

LIBRAS IN DEMAND

- [Canada — Confidence To Hire, Not To Invest](#) 2
- [United States — Fed Guidance In The Eye of The Trade Storm](#) 2-3
- [Asia-Pacific — Lucky To Me, Perhaps Not To You](#) 4
- [Europe — A Microcosm of What Ails The World Economy](#) 4-5
- [Latin America — That Was Then, What About Now?](#) 5

FORECASTS & DATA

- [Key Indicators](#) A1-A2
- [Global Auctions Calendar](#) A3
- [Events Calendar](#) A4
- [Global Central Bank Watch](#) A5

CONTACTS

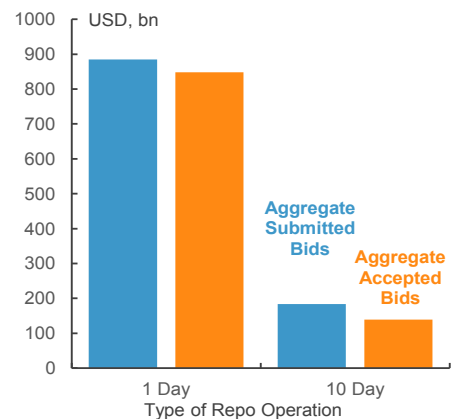
Derek Holt, VP & Head of Capital Markets Economics
416.863.7707
Scotiabank Economics
derek.holt@scotiabank.com

Next Week's Risk Dashboard

- US-China trade negotiations
- US-EU trade tensions
- Fed's Powell
- FOMC minutes
- CPI: US, Norway, Sweden...
- ...Mexico, Chile, Colombia, Brazil
- European industrial output, trade
- Canadian jobs
- German factory orders
- China financing
- Peru's central bank
- Banxico minutes

Chart of the Week

Summary of New York Fed Repo Operations Since September 1st



Sources: Scotiabank Economics, New York Federal Reserve.

Chart of the Week: Prepared by: Evan Andrade, Research Analyst.

Libras In Demand

CANADA—CONFIDENCE TO HIRE, NOT TO INVEST

Friday's jobs report will take Canadian bond market participants straight into an early close ahead of the Thanksgiving long weekend. When they return the following Tuesday, the final countdown toward the October 21st Federal election will have commenced. The fully costed Conservative Party platform is expected any day.

Clearly Canada must have lost jobs in September given the high jumping-off point posed by the 81,100 jobs that were created in August, right? Not so fast. There is nothing statistically defensible about this claim. **When a monthly gain of +65k or more has been booked in the past, the next month has been up 31 out of 39 times, flat twice and down six times (chart 1).** When the gain has been over 80k, the next month has been up in seven out of eleven times. I'm going with +20k and an unemployment rate of 5.7%. It's not just August that has been strong this year for that matter. Canada has gained 304,000 jobs so far this year at a seasonally adjusted but non-annualized rate. If that pace stays on track, then about 450,000 jobs may have been created by year end. Since an inflection point around mid-2016, Canada has created 1.067 million new jobs and the results are similar across all three main sources of estimates for jobs growth (chart 2). Over this same period, however, there has been little overall growth in volatile equipment investment (chart 3). Hiring confidence has not been accompanied by confidence to invest even with the additional incentives introduced by the Federal government in last October's tax changes. As inventories climb relative to sales, is over-production leading to over-hiring? As businesses don't invest, are they opting for greater two-way flexibility in hiring workers over committing to multi-million or billion dollar capital projects because of the uncertainty factor?

Canada also releases **housing starts** for September on Tuesday. After a Springtime surge in building permit volumes has worked its way through the system, the market seems to have settled in at a more stable pace of homebuilding. A figure around 220k is a reasonable expectation given the correlation between somewhat lagging permits and starts and that would point to construction activity topping out.

UNITED STATES—FED GUIDANCE IN THE EYE OF THE TRADE STORM

Fed-watchers will be occupied by the start of another round of inflation tracking and potentially further Fed policy guidance ahead of the October 30th FOMC meeting.

Is inflation continuing to creep higher? September's CPI figures on Thursday will shed further light on this issue. Even if CPI is not the Fed's preferred inflation metric for a lot of reasons, it tends to be reasonably correlated with core PCE inflation over time (chart 4). Therefore, any swings in core CPI inform expectations for the Fed's targeted measure. **I think the year-ago headline CPI rate might tick up to 1.8% y/y with core CPI steady at 2.4% y/y.** By corollary, that could imply stable core PCE at 1.8% when those figures arrive on Halloween and a day after the Fed, unless the still-wider-than-normal spread between the measures narrows. A shift in CPI base effects would put downward pressure upon both headline and core CPI in year-over-year terms, but typical seasonal pressures could raise headline CPI by 0.1% m/m and core CPI by 0.2% m/m. Gasoline prices likely were not much of an influence as they only fell by 1.1% m/m in September.

Chart 1

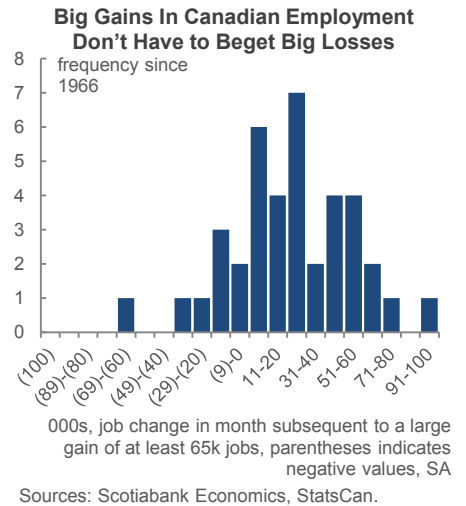


Chart 2

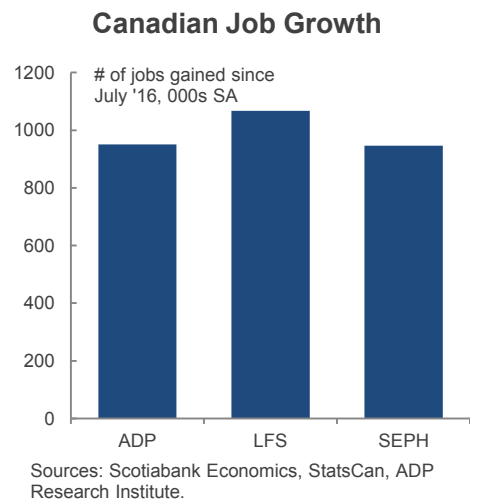
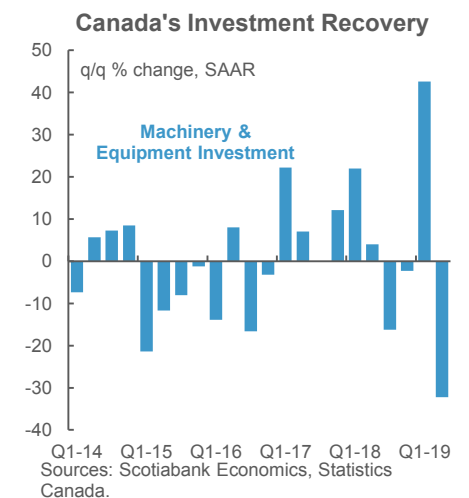


Chart 3



Other releases will include the University of Michigan's consumer sentiment reading for October (Friday) and producer prices that will be a relatively tertiary price signal two days prior to CPI.

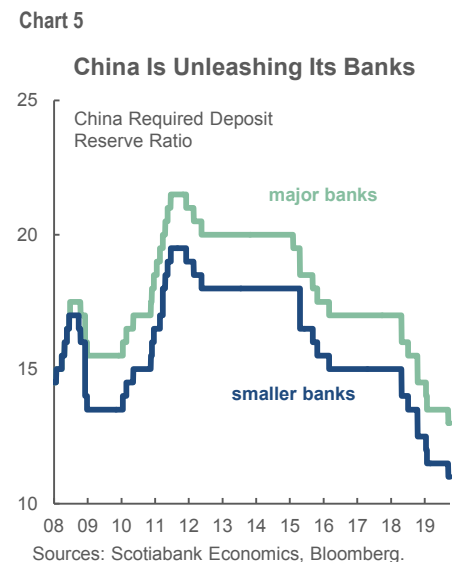
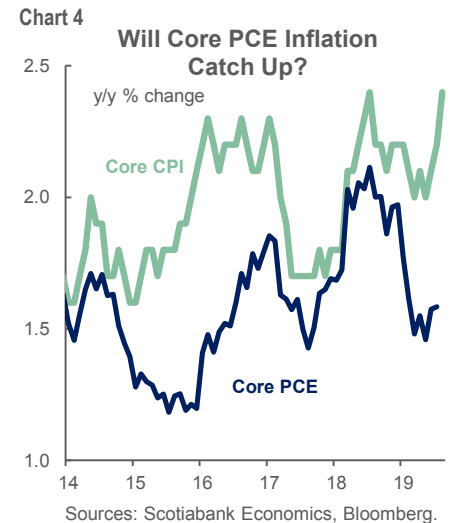
This could be an important week for Fed communications. **Chair Powell will be a luncheon keynote speaker at the annual meeting of the National Association of Business Economists on Tuesday (here)**. The fact that he speaks the day before the FOMC minutes might make them somewhat stale. Powell then speaks again at another Fed Listens event in Kansas City on Wednesday. KC President George (voting) speaks on Sunday, Minneapolis President Kashkari speaks the next day and again on Tuesday, Chicago's Evans speaks on Tuesday, and Cleveland's Mester speaks on Thursday.

Wednesday's FOMC minutes could carry clues on the path to the next round of communications on October 30th. These are minutes to the meeting on September 18th (recap [here](#)). Recall that the Fed delivered a hawkish cut at that meeting by guiding that it might be done cutting rates while leaving macro forecasts intact and statement language little changed. The criteria and probability of returning with additional easing may be elaborated upon in the minutes. Nevertheless, the minutes may be stale in light of more recent developments that expand upon the list of trade-related risks before year-end. In fact, many of the entries below occur before the next FOMC meeting. It's hopefully a good thing that the western zodiac calendar favours the sign representing balanced scales of justice this month.

1. **October 10th**: US-China trade negotiators meeting in Washington
2. **October 14th**: US-EU meeting on the Airbus-Boeing tariff dispute.
3. **October 18th**: US tariffs on EU imports go into effect failing agreement.
4. **October 15th**: US 5% tariff hike to 30% on US\$250 billion of Chinese imports goes into effect.
5. **October 31st**: possible UK withdrawal from the EU.
6. **November 17th**: US decision on auto tariffs is due.
7. **Late November**: The hoped-for timeline for passing the USMCA in Congress.
8. **December 15th**: US to impose 15% tariff on US\$160 billion of Chinese imports.

What will be followed particularly closely in the minutes will be any guidance on policy tools under consideration to address short-term funding market pressures and whether they may be introduced at the October meeting. Chair Powell strongly hinted that this was possible when he remarked on September 18th that the next six weeks of market developments would inform whether the drivers of higher short-term market rates were transitory (such as bond auction settlements and corporate tax payments) or more structural and hence longer-lived. Powell guided toward the possibility of organic balance sheet growth earlier than previously expected. Possible discussion of options such as a Standing Repo Facility, sterilized Treasury purchases, additional widening of the IOER-Fed funds spread, and ongoing repo market operations by the NY Fed will be closely followed.

The US Treasury auctions 3s on Tuesday, 10s in a reopening on Wednesday and 30s in another reopening on Thursday.



ASIA-PACIFIC—LUCKY TO ME, PERHAPS NOT TO YOU

The resumption of formal high-level trade talks between the US and China could be the show-stopper of the week, for better or for worse. Chinese macro data could offer a test of stimulus efficacy.

China's Vice Premier and top trade negotiator Liu He arrives in Washington on Thursday for trade negotiations of uncertain duration. **The prima facie aim is to head off the next round of planned tariff hikes by the US and further escalation of trade tensions if China then retaliates.** Recall that Trump delayed imposition of a higher 30% tariff rate (from 25%) on US\$250 billion of Chinese imports by two weeks to October 15th instead of the culturally insensitive date of October 1st. The next round of tariffs is slated for December 15th on another US\$160 billion of imports at a 15% rate. This will be the thirteenth round of negotiations between the two countries. The number 13 might strike fear among the West's superstitious (e.g. my office tower doesn't have a 13th floor...) but in China, 13 is a lucky number because when the two numbers are pronounced it sounds like "definite life" or "definitely vibrant." Maybe Lighthizer should bring a rabbit's foot with him. Better yet, an ice breaker would be if Liu He gave one to him. I'd say a horse shoe but that might get ugly if things don't go well.

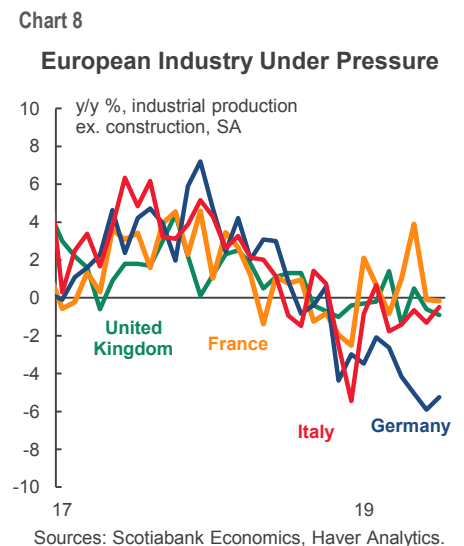
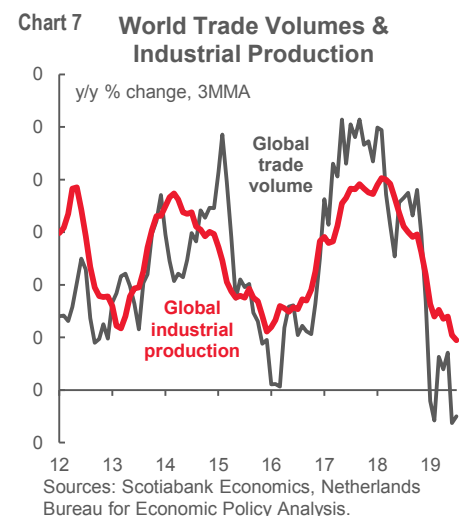
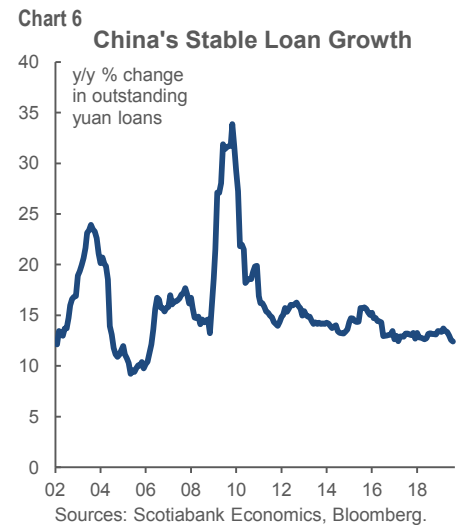
Anyway, China releases foreign reserves for September early in the week along with private PMIs for the services sector and the composite reading on Monday night (eastern time). Sometime either next week or into early the following week we'll also get a fresh reading on aggregate financing and loan growth in China. **This could be a test of whether the cuts in reserve ratio requirements that took effect on September 16th might positively influence loan growth,** but it may be too soon to tell. Recall that the reserve ratio requirement for large banks was decreased by 50bps to 13% and for small banks by the same amount to 11% (chart 5). Loan growth is shown in chart 6.

EUROPE—A MICROCOSM OF WHAT AILS THE WORLD ECONOMY

The world's factories are in trouble and the full culprit is the uncertainty overhanging world trade that is being driven by US trade policy. Chart 7 shows the effects upon global industrial output and trade since President Trump began pursuing protectionist trade policies. The updated effects upon European industry will be a focal point next week. So will be any expedited EU retaliation against US plans to impose tariffs on [these](#) imports from the EU by October 18th failing some sort of possible agreement at a planned meeting between US and EU negotiators on October 14th.

Each of Germany and Spain (Tuesday) and the UK, France, and Italy (Thursday) will update industrial output figures for September. That European economies are more open than the US (as measured by trade as a share of GDP) and also list China as a top export destination makes it no surprise why their factories have been suffering a notable growth slowdown in this environment (chart 8).

This picture will be complemented by updated export figures for France (Tuesday) and then Germany and the UK on Thursday. German factory orders for August (Monday) will inform the degree of further potential weakness in actual output as the entire German industrial complex has suffered a marked slowdown and move toward contraction over 2018–19 (chart 9).



Against the backdrop of a world economy under pressure, it seems almost trivial to note that two of the more hawkish central banks on the planet will digest fresh inflation readings. Will they be among the slowest central banks to turn? **Sweden updates CPI on Thursday along with Norway** and the freshest figures will further inform this debate.

Recall that the Riksbank delivered a hawkish surprise on September 5th when it kept its policy rate unchanged but stood by guidance that hikes will return toward year-end. With underlying inflation at 1.3% y/y in August and hence the lowest rate in about three years, the risk is geared toward pushing out that guidance if next week's reading remains soft. OIS markets assign about 30% odds to a rate cut in December and no chance of a hike such that they clearly do not believe the central bank.

Norges Bank hiked at its last decision on September 19th but Governor Øystein guided that "the policy rate will most likely remain at this level in the coming period" while acknowledging softening inflation. Further softening after declining from 2.7% y/y in March to 2.1% in August risks breaching the 2% target.

LATIN AMERICA—THAT WAS THEN, WHAT ABOUT NOW?

In the midst of political turmoil, **Peru's central bank will make another rate decision while inflation-mandate tracking for four other central banks will consider CPI updates.**

The Central Reserve Bank of Peru's last statement on September 12th ([here](#)) left the reference rate unchanged at 2.5% after cutting it in August. On September 27th, the central bank's President Julio Velarde guided against rate cut expectations next Thursday and said the 2.5% policy rate was already "very expansive" and expressed concern about pushing Peruvians into US dollars. That same day, the central bank lowered its growth forecast to 3.8% in 2020 (4% prior). Having said that, these developments preceded two important factors that could keep alive potential easing pressures if not next week then on the bias going forward.

One was that Peru's President, Martin Vizcarra, dissolved Parliament on October 1st and threw the country into heightened political turmoil. The uncertainty may further motivate downside risks to growth. For another, inflation fell. The September policy statement noted that year-ago inflation was expected to converge toward the 2.0% inflation target "with a downside bias." Well sure enough, CPI unexpectedly fell to 1.85% y/y in September when the fresh figures arrived on October 1st and thus inflation continued the descent since May at a little faster pace than the central bank anticipated. The Peruvian sol has depreciated by over 3% to the USD since July with much of that occurring since mid-September and further amplified by political turmoil.

Updated inflation figures from Colombia (Saturday), Chile (Tuesday), Brazil (Wednesday) and Mexico (Wednesday) will further inform trends relative to inflation targets of 3% +/-1% for Mexico, Colombia and Chile, and 4.5% +/-1.5% for Brazil. See chart 10 for a depiction of the trends across these countries. **Minutes to Banxico's meeting** on September 26th when they cut the policy rate by 25bps arrive on Thursday and may shed further light on the policy bias.

Chart 9

Germany's Troubled Economy

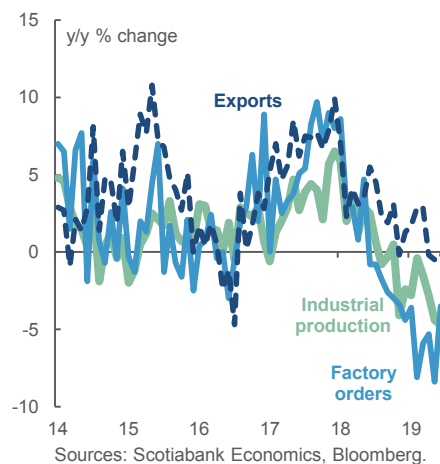
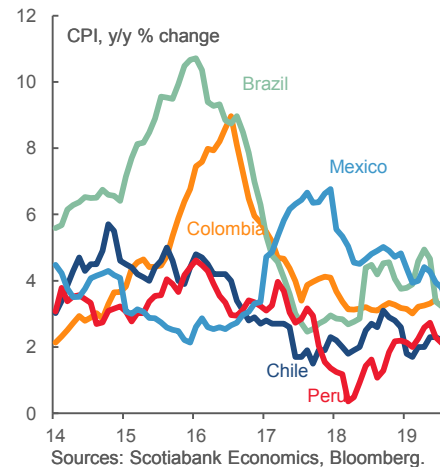


Chart 10

LatAm Inflation



Key Indicators for the week of October 7 – 11

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	10/07	09:00	Treasury Budget (US\$ bn)	Sep	--	--	-200
US	10/07	15:00	Consumer Credit (US\$ bn m/m)	Aug	--	15.0	23.3
CA	10/08	08:15	Housing Starts (000s a.r.)	Sep	220	--	227
CA	10/08	08:30	Building Permits (m/m)	Aug	--	--	3.0
US	10/08	08:30	PPI (m/m)	Sep	0.1	0.1	0.1
US	10/08	08:30	PPI ex. Food & Energy (m/m)	Sep	0.2	0.2	0.3
MX	10/09	07:00	Bi-Weekly Core CPI (% change)	Sep 30	0.1	0.2	0.2
MX	10/09	07:00	Bi-Weekly CPI (% change)	Sep 30	0.1	0.1	0.2
MX	10/09	07:00	Consumer Prices (m/m)	Sep	0.3	--	0.0
MX	10/09	07:00	Consumer Prices (y/y)	Sep	3	--	3.2
MX	10/09	07:00	Consumer Prices Core (m/m)	Sep	0.3	--	0.2
US	10/09	07:00	MBA Mortgage Applications (w/w)	SEP 5	--	--	-10.1
US	10/09	10:00	JOLTS Job Openings (000s)	Aug	--	--	7217
US	10/09	10:00	Wholesale Inventories (m/m)	Aug F	--	--	0.4
CA	10/10	08:30	New Housing Price Index (m/m)	Aug	--	--	-0.1
US	10/10	08:30	CPI (m/m)	Sep	0.1	0.1	0.1
US	10/10	08:30	CPI (y/y)	Sep	1.8	1.9	1.7
US	10/10	08:30	CPI (index)	Sep	--	257	257
US	10/10	08:30	CPI ex. Food & Energy (m/m)	Sep	0.2	0.2	0.3
US	10/10	08:30	CPI ex. Food & Energy (y/y)	Sep	2.4	2.4	2.4
US	10/10	08:30	Initial Jobless Claims (000s)	OCT 5	215	215	213
US	10/10	08:30	Continuing Claims (000s)	SEP 28	1650	1654	1650
MX	10/11	07:00	Industrial Production (m/m)	Aug	--	--	-0.4
MX	10/11	07:00	Industrial Production (y/y)	Aug	-1.9	--	-1.8
CA	10/11	08:30	Employment (000s m/m)	Sep	20	--	81.1
CA	10/11	08:30	Unemployment Rate (%)	Sep	5.7	--	5.7
US	10/11	08:30	Export Prices (m/m)	Sep	--	0.0	-0.5
US	10/11	08:30	Import Prices (m/m)	Sep	--	0.0	-0.5
US	10/11	10:00	U. of Michigan Consumer Sentiment	Oct P	93.5	92.3	93.2

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	10/07	02:00	Factory Orders (m/m)	Aug	--	-1.0	-2.7
GE	10/08	02:00	Industrial Production (m/m)	Aug	--	-0.3	-0.6
FR	10/08	02:45	Current Account (€ bn)	Aug	--	--	173.0
FR	10/08	02:45	Trade Balance (€ mn)	Aug	--	--	-4607
SP	10/08	03:00	Industrial Output NSA (y/y)	Aug	--	--	2.9
GE	10/10	02:00	Current Account (€ bn)	Aug	--	--	22.1
GE	10/10	02:00	Trade Balance (€ bn)	Aug	--	--	21.6
FR	10/10	02:45	Industrial Production (m/m)	Aug	--	--	0.3
FR	10/10	02:45	Industrial Production (y/y)	Aug	--	--	-0.2
FR	10/10	02:45	Manufacturing Production (m/m)	Aug	--	--	0.3
IT	10/10	04:00	Industrial Production (m/m)	Aug	--	--	-0.7
UK	10/10	04:30	Index of Services (m/m)	Aug	--	--	0.3
UK	10/10	04:30	Industrial Production (m/m)	Aug	--	--	0.1
UK	10/10	04:30	Manufacturing Production (m/m)	Aug	--	--	0.3
UK	10/10	04:30	Visible Trade Balance (£ mn)	Aug	--	--	-9144
GE	10/11	02:00	CPI (m/m)	Sep F	--	0.0	0.0
GE	10/11	02:00	CPI (y/y)	Sep F	--	1.2	1.2
GE	10/11	02:00	CPI - EU Harmonized (m/m)	Sep F	--	-0.1	-0.1
GE	10/11	02:00	CPI - EU Harmonized (y/y)	Sep F	--	0.9	0.9
SP	10/11	03:00	CPI (m/m)	Sep F	--	--	0.0
SP	10/11	03:00	CPI (y/y)	Sep F	--	--	0.1
SP	10/11	03:00	CPI - EU Harmonized (m/m)	Sep F	--	--	0.4
SP	10/11	03:00	CPI - EU Harmonized (y/y)	Sep F	--	--	0.2

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

Key Indicators for the week of October 7 – 11

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
TA	10/05	04:00	CPI (y/y)	Sep	0.5	0.6	0.4
JN	10/06	19:50	Official Reserve Assets (US\$ bn)	Sep	--	--	1332
SI	10/06	21:00	Real GDP (y/y)	3Q A	0.2	--	0.1
CH	10/06	21:00	Foreign Reserves (US\$ bn)	Sep	--	3104	3107
JN	10/07	01:00	Coincident Index CI	Aug P	--	--	99.7
JN	10/07	01:00	Leading Index CI	Aug P	--	--	93.7
MA	10/07	03:00	Foreign Reserves (US\$ bn)	Sep 30	--	--	103.5
TA	10/07	04:00	Exports (y/y)	Sep	--	--	2.6
TA	10/07	04:00	Imports (y/y)	Sep	--	--	-2.7
TA	10/07	04:00	Trade Balance (US\$ bn)	Sep	--	--	6.0
SI	10/07	05:00	Foreign Reserves (US\$ mn)	Sep	--	--	272370
SK	10/07	19:00	Current Account (US\$ mn)	Aug	--	--	6949
JN	10/07	19:30	Household Spending (y/y)	Aug	--	--	0.8
JN	10/07	19:50	Current Account (¥ bn)	Aug	--	--	2000
JN	10/07	19:50	Trade Balance - BOP Basis (¥ bn)	Aug	--	--	-74.5
AU	10/07	20:30	ANZ Job Advertisements (m/m)	Sep	--	--	-2.8
CH	10/07	21:45	Caixin Services PMI	Sep	--	52.0	52.1
AU	10/08	01:30	Foreign Reserves (AUD bn)	Sep	--	--	72.2
JN	10/09	02:00	Machine Tool Orders (y/y)	Sep P	--	--	-37.0
JN	10/09	19:50	Bank Lending (y/y)	Sep	--	--	2.1
JN	10/09	19:50	Machine Orders (m/m)	Aug	--	--	-6.6
PH	10/09	21:00	Exports (y/y)	Aug	--	--	3.5
PH	10/09	21:00	Imports (y/y)	Aug	--	--	-4.2
PH	10/09	21:00	Trade Balance (US\$ mn)	Aug	--	--	-3393
CH	10/09	21:00	New Yuan Loans (bn)	Sep	1400	1350	1210
TH	10/09	23:30	Consumer Confidence Economic	Sep	--	--	60.9
NZ	10/10	17:30	Business NZ PMI	Sep	--	--	48.4
JN	10/10	19:50	Japan Money Stock M2 (y/y)	Sep	--	--	2.4
JN	10/10	19:50	Japan Money Stock M3 (y/y)	Sep	--	--	2.0
MA	10/11	00:00	Industrial Production (y/y)	Aug	--	2.3	1.2
SI	10/11	01:00	Retail Sales (y/y)	Aug	--	--	-1.8
IN	10/11	08:00	Industrial Production (y/y)	Aug	--	--	4.30

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CO	10/05	13:00	Consumer Price Index (m/m)	Sep	0.2	0.2	0.1
CO	10/05	13:00	Consumer Price Index (y/y)	Sep	3.8	3.8	3.8
BZ	10/09	08:00	IBGE Inflation IPCA (m/m)	Sep	--	0.1	0.1
BZ	10/09	08:00	IBGE Inflation IPCA (y/y)	Sep	--	--	3.4
PE	10/09	10:00	Trade Balance (USD mn)	Aug	--	--	446
BZ	10/10	08:00	Retail Sales (m/m)	Aug	--	--	1.0
BZ	10/10	08:00	Retail Sales (y/y)	Aug	--	--	4.3
PE	10/10	19:00	Reference Rate (%)	Oct 10	2.50	--	2.50
BZ	10/11	08:00	Economic Activity Index SA (m/m)	Aug	--	--	-0.2
BZ	10/11	08:00	Economic Activity Index NSA (y/y)	Aug	--	--	1.3

Global Auctions for the week of October 7 – 11

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	10/08	13:00	U.S. to Sell 3-Year Notes
CA	10/09	12:00	Canada to Sell 5 Year Bonds
US	10/09	13:00	U.S. to Sell 10-Year Notes Reopening
US	10/10	13:00	U.S. to Sell 30-Year Bonds Reopening

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AS	10/08	05:00	Austria Bond Auction
GE	10/08	05:30	Germany to Sell I/L Bonds
UK	10/08	05:30	U.K. to Sell 0%% Index-linked Treasury Gilt 2036
SW	10/09	05:00	Sweden to Sell Bonds
NO	10/09	05:00	Norway to Sell Bonds
SZ	10/09	05:15	Switzerland to Sell Bonds
IT	10/11	05:00	Italy to Sell Bonds
IC	10/11	06:30	Iceland to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	10/06	21:30	Korea Central Bank to Sell KRW 300Bln 182-Days Bond
SK	10/06	22:30	Korea to Sell KRW 1.2 Tln 5-Year Bond
TA	10/07	00:30	Taiwan to Sell TWD30 Bln 10-Yr Bonds
SK	10/07	01:00	Korea Central Bank to Sell KRW 800Bln 91-Days Bond
ID	10/08	05:00	Indonesia to Sell 5,10,15, & 20 Yr Bonds
CH	10/08	22:35	China to Sell 3 & 7 Year Upsized Bonds
NZ	10/09	21:05	New Zealand To Sell NZD250 Mln 3% 2029 Bonds
TH	10/09	23:00	Bk of Thailand to Sell THB30 Bln 2021 Bonds
JN	10/09	23:35	Japan to Sell 30 Yr Bonds
SK	10/10	22:30	Korea to Sell KRW 400Bln 50-Year Bond

Source: Bloomberg, Scotiabank Economics.

Events for the week of October 7 – 11

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	10/06	18:45	Fed's George Speaks at NABE Conference in Denver
US	10/07	10:20	Kashkari Discusses Fed's Work on Native American Reservations
US	10/08	13:35	Fed's Evans Speaks in Chicago
US	10/08	13:50	Powell Speaks at NABE Conference in Denver
US	10/08	17:00	Fed's Kashkari Takes Part in a Townhall in St. Cloud, Min.
US	10/09	10:30	Powell Takes Part in Fed Listens Event in Kansas City
US	10/09	14:00	FOMC Meeting Minutes
MX	10/10	10:00	Central Bank Monetary Policy Minutes
US	10/10	17:30	Fed's Mesters Speaks at John Carroll University
US	10/11	08:00	Fed's Kashkari Speaks in Moderated Q&A on Economy in New York
US	10/11	13:15	Fed's Rosengren Speaks at Event in Madison, Wisconsin
US	10/11	15:00	Fed's Kaplan Speaks at Event in San Francisco

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
PO	10/06		Portugal Holds General Election
SW	10/07	10:00	Swedish FSA Head Erik Thedeen Speaks at Event in Stockholm
IT	10/07		Bank of Italy Report on Balance-Sheet Aggregates
UK	10/08	00:00	BOE's Carney Speaks on Climate Change in Tokyo
NO	10/08	05:00	Norges Bank Governor Olsen Speaks in Oslo
UK	10/08	05:30	BOE's Tenreyro Speaks on Panel in Frankfurt
EC	10/08	05:30	ECB's Hernandez de Cos, BOE's Tenreyro in Frankfurt
PO	10/08		Bank of Portugal Releases Data on Banks
SW	10/09		Handelsbanken Publishes New Macro Forecasts
EC	10/09	00:00	EU finance ministers meet in Luxembourg

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
NZ	10/06	21:00	Treasury Publishes Monthly Economic Indicators
JN	10/09	20:00	BOJ Deputy Governor Amamiya Speech

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
PE	10/10	19:00	Reference Rate

Source: Bloomberg, Scotiabank Economics.

Global Central Bank Watch

NORTH AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Bank of Canada – Overnight Target Rate	1.75	October 30, 2019	1.50	1.75
Federal Reserve – Federal Funds Target Rate	2.00	October 30, 2019	1.75	2.00
Banco de México – Overnight Rate	7.75	November 14, 2019	7.75	7.75

EUROPE

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
European Central Bank – Refinancing Rate	0.00	October 24, 2019	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	October 24, 2019	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	October 24, 2019	-0.50	-0.50
Bank of England – Bank Rate	0.75	November 7, 2019	0.75	0.75
Swiss National Bank – Libor Target Rate	-0.75	TBA	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	7.00	October 25, 2019	7.00	7.00
Sweden Riksbank – Repo Rate	-0.25	October 24, 2019	-0.25	-0.25
Norges Bank – Deposit Rate	1.50	October 24, 2019	1.50	1.50
Central Bank of Turkey – Benchmark Repo Rate	16.50	October 24, 2019	15.25	15.25

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 31, 2019	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.75	November 4, 2019	0.75	0.75
Reserve Bank of New Zealand – Cash Rate	1.00	November 12, 2019	1.00	1.00
People's Bank of China – Loan Prime Rate	4.20	TBA	4.20	4.20
Reserve Bank of India – Repo Rate	5.40	October 4, 2019	5.15	5.15
Bank of Korea – Bank Rate	1.50	October 15, 2019	1.25	1.25
Bank of Thailand – Repo Rate	1.50	November 6, 2019	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	3.00	November 5, 2019	3.00	2.75
Bank Indonesia – 7-Day Reverse Repo Rate	5.25	October 24, 2019	5.00	5.25
Central Bank of Philippines – Overnight Borrowing Rate	4.00	November 14, 2019	3.75	4.00

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	5.50	October 30, 2019	5.25	5.50
Banco Central de Chile – Overnight Rate	2.00	October 23, 2019	2.00	1.75
Banco de la República de Colombia – Lending Rate	4.25	October 31, 2019	4.25	4.25
Banco Central de Reserva del Perú – Reference Rate	2.50	October 10, 2019	2.50	2.50

Banco Central de Reserva del Perú: President Velarde guided that no hike was to be expected next week, but since then, inflation disappointed and political turmoil has increased while adding to downside risks to growth. A shift in guidance remains in play before year-end.

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	6.50	November 21, 2019	6.50	6.50

This report has been prepared by Scotiabank Economics as a resource for the clients of Scotiabank. Opinions, estimates and projections contained herein are our own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness. Neither Scotiabank nor any of its officers, directors, partners, employees or affiliates accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

These reports are provided to you for informational purposes only. This report is not, and is not constructed as, an offer to sell or solicitation of any offer to buy any financial instrument, nor shall this report be construed as an opinion as to whether you should enter into any swap or trading strategy involving a swap or any other transaction. The information contained in this report is not intended to be, and does not constitute, a recommendation of a swap or trading strategy involving a swap within the meaning of U.S. Commodity Futures Trading Commission Regulation 23.434 and Appendix A thereto. This material is not intended to be individually tailored to your needs or characteristics and should not be viewed as a “call to action” or suggestion that you enter into a swap or trading strategy involving a swap or any other transaction. Scotiabank may engage in transactions in a manner inconsistent with the views discussed this report and may have positions, or be in the process of acquiring or disposing of positions, referred to in this report.

Scotiabank, its affiliates and any of their respective officers, directors and employees may from time to time take positions in currencies, act as managers, co-managers or underwriters of a public offering or act as principals or agents, deal in, own or act as market makers or advisors, brokers or commercial and/or investment bankers in relation to securities or related derivatives. As a result of these actions, Scotiabank may receive remuneration. All Scotiabank products and services are subject to the terms of applicable agreements and local regulations. Officers, directors and employees of Scotiabank and its affiliates may serve as directors of corporations.

Any securities discussed in this report may not be suitable for all investors. Scotiabank recommends that investors independently evaluate any issuer and security discussed in this report, and consult with any advisors they deem necessary prior to making any investment.

This report and all information, opinions and conclusions contained in it are protected by copyright. This information may not be reproduced without the prior express written consent of Scotiabank.

™ Trademark of The Bank of Nova Scotia. Used under license, where applicable.

Scotiabank, together with “Global Banking and Markets”, is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including, Scotiabanc Inc.; Citadel Hill Advisors L.L.C.; The Bank of Nova Scotia Trust Company of New York; Scotiabank Europe plc; Scotiabank (Ireland) Limited; Scotiabank Inverlat S.A., Institución de Banca Múltiple, Scotia Inverlat Casa de Bolsa S.A. de C.V., Scotia Inverlat Derivados S.A. de C.V. – all members of the Scotiabank group and authorized users of the Scotiabank mark. The Bank of Nova Scotia is incorporated in Canada with limited liability and is authorised and regulated by the Office of the Superintendent of Financial Institutions Canada. The Bank of Nova Scotia is authorised by the UK Prudential Regulation Authority and is subject to regulation by the UK Financial Conduct Authority and limited regulation by the UK Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia's regulation by the UK Prudential Regulation Authority are available from us on request. Scotiabank Europe plc is authorised by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulation Authority.

Scotiabank Inverlat, S.A., Scotia Inverlat Casa de Bolsa, S.A. de C.V., and Scotia Derivados, S.A. de C.V., are each authorized and regulated by the Mexican financial authorities.

Not all products and services are offered in all jurisdictions. Services described are available in jurisdictions where permitted by law.