

### THE GLOBAL WEEK AHEAD

April 14, 2022

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*With thanks for research support from:  
Marc Ercolao.*

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- ...as seemingly everyone's hiking prices
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#### Can China Pull it Off?

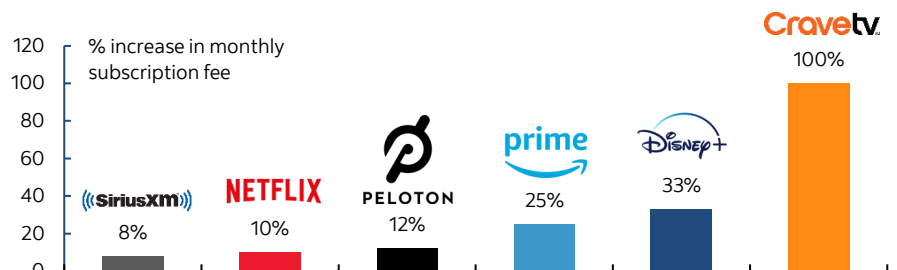
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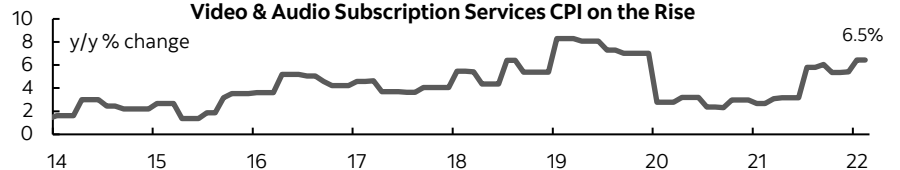
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#### Chart of the Week

##### Digital Companies Flex Pricing Power in Canada



##### Video & Audio Subscription Services CPI on the Rise



Sources: Scotiabank Economics, Statistics Canada, Independent Streaming Services.

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

## Can China Pull it Off?

### NO EXCUSES NEEDED TO HIKE PRICES IN CANADA!

Fresh on the heels of the BoC's completed pivot on inflation (recap [here](#)), Canada will witness another surge when March CPI lands on Wednesday. I expect headline inflation to accelerate to 6.4% y/y (5.7% prior) with a 1.2% m/m seasonally unadjusted rise; knock about a couple of tenths off that for the seasonally adjusted rate. I'll share some thoughts on drivers but also what I think about the stale debate over what's driving inflation.

If it were just about base effects, then March CPI inflation would dip by a half-percentage point in year-over-year terms. Seasonal pressures should add a couple of tenths or so to month-over-month prices and lift the year-over-year rate somewhat. Food's 16% weight in CPI should add a significant amount to headline pressures. Global food prices are up by about 13% y/y and going absolutely vertical of late as we've all noticed in our grocery bills (chart 1). Gasoline prices were up by just over 10% m/m and 36% y/y and should add about 0.4% in weighted terms to the month-over-month pace of inflation (chart 2). I've assumed somewhat soft new vehicle prices and a reopening effect on higher contact services.

Some of this latter effect may be more focused upon April. An interesting anecdote is that earlier images of Americans sitting sans masks and elbow-to-elbow in packed arenas and stadiums shouting and wheezing all over each other during Omicron's initial bursts have now arrived in Canada. They are the exact same images that are reflective of the same abandon that kicked in the minute the government-mandated masking rules came off. Oh, the myths we Canadians sometimes believe about ourselves...

By now, hopefully folks are convinced that price pressures are very broad and not transitory. We're also well beyond the point of debating what's driving inflation in that it's pretty obvious that it's both supply- and demand-driven which has been our narrative. Just look at demand-side measures like the strength of home sales or the surge in retail sales. Surging inflation expectations set by consumers, business and markets indicate folks are no longer fussing over what's causing inflation and are simply assuming high inflation will persist. This is where the danger lurks in that incorporating such expectations into price and wage demands is how inflation persists unless met by the kind of serious rate shock therapy we anticipate.

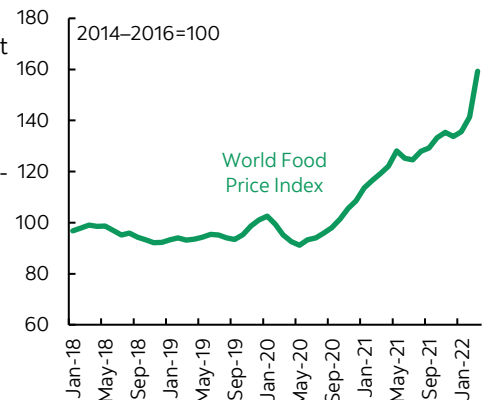
Indeed we're seeing a pile-on effect marked by seemingly everyone blaming—or capitalizing upon—general inflation while rapidly raising their own prices. For example, Marc Ercolao and I have been inundated with recent notices from digital audio and video streaming services that are all hiking their prices. The cover chart highlights what we've observed to be the synchronous large increases across a suite of services. Video and audio subscription services only have about a 1% weight in CPI now, but their prices are soaring of late as they cash in on the pandemic's demand and seek to prop up revenues if folks continue to rediscover other things to do with their time, unless you're going to tell me they too are mightily impacted by damaged supply chains in China or the war in Ukraine. Righto. Recent price hikes could easily add 0.1% to 0.2% to inflation in weighted terms.

None of this is a complaint by the way. As an economist, I fully get that I'm willing to pay for these services and they charge what the market will bear in a free and open market economy. If I don't like it, I wouldn't pay because no one is forcing my family to demand these services. Some of the services have improved in terms of their suite of offerings and features which should be partially controlled in CPI through hedonic adjustments that adjust for quality changes over time, or at least try to. So suck it up buttercup is the advice to self here, but with an eye on another anecdote of rapidly rising prices across a broad suite of categories.

As one final caution, be on guard for possible inclusion of used vehicle prices in CPI. StatCan said in February that it was working toward inclusion but did not advise when. As long argued, this may add over one percentage point to headline inflation when they do so. It may be that they will incorporate used vehicle prices at the same time as the mid-year (now) annual updating of CPI basket weights.

Chart 1

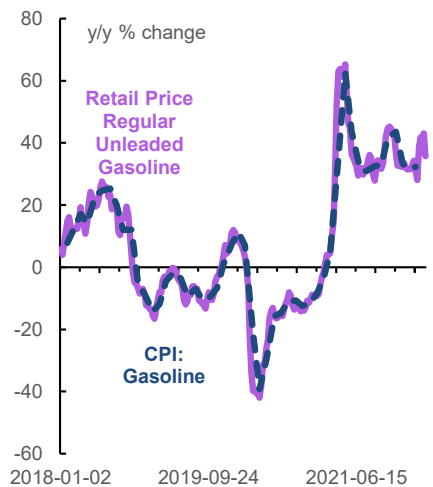
Soaring Global Food Prices



Sources: Scotiabank Economics, Food and Agriculture Organization of the United Nations.

Chart 2

Gas Prices



Sources: Scotiabank Economics, Statistics Canada, Natural Resources Canada.

**CHINA'S ECONOMY—BETTER LATE THAN NEVER!**

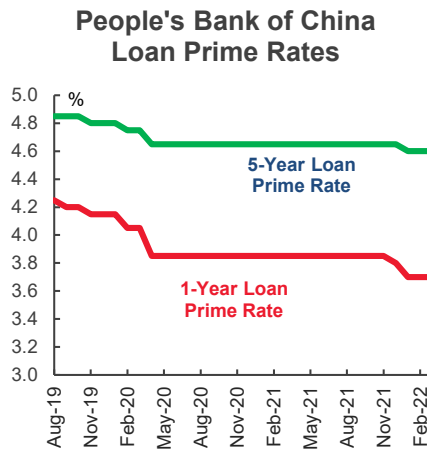
China's economy will be a significant focal point. As this publication is being finalized, the People's Bank of China is expected to cut its one-year Medium Term Lending Facility rate which will probably tee up subsequent reductions in the one-year and five-year Loan Prime Rates on April 19<sup>th</sup>. We may also see further declines in reserve ratio requirements. The modest adjustments that have been made to both sets of measures are shown in charts 3 and 4.

Policymakers have been very slow to pivot toward addressing mounting downside risks to China's economy. The list of such downsides has grown longer and longer over the past year. It includes the negative impact of COVID-19 on key export markets, the impact of zero Covid policies on the domestic economy, troubles in China's property financing market, the impact of soaring prices for key commodities imported by China like oil, and overly tight monetary policy. The latter is characterized by among the highest real policy rates across global central banks outside of the policy tightening that has swept through Latin America (chart 5). Inflation at just 1.5% y/y gives this central bank ample room to ease in the face of mounting downside risks.

Recognition of the need to adjust policy has increased. Premier Li warned this past week that policymakers should "add a sense of urgency" to easing efforts. Li was also advising fiscal policymakers to cut taxes and fees and introduce incentives to support job markets. The head of the PBOC's monetary policy department subsequently responded to the advice from on high by stating "Downward pressure on the economy has increased currently. We will use monetary policy tools including reserve requirement ratio reduction at the proper time."

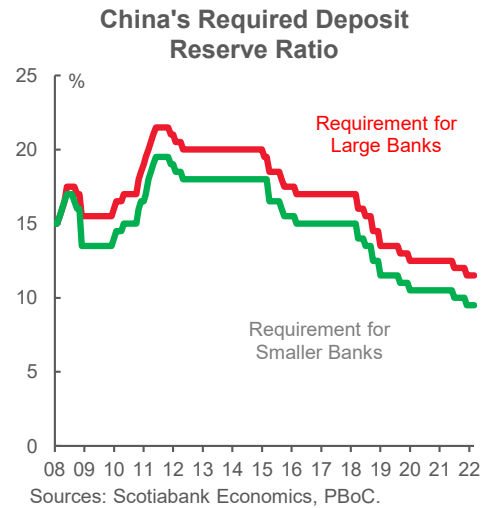
Macroeconomic data might provide additional cover for policy easing as several updates land on Monday. GDP for Q1 is expected to grow by about ¾% q/q SA non-annualized. That would be the slowest growth since Q1 of last year which in turn was the lowest since the pandemic took down GDP in 2020Q1. Some economists anticipate a contraction in the second quarter on the back of intensified zero Covid policies that have shut

Chart 3



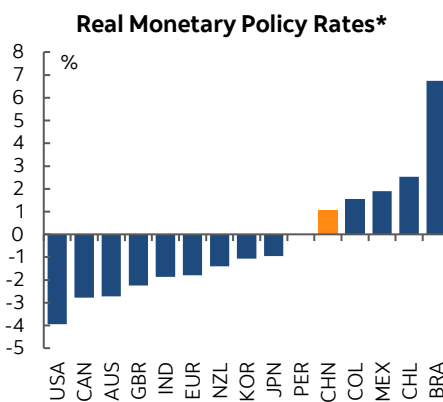
Sources: Scotiabank Economics, People's Bank of China.

Chart 4



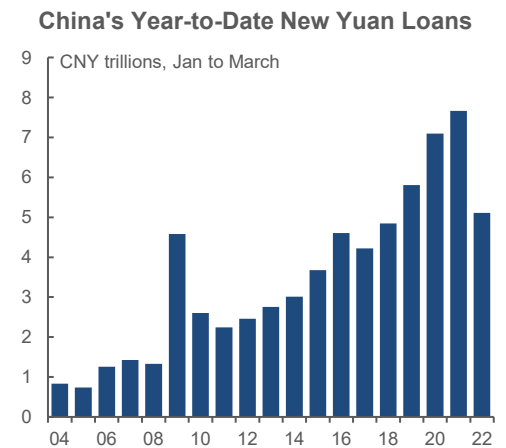
Sources: Scotiabank Economics, PBOC.

Chart 5



\* Real monetary policy rate=current policy rate - BNS expected inflation, end-Q2-2023, % y/y. Sources: Scotiabank Economics, Bloomberg.

Chart 6



Sources: Scotiabank Economics, Bloomberg.

Chart 7



Sources: Scotiabank Economics, The People's Bank of China.

Chart 8



Sources: Scotiabank Economics, Bloomberg.

cities for mass testing and quarantining. Industrial output is forecast to cool in the March reading, but the bigger hit is expected to come through a contraction in retail sales.

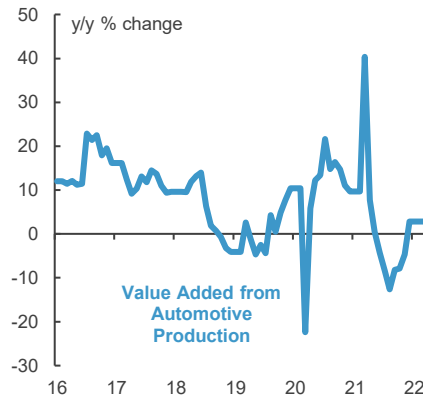
A suite of macroeconomic and lending indicators suggests that there are no quick easy fixes for China's growth challenges. Loan growth is underperforming on a year-to-date basis compared to prior years (chart 6) and so is total social credit that combines intermediated loans with market issuance and alternative lending products (chart 7). China's high yield index is off the recent bottom but still depressed (chart 8). Auto production is soft (chart 9). So are purchasing managers' indices (chart 10). China's coal plant generation is toward multi-year lows (chart 11). We also see evidence of softness across mobility readings (charts 12, 13) as well as rail freight traffic volumes and electricity output (chart 14). Premier Li once said that GDP is "manmade" and implied it is not to be trusted in favour of alternative readings that are less easily manipulated by local party bosses. This suite of evidence suggests that the challenges run far deeper than reflected in 'manmade' numbers.

Will China's policymakers be able to pull it off and successfully counter downside risks? To a degree, that seems likely given the enhanced sense of urgency. What has held back policymakers for too long is concern that easing could foment a return to

imbalances that have damaged the economy and financial system in the past. Perhaps they should have paid greater heed to the risks to the economy and financial system stemming from policy indifference. Regardless, to the extent to which folks still believe that Dr. Copper is a fair judge of forward-looking global and particularly Chinese growth prospects, chart 15 may provide a more reassuring message versus, say, contemporaneous measures like the Baltic Dry Index.

Chart 9

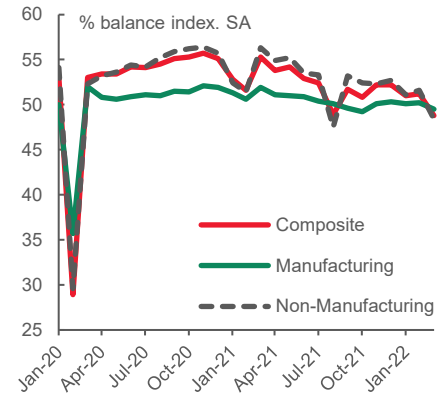
Chinese Automotive Production



Sources: Scotiabank Economics, China National Bureau of Statistics.

Chart 10

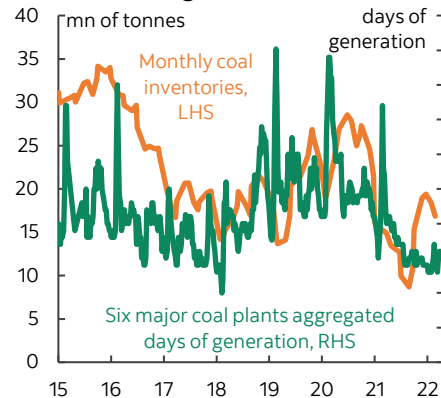
China's PMIs



Sources: Scotiabank Economics, CNBS, China Federation of Logistics & Purchasing.

Chart 11

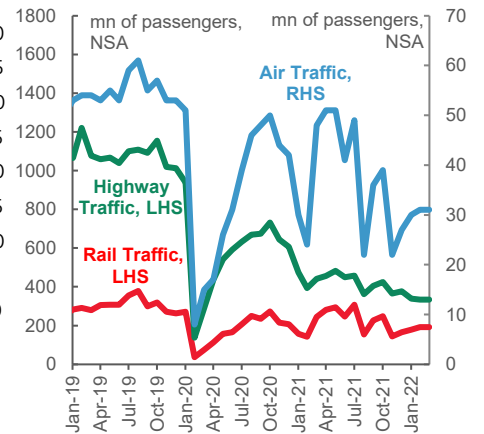
China's Weekly Coal Usage & Inventories



Source: Scotiabank Economics, China Coal Resource.

Chart 12

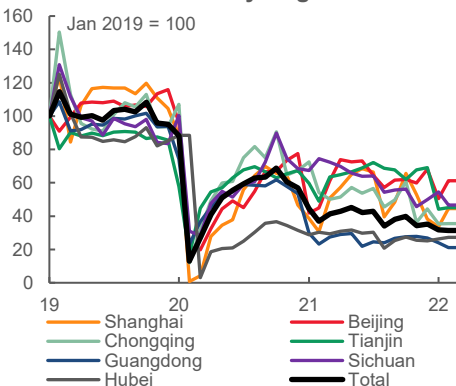
Chinese Passenger Traffic Volumes



Sources: Scotiabank Economics, Bloomberg.

Chart 13

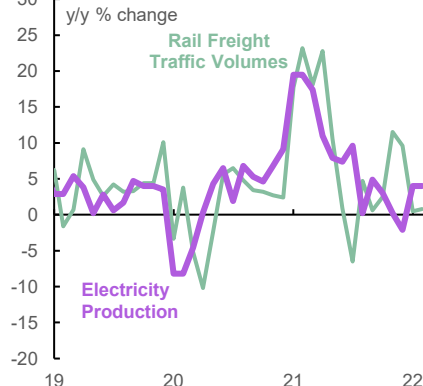
China Passenger Highway Traffic Volume by Region



Sources: Scotiabank Economics, Ministry of Transportation China.

Chart 14

Core Readings On China's Economy



Source: Scotiabank Economics, Bloomberg.

Chart 15

What Dr. Copper Thinks of World Growth



Sources: Scotiabank Economics, Bloomberg.

Still, China has little margin for error not just on tactical/cyclical policy measures but also in a grander strategic sense. Cozying up to Russia risks deleterious policy effects emanating from across its major export markets. Among the more pointed warnings in this regard is the recent speech by US Treasury Secretary Janet Yellen ([here](#)). While she did not mention India by name, the same warning may also apply to its stance.

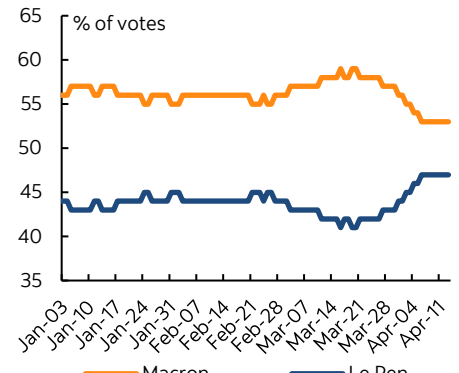
**EARNINGS, FRANCE'S COUNTDOWN, CENTRAL BANKS AND DATA**

A suite of other possible market influences will include US earnings season, the final week of France's election campaigning, limited central bank developments and some key macroeconomic releases.

At the top of the list will be the countdown to the second and deciding round of France's presidential elections on Sunday April 24<sup>th</sup>. As polls continue to roll in they may further inform the odds of winning, although don't forget how they blew it by seriously underestimating Macron's two-to-one margin of victory over Marine Le Pen in 2017 (chart 16).

A round of global purchasing managers' indices for the month of April will inform whether economies are beginning to stabilize in the wake of the war in Ukraine and its global effects, or whether damage continues to intensify. Further deterioration is expected across at least the European gauges. All of the releases arrive toward the end of the week including Japan's Jibun PMIs and Australia's on Thursday followed by the Eurozone, UK and US measures on Friday. The US measures are the less widely watched composites and not the more domestic

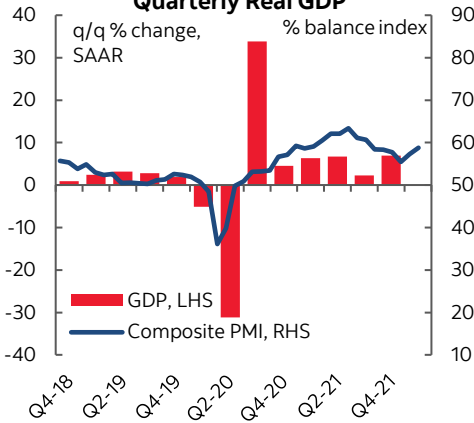
**Chart 16**  
**Voting Intentions for Second Round of the 2022 Presidential Election**



Sources: Scotiabank Economics, Politico Poll of Polls.

**Chart 17**

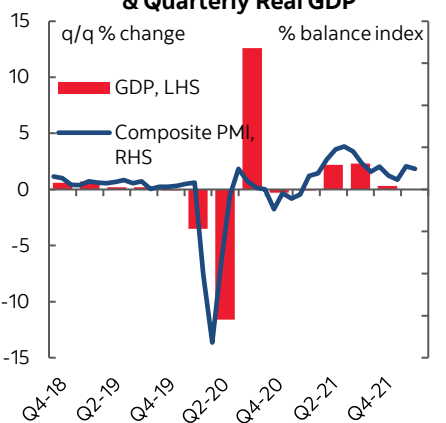
**US Composite PMI & Quarterly Real GDP**



Sources: Scotiabank Economics, Markit, Bloomberg.

**Chart 18**

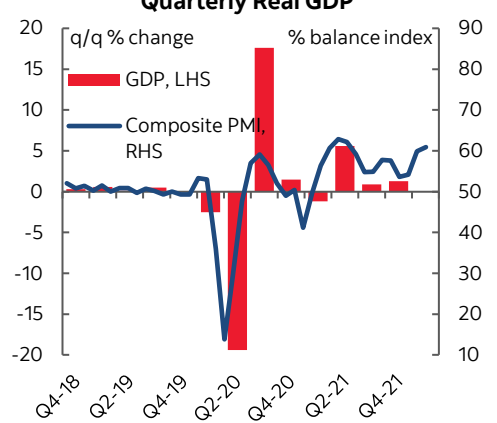
**Euro Area Composite PMI & Quarterly Real GDP**



Sources: Scotiabank Economics, Markit, Bloomberg.

**Chart 19**

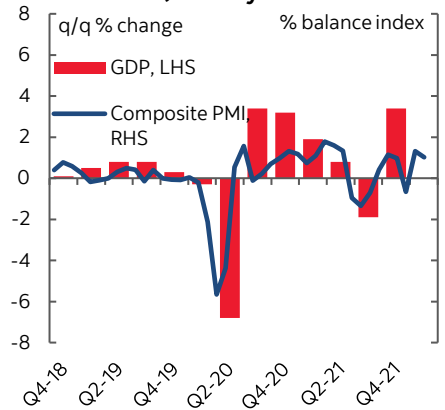
**UK Composite PMI & Quarterly Real GDP**



Sources: Scotiabank Economics, Markit, Bloomberg.

**Chart 20**

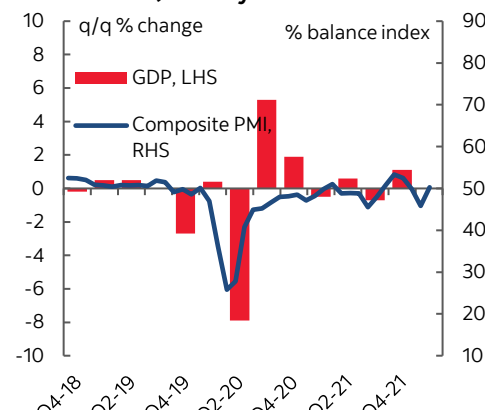
**Australia Composite PMI & Quarterly Real GDP**



Sources: Scotiabank Economics, Markit, Bloomberg.

**Chart 21**

**Japan Composite PMI & Quarterly Real GDP**



Sources: Scotiabank Economics, Markit, Bloomberg.

economy focused ISM gauges that the Federal Reserve pays closer attention to. Charts 17–21 show the suite of PMIs and connections with GDP growth.

US earnings season kicks into higher gear with 68 S&P500 firms releasing Q1 results following this past week's round of solid numbers across most major financials. Among the key names will be Bank of America, Netflix and Tesla. Chart 22 shows the updated analysts' earnings expectations.

Central banks will be relatively quiet this coming week. Federal Reserve Chair Powell and ECB President Lagarde appear jointly on an IMF panel on the global economy on Thursday. This follows the ECB meeting where it was indicated that a growing consensus expect to deliver a 25bps rate hike in Q3 and several members are agitating for an earlier end to the Asset Purchase Program than the current plan to do so by Q3. It also comes before the Fed's next meeting on May 4<sup>th</sup> when the FOMC is expected to hike by 50bps.

Apart from the PBOC, the only other central bank decision on tap will be delivered by Bank Indonesia on Tuesday. Consensus unanimously expects a hold with the 7-day reverse repo rate remaining unchanged at 3.5%.

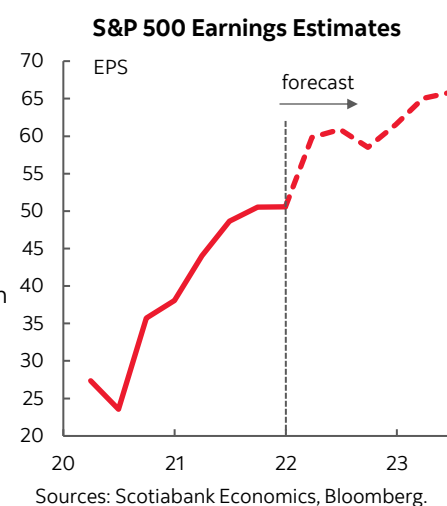
Other than CPI, Canadian markets will face light data. Friday's retail sales figures will offer preliminary guidance for March and if necessary, revise 'flash' guidance for February that had indicated a small rise of 0.5% m/m in dollar terms. Housing figures arrive early in the week and will include housing starts that may rebound in the estimate for March given what we can tell from permit volumes, but existing home sales for March may be challenged to follow up the 4.6% m/m rise with another significant jump.

US markets face light calendar-based risk over the coming week. Apart from PMIs, the focus will be upon housing markets. Tuesday's housing starts for March may dip again based upon permits. Existing home sales for March land on the same day and are expected to dip based on prior weakness in pending home sales that close and turn into completed resales within 30–90 days. Wednesday's Beige Book of regional economic conditions rarely gets much attention in the age of frequent Fed communications. Limited Fed-speak will include St. Louis President Bullard (Monday), Chicago President Evans (Tuesday), and then both Evans and San Fran's President Daly on Wednesday.

Asia-Pacific markets will consider a trio of inflation reports. The most interesting one will be New Zealand's Q1 CPI estimate (Wednesday) that is likely to go from 5.9% y/y in 2021Q4 to over 6%. That would triple the RBNZ's 2% inflation target and double the upper limit of the 1–3% inflation target range. Japanese CPI for March (Thursday) is likely to cross 1% y/y for the first time since October 2018 but remain far below the BoJ's target. Malaysian inflation (Friday) should also see upward pressure but at 2.2% y/y in February it was not threatening Bank Negara Malaysia's 2–3% inflation target range.

European markets face light data risk beyond PMIs including Friday's UK retail sales for March that are expected to dip again, plus Eurozone industrial production that is expected to accelerate (Wednesday)

Chart 22





## Key Indicators for the week of April 18 – 22

## NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	04/18	08:15	Housing Starts (000s a.r.)	Mar	275	--	247.3
CA	04/18	09:00	Existing Home Sales (m/m)	Mar	--	--	4.6
US	04/18	10:00	NAHB Housing Market Index	Apr	--	77.0	79.0
CA	04/19	08:30	International Securities Transactions (C\$ bn)	Feb	--	--	13.5
US	04/19	08:30	Building Permits (000s a.r.)	Mar	--	1,839	1,865
US	04/19	08:30	Housing Starts (000s a.r.)	Mar	1,751	1,748	1,769
US	04/19	08:30	Housing Starts (m/m)	Mar	-1.0	-1.2	6.8
US	04/20	07:00	MBA Mortgage Applications (w/w)	Apr 15	--	--	-1.3
CA	04/20	08:30	Core CPI - Common (y/y)	Mar	--	--	2.6
CA	04/20	08:30	Core CPI - Median (y/y)	Mar	--	--	3.5
CA	04/20	08:30	Core CPI - Trim (y/y)	Mar	--	--	4.3
CA	04/20	08:30	CPI, All items (m/m)	Mar	1.2	--	1.0
CA	04/20	08:30	CPI, All items (y/y)	Mar	6.4	--	5.7
CA	04/20	08:30	CPI, All items (index)	Mar	148.56	--	146.8
CA	04/20	08:30	Teranet - National Bank HPI (y/y)	Mar	--	--	17.7
US	04/20	10:00	Existing Home Sales (mn a.r.)	Mar	5.65	5.8	6.0
US	04/20	10:00	Existing Home Sales (m/m)	Mar	-6.1	-3.7	-7.2
US	04/21	08:30	Initial Jobless Claims (000s)	Apr 16	170	170.0	166.0
US	04/21	08:30	Continuing Claims (000s)	Apr 9	1,510	1,500	1,523
US	04/21	08:30	Philadelphia Fed Index	Apr	--	21.4	27.4
US	04/21	10:00	Leading Indicators (m/m)	Mar	--	0.3	0.3
MX	04/22	07:00	Bi-Weekly Core CPI (% change)	Apr 15	--	--	0.4
MX	04/22	07:00	Bi-Weekly CPI (% change)	Apr 15	--	--	0.6
CA	04/22	08:30	IPPI (m/m)	Mar	--	--	3.1
CA	04/22	08:30	Raw Materials Price Index (m/m)	Mar	--	--	6.0
CA	04/22	08:30	Retail Sales (m/m)	Feb	0.5	--	3.2
CA	04/22	08:30	Retail Sales ex. Autos (m/m)	Feb	--	--	-2.7

## EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	04/20	02:00	Producer Prices (m/m)	Mar	2.8	1.4
EC	04/20	05:00	Industrial Production (m/m)	Feb	0.5	0.0
EC	04/20	05:00	Industrial Production (y/y)	Feb	1.3	-1.3
EC	04/20	05:00	Trade Balance (€ mn)	Feb	--	-27,204
EC	04/21	05:00	CPI (m/m)	Mar F	2.5	2.5
EC	04/21	05:00	CPI (y/y)	Mar F	7.5	7.5
EC	04/21	05:00	Euro zone Core CPI Estimate (y/y)	Mar F	3.0	3.0
EC	04/21	10:00	Consumer Confidence	Apr A	-20.0	-18.7
UK	04/21	19:01	GfK Consumer Confidence Survey	Apr	-33.0	-31.0
UK	04/22	02:00	Retail Sales ex. Auto Fuel (m/m)	Mar	-0.4	-0.7
UK	04/22	02:00	Retail Sales with Auto Fuel (m/m)	Mar	-0.2	-0.3
FR	04/22	03:15	Manufacturing PMI	Apr P	53.0	54.7
FR	04/22	03:15	Services PMI	Apr P	56.5	57.4
GE	04/22	03:30	Manufacturing PMI	Apr P	54.5	56.9
GE	04/22	03:30	Services PMI	Apr P	55.5	56.1
EC	04/22	04:00	Current Account (€ bn)	Feb	--	22.6
EC	04/22	04:00	Composite PMI	Apr P	53.9	54.9
EC	04/22	04:00	Manufacturing PMI	Apr P	54.6	56.5
EC	04/22	04:00	Services PMI	Apr P	55.0	55.6
IT	04/22	04:30	Current Account (€ mn)	Feb	--	-5,907
UK	04/22	04:30	Manufacturing PMI	Apr P	54.0	55.2
UK	04/22	04:30	Services PMI	Apr P	60.0	62.6

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for the week of April 18 – 22

## ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SI	04/17	20:30	Exports (y/y)	Mar	--	-2.0	9.5
CH	04/17	22:00	Fixed Asset Investment YTD (y/y)	Mar	8.5	8.5	12.2
CH	04/17	22:00	Industrial Production (y/y)	Mar	4.0	4.0	4.3
CH	04/17	22:00	Real GDP (y/y)	1Q	3.8	4.2	4.0
CH	04/17	22:00	Retail Sales (y/y)	Mar	-3.0	-3.0	1.7
ID	04/18	00:00	Exports (y/y)	Mar	--	23.2	34.1
ID	04/18	00:00	Imports (y/y)	Mar	--	18.4	25.4
ID	04/18	00:00	Trade Balance (US\$ mn)	Mar	--	2,889	3,820
MA	04/18	00:00	Exports (y/y)	Mar	--	10.4	16.8
MA	04/18	00:00	Imports (y/y)	Mar	--	17.6	18.4
MA	04/18	00:00	Trade Balance (MYR bn)	Mar	--	22.8	19.8
IN	04/18	02:30	Monthly Wholesale Prices (y/y)	Mar	--	13.3	13.1
JN	04/19	00:30	Capacity Utilization (m/m)	Feb	--	--	-3.2
JN	04/19	00:30	Industrial Production (y/y)	Feb F	--	--	0.2
<b>ID</b>	<b>04/19</b>	<b>03:20</b>	<b>BI 7-Day Reverse Repo Rate (%)</b>	<b>Apr 19</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>
JN	04/19	19:50	Merchandise Trade Balance (¥ bn)	Mar	--	-5	-670
JN	04/19	19:50	Adjusted Merchandise Trade Balance (¥ bn)	Mar	--	-495	-1,031
JN	04/19	19:50	Merchandise Trade Exports (y/y)	Mar	--	17.5	19.1
JN	04/19	19:50	Merchandise Trade Imports (y/y)	Mar	--	27.6	34.1
<b>CH</b>	<b>04/19</b>	<b>21:15</b>	<b>PBoC Loan Prime Rate 1-Year (%)</b>	<b>Apr 20</b>	<b>3.60</b>	<b>3.60</b>	<b>3.70</b>
TA	04/20	04:00	Export Orders (y/y)	Mar	--	13.6	21.1
SK	04/20	17:00	PPI (y/y)	Mar	--	--	8.4
NZ	04/20	18:45	Consumer Prices (y/y)	1Q	6.7	7.1	5.9
HK	04/21	04:30	Unemployment Rate (%)	Mar	--	4.7	4.5
JN	04/21	19:30	National CPI (y/y)	Mar	1.2	1.2	0.9
JN	04/21	20:30	Markit/JMMA Manufacturing PMI	Apr P	--	--	54.1
TH	04/21	23:30	Customs Exports (y/y)	Mar	--	5.6	16.2
TH	04/21	23:30	Customs Imports (y/y)	Mar	--	10.6	16.8
TH	04/21	23:30	Customs Trade Balance (US\$ mn)	Mar	--	-580.5	123.3
MA	04/22	00:00	CPI (y/y)	Mar	2.2	2.2	2.2
TA	04/22	04:00	Unemployment Rate (%)	Mar	--	3.7	3.7
HK	04/22	04:30	CPI (y/y)	Mar	1.8	1.7	1.6

## LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	04/18	08:00	Current Account (US\$ mn)	Feb	--	-1,500	-8,146
BZ	04/18	08:00	Economic Activity Index SA (m/m)	Feb	--	0.5	-1.0
BZ	04/18	08:00	Economic Activity Index NSA (y/y)	Feb	--	0.5	0.0
PE	04/18	08:00	Economic Activity Index NSA (y/y)	Feb	--	--	2.9
PE	04/18	08:00	Unemployment Rate (%)	Mar	--	--	8.9
CO	04/21	11:00	Trade Balance (US\$ mn)	Feb	--	--	-1,705

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.



**Global Auctions for the week of April 18 – 22****NORTH AMERICA**

<b>Country</b>	<b>Date</b>	<b>Time</b>	<b>Event</b>
US	04/20	13:00	U.S. To Sell 20-Year Bonds Reopening
US	04/21	13:00	U.S. To Sell 5-Year TIPS

**EUROPE**

<b>Country</b>	<b>Date</b>	<b>Time</b>	<b>Event</b>
GE	04/19	05:30	Germany to Sell EUR 4 Bln of 0% 2027 Bonds
FI	04/19	06:00	Finland to Sell Bonds
DE	04/20	04:15	Denmark to Sell Bonds
SW	04/20	05:00	Sweden to Sell Bonds
UK	04/20	05:00	U.K. to Sell Gilts
GE	04/20	05:30	Germany to sell 1 Billion Euros of 2046 Bonds
SP	04/21	04:30	Spain to Sell Bonds
FR	04/21	04:50	France to Sell Bonds

**ASIA-PACIFIC**

No Scheduled Auctions.

**LATIN AMERICA**

No Scheduled Auctions.

## Events for the week of April 18 – 22

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04/18	16:00	Fed's Bullard Discusses the U.S. Economy and Monetary Policy
US	04/19	12:05	Fed's Evans Speaks to Economic Club of New York
US	04/20	10:30	Fed's Daly Discusses the Outlook
US	04/20	11:30	Fed's Evans Discusses the Economic and Policy Outlook
US	04/21	13:00	Powell and Lagarde Take Part in IMF Panel on Global Economy

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	04/21	12:30	Bank of England Governor Andrew Bailey speaks
EC	04/22	09:00	ECB's Lagarde Speaks

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	04/18	21:30	RBA-Minutes
<b>ID</b>	<b>04/19</b>	<b>03:20</b>	<b>Bank Indonesia 7D Reverse Repo</b>
<b>CH</b>	<b>04/19</b>	<b>21:15</b>	<b>1-Year Loan Prime Rate</b>
CH	04/19	21:15	5-Year Loan Prime Rate

### LATIN AMERICA

No Scheduled Events.

## 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	1.00	June 1, 2022	1.25	1.25
Federal Reserve – Federal Funds Target Rate	0.50	May 4, 2022	1.00	1.00
Banco de México – Overnight Rate	6.50	May 12, 2022	7.00	7.00

## 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	June 9, 2022	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	June 9, 2022	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	June 9, 2022	-0.50	-0.50
Bank of England – Bank Rate	0.75	May 5, 2022	1.00	1.00
Swiss National Bank – Libor Target Rate	-0.75	June 16, 2022	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	17.00	April 29, 2022	17.00	17.00
Sweden Riksbank – Repo Rate	0.00	April 28, 2022	0.00	0.00
Norges Bank – Deposit Rate	0.75	May 5, 2022	1.00	1.00
Central Bank of Turkey – Benchmark Repo Rate	14.00	May 26, 2022	14.00	14.00

## 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	April 28, 2022	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.10	May 3, 2022	0.10	0.10
Reserve Bank of New Zealand – Cash Rate	1.50	May 24, 2022	1.75	1.25
People's Bank of China – 1-Year Loan Prime Rate	3.70	April 19, 2022	3.60	3.60
Reserve Bank of India – Repo Rate	4.00	June 8, 2022	4.25	4.00
Bank of Korea – Bank Rate	1.50	May 26, 2022	1.50	1.50
Bank of Thailand – Repo Rate	0.50	June 8, 2022	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	May 11, 2022	1.75	1.75
Bank Indonesia – 7-Day Reverse Repo Rate	3.50	April 19, 2022	3.50	3.50
Central Bank of Philippines – Overnight Borrowing Rate	2.00	May 19, 2022	2.00	2.00

**People's Bank of China (PBOC):** The PBOC's Loan Prime Rate fixings will be announced on April 20. If the 1-Year Medium-Term Lending Facility rate is lowered by 10bps to 2.75% on April 15 in line with our expectation, then the benchmark 1-Year Loan Prime Rate fixing is likely to be brought down by a similar magnitude to 3.60%. China's economy is facing headwinds, which include COVID-19 challenges, a property sector downturn, and supply chain disruptions. We expect further loosening of both monetary and fiscal policies to help the economy reach the government's ambitious real GDP target of 5.5% for 2022. **Bank Indonesia (BI):** Bank Indonesia will be making a monetary policy decision on April 19, and we expect the policy rate to remain unchanged at 3.50%. Inflation accelerated to 2.6% y/y in March, yet it remains within BI's target range of 2%-4% despite a spike in commodity prices worldwide. As many developed economies have already begun to tighten monetary policy, we expect BI to start raising its policy rate in Q3 to promote financial stability.

## 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	11.75	May 4, 2022	12.75	13.00
Banco Central de Chile – Overnight Rate	7.00	May 5, 2022	7.25	7.75
Banco de la República de Colombia – Lending Rate	5.00	April 29, 2022	6.00	6.00
Banco Central de Reserva del Perú – Reference Rate	4.50	May 12, 2022	4.50	4.50

## 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	4.25	May 19, 2022	4.50	4.50

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

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