

ASYNCHRONOUS EXITS

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FORECASTS & DATA

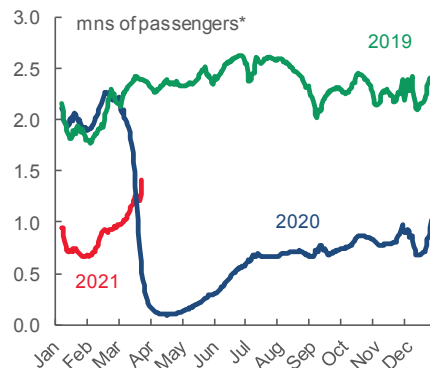
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Next Week's Risk Dashboard

- PMIs: Eurozone, UK, US (Markit), Australia, Japan
- CBs: Fed-speak, BoC-speak, Banxico, BanRep...
- ...PBOC, SNB, SARB BoT, BSP
- Inflation: US, UK, Brazil, Tokyo, Singapore
- Three more CDN budgets
- Other macro

Chart of the Week
US Air Travel Ready for Takeoff?


*Represents total number of passengers screened at US airports.
 Sources: Scotiabank Economics, TSA.

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

Asynchronous Exits

Global markets will continue to price an inflection point in the world economy that is bringing with it less synchronous policy developments and greater scope for differentiation across market outcomes. Evidence of this development takes the form of diverging central bank actions which is not terribly unusual to see during the nascent stages of emerging from a global crisis. The Fed, for example, has clearly telegraphed it supports steeper sovereign bond yield curves and has been both passively enabling higher yields and actively encouraging this with upbeat forecasts and through ending the Supplementary Leverage Ratio's exclusion of Treasuries and reserves from the definition of assets against which capital must be held. The full aftermath of the SLR decision and the related move to raise reverse repo counter-party limits to US\$80 billion will require time to evaluate through a coming surge in bank reserves and broad liquidity. The Fed is gradually seeking to prime markets for when the time comes to taper bond purchases. The Bank of England and Bank of Canada are generally of a similar mindset toward bond market developments. The ECB is somewhat of an outlier in fighting bond market signals, but with limited success under differing circumstances.

The coming week will further this evolution of divergent policy and macroeconomic risks. We'll see that in growth signals provided by economic indicators like a wave of global purchasing managers' indices We'll also probably continue to see central banks adopt altered policy stances suited to their domestic conditions including the possibility of further tightening guidance across EM central banks that are dealing with capital outflows and resetting prices on those flows as US Treasury yields rise. Canada's largest provinces are among the world's heaviest borrowers as a partial reflection of the greater powers they possess compared to many other global subnational governments and they will be watched for how their budgets navigate the balance between continuing to provide nearer-term stimulus and moving toward longer-term repair.

DIVERGING ECONOMIES

The global round of purchasing managers' indices for March is likely to continue to showcase widely divergent growth conditions due in no small part to varying degrees of success on containing COVID-19 and administering vaccines.

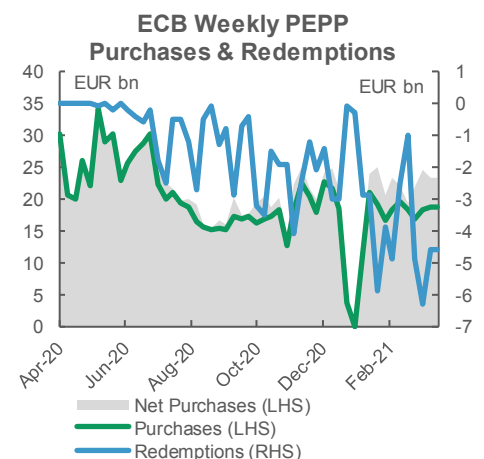
In the sample of PMIs that arrive next week, it will probably remain the case that only the US and Australia are registering economic growth during the first quarter of the year and in that order by way of magnitudes. The rest of the regions have been stuck with readings below the 50 dividing line between expansion (above) and contraction (below). Charts 1–7 show the connections with GDP growth for each zone. Australia and Japan will be first up on Tuesday, followed by the PMIs out of the US, Eurozone and UK on Wednesday. The US measure will be the Markit gauge, whereas the Federal Reserve tends to place more attention upon the ISM measures mainly because they focus on the domestic operations of companies whereas the Markit measures include international operations. Note that Germany will also release sentiment gauges for consumers (Thursday) and business confidence (Friday).

CENTRAL BANKS—WHO'S NEXT?

What would a week be without more central bankers stepping up to the microphone?! Alone in the futile battle against the bond market is ECB rhetoric awaiting an evaluation of their actions, while global central bank actions are less synchronous in nature which is often the case at emerging inflection points.

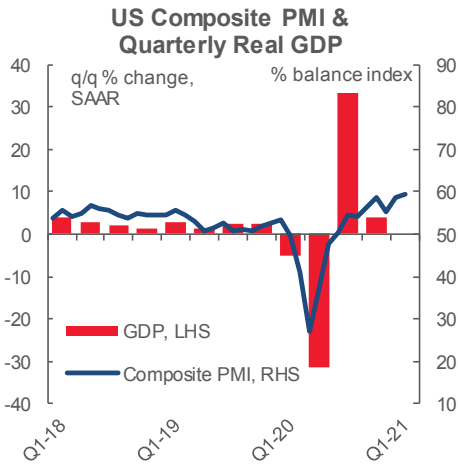
Federal Reserve: It's not unusual for FOMC officials to beat the pavement (virtually these days) in the wake of a full FOMC meeting (recap [here](#)). This week won't disappoint such expectations. Fed Chair Powell goes side-by-side with the person who used to have his job when Powell and Treasury Secretary Yellen deliver their required quarterly appearances during testimony before Congress on Tuesday and Wednesday. The focus is upon CARES Act implementation and effects, while remarks set in a forward-looking policy-oriented sense are likely to offer much more than what we just heard from the Fed this past week. Still, each of Vice Chairs Clarida (outlook) and Quarles (LIBOR transition) and Governors Brainard and Bowman (both outlook) will be

Chart 8



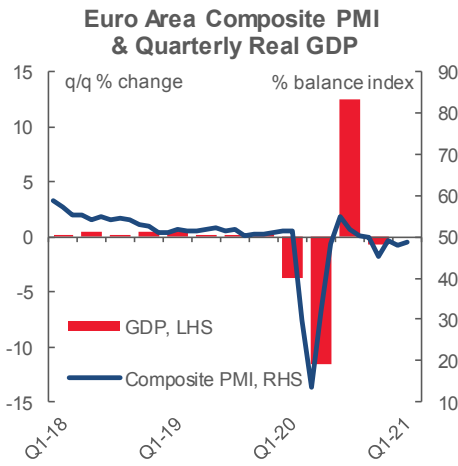
Sources: Scotiabank Economics, Bloomberg.

Chart 1



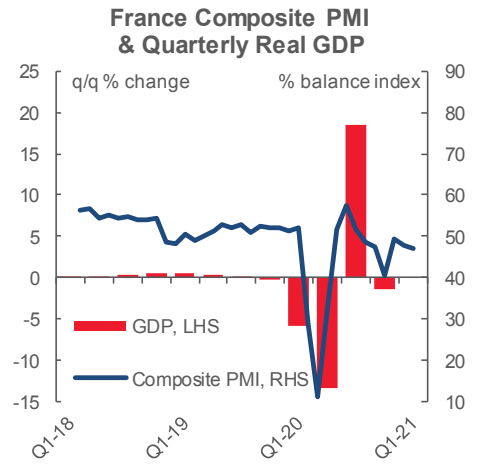
Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart 2



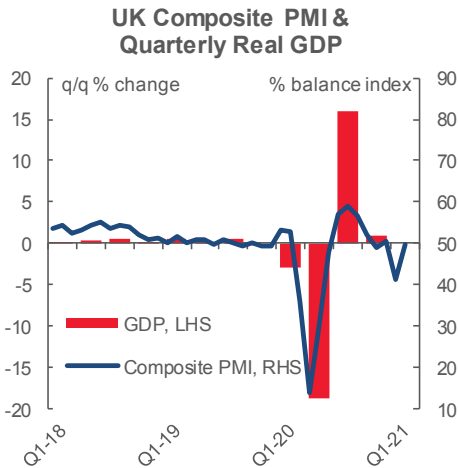
Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart 3



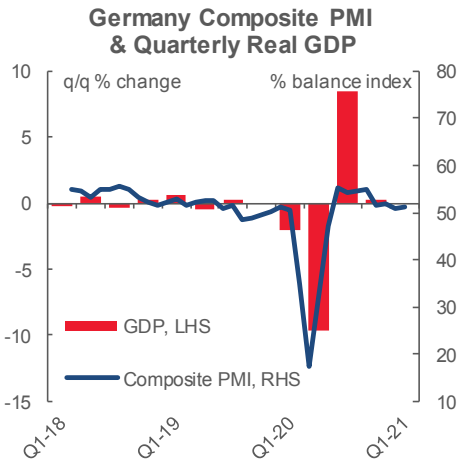
Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart 4



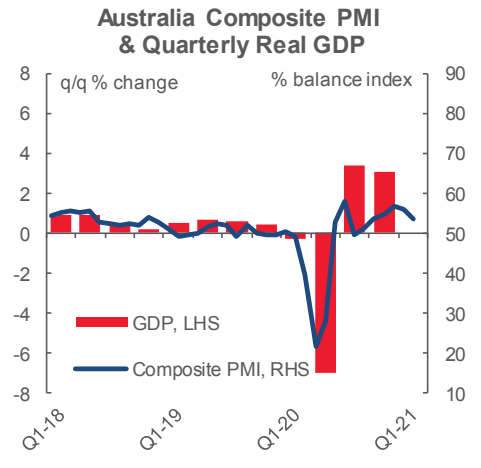
Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart 5



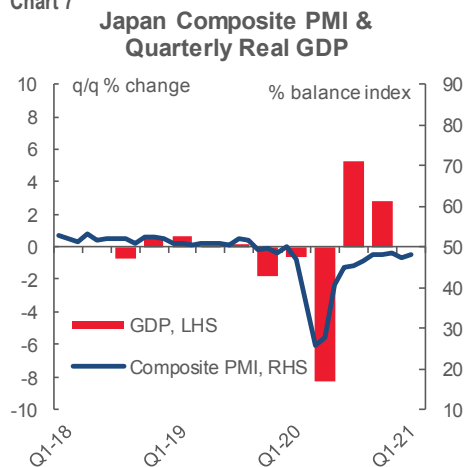
Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart 6



Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart 7



Sources: Scotiabank Economics, IHS Markit, Bloomberg.

speaking alongside several regional Presidents over the coming week. This past week saw further curve steepening in response to the Fed's preference to get out of the way of the bond market through passively observing curve steepening that is taken as a whisper taper in advance of the actual commencement of tapering inside of a year from now with advance communication.

ECB: Weekly purchases are not yet at the point of requiring monitoring of how the ECB intends to implement its guidance that the Pandemic Emergency Purchase Program will "significantly" expedite EGB purchases in Q2, but Monday's figure will still be monitored for advance signals of intentions (chart 8).

Bank of Canada: The BoC's Toni Gravelle will also speak on Tuesday (no press) about the BoC's role during periods of market stress and may include remarks on the status of current purchase programs, though policy guidance is not expected.

Banxico: Our Mexico City-based economists expect the monetary policy committee to hold the overnight rate at 4.0% on Thursday. At issue in guiding timing for future possible easing that is expected by many economists is the debate concerning the balance of risks to the inflation trajectory that is expected to stretch toward the upper limit of Banxico's 2–4% target range over coming months and then subside. Then again, spillover effects from strong projected US growth, leakage effects of strong US fiscal stimulus, and expected vaccine progress could weaken the argument that inflation may prove to be transitory. Market implieds are generally of the view that the next move is up but not for a while (chart 9).

BanRep: Colombia's central bank is widely expected to keep the policy rate on hold at 1.75% (Friday). With headline inflation at 1 ½% y/y and core inflation under 1% there is little near-term pressure to do otherwise. A tightening cycle is generally anticipated to occur over 2021H2.

South African Reserve Bank: Markets are partly priced for a rate hike on Thursday as part of pricing in a couple of hikes this year (chart 10), but whether the criteria have been met for tightening is uncertain. The last decision in January was accompanied by projections for hikes in Q2 and Q3 but with guidance that emphasized how the decisions would be data dependent. Even though other EM central banks have embraced tightening in part driven by knock-on effects from bond markets and the Fed, South Africa's inflation rate remains toward the lower end of the 3–6% target range and the rand has not been as affected as several other EM currencies.

Swiss National Bank: The SNB is expected to leave policy unchanged on Thursday but watch for further comments on Swiss franc intervention following remarks earlier this month by SNB VP Zurbrugg that they could go further "should the situation require that." The franc has nevertheless been moving sideways since his remarks.

The People's Bank of China is expected to leave the 1 and 5 yr Loan Prime Rates unchanged at the start of the week. Each of the Bank of Thailand (Wednesday) and Bangko Sentral ng Pilipinas (Thursday) are expected to stay on hold.

OTHER MACRO—FOCUS ON THE US & UK

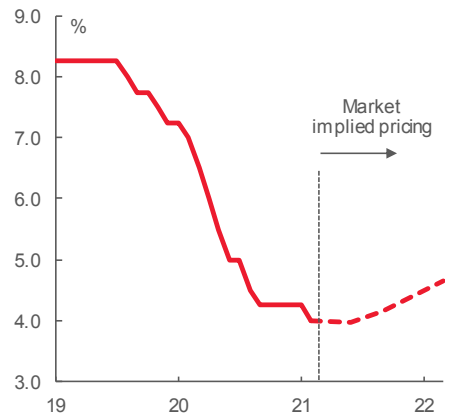
The US and UK will dominate the remainder of the global macro calendar.

There will be several US releases this week as follows.

Income/spending/inflation: February's tallies land on Friday. Total consumer spending probably fell by about 1.1% m/m since we already know that retail sales (which carry about a 45% weight) fell by 3% m/m and we are assuming a less abrupt swing in services spending. Personal incomes probably fell by about 7.3% m/m as stimulus cheques that were received in January drop out

Chart 9

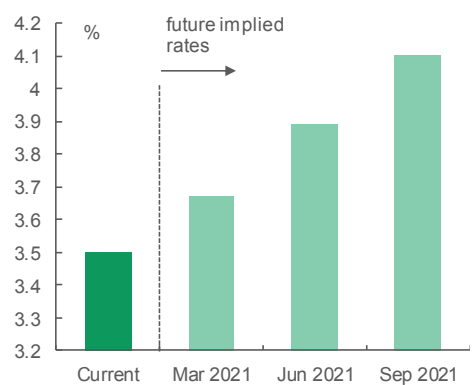
Mexico Market Implied Policy Rate



Sources: Scotiabank Economics, Bloomberg.

Chart 10

Markets Pricing SARB Hikes



Sources: Scotiabank Economics, Bloomberg.

of the February income numbers before March brings the effects of another batch of cheques. The Fed's preferred headline PCE inflation likely accelerated to 1.8% y/y from 1.5% with PCE following the 0.4% m/m rise in CPI; base effect shifts are unlikely to be a significant driver. Core PCE likely held unchanged at 1.5% y/y and was probably up by 0.1% m/m in sync with core CPI.

Richmond: The Richmond Fed's manufacturing measure will further inform ISM-manufacturing expectations after the very strong Philly Fed reading and the gain in the Empire reading.

Housing: Monday's February existing home sales will probably register a modest decline of 1–2% m/m given they close 30-90 days after pending home sales that fell by 2.8% m/m in January and were up by only 0.5% in December. Tuesday's February new home sales are expected to slip given the prior month's large rise and softer model home foot traffic that may have been partly a function of cold, heavy snow and Texas power grid issues.

Durable goods: Wednesday's durable goods orders are expected to post a modest rise partly on the hope that the uninterrupted streak of nine gains in core defence ex-air capital goods orders will continue.

Other: Final Q4 GDP revisions on Thursday are not expected to stray from the prior 4.1% estimate. Thursday's weekly initial jobless claims will push right through the nonfarm reference period; despite the recent backing up, they are tracking somewhat lower in March than February which is a good sign for March payrolls.

A trio of UK macro reports will include expectations for slightly firmer headline CPI pressure during February on Wednesday, but with inflation still hovering under 1% y/y. Job growth will be updated for January the day before CPI and following the large lockdown-induced decline of 114k in December. UK retail sales close out the week on Friday and they are expected to rise following the large 8.2% drop that was also driven by the lockdown.

CANADIAN BUDGETS—CLEARING THE DECKS FOR THE FEDS

While Canada's macro calendar will be dead quiet, three provincial government budgets will be focal points including from the two largest provinces that comprise almost 60% of the Canadian economy. Scotia's Marc Desormeaux weighs in with his thoughts below.

While each of the provinces slated to release a budget next week faces its own unique challenges, there are common themes across the three. An improved global economic outlook since late last year bodes well for revenue growth, but changes to bottom lines will also depend on the degree of conservatism baked into economic projections and assumptions regarding the drawdown of one-time FY21 federal transfers. Bond rates and the split between short- and long-term borrowing will impact the pace of medium-term consolidation. Population growth forecasts for the post-lockdown period will provide some insight into the rate of longer-run expansion expected in each jurisdiction.

Nova Scotia has signalled that it will release its first multi-year fiscal blueprint of the pandemic era—and the first plan under new premier Iain Rankin—this week, though a specific date has not been announced. The province enters budget season with particularly strong labour market momentum. Helped by one of the lightest COVID-19 caseloads in Canada, its full-time employment sits above the year-earlier, pre-pandemic level (chart 11). Last week's Throne Speech suggests that we will see policy focused on the environment, and continued emphasis on developing the high tech and ocean sectors.

The Ontario budget set to be tabled on Wednesday should continue to prioritize support for businesses and the health care system. Both are grappling with second pandemic wave impacts and gearing up for a possible third wave. There is some upside potential for fiscal balances. Recall that the November 2020 fiscal blueprint outlined deficit scenarios

Chart 11

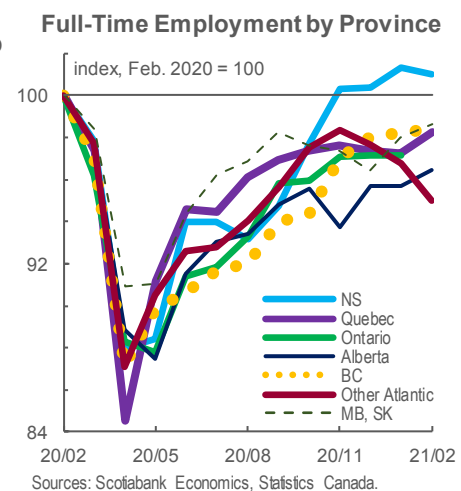
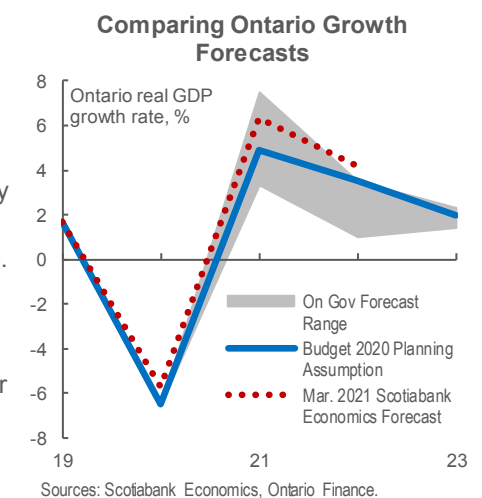


Chart 12

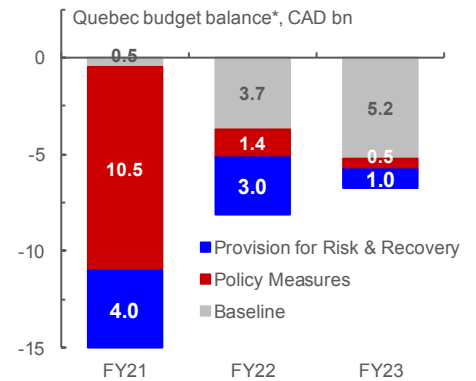


associated with various economic growth trajectories. Our latest forecast calls for a 6–6.5% expansion this year—in line with the private-sector mean—not quite the rate in the “high growth” scenario but still suggestive of smaller shortfalls in the coming years (chart 12).

Quebec’s economic outlook has also improved, but we suspect that the province will continue to build significant prudence into its fiscal plan. To head off unexpected pandemic-related costs, its November fiscal update incorporated contingencies of \$4 bn, \$3 bn, and \$1 bn in FY21, FY22, and FY23, respectively (chart 13). Still, Quebec’s torrid 61% q/q annualized gain in Q3 of last year—more than 20 ppts stronger than that for Canada as a whole—can reasonably be expected to provide a stronger revenue handoff into 2021.

Chart 13

Composition of Quebec’s November 2020 Budget Balances



* Before use of Stabilization Reserve.

Sources: Scotiabank Economics, Finances Québec.

Key Indicators for week of March 22 – 26
NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	03/22	10:00	Existing Home Sales (mn a.r.)	Feb	6.6	6.5	6.7
US	03/22	10:00	Existing Home Sales (m/m)	Feb	-1.5	-2.8	0.6
US	03/23	08:30	Current Account (US\$ bn)	4Q	--	-188.8	-178.5
US	03/23	10:00	New Home Sales (000s a.r.)	Feb	895.0	878.5	923.0
US	03/23	10:00	Richmond Fed Manufacturing Index	Mar	--	15.0	14.0
US	03/24	07:00	MBA Mortgage Applications (w/w)	Mar 19	--	--	-2.2
MX	03/24	08:00	Bi-Weekly Core CPI (% change)	Mar 15	0.2	0.2	0.2
MX	03/24	08:00	Bi-Weekly CPI (% change)	Mar 15	0.3	0.3	0.3
MX	03/24	08:00	Unemployment Rate (%)	Feb	--	--	4.7
US	03/24	08:30	Durable Goods Orders (m/m)	Feb P	1.5	0.9	3.4
US	03/24	08:30	Durable Goods Orders ex. Trans. (m/m)	Feb P	0.7	0.6	1.3
MX	03/25	08:00	Global Economic Indicator IGAE (y/y)	Jan	--	--	-2.7
MX	03/25	08:00	Retail Sales (INEGI) (y/y)	Jan	--	--	-5.9
US	03/25	08:30	GDP (q/q a.r.)	4Q T	4.1	4.1	4.1
US	03/25	08:30	GDP Deflator (q/q a.r.)	4Q T	--	2.1	2.1
US	03/25	08:30	Initial Jobless Claims (000s)	Mar 20	750	735	770
US	03/25	08:30	Continuing Claims (000s)	Mar 13	4,080	4,000	4,124
MX	03/25	15:00	Overnight Rate (%)	Mar 25	4.00	3.75	4.00
MX	03/26	08:00	Trade Balance (US\$ mn)	Feb	--	--	-1,236
US	03/26	08:30	PCE Deflator (m/m)	Feb	0.4	0.3	0.3
US	03/26	08:30	PCE Deflator (y/y)	Feb	1.8	1.6	1.5
US	03/26	08:30	PCE ex. Food & Energy (m/m)	Feb	0.1	0.1	0.3
US	03/26	08:30	PCE ex. Food & Energy (y/y)	Feb	1.5	1.5	1.5
US	03/26	08:30	Personal Spending (m/m)	Feb	-1.1	-0.8	2.4
US	03/26	08:30	Personal Income (m/m)	Feb	-7.3	-7.0	10.0
US	03/26	08:30	Wholesale Inventories (m/m)	Feb P	--	--	1.3
US	03/26	10:00	U. of Michigan Consumer Sentiment	Mar F	--	83.6	83.0

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
EC	03/22	05:00	Current Account (€ bn)	Jan	--	--	36.7
IT	03/22	05:30	Current Account (€ mn)	Jan	--	--	6,715
UK	03/23	03:00	Average Weekly Earnings (3-month, y/y)	Jan	--	4.9	4.7
UK	03/23	03:00	Employment Change (3M/3M, 000s)	Jan	--	-193.0	-114.0
UK	03/23	03:00	Jobless Claims Change (000s)	Feb	--	--	-20.0
UK	03/23	03:00	ILO Unemployment Rate (%)	Jan	--	5.2	5.1
UK	03/24	03:00	CPI (m/m)	Feb	--	0.5	-0.2
UK	03/24	03:00	CPI (y/y)	Feb	--	0.8	0.7
UK	03/24	03:00	RPI (m/m)	Feb	--	0.6	-0.3
UK	03/24	03:00	RPI (y/y)	Feb	--	1.6	1.4
FR	03/24	04:15	Manufacturing PMI	Mar P	--	56.5	56.1
FR	03/24	04:15	Services PMI	Mar P	--	45.5	45.6
GE	03/24	04:30	Manufacturing PMI	Mar P	--	60.7	60.7
GE	03/24	04:30	Services PMI	Mar P	--	46.5	45.7
EC	03/24	05:00	Composite PMI	Mar P	--	49.1	48.8
EC	03/24	05:00	Manufacturing PMI	Mar P	--	57.9	57.9
EC	03/24	05:00	Services PMI	Mar P	--	46.0	45.7
UK	03/24	05:30	Manufacturing PMI	Mar P	--	55.0	55.1
UK	03/24	05:30	Services PMI	Mar P	--	50.8	49.5
EC	03/24	11:00	Consumer Confidence	Mar A	--	-14.5	-14.8
GE	03/25	03:00	GfK Consumer Confidence Survey	Apr	--	-12.1	0.0
UK	03/26	03:00	Retail Sales ex. Auto Fuel (m/m)	Feb	--	1.8	-8.8
UK	03/26	03:00	Retail Sales with Auto Fuel (m/m)	Feb	--	2.1	-8.2
SP	03/26	04:00	Real GDP (q/q)	4Q F	--	0.4	0.4
GE	03/26	05:00	IFO Business Climate Survey	Mar	--	93.2	92.4
GE	03/26	05:00	IFO Current Assessment Survey	Mar	--	91.3	90.6
GE	03/26	05:00	IFO Expectations Survey	Mar	--	95.1	94.2

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for week of March 22 – 26

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SK	03/22	20:00	Department Store Sales (y/y)	Feb	--	--	-6.3
CH	03/21	21:30	PBoC Loan Prime Rate 1-Year (%)	Mar 22	3.85	3.85	3.85
TH	03/21	23:30	Customs Exports (y/y)	Feb	--	-2.8	0.4
TH	03/21	23:30	Customs Imports (y/y)	Feb	--	11.1	-5.2
TH	03/21	23:30	Customs Trade Balance (US\$ mn)	Feb	--	1562.5	-202.4
JN	03/22	01:00	Coincident Index CI	Jan F	--	--	91.7
JN	03/22	01:00	Leading Index CI	Jan F	--	--	99.1
TA	03/22	04:00	Export Orders (y/y)	Feb	--	50.0	49.3
TA	03/22	04:00	Unemployment Rate (%)	Feb	3.8	3.7	3.8
HK	03/22	04:30	CPI (y/y)	Feb	1.2	1.0	1.9
HK	03/22	04:30	BoP Current Account (HK\$ bns)	4Q	--	--	97.5
JN	03/23	01:00	Supermarket Sales (y/y)	Feb	--	--	1.2
SI	03/23	01:00	CPI (y/y)	Feb	0.3	0.6	0.2
JN	03/23	01:30	Nationwide Department Store Sales (y/y)	Feb	--	--	-29.7
JN	03/23	02:00	Machine Tool Orders (y/y)	Feb F	--	--	36.7
TA	03/23	04:00	Industrial Production (y/y)	Feb	--	9.8	7.7
SK	03/23	17:00	PPI (y/y)	Feb	--	--	0.8
NZ	03/23	17:45	Trade Balance (NZD mn)	Feb	--	--	-625.8
NZ	03/23	17:45	Exports (NZD bn)	Feb	--	--	4,192
NZ	03/23	17:45	Imports (NZD bn)	Feb	--	--	4,818
JN	03/23	20:30	Markit/JMMA Manufacturing PMI	Mar P	--	--	51.4
MA	03/24	00:00	CPI (y/y)	Feb	0.0	0.2	-0.2
TH	03/24	03:05	BoT Repo Rate (%)	Mar 24	0.50	0.50	0.50
PH	03/25	04:00	Overnight Borrowing Rate (%)	Mar 25	2.00	2.00	2.00
HK	03/25	04:30	Exports (y/y)	Feb	--	40.0	44.0
HK	03/25	04:30	Imports (y/y)	Feb	--	26.0	37.7
HK	03/25	04:30	Trade Balance (HKD bn)	Feb	--	-21.3	-25.2
SK	03/25	17:00	Consumer Confidence Index	Mar	--	--	97.4
JN	03/25	19:30	Tokyo CPI (y/y)	Mar	--	-0.3	-0.3
VN	03/25		CPI (y/y)	Mar	--	1.2	0.7
VN	03/25		Industrial Production (y/y)	Mar	--	--	-7.2
SI	03/26	01:00	Industrial Production (y/y)	Feb	--	11.9	8.6

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	03/25	08:00	IBGE Inflation IPCA-15 (m/m)	Mar	--	0.8	0.5
BZ	03/25	08:00	IBGE Inflation IPCA-15 (y/y)	Mar	--	5.4	4.6
BZ	03/26	08:30	Current Account (US\$ mn)	Feb	--	-3,200	-7,253
CO	03/26	14:00	Overnight Lending Rate (%)	Mar 26	1.75	1.75	1.75

Global Auctions for week of March 22 – 26**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	03/23	13:00	U.S. To Sell 2-Year Notes
US	03/24	13:00	U.S. To Sell 5-Year Notes
US	03/25	13:00	U.S. To Sell 7-Year Notes

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BE	03/22	07:00	Belgium to Sell Bonds
NE	03/23	05:00	Netherlands to Sell Bonds
UK	03/23	06:00	U.K. to Sell 1.75% 2049 Bonds
SW	03/24	06:00	Sweden to Sell Bonds
NO	03/24	06:00	Norway to Sell Bonds
GE	03/24	06:30	Germany to Sell 4 Billion Euros of 2031 Bonds
IT	03/25	06:00	Italy to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	03/24	23:35	Japan to Sell 40-Year Bonds
CH	03/25	23:00	China Plans to Sell 30-Yr Upsize Bond

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
No Scheduled Auctions.			

Events for week of March 22 – 26
NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	03/22	09:00	Powell Takes Part in BIS Panel on Central Bank Innovation
US	03/22	10:00	Fed's Barkin Speaks With Maryland Bankers Association
US	03/23	09:00	Fed's Bullard Discusses Economy at LSE Event
CA	03/23	13:15	Bank of Canada Deputy Governor Gravelle Gives Speech
US	03/23	14:45	Fed's Williams Takes Part in Virtual Discussion
US	03/24	13:35	Fed's Williams Takes Part in Moderated Discussion
US	03/24	15:00	Fed's Daly Discusses Equitable Growth
US	03/24	19:00	Fed's Evans Discusses the Economic Outlook
US	03/25	05:30	Fed's Williams Makes Brief Remarks at BIS Conference
US	03/25	10:30	Fed's Williams Takes Part in Virtual Discussion
US	03/25	13:00	Fed's Evans Discusses the Economic Outlook
MX	03/25	15:00	Overnight Rate
US	03/25	19:00	Fed's Daly Discusses Monetary Policy

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	03/23	04:40	BOE's Haldane Speaks on Panel
UK	03/23	05:55	BOE's Cunliffe Speaks on BIS Panel
EC	03/23	06:00	ECB's Villeroy speaks in Paris
UK	03/23	07:50	BOE Governor Bailey Speaks on Net Zero Panel
SZ	03/25	04:30	SNB Policy Rate
SZ	03/25	04:30	SNB Sight Deposit Interest Rate
EC	03/25	05:00	ECB Publishes Economic Bulletin
UK	03/25	05:30	BOE Governor Bailey Speaks on Central Bank Innovation
EC	03/25/21-03/26/21		EU summit
SW	03/26	11:20	Riksbank Conditions for Corporate Bond Buys

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
HK	03/16/21-03/21/21		Composite Interest Rate
JN	03/21	21:10	BOJ Outright Bond Purchase 5~10 Years
JN	03/21	21:10	BOJ Outright Bond Purchase 3~5 Years
JN	03/21	21:10	BOJ Outright Bond Purchase 1~3 Years
CH	03/21	21:30	1-Year Loan Prime Rate
CH	03/21	21:30	5-Year Loan Prime Rate
JN	03/23	19:50	BOJ Minutes of January Meeting
TH	03/24	03:05	BoT Benchmark Interest Rate
PH	03/25	04:00	BSP Overnight Borrowing Rate
PH	03/25	04:00	BSP Standing Overnight Deposit Facility Rate
JN	03/25	21:10	BOJ Outright Bond Purchase 5~10 Years
JN	03/25	21:10	BOJ Outright Bond Purchase 1~3 Years

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CO	03/26	14:00	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	0.25	April 21, 2021	0.25	0.25
Federal Reserve – Federal Funds Target Rate	0.25	April 28, 2021	0.25	0.25
Banco de México – Overnight Rate	4.00	March 25, 2021	4.00	#N/A

Banco de México: Our Mexico City-based economists expect the monetary policy committee to hold the overnight rate at 4.00% at the March 25 meeting. We still expect a -25 bps cut to 3.75% to occur in Q3-2021, but inflation dynamics need to be closely monitored, where Q2 readings will likely push the upper bound of 3+/-1% on a transitory basis. The recently passed US\$1.9T stimulus bill and the accelerating economic revival narrative will also spillover southward into the Mexican economy, which could lead to upward inflationary effects.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	0.00	April 22, 2021	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	April 22, 2021	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	April 22, 2021	-0.50	-0.50
Bank of England – Bank Rate	0.10	May 6, 2021	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	4.50	April 23, 2021	4.75	4.25
Sweden Riksbank – Repo Rate	0.00	April 27, 2021	0.00	0.00
Norges Bank – Deposit Rate	0.00	May 6, 2021	0.00	0.00
Central Bank of Turkey – Benchmark Repo Rate	19.00	April 15, 2021	19.00	18.00

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	April 27, 2021	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.10	April 6, 2021	0.10	0.10
Reserve Bank of New Zealand – Cash Rate	0.25	April 13, 2021	0.25	#N/A
People's Bank of China – 1-Year Loan Prime Rate	3.85	March 21, 2021	3.85	3.85
Reserve Bank of India – Repo Rate	4.00	April 7, 2021	4.00	#N/A
Bank of Korea – Bank Rate	0.50	April 15, 2021	0.50	0.50
Bank of Thailand – Repo Rate	0.50	March 24, 2021	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	May 6, 2021	1.75	#N/A
Bank Indonesia – 7-Day Reverse Repo Rate	3.50	April 20, 2021	3.50	3.50
Central Bank of Philippines – Overnight Borrowing Rate	2.00	March 25, 2021	2.00	2.00

People's Bank of China (PBoC): The Chinese benchmark Loan Prime Rates (LPR) have remained unchanged since April 2020. We expect the rates to stay on hold on March 22—and over the coming months—as the economy's recovery continues. While monetary policy is set to remain flexible and targeted, the PBoC will pay increased attention to any potential buildup of financial imbalances. **Bank of Thailand (BoT):** The BoT will make a monetary policy announcement on March 24; we expect the central bank to leave the benchmark interest rate unchanged at 0.50%. The policy rate was lowered by 75 bps over the course of 2020. Given persistent deflationary pressures (the CPI dropped by 1.2% y/y in February), we note that the BoT has monetary policy space left should the economy face renewed softness over the coming months. **Bangko Sentral ng Pilipinas (BSP):** We expect the BSP to leave the Overnight Borrowing Rate unchanged at 2.00% following the March 25 monetary policy meeting. The benchmark rate was cut by 25 bps in November 2020 to underpin the economy's recovery. Given that inflation has been accelerating in recent months, reaching 4.7% y/y in February, we assess that the BSP's easing cycle has come to an end.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	2.75	May 5, 2021	2.50	2.50
Banco Central de Chile – Overnight Rate	0.50	March 30, 2021	0.50	#N/A
Banco de la República de Colombia – Lending Rate	1.75	March 26, 2021	1.75	1.75
Banco Central de Reserva del Perú – Reference Rate	0.25	March 11, 2021	0.25	0.25

Banco de la Republica de Colombia (BanRep): The monetary policy committee is expected to keep the policy rate on hold at 1.75%. This marks the lower bound of the easing cycle from which we then foresee hikes until end-2021 to reach 2.50% provided there is a continuation in the economic rebound and controlled inflation.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	3.50	March 25, 2021	3.50	3.50

South African Reserve Bank (SNB): Markets are partly priced for a rate hike next week but whether the criteria have been met for tightening is uncertain. The last decision in January was accompanied by projections for hikes in Q2 and Q3 but that the decisions would be data dependent. Even as other EM central banks have embraced tightening in part driven by knock-on effects from bond markets and the Fed, South Africa's inflation rate remains toward the lower end of the 3-6% target range.

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