Scotiabank.

GLOBAL ECONOMICS

THE GLOBAL WEEK AHEAD

March 8, 2024

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With thanks for research support from: Jaykumar Parmar.

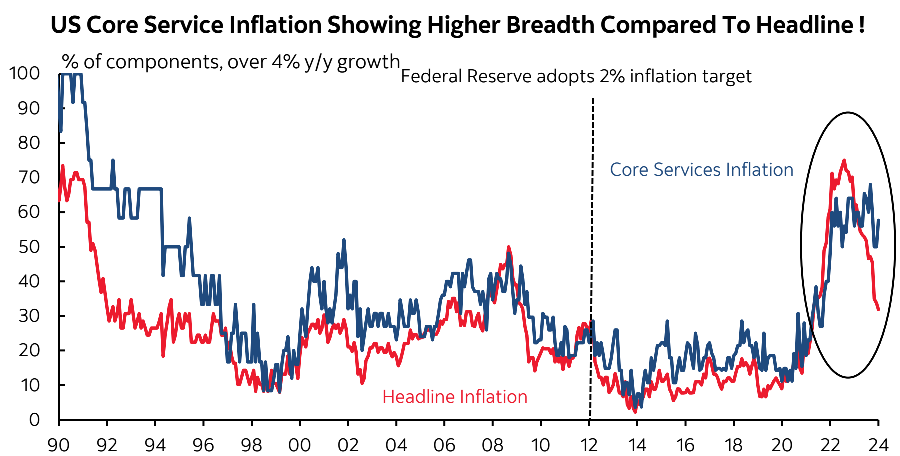
Next Week's Risk Dashboard

- Was the surge in US core CPI an aberration?
- Shunto wage figures will be key for the BoJ
- Why the BoJ should tread very carefully
- PBOC will probably remain on hold
- US retail sales could rebound
- Wages will also be key in the UK, Mexico
- An end to China's fake 'deflation'?
- China's credit surge may have been temporary
- Global macro

Spring Forward

FORECASTS & DATA

Chart of the Week



Sources: Scotiabank Economics, BLS.

Chart of the Week: Prepared by: Jaykumar Parmar, Economic Analyst.

March 8, 2024

Spring Forward

As Daylight Saving Time begins on Sunday for many of our clients, several debates in financial markets may also advance this week. Key developments to watch will include US CPI and how it may affect the Fed, the outcome of Japan's Shunto round of Spring wage negotiations and a policy decision by the PBOC with some thinking they could cut. Top shelf macro reports will be released across all major regions.

US INFLATION—WAS JANUARY AN ABERRATION?

Was January's surge just a flash in the pan? An aberration along a softening trend line? Tuesday's core CPI reading for February will help to inform this debate. It's the last CPI print before the March 20th FOMC statement plus the accompanying Summary of Economic Projections including a refreshed dot plot.

I've gone a little lower than consensus on this one with an estimated 0.3% m/m SA rise in headline CPI and 0.2% for core CPI ex-food and energy. There may be even downside risk to the core estimate. For one thing, I think the 0.85% m/m SA surge in core services inflation (ex-energy and housing) that was the hottest since April 2022 will be tough to repeat (chart 1). It's entirely feasible that it crashes right back down.

Furthermore, based on industry guidance, each of the new vehicle and used vehicle price categories seem to have shaved about -0.1% m/m SA off of total CPI and a little more off of core CPI for combined drags of -0.2% or more. Gasoline could add about 0.1% m/m SA to headline CPI which is why I think that measure exceeds core.

What's also possible is that the prior month's disinflation in core goods CPI (ex-food and energy) is a little warmer this time. At some point, however, the disinflation in market-based measures of rent is bound to begin showing up more fully in rent of primary residence and owners' equivalent rent (chart 2).

JAPANESE WAGES AND THE BANK OF JAPAN

Wage growth is a key consideration facing the Bank of Japan as it ponders whether to raise its policy balance rate from -0.10% to zero or a small positive as soon as the March 18th–19th meeting. Such a move would end the period of negative rates that was introduced in early 2016. It would be highly symbolic and could be impactful to the economy and financial system.

That's why this week will be so important to the Bank of Japan. Japan's annual Spring Shunto wage negotiations will wrap up on Wednesday and the first estimate of the outcome arrives on Friday. An ESP Forecast survey of economists expects an average gain of 3.9%.

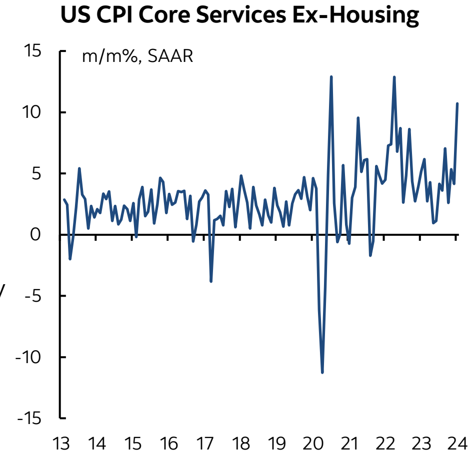
That would be below the demands set by Rengo—Japan's largest trade union confederation—that initially set out to obtain a gain of "more than 5%" this year before guiding more recently that the average wage gain being sought by its member unions this year is 5.85%.

Still, after a wage gain of 3.6% last year, anything in the ballpark of what is either demanded or forecast to be agreed upon would be the strongest back-to-back gains since the early 1990s (chart 3). The Japanese government has put large corporations under pressure to raise wages and the thinking is that this could unleash a virtuous cycle of wage-price pressures that allows Japan to escape from the deflation that has plagued its economy since the popping of the stock market and property market bubbles over three decades ago.

But Japan—unlike, say, the Eurozone or Canada—sets wages one year at a time in collective bargaining exercises versus the multi-year approach in those other regions. A key question is therefore whether this kind of wage growth will persist next year and beyond.

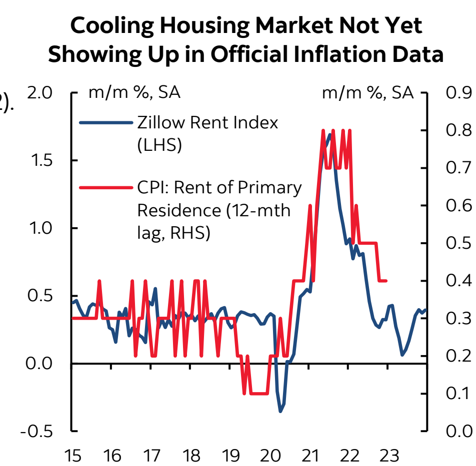
Arguing in favour of the transitory argument is that such wage gains are not supported by productivity growth (chart 4). It's unclear that this could turn out more favourably with a case in

Chart 1



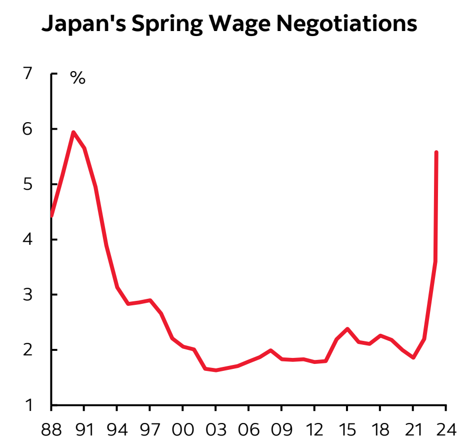
Sources: Scotiabank Economics, BLS.

Chart 2



Sources: Scotiabank Economics, Zillow, BLS.

Chart 3



Sources: Scotiabank Economics, Ministry of Health, Labor & Welfare.

point being that Japanese machine tool orders are tumbling (-14% y/y). Total nonresidential investment has also been weak.

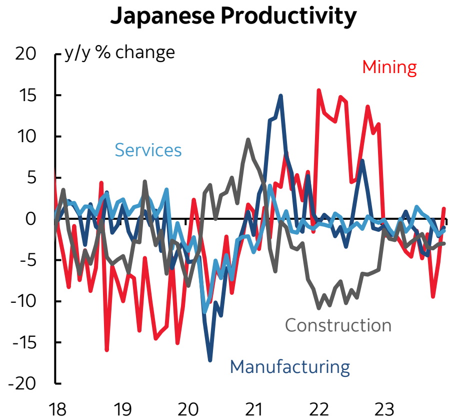
The chicken-and-egg challenge is that wage growth in excess of productivity gains can be inflationary and help the BoJ durably achieve its inflation goals, while simultaneously doubting the durability of such wage gains. At some point, shareholders would presumably pressure Boards to seek productivity gains and/or resist pressure from government and unions to pay more to workers lest their competitiveness deteriorate.

A further uncertainty is the pass-through effect; average real earnings are still falling in year-over-year terms with the Shunto wage setting exercise driving large corporations, but small businesses are weighing down average wages (chart 5).

Added reasons for caution against ending negative rates could include that underlying inflationary pressure is already waning. Tokyo core CPI (ex-fresh food and energy) landed at 0.1% m/m SA in February. That was the softest reading since way back in April 2022. That continues the decelerating trend that has been in place since the peak last April (chart 6).

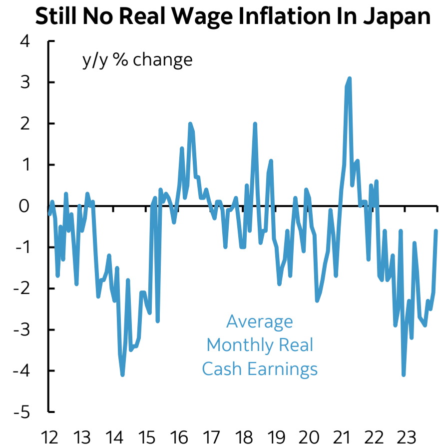
Furthermore, Japan's economy is in technical recession, and there are also the potential perils of zigging (hiking) when the Fed is more likely to zag (cut) later this year.

Chart 4



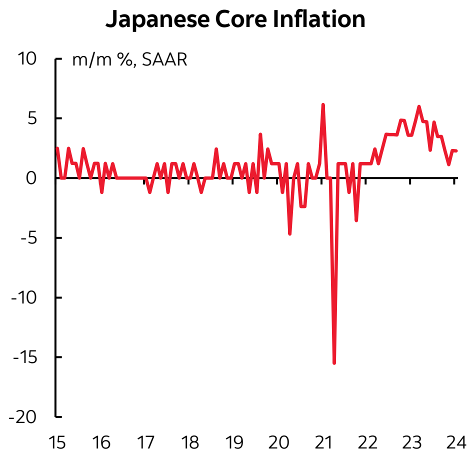
Sources: Scotiabank Economics, Japan Productivity Center for Socio-Economic Development.

Chart 5



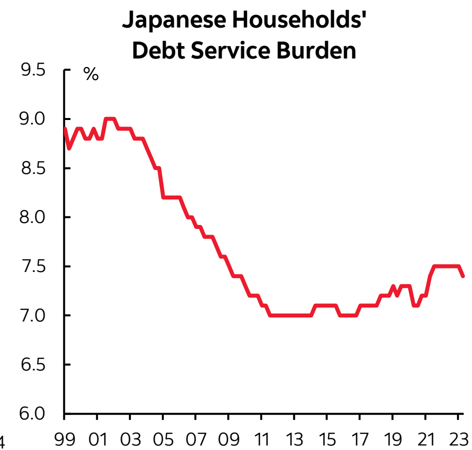
Source: Scotiabank Economics, Ministry of Health, Labour and Welfare, Japan.

Chart 6



Sources: Scotiabank Economics, Ministry of Internal Affairs and Communications.

Chart 7



Sources: Scotiabank Economics, BIS.

Some argue that ending negative rates could be a relatively harmless one-and-done episode that would be more symbolic than substantive. The challenge here, however, is that markets are already pricing further rate hikes with a cumulative roughly 35bps move higher by year-end. How to manage markets that aren't buying the one-and-done view is an added complication to BoJ communications that are typically shaky and difficult to decipher at best.

Managing this risk of a further unwanted tightening of financial conditions is very important to Japanese borrowers. About three quarters of Japanese mortgages are at variable rates. They have been used to very low borrowing costs but their debt service burden is already rising albeit from low levels (chart 7). That is partly due to the effects of stepping away from yield curve control that has contributed toward raising the 10-year JGB yield by about a full percentage point since the low point in 2019.

Tightened financial conditions could also manifest themselves in another way. Japan's stock market has benefitted from strong foreign inflows. A lot of Japanese institutional investor money has been focused domestically. Both of these effects are partly attributable to FX hedging costs as the yen has sharply depreciated from about just over 100 to the USD in early 2021 to just under 150 today. Our forecast is for further yen appreciation toward 140 this year and 130 next year. Not being mindful toward the risks to FX hedging costs could drive a rebalancing of net investor flows out of Japan and prove to be destabilizing.

To be frank, however, these arguments are not resonating very strongly relative to others. When I was in Japan last week, there was dominant sentiment that now is the best opportunity that the BoJ will get to end the pernicious effects of negative rates and seize upon confidence building arguments that deflation is gone. The fear was this opportunity would slip away if and when the Fed begins to ease. Clearly that fear is being tamped down each time a Fed official speaks and favours later and less cutting. A nation's mood and spirit may benefit from casting aside a policy deadweight that reminds everyone of the multi-decade challenge Japan has faced. Some continue to believe that entering negative rates was a mistaken experiment in the first place; **this** piece is one example of the literature over the years.

I hope proponents of a policy shift prove to be right because the consequences to being yet another false start and policy miscue by the BoJ could be devastating. It could have more of a negative effect than the weight on their shoulders of legacy policies.

PBOC—THE RISKS TO CUTTING OUTWEIGH CUT RISK

China's central bank will be the only one to deliver a policy decision this week.

The People's Bank of China is likely going to leave its 1-year Medium-Term Lending Facility Rate unchanged at 2.5% again. A minority of forecasters once again think it could cut, perhaps by 10bps. The case against doing so seems to be more dominant.

The yuan has depreciated by just over 1% to the dollar so far this year. Part of the reason is that market expectations for the Federal Reserve to begin easing monetary policy have been pushed out. For the PBOC to cut before the Fed is more clearly prepared to begin easing could stoke greater yuan instability. That's key in the minds of Chinese policymakers particularly given memories of past periods of yuan instability and what it did to local markets and political stability.

Further, Chinese inflation is probably on the mend (chart 8). It was never in deflation in terms of how economists define it as a broad, economy-wide reduction in prices that is expected to persist and that fundamentally alters behaviour including by postponing purchases. Just after completion of this publication, China is expected to report that the year-over-year rate of CPI inflation will return to positive territory in February, thus potentially ending the casual definition of deflation that some have promoted.

China is instead choosing to rely upon other forms of easing without stoking external imbalances. It has been cutting required reserve ratios on the hope that freeing up bank capital will stoke more lending. So far that has propelled domestic currency loans and total financing to the strongest start to the year on record (charts 9, 10). China has also applied targeted easing through limited fiscal and regulatory efforts. It has applied pressure upon the banks to reduce lending margins particularly on property financing as recently indicated by a cut to the key 5-year Loan Prime Rate that guides housing finance.

GLOBAL MACRO—US RETAIL SALES MAY REBOUND

While US CPI, developments in Japan and the PBOC's decision may dominate, there are several global economic indicators that could also be impactful.

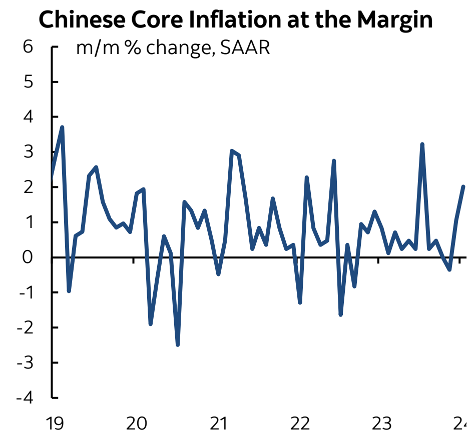
United States—It's Not Just About CPI

Most of the attention will be upon US CPI but there will be other readings of interest over the week. All of them will appear on Thursday and Friday.

- Retail sales (Thursday): February's print is expected to post a gain of close to 1% m/m which would be a strong rebound from the -0.8% prior decline. We already know that higher auto sales will play a role, but a rebound is also expected in core retail sales.
- Producer prices (Thursday): Pipeline inflation—potentially waiting to pass through to consumers—was on a generally subdued path from several months until core producer prices ex-food and energy jumped higher by 0.5% m/m SA. February's reading is expected to be more moderate.
- Industrial data (Friday): Industrial output is expected to be little changed when February's reading is released. Also watch the NY Fed's Empire gauge of manufacturing activity that kicks off the monthly parade to the next ISM-manufacturing report.

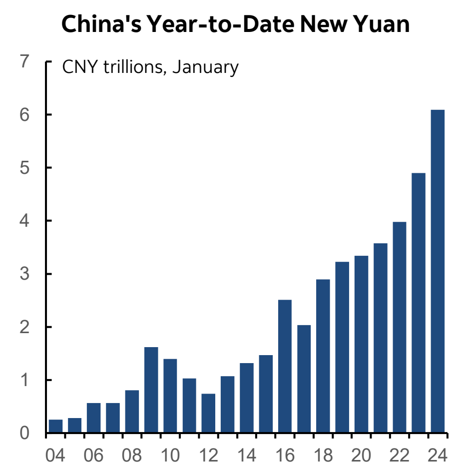
Other readings to watch in the US will include the NFIB's small business sentiment gauge and details on hiring intentions and pricing plans that have been back on a mild upswing

Chart 8



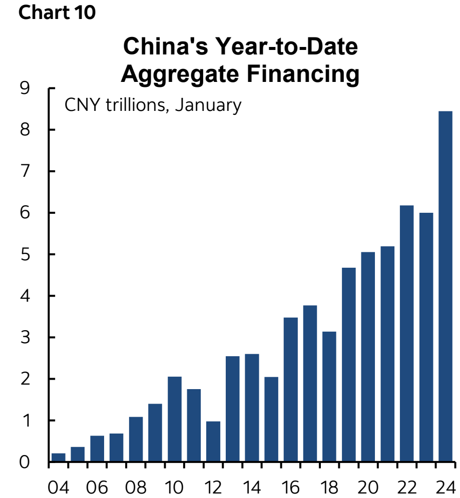
Sources: Scotiabank Economics, China National Bureau of Statistics.

Chart 9



Sources: Scotiabank Economics, Bloomberg.

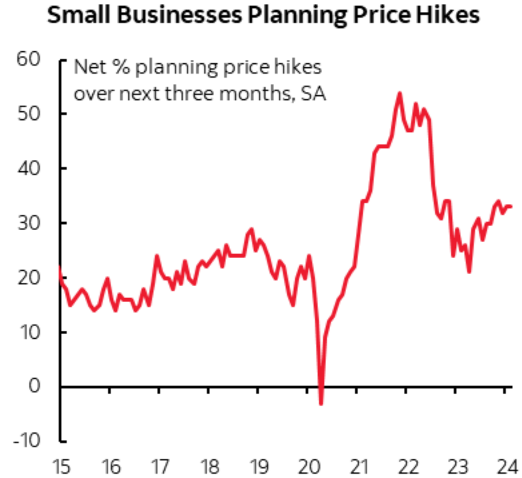
Chart 10



Sources: Scotiabank Economics, Bloomberg.

(chart 11). Weekly jobless claims (Thursday) and the University of Michigan's consumer sentiment survey for March (Friday) round out the releases.

Chart 11



Sources: Scotiabank Economics, NFIB.

LatAm—Mexican Wages, Peru's Recession

Two developments in Latin American markets will be closely watched. One is Mexican wage growth when fresh figures for February land at some point this week. Wage growth has been running at over 9% y/y with private employers leading the gain (10%) while public employees are lagging (4%). As chart 12 shows, the volatile pattern has been the fastest wage growth since the early 2000s. It's a key consideration in evaluating Banxico's scope for easing.

Second will be Peru's economic activity index for January (Friday). It has been signalling contraction since last May and is closely correlated with GDP growth (chart 13). Stabilization in this reading could inform consensus expectations for a return to year-over-year GDP growth in Q1 after four quarterly contractions.

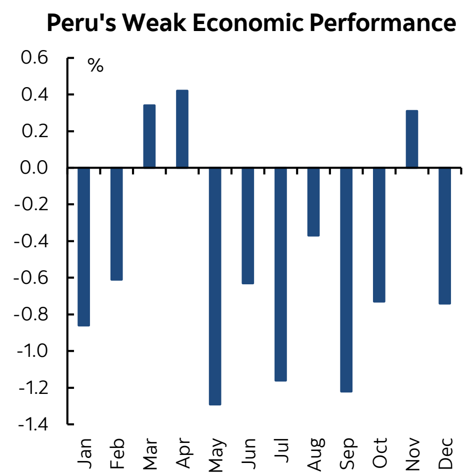
Canada—Mixed Minor Data

Canada will go relatively quiet after an active prior week. Minor updates are in store. Thursday's manufacturing report for January was previously guided to post a 0.4% m/m rise in shipments in StatCan's flash on February 26th. Friday's wholesale trade was guided to drop by -0.6% m/m back on that same day. Friday's housing starts are likely to slip if the moderation in permits for new dwellings is any guide. We might also see weaker existing home sales in February's report given what we already know about some of the cities, but it's probably best treated as a soft patch between the strong gains in December and January and the peak Spring housing market over April through to June.

Chart 12

Sources: Scotiabank Economics, Secretaria del Trabajo y Previsión Social.

Chart 13



Sources: Scotiabank Economics, Instituto Nacional de Estadistica e Informatica de Peru.

Asia-Pacific—Can Chinese Credit Growth be Sustained?

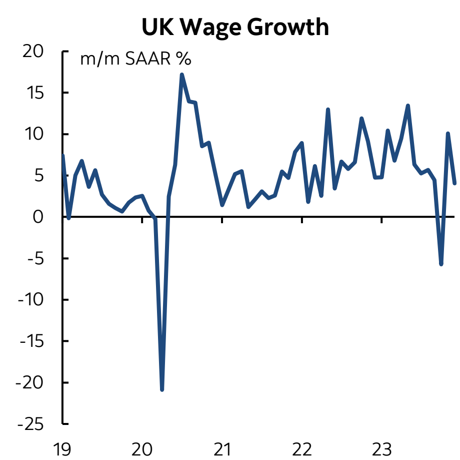
China is expected to update financing figures for February at some point over the coming week. They will follow the hottest month of January on record as referenced earlier. That may have been partly due to credit easing measures such as reductions to the required reserve ratios faced by Chinese banks. It may have also been driven by demand ahead of the Lunar New Year on February 10th. Expect softening.

India updates CPI on Tuesday. Core inflation may ease further from the 3.6% y/y reading in January. That would bring it further below the 4% headline inflation target as the midpoint of the RBI's 2–6% inflation target range.

Europe—UK Wages and the BoE

The UK will deliver its monthly data dump starting on Tuesday with employment figures for January, jobless claims, payrolls and wages for February (chart 14). Wages could impact inflation risk and pricing for the Bank of England's Bank Rate. Wednesday brings out January updates for UK GDP, industrial production, services, construction activity and international trade. CPI updates will be offered by Norway (Monday) and Sweden (Thursday).

Chart 14



Sources: Scotiabank Economics, UK Office for National Statistics..

Key Indicators for the week of March 11 – 15

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	03-12	08:00	Industrial Production (m/m)	Jan	--	0.5	-0.7
MX	03-12	08:00	Industrial Production (y/y)	Jan	--	2.2	0.0
US	03-12	08:30	CPI (m/m)	Feb	0.3	0.4	0.3
US	03-12	08:30	CPI (y/y)	Feb	3.0	3.1	3.1
US	03-12	08:30	CPI (index)	Feb	--	310.3	308.4
US	03-12	08:30	CPI ex. Food & Energy (m/m)	Feb	0.2	0.3	0.4
US	03-12	08:30	CPI ex. Food & Energy (y/y)	Feb	3.6	3.7	3.9
US	03-12	14:00	Treasury Budget (US$ bn)	Feb	--	-305.0	-21.9
US	03-13	07:00	MBA Mortgage Applications (w/w)	Mar 08	--	--	9.7
CA	03-14	08:30	Manufacturing Shipments (m/m)	Jan	0.4	0.3	-0.7
US	03-14	08:30	Initial Jobless Claims (000s)	Mar 09	220	219	217
US	03-14	08:30	Continuing Claims (000s)	Mar 02	1900	--	1906
US	03-14	08:30	PPI (m/m)	Feb	0.3	0.3	0.3
US	03-14	08:30	PPI ex. Food & Energy (m/m)	Feb	0.2	0.2	0.5
US	03-14	08:30	Retail Sales (m/m)	Feb	0.7	0.8	-0.8
US	03-14	08:30	Retail Sales ex. Autos (m/m)	Feb	0.5	0.5	-0.6
US	03-14	10:00	Business Inventories (m/m)	Jan	--	0.2	0.4
CA	03-15	08:15	Housing Starts (000s a.r.)	Feb	200	225.0	223.6
CA	03-15	08:30	International Securities Transactions (C$ bn)	Jan	--	--	10.4
CA	03-15	08:30	Wholesale Trade (m/m)	Jan	-0.6	-0.6	0.3
US	03-15	08:30	Empire State Manufacturing Index	Mar	--	-8.0	-2.4
US	03-15	08:30	Export Prices (m/m)	Feb	--	0.3	0.8
US	03-15	08:30	Import Prices (m/m)	Feb	--	0.3	0.8
US	03-15	09:15	Capacity Utilization (%)	Feb	78.4	78.5	78.5
US	03-15	09:15	Industrial Production (m/m)	Feb	0.0	0.0	-0.1

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
SP	03-11	04:00	Real Retail Sales (y/y)	Jan	--	3.4
GE	03-12	03:00	CPI (m/m)	Feb F	0.4	0.4
GE	03-12	03:00	CPI (y/y)	Feb F	2.5	2.5
GE	03-12	03:00	CPI - EU Harmonized (m/m)	Feb F	0.6	0.6
GE	03-12	03:00	CPI - EU Harmonized (y/y)	Feb F	2.7	2.7
UK	03-12	03:00	Average Weekly Earnings (3-month, y/y)	Jan	5.7	5.8
UK	03-12	03:00	Employment Change (3M/3M, 000s)	Jan	5.0	72.0
UK	03-12	03:00	Jobless Claims Change (000s)	Feb	--	14.1
UK	03-12	03:00	ILO Unemployment Rate (%)	Jan	3.8	3.8
UK	03-13	03:00	Index of Services (m/m)	Jan	0.2	-0.1
UK	03-13	03:00	Industrial Production (m/m)	Jan	0.0	0.6
UK	03-13	03:00	Manufacturing Production (m/m)	Jan	0.0	0.8
UK	03-13	03:00	Visible Trade Balance (£ mn)	Jan	-15050.0	-13989.0
IT	03-13	05:00	Unemployment Rate (%)	4Q	7.3	7.7
EC	03-13	06:00	Industrial Production (m/m)	Jan	-1.5	2.6
EC	03-13	06:00	Industrial Production (y/y)	Jan	-3.0	1.2
SP	03-14	04:00	CPI (m/m)	Feb F	0.3	0.3
SP	03-14	04:00	CPI (y/y)	Feb F	2.8	2.8
SP	03-14	04:00	CPI - EU Harmonized (m/m)	Feb F	0.4	0.4
SP	03-14	04:00	CPI - EU Harmonized (y/y)	Feb F	2.9	2.9
GE	03-14	04:00	Current Account (€ bn)	Jan	--	31.4
FR	03-15	03:45	CPI (m/m)	Feb F	0.8	0.8
FR	03-15	03:45	CPI (y/y)	Feb F	2.9	2.9
FR	03-15	03:45	CPI - EU Harmonized (m/m)	Feb F	0.9	0.9
FR	03-15	03:45	CPI - EU Harmonized (y/y)	Feb F	3.1	3.1

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

Key Indicators for the week of March 11 – 15

ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
JN	03-10	19:50	GDP (q/q)	4Q F	0.3	-0.1
JN	03-10	19:50	GDP Deflator (y/y)	4Q F	3.8	3.8
JN	03-10	19:50	Japan Money Stock M2 (y/y)	Feb	--	2.4
JN	03-10	19:50	Japan Money Stock M3 (y/y)	Feb	--	1.8
JN	03-11	02:00	Machine Tool Orders (y/y)	Feb P	--	-14.0
PH	03-11	21:00	Exports (y/y)	Jan	6.9	-0.5
PH	03-11	21:00	Imports (y/y)	Jan	-4.6	-5.1
PH	03-11	21:00	Trade Balance (US$ mn)	Jan	-4695.0	-4013.0
MA	03-12	00:00	Industrial Production (y/y)	Jan	2.0	-0.1
IN	03-12	08:00	CPI (y/y)	Feb	5.07	5.10
IN	03-12	08:00	Industrial Production (y/y)	Jan	4.10	3.80
SK	03-12	19:00	Unemployment Rate (%)	Feb	2.9	3.0
ID	03-12	22:00	Consumer Confidence Index	Feb	--	125.0
IN	03-12	23:30	Exports (y/y)	Feb	--	3.1
IN	03-12	23:30	Imports (y/y)	Feb	--	3.0
IN	03-14	02:30	Monthly Wholesale Prices (y/y)	Feb	0.1	0.3
HK	03-14	04:30	Industrial Production (y/y)	4Q	--	4.4
NZ	03-14	17:30	Business NZ PMI	Feb	--	47.3
ID	03-14	22:00	Exports (y/y)	Feb	-6.5	-8.2
ID	03-14	22:00	Imports (y/y)	Feb	8.0	0.3
ID	03-14	22:00	Trade Balance (US$ mn)	Feb	2500.0	2015.1
JN	03-15	00:30	Tertiary Industry Index (m/m)	Jan	0.1	0.7

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	03-12	08:00	IBGE Inflation IPCA (m/m)	Feb	--	0.8	0.4
BZ	03-12	08:00	IBGE Inflation IPCA (y/y)	Feb	--	4.4	4.5
BZ	03-14	08:00	Retail Sales (m/m)	Jan	--	0.2	-1.3
BZ	03-14	08:00	Retail Sales (y/y)	Jan	--	1.4	1.3
CO	03-15	11:00	Retail Sales (y/y)	Jan	--	-1.0	-4.7
PE	03-15	11:00	Economic Activity Index NSA (y/y)	Jan	1.8	--	-0.7

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

Global Auctions for the week of March 11 – 15

NORTH AMERICA

Country	Date	Time	Event
US	03-11	13:00	U.S. To Sell 3-Year Notes
US	03-12	13:00	U.S. To Sell 10-Year Notes Reopening
US	03-13	13:00	U.S. To Sell 30-Year Bond Reopening
CA	03-14	12:00	Canada to Sell 5 Year Bonds

EUROPE

Country	Date	Time	Event
NE	03-12	05:00	Netherlands to Sell Up to EU2.5B of 2.5% 2030 Bonds
UK	03-12	06:00	U.K. to Sell GBP3.75 Billion of 4.625% 2034 Bonds
GE	03-12	06:30	Germany to Sell EU4.5 Billion of 2.5% 2026 Bonds
SW	03-13	06:00	Sweden to Sell SEK3.5 Billion of 2.25% 2035 Bonds
SZ	03-13	06:00	Switzerland to Sell Bonds
NO	03-13	06:00	Norway to Sell Bonds
IT	03-13	06:00	Italy to Sell Bonds
GE	03-13	06:30	Germany to Sell EU4.5 Billion of 2.2% 2034 Bonds

ASIA PACIFIC

Country	Date	Time	Event
JN	03-11	23:35	Japan to Sell 5-Year Bonds
CH	03-13	22:35	China to Sell 115 Billion Yuan 2034 Bonds
CH	03-13	22:35	China to Sell 107 Billion Yuan 2026 Bonds
JN	03-13	23:35	Japan to Sell 20-Year Bonds

LATIN AMERICA

Country	Date	Time	Event
No Scheduled Auctions			

Sources: Bloomberg, Scotiabank Economics.

Events for the week of March 11 – 15

NORTH AMERICA

Country	Date	Time	Event
No Scheduled Events			

EUROPE

Country	Date	Time	Event
UK	03-11	08:00	BOE Quartely Bulletin article on investment
EC	03-12	04:00	ECB's Holzmann Speaks in Vienna
SW	03-12	04:00	Riksbank Executive Board in Parliamentary Hearing
UK	03-12	07:00	BOE's Catherine Mann speaks
SW	03-13	03:50	Riksbank's Floden speaks
SW	03-13	04:00	Riksbank's Breman speaks
FI	03-13	04:00	Finnish FSA Briefing on Financial Sector Risks
EC	03-13	10:00	ECB's Stournaras Speaks in London
SW	03-14	04:00	Riksbank's Breman speaks at sustainable finance conference
SW	03-14	04:30	Riksbank Payments Report
EC	03-14	14:30	ECB's Stournaras Speaks
FI	03-15	05:00	Finnish Economic Forecast by the Bank of Finland
UK	03-15	05:30	BOE Inflation Attitudes Survey
EC	03-15	05:35	ECB's Vujcic Speaks

ASIA PACIFIC

Country	Date	Time	Event
AU	03-11	18:30	RBA's Hunter-Panel Participation
NZ	03-13	14:00	RBNZ's Conway Speaks About February MPS

LATIN AMERICA

Country	Date	Time	Event
No Scheduled Events			

Sources: Bloomberg, Scotiabank Economics.

Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	5.00	April 10, 2024	5.00	5.00
Federal Reserve – Federal Funds Target Rate	5.50	March 20, 2024	5.50	5.50
Banco de México – Overnight Rate	11.25	March 21, 2024	11.00	11.00

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	4.50	April 11, 2024	4.50	4.50
European Central Bank – Marginal Lending Facility Rate	4.75	April 11, 2024	4.75	4.75
European Central Bank – Deposit Facility Rate	4.00	April 11, 2024	4.00	4.00
Bank of England – Bank Rate	5.25	March 21, 2024	5.25	5.25
Swiss National Bank – Sight Deposit Rate	1.75	March 21, 2024	1.75	1.75
Central Bank of Russia – One-Week Auction Rate	16.00	March 22, 2024	16.00	16.00
Sweden Riksbank – Repo Rate	4.00	March 27, 2024	4.00	4.00
Norges Bank – Deposit Rate	4.50	March 21, 2024	4.50	4.50
Central Bank of Turkey – Benchmark Repo Rate	45.00	March 21, 2024	45.00	45.00

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	March 19, 2024	-0.10	-0.10
Reserve Bank of Australia – Cash Rate Target	4.35	March 18, 2024	4.35	4.35
Reserve Bank of New Zealand – Cash Rate	5.50	April 9, 2024	5.50	5.50
People's Bank of China – 1-Year Medium-Term Lending Facility Rate	2.50	March 14, 2024	2.50	2.50
Reserve Bank of India – Repo Rate	6.50	April 5, 2024	6.50	6.50
Bank of Korea – Base Rate	3.50	April 12, 2024	3.50	3.50
Bank of Thailand – Repo Rate	2.50	April 10, 2024	2.50	2.50
Bank Negara Malaysia – Overnight Policy Rate	3.00	May 9, 2024	3.00	3.00
Bank Indonesia – BI-Rate	6.00	March 20, 2024	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	6.50	April 4, 2024	6.50	6.50

People's Bank of China (PBoC): Most expect the 1-year Medium-Term Lending Facility Rate to be held unchanged at 2.5% but the usual minority thinks this could be the meeting at which the PBOC decides to cut. That's unlikely given the risk of stoking yuan instability before the Federal Reserve eases, given improving Chinese core inflation readings, and given reliance upon other easing measures like cuts to required reserve ratios, fiscal and regulatory easing, and a prior cut to the 5-year Loan Prime Rate charged by banks.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	11.25	March 20, 2024	10.75	10.75
Banco Central de Chile – Overnight Rate	7.25	April 2, 2024	6.25	N/A
Banco de la República de Colombia – Lending Rate	12.75	March 22, 2024	12.00	12.25
Banco Central de Reserva del Perú – Reference Rate	6.25	April 11, 2024	6.00	N/A

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	8.25	March 27, 2024	8.25	8.25

Sources: Bloomberg, Scotiabank Economics.