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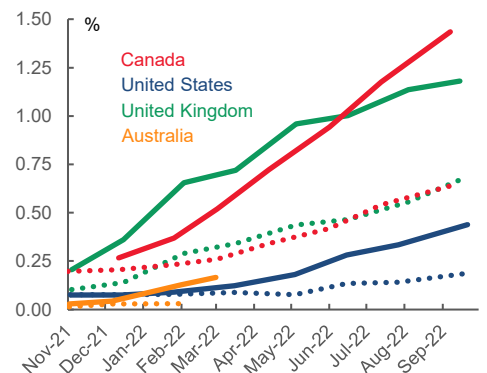
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Next Week's Risk Dashboard

- US nonfarm payrolls and wages likely to accelerate
- Canadian jobs downside, wages upside?
- Federal Reserve: no longer just about the taper
- Bank of England: you started it!
- RBA: Ummm...about that yield target...
- BoC: Macklem’s second chance
- Norges Bank: Little mystery here
- Ditto for Bank Negara
- OSFI may ease up
- Ontario’s fiscal update
- Other macro

Chart of the Week
Market Pricing Hikes More Aggressively Than Central Bank Guidance


*Solid lines are OIS implied pricing as of Oct. 29, 2021; dotted lines are pricing as of Sep. 29, 2021.
 Sources: Scotiabank Economics, Bloomberg.

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

Apply Within—Please!

US JOBS AND WAGES—UP, UP AND AWAY?

Friday’s labour market readings for October are expected to post an acceleration of job growth and faster wage gains. I went with a nonfarm payroll gain of 675k with wage growth accelerated to 5%.

As the Delta variant’s grip subsided, it appears that more Americans became more comfortable with accepting jobs among the vast number of vacancies. To help inform this view, chart 1 shows the results of the latest Household Pulse Survey produced by the US Census Bureau. A section of the survey asks respondents to provide reasons for not working over an almost two-week interval. We can explore how the answers shifted between proxies for the nonfarm reference periods in September and October and use these responses as proxies for changes to re-engagement with the labour force. That worked reasonably well the prior month when payrolls increased by only 194k (Scotia 250k, consensus 500k) and so we’ll test our luck again with a similar approach this time by going with a strong rebound of 675k in October. That’s because of the large declines in the numbers of people who said they were not working into October across multiple COVID-19 related categories (chart 2–4).

As for wages, there is little doubt that the US labour force is on the upswing. Month-over-month annualized average hourly earnings are rising at an accelerating pace and so is the overall Employment Cost Index (chart 5). That should drive rapid growth in unit labour costs—productivity adjusted wages—when we get that figure on Thursday for Q3.

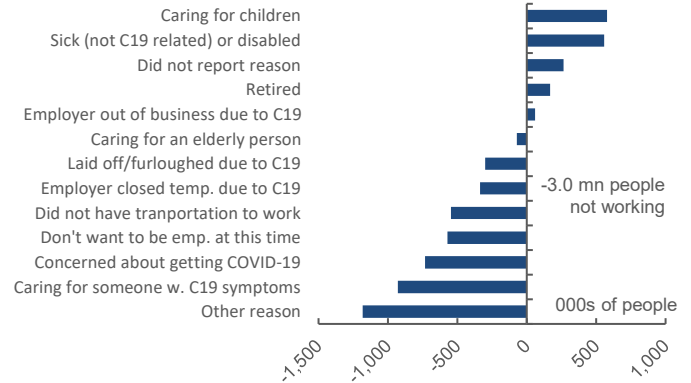
CANADIAN JOBS AND WAGES—LIKELY TO UNDERPERFORM THE US THIS TIME

Whereas Canada’s pace of job gains outshone the US pace in September, the opposite is likely to happen in October. The US is emerging from a worse rise in new COVID-19 cases than the magnitude that hit Canada (chart 6). I went with a modest gain of 20k and an unchanged unemployment rate.

There could even be further downside risk given the connection between Statistics Canada’s Real-Time Local Business Conditions Index and monthly job changes (chart 7). Part of this index is based upon multiple mobility readings. Chart 8 shows one such example of how mobility as a proxy for economic activity has recently taken a step back, although there

Chart 1

United States: Change in Number of People Not Working (+18) Between Reference Weeks by Reason*



*NSA. Survey reference periods include difference between Sep 29-Oct 11 and Sep 1-13 surveys.
Sources: Scotiabank Economics, US Census Bureau Household Pulse Survey.

Chart 2

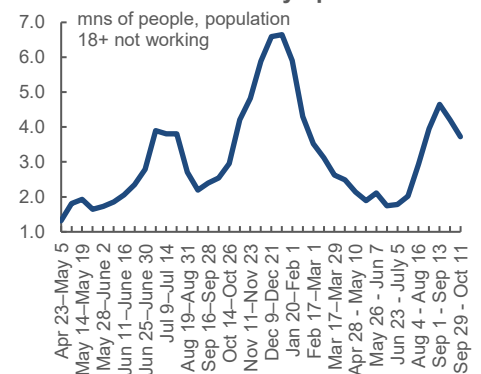
Concerned About Getting or Spreading COVID-19



Sources: Scotiabank Economics, US Census Bureau Household Pulse Survey.

Chart 3

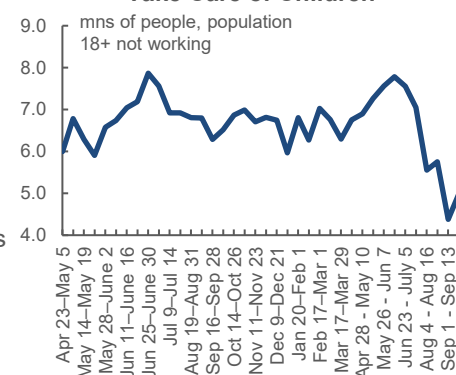
Caring for Someone or Sick Myself with Covid-19 Symptoms



Sources: Scotiabank Economics, US Census Bureau Household Pulse Survey.

Chart 4

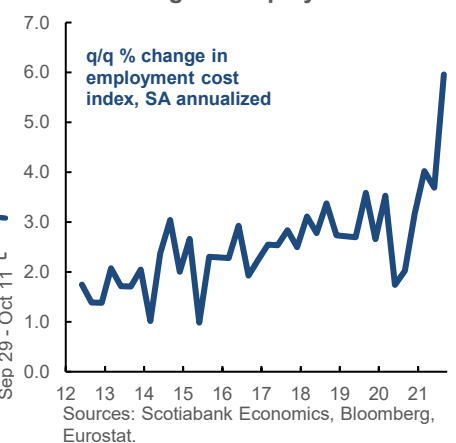
Parents Staying Home to Take Care of Children



Sources: Scotiabank Economics, US Census Bureau Household Pulse Survey.

Chart 5

Accelerating US Employment Costs



Sources: Scotiabank Economics, Bloomberg, Eurostat.

isn't enough history to tell how much of this is normal at the end of summer vacation season and when the kids go back to school.

Still, any cooler employment gains would not be for lack of available openings (chart 9).

Whereas the evidence on wage inflation recently appears to be more compelling stateside than in Canada, there is also nascent evidence of such pressures in Canada that the October reading will further inform.

BANK OF CANADA—MACKLEM'S SECOND CHANCE

Fresh off his recent performance (recap [here](#)), Bank of Canada Governor Macklem has another opportunity to push back on market pricing for rate hikes starting in January when his interview with Radio-Canada airs at 11amET on Halloween. If he doesn't do so, then the week might end that way in any event if there is a downside surprise in Canadian jobs.

Still, must it be the case that the Bank of Canada delivers what the markets have priced? The BoC's forward rate guidance says they won't hike until sometime between April and September and the latest GDP figures and their implications for spare capacity might reinforce this view ([here](#)).

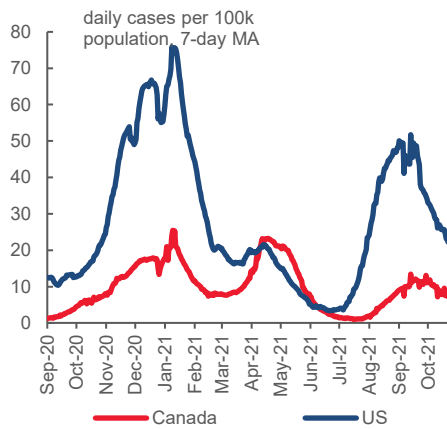
It might also be useful to remind markets of times when the BoC has indeed surprised market pricing (chart 10). The chart shows times when one-month CDOR has changed by 15bps or more (to signify a material shock to market pricing) in the days leading up to policy rate decisions. There have been nine such occurrences over about the past twenty years. To the extent to which history is a guide, the BoC has tended to avoid surprising markets the vast majority of the time, but there is enough of a sample of occasions when it has to merit caution toward market pricing. The path toward the January and April meetings and developments across data and events will further inform the risk to market pricing.

FEDERAL RESERVE—IT'S NO LONGER ABOUT THE TAPER

The Federal Reserve is widely expected to announce the start of its tapering plans for Treasury and MBS purchases from the respective starting points of \$80B/month and \$40B/month. The policy statement arrives on Wednesday at 2pmET and will be followed by Chair Powell's press conference at 2:30pmET. There are no forecasts or dot plots due again until the December meeting.

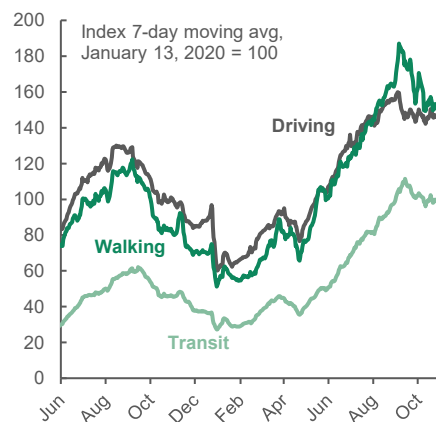
Chart 11 shows our assumed taper path through to ending the purchase program by around next June. Recall that the FOMC set up a taper as soon as the November meeting when it said in September (recap [here](#)) that "a moderation in the pace of asset

Chart 6 COVID-19 Cases



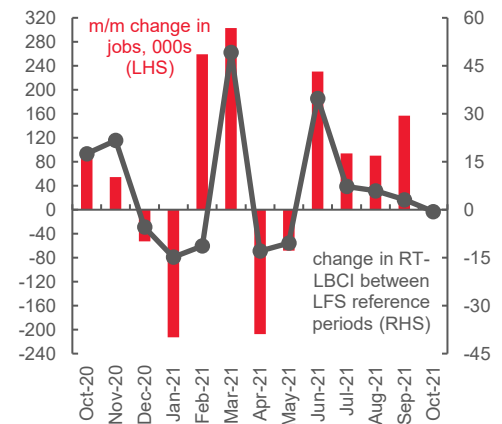
Sources: Scotiabank Economics, Bloomberg.

Chart 8 Method of Transportation in Toronto



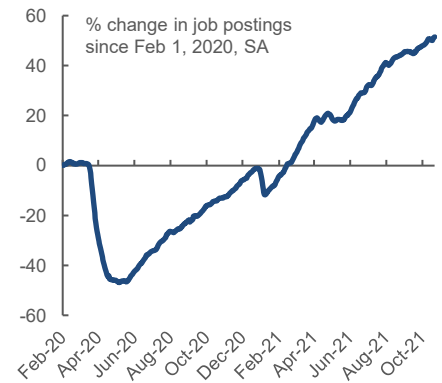
Sources: Scotiabank Economics, Apple.

Chart 7 Canadian Employment



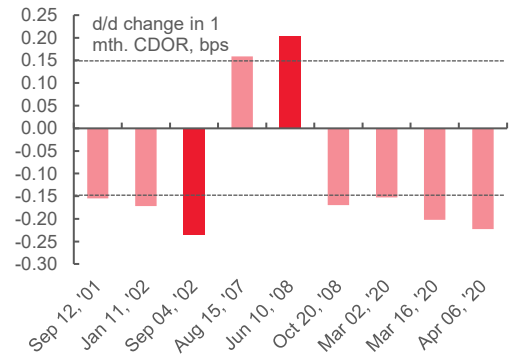
Sources: Scotiabank Economics, Statistics Canada.

Chart 9 Canadian Total Job Postings



Sources: Scotiabank Economics, Indeed Hiring Lab.

Chart 10 When the BoC Has Surprised Markets*



*Bold bars are CDOR changes that occurred on a BoC meeting date. Faded bars are CDOR changes that occurred days before or after BoC meeting dates. Sources: Scotiabank Economics, Bloomberg, Bank of Canada.

purchases may soon be warranted.” The word “soon” is the Fed’s code language for signalling something imminent. They also said that while no decision had been made on the pace of reductions at that meeting, they would nevertheless aim to end purchases “around the middle of next year.” Such guidance was reinforced in the minutes to that meeting ([here](#)).

During the press conference following the September meeting, Chair Powell said that “it would not take a knock-out jobs report to meet the test, only a reasonably good report.” Powell’s appearance on an October 22nd panel generally reaffirmed that the September payrolls report was indeed good enough to proceed with tapering.

There may be greater risk around how the Fed views inflation dynamics in light of the recent sharp acceleration of wage pressures as the heretofore missing link in the debate over sustainable wage pressures. The press conference will be monitored for questioning around how Chair Powell views the recent market moves that have brought forward pricing for Fed rate hikes to next summer. He is likely to indicate something along the lines of what others such as Governor Waller have indicated in that they would prefer a gap between ending purchases and commencing rate hikes but, should inflation persistently surprise higher, they will take needed action as the time approaches.

BANK OF ENGLAND—YOU STARTED IT!

One theory for the rates sell-off is that when Governor Bailey mused aloud about the possibility of a rate hike and central bankers had their IMF-World Bank meetings they decided to set off in herd like fashion away from stimulus measures and this lit up the front-ends of global yield curves. Bailey may get his chance to calm things back down. Markets and economists are divided on whether the Bank of England will begin to raise Bank Rate at Thursday’s meeting. It’s almost a 50–50 split among economists in the Bloomberg consensus in terms of a hold at 0.1% and a small 15bps hike to 0.25%. OIS markets have most of a 10bps hike priced and a 25bps increase priced for the December 16th meeting. For my two cents I think they go now and end the purchase program on target by year-end.

Forward guidance will also be key and centered around fresh forecasts for growth and inflation that may revise down growth in the nearer term and raise inflation. Having learned from the experiences at the ECB and the Bank of Canada, it is possible we hear a more forceful message from Governor Bailey if he feels market pricing for further rate hikes over 2022 is getting ahead of itself.

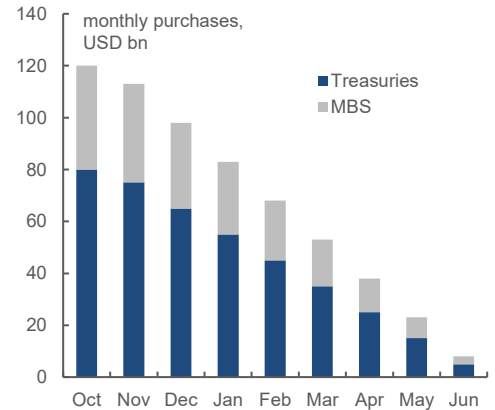
RBA—UNDER THE BUS

The RBA’s policy communications on Tuesday suddenly became more interesting due to two recent developments. One was the upside surprise to Australia inflation readings that has put significant upward pressure upon trimmed mean and weighted median central tendency gauges especially when judged properly as quarter-on-quarter annualized rates of change (chart 12).

Second is that when it had the chance to lean against sharp upward movements in bond yields, it passed on doing so to end this past week and thus did not repeat the intervention it led the prior week. As a consequence to higher inflation and the RBA’s recent benign neglect, the RBA’s 3-year yield target of 0.1% is being massively overwhelmed as the yield ended the week at 1.2% (chart 13). This has spawned speculation toward whether the RBA may abandon the target. It is likely to push back on the pace of rate hikes that have been factored into markets with OIS markets now expecting the cash rate to rise to about 1% in about a year’s time and closer toward 2% within two years.

Chart 11

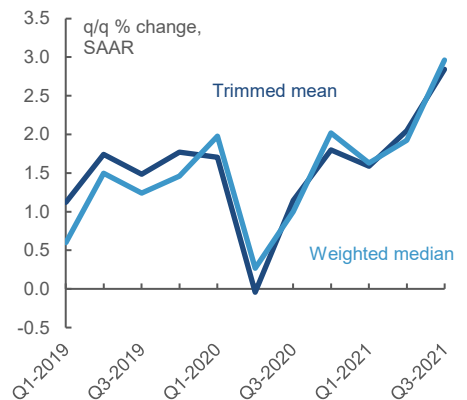
The Fed's Taper Path



Sources: Scotiabank Economics.

Chart 12

Australian Core CPI Measures



Sources: Scotiabank Economics, Australian Bureau of Statistics.

Chart 13

Markets Threw the RBA's Yield Target Under the Bus



Sources: Scotiabank Economics, Bloomberg.

Now if only all of them would lift a page from the Norges Bank’s playbook then forecasting policy decisions would be so much simpler. Mind you, more boring too. In any event, no one expects the central bank to change its deposit rate on Thursday because, well, it said after hiking to 0.25% in September that “the policy rate will most likely be raised further in December.” Forward guidance may be of greater importance after the prior meeting raised the projected path to 1.1% by the end of next year and 1.5% the year after (chart 14).

Bank Negara Malaysia is also expected to stay on hold on Wednesday at an overnight policy rate of 1.75%.

OTHER—CANADIAN BANKS AND LIMITED RELEASES

Canadian bank watchers will want to keep an eye on expected developments this week. Thursday’s speech by Office of the Superintendent of Financial Institutions’ Peter Routledge is expected to outline the regulator’s priorities and agenda (2pmET). Key will be possible guidance on the relaxation of bank capital restrictions. Canada has been somewhat of an international laggard on the issue to date. That would tee up bank earnings season that kicks off on November 30th through December 3rd.

Canada updates trade figures for September on Thursday. They will help to further inform tracking of the Bank of Canada’s Q3 GDP growth forecast of 5.5% that faces downside risk following the monthly GDP figures for August and September this past week. For a reminder of the tracking issues go [here](#).

US releases will be followed primarily in terms of what they may reveal about the state of the job market ahead of Friday’s payrolls. Monday’s ISM-manufacturing report could weaken if it follows regional surveys lower and in light of ongoing supply-side challenges, but watch the prices and employment gauges. Wednesday’s ISM-services report arrives just ahead of the Fed and is expected to hold firm given the reopening on the services side, but watch the hiring gauge more closely in this one given the dominance of service sector jobs. ADP payrolls earlier that morning will play a similar role in terms of informing nonfarm payroll expectations but it’s often rather out there in terms of reliability. US vehicle sales are expected to modestly rebound based upon advance industry guidance.

New Zealand’s Q3 jobs and wages (Tuesday night ET) are expected to make further progress with wages continuing to accelerate.

CPI reports will land across Asia-Pacific (South Korea, Philippines, Indonesia, Thailand, Taiwan) and Latin American (Peru, Colombia and Brazil) markets and I’ll write about those in daily notes throughout the coming week.

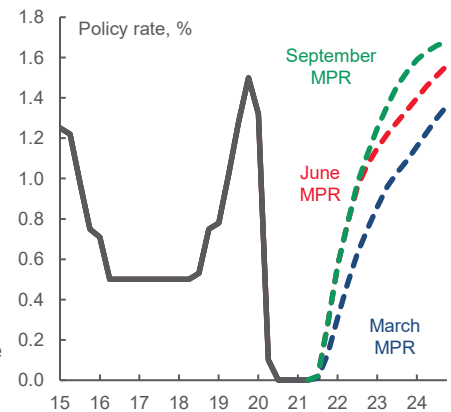
European releases will be fairly light and focused primarily upon Germany which updates retail sales during the week, plus factory orders (Thursday) and industrial production (Friday) all for September and following the prior round of disappointments.

ONTARIO’S FISCAL UPDATE

Despite recent downgrades to the economic outlook, the fundamentals suggest an improved fiscal path for Ontario in its mid-year *Economic Outlook and Fiscal Review*—set for publication on Thursday. A stunning \$22 bn narrowing versus forecast in the province’s FY21 deficit provides a strong handoff for FY22, even if some health spending is pushed forward into this year. Inflation gains to date also leave nominal output—which anchors revenue forecasts—on pace to far exceed the 6.2% advance budgeted for calendar 2021 (chart 15). Recall that at budget time, the province pencilled in a \$33 bn shortfall and linked every 1 ppt in nominal GDP growth with \$1.1 bn in tax revenues for this fiscal year. On that basis, current private sector nominal output growth forecasts in the 10–11% range could generate another \$4–5 bn in tax receipts. Yet semiconductor shortage-related auto production cuts spurred a 25% (q/q ann.) international export plunge in Q2; an uncertain outlook on this front may prompt new fiscal prudence. And with a pre-election budget set for the spring, there will be a natural inclination to “under-promise, over-deliver” on the bottom line this time.

Chart 14

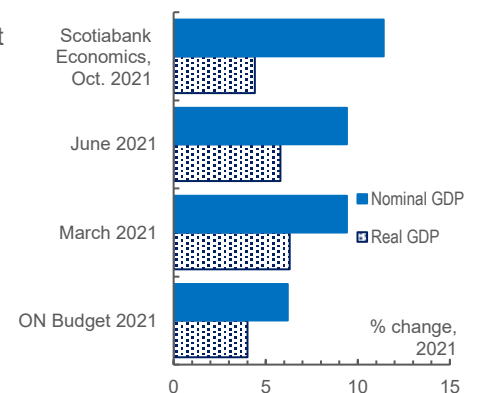
Norges Bank Lifts Rate Outlook



Sources: Scotiabank Economics, Norges Bank.

Chart 15

Evolution of Ontario's 2021 Forecast



Budget 2021 associates every 1 ppt in nominal GDP growth with \$1.1 bn in tax revenue.
Sources: Scotiabank Economics, Ontario Finance.

Key Indicators for week of November 1 – 5
NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	11/01	10:00	Construction Spending (m/m)	Sep	0.3	0.4	0.0
US	11/01	10:00	ISM Manufacturing Index	Oct	60.0	60.5	61.1
CA	11/02	08:30	Building Permits (m/m)	Sep	--	3.0	-2.1
US	11/02		Total Vehicle Sales (mn a.r.)	Oct	13.4	12.5	12.2
US	11/03	07:00	MBA Mortgage Applications (w/w)	Oct 29	--	--	0.3
US	11/03	08:15	ADP Employment Report (000s m/m)	Oct	500	400	568
US	11/03	10:00	Factory Orders (m/m)	Sep	0.0	0.0	1.2
US	11/03	10:00	ISM Non-Manufacturing Composite	Oct	62.0	62.0	61.9
US	11/03	14:00	FOMC Interest Rate Meeting (%)	Nov 3	0.25	0.25	0.25
CA	11/04	08:30	Merchandise Trade Balance (C\$ bn)	Sep	1.2	1.6	1.9
US	11/04	08:30	Initial Jobless Claims (000s)	Oct 30	275	275	281
US	11/04	08:30	Continuing Claims (000s)	Oct 23	2,100	2,136	2,243
US	11/04	08:30	Productivity (q/q a.r.)	3Q P	-3.0	-3.1	2.1
US	11/04	08:30	Trade Balance (US\$ bn)	Sep	-79.8	-79.9	-73.3
US	11/04	08:30	Unit Labor Costs (q/q a.r.)	3Q P	7.0	6.9	1.3
CA	11/05	08:30	Employment (000s m/m)	Oct	20.0	35.0	157.1
CA	11/05	08:30	Unemployment Rate (%)	Oct	6.9	6.8	6.9
US	11/05	08:30	Average Hourly Earnings (m/m)	Oct	0.5	0.4	0.6
US	11/05	08:30	Average Hourly Earnings (y/y)	Oct	5.0	4.9	4.6
US	11/05	08:30	Average Weekly Hours	Oct	--	34.8	34.8
US	11/05	08:30	Nonfarm Employment Report (000s m/m)	Oct	675	450.0	194.0
US	11/05	08:30	Unemployment Rate (%)	Oct	4.6	4.7	4.8
US	11/05	15:00	Consumer Credit (US\$ bn m/m)	Sep	--	16.6	14.4
US	11/05		Household Employment Report (000s m/m)	Oct	--	--	526.0

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
IT	11/01	04:45	Manufacturing PMI	Oct	59.6	59.7
FR	11/01	04:50	Manufacturing PMI	Oct F	53.5	53.5
GE	11/01	04:55	Manufacturing PMI	Oct F	58.2	58.2
EC	11/01	05:00	Manufacturing PMI	Oct F	58.5	58.5
UK	11/01	05:30	Manufacturing PMI	Oct F	57.7	57.7
GE	11/01		Retail Sales (m/m)	Sep	0.4	1.2
IT	11/01		Budget Balance (€ bn)	Oct	--	-15.3
IT	11/01		Budget Balance YTD (€ bn)	Oct	--	-85.5
UK	11/03	03:00	Nationwide House Prices (m/m)	Oct	0.3	0.1
FR	11/03	03:45	Central Government Balance (€ bn)	Sep	--	-178.0
IT	11/03	04:45	Services PMI	Oct	54.5	55.5
FR	11/03	04:50	Services PMI	Oct F	56.6	56.6
GE	11/03	04:55	Services PMI	Oct F	52.4	52.4
EC	11/03	05:00	Composite PMI	Oct F	54.3	54.3
EC	11/03	05:00	Services PMI	Oct F	54.7	54.7
UK	11/03	05:30	Official Reserves Changes (US\$ bn)	Oct	--	-888.0
UK	11/03	05:30	Services PMI	Oct F	58.0	58.0
EC	11/03	06:00	Unemployment Rate (%)	Sep	7.4	7.5
GE	11/04	03:00	Factory Orders (m/m)	Sep	1.9	-7.7
NO	11/04	05:00	Norwegian Deposit Rates (%)	Nov 4	0.25	0.25
UK	11/04	05:30	PMI Construction	Oct	52.0	0.1
EC	11/04	06:00	PPI (m/m)	Sep	2.3	1.1

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

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

Country	Date	Time	Indicator	Period	Consensus	Latest
UK	11/04	08:00	BoE Asset Purchase Target (£ bn)	Nov	875.0	875.0
UK	11/04	08:00	BoE Policy Announcement (%)	Nov 4	0.25	0.10
GE	11/05	03:00	Industrial Production (m/m)	Sep	1.0	-4.0
FR	11/05	03:45	Industrial Production (m/m)	Sep	0.0	1.0
FR	11/05	03:45	Industrial Production (y/y)	Sep	2.5	3.9
FR	11/05	03:45	Manufacturing Production (m/m)	Sep	0.5	1.1
SP	11/05	04:00	Industrial Output NSA (y/y)	Sep	--	3.6
EC	11/05	06:00	Retail Trade (m/m)	Sep	0.3	0.3

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CH	10/30	21:00	Manufacturing PMI	Oct	49.6	49.7	49.6
CH	10/30	21:00	Non-manufacturing PMI	Oct	--	53.0	53.2
SK	10/31	20:00	Exports (y/y)	Oct	--	28.5	16.7
SK	10/31	20:00	Imports (y/y)	Oct	--	43.0	31.0
SK	10/31	20:00	Trade Balance (US\$ mn)	Oct	--	2,100	4,205
AU	10/31	20:30	ANZ Job Advertisements (m/m)	Oct	--	--	-2.8
JN	10/31	20:30	Markit/JMMA Manufacturing PMI	Oct F	--	--	53.0
CH	10/31	21:45	Caixin Manufacturing PMI	Oct	50.0	50.0	50.0
ID	11/01	00:00	CPI (y/y)	Oct	1.6	1.7	1.6
ID	11/01	00:00	Core CPI (y/y)	Oct	--	1.4	1.3
JN	11/01	01:00	Vehicle Sales (y/y)	Oct	--	--	-30.0
TH	11/01	03:30	Business Sentiment Index	Oct	--	--	42.6
HK	11/01	04:30	Real GDP (y/y)	3Q A	5.5	5.7	7.6
SK	11/01	19:00	CPI (y/y)	Oct	3.0	3.2	2.5
SK	11/01	19:00	Core CPI (y/y)	Oct	--	--	1.9
JN	11/01	19:50	Monetary Base (y/y)	Oct	--	--	11.7
AU	11/01	23:30	RBA Cash Target Rate (%)	Nov 2	0.10	0.10	0.10
HK	11/02	04:30	Retail Sales - Volume (y/y)	Sep	--	11.3	10.6
SI	11/02	09:00	Purchasing Managers Index	Oct	--	50.7	50.8
NZ	11/02	17:45	Unemployment Rate (%)	3Q	--	3.9	4.0
NZ	11/02	17:45	Employment Change (y/y)	3Q	--	2.8	1.7
AU	11/02	20:30	Building Approvals (m/m)	Sep	--	-2.0	6.8
HK	11/02	20:30	Purchasing Managers Index	Oct	--	--	51.7
CH	11/02	21:45	Caixin Services PMI	Oct	--	53.5	53.4
MA	11/03	03:00	Overnight Rate (%)	Nov 3	1.75	1.75	1.75
AU	11/03	20:30	Trade Balance (AUD mn)	Sep	--	12,225	15,077
PH	11/03	21:00	Unemployment Rate (%)	Sep	--	--	8.1
SK	11/04	19:00	Current Account (US\$ mn)	Sep	--	--	7,512
JN	11/04	19:30	Household Spending (y/y)	Sep	--	-3.5	-3.0
PH	11/04	21:00	CPI (y/y)	Oct	4.9	4.9	4.8
PH	11/04	21:00	Exports (y/y)	Sep	--	5.7	17.6
PH	11/04	21:00	Imports (y/y)	Sep	--	18.1	30.8
PH	11/04	21:00	Trade Balance (US\$ mn)	Sep	--	-3,544	-3,659
TH	11/04	23:30	CPI (y/y)	Oct	1.7	1.8	1.7
TH	11/04	23:30	Core CPI (y/y)	Oct	--	0.2	0.2
ID	11/05	00:00	Real GDP (y/y)	3Q	3.9	3.7	7.1
SI	11/05	01:00	Retail Sales (y/y)	Sep	--	3.2	-2.8
AU	11/05	01:30	Foreign Reserves (AUD bn)	Oct	--	--	82.1
TA	11/05	04:00	CPI (y/y)	Oct	2.6	2.4	2.6

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

Key Indicators for week of November 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>
BZ	11/01	09:00	PMI Manufacturing Index	Oct	--	--	54.4
PE	11/01	11:00	Consumer Price Index (m/m)	Oct	--	0.2	0.4
PE	11/01	11:00	Consumer Price Index (y/y)	Oct	--	5.3	5.2
BZ	11/01	14:00	Trade Balance (FOB) - Monthly (US\$ mn)	Oct	--	2,391	4,322
CL	11/02	07:30	Economic Activity Index NSA (y/y)	Sep	13.0	12.6	19.1
BZ	11/04	08:00	Industrial Production SA (m/m)	Sep	--	0.0	-0.7
BZ	11/04	08:00	Industrial Production (y/y)	Sep	--	-3.8	-0.7
CO	11/05	20:00	Consumer Price Index (m/m)	Oct	--	0.2	0.4
CO	11/05	20:00	Consumer Price Index (y/y)	Oct	--	4.8	4.5

Global Auctions for week November 1 – 5

NORTH AMERICA

Country Date Time Event

No Scheduled Auctions.

EUROPE

Country Date Time Event

UK	11/02	06:00	U.K. to Sell GBP3 Billion of 0.25% 2025 Bonds
AS	11/02	06:15	Austria to Sell Bonds
UK	11/02	07:30	U.K. to Sell GBP3 Billion of 1.625% 2071 Bonds
UK	11/03	06:00	U.K. to Sell 0.5% 2029 Bonds
GE	11/03	06:30	Germany to Sell EUR 4 Bln of 0% 2026 Bonds
SP	11/04	05:30	Spain to Sell Bonds
FR	11/04	05:50	France to Sell Bonds
IC	11/05	08:30	Iceland to Sell Bonds

ASIA-PACIFIC

Country Date Time Event

JN	10/31	23:35	Japan to Sell 10-Year Bonds
CH	11/02	23:00	China Plans to Sell 3-Yr Upsize Bond
CH	11/02	23:00	China Plans to Sell 7-Yr Upsize Bond
JN	11/03	23:35	Japan to Sell CPI Linked 10-Year Bonds

LATIN AMERICA

No Scheduled Auctions.

Events for week of November 1 – 5

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	11/03	14:00	FOMC Rate Decision (Lower Bound)
US	11/03	14:00	FOMC Rate Decision (Upper Bound)
US	11/03	14:30	Powell Holds Press Conference Following FOMC Meeting

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	10/30		G-20 summit in Rome
NO	11/04	05:00	Deposit Rates
UK	11/04	08:00	Bank of England Bank Rate
NO	11/04	09:55	Norges Bank Deputy Governor Wolden Bach Speaks
UK	11/04	12:50	BOE's Cunliffe speaks.
UK	11/05	08:15	BOE's Ramsden, Pill speak.
UK	11/05	09:00	BOE's Tenreyro speaks.

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	11/01	19:50	BOJ Minutes of Sept. Meeting
AU	11/01	23:30	RBA Cash Rate Target
AU	11/01	23:30	RBA 3-Yr Yield Target
AU	11/02	01:50	RBA's Debelle Participates in Panel Online
MA	11/03	03:00	BNM Overnight Policy Rate
AU	11/04	20:30	RBA Statement on Monetary Policy

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	11/02	07:00	Central Bank Meeting Minutes

Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	0.25	December 8, 2021	0.25	0.25
Federal Reserve – Federal Funds Target Rate	0.25	November 3, 2021	0.25	0.25
Banco de México – Overnight Rate	4.75	November 11, 2021	5.00	5.25

Federal Reserve (Fed): The formal announcement for starting to reduce purchases of Treasuries and MBS is expected on Wednesday. The significance of this occasion has been overshadowed by evidence of a wage and price spiral that has contributed toward a sudden change in market pricing for rate hikes next year. Chair Powell's press conference will inform his stance on market movements.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	0.00	December 16, 2021	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	December 16, 2021	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	December 16, 2021	-0.50	-0.50
Bank of England – Bank Rate	0.10	November 4, 2021	0.25	0.25
Swiss National Bank – Libor Target Rate	-0.75	TBA	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	7.50	December 17, 2021	7.50	7.50
Sweden Riksbank – Repo Rate	0.00	November 25, 2021	0.00	0.00
Norges Bank – Deposit Rate	0.25	November 4, 2021	0.25	0.25
Central Bank of Turkey – Benchmark Repo Rate	16.00	November 18, 2021	16.00	16.00

Bank of England (BoE): Key data and events have shifted the balance of risks to a rate hike in 2021. Amid surging inflation, likely to top 5% in the coming months, wage gains, and the recent larger-than-expected fiscal giveaway in the latest Budget, markets are split between a rate liftoff at next week's meeting and the December meeting. **Norges Bank:** At next week's meeting, the MPC will likely keep the deposit rate on hold at 0.25%. In September, Norges bank commenced their rate hike cycle with a 25 bps hike, with Governor Olsen guiding that the next 25 bps hike will "most likely" come in December. In response to faster-than-expected growth and inflation concerns, Norges bank revised their policy rate path upwards by the end of the forecast period.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	December 17, 2021	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.10	November 1, 2021	0.10	0.10
Reserve Bank of New Zealand – Cash Rate	0.50	November 23, 2021	0.75	0.75
People's Bank of China – 1-Year Loan Prime Rate	3.85	November 21, 2021	3.85	3.85
Reserve Bank of India – Repo Rate	4.00	December 7, 2021	4.00	4.00
Bank of Korea – Bank Rate	0.75	November 25, 2021	1.00	1.00
Bank of Thailand – Repo Rate	0.50	November 10, 2021	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	November 3, 2021	1.75	1.75
Bank Indonesia – 7-Day Reverse Repo Rate	3.50	November 18, 2021	3.50	3.50
Central Bank of Philippines – Overnight Borrowing Rate	2.00	November 18, 2021	2.00	2.00

Reserve Bank of Australia (RBA): The RBA will make a monetary policy decision on November 2. We do not expect any changes to the policy parameters; in fact, Australian monetary conditions will remain supportive of economic growth for an extended period. Nevertheless, we believe that the RBA is overly dovish in its expectation of the benchmark interest rate remaining on hold at 0.10% until 2024. We believe the RBA will need to start normalizing monetary policy in 2023 at the latest. We therefore highlight the risk of a shift in the RBA's tone over the course of 2022. **Bank Negara Malaysia (BNM):** Malaysian monetary authorities will hold a policy meeting on November 3. We expect the Overnight Policy Rate to be left unchanged at 1.75%. Given manageable inflation (2.2% y/y in September), the BNM will likely maintain the current accommodative monetary policy stance into the second half of 2022 to underpin the economy's recovery.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	7.75	December 8, 2021	7.75	7.75
Banco Central de Chile – Overnight Rate	2.75	December 14, 2021	3.75	3.75
Banco de la República de Colombia – Lending Rate	2.50	December 17, 2021	2.25	2.25
Banco Central de Reserva del Perú – Reference Rate	1.50	November 11, 2021	1.50	1.50

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	3.50	November 18, 2021	3.50	3.50

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

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