

Weekly commentary on economic and financial market developments

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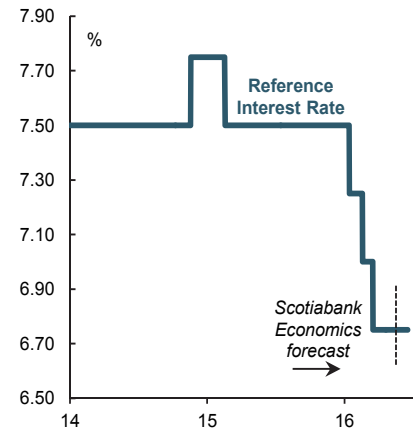
For our latest economic, interest and exchange rate and commodity price forecasts, please see the [Latest Forecast Tables, May 11, 2016](#) and the [Foreign Exchange Outlook, May 2016](#), for more detailed currency forecasts and commentary.

**Forecasts & Data**

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**This Week's Featured Chart**

**Bank Indonesia Back On Hold?**



Source: Scotiabank Economics, Bloomberg.



## THE WEEK AHEAD

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## Something For Everyone

- Please see our full indicator, central bank, auction and event calendars on pp. A3-A9.

## Canada — Shocks Versus Rearview Mirrors

Next week will be focused upon firming up estimates of how the economy ended the first quarter and handed off to the downside risks facing the economy in the second quarter. At least that's true for the domestic calendar, while much of what happens to Canada may be driven from abroad.

The horse has already left the barn on the general point that the economy posted solid growth in Q1 (3.2% is our estimate) that beat most other industrialized economies and will be lucky to stay roughly flat in Q2 with downside risk. Regardless, March readings for manufacturing shipments (Tuesday), retail sales (Friday) and wholesale sales (Thursday) will be used to solidify expectations for March GDP that will be released on the last day of the month and hence almost a week after the BoC's statement on May 25th. Existing home sales for April will also be released on Monday but never carry market effects in Canada. Overall, we expect the tone of the readings to be dovish to markets.

**On retail sales, the challenge will lie in terms of keeping up momentum.**

A jump in gasoline prices may help the headline reading for the dollar value of sales, but there is the tangible risk that growth in consumer spending was brought forward into the early parts of the quarter at the expense of Q2. Recall that retail sales *volumes* were up 1.5% m/m in February and followed a large gain in January that had us tracking 8.5% annualized quarterly growth in sales volumes over Q1 for the strongest quarterly gain in six years. There is the distinct possibility that a milder and drier than normal winter across much of the country led spending to overshoot at the beginning of the year with the assistance of 3% y/y wage growth.

**Manufacturing sales might have been thought to face the opposite risk by way of an upside to end Q1 — before the March trade report landed with a dull thud.**

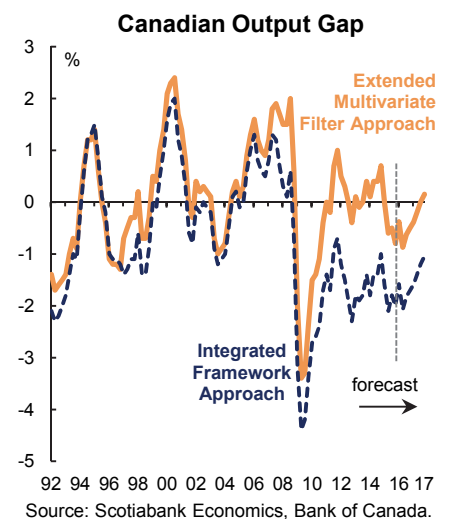
Recall that the dollar value of manufacturing shipments plunged by 3.3% m/m in February which was the biggest decline since January 2015. Almost two-thirds of that drop was in volumes while lower prices added to the downside. That could have set up a mean-reverting rebound in March. Arguing heavily against this view is that exports plunged by 4.8% m/m in March with 10 of 11 subsectors participating in the swoon and about three percentage points of that due to lower sales volumes (versus prices). The quarter as a whole was still very solid for trade with export volumes up by almost 9%, but the momentum was lost over February and March. Regardless, the manufacturing sector will have one more month of relatively 'clean' data before the shock effect in the energy sector takes over through the petrochemicals component from May onward.

**The CPI report for April may also be discounted as backward-looking** and of use simply for scorekeeping purposes in the face of what may be disinflationary shocks that have hit the economy. This is explored further in terms of forecasts for spare capacity in an article in this week's *Global Views* which follows upon prior analysis we've done. The quick point is that because of downward revisions to growth in Q2 (-0.5%) and a forecast for Q3 growth of 2.5%, the 1% six-month

## Next Week's Risk Dashboard

- ▶ FOMC minutes & Fed speak
- ▶ Q1 GDP: Japan, other Asia
- ▶ US CPI, housing and industrial readings
- ▶ US earnings: consumer discretionaries
- ▶ Chinese macro hits
- ▶ CDN pre-shock growth and inflation
- ▶ Greek debt negotiations
- ▶ UK inflation, consumers
- ▶ RBA minutes, AU jobs
- ▶ Bank Indonesia, Bank Negara

Chart 1



## THE WEEK AHEAD

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annualized GDP growth forecast runs beneath the BoC's mid-point estimate of 1.5% growth in potential output and results in more disinflationary spare capacity for longer than previously judged. As chart 1 shows, the economy probably won't close off spare capacity over 2017H2 as the BoC has previously forecast, and almost always asserts to be likely within the confines of its traditional forecast horizon.

Canada issues 30 year bonds on Wednesday.

### **United States — A Quarter Point And The End Of The World**

**Next week is likely to be informative to Fed watchers as the docket is chock full of Fed guidance in addition to inflation and growth readings while consumer discretionary stocks will be the focus of the ongoing earnings season.**

Tired of Fed speak? Fed up with the mind-numbing endless debates over how a quarter point hike would be a bane, boon, or neither to the economy and markets? My choice is neither, but we can't offer a remedy to the general malady next week as it is one that will be marked by significant Fed guidance. Five regional Fed Presidents will speak and they will surround Wednesday's publication of the minutes to the April 27th FOMC meeting. One of them in particular matters more than the rest given his weight at the top of the house, stronger-than-average economics credentials, and his permanent voting status; NY Fed President Dudley speaks on Thursday about broad macro trends. Minneapolis Fed President Kashkari (alternate) is on tap for Monday but is expected to speak about 'too big to fail' policies. The next day, another alternate (Dallas's Kaplan) speaks. A pair of nonvoting but influential FOMC members — Atlanta's Lockhart and San Francisco's Williams — comment on the economy on Tuesday.

**The April meeting minutes will be closely watched for a stronger signal about near-term rate risks than was apparent in the April 27th FOMC statement.** They are an ex-post account of what was discussed with some literary licence applied by the Fed's communications folks and hence the top of the house. Recall that the statement removed reference to global risks by omitting the sentence "However, global economic and financial developments continue to pose risks" but the FOMC still said that it "continues to closely monitor inflation indicators and global economic and financial developments". This was taken as a token downgrading of concerns regarding the international environment that spooked the Fed in the March statement notwithstanding what had been the considerable distance from the market weakness earlier in the year, and did likewise last September before the Fed reversed its stance in October to tee up the December hike. Such a cue to the next meeting in June was absent in April and therefore we are left relying upon the minutes and Fed guidance for further clarification of exactly how 'live' the June meeting may be. Our house view is that the Fed waits until September to hike given markets are not the least bit priced for a hike now and the Fed has a lot more work to do given its questionable desire to have the table perfectly set before acting and with the June 23rd Brexit vote one week later.

**In all the data risk, the week's Fed focus will likely result in higher emphasis being placed upon Tuesday's CPI inflation print than other readings.** Headline inflation is expected to follow gasoline prices higher but still struggle around the 1% y/y mark and inside the 0.9-1.4% range that has existed so far this year. That's a notable pick-up from much of last year when CPI was basically unchanged in year-ago terms from last January through to September before beginning a modest upward trend. More important may be broad-based indicators of inflation pressures with core CPI inflation expected to remain around the 2-2.2% y/y pace. If so, then core inflation may be flattening out at the highest readings since the temporary spike higher that petered out by mid-2012.

**The rest of the hits will be focused upon housing and the industrial complex.** Industrial production could face upside following the soft March reading. The Empire manufacturing survey (Monday) and the Philly Fed metric (Thursday) kick off the May round of regional Fed reports on the manufacturing sector on the path to the next ISM-manufacturing print on June 1st. Housing starts and existing home sales, both for April, will advance the debate over the durability of the housing expansion.

## THE WEEK AHEAD

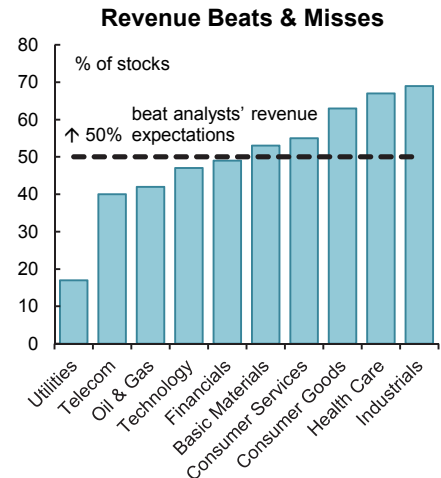
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If you are big on inflation trading, then the biggest thing on tap over the coming week could well be the reopening of the 10 year Treasury Inflation Protected note on Thursday.

**Earnings reports will focus upon discretionary consumer spending** including Home Depot, Target, Lowe's, Staples, Wal-Mart, Deere & Co, and the Gap. Over 450 of the S&P500's companies have released Q1 earnings thus far as the season is winding down to a close. **75% of them have beaten analysts' earnings expectations** which isn't terribly surprising given that the dot-com period and SOX legislation made US equity analysts more risk-averse and their expectations steadily beaten much more so than the estimates they provided prior to this period. **Only 54% of firms have beaten sales estimates** and so the theme of the quarter was upon broad-based cost cutting to offset soft revenues. In case you think it's one or two sectors or a minority of companies, think again: earnings beats were common across sectors but half of the ten main S&P500 subindices missed revenue expectations, three barely beat on revenues, and only two (industrials and consumer goods) significantly beat on revenues (chart 2).

Chart 2



### Asia — Japan Just Can't Catch A Break

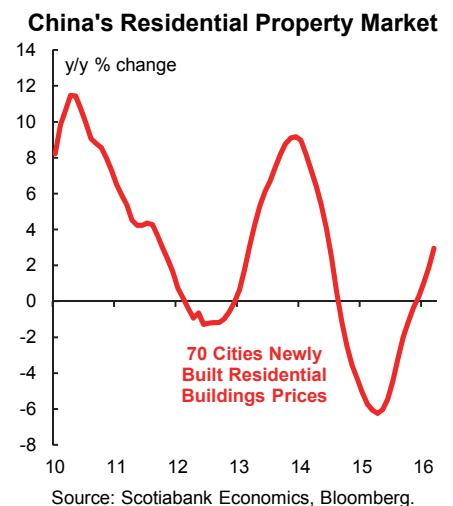
**Q1 GDP reports from some of China's neighbours and China's own macro releases could paint somewhat of a divergence story between the Asian economic powers.**

**Japan's Q1 GDP report will be a close call. Consensus so far thinks it will stay a smidge on the black side of the ledger but not everyone is convinced.** If the economy dips, it would technically fall into one definition of recession marked by back-to-back quarterly declines in GDP. Either way, the pattern for some time has not been encouraging. The economy has not managed to grow one bit over the past year as GDP prints have oscillated in and out of small contractions for the past four quarters up to Q1 of this year. Expectations for the next Q2 GDP report are already set fairly low given the negative shock from the Kumamoto earthquakes. **Paradoxically, the application of fiscal stimulus in the wake of the earthquakes may require the Bank of Japan to offset what could otherwise be further upward pressure on the yen.** The Bank of Japan meets on June 16th and July 29th.

**Q1 GDP will also be released by Philippines and Thailand** and both countries are expected to register softer growth mirroring challenges across other countries and regions at least over the first quarter of 2016.

**Greater hope lies in Chinese macro releases this weekend** for retail sales and industrial production during the month of April. These sectors have held fast in the face of risks so far this year. Retail sales growth has been running at a fairly steady rate in the 10½% range which — believe it or not — is the softest trend pace since the early 2000s, and industrial production has been accelerating of late to the 6.8% y/y pace with possible further upside as the effects of the Lunar New Year holiday continue to drop out of the data. We are also expecting property prices — targeted for release on Wednesday — to continue to indicate a widespread recovery in property markets that we've been calling for a long while now (chart 3).

Chart 3



## THE WEEK AHEAD

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Set against this backdrop, a pair of regional central banks are not expected to alter their policy stances. **Each of Bank Indonesia and Bank Negara Malaysia are widely expected to stay on hold.**

**The economy down under** will also be closely followed as minutes to the May 3rd meeting of the Reserve Bank of Australia will be released on Tuesday. Recall that the RBA cut its cash target rate by 25bps to 1.75% in part to weaken the A\$. The A\$ has since been among the three weakest currency crosses versus the USD along with the South African rand and the yen and so the central bank can claim somewhat more victory than, say, the Bank of Japan's past easing efforts likely thanks to a very different currency role in the global order. A factor that could further influence the A\$ in the near-term may be Thursday's employment report following a decent 26k rise in jobs during March that was nevertheless all fed by part-time employment.

India and Indonesia will also release trade figures.

### Europe — Markets Already Assuming Successful Greek Debt Negotiations

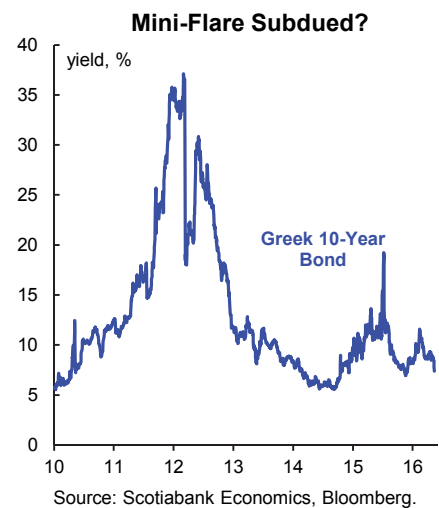
UK inflation and consumer spending figures that don't matter ahead of the EU membership vote on June 23rd will further inform risks to how the economy is tracking in relation to Bank of England expectations. Ongoing Greek debt negotiations between EU Finance ministers and the Greek government will combine with just Eurozone inflation revisions and trade add-ups to make for subdued emphasis upon developments across the Channel.

**Why haven't Greek headlines dominated global markets this year?** The country is struggling again but one explanation may be that markets have become conditioned to believe that the captive nature of the negotiations and the ongoing need for further steps by both creditors and Greece will have European finance ministers and the IMF doing what they must. Another interpretation is that the Syriza government of Prime Minister Tsipras is not showing any similarity to the militant version that was originally elected and is toeing the line with Greece's creditors. Another interpretation is that much of the debt is the problem of the so-called 'troika' and less so the markets. Or perhaps markets are simply being too optimistic with respect to the risks. Greek 10 year bond yields have plummeted as it became more apparent that a deal was in sight and the yield is hovering back to where it was in November as a comparatively minor sell-off had occurred over the intervening period (chart 4). Greece's Parliament has passed a bill that raised taxes and social security contributions again including a sales tax rate of 24% applied to some items while broadening the tax base.

The focus is now upon possible additional austerity measures by the Greek government, and a possible lowering of the primary surplus target perhaps accompanied by discussions on debt relief at the May 24th EU finance ministers meeting. IMF head Christine Lagarde recently wrote a letter to the EU finance ministers noting that the 3.5% primary surplus target by 2018 is "higher than what we consider economically and socially sustainable in the long run." Ergo, protests galore and accompanying political risks overhanging tense negotiations.

UK inflation isn't expected to do a whole lot with consensus expecting an unchanged 0.5% y/y headline reading and core CPI expected to remain around the 1½% range. Retail sales may be the more interesting release amid expectations for a modest rebound from the weakness in March.

Chart 4



## CANADIAN MONETARY POLICY

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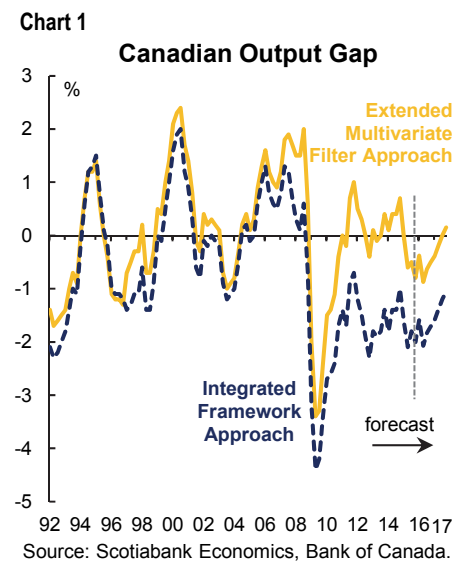
## BoC Could Sound More Cautious While Keeping Its Powder Dry

- **Scotiabank Economics forecasts disinflationary slack to persist for longer.**

**The Bank of Canada's hope that spare capacity will be closed off by the back half of 2017 will probably be materially delayed by foregone near-term economic growth thanks to recent shocks.** We therefore expect a neutral to more cautious overall tone in the statement-only May 25th announcement.

The accompanying chart depicts our outlook for the output gap using the BoC's two preferred metrics (alongside their use of labour slack readings). By the mid-point of this year, we think economic slack will land roughly in the 1-2% range as a share of the economy which is wider than our previous estimate.

That's because the new information contained within the latest awful trade report and the wildfire shocks to energy output led us to sharply downgrade our Q2 growth forecast to a mild -0.5% dip and with probably further downside risk. We don't think this lost activity is made up in Q3 when we forecast GDP growth to come in around 2½% because a) we're playing it cautiously on trade, and b) we think production simply reverts back to the pre-fire run-rate over the weeks/months ahead and doesn't overshoot, which means the lost production is a permanent erosion of wealth. At -0.5% in Q2 and +2.5% in Q3, the six month average annualized GDP growth rate of about 1% is forecast to run below potential growth using the 1.5% mid-point of the BoC's forecast range for potential growth, and therefore slack builds by a modest amount in the near-term. The assumed path toward closing spare capacity gradually over time has been delayed by a material two quarter shock and post-shock interval which is a sizeable chunk of the forecast horizon. Rebuilding efforts will unfold gradually and will be a modest influence for a fairly small community. By the end of next year, our forecast sees one measure of the output gap closing, while the other remains at around -1%. The risks to this near-term outlook may cancel out if they are more skewed to the downside of our forecasts for Q2 and then perhaps more to the upside for Q3.



Our best guess at this point is therefore that the economy does not risk tripping into excess aggregate demand via a positive output gap, and therefore the BoC's inflation target is unlikely to face sustained upside pressure perhaps even into 2018.

How does the BoC react to this? Senior Deputy Governor Carolyn Wilkins noted this week that the central bank is not contemplating opening its policy "toolkit." We took that comment to refer more to unconventional forms of easing such as negative rates or even QE than conventional forms of easing such as one or two policy rate cuts. Wilkins noted that negative rates seem to have short-lived benefits and a limited "shelf life". That said, we don't judge conventional easing to be the preferred option in this environment either. It is important, however, to distinguish such guidance from what tone the BoC may adopt on May 25th. It is still plausible/likely that the BoC resorts to greater caution regarding the outlook given the disappointing trade figures and the economy's ongoing vulnerability to shocks while signalling less momentum toward closing off spare capacity. If so, this should provide further caution against the minority view within consensus that is calling for rate hikes as soon as later this year or over the first half of 2017.

The present schedule suggests no further material BoC communications regarding the economic and policy outlook before the communications black-out period begins next Wednesday ahead of the following Wednesday's statement. Governor Poloz is not scheduled to speak again until Saturday June 4th at an economics conference in Ottawa.

## AEROSPACE INDUSTRY

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## Aerospace Outlook Improves

- **Low fuel costs, increased U.S. defense spending and rising travel demand will underpin modest gains.**

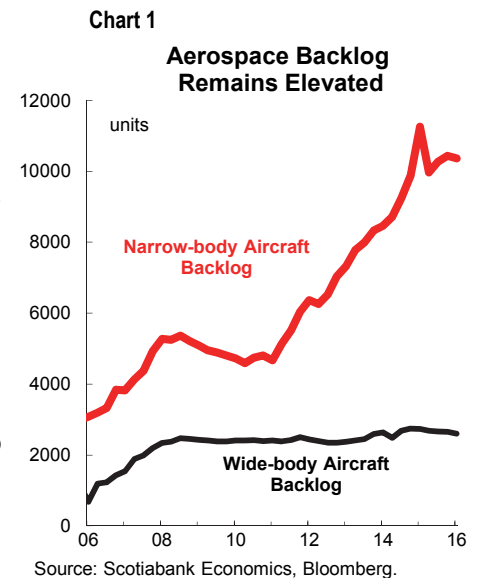
The global aerospace and defense industry is expected to improve incrementally in 2016 following anemic growth last year as U.S. budget constraints limited government procurement. Global economic growth also decelerated in 2015, as recessions in Brazil and Russia combined with a structural shift in the Chinese economy dented activity in emerging markets. U.S. output advanced at around 2½% 2015, but weak industrial activity, inventory drawdowns and sluggish export sales slowed growth in the first quarter of 2016 to only ½%. The U.S. outlook for the remainder of the year is more upbeat, with improving home sales, residential construction and healthy household expenditures supported by the strongest labour market since the turn of the millennium.

Inexpensive fuel is a positive for travel demand, benefitting airlines, aircraft manufacturers and parts suppliers. Low oil prices will continue to boost profit margins at airlines as, on average, fuel accounted for just under 30% of expenses in 2015, and is expected to fall to only 20% this year. Smaller airlines will receive an outsized benefit, as an even larger percentage of their operating costs are dedicated to fuel. Forward fuel contracts are handled differently from airline to airline, but the majority of operators hedge their fuel needs in some manner, with contracts usually ranging from six months to two years. Airlines that chose shorter hedges have been enjoying re-signing contracts at lower prices, but those that locked into contracts at higher prices around a year-and-a-half ago are only now receiving the full savings.

The financial performance of aerospace companies varied across geographies and subsectors last year, with a strong U.S. dollar crimping profits of airlines outside of the U.S., but at the same time giving a boost to component manufacturers that depend on exports to the United States. The U.S. defense spending budget fell 3½% in 2015, dampening returns for military aircraft and parts suppliers. The outlook is more positive this year alongside a projected 4½% (US\$25bn) increase in the DOD's budget as sequestration comes to an end. Low interest rates will continue to provide favourable financing for airlines that need to expand or upgrade their fleets, especially in Europe where the ECB has dropped its overnight rate to 0%.

Global leisure travel volumes increased 6½% in 2015, driven by an 8% gain in China and a double-digit increase from the Middle East. European and North American volumes advanced 5% and 3%, respectively. Despite the economic slowdown in China, the middle class continues to grow rapidly, passing the United States to become the largest in the world in 2015. Similar demographic and wealth trends across developing Asia are the key driver for global air travel. The steady growth in leisure travel will benefit airport authorities worldwide, but will require expanded facilities to provide greater capacity.

Rising air travel has led to an ordering spree for new aircraft, particularly in Southeast Asia where airlines are facing capacity constraints. There are concerns that some carriers have overestimated demand — some carriers in Asia have several times their current fleet on order — leading to excess aircraft orders. Recently, some airlines have been deferring orders, or using leaseback agreements as opposed to outright sales, reducing the backlog of aircraft orders from record-highs. Narrow-body jets are the preferred aircraft for start-up airlines in Asia, which are the largest customers for aerospace giants Airbus and Boeing. A larger-than-expected dip in Chinese growth or a deceleration in India represent a threat to the backlogs of narrow-body orders and to the profits of aircraft manufacturers. Wide-body jet orders and production have been flat over the last two years, as both Boeing and Airbus transition to a new line of jumbo planes. With new models being released soon, the 'last off the line' B777s and A330s have become less desirable.



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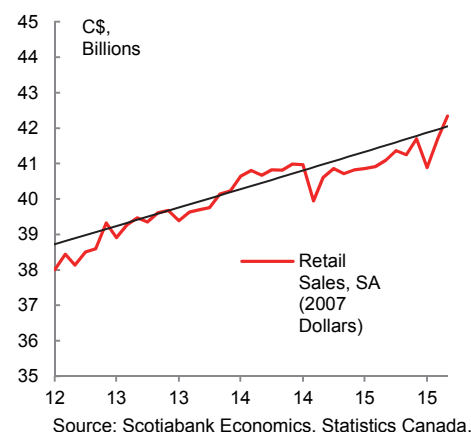
## Key Data Preview

### CANADA

**Retail sales** in Canada are likely to drop in March, and we're forecasting a -0.6% m/m print. There are two general reasons for our call. First, we expect that there will be some degree of mean reversion in retail sales after a very strong January and February left retail sales tracking at a +8.45 q/q annualized rate. It's worth noting that while this growth rate of retail sales is clearly unsustainable, the big gains in January and February leave retail sales only a touch higher in level terms than where a reasonable view of the appropriate trend growth rate for sales would have indicated. Indeed, as the chart to the right shows, the level of retail sales fundamentally played catch up after an essentially flat 2015 which saw Canadian consumers retrenching in response to the commodities shock and an increase in import prices. The second reason to look for a soft number is a drop in imports on the month (-2.1% m/m in price terms, -0.3% m/m in volume terms) that indicated a slight slackening in demand. Finally, the winter was quite warm this year. Were retail sales brought forward by the warm weather? Positives include: a) an increase in gasoline prices, which should have a positive price impact, b) solid wage growth in recent months, and c) a modest increase in auto sales that Carlos Gomes estimates at roughly +0.5% m/m.

Chart 1

Canada Retail Sales  
Sustainable Rebound?



All signs point, frustratingly, to downside on **manufacturing sales** for March. Exports were soft in general (-4.8% m/m, -2.9% m/m in volume terms) with a variety of manufactured categories including chemicals (-2.3% m/m) and machinery and equipment (-7.1% m/m) showing big declines along with motor vehicles (-6% m/m) and consumer goods (-4.6% m/m). New orders were also lower by 8.1% m/m in February, so the order book is a negative too. The net leaves us expecting a -1% m/m number with downside risk.

**CPI** in Canada should come in fairly flat in April, and we're anticipating +0.3% m/m number (not seasonally adjusted, as usual) largely on the basis of an increase in retail pump prices on the month which we estimate increased by roughly 8.5% m/m in terms of the monthly average. Other commodity prices including natural gas and foodstuff commodity prices were also up although, seasonally, food prices tend to fall in April, so we anticipate a flattish print on food (instead of a meaningful minus). In terms of core CPI, April is a flat-to-down month for the most seasonal categories such as recreation and clothing, so we're expecting a flat number on core CPI overall. These outcomes should leave year-on-year CPI at +1.7% y/y and core at 2%.

### UNITED STATES

**CPI** for April should likely show continued strength, and we're forecasting a +0.3% m/m number on headline and +0.2% m/m core with the upside risks focused in core. Of late, U.S. CPI has been on the strong side, with core printing at +0.3% m/m in January and February. March saw a bit of retrenchment, but the year-on-year trend is strong (+2.2% y/y) and there is the possibility that core might strengthen still. Essentially, our call is a function of rounding, and we could easily see core moving up to +0.3% m/m again. The impulse underlying core CPI is threefold: a) ongoing strong home price appreciation in the Owners Equivalent Rent category, b) mean reversion in the medical care services category after a soft 2015, and c) the impact of the flattening off of early 2015's USD appreciation. All of these are still in effect. Oil should provide a boost to CPI as pump prices were up on the month. We expect that the positive impulse under foodstuff commodity prices will at a minimum limit downsides to food inflation in the month ahead (even if it's not a guarantee of upsides).



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## EUROPE

UK inflation data will be released on Tuesday, May 17<sup>th</sup>. We expect CPI inflation to decelerate from 0.5% y/y in March to 0.3% y/y in April — reversing the prior month's jump. The acceleration in March was largely attributable to higher-than-expected airfares alongside an early Easter. We expect some payback in April, which will subtract from headline inflation. Furthermore, our analysis suggests that the downside seen in food prices is probably not the latest down-leg in food price inflation. Looking ahead, UK inflation is expected to continue to drift sideways near its current subdued level until the middle of the year. Favourable base effects should begin to propel inflation upwards at the start of H2. Later in the year, the weakening in the GBP since late-2015 should also start to exert upward pressure on core goods prices — irrespective of the outcome of the referendum.

## LATIN AMERICA

Mexico will publish economic activity data for March on Friday. Industrial production showed a significant decline of 2.0% y/y in March, its poorest performance since June 2013. The main contributors to the decrease in output were persistently weak mining output (down 5.1%) and the first decline in manufacturing in 33 months at 1.5% y/y — both of which account for 70% of industrial production. However, some offset will be provided by the services sector, which continues to be the strongest performer in the Mexican economy. As a result, we expect growth in the economic activity indicator to slow to 1.5% y/y, after a strong increase of 4.1% in February and a rise of 2.2% in January. Revised Q1 GDP data for Mexico will also be released; we anticipate a slight downwards revision to growth in the first quarter, to 2.6% y/y from an initial print of 2.7%. Peru will release Q1 GDP data on Friday. We expect real GDP to have increased by 4.4% y/y alongside a pickup in mining sector output and a bounce-back in construction activity due to increased public works expenditures. Chile will also publish GDP figures for the first quarter on Wednesday. The country's economic activity index suggests that growth is likely to come in at 1.8% y/y, a modest improvement from the 4th quarter of 2015. Nevertheless, the Chilean economy is forecast to experience its slowest pace of growth since 2009, at around 1.7% for the year.

## ASIA

Japan will release first quarter GDP data on May 18<sup>th</sup>. The country's economic challenges remain in place. In the final quarter of 2015, real GDP growth returned to negative territory (-0.3% q/q); we estimate that performance improved slightly in the first three months of 2016 with output expanding by 0.2% q/q. In our assessment, growth is underpinned by net exports; however, instead of portraying solid demand for Japanese shipments abroad, the positive contribution reflects the fact that Japan's imports are contracting faster than exports. Meanwhile, subdued wage growth is discouraging spending by Japanese households. Looking ahead, higher corporate profits should underpin private sector investment through the rest of the year. Household spending will likely experience a marked pick-up at the end of this year and in early 2017 before the April 2017 increase in the consumption tax rate; however, we highlight that a postponement of the tax rate hike is becoming more likely given persistent economic weakness.

Chart 1

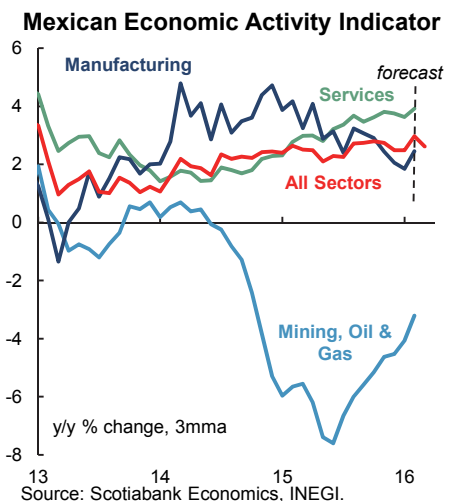
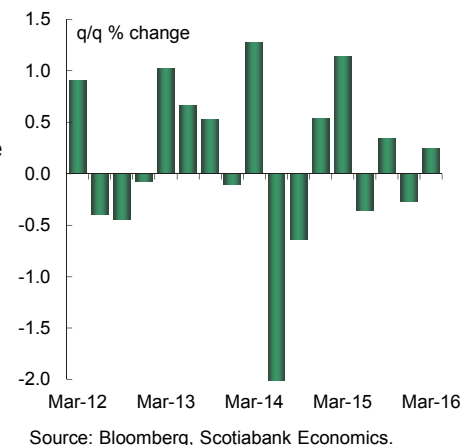


Chart 2 Japan Real GDP Growth



## Key Indicators for the week of May 16 – 20

## North America



Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	05/16	08:30	Empire State Manufacturing Index	May	--	6.5	9.6
CA	05/16	09:00	Existing Home Sales (m/m)	Apr	--	--	1.5
US	05/16	10:00	NAHB Housing Market Index	May	--	59.0	58.0
US	05/16	16:00	Total Net TIC Flows (US\$ bn)	Mar	--	--	33.5
US	05/16	16:00	Net Long-term TIC Flows (US\$ bn)	Mar	--	--	72.0
CA	05/17	08:30	Manufacturing Shipments (m/m)	Mar	-1.0	-2.2	-3.3
US	05/17	08:30	Building Permits (000s a.r.)	Apr	--	1134	1076
US	05/17	08:30	CPI (m/m)	Apr	0.3	0.4	0.1
US	05/17	08:30	CPI (y/y)	Apr	1.0	1.1	0.9
US	05/17	08:30	CPI ex. Food & Energy (m/m)	Apr	0.2	0.2	0.1
US	05/17	08:30	CPI ex. Food & Energy (y/y)	Apr	2.2	2.1	2.2
US	05/17	08:30	CPI (index)	Apr	239	239	238
US	05/17	08:30	Housing Starts (000s a.r.)	Apr	1125	1125	1089
US	05/17	08:30	Housing Starts (m/m)	Apr	--	3.3	-8.8
US	05/17	09:15	Capacity Utilization (%)	Apr	--	75.0	74.8
US	05/17	09:15	Industrial Production (m/m)	Apr	0.4	0.3	-0.6
US	05/18	07:00	MBA Mortgage Applications (w/w)	MAY 13	--	--	0.4
CA	05/18	08:30	International Securities Transactions (C\$ bn)	Mar	--	--	15.9
CA	05/19	08:30	Wholesale Trade (m/m)	Mar	-1.0	-0.6	-2.2
US	05/19	08:30	Initial Jobless Claims (000s)	MAY 14	275	275	294
US	05/19	08:30	Continuing Claims (000s)	MAY 7	2165	--	2161
US	05/19	08:30	Philadelphia Fed Index	May	5.0	3.0	-1.6
US	05/19	10:00	Leading Indicators (m/m)	Apr	--	0.4	0.2
CA	05/20	08:30	CPI, All items (m/m)	Apr	0.3	0.4	0.6
CA	05/20	08:30	CPI, All items (y/y)	Apr	1.7	1.7	1.3
CA	05/20	08:30	Core X8 CPI (m/m)	Apr	0.0	0.2	0.7
CA	05/20	08:30	Core X8 CPI (y/y)	Apr	2.0	2.0	2.1
CA	05/20	08:30	CPI, All items (index)	Apr	--	--	127.9
CA	05/20	08:30	CPI SA, All items (m/m)	Apr	--	0.2	0.2
CA	05/20	08:30	Core CPI SA, All items (m/m)	Apr	--	0.1	0.3
CA	05/20	08:30	Retail Sales (m/m)	Mar	-0.6	-0.6	0.4
CA	05/20	08:30	Retail Sales ex. Autos (m/m)	Mar	-0.4	-0.4	0.2
MX	05/20	09:00	GDP (q/q)	1Q F	--	--	0.8
MX	05/20	09:00	GDP (y/y)	1Q F	2.6	--	2.7
MX	05/20	09:00	Global Economic Indicator IGAE (y/y)	Mar	1.5	--	4.1
US	05/20	10:00	Existing Home Sales (mn a.r.)	Apr	5.5	5.4	5.3
US	05/20	10:00	Existing Home Sales (m/m)	Apr	--	1.0	5.1

## Europe



Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
RU	MAY 16-17		Real GDP (y/y)	1Q A	--	-2.0	-3.8
UK	05/17	04:30	CPI (m/m)	Apr	0.0	0.3	0.4
UK	05/17	04:30	CPI (y/y)	Apr	0.3	0.5	0.5
UK	05/17	04:30	DCLG House Prices (y/y)	Mar	--	--	7.6
UK	05/17	04:30	PPI Input (m/m)	Apr	--	1.1	2.0
UK	05/17	04:30	PPI Output (m/m)	Apr	--	0.2	0.3
UK	05/17	04:30	RPI (m/m)	Apr	--	0.3	0.4
UK	05/17	04:30	RPI (y/y)	Apr	1.5	1.5	1.6
EC	05/17	05:00	Trade Balance (€ mn)	Mar	--	--	19.0

Forecasts at time of publication.

Source: Bloomberg, Scotiabank Economics.

## Key Indicators for the week of May 16 – 20

## Europe (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
UK	05/18	04:30	Average Weekly Earnings (3-month, y/y)	Mar	--	1.7	1.8
UK	05/18	04:30	Employment Change (3M/3M, 000s)	Mar	--	0.0	20.0
UK	05/18	04:30	Jobless Claims Change (000s)	Apr	--	4.5	6.7
UK	05/18	04:30	ILO Unemployment Rate (%)	Mar	--	5.1	5.1
EC	05/18	05:00	CPI (m/m)	Apr	0.0	0.0	0.0
EC	05/18	05:00	CPI (y/y)	Apr F	-0.3	-0.2	-0.2
EC	05/18	05:00	Euro zone Core CPI Estimate (y/y)	Apr F	0.7	0.7	0.7
EC	05/19	04:00	Current Account (€ bn)	Mar	--	--	19.0
UK	05/19	04:30	Retail Sales ex. Auto Fuel (m/m)	Apr	--	0.7	-1.6
UK	05/19	04:30	Retail Sales with Auto Fuel (m/m)	Apr	--	0.6	-1.3
GE	05/20	02:00	Producer Prices (m/m)	Apr	--	0.1	0.0
IT	05/20	04:30	Current Account (€ mn)	Mar	--	--	1377.1

## Asia Pacific

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CH	05/14	01:30	Fixed Asset Investment YTD (y/y)	Apr	11.0	11.0	10.7
CH	05/14	01:30	Industrial Production (y/y)	Apr	6.5	6.5	6.8
CH	05/14	01:30	Retail Sales (y/y)	Apr	10.5	10.6	10.5
TH	05/15	22:30	GDP (y/y)	1Q	2.7	2.8	2.8
ID	MAY 15-16		Exports (y/y)	Apr	--	-10.9	-13.5
ID	MAY 15-16		Imports (y/y)	Apr	--	-8.3	-10.4
ID	MAY 15-16		Trade Balance (US\$ mn)	Apr	--	186.5	497.0
PH	MAY 15-16		Overseas Remittances (y/y)	Mar	--	1.1	9.1
JN	05/16	02:00	Machine Tool Orders (y/y)	Apr P	--	--	-21.2
IN	05/16	02:30	Monthly Wholesale Prices (y/y)	Apr	--	-0.2	-0.9
SI	05/16	20:30	Exports (y/y)	Apr	--	-7.4	-15.6
AU	05/16	21:30	New Motor Vehicle Sales (m/m)	Apr	--	--	2.2
JN	05/17	00:30	Capacity Utilization (m/m)	Mar	--	--	-5.4
JN	05/17	00:30	Industrial Production (y/y)	Mar F	0.1	--	0.1
HK	05/17	04:30	Unemployment Rate (%)	Apr	3.4	3.4	3.4
NZ	05/17	18:45	Producer Price - Inputs (q/q)	1Q	--	--	-1.2
NZ	05/17	18:45	Producer Price - Outputs (q/q)	1Q	--	--	-0.9
JN	05/17	19:50	GDP (q/q)	1Q P	0.2	0.1	-0.3
JN	05/17	19:50	GDP Deflator (y/y)	1Q P	--	1.0	1.5
AU	05/17	21:30	Wage Cost Index (q/q)	1Q	--	0.5	0.5
SK	05/18	17:00	PPI (y/y)	Apr	--	--	-3.3
JN	05/18	19:50	Machine Orders (m/m)	Mar	--	-1.9	-9.2
NZ	05/18	21:00	ANZ Consumer Confidence Index	May	--	--	120.0
AU	05/18	21:30	Employment (000s)	Apr	--	12.0	26.1
AU	05/18	21:30	Unemployment Rate (%)	Apr	5.8	5.8	5.7
PH	05/18	22:00	Real GDP (y/y)	1Q	--	6.7	6.3
HK	MAY 18-19		Composite Interest Rate (%)	Apr	--	--	0.26
ID	MAY 18-19		<b>BI Reference Interest Rate (%)</b>	<b>May 19</b>	<b>6.75</b>	<b>6.75</b>	<b>6.75</b>
PH	MAY 18-19		Balance of Payments (US\$ mn)	Apr	--	--	854.0
SI	MAY 18-26		Real GDP (y/y)	1Q F	1.8	1.8	1.8
SI	MAY 18-26		Real GDP SAAR (q/q)	1Q F	--	--	0.0
JN	05/19	00:30	All Industry Activity Index (m/m)	Mar	--	0.7	-1.2
MA	05/19	06:00	<b>Overnight Rate (%)</b>	<b>May 19</b>	<b>3.25</b>	<b>3.25</b>	<b>3.25</b>

Forecasts at time of publication.

Source: Bloomberg, Scotiabank Economics.

## Key Indicators for the week of May 16 – 20

Asia Pacific *(continued from previous)*

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
MA	05/20		CPI (y/y)	Apr	1.9	2.1	2.6
JN	05/20	0.1:00	Nationwide Department Store Sales (y/y)	Apr	--	--	-2.9
TA	05/20	04:00	Export Orders (y/y)	Apr	--	-4.3	-4.7
TA	05/20	04:20	Current Account Balance (US\$ mn)	1Q	--	--	20011

## 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>
CO	05/16	15:00	Retail Sales (y/y)	Mar	4.0	3.4	4.6
PE	05/16		Economic Activity Index NSA (y/y)	Mar	4.1	4.3	6.0
PE	05/16		Unemployment Rate (%)	Apr	--	--	7.2
CL	05/17	17:00	<b>Overnight Rate Target</b>	<b>May 17</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>
CL	05/18	07:30	GDP (q/q)	1Q	--	--	0.1
CL	05/18	07:30	GDP (y/y)	1Q	1.8	1.8	1.3
CO	05/19	15:00	Trade Balance (US\$ mn)	Mar	--	--	-1002
PE	05/20		GDP (y/y)	1Q	4.4	4.5	4.7

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

## Global Auctions for the week of May 16 – 20

## North America



<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	05/16	11:30	U.S. to Sell USD31 Bln 3-Month Bills
US	05/16	11:30	U.S. to Sell USD26 Bln 6-Month Bills
CA	05/17	10:30	Canada to Sell CAD6.45 Bln 98-Day Bills
CA	05/17	10:30	Canada to Sell CAD2.4 Bln 168-Day Bills
CA	05/17	10:30	Canada to Sell CAD2.4 Bln 350-Day Bills
US	05/17	11:30	U.S. to Sell 4-Week Bills
MX	05/17	12:30	Mexico to Sell 28-Day Bills
MX	05/17	12:30	Mexico to Sell 91-Day Bills
MX	05/17	12:30	Mexico to Sell 175-Day Bills
MX	05/17	12:30	Mexico to Sell 5-Year Bonds
MX	05/17	12:30	Mexico to Sell 5-Year IL Bonds
CA	05/18	12:00	Canada to Sell CAD1.75 Bln 2.75% 2048 Bonds
US	05/19	13:00	U.S. to Sell USD11 Bln 10-Year TIPS Reopening

## Europe



<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
FR	05/16	08:50	France to Sell Bills
SP	05/17	04:30	Spain to Sell Bills
NE	05/17	05:00	Netherlands to Sell Up to EUR2 Bln 71-Day Bills
NE	05/17	05:00	Netherlands to Sell Up to EUR2 Bln 165-Day Bills
MB	05/17	05:00	Malta to Sell 91-Day Bills
MB	05/17	05:00	Malta to Sell 182-Day Bills
EC	05/17	05:10	ECB Main Refinancing Operation Result
SZ	05/17	05:15	Switzerland to Sell 182-Day Bills
NE	05/17	05:30	Netherlands to Sell Bills
EC	05/17	06:30	ESM to Sell Up to EUR1.5 Bln 189-Day Bills
DE	05/18	04:30	Denmark to Sell Bonds
SW	05/18	05:03	Sweden to Sell SEK12.5 Bln 89-Day Bills
SW	05/18	05:03	Sweden to Sell SEK5 Bln 124-Day Bills
GE	05/18	05:30	Germany to Sell EUR4 Bln 0.5% 2026 Bonds
UK	05/18	05:30	U.K. to Sell GBP1.5 Bln 4.25% 2036 Bonds
PO	05/18	05:30	Portugal to Sell Bills
SP	05/19	04:30	Spain to Sell Bonds
FR	05/19	04:50	France to Sell Bonds
SW	05/19	05:03	Sweden to Sell SEK700 Mln 0.125% I/L 2026 Bonds
SW	05/19	05:03	Sweden to Sell SEK300 Mln 0.125% I/L 2032 Bonds
FR	05/19	05:50	France to Sell I/L Bonds
UK	05/20	06:00	U.K. to Sell Bills
IC	05/20	06:00	Iceland to Sell Bonds

Source: Bloomberg, Scotiabank Economics.

## Global Auctions for the week of May 16 – 20

## Asia Pacific

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	05/15	21:30	Qingdao to Sell CNY390 Mln 3-Yr General Bonds
CH	05/15	21:30	Qingdao to Sell CNY1.17 Bln 5-Yr General Bonds
CH	05/15	21:30	Qingdao to Sell CNY1.17 Bln 7-Yr General Bonds
CH	05/15	21:30	Qingdao to Sell CNY1.17 Bln 10-Yr General Bonds
CH	05/15	22:30	Qingdao to Sell CNY1.95 Bln 5-Yr Special Bonds
CH	05/15	22:30	Qingdao to Sell CNY780 Mln 7-Yr Special Bonds
CH	05/15	22:30	Qingdao to Sell CNY1.17 Bln 10-Yr Special Bonds
JN	05/16	23:45	Japan to Sell 5-Year Bonds
CH	05/17	02:00	Sichuan to Sell CNY6 Bln 3-Yr General Bonds
CH	05/17	02:00	Sichuan to Sell CNY6 Bln 5-Yr General Bonds
CH	05/17	02:00	Sichuan to Sell CNY2 Bln 10-Yr General Bonds
CH	05/17	02:00	Sichuan to Sell CNY6 Bln 7-Yr General Bonds
CH	05/17	03:00	Sichuan to Sell CNY12 Bln 3-Yr Special Bonds
CH	05/17	03:00	Sichuan to Sell CNY12 Bln 5-Yr Special Bonds
CH	05/17	03:00	Sichuan to Sell CNY12 Bln 7-Yr Special Bonds
CH	05/17	03:00	Sichuan to Sell CNY4 Bln 10-Yr Special Bonds
AU	05/17	21:00	Australia Plans to Sell AUD900 Mln 4.75% 2027 Bonds
CH	05/17	22:35	China to Sell CNY35 Bln 7-Year Upsized Bonds
CH	05/17	22:35	China to Sell CNY26 Bln 2-Year Bonds
JN	05/17	23:35	Japan to Sell 1-Year Bills
CH	05/18	22:00	Ningxia to Sell CNY1.4 Bln 3-Yr Special Bonds
NZ	05/18	22:05	New Zealand Plans to Sell NZD150 Mln 2020 Bonds
CH	05/18	22:20	Ningxia to Sell CNY1.4 Bln 7-Yr Special Bonds
CH	05/18	22:20	Ningxia to Sell CNY421 Mln 10-Yr Special Bonds
JN	05/18	23:35	Japan to Sell 3-Month Bills
JN	05/18	23:45	Japan to Sell 20-Year Bonds
AU	05/19	21:00	Australia Plans to Sell AUD1 Bln 1.75% 2020 Bonds
CH	05/19	23:00	China to Sell CNY26 Bln 50-Year Bonds

## Latin America

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	05/19	11:00	Brazil to Sell Fixed Rate Bonds - 01/01/2023
BZ	05/19	11:00	Brazil to Sell Fixed Rate Bonds - 01/01/2027
BZ	05/19	11:00	Brazil to Sell Bills LTN - 04/01/2017
BZ	05/19	11:00	Brazil to Sell Bills LTN - 04/01/2018
BZ	05/19	11:00	Brazil to Sell Bills LTN - 01/01/2020

Source: Bloomberg, Scotiabank Economics.

## Events for the week of May 16 – 20

North America 

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	MAY 15-20		Ontario Premier Wynne Travels to Middle East
CA	05/16	10:30	Bank of Canada Releases Review Collection of Research Papers
US	05/16	19:00	Fed's Kashkari Holds Town Hall on TBTF in Minneapolis
US	05/17	12:00	Fe's Williams and Lockhart Discuss Economy at Politico Event
US	05/17	13:15	Fed's Kaplan in Moderated Q&A at Petroleum Club of Midland
US	05/17		Kentucky Democratic Primary
US	05/17		Oregon Primary
US	05/18	14:00	U.S. Fed Releases Minutes from April 26-27 FOMC Meeting
MX	05/19	10:00	Central Bank Monetary Policy Minutes
US	05/19	10:30	Fed's Dudley Speaks on Macroeconomic Trends in New York

Europe 

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	05/16	07:00	ECB's Makuch Speaks to Slovak Lawmakers
EC	05/17	03:45	ECB's Praet Speaks on Economic Reforms in Brussels
PO	05/17	04:00	ECB's Nouy, Costa, EU's Koenig Speak at Conference in Lisbon
FR	05/18	04:00	Bank of France's Villeroy speaks on economic outlook
UK	05/18		State Opening of Parliament and Queen's Speech
EC	05/19	07:30	ECB account of the monetary policy meeting
FR	05/20		France Sovereign Debt to Be Rated by Moody's
SZ	05/20		Switzerland Sovereign Debt to Be Rated by S&P

Asia Pacific 

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	05/16	21:30	RBA May Meeting Minutes
NZ	05/17	20:00	RBNZ Governor Wheeler Speaks in Hamilton (Not Public)
AU	05/17	21:00	RBA's Debelle Speech at RMB FX Forum
HK	MAY 18-19		Composite Interest Rate
ID	MAY 18-19		<b>Bank Indonesia Lending Facility Rate</b>
ID	MAY 18-19		<b>Bank Indonesia Deposit Facility Rate</b>
ID	MAY 18-19		<b>Bank Indonesia Reference Rate</b>
ID	MAY 18-19		<b>Bank Indonesia 7D Reverse Repo</b>
MA	05/19	06:00	<b>BNM Overnight Policy Rate</b>

Latin America 

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CL	05/17	17:00	Overnight Rate Target

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	0.50	May 25, 2016	0.50	0.50
Federal Reserve – Federal Funds Target Rate	0.50	June 15, 2016	0.50	0.50
Banco de México – Overnight Rate	3.75	June 30, 2016	3.75	--

**Fed:** Fed watchers will have plenty to chew on with minutes from the April FOMC meeting due out (why did the Fed soften its concerns about the international economy?) and a roster of speeches from Fed officials including NY Fed President Dudley on tap. CPI figures for April will also be released.  
**BoC:** To what extent did the Canadian economy slow in March? Data on retail sales, wholesale trade, and manufacturing will help to answer that question. Inflation numbers for April are also due out.

## 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	June 2, 2016	0.00	--
Bank of England – Bank Rate	0.50	June 16, 2016	0.50	--
Swiss National Bank – Libor Target Rate	-0.75	June 16, 2016	-0.75	--
Central Bank of Russia – One-Week Auction Rate	11.00	June 10, 2016	11.00	--
Central Bank of the Republic of Turkey – 1 Wk Repo Rate	7.50	May 24, 2016	7.50	--
Sweden Riksbank – Repo Rate	-0.50	July 6, 2016	-0.50	--
Norges Bank – Deposit Rate	0.50	June 23, 2016	0.50	--

## 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	June 16, 2016	-0.20	--
Reserve Bank of Australia – Cash Target Rate	1.75	June 7, 2016	1.75	1.75
Reserve Bank of New Zealand – Cash Rate	2.25	June 8, 2016	2.00	2.00
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.50	June 7, 2016	6.50	--
Bank of Korea – Bank Rate	1.50	June 9, 2016	1.25	--
Bank of Thailand – Repo Rate	1.50	June 22, 2016	1.50	1.50
Bank Indonesia – Reference Interest Rate	6.75	May 19, 2016	6.75	6.75

We do not expect **Bank Indonesia** to lower the Reference Interest Rate on May 19th, yet a monetary easing bias will likely remain in place in Indonesia over the coming months. In mid-April, Bank Indonesia announced that the 7-day reverse repo rate — currently at 5.50% — will replace the 12-month reference rate as the benchmark interest rate on August 19th, 2016. According to the central bank, the adjustment will improve monetary policy signalling and transmission while it will also support financial market deepening.

## 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	14.25	June 8, 2016	14.25	--
Banco Central de Chile – Overnight Rate	3.50	May 17, 2016	3.50	3.50
Banco de la República de Colombia – Lending Rate	7.00	May 27, 2016	7.00	--
Banco Central de Reserva del Perú – Reference Rate	4.25	June 9, 2016	4.25	4.25

We expect no change to **Banco Central de Chile's** policy rate on Wednesday. We believe Chilean policymakers will maintain their current stance for the remainder of the year as CPI inflation, at 4.2% y/y in March, continues to converge towards the central bank's target (though recent weakness in the peso may counteract this trend) and the economy remains on a slower growth trajectory. Chilean real GDP is expected to increase by around 1.7% this year, its slowest pace of expansion since 2009.

## 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	7.00	May 19, 2016	7.00	7.00

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




## Economic Statistics



## North America

Canada 					United States 				
	2015	15Q3	15Q4	Latest		2015	15Q3	15Q4	Latest
Real GDP (annual rates)	1.2	2.4	0.8		Real GDP (annual rates)	2.4	2.0	1.4	0.5 (Q1-A)
Current Acc. Bal. (C\$B, ar)	-65.7	-61.2	-61.5		Current Acc. Bal. (US\$B, ar)	-484	-520	-501	
Merch. Trade Bal. (C\$B, ar)	-22.4	-19.3	-20.3	-41.0 (Mar)	Merch. Trade Bal. (US\$B, ar)	-759	-762	-749	-702 (Mar)
Industrial Production	-0.9	-0.3	0.1	-2.1 (Mar)	Industrial Production	0.3	0.2	-1.7	-2.5 (Mar)
Housing Starts (000s)	194	213	194	192 (Apr)	Housing Starts (millions)	1.11	1.16	1.14	1.09 (Mar)
Employment	0.8	0.9	0.8	0.7 (Apr)	Employment	2.1	2.1	2.0	1.9 (Apr)
Unemployment Rate (%)	6.9	7.0	7.0	7.1 (Apr)	Unemployment Rate (%)	5.3	5.2	5.0	5.0 (Apr)
Retail Sales	1.7	1.6	2.2	5.6 (Feb)	Retail Sales	1.6	1.6	1.4	2.7 (Apr)
Auto Sales (000s)	1898	1947	1950	2002 (Feb)	Auto Sales (millions)	17.3	17.8	17.8	17.3 (Apr)
CPI	1.1	1.2	1.3	1.3 (Mar)	CPI	0.1	0.1	0.5	0.9 (Mar)
IPPI	-0.9	-0.3	0.1	2.1 (Mar)	PPI	-3.3	-3.3	-3.4	-1.3 (Apr)
Pre-tax Corp. Profits	-15.2	-16.4	-18.6		Pre-tax Corp. Profits	3.3	2.0	-2.9	



  

Mexico 				
	2015	15Q3	15Q4	Latest
Real GDP	2.5	2.8	2.5	
Current Acc. Bal. (US\$B, ar)	-32.4	-32.7	-30.8	
Merch. Trade Bal. (US\$B, ar)	-14.5	-25.9	-15.8	1.9 (Mar)
Industrial Production	0.9	1.3	0.2	-2.0 (Mar)
CPI	2.7	2.6	2.3	2.5 (Apr)



## Europe

Euro Zone 					Germany 				
	2015	15Q3	15Q4	Latest		2015	15Q3	15Q4	Latest
Real GDP	1.3	1.3	1.3		Real GDP	1.4	1.7	1.3	
Current Acc. Bal. (US\$B, ar)	366	429	472	147 (Feb)	Current Acc. Bal. (US\$B, ar)	257.2	307.6	283.2	404.3 (Mar)
Merch. Trade Bal. (US\$B, ar)	356.8	362.7	397.4	339.4 (Feb)	Merch. Trade Bal. (US\$B, ar)	275.0	278.6	272.1	347.7 (Mar)
Industrial Production	1.6	1.9	1.3	0.2 (Mar)	Industrial Production	0.5	1.1	-0.3	0.2 (Mar)
Unemployment Rate (%)	10.9	10.7	10.5	10.3 (Mar)	Unemployment Rate (%)	6.4	6.4	6.3	6.2 (Apr)
CPI	0.0	0.1	0.2	-0.2 (Apr)	CPI	0.2	0.1	0.3	-0.1 (Apr)

France 					United Kingdom 				
	2015	15Q3	15Q4	Latest		2015	15Q3	15Q4	Latest
Real GDP	1.2	1.2	1.4		Real GDP	2.3	2.2	2.1	
Current Acc. Bal. (US\$B, ar)	-4.7	2.8	-1.7	-36.3 (Mar)	Current Acc. Bal. (US\$B, ar)	-96.2	-80.4	-130.6	
Merch. Trade Bal. (US\$B, ar)	-41.2	-36.4	-47.7	-47.2 (Mar)	Merch. Trade Bal. (US\$B, ar)	-191.6	-197.3	-202.0	-191.3 (Mar)
Industrial Production	1.8	1.5	2.4	-0.8 (Mar)	Industrial Production	1.0	1.2	0.8	-0.2 (Mar)
Unemployment Rate (%)	10.4	10.5	10.2	10.0 (Mar)	Unemployment Rate (%)	5.4	5.3	5.1	5.1 (Jan)
CPI	0.0	0.1	0.1	-0.2 (Apr)	CPI	0.0	0.0	0.1	0.5 (Mar)








Italy 					Russia 				
	2015	15Q3	15Q4	Latest		2015	15Q3	15Q4	Latest
Real GDP	0.6	0.8	1.1		Real GDP		-3.7	-3.8	
Current Acc. Bal. (US\$B, ar)	35.8	52.4	62.2	16.5 (Feb)	Current Acc. Bal. (US\$B, ar)	69.6	8.0	15.0	
Merch. Trade Bal. (US\$B, ar)	49.8	53.6	66.7	51.3 (Feb)	Merch. Trade Bal. (US\$B, ar)	12.4	9.6	10.1	7.7 (Mar)
Industrial Production	0.9	1.8	1.4	0.5 (Mar)	Industrial Production	-3.7	-4.2	-3.9	-0.5 (Mar)
CPI	0.0	0.2	0.2	-0.5 (Apr)	CPI	15.5	15.7	14.5	7.3 (Apr)

All data expressed as year-over-year % change unless otherwise noted.





Source: Bloomberg, IHS Global, Scotiabank Economics.

## Economic Statistics

## Asia Pacific

Australia 					Japan 				
	2015	15Q3	15Q4	Latest		2015	15Q3	15Q4	Latest
Real GDP	2.5	2.7	3.0		Real GDP	0.5	1.7	0.8	
Current Acc. Bal. (US\$B, ar)	-56.4	-64.6	-63.6		Current Acc. Bal. (US\$B, ar)	136.5	160.2	113.6	316.3 (Mar)
Merch. Trade Bal. (US\$B, ar)	-12.9	-15.0	-23.1	2.1 (Mar)	Merch. Trade Bal. (US\$B, ar)	-23.2	-27.7	-1.7	29.3 (Mar)
Industrial Production	1.6	1.8	1.9		Industrial Production	-1.2	-0.4	-1.1	-1.6 (Mar)
Unemployment Rate (%)	6.1	6.2	5.8	5.7 (Mar)	Unemployment Rate (%)	3.4	3.4	3.3	3.2 (Mar)
CPI	1.5	1.5	1.7		CPI	0.8	0.2	0.3	0.0 (Mar)
South Korea 					China 				
Real GDP	2.6	2.8	3.1		Real GDP	6.9	6.9	6.8	6.7 (Q1)
Current Acc. Bal. (US\$B, ar)	105.9	116.4	105.6	121.0 (Mar)	Current Acc. Bal. (US\$B, ar)	330.6			
Merch. Trade Bal. (US\$B, ar)	90.3	81.1	95.0	106.1 (Apr)	Merch. Trade Bal. (US\$B, ar)	593.5	644.4	698.1	546.8 (Apr)
Industrial Production	-0.9	0.1	0.0	-1.5 (Mar)	Industrial Production	5.9	5.7	5.9	6.8 (Mar)
CPI	0.7	0.7	1.1	1.0 (Apr)	CPI	1.6	1.6	1.6	2.3 (Apr)
Thailand 					India 				
Real GDP	2.8	2.9	2.8		Real GDP	7.0	7.5	7.1	
Current Acc. Bal. (US\$B, ar)	31.6	6.9	10.2		Current Acc. Bal. (US\$B, ar)	-22.6	-8.7	-7.1	
Merch. Trade Bal. (US\$B, ar)	2.9	3.2	3.2	4.7 (Mar)	Merch. Trade Bal. (US\$B, ar)	-10.4	-11.9	-10.4	-4.8 (Apr)
Industrial Production	0.4	0.9	0.3	1.8 (Mar)	Industrial Production	3.2	4.8	1.7	0.1 (Mar)
CPI	-0.9	-1.1	-0.9	0.1 (Apr)	WPI	-2.7	-4.6	-2.3	-0.9 (Mar)
Indonesia 									
Real GDP	4.8	4.7	5.0						
Current Acc. Bal. (US\$B, ar)	-17.7	-4.2	-5.1						
Merch. Trade Bal. (US\$B, ar)	0.6	0.9	0.1	0.5 (Mar)					
Industrial Production	4.8	4.0	4.8	3.4 (Mar)					
CPI	6.4	7.1	4.8	3.6 (Apr)					

## Latin America









Brazil 					Chile 				
	2015	15Q3	15Q4	Latest		2015	15Q3	15Q4	Latest
Real GDP	-3.8	-4.5	-5.9		Real GDP	2.1	2.2	1.3	
Current Acc. Bal. (US\$B, ar)	-59.3	-47.1	-38.3		Current Acc. Bal. (US\$B, ar)	-15.9	-11.5	-8.3	
Merch. Trade Bal. (US\$B, ar)	19.7	32.1	37.7	58.3 (Apr)	Merch. Trade Bal. (US\$B, ar)	-3.0	-4.0	0.3	6.7 (Apr)
Industrial Production	-8.3	-9.3	-12.1	-10.6 (Mar)	Industrial Production	-0.3	-1.7	-1.0	3.9 (Mar)
CPI	9.0	9.5	10.4	9.3 (Apr)	CPI	4.3	4.8	4.1	4.2 (Apr)
Peru 					Colombia 				
Real GDP	3.3	3.2	4.7		Real GDP	3.1	3.2	3.3	
Current Acc. Bal. (US\$B, ar)		-2.4			Current Acc. Bal. (US\$B, ar)	-18.9	-5.2	-4.3	
Merch. Trade Bal. (US\$B, ar)	-0.2	-0.3	0.0	-0.1 (Mar)	Merch. Trade Bal. (US\$B, ar)	-1.3	-1.5	-1.6	-1.0 (Feb)
Unemployment Rate (%)	6.4	6.3	5.8	7.2 (Mar)	Industrial Production	0.9	1.7	3.4	8.2 (Feb)
CPI	3.5	3.8	4.1	3.9 (Apr)	CPI	5.0	4.9	6.4	7.9 (Apr)

All data expressed as year-over-year % change unless otherwise noted.

Source: Bloomberg, IHS Global, Scotiabank Economics.

## Financial Statistics

## Interest Rates (% , end of period)

	15Q4	16Q1	May/06	May/13*		15Q4	16Q1	May/06	May/13*
<b>Canada</b> 					<b>United States</b> 				
BoC Overnight Rate	0.50	0.50	0.50	0.50	Fed Funds Target Rate	0.50	0.50	0.50	0.50
3-mo. T-bill	0.51	0.45	0.51	0.52	3-mo. T-bill	0.16	0.20	0.19	0.26
10-yr Gov't Bond	1.39	1.23	1.36	1.28	10-yr Gov't Bond	2.27	1.77	1.78	1.71
30-yr Gov't Bond	2.15	2.01	1.99	1.96	30-yr Gov't Bond	3.02	2.61	2.63	2.56
Prime	2.70	2.70	2.70	2.70	Prime	3.50	3.50	3.50	3.50
FX Reserves (US\$B)	79.7	82.2	82.2	(Mar)	FX Reserves (US\$B)	106.5	108.7	108.7	(Mar)
<b>Germany</b> 					<b>France</b> 				
3-mo. Interbank	-0.09	-0.24	-0.26	-0.26	3-mo. T-bill	-0.45	-0.42	-0.48	-0.53
10-yr Gov't Bond	0.63	0.15	0.14	0.12	10-yr Gov't Bond	0.99	0.49	0.52	0.47
FX Reserves (US\$B)	58.5	60.8	60.8	(Mar)	FX Reserves (US\$B)	55.2	57.2	57.2	(Mar)
<b>Euro Zone</b> 					<b>United Kingdom</b> 				
Refinancing Rate	0.05	0.00	0.00	0.00	Repo Rate	0.50	0.50	0.50	0.50
Overnight Rate	-0.13	-0.30	-0.33	-0.34	3-mo. T-bill	0.48	0.48	0.47	0.48
FX Reserves (US\$B)	333.9	338.5	338.5	(Mar)	10-yr Gov't Bond	1.96	1.42	1.42	1.38
<b>Japan</b> 					<b>Australia</b> 				
Discount Rate	0.30	0.30	0.30	0.30	Cash Rate	2.00	2.00	1.75	1.75
3-mo. Libor	0.02	-0.07	-0.09	-0.09	10-yr Gov't Bond	2.88	2.49	2.29	2.27
10-yr Gov't Bond	0.27	-0.03	-0.11	-0.11	FX Reserves (US\$B)	46.5	46.1	46.1	(Mar)
FX Reserves (US\$B)	1207.0	1231.6	1231.6	(Mar)					

## Exchange Rates (end of period)

USDCAD	1.38	1.30	1.29	1.29	¥/US\$	120.22	112.57	107.12	108.77
CADUSD	0.72	0.77	0.77	0.77	US\$/Australian\$	0.73	0.77	0.74	0.73
GBPUSD	1.474	1.436	1.443	1.437	Chinese Yuan/US\$	6.49	6.45	6.50	6.53
EURUSD	1.086	1.138	1.140	1.130	South Korean Won/US\$	1175	1143	1170	1171
JPYEUR	0.77	0.78	0.82	0.81	Mexican Peso/US\$	17.208	17.279	17.868	18.128
USDCHF	1.00	0.96	0.97	0.98	Brazilian Real/US\$	3.961	3.592	3.502	3.507

## Equity Markets (index, end of period)

United States (DJIA)	17425	17685	17741	17641	U.K. (FT100)	6242	6175	6126	6139
United States (S&P500)	2044	2060	2057	2058	Germany (Dax)	10743	9966	9870	9953
Canada (S&P/TSX)	13010	13494	13701	13785	France (CAC40)	4637	4385	4301	4320
Mexico (IPC)	42978	45881	45210	45536	Japan (Nikkei)	19034	16759	16107	16412
Brazil (Bovespa)	43350	50055	51718	51840	Hong Kong (Hang Seng)	21914	20777	20110	19719
Italy (BCI)	1218	1056	1042	1034	South Korea (Composite)	1961	1996	1977	1967

## Commodity Prices (end of period)

Pulp (US\$/tonne)	940	950	950	950	Copper (US\$/lb)	2.13	2.20	2.18	2.11
Newsprint (US\$/tonne)	505	545	545	545	Zinc (US\$/lb)	0.73	0.81	0.85	0.85
Lumber (US\$/mfbm)	274	303	301	319	Gold (US\$/oz)	1060.00	1237.00	1289.00	1265.90
WTI Oil (US\$/bbl)	37.04	38.34	44.66	46.21	Silver (US\$/oz)	13.82	15.38	17.31	17.09
Natural Gas (US\$/mmbtu)	2.34	1.96	2.10	2.11	CRB (index)	176.14	170.52	179.91	182.43

\* Latest observation taken at time of writing.  
Source: Bloomberg, Scotiabank Economics.

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