

IS THE FED OUTLOOK BLOWING IN THE WIND?

- [United States — Irma’s Painful Aftermath](#) 2–3
- [Canada — Something Old, Something New](#) 3
- [Latin America — At Or Nearing The End](#) 3–4
- [Europe — Hawks And Doves Consider Data For Brexit](#) 4
- [Asia — 1+6=?](#) 5

FORECASTS & DATA

- [Key Indicators](#) A1–A3
- [Global Auctions Calendar](#) A4
- [Events Calendar](#) A5
- [Global Central Bank Watch](#) A6

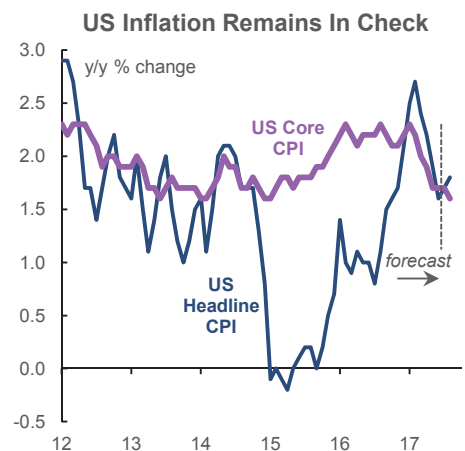
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Next Week's Risk Dashboard

- ▶ Irma
- ▶ China’s “1+6” meeting
- ▶ Central banks: BoE, Russia, Chile, Peru, Turkey
- ▶ US CPI, retail sales
- ▶ China: CPI, retail sales, industrial output, financing
- ▶ CDN housing
- ▶ Australian jobs
- ▶ India’s CPI
- ▶ Swedish inflation

Chart of the Week



Sources: Scotiabank Economics, Bureau of Labor Statistics.

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

Is The Fed Outlook Blowing In The Wind?

UNITED STATES — IRMA'S PAINFUL AFTERMATH

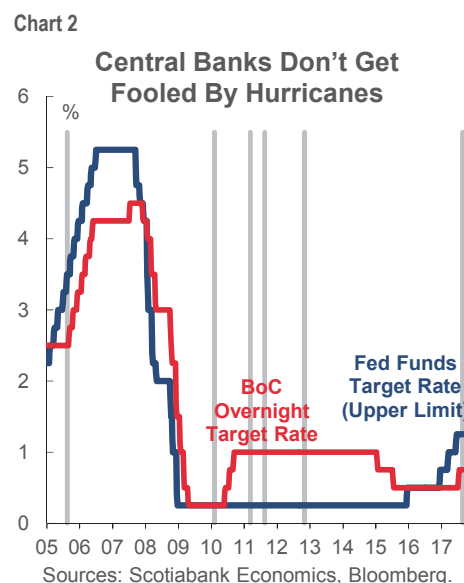
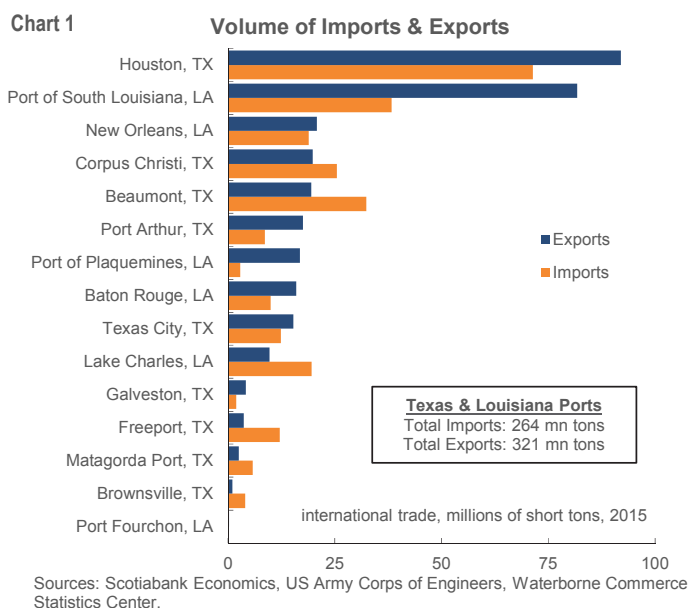
Assessing the damage done by hurricane Irma and keeping a watchful eye on two others (Jose and Katia) will start the week off with a distressing bang before data risk takes over at the end of the week.

As a mixed blessing, Hurricane Irma's projected path was somewhat altered going into the weekend. It is still projected to arrive in southern Florida by Sunday with wind speeds of 125mph after it grazes the northern coast of Cuba but avoids Havana. The central part of the projected path now moves straight up the middle of the entire state of Florida with wind speeds of 80–90mph by the time it hits Tampa on Monday. Afterward it moves through Georgia as a tropical storm with projected wind speeds of just 30mph by the time it reaches Atlanta and fizzles out inland. It therefore stays on land instead of going back out into the Atlantic and perhaps maintaining speed into the Carolinas which had been the prior projection. Clearly that's not good for Florida, but losing momentum on land instead of also hitting further up along the east coast is a mild positive against the damage that lies ahead for Florida.

Our thoughts and sympathies go out to Floridians into the coming week in what is shaping up to be a terrible tragedy. From a markets standpoint, it's unclear that safe-haven seeking is over, but even if not, history surrounding events like this suggests a fleeting influence upon Treasuries, the dollar, and stocks. Between Hurricanes Harvey and Irma, the data is going to get very bad for initial jobless claims, nonfarm payrolls and trade deficits as the ports across the region typically export more than they import with both forms of activity likely to shut down (chart 1). Apart from just those examples, the effects on other indicators like retail sales are more uncertain as sales for emergency items and rations go up in anticipation of disruptions.

Key to the outlook is the observation that central banks don't get easily fooled by such events. Witness chart 2. Each vertical grey line indicates a natural disaster of sorts and the chart shows how the Fed hiked right through Katrina back in 2005 and remained along a steady path through other adverse events thereafter. Obviously the twinning of Harvey and Irma may make for different outcomes this time compared to past storms, but the principles remain the same. Central banks cannot influence near-term developments and instead leave that to other policy tools—including automatic stabilizers, public and private rebuilding efforts, and transfers—while focusing upon the stimulative effects of rebuilding in the aftermath of such devastation.

If data still matters, then **Thursday's CPI is expected to post an accelerated increase in headline price pressures partly reflecting the rise in gasoline prices during August.** Gas prices were up by about 4% m/m in August over July on a regular unleaded average nationwide basis and are tracking about a 12% rise so far in September over August. By sparking shortages, hurricanes tend to ignite near-term headline price pressures but the effects are as temporary as they are upon other macro variables. Key will therefore be to remove gas prices and focus upon core CPI that is expected to remain stable in year-ago terms or slightly lower. Regardless, inflation data may be stale with more of a focus upon how rationing temporarily impacts the basket into September.



On retail sales, the challenge will be to keep the headline in the black for the month of August. The aforementioned spike in gasoline prices will help in this regard—and further so in September—but we already know that vehicle sales fell by 4% m/m and the large gain in retail sales the prior month will pose a high base effect.

Other data releases will include producer prices in August on Wednesday that are expected to post quickened headline and core pressures, jobless claims that are expected to continue to rise again on Thursday thanks to Hurricane Harvey (and then when Irma comes into the data), industrial output figures for August on Friday (modest gain expected) and the University of Michigan's consumer sentiment reading for September on Friday (modest decline expected).

The US Treasury auctions 3s, 10s (reopening) and 30s (reopening) on Monday, Tuesday and Wednesday respectively.

CANADA — SOMETHING OLD, SOMETHING NEW

Things quiet down quite a bit for Canada over the coming week. In addition to ongoing NAFTA negotiations, **a trio of releases will keep a focus upon housing markets.** It will be very much a tale of two distinct housing markets.

New home construction remains highly resilient. Housing starts during the month of August will be released on Monday and they are expected to remain elevated around the 220k mark. Starts have been at a pace of over 200,000 new units placed under construction at a seasonally adjusted and annualized rate for seven of the last eight months. Efforts to cool housing haven't really worked in terms of the new build segment, but then again, reducing supply was hardly the focus relative to the aim of cooling turnover of the resale stock. The recent surge in permit applications for new dwellings may portend a strong starts print on Monday (chart 3).

This strength remains indicative of tight supply conditions. As previously argued, this **strength may also reflect how much more affordable new homes have become over this cycle compared to resale homes** (chart 4). Simply put, even as resale prices cool, homebuyers may be doing arbitrage by going into the more affordable new housing segment. This is an important dynamic to understand because it suggests that a correction in existing and new home markets may not be synchronous, unlike other times in the past. If so, then ongoing strength in new home construction could assuage concerns regarding a housing correction and its broader effects upon the economy.

Then it's on to August resale data on Friday and before that the Teranet repeat-sales home price gauge for August on Wednesday. Resale volumes have fallen for the past four months with another dip likely in the cards. If one were to extend the header to this section with the traditional words of something borrowed, something blue then ending with the resale segment seems only too appropriate these days.

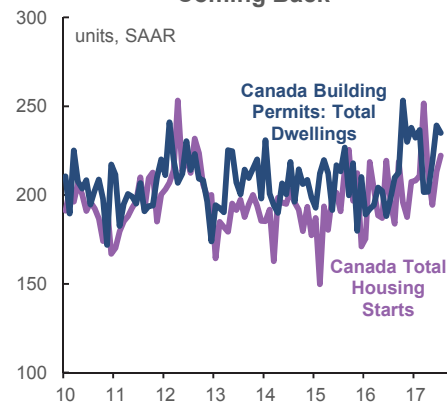
Canada auctions 2050 bonds on Wednesday.

LATIN AMERICA — AT OR NEARING THE END

Next Thursday, a pair of central bank decisions will be on offer as the main local market events in the context of the aftermath of southern Mexico's massive earthquake and the influences of global developments. In each case, the central banks are either at or nearing the end of their past easing cycles.

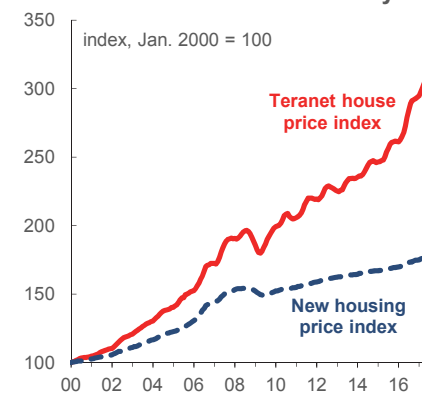
Banco Central de Chile is expected to leave its overnight rate unchanged at 2.5% next Thursday. Inflation is on the mend with the August CPI figures rising by 1.9% y/y from 1.7% the prior month which had been the low point following a slide from a peak of 5.7% almost two years ago. That still leaves inflation slightly below the lower band of the 3% +/-1% inflation target range. At its last meeting, the central bank provided the following interpretation that leans heavily toward looking through the soft patch:

Chart 3 Canadian Housing Supply Coming Back



Sources: Scotiabank Economics, CMHC, Statistics Canada.

Chart 4 New Housing Supply Benefiting From Greater Affordability



Sources: Scotiabank Economics, Statistics Canada, Teranet & National Bank.

“As a whole, inflation has developed below expectations, though that is almost totally due to changes in the most volatile prices.”

Scotia holds out the possibility that Banco Central de Reserva del Peru may cut its policy rate on Thursday to 3.5%. President Julio Velarde appeared to leave open the prospect of further rate cuts at the July meeting but a risk is that since then inflation has climbed to 3.2% y/y in August from a dip to 2.7% in June and is therefore above the upper limit of the 2% +/-1% inflation target range (chart 5).

Sundry limited data risk will include retail sales figures for July from Brazil and Colombia, industrial output from Colombia and Mexico and both trade and the unemployment rate from Peru.

EUROPE — HAWKS AND DOVES TRADE OFF DATA AND BREXIT

The Bank of England’s policy meeting on Thursday will be the most closely watched event in Europe over the coming week as Eurozone data risk should be fairly subdued.

Before Thursday’s BoE decision, CPI for the month of August arrives on Tuesday and, almost as important, wage figures on Wednesday. Our UK economist/strategist Alan Clarke expects CPI to rise to 2.8% y/y from 2.6% previously. He also expects the retail price index (RPI) to accelerate to 3.9% y/y. He cites contributing factors like higher fuel prices, pass-through of prior pound sterling depreciation, and year-ago base effects of mortgage interest payments. Clarke’s forecast is for the Bank of England to begin raising its Bank rate in the second half of next year. No policy changes are expected next week but the minutes and forecasts will be scrutinized for any possible tone shifts. Soft Q2 GDP growth counsels continued caution and so does the mild decline in CPI inflation from the peak in May. Pound sterling had been depreciating until around August 24th but it has since appreciated sharply and is back up to heights versus the USD last seen at the 2017 high in early August. Having said that, data has been leaning more toward a slightly hawkish interpretation on balance over recent weeks.

In addition to the policy rate, **balance sheet unwinding probably remains a very long way off.** If the BoE draws from the Fed’s script and defers reducing reinvestment until the rate normalization process is “well underway” as the Fed has put it, then we don’t anticipate that to happen for years, and in the context of ongoing Brexit risks. The BoE increased bond purchases following the Brexit vote but completed its plan earlier this year and I would expect its balance sheet to flat line throughout the forecast horizon (chart 6).

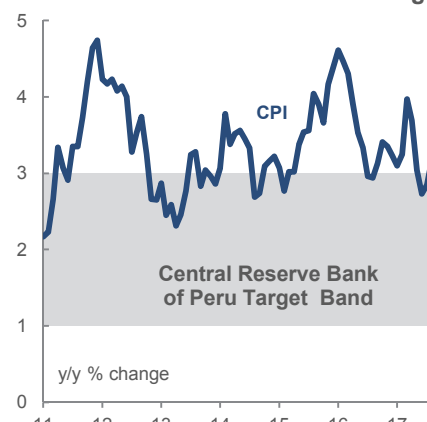
Eurozone data risk should be mild. CPI data revisions for August will come from Germany and Spain on Wednesday and then France and Italy on Thursday.

Sweden’s CPI reading for August arrives Tuesday with the expectation that headline inflation will be steady at 2.2% y/y while underlying inflation eases off from the 2.4% reading in July which was the highest since February 2010. The Riksbank just guided that it expects to stay on hold until mid-2018 and look through the inflation data in part due to the lagging effects of currency strength as the krona has been exceeded only by the Mexican peso for the title of the strongest appreciating currency versus the USD this year (+14%).

Russia’s central bank is expected to cut its policy rate by another 50bps on Friday while Turkey’s central bank is expected to stay on hold. The Swiss National Bank is expected to keep policy on hold on Thursday. Norway’s general election on Monday, a state of the EU speech by European Commission President Jean-Claude Juncker on Wednesday, and a speech by ECB Vice President Constancio on Tuesday will round out the main possible sources of market risk over the coming week.

Chart 5

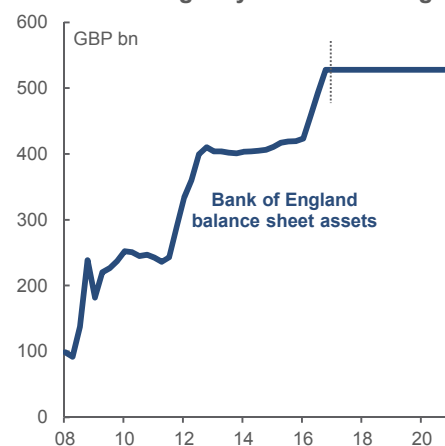
Peru's Inflation Rate Is Bottoming



Sources: Scotiabank Economics, Instituto Nacional de Estadística e Informática, Haver Analytics.

Chart 6

BoE A Long Way From Shrinking



Sources: Scotiabank Economics, Haver Analytics.

ASIA — 1+6=?

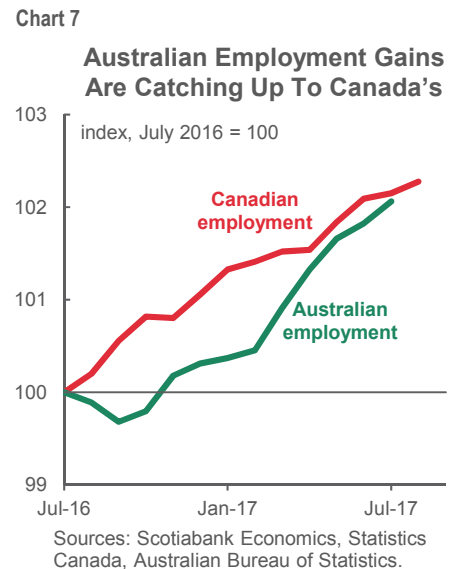
Chinese Premier Li Keqiang holds the second roundtable discussion of the so-called “1+6” group on Tuesday. The group consists of the premier and the heads of the IMF (Lagarde), World Bank (Kim), WTO (Azevedo), G20 Financial Stability Board (Carney), OECD (Gurria), and ILO (Ryder). The meeting will focus upon growth, structural reforms, investment, trade, sustainable development, innovation, financial stability, entrepreneurship and employment. While this meeting may generate headline risk regarding China’s economic and policy challenges, it precedes the grander focus upon the 19th National Congress that commences in Beijing on October 18th and which is held every five years.

Australia updates job figures for August on Wednesday. Consensus expects another solid gain to build on what has been a strong string of employment gains over the prior five months. Indeed, Australian employment gains had been lagging behind Canada’s (the other jobs juggernaut) but the gap is more recently closing (chart 7). **Having said that, quick inferences on how this must mean the RBA will soon follow the BoC in raising rates are somewhat off base.** Australian GDP growth has averaged about half of Canada’s growth rate over the past four quarters and has therefore not reduced spare capacity like Canada has, while geopolitical risks focused upon the Korean peninsula and the regional effects on confidence are potentially a more acute consideration for Australia.

China releases CPI inflation figures for August shortly after this publication goes to print. The expectation is for inflation to rise to 1.6% y/y which would be the highest rate since January. That said, prices excluding food and energy have been rising at a faster clip of just over 2% y/y in recent months with food prices primarily responsible for exerting downward pressure upon total inflation. China may also release financing data over the coming week and is scheduled to update retail sales and industrial output mid-week.

India’s inflation rate is expected to jump again when CPI for August is released early in the week. The rate is expected to come in at just over double the 1½% y/y trough in June. Blame tomatoes it seems. A transitory rise in a narrow portion of the basket is expected to ease off in subsequent months with the expectation that the Reserve Bank of India continues to look through the effects.

Trade figures from Indonesia, India and Philippines as well as Malaysian industrial production round out mild data risk.



Key Indicators for the week of September 11 – 15
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>
CA	09/11	08:15	Housing Starts (000s a.r.)	Aug	220.0	216.0	222.3
MX	09/11	09:00	Industrial Production (m/m)	Jul	--	--	0.2
MX	09/11	09:00	Industrial Production (y/y)	Jul	--	0.1	-0.3
US	09/12	10:00	JOLTS Job Openings (000s)	Jul	--	5975	6163
US	09/13	07:00	MBA Mortgage Applications (w/w)	SEP 8	--	--	3.3
CA	09/13	08:30	Teranet - National Bank HPI (y/y)	Aug	--	--	14.2
US	09/13	08:30	PPI (m/m)	Aug	0.3	0.3	-0.1
US	09/13	08:30	PPI ex. Food & Energy (m/m)	Aug	0.2	0.2	-0.1
US	09/13	14:00	Treasury Budget (US\$ bn)	Aug	--	-130.5	-42.9
CA	09/14	08:30	New Housing Price Index (m/m)	Jul	--	--	0.2
US	09/14	08:30	CPI (m/m)	Aug	0.4	0.3	0.1
US	09/14	08:30	CPI (y/y)	Aug	1.8	1.8	1.7
US	09/14	08:30	CPI (index)	Aug	--	245.4	244.8
US	09/14	08:30	CPI ex. Food & Energy (m/m)	Aug	0.2	0.2	0.1
US	09/14	08:30	CPI ex. Food & Energy (y/y)	Aug	1.6	1.6	1.7
US	09/14	08:30	Initial Jobless Claims (000s)	SEP 9	325	300	298
US	09/14	08:30	Continuing Claims (000s)	SEP 2	1950	1980	1940
US	09/15	08:30	Empire State Manufacturing Index	Sep	--	18.0	25.2
US	09/15	08:30	Retail Sales (m/m)	Aug	0.0	0.1	0.6
US	09/15	08:30	Retail Sales ex. Autos (m/m)	Aug	0.3	0.5	0.5
CA	09/15	09:00	Existing Home Sales (m/m)	Aug	--	--	-2.1
US	09/15	09:15	Capacity Utilization (%)	Aug	76.7	76.8	76.7
US	09/15	09:15	Industrial Production (m/m)	Aug	0.2	0.1	0.2
US	09/15	10:00	Business Inventories (m/m)	Jul	--	0.2	0.5
US	09/15	10:00	U. of Michigan Consumer Sentiment	Sep P	94.5	96.0	96.8

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>
IT	09/11	04:00	Industrial Production (m/m)	Jul	--	-0.3	1.1
RU	09/11		Real GDP (y/y)	2Q P	--	2.5	2.5
IT	09/12	04:00	Unemployment Rate (%)	2Q	--	11.3	11.6
UK	09/12	04:30	CPI (m/m)	Aug	--	0.5	-0.1
UK	09/12	04:30	CPI (y/y)	Aug	--	2.8	2.6
UK	09/12	04:30	PPI Input (m/m)	Aug	--	1.3	0.0
UK	09/12	04:30	PPI Output (m/m)	Aug	--	0.1	0.1
UK	09/12	04:30	RPI (m/m)	Aug	--	0.6	0.2
UK	09/12	04:30	RPI (y/y)	Aug	--	3.8	3.6
GE	09/13	02:00	CPI (m/m)	Aug F	--	0.1	0.1
GE	09/13	02:00	CPI (y/y)	Aug F	--	1.8	1.8
GE	09/13	02:00	CPI - EU Harmonized (m/m)	Aug F	--	0.2	0.2
GE	09/13	02:00	CPI - EU Harmonized (y/y)	Aug F	--	1.8	1.8
SP	09/13	03:00	CPI (m/m)	Aug F	--	0.2	0.2
SP	09/13	03:00	CPI (y/y)	Aug F	--	1.6	1.6
SP	09/13	03:00	CPI - EU Harmonized (m/m)	Aug F	--	0.2	0.2
SP	09/13	03:00	CPI - EU Harmonized (y/y)	Aug F	--	2.0	2.0
SW	09/13	03:30	GDP (y/y)	2Q F	--	4.0	4.0
UK	09/13	04:30	Average Weekly Earnings (3-month, y/y)	Jul	--	2.3	2.1
UK	09/13	04:30	Employment Change (3M/3M, 000s)	Jul	--	154.0	125.0
UK	09/13	04:30	Jobless Claims Change (000s)	Aug	--	--	-4.2
UK	09/13	04:30	ILO Unemployment Rate (%)	Jul	--	4.4	4.4
EC	09/13	05:00	Employment (q/q)	2Q	--	--	0.4
EC	09/13	05:00	Industrial Production (m/m)	Jul	--	0.1	-0.6
EC	09/13	05:00	Industrial Production (y/y)	Jul	--	3.3	2.6

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

Key Indicators for the week of September 11 – 15

EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
FR	09/14	02:45	CPI (m/m)	Aug F	--	0.5	0.5
FR	09/14	02:45	CPI (y/y)	Aug F	--	0.9	0.9
FR	09/14	02:45	CPI - EU Harmonized (m/m)	Aug F	--	0.6	0.6
FR	09/14	02:45	CPI - EU Harmonized (y/y)	Aug F	--	1.0	1.0
FR	09/14	02:45	CPI - EU Harmonized (y/y)	Aug F	--	1.0	1.0
SZ	09/14	03:30	SNB 3-month Libor Target Rate (%)	Sep 14	-0.75	-0.75	-0.75
IT	09/14	04:00	CPI - EU Harmonized (y/y)	Aug F	--	1.4	1.4
TU	09/14	07:00	Benchmark Repo Rate (%)	Sep 14	8.00	8.00	8.00
UK	09/14	07:00	BoE Asset Purchase Target (£ bn)	Sep	--	435.0	435.0
UK	09/14	07:00	BoE Policy Announcement (%)	Sep 14	0.25	0.25	0.25
EC	09/15	05:00	Labour Costs (y/y)	2Q	--	--	1.5
EC	09/15	05:00	Trade Balance (€ mn)	Jul	--	--	26.6
IR	09/15	06:00	Real GDP (q/q)	2Q	--	1.7	-2.6
RU	09/15	06:30	One-Week Auction Rate (%)	Sep 15	8.50	8.50	9.00

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CH	SEP 9-15		Aggregate Financing (CNY bn)	Aug	--	1280.0	1220.6
CH	SEP 9-15		New Yuan Loans (bn)	Aug	--	950.0	825.5
JN	09/10	19:50	Machine Orders (m/m)	Jul	--	4.1	-1.9
JN	09/10	19:50	Japan Money Stock M2 (y/y)	Aug	--	4.1	4.0
JN	09/10	19:50	Japan Money Stock M3 (y/y)	Aug	--	3.4	3.4
IN	SEP 10-15		Exports (y/y)	Aug	--	--	3.9
IN	SEP 10-15		Imports (y/y)	Aug	--	--	15.4
IN	SEP 10-29		Current Account Balance	2Q	--	--	-3.4
MA	09/11	00:00	Industrial Production (y/y)	Jul	--	5.0	4.0
JN	09/11	00:30	Tertiary Industry Index (m/m)	Jul	--	0.1	0.0
JN	09/11	02:00	Machine Tool Orders (y/y)	Aug P	--	--	28.0
PH	09/11	21:00	Exports (y/y)	Jul	--	9.8	0.8
PH	09/11	21:00	Imports (y/y)	Jul	--	6.0	-2.5
PH	09/11	21:00	Trade Balance (US\$ mn)	Jul	--	-2347.0	-2147.0
PH	09/11	21:00	Unemployment Rate (%)	Jul	5.7	--	5.7
SI	09/12	01:00	Retail Sales (y/y)	Jul	--	2.1	1.9
IN	09/12	08:00	CPI (y/y)	Aug	3.1	3.2	2.4
IN	09/12	08:00	Industrial Production (y/y)	Jul	--	1.7	-0.1
SK	09/12	19:00	Unemployment Rate (%)	Aug	3.6	3.8	3.6
NZ	09/13	21:00	ANZ Consumer Confidence Index	Sep	--	--	126.2
AU	09/13	21:30	Employment (000s)	Aug	--	19.0	27.9
AU	09/13	21:30	Unemployment Rate (%)	Aug	5.6	5.6	5.6
CH	09/13	22:00	Fixed Asset Investment YTD (y/y)	Aug	8.1	8.2	8.3
CH	09/13	22:00	Industrial Production (y/y)	Aug	6.5	6.6	6.4
CH	09/13	22:00	Retail Sales (y/y)	Aug	10.5	10.5	10.4
JN	09/14	00:30	Capacity Utilization (m/m)	Jul	--	--	2.1
JN	09/14	00:30	Industrial Production (y/y)	Jul F	4.7	--	4.7
IN	09/14	02:30	Monthly Wholesale Prices (y/y)	Aug	--	3.2	1.9
HK	09/14	04:30	Industrial Production (y/y)	2Q	--	--	0.2
NZ	09/14	18:30	Business NZ PMI	Aug	--	--	55.4
ID	09/14	22:00	Exports (y/y)	Aug	--	--	41.1
ID	09/14	22:00	Imports (y/y)	Aug	--	--	54.0
ID	09/14	22:00	Trade Balance (US\$ mn)	Aug	--	--	-271.2
JN	SEP 14-20		Nationwide Department Store Sales (y/y)	Aug	--	--	-1.4
PH	SEP 14-15		Overseas Remittances (y/y)	Jul	--	7.4	5.7

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

Key Indicators for the week of September 11 – 15

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>
BZ	09/12	08:00	Retail Sales (m/m)	Jul	--	0.4	1.2
BZ	09/12	08:00	Retail Sales (y/y)	Jul	--	4.0	3.0
BZ	09/14	07:30	Economic Activity Index SA (m/m)	Jul	--	--	0.5
BZ	09/14	07:30	Economic Activity Index NSA (y/y)	Jul	--	--	-0.6
CL	09/14	17:00	Nominal Overnight Rate Target (%)	Sep 14	2.50	2.50	2.50
PE	09/14	19:00	Reference Rate (%)	Sep 14	3.50	--	3.75
CO	09/15	11:00	Retail Sales (y/y)	Jul	--	2.8	1.0
PE	09/15		Economic Activity Index NSA (y/y)	Jul	2.0	--	3.6
PE	09/15		Unemployment Rate (%)	Aug	--	--	7.1

Global Auctions for the week of September 11 – 15

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	09/11	13:00	U.S. to Sell USD24 Bln 3-Year Notes
US	09/12	13:00	U.S. to Sell USD20 Bln 10-Year Notes Reopening
CA	09/13	12:00	Canada to Sell CAD400 Mln 0.500% I/L 2050 Bonds
US	09/13	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>
NE	09/12	05:30	Netherlands to Sell Up to EUR3 Bln 0.75% 2027 Bonds
GE	09/12	05:30	Germany to Sell EUR500 Mln 0.1% I/L 2046 Bonds
IT	09/13	05:00	Italy to Sell Up to EUR2.5 Bln 0.35% 2020 Bonds
IT	09/13	05:00	Italy to Sell Up to EUR4 Bln 1.45% 2024 Bonds
IT	09/13	05:00	Italy to Sell Up to EUR1.5 Bln 2.25% 2036 Bonds
SZ	09/13	05:15	Switzerland to Sell Bonds
GE	09/13	05:30	Germany to Sell EUR3 Bln 0.5% 2027 Bonds
UK	09/13	05:30	U.K. to Sell GBP2.5 Bln 1.25% 2027 Bonds
PO	09/13	05:30	Portugal to Sell 4.125% 2027 Bonds
SW	09/14	05:03	Sweden to Sell SEK250 Mln 0.125% I/L 2026 Bonds
SW	09/14	05:03	Sweden to Sell SEK500 Mln 0.125% I/L 2027 Bonds
IR	09/14	05:30	Ireland to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	09/10	21:00	Australia Plans to Sell AUD500 Mln 4.5% 2033 Bonds
AU	09/11	21:00	Australia Plans to Sell AUD150 Mln 1.25% 2022 I/L Bonds
CH	09/11	21:30	Ningbo to Sell Bonds
CH	09/11	22:30	Ningbo to Sell Bonds
JN	09/11	23:45	Japan to Sell 5-Year Bonds
AU	09/12	21:00	Australia Plans to Sell AUD900 Mln 2.75% 2028 Bonds
CH	09/12	22:35	China to Sell CNY40 Bln 5-Yr Upsized Bonds
CH	09/12	22:35	China To Sell CNY28 Bln 2-Yr Bonds
CH	09/12	23:00	China Plans to Sell 5-Year Upsized Government Bond
CH	09/13	21:30	Shandong to Sell Bonds
NZ	09/13	22:05	New Zealand Plans to Sell NZD100 Mln 2.5% 2040 I/L Bonds
CH	09/13	22:30	Shandong to Sell Bonds
JN	09/13	23:45	Japan to Sell 20-Year Bonds
CH	09/14	02:00	Shandong to Sell Bonds
CH	09/14	03:00	Shandong to Sell Bonds
CH	09/14	21:30	Jiangsu to Sell Bonds
CH	09/14	22:30	Jiangsu to Sell Bonds
CH	09/14	23:00	China to Sell CNY28 Bln 30-Yr Bonds

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CL	09/13	11:00	Chile to Sell BTP
BZ	09/14	11:00	Brazil to Sell Fixed Rate Bonds - 01/01/2023
BZ	09/14	11:00	Brazil to Sell Fixed Rate Bonds - 01/01/2027

Source: Bloomberg, Scotiabank Economics.

Events for the week of September 11 – 15

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
MX	09/11		Finance Minister Meade Speaks at the Foro Expansion
US	09/12	15:00	72nd Regular Session of the United Nations General Assembly

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	09/11	03:00	ECB's Coeure Speaks in Frankfurt
UK	09/12	05:20	BOE Markets Director Salmon Speaks in Barcelona
EC	09/12	09:45	ECB Vice President Constancio Speaks in Frankfurt
EC	09/13	03:00	EU's Juncker Delivers State of the EU Speech in Strasbourg
SW	09/14	03:05	Riksbank's Jansson Speaks in Stockholm
SZ	09/14	03:30	SNB Sight Deposit Interest Rate
SZ	09/14	03:30	SNB 3-Month Libor Lower Target Range
SZ	09/14	03:30	SNB 3-Month Libor Upper Target Range
UK	09/14	07:00	Bank of England Bank Rate
TU	09/14	07:00	Benchmark Repurchase Rate
TU	09/14	07:00	Overnight Lending Rate
TU	09/14	07:00	Overnight Borrowing Rate
EC	09/14	11:30	Bundesbank's Weidmann speaks in Frankfurt
EC	09/14	12:00	ECB Board Member Mersch Speaks in Tallinn
FI	09/15	02:00	ECB's Nouy Speech in Helsinki
ES	09/15	04:15	ECB's Lautenschlaeger Speaks in Tallinn
UK	09/15	04:50	BOE's Vlieghe Speaks in London
RU	09/15	06:30	Key Rate
PO	09/15		Portugal Sovereign Debt to be rated by S&P
RU	09/15		Russia Sovereign Debt to be rated by S&P
IR	09/15		Ireland Sovereign Debt to be rated by Moody's

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	SEP 11-12		Premier Keqiang Hosts Economic Roundtable
AU	09/13	19:15	RBA's Debelle Gives Speech in Sydney

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CL	09/14	17:00	Overnight Rate Target
PE	09/14	19:00	Reference Rate
CO	09/15	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	September 20, 2017	1.25	1.25
Banco de México – Overnight Rate	7.00	September 28, 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	September 14, 2017	0.25	0.25
Swiss National Bank – Libor Target Rate	-0.75	September 14, 2017	-0.75	--
Central Bank of Russia – One-Week Auction Rate	9.00	September 15, 2017	8.50	8.50
Sweden Riksbank – Repo Rate	-0.50	October 26, 2017	-0.50	--
Norges Bank – Deposit Rate	0.50	September 21, 2017	0.50	--
Central Bank of Turkey – Benchmark Repo Rate	8.00	September 14, 2017	8.00	8.00

Bank of England: No policy changes are expected but the minutes and forecasts will be scrutinized for any possible tone shifts. Soft Q2 GDP growth counsels continued caution and so does the mild decline in CPI inflation from the peak in May. Pound sterling had been depreciating until around August 24th but it has since appreciated sharply and is back up to heights versus the USD last seen at the 2017 high in early August.

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	September 21, 2017	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	October 2, 2017	1.50	--
Reserve Bank of New Zealand – Cash Rate	1.75	September 27, 2017	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	October 4, 2017	6.00	--
Bank of Korea – Bank Rate	1.25	October 19, 2017	1.25	--
Bank of Thailand – Repo Rate	1.50	September 27, 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	4.50	September 22, 2017	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	8.25	October 25, 2017	8.00	--
Banco Central de Chile – Overnight Rate	2.50	September 14, 2017	2.50	2.50
Banco de la República de Colombia – Lending Rate	5.25	September 29, 2017	5.25	--
Banco Central de Reserva del Perú – Reference Rate	3.75	September 14, 2017	3.50	--

Banco Central de Chile is expected to leave its overnight rate unchanged at 2.5% next Thursday. Inflation is on the mend with the August CPI figures rising by 1.9% y/y from 1.7% the prior month which had been the low point following a slide from a peak of 5.7% almost two years ago. **Banco Central de Reserva del Perú:** Scotia expects a rate cut on Thursday to 3.5%. President Julio Velarde appeared to leave open the prospect of further rate cuts at the July meeting but since then inflation has climbed to 3.2% y/y in August from a dip to 2.7% in June and is therefore above the upper limit of the 2% +/-1% inflation target range.

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	September 21, 2017	6.75	6.75

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