April 26, 2019

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Next Week's Risk Dashboard

- CBs: Fed, BoE
- GDP: Canada, Eurozone, Mexico, HK, Taiwan
- Inflation: US, Eurozone, Switzerland, Peru, Indonesia, SK, Thailand
- US-China trade negotiations
- Nonfarm
- US: ISM, PCE, other macro
- PMIs: China, UK
- Japan's Golden Week
- Fed-speak
- BoC's Poloz
- Earnings

Chart of the Week

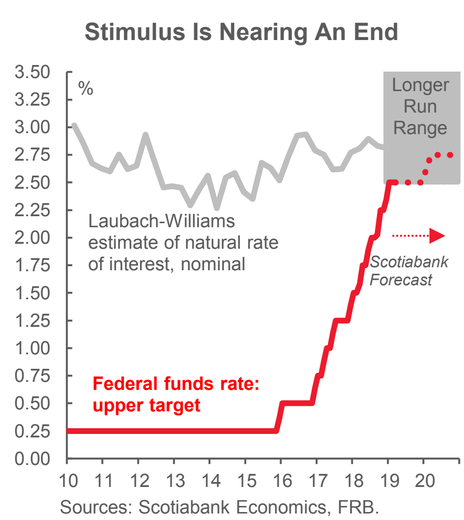


Chart of the Week: Prepared by: Alena Bystrova, Research Analyst.

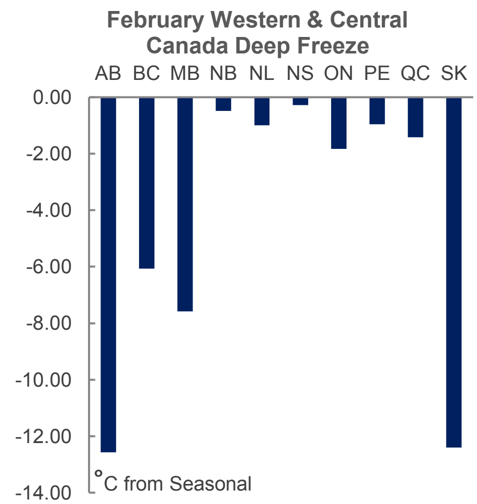
Should The Fed, ECB and BoE Cheer Up?

CANADA—IT ALL DEPENDS UPON FAKE DATA

How the economy performed in the month of February and corporate earnings reports stand a decent chance at influencing multiple asset classes over the coming week. Bank of Canada communications return but probably pose low risk. The February data shouldn't be overstated in terms of its significance to markets given widespread understanding that Q1 was a soft quarter for the economy and the BoC is on pause evaluating evidence of a rebound post-Q1. It was also an exceptionally cold month of February across western Canada in particular (chart 1 plots average temperatures below seasonal norms) and so potential disruptions to weather-related activity may have been a transitory factor.

GDP for February lands on Tuesday. An unfiltered simple regression model against higher-frequency observable indicators yields **growth of 0.1% m/m that I've shaved to no growth.** There is a high degree of uncertainty around this estimate with two-tailed risk skewed somewhat to the downside if trade data is perhaps questionably relied upon. The BoC may have implicitly assumed February will be very weak based upon its below-consensus estimate of 0.3% annualized growth for Q1 overall.

Chart 1



Sources: Scotiabank Economics, Environment Canada.

During February, there were gains in retail (+0.2%) and wholesale (+0.3%) volumes against softness in hours worked (-0.7%), manufacturing shipments (-0.5%) and housing starts (-18%). The influence of headline housing starts on GDP is likely to be softer than it appears because even though singles were down, over 85% of the decline in total starts came from lower multiple housing units like condos and townhomes. Multis are volatile, involve less economic value-added in construction per unit, and involve longer construction periods over which the spending is distributed beyond just a single month's GDP.

There are other considerations that could weigh on February GDP in ways that the above approach doesn't directly factor. For one, trade data is commonly considered as an indication of how the rest of the economy may have performed outside of the more readily observable indicators. Trade data was not good in February, as export volumes fell by 4.1% m/m and import volumes were flat. Flat import volumes indicate little reason to believe there was a deterioration in sectors with high import reliance. Further, StatsCan's experimental data on monthly trade in services (here) also showed a decline in exports and also imports, but a) it is nominal without controlling for price effects, and b) StatsCan cautions this is model-generated services data because several inputs are only available quarterly and annually.

There can nevertheless be huge pitfalls to translating trade figures into monthly GDP that measures the production side of the economy. One pitfall involves the fact that export and import volumes can weaken either out of lower production or inventories. On the monthly GDP accounts that are based upon income and production-side concepts, only an export decline through lower production would flow through and in value-added terms. It's unclear how much of the export decline was driven by lower production or higher inventories. If it's the latter, then higher inventories don't affect production/income-based monthly GDP but would affect the later quarterly GDP estimates that are based upon expenditures.

Another pitfall to relying too heavily upon trade signals is that the first kick at the trade numbers is substantially made up and subject to subsequent revision as more evidence rolls in. StatsCan made a particular point of this in its latest trade report by stating "Given the late reporting of crude oil transactions, statistics on these exports must be estimated in the current month's release, and can be subject to large revisions during times of high volatility in energy prices."

There could also be abrupt swings in several other GDP categories on the month. For one, as strong as January GDP was with a 0.3% m/m gain, it was held back by a large 3.1% plunge in the mining/energy sector that was mostly through lower crude oil production as Alberta's mandated cuts kicked in. Those cuts began to be reversed since their initial introduction.

Overall, the approach taken is to hedge bets with a flat print for February GDP. One shouldn't be particularly surprised by a positive or negative and to the BoC it matters little in a water-under-the-bridge sense anyway.

Nevertheless, **Governor Poloz and SDG Wilkins will have the February print in hand when they march off to two rounds of parliamentary testimony.** On Tuesday at 11amET, Governor Poloz's opening remarks will be published as he begins speaking with the House of Commons Standing Committee on Finance. The act gets repeated the next day at 4:15pmET before the Senate Standing Committee on Banking, Trade and Commerce. Poloz then delivers a speech the following Monday in Winnipeg but at this point the topic is unknown.

Fifty-three TSX firms release earnings as Canada's lagging earnings season kicks into higher gear. Among the names are CN, Encana, Shopify, Genworth, Cameco, Loblaws, Fortis, Manulife, Linamar, Bombardier, BCE, Great-West, SNC-Lavalin, Maple Leaf Foods and TransCanada.

Canada auctions 2 year bonds on Thursday.

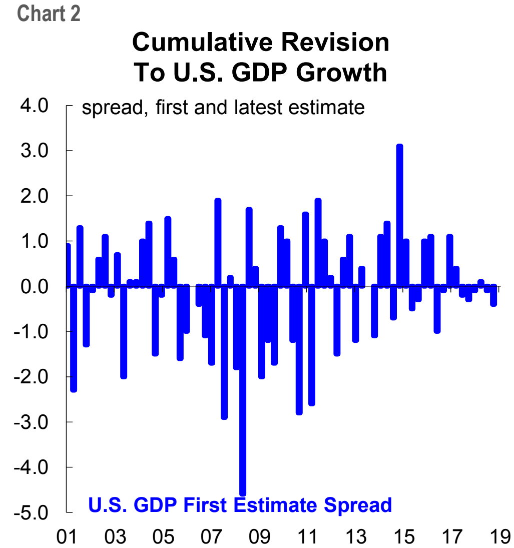
UNITED STATES—POWELL CAN'T SOUND TOO CHEERFUL!

This will be a potentially very hectic week for US economy watchers on all fronts. Alongside the resumption of high level trade negotiations with China will be an updated policy assessment by the Federal Reserve. A heavy line-up of speeches by top Fed officials, first tier macro reports and the ongoing earnings season will further inform asset classes.

The latest FOMC meeting starts Tuesday and culminates in a policy statement on Wednesday at 2pmET followed by Chair Powell's press conference a half hour later. There will be no forecast updates or dot plots this time around. The two main issues will be as follows.

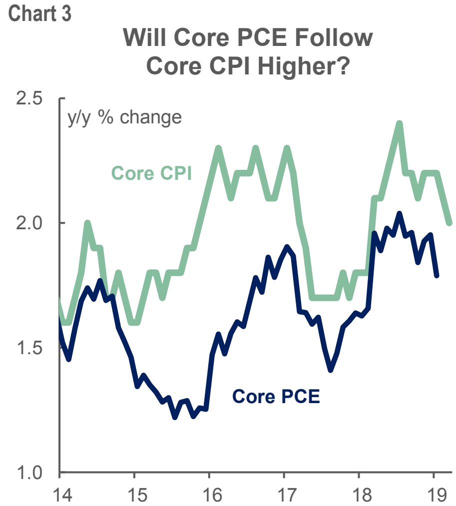
1. How to convey improved economic conditions without sounding less 'patient'. Sounding overly optimistic would risk being premature especially given ongoing binary risks (Brexit, US-China, US-Europe, US-Canada-Mexico trade tensions, etc.). Therefore it's likely that Powell repeats "watching," "waiting," "patient," and "flexible" guidance but with a touch more upbeat delivery this time. The statement's opening paragraph should be more upbeat as it describes current conditions. To sound too positive, however, would indeed fan the impression that the Fed over-reacted in March. Q1 US GDP (recap here) was a very solid start to 2019. There is of course revision risk at all times, but revision risk over time is a random bet. Since 1997, 41 out of 86 quarters were ultimately revised lower, two were left unchanged and 43 were revised higher by the third and 'final' revision (chart 2). Look for upgraded assessments of Q1 growth, job gains, and headline inflation. On the latter, headline CPI rose to 1.9% and core CPI slipped to 2% in February which may translate into similar outcomes for the Fed's preferred PCE measures as a caution (see below). Note the tracking between core CPI and core PCE over time (chart 3).

Chart 2



Source: Scotiabank Economics, BEA.

Chart 3

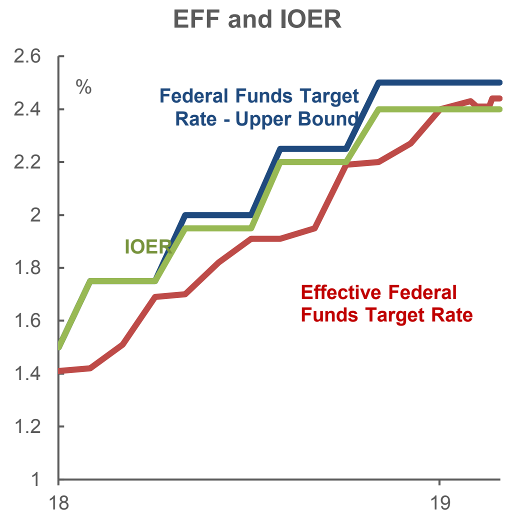


Sources: Scotiabank Economics, Bloomberg.

2. As seminal a shift in policy guidance as the March FOMC delivered, there remain lingering knock-on issues. What criteria would be applied in hypothetically determining any future rate cut? **When may the FOMC alter the duration of its Treasury holdings as several FOMC members have indicated?** Specifically how and over what time period would they seek to do so. Are further initiatives underway to control the effective Fed funds rate relative to Interest in Excess Reserves? There are multiple tools available to address the latter issue including

aggressive repo desk operations by the NY Fed, revisiting the establishment of a repo facility, or perhaps cutting the interest on excess reserves (IOER) rate again. **If they cut IOER now or in future, then it's not a sign of policy easing rather than the third time the Fed has tried to control market rates with an IOER reduction that widens its negative spread to the upper limit of the fed funds target rate range.** As chart 4 demonstrates, they haven't had much luck despite twice widening the negative IOER spread to the Fed funds upper limit rate which may imply that a shift in tactics has merit. As proof that such IOER cuts to fed funds are not examples of monetary policy easing, recall that when the Fed cut the IOER spread to fed funds on each of the two occasions to date it did so while hiking the fed funds target rate.

Chart 4



Sources: Scotiabank Economics, Bloomberg.

On Friday we'll then hear individual views of FOMC members when each of Vice Chair Clarida and regional Presidents Evans, Williams, Bullard, Daly, Kaplan and Mester speak.

US-China trade negotiations recommence at high levels on Tuesday when Treasury Secretary Mnuchin and USTR Lighthizer meet with China's Liu He and his negotiating team in Beijing. The Chinese delegation is then expected to travel to Washington for another round beginning one week from Wednesday.

158 S&P500 firms release earnings as the season approaches a point of maturity. Key names will include Loews, Alphabet, Merck, Pfizer, McDonald's, Mastercard, GE, GM, Apple.

Macro data risk will be very high.

1. Jobs and wages: Nonfarm payrolls and wages during April arrive Friday and ADP private payrolls land on Wednesday. Did March payrolls bounce back with a 196k rise only because of an abnormally soft 33k rise in February in a burst of pent-up hiring demand at the end of the government shutdown? That's plausible, but a strong April reading is still likely and is buttressed by other readings such as record low jobless claims during the nonfarm reference period. Wage growth of 3.2% y/ yin February is expected to slightly tick higher.

2. ISM: ISM-manufacturing for April will be released on Wednesday and it faces downside risk. Empire increased, but both the Philly and Richmond Fed gauges declined while the competing Markit manufacturing PMI was unchanged.

3. PCE: Income and the Fed's preferred inflation estimates for March plus spending during both February and March are due on Monday. Recall that spending and core PCE inflation figures were held up by the government shutdown. The spending updates will be important in terms of informing hand-off risks to Q2 consumption growth given the already-known large rise in retail sales during March. Core PCE faces slight downside risk given that core CPI slipped a tick, but there are many methodological differences between the measures. **Also recall that the Fed has been flying blind on its preferred inflation gauges with figures up to only January thanks to the government shutdown; on Monday we'll get both February and March readings.** If core PCE slips, then it's unclear that Chicago Fed President Evan's recent warning about possibly easing in the face of a sub-1.5% core PCE reading is justified. For one, he's a very thoughtful economist but traditionally among the biggest doves on the FOMC. For another, any such move could be a transitory act given lagging influences of prior dollar strength last year that has since ebbed while excess aggregate demand conditions keep building in favour of future inflation risk.

The US also releases the quarterly Employment Cost Index, S&P home prices, pending home sales and consumer confidence (Tuesday); construction spending and vehicle sales on Wednesday; factory orders on Thursday, and then the advance merchandise trade estimates and ISM-services on Friday.

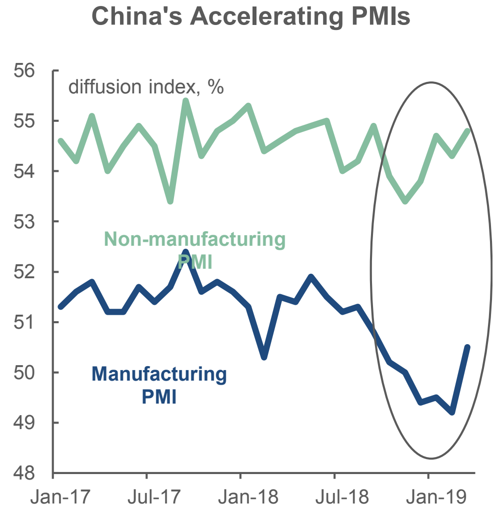
ASIA-PACIFIC—A HOLIDAY EFFECT, OR SOMETHING GENUINE?

Japanese markets essentially shut down for Golden Week, but key Chinese macro data risk will be presented. Other releases will be of local market significance. Please refer to the US section for a reminder of the resumed trade talks between the US and China next week.

It remains a somewhat unsettled question whether China's purchasing managers' indices sky rocketed in March because of the rebound effect of the annual Lunar New Year or because trend growth genuinely improved. April's PMIs will help settle the matter. The state's versions arrive on Monday night (eastern time) and the private sector manufacturing PMI arrives on Wednesday night. Recall the magnitude of the movements in March in chart 5; the gains fed the general impression that China's economy was transitioning toward a better second quarter, before the decent first quarter GDP growth estimate of 6.4% itself had been released.

GDP figures for Q1 will be updated by Hong Kong and Taiwan. CPI for April will be released by Indonesia, South Korea and Thailand. New Zealand updates Q1 job growth on Tuesday.

Chart 5



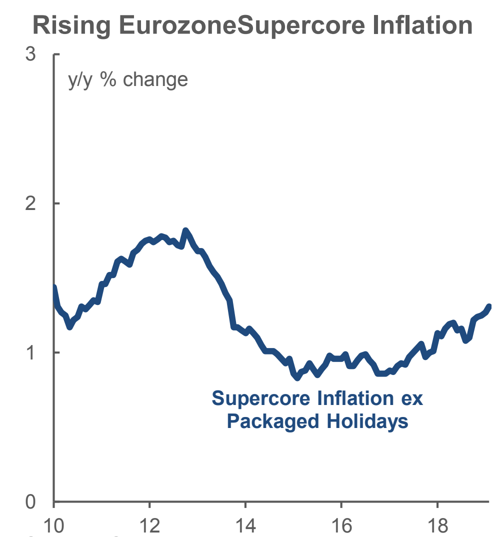
Sources: Scotiabank Economics, Bloomberg.

EUROPE—THE REVENGE OF THE EASTER BUNNY!

European market developments could be incrementally hawkish to global markets over the coming week. A Bank of England policy decision will combine with key macro readings from across Europe and carry potential regional and global market influences. Easter's influences upon Eurozone inflation could provide added heat to the fixed income universe and the euro and so could Eurozone GDP figures if Q1 growth defies the worst fears coming into the start of the year.

Thursday's BoE decision is universally expected to leave the Bank Rate at 0.75%. At issue is the risk of dissension that could send a somewhat more hawkish signal. In a recent Bloomberg survey, about a quarter of respondents believed that one of the nine MPC votes would be in favour of an immediate rate hike. This potential for a hawkish tone could be the first in almost a year. It is also worth noting that this will be the first BoE meeting since PM Theresa May secured a Brexit extension from the EU which may influence forecast revisions given lessened risk of a 'hard' Brexit. Fundamentals may be driving a less patient BoE. At 3.4% y/y excluding bonuses, pay gains are closing in on the largest increase since the financial crisis. This wage boost can be attributed to the skill shortage where firms are finding it more difficult to recruit and retain staff.

Chart 6



Sources: Scotiabank Economics, Bloomberg.

UK purchasing managers' indices for April will be updated just ahead of the BoE decision. The manufacturing PMI arrives on Wednesday followed by the construction PMI the next morning. The services PMI and the composite reading land on Friday.

On the heels of Q1 US GDP that surprised higher no matter how one slices it, did markets turn overly bearish toward European GDP growth? We'll find out with Q1 GDP for the Eurozone and each of France, Italy and Spain on Tuesday. In general, consensus is leaving the door open to the possibility that growth accelerated from the soft readings in 2018H2.

How that is accompanied by inflation risk will be informed by **another batch of Eurozone inflation readings.** Eurozone CPI for April arrives Friday but ahead of that each of France, Germany, Italy and Spain release on Tuesday. Outside of the eurozone, Switzerland will release CPI on Friday.

After core Eurozone CPI fell to 0.8% y/y in March, a rebound toward 1% is fairly widely anticipated. That would still be low and well below the ECB's "under 2%" target, but March's reading could well have been an undershoot.

Why? **Easter was later than normal this year and so therefore be mindful toward CPI distortions derived from packaged holiday pricing.** Easter was on April 1st last year and so the impact upon holiday travel prices could have posed a higher base effect in 2018 that drove the year-ago Eurozone core inflation rate down through base effects in March of this year. By corollary, a later Easter on April 21st this year could drive April's year-ago core inflation reading significantly higher through a relatively soft year-ago base effect. All that said, one reason for eventual policy normalization would come from whether so-called 'supercore' CPI readings excluding packaged holiday pricing continue to trend higher at a faster rate than conventional core CPI (chart 6).

By the same Easter logic, the round of consumer updates for France, Germany, Norway and Spain over the coming week should be treated with caution. They are March readings and hence this year's later-than-usual Easter may capture holiday-related spending in the next report.

LATIN AMERICA—MEXICAN GROWTH APPROACHING A TROUGH?

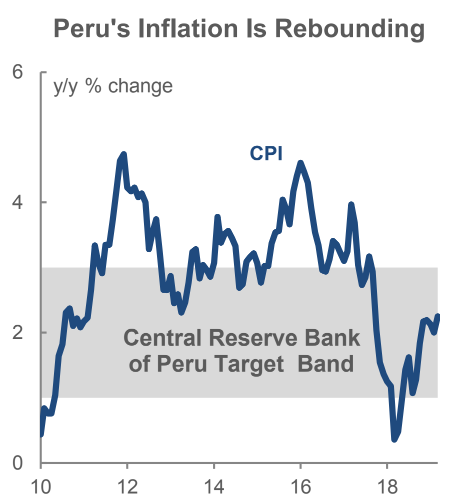
Mexican GDP and Peruvian inflation will be the main local market factors over the coming week alongside imported effects of developments elsewhere.

Mexico updates Q1 GDP growth on Tuesday. Our team of economists in Mexico City expects growth to come in at about 0.2% q/q and 1.4% y/y. That would take the year-ago rate down to where it started last year while quarter-ago growth would be modest and by corollary such soft growth would likely build upon spare capacity in Mexico's economy. Going forward, growth is expected to improve somewhat over the duration of the year but remain toward generally soft readings.

Peru's inflation rate has been trending higher and next Friday's April reading could add to the trend (chart 7). Much of the recent rise has been in food price inflation that has accelerated by about half a percentage point over the past couple of months.

BanRep's minutes to this past Friday's policy decision to hold at 4¼% could further inform the shift toward a more positive tone.

Chart 7



Source: Scotiabank Economics, Instituto Nacional de Estadistica e Informatica, Haver Analytics.

Key Indicators for the week of April 29 – May 3

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	04/29	08:30	PCE Deflator (m/m)	Mar	0.3	0.3	-0.1
US	04/29	08:30	PCE Deflator (y/y)	Mar	1.7	1.6	1.4
US	04/29	08:30	PCE ex. Food & Energy (m/m)	Mar	0.1	0.1	0.1
US	04/29	08:30	PCE ex. Food & Energy (y/y)	Mar	1.7	1.7	1.8
US	04/29	08:30	Personal Spending (m/m)	Mar	0.8	0.7	0.1
US	04/29	08:30	Personal Income (m/m)	Mar	0.4	0.4	0.2
US	04/29	10:30	Dallas Fed. Manufacturing Activity	Apr	--	10.0	8.3
CA	04/30	08:30	IPPI (m/m)	Mar	--	--	0.3
CA	04/30	08:30	Raw Materials Price Index (m/m)	Mar	--	--	4.6
CA	04/30	08:30	Real GDP (m/m)	Feb	0.0	0.0	0.3
US	04/30	08:30	Employment Cost Index (q/q)	1Q	0.7	0.7	0.7
MX	04/30	09:00	GDP (q/q)	1Q P	0.2	0.3	0.3
MX	04/30	09:00	GDP (y/y)	1Q P	1.4	1.4	1.7
US	04/30	09:00	S&P/Case-Shiller Home Price Index (m/m)	Feb	0.2	0.2	0.1
US	04/30	09:00	S&P/Case-Shiller Home Price Index (y/y)	Feb	3.2	3.1	3.6
US	04/30	10:00	Consumer Confidence Index	Apr	127.5	126.5	124.1
US	04/30	10:00	Pending Home Sales (m/m)	Mar	--	0.7	-1.0
US	05/01	07:00	MBA Mortgage Applications (w/w)	APR 26	--	--	-7.3
US	05/01	08:15	ADP Employment Report (000s m/m)	Apr	160	180.0	128.6
US	05/01	10:00	Construction Spending (m/m)	Mar	0.1	0.1	1.0
US	05/01	10:00	ISM Manufacturing Index	Apr	54.9	55.0	55.3
US	**05/01**	**14:00**	**FOMC Interest Rate Meeting (%)**	**May 1**	**2.50**	**2.50**	**2.50**
US	05/01		Total Vehicle Sales (mn a.r.)	Apr	17.3	17.0	17.5
US	05/02	08:30	Initial Jobless Claims (000s)	APR 27	220	217.5	230.0
US	05/02	08:30	Continuing Claims (000s)	APR 20	1660	--	1655.0
US	05/02	08:30	Productivity (q/q a.r.)	1Q P	2.6	1.2	1.9
US	05/02	08:30	Unit Labor Costs (q/q a.r.)	1Q P	2.0	2.1	2.0
US	05/02	10:00	Factory Orders (m/m)	Mar	1.2	1.4	-0.5
US	05/03	08:30	Average Hourly Earnings (m/m)	Apr	0.3	0.3	0.1
US	05/03	08:30	Average Hourly Earnings (y/y)	Apr	3.3	3.3	3.2
US	05/03	08:30	Average Weekly Hours	Apr	--	34.5	34.5
US	05/03	08:30	Nonfarm Employment Report (000s m/m)	Apr	180	185.0	196.0
US	05/03	08:30	Unemployment Rate (%)	Apr	3.8	3.8	3.8
US	05/03	08:30	Wholesale Inventories (m/m)	Mar P	--	0.2	0.2
US	05/03	10:00	ISM Non-Manufacturing Composite	Apr	56.8	57.0	56.1

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	04/27-05/03		Retail Sales (m/m)	Mar	--	-0.5	0.5
UK	04/28-05/03		Nationwide House Prices (m/m)	Apr	--	0.1	0.2
EC	04/29	05:00	Business Climate Indicator	Apr	--	0.5	0.5
EC	04/29	05:00	Economic Confidence	Apr	--	105.0	105.5
EC	04/29	05:00	Industrial Confidence	Apr	--	-2.0	-1.7
UK	04/29	19:01	GfK Consumer Confidence Survey	Apr	--	-13.0	-13.0
FR	04/30	01:30	GDP (q/q)	1Q P	--	0.3	0.3
GE	04/30	02:00	GfK Consumer Confidence Survey	May	--	10.3	10.4
FR	04/30	02:45	Central Government Balance (€ bn)	Mar	--	--	-36.9
FR	04/30	02:45	Consumer Spending (m/m)	Mar	--	0.5	-0.4
FR	04/30	02:45	CPI (m/m)	Apr P	--	0.3	0.8
FR	04/30	02:45	CPI (y/y)	Apr P	--	1.2	1.1
FR	04/30	02:45	CPI - EU Harmonized (m/m)	Apr P	--	0.3	0.9
FR	04/30	02:45	CPI - EU Harmonized (y/y)	Apr P	--	1.4	1.3
FR	04/30	02:45	Producer Prices (m/m)	Mar	--	--	0.4
SP	04/30	03:00	CPI (m/m)	Apr P	--	1.1	0.4
SP	04/30	03:00	CPI (y/y)	Apr P	--	1.5	1.3
SP	04/30	03:00	CPI - EU Harmonized (m/m)	Apr P	--	1.0	1.4
SP	04/30	03:00	CPI - EU Harmonized (y/y)	Apr P	--	1.5	1.3
SP	04/30	03:00	Real GDP (q/q)	1Q P	--	0.6	0.6
SP	04/30	03:00	Real Retail Sales (y/y)	Mar	--	--	0.0

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

Key Indicators for the week of April 29 – May 3

EUROPE *(continued from previous page)*

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	04/30	03:55	Unemployment (000s)	Apr	--	-5.0	-7.0
GE	04/30	03:55	Unemployment Rate (%)	Apr	--	4.9	4.9
SP	04/30	04:00	Current Account (€ bn)	Feb	--	--	-1.5
EC	04/30	05:00	GDP (q/q)	1Q A	--	0.3	0.2
EC	04/30	05:00	Unemployment Rate (%)	Mar	--	7.8	7.8
IT	04/30	05:00	CPI (m/m)	Apr P	--	0.3	0.3
IT	04/30	05:00	CPI (y/y)	Apr P	--	1.1	1.0
IT	04/30	05:00	CPI - EU Harmonized (m/m)	Apr P	--	0.8	2.3
IT	04/30	05:00	CPI - EU Harmonized (y/y)	Apr P	--	1.3	1.1
IT	04/30	06:00	Real GDP (q/q)	1Q P	--	0.1	-0.1
GE	04/30	08:00	CPI (m/m)	Apr P	--	0.5	0.4
GE	04/30	08:00	CPI (y/y)	Apr P	--	1.5	1.3
GE	04/30	08:00	CPI - EU Harmonized (m/m)	Apr P	--	0.5	0.5
GE	04/30	08:00	CPI - EU Harmonized (y/y)	Apr P	--	1.7	1.4
UK	05/01	04:30	Manufacturing PMI	Apr	--	53.1	55.1
UK	05/01	04:30	Net Consumer Credit (£ bn)	Mar	--	1.0	1.1
IT	05/02	03:45	Manufacturing PMI	Apr	--	47.7	47.4
FR	05/02	03:50	Manufacturing PMI	Apr F	--	49.6	49.6
GE	05/02	03:55	Manufacturing PMI	Apr F	--	44.5	44.5
EC	05/02	04:00	Manufacturing PMI	Apr F	--	47.8	47.8
UK	05/02	04:30	PMI Construction	Apr	--	50.3	49.7
UK	05/02	07:00	BoE Asset Purchase Target (£ bn)	May	--	435.0	435.0
UK	**05/02**	**07:00**	**BoE Policy Announcement (%)**	**May 2**	**0.75**	**0.75**	**0.75**
IT	05/02		Budget Balance (€ bn)	Apr	--	--	-20.2
IT	05/02		Budget Balance YTD (€ bn)	Apr	--	--	-28.6
UK	05/03	04:30	Official Reserves Changes (US$ bn)	Apr	--	--	-172.0
UK	05/03	04:30	Services PMI	Apr	--	50.4	48.9
EC	05/03	05:00	Euro zone CPI Estimate (y/y)	Apr	--	1.6	1.4
EC	05/03	05:00	Euro zone Core CPI Estimate (y/y)	Apr A	--	1.0	0.8
EC	05/03	05:00	PPI (m/m)	Mar	--	0.0	0.1

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
HK	04/29	04:30	Exports (y/y)	Mar	--	-2.6	-6.9
HK	04/29	04:30	Imports (y/y)	Mar	--	-4.3	-3.8
HK	04/29	04:30	Trade Balance (HKD bn)	Mar	--	-52.0	-48.8
SK	04/29	17:00	Business Survey- Manufacturing	May	--	--	76.0
SK	04/29	17:00	Business Survey- Non-Manufacturing	May	--	--	76.0
SK	04/29	19:00	Industrial Production (y/y)	Mar	--	-1.0	-2.7
SK	04/29	19:00	Cyclical Leading Index Change	Mar	--	--	-0.3
CH	04/29	21:00	Manufacturing PMI	Apr	50.5	50.6	50.5
CH	04/29	21:00	Non-manufacturing PMI	Apr	--	55.0	54.8
AU	04/29	21:30	Private Sector Credit (m/m)	Mar	--	0.3	0.3
HK	04/29-04/30		Govt Monthly Budget Surp/Def (HKD bn)	Mar	--	--	-8.3
PH	04/29-04/30		Bank Lending (y/y)	Mar	--	--	13.9
AU	04/29	21:30	Private Sector Credit (y/y)	Mar	--	4.0	4.2
SK	04/28-05/07		Department Store Sales (y/y)	Mar	--	--	-8.1
TH	04/30	03:30	Exports (y/y)	Mar	--	--	-1.7
TH	04/30	03:30	Imports (y/y)	Mar	--	--	-7.3
TH	04/30	03:30	Trade Balance (US$ mn)	Mar	--	--	3455.0
TH	04/30	03:30	Current Account Balance (US$ mn)	Mar	--	4278.0	6505.0
TA	04/30	04:00	Real GDP (y/y)	1Q P	1.5	1.4	1.8
NZ	04/30	13:00	QV House Prices (y/y)	Apr	--	--	2.6
NZ	04/30	18:45	Unemployment Rate (%)	1Q	4.3	4.2	4.3
NZ	04/30	18:45	Employment Change (y/y)	1Q	--	2.2	2.3
SK	04/30	20:00	Exports (y/y)	Apr	--	-6.0	-8.2
SK	04/30	20:00	Imports (y/y)	Apr	--	-1.3	-6.7
SK	04/30	20:00	Trade Balance (US$ mn)	Apr	--	3903.0	5206.0
JN	04/30	20:30	Markit/JMMA Manufacturing PMI	Apr F	49.5	--	49.5

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

Key Indicators for the week of April 29 – May 3

ASIA-PACIFIC *(continued from previous page)*

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
TH	05/01	00:00	CPI (y/y)	Apr	1.4	1.2	1.2
TH	05/01	00:00	Core CPI (y/y)	Apr	--	0.6	0.6
SK	05/01	19:00	CPI (y/y)	Apr	0.3	0.4	0.4
SK	05/01	19:00	Core CPI (y/y)	Apr	--	0.8	0.9
CH	05/01	21:45	Caixin Manufacturing PMI	Apr	50.8	51.0	50.8
TH	05/01	23:30	Consumer Confidence Economic	Apr	--	--	67.6
ID	05/01-05/02		CPI (y/y)	Apr	2.4	2.6	2.5
ID	05/01-05/02		Core CPI (y/y)	Apr	--	3.1	3.0
TH	05/02	03:30	Business Sentiment Index	Apr	--	--	51.4
HK	05/02	04:30	Real GDP (y/y)	1Q	--	1.9	1.3
AU	05/02	21:30	Building Approvals (m/m)	Mar	--	-12.5	19.1
MA	05/03	00:00	Exports (y/y)	Mar	--	-3.0	-5.3
MA	05/03	00:00	Imports (y/y)	Mar	--	-2.7	-9.4
MA	05/03	00:00	Trade Balance (MYR bn)	Mar	--	14.0	11.1
HK	05/03	04:30	Retail Sales - Volume (y/y)	Mar	--	--	-10.4
SI	05/03	09:00	Purchasing Managers Index	Apr	--	50.6	50.8

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CL	04/30	08:00	Industrial Production (y/y)	Mar	--	1.5	0.8
CL	04/30	09:00	Unemployment Rate (%)	Mar	--	6.9	6.7
CO	04/30	11:00	Urban Unemployment Rate (%)	Mar	11	11.3	12.4
PE	05/01	01:00	Consumer Price Index (m/m)	Apr	0.3	--	0.7
PE	05/01	01:00	Consumer Price Index (y/y)	Apr	2.7	--	2.3
BZ	05/02	09:00	PMI Manufacturing Index	Apr	--	--	52.8
BZ	05/02	14:00	Trade Balance (FOB) - Monthly (US$ mn)	Apr	--	6900.0	4990.0
BZ	05/03	08:00	Industrial Production SA (m/m)	Mar	--	-0.8	0.7
BZ	05/03	08:00	Industrial Production (y/y)	Mar	--	-4.9	2.0
CL	05/03	09:00	Retail Sales (y/y)	Mar	--	1.0	0.7

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

Global Auctions for the week of April 29 – May 3

NORTH AMERICA

Country	Date	Time	Event
CA	05/02	12:00	Canada to Sell 2 Year Bonds
CA	05/02	12:00	Canada to Sell CAD3 Bln 1.5% 2021 Bonds

EUROPE

Country	Date	Time	Event
BE	04/29	06:00	Belgium Bond Auction
GE	04/30	05:30	Germany to Sell EUR4 Bln 2021 Bonds

ASIA-PACIFIC

Country	Date	Time	Event
MA	03/31	00:00	Malaysia to Sell 7Yr Bonds
CH	04/28	21:30	Dalian to Sell CNY1.5 Bln 3Y Bonds
CH	04/28	21:30	Dalian to Sell CNY600 Mln 5Y Bonds
MA	04/30	00:00	Malaysia to Sell 30.5Yr Islamic Bonds
MA	04/30	00:00	Malaysia to Sell 10Yr Bonds
MA	04/30	00:00	Malaysia to Sell 15.5Yr Islamic Bonds

Source: Bloomberg, Scotiabank Economics.

Events for the week of April 29 – May 3

NORTH AMERICA

Country	Date	Time	Event
CA	04/30	11:00	Bank of Canada's Poloz and Wilkins Speak at Finance Committee
US	**05/01**	**14:00**	**FOMC Rate Decision**

EUROPE

Country	Date	Time	Event
UK	04/29	04:10	Bank of England Governor Carney Speaks in London
UK	04/30	03:40	BOE Deputy Governor Ramsden Speaks in London
EC	05/01	04:30	ECB Vice President Guindos Speaks in London
UK	05/02	01:00	U.K. Local Elections
UK	**05/02**	**07:00**	**Bank of England Bank Rate**
UK	05/02	07:30	BOE's Carney speaks at press conference in London

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	May 29, 2019	1.75	1.75
Federal Reserve – Federal Funds Target Rate	2.50	May 1, 2019	2.50	2.50
Banco de México – Overnight Rate	8.25	May 16, 2019	8.25	8.25

Federal Reserve: The challenge will be to sound more upbeat about the US economy and markets in general while not diluting "patient" guidance. A possible cut to the IOER should not be perceived as a monetary policy action rather than a technical tool to control shorter term market rates. There may be reference to further policy tools such as altering duration of Treasury holdings and additional short-term interest rate market tools.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	0.00	June 6, 2019	0.00	0.00
Bank of England – Bank Rate	0.75	May 2, 2019	0.75	0.75
Swiss National Bank – Libor Target Rate	-0.75	June 13, 2019	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	7.75	June 14, 2019	7.75	7.75
Sweden Riksbank – Repo Rate	-0.25	July 3, 2019	-0.25	-0.25
Norges Bank – Deposit Rate	1.00	May 9, 2019	1.00	1.00
Central Bank of Turkey – Benchmark Repo Rate	24.00	June 12, 2019	24.00	24.00

Bank of England: A dissenting hawk may surface in a no-change policy decision. The lowered probability of a 'hard' Brexit and rising wage pressures are among the potential drivers of a more mixed discussion this time.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	June 20, 2019	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	May 7, 2019	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	May 7, 2019	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	June 6, 2019	6.00	6.00
Bank of Korea – Bank Rate	1.75	May 31, 2019	1.75	1.75
Bank of Thailand – Repo Rate	1.75	May 8, 2019	1.75	1.75
Bank Negara Malaysia – Overnight Policy Rate	3.25	May 7, 2019	3.25	3.25
Bank Indonesia – 7-Day Reverse Repo Rate	6.00	May 16, 2019	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	4.75	May 9, 2019	4.50	4.50

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	6.50	May 8, 2019	6.50	6.50
Banco Central de Chile – Overnight Rate	3.00	May 9, 2019	3.00	3.00
Banco de la República de Colombia – Lending Rate	4.25	June 21, 2019	4.25	4.25
Banco Central de Reserva del Perú – Reference Rate	2.75	May 9, 2019	2.75	2.75

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	6.75	May 23, 2019	6.75	6.75

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