



HOLIDAY EDITION

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Happy Holidays!

Best wishes for a joyous holiday season from all of us.

At this special time of year, we wish to thank our clients & readers for their continued interest in Scotiabank publications.

The next issue of *The Global Week Ahead* will be published on January 10, 2020.

CONTACTS

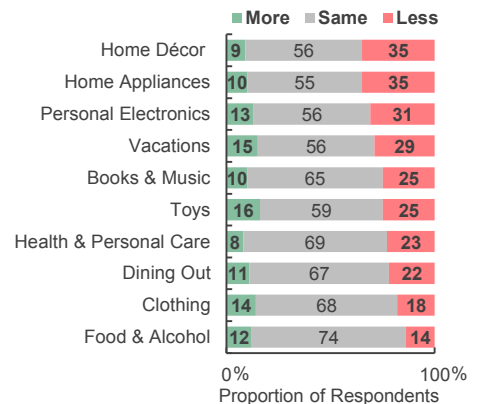
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Risk Dashboard for Dec 23 to Jan 3

- US-China text watch
- Year-end funding
- China's PMIs
- US: new home sales, durables, ISM, confidence
- FOMC minutes
- Canadian GDP
- Inflation: Germany, France, Spain, Peru, Chile
- Japan's macro reports
- European macro

Chart of the Week

How Canadians Plan on Altering Their Holiday Spending Compared to 2018



Average anticipated holiday spending of \$792 in 2019 per person compared to actual spending of \$824 in 2018.

Sources: Scotiabank Economics, Retail Council of Canada Holiday Shopping Survey 2019.

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

Global Week Ahead — Holiday Edition

Whether Merry Christmas, Happy New Year, Hanukkah Sameach or simply happy holidays, here's wishing our clients, staff and friends the very best of the season. This double issue of the Global Week Ahead will cover the period from December 21st through to January 5th.

ASIA-PACIFIC—LOST IN TRANSLATION?

Progress or lack thereof toward the formal text of a US-China phase one trade deal may be further informed over the next two weeks. Nothing formal is scheduled, but watch for tweets, China's daily press briefings and media reports. The calendar-based data line-up will focus upon Chinese PMIs and Japan's monthly data dump.

US Trade Representative Robert Lighthizer has guided that the text of a full 'phase one' agreement is complete and will be released in early January and is simply being translated, but no date has been established for its signing. Spokespersons for China's Ministry of Commerce and Foreign Ministry have generally dodged questions about the terms of the deal and ongoing negotiations with "nothing to update" references. Key questions remain unanswered such as enforcement mechanisms and milestones toward full implementation. Past alleged deals have fallen apart at the text and translation stage with the US accusing China of renegeing on its verbal agreements and China demanding tariff reductions that appear to be rather modest in the sketched outline of the current proposals.

Recall that the US has offered to cancel plans to apply a 15% tariff on US\$160 billion of Chinese imports that was to have gone into effect on December 15th, lower the 15% tariff rate on about US\$120 billion of Chinese imports to 7.5%, but keep the 25% tariff rate on the other US\$250 billion of Chinese imports that had been announced in July and August 2018 and through subsequent actions.

The quid pro quo is an unrealistic pace of Chinese buying of US exports both in aggregate that would require a massive 2¼ fold increase in total US exports within a two year period—after which there is no agreement (chart 1)—and around a fourfold increase in Chinese purchases of US agricultural commodities within two years at a US\$40–50 billion annual pace—after which there is no agreement (chart 2). There is also no further information on the breakdown of such purchases that Lighthizer has said will remain undisclosed.

Apart from simply not hitting these targets, China could conceivably twist the spirit of the deal in the following ways to get closer to the targets.

1. Stockpile enormous purchases and front-load inventories, only to slash purchases again after the two-year agreement expires. China would buy time to further adjust to trade risks in the meantime.
2. Import more and re-export it elsewhere to China's other trading partners as a substitute for the direct purchases of US goods by those other countries.
3. Divert the booking point from Hong Kong (not included in the agreement) to mainland China for imported goods.
4. Reallocate purchases away from other countries and thus weaken the global economy.
5. Since the purchase targets are in nominal US\$ terms, either pay inflated prices and/or return to past fake invoicing practices.

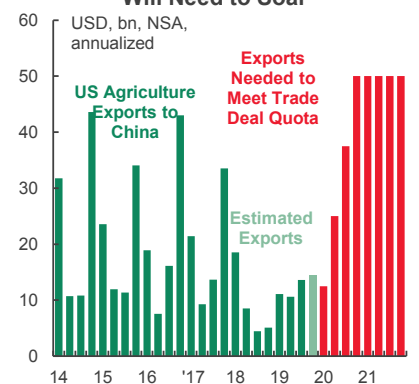
Markets will also digest another batch of Chinese purchasing managers' indices. On December 30th, China's state PMIs for December will be updated. The composite PMI has

Chart 1 **Good Luck Doubling US Exports to China!**



Sources: Scotiabank Economics, US Congressional Research Service.

Chart 2 **US Agriculture Exports to China Will Need to Soar**



Sources: Scotiabank Economics, US Census Bureau Trade Data.

continued to signal moderate growth led by the non-manufacturing sector as manufacturing remains flat. On January 1st, the private Caixin manufacturing PMI will be updated and then on January 5th we'll get the Caixin services and composite readings.

Other data releases will be light and principally focused upon Japan. Japan will update a variety of readings for the month of November the day after Christmas including housing starts, the jobless rate, retail sales, industrial production and Tokyo CPI for December.

UNITED STATES—BOEING, BOEING, GONE!

With a couple of exceptions, US calendar-based risks should be fairly light over the coming two weeks. The greater safety net that the New York Federal Reserve has thrown over repo funding challenges doesn't mean there may not be volatility, but it shouldn't be as disruptive as prior episodes. Barring random developments and tweets, the next two weeks should offer relatively smooth sailing conditions. Risks surrounding further communications regarding the US-China 'phase one' trade deal are discussed in the Asia-Pacific section. The USMCA deal has passed the House of Representatives as expected, but will not sit idle until it goes to the Senate after the impeachment trial in January.

Bond markets will be shut on Christmas day and New Year's Day and will close early at 2pmET the day before each holiday. The NYSE will be shut on Christmas Day and New Year's Day and will close at 1pmET the day before Christmas.

The week of December 23rd to 27th will witness only three releases.

New home sales: Sales will be updated for November on Monday and will be trying to maintain the upward momentum that has been in place for most of this year.

Durable goods orders: It's unclear what role plane orders placed by domestic airlines will play in November's report on Tuesday. Boeing had 63 orders in November but 42 of them were from foreign carriers and 21 were from unidentified carriers. In October there were just 10 plane orders and again it's not entirely clear how many of those were for domestic airlines but at most it would be six. Airbus had 14 orders from US or undisclosed airlines in November and 30 in October. There may be a rebound in orders from auto firms after three months of decline with a GM strike in the middle. Nevertheless, markets will pay more attention to orders ex-aircraft and defense and whether there is any momentum to back the unexpected 1.2% m/m jump in October. Shipments of durable goods that matter to current Q4 GDP are being weighed down by Boeing's 737 Max issues that have driven total nondefense airplane shipments sharply lower since the FAA's suspension (chart 3). The outright suspension of production going forward could cost the US economy around a half-point on Q1 annualized GDP growth and thus bring Q1 growth down to around 1% and lean in the direction of our below consensus 1½% GDP forecast for 2020.

Richmond Fed: Tuesday's reading for this volatile gauge will further inform expectations for the following week's ISM-manufacturing print.

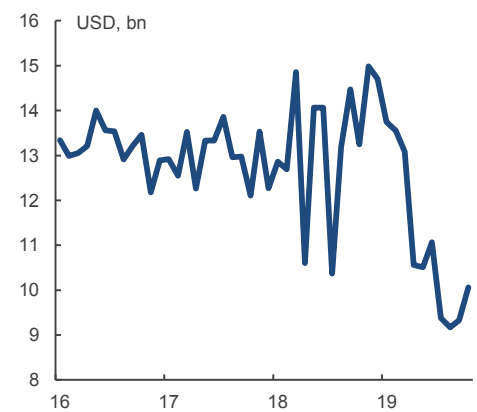
The week of December 30th to January 3rd will include two main releases on the Friday, and a smattering of other lesser reports.

FOMC minutes: Minutes to the FOMC's December 10th–11th meeting will be released on Friday January 3rd. A recap to the meeting is available [here](#). This should be among the duller sets of meeting minutes in quite some time. The Fed's overall communications including the statement, forecast revisions with the new dot plot, and Chair Powell's press conference were all very little changed as the Fed is unanimously agreed upon a policy hold as it assesses the lagging effects of three cuts to date.

ISM-manufacturing: The January reading lands on the same Friday. Little change is expected. The Markit manufacturing PMI was left flat at 52.5 in December (52.6 prior). The Empire regional gauge was also little changed at 3.5 (2.9 prior). ISM continues to hover around the low point since early 2016.

Chart 3

US Nondefense Aircraft Durables Shipments



Sources: Scotiabank Economics, Bloomberg.

Other releases will focus upon the Conference Board's consumer confidence index on December 31st. Pending home sales and the advance goods trade balance are out the day before, S&P Case Shiller house prices will be updated on December 31st, and then construction spending and vehicle sales are due out on Friday, January 3rd.

EUROPE—A BREAK FROM BREXIT

Relatively mild data risk particularly out of Germany and only by the week after Christmas should offer relatively little to consider throughout the holiday season.

Brexit negotiations are on the backburner for now. The January 31st 2021 withdrawal agreement deadline will be met by the Conservative majority following the UK election. Formal trade negotiations are expected to commence within a month or two thereafter. If an extension to the December 31st 2020 deadline for a UK-EU trade deal is sought, it must be advanced by June 30th, but PM Johnson has ruled this out at least for now. The skepticism surrounds the length of time other trade negotiations have taken (CETA, USMCA, etc.).

The week of Christmas will only bring out Spanish retail sales on Friday. The following week will be slightly more active with inflation updates for Spain (Dec 30th), and then France and Germany (January 3rd). Much of the volatility around European inflation has been driven by gasoline prices (chart 4) and the ebbing pace of gas price changes could add downside to the December readings.

German retail sales and the unemployment rate and the UK construction PMI will also be released by later that week.

CANADA—HANDS TIED, PRAYING FOR A REBOUND?

Canada releases monthly GDP on the Monday before Christmas and then goes radio silent through to the week of January 6th. It's unlikely to be a terribly merry take on the Canadian economy but at least it won't linger throughout the festivities. The Toronto Stock Exchange will close early at 1pmET on Christmas Eve and will then be shut on Christmas Day and Boxing Day on the day after plus New Year's Day. Canadian bond markets will be shut on Christmas Day, Boxing Day and New Year's Day and will close early at 1pmET on Christmas Eve and New Year's Eve.

GDP was probably little changed in October over September. We estimate a decline of 0.1% m/m with possibly minor upside risk. To the downside, housing starts fell by 9.3% m/m and manufacturing shipment volumes fell by 0.4% m/m. Hours worked were little changed (+0.1%) and book-ended by declines of 0.3% m/m in both September and November. After a large 3.4% q/q jump in hours worked during Q2, they've since roughly stalled out with a ½% rise in Q3 and tracking of a ½% decline in Q4. Wholesale trade volumes fell by 1.1% m/m. Retail trade volumes plunged by 1.4% m/m and extended a lengthy period of softness ([recap here](#)). Upside risk could be presented by soft jumping off points in sectors that could rebound in October but that are more difficult to track with higher frequency measures in advance, such as agriculture, utilities and transportation. The Canadian economy is tracking growth of only around ¼% in seasonally adjusted and annualized terms using Scotia's 'nowcast' ([here](#)) after growing by just 1.3% in Q3, 3½% in Q2 and under 1% in each of the prior two quarters.

As chart 5 demonstrates, the trends for GDP growth as well as final domestic demand—that removes from GDP volatile net trade and inventory components—have not been very flattering to Canada for quite some time. GDP growth has only had one stand-out quarter (2019Q2) during the past five quarters including tracking through to 2019Q4 with trend actual GDP growth generally riding below potential GDP growth with the sole exception of the transitory factors that boosted Q2 growth. Final

Chart 4

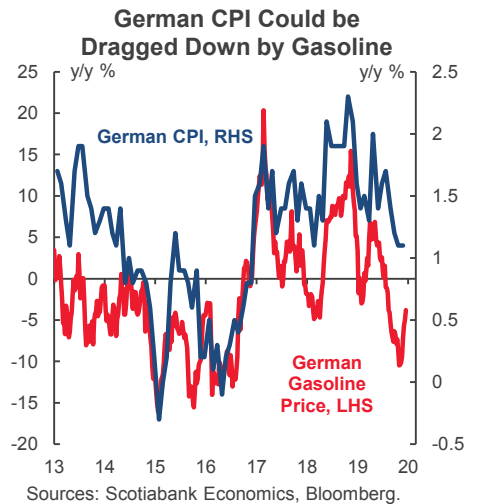
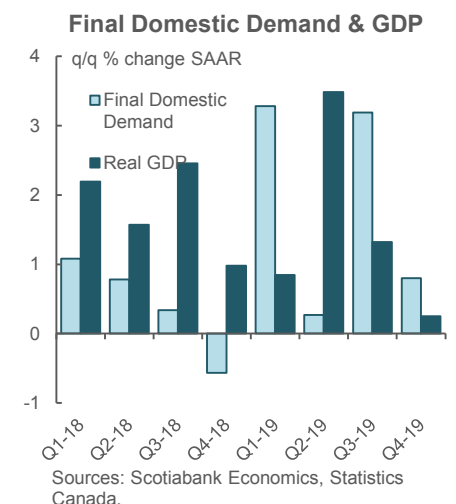


Chart 5



domestic demand has grown by about 1% or less at an annualized rate in six of the past eight quarters including tracking for 2019Q4.

Against this backdrop, Canada faces an awkward balancing act into 2020. Activity variables including broad GDP growth have undeniably soured, yet 'core' inflation has jumped to the highest rate in about a decade, albeit with potentially transitory drivers ([here](#)). The result could put monetary policy in a straightjacket at least for a time until one of two things happen: either growth firmly rebounds over 2020H1—but it's not clear this will happen—or the BoC gets increasingly concerned about the durability of the inflation target on slack arguments and casts aside backward-looking inflation data to ease. We continue to think that the latter is more likely. At the same time, fiscal policy may be in a straightjacket. Several provincial governments are thus far offering neutral to contractionary fiscal policies. The Federal Finance Minister's mandated 31% debt-to-GDP ratio is getting very close and in the context of recent bigger-than-expected deficits (recap [here](#)) which also limits any potential for meaningful fiscal stimulus. While the C\$ has appreciated recently, the risk could fall back upon the currency to behave as a bigger shock absorber into 2020.

LATIN AMERICA—A PAIR OF DEUCES

Latin American markets will face very light developments straight through the next two weeks. There is nothing on tap for the week of Christmas and little ahead for the second week.

The week of December 30th to January 3rd puts most of the focus upon a pair of inflation reports from Chile and Peru.

Chile's inflation data might arrive toward the end of the week or into the following week. The headline rate has been rising from a low of 1.7% y/y in February to a full point higher in November and closer to the mid-point of the central bank's 2–4% inflation target range. Peru's inflation rate arrives on New Year's Day no less and should be little changed from the sub-2% target readings of late but with core inflation running around 2 ¼%.

Key Indicators for December 23 – January 3

NORTH AMERICA

| Country | Date | Time | Indicator | Period | BNS | Consensus | Latest |
|---------|-------|-------|---|--------|-------|-----------|--------|
| MX | 12/23 | 07:00 | Bi-Weekly Core CPI (% change) | Dec 15 | 0.4 | 0.4 | 0.0 |
| MX | 12/23 | 07:00 | Bi-Weekly CPI (% change) | Dec 15 | 0.6 | 0.4 | 0.1 |
| CA | 12/23 | 08:30 | Real GDP (m/m) | Oct | -0.1 | 0.1 | 0.1 |
| US | 12/23 | 10:00 | New Home Sales (000s a.r.) | Nov | 730 | 730 | 733 |
| MX | 12/24 | 07:00 | Global Economic Indicator IGAE (y/y) | Oct | 0.2 | -- | 0.1 |
| MX | 12/24 | 07:00 | Unemployment Rate (%) | Nov | 3.7 | -- | 3.7 |
| US | 12/24 | 08:30 | Durable Goods Orders (m/m) | Nov P | 0.9 | 1.5 | 0.5 |
| US | 12/24 | 08:30 | Durable Goods Orders ex. Trans. (m/m) | Nov P | 0.3 | 0.2 | 0.5 |
| US | 12/24 | 10:00 | Richmond Fed Manufacturing Index | Dec | -- | 1.0 | -1.0 |
| US | 12/25 | 07:00 | MBA Mortgage Applications (w/w) | DEC 20 | -- | -- | 3.8 |
| US | 12/26 | 08:30 | Initial Jobless Claims (000s) | DEC 21 | 225 | 224 | 252 |
| US | 12/26 | 08:30 | Continuing Claims (000s) | DEC 14 | 1700 | -- | 1667 |
| MX | 12/27 | 07:00 | Trade Balance (US\$ mn) | Nov | -2164 | -- | -726 |
| US | 12/30 | 08:30 | Wholesale Inventories (m/m) | Nov P | -- | 0.2 | 0.1 |
| US | 12/30 | 09:45 | Chicago PMI | Dec | -- | 48.3 | 46.3 |
| US | 12/30 | 10:00 | Pending Home Sales (m/m) | Nov | -- | 1.4 | -1.7 |
| US | 12/30 | 10:30 | Dallas Fed. Manufacturing Activity | Dec | -- | -- | -1.3 |
| US | 12/31 | 09:00 | S&P/Case-Shiller Home Price Index (m/m) | Oct | -- | 0.4 | 0.4 |
| US | 12/31 | 09:00 | S&P/Case-Shiller Home Price Index (y/y) | Oct | -- | 2.1 | 2.1 |
| US | 12/31 | 10:00 | Consumer Confidence Index | Dec | 127.0 | 128.0 | 125.5 |
| US | 01/03 | 10:00 | Construction Spending (m/m) | Nov | 0.5 | 0.4 | -0.8 |
| US | 01/03 | 10:00 | ISM Manufacturing Index | Dec | 48.5 | 49.0 | 48.1 |
| US | 01/03 | 16:30 | Total Vehicle Sales (mn a.r.) | Dec | 16.9 | 17.0 | 17.1 |

EUROPE

| Country | Date | Time | Indicator | Period | BNS | Consensus | Latest |
|---------|-------------|-------|-------------------------------|--------|------|-----------|---------|
| SP | 12/23 | 07:00 | Budget Balance YTD (€ mn) | Nov | -- | -- | -6303.0 |
| SP | 12/27 | 03:00 | Real Retail Sales (y/y) | Nov | -- | -- | 2.4 |
| GE | 12/27-12/30 | | Retail Sales (m/m) | Nov | -- | 1.0 | -1.6 |
| UK | 12/28 | 02:00 | Nationwide House Prices (m/m) | Dec | -- | 0.0 | 0.5 |
| SP | 12/30 | 03:00 | CPI (m/m) | Dec P | -- | 0.1 | 0.2 |
| SP | 12/30 | 03:00 | CPI (y/y) | Dec P | -- | 0.9 | 0.4 |
| SP | 12/30 | 03:00 | CPI - EU Harmonized (m/m) | Dec P | -- | 0.0 | 0.0 |
| SP | 12/30 | 03:00 | CPI - EU Harmonized (y/y) | Dec P | 0.8 | 1.0 | 0.5 |
| SP | 12/30 | 03:00 | Real GDP (q/q) | 3Q F | -- | 0.4 | 0.4 |
| SP | 12/30 | 04:00 | Current Account (€ bn) | Oct | -- | -- | 0.7 |
| RU | 12/30 | 08:00 | Real GDP (y/y) | 3Q F | -- | -- | 1.70 |
| IT | 01/02 | 03:00 | Budget Balance (€ bn) | Dec | -- | -- | 1.3 |
| IT | 01/02 | 03:00 | Budget Balance YTD (€ bn) | Dec | -- | -- | -55.0 |
| IT | 01/02 | 03:45 | Manufacturing PMI | Dec | -- | 47.2 | 47.6 |
| FR | 01/02 | 03:50 | Manufacturing PMI | Dec F | -- | 50.3 | 50.3 |
| GE | 01/02 | 03:55 | Manufacturing PMI | Dec F | -- | 43.4 | 43.4 |
| EC | 01/02 | 04:00 | Manufacturing PMI | Dec F | -- | 45.9 | 45.9 |
| UK | 01/02 | 04:30 | Manufacturing PMI | Dec F | -- | 47.6 | 47.4 |
| FR | 01/03 | 02:45 | CPI (m/m) | Dec P | -- | 0.3 | 0.1 |
| FR | 01/03 | 02:45 | CPI (y/y) | Dec P | -- | 1.3 | 1.0 |
| FR | 01/03 | 02:45 | CPI - EU Harmonized (m/m) | Dec P | -- | 0.3 | 0.1 |
| FR | 01/03 | 02:45 | CPI - EU Harmonized (y/y) | Dec P | 1.5 | 1.4 | 1.2 |
| GE | 01/03 | 03:55 | Unemployment (000s) | Dec | -5.0 | 3.0 | -16.0 |
| GE | 01/03 | 03:55 | Unemployment Rate (%) | Dec | 5.0 | 5.0 | 5.0 |
| UK | 01/03 | 04:30 | Net Consumer Credit (£ bn) | Nov | -- | 1.0 | 1.3 |
| UK | 01/03 | 04:30 | PMI Construction | Dec | -- | 45.6 | 45.3 |
| GE | 01/03 | 08:00 | CPI (m/m) | Dec P | -- | 0.4 | -0.8 |
| GE | 01/03 | 08:00 | CPI (y/y) | Dec P | -- | 1.4 | 1.1 |
| GE | 01/03 | 08:00 | CPI - EU Harmonized (m/m) | Dec P | -- | 0.5 | -0.8 |
| GE | 01/03 | 08:00 | CPI - EU Harmonized (y/y) | Dec P | 1.4 | 1.4 | 1.2 |

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

Key Indicators for December 23 – January 3

ASIA-PACIFIC

| Country | Date | Time | Indicator | Period | BNS | Consensus | Latest |
|---------|-------------|-------|------------------------------------|--------|------|-----------|--------|
| TH | 12/22 | 22:30 | Customs Exports (y/y) | Nov | -- | -4.0 | -4.5 |
| TH | 12/22 | 22:30 | Customs Imports (y/y) | Nov | -- | -6.7 | -7.6 |
| TH | 12/22 | 22:30 | Customs Trade Balance (US\$ mn) | Nov | -- | -80.0 | 506.5 |
| JN | 12/22 | 23:30 | All Industry Activity Index (m/m) | Oct | -- | -4.3 | 1.5 |
| JN | 12/23 | 00:00 | Coincident Index CI | Oct F | 94.8 | -- | 94.8 |
| JN | 12/23 | 00:00 | Leading Index CI | Oct F | 91.8 | -- | 91.8 |
| SI | 12/23 | 00:00 | CPI (y/y) | Nov | 0.5 | 0.6 | 0.4 |
| TA | 12/23 | 03:00 | Industrial Production (y/y) | Nov | -- | 0.5 | -2.9 |
| TA | 12/23 | 03:00 | Unemployment Rate (%) | Nov | 3.7 | 3.7 | 3.7 |
| JN | 12/24 | 00:00 | Supermarket Sales (y/y) | Nov | -- | -- | -4.1 |
| JN | 12/26 | 00:00 | Housing Starts (y/y) | Nov | -- | -8.1 | -7.4 |
| JN | 12/26 | 00:00 | Construction Orders (y/y) | Nov | -- | -- | 6.4 |
| SI | 12/26 | 00:00 | Industrial Production (y/y) | Nov | -- | 0.1 | 4.0 |
| SK | 12/26 | 16:00 | Consumer Confidence Index | Dec | -- | -- | 100.9 |
| JN | 12/26 | 18:30 | Jobless Rate (%) | Nov | 2.4 | 2.4 | 2.4 |
| JN | 12/26 | 18:30 | Tokyo CPI (y/y) | Dec | -- | 0.9 | 0.8 |
| JN | 12/26 | 18:50 | Large Retailers' Sales (y/y) | Nov | -- | -1.9 | -8.2 |
| JN | 12/26 | 18:50 | Retail Trade (y/y) | Nov | -- | -1.4 | -7.0 |
| JN | 12/26 | 18:50 | Industrial Production (y/y) | Nov P | -- | -8.3 | -7.7 |
| CH | 12/26 | 20:30 | Industrial Profits YTD (y/y) | Nov | -- | -- | -9.9 |
| SK | 12/29 | 18:00 | Industrial Production (y/y) | Nov | -- | -1.0 | -2.5 |
| SK | 12/29 | 18:00 | Cyclical Leading Index Change | Nov | -- | -- | 0.2 |
| JN | 12/29 | 23:00 | Vehicle Production (y/y) | Oct | -- | -- | 2.3 |
| SK | 12/29-01/06 | | Department Store Sales (y/y) | Nov | -- | -- | -3.0 |
| TH | 12/30 | 02:30 | Exports (y/y) | Nov | -- | -- | -5.0 |
| TH | 12/30 | 02:30 | Imports (y/y) | Nov | -- | -- | -9.2 |
| TH | 12/30 | 02:30 | Trade Balance (US\$ mn) | Nov | -- | -- | 2090 |
| TH | 12/30 | 02:30 | Current Account Balance (US\$ mn) | Nov | -- | -- | 2905 |
| HK | 12/30 | 03:30 | Exports (y/y) | Nov | -- | -5.5 | -9.2 |
| HK | 12/30 | 03:30 | Imports (y/y) | Nov | -- | -8.4 | -11.5 |
| HK | 12/30 | 03:30 | Trade Balance (HKD bn) | Nov | -- | -31.0 | -30.6 |
| SK | 12/30 | 16:00 | Business Survey- Manufacturing | Jan | -- | -- | 71.0 |
| SK | 12/30 | 16:00 | Business Survey- Non-Manufacturing | Jan | -- | -- | 74.0 |
| SK | 12/30 | 18:00 | CPI (y/y) | Dec | 0.7 | 0.6 | 0.2 |
| SK | 12/30 | 18:00 | Core CPI (y/y) | Dec | -- | 0.7 | 0.6 |
| AU | 12/30 | 19:30 | Private Sector Credit (y/y) | Nov | -- | 2.4 | 2.5 |
| CH | 12/30 | 20:00 | Manufacturing PMI | Dec | 50.1 | 50.1 | 50.2 |
| CH | 12/30 | 20:00 | Non-manufacturing PMI | Dec | -- | 54.4 | 54.4 |
| SK | 12/31 | 19:00 | Exports (y/y) | Dec | -- | -9.3 | -14.4 |
| SK | 12/31 | 19:00 | Imports (y/y) | Dec | -- | -- | -13.0 |
| SK | 12/31 | 19:00 | Trade Balance (US\$ mn) | Dec | -- | -- | 3336 |
| IN | 12/31 | 06:30 | Fiscal Deficit (INR Crore) | Nov | -- | -- | 68891 |
| CH | 01/01 | 20:45 | Caixin Manufacturing PMI | Dec | 51.5 | 51.8 | 51.8 |
| TH | 01/01 | 22:30 | CPI (y/y) | Dec | 0.6 | 0.7 | 0.2 |
| TH | 01/01 | 22:30 | Core CPI (y/y) | Dec | -- | 0.5 | 0.5 |
| PH | 01/01-01/03 | | CPI (y/y) | Dec | 1.6 | 2.0 | 1.3 |
| TH | 01/02 | 02:30 | Business Sentiment Index | Dec | -- | -- | 47.4 |
| HK | 01/03 | 03:30 | Retail Sales - Volume (y/y) | Nov | -- | -28.0 | -26.2 |
| SI | 01/03 | 08:00 | Purchasing Managers Index | Dec | -- | -- | 49.8 |

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

Key Indicators for December 23 – January 3

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> |
|----------------|-------------|-------------|---|---------------|------------|------------------|---------------|
| CO | 12/27 | 10:00 | Urban Unemployment Rate (%) | Nov | -- | -- | 10.4 |
| CL | 12/31 | 07:00 | Industrial Production (y/y) | Nov | -- | -- | -5.8 |
| CL | 12/31 | 07:00 | Unemployment Rate (%) | Nov | -- | -- | 7.0 |
| PE | 01/01 | 00:00 | Consumer Price Index (m/m) | Dec | 0.2 | -- | 0.1 |
| PE | 01/01 | 00:00 | Consumer Price Index (y/y) | Dec | 1.8 | -- | 1.9 |
| BZ | 01/02 | 08:00 | PMI Manufacturing Index | Dec | -- | -- | 52.9 |
| BZ | 01/02 | 14:00 | Trade Balance (FOB) - Monthly (US\$ mn) | Dec | -- | -- | 3428 |
| CL | 01/02-01/06 | | Economic Activity Index SA (m/m) | Nov | -- | -- | -5.4 |
| CL | 01/02-01/06 | | Economic Activity Index NSA (y/y) | Nov | -- | -- | -3.4 |
| CL | 01/03-01/07 | | Retail Sales (y/y) | Nov | -- | -- | -12.1 |

Global Auctions for December 23 – January 3**NORTH AMERICA**

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|---------------------------|
| US | 12/23 | 13:00 | U.S. to Sell 2-Year Notes |
| US | 12/24 | 13:00 | U.S. to Sell 5-Year Notes |
| US | 12/26 | 13:00 | U.S. to Sell 7-Year Notes |

EUROPE

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|---------------------|
| IT | 12/23 | 05:00 | Italy to Sell Bonds |
| IT | 12/30 | 05:00 | Italy to Sell Bonds |

ASIA-PACIFIC

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|--|
| SK | 12/22 | 20:30 | Korea Central Bank to Sell KRW 600Bln 1 Year Bonds |
| JN | 12/23 | 22:35 | Japan to Sell 2 Year Bonds |

Source: Bloomberg, Scotiabank Economics.

Events for December 23 – January 3**NORTH AMERICA**

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|---|
| US | 01/03 | 13:15 | Fed's Evans Takes Part in Panel Discussion at AEA |
| US | 01/03 | 14:00 | FOMC Meeting Minutes |

EUROPE

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|--|
| RU | 12/23 | | Bank of Russia releases quarterly monetary report |
| EC | 12/27 | 04:00 | ECB Publishes Economic Bulletin |
| IT | 12/31 | | Bank of Italy to Release 3Q Credit Conditions and Risk |

ASIA-PACIFIC

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|---------------------------------------|
| JN | 12/23 | 18:50 | BOJ Minutes of October Policy Meeting |
| JN | 12/26 | 18:50 | BOJ Summary of Opinions |

LATIN AMERICA

| <u>Country</u> | <u>Date</u> | <u>Time</u> | <u>Event</u> |
|----------------|-------------|-------------|----------------------------------|
| CO | 12/23 | 13:00 | Colombia Monetary Policy Minutes |

Source: Bloomberg, Scotiabank Economics.

Global Central Bank Watch

NORTH AMERICA

| <u>Rate</u> | <u>Current Rate</u> | <u>Next Meeting</u> | <u>Scotia's Forecasts</u> | <u>Consensus Forecasts</u> |
|---|---------------------|---------------------|---------------------------|----------------------------|
| Bank of Canada – Overnight Target Rate | 1.75 | January 22, 2020 | 1.75 | 1.75 |
| Federal Reserve – Federal Funds Target Rate | 1.75 | January 29, 2020 | 1.75 | 1.75 |
| Banco de México – Overnight Rate | 7.25 | February 13, 2020 | 7.25 | 7.25 |

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 | January 23, 2020 | 0.00 | 0.00 |
| European Central Bank – Marginal Lending Facility Rate | 0.25 | January 23, 2020 | 0.25 | 0.25 |
| European Central Bank – Deposit Facility Rate | -0.50 | January 23, 2020 | -0.50 | -0.50 |
| Bank of England – Bank Rate | 0.75 | January 30, 2020 | 0.75 | 0.75 |
| Swiss National Bank – Libor Target Rate | -0.75 | TBA | -0.75 | -0.75 |
| Central Bank of Russia – One-Week Auction Rate | 6.25 | February 7, 2020 | 6.25 | 6.25 |
| Sweden Riksbank – Repo Rate | 0.00 | February 12, 2020 | 0.00 | 0.00 |
| Norges Bank – Deposit Rate | 1.50 | January 23, 2020 | 1.50 | 1.50 |
| Central Bank of Turkey – Benchmark Repo Rate | 12.00 | January 16, 2020 | 12.00 | 12.00 |

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 | January 21, 2020 | -0.10 | -0.10 |
| Reserve Bank of Australia – Cash Target Rate | 0.75 | February 3, 2020 | 0.50 | 0.75 |
| Reserve Bank of New Zealand – Cash Rate | 1.00 | February 11, 2020 | 0.75 | 0.75 |
| People's Bank of China – Loan Prime Rate | 4.15 | January 20, 2020 | 4.10 | 4.10 |
| Reserve Bank of India – Repo Rate | 5.15 | February 6, 2020 | 4.90 | 4.90 |
| Bank of Korea – Bank Rate | 1.25 | January 17, 2020 | 1.25 | 1.25 |
| Bank of Thailand – Repo Rate | 1.25 | February 5, 2020 | 1.25 | 1.25 |
| Bank Negara Malaysia – Overnight Policy Rate | 3.00 | TBA | 3.00 | 2.75 |
| Bank Indonesia – 7-Day Reverse Repo Rate | 5.00 | TBA | 5.00 | 5.00 |
| Central Bank of Philippines – Overnight Borrowing Rate | 4.00 | February 6, 2020 | 4.00 | 4.00 |

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 | 4.50 | February 5, 2020 | 4.50 | 4.50 |
| Banco Central de Chile – Overnight Rate | 1.75 | January 29, 2020 | 1.75 | 1.50 |
| Banco de la República de Colombia – Lending Rate | 4.25 | TBA | 4.25 | 4.25 |
| Banco Central de Reserva del Perú – Reference Rate | 2.25 | January 9, 2020 | 2.25 | 2.25 |

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 | 6.50 | January 16, 2020 | 6.50 | 6.50 |

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

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