

THE FED AND FRIDAY THE 13TH

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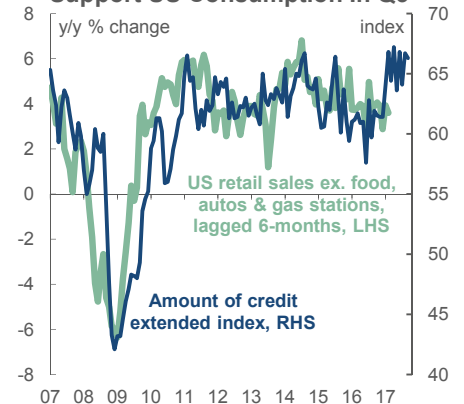
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Next Week's Risk Dashboard

- ▶ Fed chair nominee?
- ▶ US CPI, retail sales
- ▶ FOMC minutes
- ▶ US earnings
- ▶ ECB exit guidance?
- ▶ China PMIs, other macro
- ▶ BoC communications
- ▶ Catalan tensions
- ▶ CDN housing
- ▶ Peru's rate decision

Chart of the Week

Credit Acceleration Continues To Support US Consumption In Q3



Sources: Scotiabank Economics, Bloomberg, US Census Bureau, NACM.

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

The Fed And Friday The 13th

UNITED STATES — FRIGHT NIGHT?

Friday the 13th happens to coincide with the two week anniversary of when US President Trump said he would announce his nominee for Chair of the Federal Reserve within 2–3 weeks. I'm sure that had nothing to do with the timeline that was chosen and which is not cast in stone. If, by chance, we happen to get the announcement next week, however, then resultant risks to the Treasury curve and greenback could dominate the week's market developments. **Coincidentally, next Friday is also when first tier data risk arrives that will likely offer stronger albeit temporary growth and inflation signals while earnings risk accelerates late in the week.**

I'm not a believer that choosing a Fed Chair matters quite as much as markets and some observers think it might. One reason is that I'm more of a believer in the institution than the power of any one individual and the mythology that surrounds who occupies the top seat. It's a very western—if not American—tendency to assume that the individual rules the roost. In reality, the Fed is bound by its dual mandate as set by Congress. It is an institution with many competent voices and faces that hold the power of dissenting opinions through an open voting process.

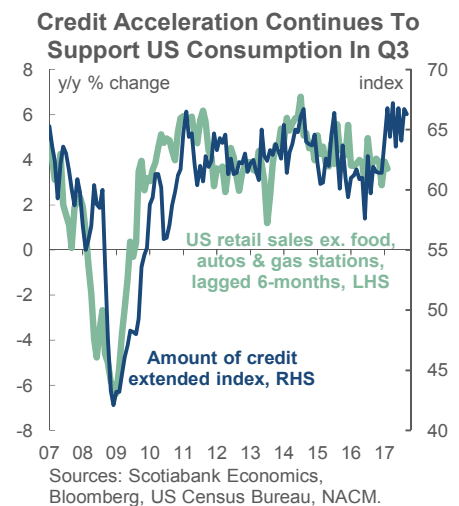
Further, the differences between candidates in the here and now as the Fed has crafted exit plans at or nearing the point of full employment are much more subtle than they were in years past. Take Kevin Warsh, for instance. A lawyer by training, Warsh rebelled in a Wall Street Journal op-ed in late 2010 and quit his job as a Governor at the Fed in early 2011 in protest against the Fed's QE program and broad easy money policy. This episode seven years ago is the basis for why some call him a hawk today. That's less clear, however, when juxtaposed against an FOMC consensus that has since stolen his thunder by hiking four times and by beginning to unwind the Fed's balance sheet. The issue is whether Warsh would be yet more hawkish than the present FOMC consensus and that's impossible to ascertain. Would he raise the fed funds target rate by more than the four hikes shown as the median FOMC expectation between now and the end of next year? Who knows, but I doubt it, and recession probabilities would go up and risk ultimately short-circuiting such plans. Would Warsh advocate a higher neutral policy rate than the present 2.75% estimate of the FOMC consensus? Answering yes or no is baseless conjecture as we simply haven't heard from him about what he would do at this point in the cycle, but again, I doubt it. Where Warsh may differ is in terms of how he would approach a future downturn. If something like the Global financial Crisis comes along once every three quarters of a century and future downturns are less likely to be driven by a total breakdown in the financial system, then the issue may be moot. If a deeper crisis were to emerge, there is a strong body of opinion at the Fed that believes in unconventional policy tools and Warsh could be challenged to convince said consensus to sit on their hands in a future deep crisis. Overall, when I look across the candidates *at this point in the cycle versus years past* I see precious little differentiation across the candidates' potential policy stances, but enormous differences in lining up against the criteria that Vice Chair Fischer aptly set forth as requiring "flexibility of mind." On that count, why mess with a proven Fed Chair who has demonstrated her capacity to shift gears from entry to exit phases. Either way, the Fed will survive as a competent institution driven by more than one vote.

In the context of the leadership race, **Wednesday's minutes to the FOMC meeting on September 20th** might be a tad pedestrian in nature. Top Fed officials also speak over the course of the week, including Governor Powell—a candidate for the top job—who speaks on two occasions. Governor Brainard and four regional presidents also speak, including Dallas's Kaplan (twice), Chicago's Evans (twice), Minneapolis's Kashkari, and Boston's Rosengren.

Friday will be the main focal point for data risk including CPI and retail sales, both for September.

Brace for a massive US retail sales report on Friday. Auto sales climbed from 16.03 million in August to 18.47 million in September (17.15 was consensus). Given the weight in retail sales, this could singlehandedly add about 3 percentage points to month-over-month retail sales growth. There has only been one month when sales topped 18

Chart 1



million—in late 2001. Replacing hurricane damaged autos is a part of the story but sales also rose in other regions which suggests it's not just about hurricanes. Vehicle sales numbers will likely cool in future months but remain elevated because it takes months to replace the autos and because of solid fundamentals in other regions.

Also of note is that average daily gasoline prices rose by over 10% m/m in September on hurricane influences. With about an 8% weight in total retail sales, **gas prices should add another ¾% or so to headline retail sales growth**. What happens to core sales ex-autos and gas and more importantly (for GDP purposes) the retail sales control group will be far more important by way of underlying consumer strength independent of autos and gas. A risk here is that higher spending on autos and gas crowds out spending in other categories, but an offsetting risk is that consumer credit growth has risen sharply this year and is typically highly correlated with a pick-up in core retail sales (chart 1).

The gas price effect is also why I expect headline CPI to get a 0.3–0.4% jump in m/m terms just from that channel. Then add in hurricane-related scarcity influences and **we could see among the fastest month-ago changes in headline CPI over the post-crisis period and CPI crossing well above the 2% y/y mark**. Key will be whether some of this firming of price pressures flows through core CPI which is expected. It will nevertheless take a few months until we get inflation data that is 'cleaner' by way of the removal of transitory hurricane influences. As in Europe where supercore CPI was relied upon to weed out transitory factors like travel vacation packages around the different timing of Easter last Spring, we may well need a 'supercore' measure for the US in order to be able to tell the inflation picture independent of hurricane effects.

The US also releases the JOLTS labour market survey including job vacancies (Wednesday), producer prices for September (Thursday) and UoM consumer sentiment for October (Friday).

As if that's not enough, **earnings season starts in earnest** with the usual early-season focus upon financials including BlackRock (Wednesday), JP Morgan and Citi (Thursday) and then BofA and Wells Fargo (Friday).

CANADA — A PERFECT ANTIDOTE

After a fowl start to the week with markets shut on Monday, there will be plenty of opportunity to get over the ensuing indigestion. **The domestic calendar of market risks will be relatively empty with the possible exception of Bank of Canada communications** but likely not until the end of the week on Saturday.

There will be **three BoC events** to watch and if any risk arises then I'd hang it mostly upon next Saturday.

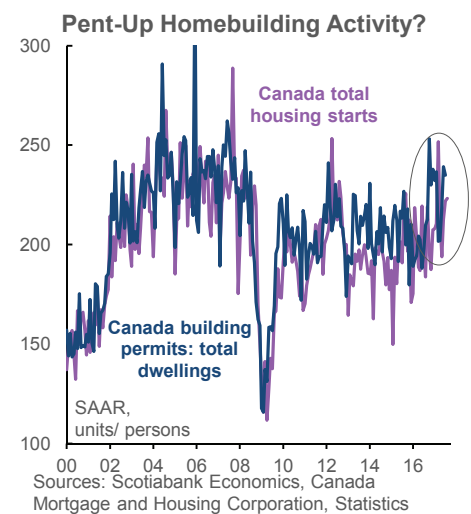
1. Senior Deputy Governor Carolyn Wilkins appears this Tuesday, October 10th at 2pmET at IMF meetings. Her panel ([here](#)) is about systemic risk and macroprudential stress testing.

2. Wilkins then resurfaces on Thursday, October 12th at 3:15pmET at the IIF meetings. Her panel is about "Outlook for a cash-lite econsystem and policy implications" and the agenda is [here](#). Both appearances by Wilkins probably represent low market risk given a) the topics and b) they are panels.

3. What is not on any public schedule, however, is that Poloz and Canadian government officials will sit down with media in an on-the-record session on Saturday October 14th. So that will be after this Friday's jobs report that they have flagged as part of their data dependence with nothing else material due out next week. Poloz will also be informed by the latest Business Outlook Survey and Senior Loan Officer Opinion Survey due for release on Monday morning, October 16th. After Poloz's remarks, markets will digest CPI (20th), retail (20th) and manufacturing (18th) data as the BoC goes into communications black-out on Wednesday October 18th.

As for data risk, it will be of the second- and third-tier varieties and focused upon housing. Housing starts for September (Tuesday) should remain elevated given that the volume of dwelling permits being issued is a leading indicator and remains elevated itself (chart 2). Thursday's new house price index for August will

Chart 2



have the attention placed upon the house-only component as input into replacement costs captured in CPI for a housing market connection to inflation. It's important to focus upon the right housing measures by way of implications for inflation, as the way CPI captures housing has undergone accelerated pressures over recent months. Also on Thursday will come a September update for repeat-sales home prices. Even for Toronto, the Teranet resale and the new house price index have not undergone any material correction to date (chart 3). **The popular and financial press needs to be taken to task here over the all-too-frequent misrepresentation of what is happening to the city's house prices as they quote averages without controlling for compositional shifts and selectively report the house price figures.** Toronto's repeat-sales Teranet gauge is still up by 24% y/y and has slipped only one month so far this year via August's tiny -0.4% m/m dip.

Canada holds a 2s auction on Wednesday.

EUROPE — ECB EXIT HINTS?

Possible ECB exit guidance, at least in the opinion of one senior ECB official, may combine with ongoing tensions in Spain as key risks facing European (indeed possibly global) markets over the coming week. Data risk is likely to be of relatively minor consequence.

ECB Executive Board Member Peter Praet speaks Wednesday on "European Exit Strategies" on Wednesday in NYC ([here](#)). He will do so at a conference on "Globalisation Dynamics—EU and US perspectives" sponsored by The European Money and Finance Forum. While the conference is fairly wide-ranging in the topics it addresses, another session will be delivered by Simon Potter from the NY Fed on "American Exit Strategies" which suggests a significant conference theme will be the way out across major global central banks.

Eyes in Spain and abroad may be upon Catalonia's regional legislature (or an alternate location) at the start of the week. The head of the Catalan National Assembly has vowed to meet in order to discuss the aftermath of the illegal vote to separate and whether or not to unilaterally declare independence from Spain. The scope for tensions to flare may be high in the face of a united front against the separatists including the Spanish government and the King of Spain while the EU has made it clear it is staying out of the affair and unwilling to acknowledge the vote. Despite a rally in Spanish government bond yields following a successful auction, Spanish spreads continue to reflect a material widening of perceived risks in lending to Spain over Germany (chart 4).

Data and other event risk will be fairly modest and focused upon industrial output reports for August from across the Eurozone and the UK, plus Eurozone CPI revisions, Norwegian and Swiss CPI, Norway's budget and trade figures from the UK and Germany.

The Bank of England also releases its Credit Conditions Survey (last one [here](#)) and Bank Liabilities Survey (last one [here](#)) on Thursday. Combined, they inform the MPC on the latest developments in loan growth and credit stresses on the path to the next policy decision on November 2nd when bank rate may be raised.

LATIN AMERICA — WHEN LIFE HANDS YOU LEMONS...

...make pisco sours? Maybe, but the issue of lemons is a curious consideration in Peruvian monetary policy by way of how their prices are distorting shorter-term inflation

Chart 3

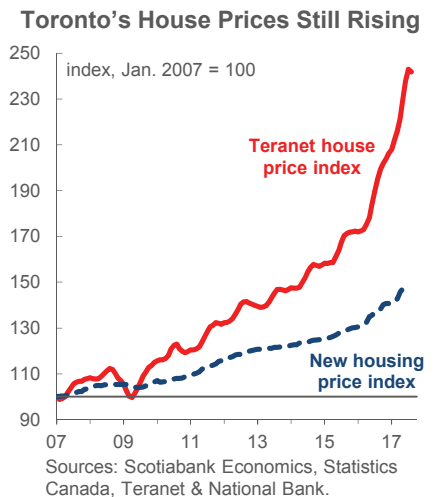


Chart 4

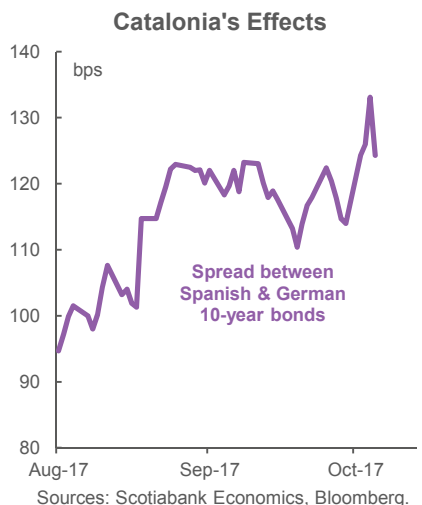
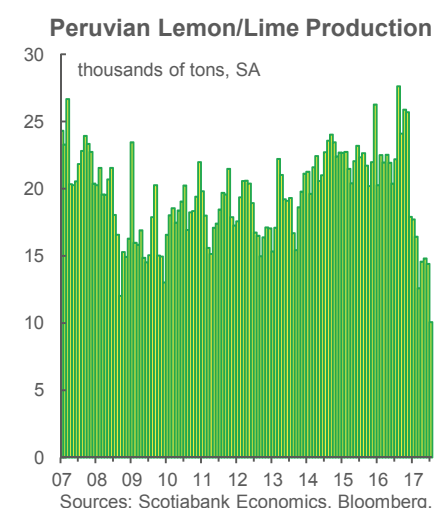


Chart 5



on the path to **the next monetary policy decision by Banco Central de Reserva del Peru on Thursday**. A spike in the price of lemons—an important citrus crop that has experienced a supply shock that has reduced output of lemons and limes to the lowest level in almost a decade (chart 5)—and water tariffs may have combined to make the nation’s popular drink more expensive but it also twisted the inflation figures in ways the central bank is likely to look through. The supply shocks carried headline inflation up from 2.7% y/y in June to a peak of 3.2% y/y in August before September’s figure fell back to 2.9% y/y and will likely decline further in the October reading. That brings inflation just back within the 2% +/-1% inflation target range. Central bank President Julio Velarde said last month just before cutting the policy rate that he was prepared to cut again if needed in order to stoke investment in the wake of severe flooding earlier this year and soft growth. He may choose to keep the option alive for a later date, but Velarde’s prior guidance implies the risk of another rate cut.

Apart from Peru’s monetary policy decision, the other main focal point within LatAm markets may be **Mexican CPI inflation**. CPI is expected to begin ebbing in Monday’s figures for September. From a peak of 6.7% y/y in August that was the highest reading since May 2001, inflation is expected to begin slowly descending. Consensus expects inflation to be 4-handled into early 2018 and end next year at a sub-4% level that would bring it back within Banxico’s 3% +/-1% inflation target range.

ASIA — SURVEYS STILL POINTING TO FASTER GLOBAL GROWTH?

Will China continue the swing toward more bullish global growth readings when the country releases a series of macro reports over the coming week? Whether or not it does offers global market risks with little else of consequence expected on the Asian calendar over the coming week.

On Monday, China releases the private sector version of its purchasing managers’ indices for the service sector and the broad composite reading that combines the already released manufacturing PMI and the services PMI. Charts 6–7 depict how global momentum in services and manufacturing picked up to end Q3 and hand-off to Q4 and also fit along a pattern of significant trend improvements especially in manufacturing. Everyone, it seems, is bringing home manufacturing which of course cannot be the case as opposed to a rising tide lifting all boats. For instance, China’s state version of the services PMI increased to about a 3 ½ year high in September, the Eurozone’s services PMI increased to just beneath April’s cycle high, and the US ISM services PMI rose to a twelve year high. Across manufacturing, the US PMI rose to a 13 year high, China’s state version of the manufacturing PMI climbed to its highest in over five years and the Eurozone’s manufacturing PMI rose to its highest in just over six and a half years.

China also releases foreign reserves this weekend, trade figures toward the end of next week, and at some point next week or the following it is expected to release money supply, credit aggregates and foreign direct investment.

More regional developments will include Indian CPI that arrives Thursday, updates of export figures from India and a few other regional economies, and the RBA’s Financial Stability Review on Thursday night (ET) that will update thinking on housing and other risks.

Chart 6

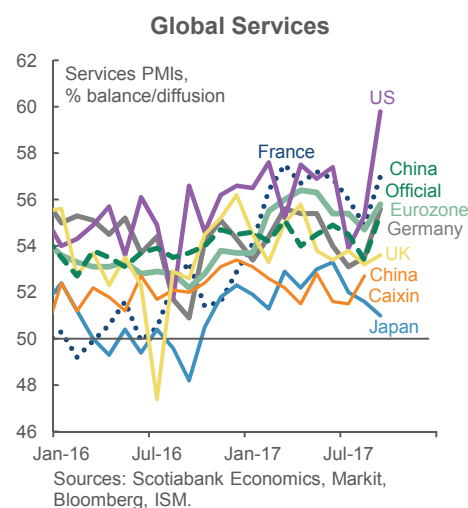
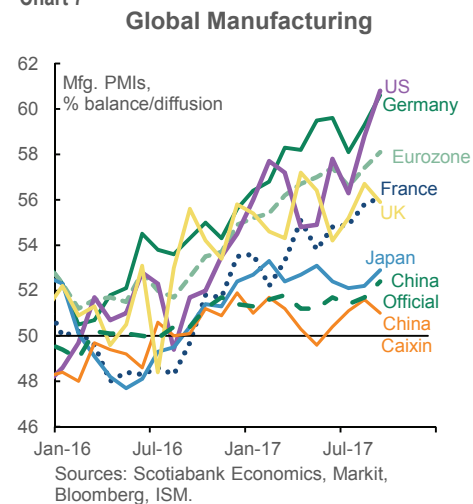


Chart 7



Key Indicators for the week of October 9 – 13
NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
MX	10/09	09:00	Bi-Weekly Core CPI (% change)	Sep 30	--	0.1	0.3
MX	10/09	09:00	Bi-Weekly CPI (% change)	Sep 30	--	0.0	0.3
MX	10/09	09:00	Consumer Prices (m/m)	Sep	--	0.4	0.5
MX	10/09	09:00	Consumer Prices (y/y)	Sep	--	6.5	6.7
MX	10/09	09:00	Consumer Prices Core (m/m)	Sep	--	0.4	0.3
CA	10/10	08:15	Housing Starts (000s a.r.)	Sep	210.0	--	223.2
CA	10/10	08:30	Building Permits (m/m)	Aug	--	--	-3.5
US	10/11	07:00	MBA Mortgage Applications (w/w)	OCT 6	--	--	-0.4
US	10/11	10:00	JOLTS Job Openings (000s)	Aug	--	--	6170
CA	10/12	08:30	New Housing Price Index (m/m)	Aug	--	--	0.4
CA	10/12	08:30	Teranet - National Bank HPI (y/y)	Sep	--	--	13.1
US	10/12	08:30	Initial Jobless Claims (000s)	OCT 7	270	252	260
US	10/12	08:30	Continuing Claims (000s)	SEP 30	--	--	1938
US	10/12	08:30	PPI (m/m)	Sep	0.5	0.4	0.2
US	10/12	08:30	PPI ex. Food & Energy (m/m)	Sep	0.2	0.2	0.1
MX	10/12	09:00	Industrial Production (m/m)	Aug	--	--	-1.0
MX	10/12	09:00	Industrial Production (y/y)	Aug	--	-0.5	-1.6
US	10/12		Treasury Budget (US\$ bn)	Sep	--	0.0	-107.7
US	10/13	08:30	CPI (m/m)	Sep	0.6	0.6	0.4
US	10/13	08:30	CPI (y/y)	Sep	2.3	2.3	1.9
US	10/13	08:30	CPI (index)	Sep	--	246.9	245.5
US	10/13	08:30	CPI ex. Food & Energy (m/m)	Sep	0.2	0.2	0.2
US	10/13	08:30	CPI ex. Food & Energy (y/y)	Sep	1.8	1.8	1.7
US	10/13	08:30	Retail Sales (m/m)	Sep	2.5	1.4	-0.2
US	10/13	08:30	Retail Sales ex. Autos (m/m)	Sep	1.2	0.9	0.2
US	10/13	10:00	Business Inventories (m/m)	Aug	--	0.4	0.2
US	10/13	10:00	U. of Michigan Consumer Sentiment	Oct P	95.0	95.3	95.1

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
GE	10/09	02:00	Industrial Production (m/m)	Aug	--	0.8	0.0
GE	10/10	02:00	Current Account (€ bn)	Aug	--	17.0	19.4
GE	10/10	02:00	Trade Balance (€ bn)	Aug	--	19.7	19.4
FR	10/10	02:45	Industrial Production (m/m)	Aug	--	0.4	0.5
FR	10/10	02:45	Industrial Production (y/y)	Aug	--	1.5	3.7
FR	10/10	02:45	Manufacturing Production (m/m)	Aug	--	--	0.3
IT	10/10	04:00	Industrial Production (m/m)	Aug	--	0.1	0.1
UK	10/10	04:30	Industrial Production (m/m)	Aug	--	0.2	0.2
UK	10/10	04:30	Manufacturing Production (m/m)	Aug	--	0.3	0.5
UK	10/10	04:30	Visible Trade Balance (£ mn)	Aug	--	-11200	-11576
SP	10/11	03:00	CPI (m/m)	Sep F	--	0.2	0.2
SP	10/11	03:00	CPI (y/y)	Sep F	--	1.8	1.8
SP	10/11	03:00	CPI - EU Harmonized (m/m)	Sep F	--	0.6	0.6
SP	10/11	03:00	CPI - EU Harmonized (y/y)	Sep F	--	1.9	1.9
FR	10/12	02:45	CPI (m/m)	Sep F	--	-0.1	-0.1
FR	10/12	02:45	CPI (y/y)	Sep F	--	1.0	1.0
FR	10/12	02:45	CPI - EU Harmonized (m/m)	Sep F	--	-0.1	-0.1
FR	10/12	02:45	CPI - EU Harmonized (y/y)	Sep F	--	1.1	1.1
EC	10/12	05:00	Industrial Production (m/m)	Aug	--	0.5	0.1
EC	10/12	05:00	Industrial Production (y/y)	Aug	--	2.6	3.2
GE	10/13	02:00	CPI (m/m)	Sep F	--	0.1	0.1
GE	10/13	02:00	CPI (y/y)	Sep F	--	1.8	1.8
GE	10/13	02:00	CPI - EU Harmonized (m/m)	Sep F	--	0.0	0.0
GE	10/13	02:00	CPI - EU Harmonized (y/y)	Sep F	--	1.8	1.8
IT	10/13	04:00	CPI - EU Harmonized (y/y)	Sep F	--	1.3	1.3

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

Key Indicators for the week of October 9 – 13
ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
CH	OCT 7-8		Foreign Reserves (US\$ bn)	Sep	--	3100.0	3091.5
CH	10/08	21:45	Caixin China Composite PMI	Sep	--	--	52.4
CH	10/08	21:45	Caixin China Services PMI	Sep	--	--	52.7
SI	OCT 8-13		Real GDP (y/y)	3Q A	3.0	--	2.9
AU	10/09	01:30	Foreign Reserves (AUD bn)	Sep	--	--	76.3
SI	10/09	05:00	Foreign Reserves (US\$ mn)	Sep	--	--	273115
JN	10/09	19:50	Current Account (¥ bn)	Aug	--	2223.3	2320.0
JN	10/09	19:50	Trade Balance - BOP Basis (¥ bn)	Aug	--	264.9	566.6
PH	10/09	21:00	Exports (y/y)	Aug	--	7.0	10.4
PH	10/09	21:00	Imports (y/y)	Aug	--	-3.5	-3.2
PH	10/09	21:00	Trade Balance (US\$ mn)	Aug	--	-1506	-1646
CH	OCT 9-18		Aggregate Financing (CNY bn)	Sep	--	1573	1480
CH	OCT 9-18		New Yuan Loans (bn)	Sep	--	1230	1090
IN	OCT 9-16		Exports (y/y)	Sep	--	--	10.3
IN	OCT 9-16		Imports (y/y)	Sep	--	--	21.0
JN	10/10	19:50	Machine Orders (m/m)	Aug	--	1.0	8.0
JN	10/11	02:00	Machine Tool Orders (y/y)	Sep P	--	--	36.2
TA	10/11	04:00	Exports (y/y)	Sep	--	13.4	12.7
TA	10/11	04:00	Imports (y/y)	Sep	--	8.2	6.9
TA	10/11	04:00	Trade Balance (US\$ bn)	Sep	--	5.9	5.7
JN	10/11	19:50	Bank Lending (y/y)	Sep	--	--	3.2
NZ	10/11	20:00	ANZ Consumer Confidence Index	Oct	--	--	129.9
AU	10/11	20:30	Home Loans (%)	Aug	--	0.5	2.9
AU	10/11	20:30	Investment Lending (% change)	Aug	--	--	-3.9
MA	10/12	00:00	Industrial Production (y/y)	Aug	--	5.6	6.1
JN	10/12	00:30	Tertiary Industry Index (m/m)	Aug	--	0.1	0.1
SI	10/12	01:00	Retail Sales (y/y)	Aug	--	--	1.8
IN	10/12	08:00	CPI (y/y)	Sep	3.5	--	3.4
IN	10/12	08:00	Industrial Production (y/y)	Aug	--	--	1.2
NZ	10/12	17:30	Business NZ PMI	Sep	--	--	57.9
JN	10/12	19:50	Japan Money Stock M2 (y/y)	Sep	--	4.0	4.0
JN	10/12	19:50	Japan Money Stock M3 (y/y)	Sep	--	3.4	3.4
CH	OCT 12-13		Exports (y/y)	Sep	--	9.8	5.6
CH	OCT 12-13		Imports (y/y)	Sep	--	15.2	13.5
CH	OCT 12-13		Trade Balance (USD bn)	Sep	--	38.1	41.9

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
PE	OCT 9-10		Trade Balance (USD mn)	Aug	--	--	197.0
BZ	10/11	08:00	Retail Sales (m/m)	Aug	--	0.4	0.0
BZ	10/11	08:00	Retail Sales (y/y)	Aug	--	4.4	3.1
PE	10/12	19:00	Reference Rate (%)	Oct 12	3.50	--	3.50

Global Auctions for the week of October 9 – 13

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	10/11	12:00	Canada to Sell CAD3.9 Bln 1.25% 2019 Bonds
US	10/11	13:00	U.S. to Sell 3-Year Notes
US	10/11	13:00	U.S. to Sell USD20 Bln 10-Year Notes Reopening
US	10/12	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>
UK	10/10	05:30	U.K. to Sell GBP2.5 Bln 1.75% 2037 Bonds
GE	10/10	05:30	Germany to Sell EUR1 Bln 0.1% I/L 2026 Bonds
FI	10/10	06:00	Finland to Sell Up to EUR1 Bln 0% 2022 Bonds
SZ	10/11	05:15	Switzerland to Sell Bonds
GE	10/11	05:30	Germany to Sell EUR3 Bln 0% 2022 Bonds
NE	10/11	05:30	Netherlands to Sell 2024 Bonds
IT	10/12	05:00	Italy to Sell Bonds
SW	10/12	05:03	Sweden to Sell SEK375 Mln 0.25% I/L 2022 Bonds
SW	10/12	05:03	Sweden to Sell SEK375 Mln 0.125% I/L 2026 Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	10/09	20:00	Australia Plans to Sell I/L Bonds
CH	10/09	21:30	Shaanxi to Sell Bonds
CH	10/09	22:30	Jiangxi to Sell Bonds
CH	10/09	23:00	China Plans to Sell Savings Bonds
CH	10/10	22:35	China to Sell Upsized Bonds
CH	10/10	23:00	China Plans to Sell Upsized Government Bonds
JN	10/10	23:45	Japan to Sell 30-Year Bonds
CH	10/11	21:30	Qinghai to Sell Bonds
CH	10/11	22:30	Qinghai to Sell Bonds
CH	10/11	23:30	Qinghai to Sell Bonds
CH	10/12	21:30	Hubei to Sell Bonds

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	10/11	11:00	Brazil to Sell Fixed Rate Bonds - 01/01/2023
BZ	10/11	11:00	Brazil to Sell Fixed Rate Bonds - 01/01/2027

Source: Bloomberg, Scotiabank Economics.

Events for the week of October 9 – 13

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	10/07	11:45	Fed's Rosengren Speaks in Montreal
US	10/10	10:00	Fed's Kashkari Speaks at Regional Economic Conference
CA	10/10	14:00	Bank of Canada's Wilkins speaks at IMF panel
US	10/10	20:00	Fed's Kaplan Speaks at Stanford Institute
US	10/11	07:15	Fed's Evans Speaks on Economy and Monetary Policy
US	10/11	14:00	FOMC Meeting Minutes
US	10/11	14:40	Fed's Williams Gives Community Leaders Speech
MX	10/12	10:00	Central Bank Monetary Policy Minutes
US	10/12	10:15	ECB's Draghi, Fed's Brainard Speak on Monetary Policy Panel
US	10/12	10:30	Fed's Powell Speaks at IIF Conference in Washington
CA	10/12	15:15	BoC's Wilkins speaks at IIF Panel in Washington
US	10/13	10:25	Fed's Evans Speaks on Economy and Monetary Policy
US	10/13	11:30	Fed's Kaplan Speaks in Boston
US	10/13	13:00	Fed's Powell Speaks at Boston Fed Economic Conference

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
GE	10/08		Merkel's Party Bloc Coordinates Strategy for Coalition Talks
PO	10/09	04:00	Bank of Portugal Governor Costa Speaks at Conference in Lisbon
NO	10/11	07:00	Norway Central Bank Deputy Governor Nicolaisen Speaks
EC	10/11	14:50	ECB's Praet Speaks in New York
NO	10/12	04:00	Norway 2018 Budget Is Presented
FR	10/13		France Sovereign Debt to be rated by Moody's

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
NZ	10/06	21:00	NZ General Election: Official Results Declared
JN	10/09	20:30	BOJ Kuroda speaks at Branch Managers' meeting
AU	10/09	23:20	RBA's Debelle Gives Speech in Hong Kong Via Video Link
NZ	10/11		NZ General Election: Writ Returned
AU	10/12	20:30	RBA Financial Stability Review

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
PE	10/12	19:00	Reference Rate
CO	10/13	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	October 25, 2017	1.00	1.00
Federal Reserve – Federal Funds Target Rate	1.25	November 1, 2017	1.25	1.25
Banco de México – Overnight Rate	7.00	November 9, 2017	7.00	--

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	October 26, 2017	0.00	--
Bank of England – Bank Rate	0.25	November 2, 2017	0.25	--
Swiss National Bank – Libor Target Rate	-0.75	December 14, 2017	-0.75	--
Central Bank of Russia – One-Week Auction Rate	8.50	October 27, 2017	8.50	--
Sweden Riksbank – Repo Rate	-0.50	October 26, 2017	-0.50	--
Norges Bank – Deposit Rate	0.50	October 26, 2017	0.50	--
Central Bank of Turkey – Benchmark Repo Rate	8.00	October 26, 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	October 31, 2017	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	November 6, 2017	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	October 19, 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	3.00
Bank Indonesia – 7-Day Reverse Repo Rate	4.25	October 19, 2017	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	8.25	October 25, 2017	8.00	--
Banco Central de Chile – Overnight Rate	2.50	October 19, 2017	2.50	--
Banco de la República de Colombia – Lending Rate	5.25	October 27, 2017	5.25	--
Banco Central de Reserva del Perú – Reference Rate	3.50	October 12, 2017	3.50	--

Peru's central bank is expected to remain on hold after cutting its reference rate in September. The risk is skewed toward a cut based upon President Velarde's guidance before the September easing that one or two more rate cuts may be in store and with one in the books so far.

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	--

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