

**ANGLO-AMERICAN INFLATION DRIVES POLICY DIVERGENCE**

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**CONTACTS**

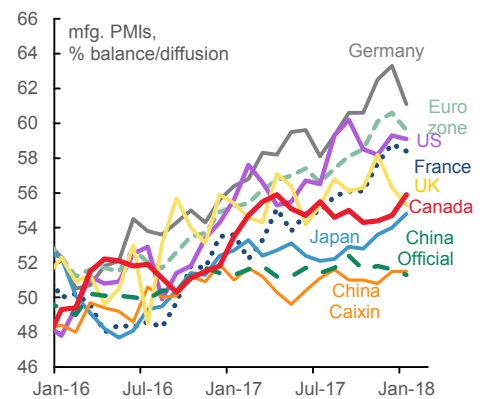
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**Next Week's Risk Dashboard**

- ▶ CDN CPI
- ▶ CDN retail sales
- ▶ FOMC minutes
- ▶ Eurozone PMIs, ZEW, IFO
- ▶ UK wages, jobs, GDP revisions
- ▶ Eurozone supercore CPI
- ▶ Wisconsin primary
- ▶ US home resales
- ▶ BanRep
- ▶ Japanese CPI, trade
- ▶ Thai GDP
- ▶ Swedish CPI
- ▶ BC Budget

**Chart of the Week**

**Global Manufacturing On The Rise?**



Sources: Scotiabank Economics, Markit, Bloomberg, ISM.

Chart of the Week: Prepared by: Sam Fraser, Research Analyst.

## Anglo-American Inflation Drives Policy Divergence

### CANADA — IS CORE INFLATION STILL RISING?

**How inflation and the holiday shopping season ended 2017 and handed off to 2018 will be the twin focal points toward the end of next week.** The information will also be used to firm up expectations for December and Q4 GDP growth.

**Headline CPI inflation is likely to decelerate in year-ago terms when January's reading arrives on Friday but the experience with US CPI lends caution to the expectations.** Base effects alone would drag headline inflation down from 1.9% y/y in December to just 1% y/y in January. To overcome this and keep the headline flat would require a hefty 0.9% lift in average seasonally unadjusted prices in January over December. That would be about triple the normal pace for January in the past five years but exactly what we got in January 2017.

A roughly 3% m/m rise in retail gasoline prices should contribute a weighted 0.1% m/m NSA gain to CPI and thus reinforce the average seasonality effect in the CPI basket while nevertheless knocking about 0.1 off the year-ago CPI inflation rate compared to the prior month. On net, I'm going with a deceleration in CPI to 1½ % y/y and a 0.5% m/m NSA rise which is more cautious in the wake of US CPI than it would be in the absence of the upside US surprise.

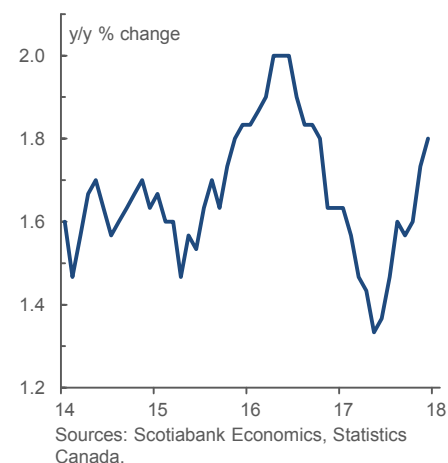
A reason for being more cautious like this would be if there is an abnormal weather influence upon prices in Canada like there may have been in the US. Recall that US apparel and footwear prices climbed at the fastest month-ago pace since February 1990 as an abnormally cold January across the US southeast and eastern seaboard may have driven more demand for warmer clothing and a willingness to pay higher prices. Quite a number of US clothing price categories were up sharply including men's shirts/sweaters, a large jump in overall boy's apparel prices, a jump in infant/toddlers' apparel prices and several women's clothing categories. **As usual, the key will remain whether the average of the three core measures continues to drift higher (chart 1).** This is the single most important point of data dependency to the BoC. However, neither the BoC nor consensus forecast the measure that, by definition, requires the full spectrum of data laid bare before knowing what to weed out of the tails in the common, weighted median and trimmed mean measures.

**Retail sales have been on a stellar run again.** Can they keep it up in December's estimate on Thursday? The dollar value of sales has been on a solid growth trend and November's 1.6% m/m gain was the biggest since the start of last year and one of the biggest months over time. I'm going with a small gain this time but it would require continued strength outside of auto sales volumes and gas prices and there is always the caution that the retail sales growth estimate is largely a crap shoot. Gasoline prices and our estimates of seasonally adjusted auto sales fell in December. Indeed most of the December rise in headline retail sales was due to higher prices as the volume of retail sales grew by only 0.3% m/m and had its shining moment the month before during October. Pending December's estimate, sales volumes were tracking about 5% higher in q/q seasonally adjusted and annualized terms. That reversed the prior quarter's soft spot to restore a solid growth trend (chart 2). **Income growth is the main driver now with the massive increase in child benefit payments still supporting the level of sales.**

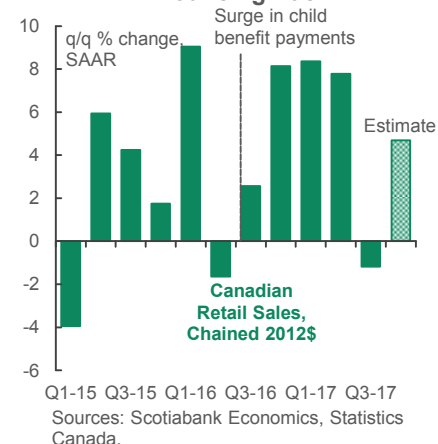
Prior to retail sales, wholesale trade will also be used to finalize estimates for December GDP growth and Q4 GDP growth.

Canada auctions 10s on Wednesday. The Federal Budget will be the following Tuesday, February 27th. British Columbia's provincial budget will be on Tuesday and Scotia's Mary Webb will be covering.

**Chart 1 Average 'Core' Inflation**



**Chart 2 CDN Retail Sales Bouncing Back**



## UNITED STATES — THE FED'S ONE WORD

Wednesday's minutes to the January 30–31<sup>st</sup> FOMC meeting and Wisconsin's potentially key Senate election will be the two main things to watch over the coming week. Data risk will only include existing home sales during January on Wednesday while a lot of debt will be taken down in bond markets.

**Why did the FOMC insert the word “further” in front of “gradual” in the January 31<sup>st</sup> FOMC statement (recall [here](#))?** That may be a tip-off to the discussion that will land at 2pmET on Wednesday. Was it a sign that the FOMC consensus led by former Chair Yellen was preparing the way for a possible upward revision to the dot plot that could raise the median projected fed funds target rate? Or is too much being read into this? What would suggest that the wording change was deliberate is that they've used a similar tactic to convey a modest bias shift in the past. Recall that in the January 2017 statement, the Fed said that “only gradual” rate hikes would be forthcoming in a somewhat more dovish alteration and then subsequently dropped “only” and simply retained “gradual” language over the duration of the year as the FOMC hiked three times in 2017. Also note that to interpret the addition of this word as a more hawkish direction generally fits the broad tone of the rest of the statement's changes that upgraded the inflation and growth language.

**Developments since the FOMC meeting have been generally more hawkish at the margin and so if anything the minutes risk lagging these developments.** FOMC officials such as Dudley and Mester have tended (rightly imo) to downplay market turbulence to date. By contrast, jobs rebounded and wage growth accelerated to 2.9% y/y while CPI inflation surprised to the upside of expectations by holding steady in January (albeit for narrow reasons, [here](#)). That was the fastest wage growth since June 2009 although partly due to annual rebasing and adjustments for a different pay period during January 2018 versus the prior January.

**The Wisconsin primary on Tuesday could make the Senate a draw before considering the Vice President's tying vote and thus further erode GOP control ahead of the November mid-terms.** At present, the GOP holds a razor thin 51–49 seat advantage in the Senate. The Democrats' candidate in Wisconsin is favoured to win the seat — and even has the support of the parents of the GOP candidate in a fine example of how politics divide Americans. The odds of the Democrats taking the Senate are generally perceived to be fairly low given there is more risk to their 26 seats that are up for grabs than the eight GOP seats that are up for grabs. On net that only means the Democrats need to keep all of their remaining seats and gain two more, but that may be a tall order given that several of the Democrats' seats that were won in 2014 then voted for the Trump administration in the 2016 election. Note that this vulnerability reverses in the 2020 election when more Republican seats will turn over than Democrats. You can track individual senate seats [here](#). This stands in contrast to the House of Representatives where all 435 districts will vote in that, even though the GOP has a wider majority of 238–193 seats in the lower chamber, there are many more GOP House seats up for grabs than Democratic seats.

**A trio of voting FOMC members will speak** on Thursday (NY's Dudley, Atlanta's Bostic) and Friday (San Francisco's Williams). Williams will speak to the outlook, Bostic speaks at a banking conference and the topic is unclear, and Dudley speaks about the economic situation in Puerto Rico and the US Virgin Islands.

The US Treasury auctions 2 year FRNs, 2s, 5s and 7s over the coming week.

## LATIN AMERICA — BANREP'S NON-EVENT

**Colombia's central bank will be the only real game in town across Latin American markets** that will otherwise follow the global market tone over the coming week. There's a twist this time, however, in that it's the first step in an altered communication schedule with markets that will in all likelihood make the meeting a non-event.

That's because BanRep is shifting around its meeting schedule this year. Previously, BanRep would hold one meeting per month throughout the year and make a formal rate decision each time. This year, BanRep will still hold twelve meetings but it will only issue policy rate decisions at eight of them (not February, May, August or November). As our head of Latin American fixed income strategy Joe Kogan observes, BanRep can still make rate changes at any time, but the revised schedule suggests they are unlikely outside of meetings involving formal decisions.

**And so Colombia’s central bank will likely keep its policy rate unchanged at 4.5% on Friday after cutting in January.** BanRep Governor Juan José Echavarría recently remarked that it is “very likely” that the central bank is done cutting its policy rate which was consistent with the message contained within the minutes to the last meeting, but that further rate cuts could emerge if CPI inflation unexpectedly declines. Therefore, take his guidance for now but be mindful toward the risk behind evolving inflation data. The central bank’s latest forecasts expect 2018 inflation near 3% and GDP growth at 2.7% but Echavarría indicated he thinks growth will be closer to 3% in 2018 and then 3.3–3.5% in 2019. At 3.7% y/y in January, CPI inflation is running toward the upper end of the 2–4% inflation target range and has stabilized around this level for the past half year after having fallen markedly from a 9% peak in mid-2016. There is therefore some room for inflation to decline from present levels and still be consistent with the central bank’s expectations.

**ASIA — YEN THREATENS BoJ’s INFLATION PROGRESS**

Developments of at best regional market significance should be relatively minor in nature over the coming week with one possible exception.

**Japanese inflation is at the top of the list of such developments** with a January CPI update pending on Thursday evening eastern time. Core inflation ex-food has been running under 1% for both the national and slightly fresher Tokyo measures but it has been trending mildly higher over about the past year (chart 3). Inflation ex-food and energy, however, remains more subdued. Yen strength is a risk to the durability of this limited progress and it also further diminishes the likelihood that Governor Kuroda—just appointed to another term—is getting anywhere close to easing off of the stimulus levers. The yen has appreciated from 113 to the greenback in January to 107 now and hence slightly eclipsing last September for the strongest yen exchange rate versus the dollar since November 2016. More generally, the nominal effective (trade-weighted) exchange rate has appreciated by about 10% since Sept/Oct 2016. Given the correlations with import prices and the pass-through to CPI ([here](#), and chart 4), it’s understandable why the currency is catching the attention of Ministry of Finance officials including Vice Minister of International Affairs who warned this past week that he is monitoring the yen for “speculative” factors. Japan also releases trade figures on Monday.

Thai Q4 GDP growth (Monday) is expected to decelerate back under 1% q/q in seasonally adjusted non-annualized terms after three quarters of growth at 1% of more. RBA meeting minutes and Malaysian CPI round out the releases.

**EUROPE — POLICY DIVERGENCE**

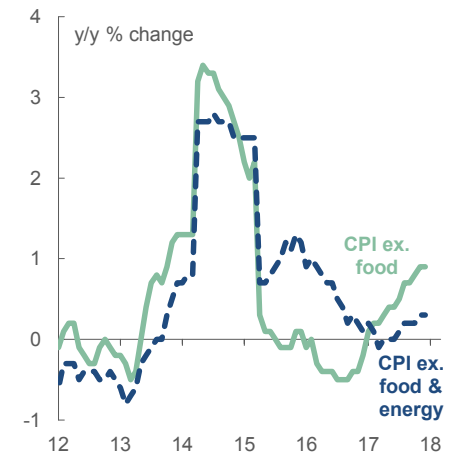
Growth and inflation metrics will receive important updates across the Eurozone and in the UK.

**Is UK wage growth still accelerating?** For much of the past year it has been, although inflation-adjusted real wages continue to decline. If we see another wage acceleration on Wednesday then it would bolster the Bank of England’s confidence that inflation is buttressed by firming income dynamics. UK jobs and Q4 GDP revisions (none expected) will also be released on Wednesday and Thursday respectively.

Eurozone ‘supercore’ CPI inflation will be derived from the second pass at January CPI that includes more details. **Like Japan, there is no traction in core inflation readings across the Eurozone and hence this serves as an ongoing major reason for monetary policy divergence between those regions and North America** (chart 5).

Chart 3

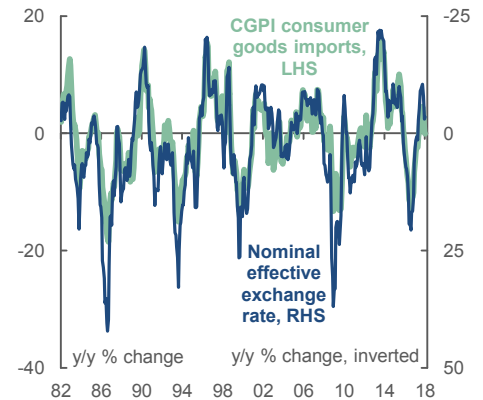
**Japan’s Limited Inflation Progress**



Source: Scotiabank Economics, Bloomberg.

Chart 4

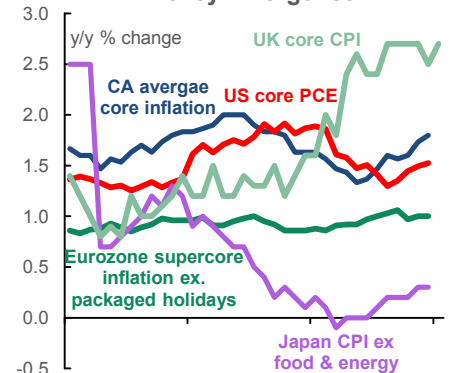
**Yen Exchange Rate & Domestic Prices**



Sources: Scotiabank Economics, Bank of Japan, BIS.

Chart 5

**Inflation Divergence Begets Policy Divergence**



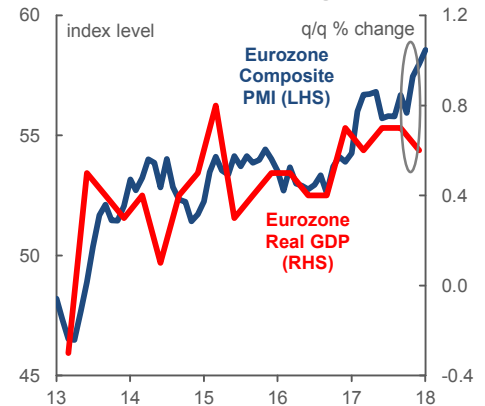
Sources: Scotiabank Economics, Bloomberg, Statistics Canada

**Eurozone growth signals will be survey-derived** including the latest readings for purchasing managers indices (Wednesday), the ZEW investor expectations metric (Monday) and Germany’s IFO business confidence gauge (Thursday). **Despite the acceleration in Eurozone PMIs into year-end, Eurozone GDP growth slightly decelerated in Q4** (chart 6). Granted, the arrival of the details behind the initial German Q4 GDP growth estimate on Friday will help with understanding why growth has not accelerated in keeping with the survey-based evidence.

**Swedish CPI inflation will be of interest to Riksbank followers.** The January update arrives on Tuesday and it does so in the context of a waning trend of late. CPI topped at 2.2% y/y last July which was the strongest since December 2011. The Riksbank is guiding that interest rate hikes are expected over the back half of this year, but somewhat lessened its confidence by revising the inflation projection slightly lower. Therefore the first update of 2018 will contribute to an understanding of whether the rise of inflationary pressure over 2016–17 has been only temporarily interrupted, or whether it was a head fake that risks a monetary policy error.

Chart 6

**Eurozone Growth Hasn't Yet Followed PMIs Higher**



Sources: Scotiabank Economics, IHS Markit, Haver Analytics, Bloomberg.

**Key Indicators for the week of February 19 – 23**
**NORTH AMERICA**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	02/20	08:30	Wholesale Trade (m/m)	Dec	--	--	0.7
US	02/21	07:00	MBA Mortgage Applications (w/w)	FEB 16	--	--	-4.1
US	02/21	10:00	Existing Home Sales (mn a.r.)	Jan	5.65	5.61	5.57
US	02/21	10:00	Existing Home Sales (m/m)	Jan	2.0	0.7	-3.6
CA	02/22	08:30	Retail Sales (m/m)	Dec	0.5	--	0.2
CA	02/22	08:30	Retail Sales ex. Autos (m/m)	Dec	0.3	--	1.6
US	02/22	08:30	Initial Jobless Claims (000s)	FEB 17	225	--	230
US	02/22	08:30	Continuing Claims (000s)	FEB 10	1930	--	1942
MX	02/22	09:00	Bi-Weekly Core CPI (% change)	Feb 15	0.2	--	0.2
MX	02/22	09:00	Bi-Weekly CPI (% change)	Feb 15	0.3	--	0.3
US	02/22	10:00	Leading Indicators (m/m)	Jan	--	0.7	0.6
CA	02/23	08:30	CPI, All items (m/m)	Jan	0.5	--	-0.4
CA	02/23	08:30	CPI, All items (y/y)	Jan	1.5	--	1.9
CA	02/23	08:30	Core CPI - Common (y/y)	Jan	--	--	1.6
CA	02/23	08:30	Core CPI - Median (y/y)	Jan	--	--	1.9
CA	02/23	08:30	Core CPI - Trim (y/y)	Jan	--	--	1.9
CA	02/23	08:30	CPI, All items (index)	Jan	--	--	130.8
MX	02/23	09:00	GDP (q/q)	4Q F	1.9	--	1.0
MX	02/23	09:00	GDP (y/y)	4Q F	2.1	--	1.8
MX	02/23	09:00	Global Economic Indicator IGAE (y/y)	Dec	--	--	1.5

**EUROPE**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
EC	02/19	04:00	Current Account (€ bn)	Dec	--	--	32.5
IT	02/19	04:00	Current Account (€ mn)	Dec	--	--	4881.3
GE	02/20	02:00	Producer Prices (m/m)	Jan	--	1.2	0.2
EC	02/20	05:00	ZEW Survey (Economic Sentiment)	Feb	31.2	--	31.8
GE	02/20	05:00	ZEW Survey (Current Situation)	Feb	95.0	93.7	95.2
GE	02/20	05:00	ZEW Survey (Economic Sentiment)	Feb	20.0	15.0	20.4
EC	02/20	10:00	Consumer Confidence	Feb A	--	1.1	1.3
FR	02/21	03:00	Manufacturing PMI	Feb P	--	--	58.4
FR	02/21	03:00	Services PMI	Feb P	--	--	59.2
GE	02/21	03:30	Manufacturing PMI	Feb P	--	60.5	61.1
GE	02/21	03:30	Services PMI	Feb P	--	56.8	57.3
EC	02/21	04:00	Composite PMI	Feb P	58.5	58.2	58.8
EC	02/21	04:00	Manufacturing PMI	Feb P	59.5	59.2	59.6
EC	02/21	04:00	Services PMI	Feb P	57.5	57.5	58.0
UK	02/21	04:30	Average Weekly Earnings (3-month, y/y)	Dec	2.5	2.5	2.5
UK	02/21	04:30	Weekly Earnings ex. Bonus (3-month, y/y)	Dec	2.4	2.4	2.4
UK	02/21	04:30	Employment Change (3M/3M, 000s)	Dec	185.0	197.0	102.0
UK	02/21	04:30	Jobless Claims Change (000s)	Jan	--	--	8.6
UK	02/21	04:30	PSNB ex. Interventions (£ bn)	Jan	--	-9.5	2.6
UK	02/21	04:30	Public Finances (PSNCR) (£ bn)	Jan	--	--	25.1
UK	02/21	04:30	Public Sector Net Borrowing (£ bn)	Jan	--	-11.1	1.0
UK	02/21	04:30	ILO Unemployment Rate (%)	Dec	4.3	4.3	0.0
FR	02/22	02:45	CPI (m/m)	Jan F	--	--	-0.1
FR	02/22	02:45	CPI (y/y)	Jan F	--	--	1.4
FR	02/22	02:45	CPI - EU Harmonized (m/m)	Jan F	--	--	-0.1
FR	02/22	02:45	CPI - EU Harmonized (y/y)	Jan F	--	--	1.5
GE	02/22	04:00	IFO Business Climate Survey	Feb	117.2	117.0	117.6
GE	02/22	04:00	IFO Current Assessment Survey	Feb	127.0	126.9	127.7
GE	02/22	04:00	IFO Expectations Survey	Feb	108.0	108.0	108.4
UK	02/22	04:30	Business Investment (q/q)	4Q P	--	--	0.5
UK	02/22	04:30	GDP (q/q)	4Q P	0.5	0.5	0.5
UK	02/22	04:30	Index of Services (m/m)	Dec	0.2	0.1	0.4
IT	02/22	05:00	CPI - EU Harmonized (y/y)	Jan F	--	1.1	1.1
EC	02/23	05:00	CPI (m/m)	Jan	-0.9	-0.9	-0.9
EC	02/23	05:00	CPI (y/y)	Jan F	1.3	1.3	1.3
EC	02/23	05:00	Euro zone Core CPI Estimate (y/y)	Jan F	1.0	1.0	1.0

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

## Key Indicators for the week of February 19 – 23

### ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
JN	02/18	18:50	Merchandise Trade Balance (¥ bn)	Jan	--	-1030.3	358.7
JN	02/18	18:50	Adjusted Merchandise Trade Balance (¥ bn)	Jan	--	159.3	86.8
JN	02/18	18:50	Merchandise Trade Exports (y/y)	Jan	--	9.2	9.3
JN	02/18	18:50	Merchandise Trade Imports (y/y)	Jan	--	6.0	14.9
TH	02/18	21:30	GDP (y/y)	4Q	4.2	4.3	4.3
TH	02/18	21:30	Annual GDP (y/y)	2017	3.9	3.9	3.2
NZ	02/19	16:45	Producer Price - Inputs (q/q)	4Q	--	--	1.0
NZ	02/19	16:45	Producer Price - Outputs (q/q)	4Q	--	--	1.0
PH	FEB 18-19		Balance of Payments (US\$ mn)	Jan	--	--	917.0
TH	FEB 18-24		Customs Exports (y/y)	Jan	--	11.0	8.6
TH	FEB 18-24		Customs Imports (y/y)	Jan	--	15.0	16.6
TH	FEB 18-24		Customs Trade Balance (US\$ mn)	Jan	--	156.4	-278.1
JN	02/20	01:00	Machine Tool Orders (y/y)	Jan F	--	--	48.8
SK	02/20	16:00	PPI (y/y)	Jan	--	--	2.3
AU	02/20	19:30	Wage Cost Index (q/q)	4Q	--	0.5	0.5
JN	02/20	19:30	Markit/JMMA Manufacturing PMI	Feb P	--	--	54.8
JN	02/20	23:30	All Industry Activity Index (m/m)	Dec	--	0.4	1.0
JN	02/21	00:00	Supermarket Sales (y/y)	Jan	--	--	0.9
JN	02/21	00:30	Nationwide Department Store Sales (y/y)	Jan	--	--	-0.6
HK	FEB 20-21		<b>Composite Interest Rate (%)</b>	<b>Jan</b>	<b>--</b>	<b>--</b>	<b>0.38</b>
MA	02/22	02:00	Foreign Reserves (US\$ bn)	Feb 15	--	--	103.7
HK	02/22	03:30	CPI (y/y)	Jan	1.8	1.9	1.7
HK	02/22	03:30	Unemployment Rate (%)	Jan	2.9	2.9	2.9
NZ	02/22	16:45	Retail Sales Ex Inflation (q/q)	4Q	--	--	0.2
JN	02/22	18:30	National CPI (y/y)	Jan	1.0	1.3	1.0
JN	02/22	18:30	Tokyo CPI (y/y)	Feb	--	--	1.3
SI	02/23	00:00	CPI (y/y)	Jan	0.4	0.3	0.4
TA	02/23	03:20	Current Account Balance (US\$ mn)	4Q	--	--	20514

### LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	02/19	06:30	Economic Activity Index SA (m/m)	Dec	--	0.9	0.5
BZ	02/19	06:30	Economic Activity Index NSA (y/y)	Dec	--	2.0	2.8
PE	02/19		GDP (y/y)	4Q	2.2	2.2	2.5
BZ	02/23	07:00	IBGE Inflation IPCA-15 (m/m)	Feb	--	--	0.4
BZ	02/23	07:00	IBGE Inflation IPCA-15 (y/y)	Feb	--	--	3.0

## Global Auctions for the week of February 19 – 23

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	02/21	09:00	Fed's Harker Speaks on the Economic Outlook
US	02/21	14:00	FOMC Meeting Minutes
MX	02/22	10:00	Central Bank Monetary Policy Minutes
US	02/22	10:00	Fed's Dudley to Speak at New York Fed Briefing on Puerto Rico
US	02/22	12:10	Fed's Bostic Speaks at Banking Conference in Atlanta
US	02/23	15:40	Fed's Williams Speaks on Outlook for U.S. Economy

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SW	02/20	06:30	Riksbank's Ingves Gives Speech in New York
SW	02/21	03:30	Swedish Debt Office Borrowing Forecasts
SW	02/21	05:30	Riksbank's Jansson Gives Speech
UK	02/21	09:15	BOE's Carney, Broadbent, Haldane and Tenreyro Speak in London
SW	02/21	12:00	Riksbank's Ohlsson Gives Speech in Frankfurt
SW	02/23	03:30	Riksbank Minutes
RU	02/23		Russia Sovereign Debt to be rated by S&P
TU	02/23		Turkey Sovereign Debt to be rated by S&P
RU	02/23		Russia Sovereign Debt to be rated by Fitch

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SI	02/18	00:00	Singapore 2018 Budget Speech
AU	02/19	17:15	RBA's Bullock Gives Speech in Sydney
AU	02/19	19:30	RBA February Meeting Minutes
JN	02/20	20:10	BOJ Funo speaks for 100 years anniversary of Matsue Branch
HK	02/20	00:00	<b>Composite Interest Rate</b>
JN	02/20	00:00	Cabinet Office Monthly Economic Report for February
JN	02/22	18:30	Japan Jan CPI

### LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CO	02/23		Monetary Policy Meeting



**Events for the week of February 19 – 23****NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	02/20	13:00	U.S. to Sell 2-Year Notes
US	02/21	11:30	U.S. to Sell 2-Year Floating Rate Notes Reopening
CA	02/21	12:00	Canada to Sell 10-Year Bonds
US	02/21	13:00	U.S. to Sell 5-Year Notes
US	02/22	13:00	U.S. to Sell 7-Year Notes

**EUROPE**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
GE	02/20	05:30	Germany to Sell EUR5 Bln 2020 Bonds
DE	02/21	04:30	Denmark to Sell Bonds
SW	02/21	05:03	Sweden to Sell SEK1.5 Bln 0.75% 2028 Bonds
SW	02/21	05:03	Sweden to Sell SEK500 Mln 2.25% 2032 Bonds
UK	02/22	05:30	U.K. to Sell GBP950 Mln 0.125% I/L 2036 Bonds
IT	02/23	05:00	Italy to Sell Zero Bonds
IT	02/23	05:00	Italy to Sell I/L Bonds
IC	02/23	06:30	Iceland to Sell Bonds

**ASIA-PACIFIC**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
NZ	02/21	20:05	New Zealand To Sell NZD150 Mln 3.5% 2033 Bonds
JN	02/21	22:45	Japan to Sell 20-Year Bonds

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Source: Bloomberg, Scotiabank Economics.

## Global Central Bank Watch

### NORTH AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Bank of Canada – Overnight Target Rate	1.25	March 7, 2018	1.25	1.25
Federal Reserve – Federal Funds Target Rate	1.50	March 21, 2018	1.50	1.50
Banco de México – Overnight Rate	7.50	April 12, 2018	7.50	--

### 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 8, 2018	0.00	--
Bank of England – Bank Rate	0.50	March 22, 2018	0.50	--
Swiss National Bank – Libor Target Rate	-0.75	March 15, 2018	-0.75	--
Central Bank of Russia – One-Week Auction Rate	7.50	March 23, 2018	7.50	--
Sweden Riksbank – Repo Rate	-0.50	April 26, 2018	-0.50	--
Norges Bank – Deposit Rate	0.50	March 15, 2018	0.50	--
Central Bank of Turkey – Benchmark Repo Rate	8.00	March 7, 2018	8.00	--

### 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 9, 2018	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	March 5, 2018	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	March 21, 2018	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	April 5, 2018	6.00	--
Bank of Korea – Bank Rate	1.50	February 27, 2018	1.50	--
Bank of Thailand – Repo Rate	1.50	March 28, 2018	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	3.25	March 7, 2018	3.25	3.25
Bank Indonesia – 7-Day Reverse Repo Rate	4.25	March 22, 2018	4.25	--

### LATIN AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Banco Central do Brasil – Selic Rate	6.75	March 21, 2018	6.75	--
Banco Central de Chile – Overnight Rate	2.50	March 20, 2018	2.50	--
Banco de la República de Colombia – Lending Rate	4.50	March 20, 2018	4.50	--
Banco Central de Reserva del Perú – Reference Rate	3.00	March 8, 2018	3.00	--

### AFRICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
South African Reserve Bank – Repo Rate	6.75	March 28, 2018	6.75	--

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