HE GOT HIS (TARIFF) WALL—NOW WHAT?

FORECASTS & DATA

CONTACTS

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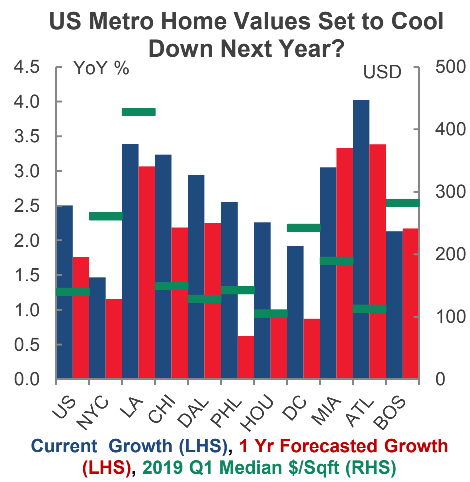
Next Week's Risk Dashboard

- US-China trade
- CPI: Canada, Eurozone, India, Sweden, Argentina
- CBs: Banxico, BI
- US retail sales
- GDP: Eurozone, Germany, Norway, Colombia
- CDN mfrg, housing
- China IP, retail
- Fed-speak
- Australian jobs
- Poloz on mortgages V2
- US macro

Chart of the Week



Sources: Scotiabank Economics, Zillow HVI.

Chart of the Week: Prepared by: Evan Andrade, Research Analyst.

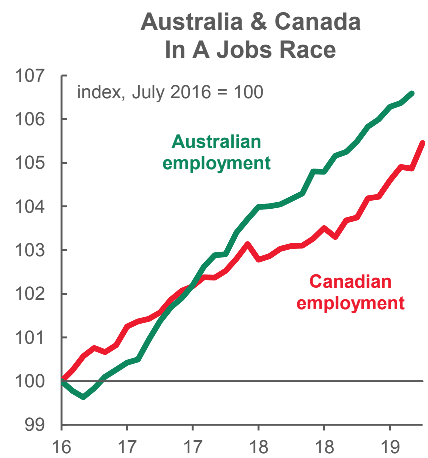
He Got His (Tariff) Wall—Now What?

ASIA-PACIFIC—BRACING FOR RETALIATION

Anything on the formal calendar of developments will clearly pale by comparison to trade policy developments. That's partly a function of the fact that the line-up of scheduled releases and events for next week is going to be pretty light. We might, however, be in somewhat of a protracted stalemate if the fact that Chinese Vice Premier Liu He's meeting with US Treasury Secretary Mnuchin and USTR Lighthizer lasted for just a few hours this past Thursday evening and Friday morning serves as any indication in the context of the imposed US tariffs. **Markets will be on guard for details to China's pledge to retaliate and the risk of a spiralling effect.**

China will tick the box on data that may not matter one iota. **Industrial production** during April comes out on Tuesday along with **retail sales**. **New home sales prices** get released on Wednesday. Foreign direct investment for April will also be released at an uncertain time.

Chart 1



Sources: Scotiabank Economics, Statistics Canada, Australian Bureau of Statistics.

Name one job market that has been stronger than Canada's ridiculously strong job gains. If Australia came to mind, then you would be correct. 'Down under' has generated a proportionately quicker pace of cumulative job gains since mid-2016 which is the period when Canadian job growth began to accelerate (chart 1). **Australia updates its job figures for April on Wednesday.** I've already fallen off my chair once of late when the Canadian numbers were released, but twice in one week would seem to be a stretch call.

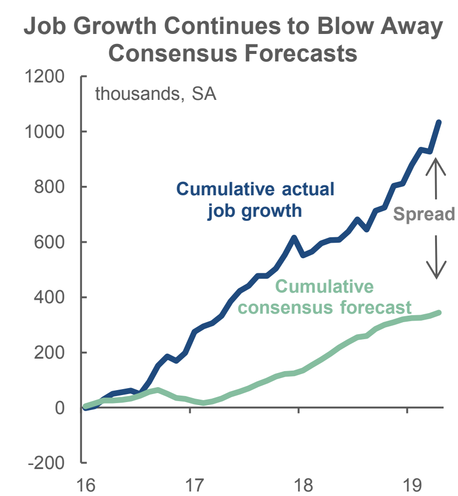
Bank Indonesia is expected to stay on hold with a reverse repo rate staying at 6%. Will trade tensions, however, turn the central bank more dovish in terms of its bias? The effect could well be the opposite. The rupiah has depreciated by about 2% over the recent period during which US-China trade tensions escalated. That, in turn, means greater import price pressure and a challenge to the central bank's inflation target range of 3–5%. This isn't an imminent risk in that the latest inflation reading of 2.8% is well behaved with core inflation at 3.05% y/y. Expect the central bank to nevertheless perhaps provide cautionary signals toward the currency risk in this environment.

Indian CPI inflation is due out on Monday and is expected to remain under mild upward pressure. At 2.9% y/y in March, inflation is below the mid-point of the 4% +/- 2% inflation target range. Relatively soft inflation that is below-target and softening GDP growth over the past year motivated the RBI to cut its repo rate last month. Core inflation has been decelerating over this period, but a neutral policy stance with the cut has been driven by the fact that core inflation still sits at 5% y/y.

CANADA—REBOUND NARRATIVE INTACT, BUT WHAT ABOUT INFLATION?

Jobs ripped, tick. Exports ripped, tick. Housing starts ripped, tick. Manufacturing probably ripped, tick. Now what about CPI? Far and away the most important development over the coming week will be whether inflation that is already on the BoC's 2% target comes under any pressure in either direction. The rebound narrative in terms of activity readings is strongly intact and in no small part due to soaring job growth dating back to mid-2016 that consensus has underestimated by a cumulative 700,000 jobs (chart 2) in the context of the recent acceleration of wage growth (chart 3).

Chart 2



Sources: Scotiabank Economics, Bloomberg.

Inflation should at least hang onto March's 1.9% y/y reading and could face marginal upside pressure. Base effects alone would counsel a softening of headline inflation to 1.6% in April. But April is traditionally a seasonal up-month for prices albeit at a cooling pace than is typically the case over the January through March period. Furthermore, gasoline prices probably added around two-tenths to headline CPI inflation in year-ago terms on top of single-handedly driving CPI up by at least 0.3% m/m. Overall, a reading in the 1.9–2.0% range is likely and that would keep inflation pretty much on the BoC's 2% mid-point of the 1–3% inflation target range. Then we're left with difficulty in pre-judging the average of the BoC's three core inflation metrics that were bang on 2% in March (chart 4). Our house expectation is that core inflation remains little changed over coming months.

Thursday's manufacturing shipments could be a strong reading. Recall that exports were up 3.2% m/m in March and most of that came through higher volumes (+2.6%) as opposed to prices. The breadth of the gain was encouraging and swept through categories like autos and parts, chemicals and plastics and petrochemicals that are all manufacturing intensive (recap here).

Housing will be a sub theme throughout the week and not just because of data. Existing home sales for April (Wednesday) and Teranet repeat sales home prices for the same month (Tuesday) are due out. ADP payrolls are also due out on Thursday but garner little following in Canada.

Bank of Canada communications will include the release of the Financial System Review on Thursday and a panel appearance by BoC Deputy Governor Tim Lane on sustainable finance this Monday. The FSR will be followed by a press conference hosted by Governor Poloz. **Poloz's speech on mortgage innovation (recap here) noted that the FSR will provide further insights and research into housing and mortgage markets.**

Poloz's speech sparked some controversy with the claim that the mortgage industry hasn't innovated with advice on how to do more. On the funding side over the past two decades there has been innovation in securitization and covered bonds for starters. On products, we've seen the advent of products targeting new immigrant arrivals, smaller businesses, and longer amortization periods before the government pulled them back to maximums of 25 years and 30 years for insured and uninsured mortgages, respectively. Heavy investments in back office processing and technology that have also improved transparency and access could have been cited by the Governor.

Chart 3

Sources: Scotiabank Economics, Statistics Canada.

Chart 4

Sources: Scotiabank Economics, Statistics Canada.

Further, as discussed in the recap, Poloz's suggestions on three potential areas of innovation are controversial. Going one step further, it's actually an enormous strength of the Canadian system that in general there was nowhere near the same prevalence of products like teasers, trackers, nonrecourse lending and negative equity mortgages that existed elsewhere. Calling for innovation at this point in the cycle is a bit of a double edged sword and I'd like to hear the Governor clarify his opinion on the topic. One issue in particular that stands out is the matter of extended terms beyond five years given it would take legislation and CMHC changes to facilitate. More importantly, **should the banking system be advised to reach for term and lock in today's mortgage rates in the face of the potential for future rising bond yields to carry funding costs higher?** The 10 year GoC bond, for instance, is barely compensating for longer-run inflation expectations that markets may be setting too low. Locking in returns from borrowers in what history may well come to judge as a potential bond bubble is fraught with risk.

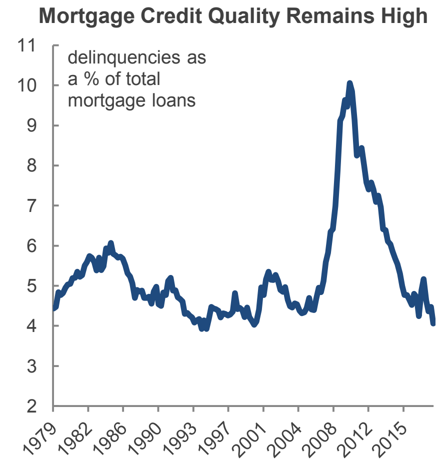
Canada auctions 3s on Wednesday.

UNITED STATES—DID CONSUMERS TAKE A BREATHER?

Well, this could have been a relatively tame week, but trade policy has derailed such expectations. Politics has a way of doing that, I suppose. Barring a newfound ability to climb inside Donald Trump's noggin as input to expectations for trade policy developments over the coming week, what follows will be sticking to one's knitting in terms of the fundamentals.

Those fundamentals could disappoint. **Retail sales will be the marquee release when April's tally hits on Wednesday and at least the headline could be somewhat of a setback.** The volume of vehicle sales fell -6.3% m/m in April. Vehicle prices were soft as new vehicle prices were up by only 0.1% m/m but used vehicle prices fell by 1.3%. Vehicles carry a 20% weight and so this will be a significant drag on total retail sales. Gas prices were up 10.3% m/m with an 8.4% weight and so this should offset some of the vehicles effect assuming the volume of gasoline purchases is little changed. Also recall that core sales ex-autos and gas were quite strong in March and so there might be moderation in April. What may well offset this moderation argument is momentum driven by solid jobs and pent-up demand. Overall, I've gone with +0.1% for headline sales and 0.5% for sales ex-autos.

Chart 5



Sources: Scotiabank Economics, Bloomberg.

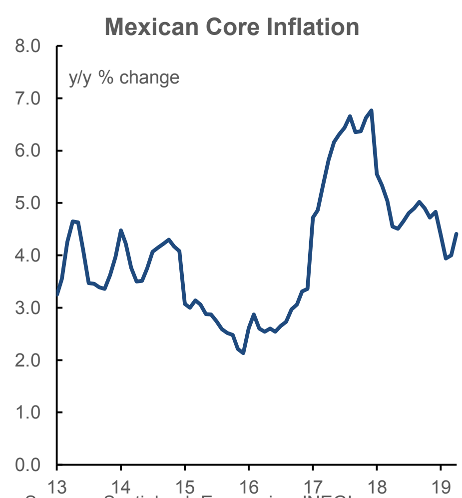
Other macro reports will cover the industrial landscape including the start of the regional manufacturing reports with **Empire** (Wednesday) and the **Philly Fed** (Thursday) and also **industrial production** (Wednesday). **Housing starts** (Thursday) and **University of Michigan consumer sentiment** (Friday) will retain the retail focus upon the household sector. First quarter mortgage delinquencies and foreclosures are also due out early in the week sometime and, in the context of debating stability issues, note the evidence in chart 5 that demonstrates a still low and falling arrears ratio.

Fed-speak may figure prominently as officials potentially weigh in on the implications of trade policy developments and the latest CPI inflation reading. Vice Chair Clarida speaks on Friday, Vice Chair Quarles speaks on Wednesday and NY Fed President Williams speaks three times on Tuesday and Friday. Regional Presidents Rosengren and George (both voting) and Daly, Kaplan, Barkin and Kashkari (all nonvoting) will also speak.

LATIN AMERICA—BANXICO WILL BE THE CANARY IN THE COAL MINE

Mexico's central bank decision will dominate attention across the region over the coming week. It will be the first significant central bank to weigh in following developments in US-China trade negotiations.

Chart 6



Sources: Scotiabank Economics, INEGI.

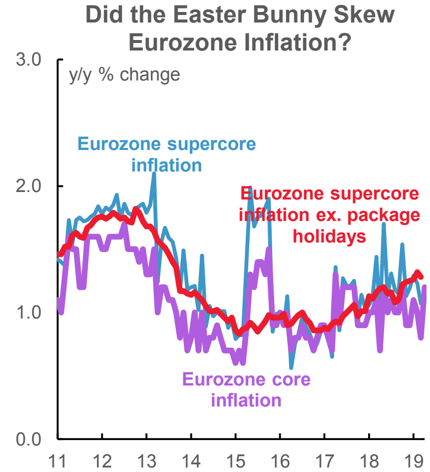
Banxico is not expected to alter its policy rate of 8.25% on Thursday. Higher food and energy prices played a role in pumping inflation to 4.4% y/y in April and hence above the upper limit of the 2–4% inflation target range. Core inflation increased to 3.9% y/y in April and remains just under the upper limit (chart 6). Services inflation jumped to 4.0% y/y. Transitory influences upon commodity prices, potential Easter distortions, and peso appreciation of 7% since the end of November that could cap and reverse exchange rate pass-through effects are expected to keep Banxico on hold on May 16th.

We anticipate that Colombia's economy grew at a rate of 3% y/y in Q1, similar to the rate of growth over the preceding three quarters. We'll find out on Wednesday. Contributions from household spending, business investment and government spending are expected to offset a drag from net trade.

Tangential matters will include Argentina's inflation print for April on Wednesday as it continues to climb well past 50% per year. Banco Central do Brasil releases minutes to the recent COPOM meeting that yielded no policy change and communicated a patient bias and will therefore likely receive little attention. Colombia updates trade, industrial output and retail sales.

EUROPE—MAKING PROGRESS

Chart 7



Sources: Scotiabank Economics, Bloomberg.

European markets will largely spend the week in observer mode with an eye on US-China trade tensions and other external risks.

With CPI revisions for April due on Friday, the information that will be revealed will mostly have to do with the level of detail required to back out so-called 'supercore' inflation excluding packaged holidays. While this might sound trivial, it's key to evaluating core inflation around this time of the year given the shifting timing of the Easter holiday. As chart 7 demonstrates, **'supercore' ex-holiday packages has been on a clear upward trend for some time.** Core CPI appeared to join it in April but a) it is more volatile, and b) it was likely driven by the holiday effect. Having said all that, even if supercore CPI hangs in around 1.3%, **the modest acceleration since the start of 2017 has been in the general direction of the ECB's under-2% inflation target.** That the ECB is making progress in this regard may be under-appreciated.

Germany finally releases its estimate for Q1 GDP growth that could incrementally inform the green shoots perspective. After no growth in Q4 and a mild contraction of -0.2% q/q in Q3, the economy is thought to have grown by around ½% q/q in Q1. Recent industrial production and export figures buttress the argument for an improving economy.

Much of the week overall will be about revisions. Eurozone Q1 GDP gets revised on Wednesday (no change expected) and individual countries release CPI revisions over the back half of the week.

Eurozone and German ZEW investor sentiment for May (Tuesday), Eurozone job growth in Q1 (Wednesday), Eurozone industrial output in March (Tuesday) and trade figures for the same month (Thursday) round out the hits. Norway updates Q1 GDP on Monday with the expectation that the economy may have stalled. Sweden's inflation rate for April gets updated on Tuesday and is expected to register a mild further increase with headline above 2% y/y and core inching higher but still below the Riksbank's 2% target.

Key Indicators for the week of May 13 – 17

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	05/14	08:30	Teranet - National Bank HPI (y/y)	Apr	--	--	1.5
US	05/14	08:30	Export Prices (m/m)	Apr	--	0.7	0.6
US	05/14	08:30	Import Prices (m/m)	Apr	--	0.7	0.6
US	05/15	07:00	MBA Mortgage Applications (w/w)	MAY 10	--	--	2.7
CA	05/15	08:30	Core CPI - Common (y/y)	Apr	--	1.8	1.8
CA	05/15	08:30	Core CPI - Median (y/y)	Apr	--	2.0	2.0
CA	05/15	08:30	Core CPI - Trim (y/y)	Apr	--	2.1	2.1
CA	05/15	08:30	CPI, All items (m/m)	Apr	0.3	0.4	0.7
CA	05/15	08:30	CPI, All items (y/y)	Apr	1.9	2.0	1.9
CA	05/15	08:30	CPI, All items (index)	Apr	--	136	135
US	05/15	08:30	Empire State Manufacturing Index	May	--	8.0	10.1
US	05/15	08:30	Retail Sales (m/m)	Apr	0.1	0.2	1.6
US	05/15	08:30	Retail Sales ex. Autos (m/m)	Apr	0.5	0.7	1.2
CA	05/15	09:00	Existing Home Sales (m/m)	Apr	--	1.8	0.9
US	05/15	09:15	Capacity Utilization (%)	Apr	78.8	78.7	78.8
US	05/15	09:15	Industrial Production (m/m)	Apr	0.2	0.0	-0.1
US	05/15	10:00	Business Inventories (m/m)	Mar	--	0.0	0.3
US	05/15	10:00	NAHB Housing Market Index	May	--	64	63
US	05/15	16:00	Total Net TIC Flows (US$ bn)	Mar	--	--	-22
US	05/15	16:00	Net Long-term TIC Flows (US$ bn)	Mar	--	--	52
CA	05/16	08:30	International Securities Transactions (C$ bn)	Mar	--	--	12.0
CA	05/16	08:30	Manufacturing Shipments (m/m)	Mar	1.0	1.5	-0.2
US	05/16	08:30	Building Permits (000s a.r.)	Apr	1280	1287	1269
US	05/16	08:30	Housing Starts (000s a.r.)	Apr	1200	1209	1139
US	05/16	08:30	Housing Starts (m/m)	Apr	5.4	6.2	-0.3
US	05/16	08:30	Initial Jobless Claims (000s)	MAY 11	230	221	228
US	05/16	08:30	Continuing Claims (000s)	MAY 4	1685	1680	1684
US	05/16	08:30	Philadelphia Fed Index	May	12.0	9.0	8.5
MX	05/16	14:00	**Overnight Rate (%)**	**May 16**	**8.25**	**8.25**	**8.25**
US	05/17	10:00	Leading Indicators (m/m)	Apr	--	0.2	0.4
US	05/17	10:00	U. of Michigan Consumer Sentiment	May P	98.0	97.5	97

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
NO	05/13	02:00	GDP (q/q)	1Q	--	0.00	0.50
GE	05/14	02:00	CPI (m/m)	Apr F	1.0	1.0	1.0
GE	05/14	02:00	CPI (y/y)	Apr F	2.0	2.0	2.0
GE	05/14	02:00	CPI - EU Harmonized (m/m)	Apr F	1.0	1.0	1.0
GE	05/14	02:00	CPI - EU Harmonized (y/y)	Apr F	2.1	2.1	2.1
SP	05/14	03:00	CPI (m/m)	Apr F	1.0	1.0	1.0
SP	05/14	03:00	CPI (y/y)	Apr F	1.5	1.5	1.5
SP	05/14	03:00	CPI - EU Harmonized (m/m)	Apr F	1.1	1.1	1.1
SP	05/14	03:00	CPI - EU Harmonized (y/y)	Apr F	1.6	1.6	1.6
UK	05/14	04:30	Average Weekly Earnings (3-month, y/y)	Mar	--	3.4	3.5
UK	05/14	04:30	Employment Change (3M/3M, 000s)	Mar	--	141	179
UK	05/14	04:30	Jobless Claims Change (000s)	Apr	--	--	28.3
UK	05/14	04:30	ILO Unemployment Rate (%)	Mar	3.9	3.9	3.9
EC	05/14	05:00	Industrial Production (m/m)	Mar	--	-0.3	-0.2
EC	05/14	05:00	Industrial Production (y/y)	Mar	-0.7	-0.8	-0.3
EC	05/14	05:00	ZEW Survey (Economic Sentiment)	May	--	--	4.5
GE	05/14	05:00	ZEW Survey (Current Situation)	May	--	6.0	5.5
GE	05/14	05:00	ZEW Survey (Economic Sentiment)	May	--	5.0	3.1
GE	05/15	02:00	Real GDP (q/q)	1Q P	0.45	0.4	0.0
FR	05/15	02:45	CPI (m/m)	Apr F	0.2	0.2	0.2
FR	05/15	02:45	CPI (y/y)	Apr F	1.2	1.2	1.2
FR	05/15	02:45	CPI - EU Harmonized (m/m)	Apr F	0.3	0.3	0.3
FR	05/15	02:45	CPI - EU Harmonized (y/y)	Apr F	1.4	1.4	1.4

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

Key Indicators for the week of May 13 – 17

EUROPE *(continued from previous page)*

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
PD	05/15	04:00	GDP (y/y)	1Q P	--	4.4	4.9
EC	05/15	05:00	Employment (q/q)	1Q P	--	--	0.3
EC	05/15	05:00	GDP (q/q)	1Q P	0.4	0.4	0.4
PO	05/15	06:00	Real GDP (q/q)	1Q P	--	0.4	0.4
IT	05/16	04:00	CPI - EU Harmonized (y/y)	Apr F	1.2	1.2	1.2
EC	05/16	05:00	Trade Balance (€ mn)	Mar	--	--	17938
EC	05/17	05:00	CPI (m/m)	Apr	0.7	0.7	0.7
EC	05/17	05:00	CPI (y/y)	Apr F	1.7	1.7	1.7
EC	05/17	05:00	Euro zone Core CPI Estimate (y/y)	Apr F	1.2	1.2	1.2
RU	05/17-05/20		Real GDP (y/y)	1Q A	--	1.2	2.7

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
JN	05/12	19:50	Official Reserve Assets (US$ bn)	Apr	--	--	1292
JN	05/13	01:00	Coincident Index CI	Mar P	--	100	100
JN	05/13	01:00	Leading Index CI	Mar P	--	96	97
IN	05/13	08:00	CPI (y/y)	Apr	3.0	3.0	2.9
JN	05/13	19:50	Bank Lending (y/y)	Apr	--	--	2.4
JN	05/13	19:50	Current Account (¥ bn)	Mar P	--	3007	2677
JN	05/13	19:50	Trade Balance - BOP Basis (¥ bn)	Mar P	--	839	489
IN	05/14	02:30	Monthly Wholesale Prices (y/y)	Apr	--	3.0	3.2
SK	05/14	19:00	Unemployment Rate (%)	Apr	3.8	3.8	3.8
JN	05/14	19:50	Japan Money Stock M2 (y/y)	Apr	--	2.3	2.4
JN	05/14	19:50	Japan Money Stock M3 (y/y)	Apr	--	2.1	2.1
AU	05/14	21:30	Wage Cost Index (y/y)	1Q	2.4	2.3	2.3
CH	05/14	22:00	Fixed Asset Investment YTD (y/y)	Apr	6.4	6.4	6.3
CH	05/14	22:00	Industrial Production (y/y)	Apr	8.5	6.5	8.5
CH	05/14	22:00	Retail Sales (y/y)	Apr	8.7	8.6	8.7
IN	05/14-05/15		Exports (y/y)	Apr	--	--	11
IN	05/14-05/15		Imports (y/y)	Apr	--	--	1.4
PH	05/14-05/15		Overseas Remittances (y/y)	Mar	--	3.4	1.5
ID	05/15	00:00	Exports (y/y)	Apr	--	-8.0	-10
ID	05/15	00:00	Imports (y/y)	Apr	--	-12.3	-6.8
ID	05/15	00:00	Trade Balance (US$ mn)	Apr	--	-364	540
JN	05/15	02:00	Machine Tool Orders (y/y)	Apr P	--	--	-28.5
AU	05/15	21:30	Employment (000s)	Apr	15.0	15.0	25.7
AU	05/15	21:30	Unemployment Rate (%)	Apr	5.0	5.0	5.0
ID	05/15-05/16		**BI 7-Day Reverse Repo Rate (%)**	**May 16**	**6.00**	**6.00**	**6.00**
MA	05/16	00:00	Current Account Balance (MYR mns)	1Q	--	14.5	10800
MA	05/16	00:00	GDP (y/y)	1Q	4.3	4.3	4.7
NZ	05/16	18:30	Business NZ PMI	Apr	--	--	52
NZ	05/16	18:45	Producer Price - Inputs (q/q)	1Q	--	--	1.6
NZ	05/16	18:45	Producer Price - Outputs (q/q)	1Q	--	--	0.8
SI	05/16	20:30	Exports (y/y)	Apr	--	-4.6	-11.7
JN	05/16-05/22		Nationwide Department Store Sales (y/y)	Apr	--	--	0.1
SI	05/16-05/24		Real GDP (y/y)	1Q F	1.3	1.3	1.3
JN	05/17	00:30	Tertiary Industry Index (m/m)	Mar	--	0.1	-0.6
HK	05/17	04:30	Real GDP (y/y)	1Q F	0.5	0.5	0.5

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CO	05/13	11:00	Trade Balance (US$ mn)	Mar	-888	-797	-581
CO	05/14	11:00	Retail Sales (y/y)	Mar	6	5.4	5.7
BZ	05/14-05/15		Economic Activity Index SA (m/m)	Mar	--	-0.2	-0.7
BZ	05/14-05/15		Economic Activity Index NSA (y/y)	Mar	--	-2.1	2.5
PE	05/15		Economic Activity Index NSA (y/y)	Mar	3.8	3.1	2.1
PE	05/15		Unemployment Rate (%)	Apr	--	--	8.2

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

Global Auctions for the week of May 13 – 17

NORTH AMERICA

Country	Date	Time	Event
CA	05/15	12:00	Canada to Sell 3 Year Bonds

EUROPE

Country	Date	Time	Event
UK	05/13	05:30	U.K. to Sell 1.625% 2054 Bonds
GE	05/15	05:30	Germany to Sell 1 Billion Euros of 1.25% 2048
SW	05/16	05:00	Sweden to Sell I/L Bonds

ASIA-PACIFIC

Country	Date	Time	Event
SK	05/12	21:30	Korea Central Bank to Sell KRW 1.1Tln 1-Year Bond
SK	05/12	22:30	Korea to Sell KRW 1.7Tln 5-Year Bond
CH	05/12	22:30	Hebei to Sell CNY14.46 Bln 10Y Bonds
SK	05/13	01:00	Korea Central Bank to Sell KRW 600Bln 91-Days Bond
JN	05/13	23:35	Japan to Sell 30-Year Bonds
JN	05/13	23:35	30Y Bond Amount Sold
TA	05/14	00:30	Taiwan to Sell TWD25 Bln 30-Yr Bonds
ID	05/14	05:00	Indonesia to Sell 6Mo Islamic Bills & 2,4,15,30Yr Bonds
SK	05/14	21:30	Korea Central Bank to Sell KRW 2.7Tln 2-Year Bond
CH	05/14	23:00	China Plans to Sell 5-Year Upsized Government Bond
CH	05/14	23:00	China Plans to Sell 2-Year Upsized Government Bond
TH	05/14	23:00	Thailand to Sell THB25 Bln Bonds Due 2028
PH	05/15	01:00	Philippines Plans to Sell PHP20Bln 7Y Bonds
NZ	05/15	22:05	New Zealand To Sell NZD150 Mln 2.75% 2037 Bonds
TH	05/15	23:00	Bk of Thailand to Sell THB30 Bln 2022 Bonds
JN	05/15	23:30	1Y Note Amount Sold
JN	05/15	23:35	Japan to Sell 5-Year Bonds
JN	05/15	23:35	5Y Note Amount Sold
CH	05/16	23:00	China Plans to Sell 30-Year Upsized Government Bond
SK	05/19	21:30	Korea to Sell KRW 850Bln 10-Year Bond
SK	05/19	21:30	Korea Central Bank to Sell KRW 300Bln 182-Days Bond
SK	05/19	22:30	Korea to Sell KRW 1Tln 10-Year Bond

Source: Bloomberg, Scotiabank Economics.

Events for the week of May 13 – 17

NORTH AMERICA

Country	Date	Time	Event
US	05/13	09:05	Fed's Rosengren, Clarida Makes Remarks at Fed Listens Event
US	05/14	03:15	Fed's Williams Speaks at SNB/IMF Event in Zurich
US	05/15	12:00	Fed's Barkin Speaks to Economists in New York
CA	05/16	08:30	ADP Canada Releases April Payroll Estimates
CA	05/16	10:30	Publication - Bank of Canada's Financial System Review
US	05/16	12:05	Fed's Kashkari Discusses Monetary Policy and the Economy
MX	05/16	14:00	**Overnight Rate**
US	05/17	11:15	Fed's Williams Meets With Community Leaders

EUROPE

Country	Date	Time	Event
UK	05/16	13:30	BOE's Jonathan Haskel speaks in York
UK	05/17	08:00	BOE's Alex Brazier speaks in London
EC	05/17		EU finance ministers meet in Brussels

ASIA-PACIFIC

Country	Date	Time	Event
AU	05/15	21:30	RBA FX Transactions Market
AU	05/15	22:45	RBA's Bullock Gives Speech in Sydney
ID	05/15-05/16		**Bank Indonesia Board of Governors Rate Meeting**
NZ	05/16		RBNZ Deadline for Submissions on Bank Capital Plan
AU	05/17-05/18		Australian Government Federal Election

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	June 19, 2019	2.50	2.50
Banco de México – Overnight Rate	8.25	May 16, 2019	8.25	8.25

Banxico: No change to the policy rate of 8.25% is expected on Thursday. Higher food and energy prices played a role in pumping inflation to 4.4% y/y in April and hence above the upper limit of the 2-4% inflation target range. Core inflation increased to 3.9% y/y in April and remains just under the upper limit. Services inflation jumped to 4.0% y/y. Transitory influences upon commodity prices, potential Easter distortions, and peso appreciation of 7% since the end of November that could cap and reverse exchange rate pass-through effects are expected to keep Banxico on hold on May 16th.

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	June 20, 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	June 20, 2019	1.00	1.00
Central Bank of Turkey – Benchmark Repo Rate	24.00	June 12, 2019	24.00	23.75

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	June 4, 2019	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.50	June 25, 2019	1.50	1.50
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	June 6, 2019	5.75	6.00
Bank of Korea – Bank Rate	1.75	May 31, 2019	1.75	1.75
Bank of Thailand – Repo Rate	1.75	June 26, 2019	1.75	1.75
Bank Negara Malaysia – Overnight Policy Rate	3.00	July 9, 2019	3.00	3.00
Bank Indonesia – 7-Day Reverse Repo Rate	6.00	May 16, 2019	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	4.50	June 20, 2019	4.50	4.50

Bank Indonesia (BI): Indonesian monetary authorities will make a policy decision on May 16. We expect the BI to continue its wait-and-see stance over the coming months, closely monitoring financial market volatility and the direction of monetary policy in other economies, notably in the US. Inflation remains contained, at 2.8% y/y in April.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	6.50	June 19, 2019	6.50	6.50
Banco Central de Chile – Overnight Rate	3.00	June 7, 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	June 13, 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.