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Derek Holt

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**Next Week's Risk Dashboard**

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- ▶ Chinese PMIs
- ▶ CPI: Eurozone, Southeast Asia, Peru
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- ▶ CDN earnings
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**Chart of the Week**

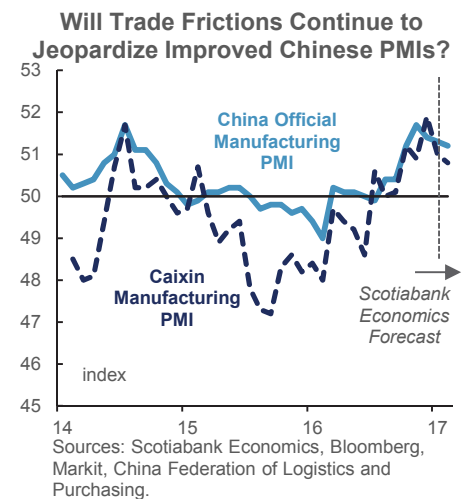


Chart of the Week: Prepared by: Samantha Cameron, Research Assistant.

## Washington's Wish Lists

### UNITED STATES—JAWBONING TO DOMINATE DATA

**Talk could well dominate data as the dominant influence on domestic markets over the coming week with potential global spillover effects.**

**Federal Reserve Chair Yellen speaks next Friday** before the Executives Club of Chicago at noon ([here](#)). Vice Chair Stanley Fischer speaks at about the same time in New York at the Chicago Booth School of Business annual US Monetary Policy Forum ([here](#)). They will both get the last words before the Fed slips into communications black-out mode on Saturday until the end of the Thursday following the FOMC statement on Wednesday March 15<sup>th</sup>. Go [here](#) on page 2 for the Fed's amended black-out guidelines. On that same day, we'll also hear from one voting FOMC member (Chicago Fed President Evans), an alternate FOMC member (Cleveland's Mester) and a nonvoting member (Richmond's Lacker, who retires on October 1<sup>st</sup>). Before all of them speak, Dallas Fed President Kaplan (voting), San Francisco Fed President Williams (alternate), and St. Louis Fed President Bullard (nonvoting) will all speak.

While all opinions at the Fed contribute to the debate, **markets will be paying particularly close attention to any last minute hints from Yellen and Fischer ahead of the March 15<sup>th</sup> meeting.** Fed funds futures have been stuck at about a 30% probability of a hike at that meeting for some time. Cleveland's Mester was probably bang on when she noted the Fed doesn't wish to surprise markets which suggests they have more work to do to convince markets that a hike is underway if it is to come before the June meeting at which point a hike is fully priced. Several officials including Yellen have indicated all meetings are live, which they always say, while some like Lockhart have guided that hiking 'fairly soon'—as the minutes put it—probably means over the next three meetings (March, May and June). There was nothing in the recent minutes to the February 1<sup>st</sup> FOMC meeting that suggested a hike is imminent ([here](#)), and in fact, the broad tone of the minutes suggested otherwise to me. I also didn't detect any preference toward hiking in March when Yellen delivered her semi-annual testimonies to Congress on February 14-15th ([here](#)).

**President Trump's address before a joint session of Congress on Tuesday at 9pmET may also impact markets. Policy guidance will be keenly watched, but the address might carry the tone of a state of the union address and hence a wish list of sorts.** Recent comments pieced together from Trump, Treasury Secretary Mnuchin and his communications spokesman Sean Spicer have indicated that a budget proposal could be presented around mid-March and potentially just before the FOMC meeting. A health plan is expected to be published in early- to mid-March, and a tax plan is nearly finalized and will be released following the health plans and presented to Congress by the August recess. A chief concern remains guidance that a border tax is under consideration to help fund tax cuts for the middle class in that such a measure would risk a wave of global protectionism while tax cuts could be offset by higher import prices amidst an uncertain outcome for the greenback. The notion that the USD would appreciate due to less demand for imports and as an offset to higher import prices assumes in part that the Fed would keep hiking into a protectionist period for the global economy. It wasn't long ago that former Chairman Bernanke promised the Fed would never do that again. It may also assume that the USD picks up safehaven flows if markets react adversely to such potential geopolitical tensions.

Data risk will also be elevated throughout the week.

**Durable goods orders:** Monday's release is expected to spike higher on the headline with more muted underlying growth after stripping out transportation sector orders. Core capital goods orders have risen for the past three months in a row and six of the past seven months and serve as a proxy variable for business investment.

**Pending home sales:** This fresher reading of resales before they show up in closed transactions will be watched to determine whether December's rise was merely a partial snapback from the sharp drop in November or whether November's weakness was the anomaly. This matters because of the backing up in mortgage rates since summer but especially post-election.

**Q4 GDP revisions:** The initial print for Q4 growth was 1.9% and expectations are for little revision risk Tuesday.

**Consumer confidence:** The Conference Board's measure dipped slightly in January from December's peak but it remains at the highest level since July 2007. Tuesday's update is for February.

**ISM:** Will large upsides to regional manufacturing surveys like the Philly Fed and Empire gauges translate into upside risk to the ISM manufacturing report on Wednesday? (chart 1) Or will ISM follow the Markit PMI gauge lower? (same chart) Recall that the January reading rose to the highest since November 2014. The non-manufacturing ISM report follows on Friday.

**Consumer spending, incomes and PCE inflation:** Spending should follow the retail sales report higher but recall that was entirely driven by higher prices. The volume of consumer spending could well be flat to lower. The Fed's preferred inflation readings are the PCE headline and core price deflators that have been tracking significantly lower than CPI. Year-ago base effects and energy prices may lift headline PCE inflation by nearly a half point to about 2% or a hair beneath, while core PCE inflation remains sub-2%.

S&P Case Shiller CoreLogic home prices, construction spending, and vehicle sales in February conclude the sources of data risk.

### CANADA—MARKETS VERSUS POLOZ

**Concentrated macro and monetary policy risk on Wednesday and Thursday plus earnings risk peppered throughout the week will offer plenty of developments to whet the appetite of Canadian market participants.**

**Key may be the Bank of Canada meeting on Wednesday.** I can't think this is going to be anything other than a placeholder on the calendar. It's a statement-only, drop-and-run affair with limited other BoC communications over the week other than a speech on an as-yet undisclosed topic by Deputy Governor Lane on Thursday and panel remarks by Senior Deputy Governor Wilkins on Friday afternoon. Markets have priced a small probability of a rate hike before year-end, and may be offside the Governor in my opinion. Please see page 6 for a further assessment.

**Thursday brings out GDP growth for the month of December and the full fourth quarter.** Could Canada have posted growth at least as strong if not stronger than the US over the back half of 2016? That's very possible. Both economies grew by 3½% in Q3 over Q2. The US grew by 1.9% in Q4. We think Canada grew by about 2¼% in Q4. What is baked into Q4 growth based upon the monthly GDP figures is growth of about 1½% assuming December was flat. December probably wasn't flat, and an estimated 0.3% m/m gain would lift the quarter to about 2% growth. Monthly GDP by industry does not necessarily track quarterly expenditure-based GDP growth and deviations of a half point or even more between the monthly tracking and the quarterly tallies are not uncommon. A huge decline in imports during Q4 and uncertainty over the inventory adjustments are among the considerations in the Q4 figures. Here is an assessment of how some of the higher frequency gauges performed over the quarter and in the month of December.

- Manufacturing shipment volumes were up 2.3% m/m in December and the quarter as a whole was up 2.3%;
- Wholesale sales volumes were up by 0.9% m/m and 2% over the full quarter;
- Housing starts were little changed during the month (+0.5%) but were up 2.3% for the quarter including a 32% rise in single family homes that carry more construction value-added as an offset to the 12% drop in multiple unit housing starts;
- Export volumes fell 1.4% m/m in December, but were up by 1.9% over the quarter. That's entirely because of one single good month out of the past four (chart 2);
- Retail sales volumes fell by 1% m/m in December but because sales were brought forward to earlier months, the quarter as a whole posted a strong gain of 4½%;
- Hours worked fell 0.5% m/m in December but were up 1% for the quarter.

Chart 1

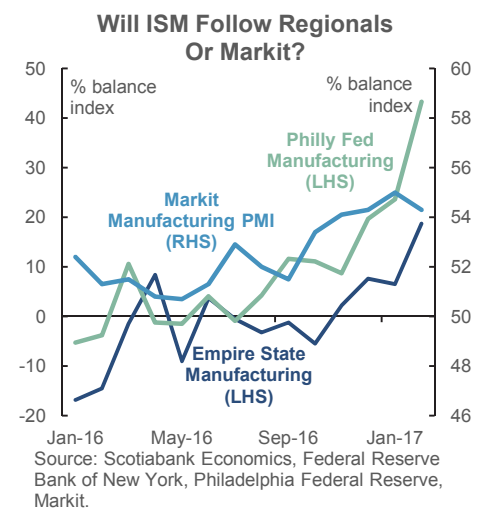
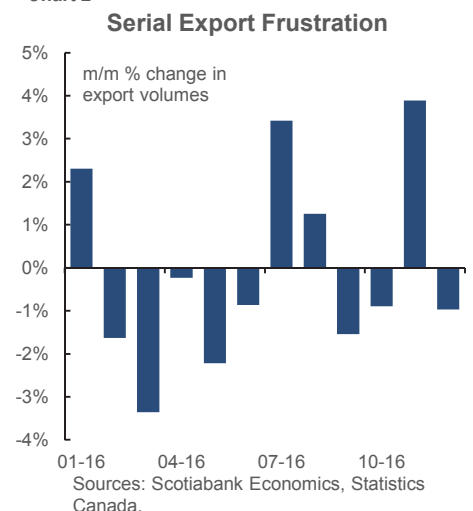


Chart 2



Restraining some of the upside potential could be difficulty in repeating gains that were strong the prior month in sectors like finance and mining. Notwithstanding a generally mild winter in the more population-heavy parts of the country, the 3% plunge in utilities output during November that was the third decline in a row might already pose a weak enough starting point to limit further downside to seasonally adjusted production.

**Forty-one TSX-listed firms release earnings over the coming week.** They will include 15 energy plays, 10 financials including five banks (BNS, TD, BMO, National, Laurentian), Martinrea International, George Weston, a health sector firm (Extendicare), two industrials including SNC-Lavalin and 5 utilities like TransAlta.

Canada holds a 10 year auction on Thursday.

### ASIA—MORE CAUTIOUS CHINESE MANUFACTURERS?

The coming week brings out one development of potential global significance and several factors of relevance to individual local Asian markets.

**China updates purchasing managers' indices** for the manufacturing and services sectors as well as the composite PMIs—all for the month of February. The state versions will be released on Tuesday night eastern time. The private Caixin manufacturing PMI will also come out on Tuesday evening and its sample is more skewed toward smaller manufacturers in more export-oriented coastal cities. The private Caixin services and composite PMIs land on Thursday evening. As shown in chart 3, both the state and private manufacturing PMIs have softened of late. They are probably being distorted by the earlier shut downs ahead of and during the Chinese Lunar New Year this year compared to prior years, and the earlier than normal return to normal business activity. A further risk is whether protectionist US policy drags down Chinese PMIs over time given threats prospects for naming China a currency manipulator when the US Treasury releases its currency report in April, and imposing a border tax on imports (aka a protectionist tariff.) A weakened Chinese economy is hardly in the global economy's best interests.

Regional market developments will include:

- **Bank Negara Malaysia** faces a difficult balancing act in its latest policy decision toward the end of the week and is expected to hold its overnight policy rate at 3%. CPI inflation has recently risen to 3.2% y/y which is about two full percentage points higher than at the middle of the year due in no small part to the combination of higher oil prices over the past year and the ringgit's depreciation. Yet growth in 2016 was the softest since the global financial crisis in 2009 and the risk of global protectionism is on the mind of all of the Asian economies.
- **GDP reports for Q4 from Australia and India.** Australia is expected to return to growth after the economy contracted in Q3 while India's growth may soften to just over 6% y/y from over 7% the prior quarter.
- **Japan's monthly data dump starts anew.** CPI should continue to show zero signs of reflation, industrial production, vehicle production and sales, retail sales, housing starts, capital spending, and the jobless rate are all on tap.
- **CPI releases will also come from South Korea, Indonesia and Thailand.**

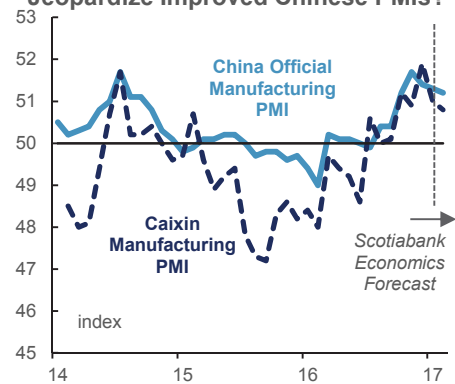
Sundry developments will include the release of Australian new home sales during January and South Korean updates for exports and industrial production.

### LATIN AMERICA—PERUVIAN INFLATION TO INFORM POLICY RISKS

Local markets across Latin America will be primarily driven by external developments given a paucity of anything truly material across domestic data or policy risks.

Chart 3

#### Will Trade Frictions Continue to Jeopardize Improved Chinese PMIs?



Sources: Scotiabank Economics, Bloomberg, Markit, China Federation of Logistics and Purchasing.

**The more significant of the local releases will be Wednesday's February CPI release by Peru.** Banco Central de Reserva del Perú targets inflation in a range of 1-3%. The last CPI report came in at 3.1% y/y and has reversed a modest prior upswing. The central bank forecasts inflation to converge toward its target range this year and it's rather close to doing so (chart 4). Weather-related issues may raise near-term inflation risks. Given that inflation has been riding toward the upper end of the inflation target range and beyond for the past six years, a considerable period of more muted inflation readings firmly within the target range may be required to motivate any policy easing versus expectations for a prolonged policy hold.

**Mexico** releases trade figures for January on Monday along with the unemployment rate. Mexico's main risks over the coming week may be more keyed off of US President Trump's address to the US Congress. **Chile** updates industrial output and its unemployment rate on Tuesday plus retail sales on Friday. **Brazil** issues minutes to the latest central bank meeting on Thursday that may add further colour to the decision to cut the policy rate by 75bps.

### EUROPE—REFLATION OR DISINFLATION?

Inflation signals will be all the rage across the Eurozone over the coming week along with the usual interspersing of political headline risks particularly with respect to France's election. **Key will be whether hard data on Eurozone inflation complements or contradicts the reflation trade.**

**Eurozone CPI for February is on tap to start the week on Monday.** It's doubtful the report will reinforce the reflation trade any more than what has happened to date. Yes, headline inflation is under upward pressure from -0.2% y/y last April to 1.8% to start this year and with the possibility it will creep a tick or two higher next week on energy prices and year-ago base effects. But core inflation has not materially budged throughout the past year and most of 2015 for that matter. If Jean-Claude Trichet were still at the helm, then the ECB might find the rise of headline inflation to be more disconcerting than under Mario Draghi. Core inflation was 0.9% y/y in January and has been riding around the 0.7-1.1% y/y range in utterly directionless, somewhat noisy fashion since the Spring of 2015 (charts 5, 6). More of the same next week would further the debate on whether market-based measures of inflation expectations have gone too far. If the only inflation spike we get out of this picture is through energy prices, then that works very differently on the sustainability of the picture.

Why? It would not be generalized inflation unless a) energy prices keep materially rising in more than just year-ago comparison terms; and b) pass-through into other prices becomes much more widespread. If not, then this period is best treated as a relative price shock that crowds out consumer purchasing power. With wage growth around 1½% y/y, rising energy prices mean less left over for spending on other items in the CPI basket which gives way to second-round, general equilibrium effects that could be disinflationary in the context of making household budgets balance.

A batch of growth signals will include purchasing managers indices from the UK, Italy and Spain. Revisions to Q4 French GDP and monthly consumer readings from France (total spending) and Germany (retail sales) will also factor into the picture alongside Eurozone confidence readings.

Chart 4

#### Peru's Inflation Steadily Pressures The Upper End Of The Target Range

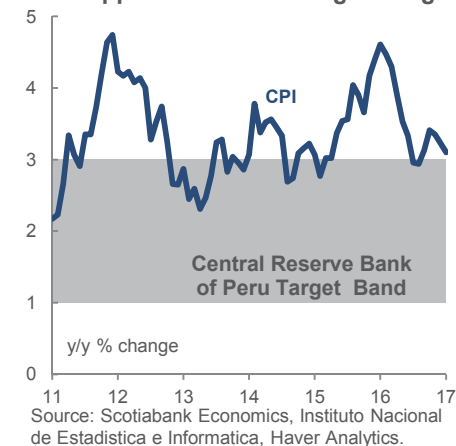


Chart 5

#### Eurozone Inflation Only Getting A Headline Boost

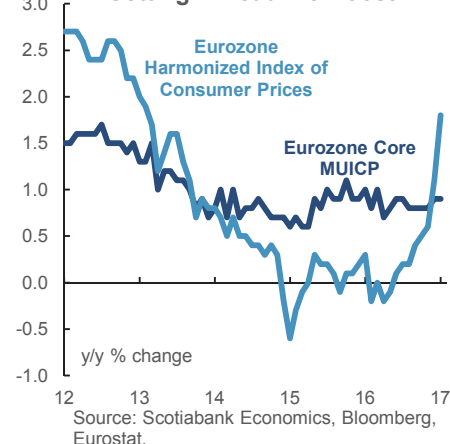
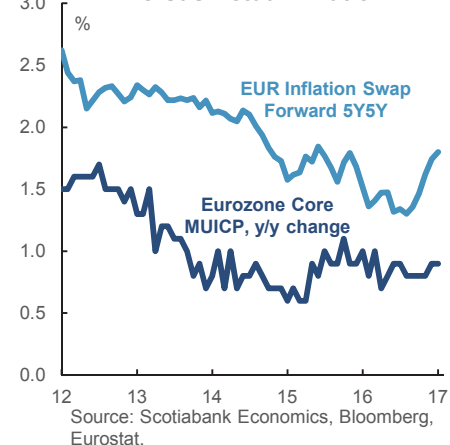


Chart 6

#### Market Expectations Versus Actual Inflation



## Feature Article

### “Yes, A Rate Cut Remains On The Table”

Forgive me for titling this article after a direct quote delivered by Governor Poloz during the press conference that accompanied the last time he delivered a policy decision back on January 18th. I did so because I think it remains relevant going into next week’s statement and markets are likely offside the Governor (chart 1).

The statement will be delivered on Wednesday at 10amET. There will be no accompanying press conference or forecasts this time and the overnight rate is expected to remain unchanged. It is likely best kept short and sweet in part because not a whole lot has changed since then, and many of the uncertainties flagged by Poloz at the time remain in place today.

That said, a more nuanced way of referencing a generally dovish tone is likely. His comments in the last press conference are unlikely to become codified in the statement itself. Having just updated forecasts in the January Monetary Policy Report, don’t expect clues about potential forecast revisions just yet. The following are among the considerations likely weighing on Poloz’s mind and are all at risk of appearing in the statement. Since Poloz conditioned the persistent rate cut bias “as long as those downside risks were still present” one would have to conclude they are.

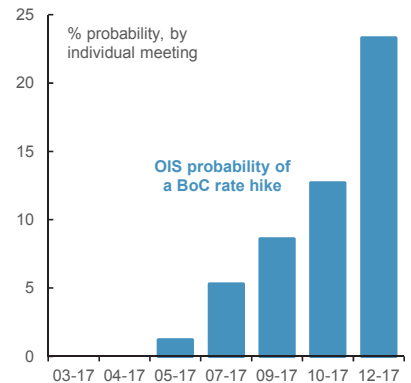
- Inflation:** Recent inflation reports have been dovish in nature ([here](#)). Headline inflation of 2.1% surpassed expectations due to energy prices in January. Excluding gasoline, CPI was 1.5% and excluding all energy, inflation was 1.4% y/y. Further, the BoC’s three core inflation measures continue to move further beneath the BoC’s 2% inflation target (chart 2) and now average 1.6% while the common component metric that BoC research has preferred sits at 1.3%.
- Exports:** Chief among the concerns will be that there has only been one good month for export volumes out of the past four and therefore this frustrates hope for the rotation of growth away from excess reliance on the household sector toward exports and investment (chart 3).
- US policy:** there is no more clarity available from potential US fiscal, regulatory and trade policies today than there was back on January 18th.
- Other growth signals:** They have been generally mixed with upsides coming from manufacturing, wholesalers, and housing starts but downsides coming through exports while retail sales volumes were up solidly in November but gave it all back plus a little in December. Jobs have been the brightest part of the picture, but wage growth is a paltry 1% y/y and thus posing little cost-push type of inflation pressure.
- CAD:** Versus the USD, the Canadian dollar has been roughly flat since just before the last BoC statement. Therefore, the following comment from the last statement could easily be repeated about how CAD is “exacerbating ongoing competitiveness challenges and muting the outlook for exports.”
- Trade policy:** While the recent Trudeau-Trump meeting resulted in flagging only a need to ‘tweak’ the US-Canadian trade relationship, this does not mean Canada is immune to trade policy shifts. The ongoing risk of a US border tax and its impact upon US consumers and global protectionism would still raise vulnerabilities to the one-third of Canadian GDP that is reliant upon exports.

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Chart 1

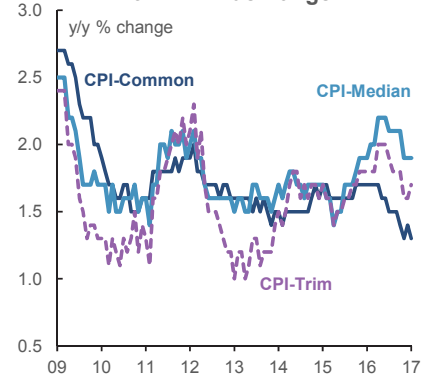
Markets May Be Off-Side On Poloz



Sources: Scotiabank Economics, Bloomberg.

Chart 2

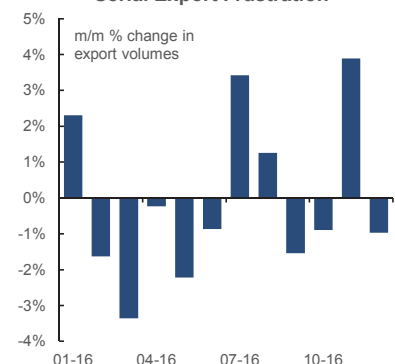
Core Inflation: Trend Convergence Within A Wide Range



Sources: Scotiabank Economics, Statistics Canada.

Chart 3

Serial Export Frustration



Sources: Scotiabank Economics, Statistics Canada.

## Key Indicators for the week of February 27 – March 3

### NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	02/27	08:30	Durable Goods Orders (m/m)	Jan P	1.5	1.6	-0.5
US	02/27	08:30	Durable Goods Orders ex. Trans. (m/m)	Jan P	0.5	0.5	0.5
MX	02/27	09:00	Trade Balance (US\$ mn)	Jan	-2916.5	-2916.5	28.2
MX	02/27	09:00	Unemployment Rate (%)	Jan	4.0	3.8	3.4
US	02/27	10:00	Pending Home Sales (m/m)	Jan	--	1.0	1.6
US	02/27	10:30	Dallas Fed. Manufacturing Activity	Feb	--	19.4	22.1
CA	02/28	08:30	IPPI (m/m)	Jan	--	--	0.4
CA	02/28	08:30	Raw Materials Price Index (m/m)	Jan	--	--	6.5
US	02/28	08:30	GDP (q/q a.r.)	4Q S	2.0	2.1	1.9
US	02/28	08:30	GDP Deflator (q/q a.r.)	4Q S	--	2.1	2.1
US	02/28	08:30	Wholesale Inventories (m/m)	Jan P	--	0.4	1.0
US	02/28	09:00	S&P/Case-Shiller Home Price Index (m/m)	Dec	--	0.7	0.9
US	02/28	09:00	S&P/Case-Shiller Home Price Index (y/y)	Dec	--	5.3	5.3
US	02/28	09:45	Chicago PMI	Feb	52.0	53.0	50.3
US	02/28	10:00	Consumer Confidence Index	Feb	110.0	111.0	111.8
US	02/28	10:00	Richmond Fed Manufacturing Index	Feb	--	10.0	12.0
US	03/01	07:00	MBA Mortgage Applications (w/w)	FEB 24	--	--	-2.0
CA	03/01	08:30	Current Account (C\$ bn a.r.)	4Q	--	--	-18.3
US	03/01	08:30	PCE Deflator (m/m)	Jan	0.4	0.5	0.2
US	03/01	08:30	PCE Deflator (y/y)	Jan	1.9	2.0	1.6
US	03/01	08:30	PCE ex. Food & Energy (m/m)	Jan	0.2	0.3	0.1
US	03/01	08:30	PCE ex. Food & Energy (y/y)	Jan	1.8	1.8	1.7
US	03/01	08:30	Personal Spending (m/m)	Jan	0.3	0.3	0.5
US	03/01	08:30	Personal Income (m/m)	Jan	0.2	0.3	0.3
CA	03/01	10:00	<b>BoC Interest Rate Announcement (%)</b>	<b>Mar 1</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>
US	03/01	10:00	Construction Spending (m/m)	Jan	0.5	0.7	-0.2
US	03/01	10:00	ISM Manufacturing Index	Feb	56.0	56.0	56.0
US	03/01		Domestic Vehicle Sales (mn a.r.)	Feb	--	13.7	13.6
US	03/01		Total Vehicle Sales (mn a.r.)	Feb	17.5	17.7	17.5
CA	03/02	08:30	Real GDP (m/m)	Dec	0.3	0.3	0.4
CA	03/02	08:30	Real GDP (q/q a.r.)	4Q	2.1	2.0	3.5
US	03/02	08:30	Initial Jobless Claims (000s)	FEB 25	240	245	244
US	03/02	08:30	Continuing Claims (000s)	FEB 18	2050	--	2060
US	03/03	10:00	ISM Non-Manufacturing Composite	Feb	56.0	56.5	56.5

### EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SP	02/27	03:00	CPI (m/m)	Feb P	--	-0.2	-0.5
SP	02/27	03:00	CPI (y/y)	Feb P	--	3.3	3.0
SP	02/27	03:00	CPI - EU Harmonized (m/m)	Feb P	--	-0.3	-1.0
SP	02/27	03:00	CPI - EU Harmonized (y/y)	Feb P	--	3.1	2.9
EC	02/27	05:00	Business Climate Indicator	Feb	--	0.8	0.8
EC	02/27	05:00	Consumer Confidence	Feb F	-6.2	-6.2	-6.2
EC	02/27	05:00	Economic Confidence	Feb	107.4	108.0	107.9
EC	02/27	05:00	Industrial Confidence	Feb	1.2	1.0	0.8
UK	02/27	19:01	GfK Consumer Confidence Survey	Feb	-6.0	-6.0	-5.0
GE	FEB 27-MAR 3		Retail Sales (m/m)	Jan	--	0.2	0.0
FR	02/28	02:45	Consumer Spending (m/m)	Jan	0.2	0.6	-0.8
FR	02/28	02:45	GDP (q/q)	4Q P	0.4	0.4	0.4
FR	02/28	02:45	Producer Prices (m/m)	Jan	--	--	0.9
SW	02/28	03:30	GDP (y/y)	4Q	--	2.3	2.8
PD	02/28	04:00	GDP (y/y)	4Q F	--	--	2.70
SP	02/28	04:00	Current Account (€ bn)	Dec	--	--	3.3
EC	02/28	05:00	Euro zone CPI Estimate (y/y)	Feb	1.9	1.9	1.8
IT	02/28	05:00	CPI (m/m)	Feb P	--	0.1	0.3
IT	02/28	05:00	CPI (y/y)	Feb P	--	1.2	1.0
IT	02/28	05:00	CPI - EU Harmonized (m/m)	Feb P	--	-0.1	-1.7
UK	FEB 28-MAR 3		Nationwide House Prices (m/m)	Feb	0.2	0.2	0.2

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

## Key Indicators for the week of February 27 – March 3

### EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IT	03/01	03:45	Manufacturing PMI	Feb	--	53.5	53.0
GE	03/01	03:55	Unemployment (000s)	Feb	-15.0	-10.0	-26.0
GE	03/01	03:55	Unemployment Rate (%)	Feb	5.9	5.9	5.9
UK	03/01	04:30	Manufacturing PMI	Feb	56.1	55.6	55.9
UK	03/01	04:30	Net Consumer Credit (£ bn)	Jan	--	1.4	1.0
PO	03/01	06:00	Real GDP (q/q)	4Q F	--	--	0.60
GE	03/01	08:00	CPI (m/m)	Feb P	0.5	0.6	-0.6
GE	03/01	08:00	CPI (y/y)	Feb P	2.0	2.1	1.9
GE	03/01	08:00	CPI - EU Harmonized (m/m)	Feb P	0.5	0.6	-0.8
GE	03/01	08:00	CPI - EU Harmonized (y/y)	Feb P	2.1	2.1	1.9
IT	03/01		Budget Balance (€ bn)	Feb	--	--	2.0
IT	03/01		Budget Balance YTD (€ bn)	Feb	--	--	2.0
SZ	03/02	01:45	GDP (y/y)	4Q	--	1.3	1.3
SP	03/02	03:00	Real GDP (q/q)	4Q F	0.7	0.7	0.7
UK	03/02	04:30	PMI Construction	Feb	--	52.0	52.2
EC	03/02	05:00	PPI (m/m)	Jan	--	0.6	0.7
EC	03/02	05:00	Unemployment Rate (%)	Jan	9.6	9.6	9.6
IT	03/03	03:45	Services PMI	Feb	--	52.9	52.4
IT	03/03	04:00	Real GDP (q/q)	4Q F	0.2	1.1	0.2
UK	03/03	04:30	Official Reserves Changes (US\$ bn)	Feb	--	--	810.0
UK	03/03	04:30	Services PMI	Feb	55.5	54.1	54.5
EC	03/03	05:00	Retail Trade (m/m)	Jan	--	0.3	-0.3

### ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SK	FEB 25-28		Department Store Sales (y/y)	Jan	--	--	3.3
TH	FEB 26-27		Customs Exports (y/y)	Jan	--	8.8	6.2
TH	FEB 26-27		Customs Imports (y/y)	Jan	--	12.4	10.3
TH	FEB 26-27		Customs Trade Balance (US\$ mn)	Jan	--	11.0	938.1
HK	02/27	03:30	Exports (y/y)	Jan	--	8.4	10.1
HK	02/27	03:30	Imports (y/y)	Jan	--	8.8	8.7
HK	02/27	03:30	Trade Balance (HKD bn)	Jan	--	-20.8	-45.5
SK	02/27	16:00	Business Survey- Manufacturing	Mar	--	--	76.0
SK	02/27	16:00	Business Survey- Non-Manufacturing	Mar	--	--	73.0
NZ	02/27	16:45	Trade Balance (NZD mn)	Jan	--	-2.5	-41.4
NZ	02/27	16:45	Exports (NZD bn)	Jan	--	3.9	4.4
NZ	02/27	16:45	Imports (NZD bn)	Jan	--	3.9	4.4
JN	02/27	18:50	Industrial Production (m/m)	Jan P	--	0.4	0.7
JN	02/27	18:50	Large Retailers' Sales (y/y)	Jan	--	-1.0	-1.3
JN	02/27	18:50	Retail Trade (y/y)	Jan	--	1.0	0.7
JN	02/27	18:50	Industrial Production (y/y)	Jan P	--	4.4	3.2
AU	02/27	19:00	HIA New Home Sales (m/m)	Jan	--	--	0.2
AU	02/27	19:30	Current Account (AUD bn)	4Q	--	-4.0	-11.4
AU	02/27	19:30	Private Sector Credit (y/y)	Jan	--	5.6	5.6
AU	02/27	19:30	Australia Net Exports of GDP	4Q	--	0.2	-0.2
JN	02/27	23:00	Vehicle Production (y/y)	Jan	--	--	4.2
PH	FEB 27-28		Bank Lending (y/y)	Jan	--	--	16.1
JN	02/28	00:00	Housing Starts (y/y)	Jan	--	3.3	3.9
JN	02/28	00:00	Construction Orders (y/y)	Jan	--	--	7.1
TH	02/28	02:30	Exports (y/y)	Jan	--	--	5.6
TH	02/28	02:30	Imports (y/y)	Jan	--	--	10.5
TH	02/28	02:30	Trade Balance (US\$ mn)	Jan	--	--	2047
TH	02/28	02:30	Current Account Balance (US\$ mn)	Jan	--	2248	3719
IN	02/28	07:00	Real GDP (y/y)	4Q	5.0	--	7.3
NZ	02/28	11:00	QV House Prices (y/y)	Feb	--	--	13.5
NZ	02/28	16:45	Terms of Trade Index (q/q)	4Q	--	4.0	-1.7
JN	02/28	18:50	Capital Spending (y/y)	4Q	--	0.6	-1.3

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



## Key Indicators for the week of February 27 – March 3

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

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SK	02/28	19:00	Exports (y/y)	Feb	--	13.6	11.2
SK	02/28	19:00	Imports (y/y)	Feb	--	21.2	18.6
SK	02/28	19:00	Trade Balance (US\$ mn)	Feb	--	5373	3196
AU	02/28	19:30	GDP (y/y)	4Q	2.0	1.9	1.8
JN	02/28	19:30	Markit/JMMA Manufacturing PMI	Feb F	53.5	--	53.5
CH	02/28	20:00	Manufacturing PMI	Feb	51.2	51.2	51.3
CH	02/28	20:00	Non-manufacturing PMI	Feb	--	--	54.6
CH	02/28	20:45	Caixin China Manufacturing PMI	Feb	50.8	50.8	51.0
TH	02/28	22:30	CPI (y/y)	Feb	1.8	1.5	1.6
JN	03/01	00:00	Vehicle Sales (y/y)	Feb	--	--	8.6
TH	03/01	02:30	Business Sentiment Index	Feb	--	--	50.1
SK	03/01	18:00	Industrial Production (y/y)	Jan	--	2.0	4.3
SK	03/01	18:00	Cyclical Leading Index Change	Jan	--	--	0.1
JN	03/01	18:50	Monetary Base (y/y)	Feb	--	--	22.6
AU	03/01	19:30	Building Approvals (m/m)	Jan	--	-0.5	-1.2
AU	03/01	19:30	Trade Balance (AUD mn)	Jan	--	3800	3511
TH	03/01	22:30	Consumer Confidence Economic	Feb	--	--	63.1
ID	FEB 28- MAR 1		CPI (y/y)	Feb	3.7	--	3.5
ID	FEB 28- MAR 1		Core CPI (y/y)	Feb	--	--	3.4
JN	FEB 28- MAR 7		Official Reserve Assets (US\$ bn)	Feb	--	--	1232
TH	FEB 28- MAR 1		Core CPI (y/y)	Feb	--	0.7	0.8
MA	03/02	02:00	<b>Overnight Rate (%)</b>	<b>Mar 2</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
HK	03/02	03:30	Retail Sales - Volume (y/y)	Jan	--	-2.6	-2.8
SI	03/02	08:00	Purchasing Managers Index	Feb	--	--	51.0
SK	03/02	18:00	Current Account (US\$ mn)	Jan	--	--	7869
SK	03/02	18:00	CPI (y/y)	Feb	2.0	1.8	2.0
SK	03/02	18:00	Core CPI (y/y)	Feb	--	1.4	1.5
JN	03/02	18:30	Household Spending (y/y)	Jan	--	-0.3	-0.3
JN	03/02	18:30	Jobless Rate (%)	Jan	3.1	3.0	3.1
JN	03/02	18:30	National CPI (y/y)	Jan	0.6	0.4	0.3
JN	03/02	18:30	Tokyo CPI (y/y)	Feb	--	-0.1	0.1
HK	03/02	19:30	Purchasing Managers Index	Feb	--	--	49.9
CH	03/02	20:45	Caixin China Composite PMI	Feb	--	--	52.2
CH	03/02	20:45	Caixin China Services PMI	Feb	--	--	53.1
MA	03/02	23:00	Exports (y/y)	Jan	--	15.0	10.7
MA	03/02	23:00	Imports (y/y)	Jan	--	10.4	11.6
MA	03/02	23:00	Trade Balance (MYR bn)	Jan	--	8.5	8.7
JN	03/03	00:00	Consumer Confidence	Feb	--	43.5	43.2

### LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CL	02/28	07:00	Industrial Production (y/y)	Jan	0.4	0.0	-0.3
CL	02/28	07:00	Unemployment Rate (%)	Jan	6.2	6.2	6.1
CO	02/28	10:00	Urban Unemployment Rate (%)	Jan	--	10.2	10.3
PE	03/01		Consumer Price Index (m/m)	Feb	0.3	--	0.2
PE	03/01		Consumer Price Index (y/y)	Feb	3.2	--	3.1
BZ	03/01		Trade Balance (FOB) - Monthly (US\$ mn)	Feb	--	--	2725
BZ	03/02	07:00	PMI Manufacturing Index	Feb	--	--	44.0
CL	03/03	07:00	Retail Sales (y/y)	Jan	3.7	3.7	4.1

**Global Auctions for the week of February 27 – March 3****NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	03/02	12:00	Canada to Sell 10-Year Bonds

**EUROPE**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	02/27	05:00	Italy to Sell Bonds
GE	02/28	05:30	Germany to Sell EUR5 Bln 2019 Bonds
NO	03/01	05:05	Norway to Sell Bonds
GE	03/01	05:30	Germany to Sell EUR3 Bln 0.25% 2027 Bonds
SP	03/02	04:30	Spain to Sell Bonds
SW	03/02	05:03	Sweden to Sell I/L Bonds
UK	03/02	05:30	U.K. to Sell GBP2.5 Bln 0.5% 2022 Bonds
FR	03/02	05:50	France to Sell Bonds
IC	03/03	06:30	Iceland to Sell Bonds

**ASIA-PACIFIC**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	02/27	22:45	Japan to Sell 2-Year Bonds
CH	02/28	22:00	China Plans to Sell 1-Year Upsized Government Bond
CH	02/28	22:00	China Plans to Sell 10-Year Upsized Government Bond
JN	03/01	22:45	Japan to Sell 10-Year Bonds

**LATIN AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	03/02	10:00	Brazil to Sell Fixed Rate Bonds

## Events for the week of February 27 – March 3

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	02/27	11:00	Fed's Kaplan Speaks in Oklahoma
US	02/28	15:30	Fed's Williams Speaks in Santa Cruz
US	02/28	18:50	Fed's Bullard Speaks in Washington
CA	03/01	10:00	<b>Bank of Canada Rate Decision</b>
US	03/01	13:00	Fed's Kaplan Speaks in Dallas
US	03/01	14:00	U.S. Federal Reserve Releases Beige Book
US	03/01	18:00	Fed's Brainard Speaks at Harvard
US	03/02	19:00	Fed's Mester Speaks on Leadership in New York
US	03/03	10:15	Fed's Evans and Lacker Speak on Panel in New York
US	03/03	12:15	Fed's Powell Speaks on Innovation and the Payments System
US	03/03	13:00	Fed Vice Chair Fischer Speaks in New York
US	03/03	13:00	Yellen Gives Economic Outlook Speech in Chicago

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
GE	02/25	16:00	Merkel Addresses CDU Members in Her Parliamentary District
SZ	02/27	07:30	SNB's Zurbrugg Speaks in Basel
UK	02/27	00:00	U.K. House of Lords Holds Detailed Review of Article 50 Bill
HU	02/28	08:00	<b>Central Bank Rate Decision</b>
IT	02/28	12:00	Finance Minister Padoan, Bank of Italy's Rossi Speak at Event
SZ	02/28	12:30	BIS's Caruana Speaks in Geneva
SW	03/01	03:30	Riksbank Publishes Minutes from February Meeting
GE	03/01	12:00	Merkel Holds Ash Wednesday Speech in Her Electoral District
EC	03/02	10:00	EU's Timmermans Holds Citizens Dialog in Ljubljana
SW	03/03		Sweden Sovereign Debt to be rated by S&P
FR	03/03		France Sovereign Debt to be rated by Fitch
IR	03/03		Malta Sovereign Debt to be rated by Fitch

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	02/28	20:30	BOJ Sato speaks in Tokushima
MA	03/02	02:00	<b>BNM Overnight Policy Rate</b>
NZ	03/02	16:00	N.Z. Government 7-Month Financial Statements

## 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	--

**Bank of Canada:** No change in the policy rate is expected on Wednesday. This meeting will culminate in a statement-only affair sans press conference or forecasts. A cautious stance is expected given export volumes are down in three of the past four months amidst ongoing trade policy uncertainty. Please see page 6 for a fuller BoC preview.

**Federal Reserve:** The focus will be upon speeches by Yellen and Fischer on Friday that are the last chance to indicate policy risks into the March 15th FOMC and President Trump's potential policy guidance in an address to a joint session of Congress on Tuesday evening.

### 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	April 13, 2017	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	--

### 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	12.25	April 12, 2017	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	7.50
Banco Central de Reserva del Perú – Reference Rate	4.25	March 9, 2017	4.25	--

### 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	--

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