

A NEW WRINKLE?

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FORECASTS & DATA

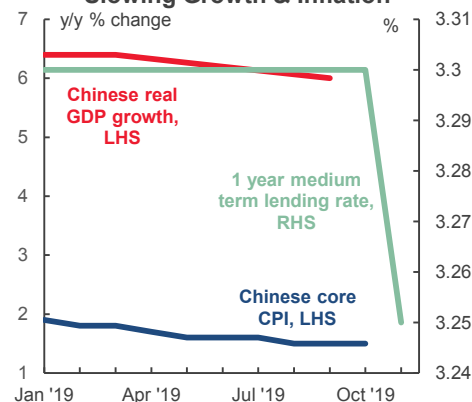
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Next Week's Risk Dashboard

- US HK human rights bill...
- ...and China's reaction
- US auto tariff decision
- CBs: PBoC, BI
- OECD forecasts
- Eurozone PMIs
- US PMIs, housing, Philly
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Chart of the Week
China's Limited Policy Easing Despite Slowing Growth & Inflation


Sources: Scotiabank Economics, Bloomberg.

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

A New Wrinkle?

ASIA-PACIFIC—HEADS OR TAILS

Clearly the suspense and conflicting headlines surrounding US-China trade negotiations will remain the dominant theme as it pertains to Asian market developments. **A new wrinkle in those negotiations could be brewing by way of a US response to Hong Kong's protests.** The coming week could also bring about a possible step to slightly ease monetary policy in China and a handful more regional developments.

The US Senate could pass the Hong Kong Human Rights and Democracy Act next week that would review Hong Kong's special status annually. If it passes and if a combined version is then worked through both chambers of Congress it would then land on President Trump's desk for his possible approval or veto. Thus far, Trump has demonstrated no tangible support for Hong Kong's protestors. **Such a gesture would likely annoy Beijing and potentially imperil trade cooperation.** China's Foreign Ministry has already indicated it could retaliate against US interference. So Trump may face the choice of drawing a rebuke by Congress, or annoying President Xi Jinping and China's Communist Party at a fragile point in trade negotiations. Toss a coin. The determining factor could be if Trump believes a potential veto could be overridden by a super majority in Congress given the degree of alignment across Democrats and Republicans on the issue.

The People's Bank of China has managed to calm down China's bond market and will deliver the second part of a two-part rate cut next week. It cut its one-year lending facility rate by just 5bps on November 5th, but the symbolism of such a gesture was enough to contain the bond sell-off that had been underway since September. On Wednesday, the PBOC is expected to cut its one-year Loan Prime Rate by 5bps. This rate has become the new policy benchmark rate in China and it will be regularly set on the 20th calendar day of every month. **The move may surprise markets and drive headlines about limited policy easing given the context of stimulus debates and the recent adoption of the new benchmark, but it probably shouldn't catch PBOC watchers off guard.**

The **RBA's** openness toward possible future easing is likely to be reinforced in the minutes to its last meeting that are due to be published on Monday.

Most within consensus expect Bank Indonesia to hold its 7 day reverse repo policy rate unchanged at 5% on Thursday but with the tail risk of a quarter point cut. The central bank cut its policy rate on October 24th and has lowered it by a cumulative 100bps since mid-year. In that decision, BI left the door open to possibly cutting again by stating that it "will monitor domestic and global economic development in using its room to implement an accommodative policy mix." Since then, core inflation unexpectedly edged lower to 3.2% y/y but it remains comfortably within the target range of 2.5–4.5%. The rupiah has been fairly steady to the USD which assuages some of the central bank's stability concerns. GDP growth has been holding fairly steady at 5% y/y and is entering the Q4/Q1 period when seasonally unadjusted GDP typically retrenches.

Other releases will focus upon CPI figures that will be updated by Hong Kong (Thursday) to possibly show further effects of the African swine fever on pork prices plus stockpiling concerns in the face of unrest, Malaysia (Tuesday) and Japan (Thursday). Japan will also update exports for October on Tuesday as further accumulating evidence of the damage inflicted by the US-led trade wars. Thailand reports Q3 GDP growth on Sunday.

CANADA—ABOUT RIGHT FOR NOW?

Top-shelf macro reports and Bank of Canada communications will drive an active week for Canada watchers from Tuesday through to Friday.

The Bank of Canada continues to ramp up its communications with the federal election a distant memory. Two more events are on tap over the coming week. **Governor Poloz** will hold a fireside chat on "Economic change and the path forward" at the Ontario Securities Commission on Thursday morning (8:40amET). Poloz's recent discussion piece on technological change and monetary policy ([here](#)) may not contain guidance of near-term relevance to markets, but it presented an accommodative thesis drawn from past episodes of disruptive change. Poloz argues that such periods can boost productivity and potential GDP

and thus create disinflationary forces that enable central banks to accommodate the uneven effects of disruption. He also argues for macroprudential policies that help to contain financial stability concerns that could include financial excess caused by new technologies.

Before the Governor speaks, **Senior Deputy Governor Wilkins** will deliver a speech on Tuesday (available 1pmET, audience Q&A, no press) about “measures in place to help safeguard the Canadian financial system in a challenging global environment.” It’s likely to be less macro in nature as Wilkins’ speech may indirectly broach important topics such as pass-through of lower fixed mortgage rates and potentially easier monetary policy into housing markets. I’ve tended to argue that the effects are materially less troublesome than when the BoC cut rates in 2015 because a) the global bond rally already fed lower fixed mortgage rates, and modest easing would probably not compound the effects compared to the current term structure; and b) multiple forms of tightened macroprudential rules over the years have lessened pass-through risk. They include B20 OSFI mortgage guidelines and various dampening provincial housing policies.

Please see chart 1 for current OIS market probabilities of a BoC cut by meeting.

Four macro releases will include the following data. As usual, estimates are in the accompanying tables.

Manufacturing (Tuesday): The soft exports tally for September was a lousy way of ending the third quarter and it should spill over into a soft manufacturing report. The volume of exports fell by 2.1% m/m in September and they declined back to where they were in March. Five months of distorted and transitory export gains have been wiped clear including across key manufacturing categories.

CPI (Wednesday): A modest up-tick in October’s headline inflation to 2.0% y/y / 0.4% m/m is plausible for several reasons. If nothing else were to change, then a shift in base effects would merit materially lower year-ago inflation. The month-ago seasonally unadjusted rate of inflation is likely to pick up and add to the year-ago inflation rate because a) it’s a normal seasonal up-month for prices, b) the prior month was unusually soft compared to seasonal norms, and c) an unusual blend of temporary factors is likely to moderate including a record cut in Ontario’s tuition, a switch to cheaper winter blend gasoline and reductions in internet and cell phone service prices. The average of the three core inflation metrics is what will be monitored after oscillating between 2.0–2.1% for the past five months.

ADP payrolls (Thursday): Changes in payroll employment have lately depended upon the source one chooses to go by. Over time, the payrolls components to StatsCan’s Labour Force Survey, StatsCan’s SEPH payrolls survey and ADP payrolls should be close to one another. Lately this has not been the case as the two StatsCan measures have materially deviated from one another. October’s ADP tally will help to settle the score.

Retail sales (Friday): September will be shooting for four consecutive but modest monthly gains in the volume of sales. That would still likely translate into soft growth of about 2% q/q at a seasonally adjusted and annualized rate.

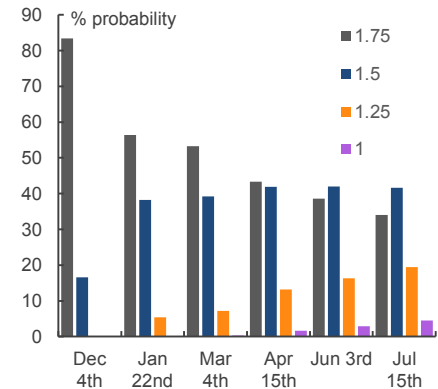
UNITED STATES—STABILIZATION OR FALSE DAWN?

The Fed has probably spilled the beans on its near-term pause story for now. That should discount the relevance of further Fed communications, and shift the focus to data and specifically the key question of **whether or not the US industrial sector is at a turning point. Markets still await the US administration’s decision on whether to postpone or advance auto tariffs.** Also see the Asia-Pacific section for a discussion on how **US actions may imperil trade negotiations with China next week.**

Minutes to the October 29th–30th FOMC meeting will be released on Wednesday at 2pmET. They should be largely uneventful now that the Fed has transitioned toward at least a near-term pause. A recap of the statement and ensuing press

Chart 1

OIS Markets Partly Priced for BoC Easing



Note: As of November 15th
Source: Scotiabank Economics, Bloomberg.

conference is available [here](#). The broad tone of the minutes should continue to convey the notion that policy is not on a pre-set course and will respond to surprises accordingly. The minutes should back up Chair Powell's remark that "A material reassessment of our outlook would be required to change the suitability of the current policy stance." Any discussion on funding market pressures may be somewhat stale by virtue of the fresh expansion of longer-term repo operations led by the New York Fed as announced on November 14th that is designed to bridge over year-end funding pressures. Chart 2 shows the cumulative volume of repo operations since funding market pressures began to materially rise in September.

A light week for macro data will focus upon housing and survey-based measures of business activity. Housing starts (Tuesday) will probably rebound from the large drop of over 9% m/m in September. Existing home sales (Thursday) are expected to be little changed.

Four survey-based measures of business activity will further inform whether activity is improving. Markit's manufacturing, services and composite purchasing managers' indices are due out on Friday for November. Recall the issue here concerns the different signals being sent by the Markit gauges versus the more widely followed ISM readings. See [here](#) for a recap of this argument and charts 3 and 4. The Philly Fed's business survey for November will come out a day ahead of Markit's measures and further inform the path to the next ISM-manufacturing print. One issue I have with some expectations for a durable trend rebound in industrial surveys is the likelihood that 2020 will grapple with the inventory overhang that the US-led trade wars has sparked (chart 5).

EUROPE—A MISSING LINK

Is the Eurozone participating in a synchronous global upswing? This key question will be further informed by a round of updated purchasing managers' indices due out at the end of the week.

Up to October, there wasn't evidence to support the contention that the Eurozone economy was improving, at least as indicated by PMIs. Chart 6 shows the composite PMI reading and its connection to GDP. Will November bring a stronger set of readings in sympathy with mixed evidence in the US plus stabilization in the UK? The net effect is likely to continue to point to pretty weak global PMIs shown in charts 7 and 8. At issue remains whether some may be improving for transitory reasons, such as advance ordering in October before it became clearer by mid-month that a hard Brexit was at least pushed out and the US plan to implement another tariff hike on Chinese imports was at least suspended.

ECB President Lagarde will be speaking after the PMIs. She will also have in hand fresh Q3 German GDP revisions from the day before that still pose the risk of tipping into a technical recession and that will inform assessments of the quality of growth drivers. Germany's first round release of GDP figures only reports top line growth and leaves the details until later.

The OECD's revised outlook will be published on Thursday. I wouldn't expect a more upbeat tone, or at least it's not yet justified as nothing has been settled by way of key global risks like Brexit and US-China trade negotiations.

Chart 2

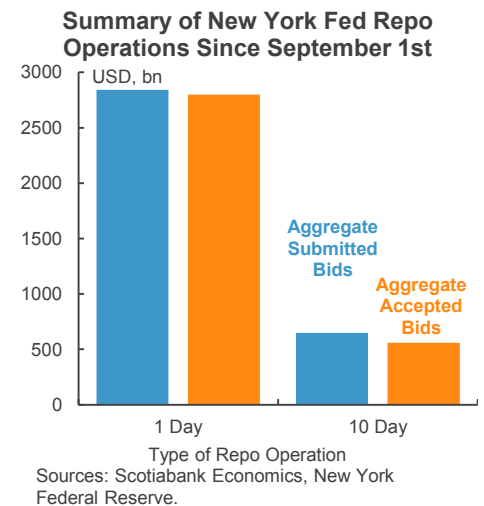


Chart 3

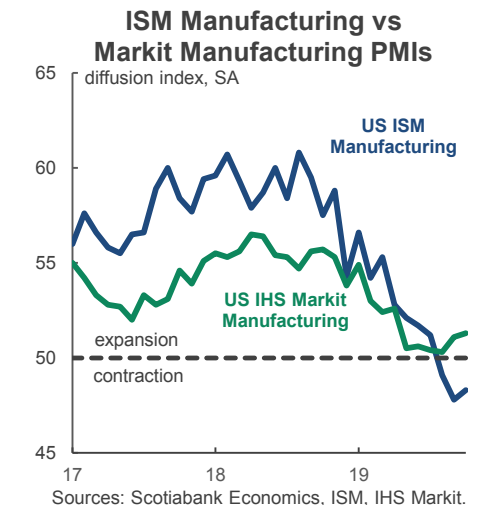
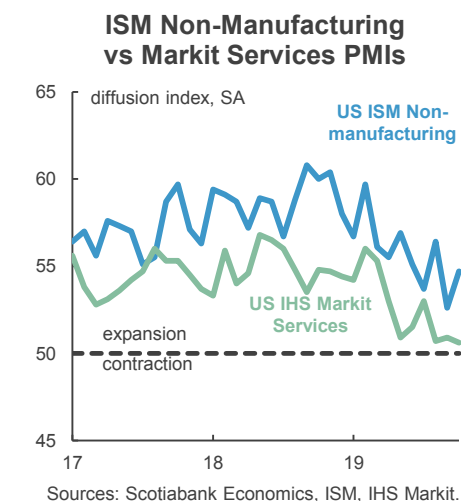


Chart 4



LATIN AMERICA—CHILE PURSUES MAJOR REFORMS

The aftermath of major developments in Chile could spill over into next week. The effects not only bolster Chile’s outlook, but also signal appetite for reform that may be instructive to other countries. The efforts are explained below. Peru and Chile also update GDP growth next week.

Chile has just taken concrete steps to address social and market tensions that we find to be a constructive development for international investors to consider. I’ve included remarks below from our Santiago-based Chilean economist Jorge Selaive. He notes two specific developments that he explains below.

1. Central bank actions

Given the recent social events and the usual lower liquidity observed in the last part of the year, the interest rates of short-term instruments in US dollars and Chilean pesos had increased in recent days, reducing the effectiveness of the monetary policy.

In this context, the Central Bank announced new measures to provide liquidity in the local financial market. In addition to the swap credit line [previously](#) announced to relieve the pressure in the FX forward curve (30 and 90 days, of up US\$ 4 billion), the authority increased the frequency of operations and expanded the type of instruments eligible as collateral, including deposits, bank bonds and liquidity facilities (the new statement of the Central Bank is at the following [link](#)).

2. Constitutional changes

In addition to these measures, what we consider the main driver of the appreciation of the peso in reaction to the developments would be the agreement signed by all political sectors, where they commit to and define a road map to build a new Constitution. Along with this, short-term rates in pesos and dollars significantly declined.

Chile took a big step toward solving the social crisis when lawmakers from almost all the parties agreed to a mechanism to rewrite the constitution ([link to the agreement](#)).

Chile will hold a referendum in April 2020 to decide first if voters want a new constitution, and if the answer is positive, which body draws up the constitution. One option will be a newly elected Constituent Convention, the other a mix of equal participation between the Congress and a Convention.

Members of this new constituent body will be elected in October next year and then have nine months to complete their work. Once written, the new constitution will be put back to Chileans in a ratifying referendum.

The constituent body that is elected by the citizenry will have the sole purpose of drafting the new Constitution, not affecting the functions of the other organs of the State and will be dissolved once the task entrusted to it has been completed. Additionally, it may not alter the quorum or procedures for its operation.

Chart 5

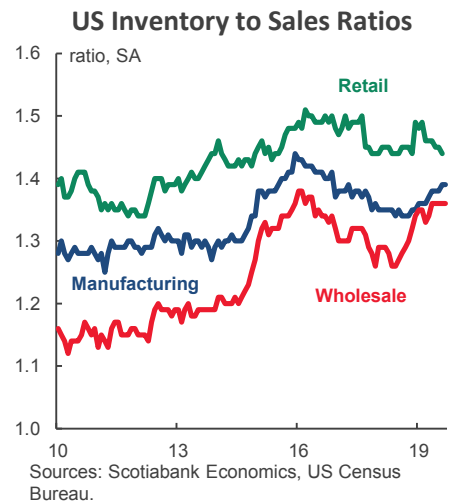


Chart 6

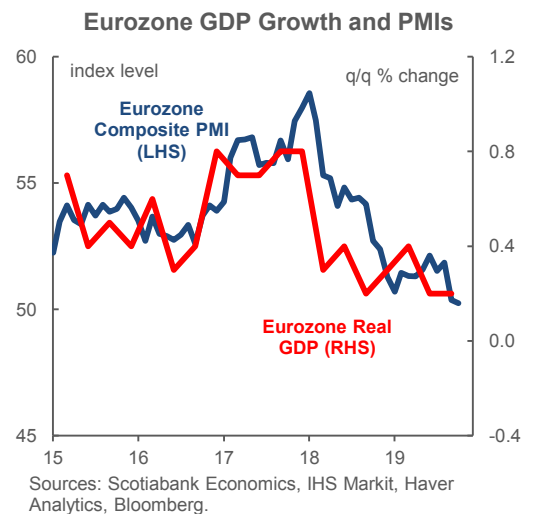
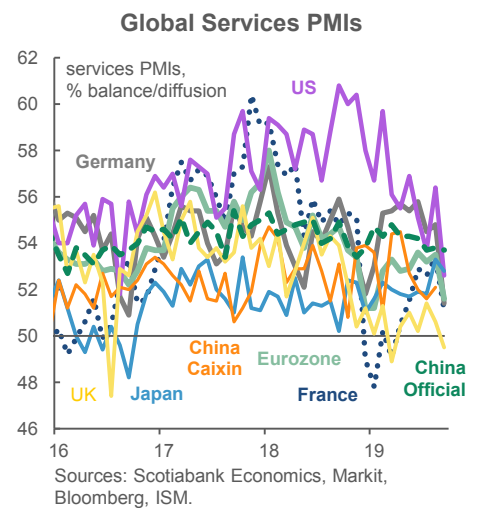
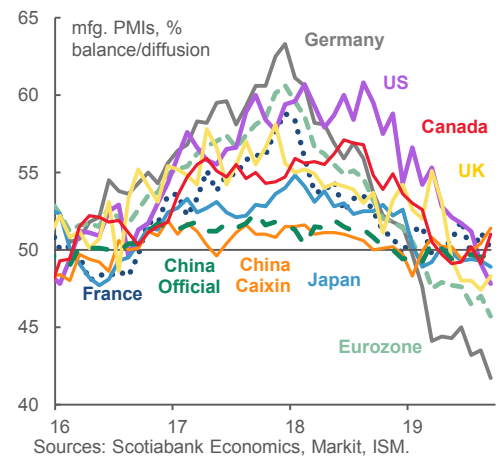


Chart 7



Separately, note that both Peru's and Chile's economies could post the fastest year-ago GDP growth rates so far this year. Chile releases Q3 GDP on Monday and Peru releases Q3 GDP on Thursday. Peru's prior deceleration trend could be halted but Chile's growth reading may be discounted by markets as the impact of unrest and the policy responses are monitored. Chilean inflation recently increased on the back of protest-related stockpiling which may have been a transitory development. The country's central bank will conduct a full reassessment of growth and inflation risks as it moves toward its next policy decision on December 6th following 125bps of easing since June.

Chart 8 Global Manufacturing PMIs


Key Indicators for the week of November 18 – 22
NORTH 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>
US	11/18	10:00	NAHB Housing Market Index	Nov	--	71.0	71.0
US	11/18	16:00	Total Net TIC Flows (US\$ bn)	Sep	--	--	70.5
US	11/18	16:00	Net Long-term TIC Flows (US\$ bn)	Sep	--	--	-41.1
CA	11/19	08:30	Manufacturing Shipments (m/m)	Sep	-1.0	-0.5	0.8
CA	11/19	08:30	Teranet - National Bank HPI (y/y)	Oct	--	--	0.7
US	11/19	08:30	Building Permits (000s a.r.)	Oct	--	1387	1391
US	11/19	08:30	Housing Starts (000s a.r.)	Oct	1340	1320	1256
US	11/19	08:30	Housing Starts (m/m)	Oct	6.7	5.1	-9.4
US	11/20	07:00	MBA Mortgage Applications (w/w)	NOV 15	--	--	-0.1
CA	11/20	08:30	Core CPI - Common (y/y)	Oct	--	--	1.9
CA	11/20	08:30	Core CPI - Median (y/y)	Oct	--	--	2.2
CA	11/20	08:30	Core CPI - Trim (y/y)	Oct	--	--	2.1
CA	11/20	08:30	CPI, All items (m/m)	Oct	0.4	--	-0.4
CA	11/20	08:30	CPI, All items (y/y)	Oct	2.0	--	1.9
CA	11/20	08:30	CPI, All items (index)	Oct	--	--	136.2
US	11/21	08:30	Initial Jobless Claims (000s)	NOV 16	215	215	211
US	11/21	08:30	Continuing Claims (000s)	NOV 9	1690	1684	1689
US	11/21	08:30	Philadelphia Fed Index	Nov	4.0	7.0	5.6
US	11/21	10:00	Existing Home Sales (mn a.r.)	Oct	5.45	5.5	5.4
US	11/21	10:00	Existing Home Sales (m/m)	Oct	1.3	2.1	-2.2
US	11/21	10:00	Leading Indicators (m/m)	Oct	--	-0.1	-0.1
MX	11/22	07:00	Bi-Weekly Core CPI (% change)	Nov 15	0.2	--	0.1
MX	11/22	07:00	Bi-Weekly CPI (% change)	Nov 15	0.7	0.7	0.2
CA	11/22	08:30	Retail Sales (m/m)	Sep	0.3	--	-0.1
CA	11/22	08:30	Retail Sales ex. Autos (m/m)	Sep	0.4	--	-0.2
US	11/22	10:00	U. of Michigan Consumer Sentiment	Nov F	--	95.8	95.7

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
EC	11/19	04:00	Current Account (€ bn)	Sep	--	--	26.6
IT	11/19	04:00	Current Account (€ mn)	Sep	--	--	6037
GE	11/20	02:00	Producer Prices (m/m)	Oct	--	0.0	0.1
UK	11/21	04:30	PSNB ex. Interventions (£ bn)	Oct	--	9.3	9.4
UK	11/21	04:30	Public Finances (PSNCR) (£ bn)	Oct	--	--	2.7
UK	11/21	04:30	Public Sector Net Borrowing (£ bn)	Oct	--	8.6	8.7
EC	11/21	10:00	Consumer Confidence	Nov A	--	-7.3	-7.6
FR	11/22	03:15	Manufacturing PMI	Nov P	--	50.9	50.7
FR	11/22	03:15	Services PMI	Nov P	--	53.0	52.9
GE	11/22	03:30	Manufacturing PMI	Nov P	--	42.8	42.1
GE	11/22	03:30	Services PMI	Nov P	--	52.0	51.6
EC	11/22	04:00	Composite PMI	Nov P	--	50.9	50.6
EC	11/22	04:00	Manufacturing PMI	Nov P	--	46.4	45.9
EC	11/22	04:00	Services PMI	Nov P	--	52.4	52.2

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

Key Indicators for the week of November 18 – 22
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>
SI	11/17	19:30	Exports (y/y)	Oct	--	-9.7	-8.1
TH	11/17	21:30	GDP (y/y)	3Q	2.3	2.7	2.3
HK	11/18	03:30	Unemployment Rate (%)	Oct	3.0	3.0	2.9
NZ	11/18	16:45	Producer Price - Inputs (q/q)	3Q	--	--	0.3
NZ	11/18	16:45	Producer Price - Outputs (q/q)	3Q	--	--	0.5
HK	11/18-11/19		Composite Interest Rate (%)	Oct	--	--	1.0
SI	11/18-11/25		Real GDP (y/y)	3Q F	0.1	0.3	0.1
PH	11/19	04:00	Balance of Payments (US\$ mn)	Oct	--	--	38.0
SK	11/19	16:00	PPI (y/y)	Oct	--	--	-0.7
JN	11/19	18:50	Merchandise Trade Balance (¥ bn)	Oct	--	301.0	-124.8
JN	11/19	18:50	Adjusted Merchandise Trade Balance (¥ bn)	Oct	--	261.2	-97.2
JN	11/19	18:50	Merchandise Trade Exports (y/y)	Oct	--	-7.5	-5.2
JN	11/19	18:50	Merchandise Trade Imports (y/y)	Oct	--	-15.4	-1.5
MA	11/19	23:00	CPI (y/y)	Oct	1.2	1.0	1.1
TA	11/20	03:00	Export Orders (y/y)	Oct	--	-4.5	-4.9
TA	11/20	03:20	Current Account Balance (US\$ mn)	3Q	--	--	17560
CH	11/20	20:30	1 Year Loan Prime Rate	Nov	4.20	4.20	4.20
TH	11/20	22:30	Customs Exports (y/y)	Oct	--	-3.9	-1.4
TH	11/20	22:30	Customs Imports (y/y)	Oct	--	-5.9	-4.2
TH	11/20	22:30	Customs Trade Balance (US\$ mn)	Oct	--	167	1275
JN	11/20	23:30	All Industry Activity Index (m/m)	Sep	--	1.5	0.0
JN	11/21	00:00	Supermarket Sales (y/y)	Oct	--	--	2.8
JN	11/21	01:00	Machine Tool Orders (y/y)	Oct F	--	--	-37.4
HK	11/21	03:30	CPI (y/y)	Oct	3.6	3.1	3.2
ID	11/21	03:30	BI 7-Day Reverse Repo Rate (%)	Nov 21	4.75	5.00	5.00
JN	11/21	18:30	National CPI (y/y)	Oct	0.2	0.3	0.2
JN	11/21	19:30	Markit/JMMA Manufacturing PMI	Nov P	--	--	48.4
JN	11/22	00:30	Nationwide Department Store Sales (y/y)	Oct	--	--	23.1
TA	11/22	03:00	Unemployment Rate (%)	Oct	3.7	3.7	3.7

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>
CL	11/18	06:30	GDP (q/q)	3Q	--	0.7	0.8
CL	11/18	06:30	GDP (y/y)	3Q	3.3	3.3	1.9
PE	11/21	09:00	GDP (y/y)	3Q	3.2	3.0	1.2
BZ	11/22	07:00	IBGE Inflation IPCA-15 (m/m)	Nov	--	0.2	0.1
BZ	11/22	07:00	IBGE Inflation IPCA-15 (y/y)	Nov	--	2.7	2.7

Global Auctions for the week of November 18 – 22

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	11/20	12:00	Canada to Sell 2 Year Bonds
US	11/21	13:00	U.S. to Sell 10-Year TIPS Reopening

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BE	11/18	05:30	Belgium to Sell Bonds
SW	11/20	05:00	Sweden to Sell Bonds
GE	11/20	05:30	Germany to Sell Bonds
FR	11/21	05:50	France to Sell I/L Bonds
IC	11/22	06:30	Iceland to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	11/17	21:30	Korea to Sell KRW 500Bln 20 Year Bonds
HK	11/18	22:30	Hong Kong to Sell HKD1.2 Bln 1.63% 2 Year Notes
TA	11/18	23:30	Taiwan to Sell TWD20 Bln 2 Year Bonds
ID	11/19	04:00	Indonesia to Sell 5, 10, 15, 20, & 30 Year Bonds
SK	11/19	20:30	Korea Central Bank to Sell KRW 2.2T 2 Year Bonds
CH	11/19	22:00	China Plans to Sell 1 & 10 Year Upsized Government Bonds
TH	11/19	22:00	Thailand to Sell THB20 Bln Bonds Due 2038
JN	11/19	22:35	Japan to Sell 20 Year Bonds
NZ	11/20	20:05	New Zealand To Sell NZD150 Mln 2.75% 2037 Bonds
TH	11/20	22:00	Bk of Thailand to Sell THB30 Bln Bonds Due 2021

Source: Bloomberg, Scotiabank Economics.

Events for the week of November 18 – 22
NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	11/18	12:00	Fed's Mester Speaks at University of Maryland
US	11/19	09:00	Fed's Williams Speaks at Capital Markets Conference
CA	11/19	12:20	Bank of Canada's Wilkins Gives Speech in Montreal
US	11/20	14:00	FOMC Meeting Minutes
CA	11/21	08:30	ADP Canada Releases October Payroll Estimates
US	11/21	08:30	Fed's Mester Speaks at Financial Stability Conference
CA	11/21	08:40	Bank of Canada's Poloz Gives Fireside Chat in Toronto
US	11/21	10:10	Fed's Kashkari Speaks in Bloomington, Minnesota

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	11/16	06:00	ECB Governing Council Member Muller Speaks in Frankfurt
EC	11/18	04:00	ECB's Guindos speaks in Frankfurt
EC	11/18	07:30	ECB's Hernandez de Cos to speak in Madrid
EC	11/18	08:20	ECB's Lane speaks in Paris
SW	11/20	03:30	Riksbank Publishes Financial Stability Report
EC	11/21	03:10	ECB's Mersch speaks in Paris
EC	11/21	04:40	ECB's Guindos speaks in Brussels
EC	11/21	07:30	ECB Account of October Policy Meeting
EC	11/22	03:00	ECB President Lagarde Speaks in Frankfurt
EC	11/22	08:00	Bundesbank President Weidmann speaks in Frankfurt

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	11/18	17:05	RBA's Kent Takes Part in Sydney Panel
AU	11/18	19:30	RBA Minutes of Nov. Policy Meeting
HK	11/18	00:00	Composite Interest Rate
TH	11/19	21:00	Bank of Thailand's MPC Minutes
CH	11/20	20:30	1 Year Loan Prime Rate
ID	11/21	00:00	Bank Indonesia 7D Reverse Repo
JN	11/21	18:30	Japan Oct CPI

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	December 4, 2019	1.50	1.75
Federal Reserve – Federal Funds Target Rate	1.75	December 11, 2019	1.75	1.75
Banco de México – Overnight Rate	7.50	December 19, 2019	7.50	7.50

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	December 12, 2019	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	December 12, 2019	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	December 12, 2019	-0.50	-0.50
Bank of England – Bank Rate	0.75	December 19, 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	6.50	December 13, 2019	6.50	6.50
Sweden Riksbank – Repo Rate	-0.25	December 19, 2019	-0.25	-0.25
Norges Bank – Deposit Rate	1.50	December 19, 2019	1.50	1.50
Central Bank of Turkey – Benchmark Repo Rate	14.00	December 12, 2019	14.00	14.00

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	December 19, 2019	-0.15	-0.10
Reserve Bank of Australia – Cash Target Rate	0.75	December 2, 2019	0.50	0.75
Reserve Bank of New Zealand – Cash Rate	1.00	February 11, 2020	0.75	0.75
People's Bank of China – Loan Prime Rate	4.20	November 20, 2019	4.15	4.20
Reserve Bank of India – Repo Rate	5.15	December 5, 2019	4.90	5.00
Bank of Korea – Bank Rate	1.25	November 28, 2019	1.25	1.25
Bank of Thailand – Repo Rate	1.25	December 18, 2019	1.25	1.25
Bank Negara Malaysia – Overnight Policy Rate	3.00	TBA	3.00	2.75
Bank Indonesia – 7-Day Reverse Repo Rate	5.00	November 21, 2019	4.75	5.00
Central Bank of Philippines – Overnight Borrowing Rate	4.00	December 12, 2019	4.00	4.00

People's Bank of China (PBoC): China's new benchmark lending rate, the 1-year Loan Prime Rate (LPR) will be set on the 20th of each month. Given that the PBoC lowered its 1-year medium-term lending facility rate by 5 bps to 3.25% in early November, the 1-year LPR will likely set 5 bps lower as well, to 4.15%. **Bank Indonesia (BI):** Indonesian monetary authorities will make a policy decision on November 21. We assess that the central bank has room to cut the 7-day reverse repo rate by 25 bps to 4.75% on the back of contained inflation (3.1% y/y in October) and continued weakening in various economic indicators over the past month.

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	5.00	December 11, 2019	5.00	4.75
Banco Central de Chile – Overnight Rate	1.75	December 6, 2019	1.75	1.75
Banco de la República de Colombia – Lending Rate	4.25	December 20, 2019	4.25	4.25
Banco Central de Reserva del Perú – Reference Rate	2.25	December 12, 2019	2.25	2.25

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

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

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