

**VACANCIES AND DIVISIONS**

- [United States — FOMC Minutes May Be Stale, But Showcase Divisions](#) 2-3
- [Canada — Mixed Inflation Signals, Retail Downside?](#) 3-4
- [Latin America — More Central Bank Divergence](#) 4
- [Europe — Peaking Sentiment?](#) 4-5
- [Asia — Three Regional Considerations](#) 5

**FORECASTS & DATA**

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

**CONTACTS**

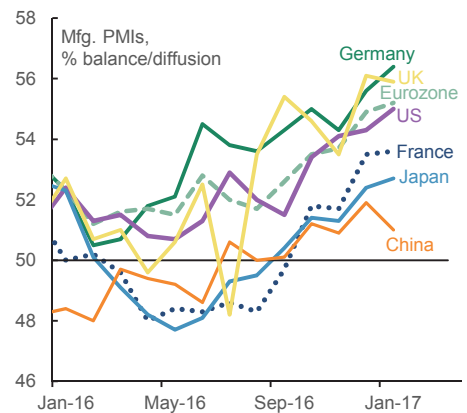
Derek Holt, VP & Head of Capital Markets Economics  
416.863.7707  
Scotiabank Economics  
[derek.holt@scotiabank.com](mailto:derek.holt@scotiabank.com)

**Next Week's Risk Dashboard**

- ▶ FOMC minutes
- ▶ One less Fed vacancy?
- ▶ CDN inflation, retail sales
- ▶ CBs: Brazil, Colombia, BoK
- ▶ European PMIs, IFO
- ▶ Chinese property prices
- ▶ US home sales
- ▶ US pre-ISM PMIs
- ▶ CDN bank earnings
- ▶ Thai GDP

**Chart of the Week**

**Global Manufacturing Rebounding?**



Sources: Scotiabank Economics, Markit, Bloomberg.

Chart of the Week: Prepared by: Amran Wali, Research Assistant.

## Vacancies And Divisions

### UNITED STATES—FOMC MINUTES MAY BE STALE, BUT SHOWCASE DIVISIONS

Fed Chair Janet Yellen stole the thunder away from next Wednesday's minutes to the February 1<sup>st</sup> FOMC meeting during her two days of semi-annual Congressional testimony ([here](#)). If not for this, the minutes would have been more heavily parsed for policy clues and guidance and therefore would have been the most material development over the week that starts off shut for President's Day on Monday. Recent data may have also made the discussion at the beginning of the month less relevant now. As a consequence, next week just became a whole lot less interesting for US economy- and market-watchers. **There is unlikely to be any information to materially inform the market probabilities on timing the next Fed move** (chart 1). Given the Fed's reticence to surprise markets to date in favour of a preference toward markets being almost fully priced for a hike before acting, the Fed continues to face an uphill battle to convince markets that March is a credible risk for a rate hike.

It's not that the minutes will be totally uninteresting, mind you. **What we may still learn from the minutes is the breadth of opinion in support of or in contradiction to Yellen's guidance.** Using the Fed's usual language to connote a sense of the breadth or frequency of opinion, we'll see words like: all, generally, almost all, all but one, a majority, about half, several, many, some, a few, a couple, one, and, perhaps one day to the amusement of all of us, who-the-heck-said-that in order to describe the degree of convergence around centrist policy stances.

When the Chair spills the beans before the minutes—as happens at least twice a year—the risk is always going to be **whether or not the minutes reveal signs of internal divisions at the Fed** on core policy considerations. That may be particularly important in the context of Yellen's two main points that leaned toward continuing gradual rate hikes but without teeing up a particular meeting for the next hike, and a protracted period of reinvestment of maturing Treasury holdings and principal payments on agency and MBS product held on the Fed's balance sheet following three rounds of quantitative easing. Our assumption on reinvestment remains that it will continue throughout at least 2017–18. **Nevertheless, we're going into a period of time in the Fed's history when internal dissent may be much more problematic to markets.** In years past, one might have taken the Chair's word as the final one. Over 2017–18, that assumption may be far less appropriate in the context of the potential leadership instability that may arise from a minimum of 6 current and scheduled vacancies to perhaps 8 if Chair Yellen and Vice-Chair Fischer do not get second terms next year ([here](#) for a primer on the vacancies). There may even be more vacancies if the process of managing them is not welcomed by senior Fed officials. Think it can't happen? I still think Bernanke left the post prematurely notwithstanding Yellen's virtues.

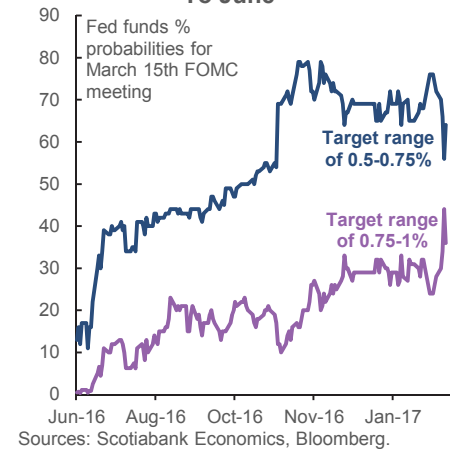
Three other Fed officials speak next week and **we might hear word on a successor to Atlanta Fed President Dennis Lockhart.** He speaks on Thursday about "Looking Back on 10 Years At The Federal Reserve Bank of Atlanta." Lockhart retires at the end of the month so it's feasible that an announcement is pending any day now. Cleveland Fed President Loretta Mester (alternate, Sunday), Minneapolis Fed President Neel Kashkari (voting, Tuesday) and Philadelphia Fed President Patrick Harker (voting, Tuesday) also speak.

The rest of the week will face relatively **minor data risk.** **Existing home sales** (Wednesday) have been trending higher over the past couple of years but recently dipped, and so their resilience in the face of a significant rise in mortgage rates will be in focus. That could be even truer for **new home sales** (Friday) that react faster to rate changes given shorter closing periods and that plunged by 10% m/m in December.

**The Markit-supplied versions of the US purchasing managers indices arrive on Tuesday** before the more widely followed ISM readings in early March. ISM-manufacturing has continued to trend sharply higher, and ISM-services recently dipped, so the Markit measures will inform ISM risks. Then again, the connection between the Markit and ISM measures is often tenuous partly due to different weights on the subcomponents. The connection between the production subcomponent for ISM-manufacturing and

Chart 1

#### Markets Divided On March, Still Lean To June



the monthly changes in actual manufacturing output are decent over long periods but often disconnected over shorter time periods such as the fact that ISM's recent surge has not been associated with a surge in manufacturing output.

Earnings risk has been fading for some time, but next week's highlights will include Wal-Mart, Home Depot, and a few retail and mining plays.

### CANADA—MIXED INFLATION SIGNALS, RETAIL DOWNSIDE?

**First tier data risk and earnings reports that begin to include the banks will offer significant domestic influences on the market tone particularly over the back half of the week.** Canadian markets will be shut on Monday for Family Day.

**Friday's release of another round of inflation figures may incrementally inform BoC risks, but that's unlikely to be a material effect.** I think headline inflation will rise a tick to about 1.6% y/y. That would keep inflation below the BoC's 2% target and well within the 1-3% policy band. The policy challenge facing the BoC was showcased in the recent speech by BoC Deputy Governor Lawrence Schembri ([here](#)). There were two suggested conclusions to draw:

- The Governing Council is not indicating preference for one or the other of the three core inflation measures but, rather, is being inclusive toward the information contained across all three measures of core CPI. They are worried about putting too much emphasis upon one core inflation reading in such fashion as to possibly motivate a policy error. In turn, I interpret that to set a high bar in terms of the relevance of core inflation readings to BoC decisions. As shown in chart 2, core CPI measures have been trending lower, but within a wide interval. I think they'd need to have conviction that a trend is occurring across all measures, that this is expected to remain the case, and within narrower ranges.
- The BoC will no longer forecast core inflation using the old measure or any of the new common-component, weighted median or trimmed mean measures. That probably makes it far more data-dependent than previously and it may pose increased communications challenges to markets attempting to determine a potential future policy bias.

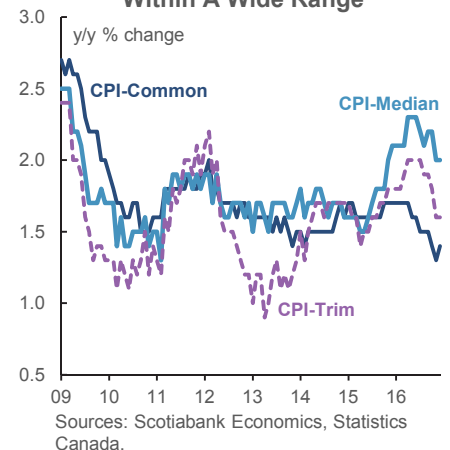
Two days prior to that, we'll get **retail sales** for the month of December. We always caution on this report and the limited number of advance signals that can be used to put together a call, but it could easily face downside risk for the following reasons:

- Sales of new cars and trucks were sharply lower in m/m seasonally adjusted terms during December. New car dealers have about a 14% weight in total retail sales. On its own, the drop in new vehicle sales could easily account for a large drop in headline retail sales. One caution is that what happened to sales at new car dealers also depends upon new auto prices and ancillary sales of products and services.
- Second, CPI was up 0.3% m/m in December in seasonally adjusted terms—particularly in terms of transportation prices that were driven higher by gasoline prices that were 5.5% higher in month ago terms. Gasoline stations carry a 10% weight in total retail sales and so higher gasoline prices may singlehandedly add up to a half percentage point to the dollar value of retail sales in December. Gas station sales also depend upon the volume of gasoline sold, and the other products and services.
- Third, the prior month was strong in terms of a sizeable 0.7% m/m rise in retail sales volumes during November that might be tough to repeat even though the dollar value of sales climbed by a lesser 0.2%.

Among the other supporting factors has been the large increase in child benefit payments since last summer. Ditto for the housing market given how such payments can be leveraged in mortgage applications. This cash infusion helps relative to very little nominal wage growth of 1% y/y and falling real wages.

Chart 2

#### Core Inflation: Trend Convergence Within A Wide Range



**Earnings risk will intensify in Canada** as its earnings season lags the US. Forty-two firms listed on the TSX release over the coming week. Banks start reporting on Thursday (CIBC) and Friday (RBC). BNS—my employer—reports the following Tuesday and so does BMO and Laurentian, then National Bank the following Wednesday, and finally TD and Canadian Western Bank the following Thursday. Other names due out over the coming week will include Loblaw, IAMGOLD, Cott and Magna International.

**BoC Senior Deputy Governor Carolyn Wilkins participates in a panel** on “Regulations in the financial services sector” sponsored by the Competition Bureau on Tuesday. There will be no published remarks or press conference. Market risk due to policy remarks is likely fairly low.

**Canada conducts a 2 year auction** on Wednesday. Two year yields may have backed up a little too far over recent months. Scotia Economics forecasts the BoC to be on hold until 2018H2 versus OIS markets that assign about 40% odds to a hike before the end of this year.

### LATIN AMERICA—MORE CENTRAL BANK DIVERGENCE

**A pair of central bank policy decisions will be on offer next week and will dominate local market influences on top of global factors. Both decisions could bring easier monetary policy to Brazil and Colombia.**

**Banco Central do Brasil is expected to cut its policy Selic rate by 75bps to 12.25%** on Wednesday. That would bring the policy rate a full two percentage points lower than where it was as recently as last October. That would still leave the policy rate a full five percentage points higher than it was before the start of the tightening cycle over 2013-2015. The tightening cycle was designed to counter rising inflation that peaked at about 10.7% y/y but has since fallen back to about half that pace of late with another update pending next week (chart 3).

**Banco de la Republica Colombia follows up with its own rate decision on Friday.** A sizeable minority of six out of 15 economists expect a rate cut but the median call is for a policy hold. Further easing is expected by consensus but the timing is uncertain. The median Bloomberg consensus call is to end this year about 150bps lower than the present 7.5% policy rate and with further easing projected next year. Like Brazil, but a less extreme version, inflation had soared until mid-2016 and has since fallen back from 9% y/y to about 5.5% and thus it remains above the 3% inflation target (chart 3). The central bank surprised by passing on a forecast rate cut in January. It may be waiting for firmer evidence of falling inflation, and the new Governor Echavarría is seeking to counter allegations that he may not strongly defend central bank independence in working with a government that would prefer policy easing. Before this report, Colombia’s Q4 growth rate will be disclosed on Wednesday amidst expectations that the economy grew at its fastest quarterly growth rate since 2015Q3.

Mexico will issue potential revisions to Q4 GDP growth of 0.6% on Wednesday, and retail sales during December on Friday.

### EUROPE—PEAKING SENTIMENT?

**Europe will be focused upon sentiment surveys over the coming week with little else in the line-up.**

**At the top of the list will be the Eurozone purchasing managers’ indices for February** that get released on Tuesday. After an uninterrupted upswing from September through to December, January stamped a question mark on the durability of the gains as the Eurozone composite PMI for the manufacturing and service sectors combined moved sideways. Is momentum stalling out at a modest pace of expansion? It’s possible that the rise of US protectionism will weigh on the latest readings following the inauguration of US President Trump.

**German business confidence** will be closely watched in this similar context (Wednesday). The IFO business climate reading slipped back in January from its highest since March 2014.

Chart 3



Sundry other more minor developments will include the second take on Q4 German GDP growth following a preliminary print of 0.4% q/q growth and this time we'll get the underlying details behind the headline. Possible UK Q4 GDP revisions to the initial 0.6% print, and Italian updates for retail sales, industrial orders and sales, and confidence round out the more minor releases.

### ASIA—THREE REGIONAL CONSIDERATIONS

Barring geopolitical flare-ups or tweets, **Asia otherwise shouldn't be a focal point in world markets over the coming week.** Three regional factors are on the docket.

Bank of Korea Governor Lee Ju-yeol has for some time made it clear that the central bank wishes to keep its powder dry in the face of uncertain risks to global trade. With exports over 40% of the economy, the Governor recently reinforced this point in reference to potential US trade policy specifically as applied to Asia, and Brexit risks.

**The BoK may continue to keep the bank rate unchanged at 1.25%** where it has sat since June of last year after a 3½ year easing cycle that brought the rate down by 200bps.

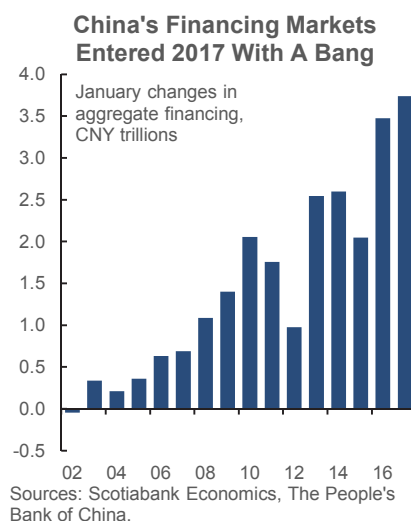
Next Tuesday offers up an update on Chinese property prices for the month of January.

**After new financing growth hit a record for the month of January (chart 4), will property prices follow?** After tightening macroprudential rules in October, authorities guided to expect cooler markets. That hasn't happened as of yet. In December, 65 out of 70 cities were still registering higher prices for new apartments, and 61 cities were clocking gains in resale apartments.

**Thailand's economy offers up Q4 GDP growth** into the Monday Asian market open.

The economy grew at a 0.6-1.0% q/q rate over the first three quarters of 2016 and expectations are similar for Q4. We're now almost three years removed from the May 2014 coup and the economy has grown for ten consecutive quarters and soon possibly eleven as it faces the next major challenge which is a potentially more protectionist world economy principally due to nascent developments in the US and UK.

Chart 4



**Key Indicators for the week of February 20 – 24**
**NORTH AMERICA**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	02/20	08:30	Wholesale Trade (m/m)	Dec	--	--	0.2
US	02/22	07:00	MBA Mortgage Applications (w/w)	FEB 17	--	--	-3.7
CA	02/22	08:30	Retail Sales (m/m)	Dec	0.0	0.3	0.2
CA	02/22	08:30	Retail Sales ex. Autos (m/m)	Dec	0.5	0.9	0.1
MX	02/22	09:00	GDP (q/q)	4Q F	--	--	0.6
MX	02/22	09:00	GDP (y/y)	4Q F	2.2	--	2.2
MX	02/22	09:00	Global Economic Indicator IGAE (y/y)	Dec	1.6	--	3.7
US	02/22	10:00	Existing Home Sales (mn a.r.)	Jan	5.5	5.6	5.5
US	02/22	10:00	Existing Home Sales (m/m)	Jan	0.2	1.1	-2.8
US	02/23	08:30	Initial Jobless Claims (000s)	FEB 18	240	--	239
US	02/23	08:30	Continuing Claims (000s)	FEB 11	2070	--	2076
MX	02/23	09:00	Bi-Weekly Core CPI (% change)	Feb 15	0.2	--	0.4
MX	02/23	09:00	Bi-Weekly CPI (% change)	Feb 15	0.4	--	0.2
CA	02/24	08:30	CPI, All items (m/m)	Jan	0.3	0.3	-0.2
CA	02/24	08:30	CPI, All items (y/y)	Jan	1.6	1.6	1.5
CA	02/24	08:30	CPI, All items (index)	Jan	--	--	128.4
CA	02/24	08:30	Core X8 CPI (m/m)	Jan	--	--	-0.3
CA	02/24	08:30	Core X8 CPI (y/y)	Jan	--	--	1.6
MX	02/24	09:00	Retail Sales (INEGI) (y/y)	Dec	6.7	--	11.2
US	02/24	10:00	New Home Sales (000s a.r.)	Jan	560.0	573.0	536.0
US	02/24	10:00	U. of Michigan Consumer Sentiment	Feb F	--	96.0	95.7

**EUROPE**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	02/20	02:00	Producer Prices (m/m)	Jan	--	--	0.4
EC	02/20	10:00	Consumer Confidence	Feb A	-5.0	--	-4.9
FR	02/21	02:45	CPI (m/m)	Jan F	-0.2	--	-0.2
FR	02/21	02:45	CPI (y/y)	Jan F	1.4	--	1.4
FR	02/21	02:45	CPI - EU Harmonized (m/m)	Jan F	-0.2	--	-0.2
FR	02/21	02:45	CPI - EU Harmonized (y/y)	Jan F	1.6	--	1.6
FR	02/21	03:00	Manufacturing PMI	Feb P	--	53.7	53.6
FR	02/21	03:00	Services PMI	Feb P	--	54.2	54.1
GE	02/21	03:30	Manufacturing PMI	Feb P	--	--	56.4
GE	02/21	03:30	Services PMI	Feb P	--	--	53.4
EC	02/21	04:00	Composite PMI	Feb P	54.6	--	54.4
EC	02/21	04:00	Manufacturing PMI	Feb P	55.4	--	55.2
EC	02/21	04:00	Services PMI	Feb P	54.0	--	53.7
UK	02/21	04:30	PSNB ex. Interventions (£ bn)	Jan	-13.5	-13.5	6.9
UK	02/21	04:30	Public Finances (PSNCR) (£ bn)	Jan	--	--	36.3
UK	02/21	04:30	Public Sector Net Borrowing (£ bn)	Jan	--	-13.5	6.4
GE	02/22	04:00	IFO Business Climate Survey	Feb	109.7	--	109.8
GE	02/22	04:00	IFO Current Assessment Survey	Feb	115.8	--	116.9
GE	02/22	04:00	IFO Expectations Survey	Feb	104.0	--	103.2
IT	02/22	04:00	CPI - EU Harmonized (y/y)	Jan F	--	--	0.7
UK	02/22	04:30	Business Investment (q/q)	4Q P	--	--	0.5
UK	02/22	04:30	GDP (q/q)	4Q P	0.7	0.6	0.6
UK	02/22	04:30	Index of Services (m/m)	Dec	0.2	0.2	0.3
EC	02/22	05:00	CPI (m/m)	Jan	-0.8	--	-0.8
EC	02/22	05:00	CPI (y/y)	Jan F	1.8	--	1.8
EC	02/22	05:00	Euro zone Core CPI Estimate (y/y)	Jan F	0.9	--	0.9
GE	02/23	02:00	GfK Consumer Confidence Survey	Mar	--	--	10.2
FR	02/24	12:00	Total Jobseekers (000s)	Jan	3463	--	3473
FR	02/24	12:00	Jobseekers Net Change (000s)	Jan	-10.0	--	26.1

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

**Key Indicators for the week of February 20 – 24**
**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>
SK	02/19	16:00	PPI (y/y)	Jan	--	--	1.8
NZ	02/19	16:45	Producer Price - Inputs (q/q)	4Q	--	--	1.5
NZ	02/19	16:45	Producer Price - Outputs (q/q)	4Q	--	--	1.0
JN	02/19	18:50	Merchandise Trade Balance (¥ bn)	Jan	--	-622.6	641.4
JN	02/19	18:50	Adjusted Merchandise Trade Balance (¥ bn)	Jan	--	335.5	356.7
JN	02/19	18:50	Merchandise Trade Exports (y/y)	Jan	--	6.5	5.4
JN	02/19	18:50	Merchandise Trade Imports (y/y)	Jan	--	5.0	-2.6
TH	02/19	21:30	GDP (y/y)	4Q	2.9	3.0	3.2
PH	FEB 19-20		Balance of Payments (US\$ mn)	Jan	--	--	-214.0
TA	02/20	03:00	Export Orders (y/y)	Jan	--	7.8	6.3
TA	02/20	03:20	Current Account Balance (US\$ mn)	4Q	--	--	17090
HK	02/20	03:30	Unemployment Rate (%)	Jan	3.3	--	3.3
JN	02/20	19:30	Markit/JMMA Manufacturing PMI	Feb P	--	--	52.7
TH	02/20	21:30	Annual GDP (y/y)	2016	3.2	3.3	2.8
JN	02/20	23:30	All Industry Activity Index (m/m)	Dec	--	-0.2	0.3
JN	02/21	00:00	Supermarket Sales (y/y)	Jan	--	--	-2.0
JN	02/21	01:00	Nationwide Department Store Sales (y/y)	Jan	--	--	-1.7
HK	02/21	03:30	CPI (y/y)	Jan	1.4	--	1.2
AU	02/21	19:30	Wage Cost Index (q/q)	4Q	--	0.5	0.4
MA	02/21	23:00	CPI (y/y)	Jan	2.2	--	1.8
HK	FEB 21-22		Annual GDP	2016	1.5	1.7	2.4
SK	FEB 21-28		Department Store Sales (y/y)	Jan	--	--	3.3
HK	02/22	03:30	Real GDP (y/y)	4Q	1.5	2.3	1.9
AU	02/22	19:30	Private Capital Expenditure	4Q	--	0.0	-4.0
SK	FEB 22-23		<b>BoK Base Rate (%)</b>	<b>Feb 23</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>
JN	02/23	00:00	Coincident Index CI	Dec F	115.2	--	115.2
JN	02/23	00:00	Leading Index CI	Dec F	105.2	--	105.2
SI	02/23	00:00	CPI (y/y)	Jan	0.6	0.7	0.2
TA	02/23	03:00	Industrial Production (y/y)	Jan	--	2.1	6.3
SK	02/23	16:00	Consumer Confidence Index	Feb	--	--	93.3
TA	02/23	19:30	Unemployment Rate (%)	Jan	3.8	3.8	3.8
VN	FEB 23-24		CPI (y/y)	Feb	--	--	5.2
SI	02/24	00:00	Industrial Production (y/y)	Jan	--	7.0	21.3

**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>
CO	02/22	11:00	GDP (y/y)	4Q	--	1.4	1.2
BZ	02/22		<b>SELIC Target Rate (%)</b>	<b>Feb 22</b>	<b>12.50</b>	<b>12.25</b>	<b>13.00</b>
CO	02/24		<b>Overnight Lending Rate (%)</b>	<b>Feb 24</b>	<b>7.25</b>	<b>7.50</b>	<b>7.50</b>

---

**Global Auctions for the week of February 20 – 24****NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	02/21	13:00	U.S. to Sell 2-Year Notes
US	02/22	11:30	U.S. to Sell 2-Year Floating Rate Notes Reopening
CA	02/22	12:00	Canada to Sell 2-Year Bonds
US	02/22	13:00	U.S. to Sell 5-Year Notes
US	02/23	13:00	U.S. to Sell 7-Year Notes

**EUROPE**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
DE	02/22	04:00	Denmark to Sell Bonds
SW	02/22	05:03	Sweden to Sell Bonds
GE	02/22	05:30	Germany to Sell EUR1 Bln 2.5% 2044 Bonds
IT	02/23	05:00	Italy to Sell Bonds
IT	02/23	05:00	Italy to Sell I/L Bonds
UK	02/23	05:30	U.K. to Sell GBP2 Bln 1.5% 2026 Bonds

**ASIA-PACIFIC**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
PH	02/21	00:30	Philippines To Sell PHP15 Bln 5-Yr Bond
JN	02/21	03:00	Japan Auction for Enhanced-Liquidity
CH	02/21	22:00	China to Sell 3-Year Upsized Government Bond
NZ	02/22	20:05	New Zealand Plans to Sell NZD150 Mln 2.75% 2037 Bonds
JN	02/22	22:45	Japan to Sell 20-Year Bonds

**LATIN AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	02/21	10:00	Brazil to Sell I/L Bonds



## Events for the week of February 20 – 24

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	02/19	20:15	Fed's Mester to Speak at Global Interdependence Center Event
CA	02/21	07:30	Freeland and Mulroney speak in Toronto
US	02/21	08:50	Fed's Kashkari Speaks on Economy in Golden Valley, MN
US	02/21	12:00	Fed's Harker to Speak on Economic Outlook
US	02/21	15:30	Fed's Williams Speaks to Students in Boise, Idaho
US	02/22	14:00	FOMC Meeting Minutes
US	02/23	08:35	Fed's Lockhart to Speak on His 10-Year Tenure at the Fed
MX	02/23	10:00	Central Bank Monetary Policy Minutes

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	02/20	05:00	EU's Tusk, U.S.'s Pence Brief Press in Brussels
SW	02/20	06:00	Riksbank's Skingsley Gives Speech
SW	02/21	03:00	Riksbank's Ingves Gives Speech
SW	02/22	03:30	Swedish National Debt Office Borrowing Forecast
GE	02/23		German Finance Ministry Publishes Monthly Report
SW	02/24	02:00	Swedish FSA Capital Requirement Report
GE	02/24		Germany Sovereign Debt to be rated by Moody's
IR	02/24		Ireland Sovereign Debt to be rated by DBRS

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	02/20	19:30	RBA Feb. Meeting Minutes
AU	02/21	16:30	RBA Governor Lowe Speech in Sydney
JN	02/22	20:00	BOJ Kiuchi speaks in Kofu
SK	<b>FEB 22-23</b>		<b>BoK 7-Day Repo Rate</b>
AU	02/23	17:30	RBA's Lowe Testimony to Parliament Committee
AZ	02/24		Azerbaijan Sovereign Debt to be rated by Fitch

### LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	02/22		<b>Selic Rate</b>
CO	02/24		<b>Overnight Lending Rate</b>

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	March 1, 2017	0.50	0.50
Federal Reserve – Federal Funds Target Rate	0.75	March 15, 2017	0.75	0.75
Banco de México – Overnight Rate	6.25	March 30, 2017	6.25	--

### 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 9, 2017	0.00	--
Bank of England – Bank Rate	0.25	March 16, 2017	0.25	--
Swiss National Bank – Libor Target Rate	-0.75	March 16, 2017	-0.75	--
Central Bank of Russia – One-Week Auction Rate	10.00	March 24, 2017	10.00	--
Sweden Riksbank – Repo Rate	-0.50	April 27, 2017	-0.50	--
Norges Bank – Deposit Rate	0.50	March 16, 2017	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	March 16, 2017	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	March 6, 2017	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	March 22, 2017	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.25	April 6, 2017	6.25	--
Bank of Korea – Bank Rate	1.25	February 23, 2017	1.25	1.25
Bank of Thailand – Repo Rate	1.50	March 29, 2017	1.50	1.50
Bank Indonesia – 7-Day Reverse Repo Rate	4.75	March 16, 2017	4.75	--

**The Bank of Korea:** South Korea's central bank (BoK) will hold a monetary policy meeting on February 23rd. We do not foresee any further monetary easing in South Korea given the BoK's emphasis on promoting financial stability. Therefore, the benchmark interest rate will likely remain at 1.25% over the coming quarters. The most recent rate cut took place in June 2016.

### 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	13.00	February 22, 2017	12.50	12.25
Banco Central de Chile – Overnight Rate	3.25	March 16, 2017	2.75	--
Banco de la República de Colombia – Lending Rate	7.50	February 24, 2017	7.25	7.38
Banco Central de Reserva del Perú – Reference Rate	4.25	March 9, 2017	4.25	--

**Banco Central do Brasil:** We expect a 50bps cut and consensus expects a 75bps rate cut. Rapidly falling inflation is providing room to unwind prior monetary policy tightening.

**Banco de la Republica de Colombia:** We expect a 25bps rate cut and consensus is divided. Falling inflation remains above target, the central bank dashed rate cut expectations in January, and the central bank Governor is attempting to counter market concerns regarding policy independence.

### 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	March 30, 2017	7.00	--

This report has been prepared by Scotiabank Economics as a resource for the clients of Scotiabank. Opinions, estimates and projections contained herein are our own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness. Neither Scotiabank nor any of its officers, directors, partners, employees or affiliates accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

These reports are provided to you for informational purposes only. This report is not, and is not constructed as, an offer to sell or solicitation of any offer to buy any financial instrument, nor shall this report be construed as an opinion as to whether you should enter into any swap or trading strategy involving a swap or any other transaction. The information contained in this report is not intended to be, and does not constitute, a recommendation of a swap or trading strategy involving a swap within the meaning of U.S. Commodity Futures Trading Commission Regulation 23.434 and Appendix A thereto. This material is not intended to be individually tailored to your needs or characteristics and should not be viewed as a “call to action” or suggestion that you enter into a swap or trading strategy involving a swap or any other transaction. Scotiabank may engage in transactions in a manner inconsistent with the views discussed this report and may have positions, or be in the process of acquiring or disposing of positions, referred to in this report.

Scotiabank, its affiliates and any of their respective officers, directors and employees may from time to time take positions in currencies, act as managers, co-managers or underwriters of a public offering or act as principals or agents, deal in, own or act as market makers or advisors, brokers or commercial and/or investment bankers in relation to securities or related derivatives. As a result of these actions, Scotiabank may receive remuneration. All Scotiabank products and services are subject to the terms of applicable agreements and local regulations. Officers, directors and employees of Scotiabank and its affiliates may serve as directors of corporations.

Any securities discussed in this report may not be suitable for all investors. Scotiabank recommends that investors independently evaluate any issuer and security discussed in this report, and consult with any advisors they deem necessary prior to making any investment.

**This report and all information, opinions and conclusions contained in it are protected by copyright. This information may not be reproduced without the prior express written consent of Scotiabank.**

™ Trademark of The Bank of Nova Scotia. Used under license, where applicable.

Scotiabank, together with “Global Banking and Markets”, is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including, Scotiabanc Inc.; Citadel Hill Advisors L.L.C.; The Bank of Nova Scotia Trust Company of New York; Scotiabank Europe plc; Scotiabank (Ireland) Limited; Scotiabank Inverlat S.A., Institución de Banca Múltiple, Scotia Inverlat Casa de Bolsa S.A. de C.V., Scotia Inverlat Derivados S.A. de C.V. – all members of the Scotiabank group and authorized users of the Scotiabank mark. The Bank of Nova Scotia is incorporated in Canada with limited liability and is authorised and regulated by the Office of the Superintendent of Financial Institutions Canada. The Bank of Nova Scotia is authorised by the UK Prudential Regulation Authority and is subject to regulation by the UK Financial Conduct Authority and limited regulation by the UK Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia's regulation by the UK Prudential Regulation Authority are available from us on request. Scotiabank Europe plc is authorised by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulation Authority.

Scotiabank Inverlat, S.A., Scotia Inverlat Casa de Bolsa, S.A. de C.V., and Scotia Derivados, S.A. de C.V., are each authorized and regulated by the Mexican financial authorities.

Not all products and services are offered in all jurisdictions. Services described are available in jurisdictions where permitted by law.