

G20 SUCCESS WILL MEAN THEY'RE STILL SPEAKING

- Asia-Pacific — Bromance Rekindled? 2
- United States — Make Or Break Time 2-3
- Canada — Will the BOS and GDP Set Up Canada Day Fireworks? 3-4
- Europe — Expectations Matter More Than Reality 4-5
- Latin America — Not Everyone Is Interested In Cutting 5

FORECASTS & DATA

- Key Indicators A1-A3
- Global Auctions Calendar A4
- Events Calendar A5
- Global Central Bank Watch A6

CONTACTS

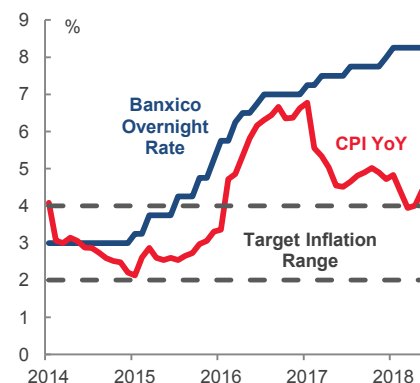
Derek Holt, VP & Head of Capital Markets Economics
416.863.7707
Scotiabank Economics
derek.holt@scotiabank.com

Next Week's Risk Dashboard

- G20
- CBs: Banxico, RBNZ, BoT,
- Inflation: US, Eurozone
- Fed Chair Powell
- US durables, consumption, confidence
- CDN GDP
- BoC's Business Outlook Survey
- Other US macro
- Eurozone consumer spending
- Japan macro

Chart of the Week

Banxico On Hold As Mexico's Inflation Settles Back To Target Range



Sources: Scotiabank Economics, Bloomberg.

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

G20 Success Will Mean They're Still Speaking

ASIA-PACIFIC—BROMANCE REKINDLED?

The G20 meeting in Osaka, Japan on Friday into Saturday has the potential to be the week's showstopper. Trump has threatened to invoke another round of tariffs on Chinese imports if the meeting does not go well, but markets may be getting conditioned to his many threats and stand-downs. So may China. It isn't clear whether we will know enough about the possible outcomes through advance signals, or will have to wait until Friday or Saturday and hence witness market effects into the Asian market open the following week.

USTR Lighthizer and Treasury Secretary Mnuchin will be among the members of the US delegation that will recommence negotiations with China as soon as Tuesday in Japan. Negotiators have not spoken in six weeks. Trump's bravado and the response elicited from China's state-controlled media may leave little room to stand-down from the rhetoric in face-saving fashion. There is no reason to believe that the fundamental underlying issues that have blocked agreement to date have changed one bit. China's willingness to reform is partly dependent upon whether the US drops existing tariffs in quid pro quo fashion, yet the US administration hasn't signalled such willingness. The US refusal to drop tariffs versus keeping them in place during an alleged monitoring and enforcement period may have been a major contributor to the talks breaking down. Intellectual property rights, forced technology transfers, cyber theft, tariffs, non-tariff barriers, subsidies, alleged currency manipulation, compliance tracking and agricultural trade are among the multiple other complicating matters to securing a broad trade agreement. **In short, limit expectations into the G20 and define success in terms of whether or not they are still speaking and negotiating at the conclusion of the Summit.**

The Reserve Bank of New Zealand is expected to keep its cash rate unchanged at 1.5% on Tuesday. The RBNZ cut in May for the first time since November 2016. RBNZ Assistant Governor Christian Hawkesby recently remarked that the policy rate "will remain broadly around current levels for the foreseeable future."

The Bank of Thailand is also expected to remain on hold, leaving its benchmark rate at 1.75% on Wednesday.

Macro releases will be relatively light. Chinese industrial profits in May (Wednesday), a series of Japanese indicators (retail sales, jobless rate, Tokyo CPI, industrial production and housing starts), South Korean industrial output and manufacturing as well as non-manufacturing surveys, plus New Zealand trade are all on tap.

UNITED STATES—MAKE OR BREAK TIME

By far the dominant risks over the coming week and into the following Monday's Asian market open may be derived from the G20 meeting, alongside any further developments in the Persian Gulf and progress toward ratifying the USMCA deal in Congress. Whether US President Trump and Chinese President Xi Jinping make enough progress toward calling off further escalation of tariffs and other restrictive policies and toward at least a temporary, partial agreement has the potential to make or break the market risk tone and the Fed's potential response. Fed communications and significant data risk also lie ahead.

There is indeed going to be considerable Fed-speak next week, but none of it will be informed by the G20 outcome. **Fed Chair Powell delivers a full-on economic outlook and monetary policy review** on Tuesday at 1pmET in a speech and conversation. There was so much conditionality around the Fed's communications that loosely guided the prospect of rate cuts (see recap [here](#)) that it isn't clear Powell will have much more to add with fresh information by Tuesday. The forum may be an opportunity to provide more of Powell's own colour to the outlook and risks compared to the press conference following the meeting when Powell represented his and the committee's views inter-mingled. On balance, however, I would expect further reinforcement of the broad tone of the FOMC's revised forecasts.

Other Fed-speak will include appearances by NY Fed President Williams (Tuesday before Powell), his voting colleague Bullard (Tuesday) and non-voting FOMC members Harker (Sunday), Bostic (Tuesday) and Barkin (Tuesday).

Macro data risk will be particularly focused upon a handful of significant reports as follows.

1. PCE inflation

After core CPI slipped again in May, will the same month's reading for the Fed's preferred core PCE inflation gauge follow suit? That's not assured, given a generally correlated trend in the two gauges that can deviate across individual months (chart 1). Please see the CPI recap [here](#). At 1.6%, core PCE inflation during April was already trending away from the Fed's 2% inflation goal and any further downside would raise additional concern in favour of easing perhaps as soon as the July meeting and conditional upon the net outcome of other developments such as—but not limited to—the G20 and the next nonfarm payrolls reading. Consumption probably grew fairly strongly in May in keeping with what we already know from the retail sales report for that month.

2. Durable goods orders

Boeing received no plane orders in May after only four in April, so the non-defense aircraft component to Tuesday's durable goods orders is likely to be little changed. With trade policy uncertainty hanging over global investment plans, underlying core capital goods orders excluding defense and air are also likely to be soft.

3. Consumer Confidence

Tuesday's confidence reading for June is expected to suffer from market volatility during the Mexican tariff stand-off and derailment of US-China trade talks.

4. New Home Sales

May's print on Tuesday is expected to rebound from a nearly 7% slide the prior month along a volatile year-to-date trend. Nevertheless, new home sales have been broadly trending higher so far this year and that points to gains in housing starts as shovels go in the ground. Thursday's pending home sales for the same month will inform expectations for the next resales number for June, and Tuesday's April reading for repeat-sale home prices rounds out the week's housing emphasis.

Sundry other releases will include the **final revision to Q1 GDP growth** of 3.1% (Thursday) with this round incorporating more complete information on the services sector. The **Richmond Fed's manufacturing gauge** for June (Tuesday) will be the final piece of material information to inform the next ISM-manufacturing reading after disappointments in each of the Philly, Empire and Markit gauges. Wednesday's **advance trade report** for May offers up just the merchandise component before services are added into the final estimate later, but the decline in WTI oil prices should result in modest improvement to the deficit given the US economy's ongoing status as a net oil importer.

The US Treasury auctions 2s, 5s, 7s and two year floating rate notes next week.

CANADA—WILL THE BOS AND GDP SET UP CANADA DAY FIREWORKS?

You'll have to wait until Friday for any real market action in Canada, but the reward will be an early official (bonds) and unofficial (everything else) close ahead of the Canada Day long weekend.

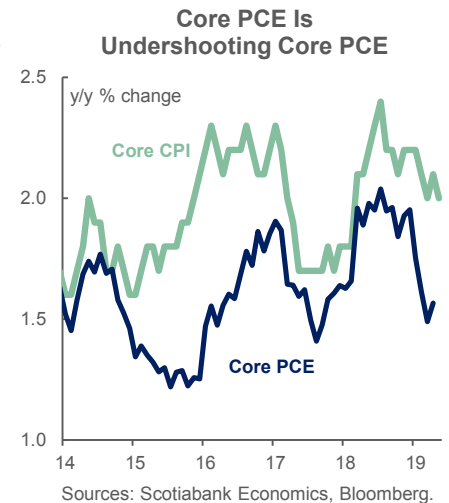
Before Friday, action will be limited to Canadian wholesale trade in April (Tuesday) and Wednesday's two year GoC bond auction.

Friday will reveal significant macroeconomic information through April GDP that will inform the pace of the second quarter economic rebound, and the Bank of Canada's twin quarterly surveys that will inform attitudes across the nation's c-suites.

Recall that the Q1 edition of the BoC's Business Outlook Survey (BOS) lost momentum in areas like investment plans, hiring plans and inflation expectations, while future sales growth improved somewhat (chart 2).

The extent to which the Mexican tariff skirmish may influence the BOS results could be taken as reason to toss out the survey no matter what it says. The sample period went from early May to early June. Trump's surprise tariff

Chart 1



announcement against Mexico came on May 30th but the US and Mexico struck an agreement to avert the tariffs late on Friday June 9th. If it's a bad set of survey responses then one could dismiss it as an over-reaction to an issue that has hopefully gone away since. If it's a good set of responses then perhaps the sample period was too skewed to before trade policy uncertainty escalated—not just because of Mexico but also as negotiations with China fell apart. It's also unclear the extent to which continued plans to invest by small businesses sampled in the survey shown in chart 3 up to May could translate into how larger and more likely export-oriented businesses think.

April GDP could land at 0.2% m/m. Hours worked were up 0.4% m/m in April, housing starts were up 21% m/m, manufacturing shipment volumes fell 0.8% and retail sales volumes fell 0.2%. The April GDP estimate is just barely rounding up to 0.2% but I'd push it that direction on the basis of other positives that are not as easily captured, like the effect of recovering existing home sales that directly carry little effect on GDP (paper swaps) but indirectly boost ancillary services from agents, lawyers, bankers, etc. **Using monthly GDP figures, a reading like 0.2% for April would imply 1.8% annualized Q2 GDP growth and hence signal a mild rebound.** This is also assuming that May and June stay flat in order to focus the tracking effects on the Q1 hand-off and April since there is very little known about May thus far and nothing about June. Recall that Q1 GDP was up by only 0.4% q/q SAAR on an expenditure basis and 0.5% using the monthly production/income-based GDP figures. So we are tracking a rebound, but not a terribly impressive one.

EUROPE—EXPECTATIONS MATTER MORE THAN REALITY

Apart from the universal theme of the G20 meeting's potential impact upon world markets, **European markets will focus upon another batch of inflation readings for June.** They may further inform expectations for potential ECB policy actions.

What is vexing to the ECB is the mild progress toward the “below, but close to, 2%” medium-term inflation goal versus the fact that inflation expectations have tumbled by more than they have in the US. Chart 4 demonstrates progress in the actual core and supercore inflation readings. Chart 5 depicts the plunge in market-

Chart 2

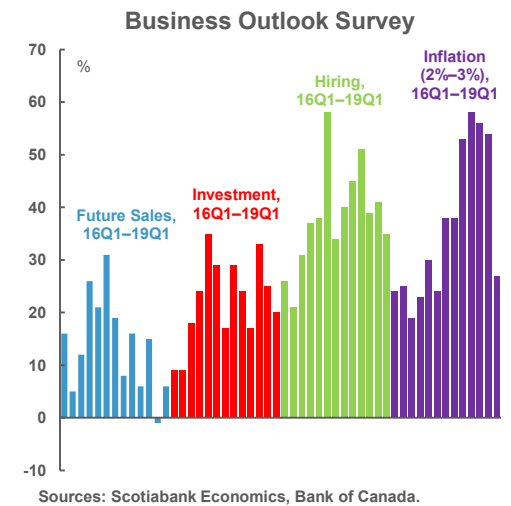


Chart 3



Chart 4

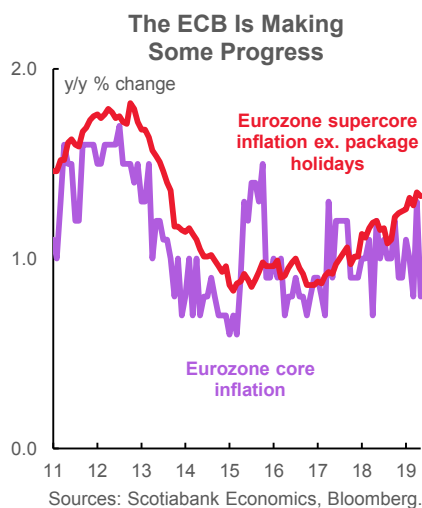


Chart 5

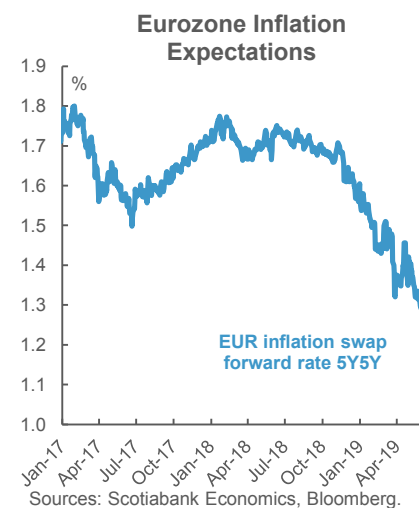
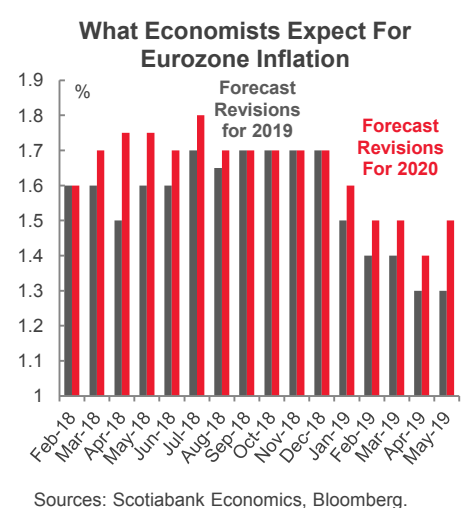


Chart 6



based inflation expectations. Chart 6 shows what the consensus of economists are forecasting for Eurozone CPI inflation this year and next. Arresting declining expectations is a more pressing matter for the ECB than it is for the Fed on the theory that, if not checked, then declining expectations can become a self-fulfilling prophecy of future downside risks to the inflation target.

The focus will therefore be upon Eurozone CPI on Friday along with figures from France and Italy that day, plus the teasers the day before from Germany and Spain.

Consumer spending will be a secondary focus as German retail sales land either next week or the week after, French consumer spending is on tap for Friday and so is the Spanish retail sales estimate. Germany releases its IFO business confidence measure on Monday and UK Q1 GDP revisions are due Friday.

LATIN AMERICA—NOT EVERYONE IS INTERESTED IN CUTTING

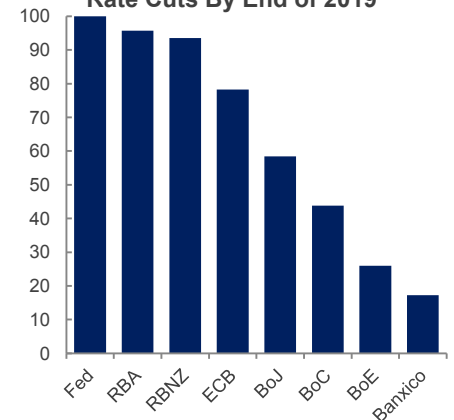
Latin American markets will be predominantly focused upon the same external risks explained elsewhere, with one exception being Mexico's central bank decision.

Banxico is expected to remain on hold on Thursday with the policy overnight rate unchanged at 8.25%. Banxico is among the few global central banks not expected to ease this year. Markets assign about a one-in-four chance to a rate hike this year. The market odds of a rate cut by year-end are lower, and among the lowest across central banks (chart 7). The peso exchange rate to the dollar has regained the depreciation that had set in when US President Trump threatened tariffs on May 30th, only to recant later. That was not a long enough shock to the currency to invoke concern about import price pass-through. Nevertheless, core inflation remains at 3.8% y/y and hence just inside the upper end of Banxico's 2–4% inflation target range. Headline inflation sits at 4.3% (chart 8). Inflation like that won't prompt an easing bias. Mexico also updates retail sales (Tuesday), labour market conditions (Wednesday) and trade figures (Thursday).

Each of Banco Central de Chile, Banco Central do Brasil and BanRep release minutes of their most recent meetings on Monday, Tuesday and Friday respectively.

Chart 7

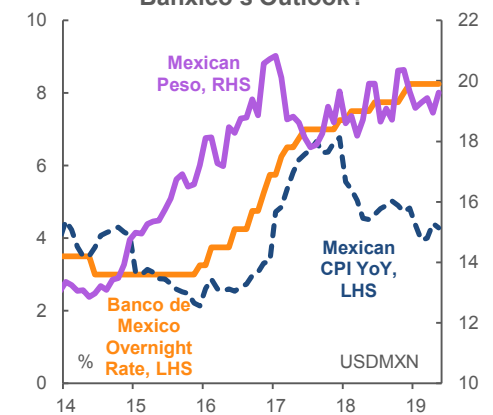
Market Implied Probabilities For Rate Cuts By End of 2019



Sources: Scotiabank Economics, Bloomberg.

Chart 8

Peso Dynamics Shifting Banxico's Outlook?



Sources: Scotiabank Economics, Banco de Mexico, Bloomberg.

Key Indicators for the week of June 24 – 28

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	06/24	09:00	Bi-Weekly Core CPI (% change)	Jun 15	0.2	0.1	0.2
MX	06/24	09:00	Bi-Weekly CPI (% change)	Jun 15	0.2	0.0	0.0
MX	06/24	09:00	Global Economic Indicator IGAE (y/y)	Apr	1.3	--	1.3
US	06/24	10:30	Dallas Fed. Manufacturing Activity	Jun	--	-1.0	-5.3
CA	06/25	08:30	Wholesale Trade (m/m)	Apr	--	0.3	1.4
MX	06/25	09:00	Retail Sales (INEGI) (y/y)	Apr	1.0	--	1.6
US	06/25	09:00	S&P/Case-Shiller Home Price Index (m/m)	Apr	0.1	0.1	0.1
US	06/25	09:00	S&P/Case-Shiller Home Price Index (y/y)	Apr	2.6	2.5	2.7
US	06/25	10:00	Consumer Confidence Index	Jun	130.0	131.0	134.1
US	06/25	10:00	New Home Sales (000s a.r.)	May	693	685	673
US	06/25	10:00	Richmond Fed Manufacturing Index	Jun	--	2.0	5.0
US	06/26	07:00	MBA Mortgage Applications (w/w)	JUN 21	--	--	-3.4
US	06/26	08:30	Durable Goods Orders (m/m)	May P	0.0	-0.1	-2.1
US	06/26	08:30	Durable Goods Orders ex. Trans. (m/m)	May P	0.1	0.1	0.0
US	06/26	08:30	Wholesale Inventories (m/m)	May P	--	0.5	0.8
MX	06/26	09:00	Unemployment Rate (%)	May	3.5	--	3.5
US	06/27	08:30	GDP (q/q a.r.)	1Q T	3.1	3.2	3.1
US	06/27	08:30	GDP Deflator (q/q a.r.)	1Q T	--	0.8	0.8
US	06/27	08:30	Initial Jobless Claims (000s)	JUN 22	215	219	216
US	06/27	08:30	Continuing Claims (000s)	JUN 15	1665	--	1662
MX	06/27	09:00	Trade Balance (US\$ mn)	May	-818	--	1370
US	06/27	10:00	Pending Home Sales (m/m)	May	--	1.0	-1.5
MX	06/27	14:00	Overnight Rate (%)	Jun 27	8.25	8.25	8.25
CA	06/28	08:30	IPPI (m/m)	May	--	0.0	0.8
CA	06/28	08:30	Raw Materials Price Index (m/m)	May	--	-3.0	5.6
CA	06/28	08:30	Real GDP (m/m)	Apr	0.2	0.2	0.5
US	06/28	08:30	PCE Deflator (m/m)	May	0.1	0.2	0.3
US	06/28	08:30	PCE Deflator (y/y)	May	1.4	1.5	1.5
US	06/28	08:30	PCE ex. Food & Energy (m/m)	May	0.2	0.2	0.3
US	06/28	08:30	PCE ex. Food & Energy (y/y)	May	1.5	1.6	1.6
US	06/28	08:30	Personal Spending (m/m)	May	0.4	0.5	0.3
US	06/28	08:30	Personal Income (m/m)	May	0.3	0.3	0.5
US	06/28	09:45	Chicago PMI	Jun	--	54.0	54.2
US	06/28	10:00	U. of Michigan Consumer Sentiment	Jun F	--	97.9	97.9
CA	06/28	10:30	BoC Senior Loan Officer Survey	2Q	--	--	-2.7
CA	06/28	10:30	Business Outlook Future Sales	2Q	--	--	6.0

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	06/24	04:00	IFO Business Climate Survey	Jun	97.2	97.5	97.9
GE	06/24	04:00	IFO Current Assessment Survey	Jun	100.2	100.3	100.6
GE	06/24	04:00	IFO Expectations Survey	Jun	94.5	94.6	95.3
GE	06/26	02:00	GfK Consumer Confidence Survey	Jul	10.0	10.0	10.1
SP	06/27	03:00	CPI (m/m)	Jun P	0.0	0.0	0.2
SP	06/27	03:00	CPI (y/y)	Jun P	0.6	0.6	0.8
SP	06/27	03:00	CPI - EU Harmonized (m/m)	Jun P	0.0	0.0	0.2
SP	06/27	03:00	CPI - EU Harmonized (y/y)	Jun P	0.7	0.8	0.9
GE	06/27	03:00	Retail Sales (m/m)	May	0.4	0.5	-1.0
EC	06/27	05:00	Business Climate Indicator	Jun	--	0.3	0.3
EC	06/27	05:00	Economic Confidence	Jun	--	104.7	105.1
EC	06/27	05:00	Industrial Confidence	Jun	--	-3.0	-2.9
GE	06/27	08:00	CPI (m/m)	Jun P	0.1	0.2	0.2
GE	06/27	08:00	CPI (y/y)	Jun P	1.4	1.4	1.4
GE	06/27	08:00	CPI - EU Harmonized (m/m)	Jun P	0.1	0.1	0.3
GE	06/27	08:00	CPI - EU Harmonized (y/y)	Jun P	1.3	1.3	1.3
UK	06/27	19:01	GfK Consumer Confidence Survey	Jun	-10.0	-11.0	-10.0

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

Key Indicators for the week of June 24 – 28

EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
FR	06/28	02:45	Consumer Spending (m/m)	May	--	0.3	0.8
FR	06/28	02:45	CPI (m/m)	Jun P	0.0	0.0	0.1
FR	06/28	02:45	CPI (y/y)	Jun P	1.0	1.0	0.9
FR	06/28	02:45	CPI - EU Harmonized (m/m)	Jun P	0.0	0.0	0.1
FR	06/28	02:45	CPI - EU Harmonized (y/y)	Jun P	1.1	1.1	1.1
FR	06/28	02:45	Producer Prices (m/m)	May	--	--	-0.6
SP	06/28	03:00	Real GDP (q/q)	1Q F	0.7	0.7	0.7
SP	06/28	03:00	Real Retail Sales (y/y)	May	--	--	2.0
SP	06/28	04:00	Current Account (€ bn)	Apr	--	--	0.0
UK	06/28	04:30	Business Investment (q/q)	1Q F	0.5	0.5	0.5
UK	06/28	04:30	Current Account (£ bn)	1Q	--	-32.0	-23.7
UK	06/28	04:30	GDP (q/q)	1Q F	0.5	0.5	0.5
EC	06/28	05:00	Euro zone CPI Estimate (y/y)	Jun	1.2	1.2	1.2
IT	06/28	05:00	CPI (m/m)	Jun P	0.1	0.1	0.0
IT	06/28	05:00	CPI (y/y)	Jun P	0.7	0.7	0.8
IT	06/28	05:00	CPI - EU Harmonized (m/m)	Jun P	0.0	0.1	0.1
IT	06/28	05:00	CPI - EU Harmonized (y/y)	Jun P	0.7	0.7	0.9
UK	06/28	04:00	Nationwide House Prices (m/m)	Jun	--	0.2	-0.2

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SK	06/23-06/28		Discount Store Sales (y/y)	May	--	--	-7.7
SK	06/23-06/29		Department Store Sales (y/y)	May	--	--	-3.8
ID	06/24	00:00	Exports (y/y)	May	--	-14.5	-13.1
ID	06/24	00:00	Imports (y/y)	May	--	-14.7	-6.6
ID	06/24	00:00	Trade Balance (US\$ mn)	May	--	-1238	-2502
JN	06/24	01:00	Coincident Index CI	Apr F	--	--	101.9
JN	06/24	01:00	Leading Index CI	Apr F	--	--	95.5
JN	06/24	01:00	New Composite Leading Economic Index	Apr F	--	--	95.5
JN	06/24	01:00	Supermarket Sales (y/y)	May	--	--	-1.0
SI	06/24	01:00	CPI (m/m)	May	--	0.5	-0.3
SI	06/24	01:00	CPI (y/y)	May	0.6	0.6	0.8
TA	06/24	04:00	Industrial Production (y/y)	May	--	-1.5	1.0
TA	06/24	04:00	Unemployment Rate (%)	May	3.7	3.7	3.7
SK	06/24	17:00	Consumer Confidence Index	Jun	--	--	97.9
NZ	06/24	18:45	Trade Balance (NZD mn)	May	--	200.0	433
NZ	06/24	18:45	Exports (NZD bn)	May	--	5.6	5548
NZ	06/24	18:45	Imports (NZD bn)	May	--	5.4	5114
VN	06/24-06/30		CPI (y/y)	Jun	--	2.5	2.9
VN	06/24-06/31		Industrial Production (y/y)	Jun	--	--	10.0
PH	06/24-06/25		Budget Deficit/Surplus (PHP bn)	May	--	--	86.9
HK	06/25	04:30	Exports (y/y)	May	--	-4.5	-2.6
HK	06/25	04:30	Imports (y/y)	May	--	-5.8	-5.5
HK	06/25	04:30	Trade Balance (HKD bn)	May	--	-36.6	-35.1
NZ	06/25	22:00	RBNZ Official Cash Rate (%)	Jun 26	1.50	1.50	1.50
MA	06/26	00:00	CPI (y/y)	May	0.2	0.3	0.2
SI	06/26	01:00	Industrial Production (m/m)	May	--	-1.3	2.4
SI	06/26	01:00	Industrial Production (y/y)	May	--	-1.8	0.1
TH	06/26	03:05	BoT Repo Rate (%)	Jun 26	1.75	1.75	1.75
SK	06/26	17:00	Business Survey- Manufacturing	Jul	--	--	75.0
SK	06/26	17:00	Business Survey- Non-Manufacturing	Jul	--	--	72.0
JN	06/26	19:50	Large Retailers' Sales (y/y)	May	--	0.2	-1.8
JN	06/26	19:50	Retail Trade (m/m)	May	--	0.6	-0.1
JN	06/26	19:50	Retail Trade (y/y)	May	--	1.2	0.4
CH	06/26	21:30	Industrial Profits YTD (y/y)	May	--	--	-3.7

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

Key Indicators for the week of June 24 – 28

ASIA-PACIFIC (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
NZ	06/27	18:00	ANZ Consumer Confidence Index	Jun	--	--	119.3
SK	06/27	19:00	Industrial Production (m/m)	May	--	-0.2	1.7
SK	06/27	19:00	Industrial Production (y/y)	May	--	-0.8	-0.1
SK	06/27	19:00	Cyclical Leading Index Change	May	--	--	0.0
JN	06/27	19:30	Jobless Rate (%)	May	2.4	2.4	2.4
JN	06/27	19:30	Tokyo CPI (y/y)	Jun	--	1.0	1.1
JN	06/27	19:50	Industrial Production (m/m)	May P	--	0.7	0.6
JN	06/27	19:50	Industrial Production (y/y)	May P	--	-3.0	-1.1
AU	06/27	21:30	Private Sector Credit (m/m)	May	--	0.2	0.2
AU	06/27	21:30	Private Sector Credit (y/y)	May	--	3.7	3.7
HK	06/27-06/28		Govt Monthly Budget Surp/Def (HKD bn)	May	--	--	5.6
IN	06/27-06/28		Fiscal Deficit (INR Crore)	May	--	--	-206132
PH	06/27-06/28		Bank Lending (y/y)	May	--	--	12.8
JN	06/28	00:00	Vehicle Production (y/y)	Apr	--	--	-4.1
JN	06/28	01:00	Housing Starts (y/y)	May	--	-4.2	-5.7
JN	06/28	01:00	Construction Orders (y/y)	May	--	--	-19.9
TH	06/28	03:30	Exports (y/y)	May	--	--	-2.9
TH	06/28	03:30	Imports (y/y)	May	--	--	-0.4
TH	06/28	03:30	Trade Balance (US\$ mn)	May	--	--	82.0
TH	06/28	03:30	Current Account Balance (US\$ mn)	May	--	1000.0	1784

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	06/24	09:30	Current Account (US\$ mn)	May	--	500	-62.0
BZ	06/25	08:00	IBGE Inflation IPCA-15 (m/m)	Jun	--	0.0	0.4
BZ	06/25	08:00	IBGE Inflation IPCA-15 (y/y)	Jun	--	3.8	4.9
CL	06/28	09:00	Industrial Production (y/y)	May	--	--	-1.4
CL	06/28	09:00	Unemployment Rate (%)	May	--	--	6.9
CO	06/28	11:00	Urban Unemployment Rate (%)	May	--	10.9	11.1

Global Auctions for the week of June 24 – 28

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	06/25	13:00	U.S. to Sell 2-Year Notes
US	06/26	11:30	U.S. to Sell 2-Year Floating Rate Notes Reopening
CA	06/26	12:00	Canada to Sell 2 Year Bonds
US	06/26	13:00	U.S. to Sell 5-Year Notes
US	06/27	13:00	U.S. to Sell 7-Year Notes

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	06/25	05:30	ECB Main Refinancing Operation Result
GE	06/25	05:30	Germany to Sell 5 Billion Euros of 0% 2021 Bonds On Jun 25...
UK	06/25	05:30	U.K. to Sell 1¼% Treasury Gilt 2049
GE	06/25	05:35	2Y Note Allotment
EC	06/26	05:30	ECB Long-Term Refinancing Operation Result
IT	06/27	05:00	10 Year Bond Allotment
IT	06/27	05:00	5 Year Bond Allotment

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	06/23	21:30	Korea Central Bank to Sell KRW 900Bln 1-Year Bond
SK	06/23	22:30	Korea to Sell KRW 500Bln 20-Year Bond
CH	06/23	22:30	Heilongjiang to Sell 30Y Bonds
CH	06/23	23:30	Yunnan to Sell 30Y Bonds
SK	06/24	01:00	Korea Central Bank to Sell KRW 600Bln 91-Days Bond
CH	06/24	02:00	Liaoning to Sell 10Y Bonds
CH	06/24	03:00	Shaanxi to Sell 10Y & 15Y Bonds
CH	06/24	04:00	Hubei to Sell 5Y, 10Y, & 15Y Bonds
KZ	06/24	07:00	Kazakhstan to Sell 75B Tenge of 8.07% 2035 Meukam Bonds
JN	06/24	23:35	Japan to Sell 20-Year Bonds
ID	06/25	05:00	Indonesia to Sell 2,4,7,15Yr Bonds
HK	06/25	23:30	Hong Kong to Sell HKD1.5 Bln 1.97% 10-Yr Bonds
SI	06/26	01:00	Singapore to Sell 20YR Bond
NZ	06/26	22:05	New Zealand To Sell NZD150 Mln 2.75% 2025 Bonds
JN	06/26	23:35	2Y Note Amount Sold
JN	06/26	23:35	Japan to Sell 2-Year Bonds

Source: Bloomberg, Scotiabank Economics.

Events for the week of June 24 – 28

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	06/23	10:00	Fed's Harker Speaks at Aspen Ideas Festival
US	06/25	12:00	Fed's Bostic Speaks on Housing
US	06/25	13:00	Powell to speak on Economic Outlook & Monetary Policy in New York
US	06/25	15:30	Fed's Barkin Speaks in Ottawa
US	06/25	18:30	Fed's Bullard Gives Welcoming Remarks at Lecture in St. Louis
MX	06/27	14:00	Overnight Rate
CA	06/28	10:30	BoC Business Outlook Future Sales
CA	06/28	10:30	BoC Senior Loan Officer Survey

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SZ	06/24	04:00	Total Sight Deposits CHF
UK	06/26	05:15	BOE's Carney, Cunliffe, Tenreyro and Saunders Speak
IT	06/28		Bank of Italy to Release 1Q Credit Conditions and Risk
SW	06/28		Swedish Liberals to Elect New Party Leader

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	06/23	19:30	RBA Governor Lowe speaks on Canberra panel
JN	06/24	19:50	BOJ Minutes of April Policy Meeting
AU	06/25	03:05	RBA's Bullock Gives Speech in Berlin
JN	06/25	21:10	BOJ Outright Bond Purchases
NZ	06/25	22:00	RBNZ Official Cash Rate
TH	06/26	03:05	BoT Benchmark Interest Rate
NZ	06/26	18:00	N.Z. Government 11-Month Financial Statements
JN	06/26	19:50	The BOJ releases 1Q Money Flow
JN	06/26	21:30	BOJ Wakatabe speaks in Aomori
JN	06/27	19:50	BOJ Summary of Opinions
JN	06/27	21:10	BOJ Outright Bond Purchases
JN	06/28-06/29		G20 Summit in Osaka. Trade talks between Trump and Xi Jinping.

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CO	06/28	14:00	Colombia Monetary Policy Minutes

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	July 10, 2019	1.75	1.75
Federal Reserve – Federal Funds Target Rate	2.50	August 1, 2019	2.50	2.50
Banco de México – Overnight Rate	8.25	June 28, 2019	8.25	8.25

Banxico: We expect the overnight rate to be held at 8.25%. Inflation is running above the upper limit of the 2-4% inflation target range with core CPI just below the upper limit. While the peso has settled back to where it was before the US-Mexican tariff stand-off, inflation is likely to maintain a neutral/hawkish bias at the central bank over 2019H2.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	0.00	July 25, 2019	0.00	0.00
Bank of England – Bank Rate	0.75	August 1, 2019	0.75	0.75
Swiss National Bank – Libor Target Rate	-0.75	TBA	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	7.50	July 26, 2019	7.75	7.50
Sweden Riksbank – Repo Rate	-0.25	July 3, 2019	-0.25	-0.25
Norges Bank – Deposit Rate	1.25	August 15, 2019	1.00	1.25
Central Bank of Turkey – Benchmark Repo Rate	24.00	July 25, 2019	24.00	24.00

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	July 30, 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 26, 2019	1.50	1.50
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	5.75	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	3.25
Bank Indonesia – 7-Day Reverse Repo Rate	6.00	July 18, 2019	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	4.50	August 8, 2019	4.25	4.25

Reserve Bank of New Zealand (RBNZ): Following a 25 bps reduction to the Official Cash Rate in May, we expect the RBNZ to leave the benchmark interest rate unchanged at 1.50% at the June 26 meeting. Nevertheless, we assess that the RBNZ's communications continue to have a dovish tone, with door left open for a further rate cut over the coming quarters. **The Bank of Thailand (BoT):** Thai monetary authorities will likely keep the benchmark interest rate unchanged at 1.75% following the June 26 policy meeting. The BoT is expected to stay in wait-and-see mode in the near term in order to assess the direction of the Thai economy as well as monetary policy developments in the US. While inflation has been trending higher in recent months, it remains at a manageable level of 1.2% y/y.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	6.50	July 31, 2019	6.50	6.50
Banco Central de Chile – Overnight Rate	2.50	July 19, 2019	3.00	3.00
Banco de la República de Colombia – Lending Rate	4.25	July 26, 2019	4.25	4.25
Banco Central de Reserva del Perú – Reference Rate	2.75	July 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	July 18, 2019	6.75	6.75

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

This report has been prepared by Scotiabank Economics as a resource for the clients of Scotiabank. Opinions, estimates and projections contained herein are our own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness. Neither Scotiabank nor any of its officers, directors, partners, employees or affiliates accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

These reports are provided to you for informational purposes only. This report is not, and is not constructed as, an offer to sell or solicitation of any offer to buy any financial instrument, nor shall this report be construed as an opinion as to whether you should enter into any swap or trading strategy involving a swap or any other transaction. The information contained in this report is not intended to be, and does not constitute, a recommendation of a swap or trading strategy involving a swap within the meaning of U.S. Commodity Futures Trading Commission Regulation 23.434 and Appendix A thereto. This material is not intended to be individually tailored to your needs or characteristics and should not be viewed as a "call to action" or suggestion that you enter into a swap or trading strategy involving a swap or any other transaction. Scotiabank may engage in transactions in a manner inconsistent with the views discussed this report and may have positions, or be in the process of acquiring or disposing of positions, referred to in this report.

Scotiabank, its affiliates and any of their respective officers, directors and employees may from time to time take positions in currencies, act as managers, co-managers or underwriters of a public offering or act as principals or agents, deal in, own or act as market makers or advisors, brokers or commercial and/or investment bankers in relation to securities or related derivatives. As a result of these actions, Scotiabank may receive remuneration. All Scotiabank products and services are subject to the terms of applicable agreements and local regulations. Officers, directors and employees of Scotiabank and its affiliates may serve as directors of corporations.

Any securities discussed in this report may not be suitable for all investors. Scotiabank recommends that investors independently evaluate any issuer and security discussed in this report, and consult with any advisors they deem necessary prior to making any investment.

This report and all information, opinions and conclusions contained in it are protected by copyright. This information may not be reproduced without the prior express written consent of Scotiabank.

™ Trademark of The Bank of Nova Scotia. Used under license, where applicable.

Scotiabank, together with "Global Banking and Markets", is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including, Scotiabanc Inc.; Citadel Hill Advisors L.L.C.; The Bank of Nova Scotia Trust Company of New York; Scotiabank Europe plc; Scotiabank (Ireland) Limited; Scotiabank Inverlat S.A., Institución de Banca Múltiple, Scotia Inverlat Casa de Bolsa S.A. de C.V., Scotia Inverlat Derivados S.A. de C.V. – all members of the Scotiabank group and authorized users of the Scotiabank mark. The Bank of Nova Scotia is incorporated in Canada with limited liability and is authorised and regulated by the Office of the Superintendent of Financial Institutions Canada. The Bank of Nova Scotia is authorised by the UK Prudential Regulation Authority and is subject to regulation by the UK Financial Conduct Authority and limited regulation by the UK Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia's regulation by the UK Prudential Regulation Authority are available from us on request. Scotiabank Europe plc is authorised by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulation Authority.

Scotiabank Inverlat, S.A., Scotia Inverlat Casa de Bolsa, S.A. de C.V., and Scotia Derivados, S.A. de C.V., are each authorized and regulated by the Mexican financial authorities.

Not all products and services are offered in all jurisdictions. Services described are available in jurisdictions where permitted by law.