Weekly commentary on economic and financial market developments

July 29, 2016

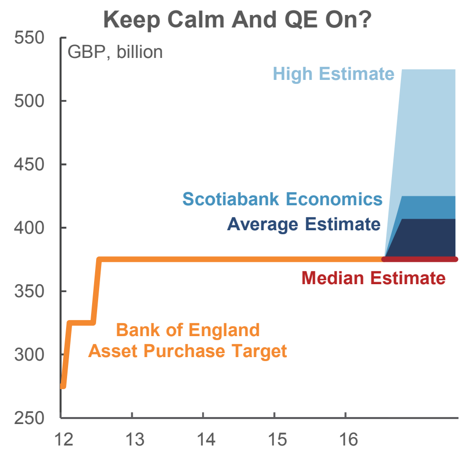
Economics

Fixed Income Strategy

Please see Scotiabank's Forecast Tables, July 6, 2016, for our latest economic, interest and exchange rate and commodity price forecasts.

FORECASTS & DATA

This Week's Featured Chart



Source: Scotiabank Economics, Bank of England, Bloomberg.

Crude Prices May Ease Further, But Rebound By Year's End

- **Oil got a bit ahead of itself in June, breaching $50/bbl, but has since eased as some earlier supply disruptions were resolved and the market focuses on the potential for slower demand growth, an overhang of refined products, and the upcoming seasonal reduction in refinery runs.**
- **Uncertainty remains elevated and it is possible that prices temporarily fall back into the mid-$30s/bbl. However, we would see this as a speed bump and remain of the view that WTI will rise to $50/bbl by year-end and $60/bbl by the end of 2017 on the back of the weak upstream investment and continued reductions in non-OPEC supply.**

Scotiabank's All Commodity Price Index advanced by 3.3% m/m in June as energy gains offset further losses in the metals space (**full report**). Commodities have broadly broken into two fairly distinct groups: one driven by demand considerations, and thus particularly vulnerable to currently fragile global economic conditions, and one where commodity-specific supply concerns have lifted prices off recent lows.

The Oil & Gas index increased by 10.4% m/m in June but prices have since eased, seemingly unable to sustainably breach $50/bbl amidst continued signs of oversupply. We questioned the pace of crude's rally back in April as WTI's narrowing contango appeared to be outpacing fundamentals, but momentum was provided a boost when unplanned production outages spiked in May. Post-wildfire output resumption in Alberta and a temporary reprieve in Nigeria helped reduce unplanned outages by roughly 660 kbpd in June, down 18% relative to the prior month. Prices fell in tandem and near-dated contracts dropped faster than those further down the curve, expanding the contango once again (Chart 1). Shifting sentiment prompted profit-taking through the liquidation of long positions and a fresh surge in speculative shorts (managed money net-longs down 30% since late May), with the bear narrative bolstered by lower than expected U.S. demand and a likely reduction in refinery runs given plunging crack spreads and upcoming seasonal maintenance. **Uncertainty remains elevated and it is possible that prices temporarily fall back into the mid-$30s/bbl. However, we would see this as a speed bump and remain of the view that WTI will rise to $50/bbl by year-end and $60/bbl by the end of 2017 on the back of weak upstream investment and continued reductions in non-OPEC supply** (Chart 2). Sub-$50 WTI will help keep this ongoing rebalancing process on track, whereas Q2's premature rally threatened to artificially extend the glut by throwing cash-strapped producers an unexpected lifeline.

The OPEC vs Non-OPEC trend discussed in our quarterly **Scotiabank's Global Outlook** remains in place. Preliminary June figures indicate that non-OPEC supply contracted by 0.5 MMbpd y/y vs a 0.9 MMbpd OPEC gain. The U.S. shale patch continues to lead the non-OPEC decline while aggressive growth in OPEC producers Iran and Iraq helped offset sliding output from Nigeria and Venezuela. We expect that non-OPEC production will continue to decline on the back of lower

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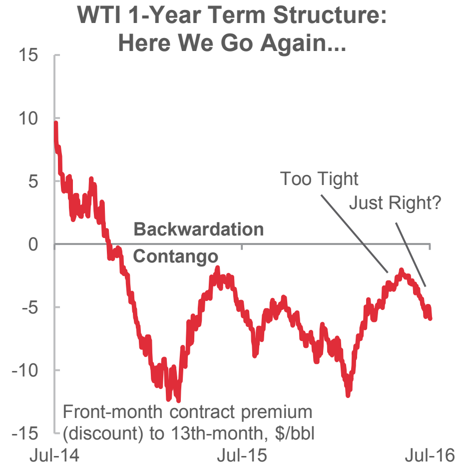
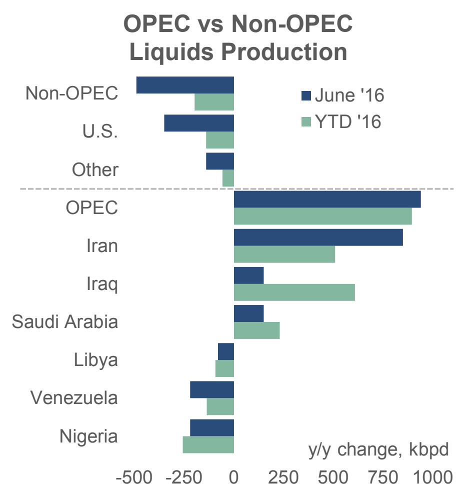
Chart 1



Source: Bloomberg, Scotiabank Economics.

Chart 2



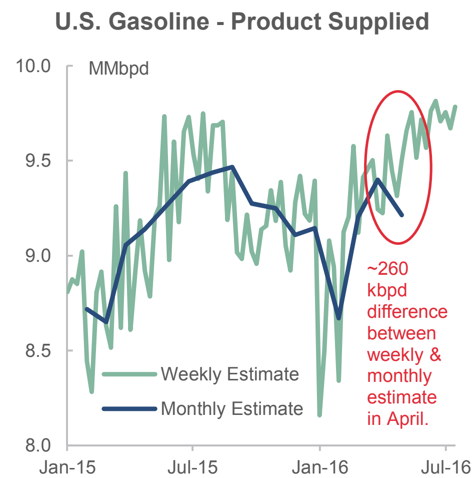
Source: EIA, Scotiabank Economics.

capital investment, but rising rig counts in the U.S. may temporarily slow production declines in the lower-48. However, while the U.S. rig count appeared to have bottomed and was slowly beginning to creep back up, the recent oil price reversal will likely inject a bit of hesitation into decisions to reutilize rigs. Furthermore, rig counts will need to be significantly higher than where they stand today for U.S. production to level out, or eventually reserve course. We also believe that OPEC supply growth will ease somewhat through next year after the base effects of Iran's rapid return to the market drop out.

A major theme to emerge over the past two months has been a transformation of the crude oil glut into a refined product glut, as stocks of finished fuels like gasoline swell. U.S. gasoline demand appeared to be a major area of strength earlier this year and many were expecting the trend to continue, bringing with it an exceptionally robust driving season. Refiners chased the narrative, upping refinery runs and gasoline yields in anticipation of frenzied summer buying. However, while weekly estimates confirmed expectations and showed very strong gasoline demand growth in April, the latest release of more-accurate monthly data revealed that demand was considerably weaker than expected (Chart 3). This helps explain rising gasoline inventories, which remain significantly above their typical range for this time of year. With glutted inventories and disappointing demand, gasoline prices began falling and the difference between the price of crude and the price that refiners can get for the gasoline they produce followed suit (Chart 4). Falling refining margins coupled with the upcoming seasonal maintenance period will likely translate into reduced near-term demand for crude, but should also allow for product inventories to be drawn down back to more typical levels.

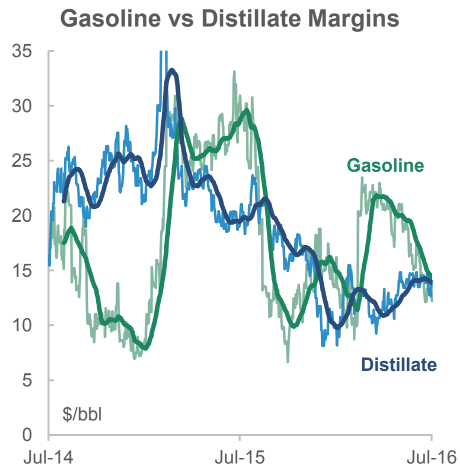
While finished product inventories are swelling stateside, another interesting trend can be seen in Saudi Arabia's stocks of crude oil, which have fallen by more than 40 million barrels (12%) following seven consecutive monthly draws, the most aggressive draw trend in at least the last 15 years (Chart 5). Saudi Arabia is supplying more crude to the market than it is actually producing and these draws are likely to continue through the remainder of the summer as domestic demand rises. Saudi oil consumption typically rises in the summer, burned directly in power plants to service increased air conditioning demand as temperatures rise. The question is: Why isn't Saudi Arabia increasing production to service seasonal domestic demand as expected? Production has remained relatively range-bound around 10.2 MMbpd, lower than the 10.6 MMbpd reached last June and far below Saudi Arabia's stated capacity of 12.5 MMbpd. The most plausible explanation for this behavior, in our view, is that Riyadh doesn't want to spook the currently-fragile oil market with a production increase, but also doesn't want to significantly cut into its export volumes (up 5% y/y in May) for fear of losing marketing relationships to other exporters like Iran or Iraq, which are selling more crude abroad.

Chart 3



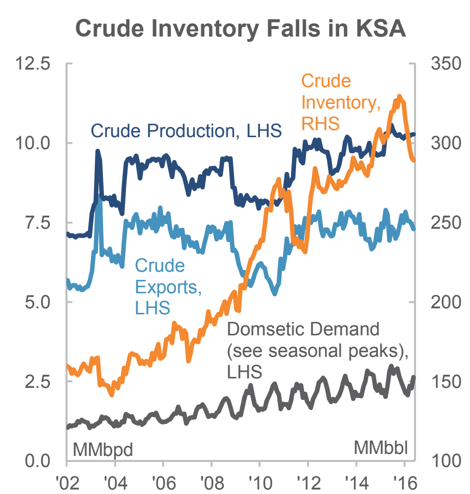
Source: EIA, Scotiabank Economics.

Chart 4



Source: Bloomberg, Scotiabank Economics.

Chart 5



Source: JODI, Scotiabank Economics.

The Bank Of Japan Unveils Modest Monetary Policy Easing

- **The Bank of Japan (BoJ) eased monetary conditions slightly following the July 28-29th policy meeting, yet the monetary base target and the negative policy rate were left unchanged.**
- **The BoJ provided additional monetary accommodation by increasing its purchases of exchange-traded funds and implementing measures to ensure smooth foreign currency funding by Japanese firms.**

The BoJ's monetary policy meeting on July 28-29th was closely watched by market participants, who had broad expectations for substantial monetary easing measures. Nevertheless, the existing accommodative monetary policy stance was enhanced only moderately. In our view, the decision reflects Japanese policymakers' rising concerns regarding the effectiveness of the BoJ's quantitative easing program and negative policy rate as tools to stimulate the economy and end deflation. Regardless, a monetary easing bias remains in place despite the fact that policy options remain fairly limited.

The Japanese central bank announced that it will continue to execute its prior policy of increasing Japan's monetary base by ¥80 trillion annually via large-scale asset purchases. The guidelines for government bond and real estate investment trust purchases were left unchanged, yet exchange-traded funds will be bought in larger quantities (¥6 trillion vs. ¥3.3 trillion). Authorities will continue to apply a negative interest rate of -0.1% to financial institutions' excess current account balances at the BoJ. The central bank announced measures to guarantee smooth foreign currency funding by Japanese firms and doubled the size of the BoJ's US dollar lending program to US$24 billion.

The BoJ is facing a very challenging task to revive the Japanese economy and end deflation given that it operates in an environment where the effectiveness of its monetary policy tools and available policy space are questionable. Policymakers acknowledged that there is "considerable uncertainty" regarding Japan's inflation outlook given current global economic and financial market conditions. The central bank announced that it will conduct a comprehensive assessment of Japan's economic and price outlook under the existing monetary policy framework and study the effects of quantitative easing and negative interest rates. The findings will be discussed at the September policy meeting; we expect further easing measures to be announced then.

The BoJ highlighted that it will continue with its policy of "Quantitative and Qualitative Monetary Easing with a Negative Interest Rate" as long as necessary in order to meet the price stability target of 2% y/y. Japan's inflation (CPI, all items less fresh food) returned to negative territory in March and stood at -0.5% y/y in June. The BoJ expects mild deflation to persist in the near term, yet it remains optimistic that inflation will eventually accelerate and reach 2% y/y during the fiscal year 2017 (April 2017-March 2018). In contrast, we do not anticipate the inflation target to be met in the foreseeable future given subdued wage growth and muted inflation expectations that reflect consumers' persistent deflationary mindset. Safe-

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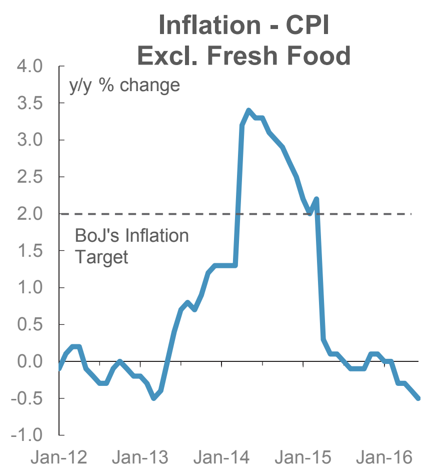
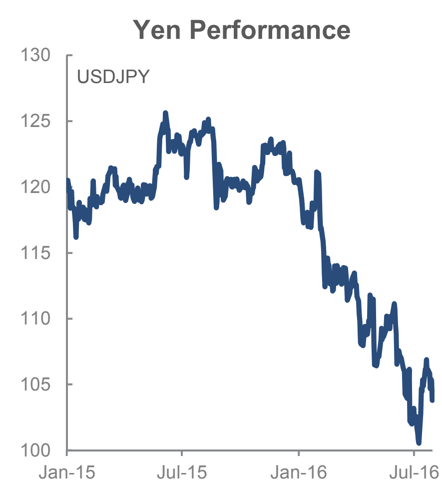
Chart 1



Source: Bloomberg, Scotiabank Economics.

Chart 2



Source: Bloomberg, Scotiabank Economics.

haven flows due to global uncertainties could exacerbate these challenges by supporting the Japanese yen, which in turn will pass through to lower import prices. We expect headline inflation to remain below 0.5% y/y at the end of this year and fail to surpass 1% in 2017.

The victory of Prime Minister Shinzo Abe's Liberal Democratic Party in the July 10th upper house elections gave the government a strong mandate to focus on renewed economic revival efforts. Indeed, the fresh enhancement of monetary accommodation will complement the government's fiscal stimulus measures. Prime Minister Abe has indicated that the administration will be unveiling a ¥28 trillion (equivalent to 5⅔% of GDP) public spending plan shortly. The monetary and fiscal measures reaffirm authorities' commitment to tackling Japan's economic challenges; however, short-term stimulus will only buy time for implementation of structural reforms, which — if successfully executed — are the only sustainable way to support economic growth in the medium- and long-term and end persistent deflation.

UK: Super Thursday Preview

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SUMMARY

- We expect the Bank of England to cut the Bank Rate by 25bp at the August meeting.
- We expect this to be augmented by an expansion in QE of GBP50bn, although our conviction in this call is low. If we are going to be wrong, it is that the BoE defers expanding QE until a later date.
- If QE is announced, we expect it to take the same form as the previous instalments, i.e. continued purchase of conventional gilts and not extending purchases to corporate bonds.
- We expect the Bank's growth projection to be revised down from an average of just above 2% y/y in 2017 down to around zero. There are risks in both directions around this.
- Meanwhile, the Bank's inflation projection is likely to be 'hump shaped'. The weaker GBP will justify a sharp upward revision to the near-term projection. However, the MPC are likely to look through this temporary boost to inflation.
- The wider margin of spare capacity and fading of the rise in imported inflation should lead to a medium term inflation projection below target in the 2-3 year-ahead portion of the projection.

UPDATED QUARTERLY INFLATION REPORT PROJECTIONS

This week's decision will be accompanied by the updated macroeconomic projections and analysis contained in the August *Quarterly Inflation Report*. Having refrained from adjusting monetary policy at the July MPC meeting, the minutes noted that:

> *"Most members of the Committee expected monetary policy to be loosened in August";*

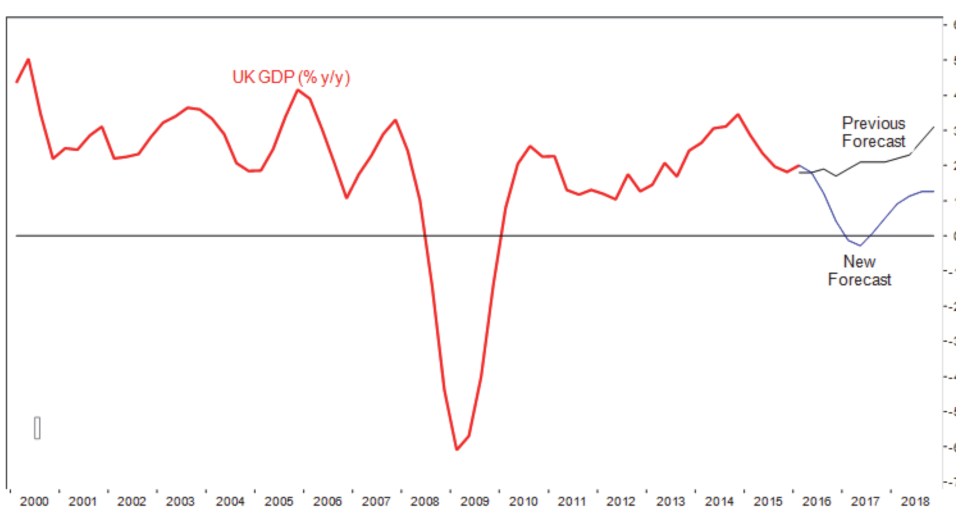
and

> *"Committee members had an initial exchange of views on various possible packages of measures. The exact extent of additional stimulus measures would be based on the Committee's updated forecast".*

Growth

So what exactly will those updated forecasts look like? Chart 1 shows the revision to our base case GDP forecast in the aftermath of the Brexit vote.

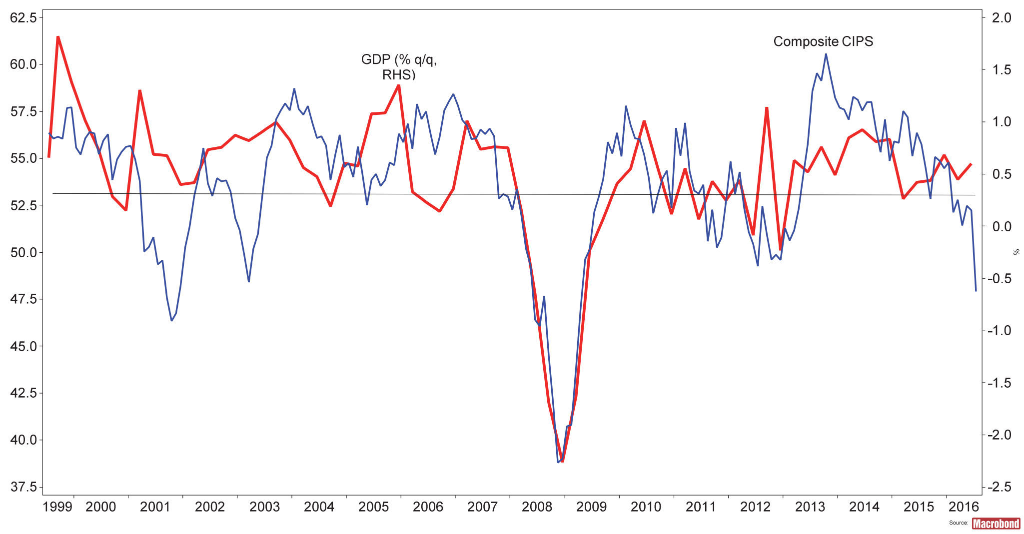
Chart 1: Revisions to Scotiabank UK GDP Growth Projection



Roughly speaking, we pushed down our 2017 annual average GDP forecast from 2% y/y to zero. This profile includes a technical recession, albeit a mild one (q/q GDP is assumed to contract only marginally each quarter between Q3 and Q1 next year).

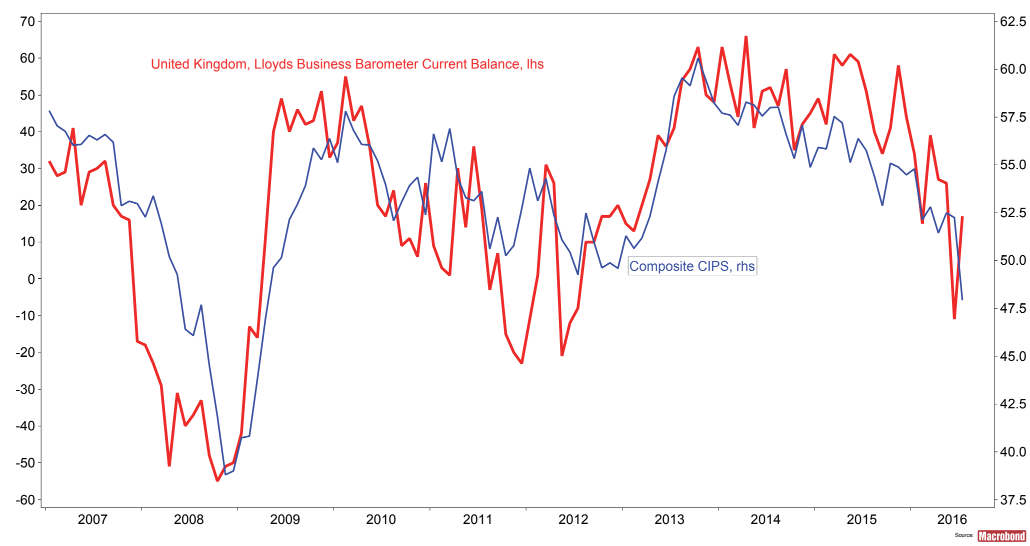
We suspect that the revisions to the Bank's growth projection will be similar, although there are risks in both directions. The extent of the downward revision in GDP growth that we have made is as big as the biggest downward revision in the Bank's growth projection at the time of the 2008-09 crisis. So it is a big deal. However, the fall in the CIPS surveys points to an even bigger contraction in GDP than we have assumed — up to -0.5% q/q (Chart 2). So the downgrade in the Bank's profile could be even bigger — especially if it wants to justify aggressive policy easing.

Chart 2: Composite CIPS vs GDP



The flipside is that the downward revision to our growth forecast may prove to have been too aggressive. The Lloyds Bank Business Barometer posted a miraculous rebound in July, reversing virtually all of the decline recorded in the immediate aftermath of the referendum result. We would be the first to admit that this is a survey that we have rarely focused on in the past. Nonetheless, the slide in the Lloyds index last month did prove to be a reliable guide to the subsequent fall in the CIPS surveys (Chart 3).

Chart 3: Lloyds Bank Business Barometer vs Composite CIPS



The point here is that the Lloyds index is highlighting that the initial kneejerk reaction to the Brexit result may have been overblown. The latest reading would be consistent with a composite PMI reading of 51 to 52 and no contraction in GDP during Q3. For any residual members of the MPC who prefer to wait for concrete evidence that Brexit will cause a slowdown, readings like this should add to their inertia.

Inflation

Pretty much everyone has revised their inflation projections higher in light of the sharp depreciation in the GBP exchange rate — some higher than others. However, it is the medium term inflation projection which will provide the Bank wiggle room to justify policy loosening. We expect the Bank's CPI inflation profile to be 'hump-shaped'.

More specifically, the Bank is likely to revise up the 6-18 month portion of its inflation projection. Previously the Bank's inflation projection rose to around 1.5% y/y by mid-2017. We expect this point to be revised up to 2.5% y/y to 3.0% y/y at that point.

However, unless the GBP exchange rate continues to depreciate at the pace it has done of late, at some point the boost from imported inflation will start to fade. Furthermore, given the slashing in the GDP growth projection, the widening in the degree of spare capacity in the economy would be expected to bear down on inflation. Hence we expect the Bank's CPI inflation to fall to 2% or below in the 2-3 year ahead portion of its projection. It is this aspect of the inflation projection that will give the MPC the leeway to deliver monetary policy easing.

TACTICAL CONSIDERATIONS

The MPC surprised the market by not loosening policy at the July meeting and has sent some conflicting signals:

- External Member, Kristin Forbes, has asserted that it would be wise to await concrete signs of whether or not the Brexit vote will provoke a slump.
- Martin Weale initially made the same argument, but changed view in light of the fall in the PMI surveys.
- Chief Economist, Andy Haldane argued for a prompt (specifying August) and muscular monetary policy response.
- Gertjan Vleighe was the only dissenter at the July meeting. The minutes noted his view that the backdrop *"justified an immediate loosening of monetary policy, to be supplemented by a package of additional measures in August"*.

Having had its fingers burnt at the July meeting, the market is understandably sceptical (as are we) about the extent of the package to be unveiled at the August meeting. Ultimately, it is a trade-off. On the one hand, there is an argument for the MPC to act pre-emptively and aggressively to offset the downside from a *likely* downturn in GDP growth. The alternative is to preserve the Bank's limited ammunition until the downturn is confirmed.

Our conclusion is that while a 25bp rate cut is likely, we are far less confident in our call that the Bank's Asset Purchase Facility will be expanded by GBP50bn at this meeting.

WHAT KIND OF QE?

There has been speculation that if the BoE does expand QE, that it might consider purchasing a broader range of assets. This might include corporate bonds or even inflation linked gilts (since that is what the ECB does). Our view is that the BoE would stick to 'Plan A' — i.e. conventional gilts. The ECB had to expand its range of eligible assets because the constraints of its programme meant that it was at risk of running out of German Bunds that met its criteria.

The Bank's analysis of the first round of QE showed that you don't need to buy corporate bonds in order to support that market. The 'portfolio rebalancing' channel means that sellers of gilts to the BoE tend to reinvest their proceeds into risky assets such as corporate bonds and equities. More specifically, the first GBP200bn of QE was judged to have pushed corporate bond yields down by 70bp and high yield bonds by 150bp. Furthermore, the increased investor demand caused by QE contributed to an increase in capital issuance. If it ain't broke, don't fix it.

Key Data Preview

CANADA

Jobs data for July will likely show a small uptick in the labour market after total labour force employment slipped in June. We're expecting a +10k print as total job gains revert to a modest trend pace. There were a variety of confusing and peculiar aspects to the June Labour Force Survey: the ranks of employees fell by -38.4k vs. a +37.7k gain in the ranks of the self employed. Full time jobs also fell by 40.1k on the month. The point is that the jobs number in June was much worse than it in fact may have seemed. This at once gives the sense that the labour market is weaker than it might superficially appear, but also points to the possibility of fairly large rebounds in a variety of categories.

Trade data for June will likely continue to feature a very wide trade deficit. We forecast a trade deficit of C$ -3bn driven largely by declines in exports of crude oil and petroleum products. The catalyst here remains the Alberta fires. Trade data for May did not show a meaningful decline in exports in this category probably because what we think are Canada's high crude oil inventories (which were quite swollen at the time, no differently from U.S. inventories) saw some drawing down and shipments in lieu of the shipping of newly produced oil. We expect that this will be somewhat less of a theme for June and that a decline in exports in this category will keep the trade deficit wide despite some potential positive trend reversion in the categories that drove May's trade deficit to a new record level (see chart).

UNITED STATES

Nonfarm payrolls data for July should show a healthy improvement in jobs, and we're forecasting a 210k print on the month. The main driver of our model is trend reversion. Even as June brought a large gain in non-farm payrolls, it only somewhat made up for a very soft spell mid-year. We think that the trend in payrolls is above 200k, and we think that nonfarm payrolls thus still have some trend-reverting to do. Coincident indicators point to the same as initial jobless claims were quite low on the month, averaging 254k claims, which is extremely subdued, during the first two full weeks of the month (see chart).

Trade data for the month of June should show a widening in the trade balance after the advanced trade in goods balance widened on the month, in line with moves in a variety of coincident indicators. On that front, shipments of durable goods were on the weak side and both purchases and production of autos were on the soft side. All in all, we expect that exports will slow a bit more than imports and the trade balance will widen to USD -43bn.

The ISM index for the month of July should show… not a whole lot. We expect that the ISM index will drop modestly in July vs. June to a reading of 55.5 in line with declines in some of the regional Federal Reserve manufacturing indices.

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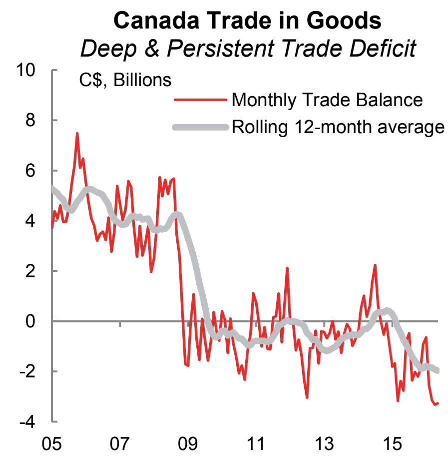
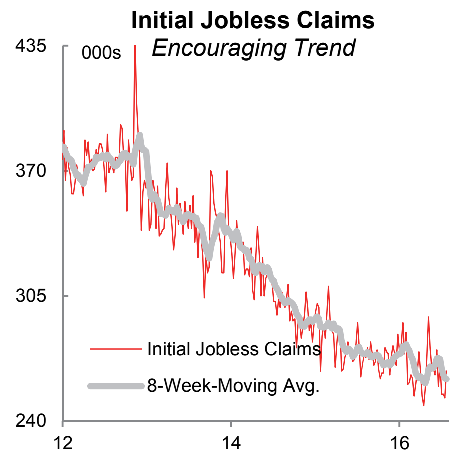
Chart 1



Source: Statistics Canada, Scotiabank Economics

Chart 2



Source: DoL, Scotiabank Economics

EUROPE

For the European Central Bank, it remains to be confirmed that softer Eurozone GDP growth in Q2 was only temporary and that stronger activity lies ahead. There is not a lot of data this week in the Eurozone, but German factory orders for June could give a first view on the potential rebound in industrial activity in the months ahead. After a sharp 1.9% m/m fall in April, factory orders failed to show any improvement in May, remaining flat. As a result, orders look disconnected from the positive dynamic seen in recent German Ifo surveys. Indeed, sentiment on order books has clearly improved since the low point seen early spring. While it is true that factory orders could be volatile at this time of the year due to swings in the timing of factories' closure due to the holiday, we would look for a decent rebound of around 2.0% m/m.

LATIN AMERICA

Next Friday, Colombia's DANE will release July inflation data. The pace of growth in consumer prices is forecast at 8.8% y/y with a chance of touching 9% for the first time since September 2000. The steep rise in inflation, from a low of 1.8% in late-2013, is mainly due to a surge in food prices and utilities, with the components growing at 14.3% and 12.5% in June, respectively. In addition, a 40% depreciation of the Colombian Peso since mid-2014 has worsened the reduction in households' purchasing power. Headline CPI has now exceeded Banco de la República's (Banrep) target-range limit for seventeen consecutive months. More alarming yet, the core reading — which excludes the 20% most volatile items — has uninterruptedly run above the 4% limit for fourteen months. In turn, Banrep has resorted to sharply increasing its intervention rate to 7.75% (if, as expected, the bank's meeting today results in a 25 bps increase), in order to curb rising inflation expectations — at 6.5% end-2016 and 4.2% end-2017, according to the latest Banrep survey.

We forecast the Chilean economic activity index, out on Friday, to show weak output growth for the month of June, expanding at a mere 0.8% y/y. June sectorial data released today showed a contraction of -2.4% y/y in the manufacturing sector and a -5.9% y/y drop in mining output, its third consecutive annual decrease. In addition, a weakening labour market continues to paint a dim household consumption picture, with employment only growing at 1.1% y/y in June.

ASIA-PACIFIC

Authorities of the Reserve Bank of Australia (RBA) will meet on August 2^{nd}. In early July, the benchmark cash rate was left unchanged at 1.75% following a 25 basis point cut in May. In our view, developments over the past month have not changed enough to alter the policymakers' July assessment about the state of the economy; accordingly, we expect the benchmark rate to be left unchanged at 1.75% next week. Nevertheless, we agree with market participants and the analyst community that a monetary easing bias remains in place. We anticipate that the key rate will be cut to 1.50% over the final months of 2016. This would give the RBA enough time to properly assess the impact of the most recent rate cut in May and monitor how global events unfold — particularly regarding other central bank actions — following the UK's EU referendum.

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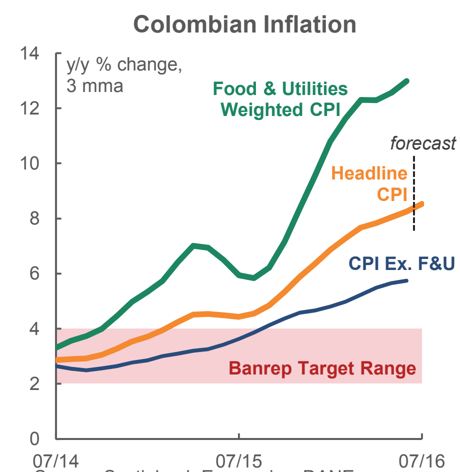
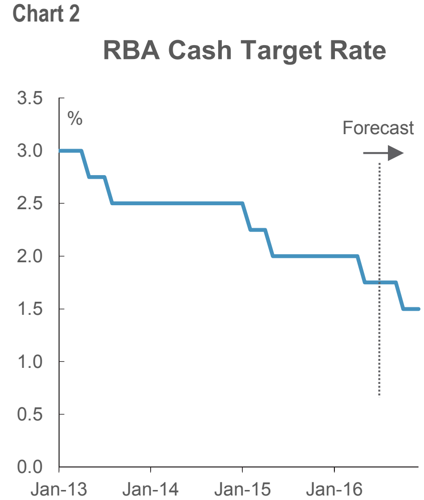
Chart 1



Source: Scotiabank Economics, DANE, Banco de la República de Colombia.

Chart 2



Source: Bloomberg, Scotiabank Economics.

Key Indicators for the week of August 1 – 5

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	08/01	10:00	Construction Spending (m/m)	Jun	0.6	0.5	-0.8
US	08/01	10:00	ISM Manufacturing Index	Jul	53.0	53.0	53.2
US	08/02	08:30	PCE Deflator (m/m)	Jun	--	0.2	0.2
US	08/02	08:30	PCE Deflator (y/y)	Jun	--	0.9	0.9
US	08/02	08:30	PCE ex. Food & Energy (m/m)	Jun	--	0.1	0.2
US	08/02	08:30	PCE ex. Food & Energy (y/y)	Jun	--	1.6	1.6
US	08/02	08:30	Personal Spending (m/m)	Jun	0.3	0.3	0.4
US	08/02	08:30	Personal Income (m/m)	Jun	0.3	0.3	0.2
US	08/02		Domestic Vehicle Sales (mn a.r.)	Jul	--	13.0	12.8
US	08/02		Total Vehicle Sales (mn a.r.)	Jul	--	17.1	16.6
US	08/03	07:00	MBA Mortgage Applications (w/w)	JUL 29	--	--	-11.2
US	08/03	08:15	ADP Employment Report (000s m/m)	Jul	190.0	170.0	171.6
US	08/03	10:00	ISM Non-Manufacturing Composite	Jul	56.5	56.0	56.5
US	08/04	08:30	Initial Jobless Claims (000s)	JUL 30	270	264	266
US	08/04	08:30	Continuing Claims (000s)	JUL 23	2130	--	2139
US	08/04	10:00	Factory Orders (m/m)	Jun	-2.0	-1.9	-1.0
CA	08/05	08:30	Employment (000s m/m)	Jul	10.0	10.0	-0.7
CA	08/05	08:30	Merchandise Trade Balance (C$ bn)	Jun	-3.0	-2.8	-3.3
CA	08/05	08:30	Unemployment Rate (%)	Jul	6.8	6.9	6.8
US	08/05	08:30	Average Hourly Earnings (m/m)	Jul	--	0.2	0.1
US	08/05	08:30	Average Weekly Hours	Jul	--	34.4	34.4
US	08/05	08:30	Nonfarm Employment Report (000s m/m)	Jul	210.0	180.0	287.0
US	08/05	08:30	Household Employment Report (000s m/m)	Jul	--	--	67.0
US	08/05	08:30	Trade Balance (US$ bn)	Jun	-43.0	-42.8	-41.1
US	08/05	08:30	Unemployment Rate (%)	Jul	4.8	4.8	4.9
US	08/05	15:00	Consumer Credit (US$ bn m/m)	Jun	--	16.0	18.6

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IT	08/01	03:45	Manufacturing PMI	Jul	52.5	52.5	53.5
FR	08/01	03:50	Manufacturing PMI	Jul F	48.6	48.6	48.6
GE	08/01	03:55	Manufacturing PMI	Jul F	53.7	53.7	53.7
EC	08/01	04:00	Manufacturing PMI	Jul F	51.9	51.9	51.9
UK	08/01	04:30	Manufacturing PMI	Jul F	--	49.1	49.1
IT	08/01		Budget Balance (€ bn)	Jul	--	--	8.6
IT	08/01		Budget Balance YTD (€ bn)	Jul	--	--	-27.8
UK	08/02	04:30	PMI Construction	Jul	--	44.0	46.0
EC	08/02	05:00	PPI (m/m)	Jun	--	0.4	0.6
IT	08/03	03:45	Services PMI	Jul	51.0	51.0	51.9
FR	08/03	03:50	Services PMI	Jul F	50.3	50.3	50.3
GE	08/03	03:55	Services PMI	Jul F	54.6	54.6	54.6
EC	08/03	04:00	Composite PMI	Jul F	52.9	52.9	52.9
EC	08/03	04:00	Services PMI	Jul F	52.7	52.7	52.7
UK	08/03	04:30	Official Reserves Changes (US$ bn)	Jul	--	--	1619.0
UK	08/03	04:30	Services PMI	Jul F	--	47.4	47.4
EC	08/03	05:00	Retail Trade (m/m)	Jun	--	0.0	0.4
UK	08/04	07:00	BoE Asset Purchase Target (£ bn)	Aug	425	375	375
UK	08/04	07:00	**BoE Policy Announcement (%)**	**Aug 4**	**0.25**	**0.25**	**0.50**

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

Key Indicators for the week of August 1 – 5

EUROPE *(continued from previous page)*

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	08/05	02:00	Factory Orders (m/m)	Jun	2.0	0.5	0.0
FR	08/05	02:45	Current Account (€ bn)	Jun	--	--	-0.3
FR	08/05	02:45	Trade Balance (€ mn)	Jun	--	-3900	-2840
SP	08/05	03:00	Industrial Output NSA (y/y)	Jun	--	--	4.0
UK	08/05	03:30	Halifax House Price (3 month, y/y)	Jul	--	8.8	8.4
IT	08/05	04:00	Industrial Production (m/m)	Jun	--	0.3	-0.6

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SK	07/31	19:00	Current Account (US$ mn)	Jun	--	--	10361.3
SK	07/31	20:00	Exports (y/y)	Jul	--	-4.4	-2.7
SK	07/31	20:00	Imports (y/y)	Jul	--	-10.6	-8.0
SK	07/31	20:00	Trade Balance (US$ mn)	Jul	--	8742.0	11643.0
AU	07/31	21:00	HIA New Home Sales (m/m)	Jun	--	--	-4.4
CH	07/31	21:00	Manufacturing PMI	Jul	--	50.0	50.0
CH	07/31	21:00	Non-manufacturing PMI	Jul	--	--	53.7
CH	07/31	21:45	Caixin China Manufacturing PMI	Jul	--	48.8	48.6
JN	07/31	22:00	Markit/JMMA Manufacturing PMI	Jul F	--	--	49.0
TH	07/31	23:30	CPI (y/y)	Jul	0.6	0.5	0.4
TH	07/31	23:30	Core CPI (y/y)	Jul	--	0.8	0.8
ID	JUL 31-AUG 1		CPI (y/y)	Jul	3.7	3.4	3.5
ID	JUL 31-AUG 1		Core CPI (y/y)	Jul	--	3.6	3.5
JN	JUL 31-AUG 5		Official Reserve Assets (US$ bn)	Jul	--	--	1265
JN	08/01	01:00	Vehicle Sales (y/y)	Jul	--	--	3.0
TH	08/01	03:30	Business Sentiment Index	Jul	--	--	50.4
SK	08/01	19:00	CPI (y/y)	Jul	0.9	0.8	0.8
SK	08/01	19:00	Core CPI (y/y)	Jul	--	1.7	1.7
JN	08/01	19:50	Monetary Base (y/y)	Jul	--	--	25.4
NZ	08/01	20:00	QV House Prices (y/y)	Jul	--	--	13.5
AU	08/01	21:30	Building Approvals (m/m)	Jun	--	0.8	-5.2
AU	08/01	21:30	Trade Balance (AUD mn)	Jun	--	-2000	-2218
AU	08/02	00:30	**RBA Cash Target Rate (%)**	**Aug 2**	**1.75**	**1.50**	**1.75**
JN	08/02	01:00	Consumer Confidence	Jul	--	42.0	41.8
HK	08/02	04:30	Retail Sales - Volume (y/y)	Jun	--	-8.5	-9.0
SI	08/02	09:00	Purchasing Managers Index	Jul	--	--	49.6
CH	08/02	21:45	Caixin China Composite PMI	Jul	--	--	50.3
CH	08/02	21:45	Caixin China Services PMI	Jul	--	--	52.7
HK	08/02	22:30	Purchasing Managers Index	Jul	--	--	45.4
SI	AUG 2-8		Foreign Reserves (US$ mn)	Jul	--	--	248859
TH	08/03	03:30	**BoT Repo Rate (%)**	**Aug 3**	**1.50**	**1.50**	**1.50**
AU	08/03	21:30	Retail Sales (m/m)	Jun	--	0.3	0.2
TH	08/03	23:30	Consumer Confidence Economic	Jul	--	--	60.6
TA	08/04	20:30	CPI (y/y)	Jul	0.9	1.1	0.9
PH	08/04	21:00	CPI (y/y)	Jul	2.1	2.1	1.9
PH	08/04	21:00	Core CPI (y/y)	Jul	--	2.1	1.9
ID	AUG 4-7		Real GDP (y/y)	2Q	5.0	5.0	4.9

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

Key Indicators for the week of August 1 – 5

ASIA-PACIFIC *(continued from previous page)*

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MA	08/05		Exports (y/y)	Jun	--	-4.6	-0.9
MA	08/05		Imports (y/y)	Jun	--	-0.4	3.1
MA	08/05		Trade Balance (MYR bn)	Jun	--	5.3	3.3
JN	08/05	01:00	Coincident Index CI	Jun P	--	111.3	109.9
JN	08/05	01:00	Leading Index CI	Jun P	--	99.7	99.7
AU	08/05	02:30	Foreign Reserves (AUD bn)	Jul	--	--	69.6

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
PE	08/01	01:00	Consumer Price Index (m/m)	Jul	--	--	0.1
PE	08/01	01:00	Consumer Price Index (y/y)	Jul	3.1	--	3.3
BZ	08/01	09:00	PMI Manufacturing Index	Jul	--	--	43.2
BZ	08/01	14:00	Trade Balance (FOB) - Monthly (US$ mn)	Jul	--	4900	3974
BZ	08/02	08:00	Industrial Production SA (m/m)	Jun	--	1.1	0.0
BZ	08/02	08:00	Industrial Production (y/y)	Jun	-6.5	-6.3	-7.8
CL	08/05	08:30	Economic Activity Index SA (m/m)	Jun	--	--	0.7
CL	08/05	08:30	Economic Activity Index NSA (y/y)	Jun	0.8	1.5	1.9
CO	08/05	20:00	Consumer Price Index (m/m)	Jul	0.4	0.4	0.5
CO	08/05	20:00	Consumer Price Index (y/y)	Jul	8.8	8.8	8.6

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

Global Auctions for the week of August 1 – 5

NORTH AMERICA

Country	Date	Time	Event
US	08/01	11:30	U.S. to Sell USD37 Bln 3-Month Bills
US	08/01	11:30	U.S. to Sell USD32 Bln 6-Month Bills
US	08/02	11:30	U.S. to Sell 4-Week Bills

EUROPE

Country	Date	Time	Event
CC	08/01	05:00	Cyprus to Sell 91-Day Bills
NE	08/01	05:30	Netherlands to Sell Up to EUR2 Bln 89-Day Bills
NE	08/01	05:30	Netherlands to Sell Up to EUR2 Bln 181-Day Bills
FR	08/01	08:50	France to Sell Up to EUR3.4 Bln 92-Day Bills
FR	08/01	08:50	France to Sell Up to EUR1.1 Bln 350-Day Bills
FR	08/01	08:50	France to Sell Up to EUR900 Mln 140-Day Bills
MB	08/02	05:00	Malta to Sell 28-Day Bills
MB	08/02	05:00	Malta to Sell 91-Day Bills
SZ	08/02	05:15	Switzerland to Sell 91-Day Bills
BE	08/02	05:30	Belgium to Sell 98-Day Bills
BE	08/02	05:30	Belgium to Sell 161-Day Bills
UK	08/02	05:30	U.K. to Sell GBP2.5 Bln 0.5% 2022 Bonds
EC	08/02	06:30	ESM to Sell Up to EUR1.5 Bln 98-Day Bills
DE	08/03	04:30	Denmark to Sell Bonds
GR	08/03	05:00	Greece to Sell EUR625 Mln 182-Day Bills
SW	08/03	05:03	Sweden to Sell SEK5 Bln 75-Day Bills
SW	08/03	05:03	Sweden to Sell SEK12.5 Bln 103-Day Bills
GE	08/03	05:30	Germany to Sell EUR5 Bln 2018 Bonds
SP	08/04	04:30	Spain to Sell 6% 2029 Bonds
SP	08/04	04:30	Spain to Sell 0.75% 2021 Bonds
SP	08/04	04:30	Spain to Sell 0.55% I/L 2019 Bonds
FR	08/04	04:50	France to Sell 5.75% 2032 Bonds
FR	08/04	04:50	France to Sell 0.5% 2026 Bonds
FR	08/04	04:50	France to Sell 4.75% 2035 Bonds
FR	08/04	05:50	France to Sell 1.85% I/L 2027 Bonds
FR	08/04	05:50	France to Sell 3.4% I/L 2029 Bonds
UK	08/05	06:00	U.K. to Sell GBP500 Mln 28-Day Bills
UK	08/05	06:00	U.K. to Sell GBP2.5 Bln 91-Day Bills
UK	08/05	06:00	U.K. to Sell GBP3 Bln 182-Day Bills

Source: Bloomberg, Scotiabank Economics.

Global Auctions for the week of August 1 – 5

ASIA-PACIFIC

Country	Date	Time	Event
JN	08/01	23:45	Japan to Sell 10-Year Bonds
CH	08/02	02:00	Shaanxi to Sell Special Bonds
AU	08/02	21:00	Australia Plans to Sell A$900 Mln 2.75% 2027 Bonds
CH	08/02	22:35	China To Sell CNY35 Bln 10-Yr Bonds
CH	08/02	22:35	China To Sell CNY28 Bln 1-Yr Bonds
CH	08/03	22:00	Beijing to Sell CNY13.8191 Bln 7-Yr General Bonds
CH	08/03	22:00	Beijing to Sell CNY13.51593 Bln 10-Yr General Bonds
JN	08/03	23:35	Japan to Sell 3-Month Bills
JN	08/03	23:45	Japan to sell CPI Linked 10-Year Bonds
CH	08/04	02:00	Sichuan to Sell General Bonds
CH	08/04	03:00	Sichuan to Sell Special Bonds
AU	08/04	21:00	Australia Plans to Sell A$1 Bln 5.75% 2022 Bonds
CH	08/04	21:20	Yunnan to Sell General Bonds
CH	08/04	22:10	Yunnan to Sell Special Bonds

LATIN AMERICA

Country	Date	Time	Event
BZ	08/02	11:00	Brazil to Sell I/L Bonds - 05/15/2021
BZ	08/02	11:00	Brazil to Sell I/L Bonds - 08/15/2026
BZ	08/02	11:00	Brazil to Sell I/L Bonds - 05/15/2035
BZ	08/02	11:00	Brazil to Sell I/L Bonds - 05/15/2055
BZ	08/04	11:00	Brazil to Sell LFT - 09/01/2022
BZ	08/04	11:00	Brazil to Sell Bills LTN - 10/01/2017
BZ	08/04	11:00	Brazil to Sell Bills LTN - 10/01/2018
BZ	08/04	11:00	Brazil to Sell Bills LTN - 07/01/2020

Source: Bloomberg, Scotiabank Economics.

Events for the week of August 1 – 5

NORTH AMERICA

Country	Date	Time	Event
US	07/31	21:15	Fed's Dudley Speaks in Bali
US	08/02	06:15	Fed's Kaplan Speaks at Lecture in Beijing
US	08/04	06:15	Fed's Kaplan Speaks in Shanghai

EUROPE

Country	Date	Time	Event
EC	08/04	04:00	ECB Publishes Economic Bulletin
UK	08/04	07:00	**Bank of England Bank Rate**
UK	08/04	07:00	BOE Asset Purchase Target
UK	08/04	07:00	Bank of England Inflation Report
SW	08/05		Sweden Sovereign Debt to Be Rated by Moody's
TU	08/05		Turkey Sovereign Debt to Be Rated by Moody's

ASIA-PACIFIC

Country	Date	Time	Event
AU	08/02	00:30	**RBA Cash Rate Target**
SK	08/02	03:00	Bank of Korea Policy Meeting Minutes
TH	08/03	03:30	**BoT Benchmark Interest Rate**
JN	08/03	21:30	BOJ Deputy Governor Iwata speaks in Yokohama
AU	08/04	21:30	RBA Statement on Monetary Policy

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	September 7, 2016	0.50	0.50
Federal Reserve – Federal Funds Target Rate	0.50	September 21, 2016	0.50	0.50
Banco de México – Overnight Rate	4.25	August 11, 2016	4.25	--

Fed: What does the FOMC think about the slow-down in GDP growth? New York Fed President Dudley will make public remarks in Bali late on the evening of the 31st and the Dallas Fed's Kaplan will speak on the 2nd and the 4th in China, and their remarks will be scrutinized for color on this latest development in U.S. macro data. Aside from Fedspeak, jobs for the month of July will be released on Aug. 5th. **BoC**: BoC watchers will have jobs figures for July to contend with on August 5th as well as trade data for June which will shed light on developments with respect to Canada's export recovery.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	0.00	September 8, 2016	0.00	--
Bank of England – Bank Rate	0.50	August 4, 2016	0.50	0.25
Swiss National Bank – Libor Target Rate	-0.75	September 15, 2016	-0.75	--
Central Bank of Russia – One-Week Auction Rate	10.50	September 16, 2016	10.50	--
Sweden Riksbank – Repo Rate	-0.50	September 7, 2016	-0.50	--
Norges Bank – Deposit Rate	0.50	September 22, 2016	0.50	--

Monetary policymakers at **the Bank of England (BoE)** will meet this week and announce a policy decision on Thursday, August 4th. Due to weaker growth prospects following the Brexit vote, we expect that the BoE will deliver a 25 basis point cut to its benchmark bank rate, bringing it to 0.25%, and could announce plans for further quantitative easing.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	September 21, 2016	-0.20	--
Reserve Bank of Australia – Cash Target Rate	1.75	August 2, 2016	1.75	1.50
Reserve Bank of New Zealand – Cash Rate	2.25	August 10, 2016	2.00	2.00
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.50	August 9, 2016	6.50	--
Bank of Korea – Bank Rate	1.25	August 11, 2016	1.25	--
Bank of Thailand – Repo Rate	1.50	August 3, 2016	1.50	1.50
Bank Indonesia – 7-Day Reverse Repo Rate	5.25	August 19, 2016	5.00	--

The Reserve Bank of Australia (RBA) and the Bank of Thailand (BoT) will make monetary policy decisions on August 2nd and 3rd, respectively. The BoT will likely keep the benchmark interest rate at 1.50%. We do not expect further cuts to the key rate in the near term; however, monetary authorities have highlighted the need to preserve policy space should the economy underperform the central bank's expectations. Thailand's inflation outlook remains muted, yet the headline inflation rate has returned to positive territory and was 0.4% y/y in June. For insights regarding the RBA's expected policy measures, please refer to Asia-Pacific Key Data Preview on page A2.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	14.25	August 31, 2016	14.25	--
Banco Central de Chile – Overnight Rate	3.50	August 11, 2016	3.50	--
Banco de la República de Colombia – Lending Rate	7.50	August 31, 2016	7.75	--
Banco Central de Reserva del Perú – Reference Rate	4.25	August 11, 2016	4.25	--

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	7.00	September 22, 2016	7.00	--

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

Economic Statistics

NORTH AMERICA

Canada	2015	16Q1	16Q2	Latest	
Real GDP (annual rates)	1.1	2.4			
Current Acc. Bal. (C$B, ar)	-62.6	-67.1			
Merch. Trade Bal. (C$B, ar)	-22.5	-25.4		-39.3	(May)
Industrial Production	-0.8	-0.4	-1.1	-0.8	(Jun)
Housing Starts (000s)	194	198	198	218	(Jun)
Employment	0.8	0.7	0.7	0.5	(Jun)
Unemployment Rate (%)	6.9	7.2	6.9	6.8	(Jun)
Retail Sales	1.7	5.5		3.6	(May)
Auto Sales (000s)	1897	1991		1860	(May)
CPI	1.1	1.5	1.6	1.5	(Jun)
IPPI	-0.8	-0.4	-1.1	0.8	(Jun)
Pre-tax Corp. Profits	-15.8	-9.1			

United States	2015	16Q1	16Q2	Latest	
Real GDP (annual rates)	2.6	0.8	1.2		
Current Acc. Bal. (US$B, ar)	-463	-499			
Merch. Trade Bal. (US$B, ar)	-763	-746		-747	(May)
Industrial Production	0.3	-1.9	-0.9	-0.4	(Jun)
Housing Starts (millions)	1.11	1.15	1.16	1.19	(Jun)
Employment	2.1	1.9	1.8	1.8	(Jun)
Unemployment Rate (%)	5.3	4.9	4.9	4.9	(Jun)
Retail Sales	1.6	2.2	2.3	2.4	(Jun)
Auto Sales (millions)	17.3	17.1	17.1	16.6	(Jun)
CPI	0.1	1.1	1.1	1.0	(Jun)
PPI	-3.3	-1.7	-1.9	-2.0	(Jun)
Pre-tax Corp. Profits	-5.5	-5.7			

Mexico	2015	16Q1	16Q2	Latest	
Real GDP	2.5	2.6			
Current Acc. Bal. (US$B, ar)	-31.9	-28.0			
Merch. Trade Bal. (US$B, ar)	-14.6	-15.9	-12.5	-6.3	(Jun)
Industrial Production	0.9	0.4		0.4	(May)
CPI	2.7	2.7	2.6	2.5	(Jun)

EUROPE

Euro Zone	2015	16Q1	16Q2	Latest	
Real GDP	1.3	1.3			
Current Acc. Bal. (US$B, ar)	366	267	233	209	(May)
Merch. Trade Bal. (US$B, ar)	393.1	358.5	297.4	422.8	(May)
Industrial Production	1.5	1.4		-0.9	(May)
Unemployment Rate (%)	10.9	10.4		10.2	(Apr)
CPI	0.0	0.0	-0.1	0.2	(Jul)

Germany	2015	16Q1	16Q2	Latest	
Real GDP	1.4	1.6			
Current Acc. Bal. (US$B, ar)	256.1	326.7		237.8	(May)
Merch. Trade Bal. (US$B, ar)	274.7	262.6		285.4	(May)
Industrial Production	0.5	1.6		0.9	(May)
Unemployment Rate (%)	6.4	6.2	6.1	6.1	(Jul)
CPI	0.2	0.3	0.1	0.4	(Jul)

France	2015	16Q1	16Q2	Latest	
Real GDP	1.2	1.3	1.4		
Current Acc. Bal. (US$B, ar)	-4.8	-23.9	-16.5	-56.5	(May)
Merch. Trade Bal. (US$B, ar)	-41.1	-47.7		-30.1	(May)
Industrial Production	1.7	0.4		1.8	(May)
Unemployment Rate (%)	10.4	10.1	9.9	9.9	(Jun)
CPI	0.0	0.0	0.0	0.2	(Jun)

United Kingdom	2015	16Q1	16Q2	Latest	
Real GDP	2.2	2.0	2.2		
Current Acc. Bal. (US$B, ar)	-100.3	-130.4			
Merch. Trade Bal. (US$B, ar)	-193.1	-196.3	0.0	-172.2	(May)
Industrial Production	1.3	0.3		3.2	(May)
Unemployment Rate (%)	5.4	5.1		4.9	(Apr)
CPI	0.0	0.3	0.4	0.5	(Jun)

Italy	2015	16Q1	16Q2	Latest	
Real GDP	0.6	1.0			
Current Acc. Bal. (US$B, ar)	36.0	19.7	31.3	38.3	(May)
Merch. Trade Bal. (US$B, ar)	49.8	40.5		68.3	(May)
Industrial Production	1.0	1.6		0.7	(May)
CPI	0.0	-0.1	-0.4	-0.1	(Jul)

Russia	2015	16Q1	16Q2	Latest	
Real GDP					
Current Acc. Bal. (US$B, ar)	69.0				
Merch. Trade Bal. (US$B, ar)	12.4	7.5		7.5	(May)
Industrial Production	-3.7	-0.7	1.0	1.7	(Jun)
CPI	15.5	8.3	7.4	7.5	(Jun)

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

Source: Bloomberg, IHS Global, Scotiabank Economics.

Economic Statistics

ASIA-PACIFIC

Australia	2015	16Q1	16Q2	Latest
Real GDP	2.5	3.1		
Current Acc. Bal. (US$B, ar)	-58.9	-57.0		
Merch. Trade Bal. (US$B, ar)	-12.9	-13.9		3.4 (May)
Industrial Production	1.6	4.8		
Unemployment Rate (%)	6.1	5.8	5.7	5.8 (Jun)
CPI	1.5	1.3	1.0	

Japan	2015	16Q1	16Q2	Latest
Real GDP	0.6	0.0		
Current Acc. Bal. (US$B, ar)	135.5	206.9		198.9 (May)
Merch. Trade Bal. (US$B, ar)	-23.1	19.2	38.5	38.1 (Jun)
Industrial Production	-1.2	-3.2	-1.9	-1.8 (Jun)
Unemployment Rate (%)	3.4	3.2	3.2	3.1 (Jun)
CPI	0.8	0.1	-0.4	-0.5 (Jun)

South Korea	2015	16Q1	16Q2	Latest
Real GDP	2.6	2.8	3.2	
Current Acc. Bal. (US$B, ar)	105.9	96.3		124.3 (May)
Merch. Trade Bal. (US$B, ar)	90.3	87.9	109.3	138.0 (Jun)
Industrial Production	-0.9	-0.2	1.2	1.1 (Jun)
CPI	0.7	1.0	0.9	0.8 (Jun)

China	2015	16Q1	16Q2	Latest
Real GDP	6.9	6.7	6.7	
Current Acc. Bal. (US$B, ar)	330.6			
Merch. Trade Bal. (US$B, ar)	593.9	475.1	553.2	574.9 (Jun)
Industrial Production	5.9	6.8	6.2	6.2 (Jun)
CPI	1.6	2.3	1.9	1.9 (Jun)

Thailand	2015	16Q1	16Q2	Latest
Real GDP	2.8			
Current Acc. Bal. (US$B, ar)	31.7	16.6	8.4	
Merch. Trade Bal. (US$B, ar)	2.9	4.4	3.2	3.8 (Jun)
Industrial Production	0.4	-1.0	1.5	0.8 (Jun)
CPI	-0.9	-0.5	0.3	0.4 (Jun)

India	2015	16Q1	16Q2	Latest
Real GDP	6.9			
Current Acc. Bal. (US$B, ar)	-22.4			
Merch. Trade Bal. (US$B, ar)	-10.5	-6.2	-6.4	-8.1 (Jun)
Industrial Production	3.2	0.2		1.2 (May)
WPI	-2.7	-0.8	1.1	1.6 (Jun)

Indonesia	2015	16Q1	16Q2	Latest
Real GDP	4.8			
Current Acc. Bal. (US$B, ar)	-17.7			
Merch. Trade Bal. (US$B, ar)	0.6	0.6	0.6	0.9 (Jun)
Industrial Production	4.8	4.4		7.5 (May)
CPI	6.4	4.3	3.5	3.5 (Jun)

LATIN AMERICA

Brazil	2015	16Q1	16Q2	Latest
Real GDP	-3.8	-5.4		
Current Acc. Bal. (US$B, ar)	-59.3	-30.5	-3.5	
Merch. Trade Bal. (US$B, ar)	19.7	33.5	61.1	47.7 (Jun)
Industrial Production	-8.2	-11.6		-13.1 (May)
CPI	9.0	10.1	9.1	8.8 (Jun)

Chile	2015	16Q1	16Q2	Latest
Real GDP	2.1	2.0		
Current Acc. Bal. (US$B, ar)	-15.9	2.1		
Merch. Trade Bal. (US$B, ar)	-3.0	8.4	5.1	-0.4 (Jun)
Industrial Production	-0.3	-0.8	-3.1	-3.8 (Jun)
CPI	4.3	4.6	4.2	4.2 (Jun)

Peru	2015	16Q1	16Q2	Latest
Real GDP	3.3			
Current Acc. Bal. (US$B, ar)	-8.4			
Merch. Trade Bal. (US$B, ar)	-0.2	-0.2		0.0 (May)
Unemployment Rate (%)	6.4	6.9	7.0	7.0 (Jun)
CPI	3.5	4.5	3.6	3.3 (Jun)

Colombia	2015	16Q1	16Q2	Latest
Real GDP	3.1			
Current Acc. Bal. (US$B, ar)	-18.8			
Merch. Trade Bal. (US$B, ar)	-1.3	-1.2		-0.7 (May)
Industrial Production	0.9	5.4		4.5 (May)
CPI	5.0	7.7	8.2	8.6 (Jun)

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	16Q1	16Q2	Jul/22	Jul/29*	United States	16Q1	16Q2	Jul/22	Jul/29*
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	0.45	0.49	0.50	0.54	3-mo. T-bill	0.20	0.26	0.31	0.24
10-yr Gov't Bond	1.23	1.06	1.10	1.05	10-yr Gov't Bond	1.77	1.47	1.57	1.47
30-yr Gov't Bond	2.01	1.72	1.73	1.66	30-yr Gov't Bond	2.61	2.28	2.28	2.21
Prime	2.70	2.70	2.70	2.70	Prime	3.50	3.50	3.50	3.50
FX Reserves (US$B)	82.2	83.5	83.5	(Jun)	FX Reserves (US$B)	108.7	109.2	109.2	(Jun)
Germany					**France**				
3-mo. Interbank	-0.24	-0.27	-0.28	-0.29	3-mo. T-bill	-0.42	-0.57	-0.57	-0.56
10-yr Gov't Bond	0.15	-0.13	-0.03	-0.12	10-yr Gov't Bond	0.49	0.18	0.21	0.10
FX Reserves (US$B)	60.8	61.8	61.8	(Jun)	FX Reserves (US$B)	57.2	54.8	54.8	(Jun)
Euro Zone					**United Kingdom**				
Refinancing Rate	0.00	0.00	0.00	0.00	Repo Rate	0.50	0.50	0.50	0.50
Overnight Rate	-0.30	-0.29	-0.34	-0.33	3-mo. T-bill	0.48	0.45	0.38	0.32
FX Reserves (US$B)	340.7	344.3	344.3	(Jun)	10-yr Gov't Bond	1.42	0.87	0.80	0.69
					FX Reserves (US$B)	125.2	128.7	128.7	(Jun)
Japan					**Australia**				
Discount Rate	0.30	0.30	0.30	0.30	Cash Rate	2.00	1.75	1.75	1.75
3-mo. Libor	-0.07	-0.08	-0.09	-0.07	10-yr Gov't Bond	2.49	1.98	1.91	1.87
10-yr Gov't Bond	-0.03	-0.22	-0.22	-0.19	FX Reserves (US$B)	46.1	48.3	48.3	(Jun)
FX Reserves (US$B)	1231.6	1232.9	1232.9	(Jun)					

Exchange Rates (end of period)

USDCAD	1.30	1.29	1.31	1.30	¥/US$	112.57	103.20	106.13	102.27
CADUSD	0.77	0.77	0.76	0.77	US¢/Australian$	0.77	0.75	0.75	0.76
GBPUSD	1.436	1.331	1.311	1.328	Chinese Yuan/US$	6.45	6.65	6.68	6.64
EURUSD	1.138	1.111	1.098	1.118	South Korean Won/US$	1143	1152	1134	1120
JPYEUR	0.78	0.87	0.86	0.87	Mexican Peso/US$	17.279	18.280	18.546	18.771
USDCHF	0.96	0.98	0.99	0.97	Brazilian Real/US$	3.592	3.213	3.257	3.239

Equity Markets (index, end of period)

United States (DJIA)	17685	17930	18571	18443	U.K. (FT100)	6175	6504	6730	6722
United States (S&P500)	2060	2099	2175	2174	Germany (Dax)	9966	9680	10147	10325
Canada (S&P/TSX)	13494	14065	14601	14561	France (CAC40)	4385	4237	4381	4431
Mexico (IPC)	45881	45966	47537	46494	Japan (Nikkei)	16759	15576	16627	16569
Brazil (Bovespa)	50055	51527	57002	56943	Hong Kong (Hang Seng)	20777	20794	21964	21891
Italy (BCI)	1056	949	990	986	South Korea (Composite)	1996	1970	2010	2016

Commodity Prices (end of period)

Pulp (US$/tonne)	950	1000	1000	1000	Copper (US$/lb)	2.20	2.19	2.25	2.20
Newsprint (US$/tonne)	545	560	560	560	Zinc (US$/lb)	0.81	0.95	1.03	1.01
Lumber (US$/mfbm)	303	316	329	329	Gold (US$/oz)	1237.00	1320.75	1320.75	1342.00
WTI Oil (US$/bbl)	38.34	48.33	44.19	41.48	Silver (US$/oz)	15.38	18.36	19.70	20.04
Natural Gas (US$/mmbtu)	1.96	2.92	2.78	2.90	CRB (index)	170.52	192.57	182.90	180.65

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

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