

**A CAUTIOUS START TO THE HOLIDAY SEASON**

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**FORECASTS & DATA**

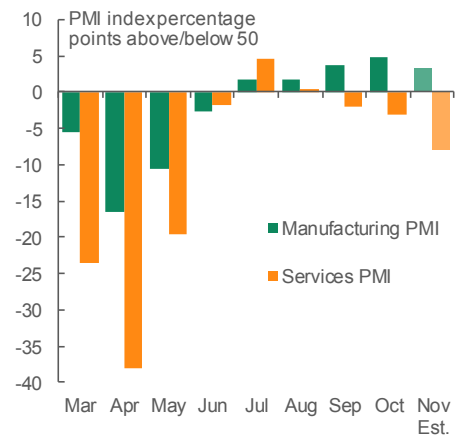
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**Next Week's Risk Dashboard**

- Covid-19
- Black Friday
- Brexit
- PMIs: US, EZ, UK, Australia
- CBs: BanRep, Riksbank, BoK
- FOMC, Banxico minutes
- Inflation: Peru, Brazil, Malaysia, Tokyo
- US macro
- GDP: US-r, India, Mexico-r

**Chart of the Week**
**Higher Restrictions Expected to Hit Euro Area Service Industries Hardest**


Sources: Scotiabank Economics, IHS Markit.

Chart of the Week: Prepared by: Evan Andrade, Economic Analyst.

## A Cautious Start to the Holiday Season

### 1. BLACK FRIDAY

Shop 'til you drop has always been the motto of the US consumer, perhaps until the online age, that is. Now it's more like shop until you get carpal tunnel and bad posture! We'll get a reminder of that with US Thanksgiving arriving on Thursday and kicking off a different sort of holiday spending rush this year.

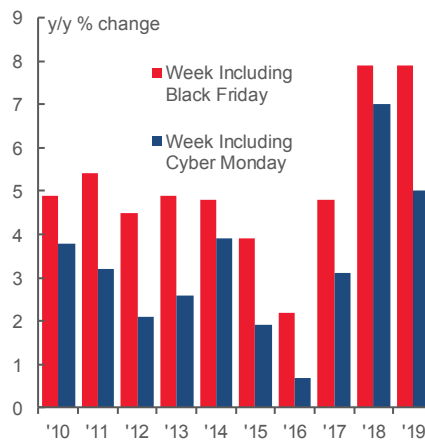
Black Friday was named because it was traditionally the kick-off to the holiday shopping season and roughly the day when retailers began turning a profit for the year. That might not be the case this year for two reasons. For one, holiday shopping may have started earlier than normal if shoppers paid heed to warnings about challenges to shipping and supply chains, while many retailers may have held earlier-than-normal sales. Then again, for years there has been the notion that Black Friday isn't what it used to be because of an earlier start, but chart 1 tends to refute that by showing how sales during the identically defined weeks containing Black Friday and Cyber Monday have been stronger than ever over the two prior years. Second, many retailers might have to wait later than usual to turn a buck this year, if at all, given the pandemic shock.

Retailers may therefore be more dependent than ever on a more powerful effect this year and markets may be sensitive to incoming evidence on how the season is tracking. **A bad season may further aggravate perceptions toward financial distress within the sector as year-end approaches alongside rising COVID-19 cases, or the opposite may be true.** Forecasts are certainly aggressive, at least for online sales as shown in chart 2. That may not be much of a surprise, however, as a relatively greater proportion of spending dollars gets spent online rather than in person. Key an eye on high frequency reporting of online sales including by firms such as Adobe Analytics.

The key is whether that will be enough. Getting consumers into stores is hardly a new challenge, but obviously a much bigger one this year and so that further ups the ante for online sales to come through. Chart 3 shows one such measure on each year's Black Friday from a company that measures foot traffic by installing sensors mounted at doors across stores in the US and Canada. Traffic has been soft for several years now. This year's collapse in retail foot traffic even as economies reopened is all the more challenging (chart 4).

Chart 1

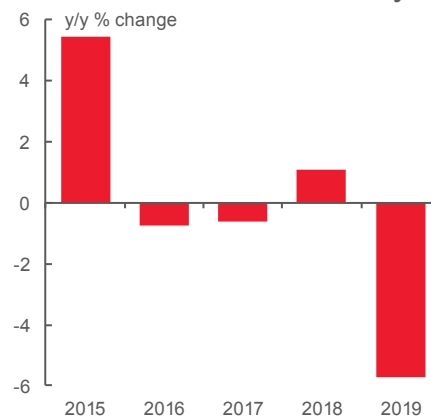
US Weekly In-Store Retail Sales



Sources: Scotiabank Economics, Redbook Research.

Chart 3

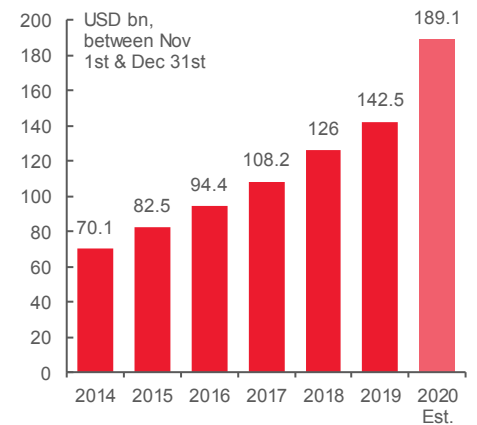
North American In-Store Retail Foot Traffic Growth on Black Friday



Sources: Scotiabank Economics, Prodcio.

Chart 2

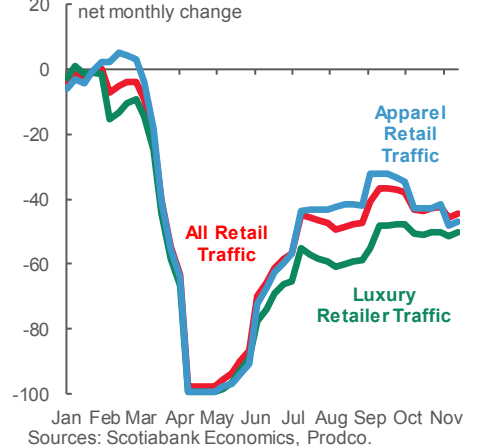
Holiday Season US Online Sales Growth



Sources: Scotiabank Economics, Adobe Analytics.

Chart 4

North American In-Store Retail Foot Traffic



Sources: Scotiabank Economics, Prodcio.

## 2. PMIs—DAMAGE ASSESSMENTS

As multiple jurisdictions tighten restrictions, businesses curtail operations and consumers hunker down, markets will be parsing a variety of indications of the concomitant knock-on growth. Enter **the monthly parade of global purchasing managers' indices** covering sentiment in November.

All of them land into Monday which may be influential in setting the tone across global markets to start the week. Since they measure activity across a suite of readings from new orders, shipments, hiring patterns and pricing trends, they will offer a fresh take on risks to growth within the manufacturing and service sectors. We've already seen weakness in Japan's Jibun PMIs. Australia will kick it off on Sunday evening (eastern time zone). Eurozone and UK measures arrive in the early hours on Monday morning and will be followed by the US Markit PMIs. The US ISM reports won't be available until early December. China's PMIs will begin to arrive at the start of the following week.

Charts 5–8 show the connection between PMIs and GDP growth across each of these regions.

## 3. BREXIT—DEAL OR NO DEAL?

This was to have been perhaps the marquee risk of the week and beyond, until COVID-19 struck. This past week brought guidance that a deal might be reached by early next week. It ended with guidance that a senior negotiator on the EU side tested positive and sent the rest scattering into quarantine. French President Macron then advised EU leaders to intensify no-deal plans. Negotiations continue in person where feasible and virtually. Markets will be sensitive to headline risk relating to progress in the negotiations—or lack thereof.

## 4. COVID-19 RESTRICTIONS & FORECASTS

**That governments would not pursue full lockdowns again is clearly being invalidated across multiple jurisdictions.** We've recently seen France re-enter a full nationwide lockdown, New York shut its schools again, and the Canadian province of Ontario (and other provinces) pursue full lockdowns in major population centres. Ontario's plans ([here](#)) involve a mosaic approach ranging from light restrictions in some parts of the province to full lockdowns in Toronto and the neighbouring Peel Region. Much will depend upon whether cases can be contained within the lockdown regions, rather than risking their migration into neighbouring jurisdictions where businesses are less restricted, for now.

Chart 5

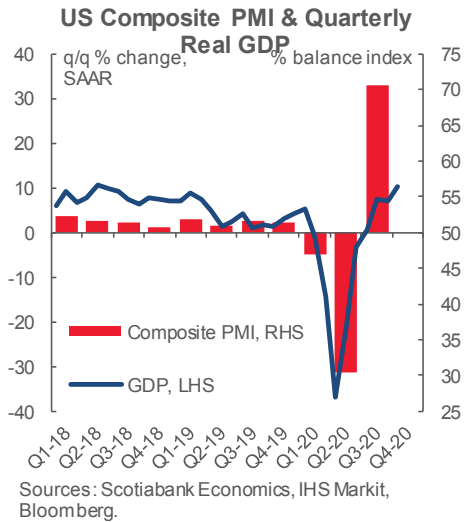


Chart 6

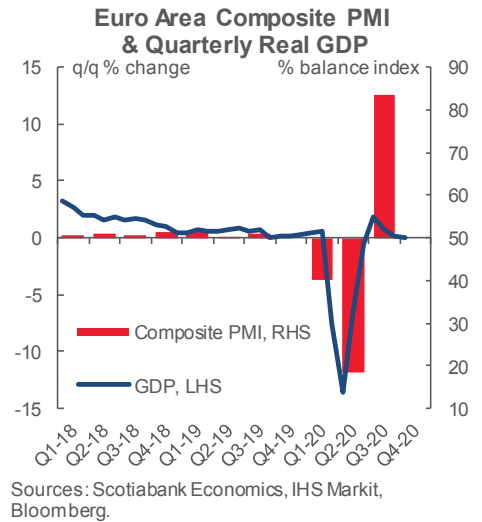


Chart 7

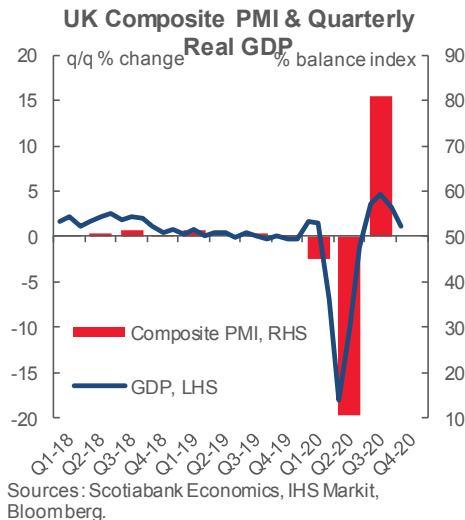
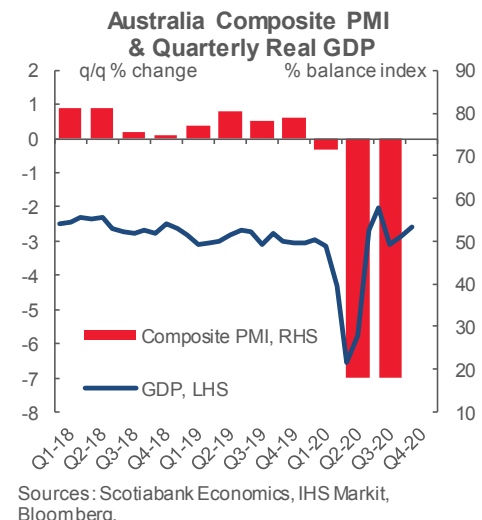


Chart 8



Regardless, markets had been betting on the avoidance of renewed lockdowns in favour of more tactical approaches and thus near-term growth is being fundamentally reassessed across multiple parts of the world economy. Fiscal and monetary policy supports are better established this time, but the impact of serial lockdowns on financial distress may be a more serious issue compared to a one-and-done scenario. Market risk appetite will be vulnerable to such developments among others that have been flagged into year-end. All of this is thanks to the actions of a relative minority and years of hospital cuts and a lack of general pandemic preparedness across multiple jurisdictions the world over that now have businesses and workers paying the price.

We'll put out a global forecast update next week that will speak to increased downside risk while retaining legitimate reason for markets to look through to more positive sentiment as 2021 unfolds. If lockdowns are successful in thwarting the rise of COVID-19—as they've been in Australia, for example—then the outlook could give way to a vaccine-led boost over our forecast horizon.

## 5. CENTRAL BANKS

A blend of decisions by three regional central banks and guidance from the Federal Reserve, Banxico and Bank of Canada will make for a continued active central bank line-up.

**Minutes to the Fed's November 4<sup>th</sup>–5<sup>th</sup> meeting arrive on Wednesday.** They risk being stale in the face of further increases in global COVID-19 cases, a potential deterioration in Brexit risk, but more importantly the Fed-Treasury spat that opened up this past week when Treasury Secretary Mnuchin refused to extend several credit facilities run by the Fed beyond their year-end expirations while seeking to claw back US\$455 billion in funding. My views on what was done and why are available [here](#). A recap of that FOMC meeting is available [here](#) and recall it was a pretty uneventful one. Watch for the tone of discussions surrounding the willingness and perceived need to enhance stimulus including through an increase in bond purchases and/or an extension of the targeted maturities. Recent guidance from Fed officials like Kaplan and Evans has not indicated any rush. Fresher guidance may arrive with Vice Chair Clarida's appearance on Tuesday and then on December 1<sup>st</sup> when Chair Powell and Treasury Secretary Mnuchin jointly testify before the Senate Banking Committee.

**Each of the central banks in South Korea (Thursday), Sweden (Thursday) and Colombia (Friday) are expected to remain on hold.** BanRep will likely continue to reinforce that the easing cycle is over, though they may wish to pepper their remarks with several ifs and buts in light of the global spread of COVID-19. Banxico's meeting minutes on Thursday may embrace a different tone by leaving the door open to doing more.

Two Bank of Canada officials speak including Deputy Governor Gravelle (Monday) on risks to the stability of the Canadian financial system stemming from COVID-19. Outgoing Senior Deputy Governor Wilkins will speak on Tuesday.

## 6. LOW INDICATOR RISK

Macro reports are of generally little consequence to markets in this environment of evolving forward-looking risks.

**US releases will be packed into the Monday–Wednesday period before things shut down for Thanksgiving.** Releases will focus upon the Conference Board's consumer confidence measure for November (Tuesday) that is likely to slip somewhat. The Richmond Fed's manufacturing gauge will further inform downside risk to the next ISM-manufacturing print in early December (Tuesday). A slew of reports arrive on Wednesday. They will include big ticket durable goods orders that are expected to post another rise. Another increase in weekly initial claims could be unwelcome to markets. Ditto for new home sales covering October. Consumer spending should follow the earlier mild gain registered by retail sales. The Fed's preferred inflation readings may follow CPI lower. Q3 GDP is not expected to be materially revised from the prior 33% q/q annualized reading.

Inflation readings from France (Friday) kick off eurozone tracking, as well as Brazil (Tuesday) and Peru (Wednesday), plus Malaysia (Tuesday) and Singapore (Monday) will offer minor input into local monetary policy risks.

GDP figures from India (Friday) should show rebound progress in Q3 from the 24% y/y drop in Q2. The same applies to Sweden's Q3 growth estimate on Friday. European consumer spending momentum into October will be informed by French consumer spending and Spanish retail sales (Friday) plus possibly Germany's retail sales toward the end of the week or into early the following week.

## Key Indicators for week of November 23 – 27

### NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	11/23	9:45	Markit US Manufacturing PMI	Nov P	--	53	53.4
US	11/23	9:45	Markit US Services PMI	Nov P	--	55.8	56.9
US	11/23	9:45	Markit US Composite PMI	Nov P	--	--	56.3
MX	11/24	07:00	Bi-Weekly Core CPI (% change)	Nov 15	0.2	--	0.1
MX	11/24	07:00	Bi-Weekly CPI (% change)	Nov 15	0.7	--	0.2
MX	11/24	07:00	Unemployment Rate (%)	Oct	5.3	--	5.1
US	11/24	09:00	S&P/Case-Shiller Home Price Index (m/m)	Sep	--	0.4	0.5
US	11/24	09:00	S&P/Case-Shiller Home Price Index (y/y)	Sep	--	--	5.2
US	11/24	10:00	Consumer Confidence Index	Nov	99.0	98.0	100.9
US	11/24	10:00	Richmond Fed Manufacturing Index	Nov	--	21.0	29.0
MX	11/25	07:00	Retail Sales (INEGI) (y/y)	Sep	--	--	-10.8
US	11/25	07:00	MBA Mortgage Applications (w/w)	Nov 20	--	--	-0.3
US	11/25	08:30	Durable Goods Orders (m/m)	Oct P	0.5	1.0	1.9
US	11/25	08:30	Durable Goods Orders ex. Trans. (m/m)	Oct P	0.2	0.4	0.9
US	11/25	08:30	GDP (q/q a.r.)	3Q S	33.0	33.1	33.1
US	11/25	08:30	GDP Deflator (q/q a.r.)	3Q S	--	3.6	3.6
US	11/25	08:30	Wholesale Inventories (m/m)	Oct P	--	--	0.4
US	11/25	10:00	New Home Sales (000s a.r.)	Oct	975	972.5	959.0
US	11/25	10:00	PCE Deflator (m/m)	Oct	0.0	0.0	0.2
US	11/25	10:00	PCE Deflator (y/y)	Oct	1.3	1.3	1.4
US	11/25	10:00	PCE ex. Food & Energy (m/m)	Oct	0.0	0.0	0.2
US	11/25	10:00	PCE ex. Food & Energy (y/y)	Oct	1.4	1.4	1.5
US	11/25	10:00	Personal Spending (m/m)	Oct	0.4	0.4	1.4
US	11/25	10:00	Personal Income (m/m)	Oct	-0.1	0.1	0.9
US	11/25	10:00	U. of Michigan Consumer Sentiment	Nov F	--	77.0	77.0
MX	11/26	07:00	GDP (q/q)	3Q F	--	--	12.0
MX	11/26	07:00	GDP (y/y)	3Q F	-8.6	--	-8.6
MX	11/26	07:00	Global Economic Indicator IGAE (y/y)	Sep	-6.9	--	-9.5
US	11/26	08:30	Initial Jobless Claims (000s)	Nov 21	730	732.5	742.0
US	11/26	08:30	Continuing Claims (000s)	Nov 14	6100	--	6372
MX	11/27	07:00	Trade Balance (US\$ mn)	Oct	--	--	4385

### EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
FR	11/23	03:15	Manufacturing PMI	Nov P	--	50.1	51.3
FR	11/23	03:15	Services PMI	Nov P	--	39.1	46.5
GE	11/23	03:30	Manufacturing PMI	Nov P	--	56.0	58.2
GE	11/23	03:30	Services PMI	Nov P	--	45.8	49.5
EC	11/23	04:00	Composite PMI	Nov P	--	45.6	50.0
EC	11/23	04:00	Manufacturing PMI	Nov P	--	53.2	54.8
EC	11/23	04:00	Services PMI	Nov P	--	42.3	46.9
UK	11/23	04:30	Manufacturing PMI	Nov P	--	50.5	53.7
UK	11/23	04:30	Services PMI	Nov P	--	43.0	51.4
GE	11/24	02:00	Real GDP (q/q)	3Q F	--	8.2	8.2
GE	11/24	04:00	IFO Business Climate Survey	Nov	--	90.4	92.7
GE	11/24	04:00	IFO Current Assessment Survey	Nov	--	87.8	90.3
GE	11/24	04:00	IFO Expectations Survey	Nov	--	93.4	95.0
GE	11/26	02:00	GfK Consumer Confidence Survey	Dec	--	-5.0	-3.1
SW	11/26	03:30	Riksbank Interest Rate (%)	Nov 26	0.00	0.00	0.00

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

**Key Indicators for week of November 23 – 27**
**EUROPE (continued from previous page)**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
FR	11/27	02:45	Consumer Spending (m/m)	Oct	--	4.2	-5.1
FR	11/27	02:45	CPI (m/m)	Nov P	--	0.0	0.0
FR	11/27	02:45	CPI (y/y)	Nov P	--	0.1	0.0
FR	11/27	02:45	CPI - EU Harmonized (m/m)	Nov P	--	0.0	0.0
FR	11/27	02:45	CPI - EU Harmonized (y/y)	Nov P	--	-0.1	0.1
FR	11/27	02:45	GDP (q/q)	3Q F	--	18.2	0.0
FR	11/27	02:45	Producer Prices (m/m)	Oct	--	--	0.2
SP	11/27	03:00	Real Retail Sales (y/y)	Oct	--	--	-2.1
SW	11/27	03:30	GDP (y/y)	3Q	--	-3.6	-7.7
EC	11/27	05:00	Economic Confidence	Nov	--	86.5	90.9
EC	11/27	05:00	Industrial Confidence	Nov	--	-10.5	-9.6
GE	11/27	03:00	Retail Sales (m/m)	Oct	--	1.0	-1.9
SP	11/27	03:00	Current Account (€ bn)	Sep	--	--	1.4

**ASIA-PACIFIC**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
NZ	11/22	16:45	Retail Sales Ex Inflation (q/q)	3Q	--	20.0	-14.6
SI	11/22	19:00	Real GDP (y/y)	3Q F	-6.0	-5.5	-7.0
TH	11/22	22:30	Customs Exports (y/y)	Oct	--	-5.8	-3.9
TH	11/22	22:30	Customs Imports (y/y)	Oct	--	-13.4	-9.1
TH	11/22	22:30	Customs Trade Balance (US\$ mn)	Oct	--	2100	2230
SI	11/23	00:00	CPI (y/y)	Oct	0.3	0.0	0.0
TA	11/23	03:00	Industrial Production (y/y)	Oct	--	8.3	10.7
TA	11/23	03:00	Unemployment Rate (%)	Oct	3.8	3.8	3.8
SK	11/23	16:00	Consumer Confidence Index	Nov	--	--	91.6
PH	11/23	20:00	Budget Deficit/Surplus (PHP bn)	Oct	--	--	-138.5
JN	11/24	00:30	Nationwide Department Store Sales (y/y)	Oct	--	--	-33.6
HK	11/24	03:30	Exports (y/y)	Oct	--	9.0	9.1
HK	11/24	03:30	Imports (y/y)	Oct	--	3.5	3.4
HK	11/24	03:30	Trade Balance (HKD bn)	Oct	--	-12.5	-12.7
SK	11/24	16:00	Business Survey- Manufacturing	Dec	--	--	76.0
SK	11/24	16:00	Business Survey- Non-Manufacturing	Dec	--	--	69.0
MA	11/24	23:00	CPI (y/y)	Oct	-1.3	-1.4	-1.4
NZ	11/25	16:45	Trade Balance (NZD mn)	Oct	--	-500	-1017
NZ	11/25	16:45	Exports (NZD bn)	Oct	--	4.8	4.0
NZ	11/25	16:45	Imports (NZD bn)	Oct	--	5.3	5.0
<b>SK</b>	<b>11/25</b>	<b>19:00</b>	<b>BoK Base Rate (%)</b>	<b>Nov 26</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>
AU	11/25	19:30	Private Capital Expenditure	3Q	--	-1.5	-5.9
JN	11/26	00:00	Coincident Index CI	Sep F	--	--	80.8
JN	11/26	00:00	Leading Index CI	Sep F	--	--	92.9
JN	11/26	00:00	Supermarket Sales (y/y)	Oct	--	--	-4.6
SI	11/26	00:00	Industrial Production (y/y)	Oct	--	5.2	24.2
JN	11/26	01:00	Machine Tool Orders (y/y)	Oct F	--	--	-5.9
NZ	11/26	16:00	ANZ Consumer Confidence Index	Nov	--	--	108.7
JN	11/26	18:30	Tokyo CPI (y/y)	Nov	--	-0.5	-0.3
PH	11/26	20:00	Bank Lending (y/y)	Oct	--	--	2.7
CH	11/26	20:30	Industrial Profits YTD (y/y)	Oct	--	--	10.1
VN	11/26	21:00	CPI (y/y)	Nov	--	--	2.5
VN	11/26	21:00	Industrial Production (y/y)	Nov	--	--	5.4
IN	11/26	22:30	Fiscal Deficit (INR Crore)	Oct	--	--	43646
TA	11/27	03:00	Real GDP (y/y)	3Q P	3.3	3.3	3.3
IN	11/27	07:00	Real GDP (y/y)	3Q	-9.0	-8.5	-23.9

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

**Key Indicators for week of November 23 – 27****LATIN AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
BZ	11/24	07:00	IBGE Inflation IPCA-15 (m/m)	Nov	--	0.8	0.9
BZ	11/24	07:00	IBGE Inflation IPCA-15 (y/y)	Nov	4.1	4.2	3.5
BZ	11/25	07:30	Current Account (US\$ mn)	Oct	1780	--	2320
CL	11/27	07:00	Unemployment Rate (%)	Oct	12.8	--	12.3
CO	11/27	09:00	Overnight Lending Rate (%)	Nov 27	1.75	1.75	1.75

**Global Auctions for week of November 23 – 27****NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	11/23	13:00	U.S. To Sell 2 & 5 Year Notes
US	11/24	13:00	U.S. To Sell 2-Year FRN Reopening
US	11/24	13:00	U.S. To Sell 7-Year Notes

**EUROPE**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BE	11/23	05:30	Belgium to Sell Bonds
NE	11/24	04:00	Netherlands to Sell Up to EUR2.5 Bln 0% 2027 Bonds
UK	11/24	05:00	U.K. to Sell 2.75 Billion Pounds of 1.25% 2027 Bonds
UK	11/24	06:30	U.K. to Sell 1.25 Billion Pounds of 1.75% 2057
IT	11/25	05:00	Italy to Sell Bonds
SW	11/26	05:00	Sweden to Sell 1/4 Bonds
IT	11/27	05:00	Italy to Sell Bonds

**ASIA-PACIFIC**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	11/22	20:30	Bank of Korea to Sell 800 Billion Won 1-Year Bonds
SK	11/22	21:30	South Korea to Sell 1 Trillion Won 20-Year Bonds
TA	11/23	23:30	Taiwan to Sell TWD30 Bln 30-Year Bonds
ID	11/24	04:30	Indonesia to Sell Bonds
JN	11/24	22:35	Japan to Sell 40-Year Bonds
TH	11/25	22:00	Bk of Thailand to Sell THB20 Bln 2022 Bonds
JN	11/26	22:35	Japan to Sell 2-Year Bonds

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Sources: Bloomberg, Scotiabank Economics.



**Events for week of November 23 – 27****NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	11/23	14:00	Bank of Canada's Gravelle Gives Speech
US	11/23	14:00	Fed's Daly Discusses the Future of Cities
US	11/23	15:00	Fed's Evans Takes Part in Moderated Q&A on the Economy
US	11/24	11:00	Fed's Bullard Discusses Monetary Policy Challenges
US	11/25	14:00	FOMC Meeting Minutes
MX	11/26	10:00	Central Bank Monetary Policy Minutes

**EUROPE**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	11/23	08:10	ECB's Schnabel Speaks at Money Market Conference
EC	11/24	08:15	ECB's Schnabel Speaks at Bank of Finland Event
AS	11/25	04:00	ECB's Holzmann Speaks in Vienna on Financial Stability
SW	11/25	07:30	Riksbank's Ingves Gives Speech
<b>SW</b>	<b>11/26</b>	<b>03:30</b>	<b>Riksbank Interest Rate</b>
SW	11/26	10:00	Riksbank's Breman in Online Panel Debate

**ASIA-PACIFIC**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	11/23	21:30	RBA's Debelle Gives Online Speech
JN	11/24	07:05	BOJ Kuroda Speech at the Virtual Conference
NZ	11/24	15:00	RBNZ Publishes Financial Stability Report
<b>SK</b>	<b>11/25</b>	<b>19:00</b>	<b>BoK 7-Day Repo Rate</b>

**LATIN AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CO	11/27	09:00	Overnight Lending Rate

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Sources: 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	0.25	December 9, 2020	0.25	0.25
Federal Reserve – Federal Funds Target Rate	0.25	December 16, 2020	0.25	0.25
Banco de México – Overnight Rate	4.25	December 17, 2020	4.25	4.00

### 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 10, 2020	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	December 10, 2020	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	December 10, 2020	-0.50	-0.50
Bank of England – Bank Rate	0.10	December 17, 2020	0.10	0.10
Swiss National Bank – Libor Target Rate	-0.75	TBA	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	4.25	December 18, 2020	4.25	4.25
Sweden Riksbank – Repo Rate	0.00	November 26, 2020	0.00	0.00
Norges Bank – Deposit Rate	0.00	December 17, 2020	0.00	0.00
Central Bank of Turkey – Benchmark Repo Rate	15.00	December 24, 2020	15.00	15.00

**Riksbank:** We anticipate no change to Riksbank's 0% Repo Rate. Despite an expected slowdown to the economic recovery as cases mount again, bank officials are likely waiting to see what is announced at the December ECB meeting.

### 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 18, 2020	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.10	November 30, 2020	0.10	0.10
Reserve Bank of New Zealand – Cash Rate	0.25	February 23, 2021	0.25	0.25
People's Bank of China – 1-Year Loan Prime Rate	3.85	December 20, 2020	3.85	3.85
Reserve Bank of India – Repo Rate	4.00	December 4, 2020	4.00	4.00
Bank of Korea – Bank Rate	0.50	November 26, 2020	0.50	0.50
Bank of Thailand – Repo Rate	0.50	December 23, 2020	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	January 20, 2021	1.75	1.75
Bank Indonesia – 7-Day Reverse Repo Rate	3.75	December 17, 2020	3.75	3.75
Central Bank of Philippines – Overnight Borrowing Rate	2.00	December 17, 2020	2.00	2.00

**Bank of Korea (BoK):** Korean monetary policymakers will make an interest rate announcement on November 26. We do not expect any changes to the benchmark interest rate, which currently stands at 0.50%. The most recent rate cut took place in May. Nevertheless, we assess that the BoK would be able to stimulate the economy further – e.g. via quantitative easing – should the economic recovery come to a halt.

### 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	2.00	December 9, 2020	2.00	2.00
Banco Central de Chile – Overnight Rate	0.50	December 7, 2020	0.50	0.50
Banco de la República de Colombia – Lending Rate	1.75	November 27, 2020	1.75	1.75
Banco Central de Reserva del Perú – Reference Rate	0.25	December 10, 2020	0.25	0.25

**Banco de la República de Colombia (BanRep):** BanRep is expected to hold its overnight lending rate at 1.75%. Our team in Bogota expects the policy rate to remain on hold until Q3 of 2021. In a November Monetary Policy report, BanRep officials revised up their inflation forecasts for 2020 and 2021 to 1.9% y/y and 2.6% y/y.

### 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	3.50	January 21, 2021	3.50	3.50

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

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