

TRUMP VERSUS...DRAGHI?

- [Europe — Will Draghi Set The Record Straight?](#) 2
- [United States — Politics And The Fed](#) 2-3
- [Asia — China Rising?](#) 3-4
- [Latin America — Peru's Central Bank May Have Less Conviction On Inflation](#) 4-5
- [Canada — Giving Thanks](#) 5

FORECASTS & DATA

- [Key Indicators](#) A1-A2
- [Global Auctions Calendar](#) A3
- [Events Calendar](#) A4
- [Global Central Bank Watch](#) A5

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Next Week's Risk Dashboard

- ▶ Draghi
- ▶ US Presidential debate #2
- ▶ Fed speak including Yellen
- ▶ US earnings season
- ▶ US retail sales
- ▶ Hurricane Matthew damages
- ▶ China CPI and macro reports
- ▶ Other Asian macro reports
- ▶ Bank of Korea
- ▶ Banco Central de Reserva del Peru
- ▶ Argentinian inflation
- ▶ Banxico minutes
- ▶ European macro releases
- ▶ Canada fairly quiet

Chart of the Week

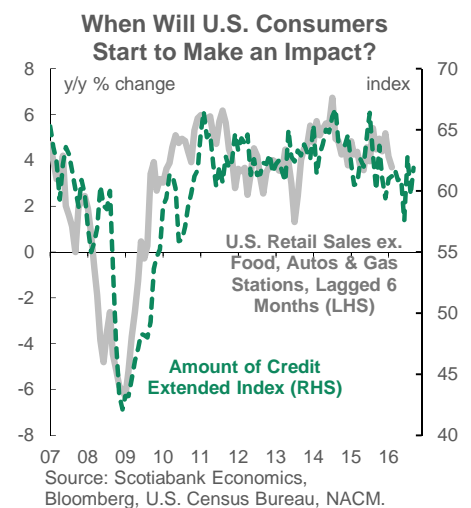


Chart of the Week: Prepared by: Raffi Ghazarian, Senior Research Assistant.

Trump Versus....Draghi?

EUROPE — WILL DRAGHI SET THE RECORD STRAIGHT?

Ever since unsubstantiated rumours about internal discussions at the ECB on reducing asset purchases (“tapering”) ahead of the March 2017 expiration hit the tapes, markets have pushed upward European government bond yields (chart 1). The release of minutes to the September 8th meeting made no mention of taper talk and in fact suggested the opposite risk of extending QE beyond March. **Markets shook off the minutes and appeared to stick with the taper rumour** perhaps on concerns that the rumoured discussions were fresher than the dialogue that occurred at the meeting over a month ago. In fairness, markets have had this extra month of time to demonstrate ongoing post-Brexit resilience and recent data flow from UK PMIs to German factory orders have generally been decent while recent US macro reports have improved.

ECB President Mario Draghi will have a chance to set the record straight on this issue on Saturday at the annual IMF and World Bank meetings in Washington. He hosts a press conference at 1pmET after the meetings conclude and whatever he says may well influence the Asian market open on Sunday night. I can’t see him suggesting the ECB is waving the white flag in its fight against slow growth, disinflationary forces, and a shaky banking system. Against tapering concerns, it’s also improbable that the ECB simply goes cold turkey on QE and allows its purchase program to end next March versus continuing to explore ways to extend it. Our Paris-based Eurozone strategist Frédéric Prêtet is probably on the mark with his views in this regard and he backs his views by citing references in the minutes:

The minutes reaffirmed “...the Governing Council’s commitment to the monthly asset purchases of €80 billion, which were intended to run until the end of March 2017, or beyond, if necessary, and in any case until the Governing Council saw a sustained adjustment in the path of inflation consistent with its inflation aim.”

“...at some point, stronger downside effects of the UK decision to leave the European Union would manifest themselves.”

“...underlying price pressures continued to lack a convincing upward trend and remained an ongoing source of concern.”

“...continued underperformance of banks’ equity prices ...might contain a cautionary signal for future loan growth”

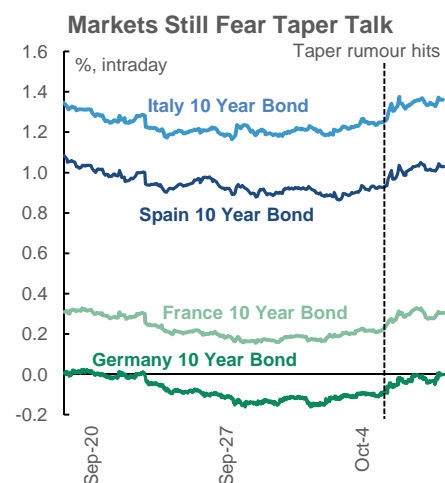
On this latter point, chart 2 continues to suggest that there will indeed be lagging negative influences of market turmoil affecting bank capital on the lending cycle, and hence growth and inflation goals. **Overall, I would expect Draghi to reinforce the tone of the minutes with fresher comments in such fashion as to be a positive market influence.**

By comparison all else will pale next week. Data releases will include German exports on Monday and the Eurozone trade add-up on Friday, the ZEW survey of investor confidence on Tuesday, UK construction output on Friday, Bank of England surveys of credit conditions and bank liabilities, and the Eurozone add-up for industrial production in August.

UNITED STATES — POLITICS AND THE FED

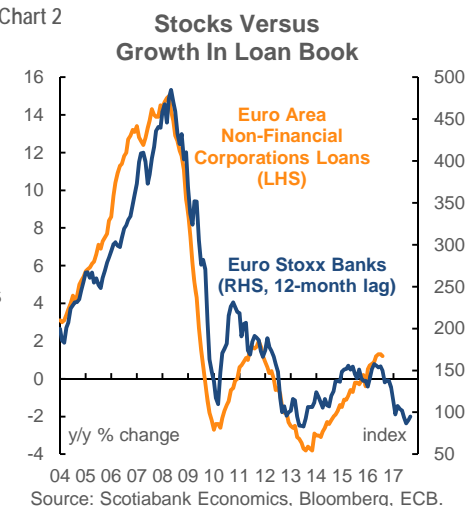
A relatively light week for macro releases will nevertheless have market participants glued to their seats throughout the week and focused upon **five main market-oriented considerations.**

Chart 1



Source: Scotiabank Economics, Bloomberg.

Chart 2



Source: Scotiabank Economics, Bloomberg, ECB.

First will be **the second Presidential debate on Sunday night**. It's a rather foregone conclusion that a) Hillary Clinton smoked Trump in the first contest, and b) Trump smoked himself in the aftermath (chart 3). The post-debate pattern would suggest a move toward greater extremism in terms of tactics employed by Trump, but at this point the greater market surprise would be a fine showing by Trump. Ahem. **The debate's outcome will compete with aforementioned comments by ECB President Mario Draghi in terms of potentially influencing the Asian market open and the carryover into western markets not least of which being implications for the Mexican peso and CAD.** If history is any guide, however, then the scope for post-election appreciation in the USD may be the bigger consideration (chart 4).

Second will be significant Fed speak over the course of the week in the wake of the latest nonfarm payrolls report. The conclusion of the IMF and World Bank meetings (agenda [here](#)) will bring out Fed Vice Chair Stanley Fischer on Friday October 7th, as well as hawkish dissenter and Kansas City Fed President Esther George, and dovish Governor Lael Brainard. Over the course of the coming week, we'll also hear from **Chair Yellen who delivers the keynote address** at a Boston Fed conference on Friday, NY Fed President William Dudley who participates in a fireside chat on Wednesday, and addresses from several regional Fed Presidents including George (again), Evans, Harker, Rosengren and Kashkari. Also note that minutes to the September 21st FOMC meeting will be released on Wednesday.

Third will be the start of the Q3 earnings season. Eleven S&P500 firms release earnings reports starting with Alcoa on Tuesday and ending with financials on Friday. JP Morgan, Wells Fargo, Citigroup and PNC Financial all release on the final day of the week.

Fourth will be what happens to the retail sales release covering the month of September on Friday. **There are reasons to expect it to rebound from the disappointment in August.** For one thing, the over 4% m/m seasonally adjusted rise in vehicle sales could alone contribute around a half percentage point to the upside given a 20% weight on autos depending on what happened to auto prices among other considerations. For another, average daily gasoline prices were up by just under 2% m/m in September in terms of both regular unleaded and premium grades and, since gasoline carries a 7% weight, that could mean another small weighted contribution of around a tenth of a percentage point to total retail sales growth depending upon what happened to gasoline sales volumes. Estimating what happened to sales ex-autos is more complicated especially since the retail sales report is not adjusted for inflation and we won't know what happened to CPI inflation in September until after the retail sales report.

Finally, **damage assessments following Hurricane Matthew's landfall** along the US east coast from Florida up to the Carolinas will influence exposed insurers and a limited macroeconomic impact will be assessed.

More minor developments will include the Fed's preferred Labor Market Conditions Index (Tuesday), the JOLTS job vacancies reading (Wednesday) and the University of Michigan's consumer sentiment report for October.

The US Treasury will conduct a 3s auction on Wednesday, a 10s reopening also on Wednesday, and a 30s reopening on Thursday.

ASIA — CHINA RISING?

Chinese macro releases for the month of September hold the potential to impact the global market tone around mid-week when the majority of the releases are expected. The releases include export growth, CPI inflation, aggregate financing, and

Chart 3

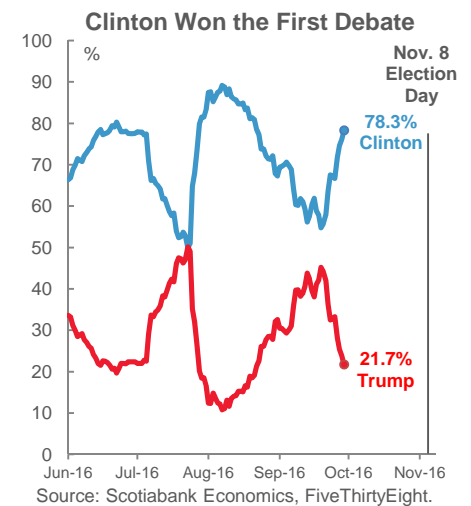
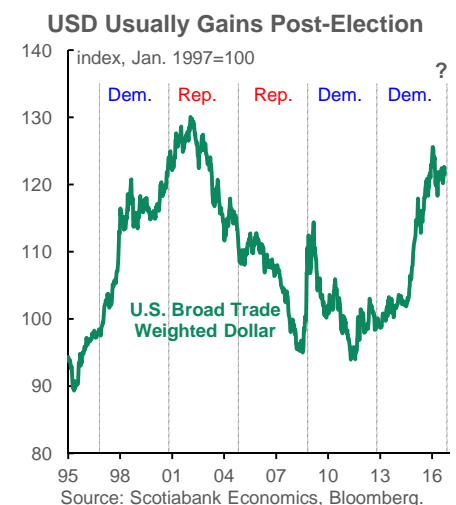
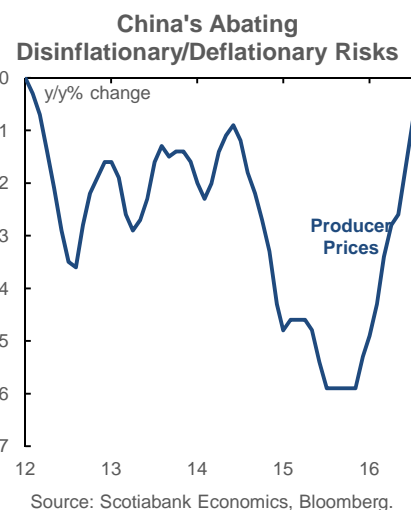


Chart 4



foreign direct investment. At the margin, the releases will further inform perspectives toward risks facing China's economy and whether or not it is truly on the mend after suffering market setbacks earlier in the year. As argued in last week's *Global Week Ahead*, measures like electricity output and railcar loadings have markedly improved over recent months and dragged higher alternative/shadow economic growth measures of broad GDP. The hope is that CPI inflation bottomed in August and in consistent fashion with comparable evidence from several other Asian economies, while export growth remains on a mildly positive trend in local yuan currency terms albeit still soft after conversion to US dollars. Producer prices will probably continue to exhibit less disinflationary/deflationary evidence (chart 5), but that was always significantly driven by a relative commodity price shock more than broad deflation concerns. We'll also get a further test of the theory that growth in aggregate financing at the start of the year reflected earlier than normal fulfillment of new loan quotas that are granted at the start of each year because those 'loans' reflected an attempt to hedge a depreciating yuan. That probably occurred, given the absence of more sophisticated ways of hedging beyond borrowing in the local currency (and paying back depreciated proceeds later) or falsifying trade invoices that itself could have over-amplified the volatility in trade figures earlier in the year.

Chart 5



The Bank of Korea's latest policy decision arrives next Thursday amidst widespread expectations for no change in its key 7-day repo rate. The last time the rate was adjusted was when it was cut by 25bps back in June. The latest CPI inflation reading for September spiked higher to 1.2% which was triple the pace registered the prior month. Food prices were a major culprit, but core inflation also increased somewhat to 1.3% y/y after reaching nearly a four-year low. While inflation may be shedding signs of bottoming, the outlook for the BoK remains mired in a challenging framework of moderate domestic growth, risks facing the outlook for China's and Japan's economies, and the risk of capital flight in the wake of potential tightening of US monetary policy.

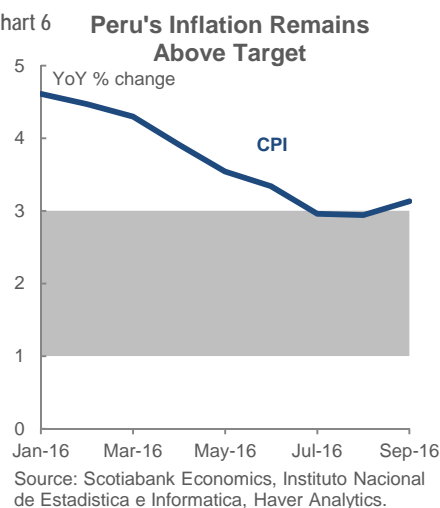
Other miscellaneous developments with potential consequences for regional markets will include expectations for slight growth in Singapore's Q3 GDP report, reports from India on CPI, industrial output and trade, exports from the Philippines, Malaysian industrial production and South Korea's unemployment rate.

LATIN AMERICA — PERU'S CENTRAL BANK MAY HAVE LESS CONVICTION ON INFLATION

Most markets across the region will be largely influenced by external developments over the coming week and not least of which the Mexican peso's response to Sunday night's US Presidential debate. Three potential differences include:

- **A rate decision by Banco Central de Reserva del Peru.** No change is expected and the policy reference rate has remained unchanged at 4¼% ever since a hike back in February. Inflation has since fallen from over 4½% y/y to just over 3% and appears to have stabilized recently. Having said that, the central bank targets inflation in a 1-3% band, and **the recent slight rise in inflation to 3.1% y/y from a low of 2.9% may lessen the central bank's confidence that inflation is sustainably coming down to 2% by year-end as it guided in the August statement (chart 6).**
- **Argentina releases the fifth monthly CPI inflation report** since President Mauricio Macri set out a quest to restore credibility to the country's statistics earlier this year. Economists may no longer be thrown in prison for challenging inflation statistics, but it will take a considerable period of time for markets to become more comfortable with the underlying inflation trend.
- After **Banco de Mexico** hiked its overnight rate by 50bps to 4.75% on September 29th, markets will next tune into a further explanation of the somewhat controversial decision when minutes to that meeting are released next Thursday. Not that there

Chart 6



was much doubt as to what motivated Governor Carstens to hike again. Carstens was referring to the prospect of a Trump presidency in the US when he stated “It will be a much stronger hurricane. Particularly if he carries out what he has been mentioning in his campaign.” Industrial output figures for August will also be released next week.

CANADA — GIVING THANKS

Canada won't exactly be where the action is next week. Enjoy the turkey, even if where you serve it may have gotten more expensive to finance. **Domestic markets will follow the global tone with nothing material on tap by way of domestic market risks.** Enjoy the relative calm ahead of the following week when the Bank of Canada issues a monetary policy decision and forecast updates and when several macro reports will come out including retail sales, manufacturing shipments, CPI and existing home sales.

In the meantime, Canadian markets will start the week shut for Thanksgiving on Monday. Housing starts in September, and the Teranet measure of repeat sales prices will be the sole releases on Tuesday and Thursday, respectively. Canada auctions 2 year bonds on Wednesday.

Key Indicators for the week of October 10 – 14

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	10/11	08:15	Housing Starts (000s a.r.)	Sep	195.0	--	182.4
US	OCT 11-14		Treasury Budget (US\$ bn)	Sep	--	29.7	-107.1
US	10/12	07:00	MBA Mortgage Applications (w/w)	OCT 7	--	--	2.9
MX	10/12	09:00	Industrial Production (m/m)	Aug	--	--	0.3
MX	10/12	09:00	Industrial Production (y/y)	Aug	2.7	--	-1.0
US	10/12	10:00	JOLTS Job Openings (000s)	Aug	--	--	5871
CA	10/13	08:30	New Housing Price Index (m/m)	Aug	--	--	0.4
CA	10/13	08:30	Teranet - National Bank HPI (y/y)	Sep	--	--	11.4
US	10/13	08:30	Export Prices (m/m)	Sep	--	0.1	-0.2
US	10/13	08:30	Import Prices (m/m)	Sep	--	0.1	-0.2
US	10/13	08:30	Initial Jobless Claims (000s)	OCT 8	250	--	249
US	10/13	08:30	Continuing Claims (000s)	OCT 1	--	--	2058
US	10/14	08:30	PPI (m/m)	Sep	--	0.2	0.0
US	10/14	08:30	PPI ex. Food & Energy (m/m)	Sep	--	0.1	0.1
US	10/14	08:30	Retail Sales (m/m)	Sep	0.6	0.4	-0.3
US	10/14	08:30	Retail Sales ex. Autos (m/m)	Sep	0.4	0.4	-0.1
US	10/14	10:00	Business Inventories (m/m)	Aug	--	0.0	0.0
US	10/14	10:00	U. of Michigan Consumer Sentiment	Oct P	92.0	91.9	91.2

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	10/10	02:00	Current Account (€ bn)	Aug	--	--	18.6
GE	10/10	02:00	Trade Balance (€ bn)	Aug	--	--	19.5
IT	10/10	04:00	Industrial Production (m/m)	Aug	--	--	0.4
EC	10/11	05:00	ZEW Survey (Economic Sentiment)	Oct	--	--	5.4
GE	10/11	05:00	ZEW Survey (Current Situation)	Oct	--	--	55.1
GE	10/11	05:00	ZEW Survey (Economic Sentiment)	Oct	4.0	--	0.5
FR	10/12	02:45	CPI (m/m)	Sep F	-0.2	--	-0.2
FR	10/12	02:45	CPI (y/y)	Sep F	0.4	--	0.4
FR	10/12	02:45	CPI - EU Harmonized (m/m)	Sep F	-0.2	--	-0.2
FR	10/12	02:45	CPI - EU Harmonized (y/y)	Sep F	0.5	--	0.5
EC	10/12	05:00	Industrial Production (m/m)	Aug	0.6	--	-1.1
EC	10/12	05:00	Industrial Production (y/y)	Aug	0.4	--	-0.5
GE	10/13	02:00	CPI (m/m)	Sep F	0.1	--	0.1
GE	10/13	02:00	CPI (y/y)	Sep F	0.7	--	0.7
GE	10/13	02:00	CPI - EU Harmonized (m/m)	Sep F	0.0	--	0.0
GE	10/13	02:00	CPI - EU Harmonized (y/y)	Sep F	0.5	--	0.5
SP	10/14	03:00	CPI (m/m)	Sep F	--	--	0.1
SP	10/14	03:00	CPI (y/y)	Sep F	--	--	0.3
SP	10/14	03:00	CPI - EU Harmonized (m/m)	Sep F	0.8	--	0.8
SP	10/14	03:00	CPI - EU Harmonized (y/y)	Sep F	0.1	--	0.1
EC	10/14	05:00	Trade Balance (€ mn)	Aug	--	--	25.3
IT	10/14	05:00	CPI - EU Harmonized (y/y)	Sep F	0.1	--	0.1

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

Key Indicators for the week of October 10 – 14

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CH	OCT 9-15		Aggregate Financing (CNY bn)	Sep	--	1380	1470
CH	OCT 9-15		New Yuan Loans (bn)	Sep	--	1000.0	948.7
SI	OCT 9-14		Real GDP (y/y)	3Q A	--	1.7	2.1
SI	OCT 9-14		Real GDP SAAR (q/q)	3Q A	--	0.3	0.3
SI	OCT 9-14		GDP (q/q)	3Q A	--	1.7	2.1
AU	10/10	01:30	Foreign Reserves (AUD bn)	Sep	--	--	63.0
IN	10/10	08:00	Industrial Production (y/y)	Aug	--	-0.6	-2.4
JN	10/10	19:50	Current Account (¥ bn)	Aug	--	1558.2	1938
JN	10/10	19:50	Trade Balance - BOP Basis (¥ bn)	Aug	--	116.5	613.9
AU	10/10	20:30	Home Loans (%)	Aug	--	-1.0	-4.2
AU	10/10	20:30	Investment Lending (% change)	Aug	--	--	0.5
PH	10/10	21:00	Exports (y/y)	Aug	--	--	-13.0
PH	10/10	21:00	Imports (y/y)	Aug	--	--	-1.7
PH	10/10	21:00	Trade Balance (US\$ mn)	Aug	--	--	-2053
JN	10/11	01:00	Eco Watchers Survey (current)	Sep	--	--	45.6
JN	10/11	01:00	Eco Watchers Survey (outlook)	Sep	--	--	47.4
SK	10/11	19:00	Unemployment Rate (%)	Sep	--	--	3.8
JN	10/11	19:50	Machine Orders (m/m)	Aug	--	-4.9	4.9
MA	10/12	00:00	Industrial Production (y/y)	Aug	--	--	4.1
JN	10/12	02:00	Machine Tool Orders (y/y)	Sep P	--	--	-8.4
NZ	10/12	17:00	ANZ Job Ads (m/m)	Sep	--	--	3.1
NZ	10/12	17:30	Business NZ PMI	Sep	--	--	55.1
JN	10/12	19:50	Bank Lending (y/y)	Sep	--	--	2.0
NZ	10/12	20:00	ANZ Consumer Confidence Index	Oct	--	--	121.0
CH	OCT 12-13		Exports (y/y)	Sep	--	-3.3	-2.8
CH	OCT 12-13		Imports (y/y)	Sep	--	0.6	1.5
CH	OCT 12-13		Trade Balance (USD bn)	Sep	--	53.0	52.1
IN	OCT 12-17		Exports (y/y)	Sep	--	--	-0.3
IN	OCT 12-17		Imports (y/y)	Sep	--	--	-14.1
SK	OCT 12-13		BoK Base Rate (%)	Oct 13	1.25	1.25	1.25
JN	10/13	00:30	Tertiary Industry Index (m/m)	Aug	--	0.0	0.3
IN	10/13	08:00	CPI (y/y)	Sep	--	4.7	5.1
JN	10/13	19:50	Japan Money Stock M2 (y/y)	Sep	--	3.4	3.3
JN	10/13	19:50	Japan Money Stock M3 (y/y)	Sep	--	2.9	2.8
CH	10/13	21:30	CPI (y/y)	Sep	--	1.6	1.3
CH	10/13	21:30	PPI (y/y)	Sep	--	-0.3	-0.8
SI	10/14	01:00	Retail Sales (m/m)	Aug	--	--	1.4
SI	10/14	01:00	Retail Sales (y/y)	Aug	--	--	2.8
IN	10/14	02:30	Monthly Wholesale Prices (y/y)	Sep	--	3.9	3.7

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
PE	10/13	19:00	Reference Rate (%)	Oct 13	4.25	--	4.25
PE	10/14		Real GDP	Oct 13	4.3	--	3.8

Global Auctions for the week of October 10 – 14

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	10/12	11:30	U.S. to Sell 3-Year Notes
CA	10/12	12:00	Canada to Sell 2-Year Bonds
US	10/12	13:00	U.S. to Sell 10-Year Notes Reopening
US	10/13	13:00	U.S. to Sell 30-Year Bonds Reopening

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IR	10/10	05:10	Ireland Bond Auction Offering
IC	10/10	07:30	Iceland to Sell Bonds
NE	10/11	05:00	Netherlands to Sell 0.5% 2026 Bonds
AS	10/11	05:15	Austria to Sell 1.5% 2047 Bonds
AS	10/11	05:15	Austria to Sell 0.75% 2026 Bonds
GE	10/11	05:30	Germany to Sell EUR500 Mln 0.1% I/L 2016 Bonds
SZ	10/12	05:15	Switzerland to Sell Bonds on Oct. 12
UK	10/12	05:30	U.K. to Sell 0.125% 2036 I/L Bonds
IT	10/13	05:00	Italy to Sell Bonds
SW	10/13	05:03	Sweden to Sell I/L Bonds
IR	10/13	05:30	Ireland to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	10/09	21:20	Jiangsu to Sell General Bonds
CH	10/09	22:00	Jiangsu to Sell Special Bonds
CH	10/09	23:00	China to Sell Saving Bonds
CH	10/10	21:20	Anhui to Sell General Bonds
CH	10/10	22:20	Anhui to Sell Special Bonds
CH	10/11	22:35	China to Sell Upsized Bonds
CH	10/11	23:00	China Plans to Sell Upsized Bonds
JN	10/11	23:45	Japan to Sell 30-Year Bonds
NZ	10/12	21:05	New Zealand Plans to Sell NZD100 Mln 2.5% 2035 I/L Bonds
JN	10/13	23:45	Japan to Sell 5-Year Bonds

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	10/11	11:00	Brazil to Sell I/L Bonds
BZ	10/13	11:00	Brazil to Sell LFT - 09/01/2022

Source: Bloomberg, Scotiabank Economics.

Events for the week of October 10 – 14

NORTH AMERICA

Country	Date	Time	Event
US	OCT 6-8		2016 IIF Annual Meeting
CA	OCT 7-8		FRB's Fischer and BOC's Wilkins Speak at IFF Annual Meeting
US	10/09	10:00	IMF Director Lagarde Interviewed By Michael Lewis
US	10/09		Second presidential debate, Washington University in St. Louis
US	10/10	21:30	Fed's Evans Speaks on Economy and Policy in Sydney
US	10/12	08:00	Fed's Dudley Speaks at Fireside Chat in Albany
US	10/12	14:00	U.S. Fed Releases Minutes from Sept. 20-21 FOMC Meeting
US	OCT 12-13		Esther George, Keynote, 16th Annual Chicago Payments Symposium
MX	10/13	10:00	Central Bank Monetary Policy Minutes
US	10/13	12:15	Fed's Harker Speaks on Economic Outlook in Philadelphia
US	10/13	21:00	Fed's Kashkari Speaks at Town Hall in Missoula, Montana
US	10/14	08:30	Fed's Rosengren Gives Opening Remarks at Boston Fed Conference
US	10/14	12:00	Fed Chair Yellen Speaks at Boston Fed Conference

EUROPE

Country	Date	Time	Event
EC	OCT 7-8		ECB's Draghi, Coeure at IMF/World Bank Meeting in Washington
SW	OCT 7-9		Riksbank Board Members at IMF, World Bank Annual Meetings
SW	OCT 7-9		Swedish Finance Minister at IMF, World Bank Annual Meetings
EC	10/08	01:30	ECB's Mersch Speaks at Panel in Washington
EC	10/08	12:00	ECB's Draghi Press Conference in Washington
EC	10/08	13:00	ECB's Weidmann, Germany's Schaeuble Press Conference in DC
EC	10/10	09:00	Euro-Area Finance Ministers Meet in Luxembourg
EC	10/10	12:30	ECB's Visco Speaks in New York
EC	10/10	12:30	EU's Timmermans Speaks at Maison de l'Europe de Paris
FR	10/10	13:30	Bank of France's Villeroy on Globalization
EC	10/11	03:00	EU Finance Ministers Hold Meeting in Luxembourg
SW	10/11	03:45	Riksbank Deputy Governor Ohlsson Speech
NO	10/11	05:00	Norway Central Bank Governor Speaks in Oslo
NO	10/11	08:00	Norway Deputy Central Bank Governor Speaks in Trondheim
EC	10/11	12:00	ECB's Mersch Speaks in New York
SZ	10/12	03:30	SNB's Zurbrugg Speaks in Zurich
NO	10/12	07:00	Norway Central Bank Governor Speaks in Lillehammer
EC	10/12	16:00	ECB's Mersch Speaks in Cambridge, MA
EC	10/12		ECB's Coeure Speaks in Brussels
EC	10/12		EU's Oettinger Speaks on Digital Economy in San Francisco
EC	10/13	02:30	EU's Faull Speaks at Brussels Press Club in Brussels
EC	10/13	02:30	EU's Buti Speaks at Bruegel Think Tank in Brussels
EC	10/13	09:00	EU's Juncker, Schulz at EPC Reception in Brussels
SP	10/14		Spain Sovereign Debt to Be Rated by Moody's
RU	10/14		Russia Sovereign Debt to Be Rated by Fitch
PO	10/14		Portuguese Government Hands in 2017 Budget Proposal

ASIA-PACIFIC

Country	Date	Time	Event
SK	OCT 12-13		BoK 7-Day Repo Rate
AU	10/13	20:30	RBA Financial Stability Review
SK	OCT 13-14		South Korea Sovereign Debt to Be Rated by Moody's

LATIN AMERICA

Country	Date	Time	Event
PE	10/13	19:00	Reference Rate
CO	10/14	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	November 2, 2016	0.50	0.50
Banco de México – Overnight Rate	4.75	November 17, 2016	4.75	--

Banco de Mexico: releases minutes to the September 29th meeting and this may add further colour to the decision to raise the overnight rate by 50bps. The aftermath of the second US Presidential debate may influence expectations for the next rate decision on November 17th after the US election.

Federal Reserve: A heavy line-up of Fed speak will be parsed for policy cues following the US presidential debate with only retail sales due for release.

Bank of Canada: This will be a quiet week for Canada watchers ahead of the following week's BoC meeting and forecasts.

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	November 3, 2016	0.25	--
Swiss National Bank – Libor Target Rate	-0.75	December 15, 2016	-0.75	--
Central Bank of Russia – One-Week Auction Rate	10.00	October 28, 2016	10.00	--
Sweden Riksbank – Repo Rate	-0.50	October 27, 2016	-0.50	--
Norges Bank – Deposit Rate	0.50	October 27, 2016	0.50	--

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	November 1, 2016	-0.15	--
Reserve Bank of Australia – Cash Target Rate	1.50	October 31, 2016	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	2.00	November 9, 2016	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.25	December 7, 2016	6.25	--
Bank of Korea – Bank Rate	1.25	October 13, 2016	1.25	1.25
Bank of Thailand – Repo Rate	1.50	November 9, 2016	1.50	1.50
Bank Indonesia – 7-Day Reverse Repo Rate	5.00	October 20, 2016	5.00	--

Bank of Korea is not expected to alter its policy stance as inflation appears to be bottoming.

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	October 18, 2016	3.50	--
Banco de la República de Colombia – Lending Rate	7.75	October 31, 2016	7.75	--
Banco Central de Reserva del Perú – Reference Rate	4.25	October 13, 2016	4.25	--

Peru's central bank is expected to leave its policy rate unchanged, but a risk is that it signals lessened confidence that inflation is coming back down to target.

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	November 24, 2016	7.00	--

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