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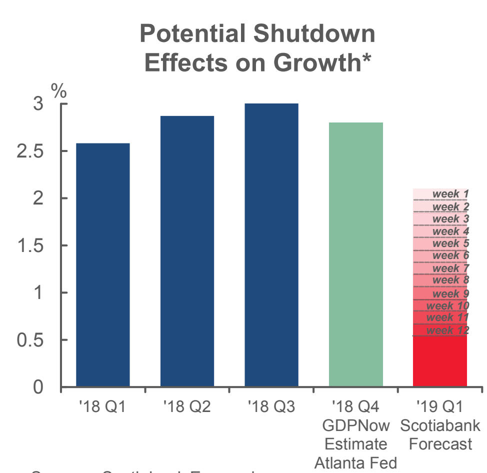
Next Week's Risk Dashboard

- Brexit vote aftermath
- US earnings
- CBs: ECB, BoJ, Norges, BoK, Bank Negara
- WEF at Davos, ex-US, UK
- GDP: China, SK, Philippines
- Eurozone PMIs, ZEW
- CDN retail, manufacturing
- US home resales, Richmond
- German IFO
- China retail, IP, investment
- UK wages, jobs
- CPI: Tokyo, NZ, Brazil
- Australian jobs

Chart of the Week



Sources: Scotiabank Economics, Bureau of Economic Analysis, Federal Reserve Bank of Atlanta.* Estimates based on comments made by Kevin Hassett, Council of Economic Advisers

Chart of the Week: Prepared by: Alena Bystrova,

'America First' Stays Home

ASIA-PACIFIC—IT'S A MIRACLE!

The China macro story will dominate market attention over the coming week with secondary attention paid to a trio of central bank decisions and data releases of consequence to local markets.

China's GDP growth rate for 2018Q4 and the full year is on tap for release into the Asian market open on Monday. Expect China to register growth close to the target set for the year at last March's National People's Congress (6.5%) while growth in the final quarter performs similarly. It's a miracle! And always note that the figures are never revised despite the speed with which they come out. As a cross-check on GDP figures, recent higher-frequency readings that are more difficult to fudge have been mixed. Purchasing managers' indices have tumbled (chart 1), but widely watched figures for electricity consumption, rail freight and credit growth are resilient (charts 2–3) ahead of further reductions in required reserve ratios for lenders. Regardless, the challenge lies ahead as tariffs bite while stimulus is injected. Our house view is for China's growth rate to remain six-handled this year. Also note that **China releases retail sales, industrial production, fixed asset investment and the jobless rate** all for December and also into the Monday Asian market open. The risk bias across the higher-frequency readings is toward mild weakening.

Each of the Bank of Japan (Wednesday, eastern time), Bank Negara Malaysia (Thursday, ET) and Bank of Korea (Thursday, ET) will issue policy decisions. None of them are expected to alter policy measures but the emphasis is likely to be upon external risks with possibly more conservative forecast alterations and guidance. In particular, inflation has been soft and below target across all three economies.

To this latter point, **five countries across the region will update inflation readings** for December (Hong Kong, Malaysia, Singapore), Q4 (New Zealand) and January (Tokyo). Each is likely to continue to reflect the effects of lower energy prices. Some will reflect special considerations, like Malaysian CPI that continues to be held down by the elimination of its 6% sales tax in June that will depress the year-ago reading until next June.

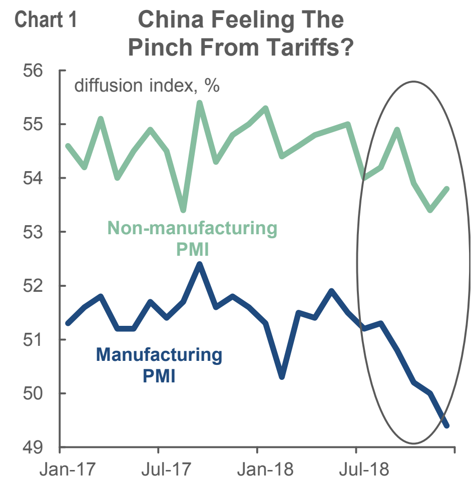
GDP reports will be released for Q4 growth rates by South Korea (Monday night, ET) and Philippines (Wednesday night, ET). Australia will update its job growth picture for December on Wednesday night.

EUROPE—WILL THE ECB AND NORGES TURN MORE CAUTIOUS?

As Brexit negotiations have reached a stalemate, breaking through the logjam—or not—will be a key risk to world markets over the coming week. UK PM May has reportedly reinforced her negotiating stance against a second referendum and against Labour's desire for a customs union while adhering to her 'red lines' including retaining the option of a hard- or no-deal Brexit. **How the ECB assesses the risks will also be informed by another round of survey-based evidence on momentum into 2019. UK wage and job market conditions plus Norges Bank's guidance will round out European influences both upon global and local markets.**

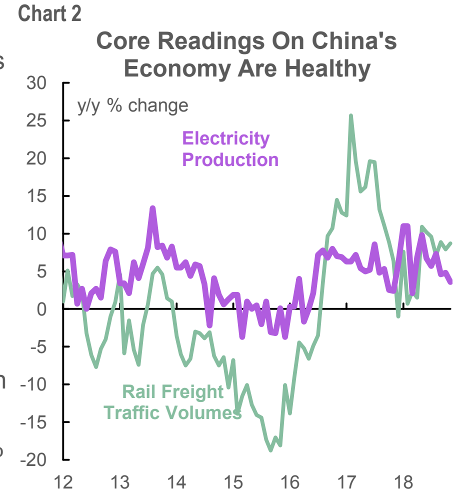
The world—minus the US delegation and UK PM May who are embattled at home—descends upon **Davos, Switzerland for the annual World Economic Forum** from next Tuesday to Friday (agenda here). The IMF will present its outlook to kick it off. The theme

Chart 1



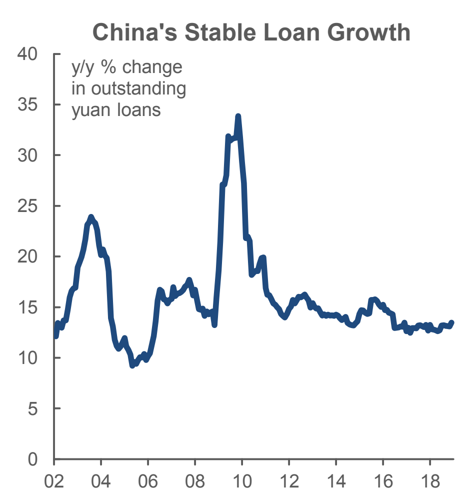
Sources: Scotiabank Economics, Bloomberg.

Chart 2



Source: Scotiabank Economics, Bloomberg.

Chart 3



Sources: Scotiabank Economics, Bloomberg.

of the conference is "shaping a global architecture in the age of the fourth industrial revolution." Apart from the US shutdown, the Trump administration may have felt that it was walking into a trap as the theme is designed to focus on two considerations: global cooperation, which is not a US strong suit these days; but also the high-tech digital revolution. Note, however, the irony in that one year after preaching 'America first' at a global forum, America won't show up because it's government has broken down.

The ECB is not expected to alter policy measures next Thursday, but the tone will likely be incrementally more cautious in nature in light of the expected failure of the Brexit vote but also the deterioration in the negotiations toward somewhat of a stalemate. Absent progress in core inflation that is stuck at 1%, the ECB may nevertheless reinforce expectations for gradual firming over the duration of the year. Any adjustment to forward guidance with respect to keeping rates on hold "through" the summer of this year will only be possibly revisited once further clarity is gained on internal (Brexit, growth) and external (world growth, trade tensions, market stability) risks. The March 7th meeting is when revised forecasts are scheduled for release and so the ECB is likely to have considerable sympathy toward the Fed's "patient," "watching," "waiting," and "flexible" buzz words of late.

Survey-based based evidence will figure prominently in the discussion at the ECB over whether this is a transitory soft patch in terms of risks to growth or something more durable. Another batch of **purchasing managers' indices** arrives for January on Thursday, **ZEW investor confidence** is due on Tuesday and the **German IFO business confidence metric** arrives on Friday. All of these measures combined will inform GDP tracking evidence into the new year and they have all been weakening up to the end of 2018 (chart 4).

UK macro data will be used to inform baseline performance of labour markets in the background to market concerns over Brexit negotiations. As job growth for November gets updated on Tuesday, the more telling indicator may be **UK wage growth that up to now has been running at a nine-year high (chart 5).** That should serve as a warning to markets on potential Bank of England shifts in the event that Brexit risks are successfully addressed.

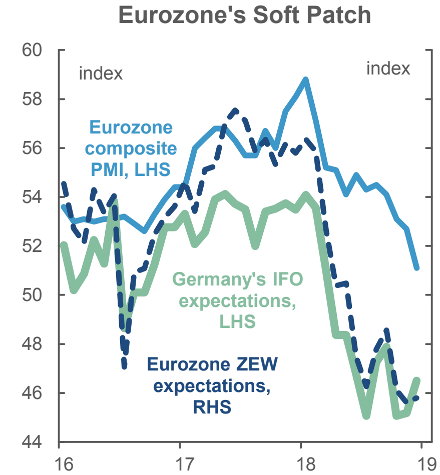
Norges Bank's policy decision next Thursday is expected to keep the central bank on hold at a deposit rate of 0.75%. Of greater significance will be forward guidance. At its December 13th meeting, Norges guided that a deposit rate increase to 1% would "most likely" occur at the March 21st meeting. Information since that December meeting has included a) the Fed signalling at least a near-term pause, b) a deterioration in Brexit risks, c) an improved tone across global equity markets and little change in Brent oil prices, and d) slightly softer Norwegian underlying inflation that slipped a touch to 2.1% relative to the 2% inflation target. Is it still in such a rush?

CANADA—BUSINESS AS USUAL

Modest data risk will offer two main focal points over the coming week.

First up will be updated manufacturing conditions during November on Tuesday. A decline in shipments is likely. The value of exports fell by 2.9% m/m in November, or 1.4% excluding energy. Exports are usually more volatile than manufacturing shipments partly because they include more of an exchange rate swing effect and because total manufacturing output contains a domestic component. Nevertheless, the two measures

Chart 4

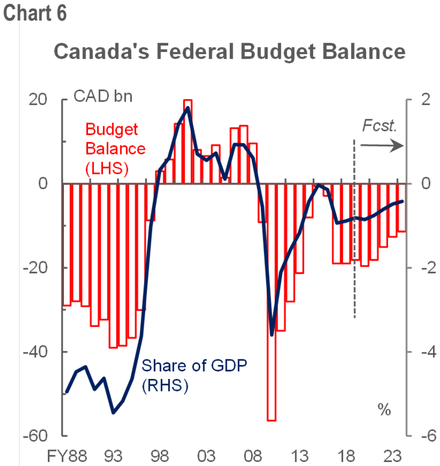


Sources: Scotiabank Economics, Bloomberg.

Chart 5

Sources: Scotiabank Economics, Bloomberg.

Chart 6



Source: Finance Canada; nominal GDP forecast: Scotiabank Economics.

are usually highly correlated. What may insulate against some downside is that new orders were up by 2.4% m/m the previous month and the order backlog grew by 1.4%. New orders and the backlog may get translated into product going out the door in November—or it may signal subsequent strength as evidence of a transitory soft patch.

Retail sales will be updated for November on Wednesday. It could also be a downbeat report but stripping out price effects and looking to core sales will set the overall tone. Note that gas prices fell 5.4% m/m at a non-annualized rate in November's CPI report. Gasoline stations carry an 11% weight in total retail sales and therefore this implies about a 0.6% drag on total retail sales that could be reduced or amplified by unobservable changes to the volume of gasoline sold and to ancillary sales. Further, seasonally adjusted sales of cars and trucks were down 3.9% m/m in November while vehicle prices were up 0.8% in CPI due to lower availability of new model-year vehicles. New car dealers are 22% of total retail sales and so new motor vehicle sales could drag just over 0.6% m/m off total retail sales. Assuming a modest gain in sales ex autos and gas nets out to an expected drop in total sales of just under 1% m/m.

Both reports—and the less widely followed wholesale figures on Tuesday—will more seriously inform GDP growth expectations for November. At this very preliminary point I'm assuming **slight GDP growth of about 0.1–0.2% m/m** based upon a large gain in hours worked but cautious with respect to the remaining activity variables including what the export figures may have revealed.

Now as the data is digested, sit back and marvel over the fact that there will, of course, be uninterrupted data flow in 'socialist' Canada by contrast to 'conservative' America these days. Yes Canada, where the government doesn't shut periodically and gamble with meeting its obligations. Canada, where fiscal deficits are small and ahead of revised CBO forecasts for the US by month-end (charts 6–7). Canada, where three free trade agreements have been struck (CUSMA, CETA, Korea). Canada, where business taxes were always lower than the US and investment incentives prudently keep some strings attached to ensure positive outcomes for the economy (chart 8). Canada, where the public pension is largely funded by contrast to the mess that faces US Social Security obligations. Canada, where personal tax cuts are geared toward the middle class as every good conservative would do, although upper income tax rates are high and carbon taxes are being passed on. And of course, Canada, the country that is standing up for human rights on the world stage.

Earnings risk should be fairly light given Canada's earnings calendar lags the US. Only four TSX-listed firms release including CP and Novagold on Wednesday and Rogers on Thursday.

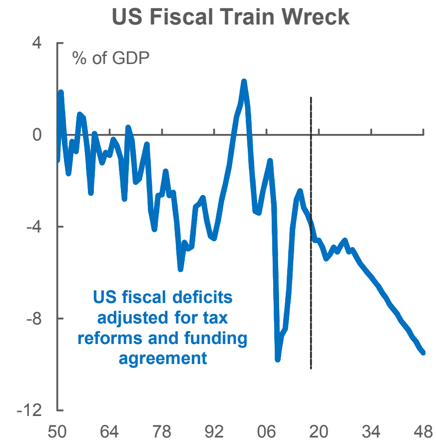
Canada auctions 10s at noon on Wednesday.

UNITED STATES—THE WEEK THAT WASN'T

The Trump shutdown is the longest on record and it will bite more significantly into US data releases over the coming week. That will narrow most of the emphasis down to earnings reports and possibly shutdown developments. US markets will be shut Monday for Martin Luther King Jr day.

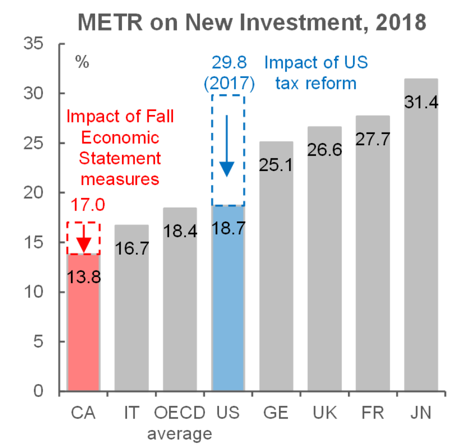
Sixty-one S&P500-listed firms will release earnings reports over the coming week. Among the names will be Microsoft, Intel, Ford, Capital One, Procter & Gamble, American Airlines, Southwest Airlines and Starbucks.

Chart 7



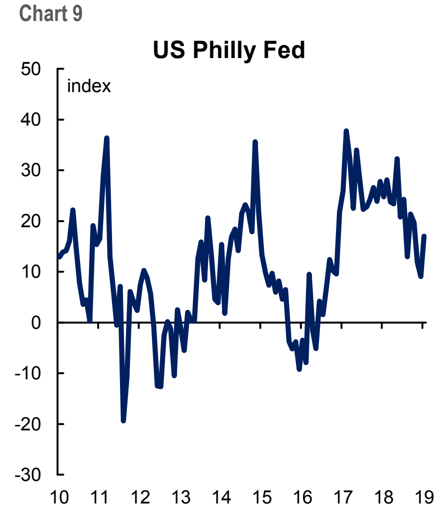
Sources: Scotiabank Economics, CBO.

Chart 8



Source: Department of Finance Canada, Fall Economic Statement.

Chart 9



Source: Scotiabank Economics, Bloomberg.

The only guaranteed releases next week are weekly claims, existing home sales next Tuesday and the Richmond Fed's manufacturing gauge next Wednesday. None of these releases are likely to divert attention from earnings. The Richmond Fed will help to firm up expectations for ISM-manufacturing in the wake of the stronger-than-expected Philly Fed metric (chart 9).

There is very little if not zero chance that previously scheduled reports would be released next week. Backlogged reports for this week into next will come to include two rounds of new home sales figures, construction spending, housing starts, factory orders, trade, retail sales and durable goods orders. This is because all of these reports are produced by the Census Bureau that is not funded (along with the BEA) because they report through the Commerce Department that lacks funding. Only reports produced by the Federal Reserve, independent agencies and the Bureau of Labor Statistics (jobs, prices) are uninterrupted for now. Releases for jobs and prices would become a risk after September when funding for the Department of Labor runs out.

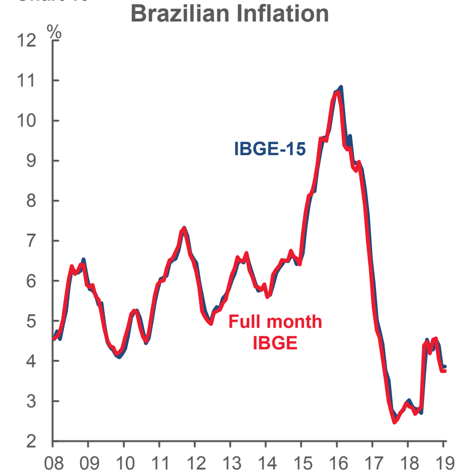
LATIN AMERICA—EYES ELSEWHERE

Latin American markets will be entirely focused upon developments abroad over the coming week. A dearth of scheduled developments lies ahead.

The only moderately notable release will be Wednesday's advance look at **Brazilian inflation** during January. The IBGE-15 inflation indicator measures prices at the 15th day of the month to the 15th day of the prior month. It is highly correlated with the full month release (chart 10) but arrives over two weeks ahead of the full month report. It is feasible that the measure decelerates again from a recent peak of 4.5% y/y in October and following about 3.9% in December. Brazil's central bank targets between 3–6% y/y inflation and so another downtick would bring it closer to the bottom end of the target range.

Mexico will update its unemployment rate for December (Tuesday) and retail sales for November (Friday).

Chart 10



Sources: Scotiabank Economics, Bloomberg.

Key Indicators for the week of January 21 – 25

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	01/22	08:30	Manufacturing Shipments (m/m)	Nov	-1.0	-0.5	-0.1
CA	01/22	08:30	Wholesale Trade (m/m)	Nov	--	0.2	1.0
MX	01/22	09:00	Unemployment Rate (%)	Dec	3.0	--	3.3
US	01/22	10:00	Existing Home Sales (mn a.r.)	Dec	5.27	5.23	5.32
US	01/22	10:00	Existing Home Sales (m/m)	Dec	-1.0	-0.9	1.9
US	01/23	07:00	MBA Mortgage Applications (w/w)	JAN 18	--	--	13.5
CA	01/23	08:30	Retail Sales (m/m)	Nov	-1.0	-0.7	0.3
CA	01/23	08:30	Retail Sales ex. Autos (m/m)	Nov	-0.5	-0.4	0.0
US	01/23	10:00	Richmond Fed Manufacturing Index	Jan	--	-2.0	-8.0
US	01/24	08:30	Initial Jobless Claims (000s)	JAN 19	220	215	213
US	01/24	08:30	Continuing Claims (000s)	JAN 12	1730	--	1737
MX	01/24	09:00	Bi-Weekly Core CPI (% change)	Jan 15	0.3	0.2	0.1
MX	01/24	09:00	Bi-Weekly CPI (% change)	Jan 15	0.4	0.2	-0.1
MX	01/24	09:00	Global Economic Indicator IGAE (y/y)	Nov	1.8	0.4	2.9
US	01/24	10:00	Leading Indicators (m/m)	Dec	--	-0.1	0.2
MX	01/25	09:00	Retail Sales (INEGI) (y/y)	Nov	5.1	--	3.0

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	01/21	02:00	Producer Prices (m/m)	Dec	--	-0.1	0.1
UK	01/22	04:30	Average Weekly Earnings (3-month, y/y)	Nov	--	3.3	3.3
UK	01/22	04:30	Employment Change (3M/3M, 000s)	Nov	--	88.0	79.0
UK	01/22	04:30	Jobless Claims Change (000s)	Dec	--	--	21.9
UK	01/22	04:30	PSNB ex. Interventions (£ bn)	Dec	--	1.9	7.2
UK	01/22	04:30	Public Finances (PSNCR) (£ bn)	Dec	--	--	4.4
UK	01/22	04:30	Public Sector Net Borrowing (£ bn)	Dec	--	1.0	6.3
UK	01/22	04:30	ILO Unemployment Rate (%)	Nov	--	4.1	4.1
EC	01/22	05:00	ZEW Survey (Economic Sentiment)	Jan	--	--	-21.0
GE	01/22	05:00	ZEW Survey (Current Situation)	Jan	--	43.3	45.3
GE	01/22	05:00	ZEW Survey (Economic Sentiment)	Jan	--	-18.5	-17.5
EC	01/23	10:00	Consumer Confidence	Jan A	--	-6.5	-6.2
FR	01/24	03:15	Manufacturing PMI	Jan P	--	50.0	49.7
FR	01/24	03:15	Services PMI	Jan P	--	50.5	49.0
GE	01/24	03:30	Manufacturing PMI	Jan P	--	51.4	51.5
GE	01/24	03:30	Services PMI	Jan P	--	52.2	51.8
EC	01/24	04:00	Composite PMI	Jan P	--	51.4	51.1
EC	01/24	04:00	Manufacturing PMI	Jan P	--	51.3	51.4
EC	01/24	04:00	Services PMI	Jan P	--	51.5	51.2
NO	**01/24**	**04:00**	**Norwegian Deposit Rates (%)**	**Jan 24**	**0.75**	**0.75**	**0.75**
EC	**01/24**	**07:45**	**ECB Main Refinancing Rate (%)**	**Jan 24**	**0.00**	**0.00**	**0.00**
GE	01/25	04:00	IFO Business Climate Survey	Jan	--	100.6	101.0
GE	01/25	04:00	IFO Current Assessment Survey	Jan	--	104.2	104.7
GE	01/25	04:00	IFO Expectations Survey	Jan	--	97.0	97.3

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

Key Indicators for the week of January 21 – 25

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CH	01/20	21:00	Fixed Asset Investment YTD (y/y)	Dec	6.0	6.0	5.9
CH	01/20	21:00	Industrial Production (y/y)	Dec	5.5	5.3	5.4
CH	01/20	21:00	Real GDP (y/y)	4Q	6.4	6.4	6.5
CH	01/20	21:00	Retail Sales (y/y)	Dec	8.3	8.1	8.1
TH	01/20	22:30	Customs Exports (y/y)	Dec	--	-0.2	-1.0
TH	01/20	22:30	Customs Imports (y/y)	Dec	--	4.3	14.7
TH	01/20	22:30	Customs Trade Balance (US$ mn)	Dec	--	-991.0	-1177.8
TA	01/21	03:00	Export Orders (y/y)	Dec	--	-3.5	-2.1
SK	01/21	16:00	PPI (y/y)	Dec	--	--	1.6
SK	01/21	18:00	GDP (y/y)	4Q P	2.9	2.3	2.0
JN	01/22	00:00	Supermarket Sales (y/y)	Dec	--	--	-2.5
TA	01/22	03:00	Unemployment Rate (%)	Dec	3.7	--	3.7
HK	01/22	03:30	CPI (y/y)	Dec	2.1	2.5	2.6
NZ	01/22	16:45	Consumer Prices (y/y)	4Q	2.0	1.8	1.9
JN	01/22	18:50	Merchandise Trade Balance (¥ bn)	Dec	--	-35.3	-737.7
JN	01/22	18:50	Adjusted Merchandise Trade Balance (¥ bn)	Dec	--	-290.7	-492.2
JN	01/22	18:50	Merchandise Trade Exports (y/y)	Dec	--	-1.9	0.1
JN	01/22	18:50	Merchandise Trade Imports (y/y)	Dec	--	4.0	12.5
MA	01/22	23:00	CPI (y/y)	Dec	0.1	0.2	0.2
JN	01/22	23:30	All Industry Activity Index (m/m)	Nov	--	-0.4	1.9
JN	JAN 22-23		**BoJ Policy Rate (%)**	**Jan 23**	**-0.10**	**--**	**-0.10**
SI	01/23	00:00	CPI (y/y)	Dec	0.3	0.4	0.3
JN	01/23	00:30	Nationwide Department Store Sales (y/y)	Dec	--	--	-0.6
JN	01/23	01:00	Machine Tool Orders (y/y)	Dec F	--	--	-18.3
TA	01/23	03:00	Industrial Production (y/y)	Dec	--	-1.4	2.1
AU	01/23	19:30	Employment (000s)	Dec	25	18.0	37.0
AU	01/23	19:30	Unemployment Rate (%)	Dec	5.1	5.1	5.1
JN	01/23	19:30	Markit/JMMA Manufacturing PMI	Jan P	--	--	52.6
PH	01/23	21:00	Real GDP (y/y)	4Q	6.4	6.2	6.1
PH	01/23	21:00	Annual GDP (y/y)	2018	--	6.3	6.7
SK	JAN 23-24		**BoK Base Rate (%)**	**Jan 24**	**1.75**	**1.75**	**1.75**
JN	01/24	00:00	Coincident Index CI	Nov F	103	--	103.0
JN	01/24	00:00	Leading Index CI	Nov F	99.3	--	99.3
MA	**01/24**	**02:00**	**Overnight Rate (%)**	**Jan 24**	**3.25**	**3.25**	**3.25**
SK	01/24	16:00	Consumer Confidence Index	Jan	--	--	97.2
JN	01/24	18:30	Tokyo CPI (y/y)	Jan	--	0.2	0.4
VN	JAN 24-31		CPI (y/y)	Jan	--	--	3.0
VN	JAN 24-31		Exports (y/y)	Jan	--	--	13.8
VN	JAN 24-31		Imports (y/y)	Jan	--	--	11.5
VN	JAN 24-31		Industrial Production (y/y)	Jan	--	--	11.4
SI	01/25	00:00	Industrial Production (y/y)	Dec	--	4.4	7.6

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CO	01/22	10:00	Trade Balance (US$ mn)	Nov	--	--	-1157.9
BZ	01/23	06:00	IBGE Inflation IPCA-15 (m/m)	Jan	--	0.3	-0.2
BZ	01/23	06:00	IBGE Inflation IPCA-15 (y/y)	Jan	--	3.8	3.9

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

Global Auctions for the week of January 21 – 25

NORTH AMERICA

Country	Date	Time	Event
CA	01/23	12:00	Canada to Sell CAD3 Bln 2.25% 2029 Bonds

EUROPE

Country	Date	Time	Event
UK	01/22	05:30	U.K. to Sell 1.75 Billion Pounds of 1.75% 2037 Bonds
DE	01/23	04:30	Denmark to Sell 0.5% 2029 Bonds
GE	01/23	05:30	Germany to Sell 4 Billion Euros of 2024 Bonds
FR	01/24	04:50	France to Sell 0% 2024 Bonds
FR	01/24	04:50	France to Sell 0.5% 2025 Bonds
FR	01/24	04:50	France to Sell 0% 2022 Bonds
FR	01/24	04:50	France to Sell 2022 Bonds
SW	01/24	05:00	Sweden to Sell 500 Million Kronor of 0.125% 2027 Linkers
FR	01/24	05:50	France to Sell 0.25% 2024 Linkers
FR	01/24	05:50	France to Sell 0.1% 2028 Linkers
FR	01/24	05:50	France to Sell 0.1% 2047 Linkers
IC	01/25	06:30	Iceland to Sell Bonds

ASIA-PACIFIC

Country	Date	Time	Event
AU	01/20	19:00	Australia To Sell AUD700 Mln 2.75% 2024 Bonds
CH	01/20	21:30	Xinjiang to Sell CNY10 Bln 10Y Bonds
CH	01/21	20:30	Henan to Sell Bonds
CH	01/21	21:30	Henan to Sell Bonds
AU	01/22	19:00	Australia To Sell AUD900 Mln 2.75% 2029 Bonds
NZ	01/23	20:05	New Zealand To Sell NZD200 Mln 2.75% 2037 Bonds
CH	01/23	20:30	Fujian to Sell Bonds
JN	01/23	22:35	Japan to Sell 20-Year Bonds
CH	01/24	01:00	Shandong to Sell Bonds

Source: Bloomberg, Scotiabank Economics.

Events for the week of January 21 – 25

EUROPE

Country	Date	Time	Event
UK	01/21	11:00	BOE's Place, Fried Speak in London
SW	01/22		Riksbank's Skingsley participates in WEF in Davos
UK	01/23	04:30	BOE's Broadbent Speaks in London.
SW	01/24	04:00	ESV Publishes Swedish Budget Forecast
NO	01/24	04:00	**Deposit Rates**
EC	01/24	07:45	**ECB Main Refinancing Rate**
EC	01/24	07:45	**ECB Marginal Lending Facility**
EC	01/24	07:45	**ECB Deposit Facility Rate**
EC	01/25	04:00	ECB Survey of Professional Forecasters

ASIA-PACIFIC

Country	Date	Time	Event
JN	JAN 22-23		**BOJ Policy Balance Rate**
JN	JAN 22-23		**BOJ 10-Yr Yield Target**
JN	JAN 22-23		BOJ Outlook Report
SK	JAN 23-24		**BoK 7-Day Repo Rate**
MA	01/24	02:00	**BNM Overnight Policy Rate**

Source: Bloomberg, Scotiabank Economics.

Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	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

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
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	March 6, 2019	24.00	24.00

ECB: No policy change is expected and another batch of forecasts is not expected until March, but the tone of the press conference will probably be incrementally cautious and somewhat reflect the Fed's forecast conditionality.
Norges Bank: The deposit rate is forecast to remain at 0.75% but the issue is whether the central bank remains committed to prior guidance that it will raise the rate at its March meeting. That guidance pre-dated increased Fed caution, a deterioration in Brexit risks, an improved tone across global markets but also a mild slip in Norwegian underlying inflation.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
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 7, 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	February 21, 2019	6.00	6.25
Central Bank of Philippines – Overnight Borrowing Rate	4.75	February 7, 2019	4.75	5.00

Bank of Japan (BoJ): We do not expect any changes to the BoJ's monetary policy stance following the January 23 meeting. Highly-accommodative monetary policy will likely be maintained through 2020 on the back of Japan's muted inflation outlook. **Bank of Korea (BoK)**: We expect the BoK to take an extended break from any monetary policy action following the end-November benchmark interest rate hike of 25 basis points to 1.75%. Financial stability will remain a key consideration for the BoK when it sets its monetary policy stance over the coming months. South Korea's inflationary pressures are set to remain contained in the foreseeable future. **Bank Negara Malaysia (BNM)**: We expect the Overnight Policy Rate to be left unchanged at 3.25% on January 24, a level the rate has kept since the January 2018 hike of 25 bps. With annual inflation hovering close to zero, we do not foresee another hike anytime soon.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
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

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	6.75	March 28, 2019	6.75	6.75

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