

MARKETS AWAIT BoC GUIDANCE

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CONTACTS

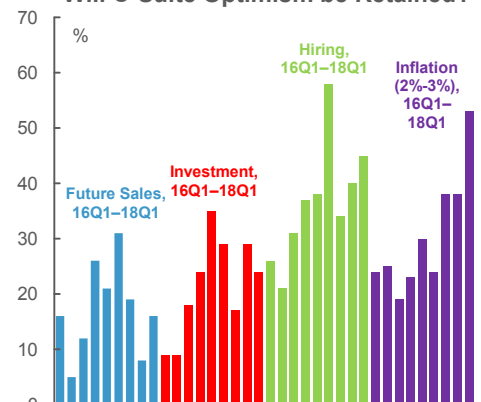
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Next Week's Risk Dashboard

- ▶ BoC's Poloz
- ▶ BoC's surveys
- ▶ CDN GDP
- ▶ US PCE
- ▶ Fed's stress tests II
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- ▶ Final Mexican election campaign
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Chart of the Week

**Business Outlook Survey:
Will C-Suite Optimism be Retained?**



Sources: Scotiabank Economics, Bank of Canada.

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

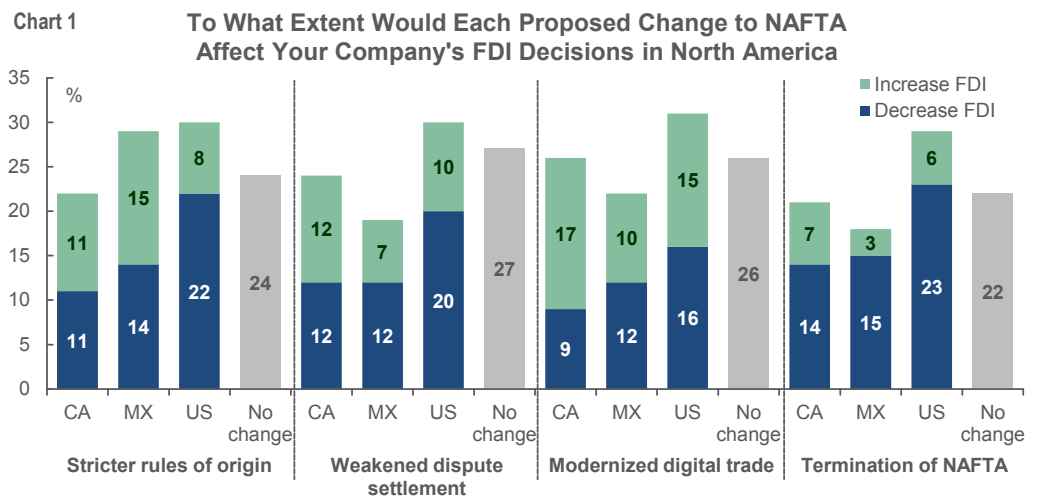
Markets Await BoC Guidance

CANADA—SURVEY SAYS?!

This will be a major week for guidance from the Bank of Canada and the last scheduled set of opportunities for the central bank to weigh in ahead of the July 11th rate decision. With a monthly GDP report mixed into the fray for good measure, I would expect that by week's end, market pricing for a possible July hike will have most of the information needed to firm up expectations. Then it's into Friday's early bond market close ahead of the Canada Day long weekend.

BoC Governor Poloz speaks on Wednesday and clarity of communications is on the menu. His topic is "Let Me Be Clear: From Transparency to Trust and Understanding." It's not, well, terribly clear what that means but his comments will be available at 3pmET and there will be a press conference afterward. Bear in mind that while the Governor won't speak to it beforehand, he will have in his head the results of the latest Business Outlook Survey for Q2 that will be released on Friday. The key issue is whether business attitudes hold up as well as they did in Q1 (see chart on the front cover). If they do within reason, then the signal will be that capacity pressures matter more to businesses than NAFTA uncertainty that is so far more of a microeconomic industry-specific risk than a significant factor influencing our macroeconomic outlook.

Indeed, [this](#) survey of about 500 large multinationals indicated that Canada ranked #2 in foreign direct investment confidence, and several NAFTA-related questions indicated that respondents would only further increase investment in Canada if the NAFTA bloc as a whole became more restrictive to outsiders (chart 1). Canada achieved the highest ranking in the history of the index and the sponsoring consulting group flagged the newly created Invest Canada agency and new trade agreements (e.g. CETA, TPP ex-US, South Korea) as factors that may have raised optimism as offsets to NAFTA uncertainty and given capacity constraints. Also observe that despite the headline gloom, Canadian business investment growth has accelerated in the aftermath of the US election in 2016.



Poloz will also have a pretty good idea of how GDP stacked up in April ahead of the Friday release. My estimate for growth is on the fence between 0% m/m and -0.1%. The only remaining data points on the path to July 11th will be trade and jobs on Friday July 6th and therefore unless Poloz is clear next week, positions into the July 11th meeting may be informed up to the last minute.

Note that Canada auctions two year bonds on Thursday which is delayed a day compared to the norm given Governor Poloz's speech the day before.

UNITED STATES—DATA VERSUS TRADE TENSIONS

US markets will focus upon mild data risk over the coming week with most of the focus upon Friday. The second round of the Federal Reserve's bank stress tests and the risk of a further escalation of trade tensions with China will also inform sentiment.

Friday is when the US will update the Fed's preferred inflation gauges, consumer spending, income growth and the saving rate for the month of May.

- **The strong and already known rise in retail sales is motivating expectations for a healthy gain in overall consumption.** Recall that retail sales advanced by 0.8% m/m which was double consensus expectations. Sales ex-autos were up 0.9% and ex-autos and gas climbed by 0.8% which was also double consensus. The important 'control group' that guides how retail sales translate into consumption within GDP accounts grew by 0.5%.
- Consumption gains are occurring in the context of **healthy trend income growth** as inflation-adjusted personal disposable income grew by 3.3% in Q1 and early tracking of Q2 points to another 1.5% annualized gain.

The saving rate of 2.8% has begun to unwind the first tendency to horde the income gains that were registered in Q1 and that are driving the release of pent-up consumer demand in Q2. Regardless, because the narrow, traditional measure of the saving rate measures saving out of current period disposable income, it ignores most sources of improvement in net wealth. Making a big deal out of the relatively low reading for the traditional saving rate ignores the acceleration of wealth gains as the ratio of household net worth to personal disposable income has risen to an all-time high (chart 2). This means that saving through gains in wealth is being substituted in place of saving more from paycheques. **It's a major reason why I think some concerns about the low traditional measure of the saving rate are misinformed and in a roundabout way speaks to a wealth effect upon consumption.**

- Last, the already known increases in headline CPI (2.8% y/y, 2.5% prior) and core CPI (2.2% y/y, 2.1% prior) are expected to translate into higher headline and core inflation by the Fed's preferred PCE measures (chart 3).

A decline in Boeing's plane orders to 43 in May from 78 the month before is expected to drive softness in Wednesday's durable goods orders. As always, however, the key is the order book excluding defense and aircraft as a guide to business investment within the relatively near-term as captured in GDP accounts. Since December, orders have been oscillating between large monthly gains and large monthly declines which may suggest that after April's 1% rise we're due for a dip again.

New home sales (Monday), consumer confidence (Tuesday), the Richmond Fed's regional manufacturing gauge as an advance indicator for ISM (Tuesday), pending home sales (Wednesday) and the final revisions to Q1 GDP growth that more fully incorporate services spending will round out the release schedule.

The US Treasury Department is expected to announce by Friday what US industries—and possibly (though unlikely) the associated firms—are subject to investment restrictions applied against Chinese investors. There is the concomitant risk of Chinese retaliation. This is not new information per se, as the US administration's plans were declared toward the end of last month which, based upon the recent pattern, doesn't mean there will be no additional market reaction.

After all 35 banks passed the first round of the Fed's stress tests this past week and for the third year in a row — though some did so by the skins of their teeth—**the second round of stress test results arrives on Thursday.** This one will inform capital adequacy and inform decisions on capital management including buybacks, issuance and dividend pay-outs.

Four regional Fed Presidents will speak including Atlanta's Bostic (voting, Tuesday and Thursday), Dallas President Kaplan (nonvoting, Tuesday), Boston's Rosengren (alternate, Wednesday) and St. Louis President Bullard (alternate, Thursday).

The US auctions 2s, 2yr FRNs, 5s and 7s next week.

Chart 2 **Accelerating Gains in Household Net Worth**

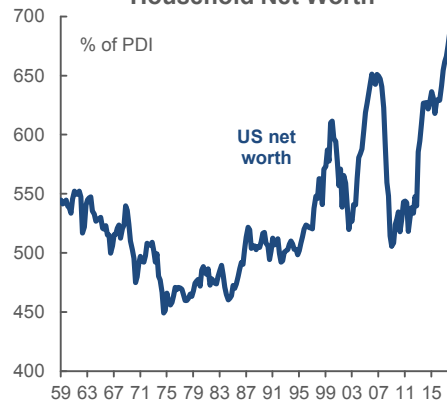
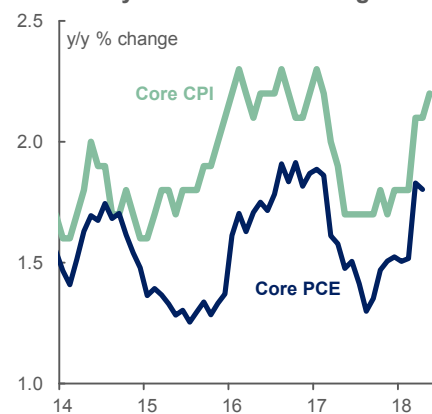


Chart 3

Fed's Preferred Core Inflation Will Likely Follow Core CPI Higher



LATIN AMERICA—HOLD THE TEQUILA

Next week should bring relative calm to Latin American markets before developments heat up into the weekend. A central bank decision and last minute election campaigning in Mexico will be the dominant developments.

Banco Central de la Republica de Colombia (“BanRep”) issues a policy decision on Friday. Scotia’s Eduardo Suárez expects no change to the minimum daily offered repo rate of 4.25%. Inflation is roughly in the middle of BanRep’s target range (chart 4). Consensus does not expect a rate hike until next year.

Mexico’s Presidential election will be held on Sunday July 1st a.k.a. Canada Day and may influence the local market tone into the following week. **Election campaigning ends on Wednesday in advance of the vote.** Andres Manuel Lopez Obrador (“AMLO”) is widely expected to win the Presidency (chart 5), but whether his Morena party wins a majority in Congress and wins several state governorships may be more informative insofar as AMLO’s overall grip on power is concerned.

EUROPE—INFLATION SETBACK?

There is a fairly high bar set against hopes for another increase in core Eurozone inflation. Whether or not it does so next Friday will be the main development to watch.

A large jump in May over April from 0.8% y/y to 1.1% and a shift in the year-ago base effect are expected to either **cap core Eurozone inflation or put renewed downward pressure upon it.** A figure of 1% y/y seems reasonable to expect. The path to the reading will be informed by inflation figures the day before from Germany, Italy and Spain before France releases the next day. As chart 6 depicts, market-based measures of inflation expectations have only modestly risen from a recent low of about 1.67% to 1.74% at present.

UK markets only face Q1 GDP revisions on Friday and **Bank of England Governor Carney’s press conference for the release of the Financial Stability Report on Wednesday.** The probability of a rate hike in August sits at about three-in-four odds following this past week’s more-hawkish-than-anticipated BoE communications.

ASIA-PACIFIC—CHINA’S ROLE IN GLOBAL MANUFACTURING

The latest batch of survey evidence of growth signals out of China’s economy and a pair of regional central bank decisions will inform both global and local market risks through to the following week.

China updates the June editions of its state purchasing managers indices next Friday night eastern time and so the results won’t impact the market tone until into the following Monday. The composite PMI has risen from 52.9 in February to 54.6 in May but this improvement spans the period of distortions introduced each year by the shifting timing of the annual Lunar New Year holiday. Another month’s data will therefore help to further inform whether February was simply a seasonal distortion as the readings have otherwise remained trendless. There is no question that earlier momentum across global manufacturing has noticeably ebbed (chart 7) while services momentum has been relatively more resilient (chart 8). China never really experienced

Chart 4

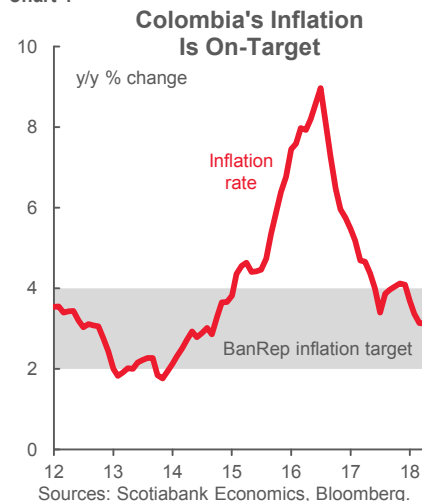


Chart 5

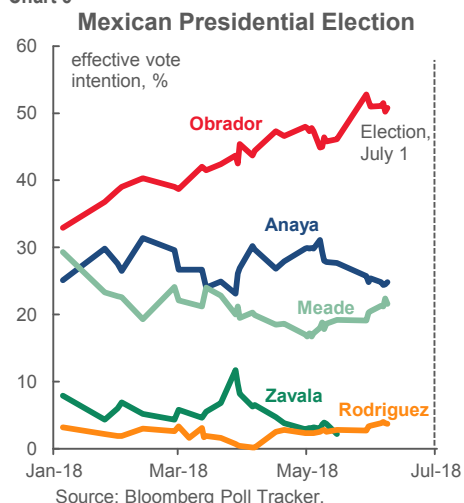
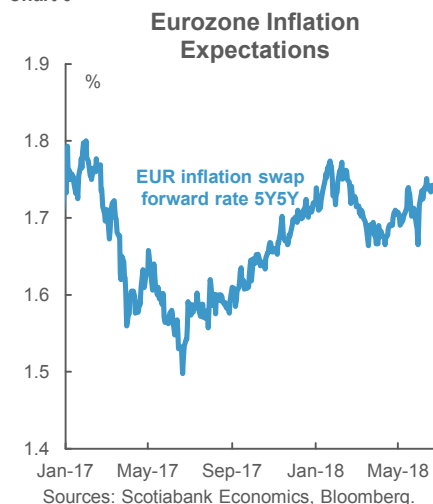


Chart 6



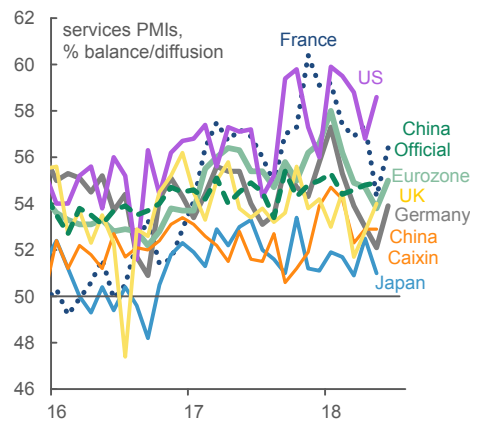
the acceleration in global manufacturing but it has put up fairly robust figures for the larger services sector.

Two-thirds of consensus expect Bank Indonesia to hike its 7 day reverse repo rate by 25bps to 5% by Thursday. Scotia's Tuuli McCully is within the one-third that is bucking consensus because she feels the central bank guided markets that its two hikes in May "front loaded" the hiking cycle and that assessing the effects may involve shifting to the sidelines. Governor Perry Warjiyo tightened policy at the May 30th meeting after hiking two weeks prior to that and may have teed up a further hike bias when he remarked "Bank Indonesia will continue to calibrate developments, domestic and global, to make use of available space for higher rates in a measured way." Since then, CPI inflation decelerated from 3.4% y/y in April to 3.2% in May but core CPI edged up to 2.75% y/y. Headline inflation is within Bank Indonesia's 3–5% target range, but the issue is the extent to which weakness in the rupiah may destabilize inflation expectations. The currency has depreciated by 6% since the end of January and resumed depreciating over the past two weeks during which the Federal Reserve raised borrowing costs and added an extra projected hike to this year's dot plot.

The Reserve Bank of New Zealand is expected to remain on hold with the official cash rate remaining at 1.75% on Thursday.

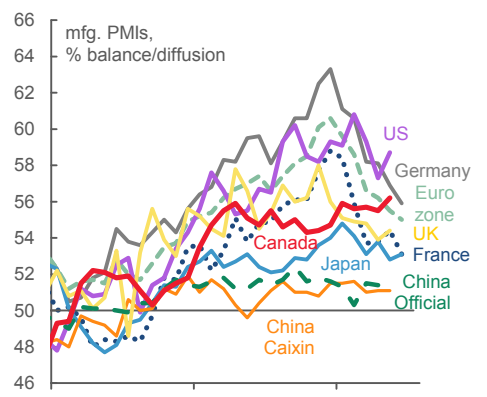
Other data risk will be primarily confined to a round of Japanese updates. They will include retail sales for May on Wednesday, industrial production on Thursday, housing starts on Friday, and the Tokyo CPI gauge on Thursday. China updates industrial profits on Tuesday.

Chart 7 Global Services



Sources: Scotiabank Economics, Markit, Bloomberg, ISM.

Chart 8 Global Manufacturing



Sources: Scotiabank Economics, Markit, Bloomberg, ISM.

Key Indicators for the week of June 25 – 29

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	06/25	09:00	Retail Sales (INEGI) (y/y)	Apr	--	--	1.2
US	06/25	10:00	New Home Sales (000s a.r.)	May	670.0	668.5	662.0
US	06/25	10:30	Dallas Fed. Manufacturing Activity	Jun	--	24.0	26.8
MX	06/26	09:00	Unemployment Rate (%)	May	--	--	3.4
US	06/26	09:00	S&P/Case-Shiller Home Price Index (m/m)	Apr	--	0.4	0.5
US	06/26	09:00	S&P/Case-Shiller Home Price Index (y/y)	Apr	--	6.7	6.8
US	06/26	10:00	Consumer Confidence Index	Jun	128.0	128.0	128.0
US	06/26	10:00	Richmond Fed Manufacturing Index	Jun	--	15.0	16.0
US	06/27	07:00	MBA Mortgage Applications (w/w)	JUN 22	--	--	5.1
US	06/27	08:30	Durable Goods Orders (m/m)	May P	-1.0	-0.8	-1.6
US	06/27	08:30	Durable Goods Orders ex. Trans. (m/m)	May P	0.4	0.5	0.9
US	06/27	08:30	Wholesale Inventories (m/m)	May P	--	--	0.1
MX	06/27	09:00	Trade Balance (US\$ mn)	May	--	--	-289.2
US	06/27	10:00	Pending Home Sales (m/m)	May	--	1.0	-1.3
US	06/28	08:30	GDP (q/q a.r.)	1Q T	2.2	2.2	2.2
US	06/28	08:30	GDP Deflator (q/q a.r.)	1Q T	--	1.9	1.9
US	06/28	08:30	Initial Jobless Claims (000s)	JUN 23	225	220	218
US	06/28	08:30	Continuing Claims (000s)	JUN 16	1725	--	1723
CA	06/29	08:30	IPPI (m/m)	May	--	0.9	0.5
CA	06/29	08:30	Raw Materials Price Index (m/m)	May	--	--	0.7
CA	06/29	08:30	Real GDP (m/m)	Apr	-0.1	0.1	0.3
US	06/29	08:30	PCE Deflator (m/m)	May	0.2	0.2	0.2
US	06/29	08:30	PCE Deflator (y/y)	May	2.2	2.2	2.0
US	06/29	08:30	PCE ex. Food & Energy (m/m)	May	0.2	0.2	0.2
US	06/29	08:30	PCE ex. Food & Energy (y/y)	May	1.9	1.9	1.8
US	06/29	08:30	Personal Spending (m/m)	May	0.3	0.4	0.6
US	06/29	08:30	Personal Income (m/m)	May	0.4	0.4	0.3
US	06/29	10:00	U. of Michigan Consumer Sentiment	Jun F	--	99.3	99.3
CA	06/29	10:30	BoC Senior Loan Officer Survey	2Q	--	--	-5.2
CA	06/29	10:30	Business Outlook Future Sales	2Q	--	--	16.0

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	06/25	04:00	IFO Business Climate Survey	Jun	101.5	101.8	102.2
GE	06/25	04:00	IFO Current Assessment Survey	Jun	105.5	105.7	106.0
GE	06/25	04:00	IFO Expectations Survey	Jun	97.8	98.0	98.5
GE	06/28	02:00	GfK Consumer Confidence Survey	Jul	--	10.6	10.7
SP	06/28	03:00	CPI (m/m)	Jun P	0.1	0.2	0.9
SP	06/28	03:00	CPI (y/y)	Jun P	2.2	2.3	2.1
SP	06/28	03:00	CPI - EU Harmonized (m/m)	Jun P	0.1	0.2	0.9
SP	06/28	03:00	CPI - EU Harmonized (y/y)	Jun P	2.2	2.3	2.1
SP	06/28	03:00	Real Retail Sales (y/y)	May	--	--	0.7
EC	06/28	05:00	Business Climate Indicator	Jun	--	1.4	1.5
EC	06/28	05:00	Economic Confidence	Jun	--	112.0	112.5
EC	06/28	05:00	Industrial Confidence	Jun	--	6.4	6.8
IT	06/28	05:00	CPI (m/m)	Jun P	0.2	0.2	0.3
IT	06/28	05:00	CPI (y/y)	Jun P	1.4	1.3	1.0
IT	06/28	05:00	CPI - EU Harmonized (m/m)	Jun P	0.2	0.2	0.3
IT	06/28	05:00	CPI - EU Harmonized (y/y)	Jun P	1.4	1.4	1.0
SP	06/28	07:00	Budget Balance YTD (€ mn)	May	--	--	-5928
GE	06/28	08:00	CPI (m/m)	Jun P	0.1	0.1	0.5
GE	06/28	08:00	CPI (y/y)	Jun P	2.2	2.2	0.0
GE	06/28	08:00	CPI - EU Harmonized (m/m)	Jun P	0.1	0.2	0.6
GE	06/28	08:00	CPI - EU Harmonized (y/y)	Jun P	2.2	2.1	2.2
UK	06/28	19:01	GfK Consumer Confidence Survey	Jun	--	-7.0	-7.0
UK	JUN 28-JUL 3		Nationwide House Prices (m/m)	Jun	--	0.3	-0.2

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

Key Indicators for the week of June 25 – 29

EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	06/29	02:00	Retail Sales (m/m)	May	-0.8	-0.5	1.6
FR	06/29	02:45	Consumer Spending (m/m)	May	--	0.8	-1.5
FR	06/29	02:45	CPI (m/m)	Jun P	0.1	0.1	0.4
FR	06/29	02:45	CPI (y/y)	Jun P	2.1	2.1	2.0
FR	06/29	02:45	CPI - EU Harmonized (m/m)	Jun P	0.1	0.1	0.5
FR	06/29	02:45	CPI - EU Harmonized (y/y)	Jun P	2.1	2.4	2.3
FR	06/29	02:45	Producer Prices (m/m)	May	--	--	-0.7
GE	06/29	03:55	Unemployment (000s)	Jun	--	-8.0	-12.0
GE	06/29	03:55	Unemployment Rate (%)	Jun	--	5.2	5.2
SP	06/29	04:00	Current Account (€ bn)	Apr	--	--	0.9
UK	06/29	04:30	Business Investment (q/q)	1Q F	--	-0.2	-0.2
UK	06/29	04:30	Current Account (£ bn)	1Q	--	-18.0	-18.4
UK	06/29	04:30	GDP (q/q)	1Q F	0.1	0.1	0.1
UK	06/29	04:30	Index of Services (m/m)	Apr	0.2	0.3	0.1
UK	06/29	04:30	Net Consumer Credit (£ bn)	May	--	1.5	1.8
EC	06/29	05:00	Euro zone CPI Estimate (y/y)	Jun	2.0	2.0	1.9
EC	06/29	05:00	Euro zone Core CPI Estimate (y/y)	Jun A	1.1	1.0	1.1

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
PH	JUN 24-25		Budget Deficit/Surplus (PHP bn)	May	--	--	46.3
SK	JUN 24-29		Department Store Sales (y/y)	May	--	--	-0.2
VN	JUN 24-30		CPI (y/y)	Jun	--	--	3.9
VN	JUN 24-30		Exports (y/y)	Jun	--	--	15.8
VN	JUN 24-30		Imports (y/y)	Jun	--	--	8.2
VN	JUN 24-30		Industrial Production (y/y)	Jun	--	--	7.1
VN	JUN 24-30		Real GDP YTD (y/y)	2Q	--	--	7.4
ID	06/25	00:00	Exports (y/y)	May	--	6.0	9.0
ID	06/25	00:00	Imports (y/y)	May	--	12.1	34.7
ID	06/25	00:00	Trade Balance (US\$ mn)	May	--	-530.5	-1629.3
JN	06/25	01:00	Coincident Index CI	Apr F	117.7	--	117.7
JN	06/25	01:00	Leading Index CI	Apr F	105.6	--	105.6
SI	06/25	01:00	CPI (y/y)	May	0.0	0.3	0.1
TA	06/25	04:00	Industrial Production (y/y)	May	--	5.8	8.5
SK	06/25	17:00	Consumer Confidence Index	Jun	--	--	107.9
SI	06/26	01:00	Industrial Production (y/y)	May	--	10.2	9.1
HK	06/26	04:30	Exports (y/y)	May	--	9.5	8.1
HK	06/26	04:30	Imports (y/y)	May	--	12.7	11.1
HK	06/26	04:30	Trade Balance (HKD bn)	May	--	-49.7	-46.9
NZ	06/26	18:45	Trade Balance (NZD mn)	May	--	100.0	262.9
NZ	06/26	18:45	Exports (NZD bn)	May	--	5.3	5.1
NZ	06/26	18:45	Imports (NZD bn)	May	--	5.1	4.8
CH	06/26	21:30	Industrial Profits YTD (y/y)	May	--	--	21.9
NZ	06/27	17:00	RBNZ Official Cash Rate (%)	Jun 28	1.75	1.75	1.75
JN	06/27	19:50	Large Retailers' Sales (y/y)	May	--	-1.1	-0.8
JN	06/27	19:50	Retail Trade (y/y)	May	--	1.2	1.5
ID	JUN 27-28		BI 7-Day Reverse Repo Rate (%)	Jun 28	4.75	5.00	4.75

Key Indicators for the week of June 25 – 29

ASIA-PACIFIC (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SK	06/28	17:00	Business Survey- Manufacturing	Jul	--	--	80.0
SK	06/28	17:00	Business Survey- Non-Manufacturing	Jul	--	--	82.0
NZ	06/28	18:00	ANZ Consumer Confidence Index	Jun	--	--	121.0
SK	06/28	19:00	Industrial Production (y/y)	May	--	0.0	0.9
SK	06/28	19:00	Cyclical Leading Index Change	May	--	--	-0.4
JN	06/28	19:30	Jobless Rate (%)	May	2.5	2.5	2.5
JN	06/28	19:30	Tokyo CPI (y/y)	Jun	--	0.4	0.4
JN	06/28	19:50	Industrial Production (m/m)	May P	--	-1.0	0.5
JN	06/28	19:50	Industrial Production (y/y)	May P	--	3.4	2.6
AU	06/28	21:30	Private Sector Credit (y/y)	May	--	5.0	5.1
PH	JUN 28-29		Bank Lending (y/y)	May	--	--	19.9
JN	06/29	00:17	Vehicle Production (y/y)	Apr	--	--	1.0
JN	06/29	01:00	Consumer Confidence	Jun	--	43.8	43.8
JN	06/29	01:00	Housing Starts (y/y)	May	--	-6.2	0.3
JN	06/29	01:00	Construction Orders (y/y)	May	--	--	4.0
TH	06/29	03:30	Exports (y/y)	May	--	--	14.6
TH	06/29	03:30	Imports (y/y)	May	--	--	22.7
TH	06/29	03:30	Trade Balance (US\$ mn)	May	--	--	234.0
TH	06/29	03:30	Current Account Balance (US\$ mn)	May	--	1249.0	1364.0
IN	06/29	07:00	Fiscal Deficit (INR Crore)	May	--	--	151967.0
CH	06/29	21:00	Manufacturing PMI	Jun	51.6	51.8	51.9
CH	06/29	21:00	Non-manufacturing PMI	Jun	--	--	54.9

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	06/25	09:30	Current Account (US\$ mn)	May	--	--	619.5
CL	06/29	09:00	Industrial Production (y/y)	May	2.4	--	11.8
CL	06/29	09:00	Unemployment Rate (%)	May	6.9	--	6.7
CO	06/29	11:00	Urban Unemployment Rate (%)	May	--	--	10.7
CO	06/29		Overnight Lending Rate (%)	Jun 29	4.25	4.25	4.25

Global Auctions for the week of June 25 – 29**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	06/26	13:00	U.S. to Sell USD34 Bln 2-Year Notes
US	06/27	11:30	U.S. to Sell USD16 Bln 2-Year Floating Rate Notes Reopening
US	06/27	13:00	U.S. to Sell USD36 Bln 5-Year Notes
CA	06/28	12:00	Canada to Sell CAD3 Bln 1.75% 2020 Bonds
US	06/28	13:00	U.S. to Sell USD30 Bln 7-Year Notes

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	06/26	05:00	Italy to Sell Up to 1.75 Billion Euros of 2020 Zero Bonds
IT	06/26	05:00	Italy to Sell 0.1% 2023 Linkers On Jun 26
IT	06/26	05:00	Italy to Sell 2.55% 2041 Linkers On Jun 26
UK	06/26	05:30	U.K. to Sell Bonds
NO	06/27	05:00	Norway to Sell Bonds
IT	06/28	05:00	Italy to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	06/24	21:30	Qingdao to Sell Bonds
CH	06/25	03:00	Guizhou to Sell Bonds
AU	06/25	21:00	Australia To Sell AUD150 Mln 2.5% 2030 Bonds
JN	06/25	23:35	Japan to Sell 20-Year Bonds
AU	06/26	21:00	Australia To Sell AUD1000 Mln 2.5% 2030 Bonds
JN	06/27	23:35	Japan to Sell 2-Year Bonds

Source: Bloomberg, Scotiabank Economics.

Events for the week of June 25 – 29

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	06/26	13:15	Fed's Bostic Speaks in Birmingham, Alabama
US	06/26	13:45	Fed's Kaplan Speaks in Houston
US	06/26		Colorado state primary
US	06/26		Maryland state primary
US	06/26		Mississippi primary runoff
US	06/26		North Carolina "second primary"/runoff
US	06/26		New York federal primary (tentative date)
US	06/26		Oklahoma state primary
US	06/26		South Carolina primary runoff
US	06/26		Utah state primary
CA	06/26		Morneau hosts Poloz and Provincial Ministers in Ottawa
US	06/27	12:15	Fed's Rosengren Speaks on Ethics and Economics
CA	06/27	15:00	Bank of Canada Governor Poloz Gives Speech in Victoria
MX	06/27		2018 Election campaign ends
US	06/28	10:45	Fed's Bullard Speaks on U.S. Economy and Monetary Policy
US	06/28	12:00	Fed's Bostic to Meet With Fed Up Coalition in Atlanta
US	06/28		Fed Releases Part 2 of Annual Bank Stress Tests

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AS	JUN 22-23		OPEC Ministers and Partners Meet in Vienna to Discuss Outputs
AS	06/25	04:30	ECB's Nowotny Presents Conclusions of IMF Report on Austria
EC	06/25	21:20	ECB's Coeure Speaks in Singapore
ES	06/26	04:00	ECB's Hansson Speaks on Outlook for Euro Area and Estonia
UK	06/26	05:00	Haskel, Fried Speak at BOE Appointment Hearings in London
UK	06/26	05:30	BOE's McCafferty Speaks in London
GE	06/26	06:00	Scholz Holds News Conference on Federal and State Finances
EC	06/26	08:00	ECB Vice President De Guindos Speaks in Frankfurt
UK	06/27	04:30	BOE's Carney Speaks About Financial Stability Report
EC	06/27		ECB Chief Economist Peter Praet Talks to Dutch Parliament
UK	06/28	06:00	BOE's Bailey Speaks on the Future of Payments in London
UK	06/28	09:30	BOE Chief Economist Andy Haldane Speaks in London
EC	06/28	00:00	EU Leaders Summit in Brussels

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	06/24	19:50	BOJ Summary of Opinions
NZ	06/25	19:00	RBNZ Deputy Bascand speaks on Digital Currencies
ID	06/26		Indonesia Holds Regional Elections
NZ	06/27	17:00	RBNZ Official Cash Rate
ID	JUN 27-28		Bank Indonesia 7D Reverse Repo

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CL	06/28	08:30	Central Bank Meeting Minutes
CO	06/29		Overnight Lending Rate

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	1.25	July 11, 2018	1.50	1.50
Federal Reserve – Federal Funds Target Rate	2.00	August 1, 2018	2.00	2.00
Banco de México – Overnight Rate	7.75	August 2, 2018	7.50	7.75

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	July 26, 2018	0.00	0.00
Bank of England – Bank Rate	0.50	August 2, 2018	0.50	0.50
Swiss National Bank – Libor Target Rate	-0.75	September 20, 2018	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	7.25	July 27, 2018	7.00	7.00
Sweden Riksbank – Repo Rate	-0.50	July 3, 2018	-0.50	-0.50
Norges Bank – Deposit Rate	0.50	August 16, 2018	0.50	0.50
Central Bank of Turkey – Benchmark Repo Rate	17.75	July 24, 2018	17.75	--

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	July 31, 2018	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	1.50	July 3, 2018	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	June 27, 2018	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	4.35
Reserve Bank of India – Repo Rate	6.25	August 1, 2018	6.25	6.25
Bank of Korea – Bank Rate	1.50	July 12, 2018	1.50	1.50
Bank of Thailand – Repo Rate	1.50	August 8, 2018	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	3.25	July 11, 2018	3.25	3.25
Bank Indonesia – 7-Day Reverse Repo Rate	4.75	June 28, 2018	4.75	4.75

Monetary authorities of the **Reserve Bank of New Zealand (RBNZ)** will meet on June 28. New Zealand's headline inflation eased to 1.1% y/y in Q1-18 from 1.6% y/y in Q4-17, near the lower boundary of the RBNZ's 1-3% inflation target. Accordingly, we do not expect any changes to the monetary policy stance. **Bank Indonesia (BI)** will hold a monetary policy meeting on June 28. We expect the central bank to take a break from monetary tightening next week to assess the impact of recent hikes. The benchmark rate was raised by 25 bps on May 17 and again on May 30 to 4.75% to defend the value of the Indonesian rupiah. According to the statement issued following the May 30 hike, BI sees the policy action as "preemptive, front-loading, and ahead-of-the-curve to strengthen stability".

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	August 1, 2018	6.50	6.75
Banco Central de Chile – Overnight Rate	2.50	July 24, 2018	2.50	2.50
Banco de la República de Colombia – Lending Rate	4.25	June 29, 2018	4.25	4.25
Banco Central de Reserva del Perú – Reference Rate	2.75	July 12, 2018	2.75	2.75

BanRep: No policy change is expected with inflation in the middle of the Colombian central bank's inflation target range.

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	July 19, 2018	6.50	6.50

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