

ANOTHER CAUTIOUS CHRISTMAS

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Next Week's Risk Dashboard

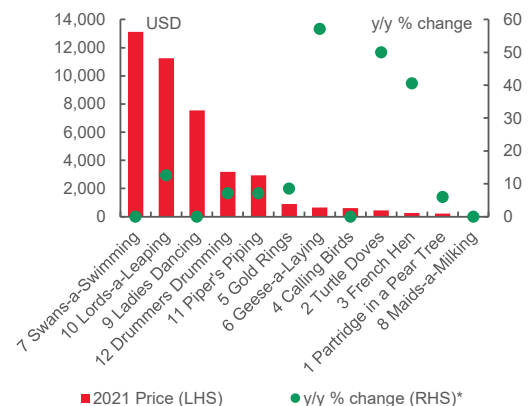
- Off-calendar risk to dominate
- Tracking omicron + delta
- China PMIs might begin capturing omicron effects
- Canada's economy and the BoC
- Tracking the US economy
- The Fed's preferred inflation gauge
- Chile's election
- CBs: PBOC, BoT

Happy Holidays!

Best wishes for a safe and joyous holiday season from all of us.

To our clients & readers, thank you for your continued interest in Scotiabank publications.

The next issue of *The Global Week Ahead* will be published on January 7, 2022.

Chart of the Week
Inflation Hits the 12 Days of Christmas!


*Net of pandemic effects. Relative to 2019 pricing.
 Sources: Scotiabank Economics, PNC Christmas Price Index.

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

Another Cautious Christmas

First, I'd like to wish our clients, staff and friends the very best of the holiday season and the fast-approaching new year. Safety and one's health remain paramount considerations while making the best of a traditionally festive time of year.

I sure hope Santa's all vaccinated and boosted! It's certainly a more expensive time of year as the inflation tax is taking its bite out of budgets! Marc Ercolao's playful focus chart on the cover of this issue shows that it has never cost you more to buy the twelve gifts from the song titled "The Twelve Days of Christmas." They'd set you back a cool US\$41,206, with the source describing core prices (ex the expensive swimming swans) at US\$28k.

Amid the festivities into the new year, calendar-based risks—including central bank decisions, economic indicators and events whose timing is known—will likely be rather light throughout the holiday period.

TRACKING COVID-19

That will probably mean that most of the risks facing markets will be off-calendar in nature and particularly focused upon monitoring the spread and impact of the omicron variant.

As this publication goes to virtual print, there is a blend of worrisome and encouraging evidence around COVID-19 developments applied to informing developments in the economy and financial markets.

On the worrisome side is that while the numbers are still small so far, more schools have been closing in whole or in part in some jurisdictions that are witnessing rising numbers of student cases (chart 1). That could make labour markets vulnerable into the new year particularly if this persists through the mid-January reference periods for reports like US nonfarm payrolls and Canadian jobs. The impact tends to fall disproportionately upon younger- to middle-aged women based upon pandemic experiences to date.

Furthermore, there is evidence that omicron may be much more transmissible than prior variants (chart 2) but it remains unclear whether it is comparable in terms of the severity of outcomes. Early evidence suggests that *on average* omicron may result in less severe outcomes, but an uncertainty is whether lower average intensity of effects may be applied against potentially vastly greater number of cases and pose still large numbers of hospitalizations and worse outcomes. Time will tell and forecasts from public health agencies suggest we will know a lot more about these risks by early 2022.

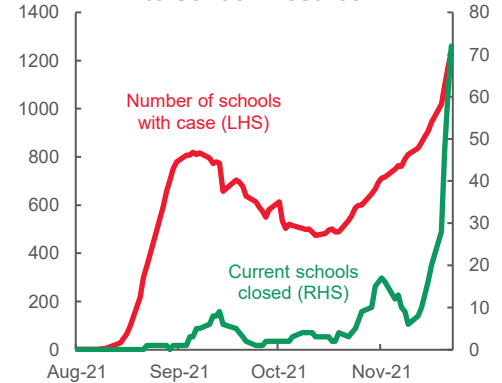
On the more positive side, early studies still tend to indicate that vaccines provide strong protection against variants other than omicron and that are still in circulation. Vaccines seem to perform reasonably well against omicron in terms of severe outcomes but less well in terms of protecting against any symptoms. It therefore remains extremely important to strive toward higher vaccination rates. Chart 3 is getting to be more encouraging in combatting variants prior to omicron.

Progress on additional boosters remains at a very preliminary stage, however, which must rapidly improve given evidence they are needed to supercharge immune systems against omicron (charts 4, 5).

Hospitalization and death rates are *so far* better behaved than during prior waves (chart

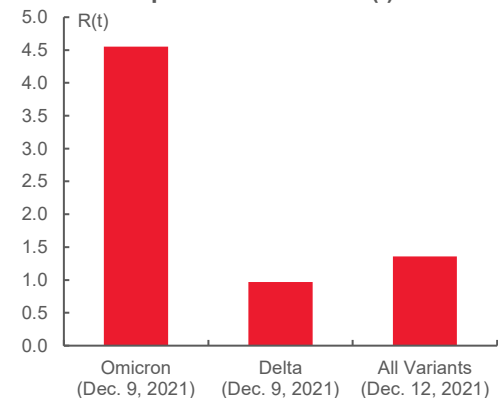
Chart 1

COVID-19 Case Resurgence Leading to School Closures



Sources: Scotiabank Economics, Government of Ontario.

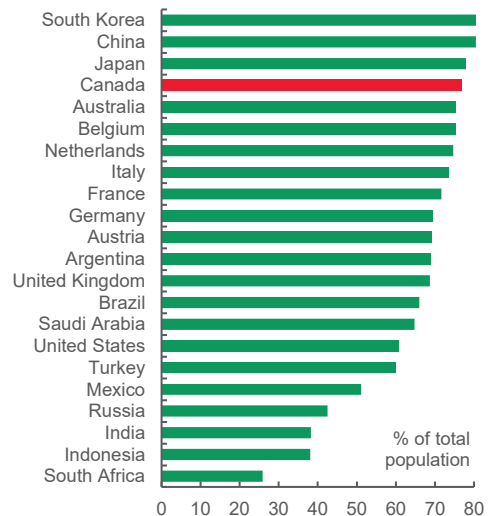
Chart 2 Ontario COVID-19 Effective Reproduction Value R(t)



Sources: Scotiabank Economics, Ontario Science Table.

Chart 3

Percent of Population Fully Vaccinated



Sources: Scotiabank Economics, Our World in Data.

6), but obviously the uncertainty around severity of outcomes associated with the omicron variant and the lags involved following infection make it too early to judge.

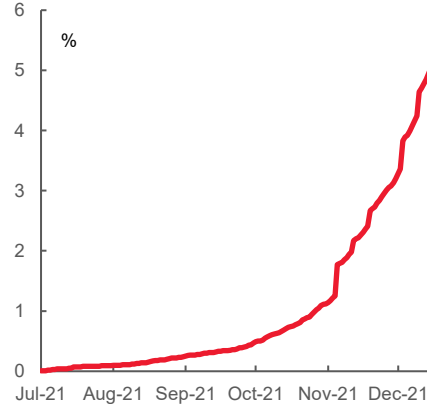
Finally, if new vaccines are required, I'd repeat the point about how the ability to supply enough should not be the issue into 2022 that it was in the early days. Chart 7 shows the massive increase in vaccine production plans in addition to what has already been an explosive rise this past year.

CENTRAL BANKS—JUST TWO LEFT IN 2021!

Central bank watchers, you deserve a break! Just about every central bank on the planet fired off missives of late. There are only two left before the calendar flips over to 2022 and they are expected to stand pat.

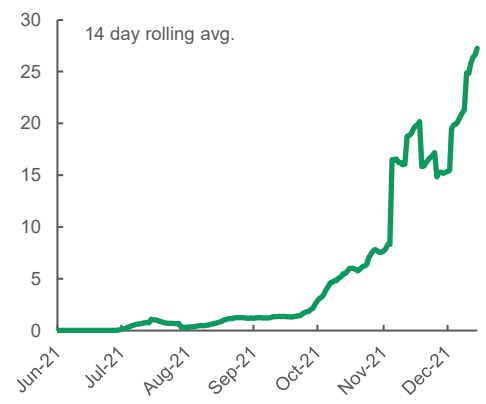
The People's Bank of China is expected to leave its de facto policy rates unchanged at the start of the first week of the holiday season. The 1-year and 5-year Loan Prime Rates are unanimously forecast to remain at 3.85% and 4.65% respectively. The PBOC has not cut its LPRs since April 2020 as part of an easing campaign that pre-dated the pandemic (chart 8). Policy easing since then and through other means has been relatively modest including a recent reduction to the required reserve ratios (chart 9). China is still left with among the world's highest real (inflation-adjusted) policy rates (chart 10).

Chart 4
Percent of Global Population with a Booster Dose



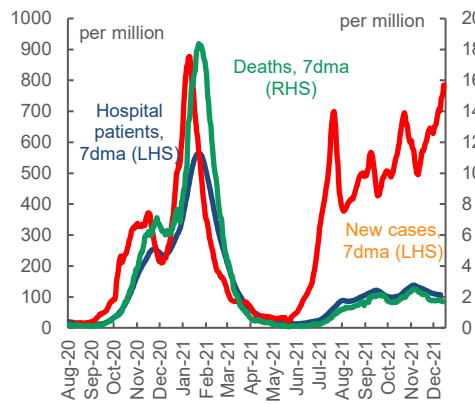
Sources: Scotiabank Economics, Our World in Data.

Chart 5
Share of Global Daily COVID-19 Vaccine Doses Administered as Boosters



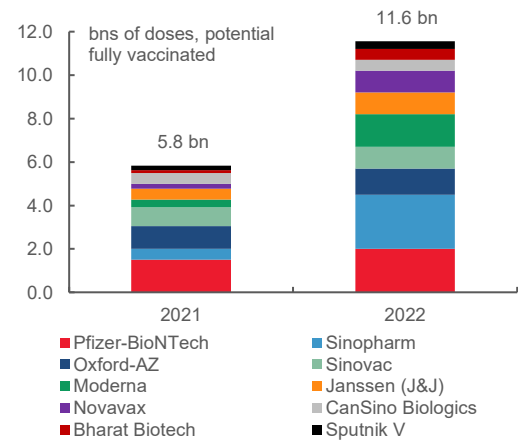
Sources: Scotiabank Economics, Our World in Data.

Chart 6
UK: Cases, Hospitalizations, Deaths



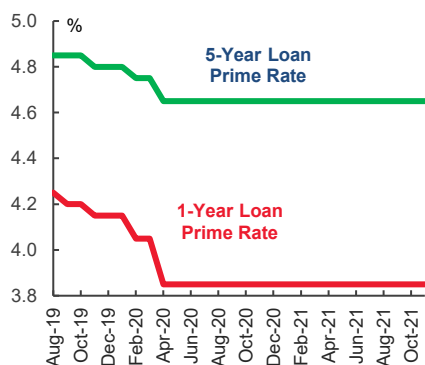
Sources: Scotiabank Economics, Our World in Data.

Chart 7
Global Vaccine Production



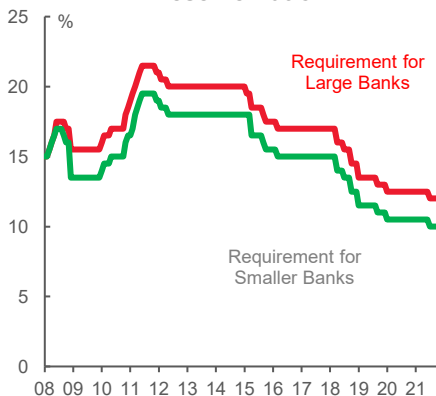
Sources: Scotiabank Economics, Duke Global Health Innovation Center.

Chart 8
People's Bank of China Loan Prime Rates



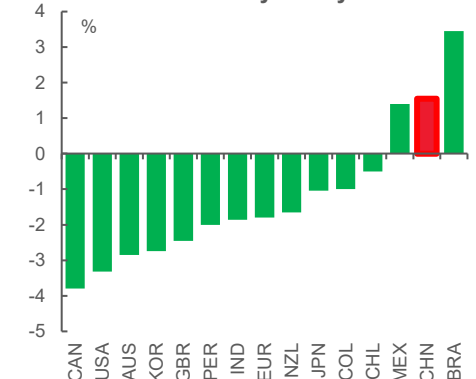
Sources: Scotiabank Economics, People's Bank of China.

Chart 9
China's Required Deposit Reserve Ratio



Sources: Scotiabank Economics, PBOC.

Chart 10
Real Monetary Policy Rates*



* Real monetary policy rate = current policy rate - BNS expected inflation, end-Q4-2022, % y/y.
Sources: Scotiabank Economics, Bloomberg.

The Bank of Thailand is universally expected to stay on hold at a policy rate of 0.5% on Wednesday. The central bank is very unlikely to be thinking about hiking, given moribund economic growth in an economy that has incurred damage to its tourism business due to the pandemic. Furthermore, by contrast to many other parts of the world, there is very little inflationary pressure. Chart 11 shows the growth and inflation dynamics. On the flip side, the BoT is also unlikely to cut its policy rate that is basically toward the lower effective bound already and given concern that further easing would drive destabilizing capital outflows that could drive additional weakness in the currency. The Thai Baht has depreciated by over 10% to the USD this year. This is among the financial stability concerns that have resulted in Thai monetary policy being stuck between a rock and a hard place.

MACRO REPORTS—US, CHINA, CANADA IN FOCUS

Amid forward-looking risks, most of the very limited number of global macroeconomic indicators that are on tap throughout the two-week period will be of modest consequence because they are backward-looking.

China’s PMIs Could Show Early Global Omicron Effects

The state’s versions of China’s purchasing managers’ indices may be an exception, and they arrive on December 30th in the evening (eastern time zone). These sentiment gauges will be fresher than much of the rest of the global line-up but will probably still lag in terms of the implications of recent global pandemic developments. The composite PMI has been mildly rebounding of late but could be vulnerable to damaged global supply chains (chart 12).

Canada’s Economy and the Bank of Canada

Canada will offer updated tracking of the economy’s performance during Q4 through both firmer estimates of activity in October and preliminary ‘flash’ estimates of what happened in November. All of the (limited) action lands in the first of the two weeks before the country’s macro calendar goes to sleep. It’s worth spending a bit more time on this given that a BoC rate hike looks to be increasingly in play.

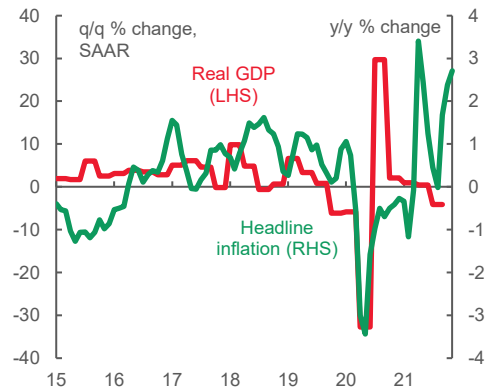
Canadian GDP for October (Dec 23rd) had been guided toward a rise of 0.8% m/m by Statistics Canada back on November 30th, but the subsequently strong 1% m/m rise in hours worked could add upside risk to this estimate which is why I went a little higher than the preliminary estimate. Very few readings are available thus far for the month of November, but a 0.7% m/m rise in hours and a strong 26% m/m gain in housing starts are encouraging. Retail sales figures during October and November’s flash guidance (Dec 21st) will also marginally help to further inform GDP tracking and so far we have the preliminary estimate for a 1% m/m rise in October.

Based upon monthly GDP estimates, we could be tracking growth on the order of ~5% q/q at a seasonally adjusted and annualized rate. An alternative ‘nowcast’ approach estimates Q4 growth at just over 6½% ([here](#)) based upon quarterly expenditure-based GDP accounts. This may face downside risk as BC flooding effects are more fully incorporated, but that could still leave growth tracking materially stronger than the Bank of Canada’s forecast Q4 GDP growth rate of 4% in its most recent iteration in late October.

If so, then the output gap measure of slack might be shutting faster than the BoC anticipated. If the BoC figures that price and wage signals may be indicating greater than previously assumed damage to the supply-side and perhaps further downgrades estimates of potential GDP growth, then whether slack closes in Q1 or Q2 could be a very close call.

Chart 11

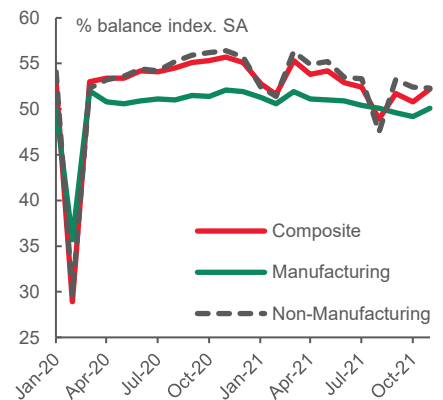
Thailand GDP & Headline Inflation



Sources: Scotiabank Economics, National Economic & Social Development Board.

Chart 12

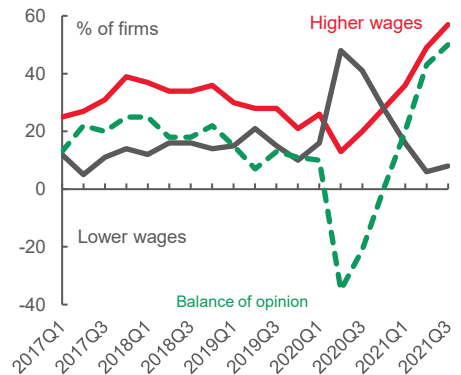
China’s PMIs



Sources: Scotiabank Economics, CNBS, China Federation of Logistics & Purchasing.

Chart 13

Wage Growth Expectations



Sources: Scotiabank Economics, Bank of Canada Business Outlook Survey.

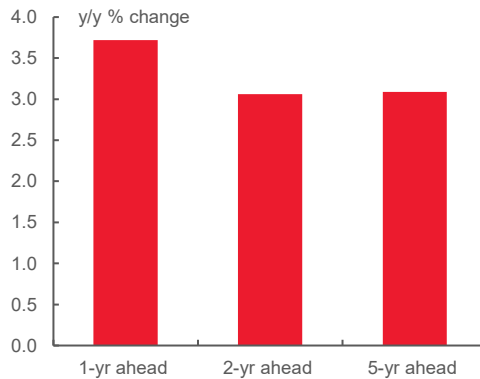
Nevertheless, high inflation and inflation expectations are capturing the Bank of Canada's attention much more of late than output gap references. A January hike that would be earlier than our April forecast cannot be ruled out. It could be delivered by either dropping prior forward guidance not to hike until slack is fully shut, or by amending its estimates of when slack in the economy is eliminated. In addition to the output gap dynamics cited above, Governor Macklem has recently been much more pointed about his inflation concerns (recap [here](#)). His emphasis upon "closely" watching measures of inflation expectations and wages and "watching incoming data very closely" set up increased focus upon wage updates plus measures of wage and price expectations in the next Bank of Canada surveys on January 17th after the prior versions accelerated (charts 13–15).

Modest US Updates

US releases will be light and almost entirely concentrated in the period before Christmas.

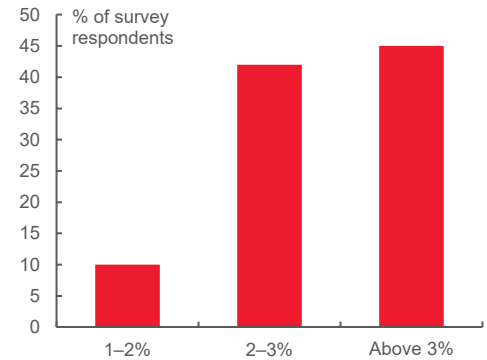
- **PCE inflation (December 23rd):** The Fed's preferred inflation gauges are likely to follow CPI higher but a little less acutely so. I've gone with an acceleration in headline PCE inflation to 5.7% y/y (5% prior) and core PCE at 4.5% y/y (from 4.1% prior).
- **Consumption and incomes (December 23rd):** Total consumer spending in November might have posted a stronger gain than the soft retail sales report that was little changed. One reason is an assumed rotation toward heavier services spending. This rotation could be vulnerable again if rising COVID-19 cases turn more shoppers back to shopping online for goods. Income growth was probably similar to the prior month's gain of ½% m/m and so far the quarter is shaping up to post relatively modest income growth (chart 16).
- **Durable goods orders (December 23rd):** Key here will be whether the streak of 8 consecutive months of rising core orders (ex-defence and air) that serve as a proxy for underlying business investment is kept alive (chart 17). That would serve as ongoing evidence of gradual repair to capacity shortfalls.
- **Q3 GDP (December 22nd):** No material revision is expected to the final take on Q3 growth of 2.1% q/q annualized. This round of estimates incorporates more complete services information from the Census Bureau's Quarterly Services Report ([here](#)).
- **Consumer Confidence (December 22nd):** The Conference Board's measure for December faces competing risks between a strong job market and rising wage pressures versus the early effects of omicron and delta cases on consumer attitudes.
- **Housing:** On December 22nd, existing home sales should benefit from strong gains in pending home sales that get inked 30–90 days ahead of completed resales. New home sales for the same month of November (December 23rd) could post a further gain given evidence of rebounding model home foot traffic (chart 18). Pending home sales for November arrive on December 29th.

Chart 14
Consumers' Inflation Expectations



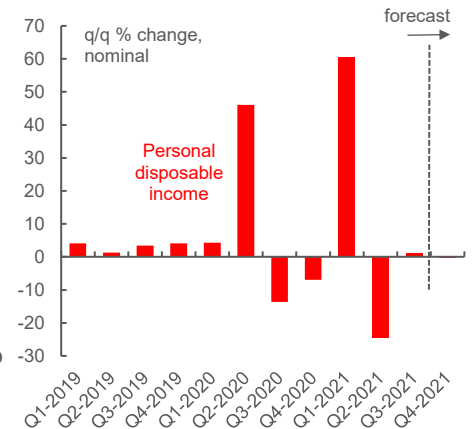
Sources: Scotiabank Economics, Bank of Canada.

Chart 15
Canadian Businesses Expect Inflation to Surpass BoC's Target



Sources: Scotiabank Economics, Bank of Canada's Business Outlook Survey.

Chart 16
US Personal Incomes



Sources: Scotiabank Economics, BEA.

Chart 17
US Non-Defence Capital Goods Ex. Aircraft



Sources: Scotiabank Economics, US Census Bureau.

Europe's calendars will be quiet with nothing out in the first week of the holiday season. German retail sales during November and Spain's kick-off to another round of Eurozone inflation data will be the mild focal points.

The main focus across Latin American markets will be Chile's election outcome. The indicator line-up is fairly unimpressive. Mexico updates retail sales for back in October, bi-weekly inflation and the unemployment rate before Christmas. Chile's retail sales, industrial production and unemployment rates will be focal points during the second week.

The rest of the Asia-Pacific line-up will be light. Most of the focus will be upon Japan's monthly data dump that includes CPI for November (23rd) followed by releases on December 26th for retail sales, jobs and industrial production. South Korea also updates CPI on December 30th.

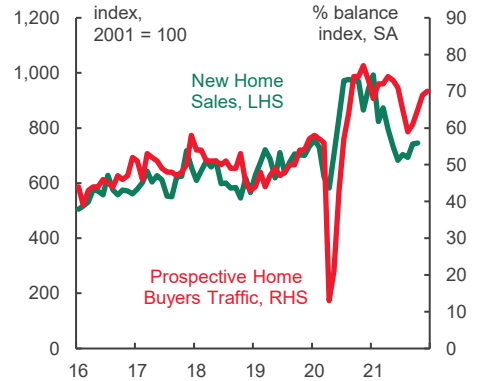
CHILE'S ELECTION

Chile's final run-off vote in its Presidential elections will be held on Sunday December 19th. Financial markets and particularly the peso will be closely monitoring the outcome both in the immediate aftermath and as resulting policy stances are evaluated.

Polls are very tight and with a sizable undecided component (chart 19). José Antonio Kast represents the Partido Republicano which appeals to conservative voters whereas Gabriel Boric appeals to far left supporters. [Here](#) is a useful additional primer on the candidates, the lead-up to this final vote and to some of the key election issues.

Chart 18

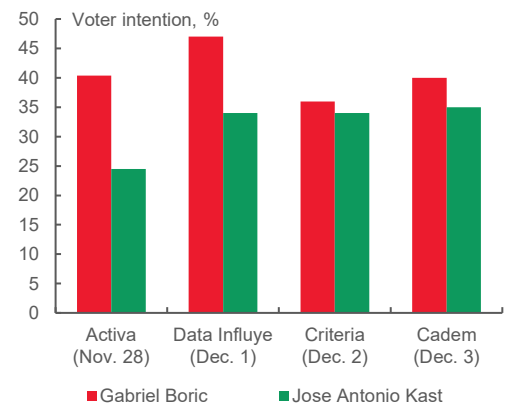
New Model Home Foot Traffic



Sources: Scotiabank Economics, Bloomberg.

Chart 19

Tight Race Heading Into Presidential Election



Sources: Scotiabank Economics, Various public polls.

Key Indicators for December 20 – 31

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	12/20	10:00	Leading Indicators (m/m)	Nov	--	0.9	0.9
CA	12/21	08:30	Retail Sales (m/m)	Oct	1.0	1.0	-0.6
CA	12/21	08:30	Retail Sales ex. Autos (m/m)	Oct	0.8	1.6	-0.2
US	12/21	08:30	Current Account (US\$ bn)	3Q	--	-205.4	-190.3
MX	12/22	07:00	Retail Sales (INEGI) (y/y)	Oct	--	--	5.9
US	12/22	07:00	MBA Mortgage Applications (w/w)	Dec 17	--	--	-4.0
US	12/22	08:30	GDP (q/q a.r.)	3Q T	2.1	2.1	2.1
US	12/22	08:30	GDP Deflator (q/q a.r.)	3Q T	--	5.9	5.9
US	12/22	10:00	Consumer Confidence Index	Dec	110.0	110.6	109.5
US	12/22	10:00	Existing Home Sales (mn a.r.)	Nov	6.6	6.6	6.3
US	12/22	10:00	Existing Home Sales (m/m)	Nov	4.8	3.4	0.8
MX	12/23	07:00	Bi-Weekly Core CPI (% change)	Dec 15	--	0.5	0.2
MX	12/23	07:00	Bi-Weekly CPI (% change)	Dec 15	--	0.3	0.5
MX	12/23	07:00	Unemployment Rate (%)	Nov	--	3.7	4.0
CA	12/23	08:30	Real GDP (m/m)	Oct	1.0	0.8	0.1
US	12/23	08:30	Durable Goods Orders (m/m)	Nov P	1.5	1.5	-0.4
US	12/23	08:30	Durable Goods Orders ex. Trans. (m/m)	Nov P	0.7	0.6	0.5
US	12/23	08:30	Initial Jobless Claims (000s)	Dec 18	205	203	206
US	12/23	08:30	Continuing Claims (000s)	Dec 11	1,810	--	1,845
US	12/23	08:30	PCE Deflator (m/m)	Nov	0.6	0.6	0.6
US	12/23	08:30	PCE Deflator (y/y)	Nov	5.7	5.7	5.0
US	12/23	08:30	PCE ex. Food & Energy (m/m)	Nov	0.4	0.4	0.4
US	12/23	08:30	PCE ex. Food & Energy (y/y)	Nov	4.5	4.5	4.1
US	12/23	08:30	Personal Spending (m/m)	Nov	0.5	0.5	1.3
US	12/23	08:30	Personal Income (m/m)	Nov	0.5	0.5	0.5
US	12/23	10:00	New Home Sales (000s a.r.)	Nov	770	770.0	745.0
US	12/23	10:00	U. of Michigan Consumer Sentiment	Dec F	--	70.4	70.4
MX	12/24	07:00	Global Economic Indicator IGAE (y/y)	Oct	--	0.9	0.9
MX	12/24	07:00	Trade Balance (US\$ mn)	Nov	--	--	-2,701
US	12/27	10:30	Dallas Fed. Manufacturing Activity	Dec	--	--	11.8
US	12/28	09:00	S&P/Case-Shiller Home Price Index (m/m)	Oct	--	--	1.0
US	12/28	09:00	S&P/Case-Shiller Home Price Index (y/y)	Oct	--	--	19.1
US	12/28	10:00	Richmond Fed Manufacturing Index	Dec	--	--	11.0
US	12/29	08:30	Wholesale Inventories (m/m)	Nov P	--	--	2.3
US	12/29	10:00	Pending Home Sales (m/m)	Nov	--	--	7.5
US	12/30	09:45	Chicago PMI	Dec	--	62.0	61.8

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
EC	12/20	04:00	Current Account (€ bn)	Oct	--	18.7
IT	12/20	04:30	Current Account (€ mn)	Oct	--	4,681
GE	12/21	02:00	GfK Consumer Confidence Survey	Jan	-2.7	-1.6
UK	12/21	02:00	PSNB ex. Interventions (£ bn)	Nov	16.0	18.8
UK	12/21	02:00	Public Finances (PSNCR) (£ bn)	Nov	--	61.5
UK	12/21	02:00	Public Sector Net Borrowing (£ bn)	Nov	15.3	18.0
EC	12/21	10:00	Consumer Confidence	Dec A	-8.1	-6.8
UK	12/22	02:00	Business Investment (q/q)	3Q F	0.4	0.4
UK	12/22	02:00	Current Account (£ bn)	3Q	-15.8	-8.6
UK	12/22	02:00	GDP (q/q)	3Q F	1.3	1.3
FR	12/22	02:45	Producer Prices (m/m)	Nov	--	2.9
SP	12/23	03:00	Real GDP (q/q)	3Q F	2.0	2.0
GE	12/27	03:00	Retail Sales (m/m)	Nov	-0.1	0.1
SP	12/28	03:00	Real Retail Sales (y/y)	Nov	--	-2.5
UK	12/28		Nationwide House Prices (m/m)	Dec	--	0.9
SP	12/30	04:00	Current Account (€ bn)	Oct	--	2.2

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

Key Indicators for December 20 – 31
ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
NZ	12/19	16:45	Trade Balance (NZD mn)	Nov	--	--	-1,286
NZ	12/19	16:45	Exports (NZD bn)	Nov	--	--	5,350
NZ	12/19	16:45	Imports (NZD bn)	Nov	--	--	6,636
CH	12/19	20:30	PBoC Loan Prime Rate 1-Year (%)	Dec 20	3.85	3.85	3.85
TA	12/20	03:00	Export Orders (y/y)	Nov	--	4.5	14.6
SK	12/20	16:00	PPI (y/y)	Nov	--	--	8.9
PH	12/20		Balance of Payments (US\$ mn)	Nov	--	--	1,141
HK	12/21	03:30	CPI (y/y)	Nov	2.1	--	1.7
TH	12/22	02:00	BoT Repo Rate (%)	Dec 22	0.50	0.50	0.50
TA	12/22	03:00	Unemployment Rate (%)	Nov	--	--	3.8
TH	12/22	22:30	Customs Exports (y/y)	Nov	--	--	17.4
TH	12/22	22:30	Customs Imports (y/y)	Nov	--	--	34.6
TH	12/22	22:30	Customs Trade Balance (US\$ mn)	Nov	--	--	-370.2
JN	12/23	00:00	Coincident Index CI	Oct F	--	--	89.9
JN	12/23	00:00	Leading Index CI	Oct F	--	--	102.1
SI	12/23	00:00	CPI (y/y)	Nov	3.4	3.4	3.2
JN	12/23	00:30	Nationwide Department Store Sales (y/y)	Nov	--	--	2.9
JN	12/23	01:00	Machine Tool Orders (y/y)	Nov F	--	--	64.0
TA	12/23	03:00	Industrial Production (y/y)	Nov	--	--	11.3
HK	12/23	03:30	BoP Current Account (HK\$ bns)	3Q	--	--	69.2
JN	12/23	18:30	National CPI (y/y)	Nov	0.4	0.5	0.1
MA	12/23	23:00	CPI (y/y)	Nov	3.4	3.2	2.9
PH	12/23		Budget Deficit/Surplus (PHP bn)	Nov	--	--	-64.3
JN	12/24	00:00	Housing Starts (y/y)	Nov	--	7.5	10.4
SI	12/24	00:00	Industrial Production (y/y)	Nov	--	--	16.9
JN	12/26	18:50	Large Retailers' Sales (y/y)	Nov	--	--	0.9
JN	12/26	18:50	Retail Trade (y/y)	Nov	--	--	0.9
CH	12/26	20:30	Industrial Profits YTD (y/y)	Nov	--	--	24.6
SK	12/27	16:00	Consumer Confidence Index	Dec	--	--	107.6
JN	12/27	18:30	Jobless Rate (%)	Nov	--	2.7	2.7
JN	12/27	18:50	Industrial Production (y/y)	Nov P	--	3.2	-4.1
MA	12/27	23:00	Exports (y/y)	Nov	--	--	25.5
MA	12/27	23:00	Imports (y/y)	Nov	--	--	27.9
MA	12/27	23:00	Trade Balance (MYR bn)	Nov	--	--	26.3
PH	12/27		Bank Lending (y/y)	Nov	--	--	3.5
SK	12/27		Department Store Sales (y/y)	Nov	--	--	21.0
HK	12/28	03:30	Exports (y/y)	Nov	--	--	21.4
HK	12/28	03:30	Imports (y/y)	Nov	--	--	17.7
HK	12/28	03:30	Trade Balance (HKD bn)	Nov	--	--	-30.5
SK	12/28	16:00	Business Survey- Manufacturing	Jan	--	--	88.0
SK	12/28	16:00	Business Survey- Non-Manufacturing	Jan	--	--	83.0
SK	12/29	18:00	Industrial Production (y/y)	Nov	--	--	4.5
SK	12/29	18:00	Cyclical Leading Index Change	Nov	--	--	-0.5
TH	12/30	02:00	Current Account Balance (US\$ mn)	Nov	--	--	-1,058
TH	12/30	02:30	Exports (y/y)	Nov	--	--	17.0
TH	12/30	02:30	Imports (y/y)	Nov	--	--	20.1
TH	12/30	02:30	Trade Balance (US\$ mn)	Nov	--	--	3,804
SK	12/30	18:00	CPI (y/y)	Dec	3.7	--	3.7
SK	12/30	18:00	Core CPI (y/y)	Dec	--	--	2.3
AU	12/30	19:30	Private Sector Credit (y/y)	Nov	--	--	5.7
CH	12/30	20:00	Manufacturing PMI	Dec	50.1	--	50.1
CH	12/30	20:00	Non-manufacturing PMI	Dec	--	--	52.3
IN	12/30		Current Account Balance	3Q	--	--	6.53
IN	12/31	05:30	Fiscal Deficit (INR Crore)	Nov	--	--	20,175
SK	12/31	19:00	Exports (y/y)	Dec	--	--	32.0
SK	12/31	19:00	Imports (y/y)	Dec	--	--	43.6
SK	12/31	19:00	Trade Balance (US\$ mn)	Dec	--	--	3,061

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

Key Indicators for December 20 – 31

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>
CO	12/20	10:00	Trade Balance (US\$ mn)	Oct	--	--	-1,712
BZ	12/22	07:30	Current Account (US\$ mn)	Nov	--	--	-4,464
BZ	12/23	07:00	IBGE Inflation IPCA-15 (m/m)	Dec	--	1.0	1.2
BZ	12/23	07:00	IBGE Inflation IPCA-15 (y/y)	Dec	--	10.6	10.7
CO	12/30	10:00	Urban Unemployment Rate (%)	Nov	--	--	12.3
CL	12/31	07:00	Industrial Production (y/y)	Nov	--	--	1.5
CL	12/31	07:00	Retail Sales (y/y)	Nov	16.0	--	22.7
CL	12/31	07:00	Unemployment Rate (%)	Nov	7.7	--	8.1

Global Auctions for December 20 – 31

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	12/21	13:00	U.S. To Sell 20-Year Bonds Reopening
US	12/22	13:00	U.S. To Sell 5-Year TIPS Reopening
US	12/27	13:00	U.S. To Sell 2-Year Notes
US	12/28	13:00	U.S. To Sell 5-Year Notes
US	12/29	13:00	U.S. To Sell 7-Year Notes

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CC	12/17	05:00	Cyprus to Sell 91-day Bills On Dec 17
BE	12/17	06:00	Belgium to Sell Bonds
UK	12/17	06:00	U.K. to Sell GBP500 Million of 91-day Bills On Dec. 17
UK	12/17	06:00	U.K. to Sell GBP1 Billion of 182-day Bills On Dec. 17
UK	12/17	06:00	U.K. to Sell GBP500 Million of 28-day Bills On Dec. 17
FR	12/20	08:50	France Cancels Bills Auction on Dec. 20
SZ	12/21	05:15	Switzerland to Sell 91-day Bills On Dec. 21 (CH0510948471)
AS	12/21	05:15	Austria to Sell Bills On Dec. 21
SW	12/22	04:00	Sweden to Sell Bills
IC	12/22	07:30	Iceland to Sell Bills
UK	12/24	06:00	U.K to Sell Bills
FR	12/27	08:50	France Cancels Bills Auction on Dec. 27
SZ	12/28	05:15	Switzerland to Sell 364-Day Bills (CH0510948489)
DE	12/29	04:30	Denmark to Sell 60-Day Bills on Dec. 29
DE	12/29	04:30	Denmark to Sell 152-Day Bills on Dec. 29
DE	12/29	04:30	Denmark to Sell 244-Day Bills on Dec. 29
IT	12/29	05:00	Italy Cancels Auction of 178-day Bills On Dec. 29
GR	12/29	05:00	Greece to Sell 26-Week Bills

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	12/23	03:00	Japan Auction for Enhanced-Liquidity
JN	12/26	22:35	2Y Note Amount Sold
JN	12/26	22:35	2Y Note Average Yield
JN	12/26	22:35	2Y Note Bid/Cover Ratio
JN	12/26	22:35	2Y Note Tail Yield
JN	12/26	22:35	Japan to Sell 2-Year Bonds

LATIN AMERICA

No Scheduled Auctions.

Events for December 20 – 31**NORTH AMERICA**

No Scheduled Events.

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	12/22	04:00	ECB's Holzmann Speaks in Vienna

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	12/19	20:30	1-Year Loan Prime Rate
CH	12/19	20:30	5-Year Loan Prime Rate
AU	12/20	19:30	RBA Minutes of Dec. Policy Meeting
JN	12/21	18:50	BOJ Minutes of Oct. Meeting
TH	12/22	02:00	BoT Benchmark Interest Rate

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CL	12/19		Runoff Presidential Election

Sources: 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	0.25	January 26, 2022	0.25	0.25
Federal Reserve – Federal Funds Target Rate	0.25	January 26, 2022	0.25	0.25
Banco de México – Overnight Rate	5.50	February 10, 2022	6.00	6.00

EUROPE

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
European Central Bank – Refinancing Rate	0.00	February 3, 2022	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	February 3, 2022	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	February 3, 2022	-0.50	-0.50
Bank of England – Bank Rate	0.25	February 3, 2022	0.25	0.25
Swiss National Bank – Libor Target Rate	-0.75	March 24, 2022	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	8.50	February 11, 2022	8.50	8.50
Sweden Riksbank – Repo Rate	0.00	February 10, 2022	0.00	0.00
Norges Bank – Deposit Rate	0.50	January 20, 2022	0.50	0.50
Central Bank of Turkey – Benchmark Repo Rate	14.00	January 20, 2022	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	January 18, 2022	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.10	January 31, 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	3.85	December 19, 2021	3.85	3.85
Reserve Bank of India – Repo Rate	4.00	February 8, 2022	4.00	4.00
Bank of Korea – Bank Rate	1.00	January 14, 2022	1.00	1.00
Bank of Thailand – Repo Rate	0.50	December 22, 2021	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	January 20, 2022	1.75	1.75
Bank Indonesia – 7-Day Reverse Repo Rate	3.50	TBA	3.50	3.50
Central Bank of Philippines – Overnight Borrowing Rate	2.00	TBA	2.00	2.00

People's Bank of China (PBoC): The PBoC's benchmark loan prime rate fixings will be announced on December 20, and rates are expected to remain on hold. In order to stabilize economic growth, the PBoC is likely to provide further targeted monetary easing over the coming months. Indeed, a recent reserve ratio cut by 50 bps indicates a change in biases towards a more accommodative policy for H1 2022. **Bank of Thailand (BoT):** The BoT will be making a monetary policy decision on December 22, and the benchmark rate is expected to remain on hold. According to Governor Sethaput, the central bank's rate trajectory will be determined by domestic considerations to aid economic growth. Despite inflation accelerating to 2.7% y/y in November, the BoT believes elevated price pressures are temporary. With poor growth outlook due to weak local demand and Omicron-related uncertainty impacting tourist arrivals, we expect the BoT to maintain its current monetary policy stance until H2 2022.

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	9.25	February 2, 2022	9.75	9.75
Banco Central de Chile – Overnight Rate	4.00	TBA	4.50	4.50
Banco de la República de Colombia – Lending Rate	3.00	TBA	3.75	3.75
Banco Central de Reserva del Perú – Reference Rate	2.50	January 6, 2022	2.75	2.75

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	3.75	January 27, 2022	4.00	4.00

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

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