

Global Devastation

- **COVID-19 is resulting in massive revisions to forecasts. Incoming data confirm the global economy is in a deep recession. Output will fall between 30–50% in annualized terms in many countries during the second quarter. Global economic output is expected to fall by 2.8%—the worst showing since the Great Depression.**
- **Signs of an imminent peak suggest economies may begin to re-open in the latter half of the second quarter. This should lead a rebound in growth in the second half of 2020 and into 2021, but levels of economic activity will remain well below those observed in late 2019 until early 2022. A rebound in growth rates should not be confused with a return to normal.**
- **In Canada, the deep contraction in the first half of 2020 is likely to lead to a roughly 9% fall in GDP this year, even though economic growth is expected to rebound in the second part of the year.**
- **Downside risks dominate an already grim outlook. In the absence of effective treatments and vaccines, populations are at risk of a reactivation of the virus even if we have passed peak infection rates.**

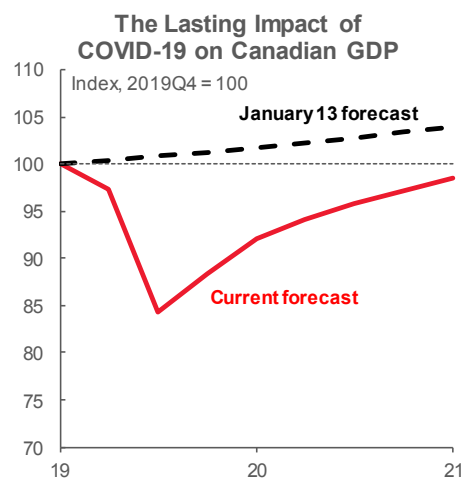
The costs of COVID-19 are mounting rapidly. The scale of the devastation is breathtaking. At the time of writing, more than 2 million individuals have contracted the virus, and nearly 150,000 of those have perished. Many more infections and deaths are expected. From an economic perspective, the full scope of the damage is beginning to appear in economic data. It is clear the global economy is in a deep recession. In China, for instance, the level of economic activity fell by close to 7% in Q1 relative to the same period last year. Purchasing managers' indices are showing sharp drop-offs in activity around the world. Employment insurance claims are skyrocketing as layoffs mount in a broad range of countries. In Canada, March GDP fell by 9% (not annualized!) relative to February, even though lockdown measures were only implemented in the second half of the month. Across much of the industrialized world, economic activity is expected to fall in the 30–50% range in the second quarter.

Much of the economic damage is necessary, reflecting measures deemed required by public health officials to slow the spread of the virus to avoid overwhelming national healthcare systems. There are hopeful signs that these measures are starting to bear fruit, as infection rates seem to be stabilizing in a number of countries. This suggests we may be nearing the peak of the virus. As a consequence, governments are slowly starting to develop plans for how to re-open their economies. As health officials note, however, some form of distancing measures will be required for a number of weeks after COVID-19 has peaked. It will take time for life to return to normal.

We currently assume that global economies gradually re-open in the latter half of the second quarter. In Canada, for instance, we believe this will occur in the back half of May, following the current guidance (or hopes) of Premiers Legault and Ford. If this happens, we expect a strong rebound in Canadian economic activity in the second half of the year.

CONTACTS

Jean-François Perrault, SVP & Chief Economist
 416.866.4214
 Scotiabank Economics
jean-francois.perrault@scotiabank.com



Even if this rebound occurs, levels of economic activity in much of the global economy will remain well below those observed in 19Q4 owing to the severity of the downturn and what is likely to be a gradual return to normalcy. Social distancing, whether mandated by governments or not, is likely to remain in some shape or fashion for an extended period of time. Take air travel as an example. It may well be that travel restrictions are lifted in the summer, but it is highly likely that some proportion of air travellers will refrain from flying for quite a while. Moreover, a resumption of activity in some sectors will lead to very strong growth rates in the near term even if the level of activity is low.

In Canada, we expect economic activity to contract by 44% in 20Q2 owing to COVID-19-related disruptions. As this follows a 10% decline in 20Q1, rebounds of 21% and 18% in the final quarters of the year are not powerful enough to prevent a 9% decline in GDP in 2020. As can be seen from Chart 1, a rebound in the second half of this year and a robust 6.5% next year will leave the level of economic activity below that observed in 19Q4 through next year. Relative to our pre-COVID forecasts done in January, a portion of the output loss can never be recovered. The same will be true in every country affected by the virus.

Unfortunately, risks to this grim outlook are tilted to the downside. There is yet no effective treatment for the virus, nor is there a vaccine. The latter may take another year yet to develop. That leaves populations exposed to a reactivation of the virus as temperature cools in the fall. A return of aggressive containment measures later this year cannot be ruled out. Moreover, as policymakers work to re-open economies and lift restrictions, it may well be that this is done too soon in some cases, and in so doing lead to increases in infection rates.

International	2010–18	2018	2019	2020f	2021f	2010–18	2018	2019	2020f	2021f
	Real GDP (annual % change)					Consumer Prices (y/y % change, year-end)				
World (based on purchasing power parity)	3.8	3.7	3.1	-2.8	5.9					
Canada	2.2	2.0	1.6	-9.1	6.5	1.7	2.0	2.1	-0.8	1.9
United States	2.3	2.9	2.3	-6.3	7.0	1.7	2.2	2.0	-0.3	2.8
Mexico	3.0	2.1	-0.1	-8.4	1.1	4.1	4.8	2.8	3.6	3.7
United Kingdom	1.9	1.3	1.4	-6.1	3.9	2.2	2.1	1.4	0.5	1.6
Eurozone	1.4	1.9	1.2	-7.1	4.1	1.3	1.5	1.3	0.0	1.1
Germany	2.1	1.5	0.6	-6.6	4.8	1.3	1.6	1.5	0.4	1.1
France	1.4	1.7	1.3	-6.9	3.9	1.1	1.6	1.6	-0.5	1.1
China	7.9	6.8	6.1	1.6	8.5	2.5	1.8	4.5	2.9	2.6
India	7.2	5.5	5.3	2.1	8.2	7.3	2.1	7.4	3.0	4.8
Japan	1.4	0.3	0.7	-3.8	2.3	0.6	0.3	0.8	0.1	0.7
South Korea	3.4	2.7	2.0	-1.6	3.1	1.8	1.3	0.7	0.3	1.7
Australia	2.7	2.7	1.8	-4.0	3.1	2.1	1.8	1.8	1.1	1.6
Thailand	3.8	4.1	2.4	-5.4	4.4	1.5	0.4	0.9	-0.2	1.5
Brazil	1.4	1.3	1.1	-3.3	2.5	6.0	3.8	4.3	6.3	7.1
Colombia	3.8	2.5	3.3	0.6	3.6	3.9	3.2	3.8	3.2	3.1
Peru	4.8	4.0	2.2	-2.3	4.5	3.0	2.2	1.9	1.1	2.2
Chile	3.6	4.0	1.1	-2.1	2.9	3.2	2.6	3.0	2.8	3.0
Argentina*	1.8	-2.5	-2.2	-5.6	4.2	19.8	47.6	53.8	45.7	46.8
Commodities	(annual average)									
WTI Oil (USD/bbl)	74	65	57	30	40					
Brent Oil (USD/bbl)	82	72	64	33	42					
WCS - WTI Discount (USD/bbl)	-18	-26	-14	-16	-21					
Nymex Natural Gas (USD/mmbtu)	3.39	3.07	2.53	1.95	2.40					
Copper (USD/lb)	3.10	2.96	2.72	2.25	2.75					
Zinc (USD/lb)	1.02	1.33	1.16	0.90	1.00					
Nickel (USD/lb)	7.00	5.95	6.32	5.40	6.00					
Aluminium (USD/lb)	0.89	0.96	0.81	0.90	0.90					
Iron Ore (USD/tonne)	101	70	94	77	70					
Metallurgical Coal (USD/tonne)	179	207	184	134	140					
Gold, (USD/oz)	1,342	1,268	1,393	1,650	1,700					
Silver, (USD/oz)	21.64	15.71	16.21	16.50	18.00					

Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, IMF, Bloomberg.
 *CPI average not inclusive of 2015 and 2016.

North America	2010-18	2018	2019	2020f	2021f	2010-18	2018	2019	2020f	2021f
	Canada					United States				
	(annual % change, unless noted)					(annual % change, unless noted)				
Real GDP	2.2	2.0	1.6	-9.1	6.5	2.3	2.9	2.3	-6.3	7.0
Consumer spending	2.6	2.1	1.6	-6.4	4.5	2.4	3.0	2.6	-5.1	6.3
Residential investment	2.7	-1.5	-0.5	-13.4	5.0	4.8	-1.5	-1.5	-6.0	6.8
Business investment*	2.4	1.8	-0.8	-17.1	12.2	5.2	6.4	2.1	-13.9	13.9
Government	1.2	3.4	1.6	1.5	2.6	-0.3	1.7	2.3	2.2	2.9
Exports	3.6	3.1	1.2	-10.0	11.9	4.1	3.0	0.0	-9.6	10.8
Imports	3.9	2.6	0.3	-3.2	7.2	4.9	4.4	1.0	-3.9	8.0
Nominal GDP	3.9	3.9	3.6	-12.5	8.1	4.0	5.4	4.1	-5.3	8.2
GDP deflator	1.7	1.8	1.9	-3.9	1.7	1.7	2.4	1.7	1.1	1.0
Consumer price index (CPI)	1.7	2.3	1.9	0.5	0.8	1.8	2.4	1.8	0.7	1.8
Core inflation rate**	1.9	1.9	2.0	1.1	0.6	1.6	1.9	1.6	1.1	1.6
Pre-tax corporate profits	5.8	2.5	0.3	-20.9	5.8	4.6	3.4	0.0	-9.7	3.2
Employment	1.2	1.3	2.1	-8.4	7.4	1.4	1.6	1.4	-6.0	4.3
Unemployment rate (%)	7.0	5.8	5.7	10.9	7.9	6.5	3.9	3.7	9.3	8.8
Current account balance (CAD, USD bn)	-58.4	-55.5	-45.4	-83.0	-52.3	-421	-491	-494	-583	-572
Merchandise trade balance (CAD, USD bn)	-13.0	-22.1	-18.2	-63.0	-36.3	-754	-887	-865	-912	-958
Federal budget balance (FY, CAD, USD bn)	-19.4	-19.0	-14.0	-26.6	-200.0	-813	-779	-960	-2,680	-1,450
percent of GDP	-1.0	-0.9	-0.6	-1.3	-9.2	-4.6	-3.8	-4.5	-13.2	-6.6
Housing starts (000s, mn)	200	213	209	159	208	0.96	1.25	1.30	1.23	1.37
Motor vehicle sales (000s, mn)	1,810	1,983	1,922	1,342	1,474	15.5	17.2	16.9	12.6	13.7
Industrial production	2.7	3.1	-1.1	-11.8	7.0	2.2	4.0	0.9	-9.3	5.3
	Mexico									
	(annual % change)									
Real GDP	3.0	2.1	-0.1	-8.4	1.1					
Consumer price index (year-end)	4.1	4.8	2.8	3.6	3.7					
Current account balance (USD bn)	-21.2	-23.0	-2.4	-8.1	-4.0					
Merchandise trade balance (USD bn)	-6.8	-13.6	5.8	2.7	5.0					

Sources: Scotiabank Economics, Statistics Canada, CMHC, BEA, BLS, Bloomberg. *For Canada it includes capital expenditures by businesses and non-profit institutions.
 ** US: core PCE deflator; Canada: average of 3 core measures published by the BoC.

Quarterly Forecasts	2019		2020			2021			
	Q4	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Canada									
Real GDP (q/q ann. % change)	0.3	-10.1	-43.9	21.3	17.8	9.1	7.2	5.5	6.2
Real GDP (y/y % change)	1.5	-1.4	-15.4	-11.5	-7.9	-3.3	13.7	9.8	7.0
Consumer prices (y/y % change)	2.1	2.0	0.4	0.3	-0.8	-1.2	0.8	1.5	1.9
Avg. of new core CPIs (y/y % change)	2.1	1.7	1.3	1.0	0.4	0.4	0.5	0.7	0.9
United States									
Real GDP (q/q ann. % change)	2.1	-7.5	-39.0	25.9	16.3	10.0	6.3	4.4	3.5
Real GDP (y/y % change)	2.3	-0.4	-12.4	-7.7	-4.7	-0.4	14.4	9.2	6.0
Consumer prices (y/y % change)	2.0	2.1	0.8	0.1	-0.3	0.7	1.4	2.1	2.8
Total PCE deflator (y/y % change)	1.4	1.5	0.6	-0.1	-0.4	0.6	1.5	2.1	2.6
Core PCE deflator (y/y % change)	1.6	1.8	1.3	0.8	0.6	1.1	1.5	1.8	2.0

Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, Bloomberg.

	2019		2020				2021			
Central Bank Rates	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	
Americas	(% , end of period)									
Bank of Canada	1.75	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	
US Federal Reserve (upper bound)	1.75	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	
Bank of Mexico	7.25	6.50	5.50	5.50	5.50	5.00	5.00	5.00	5.00	
Central Bank of Brazil	4.50	3.75	3.00	3.00	3.00	4.00	4.75	5.50	6.00	
Bank of the Republic of Colombia	4.25	3.75	3.25	3.25	3.25	3.25	3.75	4.25	4.25	
Central Reserve Bank of Peru	2.25	1.25	0.25	0.25	0.25	0.75	1.00	1.25	1.50	
Central Bank of Chile	1.75	0.50	0.50	0.50	0.50	1.00	1.25	1.50	1.50	
Central Bank of Argentina	55.00	38.00	37.00	36.00	36.00	36.00	37.00	38.00	40.00	
Europe										
European Central Bank MRO Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
European Central Bank Deposit Rate	-0.50	-0.50	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	
Bank of England	0.75	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
Asia/Oceania										
Reserve Bank of Australia	0.75	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	
Bank of Japan	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	
People's Bank of China	4.15	4.05	3.90	3.90	3.90	3.90	3.90	3.90	3.90	
Reserve Bank of India	5.15	4.40	4.00	3.75	3.75	3.75	3.75	4.00	4.25	
Bank of Korea	1.25	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	
Bank of Thailand	1.25	0.75	0.50	0.25	0.25	0.25	0.25	0.25	0.25	
Currencies and Interest Rates										
Americas	(end of period)									
Canadian dollar (USDCAD)	1.30	1.48	1.42	1.39	1.38	1.37	1.35	1.33	1.32	
Canadian dollar (CADUSD)	0.77	0.68	0.70	0.72	0.72	0.73	0.74	0.75	0.76	
Mexican peso (USDMXN)	18.93	21.97	24.25	24.03	24.24	24.29	24.07	24.02	24.15	
Brazilian real (USDBRL)	4.02	5.25	4.97	4.72	4.84	4.93	4.64	4.52	4.42	
Colombian peso (USDCOP)	3287	4065	3950	3851	3654	3473	3465	3458	3450	
Peruvian sol (USDPEN)	3.31	3.43	3.49	3.47	3.45	3.42	3.43	3.39	3.40	
Chilean peso (USDCLP)	753	860	820	800	790	780	760	740	720	
Argentine Peso (USDARS)	59.87	64.40	73.40	79.10	83.10	86.20	87.50	89.20	93.10	
Europe										
Euro (EURUSD)	1.12	1.08	1.09	1.10	1.12	1.13	1.14	1.15	1.16	
UK pound (GBPUSD)	1.33	1.15	1.25	1.27	1.28	1.29	1.30	1.31	1.32	
Asia/Oceania										
Japanese yen (USDJPY)	109	108	108	107	107	106	106	106	105	
Australian dollar (AUDUSD)	0.70	0.61	0.61	0.62	0.63	0.65	0.66	0.67	0.67	
Chinese yuan (USDCNY)	6.96	7.08	6.90	6.80	6.80	6.70	6.70	6.60	6.60	
Indian rupee (USDINR)	71.4	75.5	75.0	74.0	74.0	73.0	73.0	72.0	72.0	
South Korean won (USDKRW)	1,156	1,219	1,200	1,180	1,180	1,160	1,160	1,140	1,140	
Thai baht (USDTHB)	30.0	32.8	32.5	32.0	32.0	31.0	31.0	30.0	30.0	
Canada (Yields, %)										
3-month T-bill	1.66	0.21	0.25	0.25	0.25	0.25	0.25	0.25	0.25	
2-year Canada	1.69	0.42	0.40	0.45	0.55	0.65	0.75	0.85	0.95	
5-year Canada	1.68	0.58	0.50	0.60	0.70	0.85	1.00	1.10	1.20	
10-year Canada	1.70	0.69	0.75	0.90	1.00	1.20	1.30	1.40	1.50	
30-year Canada	1.76	1.30	1.30	1.35	1.40	1.45	1.55	1.65	1.75	
United States (Yields, %)										
3-month T-bill	1.51	0.05	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
2-year Treasury	1.57	0.25	0.30	0.40	0.55	0.70	0.80	0.90	1.00	
5-year Treasury	1.69	0.38	0.45	0.60	0.85	1.00	1.10	1.20	1.30	
10-year Treasury	1.92	0.67	0.75	0.85	1.05	1.20	1.30	1.45	1.60	
30-year Treasury	2.39	1.32	1.30	1.50	1.65	1.85	2.05	2.05	2.10	

Sources: Scotiabank Economics, Bloomberg.

The Provinces	(annual % change except where noted)										
	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
Real GDP											
2010–18	2.2	0.5	2.0	0.9	0.6	1.7	2.2	2.2	2.5	2.8	2.8
2018	2.0	-3.5	2.6	1.5	0.8	2.5	2.2	1.3	1.3	1.6	2.6
2019e	1.6	2.1	2.8	1.7	0.6	2.7	1.6	1.3	1.0	0.5	2.1
2020f	-9.1	-10.1	-8.1	-8.3	-8.4	-9.0	-9.2	-8.6	-9.4	-10.6	-7.9
2021f	6.5	5.4	6.7	6.1	6.2	6.6	6.7	5.9	6.5	6.1	6.6
Nominal GDP											
2010–18	3.9	3.2	3.9	2.7	2.8	3.7	4.1	4.0	3.3	3.8	4.5
2018	3.9	1.7	4.2	3.3	3.2	4.8	3.7	2.2	1.4	3.8	4.5
2019e	3.6	3.8	4.8	3.5	2.3	4.3	3.8	3.1	2.6	2.1	4.3
2020f	-12.5	-14.5	-10.4	-10.4	-10.5	-12.4	-12.5	-10.4	-13.9	-15.5	-11.4
2021f	8.1	7.5	8.7	8.0	8.1	8.3	8.4	8.0	8.8	8.3	8.5
Employment											
2010–18	1.2	0.5	1.2	0.2	-0.2	1.1	1.3	0.8	0.9	1.5	1.4
2018	1.3	0.5	3.0	1.5	0.3	0.9	1.6	0.6	0.4	1.9	1.1
2019e	2.1	0.6	2.7	2.2	0.8	1.8	2.9	0.9	1.8	0.5	2.6
2020f	-8.4	-11.2	-6.3	-7.7	-7.7	-8.0	-7.7	-7.2	-10.3	-11.4	-8.2
2021f	7.4	5.1	7.8	6.9	6.9	7.4	7.2	6.0	7.5	8.1	7.7
Unemployment Rate (%)											
2010–18	7.0	13.3	10.8	8.8	9.3	7.4	7.3	5.5	5.2	6.1	6.4
2018	5.8	13.8	9.4	7.6	8.0	5.5	5.6	6.0	6.1	6.6	4.7
2019e	5.7	11.9	8.8	7.2	8.0	5.1	5.6	5.3	5.4	6.9	4.7
2020f	10.9	17.8	12.2	11.7	12.0	10.1	10.5	9.6	12.4	14.5	9.5
2021f	7.9	15.2	9.0	9.1	9.2	7.0	7.5	7.6	9.5	11.1	6.3
Housing Starts (units, 000s)											
2010–18	200	2.4	0.8	4.1	2.7	44	70	6.5	6.4	31	33
2018	213	1.1	1.1	4.8	2.3	47	79	7.4	3.6	26	41
2019e	209	0.9	1.5	4.7	2.9	48	69	6.9	2.4	27	45
2020f	159	1.0	1.0	3.7	2.3	38	57	4.9	1.9	21	28
2021f	208	1.6	1.5	4.4	2.6	45	75	6.8	4.4	29	38
Motor Vehicle Sales (units, 000s)											
2010–18	1,810	33	7	52	42	439	725	56	54	241	197
2018	1,983	28	8	51	38	449	853	67	47	226	217
2019e	1,922	30	8	51	40	442	818	56	48	218	204
2020f	1,342	19	6	39	28	310	575	40	30	135	160
2021f	1,474	20	7	42	29	341	636	42	32	149	176
Budget Balances, Fiscal Year Ending March 31 (CAD mn)											
2019	-14,000	-552	57	120	73	4,803	-7,435	-163	-268	-6,711	1,535
2020f*	-26,600	-944	-4	41	98	1,900	-9,184	-325	37	-7,540	203
2021f	-200,000	-796	7	55	92	0	-20,500	-220	49	-6,810	227

* NL budget balance in 2020 is net of one-time revenue boost via Atlantic Accord. Sources: Scotiabank Economics, Statistics Canada, CMHC, Budget documents; Quebec budget balance figures are after Generations Fund transfers.

This report has been prepared by Scotiabank Economics as a resource for the clients of Scotiabank. Opinions, estimates and projections contained herein are our own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness. Neither Scotiabank nor any of its officers, directors, partners, employees or affiliates accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

These reports are provided to you for informational purposes only. This report is not, and is not constructed as, an offer to sell or solicitation of any offer to buy any financial instrument, nor shall this report be construed as an opinion as to whether you should enter into any swap or trading strategy involving a swap or any other transaction. The information contained in this report is not intended to be, and does not constitute, a recommendation of a swap or trading strategy involving a swap within the meaning of U.S. Commodity Futures Trading Commission Regulation 23.434 and Appendix A thereto. This material is not intended to be individually tailored to your needs or characteristics and should not be viewed as a "call to action" or suggestion that you enter into a swap or trading strategy involving a swap or any other transaction. Scotiabank may engage in transactions in a manner inconsistent with the views discussed this report and may have positions, or be in the process of acquiring or disposing of positions, referred to in this report.

Scotiabank, its affiliates and any of their respective officers, directors and employees may from time to time take positions in currencies, act as managers, co-managers or underwriters of a public offering or act as principals or agents, deal in, own or act as market makers or advisors, brokers or commercial and/or investment bankers in relation to securities or related derivatives. As a result of these actions, Scotiabank may receive remuneration. All Scotiabank products and services are subject to the terms of applicable agreements and local regulations. Officers, directors and employees of Scotiabank and its affiliates may serve as directors of corporations.

Any securities discussed in this report may not be suitable for all investors. Scotiabank recommends that investors independently evaluate any issuer and security discussed in this report, and consult with any advisors they deem necessary prior to making any investment.

This report and all information, opinions and conclusions contained in it are protected by copyright. This information may not be reproduced without the prior express written consent of Scotiabank.

™ Trademark of The Bank of Nova Scotia. Used under license, where applicable.

Scotiabank, together with "Global Banking and Markets", is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including, Scotiabanc Inc.; Citadel Hill Advisors L.L.C.; The Bank of Nova Scotia Trust Company of New York; Scotiabank Europe plc; Scotiabank (Ireland) Limited; Scotiabank Inverlat S.A., Institución de Banca Múltiple, Scotia Inverlat Casa de Bolsa S.A. de C.V., Scotia Inverlat Derivados S.A. de C.V. – all members of the Scotiabank group and authorized users of the Scotiabank mark. The Bank of Nova Scotia is incorporated in Canada with limited liability and is authorised and regulated by the Office of the Superintendent of Financial Institutions Canada. The Bank of Nova Scotia is authorised by the UK Prudential Regulation Authority and is subject to regulation by the UK Financial Conduct Authority and limited regulation by the UK Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia's regulation by the UK Prudential Regulation Authority are available from us on request. Scotiabank Europe plc is authorised by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulation Authority.

Scotiabank Inverlat, S.A., Scotia Inverlat Casa de Bolsa, S.A. de C.V., and Scotia Derivados, S.A. de C.V., are each authorized and regulated by the Mexican financial authorities.

Not all products and services are offered in all jurisdictions. Services described are available in jurisdictions where permitted by law.