

**A MORE RESILIENT JOB MARKET?**

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**CONTACTS**

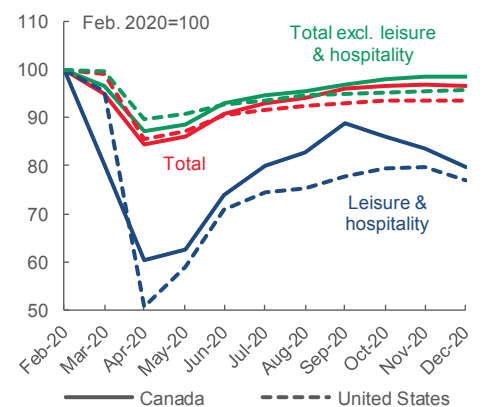
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**Next Week's Risk Dashboard**

- Jobs: US, Canada, NZ
- PMIs: US, China, Canada...
- ...EZ-r, Italy, Spain, India, Brazil
- Tracking vaccines, policy risk and COVID-19 cases
- CBs: BoE, RBA, RBI, BoT
- BoE's negative rates report
- India's budget
- CPI: Eurozone, Italy, France...
- ...Peru, Colombia, Indonesia, Philippines, SK, Thailand
- GDP: Eurozone, Italy, Sweden, Indonesia

**Chart of the Week**

**Canadian & US Employment Recovery Remains Unbalanced**



Sources: Scotiabank Economics, BLS, Statistics Canada.

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

## A More Resilient Job Market?

The top risks to global markets over the coming week will be US nonfarm payrolls, tracking vaccine doses administered along with EU vaccine policy risks, and purchasing managers' indices that will inform growth expectations in the US and Chinese economies. The main local market influences will include the hotly anticipated release of the Bank of England's feasibility report on negative rates, the latest jobs readings from Canada and New Zealand, as well as policy decisions by the RBA and RBI alongside the Indian budget.

### JOB—MORE, OR LESS?

Three countries will update labour market conditions with a potential combination of global and regional financial market effects.

Friday's US nonfarm payrolls will be the one that matters most to US and global markets. The estimate I went with is about +100k. **Available evidence thus far indicates that US labour market conditions did not deteriorate into January's payrolls to the extent that was occurring into December's 140k drop in nonfarm payrolls, but this is a highly tentative observation.** Chart 1 shows that interest in filing for unemployment benefits accelerated through the fall but levelled off into January. Another indication of this is that there was little change in initial jobless claims between nonfarm reference periods which leans against expecting another material decline (chart 2). Furthermore, while consumer confidence indicated that jobs became a bit more difficult to get this month, the deterioration was a fraction of the drop-off that occurred in December (chart 3). We still need to see the employment sub-gauges to the ISM-manufacturing (Monday) and ISM-services (Wednesday) reports, as well as Wednesday's ADP payrolls notwithstanding a soft connection to nonfarm.

Canada also updates labour market conditions for January on Friday. On this one, I've gone with a small negative of about 70k jobs lost but with wide brackets around it not least because the 95% confidence interval on this household survey is about +/- 58k. The crux of the matter is whether the fact that Canada has seen a greater tightening of virus restrictions than stateside (chart 4) will translate into greater downside risk to jobs north of the border. The impact of school closings, lockdowns for nonessential businesses and somewhat toothless stay-at-home orders is certainly clear in measures of mobility (chart 5). **That doesn't necessarily mean that there were large job losses.** Small business hiring sentiment has turned more negative for the months ahead (chart 6), yet applications for Employment Insurance benefits, Canada Emergency Response Benefits and Canada Emergency Wage Subsidy benefits did not materially pick up the pace in January. Further, Google Trends can be used to find how many times these terms were searched presumably by people affected by job losses and yet they were little changed into the new year (charts 7, 8, 9). Also consider that Scotiabank's Nikita Perevalov has used internal Scotiabank data on the payroll deposits of Canadian employers and that was also little changed into January (chart 10).

Before all of that, **the Kiwis will update their own job figures for Q4 on Tuesday** and it could return to a modest positive reading. New Zealand lost jobs during each of the two preceding quarters on the direct effects of COVID-19 restrictions and the indirect effects on the domestic and international economies. Having said that, its per capita case count has always been trivial by comparison to elsewhere including neighbouring Australia (chart 11); New Zealand has only had about 2,300 cumulative cases in a country with a population of just 5 million.

Chart 1

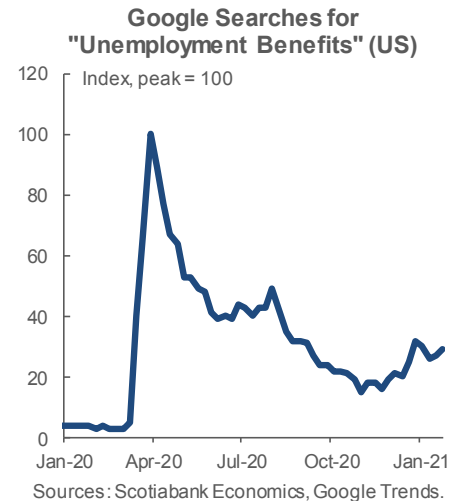


Chart 2

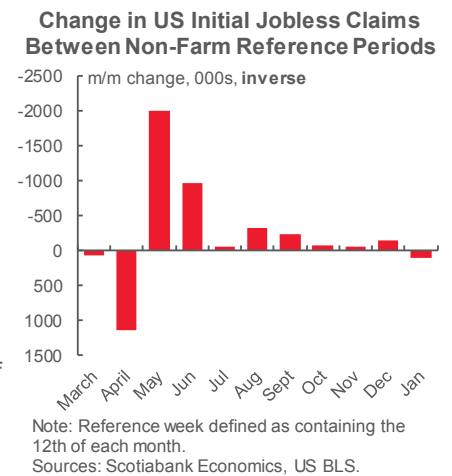


Chart 3

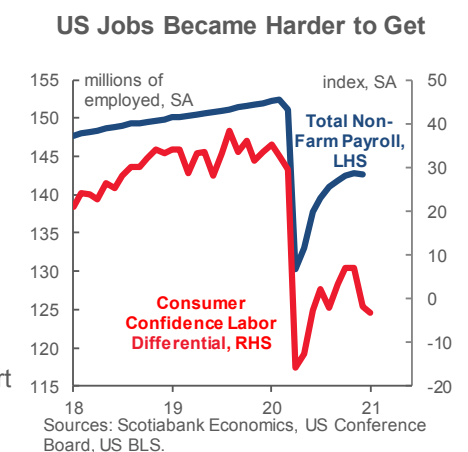


Chart 4

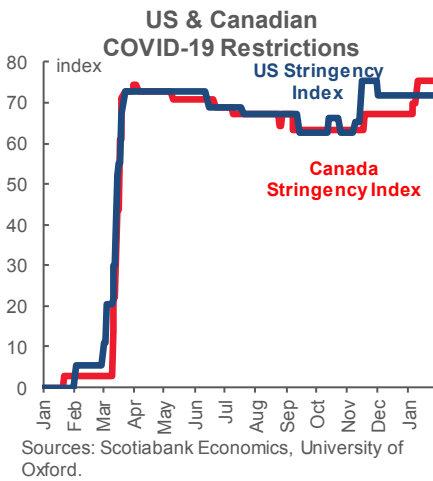


Chart 5

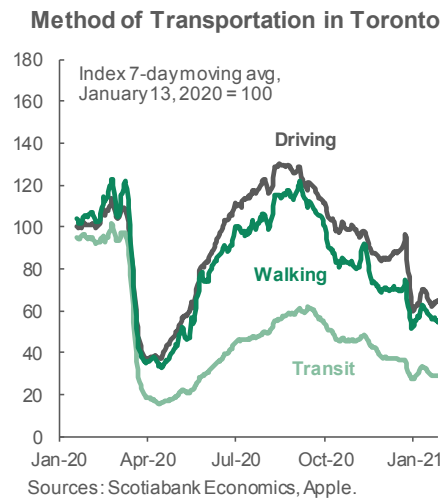


Chart 6

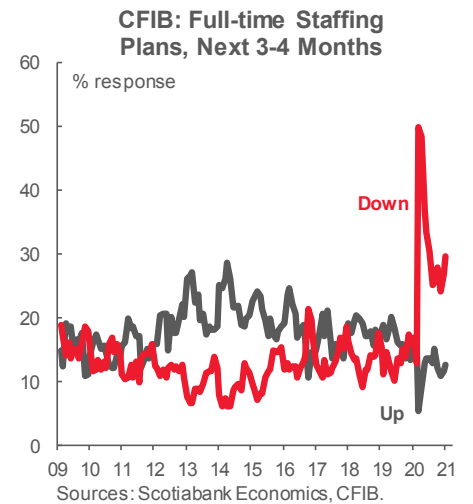


Chart 7

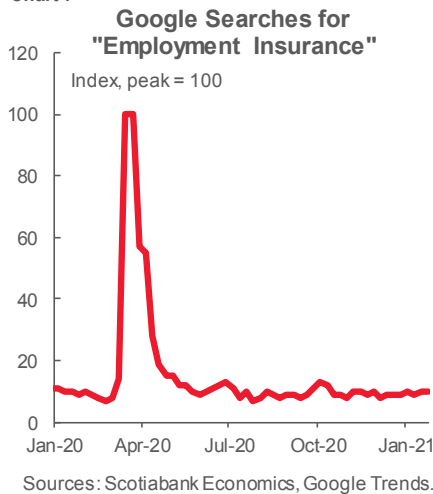


Chart 8

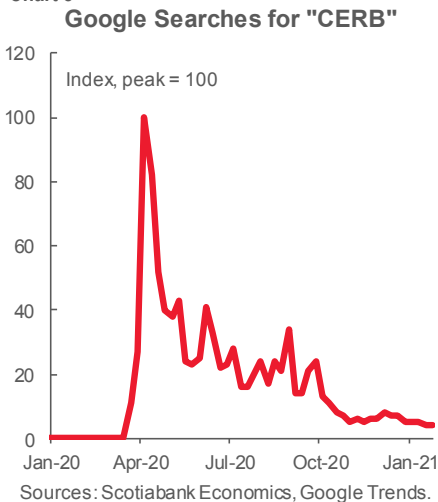


Chart 9



**PMIS—LUCKY SEVEN?**

Seven economies will update purchasing managers' indices for the start of the new year. The main focus across global markets will be upon readings out of China and the US that will inform momentum in GDP.

China updates its state PMIs on Saturday January 30<sup>th</sup> and the private PMIs will be released into the Asian Monday open and on Tuesday evening (eastern time as always). The state's composite PMI has been remarkably stable in the 55 zone since September. That signals moderate expansion with the private composite PMI signalling something similar.

Chart 10

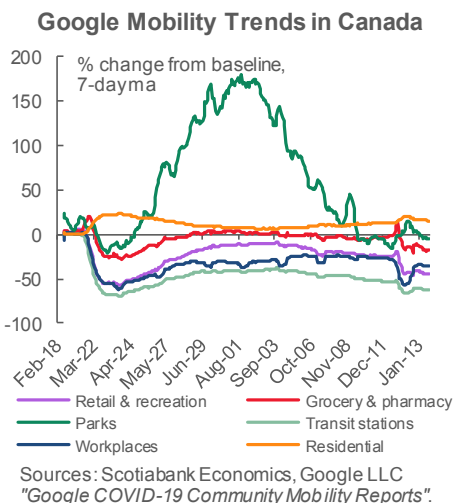
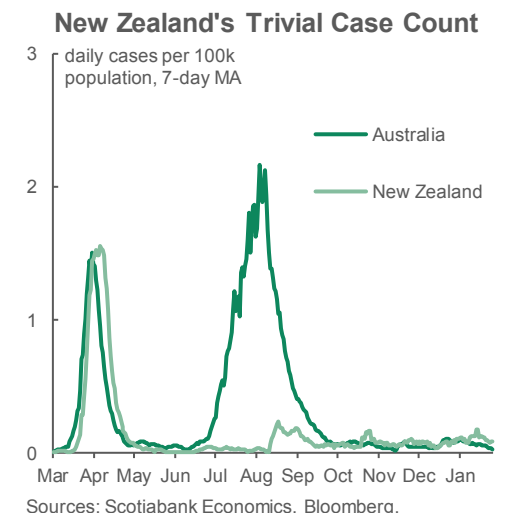


Chart 11



**The US updates the PMIs most closely watched by the Federal Reserve on Monday (ISM-manufacturing) and Wednesday (ISM-services).** They are watched because of the rough correlation with GDP swings (chart 12). The Fed prefers these gauges over the Markit metrics because they don't mix in the international operations of US companies and therefore the ISM figures provide a cleaner set of readings on the US economy. The manufacturing report may be resilient based upon tracking of regional surveys and the auto sector. The average of the regional manufacturing surveys ticked very slightly higher in January but only because of a big jump in the Philly Fed's gauge that offset generally modest declines in the rest. The regional surveys tend to underrepresent the auto sector, so a further consideration is that the gain in auto sales during December and estimated stability in January likely translated into higher production during January. The ISM-services measure could slip on COVID-19 cases and restrictions, but this has been the expectation in the last two rounds of surveys and solid beats were delivered each time.

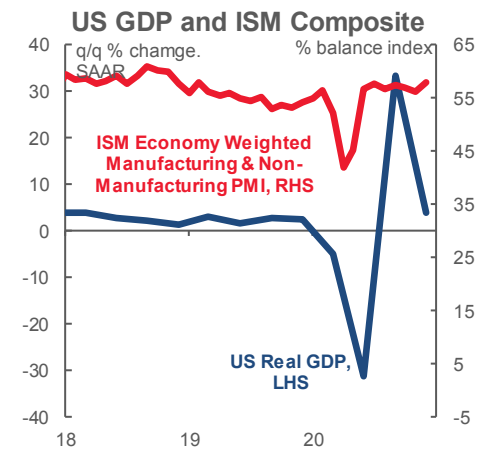
**India's PMIs** for January arrive on Monday and Wednesday mornings (ET) and have been decelerating over the past two months (chart 13). They may further inform RBI policy risks next week. **Brazil's PMIs** arrive on the same days and, while its manufacturing sector has been growing rapidly, the services sector has been barely inching forward given the impact of COVID-19. **Canada's Ivey PMI** (Friday) is generally little watched in part because it combines too much across the public and private sectors. **Italy and Spain will release PMIs on Monday and Wednesday that will inform revisions to Eurozone PMIs** that tentatively registered solid gains in manufacturing offset by significant contraction in services.

### CENTRAL BANKS—CRYING IN THEIR ONIONS

**Three main central banks within the universe of the ones that we track will deliver policy decisions that should be mostly tame affairs with possibly one exception.** Global central banks are faced with monetary policy horizons that overlap with developments that are expected to reinforce expectations for a global rebound driven by vaccines and existing stimulus. Anything they do now will carry such lagged effects that they are in monitoring mode—hesitant to address immediate risks with any further stimulus, but of the belief that it is premature to begin material withdrawal.

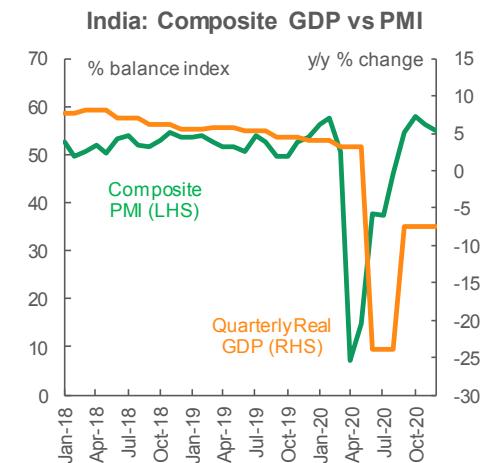
**About one-third of consensus expects the RBI to cut its repurchase rate by 25–50bps on Friday** while the remainder expect a hold at 4%. It seems to be a more sensible call than indicated by just a minority, but with a kink or two in the arguments. Inflation has been declining from a recent peak of 7.6% y/y in October to 4.6% y/y by year-end. The government is conveniently mulling over whether to raise the inflation target to 5% +/- 2% with a decision pending in the budget that is to be delivered on Monday. Growth is, well, absent, as the National Statistical Office estimates that GDP for the year ending in March will contract by 7.7%. The one caveat to it all may be what is driving part of the drop-off in inflation and the durability of this driver; chart 14 shows that CPI and onion prices (a key staple in the Indian diet) are now being based to the surge that was occurring over a year ago. Now let's see, after firing up our handy dandy Indian onion price model here we see a future marked by a potential rise in reported year-ago inflation over the course of this year as the figures get re-based to the subsequent decline, plus or minus a confidence interval measured by a few onion fields, especially through future monsoon seasons (a different model). That could risk calling into question easing over the duration of the year.

Chart 12



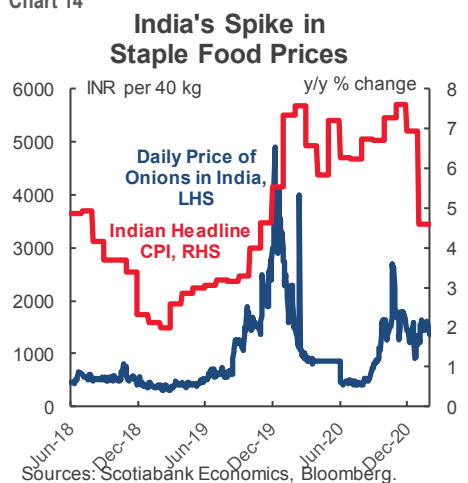
Sources: Scotiabank Economics, Bloomberg, ISM.

Chart 13



Sources: Scotiabank Economics, Bloomberg.

Chart 14



Sources: Scotiabank Economics, Bloomberg.

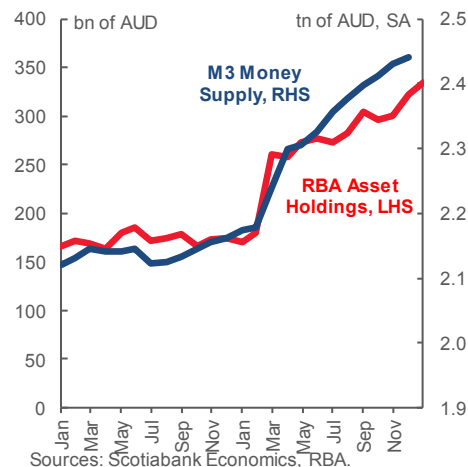
The Bank of England is expected to keep its Bank Rate at 0.1% and its asset purchase target at £875 billion. A key point of emphasis will be the expected report on the feasibility of negative rates in the UK. It will be based upon consultations with bank CEOs which followed an invitation to participate in the survey that was sent out on October 12<sup>th</sup> (letter [here](#)). The results will be shaped by responses to the questions that are available [here](#). Governor Bailey recently remarked that there were “a lot of issues” with negative rates that could impair the banking system. Apart from operational challenges and the overall readiness of the financial system, it is unlikely that the BoE will believe there to be a fundamentals-based case for negative rates given a) a Brexit deal was achieved, b) the economic outlook over the monetary policy horizon should be buoyed by vaccines, and c) the BoE is likely to anticipate a powerful rebound in economic activity.

**The Reserve Bank of Australia will deliver a policy decision including statement and revised forecasts on Monday evening (ET).**

Governor Lowe will speak the following day on “The Year Ahead” and then testify before the House of Representatives Standing Committee on Economics on Friday. No policy changes are expected as the central bank maintains the overnight cash rate at 0.1%, the 3-year government bond yield target of 0.1% and continues with its A\$100 billion bond purchase program. The latter was introduced on November 3<sup>rd</sup> with purchases slated to be completed over a period of “approximately” six months. It is unlikely to alter guidance around this program with headline inflation at 0.9% y/y and the trimmed mean and weighted median CPI measures running at 1.2–1.4% and hence well below the 2–3% inflation target range. Where the RBA has witnessed substantial progress has been in labour markets as the easing of restrictions has been followed by job gains that have reduced the unemployment rate to about 6.6%.

Chart 15

**RBA Asset Holdings & Money Supply**



**Key Indicators for week of February 1 – 5**
**NORTH AMERICA**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	02/01	10:00	Construction Spending (m/m)	Dec	1.0	0.8	0.9
US	02/01	10:00	ISM Manufacturing Index	Jan	60.5	60.0	60.5
US	02/02		Total Vehicle Sales (mn a.r.)	Jan	16.3	16.1	16.3
US	02/03	07:00	MBA Mortgage Applications (w/w)	Jan 29	--	--	-4.1
US	02/03	08:15	ADP Employment Report (000s m/m)	Jan	100	70.0	-123.0
US	02/03	10:00	ISM Non-Manufacturing Composite	Jan	57.1	56.7	57.7
US	02/04	08:30	Initial Jobless Claims (000s)	Jan 30	820	830	847
US	02/04	08:30	Continuing Claims (000s)	Jan 23	4500	--	4771
US	02/04	08:30	Productivity (q/q a.r.)	4Q P	--	-3.0	4.6
US	02/04	08:30	Unit Labor Costs (q/q a.r.)	4Q P	--	3.8	-6.6
US	02/04	10:00	Factory Orders (m/m)	Dec	0.3	0.7	1.0
CA	02/05	08:30	Employment (000s m/m)	Jan	-70.0	-45.8	-62.6
CA	02/05	08:30	Merchandise Trade Balance (C\$ bn)	Dec	-3.0	-3.1	-3.3
CA	02/05	08:30	Unemployment Rate (%)	Jan	9.2	8.9	8.8
US	02/05	08:30	Average Hourly Earnings (m/m)	Jan	0.4	0.3	0.8
US	02/05	08:30	Average Hourly Earnings (y/y)	Jan	5.3	5.1	5.1
US	02/05	08:30	Average Weekly Hours	Jan	--	34.7	34.7
US	02/05	08:30	Nonfarm Employment Report (000s m/m)	Jan	100	58	-140.0
US	02/05	08:30	Trade Balance (US\$ bn)	Dec	-64.3	-65.8	-68.1
US	02/05	08:30	Unemployment Rate (%)	Jan	6.7	6.7	6.7
US	02/05	15:00	Consumer Credit (US\$ bn m/m)	Dec	--	12.0	15.3
US	02/05		Household Employment Report (000s m/m)	Jan	--	--	21.0

**EUROPE**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	02/01	02:00	Retail Sales (m/m)	Dec	--	-2.0	1.1
IT	02/01	03:00	Budget Balance (€ bn)	Jan	--	--	-3.4
IT	02/01	03:00	Budget Balance YTD (€ bn)	Jan	--	--	0.0
IT	02/01	03:45	Manufacturing PMI	Jan	--	52.4	52.8
FR	02/01	03:50	Manufacturing PMI	Jan F	--	51.5	51.5
GE	02/01	03:55	Manufacturing PMI	Jan F	--	57.0	57.0
EC	02/01	04:00	Manufacturing PMI	Jan F	--	54.7	54.7
UK	02/01	04:30	Manufacturing PMI	Jan F	--	52.9	52.9
UK	02/01	04:30	Net Consumer Credit (£ bn)	Dec	--	-1.1	-1.5
EC	02/01	05:00	Unemployment Rate (%)	Dec	--	8.3	8.3
UK	02/02	02:00	Nationwide House Prices (m/m)	Jan	--	0.3	0.8
FR	02/02	02:45	CPI (m/m)	Jan P	--	0.0	0.2
FR	02/02	02:45	CPI (y/y)	Jan P	--	0.3	0.0
FR	02/02	02:45	CPI - EU Harmonized (m/m)	Jan P	--	-0.1	0.2
FR	02/02	02:45	CPI - EU Harmonized (y/y)	Jan P	--	0.4	0.0
IT	02/02	04:00	Real GDP (q/q)	4Q P	--	-2.0	15.9
PO	02/02	04:30	Real GDP (q/q)	4Q A	--	-2.0	13.3
EC	02/02	05:00	GDP (q/q)	4Q A	--	-0.9	12.4
UK	02/03	02:00	Official Reserves Changes (US\$ bn)	Jan	--	--	2999
FR	02/03	02:45	Central Government Balance (€ bn)	Dec	--	--	-176.8
IT	02/03	03:45	Services PMI	Jan	--	39.5	0.0
FR	02/03	03:50	Services PMI	Jan F	--	46.5	46.5
GE	02/03	03:55	Services PMI	Jan F	--	46.8	46.8
EC	02/03	04:00	Composite PMI	Jan F	--	47.5	47.5
EC	02/03	04:00	Services PMI	Jan F	--	45.0	45.0
UK	02/03	04:30	Services PMI	Jan F	--	38.8	38.8
EC	02/03	05:00	CPI (m/m)	Jan P	--	-0.1	0.3
EC	02/03	05:00	Euro zone CPI Estimate (y/y)	Jan	--	0.6	-0.3
EC	02/03	05:00	Euro zone Core CPI Estimate (y/y)	Jan P	--	0.9	0.2
EC	02/03	05:00	PPI (m/m)	Dec	--	0.7	0.4

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

**Key Indicators for week of February 1 – 5**
**EUROPE (continued from previous page)**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IT	02/03	05:00	CPI (m/m)	Jan P	--	0.3	0.2
IT	02/03	05:00	CPI (y/y)	Jan P	--	0.0	-0.2
IT	02/03	05:00	CPI - EU Harmonized (m/m)	Jan P	--	-1.4	0.2
IT	02/03	05:00	CPI - EU Harmonized (y/y)	Jan P	--	0.1	-0.3
UK	02/04	04:30	PMI Construction	Jan	--	52.8	54.6
EC	02/04	05:00	Retail Trade (m/m)	Dec	--	2.0	-6.1
UK	02/04	07:00	BoE Asset Purchase Target (£ bn)	Feb	--	875.0	875.0
UK	02/04	07:00	BoE Policy Announcement (%)	Feb 4	--	0.1	0.1
GE	02/05	02:00	Factory Orders (m/m)	Dec	--	-1.5	2.3
FR	02/05	02:45	Current Account (€ bn)	Dec	--	--	-3800
FR	02/05	02:45	Trade Balance (€ mn)	Dec	--	-4291	-3559

**ASIA-PACIFIC**

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CH	01/30	20:00	Manufacturing PMI	Jan	51.6	51.6	51.9
CH	01/30	20:00	Non-manufacturing PMI	Jan	--	55.0	55.7
SK	01/31	19:00	Exports (y/y)	Jan	--	9.8	12.6
SK	01/31	19:00	Imports (y/y)	Jan	--	2.4	2.2
SK	01/31	19:00	Trade Balance (US\$ mn)	Jan	--	4000	6772
AU	01/31	19:30	ANZ Job Advertisements (m/m)	Jan	--	--	9.2
JN	01/31	19:30	Markit/JMMA Manufacturing PMI	Jan F	--	--	49.7
CH	01/31	20:45	Caixin Manufacturing PMI	Jan	52.6	52.6	53.0
ID	01/31	23:00	CPI (y/y)	Jan	1.7	1.7	1.7
ID	01/31	23:00	Core CPI (y/y)	Jan	--	1.5	1.6
JN	02/01	00:00	Vehicle Sales (y/y)	Jan	--	--	7.4
IN	02/01	00:30	India Budget: FY2021-2022	Jan	--	--	--
TH	02/01	02:30	Business Sentiment Index	Jan	--	--	46.8
SK	02/01	18:00	CPI (y/y)	Jan	0.5	0.5	0.5
SK	02/01	18:00	Core CPI (y/y)	Jan	--	--	0.9
JN	02/01	18:50	Monetary Base (y/y)	Jan	--	--	18.3
<b>AU</b>	<b>02/01</b>	<b>22:30</b>	<b>RBA Cash Target Rate (%)</b>	<b>Feb 2</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>
HK	02/02	03:30	Retail Sales - Volume (y/y)	Dec	--	-10.7	-4.7
SI	02/02	08:00	Purchasing Managers Index	Jan	--	50.7	50.5
NZ	02/02	16:45	Unemployment Rate (%)	4Q	--	5.6	5.3
NZ	02/02	16:45	Employment Change (y/y)	4Q	--	-0.1	0.2
AU	02/02	19:30	Building Approvals (m/m)	Dec	--	2.5	2.6
HK	02/02	19:30	Purchasing Managers Index	Jan	--	--	43.5
CH	02/02	20:45	Caixin Services PMI	Jan	--	55.5	56.3
<b>TH</b>	<b>02/03</b>	<b>02:05</b>	<b>BoT Repo Rate (%)</b>	<b>Feb 3</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>
AU	02/03	19:30	Trade Balance (AUD mn)	Dec	--	9000	5022
SK	02/04	18:00	Current Account (US\$ mn)	Dec	--	--	8967
JN	02/04	18:30	Household Spending (y/y)	Dec	--	-2.0	1.1
AU	02/04	19:30	Retail Sales (m/m)	Dec F	--	-4.2	-4.2
PH	02/04	20:00	CPI (y/y)	Jan	3.4	3.5	3.5
TH	02/04	22:30	Consumer Confidence Economic	Jan	--	--	43.5
TH	02/04	22:30	CPI (y/y)	Jan	-0.3	-0.3	-0.3
TH	02/04	22:30	Core CPI (y/y)	Jan	--	0.2	0.2
ID	02/04	23:00	Annual GDP (y/y)	2020	-2.0	-2.1	5.0
ID	02/04	23:00	Real GDP (y/y)	4Q	-2.0	-2.0	-3.5
SI	02/05	00:00	Retail Sales (y/y)	Dec	--	-2.7	-1.9
AU	02/05	00:30	Foreign Reserves (AUD bn)	Jan	--	--	55.8
<b>IN</b>	<b>02/05</b>	<b>01:15</b>	<b>Repo Rate (%)</b>	<b>Feb 5</b>	<b>3.50</b>	<b>4.00</b>	<b>4.00</b>
IN	02/05	01:15	Reverse Repo Rate (%)	Feb 5	--	3.35	3.35
IN	02/05	01:15	Cash Reserve Ratio (%)	Feb 5	--	3.00	3.00
TA	02/05	03:00	CPI (y/y)	Jan	-0.1	0.0	0.1

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for week of February 1 – 5

### 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>
PE	02/01	00:00	Consumer Price Index (m/m)	Jan	0.4	--	0.1
PE	02/01	00:00	Consumer Price Index (y/y)	Jan	2.3	--	2.0
CL	02/01	06:30	Economic Activity Index SA (m/m)	Dec	--	--	1.1
CL	02/01	06:30	Economic Activity Index NSA (y/y)	Dec	--	-2.1	0.3
BZ	02/01	08:00	PMI Manufacturing Index	Jan	--	--	61.5
BZ	02/01	13:00	Trade Balance (FOB) - Monthly (US\$ mn)	Jan	--	-2093	-41.6
BZ	02/02	07:00	Industrial Production SA (m/m)	Dec	--	0.2	1.2
BZ	02/02	07:00	Industrial Production (y/y)	Dec	--	5.8	2.8
CO	02/05	19:00	Consumer Price Index (m/m)	Jan	--	0.4	0.4
CO	02/05	19:00	Consumer Price Index (y/y)	Jan	--	1.7	1.6



**Global Auctions for week of February 1 – 5****EUROPE**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	02/02	05:00	U.K. to Sell 3 Billion Pounds of 0.125% 2026 Bonds
AS	02/02	05:15	Austria to Sell Bonds
GE	02/02	05:30	Germany to Sell 6 Billion Euros of 0% 2023 Bonds
UK	02/02	06:30	U.K. to Sell 1 Billion Pounds of 1.625% 2071 Bonds
DE	02/03	04:30	Denmark to Sell Bonds
UK	02/03	05:00	U.K. to Sell 0.25% 2031 Bonds
SP	02/04	04:30	Spain to Sell Bonds
FR	02/04	04:50	France to Sell Bonds
SW	02/04	05:00	Sweden to Sell I/L Bonds
BE	02/05	06:00	Belgium to Sell Bonds via ORI Auction

**ASIA-PACIFIC**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	02/01	22:35	Japan to Sell 10-Year Bonds
PH	02/02	00:30	Philippines to Sell PHP30 Bln 10-Yr Bond
HK	02/02	22:30	Hong Kong to Sell HKD1.7Bln 2.13% 9.45 Year Bonds
PK	02/03	05:00	Pakistan to Sell Bonds
JN	02/03	22:35	Japan to Sell 30-Year Bonds

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Sources: Bloomberg, Scotiabank Economics.

## Events for week of February 1 – 5

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	02/01	14:00	Fed's Bostic Speaks with Rosengen on Labor Market
US	02/02	14:00	Fed's Mester to Give Remarks on Labor Market
US	02/03	13:00	Fed's Bullard to Speak on Economic Outlook
US	02/03	14:00	Fed's Harker Speaks on Labor Market
US	02/03	17:00	Fed's Mester Speaks on Economy
US	02/03	17:00	Fed's Evans Discusses Economy and Monetary Policy

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	02/04	04:00	ECB Publishes Economic Bulletin
UK	02/04	07:00	<b>Bank of England Bank Rate</b>
UK	02/05	08:30	BOE's Bailey, ECB's Guindos Speak on Post Covid Recovery

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	02/01	22:30	<b>RBA Cash Rate Target</b>
AU	02/02	20:30	RBA's Lowe Gives Speech in Canberra
TH	02/03	02:05	<b>BoT Benchmark Interest Rate</b>
IN	02/05	01:15	<b>RBI Repurchase Rate</b>
IN	02/05	01:15	<b>RBI Reverse Repo Rate</b>

### LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CO	02/01	17:00	Colombia Monetary Policy Minutes

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	March 10, 2021	0.25	0.25
Federal Reserve – Federal Funds Target Rate	0.25	March 17, 2021	0.25	0.25
Banco de México – Overnight Rate	4.25	February 11, 2021	4.25	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	March 11, 2021	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	March 11, 2021	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	March 11, 2021	-0.50	-0.50
Bank of England – Bank Rate	0.10	February 4, 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	4.25	February 12, 2021	4.25	4.25
Sweden Riksbank – Repo Rate	0.00	February 10, 2021	0.00	0.00
Norges Bank – Deposit Rate	0.00	March 18, 2021	0.00	0.00
Central Bank of Turkey – Benchmark Repo Rate	17.00	February 18, 2021	17.00	17.00

**Bank of England (BoE):** No policy changes are expected at this meeting. The focus will be upon the release of a report on the feasibility of negative rates in the UK financial system. The fundamentals case for exploring this option has likely weakened in the wake of the Brexit deal and with vaccines arriving.

### 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	March 19, 2021	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.10	February 1, 2021	0.10	0.10
Reserve Bank of New Zealand – Cash Rate	0.25	February 23, 2021	0.25	0.25
People's Bank of China – 1-Year Loan Prime Rate	3.85	February 21, 2021	3.85	3.85
Reserve Bank of India – Repo Rate	4.00	February 5, 2021	3.50	4.00
Bank of Korea – Bank Rate	0.50	February 25, 2021	0.50	0.50
Bank of Thailand – Repo Rate	0.50	February 3, 2021	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	March 4, 2021	1.75	1.75
Bank Indonesia – 7-Day Reverse Repo Rate	3.75	February 18, 2021	3.75	3.75
Central Bank of Philippines – Overnight Borrowing Rate	2.00	February 11, 2021	2.00	2.25

**Reserve Bank of Australia (RBA):** Australian monetary authorities will make a policy decision on February 2. We do not expect any changes to the policy stance, given that the RBA unveiled additional monetary stimulus measures as recently as in November. **Reserve Bank of India (RBI):** Indian monetary authorities will make a policy announcement on February 5. We expect the RBI to cut the benchmark Repo Rate by 50 bps to 3.50%, reflecting the fact that India's inflation is easing, opening some policy space for the country's monetary authorities. Headline inflation dropped to 4.6% y/y in December from the October peak of 7.6%; therefore, inflation is now comfortably within the RBI 2-6% target range. **The Bank of Thailand (BoT):** The BoT will make a monetary policy announcement on February 3; we expect the central bank to leave the benchmark interest rate unchanged at 0.50%; it was lowered by 75 bps over the course of 2020. Given persistent deflationary pressures, we note that the BoT has monetary policy space left should the economy face renewed softness over the coming months.

### 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	2.00	March 17, 2021	2.00	2.00
Banco Central de Chile – Overnight Rate	0.50	March 30, 2021	0.50	0.50
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	February 11, 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	March 25, 2021	3.50	3.50

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

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