August 27, 2021

BACK TO SCHOOL

FORECASTS & DATA

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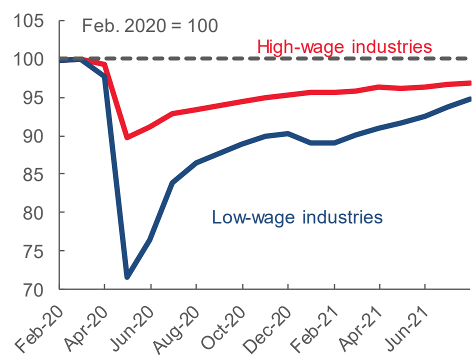
Next Week's Risk Dashboard

- US payrolls to test resilience to Delta
- The evidence on Delta and kids
- Why jobs might disappoint into a new school year
- The Canadian election and markets
- GDP: Canada, Australia, India, Brazil
- PMIs: US (ISM), Mexico, China, India, Brazil
- CPI: EZ, Switzerland, Peru, Indonesia, SK
- CBs: Chile to hike

Chart of the Week

United States: Low-Wage Industries Closing Employment Recovery Gap*



*Low-wage (high-wage) industries classified based on wages below (above) the total industry average wage.
Sources: Scotiabank Economics, BLS.

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

Back to School

Friday's US jobs report and its possible influences on global markets and the Federal Reserve's policy stance will be important in two respects. First, it will inform how US job markets are holding up as the Delta variant took off. Second, it will help to set the stage for how job markets may fare as parents and schoolkids head into another uncertain academic year. Other global developments will be relatively light over the coming week.

US JOBS TO TEST RESILIENCE TO DELTA

US jobs data arrive on Friday for the month of August, but the transition to the new school year that begins in September for most school kids may prove to be more important to markets and might not unfold the way many expect.

I went with +650k for nonfarm in August and another dip in the unemployment rate to 5.2%. The August report might offer the first test of the US economy's resilience in the face of rising COVID-19 cases. We already know that several activity readings have softened of late and it may be reasonable to expect the same for job growth. Supply-side issues may become more of a challenge in client-facing service sectors such that there could be fewer people willing to fill vacancies compared to the pattern of previously stronger gains in employment. Furthermore, as Marc Ercolao's chart of the week demonstrates (see front cover), the low hanging fruit on bringing back relatively lower wage earners in sectors like leisure and hospitality that includes bars, restaurants and accommodations might have already been picked as lower wage employment has recovered to almost the same degree as higher wage employment.

This payrolls estimate may be further informed by data prints in the run-up to Friday's nonfarm figures. Tuesday's 'jobs plentiful' reading in consumer confidence for August could tell us more about what consumers witnessed by way of hiring sentiment. Wednesday's ADP private payrolls report could be informative if it's a real outlier. Wednesday's ISM-manufacturing employment subindex could inform hiring appetite, but the more important ISM-services employment reading won't arrive until after Friday's payrolls report.

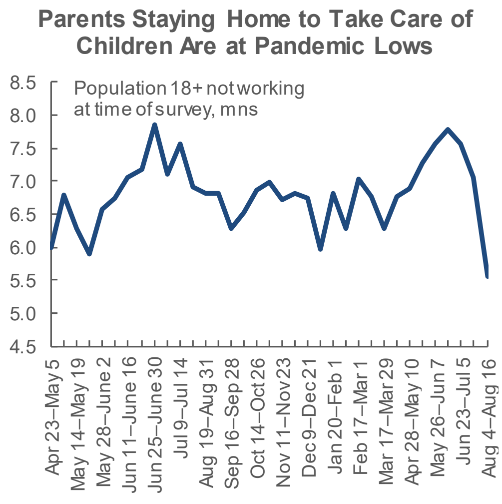
BACK TO SCHOOL EFFECTS ON JOBS

August payrolls are one thing, but how might job growth unfold through September when the kids head back to school? A view long held by many is that once the kids go back, the parents may be free to, well, perhaps do a lot of things not least of which being to go back to work and drive accelerated job growth. This important issue could affect the ongoing speed of recovery in job markets, the Federal Reserve's 'substantial further progress' goals before it starts to taper, and broad spare capacity considerations with connections to inflation.

Are the Parents Already Back to Work?

But what if the parents already shuffled the kids off to day camps, vaccinated grandparents and the care of others and their return to work has already driven an acceleration of job growth? Junior's lemonade stand might not be quite cutting it in terms of paying the bills and so exigent financial circumstances might have had parents unwilling to wait for September. What if that was why we saw monthly job gains of nearly one million in each of June and July despite the kids being off for summer? Did we all sleep walk through the re-entry of parents while markets were intoxicated by the strong jobs reports? That could mean that expectations for a rush of hiring activity as the new school year begins have not adapted to what may have already happened and could therefore face risk of disappointment.

Chart 1



Sources: Scotiabank Economics, Census Bureau.

Chart 1 suggests this is a distinct possibility. The Census Bureau's Household Pulse Survey began in April 2020 and among the measures it tracks is how many parents say they are not working because they are at home ~~going bonkers while~~ taking care of the kids. The way the question is asked seems to capture parents who are not in the workforce for reasons that existed before the pandemic and that worsened during it, plus those who are in the workforce but unemployed while looking for suitable hybrid work arrangements. There is therefore likely a 'normal' pre-pandemic number of parents in this boat and so changes relative to a trend line are important. Results into August show the lowest tally during the pandemic to date. By corollary, if they've already returned to work, then there might not be the powerful effect on hiring in September.

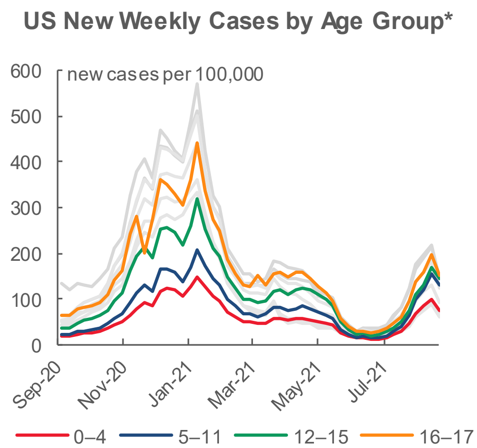
Ironically, it could be the case that the Biden administration's policy change to pay $300/child under age 6 and $250/ child between ages 6–17 could have offered enough help for childcare that it contributed to the re-entry of parents while COVID-19 cases had collapsed until recently.

Are Kids Hit Harder by Delta?

But how likely might parents be to stay in their jobs once the new school year begins if they are concerned about exposing their children to the virus and bringing it home? That could be a very different risk to payrolls as the Delta variant rises. We don't have a good handle on this but can offer some observations.

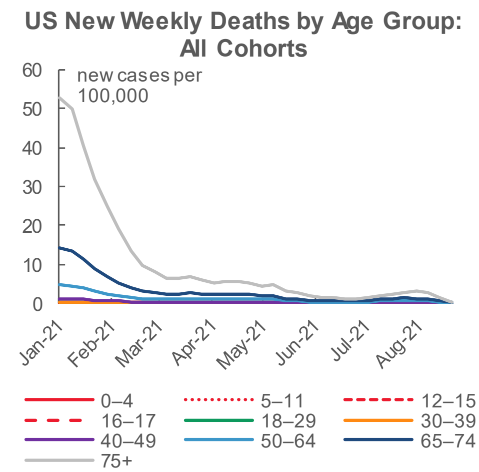
One may have the general impression based upon some news media coverage that kids are being affected much more adversely by the current Delta wave of COVID-19 cases than prior waves. If so, then that would be material fresh evidence that could spark a significant number of parents to i) hold their kids back from attending in-person school or ii) to hesitate to rejoin the workforce or iii) to quit and return home again.

Chart 2



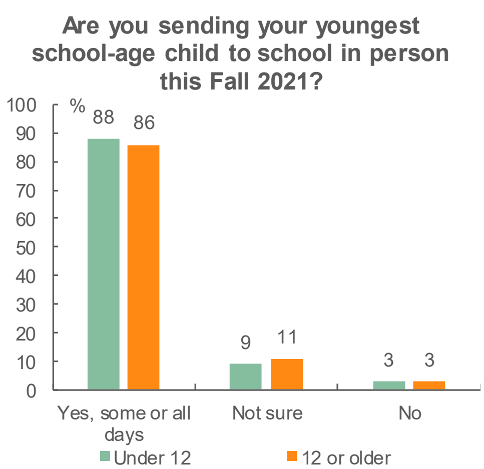
*Grey lines are the remaining age cohorts shown for visualization purposes.
Sources: Scotiabank Economics, CDC.

Chart 3



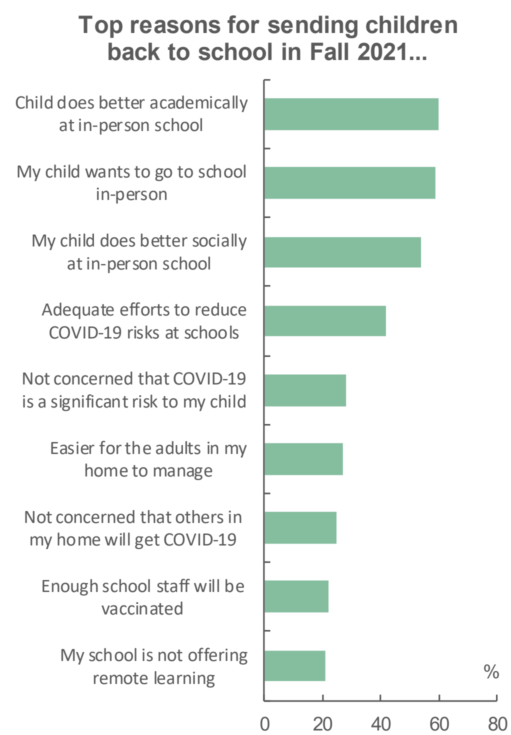
Sources: Scotiabank Economics, CDC.

Chart 4



Sources: Scotiabank Economics, RAND Survey.

Chart 5



Sources: Scotiabank Economics, RAND Survey.

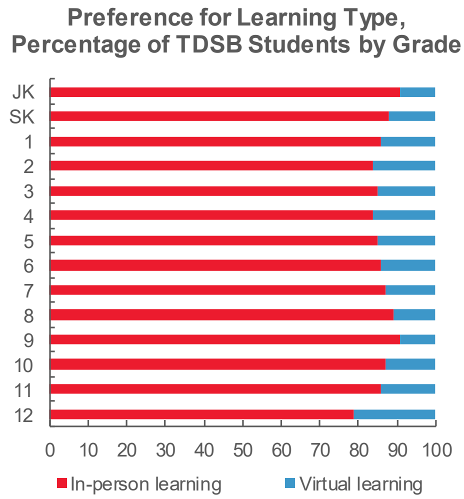
What's the hard evidence? The only reason why kids are a higher share of total cases this time around appears to be because older cohorts are experiencing far fewer cases rather than proportionately more cases affecting kids. Charts 2 and 3 provide one way of looking at it. They evaluate trends in new cases across school-age K-12 cohorts as well as COVID-19 rates of morbidity. The charts do so by scaling new cases and deaths to the number of people in each cohort. It's vital to do this because, for instance, one might otherwise be left with the false impression that kids are more vulnerable to COVID-19 now than previously just from looking at their share of total cases across the whole population when older populations are more likely to be vaccinated today. At worst the youngest cohorts are experiencing similar rates of infection to previously and the older of the young cohorts have much lower incidence rates.

What are Parents and Kids Saying?

At least in the early going part of the new school year, what also matters is whether parents and kids *intend* on returning to school. For this, we can only gauge survey evidence to date and cross our fingers on how it holds up. Chart 4 shows that the vast majority of parents intend on sending their kids back to school both in the under 12 cohort that is not yet eligible for vaccines and the 12+ eligible cohort.

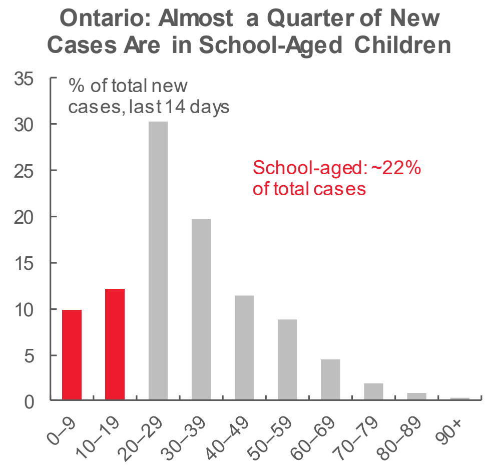
Why? I mean apart from sanity. Chart 5 shows the number one concern motivating US parents to send their kids back is academic performance and the second reason for sending them back is that the kids want to do so; why those little darling over-achievers! Of course individual responses may vary widely and partly due to possible pre-conditions. Chart 6 shows survey responses from the neighbouring jurisdiction of Ontario, Canada where the vast majority of parents prefer in-person learning. Chart 7 also demonstrates a similar point to what can be observed in the US in that relatively younger cohorts are representing a bigger share of cases this time around because the older cohorts are much more vaccinated which doesn't necessarily equate to younger cohorts being more vulnerable to this wave than prior waves.

Chart 6



Sources: Scotiabank Economics, TDSB.

Chart 7



Sources: Scotiabank Economics, Public Health Ontario.

DON'T BET THE FARM ON THE CANADIAN ELECTION

For most readers what matters most is whether the Canadian election will have a major effect on financial markets. I don't expect it to do so and will keep the focus upon why.

There is a first practical point to be made in that attempting to time market event trading strategies around the results is confronted by the fact we don't know when we'll get the results. Ordinarily a conventional election held in 'normal' times would have the results known on the evening of the election. These are clearly not normal times.

The reason we don't know when the results will arrive is because of unprecedented use of mail-in ballots. The election will be held on September 20th, but Elections Canada guides that it expects 2–3 million requests for mail-in ballots this time due to the pandemic. There were only about 50k mail-ins last time including voters abroad even though mail-in voting has been used in Canada since 1993. We should know how many people have requested mail-in ballots by the September 14th cut-off for doing so. It may take days just to verify mail-in ballots before starting to count them. So, unless the in-person vote tallies result in a total runaway by the evening of the 20th, then the victor may have to wait until the last mail-ins are counted. Then there may be an issue of recounts and contested outcomes if the results are really close. It's not inconceivable that Canada's election could repeat at least some of the theatrics around the recent US election.

If we don't know when the results will arrive then liquidity, expirations and overlap with competing market events could make trading the election fraught with greater than normal perils. For example, the FOMC statement and forecasts including a revised dot plot arrive on September 22nd and hence two days after the election. Overlapping developments could make it tough to discern any possible election effect on CAD and local rates, credit and equities—and could very well run counter to expectations around election effects.

Oh, and here's how to get a mail-in kit and note the warning at the top of the web site about high volumes as guidance to the potential uncertainty around the number of mail-ins.

Secondly, the biggest reason why I'm skeptical there will be a notable market reaction is that this election campaign is not being fought over a key one or two policy matters of enormous importance to financial markets and the economy with stances that are materially different from the status quo. It's not like the 1988 election that was fought over a free trade agreement with the United States, or the two elections in the 1990s that were fought over repairing the country's finances. I can't honestly say that one platform will be more fiscally conservative than another, more pro-growth than another, more (or less) inflationary than another or even friendlier to key sectors than another. If so, then there may be no material impact upon monetary policy either. A risk to that view would clearly be a majority government emboldened to drive more expansionary fiscal policy but the parties appear to offer similar risks in that sense.

Then we're left with the usual points about elections. We all know that polls are hugely uncertain and have gotten more wrong than right over time and across the world. Trump's 2016 victory and the Brexit vote earlier that year remain two of the biggest examples over recent years. A recent domestic example was the surprise majority victory by the Conservatives in the Nova Scotia election. Polls are more about providing infotainment than anything else. We'll reserve judgement until we see what actually happens on game day.

Further, models to translate popular votes into seats in a first-past-the-post electoral system are highly imprecise even if the popular vote shares proved accurate.

That said, polls and models suggest there is still a fairly high chance at a status quo outcome with the Liberals getting another minority backed by the NDP. In order to surprise markets, the Conservatives or Liberals or NDP would have to win 170 or more seats and form a majority which at present is not supported by the (often unreliable) polls. This could well change in multiple ways.

Then there is the issue of platform intentions versus what actually gets implemented following the election. That's open to judgement as things unfold.

In conclusion, I've heard more predictions of market effects stemming from election outcomes that proved to be dead wrong than right. The above arguments add to the reasons to be careful as market participants in trying to estimate the impact of this election.

OTHER MACRO

A steady stream of global macro readings also lies ahead with every major region participating.

Yet another wave of global purchasing managers' indices arrive and will offer further Q3 growth signals (charts 8–13). US ISM measures for manufacturing (Tuesday) and services (Friday) could cool due to a combination of supply-side challenges and the rise of the Delta variant but watch the price and hiring signals particularly closely. China updates the state's purchasing managers' indices for August on Monday and then the private PMIs on Tuesday and Thursday. Mexico will refresh its manufacturing PMI Wednesday and Brazil will update its suite of PMIs on Wednesday and Friday. India updates PMIs on Wednesday and Friday.

US markets will also consider several other macro readings before nonfarm payrolls arrive. The Conference Board's consumer confidence reading for August might follow the UoM sentiment measure lower on Tuesday, but the CB measure has been the stronger one so far this year and is more weighted toward jobs. Vehicle sales are expected to plummet in Wednesday's tally for August given advance industry guidance. Construction spending might drop given a significant decline in housing starts that would be difficult for nonresidential construction spending to overcome. The trade deficit likely narrowed as a services surplus gets added to what we already know happened to the goods deficit (Thursday). Factory orders might inch forward on nondurable goods orders given we already know that durable goods orders were soft (Thursday).

Canada will update GDP for the month of June with preliminary July guidance and will also report on overall Q2 GDP growth on Tuesday. I've gone with 0.7% m/m which is consistent with StatsCan's 'flash' guidance provided at the end of July, as well as 2 ½% annualized growth for Q2 which would be roughly in line with BoC expectations. The bigger issue is where July GDP lands since we have only a handful of readings to go by. It might be a pretty strong start to Q3 given reopening effects and limited data such as hours worked that were up by 1.3% m/m, although housing starts slipped a bit and existing home resales fell by 3.5% m/m which drives lower ancillary service activity.

European markets will principally focus upon a round of inflation updates with nothing material due in the UK. Eurozone CPI for August (Tuesday) is expected to push a little higher in month-ago terms but the year-ago base effect shift could drive a powerful gain in core CPI from 0.7% y/y to about double that which the ECB would likely look through as a transitory boost through to year-end.

Australia updates Q2 GDP growth on Tuesday and growth is expected to cool materially toward ½% q/q after a trio of bullish readings from 2020Q3 through Q1 this year. The renewed rise of the COVID-19 virus sparked lockdowns in its major cities and downside risk as the economy transitioned into Q3.

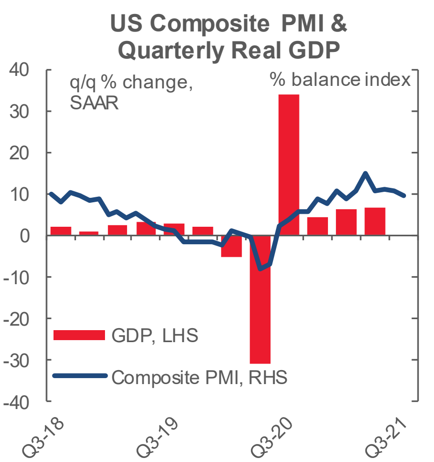
Brazil's economy is also expected to grind to a near halt for similar reasons when Q2 GDP growth arrives on Tuesday.

India's economy will likely see Q2 GDP growth surge in year-over-year terms driven by base effects on Tuesday.

Asia-Pacific markets will consider CPI updates from South Korea and Indonesia, as well as the monthly data dump out of Japan starting with retail sales, industrial production and the jobless rate followed by housing starts, Q2 capex spending and vehicle sales.

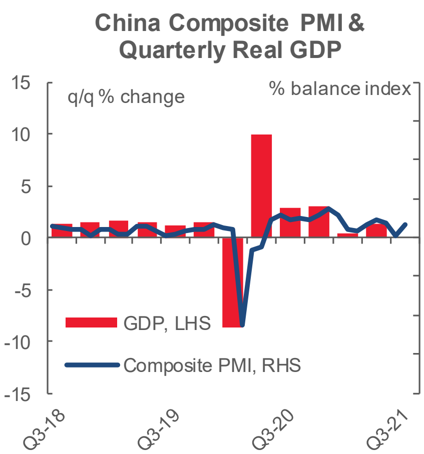
Only one global central bank is on tap this week. Chile's central bank is expected to hike again on Tuesday. Our Chilean economists expect a 25bps increase in the overnight rate as headline inflation for July registered at 4.5% y/y, breaching the upper band of the bank's 3 +/- 1% target inflation range. A hike would follow the decision in July to raise the policy rate by 25bps to 0.75% and some within consensus anticipate a half point rate hike. Across LatAm markets the only release of note will be Peru's CPI report on Wednesday that is likely to continue to see headline inflation sharply outpace core.

Chart 8



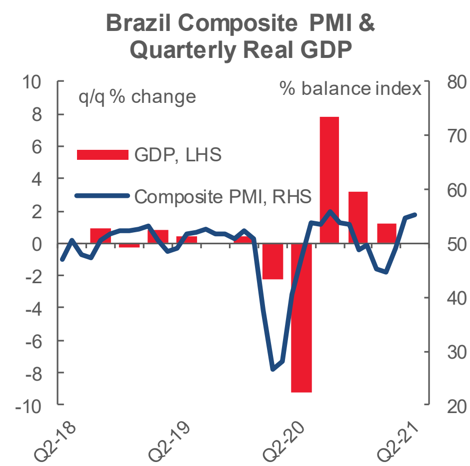
Sources: Scotiabank Economics, ISM, Bloomberg.

Chart 9



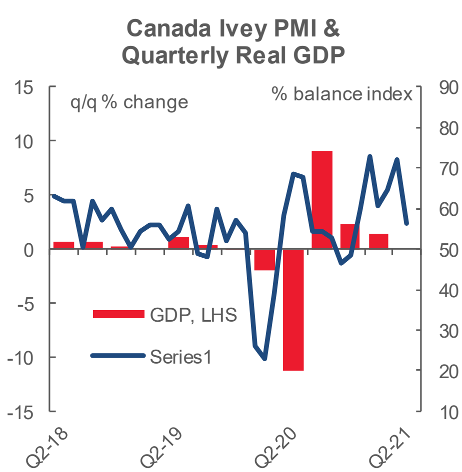
Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart 10



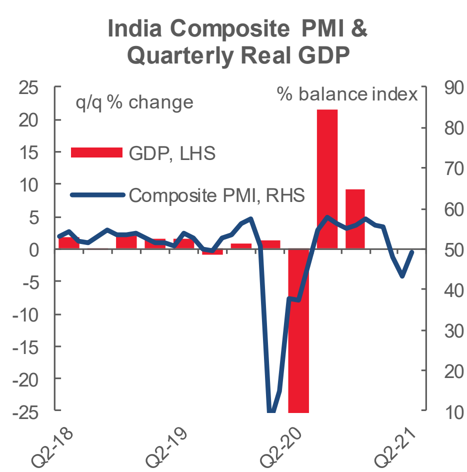
Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart 11



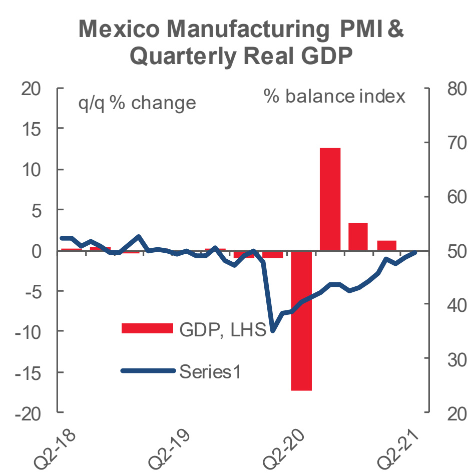
Sources: Scotiabank Economics, Ivey PMAC, Bloomberg.

Chart 12



Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart 13



Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Key Indicators for week of August 30 – September 3

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	08/30	08:30	Current Account (C$ bn a.r.)	2Q	--	--	1.2
US	08/30	10:00	Pending Home Sales (m/m)	Jul	--	0.5	-1.9
US	08/30	10:30	Dallas Fed. Manufacturing Activity	Aug	--	22.9	27.3
CA	08/31	08:30	Real GDP (m/m)	Jun	0.7	--	-0.3
CA	08/31	08:30	Real GDP (q/q a.r.)	2Q	2.5	--	5.6
US	08/31	09:00	S&P/Case-Shiller Home Price Index (m/m)	Jun	--	1.9	1.8
US	08/31	09:00	S&P/Case-Shiller Home Price Index (y/y)	Jun	--	18.6	17.0
US	08/31	09:45	Chicago PMI	Aug	--	68.0	73.4
US	08/31	10:00	Consumer Confidence Index	Aug	125	123.4	129.1
US	09/01	07:00	MBA Mortgage Applications (w/w)	Aug 27	--	--	1.6
US	09/01	08:15	ADP Employment Report (000s m/m)	Aug	500	650.0	329.9
US	09/01	10:00	Construction Spending (m/m)	Jul	-0.3	0.2	0.1
US	09/01	10:00	ISM Manufacturing Index	Aug	58.6	58.5	59.5
US	09/01		Total Vehicle Sales (mn a.r.)	Aug	13.2	14.8	14.8
CA	09/02	08:30	Building Permits (m/m)	Jul	--	--	6.9
CA	09/02	08:30	Merchandise Trade Balance (C$ bn)	Jul	1.3	--	3.2
US	09/02	08:30	Initial Jobless Claims (000s)	Aug 28	350	346	353
US	09/02	08:30	Continuing Claims (000s)	Aug 21	2,850	--	2,862
US	09/02	08:30	Productivity (q/q a.r.)	2Q F	--	2.4	2.3
US	09/02	08:30	Trade Balance (US$ bn)	Jul	-68.9	-74.1	-75.7
US	09/02	08:30	Unit Labor Costs (q/q a.r.)	2Q F	--	1.0	1.0
US	09/02	10:00	Factory Orders (m/m)	Jul	0.3	0.3	1.5
CA	09/03	08:30	Productivity (q/q a.r.)	2Q	--	--	-1.7
US	09/03	08:30	Average Hourly Earnings (m/m)	Aug	--	0.3	0.4
US	09/03	08:30	Average Hourly Earnings (y/y)	Aug	--	3.9	4.0
US	09/03	08:30	Average Weekly Hours	Aug	--	34.8	34.8
US	09/03	08:30	Nonfarm Employment Report (000s m/m)	Aug	625	750.0	943.0
US	09/03	08:30	Unemployment Rate (%)	Aug	5.2	5.2	5.4
US	09/03	10:00	ISM Non-Manufacturing Composite	Aug	62.0	62.0	64.1
US	09/03		Household Employment Report (000s m/m)	Aug	--	--	1043.0

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
UK	08/28		Nationwide House Prices (m/m)	Aug	0.1	-0.5
SP	08/30	03:00	CPI (m/m)	Aug P	--	-0.8
SP	08/30	03:00	CPI (y/y)	Aug P	3.0	2.9
SP	08/30	03:00	CPI - EU Harmonized (m/m)	Aug P	0.0	-1.2
SP	08/30	03:00	CPI - EU Harmonized (y/y)	Aug P	2.9	2.9
SP	08/30	03:00	Real Retail Sales (y/y)	Jul	--	1.8
EC	08/30	05:00	Consumer Confidence	Aug F	--	-5.3
EC	08/30	05:00	Economic Confidence	Aug	118.0	119.0
EC	08/30	05:00	Industrial Confidence	Aug	13.5	14.6
GE	08/30	08:00	CPI (m/m)	Aug P	0.1	0.9
GE	08/30	08:00	CPI (y/y)	Aug P	3.9	3.8
GE	08/30	08:00	CPI - EU Harmonized (m/m)	Aug P	0.1	0.5
GE	08/30	08:00	CPI - EU Harmonized (y/y)	Aug P	3.4	3.1
FR	08/31	02:45	Consumer Spending (m/m)	Jul	0.8	0.3
FR	08/31	02:45	CPI (m/m)	Aug P	0.4	0.1
FR	08/31	02:45	CPI (y/y)	Aug P	1.7	1.2
FR	08/31	02:45	CPI - EU Harmonized (m/m)	Aug P	0.5	0.1
FR	08/31	02:45	CPI - EU Harmonized (y/y)	Aug P	2.1	1.5
FR	08/31	02:45	GDP (q/q)	2Q F	0.9	0.9
FR	08/31	02:45	Producer Prices (m/m)	Jul	--	0.0

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

Key Indicators for week of August 30 – September 3

EUROPE *(continued from previous page)*

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	08/31	03:55	Unemployment (000s)	Aug	-40.0	-91.0
GE	08/31	03:55	Unemployment Rate (%)	Aug	5.6	5.7
IT	08/31	04:00	Real GDP (q/q)	2Q F	2.7	2.7
PD	08/31	04:00	GDP (y/y)	2Q F	--	10.90
SP	08/31	04:00	Current Account (€ bn)	Jun	--	0.9
UK	08/31	04:30	Net Consumer Credit (£ bn)	Jul	0.4	0.3
EC	08/31	05:00	CPI (m/m)	Aug P	0.2	-0.1
EC	08/31	05:00	Euro zone CPI Estimate (y/y)	Aug	2.7	2.2
EC	08/31	05:00	Euro zone Core CPI Estimate (y/y)	Aug P	1.5	0.7
IT	08/31	05:00	CPI (m/m)	Aug P	0.3	0.5
IT	08/31	05:00	CPI (y/y)	Aug P	1.9	1.9
IT	08/31	05:00	CPI - EU Harmonized (m/m)	Aug P	-0.2	-1.0
IT	08/31	05:00	CPI - EU Harmonized (y/y)	Aug P	2.1	1.0
PO	08/31	06:00	Real GDP (q/q)	2Q F	4.90	4.90
GE	08/30	02:00	Retail Sales (m/m)	Jul	-1.0	4.5
IT	09/01	03:45	Manufacturing PMI	Aug	60.1	60.3
FR	09/01	03:50	Manufacturing PMI	Aug F	57.3	57.3
GE	09/01	03:55	Manufacturing PMI	Aug F	62.7	62.7
EC	09/01	04:00	Manufacturing PMI	Aug F	61.5	61.5
UK	09/01	04:30	Manufacturing PMI	Aug F	60.1	60.1
EC	09/01	05:00	Unemployment Rate (%)	Jul	7.6	7.7
IT	09/01		Budget Balance (€ bn)	Aug	--	5.7
IT	09/01		Budget Balance YTD (€ bn)	Aug	--	0.0
SZ	09/02	03:00	GDP (y/y)	2Q	8.9	-0.5
EC	09/02	05:00	PPI (m/m)	Jul	1.3	1.4
UK	09/03	02:00	Official Reserves Changes (US$ bn)	Aug	--	1,029
FR	09/03	02:45	Central Government Balance (€ bn)	Jul	--	-131.3
IT	09/03	03:45	Services PMI	Aug	58.3	58.0
FR	09/03	03:50	Services PMI	Aug F	56.4	56.4
GE	09/03	03:55	Services PMI	Aug F	61.5	61.5
EC	09/03	04:00	Composite PMI	Aug F	59.5	59.5
EC	09/03	04:00	Services PMI	Aug F	59.7	59.7
UK	09/03	04:30	Services PMI	Aug F	55.5	55.5
EC	09/03	05:00	Retail Trade (m/m)	Jul	0.0	1.5

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
JN	08/29	19:50	Large Retailers' Sales (y/y)	Jul	--	1.9	-2.3
JN	08/29	19:50	Retail Trade (y/y)	Jul	--	2.1	0.1
SK	08/30	19:00	Industrial Production (y/y)	Jul	--	7.3	11.9
SK	08/30	19:00	Cyclical Leading Index Change	Jul	--	--	0.3
JN	08/30	19:30	Jobless Rate (%)	Jul	3.0	2.9	2.9
JN	08/30	19:50	Industrial Production (y/y)	Jul P	--	11.2	23.0
CH	08/30	21:00	Manufacturing PMI	Aug	50.2	50.1	50.4
CH	08/30	21:00	Non-manufacturing PMI	Aug	--	52.0	53.3
AU	08/30	21:30	Building Approvals (m/m)	Jul	--	-5.0	-6.7
AU	08/30	21:30	Current Account (AUD bn)	2Q	--	21	18,300
AU	08/30	21:30	Private Sector Credit (y/y)	Jul	--	3.5	3.1
AU	08/30	21:30	Australia Net Exports of GDP	2Q	--	-1.0	-0.6
JN	08/31	01:00	Consumer Confidence	Aug	--	35.5	37.5
JN	08/31	01:00	Housing Starts (y/y)	Jul	--	5.3	7.3
TH	08/31	03:00	Current Account Balance (US$ mn)	Jul	--	-1,144	-1,305
TH	08/31	03:30	Exports (y/y)	Jul	--	--	46.1
TH	08/31	03:30	Imports (y/y)	Jul	--	--	45.8
TH	08/31	03:30	Trade Balance (US$ mn)	Jul	--	--	3,906
HK	08/31	04:30	Retail Sales - Volume (y/y)	Jul	--	--	2.8

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

Key Indicators for week of August 30 – September 3

ASIA-PACIFIC *(continued from previous page)*

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IN	08/31	06:30	Fiscal Deficit (INR Crore)	Jul	--	--	151,071
IN	08/31	08:00	Real GDP (y/y)	2Q	20.0	21.0	1.6
JN	08/31	19:50	Capital Spending (y/y)	2Q	--	3.8	-7.8
SK	08/31	20:00	Exports (y/y)	Aug	--	34.2	29.6
SK	08/31	20:00	Imports (y/y)	Aug	--	44.8	38.1
SK	08/31	20:00	Trade Balance (US$ mn)	Aug	--	1,360	1,772
JN	08/31	20:30	Markit/JMMA Manufacturing PMI	Aug F	--	--	52.4
AU	08/31	21:30	GDP (y/y)	2Q	9.1	9.2	1.1
CH	08/31	21:45	Caixin Manufacturing PMI	Aug	50.1	50.1	50.3
ID	09/01	00:00	CPI (y/y)	Aug	1.6	1.6	1.5
ID	09/01	00:00	Core CPI (y/y)	Aug	--	1.2	1.4
JN	09/01	01:00	Vehicle Sales (y/y)	Aug	--	--	3.3
TH	09/01	03:30	Business Sentiment Index	Aug	--	--	41.4
NZ	09/01	18:45	Terms of Trade Index (q/q)	2Q	--	0.3	0.1
SK	09/01	19:00	CPI (y/y)	Aug	2.5	2.2	2.6
SK	09/01	19:00	Core CPI (y/y)	Aug	--	--	1.7
SK	09/01	19:00	GDP (y/y)	2Q F	5.9	5.9	5.9
JN	09/01	19:50	Monetary Base (y/y)	Aug	--	--	15.4
AU	09/01	21:30	Trade Balance (AUD mn)	Jul	--	10,185	10,496
SI	09/02	09:00	Purchasing Managers Index	Aug	--	51.2	51.0
HK	09/02	20:30	Purchasing Managers Index	Aug	--	--	51.3
CH	09/02	21:45	Caixin Services PMI	Aug	--	52.0	54.9
SI	09/03	01:00	Retail Sales (y/y)	Jul	--	0.0	25.8

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CL	08/31	09:00	Industrial Production (y/y)	Jul	--	--	14.6
CL	08/31	09:00	Retail Sales (y/y)	Jul	73.0	--	65.6
CL	08/31	09:00	Unemployment Rate (%)	Jul	9.2	--	9.5
CO	08/31	11:00	Urban Unemployment Rate (%)	Jul	--	--	17.1
CL	**08/31**	**18:00**	**Nominal Overnight Rate Target (%)**	**Aug 31**	**1.00**	**1.25**	**0.75**
PE	09/01	01:00	Consumer Price Index (m/m)	Aug	0.7	--	1.0
PE	09/01	01:00	Consumer Price Index (y/y)	Aug	4.6	--	3.8
BZ	09/01	08:00	GDP (IBGE) (q/q)	2Q	--	0.1	1.2
BZ	09/01	08:00	GDP (IBGE) (y/y)	2Q	--	12.5	1.0
CL	09/01	08:30	Economic Activity Index NSA (y/y)	Jul	17.0	--	20.1
BZ	09/01	09:00	PMI Manufacturing Index	Aug	--	--	56.7
BZ	09/01	14:00	Trade Balance (FOB) - Monthly (US$ mn)	Aug	--	--	7,389
BZ	09/02	08:00	Industrial Production SA (m/m)	Jul	--	--	0.0
BZ	09/02	08:00	Industrial Production (y/y)	Jul	--	--	12.0

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

Global Auctions for week August 30 – September 3

NORTH AMERICA

No Scheduled Auctions.

EUROPE

Country	Date	Time	Event
NE	08/31	04:00	Netherlands to Sell Bonds
IT	08/31	05:00	Italy to Sell Bonds
DE	09/01	04:30	Denmark to Sell Bonds
GE	09/01	05:30	Germany to Sell 4 Billion Euros of 0% 2026 Bonds
SP	09/02	04:30	Spain to Sell Bonds
FR	09/02	04:50	France to Sell Bonds

ASIA-PACIFIC

Country	Date	Time	Event
JN	08/30	23:35	Japan to Sell 2-Year Bonds
CH	08/31	23:00	China Plans to Sell 3-Yr Bond
CH	08/31	23:00	China Plans to Sell 7-Yr Upsize Bond
JN	09/01	23:35	Japan to Sell 10-Year Bonds

LATIN AMERICA

No Scheduled Auctions.

Sources: Bloomberg, Scotiabank Economics.

Events for week of August 30 – September 3

NORTH AMERICA

No Scheduled Events.

EUROPE

Country	Date	Time	Event
EC	08/31	05:00	ECB's Holzmann, Knot, Denmark's Callesen speak at conference
EC	09/01	08:00	ECB's Weidmann Speaks at Bundesbank Bank Symposium
SP	09/03		Spain Sovereign Debt to be rated by Moody's
SP	09/03		Spain Sovereign Debt to be rated by DBRS

ASIA-PACIFIC

No Scheduled Events.

LATIN AMERICA

Country	Date	Time	Event
CL	**08/31**	**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	September 8, 2021	0.25	0.25
Federal Reserve – Federal Funds Target Rate	0.25	September 22, 2021	0.25	0.25
Banco de México – Overnight Rate	4.50	September 30, 2021	4.50	4.50

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	0.00	September 9, 2021	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	September 9, 2021	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	September 9, 2021	-0.50	-0.50
Bank of England – Bank Rate	0.10	September 23, 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	6.50	September 10, 2021	7.00	7.00
Sweden Riksbank – Repo Rate	0.00	September 21, 2021	0.00	0.00
Norges Bank – Deposit Rate	0.00	September 23, 2021	0.25	0.00
Central Bank of Turkey – Benchmark Repo Rate	19.00	September 23, 2021	19.00	19.00

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	September 22, 2021	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.10	September 7, 2021	0.10	0.10
Reserve Bank of New Zealand – Cash Rate	0.25	October 5, 2021	0.50	0.50
People's Bank of China – 1-Year Loan Prime Rate	3.85	September 21, 2021	3.85	3.85
Reserve Bank of India – Repo Rate	4.00	October 8, 2021	4.00	4.00
Bank of Korea – Bank Rate	0.75	October 12, 2021	0.75	0.50
Bank of Thailand – Repo Rate	0.50	September 29, 2021	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	September 9, 2021	1.75	1.75
Bank Indonesia – 7-Day Reverse Repo Rate	3.50	September 21, 2021	3.50	3.50
Central Bank of Philippines – Overnight Borrowing Rate	2.00	September 23, 2021	2.00	2.00

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	5.25	September 22, 2021	6.00	5.25
Banco Central de Chile – Overnight Rate	0.75	August 31, 2021	1.00	1.25
Banco de la República de Colombia – Lending Rate	1.75	September 30, 2021	2.00	2.00
Banco Central de Reserva del Perú – Reference Rate	0.50	September 9, 2021	0.50	0.25

Banco Central de Chile (BCCh): Our Chilean economists expect the monetary policy committee to increase the overnight rate by 25 bps to 1.00% on August 31. Headline inflation for July registered at 4.5% y/y, breaching the upper band of the bank's 3 +/- 1% target inflation range.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	3.50	September 23, 2021	3.50	3.50

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