

IRAN INTO DRAGHI

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CONTACTS

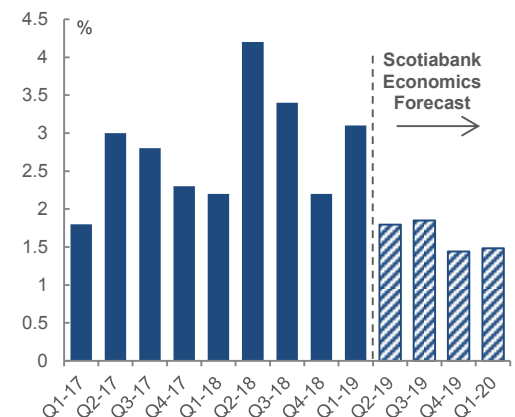
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Next Week's Risk Dashboard

- CBs: ECB, BanRep, Russia, Turkey
- Iran & Johnson’s first test
- US, Chinese earnings
- GDP: US, SK
- Eurozone PMIs
- US durables, home sales, trade
- US, CDN auctions
- CPI: Malaysia, Tokyo

Chart of the Week

US Expansion Expected to Continue



Sources: Scotiabank Economics, BEA.

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

I Ran Into Draghi

EUROPE—WILL ‘SUPER MARIO’ SURPRISE?

Considering they claim to be tired of rescuing the economy and markets, central bankers show little reserve toward acting as saviors. In their quest to prove the debatable case for substantial easing, markets are grappling with volatile, erratic communications that have even taken the form of one regional Fed President seemingly engaging in open campaigning for Chair Powell’s job, aided and abetted by White House interference. They reliably throw security blankets over political dysfunction, embolden protectionist instincts, introduce moral hazard problems galore and thwart market discipline that might otherwise elicit structural reforms. The cure often causes additional ailments such that there is indeed no simplistic free lunch to the actions of central bankers.

The latest installment in global central bank dramatics arrives on Thursday and by some measures it comes from a central bank that faces a stronger case for easing than others. **Far and away the most significant development for markets to watch over the coming week is likely to be Thursday’s ECB meeting.** By contrast to the US, trend Eurozone GDP growth has been weaker, slack persists by contrast to the increasingly positive US output gap, both Eurozone ‘supercore’ CPI inflation and inflation expectations remain substantially softer than in the US, and geopolitical risks such as Brexit rest on the ECB’s doorstep.

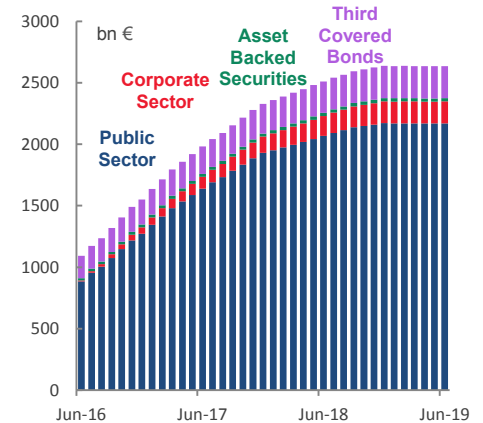
At issue is whether stimulus is offered now, or stronger hints are dropped in favour of moving toward stimulus at a subsequent meeting such as on September 12th. Markets would be more positively surprised by immediate action relative to what is priced and so **President Draghi’s past inclinations toward shocking markets in order to secure maximum effect may well rear themselves once again.**

OIS markets are attaching about 50% odds to a 10bps deposit facility rate cut to -0.5% and nearly certain odds to a 10–20 bps rate cut at the September meeting. The pernicious effects upon bank profitability have been previously questioned by Draghi, but plumbing the depths of the effective lower bound to the deposit rate may intensify pressure to tier reserves by exempting a portion from negative rates. Diving deeper toward the lower effective bound may also intensify consideration of restarting the ECB’s Asset Purchase Programme. Assets held within the four versions of the overall purchase programme presently total €2.55 trillion where they have been stuck since the end of the purchases and the subsequent shift toward reinvestment and thus flat-lining the balance sheet (chart 1). While there is limited room for additional purchases within the present self-imposed 33% limit on holdings of any one country’s sovereign debt held by the ECB, there may be scope for raising this limit as legal and political opposition to doing so has subsided.

The odds to acting now and not waiting until September’s meeting are favoured by a) likely Fed action at the end of this month that could merit a coordinated degree of stimulus while mitigating risk of Euro appreciation, b) the extended gap between now and the next meeting on September 12th, and c) enough of a case offered by risks to what have already been soft fundamentals and inflation to merit delaying no longer. The odds against acting so hastily include time to further prepare markets and the ECB itself for stimulus action while also coordinating stimulus with the release of the next round of ECB forecasts scheduled for the September meeting. The ECB may also wish to monitor risks facing Brexit and the timeline for Trump’s decision on European auto tariffs. Game theory might also be invoked, as the ECB and Fed potentially strive to out-duel and out-guess one another on the currency effects stemming from their possible actions.

Chart 1

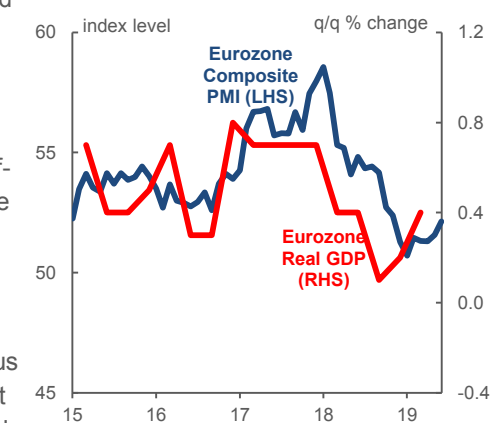
The ECB’s Asset Purchase Programme



Sources: Scotiabank Economics, Bloomberg.

Chart 2

Eurozone GDP Growth and PMIs



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

Key wording to monitor in the statement will include alterations to the line noting that ECB rates will remain on hold “at least through the first half of 2020,” any further hint toward softening the “below, but close to, 2% over the medium term” inflation goal, and alteration to reinvestment guidance.

While the ECB will dominate, rate cuts are expected from Russia’s central bank (Friday) and Turkey’s (Thursday).

Beyond the ECB, markets face the related question of whether Eurozone growth is on the mend. One indication of this is that the composite Eurozone PMI has been marginally improving since the end of last year. Given the correlation with GDP growth, this may portend firmer prospects into Q2–Q3 (chart 2). What will inform this view will be the July readings for the PMIs that are due out on Wednesday. Germany also releases the July edition of the IFO business confidence gauge on Thursday that typically gets pieced together with the PMIs and the ZEW investor confidence measure to form a rounded survey-based perspective on growth conditions. How fitting, therefore, that the ECB survey of professional forecasters will round out the survey-based evidence on Friday.

Also on tap is the likely confirmation that Boris Johnson will be the new UK Prime Minister as postal ballot results of the Conservative Party’s leadership contest are due. Ironically, **Johnson’s quest for Brexit may be put on the backburner as his first order of attention may turn to Iran’s seizure of at least one British oil tanker. How he handles this could well influence his leadership credibility toward Brexit.**

UNITED STATES—THE FED’S TABLE HAS ALREADY BEEN SET

As the Federal Reserve goes into communications blackout this weekend ahead of the two day FOMC meeting that begins on July 30th, an active week will be split between monitoring significant risk stemming from macroeconomic releases and watching earnings reports. A rate cut is pretty much guaranteed to be delivered the following week, such that incremental information is unlikely to impact that decision. Nevertheless, to the extent to which fundamentals drive future rate decisions, next week could be informative. However, it is important to discount the macro activity readings in the face of a) continued below-target core PCE inflation; and b) still heightened uncertainty toward forward-looking risks not least of which being in terms of trade policy that has generally disappointed the optimistic pundits throughout the year.

One hundred and thirty-nine firms release earnings reports on the S&P500 next week as the season intensifies both in terms of the number of reporting firms and the breadth of coverage. Among the key names will be Facebook, Alphabet, Twitter, Intel, Amazon, UPS, Boeing, Caterpillar, AT&T, McDonald’s, Starbucks, Ford, Coca-Cola, Visa, Invesco, Lockheed Martin and 3M. So far, more firms are beating earnings (78%) and revenue (62%) estimates than missing them as highlighted in chart 3.

Macro data releases will concentrate upon the following:

1. GDP: The first estimate for Q2 GDP growth arrives on Friday. Since a 1.8% estimate in the July 12th forecast release, data has been somewhat mixed but in weighted terms suggests room for limited upside. 1.9–2.0% might be in reach after the economy grew by 3.1% in Q1. Since that earlier forecast release, the retail sales control group (+0.7% m/m) surprised higher and business inventories are accumulating at a quicker pace in Q2 than they did in Q1. The latter might be due to efforts to stockpile ahead of intensifying concerns about US-centric trade policies. The result is that the downward trend in the inventory-to-sales ratio that was previously driven by strong growth has been

Chart 3

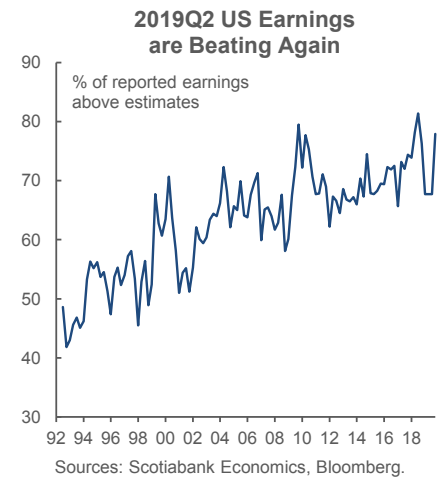
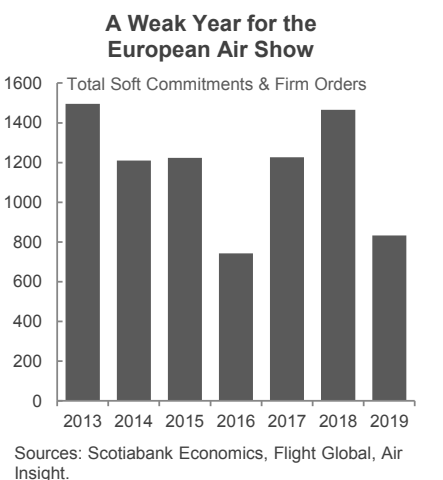


Chart 4



Chart 5



replaced by a renewed upward trend that leaves inventories pushing toward post-crisis highs (chart 4).

2. Durables: The June report for durable goods orders arrives on Thursday. Transportation sector orders could be on the soft side but the main focus will likely remain upon uncertainty surrounding core capital goods orders and shipments ex-defence and ex-air that serve as a proxy for business investment in the current (Q2) and subsequent quarters. The soft transportation component may have two drivers. One is that the Paris air show in June was a disappointment to airplane manufacturers this year compared to prior years at the alternating European air shows in Farnborough and Paris (chart 5). That chart shows orders and letters of intent. Airbus orders for the month came in at 145 planes which is up from 1 in May and 5 in April but the seasonally adjusted air show results are likely to be softer than prior months of June. Boeing only registered nine plane orders overall in June from zero in May, as a larger letter of intent from one airline to purchase its beleaguered Max plane did not translate into firm orders for the month. Second is that after rising by 0.6% m/m in May, vehicle and parts orders could struggle to achieve further gains in June given that auto sales were flat at 17.3 million vehicles that month.

3. Home sales: Existing (Tuesday) and new (Wednesday) home sales in June are on tap. Little change is likely for resales but whether the 11% slide in new home sales over the prior two months stabilizes or not is the more material consideration to the construction sector and housing's contribution to GDP growth.

Other releases will include July's **Richmond Fed manufacturing gauge** (Tuesday) after the strong upside in the Philly Fed this past week, and the **advance goods trade balance** for June (Thursday). The US is running larger and larger trade deficits over the Trump administration's term in office (chart 6). Next week's balance might register some improvement given a decline in oil prices last month and the US status as a net oil importer. Regardless, tariffs are not doing anything to address the trend of a worsening deficit as the drivers are thoroughly misunderstood by the US administration, and they may indeed be worsening it.

The US Treasury will auction 2s, 5s, 7s and 2 yr FRNs over the course of the week.

LATIN AMERICA—MUST WE MEET AGAIN?

Banco de la República de Colombia (BanRep) is expected to hold its policy rate at 4.25% as the prime regional market consideration over the coming week.

BanRep has not changed its policy rate since April 2018. With headline inflation running at 3.4% y/y and core inflation at 3.2%, inflation is generally well within the 2–4% inflation target range (chart 7). Minutes to the last meeting on June 21st stated that the central bank continues to expect a firming recovery with inflation moving closer to the target next year. The Colombian peso has remained close to the exchange rate to the USD that existed at the time of the last rate decision.

Relatively minor releases will include the mid-month CPI-15 Brazilian inflation gauge for July (Tuesday) as an advance look ahead to the full-month reading, and a pair of Mexican releases for retail sales in May (Thursday) and trade during June (Friday).

CANADA—QUIETLY OBSERVING

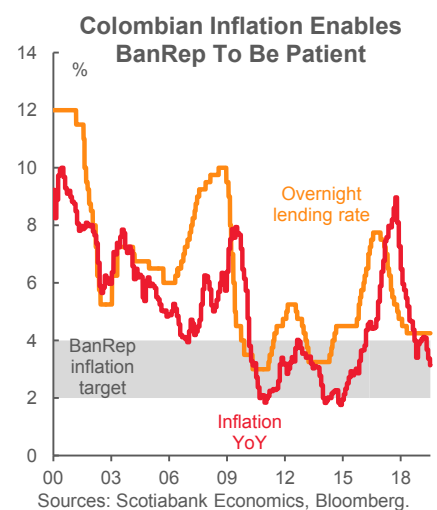
Canadian markets face next to no domestic calendar risk over the coming week and will be influenced primarily by developments abroad.

Wholesale trade for May will be released on Monday and only matters insofar as it informs final estimates for that month's GDP growth that will be released on July 31st.

Chart 6



Chart 7



Estimating what happened to wholesale trade in a particular month is more fruitless than is the case for many other indicators; the average monthly consensus forecast miss for the limited number of economists that submit estimates has been 0.8% m/m in absolute value terms since 2009. Wholesale also carries a modest weight of about 5% in monthly GDP so it takes a huge swing to matter.

As for what we do know about May GDP, it's looking like a fairly mixed month of soft growth with potentially severe and transitory distortions to the trade picture. Hours worked fell by 0.3% m/m and, given that GDP is hours worked times labour productivity, this alone suggests some softness. Housing starts fell by 15% m/m. Retail volumes fell by 0.5% m/m. Manufacturing shipments were up solidly (+1.7% m/m). Export volumes were up by 4.0% m/m and import volumes were up by 1.2%, but **there are strong cautions that keep the door wide open for trade to disappoint again going forward and for the BoC to reflect upon renewed concerns into the Fall.** Idiosyncratic and temporary drivers were behind the export pick-up and are unlikely to prove to be durable.

Canada conducts a 10 year auction on Wednesday.

ASIA-PACIFIC—WEAK, BUT CHEAP

China's profit cycle, South Korea's economy and the toll that Korea's spat with Japan is taking on other trading partners will offer muted regional risks and limited capacity to influence global markets.

China's industrial profit growth has sharply deteriorated over the period of the trade war with the United States (chart 8). Another update for June will arrive next Friday. The negative impact has put downward pressure upon the price-earnings multiple for the Shanghai composite that presently sits at about 13½ times earnings versus almost 20 times earnings at the start of 2018 (chart 9). If anyone's stock market has room to rally on a calming of the trade policy environment, then the odds favour Chinese stocks more than US stocks relative to what is already priced.

South Korea's economy is expected to rebound from the contraction in the first quarter (-0.4%) to post positive growth that could more than make up for the weak start to 2019. The problem is that the country's tiff with Japan is again dampening the outlook. The impact is being felt elsewhere including Singapore that updates industrial output for June on Friday. As Evan Andrade notes, Singapore's role as a major hub for semiconductor production is suffering collateral damage (chart 10). Recall that the dispute centers upon South Korea's efforts to seek recompense against Japanese companies for crimes committed when Japan colonized Korea over roughly the first half of the twentieth century. Japan has retaliated against such efforts through export measures that have impeded tech exports.

Japan updates the Tokyo gauge of CPI inflation for July on Thursday and Malaysia updates CPI for June on Wednesday.

Chart 8

China's Waning Profit Growth

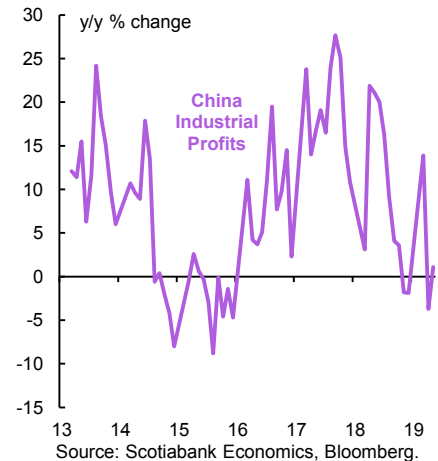


Chart 9

Shanghai Stock Exchange PE Ratio

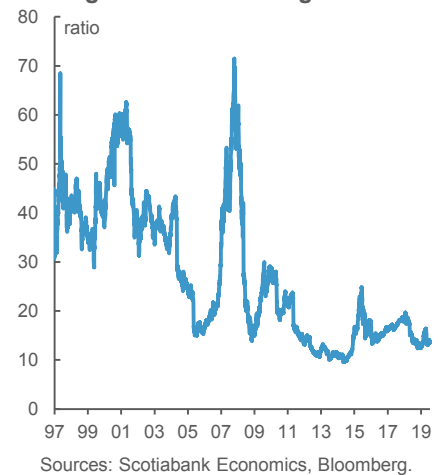
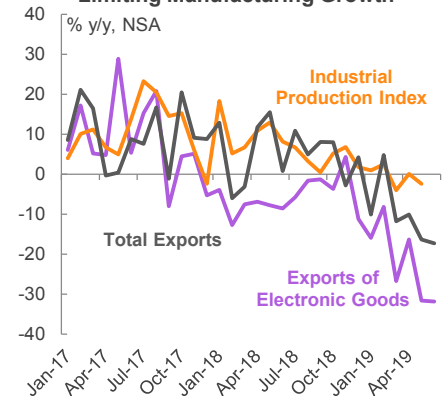


Chart 10

Singapore's Electronics Exports are Limiting Manufacturing Growth



Key Indicators for the week of July 22 – 26

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	07/22	08:30	Wholesale Trade (m/m)	May	--	--	1.7
US	07/23	10:00	Existing Home Sales (mn a.r.)	Jun	5.3	5.3	5.3
US	07/23	10:00	Existing Home Sales (m/m)	Jun	0.0	0.0	2.5
US	07/23	10:00	Richmond Fed Manufacturing Index	Jul	--	5.0	3.0
MX	07/24	07:00	Bi-Weekly Core CPI (% change)	Jul 15	0.14	0.2	0.1
MX	07/24	07:00	Bi-Weekly CPI (% change)	Jul 15	0.29	0.3	0.1
US	07/24	07:00	MBA Mortgage Applications (w/w)	JUL 19	--	--	-1.1
US	07/24	10:00	New Home Sales (000s a.r.)	Jun	660	659	626
MX	07/25	07:00	Retail Sales (INEGI) (y/y)	May	1.59	--	1.6
US	07/25	08:30	Durable Goods Orders (m/m)	Jun P	0.0	0.8	-1.3
US	07/25	08:30	Durable Goods Orders ex. Trans. (m/m)	Jun P	0.2	0.2	0.4
US	07/25	08:30	Initial Jobless Claims (000s)	JUL 20	215	218	216
US	07/25	08:30	Continuing Claims (000s)	JUL 13	1690	--	1686
US	07/25	08:30	Wholesale Inventories (m/m)	Jun P	--	0.3	0.4
MX	07/26	07:00	Global Economic Indicator IGAE (y/y)	May	0.76	--	-1.4
MX	07/26	07:00	Trade Balance (US\$ mn)	Jun	1768	--	1031
US	07/26	08:30	GDP (q/q a.r.)	2Q A	1.9	1.8	3.1
US	07/26	08:30	GDP Deflator (q/q a.r.)	2Q A	--	2.0	0.9

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
EC	07/23	10:00	Consumer Confidence	Jul A	--	-7.2	-7.2
FR	07/24	03:15	Manufacturing PMI	Jul P	--	51.6	51.9
FR	07/24	03:15	Services PMI	Jul P	--	52.8	52.9
GE	07/24	03:30	Manufacturing PMI	Jul P	45.3	45.2	45.0
GE	07/24	03:30	Services PMI	Jul P	55.3	55.2	55.8
EC	07/24	04:00	Composite PMI	Jul P	--	52.1	52.2
EC	07/24	04:00	Manufacturing PMI	Jul P	47.9	47.6	47.6
EC	07/24	04:00	Services PMI	Jul P	53.6	53.3	53.6
SP	07/25	03:00	Unemployment Rate (%)	2Q	--	13.7	14.7
GE	07/25	04:00	IFO Business Climate Survey	Jul	97.7	97.0	97.4
GE	07/25	04:00	IFO Current Assessment Survey	Jul	101.0	100.4	100.8
GE	07/25	04:00	IFO Expectations Survey	Jul	94.2	94.0	94.2
TU	07/25	07:00	Benchmark Repo Rate (%)	Jul 25	--	22.00	24.00
EC	07/25	07:45	ECB Main Refinancing Rate (%)	Jul 25	0.00	0.00	0.00
EC	07/25	07:45	ECB Marginal Lending Facility Rate (%)	Jul 25	0.25	0.25	0.25
EC	07/25	07:45	ECB Deposit Facility Rate (%)	Jul 25	-0.40	-0.40	-0.40
FR	07/26	02:45	Producer Prices (m/m)	Jun	--	--	-0.4
RU	07/26	06:30	One-Week Auction Rate (%)	Jul 26	7.25	7.25	7.50

Key Indicators for the week of July 22 – 26

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
TH	07/21	22:00	Customs Exports (y/y)	Jun	--	-5.0	-5.8
TH	07/21	22:00	Customs Imports (y/y)	Jun	--	-3.0	-0.6
TH	07/21	22:00	Customs Trade Balance (US\$ mn)	Jun	--	850.0	181.5
TA	07/22	04:00	Export Orders (y/y)	Jun	--	-1.6	-5.8
TA	07/22	04:00	Unemployment Rate (%)	Jun	3.8	3.8	3.8
HK	07/22	04:30	CPI (y/y)	Jun	2.6	2.6	2.8
JN	07/23	01:00	Supermarket Sales (y/y)	Jun	--	--	-0.7
SI	07/23	01:00	CPI (y/y)	Jun	0.8	0.8	0.9
JN	07/23	01:30	Nationwide Department Store Sales (y/y)	Jun	--	--	-0.8
JN	07/23	02:00	Machine Tool Orders (y/y)	Jun F	--	--	-38.0
TA	07/23	04:00	Industrial Production (y/y)	Jun	--	-0.3	-3.1
NZ	07/23	18:45	Trade Balance (NZD mn)	Jun	--	100	264
NZ	07/23	18:45	Exports (NZD bn)	Jun	--	5	5805
NZ	07/23	18:45	Imports (NZD bn)	Jun	--	5	5541
JN	07/23	20:30	Markit/JMMA Manufacturing PMI	Jul P	--	--	49.3
MA	07/24	00:00	CPI (y/y)	Jun	1.5	1.5	0.2
JN	07/24	01:00	Coincident Index CI	May F	103.2	--	103.2
JN	07/24	01:00	Leading Index CI	May F	95.2	--	95.2
SK	07/24	19:00	GDP (y/y)	2Q P	1.8	1.9	1.7
VN	07/24	22:00	CPI (y/y)	Jul	--	2.4	2.2
VN	07/24	22:00	Industrial Production (y/y)	Jul	--	--	9.6
HK	07/25	04:30	Exports (y/y)	Jun	--	-2.3	-2.4
HK	07/25	04:30	Imports (y/y)	Jun	--	-3.0	-4.3
HK	07/25	04:30	Trade Balance (HKD bn)	Jun	--	-46.1	-34.7
SK	07/25	17:00	Consumer Confidence Index	Jul	--	--	97.5
JN	07/25	19:30	Tokyo CPI (y/y)	Jul	--	1.0	1.1
SI	07/25	21:00	Industrial Production (y/y)	Jun	--	-8.5	-2.4
SI	07/25	22:30	Unemployment Rate (%)	2Q	2.2	2.3	2.2
CH	07/26	21:30	Industrial Profits YTD (y/y)	Jun	--	--	1.1

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	07/23	08:00	IBGE Inflation IPCA-15 (m/m)	Jul	--	0.1	0.1
BZ	07/23	08:00	IBGE Inflation IPCA-15 (y/y)	Jul	--	--	3.8
BZ	07/25	09:30	Current Account (US\$ mn)	Jun	--	--	662
CO	07/26	10:00	Overnight Lending Rate (%)	Jul 26	4.25	4.25	4.25

Global Auctions for the week of July 22 – 26**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	07/23	13:00	U.S. to Sell 2-Year Notes
US	07/24	11:30	U.S. to Sell 2-Year Floating Rate Notes
CA	07/24	12:00	Canada to Sell 10 Year Bonds
US	07/24	13:00	U.S. to Sell 5-Year Notes
US	07/25	13:00	U.S. to Sell 7-Year Notes

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BE	07/22	05:30	Belgium to Sell 0.9% 2029 & 1.25% 2033 Bonds
UK	07/23	05:30	U.K. to Sell 2.75 Billion Pounds of 0.875% 2029 Bonds
IT	07/26	05:00	Italy to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	07/21	21:30	Korea Central Bank to Sell KRW 800Bln 1-Year Bond
SK	07/21	22:30	Korea to Sell KRW 500Bln 20-Year Bond
CH	07/21	22:30	Shanxi to Sell 5Y, 7Y, 10Y, 15Y, & 20Y Bonds
SK	07/22	01:00	Korea Central Bank to Sell KRW 800Bln 91-Days Bond
KZ	07/22	07:00	Kazakhstan to Sell Bonds
JN	07/22	23:35	Japan to Sell 40-Year Bonds
ID	07/23	05:00	Indonesia to Sell 2Y, 4Y, 7Y, & 15Y Bonds
TH	07/23	23:00	Thailand to Sell THB14 Bln Bonds Due 2038
NZ	07/24	22:05	New Zealand To Sell NZD250 Mln 2.75% 2025 Bonds
JN	07/24	23:35	Japan to Sell 2-Year Bonds

Source: Bloomberg, Scotiabank Economics.

Events for the week of July 22 – 26

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	07/20	00:00	FOMC Participants & Staff Enter Media Blackout

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	07/22	00:00	Conservatives to name new Prime Minister after party vote
TU	07/25	07:00	One-Week Repo Rate
EC	07/25	07:45	ECB Main Refinancing, Marginal Lending, & Deposit Facility Rate
EC	07/25	08:30	ECB's Draghi Speaks in Frankfurt After Policy Decision
UK	07/25		U.K. House of Commons Begins Summer Recess
EC	07/26	04:00	ECB Survey of Professional Forecasters
RU	07/26	06:30	Bank of Russia Key Rate Announcement

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	07/21	21:10	BOJ Outright Bond Purchases
AU	07/22	18:30	RBA's Kent Gives Speech at Bloomberg, Sydney
AU	07/24	23:05	RBA's Lowe Gives Speech in Sydney

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CO	07/26	10:00	Overnight Lending Rate

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	1.75	September 4, 2019	1.75	1.75
Federal Reserve – Federal Funds Target Rate	2.50	August 1, 2019	2.25	2.25
Banco de México – Overnight Rate	8.25	August 16, 2019	8.25	8.25

EUROPE

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
European Central Bank – Refinancing Rate	0.00	July 25, 2019	0.00	0.00
Bank of England – Bank Rate	0.75	August 1, 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	7.50	July 26, 2019	7.25	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	24.00	July 25, 2019	22.00	22.00

ECB: Momentum is clearly building toward additional stimulus but markets are torn between whether it may be offered next week or September. Scotia's house call is that next week will send stronger stimulus signals but hold off until September 12th.

Russia: We expect a 25bps rate cut on Friday as a further step after June's rate cut.

Turkey: After President Erdogan sacked the former central bank head, an easing campaign is expected to commence on Thursday

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 30, 2019	-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 7, 2019	1.50	1.50
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 30, 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	6.00	August 22, 2019	5.75	5.75
Central Bank of Philippines – Overnight Borrowing Rate	4.50	August 8, 2019	4.25	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	6.50	July 31, 2019	6.50	6.50
Banco Central de Chile – Overnight Rate	2.50	September 4, 2019	2.50	2.50
Banco de la República de Colombia – Lending Rate	4.25	July 26, 2019	4.25	4.25
Banco Central de Reserva del Perú – Reference Rate	2.75	August 10, 2019	2.75	2.75

BanRep: With inflation converging toward the target, no policy change is expected on Friday.

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	6.50	September 19, 2019	6.50	6.50

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