

Weekly commentary on economic and financial market developments

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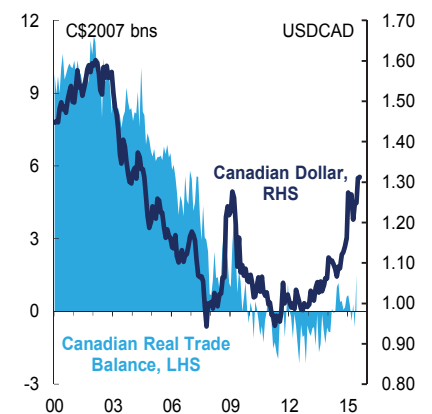
Please see the [Global Forecast Update, July 30, 2015](#), for our latest economic, interest and exchange rate and commodity price forecasts and the [Foreign Exchange Outlook, August 2015](#), for more detailed currency forecasts and commentary.

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This Week's Featured Chart

Canadian Trade Gaining Traction?



Source: Statistics Canada, Bloomberg, Scotiabank Economics.

LATIN AMERICA

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Emerging Markets On The Defensive: Latin American Currencies In Context

A fresh wave of disruptive volatility in the emerging-market asset class has resurfaced. The financially integrated Latin American economies have been caught in tandem by this renewed bearish market tone, yet the overall impact differs from country to country based upon unique macroeconomic circumstances and market liquidity conditions. Four major external factors are at the heart of the sell-off momentum present in developing-market securities and currencies:

- 1) the anticipated increase in interest rates as a result of monetary policy normalization by both the US (Fed) and UK (BoE);
- 2) increasing evidence of economic growth deceleration in China and associated overbought conditions in selected asset markets;
- 3) continuous fragility in most commodity prices due to supply/demand imbalances in the current business cycle; and last but not least,
- 4) the relentless appreciating bias embedded in the US dollar (USD) against major peer currencies.

The Latin American currency environment retains a bearish market tone, with flows and technical indicators pointing to further near-term weakness. However, signs of overshooting may emerge by the end of the third quarter leading to a timid stabilization phase by the end of the year. Brazil and Colombia have been the worst performers over the past 12 months, with their currencies depreciating by 35% against the USD. The drivers of such negative performance are quite distinct.

The Colombian peso (COP), which traded as low as 2,971 per USD on August 7th (21% depreciation in three months) was primarily hit by a second oil price shock, which led to a 29% decline in crude oil prices since June 10th. Persistent weakness in oil prices, compounded by an unsustainable current account deficit (edging 6% of GDP) will continue to weigh on the COP before testing and establishing a new trading range at weaker levels. Non-deliverable forward (NDF) markets imply further weakness for COP in the near term.

As for Brazil, the real (BRL) has maintained a steady depreciating phase triggered by severe macroeconomic imbalances (both fiscal and external) which ended in a prolonged high-inflation recessionary context. In fact, the fiscal gap reached 8.1% of GDP over the past 12 months with the market-watched IPCA inflation rate touching 9.6% in July. In late July, the Brazilian real (BRL) broke through technical support levels and weakened to 3.57 per USD (August 6th). NDF contracts imply a modest weakening of the BRL (in nominal terms) by the end of the year, hinting that the Brazilian currency may be testing “oversold” waters. Contrary to public belief, the wild cards for Brazilian market performance in the months ahead are not solely to be found in domestic factors. We are of the view that the renewed US dollarization of investment portfolios (the trade-weighted USD index increased by over 20% over the past 12 months) and the inevitable deceleration of Chinese economic growth (not US monetary policy shifts) will be the key drivers of Brazilian exchange rate trends over the next 12 months. The risk of multiple downgrades of Brazilian sovereign credit ratings remains latent; indeed, all credit rating agencies maintain a “negative” outlook on the country’s sovereign credit ratings.

Mexico deserves a special analytical chapter given its triple identity (North American, Latin America, and Emerging Market). The market differentiation between Brazil (the world’s seventh largest economy) and Mexico (the most attractive investment-grade debt asset in North America) is eloquent. Despite the bearish trend present in “all” emerging-market asset classes, the relative outperformance of Mexico vis-à-vis Brazil is a result of both cyclical and structural factors. The spread between Brazil and Mexico (as implied in credit default swaps) has widened from 0 bps to 185 bps over the past three years. Mexico is an integral part of the North American economic and financial market landscape. The Mexican economy will strongly benefit from the improving economic and employment outlook in the US, particularly in two sectors with positive effects on the MXN (motor vehicles/auto parts and remittances). In addition, Mexico continues to offer an attractive carry-trade investment option trading at a yield spread of 385 bps vs US treasury debt and 460 bps over Canadian

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government bonds. The monetary outlook in Mexico will most likely be aligned to the policy normalization phase to be adopted by the US Federal Reserve, strongly aided by major advances in combatting inflation (headline rate at 2.7%, below target, in July 2015). In brief, the Mexican peso (MXN), which traded as weak as 16.5 in intra-day trading on July 30th, will not be immune to the bearish directional phase embedded in emerging markets at present. Nevertheless, we believe that Mexican assets will become relative outperformers within Latin America and the core group of financially integrated emerging markets. Given the sizable foreign holdings (primarily from US-based investors) of Mexican treasury bill and government bonds, the shape of the US treasury (UST) yield curve and the Fed's management of its bond portfolio will be critical determinants of capital flows dynamics and potential repatriation flows in the months ahead. We project that the MXN will trade between 16 and 16.50 in the near term in anticipation of shifts in US monetary policy conditions.

The South Pacific nations in the region are also suffering from the combined effects of an adverse terms-of-trade shock (due to collapsing commodity prices) and decelerating economic activity as a result of weakened global demand and sharp reduction in investment activity. While the sharp collapse in crude oil prices captured the attention of global investors and dominated the headlines, the steady downward adjustment in metal prices is of utmost relevance to explain the negative tone in the commodity-linked currencies of Chile and Peru. Both the **Chilean peso (CLP) and the Peruvian Sol (PEN)** have been steadily depreciating versus the USD over the past 12 months, yet the pace of currency adjustment has been uneven due to the well-established policy of intervention by the Peruvian authorities to deepen the process of de-dollarization of economic structures. On a positive note, the weakening currency environment will gradually help to correct the current account deficit in both economies. The impact of China's economic deceleration has compounded the oversupply conditions present in metal prices and exacerbated the correction of copper prices which declined by 28% in the past 12 months (copper traded as low as US\$2.31 per pound on August 7th). Strongly correlated to this trend, the CLP reinforced a weakening bias trading at 686 per USD this week. While NDF markets hint at a consolidation phase in the near term, it would be premature to project a recovery rally until there are firm signs of stabilization in commodity prices. Meanwhile, the Chilean economy remains soft with persistent devaluation-linked price pressures in anticipation of monetary policy moves by the Fed. The Peruvian sol continues to experience the lowest volatility within the Latin American context, yet this may be in question as the country moves to new leadership (presidency and central bank) in 2016.

CASINOS & GAMING INDUSTRY

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Shakeup In Macau Increases Uncertainty For Casino Operators

Global gaming revenues have fallen noticeably following the crackdown on corruption and money laundering by the Chinese government. Macau has been particularly affected, with gaming revenues in the Chinese Special Administrative Region expected to slump by a third this year — to the lowest since 2010. This represents a dramatic change from recent years, as gaming revenue had surged tenfold since American casinos were granted permission to operate in Macau in 2003. Revenue from gaming and entertainment in Las Vegas has advanced around 3% per year since 2011, but represents only a fraction of what Macau is capable of generating each year. Macau gaming receipts totaled US\$43 billion in 2014 compared with almost US\$6½ billion in Las Vegas.

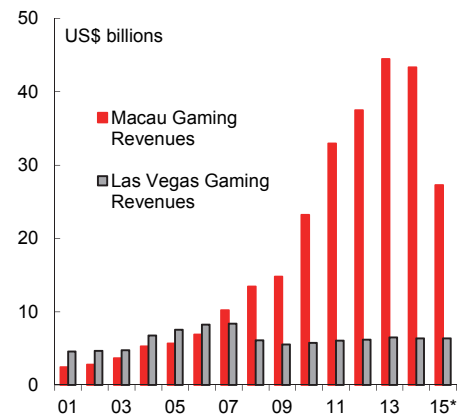
Despite the uncertainty surrounding casinos in Macau, global economic conditions remain generally supportive for the gaming industry. Growth in Emerging Asia, a crucial market for Macau and its neighbouring regions, should advance 6-7% annually to the end of the decade, creating a positive economic backdrop despite slowing growth in China. The global economy is likely to continue to expand just above 3% for the fourth consecutive year, with activity in the advanced nations likely to pick up to around 2% this year, the best since 2010. U.S. output will likely exceed 2% for the fourth consecutive year.

Major U.S. casino operators derived roughly two-thirds of their total revenue from their Macau properties last year. Several operators have high exposure to 'VIPs' in Macau, who have either curtailed their gambling or moved their business to casinos in other jurisdictions after anti-corruption measures were enforced by Beijing. Last year, VIP gaming accounted for up to a quarter of total Macau profits for U.S. based casinos. It is uncertain whether further measures will be taken by Beijing in addition to the debit card tracking and travel restrictions that have been put into place recently, and how the anti-corruption campaign will affect the slate of new resorts and casinos that are scheduled to open this year. In addition, new smoking bans in Macau are a further deterrent. If high-stakes gamblers are unable or unwilling to return to Macau, there are comparable casino options in Singapore and the Philippines, home of several multi-billion dollar developments. However, U.S. casino presence outside of Macau is minimal, except for a major development in Singapore, and a shift away from the world's largest gambling center would cause a significant markdown for U.S. operators.

In the United States, the gaming landscape is shifting away from the traditional strongholds of Nevada and New Jersey (Atlantic City), as states battle for a share of gaming revenue to bolster their budgets. Pennsylvania recently surpassed New Jersey to become the second most popular casino destination in the U.S., and several other states including Ohio, New York and Maryland have built, or are planning to build, significant casino developments. Increased competition in the Northeastern United States has caused Atlantic City's credit rating to be cut to junk status, as several casino closures have led to widespread job losses and a shrinking tax base.

For the most part, U.S. based casino operators have suffered curtailed earnings to start the year, owing to sharp reductions in revenue from their holdings in Macau and mixed results stateside. Uncertainty will be a continuing theme in Macau as investors and high-rollers alike wait for clarity, although long-term prospects for gaming on the peninsula remain upbeat given the size of the domestic Chinese market and the rapidly expanding middle class across developing Asia. Casino operators have relatively manageable debt-to-equity ratios, having recovered to around pre-recession levels over the last few years. However, risks remain, with unfinished projects both stateside and in Macau keeping some companies highly leveraged.

Chart 1 Gaming Revenues



*January to June annualized data.
 Source: Nevada State Gaming Control Board,
 Gaming Inspection and Coordination Bureau
 Macao SAR, Scotiabank Economics.

EUROPE

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The UK's Economic Outlook Remains Sound

- **Growth prospects remain encouraging, though the pullback in inflation will keep the Bank of England on the sidelines until early next year.**

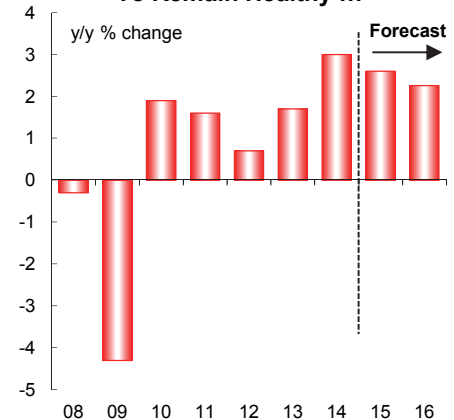
After a brief hiccup at the start of the year, UK economic momentum has reaccelerated to a slightly-above-trend pace that is likely to be sustained through the end of 2015. The main engine of growth continues to be the consumer, supported by higher wage gains, solid employment, and low inflation. Growth prospects for UK exports should also improve as the euro zone recovery persists. However, these tailwinds are expected to fade in 2016, with the rebound in consumer prices and gradual interest rate hikes likely to modestly erode real incomes and consumer spending. Headline growth will also be dampened by fiscal tightening, while the strength of the trade-weighted GBP is likely to hold back the contribution from net exports. As such, we expect UK real GDP growth to advance just above 2½% this year before slowing modestly to 2% by 2017.

The pullback in the price of crude oil and the appreciation of the GBP in recent months have dampened the outlook for UK inflation. We expect near-zero CPI inflation to persist until early-winter before base effects propel the headline print up towards 1% in early-2016. Thereafter, the path is likely to be gradually upwards to a year-end rate of 1.4% y/y in 2016 and 1.8% in 2017 as core inflation regains lost ground. This highlights the dilemma for the BoE and why it will hold off from hiking interest rates this year. However, by February 2016 this obstruction will fade and the BoE can embark on a gradual path of monetary policy normalization, as fully discounted in forward markets at present.

The government remains committed to reducing the budget deficit. However, its summer budget revealed a slower pace of austerity over the next five years. Chancellor of the Exchequer, George Osborne, plans to narrow the fiscal deficit more gradually from 5.2% of GDP in 2014 to 3.7% this year and 2.2% in 2016, with plans to achieve a surplus by 2020. This entails large cuts to welfare and departmental spending, which will be offset by a higher minimum wage and tax reductions for individuals and corporations. As such, after peaking at nearly 90% of GDP this year, gross government debt is set to edge slightly lower in the years ahead. The UK's current account deficit is also expected to improve from 5.5% of GDP in 2014 to 4.5% this year.

However, the government's decision to hold a referendum on its EU membership by the end of 2017 presents downside risks. This could impact the effectiveness and predictability of the UK's policymaking, which in turn could adversely affect public finances and economic prospects, particularly in the financial and export sectors. The possibility of a departure from the EU would raise concerns about the country's ability to finance its large twin deficits and high short-term external debt.

Chart 1 U.K. Real GDP Growth To Remain Healthy ...



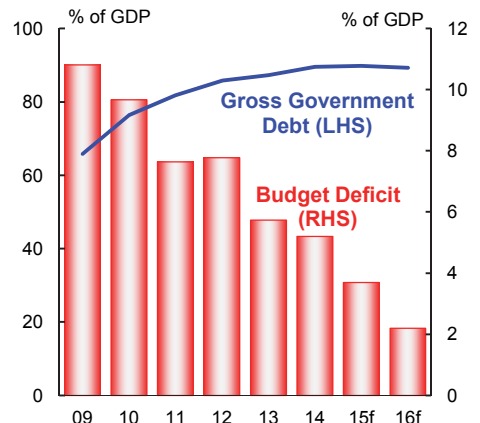
Source: Scotiabank Economics, U.K. ONS.

Chart 2 ... Inflation To Gradually Accelerate ...



Source: Scotiabank Economics, U.K. ONS.

Chart 3 ... And Fiscal Consolidation Will Continue



Source: IMF, Scotiabank Economics.

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UK August Inflation Report

Bank of England MPC More Dovish Than Expected at 8-1

While the minutes of the August MPC meeting showed that one member voted for an immediate rate hike, expectations had been for two dissents and possibly more. As such, this represents a baby step closer to a rate hike rather than a stride. There was a grudging downward revision to the inflation projection – down by 5bp 2 years ahead from 2.08% y/y to 2.03% y/y.

In the context of monetary policy, a rate hike before the end of the year is still possible, but it would require some positive surprises on the data front. Meanwhile, a hike in early-2016 seems more likely unless the data disappoints substantially.

Indeed, Governor Mark Carney explicitly noted that the timing of the first rate hike will be data dependent. Furthermore, the committee will be paying close attention to:

- Wage inflation;
- Productivity growth;
- **Core** inflation;
- Import prices; and
- International risks.

We have known for some time that wage inflation is an important consideration for the Bank. However, the explicit signal that core inflation is important is a first, since the Bank used to steer clear of references to core inflation.

Updated economic projections

The key headlines on this front were:

- The 2-year ahead inflation projection was shifted down from 2.08% y/y to 2.03% y/y.
- The 3-year ahead inflation projection was left unchanged at 2.14% y/y.
- Wage inflation is expected to end the year at 3% y/y, up from 2.5% y/y projected three months ago.
- The pace of wage inflation is assumed to continue rising to 3.75% y/y by end-2016.
- The Bank's GDP projection was pushed up from 2.5% y/y to 2.8% y/y for 2015 (though mostly due to revisions to the back-data).
- Growth is then expected to moderate to 2.6% y/y in 2016.
- The Bank's estimate of slack remained at 0.5%.

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Chart 1: Bank of England CPI Inflation Projection (Market Rate Expectations)

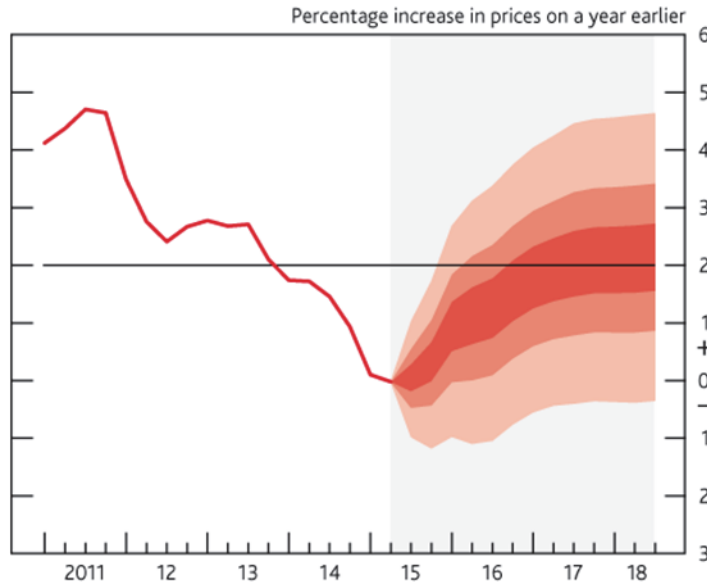
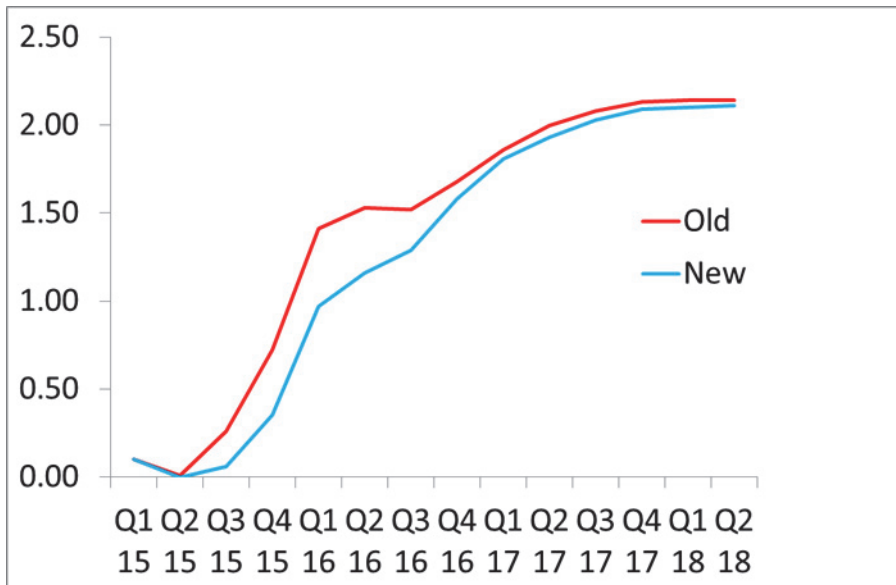


Chart 2: Old vs New BoE CPI Inflation Projection (Market Rate Expectations)



Some other important references in the MPC minutes included:

- Oil prices and the appreciation in the GBP were likely to weigh on inflation for a persistent period. Hence this will require a bigger corresponding pickup in domestic costs.
- Some members draw attention to the fact that the pace of fiscal tightening over the next three years is sharper than over the prior three years. This may have a bigger dampening impact on growth than assumed in the Bank's base case projections.

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- In an environment of heightened uncertainty, the benefits of waiting for more information about the strength of the economy would be greater than usual.

Overall, it was more dovish than the market was expecting. Nonetheless, the projections themselves were not actually dovish. The 2-year ahead inflation projection is above 2% y/y, which means that the door is wide open to an interest rate hike. We are data dependent, so anyone's view on the timing of the first hike will depend on where you see the data going over the next 3 to 6 months. Watch this space for ours...

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Key Data Preview

CANADA

With **manufacturing sales** having posted a very soft performance thus far in 2015 (see chart), the key question is — can they rebound? There were promising signs of a turnaround in June embedded in the trade figures released on August fifth: exports of industrial machinery (+5% m/m), electronic components and parts (+4.4% m/m), chemicals (+3.6% m/m), finished metal products (10.8% m/m), consumer goods (+17.2% m/m) — Canada's export market had a virtual outpouring of shipments. The net has us expecting a major bounce-back on the order of 1.2% m/m in manufacturing shipments, which should pose a positive base for the start of Q3. There are some risks: exports of vehicles and parts (-0.6% m/m) and aircraft (-3.9% m/m) were soft, and new orders, though they ticked up in May, are at a subdued overall level (see chart). Still, we expect that the strength in cumulative exports should carry the day.

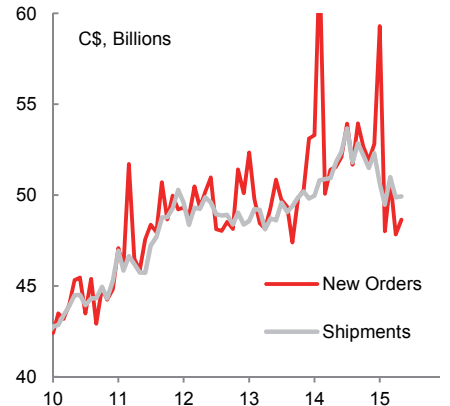
Canadian **housing starts** could well come in at 190k, down moderately from the 203k print notched in June. Building permits in Canada fell off somewhat in May (-14.2% m/m) but recuperated somewhat in June (+13.6% m/m). Even as mortgage credit growth and home sale activity have been strong, housing risks haven't abated and overall levels of construction this year have been soft. This leads us to expect housing starts to start to revert back to the roughly 185k trend at which they had been growing.

UNITED STATES

We expect **retail trade** to bounce back strongly in July after taking a breather in June, and we're looking for a +0.4% m/m print. In terms of coincident indicators, vehicle sales were up by a solid 3% m/m as Q3 got off to a good start in that respect. Gasoline prices slipped in late July, but the monthly average, which should matter the most for cumulative retail sale values, was only down by approximately 1%, so we don't put too much stock in or have much concern about that fact as an increase in the volume of sales at gasoline stations could easily overwhelm the small tick lower in prices. Consumer confidence and jobs numbers for July were the worrisome points — they both performed on the soft side of things and indicated less-than-stellar momentum, reducing our overall expectations (see chart).

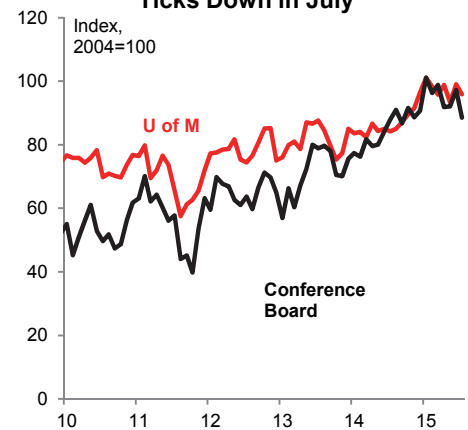
Industrial production data for July could well show a moderate increase, and we're looking for a +0.2% m/m print. Our principal rationale is that we think that auto production should bounce back strongly from a -3.7% m/m drop in June, which should bolster the manufacturing component of industrial production. Risks come from: a) the mining sector, which experienced a 1% m/m boost in June on base effects after a soft run in April/May; and b) utilities, which also saw a base-effect fueled expansion in June, although on the latter front, the fact that cooling degree days were 6% higher than normal (see chart) implies that utility output can still remain robust.

Canada Manufacturing Sales & Orders Weak Outcomes in 2015



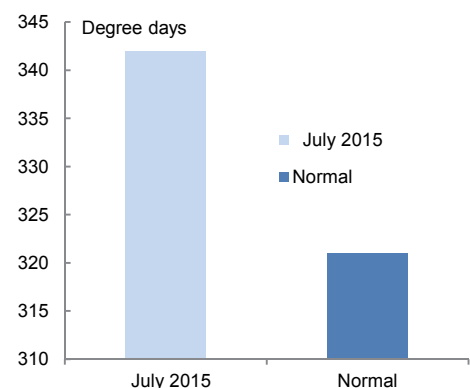
Source: Statistics Canada, Scotiabank Economics

U.S. Consumer Confidence: Ticks Down in July



Source: Scotiabank Economics, Bloomberg

Cooling Degree Days Strong in July



Source: Scotiabank Economics, NOAA

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EUROPE

The economic calendar in Europe is pretty heavy the week of August 10th, with preliminary estimates for second quarter real GDP to be released on Friday August 14th. Leading economic indicators suggest that euro zone real GDP growth has maintained its momentum during the second quarter and will register a 0.4% q/q gain in line with the headline print from the prior quarter. This reflects a pick-up in Germany from growth of 0.3% q/q to 0.5% in Q2, while economic activity in France moderates from a 0.6% q/q rise in Q1 to 0.1% in Q2. Italian real GDP is expected to remain stable at 0.3% q/q.

Euro zone industrial production for June will also be released on August 12th and will likely decline by 0.5% m/m on the back of a sharp moderation in industrial activity in the region's three largest economies, Germany, France and Italy.

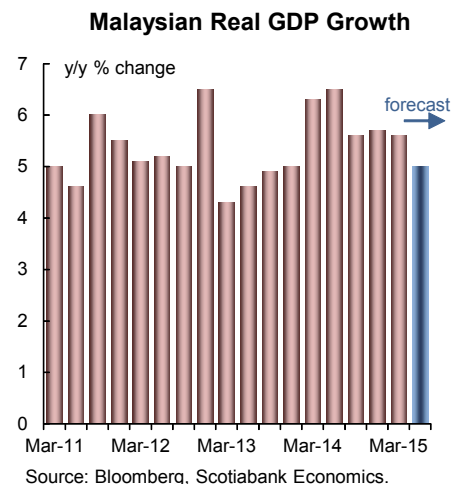
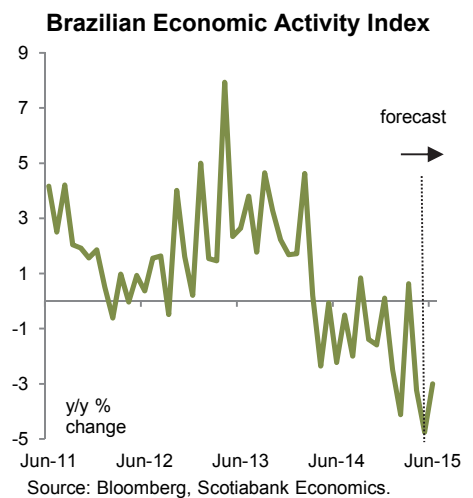
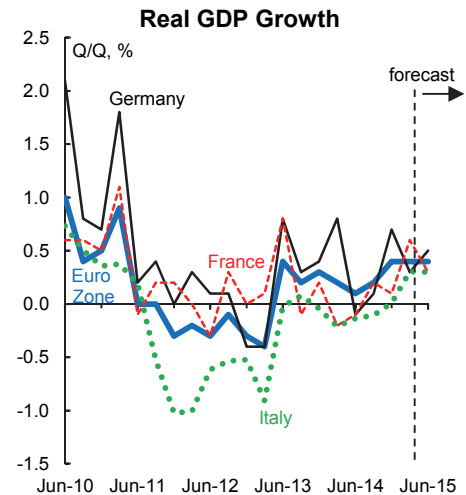
LATIN AMERICA

Brazil will release its economic activity index for the month of June on August 13th. We expect the index to show further contraction in the Brazilian economy, likely coming in around -3% y/y; while this is an improvement over May's -4.8% print, much of that difference can be chalked up to base effects.

The economy continues to be battered by falling commodity prices, weak sentiment on the back of government scandals, and sky-high 9.6% y/y inflation despite an equally aggressive 14.25% benchmark interest rate.

ASIA

Malaysia will release second quarter GDP data on Thursday, August 13. We estimate that the country's output grew by 5% y/y in the second quarter, decelerating from the 5.6% y/y gain in the first three months of 2015. The economy continues to record solid growth driven by domestic demand. Despite the GST implementation, private consumption is underpinned by rising incomes and supportive labour market conditions, whereas investment activity is bolstered by private sector outlays in manufacturing and services sectors as well as public infrastructure-related expenditures. This should compensate for the investment downturn in the oil and gas sector. Real GDP gains will likely average 5% annually in 2015-16.



Key Indicators for the week of August 10 – 14

North America



| Country | Date | Time | Indicator | Period | BNS | Consensus | Latest |
|---------|-------|-------|-----------------------------------|--------|-------|-----------|--------|
| CA | 08/11 | 08:15 | Housing Starts (000s a.r.) | Jul | 190.0 | -- | 203.1 |
| US | 08/11 | 08:30 | Productivity (q/q a.r.) | 2Q P | -- | 1.6 | -3.1 |
| US | 08/11 | 08:30 | Unit Labor Costs (q/q a.r.) | 2Q P | -- | -0.2 | 6.7 |
| MX | 08/11 | 09:00 | Industrial Production (m/m) | Jun | -- | -- | -0.4 |
| MX | 08/11 | 09:00 | Industrial Production (y/y) | Jun | -- | 0.9 | -0.9 |
| US | 08/11 | 10:00 | Wholesale Inventories (m/m) | Jun | -- | 0.4 | 0.8 |
| US | 08/12 | 07:00 | MBA Mortgage Applications (w/w) | AUG 7 | -- | -- | 4.7 |
| CA | 08/12 | 08:30 | Teranet - National Bank HPI (y/y) | Jul | -- | -- | 5.1 |
| US | 08/12 | 10:00 | JOLTS Job Openings (000s) | Jun | -- | 5290 | 5363 |
| US | 08/12 | 14:00 | Treasury Budget (US\$ bn) | Jul | -- | -128.5 | 51.8 |
| CA | 08/13 | 08:30 | New Housing Price Index (m/m) | Jun | -- | -- | 0.2 |
| US | 08/13 | 08:30 | Export Prices (m/m) | Jul | -- | -1.1 | -0.1 |
| US | 08/13 | 08:30 | Import Prices (m/m) | Jul | -- | -1.1 | -0.1 |
| US | 08/13 | 08:30 | Initial Jobless Claims (000s) | AUG 8 | 280 | 270 | 270 |
| US | 08/13 | 08:30 | Continuing Claims (000s) | AUG 1 | 2245 | 2245 | 2255 |
| US | 08/13 | 08:30 | Retail Sales (m/m) | Jul | 0.4 | 0.6 | -0.3 |
| US | 08/13 | 08:30 | Retail Sales ex. Autos (m/m) | Jul | 0.4 | 0.5 | -0.1 |
| US | 08/13 | 10:00 | Business Inventories (m/m) | Jun | -- | 0.3 | 0.3 |
| CA | 08/14 | 08:30 | Manufacturing Shipments (m/m) | Jun | 1.2 | -- | 0.1 |
| US | 08/14 | 08:30 | PPI (m/m) | Jul | 0.0 | 0.1 | 0.4 |
| US | 08/14 | 08:30 | PPI ex. Food & Energy (m/m) | Jul | 0.2 | 0.1 | 0.3 |
| US | 08/14 | 09:15 | Capacity Utilization (%) | Jul | -- | 78.0 | 77.8 |
| US | 08/14 | 09:15 | Industrial Production (m/m) | Jul | 0.2 | 0.3 | 0.2 |
| US | 08/14 | 10:00 | U. of Michigan Consumer Sentiment | Aug P | 94.0 | 93.5 | 93.1 |

Europe



| Country | Date | Time | Indicator | Period | BNS | Consensus | Latest |
|---------|-----------|-------|--|--------|------|-----------|--------|
| IT | 08/11 | 04:00 | CPI - EU Harmonized (y/y) | Jul F | 0.4 | 0.4 | 0.4 |
| EC | 08/11 | 05:00 | ZEW Survey (Economic Sentiment) | Aug | -- | -- | 42.7 |
| GE | 08/11 | 05:00 | ZEW Survey (Current Situation) | Aug | -- | 64.2 | 63.9 |
| GE | 08/11 | 05:00 | ZEW Survey (Economic Sentiment) | Aug | -- | 31.9 | 29.7 |
| RU | AUG 11-12 | | Real GDP (y/y) | 2Q A | -4.5 | -4.5 | -2.2 |
| FR | 08/12 | 02:45 | Current Account (€ bn) | Jun | -- | -- | 0.3 |
| UK | 08/12 | 04:30 | Average Weekly Earnings (3-month, y/y) | Jun | -- | 2.8 | 3.2 |
| UK | 08/12 | 04:30 | Employment Change (3M/3M, 000s) | Jun | -- | -55.0 | -67.0 |
| UK | 08/12 | 04:30 | Jobless Claims Change (000s) | Jul | -- | 1.0 | 7.0 |
| UK | 08/12 | 04:30 | ILO Unemployment Rate (%) | Jun | -- | 5.6 | 5.6 |
| EC | 08/12 | 05:00 | Industrial Production (m/m) | Jun | -0.5 | -0.1 | -0.4 |
| EC | 08/12 | 05:00 | Industrial Production (y/y) | Jun | -- | 1.7 | 1.6 |
| GE | 08/13 | 02:00 | CPI (m/m) | Jul F | 0.2 | 0.2 | 0.2 |
| GE | 08/13 | 02:00 | CPI (y/y) | Jul F | 0.2 | 0.2 | 0.2 |
| GE | 08/13 | 02:00 | CPI - EU Harmonized (m/m) | Jul F | 0.3 | 0.3 | 0.3 |
| GE | 08/13 | 02:00 | CPI - EU Harmonized (y/y) | Jul F | 0.1 | 0.1 | 0.1 |
| FR | 08/13 | 02:45 | CPI (m/m) | Jul | -- | -0.4 | -0.1 |
| FR | 08/13 | 02:45 | CPI (y/y) | Jul | -- | 0.3 | 0.3 |
| FR | 08/13 | 02:45 | CPI - EU Harmonized (m/m) | Jul | -- | -0.5 | -0.1 |
| FR | 08/13 | 02:45 | CPI - EU Harmonized (y/y) | Jul | -- | 0.3 | 0.3 |
| SP | 08/13 | 03:00 | CPI (m/m) | Jul F | -1.0 | -1.0 | -1.0 |
| SP | 08/13 | 03:00 | CPI (y/y) | Jul F | 0.0 | 0.0 | 0.0 |
| SP | 08/13 | 03:00 | CPI - EU Harmonized (m/m) | Jul F | -1.6 | -1.6 | -1.6 |
| SP | 08/13 | 03:00 | CPI - EU Harmonized (y/y) | Jul F | -0.1 | -0.1 | -0.1 |

Forecasts at time of publication.

Source: Bloomberg, Scotiabank Economics.

Key Indicators for the week of August 10 – 14

Europe (continued from previous page)

| Country | Date | Time | Indicator | Period | BNS | Consensus | Latest |
|---------|-------|-------|-----------------------------------|--------|------|-----------|--------|
| FR | 08/14 | 01:30 | GDP (q/q) | 2Q P | 0.1 | 0.2 | 0.6 |
| GE | 08/14 | 02:00 | Real GDP (q/q) | 2Q P | 0.5 | 0.5 | 0.3 |
| FR | 08/14 | 02:45 | Non-Farm Payrolls (q/q) | 2Q P | -- | -- | 0.0 |
| IT | 08/14 | 04:00 | Real GDP (q/q) | 2Q P | 0.3 | 0.3 | 0.3 |
| EC | 08/14 | 05:00 | CPI (m/m) | Jul | -0.6 | -0.6 | -0.6 |
| EC | 08/14 | 05:00 | CPI (y/y) | Jul F | 0.2 | 0.2 | 0.2 |
| EC | 08/14 | 05:00 | Euro zone Core CPI Estimate (y/y) | Jul F | 1.0 | 1.0 | 1.0 |
| EC | 08/14 | 05:00 | GDP (q/q) | 2Q A | 0.4 | 0.4 | 0.4 |

Asia Pacific

| Country | Date | Time | Indicator | Period | BNS | Consensus | Latest |
|---------|-----------|-------|----------------------------------|--------|------|-----------|--------|
| CH | AUG 7-8 | | Exports (y/y) | Jul | -- | -1.5 | 2.8 |
| CH | AUG 7-8 | | Imports (y/y) | Jul | -- | -8.0 | -6.1 |
| CH | AUG 7-8 | | Trade Balance (USD bn) | Jul | -- | 54.7 | 46.5 |
| CH | 08/08 | 21:30 | CPI (y/y) | Jul | -- | 1.5 | 1.4 |
| CH | 08/08 | 21:30 | PPI (y/y) | Jul | -- | -5.0 | -4.8 |
| JN | 08/09 | 19:50 | Bank Lending (y/y) | Jul | -- | -- | 2.5 |
| JN | 08/09 | 19:50 | Current Account (¥ bn) | Jun | -- | 785.9 | 1880.9 |
| JN | 08/09 | 19:50 | Trade Balance - BOP Basis (¥ bn) | Jun | -- | 119.7 | -47.3 |
| CH | AUG 9-15 | | Aggregate Financing (CNY bn) | Jul | -- | 1000.0 | 1858.1 |
| CH | AUG 9-15 | | New Yuan Loans (bn) | Jul | -- | 725.0 | 1279.1 |
| IN | AUG 9-17 | | Exports (y/y) | Jul | -- | -- | -15.8 |
| IN | AUG 9-17 | | Imports (y/y) | Jul | -- | -- | -13.4 |
| MA | 08/10 | 00:00 | Industrial Production (y/y) | Jun | -- | 4.3 | 4.5 |
| JN | 08/10 | 01:00 | Consumer Confidence | Jul | -- | -- | 41.7 |
| JN | 08/10 | 02:00 | Eco Watchers Survey (current) | Jul | -- | -- | 51.0 |
| JN | 08/10 | 02:00 | Eco Watchers Survey (outlook) | Jul | -- | -- | 53.5 |
| AU | 08/10 | 02:30 | Foreign Reserves (AUD bn) | Jul | -- | -- | 67.3 |
| JN | 08/10 | 19:50 | Japan Money Stock M2 (y/y) | Jul | -- | 3.9 | 3.8 |
| JN | 08/10 | 19:50 | Japan Money Stock M3 (y/y) | Jul | -- | 3.2 | 3.1 |
| SI | 08/10 | 20:00 | Real GDP (y/y) | 2Q F | 1.6 | 1.6 | 1.7 |
| PH | 08/10 | 21:00 | Exports (y/y) | Jun | -- | -13.6 | -17.4 |
| JN | 08/11 | 02:00 | Machine Tool Orders (y/y) | Jul P | -- | -- | 6.6 |
| SK | 08/11 | 19:00 | Unemployment Rate (%) | Jul | -- | 3.9 | 3.9 |
| AU | 08/11 | 21:30 | Wage Cost Index (q/q) | 2Q | -- | 0.6 | 0.5 |
| JN | 08/12 | 00:30 | Capacity Utilization (m/m) | Jun | -- | -- | -3.0 |
| JN | 08/12 | 00:30 | Industrial Production (m/m) | Jun F | -- | -- | 0.8 |
| JN | 08/12 | 00:30 | Tertiary Industry Index (m/m) | Jun | -- | 0.2 | -0.7 |
| JN | 08/12 | 00:30 | Industrial Production (y/y) | Jun F | -- | -- | 2.0 |
| CH | 08/12 | 01:30 | Fixed Asset Investment YTD (y/y) | Jul | -- | 11.5 | 11.4 |
| CH | 08/12 | 01:30 | Industrial Production (y/y) | Jul | -- | 6.6 | 6.8 |
| CH | 08/12 | 01:30 | Retail Sales (y/y) | Jul | -- | 10.6 | 10.6 |
| IN | 08/12 | 08:00 | CPI (y/y) | Jul | 4.4 | -- | 5.4 |
| IN | 08/12 | 08:00 | Industrial Production (y/y) | Jun | -- | -- | 2.70 |
| NZ | 08/12 | 18:30 | Business NZ PMI | Jul | -- | -- | 55.2 |
| JN | 08/12 | 19:50 | Machine Orders (m/m) | Jun | -- | -5.1 | 0.6 |
| SK | AUG 12-13 | | BoK Base Rate (%) | Aug 13 | 1.50 | 1.50 | 1.50 |

Forecasts at time of publication.

Source: Bloomberg, Scotiabank Economics.

Key Indicators for the week of August 10 – 14

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> |
|----------------|-------------|-------------|-------------------------------------|---------------|-------------|------------------|---------------|
| MA | 08/13 | 00:00 | GDP (y/y) | 2Q | 5.0 | 4.5 | 5.6 |
| PH | 08/13 | 04:00 | Overnight Borrowing Rate (%) | Aug 13 | 4.00 | 4.00 | 4.00 |
| MA | 08/13 | 06:00 | Current Account Balance (MYR bns) | 2Q | -- | 6.1 | 10.0 |
| NZ | 08/13 | 18:45 | Retail Sales Ex Inflation (q/q) | 2Q | -- | 0.5 | 2.7 |
| ID | AUG 13-14 | | Current Account Balance (US\$ mn) | 2Q | -- | -- | -3848.0 |
| SI | 08/14 | 01:00 | Retail Sales (y/y) | Jun | -- | -- | 6.1 |
| IN | 08/14 | 02:30 | Monthly Wholesale Prices (y/y) | Jul | -- | -- | -2.4 |
| HK | 08/14 | 04:30 | Real GDP (y/y) | 2Q | -- | 2.3 | 2.1 |
| TA | 08/14 | 05:00 | Real GDP (y/y) | 2Q F | -- | 0.6 | 0.6 |

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> |
|----------------|-------------|-------------|--|---------------|-------------|------------------|---------------|
| PE | 08/10 | | Trade Balance (USD mn) | Jun | -- | -- | -342.0 |
| BZ | 08/12 | 08:00 | Retail Sales (m/m) | Jun | -- | -0.6 | -0.9 |
| BZ | 08/12 | 08:00 | Retail Sales (y/y) | Jun | -- | -2.9 | -4.5 |
| CL | 08/13 | 17:00 | Nominal Overnight Rate Target (%) | Aug 13 | 3.00 | 3.00 | 3.00 |
| PE | 08/13 | 19:00 | Reference Rate (%) | Aug 13 | 3.25 | 3.25 | 3.25 |
| BZ | AUG 13-14 | | Economic Activity Index NSA (y/y) | Jun | -3.0 | -2.5 | -4.8 |
| CO | 08/14 | 17:00 | Retail Sales (y/y) | Jun | -- | 3.4 | 2.7 |

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

Global Auctions for the week of August 10 – 14

North America 

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|--------------------------------------|
| US | 08/10 | 11:30 | U.S. to Sell USD24 Bln 3-Month Bills |
| US | 08/10 | 11:30 | U.S. to Sell USD24 Bln 6-Month Bills |
| US | 08/11 | 11:30 | U.S. to Sell 4-Week Bills |
| US | 08/11 | 13:00 | U.S. to Sell USD24 Bln 3-Year Notes |
| US | 08/12 | 13:00 | U.S. to Sell USD24 Bln 10-Year Notes |
| US | 08/13 | 13:00 | U.S. to Sell USD16 Bln 30-Year Bonds |

Europe 

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|---|
| GE | 08/10 | 05:30 | Germany to Sell EUR2 Bln 182-Day Bills |
| FR | 08/10 | 08:50 | France to Sell Bills |
| MB | 08/11 | 05:00 | Malta to Sell Bills |
| EC | 08/11 | 05:10 | ECB Main Refinancing Operation Result |
| SZ | 08/11 | 05:15 | Switzerland to Sell 91-Day Bills |
| BE | 08/11 | 05:30 | Belgium to Sell Bills |
| UK | 08/11 | 05:30 | U.K. to Sell GBP650 Mln 0.125% I/L 2058 Bonds |
| SW | 08/12 | 05:00 | Sweden to Sell SEK10 Bln 96-Day Bills |
| IT | 08/12 | 05:00 | Italy to Sell 182D Bills |
| IT | 08/12 | 05:00 | Italy to Sell 364D Bills |
| SW | 08/12 | 05:00 | Sweden to Sell SEK7.5 Bln 124-Day Bills |
| GE | 08/12 | 05:30 | Germany to Sell EUR4 Bln 1% 2025 Bonds |
| IT | 08/13 | 05:00 | Italy Cancels Bonds Auction |
| SW | 08/13 | 05:00 | Sweden to Sell SEK500 Mln 1% I/L 2025 Bonds |
| SW | 08/13 | 05:00 | Sweden to Sell SEK500 Mln 0.125% I/L 2019 Bonds |
| IC | 08/13 | 06:00 | Iceland to Sell Bills |
| UK | 08/14 | 06:00 | U.K. to Sell 1-Month Bills |
| UK | 08/14 | 06:00 | U.K. to Sell 3-Month Bills |
| UK | 08/14 | 06:00 | U.K. to Sell 6-Month Bills |

Asia Pacific 

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|--|
| CH | 08/09 | 23:00 | China to Sell 3-Year Saving Bonds |
| CH | 08/09 | 23:00 | China to Sell 5-Year Saving Bonds |
| AU | 08/10 | 21:00 | Australia Plans to Sell Index Linked Bonds |
| JN | 08/10 | 23:45 | Japan to Sell 30-Year Bonds |
| CH | 08/11 | 23:00 | China to Sell 5-Year Bonds |
| NZ | 08/12 | 22:05 | New Zealand Plans to Sell NZD200 Mln 4.5% 2027 Bonds |
| JN | 08/12 | 23:35 | Japan to Sell 3-Month Bills |
| JN | 08/12 | 23:45 | Japan to Sell 5-Year Bonds |

Latin America 

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|---------------------------------------|
| BZ | 08/11 | 11:00 | Brazil to Sell I/L Bonds - 05/15/2055 |
| BZ | 08/11 | 11:00 | Brazil to Sell I/L Bonds - 05/15/2035 |
| BZ | 08/11 | 11:00 | Brazil to Sell I/L Bonds - 05/15/2023 |
| BZ | 08/11 | 11:00 | Brazil to Sell I/L Bonds - 05/15/2019 |
| BZ | 08/13 | 11:00 | Brazil to Sell Bills LTN - 04/01/2016 |
| BZ | 08/13 | 11:00 | Brazil to Sell Bills LTN - 07/01/2019 |

Source: Bloomberg, Scotiabank Economics.

Events for the week of August 10 – 14

North America 

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|--|
| US | 08/10 | 09:00 | Fed's Lockhart Gives Opening Remarks at Workforce Conference |
| US | 08/10 | 12:25 | Fed's Lockhart Speaks to the Atlanta Press Club |
| MX | 08/13 | 10:00 | Central Bank Monetary Policy Minutes |

Europe 

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|--|
| SZ | 08/10 | 03:00 | Total Sight Deposits |
| SZ | 08/10 | 03:00 | Domestic Sight Deposits |
| PO | 08/11 | | Bank of Portugal Releases Data on Banks |
| EC | 08/13 | 07:30 | ECB account of the monetary policy meeting |

Asia Pacific 

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|-------------------------------------|
| JN | 08/11 | 19:50 | BOJ Minutes for July 14-15 Meeting |
| AU | 08/12 | 06:00 | RBA's Lowe Gives Speech in Perth |
| SK | 08/12 | 00:00 | BoK 7-Day Repo Rate |
| PH | 08/13 | 04:00 | BSP Overnight Borrowing Rate |
| PH | 08/13 | 04:00 | BSP Special Deposit Account Rate |
| AU | 08/13 | 22:15 | RBA's Kent Gives Speech in Brisbane |

Latin America 

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|----------------------------------|
| CL | 08/13 | 17:00 | Overnight Rate Target |
| PE | 08/13 | 19:00 | Reference Rate |
| CO | 08/14 | 14:00 | Colombia Monetary Policy Minutes |

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 | 0.50 | September 9, 2015 | 0.50 | 0.50 |
| Federal Reserve – Federal Funds Target Rate | 0.25 | September 17, 2015 | 0.50 | 0.50 |
| Banco de México – Overnight Rate | 3.00 | September 21, 2015 | 3.00 | -- |

With only one speech from Atlanta Fed President Lockhart on Monday, the key **Fed** focus will be Thursday's retail sales. Friday's consumer confidence and industrial production figures will also be of primary interest. Secondary data releases include Q2 unit labor costs (Tuesday), JOLTS job openings (Wednesday), import prices (Wednesday) and PPI (Friday). The **BoC's** focus will be housing next week, with housing starts (Tuesday) and two house price indices out on Wednesday and Thursday. Manufacturing sales on Friday will also merit close attention, particularly given the BoC's emphasis on manufacturing as an offset to energy.

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 | 0.05 | September 3, 2015 | 0.05 | -- |
| Bank of England – Bank Rate | 0.50 | September 10, 2015 | 0.50 | 0.50 |
| Swiss National Bank – Libor Target Rate | -0.75 | September 17, 2015 | -0.75 | -- |
| Central Bank of Russia – One-Week Auction Rate | 11.00 | September 11, 2015 | 11.00 | -- |
| Central Bank of the Republic of Turkey – 1 Wk Repo Rate | 7.50 | August 18, 2015 | 7.50 | -- |
| Sweden Riksbank – Repo Rate | -0.35 | September 3, 2015 | -0.35 | -- |
| Norges Bank – Deposit Rate | 1.00 | September 24, 2015 | 1.00 | -- |

Asia Pacific

| <u>Rate</u> | <u>Current Rate</u> | <u>Next Meeting</u> | <u>Scotia's Forecasts</u> | <u>Consensus Forecasts</u> |
|--|---------------------|---------------------|---------------------------|----------------------------|
| Reserve Bank of Australia – Cash Target Rate | 2.00 | September 1, 2015 | 2.00 | 2.00 |
| Reserve Bank of New Zealand – Cash Rate | 3.00 | September 9, 2015 | 2.75 | 2.75 |
| People's Bank of China – Lending Rate | 4.85 | TBA | -- | -- |
| Reserve Bank of India – Repo Rate | 7.25 | September 29, 2015 | 7.25 | -- |
| Bank of Korea – Bank Rate | 1.50 | August 13, 2015 | 1.50 | 1.50 |
| Bank of Thailand – Repo Rate | 1.50 | September 16, 2015 | 1.50 | -- |
| Bank Indonesia – Reference Interest Rate | 7.50 | August 18, 2015 | 7.50 | -- |

Monetary authorities in **South Korea** will convene next week for a scheduled monetary policy meeting. The Bank of Korea (BoK) lowered the benchmark interest rate by 25 basis points to 1.50% in June in an effort to bolster the economic recovery. Inflation remains low with the consumer price index rising by 0.7% y/y in June — well below the BoK's target corridor of 2½-3½%. Due to negative producer price inflation (-3.6% y/y in June) together with low international oil prices, inflation will likely remain below the central bank's target range over the coming quarters. Nevertheless, we do not expect the BoK to cut the key rate further at next week's monetary policy meeting.

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 | 14.25 | September 2, 2015 | 14.50 | -- |
| Banco Central de Chile – Overnight Rate | 3.00 | August 13, 2015 | 3.00 | 3.00 |
| Banco de la República de Colombia – Lending Rate | 4.50 | August 21, 2015 | 4.50 | -- |
| Banco Central de Reserva del Perú – Reference Rate | 3.25 | August 13, 2015 | 3.25 | 3.25 |

We expect the **Banco Central de Chile** and the **Banco Central de Reserva del Perú** to hold benchmark interest rates steady at 3.00% and 3.25%, respectively, when monetary authorities in both countries meet on August 13th. Chilean inflation ticked up to 4.6% y/y in July, continuing June's reversal of the deceleration trend in place since price growth peaked in October of last year. Peruvian inflation remained virtually unchanged relative to last month, coming in at 3.56% y/y in July.



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 | 6.00 | September 23, 2015 | 6.00 | -- |

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



Economic Statistics



North America



| Canada  | | | | | United States  | | | | |
|--|-------|-------|-------|------------|---|------|------|------|------------|
| | 2014 | 15Q1 | 15Q2 | Latest | | 2014 | 15Q1 | 15Q2 | Latest |
| Real GDP (annual rates) | 2.4 | -0.6 | | | Real GDP (annual rates) | 2.4 | 0.6 | 2.3 | |
| Current Acc. Bal. (C\$B, ar) | -41.5 | -69.9 | | | Current Acc. Bal. (US\$B, ar) | -390 | -453 | | |
| Merch. Trade Bal. (C\$B, ar) | 5.0 | -28.7 | -26.6 | -5.7 (Jun) | Merch. Trade Bal. (US\$B, ar) | -741 | -756 | -738 | -762 (Jun) |
| Industrial Production | 2.5 | -1.7 | -1.5 | -0.9 (Jun) | Industrial Production | 3.7 | 3.4 | 1.8 | 1.7 (Jun) |
| Housing Starts (000s) | 189 | 175 | 193 | 203 (Jun) | Housing Starts (millions) | 1.00 | 0.98 | 1.14 | 1.17 (Jun) |
| Employment | 0.6 | 0.6 | 0.9 | 0.9 (Jul) | Employment | 1.9 | 2.3 | 2.2 | 2.1 (Jul) |
| Unemployment Rate (%) | 6.9 | 6.7 | 6.8 | 6.8 (Jul) | Unemployment Rate (%) | 6.2 | 5.6 | 5.4 | 5.3 (Jul) |
| Retail Sales | 4.6 | 2.4 | | 2.7 (May) | Retail Sales | 3.6 | 1.8 | 0.8 | 0.6 (Jun) |
| Auto Sales (000s) | 1850 | 1802 | 1643 | 1145 (Jun) | Auto Sales (millions) | 16.4 | 16.7 | 17.1 | 17.0 (Jun) |
| CPI | 1.9 | 1.1 | 0.9 | 1.0 (Jun) | CPI | 1.6 | -0.1 | 0.0 | 0.1 (Jun) |
| IPPI | 2.5 | -1.7 | -1.5 | 0.9 (Jun) | PPI | 1.9 | -3.1 | -3.3 | -2.5 (Jun) |
| Pre-tax Corp. Profits | 8.8 | -10.8 | | | Pre-tax Corp. Profits | 2.1 | 6.7 | | |

| Mexico  | | | | |
|--|-------|-------|------|------------|
| | 2014 | 15Q1 | 15Q2 | Latest |
| Real GDP | 2.1 | 2.5 | | |
| Current Acc. Bal. (US\$B, ar) | -26.5 | -37.8 | | |
| Merch. Trade Bal. (US\$B, ar) | -2.8 | -8.8 | -7.4 | -9.0 (Jun) |
| Industrial Production | 1.9 | 1.5 | | -0.9 (May) |
| CPI | 4.0 | 3.1 | 2.9 | 2.7 (Jul) |

Europe

| Euro Zone  | | | | | Germany  | | | | |
|--|-------|-------|-------|-------------|--|-------|-------|-------|-------------|
| | 2014 | 15Q1 | 15Q2 | Latest | | 2014 | 15Q1 | 15Q2 | Latest |
| Real GDP | 0.9 | 1.0 | | | Real GDP | 1.6 | 1.0 | | |
| Current Acc. Bal. (US\$B, ar) | 275 | 245 | 112 | 46 (May) | Current Acc. Bal. (US\$B, ar) | 215.5 | 277.9 | | 328.3 (Jun) |
| Merch. Trade Bal. (US\$B, ar) | 329.8 | 302.6 | 231.0 | 310.3 (May) | Merch. Trade Bal. (US\$B, ar) | 287.5 | 262.3 | 288.9 | 322.9 (Jun) |
| Industrial Production | 0.8 | 1.6 | | -1.0 (May) | Industrial Production | 1.5 | 0.2 | 1.3 | 0.6 (Jun) |
| Unemployment Rate (%) | 11.6 | 11.2 | 11.1 | 11.1 (Jun) | Unemployment Rate (%) | 6.7 | 6.5 | 6.4 | 6.4 (Jul) |
| CPI | 0.4 | -0.3 | 0.2 | 0.2 (Jun) | CPI | 0.9 | 0.0 | 0.5 | 0.2 (Jul) |

| France  | | | | | United Kingdom  | | | | |
|--|-------|-------|-------|-------------|--|--------|--------|--------|--------------|
| | 2014 | 15Q1 | 15Q2 | Latest | | 2014 | 15Q1 | 15Q2 | Latest |
| Real GDP | 0.2 | 0.8 | | | Real GDP | 3.0 | 2.9 | 2.6 | |
| Current Acc. Bal. (US\$B, ar) | -26.2 | -4.3 | -18.6 | -89.3 (May) | Current Acc. Bal. (US\$B, ar) | -105.7 | -106.2 | | |
| Merch. Trade Bal. (US\$B, ar) | -42.9 | -42.2 | -35.7 | -28.4 (Jun) | Merch. Trade Bal. (US\$B, ar) | -199.7 | -184.3 | -168.0 | -171.4 (Jun) |
| Industrial Production | -1.2 | 1.3 | 1.0 | 0.6 (Jun) | Industrial Production | 1.7 | 1.0 | 1.5 | 1.5 (Jun) |
| Unemployment Rate (%) | 10.3 | 10.3 | 10.2 | 10.2 (Jun) | Unemployment Rate (%) | 6.2 | 5.5 | | 5.6 (Apr) |
| CPI | 0.5 | -0.2 | 0.2 | 0.3 (Jun) | CPI | 1.5 | 0.1 | 0.0 | 0.0 (Jun) |








| Italy  | | | | | Russia  | | | | |
|---|------|------|------|------------|--|------|------|------|------------|
| | 2014 | 15Q1 | 15Q2 | Latest | | 2014 | 15Q1 | 15Q2 | Latest |
| Real GDP | -0.4 | 0.1 | | | Real GDP | 0.6 | -2.2 | | |
| Current Acc. Bal. (US\$B, ar) | 30.9 | 3.6 | 31.0 | 31.2 (May) | Current Acc. Bal. (US\$B, ar) | 58.4 | 28.9 | 19.2 | |
| Merch. Trade Bal. (US\$B, ar) | 56.7 | 34.5 | | 56.0 (May) | Merch. Trade Bal. (US\$B, ar) | 15.8 | 14.8 | | 15.3 (May) |
| Industrial Production | -0.5 | -0.4 | 0.6 | -0.3 (Jun) | Industrial Production | -1.6 | -0.4 | -4.9 | -4.8 (Jun) |
| CPI | 0.2 | -0.4 | 0.0 | 0.1 (Jun) | CPI | 7.8 | 16.2 | 15.8 | 15.6 (Jul) |

All data expressed as year-over-year % change unless otherwise noted.





Source: Bloomberg, Global Insight, Scotiabank Economics.

Economic Statistics

Asia Pacific

| Australia  | | | | | Japan  | | | | |
|---|-------|-------|-------|-------------|---|--------|-------|-------|-------------|
| | 2014 | 15Q1 | 15Q2 | Latest | | 2014 | 15Q1 | 15Q2 | Latest |
| Real GDP | 2.7 | 2.3 | | | Real GDP | -0.1 | -1.0 | | |
| Current Acc. Bal. (US\$B, ar) | -40.6 | -34.2 | | | Current Acc. Bal. (US\$B, ar) | 25.0 | 148.3 | | 186.9 (May) |
| Merch. Trade Bal. (US\$B, ar) | 12.2 | 2.3 | -12.8 | -8.2 (Jun) | Merch. Trade Bal. (US\$B, ar) | -122.1 | -30.5 | -21.9 | -24.4 (Jun) |
| Industrial Production | 4.4 | 2.8 | | | Industrial Production | 2.1 | -2.2 | -0.6 | 0.4 (Jun) |
| Unemployment Rate (%) | 6.1 | 6.2 | 6.1 | 6.3 (Jul) | Unemployment Rate (%) | 3.6 | 3.5 | 3.3 | 3.4 (Jun) |
| CPI | 2.5 | 1.3 | 1.5 | | CPI | 2.7 | 2.3 | 0.5 | 0.4 (Jun) |
| South Korea  | | | | | China  | | | | |
| Real GDP | 3.3 | 2.5 | 2.2 | | Real GDP | 7.4 | 7.0 | 7.0 | |
| Current Acc. Bal. (US\$B, ar) | 89.2 | 93.8 | 115.8 | 146.2 (Jun) | Current Acc. Bal. (US\$B, ar) | 219.7 | | | |
| Merch. Trade Bal. (US\$B, ar) | 47.2 | 86.4 | 99.0 | 93.1 (Jul) | Merch. Trade Bal. (US\$B, ar) | 382.5 | 494.9 | 560.6 | 558.4 (Jun) |
| Industrial Production | 0.5 | -1.6 | -1.9 | -1.6 (Jun) | Industrial Production | 7.9 | 5.6 | 6.8 | 6.8 (Jun) |
| CPI | 1.3 | 0.6 | 0.5 | 0.7 (Jul) | CPI | 1.5 | 1.4 | 1.4 | 1.4 (Jun) |
| Thailand  | | | | | India  | | | | |
| Real GDP | 0.9 | 3.0 | | | Real GDP | 7.0 | 6.1 | 6.1 | |
| Current Acc. Bal. (US\$B, ar) | 13.4 | 8.2 | 4.1 | | Current Acc. Bal. (US\$B, ar) | -27.5 | -1.3 | | |
| Merch. Trade Bal. (US\$B, ar) | 2.0 | 2.5 | 2.6 | 2.0 (Jun) | Merch. Trade Bal. (US\$B, ar) | -11.6 | -9.0 | -10.7 | -10.8 (Jun) |
| Industrial Production | -4.6 | 0.0 | -7.8 | -8.7 (Jun) | Industrial Production | 1.8 | 3.3 | | 2.7 (May) |
| CPI | 1.9 | -0.5 | -1.1 | -1.0 (Jul) | WPI | 3.8 | -1.8 | -2.4 | -2.4 (Jun) |
| Indonesia  | | | | | | | | | |
| Real GDP | 5.0 | 4.7 | 4.7 | | | | | | |
| Current Acc. Bal. (US\$B, ar) | -25.4 | -3.8 | | | | | | | |
| Merch. Trade Bal. (US\$B, ar) | -0.2 | 0.8 | 0.7 | 0.5 (Jun) | | | | | |
| Industrial Production | 4.6 | 4.7 | | 8.2 (May) | | | | | |
| CPI | 6.4 | 6.5 | 7.1 | 7.3 (Jul) | | | | | |

Latin America









| Brazil  | | | | | Chile  | | | | |
|--|--------|--------|-------|------------|--|-------|------|------|------------|
| | 2014 | 15Q1 | 15Q2 | Latest | | 2014 | 15Q1 | 15Q2 | Latest |
| Real GDP | 0.1 | -1.6 | | | Real GDP | 1.9 | 2.4 | | |
| Current Acc. Bal. (US\$B, ar) | -104.2 | -101.6 | -51.3 | | Current Acc. Bal. (US\$B, ar) | -5.6 | 4.8 | | |
| Merch. Trade Bal. (US\$B, ar) | -3.9 | -22.2 | 31.1 | 28.5 (Jul) | Merch. Trade Bal. (US\$B, ar) | 6.7 | 10.9 | 11.7 | 0.1 (Jul) |
| Industrial Production | -2.9 | -6.0 | -6.6 | -5.5 (Jun) | Industrial Production | 0.4 | 0.6 | 0.1 | 1.6 (Jun) |
| CPI | 6.3 | 7.7 | 8.5 | 9.6 (Jul) | CPI | 4.4 | 4.4 | 4.2 | 4.6 (Jul) |
| Peru  | | | | | Colombia  | | | | |
| Real GDP | 2.4 | 1.7 | | | Real GDP | 4.6 | 2.8 | | |
| Current Acc. Bal. (US\$B, ar) | -8.0 | -2.6 | | | Current Acc. Bal. (US\$B, ar) | -19.5 | -5.1 | | |
| Merch. Trade Bal. (US\$B, ar) | -0.1 | -0.3 | | -0.3 (May) | Merch. Trade Bal. (US\$B, ar) | -0.5 | -1.4 | | -0.9 (May) |
| Unemployment Rate (%) | 6.0 | 6.8 | 6.9 | 6.8 (Jun) | Industrial Production | 1.5 | -1.9 | | -3.9 (May) |
| CPI | 3.2 | 3.0 | 3.3 | 3.6 (Jul) | CPI | 2.9 | 4.2 | 4.5 | 4.5 (Jul) |

All data expressed as year-over-year % change unless otherwise noted.

Source: Bloomberg, Global Insight, Scotiabank Economics.

Financial Statistics

Interest Rates (% , end of period)

| | 15Q1 | 15Q2 | Jul/31 | Aug/07* | | 15Q1 | 15Q2 | Jul/31 | Aug/07* |
|--|--------|--------|--------|---------|---|-------|-------|--------|---------|
| Canada  | | | | | United States  | | | | |
| BoC Overnight Rate | 0.75 | 0.75 | 0.50 | 0.50 | Fed Funds Target Rate | 0.25 | 0.25 | 0.25 | 0.25 |
| 3-mo. T-bill | 0.55 | 0.58 | 0.40 | 0.39 | 3-mo. T-bill | 0.02 | 0.01 | 0.06 | 0.06 |
| 10-yr Gov't Bond | 1.36 | 1.68 | 1.44 | 1.44 | 10-yr Gov't Bond | 1.92 | 2.35 | 2.18 | 2.19 |
| 30-yr Gov't Bond | 1.98 | 2.30 | 2.13 | 2.11 | 30-yr Gov't Bond | 2.54 | 3.12 | 2.91 | 2.85 |
| Prime | 2.85 | 2.85 | 2.70 | 2.70 | Prime | 3.25 | 3.25 | 3.25 | 3.25 |
| FX Reserves (US\$B) | 77.6 | 76.3 | 76.3 | (Jun) | FX Reserves (US\$B) | 108.2 | 109.3 | 109.3 | (Jun) |
| Germany  | | | | | France  | | | | |
| 3-mo. Interbank | -0.02 | -0.04 | -0.04 | -0.01 | 3-mo. T-bill | -0.16 | -0.18 | -0.21 | -0.20 |
| 10-yr Gov't Bond | 0.18 | 0.76 | 0.64 | 0.66 | 10-yr Gov't Bond | 0.48 | 1.20 | 0.94 | 0.97 |
| FX Reserves (US\$B) | 61.2 | 60.9 | 60.9 | (Jun) | FX Reserves (US\$B) | 50.5 | 49.9 | 49.9 | (Jun) |
| Euro Zone  | | | | | United Kingdom  | | | | |
| Refinancing Rate | 0.05 | 0.05 | 0.05 | 0.05 | Repo Rate | 0.50 | 0.50 | 0.50 | 0.50 |
| Overnight Rate | 0.05 | -0.06 | -0.10 | -0.11 | 3-mo. T-bill | 0.45 | 0.48 | 0.49 | 0.48 |
| FX Reserves (US\$B) | 330.9 | 330.3 | 330.3 | (Jun) | 10-yr Gov't Bond | 1.58 | 2.02 | 1.88 | 1.85 |
| Japan  | | | | | FX Reserves (US\$B) | 105.8 | 110.7 | 110.7 | (Jun) |
| Discount Rate | 0.30 | 0.30 | 0.30 | 0.30 | Australia  | | | | |
| 3-mo. Libor | 0.04 | 0.04 | 0.03 | 0.03 | Cash Rate | 2.25 | 2.00 | 2.00 | 2.00 |
| 10-yr Gov't Bond | 0.41 | 0.47 | 0.42 | 0.42 | 10-yr Gov't Bond | 2.32 | 3.01 | 2.76 | 2.84 |
| FX Reserves (US\$B) | 1216.1 | 1214.1 | 1214.1 | (Jun) | FX Reserves (US\$B) | 53.8 | 48.7 | 48.7 | (Jun) |

Exchange Rates (end of period)

| | | | | | | | | | |
|--------|-------|-------|-------|-------|-----------------------|--------|--------|--------|--------|
| USDCAD | 1.27 | 1.25 | 1.31 | 1.31 | ¥/US\$ | 120.13 | 122.50 | 123.89 | 124.33 |
| CADUSD | 0.79 | 0.80 | 0.76 | 0.76 | US¢/Australian\$ | 0.76 | 0.77 | 0.73 | 0.74 |
| GBPUSD | 1.482 | 1.571 | 1.562 | 1.546 | Chinese Yuan/US\$ | 6.20 | 6.20 | 6.21 | 6.21 |
| EURUSD | 1.073 | 1.115 | 1.098 | 1.093 | South Korean Won/US\$ | 1110 | 1115 | 1170 | 1167 |
| JPYEUR | 0.78 | 0.73 | 0.73 | 0.74 | Mexican Peso/US\$ | 15.264 | 15.739 | 16.109 | 16.175 |
| USDCHF | 0.97 | 0.94 | 0.97 | 0.98 | Brazilian Real/US\$ | 3.197 | 3.103 | 3.421 | 3.511 |

Equity Markets (index, end of period)

| | | | | | | | | | |
|------------------------|-------|-------|-------|-------|-------------------------|-------|-------|-------|-------|
| United States (DJIA) | 17776 | 17620 | 17690 | 17301 | U.K. (FT100) | 6773 | 6521 | 6696 | 6728 |
| United States (S&P500) | 2068 | 2063 | 2104 | 2076 | Germany (Dax) | 11966 | 10945 | 11309 | 11503 |
| Canada (S&P/TSX) | 14902 | 14553 | 14468 | 14349 | France (CAC40) | 5034 | 4790 | 5083 | 5162 |
| Mexico (IPC) | 43725 | 45054 | 44753 | 44736 | Japan (Nikkei) | 19207 | 20236 | 20585 | 20725 |
| Brazil (Bovespa) | 51150 | 53081 | 50865 | 49043 | Hong Kong (Hang Seng) | 24901 | 26250 | 24636 | 24552 |
| Italy (BCI) | 1273 | 1238 | 1297 | 1320 | South Korea (Composite) | 2041 | 2074 | 2030 | 2010 |

Commodity Prices (end of period)

| | | | | | | | | | |
|--------------------------|-------|-------|-------|-------|------------------|---------|---------|---------|---------|
| Pulp (US\$/tonne) | 980 | 980 | 980 | 980 | Copper (US\$/lb) | 2.74 | 2.60 | 2.37 | 2.33 |
| Newsprint (US\$/tonne) | 570 | 540 | 540 | 540 | Zinc (US\$/lb) | 0.94 | 0.90 | 0.87 | 0.84 |
| Lumber (US\$/mfbm) | 282 | 300 | 278 | 278 | Gold (US\$/oz) | 1187.00 | 1171.00 | 1098.40 | 1093.50 |
| WTI Oil (US\$/bbl) | 47.60 | 59.47 | 47.12 | 44.33 | Silver (US\$/oz) | 16.60 | 15.70 | 14.56 | 14.75 |
| Natural Gas (US\$/mmbtu) | 2.64 | 2.83 | 2.72 | 2.78 | CRB (index) | 211.86 | 227.17 | 202.57 | 198.62 |

* Latest observation taken at time of writing.
Source: Bloomberg, Scotiabank Economics.

Fixed Income Strategy (London)

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Fixed Income Strategy (Paris)

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