

Weekly commentary on economic and financial market developments

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Economics

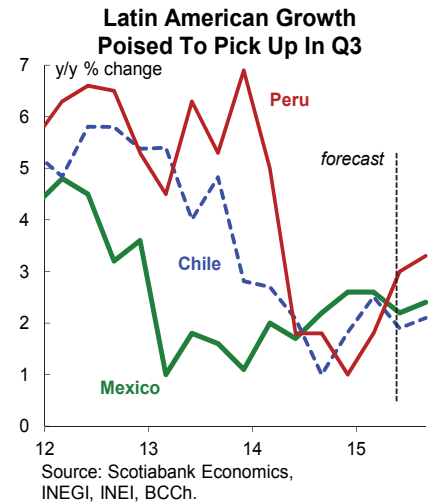
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Please see the [Global Forecast Update, November 2, 2015](#), for our latest economic, interest and exchange rate and commodity price forecasts and the [Foreign Exchange Outlook, November 2015](#), for more detailed currency forecasts and commentary.

This Week's Featured Chart



THE WEEK AHEAD

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Another Japanese Downturn?

- Please see our full indicator, central bank, auction and event calendars on pp. A3-A9.

Asia — Will Q3 GDP Sway The Bank of Japan?

Will the Bank of Japan be able to resist pressure to ease further if the Japanese economy re-enters one definition of recession? After spending the week hitting a different city each day in Asia, this issue and risks facing the Chinese economy were dominant discussion points in addition to the outlook for North American and European markets. On balance, I found less conviction regarding USD appreciation than on an earlier trip to Asia this summer; some appreciation is expected, but USD gains are perceived to be a few months away from a mature trade following the first Fed hike.

The release of Q3 GDP and the Bank of Japan's latest policy decision will likely dominate Asian markets. There could also be global spillover effects should the central bank surprise, and of course all of this is barring announcements out of China where policy is conducted in rather opaque fashion.

Consensus thinks the Japanese economy contracted by a mild amount in Q3 following the sharper 1.2% contraction in Q2. Much of this is expected to be due to our tracking of softer business investment as consumption probably put in a little better quarter than in Q2. The GDP figures arrive on Monday and the Bank of Japan does not issue its updated policy assessment until the end of the week and also following the release of trade figures for October.

While the BoJ has surprised in the past including the October 31, 2014 surprise stimulus announcement that was a very close vote, we think it is unlikely to do so again — at least for now. Governor Kuroda has guided that he is looking through transitory headwinds operating against total CPI inflation and mainly in terms of lower energy prices. The BoJ is adding stimulus at the current pace of ¥80 trillion in annual purchases of Japanese government bonds, ¥3 trillion in ETFs and ¥90 billion in REITs. Our view that BoJ stimulus won't help growth remains intact as originally published [here](#). Debasing the yen in an economy dependent on energy imports and other imports serves to cut consumer purchasing power. Absent the ability to borrow in a credit-constrained economy, and absent softening wage growth, consumers pay more for what they have to — rising import costs — by balancing their household budgets through spending less on everything else. **We expect the BoJ to stand pat and look to better likelihood of achieving its 2% inflation goal later next year.**

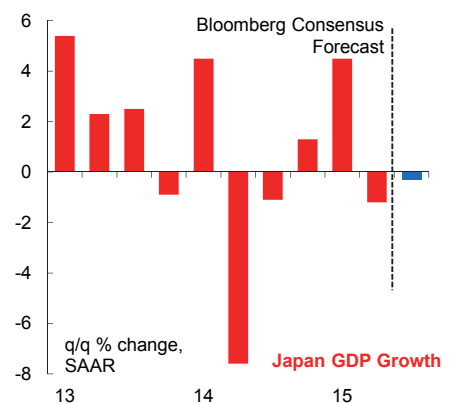
While they won't carry influences upon the global risk trade, our operations and clients in Thailand and Indonesia will have eyes on the former's Q3 GDP print and the latter's central bank decision.

The Thai economy probably put forth its best growth of the year last quarter and we'll find out at the start of the week. The Bank of Thailand expects momentum to build further and is forecasting growth of 2.7% in 2015 and then 3.4% next year. The Thai economy continues to adjust to the military coup in May of last year and softening growth in China's economy compared to the super-charged double digit pace of yesteryear. Cautious optimism is the order of the day.

Next Week's Risk Dashboard

- ▶ Bank of Japan
- ▶ Q3 GDP: Japan, Thailand, Norway
- ▶ Fed speak
- ▶ US CPI
- ▶ CDN CPI
- ▶ CDN macro: retail sales, manufacturing
- ▶ US macro: industry, housing
- ▶ UK CPI, retail sales
- ▶ German ZEW confidence
- ▶ Bank Indonesia

Chart 1: Abenomics Not Doing Much For Growth



Source: Scotiabank Economics, Bloomberg, Economic and Social Research Institute Japan.

THE WEEK AHEAD

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Bank Indonesia's latest rate decision will be conducted in an environment of increased policy flexibility. Recall that inflation surged as fuel price subsidies were lifted and capital outflows due to the end of QE3 at the Fed drove a softer rupiah. Bank Indonesia countered by raising rates. Recent inflation rates have softened and **that may afford the central bank increased ability to respond to weaker growth**. Q2 GDP growth was the weakest since 2009.

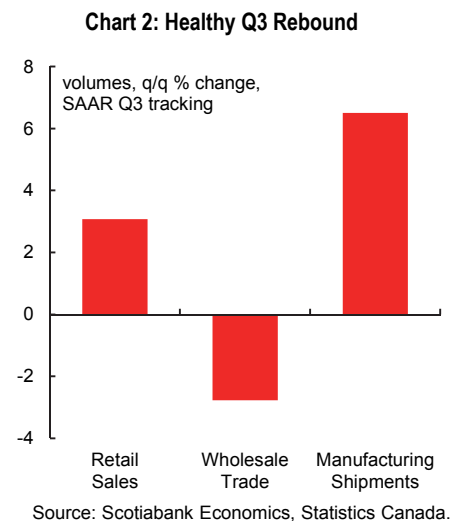
Other macro releases of more regional significance will arrive early in the week and will include Q3 retail sales from New Zealand, export figures from India and Indonesia plus minutes to the last meeting of the Reserve Bank of Australia.

Canada — Softer Ending To A Solid Quarter?

How Q3 growth is evolving and in what inflationary context could pose modest risk to CAD and the base rates curve. **The broad message that Canadian growth is on the mend should remain intact for the quarter as a whole even if the monthly tallies risk ending the quarter on a soft note.** This should occur in the context of transitory downward influences on headline inflation and persistent, diversified pressures on core CPI.

First up will be how the **manufacturing** sector performed in September. This kicks off the end-of-quarter readings that arrive over the week and will help us finalize our estimates for Q3 GDP growth. Recall that after surging into the quarter as disrupted activities in the auto sector and in the energy patch lifted, the volume of sales then dipped in August. That doesn't necessarily mean renewed weakness has set in as the pace of gains beforehand was not sustainable due to the one-off lifting of distorting factors. That said, softness in new orders at manufacturers bears monitoring. For the quarter as a whole going into the September print, we're tracking decent growth in the volume of manufacturing shipments (chart 2).

Also on Monday will be the release of **home resales** for October following a drop the prior month and soft multi-month trend. Because only a few local real estate boards individually release their seasonally unadjusted estimates, we cannot estimate a reasonably complete national add-up — let alone seasonally adjust it. It is clear, however, that housing and borrowing both got a boost from the Bank of Canada's two rate cuts this year.



Canada then goes quiet until **wholesalers' sales** are estimated on Thursday ahead of **the week's marquee releases the next day. They will be retail sales for September and CPI for October.**

A strong gain in August could be tough to repeat for retailers in September. Chart 2 also shows tracking growth in retail sales volumes in Q3 given what we know from the Q2 hand-off and the first two-thirds of Q3 barring revisions.

As for CPI, don't expect much. Headline CPI stood at 1% y/y in September and has been little changed over recent months. Headline CPI will likely break-out in early 2016 when year-ago base effects for energy prices stop exerting downward influences. Core CPI, however, remains resilient and stood at 2.1% y/y in September. A large portion of the CPI basket is lit up with year-ago gains between just-shy of 2% and well above the BoC's 2% target. Just as the disinflationary effects of currency appreciation on core CPI was spread over multiple years, the effects of currency depreciation on core CPI will also be a multi-year inflationary force.

Canada conducts a routine two year GoC bond auction on Wednesday.

THE WEEK AHEAD

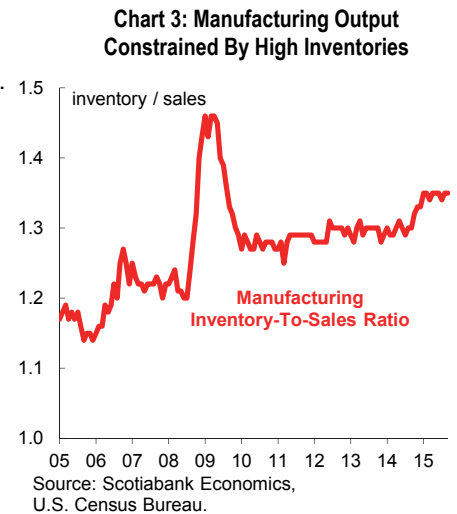
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United States — Passing Time Until December 16th

A significant week for US data risk will be supplemented by ongoing dialogue from Federal Reserve officials. None of it, however, is expected to materially alter the risk of a hike in about one month's time. It would take a serious disappointment to the next nonfarm payrolls report in early December and high market instability to knock the Fed off course on the path to the December 16th statement, forecasts, and press conference.

In the meantime, it's uncertain how the broad tone of next week's macro reports will impact markets. Resilient core CPI inflation and a weak prior month could put mild upward pressure on headline CPI. Risks are that gasoline prices were soft and could weigh on headline CPI, and USD strength could push down import prices and some of this could pass into weaker core consumer price inflation. We don't expect the exact print to materially impact the move toward a December hike as inflation is in a holding pattern until early next year when the drag of year-ago commodity prices dissipates. Key may also be hope that industrial readings like the Empire State manufacturing index and the Philly Fed index — both for November — as well as industrial production in October begin to stabilize. That may be premature in our view, as manufacturers' inventories remain high and this is one reason why production readings have been soft at least temporarily (see chart 3). Housing starts for October are also on tap and may moderate from the increased pace of the prior month.



Significant Fed-speak will come from NY Fed President William Dudley, Governor Tarullo, and regional Presidents Lockhart, Mester, Kaplan, and Bullard. Their key communications challenge will be to reinforce market expectations for a mild pace of hikes next year as the Fed moves toward the first one.

A reopening of the ten year Treasury Inflation Protected Securities note will occur on Thursday.

Europe — BoE To Discount Stale Data

European markets will have a few factors of regional market importance to drive them but there is little on the calendar that would suggest global spillover effects could arise.

Among regional influences will be UK data but with little potential to materially alter recent Bank of England guidance that resulted in markets pushing out in time expectations for the first hike. CPI on Tuesday and retail sales on Thursday will be the focal points. UK consumer prices will probably remain near the flat year-ago readings for headline CPI and 1% for core CPI. The BoE is more focused upon the 12-24 month inflation outlook so discount the backward-looking minutia accordingly.

Norway's Q3 GDP is thought to have restored growth to the positive side of the ledger. At least directionally that would follow the Canadian experience in the wake of the steep decline in energy prices. Norway's reliance on energy, however, is proportionately far greater than Canada's so the trend adjustment to lower oil prices might take longer in Norway's case.

German investor confidence should post some improvement given it's a November reading and it tends to tell you what has already happened in the markets since the global risk trade got a lift in October from excess pessimism in August and September. Final eurozone inflation estimates for October round out the influences.

GLOBAL MANUFACTURING

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Emerging Markets Continue To Drag Down Global Growth

- **Slowing activity across several developing economies is likely to temper growth in the fourth quarter.**

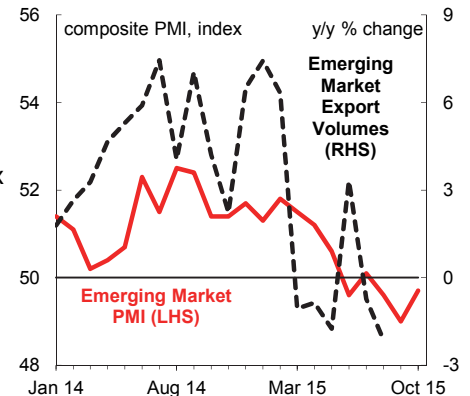
Sharp recessions in Brazil and Russia combined with slowing activity in China has driven the emerging market composite Purchasing Manager's Index (PMI) to contraction in four of the last five months following almost two consecutive years of expansion. The combined reduction in the momentum of these key developing economies is also tempering the outlook for their regional trading partners and a broad range of industries. Emerging market export volumes have declined on a year-over-year basis in five of the last six months (through August), reflecting weak global demand, persistently low commodity prices and a downshift in manufacturing output.

Chinese manufacturing contracted for the eighth consecutive month in October, albeit at a slower pace compared with September, on the back of an increase in export orders, while domestic demand remains weak. As details from the Chinese government's latest '5-year plan' start to emerge, it is evident that China will be transitioning to a far less robust growth trajectory compared with the last decade, promoting urbanization, a consumer focused economy, and enhancement of the service sector. Recently, non-manufacturing activity picked up slightly from a fourteen-month low, as revealed in the October PMI report. Job creation in services has been fairly flat in recent months, but future hiring plans have fallen to a decade low amidst uncertainty surrounding global economic activity and the structural shifts occurring in China.

While manufacturing growth is lagging services in most markets, **Japanese** manufacturing activity reached a one-year high to start the fourth quarter, owing to a sharp increase in production, and rising domestic and international new orders. Japanese manufacturing is typically higher in the value chain than its regional counterparts, and has been able to maintain steady export volumes to North America and the euro zone, insulating the country somewhat from the rise in low-cost production centers in emerging Asia. In contrast, sentiment in the service sector is at a five-month low due to slowing regional demand for transportation and business services, which account for about half of Japan's non-merchandise exports. The manufacturing index in the **U.S.** also recorded strong gains in October due to healthy payrolls and rising new orders. The benefit from low fuel prices is offsetting headwinds from a strong greenback, which has limited growth in exports and overseas orders.

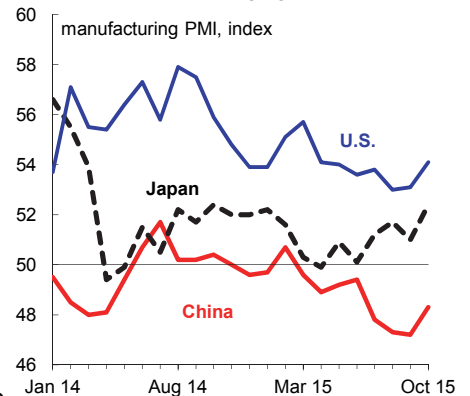
Manufacturing activity in Europe is also a key contributor to global growth, led by Germany, Spain and the UK. German output continues to be supported by strong domestic demand and modest growth in government spending. The industrial sector in **Germany**, however, has come under pressure in recent months in response to weaker demand from emerging markets. German manufacturing activity, exports, and new orders for autos and parts have all been on a moderating trajectory in recent months, and business climate surveys have been softening. In addition, the fallout from the Volkswagen emissions scandal has yet to fully feed through Germany's trade and industrial indicators, suggesting growth and factory activity will slow in the fourth quarter.

Chart 1: Searching For A Bottom



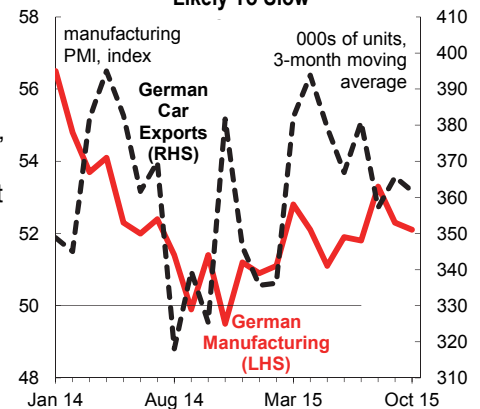
Source: Markit, CPB Netherlands Bureau For Economic Policy Analysis, Scotiabank Economics.

Chart 2: Diverging Trends



Source: Markit, Scotiabank Economics.

Chart 3: German Industrial Activity Likely To Slow



Source: Markit, Bloomberg, Scotiabank Economics.

ASIA

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South Korean Economic Outlook 2015-17

- **Domestic demand is helping the South Korean economy gain strength as temporary headwinds dissipate; the external sector remains subdued.**
- **No further monetary stimulus in sight due to gradually accelerating inflation and high household debt.**

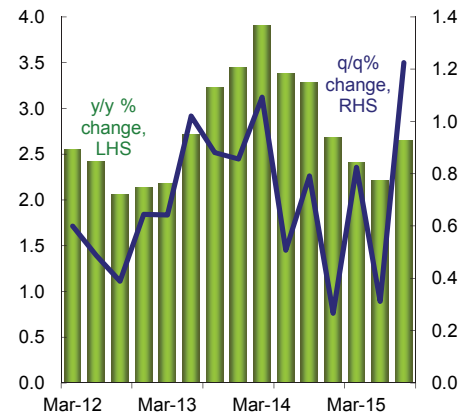
The South Korean economy is strengthening gradually. According to preliminary estimates, real GDP expanded by 1.2% q/q (2.7% y/y) in the third quarter of 2015, up from the 0.3% (2.2% y/y) gain in the April-June period. Domestic demand is solid while net exports continue to be a drag on growth. Household spending, supported by fiscal and monetary stimulus and a strengthening labour market, is rebounding from prior weakness caused by the MERS outbreak; nevertheless, this strong momentum may not be sustained over the coming quarters as the impact of pent up demand dissipates. Given that over 25% of South Korean exports are shipped to China, the country's exporters will continue to feel the adverse impact of weaker Chinese demand. However, the improving outlook in major advanced economies (the US, euro area, and Japan together purchase nearly a quarter of South Korean shipments abroad) will provide some counterbalance. We expect that the South Korean economy will expand by 2.6% this year, followed by a pick-up to 3.2% and 3.5% in 2016 and 2017, respectively.

Inflation remains low with the consumer price index rising by 0.9% y/y in October and is well below the Bank of Korea's target corridor of 2½-3½%. Nevertheless, core inflation (excluding agricultural and petroleum product prices) continues to be higher at 2.3% y/y in October. Headline inflation will likely accelerate in the final months of 2015 and reach the 2½% mark in early 2017. We do not anticipate that the central bank will ease monetary policy further over the coming months due to rising household debt and the upward trend in inflation; the benchmark interest rate was cut by 25 basis points to 1.50% in June. The reference rate will likely remain at the current level through 2016, followed by a gradual normalization over the course of 2017.

South Korea's sovereign creditworthiness is improving; in mid-September, Standard & Poor's upgraded the country's credit rating by one notch to "AA-" on the back of a sound economic growth outlook as well as a decline in the banking sector's external debt and a lower share of short-term borrowing. Moody's holds a "positive" outlook on South Korea's "Aa3" rating, while Fitch rates the country in the "AA-" category with a "stable" outlook.

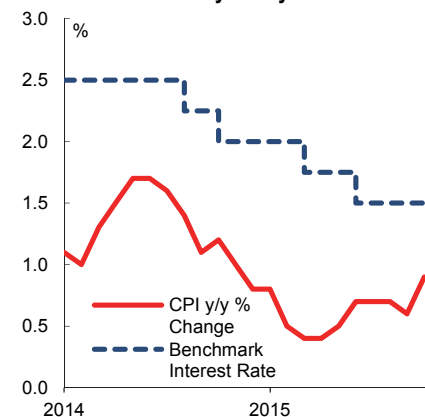
South Korea's public sector finances remain healthy with a virtually balanced budget — based on the International Monetary Fund's (IMF) definition of a general government net lending ratio — likely to be recorded through 2017. The government maintains an expansionary fiscal policy stance in order to support economic growth. General government gross debt will average 39% of GDP through 2017, according to the IMF, comparing favourably with an advanced economy average of 104%. A smaller oil import bill will boost South Korea's external accounts this year, offsetting the struggling export sector performance; the nation's current account surplus will remain sizable through 2017, averaging 7½% of GDP.

Chart 1: Korean Real GDP Growth



Source: Bloomberg, Scotiabank Economics.

Chart 2: Korean Inflation And Monetary Policy Rate



Source: Bloomberg, Scotiabank Economics.

AUTOS

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North American Auto Industry Outperforms

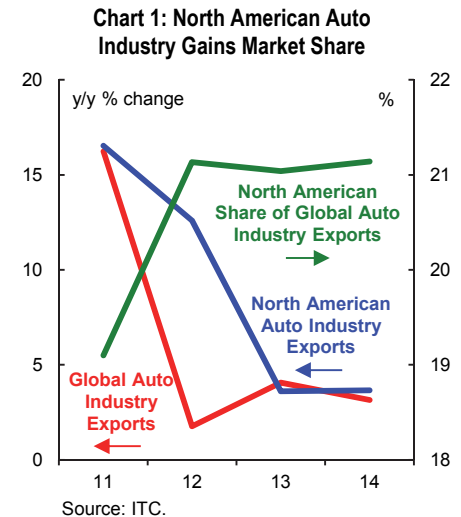
The North American auto industry is a bright star in the current sluggish overall economic environment, and is outperforming other industrial sectors. Vehicle sales and production are at record highs across North America. Auto sector employment growth has accelerated to the fastest pace in nearly a decade, and exports have gained market share across the globe. However, significant concerns have arisen over the potential dislocation of sourcing patterns for vehicles and parts once the Trans-Pacific Partnership (TPP) is implemented. The TPP provides the North American auto industry with preferential access to the rapidly growing markets of Asia and South America. However, it reduces the rules of origin requirement for vehicles and parts that have been in place under NAFTA. This has become a significant concern in Canada, as the industry remains almost exclusively focused on North America. More than 96% of Canadian parts exports are destined to its NAFTA partners.

The North American auto industry has become more innovative in recent years in response to the pressures triggered by globalization. North American exports are outpacing the increase in global automotive cross-border shipments. The industry is in a much stronger competitive position than during the previous decade when it consistently lagged its global peers. As a result, auto sector employment across the entire NAFTA region has increased by 6% over the past year. Mexico is leading the way, but payroll growth has also exceeded 5% y/y in both Canada and the United States in recent months.

Under the TPP, the local content requirements for vehicles and parts will drop roughly 20 percentage points from the current NAFTA constraints. These reductions have raised concerns of significant job losses at both vehicle assembly facilities and auto parts plants across North America, if there is a shift in production to low-cost jurisdictions. However, the performance trend has actually been moving in the opposite direction in recent years, with North America becoming a preferred location to assemble vehicles for the local market, and increasingly for export. Automakers have added more than 1.5 million units of new capacity in North America since 2007, with these facilities geared for sales within North America, as well as for export. In fact, vehicle exports from North America to the rest of the world have increased by 15% per annum over the past decade, more than quadruple the advance in cross-border shipments within NAFTA.

Importantly, the North American auto industry has the most highly integrated supply chain network. More than 75% of all motor vehicle parts used in the region are sourced within NAFTA — a much higher level than the current 60% requirement. In fact, the North American auto industry's supply chain network has maintained a stable sourcing pattern, despite the emergence of Asia — especially China — as a large global auto parts exporter. For example, Asian auto parts exports destined to North America have increased at an 8% annual rate over the past decade, significantly lower than the double-digit increase in overall auto parts exports from Asia. In addition, auto parts from Asia have made fewer inroads into North America than into the European Union — a region perceived as the leader in engineering and technological efficiency and innovation. As a result, the NAFTA countries have experienced a minimal loss in market share for domestically-sourced auto parts.

With North American vehicle sales and production at record highs and ownership rates among the highest in the world, the industry needs enhanced access to new growth markets, such as Asia and Latin America. North American producers have already made significant inroads into jurisdictions with high tariffs — Vietnam has an MFN tariff on imported vehicles of 70%, while Malaysia has a 30% tariff on vehicles imported from outside the ASEAN region. Auto and parts exports from NAFTA to the Trans-Pacific Partnership members have increased by 8% per annum over the past five years, roughly double the pace of growth in the mature North American market. Furthermore, NAFTA's export growth to its TPP partners is nearly five times larger than the advance in parts shipments from the European Union to the TPP members in Asia and Latin America.



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Key Data Preview

CANADA

Canadian inflation should continue to display relatively solid growth by global standards for October, and we're anticipating that CPI should come in at 1.2% y/y in terms of headline inflation and 2.1% y/y on core. The monthly not-seasonally-adjusted print will likely come in at +0.2% m/m as seasonal volatility in clothing prices props up monthly inflation overall (clothing prices tend to rise by approximately 1% m/m in October) while a seasonal decline in reading, education, and recreation costs, typically in the -0.75% m/m area in October, mitigates the clothing price uptick somewhat. Gasoline prices were a negative on the month, with pump prices falling by 1.4% m/m on average, but note that these declines were somewhat less than those logged in the U.S. during October as the weak C\$ continues to weigh on the extent of stimulus that consumers receive from the global drop in oil costs. The wildcard for Canadian CPI remains the extent of pass-through into inflation from the soft C\$: a number of categories of inflation, including clothing prices and other import-heavy segments, are running at above-trend paces of growth, and we expect this to continue for some months, boosting core CPI in the process.

Retail sales should retain some strength in September, printing at +0.3% m/m, even after posting solid growth on the order of +0.5% m/m in August. Our forecast is driven by solid vehicle sales, which our auto industry specialist Carlos Gomes estimates came in at a seasonally adjusted 1.98m in September (a new all-time high) vs. 1.94m in August. That 2.1% m/m estimated increase in auto sales volumes alone should be enough to make for a strong retail sales report. Mitigating factors include September's 7% m/m decline in gasoline prices at the pump, but this may not necessarily translate fully into a commensurate drop in sales at gasoline stations as volume increases, amidst the drop in gasoline costs, could make up for some of the price declines. Base effects mitigate our enthusiasm overall, however, after the strong August number. Without reliable consumer confidence data for Canada or other timely coincident indicators, we will be counting on those factors to round out our forecast, although we might update it with the release of the survey of large retailers early next week.

Manufacturing sales for September are a tough call. We're forecasting a soft -0.1% m/m print with risks in both directions because the export data pointed to potential for both upside and downside surprises. The issue is that exports of some manufactured products were quite weak (motor vehicles, -3.7% m/m; aircraft, -1.7% m/m; chemical products, -2% m/m) while other manufactured products were quite strong (metal products, +3.2% m/m; consumer goods, +4.6% m/m). New orders declined in August, however this was after a spike in July during which a lumpy quantity of heavy machinery orders went through. On net, our add-up points to softness, but with so many moving parts (and with them moving by so much) this is a lower conviction call than usual.

UNITED STATES

We're anticipating an increase in **U.S. inflation** on the order of +0.1% m/m on headline and +0.2% m/m on core in October. Our forecast for a solid core print is driven by tailwinds from the housing cost component of CPI, which we expect will remain strong for the next year or more as a result of already realized increases in home prices (home prices tend to forecast the performance of the CPI housing costs indices with a lag). On the headline CPI front, retail gasoline prices dropped by 3.25% m/m on average in October vs. September, pointing to a meaningful drag on headline CPI which pushes our headline CPI forecast into territory where it could feasibly round down to a flat 0% m/m print as easily as it could round up to +0.1% m/m. Note that natural gas prices fell in September and moreover October, both of which should considerably drag on utility piped gas prices in October and into November (there is a lagged relationship between natural gas commodity prices and realized utility costs).

Housing starts should remain robust in October, and we're anticipating a solid 1.175m annualized starts as building permit issuance remains at lofty levels and home sales have been strong in 2015, likely improving homebuilder sentiment and increasing the willingness to start new projects. Note that starts hit a new post-crisis high in September at 1.206m, so we're expecting a bit of a base-effect fall-off from that level, but not a fundamental change in the ongoing direction of the solid U.S. residential construction revival.

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EUROPE

On Tuesday November 17th, the German Zew economic sentiment index will be released for November. After plunging from 12.1 to 1.9 in October due to the Volkswagen scandal, the German Zew index is forecast to rise to 6.5 in November. Nevertheless, German economic growth slowed in the third quarter to 0.3% q/q from 0.4% in the prior quarter as strong consumption, supported by subdued inflation, robust labour market conditions and low interest rates, was tempered by weakness in exports and industrial production. The emerging market slowdown is clearly having an adverse impact on the euro zone's largest economy, which contributed to the currency bloc's loss of economic momentum in the third quarter. This combined with stubbornly low inflation should prompt the European Central Bank to unleash further monetary stimulus as early as December.

LATIN AMERICA

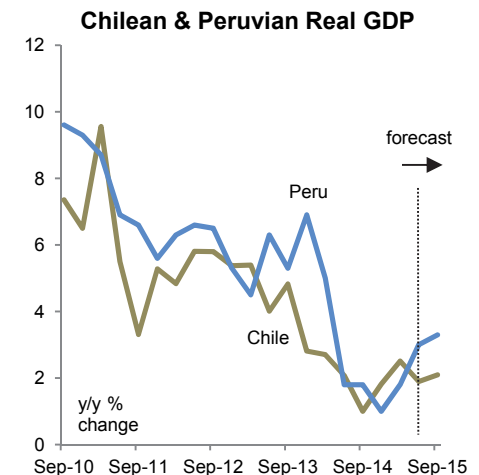
Both Chile and Peru will release third quarter GDP results on November 18th and 20th, respectively. We expect the Chilean economy to have expanded by 2.1% y/y in the third quarter of 2015, an improvement over the 1.9% print in the prior quarter. Chile continues to be battered by the weak commodity environment — particularly in copper, its primary export — and lackluster global demand generally, although manufacturing output unexpectedly expanded in September. In Peru, which is also feeling the commodity slump crunch, third quarter real GDP growth likely experienced a moderate pick-up to 3.3% y/y in the third quarter from 3.0% in the April-June period.

ASIA

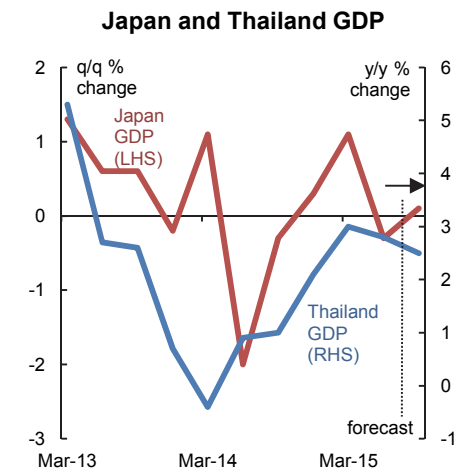
Japan and Thailand will release third quarter GDP data on November 15th (EST). We estimate that Japan's output expanded by 0.1% q/q (non-annualized) following a 0.3% contraction in the April-June period. Japanese economic data have been mixed in recent months; while composite industrial and services sector activity indices point to virtually flat growth over the third quarter, wholesale and retail trade as well as manufacturing confidence have showed clear improvement. In Thailand, we estimate that real GDP expanded by 2.5% y/y, slightly down from the 2.8% pace recorded in the prior quarter. Thailand's economic conditions remain challenging as the nation's exporters are adversely impacted by subdued demand in China (destination for 12% of Thai goods exports) and ASEAN economies, while the August bombings in Bangkok have caused a slowdown in tourist arrival growth.



Source: Scotiabank Economics, ZEW.



Source: Scotiabank Economics, Bloomberg.



Source: Bloomberg, Scotiabank Economics.

Key Indicators for the week of November 16 – 20

North America



Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	11/16	08:30	International Securities Transactions (C\$ bn)	Sep	--	--	3.1
CA	11/16	08:30	Manufacturing Shipments (m/m)	Sep	-0.1	0.4	-0.2
US	11/16	08:30	Empire State Manufacturing Index	Nov	--	-6.0	-11.4
CA	11/16	09:00	Existing Home Sales (m/m)	Oct	--	--	-2.1
US	11/17	08:30	CPI (m/m)	Oct	0.1	0.2	-0.2
US	11/17	08:30	CPI (y/y)	Oct	0.1	0.1	0.0
US	11/17	08:30	CPI ex. Food & Energy (m/m)	Oct	0.2	0.2	0.2
US	11/17	08:30	CPI ex. Food & Energy (y/y)	Oct	1.9	1.9	1.9
US	11/17	08:30	CPI (index)	Oct	237.7	237.7	237.9
US	11/17	09:15	Industrial Production (m/m)	Oct	0.2	0.1	-0.2
US	11/17	09:15	Capacity Utilization (%)	Oct	--	77.5	77.5
US	11/17	10:00	NAHB Housing Market Index	Nov	--	64.0	64.0
US	11/17	16:00	Total Net TIC Flows (US\$ bn)	Sep	--	--	-9.2
US	11/17	16:00	Net Long-term TIC Flows (US\$ bn)	Sep	--	--	20.4
US	11/18	07:00	MBA Mortgage Applications (w/w)	NOV 13	--	--	-1.3
US	11/18	08:30	Building Permits (000s a.r.)	Oct	--	1150	1105
US	11/18	08:30	Housing Starts (000s a.r.)	Oct	1175	1160	1206
US	11/18	08:30	Housing Starts (m/m)	Oct	--	-3.8	6.5
CA	11/19	08:30	Wholesale Trade (m/m)	Sep	0.2	--	-0.1
US	11/19	08:30	Initial Jobless Claims (000s)	NOV 14	275	271	276
US	11/19	08:30	Continuing Claims (000s)	NOV 7	2170	2170	2174
US	11/19	10:00	Leading Indicators (m/m)	Oct	--	0.5	-0.2
US	11/19	10:00	Philadelphia Fed Index	Nov	0.0	0.0	-4.5
CA	11/20	08:30	CPI, All items (m/m)	Oct	0.2	0.0	-0.2
CA	11/20	08:30	CPI, All items (y/y)	Oct	1.2	1.0	1.0
CA	11/20	08:30	Core X8 CPI (m/m)	Oct	0.3	0.2	0.2
CA	11/20	08:30	Core X8 CPI (y/y)	Oct	2.1	2.0	2.1
CA	11/20	08:30	CPI, All items (index)	Oct	--	127.1	127.1
CA	11/20	08:30	CPI SA, All items (m/m)	Oct	--	0.1	-0.2
CA	11/20	08:30	Core CPI SA, All items (m/m)	Oct	--	0.2	0.1
CA	11/20	08:30	Retail Sales (m/m)	Sep	0.3	0.3	0.5
CA	11/20	08:30	Retail Sales ex. Autos (m/m)	Sep	0.2	-0.4	0.0
MX	11/20	09:00	GDP (q/q)	3Q	--	0.6	0.5
MX	11/20	09:00	GDP (y/y)	3Q	--	2.3	2.2
MX	11/20	09:00	Global Economic Indicator IGAE (y/y)	Sep	--	2.5	2.6

Europe



Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
EC	11/16	05:00	CPI (m/m)	Oct	0.1	0.1	0.1
EC	11/16	05:00	CPI (y/y)	Oct F	0.0	0.0	0.0
EC	11/16	05:00	Euro zone Core CPI Estimate (y/y)	Oct F	1.0	1.0	1.0
UK	11/17	04:30	CPI (m/m)	Oct	0.2	0.1	-0.1
UK	11/17	04:30	CPI (y/y)	Oct	0.0	-0.1	-0.1
UK	11/17	04:30	DCLG House Prices (y/y)	Sep	--	5.4	5.2
UK	11/17	04:30	PPI Input (m/m)	Oct	--	0.2	0.6
UK	11/17	04:30	PPI Output (m/m)	Oct	--	-0.1	-0.1
UK	11/17	04:30	RPI (m/m)	Oct	--	0.1	-0.1
UK	11/17	04:30	RPI (y/y)	Oct	--	0.9	0.8
EC	11/17	05:00	ZEW Survey (Economic Sentiment)	Nov	--	--	30.1
GE	11/17	05:00	ZEW Survey (Current Situation)	Nov	54.5	55.2	55.2
GE	11/17	05:00	ZEW Survey (Economic Sentiment)	Nov	6.5	6.0	1.9

Forecasts at time of publication.

Source: Bloomberg, Scotiabank Economics.

Key Indicators for the week of November 16 – 20

Europe (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
EC	11/19	04:00	Current Account (€ bn)	Sep	--	--	17.7
IT	11/19	04:30	Current Account (€ mn)	Sep	--	--	1389.3
UK	11/19	04:30	Retail Sales ex. Auto Fuel (m/m)	Oct	--	-0.6	1.7
UK	11/19	04:30	Retail Sales with Auto Fuel (m/m)	Oct	--	-0.5	1.9
GE	11/20	02:00	Producer Prices (m/m)	Oct	--	-0.2	-0.4
UK	11/20	04:30	PSNB ex. Interventions (£ bn)	Oct	--	6.0	9.4
UK	11/20	04:30	Public Finances (PSNCR) (£ bn)	Oct	--	--	17.9
UK	11/20	04:30	Public Sector Net Borrowing (£ bn)	Oct	--	5.3	8.6
EC	11/20	10:00	Consumer Confidence	Nov A	--	-7.5	-7.7

Asia Pacific

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
NZ	11/15	16:45	Retail Sales Ex Inflation (q/q)	3Q	--	1.4	0.1
JN	11/15	18:50	GDP (q/q)	3Q P	0.1	-0.1	-0.3
AU	11/15	19:30	New Motor Vehicle Sales (m/m)	Oct	--	--	5.5
TH	11/15	21:30	GDP (y/y)	3Q	2.5	2.5	2.8
ID	11/15	23:00	Exports (y/y)	Oct	--	--	-18.0
ID	11/15	23:00	Imports (y/y)	Oct	--	--	-26.0
ID	11/15	23:00	Trade Balance (US\$ mn)	Oct	--	--	1017.2
IN	NOV 15-20		Exports (y/y)	Oct	--	--	-24.3
IN	NOV 15-20		Imports (y/y)	Oct	--	--	-25.4
PH	NOV 15-16		Overseas Remittances (y/y)	Sep	--	-0.8	-0.6
IN	11/16	01:30	Monthly Wholesale Prices (y/y)	Oct	--	-3.9	-4.5
SI	11/16	19:30	Exports (y/y)	Oct	--	-3.6	0.3
HK	NOV 16-19		Composite Interest Rate (%)	Oct	--	--	0.26
ID	NOV 16-17		BI Reference Interest Rate (%)	Nov 17	7.50	--	7.50
HK	11/17	03:30	Unemployment Rate (%)	Oct	3.3	3.3	3.3
AU	11/17	18:00	Conference Board Leading Index (%)	Sep	--	--	-0.4
AU	11/17	19:30	Wage Cost Index (q/q)	3Q	--	0.6	0.6
SI	NOV 17-25		Real GDP (y/y)	3Q F	1.4	1.4	1.4
SK	11/18	16:00	PPI (y/y)	Oct	--	--	-4.5
NZ	11/18	16:45	Producer Price - Inputs (q/q)	3Q	--	--	-0.3
NZ	11/18	16:45	Producer Price - Outputs (q/q)	3Q	--	--	-0.2
JN	11/18	18:50	Merchandise Trade Balance (¥ bn)	Oct	--	-250.6	-115.8
JN	11/18	18:50	Adjusted Merchandise Trade Balance (¥ bn)	Oct	--	-377.4	-355.7
JN	11/18	18:50	Merchandise Trade Exports (y/y)	Oct	--	-2.0	0.5
JN	11/18	18:50	Merchandise Trade Imports (y/y)	Oct	--	-8.9	-11.0
JN	11/18	23:30	All Industry Activity Index (m/m)	Sep	--	0.2	-0.2
JN	NOV 18-19		BoJ Monetary Base Target (¥ tn)	Nov 19	80.0	--	80.0
JN	11/19	00:30	Nationwide Department Store Sales (y/y)	Oct	--	--	1.8
MA	11/19	23:00	CPI (y/y)	Oct	2.4	2.3	2.6
JN	NOV 19-25		Supermarket Sales (y/y)	Oct	--	--	2.9
TA	11/20	03:00	Export Orders (y/y)	Oct	--	-3.9	-4.5
TA	11/20	03:20	Current Account Balance (US\$ mn)	3Q	--	--	16550

Latin America

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CL	11/18	06:30	GDP (q/q)	3Q	--	0.3	0.0
CL	11/18	06:30	GDP (y/y)	3Q	2.1	2.1	1.9
CO	11/18	16:00	Retail Sales (y/y)	Sep	--	--	5.4
BZ	11/19	06:00	Unemployment Rate (%)	Oct	--	7.6	7.6
CO	11/20	16:00	Trade Balance (US\$ mn)	Sep	--	--	-1433.6
PE	11/20		GDP (y/y)	3Q	3.3	--	3.0

Forecasts at time of publication.

Source: Bloomberg, Scotiabank Economics.

Global Auctions for the week of November 16 – 20

North America



<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	11/16	10:30	Canada to Sell CAD3.3 Bln 17-Day Bills
US	11/16	11:30	U.S. to Sell USD30 Bln 3-Month Bills
US	11/16	11:30	U.S. to Sell USD28 Bln 6-Month Bills
CA	11/17	10:30	Canada to Sell CAD6 Bln 98-Day Bills
CA	11/17	10:30	Canada to Sell CAD2.25 Bln 182-Day Bills
CA	11/17	10:30	Canada to Sell CAD2.25 Bln 364-Day Bills
US	11/17	11:30	U.S. to Sell 4-Week Bills
CA	11/18	12:00	Canada to Sell CAD3.7 Bln 1.25% 2018 Bonds
US	11/19	13:00	U.S. to Sell USD13 Bln 10-Year TIPS Reopening

Europe



<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
NE	11/16	05:00	Netherlands to Sell Up to EUR2 Bln 72-Day Bills
FR	11/16	08:50	France to Sell Up to EUR3.8 Bln 84-Day Bills
FR	11/16	08:50	France to Sell Up to EUR1.8 Bln 357-Day Bills
FR	11/16	08:50	France to Sell Up to EUR1.5 Bln 147-Day Bills
SP	11/17	04:30	Spain to Sell 6 Month Bills
SP	11/17	04:30	Spain to Sell 12 Month Bills
MB	11/17	05:00	Malta to Sell 91-Day Bills
MB	11/17	05:00	Malta to Sell 28-Day Bills
EC	11/17	05:10	ECB Main Refinancing Operation Result
SZ	11/17	05:15	Switzerland to Sell 182-Day Bills
EC	11/17	06:30	ESM to Sell Up to EUR2.5 Bln 182-Day Bills
SW	11/18	05:00	Sweden to Sell SEK15 Bln 89-Day Bills
GE	11/18	05:30	Germany to Sell EUR5 Bln 2017 Bonds
UK	11/18	05:30	U.K. to Sell GBP3.25 Bln 2% 2025 Bonds
PO	11/18	05:30	Portugal to Sell Bills
SP	11/19	04:30	Spain to Sell 0.25% 2018 Bonds
SP	11/19	04:30	Spain to Sell 1.15% 2020 Bonds
SP	11/19	04:30	Spain to Sell 5.4% 2023 Bonds
FR	11/19	04:50	France to Sell 4.25% 2018 Bonds
FR	11/19	04:50	France to Sell 0.25% 2020 Bonds
FR	11/19	04:50	France to Sell 2.25% 2022 Bonds
SW	11/19	05:03	Sweden to Sell SEK700 Mln 1% I/L 2025 Bonds
SW	11/19	05:03	Sweden to Sell SEK300 Mln 0.125% I/L 2032 Bonds
FR	11/19	05:50	France to Sell 0.25% I/L 2024 Bonds
FR	11/19	05:50	France to Sell 3.15% I/L 2032 Bonds
FR	11/19	05:50	France to Sell 1.85% I/L 2027 Bonds
IC	11/20	06:00	Iceland to Sell Bonds
UK	11/20	06:00	U.K. to Sell GBP250 Mln 28-Day Bills
UK	11/20	06:00	U.K. to Sell GBP2.5 Bln 91-Day Bills
UK	11/20	06:00	U.K. to Sell GBP2 Bln 182-Day Bills

Source: Bloomberg, Scotiabank Economics.

Global Auctions for the week of November 16 – 20

Asia Pacific

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	11/15	19:00	Australia Plans to Sell AUD300 Mln 2.75% 2035 Bonds
CH	11/16	20:20	Dalian to Sell CNY1.18 Bln 3-Yr General Bonds
CH	11/16	20:20	Dalian to Sell CNY1.77 Bln 5-Yr General Bonds
CH	11/16	20:20	Dalian to Sell CNY1.77 Bln 7-Yr General Bonds
CH	11/16	20:20	Dalian to Sell CNY1.18 Bln 10-Yr General Bonds
CH	11/16	21:00	China Development Bank To Sell CNY3 Bln 2-Yr Bonds
CH	11/16	21:20	Dalian to Sell CNY1.17 Bln 3-Yr Special Bonds
CH	11/16	21:20	Dalian to Sell CNY1.75 Bln 5-Yr Special Bonds
CH	11/16	21:20	Dalian to Sell CNY1.75 Bln 7-Yr Special Bonds
CH	11/16	21:20	Dalian to Sell CNY1.17 Bln 10-Yr Special Bonds
JN	11/16	22:35	Japan to Sell 1-Year Bills
JN	11/16	22:45	Japan to Sell 5-Year Bonds
AU	11/17	19:00	Australia Plans to Sell AUD800 Mln 2.75% 2026 Bonds
CH	11/17	21:35	China to Sell CNY28 Bln 7-Year Bonds
JN	11/17	22:35	Japan to Sell 3-Month Bills
AU	11/18	18:30	Australia Plans to Sell AUD500 Mln 98-Day Bills
NZ	11/18	20:05	New Zealand Plans to Sell NZD200 Mln 4.5% 2027 Bonds
CH	11/18	21:00	Beijing to Sell CNY2.40546 Bln 5-Yr General Bonds
CH	11/18	21:00	Beijing to Sell CNY1.67385 Bln 10-Yr General Bonds
CH	11/18	21:00	Beijing to Sell CNY2.53886 Bln 7-Yr General Bonds
CH	11/18	21:00	Beijing to Sell CNY2.01707 Bln 3-Yr General Bonds
CH	11/18	21:00	Beijing to Sell CNY6.22984 Bln 3-Yr Special Bonds
CH	11/18	21:00	Beijing to Sell CNY6.96062 Bln 5-Yr Special Bonds
CH	11/18	21:00	Beijing to Sell CNY6.69075 Bln 7-Yr Special Bonds
CH	11/18	21:00	Beijing to Sell CNY5.787 Bln 10-Yr Special Bonds
CH	11/18	22:00	Beijing to Sell CNY203 Mln 7-Yr Special Bonds
CH	11/19	00:30	Jilin to Sell CNY2.44686 Bln 3-Yr General Bonds
CH	11/19	00:30	Jilin to Sell CNY7.32 Bln 5-Yr General Bonds
CH	11/19	00:30	Jilin to Sell CNY7.32 Bln 7-Yr General Bonds
CH	11/19	00:30	Jilin to Sell CNY7.32 Bln 10-Yr General Bonds
CH	11/19	01:30	Jilin to Sell CNY5.43221 Bln 5-Yr Special Bonds
CH	11/19	01:30	Jilin to Sell CNY5.43 Bln 10-Yr Special Bonds
CH	11/19	02:30	Jilin to Sell CNY1.64829 Bln 5-Yr Special Bonds
CH	11/19	02:30	Jilin to Sell CNY8.864 Bln 10-Yr Special Bonds
AU	11/19	19:00	Australia Plans to Sell AUD600 Mln 2.75% 2020 Bonds
CH	11/19	22:00	China to sell 50-year bonds
CH	11/20	01:00	Hunan to Sell CNY4.6467 Bln 3-Yr General Bonds
CH	11/20	01:00	Hunan to Sell CNY13.2 Bln 5-Yr General Bonds
CH	11/20	01:00	Hunan to Sell CNY13.2 Bln 10-Yr General Bonds
CH	11/20	01:00	Hunan to Sell CNY13.2 Bln 7-Yr General Bonds
JN	11/20	03:00	Japan Auction for Enhanced-Liquidity

Latin America

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	11/19	09:00	Brazil to Sell Bills LTN - 04/01/2016
BZ	11/19	09:00	Brazil to Sell Bills LTN - 10/01/2017
BZ	11/19	09:00	Brazil to Sell Bills LTN - 07/01/2019

Source: Bloomberg, Scotiabank Economics.

Events for the week of November 16 – 20

North America



<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	11/17	13:15	Fed's Powell Delivers Speech on Central Clearing
US	11/17	15:30	Fed's Tarullo Speaks on Shadow Banking at Brookings Institute
US	11/18	08:00	Fed's Dudley, Mester and Lockhart Panel on Payments System
US	11/18	12:00	Fed's Kaplan Discusses Economic Conditions, Policy in Houston
CA	11/19	12:00	Ontario's New FAO Speaks on Province's Finances and Economy
US	11/19	12:30	Fed's Lockhart Speaks on U.S. Economy in Atlanta
US	11/19	12:30	Fed Vice Chair Fischer Gives Remarks on Emerging Asia
US	11/20	09:00	Fed's Bullard Speaks on Economy in Arkansas

Europe



<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	11/16	03:30	ECB's Vitor Constancio Speaks at Euro Finance Week
EC	11/16	04:00	EU Foreign Ministers Hold Meeting in Brussels
EC	11/16	05:15	ECB President Draghi Speaks in Madrid
EC	11/16	11:00	ECB Executive Board Member Coeure Speaks in Paris
EC	11/16	12:15	ECB's Nowotny in Panel Discussion about Greece Rescue
EC	11/16		ESM's Regling Speaks at Conference in Shenzhen, China
EC	11/17	03:00	EU's Juncker, Thyssen at Bozar Conference in Brussels
EC	11/17	03:30	ECB's Sabine Lautenschlaeger Speaks at Euro Finance Week
SW	11/18	03:00	Riksbank's Floden Speaks at Conference
EC	11/18	03:00	ECB's Yves Mersch Speaks at Euro Finance Week
EC	11/18	06:00	EU to Issue Opinions on Draft National Budgets in Brussels
EC	11/18	09:35	ECB's Coene Speaks in Brussels
EC	11/18	10:00	EU's Juncker in Citizens Dialogue at Bozar in Brussels
EC	11/18	13:30	ECB Executive Board Member Lautenschlaeger Speaks in Frankfurt
PO	11/18		Bank of Portugal Releases Financial Stability Report
EC	11/19	03:00	ECB's Coeure Speaks in Frankfurt
EC	11/19	03:00	ECB's Weidmann Speaks in Frankfurt
EC	11/19	03:30	ECB's Peter Praet Speaks at Europe Finance Week
SW	11/19	07:00	Riksbank's Ingves Gives Speech
EC	11/19	07:30	ECB account of the monetary policy meeting
PO	11/19	10:00	Portuguese Parliament Holds Vote on European Commitments
SZ	11/19	12:30	SNB's Andrea Maechler Speaks in Geneva
EC	11/20	03:00	ECB's Mario Draghi Speaks at Euro Finance Week
EC	11/20	03:15	ECB's Coeure Speaks in Frankfurt
EC	11/20	05:00	ECB's Praet Speaks in Frankfurt
GE	11/20	05:15	Bundesbank's Jens Weidmann Speaks at Euro Finance Week
EC	11/20	08:00	ECB's Constancio Speaks in Frankfurt
GE	11/20		German Finance Ministry Publishes October Monthly Report
SZ	11/20		Switzerland Sovereign Debt to Be Rated by S&P

Source: Bloomberg, Scotiabank Economics.

Events for the week of November 16 – 20

Asia Pacific

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	11/16	16:30	RBA's Kent Opening Remarks at Sydney Conference
AU	11/16	19:30	RBA November Meeting Minutes
HK	NOV 16-19		Composite Interest Rate
ID	NOV 16-17		Bank Indonesia Reference Rate
ID	NOV 16-17		Bank Indonesia Deposit Facility Rate
ID	NOV 16-17		Bank Indonesia Lending Facility Rate
AU	11/17	17:15	RBA's Debelle Speaks at Bloomberg Summit in Sydney
JN	11/18	22:00	Bank of Japan Policy Statement/Kuroda Press Conference
JN	NOV 18-19		BOJ Annual Rise in Monetary Base
AU	11/19	17:40	RBA's Heath Speech in Canberra
JN	11/20	02:00	BOJ Kuroda makes a speech in Tokyo

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>
<i>Bank of Canada – Overnight Target Rate</i>	0.50	December 2, 2015	0.50	0.50
<i>Federal Reserve – Federal Funds Target Rate</i>	0.25	December 16, 2015	0.25	0.50
<i>Banco de México – Overnight Rate</i>	3.00	December 17, 2015	3.00	--

Canada has no central bank activity on deck, but there is a decent amount of data risk bookending the week. On Monday, September's manufacturing sales will kick off the end-of-quarter readings that arrive over the week and will help us finalize our estimates of Q3 GDP. Also on Monday will be the release of home resales for October and wholesale sales are due out on Thursday. Friday retail sales and CPI releases carry the highest risk. A significant week for **US** data risk will be supplemented by ongoing dialogue from Federal Reserve officials. None of it, however, is expected to materially alter the risk of a hike in about one month's time. Key data will include CPI (Tuesday), industrial production (Tuesday), housing starts (Wednesday) and the Philadelphia Fed Business Outlook (Thursday). The Fed will release the minutes to its Oct 27-28 meeting on Wednesday, and there's plenty of Fed speak on tap including Fed officials Powell, Tarullo, Lockhart, Dudley and Vice Chair Fischer.

Europe

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
<i>European Central Bank – Refinancing Rate</i>	0.05	December 3, 2015	0.05	--
<i>Bank of England – Bank Rate</i>	0.50	December 10, 2015	0.50	0.50
<i>Swiss National Bank – Libor Target Rate</i>	-0.75	December 10, 2015	-0.75	--
<i>Central Bank of Russia – One-Week Auction Rate</i>	11.00	December 11, 2015	11.00	--
<i>Central Bank of the Republic of Turkey – 1 Wk Repo Rate</i>	7.50	November 24, 2015	7.50	--
<i>Sweden Riksbank – Repo Rate</i>	-0.35	December 15, 2015	-0.35	--
<i>Norges Bank – Deposit Rate</i>	0.75	December 17, 2015	0.75	--

Asia Pacific

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
<i>Reserve Bank of Australia – Cash Target Rate</i>	2.00	November 30, 2015	1.75	2.00
<i>Reserve Bank of New Zealand – Cash Rate</i>	2.75	December 9, 2015	2.50	2.50
<i>People's Bank of China – Lending Rate</i>	4.35	TBA	--	--
<i>Reserve Bank of India – Repo Rate</i>	6.75	December 1, 2015	6.75	--
<i>Bank of Korea – Bank Rate</i>	1.50	December 10, 2015	1.50	--
<i>Bank of Thailand – Repo Rate</i>	1.50	December 16, 2015	1.50	1.50
<i>Bank Indonesia – Reference Interest Rate</i>	7.50	November 17, 2015	7.50	--

We expect monetary authorities of **Bank Indonesia** (BI) to remain on hold next week, maintaining the benchmark interest rate at 7.50%. The headline inflation rate has declined since July and stood at 6.3% y/y in October. Inflation will likely continue to slow in the final months of 2015 and in early 2016 as the impact of the fuel subsidy cut falls out of the consumer price index. Accordingly, we expect BI to be able to ease monetary conditions in early 2016.

Latin America

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
<i>Banco Central do Brasil – Selic Rate</i>	14.25	November 25, 2015	14.25	--
<i>Banco Central de Chile – Overnight Rate</i>	3.25	December 17, 2015	3.25	--
<i>Banco de la República de Colombia – Lending Rate</i>	5.25	November 27, 2015	4.75	5.63
<i>Banco Central de Reserva del Perú – Reference Rate</i>	3.50	December 10, 2015	3.50	--

Africa



<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
<i>South African Reserve Bank – Repo Rate</i>	6.00	November 19, 2015	6.25	6.00


We expect that the **South African Reserve Bank** will begin to tighten monetary conditions, raising the benchmark repo rate to 6.25% on Thursday. The country's sizable current account deficit – largely financed by portfolio inflows – faces repatriation risk as the anticipated monetary policy normalization in the US approaches. This is reflected in the country's currency (10.9% depreciation against the US dollar over the past three months), which poses upside risks to the country's inflation outlook. Although our call is out of consensus, we join 8 out of 17 economists in Bloomberg's survey that are expecting a hike next week.

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	-0.8	-0.5		Real GDP (annual rates)	2.4	0.6	3.9	1.5 (Q3-A)
Current Acc. Bal. (C\$B, ar)	-41.5	-72.6	-69.6		Current Acc. Bal. (US\$B, ar)	-390	-473	-439	
Merch. Trade Bal. (C\$B, ar)	5.0	-28.5	-27.8	-20.7 (Sep)	Merch. Trade Bal. (US\$B, ar)	-741	-769	-753	-724 (Sep)
Industrial Production	2.5	-1.8	-1.5	-0.4 (Sep)	Industrial Production	3.7	3.4	1.6	0.2 (Sep)
Housing Starts (000s)	189	175	193	198 (Oct)	Housing Starts (millions)	1.00	0.98	1.16	1.21 (Sep)
Employment	0.6	0.6	0.9	0.8 (Oct)	Employment	1.9	2.3	2.2	1.9 (Oct)
Unemployment Rate (%)	6.9	6.7	6.8	7.0 (Oct)	Unemployment Rate (%)	6.2	5.6	5.4	5.0 (Oct)
Retail Sales	4.6	2.4	1.9	2.8 (Aug)	Retail Sales	3.6	1.8	1.0	1.2 (Oct)
Auto Sales (000s)	1850	1808	1872	1933 (Aug)	Auto Sales (millions)	16.4	16.7	17.1	18.1 (Oct)
CPI	1.9	1.1	0.9	1.0 (Sep)	CPI	1.6	-0.1	0.0	0.0 (Sep)
IPPI	2.5	-1.8	-1.5	0.4 (Sep)	PPI	1.9	-3.2	-3.3	-4.1 (Oct)
Pre-tax Corp. Profits	8.8	-9.6	-11.4		Pre-tax Corp. Profits	2.1	6.7	7.5	

Mexico 				
	2014	15Q1	15Q2	Latest
Real GDP	2.1	2.6	2.2	
Current Acc. Bal. (US\$B, ar)	-25.0	-34.3	-31.9	
Merch. Trade Bal. (US\$B, ar)	-2.8	-8.8	-7.4	-17.0 (Sep)
Industrial Production	2.6	1.7	0.6	1.7 (Sep)
CPI	4.0	3.1	2.9	2.5 (Oct)

Europe

Euro Zone 					Germany 				
	2014	15Q1	15Q2	Latest		2014	15Q1	15Q2	Latest
Real GDP	0.9	1.0	1.2		Real GDP	1.6	1.1	1.6	
Current Acc. Bal. (US\$B, ar)	320	242	297	183 (Aug)	Current Acc. Bal. (US\$B, ar)	212.1	272.3	275.1	338.6 (Sep)
Merch. Trade Bal. (US\$B, ar)	334.4	296.0	381.5	203.3 (Aug)	Merch. Trade Bal. (US\$B, ar)	283.3	261.8	288.6	308.4 (Sep)
Industrial Production	0.8	1.6	1.3	1.7 (Sep)	Industrial Production	1.5	0.2	1.5	0.2 (Sep)
Unemployment Rate (%)	11.6	11.2	11.1	10.8 (Sep)	Unemployment Rate (%)	6.7	6.5	6.4	6.4 (Oct)
CPI	0.4	-0.3	0.2	-0.1 (Sep)	CPI	0.9	0.0	0.5	0.3 (Oct)

France 					United Kingdom 				
	2014	15Q1	15Q2	Latest		2014	15Q1	15Q2	Latest
Real GDP	0.2	0.9	1.1		Real GDP	2.9	2.7	2.4	
Current Acc. Bal. (US\$B, ar)	-26.2	-3.1	-1.1	25.3 (Sep)	Current Acc. Bal. (US\$B, ar)	-92.9	-96.0	-67.1	
Merch. Trade Bal. (US\$B, ar)	-43.3	-42.9	-35.3	-36.2 (Sep)	Merch. Trade Bal. (US\$B, ar)	-203.4	-206.2	-160.9	-172.3 (Sep)
Industrial Production	-1.1	1.3	1.0	1.8 (Sep)	Industrial Production	1.4	0.8	1.2	1.1 (Sep)
Unemployment Rate (%)	10.3	10.4	10.4	10.7 (Sep)	Unemployment Rate (%)	6.2	5.5	5.6	5.3 (Aug)
CPI	0.5	-0.2	0.2	0.1 (Oct)	CPI	1.5	0.1	0.0	-0.1 (Sep)








Italy 					Russia 				
	2014	15Q1	15Q2	Latest		2014	15Q1	15Q2	Latest
Real GDP	-0.4	0.1	0.6		Real GDP	0.6	-2.2	-4.6	
Current Acc. Bal. (US\$B, ar)	31.5	4.2	26.8	16.7 (Aug)	Current Acc. Bal. (US\$B, ar)	58.4	28.7	15.8	
Merch. Trade Bal. (US\$B, ar)	56.7	34.5	47.1	24.7 (Aug)	Merch. Trade Bal. (US\$B, ar)	15.8	14.8	14.3	9.6 (Sep)
Industrial Production	-0.5	-0.4	0.7	2.0 (Sep)	Industrial Production	-1.6	-0.4	-4.9	-3.7 (Sep)
CPI	0.2	-0.4	0.0	0.1 (Oct)	CPI	7.8	16.2	15.8	15.6 (Oct)

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





Source: Bloomberg, IHS Global, Scotiabank Economics.

Economic Statistics

Asia Pacific

Australia 					Japan 				
	2014	15Q1	15Q2	Latest		2014	15Q1	15Q2	Latest
Real GDP	2.7	2.5	2.0		Real GDP	-0.1	-0.8	0.9	
Current Acc. Bal. (US\$B, ar)	-44.2	-42.0	-46.8		Current Acc. Bal. (US\$B, ar)	25.0	148.3	124.0	146.6 (Sep)
Merch. Trade Bal. (US\$B, ar)	12.2	2.3	-14.6	-17.5 (Sep)	Merch. Trade Bal. (US\$B, ar)	-122.2	-30.9	-23.7	-35.5 (Sep)
Industrial Production	4.6	3.1	1.2		Industrial Production	2.1	-2.2	-0.5	-0.7 (Sep)
Unemployment Rate (%)	6.1	6.2	6.1	5.9 (Oct)	Unemployment Rate (%)	3.6	3.5	3.3	3.4 (Sep)
CPI	2.5	1.3	1.5		CPI	2.7	2.3	0.5	0.0 (Sep)
South Korea 					China 				
Real GDP	3.3	2.5	2.2		Real GDP	7.3	7.8	7.5	6.9 (Q3)
Current Acc. Bal. (US\$B, ar)	89.2	93.8	115.5	127.3 (Sep)	Current Acc. Bal. (US\$B, ar)	219.7			
Merch. Trade Bal. (US\$B, ar)	47.2	86.4	98.1	80.3 (Oct)	Merch. Trade Bal. (US\$B, ar)	382.5	494.9	560.6	739.7 (Oct)
Industrial Production	0.5	-1.6	-1.9	2.0 (Sep)	Industrial Production	7.9	5.6	6.8	5.6 (Oct)
CPI	1.3	0.6	0.5	0.9 (Oct)	CPI	1.5	1.4	1.4	1.3 (Oct)
Thailand 					India 				
Real GDP	0.9	3.0	2.8		Real GDP	7.0	6.1	7.1	
Current Acc. Bal. (US\$B, ar)	13.4	8.3	6.2		Current Acc. Bal. (US\$B, ar)	-27.5	-1.3	-6.2	
Merch. Trade Bal. (US\$B, ar)	2.0	2.5	2.6	4.0 (Sep)	Merch. Trade Bal. (US\$B, ar)	-11.7	-9.0	-10.7	-10.5 (Sep)
Industrial Production	-4.6	0.0	-7.7	-3.3 (Sep)	Industrial Production	1.8	3.3	3.3	3.6 (Sep)
CPI	1.9	-0.5	-1.1	-0.8 (Oct)	WPI	3.8	-1.8	-2.3	-4.5 (Sep)
Indonesia 									
Real GDP	5.0	4.7	4.7						
Current Acc. Bal. (US\$B, ar)	-27.5	-4.2	-4.3						
Merch. Trade Bal. (US\$B, ar)	-0.2	0.8	0.7	1.0 (Sep)					
Industrial Production	4.8	5.1	5.2	0.7 (Sep)					
CPI	6.4	6.5	7.1	6.2 (Oct)					

Latin America









Brazil 					Chile 				
	2014	15Q1	15Q2	Latest		2014	15Q1	15Q2	Latest
Real GDP	0.1	-1.6	-2.6		Real GDP	1.9	2.5	1.9	
Current Acc. Bal. (US\$B, ar)	-104.3	-101.6	-51.3		Current Acc. Bal. (US\$B, ar)	-5.9	4.9	3.0	
Merch. Trade Bal. (US\$B, ar)	-4.0	-22.2	31.1	24.0 (Oct)	Merch. Trade Bal. (US\$B, ar)	6.7	10.3	11.6	-2.1 (Oct)
Industrial Production	-2.9	-5.9	-6.4	-10.5 (Sep)	Industrial Production	0.4	0.6	0.1	0.4 (Sep)
CPI	6.3	7.7	8.5	9.9 (Oct)	CPI	4.4	4.4	4.2	4.0 (Oct)
Peru 					Colombia 				
Real GDP	2.4	1.8	3.0		Real GDP	4.6	2.8	3.0	
Current Acc. Bal. (US\$B, ar)	-8.0	-2.5	-1.6		Current Acc. Bal. (US\$B, ar)	-19.6	-5.1	-4.3	
Merch. Trade Bal. (US\$B, ar)	-0.1	-0.3	-0.3	-0.5 (Sep)	Merch. Trade Bal. (US\$B, ar)	-0.5	-1.4	-0.9	-1.4 (Aug)
Unemployment Rate (%)	6.0	6.8	6.9	5.8 (Oct)	Industrial Production	1.5	-1.2	-1.0	2.6 (Aug)
CPI	3.2	3.0	3.3	3.7 (Oct)	CPI	2.9	4.2	4.5	5.9 (Oct)

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

Source: Bloomberg, IHS Global, Scotiabank Economics.

Financial Statistics

Interest Rates (% , end of period)

	15Q2	15Q3	Nov/06	Nov/13*		15Q2	15Q3	Nov/06	Nov/13*
Canada 					United States 				
BoC Overnight Rate	0.75	0.50	0.50	0.50	Fed Funds Target Rate	0.25	0.25	0.25	0.25
3-mo. T-bill	0.58	0.44	0.42	0.43	3-mo. T-bill	0.01	-0.02	0.08	0.11
10-yr Gov't Bond	1.68	1.43	1.72	1.65	10-yr Gov't Bond	2.35	2.04	2.33	2.28
30-yr Gov't Bond	2.30	2.20	2.42	2.34	30-yr Gov't Bond	3.12	2.85	3.09	3.06
Prime	2.85	2.70	2.70	2.70	Prime	3.25	3.25	3.25	3.25
FX Reserves (US\$B)	76.3	78.3	78.3	(Sep)	FX Reserves (US\$B)	109.3	109.2	109.2	(Sep)
Germany 					France 				
3-mo. Interbank	-0.04	-0.06	-0.07	-0.08	3-mo. T-bill	-0.18	-0.20	-0.25	-0.28
10-yr Gov't Bond	0.76	0.59	0.69	0.56	10-yr Gov't Bond	1.20	0.99	1.02	0.88
FX Reserves (US\$B)	60.9	59.3	59.3	(Sep)	FX Reserves (US\$B)	49.9	53.1	53.1	(Sep)
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	-0.06	-0.12	-0.14	-0.13	3-mo. T-bill	0.48	0.49	0.49	0.48
FX Reserves (US\$B)	330.3	332.3	332.3	(Sep)	10-yr Gov't Bond	2.02	1.76	2.04	1.98
Japan 					Australia 				
Discount Rate	0.30	0.30	0.30	0.30	Cash Rate	2.00	2.00	2.00	2.00
3-mo. Libor	0.04	0.02	0.02	0.01	10-yr Gov't Bond	3.01	2.61	2.79	2.95
10-yr Gov't Bond	0.47	0.36	0.32	0.31	FX Reserves (US\$B)	48.7	48.1	48.1	(Sep)
FX Reserves (US\$B)	1214.1	1221.5	1221.5	(Sep)					

Exchange Rates (end of period)

USDCAD	1.25	1.33	1.33	1.33	¥/US\$	122.50	119.88	123.13	122.84
CADUSD	0.80	0.75	0.75	0.75	US¢/Australian\$	0.77	0.70	0.70	0.71
GBPUSD	1.571	1.513	1.505	1.520	Chinese Yuan/US\$	6.20	6.36	6.35	6.37
EURUSD	1.115	1.118	1.074	1.072	South Korean Won/US\$	1115	1185	1142	1164
JPYEUR	0.73	0.75	0.76	0.76	Mexican Peso/US\$	15.739	16.918	16.808	16.712
USDCHF	0.94	0.97	1.01	1.01	Brazilian Real/US\$	3.103	3.948	3.769	3.821

Equity Markets (index, end of period)

United States (DJIA)	17620	16285	17910	17313	U.K. (FT100)	6521	6062	6354	6118
United States (S&P500)	2063	1920	2099	2032	Germany (Dax)	10945	9660	10988	10690
Canada (S&P/TSX)	14553	13307	13553	13095	France (CAC40)	4790	4455	4984	4798
Mexico (IPC)	45054	42633	45244	43702	Japan (Nikkei)	20236	17388	19266	19597
Brazil (Bovespa)	53081	45059	46919	46392	Hong Kong (Hang Seng)	26250	20846	22867	22396
Italy (BCI)	1238	1179	1251	1238	South Korea (Composite)	2074	1963	2041	1973

Commodity Prices (end of period)

Pulp (US\$/tonne)	980	960	960	960	Copper (US\$/lb)	2.60	2.31	2.27	2.19
Newsprint (US\$/tonne)	540	510	510	510	Zinc (US\$/lb)	0.90	0.75	0.74	0.72
Lumber (US\$/mfbm)	300	242	268	260	Gold (US\$/oz)	1171.00	1114.00	1088.90	1081.50
WTI Oil (US\$/bbl)	59.47	45.09	44.29	40.59	Silver (US\$/oz)	15.70	14.65	15.08	14.39
Natural Gas (US\$/mmbtu)	2.83	2.52	2.37	2.36	CRB (index)	227.17	193.76	191.03	184.99

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

Scotiabank Economics

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