

**THE BANK OF CAN-UNDRUMS**

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**Next Week's Risk Dashboard**

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**Chart of the Week**
**Canadian Average 'Core' Inflation**


Sources: Scotiabank Economics, Statistics Canada.

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

## The Bank of Can-undrums

### CANADA — NOT YET

**This will be Canada's week in relation to macro developments elsewhere, assuming geopolitical risks don't play a spoiler role.** The Bank of Canada's latest decisions and bias will combine with top shelf macro data like CPI, retail sales and manufacturing shipments to shape the market tone at the front-end of the Canada curve and for the currency for some time conditional upon evolving NAFTA discussions. A cautious line is expected from the BoC alongside generally solid inflation and activity readings. We think the broad takeaway should not be inconsistent with our expectation for another rate hike in Q3.

**The Bank of Canada issues a full set of updates on Wednesday. No rate change is expected and guidance is expected to be cautious in nature.** A policy statement and rate decision plus the Monetary Policy Report that includes revised forecasts will be released at 10amET and followed by a press conference at 11:15amET that is always hosted by Governor Poloz and his Senior Deputy Governor Wilkins. There is also the usual risk of media interviews afterward and with that goes volatility at the front-end and CAD that may persist from 10amET into the evening.

Please see [here](#) for Scotiabank Economics' forecasts for the Bank of Canada and the broad arguments behind expectations for two more hikes this year couched in terms of the longer-run framework. Here is a summary of expectations for next week's communications:

- the BoC will retain reference to being "cautious in considering future policy adjustments"
- the outlook will be 'expected to warrant higher interest rates over time'
- but the statement will retain reference to how "some continued monetary policy accommodation will likely be needed"
- negative forecast judgement is likely to be retained in the face of a) still no NAFTA agreement and b) an escalation of potential risks to non-NAFTA global trade. It's possible that while the MPR doesn't alter negative forecast judgement (ie: model overrides that retain a negative bias on GDP growth), what Poloz says in the press conference is more uncertain. He might flag apparent progress in negotiations, or simply refuse to acknowledge progress while reiterating that he hasn't seen a deal yet. I suspect the latter at this point given Poloz's emphasis upon risk management but obviously the BoC's assessment of trade policy risks could change abruptly as developments unfold.
- the BoC is likely to remain in watch mode on housing market influences that were referenced in the prior statement. This will not be materially informed until we push into Summer and in light of weakening resale market trends and B20 OSFI mortgage guidelines this will remain a major source of uncertainty to the BoC as it evaluates the effects of policy tightening to date. See [this](#) note for how housing is influencing inflation and is expected to do so in future.
- the inflation reference is likely to be upgraded from "running close to the 2 per cent target" to "at" or "slightly above" the target. This may sound hawkish but it's largely just recognition of the data.
- I'll watch for whether they raise their inflation outlook further. Scotia Economics is a little higher now than the BoC's January forecasts for inflation in each of 2018 and 2019 so we wouldn't be surprised to see inflation expectations revised up somewhat. An opposite lower probability risk is that the BoC dismisses recent strength owing to transitory considerations like minimum wage pass-through effects whereas we see higher inflation as a combination of transitory and longer lived considerations. Or, it could still treat inflation a little higher than 2% as well within the policy target band of 1–3% in the face of sundry risks.
- Federal budget implications will be incorporated into this round and this may include spending plans of federal and provincial governments and their positive influences on GDP growth plus a loss of relative tax competitiveness to the US that the BoC may use to inform greater risk to business investment in Canada.

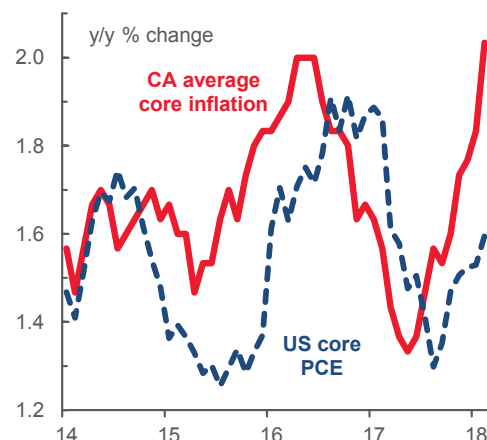
- The BoC has promised an updated set of estimates and a discussion on the neutral policy rate that it presently estimates at about 3% as the mid-point of a 2.5–3.5% range. It may be challenging to retain such an estimate that roughly equals the Fed's estimate of the US neutral policy rate and so the revision risk is pointed lower if it changes at all.
- Near-term growth tracking may be revised down while future growth expectations may be revised up which would be a signal that the BoC is looking through a soft patch. Recall that the BoC came into the year expecting 2.5% Q1 GDP growth versus our current forecast for 1.8% and monthly tracking that so far points to less than 1% with a lot of Q1 data still ahead. The pressure is building on Governor Poloz to more readily acknowledge weak trend growth following Q3 and Q4 growth of just 1.7% q/q at an annualized rate and softer Q1 growth that means the trend is at or slightly beneath the BoC's estimate of potential growth.
- These latter growth observations in turn mean that the output gap framework has stalled out over the past three quarters. If spare capacity pressures have plateaued at least for a time, then backward looking increases in inflation may not face much greater pressure over the duration of the year. In short, incremental capacity evidence doesn't scream at the BoC to follow up hikes to date with a fourth one now.
- The added forecast conundrum, however, is that the BoC's last forecast in January did not factor in the full effects of US fiscal stimulus and possible mild spillover effects into Canada and so the BoC's 1.6% Canadian growth estimate for 2019 may be too light (Scotia is a half point higher).
- US growth is likely to be upgraded to reflect extra government spending since the last forecast update in January
- Global growth is likely to still be "solid and broad-based" with some risk of referencing that this is truer in terms of the US outlook given recently softer Eurozone data.

**Overall, the BoC faces a conundrum of sorts in that growth has been disappointing for some time now while NAFTA and broader trade policy risks remain significant, yet wage and price pressures are building and pressuring the inflation targeting framework and any future growth improvements are confronted by cautious data dependence.** If growth pans out as we think it will then the BoC may look through a fair portion of the extended softness and leave the door open to future rate hikes on the bias while passing on a rate hike at this juncture. Canada, however, has less room for error in terms of conducting monetary policy than most other advanced economies given evidence that the economy is operating close to if not slightly beyond full capacity as measured by output gaps, industrial utilization rates and tightening labour markets.

**CPI inflation is likely to climb further when March figures land two days after the BoC.** Chart 1

Base effects on their own would suggest the opposite and have CPI slipping back to 2% y/y (2.4% prior). Gasoline prices were up by about 2½% m/m which should translate into modest upward pressure of 0.1% m/m in seasonally unadjusted terms and little by way of implications for year-ago CPI. The bulk of the reasoning behind expectations for faster headline inflation boils down to how prices usually shape up in March combined with possibly further pass through of transitory price pressures such as via higher minimum wages. March is typically a seasonal up-month with prices rising by 0.4% m/m NSA on average over the past five months of March. One reason entails bringing in Spring and Summer lines of clothing. If baseline prices are a typical month of March and there is a little more pass-through effect from other considerations then it's not hard to get inflation rising to 2.5% y/y. The bigger issue will be what happens to the average of the three central tendency—or 'core'—measures including trimmed mean, weighted median and common component CPI. That average measure has been trending quite a bit higher in Canada than in the US (chart 1).

**CDN Core Inflation Rising Faster Than in the US**



Sources: Scotiabank Economics, Statistics Canada, BEA.

**Retail sales for February (Friday) and manufacturing shipments for the same month (Tuesday) will inform tracking risk for Q1 GDP growth.** A decent

shipments rise of around 1% m/m is likely given what we've already learned from the export figures and given a rebound from transitory production disruptions in January. Retail sales are expected to post moderate growth on the back of a large gain in sales ex-autos the prior month. ADP private payrolls for March arrive on Thursday.

## UNITED STATES — C'MON CONSUMERS!

The US role in driving evolving geopolitical risks such as in the cases of Syria and the broader Middle East, earnings reports, and tracking the consumer will dominate market influences over the coming week.

**Retail sales are due out on Monday.** The figures will complete tracking for the first quarter and set in motion the hand-off math for Q2 by way of baked-in momentum arguments. The March reading is expected to be soft by way of the components that can be observed in advance and it will take positive developments in terms of the other components to keep the headline in the black. Gasoline prices were down 4.9% m/m in the CPI figures for March and so that should subtract just under a half percentage point from headline retail sales just from the price effect. Auto sales volumes were up 2.6% m/m and auto prices were flat in CPI so this component should largely offset the gasoline effect. Overall price effects on sales should be muted given that headline CPI was down 0.1% m/m and CPI ex-food and energy was up by only 0.2% m/m. That leaves us with sketchy tracking of core sales in terms of where the hope lies and in the wake of a soft trend that should be getting a lift from income gains. Retail sales volumes have been tracking poorly this quarter as illustrated in chart 2.

**Other data risk should be fairly muted.** A large 7% drop in **housing starts** during February could stabilize and move higher in Tuesday's March reading in a continuation of oscillating prints. Industrial sector updates will be provided by industrial and manufacturing output during March on Tuesday and the Philly Fed's business outlook metrics on Thursday. **Industrial output** is coming off of a fairly large February gain that could be tough to repeat. While the **Philly Fed** is volatile, it has been moving largely sideways throughout 2017 into 2018; it is useful along with the Richmond Fed's gauge as an indicator of ISM-manufacturing expectations ahead of the latter's update on May 1<sup>st</sup>.

**Sixty S&P500 firms will release Q1 earnings next week** including names like Bank of America, Netflix, Goldman Sachs, Morgan Stanley, GE and State Street.

**Eleven Fed speaker events are on tap for the coming week including some top-of-the-house communications.** Vice Chair Quarles speaks three times, soon-to- retire NY Fed President Bill Dudley speaks once and incoming NY Fed President Williams speaks once. Atlanta Fed President Bostic (voting) speaks twice, and there will be one appearance a piece for each of Cleveland Fed President Mester (voting), Chicago Fed President Evans (alternate) and Philly Fed President Harker (nonvoting). Also note that the Beige Book of regional economic conditions arrives at 2pmET on Wednesday.

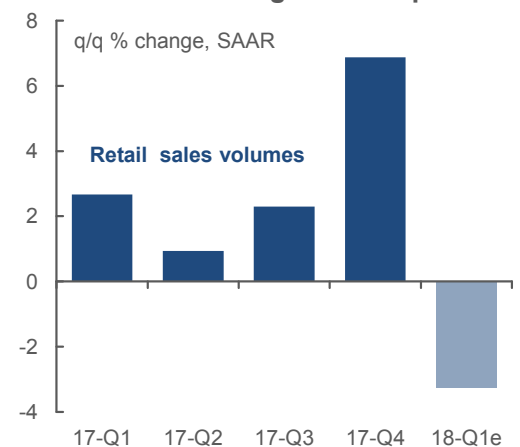
## EUROPE — THE BoE's LAST PEEK AT INFLATION

Relatively modest data risk that is mostly of relevance to the UK will offer a few crumbs for Europe watchers but with little likely impact upon the broader global market tone.

March updates for UK CPI and retail sales arrive on Wednesday and Thursday respectively. This will be the last inflation report before the Bank of England's May 10<sup>th</sup> decision that is expected to raise borrowing costs. Headline CPI is likely to be little changed in year-ago terms from the 2.7% reading the prior month, and core inflation is likely to remain around 2 ½% y/y. Headline inflation is declining from the 3.1% y/y peak set just a few months ago in November as the effects of prior currency depreciation are dropping out of the numbers. Inflation is likely to settle in just above 2% y/y by year-end into early 2019. As the shock Brexit vote in June 2016 approaches its two year anniversary, pound sterling has almost entirely regained the losses that were incurred in the

Chart 2

### Retailers Have Faced Mixed Fortunes During the Trump Era



Sources: Scotiabank Economics, St. Louis Federal Reserve Bank.

immediate aftermath of the vote (chart 3). **Sterling's appreciation over the past year will be a lagging dampening influence on inflation going forward which counsels caution for the BoE as it moves toward a near-term rate hike and future guidance.**

Eurozone highlights will include more detail on the second pass at the Eurozone CPI add-up for March on Wednesday morning. This one gives us the ability to strip out several more volatile categories and home in on **'supercore' inflation**. The next supercore reading for April one month later will be more important to watch because of the Easter holiday effect. Easter's timing shifts around each year; this year it was on April 1<sup>st</sup>, last year it was on April 16<sup>th</sup>, the year before it was on March 27<sup>th</sup>, etc. Because of this, packaged holiday prices—that are excluded from 'supercore' CPI—can distort the overall headline CPI print as seasonal adjustments often don't fully compensate for shifting holiday timing (chart 4).

**Germany updates investor sentiment through the April version of the ZEW report on Tuesday.** The forward-looking expectations component fell in March to the weakest reading since September 2016 and therefore fits the pattern of an abrupt weakening of German economic data. The main significance of the ZEW report is that it kicks off the month's round of survey-based growth evidence with PMIs due out the following Monday and the IFO business confidence gauge due the next day. ZEW can help inform expectations for the next two surveys.

## ASIA — CROUCHING TRADE, HIDDEN DAMAGE

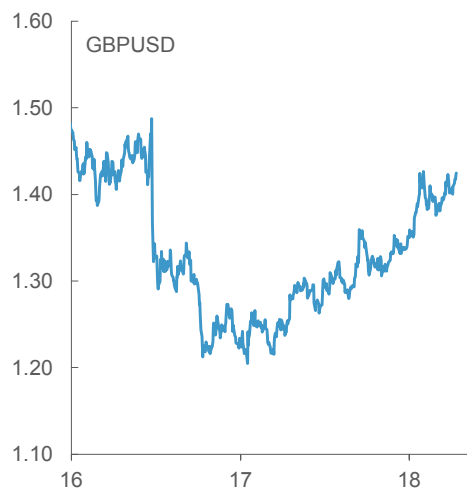
**As some indicators like trade and financing stumbled into Q1, did China's overall economy weaken? The answer to this question will be informed but not settled by Q1 GDP that arrives Monday night eastern time.** It will be the main event across Asian markets with potential global market implications.

Consensus thinks that China's economy grew by 6.8% y/y in Q1. Since 2015Q3, China's economy has grown at a remarkably stable pace of between 6.7–6.9% every quarter and so shooting for the mid-point is a safe bet. But combine the remarkable stability with the amazing speed by which data is collected so soon after the end of the first quarter by contrast to most other large economies and the result is that **markets often have legitimate reason for viewing the numbers with skepticism**. That's especially advisable during the early months and first quarter or two of each year when the shifting timing of the annual Lunar New Year holiday can materially impact the reliability of a variety of indicators. Controlling for shifting seasonal effects upon production, exports, retail spending and measures of market liquidity is fraught with challenges. That said, smoothing the year-to-date differences is the most reliable way of considering what is happening.

The year-to-date Chinese financing figures, for example, have provided somewhat of a mixed picture. Chart 5 shows that aggregate financing growth has sharply decelerated to the fifth highest tally on record to this point of the year. Chart 6 shows that this is not happening in terms of core new yuan loans that are growing at the fastest pace on record for this time of year. We need to reserve judgement on what drove the softness until we have the break-out of the aggregate financing figures for March. Even then, China's financing figures can reflect a combination of factors such as regulatory desires to tighten or loosen access, the use of domestic financing as an indirect currency hedging tool in a country with a controlled capital account, and business confidence and economic activity.

Chart 3

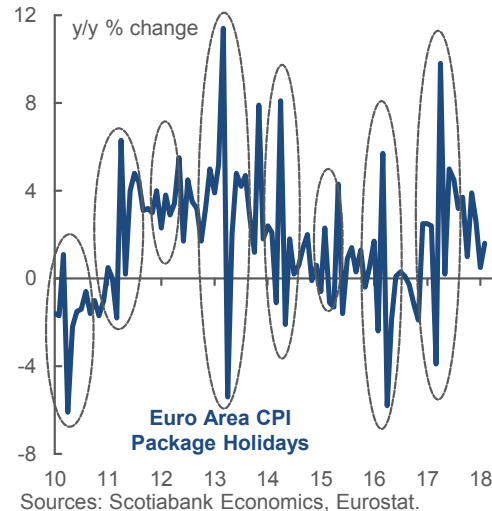
### Sterling Has Shaken Off Brexit



Source: Scotiabank Economics, Bloomberg.

Chart 4

### Easter Effect Has Shaken Out Of Eurozone CPI



Sources: Scotiabank Economics, Eurostat.

**A pair of Japanese releases will also be worth considering.** Inflation for March (Thursday night ET) is not expected to repeat further slight progress on core prices ex-food and may even slip back a touch and ditto for headline inflation.

**Japan's trade figures** on Tuesday night eastern time may be used to cross-reference the Chinese trade figures that showed a plunge in export growth. Did Japan's exports to and imports from China mirror Chinese data? They may not for a variety of reasons (e.g. timing gaps while items are in transit) but the Japanese data will inform data quality issues on the Chinese half of the relationship given the magnitude of the Chinese trade disappointment. This cross referencing is often done when there are large, abrupt and unexpected swings in Chinese trade figures. Hong Kong's trade figures on April 26<sup>th</sup> and South Korea's figures on April 30<sup>th</sup> will also play a role in this regard and on the path to US trade on May 3<sup>rd</sup> and Eurozone trade by May 17<sup>th</sup>.

On Wednesday night, **Australia spins the wheel on its latest jobs reading for March.** **Bank Indonesia is expected to hold its policy rate at 4.25%** again later in the week. **Q1 inflation in New Zealand** will be released on Wednesday night eastern time and it is expected to continue cooling to just over 1% y/y versus a 2% +/-1% RBNZ inflation target range.

### LATIN AMERICA — EARLY INFLATION GLIMPSE TO INFORM SELIC RATE EXPECTATIONS

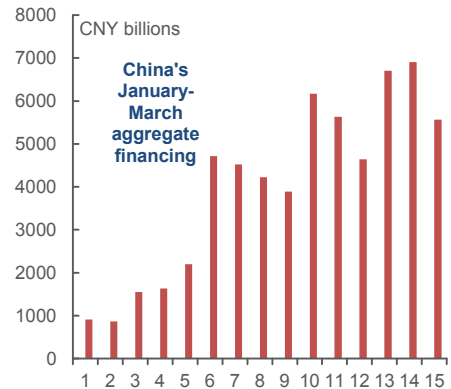
There is nothing of great consequence to the local market tone that is expected in Latin American markets over the coming week—at least in terms of the formal calendars of releases and events. Ongoing NAFTA and trade headlines will, of course, be constantly monitored.

Brazil's limited 15 price CPI sample for April will be released on Friday ahead of the full CPI report due out on May 10<sup>th</sup>. **The more limited inflation sample provides an advance look at inflation in the context of Banco Sentral do Brasil's recent guidance** when it cut the Selic rate on March 21<sup>st</sup> that it may ease again. The next central bank decision date is May 16<sup>th</sup>, less than a week after the full inflation report. The March inflation report came in at 2.7% y/y and it has been trending slightly lower over recent months after it previously plunged from a peak of 10.7% y/y in January 2016 (chart 7). The central bank targets inflation of 3–6% y/y.

Colombia releases retail sales and industrial production for February on Monday.

Chart 5

#### China's Aggregate Financing Cools



Sources: Scotiabank Economics, Bloomberg.

Chart 6

#### China's New Yuan Loan Growth Remains Strong



Sources: Scotiabank Economics, Bloomberg.

Chart 7

#### Brazilian Inflation Bottoming?



Sources: Scotiabank Economics, Bloomberg.

## Key Indicators for the week of April 16 – 20

### NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	04/16	08:30	Empire State Manufacturing Index	Apr	--	18.5	22.5
US	04/16	08:30	Retail Sales (m/m)	Mar	0.2	0.4	-0.1
US	04/16	08:30	Retail Sales ex. Autos (m/m)	Mar	0.2	0.2	0.2
US	04/16	10:00	Business Inventories (m/m)	Feb	--	0.6	0.6
US	04/16	10:00	NAHB Housing Market Index	Apr	--	70.0	70.0
US	04/16	16:00	Total Net TIC Flows (US\$ bn)	Feb	--	--	119.7
US	04/16	16:00	Net Long-term TIC Flows (US\$ bn)	Feb	--	--	62.1
CA	04/17	08:30	International Securities Transactions (C\$ bn)	Feb	--	--	5.7
CA	04/17	08:30	Manufacturing Shipments (m/m)	Feb	0.9	1.2	-1.0
US	04/17	08:30	Building Permits (000s a.r.)	Mar	--	1330	1321
US	04/17	08:30	Housing Starts (000s a.r.)	Mar	1279	1268	1236
US	04/17	08:30	Housing Starts (m/m)	Mar	3.5	2.6	-7.0
US	04/17	09:15	Capacity Utilization (%)	Mar	--	77.9	77.7
US	04/17	09:15	Industrial Production (m/m)	Mar	0.4	0.4	1.0
US	04/18	07:00	MBA Mortgage Applications (w/w)	APR 13	--	--	-1.9
CA	04/18	10:00	<b>BoC Interest Rate Announcement (%)</b>	<b>Apr 18</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>
US	04/19	08:30	Initial Jobless Claims (000s)	APR 14	235	230	233
US	04/19	08:30	Continuing Claims (000s)	APR 7	1875	1845	1871
US	04/19	08:30	Philadelphia Fed Index	Apr	20.0	21.0	22.3
US	04/19	10:00	Leading Indicators (m/m)	Mar	--	0.3	0.6
CA	04/20	08:30	CPI, All items (m/m)	Mar	0.5	0.3	0.6
CA	04/20	08:30	CPI, All items (y/y)	Mar	2.5	2.4	2.2
CA	04/20	08:30	CPI, All items (index)	Mar	--	132.9	132.5
CA	04/20	08:30	Core CPI - Common (y/y)	Mar	--	2.0	1.9
CA	04/20	08:30	Core CPI - Median (y/y)	Mar	--	2.2	2.1
CA	04/20	08:30	Core CPI - Trim (y/y)	Mar	--	2.1	2.1
CA	04/20	08:30	Retail Sales (m/m)	Feb	0.3	0.5	0.3
CA	04/20	08:30	Retail Sales ex. Autos (m/m)	Feb	0.4	0.5	0.9

### EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IT	04/17	04:00	CPI - EU Harmonized (y/y)	Mar F	--	1.1	1.1
UK	04/17	04:30	Average Weekly Earnings (3-month, y/y)	Feb	3.0	3.0	2.8
UK	04/17	04:30	Employment Change (3M/3M, 000s)	Feb	50.0	55.0	168.0
UK	04/17	04:30	Jobless Claims Change (000s)	Mar	5.0	--	9.2
UK	04/17	04:30	ILO Unemployment Rate (%)	Feb	4.3	4.3	4.3
EC	04/17	05:00	ZEW Survey (Economic Sentiment)	Apr	--	--	13.4
GE	04/17	05:00	ZEW Survey (Current Situation)	Apr	--	88.0	90.7
GE	04/17	05:00	ZEW Survey (Economic Sentiment)	Apr	--	-1.0	5.1
UK	04/18	04:30	CPI (m/m)	Mar	0.1	0.3	0.4
UK	04/18	04:30	CPI (y/y)	Mar	2.4	2.7	2.7
UK	04/18	04:30	PPI Input (m/m)	Mar	0.5	0.3	-1.1
UK	04/18	04:30	PPI Output (m/m)	Mar	0.3	0.1	0.0
UK	04/18	04:30	RPI (m/m)	Mar	0.0	0.3	0.8
UK	04/18	04:30	RPI (y/y)	Mar	3.3	3.5	3.6
EC	04/18	05:00	CPI (m/m)	Mar	--	1.0	1.0
EC	04/18	05:00	CPI (y/y)	Mar F	--	1.4	1.4
EC	04/18	05:00	Euro zone Core CPI Estimate (y/y)	Mar F	--	1.0	1.0
EC	04/19	04:00	Current Account (€ bn)	Feb	--	--	37.6
IT	04/19	04:00	Current Account (€ mn)	Feb	--	--	-1266.4
UK	04/19	04:30	Retail Sales ex. Auto Fuel (m/m)	Mar	0.1	-0.4	0.6
UK	04/19	04:30	Retail Sales with Auto Fuel (m/m)	Mar	0.1	-0.6	0.0
GE	04/20	02:00	Producer Prices (m/m)	Mar	--	0.2	-0.1
EC	04/20	10:00	Consumer Confidence	Apr A	--	-0.1	0.1

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

## Key Indicators for the week of April 16 – 20

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
PH	APR 15-16		Overseas Remittances (y/y)	Feb	--	10.7	9.7
ID	04/16	00:00	Imports (y/y)	Mar	--	12.4	25.2
ID	04/16	00:00	Trade Balance (US\$ mn)	Mar	--	-70.5	-116.0
IN	04/16	02:30	Monthly Wholesale Prices (y/y)	Mar	--	2.5	2.5
SI	04/16	20:30	Exports (y/y)	Mar	--	4.2	-5.9
CH	04/16	22:00	Fixed Asset Investment YTD (y/y)	Mar	7.7	7.7	7.9
CH	04/16	22:00	Industrial Production (y/y)	Mar	--	6.4	6.2
CH	04/16	22:00	Real GDP (y/y)	1Q	6.7	6.8	6.8
CH	04/16	22:00	Retail Sales (y/y)	Mar	10.0	9.7	9.4
JN	04/17	00:30	Capacity Utilization (m/m)	Feb	--	--	-7.3
JN	04/17	00:30	Industrial Production (y/y)	Feb F	1.4	--	1.4
JN	04/17	19:50	Merchandise Trade Balance (¥ bn)	Mar	--	499.2	2.6
JN	04/17	19:50	Adjusted Merchandise Trade Balance (¥ bn)	Mar	--	98.5	-201.5
JN	04/17	19:50	Merchandise Trade Exports (y/y)	Mar	--	5.6	1.8
JN	04/17	19:50	Merchandise Trade Imports (y/y)	Mar	--	6.0	16.6
MA	04/18	00:00	CPI (y/y)	Mar	1.6	1.6	1.4
SK	04/18	17:00	PPI (y/y)	Mar	--	--	1.3
NZ	04/18	18:45	Consumer Prices (y/y)	1Q	--	1.1	1.6
AU	04/18	21:30	Employment (000s)	Mar	--	20.0	17.5
AU	04/18	21:30	Unemployment Rate (%)	Mar	5.6	5.5	5.6
HK	APR 18-19		Composite Interest Rate (%)	Mar	--	--	0.4
ID	APR 18-19		<b>BI 7-Day Reverse Repo Rate (%)</b>	<b>Apr 19</b>	<b>4.25</b>	<b>4.25</b>	<b>4.25</b>
PH	APR 18-19		Balance of Payments (US\$ mn)	Mar	--	--	-429.0
HK	04/19	04:30	Unemployment Rate (%)	Mar	2.9	2.9	2.9
JN	04/19	19:30	National CPI (y/y)	Mar	1.6	1.1	1.5
JN	04/20	00:30	Tertiary Industry Index (m/m)	Feb	--	0.0	-0.6
JN	04/20	01:30	Nationwide Department Store Sales (y/y)	Mar	--	--	-0.9
TA	04/20	04:00	Export Orders (y/y)	Mar	--	--	-3.9

### LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
BZ	04/16	07:30	Economic Activity Index SA (m/m)	Feb	--	0.1	-0.6
BZ	04/16	07:30	Economic Activity Index NSA (y/y)	Feb	--	0.8	3.0
CO	04/16	11:00	Retail Sales (y/y)	Feb	--	4.8	6.2
PE	04/16		Economic Activity Index NSA (y/y)	Feb	3.0	2.8	2.8
PE	04/16		Unemployment Rate (%)	Mar	--	--	8.0
BZ	04/20	08:00	IBGE Inflation IPCA-15 (m/m)	Apr	--	0.3	0.1
BZ	04/20	08:00	IBGE Inflation IPCA-15 (y/y)	Apr	--	2.8	2.8
CO	04/20	11:00	Trade Balance (US\$ mn)	Feb	--	-650.6	-518.4



## Global Auctions for the week of April 16 – 20

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	04/19	12:00	Canada to Sell CAD3 Bln 1.75% 2020 Bonds
US	04/19	13:00	U.S. to Sell USD 16Bln 5-Year TIPS Reopening

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
DE	04/18	04:30	Denmark to Sell Bonds
SW	04/18	05:03	Sweden to Sell 1.5 Billion Kronor of 0.75% 2028 Bonds
GE	04/18	05:30	Germany to Sell EUR3 Bln 0.5% 2028 Bonds
SP	04/19	04:45	Spain to Sell 0.45% 2022 Bonds
SP	04/19	04:45	Spain to Sell 2.35% 2033 Bonds
SP	04/19	04:45	Spain to Sell 1.4% 2028 Bonds
FR	04/19	04:50	France to Sell 0% 2023 Bonds
UK	04/19	05:30	U.K. to Sell 2.5 Billion Pounds of 1.625% 2028 Bonds
FR	04/19	05:50	France to Sell 0.1% 2021 Linkers

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	04/16	23:45	Japan to Sell 5-Year Bonds
AU	04/17	21:00	Australia To Sell AUD600 Mln 3% 2047 Bonds
CH	04/17	22:35	China To Sell CNY29 Bln 2-Yr Bonds
CH	04/17	22:35	China To Sell CNY37 Bln 5-Yr Bonds
CH	04/18	02:00	Hunan to Sell Bonds
CH	04/18	03:00	Hunan to Sell Bonds
CH	04/18	21:30	Fujian to Sell Bonds
NZ	04/18	22:05	New Zealand Plans To Sell NZD200Mln 2.75% 2037 Bonds
CH	04/18	22:30	Fujian to Sell Bonds
JN	04/18	23:45	Japan to Sell 20-Year Bonds
AU	04/19	21:00	Australia To Sell AUD400 Mln 2.75% 2027 Bonds
CH	04/19	21:30	Chongqing to Sell Bonds
CH	04/19	22:30	Chongqing to Sell Bonds
CH	04/19	22:35	China to Sell CNY29 Bln 30-Yr Upsized Bonds

## Events for the week of April 16 – 20

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04/16	12:00	Fed's Kaplan Speaks at International Economic Forum
US	04/16	13:15	Fed's Bostic Speaks on the Economy and Rural Market Trends
US	04/17	07:30	Fed's ATARC Federal Emerging Technology Summit
US	04/17	09:15	Fed's Williams Speaks on Economic Outlook at Event in Madrid
US	04/17	10:00	Fed's Quarles to Testify Before House Financial Services panel
US	04/17	11:00	Fed's Harker Speaks on the Economics of Equitable Education
US	04/17	13:10	Fed's Evans Discusses Economic Outlook
US	04/17	17:40	Fed's Bostic to Speak on Economy at Bloomberg Event in Atlanta
CA	04/18	10:00	<b>Bank of Canada Rate Decision</b>
US	04/18	14:00	U.S. Federal Reserve Releases Beige Book
US	04/18	15:15	Fed's Dudley Speaks on Economic Outlook
US	04/18	16:15	Fed's Quarles Speaks in Washington
US	04/19	08:00	Fed's Brainard Speaks on Regulatory Reform
US	04/19	09:30	Fed's Quarles Testifies on Supervision Before Senate Panel
US	04/19	18:45	Fed's Mester Speaks on Economic Outlook and Policy
US	04/20	09:40	Fed's Evans Speaks on the Economy and Monetary Policy

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	04/18	09:15	BOE FPC's Brazier, Kohn and Taylor Testify to Lawmakers
UK	04/19	06:10	BOE FPC's Brazier speaks in London
GE	04/19	08:45	EU's Oettinger Discusses Brexit Impact on EU Budget
NO	04/19	12:00	Norway Central Bank Governor Olsen Speaks in Oslo
UK	04/19	12:30	BOE's Cunliffe speaks in Washington
NO	04/19	13:15	Norway Central Bank Deputy Governor Speaks in Philadelphia
GE	04/19		Merkel, Macron Meet to Coordinate on EU, Trump Tariff Threats
UK	04/20	05:30	BOE's Saunders speaks in Glasgow.
PO	04/20		Portugal Sovereign Debt to Be Rated by Moody's

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	04/16	04:10	BOJ Amamiya speaks at IMF, FSA and BOJ's FinTech conference
AU	04/16	21:30	RBA April Meeting Minutes
ID	APR 18-19		<b>Bank Indonesia 7D Reverse Repo</b>

## 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	April 18, 2018	1.25	1.25
Federal Reserve – Federal Funds Target Rate	1.75	May 2, 2018	1.75	1.75
Banco de México – Overnight Rate	7.50	May 17, 2018	7.50	--

**Bank of Canada:** No change in the policy rate is expected on Wednesday. A full forecast update and Monetary Policy Report will be issued and followed by a press conference. A generally cautious stance is expected in light of disappointing data and ongoing NAFTA negotiations. Guidance that future rate hikes continue to be likely is informed by firming wage and price pressures as the economy operates close to if not slightly beyond capacity.

### 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	April 26, 2018	0.00	--
Bank of England – Bank Rate	0.50	May 10, 2018	0.75	--
Swiss National Bank – Libor Target Rate	-0.75	June 21, 2018	-0.75	--
Central Bank of Russia – One-Week Auction Rate	7.25	April 27, 2018	7.25	7.25
Sweden Riksbank – Repo Rate	-0.50	April 26, 2018	-0.50	--
Norges Bank – Deposit Rate	0.50	May 3, 2018	0.50	--
Central Bank of Turkey – Benchmark Repo Rate	8.00	April 25, 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	April 27, 2018	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	May 1, 2018	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	May 9, 2018	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	June 6, 2018	6.00	--
Bank of Korea – Bank Rate	1.50	May 24, 2018	1.50	--
Bank of Thailand – Repo Rate	1.50	May 16, 2018	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	3.25	May 10, 2018	3.25	--
Bank Indonesia – 7-Day Reverse Repo Rate	4.25	April 19, 2018	4.25	4.25

**Bank Indonesia** will hold a monetary policy meeting on April 19. Indonesian monetary policymakers will likely leave the benchmark interest rate unchanged at 4.25%, given that they assess the current policy stance to be consistent with maintained macroeconomic and financial system stability. Inflation remains contained, yet it accelerated slightly to 3.4% y/y in March from 3.2% a month before.

### 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	6.50	May 16, 2018	6.50	--
Banco Central de Chile – Overnight Rate	2.50	May 3, 2018	2.50	--
Banco de la República de Colombia – Lending Rate	4.50	April 27, 2018	4.50	4.25
Banco Central de Reserva del Perú – Reference Rate	2.75	May 10, 2018	2.75	--

### 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	6.50	May 24, 2018	6.50	--

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