

MAGIC TRICKS

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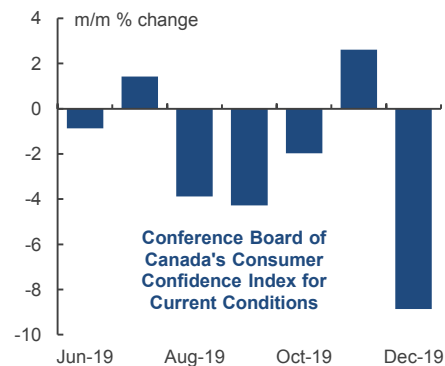
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Next Week's Risk Dashboard

- US-China trade text, signing
- US earnings
- China's GDP
- China's December releases
- Inflation: US, UK, EZ(rev)...
- ... India, Sweden, Argentina
- US retail, industrial output
- BoC consumer survey
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- Taiwan's election
- UK trade, IP, retail
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Chart of the Week
Will The BoC's Consumer Survey Match Conference Board's Gloomy December?


Sources: Scotiabank Economics, Conference Board of Canada.

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

Magic Tricks

CANADA—SURVEY SAYS!

Canada faces a fairly light week as the Bank of Canada goes into communications blackout on Tuesday. There will be three things to watch for on the economics calendar with most of it packed into the start of the week.

The Bank of Canada will release its inaugural edition of the *Canadian Survey of Consumer Expectations (CSCE)* on **Monday at 10:30amET**. If you're wondering where this came from, then reach back four years to when they explained work in progress toward this survey ([here](#)). This has the potential to evolve into as widely followed a measure as the companion *Business Outlook Survey (BOS)* that the BoC will also release at the same time. The Senior Loan Officer Opinion Survey will only be published in data format going forward and no longer on the same day (February 14th).

The Business Outlook Survey is well understood by BoC watchers. The key components to watch and their recent trends are shown in chart 1. The winter edition was probably sampled from mid-November through to the first week of December and may already be somewhat stale given developments in perceptions toward the health of the Canadian economy and other developments.

The CSCE survey is modelled around the NY Fed's *Survey of Consumer Expectations*. It is based upon a nationwide survey of about 1,000 households by an external polling firm. It will introduce a variety of measures.

1. Consumer inflation expectations

This could prove to be quite useful. The survey will include a measure of the past year's perceived price pressures, and expectations for the next 12 months, 1 year and 5 year inflation rates with disaggregations in terms of different goods and services. If the survey includes a house price expectations measure, then it could inform Governor Poloz's recently expressed concern about whether recent strength in the Canadian housing market is driving extrapolative expectations for house price gains, alongside expectations for the labour market and household finance plus uncertainty factors surrounding such expectations.

2. Labour market expectations

Consumers are asked about expectations for future wage growth and uncertainty around this plus year-ahead measures of resignations, layoffs, job availability and labour mobility.

3. Household finances

Consumers will be asked about year-ahead expectations for household income, spending, house price growth, taxes and interest rates. Their ability to make debt payments over the next three months and ease of access to credit will also be polled.

As an interesting aside, this is an endeavour that traces its roots to a piece done by rumoured Governor-candidate Jean Boivin back in 2011.

The Canadian Real Estate Association will also update **existing home sales** for December on Wednesday. Sales growth has been tepid of late but December probably accelerated by a fair margin based upon the sampling of local real estate board reports that are available thus far. Seasonally adjusted home sales were up only 0.6% m/m in September, flat in October and up another 0.6% in November which marked a considerable slowdown compared to the trend earlier this year (chart 2).

Chart 1

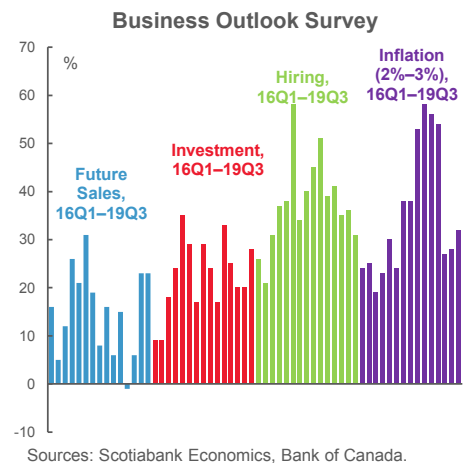
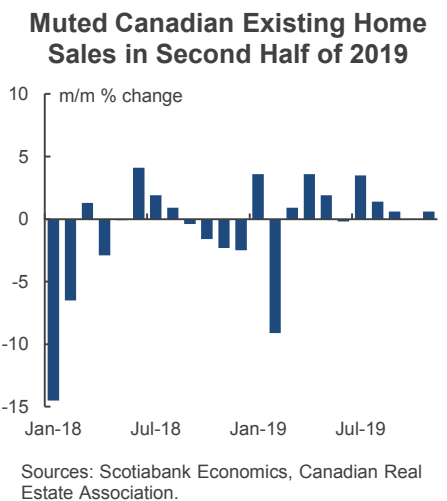


Chart 2



UNITED STATES—A BIG WEEK

A series of macroeconomic indicators and the start of the 2019Q4 earnings season will make for a very active week in US markets. If you don't like Mondays, then the good news is that it all starts on Tuesday!

Twenty-five S&P500 companies release Q4 earnings next week beginning on Tuesday. Some of the key names will include the usual focus on financials to kick off the reporting season, including Citigroup, JP Morgan, Wells Fargo, BlackRock, BofA, Goldman, BoNYM and Morgan Stanley.

Three batches of macro reports will be the main focal points. The main theme could be higher inflation and activity downsides.

1. CPI (Tuesday): For December, I think I've conservatively gone with +0.3% m/m and 2.4% y/y for headline inflation from 2.1% y/y previously and +0.2% m/m and 2.3% y/y for core CPI. There would be no surprises if headline CPI came in higher yet. A shift in base effects from year-ago comparisons in November to December alone would lift inflation from 2.1% y/y to 2.4% y/y. December is normally a fairly tame month for seasonal price pressures. Gasoline prices, however, are the biggest swing factor as the all-grades average pump price swung from being down by -4 ½% y/y in November to up by 5½% y/y in December. Gasoline carries a 4% weight in CPI and so this effect alone could lift headline inflation by about four-tenths in year-ago terms compared to the prior month. The reason I didn't go higher yet at 2.5% or 2.6% for year-ago headline inflation stems from uncertainty over the combination of retail food prices and core components.

2. Retail sales (Thursday): If retail comes in solidly higher, then it would have to be because core sales ex-autos and gasoline had a sparkling Christmas. The holiday season got off to a poor start when November sales climbed by just 0.2% m/m and nothing excluding oil and gasoline. In December, auto sales fell from 17.1 million units in November to 16.7 million in December at a seasonally adjusted and annualized rate for a 2.3% m/m decline. All-grades gasoline prices were roughly flat in December over the prior month at just over US\$ 2½ per gallon. Gas carries an 8% weight in retail sales and auto sales carry a 20% weight. We don't know auto prices before Tuesday's CPI and we don't know gasoline volumes, but assuming they are flat enables one to focus upon the effects of what is known about gasoline prices and auto volumes that combine to drag about ½% off of headline retail sales. It'll take a combination of strength in core sales ex-autos and gasoline, gas volumes and auto prices to keep the headline in the black. With real wage growth waning (chart 3), a softer holiday season wouldn't be a big surprise. So far, that hasn't much weighed on the UofM's consumer sentiment reading with a January update pending release next Friday.

3. Industrial readings: Industrial production is likely to retrench when December's figures arrive at week's end. Part of the reason is due to the large gain the prior month that poses a high jumping-off point (+1.1% m/m). The other part of the reason is the signals still being sent by manufacturing readings (chart 4). The Empire and Philly Fed regional gauges that arrive on Wednesday and Thursday, respectively, are too volatile to have any faith in the calls but they will begin to inform expectations for the next ISM-manufacturing reading.

Producer prices for December will likely exhibit modest upward pressure with possibly more pressure due to oil prices (Wednesday). Housing starts could build upon the prior month's gain on the back of building permits for new homes that have climbed by 5% in October and another 1.4% in November.

Chart 3

Chart 4


Fed-speak should carry limited consequences. The Beige Book of regional conditions is due out on Wednesday. NY Fed President Williams speaks on Tuesday and may indirectly broach macro and policy topics. Four regional Presidents speak a total of five times including Boston's Rosengren (Monday), Atlanta's Bostic (Monday), Kansas's George (Tuesday), and Philly's Harker (Wednesday and Friday).

ASIA-PACIFIC—THE OLD DISAPPEARING INK TRICK

Each side would be well advised to check the other's pens when **the US and China put ink to their phase one and only trade deal on Wednesday.** The old schoolkid's prank of splashing some disappearing ink could be elevated to the diplomatic level, minus the stink bombs and whoopee cushions. While the signing ceremony is purely symbolic, the deal will coincide with the release of the detailed text to be parsed by trade specialists, economists and market participants for further evidence of its relevance.

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 5)—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 6). There is also no further information on the breakdown of such purchases that Lighthizer has said will remain undisclosed. It's unclear whether China had Trump on by securing tariff relief in exchange for targets it knows are some combination of transitory or undeliverable to buy time to the US election, or Trump set China up to fail for another run on enforcement grounds after the election. Either way, what's known about the trade deal to this point is met with deep skepticism.

China macro releases will be front and centre across global market attention. China releases Q4 GDP growth on Thursday evening (eastern time). Consensus expects...wait for it...6.2% y/y! For such a large economy, it's amazing that growth has been six-handled every quarter for the past four years, is never revised, and always leads releases for quarterly growth by other major economies! Markets will also have an eye on exports, retail sales and industrial production during December for clues toward how the quarter and year ended and transitioned to 2020Q1 by way of hand-off effects to future growth. Aggregate financing and loan growth might also be released either next week or the following week.

India's inflation rate is expected to spike higher when December's figures are released at the start of the week. Inflation has been on an upswing over the past year and was 5 ½% y/y in November. A full point or more jump is plausible. That would raise inflation beyond the top end of the Reserve Bank of India's 2–6% inflation target range. Food prices have been the main culprit and especially onion prices, but housing costs are also climbing by about 4 ½% y/y. The RBI is inclined to look through this shock as transitory and narrowly based. The fact remains that core inflation has been falling from a peak of 4.9% y/y in mid-2018 down to 3½% recently.

The Bank of Korea is widely expected to hold its policy rate at 1.25% toward the end of the week but to maintain a generally dovish bias. Taiwan holds its Presidential election this weekend. Result should be available by Saturday morning eastern time. President Tsai Ing-wen is expected to be victorious again.

Chart 5

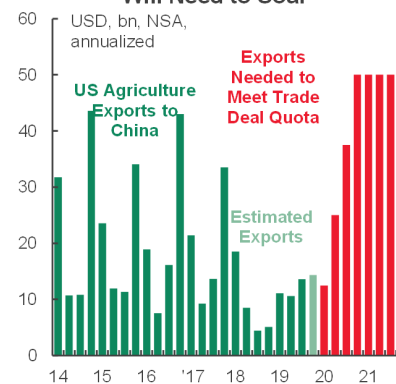
Good Luck Doubling US Exports to China!



Sources: Scotiabank Economics, US Congressional Research Service.

Chart 6

US Agriculture Exports to China Will Need to Soar



Sources: Scotiabank Economics, US Census Bureau Trade Data.

LATIN AMERICA—HOW TO GENERATE INFLATION

How do you generate inflation? This puzzle to the world's central bankers that has dominated concerns over the past decade has an easy answer: just ask Argentina!

Argentina updates December CPI on Wednesday. Inflation has been running at over 50% y/y throughout the past year. All one needs to do is default or threaten to default every now and then, kick the wonderful Malbec out of the peso, and presto! Enter chart 7. Ongoing currency depreciation and its lagged effects likely mean that inflation may not have crested.

EUROPE—MORE COVER FOR EASING?

A sprinkling of macroeconomic releases is unlikely to put European markets at the vanguard of risks to global markets. Most of the focus will be upon UK reports.

UK inflation faces a somewhat divided consensus that has about one-third expecting headline inflation to rise a tick to 1.6% y/y but two-thirds anticipate no change. The divisions are rooted in exactly how much price pressure might have been experienced in December over the prior month. That core inflation has ebbed from the late-2017 peak of 2.7% y/y to a full point lower now is part of what gives Governor Carney cover for sounding so dovish this past week (chart 8). The broad tone of other UK releases is expected to be mixed with Monday's industrial production and trade figures likely to be on the soft side again, while Friday's retail numbers are expected to bounce back from the decline in November.

Turkey's central bank makes another rate decision on Thursday and another cut is expected. Massive easing over 2019H2 softened the lira and is motivating upward price pressures with CPI at 11.8% y/y, yet the central bank continues to ease under political pressure from President Erdogan.

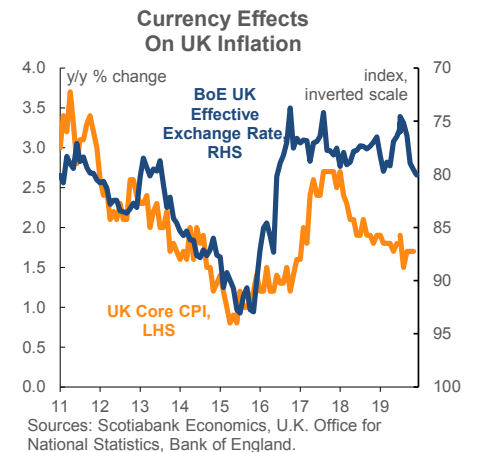
After Sweden's Riksbank hiked by ¼% to return its policy rate to 0% and exit negative rates, CPI monitoring became a duller affair. The central bank indicated it would be a long time before it considered any further policy moves. Wednesday's CPI figures are unlikely to materially budge from 1.8% y/y headline and 1.7% y/y underlying rates.

On Friday, Eurozone CPI also faces revision risk to December's flash 1.3% y/y headline and 1.3% y/y core releases. The risk will be informed by revisions by France and Spain (Wednesday) and then Italy (Friday). Eurozone add-ups for industrial production and trade are expected to be moderately constructive.

Chart 7



Chart 8



Key Indicators for week of January 13 – 17
NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	01/13	10:30	BoC Senior Loan Officer Survey	4Q	--	--	1.9
CA	01/13	10:30	Business Outlook Future Sales	4Q	--	--	23.0
US	01/13	14:00	Treasury Budget (US\$ bn)	Dec	--	-15.0	-209
US	01/14	08:30	CPI (m/m)	Dec	0.3	0.3	0.3
US	01/14	08:30	CPI (y/y)	Dec	2.4	2.3	2.1
US	01/14	08:30	CPI (index)	Dec	--	257	257
US	01/14	08:30	CPI ex. Food & Energy (m/m)	Dec	0.2	0.2	0.2
US	01/14	08:30	CPI ex. Food & Energy (y/y)	Dec	2.3	2.3	2.3
US	01/15	07:00	MBA Mortgage Applications (w/w)	Jan 10	--	--	-5.3
US	01/15	08:30	Empire State Manufacturing Index	Jan	--	3.6	3.5
US	01/15	08:30	PPI (m/m)	Dec	0.2	0.2	0.0
US	01/15	08:30	PPI ex. Food & Energy (m/m)	Dec	0.2	0.2	-0.2
CA	01/15	09:00	Existing Home Sales (m/m)	Dec	--	--	0.6
US	01/16	08:30	Export Prices (m/m)	Dec	--	0.3	0.2
US	01/16	08:30	Import Prices (m/m)	Dec	--	0.3	0.2
US	01/16	08:30	Initial Jobless Claims (000s)	Jan 11	215	220	222
US	01/16	08:30	Continuing Claims (000s)	Jan 4	1800	--	1728
US	01/16	08:30	Philadelphia Fed Index	Jan	2.00	3.0	0.3
US	01/16	08:30	Retail Sales (m/m)	Dec	0.2	0.3	0.2
US	01/16	08:30	Retail Sales ex. Autos (m/m)	Dec	0.4	0.5	0.1
US	01/16	10:00	Business Inventories (m/m)	Nov	--	-0.1	0.2
US	01/16	10:00	NAHB Housing Market Index	Jan	--	74.0	76.0
US	01/16	16:00	Total Net TIC Flows (US\$ bn)	Nov	--	--	-48.3
US	01/16	16:00	Net Long-term TIC Flows (US\$ bn)	Nov	--	--	32.5
CA	01/17	08:30	International Securities Transactions (C\$ bn)	Nov	--	--	11.3
US	01/17	08:30	Building Permits (000s a.r.)	Dec	--	1460	1482
US	01/17	08:30	Housing Starts (000s a.r.)	Dec	1370	1380	1365
US	01/17	08:30	Housing Starts (m/m)	Dec	0.0	1.1	3.2
US	01/17	09:15	Capacity Utilization (%)	Dec	--	77.1	77.3
US	01/17	09:15	Industrial Production (m/m)	Dec	-0.5	-0.1	1.1
US	01/17	10:00	JOLTS Job Openings (000s)	Nov	--	7265	7267
US	01/17	10:00	U. of Michigan Consumer Sentiment	Jan P	99.3	99.0	99.3

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
UK	01/13	04:30	Index of Services (m/m)	Nov	--	0.0	0.2
UK	01/13	04:30	Industrial Production (m/m)	Nov	--	0.0	0.1
UK	01/13	04:30	Manufacturing Production (m/m)	Nov	--	-0.2	0.2
UK	01/13	04:30	Visible Trade Balance (£ mn)	Nov	--	-11800	-14486
FR	01/15	02:45	CPI (m/m)	Dec F	--	0.4	0.4
FR	01/15	02:45	CPI (y/y)	Dec F	--	1.4	1.4
FR	01/15	02:45	CPI - EU Harmonized (m/m)	Dec F	--	0.5	0.5
FR	01/15	02:45	CPI - EU Harmonized (y/y)	Dec F	--	1.6	1.6
SP	01/15	03:00	CPI (m/m)	Dec F	--	-0.1	-0.1
SP	01/15	03:00	CPI (y/y)	Dec F	--	0.8	0.8
SP	01/15	03:00	CPI - EU Harmonized (m/m)	Dec F	--	-0.1	-0.1
SP	01/15	03:00	CPI - EU Harmonized (y/y)	Dec F	--	0.8	0.8
GE	01/15	04:00	Real GDP NSA (y/y)	2019	--	0.6	1.5
GE	01/15	04:00	Budget (Maastricht) (% of GDP)	2019	--	1.2	1.9
UK	01/15	04:30	CPI (m/m)	Dec	--	0.2	0.2
UK	01/15	04:30	CPI (y/y)	Dec	--	1.5	1.5
UK	01/15	04:30	PPI Input (m/m)	Dec	--	0.2	-0.3
UK	01/15	04:30	PPI Output (m/m)	Dec	--	0.1	-0.2
UK	01/15	04:30	RPI (m/m)	Dec	--	0.4	0.2
UK	01/15	04:30	RPI (y/y)	Dec	--	2.3	2.2
EC	01/15	05:00	Industrial Production (m/m)	Nov	--	0.3	-0.5
EC	01/15	05:00	Industrial Production (y/y)	Nov	--	-1.0	-2.2
EC	01/15	05:00	Trade Balance (€ mn)	Nov	--	--	28.0

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for week of January 13 – 17

EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	01/16	02:00	CPI (m/m)	Dec F	--	0.5	0.5
GE	01/16	02:00	CPI (y/y)	Dec F	--	1.5	1.5
GE	01/16	02:00	CPI - EU Harmonized (m/m)	Dec F	--	0.6	0.6
GE	01/16	02:00	CPI - EU Harmonized (y/y)	Dec F	--	1.5	1.5
TU	01/16	06:00	Benchmark Repo Rate (%)	Jan 16	11.00	11.50	12.00
FR	01/17	02:45	Central Government Balance (€ bn)	Nov	--	--	-107.7
EC	01/17	04:00	Current Account (€ bn)	Nov	--	--	32.4
IT	01/17	04:00	Current Account (€ mn)	Nov	--	--	8600
UK	01/17	04:30	Retail Sales ex. Auto Fuel (m/m)	Dec	--	0.8	-0.6
UK	01/17	04:30	Retail Sales with Auto Fuel (m/m)	Dec	--	0.6	-0.6
EC	01/17	05:00	CPI (y/y)	Dec	--	1.3	1.3

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IN	01/13	07:00	CPI (y/y)	Dec	6.10	6.70	5.54
JN	01/13	18:50	Bank Lending (y/y)	Dec	--	--	2.1
JN	01/13	18:50	Current Account (¥ bn)	Nov	--	1425	1817
JN	01/13	18:50	Trade Balance - BOP Basis (¥ bn)	Nov	--	104	254
IN	01/14	01:30	Monthly Wholesale Prices (y/y)	Dec	--	2.4	0.6
SK	01/14	18:00	Unemployment Rate (%)	Dec	3.6	3.6	3.6
JN	01/14	18:50	Japan Money Stock M2 (y/y)	Dec	--	2.7	2.8
JN	01/14	18:50	Japan Money Stock M3 (y/y)	Dec	--	2.3	2.3
CH	01/14	22:00	Exports (y/y)	Dec	--	2.5	-1.3
CH	01/14	22:00	Imports (y/y)	Dec	--	9.6	0.5
CH	01/14	22:00	Trade Balance (USD bn)	Dec	--	45.7	37.9
ID	01/14	23:00	Exports (y/y)	Dec	--	-2.2	-5.7
ID	01/14	23:00	Imports (y/y)	Dec	--	-5.0	-9.2
ID	01/14	23:00	Trade Balance (US\$ mn)	Dec	--	-430	-1330
JN	01/15	01:00	Machine Tool Orders (y/y)	Dec P	--	--	-37.9
PH	01/15	02:00	Overseas Remittances (y/y)	Nov	--	4.5	8.0
IN	01/15	08:30	Exports (y/y)	Dec	--	--	-0.3
IN	01/15	08:30	Imports (y/y)	Dec	--	--	-12.7
JN	01/15	18:50	Machine Orders (m/m)	Nov	--	3.0	-6.0
NZ	01/16	16:30	Business NZ PMI	Dec	--	--	51.4
SI	01/16	19:30	Exports (y/y)	Dec	--	-2.0	-5.9
CH	01/16	21:00	Fixed Asset Investment YTD (y/y)	Dec	5.2	5.2	5.2
CH	01/16	21:00	Industrial Production (y/y)	Dec	5.8	5.9	6.2
CH	01/16	21:00	Real GDP (y/y)	4Q	6.0	6.0	6.0
CH	01/16	21:00	Retail Sales (y/y)	Dec	7.7	7.9	8.0
JN	01/16	23:30	Tertiary Industry Index (m/m)	Nov	--	1.0	-4.6
SK	01/17	21:00	BoK Base Rate (%)	Jan 17	1.25	1.25	1.25

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	01/14	07:00	Economic Activity Index SA (m/m)	Nov	--	0.1	0.2
BZ	01/14	07:00	Economic Activity Index NSA (y/y)	Nov	--	1.0	2.1
PE	01/15	00:00	Economic Activity Index NSA (y/y)	Nov	2.2	2.8	2.1
PE	01/15	00:00	Unemployment Rate (%)	Dec	--	--	6.3
BZ	01/15	07:00	Retail Sales (m/m)	Nov	--	1.0	0.1
BZ	01/15	07:00	Retail Sales (y/y)	Nov	--	3.5	4.2
CO	01/17	10:00	Retail Sales (y/y)	Nov	--	5.8	7.4

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Global Auctions for week of January 13 – 17**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	01/15	12:00	Canada to Sell 10 Year Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	01/14	05:00	Italy to Sell Bonds
NE	01/14	05:00	Netherlands to Sell Bonds
UK	01/14	05:30	U.K. to Sell 3.25 Billion Pounds of 0.625% 2025 Bonds
SW	01/15	05:00	Sweden to Sell Bonds
NO	01/15	05:00	Norway to Sell Bonds
GE	01/15	05:30	Germany to Sell 1.5 Billion Euros of 0% 2050 Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	01/12	20:30	Korea to Sell KRW 800Bln 5 Year Bonds
SK	01/12	20:30	Korea Central Bank to Sell KRW 800B 1 Year Bonds
SK	01/12	21:30	Korea to Sell KRW 1.2Tln 5 Year Bonds
CH	01/13	01:00	Jiangsu to Sell 5, 7, & 10 Year Bonds
TA	01/13	23:30	Taiwan to Sell TWD30 Bln 20 Year Bonds
ID	01/14	04:00	Indonesia to Sell 2,4, & 25 Year Islamic Bonds
TH	01/14	22:00	Thailand to Sell THB15 Bln Bonds Due 2038
JN	01/14	22:35	Japan to Sell 5-Year Bonds
NZ	01/15	20:05	New Zealand to Sell NZD250 Mln 1.5% 2031 Bonds
TH	01/15	22:00	Bk of Thailand to Sell THB30 Bln Bonds Due 2021
JN	01/15	22:30	Japan to Sell 1 Year Notes & 20 Year Bonds

Sources: Bloomberg, Scotiabank Economics.

Events for week of January 13 – 17

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	01/13	10:00	Boston Fed's Rosengren Discusses Economic Outlook
CA	01/13	10:30	BoC Business Outlook Future Sales
CA	01/13	10:30	BoC Senior Loan Officer Survey
US	01/13	12:40	Fed's Bostic Discusses Economic Outlook and Monetary Policy
US	01/14	09:00	Fed's Williams Discusses Behavioral Science at London Event
US	01/14	13:00	Fed's George Speaks in Kansas City
US	01/15	14:00	U.S. Federal Reserve Releases Beige Book

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SW	01/13	03:00	Riksbank's Jansson Gives Speech
PO	01/14		Bank of Portugal Releases Data on Banks
SW	01/15	03:00	Swedish Party Leader Debate in Parliament
AS	01/15	03:40	ECB's Holzmann Gives Speech in Vienna at Euromoney Conference
TU	01/16	06:00	Turkey One Week Repo Rate Announcement

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
TA	01/10	00:00	Taiwan Presidential and Parliamentary Elections
NZ	01/13	16:00	NZIER Business Opinion Survey
JN	01/14	19:30	Kuroda Speech at Branch Managers' Meeting
AU	01/15	19:30	RBA FX Transactions Market
AU	01/15	19:30	RBA FX Transactions Other
AU	01/15	19:30	RBA FX Transactions Government
JN	01/15	20:10	BOJ Outright Bond Purchase 5~10 Years
SK	01/16	00:00	BoK 7-Day Repo Rate

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	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	6.75

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	6.00
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	11.00	11.50

Central Bank of The Republic of Turkey: Turkish central bankers face quite the dilemma ahead of next Thursday's one week repo rate announcement. The central bank has cut rates by 12 percent points in the second half of 2019, yet President Erdogan is pressuring for more. Due to these previous cuts, CPI has risen from 8.5% m/m in October to 11.8% m/m in December. We expect a 100 basis point cut next week—smaller in magnitude than previous cuts—bringing the repo rate to 11%.

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	0.50
Reserve Bank of New Zealand – Cash Rate	1.00	February 11, 2020	0.75	1.00
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	5.15	5.00
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	January 22, 2020	3.00	2.75
Bank Indonesia – 7-Day Reverse Repo Rate	5.00	January 23, 2020	5.00	4.75
Central Bank of Philippines – Overnight Borrowing Rate	4.00	February 6, 2020	3.75	3.75

Bank of Korea (BoK): Korean monetary authorities will make a policy decision on January 17. We expect the BoK to leave the Base Rate unchanged at 1.25%, following a 25 bps cut in October 2019. The BoK will likely take some time to assess the impact of recent rate cuts, yet it has noted that there is room left for further easing if needed. Global trade developments will play a key role in the BoK's future policy decisions, given that the South Korean economy continues to be adversely impacted by external sector uncertainties.

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	January 31, 2020	4.25	4.25
Banco Central de Reserva del Perú – Reference Rate	2.25	February 13, 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.
 Sources: Bloomberg, Scotiabank Economics.

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