

Weekly commentary on economic and financial market developments

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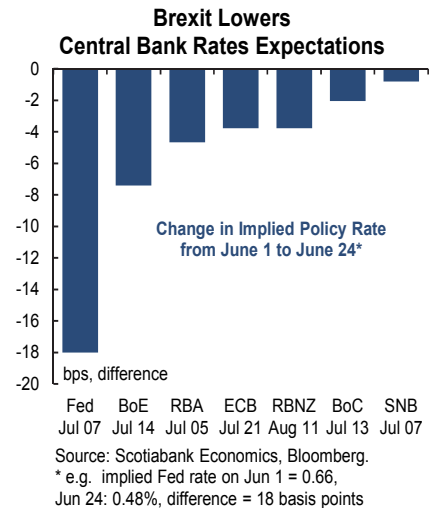
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For our latest economic, interest and exchange rate and commodity price forecasts, please see the [Latest Forecast Tables, June 2, 2016](#) and the [Foreign Exchange Outlook, June 2016](#), for more detailed currency forecasts and commentary.

This Week's Featured Chart



THE WEEK AHEAD

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The Aftermath

- Please see our full indicator, central bank, auction and event calendars on pp. A3-A8.

Europe — Event Risk Redux

The Spanish general election this Sunday and the EU Leaders Summit in Brussels on Tuesday and Wednesday will be the next steps in a series of suddenly escalated event risk in the market aftermath of the UK 'leave' vote. So may potential central bank actions, while backward-looking macro data is likely to be passed over by markets.

Few countries felt the impact of the UK vote harder than Spain. Madrid's IBEX 35 plunged by 12.4% and along with stocks in Milan registered the worst day-after performances across global stock exchanges. Spanish sovereign yields also were among the hardest hit (Portugal and Greece saw bond yields rise by more). Whether that was enough of a reaction to make Spanish voters more cautious is unclear in the context of recent polling (chart 1). We'll find out when the results of the **second Spanish election within the past roughly six months** arrive into the start of the week after Sunday's election. Recall that the reason for this election stems from the fact that Prime Minister Mariano Rajoy could not form a successful coalition in the wake of last December's election. Rajoy's People's Party faces the Podemos Party and its leader Pablo Iglesias, as well as the Socialists who are roughly tied with Podemos in the polls. The issue is whether another establishment candidate — Rajoy — can fend off a more radicalized opposition albeit that Podemos is not anti-EU per se.

Whether a conciliatory tone that is focused upon cooler heads prevailing or a confrontational tone toward the UK emerges from the **EU Leaders Summit** will affect much of the bias along the policy road ahead for the UK and Eurozone jointly. European Commission President Jean-Claude Juncker had stated before the referendum that "Out is out. British policy makers and British voters have to know that there will be no kind of renegotiation. We have concluded a deal with the Prime Minister. He got the maximum he could receive, and we gave the maximum we could give." Ah, those dang hard lines issued in the heat of the moment and especially without sign-off from the power broker(s) in Europe. Contrast this to German Chancellor Angela Merkel's post-referendum plea: "There's no way around it: Today is a watershed moment for Europe, for European unification" and Europe must avoid "drawing any hasty or easy conclusions from the referendum in Britain that would only divide Europe further. We need to do a calm and measured analysis of the situation. Our goal should be to have a close and cooperative relationship with Great Britain in the future." Merkel has tended to win these contests over time and I'd expect the same next week.

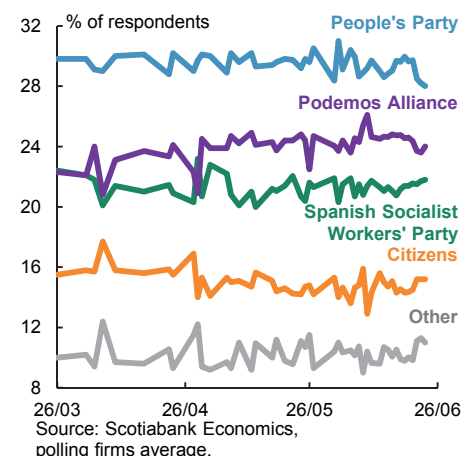
As we evaluate forecast risks, however, the factors overhanging them will include how global policymakers respond perhaps with further action this weekend into the Monday market open. Another factor will be their capacity to do so which is much more limited today than it was in the depths of the global financial crisis at least on the monetary policy side of the equation, and the course of potential knock-on events. An exception is the robustness of liquidity management tools such as the currency swap lines between the Fed, ECB, BoE, BoJ, SNB and BoC. Those other events now include a leadership contest in the wake of Prime Minister Cameron's announced intention to resign by October and the possibility of the

Next Week's Risk Dashboard

- ▶ Spanish election
- ▶ EU Leaders Summit
- ▶ Chinese PMIs, profits
- ▶ PBOC Governor
- ▶ US macro reports
- ▶ CDN GDP
- ▶ European macro data
- ▶ Fed stress tests part II
- ▶ Japanese macro reports
- ▶ Asian CPI, trade, industrial data

Chart 1

Spanish Election Polls



THE WEEK AHEAD

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second general election before 2020 which is partly contingent upon the apparent risk of a no confidence motion against the UK Labour leader. They also include incorporating the perhaps exaggerated risk of dissolution of the UK as we know it in the wake of remarks from former Scottish First Minister Alex Salmond that another Scottish referendum is now “inevitable” and in the hands of current Scottish First Minister Nicola Sturgeon. Sinn Fein is using this as the latest cause for reuniting Ireland which, albeit unlikely for London to acquiesce to this longstanding desire, will add to the political tensions within the UK. Spanish elections this weekend, the fact that the National Front is calling for a French referendum on the EU and the potential contagion effects elsewhere across the EU will offer extended uncertainty and event risk overhanging markets. The UK withdrawal from the EU is not immediate, there is the (remote) possibility it may never occur, and at a minimum it could be a protracted period of negotiations spanning years into the future.

As for the data calendar, if you still really care (or skip to the next section), it will include June CPI figures across the Eurozone, Eurozone confidence measures that obviously pre-date Brexit, French consumer spending, German and Spanish retail sales, Q1 UK GDP revisions and the June manufacturing PMI for the UK.

United States — Into No (Wo)man’s Land

US markets will be stuck in no (wo)man’s land next week between the ‘leave’ outcome of the UK referendum and when jobs data arrives on Friday July 8th. The Fed is likely to be in a prolonged holding pattern as the event risk calendar became enormously more complex in the wake of the UK vote. Even had the outcome been ‘remain’, it probably would have taken at least a pair of solid nonfarm readings with stable wage growth and stability across the growth, inflation, market and international risk parts of the picture to begin signaling a hike. None of this evidence is on the docket for next week and so markets will be focused upon continuing to digest the Brexit vote. In the meantime, **the week will bring a series of macro updates that will be informative to forecast tracking but not so much to the Fed debate.** The week ends with an early close on Friday afternoon ahead of Monday’s Independence Day holiday.

The second round of the Federal Reserve’s stress tests will be released on Wednesday as part of the Federal Reserve’s Comprehensive Capital Analysis and Review. The first round of Dodd-Frank Act stress tests provided a broad assessment of the banking sector and was positive in nature, but the second round will shift the focus toward individual banks within the sample of 33 banks with assets of over US\$50 billion — including domestic banks and foreign bank subsidiaries.

As for the modest data risk, it will be centered upon three main releases:

1. **Q1 GDP revision:** this round incorporates the Quarterly Services Spending estimates and expectations are for a minor upward revision closer to 1% annualized GDP growth. ‘Nowcast’ estimates are pointing toward a 2-handled Q2 growth rebound.
2. **Consumer spending:** We expect another gain in spending on the basis of what we already know from the advance retail sales print combined with trend resilience in services spending that is under-represented in retail sales. If so, this would follow the prior month’s gain which had been the strongest in almost a year and lends itself rather nicely to a story of the consumer driving a solid overall growth rebound in Q2. The inflation reading will be of hindsight significance given that added upward pressure upon the USD will renew potential downside pressures to inflation going forward.
3. **ISM manufacturing:** This will be a June reading and it could face marginal upside in the wake of volatile regional surveys that registered upside improvements including the Philly Fed and Empire metrics.

Sundry other developments will include limited Fed speak with only the suddenly uber-dovish (after a hike this year) St. Louis Fed President James Bullard on tap for Thursday afternoon. Other data releases will include the S&P Case-Shiller repeat-sales house price metric, the Conference Board’s consumer confidence index, vehicle sales for the month of June, pending home sales during May and construction spending in May.

THE WEEK AHEAD

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Canada — The Economy Before Everything That Mattered

Post-Brexit, post-Fed, and post-wildfires, data on how the economy performed two months ago seems a rather trite thing for markets to consider. Nevertheless, **Canada will drop GDP figures for way back in April on Thursday morning after auctioning 2 year notes the prior day. Then domestic markets will begin shutting down** early around mid-day on Thursday. The next day is the annual Canada Day holiday to mark the 149th anniversary of Confederation when in 1867 Upper (Ontario) and Lower (Quebec) Canada combined with New Brunswick and Nova Scotia as the original founding members of Canada. With the US 4th of July holiday on the following Monday, activity in Canadian markets is likely to be rather subdued from Thursday afternoon through to the following Tuesday.

Before the Q2 GDP figures even start to arrive, a contraction is being tracked. If GDP rides at March's level throughout each of the months in Q2 then the economy would contract by almost 1% at an annualized rate simply by virtue of how the quarter evolved and ended in Q1. Thus, before the Q2 GDP figures begin to land, the BoC's view that the economy will be roughly flat faces downside risk. April GDP will partly dig the economy out of such a hole given our expectations for mild growth based upon a compilation of readings across the retail, wholesale, manufacturing, labour, and export-oriented sectors of the economy. A mild gain, however, would only leave Q2 GDP flat over Q1 through updated forecasting tracking. Then May data hits and the economy will skid right off the rails via the impact of the wildfires in Alberta that crippled oil and gas production. All of this is using monthly sector GDP which can deviate from quarterly expenditure-based GDP figures but usually by within a half percentage point to either side.

Asia — Eyes On The PBOC and BoJ

China's macro data takes on decidedly less relevance in the wake of the UK Referendum especially that of the backward-looking variety. In fact, **an appearance by PBOC Governor Zhou Xiaochuan on Monday could matter more.** The knock-on effects of accelerated trouble in China's #1 export market — the Eurozone — will be assessed with time but next week's regional purchasing managers' indices that are drawn from a pre-Brexit sample of opinion likely will not garner much attention in markets. Expectations are for flat readings in the state and private versions of these surveys. Before markets get to that, however, industrial profits growth in May will build upon our understanding of risks in China's corporate debt market. To date, a mild profit recovery over the same period last year has been constructive to debt serviceability considerations.

The same logic also applies to a wave of backward-looking Japanese releases. **It's the yen and the interplay with Japanese politics that matter more to the Bank of Japan outlook than backward-looking domestic data.** The yen now sits at its highest versus the USD in about a couple of years. The July 10th Upper House election is set against the unpopularity of the Bank of Japan's negative rate policy within a high saving economy. That will be out of the way by the time of the July 29th BoJ meeting. In the meantime, retail sales and total household spending, industrial output, vehicle production, housing starts, the jobless rate, and the Q2 Tankan report on manufacturing conditions will largely just further inform near-term growth sentiment.

Disinflationary pressure that may arise from the UK referendum vote will have markets positioned in more of a forward-looking sense than focused upon CPI updates from Japan, India, Thailand, South Korea and Indonesia next week. Risks to global trade and production channels will do likewise to industrial production data out of South Korea and exports from South Korea and Thailand.

GLOBAL PMIs

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U.S. Manufacturing Flirts With Contraction In Q2, While Germany Soars

U.S. manufacturing activity picked up in June as a small pullback in the U.S. dollar bolstered exports and propelled new orders from abroad to their quickest pace since 2014. Despite these positive results, the second quarter marks the weakest PMI performance since 2009, and the manufacturing outlook remains muted alongside waning business investment. The sharp fall in oil prices over the last two years has been the catalyst for reduced capital expenditures, and will continue to weigh on the manufacturing sector. Energy consultancy Wood Mackenzie reports capital investment in U.S. oil and gas projects through 2017 have plunged by 54%, or \$125 billion since 2014, impacting a host of downstream products including steel pipes, drilling equipment, fabricated metals, and industrial machinery.

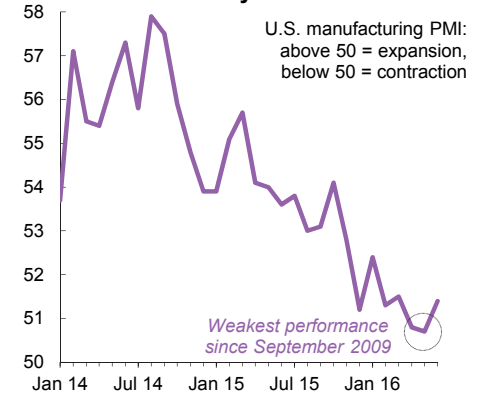
Adding to the uncertainty facing U.S. factories is the slow pace of durable goods orders, which fell 2.2% m/m in May, bringing 2016 year-to-date growth to only 0.9%. Excluding defense spending and aircraft, orders have edged down 0.2% on the year and will continue to restrain industrial activity, which has dipped in four of the last five quarters.

Nonetheless, domestic consumers are providing some offset to the effects of weak investment in the resource sector. Auto sales remain near record levels, and home sales reached a post-recession high in May. Elevated household spending and rising wages belie falling consumer confidence, which has trended down since the fourth quarter of 2015. Reasons for the disconnect between confidence and spending include rising gasoline prices (up 36% since February, but still below the 10-year average) and political uncertainty ahead of the Presidential election in November. These factors are unlikely to dent consumer spending in a meaningful way as wages and employment continue to gain (notwithstanding the weak result in the most recent labour report), leading to continued outperformance from manufacturers connected to autos and homebuilding.

In contrast, **German manufacturing PMI** surged to a 28-month high in June on the strength of rising foreign new orders — particularly from the United States and China — alongside renewed domestic optimism (albeit prior to the Brexit result this week), as expectations of economic growth jumped to the highest level since August 2015. One of the few weak spots from the PMI report was rising input costs, which grew at the fastest rate so far this year, owing to higher commodity prices and wages. Factory profits may be crimped if costs continue to accelerate, and goods-producers could add a measure of caution to investment plans and hiring.

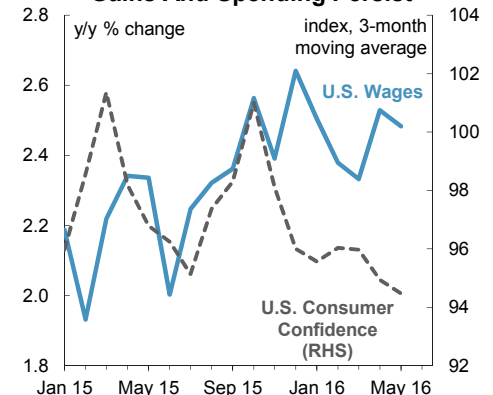
Meanwhile, **French manufacturing** fell to a 14-month low amidst damaging floods in the Northeast (flooding also hit Germany, but in less dense regions compared with France), and strike action that is affecting a number of industries including utilities, refineries, gas stations and airports. Despite these disruptions, French consumer confidence reached a near decade-long high, and the labour market has shown signs of improvement through the second quarter.

Chart 1 U.S. Manufacturing Picks Up From Cycle Low



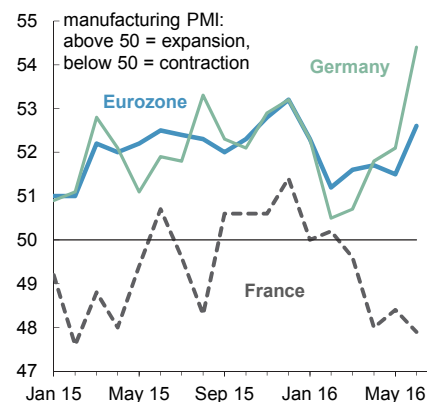
Source: Markit, Scotiabank Economics.

Chart 2 Confidence Has Eroded, But Wage Gains And Spending Persist



Source: BLS, Conference Board, Scotiabank Economics.

Chart 3 Germany Leads Eurozone Manufacturing Rebound



Source: Markit, Scotiabank Economics.

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50/50 For Article 50?

What Happens Now?

The EU referendum is not legally binding, it is an advisory tool. But it would be pretty undemocratic if the government does not respect the result. The most likely mechanism for the UK to physically leave the EU is for the Prime Minister to invoke Article 50 of the Lisbon Treaty. Article 50 sets out the process for a member state to leave the EU.

- Step one is for the Prime Minister to notify the European Council.
- David Cameron has effectively delayed that until at least October. More specifically, the Prime Minister will step down after the Conservative party conference in the autumn, at which point a new leader will be put in place. David Cameron has left it for that future leader to call when to invoke Article 50.
- Once the European Council has been notified, it sets in motion that country's departure, which will usually take 2 years. Once that process has begun, it is pretty much irreversible.
- So to be clear, the UK remains in the EU, nothing changes for at least the next 2 years and 3 months... and possibly longer.

But Will the UK Actually Leave?

During the campaign, we heard *'out means out'* or *'if we leave, there is no going back'* several times and that Article 50 would be triggered imminently. However, for sensible reasons, key leave campaigners like Michael Gove, were quoted during the campaign as suggesting that invoking Article 50 should be delayed — possibly for years.

The rationale is that since negotiating new trade deals will most likely take longer than the 2- year window stipulated under the wording of Article 50, why not lay the foundations of those trade negotiations and only pull the ejection handle when you think a conclusion to those deals is 2 years away?

A Nifty Fifty?

It isn't over until it's over. The margin of victory in this referendum was a whisker under 4%. That is still pretty close. We wouldn't rule out the UK remaining in the EU despite today's result. The French far right National Front party (approx. 25% support in France — double UKIP's support in the latest UK General Election) has called for a French referendum on EU membership. The remain camp warned during the campaign that if the UK voted to leave, then it would set off a domino rally of other EU members wanting a referendum — and that seems to be starting.

It is not outside of the realms of possibility that this shock-therapy to the EU project triggers reforms (for the UK and maybe even throughout the EU) that appeases the UK sufficiently to want to remain in the EU for the sake of keeping the union together.

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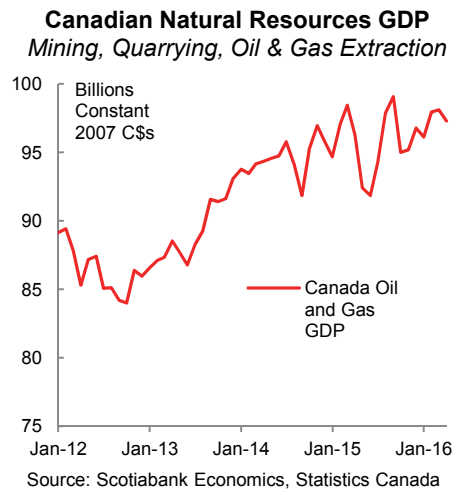
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Key Data Preview

CANADA

We're anticipating a muted increase in **Canadian GDP in April** on the order of +0.2% m/m. In terms of coincident indicators, real manufacturing sales were quite strong at +1% m/m, as were both imports (+1.6% m/m in real terms) and exports (+0.7% m/m in real terms). There are some flies in the ointment, however. Retail and wholesale trade were weak. Retail sales volumes were only higher by 0.1% m/m and wholesale trade was only higher by +0.2% m/m. Hours worked were also flat. The point is that aside from manufacturing and some chunky numbers on the commodities side of the trade data, very little else seemed particularly strong in April. We would also point out that there could be some trend-reversion-fueled volatility in April. In particular, mining and oil and gas extraction was lower by 2.8% m/m (see chart) and could well bounce back heavily in April. This points to some potential for upside volatility — that should in turn correct down substantially in May as a result of the Alberta wildfires.

Chart 1



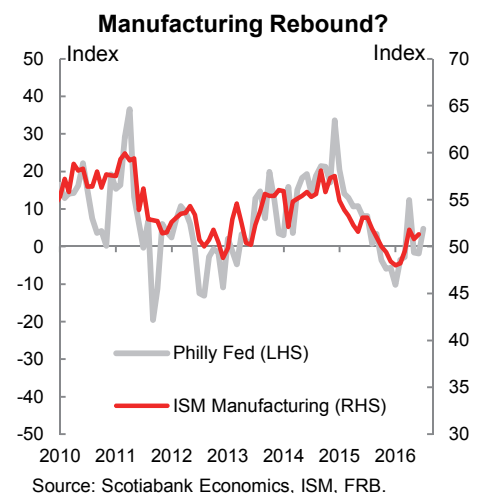
UNITED STATES

GDP revisions should be little changed when the second revision is released and we're looking for a +0.8% q/q saar number. The quarterly survey of services (QSS), which is incorporated into the Q1 numbers, may not provide much help as the Census Bureau reported a +3.6% y/y NSA increase in nominal services spending vs. +4.7% y/y in the BEA's second GDP estimate. Note however that since the QSS is not deflated, and the balance and weighting of the QSS aren't the same as the balance and weighting of the BEA's services spending numbers in GDP, it is only a rough guide. Potential upgrades to the investment side of the picture could mitigate potential downsides from services revisions, however, particularly potential upgrades to both residential and non-residential construction spending. Nonresidential construction spending was higher by 8.8% q/q SAAR in the Census Bureau's estimate — quite a bit better than the -8.9% q/q saar decline reflected in GDP. The trade account might also be revised up.

PCE data for April should reflect the decent retail sales print on the month as well as the disappointing wage figures. Those factors explain why we're expecting a +0.4% m/m print on consumer **spending** (retail sales were up by +0.5% m/m; different weightings that put less priority on autos and gas explain why we anticipate a softer number) and a mild +0.2% m/m print on **personal income** (the index of aggregate payrolls was only up by +0.16% m/m; sticky factors such as dividend payments and rents should pull this up mildly). We expect the PCE deflator to follow CPI and print at +0.2% m/m on both headline and core, leaving the headline PCE deflator at 1% y/y and the core deflator at +1.7% y/y.

The **ISM manufacturing** number for June should reflect improving regional manufacturing index prints on the month including a +6.01 number on the Empire Manufacturing Index, a +4.7 print on the Philly Fed Index, and a print of 2 on the KC Fed index. We're expecting a modest improvement to a reading of 51.5 but, as the chart to the right shows, regional Fed surveys are better at showing big shifts in the ISM than small gradations.

Chart 2



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EUROPE

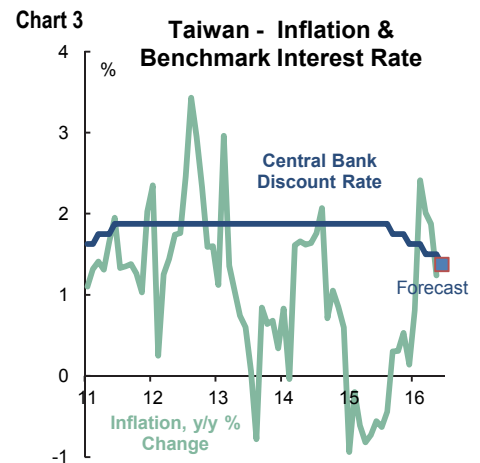
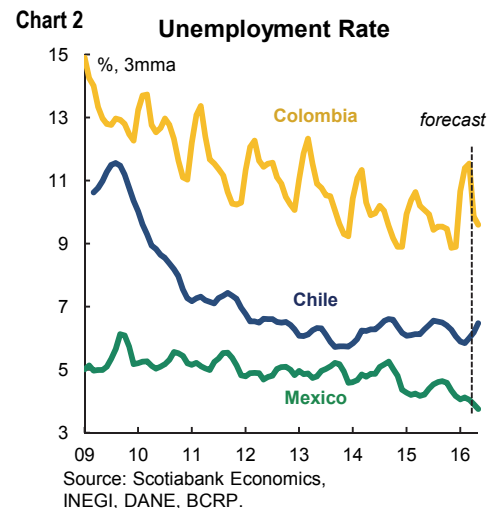
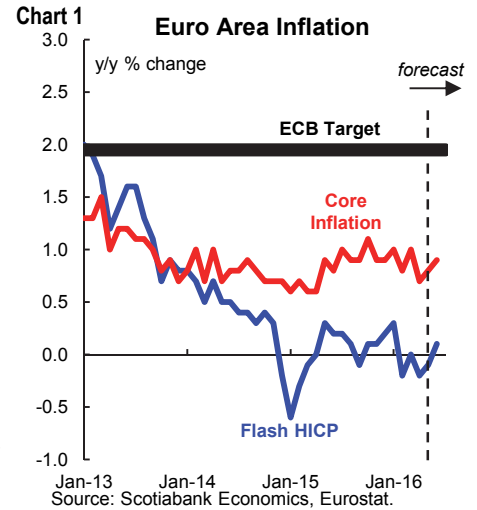
The economic calendar in Europe is quite busy this week, with preliminary estimates for June inflation to be released for the Eurozone as well as the bloc's largest economies. Flash inflation figures will be published in Germany and Spain on Wednesday June 29th, followed by France, Italy, and the euro area aggregate on Thursday, June 30th. Eurozone consumer price pressures continue to be dampened by past weakness in oil prices and the adverse impact of warmer than usual temperatures on food prices, which in turn has had adverse knock-on effects on core inflation. We expect euro area HICP inflation to remain depressed at 0.1% y/y in June, up from -0.1% in May, and that core inflation will edge up to 0.9% y/y from 0.8%, respectively. Headline inflation in the euro currency bloc is set to remain below the ECB's target of close to, but below, 2% well into 2018. However, significant positive base effects from energy prices should start to boost consumer prices in the latter half of this year.

LATIN AMERICA

This week, Chile, Mexico and Colombia will release unemployment figures for May. On Monday, we forecast the Mexican jobless rate to tick slightly down to 3.7% from 3.8% in April. Formal employment growth, at 3.8% y/y in May, has run above 3% for the last two years, reflecting Mexico's resilient economic performance. In contrast, Chilean unemployment looks set to increase, as is usually the case in May, to 6.8%. Chile's economy remains relatively sluggish and is on track to grow around 1.7% y/y in 2016, its slowest pace of growth this millennium excluding the 2009 recession. The — very volatile — headline unemployment rate for Colombia, encompassing the 13 largest cities, is forecast to come in between 9-10% in May, down from as high as 14.1% in January. Peruvian CPI for June will be released on Friday, with inflation in Lima forecast to continue on a downward trend at 3.4% y/y, as El Niño related effects fade and the improved performance of the Peruvian Sol since mid-April provides some relief to consumer prices. Finally, industrial production figures for Brazil, published on June 1st, will likely show a persistently depressed economy, contracting at a rate of 7.0-7.5% y/y in May.

ASIA

The Taiwanese central bank will meet on June 30th. We expect policymakers to continue to ease monetary policy and lower the benchmark interest rate by 12.5 basis points to 1.375%. The most recent rate cut took place following the quarterly monetary policy meeting at the end of March. Taiwan's inflation continues to ease; it has decelerated to 1.2% y/y in May from a recent high of 2.4% in February. Meanwhile, the economy continues to struggle. Real GDP contracted by 0.7% y/y in the first three months of 2016, marking the third consecutive quarter of declining activity.



Key Indicators for the week of June 27 – July 1

North America



Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	06/27	09:00	Trade Balance (US\$ mn)	May	--	-2787	-2080
US	06/27	10:30	Dallas Fed. Manufacturing Activity	Jun	--	-15.0	-20.8
US	06/28	08:30	GDP (q/q a.r.)	1Q T	0.8	1.0	0.8
US	06/28	08:30	GDP Deflator (q/q a.r.)	1Q T	--	0.6	0.6
MX	06/28	09:00	Unemployment Rate (%)	May	3.7	3.9	3.8
US	06/28	09:00	S&P/Case-Shiller Home Price Index (m/m)	Apr	0.8	0.6	0.9
US	06/28	09:00	S&P/Case-Shiller Home Price Index (y/y)	Apr	--	5.5	5.4
US	06/28	10:00	Consumer Confidence Index	Jun	93.0	93.5	92.6
US	06/28	10:00	Richmond Fed Manufacturing Index	Jun	--	3.0	-1.0
US	06/29	07:00	MBA Mortgage Applications (w/w)	JUN 24	--	--	2.9
US	06/29	08:30	PCE Deflator (m/m)	May	0.2	0.2	0.3
US	06/29	08:30	PCE Deflator (y/y)	May	1.0	1.0	1.1
US	06/29	08:30	PCE ex. Food & Energy (m/m)	May	0.2	0.2	0.2
US	06/29	08:30	PCE ex. Food & Energy (y/y)	May	1.6	1.6	1.6
US	06/29	08:30	Personal Spending (m/m)	May	0.4	0.4	1.0
US	06/29	08:30	Personal Income (m/m)	May	0.2	0.3	0.4
US	06/29	10:00	Pending Home Sales (m/m)	May	--	-1.1	5.1
CA	06/30	08:30	IPPI (m/m)	May	--	0.4	-0.5
CA	06/30	08:30	Raw Materials Price Index (m/m)	May	--	5.0	0.7
CA	06/30	08:30	Real GDP (m/m)	Apr	0.2	0.1	-0.2
US	06/30	08:30	Initial Jobless Claims (000s)	JUN 25	270	269	259
US	06/30	08:30	Continuing Claims (000s)	JUN 18	2155	2153	2142
US	06/30	09:45	Chicago PMI	Jun	--	51.0	49.3
MX	06/30	14:00	Overnight Rate (%)	Jun 30	4.00	3.75	3.75
US	07/01	10:00	Construction Spending (m/m)	May	1.0	0.6	-1.8
US	07/01	10:00	ISM Manufacturing Index	Jun	51.5	51.5	51.3
US	07/01		Domestic Vehicle Sales (mn a.r.)	Jun	13.2	13.4	13.3
US	07/01		Total Vehicle Sales (mn a.r.)	Jun	17.3	17.3	17.4

Europe



Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SP	06/28	3:00	Real Retail Sales (y/y)	May	--	--	6.4
GE	06/29	2:00	GfK Consumer Confidence Survey	Jul	--	9.8	9.8
UK	06/29	2:00	Nationwide House Prices (m/m)	Jun	--	0.0	0.2
SP	06/29	3:00	CPI (m/m)	Jun P	--	--	0.5
SP	06/29	3:00	CPI (y/y)	Jun P	--	-0.9	-1.0
SP	06/29	3:00	CPI - EU Harmonized (m/m)	Jun P	--	0.3	0.5
SP	06/29	3:00	CPI - EU Harmonized (y/y)	Jun P	--	-1.0	-1.1
UK	06/29	4:30	Net Consumer Credit (£ bn)	May	--	1.5	1.3
EC	06/29	5:00	Business Climate Indicator	Jun	--	0.3	0.3
EC	06/29	5:00	Economic Confidence	Jun	104.5	104.7	104.7
EC	06/29	5:00	Industrial Confidence	Jun	-3.5	-3.4	-3.6
GE	06/29	8:00	CPI (m/m)	Jun P	0.2	0.2	0.3
GE	06/29	8:00	CPI (y/y)	Jun P	0.4	0.3	0.1
GE	06/29	8:00	CPI - EU Harmonized (m/m)	Jun P	0.2	0.1	0.4
GE	06/29	8:00	CPI - EU Harmonized (y/y)	Jun P	0.3	0.2	0.0
UK	06/29	19:05	GfK Consumer Confidence Survey	Jun	--	-2.0	-1.0

Forecasts at time of publication.

Source: Bloomberg, Scotiabank Economics.

Key Indicators for the week of June 27 – July 1

Europe (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	06/30	2:00	Retail Sales (m/m)	May	--	0.6	-0.3
FR	06/30	2:45	Consumer Spending (m/m)	May	-0.9	0.1	-0.1
FR	06/30	2:45	CPI (m/m)	Jun P	0.2	0.2	0.4
FR	06/30	2:45	CPI (y/y)	Jun P	0.2	0.2	0.0
FR	06/30	2:45	CPI - EU Harmonized (m/m)	Jun P	0.2	0.2	0.5
FR	06/30	2:45	CPI - EU Harmonized (y/y)	Jun P	0.3	0.3	0.1
FR	06/30	2:45	Producer Prices (m/m)	May	--	--	-0.5
GE	06/30	3:55	Unemployment (000s)	Jun	-10.0	-5.0	-11.0
GE	06/30	3:55	Unemployment Rate (%)	Jun	6.1	6.1	6.1
SP	06/30	4:00	Current Account (€ bn)	Apr	--	--	0.8
UK	06/30	4:30	Business Investment (q/q)	1Q F	--	--	-0.5
UK	06/30	4:30	Current Account (£ bn)	1Q	--	-28.0	-32.7
UK	06/30	4:30	GDP (q/q)	1Q F	--	0.4	0.4
UK	06/30	4:30	Index of Services (m/m)	Apr	--	0.2	-0.1
EC	06/30	5:00	Euro zone CPI Estimate (y/y)	Jun	0.1	0.0	-0.1
EC	06/30	5:00	Euro zone Core CPI Estimate (y/y)	Jun A	0.9	0.8	0.8
IT	06/30	5:00	CPI (m/m)	Jun P	--	0.3	0.3
IT	06/30	5:00	CPI (y/y)	Jun P	--	-0.2	-0.3
IT	06/30	5:00	CPI - EU Harmonized (m/m)	Jun P	--	0.2	0.3
IT	06/30	5:00	CPI - EU Harmonized (y/y)	Jun P	--	-0.2	-0.3
SP	06/30		Budget Balance YTD (€ mn)	May	--	--	-13981
IT	07/01	3:45	Manufacturing PMI	Jun	--	52.4	52.4
UK	07/01	4:30	Manufacturing PMI	Jun	--	50.1	50.1
EC	07/01	5:00	Unemployment Rate (%)	May	10.1	10.1	10.2
IT	07/01		Budget Balance (€ bn)	Jun	--	--	-1.6
RU	JUL 1-4		Real GDP (y/y)	1Q F	--	-1.20	-1.20

Asia Pacific

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
VN	JUN 24-30		Real GDP YTD (y/y)	2Q	--	5.8	5.5
NZ	06/26	18:45	Trade Balance (NZD mn)	May	--	182	292
NZ	06/26	18:45	Exports (NZD bn)	May	--	4.3	4.3
NZ	06/26	18:45	Imports (NZD bn)	May	--	4.2	4.0
CH	06/26	21:30	Industrial Profits YTD (y/y)	May	--	--	4.2
SK	JUN 26-30		Department Store Sales (y/y)	May	--	--	4.3
HK	06/27	04:30	Exports (y/y)	May	--	-2.0	-2.3
HK	06/27	04:30	Imports (y/y)	May	--	-3.6	-4.5
HK	06/27	04:30	Trade Balance (HKD bn)	May	--	-33.2	-31.0
SK	06/27	17:00	Consumer Confidence Index	Jun	--	--	99.0
SK	06/28	17:00	Business Survey- Manufacturing	Jul	--	--	74.0
SK	06/28	17:00	Business Survey- Non-Manufacturing	Jul	--	--	73.0
JN	06/28	19:50	Large Retailers' Sales (y/y)	May	--	-1.5	-0.7
JN	06/28	19:50	Retail Trade (y/y)	May	--	-1.6	-0.9
AU	06/28	21:00	HIA New Home Sales (m/m)	May	--	--	-4.7
SK	06/29	19:00	Industrial Production (y/y)	May	--	-0.1	-2.8
SK	06/29	19:00	Cyclical Leading Index Change	May	--	--	0.2
JN	06/29	19:50	Industrial Production (y/y)	May P	--	1.9	-3.3
AU	06/29	21:30	Private Sector Credit (y/y)	May	--	6.7	6.7
PH	JUN 29-30		Bank Lending (y/y)	May	--	--	14.8
TA	JUN 29-30		Benchmark Interest Rate	Jun 30	1.375	--	1.500

Forecasts at time of publication.

Source: Bloomberg, Scotiabank Economics.

Key Indicators for the week of June 27 – July 1

Asia Pacific (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
JN	06/30		Vehicle Production (y/y)	May	--	--	-9.7
JN	06/30	01:00	Housing Starts (y/y)	May	--	4.8	9.0
JN	06/30	01:00	Construction Orders (y/y)	May	--	--	-16.9
TH	06/30	03:30	Exports (y/y)	May	--	--	-7.6
TH	06/30	03:30	Imports (y/y)	May	--	--	-13.4
TH	06/30	03:30	Trade Balance (US\$ mn)	May	--	--	2450
TH	06/30	03:30	Current Account Balance (US\$ mn)	May	--	3200	3164
HK	06/30	04:30	Retail Sales - Volume (y/y)	May	--	--	-7.6
SK	06/30	19:00	Current Account (US\$ mn)	May	--	--	3372
SK	06/30	19:00	CPI (y/y)	Jun	0.7	0.8	0.8
SK	06/30	19:00	Core CPI (y/y)	Jun	--	--	1.6
JN	06/30	19:30	Household Spending (y/y)	May	--	-1.0	-0.4
JN	06/30	19:30	Jobless Rate (%)	May	3.2	3.2	3.2
JN	06/30	19:30	National CPI (y/y)	May	-0.3	-0.5	-0.3
JN	06/30	19:30	Tokyo CPI (y/y)	Jun	--	-0.4	-0.5
JN	06/30	19:50	Tankan All Industries Index	2Q	--	5.6	-0.9
JN	06/30	19:50	Tankan Manufacturing Index	2Q	--	4.0	6.0
JN	06/30	19:50	Tankan Non-Manufacturing Index	2Q	--	19.0	22.0
SK	06/30	20:00	Exports (y/y)	Jun	--	-11.0	-6.0
SK	06/30	20:00	Imports (y/y)	Jun	--	-11.0	-9.0
SK	06/30	20:00	Trade Balance (US\$ mn)	Jun	--	8500	6980
CH	06/30	21:00	Manufacturing PMI	Jun	50.1	50.0	50.1
CH	06/30	21:00	Non-manufacturing PMI	Jun	--	--	53.1
CH	06/30	21:45	Caixin China Manufacturing PMI	Jun	49.2	49.1	49.2
ID	JUN 30-JUL 1		CPI (y/y)	Jun	3.4	--	3.3
ID	JUN 30-JUL 1		Core CPI (y/y)	Jun	--	--	3.4
TH	JUN 30-JUL 1		CPI (y/y)	Jun	0.5	0.5	0.5
TH	JUN 30-JUL 1		Core CPI (y/y)	Jun	--	0.8	0.8
JN	JUN 30-JUL 7		Official Reserve Assets (US\$ bn)	Jun	--	--	1254
MA	07/01	00:00	Exports (y/y)	May	--	2.0	1.6
MA	07/01	00:00	Imports (y/y)	May	--	-2.2	-2.3
MA	07/01	00:00	Trade Balance (MYR bn)	May	--	8.0	9.1
JN	07/01	01:00	Consumer Confidence	Jun	--	41.0	40.9
JN	07/01	01:00	Vehicle Sales (y/y)	Jun	--	--	6.6
TH	07/01	03:30	Business Sentiment Index	Jun	--	--	49.7

Latin America

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CL	06/30	09:00	Manufacturing Industrial Production (y/y)	May	0.9	2.5	-1.2
CL	06/30	09:00	Retail Sales (y/y)	May	4.7	3.6	7.9
CL	06/30	09:00	Unemployment Rate (%)	May	6.8	6.7	6.4
CO	06/30	11:00	Urban Unemployment Rate (%)	May	9.5	9.2	9.1
PE	07/01	01:00	Consumer Price Index (m/m)	Jun	--	--	0.2
PE	07/01	01:00	Consumer Price Index (y/y)	Jun	3.4	--	3.5
BZ	07/01	08:00	Industrial Production SA (m/m)	May	--	0.0	0.1
BZ	07/01	08:00	Industrial Production (y/y)	May	-7.1	-8.1	-7.2
BZ	07/01	09:00	PMI Manufacturing Index	Jun	--	--	41.6
BZ	07/01	14:00	Trade Balance (FOB) - Monthly (US\$ mn)	Jun	--	4000	6437

Forecasts at time of publication.

Source: Bloomberg, Scotiabank Economics.

Global Auctions for the week of June 27 – July 1

North America



<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	06/27	11:30	U.S. to Sell 3-Month Bills
US	06/27	11:30	U.S. to Sell 6-Month Bills
CA	06/28	10:30	Canada to Sell CAD3.75 Bln 98-Day Bills
CA	06/28	10:30	Canada to Sell CAD1.5 Bln 182-Day Bills
CA	06/28	10:30	Canada to Sell CAD1.5 Bln 364-Day Bills
US	06/28	11:30	U.S. to Sell 4-Week Bills
CA	06/29	12:00	Canada to Sell 2-Year Bonds

Europe



<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	06/27	05:00	Italy to Sell Up to EUR750 Mln 1.25% I/L 2032 Bonds
MB	06/27	05:00	Malta to Sell 91-Day Bills
MB	06/27	05:00	Malta to Sell 182-Day Bills
NO	06/27	05:05	Norway to Sell NOK3 Bln 357-Day Bills
GE	06/27	05:30	Germany to Sell EUR1.5 Bln 364-Day Bills
FR	06/27	08:50	France to Sell Up to EUR3.3 Bln 84-Day Bills
FR	06/27	08:50	France to Sell Up to EUR1.5 Bln 147-Day Bills
FR	06/27	08:50	France to Sell Up to EUR1.3 Bln 357-Day Bills
IT	06/28	05:00	Italy to Sell EUR6 Bln 183-Day Bills
SZ	06/28	05:15	Switzerland to Sell 91-Day Bills
SW	06/29	05:03	Sweden to Sell SEK5 Bln 82-Day Bills
SW	06/29	05:03	Sweden to Sell SEK10 Bln 110-Day Bills
EC	06/29	05:10	ECB Long-Term Refinancing Operation Result
IT	06/30	05:00	Italy to Sell Bonds
UK	07/01	06:00	U.K. to Sell GBP500 Mln 28-Day Bills
UK	07/01	06:00	U.K. to Sell GBP2.5 Bln 91-Day Bills
UK	07/01	06:00	U.K. to Sell GBP2.5 Bln 183-Day Bills

Asia Pacific



<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	06/26	21:00	Australia Plans to Sell AUD600 Mln 5.75% 2021 Bonds
AU	06/27	21:00	Australia Plans to Sell AUD150 Mln 1.25% 2022 I/L Bonds
JN	06/27	23:45	Japan to Sell 2-Year Bonds
CH	06/28	02:00	Henan to Sell Bonds
CH	06/29	21:20	Anhui to Sell Bonds
JN	06/29	23:35	Japan to Sell 3-Month Bills
AU	06/30	21:00	Australia Plans to Sell AUD1 Bln 2.75% 2027 Bonds

Latin America



<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	06/30	11:00	Brazil to Sell Fixed Rate Bonds - 01/01/2023
BZ	06/30	11:00	Brazil to Sell Fixed Rate Bonds - 01/01/2027
BZ	06/30	11:00	Brazil to Sell Bills LTN - 04/01/2017
BZ	06/30	11:00	Brazil to Sell Bills LTN - 04/01/2018
BZ	06/30	11:00	Brazil to Sell Bills LTN - 01/01/2020

Source: Bloomberg, Scotiabank Economics.

Events for the week of June 27 – July 1

North America 

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	06/28	19:00	Fed's Powell Speaks in Chicago
US	06/29	09:30	Fed's Yellen Participates in Panel at ECB Conference
US	06/29	16:30	Federal Reserve Board results from supervisory stress tests
US	06/30	13:30	Fed's Bullard Speaks in London
MX	06/30	14:00	Overnight Rate

Europe 

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
FR	06/25	03:45	Bank of France's Villeroy speaks on France Inter radio
IT	06/25	18:00	Italy's Renzi meets Merkel, Hollande in Berlin
GE	06/27	12:30	Merkel, Hollande, Renzi Meet to Discuss Brexit Fallout
EC	06/27	13:30	ECB President Draghi Speaks in Sintra, Portugal
NE	JUN 27-29		ECB's Klaas Knot at conference in Sintra
EC	JUN 27-29		ECB Forum in Sintra, Portugal
EC	06/28	04:00	ECB President Draghi Speaks in Sintra, Portugal
EC	06/28	04:00	EU Parliament to Vote on Resolution on U.K. Referendum
EC	06/28	04:30	ECB Executive Board Member Coeure Chairs Panel in Sintra
UK	06/28	05:00	BOE Holds Third Additional ITLR Operation Around EU Referendum
EC	06/28	07:00	ECB Board Member Praet Chairs Panel in Sintra
EC	06/28	00:00	EU Leaders Hold Summit in Brussels
EC	06/29	04:00	ECB Board Member Lautenschlaeger Chairs Panel in Sintra
EC	06/29	06:30	ECB Vice President Constancio Chairs Panel in Sintra
EC	06/29	09:30	ECB President Draghi on Panel in Sintra, Portugal
EC	06/30	10:00	NATO Ambassadors Speak at Conference in Brussels
EC	07/01	03:15	ECB Board Member Coeure on Panel in Paris
AS	07/01	04:30	ECB's Nowotny Presents Austrian Financial Stability Report

Asia Pacific 

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	JUN 23-26		First Annual Meeting of Asian Infrastructure Investment Bank
RU	06/25		Russian President Putin visits China
CH	06/27	13:30	PBOC Governor Zhou Speaks at ECB Forum in Sintra, Portugal
SK	06/28	03:00	Bank of Korea Policy Meeting Minutes
TA	JUN 29-30		CBC Benchmark Interest Rate
AU	07/01	19:00	Australian Federal Election

Source: Bloomberg, Scotiabank Economics.

Global Central Bank Watch

North America

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	0.50	July 13, 2016	0.50	0.50
Federal Reserve – Federal Funds Target Rate	0.50	July 27, 2016	0.50	0.50
Banco de México – Overnight Rate	3.75	June 30, 2016	4.00	3.75

Fed: The Fed outlook has been significantly impacted by the UK vote to leave the EU – after all, the Fed has pointed to risks surrounding the referendum for months and, the outcome having been a 'leave' vote... all things being equal, the UK referendum outcome should, at a minimum, delay Fed interest rate increases and potentially mute the pace of changes depending on how economic outcomes materialize in the months ahead. In the wake of the vote, the short-term Fed Funds futures curve developed a negative slope for the first six months of the term structure. We expect this anomaly to recede over time and do not expect outright monetary policy accommodation from the Fed. Fed Chair Yellen has scheduled public remarks for the 29th when she will appear on a panel with ECB President Draghi and BoE Governor Carney. **BoC:** The BoC remains in a kind of wait-and-see mode as it observes the unfolding of what is expected to be an economically soft Q2 and a potential improvement in economic growth in Q3. The UK referendum outcome should reinforce the BoC's decision to remain on the sidelines. We expect **Banco de México** to increase its overnight target rate by 25 basis points to 4.00% at their meeting on Thursday, June 30th. Following the results of the EU Membership Referendum in the United Kingdom, the Mexican Peso came under significant downward pressure, falling by as much as 6% to a fresh record low, prompting Mexico's finance minister Luis Videgaray to announce another round of budget cuts for this year totalling USD 1.7bn. Banxico's deputy chief del Cueto also announced that the central bank will carefully assess the impact of Brexit and wait until its meeting next week to make any changes to its monetary policy stance, though they stand ready to act if necessary.

Europe

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	0.00	July 21, 2016	0.00	--
Bank of England – Bank Rate	0.50	July 14, 2016	0.50	--
Swiss National Bank – Libor Target Rate	-0.75	September 15, 2016	-0.75	--
Central Bank of Russia – One-Week Auction Rate	10.50	July 29, 2016	11.00	10.50
Central Bank of the Republic of Turkey – 1 Wk Repo Rate	7.50	July 19, 2016	7.50	--
Sweden Riksbank – Repo Rate	-0.50	July 6, 2016	-0.50	--
Norges Bank – Deposit Rate	0.50	September 22, 2016	0.50	--

Asia Pacific

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	July 29, 2016	-0.20	--
Reserve Bank of Australia – Cash Target Rate	1.75	July 5, 2016	1.75	1.75
Reserve Bank of New Zealand – Cash Rate	2.25	August 10, 2016	2.25	2.00
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.50	August 9, 2016	6.25	--
Bank of Korea – Bank Rate	1.25	July 14, 2016	1.25	--
Bank of Thailand – Repo Rate	1.50	August 3, 2016	1.50	1.50
Bank Indonesia – Reference Interest Rate	6.50	July 21, 2016	6.50	--

Latin America

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	14.25	July 20, 2016	14.25	--
Banco Central de Chile – Overnight Rate	3.50	July 14, 2016	3.50	--
Banco de la República de Colombia – Lending Rate	7.50	July 29, 2016	7.50	--
Banco Central de Reserva del Perú – Reference Rate	4.25	July 14, 2016	4.25	--



Africa


Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	7.00	July 21, 2016	7.00	--

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



Economic Statistics



North America



Canada 					United States 				
	2015	15Q4	16Q1	Latest		2015	15Q4	16Q1	Latest
Real GDP (annual rates)	1.1	0.5	2.4		Real GDP (annual rates)	2.4	1.4	0.8	
Current Acc. Bal. (C\$B, ar)	-62.6	-62.8	-67.1		Current Acc. Bal. (US\$B, ar)	-463	-454	-499	
Merch. Trade Bal. (C\$B, ar)	-22.5	-20.1	-25.4	-35.2 (Apr)	Merch. Trade Bal. (US\$B, ar)	-763	-754	-746	-706 (Apr)
Industrial Production	-0.8	0.1	-0.5	-1.6 (Apr)	Industrial Production	0.3	-1.7	-1.9	-1.4 (May)
Housing Starts (000s)	194	194	198	189 (May)	Housing Starts (millions)	1.11	1.13	1.15	1.16 (May)
Employment	0.8	0.8	0.7	0.8 (May)	Employment	2.1	2.0	1.9	1.7 (May)
Unemployment Rate (%)	6.9	7.0	7.2	6.9 (May)	Unemployment Rate (%)	5.3	5.0	4.9	4.7 (May)
Retail Sales	1.7	2.2	5.5	4.6 (Apr)	Retail Sales	1.6	1.4	2.2	2.0 (May)
Auto Sales (000s)	1897	1948	1992	2016 (Apr)	Auto Sales (millions)	17.3	17.8	17.1	17.4 (May)
CPI	1.1	1.3	1.5	1.5 (May)	CPI	0.1	0.5	1.1	1.0 (May)
IPPI	-0.8	0.1	-0.5	1.6 (Apr)	PPI	-3.3	-3.4	-1.7	-2.3 (May)
Pre-tax Corp. Profits	-15.8	-19.6	-9.1		Pre-tax Corp. Profits	3.3	-2.9	-3.2	

Mexico 				
	2015	15Q4	16Q1	Latest
Real GDP	2.5	2.4	2.6	
Current Acc. Bal. (US\$B, ar)	-31.9	-29.1	-28.0	
Merch. Trade Bal. (US\$B, ar)	-14.6	-15.1	-15.9	-25.0 (Apr)
Industrial Production	0.9	0.2	0.4	1.9 (Apr)
CPI	2.7	2.3	2.7	2.6 (May)

Europe

Euro Zone 					Germany 				
	2015	15Q4	16Q1	Latest		2015	15Q4	16Q1	Latest
Real GDP	1.3	1.4	1.3		Real GDP	1.4	1.3	1.6	
Current Acc. Bal. (US\$B, ar)	366	472	218	463 (Apr)	Current Acc. Bal. (US\$B, ar)	257.2	283.3	327.7	391.6 (Apr)
Merch. Trade Bal. (US\$B, ar)	356.8	397.4	318.1	441.5 (Apr)	Merch. Trade Bal. (US\$B, ar)	274.7	270.9	263.3	350.2 (Apr)
Industrial Production	1.6	1.3	1.5	2.0 (Apr)	Industrial Production	0.5	-0.3	1.6	1.2 (Apr)
Unemployment Rate (%)	10.9	10.5	10.4	10.2 (Apr)	Unemployment Rate (%)	6.4	6.3	6.2	6.1 (May)
CPI	0.0	0.2	0.0	0.1 (May)	CPI	0.2	0.3	0.3	0.5 (May)

France 					United Kingdom 				
	2015	15Q4	16Q1	Latest		2015	15Q4	16Q1	Latest
Real GDP	1.2	1.3	1.3		Real GDP	2.3	2.1	2.0	
Current Acc. Bal. (US\$B, ar)	-4.7	-1.7	-26.5	-42.8 (Apr)	Current Acc. Bal. (US\$B, ar)	-96.2	-130.6		
Merch. Trade Bal. (US\$B, ar)	-41.4	-49.0	-48.4	-55.2 (Apr)	Merch. Trade Bal. (US\$B, ar)	-191.6	-202.0	-195.4	-180.8 (Apr)
Industrial Production	1.8	2.4	0.5	1.9 (Apr)	Industrial Production	1.0	0.8	0.1	1.6 (Apr)
Unemployment Rate (%)	10.4	10.2	10.1	9.9 (Apr)	Unemployment Rate (%)	5.4	5.1	5.1	5.0 (Mar)
CPI	0.0	0.1	0.0	0.3 (May)	CPI	0.0	0.1	0.3	0.2 (May)








Italy 					Russia 				
	2015	15Q4	16Q1	Latest		2015	15Q4	16Q1	Latest
Real GDP	0.6	1.1	1.0		Real GDP		-3.8		
Current Acc. Bal. (US\$B, ar)	36.0	60.8	10.1	55.9 (Apr)	Current Acc. Bal. (US\$B, ar)	69.6	15.0		
Merch. Trade Bal. (US\$B, ar)	49.8	66.7	40.5	61.5 (Apr)	Merch. Trade Bal. (US\$B, ar)	12.4	10.1	7.5	6.8 (Apr)
Industrial Production	0.9	1.5	1.7	1.7 (Apr)	Industrial Production	-3.7	-3.9	-0.7	0.7 (May)
CPI	0.0	0.2	-0.1	-0.3 (May)	CPI	15.5	14.5	8.3	7.3 (May)

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





Source: Bloomberg, IHS Global, Scotiabank Economics.

Economic Statistics

Asia Pacific

Australia 					Japan 				
	2015	15Q4	16Q1	Latest		2015	15Q4	16Q1	Latest
Real GDP	2.5	2.9	3.1		Real GDP	0.6	0.8	0.0	
Current Acc. Bal. (US\$B, ar)	-58.9	-69.8	-57.0		Current Acc. Bal. (US\$B, ar)	136.5	113.6	205.9	205.2 (Apr)
Merch. Trade Bal. (US\$B, ar)	-12.9	-23.2	-13.8	-1.4 (Apr)	Merch. Trade Bal. (US\$B, ar)	-23.1	0.6	18.6	29.7 (May)
Industrial Production	1.6	2.0	4.8		Industrial Production	-1.2	-1.1	-3.2	-1.7 (Apr)
Unemployment Rate (%)	6.1	5.8	5.8	5.7 (May)	Unemployment Rate (%)	3.4	3.3	3.2	3.2 (Apr)
CPI	1.5	1.7	1.3		CPI	0.8	0.3	0.1	-0.3 (Apr)
South Korea 					China 				
Real GDP	2.6	3.1	2.8		Real GDP	6.9	6.8	6.7	
Current Acc. Bal. (US\$B, ar)	105.9	105.6	96.3	40.5 (Apr)	Current Acc. Bal. (US\$B, ar)	330.6			
Merch. Trade Bal. (US\$B, ar)	90.3	95.0	88.1	83.8 (May)	Merch. Trade Bal. (US\$B, ar)	593.9	699.6	493.0	599.7 (May)
Industrial Production	-0.9	0.0	-0.2	-1.1 (Apr)	Industrial Production	5.9	5.9	6.8	6.0 (May)
CPI	0.7	1.1	1.0	1.4 (May)	CPI	1.6	1.6	2.3	2.0 (May)
Thailand 					India 				
Real GDP	2.8	2.8			Real GDP	6.9	6.9		
Current Acc. Bal. (US\$B, ar)	31.6	10.2	16.4		Current Acc. Bal. (US\$B, ar)	-22.4	-7.1		
Merch. Trade Bal. (US\$B, ar)	2.9	3.2	4.4	2.5 (Apr)	Merch. Trade Bal. (US\$B, ar)	-10.4	-10.4	-6.4	-6.3 (May)
Industrial Production	0.4	0.3	-1.0	1.5 (Apr)	Industrial Production	3.2	1.7	0.2	-0.8 (Apr)
CPI	-0.9	-0.9	-0.5	0.5 (May)	WPI	-2.7	-2.3	-0.8	0.8 (May)
Indonesia 									
Real GDP	4.8	5.0							
Current Acc. Bal. (US\$B, ar)	-17.7	-5.1							
Merch. Trade Bal. (US\$B, ar)	0.6	0.1	0.6	0.4 (May)					
Industrial Production	4.8	4.8	4.2	1.6 (Apr)					
CPI	6.4	4.8	4.3	3.3 (May)					

Latin America









Brazil 					Chile 				
	2015	15Q4	16Q1	Latest		2015	15Q4	16Q1	Latest
Real GDP	-3.8	-5.9	-5.4		Real GDP	2.1	1.3	2.0	
Current Acc. Bal. (US\$B, ar)	-59.2	-38.3	-30.5		Current Acc. Bal. (US\$B, ar)	-15.9	-8.3	2.1	
Merch. Trade Bal. (US\$B, ar)	19.7	37.7	33.6	77.2 (May)	Merch. Trade Bal. (US\$B, ar)	-3.0	0.3	8.4	8.9 (May)
Industrial Production	-8.2	-11.9	-11.7	-9.3 (Apr)	Industrial Production	-0.3	-1.0	-0.8	-3.4 (Apr)
CPI	9.0	10.4	10.1	18.1 (May)	CPI	4.3	4.1	4.6	4.2 (May)
Peru 					Colombia 				
Real GDP	3.3	4.7			Real GDP	3.1	3.4		
Current Acc. Bal. (US\$B, ar)	-8.4	-1.5			Current Acc. Bal. (US\$B, ar)	-18.8	-4.1		
Merch. Trade Bal. (US\$B, ar)	-0.2	0.0	-0.2	0.0 (Apr)	Merch. Trade Bal. (US\$B, ar)	-1.3	-1.6	-1.2	-1.1 (Apr)
Unemployment Rate (%)	6.4	5.8	6.9	7.1 (May)	Industrial Production	0.8	3.2	5.5	8.4 (Apr)
CPI	3.5	4.1	4.5	3.5 (May)	CPI	5.0	6.4	7.7	8.2 (May)

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

Source: Bloomberg, IHS Global, Scotiabank Economics.

Financial Statistics

Interest Rates (% , end of period)

Canada 	15Q4	16Q1	Jun/17	Jun/24*	United States 	15Q4	16Q1	Jun/17	Jun/24*
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	0.49	3-mo. T-bill	0.16	0.20	0.25	0.26
10-yr Gov't Bond	1.39	1.23	1.12	1.17	10-yr Gov't Bond	2.27	1.77	1.61	1.57
30-yr Gov't Bond	2.15	2.01	1.77	1.81	30-yr Gov't Bond	3.02	2.61	2.42	2.42
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	83.9	(Apr)	FX Reserves (US\$B)	106.5	108.7	110.0	(Apr)
Germany 					France 				
3-mo. Interbank	-0.09	-0.24	-0.27	-0.26	3-mo. T-bill	-0.45	-0.42	-0.51	-0.52
10-yr Gov't Bond	0.63	0.15	0.02	-0.05	10-yr Gov't Bond	0.99	0.49	0.43	0.39
FX Reserves (US\$B)	58.5	60.8	61.8	(Apr)	FX Reserves (US\$B)	55.2	57.2	55.3	(Apr)
Euro Zone 					United Kingdom 				
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	-0.34	-0.34	3-mo. T-bill	0.48	0.48	0.45	0.45
FX Reserves (US\$B)	333.9	340.7	340.6	(Apr)	10-yr Gov't Bond	1.96	1.42	1.14	1.10
Japan 					Australia 				
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	2.08	2.01
10-yr Gov't Bond	0.27	-0.03	-0.15	-0.17	FX Reserves (US\$B)	46.5	46.1	47.0	(Apr)
FX Reserves (US\$B)	1207.0	1231.6	1230.8	(Apr)					

Exchange Rates (end of period)

USDCAD	1.38	1.30	1.29	1.29	¥/US\$	120.22	112.57	104.16	102.35
CADUSD	0.72	0.77	0.78	0.77	US\$/Australian\$	0.73	0.77	0.74	0.75
GBPUSD	1.474	1.436	1.436	1.365	Chinese Yuan/US\$	6.49	6.45	6.59	6.62
EURUSD	1.086	1.138	1.128	1.113	South Korean Won/US\$	1175	1143	1173	1179
JPYEUR	0.77	0.78	0.85	0.88	Mexican Peso/US\$	17.208	17.279	18.838	18.881
USDCHF	1.00	0.96	0.96	0.97	Brazilian Real/US\$	3.961	3.592	3.416	3.382

Equity Markets (index, end of period)

United States (DJIA)	17425	17685	17675	17555	U.K. (FT100)	6242	6175	6021	6197
United States (S&P500)	2044	2060	2071	2057	Germany (Dax)	10743	9966	9631	9614
Canada (S&P/TSX)	13010	13494	13902	13949	France (CAC40)	4637	4385	4194	4148
Mexico (IPC)	42978	45881	45306	44898	Japan (Nikkei)	19034	16759	15600	14952
Brazil (Bovespa)	43350	50055	49534	49829	Hong Kong (Hang Seng)	21914	20777	20170	20259
Italy (BCI)	1218	1056	990	1038	South Korea (Composite)	1961	1996	1953	1925

Commodity Prices (end of period)

Pulp (US\$/tonne)	940	950	980	980	Copper (US\$/lb)	2.13	2.20	2.05	2.12
Newsprint (US\$/tonne)	505	545	545	545	Zinc (US\$/lb)	0.73	0.81	0.90	0.91
Lumber (US\$/mfbm)	274	303	320	316	Gold (US\$/oz)	1060.00	1237.00	1290.70	1315.50
WTI Oil (US\$/bbl)	37.04	38.34	47.98	47.95	Silver (US\$/oz)	13.82	15.38	17.37	18.04
Natural Gas (US\$/mmbtu)	2.34	1.96	2.62	2.68	CRB (index)	176.14	170.52	192.38	189.70

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

Fixed Income Strategy (London)

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