Scotiabank

GLOBAL ECONOMICS

THE GLOBAL WEEK AHEAD

February 11, 2022

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With thanks for research support from: Marc Ercolao.

Next Week's Risk Dashboard

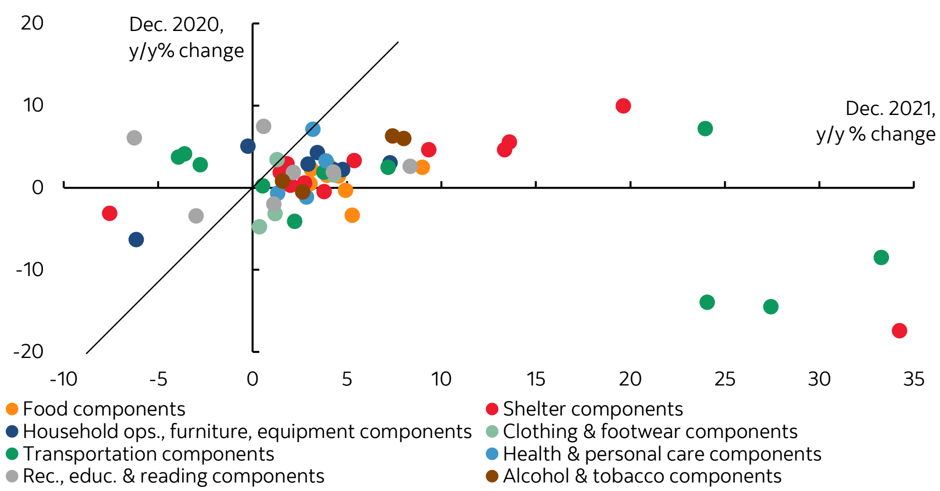
- Russia-Ukraine tensions loom over markets
- FOMC minutes: Stale, but still useful guidance?
- Canadian inflation: a record overshoot
- UK jobs, CPI to inform risk of 50bps
- Aussie jobs and the RBA
- Want low inflation? Move to China
- A full jobs recovery in the Eurozone?
- Consumers rebounding in the US, UK and maybe Canada?
- Indian inflation could break the RBI's bands
- Japan's rebound
- CBs: Turkey, Philippines to hold

2014 Redux?

FORECASTS & DATA

Chart of the Week

Canadian Inflation Rising and Spreading



Sources: Scotiabank Economics, Statistics Canada.

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

February 11, 2022

2014 Redux?

GEOPOLITICAL RISK—LESSONS FROM 2014

As this publication is going to press there has been an escalation of warnings that President Putin may have given the orders to his military to invade Ukraine as soon as this coming week. President Biden will be speaking with Putin on Saturday.

Of course, any sensible person likely prefers peace as the first order of focus, but the immediate focus is upon potential implications for markets and also central bank policy stances including the Fed's. In keeping with the line that history has a tendency of repeating itself, we could look to lessons drawn from when Russia invaded the Crimean Peninsula in 2014 with the obvious lack of any assurances that this time will necessarily repeat that experience.

Recall that tensions intensified over February through March in 2014. The buildup of tensions and the ensuing invasion drove a brief rally in the US 10-year Treasury note from a peak of 3.03% at the end of 2013 to about 2.58% by early February before stabilising in a 2.45%–2.6% range until June. The Federal Reserve had commenced tapering bond purchases at the December 2013 meeting and was unwavering in its commitment toward continued tapering over 2014 until net purchases concluded toward the end of the year. Lower Treasury yields may have incited this policy stance given they were deemed unsuitable to the conditions of the domestic economy at the time.

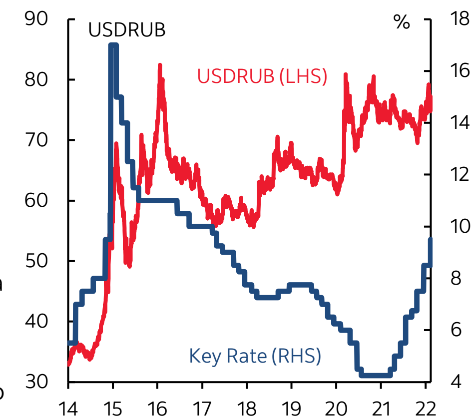
There was a similarly mild and short-lived response in stocks and at a time of many other developments. The S&P500 sold-off by under 6% from late January through early February 2014 and then went on to rally for the remainder of the year with its share of ups and downs along the way.

These market moves weren't even all about Russia-Ukraine tensions. They may have only been minimally driven by such circumstances. Recall that oil prices collapsed later in the year as the Saudis sought to drive US shale producers out of business. Emerging markets were in some turmoil. Chair Yellen dropped her "six months" guidance for how soon the Fed could commence hiking the policy rate after ending bond purchases. ISIS invaded Iraq in June of 2014.

But the possible takeaway is that the potential return of this geopolitical risk could be a tactical and relatively short-lived trade that fails to knock the Federal Reserve off course while it remains wedded to achieving its dual mandate. Today's very different circumstances including much higher inflation are likely to solidify that focus barring much worse outcomes this time. There are clear limits to this thinking that could turn out worse. I'd rather not at this point entertain risk of a fuller conflict that draws in a NATO-led confrontation! Until we have greater information, it may be better to assume a near replay of 2014 in which case Russia gets heavily sanctioned and the ruble eventually collapses and subsequently drives imported inflation much higher. That scenario in 2014–15 drove the Russian central bank to hike its key rate from 5.5% at the start of 2014 to a peak of 17% by the end of 2014 (chart 1). The Russian economy achieved no growth in 2014 and shrank by 2% in 2015.

Chart 1

USDRUB and Russia Key Rate



Sources: Scotiabank Economics, Bloomberg.

The overall conclusion based on the 2014 experience is that Russia may only shoot itself in the foot in destroying its own economy, global market effects could be brief and outweighed by other considerations, at least the Fed may not be blown off course although the ECB may be a different matter, and tactical trades may rule, like Russian versus Canadian wheat futures or cross currency bets.

Nevertheless, differences to 2014 include the facts that Russia's military build-up appears to be much larger this time than in 2014 and both Europe and the US appear to be much more supportive militarily. Whether the net effect raises risk, or lowers it given a stronger counter presence is highly uncertain.

CENTRAL BANKS—CLUES IN THE FOMC MINUTES?

Markets may get further insights into the Federal Reserve's potential policy decisions at the March 15th – 16th FOMC meeting when minutes to the January 25th–26th meeting arrive on Wednesday. A recap of that meeting is **here**. There are three main considerations to monitor and in each case by noting the central tendency of beliefs across the committee that is typically conveyed with the Fed's use of language that connotes frequency of opinions expressed (one, a couple, a few, some, several, many, most, generally, almost all, all, etc.).

1. Size and pace

A decent shot at a 50bps hike in March is significantly priced. When Chair Powell was asked during his last press conference whether hikes larger than 25bps at a time and front-loading lift-off are possibilities, he mostly ducked the questions and that was one reason why there was a bond sell-off that day. An experienced central banker seeking to manage markets and tamp down such speculation if he had the conviction to do so would have probably leaned against such fears or sounded circumspect with two-sided guidance. The fact that he did not do so and instead sounded wishy-washy didn't go over so well.

That might have been because a) he simply didn't know, or b) he wanted to preserve optionality around such decisions, or c) the FOMC as a group did not grant the Fed Chair authorization to pre-commit one way or the other. What leaned toward the latter scenario was Powell's remark that "We have not made these decisions on the size of hikes. We fully appreciate that this is a different situation" than back in 2015–18 when the Fed used the slow-drip pace of hikes. The minutes may shed further light on this issue in a way that informs the magnitude of a likely rate hike in March and how a quicker pace of tightening may be reflected in the upcoming dot plot given Powell's guidance on "additional increases that we will reconsider at the March meeting."

2. Forecast bias

Powell indicated at the January press conference that "I'd be inclined to raise my core PCE forecast by a few tenths today" compared to his contribution to the FOMC's December Summary of Economic Projections. Watch for a further discussion across all FOMC officials that intimates the consensus bias.

3. Roll-off assumptions

Chair Powell had said during his confirmation testimony in January that maturing securities on the Fed's balance sheet could be allowed to roll-off "later" this year. The March communications stated that roll-off "will commence after the process of increasing the target range for the federal funds rate has begun." This could be just semantics, but does the shift from 'later' to 'after' imply a sooner move toward allowing partial roll-off of maturing securities as soon as Q2 following the planned end of net Treasury and MBS purchases in March?

In any event, there is a limit to which any policy inferences drawn from the January meeting's minutes may be relevant to formulating expectations for the March meeting. The minutes will be significantly stale on arrival since we've since had a blow-out jobs report (+467k in January with +709k of revisions to the prior two months) and a stronger-than-expected CPI inflation report (7.5% y/y).

Because of this, markets will also be looking for clues in the form of other Fed-speak. This will include two appearances by the hawkish and voting St. Louis Fed President Bullard (Monday, Thursday), Cleveland's voting President Mester (Thursday), Governor Waller (always voting, Friday), NY Fed President Williams (always voting, Friday), Chicago's Evans (nonvoting, Friday), and Minneapolis President Kashkari (nonvoting Wednesday).

Given implications not only for the ECB but also the global carry trade, comments from ECB officials will be closely followed including President Lagarde (Monday), and six other speakers during the week.

Norges Bank watchers will follow Governor Oystein Olsen's remarks on Thursday. Central banks in Turkey and the Philippines are expected to remain on hold on Thursday.

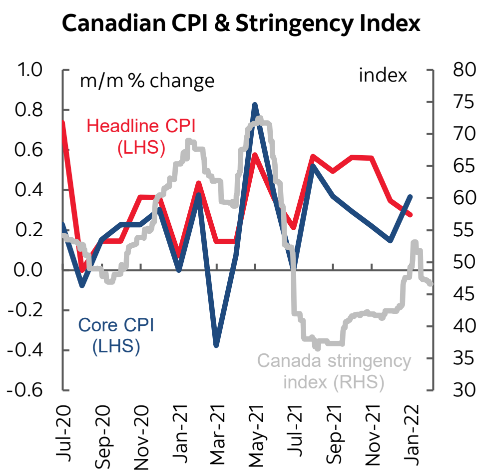
CANADIAN INFLATION—A RECORD OVERSHOOT OF THE 2% TARGET

Canada updates CPI inflation for January on Wednesday. My estimate is 0.7% m/m NSA and 5.0% y/y. That would be the biggest overshoot of the Bank of Canada's 2% inflation target since the BoC's earliest days of inflation targeting.

One consideration is how the tighter COVID-19 restrictions may impact inflation. As chart 2 demonstrates, Canada has tended to see inflation accelerate when COVID-19 restrictions intensify as measured by stringency indices. I've therefore factored in a premium that is consistent with prior experiences.

Otherwise, January tends to be a significant up-month for seasonal price pressures given considerations such as rolling out new lines of merchandise. That's important because the Canadian consensus measures m/m seasonally unadjusted inflation. Year-ago base effects

Chart 2



Sources: Scotiabank Economics, Bloomberg.

should knock the year-over-year inflation rate somewhat lower, but the focus should remain upon hot annualized m/m inflation rates (chart 3). Gasoline prices edged somewhat higher as well.

Also recall that the temptation to compare Canadian to US CPI inflation needs to control for notable methodological differences. For one thing, Canadian CPI excludes used vehicle prices. They were up by another 2.3% m/m using the Black Book measure and 44% y/y which would add 1.8 percentage points to Canadian headline CPI if we used a similar weight to how used vehicles are included in US CPI (chart 4). The exact weight that should be used in the Canadian context is uncertain and so is the exact measure of used vehicle prices but no others are available on a monthly basis. The general point is that inflation including used vehicle prices would probably be at least in the 6–7% y/y range in Canada if we captured used vehicles. Then there are the other more customary debates over the big differences between how Canada captures housing compared to US CPI.

The Bank of Canada probably wouldn't be surprised by such a move higher given that the January MPR indicated they expect inflation "to remain close to 5% over the first half of 2022." The debate that will then ensue is the degree to which year-over-year inflation may begin to ebb and whether that's the appropriate yardstick in any event versus month-over-month annualized inflation over the fuller cycle ahead.

GLOBAL INDICATORS TO INFORM RISKS TO MONETARY POLICY

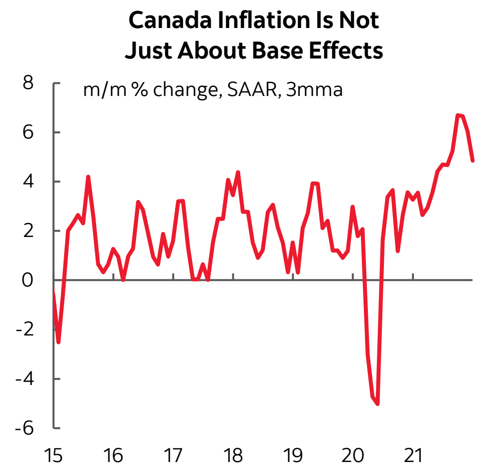
Key macro reports on tap for the coming week will inform debates on topics such as the potential magnitude of the Bank of England's next probable rate hike, the PBOC's appetite for further easing measures, the RBA's continued progress on maximum employment and potential wage pressures, whether the ECB faces accelerating wage pressures in a full employment recovery, and whether the RBI is further behind inflation risk.

Want low inflation? Move to China. It's pretty much about the only place on the planet that is not experiencing a surge of inflationary pressures. The latest estimates will land on Tuesday evening (eastern time as always here) and the headline rate is expected to decelerate again toward 1% y/y. If base effects mattered, then they would be pushing the year-over-year reading higher given how depressed inflation was at the start of last year. Another deceleration may further fan calls for additional monetary policy stimulus. Producer price inflation will also be updated that day and since it follows oil and other commodity prices it may soon face renewed upward pressure given the rally in oil prices since late last year.

Australia updates jobs for the month of January on Wednesday. Australia's labour market is among the leaders of the employment recovery across developed economies and is sitting about 250k jobs above its pre-pandemic peak (chart 5). Any further job gain in January would be a sign of excess labour market strength as a flat reading is expected. The hit from the omicron wave should show up more clearly as a temporary decline in hours worked. As is the case with many global economies, we may see Australia's labour market enter a phase of temporary volatility, as virus infections peaked in mid-January.

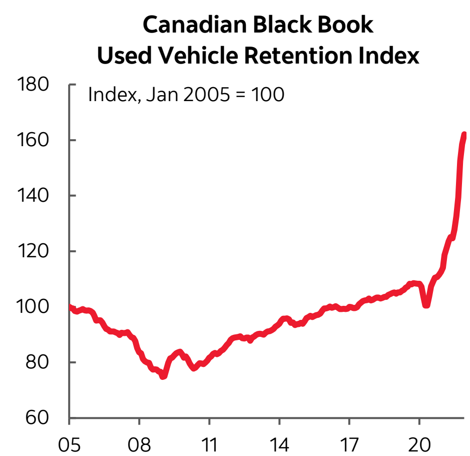
A few top-shelf macro releases land in the UK next week, with employment figures leading on Tuesday, CPI on Wednesday, and retail sales on Friday. Readings should help to inform policy decisions at the BoE's next meeting in March. The BoE signalled at its last meeting that interest rates could rise again next month, with the biggest surprise being the 5–4 vote that almost tipped the MPC to deliver a 50bps hike. An additional round of releases could tip this balance including:

Chart 3



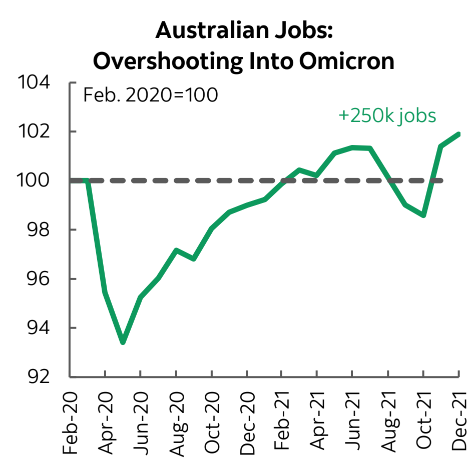
Sources: Scotiabank Economics, Statistics Canada.

Chart 4



Sources: Scotiabank Economics, Canadian Black Book.

Chart 5



Sources: Scotiabank Economics, Australian Bureau of Statistics.

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- The ILO unemployment rate for the three months ending December is expected to remain steady at 4.1%. Flash payroll data published by the ONS in advance of LFS data pointed to a reading of +184k jobs for the month of December (chart 6), subject to revision upon the January payrolls released on Tuesday. While the m/m change in *total* employment has slowed a touch in recent months (chart 7), the labour market is still showing signs of tightness with job vacancies remaining heightened.
- The main indicator to watch is CPI landing on Wednesday as the UK comes off fresh 20-year highs (chart 8). December headline and core inflation came in at 5.4% and 4.3% y/y, respectively. The expectation is for January inflation to hold steady or slightly dip (5.3–5.4% y/y) before accelerating until April which should mark the peak of price pressures.

Chart 6

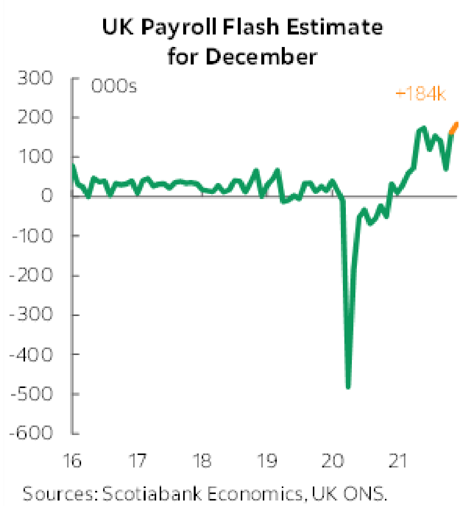
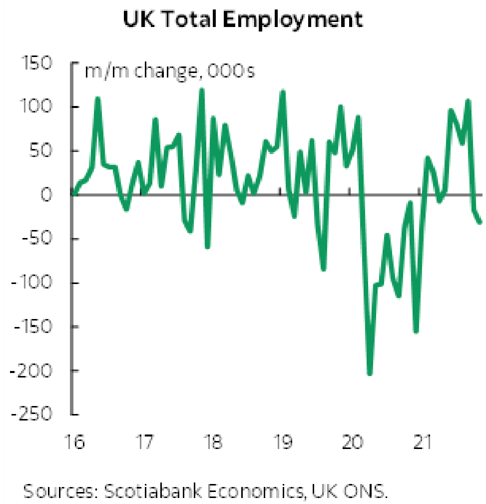
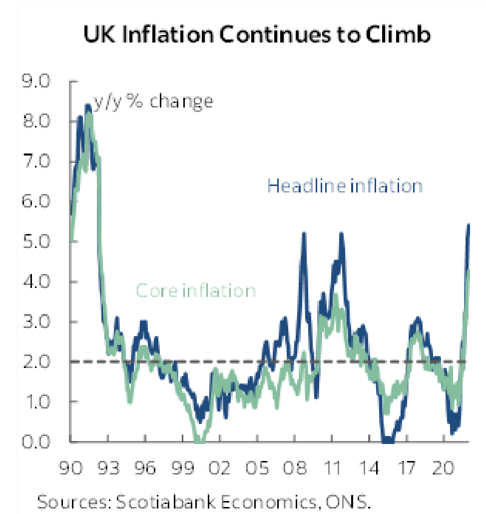


Chart 7



Other European releases will be pretty light. The opening round of monthly sentiment surveys that can collectively inform GDP tracking commences with the ZEW investor expectations measure for February (Tuesday) ahead of the following week's IFO confidence and PMI readings. Q4 employment growth (Tuesday) may fully recapture jobs lost due to the pandemic with even just a modest further gain (chart 9).

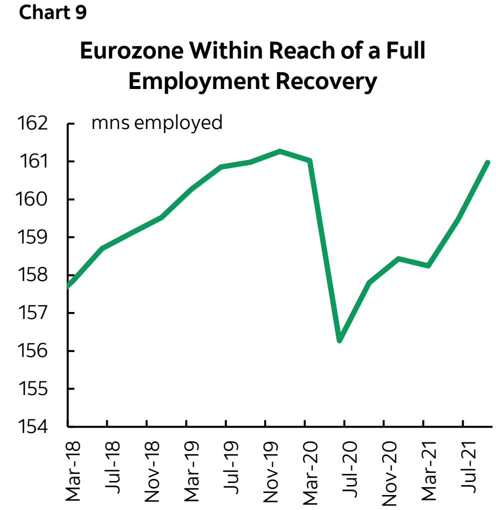
Chart 8



Global consumers may have vaulted back onto the scene to start the new year off at least in the US, UK and Canada. Because of a large gain in vehicle sales during January, US retail sales probably posted a very strong gain last month (Friday); I've estimated it at +3.5% m/m with a 21% rise in new vehicle sales potentially adding about three-percentage points to overall growth in retail sales on its own. Canadian retail sales have already been guided to have declined by 2.1% m/m in December and the final estimate may land lower, but watch January's flash guidance (Friday). UK retail sales are expected to rebound in January after the 3.7% m/m drop in December.

Canada's other calendar-based risks will otherwise be quite low over the coming week. That will likely maintain the focus upon evolving assessments of the pandemic protests, the responses by the authorities and rolling evaluations of the economic effects. Housing releases will inform momentum at the margin as the main focal point. Housing starts (Tuesday) may have risen during January on the back of prior increases in the volume of building permits and after the prior month's release was distorted by a big drop in volatile multiples. Existing home sales during January will try to make it five in a row in terms of sales increases, though the start of the year is typically skewed toward masochists moving in -30C weather. Manufacturing shipments during December (Wednesday) should end the year on another bright note given advance guidance from Statistics Canada that points toward a mild gain.

Chart 9



Sources: Scotiabank Economics, Eurostat.

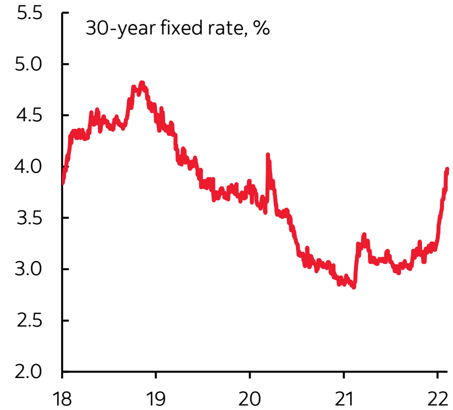
Other US developments will principally focus upon the housing and industrial complexes. Housing starts should rise in January's estimate given strong gains in permits (Thursday). Existing home sales, however, could follow the decline in pending home sales given that they turn up as completed resales generally within 30–90 days. Economy watchers should be braced for future weakness in home sales given the speed with which mortgage rates have risen and particularly the bellwether 30-year rate that has suddenly fully normalized toward pre-pandemic levels (chart 10). Industrial output during January (Wednesday) may post mild growth but with downside risk given the weakening in the ISM-manufacturing-production subindex. The start of another round of regional manufacturing reports on the path to the next ISM-manufacturing gauge will commence on Tuesday with the Empire measure, followed by the Philly Fed's gauge on Thursday.

Indian inflation during January is on tap for Monday. CPI is expected to climb by 6% y/y (5.6% prior) for a seven-month high which would put it at or above the upper limit of the RBI's 2–6% inflation target range. A further upside surprise could amplify the debate over whether the RBI is correct in emphasizing growth over inflation risk.

Japan's economy probably rebounded in Q4 by posting annualized growth of ~6% compared to the prior quarter's contraction of 3.6% (Monday). Accelerating consumption should figure fairly prominently. Fear not, Japanese inflation is still going nowhere fast as should be evident in the January figures later in the week.

Chart 10

US Mortgage Rates Back at Pre-Pandemic Level



Sources: Scotiabank Economics, Bankrate.com.

Key Indicators for the week of February 14 – 18

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	02/15	08:15	Housing Starts (000s a.r.)	Jan	250.0	252.0	236.1
US	02/15	08:30	Empire State Manufacturing Index	Feb	--	12.0	-0.7
US	02/15	08:30	PPI (m/m)	Jan	0.5	0.5	0.3
US	02/15	08:30	PPI ex. Food & Energy (m/m)	Jan	0.4	0.4	0.5
CA	02/15	09:00	Existing Home Sales (m/m)	Jan	--	--	0.2
US	02/15	16:00	Total Net TIC Flows (US$ bn)	Dec	--	--	223.9
US	02/15	16:00	Net Long-term TIC Flows (US$ bn)	Dec	--	--	137.4
US	02/16	07:00	MBA Mortgage Applications (w/w)	Feb 11	--	--	-8.1
CA	02/16	08:30	Core CPI - Common (y/y)	Jan	--	2.2	2.1
CA	02/16	08:30	Core CPI - Median (y/y)	Jan	--	3.0	3.0
CA	02/16	08:30	Core CPI - Trim (y/y)	Jan	--	3.7	3.7
CA	02/16	08:30	CPI, All items (m/m)	Jan	0.7	0.6	-0.1
CA	02/16	08:30	CPI, All items (y/y)	Jan	5.0	4.8	4.8
CA	02/16	08:30	CPI, All items (index)	Jan	--	--	144.0
CA	02/16	08:30	Manufacturing Shipments (m/m)	Dec	0.6	0.7	2.6
CA	02/16	08:30	Wholesale Trade (m/m)	Dec	-0.1	0.0	3.5
US	02/16	08:30	Export Prices (m/m)	Jan	--	1.3	-1.8
US	02/16	08:30	Import Prices (m/m)	Jan	--	1.3	-0.2
US	02/16	08:30	Retail Sales (m/m)	Jan	3.5	1.8	-1.9
US	02/16	08:30	Retail Sales ex. Autos (m/m)	Jan	1.0	1.0	-2.3
US	02/16	09:15	Capacity Utilization (%)	Jan	--	76.8	76.5
US	02/16	09:15	Industrial Production (m/m)	Jan	0.2	0.4	-0.1
US	02/16	10:00	Business Inventories (m/m)	Dec	--	2.1	1.3
US	02/16	10:00	NAHB Housing Market Index	Feb	--	83.0	83.0
CA	02/17	08:30	International Securities Transactions (C$ bn)	Dec	--	--	30.1
CA	02/17	08:30	Teranet - National Bank HPI (y/y)	Jan	--	--	15.5
US	02/17	08:30	Building Permits (000s a.r.)	Jan	--	1,750	1,885
US	02/17	08:30	Housing Starts (000s a.r.)	Jan	1,730	1,700	1,702
US	02/17	08:30	Housing Starts (m/m)	Jan	1.7	-0.1	1.4
US	02/17	08:30	Initial Jobless Claims (000s)	Feb 12	210	220	223
US	02/17	08:30	Continuing Claims (000s)	Feb 5	1,600	--	1,621
US	02/17	08:30	Philadelphia Fed Index	Feb	--	20.0	23.2
CA	02/18	08:30	Retail Sales (m/m)	Dec	-2.5	-2.1	0.7
CA	02/18	08:30	Retail Sales ex. Autos (m/m)	Dec	--	--	1.0
US	02/18	10:00	Existing Home Sales (mn a.r.)	Jan	6.0	6.1	6.2
US	02/18	10:00	Existing Home Sales (m/m)	Jan	-2.9	-1.3	-4.6
US	02/18	10:00	Leading Indicators (m/m)	Jan	--	0.2	0.8

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
UK	02/15	02:00	Average Weekly Earnings (3-month, y/y)	Dec	3.8	4.2
UK	02/15	02:00	Employment Change (3M/3M, 000s)	Dec	-50.0	60.0
UK	02/15	02:00	Jobless Claims Change (000s)	Jan	--	-43.3
UK	02/15	02:00	ILO Unemployment Rate (%)	Dec	4.1	4.1
SP	02/15	03:00	CPI (m/m)	Jan F	-0.5	-0.5
SP	02/15	03:00	CPI (y/y)	Jan F	6.0	6.0
SP	02/15	03:00	CPI - EU Harmonized (m/m)	Jan F	-0.9	-0.9
SP	02/15	03:00	CPI - EU Harmonized (y/y)	Jan F	6.1	6.1
PD	02/15	04:00	GDP (y/y)	4Q P	7.20	5.30
EC	02/15	05:00	Employment (q/q)	4Q P	--	1.0
EC	02/15	05:00	GDP (q/q)	4Q P	0.3	0.3
EC	02/15	05:00	Trade Balance (€ mn)	Dec	--	-1487.6
EC	02/15	05:00	ZEW Survey (Economic Sentiment)	Feb	--	49.4
GE	02/15	05:00	ZEW Survey (Current Situation)	Feb	-7.0	-10.2
GE	02/15	05:00	ZEW Survey (Economic Sentiment)	Feb	55.0	51.7
NO	02/16	02:00	GDP (q/q)	4Q	--	3.80

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

Key Indicators for the week of February 14 – 18

EUROPE *(continued from previous page)*

Country	Date	Time	Indicator	Period	Consensus	Latest
UK	02/16	02:00	CPI (m/m)	Jan	-0.2	0.5
UK	02/16	02:00	CPI (y/y)	Jan	5.4	5.4
UK	02/16	02:00	RPI (m/m)	Jan	-0.4	1.1
UK	02/16	02:00	RPI (y/y)	Jan	7.4	7.5
EC	02/16	05:00	Industrial Production (m/m)	Dec	0.3	0.0
EC	02/16	05:00	Industrial Production (y/y)	Dec	-0.5	-1.5
TU	**02/17**	**06:00**	**Benchmark Repo Rate (%)**	**Feb 17**	**14.00**	**14.00**
UK	02/18	02:00	Retail Sales ex. Auto Fuel (m/m)	Jan	0.7	-3.6
UK	02/18	02:00	Retail Sales with Auto Fuel (m/m)	Jan	1.2	-3.7
FR	02/18	02:45	CPI (m/m)	Jan F	0.3	0.3
FR	02/18	02:45	CPI (y/y)	Jan F	2.9	2.9
FR	02/18	02:45	CPI - EU Harmonized (m/m)	Jan F	0.1	0.1
FR	02/18	02:45	CPI - EU Harmonized (y/y)	Jan F	3.3	3.3
EC	02/18	04:00	Current Account (€ bn)	Dec	--	23.6
IT	02/18	04:30	Current Account (€ mn)	Dec	--	4,682
EC	02/18	10:00	Consumer Confidence	Feb A	-8.0	-8.5

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IN	02/14	01:30	Monthly Wholesale Prices (y/y)	Jan	--	12.7	13.6
IN	02/14	07:00	CPI (y/y)	Jan	6.2	6.00	5.59
JN	02/14	18:50	GDP (q/q)	4Q P	1.8	1.5	-0.9
JN	02/14	18:50	GDP Deflator (y/y)	4Q P	--	-1.3	-1.2
ID	02/14	23:00	Exports (y/y)	Jan	--	35.0	35.3
ID	02/14	23:00	Imports (y/y)	Jan	--	53.5	47.9
ID	02/14	23:00	Trade Balance (US$ mn)	Jan	--	190	1,020
JN	02/14	23:30	Capacity Utilization (m/m)	Dec	--	--	8.0
JN	02/14	23:30	Industrial Production (y/y)	Dec F	2.7	--	2.7
IN	02/15	06:30	Exports (y/y)	Jan	--	--	38.9
IN	02/15	06:30	Imports (y/y)	Jan	--	--	38.6
SK	02/15	18:00	Unemployment Rate (%)	Jan	--	3.7	3.8
CH	02/15	20:30	CPI (y/y)	Jan	1.4	1.0	1.5
CH	02/15	20:30	PPI (y/y)	Jan	--	9.5	10.3
JN	02/15	23:30	Tertiary Industry Index (m/m)	Dec	--	0.3	0.4
JN	02/16	18:50	Machine Orders (m/m)	Dec	--	-2.0	3.4
JN	02/16	18:50	Merchandise Trade Balance (¥ bn)	Jan	--	-1613.9	-583.3
JN	02/16	18:50	Adjusted Merchandise Trade Balance (¥ bn)	Jan	--	-398.3	-435.3
JN	02/16	18:50	Merchandise Trade Exports (y/y)	Jan	--	17.0	17.5
JN	02/16	18:50	Merchandise Trade Imports (y/y)	Jan	--	37.1	41.1
SI	02/18	19:00	Real GDP (y/y)	4Q F	5.9	6.2	5.9
AU	02/16	19:30	Employment (000s)	Jan	--	0.0	64.8
AU	02/16	19:30	Unemployment Rate (%)	Jan	4.2	4.2	4.2
SI	02/16	19:30	Exports (y/y)	Jan	--	11.7	18.4
JN	02/16		Nationwide Department Store Sales (y/y)	Jan	--	--	8.8
PH	**02/17**	**02:00**	**Overnight Borrowing Rate (%)**	**Feb 17**	**2.00**	**2.00**	**2.00**
NZ	02/17	16:45	Producer Price - Inputs (q/q)	4Q	--	--	1.6
NZ	02/17	16:45	Producer Price - Outputs (q/q)	4Q	--	--	1.8
JN	02/17	18:30	National CPI (y/y)	Jan	0.5	0.6	0.8
ID	02/17	22:00	Current Account Balance (US$ mn)	4Q	--	1,200	4,500

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CO	02/14	10:00	Retail Sales (y/y)	Dec	--	--	7.4
CO	02/14	10:00	Trade Balance (US$ mn)	Dec	--	--	-2,010
PE	02/15	09:00	Economic Activity Index NSA (y/y)	Dec	2.0	--	3.5
PE	02/15	09:00	Unemployment Rate (%)	Jan	--	--	7.8

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

Global Auctions for the week of February 14 – 18

NORTH AMERICA

Country	Date	Time	Event
US	02/16	13:00	U.S. To Sell 20-Year Bonds
CA	02/17	12:00	Canada to Sell 2 Year Bonds
US	02/17	13:00	U.S. To Sell 30-Year TIPS

EUROPE

Country	Date	Time	Event
NE	02/15	04:00	Netherlands to Sell New 2032 Bonds
UK	02/15	05:00	U.K. to Sell GBP2.25 Billion of 1% 2032 Bonds
GE	02/15	05:30	Germany to Sell EUR 4 Bln of 0% 2027 Bonds
DE	02/16	04:15	Denmark to Sell Bonds
GE	02/16	05:30	Germany to Sell EU4 Bln of 2032 Bonds
SP	02/17	04:30	Spain to Sell Bonds
FR	02/17	04:50	France to Sell Bonds
IC	02/18	06:30	Iceland to Sell Bonds

ASIA-PACIFIC

Country	Date	Time	Event
JN	02/14	22:35	Japan to Sell 5-Year Bonds
CH	02/15	22:00	China Plans to Sell CNY 1-Yr Upsize Bond
CH	02/15	22:00	China Plans to Sell CNY 10-Yrs Bond
JN	02/16	22:35	Japan to Sell 20-Year Bonds
CH	02/17	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 February 14 – 18

NORTH AMERICA

Country	Date	Time	Event
US	02/16	14:00	FOMC Meeting Minutes
US	02/17	11:00	Fed’s Bullard Discusses the Economy and Policy Outlook
US	02/17	17:00	Fed’s Mester Speaks on Economic and Policy Outlook
US	02/18	10:45	Fed’s Evans and Waller takes Part in Policy Panel

EUROPE

Country	Date	Time	Event
EC	02/14	11:00	ECB's Lagarde Speaks
TU	**02/17**	**06:00**	**One-Week Repo Rate**
EC	02/17	09:00	ECB's Lane Speaks
NO	02/17	12:00	Norges Bank Governor's Annual Address
EC	02/18	13:30	ECB's Panetta Speaks

ASIA-PACIFIC

Country	Date	Time	Event
AU	02/14	19:30	RBA Minutes
PH	**02/17**	**02:00**	**BSP Overnight Borrowing Rate**
PH	02/17	02:00	BSP Standing Overnight Deposit Facility Rate

LATIN AMERICA

Country	Date	Time	Event
BZ	02/17	10:00	Brazilian President Bolsonaro Visits Hungary's Orban

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	March 2, 2022	0.50	0.50
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	9.50	March 18, 2022	10.25	9.50
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	February 17, 2022	14.00	14.00

Central Bank of Turkey (CBRT): No changes to the benchmark repo rate are expected at next week's meeting. Last month marked the halt of the CBRT's unorthodox rate loosening that totalled 500 bps since Sept. 2021. Unsurprisingly, inflation soared to 48.7% y/y in January, the highest price growth since 2002. The Lira has swung wildly in the face of rate cuts, personnel changes, and Erdogan promises.

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	February 28, 2022	0.10	0.10
Reserve Bank of New Zealand – Cash Rate	0.75	February 22, 2022	1.00	1.00
People's Bank of China – 1-Year Loan Prime Rate	3.70	February 20, 2022	3.60	3.70
Reserve Bank of India – Repo Rate	4.00	April 8, 2022	4.00	4.00
Bank of Korea – Bank Rate	1.25	February 24, 2022	1.25	1.25
Bank of Thailand – Repo Rate	0.50	March 30, 2022	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	March 3, 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	February 17, 2022	2.00	2.00

Bangko Sentral ng Pilipinas (BSP): The Central Bank of the Philippines will be making a monetary policy decision on February 17; the policy rate is expected to remain unchanged at 2.00%. Despite the approaching rate liftoff in the US, BSP Governor Diokno has implied that there is no need to raise the policy rate in H1 2022 as the country focuses on maintaining its economic recovery momentum. Meanwhile, the country's headline inflation in January eased to 3.0% y/y, remaining within the BSP's target range of 2–4%.

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	11.50
Banco Central de Chile – Overnight Rate	5.50	March 29, 2022	6.50	6.00
Banco de la República de Colombia – Lending Rate	4.00	March 31, 2022	5.00	5.00
Banco Central de Reserva del Perú – Reference Rate	3.50	March 10, 2022	4.00	4.00

AFRICA

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

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