

TWISTING AND TIERING AROUND BREXIT

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Chart of the Week

Trump's Peso Effect



Sources: Scotiabank Economics, Bloomberg.

Chart of the Week: Prepared by: Alena Bystrova, Research Analyst.

Twisting and Tiering Around Brexit

UNITED STATES—OH HHH BAAABY, LET'S DO THE TWIST

Fed-speak, the start of the Q1 earnings season and the commencement of another round of inflation reports offer plenty to consider while US-China trade negotiations continue toward the latest goal to complete them toward the end of the month.

Wednesday's meeting minutes to the March 20th FOMC meeting will further elaborate upon what were major policy shifts at the meeting. General references to the outlook and the year's improved market tone may be informative alongside updated perspectives on crosscurrents to the global outlook. I would particularly watch for two considerations.

First, it is possible that we hear officials saying that markets have misinterpreted the intent of their recent policy actions. Recall that the minutes to the December meeting when they were debating changes to balance sheet policy registered "several" FOMC participants who stated that slowing redemptions of Treasuries (as they did in March) "could be misinterpreted as a signal about the stance of monetary policy." To repeat this and possibly elaborate further could inform market pricing for Fed rate cuts and flirtations with inverted yield curves.

Also watch for further perspectives on how the FOMC consensus thinks about potentially twisting the curve through altering the duration of the Fed's SOMA portfolio of Treasury securities. Recall recent remarks by Philly Fed President Harker that were generally echoed by Boston Fed President Rosengren:

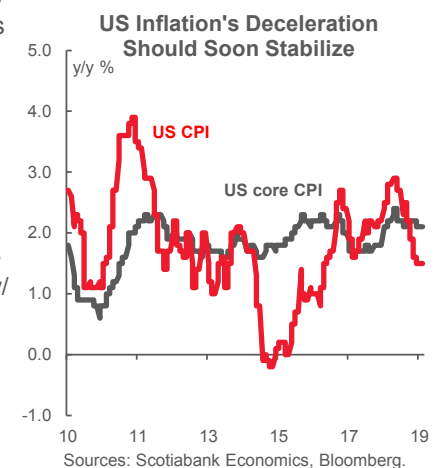
"We've made the decision on ceasing the normalization process at the end of September. But we haven't made any decision yet on the overall long-term composition other than, I have to say, I think there's a general consensus—I can only speak for myself—that we do want to go shorter to buy ourselves the option over time if we ever have to implement a twist-like program."

Fed Vice Chair Clarida speaks twice next week in what could be major addresses. On Tuesday, Clarida will offer a review of the Fed's monetary policy strategy, tools and communications practices at a conference hosted by the Minneapolis Fed. On Thursday, Clarida will deliver a fresh outlook for the US economy and monetary policy.

Fed-speak will also include Governor Bowman's address on community banking on Thursday, Vice Chair Quarles' address on "progress on the transition to risk-free rates" and appearances by two Fed Presidents. **St. Louis Fed President Bullard (voting) will speak on the economy and monetary policy** on Thursday and Minneapolis head Kashkari will hold a Twitter Q&A that same day. I wonder if Trump's account will send in a question, but what serious observer of US monetary policy really cares.

Most of the coming week's data risk will be focused upon Wednesday's CPI update for March. I estimate headline inflation was 1.8% y/y (1.5% prior) and core CPI inflation was unchanged at 2.1% y/y. A shift in year-ago base effects would drop the inflation rate to 1.3% y/y independent of other considerations. March is a seasonal up-month for prices and a sharp jump in gasoline prices last month could make this typical pattern for the month of March an even stronger gain. Regular unleaded gas, for example, was up 10% m/m to US\$2.55 a gallon. If such expectations pan out, then it could commence the march higher in headline inflation with stabilizing core after both measures slipped over 2018H2 (chart 1).

Chart 1



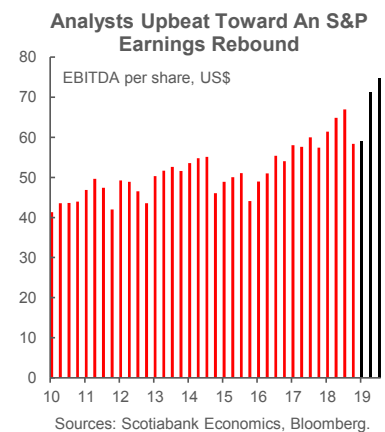
Less consequential releases will include **factory orders** for February (Monday) that will likely follow the already known 1.6% drop in durables goods orders. **Producer prices** are likely to follow upside pressure in energy costs with headline prices up by or slightly below 2% y/y and core producer prices up by about 2 ½%. **University of Michigan consumer sentiment** in April (Friday) could preserve the prior month's rise in the wake of a recovery in job growth. Tuesday's **JOLTS measure** should continue to show job vacancies toward the highest level since at least 2000 when the measure began.

Earnings seasons commences with eight S&P500 firms scheduled to kick it off. The focus will be upon financials toward week's end including BlackRock (Thursday), JP Morgan (Friday), PNC Financial (Friday) and Wells Fargo (Friday). The analyst consensus expects a soft earnings season but a) typically undercuts reality for fear of being pilloried or prosecuted in the wake of the dot-com period and SOX legislation, and b) they expect a rebound in earnings over subsequent seasons that would be consistent with our expectation for improved economic growth. See chart 2

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

Last, for marketainment purposes, I've included a sampling of Trump's quotes on Fed policy before and after the US election. **While attacking the Fed's credibility is a dangerous game that economists need to stand up against, the colourful about-face in his perspectives as he assumed political office and his advancement of two candidates for the Board of Governors that face credibility issues make it difficult to treat seriously Trump's (and his economic adviser Kudlow's) assertions that the Fed should cut rates and embrace QE4.**

Chart 2



2011:

"The Fed's reckless monetary policies will cause problems in the years to come. The Fed has to be reined in or we will soon be Greece."

2012:

"The Audacity of @BarackObama—the Federal Reserve purchased 61% of all debt issued by Treasury in 2011. Killing our children's future."

"All of this artificial stimulus, I mean it's proven it's done nothing. And we have to get back on track. We have to get back on track by paying down debt. We're not going to be doing it if Bernanke goes wild."

2016 in Presidential debate:

"We have a Fed that's doing political things. And believe me: The day Obama goes off, and he leaves, and goes out to the golf course for the rest of his life to play golf, when they raise interest rates, you're going to see some very bad things happen, because the Fed is not doing their job."

2017:

"I do like a low-interest-rate policy, I must be honest with you"

2018:

"I'm not thrilled. I don't like all of this work that we're putting into the economy and then I see rates going up."

"We are not being accommodated. I don't like that."

"They're so tight. I think the Fed has gone crazy. Going loco."

"Not even a little bit happy with my selection of Jay. I'm doing deals and I'm not being accommodated by the Fed. They're making a mistake because I have a gut and my gut tells me more sometimes than anybody else's brain can ever tell me."

"I think the Fed right now is a much bigger problem than China. I think it's—I think it's incorrect what they're doing. I don't like what they're doing. I don't like the \$50 billion. I don't like what they're doing in terms of interest rates. And they're not being accommodative at all. And I'm doing trade deals, and they're great trade deals, but the Fed is not helping."

Friday April 5th:

"I personally think the Fed should drop rates. I think they really slowed us down. They should get rid of quantitative tightening."

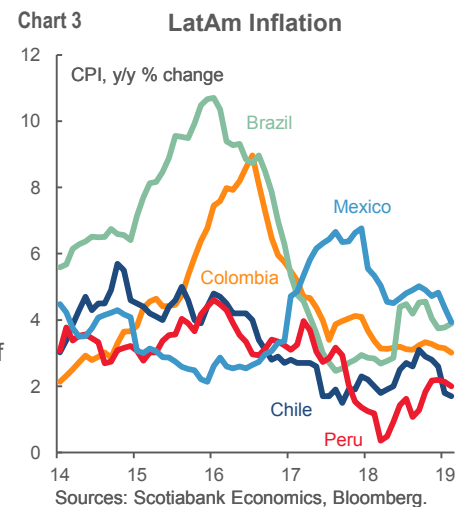
LATIN AMERICA—INFLATION TESTING VELARDE’S BIAS

One central bank decision and a trio of inflation reports will combine with further elaboration upon Banxico’s recent policy decision to drive modest local market risk.

Banco Central de Reserva del Peru delivers a policy decision on Thursday and while a hold is expected there is the possibility that the recent inflation report may reinforce expectations for a rate hike this year. The central bank has been on hold since the end of an easing cycle in March of last year. Peru’s inflation rate unexpectedly jumped higher to 2.25% y/y (2.0% prior, 2.1% consensus) in March for the fastest pace of inflation since September 2017. That pushed inflation somewhat above the midpoint of the central bank’s 1–3% target range with core CPI running higher at 2.4% (2.2% prior). The figures reinforced the more hawkish elements in recent remarks by President Julio Velarde that were delivered before the inflation update: “The scenario maintained is that either there’s an increase or it will depend entirely on the data. We don’t see a cut at this moment because we’re still seeing relatively strong domestic demand.” The central bank has been projecting 2% inflation this year.

Chile (Monday), Mexico (Tuesday) and Brazil (Wednesday) will update inflation readings for March. They will do so in the context of significant disparities across LatAm inflation readings although much narrower differences than not long ago (chart 3). **Mexico’s inflation rate could well breach the upper end of Banxico’s 2–4% inflation target range** after temporarily dipping just slightly inside of the upper end in the last report. **Core Mexican inflation is nevertheless likely to remain inside the zone** and has been riding just above 3½% y/y through the past year. Banxico expands upon its hold decision and neutral bias on March 28th by releasing minutes to that meeting on Thursday.

Chile’s inflation rate is expected to remain just below the bottom end of the central bank’s 2–4% inflation target range but core CPI has been riding just above 2% y/y of late and trending slightly higher over the past year. **Brazilian inflation is expected to jump from 3.9% in February by around a half percentage point higher in March** partly given the signals already sent by the IPCA-15 measure that measures price changes at the 15th day of the month and jumped to 4.2% y/y last month.



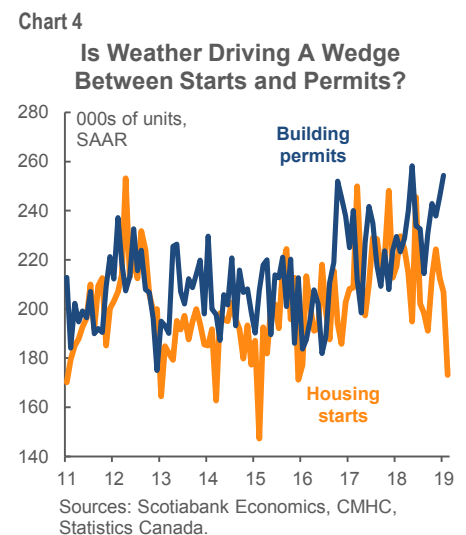
Less potentially impactful developments will include releases for Brazilian retail sales for February (Tuesday), industrial output from Mexico (Thursday) and Colombia (Friday) during February, Colombia retail sales that same month on Friday and Chilean trade during March on Monday.

CANADA—HOUSING & WILKINS

This should be a fairly placid week for Canadian market developments. Data risk will be relatively minor and so should central bank communications.

That said, the calendar is not entirely empty. On Monday, **Bank of Canada Senior Deputy Governor Wilkins speaks on a panel** at the Banque de France titled “Why is competition important for growth, wages and monetary policy?” While the panel occurs at 3:30pmET, she will have a slide deck available on the BoC’s web site at 8amET. There will be audience Q&A but no press conference. Wilkins is the last scheduled BoC official to speak before the central bank goes into communications blackout on April 16th ahead of the April 24th statement, MPR forecasts and press conference. There is probably low risk of policy-related remarks that may be impactful to markets in the wake of Governor Poloz’s speech (recap [here](#)).

Data risk will be confined to a handful of housing-related measures that are often of little consequence to markets. Housing starts for March (Monday) may rebound from the prior month’s dip along with strengthening permit volumes for dwelling units that will also be updated on Monday (chart 4). It is feasible that the recent drop in housing starts



by contrast to strengthening permit volumes for new dwelling units speaks more to harsher than normal weather at times than it does to postponed options to build. If so, then pent-up construction activity may lie in store. New house prices for February (Thursday) and the Teranet repeat-sales price gauge for March (Friday) are also on tap (chart 5).

Canada holds a 2 year auction on Wednesday.

ASIA-PACIFIC—CHINA WATCH

Potential progress in US-China trade negotiations may combine with top-shelf Chinese macro readings to inform regional and global market risks.

China will update CPI for March on Wednesday. The deceleration from a recent peak of 2.5% y/y last October to 1.5% in February could reverse. Expectations are for a reading of about 2¼%. Higher pork prices are widely expected to be a significant upward contributor. The PBoC targets inflation of ‘around 3%’ and so a rise in headline with core CPI remaining near the prior recent trend around 1.8% y/y wouldn’t terribly fuss the central bank. Producer prices are also due out at the same time and are very tame.

China also updates foreign reserves into the Asian market open and they are expected to remain near US\$3.1 trillion. Hopefully **export and import readings** during March that arrive later in the week will show less volatile and cleaner impressions after the distorting effects of the shifting timing of the annual Lunar New Year. Recall that in local currency terms, exports were up 13.9% y/y in January and down 16.6% in February while imports were little changed in both months.

Possible other Chinese releases either over the coming week or into the following week will include monetary, credit and financing aggregates as well as foreign direct investment. **Chinese new yuan loans outstanding have been growing at a remarkably stable rate over recent years** (chart 6). Aggregate financing outstanding across all financing products has been rising by 10% y/y and stable since last summer following a slight prior deceleration from 12–13% growth rates in early 2018.

RBI watchers will have an eye on Indian CPI next Friday after the central bank cut its repo rate by 25bps this past week. **RBA watchers** should pay close attention to a speech by Deputy Governor Guy Debelle on “The State of the Economy” in the wake of the RBA’s recent hold decision and ahead of the general election next month. Lastly, **BoJ watchers** should keep an eye on two speeches by Governor Kuroda on Sunday evening (eastern time) and Wednesday morning.

EUROPE—SHEDDING A TIER FOR NEGATIVE RATES

Wednesday will potentially bring a lot of fireworks. Both the EU Summit, that may further inform the future path of Brexit developments, and the ECB’s latest policy meeting will occur on that day. They will be the dominating influences upon European markets with potential global market influences. Data risk will play a distant role with—you guessed it—a particular concentration on Wednesday.

Even after the major policy changes at the March meeting, the ECB may yet have another trick or two up its sleeves. Recall that at the March 7th meeting, the ECB pushed out rate guidance to remain “at their present levels at least through the end of 2019” and introduced a fresh round of Targeted Longer-Term Refinancing Operations (TLTRO-III) that will be launched in September and end in March 2021 with two year maturities. This was a big deal to markets because of the volumes involved in past TLTRO operations (chart 7).

Chart 5

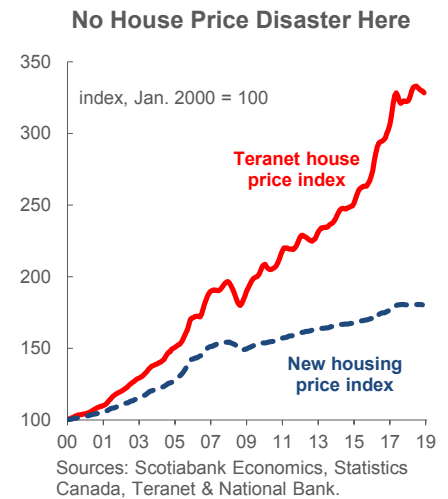
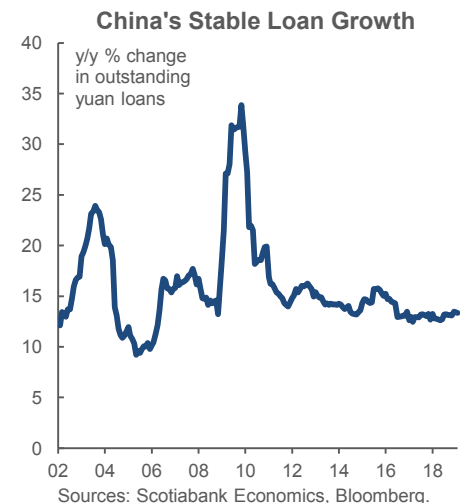


Chart 6



Further technical details to the TLTROs may be offered. In addition, the ECB may take action to address the undesirable effects of negative rates. President Draghi's recent speech ([here](#)) hinted at potential forthcoming measures to dampen the effects of negative rates on the banking sector as a barrier to passing through the benefits to the lending cycle:

"We will continue monitoring how banks can maintain healthy earning conditions while net interest margins are compressed. And, if necessary, we need to reflect on possible measures that can preserve the favourable implications of negative rates for the economy, while mitigating the side effects, if any. That said, low bank profitability is not an inevitable consequence of negative rates. ECB analysis finds that the best-performing banks in the euro area in terms of return on equity between 2009 and 2017 share three key features: they have been able to significantly reduce their cost-to-income ratios; they have embarked on large-scale investments in information technology; and they have been able to diversify their revenue sources in a low interest rate environment."

A tiering system is likely in that negative rates may no longer apply to a portion of reserves that banks hold with the ECB.

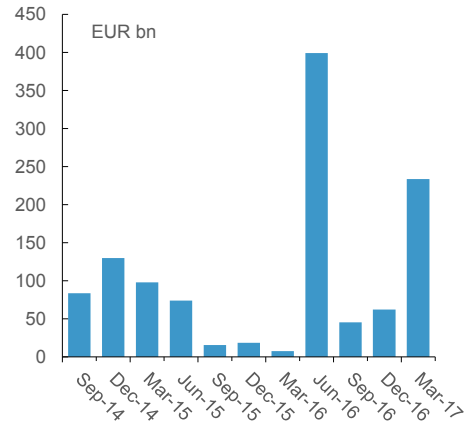
The ECB can apply lessons and practices at several other central banks like the BoJ that already tier reserves. The effects could prove beneficial to the banking sector and the transmission of monetary policy effects to the economy.

Wednesday's EU Summit will determine whether or not to grant UK PM May's wish to extend the Brexit deadline from May 22nd—a day before EU elections—to June 30th with the possibility of exiting ahead of then if a deal is passed by the British Parliament. Those negotiations hit an impasse at the end of this past week with Labour saying "We are disappointed that the government has not offered real change or compromise."

While it will be of tertiary significance, macro data will include German and UK trade figures for February (Monday and Wednesday, respectively); industrial production from France and Italy (Wednesday) and the UK (Wednesday) and Eurozone totals (Friday); a UK services reading (Wednesday); Italian retail sales (Tuesday); Norway's inflation rate (Wednesday) and Sweden's inflation rate (Thursday). Riksbank watchers will want to keep an eye on Governor Ohlsson's speech on the inflation target on Tuesday.

Chart 7

Amounts Borrowed Under Prior ECB TLTRO Refinancing Operations



Sources: Scotiabank Economics, ECB.

Key Indicators for the week of April 8 – 12

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	04/08	08:15	Housing Starts (000s a.r.)	Mar	210.0	193.0	173.2
CA	04/08	08:30	Building Permits (m/m)	Feb	--	2.0	-5.5
US	04/08	10:00	Factory Orders (m/m)	Feb	-0.6	-0.5	0.1
MX	04/09	09:00	Bi-Weekly Core CPI (% change)	Mar 31	0.2	0.1	0.2
MX	04/09	09:00	Bi-Weekly CPI (% change)	Mar 31	0.1	0.1	0.3
MX	04/09	09:00	Consumer Prices (m/m)	Mar	0.4	0.4	0.0
MX	04/09	09:00	Consumer Prices (y/y)	Mar	4.0	4.0	3.9
MX	04/09	09:00	Consumer Prices Core (m/m)	Mar	0.4	0.3	0.4
US	04/09	10:00	JOLTS Job Openings (000s)	Feb	--	7565.5	7581.0
US	04/10	07:00	MBA Mortgage Applications (w/w)	APR 5	--	--	18.6
US	04/10	08:30	CPI (m/m)	Mar	0.4	0.3	0.2
US	04/10	08:30	CPI (y/y)	Mar	1.8	1.8	1.5
US	04/10	08:30	CPI (index)	Mar	--	254.1	252.8
US	04/10	08:30	CPI ex. Food & Energy (m/m)	Mar	0.3	0.2	0.1
US	04/10	08:30	CPI ex. Food & Energy (y/y)	Mar	2.1	2.1	2.1
US	04/10	14:00	Treasury Budget (US\$ bn)	Mar	--	-212.8	-234.0
CA	04/11	08:30	New Housing Price Index (m/m)	Feb	--	0.0	-0.1
US	04/11	08:30	Initial Jobless Claims (000s)	APR 6	205	210	202
US	04/11	08:30	Continuing Claims (000s)	MAR 30	1720	--	1717
US	04/11	08:30	PPI (m/m)	Mar	0.3	0.3	0.1
US	04/11	08:30	PPI ex. Food & Energy (m/m)	Mar	0.2	0.2	0.1
MX	04/11	09:00	Industrial Production (m/m)	Feb	--	--	0.6
MX	04/11	09:00	Industrial Production (y/y)	Feb	0.5	-0.5	-0.9
CA	04/12	08:30	Teranet - National Bank HPI (y/y)	Mar	--	--	1.9
US	04/12	08:30	Export Prices (m/m)	Mar	--	0.4	0.6
US	04/12	08:30	Import Prices (m/m)	Mar	--	0.4	0.6
US	04/12	10:00	U. of Michigan Consumer Sentiment	Apr P	98.5	98.4	98.4

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	04/08	02:00	Current Account (€ bn)	Feb	--	18.5	18.3
GE	04/08	02:00	Trade Balance (€ bn)	Feb	--	16.5	14.6
FR	04/10	02:45	Industrial Production (m/m)	Feb	--	-0.5	1.3
FR	04/10	02:45	Industrial Production (y/y)	Feb	--	-0.2	1.7
FR	04/10	02:45	Manufacturing Production (m/m)	Feb	--	--	1.0
IT	04/10	04:00	Industrial Production (m/m)	Feb	--	-0.8	1.7
UK	04/10	04:30	Index of Services (m/m)	Feb	--	0.1	0.3
UK	04/10	04:30	Industrial Production (m/m)	Feb	--	0.1	0.6
UK	04/10	04:30	Manufacturing Production (m/m)	Feb	--	0.2	0.8
UK	04/10	04:30	Visible Trade Balance (£ mn)	Feb	--	-12851.0	-13084.0
EC	04/10	07:45	ECB Main Refinancing Rate (%)	Apr 10	0.00	0.00	0.00
GE	04/11	02:00	CPI (m/m)	Mar F	--	0.4	0.4
GE	04/11	02:00	CPI (y/y)	Mar F	--	1.3	1.3
GE	04/11	02:00	CPI - EU Harmonized (m/m)	Mar F	--	0.5	0.5
GE	04/11	02:00	CPI - EU Harmonized (y/y)	Mar F	--	1.4	1.4
FR	04/11	02:45	CPI (m/m)	Mar F	--	0.8	0.8
FR	04/11	02:45	CPI (y/y)	Mar F	--	1.1	1.1
FR	04/11	02:45	CPI - EU Harmonized (m/m)	Mar F	--	0.9	0.9
FR	04/11	02:45	CPI - EU Harmonized (y/y)	Mar F	--	1.3	1.3
SP	04/12	03:00	CPI (m/m)	Mar F	--	0.4	0.4
SP	04/12	03:00	CPI (y/y)	Mar F	--	1.3	0.0
SP	04/12	03:00	CPI - EU Harmonized (m/m)	Mar F	--	1.4	1.4
SP	04/12	03:00	CPI - EU Harmonized (y/y)	Mar F	--	1.3	1.3
EC	04/12	05:00	Industrial Production (m/m)	Feb	--	-0.6	1.4
EC	04/12	05:00	Industrial Production (y/y)	Feb	--	-1.0	-1.1

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

Key Indicators for the week of April 8 – 12

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
JN	04/07	19:50	Current Account (¥ bn)	Feb	--	2633.5	600.4
JN	04/07	19:50	Trade Balance - BOP Basis (¥ bn)	Feb P	--	591.3	-964.8
AU	04/07	21:30	ANZ Job Advertisements (m/m)	Mar	--	--	-0.9
CH	04/07		Foreign Reserves (US\$ bn)	Mar	3090.0	3090.0	3090.2
JN	04/08	01:00	Consumer Confidence	Mar	--	41.5	41.5
TA	04/08	04:00	Exports (y/y)	Mar	--	-8.5	-8.8
TA	04/08	04:00	Imports (y/y)	Mar	--	-10.4	-19.7
TA	04/08	04:00	Trade Balance (US\$ bn)	Mar	--	5.1	4.9
TA	04/09	04:00	CPI (y/y)	Mar	0.6	0.4	0.2
SK	04/09	19:00	Unemployment Rate (%)	Mar	3.7	4.0	3.7
JN	04/09	19:50	Bank Lending (y/y)	Mar	--	--	2.3
JN	04/09	19:50	Machine Orders (m/m)	Feb	--	2.9	-5.4
JN	04/10	02:00	Machine Tool Orders (y/y)	Mar P	--	--	-29.3
JN	04/10	19:50	Japan Money Stock M2 (y/y)	Mar	--	2.4	2.4
JN	04/10	19:50	Japan Money Stock M3 (y/y)	Mar	--	2.1	2.1
PH	04/10	21:00	Exports (y/y)	Feb	--	-0.3	-1.7
PH	04/10	21:00	Imports (y/y)	Feb	--	6.9	5.8
PH	04/10	21:00	Trade Balance (US\$ mn)	Feb	--	-3400.0	-3760.0
CH	04/10	21:30	CPI (y/y)	Mar	1.8	2.3	1.5
CH	04/10	21:30	PPI (y/y)	Mar	--	0.4	0.1
CH	04/10		New Yuan Loans (bn)	Mar	1150.0	1225.0	885.8
MA	04/11	00:00	Industrial Production (y/y)	Feb	--	2.3	3.2
NZ	04/11	18:30	Business NZ PMI	Mar	--	--	53.7
SI	04/12	01:00	Retail Sales (y/y)	Feb	--	2.7	7.6
IN	04/12	08:00	CPI (y/y)	Mar	2.8	--	2.6
IN	04/12	08:00	Industrial Production (y/y)	Feb	--	--	1.7
CH	04/12		Exports (y/y)	Mar	--	7.7	-20.8
CH	04/12		Imports (y/y)	Mar	--	-0.1	-5.2
CH	04/12		Trade Balance (USD bn)	Mar	--	8.1	4.1

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CL	04/08	08:00	CPI (m/m)	Mar	--	--	0.1
CL	04/08	08:00	CPI (y/y)	Mar	--	--	1.8
BZ	04/09	08:00	Retail Sales (m/m)	Feb	--	0.1	0.4
BZ	04/09	08:00	Retail Sales (y/y)	Feb	--	3.4	1.9
PE	04/09		Trade Balance (USD mn)	Feb	--	--	283.0
BZ	04/10	08:00	IBGE Inflation IPCA (m/m)	Mar	--	0.6	0.4
BZ	04/10	08:00	IBGE Inflation IPCA (y/y)	Mar	--	4.4	3.9
PE	04/11	19:00	Reference Rate (%)	Apr 11	2.75	2.75	2.75
CO	04/12	11:00	Retail Sales (y/y)	Feb	3.5	--	3.0
BZ	04/12		Economic Activity Index SA (m/m)	Feb	--	--	-0.4
BZ	04/12		Economic Activity Index NSA (y/y)	Feb	--	--	0.8

Global Auctions for the week of April 8 – 12

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04/09	13:00	U.S. to Sell USD38 Bln 3-Year Notes
CA	04/10	12:00	Canada to Sell 2 Year Bonds
CA	04/10	12:00	Canada to Sell CAD3 Bln 1.75% 2021 Bonds
US	04/10	13:00	U.S. to Sell USD24 Bln 10-Year Notes Reopening
US	04/11	13:00	U.S. to Sell USD16 Bln 30-Year Bonds Reopening

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AS	04/09	05:15	Austria to Sell 0% 2023 Bonds
AS	04/09	05:15	Austria to Sell 0.5% 2029 Bonds
GE	04/09	05:30	Germany to Sell 750 Million Euros of 0.5% 2030 Linkers
UK	04/09	05:30	U.K. to Sell 2.75 Billion Pounds of 1.625% 2028 Bonds
SW	04/10	05:00	Sweden to Sell 750 Million Kronor of 0.75% 2029 Bonds
SW	04/10	05:00	Sweden to Sell 750 Million Kronor of 2.5% 2025 Bonds
SZ	04/10	05:15	Switzerland to Sell Bonds
PO	04/10	05:30	Portugal to Sell 4.1% 2037 Bonds
PO	04/10	05:30	Portugal to Sell 1.95% 2029 Bonds
FI	04/10	06:00	Finland to Sell 0.5% 2026 Bonds
FI	04/10	06:00	Finland to Sell 1.375% 2047 Bonds
IC	04/12	06:30	Iceland to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	04/07	21:00	Australia To Sell AUD400 Mln 2.75% 2035 Bonds
AU	04/08	21:00	Australia To Sell AUD150 Mln 2.5% 2030 Bonds
CH	04/08	21:30	Inner Mongolia to Sell Bonds
CH	04/08	22:30	Inner Mongolia to Sell Bonds
CH	04/08	23:30	Hebei to Sell CNY4 Bln 7Y Bonds
CH	04/08	23:30	Hebei to Sell CNY22.2 Bln 20Y Bonds
JN	04/08	23:35	Japan to Sell 5-Year Bonds
AU	04/09	21:00	Australia To Sell AUD900 Mln 2.75% 2029 Bonds
CH	04/09	22:35	China To Sell CNY48 Bln 5-Yr Bonds
CH	04/09	23:00	China to Sell CNY34 Bln 2-Yr Upsized Bonds
CH	04/10	21:30	Shanxi to Sell Bonds
NZ	04/10	22:05	New Zealand To Sell NZD250 Mln 3% 2029 Bonds
CH	04/10	22:30	Shanxi to Sell Bonds
CH	04/11	21:30	Gansu to Sell CNY4.4 Bln 5Y Bonds

Source: Bloomberg, Scotiabank Economics.

Events for the week of April 8 – 12

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04/09	18:45	Clarida Speaks at Fed Listens Event in Minneapolis
US	04/10	14:00	FOMC Meeting Minutes
US	04/11	09:30	Fed's Clarida Speaks at Annual IIF Meeting in Washington
US	04/11	09:40	Fed's Bullard Speaks on Economy and Monetary Policy
MX	04/11	10:00	Central Bank Monetary Policy Minutes
US	04/11	11:50	Fed's Quarles Takes Part in FSB Roundtable
US	04/11	14:00	Fed's Kashkari to Hold Q&A Via Twitter
US	04/11	16:00	Fed's Bowman Speaks on Community Banking

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	04/06	04:40	ECB's Mersch Speaks in Cernobbio, Italy
EC	04/08	08:45	SSM's Enria Chairs Panel in Paris
SW	04/08	10:30	FSA Head Thedeen Speaks
SW	04/08	10:30	Riksbank's Floden in Panel on Developments in Mortgage Market
EC	04/08	11:45	ECB's Villeroy speaks in Paris
SW	04/09	08:05	Riksbank's Ohlsson Gives Speech
SW	04/10	02:00	Swedish Government to Present Spring Budget
SW	04/10	04:00	Swedish Prime Minister Lofven in EU Committee Hearing
SW	04/10	04:45	Riksbank's Ohlsson Gives Speech
EC	04/10	07:45	ECB Main Refinancing Rate
EC	04/10	07:45	ECB Marginal Lending Facility
EC	04/10	07:45	ECB Deposit Facility Rate
EC	04/10	08:30	ECB's Draghi Speaks in Frankfurt After Policy Decision
EC	04/10	14:00	ECB's Coeure Participates in Panel Discussion in Washington
HU	04/11	03:00	Hungary Central Bank's Nagy Speaks at Conference on Lending
SW	APR 11-12		Riksbank's Ingves, Skingsley, Jansson at IMF Spring Meeting
HU	04/12	03:30	Hungary NBH's Nagy, Visegrad Stock Market Chiefs Speak
SW	04/12	05:15	Riksbank's Floden Gives Speech in Stockholm
EC	04/12	08:45	ECB's Praet Speaks in Washington

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	04/07	20:30	BOJ Kuroda make a short speech at Branch Managers' Meeting
AU	04/09	22:30	RBA's Debelle Gives Speech in Adelaide
JN	04/10	02:15	BOJ Kuroda makes a speech at Trust Bank Association anual meet
AU	04/10	22:30	RBA's Debelle Gives Speech
SI	04/11	20:00	Singapore Monetary Policy Statement
AU	04/11	21:30	RBA Financial Stability Review

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
PE	04/11	19:00	Reference Rate

Source: Bloomberg, Scotiabank Economics.

Global Central Bank Watch

NORTH AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Bank of Canada – Overnight Target Rate	1.75	April 24, 2019	1.75	1.75
Federal Reserve – Federal Funds Target Rate	2.50	May 1, 2019	2.50	2.50
Banco de México – Overnight Rate	8.25	May 16, 2019	8.25	8.25

EUROPE

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
European Central Bank – Refinancing Rate	0.00	April 10, 2019	0.00	0.00
Bank of England – Bank Rate	0.75	May 2, 2019	0.75	0.75
Swiss National Bank – Libor Target Rate	-0.75	June 13, 2019	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	7.75	April 26, 2019	7.75	7.75
Sweden Riksbank – Repo Rate	-0.25	April 25, 2019	-0.25	-0.25
Norges Bank – Deposit Rate	1.00	May 9, 2019	1.00	1.00
Central Bank of Turkey – Benchmark Repo Rate	24.00	April 25, 2019	24.00	--

ECB: After pushing out rate hike guidance and introducing TLTROs at the March 7th meeting, the ECB may announce more details to the TLTRO operations and introduce a tiering system for the application of negative rates to bank reserves. The aim is to address the undesirable effects of negative rates in a manner that could be beneficial to banks and the transmission mechanisms of monetary policy through the economy.

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	April 25, 2019	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	May 7, 2019	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	May 7, 2019	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	June 6, 2019	6.00	6.00
Bank of Korea – Bank Rate	1.75	April 18, 2019	1.75	1.75
Bank of Thailand – Repo Rate	1.75	May 8, 2019	1.75	1.75
Bank Negara Malaysia – Overnight Policy Rate	3.25	May 7, 2019	3.25	3.25
Bank Indonesia – 7-Day Reverse Repo Rate	6.00	April 25, 2019	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	4.75	May 9, 2019	4.75	4.50

LATIN AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Banco Central do Brasil – Selic Rate	6.50	May 8, 2019	6.50	6.50
Banco Central de Chile – Overnight Rate	3.00	May 9, 2019	3.00	3.00
Banco de la República de Colombia – Lending Rate	4.25	April 26, 2019	4.25	4.25
Banco Central de Reserva del Perú – Reference Rate	2.75	April 11, 2019	2.75	2.75

Banco Central de Reserva del Perú: While a policy hold is expected, the tone may be somewhat more hawkish in the wake of the latest inflation reading.

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	May 23, 2019	6.75	--

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

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