

ARE WE CRUSHIN' IT YET?

- [Introduction](#) 2
- [1. US Earnings Season—Why So Glum?](#) 2-3
- [2. Brexit—Another False Deadline?](#) 3-4
- [3. US Stimulus—Get Out The Ouija Board](#) 4
- [4. Macro Readings and Central Banks](#) 4-5
- [Trend in European, Latam, Asia-Pacific COVID-19 Daily Cases](#) 6

FORECASTS & DATA

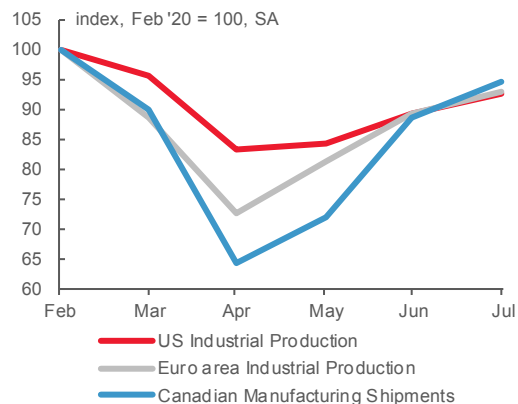
- [Key Indicators](#) A1-A2
- [Global Auctions Calendar](#) A3
- [Events Calendar](#) A4
- [Global Central Bank Watch](#) A5

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Next Week's Risk Dashboard

- EU Summit
- US earnings season
- US stimulus talks
- CBs: PBOC, Chile, BoK, BI
- Inflation: US, China, India, Sweden
- Consumers: US
- Jobs: UK, Australia
- Industrial: US, EZ, Canada
- Housing: Canada

Chart of the Week
Manufacturing to Remain Below Pre-Pandemic Levels Heading Into Q4


Sources: Scotiabank Economics, Statistics Canada, US Federal Reserve, Eurostat.

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

Are We Crushin' It Yet?

Global policy makers are seeking to deliver a knock-out punch to the COVID-19 virus but the COVID-19 virus is gaining the upper hand once again. Just crush it, they say. We saw this when US House Speaker Pelosi called for a “strategic plan to crush the virus” this past week in order to justify her position that piecemeal fiscal stimulus won’t be supported as opposed to a large aid package that the GOP and White House have thus far failed to deliver. We heard it when Bank of Canada Governor Macklem said that what he learned from the Global Financial Crisis is that policy must “crush it” and that “You have to do probably more than you think you’re going to need to do, and certainly more than many people will tell you you need to do.”

So far, it’s still work-in-progress. Few are crushing anything. World markets are on tenterhooks awaiting developments over whether the wild pre-election ride in US fiscal stimulus talks this past week might actually bear fruit. Further, the Bank of Canada’s balance sheet is projected to grow markedly slower than the Fed’s over the coming year under current relative policy assumptions. With that, Canada’s broad money supply is rising at a substantially slower pace than the US, but quicker than in the UK (chart 1). Canada has perhaps achieved a different mixture of forward-looking stimulus plans, having extended job supports well into next year while the US debates doing so, yet underperforming on relative money supply.

All the while, global COVID-19 cases are mounting. France is reporting record high daily cases and reintroducing curtailments. Spain’s COVID-19 curve has been rising rapidly since August and has driven a fresh state of emergency in Madrid. German Chancellor Merkel has advised that “now are the days and weeks that will decide how Germany heads into the winter.” UK Chancellor of the Exchequer Rishi Sunak has cautioned that the government is on the cusp of reintroducing restrictions and that the virus count is “getting out of control.” Cases are rising in the US, while Canada is deep into a second wave that has brought back tightened restrictions including Ontario’s fresh announcement that bars, indoor restaurants, gyms and sporting venues would shut as of midnight Saturday. [This](#) is a decent running tally with about a one-day lag of tightening measures by province. The hope is that this may at least curtail some of the virus’s spread over the long Canadian Thanksgiving weekend even if it dampens some of the festive atmosphere. Turkey wouldn’t mind. For a summary of COVID-19 case trends please see the final page of this report.

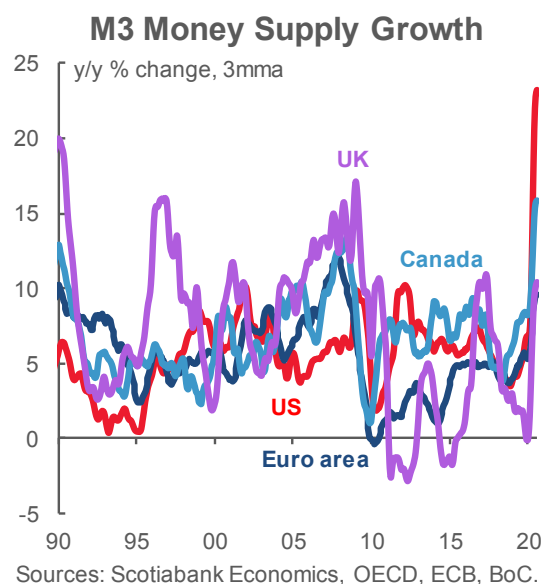
Whether the global policy response to rising second waves is sufficient or inadequate may be informed by nearer term events like whether the UK really thinks it to be prudent to storm out of the room next week, or whether the US can deliver on a final attempt at stimulus before well into a new Congress and after the inauguration of the President into 2021. Or in Canada’s case, whether rising downside risk into Q4 will bring out additional stimulus in a Fall mini-budget and the Bank of Canada’s two remaining meetings this year that will include fresh forecasts later this month. A strong jobs report buys some time (recap [here](#)), but the forward-looking risks are rising.

Opinions regarding striking a balance between overdoing it and facing complicated exits with vaccines waiting in the wings, versus not doing enough and being judged poorly by history leaves one sympathetic toward the challenges facing policy makers, not to mention the households and businesses that need to plan through it themselves. The coming week will further inform where this balance may be shifting.

1. US EARNINGS SEASON—WHY SO GLUM?

The Q3 US earnings season kicks off next week when thirty-two S&P500 firms will release. Some of the names will include the usual concentration upon financials, such as JP Morgan, BlackRock, Citigroup, Goldman Sachs, Morgan Stanley, BofA, PNC, Wells Fargo and BoNYM. Other names include a couple of airlines (United Airlines, Delta) that sit on the edges of their seats monitoring the stimulus dialogue in Washington.

Chart 1



What kind of an earnings season will it be? Probably better than the last one would be my guess! The question is whether it will be better than what equity analysts project and there may be a decent case for thinking so.

Chart 2 shows that analysts' expectations for average EPS of S&P500 firms during Q3 is not that much different from what actually happened to earnings in Q2. This might surprise some, given evidence of a broad rebound in the economy albeit with differing effects across sectors. So what gives?

Perhaps it's too soon for a major earnings lift to occur in lagging fashion to the initial stages of recovery while write-offs and charges continue. Maybe analysts became too pessimistic and are still in the process of revising up expectations including on year-end S&P500 price targets (chart 3). Or maybe analysts are being rather conservative as they've tended to be since SOX legislation that threatened to pillory them in the wake of the dot-com episode. As chart 4 depicts, the earnings beat ratio on the overall S&P500 has been persistently much higher in the aftermath of that legislation than previously. It's hardly clear that markets have been made safer by scaring the analysts! Whatever the reasoning, any upside to analysts' expectations could be a dominant driver of the overall market tone above other considerations over the coming week.

2. BREXIT—ANOTHER FALSE DEADLINE?

The EU Leaders Summit in Brussels on Thursday and Friday (October 15 and 16) ([here](#)) could finally end all of this one way or another, but the litany of do-or-die Brexit deadlines over the past 4+ years should probably merit a healthy amount of skepticism.

The Summit's main focus will be to "take stock of the implementation of the withdrawal agreement and review the state of the negotiations on the future EU-UK partnership. Leaders will discuss preparatory work for all scenarios after 1 January 2021." The UK left the EU on January 31st this year but continues to apply EU law until year-end without representation at EU institutions. After the end of this year, the UK is slated to fully exit, one way or the other, with or without a trade deal with the EU.

UK PM Johnson has stated that if there is not sufficient progress toward a deal by the Summit then he will walk. With over two months to go before the deadline, the credibility of such a threat seems to be pretty low, especially given the costs to both sides of an abrupt exit and the pattern to date of pushing the negotiations right up to and often beyond deadlines. The key points of tension in the negotiations remain the role of the state and particularly bringing UK subsidies in line with EU regulations, plus protection of British fisheries from European vessels. To have come this far and to risk stumbling out without a trade agreement because of fish and subsidy rules seems to be almost unbelievable. Maybe it is. Stumbling out while COVID-19 cases are soaring could spark a renewed recession and millions of unemployed. Maybe that's why despite his threat, Johnson noted that the "door would never be closed."

It's not just me questioning the legitimacy of Johnson's threat. Chart 5 shows that the average of bookie wagers is treating getting a trade deal signed this year as a coin toss. Chart 6 shows a large share of them think the transition period will be extended into next year despite the same promises not to extend the deadline as the promises that preceded every other deadline extension. Chart 7 shows what the average man or woman on the street thinks and how divided opinion is.

Chart 2
S&P Earnings Per Share Estimates

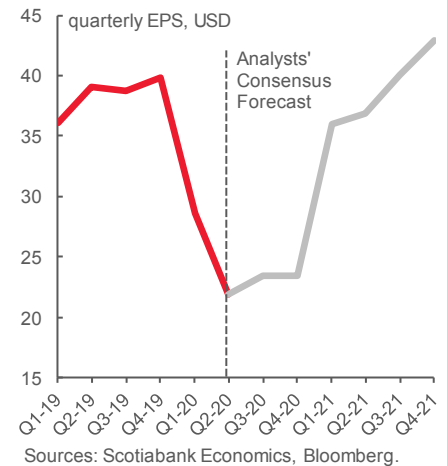


Chart 3
Consensus End of Year Price Target for S&P 500

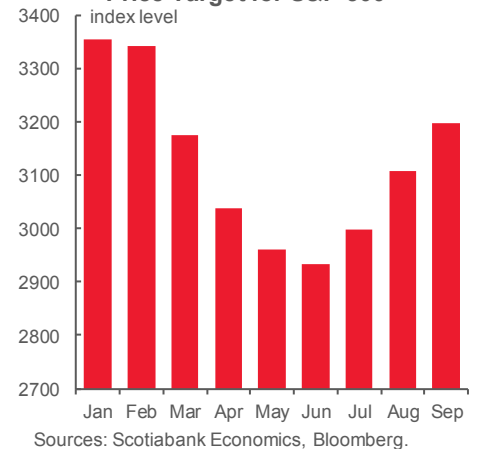
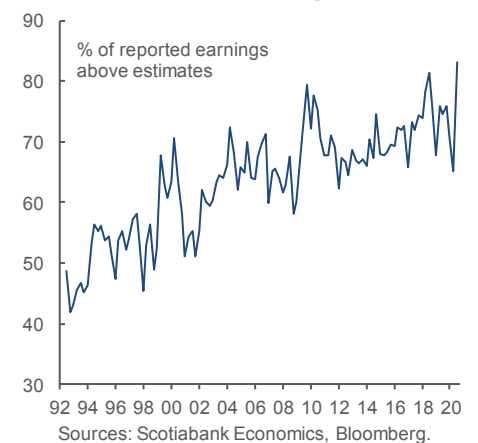


Chart 4
Record US Earnings Beats





3. US STIMULUS—GET OUT THE OUIJA BOARD

Will the US be able to deliver a fiscal stimulus package? Well, you tell me. We're into a different skillset when it comes to evaluating possible progress in the negotiations, and a Ouija board would be more helpful than an economist here. As this publication is being distributed it remains difficult to read through the volatile statements of intent and often contradictory messages.

The latest information to go by involves following endlessly changing signals from President Trump. On Tuesday he said the stimulus negotiations were over. The next day he wasn't sounding so sure. By Friday mid-day, his economic adviser noted that Trump had approved a package including aid to airlines, additional funding to the paycheque protection program and more aid to small businesses. A short time thereafter, Trump claimed he wanted a larger package than either the GOP party officials or the Democrats were seeking.

The Dems are standing back. Well back. From a safe distance kinda back. House Speaker Pelosi had indicated a desire to crush the virus through a broad package while rejecting piecemeal measures or standalone bills. Nothing we've seen so far indicates that her objectives of increased funding for jobless benefits, or aid to States, or certain tax credits are being addressed. **Stay tuned, but as of writing, the sides appear to remain far apart in the ongoing negotiations while time is running out.** With three weeks to go until election week, it would be highly advisable to get on it. A rule of thumb seems to be that it takes at least a couple of weeks to draft a full bill, debate it in both chambers, vote on it in both chambers, allow time for amendments and possibly to work out differences in versions of the bill in conference. Fingers and toes crossed.

4. MACRO READINGS AND CENTRAL BANKS

Given the focus upon Brexit, rising COVID-19 cases, curtailment of reopening plans, the US stimulus debate and US earnings season one might forgive an economist for suggesting that the macro indicators are unlikely to carry much weight over the coming week. None of the central banks are expected to shake it up either.

The US will offer up inflation, retail sales and industrial readings over the coming week. Core CPI in September (Tuesday) could tick a little higher again driven by goods shortages that are causing faster changes in goods price inflation than relatively stable services prices (chart 8), base effects and seasonality. Retail sales (Friday) could get another boost in September's reading from the fact that vehicle sales were up by 7.6% m/m while gas prices were little changed. Key will be core sales. Producer prices (Wednesday), industrial production (Friday) and the Philly and Empire regional manufacturing gauges (Thursday) will inform industrial momentum. Weekly claims (Thursday) and UofM consumer sentiment (Friday) will wrap it up. Throughout the releases there will be heavy Fed-speak including names like Vice Chair Clarida, Governor Quarles (three times), NY Fed President Williams and several regional Presidents, and NY Fed EVP Logan.

After being shut for Thanksgiving on Monday, **Canada will update existing home sales in September (Thursday) and manufacturing conditions during August (Friday)**. A modest uptick in manufacturing shipments is expected notwithstanding the slippage in exports as new orders and reopening effects continue to drive gains. Canada will shoot for the fifth straight monthly improvement in home sales but the gains may be tougher to come by over the duration of the year following a burst of pent-up demand. Like other countries, housing will continue to rely upon cheap mortgages, employment gains and redeployed savings from other activities if sales increases are to continue. Also note that BoC Deputy Governor Tim Lane speaks on Wednesday (central bank digital currencies) and Thursday (central banks and the Libra initiative) but no monetary policy implications are expected.

Australia will update jobs for September on Wednesday. For what it's worth, about two-thirds expect a negative reading following a string of three strong reports. RBA Governor Lowe will speak just before jobs get released after the prior RBA statement had emphasized the importance of supporting the labour market.

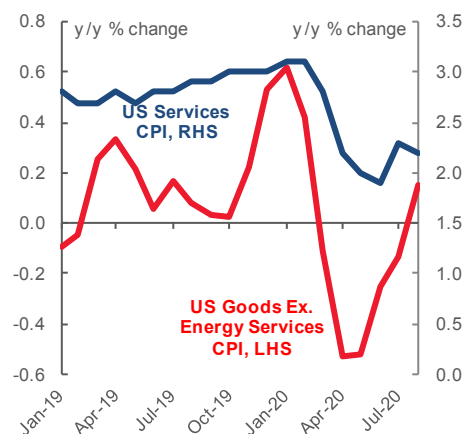
The UK labour market will also be a focal point when job growth, claims, the unemployment rate, and wages get reported for September on Tuesday. Consensus is playing it cautiously for August onward on rising COVID-19 cases and intensifying Brexit developments.

China is slated to update figures for export growth, total economy-wide financing activity and both consumer and producer price inflation over the course of the week. CPI is expected to dip back below 2% y/y with core inflation running at just ½% y/y and the impact of earlier food supply chain disruptions ebbing. Expect headline to converge somewhat closer to core inflation.

Four central banks will wrap things up but none of them are expected to change policy rates. The PBOC is expected to leave its one year medium-term lending facility rate unchanged at 2.95% over the coming week. Chile's central bank is expected to hold at 0.5% on Thursday. Bank Indonesia is unanimously expected to hold at 4% on Tuesday. The Bank of Korea is also unanimously expected to hold at 0.5% on Wednesday.

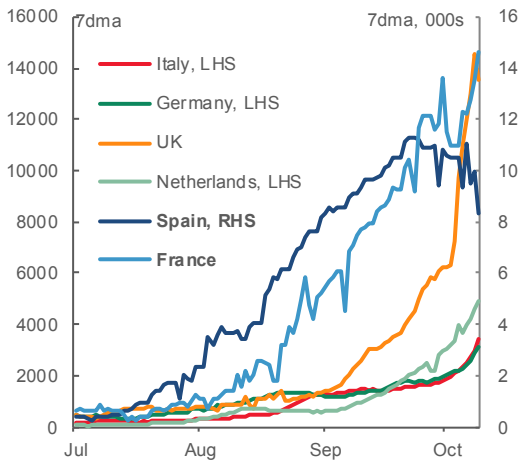
Miscellaneous releases will include German and Eurozone investor confidence in October (Tuesday) and inflation readings from India (Monday) and Sweden (Tuesday).

Chart 8

US Goods vs. Services Inflation


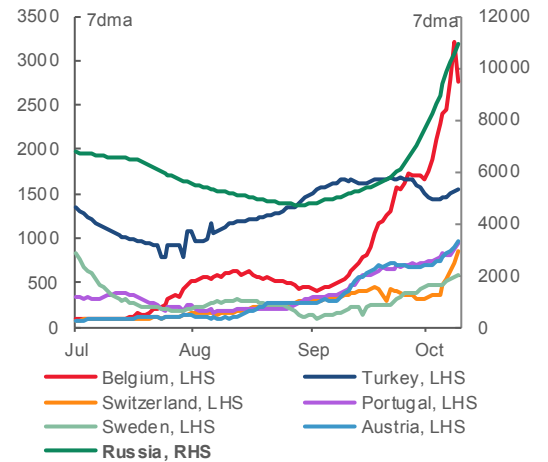
Sources: Scotiabank Economics, US BLS.

Trend in European Daily Cases



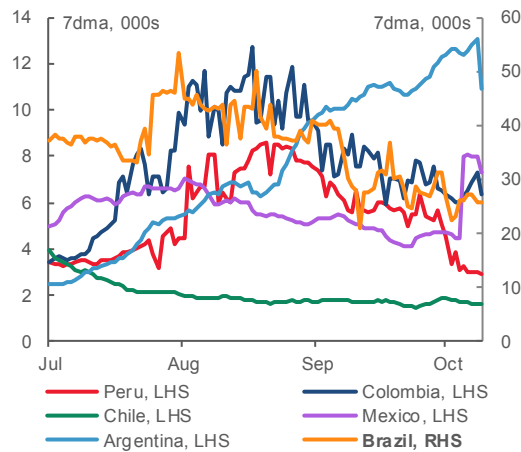
Sources: Scotiabank Economics, Bloomberg.

Trend in European Daily Cases



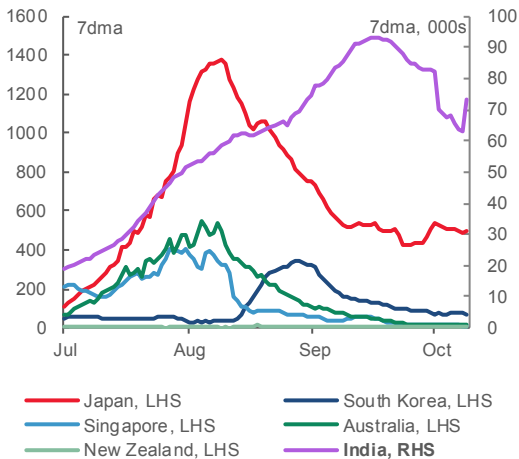
Sources: Scotiabank Economics, Bloomberg.

Trend in Latam Daily COVID-19 Cases



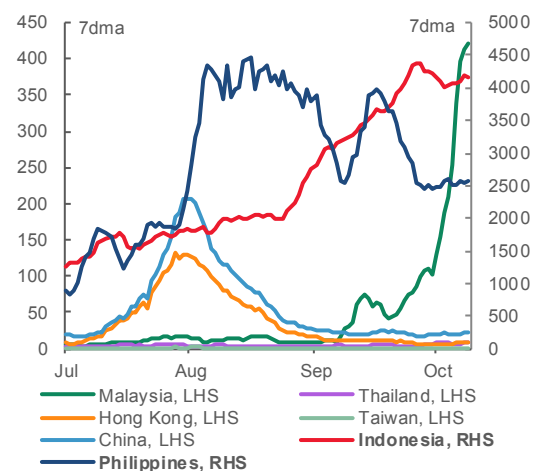
Sources: Scotiabank Economics, Bloomberg.

Trend in Asia Pacific Daily Cases



Sources: Scotiabank Economics, Bloomberg.

Trend in Asia Pacific Daily Cases



Sources: Scotiabank Economics, Bloomberg.

Key Indicators for week of October 12 – 16

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	10/12	07:00	Industrial Production (m/m)	Aug	--	2.7	6.9
MX	10/12	07:00	Industrial Production (y/y)	Aug	-10.7	-9.6	-11.4
US	10/13	08:30	CPI (m/m)	Sep	0.2	0.2	0.4
US	10/13	08:30	CPI (y/y)	Sep	1.3	1.4	1.3
US	10/13	08:30	CPI (index)	Sep	--	260.3	259.9
US	10/13	08:30	CPI ex. Food & Energy (m/m)	Sep	0.2	0.2	0.4
US	10/13	08:30	CPI ex. Food & Energy (y/y)	Sep	1.8	1.7	1.7
US	10/13		Treasury Budget (US\$ bn)	Sep	--	-124.0	-200
US	10/14	07:00	MBA Mortgage Applications (w/w)	Oct 9	--	--	4.6
US	10/14	08:30	PPI (m/m)	Sep	0.1	0.2	0.3
US	10/14	08:30	PPI ex. Food & Energy (m/m)	Sep	0.2	0.2	0.4
US	10/15	08:30	Empire State Manufacturing Index	Oct	--	14.0	17.0
US	10/15	08:30	Export Prices (m/m)	Sep	--	0.3	0.9
US	10/15	08:30	Import Prices (m/m)	Sep	--	0.3	0.9
US	10/15	08:30	Initial Jobless Claims (000s)	Oct 10	820	825	840
US	10/15	08:30	Continuing Claims (000s)	Oct 3	10000	--	10976
US	10/15	08:30	Philadelphia Fed Index	Oct	--	14.3	15.0
CA	10/15	09:00	Existing Home Sales (m/m)	Sep	--	--	6.2
CA	10/16	08:30	International Securities Transactions (C\$ bn)	Aug	--	--	-8.5
CA	10/16	08:30	Manufacturing Shipments (m/m)	Aug	2.0	--	7.0
US	10/16	08:30	Retail Sales (m/m)	Sep	0.8	0.8	0.6
US	10/16	08:30	Retail Sales ex. Autos (m/m)	Sep	0.3	0.4	0.7
US	10/16	09:15	Capacity Utilization (%)	Sep	72.1	71.9	71.4
US	10/16	09:15	Industrial Production (m/m)	Sep	0.5	0.6	0.4
US	10/16	10:00	Business Inventories (m/m)	Aug	--	0.4	0.1
US	10/16	10:00	U. of Michigan Consumer Sentiment	Oct P	81.0	80.5	80.4
US	10/16	16:00	Total Net TIC Flows (US\$ bn)	Aug	--	--	-88.7
US	10/16	16:00	Net Long-term TIC Flows (US\$ bn)	Aug	--	--	10.8

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	10/13	02:00	CPI (m/m)	Sep F	--	-0.2	-0.2
GE	10/13	02:00	CPI (y/y)	Sep F	--	-0.2	-0.2
GE	10/13	02:00	CPI - EU Harmonized (m/m)	Sep F	--	-0.4	-0.4
GE	10/13	02:00	CPI - EU Harmonized (y/y)	Sep F	--	-0.4	-0.4
UK	10/13	02:00	Average Weekly Earnings (3-month, y/y)	Aug	--	-0.6	-1.0
UK	10/13	02:00	Employment Change (3M/3M, 000s)	Aug	--	-30.0	-12.0
UK	10/13	02:00	Jobless Claims Change (000s)	Sep	--	--	73.7
UK	10/13	02:00	ILO Unemployment Rate (%)	Aug	--	4.3	4.1
EC	10/13	05:00	ZEW Survey (Economic Sentiment)	Oct	--	--	73.9
GE	10/13	05:00	ZEW Survey (Current Situation)	Oct	--	-60.0	-66.2
GE	10/13	05:00	ZEW Survey (Economic Sentiment)	Oct	--	72.0	77.4
SP	10/14	03:00	CPI (m/m)	Sep F	--	0.2	0.2
SP	10/14	03:00	CPI (y/y)	Sep F	--	-0.4	-0.4
SP	10/14	03:00	CPI - EU Harmonized (m/m)	Sep F	--	0.4	0.4
SP	10/14	03:00	CPI - EU Harmonized (y/y)	Sep F	--	-0.6	-0.6
EC	10/14	05:00	Industrial Production (m/m)	Aug	--	0.8	4.1
EC	10/14	05:00	Industrial Production (y/y)	Aug	--	-7.1	-7.7
FR	10/15	02:45	CPI (m/m)	Sep F	--	-0.5	-0.5
FR	10/15	02:45	CPI (y/y)	Sep F	--	0.1	0.1
FR	10/15	02:45	CPI - EU Harmonized (m/m)	Sep F	--	-0.6	-0.6
FR	10/15	02:45	CPI - EU Harmonized (y/y)	Sep F	--	0.0	0.0

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for week of October 12 – 16

EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IT	10/16	04:00	CPI - EU Harmonized (y/y)	Sep F	--	-0.9	-0.9
EC	10/16	05:00	CPI (m/m)	Sep F	--	0.1	0.1
EC	10/16	05:00	CPI (y/y)	Sep F	--	-0.3	-0.3
EC	10/16	05:00	Euro zone Core CPI Estimate (y/y)	Sep F	--	0.2	0.2
EC	10/16	05:00	Trade Balance (€ mn)	Aug	--	--	27935

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CH	10/09	21:00	New Yuan Loans (bn)	Sep	1500	1700	1277
JN	10/11	19:50	Bank Lending (y/y)	Sep	--	--	6.7
JN	10/11	19:50	Machine Orders (m/m)	Aug	--	-1.0	6.3
MA	10/12	00:00	Industrial Production (y/y)	Aug	--	0.2	1.2
JN	10/12	02:00	Machine Tool Orders (y/y)	Sep P	--	--	-23.2
IN	10/12	08:00	CPI (y/y)	Sep	6.3	6.9	6.7
IN	10/12	08:00	Industrial Production (y/y)	Aug	--	-7.6	-10.4
JN	10/12	19:50	Japan Money Stock M2 (y/y)	Sep	--	9.0	8.6
JN	10/12	19:50	Japan Money Stock M3 (y/y)	Sep	--	7.4	7.1
CH	10/12	21:00	Exports (y/y)	Sep	--	10.0	9.5
CH	10/12	21:00	Imports (y/y)	Sep	--	0.1	-2.1
CH	10/12	21:00	Trade Balance (USD bn)	Sep	--	59.3	58.9
ID	10/13	03:20	BI 7-Day Reverse Repo Rate (%)	Oct 13	4.00	4.00	4.00
SK	10/13	20:00	BoK Base Rate (%)	Oct 14	0.50	0.50	0.50
JN	10/14	00:30	Capacity Utilization (m/m)	Aug	--	--	9.6
JN	10/14	00:30	Industrial Production (y/y)	Aug F	--	--	-13.3
IN	10/14	02:30	Monthly Wholesale Prices (y/y)	Sep	--	0.9	0.2
AU	10/14	20:30	Employment (000s)	Sep	--	-35.0	111.0
AU	10/14	20:30	Unemployment Rate (%)	Sep	--	7.1	6.8
PH	10/14	21:00	Overseas Remittances (y/y)	Aug	--	5.3	7.8
CH	10/14	21:30	CPI (y/y)	Sep	2.1	1.9	2.4
CH	10/14	21:30	PPI (y/y)	Sep	--	-1.9	-2.0
IN	10/14	23:30	Exports (y/y)	Sep	--	--	-12.7
IN	10/14	23:30	Imports (y/y)	Sep	--	--	-26.0
ID	10/15	00:00	Exports (y/y)	Sep	--	-8.9	-8.4
ID	10/15	00:00	Imports (y/y)	Sep	--	-25.5	-24.2
ID	10/15	00:00	Trade Balance (US\$ mn)	Sep	--	2060	2330
JN	10/15	00:30	Tertiary Industry Index (m/m)	Aug	--	1.5	-0.5
NZ	10/15	17:30	Business NZ PMI	Sep	--	--	50.7
SK	10/15	19:00	Unemployment Rate (%)	Sep	--	3.8	3.2
SI	10/15	20:30	Exports (y/y)	Sep	--	12.5	7.7

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
PE	10/15	01:00	Unemployment Rate (%)	Sep	16.0	--	15.6
BZ	10/15	08:00	Economic Activity Index SA (m/m)	Aug	--	--	2.2
BZ	10/15	08:00	Economic Activity Index NSA (y/y)	Aug	-2.1	--	-4.9
CO	10/15	11:00	Retail Sales (y/y)	Aug	-8.1	--	-12.4
PE	10/15	11:00	Economic Activity Index NSA (y/y)	Aug	-10.0	-12.6	-11.7
CL	10/15	17:00	Nominal Overnight Rate Target (%)	Oct 15	0.50	0.50	0.50
CO	10/16	11:00	Trade Balance (US\$ mn)	Aug	--	--	-902

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

Global Auctions for week of October 12 – 16

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	10/14	12:00	Canada to Sell 3-Year Bonds
CA	10/15	12:00	Canada to Sell 30-Year Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	10/13	05:00	Italy to Sell Bonds
UK	10/13	05:00	U.K. to Sell 0.125% 2026 Bonds
NE	10/13	05:00	Netherlands to Sell Up to EUR2.5 Bln 0% 2027 Bonds
IT	10/13	05:00	Italy to Sell Bonds
UK	10/13	06:30	U.K. to Sell 1.75% 2057 Bonds
NO	10/14	05:00	Norway to Sell Bonds
UK	10/14	05:00	U.K. to Sell 0.875% 2029 Bonds
SZ	10/14	05:15	Switzerland to Sell Bonds
GE	10/14	05:30	Germany to Sell 1 Billion Euros of 0% 2050 Bonds
SP	10/15	04:45	Spain to Sell Sr Unsecured Bonds
FR	10/15	04:50	France to Sell Bonds
SW	10/15	05:00	Sweden to Sell I/L Bonds
FR	10/15	05:50	France to Sell I/L Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	10/11	22:30	South Korea to Sell 2.5 Trillion Won 5-Year Bonds
CH	10/11	22:30	Beijing to Sell CNY3.82703 Bln 15-Year Bonds
CH	10/12	04:00	Tibet to Sell CNY1.9 Bln 10-Year Bonds
CH	10/12	21:30	Hunan to Sell 5, 7, 10, 15, 20, & 30 Year Bonds
CH	10/12	22:30	Anhui to Sell 3 & 30 Year Bonds
CH	10/12	23:30	Jiangxi to Sell 5 & 10 Year Bonds
CH	10/13	22:35	China to Sell 3 & 7 Year Upsized Bonds
TA	10/14	00:30	Taiwan to Sell TWD40 Bln 2-Year NCD
CH	10/14	02:00	Inner Mong to Sell 5 & 10 Year Bonds
CH	10/14	03:00	Zhejiang to Sell 5 & 10 Year Bonds
NZ	10/14	21:05	New Zealand to Sell Bonds
SK	10/15	22:30	South Korea to Sell 750 Billion Won Bonds

Sources: Bloomberg, Scotiabank Economics.

Events for week of October 12 – 16

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	10/14	09:00	Fed's Clarida Speaks at Annual IIF Meeting
US	10/14	15:00	Fed's Kaplan, Quarles Speak on Financial Supervision
US	10/14	18:00	Fed's Kaplan to Hold Virtual Town Hall
CA	10/15	09:45	Bank of Canada's Tim Lane Speaks on Panel
US	10/15	11:00	Fed's Quarles Speaks at IIF Annual Meeting
US	10/15	17:00	Fed's Kashkari Speaks on U.S. Economic Outlook
US	10/15	21:00	Second Presidential Debate (Miami, FL)

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SW	10/12	05:45	Riksbank's Prize in Economics in Memory of Nobel
UK	10/12	10:00	BOE's Haskel speaks.
SW	10/12	11:00	Riksbank's Skingsley in Panel Discussion on Economics Prize
UK	10/12	12:00	BOE's Bailey speaks.
SW	10/13	11:00	Riksbank's Ingves Speaks on Future Payments
SW	10/14	02:30	Riksbank's Floden in Panel Debate
EC	10/14	08:00	ECB Chief Economist Lane Speaks
UK	10/14	09:00	BOE's Haldane speaks
NO	10/15	04:00	Norges Bank 3Q Survey of Bank Lending
UK	10/15	09:00	BOE's Cunliffe speaks.
IT	10/16	09:00	Bank of Italy Releases the Quarterly Economic Bulletin
SW	10/16		Riksbank's Ingves Participates in IMF's Virtual Autumn Meeting

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
ID	10/13	03:20	Bank Indonesia 7D Reverse Repo
SK	10/13	20:00	BoK 7-Day Repo Rate
AU	10/14	17:45	RBA's Lowe Gives Speech Online
AU	10/14	20:30	RBA FX Transactions

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CL	10/15	17:00	Overnight Rate Target

Sources: 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	0.25	October 28, 2020	0.25	0.25
Federal Reserve – Federal Funds Target Rate	0.25	November 5, 2020	0.25	0.25
Banco de México – Overnight Rate	4.25	November 12, 2020	4.25	4.00

EUROPE

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
European Central Bank – Refinancing Rate	0.00	October 29, 2020	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	October 29, 2020	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	October 29, 2020	-0.50	-0.50
Bank of England – Bank Rate	0.10	November 5, 2020	0.10	0.10
Swiss National Bank – Libor Target Rate	-0.75	TBA	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	4.25	October 23, 2020	4.25	4.25
Sweden Riksbank – Repo Rate	0.00	November 26, 2020	0.00	0.00
Norges Bank – Deposit Rate	0.00	November 5, 2020	0.00	0.00
Central Bank of Turkey – Benchmark Repo Rate	10.25	October 22, 2020	10.25	10.25

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	October 29, 2020	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.25	November 2, 2020	0.25	0.25
Reserve Bank of New Zealand – Cash Rate	0.25	November 10, 2020	0.25	0.25
People's Bank of China – 1-Year Loan Prime Rate	3.85	October 20, 2020	3.85	3.85
Reserve Bank of India – Repo Rate	4.00	December 4, 2020	3.75	4.00
Bank of Korea – Bank Rate	0.50	October 14, 2020	0.50	0.50
Bank of Thailand – Repo Rate	0.50	November 18, 2020	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	November 3, 2020	1.75	1.50
Bank Indonesia – 7-Day Reverse Repo Rate	4.00	October 13, 2020	4.00	4.00
Central Bank of Philippines – Overnight Borrowing Rate	2.25	November 19, 2020	2.25	2.25

Bank Indonesia (BI): Indonesian monetary authorities will make a policy decision on October 13. The 7-day reverse repo rate was left unchanged in August and September following cuts of 100 bps in the first half of 2020. While we note that the BI has policy space for further easing given low inflationary pressures (the CPI rose by 1.4% y/y in September), we expect the central bank to leave the benchmark interest rate unchanged in the near term to assess the economy's recovery momentum and to support currency stability.

Bank of Korea (BoK): Korean monetary policymakers will make an interest rate announcement on October 14. We do not expect any changes to the benchmark interest rate, which currently stands at 0.50%. The most recent rate cut took place following the May 28 policy meeting. Over the coming months, the BoK will continue to monitor the strength of the economy's recovery and any potential changes in financial stability. Should the economic recovery come to a halt (which is not our base case forecast), the BoK could unveil further monetary easing measures

LATIN AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Banco Central do Brasil – Selic Rate	2.00	October 28, 2020	2.00	2.00
Banco Central de Chile – Overnight Rate	0.50	October 15, 2020	0.50	0.50
Banco de la República de Colombia – Lending Rate	1.75	October 30, 2020	1.75	1.75
Banco Central de Reserva del Perú – Reference Rate	0.25	November 12, 2020	0.25	0.25

Central Bank of Chile (BCCh): We expect the central bank to maintain the Overnight target rate at 0.50% — its effective lower bound. BCCh board is likely to reiterate that the policy rate will remain on hold for a large part of its forecast horizon. Our team in Chile expects slightly down-beat economic readings in the near-term which strengthens the case for BCCh to continue providing ample accommodation as necessary. However, we don't expect moves to increase the size of asset purchases or other liquidity operations.

AFRICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
South African Reserve Bank – Repo Rate	3.50	November 19, 2020	3.50	3.50

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

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