

FLIGHTLESS HAWKS

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Next Week's Risk Dashboard

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Chart of the Week
Soft US and Eurozone Inflation


Sources: Scotiabank Economics, Bureau of Economic Analysis, Eurostat.

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

Flightless Hawks

UNITED STATES — RUSHING TO RECESS

Data risk with a focus on the Fed's preferred inflation gauge, a rush to strike a health care agreement, and some Fed speak early in the week will be the dominant domestic forces that may contribute to the market tone independent of global factors.

Why the sudden deadline to get some variation of [this](#) draft of a health bill passed in the US Senate? Other than generally advancing the Trump administration's agenda, there are two specific reasons. One is that Congress breaks for recess as members go back to their districts over the July 3rd–7th week and won't be returning until Tuesday July 11th. Summer starts to be a little more awkward time for long drawn-out negotiations. Second is the need to settle one issue before moving on to the grander debt ceiling deadline. The Treasury Department has guided that mitigating measures can be undertaken to extend the deadline to September but avoiding a last-minute showdown before breaking for the August recess may require first getting a health agreement through the Senate and back to the House of Representatives again before being signed into law. That would then allow for a more informed debate on the debt ceiling in terms of potential spending cuts and whether another temporary extension is relied upon or whether the dream (to some) of a multi-year funding arrangement is achieved. So the push is on to have a vote in the Senate toward late next week on a new health bill the details of which remain sketchy at the point of publishing—and lacking cost estimates until the CBO hopefully weighs in by early next week. It is impossible to tell at this point whether there will be necessary support for a bill, or whether recess will arrive following another legislative failure for the Trump administration. As we go to press, however, four GOP members have openly stated they don't support the health bill in its current form which is double the number of votes that can be lost while still passing the legislation.

Data risk will include the following starting with what are likely to be the more important releases:

1. Personal spending, incomes, and inflation: The Fed's preferred inflation gauge (PCE deflator) will likely follow at least some of the already known weakness in CPI during May when it fell back three-tenths to 1.9% y/y. To keep total consumer spending growth in the black in May's release next Friday, services spending will have to rise by enough to offset the already known 0.3% m/m drop in retail sales (both including and excluding autos) and the flat reading excluding autos and gasoline. The retail sales control group excludes autos, gas and building materials and it is used as the main input to estimating total spending but it too was flat in May.

2. Durable goods orders: Monday's report for May is expected to exhibit headline softness but greater resilience in core orders ex-transportation. Boeing, for example, registered just 13 plane orders in May versus 15 the month before. As usual, key will be orders ex-defense and ex-aircraft as a guide to broad underlying investment momentum. After a solid 1.3% rise in January, orders have been flat since.

3. Consumer confidence: The Conference Board's measure has fallen for the past two months but remains very elevated. Will it follow the already known decline in UofM sentiment?

4. Q1 GDP revision: Thursday's third swing at the numbers introduces a more complete picture of services spending in Q1. It is expected to be little changed from the 1.2% second estimate that was up a touch from the 0.7% initial print.

Pending home sales (May) on Wednesday, S&P Case-Shiller house prices (Tuesday) and the Richmond Fed manufacturing report (Tuesday) round out the hits.

Five Fed speakers—three of whom vote in 2017—will speak starting Sunday through to Thursday. **NY Fed President Dudley** speaks on Sunday at a BIS event closed to the press although word will likely find a way of getting out if he says anything material to markets. **San Francisco Fed President John Williams** has a lot to say it seems as he will speak on three separate occasions, all from Sydney, Australia. His two topics will include "Speed Limits and Stall Speeds: Fostering Sustainable Growth in the United States" and "The Global Growth Slump: Causes And Consequences." **Philly Fed President Patrick Harker** (voting) speaks on the outlook and trade. **Dovish dissenting voter and Minneapolis President Kashkari** speaks at a town hall event. **St. Louis Fed President Jim Bullard** (nonvoting, dovish) speaks on monetary policy on Thursday.

The US Treasury auctions 2s, 2yr FRN, 5s and 7s over the course of the week. US liquidity may thin out come Friday afternoon through the following Wednesday ahead of the July 4th holiday.

CANADA — MORE CURVEBALLS?

If Bank of Canada communications were not in a state of flux, then only next Friday's GDP release would have mattered. As the BoC's bias did a 180 degree turn within six months from referencing cut risk in January to sounding "decidedly neutral" as Governor Poloz put it in April and now toward delivering hawkish guidance from Senior Deputy Governor Wilkins, anything may be fair game along a random walk for CAD and rates. To that effect, **most of the week may be dominated by three BoC speakers and a pair of quarterly updates to the BoC's surveys of business and lender attitudes.**

We don't know the topics for two of the BoC events and an air of secrecy may surround the contents of the third talk. First word goes to Deputy Governor Schembri on Monday, but he speaks under Chatham House rules at a gathering of economists in Toronto. Schembri's talk will be "Four Puzzles Within An Outlook." At a minimum, if he communicates a material point regarding the BoC's bias then street chatter may light up and with that the risk of miscommunication. Two days later, **Governor Poloz** will be on an ECB panel in Portugal but any remarks he passes will not be published as opposed to being picked up informally by newswires. **Deputy Governor Lynn Patterson** speaks later that same day, but the topic has not yet been disclosed. After Patterson, there will be no scheduled BoC speak until the July 12th rate decision, MPR and press conference. **The Q2 versions of the BoC's quarterly Business Outlook Survey of 100 CEOs and its Senior Loan Officer Opinion Survey will arrive Friday.**

April's GDP report will deepen our understanding of the extent to which growth is durable following 3.7% annualized GDP growth in Q1. Absent any GDP data so far, growth of 1.4% is baked into Q2 based solely upon the first quarter average and the way the first quarter ended. Expected growth of 0.3% m/m or so would boost the tracking to around 2½%. That's not a stretch given some of the higher-frequency tracking on the month that showed hours worked up 0.3% m/m, manufacturing shipment volumes up 0.5% m/m, retail sales volumes up by 0.3% m/m and wholesale volumes up 0.7% m/m. Housing starts were the one sizeable downside and fell 15% m/m. It has been the consumer that has played a solid role in driving the Canadian economy over the past three quarters (chart 1).

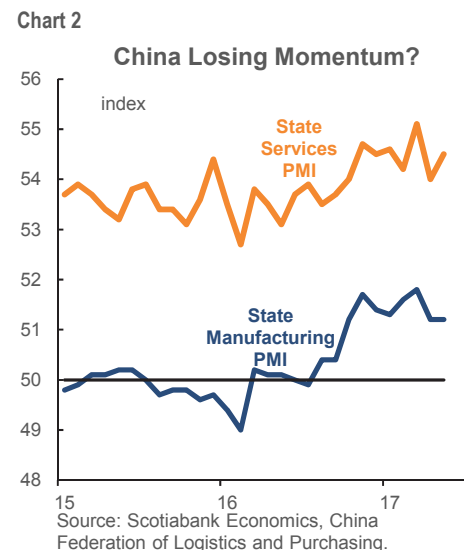
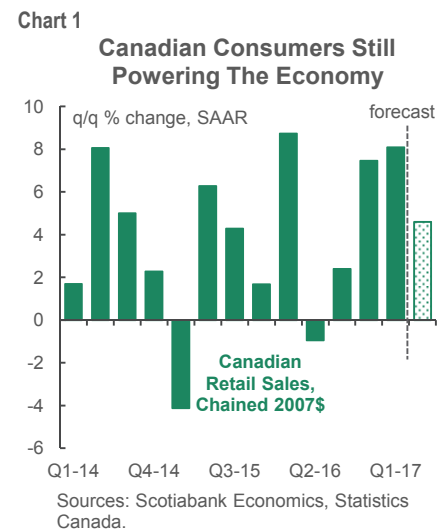
Canada conducts a two year auction on Wednesday. At 93bps, the yield on Canada 2s is underpricing our forecast for hikes starting in October with the risk of July and leading to a cumulative movement of +75bps by Q2 of next year from an overnight rate starting point of 0.5%.

Note that Canadian bond markets will shut early on Friday ahead of the July 1st holiday that marks Canada Day and the country's 150th birthday since Confederation in 1867.

ASIA — CONFLICTING SIGNALS ON CHINA'S MOMENTUM

China data is going to be the marquee event in Asian markets over the coming week and should easily eclipse Japan's monthly data dump in terms of potential significance to global markets.

Is China's economy losing momentum this year over last? Judged through the lens of the state's purchasing managers' indices, it has been fairly clear for some time that momentum in China's economy has topped out. As chart 2 demonstrates, both the manufacturing and non-manufacturing PMIs had accelerated over 2016 and have since lost upward momentum and plateaued. Next Thursday night (eastern time) brings out updates for June. Judged through the lens of Premier Li's once-preferred growth gauges, it's also true that upward momentum over 2016 has since stalled out. Chart 3 demonstrates one version of the Keqiang index that is a composite of railcar loadings, aggregate credit growth and electricity production. There has not been such evidence of lost momentum in GDP figures, however, that have neither shown upward momentum



in 2016 nor a more recent stalling out. The miraculous stability of Chinese GDP growth estimates that have been stuck in a tight 6.7–6.9% y/y range for the past seven quarters—and that get released earlier than most other countries, and are never, ever revised—leads to considerable market doubts over their reliability. Perhaps the concern reflected in higher-frequency growth signals is what has led China to pursue record-shattering growth in aggregate financing this year, even as it speaks of tightened macroprudential rules (chart 4).

China also releases industrial profits on Monday night eastern time. Here the evidence adds a further twist: unlike GDP, profit growth did accelerate and unlike both GDP and PMIs, profit growth has yet to noticeably decelerate in 2017.

Japan releases May estimates for retail sales on Wednesday evening eastern time, and then the following night it updates national and Tokyo CPI, the jobless rate, industrial production, vehicle production and housing starts.

A data parade will also include export figures to be updated by New Zealand, South Korea, Thailand and Hong Kong; Australian new home sales; and South Korean industrial output.

LATIN AMERICA — NEARING THE END?

With inflation still above-target, will Colombia's central bank continue its sharp easing campaign? This question dominates local market risks over the coming week independent of external factors.

Colombia's inflation rate has plummeted from a cycle peak of 9% y/y in July of last year to about half that in May of this year (4.4% y/y). That remains a little above the 3% +/-1% inflation target range employed by Banco Central de la Republica de Colombia. So far, the central bank has been able to defend the 150bps of easing since the end of last year because of this sharp drop in inflation. Consensus expects inflation to stabilize over the duration of this year before coming more in line with the mid-point of the inflation target range by the end of next year. A rapid deceleration in economic growth from a briefly attained peak of 8% y/y in late 2011 and then a brief reacceleration to just over 6% in early 2014 has seen the bottom drop out with GDP growth equalling only 1.1% in 2017Q1. The rate cuts put in place may help carve out a growth bottom and a gradual improvement back toward 3% growth into next year. Against this backdrop, the debate over next week's decision is whether to deliver another 25bps or 50bps cut with most erring on the side of 25bps.

Sundry macro reports will include Chilean industrial output for the month of May (Friday), Mexican trade figures for May (Tuesday), and unemployment rates in both countries (Mexico on Monday, Chile on Friday).

EUROPE — CHASING AWAY THE EASTER BUNNY

The coming week brings another monthly test of ECB President Mario Draghi's patience on the inflation front and further evidence of how European consumers are managing in a low inflation world.

Ahead of next Friday's update for June, recall that Eurozone core CPI had fallen back to under 1% y/y in May. **It's likely to remain under little pressure.** A brief rise to 1.2% in April had sparked premature market talk of policy exits that ECB President Mario Draghi subsequently stamped out through dovish guidance. Incrementally more hawkish market sentiment never really made much sense at the time since the spike in April this year reflected the base effect of a spike down in April of last year that proved to be very fleeting. One reason for a distorted year-ago comparison is thought to have been the differential timing of the Easter holiday and the effect on vacation package prices (chart 5). Recall that the Easter holiday was on March 27th in 2016 but this year

Chart 3

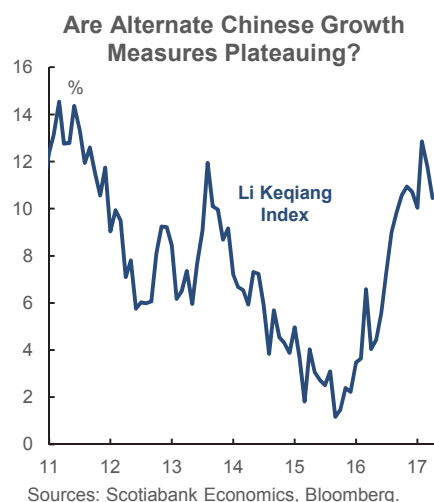
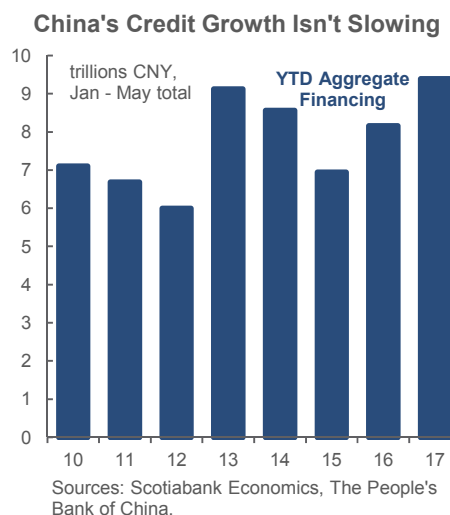


Chart 4



it was on April 16th and it will remain in April for the next six years. If that unusual effect has now shaken out of the data, then we're probably back to trend core inflation of around 1% y/y and that would reinforce a prolonged period of policy accommodation. Simply put, markets didn't see through the calendar effect as clearly as they might have. Indeed, the underlying inflation story hasn't changed much in the Eurozone and that's likely to keep the ECB focused upon continued accommodation. Unlike the US, the Eurozone economy still has slack with the IMF estimating an output gap of roughly -¾%.

An accommodative ECB (and BoJ) should therefore remain important to the carry trade as an anchor for North American fixed income yields as the dollar bloc of economies continues to offer more attractive spread pick-up in a chase-for-yield environment. My personal belief is that the anglo-American central banks (the Fed and BoC, with the BoE in a state of flux) are at risk of being overly hawkish while the ECB and BoJ aren't budging and appropriately so.

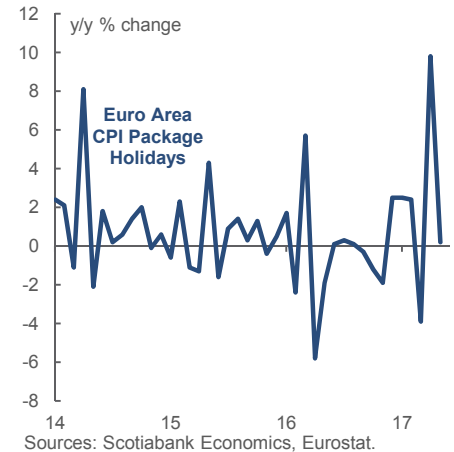
In the lead-up to the Eurozone tally, we'll get inflation figures from Italy on Wednesday, Germany and Spain on Thursday, and France on Friday.

Consumer spending updates will come from Spain (Wednesday), France (Friday) and Germany (tbc). **European consumers have hardly been taking advantage of soft inflation to stock their cupboards.** In volume terms, German retail sales are down 0.9% y/y, Spanish retail sales are down 1% y/y, and French total consumer spending is down 0.5% y/y. Weak consumer spending is hardly a recipe for turning around inflation.

Germany also releases the IFO business confidence measure on Monday, while Eurozone confidence measures arrive on Thursday. UK markets will only have a Q1 GDP revision and a monthly services index for April to digest over the coming week and they will have to wait until Friday to get both of them.

Chart 5

Easter Effect Has Shaken Out Of Eurozone CPI



Key Indicators for the week of June 26 – 30
NORTH 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>
US	06/26	08:30	Durable Goods Orders (m/m)	May P	-0.5	-0.7	-0.8
US	06/26	08:30	Durable Goods Orders ex. Trans. (m/m)	May P	0.5	0.4	-0.5
MX	06/26	09:00	Global Economic Indicator IGAE (y/y)	Apr	0.9	--	4.4
MX	06/26	09:00	Unemployment Rate (%)	May	3.0	--	3.5
US	06/26	10:30	Dallas Fed. Manufacturing Activity	Jun	--	--	17.2
MX	06/27	09:00	Trade Balance (US\$ mn)	May	-2438.5	--	617.7
US	06/27	09:00	S&P/Case-Shiller Home Price Index (m/m)	Apr	--	0.6	0.9
US	06/27	09:00	S&P/Case-Shiller Home Price Index (y/y)	Apr	--	--	5.9
US	06/27	10:00	Consumer Confidence Index	Jun	115.0	115.0	117.9
US	06/27	10:00	Richmond Fed Manufacturing Index	Jun	--	--	1.0
US	06/28	07:00	MBA Mortgage Applications (w/w)	JUN 23	--	--	0.6
US	06/28	08:30	Wholesale Inventories (m/m)	May P	--	0.2	-0.5
US	06/28	10:00	Pending Home Sales (m/m)	May	--	1.1	-1.4
US	06/29	08:30	GDP (q/q a.r.)	1Q T	1.2	1.2	1.2
US	06/29	08:30	GDP Deflator (q/q a.r.)	1Q T	2.2	2.2	2.2
US	06/29	08:30	Initial Jobless Claims (000s)	JUN 24	245	--	241
US	06/29	08:30	Continuing Claims (000s)	JUN 17	1950	--	1944
CA	06/30	08:30	IPPI (m/m)	May	--	--	0.6
CA	06/30	08:30	Raw Materials Price Index (m/m)	May	--	--	1.6
CA	06/30	08:30	Real GDP (m/m)	Apr	0.3	--	0.5
US	06/30	08:30	PCE Deflator (m/m)	May	-0.1	-0.1	0.2
US	06/30	08:30	PCE Deflator (y/y)	May	1.5	1.5	1.7
US	06/30	08:30	PCE ex. Food & Energy (m/m)	May	0.0	0.1	0.2
US	06/30	08:30	PCE ex. Food & Energy (y/y)	May	1.4	1.5	1.5
US	06/30	08:30	Personal Spending (m/m)	May	0.1	0.1	0.4
US	06/30	08:30	Personal Income (m/m)	May	0.2	0.3	0.4
US	06/30	09:45	Chicago PMI	Jun	--	58.0	59.4
US	06/30	10:00	U. of Michigan Consumer Sentiment	Jun F	--	94.5	94.5
CA	06/30	10:30	BoC Senior Loan Officer Survey	2Q	--	--	-1.9
CA	06/30	10:30	Business Outlook Future Sales	2Q	--	--	21.0

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
IR	JUN 25-27		Real GDP (q/q)	1Q	--	--	2.5
GE	06/26	04:00	IFO Business Climate Survey	Jun	--	--	114.6
GE	06/26	04:00	IFO Current Assessment Survey	Jun	--	--	123.2
GE	06/26	04:00	IFO Expectations Survey	Jun	--	--	106.5
FR	06/26	12:00	Total Jobseekers (000s)	May	--	--	3471.8
FR	06/26	12:00	Jobseekers Net Change (000s)	May	--	--	-36.3
GE	JUN 27- JUL 03		Retail Sales (m/m)	May	--	--	-0.2
SP	06/28	03:00	Real Retail Sales (y/y)	May	--	--	-1.0
IT	06/28	05:00	CPI (m/m)	Jun P	--	--	-0.2
IT	06/28	05:00	CPI (y/y)	Jun P	--	--	1.4
IT	06/28	05:00	CPI - EU Harmonized (m/m)	Jun P	--	--	-0.1
IT	06/28	05:00	CPI - EU Harmonized (y/y)	Jun P	--	--	1.6
UK	JUN 28- JUL 03		Nationwide House Prices (m/m)	Jun	0.2	--	-0.2
GE	06/29	02:00	GfK Consumer Confidence Survey	Jul	--	--	10.4
SP	06/29	03:00	CPI (m/m)	Jun P	--	--	-0.1
SP	06/29	03:00	CPI (y/y)	Jun P	--	--	1.9
SP	06/29	03:00	CPI - EU Harmonized (m/m)	Jun P	--	--	0.0
SP	06/29	03:00	CPI - EU Harmonized (y/y)	Jun P	--	--	2.0
UK	06/29	04:30	Net Consumer Credit (£ bn)	May	--	--	1.5
EC	06/29	05:00	Business Climate Indicator	Jun	--	--	0.9
EC	06/29	05:00	Economic Confidence	Jun	--	--	109.2
EC	06/29	05:00	Industrial Confidence	Jun	--	--	2.8

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

Key Indicators for the week of June 26 – 30
EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	06/29	08:00	CPI (m/m)	Jun P	--	--	-0.2
GE	06/29	08:00	CPI (y/y)	Jun P	--	--	1.5
GE	06/29	08:00	CPI - EU Harmonized (m/m)	Jun P	--	--	-0.2
GE	06/29	08:00	CPI - EU Harmonized (y/y)	Jun P	--	--	1.4
UK	06/29	19:01	GfK Consumer Confidence Survey	Jun	-6.0	--	-5.0
SP	06/29		Budget Balance YTD (€ mn)	May	--	--	-8268.0
FR	06/30	02:45	Consumer Spending (m/m)	May	--	--	0.5
FR	06/30	02:45	CPI (m/m)	Jun P	--	--	0.0
FR	06/30	02:45	CPI (y/y)	Jun P	--	--	0.8
FR	06/30	02:45	CPI - EU Harmonized (m/m)	Jun P	--	--	0.0
FR	06/30	02:45	CPI - EU Harmonized (y/y)	Jun P	--	--	0.9
FR	06/30	02:45	Producer Prices (m/m)	May	--	--	-0.6
GE	06/30	03:55	Unemployment (000s)	Jun	--	--	-9.0
GE	06/30	03:55	Unemployment Rate (%)	Jun	--	--	5.7
SP	06/30	04:00	Current Account (€ bn)	Apr	--	--	1.3
UK	06/30	04:30	Business Investment (q/q)	1Q F	--	--	0.6
UK	06/30	04:30	Current Account (£ bn)	1Q	-16.0	--	-12.1
UK	06/30	04:30	GDP (q/q)	1Q F	0.3	--	0.2
UK	06/30	04:30	Index of Services (m/m)	Apr	0.2	--	0.2
EC	06/30	05:00	Euro zone CPI Estimate (y/y)	Jun	--	--	1.4
EC	06/30	05:00	Euro zone Core CPI Estimate (y/y)	Jun A	--	--	0.9

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
VN	JUN 24-30		Exports (y/y)	Jun	--	--	17.4
VN	JUN 24-30		Imports (y/y)	Jun	--	--	23.9
VN	JUN 24-30		Industrial Production (y/y)	Jun	--	--	7.2
VN	JUN 24-30		Real GDP YTD (y/y)	2Q	--	--	5.1
SK	JUN 25-30		Department Store Sales (y/y)	May	--	--	0.5
JN	06/26	01:00	Coincident Index CI	Apr F	117.7	--	117.7
JN	06/26	01:00	Leading Index CI	Apr F	104.5	--	104.5
HK	06/26	04:30	Exports (y/y)	May	--	--	7.1
HK	06/26	04:30	Imports (y/y)	May	--	--	7.3
HK	06/26	04:30	Trade Balance (HKD bn)	May	--	--	-34.1
SK	06/26	17:00	Consumer Confidence Index	Jun	--	--	108.0
NZ	06/26	18:45	Trade Balance (NZD mn)	May	--	393.5	577.8
NZ	06/26	18:45	Exports (NZD bn)	May	--	4.9	4.8
NZ	06/26	18:45	Imports (NZD bn)	May	--	4.5	4.2
CH	06/26	21:30	Industrial Profits YTD (y/y)	May	--	--	14.0
SK	06/28	17:00	Business Survey- Manufacturing	Jul	--	--	84.0
SK	06/28	17:00	Business Survey- Non-Manufacturing	Jul	--	--	80.0
JN	06/28	19:50	Large Retailers' Sales (y/y)	May	--	-0.3	1.1
JN	06/28	19:50	Retail Trade (y/y)	May	--	2.6	3.2
AU	06/28	21:00	HIA New Home Sales (m/m)	May	--	--	0.8
HK	06/29	04:30	Retail Sales - Value (y/y)	May	--	--	0.1
HK	06/29	04:30	Retail Sales - Volume (y/y)	May	--	--	-0.1
SK	06/29	19:00	Industrial Production (y/y)	May	--	--	1.7
SK	06/29	19:00	Cyclical Leading Index Change	May	--	--	0.2
JN	06/29	19:30	Household Spending (y/y)	May	--	-0.5	-1.4
JN	06/29	19:30	Jobless Rate (%)	May	2.8	2.8	2.8
JN	06/29	19:30	National CPI (y/y)	May	0.4	0.5	0.4
JN	06/29	19:30	Tokyo CPI (y/y)	Jun	--	0.4	0.2
JN	06/29	19:50	Industrial Production (y/y)	May P	--	7.0	5.7
CH	06/29	21:00	Manufacturing PMI	Jun	51.0	51.0	51.2
CH	06/29	21:00	Non-manufacturing PMI	Jun	54.5	--	54.5
AU	06/29	21:30	Private Sector Credit (y/y)	May	--	5.0	4.9

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

Key Indicators for the week of June 26 – 30

ASIA-PACIFIC (continued from previous page)

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
JN	06/30	00:00	Vehicle Production (y/y)	May	--	--	16.3
JN	06/30	01:00	Housing Starts (y/y)	May	--	-2.0	1.9
JN	06/30	01:00	Construction Orders (y/y)	May	--	--	-0.2
TH	06/30	03:30	Exports (y/y)	May	--	--	5.9
TH	06/30	03:30	Imports (y/y)	May	--	--	10.1
TH	06/30	03:30	Trade Balance (US\$ mn)	May	--	--	1451.0
TH	06/30	03:30	Current Account Balance (US\$ mn)	May	--	2200	2906
IN	06/30	07:00	Fiscal Deficit (INR Crore)	May	--	--	-70546
SK	06/30	20:00	Exports (y/y)	Jun	--	--	13.4
SK	06/30	20:00	Imports (y/y)	Jun	--	--	18.2
SK	06/30	20:00	Trade Balance (US\$ mn)	Jun	--	--	5989.0
PH	JUN 29-30		Bank Lending (y/y)	May	--	--	16.0

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
BZ	06/27	09:30	Current Account (US\$ mn)	May	--	--	1152.9
CL	06/30	09:00	Industrial Production (y/y)	May	-0.4	--	-7.5
CL	06/30	09:00	Unemployment Rate (%)	May	6.9	--	6.7
CO	06/30	11:00	Urban Unemployment Rate (%)	May	--	10.2	10.7
CO	06/30		Overnight Lending Rate (%)	Jun 30	6.00	5.75	6.25

Global Auctions for the week of June 26 – 30**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	06/26	13:00	U.S. to Sell 2-Year Notes
US	06/27	13:00	U.S. to Sell 5-Year Notes
US	06/28	11:30	U.S. to Sell 2-Year Floating Rate Notes
CA	06/28	12:00	Canada to Sell 2-Year Bonds
US	06/28	13:00	U.S. to Sell 7-Year Notes

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	06/27	05:00	Italy to Sell Bonds
IT	06/27	05:00	Italy to Sell I/L Bonds
GE	06/27	05:30	Germany to Sell EUR4 Bln 0% 2019 Bonds
UK	06/27	05:30	U.K. to Sell GBP1 Bln 0.125% I/L 2026 Bonds
SW	06/28	05:03	Sweden to Sell Bonds
IT	06/30	05:00	Italy to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	06/26	21:00	Australia Plans to Sell I/L Bonds
JN	06/26	23:45	Japan to Sell 2-Year Bonds
CH	06/27	23:00	China Plans to Sell 3-Year Upsized Government Bond

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	06/27	11:00	Brazil to Sell I/L Bonds

Events for the week of June 26 – 30

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	06/25	00:20	Fed's Dudley Speaks at Closed-Press Event at BIS in Basel
US	06/26	00:20	Fed's Williams Speaks in Sydney
US	06/27	03:30	Fed's Williams Speaks in Sydney
US	06/27	11:00	Fed's Harker Speaks on Economy in London
US	06/27	17:30	Fed's Kashkari Speaks at Townhall Event in Houghton, Michigan
US	06/28	03:30	Fed's Williams Speaks in Canberra
CA	06/28	09:30	Bank of Canada's Poloz at ECB Panel
CA	06/28	14:15	Bank of Canada Deputy Governor Lynn Patterson Speaks
US	06/29	13:00	Fed's Bullard Speaks on Monetary Policy in London
CA	06/30	10:30	Business Outlook Future Sales
CA	06/30	10:30	BoC Senior Loan Officer Survey

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	JUN 26-28		ECB Forum in Sintra With Draghi, BOE's Carney, BOJ's Kuroda
GE	06/27		U.S. Commerce Secretary Ross Attends CDU Event in Berlin
PO	06/29	04:00	Portugal's Centeno Speaks at Conference on Public Finance
SP	06/30		Spain Sovereign Debt to be rated by Moody's

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	06/25	19:50	BOJ Summary of Opinions at June 15-16 Meeting
JN	06/26	19:50	Japan 1Q Flow of Funds report
JN	06/29	02:30	BOJ Harada speaks in Tokyo
AU	06/29	04:30	RBA's Debelle Gives Speech on Global FX Code

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CO	06/30		Overnight Lending Rate

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	July 12, 2017	0.50	0.50
Federal Reserve – Federal Funds Target Rate	1.25	July 26, 2017	1.25	1.25
Banco de México – Overnight Rate	7.00	August 10, 2017	7.00	--

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 20, 2017	0.00	--
Bank of England – Bank Rate	0.25	August 3, 2017	0.25	--
Swiss National Bank – Libor Target Rate	-0.75	September 14, 2017	-0.75	--
Central Bank of Russia – One-Week Auction Rate	9.00	July 28, 2017	9.00	--
Sweden Riksbank – Repo Rate	-0.50	July 4, 2017	-0.50	--
Norges Bank – Deposit Rate	0.50	September 21, 2017	0.50	--
Central Bank of Turkey – Benchmark Repo Rate	8.00	July 27, 2017	--	--

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 20, 2017	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	July 4, 2017	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	August 9, 2017	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.25	August 2, 2017	6.25	--
Bank of Korea – Bank Rate	1.25	July 13, 2017	1.25	--
Bank of Thailand – Repo Rate	1.50	July 5, 2017	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	3.00	July 13, 2017	3.00	3.00
Bank Indonesia – 7-Day Reverse Repo Rate	4.75	July 20, 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	10.25	July 26, 2017	9.50	--
Banco Central de Chile – Overnight Rate	2.50	July 13, 2017	2.50	--
Banco de la República de Colombia – Lending Rate	6.25	June 30, 2017	6.00	5.75
Banco Central de Reserva del Perú – Reference Rate	4.00	July 13, 2017	3.75	--

Banco de la Republica de Colombia: Consensus is divided between a rate cut of 25bps or 50bps. Inflation remains above target, but rapidly falling. That affords the flexibility to ease monetary policy to counter waning growth momentum.

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	July 20, 2017	7.00	--

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