

AMLO AND TRUMP COULD SET THE WEEK'S MARKET TONE

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CONTACTS

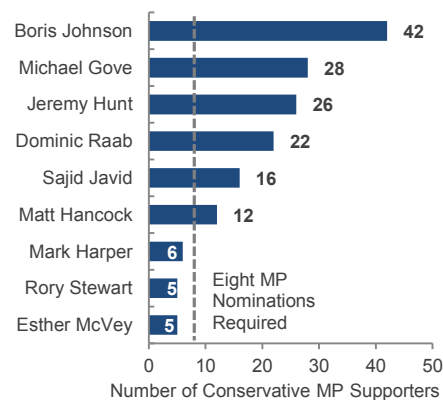
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Next Week's Risk Dashboard

- US-Mexico tariff talks
- China macro
- CBs: Russia, SNB, Peru, Turkey
- CPI: US, China, India, Indonesia...
- ...Sweden, Norway, Argentina,
- Fed blackout
- Italian fiscal drama
- US retail sales, confidence
- Australian jobs
- UK Conservative leadership contest begins
- UK macro reports
- Canada housing starts and prices

Chart of the Week

The UK's Next PM - Who Will Challenge Boris For The Conservative Leadership?



Sources: Scotiabank Economics, Financial Times.

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

AMLO and Trump Could Set The Week's Market Tone

LATIN AMERICA—PEACEMAKER

Developments will need to be closely monitored throughout the weekend into Monday in order to evaluate prospects for the US to go ahead with its threatened 5% tariff against all Mexican imports beginning on Monday. Other developments will pale by comparison.

On Friday, US President Trump stated **there is a “good chance” that a deal may be struck with Mexico to avert tariffs:**

“If we are able to make the deal with Mexico, & there is a good chance that we will, they will begin purchasing Farm & Agricultural products at very high levels, starting immediately. If we are unable to make the deal, Mexico will begin paying Tariffs at the 5% level on Monday!”

The quote reaffirmed a general sense that Trump uses tariffs to extract ransom payments, in this case in the form of apparently worrying less about a surge in attempts to cross the US border in favour of that being ok if only Mexico would agree to buy more exports under economic duress. The magnitude of the problem is depicted in chart 1 that measures US southwest border arrests and how quickly they surged this year—dare I say because Trump’s rhetoric brought the possibility of entering the US to more minds and made it a bigger issue? If the tariff threat subsides because of significant economic concessions by Mexico, then the quid pro quo concern is that Trump’s “weaponization” of tariffs will be further invigorated.

Mexican President Andres Manuel Lopez Obrador (AMLO) has said that he will deliver his stance on the matter this Saturday at a rally in Tijuana and that he is optimistic that negotiations will succeed. In the context of his generally conciliatory and collaborative tone in the face of the tariff threat, AMLO is the best bet for cooler heads to prevail at the table.

Banco Central de Reserva del Peru’s monetary policy decision on Thursday is expected to leave the reference rate unchanged at 2.75%. Inflation increased to 2.7% y/y in May in line with President Velarde’s expectations and the central bank’s 1–3% inflation target range with core inflation at 2.6%.

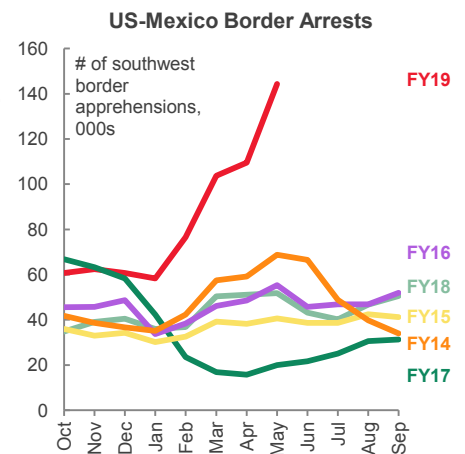
Wage growth in Argentina is running at about 32% y/y. Sounds impressive, right? Wouldn’t you like your pay to jump by one third every year? Hold on a second though, because what if I told you that this still isn’t fast enough relative to the cost of living? **That’s exactly the problem facing Argentina’s consumers** as the inflation rate for May lands on Wednesday in the context of a year-long acceleration that has seen the rate more than double to 56% y/y. Real wages continue to plummet. A big part of the reason why is that the peso has depreciated by about 120% in a little over a year. It may be stabilizing over recent weeks, but the lagging effects of pass-through pressures to import prices still lies ahead.

Mexico updates industrial output for April (Tuesday) and retail sales reports are due out from Brazil (Wednesday) and Colombia (Friday).

UNITED STATES—THE SILENT TREATMENT

The Federal Reserve goes into communications blackout at a somewhat awkward transition point. Barring unscheduled communications, how the Fed views incremental information including developments in US-Mexico negotiations and a disappointing pace of job creation and wage growth (recap [here](#)) will remain unknown right up to game day when the Fed makes its next decision on June 19th. This comes at a time when markets have priced in multiple Fed rate cuts (chart 2). Developments in the interim will be focused upon a pair of top-shelf releases next week.

Chart 1



Sources: Scotiabank Economics, US Dept of Homeland Security.

US CPI and retail sales for the month of May are due out on Wednesday and Friday, respectively. Producer prices (Tuesday) and industrial production (Friday) for the same month will be side-shows by comparison.

CPI could mildly decelerate after a couple of months in which the year-ago rate picked up. From 2.0% in April, I figure the rate cooled to 1.9%. On its own, a change in base effects should drive CPI down to 1.6% y/y. Seasonal price pressures should be fairly tame. Gasoline prices fell a little in May over April and the year-ago rate slipped from about +3¼% in April to -1½% in May with just under a 6% weigh in CPI.

It's conceivable that **consumer confidence** slipped and so eyes will be upon an advance reading in the form of the University of Michigan's consumer sentiment survey for June on Friday. Cooler wage growth, soft job growth and soft hours worked should combine to translate into weak income gains for the month of May. In addition to potentially denting confidence, that might come to bear upon **retail sales**. The catch is that we might not see it as clearly in headline retail sales that should benefit from a 5½% m/m jump in auto sales last month to an estimated 17.3 million vehicles sold at an annualized rate. Gas prices, however, may hold back headline sales somewhat. The key will be to focus upon core retail sales after stripping out autos and gasoline and whether they rebound from the prior month's weakness that itself followed a strong month of March.

The US Treasury auctions 3s, 10s and 30s over the coming week and what a price they'll fetch, albeit with post-CPI risk and after incorporating any further developments in US-Mexico negotiations.

CANADA—CHEAP, DEAR OR FAIR?

Canada's calendar slips to the back of the international pack with no real entries that are likely to influence domestic markets. External risks may dominate local market action while markets continue to focus upon potential spillover effects of possible global central bank policy coordination. What little data there is will be focused upon housing markets. A government bond auction may test BoC rate expectations that have aggressively moved toward pricing in rate cuts (chart 3).

Housing starts for May arrive on Monday alongside building permits for April. There is downside risk to starts in the wake of correcting permit volumes for residential dwellings. **New house prices** for April are likely to continue to be flat in Thursday's release. **Teranet repeat sales prices** may come in similarly around a 1% y/y change.

Canada holds a three year auction on Wednesday. The current yield is part of a term structure of rates that has aggressively moved toward expectations for the Bank of Canada to cut rates. OIS markets have over 50% odds of a rate cut this year with the probability beginning to rise around the September 4th meeting into year-end. The auction may be a test of market appetite in the face of rapidly evolving global central bank dynamics.

EUROPE—DRAMMA DRAMMATICO

Italian fiscal drama and regional developments elsewhere will nevertheless compete for market attention with external influences including whether the US imposes tariffs on Mexico and drags down global risk sentiment, as well as US macro influences upon expectations for Federal Reserve policy.

Weekend meetings between Italy's Finance Minister Giovanni Tria and EU Commissioner Pierre Moscovici will occur on **the path to Thursday's EU finance ministers meeting** that could set the stage for further tension at the June 20–21st European Summit in Brussels.

Chart 2

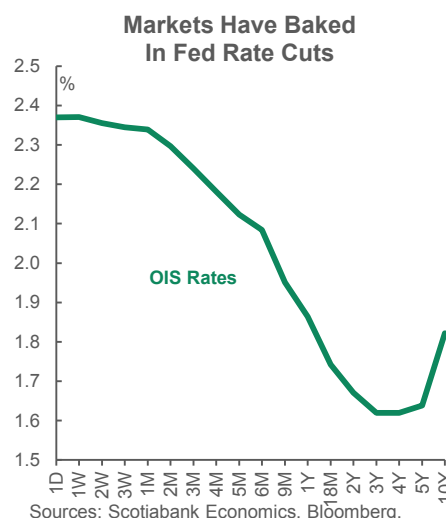
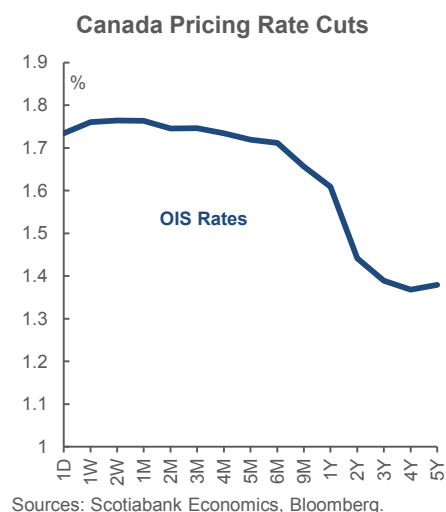


Chart 3



The first step toward choosing a new leader of the UK Conservative Party—and hence Prime Minister—begins now on the path toward announcing the winner during the week of July 22nd. Amidst allegations of a somewhat rigged nomination process and the sense that the party has already anointed its leader, polling shows Boris Johnson firmly in the early lead (chart 4). His position as a longstanding support of Brexit will then be tested by whether he seeks a public mandate to leave the EU in a general election call. Beginning on June 18th the Conservative Party members whittle down the list to two candidates who will then face off during the week of July 22nd.

Russia's central bank is expected to cut its key policy rate by 25bps to 7.5% on Friday. The prior statement on April 26th guided that the central bank "admits the possibility" that it could return to cutting rates over the fairly near term. This meeting will be accompanied by a press conference which is an opportune moment to elaborate. The risk of delayed easing is informed by the fact that headline inflation (5.1% y/y) and core inflation (4.7% y/y) are both still well above the 4% inflation target even if expected to decline.

The **Swiss National Bank** delivers a policy decision on Thursday and it is not expected to alter policy rates especially after a less dovish than anticipated ECB meeting (recap [here](#)).

UK macro data will focus upon an expected deceleration in wage growth during April (Tuesday) alongside an expected decline in industrial production during April (Monday). Trade figures (Monday), an index of growth in the service sector (Monday), job growth (Tuesday) and an expected soft monthly GDP reading (Monday) will round out a modest line up of UK macro risk.

Observers of Norges Bank and Riksbank policy developments will mull over inflation reports from both countries. Norway is first out of the gates with inflation for May on Tuesday and stability around 2.9% y/y headline and 2.6% underlying inflation is expected. Swedish inflation faces similar prospects with downside risks to underlying inflation on Friday.

ASIA-PACIFIC—ASSESSING DAMAGE TO CHINA'S ECONOMY

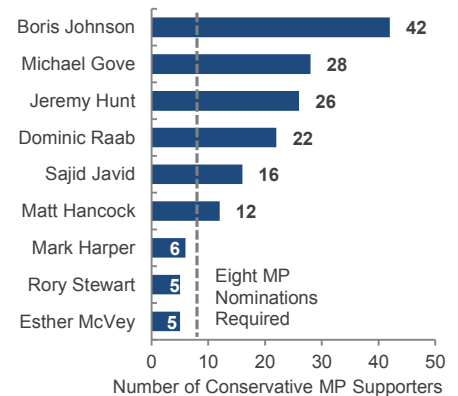
Much of the coming week's focus will not only build on expectations ahead of the G20 meeting in Japan on June 28th–29th, but also on a significant Chinese macro release calendar.

China will update the following series of reports:

- **Trade:** May figures will arrive early in the week and follow on the heels of a nearly 3% y/y drop in exports the prior month. How China is faring in the face of trade tensions with the US will be further informed and, along with that, the scope for domestic stimulus.
- **Aggregate Financing:** May figures could arrive next week or into the following weekend. They will inform continued momentum in year-to-date financing activity (charts 5, 6).
- **CPI:** The May print is expected to rise from 2.5% by a couple of tenths. The rate has jumped from 1.5% back in February. Much of that is related to the country's pork crisis, as core CPI has been headed in the opposite direction

Chart 4

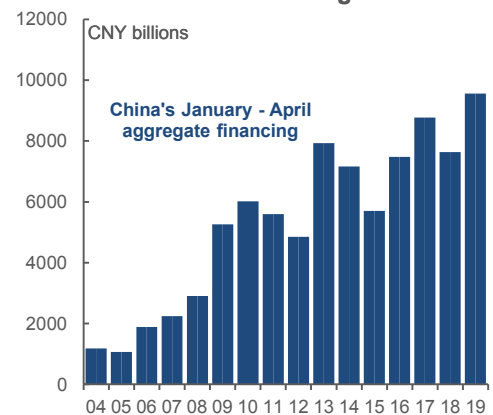
The UK's Next PM - Who Will Challenge Boris For The Conservative Leadership?



Sources: Scotiabank Economics, Financial Times.

Chart 5

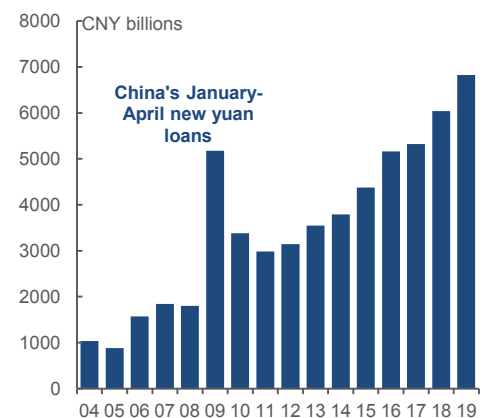
China's Aggregate Financing Hits A New High



Sources: Scotiabank Economics, Bloomberg.

Chart 6

China's New Yuan Loan Growth Is At A Record High



Sources: Scotiabank Economics, Bloomberg.

(chart 7). If the latter trend continues and is accompanied by further softening of activity variables, then it may reinforce PBOC guidance toward potentially embracing policy flexibility.

- **Retail sales:** May figures later in the week will update a disturbing trend toward the slowest growth since May 2003.
- **Industrial production:** The May release later in the week follows volatile recent data that was distorted by the Lunar New Year effects. This may be the cleanest reading of what is actually happening to the industrial sector lately.
- **Foreign Direct Investment:** Either next week or the following week, we'll learn more about foreign appetite for investment in China with the recent trend having been fairly stable around 6% y/y up to April.

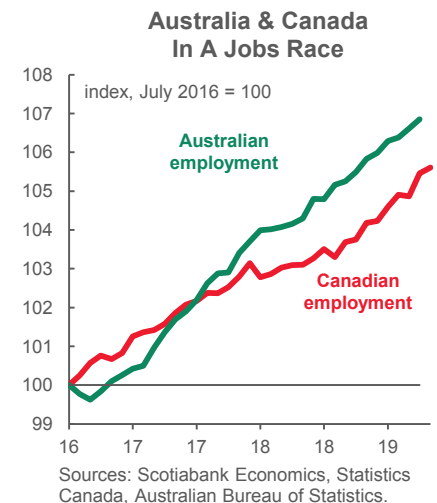
Can Australia keep up job growth alongside its contest with Canada that has positioned the two countries as world leaders (chart 8)? We'll find out when the May report lands on Wednesday. Since the Reserve Bank of Australia has previously conditioned easing policy around potentially rising unemployment, much of the focus will be upon not only job growth but also the unemployment rate itself. That rate has moved up from a low of 4.9% in February to 5.2% in April. What may also matter are the reasons for changes in the unemployment rate, although the RBA's dovish turn didn't pay much heed to this when it cut rates on June 4th. The next RBA meeting is July 2nd.

CPI reports from Indonesia and India round things out with regional market implications for local central bank calls that we will assess next week.

Chart 7



Chart 8



Key Indicators for the week of June 10 – 14

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	06/10	08:15	Housing Starts (000s a.r.)	May	205	--	235
CA	06/10	08:30	Building Permits (m/m)	Apr	--	--	2.1
US	06/10	10:00	JOLTS Job Openings (000s)	Apr	--	7496	7488
US	06/11	08:30	PPI (m/m)	May	0.1	0.1	0.2
US	06/11	08:30	PPI ex. Food & Energy (m/m)	May	0.2	0.2	0.1
MX	06/11	09:00	Industrial Production (m/m)	Apr	--	--	-1.3
MX	06/11	09:00	Industrial Production (y/y)	Apr	--	--	-0.2
US	06/12	07:00	MBA Mortgage Applications (w/w)	JUN 7	--	--	1.5
US	06/12	08:30	CPI (m/m)	May	0.1	0.1	0.3
US	06/12	08:30	CPI (y/y)	May	1.9	1.9	2.0
US	06/12	08:30	CPI (index)	May	--	256	256
US	06/12	08:30	CPI ex. Food & Energy (m/m)	May	0.2	0.2	0.1
US	06/12	08:30	CPI ex. Food & Energy (y/y)	May	2.0	2.1	2.1
US	06/12	14:00	Treasury Budget (US\$ bn)	May	--	--	160.3
CA	06/13	08:30	New Housing Price Index (m/m)	Apr	--	--	0.0
US	06/13	08:30	Export Prices (m/m)	May	--	-0.3	0.2
US	06/13	08:30	Import Prices (m/m)	May	--	-0.3	0.2
US	06/13	08:30	Initial Jobless Claims (000s)	JUN 8	215	215	218
US	06/13	08:30	Continuing Claims (000s)	JUN 1	1680	--	1682
US	06/14	08:30	Retail Sales (m/m)	May	0.6	0.7	-0.2
US	06/14	08:30	Retail Sales ex. Autos (m/m)	May	0.4	0.4	0.1
US	06/14	09:15	Capacity Utilization (%)	May	78	78.0	77.9
US	06/14	09:15	Industrial Production (m/m)	May	0.0	0.2	-0.5
US	06/14	10:00	Business Inventories (m/m)	Apr	--	0.4	0.0
US	06/14	10:00	U. of Michigan Consumer Sentiment	Jun P	98.0	98.0	100.0

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
IT	06/10	04:00	Industrial Production (m/m)	Apr	-0.4	0.1	-0.9
UK	06/10	04:30	Index of Services (m/m)	Apr	--	0.1	-0.1
UK	06/10	04:30	Industrial Production (m/m)	Apr	-1.2	-1.0	0.7
UK	06/10	04:30	Manufacturing Production (m/m)	Apr	-1.6	-1.4	0.9
UK	06/10	04:30	Visible Trade Balance (£ mn)	Apr	--	-13000	-13650
UK	06/11	04:30	Average Weekly Earnings (3-month, y/y)	Apr	3.0	3.0	3.2
UK	06/11	04:30	Employment Change (3M/3M, 000s)	Apr	10.0	4.0	99.0
UK	06/11	04:30	Jobless Claims Change (000s)	May	--	--	24.7
UK	06/11	04:30	ILO Unemployment Rate (%)	Apr	3.8	3.8	3.8
SP	06/12	03:00	CPI (m/m)	May F	0.2	0.2	0.2
SP	06/12	03:00	CPI (y/y)	May F	0.8	0.8	0.8
SP	06/12	03:00	CPI - EU Harmonized (m/m)	May F	0.2	0.2	0.2
SP	06/12	03:00	CPI - EU Harmonized (y/y)	May F	0.9	0.9	0.9
TU	06/12	07:00	Benchmark Repo Rate (%)	Jun 12	24.00	24.00	24.00
GE	06/13	02:00	CPI (m/m)	May F	0.2	0.2	0.2
GE	06/13	02:00	CPI (y/y)	May F	1.4	1.4	1.4
GE	06/13	02:00	CPI - EU Harmonized (m/m)	May F	0.3	0.3	0.3
GE	06/13	02:00	CPI - EU Harmonized (y/y)	May F	1.3	1.3	1.3
SZ	06/13	03:30	SNB Libor Target Range	Jun 13	-0.75	-0.75	-0.75
IT	06/13	04:00	Unemployment Rate (%)	1Q	10.5	10.4	10.6
EC	06/13	05:00	Industrial Production (m/m)	Apr	-0.6	-0.4	-0.3
EC	06/13	05:00	Industrial Production (y/y)	Apr	-0.8	-0.5	0.0
FR	06/14	02:45	CPI (m/m)	May F	0.2	0.2	0.2
FR	06/14	02:45	CPI (y/y)	May F	1.0	1.0	1.0
FR	06/14	02:45	CPI - EU Harmonized (m/m)	May F	0.2	0.2	0.2
FR	06/14	02:45	CPI - EU Harmonized (y/y)	May F	1.1	1.1	1.1
IT	06/14	05:00	CPI - EU Harmonized (y/y)	May F	0.9	0.9	0.9
RU	06/14	06:30	One-Week Auction Rate (%)	Jun 14	7.50	7.50	7.75

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

Key Indicators for the week of June 10 – 14

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CH	06/08-06/15		New Yuan Loans (bn)	May	1200	1300	1020
JN	06/09	19:50	Bank Lending (y/y)	May	--	--	2.4
JN	06/09	19:50	Current Account (¥ bn)	Apr P	--	1515	2848
JN	06/09	19:50	GDP (q/q)	1Q F	0.5	0.6	0.5
JN	06/09	19:50	Trade Balance - BOP Basis (¥ bn)	Apr P	--	5.0	700
CH	06/09-06/10		Exports (y/y)	May	--	-3.8	-2.7
CH	06/09-06/10		Imports (y/y)	May	--	-3.3	4.0
CH	06/09-06/10		Trade Balance (USD bn)	May	--	23.2	13.8
ID	06/09-06/10		CPI (y/y)	May	2.9	3.2	2.8
ID	06/09-06/10		Core CPI (y/y)	May	--	3.1	3.1
JN	06/10	19:50	Japan Money Stock M3 (y/y)	May	--	2.2	2.2
PH	06/10	21:00	Exports (y/y)	Apr	--	1.0	-2.5
PH	06/10	21:00	Imports (y/y)	Apr	--	3.7	7.8
PH	06/10	21:00	Trade Balance (US\$ mn)	Apr	--	-3919	-3138
MA	06/11	00:00	Industrial Production (y/y)	Apr	--	2.5	3.1
JN	06/11	02:00	Machine Tool Orders (y/y)	May P	--	--	-33.4
MA	06/11	03:00	Foreign Reserves (US\$ bn)	May 31	--	--	102.8
SK	06/11	19:00	Unemployment Rate (%)	May	4.1	4.1	4.1
JN	06/11	19:50	Machine Orders (m/m)	Apr	--	-0.8	3.8
CH	06/11	21:30	CPI (y/y)	May	2.5	2.7	2.5
CH	06/11	21:30	PPI (y/y)	May	--	0.6	0.9
ID	06/11-06/12		Consumer Confidence Index	May	--	--	128.1
IN	06/11-06/15		Exports (y/y)	May	--	--	0.6
IN	06/11-06/15		Imports (y/y)	May	--	--	4.5
SI	06/12	01:00	Retail Sales (y/y)	Apr	--	0.3	-1.0
IN	06/12	08:00	CPI (y/y)	May	3.00	3.08	2.92
IN	06/12	08:00	Industrial Production (y/y)	Apr	--	0.70	-0.10
AU	06/12	21:30	Employment (000s)	May	11	16.0	28.4
AU	06/12	21:30	Unemployment Rate (%)	May	5.2	5.1	5.2
JN	06/13	00:30	Tertiary Industry Index (m/m)	Apr	--	0.4	-0.4
NZ	06/13	18:30	Business NZ PMI	May	--	--	53.0
CH	06/13	22:00	Fixed Asset Investment YTD (y/y)	May	6.2	6.1	6.1
CH	06/13	22:00	Industrial Production (y/y)	May	5.3	5.4	5.4
CH	06/13	22:00	Retail Sales (y/y)	May	7.3	8.0	7.2
JN	06/14	00:30	Capacity Utilization (m/m)	Apr	--	--	-0.4
JN	06/14	00:30	Industrial Production (y/y)	Apr F	--	--	-1.1
IN	06/14	02:30	Monthly Wholesale Prices (y/y)	May	--	3.0	3.1
HK	06/14	04:30	Industrial Production (y/y)	1Q	--	--	1.3

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
PE	06/10	10:00	Trade Balance (USD mn)	Apr	--	--	392
BZ	06/12	08:00	Retail Sales (m/m)	Apr	--	--	0.3
BZ	06/12	08:00	Retail Sales (y/y)	Apr	--	--	-4.5
PE	06/13	19:00	Reference Rate (%)	Jun 13	2.75	--	2.75
BZ	06/13	08:00	Economic Activity Index SA (m/m)	Apr	--	--	-0.3
BZ	06/13	08:00	Economic Activity Index NSA (y/y)	Apr	--	--	-2.5
CO	06/14	11:00	Retail Sales (y/y)	Apr	--	--	5.3

Global Auctions for the week of June 10 – 14

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	06/11	13:00	U.S. to Sell 3-Year Notes
CA	06/12	12:00	Canada to Sell 3 Year Bonds
US	06/12	13:00	U.S. to Sell 10-Year Notes Reopening
US	06/13	13:00	U.S. to Sell 30-Year Bonds Reopening

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	06/11	05:30	ECB Main Refinancing Operation Result
GE	06/12	05:30	Germany to Sell 3 Billion Euros of 0.25% 2029

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	06/09	21:30	Korea Central Bank to Sell KRW 1Tln 1-Year Bond
SK	06/09	22:30	Korea to Sell KRW 1.65Tln 5-Year Bond
SK	06/10	01:00	Korea Central Bank to Sell KRW 800Bln 91-Days Bond
KZ	06/10	07:00	Kazakhstan to Sell 50B Tenge of 8.46% 2033 Meukam Bonds
CH	06/10	21:30	Beijing to Sell CNY 10.23499 Bln 5Y Bonds
CH	06/10	21:30	Beijing to Sell CNY 3.5312 Bln 2Y Bonds
CH	06/10	21:30	Beijing to Sell CNY352.5 Mln 7Y Bonds
PH	06/11	01:00	Philippines Plans to Sell PHP20Bln 20Y Bonds
CH	06/11	02:00	Jilin to Sell CNY500 Mln 5Y Bonds
CH	06/11	02:00	Jilin to Sell CNY 11.43929 Bln 10Y Bonds
CH	06/11	03:00	Gansu to Sell CNY 6.7717 Bln 7Y Bonds
CH	06/11	03:00	Gansu to Sell CNY 6.3 Bln 10Y Bonds
CH	06/11	03:00	Gansu to Sell CNY 5.5 Bln 20Y Bonds
CH	06/11	04:00	Hunan to Sell CNY 29.99995 Bln 7Y Bonds
CH	06/11	23:00	China Plans to Sell 5-Year Upsized Government Bond
CH	06/11	23:00	China Plans to Sell 2-Year Upsized Government Bond
CH	06/12	02:00	Chongqing to Sell CNY 19.13 Bln 5Y Bonds
CH	06/12	02:00	Chongqing to Sell CNY 4.066 Bln 3Y Bonds
CH	06/12	02:00	Chongqing to Sell CNY 10.6 Bln 30Y Bonds
CH	06/12	02:00	Chongqing to Sell CNY 10.434 Bln 10Y Bonds
CH	06/12	04:00	Ningxia to Sell CNY 2 Bln 10Y Bonds
NZ	06/12	22:05	New Zealand To Sell NZD 250 Mln 3% 2029 Bonds
TH	06/12	23:00	Bk of Thailand to Sell THB 35 Bln Bonds Due 2021
JN	06/12	23:35	Japan to Sell 30-Year Bonds
SK	06/13	22:30	Korea to Sell KRW 300 Bln 50-Year Bond
TA	06/14	00:30	Taiwan to Sell TWD 40 Bln 2-Yr NCD

Source: Bloomberg, Scotiabank Economics.

Events for the week of June 10 – 14

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	06/10		U.K. Conservative Party Begins Contest to Choose New Leader
EC	06/12	04:15	ECB President Draghi Speaks in Frankfurt
EC	06/12	05:00	ECB Vice President Guindos Speaks in Frankfurt
SZ	06/13	03:30	SNB Sight Deposit Interest Rate
SZ	06/13	03:30	SNB 3-Month Libor Lower Target Range
SZ	06/13	03:30	SNB 3-Month Libor Upper Target Range
EC	06/13		Euro-area finance ministers meet in Luxembourg
RU	06/14	06:30	Key Rate
RU	06/14	08:00	Bank of Russia Governor Elvira Nabiullina News Conference

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	06/09	21:10	BOJ Outright Bond Purchase 3~5 Years
JN	06/09	21:10	BOJ Outright Bond Purchase 1~3 Years
AU	06/11	19:25	RBA's Kent Speaks in Melbourne
AU	06/12	05:00	RBA's Ellis Speaks in Melbourne
JN	06/13	21:10	BOJ Outright Bond Purchase 5~10 Years

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
PE	06/13	19:00	Reference Rate

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	July 10, 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	July 25, 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	7.50
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	24.00

Swiss National Bank: Thursday's policy decision is not expected to alter policy rates especially after a less dovish than anticipated ECB meeting.
Central Bank of Russia: Cut risk is significant after the central bank guided to expect further easing over subsequent meetings, but elevated inflation may defer the decision to a later meeting.

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	1.25	July 2, 2019	1.25	1.25
Reserve Bank of New Zealand – Cash Rate	1.50	June 25, 2019	1.50	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	August 7, 2019	5.50	5.75
Bank of Korea – Bank Rate	1.75	July 18, 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	4.25	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	0.00
Banco Central de Chile – Overnight Rate	3.00	July 18, 2019	3.00	3.00
Banco de la República de Colombia – Lending Rate	4.25	June 21, 2019	4.25	0.00
Banco Central de Reserva del Perú – Reference Rate	2.75	June 13, 2019	2.75	0.00

Banco Central del Perú: No rate change is expected from 2.75%. Inflation recently increased to 2.7% y/y with core at 2.6% and just below the upper end of the 1-3% inflation target range. The risk of economic instability stemming from US-Mexico tariffs may present further information.

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	July 18, 2019	6.75	0.00

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

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