

**THE WHISPER TAPER**

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**Next Week's Risk Dashboard**

- CBs and the markets
- Jobs: US, Germany, Japan
- PMIs: US, China, Canada, India, Mexico, Brazil
- GDP: Canada, Australia
- CBs: RBA, Negara
- CPI: Eurozone, Peru, Colombia...
- ...Indonesia, Philippines, SK, Thailand

**Chart of the Week**
**Are Markets Reaching an Inflection Point?**


Sources: Scotiabank Economics, Bloomberg.

Chart of the Week: Prepared by: Marc Ercolao, Economic Analyst.

## The Whisper Taper

### 1. POLICYMAKERS AND MARKET DEVELOPMENTS

The game of basketball offers parallels to how central banks should view market developments. Should they stand firmly in the way of a charging bond market and hope that an offensive foul gets called against bonds? Or would they risk coughing up potentially costly free throws if it backfires on central banks by intervening in markets for the wrong and possibly futile reasons and perhaps even stoking higher inflation expectations?

Following a week of abrupt market movements concentrated upon bonds, the pressing question facing monetary policymakers is whether to respond and how much further licence this may give bond markets to push financing costs higher. Equally important is what investors should make of it all in the context of potential policy shifts. Markets will receive further information to inform their views over the coming week.

A first point involves what to make of stock market volatility. With the S&P500 2½% below the mid-February peak, it's pretty clear that it's a tad premature to ring the alarm bells. **It would be rather unusual to see a sustained equity sell-off into deflation and strong growth which is more typically a bad bond market environment.** Further, recall that during the 2013–14 Fed policy exit episode, there were no fewer than seven periods during which the S&P fell by between 4–7% only to recoup the hit and move onto greater highs each time. The almost 6% drop in the month following former Fed Chair Bernanke's taper remark in May 2013 was among them. **We are going to get this kind of volatility in spades on the long and grinding ultimate way out of record stimulus that will take 'some time' as they say.**

The core issue of whether stocks are cheap, fair value or dear nevertheless continues to hang over markets. In my view, price-to-forward-earnings at 19.4 (chart 1) into the first full year of vaccines (2022) is not a **cheap market but also doesn't scream over-valuation** versus the distorted 31.6 price-to-trailing earnings ratio that is still skewed to the pandemic hit. For some investors that are more income-oriented, the potential approaching cross-over point between the dividend yield and the 10 year Treasury yield may restore more of the asset allocation balance (see Marc Ercolao's cover chart). For other investors, it's hard to see how bonds could beat stocks on capital gains going forward.

As for bond markets, the kind of shifts in the slope of the yield curves that we are getting are fairly typical at a positive inflection point for growth and inflation expectations (charts 2, 3). Charts 4–10 show multiple measures of the inflation-adjusted 10-year Treasury yield in order to make the point that even with the recent rates selloff we're still at extremely low levels of real long-term borrowing costs. **It's a mistake to view inflation as the sole driver of higher yields when the real cost of borrowing has also been rising with probably considerably further room to run as part of our year-end forecast for US 10s to climb toward 2%. Regardless, US inflation is arguably already upon us as argued [here](#).** You could suggest something similar about Canada where the flap over revisions leaves us monitoring average core inflation at 1.8% y/y and just shy of the BoC's 2% headline target.

How central bankers are responding to bond market developments is bringing out regional variations that are unlikely to lead to any hint at central bank coordination

Chart 1

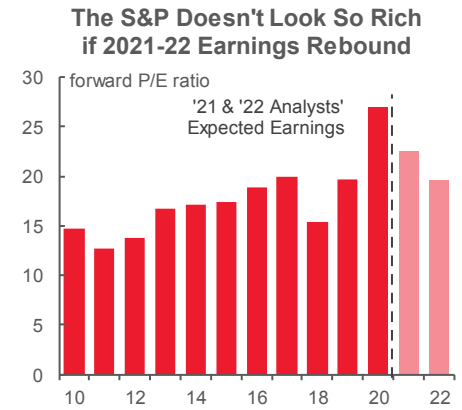


Chart 2

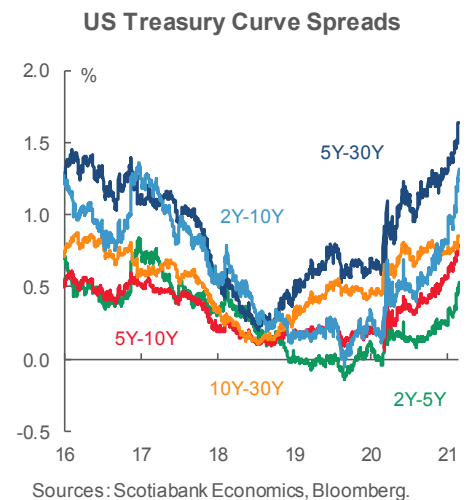


Chart 3

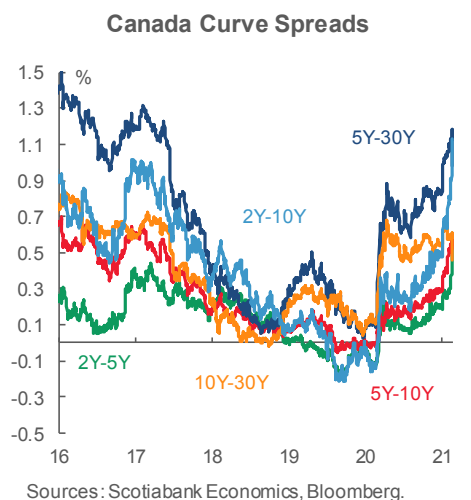
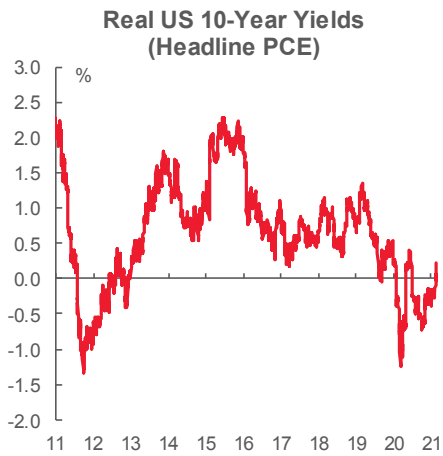
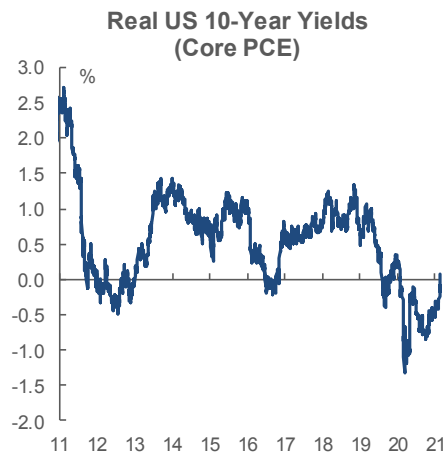


Chart 4



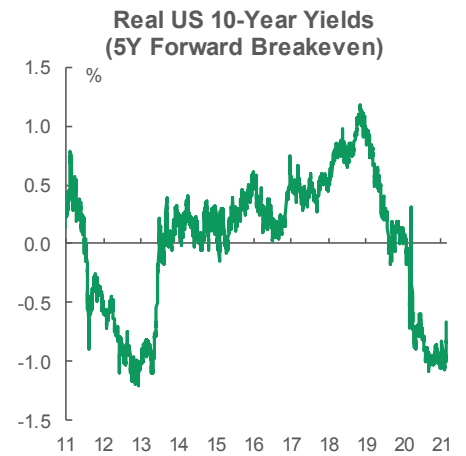
Sources: Scotiabank Economics, Bloomberg.

Chart 5



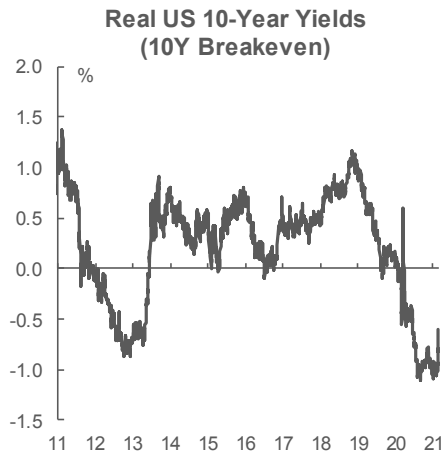
Sources: Scotiabank Economics, Bloomberg.

Chart 6



Sources: Scotiabank Economics, Bloomberg.

Chart 7



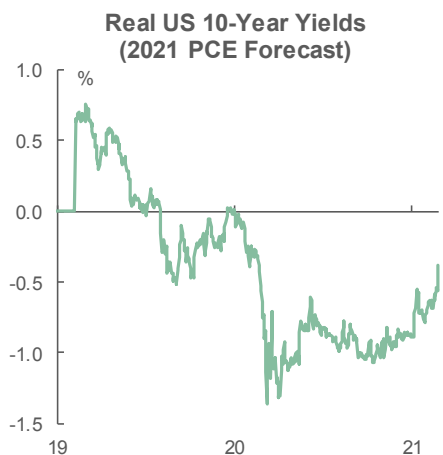
Sources: Scotiabank Economics, Bloomberg.

Chart 8



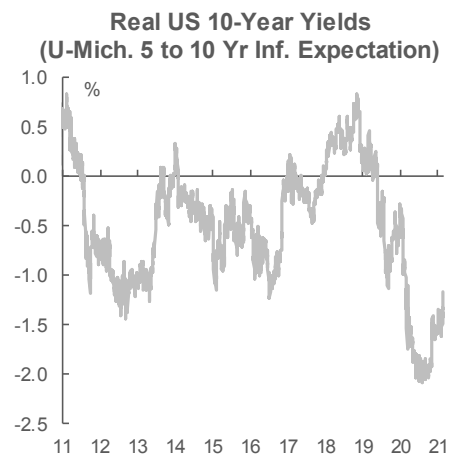
Sources: Scotiabank Economics, Bloomberg.

Chart 9



Sources: Scotiabank Economics, Bloomberg.

Chart 10



Sources: Scotiabank Economics, Bloomberg.

coming out of this weekend's G20 meetings of central bankers and finance ministers. **Most of the Anglo-American central banks including the Federal Reserve, Bank of England and Bank of Canada appear generally content with letting the market run** as we've seen in comments from a wide variety of FOMC officials, the BoE's Chief Economist and Deputy Governor Ramsden, and BoC Governor Macklem's recent press conference. They have generally referenced rational expectations for a solid improvement in the global economy as the prime catalyst to steeper curves and indicated it would be inappropriate to stand in the way. The RBA is a partial exception at least around the 3 year section of the rates curve and their 0.1% control target, while nevertheless facing questionable motive and ability to control longer-term yields that have abruptly sold off. ECB officials have been a further exception through comments by Chief Economist Lane, Executive Board Member Schnabel and Greece's central bank Governor that may be explainable by virtue of the fact that the Eurozone has been plagued by weaker inflation for a very long time, along with structural growth challenges and slow roll-out of vaccines.

**As the calendar flips over to March, we'll get further information on why the Anglo-American central banks are keen to pass the baton to fiscal authorities (and with one eye on OPEC+ on Thursday).** Canada's Federal government could introduce its annual budget in the next month or two and has previously indicated that it would increase spending by C\$70–100 billion over a three-year period of time without adding to structural deficits but absent details on funding and distribution of such spending. The Biden Administration's US\$1.9 trillion stimulus package is likely to advance further in the dual chambers over the coming week on the path toward having a bill for President Biden to sign by mid-March ahead of the expiration of extended unemployment benefits. The effects on incomes and consumption will be massive ([here](#)).

**Wednesday's UK budget, however, may be worth keeping an eye upon in terms of the potential tax policy risk.** Chancellor of the Exchequer Rishi Sunak is expected to balance additional spending, including the extension of existing pandemic relief programs, against potential plans to raise corporate taxes over time in anticipation of similar plans out of the US administration.

**In the meantime, what at least most of the Anglo-American central banks appear to be willing to do is to employ communication tools that enable a soft taper.** Whispering reassuring words into the bond market's ear that they are ok with steeper curves is perhaps best viewed as laying the groundwork for a less abrupt movement in yields when the time comes to scale back bond purchases. An alternative—or maybe complementary—thesis is that they realize they don't have the same power over the curve at a positive inflection point with fiscal policy tearing higher for the first time in ages and vaccines arriving in the millions of doses each week. Leaning against the bond market could easily backfire by stoking greater upward pressure on inflation expectations.

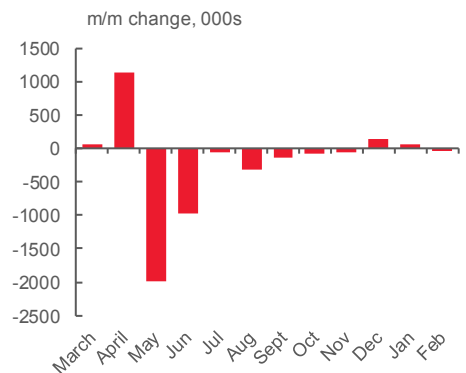
## 2. US JOBS

Friday's nonfarm payrolls will be the marquee development on the global macro calendar.

**A modest rise of about 175k is guesstimated for nonfarm payrolls** along with a slight up-tick in the unemployment rate that is derived from the companion household survey based on an expected rebound in labour force entry. Apart from the usual +/- 110k 90% confidence interval, there are incomplete foundations for the call as this publication is being distributed, but additional advance indicators will arrive next week that will help to further inform the estimate. What we know at this point is that jobless claims were slightly lower in the February payrolls reference period which is the pay period including the 12<sup>th</sup> of the month, versus the prior month's reference period (chart 11). We also know that consumer confidence indicated somewhat easier availability of jobs in February (chart 12). The employment components to the ISM-manufacturing (Monday) and ISM-services (Wednesday) reports plus Wednesday's ADP payrolls may affect the estimate.

Chart 11

### Change in US Initial Jobless Claims Between Non-Farm Reference Periods

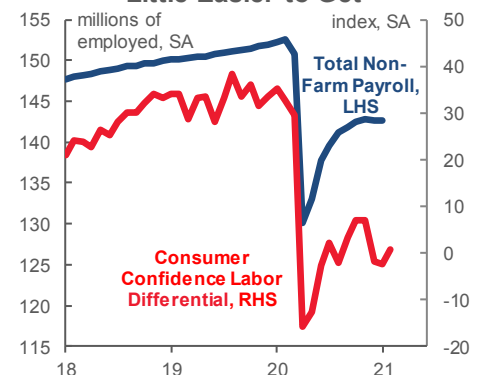


Note: Reference week defined as containing the 12th of each month.

Sources: Scotiabank Economics, US BLS.

Chart 12

### US Jobs Became a Little Easier to Get



Sources: Scotiabank Economics, US Conference Board, US BLS.

Chart 13 is a reminder of the rough connection between GDP growth and employment growth. If we're anywhere close to the mark with our GDP forecasts then this rough connection would support recouping about 4–5 million payroll positions by the end of 2021 and likely more in the household survey that captures more of the smaller businesses. That would go a long way toward the Fed's requirement that they see 'substantial' progress before reducing the pace of Treasury and MBS buying. Among the macro foundations for this concept are our views on the US consumer ([here](#)).

### 3. GROWTH SIGNALS

A pair of GDP reports along with purchasing managers' indices will combine to offer material tracking of growth entering 2021 across the US, Canada, Mexico, India, China and Brazil.

**Canada's GDP figures arrive on Tuesday.** Statistics Canada will provide advance guidance for January plus estimates for December GDP growth and the full fourth quarter. It's the preliminary January guidance that is likely to offer the newest information. Statistics Canada guided toward the end of January that December GDP was tracking about 0.3% m/m higher on a production basis and the full fourth quarter was tracking around 7½% on an annualized expenditure basis.

As for January in Canada, most of what is available so far indicates that overall growth may have continued albeit that service sector readings during lockdowns are more difficult to gauge. We know that hours worked were up by a solid 0.9% m/m despite the loss of over 210k jobs during lockdowns; given GDP is an identity defined as hours times labour productivity that suggests GDP increased with more hours worked. We also know that housing starts soared by 23% m/m to an all-time record high driven by both single- and multiple-housing units, existing home sales climbed by 2% m/m, and that preliminary estimates point to a 3.3% m/m drop in nominal retail sales, a 5.3% rise in wholesale sales and a 2.5% jump in manufacturing sales.

**Australian Q4 GDP** (Tuesday night ET) is expected to post solid growth in the 2 ½% q/q non-annualized range as the economy continues to rebound from generally successful containment of the COVID-19 virus.

**A wave of PMI updates will inform Q1 GDP tracking** as evidenced by the rough connections shown in charts 14–19. The balance of the evidence across regional US manufacturing surveys paired with the jump in January auto sales and what that could mean to February auto production may give a boost to ISM-manufacturing on Monday. Wednesday's ISM-services has a recent pattern of beating estimates. China updates the state and private versions of its PMIs into the start of the week. So will India, Mexico and Brazil.

### 4. CENTRAL BANKS—CONTROL WHAT YOU CAN

Two central banks will deliver policy decisions that may be influential to local markets. Neither of them is expected to change policy stance, but their guidance will be monitored.

**The Reserve Bank of Australia (Tuesday)** has recently ramped up purchases of three-year government bonds to enforce its 0.1% yield target following the recent selloff. It has been generally successful following multiple attempts, while the longer end of the Australian rates curve has sold off pretty aggressively and thereby demonstrated the limited efficacy of a modestly sized central bank's ability to control where global bond markets wish to go. Inflation is forecast to gradually return toward the target range (chart 20).

Bank Negara Malaysia will likely keep its policy rate unchanged at 1.75% on Thursday.

Chart 13

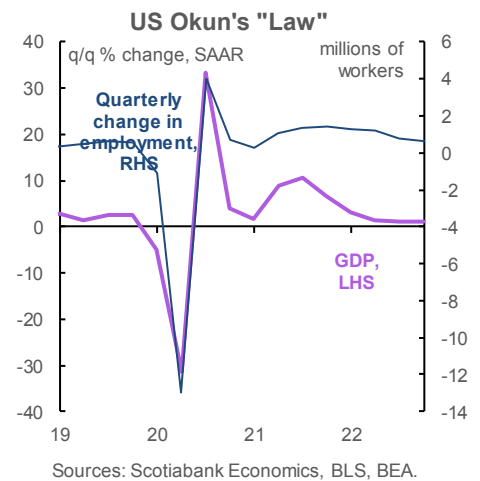
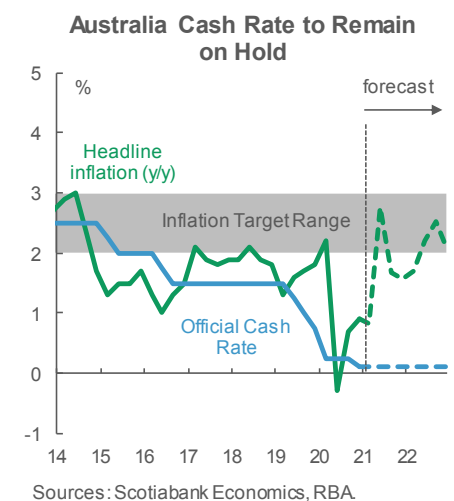


Chart 20



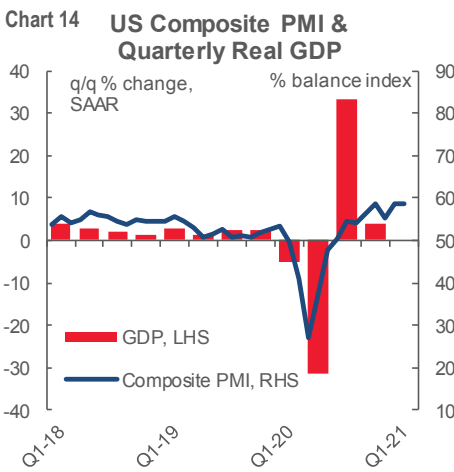
**5. INFLATION TO DOMINATE THE REST OF THE LINE-UP**

If the ECB wants proof that they need to continue offering stimulus, then Tuesday’s inflation figures should do the trick for now. Following a transitory spike in January that was driven by tax changes and special factors, Euro zone core inflation is likely to fall back down toward just over 1% y/y on Tuesday. Monday’s inflation figures from Germany and Italy will feed into such expectations.

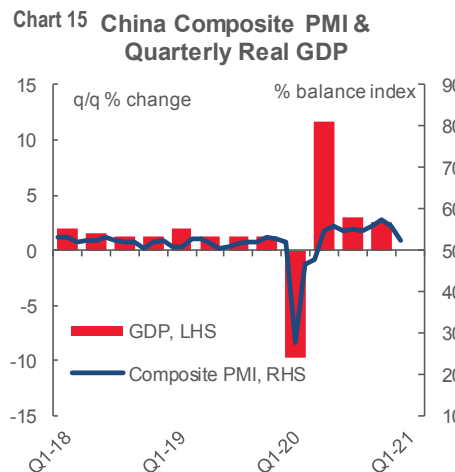
Latin American inflation updates will focus on Peru (Monday) and Colombia (Friday). Peru’s central bank has been on hold at 0.25% since April while monitoring headline inflation that has risen to 2.7% y/y with core inflation at 1.7% compared to a 2% +/-1% inflation target range. Colombia is still tracking inflation at around 1½% y/y with core under 1% and hence both well below BanRep’s 3% +/-1% target range.

Four Asia-Pacific countries update inflation including Indonesia and the Philippines at the start of the week and then South Korea and Thailand around the middle of the week.

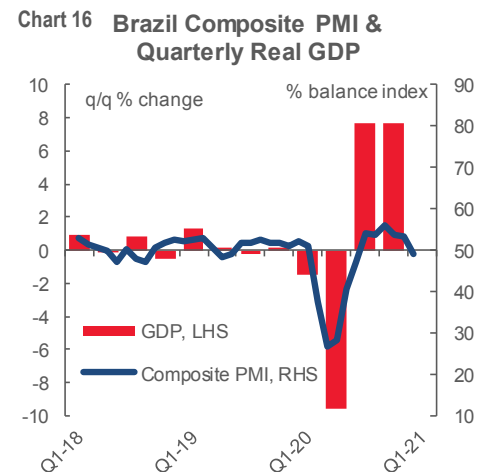
Most of the rest of the week’s line-up will be pretty light. Germany refreshes retail sales and unemployment early in the week and factory orders at the end of the week. The only UK release will be PMI for the construction sector on Thursday and revisions to earlier PMI releases. Japan updates cap-ex spending for Q4 (Monday night ET) that could influence revisions to the earlier 3.0% q/q SA GDP growth estimate, plus employment figures for January (Monday night ET). Residual US releases will include construction spending on Monday, vehicle sales on Tuesday, the Fed’s Beige Book of regional conditions on Wednesday, weekly claims and factory orders on Thursday, and trade figures on Friday.



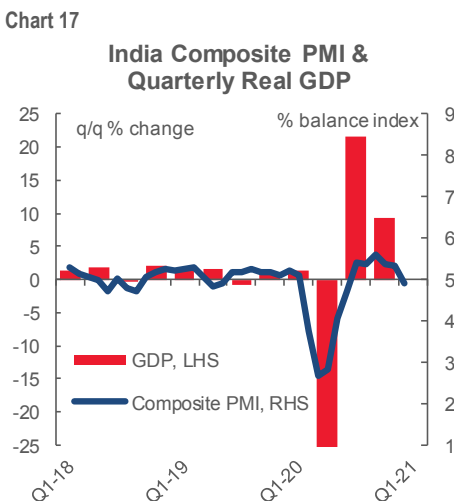
Sources: Scotiabank Economics, IHS Markit, Bloomberg.



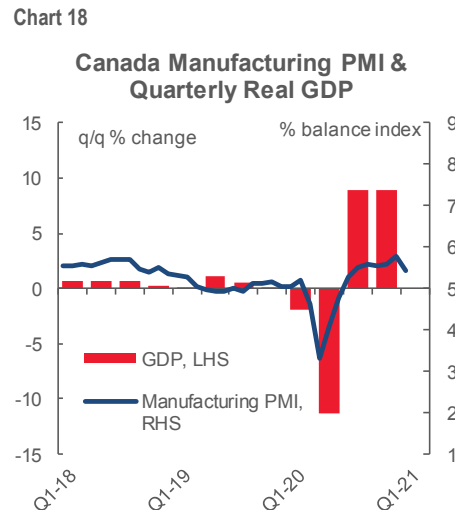
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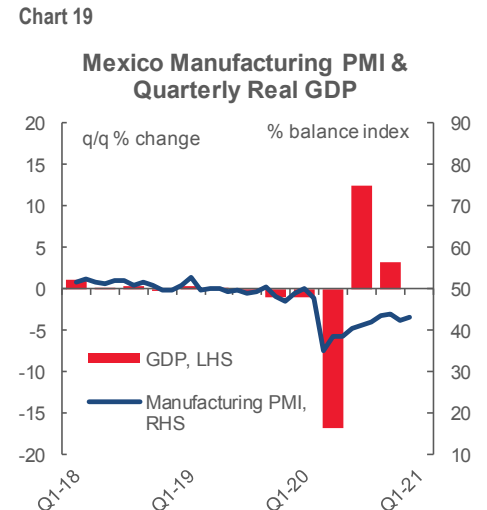
Sources: Scotiabank Economics, IHS Markit, Bloomberg.



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**Key Indicators for week of March 1 – 5**
**NORTH AMERICA**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	03/01	08:30	Current Account (C\$ bn a.r.)	4Q	--	-7.0	-7.5
US	03/01	10:00	Construction Spending (m/m)	Jan	0.5	0.8	1.0
US	03/01	10:00	ISM Manufacturing Index	Feb	60	58.6	58.7
CA	03/02	08:30	Real GDP (m/m)	Dec	0.3	0.1	0.7
CA	03/02	08:30	Real GDP (q/q a.r.)	4Q	7.6	7.2	40.5
US	03/02		Total Vehicle Sales (mn a.r.)	Feb	--	16.4	16.6
US	03/03	07:00	MBA Mortgage Applications (w/w)	Feb 26	--	--	-11.4
US	03/03	08:15	ADP Employment Report (000s m/m)	Feb	160.0	170.0	174.2
CA	03/03	08:30	Building Permits (m/m)	Jan	--	1.0	-4.1
US	03/03	10:00	ISM Non-Manufacturing Composite	Feb	59	58.6	58.7
CA	03/04	08:30	Productivity (q/q a.r.)	4Q	--	--	-10.3
US	03/04	08:30	Initial Jobless Claims (000s)	Feb 27	710	792.5	730.0
US	03/04	08:30	Continuing Claims (000s)	Feb 20	4,300	--	4,419
US	03/04	08:30	Productivity (q/q a.r.)	4Q F	--	-4.8	-4.8
US	03/04	08:30	Unit Labor Costs (q/q a.r.)	4Q F	--	6.8	6.8
US	03/04	10:00	Factory Orders (m/m)	Jan	1.8	1.3	1.1
CA	03/05	08:30	Merchandise Trade Balance (C\$ bn)	Jan	-1.5	-1.4	-1.7
US	03/05	08:30	Average Hourly Earnings (m/m)	Feb	0.2	0.2	0.2
US	03/05	08:30	Average Hourly Earnings (y/y)	Feb	5.3	5.3	5.4
US	03/05	08:30	Average Weekly Hours	Feb	--	34.9	35.0
US	03/05	08:30	Nonfarm Employment Report (000s m/m)	Feb	175.0	150.0	49.0
US	03/05	08:30	Trade Balance (US\$ bn)	Jan	-66.5	-67.5	-66.6
US	03/05	08:30	Unemployment Rate (%)	Feb	6.5	6.4	6.3
US	03/05	15:00	Consumer Credit (US\$ bn m/m)	Jan	--	12.0	9.7
US	03/05		Household Employment Report (000s m/m)	Feb	--	--	201.0

**EUROPE**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IT	03/01	03:45	Manufacturing PMI	Feb	--	56.8	55.1
FR	03/01	03:50	Manufacturing PMI	Feb F	--	55.0	55.0
GE	03/01	03:55	Manufacturing PMI	Feb F	--	60.6	60.6
EC	03/01	04:00	Manufacturing PMI	Feb F	--	57.7	57.7
UK	03/01	04:30	Manufacturing PMI	Feb F	--	54.9	54.9
UK	03/01	04:30	Net Consumer Credit (£ bn)	Jan	--	-2.0	-1.0
IT	03/01	05:00	CPI (m/m)	Feb P	--	--	0.7
IT	03/01	05:00	CPI (y/y)	Feb P	--	0.6	0.4
IT	03/01	05:00	CPI - EU Harmonized (m/m)	Feb P	--	-0.4	-0.9
IT	03/01	05:00	CPI - EU Harmonized (y/y)	Feb P	--	0.7	0.7
GE	03/01	08:00	CPI (m/m)	Feb P	--	0.5	0.8
GE	03/01	08:00	CPI (y/y)	Feb P	--	1.2	1.0
GE	03/01	08:00	CPI - EU Harmonized (m/m)	Feb P	--	0.5	1.4
GE	03/01	08:00	CPI - EU Harmonized (y/y)	Feb P	--	1.5	1.6
IT	03/01		Budget Balance (€ bn)	Feb	--	--	-3.9
IT	03/01		Budget Balance YTD (€ bn)	Feb	--	--	0.0
GE	03/01	02:00	Retail Sales (m/m)	Jan	--	0.5	-9.1
GE	03/02	03:55	Unemployment (000s)	Feb	--	-10.0	-41.0
GE	03/02	03:55	Unemployment Rate (%)	Feb	--	6.0	6.0
EC	03/02	05:00	Euro zone CPI Estimate (y/y)	Feb	--	1.0	0.0
UK	03/03	02:00	Official Reserves Changes (US\$ bn)	Feb	--	--	37.0
FR	03/03	02:45	Central Government Balance (€ bn)	Jan	--	--	-178.1
IT	03/03	03:45	Services PMI	Feb	--	45.0	44.7
FR	03/03	03:50	Services PMI	Feb F	--	43.6	43.6
GE	03/03	03:55	Services PMI	Feb F	--	45.9	45.9
EC	03/03	04:00	Composite PMI	Feb F	--	48.1	48.1
EC	03/03	04:00	Services PMI	Feb F	--	44.7	44.7
IT	03/03	04:00	Real GDP (q/q)	4Q F	--	-2.0	-2.0
UK	03/03	04:30	Services PMI	Feb F	--	49.7	49.7
EC	03/03	05:00	PPI (m/m)	Jan	--	1.0	0.8

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

**Key Indicators for week of March 1 – 5**
**EUROPE (continued from previous page)**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
UK	03/04	04:30	PMI Construction	Feb	--	51.0	49.2
EC	03/04	05:00	Retail Trade (m/m)	Jan	--	-1.3	2.0
EC	03/04	05:00	Unemployment Rate (%)	Jan	--	8.3	8.3
GE	03/05	02:00	Factory Orders (m/m)	Jan	--	0.8	-1.9
FR	03/05	02:45	Current Account (€ bn)	Jan	--	--	-1,161
FR	03/05	02:45	Trade Balance (€ mn)	Jan	--	--	-3,392

**ASIA-PACIFIC**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CH	02/28	02:00	Manufacturing PMI	Feb	51.3	51.0	51.3
CH	02/28	02:00	Non-manufacturing PMI	Feb	--	52.0	52.4
JN	02/28	18:50	Capital Spending (y/y)	4Q	--	-2.0	-10.6
SK	02/28	19:00	Exports (y/y)	Feb	--	12.0	11.4
SK	02/28	19:00	Imports (y/y)	Feb	--	15.3	3.6
SK	02/28	19:00	Trade Balance (US\$ mn)	Feb	--	1,916	3,764
AU	02/28	19:30	ANZ Job Advertisements (m/m)	Feb	--	--	2.3
JN	02/28	19:30	Markit/JMMA Manufacturing PMI	Feb F	--	--	50.6
CH	02/28	20:45	Caixin Manufacturing PMI	Feb	51.5	51.4	51.5
ID	02/28	23:00	CPI (y/y)	Feb	1.5	1.4	1.6
ID	02/28	23:00	Core CPI (y/y)	Feb	--	1.5	1.6
JN	03/01	00:00	Vehicle Sales (y/y)	Feb	--	--	6.8
TH	03/01	02:30	Business Sentiment Index	Feb	--	--	44.2
NZ	03/01	16:45	Terms of Trade Index (q/q)	4Q	--	1.0	-4.7
SK	03/01	18:00	Industrial Production (y/y)	Jan	--	6.0	3.4
SK	03/01	18:00	Cyclical Leading Index Change	Jan	--	--	0.5
JN	03/01	18:30	Jobless Rate (%)	Jan	3.0	3.0	2.9
JN	03/01	18:50	Monetary Base (y/y)	Feb	--	--	18.9
AU	03/01	19:30	Building Approvals (m/m)	Jan	--	-2.0	10.9
AU	03/01	19:30	Current Account (AUD bn)	4Q	--	13.0	10,024
AU	03/01	19:30	Australia Net Exports of GDP	4Q	--	-0.3	-2.0
<b>AU</b>	<b>03/01</b>	<b>22:30</b>	<b>RBA Cash Target Rate (%)</b>	<b>Mar 2</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>
SI	03/02	08:00	Purchasing Managers Index	Feb	--	50.8	50.7
AU	03/02	19:30	GDP (y/y)	4Q	-3.4	-2.0	-3.8
HK	03/02	19:30	Purchasing Managers Index	Feb	--	--	47.8
CH	03/02	20:45	Caixin Services PMI	Feb	--	51.5	52.0
HK	03/03	03:30	Retail Sales - Volume (y/y)	Jan	--	--	-14.0
SK	03/03	18:00	CPI (y/y)	Feb	0.9	0.9	0.6
SK	03/03	18:00	Core CPI (y/y)	Feb	--	--	0.9
SK	03/03	18:00	GDP (y/y)	4Q F	-1.4	-1.4	-1.4
AU	03/03	19:30	Retail Sales (m/m)	Jan F	--	0.6	0.6
AU	03/03	19:30	Trade Balance (AUD mn)	Jan	--	6,300	6,785
TH	03/04	22:30	Consumer Confidence Economic	Feb	--	--	41.6
JN	03/04	00:00	Consumer Confidence	Feb	--	29.7	29.6
<b>MA</b>	<b>03/04</b>	<b>02:00</b>	<b>Overnight Rate (%)</b>	<b>Mar 4</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>
PH	03/04	20:00	CPI (y/y)	Feb	4.5	4.8	4.2
TH	03/04	22:30	CPI (y/y)	Feb	0.1	-0.2	-0.3
TH	03/04	22:30	Core CPI (y/y)	Feb	--	0.2	0.2
SI	03/05	00:00	Retail Sales (y/y)	Jan	--	-3.7	-3.6
AU	03/05	00:30	Foreign Reserves (AUD bn)	Feb	--	--	54.8
MA	03/05	02:00	Foreign Reserves (US\$ bn)	Feb 26	--	--	109.7

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.



## Key Indicators for week March 1 – 5

### 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>
CL	03/01	06:30	Economic Activity Index SA (m/m)	Jan	--	--	3.5
CL	03/01	06:30	Economic Activity Index NSA (y/y)	Jan	--	--	-0.4
BZ	03/01	08:00	PMI Manufacturing Index	Feb	--	--	56.5
PE	03/01	10:00	Consumer Price Index (m/m)	Feb	0.1	--	0.7
PE	03/01	10:00	Consumer Price Index (y/y)	Feb	2.6	--	2.7
BZ	03/01	13:00	Trade Balance (FOB) - Monthly (US\$ mn)	Feb	--	638	-1,125
BZ	03/03	07:00	GDP (IBGE) (q/q)	4Q	--	2.8	7.7
BZ	03/03	07:00	GDP (IBGE) (y/y)	4Q	--	-1.5	-3.9
BZ	03/05	07:00	Industrial Production SA (m/m)	Jan	--	0.4	0.9
BZ	03/05	07:00	Industrial Production (y/y)	Jan	--	2.9	8.2
CO	03/05	19:00	Consumer Price Index (m/m)	Feb	--	0.5	0.4
CO	03/05	19:00	Consumer Price Index (y/y)	Feb	--	1.4	1.6

**Global Auctions for week of March 1 – 5****NORTH AMERICA****Country Date Time Event**

No Scheduled Auctions

**EUROPE****Country Date Time Event**

UK	03/02	05:00	U.K. to Sell 3 Billion Pounds of 0.375% 2026 Bonds
AS	03/02	05:15	Austria to Sell Bonds on Mar. 2
GE	03/02	05:30	Germany to Sell I/L Bonds on Mar. 2
UK	03/02	06:30	U.K. to Sell 1.25 Billion Pounds of 0.5% 2061 Bonds
DE	03/03	04:30	Denmark to Sell Bonds
NO	03/03	05:00	Norway to Sell Bonds
GE	03/03	05:30	Germany to Sell 3 Billion Euros of 0% 2036 Bonds
SP	03/04	04:30	Spain to Sell Bonds
FR	03/04	04:50	France to Sell Bonds
SW	03/04	05:00	Sweden to Sell I/L Bonds
UK	03/04	05:00	U.K. to Sell 0.25% 2031 Bonds On Mar 4

**ASIA-PACIFIC****Country Date Time Event**

JN	03/01	22:35	Japan to Sell 10-Year Bonds
CH	03/02	22:00	China Plans to Sell 3-Yr Upsize Bond
CH	03/02	22:00	China Plans to Sell 7-Yr Upsize Bond
JN	03/03	22:35	Japan to Sell 30-Year Bonds

**LATIN AMERICA****Country Date Time Event**

No Scheduled Auctions.

**Events for week March 1 – 5**
**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	03/01	09:00	Fed's Williams Makes Opening Remarks at Conference
US	03/01	14:00	Fed's Bostic, Mester and Kashkari Discuss Racism and Economy
US	03/02	13:00	Fed's Brainard Speaks to the Council on Foreign Relations
US	03/02	14:00	Fed's Daly Speaks to Economic Club of New York
US	03/03	10:00	Fed's Harker Discusses Equitable Workforce Discovery
US	03/03	13:00	Fed's Evans Discusses the Economic Outlook
US	03/03	14:00	U.S. Federal Reserve Releases Beige Book

**EUROPE**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	02/26/21-02/27/21		G20 Finance Ministers
SW	03/01	10:20	Sweden's Riksbank Releases Targeted Corporate Bond Buys
EC	03/01	10:20	Conference with ECB's Guindos, Makhoulouf and Villeroy
UK	03/03	11:00	BOE's Tenreyro Speaks on Negative Rate Policies
UK	03/03		U.K. Budget
EC	03/04	03:10	ECB's Knaot, Centeno on Panel
HU	03/04	05:50	One-Week Deposit Rate
SW	03/04	10:30	Riksbank's Skingsley in Panel Discussion
SZ	03/05	03:00	Foreign Currency Reserves
UK	03/05	09:00	BOE's Haskel Speaks on a Panel
IT	03/05		Bank of Italy Report on Balance-Sheet Aggregates

**ASIA-PACIFIC**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	03/01	00:30	Commodity Index SDR YoY
AU	03/01	22:30	RBA Cash Rate Target
AU	03/01	22:30	RBA 3-Yr Yield Target
NZ	03/03	15:15	RBNZ Governor Adrian Orr to Speak at Waikato University
NZ	03/03	16:00	N.Z. Government 7-Month Financial Statements
SL	03/03	21:00	CBSL Standing Lending Rate
SL	03/03	21:00	CBSL Standing Deposit Rate
MA	03/04	02:00	BNM Overnight Policy Rate

**LATIN AMERICA**

Country Date Time Event

No Scheduled Auctions.

## 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	March 17, 2021	0.25	0.25
Banco de México – Overnight Rate	4.00	March 25, 2021	4.00	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	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	March 18, 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	March 19, 2021	4.25	4.25
Sweden Riksbank – Repo Rate	0.00	April 27, 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	March 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	March 1, 2021	0.10	0.10
Reserve Bank of New Zealand – Cash Rate	0.25	April 13, 2021	0.25	0.25
People's Bank of China – 1-Year Loan Prime Rate	3.85	March 21, 2021	3.85	3.85
Reserve Bank of India – Repo Rate	4.00	April 7, 2021	4.00	4.00
Bank of Korea – Bank Rate	0.50	April 15, 2021	0.50	0.50
Bank of Thailand – Repo Rate	0.50	March 24, 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	3.50	March 18, 2021	3.50	3.50
Central Bank of Philippines – Overnight Borrowing Rate	2.00	March 25, 2021	2.00	2.00

**Reserve Bank of Australia (RBA):** Australian monetary authorities will make a policy decision on March 2. We do not expect any changes to the policy stance. We expect the benchmark interest rate and the target yield on the 3-year Australian Government bond to remain unchanged at 0.10% through our forecast horizon, while the bond purchase program will likely be concluded by the end of this year. **Bank Negara Malaysia (BNM):** The next monetary policy announcement in Malaysia is scheduled for March 4. We expect the Overnight Policy Rate to be left unchanged at 1.75% as the Malaysian economy gradually recovers from the adverse impact of the recent surge in COVID-19 infections.

### 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	2.25
Banco Central de Chile – Overnight Rate	0.50	March 30, 2021	0.50	0.50
Banco de la República de Colombia – Lending Rate	1.75	March 26, 2021	1.75	1.75
Banco Central de Reserva del Perú – Reference Rate	0.25	March 11, 2021	0.25	0.25

### 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.

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