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### Next Week's Risk Dashboard

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### Chart of the Week

#### When Will The Trend Reverse?

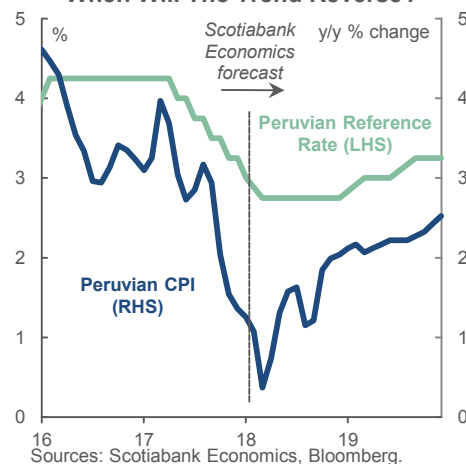


Chart of the Week: Prepared by: Sam Fraser,  
Research Analyst.

## In Like A Lion

As the calendar turns over to March, a packed calendar will advance market understanding of numerous key debates affecting the global outlook. Every single one of the major regions we cover will face elevated macro risk.

### CANADA — GDP, NAFTA, EARNINGS & A BUDGET!

How the Canadian economy closed out 2017, another round of NAFTA negotiations, earnings reports from the banks and the Federal Budget will be the dominant focal points in Canadian markets over the coming week.

Friday's growth prints will probably show that the economy put in a soft performance in December and an ok one for Q4 overall. After growing at a torrid pace of 3.6% q/q on average over the four quarters until 2017Q2, reality set in with growth over 2018–19 probably averaging barely above the BoC's estimate of the non-inflationary speed limit which is 1.6%. Growth of 1.7% in Q3 was probably followed up by a similar or slightly stronger performance in Q4, averaging just shy of 2% over 2017H2. Regardless, after prior momentum, to be getting any growth, much less moderate growth is an achievement in itself (chart 1).

As for the month of December, mixed drivers probably net out to minimal growth if any. Housing starts fell 13.7% m/m. Manufacturing shipment volumes slipped by 0.1% m/m. Retail sales volumes fell 0.8% and I think that was mostly on brought-forward and weather arguments ([here](#)). Wholesale trade volumes fell by 0.9% m/m. Hours worked, however, were up 1.2% m/m. Since GDP equals hours worked times labour productivity, a strong gain in hours worked would portend a solid GDP gain as long as productivity didn't soften; the catch is that weakness in other activity readings suggests productivity probably did soften unless there was a strong increase in sectors outside of the more readily observable ones.

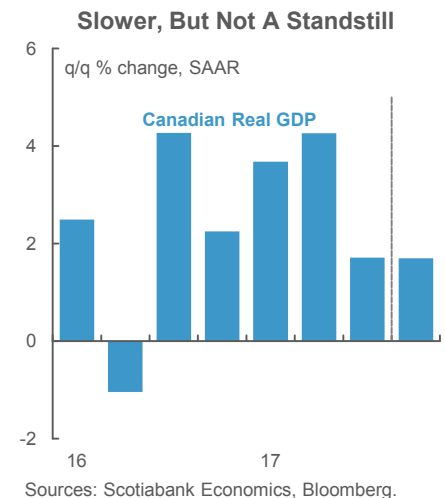
In terms of what it all means to the BoC, moderate growth probably matters less at the margin to the BoC's data dependency than continued traction on the average of the three central tendency inflation measures. **That average stalled out in January and therefore does not pose additional pressure on the BoC to hike in the near-term versus focusing upon recent downsides in several growth indicators and factors like NAFTA negotiations.** In any event, the pass-through effects of higher minimum wages explained the slightly stronger-than-expected recent CPI inflation report ([here](#) for more).

**Earnings will be another focal point.** 42 TSX firms release with a focus on the banks that make up about ¼ of the TSX stock index. Fiscal Q1 earnings for the quarter ending January 31<sup>st</sup> will come from BNS and BMO on Tuesday, National Bank and Laurentian Bank on Wednesday, TD Bank on Thursday and Canadian Western Bank on Friday. Scotia's Sumit Malhotra will be covering the banks from an equity perspective.

**The seventh round of NAFTA negotiations commences this weekend and will extend through to March 5<sup>th</sup> for a slightly longer period than originally planned.** Little progress has been made of late and expectations are set low going into this round. One of the key focal points next week is expected to be auto content rules with the US still demanding higher US-sourced content in NAFTA production and Canada rebuffing the demands. Some feel that the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) may put further pressure on Canada which is a potential signatory as soon as next month while the US is not. That's because the CPTPP diverts a modest amount of import content toward CPTPP countries away from the US.

**At the close of markets on Tuesday, Federal Finance Minister Morneau will stand in the House of Commons to deliver his Budget speech and the veil will be lifted over the newswires.** On balance, we're not expecting major initiatives of consequence to the broad economic and market outlook this time. The massive increase to child benefit payments that occurred from July 2016 onward is the gift that keeps on giving to parents of younger children who fall under the income thresholds and so further stimulus to the household sector is unlikely. There isn't an obvious need to add spending or corporate stimulus and it's improbable that the

Chart 1



Feds have much appetite for responding to US tax reforms at least at this juncture. With an election looming next year, the more likely outcome is to expect some powder to be kept dry now in order to respond as desired either this October in the Fall update, or about a year from now in the next full Budget. This Budget is more likely to be about a limited focus placed upon social policy goals with some focus upon innovation.

Canada auctions 2s on Wednesday.

## UNITED STATES — WHAT DOES JAY THINK?

Markets may well get a jolt of additional information on the outlook for US interest rates over the coming week. A combination of top-shelf data risk and Jerome (Jay) Powell's first testimony in the hot seat could materially inform the debate over the pace of rate hikes this year and beyond.

**Chair Powell testifies to the House Financial Services Committee next Wednesday** at 10amET in a session titled "Monetary Policy and the State of the Economy" during which he will deliver the pre-released semi-annual Monetary Policy Report ([here](#)) to Congress. **Powell's prepared remarks will be released beforehand at 8:30amET** and it will be that set of comments and the grilling that may be of most importance. Indeed, markets will be keenly watching Powell's performance from a confidence standpoint given he is a seasoned veteran but not an economist who is following in Yellen's footsteps. At issue is whether the new Fed chair wishes to signal risk of greater policy tightening than conveyed in the December dot plot. The minutes to the January 30<sup>th</sup>–31<sup>st</sup> FOMC meeting reinforced the greater optimism that shone through the January 31<sup>st</sup> statement but held back in terms of adding material colour regarding how "gradual" the future "gradual increases" in interest rates may be. Since the January FOMC meeting, material new information has arrived including faster wage growth, stronger CPI inflation (with caveats cited below), solid Q1 GDP growth tracking and the two-year spending and funding agreement. Powell would have cause for indicating a faster pace of monetary tightening but a) may wish to evaluate more evidence, and/or b) may wish to defer the consensus dialogue to the March 21<sup>st</sup> FOMC meeting.

High data risk will include the following in rough probable order of significance.

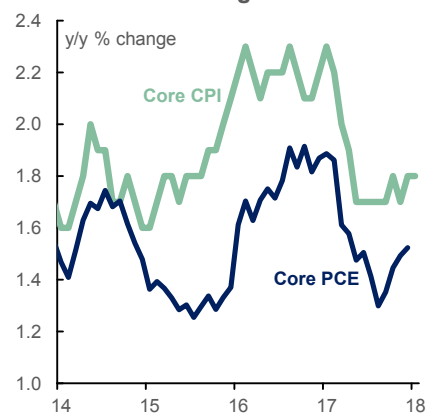
**1. PCE inflation (Thursday):** Are the Fed's preferred inflation gauge and CPI trending upward in synchronous fashion (chart 2)? Well, yes, they appear to be, but more importantly will the Fed's preferred gauge start to catch up to the 2% target at a quickened pace? Thursday's update for January (a day after Powell) may be the week's showstopper in this regard at least in terms of data risk. The core PCE inflation trend is likely upward this year in no small part due to the lifting of transitory factors including prior dollar strength until early 2017. Within the same batch of figures we'll get consumption for January that will need a solid rise in services spending to stay in the black given that we already know that retail sales fell a little—largely thanks to weaker auto sales. I still think the January numbers for both retail sales and CPI were weather affected in this regard ([here](#)) and that may be the risk in the PCE inflation and spending figures. Thursday's vehicle sales during February and the Conference Board's consumer confidence update on Tuesday could help to inform this bias.

**2. Core durables goods orders (Tuesday):** Durable goods orders excluding defense and air are expected to rebound in the January update following the 0.6% m/m drop in December that was the first decline in six months. If so, that would keep the trend positive for business investment. Mind you, the peak rates of growth in shipments of core capital goods occurred over the stretch from July through October. At issue is whether rising capacity constraints and tax reforms may juice investment this year, or whether improved cash flow gets deployed in other ways that are less constructive to the investment cycle, like dividend pay-outs, bonuses and buybacks.

**3. ISM manufacturing (Thursday):** This gauge of manufacturing sector momentum topped out in September and has mildly weakened since. Will mild gains be restored in February's reading? The highly correlated Philly Fed business diffusion index increased in February while the other highly correlated regional gauge lands on Tuesday from the Richmond Fed.

Chart 2

### Fed's Preferred Core Inflation Measure Is Rising More Than CPI



Sources: Scotiabank Economics, Bloomberg.

**4. Q4 GDP revision (Wednesday):** The second swing at growth estimates faces little revision risk with the chance of a slightly weaker estimate than the original 2.6% estimate. The third round on March 28<sup>th</sup> is the one that incorporates more information when a more complete assessment of services spending is factored in.

**5. Housing:** Because they are more timely assessments of buying conditions than completed resales, I'd watch new home sales (Monday) and pending home resales (Wednesday) both for the month of January to see some early potential evidence on how housing demand is holding up to rate pressures and less generous mortgage interest deductions that rang in the new year. Mind you, evaluating this effect may take some time over coming months and new home sales could benefit from a soft December when they fell by 9.3% m/m.

Other updates will include repeat-sales home prices for December (Tuesday), the Chicago Fed's PMI (Wednesday) and construction spending during January (Thursday).

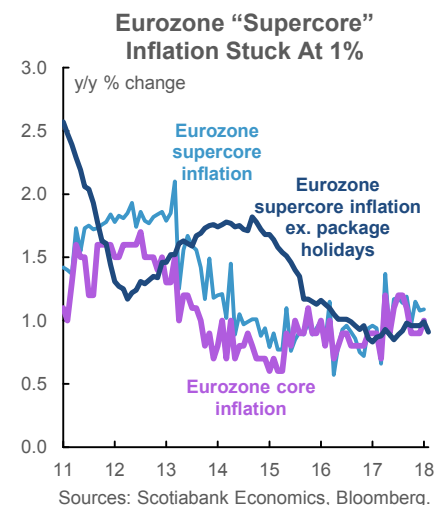
## EUROPE — PATIENCE

Another month, another Eurozone inflation report. This will be the main event in European markets with potential implications to global markets. UK growth signals will also be scrutinized.

The Eurozone CPI add-up arrives Wednesday for the month of February along with the estimates for France and Italy and preceded the day before by Germany and Spain.

**The main issue remains whether core inflation continues to exhibit little to no traction** whether using core CPI or alternative 'supercore' CPI inflation gauges that remove volatile items like packaged holiday prices that may become a distortion again soon with the approaching Easter holiday. All of these measures remain stuck at about 1% y/y and hence at about half of the ECB's under-2% price stability goal (chart 3). It's unclear to what extent progress may be registered in these readings as the year wears on. Slack is diminishing as evidenced by an 84% capacity utilization rate across the Eurozone and a mildly negative output gap that signals net excess supply. Labour market slack remains a constraint to wage growth with the unemployment rate at 8.7% across the Eurozone and depressed labour force participation rates for males as an offset to elevated labour force participation by females. GDP growth is exceeding the noninflationary speed limit, but against survey-driven evidence it has not been accelerating over late 2017 into early 2018. And euro strength that has the currency up sharply versus the USD in particular but also versus CAD, the A\$, yen and to a lesser extent pound sterling poses uncertain but likely downside risks to both growth and inflation with lagging effects. Hence why the message in the recent ECB meeting minutes was one of patience and hesitance toward acting prematurely to outline policy exit plans.

Chart 3



**Growth evidence has not been evolving in the UK economy's favour of late.** Survey-based growth signals have been waning, retail sales volumes have been weak and GDP growth was just revised a touch lower for Q4. All of that takes some of the shine off sentiment that had been building into year-end. Markets will clearly be sensitive to any further disappointments and so next Thursday's purchasing managers' index for the manufacturing sector and the next day's construction sector PMI will be closely watched given they have been softening over recent months and in the process unwinding improvements that were registered late last year. Deteriorating growth signals may not be incompatible with the fact that the initial post-Brexit depreciation in pound sterling has been largely reversed now and so earlier growth may have only benefited from a temporary currency assist.

**UK markets will also have a keen eye on Prime Minister Theresa May's speech on her Brexit strategy next Friday.**

Other macro risks include German retail sales, French consumer spending, French Q4 GDP revisions, German consumer confidence and German unemployment. They will, however, be overshadowed by the inflation figures. Also note that Bundesbank President Jens Weidmann (hawk and a candidate to be ECB President when Draghi's term is up in October 2019) speaks on Tuesday.

## LATIN AMERICA — THREE TURNING POINTS

There will be three main things worth pondering across Latin American markets over the coming week.

**Brazil's Q4 GDP growth lands on Thursday.** In year-ago terms, growth could hit a four-year high not terribly shy of 3% as the economy goes somewhat v-shaped (chart 4). Note, however, the use of a lowercase 'v' in that the rebound is off of rather distressing depths and proceeding at a moderate pace. An expected rebound in quarter-ago growth should assist year-ago base effects coming out of recession to achieve this improved growth momentum.

Next up is Peru's CPI print for February on Thursday. **Peru has not seen this little inflation since almost eight years ago** in the early days of the long grinding recovery in the world economy following the Global Financial Crisis (chart 5). At 1.25% y/y, inflation is barely noticeable albeit with large differences across the component drivers. Food prices (+0.2% y/y) have been a drag on headline inflation in year-ago terms as the base effects of last year's flooding effects on food price inflation shake out. Some categories are firmer, however, including housing (+3.3% y/y) and education (3.7% y/y) while clothing (1.5%) and transportation (-0.1%) prices are fairly tame. The central bank is looking through much of a transitory soft patch in inflation and expects inflation to rise to 2% (the mid-point of its 1–3% target range) in 2018 and so it likely has at best one more cut in store for this year, if any.

**Banxico releases its quarterly Inflation Report on Wednesday.** It has been a long time since inflation showed signs of cresting as convincingly as the January print did. At 5.55% y/y, inflation eased off the 6.8% y/y peak set just the month before which had been the highest inflation reading since 2001 (chart 6). Banxico hiked again on February 8<sup>th</sup>—the same day as the softer inflation print—but our house view thinks a prolonged pause lasting until later this year is in order.

Other data updates will be focused upon Mexico, Chile and Brazil. Mexico updates retail sales for December (Monday), trade for January (Tuesday), the unemployment rate for January (Tuesday) and the February edition of the purchasing managers' index for the manufacturing sector on Thursday. Chile offers January updates for industrial production (Wednesday), the unemployment rate (Wednesday) and retail sales (Friday). Brazil updates exports for February late in the week.

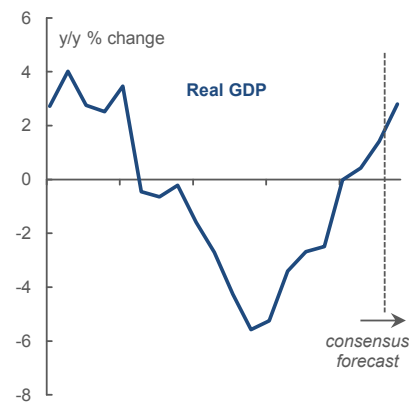
## ASIA — SEASONAL DOGS

One and possibly two considerations of relevance to global markets and a few local market influences could emanate from the set of Asian calendar risks over the coming week.

**At the top of the heap is a set of purchasing managers indices out of China that will further inform that economy's growth risks.** The state's manufacturing and non-manufacturing PMIs arrive Tuesday evening (eastern time) and the private manufacturing PMI arrives the following night. The main risk sensitivity here involves the shifting timing of the annual Lunar New Year holiday and whether or not seasonal adjustments will adequately control for the effect on production. These are February prints and therefore they capture the shutdown effect across the economy as the week long festivities to kick off the year of the woof unfold. That shutdown moves around across weeks and between

Chart 4

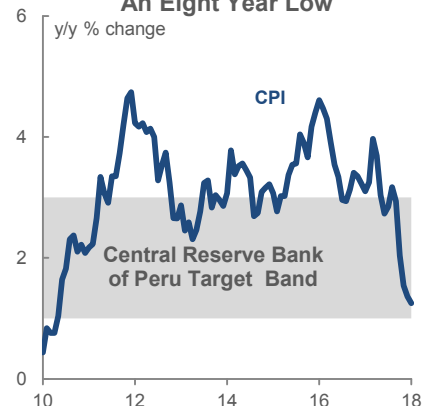
### Brazil's Economy Is Going v-Shaped



Source: Scotiabank Economics, IBGE, Bloomberg.

Chart 5

### Peru's Inflation At An Eight Year Low



Source: Scotiabank Economics, Instituto Nacional de Estadística e Informática, Haver Analytics.

Chart 6

### Mexican Inflation Turns Lower



Sources: Scotiabank Economics, Bloomberg.

January or February each year. I'd play this round of estimates cautiously but with mindfulness toward looking at the smoothed readings over the first few months of the year in order to shake out the distortions.

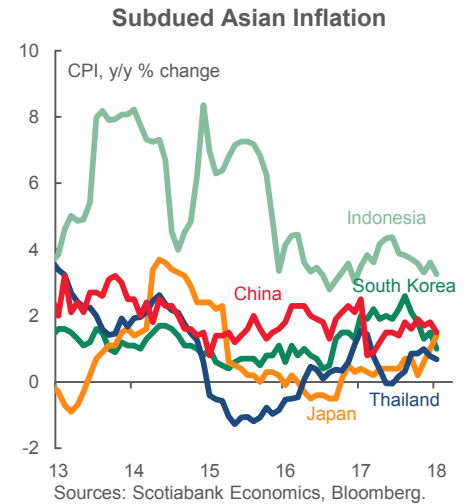
**Japan's monthly data dump is unkind to economists but rarely shocks markets.** The updates start with retail sales, industrial output and housing starts on Tuesday. Cap-ex spending arrives Wednesday night, and then each of vehicle sales, the jobless rate and household spending land on Thursday. Tokyo's CPI reading on Thursday is a fresher print for February after we just received the national CPI update for January that showcased little to no progress toward the BoJ's inflation target in terms of core readings.

**Then the regional focus turns to Q4 GDP updates from India (Wednesday) and Hong Kong (Tuesday).** India's economy is expected to accelerate again toward just shy of 7% y/y and more convincingly demonstrate upward momentum for the second consecutive quarter. Hong Kong's economy is expected to post year-ago growth going the other direction albeit as base effects get reset to the acceleration that was occurring early last year.

**The Bank of Korea is expected to celebrate the end of the Pyeongyang Olympics by keeping monetary conditions accommodative and its policy rate unchanged at 1.5% on Tuesday.** After hiking on November 30<sup>th</sup>, the central bank has since shifted to the sidelines and is widely expected to hike again in Q2 with subsequent tightening proceeding at a very gradual pace. At 1.1% y/y, core CPI isn't screaming out a need to hike within the context of the 2% inflation target and the Bank of Korea expects headline CPI to rise by 1.7% this year. This will be the last meeting to be chaired by Governor Lee Juy-yeol as his term comes to an end and markets await President Moon Jae-in's appointment of his successor before determining risks to the BoK's policy bias.

**Last, both Indonesia (Wednesday) and Thailand (Thursday) should showcase subdued inflation pressures emanating from Asian economies.** Thailand's inflation has been running at just 0.7% y/y into the new year and Indonesia's rate of 3 ¼% y/y is toward the lower end of the 3–5% target range. See chart 7 to compare trends in inflation readings.

Chart 7



## Key Indicators for the week of February 26 – March 2

### NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	02/26	09:00	Retail Sales (INEGI) (y/y)	Dec	--	--	-1.5
US	02/26	10:00	New Home Sales (000s a.r.)	Jan	640.0	650.0	625.0
US	02/26	10:30	Dallas Fed. Manufacturing Activity	Feb	--	30.0	33.4
US	02/27	08:30	Durable Goods Orders (m/m)	Jan P	-2.0	-2.3	2.8
US	02/27	08:30	Durable Goods Orders ex. Trans. (m/m)	Jan P	0.4	0.5	0.7
US	02/27	08:30	Wholesale Inventories (m/m)	Jan P	--	--	0.4
MX	02/27	09:00	Trade Balance (US\$ mn)	Jan	--	--	-157.0
MX	02/27	09:00	Unemployment Rate (%)	Jan	3.9	--	3.1
US	02/27	09:00	S&P/Case-Shiller Home Price Index (m/m)	Dec	--	0.6	0.8
US	02/27	09:00	S&P/Case-Shiller Home Price Index (y/y)	Dec	--	6.3	6.4
US	02/27	10:00	Consumer Confidence Index	Feb	125.5	126.0	125.4
US	02/27	10:00	Richmond Fed Manufacturing Index	Feb	--	15.0	14.0
US	02/28	07:00	MBA Mortgage Applications (w/w)	FEB 23	--	--	-6.6
CA	02/28	08:30	IPPI (m/m)	Jan	--	--	-0.1
CA	02/28	08:30	Raw Materials Price Index (m/m)	Jan	--	--	-0.9
US	02/28	08:30	GDP (q/q a.r.)	4Q S	2.5	2.5	2.6
US	02/28	08:30	GDP Deflator (q/q a.r.)	4Q S	--	2.4	2.4
US	02/28	09:45	Chicago PMI	Feb	--	65.0	65.7
US	02/28	10:00	Pending Home Sales (m/m)	Jan	--	0.4	0.5
CA	03/01	08:30	Current Account (C\$ bn a.r.)	4Q	--	--	-19.3
US	03/01	08:30	Initial Jobless Claims (000s)	FEB 24	225	226	222
US	03/01	08:30	Continuing Claims (000s)	FEB 17	1875	--	1875
US	03/01	08:30	PCE Deflator (m/m)	Jan	0.3	0.4	0.1
US	03/01	08:30	PCE Deflator (y/y)	Jan	1.7	1.7	1.7
US	03/01	08:30	PCE ex. Food & Energy (m/m)	Jan	0.3	0.3	0.2
US	03/01	08:30	PCE ex. Food & Energy (y/y)	Jan	1.6	1.5	1.5
US	03/01	08:30	Personal Spending (m/m)	Jan	0.2	0.2	0.4
US	03/01	08:30	Personal Income (m/m)	Jan	0.3	0.3	0.4
US	03/01	10:00	Construction Spending (m/m)	Jan	0.1	0.2	0.7
US	03/01	10:00	ISM Manufacturing Index	Feb	59.0	58.9	59.1
US	03/01		Domestic Vehicle Sales (mn a.r.)	Feb	--	13.3	13.1
US	03/01		Total Vehicle Sales (mn a.r.)	Feb	17.3	17.2	17.1
CA	03/02	08:30	Real GDP (m/m)	Dec	0.1	0.1	0.4
CA	03/02	08:30	Real GDP (q/q a.r.)	4Q	2.0	2.1	1.7
US	03/02	10:00	U. of Michigan Consumer Sentiment	Feb F	--	99.0	99.9

### EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SP	02/27	03:00	CPI (m/m)	Feb P	--	-0.1	-1.1
SP	02/27	03:00	CPI (y/y)	Feb P	--	0.8	0.6
SP	02/27	03:00	CPI - EU Harmonized (m/m)	Feb P	--	-0.2	-1.5
SP	02/27	03:00	CPI - EU Harmonized (y/y)	Feb P	--	0.9	0.7
EC	02/27	05:00	Business Climate Indicator	Feb	--	1.5	1.5
EC	02/27	05:00	Economic Confidence	Feb	--	114.0	114.7
EC	02/27	05:00	Industrial Confidence	Feb	--	8.0	8.8
GE	02/27	08:00	CPI (m/m)	Feb P	--	0.5	-0.7
GE	02/27	08:00	CPI (y/y)	Feb P	--	1.5	1.6
GE	02/27	08:00	CPI - EU Harmonized (m/m)	Feb P	--	0.6	-1.0
GE	02/27	08:00	CPI - EU Harmonized (y/y)	Feb P	--	1.3	1.4
UK	02/27	19:01	GfK Consumer Confidence Survey	Feb	--	-10.0	-9.0

## Key Indicators for the week of February 26 – March 2

### EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	02/28	02:00	GfK Consumer Confidence Survey	Mar	--	10.9	11.0
FR	02/28	02:45	Consumer Spending (m/m)	Jan	--	0.4	-1.2
FR	02/28	02:45	GDP (q/q)	4Q P	--	0.6	0.6
FR	02/28	02:45	Producer Prices (m/m)	Jan	--	--	0.0
SW	02/28	03:30	GDP (y/y)	4Q	--	3.4	2.9
GE	02/28	03:55	Unemployment (000s)	Feb	--	-15.0	-24.0
GE	02/28	03:55	Unemployment Rate (%)	Feb	--	5.4	5.4
PD	02/28	04:00	GDP (y/y)	4Q F	--	5.1	0.0
SP	02/28	04:00	Current Account (€ bn)	Dec	--	--	3.0
EC	02/28	05:00	Euro zone CPI Estimate (y/y)	Feb	--	1.2	1.3
IT	02/28	05:00	CPI (m/m)	Feb P	--	0.2	0.3
IT	02/28	05:00	CPI (y/y)	Feb P	--	0.7	0.9
IT	02/28	05:00	CPI - EU Harmonized (m/m)	Feb P	--	-0.1	-1.5
PO	02/28	06:00	Real GDP (q/q)	4Q F	--	--	0.7
UK	FEB 28-MAR 3		Nationwide House Prices (m/m)	Feb	--	0.2	0.6
SZ	03/01	01:45	GDP (y/y)	4Q	--	1.7	1.2
SP	03/01	03:00	Real GDP (q/q)	4Q F	--	0.7	0.7
IT	03/01	03:45	Manufacturing PMI	Feb	--	58.0	59.0
IT	03/01	04:00	Unemployment Rate (%)	4Q	--	10.9	11.2
UK	03/01	04:30	Manufacturing PMI	Feb	--	55.0	55.3
UK	03/01	04:30	Net Consumer Credit (£ bn)	Jan	--	1.4	1.5
EC	03/01	05:00	Unemployment Rate (%)	Jan	--	8.6	8.7
IT	03/01		Budget Balance (€ bn)	Feb	--	--	0.5
IT	03/01		Budget Balance YTD (€ bn)	Feb	--	--	0.5
GE	03/02	02:00	Retail Sales (m/m)	Jan	--	0.7	-1.3
IT	03/02	04:00	Real GDP (q/q)	4Q F	--	0.3	0.3
UK	03/02	04:30	PMI Construction	Feb	--	50.5	50.2
EC	03/02	05:00	PPI (m/m)	Jan	--	0.4	0.2

### ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
VN	FEB 25-28		CPI (y/y)	Feb	--	--	2.7
VN	FEB 25-28		Exports (y/y)	Feb	--	--	33.1
VN	FEB 25-28		Imports (y/y)	Feb	--	--	47.4
VN	FEB 25-28		Industrial Production (y/y)	Feb	--	--	20.9
PH	FEB 25-MAR 2		Budget Deficit/Surplus (PHP bn)	Dec	--	--	-8.6
SK	FEB 25-MAR 2		Department Store Sales (y/y)	Jan	--	--	3.2
JN	02/26	00:00	Coincident Index CI	Dec F	120.7	--	120.7
JN	02/26	00:00	Leading Index CI	Dec F	107.9	--	107.9
SI	02/26	00:00	Industrial Production (y/y)	Jan	--	7.8	-3.9
TA	02/26	03:00	Unemployment Rate (%)	Jan	3.7	3.7	3.7
SK	02/26	16:00	Consumer Confidence Index	Feb	--	--	109.9
NZ	02/26	16:45	Trade Balance (NZD mn)	Jan	--	0.0	639.9
NZ	02/26	16:45	Exports (NZD bn)	Jan	--	4.6	5.6
NZ	02/26	16:45	Imports (NZD bn)	Jan	--	4.6	4.9
HK	02/27	03:30	Exports (y/y)	Jan	--	15.5	6.0
HK	02/27	03:30	Imports (y/y)	Jan	--	18.4	9.0
HK	02/27	03:30	Trade Balance (HKD bn)	Jan	--	-20.5	-59.9
HK	02/27	15:30	Real GDP (y/y)	4Q	3.0	2.7	3.6
SK	02/27	16:00	Business Survey- Manufacturing	Mar	--	--	77.0
SK	02/27	16:00	Business Survey- Non-Manufacturing	Mar	--	--	78.0
JN	02/27	18:50	Large Retailers' Sales (y/y)	Jan	--	0.4	1.1
JN	02/27	18:50	Retail Trade (y/y)	Jan	--	2.5	3.6
JN	02/27	18:50	Industrial Production (y/y)	Jan P	--	5.2	4.4
AU	02/27	19:30	Private Sector Credit (y/y)	Jan	--	5.0	4.8
CH	02/27	20:00	Manufacturing PMI	Feb	51.3	51.2	51.3
CH	02/27	20:00	Non-manufacturing PMI	Feb	--	55.0	55.3
JN	02/27	23:00	Vehicle Production (y/y)	Jan	--	--	1.3
SK	FEB 26-27		BoK Base Rate (%)	Feb 27	1.50	1.50	1.50

Forecasts at time of publication.

Source: Bloomberg, Scotiabank Economics.

## Key Indicators for the week of February 26 – March 2

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

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
JN	02/28	00:00	Housing Starts (y/y)	Jan	--	-4.7	-2.1
JN	02/28	00:00	Construction Orders (y/y)	Jan	--	--	-8.1
MA	02/28	02:00	CPI (y/y)	Jan	2.7	2.9	3.5
TH	02/28	02:30	Exports (y/y)	Jan	--	--	9.3
TH	02/28	02:30	Imports (y/y)	Jan	--	--	15.4
TH	02/28	02:30	Trade Balance (US\$ mn)	Jan	--	--	1544.0
TH	02/28	02:30	Current Account Balance (US\$ mn)	Jan	--	--	3856.0
IN	02/28	06:00	Fiscal Deficit (INR Crore)	Jan	--	--	8844.0
IN	02/28	07:00	Real GDP (y/y)	4Q	6.9	6.9	6.3
NZ	02/28	16:45	Terms of Trade Index (q/q)	4Q	--	0.5	0.7
JN	02/28	18:50	Capital Spending (y/y)	4Q	--	3.0	4.2
SK	02/28	19:00	Exports (y/y)	Feb	--	0.8	22.2
SK	02/28	19:00	Imports (y/y)	Feb	--	11.0	20.9
SK	02/28	19:00	Trade Balance (US\$ mn)	Feb	--	3700.0	3721.0
AU	02/28	19:30	Private Capital Expenditure	4Q	--	1.0	1.0
CH	02/28	20:45	HSBC Manufacturing PMI	Feb	51.4	51.3	51.5
ID	02/28	23:00	CPI (y/y)	Feb	3.2	--	3.3
ID	02/28	23:00	Core CPI (y/y)	Feb	--	--	2.7
HK	FEB 27-28		Annual GDP	2017	3.7	3.6	2.0
PH	FEB 27-28		Bank Lending (y/y)	Jan	--	--	18.4
JN	03/01	00:00	Consumer Confidence	Feb	--	44.8	44.7
JN	03/01	00:00	Vehicle Sales (y/y)	Feb	--	--	-5.7
TA	03/01	03:00	Export Orders (y/y)	Jan	--	14.0	17.5
NZ	03/01	16:00	ANZ Consumer Confidence Index	Feb	--	--	126.9
SK	03/01	18:00	Industrial Production (y/y)	Jan	--	1.8	-6.0
SK	03/01	18:00	Cyclical Leading Index Change	Jan	--	--	0.0
JN	03/01	18:30	Household Spending (y/y)	Jan	--	-0.4	-0.1
JN	03/01	18:30	Jobless Rate (%)	Jan	2.8	2.8	2.8
JN	03/01	18:30	Tokyo CPI (y/y)	Feb	--	1.4	1.3
JN	03/01	18:50	Monetary Base (y/y)	Feb	--	--	9.7
TH	03/01	22:00	CPI (y/y)	Feb	0.9	0.8	0.7
TH	03/01	22:00	Core CPI (y/y)	Feb	--	0.6	0.6
JN	FEB 28-MAR 7		Official Reserve Assets (US\$ bn)	Feb	--	--	1268.5
TH	03/02	02:30	Business Sentiment Index	Feb	--	--	52.2
HK	03/02	03:30	Retail Sales - Volume (y/y)	Jan	--	--	4.3
SI	03/02	08:00	Purchasing Managers Index	Feb	--	--	53.1

### LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	02/26	08:30	Current Account (US\$ mn)	Jan	--	-4981.0	-4326.5
CL	02/28	07:00	Industrial Production (y/y)	Jan	2.5	--	-3.4
CL	02/28	07:00	Unemployment Rate (%)	Jan	6.3	--	6.4
CO	02/28	10:00	Urban Unemployment Rate (%)	Jan	--	--	9.8
PE	03/01	00:00	Consumer Price Index (m/m)	Feb	0.3	--	0.1
PE	03/01	00:00	Consumer Price Index (y/y)	Feb	1.2	--	1.3
BZ	03/01	07:00	GDP (IBGE) (q/q)	4Q	--	0.5	0.2
BZ	03/01	07:00	GDP (IBGE) (y/y)	4Q	--	2.8	1.4
BZ	03/01	08:00	PMI Manufacturing Index	Feb	--	--	51.2
BZ	MAR 1-5		Trade Balance (FOB) - Monthly (US\$ mn)	Feb	--	--	2768.0
CL	03/02	07:00	Retail Sales (y/y)	Jan	--	--	4.8

## Global Auctions for the week of February 26 – March 2

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	02/28	12:00	Canada to Sell 2-Year Bonds

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	02/27	05:00	Italy to Sell Up to EUR2 Bln 2% 2028 Bonds
IT	02/27	11:00	Italy to Sell Up to EUR1.75 Bln Floating 2025 Bonds
GE	02/28	05:30	Germany to Sell EUR3 Bln 0.5% 2028 Bonds
SP	03/01	04:30	Spain to Sell 0.45% 2022 Bonds On Mar 1
SP	03/01	04:30	Spain to Sell 0.05% 2021 Bonds
SP	03/01	04:30	Spain to Sell 5.15% 2028 Bonds On Mar 1
SP	03/01	04:40	Spain 2030 Inflation Linked Bonds Auction
FR	03/01	04:50	France to Sell 0.5% 2026 Bonds
FR	03/01	04:50	France to Sell 0.75% 2028 Bonds
FR	03/01	04:50	France to Sell 2% 2048 Bonds
UK	03/01	05:30	U.K. to Sell GBP2.75 Bln 0.75% 2023 Bonds
FR	03/01	08:50	France to Sell 4.5% 2041 Bonds

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	02/25	19:00	Australia To Sell AUD400 Mil 2.75% 2027 Bonds;
AU	02/26	19:00	Australia To Sell AUD150 Mln 1.12% 2040 Bonds;
CH	02/26	20:30	Xinjiang to Sell CNY1.4 Bln 3Y Bonds
CH	02/26	21:30	Xinjiang to Sell CNY2.46 Bln 3Y Bonds
JN	02/26	22:45	Japan to Sell 2-Year Bonds
AU	02/27	19:00	Australia To Sell AUD1000 Mln 2.25% 2022 Bonds;
CH	02/27	21:35	China to Sell CNY20 Bln 5-Yr Upsized Bonds
JN	02/28	22:45	Japan to Sell 10-Year Bonds

## Events for the week of February 26 – March 2

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	02/26	08:00	Fed's Bullard Speaks on U.S. Economy and Monetary Policy
US	02/26	15:15	Fed's Quarles Gives Assessment of U.S. Economy
CA	02/27	16:00	Finance Minister Morneau Delivers Canada's Federal Budget
CA	02/28	08:00	Finance Minister Morneau gives post-budget speech in Ottawa
US	02/28	08:30	Fed Powell's Congressional Testimony is Released
US	02/28	10:00	Fed's Powell Testifies to House Financial Services Committee
CA	03/01	07:30	Finance Minister Morneau speaks in Toronto

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	02/26	05:00	ECB's Coeure speaks in Frankfurt
EC	02/26	09:00	ECB President Draghi speaks in Brussels
EC	02/26	11:15	Luis de Guindos at hearing for ECB Vice President in Brussels
UK	02/26	13:00	BOE's Cunliffe Speaks at Event at Warwick University
EC	02/27	03:40	ECB's Mersch speaks in Brussels
SW	02/27	04:00	Riksbank's af Jochnick Gives Speech
NO	02/27	04:00	Norway's Wealth Fund Releases Annual Report
EC	02/27	05:00	Bundesbank's Weidmann Presents Institution's Annual Report
SW	02/27	05:30	Swedish FinMin, PM Hold Press Conference
SW	02/27	12:00	Riksbank's Ohlsson Gives Speech
EC	02/28	08:00	ECB's Angeloni speaks in Singapore
SW	02/28	11:00	Riksbank's Ingves Gives Speech in Lulea, Sweden
SW	03/01	02:00	Riksbank's Ingves Speaks in Lulea, Sweden
EC	03/01	05:30	ECB's Nouy speaks in Delphi, Greece
EC	03/01	07:10	ECB's Lane speaks in Brussels
UK	03/01	19:00	Carney Speaks at Economics Conference in Edinburgh
EC	03/02	03:10	ECB's Mersch speaks in Prague
SW	03/02		Sweden Sovereign Debt to be rated by S&P
SW	03/02		Sweden Sovereign Debt to Be Rated by Moody's

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	FEB 26-27		BoK 7-Day Repo Rate
JN	02/28	20:30	BOJ Kataoka gives speech

## 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	1.25	March 7, 2018	1.25	1.25
Federal Reserve – Federal Funds Target Rate	1.50	March 21, 2018	1.50	1.50
Banco de México – Overnight Rate	7.50	April 12, 2018	7.50	--

### 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	March 8, 2018	0.00	--
Bank of England – Bank Rate	0.50	March 22, 2018	0.50	--
Swiss National Bank – Libor Target Rate	-0.75	March 15, 2018	-0.75	--
Central Bank of Russia – One-Week Auction Rate	7.50	March 23, 2018	7.50	--
Sweden Riksbank – Repo Rate	-0.50	April 26, 2018	-0.50	--
Norges Bank – Deposit Rate	0.50	March 15, 2018	0.50	--
Central Bank of Turkey – Benchmark Repo Rate	8.00	March 7, 2018	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	March 9, 2018	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	March 5, 2018	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	March 21, 2018	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	April 5, 2018	6.00	--
Bank of Korea – Bank Rate	1.50	February 27, 2018	1.50	1.50
Bank of Thailand – Repo Rate	1.50	March 28, 2018	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	3.25	March 7, 2018	3.25	--
Bank Indonesia – 7-Day Reverse Repo Rate	4.25	March 22, 2018	4.25	--

Monetary authorities of the **Bank of Korea** (BoK) will meet on February 27. Following the BoK's end-November decision to raise the 7-Day Repo Rate by 25 basis points to 1.50%—the first hike in over six years—the central bank will likely adopt a cautious approach to monetary tightening. We expect the next rate hike to take place closer to mid-2018.

### 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	6.75	March 21, 2018	6.75	--
Banco Central de Chile – Overnight Rate	2.50	March 20, 2018	2.50	--
Banco de la República de Colombia – Lending Rate	4.50	March 20, 2018	4.50	--
Banco Central de Reserva del Perú – Reference Rate	3.00	March 8, 2018	3.00	--

### 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	March 28, 2018	6.75	--

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