

THE 100 DAY COUNTDOWN

• Introduction	2
• Central Banks—Masking Their True Intent For Now	2–3
• Inflation's Impact On Real Policy Rates	3–5
• Earnings—Solid So Far	5
• GDP—Record Keeping	5
• Extra Credit—US, UK, German and Japanese Macro Reports	5

FORECASTS & DATA

• Key Indicators	A1–A3
• Global Auctions Calendar	A4
• Events Calendar	A5
• Global Central Bank Watch	A6

CONTACTS

Derek Holt, VP & Head of Capital Markets Economics
 416.863.7707
 Scotiabank Economics
derek.holt@scotiabank.com

Next Week's Risk Dashboard

- CBs: FOMC, BanRep, Chile
- US stimulus dialogue
- BoC's market tools
- GDP: US, Canada, Mexico, France...
- ...Germany, Spain, SK, HK, Philippines
- Inflation: US, Germany, Spain, Australia, Brazil
- Other US, UK, German, Japanese macro releases
- Earnings

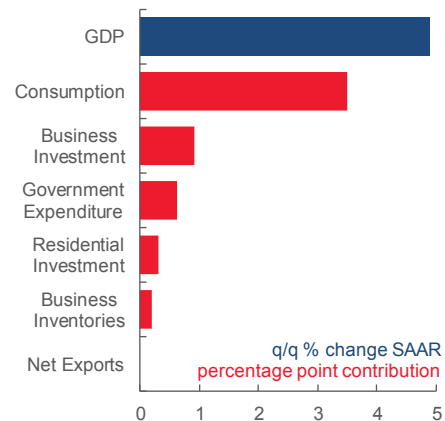
Chart of the Week
Scotiabank Economics' US Q4 GDP Growth & Contributions Forecast


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

The 100 Day Countdown

The main points of emphasis across global markets this coming week are going to be US-centric. A pair of LatAm central banks will also weigh in with their decisions alongside a wave of GDP, inflation and other readings across the global economy.

President Biden's first 100 days in office—a period used by pundits to assess the probability of success for a new administration—will be focused upon rolling out an effective plan to counter the pandemic. Markets will also be sensitive to developments informing the breadth of bipartisan support for a fiscal package of uncertain scale and scope as well as the way this may be achieved, whether through negotiation or budget reconciliation. The Federal Reserve's mid-week policy decision won't be affected at this juncture and is likely to be uneventful, but monetary policy may be sensitive to fiscal policy developments along the path toward tapering.

CENTRAL BANKS—MASKING THEIR TRUE INTENT FOR NOW

Global markets are unlikely to hear anything different from the Federal Reserve next week but that doesn't mean that market participants shouldn't already be bracing for a change in narrative to come. Two Latin American central banks will also deliver decisions.

Also note that the Bank of Canada's announcement late this past Friday ([here](#)) is likely to be further priced across the short-term rates complex next week as a signal that they are setting a floor to how far CORRA and the overnight money market financing rate are allowed to settle below the overnight rate target. This move confirms treatment of such market dynamics as technical considerations not warranting a micro rate cut as opposed to utilizing other traditional tools to steer market rates and it's feasible that other tools will be employed.

The FOMC statement will arrive on Wednesday at 2pmET and will be followed a half hour later by Chair Powell's roughly hour-long tip toe through the Ts and TIPS.

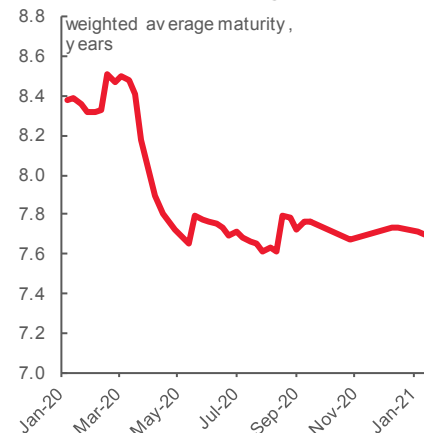
Picasso can rest in peace as there will be no updated dot plot with this one - after the full set of forecasts was upgraded at the December meeting to show higher expected growth and inflation and lower unemployment over 2021–23 (recall recap and forecasts [here](#)).

This meeting should be a rather more pedestrian affair. **No policy changes are expected.** The FOMC is relying upon its upgraded forecasts to do the talking for now and is in tracking mode. "Nearly all" were opposed to extending the weighted average maturity of its bond purchases (chart 1) at the December meeting and they are likely to be of the same view now given sound drivers of the modest additional rise in Treasury yields since the last meeting. It was also at the last meeting that the Fed extended US\$ swap lines and repo facilities for foreign central banks by six months to the end of September. Also recall that on November 30th the Board of Governors had previously extended several facilities that were set to expire at the end of December to the end of March, including the Commercial Paper Funding Facility, the Money Market Mutual Fund Liquidity Facility, the Primary Dealer Credit Facility and the Paycheck Protection Program Liquidity Facility. Finally, the Fed isn't having troubles with keeping its effective fed funds rate on track, with the interest on excess reserves that serves as the de facto policy rate (chart 2).

Thus, the Fed, like all of us, is left monitoring vaccine progress against tentative evidence of declining COVID-19 cases (chart 3) in the context of expectations for a

Chart 1

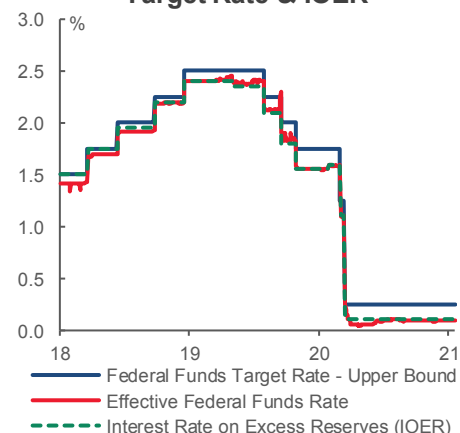
Average Maturity of Treasury Notes & Bonds Held by the Fed



Sources: Scotiabank Economics, NY Federal Reserve.

Chart 2

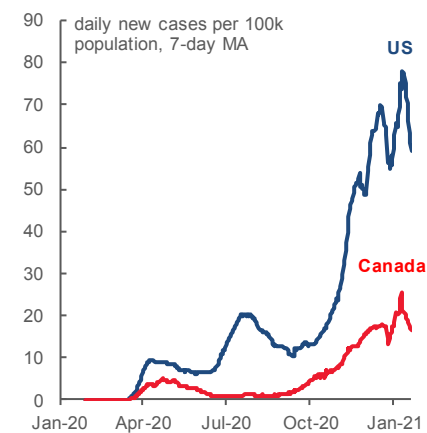
The Effective Federal Funds Target Rate & IOER



Sources: Scotiabank Economics, Bloomberg.

Chart 3

US & Canadian New Cases Trend Per Capita



Sources: Scotiabank Economics, Bloomberg.

strong forthcoming rebound. We expect the evolution of the dialogue to transition toward a more spirited taper debate over 2021H2 before the FOMC agrees to reduce the flow of bond purchases early in 2022. Just don't expect any hints about it next week.

A competent explanation for why the FOMC will wait to more directly communicate its intent to taper was recently spelled out by former NY Fed President Bill Dudley and that means something given he was part of the upper ranks making such decisions from 2009–18 including through the 2013 'taper tantrum.' Dudley noted that "If the Fed tried to let some air out of the bond market sooner [ed. meaning this year], to avoid a bigger backup in yields later, that would lead to a premature tightening of financial conditions that would make its economic goals harder to reach. **Hence the efforts of Powell and Clarida to push back against speculation about the timing of a taper.**"

Recall that in 2013 it was then-Governor Powell who was the first to raise tapering in the January meeting of that year. It took the full year before the Fed ultimately did taper at the December meeting, but it would very likely have done so in September if not for the looming fiscal retrenchment and threat of a government shutdown that surrounded that meeting. **If a similar timeline of internal debate occurs this year, it's very reasonable to expect the dialogue to begin to shift around the second half of this year. If so, investors and issuers should brace for a potentially sharp rise in bond yields and a sharp rise in bond market uncertainty and give rising consideration toward front-loading issuance requirements.**

Central banks in Colombia and Chile are expected to hold their policy rates unchanged at 0.5% on Wednesday and 1.75% on Friday, respectively. With inflation at 3% y/y and hence in line with the 3% two-year target, Chile's central bank is likely to repeat that the policy rate "will remain at its minimum level over most of the two-year monetary policy horizon" that spans 2021–22. Colombia's BanRep could face another split decision with a minority remaining in favour of a quarter point cut given that inflation is expected to rise toward the 3% +/-1% target range over 2021–22 but is nevertheless currently running at 1% y/y for headline CPI and 1.6% y/y for core inflation.

INFLATION'S IMPACT ON REAL POLICY RATES

Tracking and forecasting inflation is top of mind at central banks and in markets. While a long road still lies ahead before central banks are likely to approach their inflation targets, next week will bring **fresh inflation readings in the US, Eurozone and Australia that will help to inform their relative stances on monetary policy** through such measures as the inflation-adjusted policy rate (chart 4).

The FOMC will have a good sense of how inflation ended 2020 when they meet on Wednesday, even though their preferred measure of inflation won't arrive until Friday. We already know that headline CPI inflation moved up two-tenths to 1.4% and core CPI was unchanged at 1.6% y/y. Given that PCE tends to track beneath CPI with a number of methodological differences (see updated statistical reconciliations [here](#)), it's likely that at least **headline PCE inflation may also edge up a touch** to 1.3% y/y with core at 1.3–1.4%. That would keep the Fed well away from its goal of "inflation moderately above 2 percent for some time" before it considers raising the fed fund target range. Depending upon the measure that is used, rising inflation's impact upon the real Fed funds policy rate in relation to the real neutral rate is shown in charts 5–14.

Australia will weigh in with its first inflation update since figures for the third quarter of last year when it releases Q4 measures on Tuesday evening (eastern time). Little change is expected to the 0.7% y/y total CPI inflation rate and the 1.1% trimmed mean and 1.2% weighted median measures. Where Australia has been making progress that should please the RBA is on the unemployment rate that has fallen from a peak of 7.5% in July to 6.6% at year-end following successful containment of COVID-19 cases and the easing of restrictions.

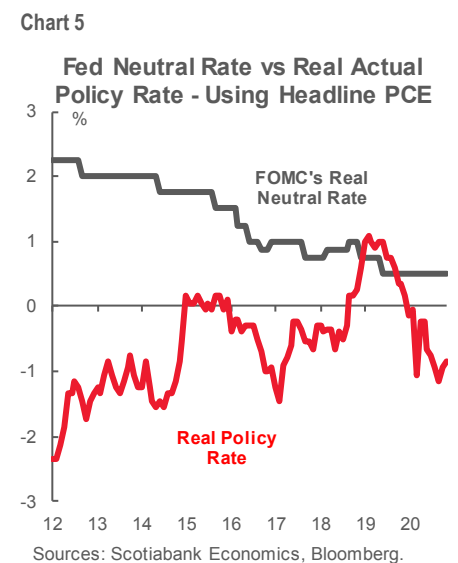
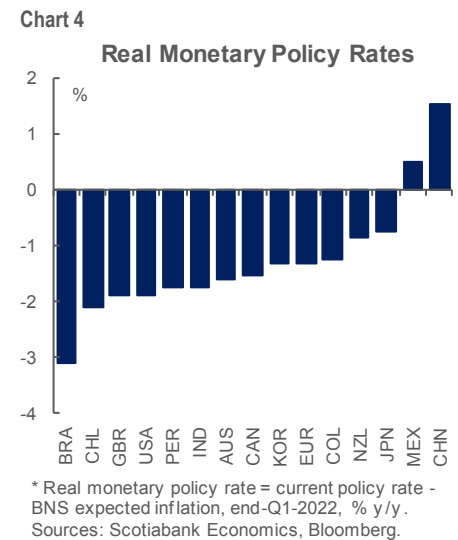
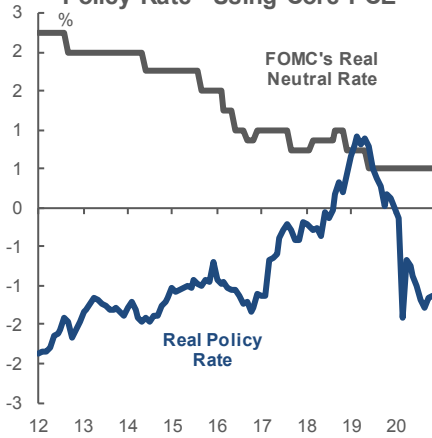
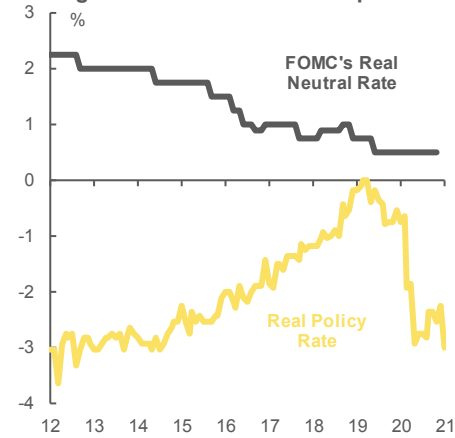


Chart 6
Fed Neutral Rate vs Real Actual Policy Rate - Using Core PCE



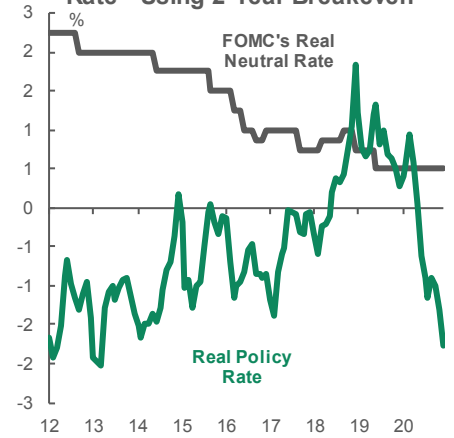
Sources: Scotiabank Economics, Bloomberg.

Chart 7
Fed Neutral Rate vs Real Actual Policy Rate - Using U Mich 1-Year Inflation Expectation



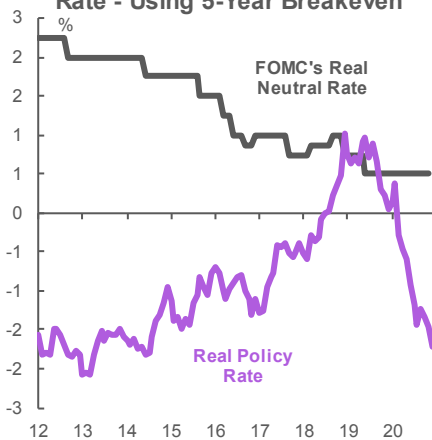
Sources: Scotiabank Economics, Bloomberg.

Chart 8
Fed Neutral Rate vs Real Actual Policy Rate - Using 2-Year Breakeven



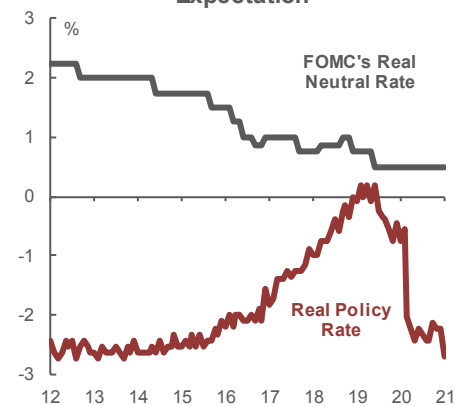
Sources: Scotiabank Economics, Bloomberg.

Chart 9
Fed Neutral Rate vs Real Actual Policy Rate - Using 5-Year Breakeven



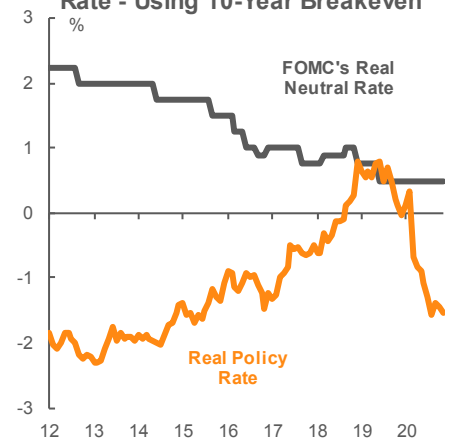
Sources: Scotiabank Economics, Bloomberg.

Chart 10
Fed Neutral Rate vs Real Actual Policy Rate - Using U Mich 5-10 Year Inflation Expectation



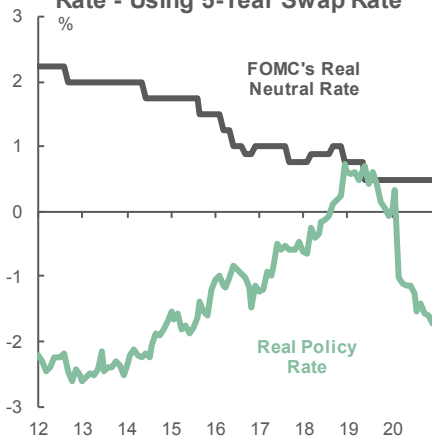
Sources: Scotiabank Economics, Bloomberg.

Chart 11
Fed Neutral Rate vs Real Actual Policy Rate - Using 10-Year Breakeven



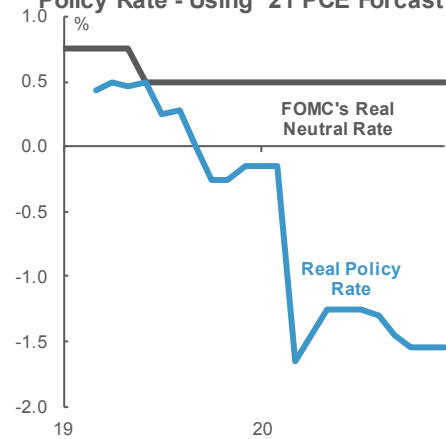
Sources: Scotiabank Economics, Bloomberg.

Chart 12
Fed Neutral Rate vs Real Actual Policy Rate - Using 5-Year Swap Rate



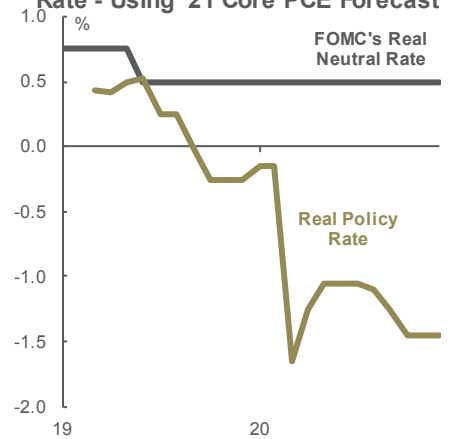
Sources: Scotiabank Economics, Bloomberg.

Chart 13
Fed Neutral Rate vs Real Actual Policy Rate - Using '21 PCE Forecast



Sources: Scotiabank Economics, Bloomberg.

Chart 14
Fed Neutral Rate vs Real Actual Policy Rate - Using '21 Core PCE Forecast



Sources: Scotiabank Economics, Bloomberg.

Market participants will need to be careful evaluating the first releases toward estimating Eurozone inflation in January.

Germany and Spain update CPI figures on Thursday and Friday respectively. For example, German harmonized inflation is likely to have spiked higher from -0.7% y/y toward +½% y/y but in no small part due to a shift in the year-ago reference points back when seasonally unadjusted inflation fell by 0.8% m/m. Policymakers would of course look through that kind of inflation but that doesn't mean year-ago comparisons will be ignored as they get rebased to softer numbers. Instead, it may counsel looking at trends in the annualized and smoothed month-ago inflation rates to cross-check whether year-over-year rates are rising only because they are comparing to prior price weakness, or something more durable.

EARNINGS—SOLID SO FAR

Earnings season accelerates and broadens out globally over the coming week. There are **121 S&P500 firms that will release next week** including names like Apple, Facebook, Tesla, Microsoft, 3M, GE, Starbucks, Boeing, Visa, Caterpillar and Mastercard. Nine TSX-listed Canadian firms will release including names like Rogers, Metro, CN Rail and CP Rail. So far this season about 86% of S&P500 firms that have released have beaten analysts' earnings expectations and about 75% have beaten revenue growth expectations.

GDP—RECORD KEEPING

Markets will probably treat the coming week's wave of GDP releases as historical footnotes to be suitably ignored in the face of expectations for accelerated growth following near-term weakness. Still, the figures will inform the depth of weakening into the final stages of a bad year.

- **The US economy probably grew at close to 5%** at an annualized rate in Q4 to lead all comers (Thursday).
- **Canada's economy probably grew at around 0.4% m/m in November based upon StatsCan guidance**, but its advance estimate for December is likely to be disappointing as restrictions were tightened across major parts of the economy (Friday).
- **Mexico's economy probably continued to grow in Q4** at a more subdued but strong non-annualized pace of 3% q/q. This would follow a Q3 12% rebound from the 16% drop in Q2.
- **Eurozone Q4 GDP won't arrive until the following week, but the depth of a likely contraction will start to be informed by figures from Germany, France and Spain on Friday.** Germany might fare the best if it holds flat while the others retrench.
- Moderate to solid growth is expected to continue when Q4 figures arrive in South **Korea (Monday), Philippines (Wednesday), Hong Kong (Friday) and Taiwan (Friday).**

EXTRA CREDIT—US, UK, GERMAN AND JAPANESE MACRO REPORTS

There will be several important US macro reports released over the coming week. They may prove to be a bit more mixed in nature than the recent round of solid readings that have included gains in the Philly Fed business gauge, housing starts, existing home sales and the Markit PMIs. For instance, Friday's **consumer spending** figures are likely to have dipped during December given what we already know about retail sales. The same day's **income figures** are also expected to be on the soft side. **Big ticket durable goods orders**, however, could register further gains in orders for capital goods excluding defense and air as a proxy for business investment following a seven month string of gains. How consumers feel in this environment will be informed by the **Conference Board's consumer confidence measure** on Tuesday. **New home sales** (Thursday), **pending home sales** (Friday) and the **Richmond Fed's manufacturing measure** (Tuesday) round it all out.

UK labour markets will be a focal point on Tuesday when jobless claims for December as well as November readings for labour earnings and unemployment arrive. The UK has been experiencing a trend loss of employment for about the past half year as wage growth of employed people has risen in no small part due to losing lower-paying jobs.

Germany will update the IFO business confidence measure for January (Monday) and the GfK consumer confidence measure for February (Wednesday) plus unemployment for January (Friday). **Japan conducts its monthly data dump** that will mostly cover December readings. Retail sales probably fell again in December along with industrial production and housing starts in the context of falling consumer prices.

Key Indicators for week of January 25 – 29

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	01/25	07:00	Global Economic Indicator IGAE (y/y)	Nov	--	-4.6	-5.3
US	01/25	10:30	Dallas Fed. Manufacturing Activity	Jan	--	--	9.7
MX	01/26	07:00	Retail Sales (INEGI) (y/y)	Nov	--	-6.2	-7.1
US	01/26	09:00	S&P/Case-Shiller Home Price Index (m/m)	Nov	--	1.0	1.6
US	01/26	09:00	S&P/Case-Shiller Home Price Index (y/y)	Nov	--	8.7	8.0
US	01/26	10:00	Consumer Confidence Index	Jan	87.5	89.2	88.6
US	01/26	10:00	Richmond Fed Manufacturing Index	Jan	--	--	19.0
US	01/27	07:00	MBA Mortgage Applications (w/w)	Jan 22	--	--	-1.9
US	01/27	08:30	Durable Goods Orders (m/m)	Dec P	0.8	0.9	1.0
US	01/27	08:30	Durable Goods Orders ex. Trans. (m/m)	Dec P	0.4	0.5	0.4
US	01/27	14:00	FOMC Interest Rate Meeting (%)	Jan 27	0.25	0.25	0.25
MX	01/28	07:00	Trade Balance (US\$ mn)	Dec	1980	3753	3033
CA	01/28	08:30	Building Permits (m/m)	Dec	--	-5.0	12.9
US	01/28	08:30	GDP (q/q a.r.)	4Q A	4.9	4.4	33.4
US	01/28	08:30	GDP Deflator (q/q a.r.)	4Q A	--	2.4	3.5
US	01/28	08:30	Initial Jobless Claims (000s)	Jan 23	880	878	900
US	01/28	08:30	Continuing Claims (000s)	Jan 16	4950	4969	5054
US	01/28	08:30	Wholesale Inventories (m/m)	Dec P	--	--	0.0
US	01/28	10:00	Leading Indicators (m/m)	Dec	--	0.3	0.6
US	01/28	10:00	New Home Sales (000s a.r.)	Dec	860	860.0	841.0
MX	01/29	07:00	GDP (q/q)	4Q P	--	2.9	12.1
MX	01/29	07:00	GDP (y/y)	4Q P	-7.6	-5.6	-8.6
CA	01/29	08:30	IPPI (m/m)	Dec	--	0.9	-0.6
CA	01/29	08:30	Raw Materials Price Index (m/m)	Dec	--	2.5	0.6
CA	01/29	08:30	Real GDP (m/m)	Nov	0.4	0.4	0.4
US	01/29	08:30	Employment Cost Index (q/q)	4Q	--	0.5	0.5
US	01/29	08:30	PCE Deflator (m/m)	Dec	0.4	0.3	0.0
US	01/29	08:30	PCE Deflator (y/y)	Dec	1.3	1.2	1.1
US	01/29	08:30	PCE ex. Food & Energy (m/m)	Dec	0.00	0.1	0.0
US	01/29	08:30	PCE ex. Food & Energy (y/y)	Dec	1.4	1.3	1.4
US	01/29	08:30	Personal Spending (m/m)	Dec	-0.8	-0.5	-0.4
US	01/29	08:30	Personal Income (m/m)	Dec	0.2	0.1	-1.1
US	01/29	09:45	Chicago PMI	Jan	--	58.0	58.7
US	01/29	10:00	Pending Home Sales (m/m)	Dec	--	-0.8	-2.6
US	01/29	10:00	U. of Michigan Consumer Sentiment	Jan F	--	79.2	79.2

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	01/25	04:00	IFO Business Climate Survey	Jan	--	91.4	92.1
GE	01/25	04:00	IFO Current Assessment Survey	Jan	--	90.6	91.3
GE	01/25	04:00	IFO Expectations Survey	Jan	--	93.6	92.8
UK	01/26	02:00	Average Weekly Earnings (3-month, y/y)	Nov	--	2.9	2.7
UK	01/26	02:00	Employment Change (3M/3M, 000s)	Nov	--	-105.0	-143.0
UK	01/26	02:00	Jobless Claims Change (000s)	Dec	--	--	64.3
UK	01/26	02:00	ILO Unemployment Rate (%)	Nov	--	5.1	4.9
GE	01/27	02:00	GfK Consumer Confidence Survey	Feb	--	-7.9	-7.3
GE	01/27	03:00	Retail Sales (m/m)	Dec	--	-2.3	1.1
SP	01/28	03:00	Unemployment Rate (%)	4Q	--	16.7	16.3
UK	01/28	04:00	Nationwide House Prices (m/m)	Jan	--	0.3	0.8
EC	01/28	05:00	Economic Confidence	Jan	--	89.5	90.4
EC	01/28	05:00	Industrial Confidence	Jan	--	-7.1	-7.2
FR	01/29	01:30	Consumer Spending (m/m)	Dec	--	23.9	-18.9
FR	01/29	01:30	GDP (q/q)	4Q P	--	-4.0	18.7
GE	01/29	02:00	Real GDP (q/q)	4Q P	--	0.0	8.5
FR	01/29	02:45	Producer Prices (m/m)	Dec	--	--	1.7

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for week of January 25 – 29
EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SP	01/29	03:00	CPI (m/m)	Jan P	--	-1.0	0.2
SP	01/29	03:00	CPI (y/y)	Jan P	--	-0.6	-0.5
SP	01/29	03:00	CPI - EU Harmonized (m/m)	Jan P	--	-1.4	0.2
SP	01/29	03:00	CPI - EU Harmonized (y/y)	Jan P	--	-0.6	0.0
SP	01/29	03:00	Real GDP (q/q)	4Q P	--	-1.3	16.4
SP	01/29	03:00	Real Retail Sales (y/y)	Dec	--	--	-5.8
GE	01/29	03:55	Unemployment (000s)	Jan	--	7.5	-37.0
GE	01/29	03:55	Unemployment Rate (%)	Jan	--	6.1	6.1
SP	01/29	04:00	Current Account (€ bn)	Nov	--	--	-0.3

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SK	01/24	19:00	Department Store Sales (y/y)	Dec	--	--	-4.3
VN	01/24	21:00	CPI (y/y)	Jan	--	-0.3	0.2
VN	01/24	21:00	Industrial Production (y/y)	Jan	--	--	9.5
SI	01/25	00:00	CPI (y/y)	Dec	-0.2	-0.1	-0.1
TA	01/25	03:00	Industrial Production (y/y)	Dec	--	5.7	7.8
SK	01/25	18:00	GDP (y/y)	4Q P	-1.8	-1.6	-1.1
SI	01/26	00:00	Industrial Production (y/y)	Dec	--	12.4	17.9
HK	01/26	03:30	Exports (y/y)	Dec	--	8.0	5.6
HK	01/26	03:30	Imports (y/y)	Dec	--	7.7	5.1
HK	01/26	03:30	Trade Balance (HKD bn)	Dec	--	-25.0	-25.6
SK	01/26	16:00	Consumer Confidence Index	Jan	--	--	89.8
AU	01/26	19:30	Consumer Prices (y/y)	4Q	0.4	0.7	0.7
CH	01/26	20:30	Industrial Profits YTD (y/y)	Dec	--	--	15.5
JN	01/27	00:00	Coincident Index CI	Nov F	--	--	89.1
JN	01/27	00:00	Leading Index CI	Nov F	--	--	96.6
SK	01/27	16:00	Business Survey- Manufacturing	Feb	--	--	77.0
SK	01/27	16:00	Business Survey- Non-Manufacturing	Feb	--	--	64.0
NZ	01/27	16:45	Trade Balance (NZD mn)	Dec	--	800.0	252.1
NZ	01/27	16:45	Exports (NZD bn)	Dec	--	5.7	5205
NZ	01/27	16:45	Imports (NZD bn)	Dec	--	4.9	4953
JN	01/27	18:50	Large Retailers' Sales (y/y)	Dec	--	-3.6	-3.4
JN	01/27	18:50	Retail Trade (y/y)	Dec	--	-0.5	0.6
SI	01/27	20:00	Unemployment Rate (%)	4Q	--	3.5	3.6
PH	01/27	21:00	Real GDP (y/y)	4Q	-6.0	-6.8	-11.5
PH	01/27	21:00	Annual GDP (y/y)	2020	-8.8	-9.1	6.0
NZ	01/28	16:00	ANZ Consumer Confidence Index	Jan	--	--	112.0
SK	01/28	18:00	Industrial Production (y/y)	Dec	--	-0.2	0.5
SK	01/28	18:00	Cyclical Leading Index Change	Dec	--	--	0.7
JN	01/28	18:30	Jobless Rate (%)	Dec	--	3.0	2.9
JN	01/28	18:30	Tokyo CPI (y/y)	Jan	--	-0.9	-1.2
JN	01/28	18:50	Industrial Production (y/y)	Dec P	--	-3.2	-3.9
AU	01/28	19:30	Private Sector Credit (y/y)	Dec	--	1.7	1.7
AU	01/28	19:30	Producer Price Index (y/y)	4Q	--	--	-0.4
HK	01/28	20:00	Annual GDP	2020	-6.0	-6.0	-1.2
MA	01/28	23:00	Exports (y/y)	Dec	--	3.6	4.3
MA	01/28	23:00	Imports (y/y)	Dec	--	-8.4	-9.0
MA	01/28	23:00	Trade Balance (MYR bn)	Dec	--	22.9	16.8
JN	01/29	00:00	Consumer Confidence	Jan	--	28.0	31.8
JN	01/29	00:00	Housing Starts (y/y)	Dec	--	-3.8	-3.7
JN	01/29	00:00	Construction Orders (y/y)	Dec	--	--	-4.7
TH	01/29	02:00	Current Account Balance (US\$ mn)	Dec	--	-900.0	-1476
TH	01/29	02:30	Exports (y/y)	Dec	--	--	-3.1
TH	01/29	02:30	Imports (y/y)	Dec	--	--	-3.3
TH	01/29	02:30	Trade Balance (US\$ mn)	Dec	--	--	1903
TA	01/29	03:00	Real GDP (y/y)	4Q A	3.4	3.5	3.9
HK	01/29	03:30	Real GDP (y/y)	4Q A	-2.5	-2.0	-3.5
IN	01/29	05:30	Fiscal Deficit (INR Crore)	Dec	--	--	122353

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for week of January 25 – 29

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	01/26	07:00	IBGE Inflation IPCA-15 (m/m)	Jan	--	0.8	1.1
BZ	01/26	07:00	IBGE Inflation IPCA-15 (y/y)	Jan	--	4.3	4.2
BZ	01/27	07:30	Current Account (US\$ mn)	Dec	--	-5850	202
CL	01/27	16:00	Nominal Overnight Rate Target (%)	Jan 27	0.50	0.50	0.50
CL	01/29	07:00	Industrial Production (y/y)	Dec	--	1.0	-1.7
CL	01/29	07:00	Retail Sales (y/y)	Dec	18.0	16.0	25.0
CL	01/29	07:00	Unemployment Rate (%)	Dec	10.6	10.5	10.8
CO	01/29	10:00	Urban Unemployment Rate (%)	Dec	14.9	14.5	15.4
CO	01/29	13:00	Overnight Lending Rate (%)	Jan 29	1.75	1.75	1.75

Global Auctions for week of January 25 – 29

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	01/25	13:00	U.S. To Sell 2-Year Notes
US	01/26	13:00	U.S. To Sell 5-Year Notes
US	01/27	13:00	U.S. To Sell 2-Year FRN
CA	01/28	12:00	Canada to Sell 10-Year Bonds
US	01/28	13:00	U.S. To Sell 7-Year Notes

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
NE	01/26	04:00	Netherlands to Sell Bonds
IT	01/26	05:00	Italy to Sell I/L Bonds
IT	01/26	05:00	Italy to Sell Bonds
UK	01/26	05:00	U.K. to Sell 2.5 Billion Pounds of 0.625% 2035 Bonds
UK	01/26	06:30	U.K. to Sell 1.75 Billion Pounds of 0.625% 2050 Bonds
SW	01/27	05:00	Sweden to Sell Bonds
UK	01/27	05:00	U.K. to Sell 2031 I/L Bonds
NO	01/27	05:00	Norway to Sell Bonds
GE	01/27	05:30	Germany to Sell 4 Billion Euros of 0% 2031 Bonds
IT	01/28	05:00	Italy to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	01/24	20:30	South Korea to Sell 1 Trillion Won 5-Year Bonds
SK	01/24	20:30	Bank of Korea to Sell 700 Billion Won 1-Year Bonds
SK	01/24	21:30	South Korea to Sell 1.5 Trillion Won 5-Year Bonds
CH	01/24	21:30	Qinghai to Sell 10-Year Bonds
CH	01/25	01:00	Yunnan to Sell 7-Year Bonds
SK	01/25	21:30	South Korea to Sell 1 Trillion Won 20-Year Bonds
JN	01/25	22:35	Japan to Sell 40-Year Bonds
TA	01/25	23:30	Taiwan to Sell TWD35 Bln 20-Year Bonds
JN	01/27	22:35	Japan to Sell 2-Year Bonds

Events for week of January 25 – 29**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	01/27	14:00	FOMC Rate Decision
US	01/27	14:30	Powell Holds Press Conference Following FOMC Meeting
US	01/29	13:00	Fed's Kaplan Speaks at Energy Forum

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	01/25	03:45	ECB's Lagarde Gives Keynote
EC	01/25	05:45	ECB's Panetta Gives Speech
HU	01/25	08:00	ECB's Lane, PBOC's Yi Gang, Hungary's Matolcsy Speak at Event
EC	01/25	08:45	ECB's Lane Speaks on Panel
EC	01/25	11:15	ECB's Lagarde Speaks on Panel
EC	01/26	11:00	ECB's Centeno Speaks on Panel
EC	01/27	10:00	ECB's Lane Speaks on Panel
SW	01/27	10:00	Riksbank's Breman Gives Speech
EC	01/28	12:15	ECB's Schnabel Speaks on Panel

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
HU	01/25	08:00	ECB's Lane, PBOC's Yi Gang, Hungary's Matolcsy Speak at Event
NZ	01/27	16:00	N.Z. Government 5-Month Financial Statements

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CL	01/27	16:00	Overnight Rate Target
CO	01/29	13:00	Overnight Lending Rate

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	March 10, 2021	0.25	0.25
Federal Reserve – Federal Funds Target Rate	0.25	January 27, 2021	0.25	0.25
Banco de México – Overnight Rate	4.25	February 11, 2021	4.25	4.00

Federal Reserve: No policy changes are expected at this meeting following updated forecasts at the December meeting and facility extensions that were announced late last year. The Fed is in watch mode, but issuers and investors should be preparing now for the dialogue to shift toward taper risk later in the year.

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	March 11, 2021	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	March 11, 2021	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	March 11, 2021	-0.50	-0.50
Bank of England – Bank Rate	0.10	February 4, 2021	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	February 12, 2021	4.25	4.25
Sweden Riksbank – Repo Rate	0.00	February 10, 2021	0.00	0.00
Norges Bank – Deposit Rate	0.00	March 18, 2021	0.00	0.00
Central Bank of Turkey – Benchmark Repo Rate	17.00	February 18, 2021	17.00	17.00

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	March 19, 2021	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.10	February 1, 2021	0.10	0.00
Reserve Bank of New Zealand – Cash Rate	0.25	February 23, 2021	0.25	0.00
People's Bank of China – 1-Year Loan Prime Rate	3.85	February 21, 2021	3.85	3.85
Reserve Bank of India – Repo Rate	4.00	February 5, 2021	3.50	4.00
Bank of Korea – Bank Rate	0.50	February 25, 2021	0.50	0.50
Bank of Thailand – Repo Rate	0.50	February 3, 2021	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	March 4, 2021	1.75	1.75
Bank Indonesia – 7-Day Reverse Repo Rate	3.75	February 18, 2021	3.75	3.75
Central Bank of Philippines – Overnight Borrowing Rate	2.00	February 11, 2021	2.00	2.25

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	March 17, 2021	2.00	2.00
Banco Central de Chile – Overnight Rate	0.50	January 27, 2021	0.50	0.50
Banco de la República de Colombia – Lending Rate	1.75	January 29, 2021	1.75	1.75
Banco Central de Reserva del Perú – Reference Rate	0.25	February 11, 2021	0.25	0.25

Banco Central de Chile (BCCh): The BCCh is expected to maintain their Overnight Rate at 0.5% — which is the lower bound — after their meeting on Wednesday. The central bank is also expected to maintain guidance of maintaining low rates for an extended period of time and reiterate their commitment to using market operations to ensure adequate liquidity in financial markets. Our team in Chile expects a gradual rate hike to begin in the second half of 2022.

Banco de la República de Colombia (BanRep): The Overnight Lending Rate is expected to remain at 1.75% after BanRep's policy meeting on Friday. The decision is expected to be a split vote with some officials believing that economic slack has not recovered enough and that falling inflation gives support to further easing. Our economist in Colombia anticipates that normalization of the policy rate could begin as soon as the second half of this year.

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	March 25, 2021	3.50	3.50

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

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; Scotiabank Europe plc; Scotiabank (Ireland) Designated Activity Company; Scotiabank Inverlat S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat, Scotia Inverlat Casa de Bolsa, S.A. de C.V., Grupo Financiero Scotiabank Inverlat, 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 authorized 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 authorized 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, Grupo Financiero Scotiabank Inverlat, and Scotia Inverlat 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.