

YOU BROKE IT, YOU FIX IT

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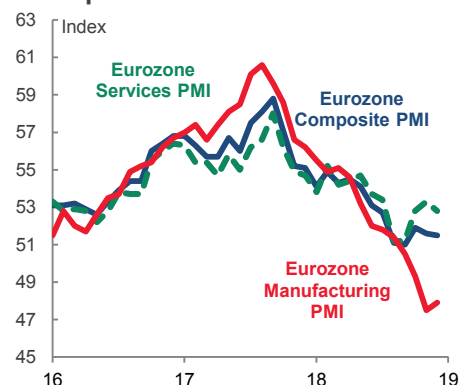
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Next Week's Risk Dashboard

- CUSMA/USMCA
- Australia's election
- RBA minutes
- RBA Governor Lowe
- European Parliament elections
- India's election results
- Fed's Powell
- FOMC minutes
- CPI: UK, Japan, Brazil, HK, Malaysia, Singapore
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- Eurozone PMIs
- UK retail sales
- German IFO
- Mexican macro

Chart of the Week

Will Sentiment Stabilize After European Parliament Elections?



Sources: Scotiabank Economics, Bloomberg.

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

You Broke It, You Fix It

CANADA—NAFTA, BANKS AND CONSUMERS

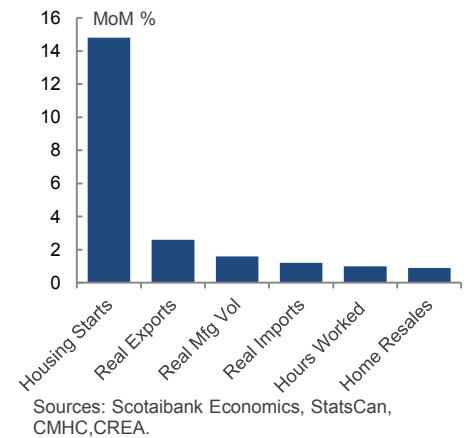
What is off the calendar might matter the most to markets over the coming week. **At issue is whether NAFTA 2.0 is suddenly on a march toward getting implemented**, while a **light macro release schedule focused upon the consumer** lies ahead. Canada starts off the week closed for the annual Victoria Day holiday. The fiscal Q2 **bank earnings parade** also kicks off.

The catalysts for advancing the worst-branded-trade-deal-ever—aka NAFTA 2.0/CUSMA/USMCA/MUSCA—include positive developments on threatened auto tariffs and tariffs on steel and aluminum.

Just barely ahead of this Saturday's deadline, the Trump administration ordered US Trade Representative Lighthizer to launch auto sector trade negotiations with the EU and Japan. He is to report back to Trump within six months and a tariff decision has been postponed until at least six months from now. **Canada is exempt along with Mexico. That the decision has been pushed out and the door left open to negotiate with others is positive** in that the alternative could have been to simply invoke tariffs now. This would have been more negative for markets with negative feedback effects upon Canada. Saturday was the outer limit of the 90 day maximum period that Trump was allowed to respond to the February 17th undisclosed report from the Commerce Department that investigated whether imports pose a national security threat under section 232 of the 1962 Trade Expansion Act. Given that this one issue has gotten more blowback from domestic stakeholders across party lines as well as international interests than any other trade dispute the US administration has started, it may be that Trump is seeking to lessen some trade-related risks while tensions with China escalate. **It's feasible that delaying an auto tariff decision until at least six months from now could mean the issue is dead in the water.** That would take it to November or later and hence three months or less before US primaries begin. Given the damage that such tariffs would impose upon US industry and consumers, it may be unlikely that the Trump administration would embrace them into an election year.

Chart 1

Canada's Economy Was On Fire In March



More important is that Canada, the US and Mexico have struck an agreement to eliminate steel and aluminum tariffs at the start of this coming week. The joint statement ([here](#)) was fairly clean in that it rejected earlier US demands for quotas while concluding with a weak implied threat to revisit the issue essentially if Canada's steel and aluminum industry ever booms far beyond most people's expectations.

The issue in a grander sense is whether NAFTA 2.0 passage is any closer. If so, any concrete signals to this effect could carry bullish implications for CAD and bearish effects on short rates all else equal. PM Trudeau stated that he is optimistic his government can now advance CUSMA before Parliament for ratification. US Vice President Pence is scheduled to visit Canada to meet with Trudeau on May 30th presumably as another indication that CUSMA ratification is advancing. It's unclear whether Trump wasn't available or not invited! After all, we've come full circle on two and a half years of uncertainty only to wind up little changed compared to NAFTA 1.0 amid all of the bluster. You broke it, you fix it indeed.

The timing works well in that the clock is ticking before elections in Canada and the US. Canada's election must be held by October 21st, or earlier in the unlikely event that the Trudeau government calls a snap election. According to the Canada Elections Act, the writ must be dropped between September 1st and the 15th. Parliament is scheduled for summer recess after June 21st and won't return until September 16th. That could be altered but it would take a special order to do so. In short, the Liberal majority government has five weeks to get CUSMA passed. Then map this onto more uncertain politics after October (current polling [here](#)) and the delay of forming a new government. The result brings us that much closer to the US primaries.

What does all of this mean to the Bank of Canada? I'm increasingly comfortable with our outlier call as the only dealer expecting a hike over the next year with our call being December 2019 for the next hike. The rebound narrative is performing quite well. The BoC is clearly trying to jawbone markets away from cut pricing. The BoC could lessen negative forecast judgement on trade policy concerns as soon as the July MPR with the prospect of a few tenths added back to growth through less of a projected

drag on investment and exports. Doing so would modestly speed up the closure of slack in the economy and gently add to projected inflation risk. There are still trade risks, but the NAFTA-specific risks have clearly lessened. US-China trade tensions may yet result in agreement later than hoped for while China offers stimulus to manage risks to growth, and the hedge to Canada is the US stoking tensions in the Middle East that benefits oil prices.

Be prepared to dig beneath the headline in the **Canadian retail sales figures** that get updated for March on Wednesday. That's because they could get a lift for inauspicious reasons. Gas prices soared by 11% m/m (and another 10% the next month). Gas stations carry an 11% weight in retail sales and so the price effect alone could add 1.2 percentage points to total month-ago retail sales growth plus whatever happened to gas volumes and ancillary sales. Broader prices excluding food and energy were only marginally higher in March. Auto sales were also marginally higher in seasonally adjusted terms but translating industry figures to how StatsCan captures auto sales is always uncertain. You'll have to quickly dig down to see what volumes and particularly volumes ex-autos did by way of fresh information to GDP expectations.

Canada will also update **wholesale trade** for March on Thursday. This will close out the tracking for March and Q1 GDP growth that will be released on May 31st and hence two days after the next Bank of Canada policy statement. **March GDP is shaping up rather nicely so far and should rebound convincingly from the small -0.1% m/m dip in February that itself followed the solid 0.3% rise in January.** There is plenty of evidence of green shoots that fits the narrative of a rebound to transition into Q2 (chart 1). We already know that hours worked were up 1.0% m/m in March which matters since GDP is an identity defined as hours worked times labour productivity. Housing starts were up 14.8% m/m. Export volumes were up by 2.6% and import volumes were up by about 1¼%. Existing home sales were up by 0.9% before a larger 3.6% rise in April that should lift related services (legal, banking, real estate agents, etc.). Manufacturing shipment volumes were up by 1.6% m/m. In short, all signs available so far point to a solid gain in GDP that could lift Q1 GDP tracking well above the Bank of Canada's forecast for just 0.3% annualized growth.

Three banks release fiscal Q2 earnings with CIBC on Wednesday and then both RBC and TD on Thursday. BNS (my employer) releases the following Tuesday. Canadian Western Bank and BMO will be on the 29th followed by National and Laurentian on the 30th.

Canada auctions 30s on Wednesday.

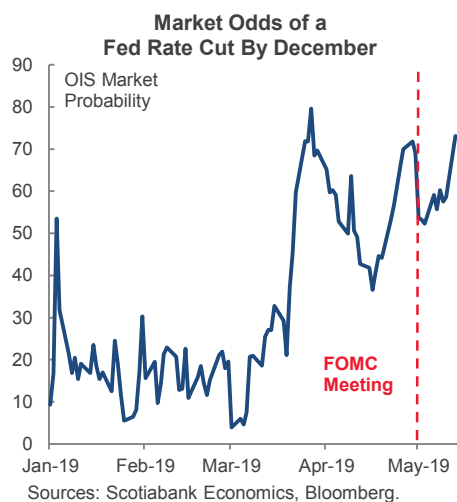
UNITED STATES—ROGER, CANCEL THAT

A light calendar will focus risks upon trade policy developments and limited macro data alongside top shelf Federal Reserve communications. At risk is whether Chair Powell sounds as positive as he did during his press conference back on May 1st. A decision on next steps on auto tariffs may dominate market considerations (see Canada section). The week will end with an early bond market close on Friday at 2pmET ahead of the Memorial Day weekend.

Fed Chair Powell will resurface to speak at the Atlanta Fed's annual Financial Markets Conference (agenda [here](#)). He will deliver the keynote speech at 7pmET on Monday. Chicago Fed President Evans will appear at the same conference along with opening remarks from Atlanta Fed President Bostic. Powell's specific topic is not yet known as we go to press. The conference theme is 'mapping the financial frontier' with the focus upon cyber currencies, blockchain, housing finance and future issues in monetary policy implementation. Powell's speech could touch upon the latter in the context of the discussion and debate over potential alterations to the Fed's policy framework. Regional presidents Kaplan, Harker, Rosengren, Bullard, Williams, Daly, Barkin and Bostic will also deliver talks over the course of the week.

Minutes to the May 1st FOMC meeting will be released on Wednesday. A recap of that decision is available [here](#). It's plausible that Powell's speech on Monday may dampen some of the enthusiasm he put on display during the May 1st press conference ahead of what may be somewhat stale minutes to that meeting. That press conference tamped down market probabilities for a rate cut this year but the conflict with China resurrected the bet (chart 2). They may be stale because US-

Chart 2



China trade negotiations basically fell apart thereafter and this contrasts somewhat to Powell's portrayal of diminished risks to the outlook. Improved NAFTA prospects are nevertheless a positive offset to trade policy risks. In addition, **the Fed's concern that inflation expectations are declining were at least partly allayed** by the jump in consumer expectations this month that may partly reflect rising consumer aware of tariff influences (chart 3). Also watch for further discussion that reflects the central opinions across FOMC members on topics like whether soft core inflation represents transitory factors.

Data risk will be focused upon housing and cap-ex indicators. A rebound in **existing home sales** during April is likely on Tuesday. That's not only because of the prior month's large 4.9% drop that poses a soft jumping off point, but also because of the fact that pending home sales have been strong of late and they lead completed sales transactions by 30–90 days. **New home sales** on Thursday might go in the opposite direction following large increases in each of the first three months to start the year. Still, however, this should drive housing starts and residential construction spending higher into Q2.

The week will close with what will probably be a soft April update for **durable goods orders**. Boeing's troubles will weigh upon the headline and will stomp one green shoot into the muck but the key will remain core capital goods orders excluding air and defense. Boeing only had 4 planes ordered last month by "unidentified customer(s)" and, curiously, for the troubled 737 MAX. Boeing initially reported 44 plane orders for the prior month but they revised down back orders by a lot. The overall order backlog shrank by 119 jets and the backlog for just the 737 was reduced by 171 planes. By way of comparison, Boeing previously had less than 100 new plane orders over the first four months of the year. It is difficult to ascertain the distribution of cancelled orders over the months that could stretch well back in time. Unfilled 737 Max orders stretch all the way back to 2011. You'll see a soft headline print for total durable goods orders weighed down by the transportation sector and specifically nondefense aircraft, plus negative revisions to headline orders.

The US Treasury conducts a 10 year TIPS reopening on Thursday.

LATIN AMERICA—SOFTER GROWTH VS HIGHER INFLATION

Latin American markets will return to being principally driven by external events over the coming week. Following an active week for central banks and inflation figures, next week only yields a handful of macro reports.

GDP growth in the first quarter of the year will be updated by Chile (Monday) and Peru (release date TBC). Chile's economy is expected to register a decelerated pace of growth from the 3.6% rate set in Q4 to perhaps under 3% in Q1. This is already indicated by the central bank's monthly economic activity index (chart 4). Peru's economy is also expected to decelerate and monthly GDP growth already indicates as much (chart 5).

Brazil's mid-month reading of CPI inflation for May will be closely monitored for signs of further upward pressure (chart 6). Higher inflation serves as a constraint against easing in favour of the central bank's patient guidance that was offered on May 9th.

Mexico updates retail sales for March on Wednesday and trade figures for April on Friday along with potential Q1 GDP revisions to the initial 1.3% y/y growth reading.

Chart 3

Falling Inflation Expectations - But No Crisis Yet

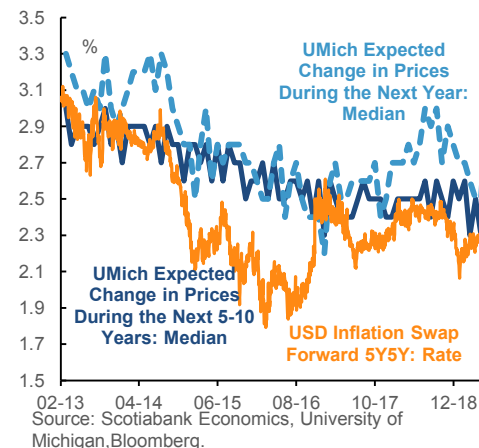


Chart 4

Chile's Decelerating Growth

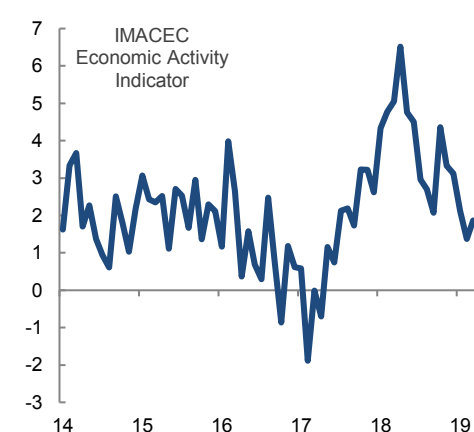


Chart 5

Peru's GDP Growth



ASIA-PACIFIC—TOO CLOSE TO CALL TIMES TWO

A blend of elections, potentially key guidance from the Reserve Bank of Australia and some fundamentals will make for a lively week even if it were not for the ongoing wild card risks surrounding headlines on stalled US-China trade negotiations.

Down Under will get a lot of the attention into the start of the week as potentially key RBA guidance kicks in after the election results become known. It has always been thought that the RBA has been waiting until at least after the election before firming up guidance or policy action.

The Australian federal election takes place on Saturday as incumbent Scott Morrison seeks the center-right Liberal/Coalition party's third consecutive term in power. Current polls and projections have Bill Shorten's Labour party gaining 5 seats to form a majority by the slimmest of margins. However, as Evan Andrade notes, neither leader seems to be popular among the electorate as over a quarter of poll respondents can't definitively pick between the two. The public's cynicism generated by a merry-go-round of five Prime Ministers over the past 10 years and Australia's compulsory voting laws may lead to record support for the Greens as the 3rd party. Polls will close 6:00 am EST, the results should be available soon after and perhaps by about 8amET but the roughly 3 million advance poll votes that were cast may ironically delay the final results of the election.

Scotia's Tuuli McCully observes that the key policy issues are tax cuts, public spending and climate change. Liberals have unveiled a six-year plan to cut income taxes and simplify tax brackets while boosting infrastructure spending. The Labour Party is also offering tax cuts while directing more social spending towards lower-income Australians. Both parties forecast a fiscal surplus next fiscal year. Climate issues create bigger differences: Liberals are seen as advocates of the coal industry, which is important for the economy. Meanwhile, Labour is highlighting its focus on green initiatives.

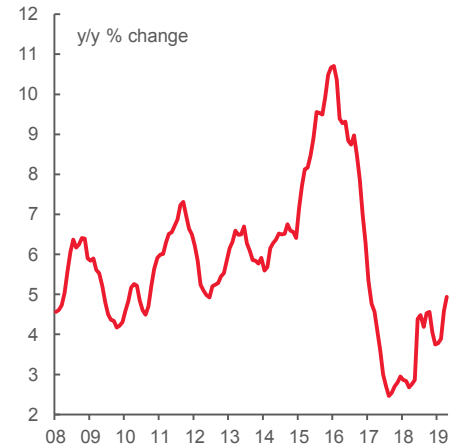
Minutes to the May 7th RBA meeting will be released on Monday and Governor Lowe will deliver a potentially key speech on the outlook and monetary policy on Monday night eastern time. **Obviously the key thing to watch for is further clarity on the criteria for a rate cut and whether they have been achieved.** The RBA has said that both sagging inflation and rising unemployment would be required. Inflation has slipped, but defining what constitutes rising unemployment isn't clear (chart 7). Australia just cranked out another 28,400 jobs in April but a) they were part-time, and b) the unemployment rate inched higher to 5.2% because of a faster pace of entry into the labour force by job seekers. That seems like a good reason for the unemployment rate to drift higher in the short term compared to, say, outright job losses. Would any old increase in the unemployment rate satisfy the requirements for a cut? Then again, with the election out of the way and US-China trade negotiations at a stalemate, inflation and unemployment rates may no longer be offered as the focal points.

India's marathon election process is finally coming to a close as the seventh and last round of voting occurs on Sunday. The results will be available on Thursday. It's PM Narendra Modi versus the Congress Party and Rahul Gandhi. Polls—for what they're worth—are suggesting that **Modi's Bharatiya Janata Party may lose its majority in Parliament and be forced to work out a coalition.**

CPI updates will be delivered by Japan and Hong Kong (Thursday), Malaysia (Friday) and Singapore at some point. In every case, the readings are expected to rise and no doubt at least partly due to energy prices. That said, with HK being a mild exception, we're seeing very low rates of inflation across these economies.

Chart 6

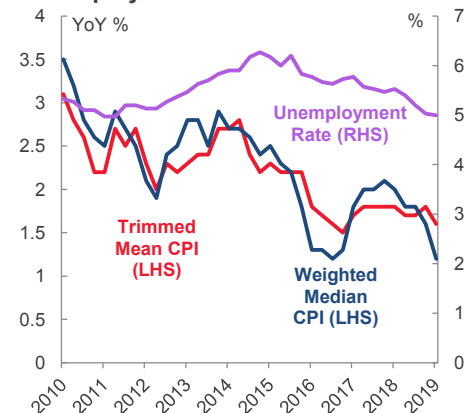
Brazilian Inflation



Sources: Scotiabank Economics, Bloomberg.

Chart 7

Australia's Inflation and Unemployment Ahead of The Election



Sources: Scotiabank Economics, RBA, Bloomberg.

Japan's economy may have contracted with the consumer dragging the house down in Q1, but marginally so and in the context of what was pretty solid growth the prior quarter. We'll find out on Sunday evening eastern time. Thailand's economy is expected to go in the other direction with an acceleration of GDP growth in Q1 (Monday night).

EUROPE—UNINVITED GUESTS

The British are known for a dry sense of humour but they're on the verge of outdoing even themselves into the European Parliament's elections. Macro data will be an earlier consideration, however, as the contest results will stray into the following week.

Eurozone purchasing managers' indices will inform Q2 GDP growth expectations given the correlation between the Eurozone composite PMI reading and broad Eurozone GDP growth (chart 8). The readings arrive on Thursday along with Germany's IFO business confidence metric. The improvement in Germany's ZEW investor expectations survey that has already been released for May could be a positive signal for the other surveys.

This was the day that British parliamentarians wanted to avoid, yet failure to reach a Brexit deal necessitated participation. **The ninth European Parliament elections are taking place across the European Union between May 23rd and 26th.** Full results will likely not be available until Monday May 27th. However the results for the UK will likely be available late on Sunday May 26th and Nigel Farage's Brexit Party is forecast to win the majority of UK seats. Talk about the fox in the henhouse. The central issue for this election is the uncertainty of how long British MEPs will sit in Parliament. The Brexit extension allows for early membership termination in the event of a ratified withdrawal agreement leaving the number of post-Brexit seats in question. The negotiations between all elected candidates to form political groups will be finalized by June 24th ahead of the first day of Parliament on July 2nd. European Commission President will be elected by Parliament in October. Polling of parties from across Europe is shown in chart 9 with smaller parties lumped together in categories like 'far left', 'far right' and 'moderates.'

To pass the time ahead of the election results, UK markets will focus upon CPI (Wednesday) and retail sales (Friday). UK core CPI has been trending around 1.8% y/y while headline CPI has been running at 1.9%. Of the two, headline is more likely to advance in the April print on the back of contributions from energy prices. This could be looked through if core inflation remains slightly below target and then retail sales give back some of the stocking effect that drove sales higher in March. Recall that retail sales were up by 1.1% m/m (1.2% ex-fuel) in March. As the Brexit deadline was pushed out to the end of October, the incentive to stockpile emergency supplies has lessened at least for now.

This latter effect may be further informed next week. Labour leader Corbyn broke off talks with PM May's government toward a Brexit deal that might have been presented as early as next week. This incrementally shifts focus toward PM May's potential successor, prospects for another round of indicative votes in the British Parliament on next steps and maybe even the possibility of a second Brexit referendum.

Chart 8

Eurozone GDP Growth and PMIs

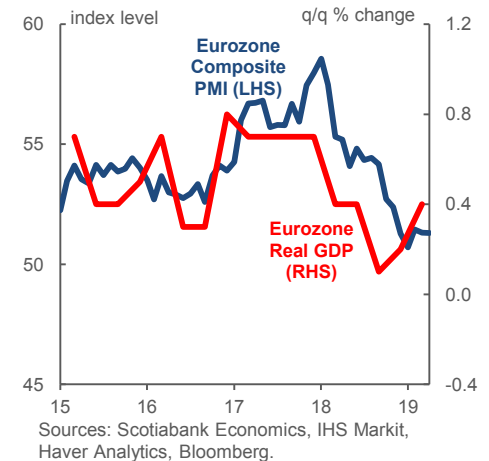
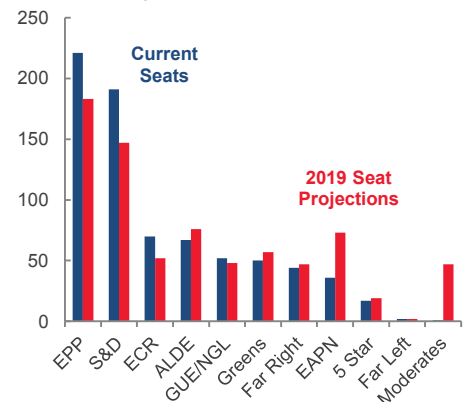


Chart 9

European Parliament Seat Projections With The UK



Key Indicators for the week of May 20 – 24

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	05/21	10:00	Existing Home Sales (mn a.r.)	Apr	5.38	5.4	5.2
US	05/21	10:00	Existing Home Sales (m/m)	Apr	3.5	2.7	-4.9
US	05/22	07:00	MBA Mortgage Applications (w/w)	MAY 17	--	--	-0.6
CA	05/22	08:30	Retail Sales (m/m)	Mar	1.0	0.8	0.8
CA	05/22	08:30	Retail Sales ex. Autos (m/m)	Mar	1.0	0.8	0.6
MX	05/22	09:00	Retail Sales (INEGI) (y/y)	Mar	1.8	--	1.8
CA	05/23	08:30	Wholesale Trade (m/m)	Mar	--	--	0.3
US	05/23	08:30	Initial Jobless Claims (000s)	MAY 18	215	215	212
US	05/23	08:30	Continuing Claims (000s)	MAY 11	1670	1670	1660
MX	05/23	09:00	Bi-Weekly Core CPI (% change)	May 15	0.13	--	0.0
MX	05/23	09:00	Bi-Weekly CPI (% change)	May 15	-0.49	--	0.1
US	05/23	10:00	New Home Sales (000s a.r.)	Apr	680	677	692
US	05/24	08:30	Durable Goods Orders (m/m)	Apr P	-2.0	-2.0	2.8
US	05/24	08:30	Durable Goods Orders ex. Trans. (m/m)	Apr P	0.2	0.2	0.2
MX	05/24	09:00	GDP (q/q)	1Q F	-0.3	--	-0.2
MX	05/24	09:00	GDP (y/y)	1Q F	1.2	1.4	1.3
MX	05/24	09:00	Global Economic Indicator IGAE (y/y)	Mar	1.3	--	1.1
MX	05/24	09:00	Trade Balance (US\$ mn)	Apr	-544	--	1430

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	05/20	02:00	Producer Prices (m/m)	Apr	--	0.3	-0.1
EC	05/20	04:00	Current Account (€ bn)	Mar	--	--	26.8
IT	05/20	04:00	Current Account (€ mn)	Mar	--	--	3253
SP	05/20-05/27		Current Account (€ bn)	Mar	--	--	-2.8
EC	05/21	10:00	Consumer Confidence	May A	--	-7.7	-7.9
UK	05/22	04:30	CPI (m/m)	Apr	0.6	0.7	0.2
UK	05/22	04:30	CPI (y/y)	Apr	2.1	2.2	1.9
UK	05/22	04:30	PPI Input (m/m)	Apr	--	1.3	-0.2
UK	05/22	04:30	PPI Output (m/m)	Apr	--	0.3	0.3
UK	05/22	04:30	PSNB ex. Interventions (£ bn)	Apr	--	6.0	1.7
UK	05/22	04:30	Public Finances (PSNCR) (£ bn)	Apr	--	--	8.9
UK	05/22	04:30	Public Sector Net Borrowing (£ bn)	Apr	--	5.1	0.8
UK	05/22	04:30	RPI (m/m)	Apr	--	0.9	0.0
UK	05/22	04:30	RPI (y/y)	Apr	--	2.8	2.4
FR	05/23	03:15	Manufacturing PMI	May P	--	50.0	50.0
FR	05/23	03:15	Services PMI	May P	--	50.8	50.5
GE	05/23	03:30	Manufacturing PMI	May P	--	44.8	44.4
GE	05/23	03:30	Services PMI	May P	--	55.4	55.7
EC	05/23	04:00	Composite PMI	May P	51.7	51.7	51.5
EC	05/23	04:00	Manufacturing PMI	May P	48.0	48.1	47.9
EC	05/23	04:00	Services PMI	May P	53.0	53.0	52.8
GE	05/23	04:00	IFO Business Climate Survey	May	99.4	99.1	99.2
GE	05/23	04:00	IFO Current Assessment Survey	May	--	103.5	103.3
GE	05/23	04:00	IFO Expectations Survey	May	--	95.0	95.2
UK	05/24	04:30	Retail Sales ex. Auto Fuel (m/m)	Apr	-0.4	-0.5	1.2
UK	05/24	04:30	Retail Sales with Auto Fuel (m/m)	Apr	-0.1	-0.4	1.1

Key Indicators for the week of May 20 – 24

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
JN	05/19	19:50	GDP (q/q)	1Q P	0.0	-0.1	0.5
JN	05/19-05/27		Supermarket Sales (y/y)	Apr	--	--	0.5
PH	05/19-05/20		Balance of Payments (US\$ mn)	Apr	--	--	627
JN	05/20	00:30	Capacity Utilization (m/m)	Mar	--	--	1.0
JN	05/20	00:30	Industrial Production (y/y)	Mar F	--	--	-4.6
TA	05/20	04:00	Export Orders (y/y)	Apr	--	-6.4	-9.0
TA	05/20	04:20	Current Account Balance (US\$ mn)	1Q	--	--	18648
HK	05/20	04:30	Unemployment Rate (%)	Apr	2.8	2.8	2.8
SK	05/20	17:00	PPI (y/y)	Apr	--	--	0.1
SI	05/20	20:00	Real GDP (y/y)	1Q F	1.3	1.5	1.3
TH	05/20	22:30	GDP (y/y)	1Q	3.3	2.9	3.7
NZ	05/21	18:45	Retail Sales Ex Inflation (q/q)	1Q	--	0.6	1.7
JN	05/21	19:50	Machine Orders (m/m)	Mar	--	0.0	1.8
JN	05/21	19:50	Merchandise Trade Balance (¥ bn)	Apr	--	230	528
JN	05/21	19:50	Adjusted Merchandise Trade Balance (¥ bn)	Apr	--	-23.6	-178
JN	05/21	19:50	Merchandise Trade Exports (y/y)	Apr	--	-1.5	-2.4
JN	05/21	19:50	Merchandise Trade Imports (y/y)	Apr	--	4.6	1.2
TH	05/21-05/22		Customs Exports (y/y)	Apr	--	-1.2	-4.9
TH	05/21-05/22		Customs Imports (y/y)	Apr	--	-4.7	-7.6
TH	05/21-05/22		Customs Trade Balance (US\$ mn)	Apr	--	-143	2005
TA	05/22	04:00	Unemployment Rate (%)	Apr	3.7	3.7	3.7
JN	05/22	20:30	Markit/JMMA Manufacturing PMI	May P	--	--	50.2
SI	05/22-05/31		CPI (y/y)	Apr	1.3	0.8	0.6
TA	05/23	04:00	Industrial Production (y/y)	Apr	--	-5.3	-9.9
HK	05/23	04:30	CPI (y/y)	Apr	2.4	2.3	2.1
NZ	05/23	18:45	Trade Balance (NZD mn)	Apr	--	400	922
NZ	05/23	18:45	Exports (NZD bn)	Apr	--	5.4	5696
NZ	05/23	18:45	Imports (NZD bn)	Apr	--	4.9	4773
JN	05/23	19:30	National CPI (y/y)	Apr	0.7	0.9	0.5
PH	05/23-05/24		Budget Deficit/Surplus (PHP bn)	Apr	--	--	-58.4
SI	05/23-05/31		Industrial Production (y/y)	Apr	--	-3.2	-4.8
MA	05/24	00:00	CPI (y/y)	Apr	0.3	0.3	0.2
JN	05/24	01:30	All Industry Activity Index (m/m)	Mar	--	-0.2	-0.2
TA	05/24	04:00	Real GDP (y/y)	1Q F	1.7	1.7	1.7

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CL	05/20	08:30	GDP (q/q)	1Q	0.3	0.1	1.3
CL	05/20	08:30	GDP (y/y)	1Q	2.0	1.8	3.6
PE	05/20-05/25		GDP (y/y)	1Q	2.3	--	4.8
BZ	05/24	08:00	IBGE Inflation IPCA-15 (m/m)	May	--	0.4	0.7
BZ	05/24	08:00	IBGE Inflation IPCA-15 (y/y)	May	--	4.9	4.7

Global Auctions for the week of May 20 – 24

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	05/22	12:00	Canada to Sell 30 Year Bonds
US	05/23	13:00	U.S. to Sell 10-Year TIPS Reopening

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
DE	05/22	04:30	Denmark to Sell Bonds
SW	05/22	05:00	Sweden to Sell Bonds
GE	05/22	05:30	Germany to Sell 3 Billion Euros of 0.25% 2029 Bonds
IC	05/24	06:30	Iceland to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
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
CH	05/19	21:30	Qingdao to Sell CNY1.64 Bln 7Y Bonds
CH	05/19	21:30	Qingdao to Sell CNY1.24 Bln 5Y Bonds
SK	05/19	22:30	Korea to Sell KRW 1Tln 10-Year Bond
SK	05/20	01:00	Korea Central Bank to Sell KRW 600Bln 91-Days Bond
ID	05/21	05:00	Indonesia to Sell 5,10,15,20Yr Bonds
CH	05/21	23:00	China Plans to Sell 1-Year Government Bond
CH	05/21	23:00	China Plans to Sell 10-Year Government Bond
TH	05/21	23:00	Thailand to Sell THB16 Bln Bonds Due 2038
JN	05/21	23:35	Japan to Sell 20-Year Bonds
NZ	05/22	22:05	New Zealand To Sell NZD150 Mln 2.75% 2025 Bonds
TH	05/22	23:00	Bk of Thailand to Sell THB30 Bln Bonds Due 2021

Source: Bloomberg, Scotiabank Economics.

Events for the week of May 20 – 24

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	05/21	10:45	Fed's Evans Discusses Economy and Monetary Policy
US	05/21	12:00	Fed's Rosengren Speaks to Economic Club of New York
US	05/22	01:00	Fed's Bullard Speaks in Hong Kong on U.S. Economic Outlook
US	05/22	10:00	Fed's Williams Hosts Economic Press Briefing
US	05/22	10:10	Fed's Bostic Makes Opening Remarks at Dallas Fed Conference
US	05/22	14:00	FOMC Meeting Minutes
US	05/23	13:00	Fed's Kaplan, Daly, Bostic and Barkin Speak on Panel

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	05/21	04:30	BOE's Carney, Broadbent, Tenreyro, Saunders Speak in London
EC	05/22	03:00	ECB President Draghi Speaks in Frankfurt
EC	05/22	05:30	ECB Chief Economist Praet Speaks in Frankfurt
EC	05/23	00:00	EU Parliament Elections

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	05/20	21:30	RBA Minutes of May Policy Meeting
AU	05/20	22:15	RBA Governor Lowe Gives Speech in Brisbane
JN	05/21	21:30	BOJ Harada speaks in Nagasaki
TH	05/21	22:00	Bank of Thailand's MPC Minutes
IN	05/23	00:00	Results of India's general election are announced

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	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	June 27, 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	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

<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	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	June 20, 2019	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	4.50	June 20, 2019	4.50	4.50

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	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

<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	May 23, 2019	6.75	6.75

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