

MARKETS AWAIT THE VERDICT ON TRUMP

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CONTACTS

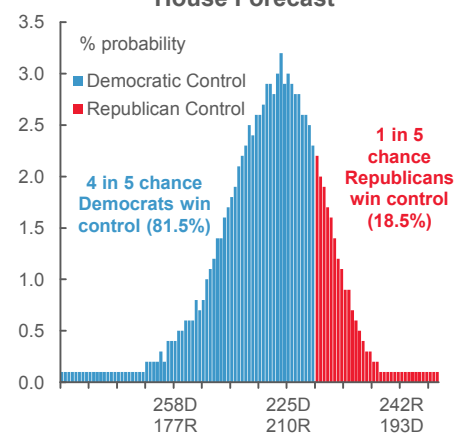
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Next Week's Risk Dashboard

- ▶ US midterms
- ▶ CBs: FOMC, RBA, RBNZ, Peru, Bank Negara
- ▶ BoC's Poloz
- ▶ GDP: UK, Indonesia, Philippines
- ▶ CPI: China, Norway...
- ▶ ... Brazil, Mexico, Colombia, Chile...
- ▶ ...Philippines, Taiwan
- ▶ UK PMIs, industrial output, trade
- ▶ German macro
- ▶ Chinese trade
- ▶ Earnings

Chart of the Week

House Forecast



Source: FiveThirtyEight.com.

Chart of the Week: Prepared by: Raffi Ghazarian, Senior Research Analyst.

Markets Await The Verdict On Trump

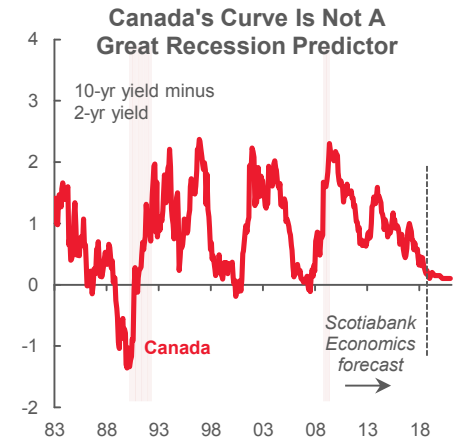
CANADA—WHAT MARKETS MAY BE SIGNALLING

Most of the coming week's attention will be placed upon a heavy earnings calendar, Bank of Canada communications and spillover effects from developments abroad and particularly stateside. Macro data risk will be very light.

Bank of Canada Governor Poloz speaks in London on Monday morning. His topic will be "What we are hearing from various financial markets and the implications for monetary policy." His remarks will be available at 8:10amET. The Governor will speak at 8:25amET, there will be audience Q&A and he will host a press conference at 9:30amET. It may be a somewhat refreshing address since the BoC does not often directly address many developments in financial markets. The risk to not doing so head on is that the best laid model- and judgement-based outlook rooted in fundamentals can and has been entirely thrown off course by developments in financial markets. Overall, I would expect a continued generally hawkish bias. Among the possible topics he may address could be:

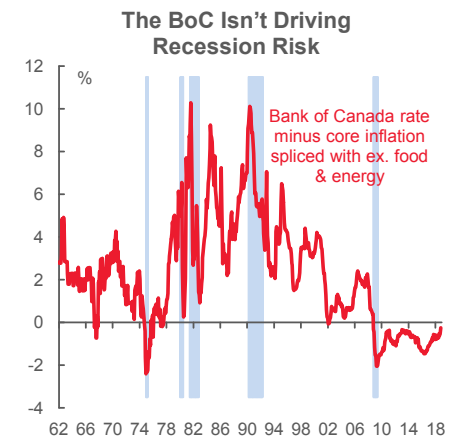
- A hint at what the Governor thinks of market pricing for future policy rate moves. At present, OIS markets are pricing the Bank of Canada's policy rate at about 2.5% by the end of calendar 2019. Scotiabank Economics has always been higher than market pricing, but at present, we're only about 25bps above that in our forecast. The Governor is likely to repeat how they may or may not go at about a pace of once every couple of meetings as the motivation for dropping 'gradual' from the October statement.
- His relatively sanguine views on the yield curve as a predictor of risks to the economy. As chart 1 demonstrates, the bond market has not performed as cleanly at signalling Canadian recessions over time as it may have in the US.
- Further, the sovereign curves are globally distorted by the actions of the most powerful central banks and therefore the sovereign curve may not even be the sketchy advance signal of economic turning points it has been in the past versus, say, the corporate yield curve. Perhaps we'll hear him remark on broader lending rates than just sovereign yields.
- He might also address various measures of real policy rates, all of which are very low and mildly negative, none of which signal recession risk (chart 2).
- The strength of the USD this year against a variety of crosses including CAD might be ripe for discussion by way of what the Governor thinks have been the drivers and the outlook for said drivers. Personally I think the TCJA's repatriation features magnified dollar strength this year—and negative earnings FX translation effects—beyond dollar drivers like relative Fed policy, and that such effects may settle down into 2019.
- Is the Governor concerned about slipping market-based measures of inflation expectations (chart 3) or is he likely to discount them as impure for a variety of reasons? I lean to the latter.
- I'd like to hear what the Governor now thinks of the terms of trade given softening commodity prices. It's still the case that the ratio of export to import prices remains

Chart 1



Sources: Scotiabank Economics, Bank of Canada, Federal Reserve Board, NBER, CD Howe Institute.

Chart 2



Sources: Scotiabank Economics, Bank of Canada, Statistics Canada, C.D. Howe Institute.

Chart 3



Sources: Scotiabank Economics, Bloomberg.

elevated and thus continuing to point to trickle-down benefits to domestic incomes by selling at relatively favourable export prices to import prices (chart 4).

- Western Canada Select oil differentials to WTI, their drivers and the outlook for those drivers may also be explored, particularly after the topic was basically ignored in the October MPR.
- We could also hear from the Governor on what he thinks of broad financial conditions—with Canada’s high-yield index having slipped of late but still elevated, and given tight provincial and mortgage bond spreads.
- It would be interesting to see the Governor broach the topic of what is implied by the relative competitiveness challenges including differential corporate tax rates that is priced into the S&P500 versus the TSX after controlling for other drivers. The TSX is up 1% since the US election while the S&P500 has been up 28%. What value markets may put on tax reform could be insightful to the pending Fall economic update on November 21st.

104 TSX firms will release earnings with high sector breadth including Telus, Linamar, Magna, Martinrea, Canadian Tire, 18 energy plays, 28 nonbank financials, Bombardier, 23 materials firms, Thomson Reuters and several utilities.

Macro data will be lightly focused upon housing. Housing starts for October are due on Thursday and might rebound somewhat after the prior month decline to 189k as multiples fell. Dwelling permits for September on Tuesday will further inform such an opinion and we’ll also look for continued strength in nonresidential building permits. Statistics Canada’s new house price index for September plus resales and prices during October will be released by local real estate boards including Toronto.

Canada auctions 2s on Wednesday.

UNITED STATES—GRIDLOCK OR VALIDATION?

Tuesday’s midterm elections and then the Federal Reserve’s decision and statement-only communications will be the main and pretty much only developments of note next week. These two events could conceivably set the tone for political and legislative risks over the duration of the Trump presidency and perhaps also give a nod to any possible alterations to the Fed’s balance sheet plans.

Tuesday’s midterm elections may decide whether the Trump administration becomes effectively neutered and faces gridlock over the remaining two years of his presidency, or strengthened if voters maintain the GOP’s hold on both chambers. All of the 435 seats in the House of Representatives are up for election; it’s the GOP’s to lose given its 235–193 majority and a greater number of vulnerable seats under current polling. Chart 5 provides one prediction that points to a high probability that the Democrats regain the House. A similar prediction was made in 2016 of course, although this time around doesn’t quite face the same issues (e.g. Trump versus Hillary, the FBI’s involvement, Russia’s interference, etc.).

The odds of the Democrats taking the Senate are much lower (chart 6). That’s principally due to the simple math behind only 35 out of 100 seats being up for grabs including a greater number of 24 Democrats than 9 Republicans vying for re-election and notwithstanding a slimmer margin of 51 Republicans to 47 Democrats with two

Chart 4

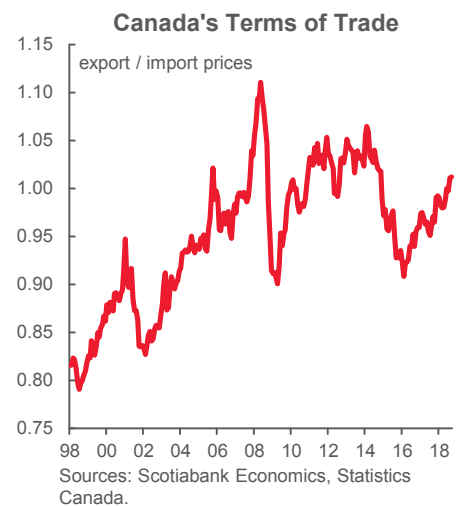


Chart 5

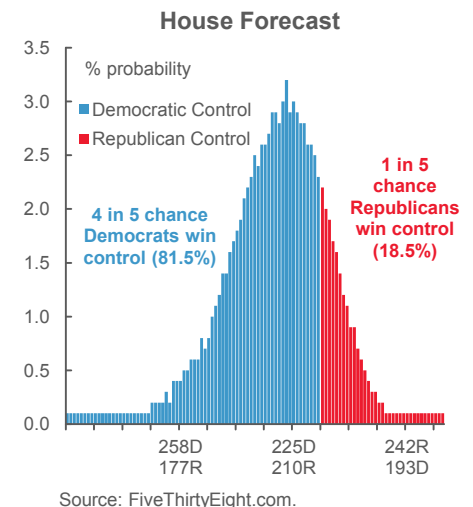
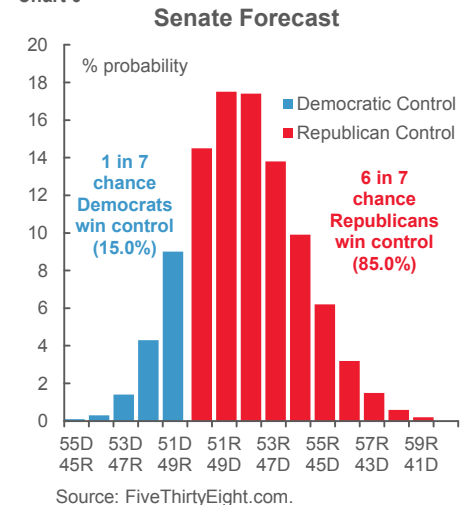


Chart 6



independents in the current makeup. The Dems would have to retain all 24 of their seats and gain four out of the eleven other seats from the GOP and independents in order to secure control. That seems unlikely. In addition to Congress, thirty-six states across the union will vote on a Governor and, of that number, 26 are presently Republicans.

Notwithstanding the politics and other important aspects of public policy, the odds of a negative outcome for US equities are likely greatest if the GOP loses control of both chambers. The odds of a positive outcome are greatest if they retain both chambers. A middle scenario in which the chambers are split would check some of the administration's powers but perhaps still leave the door open for modest achievements. Any scope for entertaining further tax measures or infrastructure spending could be impacted by the vote. The election's effects upon foreign and particularly Asian equities could be markedly different given what it may signal for trade policy matters ranging from US-China trade tensions to NAFTA/USMCA implementation risks.

The start of next week's two day FOMC meeting is delayed until Wednesday with the statement due out at 2pmET on Thursday, one day later than usual. The reason is the midterm election on Tuesday. Not a single soul within consensus expects a rate move this time around and neither does the fed funds futures market. Futures imply about 75% odds of a hike at the December 19th meeting and the majority of consensus—including Scotiabank Economics—expects a hike at that time.

I would expect a short and sweet statement this time around. Relative to the September statement, the wording changes are likely to be minor. The Fed may strike out reference to how business fixed investment has “grown strongly.” Even with the modest decline in market-based measures of inflation expectations as implied by the 5y5y inflation swap it is likely to continue to refer to them as “little changed.” It is the minutes to the meeting—due out on November 29th—that are more likely to give a more direct nod to whether to hike in December or not. **The minutes will be parsed for reference to how it may ‘soon’ be appropriate to raise rates again.** A further risk is whether we hear in the statement—or more likely the minutes—of a **fuller discussion regarding balance sheet plans** given earlier guidance that such a discussion would be held in the Fall. After next week, that would only leave the December 19th FOMC meeting for such a discussion—just two days before the winter solstice arrives.

The rest of the week's developments should be fairly light and thankfully so given enough action from politics and the Fed to consider. Earnings season begins to wind down with 73 S&P500 firms on tap including names like Loews and Disney. The October readings for ISM-services (Monday), producer prices for October (Friday) and the University of Michigan's consumer sentiment reading (Friday) all pose relatively minor risk to markets. Third-quarter mortgage delinquencies are also due out soon. The US Treasury auctions US\$87 billion of notes including 3s, 10s and 30s plus a bigger sum of bills over the course of the week. There is no early bond market close next Friday ahead of the following Monday's Veterans Day holiday.

EUROPE—GO GAP GO

European markets are more likely to be impacted by developments abroad than by the domestic calendars over the coming week. Italy has until the following week to answer EU Commission questions on budget violations which will put the Eurozone back into the spotlight after a week that will be more focused upon US developments.

That leaves the fundamentals calendar to consider and particularly in the case of UK and German updates. Germany updates factory orders for September (Tuesday) and they are expected to give back some of the large 2% m/m gain in August. Germany then updates industrial production for the same month the next day and a fourth consecutive decline is feasible. German exports and imports for September are due on Thursday; there may be more upside to imports than exports out of this release.

The UK macro calendar will be rather packed over the coming week. Q3 GDP growth is due out on Friday and growth is expected to accelerate to the strongest pace since late 2016 on the back of consumption and export strengths (chart 7). **Strong growth could largely shut the output gap** that remained in slight excess supply territory in Q2 and therefore **reinforce the BoE's recent hawkish hold** that was communicated as being contingent upon the outcome of Brexit negotiations. Monday's composite purchasing managers' index is likely to follow the manufacturing PMI lower but the services PMI on the same day is a wildcard in that regard. Industrial production and trade figures plus the monthly services index will take a back seat to GDP on Friday.

Other releases will include Norwegian CPI in October that could inform risks to the outlook for Norges Bank's recent guidance that the second rate hike in this cycle will arrive by early 2019 when it said the “balance of risks suggested that the key policy rate would most likely be increased further in 2019Q1”.

LATIN AMERICA—INFLATION UPSWING

One central bank decision and a series of regional inflation reports will add to regional market effects layered onto spillover from US developments over the coming week.

Banco Central de Reserva del Peru is expected to remain on hold at a reference rate of 2.75% next Thursday. Inflation is rebounding to 1.8% y/y as of September from a trough of 0.4% back in March. This lies within the 1–3% policy target range and on the path to what the central bank guided would be achieving the 2% target “in the short-term” amid consensus expectations for a hike by early 2019.

Four countries will update inflation readings. All four of them have been on inflation upswings of late, but to varying degrees (chart 8). Brazil’s is the highest with expectations that the October reading will cross over the 4½% mark on Wednesday. That will continue to cross the midway point of the central bank’s 3–6% inflation target range. The 12% appreciation of the real versus the dollar since about mid-September prompted the central bank to appear to be in less of a rush to raise interest rates at some point when it provided communications this past week. This currency market development outweighs the relative near-term importance of a backward inflation reading.

Mexico’s inflation rate of 5% y/y in September was breaching the upper limit of the 2–4% inflation target range but October’s update (Thursday) is expected to ease off a touch.

Chile’s October update (Thursday) is expected to hover near the midpoint of the 2–4% inflation target range. **Colombia’s CPI print** (this Saturday) is expected to continue to climb closer to the upper end of the 2–4% target range.

ASIA-PACIFIC—EASING INTO INFLATION RISK?

Spillover effects from the US midterms and what they may signal by way of US-China trade tensions could be the dominant market influence over the coming week.

One of the more interesting among the releases may be China’s inflation report on Thursday. The October reading will be closely watched for further evidence of an upswing given the multi-month rise to 2½% y/y in September. The People’s Bank of China faces an inflation target of around 3% as laid out in the Communist Party of China’s National Congress. With inflation having risen from a trough of 0.8% y/y in February of last year to where it is now, **markets may begin to more seriously debate the risks to fiscal, regulatory and monetary easing (chart 9) that have contributed to currency depreciation while being designed as antidotes to US-China trade tensions.** China also releases trade figures for October around mid-week and this will further inform adjustments to tariffs that increased in both directions the prior month.

None of the Reserve Bank of Australia (Tuesday), Reserve Bank of New Zealand (Wednesday) or Bank Negara Malaysia (Thursday) are expected to alter their policy rates over the coming week. A decline in Australian inflation to 1.9% y/y in Q3 gives the RBA added breathing room.

Malaysia’s inflation rate has cratered from a peak of 5.1% y/y back in March 2017 to 0.3% y/y as of this September and along a steadily declining trajectory. Bank Negara hiked once in January and is under little pressure to tighten further albeit that the ringgit has depreciated by about 7% to the dollar since April.

The RBNZ signalled at its last meeting in late September that it could raise or lower its overnight cash rate while delaying earlier guidance for a hike.

Other developments will be on the fundamentals calendars including Q3 GDP from Indonesia at the start of the week and Philippines on Wednesday. CPI will be updated by Philippines and Taiwan toward the start of the week. New Zealand updates job market developments in Q3 (Tuesday). Japan updates household spending on Monday.

Chart 7

Did UK Growth Accelerate in Q3?

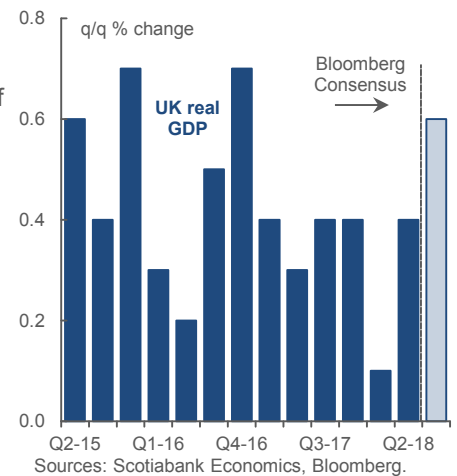


Chart 8

LatAm Inflation

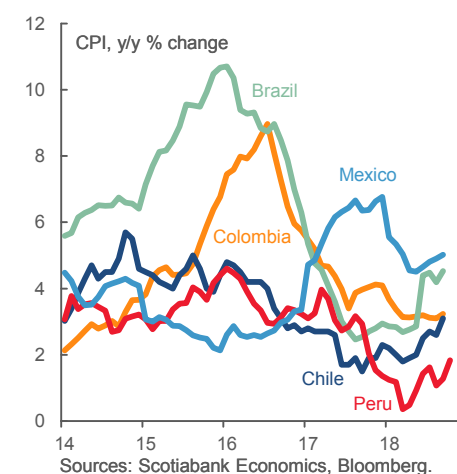


Chart 9

Is China Fanning Inflation Risk?



Key Indicators for the week of November 5 – 9

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	11/05	10:00	ISM Non-Manufacturing Composite	Oct	60.0	59.0	61.6
CA	11/06	08:30	Building Permits (m/m)	Sep	--	--	0.4
US	11/06	10:00	JOLTS Job Openings (000s)	Sep	--	7125	7136
US	11/07	07:00	MBA Mortgage Applications (w/w)	NOV 2	--	--	-2.5
US	11/07	15:00	Consumer Credit (US\$ bn m/m)	Sep	--	15.0	20.1
CA	11/08	08:15	Housing Starts (000s a.r.)	Oct	200.0	--	188.7
CA	11/08	08:30	New Housing Price Index (m/m)	Sep	--	--	0.0
US	11/08	08:30	Initial Jobless Claims (000s)	NOV 3	215	214	214
US	11/08	08:30	Continuing Claims (000s)	OCT 27	1635	--	1631
MX	11/08	09:00	Bi-Weekly Core CPI (% change)	Oct 31	0.1	0.1	0.2
MX	11/08	09:00	Bi-Weekly CPI (% change)	Oct 31	0.3	0.1	0.4
MX	11/08	09:00	Consumer Prices (m/m)	Oct	0.6	0.5	0.4
MX	11/08	09:00	Consumer Prices (y/y)	Oct	5.0	4.9	5.0
MX	11/08	09:00	Consumer Prices Core (m/m)	Oct	0.3	0.3	0.3
US	11/08	14:00	FOMC Interest Rate Meeting (%)	Nov 8	2.25	2.25	2.25
US	11/09	08:30	PPI (m/m)	Oct	--	0.3	0.2
US	11/09	08:30	PPI ex. Food & Energy (m/m)	Oct	--	0.2	0.2
MX	11/09	09:00	Industrial Production (y/y)	Sep	2.5	1.8	0.2
US	11/09	10:00	U. of Michigan Consumer Sentiment	Nov P	--	97.9	98.6
US	11/09	10:00	Wholesale Inventories (m/m)	Sep F	--	0.3	0.3

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
UK	11/05	04:30	Services PMI	Oct	--	53.3	53.9
GE	11/06	02:00	Factory Orders (m/m)	Sep	--	-0.5	2.0
IT	11/06	03:45	Services PMI	Oct	--	52.0	53.3
FR	11/06	03:50	Services PMI	Oct F	--	55.6	55.6
GE	11/06	03:55	Services PMI	Oct F	--	53.6	53.6
EC	11/06	04:00	Composite PMI	Oct F	--	52.7	52.7
EC	11/06	04:00	Services PMI	Oct F	--	53.3	53.3
EC	11/06	05:00	PPI (m/m)	Sep	--	0.4	0.3
GE	11/07	02:00	Industrial Production (m/m)	Sep	--	-0.1	-0.3
UK	11/07	03:30	Halifax House Price (3 month, y/y)	Oct	--	1.3	2.5
EC	11/07	05:00	Retail Trade (m/m)	Sep	--	0.1	-0.2
GE	11/08	02:00	Current Account (€ bn)	Sep	--	21.0	15.3
GE	11/08	02:00	Trade Balance (€ bn)	Sep	--	20.0	17.1
FR	11/08	02:45	Current Account (€ bn)	Sep	--	--	-1609
FR	11/08	02:45	Trade Balance (€ mn)	Sep	--	-6094	-5632
SP	11/08	03:00	Industrial Output NSA (y/y)	Sep	--	--	1.2
FR	11/09	02:45	Industrial Production (m/m)	Sep	--	-0.3	0.3
FR	11/09	02:45	Industrial Production (y/y)	Sep	--	1.1	1.6
FR	11/09	02:45	Manufacturing Production (m/m)	Sep	--	-0.1	0.6
UK	11/09	04:30	Business Investment (q/q)	3Q P	--	0.0	-0.7
UK	11/09	04:30	GDP (q/q)	3Q P	--	0.6	0.0
UK	11/09	04:30	Index of Services (m/m)	Sep	--	0.1	0.0
UK	11/09	04:30	Industrial Production (m/m)	Sep	--	-0.1	0.2
UK	11/09	04:30	Manufacturing Production (m/m)	Sep	--	0.1	-0.2
UK	11/09	04:30	Visible Trade Balance (£ mn)	Sep	--	-11400	-11195

Key Indicators for the week of November 5 – 9
ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
AU	11/04	19:30	ANZ Job Advertisements (m/m)	Oct	--	--	-0.8
HK	11/04	19:30	Purchasing Managers Index	Oct	--	--	47.9
CH	11/04	20:45	HSBC Services PMI	Oct	--	52.8	53.1
TH	11/04	22:30	Consumer Confidence Economic	Oct	--	--	69.4
MA	11/04	23:00	Exports (y/y)	Sep	--	6.6	-0.3
MA	11/04	23:00	Imports (y/y)	Sep	--	7.7	11.2
MA	11/04	23:00	Trade Balance (MYR bn)	Sep	--	7.5	1.6
SK	11/05	18:00	Current Account (US\$ mn)	Sep	--	--	8439.8
JN	11/05	18:30	Household Spending (y/y)	Sep	--	1.5	2.8
PH	11/05	20:00	CPI (y/y)	Oct	6.7	6.8	6.7
AU	11/05	22:30	RBA Cash Target Rate (%)	Nov 6	1.50	1.50	1.50
ID	NOV 04-05		Real GDP (y/y)	3Q	5.2	5.2	5.3
ID	NOV 04-05		Consumer Confidence Index	Oct	--	--	121.6
TA	11/06	03:00	CPI (y/y)	Oct	1.7	--	1.7
NZ	11/06	16:45	Unemployment Rate (%)	3Q	4.5	4.4	4.5
NZ	11/06	16:45	Employment Change (y/y)	3Q	--	2.0	3.7
PH	11/06	20:00	Exports (y/y)	Sep	--	5.3	3.1
PH	11/06	20:00	Imports (y/y)	Sep	--	19.3	11.0
PH	11/06	20:00	Trade Balance (US\$ mn)	Sep	--	-3124.0	-3513.0
CH	NOV 6-7		Foreign Reserves (US\$ bn)	Oct	3050	--	3087.0
JN	11/07	00:00	Coincident Index CI	Sep P	--	114.6	116.7
JN	11/07	00:00	Leading Index CI	Sep P	--	103.8	104.5
AU	11/07	00:30	Foreign Reserves (AUD bn)	Oct	--	--	73.7
MA	11/07	02:00	Foreign Reserves (US\$ bn)	Oct 31	--	--	102.8
TA	11/07	03:00	Exports (y/y)	Oct	--	--	2.6
TA	11/07	03:00	Imports (y/y)	Oct	--	--	13.9
TA	11/07	03:00	Trade Balance (US\$ bn)	Oct	--	--	4.3
SI	11/07	04:00	Foreign Reserves (US\$ mn)	Oct	--	--	291326.2
NZ	11/07	15:00	RBNZ Official Cash Rate (%)	Nov 8	1.75	1.75	1.75
JN	11/07	18:50	Bank Lending (y/y)	Oct	--	--	2.3
JN	11/07	18:50	Current Account (¥ bn)	Sep	--	1786.5	1838.4
JN	11/07	18:50	Machine Orders (m/m)	Sep	--	-9.0	6.8
JN	11/07	18:50	Trade Balance - BOP Basis (¥ bn)	Sep	--	332.5	-219.3
PH	11/07	21:00	Real GDP (y/y)	3Q	6.0	6.3	6.0
CH	NOV 7-8		Exports (y/y)	Oct	--	--	14.5
CH	NOV 7-8		Imports (y/y)	Oct	--	--	14.3
CH	NOV 7-8		Trade Balance (USD bn)	Oct	--	--	31.7
MA	11/08	02:00	Overnight Rate (%)	Nov 8	3.25	3.25	3.25
JN	11/08	18:50	Japan Money Stock M2 (y/y)	Oct	--	2.8	2.8
JN	11/08	18:50	Japan Money Stock M3 (y/y)	Oct	--	2.4	2.5
AU	11/08	19:30	Home Loans (%)	Sep	--	-1.0	-2.1
AU	11/08	19:30	Investment Lending (% change)	Sep	--	--	-1.1
CH	11/08	20:30	CPI (y/y)	Oct	2.5	--	2.5
CH	11/08	20:30	PPI (y/y)	Oct	--	--	3.6
MA	11/08	23:00	Industrial Production (y/y)	Sep	--	2.2	2.2
ID	NOV 8-9		Current Account Balance (US\$ mn)	3Q	--	-8900.0	-8028.0

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CO	11/03	13:00	Consumer Price Index (m/m)	Oct	--	0.2	0.2
CO	11/03	13:00	Consumer Price Index (y/y)	Oct	--	3.4	3.2
CL	11/05	06:30	Economic Activity Index SA (m/m)	Sep	--	-0.2	-0.1
CL	11/05	06:30	Economic Activity Index NSA (y/y)	Sep	--	2.0	3.2
CL	11/05	07:00	Retail Sales (y/y)	Sep	--	3.0	4.8
BZ	11/07	06:00	IBGE Inflation IPCA (m/m)	Oct	--	0.6	0.5
BZ	11/07	06:00	IBGE Inflation IPCA (y/y)	Oct	--	4.7	4.5
CL	11/08	06:00	CPI (m/m)	Oct	--	0.4	0.3
CL	11/08	06:00	CPI (y/y)	Oct	--	2.9	3.1
PE	11/08	18:00	Reference Rate (%)	Nov 8	2.75	2.75	2.75

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

Global Auctions for the week of November 5 – 9**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	11/05	13:00	U.S. to Sell 3-Year Notes
US	11/06	13:00	U.S. to Sell 10-Year Notes
CA	11/07	12:00	Canada to Sell CAD3 Bln 2.25% 2021 Bonds
US	11/07	13:00	U.S. to Sell 30-Year Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	11/06	05:30	U.K. to Sell 1.625% 2028 Bonds
DE	11/07	04:30	Denmark to Sell Bonds
GE	11/07	05:30	Germany to Sell EUR3 Bln 0.25% 2028 Bonds
SP	11/08	04:30	Spain to Sell Bonds
FR	11/08	04:50	France to Sell Bonds
IC	11/09	06:00	Iceland to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	11/05	22:35	Japan to Sell CPI-Linked 10-Year Bond
CH	11/06	22:00	China Plans to Sell 3Y Upsized Government Bond
CH	11/06	22:00	China Plans to Sell 7Y Upsized Government Bond
CH	11/08	01:00	Sichuan to Sell CNY4 Bln 7Y Bonds
NZ	11/08	20:05	New Zealand To Sell NZD250 Mln 3% 2029 Bonds

Events for the week of November 5 – 9

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	11/05	08:25	Bank of Canada's Poloz Gives Speech in London, UK
US	11/06		U.S. Midterm Elections
US	11/08	14:00	FOMC Rate Decision
US	11/09	09:00	Fed's Quarles to Speak on Stress testing

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	11/05	08:00	ECB's Guindos Speaks in Brussels
NO	11/05	09:30	Norges Bank Deputy Governor Nicolaisen Speaks in London
EC	11/06	02:30	ECB's Praet on Panel in Brussels
NO	11/06	03:30	Norges Bank Deputy Governor Matsen Speaks in Trondheim
SW	11/06	04:00	Riksbank's Af Jochnick to Give Speech in Oslo
NO	11/06	04:15	Norges Bank Governor Olsen Speaks in Oslo
EC	11/06	06:15	ECB's Coeure on Panel in Brussels
EC	11/06	07:00	ECB's Lautenschlaeger Speaks in Frankfurt
SW	11/06	10:15	Riksbank Governor Ingves Speaks in Stockholm
SW	11/07	11:30	Riksbank's Floden Speaks in Stockholm
SW	11/08	03:00	Ingves, Floden in Open Hearing on Monetary Policy
EC	11/08	09:15	ECB's Coeure Speaks in Berlin
SZ	11/08	12:30	SNB's Maechler Speaks in Geneva

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	11/04	18:50	BOJ Minutes of Policy Meeting
JN	11/04	20:00	BOJ Kuroda speaks in Nagoya
AU	11/05	22:30	RBA Cash Rate Target
JN	11/06	20:30	BOJ Funo speaks in Kochi
NZ	11/07	15:00	RBNZ Official Cash Rate
JN	11/07	18:50	BOJ Summary of Opinions
MA	11/08	02:00	BNM Overnight Policy Rate
AU	11/08	19:30	RBA Statement on Monetary Policy

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CL	11/06	06:30	Central Bank Meeting Minutes
PE	11/08	18:00	Reference Rate

Source: 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	1.75	December 5, 2018	1.75	1.75
Federal Reserve – Federal Funds Target Rate	2.25	November 8, 2018	2.25	2.25
Banco de México – Overnight Rate	7.75	November 15, 2018	7.75	7.75

Federal Reserve: No rate change is expected. The Fed might downgrade its assessment of business investment and could flag somewhat lower market-based measures of inflation expectations. A discussion on balance sheet plans may occur at either this meeting or in December but most of the detail is likely to be revealed in the ensuing meeting minutes to either meeting. The minutes will also be parsed for 'soon' language as a stronger hint at a December hike.

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	December 13, 2018	0.00	0.00
Bank of England – Bank Rate	0.75	December 20, 2018	0.75	0.75
Swiss National Bank – Libor Target Rate	-0.75	December 13, 2018	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	7.50	December 14, 2018	7.50	7.50
Sweden Riksbank – Repo Rate	-0.50	December 20, 2018	-0.50	-0.25
Norges Bank – Deposit Rate	0.75	December 13, 2018	0.75	0.75
Central Bank of Turkey – Benchmark Repo Rate	24.00	December 13, 2018	24.00	24.50

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	December 20, 2018	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	1.50	November 5, 2018	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	November 7, 2018	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	4.35
Reserve Bank of India – Repo Rate	6.50	December 5, 2018	6.75	6.50
Bank of Korea – Bank Rate	1.50	November 30, 2018	1.75	1.50
Bank of Thailand – Repo Rate	1.50	November 14, 2018	1.50	1.75
Bank Negara Malaysia – Overnight Policy Rate	3.25	November 8, 2018	3.25	3.25
Bank Indonesia – 7-Day Reverse Repo Rate	5.75	November 15, 2018	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	4.50	November 15, 2018	4.75	4.75

Reserve Bank of Australia (RBA): We expect the RBA to leave the benchmark interest rate unchanged at the current level of 1.50% on November 6. On the back of a still-soft wage and price inflation outlook, we assess that the RBA's monetary tightening phase will wait until the second quarter of 2019.

Reserve Bank of New Zealand (RBNZ): We expect the RBNZ to leave the policy rate unchanged at 1.75% well into 2019. The central bank has noted that the policy rate will stay "at an expansionary level for a considerable period to contribute to maximising sustainable employment, and maintaining low and stable inflation". **Bank Negara Malaysia (BNM):** We expect the Overnight Policy Rate to be left unchanged at 3.25% on November 8, where it has been kept since the January 2018 hike of 25 bps. We do not foresee another hike until the second half of 2019.

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	6.50	December 12, 2018	6.50	6.75
Banco Central de Chile – Overnight Rate	2.75	December 4, 2018	2.75	2.75
Banco de la República de Colombia – Lending Rate	4.25	December 21, 2018	4.50	4.25
Banco Central de Reserva del Perú – Reference Rate	2.75	November 8, 2018	2.75	2.75

Banco Central de Reserva del Perú: No rate change is expected at this meeting but inflation is rebounding on the path toward the 2% target and fanning expectations for a hike in early 2019.

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	6.50	November 22, 2018	6.50	6.50

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

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