

PRESIDENT FOR LIFE VERSUS PRESIDENT FOR A YEAR?

- Canada — Will the Real Wage Figure Please Stand Up? 2
- United States — Will the Service Sector Hold Up? 3
- Latin America — Getting Easier 3
- Europe — Growth Transitions 4
- Asia-Pacific — Trump Underestimates China's Patience 4-5

FORECASTS & DATA

- Key Indicators A1-A3
- Global Auctions Calendar A4
- Events Calendar A5
- Global Central Bank Watch A6

CONTACTS

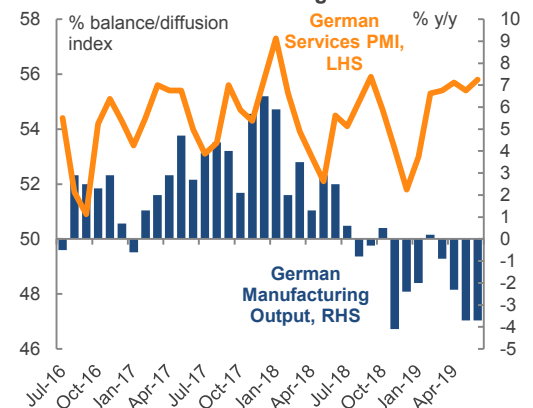
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Next Week's Risk Dashboard

- US-China trade tensions
- CBs: RBA, RBNZ, RBI, BoT, BSP, Peru
- CPI: China, Norway, Mexico...
- ...Brazil, Colombia, Chile
- GDP: Japan, Indonesia, Philippines
- US ISM-services, PPI
- China exports
- German industry, exports
- UK GDP, other macro
- CDN jobs, housing
- CDN earnings
- US, CDN auctions

Chart of the Week

Germany Relying on Services Sector Resilience Amidst Manufacturing Downturn



Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart of the Week: Prepared by: Evan Andrade, Research Analyst.

President for Life Versus President for a Year?

CANADA—WILL THE REAL WAGE FIGURE PLEASE STAND UP?

Can Canadian employers keep up a torrid pace of hiring over the second half of the year? Is wage growth really on the rise? Friday's release of the Labour Force Survey will inform these issues as the week's main macro event. Canadian markets will start the week shut for annual Civic holidays and the path to the jobs report will be primarily focused upon earnings reports.

A very tentative 25k job gain is forecast after the flat performance that was put in during June. Canadian employers hired 247,500 workers over the first half of 2019. If the second half matches this performance, that would put the economy on track for a half million new jobs. While that's impressive, it's not a record breaker. In fact, it's not even close. As chart 1 shows, year-to-date job creation in 2019 is well down the list of the best years since the inception of the Labour Force Survey in 1976.

Even though it garners a low weight in the Bank of Canada's preferred wage growth metric—wage common—it will also be worth watching what the LFS says about wage growth. **While the three main measures of job growth are reasonably consistent with one another over time (chart 2), the wage measures are not.** The LFS household survey measure has recently taken off (chart 3). It is a fresher wage measure than the other three wage metrics that go into wage common. All of the components to wage common—and wage common itself—are shown in chart 4 and they suffer from varying degrees of freshness, given that the payrolls (SEPH) measure only goes to May and the two quarterly measures only go up to 2019Q1.

Other releases will be relatively trivial in nature. **Housing starts in July and building permits in June land on Friday** at the same time as jobs.

Equity and credit investors will closely follow a heavy earnings week. Seventy-seven TSX-listed firms will release Q2 earnings including names like Home Capital, Linamar, Manulife, various resource plays, Magna, Hydro One, Quebecor and TransAlta. Canada auctions 2s on Wednesday.

Chart 1

Cumulative Canadian First Half Job Gains

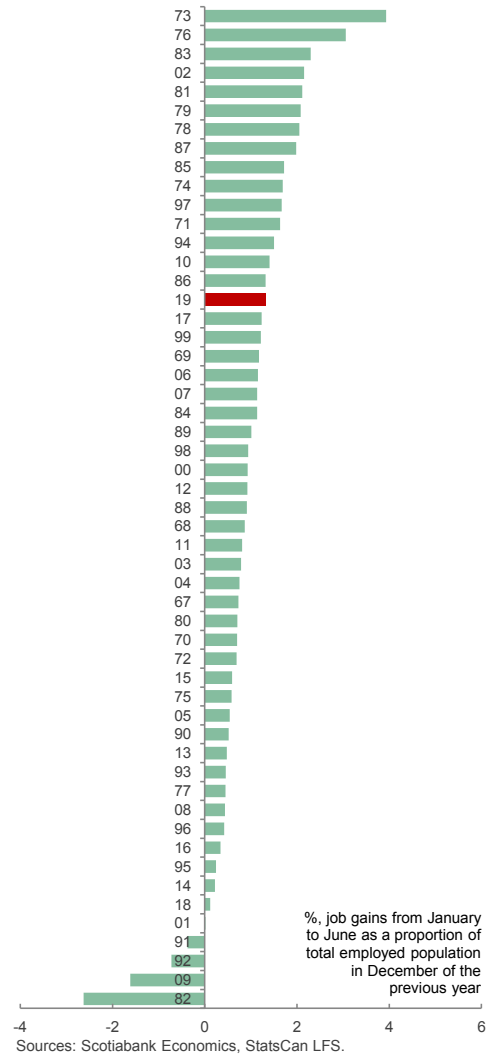


Chart 2

Canadian Job Growth

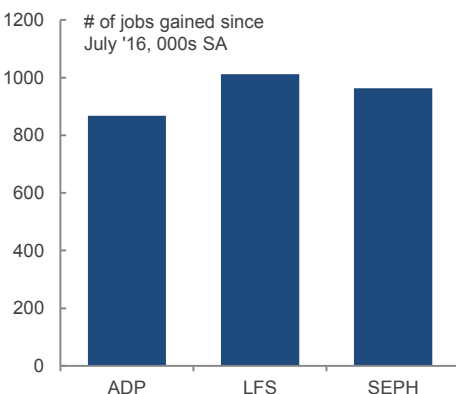


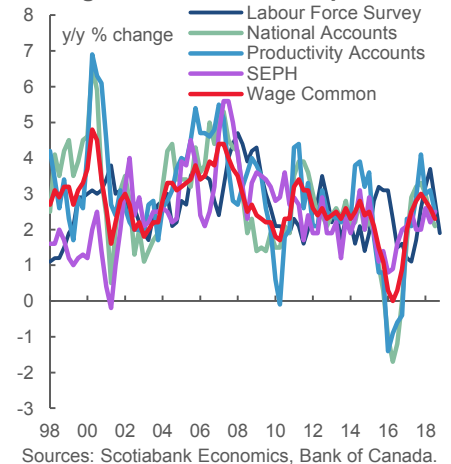
Chart 3

Bottoming Wage Growth?



Chart 4

Wage-Common and Components



UNITED STATES—WILL THE SERVICE SECTOR HOLD UP?

Markets are likely to spend much of the coming week debating the plausibility of executing Trump’s threat to impose a 10% additional tariff on the remaining US\$300 billion of non-tariffed imports from China with an escalator feature thereafter. Retaliation risk and informing prospects for going ahead with the next planned round of trade negotiations in September will be a part of this focus. There is little by way of formal calendar-based risk.

ISM-services will be the main macro focal point. Up to now, the reading has deteriorated since last Fall but remained further in moderate growth territory than ISM-manufacturing. That’s generally true of the global comparison of purchasing managers’ indices that portray weaker manufacturing conditions (chart 5) than service sector conditions (chart 6).

Producer prices during July will be updated on Friday as a second or third tier inflation reading. The JOLTS job vacancies metric for June will be released on Tuesday.

A pair of dovish voting Fed officials will speak including St. Louis Fed President Bullard who addresses the US economy on Tuesday, and Chicago Fed President Evans who hosts a media chat on Wednesday.

The earnings season is maturing with about 80% of the S&P500 having released Q2 earnings. About 78% of firms have posted earnings beats so far. Another fifty-nine S&P500 firms will release next week including names like Berkshire Hathaway, Loews, Walt Disney and CBS.

The US Treasury auctions 3s, 10s and 30s over the coming week.

LATIN AMERICA—GETTING EASIER

A central bank decision and a tetrad of inflation readings across major LatAm economies are all on tap, but spin-off effects from external risks particularly softening global growth driven by protectionist US trade policies may be more dominant over markets.

Banco Central de Reserva del Peru is expected to stay on hold at 2.75% next Friday. **Peru’s inflation decelerated to 2.1% y/y in July (2.3% prior, 2.2% consensus).** That takes inflation closer to the mid-point of the central bank’s 1–3% inflation target range and connotes a degree of patience regarding future monetary policy steps. A cooler pace of year-ago price increases for food/beverages, housing, transportation including fuel, and furniture drove the deceleration. An added factor may be hesitancy by the central bank to get caught in the fray on the path toward recently announced elections on April 19th next year. Scotia’s Lima-based economist Guillermo Arbe expects the central bank to remain on hold throughout the remainder of this year before possibly easing early next year.

CPI inflation updates arrive from Colombia on Monday, and then each of Mexico, Brazil, and Chile on Thursday. Cooling pressures of late (chart 7) have afforded room for rate cuts in Brazil and Chile over recent weeks while applying pressure on Banxico. Additional downward pressure would reinforce or amplify such expectations. Further to this effect, COPOM minutes will further inform the dialogue and bias to the decision by Brazil’s central bank to cut its Selic target rate by 50bps this past Wednesday. Recall that the accompanying statement referenced how inflation prospects “should permit additional adjustment of the degree of stimulus.”

Chart 5

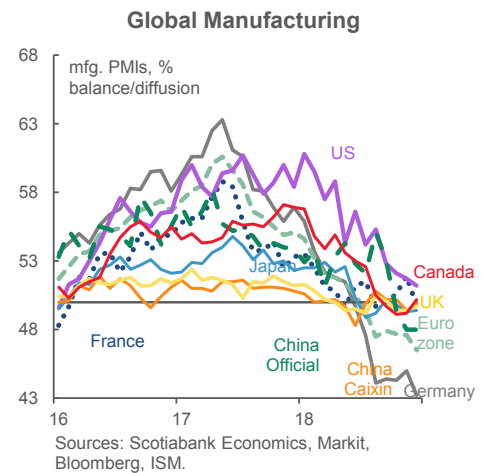


Chart 6

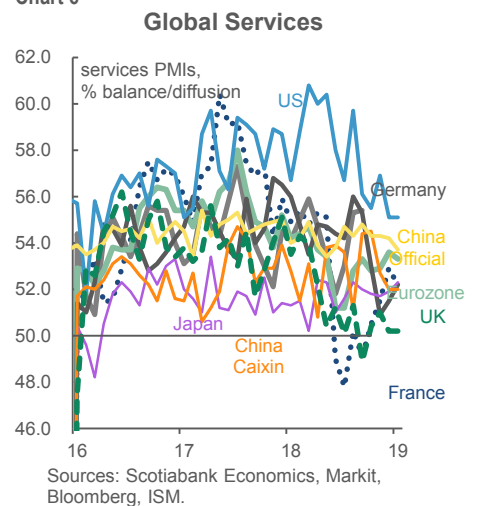
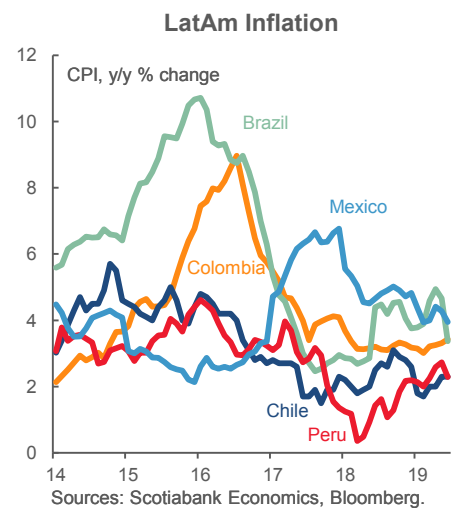


Chart 7



EUROPE—GROWTH TRANSITIONS

Data flow might be a tough sell into a market obsessed with trying to sort out how the volatile policy apparatus informs future growth. For what it's worth, however, **important macro releases out of Germany and the UK will inform growth tracking to end Q2 and transition to Q3.** Watch for further potential elaboration of Trump's remark to close out this past week that auto tariffs "are never off the table."

How did Germany's industrial and export complex end Q2? June releases for factory orders (Tuesday), industrial production (Wednesday) and trade (Friday) will be put to good use answering this question. All three releases have been in a state of miserable decline ever since the US administration ventured down a highly protectionist path (chart 8). It could be a mixed grab bag of releases. Factory orders are expected to rebound from the 2.2% drop in May. Industrial output might go south after a recent oscillating pattern and exports are likely to give back some of the 1.1% gain in May. Germany's current account surplus as a share of GDP has slightly diminished over the past couple of years but remains high (chart 9). Ditto for Japan's, while China's current account surplus has vapourized from about 10% of the economy back toward when Mitt Romney was in a flap over it to about 1% now. The US current account deficit has been stuck at 2%+ for years after improving following the imbalances created by the housing and consumption boom in the mid-2000s.

UK releases will include expectations for no growth in Q2 GDP (Friday). This should be positioned as payback for the Brexit stocking effects that contributed to stronger growth in Q1 when the economy grew at a non-annualized pace of 0.5% q/q. The service sector's purchasing managers index (Monday) is likely to tee up another mildly contractionary reading for the overall composite PMI. Industrial output is expected to reverse some of the rise in May. Trade figures for June and a monthly services index both close out the week.

Other releases will include industrial production in Spain (Thursday) and France (Friday) as well as Italian trade (Friday). **Norway's inflation reading for July (Friday) could continue to edge lower** and, if so, complicate Norges Bank guidance in the June statement that "the policy rate will most likely be increased further in the course of 2019."

ASIA-PACIFIC—TRUMP UNDERESTIMATES CHINA'S PATIENCE

This could be a big week for Asia-Pacific markets with effects spanning a mixture of local influences and global market spillovers. Four central banks will deliver policy decisions, three update inflation readings, three update GDP growth signals and China releases a wave of macro readings. What risks dominating is any further escalation of US-China trade tensions as China has pledged to retaliate and so far has done so apparently through redirecting soybean purchases to Brazil. Directly or indirectly, all eyes will be on China including how regional central banks react to escalated tensions with the US. China has many ways of retaliating or stymying US ambitions that Trump is underestimating, not least of which the patience inherent to a less market-driven economy in a uni-party state with a President for life versus possibly a President for another year.

Chinese inflation could continue to climb due to rising pork prices as a driver of the important food price component (chart 10). At 2.7% y/y, inflation could approach or even surpass the nearly six year peak that was set back in February of last year. This has been almost entirely driven by food prices as core CPI has waned (chart 11). In fact, at 1.6% y/y, **core inflation is only running at about half of the PBOC's 3% inflation target** with headline inflation just beneath it at 2.7%.

Chart 8

Germany's Troubled Economy

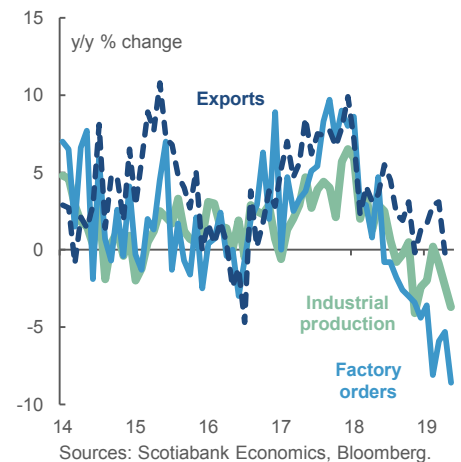
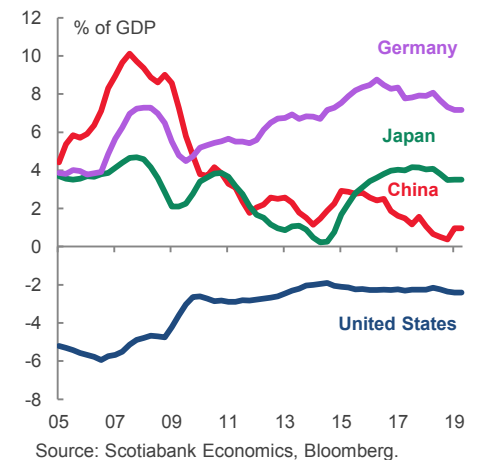


Chart 9

Current Account Balances



China also releases fresh trade figures for July around mid-week to inform how the economy is holding up to the direct effect of US tariffs and the indirect effects of US protectionism on world growth. Aggregate financing figures for July might arrive next week or the week thereafter along with foreign reserves by mid-week and producer prices on Thursday.

Four central banks will make policy decisions and two of them are definite candidates for further easing.

1. RBA: the cash rate target is expected to be left unchanged at 1% on Tuesday. A risk to this view is whether the market response to the recent deterioration in US-China trade negotiations merits an insurance cut. The rise in Q2 inflation to 1.6% y/y (1.3% prior) and the mixed core readings that saw trimmed mean remaining unchanged at 1.6% and weighted median CPI declining two-tenths to 1.2% provide no great sense of urgency to ease so soon after back to back cuts. The statement accompanying the cut on July 1st also may lean against any sense of urgency toward another near-term cut in that it inserted reference to “if needed” as a qualifier for further easing. Governor Lowe’s speech on July 25th ([here](#)) left the door open to further easing, but not with a great sense of urgency.

2. RBNZ: Most economists expect a 25bps cut in the official cash rate to 1.25%. The last statement on June 25th noted that “more support from monetary policy was likely to be necessary” and that a lower cash rate “may be needed over time.” Recent trade policy developments may reinforce this bias. The fly in the ointment is that the guidance before that statement including a remark by Assistant Governor Hawkesby that the policy rate “will remain broadly around current levels for the foreseeable future.” Thus, timing further easing is marked by some uncertainty, but perhaps less so in the wake of the recent trade tensions.

3. RBI: The Reserve Bank of India is almost universally expected to cut its repurchase rate by 25bps to 5.5%. The recent deceleration of core inflation to 4.1% y/y and the fact that headline inflation of 3.2% y/y lies below the mid-point of the 2–6% inflation target range provides cover for easing in the face of deteriorating global growth and trade tensions.

4. Bank of Thailand: Financial stability risks may keep the BoT on hold at 1.75% on Wednesday. This is despite very soft inflation with core inflation falling to 0.4% y/y—the lowest since March 2010. External risks on Thailand doorstep have clearly increased of late given rising trade tensions.

5. BSP: Bangko Sentral ng Pilipinas is expected to cut its policy rate on Thursday and continue an easing campaign that commenced in May. Weaker than expected growth and inflation plus escalating trade tensions add support to Governor Diokno’s “inevitable” guidance that was provided toward the end of June. CPI inflation for July on Monday is expected to decelerate further and add to expectations. Q2 GDP growth on Wednesday could show a mild acceleration from the weakness in Q1 but likely not by enough to mitigate easing prospects.

GDP releases from Japan (Thursday) and Indonesia (Monday) plus labour readings including wage growth in New Zealand (Monday) are also due out.

Chart 10

Chart 11


Key Indicators for the week of August 5 – 9

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	08/05	10:00	ISM Non-Manufacturing Composite	Jul	55.5	55.5	55.1
US	08/06	10:00	JOLTS Job Openings (000s)	Jun	--	--	7323
US	08/07	07:00	MBA Mortgage Applications (w/w)	AUG 2	--	--	-1.4
US	08/07	15:00	Consumer Credit (US\$ bn m/m)	Jun	--	16.5	17.1
MX	08/08	07:00	Bi-Weekly Core CPI (% change)	Jul 31	0.08	--	0.2
MX	08/08	07:00	Bi-Weekly CPI (% change)	Jul 31	0.1	--	0.3
MX	08/08	07:00	Consumer Prices (m/m)	Jul	0.39	--	0.1
MX	08/08	07:00	Consumer Prices (y/y)	Jul	3.79	--	4.0
MX	08/08	07:00	Consumer Prices Core (m/m)	Jul	0.25	--	0.3
CA	08/08	08:30	New Housing Price Index (m/m)	Jun	--	--	-0.1
US	08/08	08:30	Initial Jobless Claims (000s)	AUG 3	215	215	215
US	08/08	08:30	Continuing Claims (000s)	JUL 27	1700	--	1699
US	08/08	10:00	Wholesale Inventories (m/m)	Jun F	--	0.2	0.2
MX	08/09	07:00	Industrial Production (m/m)	Jun	--	--	-2.1
MX	08/09	07:00	Industrial Production (y/y)	Jun	-2.3	--	-3.4
CA	08/09	08:15	Housing Starts (000s a.r.)	Jul	200	--	246
CA	08/09	08:30	Building Permits (m/m)	Jun	--	--	-13.0
CA	08/09	08:30	Employment (000s m/m)	Jul	25	--	-2.2
CA	08/09	08:30	Unemployment Rate (%)	Jul	5.4	--	5.5
US	08/09	08:30	PPI (m/m)	Jul	0.2	0.2	0.1
US	08/09	08:30	PPI ex. Food & Energy (m/m)	Jul	0.2	0.2	0.3

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IT	08/05	03:45	Services PMI	Jul	--	50.6	50.5
FR	08/05	03:50	Services PMI	Jul F	52.2	52.2	52.2
GE	08/05	03:55	Services PMI	Jul F	55.4	55.4	55.4
EC	08/05	04:00	Composite PMI	Jul F	51.5	51.5	51.5
EC	08/05	04:00	Services PMI	Jul F	53.3	53.3	53.3
UK	08/05	04:30	Official Reserves Changes (US\$ bn)	Jul	--	--	3650
UK	08/05	04:30	Services PMI	Jul	50.2	50.4	50.2
GE	08/06	02:00	Factory Orders (m/m)	Jun	--	0.4	-2.2
GE	08/07	02:00	Industrial Production (m/m)	Jun	-0.5	-0.5	0.3
FR	08/07	02:45	Current Account (€ bn)	Jun	--	--	343
FR	08/07	02:45	Trade Balance (€ mn)	Jun	--	-4000	-3278
UK	08/07	03:30	Halifax House Price (3 month, y/y)	Jul	--	4.4	5.7
SP	08/08	03:00	Industrial Output NSA (y/y)	Jun	--	--	1.8
GE	08/09	02:00	Current Account (€ bn)	Jun	--	21.4	16.5
GE	08/09	02:00	Trade Balance (€ bn)	Jun	--	19.8	20.6
FR	08/09	02:45	Industrial Production (m/m)	Jun	-1.5	-1.2	2.1
FR	08/09	02:45	Industrial Production (y/y)	Jun	1.0	1.0	4.0
FR	08/09	02:45	Manufacturing Production (m/m)	Jun	--	-1.5	1.6
UK	08/09	04:30	Business Investment (q/q)	2Q P	--	-0.5	0.4
UK	08/09	04:30	GDP (q/q)	2Q P	0.0	0.0	0.5
UK	08/09	04:30	Index of Services (m/m)	Jun	--	0.1	0.0
UK	08/09	04:30	Industrial Production (m/m)	Jun	-0.3	-0.2	1.4
UK	08/09	04:30	Manufacturing Production (m/m)	Jun	-0.3	-0.2	1.4
UK	08/09	04:30	Visible Trade Balance (£ mn)	Jun	--	-11800	-11524
RU	08/09	02:00	Real GDP (y/y)	2Q A	--	0.80	0.50

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

Key Indicators for the week of August 5 – 9

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
HK	08/04	20:30	Purchasing Managers Index	Jul	--	--	47.9
CH	08/04	21:45	Caixin Services PMI	Jul	--	52.0	52.0
ID	08/04	22:00	Real GDP (y/y)	2Q	5.0	5.0	5.1
NZ	08/05	18:45	Unemployment Rate (%)	2Q	4.2	4.3	4.2
NZ	08/05	18:45	Employment Change (y/y)	2Q	--	1.2	1.5
SK	08/05	19:00	Current Account (US\$ mn)	Jun	--	--	4949
JN	08/05	19:30	Household Spending (y/y)	Jun	--	1.2	4.0
PH	08/05	21:00	CPI (y/y)	Jul	2.4	2.3	2.7
AU	08/05	21:30	Trade Balance (AUD mn)	Jun	--	6000	5745
AU	08/05	21:30	ANZ Job Advertisements (m/m)	Jul	--	--	4.6
ID	08/05	22:00	Consumer Confidence Index	Jul	--	--	126.4
AU	08/06	00:30	RBA Cash Target Rate (%)	Aug 6	1.00	1.00	1.00
JN	08/06	01:00	Coincident Index CI	Jun P	--	100.4	103.4
JN	08/06	01:00	Leading Index CI	Jun P	--	93.5	94.9
JN	08/06	01:00	New Composite Leading Economic Index	Jun P	--	93.5	94.9
TA	08/06	04:00	CPI (y/y)	Jul	0.6	0.9	0.9
NZ	08/06	13:00	QV House Prices (y/y)	Jul	--	--	2.0
PH	08/06	21:00	Exports (y/y)	Jun	--	0.6	1.0
PH	08/06	21:00	Imports (y/y)	Jun	--	-2.4	-5.4
PH	08/06	21:00	Trade Balance (US\$ mn)	Jun	--	-3323	-3275
CH	08/06	21:00	Foreign Reserves (US\$ bn)	Jul	--	3111	3119
NZ	08/06	22:00	RBNZ Official Cash Rate (%)	Aug 7	1.50	1.25	1.50
IN	08/07	02:15	Repo Rate (%)	Aug 7	5.50	5.50	5.75
IN	08/07	02:15	Reverse Repo Rate (%)	Aug 7	5.25	5.25	5.50
IN	08/07	02:15	Cash Reserve Ratio (%)	Aug 7	4.00	4.00	4.00
MA	08/07	03:00	Foreign Reserves (US\$ bn)	Jul 31	--	--	103.3
TH	08/07	03:05	BoT Repo Rate (%)	Aug 7	1.75	1.75	1.75
TA	08/07	04:00	Exports (y/y)	Jul	--	1.0	0.5
TA	08/07	04:00	Imports (y/y)	Jul	--	1.0	6.6
TA	08/07	04:00	Trade Balance (US\$ bn)	Jul	--	3.3	3.9
SI	08/07	05:00	Foreign Reserves (US\$ mn)	Jul	--	--	273943
JN	08/07	19:50	Bank Lending (y/y)	Jul	--	--	2.3
JN	08/07	19:50	Current Account (¥ bn)	Jun	--	1174	1595
JN	08/07	19:50	Trade Balance - BOP Basis (¥ bn)	Jun	--	708	-651
CH	08/07	21:00	Exports (y/y)	Jul	--	-0.2	-1.3
CH	08/07	21:00	Imports (y/y)	Jul	--	-8.8	-7.3
CH	08/07	21:00	Trade Balance (USD bn)	Jul	--	44.2	51.0
PH	08/07	22:00	Real GDP (y/y)	2Q	5.9	5.9	5.6
TH	08/07	23:30	Consumer Confidence Economic	Jul	--	--	63.4
SI	08/08	01:00	Retail Sales (y/y)	Jun	--	-4.4	-2.1
AU	08/08	02:30	Foreign Reserves (AUD bn)	Jul	--	--	77.5
PH	08/08	04:00	Overnight Borrowing Rate (%)	Aug 8	4.25	4.25	4.50
JN	08/08	19:50	GDP (q/q)	2Q P	0.2	0.1	0.6
JN	08/08	19:50	GDP Deflator (y/y)	2Q P	--	0.4	0.1
JN	08/08	19:50	Japan Money Stock M2 (y/y)	Jul	--	2.3	2.3
JN	08/08	19:50	Japan Money Stock M3 (y/y)	Jul	--	2.0	2.0
CH	08/08	21:00	New Yuan Loans (bn)	Jul	1600	1300	1664
CH	08/08	21:30	CPI (y/y)	Jul	2.7	2.7	2.7
CH	08/08	21:30	PPI (y/y)	Jul	--	0.0	0.0
ID	08/08	22:00	Current Account Balance (US\$ mn)	2Q	--	-8633	-6966
MA	08/09	00:00	Industrial Production (y/y)	Jun	--	4.1	4.0
IN	08/09	08:00	Industrial Production (y/y)	Jun	--	1.4	3.1

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

Key Indicators for the week of August 5 – 9

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
CL	08/05	08:30	Economic Activity Index SA (m/m)	Jun	--	--	0.2
CL	08/05	08:30	Economic Activity Index NSA (y/y)	Jun	--	1.9	2.3
CO	08/05	20:00	Consumer Price Index (m/m)	Jul	--	0.2	0.3
CO	08/05	20:00	Consumer Price Index (y/y)	Jul	--	3.8	3.4
BZ	08/08	08:00	IBGE Inflation IPCA (m/m)	Jul	--	0.2	0.0
BZ	08/08	08:00	IBGE Inflation IPCA (y/y)	Jul	--	3.2	3.4
BZ	08/08	08:00	Retail Sales (m/m)	Jun	--	--	-0.1
BZ	08/08	08:00	Retail Sales (y/y)	Jun	--	--	1.0
CL	08/08	08:00	CPI (m/m)	Jul	--	--	0.0
CL	08/08	08:00	CPI (y/y)	Jul	--	--	2.7
BZ	08/09	08:00	Economic Activity Index SA (m/m)	Jun	--	--	0.5
BZ	08/09	08:00	Economic Activity Index NSA (y/y)	Jun	--	--	4.4
PE	08/09	10:00	Trade Balance (USD mn)	Jun	--	--	29.4
PE	08/09	19:00	Reference Rate (%)	Aug 8	2.75	2.75	2.75

Global Auctions for the week of August 5 – 9

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	08/06	13:00	U.S. to Sell 3-Year Notes
CA	08/07	12:00	Canada to Sell 2 Year Bonds
US	08/07	13:00	U.S. to Sell 10-Year Notes
US	08/08	13:00	U.S. to Sell 30-Year Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AS	08/06	05:00	Austria Bond Auction Cancelled
GE	08/07	04:30	Germany to Sell 4 Billion Euros of 0% 2024 Bonds
GE	08/07	05:35	5Y Note Allotment

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	08/04	22:30	Korea to Sell 5-Year Bonds
CH	08/05	02:00	Tianjin to Sell 10Y Bonds
CH	08/05	22:30	Beijing to Sell 2,3, & 5 Year Bonds
JN	08/05	23:35	Japan to Sell 30-Year Bonds
ID	08/06	05:00	Indonesia to Sell 2,4,15,30Yr Bonds
CH	08/06	23:00	China Plans to Sell 3 & 7 Year Government Bond
NZ	08/07	22:05	New Zealand To Sell NZD250 Mln 3% 2029 Bonds
JN	08/07	23:35	Japan to Sell CPI Linked 10-Year Bonds
SK	08/08	22:30	Korea to Sell KRW 500Bln 50-Year Bond

Source: Bloomberg, Scotiabank Economics.

Events for the week of August 5 – 9

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	08/06	12:00	Fed's Bullard Speaks on U.S. Economy in Washington
US	08/07	00:00	Fed's Evans Holds Media Breakfast in Chicago

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	08/05	05:00	Istat Releases the Monthly Economic Note
SZ	08/07	03:00	Foreign Currency Reserves
IT	08/07		Bank of Italy Report on Balance-Sheet Aggregates
EC	08/08	04:00	ECB Publishes Economic Bulletin

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	08/06	00:30	RBA Cash Rate Target
JN	08/06	19:50	BOJ Summary of Opinions
NZ	08/06	22:00	RBNZ Official Cash Rate
IN	08/07	02:15	RBI Repurchase Rate
IN	08/07	02:15	RBI Reverse Repo Rate
IN	08/07	02:15	RBI Cash Reserve Ratio
TH	08/07	03:05	BoT Benchmark Interest Rate
AU	08/07	17:30	RBA's Bullock Gives Speech in Toowoomba
PH	08/08	04:00	BSP Overnight Borrowing Rate
AU	08/08	19:30	RBA's Lowe Semi-Annual Testimony to Committee in Canberra
AU	08/08	21:30	RBA Statement on Monetary Policy

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
PE	08/09	19:00	Reference Rate

Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	1.75	September 4, 2019	1.75	1.75
Federal Reserve – Federal Funds Target Rate	2.25	September 18, 2019	2.00	2.25
Banco de México – Overnight Rate	8.25	August 15, 2019	8.25	8.25

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	0.00	September 12, 2019	0.00	0.00
Bank of England – Bank Rate	0.75	September 19, 2019	0.75	0.75
Swiss National Bank – Libor Target Rate	-0.75	TBA	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	7.25	September 6, 2019	7.00	7.25
Sweden Riksbank – Repo Rate	-0.25	September 5, 2019	-0.25	-0.25
Norges Bank – Deposit Rate	1.25	August 15, 2019	1.25	1.25
Central Bank of Turkey – Benchmark Repo Rate	19.75	September 12, 2019	19.25	19.75

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	September 19, 2019	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	1.00	August 6, 2019	1.00	1.00
Reserve Bank of New Zealand – Cash Rate	1.50	August 6, 2019	1.50	1.25
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	5.75	August 7, 2019	5.50	5.50
Bank of Korea – Bank Rate	1.50	August 29, 2019	1.50	1.50
Bank of Thailand – Repo Rate	1.75	August 7, 2019	1.75	1.75
Bank Negara Malaysia – Overnight Policy Rate	3.00	September 12, 2019	3.00	3.00
Bank Indonesia – 7-Day Reverse Repo Rate	5.75	August 22, 2019	5.75	5.75
Central Bank of Philippines – Overnight Borrowing Rate	4.50	August 8, 2019	4.25	4.25

The Reserve Bank of Australia (RBA): The RBA will make an interest rate decision on August 6. We expect the central bank to leave the benchmark interest rate unchanged at 1.0% this month, following two consecutive cuts in June and July. While we assess that the RBA stands ready to provide further support to the economy, it will likely stay on the sidelines over the next few months in order to assess the impact of the recent rate reductions. Assuming that the Australian labour market will fail to strengthen in the near term, another 25 bps cut will likely be implemented in the final months of 2019.

Reserve Bank of New Zealand (RBNZ): Following a 25 bps reduction to the Official Cash Rate in May, we expect the RBNZ to leave the benchmark interest rate unchanged at 1.50% at the August 7 meeting. Nevertheless, we assess that the RBNZ's communications continue to have a dovish tone, with door left open for a further rate cut before year-end.

The Bank of Thailand (BoT): Thai monetary authorities will likely keep the benchmark interest rate unchanged at 1.75% following the August 7 policy meeting. The BoT is expected to stay in wait-and-see mode in the near term in order to assess the direction of the Thai economy as well as monetary policy developments in major economies.

Bangko Sentral ng Pilipinas (BSP): Inflationary pressures continue to ease in the Philippines, allowing the BSP to continue its monetary stimulus efforts. We expect the benchmark interest rate to be lowered by 25 bps to 4.25% following the August 8 policy meeting. The most recent interest rate cut – and the first in this easing cycle – took place in May.

The Reserve Bank of India (RBI): Indian monetary policymakers will likely take further steps to stimulate the Indian economy following the Monetary Policy Committee's bimonthly meeting on August 5–7. We expect the benchmark repo rate to be cut by 25 bps to 5.50%, marking a fourth consecutive interest rate reduction. While inflation is expected to rebound over the rest of the year, price pressures remain manageable for the time being with headline inflation at 3.2% y/y in July.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	6.00	September 18, 2019	5.75	6.00
Banco Central de Chile – Overnight Rate	2.50	September 3, 2019	2.50	2.50
Banco de la República de Colombia – Lending Rate	4.25	September 27, 2019	4.25	4.25
Banco Central de Reserva del Perú – Reference Rate	2.75	August 9, 2019	2.75	2.75

Banco Central de Reserva del Peru: No change is expected in the policy rate of 2.75% with inflation almost bang-on the mid-point of the 1-3% inflation target range.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	6.50	September 19, 2019	6.50	6.50

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

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