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**Next Week's Risk Dashboard**

- ▶ French election
- ▶ US funding bill
- ▶ CBs: ECB, BoJ, Riksbank, Colombia
- ▶ US GDP
- ▶ Eurozone CPI, GDP
- ▶ CDN GDP, retail sales
- ▶ Earnings
- ▶ Mexican GDP
- ▶ US macro releases
- ▶ Ontario, NS budgets
- ▶ Asian macro hits

**Chart of the Week**

**Canadian GDP**

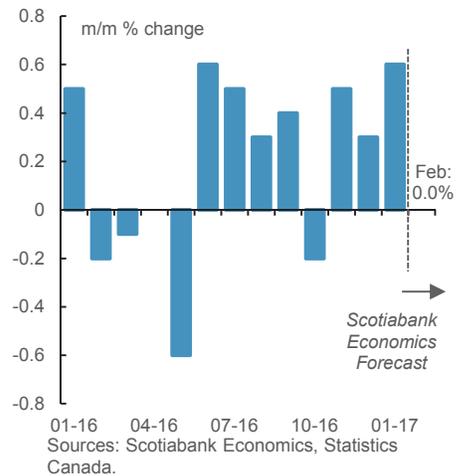


Chart of the Week: Prepared by: Samantha Cameron, Research Assistant.

## L'Appel du Vide

### EUROPE — A TRADER'S NIRVANA?

Europe could easily be in the driver's seat of world markets over the coming week as a combination of high political, data, earnings and monetary policy risks get thrust into the spotlight.

**The week will start with the French election results.** Voters hit the polls this Sunday to choose which two of eleven candidates go on to the second vote on May 7<sup>th</sup> that will declare the ultimate victor who will have a Presidential mandate until 2022. Unlike other jurisdictions, there is little practical limit to campaigning ahead of the vote but the Paris attack. Polls close at 7pm Paris time which is an hour later than prior elections. Speculation about the two survivors will begin very soon thereafter. In past elections the results were usually fairly well known by about two hours after the polls closed but the extra voting hour and the fact that this is a very tight race between the top four candidates might lead to more uncertainty for longer into the evening this time around.

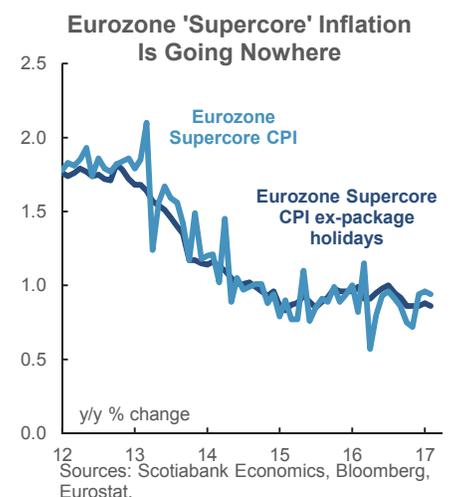
That could lead to a lot of volatility into the early Asian market open (8pmET for Tokyo, 9pmET for HK, etc) and during the pre-market hours. That said, **the market reaction may be anyone's best guess** given a) huge uncertainty over the outcome, and b) the precedent set by markets that largely shook off the Brexit and Trump votes in an awful hurry notwithstanding the very negative initial stock market response following the US election into the first Asian overnight market session. Complicating matters are: a) the track record of pollsters in major world political events particularly over the recent past, b) the large portion of undecided voters (up to 40% depending on the poll), and c) the very tight polling results of the top 4 and especially the top 3 candidates that are putting up numbers within the sampling statistical margin of error. The worst case scenario from a market standpoint would likely be if National Front Leader Marine Le Pen and communist-backed Jean-Luc Mélenchon win the first round as that would mean an anti-eurozone candidate will win the May 7<sup>th</sup> run-off yet they are at opposite ends of the political spectrum.

The rest of the week's sources of market risk are back-end loaded to both Thursday and Friday. **The ECB meeting on Thursday is not expected to result in material policy developments** but the bias on potential future action will be evaluated in terms of signals about unwinding stimulus measures in future. Please see our Paris-based Eurozone strategist Frédéric Prêtet's meeting preview on page 7. It's probably fairly obvious that the meeting's outcome is at least partly conditional upon the outcome of the first round of French elections especially if the worst case scenario outlined above unfolds. Recent guidance from ECB officials has been somewhat contradictory. Executive Board member Benoît Coeuré said he thinks downside risks are gone but that it remains premature to change policy guidance ("we don't see a reason today to change"). His Board colleague Peter Praet stated—and note the plural reference—that "we would say that risks are still tilted to the downside." It's possible Praet is probably closer to President Draghi's opinion on risks while Coeuré's comments on leaving forward guidance intact probably represent the house opinion. The ECB also releases its Survey of Professional Forecasters the next day.

**The latest reading for Eurozone CPI inflation** will unfortunately come the day after the ECB meeting. Having said that, the ECB would have a fairly decent understanding of the likely outcome. As market-based inflation expectations have declined and following the slip in February's CPI inflation figures, the reflation trade will be keenly paying attention to whether Eurozone inflation trends have halted prior progress (chart 1). Eurozone CPI inflation fell to 1.5% y/y in February from a 2% peak the prior month. Part of that deceleration was due to a two-tenths decline in core inflation but this time around the April year-ago reading will be compared to the low point for core inflation that was set last April when it dropped to 0.7% y/y. Spain releases CPI the day before followed by Germany, France and Italy on Friday.

**The Riksbank also issues updated policy guidance on Thursday.** CPI inflation just came in at 1.3% y/y during March which was the lowest reading since October after inflation oscillated within a 1.4–1.8% range over the winter months. Underlying CPI inflation also dipped to 1.5% y/y which was also the lowest since October. Thus, markets will be paying keen attention to freshened inflation guidance from the central bank.

Chart 1



**First quarter GDP reports will be released for the Eurozone and the UK on Friday.** The UK economy is thought to have grown by about ½% in Q1 over Q4 at a seasonally adjusted but non-annualized rate. That would keep it roughly within the range of the 0.5–0.7% pace of the past three quarters and continue to showcase at least temporary post-Brexit resilience.

**The Eurozone economies begin reporting Q1 GDP growth** led by France and Spain on Friday. Bloomberg consensus expects French growth to come in just shy of ½% q/q (non-annualized) while Spain's economy is expected to roughly repeat the 0.7% gain it clocked in Q4 (and has grown by 0.7–0.8% for each of the past five quarters).

**Earnings risk** will include but certainly not be limited to reports from GlaxoSmithKline, Lloyds Banking Group, AstraZeneca, Barclays and RBS in London, Peugeot, Total and Airbus on the Paris exchange, Daimler, BASF, Bayer and Deutsche Bank on the Dax, and Banco Santander in Madrid.

Behind all of these developments, other releases that might otherwise be notable in a more normal week will struggle to get much attention. Germany updates the IFO business confidence reading for April. Consumer updates for the month of March will include German retail sales, French consumer spending, and Spanish retail sales.

### UNITED STATES — QUIET FED, NOISY CONGRESS

**The need for a funding bill that averts the (unlikely) scenario of a government shutdown will combine with data and earnings risk to influence the broad market tone as the Fed goes into hush mode.**

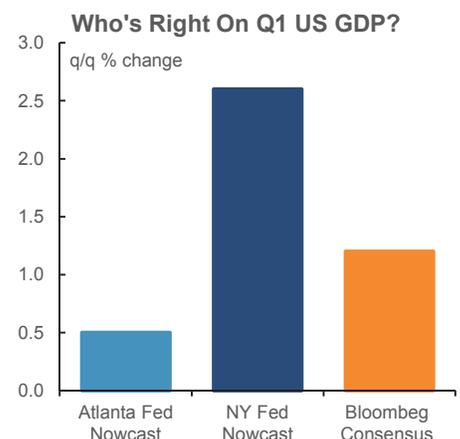
Congress returns from its two-week long Easter egg hunt on Monday and must immediately get down to business in **averting a government shutdown** before the end of the week. Because of the break, they may not have time to reach agreement. That may require a temporary measure to extend the deadline a little in order to allow for a fuller funding agreement. Democrat hot-buttons include provisions to fund Trump's proposed wall along Mexico's border and defunding Planned Parenthood. The outcome could put an awkward end to Trump's first 100 days in office that ends the day after the funding deadline. Well done! Two awkward complications include a possible movement afoot to revisit the failed American Health Care Act (aka "Trumpcare") in the near-term, and the possibility that an outline of a tax plan may be presented next week. **These are all difficult, tedious negotiations that raise near-term risks of dysfunction with the debt ceiling looming.**

**There will be two types of US macro data out next week: GDP, and everything else.** There is a wide range of expectations surrounding this one (chart 2). Bloomberg consensus thinks **Q1 GDP** grew by just 1.2% in seasonally adjusted quarter-over-quarter terms. The Atlanta Fed's 'nowcast' is tracking just 0.5% growth. The New York Fed's 'nowcast' is a deep outlier at 2.6%. An estimate around 1½% isn't unreasonable in our view. Against the view that this is just the return of quirky Q1 seasonality—which itself continues to be debated among researchers—is the fact that much of the Q1 softness was in consumption and there is no evidence of a Q1 seasonality distortion to consumption over the years versus interpreting this year's Q1 consumption softness as having been genuine.

Here's the rundown of other macro reports:

- **Durable goods orders:** A solid headline rise is expected on Thursday partly thanks to a rise in airplane orders (Boeing reported 147 orders in March, up from 43 in February) but a mild rebound in core capital goods orders that exclude defense and aircraft is also expected following a small dip in February after four months of steady gains.
- **New home sales:** Tuesday's tally for March will face the difficulty of following up a large 6.1% m/m rise in February. A moderation is likely. **Pending home sales** arrive two days later and face the same downside risk after a large 5.5% m/m rise in February. A third housing release will be the **S&P CoreLogic Case Shiller house price** measure for February on Tuesday and it will be shooting for a ninth consecutive monthly gain.

Chart 2



Sources: Scotiabank Economics, Federal Reserve Bank of Atlanta, Federal Reserve Bank of New York, Bloomberg.

- **The Conference Board's Consumer Confidence index** for April lands Tuesday. March's reading was the highest since December 2000, and yet consumers weren't driving any spending growth in Q1. Whether the dip in job growth with only 98,000 jobs created in March or the failure of the health bill in Congress will affect confidence or not is unclear.
- Finally, the second of the two most useful regional Fed surveys for firming up an ISM call arrives in the form of the **Richmond Fed's manufacturing report** on Tuesday. The March reading soared to its highest since a temporary spike seven years ago and has not yet pulled off recent peaks as both the Philly Fed and ISM measures have.

**Fed-speak largely shuts down over the coming week** as the blackout period ahead of the May 3<sup>rd</sup> FOMC meeting becomes binding. Only Minneapolis Fed President Neel Kashkari (voting, dissenter) and Philly Fed President Patrick Harker (voting) speak.

**125 firms listed on S&P500 will release Q1 earnings reports next week** and the sector breadth fans out. Key names will include Apple, Merck, Pfizer, Facebook, CBS, Time Warner, a number of oil and resource plays, Berkshire Hathaway, Loews and Mastercard.

The US Treasury auctions 2s, 5s, 10s and 2 year FRNs next week.

### LATIN AMERICA — A COLOMBIAN RATE CUT?

Two factors could liven up Latin American markets over the coming week.

One is that **Banco Central de la Republica is expected to cut its overnight lending rate by 25–50bps next Friday**. The central bank targets inflation of 3% within a 2–4% corridor. CPI inflation for March landed at 4.7% y/y and core inflation was 5.1% y/y (chart 3). On the surface, this hardly leans toward imminent pressure to cut borrowing costs. The central bank may be acting ahead of expected further cooling of inflationary pressures given the lagged effects of policy adjustments, but Bloomberg consensus expects CPI inflation to end the year at just above 4%. So why cut? Because policymakers may be saying so. When questioned about a rate cut, Board member Adolfo Meisel recently stated that “Falling inflation and what’s happening with inflation expectations would point to it being feasible” and “What we have seen in recent months is good news on inflation and therefore that has helped reductions in the interest rate.” The communicated bias may also be driven by a greater orientation toward stimulating growth; Colombia's economy grew by just 1.2% y/y in Q3 last year and 1.6% in Q4 while the economy is projected to have grown by under 2% in 2017Q1.

**Second is that Mexico releases Q1 GDP growth and also on Friday**. Bloomberg consensus thinks growth was around 2% y/y which would be a mild deceleration from the prior quarter's growth rate and toward the lower end of the 2–2.8% y/y growth range of the past couple of years.

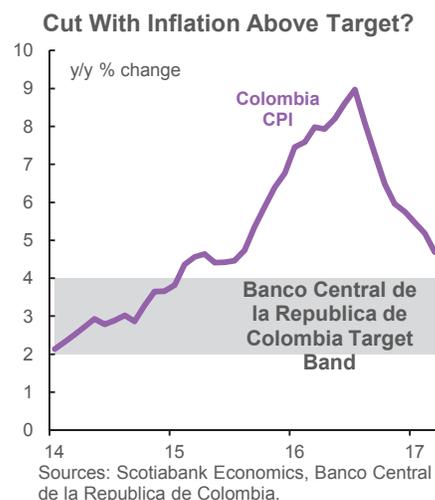
Mexican retail sales on Wednesday and Chilean industrial production on Friday offer modest local market risk.

### CANADA — AFTER HOUSING

**Elevated data risk, the final magnum opuses to put an end to the provincial budget season, and earnings reports will keep the interest in Canada alive and well over the coming week.**

**Will retail sales momentum continue?** Next Wednesday's print for February will advance our understanding of how the consumer performed in Q1. Retail sales volumes were up 4.6% in Q4 over Q3 last year as spending accelerated in partial response to Federal Government cash infusions via the child benefit transfer and in response to strong job growth. Q1 is tracking 3.3% growth pending February data. A downside risk is that January was so strong and so another decent monthly gain may be difficult to pull off. Recall that the dollar value of sales was up 2.2% m/m and sales volumes were up 1.3% m/m in January. What also works against expectations for the dollar value of retail sales in February—which is what markets first focus upon—is that

Chart 3



seasonally adjust prices in the CPI report for the month fell by 0.2% m/m and the softness was fairly widespread. The retail report and wholesale trade on Monday will be the final pieces of the puzzle we'll need to firm up a GDP call for Friday's report. Wholesale trade faces the same challenge as retail sales in that a large 3.3% m/m rise in the dollar value all of which was in volumes is probably going to be difficult to repeat.

Current and very tentative tracking—absent retail and wholesale—suggests **a flat reading for GDP** based upon our simple regression model of GDP against several activity readings. Here is what we know so far about the month:

- Manufacturing sales volumes were little changed in February;
- Housing starts were up a whopping 18.4% m/m primarily due to lower value-added multiples (+30.2% m/m) but singles were also up 3.1% m/m;
- Hours worked were up 0.2% m/m in February 1.1%;
- Export volumes fell 2.5% m/m and import volumes were up a mild 0.3% m/m.

**80 firms listed on the Toronto Stock Exchange release earnings** over the coming week including names like Cineplex, WestJet, Loblaw, Home Capital, Great-West Life, SNC-Lavalin, Manulife and Magna International.

Ontario and Nova Scotia issue their budgets on the same day next Thursday. I've asked Scotia's Mary Webb to weigh in with the following comments.

**Nova Scotia** in December anticipated a \$12 million surplus for fiscal 2016–17 (FY17). Its black ink for FY18 is expected to be augmented by one-time revenue of about \$110 million for capital contributions from the federal government and the Halifax Regional Municipality towards the new Halifax Convention Centre as it reaches substantial completion this year. Similar to last year's *Budget* when the Convention Centre's completion was anticipated in FY17, we expect Nova Scotia to use these one-time receipts to keep its net debt lower than it otherwise would be, with the additional future fiscal capacity intended for the multi-year re-development of the Queen Elizabeth II Health Sciences Centre. Nova Scotia, the only Province without election-date legislation, must return to the polls within five years of its October 2013 election, but an earlier call by the current Liberal government for this spring is rumoured.

**Ontario's** Q3 update narrowed its projected FY17 deficit to \$1.9 billion, a \$2.4 billion improvement on the \$4.3 billion *Budget* estimate. Finance Minister Sousa reiterated the promise of balanced books in FY18 last week. Measures to address rising power prices and cool the Greater Golden Horseshoe housing market already have been rolled out, and a major boost to health care spending has been indicated in this *Budget*. Ontario's recent Q4 *Economic Accounts* indicated for calendar 2016 buoyant real GDP of 2.7% and a 4.6% nominal GDP gain, with a strong hand-off for 2017 across indicators such as personal disposable income. Ontario at mid-year lowered its FY17 long-term public borrowing requirement by \$2.6 billion to \$23.8 billion. With its reported FY17 borrowing of \$27.0 billion, significant pre-borrowing for FY18 is expected to be incorporated in the upcoming Budget's borrowing projection.

Canada conducts a 10 year auction on Wednesday.

## **ASIA—BOJ TO STAY ON COURSE**

**It will be Japan week as the Bank of Japan's latest policy decision combines with the country's monthly data dump. Significant data risk in China, Australia and South Korea may also prove to be influential on markets.**

**The BoJ updates forecasts for growth and inflation at its meeting but no deviation from current policy is expected.** That includes asset purchases at a pace of around ¥80 trillion per year, a ten year JGB target of around 0%, and a policy rate on some reserves of -0.1%. Governor Kuroda recently stated that "It's premature to discuss in an exact way about exit strategy" and "The target is two percent—we're still around zero percent. So it's a long way to go."

**Japan releases March readings** for CPI, retail sales, household spending, industrial production, vehicle output and housing starts all on Thursday and Friday.

**Chinese industrial profits** don't really sway global markets but the March update will provide a better idea of year-to-date tracking than the first two months that are usually distorted by the Lunar New Year and Spring festival.

**Australian Q1 CPI** will be mostly about re-basing to year-ago lows in many commodity prices versus today's levels. Headline inflation is expected to jump from 1.5% y/y in Q4 to about 2¼% in Q1. That's a lagging indicator of price pressures that are already largely understood through market measures for petrol and food prices. The RBA has signalled some concern about income growth while nevertheless staying focused upon strong housing markets and stability issues that translate on net into long pause arguments.

**South Korea's economy** has been put through the ringer over the recent past. Past President Park's impeachment, the failure of a large shipping company, problems that have plagued its top electronics conglomerate and tensions on the Korean Peninsula are a few of the challenges that come to mind. And yet growth was revised up a touch in Q4 to 0.5% and the economy may have registered another similarly ok quarter in Q1. We'll find out next Wednesday, while more of the confidence and geopolitical risks to growth may lie ahead.

## Feature Article

# ECB Preview: No Change In The Middle Of Political Turbulence

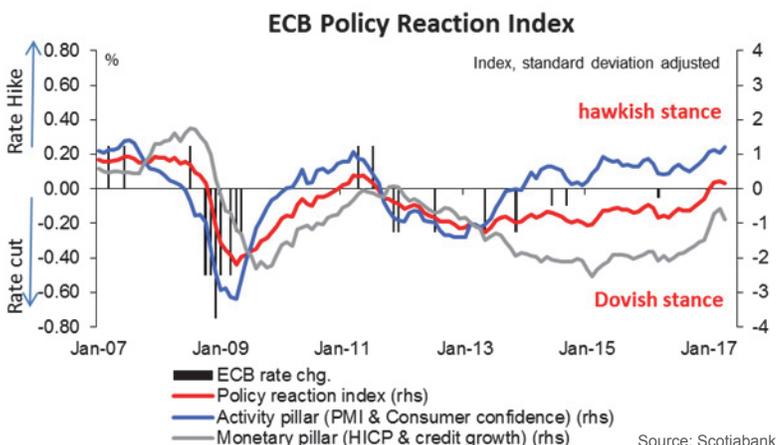
The ECB meeting will take place in the middle of the French presidential elections. In such an environment, a status-quo should prevail and the tone of the press conference could be highly sensitive on the outcome of the first round of this election. Indeed, by regularly mentioning that *“If the outlook becomes less favourable, or if financial conditions become inconsistent with further progress towards a sustained adjustment in the path of inflation, the Governing Council stands ready to increase the programme in terms of size and/or duration”*, the ECB makes it clear that political risk matters for the management of the monetary policy! A second round opposing the two populist and anti-EU candidates, the communist Leader Melenchon, and the Far-right candidate Le Pen will be seen as a real threat.

Beyond this, the recent macroeconomic dynamic also does not imply a real change compared to early March. It is true that economic data has continued to print on the positive side with business and consumer surveys pointing to solid growth ahead. These continue to be arguments for the hawks. On the other hand, inflation figures proved to be softer than expected in March. We, and the ECB, are well aware that part of the downside surprise in March could have been linked to temporary factors (the late timing of Easter) and a rebound looks likely in the April report. It will be nonetheless difficult to turn more hawkish at a time when core inflation has slowed down to 0.7% y/y, even for temporary reasons. For the doves, this will indeed still be used to suggest that *“a sustained adjustment”* in the path of inflation consistent with price stability is not yet guaranteed. In view of recent comments, this is the position of most of the board and of the ECB president.

All in all, our monetary policy index tracking the recent dynamic on both the economic activity on one side and the inflation and credit growth on the other, has roughly remained stable over the past month. In theory, our index is around the zero line and suggests that the ECB could turn more neutral by, for example, removing the “downside risk” on the Eurozone growth outlook. However, the recent softness in inflation will likely be prevailing in the debate next week.

Beyond the uncertainty around the French elections, the ECB will likely wait a few more months before making any adjustment in its statement. In this regard, the possibility or not to see a rebound in both headline and core inflation in the April report will be closely watched. Our expectations on this front suggest that the June meeting could offer a better opportunity to adjust the language and turn more neutral unless a political accident occurs by then.

Chart 1: Our ECB Monetary Policy Index Stabilizing In Neutral Territory



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## Key Indicators for the week of April 24 – 28

### NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	04/24	08:30	Wholesale Trade (m/m)	Feb	-1.5	--	3.3
MX	04/24	09:00	Bi-Weekly CPI (y/y)	Apr 15	5.65	5.59	5.42
MX	04/24	09:00	Bi-Weekly Core CPI (% change)	Apr 15	0.08	0.12	0.29
MX	04/24	09:00	Bi-Weekly CPI (% change)	Apr 15	-0.02	-0.19	0.28
MX	04/24	09:00	Global Economic Indicator IGAE (y/y)	Feb	1.32	1.1	3.0
US	04/24	10:30	Dallas Fed. Manufacturing Activity	Apr	--	16.5	16.9
US	04/25	09:00	S&P/Case-Shiller Home Price Index (m/m)	Feb	0.5	0.7	0.9
US	04/25	09:00	S&P/Case-Shiller Home Price Index (y/y)	Feb	5.7	5.7	5.7
US	04/25	10:00	Consumer Confidence Index	Apr	120	122.9	125.6
US	04/25	10:00	New Home Sales (000s a.r.)	Mar	580	585.0	592.0
US	04/25	10:00	Richmond Fed Manufacturing Index	Apr	--	16.0	22.0
US	04/26	07:00	MBA Mortgage Applications (w/w)	APR 21	--	--	-1.8
CA	04/26	08:30	Retail Sales (m/m)	Feb	-0.2	--	2.2
CA	04/26	08:30	Retail Sales ex. Autos (m/m)	Feb	-0.6	--	1.7
MX	04/26	09:00	Retail Sales (INEGI) (y/y)	Feb	3.81	3.4	4.90
US	04/27	08:30	Durable Goods Orders (m/m)	Mar P	1.0	1.3	1.8
US	04/27	08:30	Durable Goods Orders ex. Trans. (m/m)	Mar P	0.4	0.5	0.5
US	04/27	08:30	Initial Jobless Claims (000s)	APR 22	240	242	244
US	04/27	08:30	Continuing Claims (000s)	APR 15	1985	--	1979
US	04/27	08:30	Wholesale Inventories (m/m)	Mar P	--	0.3	0.4
MX	04/27	09:00	Trade Balance (US\$ mn)	Mar	-854	1091.5	684
US	04/27	10:00	Pending Home Sales (m/m)	Mar	-2.0	-0.8	5.5
CA	04/28	08:30	IPPI (m/m)	Mar	--	--	0.1
CA	04/28	08:30	Raw Materials Price Index (m/m)	Mar	--	--	1.2
CA	04/28	08:30	Real GDP (m/m)	Feb	0.0	--	0.6
US	04/28	08:30	Employment Cost Index (q/q)	1Q	--	0.6	0.5
US	04/28	08:30	GDP (q/q a.r.)	1Q A	1.5	1.2	2.1
US	04/28	08:30	GDP Deflator (q/q a.r.)	1Q A	--	2.0	2.1
MX	04/28	09:00	GDP (q/q)	1Q P	--	0.5	0.7
MX	04/28	09:00	GDP (y/y)	1Q P	1.32	2.5	2.39
US	04/28	09:45	Chicago PMI	Apr	57.0	56.6	57.7
US	04/28	10:00	U. of Michigan Consumer Sentiment	Apr F	--	98.0	98.0

### EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	04/24	04:00	IFO Business Climate Survey	Apr	112.0	112.4	112.3
GE	04/24	04:00	IFO Current Assessment Survey	Apr	119.3	119.2	119.3
GE	04/24	04:00	IFO Expectations Survey	Apr	105.0	105.9	105.7
UK	04/25	04:30	PSNB ex. Interventions (£ bn)	Mar	3.2	3.0	1.8
UK	04/25	04:30	Public Finances (PSNCR) (£ bn)	Mar	--	--	12.9
UK	04/25	04:30	Public Sector Net Borrowing (£ bn)	Mar	--	1.5	1.1
TU	04/26	07:00	<b>Benchmark Repo Rate (%)</b>	<b>Apr 26</b>	--	<b>8.00</b>	<b>8.00</b>
FR	04/26	12:00	Total Jobseekers (000s)	Mar	3454	3447	3464
FR	04/26	12:00	Jobseekers Net Change (000s)	Mar	-10	-13.8	-3.5
GE	04/27	02:00	GfK Consumer Confidence Survey	May	--	9.9	9.8
SP	04/27	03:00	CPI (m/m)	Apr P	--	0.9	0.0
SP	04/27	03:00	CPI (y/y)	Apr P	--	2.5	2.3
SP	04/27	03:00	CPI - EU Harmonized (m/m)	Apr P	--	0.7	1.1
SP	04/27	03:00	CPI - EU Harmonized (y/y)	Apr P	2.4	2.3	2.1
SP	04/27	03:00	Unemployment Rate (%)	1Q	--	18.6	18.6
SW	04/27	03:30	<b>Riksbank Interest Rate (%)</b>	<b>Apr 27</b>	--	<b>-0.50</b>	<b>-0.50</b>
EC	04/27	05:00	Business Climate Indicator	Apr	--	0.8	0.8
EC	04/27	05:00	Economic Confidence	Apr	--	108.1	107.9
EC	04/27	05:00	Industrial Confidence	Apr	--	1.3	1.2
EC	04/27	07:45	<b>ECB Main Refinancing Rate (%)</b>	<b>Apr 27</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
GE	04/27	08:00	CPI (m/m)	Apr P	-0.1	-0.1	0.2
GE	04/27	08:00	CPI (y/y)	Apr P	1.8	1.9	1.6
GE	04/27	08:00	CPI - EU Harmonized (m/m)	Apr P	-0.1	-0.1	0.1
GE	04/27	08:00	CPI - EU Harmonized (y/y)	Apr P	1.9	1.9	1.5

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

**Key Indicators for the week of April 24 – 28**
**EUROPE (continued from previous page)**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
UK	04/27	19:01	GfK Consumer Confidence Survey	Apr	-7	-7	-6
SP	04/27		Budget Balance YTD (€ mn)	Mar	--	--	-10751
GE	APR 27- MAY 3		Retail Sales (m/m)	Mar	--	0.0	1.8
FR	04/28	01:30	GDP (q/q)	1Q A	0.2	0.4	0.4
FR	04/28	02:45	Consumer Spending (m/m)	Mar	--	0.5	-0.8
FR	04/28	02:45	CPI (m/m)	Apr P	0.1	0.2	0.6
FR	04/28	02:45	CPI (y/y)	Apr P	1.2	1.2	1.1
FR	04/28	02:45	CPI - EU Harmonized (m/m)	Apr P	0.1	0.2	0.7
FR	04/28	02:45	CPI - EU Harmonized (y/y)	Apr P	1.2	1.4	1.4
FR	04/28	02:45	Producer Prices (m/m)	Mar	--	--	-0.2
SP	04/28	03:00	Real GDP (q/q)	1Q P	0.6	0.7	0.7
SP	04/28	03:00	Real Retail Sales (y/y)	Mar	--	--	-3.0
SP	04/28	04:00	Current Account (€ bn)	Feb	--	--	0.4
UK	04/28	04:30	GDP (q/q)	1Q A	--	0.4	0.7
UK	04/28	04:30	Index of Services (m/m)	Feb	--	0.3	-0.1
EC	04/28	05:00	Euro zone CPI Estimate (y/y)	Apr	1.8	1.8	1.5
IT	04/28	05:00	CPI (m/m)	Apr P	--	0.2	0.0
IT	04/28	05:00	CPI (y/y)	Apr P	--	1.6	1.4
IT	04/28	05:00	CPI - EU Harmonized (m/m)	Apr P	--	0.5	1.9
IT	04/28	05:00	CPI - EU Harmonized (y/y)	Apr P	1.7	1.6	1.4
RU	04/28	06:30	<b>One-Week Auction Rate (%)</b>	<b>Apr 28</b>	<b>--</b>	<b>9.50</b>	<b>9.75</b>
UK	APR 28- MAY 3		Nationwide House Prices (m/m)	Apr	0.2	0.1	-0.3

**ASIA-PACIFIC**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
TA	04/23	20:30	Unemployment Rate (%)	Mar	3.8	3.8	3.8
TH	ARP 23-24		Customs Exports (y/y)	Mar	--	1.2	-2.8
TH	ARP 23-24		Customs Imports (y/y)	Mar	--	9.8	20.4
TH	ARP 23-24		Customs Trade Balance (US\$ mn)	Mar	--	1699	1610
VN	ARP 23-24		CPI (y/y)	Apr	--	--	4.7
SK	ARP 23-28		Department Store Sales (y/y)	Mar	--	--	-1.3
JN	04/24	01:00	Coincident Index CI	Feb F	115.5	--	115.5
JN	04/24	01:00	Leading Index CI	Feb F	104.4	--	104.4
JN	04/24	01:00	Supermarket Sales (y/y)	Mar	--	--	-3.3
SI	04/24	01:00	CPI (y/y)	Mar	0.6	0.7	0.7
TA	04/24	04:00	Industrial Production (y/y)	Mar	--	6.1	10.6
SK	04/24	17:00	Consumer Confidence Index	Apr	--	--	96.7
VN	ARP 24-30		Exports (y/y)	Apr	--	--	12.8
VN	ARP 24-30		Imports (y/y)	Apr	--	--	22.4
VN	ARP 24-30		Industrial Production (y/y)	Apr	--	--	5.5
HK	04/25	04:30	Exports (y/y)	Mar	--	10.0	18.2
HK	04/25	04:30	Imports (y/y)	Mar	--	11.0	25.4
HK	04/25	04:30	Trade Balance (HKD bn)	Mar	--	-53.0	-56.3
AU	04/25	21:30	Consumer Prices (y/y)	1Q	2.1	2.2	1.5
JN	04/26	00:30	All Industry Activity Index (m/m)	Feb	--	0.6	0.1
SI	04/26	01:00	Industrial Production (y/y)	Mar	--	5.6	12.6
JN	04/26	02:00	Machine Tool Orders (y/y)	Mar F	22.6	--	22.6
SK	04/26	19:00	GDP (y/y)	1Q P	2.4	2.6	2.4
CH	04/26	21:30	Industrial Profits YTD (y/y)	Mar	--	--	2.3
JN	ARP 26-27		<b>BoJ Policy Rate (%)</b>	<b>Apr 27</b>	<b>-0.10</b>	<b>-0.10</b>	<b>-0.10</b>
SK	04/27	17:00	Business Survey- Manufacturing	May	--	--	82.0
SK	04/27	17:00	Business Survey- Non-Manufacturing	May	--	--	80.0
NZ	04/27	18:45	Trade Balance (NZD mn)	Mar	--	370.0	-18.3
NZ	04/27	18:45	Exports (NZD bn)	Mar	--	4.7	4005.5
NZ	04/27	18:45	Imports (NZD bn)	Mar	--	4.3	4023.8
SK	04/27	19:00	Industrial Production (y/y)	Mar	--	4.1	6.6
SK	04/27	19:00	Cyclical Leading Index Change	Mar	--	--	0.2

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

**Key Indicators for the week of April 24 – 28**
**ASIA-PACIFIC (continued from previous page)**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
JN	04/27	19:30	Household Spending (y/y)	Mar	--	-0.5	-3.8
JN	04/27	19:30	Jobless Rate (%)	Mar	2.8	2.9	2.8
JN	04/27	19:30	National CPI (y/y)	Mar	0.3	0.3	0.3
JN	04/27	19:30	Tokyo CPI (y/y)	Apr	--	-0.2	-0.4
JN	04/27	19:50	Large Retailers' Sales (y/y)	Mar	--	-1.0	-2.7
JN	04/27	19:50	Retail Trade (y/y)	Mar	--	1.5	0.2
JN	04/27	19:50	Industrial Production (y/y)	Mar P	--	4.0	4.7
TA	04/27	20:30	Real GDP (y/y)	1Q P	2.6	2.5	2.9
AU	04/27	21:30	Private Sector Credit (y/y)	Mar	--	5.1	5.0
AU	04/27	21:30	Producer Price Index (y/y)	1Q	--	--	0.7
SI	04/27	22:30	Unemployment Rate (%)	1Q	2.2	2.2	2.2
PH	ARP 27-28		Bank Lending (y/y)	Mar	--	--	17.5
JN	04/28	00:00	Vehicle Production (y/y)	Mar	--	--	11.2
JN	04/28	01:00	Housing Starts (y/y)	Mar	--	-2.6	-2.6
JN	04/28	01:00	Construction Orders (y/y)	Mar	--	--	5.7
TH	04/28	03:30	Exports (y/y)	Mar	--	--	0.7
TH	04/28	03:30	Imports (y/y)	Mar	--	--	13.4
TH	04/28	03:30	Trade Balance (US\$ mn)	Mar	--	--	4015.0
TH	04/28	03:30	Current Account Balance (US\$ mn)	Mar	--	4166.0	5735.0

**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	04/25	09:30	Current Account (US\$ mn)	Mar	--	460.0	-934.7
CL	04/28	08:00	Industrial Production (y/y)	Mar	0.2	-1.5	-1.0
CL	04/28	08:00	Unemployment Rate (%)	Mar	6.6	6.6	6.4
CO	04/28	11:00	Urban Unemployment Rate (%)	Mar	--	10.6	11.0
CO	04/28		<b>Overnight Lending Rate (%)</b>	<b>Apr 28</b>	<b>6.75</b>	<b>6.75</b>	<b>7.00</b>

**Global Auctions for the week of April 24 – 28****NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04/25	13:00	U.S. to Sell 2-Year Notes
US	04/26	11:30	U.S. to Sell 2-Year Floating Rate Notes
CA	04/26	12:00	Canada to Sell 10-Year Bonds
US	04/26	13:00	U.S. to Sell 5-Year Notes
US	04/27	13:00	U.S. to Sell 7-Year Notes

**EUROPE**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	04/24	05:00	Italy to Sell Bonds
BE	04/24	05:30	Belgium to Sell Bonds
GE	04/25	05:30	Germany to Sell EUR4 Bln 0% 2019 Bonds
NE	04/25	05:30	Netherlands to Sell 0.75% 2027 Bonds
NO	04/26	05:05	Norway to Sell Bonds
UK	04/26	05:30	U.K. to Sell 1/8% 2046 I/L Bonds
IT	04/27	05:00	Italy to Sell Bonds
SW	04/27	05:03	Sweden to Sell I/L Bonds

**ASIA-PACIFIC**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	04/25	23:00	China Plans to Sell 3-Year Government Bond
NZ	04/26	22:05	New Zealand Plans to Sell NZD150 Mln 2.75% 2037 Bonds
JN	04/27	23:45	Japan to Sell 2-Year Bonds

**LATIN AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	04/27	11:00	Brazil to Sell Fixed Rate Bonds

## Events for the week of April 24 – 28

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04/24	11:30	Fed's Kashkari Speaks at UCLA in Los Angeles
US	04/24	15:15	Fed's Kashkari Participates in Q&A at Claremont McKenna
US	04/28	14:30	Fed's Harker Speaks in Washington

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	04/23	09:00	Bundesbank's Dombret on Panel in Washington
GE	04/23	12:00	Merkel, Szydlo Open Hanover Messe Trade Show
FR	04/23		First round of French presidential election
UK	04/24	09:30	May Appears Before U.K. Commons Liaison Committee
EC	04/24		EU's Mogherini Meets With Russia's Lavrov in Moscow
HU	04/25	08:00	<b>Central Bank Rate Decision</b>
TU	04/26	07:00	<b>Benchmark Repurchase Rate</b>
TU	04/26	07:00	<b>Overnight Lending Rate</b>
TU	04/26	07:00	<b>Overnight Borrowing Rate</b>
GE	04/26	08:00	Merkel, Ivanka Trump Attend G-20 Women's Summit in Berlin
UK	04/26	09:15	U.K. Chancellor Philip Hammond gives evidence on the Budget
IT	04/26	18:00	Premier Gentiloni speaks to parliament before EU Brexit summit
SW	04/27	03:30	<b>Riksbank Interest Rate</b>
SW	04/27	03:30	Riksbank Publishes Rate Decision, Monetary Report
EC	04/27	07:45	<b>ECB Main Refinancing Rate</b>
EC	04/27	07:45	ECB Marginal Lending Facility
EC	04/27	07:45	ECB Deposit Facility Rate
SW	04/27	10:00	EU Trade Commissioner Gives Speech
SZ	04/28	04:00	SNB's Jordan, Studer Speak at Central Bank's AGM in Bern
RU	04/28	06:30	<b>Key Rate</b>
GE	04/28		Germany Sovereign Debt to be rated by S&P
UK	04/28		United Kingdom Sovereign Debt to be rated by S&P
GE	04/28	00:00	FDP Holds Election-Year Party Convention in Berlin

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
NZ	04/26	20:00	Finance Minister Joyce Pre-Budget Speech
JN	04/26	00:00	BOJ Outlook Report
AU	04/26	00:00	RBA Governor Lowe Speech
JN	04/26	00:00	<b>BOJ Policy Balance Rate</b>
JN	04/26	00:00	BOJ 10-Yr Yield Target

### LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CO	04/28		<b>Overnight Lending Rate</b>

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 24, 2017	0.50	0.50
Federal Reserve – Federal Funds Target Rate	1.00	May 3, 2017	1.00	1.00
Banco de México – Overnight Rate	6.50	May 18, 2017	6.75	--

### EUROPE

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
European Central Bank – Refinancing Rate	0.00	April 27, 2017	0.00	0.00
Bank of England – Bank Rate	0.25	May 11, 2017	0.25	--
Swiss National Bank – Libor Target Rate	-0.75	June 15, 2017	-0.75	--
Central Bank of Russia – One-Week Auction Rate	9.75	April 28, 2017	9.75	9.50
Sweden Riksbank – Repo Rate	-0.50	April 27, 2017	-0.50	-0.50
Norges Bank – Deposit Rate	0.50	May 4, 2017	0.50	--

**ECB:** No material policy is expected and it is likely premature to expect a material shift in policy guidance. Please see Fred Pretet's preview on p.7.

**Riksbank:** No policy change is expected. Inflation guidance will be closely watched given a recent decline in CPI inflation to just 1.3% y/y.

### ASIA PACIFIC

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Bank of Japan – Policy Rate	-0.10	April 27, 2017	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	1.50	May 2, 2017	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	May 10, 2017	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.25	June 7, 2017	6.25	--
Bank of Korea – Bank Rate	1.25	May 25, 2017	1.25	--
Bank of Thailand – Repo Rate	1.50	May 24, 2017	1.50	1.50
Bank Indonesia – 7-Day Reverse Repo Rate	4.75	May 18, 2017	4.75	--

**The Bank of Japan:** Japanese monetary authorities will make a policy announcement on April 27. We do not expect any changes to the ultra-accommodative monetary policy stance over the coming months. While the period of deflation appears to be over, price gains remain minimal with the headline inflation rate at 0.3% y/y in February.

### 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	11.25	May 31, 2017	11.25	--
Banco Central de Chile – Overnight Rate	2.75	May 18, 2017	3.00	--
Banco de la República de Colombia – Lending Rate	7.00	April 28, 2017	6.75	6.75
Banco Central de Reserva del Perú – Reference Rate	4.25	May 11, 2017	4.00	--

**Colombia:** Consensus thinks a 25-50bps rate cut may be delivered next week despite inflation that is tracking above target.

### 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 25, 2017	7.00	--

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