Rob Kaplan speaks three times on Thursday into Friday and St. Louis Fed President Bullard speaks on Friday. The Fed also releases its Beige Book of regional economic conditions on Wednesday.

Data risk can be summed up as follows:

1. PCE inflation: Thursday brings out the Fed’s preferred inflation metric, the price deflator for total consumer expenditures. Will core PCE inflation post a second monthly gain as consensus anticipates and follow in the footsteps of a small rise in core CPI (chart 4)? The report also includes updates for consumer spending, incomes and the saving rate.

2. ISM manufacturing: This reading has trended much higher since the start of 2016 but it has suffered some short-lived setbacks along the way. Was the dip in September’s reading transitory and will the US join the recent upside in Eurozone PMIs? We’ll also find out the answer to this question on Friday.

3. Consumer confidence: The Conference Board’s measure hit its highest reading since December 2000 just this past October. Will November’s reading on Tuesday be durable in the face of uncertainty surrounding competing tax reform plans in the Senate and House?

Q3 GDP is expected to be revised a little stronger on Wednesday from the initial 3% print that itself followed the 3.1% rise in Q2. **New home sales** are bound to retreat on Monday, following September’s mammoth 19% m/m rise, while **pending home sales** (a leading indicator for completed resales) are expected to post renewed growth. Friday will not only bring out ISM, but also **construction spending and vehicle sales**.

The US Treasury auctions 2s, 5s and 7s over the coming week.

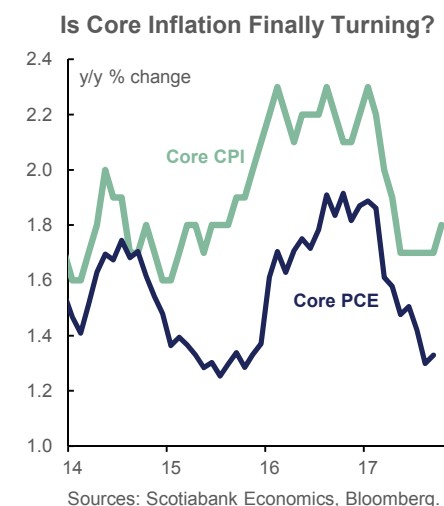
CANADA—PAYBACK

After a fairly quiet week marked solely by a disappointing retail sales report, next week ramps up the activity across all Canadian asset classes so the hope is that market participants rested up for an active week. **Implications for stocks, bonds and the currency may be derived from first-tier data risk, BoC communications and bank earnings.**

Banks release Q4 and full fiscal year earnings starting next week. BNS, my employer, kicks it all off on Tuesday. RBC follows on Wednesday, then CIBC and TD on Thursday and National on Friday. BMO and Laurentian wait until the following Tuesday to release and then Canadian Western Bank releases on December 7th.

On the same day that bank earnings start coming out, **the Bank of Canada will release its semi-annual Financial System Review on Tuesday** at 10:30amET and hosts a press conference at 11:30amET. I doubt that there will be directly relevant rate policy guidance offered. This report will take a closer look at “household vulnerabilities using loan-level mortgage data” and the development of Basel III. Recall that at the last press conference for the semi-annual Financial System Review on June 8th, Governor Poloz deflected a question on rate policy by saying he would not entertain that line of inquiry until the July MPR. Just days later, the speech by Senior Deputy Governor Wilkins was released, which reset the Bank of Canada’s rate bias in a much more hawkish manner that lit up the currency and put upward pressure upon short-term market rates. Such a speech would have been in the works and being vetted at the BoC for quite some time before its release and I would think begun well before the FSR press conference.

Chart 4



Macro data risk will be concentrated at the end of the week. That's when GDP growth for the month of September and the full third quarter will be released at the same time (8:30amET Friday) as the Labour Force Survey for November.

I expect little to no growth in September's GDP report (0.1% m/m) and modest growth for the full quarter (about 1½% q/q annualized). After the expenditure accounts registered 4½% growth in Q2 and the monthly income-based GDP accounts moved higher to currently 5% q/q tracking, a slow down to about the 1½% mark would itself be a minor miracle of sorts versus what was the risk of a pullback. If achieved, then such Q3 growth would cool the five quarter moving average growth rate to about 3.3% assuming no revisions. Tell me of another country on that kind of a growth tear, although cooler growth is likely to be registered over at least the full second half of 2017 in a brought-forward sense. As for the month of September itself, the evidence was mixed with downsides including a 0.6% m/m drop in retail sales volumes, 1.1% decline in wholesale volumes and a 2.8% drop in housing starts while upsides included a strong gain in hours worked of 0.6% m/m and a solid rise in manufacturing shipment volumes (+0.7%).

As for jobs, I can't recall offhand the last time Canada released its jobs report before the US released nonfarm payrolls and its household survey. That will indeed happen when only Canada updates the Labour Force Survey next Friday for the month of November. The usual advice is to go higher than consensus that typically underestimates job growth, but a strong 35k gain in October that was marked by a huge 89k surge in full-time jobs and a 53k drop in part-time jobs poses a fairly high hurdle to follow up with another strong report. **A key will be wage growth that has been accelerating sharply over recent months and at 2.4% y/y in October was about two full percentage points about the low set in April with recent gains being diversified across industries (chart 5).** Canada has grown 455,000 jobs since job growth accelerated after July 2016, 264,000 jobs since the start of this year, 715,000 jobs since mid-2014 when the commodity price decline began to unfold and 1.8 million jobs since the low point coming out of the 2009 recession. Talk about resilience.

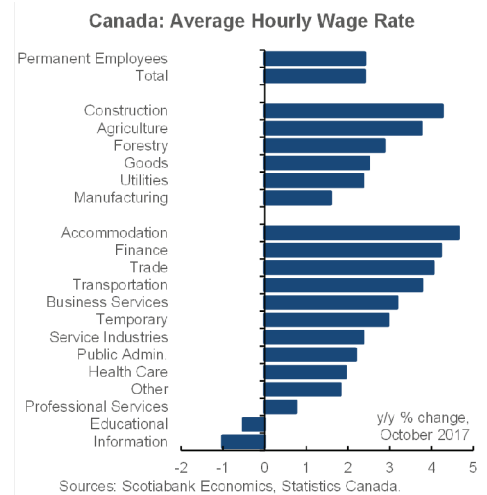
Canada auctions 30 year real return bonds on Wednesday.

EUROPE—EINS, ZWEI, DREI...VIER?

The success or failure of renewed coalition talks in Germany will probably dominate European market developments as Eurozone inflation figures and UK growth signals play a relatively back seat role.

The euro had a wild week largely because of German political risk and next week might continue the fun. Think about that for a moment. Germany. Not Italy, Spain or Greece. But Germany. Home to a presently three term (possibly fourth) Chancellor Merkel and the lynchpin of the Eurozone experiment for years now. Hence the concern about whether the country is at risk of succumbing to the same type of populism that reshaped the political drivers of policy debates in the US and UK. For the world's sake, I sincerely hope not. After weakening to start the week coming out of the collapse of four-way coalition talks between the CDU, CSU, FDP and Green parties last weekend, the euro went on to gain just over two cents versus the US Dollar once renewed hope crept back into coalition talks. Next week could maintain the bumpy path and there remains the possibility that doubts will linger for longer yet. Germany's Social Democrat Party has formally signalled openness to coalition talks with the Christian Democratic Union (CDU) to support a government led by German Chancellor Angela Merkel. The main objective is to maintain political stability against the rise of Die Linke (left) and AfD (right) and other populist elements by maintaining a coalition that has supported Merkel into potentially her fourth term. The Greens may have shut themselves out of greater influence ahead of their national convention this weekend that was to have focused upon coalition talks. At stake are a) whether a so-called 'grand' CDU-SPD coalition is in the works again, or something more informal, and b) whether the SDP may be setting itself up for its own leadership review of party leader Martin Schulz at the December 7–9 party congress given that he led the party into electoral disaster in September when it recorded the weakest support of the post-war era. That, in turn, might pose fresh political risks to any CDU-SPD coalition—howsoever 'grand'—that may be emerging. Talks on a coalition will be held next week and SPD leader Schulz has stated that any coalition agreement will have to be put to a member vote.

Chart 5



Eurozone CPI inflation may get a lift in the November print on Thursday. That said, **an expected acceleration in headline inflation matters less than what may happen to core CPI that pulled back from 1.2% y/y in August to 0.9% y/y in October after the ECB tapered bond purchases.** What happened to core CPI, in turn, may matter less than what happened to 'supercore' CPI inflation that won't arrive until all the details are available on December 18th. Another setback would increase the focus upon asking whether the ECB prematurely tapered bond purchases while the defence against this argument is that growth signals have picked up and with that may go future inflation. Germany and Spain release their CPI figures the day before the Eurozone add-up, while France and Italy release on the same day as the Eurozone figures.

Will the UK manufacturing sector post a further improvement when its purchasing managers' index is updated for November on Friday? We'll find out as global PMIs are mid-cycle in the current month's reporting season and with generally continued good news especially out of the Eurozone (chart 6).

French Q3 GDP revisions and consumer spending during October plus Spanish retail sales will round out the release schedule.

Oil got a lift this past week because reports surfaced that OPEC and Russia had agreed ahead of next Thursday's meeting of OPEC and some non-OPEC member countries to extend oil production cuts to the end of next year with negotiations still in progress. Whether this will be confirmed at the meeting will drive the energy market tone in the near-term, but the incremental information is relatively small here in my opinion. At stake is only a nine-month extension of the cuts, there is the repeated pattern of short-lived oil price rallies in the wake of such developments, and non-OPEC producers may crowd in such production cuts particularly US shale/non-shale and Canadian oil with Keystone getting the green light.

LATIN AMERICA—V-SHAPED?

The three main developments to watch in LatAm markets next week will include a) a nomination for Banxico Governor, b) Brazilian GDP growth and c) Peruvian inflation.

Mexican President Enrique Peña Nieto is expected to announce who will replace Agustin Carstens as Governor of the Bank of Mexico any time now. The President's own words were "I will surely send in the coming days, as it also should be, the proposal for whoever would be part of the governing board and among them, as mandated by law, the federal executive will select who will be the governor." Recall that Carstens has already delayed his planned move to head up the Bank for International Settlements that is often described as central bank to the central banks. Some of the candidates are thought to include Banxico board member Alejandro Diaz de Leon, deputy finance minister Miguel Messmacher and Petroleo Mexicanos (Pemex) CEO Jose Antonio Gonzalez.

Peru's CPI inflation rate has been tumbling of late and so Friday's update for November will be closely scrutinized. The inflation rate hit a cycle peak way back in January 2016 at 4.6% y/y, fell until flooding began to hit the economy earlier this year and then sank back to about 2% y/y in October which was the softest reading since July 2010. Banco Central de Reserva del Peru targets inflation of 1–3% and so we're hardly at panic stations by way of blowing the target, but the trend is what will help determine near-term risks to monetary policy. The central bank has been easing monetary policy by 100bps since May including a cut earlier this month. Some feel it may be done easing, but that depends in no small part upon the evolution of inflation figures.

Consensus expects Brazilian Q3 GDP growth to improve in year-ago terms to about 1½% y/y as the country digs itself out of recession. That would be the fastest growth in about three and a half years, as sad as that may sound. Having said that, **after going pear-shaped over recent years, a v-shaped Brazilian recovery is now expected to continue (chart 7).**

Chart 6

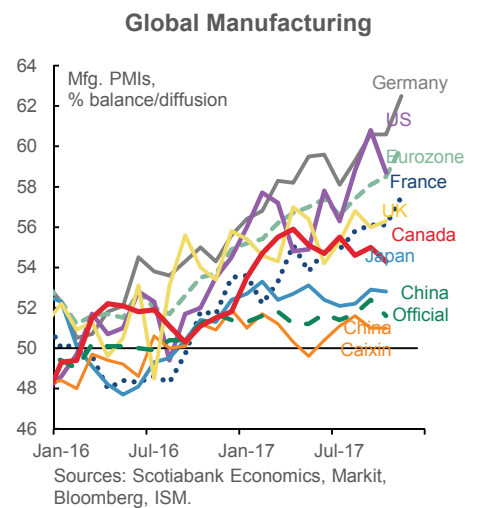


Chart 7



ASIA—WILL CHINA JOIN THE PARTY?

Asian market developments may be significantly driven by developments abroad and particularly the impact of the US tax reform debate, with most of the local market risk being data-driven and with one central bank expected to hike.

China updates the state’s purchasing managers’ indices for November on Wednesday night (eastern time) and then the private manufacturing PMI on Thursday night. After an upward trend, the state manufacturing PMI pulled back in November and a prior rebound in the services PMI fell back in upon itself. The private manufacturing PMI has been signalling modest growth. Thus, where China sits in the context of a global PMI surge that has been fairly long-lived in terms of the manufacturing sector and more recent in the services sector (chart 8) is unclear. Most of the global momentum, however, has been traced to the Eurozone, US and Canadian economies. **Does that make it just a matter of time before China joins the party and registers better PMIs given that its main export markets are shedding quickened growth signals?** The challenge in this regard lies in terms of efforts to cool leverage in the Chinese economy and with volatile recent implications for the domestic stock market. **On that note, China also updates industrial profit growth for October and it has been surging for over two years as a saviour to concerns about the health of the corporate sector (chart 9).**

A rate hike in South Korea? The last time that happened was in June 2011. Yet a still-divided consensus is on balance expecting a quarter point hike on Thursday night (eastern time). Stronger than expected growth of 3.6% y/y in Q3 was a contributing factor to a shift in the rate outlook. So was the first glimpse at internal divisions when one BoK member dissented last month in favour of a hike. Falling headline (1.8% y/y) and more importantly core inflation that slipped down to 1.3% y/y in October is why a fair contingent of forecasters remain skeptical, given the Bank of Korea targets inflation of 2%. The dip in core CPI is nevertheless thought to have been transitory, given expectations for a rebound in next Thursday evening’s November print.

India’s economy has been registering weakening growth ever since 2016Q1 when it topped out at 9.1% y/y. By Q2 of this year, growth had fallen back to 5.7% in no small part due to efforts to ‘de-monetize’ the economy in what many view as having been a dicey experiment at best. **Indian growth is expected to improve somewhat in the latest quarter which may signal that the worse of the de-monetization growth slide is behind the country which is the consensus belief (chart 10).**

Japan conducts its monthly data dump next week that will bring out fresh readings for retail sales (Tuesday night ET), industrial production and housing starts (Wednesday night), and then CPI, capital spending, vehicle sales and the jobless rate (Thursday night).

Sundry developments will include updates for Thai CPI, Australian new home sales, export figures from Thailand, South Korea and Hong Kong plus retail sales for the latter.

Chart 8

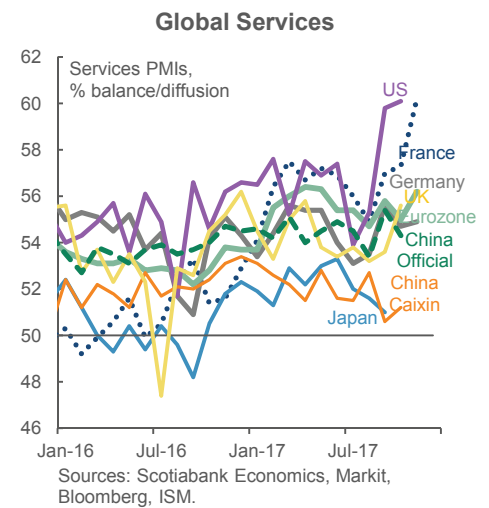


Chart 9

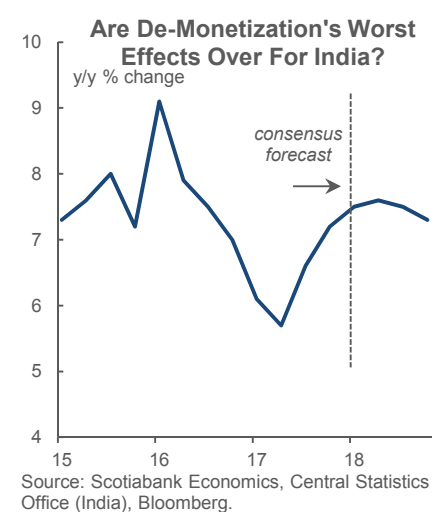
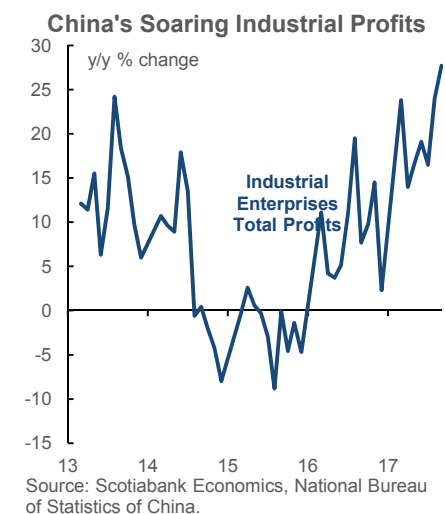


Chart 10



Key Indicators for the week of November 27 – December 1
NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	11/27	09:00	Trade Balance (US\$ mn)	Oct	--	--	-1886.4
US	11/27	10:00	New Home Sales (000s a.r.)	Oct	600.0	625.0	667.0
US	11/27	10:30	Dallas Fed. Manufacturing Activity	Nov	--	24.0	27.6
CA	11/28	08:30	IPPI (m/m)	Oct	--	--	-0.3
CA	11/28	08:30	Raw Materials Price Index (m/m)	Oct	--	--	-0.1
US	11/28	08:30	Wholesale Inventories (m/m)	Oct P	--	0.4	0.3
MX	11/28	09:00	Unemployment Rate (%)	Oct	--	--	3.6
US	11/28	09:00	S&P/Case-Shiller Home Price Index (m/m)	Sep	--	0.3	0.5
US	11/28	09:00	S&P/Case-Shiller Home Price Index (y/y)	Sep	--	6.0	5.9
US	11/28	10:00	Consumer Confidence Index	Nov	125.0	123.8	125.9
US	11/28	10:00	Richmond Fed Manufacturing Index	Nov	--	14.0	12.0
US	11/29	07:00	MBA Mortgage Applications (w/w)	NOV 24	--	--	0.1
US	11/29	08:30	GDP (q/q a.r.)	3Q S	3.1	3.2	3.0
US	11/29	08:30	GDP Deflator (q/q a.r.)	3Q S	--	2.2	2.2
US	11/29	10:00	Pending Home Sales (m/m)	Oct	1.0	1.2	0.0
CA	11/30	08:30	Current Account (C\$ bn a.r.)	3Q	--	-20.0	-16.3
US	11/30	08:30	PCE Deflator (m/m)	Oct	0.1	0.1	0.4
US	11/30	08:30	PCE Deflator (y/y)	Oct	1.5	1.5	1.6
US	11/30	08:30	PCE ex. Food & Energy (m/m)	Oct	0.2	0.2	0.1
US	11/30	08:30	PCE ex. Food & Energy (y/y)	Oct	1.4	1.4	1.3
US	11/30	08:30	Personal Spending (m/m)	Oct	0.2	0.3	1.0
US	11/30	08:30	Personal Income (m/m)	Oct	0.3	0.3	0.4
US	11/30	08:30	Initial Jobless Claims (000s)	NOV 24	240	240	239
US	11/30	08:30	Continuing Claims (000s)	NOV 17	1900	--	1904
US	11/30	09:45	Chicago PMI	Nov	--	62.3	66.2
CA	12/01	08:30	Employment (000s m/m)	Nov	20.0	10.0	35.3
CA	12/01	08:30	Real GDP (m/m)	Sep	0.1	0.2	-0.1
CA	12/01	08:30	Real GDP (q/q a.r.)	3Q	1.6	1.6	4.5
CA	12/01	08:30	Unemployment Rate (%)	Nov	6.2	6.3	6.3
US	12/01	10:00	Construction Spending (m/m)	Oct	0.3	0.5	0.3
US	12/01	10:00	ISM Manufacturing Index	Nov	59.0	58.3	58.7
US	12/01		Domestic Vehicle Sales (mn a.r.)	Nov	--	13.4	14.0
US	12/01		Total Vehicle Sales (mn a.r.)	Nov	17.5	17.5	18.0

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	NOV 27-DEC 3		Retail Sales (m/m)	Oct	--	0.3	0.5
SP	11/28	03:00	Real Retail Sales (y/y)	Oct	--	--	2.2
GE	11/28	07:00	GfK Consumer Confidence Survey	Dec	--	10.7	10.7
SP	11/28		Budget Balance YTD (€ mn)	Oct	--	--	-17028
UK	NOV 28-DEC 3		Nationwide House Prices (m/m)	Nov	0.2	0.2	0.2
FR	11/29	02:45	Consumer Spending (m/m)	Oct	--	-0.1	0.9
FR	11/29	02:45	GDP (q/q)	3Q P	--	0.5	0.5
SP	11/29	03:00	CPI (m/m)	Nov P	--	0.5	0.9
SP	11/29	03:00	CPI (y/y)	Nov P	--	1.7	1.6
SP	11/29	03:00	CPI - EU Harmonized (m/m)	Nov P	--	0.4	0.6
SP	11/29	03:00	CPI - EU Harmonized (y/y)	Nov P	--	1.9	1.7
SW	11/29	03:30	GDP (y/y)	3Q	--	3.5	3.1
UK	11/29	04:30	Net Consumer Credit (£ bn)	Oct	--	1.5	1.6
EC	11/29	05:00	Business Climate Indicator	Nov	--	1.5	1.4
EC	11/29	05:00	Economic Confidence	Nov	--	114.6	114.0
EC	11/29	05:00	Industrial Confidence	Nov	--	8.6	7.9
GE	11/29	08:00	CPI (m/m)	Nov P	--	0.3	0.0
GE	11/29	08:00	CPI (y/y)	Nov P	--	1.7	1.6
GE	11/29	08:00	CPI - EU Harmonized (m/m)	Nov P	--	0.2	-0.1
GE	11/29	08:00	CPI - EU Harmonized (y/y)	Nov P	--	1.7	1.5
UK	11/29	19:01	GfK Consumer Confidence Survey	Nov	-11.0	-11.0	0.0

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

Key Indicators for the week of November 27 – December 1
EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SZ	11/30	01:45	GDP (y/y)	3Q	--	0.8	0.3
FR	11/30	02:45	CPI (m/m)	Nov P	--	0.1	0.1
FR	11/30	02:45	CPI (y/y)	Nov P	--	1.2	1.1
FR	11/30	02:45	CPI - EU Harmonized (m/m)	Nov P	--	0.1	0.1
FR	11/30	02:45	CPI - EU Harmonized (y/y)	Nov P	--	1.2	1.2
FR	11/30	02:45	Producer Prices (m/m)	Oct	--	--	0.5
SP	11/30	03:00	Real GDP (q/q)	3Q F	--	0.8	0.8
GE	11/30	03:55	Unemployment (000s)	Nov	--	-10.0	-11.0
GE	11/30	03:55	Unemployment Rate (%)	Nov	--	5.6	5.6
PD	11/30	04:00	GDP (y/y)	3Q F	--	--	4.7
SP	11/30	04:00	Current Account (€ bn)	Sep	--	--	2.6
EC	11/30	05:00	Euro zone CPI Estimate (y/y)	Nov	--	1.6	1.4
EC	11/30	05:00	Euro zone Core CPI Estimate (y/y)	Nov A	--	1.0	0.9
EC	11/30	05:00	Unemployment Rate (%)	Oct	--	8.9	8.9
IT	11/30	05:00	CPI (m/m)	Nov P	--	0.0	-0.2
IT	11/30	05:00	CPI (y/y)	Nov P	--	1.1	1.0
IT	11/30	05:00	CPI - EU Harmonized (m/m)	Nov P	--	0.0	0.0
IT	11/30	05:00	CPI - EU Harmonized (y/y)	Nov P	--	1.2	1.1
PO	11/30	06:00	Real GDP (q/q)	3Q F	--	0.5	0.5
IT	12/01	03:45	Manufacturing PMI	Nov	--	58.4	57.8
IT	12/01	04:00	Real GDP (q/q)	3Q F	--	0.5	0.5
UK	12/01	04:30	Manufacturing PMI	Nov	56.0	56.5	56.3
IT	12/01		Budget Balance (€ bn)	Nov	--	--	-5.0
IT	12/01		Budget Balance YTD (€ bn)	Nov	--	--	-61.1

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
VN	NOV 24-30		CPI (y/y)	Nov	--	--	3.0
VN	NOV 24-30		Exports (y/y)	Nov	--	--	20.7
VN	NOV 24-30		Imports (y/y)	Nov	--	--	22.0
VN	NOV 24-30		Industrial Production (y/y)	Nov	--	--	17.0
CH	11/26	20:30	Industrial Profits YTD (y/y)	Oct	--	--	27.7
SK	NOV 26-30		Department Store Sales (y/y)	Oct	--	--	4.9
HK	11/27	03:30	Exports (y/y)	Oct	--	--	9.4
HK	11/27	03:30	Imports (y/y)	Oct	--	--	9.7
HK	11/27	03:30	Trade Balance (HKD bn)	Oct	--	-42.0	-44.7
SK	11/27	16:00	Business Survey- Manufacturing	Dec	--	--	84.0
SK	11/27	16:00	Business Survey- Non-Manufacturing	Dec	--	--	79.0
JN	11/28	18:50	Large Retailers' Sales (y/y)	Oct	--	-0.8	1.9
JN	11/28	18:50	Retail Trade (y/y)	Oct	--	0.0	2.3
PH	NOV 28-29		Bank Lending (y/y)	Oct	--	--	20.1
SK	11/29	18:00	Industrial Production (y/y)	Oct	--	3.2	8.4
SK	11/29	18:00	Cyclical Leading Index Change	Oct	--	--	-0.2
JN	11/29	18:50	Industrial Production (y/y)	Oct P	--	7.2	2.6
AU	11/29	19:00	HIA New Home Sales (m/m)	Oct	--	--	-6.1
AU	11/29	19:30	Building Approvals (m/m)	Oct	--	-1.0	1.5
AU	11/29	19:30	Private Capital Expenditure	3Q	--	1.0	0.8
AU	11/29	19:30	Private Sector Credit (y/y)	Oct	--	5.3	5.4
CH	11/29	20:00	Manufacturing PMI	Nov	51.5	51.5	51.6
CH	11/29	20:00	Non-manufacturing PMI	Nov	--	--	54.3
JN	11/29	23:00	Vehicle Production (y/y)	Oct	--	--	1.7
SK	NOV 29-30		BoK Base Rate (%)	Nov 30	1.50	1.50	1.25
JN	11/30	00:00	Housing Starts (y/y)	Oct	--	-2.8	-2.9
JN	11/30	00:00	Construction Orders (y/y)	Oct	--	--	-11.6
TH	11/30	02:30	Exports (y/y)	Oct	--	--	13.4
TH	11/30	02:30	Imports (y/y)	Oct	--	--	6.5
TH	11/30	02:30	Trade Balance (US\$ mn)	Oct	--	--	5400
TH	11/30	02:30	Current Account Balance (US\$ mn)	Oct	--	--	6287

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

Key Indicators for the week of November 27 – December 1

ASIA-PACIFIC (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
HK	11/30	03:30	Retail Sales - Volume (y/y)	Oct	--	--	5.5
IN	11/30	06:00	Fiscal Deficit (INR Crore)	Oct	--	--	-26107
IN	11/30	07:00	Real GDP (y/y)	3Q	6.6	6.5	5.7
NZ	11/30	11:00	QV House Prices (y/y)	Nov	--	--	3.9
NZ	11/30	16:45	Terms of Trade Index (q/q)	3Q	--	1.3	1.5
SK	11/30	18:00	CPI (y/y)	Nov	1.8	1.8	1.8
SK	11/30	18:00	Core CPI (y/y)	Nov	--	1.7	1.3
SK	11/30	18:00	GDP (y/y)	3Q F	3.6	3.6	3.6
JN	11/30	18:30	Household Spending (y/y)	Oct	--	-0.3	-0.3
JN	11/30	18:30	Jobless Rate (%)	Oct	2.8	2.8	2.8
JN	11/30	18:30	National CPI (y/y)	Oct	0.4	0.2	0.7
JN	11/30	18:30	Tokyo CPI (y/y)	Nov	--	-0.1	-0.2
JN	11/30	18:50	Capital Spending (y/y)	3Q	--	3.2	1.5
SK	11/30	19:00	Exports (y/y)	Nov	--	10.2	7.1
SK	11/30	19:00	Imports (y/y)	Nov	--	13.3	7.4
SK	11/30	19:00	Trade Balance (US\$ mn)	Nov	--	8000	7327
CH	11/30	20:45	HSBC Manufacturing PMI	Nov	50.9	51.0	51.0
TH	11/30	22:30	CPI (y/y)	Nov	0.9	1.0	0.9
TH	11/30	22:30	Core CPI (y/y)	Nov	--	0.6	0.6
JN	12/01	00:00	Vehicle Sales (y/y)	Nov	--	--	-4.7
TH	12/01	02:30	Business Sentiment Index	Nov	--	--	50.6
JN	NOV 30-DEC 7		Official Reserve Assets (US\$ bn)	Nov	--	--	1260.9

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CL	11/29	07:00	Industrial Production (y/y)	Oct	4.5	4.4	-1.4
CL	11/30	07:00	Unemployment Rate (%)	Oct	6.6	6.6	6.7
CO	11/30	10:00	Urban Unemployment Rate (%)	Oct	--	9.7	10.5
PE	12/01	00:00	Consumer Price Index (m/m)	Nov	0.2	--	-0.5
PE	12/01	00:00	Consumer Price Index (y/y)	Nov	1.9	--	2.0
BZ	12/01	06:00	GDP (IBGE) (q/q)	3Q	--	0.4	0.3
BZ	12/01	06:00	GDP (IBGE) (y/y)	3Q	--	1.5	0.3
CL	12/01	07:00	Retail Sales (y/y)	Oct	4.7	3.6	3.5
BZ	12/01	08:00	PMI Manufacturing Index	Nov	--	--	51.2
BZ	12/01		Trade Balance (FOB) - Monthly (US\$ mn)	Nov	--	4800	5201

Global Auctions for the week of November 27 – December 1

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	11/27	13:00	U.S. to Sell USD26 Bln 2-Year Notes
US	11/27	13:00	U.S. to Sell USD34 Bln 5-Year Notes
US	11/28	13:00	U.S. to Sell USD28 Bln 7-Year Notes
CA	11/29	12:00	Canada to Sell 30-Year Real Return Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	11/27	05:00	Italy to Sell Bonds
UK	11/28	05:30	U.K. to Sell GBP400 Mln 4% 2016 Bonds
IT	11/29	05:00	Italy to Sell Bonds
SW	11/29	05:03	Sweden to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	11/26	21:35	China to Sell CNY26.4 Bln 5-Yr Upsized Bonds
CH	11/26	22:00	China Plans to Sell 5-Year Upsized Government Bond
AU	11/27	19:00	Australia to Sell AUD150 Mln 0.75% 2027 Bonds
JN	11/27	22:45	Japan to Sell 40-Year Bonds
AU	11/28	19:00	Australia to Sell AUD900 Mln 2.75% 2018 Bonds
CH	11/29	01:00	Hunan to Sell Bonds
CH	11/29	02:00	Hunan to Sell Bonds
CH	11/29	20:30	Beijing to Sell Bonds
CH	11/29	21:30	Beijing to Sell Bonds
JN	11/29	22:45	Japan to Sell 2-Year Bonds
CH	11/30	01:00	Jilin to Sell Bonds
CH	11/30	02:00	Jilin to Sell Bonds
AU	11/30	19:00	Australia to Sell AUD1 Bln 2.25% 2022 Bonds
CH	11/30	20:30	Shaanxi to Sell Bonds

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	11/28	09:00	Brazil to Sell I/L Bonds - 08/15/2022
BZ	11/28	09:00	Brazil to Sell I/L Bonds - 08/15/2026
BZ	11/28	09:00	Brazil to Sell I/L Bonds - 05/15/2035
BZ	11/28	09:00	Brazil to Sell I/L Bonds - 05/15/2055
BZ	11/30	09:00	Brazil to Sell LFT - 09/01/2023

Events for the week of November 27 – December 1

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	11/27	19:00	Fed's Dudley Speaks on U.S. Economy: 10 Years After Crisis
US	11/28	09:45	Powell Testifies at Confirmation Hearing Before Senate Banking Committee
US	11/28	10:15	Fed's Harker Speaks on Financial Safety for Aging Population
CA	11/28	10:30	Bank of Canada Releases Financial System Review
CA	11/28	11:30	Bank of Canada Gov. Poloz, Sr. Dep. Gov Wilkins Press Conference
US	11/29	08:30	Fed's Dudley Speaks About U.S. Economy
US	11/29	10:00	Yellen Appears before Joint Economic Committee of Congress
US	11/29	12:45	Fed's Williams Speaks at Economic Forecast Luncheon in Phoenix
US	11/29	14:00	U.S. Federal Reserve Releases Beige Book
US	11/30	12:30	Fed's Quarles Speaks on Payments Systems in Cleveland
US	11/30	13:00	Fed's Kaplan Speaks in Dallas
US	12/01	09:05	Fed's Bullard Speaks in Little Rock, Arkansas
US	12/01	09:30	Fed's Kaplan Speaks in McAllen, Texas
US	12/01	10:15	Fed's Harker Speaks on Inclusive Economic Growth

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	11/27	13:30	BOE's Dave Ramsden Speaks in London
PO	11/29	04:10	Portugal's Centeno, Bank of Portugal's Ferreira at Bank Forum
GE	11/29	12:00	Bundesbank President Jens Weidmann Speaks in Essen
EC	11/30	03:00	ECB Executive Board member Yves Mersch speaks in Rome
SW	12/01	03:00	Riksbank's Floden Gives Speech
IR	12/01		Ireland Sovereign Debt to be rated by S&P
SW	12/01		Sweden Sovereign Debt to be rated by Moody's

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
NZ	11/28	15:00	RBNZ Publishes Financial Stability Report
NZ	11/28	19:00	RBNZ Governor at Parliament Select Committee
JN	11/29	02:00	BOJ Nakaso gives speech in Tokyo
JN	11/29	19:00	BOJ Iwata gives speech in Tokyo
JN	11/29	20:30	BOJ Harada gives speech in Fukushima
SK	NOV 29-30		BoK 7-Day Repo Rate

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	1.00	December 6, 2017	1.00	1.00
Federal Reserve – Federal Funds Target Rate	1.25	December 13, 2017	1.50	1.50
Banco de México – Overnight Rate	7.00	December 14, 2017	7.00	--

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	December 14, 2017	0.00	--
Bank of England – Bank Rate	0.50	December 14, 2017	0.50	0.50
Swiss National Bank – Libor Target Rate	-0.75	December 14, 2017	-0.75	--
Central Bank of Russia – One-Week Auction Rate	8.25	December 15, 2017	8.25	--
Sweden Riksbank – Repo Rate	-0.50	December 20, 2017	-0.50	--
Norges Bank – Deposit Rate	0.50	December 14, 2017	0.50	--
Central Bank of Turkey – Benchmark Repo Rate	8.00	December 14, 2017	8.00	--

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	December 21, 2017	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	December 4, 2017	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	February 7, 2018	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	December 6, 2017	6.00	6.00
Bank of Korea – Bank Rate	1.25	November 30, 2017	1.50	1.50
Bank of Thailand – Repo Rate	1.50	December 20, 2017	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	3.00	January 25, 2018	3.25	--
Bank Indonesia – 7-Day Reverse Repo Rate	4.25	December 14, 2017	4.25	--

We expect the Bank of Korea (BoK) to raise the Bank Rate by 25 basis points to 1.50% on November 30. Reflecting strong economic growth, the country's negative output gap has now fully closed, which will likely start feeding demand-driven inflationary pressures. While we expect inflation to remain slightly below the BoK's 2% y/y inflation target through the first quarter of 2018, price gains will likely start accelerating gradually thereafter.

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	7.50	December 6, 2017	7.50	--
Banco Central de Chile – Overnight Rate	2.50	December 14, 2017	2.50	--
Banco de la República de Colombia – Lending Rate	5.00	December 14, 2017	5.00	--
Banco Central de Reserva del Perú – Reference Rate	3.25	December 14, 2017	3.50	--

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	6.75	TBA	6.75	--

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