


ALL MARKETS WANT FOR CHRISTMAS

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Season's Greetings!

Best wishes for a happy holiday season from all of us.

To our clients & readers—we thank you for your continued interest in Scotiabank publications.

The next issue of The Global Week Ahead will be published the first week of January 2019.

CONTACTS

Derek Holt, VP & Head of Capital Markets Economics
 416.863.7707
 Scotiabank Economics
derek.holt@scotiabank.com

Risk Dashboard — Week of Dec 24–28

- ▶ US government shutdown
- ▶ CPI: Germany, Spain, Peru...
- ▶ ...Japan-Tokyo, South Korea
- ▶ Japan macro
- ▶ US macro
- ▶ US auctions

Risk Dashboard — Week of Dec 31–Jan 4

- ▶ US nonfarm, ISM
- ▶ Fed Chair Powell
- ▶ China state & private PMIs
- ▶ CDN jobs
- ▶ CPI: Eurozone, Russia, Chile...
- ▶ ...Philippines, Thailand, Turkey
- ▶ UK PMIs
- ▶ other US macro

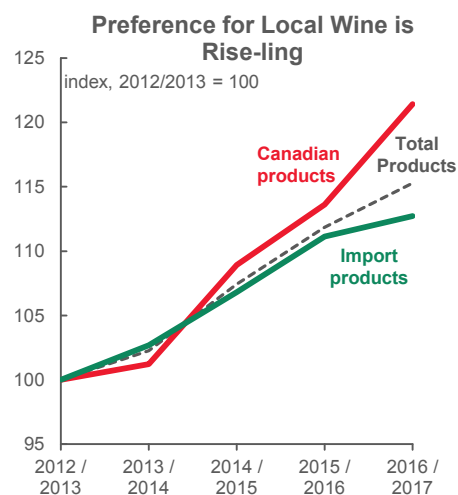
Chart of the Week


Chart of the Week: Prepared by: Alena Bystrova, Research Analyst.

All Markets Want For Christmas

CANADA—NEW YEAR, NEW JOBS?

Canada should go fairly quiet throughout the holiday season until the next jobs report lands on the first Friday of the New Year. As this publication is being sent, Canada has demanded the immediate release of two Canadians being outrageously detained by China; this begs the natural follow on question regarding what would happen if they don't comply and is worth monitoring as a risk. Global developments may impact domestic markets in the interim period before the jobs report. Canadian bond and stock markets will be shut on December 25th–26th and January 1st. Bond markets will shut early at 1pmET on December 24th and December 31st. The TSX will close at 1pmET on December 24th.

There is a significant likelihood that the new year starts off with a weak first assessment of the economy, but history suggests this is anything but assured. After posting an all-time record high pace of job creation in November (+94,100) that was also a record forecast miss across the typically pessimistic consensus of economists (chart 1), one might think that the odds are tilted toward disappointment in the December tally to close off 2018. The problem is that historical facts suggest otherwise; they suggest that **such a print usually begets momentum**. As chart 2 shows, every single month since the Labour Force Survey began in 1976 that has seen at least 50,000 jobs created has always been followed by another gain of varying magnitudes. That includes eleven prior episodes of job gains of at least 80,000 and five prior months when jobs grew by at least 90,000. I'm walking on the sunny side of the street on this one with a small projected rise.

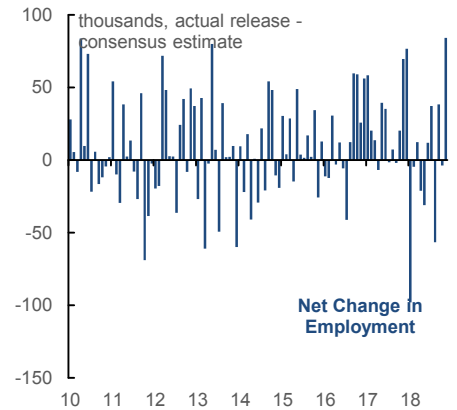
The jobs report will be the second last significant release ahead of the Bank of Canada's policy decision and forecast updates on January 9th. Trade figures for November land the day before the decision and, while they will inform baseline tracking of exports and imports, the report will be stale ahead of the effects of Alberta's mandated 325,000 bpd oil production cut that will weigh on January's exports. The effects of those cuts alongside global uncertainties will offset recently positive data surprises and afford the central bank some room to monitor conditions over the first quarter of the new year while keeping its powder dry.

UNITED STATES—HAVE PAY GAINS PEAKED?

US markets start off the holiday season facing the **threat of a partial government shutdown** as this publication goes to print. All markets want for Christmas and the New Year is a little more stability in the US administration! Shutdown effects should be modest as during past shutdowns (charts 3–5) and markets have likely over-reacted to the risk. Pending further developments, the attention will otherwise shift back toward a series of macroeconomic releases but it will take until the first week of January before significant market risk is likely. Chair Powell returns in what should be a session of friendlies with his former colleagues. Bond markets will be shut on December 25th and January 1st with early closes at 2pmET on Christmas Eve and New Year's Eve.

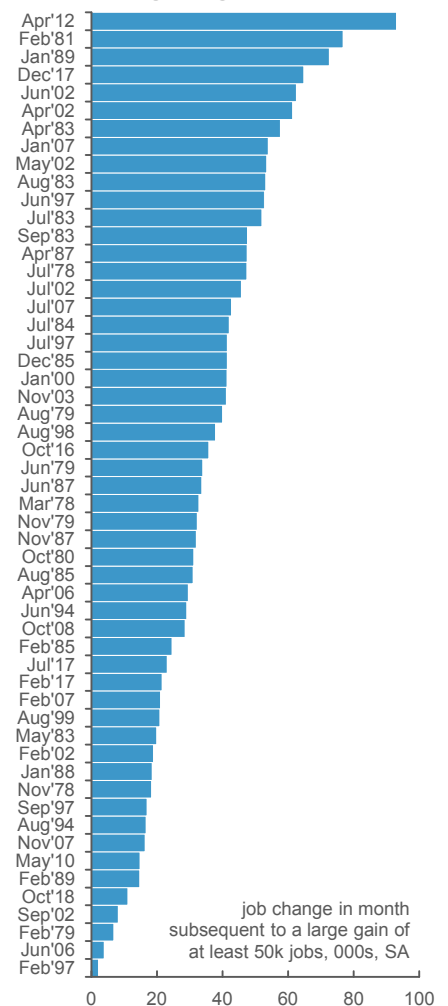
Reasons why I still think that market effects stemming from shutdown effects may be modest and transitory are worth repeating as a guide to investors. They include:

Chart 1 Consensus Commonly Underestimates Canadian Jobs



Sources: Scotiabank Economics, Bloomberg.

Chart 2 Big Gains Don't Have to Beget Big Losses



Sources: Scotiabank Economics, Statistics Canada, Haver Analytics.

Chart 3

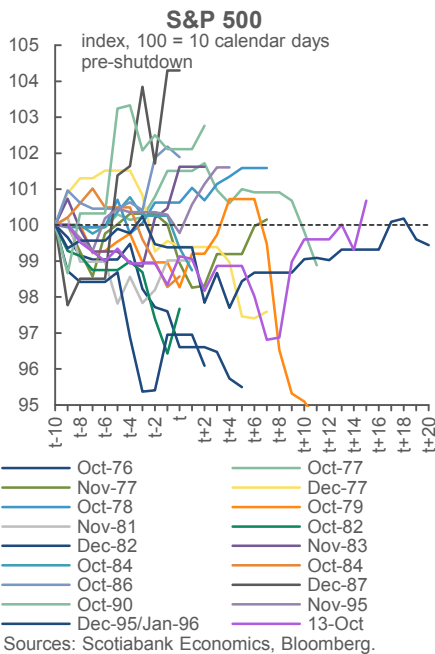


Chart 4

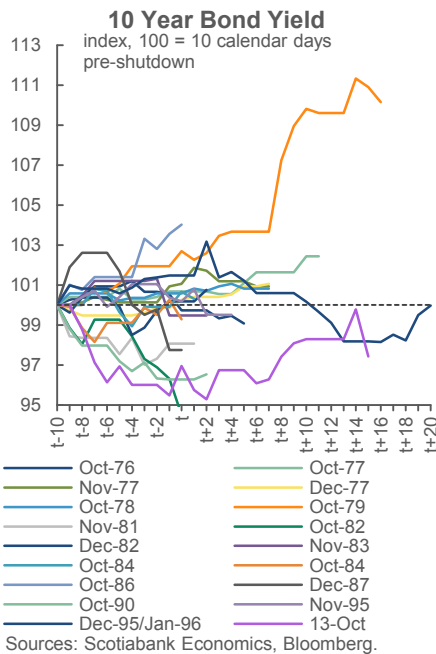
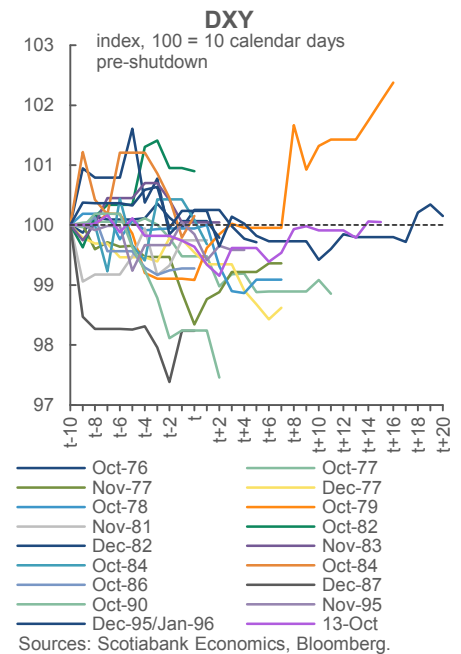


Chart 5



- The debt ceiling is not an issue at this point, as it has been at other times when shutdowns have been triggered (18 of them since the 1970s!). The February Bipartisan Budget Act of 2018 suspended the ceiling until March 1st 2019 and it therefore will be reinstated the next day. Treasury will continue to run debt auctions a) because the ceiling is not binding, and b) because essential staff will still be on the job in the event of a shutdown. Therefore, past movements in measures like short-term funding spreads and concerns about liquidity should not exist this time. The danger to a temporary funding extension to February, however, may lie in punting the problem closer to when the debt ceiling gets reinstated.
- Second is that Congress can still utilize another Continuing Resolution to fund government as it negotiates.
- Third is that even by March, Treasury has a high enough cash position and extraordinary measures at its disposal to bridge over potentially months of uncertainty. The Bipartisan Policy Center ([here](#)) estimates that the Treasury would have the ability to fund the government until “at least mid-summer 2019.” An extended shutdown now should carry little effect upon financing.
- Fourth is that only roughly one-quarter of government funding is at risk given prior spending and appropriations bills which is a fraction of the spending at risk going into other historical shutdowns. The general public will notice much less impact from this potential shutdown than some of the bigger ones in the past especially into the holiday season. Essential staff at border services are unaffected.

Next week, the calendar of releases will be fairly trivial. Wednesday offers up repeat-sales home prices for October (5%+ y/y) and the Richmond Fed manufacturing gauge. New home sales arrive on Thursday and could bounce back from a nearly 9% drop the prior month. The Conference Board’s consumer confidence measure for December is also due out on Thursday and will be monitored for the risk of another decline in the face of developments in markets. Friday’s advance merchandise trade balance follows a record high deficit the prior month and the same day offers up pending home sales for November.

It’s the first week of the new year that will have more to offer. Two releases will stand out.

Chart 6



In particular, **watch for potentially softer wage growth in the nonfarm payrolls report** on Friday January 4th. Wage growth has been running at about 3.1% y/y for the past couple of months and hence at the fastest pace since April 2009 (chart 6). Base effects alone could bring wage growth down to 2.7% y/y in December. After including fairly standard seasonal wage gains, the pace of increase could slow to about 2.9% y/y. As for job growth, the trend has slowed recently with job gains at a three month moving average pace of 170k and it may be reasonable to expect something at around a similar pace in December. Should wage growth ease off, it would clearly take a more established trend to be meaningful but markets could interpret this relatively dovishly.

ISM-manufacturing for December will land the day before nonfarm. Unlike PMIs elsewhere in Europe and Asia, the US ISM reading has generally held in around cycle highs (chart 7).

Also on tap on January 3rd will be vehicle sales in December, ADP private payrolls, and construction spending for November.

Fed Chair Powell takes part in a joint interview along with former Chairs Yellen and Bernanke at the annual meeting of the American Economics Association for two hours starting at 10:15amET on Friday January 4th ([here](#)). Atlanta Fed President Bostic (nonvoting 2019) will also speak at the conference.

The US Treasury auctions 2s on Christmas Eve, 2 year floating rate notes and 5s on the day after Christmas and then 7s on Thursday December 27th.

LATIN AMERICA—MODERATING INFLATION?

Latin American markets face a very light holiday season calendar of scheduled domestic risks and may instead be buffeted by external developments. **A pair of CPI reports is about as interesting as things will get** over the coming two weeks. Recent trends relative to inflation targets are depicted in chart 8.

Peru's inflation rate will be updated on no less than New Year's when everyone will be watching! Key will be whether the upward trend since March continues, or whether December halts that trend given diminishing base effect influences and lower global energy prices. It's not quite that simple, however, as other components have been netting out to drive broad prices higher. Rising food prices are one example of upside pressure while housing costs have been rising at a sharply decelerating rate since mid-year. Nevertheless, even at 2.2% y/y, Peru's inflation rate has been roughly at the mid-point of the central bank's 1–3% inflation target range.

Chile will also refresh CPI estimates for December possibly as soon as the end of the first week of January or perhaps into the following week. At 2.8% y/y in November, inflation has been running a touch hotter than in Peru but still just below the mid-point of the central bank's 2–4% inflation target range. What's more, Chilean inflation has also begun to ebb since a high of 3.1% in September.

Otherwise minor releases will include Chilean industrial output on New Year's eve, retail sales within the first few days of the new year and trade figures soon thereafter. Mexico also updates trade figures for November on December 28th.

EUROPE—A TEMPORARY BREXIT BREAK

Much like elsewhere, European markets should have relatively little new information to digest over the coming couple of weeks. **Eurozone inflation and UK growth signals will be the twin focal points** and neither arrives until the first week of January. **A break from Brexit headlines** will be a temporary reprieve ahead of guidance that Parliament will begin debate on January 9th ahead of a likely vote the following week on Prime Minister May's negotiated deal with the EU. Rest up!

Chart 7

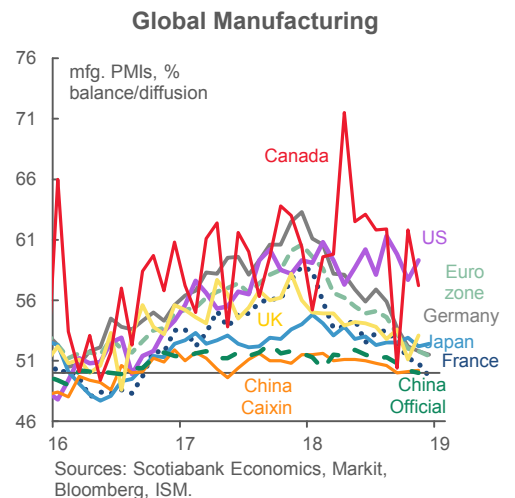


Chart 8



In the meantime, **the UK updates purchasing managers' indices** for the month of December starting with the manufacturing sector on January 2nd. The construction PMI follows the day after. On Friday January 4th, the services PMI will arrive along with the composite reading. Given that these growth signals have been sharply waning in coincident fashion to the escalated Brexit tensions, it's unlikely we'll see that downward pressure abate in light of the worsening tone during December. The composite PMI already hovers barely above contraction territory and is back to the weakest since the results of the Brexit referendum hit the figures in July 2016 (chart 9). Much of that adjustment has been in the services sector.

Eurozone inflation will be updated with final estimates for 2018 that will punctuate another year of inflation undershooting ECB hopes. Headline inflation is likely to ebb to a sub-2% y/y pace for the first time since May as lower global energy prices weigh down inflation readings across multiple markets. Core inflation should be more durable but still at around half of the 'under 2%' ECB inflation goal where it has cruised throughout the year (chart 10). Germany and Spain will be first out of the gates on December 28th but the other major economies will release on the same morning as the Eurozone report.

Other releases will include German retail sales sometime during the first week of the new year, German unemployment on Jan 4th and Spanish retail sales on Dec 27th.

ASIA-PACIFIC—MAIN PAIN FOR CHINA'S ECONOMY?

The depth of near-term downside risks to the Chinese economy will be the main focal point across Asian markets and potentially abroad. There may also be further guidance on the criteria for the Bank of Japan to contemplate additional stimulus.

China releases the state and private versions of purchasing managers indices starting on Sunday December 30th (eastern time) for the state versions and then through the middle of the first week of the new year for the private PMIs. **The manufacturing sector risks slipping into contraction territory with this batch of reports** given that both the state and private manufacturing PMIs were pretty much bang on the dividing line between contraction and expansion in the November figures (chart 11). Such evidence would likely further reinforce movement afoot to continue rolling out monetary and fiscal stimulus into 2019. Weakening Chinese data may induce concessions in coming trade negotiations while the absence of a 'Powell put' applies pressure on the US administration to perhaps do likewise to the extent to which calming stock markets will return as a goal for the Trump administration. China also updates industrial profits for November on December 26th.

Japan conducts its routine monthly data dump into the end of December. On tap are fresh figures for housing starts, the jobless rate, Tokyo CPI, industrial production and retail trade. Tokyo CPI is a December reading and hence fresher than the recently released national print; it could return to around ½% y/y lows hit around April given weakness in global commodity prices. **Bank of Japan watchers will also have an eye on a speech by Governor Kuroda** late on Christmas Day (eastern time) as well as the Summary of Opinions that will offer further perspective on the December 19th meeting at which Kuroda remarked that the BoJ will add stimulus if necessary and that it wouldn't be a problem if JGB yields turned negative.

CPI reports from South Korea (Dec 30th), Thailand (January 1st) and Philippines early in the new year may influence regional markets.

Chart 9

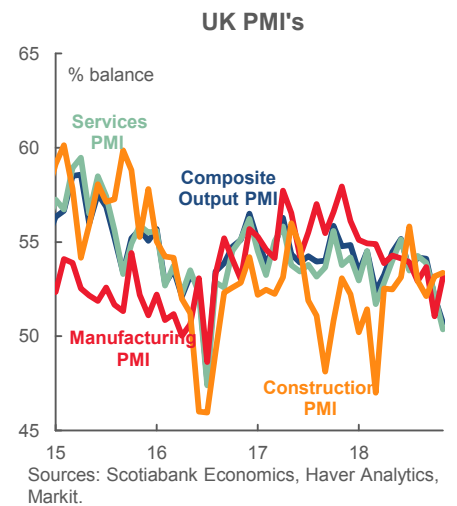


Chart 10

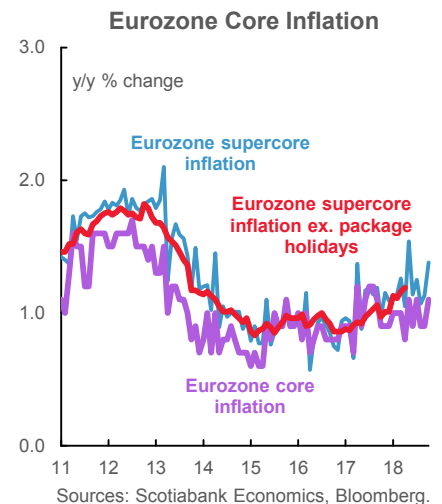


Chart 11



Key Indicators for the week of December 24 – January 4

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	12/24	09:00	Unemployment Rate (%)	Nov	3.1	3.2	3.2
US	12/26	09:00	S&P/Case-Shiller Home Price Index (m/m)	Oct	0.2	0.3	0.3
US	12/26	09:00	S&P/Case-Shiller Home Price Index (y/y)	Oct	5.0	4.8	5.2
US	12/26	10:00	Richmond Fed Manufacturing Index	Dec	--	15.0	14.0
US	12/27	08:30	Initial Jobless Claims (000s)	DEC 22	215	215	214
US	12/27	08:30	Continuing Claims (000s)	DEC 15	1685	1673	1688
US	12/27	10:00	Consumer Confidence Index	Dec	134	133.0	135.7
US	12/27	10:00	New Home Sales (000s a.r.)	Nov	566	566.0	544.0
US	12/28	08:30	Wholesale Inventories (m/m)	Nov P	--	0.5	0.8
MX	12/28	09:00	Trade Balance (US\$ mn)	Nov	-1842	200.5	-2936
US	12/28	10:00	Pending Home Sales (m/m)	Nov	--	1.0	-2.6
US	12/31	10:30	Dallas Fed. Manufacturing Activity	Dec	--	17.0	17.6
US	01/03	07:00	MBA Mortgage Applications (w/w)	DEC 28	--	--	-5.8
US	01/03	08:15	ADP Employment Report (000s m/m)	Dec	185	180.0	178.9
US	01/03	08:30	Initial Jobless Claims (000s)	DEC 29	215	215	214
US	01/03	08:30	Continuing Claims (000s)	DEC 22	1685	1673	1688
US	01/03	10:00	Construction Spending (m/m)	Nov	0.2	0.3	-0.1
US	01/03	10:00	ISM Manufacturing Index	Dec	58.2	58.0	59.3
US	01/03		Total Vehicle Sales (mn a.r.)	Dec	17.5	17.4	17.4
CA	01/04	08:30	Employment (000s m/m)	Dec	10	8.0	94.1
CA	01/04	08:30	Unemployment Rate (%)	Dec	5.6	5.7	5.6
CA	01/04	08:30	IPPI (m/m)	Nov	--	--	0.2
CA	01/04	08:30	Raw Materials Price Index (m/m)	Nov	--	--	-2.4
US	01/04	08:30	Nonfarm Employment Report (000s m/m)	Dec	185	180.0	155.0
US	01/04	08:30	Unemployment Rate (%)	Dec	3.7	3.7	3.7
US	01/04	08:30	Household Employment Report (000s m/m)	Dec	--	--	233.0
US	01/04	08:30	Average Hourly Earnings (m/m)	Dec	0.2	0.3	0.2
US	01/04	08:30	Average Hourly Earnings (y/y)	Dec	2.9	3.0	3.1
US	01/04	08:30	Average Weekly Hours	Dec	--	34.5	34.4

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SP	12/27	03:00	Real Retail Sales (y/y)	Nov	--	--	4.7
SP	12/27	07:00	Budget Balance YTD (€ mn)	Nov	--	--	-8384
SP	12/28	03:00	CPI (m/m)	Dec P	--	-0.1	-0.1
SP	12/28	03:00	CPI (y/y)	Dec P	--	1.5	1.7
SP	12/28	03:00	CPI - EU Harmonized (m/m)	Dec P	-0.1	-0.1	-0.2
SP	12/28	03:00	CPI - EU Harmonized (y/y)	Dec P	1.6	1.6	1.7
SP	12/28	03:00	Real GDP (q/q)	3Q F	--	0.6	0.6
SP	12/28	04:00	Current Account (€ bn)	Oct	--	--	0.9
GE	12/28	08:00	CPI (m/m)	Dec P	--	0.3	0.1
GE	12/28	08:00	CPI (y/y)	Dec P	1.9	1.9	2.3
GE	12/28	08:00	CPI - EU Harmonized (m/m)	Dec P	--	0.4	0.1
GE	12/28	08:00	CPI - EU Harmonized (y/y)	Dec P	1.9	1.9	2.2
RU	12/29		Real GDP (y/y)	3Q F	--	1.50	1.50
IT	01/02	03:45	Manufacturing PMI	Dec	--	48.4	48.6
FR	01/02	03:50	Manufacturing PMI	Dec F	--	49.7	49.7
GE	01/02	03:55	Manufacturing PMI	Dec F	--	51.5	51.5
EC	01/02	04:00	Manufacturing PMI	Dec F	--	51.4	51.4
UK	01/02	04:30	Manufacturing PMI	Dec	52.5	52.5	53.1
GE	JAN 02-	07	Retail Sales (m/m)	Nov	0.3	0.4	0.1
IT	01/02		Budget Balance (€ bn)	Dec	--	--	0.0
IT	01/02		Budget Balance YTD (€ bn)	Dec	--	--	-57.5
SP	JAN 02-	09	Industrial Output NSA (y/y)	Nov	--	--	3.6
UK	01/03	04:30	PMI Construction	Dec	53.0	52.9	53.4

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

Key Indicators for the week of December 24 – January 4
EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
UK	01/04	02:00	Nationwide House Prices (m/m)	Dec	--	0.1	0.3
FR	01/04	02:45	CPI (m/m)	Dec P	--	0.1	-0.2
FR	01/04	02:45	CPI (y/y)	Dec P	--	1.8	1.9
FR	01/04	02:45	CPI - EU Harmonized (m/m)	Dec P	0.1	0.2	-0.2
FR	01/04	02:45	CPI - EU Harmonized (y/y)	Dec P	1.9	2.0	2.2
IT	01/04	03:45	Services PMI	Dec	--	50.1	50.3
FR	01/04	03:50	Services PMI	Dec F	--	49.8	49.6
GE	01/04	03:55	Services PMI	Dec F	--	52.5	52.5
GE	01/04	03:55	Unemployment (000s)	Dec	--	-13.0	-16.0
GE	01/04	03:55	Unemployment Rate (%)	Dec	5.0	5.0	5.0
EC	01/04	04:00	Composite PMI	Dec F	--	51.3	51.3
EC	01/04	04:00	Services PMI	Dec F	--	51.4	51.4
UK	01/04	04:30	Net Consumer Credit (£ bn)	Nov	--	1.0	0.9
UK	01/04	04:30	Official Reserves Changes (US\$ bn)	Dec	--	--	534.0
UK	01/04	04:30	Services PMI	Dec	50.5	50.7	50.4
EC	01/04	05:00	Euro zone CPI Estimate (y/y)	Dec	1.8	1.8	2.0
EC	01/04	05:00	Euro zone Core CPI Estimate (y/y)	Dec A	1.0	1.0	1.0
EC	01/04	05:00	PPI (m/m)	Nov	--	-0.2	0.8
IT	01/04	05:00	CPI (m/m)	Dec P	--	--	-0.2
IT	01/04	05:00	CPI (y/y)	Dec P	--	1.5	1.6
IT	01/04	05:00	CPI - EU Harmonized (m/m)	Dec P	0.1	0.1	-0.3
IT	01/04	05:00	CPI - EU Harmonized (y/y)	Dec P	1.5	1.5	1.6

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
TA	12/22	03:00	Unemployment Rate (%)	Nov	3.7	3.7	3.7
SI	12/24	00:00	CPI (y/y)	Nov	0.5	0.6	0.7
TA	12/24	03:00	Industrial Production (y/y)	Nov	--	3.1	8.3
VN	DEC 24-31		CPI (y/y)	Dec	--	--	3.5
VN	DEC 24-31		Exports (y/y)	Dec	--	--	14.4
VN	DEC 24-31		Imports (y/y)	Dec	--	--	12.4
VN	DEC 24-31		Industrial Production (y/y)	Dec	--	--	9.6
VN	DEC 24-31		Real GDP YTD (y/y)	4Q	--	--	7.0
JN	12/25	00:00	Leading Index CI	Oct F	100.5	--	100.5
JN	12/25	00:00	Coincident Index CI	Oct F	104.5	--	104.5
PH	DEC 25-26		Budget Deficit/Surplus (PHP bn)	Nov	--	--	-59.9
SI	12/26	00:00	Industrial Production (y/y)	Nov	--	4.1	4.3
SK	12/26	16:00	Consumer Confidence Index	Dec	--	--	96.0
CH	12/26	20:30	Industrial Profits YTD (y/y)	Nov	--	--	3.6
JN	12/27	00:00	Housing Starts (y/y)	Nov	--	-0.1	0.3
JN	12/27	00:00	Construction Orders (y/y)	Nov	--	--	-16.5
HK	12/27	03:30	Exports (y/y)	Nov	--	7.3	14.6
HK	12/27	03:30	Imports (y/y)	Nov	--	5.7	13.1
HK	12/27	03:30	Trade Balance (HKD bn)	Nov	--	-38.5	-44.5
SK	12/27	16:00	Business Survey- Manufacturing	Jan	--	--	71.0
SK	12/27	16:00	Business Survey- Non-Manufacturing	Jan	--	--	74.0
SK	12/27	18:00	Industrial Production (y/y)	Nov	--	1.4	10.7
SK	12/27	18:00	Cyclical Leading Index Change	Nov	--	--	-0.4
JN	12/27	18:30	Jobless Rate (%)	Nov	2.4	2.4	2.4
JN	12/27	18:30	Tokyo CPI (y/y)	Dec	--	0.5	0.8
JN	12/27	18:50	Large Retailers' Sales (y/y)	Nov	--	-0.4	-0.8
JN	12/27	18:50	Retail Trade (y/y)	Nov	--	2.1	3.6
JN	12/27	18:50	Industrial Production (y/y)	Nov P	--	0.4	4.2
JN	12/27	23:00	Vehicle Production (y/y)	Oct	--	--	-5.3
PH	DEC 27-28		Bank Lending (y/y)	Nov	--	--	17.9
TH	12/28	02:30	Exports (y/y)	Nov	--	--	8.4
TH	12/28	02:30	Imports (y/y)	Nov	--	--	13.3
TH	12/28	02:30	Trade Balance (US\$ mn)	Nov	--	--	1255
TH	12/28	02:30	Current Account Balance (US\$ mn)	Nov	--	--	1888

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

Key Indicators for the week of December 24 – January 4

ASIA-PACIFIC (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SK	12/30	18:00	CPI (y/y)	Dec	1.9	1.8	2.0
SK	12/30	18:00	Core CPI (y/y)	Dec	--	--	1.3
AU	12/30	19:30	Private Sector Credit (y/y)	Nov	--	4.4	4.6
CH	12/30	20:00	Manufacturing PMI	Dec	50.0	50.0	50.0
CH	12/30	20:00	Non-manufacturing PMI	Dec	--	53.1	53.4
HK	DEC 30-31		Govt Monthly Budget Surp/Def (HKD bn)	Nov	--	--	29.3
SK	DEC 30-JAN 4		Department Store Sales (y/y)	Nov	--	--	1.2
IN	12/31	06:00	Fiscal Deficit (INR Crore)	Nov	--	--	53851
SK	12/31	19:00	Exports (y/y)	Dec	--	3.0	4.5
SK	12/31	19:00	Imports (y/y)	Dec	--	--	11.4
SK	12/31	19:00	Trade Balance (US\$ mn)	Dec	--	5600	4931
CH	01/01	20:45	HSBC Manufacturing PMI	Dec	50.2	50.1	50.2
TH	01/02	02:30	Business Sentiment Index	Dec	--	--	53.1
TH	01/02	22:00	CPI (y/y)	Dec	1.0	1.0	0.9
TH	01/02	22:00	Core CPI (y/y)	Dec	--	0.7	0.7
PH	JAN 2-4		CPI (y/y)	Dec	5.9	--	6.0
HK	01/03	03:30	Retail Sales - Volume (y/y)	Nov	--	4.2	5.2
SI	01/03	08:00	Purchasing Managers Index	Dec	--	--	51.5
HK	01/03	19:30	Purchasing Managers Index	Dec	--	--	47.1
JN	01/03	19:30	Markit/JMMA Manufacturing PMI	Dec F	--	--	52.4
CH	01/03	20:45	HSBC Services PMI	Dec	--	--	53.8
MA	01/03	23:00	Exports (y/y)	Nov	--	8.8	17.7
MA	01/03	23:00	Imports (y/y)	Nov	--	6.0	11.4
MA	01/03	23:00	Trade Balance (MYR bn)	Nov	--	10.3	16.3
JN	JAN 3-10		Official Reserve Assets (US\$ bn)	Dec	--	--	1258

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CO	12/28	10:00	Urban Unemployment Rate (%)	Nov	--	9.8	10.2
CL	12/31	07:00	Industrial Production (y/y)	Nov	--	--	9.1
CL	12/31	07:00	Unemployment Rate (%)	Nov	--	--	7.1
PE	01/01	00:00	Consumer Price Index (m/m)	Dec	0.1	--	0.1
PE	01/01	00:00	Consumer Price Index (y/y)	Dec	2.1	--	2.2
BZ	01/02	07:00	PMI Manufacturing Index	Dec	--	--	52.7
BZ	JAN 2-4		Trade Balance (FOB) - Monthly (US\$ mn)	Dec	--	--	4062
CL	JAN 2-4		Retail Sales (y/y)	Nov	--	--	7.5
CL	JAN 2-8		Economic Activity Index SA (m/m)	Nov	--	--	0.2
CL	JAN 2-8		Economic Activity Index NSA (y/y)	Nov	--	--	4.2
CL	JAN 4-9		CPI (m/m)	Dec	--	--	0.0
CL	JAN 4-9		CPI (y/y)	Dec	--	--	2.8

Global Auctions for the week of December 24 – January 4**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	12/24	11:30	U.S. to Sell 2-Year Notes
US	12/26	11:30	U.S. to Sell 2-Year Floating Rate Notes Reopening
US	12/26	13:00	U.S. to Sell 5-Year Notes
US	12/27	13:00	U.S. to Sell 7-Year Notes

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	12/27	05:00	Italy to Sell Zero Bonds
IT	12/28	05:00	Italy to Sell Bonds
SP	01/03	04:30	Spain to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	12/23	20:30	Korea Central Bank to Sell KRW 1TIn 1-Year Bond
CH	12/23	21:30	Xinjiang to Sell CNY1.5 Bln 10Y Bonds
CH	12/24	02:30	Qinghai to Sell Bonds
SK	12/24	00:00	Korea Central Bank to Sell KRW 700Bln 91-Days Bond
JN	12/25	22:35	Japan to Sell 2-Year Bond
CH	12/25	13:00	Shandong to Sell Bonds
CH	12/26	22:30	Guangxi to Sell Bonds
CH	12/28	13:00	Heilongjiang to Sell Bonds

Source: Bloomberg, Scotiabank Economics.

Events for the week of December 24 – January 4**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	01/04	10:15	Fed Chair Powell plus Bernanke and Yellen interviewed at AEA
US	01/04	10:15	Fed's Bostic Speaks at AEA in Atlanta

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	12/27	04:00	ECB Publishes Economic Bulletin
PO	12/27		Portugal Releases Year-to-Date Budget Report
IT	12/28		Bank of Italy to Release 3Q Credit Conditions and Risk

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	12/25	18:50	BOJ Minutes of Policy Meeting
JN	12/25	23:00	BOJ kuroda makes a speech in Keidanren
JN	12/27	18:50	BOJ Summary of Opinions
TH	01/01	21:00	Bank of Thailand's MPC Minutes

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	January 9, 2019	1.75	1.75
Federal Reserve – Federal Funds Target Rate	2.50	January 30, 2019	2.50	2.50
Banco de México – Overnight Rate	8.25	February 7, 2019	8.25	8.25

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	January 24, 2019	0.00	0.00
Bank of England – Bank Rate	0.75	February 7, 2019	0.75	0.75
Swiss National Bank – Libor Target Rate	-0.75	March 21, 2019	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	7.75	February 8, 2019	--	--
Sweden Riksbank – Repo Rate	-0.25	February 13, 2019	-0.25	-0.25
Norges Bank – Deposit Rate	0.75	January 24, 2019	0.75	0.75
Central Bank of Turkey – Benchmark Repo Rate	24.00	January 16, 2019	24.00	24.00

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	January 23, 2019	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	1.50	February 4, 2019	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	February 12, 2019	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	4.35
Reserve Bank of India – Repo Rate	6.50	February 6, 2019	6.50	6.50
Bank of Korea – Bank Rate	1.75	January 24, 2019	1.75	1.75
Bank of Thailand – Repo Rate	1.75	February 6, 2019	1.75	1.75
Bank Negara Malaysia – Overnight Policy Rate	3.25	January 24, 2019	3.25	3.25
Bank Indonesia – 7-Day Reverse Repo Rate	6.00	TBA	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	4.75	February 7, 2019	4.75	4.75

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	February 6, 2019	6.50	6.50
Banco Central de Chile – Overnight Rate	2.75	January 30, 2019	2.75	2.75
Banco de la República de Colombia – Lending Rate	4.25	TBA	4.25	4.25
Banco Central de Reserva del Perú – Reference Rate	2.75	January 10, 2019	2.75	2.75

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	6.75	January 17, 2019	6.75	6.75

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

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