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*With thanks for research support from:
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Next Week's Risk Dashboard

- US core inflation could be another hot one
- Analysts are bearish toward Q3 earnings
- FOMC minutes to continue downplaying pivot talk
- UK jobs rolling?
- Will Chile's central bank call it quits after one more hike?
- Bank of Korea expected to keep tightening
- Banxico minutes likely to reinforce a follow-the-Fed bias
- US retail sales likely to be another soft one
- Indian CPI to get a food lift but not from a usual source
- China's core inflation still <1%
- Scandinavian underlying inflation likely to be hot
- Brazilian inflation is probably still tumbling
- Other global macro

This Could be a Bad Week for 'Progressives'

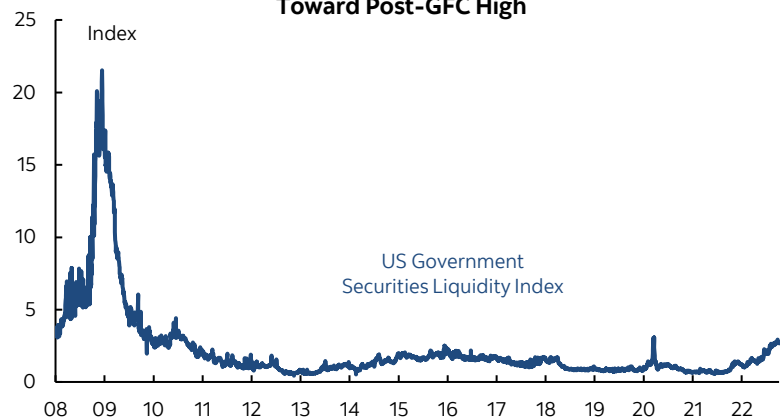
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Chart of the Week

**US Treasury Market Liquidity is Worsening
 Toward Post-GFC High**



Sources: Scotiabank Economics, Bloomberg.

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

This Could be a Bad Week for ‘Progressives’

This week may prove to be a tad inconvenient to the best laid plans set by so-called progressives. One of their pet theories is that greedy corporations are driving inflation and pocketing the proceeds. Most serious observers would say that’s rubbish and point to the varied and complex combination of demand-driven and supply chain effects upon inflation. This week could further weaken the merits of the progressives’ take on things if Wednesday’s US core inflation print lands as expected while the earnings season gets off to what analysts fear will be a soft one.

US CPI INFLATION—SOFT HEADLINE, STRONG CORE AGAIN?

The obsession of our times will get its next fix on Thursday when US CPI for September arrives. It’s expected to be another hot one on a core basis even while headline inflation likely stalls.

I went with a bottom-of-consensus 0.1% m/m for headline CPI and it wouldn’t take much at all to get a negative. That could knock the year-over-year reading to below 8% (7.9%) for the first time since February.

For core CPI, I’ve estimated a rise of about ½% m/m in seasonally adjusted terms which could lift the year-over-year rate higher to 6.6% (6.3% prior) for the hottest reading since August 1982.

The drivers are as follows:

- The Cleveland Federal Reserve’s ‘nowcast’ tracks inflation on a daily basis throughout each month. It has performed fairly well over time, but not infallibly so. Charts 1 and 2 show that it is tracking a ½% m/m rise in core but is higher than my estimate for headline inflation.
- Gasoline prices moved sharply lower again during September (chart 3). On a weighted-contribution basis this should knock about a half percentage point from the month-over-month CPI reading. While it’s early, gas prices are beginning to creep higher again in October partly on the back of the OPEC+ production cuts and perhaps extreme weather events.
- Natural gas prices fell again and may knock a small additional amount off of the piped utility component of CPI.
- Food prices may also begin to come under downward pressure at least temporarily until drought conditions in Europe and the US begin to weigh upon several categories. Chart 4

Chart 1

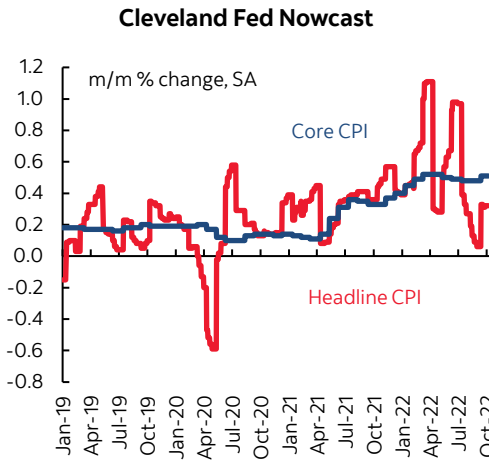


Chart 2

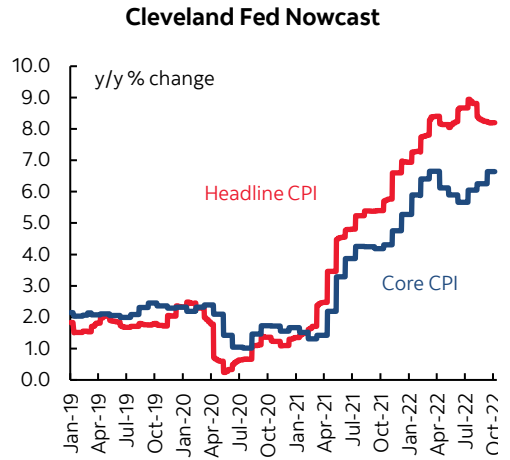


Chart 3

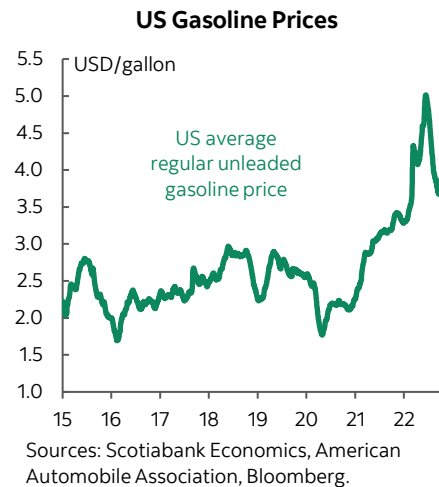


Chart 4

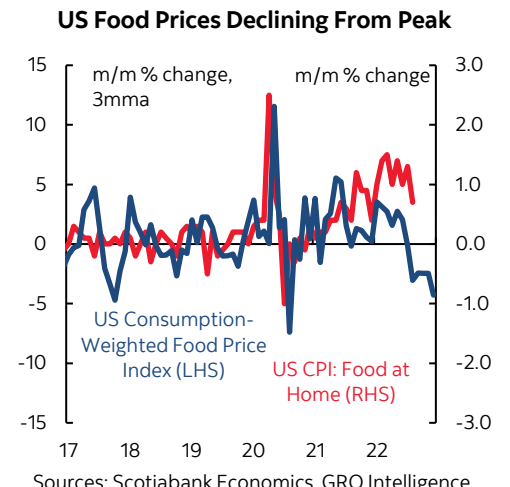
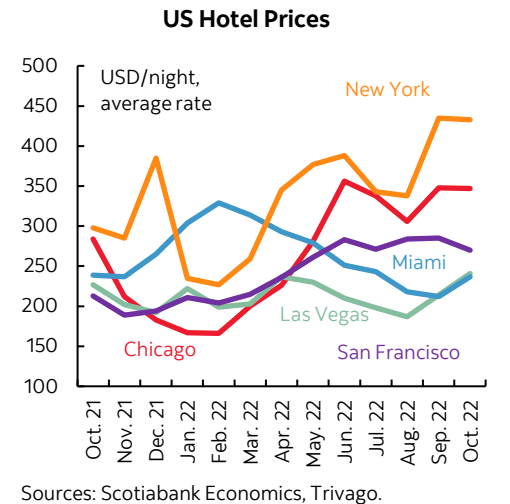


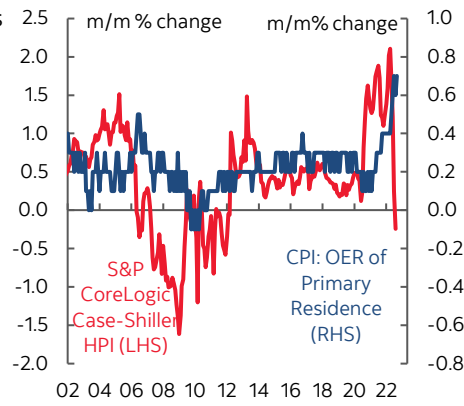
Chart 5



shows that a market-based measure of food prices aligned toward using US consumption weights has sharply fallen of late. Translating market prices into retail food-at-home CPI is fraught with difficulties, however, and this is indicated by the fact that the food-at-home CPI category's sharp rise over the pandemic has not been well correlated with the direction of monthly changes in the market-based measure.

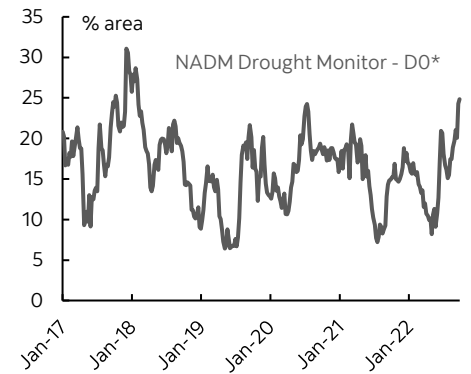
- JD Power figures for new and used vehicle prices adjusted for seasonality also pushed somewhat lower and are estimated to be a mild drag on headline and core CPI.
- Our tracking of service prices continues to point toward another significant gain in support of what has been the trend of accelerating service prices versus goods. The Trivago hotel price index (chart 5) shows higher prices in New York, Chicago and Vegas, flat prices in San Francisco and slightly lower prices in Miami.
- The recent softening of repeat sale home prices may begin to show up in weakening owners' equivalent rent but probably not just yet (chart 6).

Chart 6
Homebuying Price Surges Causing Upward Pressure on Rents



Sources: Scotiabank Economics, BLS, S&P.

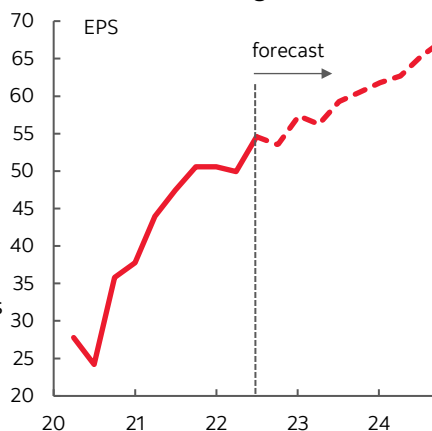
Chart 7
US Drought Conditions Intensify



*D0 drought category represents abnormally dry conditions. Sources: Scotiabank Economics, Bloomberg.

Having said all of that, while US monetary policy remains overly obsessed with the latest backward-looking readings, policy remains concerned about the perceived composition of inflation risk. The tightness of the US labour market is likely to be dented into 2023 but perhaps not quickly and materially enough to bring wage-price cycle dynamics to a cooler point as soon as the FOMC would like. Global food and energy prices may come under additional upward pressure through winter months and represent renewed passthrough effects into the core CPI and core PCE baskets. Drought conditions in the US are presently tracking toward their most elevated readings since they spiked into the winter of 2017–18 (chart 7).

Chart 8
S&P 500 Earnings Estimates



Sources: Scotiabank Economics, Bloomberg.

Chart 9
Analysts Have Mostly Overestimated EPS



Sources: Scotiabank Economics, Bloomberg.

US EARNINGS EXPECTED TO BE WEAKEST IN TWO YEARS

A fresh US earnings season begins this week and may inform next steps for stocks.

Fifteen S&P500 firms release in a modest start to the season. As usual, the early focus is upon financials toward the end of the week. BlackRock kicks it off on Thursday, followed by an onslaught of reports from JP Morgan, Morgan Stanley, Citigroup, Wells Fargo, PNC Financial and US Bancorp on Friday.

Analysts are expecting same-quarter seasonally unadjusted earnings to be up by only about 3% y/y from about 10% in Q2 as the softening economy and higher borrowing costs bite (chart 8). FactSet (full preview [here](#)) expects the softest earnings growth by this measure since the early days of recovery in 2020Q3.

Having said that, recall that since SOX legislation, analysts have generally lowballed actual earnings growth into the start of most seasons while still nevertheless tending to overestimate one-year forward earnings per share (chart 9). The start of the season's focus upon financials may not inform whether that's true this time around as opposed to monitoring the season's progress over the coming weeks.

MORE LOST JOBS IN THE UK?

UK labour market figures will be updated on Tuesday and at risk is further evidence of softening that may influence market pricing for Bank of England moves including into the November meeting. That decision nevertheless likely rests much more upon the accelerated concern toward the outlook for core inflation in the wake of the Truss administration's extremely expansionary fiscal policy moves. A hike of at least 100bps is likely to be delivered.

Total UK employment has slipped for two months now and shed 117,000 positions (chart 10). The UK has yet to fully recover to pre-pandemic levels of employment. The number of payroll employees in August surprised to the upside, +71k vs. +60k consensus, but off-payroll and hence principally smaller businesses have not fared as well. Labour supply challenges helped to drive the unemployment rate further into record low territory of 3.6%. Job vacancies, another indicator of labour market tightness, have come off their peak but remain elevated at 1.27 million, roughly 50% higher than 2019 levels. Labour demand continues to outpace supply and competing factors will dictate how fast people re-enter the workforce.

On the one hand, high inflation may keep folks trickling back into work but on the other, the UK government's lofty fiscal support package might have the opposite effect while also fuelling prices further. Lastly, wage pressures continue to mount, surprising to the upside in four of the last five months, with further acceleration expected. Wage growth currently sits at 5.2% y/y for the 3-months ending July, the highest level since August 2021.

CENTRAL BANKS—IF THE FED'S NOT PIVOTING, THEN THE REST WON'T!

This week is unlikely to bring forward significant developments across major central banks but there could be a few noteworthy developments.

Wednesday's minutes to the FOMC meeting on September 20th – 21st (recap [here](#)) are likely to reinforce messaging from the deluge of Fed speakers who have been leaning against a) pivot talk, and b) rate cut possibilities next year. A pivot seems insensible to expect for some time yet. The leaning against market tendencies to flirt with rate cuts next year could reflect the committee's unease toward inflation risk and/or concern that it doesn't wish to encourage easier financial market conditions before it thinks the job is done in combatting inflation.

Banxico minutes to the September 29th meeting land on Thursday. The central bank hiked by 75bps at that meeting for a third consecutive time and met expectations that it would follow the Federal Reserve's identically sized hike. While there has been some debate around this across Banxico officials, the tone of the minutes is likely to leave behind the continued impression that further policy moves will emulate the Fed's hikes.

Chile's central bank is widely expected to hike its overnight rate by another 50bps to 11.25% on Wednesday. Banco Central de Chile is expected to either signal the end of the hiking cycle or turn toward a decision-by-decision data dependent stance. A caution against this thinking is that the peso has weakened by another roughly 5% to the USD since the last decision on September 6th and the FOMC's hawkish September meeting. That could well ignite another up-leg in inflationary pressures (chart 11).

The Bank of Korea is expected to hike another 50bps to a Base Rate of 3% toward the end of the week. As elsewhere, currency weakening on the back of the Federal Reserve's expedited hiking campaign has driven the won 5% weaker to the USD since the last BoK policy decision in early August.

OTHER GLOBAL MACRO

The rest of the US calendar's line-up will pale by comparison to CPI, FOMC minutes and earnings. Friday's releases stand the best chance at mattering if at all as retail sales are expected to be on the soft side again. I've estimated a +0.1% m/m rise and -0.2% ex-autos. US consumers probably continued to rotate away from goods spending that is reflected in retail sales toward services that largely fall outside of retail sales. The University of Michigan's consumer sentiment reading for October (Friday) might gain on lower gasoline prices given its

Chart 10

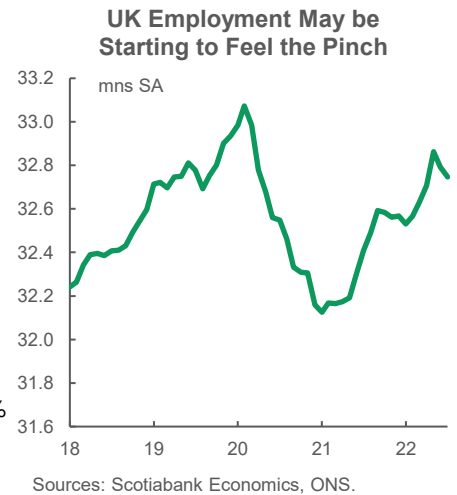
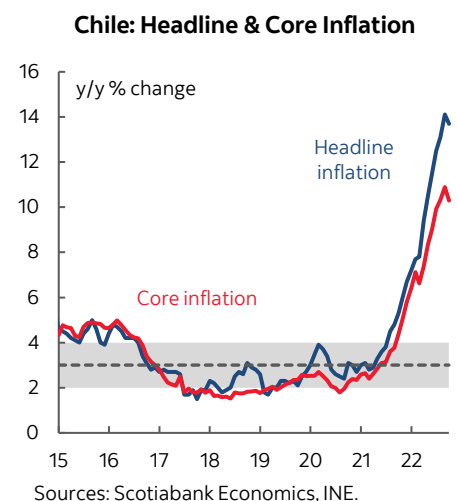


Chart 11



October 7, 2022

emphasis upon cash flow measures. Weekly claims (Thursday) and producer prices for September (Wednesday) round out the line-up; core producer prices are expected to rise by 0.3% m/m and almost 7 ½% y/y

CPI readings will also be updated by several other countries. China (Thursday night ET) is expected to climb closer toward the CCP's 3% target but only due to commodity and yuan influences as core inflation ex-food and energy continues to trend lower to sub-1% readings.

India's CPI inflation rate (Wednesday) is expected to climb higher again with estimates ranging between 7.2–7.5% y/y. The culprit is likely to be higher food prices but this time not so much through onion prices—a staple in the Indian diet—that typically spike and lift CPI by around this time of the year into monsoon season (chart 12).

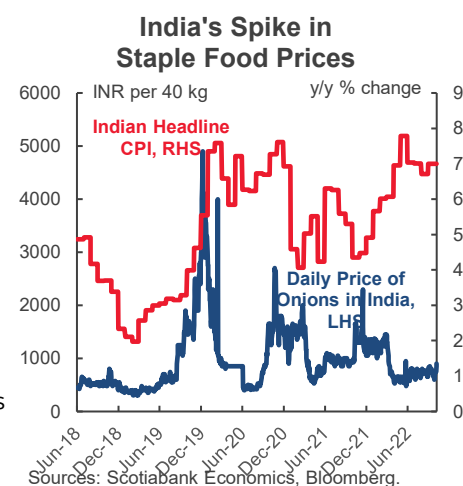
Hot inflation readings are likely to arrive in Scandinavia. Norway's September update (Monday) is expected to register a rebound in underlying CPI to about +¾% m/m after the prior month's decline. Sweden's underlying CPI is forecast to rise by a similar amount (Thursday).

Brazilian inflation (Tuesday) might witness continued relief with September's prices expected to fall and bring the year-over-year reading down toward from a peak of 12.1% in April toward 7% this week. That could reinforce the central bank's decision to hold its Selic rate in September and therefore halt its hike cycle.

Other release highlights will focus upon China's export figures toward the end of the week, Eurozone industrial output and trade figures on Wednesday, and a series of UK economic indicators on Wednesday covering industrial output, the services sector, trade, and August GDP.

Canada will start the week off with markets shut for Thanksgiving on Monday. That will leave much of the rest of the week to recover from bloated bellies as the week's line-up will be very light. Manufacturing shipments are likely to decline when August's figures are reported on Friday; Statcan has already guided that they fell by 1.8% m/m in its flash reading on September 23rd, but other details may inform future momentum such as new orders. The same day also brings out wholesale trade figures that are expected to rebound in keeping with flash guidance on September 26th that tentatively registered a 0.8% rise.

Chart 12



Key Indicators for the week of October 10 – 14

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	10-11	09:00	Treasury Budget (US\$ bn)	Sep	--	--	-219.6
MX	10-12	07:00	Industrial Production (m/m)	Aug	--	--	0.4
MX	10-12	07:00	Industrial Production (y/y)	Aug	--	--	2.7
US	10-12	08:30	PPI (m/m)	Sep	0.2	0.2	-0.1
US	10-12	08:30	PPI ex. Food & Energy (m/m)	Sep	0.3	0.3	0.4
US	10-13	08:30	CPI (m/m)	Sep	0.1	0.2	0.1
US	10-13	08:30	CPI (y/y)	Sep	8.0	8.1	8.3
US	10-13	08:30	CPI (index)	Sep	--	296.4	296.2
US	10-13	08:30	CPI ex. Food & Energy (m/m)	Sep	0.5	0.4	0.6
US	10-13	08:30	CPI ex. Food & Energy (y/y)	Sep	6.6	6.5	6.3
US	10-13	08:30	Initial Jobless Claims (000s)	Oct 8	225	225.0	219.0
US	10-13	08:30	Continuing Claims (000s)	Oct 1	1360	1365.0	1361.0
CA	10-14	08:30	Manufacturing Shipments (m/m)	Aug	-1.8	-1.8	-0.9
CA	10-14	08:30	Wholesale Trade (m/m)	Aug	0.8	0.8	-0.6
US	10-14	08:30	Export Prices (m/m)	Sep	--	-1.0	-1.6
US	10-14	08:30	Import Prices (m/m)	Sep	--	-1.1	-1.0
US	10-14	08:30	Retail Sales (m/m)	Sep	0.1	0.2	0.3
US	10-14	08:30	Retail Sales ex. Autos (m/m)	Sep	-0.2	-0.1	-0.3
CA	10-14	09:00	Existing Home Sales (m/m)	Sep	--	-1.0	-1.0
US	10-14	10:00	Business Inventories (m/m)	Aug	--	0.9	0.6
US	10-14	10:00	U. of Michigan Consumer Sentiment	Oct P	59.0	58.9	58.6

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
UK	10-11	02:00	Average Weekly Earnings (3-month, y/y)	Aug	--	5.9	5.5
UK	10-11	02:00	Employment Change (3M/3M, 000s)	Aug	--	-160.0	39.0
UK	10-11	02:00	Jobless Claims Change (000s)	Sep	--	--	6.3
UK	10-11	02:00	ILO Unemployment Rate (%)	Aug	--	3.6	3.6
IT	10-11	04:00	Industrial Production (m/m)	Aug	--	0.0	0.4
UK	10-12	02:00	Index of Services (m/m)	Aug	--	0.0	0.4
UK	10-12	02:00	Industrial Production (m/m)	Aug	--	-0.1	-0.3
UK	10-12	02:00	Manufacturing Production (m/m)	Aug	--	-0.1	0.1
UK	10-12	02:00	Visible Trade Balance (£ mn)	Aug	--	-20400.0	-19362.0
EC	10-12	05:00	Industrial Production (m/m)	Aug	--	0.6	-2.3
EC	10-12	05:00	Industrial Production (y/y)	Aug	--	1.2	-2.4
GE	10-13	02:00	CPI (m/m)	Sep F	--	1.9	1.9
GE	10-13	02:00	CPI (y/y)	Sep F	--	10.0	10.0
GE	10-13	02:00	CPI - EU Harmonized (m/m)	Sep F	--	2.2	2.2
GE	10-13	02:00	CPI - EU Harmonized (y/y)	Sep F	--	10.9	10.9
GE	10-13	02:00	Current Account (€ bn)	Aug	--	--	5.0
FR	10-14	02:45	CPI (m/m)	Sep F	--	-0.5	-0.5
FR	10-14	02:45	CPI (y/y)	Sep F	--	5.6	5.6
FR	10-14	02:45	CPI - EU Harmonized (m/m)	Sep F	--	-0.5	-0.5
FR	10-14	02:45	CPI - EU Harmonized (y/y)	Sep F	--	6.2	6.2
SP	10-14	03:00	CPI (m/m)	Sep F	--	-0.6	0.0
SP	10-14	03:00	CPI (y/y)	Sep F	--	9.0	9.0
SP	10-14	03:00	CPI - EU Harmonized (m/m)	Sep F	--	0.0	0.0
SP	10-14	03:00	CPI - EU Harmonized (y/y)	Sep F	--	9.3	9.3
EC	10-14	05:00	Trade Balance (€ mn)	Aug	--	--	-33978.5

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of October 10 – 14

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
CH	10-09	21:00	New Yuan Loans (bn)	Sep	--	1810.0	1254.2
AU	10-10	01:30	Foreign Reserves (AUD bn)	Sep	--	--	80.6
JN	10-10	19:50	Current Account (¥ bn)	Aug	--	75.8	229.0
JN	10-10	19:50	Trade Balance - BOP Basis (¥ bn)	Aug	--	-2410.1	-1212.2
PH	10-10	21:00	Exports (y/y)	Aug	--	-4.6	-4.2
PH	10-10	21:00	Imports (y/y)	Aug	--	20.8	26.3
PH	10-10	21:00	Trade Balance (US\$ mn)	Aug	--	-5800.0	-5869.0
ID	10-10	21:00	Consumer Confidence Index	Sep	--	--	124.7
SI	10-10	21:00	Real GDP (y/y)	3Q A	--	3.4	4.4
SI	10-10	21:00	GDP (q/q)	3Q A	--	3.4	4.4
JN	10-11	19:50	Machine Orders (m/m)	Aug	--	-3.0	5.3
MA	10-12	00:00	Industrial Production (y/y)	Aug	--	11.5	12.5
JN	10-12	02:00	Machine Tool Orders (y/y)	Sep P	--	--	10.7
IN	10-12	08:00	CPI (y/y)	Sep	--	7.38	7.00
IN	10-12	08:00	Industrial Production (y/y)	Aug	--	1.70	2.40
JN	10-12	19:50	Bank Lending (y/y)	Sep	--	--	1.9
SK	10-12	00:00	BoK Base Rate (%)	Oct 14	3.00	3.00	2.50
NZ	10-13	17:30	Business NZ PMI	Sep	--	--	54.9
SK	10-13	19:00	Unemployment Rate (%)	Sep	--	2.7	2.5
JN	10-13	19:50	Japan Money Stock M2 (y/y)	Sep	--	3.4	3.4
JN	10-13	19:50	Japan Money Stock M3 (y/y)	Sep	--	3.0	3.0
CH	10-13	21:30	CPI (y/y)	Sep	--	2.8	2.5
CH	10-13	21:30	PPI (y/y)	Sep	--	1.0	2.3
IN	10-14	02:30	Monthly Wholesale Prices (y/y)	Sep	--	11.4	12.4
CH	10-14	21:00	Exports (y/y)	Sep	--	4.0	7.1
CH	10-14	21:00	Imports (y/y)	Sep	--	0.4	0.3
CH	10-14	21:00	Trade Balance (USD bn)	Sep	--	81.2	79.4
IN	10-14	23:30	Exports (y/y)	Sep	--	--	1.6
IN	10-14	23:30	Imports (y/y)	Sep	--	--	37.3

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
BZ	10-11	08:00	IBGE Inflation IPCA (m/m)	Sep	--	-0.3	-0.4
BZ	10-11	08:00	IBGE Inflation IPCA (y/y)	Sep	--	7.1	8.7
CL	10-12	17:00	Nominal Overnight Rate Target (%)	Oct 12	11.25	11.25	10.75
CO	10-14	11:00	Retail Sales (y/y)	Aug	--	--	7.7

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Global Auctions for the week of October 10 – 14

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	10-13	12:00	Canada to Sell 2 Year Bonds
US	10-11	11:30	U.S. To Sell USD40 Bln 3-Year Notes

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
GE	10-11	05:30	Germany to Sell 5.5Bln of 2024 Bonds
GE	10-12	05:30	Germany to Sell EUR4 Bln of 1.7% 2032 Bonds
IT	10-13	05:00	Italy to Sell Bonds
NE	10-11	04:00	Netherlands to Sell 0% 2029 Bonds
NO	10-12	05:00	Norway to Sell Bonds
SZ	10-12	05:15	Switzerland to Sell Bonds
UK	10-12	05:00	U.K. to Sell GBP3.5 Billion of 4.125% 2027 Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	10-13	22:35	China Plans to Sell CNY 5Y Bond
CH	10-11	22:35	China to Sell CNY67 Bln 7Y Upsized Bond
CH	10-11	22:35	China to Sell CNY67 Bln 3Y Upsized Bond
JN	10-13	23:35	Japan to Sell 5-Year Bonds
JN	10-11	23:35	Japan to Sell 30-Year Bonds

LATIN AMERICA

No Scheduled Auctions.

Events for the week of October 10 – 14

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	10-10	09:00	Fed's Evans Speaks at NABE Conference in Chicago
US	10-10	13:00	Fed's Brainard Speaks at NABE Conference in Chicago
US	10-11	12:00	Fed's Mester Speaks to Economics Club of New York
US	10-12	10:00	Fed's Kashkari Takes Part in Town Hall Discussion
US	10-12	14:00	FOMC Meeting Minutes

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	10-12	17:00	ECB's De Cos Speaks
EC	10-12	14:30	ECB's Knot Speaks
EC	10-12	11:00	ECB's Knot Speaks
EC	10-12	09:30	ECB's Lagarde Speaks
EC	10-13	03:30	ECB's Guindos Speaks
EC	10-11	18:00	ECB's Villeroy Speaks in New York
EC	10-14	04:00	ECB's Holzmann Speaks
EC	10-11	08:45	ECB's Lane Speaks
EC	10-10	09:00	ECB's Lane Speaks
EC	10-10	04:15	ECB's Centeno Speaks at Bank of Portugal Event
SW	10-10	11:30	Riksbank's Ohlsson on panel
SW	10-13	13:00	Riksbank's Breman speech
SW	10-10	08:30	Riksbank's Ingves, Breman at IMF annual meeting
SZ	10-11	12:45	SNB's Jordan Speaks in Washington
UK	10-12	19:00	BOE's Catherine Mann speaks at Peterson Institute
UK	10-12	13:00	BOE's Catherine Mann speaks
UK	10-12	07:35	BOE Chief Economist Huw Pill speaks
UK	10-12	04:00	BOE's Haskel speaks
UK	10-11	14:35	BOE Governor Andrew Bailey speaks
UK	10-11	14:00	BOE's Jon Cunliffe speaks

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	10-11	18:00	RBA's Ellis-Speech
SK	10-11	00:00	BoK 7-Day Repo Rate

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CL	10-12	17:00	Overnight Rate Target
MX	10-13	10:00	Central Bank Monetary Policy Minutes

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	3.25	October 26, 2022	3.75	3.75
Federal Reserve – Federal Funds Target Rate	3.25	November 2, 2022	4.00	4.00
Banco de México – Overnight Rate	9.25	November 10, 2022	10.00	10.00

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	1.25	October 27, 2022	2.00	2.00
European Central Bank – Marginal Lending Facility Rate	1.50	October 27, 2022	2.25	2.25
European Central Bank – Deposit Facility Rate	0.75	October 27, 2022	1.50	1.50
Bank of England – Bank Rate	2.25	November 3, 2022	3.25	3.00
Swiss National Bank – Sight Deposit Rate	0.50	December 15, 2022	1.25	1.25
Central Bank of Russia – One-Week Auction Rate	7.50	October 28, 2022	7.50	7.50
Sweden Riksbank – Repo Rate	1.75	November 24, 2022	2.50	2.50
Norges Bank – Deposit Rate	2.25	November 3, 2022	2.75	2.75
Central Bank of Turkey – Benchmark Repo Rate	12.00	October 20, 2022	12.00	12.00

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	October 28, 2022	-0.10	-0.10
Reserve Bank of Australia – Cash Rate Target	2.60	October 31, 2022	2.85	2.85
Reserve Bank of New Zealand – Cash Rate	3.50	November 22, 2022	4.00	4.00
People's Bank of China – 1-Year Loan Prime Rate	3.65	October 19, 2022	3.65	3.65
Reserve Bank of India – Repo Rate	5.90	December 6, 2022	6.15	6.00
Bank of Korea – Base Rate	2.50	October 12, 2022	3.00	3.00
Bank of Thailand – Repo Rate	1.00	November 30, 2022	1.25	1.25
Bank Negara Malaysia – Overnight Policy Rate	2.50	November 3, 2022	2.75	2.75
Bank Indonesia – 7-Day Reverse Repo Rate	4.25	October 20, 2022	4.50	4.50
Central Bank of Philippines – Overnight Borrowing Rate	4.25	November 17, 2022	4.50	4.50

Bank of Korea (BoK): It is expected the Bank of Korea will raise the Base Rate by 50 bps to 3.00% next week. Since their smaller 25 bps move in August, the won has depreciated another 5% against the dollar, which will likely have pass-through effects to already high and lingering inflation in the country. Headline inflation for September sits sixth tenths off its July peak at 5.6% y/y, but is expected to hover around the 5% area for the first part of 2023. **People's Bank of China (PBoC):** No change in the 1-Yr Medium-Term Lending Facility is expected, which currently stands at 2.75%. The slumping property sector is China's primary concern, and stimulation of the economy via lower borrowing costs will only put further downward pressure on the yuan, which has already lost 10% YTD to the greenback. The PBoC has instead taken a more targeted approach by encouraging China's largest state-owned banks to provide financing support to the sector.

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	13.75	October 26, 2022	13.75	13.75
Banco Central de Chile – Overnight Rate	10.75	October 12, 2022	11.25	11.25
Banco de la República de Colombia – Lending Rate	10.00	October 28, 2022	10.50	10.50
Banco Central de Reserva del Perú – Reference Rate	7.00	November 10, 2022	7.25	7.25

Banco Central de Chile (BCCh): We expect a hike of 50 bps of the overnight rate to 11.25%, which may mark the end of the tightening cycle for the bank. From here, we expect the bank to hold the 11.25% rate for the remainder of Q4-2022 before cutting rates in the first quarter of next year. The bank has tightened a cumulative 1025 bps since July 2021 in an effort to combat soaring prices which has moved from 4.50% y/y at the beginning of tightening to the current 13.7% y/y as of September.

AFRICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
South African Reserve Bank – Repo Rate	6.25	November 24, 2022	6.50	6.50

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

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