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*With thanks for research support from:  
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#### Next Week's Risk Dashboard

- Are US nonfarm payrolls still resilient?
- Could Canadian jobs rebound?
- BoE will likely hike 50bps
- RBA to step further toward neutral
- Brazil's CB still on a hiking path
- Other global macro

#### Into the Dog Days

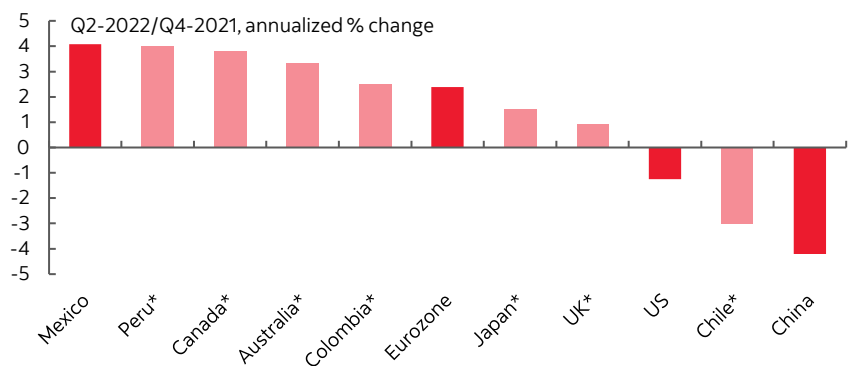
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#### Chart of the Week

The Halfway Point Assessment: GDP Growth in H1-2022



\*Based on estimated Q2-2022 data.

Sources: Scotiabank Economics, Various Statistical Agencies.

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

## Into the Dog Days

The main market sensitivities over the coming week will be around nonfarm payrolls, expected rate hikes by four central banks, Canada's latest jobs tally and a lineup of other less consequential readings. It will be a transition point into what is often a calmer month colloquially known—in the northern hemisphere at least—as the dog days of August.

### NONFARM PAYROLLS—BECAUSE IT'S NONFARM

Friday brings out another often-humbling nonfarm payrolls report.

I've gone with 290k for July's gain in nonfarm payrolls and with stable unemployment rate at 3.6%. If that's anywhere in the right ballpark then it will be taken as a further sign of near-term resilience while saying nothing about where the economy is headed since jobs are a contemporaneous indicator and the unemployment rate is typically a lagging indicator. The drivers of the call are pretty shaky though.

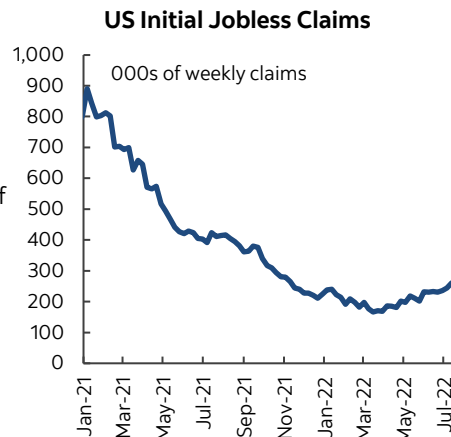
Much like the last time around, most advance job indicators are not looking so hot, yet nonfarm surprised higher than consensus and my estimate and so I'm not sure how much stock to put in this argument. For what it's worth, initial jobless claims have once again increased between nonfarm reference periods (chart 1). Even if that is partly a seasonal

distortion as some believe, the deterioration is buttressed by other advance job market readings. Small business hiring sentiment gauges have recently been weakening (chart 2). Job vacancies have slightly declined and it's probably reasonable to think that some of the ones that are still up are zombie postings with less of a desire by employers to fill them as the economy softens (chart 3). Consumers are indicating that jobs are not as plentiful as they were a few months ago (chart 4). We won't get the latest employment subindices for either the ISM-manufacturing or ISM-services gauges until next week but both have been deteriorating for several months and have pushed into contraction territory (chart 5).

So what gives? Why expect a positive nonfarm payrolls reading this week? For one thing, deteriorating gauges don't necessarily mean job loss versus cooling job growth which we've seen, just not to the degree to which has been expected.

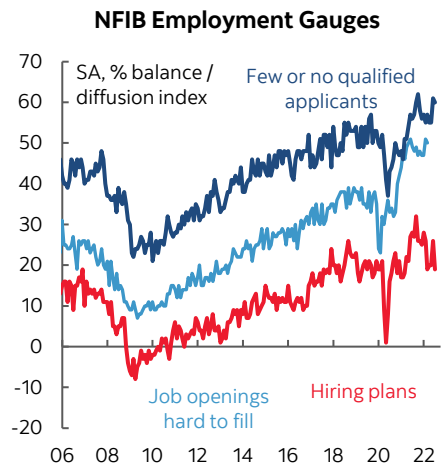
Further, the household survey may be offering a better gauge of the labour market than nonfarm. Nonfarm's wide +/- 110k 90% confidence interval around the estimated change is large, but the household survey's confidence interval is multiples of that which counsels treat it carefully given it's just a survey. Still, when there is as large a departure in trend employment

Chart 1



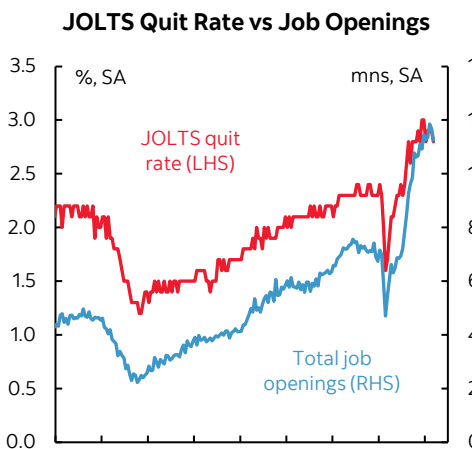
Sources: Scotiabank Economics, US Dept of Labor.

Chart 2



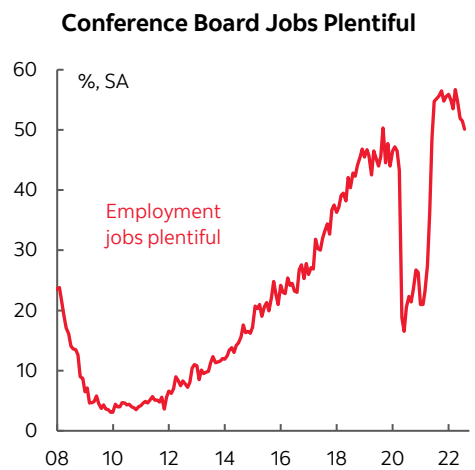
Sources: Scotiabank Economics, NFIB.

Chart 3



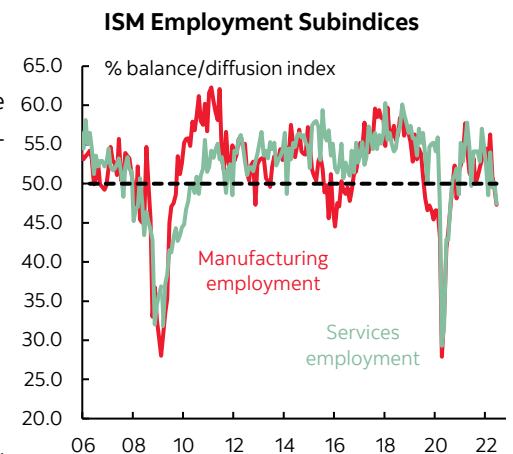
Sources: Scotiabank Economics, BLS.

Chart 4



Sources: Scotiabank Economics, Bloomberg.

Chart 5



Sources: Scotiabank Economics,

between these two measures as we've been seeing of late it becomes harder to look through each month and alternative arguments need to be considered more seriously.

On that note, nonfarm has its own pitfalls. It counts jobs, versus the household survey that counts employed bodies. What that means is that during times when more workers are pursuing the so-called 'great resignation' in search of higher wages, it can mean that nonfarm overcounts job growth. That's because changing jobs during the nonfarm reference period can result in being counted twice versus once in the household survey. This could be a reason to doubt payroll numbers with the quit rate still elevated but peaking.

Adding to this concern is that small business is getting hit harder than big businesses that are more likely to have formal payrolls. The household survey captures small businesses without payrolls but nonfarm does not.

**CANADIAN JOBS—MAY AS WELL GO FOR THE REBOUND!**

Canada also updates jobs for July on Friday for double the pleasure at least to a Canadian economist with an obviously close eye on the US economy.

A highly scientific machine learning model based upon the number of times that my dog barks for treats coughed up an estimated 35k job gain with a slight up-tick in the unemployment rate to 5%.

Job search indicators look strong which suggests a rebound in the labour force in a reversal of the prior month's retreat (chart 6). This doesn't necessarily mean net growth in jobs, however, if folks are just looking to switch. Given that much of the 43k decline in jobs in June was driven by the self-employed category that can be statistically shaky I wouldn't be surprised to see a technical rebound.

Also, Okun's 'law' holds a little better in Canada than it does in the US by way of the correlations between much stronger Canadian GDP growth than in the US with Canadian employment (chart 7). As solid growth over H1 unfolded there should remain trend growth in employment.

Having said that, the downsides include reduced hiring appetite across small businesses (chart 8). Higher frequency readings that loosely correlate with hiring activity over time point to downside risk to jobs but this hasn't always worked well (chart 9). That chart shows a weighted national composite of city-based real-time economic activity indices from Statistics Canada that are based upon mobility readings and business register data that captures openings and closings of businesses.

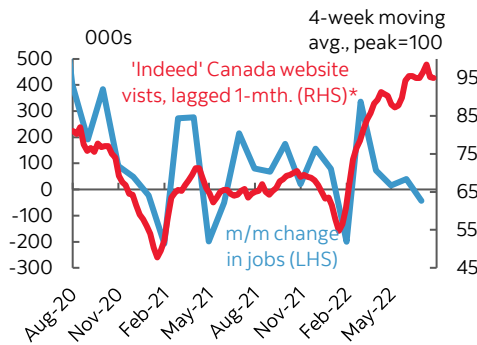
**CENTRAL BANKS—FOUR MORE HIKERS!**

Four central banks will tee up their latest decisions this week and all of them are expected to hike again.

**RBA—Still Too Stimulative**

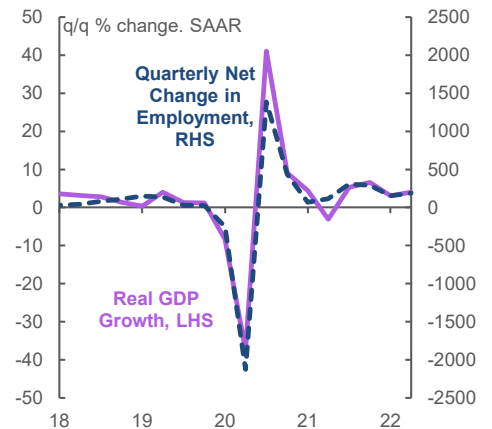
First out of the gates on Tuesday will be the Reserve Bank of Australia's policy decision. The RBA isn't shy when it comes to surprising folks, but there is high agreement across economists and markets that this meeting will offer up another 50bps hike in the cash rate to 1.85%. That would make three 50 moves in a row.

**Chart 6**  
**'Indeed' Website Visits Still Signalling an Appetite for Work**



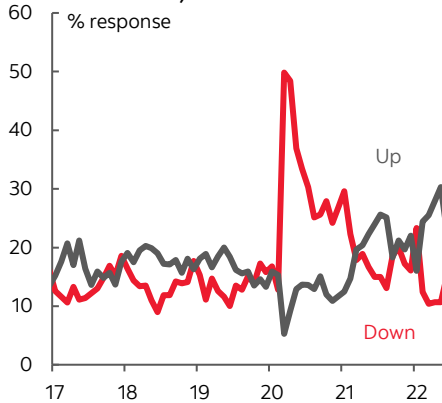
\*Assumes a one-month turnaround time from Indeed site visit and job application to eventual hiring.  
Sources: Scotiabank Economics, Google Trends, Indeed.ca

**Chart 7**  
**Canada's Okun's "Law"**



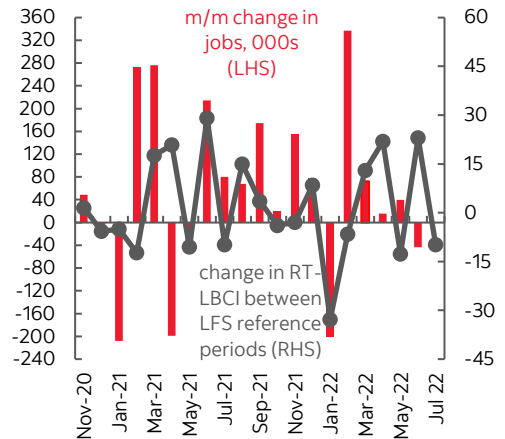
Sources: Scotiabank Economics, Statistics Canada.

**Chart 8**  
**CFIB Full-time Staffing Plans, Next 3-4 Months**



Sources: Scotiabank Economics, CFIB.

**Chart 9**  
**Canadian Employment**



Sources: Scotiabank Economics, Statistics Canada.

CPI inflation picked up in Q2 to 6.1% y/y (5.1% prior) and so did central tendency measures including trimmed mean CPI (4.9% y/y from 3.7%) weighted median CPI (4.2% y/y, 3% prior) as both increased by about 1½% q/q. Because the readings were nevertheless a touch softer than expected there was a move away from some calls for a bigger hike than 50bps. Also note that wage growth has rebounded but Q2 data won't be available until August 17<sup>th</sup> (chart 10).

Nevertheless, with the policy rate at 1.35% going into the decision it rests at just over halfway toward Governor Lowe's references to neutral policy rate of around 2½% or higher. As such, policy remains excessively stimulative with inflation well above target and the mantra across many global central banks is to get policy into neutral and somewhat restrictive territory relatively quickly. Lowe recently indicated a data dependent desire to get to at least a neutral stance. Markets see this taking the RBA until late year to achieve after having dramatically repriced the rate path since the RBA's sudden policy pivot (chart 11).

**Bank of England—Picking Up the Pace?**

There is a bias toward expecting a 50bps hike to the Bank Rate on Thursday but neither consensus nor markets are certain and leave the door open to a more modest 25bps hike. To us the odds lean toward 50bps.

One reason for the uncertainty is that Governor Bailey recently remarked that “a 50 basis point increase will be among the choices on the table” but that it “is not locked in, and anyone who predicts that is doing so based on their own view.” Then again, he stirred the pot somewhat when he remarked just the week before that “We want people to see that there are more options on the table than another 25 basis points” which could have been taken as a desire to increase optionality into the decision relative to what is priced.

Others on the MPC perhaps see it differently or at least have stronger views and appear to lean more hawkishly. Data supports them as inflation climbed again in June to 9.4% y/y with another 0.8% m/m rise in prices albeit with core CPI holding roughly steady at 5.8% y/y (chart 12). Inflation faces greater upside risk into year end when it is likely to go into double digits following further increases in regulatory energy prices and perhaps higher market prices across Europe. The Bank of England is facing markets that are skeptical it will be able to control inflation given inflation breakevens in the 3-handled range across all maturities. What markets anticipate for Bank Rate is shown in chart 13.

**Brazil—Going Bigger**

Most within consensus expect Banco Central do Brasil to hike its Selic rate by another 50bps on Wednesday. The central bank left the door open to such a move in its prior statement on June 15<sup>th</sup> when it said “For its next meeting, the Committee foresees a new adjustment, of the same or lower magnitude” after it hiked by 50bps at that meeting. That was the same day on which the Fed picked up the pace with a 75bps hike.

Chart 10



Chart 11

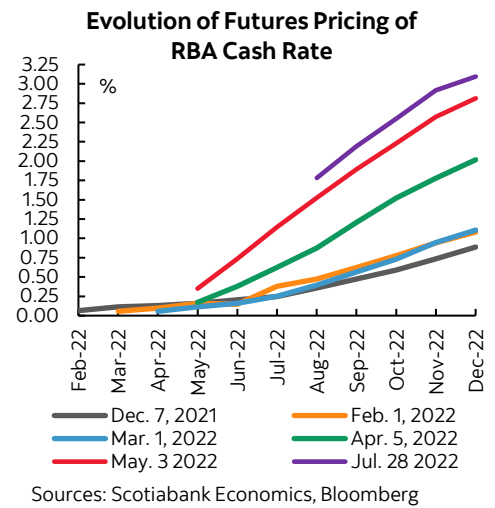


Chart 12

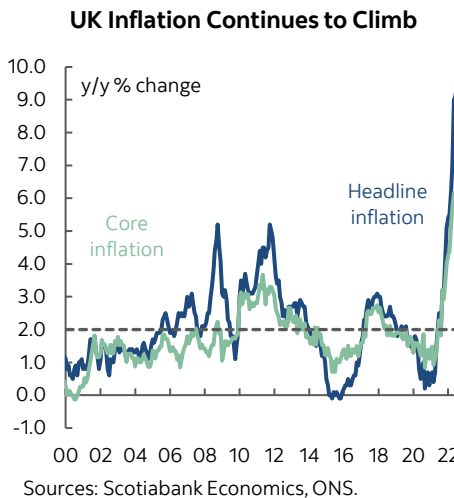
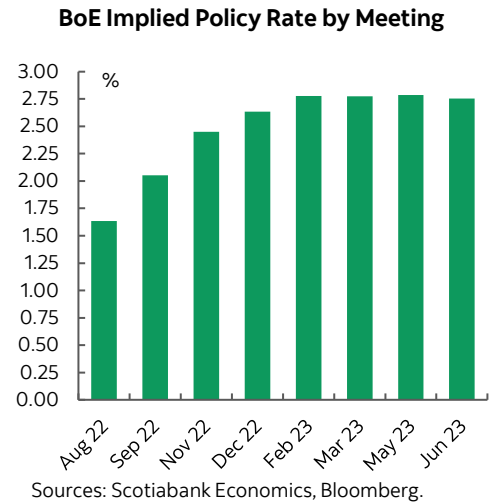


Chart 13



Since then, inflation accelerated in the June reading of 11.9% that was released in July and continues to hover around its highest rate since 2003 (chart 14). Further, the Federal Reserve followed up its 75bps hike with another identical hike in July and the real has depreciated by almost 3% since the BCB's last decision.

**RBI—Going Big Again?**

Friday's decision by the Reserve Bank of India is expected to deliver another 25–50bps repo rate hike to build upon the hiking cycle that began last quarter (chart 15). I wouldn't say I'm close enough to it to have much conviction toward the size of a hike and local economists appear to be somewhat divided while markets lean toward a bigger hike. What markets have in their favour is the following:

- high inflation at 7% y/y. The RBI Act requires Governor Shaktikanta Das to write a letter to the Finance Ministry whenever inflation exceeds 6% for three or more quarters when so far it has been doing so for six months. That seems eminently more sensible than the Bank of England's requirement for the Governor to send a letter to the Chancellor of the Exchequer whenever inflation strays from the 2% target by +/-1%.
- Furthermore, the rupee has fallen by 6.6% versus the USD so far this year which risks greater import price pass-through into CPI. Its descent has been slowed somewhat of late by RBI intervention efforts. The RBI knows full well the forces it is up against by way of the Fed and the dollar in world markets, but it is attempting to smooth the rupee's adjustments from a financial stability standpoint. Complementing this with a larger rate hike may reinforce such efforts.

What markets don't have in their favour is some evidence that core CPI has ebbed somewhat from a peak of 7.2% y/y in April to 6.2% in June and rising global concern around potential recession risk.

**OTHER MACRO READINGS**

Most of the week's focus will be upon what has already been covered plus off-calendar risk. Incremental risk will center upon a sprinkling of other macro reports primarily out of the US, Germany, NZ and a round of global inflation readings.

US markets face several other readings beyond the key payrolls report.

- ISM readings on the manufacturing (Monday) and service (Wednesday) sectors will provide fresh survey-based evidence on growth, supply chain challenges and inflationary pressures in updates for July.
- The June trade deficit probably narrowed to just under US\$80 billion (Thursday) given advance merchandise figures and an assumed fairly stable services surplus. That could reverse this year's deterioration and put it back toward December's level partly as oil prices have pulled off their peak.
- Factory orders (Wednesday) should follow the 1.9% jump in durable goods orders at a more moderate pace given the prior month's large jump in nondurables that might be hard to repeat.
- Vehicle sales are expected to post a modest rise in July's tally on Tuesday based upon industry guidance.
- JOLTS job openings and quit rates during June could offer further insight into payrolls (Tuesday) and so could Thursday's weekly claims.
- About 150 S&P500 firms will release earnings but this phase of the earnings season is transitioning away from the knock-out punches. Loews, Caterpillar, Moderna and Starbucks will be among the names.

Canada will start off the week with local markets shut for the Civic Holiday. While jobs will be the main focus, a manufacturing PMI that has been signalling continued but moderating growth will be updated for July (Tuesday). Ivey PMI that covers all sectors across the public and private parts of the economy will be updated on Friday. The prior day brings trade figures for June.

Chart 14

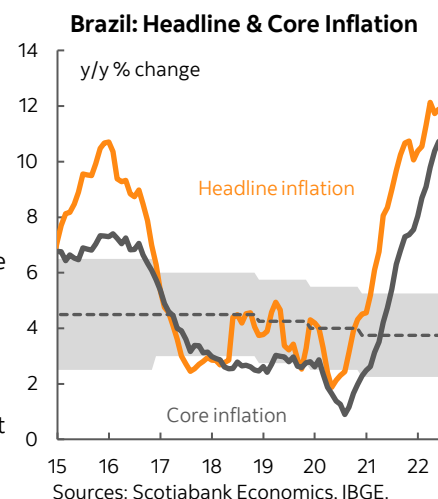
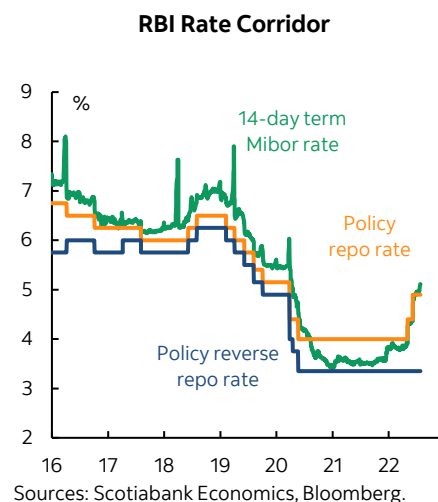


Chart 15



July 29, 2022

European markets face light calendar-based risk other than the Bank of England's decisions. Most of the focus will be upon German economic updates for retail sales, exports, factory orders and industrial production throughout the week and for the month of June.

LatAm markets will generally follow global calendar-based risk with two exceptions. Inflation readings are set to be updated for Peru (Monday) and Colombia (Friday). Colombia could hit 10% y/y and Peru may well cross 9% y/y. Both countries' currencies have depreciated by 5% (Sol) and 13% (peso) over the past couple of months as the Federal Reserve picked up the pace of monetary policy withdrawal.

Asia-Pacific markets will be dominated by global factors and regional implications to decisions by the RBA and RBI. A handful of calendar-based risks will include New Zealand's Q2 employment report that is expected to post solid job growth and a possible slight decline in the unemployment rate that is already at a record low, but it may be wage figures that garner more of the attention amid expectations for an acceleration. Australian retail sales during Q2 (Tuesday) and June exports (Wednesday) will fade behind the RBA. CPI figures will be updated by South Korea and Indonesia (Monday), Thailand and Philippines (Thursday) and Taiwan (Friday). Q2 GDP estimates will cover HK (Monday) and Indonesia (Friday). China's private PMIs arrive early in the week and India's purchasing managers' indices will also be updated and have recently continued to indicate strong growth momentum.

## Key Indicators for the week of August 1 – 5

## NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	08/01	10:00	Construction Spending (m/m)	Jun	0.3	0.3	-0.1
US	08/01	10:00	ISM Manufacturing Index	Jul	52.0	52.0	53.0
US	08/02	10:00	JOLTS Job Openings (000s)	Jun	--	10,994	11,254
US	08/02		Total Vehicle Sales (mn a.r.)	Jul	13.7	13.5	13.0
US	08/03	07:00	MBA Mortgage Applications (w/w)	Jul 29	--	--	-1.8
US	08/03	10:00	Factory Orders (m/m)	Jun	0.8	1.1	1.6
US	08/03	10:00	ISM Non-Manufacturing Composite	Jul	54.5	54.0	55.3
CA	08/04	08:30	Building Permits (m/m)	Jun	--	-2.0	2.3
CA	08/04	08:30	Merchandise Trade Balance (C\$ bn)	Jun	--	5.0	5.3
US	08/04	08:30	Initial Jobless Claims (000s)	Jul 30	--	258	256
US	08/04	08:30	Continuing Claims (000s)	Jul 23	--	--	1,359
US	08/04	08:30	Trade Balance (US\$ bn)	Jun	-79.5	-80.0	-85.5
CA	08/05	08:30	Employment (000s m/m)	Jul	35.0	15.0	-43.2
CA	08/05	08:30	Unemployment Rate (%)	Jul	5.0	5.0	4.9
US	08/05	08:30	Average Hourly Earnings (m/m)	Jul	0.3	0.3	0.3
US	08/05	08:30	Average Hourly Earnings (y/y)	Jul	4.9	4.9	5.1
US	08/05	08:30	Average Weekly Hours	Jul	--	34.5	34.5
US	08/05	08:30	Nonfarm Employment Report (000s m/m)	Jul	290	250.0	372.0
US	08/05	08:30	Unemployment Rate (%)	Jul	3.6	3.6	3.6
US	08/05	08:30	Household Employment Report (000s m/m)	Jul	--	--	-315.0
US	08/05	15:00	Consumer Credit (US\$ bn m/m)	Jun	--	25.0	22.3

## EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	08/01	02:00	Retail Sales (m/m)	Jun	0.3	1.2
IT	08/01	03:45	Manufacturing PMI	Jul	49.0	50.9
FR	08/01	03:50	Manufacturing PMI	Jul F	49.6	49.6
GE	08/01	03:55	Manufacturing PMI	Jul F	49.2	49.2
EC	08/01	04:00	Manufacturing PMI	Jul F	49.6	49.6
UK	08/01	04:30	Manufacturing PMI	Jul F	52.2	52.2
EC	08/01	05:00	Unemployment Rate (%)	Jun	6.6	6.6
IT	08/01		Budget Balance (€ bn)	Jul	--	-6.0
IT	08/01		Budget Balance YTD (€ bn)	Jul	--	0.0
UK	08/02	02:00	Nationwide House Prices (m/m)	Jul	0.2	0.3
FR	08/03	02:45	Central Government Balance (€ bn)	Jun	--	-82.3
IT	08/03	03:45	Services PMI	Jul	50.1	51.6
FR	08/03	03:50	Services PMI	Jul F	52.1	52.1
GE	08/03	03:55	Services PMI	Jul F	49.2	49.2
EC	08/03	04:00	Composite PMI	Jul F	49.4	49.4
EC	08/03	04:00	Services PMI	Jul F	50.6	50.6
UK	08/03	04:30	Official Reserves Changes (US\$ bn)	Jul	--	-1,336
UK	08/03	04:30	Services PMI	Jul F	53.3	53.3
EC	08/03	05:00	PPI (m/m)	Jun	1.0	0.7
EC	08/03	05:00	Retail Trade (m/m)	Jun	0.0	0.2
GE	08/04	02:00	Factory Orders (m/m)	Jun	-0.7	0.0
UK	08/04	04:30	PMI Construction	Jul	52.0	52.6
<b>UK</b>	<b>08/04</b>	<b>07:00</b>	<b>BoE Policy Announcement (%)</b>	<b>Aug 4</b>	<b>1.75</b>	<b>1.25</b>
GE	08/05	02:00	Industrial Production (m/m)	Jun	-0.2	0.2
FR	08/05	02:45	Industrial Production (m/m)	Jun	-0.3	0.0
FR	08/05	02:45	Industrial Production (y/y)	Jun	-0.5	-0.4
FR	08/05	02:45	Manufacturing Production (m/m)	Jun	--	0.8
SP	08/05	03:00	Industrial Output NSA (y/y)	Jun	--	6.5
IT	08/05	04:00	Industrial Production (m/m)	Jun	-0.1	-1.1

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for the week of August 1 – 5

## ASIA PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CH	07/30	21:30	Manufacturing PMI	Jul	--	50.3	50.2
CH	07/30	21:30	Non-manufacturing PMI	Jul	--	53.9	54.7
SK	07/31	20:00	Exports (y/y)	Jul	--	10.0	5.2
SK	07/31	20:00	Imports (y/y)	Jul	--	22.7	19.4
SK	07/31	20:00	Trade Balance (US\$ mn)	Jul	--	-4,368	-2,575
JN	07/31	20:30	Markit/JMMA Manufacturing PMI	Jul F	--	--	52.2
CH	07/31	21:45	Caixin Flash China Manufacturing PMI	Jul	--	51.5	51.7
CH	07/31	21:45	Caixin Manufacturing PMI	Jul	--	51.5	51.7
ID	08/01	00:00	CPI (y/y)	Jul	--	4.8	4.4
ID	08/01	00:00	CPI (m/m)	Jul	--	0.5	0.6
ID	08/01	00:00	Core CPI (y/y)	Jul	--	2.9	2.6
JN	08/01	01:00	Vehicle Sales (y/y)	Jul	--	--	-15.8
TH	08/01	03:30	Business Sentiment Index	Jul	--	--	50.5
HK	08/01	04:30	Real GDP (q/q)	2Q A	--	2.2	-3.0
HK	08/01	04:30	Real GDP (y/y)	2Q A	--	0.2	-4.0
SK	08/01	19:00	CPI (m/m)	Jul	--	0.4	0.6
SK	08/01	19:00	CPI (y/y)	Jul	--	6.3	6.0
SK	08/01	19:00	Core CPI (y/y)	Jul	--	--	4.4
JN	08/01	19:50	Monetary Base (y/y)	Jul	--	--	3.9
AU	08/01	21:30	Building Approvals (m/m)	Jun	--	-5.0	-1.1
HK	08/02	04:30	Retail Sales - Value (y/y)	Jun	--	0.0	-1.7
HK	08/02	04:30	Retail Sales - Volume (y/y)	Jun	--	-2.0	-4.9
SI	08/02	09:00	Purchasing Managers Index	Jul	--	--	50.3
NZ	08/02	18:45	Unemployment Rate (%)	2Q	--	3.1	3.2
NZ	08/02	18:45	Employment Change (y/y)	2Q	--	2.3	3.5
HK	08/02	20:30	Purchasing Managers Index	Jul	--	--	52.4
CH	08/02	21:45	Caixin Services PMI	Jul	--	54.0	54.5
<b>AU</b>	<b>08/02</b>	<b>00:30</b>	<b>RBA Cash Target Rate (%)</b>	<b>Aug 2</b>	<b>1.60</b>	<b>1.9</b>	<b>1.35</b>
AU	08/03	21:30	Trade Balance (AUD mn)	Jun	--	14,000	15,965
SK	08/04	19:00	Current Account (US\$ mn)	Jun	--	--	3,860
JN	08/04	19:30	Household Spending (y/y)	Jun	--	1.5	-0.5
PH	08/04	21:00	CPI (y/y)	Jul	--	6.1	6.1
TH	08/04	23:30	CPI (y/y)	Jul	--	7.8	7.7
TH	08/04	23:30	CPI (m/m)	Jul	--	0.0	0.9
TH	08/04	23:30	Core CPI (y/y)	Jul	--	2.6	2.5
ID	08/05	00:00	Real GDP (q/q)	2Q	--	3.5	-1.0
ID	08/05	00:00	Real GDP (y/y)	2Q	--	5.2	5.0
<b>IN</b>	<b>08/05</b>	<b>00:30</b>	<b>Repo Rate (%)</b>	<b>Aug 5</b>	<b>5.15</b>	<b>5.40</b>	<b>4.90</b>
IN	08/05	00:30	Cash Reserve Ratio (%)	Aug 5	--	4.50	4.50
SI	08/05	01:00	Retail Sales (m/m)	Jun	--	--	1.8
SI	08/05	01:00	Retail Sales (y/y)	Jun	--	17.8	17.8
MA	08/05	03:00	Foreign Reserves (US\$ bn)	Jul 29	--	--	107.0
TA	08/05	04:00	CPI (y/y)	Jul	--	3.5	3.6

## LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CL	08/01	08:30	Economic Activity Index SA (m/m)	Jun	--	--	-0.1
CL	08/01	08:30	Economic Activity Index NSA (y/y)	Jun	--	--	6.4
BZ	08/01	09:00	PMI Manufacturing Index	Jul	--	--	54.1
PE	08/01	11:00	Consumer Price Index (m/m)	Jan	0.7	--	1.2
PE	08/01	11:00	Consumer Price Index (y/y)	Jul	8.5	8.4	8.8
BZ	08/01	14:00	Trade Balance (FOB) - Monthly (US\$ mn)	Jul	--	7,079	8,769
BZ	08/02	08:00	Industrial Production SA (m/m)	Jun	--	-0.1	0.3
BZ	08/02	08:00	Industrial Production (y/y)	Jun	--	-0.2	0.5
<b>BZ</b>	<b>08/03</b>	<b>17:30</b>	<b>SELIC Target Rate (%)</b>	<b>Aug 3</b>	<b>13.75</b>	<b>13.75</b>	<b>13.25</b>
CO	08/05	07:00	Consumer Price Index (m/m)	Jul	--	0.6	0.5
CO	08/05	07:00	Consumer Price Index (y/y)	Jul	--	10.0	9.7

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.



**Global Auctions for the week of August 1 – 5****NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	08/04	12:00	Canada to Sell 10 Year Bonds

**EUROPE**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	08/02	05:00	U.K. to Sell GBP2.75 Billion of 1% 2032 Bonds
DE	08/03	04:15	Denmark to Sell Bonds
GE	08/03	05:30	Germany to Sell EU1.5 Billion Bonds
SP	08/04	04:30	Spain to Sell Bonds
FR	08/04	04:50	France to Sell Bonds
BE	08/05	06:00	Belgium to Sell Bonds

**ASIA-PACIFIC**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	08/01	23:35	Japan to Sell 10-Year Bonds
CH	08/02	22:35	China Plans to Sell CNY 1Y Upsized Bond
JN	08/03	23:35	Japan to Sell CPI Linked 10-Year Bonds

**LATIN AMERICA**

No Scheduled Auctions.

## Events for the week of August 1 – 5

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	08/02	10:00	Fed's Evans Hosts Media Breakfast
US	08/02	18:45	Fed's Bullard Speaks to the Money Marketeers
US	08/04	12:00	Fed's Mester Discusses the Economic Outlook

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
<b>UK</b>	<b>08/04</b>	<b>07:00</b>	<b>Bank of England Bank Rate</b>
UK	08/04	07:30	BOE Governor Bailey press conference
UK	08/04	09:00	BOE Decision Maker Panel survey
UK	08/05	07:15	BOE's Huw Pill speaks

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	08/01	00:00	BOK Minutes of July Policy Meeting
<b>AU</b>	<b>08/02</b>	<b>00:30</b>	<b>RBA Cash Rate Target</b>
AU	08/04	21:30	RBA-Statement on Monetary Policy
<b>IN</b>	<b>08/05</b>	<b>00:30</b>	<b>RBI Repurchase Rate</b>
IN	08/05	00:30	RBI Cash Reserve Ratio

### LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CO	08/02	18:00	Colombia Monetary Policy Minutes
<b>BZ</b>	<b>08/03</b>	<b>17:30</b>	<b>Selic Rate</b>

## 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	2.50	September 7, 2022	3.25	3.00
Federal Reserve – Federal Funds Target Rate	2.50	September 21, 2022	3.00	3.00
Banco de México – Overnight Rate	7.75	August 11, 2022	8.50	8.75

## 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	0.50	September 8, 2022	0.75	0.75
European Central Bank – Marginal Lending Facility Rate	0.75	September 8, 2022	1.00	1.00
European Central Bank – Deposit Facility Rate	0.00	September 8, 2022	0.25	0.25
Bank of England – Bank Rate	1.25	August 4, 2022	1.75	1.75
Swiss National Bank – Sight Deposit Rate	-0.25	September 22, 2022	0.00	0.00
Central Bank of Russia – One-Week Auction Rate	8.00	September 16, 2022	8.00	8.00
Sweden Riksbank – Repo Rate	0.75	September 20, 2022	1.25	1.25
Norges Bank – Deposit Rate	1.25	August 18, 2022	1.50	1.50
Central Bank of Turkey – Benchmark Repo Rate	14.00	August 18, 2022	14.00	14.00

**Bank of England (BoE):** The BoE is expected to hike the Bank Rate by 50 bps to 1.75% at next week's meeting. While relatively small compared to larger single-meeting rate hikes delivered by major central banks, it would still mark the largest hike in 27 years. Markets are still pricing 125 bps of hikes by end-2022 to 2.50%, with an additional 25 bps in 2023, but caution lies ahead as rapid tightening elsewhere has begun to slow growth.

## 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	September 22, 2022	-0.10	-0.10
Reserve Bank of Australia – Cash Rate Target	1.35	August 2, 2022	1.85	1.85
Reserve Bank of New Zealand – Cash Rate	2.50	August 16, 2022	3.00	3.00
People's Bank of China – 1-Year Loan Prime Rate	3.70	August 21, 2022	3.70	3.70
Reserve Bank of India – Repo Rate	4.90	August 5, 2022	5.15	5.15
Bank of Korea – Bank Rate	2.25	August 25, 2022	2.50	2.50
Bank of Thailand – Repo Rate	0.50	August 10, 2022	0.75	0.75
Bank Negara Malaysia – Overnight Policy Rate	2.25	September 8, 2022	2.25	2.25
Bank Indonesia – 7-Day Reverse Repo Rate	3.50	August 23, 2022	3.50	3.50
Central Bank of Philippines – Overnight Borrowing Rate	3.25	August 18, 2022	3.50	3.50

**Reserve Bank of Australia (RBA):** We expect the RBA to continue on its hiking path by delivering a third straight 50 bps hike of the Cash Rate to 1.85%. Last meeting, the RBA flagged that inflation would peak later this year while also talking up the strength of households and their ability to handle higher rates.

**Reserve Bank of India (RBI):** The RBI has raised rates from 4.00% to 4.90% over the last two meetings. Next week, the committee is expected raise the repo rate once again, but by a smaller magnitude of 25 bps bringing the policy rate to 5.15% but with the risk of a 50bps hike. Persistent high inflation, albeit cooling a touch, and a depreciating rupee should keep the RBI hiking into year-end.

## 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	13.25	August 3, 2022	13.75	13.75
Banco Central de Chile – Overnight Rate	9.75	September 6, 2022	10.50	10.50
Banco de la República de Colombia – Lending Rate	9.00	September 30, 2022	9.50	9.50
Banco Central de Reserva del Perú – Reference Rate	6.00	August 11, 2022	6.50	6.50

**Banco Central do Brasil (BCB):** The BCB delivered a 50 bps hike at its June 15th meeting and provided guidance that its next decision would likely be of similar or smaller magnitude. We are calling for the higher of the two increases, +50 bps to 13.75%, at next week's meeting since inflation data for June surprised to the upside. Additionally, households will receive a boost from income transfers ahead of the October presidential election.

## 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	5.50	September 22, 2022	5.75	5.75

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

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