

**EARNINGS VERSUS BREXIT**

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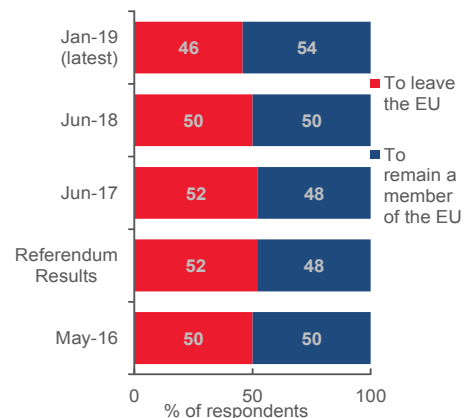
Derek Holt, VP & Head of Capital Markets Economics  
416.863.7707  
Scotiabank Economics  
[derek.holt@scotiabank.com](mailto:derek.holt@scotiabank.com)

**Next Week's Risk Dashboard**

- ▶ Brexit vote & aftermath
- ▶ US earnings
- ▶ CPI: Canada, UK, Japan, India, Argentina
- ▶ China trade, financing
- ▶ US shutdown continued
- ▶ US macro
- ▶ Bank Indonesia

**Chart of the Week**

**Brexit Vote Poll**



Sources: Scotiabank Economics, YouGov, Panelbase.

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

## Earnings Versus Brexit

### UNITED STATES—EARNINGS BLIP, OR SOMETHING MORE SINISTER?

**The 2018Q4 earnings season kicks off next week as a dominant source of risk that will be with markets for several weeks ahead.** The week's one marquee report is put on hold by US government dysfunction as the partial government shutdown sets a new all-time record for the longest in history, and for debatable reasons (charts 1, 2).

**Thirty-four S&P500 firms release earnings over the coming week.** Twenty-two of them will be financials, which is typical of the early stages of every season. Key names will include Citigroup that kicks it off on Monday, as well as JP Morgan Chase, Wells Fargo, US Bancorp, BlackRock, BoNYM, BofA, PNC Financial, Goldman Sachs, Morgan Stanley, Amex and State Street. Nonfinancials start off slowly at first and include Kinder Morgan and Netflix.

**Chart 3 shows what analysts are expecting.** If you get out the microscope, you'll see the average dip in Q4 earnings per share that they are expecting. Time will tell if either they haven't turned negative enough on the season, or if equity valuations have gone too downbeat. Recall, however, that the usual pattern for ages now is tilted toward earnings beats in relation to the usual game of ratcheting down expectations and preferring to be surprised to the upside at least since SOX legislation (chart 4). Beyond this season, analysts remain upbeat about future EPS growth as shown in the chart, or they are placing the bulk of their emphasis upon nearer-term estimates.

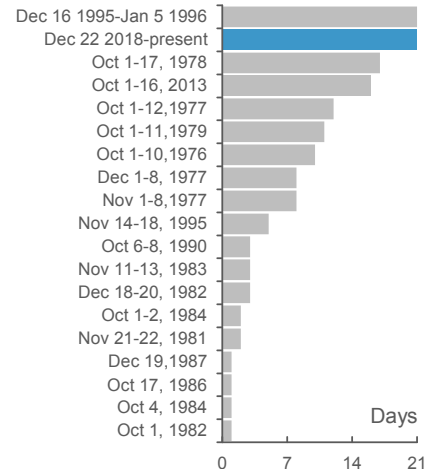
**Retail sales for December were to have been released on Wednesday.** They won't be, because as we go to print the US government remains partially shut. This is disrupting data releases, but not uniformly so. Which releases are affected depends upon which departments produce them, since some were previously funded and some did not have prior funding in place. Figures for labour markets and prices are produced by the Bureau of Labor Statistics and will not be affected unless the shutdown literally goes on for "months, or years" as Trump casually warns. Releases by the branches of the Commerce Department will not, however, be produced and that includes those produced by the Census Bureau and the Bureau of Economic Analysis. The Census Bureau publishes retail sales, so until the government reopens and the staff can return to collect, analyze and disseminate the data, we won't have a firmer reading on how the holiday shopping season ended 2018 other than less reliable proxies like individual company's results.

**That said, retail sales probably came in weak in December.** A key culprit is the price of gasoline (chart 5). The nearly 10% m/m drop carries just over an 8% weight in retail sales and this will singlehandedly shave over a half percentage point off of headline sales assuming flat volumes of gasoline sales. New vehicle sales were soft (+0.6% m/m SA) and with a 20% weight so the volume effect will add only 0.1% to retail sales. Also note that CPI was down -0.1% on headline and up only 0.2% m/m for CPI ex food and energy so broader non-gasoline price effects won't help the report that is produced on a dollar value basis. Overall, I would go with no headline growth in retail sales at best and that assumes core sales ex-autos and gasoline can do much of the heavy lifting to avert a worse outcome.

With that, the backlog of data releases will include retail sales, new home sales, construction spending and international trade.

Chart 1

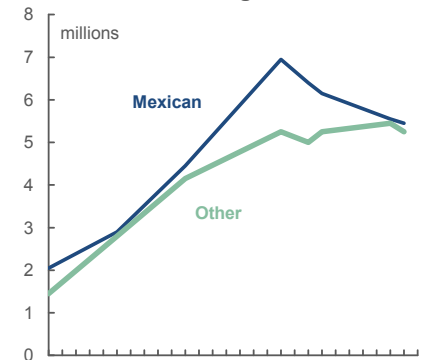
### This Shutdown Will Be One For The Record Books



Sources: Scotiabank Economics, Congressional Research Service, US House, US Senate.

Chart 2

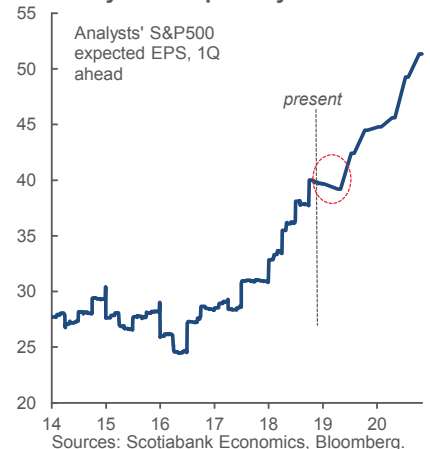
### Unauthorized Immigrants in the US



Sources: Scotiabank Economics, Pew Research Center, American Community Survey, Current Population Survey.

Chart 3

### Analysts Temporarily Bearish?



Sources: Scotiabank Economics, Bloomberg.

**Friday's University of Michigan consumer sentiment report** will be monitored for evidence on how confidence is holding up in the face of the complex array of competing drivers including financial market volatility, falling gasoline prices and rising wages. Some aspects of expectations have become more constructive to the outlook, like the mean probability of real income gains while the expected probability of losing one's job has remained stable (chart 6). Nevertheless, the expected probability of income gains has only become slightly better than even odds.

Lesser releases will include producer prices for December (Tuesday), regional manufacturing gauges (Empire on Tuesday, Philly on Thursday), industrial production that may pose a small gain for December (Friday) and housing starts that were probably little changed in December on Thursday.

**Fed communications should be downplayed compared to the recent past.** Little new is likely to be offered in speeches by Vice Chair Quarles and seven scheduled appearances by five regional Fed presidents. The Beige Book of regional conditions arrives on Wednesday.

**CANADA—GAS ATTACK!**

**Inflation—or the lack thereof—will be the primary focal point in Canadian markets over the coming week.** Canada's earnings season lags the US and doesn't really start up in earnest until early February.

**CPI inflation in December arrives on Friday.** It could well dip again in terms of headline pressures, but the emphasis will primarily remain upon core inflation that may continue to be more resilient (chart 7).

**I'm expecting headline inflation to slip to 1.6% y/y (1.7% prior).** Base effects should counsel higher inflation. The source of downward pressure could be two-fold. One is that gas prices have been tanking. Market prices lead availability of CPI and they point to significant disinflationary pressure (chart 8). Much of that adjustment occurred in the November CPI reading but gas should knock another 0.1–0.2% off of headline inflation in the December reading. In addition, December is often a seasonally weak month for unadjusted month-ago price changes which should weigh

Chart 4

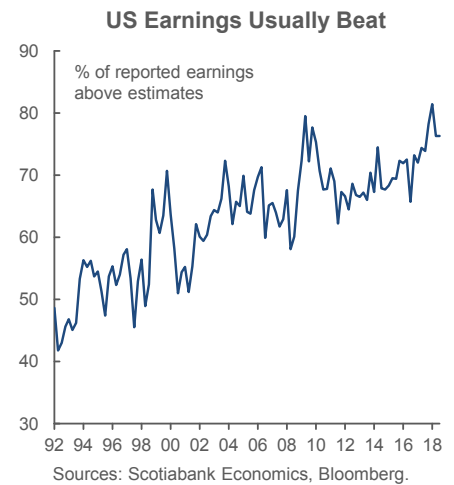


Chart 5

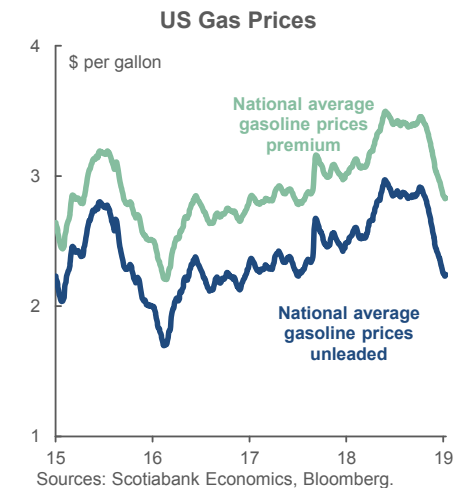


Chart 6

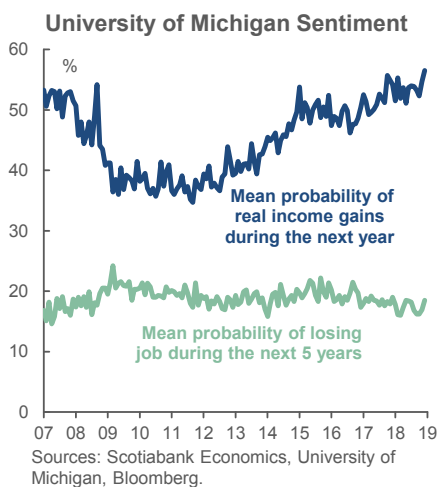
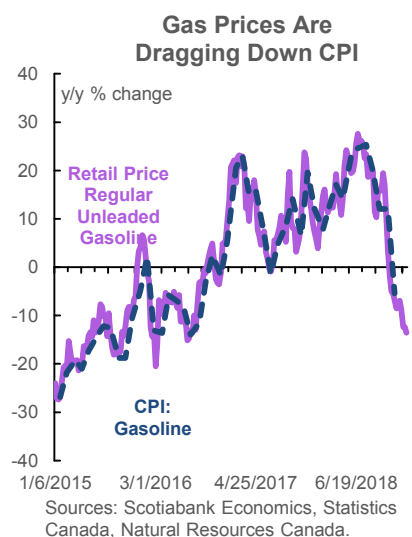


Chart 7



Chart 8



on the year-ago rate if it's anything close to a typical December. I figure the month-ago rate will come in around -0.5% m/m in unadjusted terms.

**Canada also updates existing home sales for December on Tuesday.** Canada remains in a housing soft patch that is expected to stabilize over this year and the bigger test lies ahead in the Spring housing market. OSFI's B20 guidelines and tightened provincial regulations are the primary culprit for softening sales over the effects of interest rates. Strong job markets should assist in stabilizing the market. Further to the debate over interest rate effects, it's important to reemphasize that the picture of consumer bankruptcies is being seriously misunderstood ([here](#)).

Canada auctions C\$3 billion of 2.25% 5s on Wednesday.

### ASIA-PACIFIC—LENDING CHINA'S ECONOMY A HAND

**Four developments could influence markets over the coming week, one at a global level and the other three are of pertinence to local markets.**

**China will offer up more macro evidence on how the economy is performing in the face of its trade skirmish with the US and what it is doing to counter it.** Credit and money supply figures will be released at some point likely before Tuesday. The financing tallies for new yuan loans and for aggregate financing that also lumps in FX loans, paper, bonds, equities and shadow products will close off 2018. **The year should finish with the second fastest annual pace of increase in new yuan loans on record** behind only 2009 when stimulus measures were rolled out (chart 9). A pending two-stage reduction in reserve requirements starting next Tuesday and then again on January 25th should get 2019 off to a solid start for loan growth as well (chart 10). **China will also update trade figures** for December by early next week; chart 11 tracks the evolution of its trade surplus with volatility around the shifting annual Lunar New Year holiday. As this holiday approaches, markets will be on further watch for additional easing measures.

**Bank Indonesia delivers a policy decision next Thursday.** It will probably keep its 7 day reverse repo rate unchanged at 6%. Inflation has been cruising around the bottom end of the 3–5% target range. A risk is how it views currency movements, given that the rupiah has appreciated by about 8% versus the USD since the end of October and about 3% since the last decision in December. At the margin, this may fan softer inflation concerns.

**Japan updates CPI for December** (Thursday), and **India's inflation rate** for December (Monday) will inform the Reserve Bank of India's next steps. A further deceleration toward the low end of the 2–6% inflation target range is expected.

### EUROPE—IF IT AIN'T BREXIT....

**Far and away the biggest risk facing UK markets and arguably world markets over the coming week will come on Tuesday when the British Parliament votes on the European Union (Withdrawal) Act ahead of the Article 50 deadline on March 29<sup>th</sup>.**

**The vote is almost assuredly going to fail and so the focus will be upon the actions in the immediate aftermath.** Markets are largely priced for a 'no' outcome but uncertain as to what that may mean. Popular support for leaving the European

Chart 9

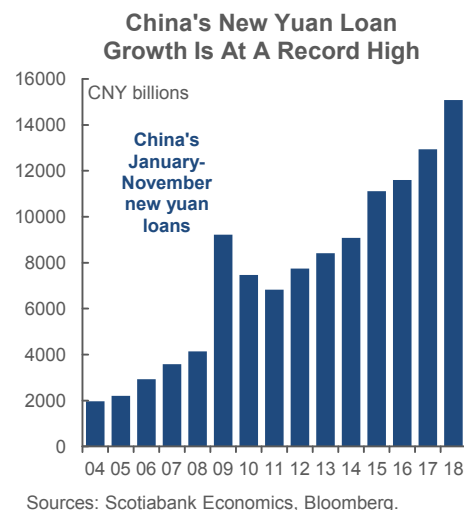


Chart 10

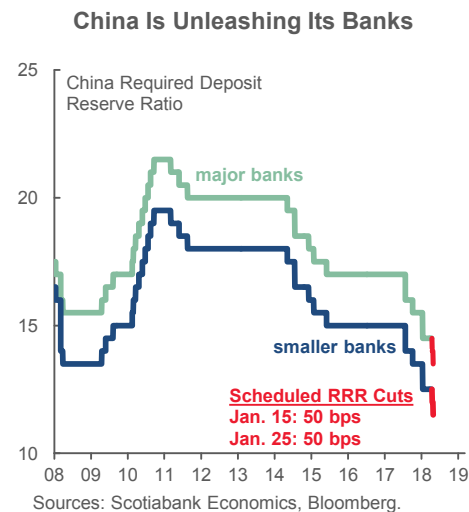
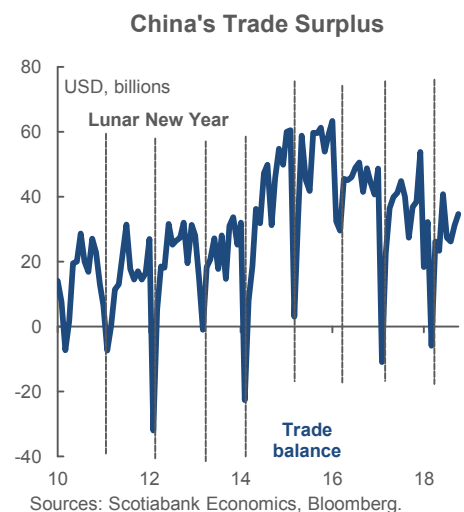


Chart 11



Union remains a close call but the freshest polling tilts the edge in favour of 'remainers' as reality bites (chart 12).

Among the options is pressure from PM May's cabinet ministers to seek a negotiated agreement with the opposition Labour Party leader Jeremy Corbyn. Corbyn, however, has threatened a confidence vote against the government that would trigger fresh elections he says would be necessary should the vote fail. To vote down the government, Labour would need a lot of help from other MPs. Labour holds 257 out of 650 seats, the Conservatives hold 317, the Conservatives' coalition partner—Ireland's Democratic Unionist Party—holds 10 seats, the Liberal Democrats hold 11 and the remaining 20 seats are distributed across smaller parties.

Time is of the essence as the late March deadline approaches, so other options may include seeking to reopen negotiations with the EU in relation to the contentious issues surrounding treatment of the Irish border. Parliament may even be asked to consider an alternative to the Withdrawal Act that could be a less damaging form of withdrawal. Delaying the March 29<sup>th</sup> deadline has been downplayed by both sides, but that doesn't mean it remains impossible. Nevertheless, it's unclear what good that would do given they've had since the June 2016 vote to achieve agreement. Another referendum is a remote prospect.

Data risk will play second, third or fourth fiddle to Brexit. UK CPI for December (Wednesday) is expected to decelerate to just over 2% y/y and has been sharply reduced from a peak of 3.1% at the end of 2017. Like everywhere else, lower petrol prices are a culprit. Core CPI is expected to remain little changed around 1.8% y/y. UK retail sales are expected to give back some of the prior months' rise as the holiday season's tally wraps up on Friday. Also note that the Bank of England's Credit Conditions and Bank liabilities surveys will be updated on Thursday.

### LATIN AMERICA—NOT GETTING REAL

Latin American markets will play the role of observer toward global market developments over the coming week. No central bank decisions are on tap and the macro cupboards are nearly bare.

**The one release of note will be Argentina's inflation reading for December.** Another roughly 3% seasonally unadjusted month-ago rise is expected and that will keep the year-ago rate in the stratosphere (chart 13). Consensus expects inflation to begin drifting lower over the second half of this year as the year-ago rate gets rebased to the 2018 gain. The country's wage index was rising at a more subdued pace of less than half the rate of inflation and thus posing the challenge of lessened labour competitiveness while real incomes have been eroding.

Brazilian retail sales in November (Tuesday) and Colombian industrial output for the same month (Friday) round out the limited hits.

Chart 12

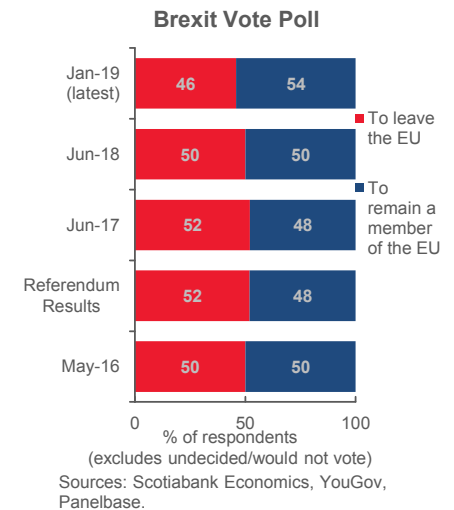


Chart 13



## Key Indicators for the week of January 14 – 18

### NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	01/14	08:30	Teranet - National Bank HPI (y/y)	Jan	--	--	3.1
US	01/14		Treasury Budget (US\$ bn)	Dec	--	-10.0	-204.9
US	01/15	08:30	Empire State Manufacturing Index	Jan	--	12.0	10.9
US	01/15	08:30	PPI (m/m)	Dec	-0.1	-0.1	0.1
US	01/15	08:30	PPI ex. Food & Energy (m/m)	Dec	0.2	0.2	0.3
CA	01/15	09:00	Existing Home Sales (m/m)	Dec	--	-1.0	-2.3
US	01/16	07:00	MBA Mortgage Applications (w/w)	JAN 11	--	--	23.5
US	01/16	08:30	Export Prices (m/m)	Dec	--	-1.3	-1.6
US	01/16	08:30	Import Prices (m/m)	Dec	--	-1.3	-1.6
US	01/16	08:30	Retail Sales (m/m)	Dec	0.0	0.2	0.2
US	01/16	08:30	Retail Sales ex. Autos (m/m)	Dec	-0.1	0.0	0.2
US	01/16	10:00	Business Inventories (m/m)	Nov	--	0.3	0.6
US	01/16	10:00	NAHB Housing Market Index	Jan	--	56.0	56.0
US	01/16	16:00	Total Net TIC Flows (US\$ bn)	Nov	--	--	42.0
US	01/16	16:00	Net Long-term TIC Flows (US\$ bn)	Nov	--	--	31.3
US	01/17	08:30	Building Permits (000s a.r.)	Dec	--	1288.0	1328.0
US	01/17	08:30	Housing Starts (000s a.r.)	Dec	1260	1260.0	1256.0
US	01/17	08:30	Housing Starts (m/m)	Dec	-0.3	0.3	3.2
US	01/17	08:30	Initial Jobless Claims (000s)	JAN 12	220	221.5	216.0
US	01/17	08:30	Continuing Claims (000s)	JAN 5	1730	--	1722.0
US	01/17	08:30	Philadelphia Fed Index	Jan	12	10.0	9.1
CA	01/18	08:30	Core CPI - Common (y/y)	Dec	--	1.9	1.9
CA	01/18	08:30	Core CPI - Median (y/y)	Dec	--	1.9	1.9
CA	01/18	08:30	Core CPI - Trim (y/y)	Dec	--	1.9	1.9
CA	01/18	08:30	CPI, All items (m/m)	Dec	-0.5	-0.3	-0.4
CA	01/18	08:30	CPI, All items (y/y)	Dec	1.6	1.7	1.7
CA	01/18	08:30	CPI, All items (index)	Dec	--	133.0	133.5
CA	01/18	08:30	International Securities Transactions (C\$ bn)	Nov	--	--	4.0
US	01/18	09:15	Capacity Utilization (%)	Dec	78.5	78.5	78.5
US	01/18	09:15	Industrial Production (m/m)	Dec	0.2	0.2	0.6
US	01/18	10:00	U. of Michigan Consumer Sentiment	Jan P	97.5	96.4	98.3

### EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
EC	01/14	05:00	Industrial Production (m/m)	Nov	--	-1.5	0.2
EC	01/14	05:00	Industrial Production (y/y)	Nov	--	-2.1	1.2
FR	01/15	02:45	Central Government Balance (€ bn)	Nov	--	--	-87.0
FR	01/15	02:45	CPI (m/m)	Dec F	--	0.0	0.0
FR	01/15	02:45	CPI (y/y)	Dec F	--	1.6	1.6
FR	01/15	02:45	CPI - EU Harmonized (m/m)	Dec F	--	0.1	0.1
FR	01/15	02:45	CPI - EU Harmonized (y/y)	Dec F	--	1.9	1.9
SP	01/15	03:00	CPI (m/m)	Dec F	--	-0.4	-0.4
SP	01/15	03:00	CPI (y/y)	Dec F	--	1.2	1.2
SP	01/15	03:00	CPI - EU Harmonized (m/m)	Dec F	--	-0.5	-0.5
SP	01/15	03:00	CPI - EU Harmonized (y/y)	Dec F	--	1.2	1.2
GE	01/15	04:00	Real GDP NSA (y/y)	2018	--	1.5	2.2
GE	01/15	04:00	Budget (Maastricht) (% of GDP)	2018	--	--	1.0
EC	01/15	05:00	Trade Balance (€ mn)	Nov	--	--	13952.3
GE	01/16	02:00	CPI (m/m)	Dec F	--	0.1	0.1
GE	01/16	02:00	CPI (y/y)	Dec F	--	1.7	1.7
GE	01/16	02:00	CPI - EU Harmonized (m/m)	Dec F	--	0.3	0.3
GE	01/16	02:00	CPI - EU Harmonized (y/y)	Dec F	--	1.7	1.7
UK	01/16	04:30	CPI (m/m)	Dec	--	0.2	0.2
UK	01/16	04:30	CPI (y/y)	Dec	--	2.2	2.3
UK	01/16	04:30	PPI Input (m/m)	Dec	--	-1.4	0.0
UK	01/16	04:30	PPI Output (m/m)	Dec	--	0.0	0.2
UK	01/16	04:30	RPI (m/m)	Dec	--	0.5	0.0
UK	01/16	04:30	RPI (y/y)	Dec	--	2.9	3.2

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



## Key Indicators for the week of January 14 – 18

### EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IT	01/16	05:00	CPI - EU Harmonized (y/y)	Dec F	--	1.2	1.2
TU	01/16	06:00	Benchmark Repo Rate (%)	Jan 16	--	24.00	24.00
EC	01/17	05:00	CPI (m/m)	Dec	--	0.0	0.0
EC	01/17	05:00	CPI (y/y)	Dec F	--	1.6	1.6
EC	01/17	05:00	Euro zone Core CPI Estimate (y/y)	Dec F	--	1.0	1.0
EC	01/18	04:00	Current Account (€ bn)	Nov	--	--	23.0
IT	01/18	04:00	Current Account (€ mn)	Nov	--	--	6080.7
UK	01/18	04:30	Retail Sales ex. Auto Fuel (m/m)	Dec	--	-0.8	1.2
UK	01/18	04:30	Retail Sales with Auto Fuel (m/m)	Dec	--	-0.8	1.4

### ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IN	01/14	01:30	Monthly Wholesale Prices (y/y)	Dec	--	4.6	4.6
IN	01/14	07:00	CPI (y/y)	Dec	2.3	2.17	2.33
JN	01/14	18:50	Japan Money Stock M2 (y/y)	Dec	--	2.4	2.3
JN	01/14	18:50	Japan Money Stock M3 (y/y)	Dec	--	2.1	2.1
ID	01/14	23:00	Exports (y/y)	Dec	--	--	-3.3
ID	01/14	23:00	Imports (y/y)	Dec	--	--	11.7
ID	01/14	23:00	Trade Balance (US\$ mn)	Dec	--	--	-2050.0
CH	01/14		Exports (y/y)	Dec	--	2.0	5.4
CH	01/14		Imports (y/y)	Dec	--	4.5	3.0
CH	01/14		Trade Balance (USD bn)	Dec	--	51.6	44.7
JN	01/15	01:00	Machine Tool Orders (y/y)	Dec P	--	--	-17.0
NZ	01/15	11:00	QV House Prices (y/y)	Dec	--	--	3.5
JN	01/15	18:50	Machine Orders (m/m)	Nov	--	3.0	7.6
JN	01/15	23:30	Tertiary Industry Index (m/m)	Nov	--	-0.5	1.9
IN	01/15		Exports (y/y)	Dec	--	--	0.8
IN	01/15		Imports (y/y)	Dec	--	--	4.3
PH	01/15		Overseas Remittances (y/y)	Nov	--	6.5	8.7
AU	01/16	19:30	Home Loans (%)	Nov	--	-1.5	2.2
AU	01/16	19:30	Investment Lending (% change)	Nov	--	--	0.6
HK	01/17	03:30	Unemployment Rate (%)	Dec	2.8	--	2.8
NZ	01/17	16:30	Business NZ PMI	Dec	--	--	53.5
JN	01/17	18:30	National CPI (y/y)	Dec	0.8	0.3	0.8
JN	01/17	23:30	Capacity Utilization (m/m)	Nov	--	--	4.0
JN	01/17	23:30	Industrial Production (y/y)	Nov F	1.4	--	1.4
HK	01/17		Composite Interest Rate (%)	Dec	--	--	0.78
ID	01/17		<b>BI 7-Day Reverse Repo Rate (%)</b>	<b>Jan 17</b>	<b>6.00</b>	--	<b>6.00</b>
PH	01/18		Balance of Payments (US\$ mn)	Dec	--	--	847.0

### LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	01/15	06:00	Retail Sales (m/m)	Nov	--	1.0	-0.4
BZ	01/15	06:00	Retail Sales (y/y)	Nov	--	2.3	1.9
PE	01/15		Economic Activity Index NSA (y/y)	Nov	--	4.7	4.2
BZ	01/17	05:30	Economic Activity Index SA (m/m)	Nov	--	0.1	0.0
BZ	01/17	05:30	Economic Activity Index NSA (y/y)	Nov	--	1.7	3.0
CO	01/18		Retail Sales (y/y)	Nov	--	6.0	6.5

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

## Global Auctions for the week of January 14 – 18

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
GE	01/16	05:35	30Y Note Allotment
GE	01/16	05:35	30Y Note Average Yield
GE	01/16	05:35	30Y Note Bid-Cover
GE	01/16	05:35	30Y Note Low Bid
SP	01/17	04:30	Spain to Sell Bonds

### ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
MA	12/31	00:00	Malaysia to Sell 7.5Yr Bonds
MA	12/31	00:00	Malaysia to Sell 5Yr Islamic Bonds
SK	01/14	00:00	Korea Central Bank to Sell KRW 900Bln 91-Days Bond
SK	01/15	20:30	Korea Central Bank to Sell KRW 2.3Tln 2-Year Bond
TH	01/15	22:00	Thailand to Sell THB20 Bln Bonds Due 2028 (LB28DA)
CH	01/15	22:00	China Plans to Sell 1-Year Government Bond
CH	01/15	22:00	China Plans to Sell 10-Year Upsized Government Bond
HK	01/15	22:30	Hong Kong to Sell HKD1.5 Bln 10-Year Bonds 10GB2901
JN	01/15	22:35	Japan to Sell 5-Year Bonds
JN	01/15	22:35	5Y Note Amount Sold
JN	01/15	22:35	5Y Note Average Yield
JN	01/15	22:35	5Y Note Bid/Cover Ratio
JN	01/15	22:35	5Y Note Tail Yield
NZ	01/16	20:05	New Zealand To Sell NZD250 Mln 3% 2029 Bonds
JN	01/16	22:30	1Y Note Amount Sold
JN	01/16	22:30	1Y Note Average Yield
JN	01/16	22:30	1Y Note Bid/Cover Ratio
JN	01/16	22:30	1Y Note Tail Yield

Source: Bloomberg, Scotiabank Economics.



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**Events for the week of January 14 – 18****NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	01/15	11:30	Fed's Kashkari Speaks on Regional Economy in Minnesota
US	01/15	13:00	Fed's George Speaks on Economy and Monetary Policy Outlook
US	01/15	13:00	Fed's Kaplan Speaks in Plano, Texas
US	01/16	14:00	U.S. Federal Reserve Releases Beige Book
US	01/16	18:30	Fed's Kashkari Speaks on Panel About Financial Crisis
US	01/16	18:30	Fed's Kashkari Speaks About 10th Anniversary of Crisis
US	01/17	10:45	Fed's Quarles Speaks at Insurance Industry Forum
US	01/18	09:05	Fed's Williams Speaks on Economic Outlook and Monetary...
US	01/18	11:00	Fed's Harker Speaks Symposium on Prosperity

**EUROPE**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
GE	01/14	04:00	Economy Ministry publishes update on economy
SW	01/15	08:15	Riksbank's Jochnick Gives Speech
EC	01/15	10:00	ECB's Draghi Presents 2017 Annual Report in Strasbourg
SW	01/16	03:45	Riksbank's Skingsley Gives Speech
EC	01/17	06:00	ECB's Lautenschlaeger Speaks in Dublin

**ASIA-PACIFIC**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
ID	01/16	21:00	<b>Bank Indonesia 7D Reverse Repo</b>

## Global Central Bank Watch

### NORTH AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Bank of Canada – Overnight Target Rate	1.75	March 6, 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	1.00
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	January 17, 2019	6.00	6.25
Central Bank of Philippines – Overnight Borrowing Rate	4.75	February 7, 2019	4.75	5.00

**Bank Indonesia (BI):** Indonesian monetary authorities will make a policy decision on January 17. We expect the BI to continue its wait-and-see stance in the near term as it assesses the direction of monetary policy in other economies, notably in the US. The BI raised the benchmark 7-day reverse repo rate by a total of 175 basis points between May and November 2018 in an effort to promote financial stability and support the Indonesian rupiah.

### 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	3.00
Banco de la República de Colombia – Lending Rate	4.25	January 31, 2019	4.25	4.25
Banco Central de Reserva del Perú – Reference Rate	2.75	February 7, 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

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