

GLOBAL ECONOMICS THE GLOBAL WEEK AHEAD

March 20, 2020

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CONTACTS

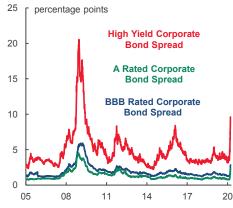
Derek Holt, VP & Head of Capital Markets Economics 416.863.7707 Scotiabank Economics derek.holt@scotiabank.com

Next Week's Risk Dashboard

- COVID-19
- CB policy implementation
- CBs: BoE, BoT, BanRep
- US fiscal stimulus
- Ontario's mini-budget
- US jobless claims, PCE, durables
- PMIs: Eurozone, UK, US (Markit)
- Other US macro

Chart of the Week

Spread between 10 Year US Corporate Bonds & US Treasury Bonds



Sources: Scotiabank Economics, Bloomberg.

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



Boomeranged!

CANADA—UNLEASHING THE BoC's GUNS

Canada is aggressively responding with monetary, fiscal and regulatory easing and several of these developments will kick into higher gear over the coming week. The initial salvos were explained here. Federal fiscal measures were explained here but it is monetary policy that is more timely and leading the way in the crisis response.

This past week brought out several more monetary policy measures as explained in morning and evening notes throughout the week. Broadly speaking, they are designed to improve market liquidity and address areas of dysfunction in Canada's financial system that are important to rectify in order to mitigate negative effects upon the economy.

In addition to increasing the frequency of its term repo facility operations to at least twice a week starting on Tuesday and expanding eligible collateral for use in that facility, the BoC is expanding its bond buyback program to include all benchmark maturity sectors on at least a weekly basis. It has also raised its deposit rate to equal the overnight rate at 0.75% and thus narrow the rate corridor to 25bps with the Bank Rate now 25bps above both other policy rates. While the main stated objective for doing so is to reflect the scale of liquidity operations and higher settlement balances, it may also open the door toward cutting to the lower bound of 0% without the deposit rate going negative.

Several other programs will be implemented over the coming week.

Banker's Acceptance Purchase Facility: The first operation will be conducted on Monday at an expanded amount of C\$15 billion compared to the originally announced C\$10 billion intervention. Operations will be conducted weekly as long as needed and subsequent purchases are targeted at "around C\$10 billion." The aim of this facility is to guide BA rates back toward the present Bank rate of 1% at the upper end of the BoC's rate corridor in order to improve the monetary policy transmission mechanism before future rate cuts. Chart 1 shows tracking for 30 and 90 day BAs.

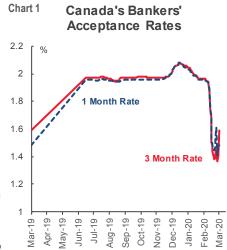
BoC purchases of CMBs: Two rounds of purchases are expected with amounts up to C\$500 million per week. The aim is to improve market liquidity and compress mortgage bond spreads (chart 2).

USD swap lines: They already became operational this past Monday and the frequency of operations will now increase from weekly 7-day operations to daily 7-day operations starting on Monday. The aim of central banks like the BoC entering into swap line arrangements with the Federal Reserve is to address soaring USD funding that has been marked by rising evidence of dysfunction in currency markets (chart 3).

Standing Term Liquidity Facility: This will provide loans to financial institutions in need of temporary liquidity support. The facility was announced this past Thursday after the BoC had previously noted such intentions in a statement issued last November. The facility will become operational on Monday March 30th.

Switch buyback operations: Two operations will be held on Monday in the 5 year sector of the curve and Wednesday in the 30 year section of the curve.

USD Term Repo Facility: This will be launched 'should the need arise' and would provide US\$ liquidity to primary dealers.

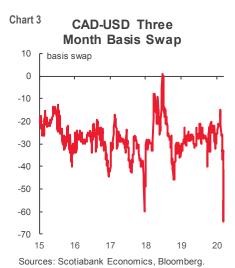


Sources: Scotiabank Economics, Bloomberg.

Chart 2 Early Days for BoC's Mortgage Purchases



Sources: Scotiabank Economics, Bloomberg.





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Contingent Term Repo Facility: This will offer C\$ term funding to counterparties on a standing, bilateral basis and will become active by April 3rd.

Furthermore, the first purchases under the CMHC's Insured Mortgage Purchase Program of up to C\$50 billion of insured mortgage pools will be conducted on Tuesday.

Ontario will release a mini-budget on Wednesday in lieu of its previously planned full budget. Finance Minister Rod Phillips promised a "realistic one-year outlook" which may be a tall order under current circumstances. Phillips guided there would be added resources for the health sector and front-line workers, the education sector and municipalities that are seeing their tax bases erode as social distancing temporarily suspends a considerable portion of economic activity. Scotia's Rebekah Young and Marc Desormeaux will be covering the updates.

Only one macro release is on tap for next week and it's never a show-stopper to markets. **Wholesale trade** (Monday) nevertheless accounts for about one-twentieth of the economy and will complete the round of releases necessary to firm up January GDP growth estimates. At the moment, tracking shows the economy was in total stall mode to begin the new year even before the COVID-19 and OPEC+ shocks hit. Volumes were down for retail sales (-0.3% m/m), manufacturing shipments (-0.4%), exports (-3.1%) and import volumes also declined as a signal of broader softness in the domestic economy. Hours worked fell 0.1% m/m. Only housing starts were up 9% m/m but that was a rebound from the prior month's drop and probably weather-induced as starts slipped again in February.

UNITED STATES—AN IMPATIENT VIRUS

Financial markets will be primarily focused upon the further implementation of the Federal Reserve's monetary policy initiatives, the prospective timeline for a US fiscal stimulus package and the economic and human ramifications of the ongoing spread of the COVID-19 virus. Backward-looking macro reports are likely to get little attention with one possible exception that will provide a fresh reading on how the labour market is faring.

The Federal Reserve has proven to be adept and creative in the roll-out of a series of initiatives beyond even expectations for aggressive action that were outlined before it all began here. There may be more actions in the development stage that require multiple parties to come together, such as expansion of existing programs, altering their terms, or entirely new programs such as a funding for lending scheme modelled after similar programs at the BoE and RBA. The notion of direct cash hand-outs to households is something that will be funded by the Treasury in a fiscal stimulus package.

The first batch of Fed initiatives was explained here last Sunday which by now seems like an eternity ago. Other initiatives were rolled out throughout the week and explained in morning and evening notes. These efforts to restore proper functioning across markets will take time to have their effects but they are moving in the right direction fairly rapidly. Purchases of Treasuries and MBS have already been implemented, expanded repo operations have been delivered, the availability of cheaper discount window borrowing has started to be drawn upon and the Fed has begun to implement swap lines with foreign central banks. It remains early days for multiple initiatives such as the Commercial Paper Funding Facility, the Primary Dealer Credit Facility, the Money Market Mutual Fund Liquidity Facility, the expansion of USD swap lines with more foreign central bank counterparties and the expansion of the MMLF to also incorporate state and municipal funding markets.

Throughout it all, bear in mind that while the virus is quicker than the Fed can ever be, their hard efforts are rapidly bearing fruit as the experience from the GFC is resulting in the more rapid deployment of these tools this time around. The same cannot be said for fiscal policy given the US administration chose to dismiss the economic ramifications of the COVID-19 virus and has yet to pass a material 'phase 3' relief package that will take weeks until its proceeds begin rolling out after passage. **President Trump would have been better advised to lay off criticizing the Fed and to bring an earlier focus upon getting fiscal stimulus out the door.**

On that note, however, the House and Senate will be back in session on Monday and developments are expected to move quickly toward passing a roughly US\$1¼ trillion stimulus bill to go to President Trump's desk for his ceremonial signature. As this publication is being sent, there remain significant differences yet to be smoothed over before votes will be held.

It's unclear whether macro releases will matter at all except for the highest-frequency real time gauges, but three stand a greater chance than the others, and one in particular.



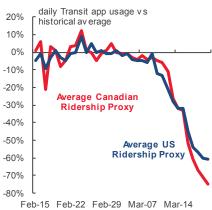
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Initial jobless claims: How high will applications for jobless claims over the past week go when they are released on Thursday? The tally will begin to inform the magnitude of damage being done to labour markets by the COVID-19 shock and it is among the higher -frequency gauges being relied upon to assess damage to the economy including unconventional readings like chart 4. I've guesstimated a rise to 2 million initial jobless claims with greater risk of a bigger number than a smaller reading based upon the select states that have released their figures already. Further, if the standard 11-to-1 ratio for the US compared to Canada holds, then hold your hats. Canada has already announced that a half million employment insurance applications were filed over the past week. The all-time record high for a single week of jobless claims in the US was 695k in October 1982 followed by the GFC peak in March 2009 (665k). The sudden onset of this shock is the issue.

PCE: Headline inflation is expected to hold steady at 1.7% y/y with core PCE inflation rising a tick to 1.7%. This is based upon a combination of year-ago base effect shifts, typical seasonality, information derived from the previous CPI readings for the same month, and judgement. Modest consumption growth is expected at best given the flat retail sales control group for February.

Chart 4

Public Transit Usage During COVID-19 Outbreak



Sources: Scotiabank Economics, Transit app.

Durable goods orders: Further downside risk is expected for headline and core orders excluding transportation.

Other releases will include Markit's PMI gauges for March, new home sales in February and the Richmond Fed's regional manufacturing gauge all on Tuesday. The advance merchandise goods trade figures for February and final revisions to Q4 GDP growth that is expected to remain unchanged at 2.1% are expected on Thursday.

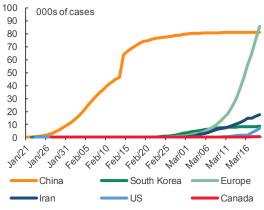
ASIA-PACIFIC—CHINA'S FAR FROM BEING IN THE CLEAR

There is little calendar-based risk across Asia-Pacific markets as the primary focus will be upon the global spread of the COVID-19 virus and the ongoing policy responses in North America and Europe. As a reminder, the COVID-19 virus is spreading through Europe much faster than it did at the peak rate of ascension in China (chart 5). The US is only just recently catching up with a fearful eye toward Europe's path that informs perspective on why US cities are aggressively moving toward mandatory social distancing practices. The implications to shutting down western economies are not lost on Chinese exporters and policymakers as the feared boomerang double-dip effect on China's economy is progressing.

Bank of Thailand will still go ahead with its scheduled meeting on Wednesday despite delivering an emergency 25bps rate cut at the close of this past week. The accompanying statement (here) did not tip the central bank's hand into the next meeting and simply guided that the impact of the COVID-19 virus "would be more severe than previously expected." Developments over the next week may inform a further sense of urgency.

Chart 5

Cumulative Cases According to the World Health Organization



Sources: Scotiabank Economics, WHO.

Macro releases will be light and include China's industrial profits during February (Thursday) that should further inform the earnings hit from COVID-19. Tokyo CPI for March (Thursday), Singapore CPI for February (Monday) and New Zealand's trade figures during February (Tuesday) round out the light release schedule.

EUROPE—UNTIL WE MEET AGAIN

The rising impact of the sharp increase in COVID-19 cases will combine with top shelf PMIs and another Bank of England meeting to present significant risk to European markets.



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Reasonably fresher macroeconomic indicators will start rolling in for the Eurozone Charles coming week in the form of a wave of purchasing managers' indices. These readings will deteriorate but how far they go will inform tracking of the magnitude of 60 the hit to growth as Q1 transitions to Q2.

Eurozone PMIs arrive on Tuesday including figures specifically for Germany and France. The composite Eurozone PMI had been on the mend from September through to February—before the COVID-19 shock hit. Watch for a major slip in the headline and components. Given the connection to GDP growth in chart 6, how far it goes will inform recession tracking. Germany's GfK consumer confidence reading on Thursday will be another such example of how confidence is being damaged.

UK purchasing managers arrive on the same day as the Eurozone figures and with identical logic applied to their significance. What will matter far less is the expectation that core inflation will slip a touch to about 1½% y/y (Wednesday) and retail sales will likely give back at least some of the large gain in January (Thursday).

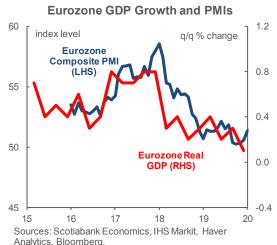


Chart 6

Chart 7

You can never hold enough meetings. Apparently that's the logic at the Bank of England. After having just cut its Bank Rate by 15bps to 0.1%, increased its bond purchases by £200 billion to £645 billion, introduced the Covid 19 Corporate Financing Facility to purchase commercial paper and enlarging its Term Funding Scheme for Small and Medium-Sized Enterprises (TFSME), **the Bank of England will still go ahead with its previously scheduled meeting on Thursday.** Prospects for additional policy details and possible adjustments or new tools will be monitored. The day after, it will release minutes to this upcoming meeting and minutes to the March 19th meeting that may further inform perspectives on possible additional policy options.

LATIN AMERICA—ONE MORE TO GO

Most of the week's developments will focus upon developments abroad and their implications for Latin American economies and financial systems. With Banxico out of the way earlier than anticipated, eyes will be more concentrated upon Colombia's central bank as the last of the major LatAm banks to weigh in recently. Peru's 100bps cut at the end of this past week, Chile's 75bps cut on March 16th, Brazil's 50bps cut this past week along with Banxico's 50bps emergency cut generally set a backdrop that would position BanRep as somewhat of an outlier if it held. The case, however, isn't quite so simple.

BanRep delivers its policy rate decision next Friday. Consensus attaches low probability to a rate move but have recent developments overtaken the majority view? Colombia has seen the rise of 145 COVID-19 cases and therefore faces both the external shock to its export and commodity markets but also the potential for domestic business interruption effects. A complicating factor is that the central bank has also been intervening to stem the slide of the peso and its implications for imported inflation. The nation's inflation rate has risen to 3.7% and hence near the upper end of the 3% +/-1% inflation target range (chart 7). The peso's 21% depreciation in the exchange value of the peso to the USD since about mid-February risks greater imported inflation. Of course, what matters is why a flexible exchange rate adjusts in such fashion, including the dominance of USD strength against all others and the deterioration in Colombia's terms of trade brought on by weaker commodity prices and particularly oil prices.

Banxico's previously scheduled rate decision next Thursday was pre-empted by the central bank's emergency meeting held at the end of this past week. Banxico cut its overnight rate by 50bps to 6.5% and introduced other liquidity measures (statements

BanRep's Conundrum 10 y/y % change 9 8 Colombian Headline CPI 4 3 Colombian 2 0 15 19 20 14 16 17 18 Sources: Scotiabank Economics, Bloomberg.

<u>here</u> and <u>here</u>). Mexico will update retail sales (Wednesday) but the January release is likely to prove to be irrelevant to markets.

Other releases will only include Argentina's Q4 GDP (Wednesday) and Brazil's retail sales and mid-month inflation readings on Tuesday and Wednesday respectively.



Key Indicators for week of March 23 – 27

NORTH AMERICA

Country	<u>Date</u>	<u>Time</u>	Indicator	Period	BNS	Consensus	Latest
CA	03/23	08:30	Wholesale Trade (m/m)	Jan			0.9
MX	03/24	08:00	Bi-Weekly Core CPI (% change)	Mar 15	0.3	0.2	0.1
MX	03/24	08:00	Bi-Weekly CPI (% change)	Mar 15	0.1	0.1	0.5
US	03/24		New Home Sales (000s a.r.)	Feb		750	764
US	03/24	10:00	Richmond Fed Manufacturing Index	Mar		-10.0	-2.0
MX	03/25	08:00	Retail Sales (INEGI) (y/y)	Jan			3.2
US	03/25	08:30	Durable Goods Orders (m/m)	Feb P		-1.0	-0.2
US	03/25	08:30	Durable Goods Orders ex. Trans. (m/m)	Feb P		-0.4	0.8
MX	03/26	08:00	Global Economic Indicator IGAE (y/y)	Jan	0.9	-0.4	0.7
MX	03/26		Unemployment Rate (%)	Feb	3.9	3.7	3.8
US	03/26		GDP (q/q a.r.)	4Q T		2.1	2.1
US	03/26	08:30	GDP Deflator (q/q a.r.)	4Q T		1.3	1.3
US	03/26	08:30	Initial Jobless Claims (000s)	Mar 21		750	281
US	03/26	08:30	Continuing Claims (000s)	Mar 14			1701
US	03/26		Wholesale Inventories (m/m)	Feb P			-0.4
MX	03/26	15:00	Overnight Rate (%)	Mar 26	6.25	6.50	7.00
MX	03/27	08:00	Trade Balance (US\$ mn)	Feb			-2416
US	03/27	08:30	PCE Deflator (m/m)	Feb		0.1	0.1
US	03/27	08:30	PCE Deflator (y/y)	Feb		1.7	1.7
US	03/27	08:30	PCE ex. Food & Energy (m/m)	Feb		0.2	0.1
US	03/27	08:30	PCE ex. Food & Energy (y/y)	Feb		1.8	1.6
US	03/27	08:30	Personal Spending (m/m)	Feb		0.3	0.2
US	03/27		Personal Income (m/m)	Feb		0.4	0.6
US	03/27	10:00	U. of Michigan Consumer Sentiment	Mar F		93.3	95.9

EUROPE

Country	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	Period	BNS	Consensus	<u>Latest</u>
SP	03/22		Budget Balance YTD (€ mn)	Feb			-10987
EC	03/23	11:00	Consumer Confidence	Mar A		-14.2	-6.6
FR	03/24	04:15	Manufacturing PMI	Mar P		41.0	49.8
FR	03/24	04:15	Services PMI	Mar P		41.0	52.5
GE	03/24	04:30	Manufacturing PMI	Mar P		40.0	48.0
GE	03/24	04:30	Services PMI	Mar P		43.5	52.5
EC	03/24	05:00	Composite PMI	Mar P		39.3	51.6
EC	03/24	05:00	Manufacturing PMI	Mar P		40.0	49.2
EC	03/24	05:00	Services PMI	Mar P		39.8	52.6
UK	03/24	05:30	Manufacturing PMI	Mar P		45.0	51.7
UK	03/24	05:30	Services PMI	Mar P		45.0	53.2
UK	03/25	05:30	CPI (m/m)	Feb		0.3	-0.3
UK	03/25		CPI (y/y)	Feb		1.6	1.8
UK	03/25		PPI Input (m/m)	Feb		-2.0	0.9
UK	03/25	05:30	PPI Output (m/m)	Feb		0.0	0.3
UK	03/25		RPI (m/m)	Feb		0.6	-0.4
UK	03/25	05:30	RPI (y/y)	Feb		2.5	2.7
GE	03/26	03:00	GfK Consumer Confidence Survey	Apr		7.7	9.8
UK	03/26	05:30	Retail Sales ex. Auto Fuel (m/m)	Feb		-0.4	1.6
UK	03/26	05:30	Retail Sales with Auto Fuel (m/m)	Feb		0.2	0.9
UK	03/26	08:00	BoE Asset Purchase Target (£ bn)	Apr		635.0	435.0
UK	03/26	08:00	BoE Policy Announcement (%)	Mar 26		0.10	0.25
GE	03/27	04:00	Retail Sales (m/m)	Feb		0.1	1.0





Key Indicators for week of March 23 – 27

ASIA-PACIFIC

<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	Consensus	Latest
			Feb		-10.9	3.4
			Feb		-5.7	-7.9
03/22	23:30	Customs Trade Balance (US\$ mn)	Feb		2800	-1556
03/23			Feb	0.5	0.5	8.0
03/23	04:00	Industrial Production (y/y)	Feb			-1.5
03/23		` '	Feb	3.8	3.8	3.7
03/23			Feb	0.7	1.6	1.4
03/23	20:30	Markit/JMMA Manufacturing PMI	Mar P			47.8
			Jan F			94.7
			Jan F			90.3
03/24	01:00	Supermarket Sales (y/y)	Feb			-2.0
03/24	01:30	Nationwide Department Store Sales (y/y)	Feb			-3.1
03/24	02:00	Machine Tool Orders (y/y)	Feb F			-30.1
03/24	04:30	Industrial Production (y/y)	4Q			0.4
03/24	17:45	Trade Balance (NZD mn)	Feb		550	-340
03/24	17:45	Exports (NZD bn)	Feb		5	4727
03/24	17:45	Imports (NZD bn)	Feb		4	5067
03/25	00:00	CPI (y/y)	Feb	1.4	1.5	1.6
03/25	03:05	BoT Repo Rate (%)	Mar 25	0.75		1.00
03/26	01:00	Industrial Production (y/y)	Feb		-2.0	3.4
03/26			Feb			-22.7
03/26	04:30	Imports (y/y)	Feb			-16.4
03/26	04:30	Trade Balance (HKD bn)	Feb			-30.6
03/26	17:00	ANZ Consumer Confidence Index	Mar			122.1
03/26	17:00	Consumer Confidence Index	Mar			96.9
03/26	19:30	Tokyo CPI (y/y)	Mar		0.3	0.4
03/26			Feb			23.0
03/26	22:00	CPI (y/y)	Mar			5.4
03/26	21:00	Industrial Production (y/y)	Mar			23.7
	03/22 03/22 03/23 03/23 03/23 03/23 03/23 03/24 03/24 03/24 03/24 03/24 03/25 03/25 03/26 03/26 03/26 03/26 03/26 03/26	03/22 23:30 03/22 23:30 03/23 01:00 03/23 04:00 03/23 04:00 03/23 04:30 03/24 01:00 03/24 01:00 03/24 01:30 03/24 02:00 03/24 17:45 03/24 17:45 03/24 17:45 03/24 17:45 03/25 03:05 03/26 04:30 03/26 04:30 03/26 04:30 03/26 17:00 03/26 17:00 03/26 17:00 03/26 19:30 03/26 21:00 03/26 22:00	03/22 23:30 Customs Exports (y/y) 03/22 23:30 Customs Imports (y/y) 03/22 23:30 Customs Trade Balance (US\$ mn) 03/23 01:00 CPI (y/y) 03/23 04:00 Industrial Production (y/y) 03/23 04:00 Unemployment Rate (%) 03/23 04:30 CPI (y/y) 03/23 02:30 Markit/JMMA Manufacturing PMI 03/24 01:00 Coincident Index CI 03/24 01:00 Coincident Index CI 03/24 01:00 Supermarket Sales (y/y) 03/24 01:00 Supermarket Sales (y/y) 03/24 01:00 Supermarket Sales (y/y) 03/24 01:00 Machine Tool Orders (y/y) 03/24 01:00 Machine Tool Orders (y/y) 03/24 17:45 Trade Balance (NZD mn) 03/24 17:45 Exports (NZD bn) 03/24 17:45 Imports (NZD bn) 03/25 00:00 CPI (y/y) 03/26 01:00 Industrial Pr	03/22 23:30 Customs Exports (y/y) Feb 03/22 23:30 Customs Imports (y/y) Feb 03/22 23:30 Customs Trade Balance (US\$ mn) Feb 03/23 01:00 CPI (y/y) Feb 03/23 04:00 Industrial Production (y/y) Feb 03/23 04:00 Unemployment Rate (%) Feb 03/23 04:30 CPI (y/y) Feb 03/23 04:30 CPI (y/y) Feb 03/23 04:30 CPI (y/y) Feb 03/24 01:00 Coincident Index CI Jan F 03/24 01:00 Coincident Index CI Jan F 03/24 01:00 Supermarket Sales (y/y) Feb 03/24 01:00 Supermarket Sales (y/y) Feb 03/24 01:00 Nationwide Department Store Sales (y/y) Feb 03/24 01:00 Machine Tool Orders (y/y) Feb 03/24 01:00 Machine Tool Orders (y/y) Feb 03/24 17:	03/22 23:30 Customs Exports (y/y) Feb 03/22 23:30 Customs Imports (y/y) Feb 03/23 23:30 Customs Trade Balance (US\$ mn) Feb 03/23 01:00 CPI (y/y) Feb 0.5 03/23 04:00 Industrial Production (y/y) Feb 03/23 04:00 Unemployment Rate (%) Feb 3.8 03/23 04:30 CPI (y/y) Feb 0.7 03/23 04:30 CPI (y/y) Feb 0.7 03/24 01:00 Coincident Index CI Jan F 03/24 01:00 Leading Index CI Jan F 03/24 01:00 Supermarket Sales (y/y) Feb 03/24 01:00 Supermarket Sales (y/y) Feb 03/24 01:00 Machine Tool Orders (y/y) Feb 03/24 01:00 Machine Tool Orders (y/y) Feb 0	03/22 23:30 Customs Exports (y/y) Feb -10.9 03/22 23:30 Customs Imports (y/y) Feb -5.7 03/22 23:30 Customs Trade Balance (US\$ mn) Feb -5.7 03/23 01:00 CPI (y/y) Feb 0.5 0.5 03/23 04:00 Industrial Production (y/y) Feb 3.7 03/23 04:00 Unemployment Rate (%) Feb 3.8 3.8 03/23 04:30 CPI (y/y) Feb 0.7 1.6 03/24 01:00 Coincident Index CI Jan F 03/24 01:00 Coincident Index CI Jan F 03/24 01:00 Supermarket Sales (y/y) Feb 03/24 01:00 Supermarket Sales (y/y) Feb F 03/24 01:00 Supermarket Sales (y/y) Feb F 03/24 01:00

LATIN AMERICA

Country	<u>Date</u>	<u>Time</u>	Indicator	Period	BNS	Consensus	Latest
BZ	03/24	08:00	Retail Sales (m/m)	Jan			-0.1
BZ	03/24	08:00	Retail Sales (y/y)	Jan			2.6
BZ	03/25	08:00	IBGE Inflation IPCA-15 (m/m)	Mar			0.2
BZ	03/25	08:00	IBGE Inflation IPCA-15 (y/y)	Mar			4.2
BZ	03/25	08:30	Current Account (US\$ mn)	Feb			-11879
BZ	03/26	08:00	Economic Activity Index NSA (y/y)	Jan			1.3
BZ	03/27	08:00	Economic Activity Index SA (m/m)	Jan			-0.3
CO	03/27	10:00	Overnight Lending Rate (%)	Mar 27		4.25	4.25





Global Auctions for week of March 23 - 27

NORTH AMERICA

Country	<u>Date</u>	<u>Time</u>	Event
US	03/24	13:00	U.S. to Sell 2-Year Notes
US	03/25	11:30	U.S. to Sell 2-Year FRNs Reopening
CA	03/25	12:00	Canada to Sell 30 Year Bonds
US	03/25	13:00	U.S. to Sell 5-Year Notes
US	03/26	13:00	U.S. to Sell 7-Year Notes

EUROPE

Country	<u>Date</u>	<u>Time</u>	<u>Event</u>
BE	03/23	06:30	Belgium to Sell 4, 10, & 30 Year Bonds
GE	03/24	06:30	Germany to Sell Euro 4 Bn of 0% 2022 Bonds
SW	03/25	06:00	Sweden to Sell 2 Billion Kronor of 0.125% 2031 Bonds
NO	03/25	06:00	Norway to Sell Bonds
IT	03/26	06:00	Italy to Sell Bonds

ASIA-PACIFIC

Country SK SK	Date 03/22 03/22	21:30	Event Korea Central Bank to Sell KRW 900Bln 1 Year Bonds Korea to Sell KRW 1.1Tln 20 Year Bonds
TA CH CH	03/23 03/23 03/23	02:00	Taiwan to Sell TWD25 Bln 5-Yr Bonds Liaoning to Sell CNY4.16051 Bln 20 Year Bonds Shaanxi to Sell 9, 14, & 20 Year Bonds
PH CH CH ID CH	03/24 03/24 03/24 03/24 03/24	02:00 04:00 05:00	Philippine to Sell PHP30BIn 7 Year Bonds Sichuan to Sell 2 & 29 Year Bonds Jilin to Sell 9 & 29 Year Bonds Indonesia to Sell 2, 4, & 25 Year Islamic Bonds Dalian to Sell CNY1.7 BIn 9 Year Bonds
CH CH NZ JN	03/25 03/25 03/25 03/25	03:00 21:05	Shandong to Sell CNY3.643 Bln 20 Year Bonds Yunnan to Sell 2 Year Bonds New Zealand To Sell NZD250 Mln 2.75% 2025 Bonds Japan to Sell 40 Year Bonds
CH	03/26	03:00	Hainan to Sell 4 & 6 Year Bonds

Sources: Bloomberg, Scotiabank Economics.





Events for week of March 23 - 27

NORTH AMERICA

Country Date Time Event

US 03/24 Georgia Primaries

EUROPE

Country	Date	Time	Event

EC 03/26 05:00 ECB Publishes Economic Bulletin
UK 03/26 08:00 Bank of England Bank Rate

ASIA-PACIFIC

Country Date Time Event

AU 03/22 18:10 RBA's Kent Gives Speech in Sydney

TH 03/25 03:05 BoT Benchmark Interest Rate

LATIN AMERICA

Country	Date	<u>l ime</u>	Event
BZ	03/24	07:00	Central Bank Me

BZ 03/24 07:00 Central Bank Meeting Minutes
CO 03/27 Overnight Lending Rate



Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	0.75	April 15, 2020	0.25	0.25
Federal Reserve – Federal Funds Target Rate	0.25	April 29, 2020	0.25	0.25
Banco de México – Overnight Rate	7.00	May 14, 2020	6.00	6.50

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	0.00	April 30, 2020	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	April 30, 2020	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	April 30, 2020	-0.50	-0.50
Bank of England – Bank Rate	0.10	March 26, 2020	0.10	0.10
Swiss National Bank – Libor Target Rate	-0.75	TBA	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	6.00	April 24, 2020	6.00	6.00
Sweden Riksbank – Repo Rate	0.00	April 28, 2020	0.00	0.00
Norges Bank – Deposit Rate	0.25	May 7, 2020	0.25	1.50
Central Bank of Turkey – Benchmark Repo Rate	9.75	April 22, 2020	9.75	10.75

Bank of England: After its emergency meeting that offered significant stimulus, Thursday's scheduled meeting will still go ahead as planned. Additional policy details and measures are possible but evaluating the impact of recently announced changes may be the main focus.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	April 28, 2020	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.25	May 5, 2020	0.25	0.25
Reserve Bank of New Zealand – Cash Rate	0.25	May 12, 2020	0.25	0.50
People's Bank of China – 1-Year Loan Prime Rate	4.05	April 20, 2020	3.95	4.00
Reserve Bank of India – Repo Rate	5.15	April 3, 2020	5.15	5.00
Bank of Korea – Bank Rate	0.75	April 9, 2020	0.75	1.25
Bank of Thailand – Repo Rate	0.75	March 25, 2020	0.75	0.75
Bank Negara Malaysia – Overnight Policy Rate	2.50	May 5, 2020	2.25	2.50
Bank Indonesia – 7-Day Reverse Repo Rate	4.50	April 14, 2020	4.50	4.50
Central Bank of Philippines - Overnight Borrowing Rate	3.25	May 21, 2020	3.00	3.25

Bank of Thailand: Next Wednesday's meeting will still go ahead despite this past week's emergency rate cut. Developments over the coming week may inform a further sense of urgency.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	3.75	May 6, 2020	3.75	3.75
Banco Central de Chile – Overnight Rate	1.00	March 31, 2020	1.00	1.75
Banco de la República de Colombia – Lending Rate	4.25	March 27, 2020	4.25	4.25
Banco Central de Reserva del Perú – Reference Rate	1.25	April 16, 2020	1.25	2.25

BanRep: The case for easing may have gone up given significant easing steps by the Fed and neighbouring central banks and the effects of the COVID-19 virus, but inflation and peso depreciation limit the central bank's policy flexibility.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	5.25	May 21, 2020	5.25	6.25

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.



GLOBAL ECONOMICS THE GLOBAL WEEK AHEAD

March 20, 2020

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