

REGIONAL CENTRAL BANKS IN FOCUS

- [Latin America — Divergent Inflation, Divergent Monetary Policy](#) 2
- [Asia — Central Bank Week](#) 2-3
- [Canada — The BoC's Last Words](#) 3-4
- [United States— Into The Aftermath](#) 4-5
- [Europe — Too Much Of A Good Thing In Germany?](#) 5

FORECASTS & DATA

- [Key Indicators](#) A1-A2
- [Global Auctions Calendar](#) A3
- [Events Calendar](#) A4
- [Global Central Bank Watch](#) A5

CONTACTS

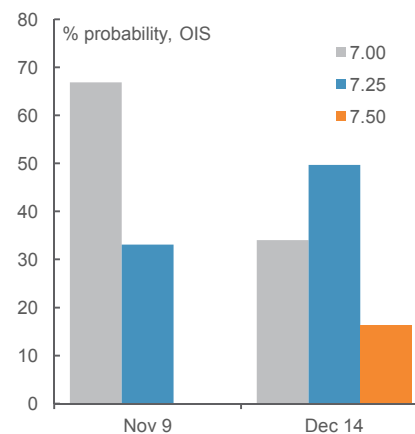
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Next Week's Risk Dashboard

- ▶ CBs: Banxico, RBA, Peru, RBNZ, BoT, Malaysia, Philippines
- ▶ Inflation: China, Brazil, Chile, Colombia, Mexico, Philippines
- ▶ China financing, exports
- ▶ BoC's Poloz
- ▶ German macro
- ▶ Fed-speak
- ▶ CDN housing
- ▶ US confidence
- ▶ CDN earnings

Chart of the Week

Banxico Rate Change Probabilities



Sources: Scotiabank Economics, Bloomberg.

Chart of the Week: Prepared by: Raffi Ghazarian,
Senior Research Analyst.

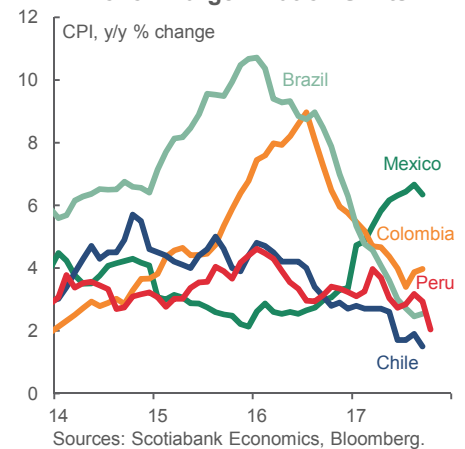
Regional Central Banks In Focus

LATIN AMERICA — DIVERGENT INFLATION, DIVERGENT MONETARY POLICY

How central banks read and respond to inflation risks will be a major focal point across a large cross-section of LatAm markets over the coming week. In fact, each of Mexico, Peru, Brazil, Chile and Colombia will be focal points in this respect and of note is the continued divergence bias on regional inflation measures (chart 1) although not met by entirely consistent policy biases which isn't surprising given the large movements over the past couple of years.

Each of Banxico and Banco Central de Reserva del Peru issue policy decisions next Thursday. **Banxico is expected to hold its policy rate at 7% for the third straight meeting following the last hike in June and to look through a transitory soft patch in Mexico's economy during Q3 that was influenced by natural disasters.** An inflation report lands with an October estimate earlier that same morning and at issue will be whether natural disasters perhaps temporarily disrupt the nascent signs of ebbing inflation that surfaced in the September report when inflation pulled back somewhat from about a sixteen-year high of 6.7% y/y. With the fifth round of NAFTA negotiations starting in Mexico City on November 17th and the window closing to renegotiate before Mexican Presidential elections on July 1st 2018 (Canada Day!), Banxico will be in a holding pattern monitoring both inflation and NAFTA risks for some time. That message was loud and clear when outgoing Governor Carstens recently noted in a Wall Street Journal interview: "We need to be very patient, especially in the case of lowering rates, until we have full certainty that the convergence is happening as expected: that is, when inflation is very near the 3% target. As things are going today, we are on track."

Chart 1 **Divergent Interpretations Follow Large Inflation Shifts**



Peru is expected to hold at 3.75% with cut risk after last cutting two meetings ago. Since the last meeting, however, Peru saw inflation ease back to just inside its inflation target range. Recall that at its last meeting on October 12th, Peru's central bank retained an easing bias as "inflation is projected to continue declining in the following months."

Brazil's IBGE inflation rate will be watched on Friday with the expectation that the October reading will be the second consecutive rise from a trough of 2.46% y/y in August. If so, then this would reinforce Banco Central do Brasil's decision to slow the pace of monetary easing.

Chile's inflation report for October arrives Wednesday. At 1.5% y/y in September and with core CPI ex-food and energy at 1.8%, inflation is tracking significantly beneath the 2–4% inflation target range. The central bank's October 19th statement flagged "surprisingly low" inflation and depicted an easing bias by stating: "incoming inflation figures point to it [ed. the baseline scenario] falling short of expectations in the short term. This could delay its convergence to the target within the two-year horizon. The Board will pay special attention to this risk...as it could require adjusting the policy rate." The central bank issues its next policy decision on November 14th.

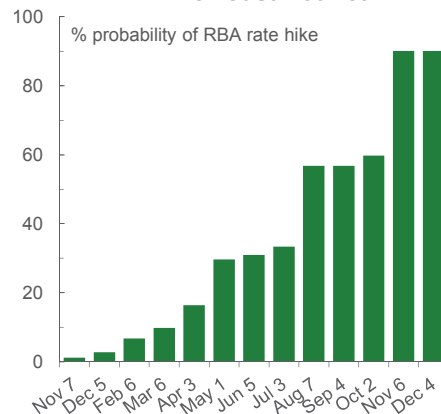
Colombia's October CPI report lands over the weekend to start the week and it is expected to jump slightly above the upper end of the central bank's 2–4% policy target range. Further guidance on the forward-looking monetary policy bias may arrive in the Copom's minutes for the meeting of October 27th on Friday. Recall that BanRep cut its policy rate by 25bps to 5% at that meeting as expected and more in keeping with advance guidance provided by the Finance Minister than the Governor. After the meeting, Governor Echavarria noted "This reduction shouldn't be understood as part of a continual path of cuts."

ASIA — CENTRAL BANK WEEK

Most of next week's market focus will be upon a wave of five central bank decisions of mostly regional market significance compared to the potential for, say, a PBOC or BoJ meeting to be of global significance. Each of the RBA, RBNZ, BoT, Bank Negara and Philippines lay down fresh ink but none of them are expected to alter their policy stance. In what follows, I'll focus comments upon the RBA and RBNZ because I think they are the more interesting central banks to watch at this juncture.

The Reserve Bank of Australia weighs in on Monday night eastern time and should hold its cash target rate unchanged at 1.5%. Markets don't expect a rate hike for quite some time (chart 2). **Potentially more important than a soft recent Q3 inflation report is guidance that the RBA believes inflation to be overstated.** Deputy Governor Guy Debelle recently expressed the view that CPI overstates actual inflation by about one-quarter of a percentage point in between re-weightings. Recall that this is why the Federal Reserve prefers the PCE inflation gauge that dynamically adjusts weights on where people spend and what they buy versus US CPI that only periodically adjusts the weights. Therefore PCE is more likely to capture potential shifts in a more timely manner than CPI in terms of issues such as whether consumers are going up-market or down-market on the types of goods they purchase and where they buy them (e.g., higher end or discount chains). In Australia, there is no equivalent PCE gauge and so substitution effects are not appropriately captured within CPI in relatively real time. This should be less problematic in future. Debelle guided that "Going forward, the Australian Bureau of Statistics will update the expenditure shares annually, rather than every five or six years. This will reduce substitution bias." Nevertheless, with CPI inflation slipping a touch to 1.8% y/y in Q3 and already below the 2–3% inflation target, **shaving the estimated ¼ point substitution bias means truer inflation is likely running at about 1½% and hence even further beneath the RBA's inflation target.** One could suggest that the BoC and other central banks that rely upon periodically adjusted CPI baskets for their assessments of inflation pressures would also be well advised to control for this substitution effect; while they can internally and can comment on this, there is a case to be made for a Canadian PCE gauge. In Canada's case, however, the gap between CPI re-weightings is considerably shorter than in Australia and so the substitution bias is likely to be smaller.

Chart 2

Futures Markets Think The RBA Will Hike - Just Not Yet


Sources: Scotiabank Economics, Bloomberg.

As for the Reserve Bank of New Zealand, it's not the expected inaction that matters next week in crafting guidance on the outlook for monetary policy. It's what the new Labour government wishes to do by way of changing things up at the central bank that matters and it's not clear that one should be dismissive toward the potential effects on its bias. In addition to having to pick a new Governor to replace Acting Governor Spencer, the new Finance Minister Grant Robertson has confirmed that he plans to go ahead with campaign promises to shift the central bank's mandate toward a Fed-style dual mandate instead of the purer focus upon inflation it has held since 1990. The 1–3% inflation target, however, will be maintained as half of this dual mandate. Will a dual mandate really alter the policy bias? That's unclear, but any inflation view is at least partly informed by a Phillips curve perspective and so labour market conditions already factor into a presently stricter inflation focus. Robertson will also bring three outsiders into the RBNZ to increase the policymaking committee to 10 members, each with an equal vote, plus a non-voting government representative. An effort to increase transparency will also unfold. Internal RBNZ voting members led by the Governor would likely still carry the day on a fundamental difference of opinion but the risk to transparency and greater outside involvement is obviously greater politicization.

Other developments will include a wave of macro releases by China but with several of them subject to uncertain timing. China releases foreign reserves early in the week, exports and imports during October by mid-week, CPI on Wednesday and then aggregate financing and foreign direct investment face uncertain release timelines.

The Bank of Japan releases a fresher Summary of Opinions at the October 30–31 meeting on Wednesday night, compared to formal meeting minutes that always lag two meetings behind.

Hong Kong updates Q3 GDP at the end of the week while Indonesia releases Q3 growth at the start of the week. India updates trade and industrial production figures over the week. Japanese machine orders during September arrive Wednesday and often high revision risk can result in economists revising estimates for Q3 GDP growth. Philippines CPI (Monday night ET) and Malaysian industrial output (Wednesday night ET) round out the line-up.

CANADA — THE BoC's LAST WORDS

Market moving developments will be scant to non-existent in Canada over the coming week at least insofar as the currency and bond markets are concerned. A heavy earnings calendar will skew the week's focus more toward individual

company developments. BoC communications and estimates for provincial economic growth will round out developments. The aftermath of the Fed Chair nomination and GOP tax plan plus a focus upon China's economy are among the external events that could back into Canadian markets.

Ninety-nine firms listed on the TSX are slated to release earnings as Canada's reporting season gears up while the US winds down. Some of the most recognizable names will include the likes of Magna, Manulife, Linamar, Sun Life, Telus, Hydro One, CAE, TransCanada, Industrial Alliance, New Flyer, Kinross, Franco-Nevada, Cineplex, IAMGOLD, Toromont, Encana and Agrium.

Bank of Canada Governor Stephen Poloz delivers a speech in Montreal on Tuesday that will be followed by a press conference at 2:00 pm. The topic of the speech is "Central banks' ability to understand inflation". This appearance and Senior Deputy Governor Wilkins' speech on November 15th in NY are the last scheduled communications from the BoC ahead of the December 6th policy meeting. Markets are only assigning about one-in-five odds to a hike in December and about 40% to a hike in January as the BoC signals a long pause, so these appearances will be the BoC's last *scheduled* chances to alter expectations if they deem it necessary to do so, which I highly doubt.

Data risk will only include housing starts for October on Wednesday and new house prices for September the next day. Starts remain elevated and have exceeded 200k at a seasonally adjusted and annualized rate every month this year except for a slightly lower tally in May. After a 34% annualized rise in housing starts during Q3 over Q2, housing is likely going to shift toward a drag on growth in Q4 but most of that softening is likely to be concentrated upon lower value-added multiple-units. The new house price index is worth watching because new house prices have been rising at a much more subdued pace than resale house prices that have exhibited much more froth over time; hence, the appetite for relatively affordable new builds.

I've invited Mary Webb to share her thoughts on Statistics Canada's provincial economic accounts in what follows. **The Provincial Economic Accounts release on Wednesday** will provide annual real and nominal GDP, income and expenditure data for 2016, to build on the preliminary estimates of annual real GDP growth for 2016, by industry and at basic prices, released last April (see table). The upcoming release offers relatively unique provincial data, such as interprovincial trade balances, unincorporated business income, consumer spending details and export/import price indices. Its information on events such as the depth of Alberta's and Saskatchewan's 2015–16 recession across different income and output metrics and the driving components of BC's surge in final domestic demand will help to inform our 2017–19 provincial forecasts.

	2015	2016*
	annual % change	
Newfoundland and Labrador	-2.0	1.9
P.E.I.	1.3	2.4
Nova Scotia	1.0	0.9
New Brunswick	2.3	1.4
Quebec	1.2	1.7
Ontario	2.5	2.6
Manitoba	2.2	2.4
Saskatchewan	-1.3	-1.0
Alberta	-3.6	-3.8
B.C.	3.3	3.7

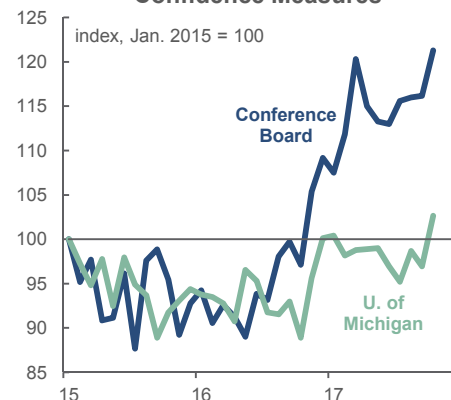
Source: Statistics Canada. * Based on preliminary estimates of real GDP at basic prices by industry.

UNITED STATES — INTO THE AFTERMATH

Next week will be mostly about what happened the week before. **Most of what may impact the broad market tone over the coming week is likely to be the spillover effect—if any—of the nomination of Jerome Powell (originally an Obama appointee) to replace Janet Yellen as Fed Chair and the GOP's second stab at a more detailed outline of its tax proposals.** Presidential tweets will be coming from a half-day's time-zone away, and the newest member of the Fed's cast will be closely watched for his fuller policy bias.

Fed-speak will include speeches by two top-of-the-house officials including NY Fed President Dudley on lessons from the financial crisis on Monday before the Economic Club of New York and the inaugural speech by newly minted Governor Randal Quarles on Tuesday at The Clearing House annual conference with the topic still to be announced at time of writing.

Chart 3 **Conflicting Consumer Confidence Measures**



Sources: Scotiabank Economics, US Conference Board, University of Michigan.

Earnings season is winding down with 46 S&P500 firms on tap for next week including names that don't pose broad market risk like Walt Disney, Equifax and Macy's.

Data risk will be very subdued over the coming week with just the University of Michigan's consumer sentiment figure for November due on Friday. The UofM gauge has not risen as much as the Conference Board's confidence measure (chart 3).

Q3 mortgage delinquencies, JOLTS job vacancies and turnover measures and regular weekly measures like jobless claims and oil inventories will fill in the rest of the week's light schedule.

EUROPE — TOO MUCH OF A GOOD THING IN GERMANY?

Data updates will be the focal point in European markets with much of the focus upon Germany's economy.

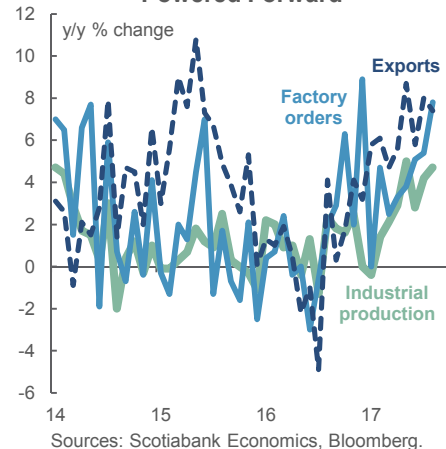
The problem facing Germany next week will be the near impossibility of maintaining the enormous gains that were booked across a variety of readings the prior month. Sustainability—or lack thereof—will be the name of the game while keeping an eye on the trend (chart 4). So first up in that regard will be **German factory orders** that face downside risk following a large 3.6% m/m rise in September which was the fourth strongest monthly rise over the past five years. The same may hold true for Tuesday's **industrial output** that follows on the heels of the second largest monthly gain since 2011. Then it's on to Thursday's **export figures** after a whopping 3.1% m/m rise in September. When scoping out the potential for weak readings next week, bear in mind the trend that has factory orders up 7.8% y/y, industrial production up by about 5% and exports up 7.4% y/y. The trend is more likely to be your friend than the last month-ago reading.

That same 'problem' won't affect French releases that are coming off fairly soft reports for September and muted trend growth. Industrial output is due out on Friday and is only up by 1.1% y/y.

Other releases will include Eurozone retail sales, Spanish, UK and Italian industrial output that will factor into updated tracking estimates for Q3 GDP growth and hand-offs to Q4, Spanish PMIs, UK trade, Italian PMIs plus retail sales and Norwegian CPI. Also note that the European Commission updates forecasts on Thursday.

Chart 4

Germany's Economy Has Powered Forward



Key Indicators for the week of November 6 – 10

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	11/07	10:00	JOLTS Job Openings (000s)	Sep	--	--	6082.0
US	11/07	15:00	Consumer Credit (US\$ bn m/m)	Sep	--	17.5	13.1
US	11/08	07:00	MBA Mortgage Applications (w/w)	NOV 3	--	--	-2.6
CA	11/08	08:15	Housing Starts (000s a.r.)	Oct	205.0	--	217.3
CA	11/08	08:30	Building Permits (m/m)	Sep	--	--	-5.5
CA	11/09	08:30	New Housing Price Index (m/m)	Sep	--	--	0.1
US	11/09	08:30	Initial Jobless Claims (000s)	NOV 4	235	--	229
US	11/09	08:30	Continuing Claims (000s)	OCT 28	1900	--	1884
MX	11/09	09:00	Bi-Weekly Core CPI (% change)	Oct 31	--	--	0.2
MX	11/09	09:00	Bi-Weekly CPI (% change)	Oct 31	--	--	0.6
MX	11/09	09:00	Consumer Prices (m/m)	Oct	0.6	--	0.3
MX	11/09	09:00	Consumer Prices (y/y)	Oct	--	--	6.4
MX	11/09	09:00	Consumer Prices Core (m/m)	Oct	0.2	--	0.3
US	11/09	10:00	Wholesale Inventories (m/m)	Sep F	--	--	0.3
MX	11/09	14:00	Overnight Rate (%)	Nov 9	7.00	--	7.00
MX	11/10	09:00	Industrial Production (m/m)	Sep	--	--	0.3
MX	11/10	09:00	Industrial Production (y/y)	Sep	--	--	-0.5
US	11/10	10:00	U. of Michigan Consumer Sentiment	Nov P	101.5	100.4	100.7
US	11/10	14:00	Treasury Budget (US\$ bn)	Oct	--	--	8.0

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	11/06	02:00	Factory Orders (m/m)	Sep	--	--	3.6
IT	11/06	03:45	Services PMI	Oct	--	--	53.2
FR	11/06	03:50	Services PMI	Oct F	--	--	57.4
GE	11/06	03:55	Services PMI	Oct F	--	--	55.2
EC	11/06	04:00	Composite PMI	Oct F	--	--	55.9
EC	11/06	04:00	Services PMI	Oct F	--	--	54.9
EC	11/06	05:00	PPI (m/m)	Sep	--	--	0.3
GE	11/07	02:00	Industrial Production (m/m)	Sep	--	--	2.6
FR	11/07	02:45	Central Government Balance (€ bn)	Sep	--	--	-93.0
UK	11/07	03:30	Halifax House Price (3 month, y/y)	Oct	4.6	--	4.0
EC	11/07	05:00	Retail Trade (m/m)	Sep	--	--	-0.5
FR	11/08	02:45	Current Account (€ bn)	Sep	--	--	-1.5
FR	11/08	02:45	Trade Balance (€ mn)	Sep	--	--	-4514
SP	11/08	03:00	Industrial Output NSA (y/y)	Sep	--	--	2.2
GE	11/09	02:00	Current Account (€ bn)	Sep	--	--	17.8
GE	11/09	02:00	Trade Balance (€ bn)	Sep	--	--	20.1
UK	11/09	04:30	Industrial Production (m/m)	Sep	0.1	0.1	0.2
UK	11/09	04:30	Manufacturing Production (m/m)	Sep	0.1	0.1	0.4
UK	11/09	04:30	Visible Trade Balance (£ mn)	Sep	-12800	--	-14245
FR	11/10	02:45	Industrial Production (m/m)	Sep	--	--	-0.3
FR	11/10	02:45	Industrial Production (y/y)	Sep	--	--	1.1
FR	11/10	02:45	Manufacturing Production (m/m)	Sep	--	--	-0.4
IT	11/10	04:00	Industrial Production (m/m)	Sep	--	--	1.2

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
AU	11/05	19:30	ANZ Job Advertisements (m/m)	Oct	--	--	0.0
ID	NOV 5-6		Real GDP (y/y)	3Q	5.2	5.2	5.0
ID	NOV 5-6		Consumer Confidence Index	Oct	--	--	123.8
PH	11/06	20:00	CPI (y/y)	Oct	3.4	3.5	3.4
PH	11/06	20:00	Core CPI (y/y)	Oct	--	--	3.3
AU	11/06	22:30	RBA Cash Target Rate (%)	Nov 7	1.50	1.50	1.50
CH	NOV 6-7		Foreign Reserves (US\$ bn)	Oct	--	3118.0	3108.5

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

Key Indicators for the week of November 6 – 10
ASIA-PACIFIC (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
AU	11/07	00:30	Foreign Reserves (AUD bn)	Oct	--	--	74.9
MA	11/07	02:00	Foreign Reserves (US\$ bn)	Oct 31	--	--	101.4
TA	11/07	03:00	CPI (y/y)	Oct	--	--	0.5
TA	11/07	03:00	Exports (y/y)	Oct	--	--	28.1
TA	11/07	03:00	Imports (y/y)	Oct	--	--	22.2
TA	11/07	03:00	Trade Balance (US\$ bn)	Oct	--	--	6.7
SI	11/07	04:00	Foreign Reserves (US\$ mn)	Oct	--	--	275410
CH	NOV 7-8		Exports (y/y)	Oct	--	7.0	8.1
CH	NOV 7-8		Imports (y/y)	Oct	--	16.8	18.6
CH	NOV 7-8		Trade Balance (USD bn)	Oct	--	39.5	28.6
JN	11/08	00:00	Coincident Index CI	Sep P	--	115.9	117.7
JN	11/08	00:00	Leading Index CI	Sep P	--	106.6	107.2
TH	11/08	02:05	BoT Repo Rate (%)	Nov 8	1.50	1.50	1.50
NZ	11/08	15:00	RBNZ Official Cash Rate (%)	Nov 9	1.75	1.75	1.75
JN	11/08	18:50	Bank Lending (y/y)	Oct	--	3.0	3.0
JN	11/08	18:50	Current Account (¥ bn)	Sep	--	2386.0	2380.4
JN	11/08	18:50	Machine Orders (m/m)	Sep	--	-2.0	3.4
JN	11/08	18:50	Trade Balance - BOP Basis (¥ bn)	Sep	--	832.5	318.7
AU	11/08	19:30	Home Loans (%)	Sep	--	1.0	1.0
AU	11/08	19:30	Investment Lending (% change)	Sep	--	--	4.3
CH	11/08	20:30	CPI (y/y)	Oct	1.8	1.7	1.6
CH	11/08	20:30	PPI (y/y)	Oct	--	6.6	6.9
TH	11/08	22:30	Consumer Confidence Economic	Oct	--	--	62.5
MA	11/08	23:00	Industrial Production (y/y)	Sep	--	--	6.8
MA	11/09	02:00	Overnight Rate (%)	Nov 9	3.00	3.00	3.00
PH	11/09	03:00	Overnight Borrowing Rate (%)	Nov 9	3.00	3.00	3.00
JN	11/09	18:50	Japan Money Stock M2 (y/y)	Oct	--	4.1	4.1
JN	11/09	18:50	Japan Money Stock M3 (y/y)	Oct	--	3.4	3.4
PH	11/09	20:00	Exports (y/y)	Sep	--	--	9.4
PH	11/09	20:00	Imports (y/y)	Sep	--	--	10.5
PH	11/09	20:00	Trade Balance (US\$ mn)	Sep	--	--	-2411.0
JN	11/09	23:30	Tertiary Industry Index (m/m)	Sep	--	-0.1	-0.2
CH	NOV 9-15		Aggregate Financing (CNY bn)	Oct	--	1152.5	1819.9
CH	NOV 9-15		New Yuan Loans (bn)	Oct	--	775.0	1270.0
ID	NOV 9-10		Current Account Balance (US\$ mn)	3Q	--	-4500	-4963
IN	NOV 9-15		Exports (y/y)	Oct	--	--	25.7
IN	NOV 9-15		Imports (y/y)	Oct	--	--	18.1
SI	11/10	00:00	Retail Sales (y/y)	Sep	--	--	3.5
HK	11/10	03:30	Real GDP (y/y)	3Q	3.5	--	3.8
IN	11/10	07:00	Industrial Production (y/y)	Sep	--	--	4.3

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CO	11/04	13:00	Consumer Price Index (m/m)	Oct	0.1	0.1	0.0
CO	11/04	13:00	Consumer Price Index (y/y)	Oct	4.1	4.1	4.0
CL	11/06	06:30	Economic Activity Index SA (m/m)	Sep	--	--	0.3
CL	11/06	06:30	Economic Activity Index NSA (y/y)	Sep	1.3	--	2.4
CL	11/08	06:00	CPI (m/m)	Oct	0.3	--	-0.2
CL	11/08	06:00	CPI (y/y)	Oct	1.6	--	1.5
PE	11/09	18:00	Reference Rate (%)	Nov 9	3.50	--	3.50
PE	NOV 9-13		Trade Balance (USD mn)	Sep	250.0	--	371.0
BZ	11/10	06:00	IBGE Inflation IPCA (m/m)	Oct	0.4	0.5	0.2
BZ	11/10	06:00	IBGE Inflation IPCA (y/y)	Oct	2.7	2.8	2.5

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

Global Auctions for the week of November 6 – 10

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	11/07	13:00	U.S. to Sell USD24 Bln 3-Year Notes
CA	11/08	12:00	Canada to Sell 5-Year Bonds
US	11/08	13:00	U.S. to Sell USD23 Bln 10-Year Notes
US	11/09	13:00	U.S. to Sell USD15 Bln 30-Year Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AS	11/07	05:15	Austria to Sell 0.5% 2027 Bonds
AS	11/07	05:15	Austria to Sell 0% 2022 Bonds
GE	11/07	05:30	Germany to Sell EUR500 Mln 0.5% I/L 2030 Bonds
SZ	11/08	05:15	Switzerland to Sell Bonds
GE	11/08	05:30	Germany to Sell EUR3 Bln 0% 2022 Bonds
SW	11/09	05:03	Sweden to Sell I/L Bonds
UK	11/09	05:30	U.K. to Sell GBP2.75 Bln 0.75% 2023 Bonds
IR	11/09	05:30	Ireland to Sell Bonds
IC	11/10	06:30	Iceland to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	11/05	20:30	Xinjiang to Sell Bonds
CH	11/05	21:30	Xinjiang to Sell Bonds
CH	11/06	20:30	Ningxia to Sell Bonds
CH	11/06	21:30	Ningxia to Sell Bonds
CH	11/07	01:00	Shandong to Sell Bonds
CH	11/07	02:00	Shandong to Sell Bonds
CH	11/07	22:00	China to Sell CNY32 Bln 5-Yr Upsized Bonds
JN	11/08	22:45	Japan to Sell 30-Year Bonds
CH	11/09	01:00	Dalian to Sell Bonds
CH	11/09	02:00	Dalian to Sell Bonds

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	11/09	09:00	Brazil to Sell Fixed Rate Bonds - 01/01/2023
BZ	11/09	09:00	Brazil to Sell Fixed Rate Bonds - 01/01/2027

Events for the week of November 6 – 10

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	NOV 3-14		Trump to Asia: Japan, South Korea, China, Philippines, Vietnam
US	11/06	05:30	New York Fed's Potter Speaks on Policy and Balance Sheet
US	11/06	12:10	Fed's Dudley Speaks on Lessons from the Financial Crisis
US	11/07	12:35	Fed's Quarles Speaks at Clearing House Conference
CA	11/07	12:45	Bank of Canada's Stephen Poloz Speech in Montreal
CA	11/07	14:00	Bank of Canada Governor Poloz Press Conference
MX	11/09	14:00	Overnight Rate

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
NO	11/07	03:05	Norway Central Bank Governor Olsen Speaks in Oslo
SW	11/07	07:10	Riksbank's Floden Gives Speech
SW	11/07	09:30	Riksbank's Skingsley Gives Speech
NO	11/08	03:00	Norway Central Bank Deputy Governor Nicolaisen Speaks
GE	11/08	06:00	German Council of Economic Experts Presents Annual Report
SW	11/09	03:15	Riksbank's Skingsley Gives Speech in Paris
SW	11/09	03:30	Riksbank Publishes Minutes From October Meeting
EC	11/09	10:00	ECB's Villeroy de Galhau speaks in Brussels
SZ	11/09	11:30	SNB's Jordan Speaks in Frankfurt
EC	11/09	13:00	Bundesbank President Weidmann in Leipzig
SW	11/10		Sweden Sovereign Debt to be rated by DBRS

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	11/05	18:50	BOJ Minutes of Sept. 20-21 Meeting
JN	11/05	20:00	BOJ Kuroda makes a speech in Nagoya
JN	11/06	02:00	BOJ chief economist speaks at conference
AU	11/06	22:30	RBA Cash Rate Target
JN	11/07	20:30	BOJ Funo makes a speech in Miyazaki
TH	11/08	02:05	BoT Benchmark Interest Rate
NZ	11/08	15:00	RBNZ Official Cash Rate
JN	11/08	18:50	BOJ Summary of Opinions at Oct. 30-31 Meeting
MA	11/09	02:00	BNM Overnight Policy Rate
PH	11/09	03:00	BSP Overnight Borrowing Rate
PH	11/09	03:00	BSP Standing Overnight Deposit Facility Rate
AU	11/09	19:30	RBA Statement on Monetary Policy

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
PE	11/09	18:00	Reference Rate
CO	11/10	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	1.00	December 6, 2017		1.00
Federal Reserve – Federal Funds Target Rate	1.25	December 13, 2017	1.50	1.50
Banco de México – Overnight Rate	7.00	November 9, 2017	7.00	--

Banxico: No policy rate change is expected. Governor Carstens recently noted "we need to be very patient, especially in the case of lowering rates" as the central bank evaluates inflation's convergence upon the 3% target from still elevated readings. That signals a prolonged holding pattern until much further evidence of diminished inflation risk is available.

EUROPE

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
European Central Bank – Refinancing Rate	0.00	December 14, 2017	0.00	--
Bank of England – Bank Rate	0.50	December 14, 2017	0.50	--
Swiss National Bank – Libor Target Rate	-0.75	December 14, 2017	-0.75	--
Central Bank of Russia – One-Week Auction Rate	8.25	December 15, 2017	8.25	--
Sweden Riksbank – Repo Rate	-0.50	December 20, 2017	-0.50	--
Norges Bank – Deposit Rate	0.50	December 14, 2017	0.50	--
Central Bank of Turkey – Benchmark Repo Rate	8.00	December 14, 2017	8.00	--

ASIA PACIFIC

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Bank of Japan – Policy Rate	-0.10	December 21, 2017	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	November 6, 2017	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	November 8, 2017	1.75	--
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	December 6, 2017	6.00	--
Bank of Korea – Bank Rate	1.25	November 30, 2017	1.25	--
Bank of Thailand – Repo Rate	1.50	November 8, 2017	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	3.00	November 9, 2017	3.00	--
Bank Indonesia – 7-Day Reverse Repo Rate	4.25	November 16, 2017	4.25	--

The Reserve Bank of Australia (RBA) will hold a monetary policy meeting on November 7 (local time); we do not expect any changes to the benchmark interest rate. The RBA will likely maintain accommodative monetary conditions over the coming quarters in order to support domestic demand as Australia's inflationary pressures remain contained (1.8% y/y in Q3). Monetary authorities of **the Reserve Bank of New Zealand (RBNZ)** will meet on November 9 (local time). Headline inflation, at 1.9% y/y in Q3, remains comfortably within the RBNZ's 1-3% inflation target. Accordingly, we do not expect any changes to the monetary policy stance. **The Bank of Thailand (BoT)** will hold a monetary policy meeting on November 8. We expect the central bank to leave the benchmark interest rate at 1.50% over the coming months. Inflationary pressures remain weak in Thailand with prices at the headline level rising by 0.9% y/y in October, slightly below the BoT's medium-term inflation target of 2.5% y/y \pm 1.5%. **Bank Negara Malaysia** will make a benchmark interest rate decision on November 9. We do not foresee any interest rate changes to be unveiled at this meeting yet we recognize that a monetary tightening phase is gradually approaching. Malaysia's headline inflation accelerated to 4.3% y/y in September, driven by higher global oil prices. Nevertheless, core inflation remains stable; it has hovered in a narrow range of 2.3-2.6% y/y year-to-date.

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	7.50	December 6, 2017	7.50	--
Banco Central de Chile – Overnight Rate	2.50	November 14, 2017	2.50	--
Banco de la República de Colombia – Lending Rate	5.00	November 24, 2017	5.00	--
Banco Central de Reserva del Perú – Reference Rate	3.50	November 9, 2017	3.50	--

Banco Central de Reserva del Perú: No policy rate change is expected but with cut risk. The central bank retained an easing bias at its last meeting while noting "inflation is projected to continue declining in the following months."

AFRICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
South African Reserve Bank – Repo Rate	6.75	November 23, 2017	6.75	--

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

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