

ANOTHER 'HOME ALONE' SEQUEL?

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FORECASTS & DATA

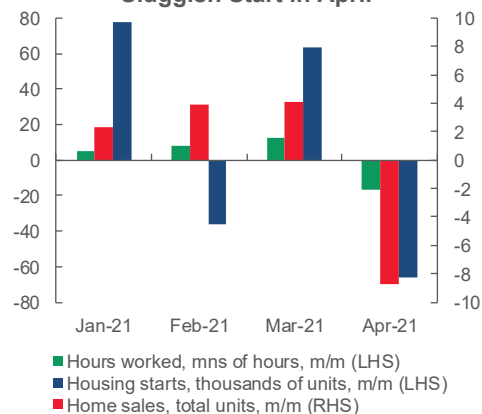
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CONTACTS

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

Next Week's Risk Dashboard

- US, Canadian jobs
- GDP: Canada, Australia, India, Brazil, Switzerland
- PMIs: US, China, Canada, India
- CBs: RBA, RBI
- Inflation: Indonesia, Philippines, SK, Thailand, Peru

Chart of the Week
Canadian Economy Off to a Sluggish Start in April


Sources: Scotiabank Economics, Statistics Canada.

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

Another 'Home Alone' Sequel?

US JOBS—THE DEMAND IS THERE, SUPPLY IS ANOTHER MATTER

Will Friday's nonfarm payrolls report for May suffer the same fate as the prior month's disappointing tally? That is probably the most important question in the line-up of global calendar-based risk this week and the uncertainties and drivers haven't really changed compared to the last time we had such fun together guesstimating payrolls. Multiple readings point to a further easing of restrictions (chart 1) and accelerating job growth, just like they did the prior month when payrolls nevertheless only increased by about 266k instead of the consensus call for one million. It's also the case that, just like the prior month, the pace of improvement is being held back by several factors that haven't really changed much.

A half million gain in jobs seems like a reasonable middle ground to occupy with the unemployment rate hovering at about 6% and wage growth rising to about 1.6% y/y as the base effects compared to a year ago start to become a bit more favourable.

The issue is not on the demand side as job openings are at a record high (chart 2) with small businesses reporting the greatest ever difficulty filling jobs (chart 3). Employers are willing to hire. Consumers are confirming that they realize jobs are getting much easier to get (chart 4). Jobless claims fell again between nonfarm reference pay periods that include the 12th day of each month (chart 5). **So why are these jobs going unfilled?** Why might payrolls continue to grow at a milder pace than the speed at which the economy is reopening and vaccinations are rising?

One possibility is that **we just haven't given enough time** for recognition lags to work with hiring and acceptance decisions still at an early stage in reopening plans. If so, then we should soon start to see jobs numbers going up more rapidly.

Some say the solution is to simply pay more, but with many firms and industries still struggling they might not be able to either absorb higher costs or pass them on with still considerable slack in the economy.

Another possibility is that many parents remain in a difficult bind having to choose between going back to work and what to do with the kids. Higher wages—within reason—wouldn't fix this challenge. UNESCO's global tracking of students affected by school closures caused by COVID-19 ([here](#)) continues to be very high. Chart 6 shows that about 78 million US students remain online with almost 34 million at the primary and pre-primary levels of education that many working parents would be uncomfortable leaving 'home alone.' Life is not a Hollywood movie, evidently not every kid is Macaulay Culkin and unfortunately not all bad guys are bumbling stooges! Solving this challenge could take a considerable amount of time until vaccination rates climb among the youngest school-age children.

Another theory is that there are serious mismatches in the skills that are available versus the skills that are needed. Workers who lost their jobs in the sectors hardest hit by the pandemic may not be suitable for the openings in the faster-growing sectors of the economy that are less affected by the pandemic. This is also plausible and it's not clear if this can be rectified and how long it would take to do so. Heavy retraining and education could be required to reposition workers toward where the jobs are and there could still be so-called scarring effects and permanent unemployment.

Chart 1



Sources: Scotiabank Economics, University of Oxford.

Chart 2



Sources: Scotiabank Economics, BLS.

Chart 3



Sources: Scotiabank Economics, NFIB.

Chart 4

US Job Availability & Nonfarm Payrolls

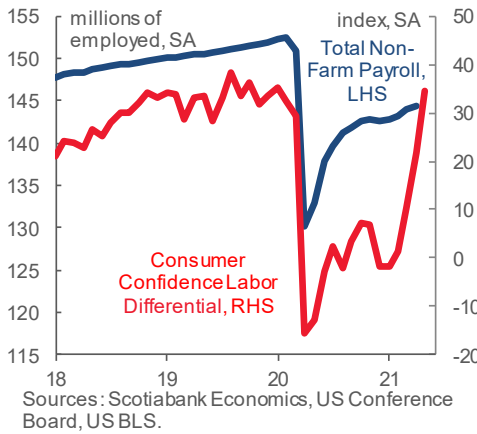


Chart 5

Change in US Initial Jobless Claims Between Non-Farm Reference Periods

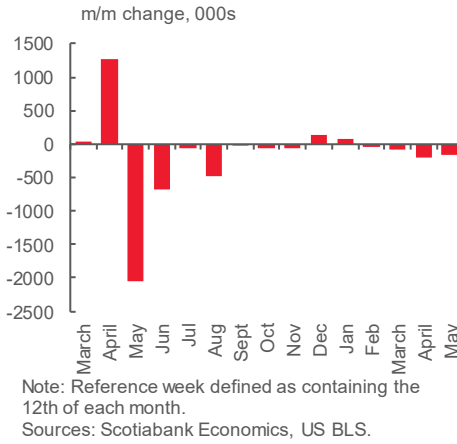
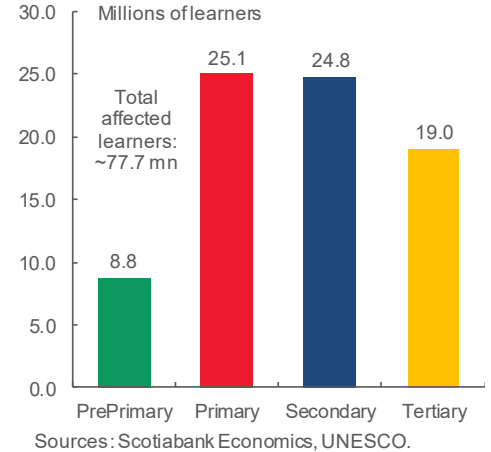


Chart 6

United States: Affected Learners by School Type



Then, of course, there is **the hesitancy to go back to jobs where social distancing and prevention measures are either difficult or impossible**. Lower-wage workers in some of the hardest hit sectors face a very difficult choice in such circumstances. In some cases, government income supports for unemployed workers plus two rounds of stimulus cheques so far this year may be preventing reengagement in the workforce for some of the lowest-paying industries (chart 7). In other cases, government income supports may be a rational price for society to pay in order to contain the pandemic by slowing workforce re-entry compared to what may otherwise happen. If the latter is true, then one would expect support to wane as vaccinations climb and the risks of returning to work decline.

CANADIAN JOBS—RETRIBUTION FOR BETTER PANDEMIC MANAGEMENT

For the second month in a row, Canada’s job market is likely to go in the opposite direction to the United States. That was true in April when Canada lost 207,000 jobs that was generally in line with expectations especially after taking account of the 90% confidence interval (+/-58k). The rationale for expecting another dip this time around for May is similar. A drop of about 150k with a rise in the unemployment rate to 8.5% from 8.1% seems like a reasonable expectation, but the bigger hit might once again come through hours worked, with employers reticent to give up workers and choosing instead to reduce hours in anticipation of a rebound.

Unlike the US, Canada tightened restrictions because of a third wave and maintained those tighter restrictions straight through the reference weeks in April and May for the Labour Force Survey that include the 15th day of each month (chart 8). Since Canada did not have a reopening effect, Canada likely lost more jobs temporarily before the gradual easing of restrictions that is being planned into June could set the stage for regaining these jobs.

So why did Canada have a third wave of cases while the US did not? A lot of the media coverage has been pretty lame on the issue. There are at least two main reasons. One is that the US so badly mismanaged its first and second waves such that, when third wave risk rolled, around there were many more Americans per capita who already had antibodies from having already had the COVID-19 virus than Canadians who had antibodies. Chart 9 shows that at its peak the US had almost four times as many new cases *per capita* than Canada did during the second wave. Canada (1.38

Chart 7

Average Annualized Earnings by Industry

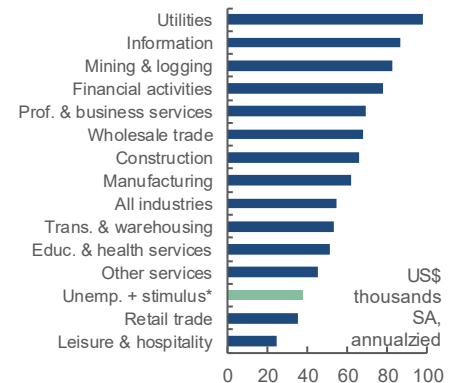


Chart 8

US Restrictions Rapidly Receding Compared to Canada

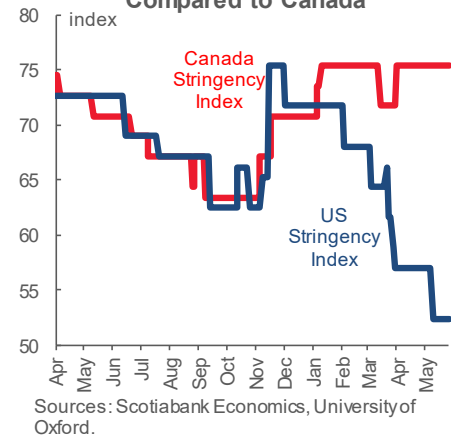
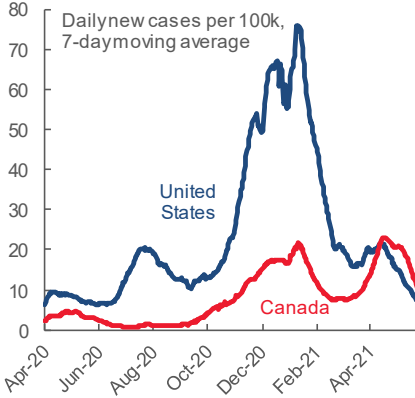


Chart 9

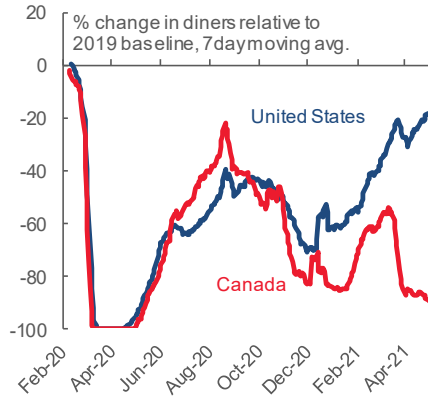
Trends in Canada and US New COVID-19 Cases



Sources: Scotiabank Economics, Johns Hopkins University.

Chart 10

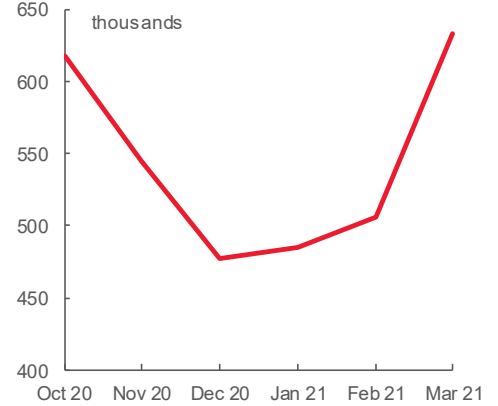
US Restaurants Faring Better Than Canada's



Sources: Scotiabank Economics, OpenTable.

Chart 11

Canadian Job Vacancies



Sources: Scotiabank Economics, Statistics Canada.

million) has still had a far lower number of cumulative cases throughout the entire pandemic than the US (33.2 million) than can be accounted for by the roughly nine-to-one population differential. It's also true that the US made faster and earlier progress on administering vaccines than Canada did, but this advantage has more recently swung in the other direction on a daily doses per capita basis.

Because of the third wave, Canada has not experienced the rebound in restaurant bookings that is occurring in the US (chart 10). That's one indication of less of a services-led bounceback in Canadian jobs. Still, even in Canada we've seen measures of job vacancies rise this year although the latest estimates are lagging the move into lockdowns (chart 11). Small businesses are indicating growing appetite for hiring full-time workers over coming months (chart 12). A bright spot could be education sector jobs since the 36k drop in April was only driven by the delayed Spring break that coincided with the reference week.

Like the US, however, Canada has over 6½ million students who are on-line due to school closures (chart 13). About 2.4 million are at the primary school level and so the issue of what to do with the kids is a proportionately similar issue in both the US and Canada. **Vaccinating kids 12+** will help, but one of two things will be required to help with the schools issue that is overhanging job markets. One is successful trials and administration of vaccines to the under 12 cohort that likely won't happen until later this year in the best case scenario. Or, pandemic cases will have to dwindle enough to lend confidence to sustainably reopen schools as herd immunity is achieved.

CANADA'S ECONOMY—A ROUGH START TO Q2

On Tuesday, Canada will update GDP growth figures that will inform not only how the economy did during Q1 but also how it is performing so far in Q2. Statistics Canada guided on April 30th that Canada's economy probably grew by about 0.9% m/m in March and 1.6% q/q during Q1 (or about 6½% annualized). The final number may deviate from this preliminary crack at it, but **the more useful information may be the preliminary guidance for April GDP.**

On that count, it's not looking so good. The 2.7% m/m drop in hours worked during April as restrictions countered the third wave of pandemic cases bucked the trend during the second wave when every month posted a gain except for a minor and

Chart 12

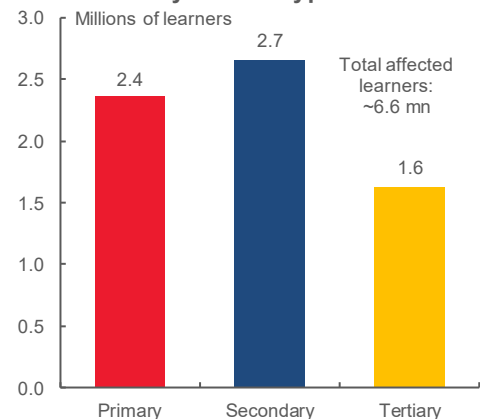
Full-time Staffing Plans, Next 3-4 Months



Sources: Scotiabank Economics, CFIB.

Chart 13

Canada: Affected Learners by School Type



Sources: Scotiabank Economics, UNESCO.

fleeting dip in December (chart 14). The resilience in hours worked has faded this time around either because the restrictions were much more broadly based across the country or because of pandemic fatigue. Since GDP is an identity related to hours worked times labour productivity (defined as output per hour worked), the large drop in hours worked likely portends significantly negative guidance for April GDP. Beyond that, there are relatively few indicators to go by. Housing starts fell in April, but off of an all-time record high the prior month. Plus, home sales also fell during April due to restrictions and lockdowns and, while resales don't directly contribute to GDP because they are mere paper transfers, the value added around the transaction from legal, agent and financial services does contribute to GDP.

The silver lining is that April and May should be the economy's nadir. With reopening plans afoot, jobs and GDP should be rebounding into summer. This time it could prove to be sustainable given vaccine progress.

PMIS—US AND CHINA IN FOCUS

In the seemingly never-ending parade of global purchasing managers' indices, next week's stand as good a chance as any at mattering to markets. The main focus will be upon the US and Chinese measures.

ISM manufacturing for May (Tuesday) could slip again but continue to exhibit strong growth. Whereas the prior month fell despite the fact that most of the regional manufacturing gauges improved, this time around a potential slip would follow declines in most of the regional measures. What likely dragged down the reading in April was a challenged supply side as the written report from the source was replete with tales of difficulties hiring labour while paying and receiving higher prices to varying degrees. Supply chain challenges likely persisted in May. An upside risk is whether the improvement in the Markit manufacturing PMI will translate into ISM, but one reason the Fed watches ISM more closely is because ISM focuses upon the domestic operations of US companies whereas Markit includes international operations.

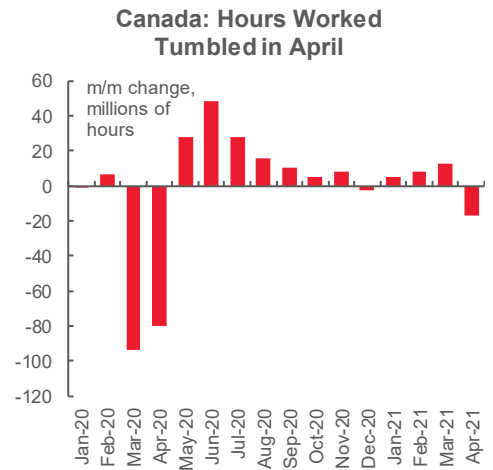
It might be a different story for **ISM-services** for May on Thursday. As the economy reopens, the services reading may experience the most upside risk given the disproportionate impact of the pandemic upon several service sectors. The weighted composite overall ISM reading may marginally help to inform Q2 GDP growth tracking (chart 15).

China's state versions of its PMIs for May will be released at the start of the week. **China's manufacturing and service sector PMIs have been indicating less progress than markets like the US, UK and Canada.** Even the Eurozone has been registering a modestly stronger composite PMI than China. Nevertheless, chart 16 shows the GDP connection.

Canada's somewhat volatile Ivey PMI covers the entire private and public sectors of the economy in the absence of a single composite PMI for the private sector. Restrictions may continue to weigh on this gauge as they did the prior month. Unfortunately it arrives shortly after Friday's jobs report so we won't be able to glean any insight from Ivey into the change in jobs during May.

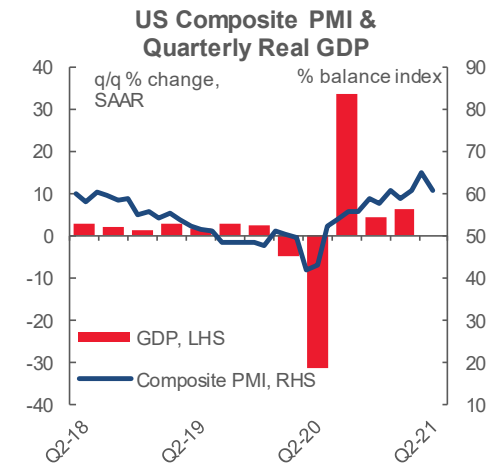
India (Tuesday, Thursday) and Brazil (Friday) will also update PMIs for May and the GDP connections are demonstrated in charts 17 and 18.

Chart 14



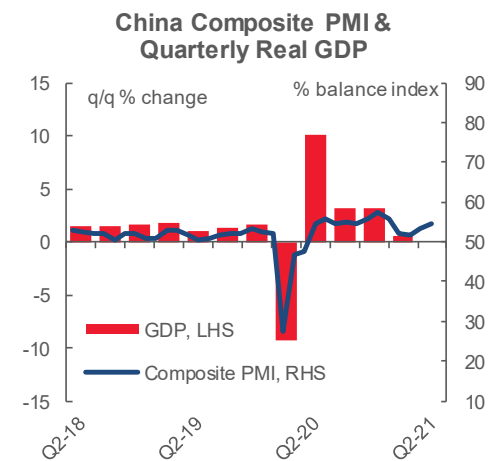
Sources: Scotiabank Economics, Statistics Canada.

Chart 15



Sources: Scotiabank Economics, ISM, Bloomberg.

Chart 16



Sources: Scotiabank Economics, IHS Markit, Bloomberg.

OTHER DEVELOPMENTS

A pair of central bank decisions, Eurozone inflation and a few GDP reports will dominate the rest of the week's calendar.

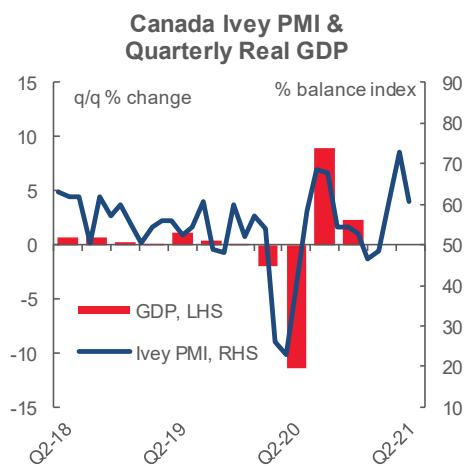
Only two Asia-Pacific central banks will weigh in with policy decisions and neither is expected to alter materially course, at least not just yet. The Reserve Bank of Australia (Tuesday) may sound incrementally more dovish in the wake of the surprise loss of about 31k jobs in April and given the outbreak of the COVID-19 virus in Victoria. Otherwise, the bulk of the RBA's moves are likely to be saved for the July meeting in keeping with prior guidance for when an expansion and extension of bond purchases and a shift in the three-year bond yield target will be considered. Friday's Reserve Bank of India decision could offer targeted measures such as liquidity efforts focussing on smaller businesses given the pandemic's impact, but major initiatives are unlikely with inflation tracking at 4.3% y/y and hence modestly above the mid-point of the 2–6% inflation target range.

After starting off the week with markets shut for Memorial Day on Monday, the main US focal points beyond jobs and ISM readings will be **Fed Chair Powell's address** on 'central banks and climate change' on Friday, plus a sprinkling of other macro reports and Fed speakers (Quarles, Harker, Evans, Bostic, Kaplan). Thursday's ADP may only inform nonfarm expectations if there is a wild surprise. Vehicle sales are expected to fall when May's figures land Wednesday. Tuesday's construction spending for April, total factory orders for April (Friday) and the Fed's Beige Book of regional economic conditions (Wednesday) round out the week's line-up.

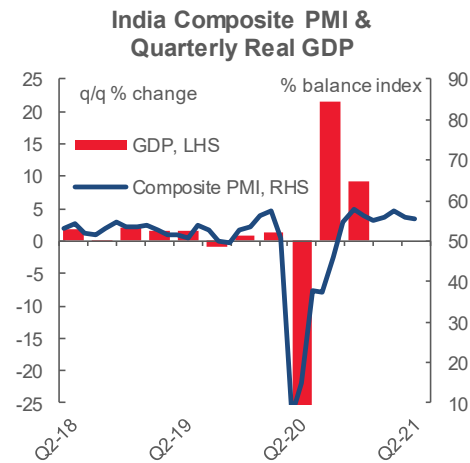
Each of India (Monday), Australia and Switzerland (Tuesday) and Brazil (Tuesday) update Q1 GDP. The OECD's updated outlook will land when US markets are shut on Monday, but no catch-up market effects are likely.

The main inflation reading for May will come out of the Eurozone on Tuesday. A milder pace of increase in headline prices is expected (~0.2% m/m) while core inflation may have bottomed and begin a mild rise back toward 1% y/y. Germany, Italy and Spain will also update CPI the day before. Several Asia-Pacific economies' CPI readings for May will include South Korea and Peru (Tuesday), Indonesia (Wednesday) and Philippines and Thailand (Thursday).

Other than jobs and GDP, Canada will wrap up the bank earnings season when Bank of Nova Scotia (my employer) releases Q2 earnings on Tuesday.

Chart 17


Sources: Scotiabank Economics, Ivey PMAC, Bloomberg.

Chart 18


Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Key Indicators for week of May 31 – June 4

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	05/31	08:30	Current Account (C\$ bn a.r.)	1Q	--	2.4	-7.3
CA	05/31	08:30	IPII (m/m)	Apr	--	--	1.6
CA	05/31	08:30	Raw Materials Price Index (m/m)	Apr	--	--	2.3
CA	06/01	08:30	Real GDP (m/m)	Mar	0.9	1.1	0.4
CA	06/01	08:30	Real GDP (q/q a.r.)	1Q	6.6	6.8	9.6
US	06/01	10:00	Construction Spending (m/m)	Apr	0.3	0.5	0.2
US	06/01	10:00	ISM Manufacturing Index	May	60.0	60.9	60.7
US	06/01	10:30	Dallas Fed. Manufacturing Activity	May	--	36.5	37.3
US	06/02	07:00	MBA Mortgage Applications (w/w)	May 28	--	--	-4.2
CA	06/02	08:30	Building Permits (m/m)	Apr	--	--	5.7
US	06/02		Total Vehicle Sales (mn a.r.)	May	16.7	17.6	18.5
US	06/03	08:15	ADP Employment Report (000s m/m)	May	500	677.5	742.2
US	06/03	08:30	Initial Jobless Claims (000s)	May 29	385	395	406
US	06/03	08:30	Continuing Claims (000s)	May 22	3,610	3,613	3,642
US	06/03	08:30	Productivity (q/q a.r.)	1Q F	--	5.6	5.4
US	06/03	08:30	Unit Labor Costs (q/q a.r.)	1Q F	--	-0.4	-0.3
US	06/03	10:00	ISM Non-Manufacturing Composite	May	63.5	63.0	62.7
CA	06/04	08:30	Employment (000s m/m)	May	-150	-20.3	-207.1
CA	06/04	08:30	Productivity (q/q a.r.)	1Q	--	--	-2.0
CA	06/04	08:30	Unemployment Rate (%)	May	8.5	8.2	8.1
US	06/04	08:30	Average Hourly Earnings (m/m)	May	0.2	0.2	0.7
US	06/04	08:30	Average Hourly Earnings (y/y)	May	1.6	1.6	0.3
US	06/04	08:30	Average Weekly Hours	May	--	34.9	35.0
US	06/04	08:30	Nonfarm Employment Report (000s m/m)	May	500	671.0	266.0
US	06/04	08:30	Unemployment Rate (%)	May	6.0	5.9	6.1
US	06/04	10:00	Factory Orders (m/m)	Apr	-0.4	-0.1	1.1
US	06/04		Household Employment Report (000s m/m)	May	--	--	328.0

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
SP	05/31	03:00	CPI (m/m)	May P	0.2	1.2
SP	05/31	03:00	CPI (y/y)	May P	2.4	2.2
SP	05/31	03:00	CPI - EU Harmonized (m/m)	May P	0.4	1.1
SP	05/31	03:00	CPI - EU Harmonized (y/y)	May P	2.3	2.0
PD	05/31	04:00	GDP (y/y)	1Q F	--	-1.2
IT	05/31	05:00	CPI (m/m)	May P	0.1	0.4
IT	05/31	05:00	CPI (y/y)	May P	1.5	1.1
IT	05/31	05:00	CPI - EU Harmonized (m/m)	May P	0.1	0.9
IT	05/31	05:00	CPI - EU Harmonized (y/y)	May P	1.4	1.0
PO	05/31	06:00	Real GDP (q/q)	1Q F	-3.3	-3.3
GE	05/31	08:00	CPI (m/m)	May P	0.3	0.7
GE	05/31	08:00	CPI (y/y)	May P	2.3	2.0
GE	05/31	08:00	CPI - EU Harmonized (m/m)	May P	0.3	0.5
GE	05/31	08:00	CPI - EU Harmonized (y/y)	May P	2.3	2.1
UK	06/01	02:00	Nationwide House Prices (m/m)	May	0.8	2.1
SZ	06/01	03:00	GDP (y/y)	1Q	-0.2	-1.6
IT	06/01	03:45	Manufacturing PMI	May	62.1	60.7
FR	06/01	03:50	Manufacturing PMI	May F	59.2	59.2
GE	06/01	03:55	Manufacturing PMI	May F	64.0	64.0
GE	06/01	03:55	Unemployment (000s)	May	-9.0	0.0
GE	06/01	03:55	Unemployment Rate (%)	May	6.0	6.0
EC	06/01	04:00	Manufacturing PMI	May F	62.8	62.8
UK	06/01	04:30	Manufacturing PMI	May F	66.1	66.1
EC	06/01	05:00	CPI (m/m)	May P	0.2	0.6
EC	06/01	05:00	Euro zone CPI Estimate (y/y)	May	1.9	1.6
EC	06/01	05:00	Euro zone Core CPI Estimate (y/y)	May P	0.9	0.7
EC	06/01	05:00	Unemployment Rate (%)	Apr	8.1	8.1

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

Key Indicators for week of May 31 – June 4

EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	Consensus	Latest
IT	06/01	05:00	Real GDP (q/q)	1Q F	-0.4	-0.4
IT	06/01		Budget Balance (€ bn)	May	--	-12.5
IT	06/01		Budget Balance YTD (€ bn)	May	--	-53.7
GE	05/31	02:00	Retail Sales (m/m)	Apr	-2.3	7.7
FR	06/02	02:45	Central Government Balance (€ bn)	Apr	--	-60.1
UK	06/02	04:30	Net Consumer Credit (£ bn)	Apr	0.5	-0.5
EC	06/02	05:00	PPI (m/m)	Apr	0.9	1.1
UK	06/03	02:00	Official Reserves Changes (US\$ bn)	May	--	1,634
IT	06/03	03:45	Services PMI	May	52.0	47.3
FR	06/03	03:50	Services PMI	May F	56.6	56.6
GE	06/03	03:55	Services PMI	May F	52.8	52.8
EC	06/03	04:00	Composite PMI	May F	56.9	56.9
EC	06/03	04:00	Services PMI	May F	55.1	55.1
UK	06/03	04:30	Services PMI	May F	61.8	61.8
UK	06/04	04:30	PMI Construction	May	62.0	61.6
EC	06/04	05:00	Retail Trade (m/m)	Apr	-1.3	2.7
GR	06/04	05:00	Real GDP NSA (y/y)	1Q	--	-5.9

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SK	05/30	19:00	Industrial Production (y/y)	Apr	--	11.3	4.7
SK	05/30	19:00	Cyclical Leading Index Change	Apr	--	--	0.2
JN	05/30	19:50	Large Retailers' Sales (y/y)	Apr	--	15.5	2.9
JN	05/30	19:50	Retail Trade (y/y)	Apr	--	15.3	5.2
JN	05/30	19:50	Industrial Production (y/y)	Apr P	--	17.0	3.4
CH	05/30	21:00	Manufacturing PMI	May	51.3	51.2	51.1
CH	05/30	21:00	Non-manufacturing PMI	May	--	55.1	54.9
AU	05/30	21:30	Private Sector Credit (y/y)	Apr	--	1.4	1.0
JN	05/31	01:00	Consumer Confidence	May	--	33.0	34.7
JN	05/31	01:00	Housing Starts (y/y)	Apr	--	5.0	-3.7
TH	05/31	03:00	Current Account Balance (US\$ mn)	Apr	--	-1,549	-806.0
TH	05/31	03:30	Exports (y/y)	Apr	--	--	15.8
TH	05/31	03:30	Imports (y/y)	Apr	--	--	15.1
TH	05/31	03:30	Trade Balance (US\$ mn)	Apr	--	--	3,358
IN	05/31	06:30	Fiscal Deficit (INR Crore)	Mar	--	--	171,543
IN	05/31	08:00	Real GDP (y/y)	1Q	2.0	0.9	0.4
JN	05/31	19:50	Capital Spending (y/y)	1Q	--	-7.2	-4.8
SK	05/31	20:00	Exports (y/y)	May	--	47.2	40.9
SK	05/31	20:00	Imports (y/y)	May	--	38.0	33.9
SK	05/31	20:00	Trade Balance (US\$ mn)	May	--	3,284	434.0
JN	05/31	20:30	Markit/JMMA Manufacturing PMI	May F	--	--	52.5
AU	05/31	21:30	Building Approvals (m/m)	Apr	--	-10.0	17.4
AU	05/31	21:30	Current Account (AUD bn)	1Q	--	18	14,500
AU	05/31	21:30	Australia Net Exports of GDP	1Q	--	-1.2	-0.1
CH	05/31	21:45	Caixin Manufacturing PMI	May	52.1	51.9	51.9
JN	06/01	01:00	Vehicle Sales (y/y)	May	--	--	22.2
TH	06/01	03:30	Business Sentiment Index	May	--	--	46.0
HK	06/01	04:30	Retail Sales - Volume (y/y)	Apr	--	--	19.8
NZ	06/01	18:45	Terms of Trade Index (q/q)	1Q	--	-0.4	1.3
SK	06/01	19:00	CPI (y/y)	May	2.6	2.7	2.3
SK	06/01	19:00	Core CPI (y/y)	May	--	1.4	1.4

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

Key Indicators for week of May 31 – June 4
ASIA-PACIFIC (continued from previous page)

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
JN	06/01	19:50	Monetary Base (y/y)	May	--	--	24.3
AU	06/01	21:30	GDP (y/y)	1Q	0.1	0.3	-1.1
ID	06/02	00:00	CPI (y/y)	May	1.7	1.6	1.4
ID	06/02	00:00	Core CPI (y/y)	May	--	1.3	1.2
AU	06/01	00:30	RBA Cash Target Rate (%)	Jun 1	0.10	0.10	0.10
SI	06/02	09:00	Purchasing Managers Index	May	--	50.8	50.9
HK	06/02	20:30	Purchasing Managers Index	May	--	--	50.3
AU	06/02	21:30	Retail Sales (m/m)	Apr F	--	1.1	1.1
AU	06/02	21:30	Trade Balance (AUD mn)	Apr	--	8,000	5,574
CH	06/02	21:45	Caixin Services PMI	May	--	56.0	56.3
JN	06/03	19:30	Household Spending (y/y)	Apr	--	8.8	6.2
PH	06/03	21:00	CPI (y/y)	May	4.7	4.5	4.5
TH	06/04	22:00	Consumer Confidence Economic	May	--	--	40.3
TH	06/03	23:30	CPI (y/y)	May	3.8	3.1	3.4
TH	06/03	23:30	Core CPI (y/y)	May	--	0.5	0.3
IN	06/04	00:30	Repo Rate (%)	Jun 4	4.00	4.00	4.00
IN	06/04	00:30	Reverse Repo Rate (%)	Jun 4	3.35	3.35	3.35
IN	06/04	00:30	Cash Reserve Ratio (%)	Jun 4	3.50	4.00	3.50
SI	06/04	01:00	Retail Sales (y/y)	Apr	--	60.5	6.2
TA	06/04	05:00	Real GDP (y/y)	1Q F	8.2	8.2	8.2

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
CL	05/31	09:00	Industrial Production (y/y)	Apr	--	--	3.9
CL	05/31	09:00	Retail Sales (y/y)	Apr	43.0	--	23.8
CL	05/31	09:00	Unemployment Rate (%)	Apr	10.6	--	10.4
CO	05/31	11:00	Urban Unemployment Rate (%)	Apr	17.0	--	16.8
BZ	06/01	08:00	GDP (IBGE) (q/q)	1Q	--	0.6	3.2
BZ	06/01	08:00	GDP (IBGE) (y/y)	1Q	--	0.4	-1.1
CL	06/01	08:30	Economic Activity Index SA (m/m)	Apr	--	--	-1.6
CL	06/01	08:30	Economic Activity Index NSA (y/y)	Apr	--	--	6.4
BZ	06/01	09:00	PMI Manufacturing Index	May	--	--	52.3
PE	06/01	11:00	Consumer Price Index (m/m)	May	0.3	--	-0.1
PE	06/01	11:00	Consumer Price Index (y/y)	May	2.4	--	2.4
BZ	06/01	14:00	Trade Balance (FOB) - Monthly (US\$ mn)	May	--	--	10,349
BZ	06/02	08:00	Industrial Production SA (m/m)	Apr	--	--	-2.4
BZ	06/02	08:00	Industrial Production (y/y)	Apr	--	--	10.5

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

Global Auctions for week May 31 – June 4**NORTH AMERICA****Country Date Time Event**

No Scheduled Auctions.

EUROPE**Country Date Time Event**

BE	05/31	06:00	Belgium to Sell Bonds
DE	06/02	04:30	Denmark to Sell Bonds
SW	06/02	05:00	Sweden to Sell Bonds
UK	06/02	05:00	U.K. to Sell 0.25% 2031 Bonds
NO	06/02	05:00	Norway to Sell Bonds
GE	06/02	05:30	Germany to Sell EUR 4 Bln of 0% 2026 Bonds
UK	06/02	06:30	U.K. to Sell 0.875% 2046 Bonds
SP	06/03	04:30	Spain to Sell Bonds
FR	06/03	04:50	France to Sell Bonds
IC	06/04	07:30	Iceland to Sell Bonds

ASIA-PACIFIC**Country Date Time Event**

JN	05/30	23:35	Japan to Sell 2-Year Bonds
CH	06/01	23:00	China Plans to Sell 3-Yr Upsize Bond
CH	06/01	23:00	China Plans to Sell 7-Yr Upsize Bond
JN	06/02	23:35	Japan to Sell 10-Year Bonds

LATIN AMERICA**Country Date Time Event**

No Scheduled Auctions.

Events for week of May 31 – June 4

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	06/02	12:00	Fed's Harker Speaks at Fed Forum on Racism and the Economy
US	06/02	12:00	Fed's Harker Discusses the Economic Outlook
US	06/02	14:00	U.S. Federal Reserve Releases Beige Book
US	06/02	14:00	Evans, Bostic and Kaplan on Panel at Fed Forum on Racism
US	06/03	13:50	Fed's Harker Discusses Building an Equitable Workforce
US	06/03	15:05	Fed's Quarles Speaks at SIFMA Conference
US	06/04	07:00	Powell Takes Part in BIS Panel on Climate

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	05/31	04:30	ECB's Visco speaks in Rome
EC	05/31	05:00	OECD Publishes Economic Outlook
UK	06/01	11:00	BOE's Bailey speaks.
UK	06/03	12:00	BOE's Bailey speaks

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	06/01	00:30	RBA Cash Rate Target
AU	06/01	00:30	RBA 3-Yr Yield Target
AU	06/01	19:30	RBA's Jones Gives Speech in Canberra
IN	06/04	00:30	RBI Repurchase Rate
IN	06/04	00:30	RBI Reverse Repo Rate
IN	06/04	00:30	RBI Cash Reserve Ratio

LATIN AMERICA

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

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	June 9, 2021	0.25	0.25
Federal Reserve – Federal Funds Target Rate	0.25	June 16, 2021	0.25	0.25
Banco de México – Overnight Rate	4.00	June 24, 2021	4.00	4.00

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	June 10, 2021	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	June 10, 2021	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	June 10, 2021	-0.50	-0.50
Bank of England – Bank Rate	0.10	June 24, 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	5.00	June 11, 2021	5.25	--
Sweden Riksbank – Repo Rate	0.00	July 1, 2021	0.00	0.00
Norges Bank – Deposit Rate	0.00	June 17, 2021	0.00	0.00
Central Bank of Turkey – Benchmark Repo Rate	19.00	June 17, 2021	19.00	19.00

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	June 18, 2021	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.10	June 1, 2021	0.10	0.10
Reserve Bank of New Zealand – Cash Rate	0.25	July 13, 2021	0.25	0.25
People's Bank of China – 1-Year Loan Prime Rate	3.85	June 20, 2021	3.85	3.85
Reserve Bank of India – Repo Rate	4.00	June 4, 2021	4.00	4.00
Bank of Korea – Bank Rate	0.50	July 15, 2021	0.50	0.50
Bank of Thailand – Repo Rate	0.50	June 23, 2021	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	July 8, 2021	1.75	1.75
Bank Indonesia – 7-Day Reverse Repo Rate	3.50	June 17, 2021	3.50	3.50
Central Bank of Philippines – Overnight Borrowing Rate	2.00	June 24, 2021	2.00	2.00

Reserve Bank of Australia (RBA): The monetary authorities are expected to hold the Cash Target Rate at 0.10% on June 1. Excess capacity in the economy and slack in the labour market mean the accommodative policy stance is expected to remain in place for an extended period. The RBA has raised its 2021 growth forecast from 3.50% to 4.75%. **Reserve Bank of India (RBI):** On June 4th the monetary policy committee is expected to keep the Repo Rate unchanged at 4.00%. The upcoming monsoon season will also have a large impact on rural incomes as around 60% of India's agricultural land is rain fed. The RBI had pledged to continue providing ample liquidity to the economy and pointed out that it would maintain its accommodative policy stance as long as necessary to revive growth on a durable basis. The COVID-19 situation in India is still dire, although recent data indicates that the country is recovering from the recent peak in cases experienced earlier in May.

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	3.50	June 16, 2021	3.50	3.50
Banco Central de Chile – Overnight Rate	0.50	June 8, 2021	0.50	0.50
Banco de la República de Colombia – Lending Rate	1.75	June 28, 2021	1.75	1.75
Banco Central de Reserva del Perú – Reference Rate	0.25	June 10, 2021	0.25	0.25

AFRICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
South African Reserve Bank – Repo Rate	3.50	July 22, 2021	3.50	3.50

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

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