

**SHOP EARLY THIS SPRING!**

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**CONTACTS**

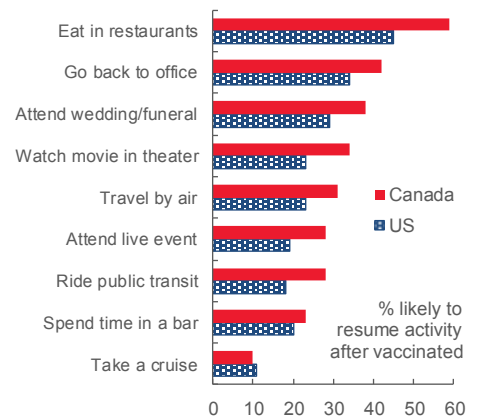
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**Next Week's Risk Dashboard**

- US consumers & the Fed
- Fed's Powell
- BoC's Macklem
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- G20 finmins & CB heads
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- Alberta budget
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**Chart of the Week**

**Comfortable Canadians or Cautious Americans?**



Sources: Scotiabank Economics, Leger, ACS-AEC.

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

## Shop Early This Spring!

### 1. US CONSUMERS & THE FED

When January's figures for consumer incomes and spending roll around on Friday, they will further accelerate the debate over the outlook for US consumers and important related matters. That outlook likely puts upside risk to our near-term forecasts for US growth and potential spillover effects abroad and perhaps over time it could prove to be of such an order of magnitude as to bring forward the risk of a Federal Reserve hiking cycle.

Stimulus-fed income growth and how behaviour adapts as vaccines are deployed will be the main catalysts. I figure that **personal incomes likely grew by just over 11% m/m at a non-annualized seasonally adjusted rate in January**. That's based on US\$166 billion in transfers from government to households to fund stimulus cheques of US\$600 per person that were deposited starting around mid-January plus an extra US\$300/week for just under 10 million unemployed Americans, as well as reasonable assumptions on other income components.

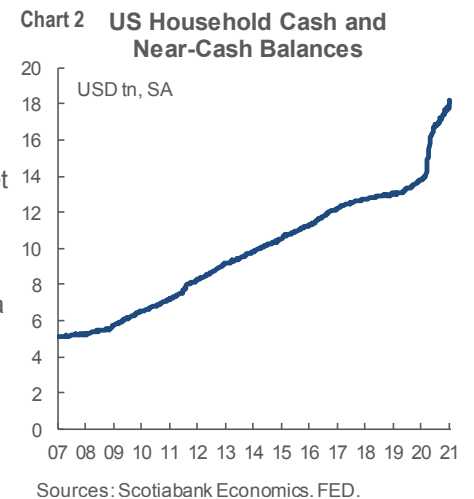
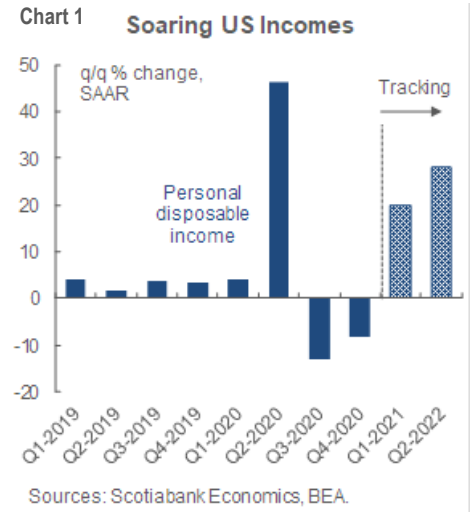
It doesn't stop at that. If the Biden Administration's plan for US\$1,400 cheques per person at a cost of US\$465 billion goes through, then that would equate to another annualized US\$5.6 trillion lift to personal incomes in April assuming March passage. The effects on annualized income growth are shown in chart 1. Even if the cost of the cheques turns out to be smaller through stricter means-testing then we're still likely looking at back-to-back annualized quarterly income gains of 20% or more in each of the first two quarters of this year. The second quarter of last year saw faster income growth in percentage terms at double such a rate, but only for one quarter; **we've never seen back-to-back quarters for income growth of this magnitude in the history of the figures at least back to the 1940s**.

In monitoring progress toward passing such stimulus, note that the House of Representatives is expected to take up a version of the bill next week which will begin the process of securing approval in both chambers of Congress including the ultimate horse trading before a bill lands on the President's desk. Passage sometime in March with cheques going out in April is likely and probably through reliance on the go-it-alone budget reconciliation route. Then the debate may shift toward using this option a second allowed time for an infrastructure bill that would heap on further stimulus.

The first-round effect of stimulus injections of this magnitude is to spend a little and save a lot. We know the retail sales control group went up by about 6% m/m last month which is likely to drive about 3–3.5% growth in total consumer spending in Friday's figures for January. **The net effect would likely see the personal saving rate soar to around 24%, or a level not seen since last May**. As stimulus works through, we're likely to see substantial consumption gains over 2021H1 with an elevated saving rate throughout the period that should gradually decline as precautionary saving motives diminish. Some of this may be put toward balance sheet repair. As the overall process unfolds, we're likely to witness sustained strong consumption gains into the second half of this year.

**What this could do is to put upward pressure upon consensus estimates for GDP and consumption growth right off the bat to start 2021** given Bloomberg's consensus anticipates growth in both measures at an annualized pace of just 2–3% during 2021Q1. It's not clear one should go as high as the Atlanta Fed's 'nowcast' that is tracking 9½% annualized Q1 GDP growth before we get much data to put in the sausage grinder, but it's feasible.

**In addition to this massive positive income shock is the fact that consumers are sitting on top of a heavy overhang of accumulated extra cumulative savings** (chart 2). Liquid deposits and cash balances have increased by US\$4 trillion since last February. There is an element of a liquidity trap along with balance sheet repair that may restrain at least some of this overshoot from going back into the system, but if there is one thing I've learned it is never to underestimate US consumers' spending capacity.



There is, however, the old adage about leading a horse to water. Will consumers re-engage in the economy and spend this manna from heaven (or from Joe, to be more accurate)? Vaccine progress is important in this regard. Chart 3 shows vaccine deliveries to the US by Pfizer and Moderna and indicates that, at two doses per person, the US will have enough doses to vaccinate pretty much all of its population by July. If evidence that Pfizer's shot may not require two doses reduces the requirement then this could effectively happen sooner, plus there are still Johnson and Johnson's plans to deliver 100 million vaccinations at a one-dose requirement by mid-year pending potential approval over coming weeks.

Once vaccinated, then what?...assuming the vaccines remain significantly effective against variants. See Marc Ercolao's helpful cover chart on page 1 of the Global Week Ahead which suggests that many people will re-engage in pandemic-affected activities. The chart shows survey responses to the question of whether people will return to pandemic-affected activities after they have been vaccinated. Between 20–50% of respondents in both the US and Canada say they will do so across most activities. The debate on whether people return to pre-pandemic activities is likely too binary in nature, with polarized assumptions on how nobody will, or everyone will. **The truth is likely somewhere in the middle and 20–50% response rates are significant at the margin which is what matters to predicting growth in consumption and the overall economy.** It's feasible that these response rates could build with confidence. Also note that perhaps somewhat curiously there are more Canadians than Americans indicating willingness to return to such activities; perhaps that reflects a much lower per capita cumulative COVID-19 case count north of the border.

In addition to the question of whether consumers will re-engage in pre-pandemic activities and over what time period is what they might do with their bounty instead. There will likely be high reticence to engage in many pandemic activities for a substantial number of folks for some time yet. Each cycle, however, drives changes in the composition of consumption and this cycle is likely to be no different. Instead of spending on monthly transit passes, cruise tickets or airfare, and sporting or concert tickets, consumers are likely to spend on other things and likely with a bit of a nesting focus around the home digs. Remember, it wasn't that long ago that alongside strained housing affordability folks started to willingly spend thousands on fancy phones, iPads and laptops. Speaking of which, where'd my phone go....

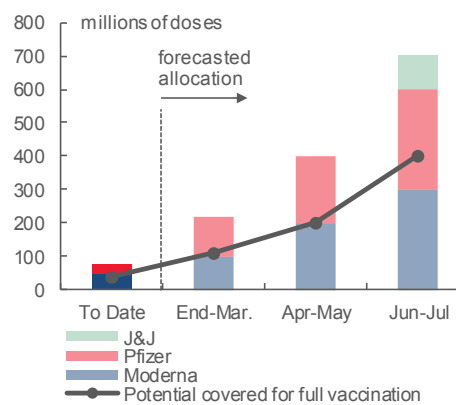
All of which brings us on the long Charlie Brown route back home to what it all means for the Federal Reserve. **Could Larry Summers be correct in warning that fiscal stimulus will overheat the economy and bring the Fed to hike as early as late-2022?** It's not our base case at this point, but I wouldn't rule it out by any means. If Okun's 'law' between stimulus-fed consumption and GDP growth boosts employment on the back of such stimulus and organic drivers take over to propel employment and consumption in a post-vaccine world, then we could be at full employment much sooner than the Fed thinks. Ditto for inflation as the inventory cycle struggles to keep up with a potential consumption boom (hint: order early ahead of Spring...).

To then hike as soon as the end of next year would probably require the Fed to deviate from the 2013–15 playbook specifically with respect to reinvestment. My reading of Fed communications has not seen anything on reinvestment plans whereas they've just indicated in the meeting minutes and speeches that the 2013–14 taper experience is a likely model for today. The process of teeing up a taper and ending purchases could come to an end by late-2022 at which point it's unclear that the Fed would want to keep rolling over maturing securities and providing extended support through maintaining the size of the overall SOMA bond portfolio through 2023. Note that the Bank of Canada did not embrace reinvestment from the beginning. The Fed could well embrace roll-off and let maturing securities drop off the books and hike soon after ending purchases.

**Such a scenario would conform to the longstanding argument that this is a transitory shock being solved by science as monetary and fiscal policy dramatically overshoot requirements.** To get to full employment and on inflation targets sooner than feared would be a wonderful achievement after tragic losses of loved ones, employment, financial and overall health. It could also coincide with an abrupt move higher in bond yields, market dislocation effects, concern over whether the US administration will know when to reverse its spending addictions, and concern over the long-run imbalances in the US economy including fiscal and current account deficits of such potential magnitude as to one day make the country undeserving of its reserve currency status and its associated privileges.

Chart 3

**US Vaccine Dose Delivery Schedule\***



\*J&J's target is for first half of 2021.

Sources: Scotiabank Economics, company and US Government statements.

## 2. CENTRAL BANKS—HEAVY HITTERS AND ROLE PLAYERS

Three senior central bankers take to the stage next week from the Fed, ECB and Bank of Canada and three other central banks deliver policy decisions.

**Federal Reserve Chair Jay Powell delivers the semi-annual Monetary Policy Report testimony** on Tuesday at 10amET before the Senate Banking, Housing and Urban Affairs Committee and again the next day before the House Financial Services Committee. The MPR is available [here](#), but it's always the opening remarks that get released that day plus sometimes the early stages of questioning that matter. If he is asked about reinvestment and if he waffles, then ride the curve steeper yet.

**Bank of Canada Governor Tiff Macklem speaks on Tuesday** at 12:30pmET at a joint Edmonton/Calgary Chamber of Commerce event. His topic will be "Labour market impacts of COVID and sectoral implications." There will be a press conference at 1:30pmET. The topic suggests he will repeat his prior emphasis upon how the recovery is expected to continue to be uneven and many are being left behind. There are still 850,000 fewer employed people than there were last February before the pandemic and so, for now, the BoC is right to be in monitoring mode. Pushing back on curve steepening, however, may prove unwise given it's a pretty haughty bet by a modest central bank to lean against powerful forces in global bond markets. The ways in which it may be attempting to do so include communications tactics, like emphasizing the currency (whatsoever the merit!) and present slack considerations, plus altering purchase programs such as raising provincial bond buying (again, whatever the merit).

**ECB President Christine Lagarde speaks on Monday** at about 8:45amET at a conference on stability, economic coordination and governance in the EU ([here](#)). Watch for remarks on forecast risks ahead of the next update on March 11<sup>th</sup> as well as potential elaboration upon her warning against "brutally" withdrawing supports plus her support for speedier implementation of common EU borrowing.

**The People's Bank of China is not expected to alter its 1-year Loan Prime Rate of 3.85% or the 5-year rate of 4.65% when it makes its decision early in the week.** The Lunar New Year had a less pronounced effect on liquidity management by the PBOC this year. Like the US, given the managed yuan peg to the dollar, China's bond market has also sold off recently (chart 4).

**The Reserve Bank of New Zealand hasn't delivered a policy decision since November 10<sup>th</sup> but is expected to leave its official cash rate unchanged at 0.25% on Tuesday while its government bond purchase program slows (chart 5).** First implemented last March, the Monetary Policy Committee's initial NZ\$30 billion purchase program in the secondary market over a one-year period was subsequently increased over three separate announcements to a NZ\$100 billion program by last August with a completion date of June 2022. To date, the program has bought just over NZ\$45 billion of bonds. The central bank introduced a new Funding for Lending program at its last meeting and markets have largely priced out a negative overnight cash rate.

**Bank of Korea is also expected to stay on hold at 0.5% on Thursday.** The last statement on January 15<sup>th</sup> guided a prolonged hold by stating "the recovery in the Korean economy is expected to be modest and inflationary pressures on the demand side are forecast to remain weak." Governor Lee Ju-yeol has emphasized some concern toward household sector and market imbalances.

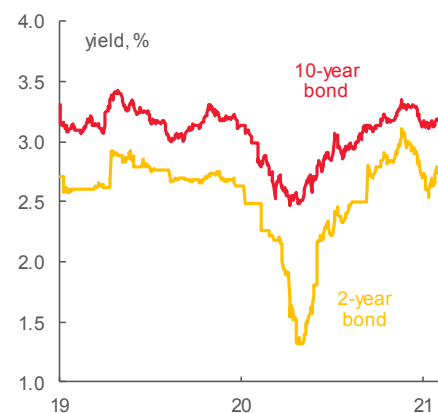
## 3. GRAB BAG!

i. **G20:** The G20's finance ministers and central bankers meet virtually on Friday and Saturday, February 26 and 27. Expect a wholesale defence of fiscal and monetary policy efforts designed to nurture the global economic recovery.

ii. **Canadian bank earnings:** Fiscal Q1 earnings (Nov–Jan) arrive starting with BNS (my employer) and BMO on Tuesday, followed by RBC & National on Wednesday, and then CIBC & TD Thursday.

Chart 4

China's Bond Selloff



Sources: Scotiabank Economics, Bloomberg.

Chart 5

RBNZ Slowing QE Buying



Sources: Scotiabank Economics, Bloomberg.

**iii. US indicators:** In addition to the consumer and inflation figures previously cited, there will be a sprinkling of other releases. Consumer confidence for February (Tuesday) might get a lift from stimulus cheques and enhanced unemployment insurance. The Richmond Fed's manufacturing gauge on Tuesday will be a tie-breaker between the improvement in the Empire measure versus the modest dip in the Philly Fed's results. New home sales (Wednesday) may face downside risk in January's tally stemming from the decline in model home foot traffic from November to January, albeit that foot traffic remains at elevated levels. January's durable goods orders (Thursday) will be shooting for the ninth consecutive gain in core orders ex-defence and air that serves as a proxy for equipment investment. The week wraps up with the first revision to the initial 4.0% Q4 GDP growth estimate.

**iii. Alberta's budget:** Scotia's Marc Desormeaux thinks we could see improved budget balance projections when Alberta releases its first pandemic era budget on Thursday and the comments in this section are his own. In line with guidance provided in November's mid-year fiscal update ([here](#)), the **government may delay providing a timeline to balance its books** until more progress is made on COVID-19 inoculation, and continue to target a net debt-to-GDP ratio below 30%. That would update estimated deficits of C\$21.3 bn (6.9% of GDP), \$15.5 bn (4.7%), and \$9.9 bn (2.8%) in FY21, FY22, and FY23, respectively.

WTI climbed toward US\$60/bbl this week, lifted by still-high OPEC+ quota compliance, broadly improving vaccination prospects, and demand- and supply-side effects from the blast of cold weather that is hammering southern US oil-producing regions. A lot can happen on all three fronts before the end of the next fiscal year, but the early-2021 surge puts crude closer to the optimistic 56 USD/bbl scenario outlined in November than the 45-dollar base case, and adds to production and drilling momentum building since late last year (chart 6). As a rule of thumb, the last several Alberta budgets have associated each 1 USD WTI price movement with a bottom-line impact of C\$300–350. Partial offsets to economic growth and revenue may come from second wave restrictions—implemented after the last update was released—and diminished local employment and investment activity related to cancellation of the Keystone XL pipeline.

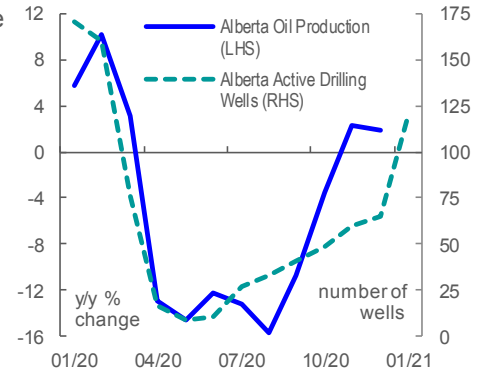
Government communications in recent weeks suggest that spending restraint will remain the focus of consolidation efforts. The mid-year update assumed a 9.6% reduction in program expenditures over FY22–23—a two-year pace influenced by expected drawdown pandemic spending but still not far off that completed during the historic, albeit longer consolidation period in the 1990s (chart 7). To the extent that a revenue surprise materializes, the Province may opt to ease FY22 expenditure cuts.

**iv. European indicators:** UK job markets and German business confidence will be the main focal points. The UK updates jobless claims for January and the change in employment during December on Tuesday, following a string of employment losses dating back to May by contrast to job market recoveries elsewhere (chart 8). German IFO business confidence in February (Monday) follows a rise in the ZEW investor expectations reading and completes the round of monthly sentiment gauges. Eurozone CPI will be revised for January on Tuesday after the initial -0.3% y/y reading. Sweden and Switzerland will release Q4 GDP estimates at the end of the week and both may be cooler following solid Q3 gains.

**v. Asian indicators:** Apart from central banks noted above, there will only be two batches of releases. India registers Q4 growth on Friday that should see the year-over-year rate barely turn positive after two steep quarterly declines. Japan's monthly data dump unfolds toward the end of the week including updates for industrial production that should rebound nicely, retail sales that are expected to remain weak, Tokyo CPI that is likely to remain in mild deflationary territory, and housing starts.

Chart 6

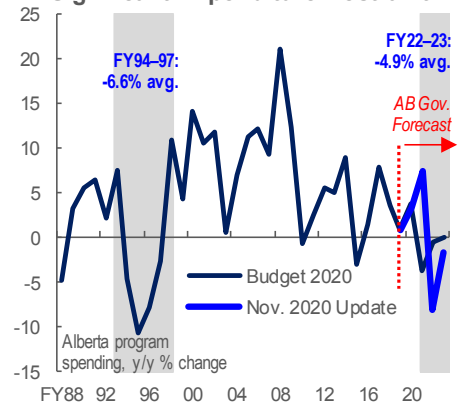
**Production, Drilling Already on the Rise Before Oil Price Surge**



Sources: Scotiabank Economics, Alberta Energy Regulator, Canadian Association of Oilwell Drilling Contractors.

Chart 7

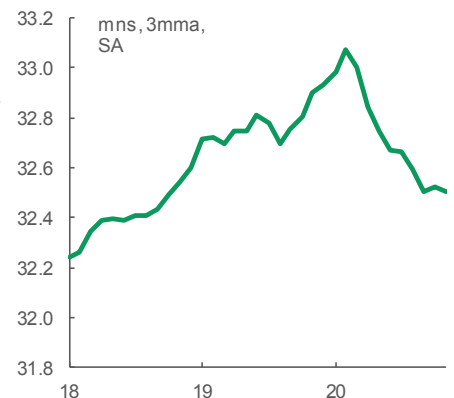
**November Fiscal Plan Built on Significant Expenditure Restraint**



Sources: Scotiabank Economics, Finance Canada, AB Treas. Board & Finance.

Chart 8

**The UK Has Yet to See a Jobs Recovery**



Sources: Scotiabank Economics, ONS.



**Key Indicators for week of February 22 – 26**
**NORTH AMERICA**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	02/22	10:00	Leading Indicators (m/m)	Jan	--	0.3	0.3
US	02/22	10:30	Dallas Fed. Manufacturing Activity	Feb	--	5.0	7.0
US	02/23	09:00	S&P/Case-Shiller Home Price Index (m/m)	Dec	--	1.3	1.4
US	02/23	09:00	S&P/Case-Shiller Home Price Index (y/y)	Dec	--	10.0	9.1
US	02/23	10:00	Consumer Confidence Index	Feb	91.0	90.0	89.3
US	02/23	10:00	Richmond Fed Manufacturing Index	Feb	--	16.0	14.0
MX	02/24	07:00	Bi-Weekly Core CPI (% change)	Feb 15	0.2	0.2	0.2
MX	02/24	07:00	Bi-Weekly CPI (% change)	Feb 15	0.2	0.2	0.5
MX	02/24	07:00	Retail Sales (INEGI) (y/y)	Dec	--	--	-5.1
US	02/24	07:00	MBA Mortgage Applications (w/w)	Feb 19	--	--	-4.1
US	02/24	10:00	New Home Sales (000s a.r.)	Jan	850.0	850.0	842.0
MX	02/25	07:00	GDP (q/q)	4Q F	-4.5	--	3.1
MX	02/25	07:00	GDP (y/y)	4Q F	--	--	-4.5
MX	02/25	07:00	Global Economic Indicator IGAE (y/y)	Dec	--	--	-3.9
MX	02/25	07:00	Unemployment Rate (%)	Jan	--	--	3.8
US	02/25	08:30	Durable Goods Orders (m/m)	Jan P	1.0	1.1	0.5
US	02/25	08:30	Durable Goods Orders ex. Trans. (m/m)	Jan P	0.7	0.6	1.1
US	02/25	08:30	GDP (q/q a.r.)	4Q S	4.1	4.1	4.0
US	02/25	08:30	GDP Deflator (q/q a.r.)	4Q S	--	2.0	2.0
US	02/25	08:30	Initial Jobless Claims (000s)	Feb 20	850.0	835.0	793.0
US	02/25	08:30	Continuing Claims (000s)	Feb 13	4,500	4,405	4,545
US	02/25	10:00	Pending Home Sales (m/m)	Jan	--	-0.5	-0.3
MX	02/26	07:00	Trade Balance (US\$ mn)	Jan	6,300	--	6,262
CA	02/26	08:30	IPPI (m/m)	Jan	--	--	1.5
CA	02/26	08:30	Raw Materials Price Index (m/m)	Jan	--	--	3.5
US	02/26	08:30	PCE Deflator (m/m)	Jan	0.3	0.3	0.4
US	02/26	08:30	PCE Deflator (y/y)	Jan	1.4	1.4	1.3
US	02/26	08:30	PCE ex. Food & Energy (m/m)	Jan	0.0	0.1	0.3
US	02/26	08:30	PCE ex. Food & Energy (y/y)	Jan	1.3	1.4	1.5
US	02/26	08:30	Personal Spending (m/m)	Jan	3.0	2.3	-0.2
US	02/26	08:30	Personal Income (m/m)	Jan	11.2	9.5	0.6
US	02/26	08:30	Wholesale Inventories (m/m)	Jan P	--	0.3	0.3
US	02/26	09:45	Chicago PMI	Feb	--	61.0	63.8
US	02/26	10:00	U. of Michigan Consumer Sentiment	Feb F	--	76.3	76.2

**EUROPE**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	02/22	04:00	IFO Business Climate Survey	Feb	--	90.5	90.1
GE	02/22	04:00	IFO Current Assessment Survey	Feb	--	89.0	89.2
GE	02/22	04:00	IFO Expectations Survey	Feb	--	91.6	91.1
UK	02/23	02:00	Average Weekly Earnings (3-month, y/y)	Dec	--	4.2	3.6
UK	02/23	02:00	Employment Change (3M/3M, 000s)	Dec	--	-30.0	-88.0
UK	02/23	02:00	Jobless Claims Change (000s)	Jan	--	--	7.0
UK	02/23	02:00	ILO Unemployment Rate (%)	Dec	--	5.1	5.0
EC	02/23	05:00	CPI (m/m)	Jan F	--	0.2	0.2
EC	02/23	05:00	CPI (y/y)	Jan F	--	0.9	0.9
EC	02/23	05:00	Euro zone Core CPI Estimate (y/y)	Jan F	--	1.4	1.4
GE	02/24	02:00	Real GDP (q/q)	4Q F	--	0.1	0.1
GE	02/25	02:00	GfK Consumer Confidence Survey	Mar	--	-14.0	-15.6
EC	02/25	05:00	Economic Confidence	Feb	--	92.0	91.5
EC	02/25	05:00	Industrial Confidence	Feb	--	-5.0	-5.9
SZ	02/26	01:45	GDP (y/y)	4Q	--	-2.0	-1.6
FR	02/26	02:45	Consumer Spending (m/m)	Jan	--	-3.5	23.0
FR	02/26	02:45	GDP (q/q)	4Q F	--	-1.3	-1.3
FR	02/26	02:45	Producer Prices (m/m)	Jan	--	--	0.8

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for week of February 22 – 26

### EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SP	02/26	03:00	CPI (m/m)	Feb P	--	-0.1	0.0
SP	02/26	03:00	CPI (y/y)	Feb P	--	0.5	0.5
SP	02/26	03:00	CPI - EU Harmonized (m/m)	Feb P	--	-0.2	-0.4
SP	02/26	03:00	CPI - EU Harmonized (y/y)	Feb P	--	0.4	0.4
SW	02/26	03:30	GDP (y/y)	4Q	--	-2.6	-2.5
PD	02/26	04:00	GDP (y/y)	4Q F	--	--	-2.80
SP	02/26	04:00	Current Account (€ bn)	Dec	--	--	3.3
PO	02/26	06:00	Real GDP (q/q)	4Q F	--	0.40	0.40

### ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
TA	02/20	03:00	Real GDP (y/y)	4Q F	4.9	4.9	4.9
<b>CH</b>	<b>02/21</b>	<b>20:30</b>	<b>PBoC Loan Prime Rate 1-Year (%)</b>	<b>Feb 22</b>	<b>3.85</b>	<b>3.85</b>	<b>3.85</b>
TH	02/21	22:30	Customs Exports (y/y)	Jan	--	2.5	4.9
TH	02/21	22:30	Customs Imports (y/y)	Jan	--	-8.1	3.0
TH	02/21	22:30	Customs Trade Balance (US\$ mn)	Jan	--	7.4	963.6
HK	02/22	03:30	CPI (y/y)	Jan	1.0	0.9	-0.7
SK	02/22	16:00	Consumer Confidence Index	Feb	--	--	95.4
NZ	02/22	16:45	Retail Sales Ex Inflation (q/q)	4Q	--	-0.5	28.0
SK	Feb 21-26		Department Store Sales (y/y)	Jan	--	--	-16.9
SI	02/23	00:00	CPI (y/y)	Jan	0.4	0.1	0.0
SK	02/23	16:00	Business Survey- Manufacturing	Mar	--	--	81.0
SK	02/23	16:00	Business Survey- Non-Manufacturing	Mar	--	--	70.0
AU	02/23	19:30	Wage Cost Index (q/q)	4Q	--	0.3	0.1
<b>NZ</b>	<b>02/23</b>	<b>20:00</b>	<b>RBNZ Official Cash Rate (%)</b>	<b>Feb 24</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>
MA	02/23	23:00	CPI (y/y)	Jan	-1.3	-0.8	-1.4
TA	02/24	03:00	Export Orders (y/y)	Jan	--	46.1	38.3
HK	02/24	03:30	Real GDP (y/y)	4Q F	-3.0	-3.0	-3.0
AU	02/24	19:30	Private Capital Expenditure	4Q	--	0.5	-3.0
HK	Feb 23-24		Annual GDP	2020	-6.1	-6.1	-6.1
JN	02/25	00:00	Coincident Index CI	Dec F	--	--	87.8
JN	02/25	00:00	Leading Index CI	Dec F	--	--	94.9
JN	02/25	00:00	Supermarket Sales (y/y)	Jan	--	--	2.7
JN	02/25	00:30	Nationwide Department Store Sales (y/y)	Jan	--	--	-13.7
TH	02/25	02:00	Current Account Balance (US\$ mn)	Jan	--	-415.0	-693.0
TH	02/25	02:30	Exports (y/y)	Jan	--	--	4.6
TH	02/25	02:30	Imports (y/y)	Jan	--	--	-0.1
TH	02/25	02:30	Trade Balance (US\$ mn)	Jan	--	--	2834.0
TA	02/25	03:00	Industrial Production (y/y)	Jan	--	19.2	9.9
TA	02/25	03:00	Unemployment Rate (%)	Jan	--	3.8	3.8
HK	02/25	03:30	Exports (y/y)	Jan	--	31.0	11.7
HK	02/25	03:30	Imports (y/y)	Jan	--	33.0	14.1
HK	02/25	03:30	Trade Balance (HKD bn)	Jan	--	-48.8	-45.7
NZ	02/25	16:00	ANZ Consumer Confidence Index	Feb	--	--	113.8
NZ	02/25	16:45	Trade Balance (NZD mn)	Jan	--	-629.0	17.4
NZ	02/25	16:45	Exports (NZD bn)	Jan	--	4.2	5349.5
NZ	02/25	16:45	Imports (NZD bn)	Jan	--	4.8	5332.1
JN	02/25	18:30	Tokyo CPI (y/y)	Feb	--	-0.4	-0.5
JN	02/25	18:50	Large Retailers' Sales (y/y)	Jan	--	-7.9	-3.4
JN	02/25	18:50	Retail Trade (y/y)	Jan	--	-2.6	-0.2
JN	02/25	18:50	Industrial Production (y/y)	Jan P	--	-5.4	-2.6
AU	02/25	19:30	Private Sector Credit (y/y)	Jan	--	1.8	1.8
MA	02/25	23:00	Exports (y/y)	Jan	--	7.6	10.8
MA	02/25	23:00	Imports (y/y)	Jan	--	1.8	1.6
MA	02/25	23:00	Trade Balance (MYR bn)	Jan	--	17.0	20.7
<b>SK</b>	<b>02/25</b>		<b>BoK Base Rate (%)</b>	<b>Feb 25</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>
VN	Feb 24-28		CPI (y/y)	Feb	--	0.1	-1.0
VN	Feb 24-28		Industrial Production (y/y)	Feb	--	--	22.2

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for week February 22 – 26

### ASIA-PACIFIC (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
JN	02/26	00:00	Housing Starts (y/y)	Jan	--	-1.9	-9.0
JN	02/26	00:00	Construction Orders (y/y)	Jan	--	--	-1.3
SI	02/26	00:00	Industrial Production (y/y)	Jan	--	3.6	14.3
TA	02/26	03:20	Current Account Balance (US\$ mn)	4Q	--	--	28651.0
IN	02/26	05:30	Fiscal Deficit (INR Crore)	Jan	--	--	82962.00
IN	02/26	07:00	Real GDP (y/y)	4Q	-2.5	0.5	-7.5
HK	Feb 25-26		Govt Monthly Budget Surp/Def (HKD bn)	Jan	--	--	49.6
PH	Feb 25-26		Budget Deficit/Surplus (PHP bn)	Dec	--	--	-128.3

### LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	02/24	07:00	IBGE Inflation IPCA-15 (m/m)	Feb	--	0.5	0.8
BZ	02/24	07:00	IBGE Inflation IPCA-15 (y/y)	Feb	--	4.6	4.3
BZ	02/24	07:30	Current Account (US\$ mn)	Jan	--	-7442.5	-5392.9
CL	02/26	07:00	Industrial Production (y/y)	Jan	--	--	0.4
CL	02/26	07:00	Retail Sales (y/y)	Jan	--	--	10.4
CL	02/26	07:00	Unemployment Rate (%)	Jan	--	--	10.3
CO	02/26	10:00	Urban Unemployment Rate (%)	Jan	--	--	15.6



## Global Auctions for week of February 22 – 26

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	02/23	13:00	U.S. To Sell 2-Year Notes
US	02/25	13:00	U.S. To Sell 7-Year Notes

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BE	02/22	06:00	Belgium to Sell Bonds
NE	02/23	04:00	Netherlands to Sell Up to 2.5B Euros of 0.5% 2040 Bonds
UK	02/23	05:00	U.K. to Sell 2 Billion Pounds of 0.625% 2050 Bonds
IT	02/23	05:00	Italy to Sell I/L Bonds
IT	02/23	05:00	Italy to Sell Bonds
SW	02/24	05:00	Sweden to Sell Bonds
MB	02/24	05:00	Malta to Sell Bonds
GE	02/24	05:30	Germany to Sell EUR4 Bln 0% 2031 Bonds
IT	02/25	05:00	Italy to Sell Bonds

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	02/21	20:30	Bank of Korea to Sell 600 Billion Won 1-Year Bonds
SK	02/21	20:30	South Korea to Sell 1.1 Trillion Won 5-Year Bonds
SK	02/21	21:30	South Korea to Sell 1.6 Trillion Won 5-Year Bonds
TA	02/21	23:30	Taiwan to Sell TWD35 Bln 30-Yr Bonds
SK	02/22	00:00	Bank of Korea to Sell 800 Billion Won 91-Day Bonds
SK	02/22	21:30	South Korea to Sell 750 Billion Won 20-Year Bonds
SI	02/24	00:00	Singapore to Sell S\$2.8 Billion Bonds Due 2023
PK	02/24	03:00	Pakistan to Sell QTR Floating Bonds
PK	02/24	03:00	Pakistan to Sell Floating 2026 Bonds
JN	02/25	22:35	Japan to Sell 2-Year Bonds

### LATIN AMERICA

No Scheduled Auctions

## Events for week of February 22 – 26

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	02/23	10:00	Powell To Deliver Semi-Annual Monetary Policy Report
CA	02/23	12:30	Bank of Canada Governor Tiff Macklem Gives Speech
US	02/25	08:30	Fed's Bostic Gives Opening Remarks at banking Conference
MX	02/25	10:00	Central Bank Monetary Policy Minutes
US	02/25	10:30	Fed's Bullard Discusses Economy and Monetary Policy
US	02/25	15:00	Fed's Williams Takes Part in Virtual Discussion

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SW	02/22	07:00	Riksbank's Floden Speaks on Inflation, Economy and Policy
EC	02/22	08:45	ECB's Lagarde Gives Keynote
SW	02/23	03:00	Riksbank's Breman Speaks on Monetary Policy, Price Stability
HU	02/23	08:00	Central Bank Rate Decision
HU	02/23	08:00	Overnight Deposit Rate
UK	02/24	07:00	BOE's Haldane Speaks at BOE Seminar on Changing World of Work
HU	02/25	05:50	One-Week Deposit Rate
PO	02/25		Portugal Releases Year-to-Date Budget Report
EC	02/26	03:30	ECB's Schnabel Speaks
UK	02/26	07:30	BOE's Ramsden Speaks on Bank Resolution
IT	02/26/21-02/27/21		G20 Finance Ministers

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
HK	02/16/21-02/21/21		Composite Interest Rate
CH	02/21	20:30	1-Year Loan Prime Rate
CH	02/21	20:30	5-Year Loan Prime Rate
NZ	02/23	20:00	RBNZ Monetary Policy Statement
NZ	02/23	20:00	RBNZ Official Cash Rate
SK	02/24/21-02/25/21		BoK 7-Day Repo Rate

### LATIN AMERICA

No Scheduled Events

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	March 10, 2021	0.25	0.25
Federal Reserve – Federal Funds Target Rate	0.25	March 18, 2021	0.25	0.25
Banco de México – Overnight Rate	4.00	March 26, 2021	4.00	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	March 11, 2021	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	March 11, 2021	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	March 11, 2021	-0.50	-0.50
Bank of England – Bank Rate	0.10	March 18, 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	4.25	March 19, 2021	4.25	4.25
Sweden Riksbank – Repo Rate	0.00	April 27, 2021	0.00	0.00
Norges Bank – Deposit Rate	0.00	March 18, 2021	0.00	0.00
Central Bank of Turkey – Benchmark Repo Rate	17.00	March 18, 2021	17.00	17.00

### 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	March 19, 2021	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.10	March 2, 2021	0.10	0.10
Reserve Bank of New Zealand – Cash Rate	0.25	February 24, 2021	0.25	0.25
People's Bank of China – 1-Year Loan Prime Rate	3.85	February 22, 2021	3.85	3.85
Reserve Bank of India – Repo Rate	4.00	April 7, 2021	4.00	4.00
Bank of Korea – Bank Rate	0.50	February 25, 2021	0.50	0.50
Bank of Thailand – Repo Rate	0.50	March 24, 2021	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	March 4, 2021	1.75	1.75
Bank Indonesia – 7-Day Reverse Repo Rate	3.50	March 18, 2021	3.50	3.50
Central Bank of Philippines – Overnight Borrowing Rate	2.00	March 25, 2021	2.00	2.00

**Reserve Bank of New Zealand (RBNZ):** The RBNZ will hold a monetary policy meeting on February 24. We expect the RBNZ to leave the Official Cash Rate unchanged at 0.25% as the economy continues its gradual recovery. Inflationary pressures remain contained in New Zealand with the CPI increasing by 1.4% y/y in Q4, allowing the RBNZ to maintain accommodative monetary conditions in place for the foreseeable future. **People's Bank of China (PBoC):** The Chinese benchmark Loan Prime Rates (LPR) have remained unchanged since April 2020. We expect the rates to stay on hold on February 22—and over the coming months—as the economy's recovery continues. While monetary policy is set to remain flexible and targeted, the PBoC will pay increased attention to any potential buildup of financial imbalances. **Bank of Korea (BoK):** Korean monetary policymakers will make an interest rate announcement on February 25. We do not expect any changes to the benchmark interest rate, which currently stands at 0.50%; the most recent rate cut took place in May 2020. The BoK will likely hold monetary conditions unchanged in the medium term as it continues to assess the economic recovery's strength and sustainability and as fiscal stimulus is working its way through the economy.

### 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	March 18, 2021	2.00	2.00
Banco Central de Chile – Overnight Rate	0.50	March 31, 2021	0.50	0.50
Banco de la República de Colombia – Lending Rate	1.75	March 27, 2021	1.75	1.75
Banco Central de Reserva del Perú – Reference Rate	0.25	March 11, 2021	0.25	0.25

### 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	3.50	March 25, 2021	3.50	3.50

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

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