Scotiabank

GLOBAL ECONOMICS

THE GLOBAL WEEK AHEAD

March 4, 2022

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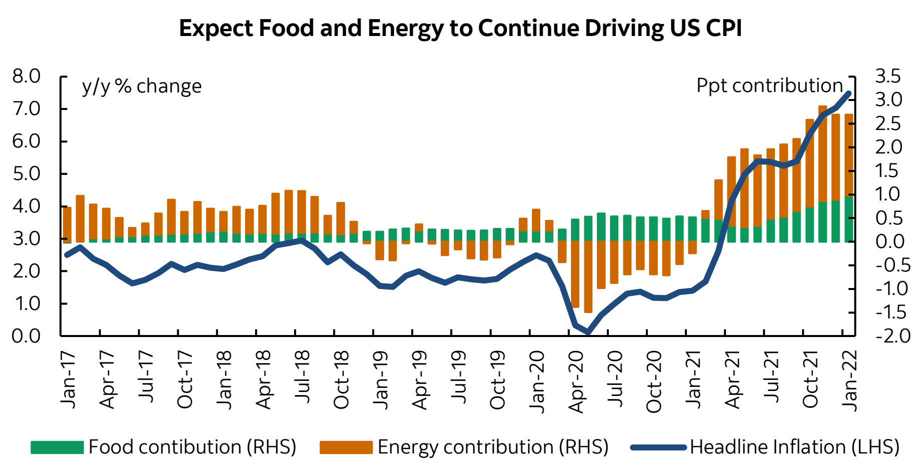
With thanks for research support from: Marc Ercolao.

Next Week's Risk Dashboard

- US inflation on another up-leg
- An Iran Accord II could face an uphill battle in Congress
- ECB is likely to buy time
- Canada to regain some of omicron's job losses
- Peru's central bank poised to hike again
- China's oil shock and inflation
- OECD to update stale forecasts
- Other global releases

Unmoored!

Chart of the Week



Sources: Scotiabank Economics, BLS.

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

March 4, 2022

Unmoored!

US INFLATION—THE FED IS LOSING THE EXPECTATIONS BATTLE

No, this is not becoming a publication about nautical adventures. There will be no tales of flash storms or folks with goose eggs who didn't duck when the boom came over. When I say unmoored, I mean the very real prospect that inflation and what central bankers are prepared to do about it may be entering entirely new territory.

US CPI inflation arrives on Thursday for the month of February. Brace yourself for this one, yet it will only be the beginning of a significant upturn.

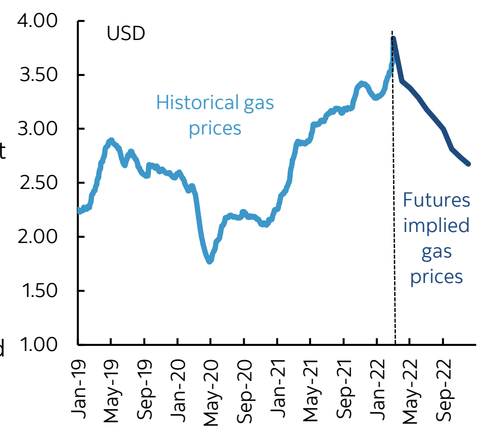
I figure that overall prices increased by 0.7% m/m in seasonally adjusted terms and that should take the year-over-year rate up to 7.8% from 7.5%. That's using relatively conservative assumptions. The year-ago base effect alone would drop the year-over-year rate of inflation down to under 7%. Also weighing on the reading may be vehicle prices as both JD Power's used vehicle trade-in and Manheim used vehicle price measures slipped more than seasonally normal.

From there, the other drivers should all raise inflation. Gasoline prices are soaring and only part of that will be captured in February CPI. The gasoline futures curve is pointing toward more near-term pass-through ahead in terms of retail prices while assuming that war effects will dissipate (chart 1). Higher natural gas prices should also have the utility piped gas service component of CPI exerting mild additional upward pressure. February is a normal seasonal up-month for unadjusted prices, but seasonally abnormal gains are also likely. For one, as COVID-19 cases fade, US inflation usually picks up (chart 2). For another, the spillover effects of the war in Ukraine and related sanctions could begin to be upward influences on February CPI.

On the latter point, the greater source of upward pressure is likely forthcoming in the next CPI report and subsequent ones. CPI is easily going to be crossing 8% y/y if not next week then certainly by the next report. The speed with which food commodity prices have soared was only just beginning to get captured in producer prices and consumer prices with much more pass-through ahead on the back of recent spikes in categories like grains (chart 3). Broad producer price pressure is also likely through metals prices that will also probably spill into consumer prices going forward. Near-term CPI inflation could well enter the 9–10% y/y range by Spring.

Chart 1

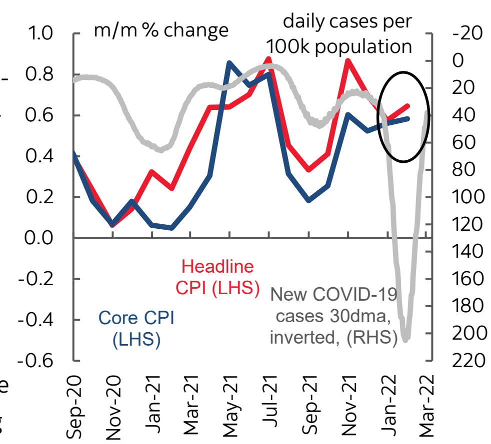
Is the Gasoline Price Spike Temporary?



Sources: Scotiabank Economics, Bloomberg.

Chart 2

US CPI & New COVID-19 Cases

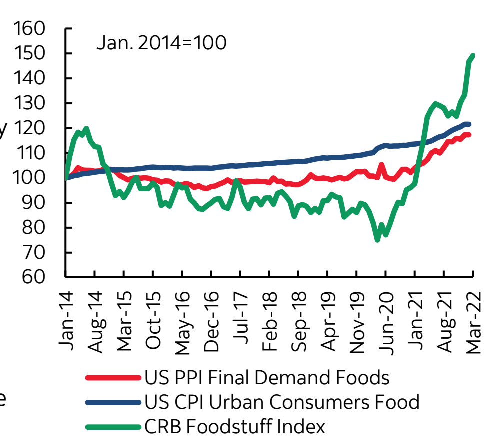


Sources: Scotiabank Economics, Bloomberg.

This is where we are in danger of entering uncharted waters for the Federal Reserve, its policy rate and markets in general. If price spikes were merely transitory then it would be less of a concern, but central banks have damaged their credibility by leaning excessively on the transitory argument. Serial supply shocks are not making things any easier. Markets are evolving in such fashion that they are no longer listening as the prospect of unmoored inflation expectations rises.

Chart 3

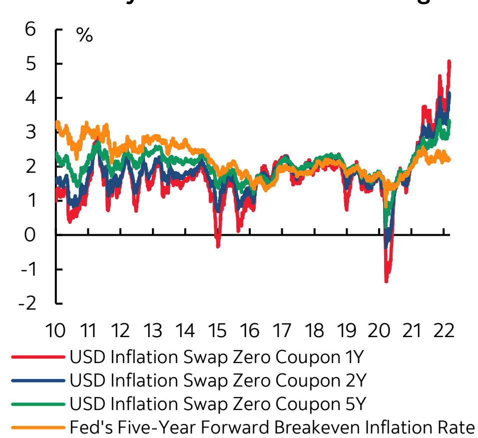
Food Prices on the Rise



Sources: Scotiabank Economics, Bloomberg.

Chart 4

This Says Central Banks Are Failing



Sources: Scotiabank Economics, Bloomberg.

We see this in a growing number of market measures of inflation expectations. While they are not without their pitfalls, 2-year TIPS breakevens have now pushed above 4% and the breakevens curve is above 3% throughout the next five years (chart 4). Longer-term breakevens are also elevated above the Fed's inflation target. Even the Fed's generally preferred five-year forward breakeven inflation measure is at 2¼% implying that inflation over the second half of the next ten years is expected to remain above the Fed's target—and notwithstanding the fact financial markets are pricing a series of five Fed rate hikes through to year-end. That seems light if the Federal Reserve is serious about restoring credibility in its inflation fight while the inflationary war in Ukraine rages in the background.

CANADIAN JOBS REBOUND?

What restrictions taketh, easing restrictions may giveth. That about sums up the expectations for Friday's jobs report for February.

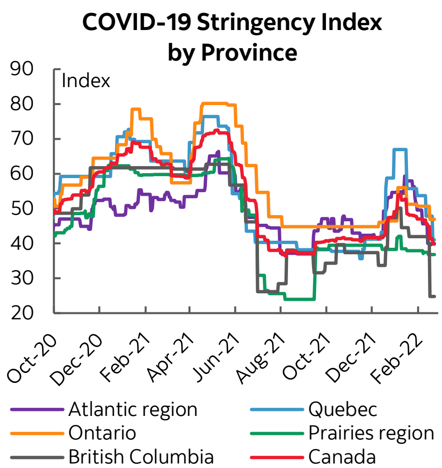
An expected gain of 100,000 is playing it somewhat conservatively after the drop of 200,000 jobs in January. Supporting a rebound is that restrictions eased between the Labour Force Survey reference weeks in January and February. Simply put, more people were able to get back to work after curfews, capacity limits and closed businesses gave way to reopening efforts that are likely to become a floodgate effect this month. Chart shows that British Columbia's restrictions index fell back to the lowest readings since restrictions first began being applied in March 2020. Other provinces are lagging, but generally easing.

Mobility readings have been recovering nicely across all major regions of the economy (chart 6). Purchasing managers are indicating that employment is on the rebound (chart 7). Small business hiring intentions over coming months have also picked up (chart 8).

So why not go more aggressively with a full job rebound from the drop in January? One issue is the timing of the lifting of restrictions and their lagged hiring effects that could distribute the employment rebound over February and March. Another issue is that a broad array of high frequency gauges is not indicating a large employment gain just yet, though it's a rough guide at best (chart 9).

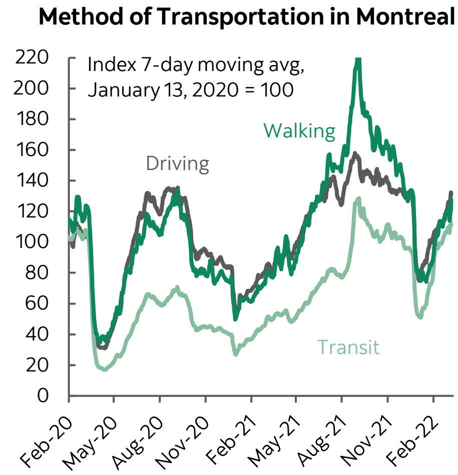
The bigger issue may be whether momentum is maintained in terms of accelerating wage pressures. This may sound like a broken record, but strong wage gains have been booked since last summer (chart 10). The consequences in terms of inflationary impulses are further amplified by Canada's awful labour productivity growth as the cost to having achieved full employment. Unit labour costs measure overall employment costs per unit of output and as such take into account both wage and productivity developments to explain the acceleration we've seen. This is not lost on employers, the vast majority of whom said they expected to be paying their workers more over the year ahead in the Bank of Canada's last business survey in January ahead of the next one in April.

Chart 5



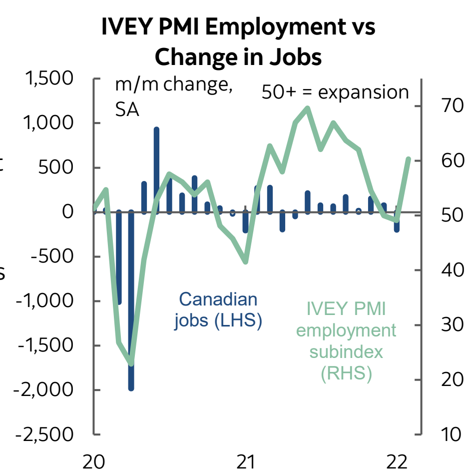
Sources: Scotiabank Economics, Bank of Canada.

Chart 6



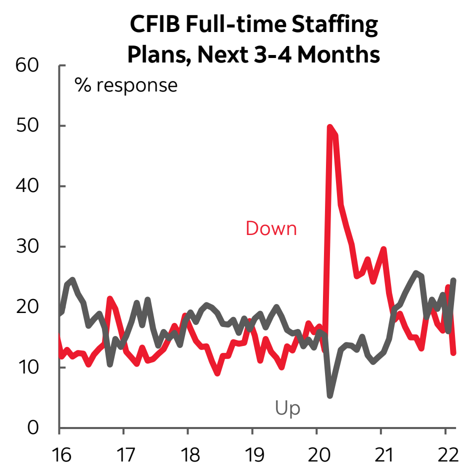
Sources: Scotiabank Economics, Apple.

Chart 7



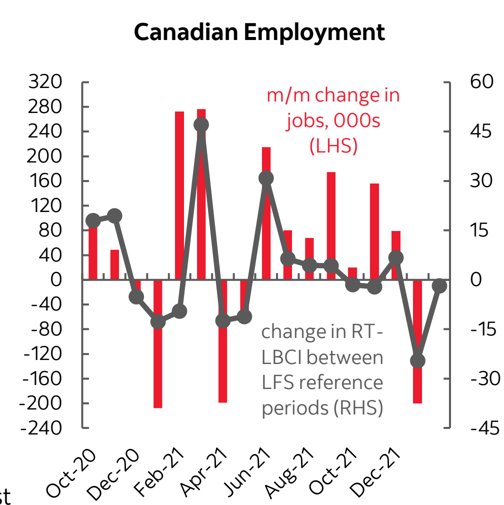
Sources: Scotiabank Economics, Bloomberg.

Chart 8



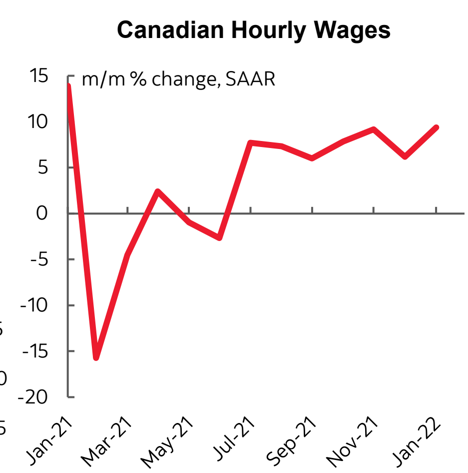
Sources: Scotiabank Economics, CFIB.

Chart 9



Sources: Scotiabank Economics, Statistics Canada.

Chart 10



Sources: Scotiabank Economics, Statistics Canada.

March 4, 2022

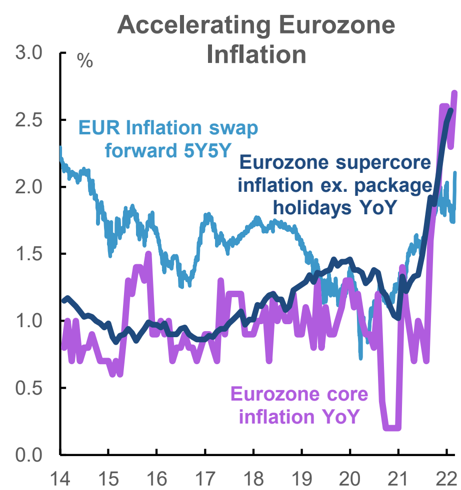
THE ECB CAN AFFORD TO BE MORE CIRCUMSPECT THAN THE FED

No one is likely to fault the ECB if they appear to be circumspect and postpone any difficult decisions for another day when the statement arrives on Thursday at 7:45amET and President Lagarde takes to the mic forty-five minutes later. An awful lot has changed since she appeared to be engineering a policy pivot at the last meeting on February 3rd.

Back then, the statement itself gave a gentle nod toward a more one-sided bet on the future direction of policy decisions when it struck out preparedness to move "in either direction" in reference to all of its policy instruments. That accordingly signalled greater conviction toward tightening as the next move.

Lagarde backed that up in her press conference when she did not repeat that a rate hike this year is "very unlikely" which had been her prior stance as recently as the week or two before the meeting. Instead, she said "I never make pledges without contingencies" and that "We will assess very carefully. We will be data dependent. We will do that in March. We will examine in more depth the implications for the medium-term inflation outlook which we will do in March when we will have updated projections. There was unanimous concern around the governing council about inflation numbers. I can assure you that that concern was across the board." Lagarde also acknowledged that "price increases have become more widespread" with some marked increases and that she is expecting faster growth in wages. She went on to note that "inflation is expected to remain elevated for longer than expected."

Chart 11

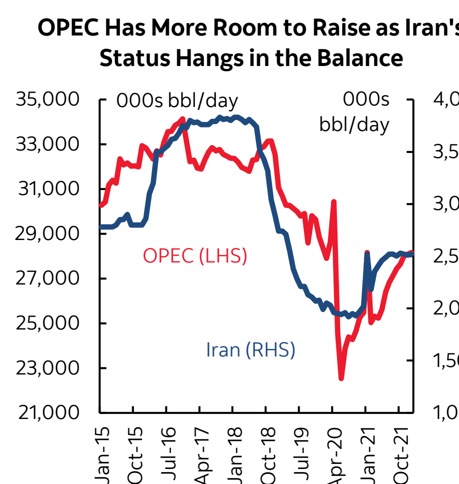


Sources: Scotiabank Economics, Bloomberg.

Markets certainly think so. Chart 11 shows the speed with which reported inflation and market-based measures of expected inflation have risen. The war in Ukraine adds to at least nearer term inflationary pressures. The ECB staff will update inflation projections for this meeting, and hopefully won't rely too heavily on the cop out that the projections were completed before the war really broke out versus showing readiness to adapt with their freshest views.

Still, with the war on its doorstep presenting a high degree of uncertainty and with substantially less inflationary pressure than that which has faced the Federal Reserve and the Bank of Canada, the ECB can perhaps afford to gather more information in observer status before providing any further guidance on plans around changing the policy rate and asset purchase programs. There are multiple war scenarios from this point forward but little to no conviction around how they may play it which likely merits taking a pass on any substantive policy shifts at this meeting.

Chart 12



Sources: Scotiabank Economics, Bloomberg.

A SECOND IRAN ACCORD COULD FACE A ROUGH RIDE IN CONGRESS

Oil markets—and geopolitical risks—might digest a possible agreement to reintroduce an Iranian nuclear accord after the 2015 accord was cancelled by the Trump administration.

Unofficial guidance points to an agreement being delivered this week with Iran's return to oil production being gradually implemented. Key will be the advice and solutions presented at the board meeting of the International Atomic Energy Agency on Monday. Iran's gradual return to prior levels of production could help complement the OPEC+ plans to raise production by 400,000 bpd starting in April but would probably not be enough on its own (chart 12).

The Biden administration may face an uphill battle and limited timeline selling any agreement in the US Congress. Divided Democrats themselves barely have the deciding votes until November's mid-terms when such a status may be imperilled and more vulnerable to the stance of foreign policy hawks who view a second accord as a repeat of the same mistake.

GAME CHANGER FOR CHINA

How the complex array of forces impact China's economy will be among the main focal points of the remainder of global calendar-based risk. Its key export markets face heightened uncertainty due to the war in Ukraine while the Fed tightens policy, global inflation surges and China's economy was already facing downside risks. It is out of strategic self-interest that China has wavered in its foreign policy stance compared to standing united with Russia into the Olympics.

One of the few places in the world that has not been experiencing inflationary pressure may see those halcyonic days being rather numbered. China updates CPI for February on Tuesday, along with producer prices. Given China's heavy reliance upon imported oil, the surge in oil prices is assuredly going to translate into higher inflationary pressures over the coming months. The implications for the core CPI basket may prove to be starkly different given downside risks to the economy and limited wage pressure. Higher energy and other commodity prices for a commodity-importing nation may crowd out pricing power in the rest of the economy and add to downside pressure on core inflation readings. We saw that happen to a limited extent over 2015–17 when oil prices modestly climbed, headline CPI accelerated, but core CPI remained little affected. Today's oil price gains are more spectacular and China's macro risks are deeper. China also updates trade figures and financing figures next week.

Inflation reports will be released by several Latin American economies including Colombia over the weekend to kick off the week, Chile (Tuesday), Mexico (Wednesday) and Brazil (Friday).

Peru's central bank is expected to hike by another 50bps to 4% on Thursday. That would take cumulative hikes up to 375bps since the tightening campaign began last August. Inflation returned to above 6% (6.2% y/y) in February and is rising at the quickest pace since 2009. Core CPI climbed to 3¼% which is its fastest since 2016. Both are well above the 2% +/-1% inflation target range while global inflation risk has climbed since the last meeting on February 10th (chart 13).

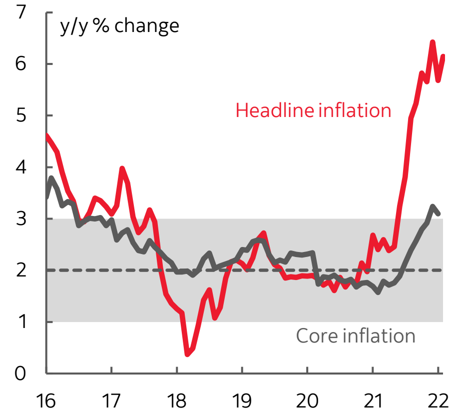
European releases will primarily focus upon the UK and Germany. UK monthly GDP for January is expected to snap back from the mild drop in December while Friday's releases will also include expected improvements in industrial output and services activity. Germany's retail sales are expected to rebound from the sharp drop in December when they arrive on Monday with factory orders during January probably posting a further gain that same day.

The rest of the US macro line-up will be pretty light over the coming week. The trade deficit is likely to blow out when January figures arrive on Tuesday given that we already know the merchandise deficit widened as higher imports are addressing lean inventories. Canada will also update its trade figures on Tuesday as the flip side to one of the world's largest bilateral trade relationships. The University of Michigan consumer sentiment gauge for March (Friday) will be the first preliminary take on how recent developments are impacting US consumer confidence.

The OECD will update its interim economic outlook for the global economy on Tuesday. Its last projections for GDP growth are shown in chart 14 but they were delivered way back on December 1st and they are rather laughably out of date given the course of developments. A wholesale forecast revision is likely, so de-emphasize headline references to the magnitude of their forecast changes given the stale aspect relative to other forecast sources across consensus.

Chart 13

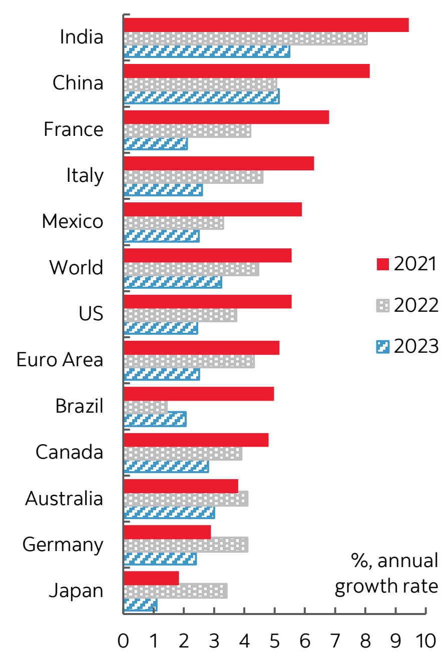
Peru: Headline & Core Inflation



Sources: Scotiabank Economics, BCRP, INEI.

Chart 14

OECD December Economic Outlook: Real GDP Forecast



Sources: Scotiabank Economics, OECD.

Key Indicators for the week of March 7 – 11

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	03/07	15:00	Consumer Credit (US$ bn m/m)	Jan	--	24.5	18.9
CA	03/08	08:30	Merchandise Trade Balance (C$ bn)	Jan	--	1.1	-0.1
US	03/08	08:30	Trade Balance (US$ bn)	Jan	-86.0	-87.4	-80.7
MX	03/09	07:00	Bi-Weekly Core CPI (% change)	Feb 28	--	--	0.4
MX	03/09	07:00	Bi-Weekly CPI (% change)	Feb 28	--	--	0.4
MX	03/09	07:00	Consumer Prices (m/m)	Feb	--	--	0.6
MX	03/09	07:00	Consumer Prices (y/y)	Feb	--	--	7.1
MX	03/09	07:00	Consumer Prices Core (m/m)	Feb	--	--	0.6
US	03/09	07:00	MBA Mortgage Applications (w/w)	Mar 4	--	--	-0.7
US	03/09	10:00	JOLTS Job Openings (000s)	Jan	--	10,908	10,925
US	03/10	08:30	CPI (m/m)	Feb	0.7	0.8	0.6
US	03/10	08:30	CPI (y/y)	Feb	7.8	7.9	7.5
US	03/10	08:30	CPI (index)	Feb	--	283.7	281.1
US	03/10	08:30	CPI ex. Food & Energy (m/m)	Feb	0.5	0.5	0.6
US	03/10	08:30	CPI ex. Food & Energy (y/y)	Feb	6.4	6.4	6.0
US	03/10	08:30	Initial Jobless Claims (000s)	Mar 5	210	220	215
US	03/10	08:30	Continuing Claims (000s)	Feb 26	1,450	1,435	1,476
US	03/10	14:00	Treasury Budget (US$ bn)	Feb	--	--	118.7
MX	03/11	07:00	Industrial Production (m/m)	Jan	--	--	1.2
MX	03/11	07:00	Industrial Production (y/y)	Jan	--	--	3.0
CA	03/11	08:30	Capacity Utilization (%)	4Q	--	81.9	81.4
CA	03/11	08:30	Employment (000s m/m)	Feb	100	125.0	-200.1
CA	03/11	08:30	Unemployment Rate (%)	Feb	6.5	6.3	6.5
US	03/11	10:00	U. of Michigan Consumer Sentiment	Mar P	61.0	61.3	62.8

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	03/07	02:00	Factory Orders (m/m)	Jan	1.0	2.8
GE	03/08	02:00	Industrial Production (m/m)	Jan	0.5	-0.3
SP	03/08	03:00	Industrial Output NSA (y/y)	Jan	--	2.7
EC	03/08	05:00	Employment (q/q)	4Q F	--	0.5
EC	03/08	05:00	GDP (q/q)	4Q F	0.3	0.3
IT	03/09	04:00	Industrial Production (m/m)	Jan	0.0	-1.0
EC	**03/10**	**07:45**	**ECB Main Refinancing Rate (%)**	**Mar 10**	**0.00**	**0.00**
UK	03/11	02:00	Index of Services (m/m)	Jan	0.2	-0.5
UK	03/11	02:00	Industrial Production (m/m)	Jan	0.2	0.3
UK	03/11	02:00	Manufacturing Production (m/m)	Jan	0.2	0.2
UK	03/11	02:00	Visible Trade Balance (£ mn)	Jan	-12,600	-12,354
IT	03/11	04:00	Unemployment Rate (%)	4Q	9.0	9.2

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

Key Indicators for the week of March 7 – 11

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
AU	03/06	19:30	ANZ Job Advertisements (m/m)	Feb	--	--	-0.3
AU	03/07	00:30	Foreign Reserves (AUD bn)	Feb	--	--	81.1
MA	03/07	02:00	Foreign Reserves (US$ bn)	Feb 28	--	--	115.8
SI	03/07	04:00	Foreign Reserves (US$ mn)	Feb	--	--	418,390
JN	03/07	18:50	Bank Lending (y/y)	Feb	--	--	0.6
JN	03/07	18:50	Current Account (¥ bn)	Jan	--	-870.5	-370.8
JN	03/07	18:50	Trade Balance - BOP Basis (¥ bn)	Jan	--	-1872.8	-318.7
CH	03/07	20:00	Foreign Reserves (US$ bn)	Feb	--	3,225	3,222
JN	03/08	00:00	Coincident Index CI	Jan P	--	92.3	92.7
JN	03/08	00:00	Leading Index CI	Jan P	--	103.6	104.8
TA	03/08	03:00	CPI (y/y)	Feb	2.8	2.7	2.8
TA	03/08	03:00	Exports (y/y)	Feb	--	15.7	16.7
TA	03/08	03:00	Imports (y/y)	Feb	--	19.7	24.9
TA	03/08	03:00	Trade Balance (US$ bn)	Feb	--	4.0	4.9
NZ	03/08	16:45	Manufacturing Activity	4Q	--	--	-2.2
JN	03/08	18:50	GDP (q/q)	4Q F	1.4	1.4	1.3
JN	03/08	18:50	GDP Deflator (y/y)	4Q F	--	-1.3	-1.3
JN	03/08	18:50	Japan Money Stock M2 (y/y)	Feb	--	3.5	3.6
JN	03/08	18:50	Japan Money Stock M3 (y/y)	Feb	--	3.1	3.3
CH	03/08	20:30	CPI (y/y)	Feb	1.3	0.9	0.9
CH	03/08	20:30	PPI (y/y)	Feb	--	8.6	9.1
JN	03/09	01:00	Machine Tool Orders (y/y)	Feb P	--	--	61.3
CH	03/09	20:00	New Yuan Loans (bn)	Feb	1,400	1,425	3,980
ID	03/09	21:00	Consumer Confidence Index	Feb	--	--	119.6
NZ	03/10	16:30	Business NZ PMI	Feb	--	--	52.1
SK	03/10	18:00	Current Account (US$ mn)	Jan	--	--	6,062
JN	03/10	18:30	Household Spending (y/y)	Jan	--	3.7	-0.2
PH	03/10	20:00	Exports (y/y)	Jan	--	12.3	7.1
PH	03/10	20:00	Imports (y/y)	Jan	--	30.8	38.3
PH	03/10	20:00	Trade Balance (US$ mn)	Jan	--	-4,948	-5,214
MA	03/10	23:00	Industrial Production (y/y)	Jan	--	5.6	5.8
IN	03/11	07:00	Industrial Production (y/y)	Jan	--	2.00	0.40

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CO	03/05	12:00	Consumer Price Index (m/m)	Feb	1.3	1.3	1.7
CO	03/05	12:00	Consumer Price Index (y/y)	Feb	7.6	7.6	6.9
BZ	03/09	07:00	Industrial Production SA (m/m)	Jan	--	--	2.9
BZ	03/09	07:00	Industrial Production (y/y)	Jan	--	-1.0	-5.0
BZ	03/10	07:00	Retail Sales (m/m)	Jan	--	--	-0.1
BZ	03/10	07:00	Retail Sales (y/y)	Jan	--	--	-2.9
PE	**03/10**	**18:00**	**Reference Rate (%)**	**Mar 10**	**4.00**	**--**	**3.50**
BZ	03/11	07:00	IBGE Inflation IPCA (m/m)	Feb	--	0.9	0.5
BZ	03/11	07:00	IBGE Inflation IPCA (y/y)	Feb	--	10.5	10.4
CL	03/08	06:00	CPI (m/m)	Feb	0.7	0.6	1.2
CL	03/08	06:00	CPI (y/y)	Feb	8.2	--	7.7

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

Global Auctions for the week of March 7 – 11

NORTH AMERICA

Country	Date	Time	Event
US	03/08	13:00	U.S. To Sell 3-Year Notes
CA	03/09	12:00	Canada to sell 30 Year Bonds
US	03/09	13:00	U.S. To Sell 10-Year Notes Reopening
CA	03/10	12:00	Canada to sell 2 Year Bonds
US	03/10	13:00	U.S. To Sell 30-Year Bonds Reopening

EUROPE

Country	Date	Time	Event
NE	03/08	04:00	Netherlands to Sell Up to EU2.5 Billion of 0% 2029 Bonds
UK	03/08	05:00	U.K. to Sell GBP1.5 Billion of 1.25% 2051 Bonds
AS	03/08	05:15	Austria to Sell Bonds
SW	03/09	04:00	Sweden to Sell Bonds
SZ	03/09	05:15	Switzerland to Sell Bonds
IT	03/11	05:00	Italy to Sell Bonds

ASIA-PACIFIC

Country	Date	Time	Event
JN	03/07	22:35	Japan to Sell 5-Year Bonds
CH	03/08	22:00	China Plans to Sell CNY 1-Yr Upsize Bond
CH	03/08	22:00	China Plans to Sell CNY 10-Yrs Upsize Bond
JN	03/09	22:35	Japan to Sell 20-Year Bonds
CH	03/10	22:00	China Plans to Sell CNY 30-Yrs Upsize Bond

LATIN AMERICA

No Scheduled Auctions.

Sources: Bloomberg, Scotiabank Economics.

Events for the week of March 7 – 11

NORTH AMERICA

No Scheduled Events.

EUROPE

Country	Date	Time	Event
SW	03/08	03:05	Riksbank Deputy Governor Jansson Speaks
EC	03/08	05:00	OECD Publishes Interim Economic Outlook
EC	**03/10**	**07:45**	**ECB Main Refinancing Rate**
EC	03/10	07:45	ECB Marginal Lending Facility
EC	03/10	07:45	ECB Deposit Facility Rate
EC	03/10	08:30	ECB President Christine Lagarde Holds Press Conference
UK	03/11	04:30	BOE U.K. inflation attitudes survey

ASIA-PACIFIC

Country	Date	Time	Event
AU	03/08	17:15	RBA's Lowe-Speech
SK	)3/08/22-03/09/22		South Korea Presidential ELection
AU	03/10	17:15	RBA's Lowe-Panel

LATIN AMERICA

Country	Date	Time	Event
PE	**03/10**	**18:00**	**Reference Rate**

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	0.50	April 13, 2022	1.00	0.75
Federal Reserve – Federal Funds Target Rate	0.25	March 16, 2022	0.50	0.50
Banco de México – Overnight Rate	6.00	March 24, 2022	6.25	6.25

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	0.00	March 10, 2022	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	March 10, 2022	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	March 10, 2022	-0.50	-0.50
Bank of England – Bank Rate	0.50	March 17, 2022	0.75	0.75
Swiss National Bank – Libor Target Rate	-0.75	March 24, 2022	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	20.00	March 18, 2022	20.00	20.00
Sweden Riksbank – Repo Rate	0.00	April 28, 2022	0.00	0.00
Norges Bank – Deposit Rate	0.50	March 24, 2022	0.75	0.75
Central Bank of Turkey – Benchmark Repo Rate	14.00	March 17, 2022	14.00	14.00

European Central Bank (ECB): Next week's meeting will be marked by cautious communications and a slowing of the central bank's hawkish pivot taken last month. Updated macroeconomic projections, published before Ukraine-Russia tensions and commodity price rallies, will be a touch stale but should highlight increased inflation forecasts and relatively unchanged growth–the former subject to upside risks and the latter to downside.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	March 18, 2022	-0.10	0.00
Reserve Bank of Australia – Cash Target Rate	0.10	April 5, 2022	0.10	0.10
Reserve Bank of New Zealand – Cash Rate	1.00	April 12, 2022	1.25	1.50
People's Bank of China – 1-Year Loan Prime Rate	3.70	March 20, 2022	3.60	3.65
Reserve Bank of India – Repo Rate	4.00	April 8, 2022	4.00	4.00
Bank of Korea – Bank Rate	1.25	April 14, 2022	1.50	1.50
Bank of Thailand – Repo Rate	0.50	March 30, 2022	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	May 11, 2022	1.75	1.75
Bank Indonesia – 7-Day Reverse Repo Rate	3.50	March 17, 2022	3.50	3.50
Central Bank of Philippines – Overnight Borrowing Rate	2.00	March 24, 2022	2.00	2.00

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	10.75	March 16, 2022	11.50	11.75
Banco Central de Chile – Overnight Rate	5.50	March 29, 2022	7.00	7.00
Banco de la República de Colombia – Lending Rate	4.00	March 31, 2022	5.25	5.00
Banco Central de Reserva del Perú – Reference Rate	3.50	March 10, 2022	4.00	4.00

Banco Central de Reserva del Perú (BCRP): We expect the BCRP to raise the reference rate by 50 bps to 4.00% at the March 10 meeting, in line with the bank's hawkish forward guidance. We also expect the BCRP to raise the benchmark rate to at least 4.50% by year-end. Inflation still continues to run hot at 6.2 y/y in February, well above the 2 +/– 1% target range.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	4.00	March 24, 2022	4.00	4.25

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