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Next Week's Risk Dashboard

- Ranking COVID-19 progress
- Ranking CB mandate progress
- Inflation: US, China, India, Norway, Sweden, Brazil, Argentina
- CBs: PBOC, Banxico, Peru, Chile, BSP
- GDP: UK, Norway, Colombia, Philippines, Malaysia
- Top Fed officials
- BoC's Macklem
- Other macro

Chart of the Week
Employment Recovery From Pre-Pandemic Levels*


*EUR, ZNL, ZAF & MEX report quarterly employment levels. Pre-pandemic = Q4-2019. For all others, pre-pandemic = Feb 2020.
 Sources: Scotiabank Economics, Haver Analytics.

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

Taking Stock

The coming week will be a somewhat tamer one on the global macro calendar. There will be relatively few top-shelf macro reports primarily focused upon inflation readings that are all the rage in markets these days and only a handful of regional central bank decisions primarily skewed toward Latin America.

That offers the opportunity to consolidate positions and take stock by reflecting on progress to date in terms of recovering from the pandemic. There is a marked divergence in terms of the progress to date across a sampling of central banks' regions that we tend to emphasize.

RANKING PANDEMIC PROGRESS

For instance, charts 1–5 showcase relative rankings on the share of the population having received one dose of vaccine, the share that is total vaccinated, new COVID-19 cases per capita, total new deaths per capita as a measure of severity and positivity rates. Marc Ercolao rightly says the file is a network hog because it includes all countries. Only G20 countries are included in the charts to show the largest economies, though clearly that excludes a lot of much worse and some much better-situated regions.

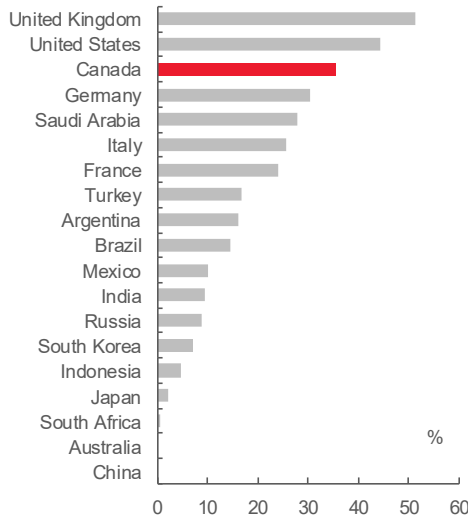
RANKING JOB MARKET PROGRESS

The relative positions on pandemic variables are relevant to monetary and fiscal policy risks going forward through the varying ways in which central banks directly and indirectly target inflation and jobs. After just receiving several fresher employment readings, we can see how various countries stack up to one another in their relative employment recoveries in the cover chart on page 1 of this publication.

A challenge for these central banks may be that their stimulus efforts are at loggerheads with the labour market supports that fiscal policymakers have enacted, while some job opportunities go unfilled due to skills mismatches and many parents may remain hesitant to send their kids back to school versus online. These were among the plausible explanations for the US nonfarm payrolls disappointment (recap [here](#)). The worker surpluses in the most pandemic-stricken sectors are probably unsuitable candidates to fill job opportunities within other industries that are performing better. That could mean structural unemployment for some types of workers and wage inflation for others that could prove to be problematic to central banks that say they won't stop stimulus until all jobs have been recovered.

Chart 1

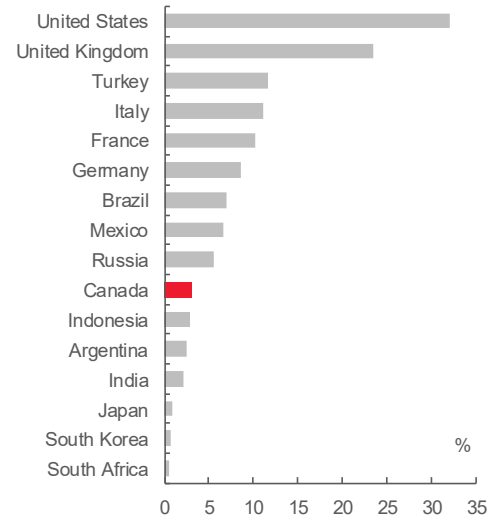
G-20: % of Population with One Dose



Sources: Scotiabank Economics, Our World in Data.

Chart 2

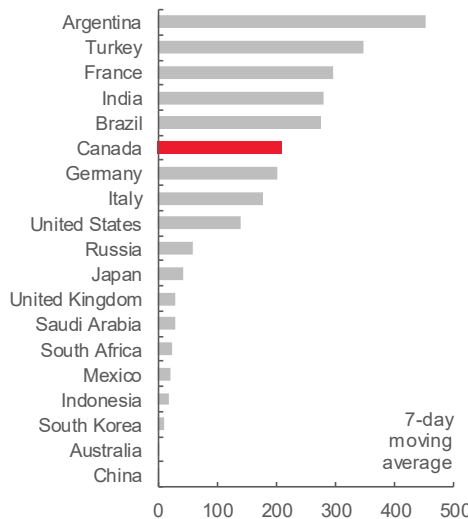
G-20: % of Population Fully Vaccinated



Sources: Scotiabank Economics, Our World in Data.

Chart 3

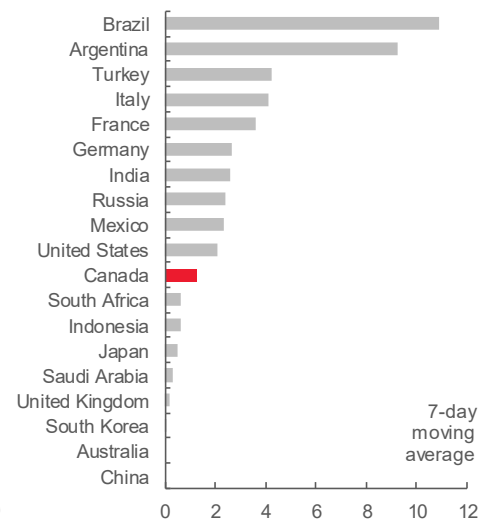
G-20: New Cases Per Million



Sources: Scotiabank Economics, Our World in Data.

Chart 4

G-20: New Deaths Per Million



Sources: Scotiabank Economics, Our World in Data.

In addition, the 9.7 million still unemployed Americans may be held back from re-entering the workforce as rapidly as desired (given widespread complaints of worker shortages) and it's unreasonable to exclude the possibility that state aid is an added culprit. Falling weekly jobless benefits simply mean there is less growth in people claiming benefits whereas the total number of unemployed remains high due to the policies that have been driven by Republican and Democratic administrations.

Consider the math. In the US, the average nationwide unemployment benefit is about US\$387/week that is then topped up by another \$300/week in Federal aid. When combined, the annualized equivalent is about US\$36,000 per person (pp). On top of this are the two rounds of stimulus cheques that lessen nearer-term financial pressures to rejoin the labour market. The January cheques paid US\$600pp and the March stimulus bill paid US\$1,400pp—both including children. For a single unemployed eligible American, that means annualized employment benefits plus non-annualized stimulus cheques equal almost US\$38,000. For a family of two unemployed parents with two kids eligible for cheques, the annualized equivalent unemployment support plus stimulus cheques equates to almost US\$80,000 per household. I'll leave you to crunch other scenarios with the caveat that in some states it's lower and in some states it can be higher depending upon their state level unemployment benefits.

Now clearly you won't get rich on jobless benefits, many people emphasize gainful employment over assistance measures, and there may be some policy intent if the aim is to contain the speed with which workers congregate in the workplace again until further vaccine progress is achieved. Nevertheless, if economics is about responding to incentives, then have a glance at chart 6 and decide for yourself and bear in mind that about one-third of the cumulative economy-wide lost jobs to date are in the leisure and hospitality sector and 44% are in the bottom three categories of pay.

INFLATION—TRANSITORY, YOU SAY?

With employment updates in full swing, the next wave of updates will focus upon relative progress toward inflation targets over the coming week.

There are at least two ways of approaching the issue of whether a burst of inflationary pressure will prove to be transitory or not. One is to look at the durability of nearer-term peaks and this issue will be somewhat further informed by the coming week's main inflation reports. The other approach is to assess a more normalized run-rate for inflation after what may be a peak and whether inflation merely returns to central bank targets or plunges again.

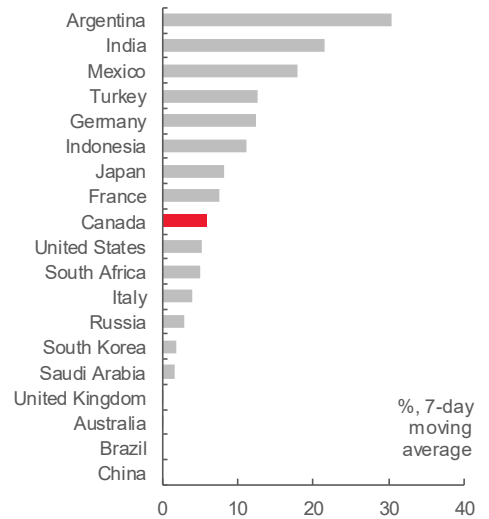
Where global central banks stand in their assessments of these issues drives their relative policy stances and there is no one-size-fits-all approach. Differing circumstances merit differentiation across central banks. Chart 7 provides a starting point by looking at how individual central bank regions stack up to one another on relative progress toward inflation targets.

United States

CPI inflation for April arrives on Wednesday. A figure of around 3.8% y/y (2.6% prior month) is expected with core at about 2.4% y/y (from 1.6%). On a seasonally adjusted month-ago basis, inflation is estimated at 0.3% m/m with core CPI up 0.3%. Base effects on their own would drive inflation from 2.6% to 3.3% y/y and core from 1.6% to 2.1%. Supply chain pressures and seasonal influences on month-over-month price changes account for the rest.

Chart 5

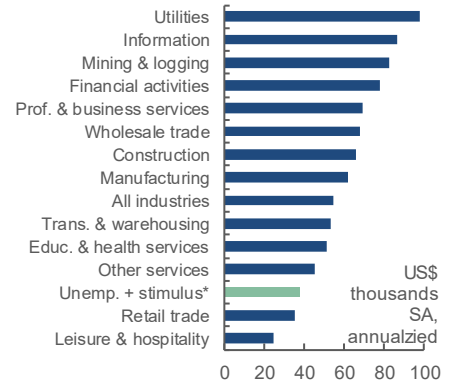
G-20: Highest Positivity Rates



Sources: Scotiabank Economics, Our World in Data.

Chart 6

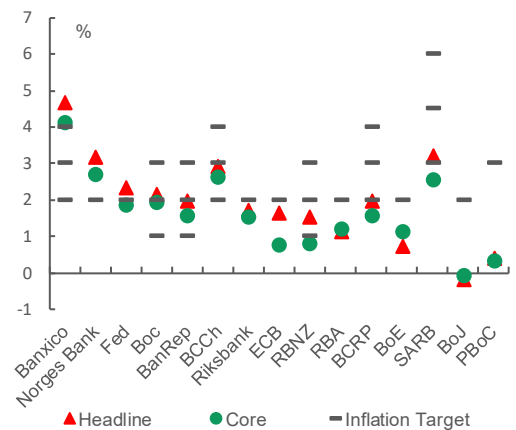
Average Annualized Earnings by Industry



*Includes average unemployment earnings plus stimulus cheques. Sources: Scotiabank Economics, BLS.

Chart 7

The Central Bank Inflation Picture



Such peaks—and the next month could see headline cross 4%—may be transitory, but we should be careful and not go too far with that view. Supply chains are badly damaged by the pandemic and, before that, the prior US administration’s trade wars. Some capacity in the economy may never come back if behaviour has been fundamentally altered away from demand for some types of activities toward other types that are unprepared. Some unemployed labour may be structural in nature. Demand for semiconductors and other components is so strong that various industry representatives suggest shortages could persist for years. So, what if damaged supply chains and fundamentally altered behaviour combine with the achievement of herd immunity and massive fiscal stimulus to possibly keep inflation high? FOMC participants sound awfully confident notwithstanding their elevated uncertainty toward core inflation (chart 8).

Even if that doesn’t happen, the FOMC’s baseline forecast for a return toward something just above 2% inflation makes it difficult to believe in the need for maintaining emergency levels of stimulus. The upside risk should also be considered since we have not yet gotten to the point at which inoculation has achieved herd immunity and, when it does, returning confidence and resulting spending could well combine with the massive fiscal stimulus the US is seeking to roll out to fan inflation toward greater heights. The Fed seems to have much greater conviction that inflation will fall back than is merited by its track record at forecasting inflation.

China

China updates CPI inflation for April on Monday night (ET). Prices had been soaring into the arrival of the pandemic in that country by late 2019 and early 2020 and have since fallen back to around 0% y/y. We may see the rate rise back toward 1% next week.

One catalyst will be that the diminishing price pressures through 2020 will gradually put upward pressure on this year’s readings, but it can’t be left at that. Why has Chinese inflation been so low? One reason is that pork prices have been much tamer following the earlier Swine Flu-induced run-up (chart 9). Second, China has relatively tight monetary policy with among the highest real rates among global central banks. Third, China is generally not stimulating as they did in past periods when infrastructure spending created ghost cities, etc. This time, the policy focus is more squarely upon imbalances (note to others...). China and Japan may provide lessons to the US that spending money by the bucketful on infrastructure doesn’t necessarily pay dividends in terms of long-run economic growth relative to the debt and imbalances it can leave behind.

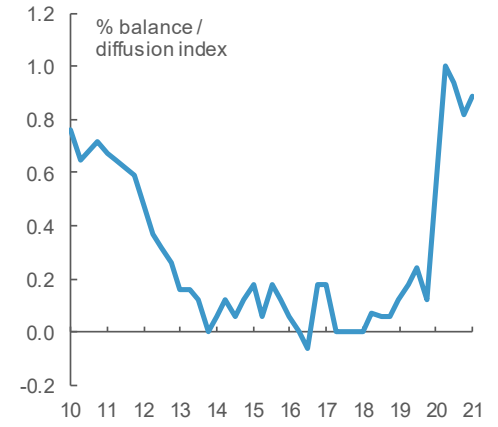
Brazil

Why did Brazil’s central bank just hike by three-quarters of a percentage point? Further insight may be derived from Tuesday’s inflation reading for April. Inflation has already risen to over 6% y/y with core measures rising toward 3% (chart 10). Lagging pass-through effects of prior currency depreciation explain some of this as the real depreciated by about one-third since early 2020. Inflation is running above the central bank’s 2–3½% target range for 2021. Even as COVID-19 cases spiral and growth in the Brazilian economy evaporates, the inflation mandate is guiding the central bank toward a ‘partial normalization’.

Sweden

Sweden updates CPI inflation for April on Wednesday. With underlying inflation hovering just beneath 2% y/y, the Riksbank’s target of “around 2%” appears to be within reach.

Chart 8
US FOMC Uncertainty About Core PCE Inflation



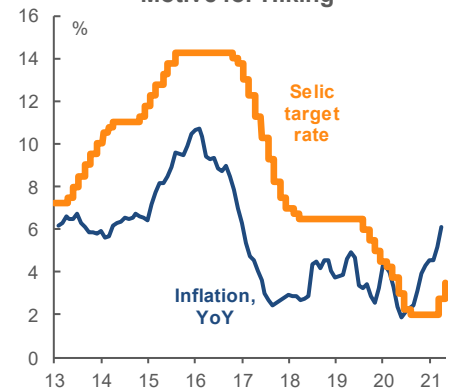
Sources: Scotiabank Economics, Bloomberg.

Chart 9
China's Pork Prices are Dragging Inflation Lower



Sources: Scotiabank Economics, National Bureau of Statistics of China.

Chart 10
Banco Central do Brasil's Motive for Hiking



Sources: Scotiabank Economics, Banco Central do Brasil, Bloomberg.

The rub here is that inflation has bounced back from a soft year-ago price level. What the Riksbank is seeking is for inflation to be “more permanently close to the target of 2 per cent”. As such, they are looking through the recent rise in inflation and maintaining the pace of bond buying within the SEK700B purchase program while guiding that purchases will continue until the end of this year and reinvestment will occur until at least the end of 2022, while holding its repo rate constant at 0% through to 2024. What will require careful monitoring, however, is the higher-frequency annualized month-ago rate of change in underlying prices that has picked up in three of the past four months.

Norway

Norges Bank faces a different inflation reality so Monday’s update for April may further inform the rationale for its repeated guidance to expect a first rate hike by the end of this year. It also targets inflation around 2% and the underlying rate has been running at about 2¾% y/y. The sharp recovery in Brent crude has buoyed confidence in the economic outlook.

India

India’s inflation rate for April (Wednesday) could moderate on a year-over-year basis as inflation gets rebased to less of a weak base effect. At 5.5% y/y for headline and 5.7% for core, inflation has been running toward the top end of the Reserve Bank of India’s 2–6% inflation target range. The RBI has forecast that inflation will remain above the mid-point of the target range throughout the next year and is likely to ignore a transitory overshoot especially in light of India’s tragically soaring COVID-19 cases.

Argentina

Argentina is, of course, the inflation hawk’s poster child. Transitory doesn’t really figure into the vernacular in this country’s dialogue. One would be forgiven for having lost count of all the episodes when the country pursued reforms oriented toward ensuring inflation risk would be addressed.

It updates CPI inflation for April on Thursday and—ready for this?—it’s on an upswing again. Gosh, how’d that happen? The peak of 57% y/y in May 2019 was technically transitory as it fell back to a trough of only 36% y/y last November, but it’s back on an upswing again and may settle around 45% y/y next week. The peso’s ongoing collapse from about 20 to the dollar in 2018 to 94 at the moment will do that.

CENTRAL BANKS—PASSING TIME

Five central banks will weigh in with policy decisions over the coming week but none of them are expected to alter their stance. Three are in Latin American countries and the other two are in Asia.

The People’s Bank of China will likely leave its one-year Medium-Term Lending Facility Rate unchanged at 2.95% when it meets at some point over the coming week.

Banxico is universally expected to stay on hold at a 4% overnight rate on Thursday. Mexico’s central bank is likely in a holding pattern as it evaluates near-term inflation that spiked to 6% y/y in April while deeming it premature to tighten policy.

Central banks in Peru (Wednesday), Chile (Thursday) and the Philippines (Thursday) are also expected to remain on hold.

MACRO INDICATORS

A sprinkling of economic indicators should generally pose modest risk over the coming week.

CANADA

Canada will update a handful of readings and hear from Governor Macklem.

Macklem will deliver a speech on Thursday. The venue has indicated that the topic will be “on the importance of encouraging diversity and inclusion in economics and finance” and his audience will consist of students. There is likely low market risk associated with this event notwithstanding it does appear after the temporary setback in jobs that one would think the BoC would be inclined to look through having just published revised forecasts.

Statistics Canada has already offered advance flash guidance that Friday's manufacturing report for March will post a 3.5% m/m rise in shipments based on about two-thirds of the usual final response rate. That same day will reveal the final estimate for wholesale sales during March after the agency offered its advance estimate of +0.9% m/m.

What might scuttle the upbeat sentiment across the releases could be the tally for existing home sales during April that same day. We already have indications that major markets like Vancouver and Toronto softened somewhat in April. It's not unreasonable for April's sales to have been lower given tightened restrictions in a third wave of cases. For instance, Ontario banned open houses, in-person showings were allowed only by appointment with limited attendance and stay at home orders likely, well, resulted in many prospective buyers staying a home! If restrictions ease then June could be poised for a rebound.

UNITED STATES

Other than inflation (see above), the US calendar will focus on consumer and industrial updates all on Friday plus top-level Fed addresses.

Retail sales during April might have popped higher by about 1% largely on the strength of higher auto sales alone. Auto sales were up by over 4% m/m to the highest volume since July 2005 and the overall autos and parts category carries a weight of just over one-fifth of total retail sales. Gas prices were roughly flat, but we don't know volumes—though we do know mobility picked up. The wildcard is the ex-autos-and-gas remainder that soared by 8.2% m/m the prior month and could be a tough act to follow. That spike was fed by the disbursement of stimulus cheques that began in March and is still ongoing. The same day's University of Michigan consumer sentiment survey for May could register a further gain on stimulus cheques and jobs while following the earlier Conference Board measure higher.

Industrial production during April probably got another lift mainly from the three-quarters weight placed on the manufacturing component. ISM-manufacturing indicated a slightly cooler pace of expansion in April than in March, but at a still-rapid clip.

It will also be a heavy week for Fed-speak in the wake of the nonfarm payrolls disappointment. Three top Fed officials give outlook speeches including Vice Chair Clarida (Wednesday), Governor Brainard (Tuesday) and freshly minted Governor Waller (Thursday). One hopes to hear a balanced assessment of the disappointment.

GLOBAL

Four countries will update Q1 GDP growth. The UK economy (Wednesday) likely dipped back into contraction at a non-annualized pace of just under -2% q/q as restrictions increased starting in December and only began easing later in the quarter. The conditions for a sharp rebound in Q2 are in place as restrictions eased. Malaysia and Philippines update Q1 GDP on Tuesday followed by Norway on Wednesday and Colombia on Friday.

UK releases for March on Wednesday will inform hand-off effects to Q2 GDP growth including industrial production, trade and a monthly service index.

Other releases will include China's financing and credit figures for April, Australian retail sales during Q1 on Monday, German and Eurozone ZEW investor confidence (Tuesday) and industrial output during March from the Eurozone and Mexico on Wednesday.

Key Indicators for week of May 10 – 14
NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	05/11	10:00	JOLTS Job Openings (000s)	Mar	--	7,500	7,367
MX	05/12	07:00	Industrial Production (m/m)	Mar	--	--	0.4
MX	05/12	07:00	Industrial Production (y/y)	Mar	--	-0.8	-4.5
US	05/12	07:00	MBA Mortgage Applications (w/w)	May 7	--	--	-0.9
US	05/12	08:30	CPI (m/m)	Apr	0.3	0.2	0.6
US	05/12	08:30	CPI (y/y)	Apr	3.8	3.6	2.6
US	05/12	08:30	CPI (index)	Apr	--	265.6	264.9
US	05/12	08:30	CPI ex. Food & Energy (m/m)	Apr	0.3	0.3	0.3
US	05/12	08:30	CPI ex. Food & Energy (y/y)	Apr	2.4	2.3	1.6
US	05/12	14:00	Treasury Budget (US\$ bn)	Apr	--	--	-659.6
US	05/13	08:30	Initial Jobless Claims (000s)	May 8	540	500	498
US	05/13	08:30	Continuing Claims (000s)	May 1	3,640	3,640	3,690
US	05/13	08:30	PPI (m/m)	Apr	0.2	0.3	1.0
US	05/13	08:30	PPI ex. Food & Energy (m/m)	Apr	0.4	0.4	0.7
MX	05/13	14:00	Overnight Rate (%)	May 13	4.00	4.00	4.00
CA	05/14	08:30	Manufacturing Shipments (m/m)	Mar	3.5	--	-1.6
CA	05/14	08:30	Wholesale Trade (m/m)	Mar	0.9	--	-0.7
US	05/14	08:30	Export Prices (m/m)	Apr	--	0.6	2.1
US	05/14	08:30	Import Prices (m/m)	Apr	--	0.6	1.2
US	05/14	08:30	Retail Sales (m/m)	Apr	0.9	1.0	9.7
US	05/14	08:30	Retail Sales ex. Autos (m/m)	Apr	0.0	0.7	8.4
CA	05/14	09:00	Existing Home Sales (m/m)	Apr	--	--	5.2
US	05/14	09:15	Capacity Utilization (%)	Apr	75.1	75.2	74.4
US	05/14	09:15	Industrial Production (m/m)	Apr	1.0	1.2	1.4
US	05/14	10:00	Business Inventories (m/m)	Mar	--	0.3	0.5
US	05/14	10:00	U. of Michigan Consumer Sentiment	May P	92.0	90.1	88.3

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
IT	05/11	04:00	Industrial Production (m/m)	Mar	0.5	0.2
EC	05/11	05:00	ZEW Survey (Economic Sentiment)	May	--	66.3
GE	05/11	05:00	ZEW Survey (Current Situation)	May	-41.0	-48.8
GE	05/11	05:00	ZEW Survey (Economic Sentiment)	May	72.0	70.7
GE	05/12	02:00	CPI (m/m)	Apr F	0.7	0.7
GE	05/12	02:00	CPI (y/y)	Apr F	2.0	2.0
GE	05/12	02:00	CPI - EU Harmonized (m/m)	Apr F	0.5	0.5
GE	05/12	02:00	CPI - EU Harmonized (y/y)	Apr F	2.1	2.1
NO	05/12	02:00	GDP (q/q)	1Q	--	0.60
UK	05/12	02:00	Business Investment (q/q)	1Q P	-2.5	5.9
UK	05/12	02:00	GDP (q/q)	1Q P	-1.6	1.3
UK	05/12	02:00	Index of Services (m/m)	Mar	1.8	0.2
UK	05/12	02:00	Industrial Production (m/m)	Mar	1.0	1.0
UK	05/12	02:00	Manufacturing Production (m/m)	Mar	1.0	1.3
UK	05/12	02:00	Visible Trade Balance (£ mn)	Mar	-14,300	-16,442
FR	05/12	02:45	CPI (m/m)	Apr F	0.2	0.2
FR	05/12	02:45	CPI (y/y)	Apr F	1.3	1.3
FR	05/12	02:45	CPI - EU Harmonized (m/m)	Apr F	0.3	0.3
FR	05/12	02:45	CPI - EU Harmonized (y/y)	Apr F	1.7	1.7
EC	05/12	05:00	Industrial Production (m/m)	Mar	0.8	-1.0
EC	05/12	05:00	Industrial Production (y/y)	Mar	11.8	0.0
SP	05/14	03:00	CPI (m/m)	Apr F	1.2	1.2
SP	05/14	03:00	CPI (y/y)	Apr F	2.2	2.2
SP	05/14	03:00	CPI - EU Harmonized (m/m)	Apr F	1.1	1.1
SP	05/14	03:00	CPI - EU Harmonized (y/y)	Apr F	1.9	1.9
PD	05/14	04:00	GDP (y/y)	1Q P	-1.50	-2.70

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

Key Indicators for week of May 10 – 14
ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
CH	05/09	21:00	New Yuan Loans (bn)	Apr	1,700	1,575	2,730
AU	05/09	21:30	Retail Sales (m/m)	Mar F	--	1.4	1.4
ID	05/10	22:00	Consumer Confidence Index	Apr	--	--	93.4
JN	05/10	19:30	Household Spending (y/y)	Mar	--	1.6	-6.6
CH	05/10	21:30	CPI (y/y)	Apr	1.1	1.0	0.4
CH	05/10	21:30	PPI (y/y)	Apr	--	6.5	4.4
PH	05/10	22:00	Real GDP (y/y)	1Q	-4.00	-3.5	-8.3
MA	05/11	00:00	Current Account Balance (MYR mns)	1Q	--	17.0	19,000
MA	05/11	00:00	GDP (y/y)	1Q	--	-0.2	-3.4
SK	05/11	19:00	Unemployment Rate (%)	Apr	--	3.8	3.9
IN	05/12	23:30	Exports (y/y)	Apr	--	--	60.3
IN	05/12	23:30	Imports (y/y)	Apr	--	--	53.7
JN	05/12	01:00	Coincident Index CI	Mar P	--	92.9	89.9
JN	05/12	01:00	Leading Index CI	Mar P	--	102.9	98.7
IN	05/12	08:00	CPI (y/y)	Apr	4.3	4.1	5.5
IN	05/12	08:00	Industrial Production (y/y)	Mar	--	20.0	-3.6
JN	05/12	19:50	Bank Lending (y/y)	Apr	--	--	6.3
JN	05/12	19:50	Current Account (¥ bn)	Mar	--	2,755	2,917
JN	05/12	19:50	Trade Balance - BOP Basis (¥ bn)	Mar	--	799.4	524.2
PH	05/13	04:00	Overnight Borrowing Rate (%)	May 13	2.00	2.00	2.00
NZ	05/13	18:30	Business NZ PMI	Apr	--	--	63.6
JN	05/13	19:50	Japan Money Stock M2 (y/y)	Apr	--	9.4	9.5
JN	05/13	19:50	Japan Money Stock M3 (y/y)	Apr	--	7.9	8.0
IN	05/14	02:30	Monthly Wholesale Prices (y/y)	Apr	--	9.2	7.4
HK	05/14	04:30	Real GDP (y/y)	1Q F	7.8	7.8	7.8

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>
PE	05/07		Trade Balance (USD mn)	Mar	--	--	427.0
BZ	05/11	08:00	IBGE Inflation IPCA (m/m)	Apr	--	0.3	0.9
BZ	05/11	08:00	IBGE Inflation IPCA (y/y)	Apr	--	6.8	6.1
PE	05/12	19:00	Reference Rate (%)	May 13	0.25	--	0.25
CO	05/13	11:00	Retail Sales (y/y)	Mar	--	--	1.2
CL	05/13	18:00	Nominal Overnight Rate Target (%)	May 13	0.50	0.50	0.50
CO	05/14	11:00	Trade Balance (US\$ mn)	Mar	--	--	-714.6

Global Auctions for week May 10 – 14

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	05/11	13:00	U.S. To Sell 3-Year Notes
US	05/12	13:00	U.S. To Sell 10-Year Notes
US	05/13	13:00	U.S. To Sell 30-Year Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
NE	05/11	04:00	Netherlands to Sell 0% 2031 Bonds
UK	05/11	05:00	U.K. to Sell 3 Billion Pounds of 0.375% 2026 Bonds
UK	05/11	06:30	U.K. to Sell 1.5 Billion Pounds of 0.5% 2061 Bonds
NO	05/12	05:00	Norway to Sell Bonds
SZ	05/12	05:15	Switzerland to Sell Bonds
IT	05/13	05:00	Italy to Sell Bonds
IR	05/13	05:00	Ireland to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	05/09	22:30	Sichuan to Sell Bonds
CH	05/10	02:00	Hubei to Sell Bonds
CH	05/10	03:00	Zhejiang to Sell Bonds
CH	05/10	22:30	Ningxia to Sell Bonds
CH	05/10	23:30	Qingdao to Sell Bonds
JN	05/10	23:35	Japan to Sell 10-Year Bonds
CH	05/11	23:00	China Plans to Sell 3-Yr Upsize Bond
CH	05/11	23:00	China Plans to Sell 7-Yr Bond
JN	05/12	23:35	Japan to Sell 30-Year Bonds
CH	05/13	23:00	China Plans to Sell 30-Yr Upsize Bond

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
No Scheduled Auctions.			

Events for week of May 10 – 14

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	05/11	10:30	Fed's Williams speaks at SOFR Symposium
US	05/11	12:00	Fed's Brainard takes Part in Moderated Q&A
US	05/11	13:00	Fed's Daly Speaks at Community Bankers Event
US	05/12	09:00	Fed's Clarida Speaks at NABE Conference
CA	05/13	11:00	Bank of Canada Governor Tiff Macklem Gives Speech
MX	05/13	14:00	Overnight Rate
US	05/13	16:00	Fed's Bullard Discusses the U.S. Economic and Policy Outlook
US	05/14	13:00	Fed's Kaplan Takes Part in a Moderated Discussion

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SW	05/10	03:30	Riksbank Publishes Minutes From April 26 Meeting
NO	05/11	03:00	Norges Bank Deputy Governor Ida Wolden Bache Speech
UK	05/11	10:30	BOE Governor Bailey Speaks on Libor
UK	05/12	05:00	BOE Governor Bailey Speaks at ISDA Event
UK	05/13	08:00	BOE's Cunliffe Speaks on Digital Currencies
UK	05/13	12:00	BOE's Bailey, Breeden Speak on Citizens' Panel

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	05/10	19:50	BOJ Summary of Opinions
PH	05/13	04:00	BSP Overnight Borrowing Rate
PH	05/13	04:00	BSP Standing Overnight Deposit Facility Rate

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
PE	05/12	19:00	Reference Rate
CL	05/13	18:00	Overnight Rate Target

Sources: Bloomberg, Scotiabank Economics.

Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	0.25	June 9, 2021	0.25	0.25
Federal Reserve – Federal Funds Target Rate	0.25	June 17, 2021	0.25	0.25
Banco de México – Overnight Rate	4.00	May 14, 2021	4.00	4.00

Banco de México (Banxico): Our Mexico City economists expect the overnight rate to be held at 4.00%. We have revised our previous call of one last -25 bps cut in Q3-2021 to a hold of 4.00% through the rest of the year. Annual inflation should remain high in the coming months owing to base effects, confirmed by the 6.05% y/y print for the first half of April, but policy makers will need to continue watching for confirmation of lower inflation in the second half of the year. A slightly stronger than expected Q1 GDP print, -3.8% y/y, signals a slow but moving recovery and supports expectations for continued recovery throughout the year.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	0.00	June 10, 2021	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	June 10, 2021	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	June 10, 2021	-0.50	-0.50
Bank of England – Bank Rate	0.10	June 24, 2021	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	5.00	June 11, 2021	5.25	--
Sweden Riksbank – Repo Rate	0.00	July 1, 2021	0.00	0.00
Norges Bank – Deposit Rate	0.00	June 17, 2021	0.00	0.00
Central Bank of Turkey – Benchmark Repo Rate	19.00	June 17, 2021	19.00	19.00

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	June 18, 2021	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.10	June 1, 2021	0.10	0.10
Reserve Bank of New Zealand – Cash Rate	0.25	May 26, 2021	0.25	0.25
People's Bank of China – 1-Year Loan Prime Rate	3.85	May 20, 2021	3.85	3.85
Reserve Bank of India – Repo Rate	4.00	June 4, 2021	4.00	4.00
Bank of Korea – Bank Rate	0.50	May 27, 2021	0.50	0.50
Bank of Thailand – Repo Rate	0.50	June 23, 2021	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	July 8, 2021	1.75	1.75
Bank Indonesia – 7-Day Reverse Repo Rate	3.50	May 25, 2021	3.50	3.50
Central Bank of Philippines – Overnight Borrowing Rate	2.00	May 13, 2021	2.00	2.00

Banco Sentral ng Pilipinas (BSP): The BSP is not expected to alter monetary policy on May 13, holding the benchmark overnight borrowing rate at 2.0%. We expect the central bank to remain in wait-and-see mode over the coming months. Headline inflation remained steady at 4.5% y/y in April, within the BSP's forecast range but above its inflation target range of 3±1%. Inflation is likely to be elevated in the near term, driven mainly by transitory domestic supply-side constraints on food, rising global commodity prices, and base effects. However, inflationary pressures are expected to ease going into 2022, settling into the BSP's target range. The speed of domestic vaccination rollout and the strength of global economic recovery are the primary risks to the Philippines' inflation outlook.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	3.50	June 17, 2021	3.50	3.50
Banco Central de Chile – Overnight Rate	0.50	May 13, 2021	0.50	0.50
Banco de la República de Colombia – Lending Rate	1.75	June 29, 2021	1.75	1.75
Banco Central de Reserva del Perú – Reference Rate	0.25	May 12, 2021	0.25	0.25

Banco Central de Reserva del Perú (BCRP): After headline inflation (2.4% y/y) and core inflation (1.7% y/y) pulled back in April, the BCRP Board has no glaring reason to change its monetary policy stance on May 12, with the reference rate expected to remain on hold at 0.25%. Leading indicators such as cement sales, electricity consumption and public consumption are pointing to a strong growth figure for March. On April 28, the BCRP introduced interest rate caps on consumer loans expected to be phased in over the coming months. **Banco Central de Chile (BCCh):** On May 13, our Santiago-based economists anticipate the overnight rate will hold at 0.25%. Despite Chile's relative COVID-19 progress vs its Latam peers, policy conditions are expected to remain expansionary in the short term as economic recovery remains uneven. The BCCh did note at their last meeting that a return to a normal policy position could still occur even while non-conventional measures remain in place—this lines up with our view that the rate hiking cycle will kick off in Q1-2022.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	3.50	May 20, 2021	3.50	3.50

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

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