

KEY 'IDES OF MARCH' RISKS TO BE INFORMED

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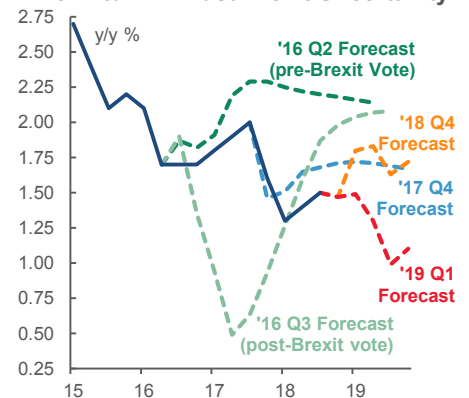
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Next Week's Risk Dashboard

- ▶ US-China trade negotiations
- ▶ US shutdown #20?
- ▶ Brexit vote
- ▶ CPI: US, UK, China, India, Taiwan
- ▶ GDP: UK, EC, Germany, Japan, Colombia, Malaysia
- ▶ CDN manufacturing, housing
- ▶ US retail sales, industrial output
- ▶ China financing, trade
- ▶ CBs: RBNZ, Riksbank
- ▶ CDN 5s auction, US TIPS auction

Chart of the Week

BoE GDP Growth Projection Takes a Downturn Amidst Brexit Uncertainty



Sources: Scotiabank Economics, Bank of England.

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

Key 'Ides of March' Risks To Be Informed

OVERVIEW

Geopolitical risks will dominate directions across global asset classes over the coming week as highlighted in the accompanying risk dashboard. The following three main risks overshadow much of the rest of the week's developments also reviewed in this report.

1. US-China Trade Talks

The resumption of US-China trade negotiations as a top US delegation travels to Beijing on Wednesday and Thursday could be followed by setting a date for a potentially decisive Trump-Xi summit. That date has been pushed out to sometime after March 1st when the US tariff moratorium expires. The most likely scenario is probably for the tariff deadline to be pushed out, in keeping with the observed experiences during NAFTA negotiations when the Trump administration was routinely—if not laughably—too aggressive with its deadlines given the complexity of the negotiations. In the end, the expedited timeline resulted in the Trump administration largely caving on its core early demands, leaving NAFTA 2.0 resembling much of NAFTA 1.0.

2. A Vote on Something to do With Brexit

Thursday's Brexit vote may inform next steps on the path to otherwise crashing out of the EU on March 29th, but as yet they don't know what they'll be voting upon! That in itself may indicate that the vote could well be to delay the deadline if not revisit it altogether given the low likelihood of finding a workable solution to the Irish border.

3. US Shutdown Risks Redux

Next Friday brings the expiration of a two-week funding arrangement for the US government that could result in the 20th government shutdown shortly thereafter. If that occurs, this one could be more damaging to the US and world markets than the January shutdown. That's because of the looming reinstatement of the debt ceiling on March 2nd. A funding agreement and increase to the debt ceiling are required in order to avert potential market turmoil related to concerns over honouring Uncle Sam's debt obligations and other IOUs. Treasury's cash on hand and extraordinary powers provide flexibility into Summer to avoid risks to servicing IOUs, but markets would get antsy well in advance of that point. Progress is being cited by GOP members and Democrats but the outlines of a potential border funding deal that could avert a shutdown are unknown at the time of publishing. The further uncertainty is whether Trump would approve such a deal or whether enough in Congress could override a Presidential veto of any funding bill.

The macro calendars will be dominated by GDP figures from the UK, Germany, Japan, Colombia and Malaysia plus CPI reports from the US, UK, China, India and Taiwan. US retail sales will close out the holiday season. China's financing and trade figures and limited releases out of Canada are also on tap. Central bank decisions will only come from the RBNZ and Riksbank. Limited Fed speak should combine with modest earnings risk. 'Down under' and Latin America face relatively quiet calendars.

CANADA—IMPORTED DYSFUNCTION

Sometimes Canada imports things from the United States that may be less than desirable, to say the least. One example is [here](#). Another example is interruptions to Canadian data releases when the US periodically shuts down its government. International trade figures were to have been among the highlights next week, but the data sharing arrangements with the US have pushed out the December trade figures until February 28th in the balance of payments release and March 1st in GDP. That will pose greater-than-usual uncertainty to tracking the economy over the final quarter of 2018. As a partial consequence, the coming week should be relatively quiet in Canada.

Housing data will also figure fairly prominently. Existing home sales for January will be released on Friday, after the Teranet repeat sale home price figures for the month on Wednesday and new house prices for December on Thursday.

Chart 1 is worth a peek in the context of whether to ease off B20 regulations and whether or not stability lies in sight for declining existing home sales. Each time regulations have imposed an equivalent rate shock, the market typically goes through a transitory period of weakness and then recovers thereafter and we're at the outer limit of experiences in gauging the impact of the latest tightening of mortgage finance rules.

For example, in February 2010, the Federal Finance department required that insured mortgages with terms under 5 years had to qualify at the 5 year posted mortgage rate; sales corrected for about six months. On October 17th 2016, Fed Finance expanded this to all insured mortgages including the popular five year term; sales fell for a nearly identical length of time. On October 17th 2017, OSFI pre-announced the application of a 200bps stress test shock to market-determined mortgage rates on uninsured mortgages extended by Federally regulated financial institutions, but did not implement this until January 1st 2018. That gap was unusually long. Borrowers were front-running the last change by driving sales higher in late 2017 which may have contributed to the lengthier and deeper correction period this time around, in addition to tightened provincial regulations—particularly in BC and Ontario. In my opinion, the latter forms of tightening are driving extended weakening and that's where more of the focus could be placed versus B20 effects. Regardless, the housing picture isn't as simple as emphasizing tightened mortgage rules and rate hikes; very strong employment gains, rising population growth in major urban centres on the back of hiked immigration quotas, and fairly tight housing supply are among the positive sources of balanced risks.

Manufacturing shipments during December are due on Thursday. The reading is stale on arrival ahead of the impact of Alberta's mandated 8.7% oil production cut that will drag down the petrochemicals category in January. Manufacturers' new orders fell 2.9% m/m in November, but there were positive offsets. The Western Canada Select oil price recovered with a jump of over 80% m/m in December that should benefit the value of energy production, while CAD depreciated by about 2½ cents versus the USD which could lift the translated value of exports back into local currency.

Earnings reports will take on elevated significance. Fifty-six TSX listed firms report over the coming week. Names will span the industry groupings from insurers to retailers, mining companies to energy producers, industrial conglomerates, airlines, manufacturers and even pot stocks in the health care subindex!

Canada holds a 5 year auction on Wednesday.

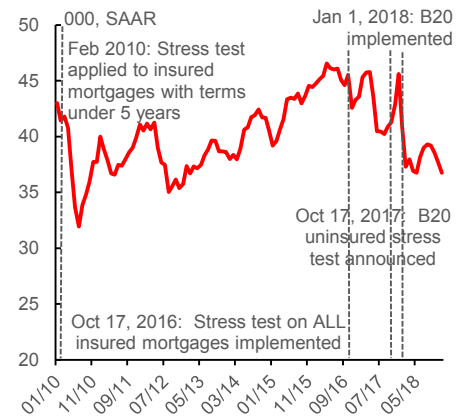
UNITED STATES—IN NO RUSH TO RELEASE

Two of the key US-centric risks over the coming week—trade negotiations and shutdown risk—have already been explained in the opening section, but on top of these will be material data risk.

The two main releases to pay attention to will be CPI for January on Wednesday and retail sales for December on Thursday. CPI is complicated by the fact that annual revisions arrive on Monday with uncertain effects upon the hand-off from prior months. A decline in gasoline prices including a 5% m/m drop in regular unleaded will weigh upon headline CPI by easily knocking about two-tenths off the month-ago rate. Shifting year-ago base effects will be an additional source of downward pressure. The moderating influence is that January often witnesses seasonal price increases that should limit the deceleration in headline inflation to a shift from 1.9% y/y in December to 1.5–1.6% in January and with core price inflation more stable at just over 2% y/y. The key to inflation is to look through the transitory influences of lower gasoline prices and lagging effects of past dollar strength. Disinflationary pass-through effects of prior dollar strength could begin to abate over 2019 if recent dollar weakening persists (chart 2).

Chart 1

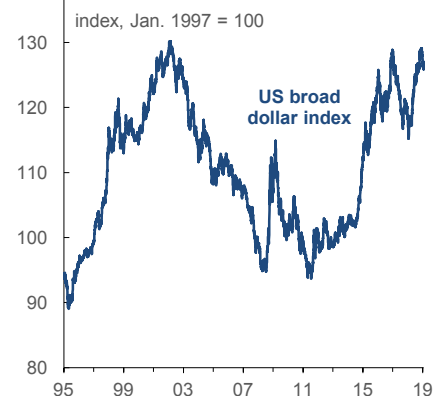
Stress Tests Can't Stop Housing



Source: Scotiabank Economics, Canada Mortgage and Housing Corporation.

Chart 2

Is The Dollar Turning Less Disinflationary?



Source: Scotiabank Economics, US Federal Reserve.

Retail sales during December may be lucky to eke out any gain in the headline tally given we already know about the decline in gasoline prices and that vehicle sales were essentially flat. Key will be core sales ex autos and gas that should fare better as a signal about how the holiday shopping season ended.

We will watch for sundry other lesser releases on Friday such as UofM consumer sentiment during February in light of recent declines, industrial production during January given recent stabilization in the ISM-manufacturing report, and the Empire gauge of regional manufacturing conditions. Producer prices during January will be released on Thursday.

Fed speak returns, but only moderately so. Federal Reserve Governor Bowman speaks on community banking on Monday. **Chair Powell** speaks on Tuesday, but his main topic will be rural poverty. Four regional Presidents speak a total of seven times including Cleveland's Mester on Tuesday and Wednesday, KC's George on Tuesday, Atlanta's Bostic on Wednesday and Friday, and Philly's Harker on Wednesday and Thursday.

The US Treasury holds a 30 year TIPS auction on Thursday

As for the data backlog and when it will be cleared, here is the list of releases. Clearly if the US government shuts down again after next Friday, then **the same reports that are produced by the unfunded branches of the Commerce Department could be further delayed.** They include releases produced by the Census Bureau and the BEA. Reports on CPI and job markets would still be released because the BLS is funded until September 30th, while industrial output would also be released because it is produced by the Fed. Private agencies that produce readings like ISM, vehicle sales or existing home sales would continue their work uninterrupted.

- durable goods orders during December will be released on February 21st;
- housing starts for December land on February 26th
- Q4 GDP will be released on Feb 28th;
- income, consumer spending, the Fed's preferred PCE inflation gauge and the saving rate for December will be released only on March 1st. That same report will include personal incomes for January, but there is at present no guidance on when to expect consumption, PCE inflation and the saving rate for January;
- new home sales during Dec will be released on March 5th;
- international trade during December is due out on March 6th
- Q4 productivity and unit labour costs are due on March 7th
- factory orders during December arrive on March 11th
- as yet, there is no guidance on when to expect retail sales for January.

LATIN AMERICA—IMPATIENTLY WATCHING AND WAITING

Latin American markets will spend pretty much all of the coming week monitoring spillover effects from **mentioned global risk factors.** The domestic calendars are fairly lightly populated. Earnings risk will be a consideration in countries like Mexico where thirty-two firms release.

Argentina updates CPI for January with some indications that inflation is beginning to ebb but from an absurdly high rate of just under 50% y/y. Brazil updates retail sales on Wednesday. Trade figures are on tap from Peru (Monday) and Colombia (Thursday). Mexican industrial output (Monday) and Peru's labour market conditions (Friday) round out releases.

EUROPE—IS GERMANY IN TECHNICAL RECESSION?

Having already noted the Brexit risk in the overview section, the remaining sources of market risk are principally data driven but with one central bank weighing in.

Sweden’s Riksbank is universally expected to keep its policy repo rate unchanged at -0.25%. Having unexpectedly raised its rate by ¼% from -0.5% in December, the Riksbank is monitoring the aftermath and in the context of fresh global risks that have surfaced into 2019.

German Q4 GDP will be released on Thursday and the risk of technical recession could garner headlines. After shrinking by 0.2% q/q at a seasonally adjusted but non-annualized rate in Q3, consensus generally expects a small positive print but with tail risk of another slight retreat. That would have Germany uncomfortably joining Italy in technical recession but probably only briefly so. The German print could add slight revision risk to Eurozone Q4 GDP due the same day after the initial report indicated growth of 0.2%.

Clearly all UK data is on the backburner to Brexit risks. I’m repeating the chart that Scotia’s Alena Bystrova created and that shows the progression of Bank of England forecast revisions in the context of the evolving Brexit risks. Even prospects for a deal would likely still result in near-term weakness as pre-ordering ahead of the risk of crashing out of the customs union with no deal could give way to unwinding inventories and orders post-deal. That risk is obviously the lesser of two concerns with the other being the longer-lived and more devastating aftermath to crashing out.

Regardless, **Q4 UK GDP** (Monday) could decelerate from the faster prior pace partly as Brexit considerations became more binding. **Monday also brings December readings for services, industrial production and trade with January’s retail sales due Friday.** Wednesday’s **CPI** release for January could see modest downside risk from petrol prices with core inflation expected to remain just under 2% y/y.

ASIA-PACIFIC—ASSESSING CHINA’S DAMAGE AND POLICY FLEXIBILITY

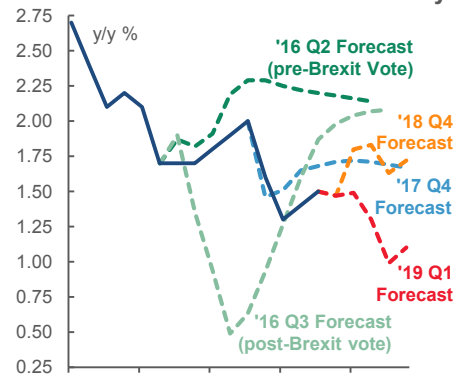
The principal risk overhanging Asian markets with global ramifications will be the already highlighted emphasis upon **US-China trade negotiations.** One central bank, several inflation reports and China macro reports will be the other main sources of risk but also keep an eye on Japanese GDP.

CPI prints for January are due from India and Taiwan (Tuesday) and China (Thursday). **After the RBI unexpectedly cut its policy rate this week, markets will look to inflation for evidence that reaffirms the move.** India’s inflation fell to 2.2% y/y by the end of 2018 and is therefore at the bottom end of the 2–6% inflation target zone. **China’s inflation rate could further inform a policy easing bias** in that the prior reading for December had already fallen to 1.9% y/y and hence materially below the around 3% inflation target.

China also releases aggregate financing and new yuan loan originations at some point over the coming week. The January readings will kick start another cycle in that credit growth usually starts the year off strongly in the context of fresh annual lending targets. China’s exports for January (Thursday) will further inform the impact of tariff hikes and with implications for fresh figures on foreign reserves during January that are also due out next week. On the connection between net trade-related FX receipts and reserves—as well as broad GDP growth—witness chart 4 that demonstrates China’s trade surplus has actually been rising on the net effect of cooling export and import

Chart 3

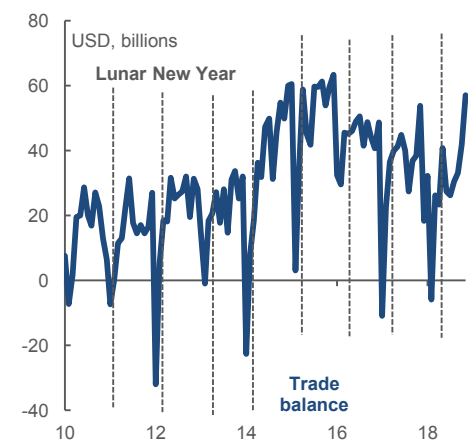
BoE GDP Growth Projection Takes a Downturn Amidst Brexit Uncertainty



Sources: Scotiabank Economics, Bank of England.

Chart 4

China's Trade Surplus



Sources: Scotiabank Economics, Bloomberg.

growth with the latter partly due to China's own retaliatory measures against US tariffs. In addition to China, trade figures will also be released by India, Indonesia, Philippines and Taiwan to provide a fuller perspective on Asian trading activity and potential spillover effects from the US-China skirmish.

Q4 GDP figures are due from Japan (Wednesday) and Malaysia (Wednesday). Japan's figures will be particularly important in that most expect a sizeable rebound from the prior Q3 contraction, but with a minority thinking it might be a close call. **Global headlines could be particularly powerful if both Germany and Japan were to slip into technical recession.**

The Reserve Bank of New Zealand is not only expected to keep its cash target rate at 1.75% next Tuesday, but to do so for the duration of this year and well into next year. RBNZ guidance is not to expect a hike until well into next year. The main risk, however, is whether the RBNZ may reintroduce more dovish language after removing talk of a rate cut at its last meeting in November. The RBA's more dovish turn that followed the Fed could be instructive in this manner although CPI inflation has been holding at 1.9% y/y and hence close to the mid-point of the 1–3% target range.

Key Indicators for the week of February 11 – 15
NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	02/11	09:00	Industrial Production (m/m)	Dec	1.67	--	-0.6
MX	02/11	09:00	Industrial Production (y/y)	Dec	0.46	--	-1.3
US	02/12	10:00	JOLTS Job Openings (000s)	Dec	--	6841.0	6888.0
CA	02/13	08:30	Teranet - National Bank HPI (y/y)	Jan	--	--	2.5
US	02/13	08:30	CPI (m/m)	Jan	0.1	0.1	-0.1
US	02/13	08:30	CPI (y/y)	Jan	1.5	1.5	1.9
US	02/13	08:30	CPI (index)	Jan	--	251.6	251.2
US	02/13	08:30	CPI ex. Food & Energy (m/m)	Jan	0.2	0.2	0.2
US	02/13	08:30	CPI ex. Food & Energy (y/y)	Jan	2.1	2.1	2.2
US	02/13	14:00	Treasury Budget (US\$ bn)	Dec	--	-11.0	-204.9
CA	02/14	08:30	Manufacturing Shipments (m/m)	Dec	0.4	0.7	-1.4
CA	02/14	08:30	New Housing Price Index (m/m)	Dec	--	0.0	0.0
US	02/14	08:30	Initial Jobless Claims (000s)	FEB 9	230	225.0	234.0
US	02/14	08:30	Continuing Claims (000s)	FEB 2	1740	1739.0	1736.0
US	02/14	08:30	PPI (m/m)	Jan	0.1	0.1	-0.2
US	02/14	08:30	PPI ex. Food & Energy (m/m)	Jan	0.1	0.2	-0.1
US	02/14	08:30	Retail Sales (m/m)	Dec	0.1	0.1	0.2
US	02/14	08:30	Retail Sales ex. Autos (m/m)	Dec	0.1	0.0	0.2
US	02/14	10:00	Business Inventories (m/m)	Nov	--	0.2	0.6
CA	02/15	08:30	International Securities Transactions (C\$ bn)	Dec	--	--	9.5
US	02/15	08:30	Empire State Manufacturing Index	Feb	--	7.6	3.9
US	02/15	08:30	Export Prices (m/m)	Jan	--	-0.1	-1.0
US	02/15	08:30	Import Prices (m/m)	Jan	--	-0.1	-1.0
CA	02/15	09:00	Existing Home Sales (m/m)	Jan	--	--	-2.5
US	02/15	09:15	Capacity Utilization (%)	Jan	--	78.7	78.7
US	02/15	09:15	Industrial Production (m/m)	Jan	0.2	0.1	0.4
US	02/15	10:00	U. of Michigan Consumer Sentiment	Feb P	92	93.9	91.2
US	02/15	16:00	Total Net TIC Flows (US\$ bn)	Dec	--	--	31.0
US	02/15	16:00	Net Long-term TIC Flows (US\$ bn)	Dec	--	--	37.6

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
UK	02/11	04:30	Business Investment (q/q)	4Q P	--	-1.0	-1.1
UK	02/11	04:30	GDP (q/q)	4Q P	--	0.3	0.6
UK	02/11	04:30	Index of Services (m/m)	Dec	--	0.0	0.3
UK	02/11	04:30	Industrial Production (m/m)	Dec	--	0.1	-0.4
UK	02/11	04:30	Manufacturing Production (m/m)	Dec	--	0.2	-0.3
UK	02/11	04:30	Visible Trade Balance (£ mn)	Dec	--	-11946.0	-12023.0
SW	02/13	03:30	Riksbank Interest Rate (%)	Feb 13	--	-0.25	-0.25
UK	02/13	04:30	CPI (m/m)	Jan	--	-0.7	0.2
UK	02/13	04:30	CPI (y/y)	Jan	--	2.0	2.1
UK	02/13	04:30	PPI Input (m/m)	Jan	--	0.3	-1.0
UK	02/13	04:30	PPI Output (m/m)	Jan	--	0.0	-0.3
UK	02/13	04:30	RPI (m/m)	Jan	--	-0.8	0.4
UK	02/13	04:30	RPI (y/y)	Jan	--	2.6	2.7
EC	02/13	05:00	Industrial Production (m/m)	Dec	--	-0.4	-1.7
EC	02/13	05:00	Industrial Production (y/y)	Dec	--	-3.3	-3.3
GE	02/14	02:00	Real GDP (q/q)	4Q P	--	0.1	-0.2
PD	02/14	04:00	GDP (y/y)	4Q P	--	4.80	5.10
PO	02/14	04:30	Real GDP (q/q)	4Q P	--	0.30	0.30
EC	02/14	05:00	Employment (q/q)	4Q P	--	--	0.2
EC	02/14	05:00	GDP (q/q)	4Q P	--	0.2	0.2
SP	02/15	03:00	CPI (m/m)	Jan F	--	-1.3	0.0
SP	02/15	03:00	CPI (y/y)	Jan F	--	1.0	1.0
SP	02/15	03:00	CPI - EU Harmonized (m/m)	Jan F	--	-1.7	-1.7
SP	02/15	03:00	CPI - EU Harmonized (y/y)	Jan F	--	1.0	1.0
UK	02/15	04:30	Retail Sales ex. Auto Fuel (m/m)	Jan	--	0.2	-1.3
UK	02/15	04:30	Retail Sales with Auto Fuel (m/m)	Jan	--	0.2	-0.9
EC	02/15	05:00	Trade Balance (€ mn)	Dec	--	--	18967.9

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

Key Indicators for the week of February 11 – 15

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MA	02/10	23:00	Industrial Production (y/y)	Dec	--	2.8	-0.5
CH	FEB10-11		Foreign Reserves (US\$ bn)	Jan	3080	3081.9	3072.7
CH	FEB10-15		New Yuan Loans (bn)	Jan	3000	2970.5	1080.0
JN	02/11	18:50	Japan Money Stock M2 (y/y)	Jan	--	2.4	2.4
JN	02/11	18:50	Japan Money Stock M3 (y/y)	Jan	--	2.1	2.1
AU	02/11	19:30	Home Loans (%)	Dec	--	-2.0	-0.9
AU	02/11	19:30	Investment Lending (% change)	Dec	--	--	-4.5
PH	02/11	20:00	Exports (y/y)	Dec	--	2.4	-0.3
PH	02/11	20:00	Imports (y/y)	Dec	--	4.1	6.8
PH	02/11	20:00	Trade Balance (US\$ mn)	Dec	--	-4060.0	-3901.0
JN	02/11	23:30	Tertiary Industry Index (m/m)	Dec	--	-0.1	-0.3
SI	02/12	00:00	Retail Sales (y/y)	Dec	--	-3.5	-3.0
JN	02/12	01:00	Machine Tool Orders (y/y)	Jan P	--	--	-18.3
MA	02/12	02:00	Foreign Reserves (US\$ bn)	Jan 31	--	--	101.7
TA	02/12	03:00	CPI (y/y)	Jan	0.2	--	-0.1
IN	02/12	07:00	CPI (y/y)	Jan	2.3	--	2.19
IN	02/12	07:00	Industrial Production (y/y)	Dec	--	--	0.50
NZ	02/12	11:00	QV House Prices (y/y)	Jan	--	--	3.2
SK	02/12	18:00	Unemployment Rate (%)	Jan	3.8	--	3.8
NZ	02/12	20:00	RBNZ Official Cash Rate (%)	Feb 13	1.75	1.75	1.75
TA	02/13	03:00	Real GDP (y/y)	4Q F	1.8	--	1.8
JN	02/13	18:50	GDP (q/q)	4Q P	0.4	0.4	-0.6
JN	02/13	18:50	GDP Deflator (y/y)	4Q P	--	-0.4	-0.3
MA	02/13	23:00	Current Account Balance (MYR mns)	4Q	--	--	3800.0
MA	02/13	23:00	Annual GDP (y/y)	2018	4.7	4.7	5.9
MA	02/13	23:00	GDP (y/y)	4Q	4.5	4.7	4.4
CH	FEB13-14		Exports (y/y)	Jan	--	-2.7	-4.4
CH	FEB13-14		Imports (y/y)	Jan	--	-11.0	-7.6
CH	FEB13-14		Trade Balance (USD bn)	Jan	--	32.0	57.1
IN	02/14	01:30	Monthly Wholesale Prices (y/y)	Jan	--	--	3.8
NZ	02/14	16:30	Business NZ PMI	Jan	--	--	55.1
SK	02/14	18:00	Current Account (US\$ mn)	Dec	--	--	5063.4
CH	02/14	20:30	CPI (y/y)	Jan	2.1	--	1.9
CH	02/14	20:30	PPI (y/y)	Jan	--	--	0.9
ID	02/14	23:00	Exports (y/y)	Jan	--	--	-4.6
ID	02/14	23:00	Imports (y/y)	Jan	--	--	1.2
ID	02/14	23:00	Trade Balance (US\$ mn)	Jan	--	--	-1102.0
IN	02/14	23:00	Exports (y/y)	Jan	--	--	0.3
IN	02/14	23:00	Imports (y/y)	Jan	--	--	-2.4
JN	02/14	23:30	Capacity Utilization (m/m)	Dec	--	--	1.1
JN	02/14	23:30	Industrial Production (y/y)	Dec F	-1.9	--	-1.9
PH	FEB14-15		Overseas Remittances (y/y)	Dec	--	2.5	2.8
TA	02/15	03:00	Exports (y/y)	Jan	--	--	-3.0
TA	02/15	03:00	Imports (y/y)	Jan	--	--	2.2
TA	02/15	03:00	Trade Balance (US\$ bn)	Jan	--	--	4.7

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
PE	02/11		Trade Balance (USD mn)	Dec	--	--	527.0
BZ	02/13	06:00	Retail Sales (m/m)	Dec	--	--	2.9
BZ	02/13	06:00	Retail Sales (y/y)	Dec	--	--	4.4
CO	02/14	10:00	Retail Sales (y/y)	Dec	--	--	10.8
CO	02/14	10:00	Trade Balance (US\$ mn)	Dec	--	--	-920.1
BZ	02/15	05:30	Economic Activity Index SA (m/m)	Dec	--	--	0.3
BZ	02/15	05:30	Economic Activity Index NSA (y/y)	Dec	--	--	1.9
CO	02/15	11:00	GDP (y/y)	4Q	--	--	2.5
PE	02/15		Economic Activity Index NSA (y/y)	Dec	4.8	--	5.3
PE	02/15		Unemployment Rate (%)	Jan	--	--	6.1

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

Global Auctions for the week of February 11 – 15

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	02/13	12:00	Canada to Sell 5 Year Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SW	02/13	05:00	Sweden to Sell Bonds
SZ	02/13	05:15	Switzerland to Sell Bonds
GE	02/13	05:30	Germany to Sell EUR1.5 Bln 2046 Bonds
IT	02/13	11:00	Italy to Sell Bonds
UK	02/14	05:30	U.K. to Sell 1 5/8% Treasury Gilt 2028

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	02/10	20:30	Korea to Sell KRW 600Bln 5-Year Bond
SK	02/10	20:30	Korea Central Bank to Sell KRW 1.1Tln 1-Year Bond
SK	02/10	21:30	Korea to Sell KRW 800Bln 5-Year Bond
SK	02/11	00:00	Korea Central Bank to Sell KRW 800Bln 91-Days Bond
PH	02/12	00:00	Philippines Plans to Sell PHP20Bln 7Y Bonds;
PH	02/12	00:30	7Y Bond Amount Accepted (PHP)
CH	02/12	21:35	China to Sell CNY20 Bln 3-Yr Upsized Bonds
CH	02/12	21:35	China to Sell CNY20 Bln 7-Yr Upsized Bonds
TH	02/12	22:00	Thailand to Sell THB40 Bln Bonds Due 2023
TH	02/12	22:00	Thailand to Sell THB5 Bln Bonds Due 2067
JN	02/12	22:35	Japan to Sell 5-Year Bonds
JN	02/12	22:35	5Y Note Amount Sold
NZ	02/13	20:05	New Zealand To Sell NZD250 Mln 3% 2029 Bonds
TH	02/13	22:00	Bank of Thailand to Sell THB35 Bln Bonds Due 2021
SK	02/14	21:30	Korea to Sell KRW 550Bln 50-Year Bond
JN	02/14	22:35	10Y Infl. Linked Sold
JN	02/14	22:35	Japan to Sell CPI-Linked 10-Year Bond
TA	02/14	23:30	Taiwan to Sell TWD40 Bln 2-Yr NCD

Source: Bloomberg, Scotiabank Economics.

Events for the week of February 11 – 15**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	02/11	11:15	Fed's Bowman Speaks on Community Banking
US	02/12	12:45	Powell Speaks in Mississippi About Rural Poverty
US	02/12	18:30	Fed's Mester Speaks on Economic Outlook and Monetary Policy
US	02/12	19:30	Fed's George Speaks on the U.S. Economy
US	02/13	08:50	Fed's Mester Speaks on Economic Outlook and Monetary Policy
US	02/13	08:50	Fed's Bostic to Speak to European Financial Forum in Dublin
US	02/13	12:00	Fed's Harker Speaks on the Economic Outlook
US	02/14	09:55	Fed's Harker Discusses Approaches to Leadership
US	02/15	09:55	Fed's Bostic to Speak on Workforce Development in Alabama

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	02/11	03:00	ECB Vice President Luis de Guindos Speaks in Madrid
EC	02/13	03:05	ECB Governing Council Member Philip Lane Speaks in Dublin
EC	02/15	08:00	ECB's Coeure Speaks in New York

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	March 6, 2019	1.75	2.00
Federal Reserve – Federal Funds Target Rate	2.50	March 21, 2019	2.50	2.50
Banco de México – Overnight Rate	8.25	March 29, 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	March 7, 2019	0.00	0.00
Bank of England – Bank Rate	0.75	March 21, 2019	0.75	0.75
Swiss National Bank – Libor Target Rate	-0.75	March 21, 2019	-0.75	0.00
Central Bank of Russia – One-Week Auction Rate	7.75	March 22, 2019	--	7.75
Sweden Riksbank – Repo Rate	-0.25	February 13, 2019	-0.25	-0.25
Norges Bank – Deposit Rate	0.75	March 21, 2019	0.75	0.00
Central Bank of Turkey – Benchmark Repo Rate	24.00	March 6, 2019	24.00	0.00

Riksbank: No change is expected to the -0.25% repo rate. The central bank unexpectedly raised the policy rate in December and is monitoring the aftermath in the context of fresher global uncertainties.

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	March 15, 2019	-0.10	0.00
Reserve Bank of Australia – Cash Target Rate	1.50	March 5, 2019	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	February 13, 2019	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	0.00
Reserve Bank of India – Repo Rate	6.50	TBA	6.25	6.50
Bank of Korea – Bank Rate	1.75	February 28, 2019	1.75	0.00
Bank of Thailand – Repo Rate	1.75	March 20, 2019	1.75	1.75
Bank Negara Malaysia – Overnight Policy Rate	3.25	March 5, 2019	3.25	0.00
Bank Indonesia – 7-Day Reverse Repo Rate	6.00	February 21, 2019	6.00	0.00
Central Bank of Philippines – Overnight Borrowing Rate	4.75	March 21, 2019	4.75	4.75

Reserve Bank of New Zealand (RBNZ): We expect the RBNZ to leave the policy rate unchanged at 1.75% over the coming quarters. 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".

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	March 20, 2019	6.50	6.50
Banco Central de Chile – Overnight Rate	3.00	March 30, 2019	3.00	0.00
Banco de la República de Colombia – Lending Rate	4.25	March 29, 2019	4.25	0.00
Banco Central de Reserva del Perú – Reference Rate	2.75	March 8, 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	March 28, 2019	6.75	0.00

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

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