

WHY THE US SHOULDN'T ROCK THE BOAT WITH CHINA

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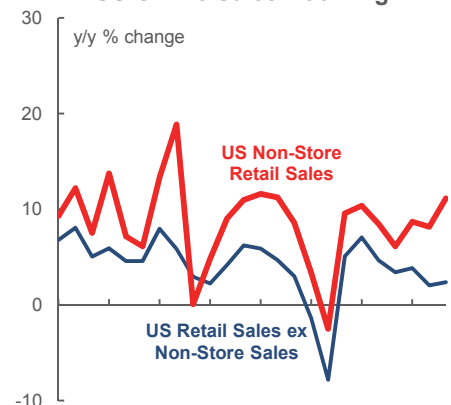
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Next Week's Risk Dashboard

- ▶ China's reserves, credit, trade & CPI
- ▶ CPI: US, Mexico, Chile, Brazil, India, Norway
- ▶ US holiday sales
- ▶ BoC's C-suite survey
- ▶ Canadian housing starts, prices
- ▶ Peru's CB
- ▶ Fed-speak
- ▶ European growth tracking
- ▶ BoE's credit and bank reports
- ▶ ECB's meeting account

Chart of the Week

US Online Sales Booming



Sources: Scotiabank Economics, Census Bureau.

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

Why The US Shouldn't Rock The Boat With China

CANADA — IS THE C-SUITE MORE WORRIED ABOUT NAFTA?

Most of next week will have Canadian markets positioned in a somewhat surreal holding pattern of sorts. **A mostly empty domestic calendar next week will keep the bigger focus upon two major pending developments.** One will be the following week's Bank of Canada meeting on January 17th which will include a full forecast update. As a reminder, we have changed our Bank of Canada forecast to expect a hike on January 17th ([here](#)). The other will be the sixth round of NAFTA negotiations that will be held in balmy Montreal between January 23rd and January 28th. Following this round and in the wake of derailed talks over prior rounds, we could well receive materially new information concerning trade policy risks including the risk of a Dear Justin letter from President Trump explaining a desire to take a break from trading at some point over coming weeks or months—and concomitant influences upon the Bank of Canada outlook.

A small exception may be the Bank of Canada's twin quarterly surveys that always precede those policy meetings that are accompanied by full forecast updates. Those surveys are the Business Outlook Survey and the Senior Loan Officer Survey and they will be releases on Monday. **The main thing to watch will be what the Business Outlook Survey says regarding the level of confidence or concern in the nation's c-suites.** After the outlook for future sales growth over the coming year slipped somewhat in the October edition of the survey, the main sensitivity will be toward whether respondents are more or less concerned about developments such as NAFTA talks that skidded into the ditch from October onward. Alternatively, are they more focused upon domestic capacity pressures and labour shortages? Recognition of the NAFTA risks was not captured in the October survey since it sampled opinions between August 24th and September 19th. October is when the US negotiating team aggressively laid down hard lines in the sand that have been objectionable to Canada basically since the years leading up to the original Canada-US Free Trade Agreement that was signed into existence twenty-nine years ago almost to the day. **Even before NAFTA negotiations stumbled, survey responses regarding hiring and investment plans were coming off the boil albeit from elevated levels (chart 1).**

The BoC is aware of the limits to this survey, but may be sensitive to information contained within by way of business expectations as well as plans to invest and hire plus how they view the outlook for price pressures. I would think it would have to be a fairly disastrous overall report to overwhelm the broad tone of other evidence.

Other than that, developments will be quite light over the duration of the week. Housing starts for December might moderate from the super-elevated 251k pace set in November when they land on Tuesday. Building permits (Wednesday), a pair of house price reports including new house prices on Thursday and the Teranet repeat-sales resale measure the next day are about as exciting as things get on the data front. Also, Canada auctions 2s on Wednesday, and no BoC Governing Council member is scheduled to speak this time!

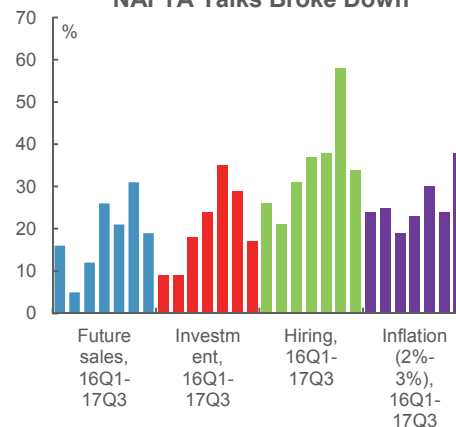
ASIA — CHINA'S APPETITE FOR TREASURIES

Next week's focus will be upon a series of important updates on China's economy and financial system with implications for several key debates affecting world markets. A regional market influence will be whether upward pressure upon India's inflation rate is beginning to crest.

Are China's foreign reserves sustainably on the mend? We'll get the December figures this weekend and they will update the picture of an improving trend for China's reserves and global reserves over the past year (chart 2). Improved export growth has been a catalyst behind China's rising stockpile of accumulated savings and China will also update trade figures toward the end of the week. **The US administration is focused upon China's bilateral trade surplus with the US but it should perhaps focus even more upon the implications for China's investment appetite for US securities.** The concomitant rising stockpile of accumulated savings reverses the downward trend over the prior two years. China, in turn, invests these proceeds abroad including into US securities like Treasuries.

Chart 1

C-Suite Optimism Crested Before NAFTA Talks Broke Down



Sources: Scotiabank Economics, Bank of Canada.

This has always been one of the basic points against US protectionism. Reining in China's trade surpluses means that the other side of the external accounting ledger involves fewer assets held abroad and hence less appetite for things like Treasuries. By corollary, that means less restraining pressure upon US borrowing costs with implications for US homeowners, governments and businesses. There are presently over US\$11 trillion in global reserves and US\$3.1 trillion of those reserves are in China. World reserves have grown by about two-thirds since the end of 2008 and a half trillion over 2017 while China's reserves have risen by about 60% (chart 2 again). For those fearful of the impact of the withdrawal of the Fed's Treasury buying program, one of the many counter-considerations involves comparing the Fed's Treasury holdings in its SOMA account that have declined by only about US\$25 billion over 2017 on track toward a decline of about \$250 billion in 2018. The Fed's balance sheet will be the only QE central bank balance sheet to shrink this year—and quite possibly the only one next year as well—and this may well be mitigated by rising global demand for Treasuries via foreign central banks and their agencies investing their reserves. China may also release foreign direct investment (as opposed to indirect, or portfolio investment) anytime next week or the week after.

China also updates credit and money supply figures sometime between next week and the start of the following week. Financing growth hit a record last year independent of what may have happened in the final month (chart 3). While it has slowed in year-ago comparison terms, credit growth was more front-loaded into January 2017 than ever before so I don't personally read much into waning year-ago comparisons as evidence of a weakening credit cycle that would carry potential implications for growth in China, world growth and commodities. Annual loan quotas were filled earlier than normal. In recent years, the authorities have said they're focused upon cooling credit growth and yet financing has gone from one record to another. Why January 2017 hit a record was partly due to the normal surge at the start of each year when new loan quotas are foisted onto lenders but perhaps also because of the timing of the Lunar New Year that occurred on January 28th last year. That is among the earliest times it occurs from year-to-year and the occasion motivates greater demand for liquidity and credit before the economy and markets shut down for the festivities.

Regardless, the December figures only round out the year before we transition to the more important debate over how the credit cycle will hold up in 2018. Since the Lunar New Year occurs on February 16th this year, it's possible that the January 2018 credit figures to be released over a month from now might disappoint and be wrongly interpreted as a sign of a credit slowdown. That judgement would have to wait until we get figures for January and February combined as February is more likely to capture the pre-holiday credit upswing this year. By extension, the PBOC's usual liquidity injections ahead of the Lunar New Year holiday will be later than normal this year and the seasonal influences upon interbank rates and even global commodities will also be postponed compared to most years.

China will also release CPI for December on Tuesday. CPI inflation has been trending higher over the past year and eased off a bit to 1.7% y/y in November. A key consideration is whether food prices continue to weaken, given the influence of this effect in November.

The Reserve Bank of India is on inflation watch and will therefore have a keen eye on next Friday's report. The November CPI print climbed to 4.9% y/y and inflation has trended upward since hitting a low of 1.5% y/y in June. The RBI's inflation target range is 4% +/-2% and so CPI remains within the bands. However, the factors that have been responsible for this inflation surge have not been very broadly based. Staples like tomatoes and onions accounted for much of the rise and may be a transitory influence. Because of the transitory and narrowly based nature of the run-up, the RBI is likely to look through the inflation pressures in support of the consensus call for the RBI to remain on hold at a repo rate of 6% this year.

Chart 2
World Reserves On The Rise Again

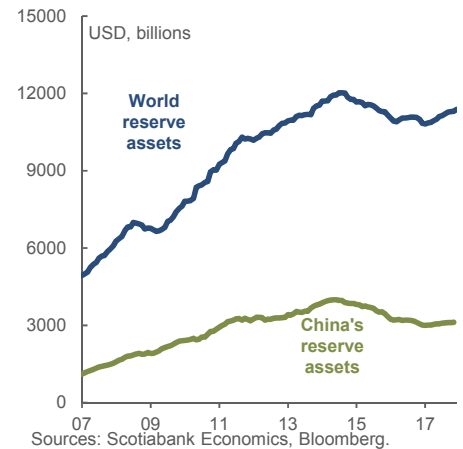
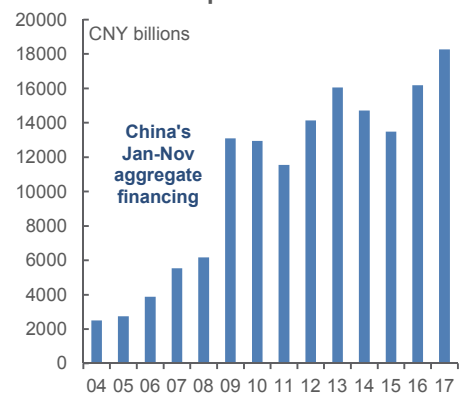


Chart 3
China's Record Year Of Credit Expansion



UNITED STATES — SHOP MORE, PAY MORE?

Concentrated data risk on Friday and a fresh assessment of the voting bias of this year's crop of voting regional Federal Reserve Bank Presidents will be the main focal points next week.

The end results of the holiday shopping season and fresh evidence on the trend in core inflation will arrive simultaneously on Friday morning. The dollar value of retail sales for December could get a bit of a lift from a combination of a 2%+ m/m rise in new vehicle sales that carry about a one-fifth weight, higher expected prices for retail goods and an expected rise in core sales ex-autos and gasoline. An offset will be a roughly 3% m/m drop in gasoline prices with about an 8% weight on gas station sales in total retail sales. A strong rise the prior month may also limit the upside in December to a more moderate gain.

The main risk in the CPI print on Friday will be whether the small dip in core inflation during November was an aberration or not. After five consecutive months of 1.7% y/y core CPI inflation readings, October showed a glimmer of hope for Fed watchers when it climbed a tick. Then November dipped back to the sixth 1.7% y/y reading in seven months to indicate no evidence of a trend change or a lifting of transitory dampening influences like prior USD strength. **Regardless, the Fed's preferred inflation gauge is the PCE price deflator which arrives on January 29th and that core inflation reading has been trending very gently higher since August (chart 4).** The day before CPI will bring forth the less widely followed producer price gauge also for December.

This will be a heavy week for Fed speak with all of the emphasis placed upon regional Fed Presidents. **The incremental information may further inform an understanding of whether this year's voting regional Presidents are more hawkish than last year's.** That's because four out of five of this year's voting Presidents will speak, including NY President Dudley (retiring mid-2018), Cleveland's Mester, Atlanta's Bostic and San Francisco's Williams. The NY Fed's EVP and Head of the Markets Group Simon Potter also speaks and he is among the candidates to replace President Dudley. Alternate voters will also speak including St. Louis President Bullard, Boston's Rosengren and Chicago's Evans. Dovish but nonvoting Minneapolis Fed President Kashkari also speaks.

The US Treasury auctions 3s, 10s and 30s next week.

There will be no *official* early close in bond markets ahead of the following week's Martin Luther King holiday on Monday January 15th when US markets will be closed.

LATIN AMERICA — DIVERGENT CENTRAL BANK RISKS

Peru's central bank is expected to cut its policy rate while inflation readings in other regional markets are expected to be incrementally neutral or hawkish to monetary policy developments.

Peru's central bank is expected to cut by 25bps next Thursday. That would bring the policy rate to its lowest level since early 2011 and hence below the prior low in 2015. A cut would more than fully unwind the rate hikes that occurred starting late that year into early 2016. Falling inflation is a prime motivation for further policy easing. In December, Peru's inflation rate fell to 1.4% y/y which is the lowest inflation rate since May 2010 and challenging the lower end of the 2% +/- 1% inflation target range (chart 5). Political instability has not helped in terms of market developments and risks to growth.

Each of Mexico, Chile and Brazil update inflation readings for December and they are likely to continue to diverge from Peru's aforementioned experience. Mexico's inflation rate is expected to set another new high point in the cycle and the highest

Chart 4

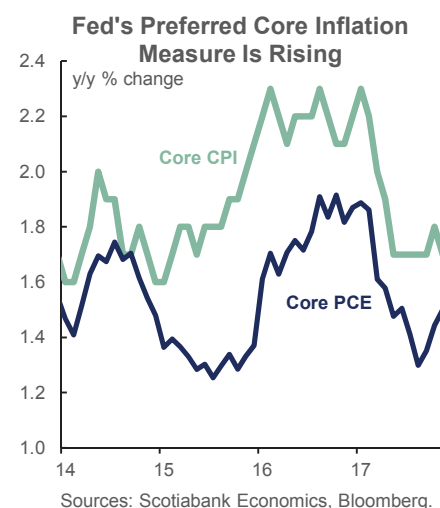
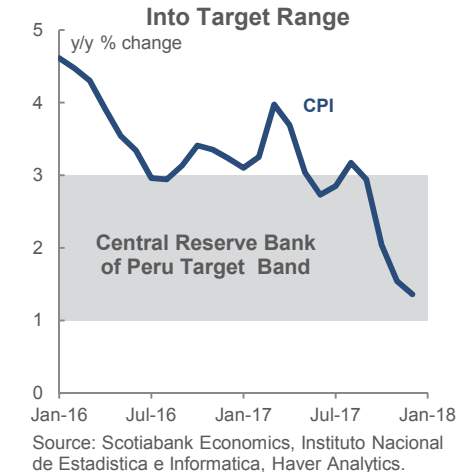


Chart 5



reading since May 2001. **Our Mexican economists expect another Banxico hike next month** as the hike cycle comes to a close. **Chile's inflation rate is expected to jump to over 2%** but this would bring it back within the 3% +/-1% inflation target range, keeping the central bank on hold again at the February 1st meeting.

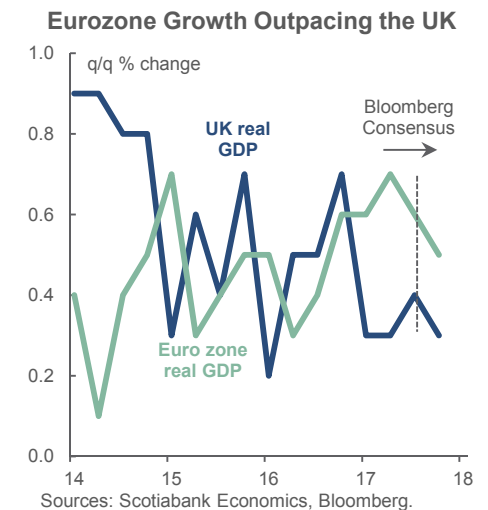
EUROPE — TRACKING Q4 GROWTH

European markets will not be the most exciting place to be over the coming week as more of the developments are spread out elsewhere in global markets.

For the most part, the focus will be upon second- and third-tier data releases that will inform Q4 growth tracking risks on the path to the release of Q4 Eurozone GDP on January 30th and Q4 UK GDP on January 26th. At present, consensus estimates Q4 UK GDP at 0.3% q/q in seasonally adjusted and non-annualized terms which would be in line with the readings of the past year during which quarterly growth noticeably slowed from the 0.5–0.7% pace over most of 2016 (chart 6). Consensus expects Q4 Eurozone GDP to land at around ½% which would be slightly weaker than the pace over prior quarters but with purchasing managers' indices signalling the risk of better growth in the current quarter.

The week's reports will be mainly focused upon trade figures from France, Germany and the UK, industrial production estimates for November in the UK and Eurozone, as well as German factory orders in November. On Thursday, **the Bank of England also releases its latest Credit Conditions and Bank Liabilities Surveys** while **the ECB releases the account of its December 14th meeting.** **Norges Bank watchers will also have an eye on Norway's inflation rate** next Wednesday that is expected to jump to about 1½ % and thus reverse some of the more recent decline and marginally support Governor Oystein Olsen's recent guidance to expect rate hikes.

Chart 6



Key Indicators for the week of January 8 – 12

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	01/08	10:30	BoC Senior Loan Officer Survey	4Q	--	--	-0.5
CA	01/08	10:30	Business Outlook Future Sales	4Q	--	--	19.0
US	01/08	15:00	Consumer Credit (US\$ bn m/m)	Nov	--	17.8	20.5
CA	01/09	08:15	Housing Starts (000s a.r.)	Dec	210	215	251
MX	01/09	09:00	Bi-Weekly Core CPI (% change)	Dec 31	--	0.1	0.4
MX	01/09	09:00	Bi-Weekly CPI (% change)	Dec 31	--	0.2	0.4
MX	01/09	09:00	Consumer Prices (m/m)	Dec	--	0.6	1.0
MX	01/09	09:00	Consumer Prices (y/y)	Dec	--	6.8	6.6
MX	01/09	09:00	Consumer Prices Core (m/m)	Dec	--	0.5	0.3
US	01/09	10:00	JOLTS Job Openings (000s)	Nov	--	6025	5996
US	01/10	07:00	MBA Mortgage Applications (w/w)	JAN 5	--	--	0.7
CA	01/10	08:30	Building Permits (m/m)	Nov	--	--	3.5
US	01/10	08:30	Export Prices (m/m)	Dec	--	0.4	0.7
US	01/10	08:30	Import Prices (m/m)	Dec	--	0.4	0.7
US	01/10	10:00	Wholesale Inventories (m/m)	Nov F	--	0.7	0.7
CA	01/11	08:30	New Housing Price Index (m/m)	Nov	--	--	0.1
US	01/11	08:30	Initial Jobless Claims (000s)	JAN 6	240	245	250
US	01/11	08:30	Continuing Claims (000s)	DEC 30	1900	1920	1914
US	01/11	08:30	PPI (m/m)	Dec	0.2	0.2	0.4
US	01/11	08:30	PPI ex. Food & Energy (m/m)	Dec	0.2	0.2	0.3
MX	01/11	09:00	Industrial Production (m/m)	Nov	--	0.6	-0.2
MX	01/11	09:00	Industrial Production (y/y)	Nov	--	-1.0	-1.1
US	01/11	14:00	Treasury Budget (US\$ bn)	Dec	--	-46.0	-138.5
CA	01/12	08:30	Teranet - National Bank HPI (y/y)	Dec	--	--	9.2
US	01/12	08:30	CPI (m/m)	Dec	0.1	0.1	0.4
US	01/12	08:30	CPI (y/y)	Dec	2.1	2.1	2.2
US	01/12	08:30	CPI (index)	Dec	--	246.4	246.7
US	01/12	08:30	CPI ex. Food & Energy (m/m)	Dec	0.2	0.2	0.1
US	01/12	08:30	CPI ex. Food & Energy (y/y)	Dec	1.7	1.7	1.7
US	01/12	08:30	Retail Sales (m/m)	Dec	0.4	0.5	0.8
US	01/12	08:30	Retail Sales ex. Autos (m/m)	Dec	0.3	0.4	1.0
US	01/12	10:00	Business Inventories (m/m)	Nov	--	0.4	-0.1

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	01/08	02:00	Factory Orders (m/m)	Nov	--	0.0	0.5
UK	01/08	03:30	Halifax House Price (3 month, y/y)	Dec	--	3.3	3.9
EC	01/08	05:00	Business Climate Indicator	Dec	--	1.5	1.5
EC	01/08	05:00	Consumer Confidence	Dec F	--	0.5	0.5
EC	01/08	05:00	Economic Confidence	Dec	--	114.8	114.6
EC	01/08	05:00	Industrial Confidence	Dec	--	8.4	8.2
EC	01/08	05:00	Retail Trade (m/m)	Nov	--	1.3	-1.1
GE	01/09	02:00	Current Account (€ bn)	Nov	--	25.5	18.1
GE	01/09	02:00	Industrial Production (m/m)	Nov	--	1.8	-1.4
GE	01/09	02:00	Trade Balance (€ bn)	Nov	--	21.2	18.9
FR	01/09	02:45	Current Account (€ bn)	Nov	--	--	-2227
FR	01/09	02:45	Trade Balance (€ mn)	Nov	--	-4700	-4956
EC	01/09	05:00	Unemployment Rate (%)	Nov	--	8.7	8.8
FR	01/10	02:45	Industrial Production (m/m)	Nov	--	-0.5	1.9
FR	01/10	02:45	Industrial Production (y/y)	Nov	--	2.8	5.5
FR	01/10	02:45	Manufacturing Production (m/m)	Nov	--	-1.1	2.7
UK	01/10	04:30	Industrial Production (m/m)	Nov	0.4	0.4	0.0
UK	01/10	04:30	Manufacturing Production (m/m)	Nov	0.4	0.3	0.1
UK	01/10	04:30	Visible Trade Balance (£ mn)	Nov	-10400	-10900	-10781
SP	01/11	03:00	Industrial Output NSA (y/y)	Nov	--	--	6.9
GE	01/11	04:00	Real GDP NSA (y/y)	2017	--	2.4	1.9
GE	01/11	04:00	Budget (Maastricht) (% of GDP)	2017	--	1.1	0.8

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

Key Indicators for the week of January 8 – 12

EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
EC	01/11	05:00	Industrial Production (m/m)	Nov	--	0.8	0.2
EC	01/11	05:00	Industrial Production (y/y)	Nov	--	3.0	3.7
SP	01/12	03:00	CPI (m/m)	Dec F	--	0.1	0.1
SP	01/12	03:00	CPI (y/y)	Dec F	--	1.2	1.2
SP	01/12	03:00	CPI - EU Harmonized (m/m)	Dec F	--	0.1	0.1
SP	01/12	03:00	CPI - EU Harmonized (y/y)	Dec F	--	1.3	1.3
IT	01/12	04:00	Industrial Production (m/m)	Nov	--	0.6	0.5

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CH	JAN 6-7		Foreign Reserves (US\$ bn)	Dec	--	3127	3119
AU	01/08	00:30	Foreign Reserves (AUD bn)	Dec	--	--	85.8
TA	01/08	03:00	Exports (y/y)	Dec	--	9.4	14.0
TA	01/08	03:00	Imports (y/y)	Dec	--	9.1	9.0
TA	01/08	03:00	Trade Balance (US\$ bn)	Dec	--	5.7	6.0
SI	01/08	04:00	Foreign Reserves (US\$ mn)	Dec	--	--	279589
AU	01/08	19:30	Building Approvals (m/m)	Nov	--	-1.0	0.9
AU	01/08	19:30	ANZ Job Advertisements (m/m)	Dec	--	--	1.5
JN	01/09	00:00	Consumer Confidence	Dec	45.0	45.0	44.9
SK	01/09	18:00	Unemployment Rate (%)	Dec	3.7	3.6	3.7
CH	01/09	20:30	CPI (y/y)	Dec	2.0	1.9	1.7
CH	01/09	20:30	PPI (y/y)	Dec	--	4.8	5.8
NZ	01/10	11:00	QV House Prices (y/y)	Dec	--	--	6.4
JN	01/10	18:50	Official Reserve Assets (US\$ bn)	Dec	--	--	1261.2
AU	01/10	19:30	Retail Sales (m/m)	Nov	--	0.4	0.5
MA	01/10	23:00	Industrial Production (y/y)	Nov	--	4.9	3.4
CH	JAN 9-15		Aggregate Financing (CNY bn)	Dec	--	1500	1598
CH	JAN 9-15		New Yuan Loans (bn)	Dec	--	1000	1120
IN	JAN 9-15		Exports (y/y)	Dec	--	--	30.6
IN	JAN 9-15		Imports (y/y)	Dec	--	--	19.6
JN	01/11	00:00	Coincident Index CI	Nov P	--	117.9	116.4
JN	01/11	00:00	Leading Index CI	Nov P	--	108.6	106.5
JN	01/11	18:50	Bank Lending (y/y)	Dec	--	--	2.7
JN	01/11	18:50	Current Account (¥ bn)	Nov	--	1836	2176
JN	01/11	18:50	Trade Balance - BOP Basis (¥ bn)	Nov	--	314	430
SI	01/12	00:00	Retail Sales (y/y)	Nov	--	3.3	-0.1
IN	01/12	07:00	CPI (y/y)	Dec	4.9	--	4.9
CH	JAN 11-12		Exports (y/y)	Dec	--	10.0	12.3
CH	JAN 11-12		Imports (y/y)	Dec	--	14.8	17.7
CH	JAN 11-12		Trade Balance (USD bn)	Dec	--	37.4	40.2

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CL	01/08	06:00	CPI (m/m)	Dec	--	0.2	0.1
CL	01/08	06:00	CPI (y/y)	Dec	--	2.3	1.9
PE	JAN 8-12		Trade Balance (USD mn)	Nov	350.0	--	330.3
BZ	01/09	06:00	Retail Sales (m/m)	Nov	--	0.2	-0.9
BZ	01/09	06:00	Retail Sales (y/y)	Nov	--	3.4	2.5
BZ	01/10	06:00	IBGE Inflation IPCA (m/m)	Dec	--	0.3	0.3
BZ	01/10	06:00	IBGE Inflation IPCA (y/y)	Dec	--	2.8	2.8
PE	01/11	18:00	Reference Rate (%)	Jan 11	3.00	3.00	3.25

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

Global Auctions for the week of January 8 – 12

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	01/09	13:00	U.S. to Sell USD24 Bln 3-Year Notes
CA	01/10	12:00	Canada to Sell 2-Year Bonds
CA	01/10	12:00	Canada to Sell CAD3.6 Bln 1.25% 2020 Bonds
US	01/10	13:00	U.S. to Sell USD20 Bln 10-Year Notes Reopening
US	01/11	13:00	U.S. to Sell USD12 Bln 30-Year Bonds Reopening

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AS	01/09	05:15	Austria to Sell 1.5% 2047 Bonds
AS	01/09	05:15	Austria to Sell 0.5% 2027 Bonds
UK	01/09	05:30	U.K. to Sell GBP2.25 Bln 1.25% 2027 Bonds
NE	01/09	05:30	Netherlands to Sell Up to EUR2.5 Bln 0% 2024 Bonds
GE	01/09	05:30	Germany to Sell EUR500 Mln 0.1% I/L 2046 Bonds
DE	01/10	04:30	Denmark to Sell Bonds
NO	01/10	05:05	Norway to Sell Bonds
SZ	01/10	05:15	Switzerland to Sell Bonds
GE	01/10	05:30	Germany to Sell EUR5 Bln 2028 Bonds
IT	01/11	05:00	Italy to Sell Bonds
UK	01/11	05:30	U.K. to Sell GBP2.25 Bln 1.75% 2037 Bonds
IC	01/12	06:30	Iceland to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	01/09	21:35	China Sells CNY26 Bln 1-Yr Upsized Bonds
CH	01/09	21:35	China Sells CNY26.07 Bln 10-Yr Upsized Bonds
JN	01/09	22:45	Japan to Sell 10-Year Bonds
JN	01/11	22:45	Japan to Sell 40-Year Bonds

Source: Bloomberg, Scotiabank Economics.

Events for the week of January 8 – 12**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	01/06	10:15	Fed's Mester Speaks on Financial Stability at Conference
US	01/06	10:15	Fed's Potter Speaks on Panel at AEA Meeting
US	01/07	08:00	Fed's Williams Discusses Academic Paper on Panel at AEA
US	01/08	12:40	Fed's Bostic Speaks on Economic Outlook in Atlanta
US	01/08	13:35	Fed's Williams Speaks at Inflation Targeting Conference
US	01/08	16:00	Fed's Rosengren Speaks at Inflation Targeting Conference
US	01/09	10:00	Fed's Kashkari Speaks on Moderated Panel
US	01/10	09:00	Fed's Evans Discusses Economy and Policy Outlook
US	01/10	09:10	Fed's Kaplan Speaks in in moderated Q&A in Dallas
US	01/10	13:30	Fed's Bullard Speaks on U.S. Economic Outlook in St. Louis
US	01/11	15:30	Fed's Dudley Speaks on the U.S. Economic Outlook
US	01/12	16:15	Fed's Rosengren Gives Keynote Address at UC San Diego Conference

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
GE	01/07	06:00	Merkel's Bloc, SPD Begin Exploratory Coalition Talks
SW	01/10	03:30	Riksbank Minutes
EC	01/11	07:30	ECB account of the monetary policy meeting
SW	01/12	03:25	Riksbank's Skingsley Gives Speech
EC	01/12	11:30	Bundesbank President Weidmann speaks in Rottach-Egern, Germany

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
PE	01/11	18:00	Reference Rate

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	January 17, 2018	1.00	1.25
Federal Reserve – Federal Funds Target Rate	1.50	January 31, 2018	1.50	1.50
Banco de México – Overnight Rate	7.25	February 8, 2018	7.25	--

EUROPE

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
European Central Bank – Refinancing Rate	0.00	January 25, 2018	0.00	--
Bank of England – Bank Rate	0.50	February 8, 2018	0.50	--
Swiss National Bank – Libor Target Rate	-0.75	March 15, 2018	-0.75	--
Central Bank of Russia – One-Week Auction Rate	7.75	February 9, 2018	7.75	--
Sweden Riksbank – Repo Rate	-0.50	February 14, 2018	-0.50	-0.50
Norges Bank – Deposit Rate	0.50	January 25, 2018	0.50	--
Central Bank of Turkey – Benchmark Repo Rate	8.00	January 18, 2018	8.00	--

ASIA PACIFIC

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Bank of Japan – Policy Rate	-0.10	January 23, 2018	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	February 5, 2018	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	February 7, 2018	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	February 7, 2018	6.00	--
Bank of Korea – Bank Rate	1.50	January 18, 2018	1.50	--
Bank of Thailand – Repo Rate	1.50	February 14, 2018	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	3.00	January 25, 2018	3.25	--
Bank Indonesia – 7-Day Reverse Repo Rate	4.25	January 18, 2018	4.25	--

LATIN AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Banco Central do Brasil – Selic Rate	7.00	February 7, 2018	7.00	--
Banco Central de Chile – Overnight Rate	2.50	February 1, 2018	2.50	--
Banco de la República de Colombia – Lending Rate	4.75	January 25, 2018	4.75	4.75
Banco Central de Reserva del Perú – Reference Rate	3.25	January 11, 2018	3.00	3.00

Banco Central de Reserva del Perú is expected to cut its policy rate by 25bps on Thursday. Falling inflation and political instability's potential effects on the economy are the main motivations.

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	January 18, 2018	6.75	--

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