

INTO THE HOME STRETCH

- [Canada — Poloz In The Aftermath Of The US Election](#) 2
- [United States — Plenty On Tap The Week Before The Hike](#) 2-4
- [Asia — Eyes On China's Manufacturing Recovery](#) 4
- [Latin America — One Size Doesn't Fit All](#) 5
- [Europe — More Binary Poll Risk](#) 5-6

FEATURE ARTICLE

- [Brazil: Gradual Approach To Monetary Easing](#) 7

Pablo Bréard

FORECASTS & DATA

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

CONTACTS

Derek Holt
416.863.7707
Scotiabank Economics
derek.holt@scotiabank.com

Next Week's Risk Dashboard

- ▶ BoC's Poloz
- ▶ CDN GDP, Jobs
- ▶ CDN bank earnings
- ▶ US nonfarm payrolls
- ▶ China PMIs
- ▶ Black Friday results
- ▶ Fed speak
- ▶ Week before Italy's vote
- ▶ ECB's Draghi
- ▶ Eurozone CPI
- ▶ UK PMIs
- ▶ US, European, Asian, LatAm macro
- ▶ India's Q3 GDP
- ▶ Brazil rate decision
- ▶ Brazilian Q3 GDP, inflation

Chart of the Week

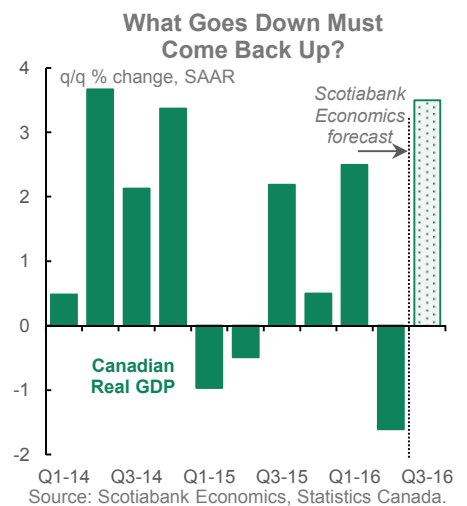


Chart of the Week: Prepared by: Samantha Cameron, Research Assistant.

Into The Home Stretch

CANADA — POLOZ IN THE AFTERMATH OF THE US ELECTION

Bank earnings, monetary policy signals and key data will offer plenty of domestic influences upon local markets in addition to the spillover effects of developments abroad next week. The risks are spread throughout the entire week.

How does the Bank of Canada feel about the outlook in the wake of the US election? This may be the main issue to address as **Governor Stephen Poloz speaks** on Monday evening. His formal topic is “The Role of Services in Canada’s Economy.” Headlines will hit the wires at 7:45pmET, he starts speaking at 8pmET, and there will be both audience Q&A afterward and then a press conference at about 9pmET. Given Poloz said that a rate cut was being “actively” considered at the October 19th meeting, does he feel the potential for easing has gone up or down in the wake of the US election? The issue includes a potential protectionist turn by the US with associated risks to NAFTA, but the other influences of the election aftermath — including CAD depreciation and potential US fiscal stimulus — may balance out some of the risks. As chart 1 depicts, the depreciation in CAD following the election has been marginal in absolute terms and even more so in relation to the majority of other currencies.

Fiscal Q4 and full year bank earnings will be a sizeable influence upon the domestic market tone given the large role played by the banks on the TSX (almost one-quarter of the index) and the corporate credit universe. BNS (my employer) releases first on Tuesday, followed by RBC on Wednesday, CIBC, TD and Canadian Western Bank on Thursday, National Bank on Friday, and then BMO and Laurentian will be last to release the following Tuesday.

GDP growth and jobs could offer mildly conflicting signals on the health of the Canadian economy. A strong 44k gain in employment in October may be a tough act to follow in next Friday’s November print. GDP growth in Q3 is likely to be 3-handled (3.5% q/q is our estimate) but how the quarter ended is at least as important by way of what it signals about the hand-off to Q4 growth that is expected to come in markedly slower. Higher-frequency readings suggest the economy will be lucky to have eked out marginal growth for the last month of Q3 and would therefore enter Q4 on relatively weak growth footings.

Canada auctions 2s two days later so Poloz’s tone may impact the attractiveness of the auction.

UNITED STATES — PLENTY ON TAP THE WEEK BEFORE THE HIKE

Data risk heats up next week with much of the focus upon nonfarm, except it may not matter one iota. **How Black Friday sales results reflect post-election confidence may be of greater importance as the holiday shopping season kicks into higher gear.**

Why? The horse has left the barn on a December rate hike by the Federal Reserve. Barring a massive disappointment, sudden shock to the financial system or unforeseen random event, the Fed will hike on December 14th with markets giving them a free pass to do so. Fed fund futures remain 100% priced for a December hike.

The grander debate is how the evolution of data, markets, fiscal and regulatory policy intersect one another in determining the future monetary policy bias. On that note, in my personal opinion, **the risk at some point into early next year is to see renewed statement reference to international risks that would include USD strength.** When the Fed takes such turns, it usually does so well after the point at which it has become a serious consideration. The broad trade-weighted dollar index has risen to its highest since early 2002. It has surpassed where it peaked in January but for somewhat, though not entirely different reasons. Back then it was China-related as markets were roiled by economic and market instability in that country; today it is partly due to safe-haven seeking from protectionist concerns but also, in my opinion, an overshoot on US monetary, fiscal and regulatory policies going forward. And don’t discount the return of China risks in Q1 due to seasonality in the capital account outflows when dollar conversion limits start afresh after another year of yuan depreciation.

Chart 1

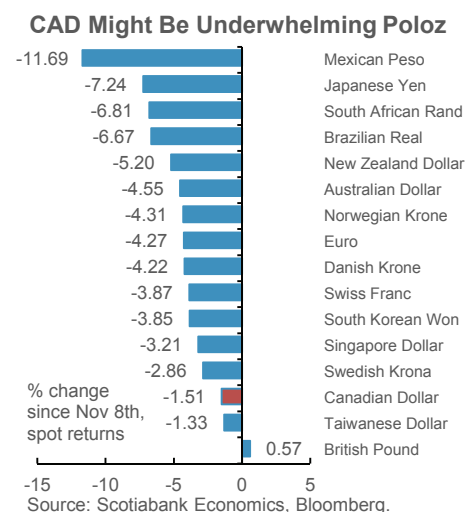


Chart 2 is one way of expressing the dangers of an elevated currency. With what has happened to the dollar's run-up over the past couple of years, the fairly tight lagged correlations would suggest that the trade or broader current account deficit may blow out in future. The narrowing of the current account deficit to around 2% of GDP reflects past depreciation of the dollar from the mid-2000s onward except for the temporary 2008-09 episode of dollar strength. The re-widening of this deficit will reflect what is already happening. President-elect Trump could well come to preside over the biggest trade deficit in US history in dollar terms and quite possibly as a share of the economy. Will this spark voter backlash on a broken promise into the 2018 Congressional mid-terms? Or will it drive a Trump administration to become increasingly protectionist on the import half of the equation? If so, the US trade deficit in the aftermath of retaliatory trade measures abroad could well be put on a ruinous path no matter what. That leaves the Fed, accused as it stands of being overly dovish by the Trump camp, to speak more dovishly and tamp down dollar strength. In yet another ironic twist, this could be the best chance to save Trump's bacon on trade policy.

Markets will also have an eye on how holiday sales performed with Thanksgiving week, Black Friday and Cyber Monday sales. While the data sources that track Black Friday sales continue to increase and improve, it's worth first noting some challenges that come along with interpreting the data before we turn to the sources you can check over coming days.

- First, the five day stretch from Thanksgiving onward has long been felt to cannibalize sales later in the holiday season.
- Second, Black Friday may no longer be what it used to be. It has grown into including Thanksgiving Day and pre-Thanksgiving sales.
- Third, the fact that Cyber Monday again falls within November this year instead of tripping into December 1st as it did in each of 2012, 2013 and 2014 may mean a more concentrated effect on retail sales in November this year — and more giveback in December — than the seasonal norm.

Regardless, here are some of the main data sources used to get numbers on Thanksgiving period shopping with links to recent reports where available.

IBM Coremetrics: Tracks web-traffic and spending on Black Friday and Cyber Monday. Available following Cyber Monday ([link](#)).

Comscore: Provides online sales results for both Thanksgiving Day and Black Friday on the Sunday following Thanksgiving and within a couple of days following Cyber Monday. This firm provides a breakout between Thanksgiving Day, Black Friday, the weekend altogether and Cyber Monday ([link](#)).

National Retailers Federation: Provides a poll that offers dollar amounts spent and breakdowns by both 'cyber spending' and bricks and mortar shopping ([here](#)). Available following Cyber Monday.

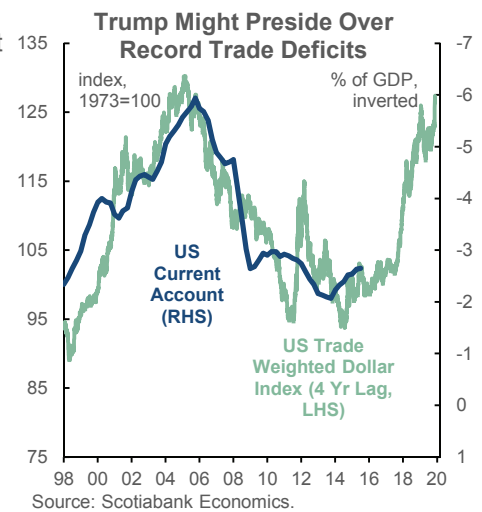
NPD Group: Provider of detailed data on year-on-year purchases of consumer electronics online ([link](#)). Available a number of days following Cyber Monday.

Shopper Trak: Survey group that provides data on foot traffic through malls during the Thanksgiving and Black Friday period ([link](#)). Available on the weekend following Black Friday.

International Council of Shopping Centers: This retailer trade group publishes regular weekly data (seasonally adjusted) on shopping tendencies ([link](#)). Released on Wednesdays.

On the more morbid end of the spectrum, you can track social progression [here](#). I hope there will be no entries this year as there were none last year.

Chart 2



Fed speak will factor into the market tone, but there has been so much of late including Chair Yellen's JEC testimony, Fed minutes and various speeches that it's difficult to imagine what more can be said now. **Governors Powell (twice) and Brainard both speak, and so does NY Fed President Bill Dudley and Dallas Fed President Rob Kaplan** (alternate 2016, voting 2017). The Fed's Beige Book of regional economic conditions arrives on Wednesday.

Other data risk will include the following:

- **Q3 GDP revisions:** Tuesday's second swing at the numbers is expected to yield little change to the 2.9% initial estimate.
- **Consumer spending:** Wednesday's spending tally will probably follow higher the already-released retail sales report and thus post a decent gain. The Fed's preferred inflation measure is expected to register headline upside but stable core PCE inflation at 1.7%.
- **ISM manufacturing:** A stable, expansionary reading around the 52 mark (above 50 signals expansion) is expected as the regional surveys have been mixed (Empire, Richmond better; Philly, KC worse) but the transportation manufacturing sector is generally underrepresented by the regional surveys.
- **S&P Case Shiller CoreLogic house prices:** Watch this metric, but perhaps not just yet. Tuesday's release for September obviously won't capture the impact of the run-up in mortgage rates that unfolded thereafter. I expect housing data to deteriorate over the winter months in response to this rate shock, and it has been of late even for the period before the rate shock started to unfold.

Sundry other releases will include ADP private payrolls, the Chicago Fed's PMI, and pending home sales all on Wednesday, and then construction spending and vehicle sales on Thursday.

ASIA — EYES ON CHINA'S MANUFACTURING RECOVERY

Probably more of the impact on Asian financial markets will come from developments outside of the region, but a heavy line-up of macro data may incrementally affect the market tone. **At the top of the list of factors that could be of significance to global markets will be Chinese macro data.**

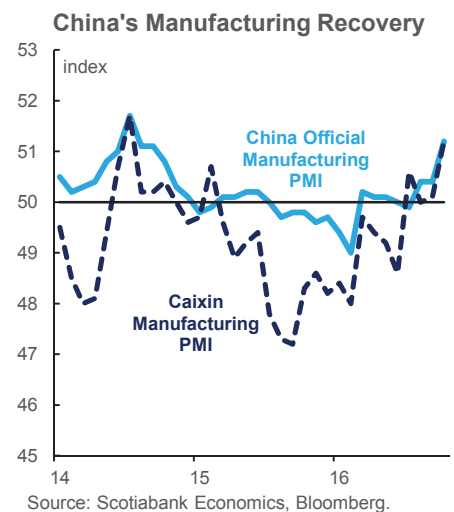
It hasn't all been about the US election. Before that became an influence on markets, improved sentiment toward China was one of the main factors in the driver's seat in terms of improved risk appetite. As such, markets will be sensitive toward whether this continues when purchasing manager indices arrive around mid-week. The state's manufacturing and non-manufacturing PMIs and the private sector's manufacturing PMI will all be updated with November estimates. They've taken off — mostly on the manufacturing side — over recent months (chart 3). **Any continuation of this trend will reinforce risk appetite but a disappointment would throw a renewed question mark into asset markets.** China also releases industrial profits for October this weekend and the profit recovery has been a major reason behind why risks to China's credit market remain manageable, in my opinion.

Japan's monthly data dump starts Monday with household spending, retail sales and the jobless rate for October. Tuesday brings out industrial production, vehicle output and housing starts. Capital spending during Q3 lands Wednesday.

India's Q3 GDP report (Wednesday) is expected to register growth around 7½% y/y which would remain in the same general range it has been in since the middle of last year.

Beyond these considerations will be a wave of reports from multiple countries throughout the region, but a common theme of relevance to global markets will likely prove difficult to discern.

Chart 3



LATIN AMERICA — ONE SIZE DOESN'T FIT ALL

After Turkey recently raised rates, the focus is on currency effects upon central bank decisions across the emerging markets space. Don't look for a repeat next week from Brazil. I've asked Pablo Bréard to share his thoughts on the decision on page 7. He expects **Banco Central do Brasil to cut the Selic rate by 25bps** to 13.75% as the inflation and currency dynamics have shifted markedly in favour of continuing the policy easing that began in October. Despite widespread currency weakness versus the USD since the US election results became known, **varying individual circumstances have driven uneven policy changes among central banks that have had to make decisions since then (chart 4)**. This further reinforces our point that the emerging markets space is hardly homogeneous, with many countries facing sharply different policy motivations and choices.

Brazil will also release some top tier macro data over the course of the week.

GDP is expected to contract for the seventh consecutive quarter when Q3 GDP is released on November 30th, and inflation is expected to continue cooling and could drop below 8% y/y to its lowest since the summer of 2015. Updates on industrial production, exports and the fiscal budget balance will also be closely followed by way of tracking risks to growth in Q4.

Miscellaneous macro updates will figure less prominently and include Chilean manufacturing output, retail sales and industrial output, plus Peru's latest inflation reading which has been rising over the prior two reports, and Mexico's unemployment rate.

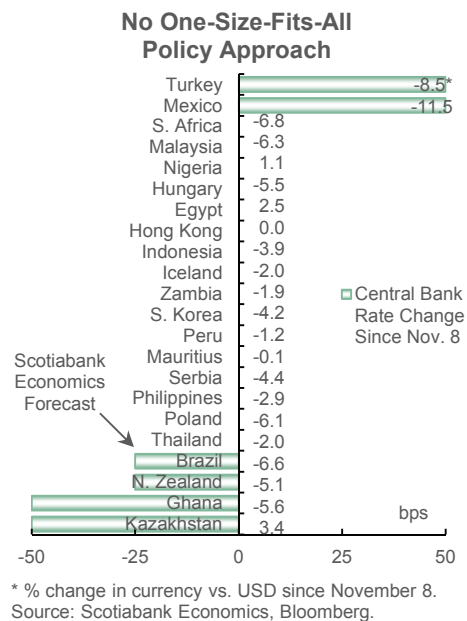
EUROPE — MORE BINARY POLL RISK

Uh oh, another poll-dependent moment faces markets, but not until just after the end of next week. On Sunday December 4th, Italians go to the voting booth to decide whether to back Prime Minister Renzi's proposed constitutional reforms including Senate amendments that would weaken its influence. This bill has been kicking around since 2014 but the issue has come to a head. **Next week may have markets focused upon the potential outcome and positioning into the Italian vote results with the only other focal point being macroeconomic data releases.**

The vote is about more than constitutional reforms, as big an issue as that is nevertheless. It is widely billed as yet another test of the disturbing rise of populism across the world. Renzi has said he will resign his post if Italians vote 'no' at which point President Sergio Mattarella would need to decide whether to accept the resignation, and if so, appoint an interim government on the path to elections. The fear is that this would only add more political risk to the future of the EU when Europe will already be embroiled in elections (Germany and France), the UK's Article 50 application to withdraw from the EU is pending, and there is the potential for various referenda and parliamentary votes. Italy's Donald Trump is Beppe Grillo, leader of the right wing Five Star Movement (and previously a comic). The latest polls — whatever they've been worth — showed the 'no' camp ahead by five percentage points before a black-out period on additional polling fell into place. There is some talk about how a 'yes' vote would actually work to the benefit of the populist movements over time whereas a 'no' vote could enact electoral reform that could make a victory by populist elements more difficult in future. People far better versed in Italy's constitutional reforms than I suggest that the short-term ramifications of the vote could be very different from the longer-term consequences. Could this be yet another occasion on which the feared market aftermath bears no resemblance to what might actually happen?

At the top of the list of macro reports will be inflation updates from across the Eurozone. Germany starts it all with regional and national CPI prints for November on Tuesday. Spain releases the same day, and both French and Italian CPI will be updated on Wednesday along with the Eurozone add-up. CPI readings have improved, but market-based measures more so and in my opinion the latter are getting ahead of the likely future course of inflation risk (chart 5).

Chart 4

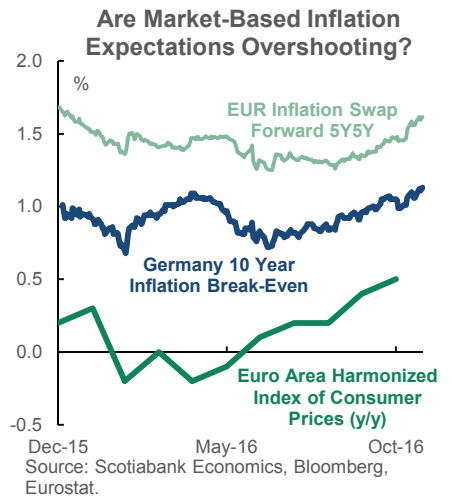


ECB President Mario Draghi will address the European Parliament’s Economy Committee on Monday ahead of the inflation readings and will speak to economic and monetary developments and the Brexit aftermath. Draghi is also expected to address the issue of negative interest rates and their effects on bank profitability, as well as transmission channels of unconventional monetary policy in the euro area. Draghi then resurfaces in Spain on Wednesday after the inflation readings have been released but his topic will be the rather unwieldy “future of Europe”. That will be his last appearance before the ECB policy decision and ensuing press conference on December 8th.

Second on the list will be yet more purchasing managers’ indices from the UK, including end-of-week releases for the manufacturing and construction sectors.

Other data reports will include French Q3 GDP revisions and consumer spending, German retail sales and unemployment changes, Spanish retail sales and that country’s manufacturing PMI.

Chart 5



Feature Article

Brazil: Gradual Approach To Monetary Easing

The Monetary Policy Committee (COPOM) will meet on November 30th to review the monetary policy stance. We are aligned to the market consensus and believe that the COPOM will reduce its policy-setting interest rate by 25 basis points (bps) to 13.75%. The next COPOM gathering is scheduled for January 11th 2017.

The pace of inflation has shown a descending trend of late. The market-watched IPCA-based consumer price inflation rate is expected to continue in declining mode and approach the 5% y/y mark over the next 12 months; implying a still attractive real interest rate of near 9%. The absence of relevant demand-driven price pressures, despite a modest economic recovery, coupled with moderating currency-induced inflationary expectations may push the central bank to continue a gradual process of monetary easing to help reignite economic activity. After peaking at 10.7% y/y in January 2016, headline inflation has been in consistent decline to 7.9% y/y by the end of October. Progress on inflation containment is a trigger for further downward interest rate adjustments through the end of 2017.

Financial market metrics portray a robust performance of Brazilian assets with positive implications on retail price inflation. On the foreign exchange front, the Brazilian real (BRL) has been the world's best performing currency in 2016, appreciating by 16% y/y since the beginning of the year (YTD), followed closely by the 13.8% gain registered by the Russian ruble. The BRL reacted relatively well to the surge in volatility triggered by the November 8th vote in the USA. Brazil counts on the most developed equity securities market in the developing Americas; indeed, the Sao Paulo stock exchange index iBovespa has mimicked the bullish tone seen in the FX market, increasing by 42% in local-currency terms over the same period (versus a 6.5% gain shown in the US S&P500 index YTD).

Global investors and analysts have a dissenting view on the Brazilian sovereign credit market. On a positive note, sovereign bond yield spreads (as reflected in the emerging-market EMBIG index) and the cost of insurance of government bonds (reflected in CDS contracts) highlight a marked improvement in the global perception of sovereign credit risk. Indeed, The 5-year USD-denominated Brazilian CDS has declined from 507 bps (Dec. 2015) to 245 bps in early September, before modestly increasing to 300 bps now. This reflects a 200 bps improvement in Brazilian credit risk. It is also worth highlighting that the Brazil-Mexico CDS spread has sharply narrowed from 300 bps (Jan 2016) to 120 bps (today) implying asset allocation shifts and rebalancing of portfolios in favour of Brazilian assets. On a cautious note, there is a sharp decoupling between the "market view" and the "rating agencies' view". In fact, all systemically relevant credit ratings maintain a "negative outlook" on their respective sovereign credit ratings on Brazil. We are of the view that Brazil will soon be subject to a credit rating/outlook upgrade. Moreover, Brazil maintains a creditor status with the USA, as it is a major foreign holder of US Treasury Debt assets, in third position after China and Japan.

Finally, the administration of President Michel Temer (appointed following the impeachment of former president Dilma Rousseff) remains committed to deepen the process of macroeconomic adjustment and fiscal emergency inherited from the previous government. Progress on fiscal consolidation and debt containment is critical to improve the country's creditworthiness. The improvement in financial market conditions have helped somewhat alleviate the interest debt burden of the public sector, yet the primary deficit at 3.1% of GDP remains a major issue of investor concern and a key deterrent to ignite a stronger growth path in the near term. The consolidated deficit of the public sector reached 9.4% of GDP in the 12 month period ending September 2016. According to the latest consensus survey compiled by the central bank, real GDP will contract by 3.4% this year before modestly recovering a positive 1% expansion in 2017. A major fiscal impulse will be driven by a recently unveiled infrastructure program while declining inflation and exchange rate stability will relatively improve households' purchasing power and consumption activity. On a positive note, FX pressures stemming from the external sector are receding as the current account deficit remains in a steady narrowing trend.

CONTACTS

Pablo Bréard
416.862.3876
Scotiabank Economics
pablo.breard@scotiabank.com

Key Indicators for the week of November 28 – December 2
NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	11/28	09:00	Unemployment Rate (%)	Oct	3.9	--	4.1
US	11/28	10:30	Dallas Fed. Manufacturing Activity	Nov	--	1.5	-1.5
CA	11/29	08:30	Current Account (C\$ bn a.r.)	3Q	--	-17.1	-19.9
US	11/29	08:30	GDP (q/q a.r.)	3Q S	2.9	3.0	2.9
US	11/29	08:30	GDP Deflator (q/q a.r.)	3Q S	--	1.5	1.5
US	11/29	09:00	S&P/Case-Shiller Home Price Index (m/m)	Sep	--	0.3	0.2
US	11/29	09:00	S&P/Case-Shiller Home Price Index (y/y)	Sep	--	5.2	5.1
US	11/29	10:00	Consumer Confidence Index	Nov	100.0	101.2	98.6
US	11/30	07:00	MBA Mortgage Applications (w/w)	NOV 25	--	--	5.5
US	11/30	08:15	ADP Employment Report (000s m/m)	Nov	150.0	160.0	146.9
CA	11/30	08:30	IPPI (m/m)	Oct	--	--	0.4
CA	11/30	08:30	Raw Materials Price Index (m/m)	Oct	--	--	-0.1
CA	11/30	08:30	Real GDP (m/m)	Sep	0.1	0.1	0.2
CA	11/30	08:30	Real GDP (q/q a.r.)	3Q	3.5	3.4	-1.6
US	11/30	08:30	PCE Deflator (m/m)	Oct	0.3	0.3	0.2
US	11/30	08:30	PCE Deflator (y/y)	Oct	1.5	1.5	1.2
US	11/30	08:30	PCE ex. Food & Energy (m/m)	Oct	0.1	0.1	0.1
US	11/30	08:30	PCE ex. Food & Energy (y/y)	Oct	1.7	1.7	1.7
US	11/30	08:30	Personal Spending (m/m)	Oct	0.5	0.5	0.5
US	11/30	08:30	Personal Income (m/m)	Oct	0.4	0.4	0.3
US	11/30	09:45	Chicago PMI	Nov	--	52.0	50.6
US	11/30	10:00	Pending Home Sales (m/m)	Oct	--	0.2	1.5
US	12/01	08:30	Initial Jobless Claims (000s)	NOV 26	255	--	251
US	12/01	08:30	Continuing Claims (000s)	NOV 19	2040	--	2043
US	12/01	10:00	Construction Spending (m/m)	Oct	--	0.6	-0.4
US	12/01	10:00	ISM Manufacturing Index	Nov	52.0	52.1	51.9
US	12/01		Domestic Vehicle Sales (mn a.r.)	Nov	--	14.0	14.1
US	12/01		Total Vehicle Sales (mn a.r.)	Nov	17.8	17.7	17.9
CA	12/02	08:30	Employment (000s m/m)	Nov	0.0	1.3	43.9
CA	12/02	08:30	Unemployment Rate (%)	Nov	7.0	7.0	7.0
CA	12/02	08:30	Productivity (q/q a.r.)	3Q	--	--	-0.3
US	12/02	08:30	Nonfarm Employment Report (000s m/m)	Nov	170.0	180.0	161.0
US	12/02	08:30	Unemployment Rate (%)	Nov	4.9	4.9	4.9
US	12/02	08:30	Household Employment Report (000s m/m)	Nov	--	--	-43.0
US	12/02	08:30	Average Hourly Earnings (m/m)	Nov	--	0.2	0.4
US	12/02	08:30	Average Weekly Hours	Nov	--	34.4	34.4

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	NOV 28-DEC 3		Retail Sales (m/m)	Oct	--	--	-1.4
UK	NOV 28-DEC 3		Nationwide House Prices (m/m)	Nov	--	0.2	0.0
FR	11/29	02:45	Consumer Spending (m/m)	Oct	0.3	0.0	-0.2
FR	11/29	02:45	GDP (q/q)	3Q P	0.2	0.2	0.2
SP	11/29	03:00	CPI (m/m)	Nov P	1.1	0.2	1.1
SP	11/29	03:00	CPI (y/y)	Nov P	--	0.5	0.7
SP	11/29	03:00	CPI - EU Harmonized (m/m)	Nov P	0.1	0.2	0.8
SP	11/29	03:00	CPI - EU Harmonized (y/y)	Nov P	0.4	0.4	0.5
SW	11/29	03:30	GDP (y/y)	3Q	--	--	3.4
UK	11/29	04:30	Net Consumer Credit (£ bn)	Oct	--	1.7	1.4
EC	11/29	05:00	Business Climate Indicator	Nov	--	--	0.6
EC	11/29	05:00	Economic Confidence	Nov	107.5	--	106.3
EC	11/29	05:00	Industrial Confidence	Nov	-0.6	--	-0.6
GR	11/29	05:00	Real GDP NSA (y/y)	3Q F	--	--	1.2
GE	11/29	08:00	CPI (m/m)	Nov P	0.1	--	0.2
GE	11/29	08:00	CPI (y/y)	Nov P	0.8	--	0.8
GE	11/29	08:00	CPI - EU Harmonized (m/m)	Nov P	0.1	--	0.2
GE	11/29	08:00	CPI - EU Harmonized (y/y)	Nov P	0.8	--	0.7
UK	11/29	19:01	GfK Consumer Confidence Survey	Nov	--	-3.0	-3.0

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

Key Indicators for the week November 28 – December 2
EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
FR	11/30	02:45	CPI (m/m)	Nov P	-0.1	0.1	0.0
FR	11/30	02:45	CPI (y/y)	Nov P	0.5	0.5	0.4
FR	11/30	02:45	CPI - EU Harmonized (m/m)	Nov P	-0.1	0.0	0.0
FR	11/30	02:45	CPI - EU Harmonized (y/y)	Nov P	0.6	0.6	0.5
FR	11/30	02:45	Producer Prices (m/m)	Oct	--	--	0.1
SP	11/30	03:00	Budget Balance YTD (€ mn)	Oct	--	--	-28530
SP	11/30	03:00	Real Retail Sales (y/y)	Oct	--	3.5	3.6
GE	11/30	03:55	Unemployment (000s)	Nov	-7.0	--	-13.0
GE	11/30	03:55	Unemployment Rate (%)	Nov	6.0	--	6.0
PD	11/30	04:00	GDP (y/y)	3Q F	--	--	2.50
SP	11/30	04:00	Current Account (€ bn)	Sep	--	--	2.9
EC	11/30	05:00	Euro zone CPI Estimate (y/y)	Nov	0.6	--	0.5
EC	11/30	05:00	Euro zone Core CPI Estimate (y/y)	Nov A	0.9	--	0.8
IT	11/30	05:00	CPI (m/m)	Nov P	--	--	-0.1
IT	11/30	05:00	CPI (y/y)	Nov P	--	--	-0.2
IT	11/30	05:00	CPI - EU Harmonized (m/m)	Nov P	-0.2	--	0.2
IT	11/30	05:00	CPI - EU Harmonized (y/y)	Nov P	0.1	--	-0.1
PO	11/30	06:00	Real GDP (q/q)	3Q F	--	--	0.80
IT	12/01	03:45	Manufacturing PMI	Nov	51.5	--	50.9
UK	12/01	04:30	Manufacturing PMI	Nov	--	54.6	54.3
EC	12/01	05:00	Unemployment Rate (%)	Oct	10.0	--	10.0
IT	12/01	05:00	Real GDP (q/q)	3Q F	0.3	--	0.3
IT	12/01		Budget Balance (€ bn)	Nov	--	--	-15.3
IT	12/01		Budget Balance YTD (€ bn)	Nov	--	--	-45.5
SZ	12/02	01:45	GDP (y/y)	3Q	--	--	2.0
UK	12/02	04:30	PMI Construction	Nov	--	52.2	52.6
EC	12/02	05:00	PPI (m/m)	Oct	--	--	0.1

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CH	11/26	20:30	Industrial Profits YTD (y/y)	Oct	--	--	7.7
SK	NOV 27-30		Department Store Sales (y/y)	Oct	--	--	4.1
TH	NOV 27-28		Customs Exports (y/y)	Oct	--	-1.0	3.4
TH	NOV 27-28		Customs Imports (y/y)	Oct	--	1.0	5.6
TH	NOV 27-28		Customs Trade Balance (US\$ mn)	Oct	--	1500	2546
SK	11/28	16:00	Business Survey- Manufacturing	Dec	--	--	72.0
SK	11/28	16:00	Business Survey- Non-Manufacturing	Dec	--	--	73.0
JN	11/28	18:30	Household Spending (y/y)	Oct	--	--	-2.1
JN	11/28	18:30	Jobless Rate (%)	Oct	3.0	--	3.0
JN	11/28	18:50	Large Retailers' Sales (y/y)	Oct	--	--	-3.2
JN	11/28	18:50	Retail Trade (y/y)	Oct	--	--	-1.7
PH	NOV 28-29		Bank Lending (y/y)	Oct	--	--	16.4
SK	11/29	18:00	Industrial Production (y/y)	Oct	--	-2.0	-2.0
SK	11/29	18:00	Cyclical Leading Index Change	Oct	--	--	0.2
JN	11/29	18:50	Industrial Production (y/y)	Oct P	--	--	1.5
AU	11/29	19:00	HIA New Home Sales (m/m)	Oct	--	--	2.7
AU	11/29	19:30	Building Approvals (m/m)	Oct	--	2.0	-8.7
AU	11/29	19:30	Private Sector Credit (y/y)	Oct	--	--	5.4
JN	11/29	23:00	Vehicle Production (y/y)	Oct	--	--	1.4
JN	11/30	00:00	Housing Starts (y/y)	Oct	--	--	10.0
JN	11/30	00:00	Construction Orders (y/y)	Oct	--	--	16.3
TH	11/30	02:30	Exports (y/y)	Oct	--	--	3.5
TH	11/30	02:30	Imports (y/y)	Oct	--	--	1.7
TH	11/30	02:30	Trade Balance (US\$ mn)	Oct	--	--	3721
TH	11/30	02:30	Current Account Balance (US\$ mn)	Oct	--	--	2929

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

Key Indicators for the week November 28 – December 2
ASIA-PACIFIC (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IN	11/30	07:00	Real GDP (y/y)	3Q	7.5	7.5	7.1
NZ	11/30	16:45	Terms of Trade Index (q/q)	3Q	--	0.0	-2.1
SK	11/30	18:00	Current Account (US\$ mn)	Oct	--	--	8260.5
SK	11/30	18:00	CPI (y/y)	Nov	1.3	1.4	1.3
SK	11/30	18:00	Core CPI (y/y)	Nov	--	--	1.5
JN	11/30	18:50	Capital Spending (y/y)	3Q	--	--	3.1
SK	11/30	19:00	Exports (y/y)	Nov	--	--	-3.2
SK	11/30	19:00	Imports (y/y)	Nov	--	--	-5.4
SK	11/30	19:00	Trade Balance (US\$ mn)	Nov	--	6800.0	7161.0
AU	11/30	19:30	Private Capital Expenditure	3Q	--	-3.0	-5.4
CH	11/30	20:00	Manufacturing PMI	Nov	51.0	51.0	51.2
CH	11/30	20:00	Non-manufacturing PMI	Nov	--	--	54.0
CH	11/30	20:45	Caixin China Manufacturing PMI	Nov	51.0	50.8	51.2
TH	11/30	22:30	Consumer Confidence Economic	Nov	--	--	62.0
ID	NOV 30-DEC 1		CPI (y/y)	Nov	3.4	--	3.3
ID	NOV 30-DEC 1		Core CPI (y/y)	Nov	--	--	3.1
JN	NOV 30-DEC 7		Official Reserve Assets (US\$ bn)	Nov	--	--	1242.8
TH	NOV 30-DEC 1		CPI (y/y)	Nov	0.5	--	0.3
TH	NOV 30-DEC 1		Core CPI (y/y)	Nov	--	--	0.7
JN	12/01	00:00	Vehicle Sales (y/y)	Nov	--	--	0.8
TH	12/01	02:30	Business Sentiment Index	Nov	--	--	49.2
HK	12/01	03:30	Retail Sales - Volume (y/y)	Oct	--	--	-3.9
SK	12/01	18:00	GDP (y/y)	3Q F	2.7	--	2.7
JN	12/01	18:50	Monetary Base (y/y)	Nov	--	--	22.1
AU	12/01	19:30	Retail Sales (m/m)	Oct	--	0.5	0.6
SI	12/02	08:00	Purchasing Managers Index	Nov	--	--	50.0

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CL	11/29	07:00	Industrial Production (y/y)	Oct	1.1	--	1.4
CL	11/29	07:00	Retail Sales (y/y)	Oct	3.8	--	7.4
BZ	11/30	06:00	GDP (IBGE) (q/q)	3Q	--	-1.0	-0.6
BZ	11/30	06:00	GDP (IBGE) (y/y)	3Q	--	-3.2	-3.8
CL	11/30	07:00	Unemployment Rate (%)	Oct	7.0	--	6.8
CO	11/30	10:00	Urban Unemployment Rate (%)	Oct	--	9.0	9.3
BZ	11/30		SELIC Target Rate (%)	Nov 30	13.75	13.75	14.00
PE	12/01	00:00	Consumer Price Index (m/m)	Nov	0.2	--	0.4
PE	12/01	00:00	Consumer Price Index (y/y)	Nov	3.2	--	3.4
BZ	12/01	07:00	PMI Manufacturing Index	Nov	--	--	46.3
BZ	12/01	12:00	Trade Balance (FOB) - Monthly (US\$ mn)	Nov	--	--	2346
BZ	12/02	06:00	Industrial Production SA (m/m)	Oct	--	-0.6	0.5
BZ	12/02	06:00	Industrial Production (y/y)	Oct	--	-4.5	-4.8

Global Auctions for the week of November 28 – December 2**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	11/30	12:00	Canada to Sell 2-Year Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	11/29	05:00	Italy to Sell Bonds
SW	11/30	05:03	Sweden to Sell Bonds
GE	11/30	05:30	Germany to Sell EUR3 Bln 0% 2021 Bonds (DE0001141745)
FR	12/01	04:50	France to Sell Bonds
FR	12/01	05:50	France to Sell I/L Bonds
IC	12/02	06:30	Iceland to Sell Bonds
DE	12/02	10:00	Denmark Bond Offering

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	11/28	22:45	Japan to Sell 2-Year Bonds
CH	11/29	01:00	Tibet to Sell General Bonds
CH	11/29	02:00	Tibet to Sell Special Bonds
JN	11/30	22:45	Japan to Sell 10-Year Bonds

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	12/01	09:00	Brazil to Sell Fixed Rate Bonds

Events for the week of November 28 – December 2

NORTH AMERICA

Country	Date	Time	Event
CA	11/28	19:45	Bank of Canada's Poloz at CD Howe Lecture
US	11/29	09:15	Fed's Dudley Speaks on Puerto Rico Economy
US	11/29	12:40	Fed Governor Powell Speaks
US	11/30	08:00	Fed's Kaplan Speaks in New York
US	11/30	10:00	Treasury Department; Internal Revenue Service - Meeting
US	11/30	11:45	Fed Governor Powell Speaks in Washington
US	11/30	12:35	Fed's Mester Speak on Economic Outlook and Monetary Policy
US	11/30	14:00	U.S. Federal Reserve Releases Beige Book
US	11/30		OPEC Meeting: 171st Meeting in Vienna
US	12/01	00:00	Treasury Department; Internal Revenue Service - Meeting
US	12/01	08:00	Fed's Kaplan Speaks in San Antonio
US	12/01	08:30	Fed's Mester Gives Opening Remarks at Financial Stability Conference
MX	12/01	10:00	Central Bank Monetary Policy Minutes
US	12/01	12:00	The National Economists Club holds a book discussion
US	12/02	08:45	Fed Governor Brainard speaks in Washington
US	12/02	13:00	Fed's Tarullo Speaks at Financial Stability Conference

EUROPE

Country	Date	Time	Event
EC	11/28	08:10	ECB's Coeure speaks in Athens
SW	11/28	08:45	Riksbank Deputy Governor Ohlsson Speaks in Lulea
EC	11/28	09:00	ECB's Draghi Speaks at European Parliament in Brussels
UK	11/28	09:50	Bank of England Bond Buying Operation
EC	11/28	10:00	EU's Verhofstadt Speaks at Intl Press Center in Brussels
GE	11/28	12:00	Merkel Speaks to CDU Regional Conference in Heidelberg
EC	11/29	03:45	EU's Dijsselbloem Speaks at European Parliament in Brussels
UK	11/29	09:50	Bank of England Bond Buying Operation
PO	11/29		Portuguese Parliament Holds Final Vote on 2017 Budget
SW	11/30	02:35	Riksbank Deputy Governor Floden Gives Speech
EC	11/30	07:30	ECB President Mario Draghi speaks in Madrid
UK	11/30	09:50	Bank of England Bond Buying Operation
GE	11/30	12:00	Merkel Speaks at CDU Regional Conference in Muenster
EC	11/30		European Parliament Meets in Plenary Session in Brussels
SW	12/01	02:00	Swedish FSA Stability Report
SW	12/01	04:00	Deputy Governor Cecilia Skingsley Speaks in Tokyo
UK	12/01		Richmond Park By-Election to U.K. House of Commons
EC	12/01		EU Transport Ministers Meet in Brussels
NO	12/01		Norges Bank Deputy Governor Egil Matsen Speaks in Oslo
IT	12/02	03:00	Vatican Conference on Global Economy
GE	12/02	12:00	Merkel Speaks at CDU Regional Conference in Jena
SW	12/02		Sweden Sovereign Debt to Be Rated by Moody's
TU	12/02		Turkey Sovereign Debt to Be Rated by Moody's
IR	12/02		Ireland Sovereign Debt to Be Rated by S&P
SW	12/02		Sweden Sovereign Debt to Be Rated by DBRS

ASIA-PACIFIC

Country	Date	Time	Event
PK	NOV 18-26		SBP Rate Decision (Target)
JN	11/20	20:30	BOJ Masai makes a speech in Saitama-city
AU	11/21	18:25	RBA's Aylmer Speech in Sydney
AU	11/22	02:45	RBA's Kent Speech at ABE Event in Sydney
MA	11/23	02:00	BNM Overnight Policy Rate

LATIN AMERICA

Country	Date	Time	Event
BZ	11/30		Selic Rate

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	December 7, 2016	0.50	0.50
Federal Reserve – Federal Funds Target Rate	0.50	December 14, 2016	0.75	0.75
Banco de México – Overnight Rate	5.25	December 15, 2016	5.75	--

Bank of Canada: Governor Poloz speaks on Monday evening and will have the opportunity to guide updated thinking in the wake of the US election and ahead of the following week's rate decision.

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	December 8, 2016	0.00	--
Bank of England – Bank Rate	0.25	December 15, 2016	0.25	--
Swiss National Bank – Libor Target Rate	-0.75	December 15, 2016	-0.75	--
Central Bank of Russia – One-Week Auction Rate	10.00	December 16, 2016	10.00	--
Sweden Riksbank – Repo Rate	-0.50	December 21, 2016	-0.50	--
Norges Bank – Deposit Rate	0.50	December 15, 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	December 20, 2016	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	December 5, 2016	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	February 8, 2017	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.25	December 7, 2016	6.25	--
Bank of Korea – Bank Rate	1.25	December 15, 2016	1.25	--
Bank of Thailand – Repo Rate	1.50	December 21, 2016	1.50	1.50
Bank Indonesia – 7-Day Reverse Repo Rate	4.75	December 14, 2016	4.75	--

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	14.00	November 30, 2016	13.75	13.75
Banco Central de Chile – Overnight Rate	3.50	December 13, 2016	3.50	--
Banco de la República de Colombia – Lending Rate	7.75	December 16, 2016	7.75	7.75
Banco Central de Reserva del Perú – Reference Rate	4.25	December 15, 2016	4.25	--

Banco Central do Brasil: We expect a 25bps rate cut. Please see the accompanying preview article in this edition of the Global Week Ahead.

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	January 24, 2017	7.00	--

This report has been prepared by Scotiabank Economics as a resource for the clients of Scotiabank. Opinions, estimates and projections contained herein are our own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness. Neither Scotiabank nor any of its officers, directors, partners, employees or affiliates accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

These reports are provided to you for informational purposes only. This report is not, and is not constructed as, an offer to sell or solicitation of any offer to buy any financial instrument, nor shall this report be construed as an opinion as to whether you should enter into any swap or trading strategy involving a swap or any other transaction. The information contained in this report is not intended to be, and does not constitute, a recommendation of a swap or trading strategy involving a swap within the meaning of U.S. Commodity Futures Trading Commission Regulation 23.434 and Appendix A thereto. This material is not intended to be individually tailored to your needs or characteristics and should not be viewed as a “call to action” or suggestion that you enter into a swap or trading strategy involving a swap or any other transaction. Scotiabank may engage in transactions in a manner inconsistent with the views discussed this report and may have positions, or be in the process of acquiring or disposing of positions, referred to in this report.

Scotiabank, its affiliates and any of their respective officers, directors and employees may from time to time take positions in currencies, act as managers, co-managers or underwriters of a public offering or act as principals or agents, deal in, own or act as market makers or advisors, brokers or commercial and/or investment bankers in relation to securities or related derivatives. As a result of these actions, Scotiabank may receive remuneration. All Scotiabank products and services are subject to the terms of applicable agreements and local regulations. Officers, directors and employees of Scotiabank and its affiliates may serve as directors of corporations.

Any securities discussed in this report may not be suitable for all investors. Scotiabank recommends that investors independently evaluate any issuer and security discussed in this report, and consult with any advisors they deem necessary prior to making any investment.

This report and all information, opinions and conclusions contained in it are protected by copyright. This information may not be reproduced without the prior express written consent of Scotiabank.

™ Trademark of The Bank of Nova Scotia. Used under license, where applicable.

Scotiabank, together with “Global Banking and Markets”, is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including, Scotiabanc Inc.; Citadel Hill Advisors L.L.C.; The Bank of Nova Scotia Trust Company of New York; Scotiabank Europe plc; Scotiabank (Ireland) Limited; Scotiabank Inverlat S.A., Institución de Banca Múltiple, Scotia Inverlat Casa de Bolsa S.A. de C.V., Scotia Inverlat Derivados S.A. de C.V. – all members of the Scotiabank group and authorized users of the Scotiabank mark. The Bank of Nova Scotia is incorporated in Canada with limited liability and is authorised and regulated by the Office of the Superintendent of Financial Institutions Canada. The Bank of Nova Scotia is authorised by the UK Prudential Regulation Authority and is subject to regulation by the UK Financial Conduct Authority and limited regulation by the UK Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia's regulation by the UK Prudential Regulation Authority are available from us on request. Scotiabank Europe plc is authorised by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulation Authority.

Scotiabank Inverlat, S.A., Scotia Inverlat Casa de Bolsa, S.A. de C.V., and Scotia Derivados, S.A. de C.V., are each authorized and regulated by the Mexican financial authorities.

Not all products and services are offered in all jurisdictions. Services described are available in jurisdictions where permitted by law.