

RESETTING THE VACCINE NARRATIVE

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CONTACTS

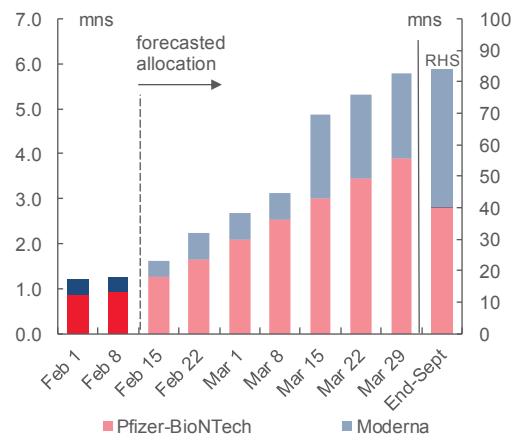
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Next Week's Risk Dashboard

- Vaccine tracking
- CBs: FOMC minutes, Turkey, BI
- PMIs: US, Eurozone, UK, Australia, Japan
- Inflation: Canada, UK, Japan, Sweden
- GDP: Eurozone, Japan, Colombia, Peru, Thailand
- Jobs: Australia
- NF election

Chart of the Week

Canadian Vaccination Rollout: Where We Stand



Sources: Scotiabank Economics, Canada Government.

Chart of the Week: Prepared by: Marc Ercolao,
Economic Analyst.

Resetting the Vaccine Narrative

1. CENTRAL BANKS—PLEASE DEFINE “SUBSTANTIAL”

None of the central bank developments are likely to be terribly influential at the global macro level over the coming week, but there may be interesting developments nonetheless. The Fed releases minutes to the January 26th–27th FOMC meeting on Wednesday, while central banks in Turkey and Indonesia will deliver decisions.

Recall that the FOMC meeting delivered another upgrade to the Fed’s optimism (recap [here](#)). The bigger upgrade was at the prior meeting in December when the FOMC issued forecast upgrades that it let do most of the talking. January’s meeting nevertheless delivered small statement changes that sounded a bit more optimistic yet. Expect the minutes to repeat that it’s premature to talk about tapering just yet and that the Fed will be patient in assessing progress toward full employment and its “moderate” overshoot of 2% inflation for “some time.” The minutes may be stale in terms of references to fiscal policy and vaccines amid upgraded expectations perhaps since the January FOMC.

What I would like to see is the broader FOMC consensus weighing in on how to interpret full employment and what constitutes “substantial” progress toward the goal given this is the qualifier attached to continuing Treasury and MBS purchases at the current rate of US\$80 billion and US\$40 billion per month, respectively. That’s unlikely, but it flags a discussion worth having.

Is meaningful progress a substantial down payment toward recovering all or what ballpark fraction of the 9.9 million payroll positions and 8.7 million jobs in the household survey that have yet to be recovered from the pandemic? We forecast all of this to be achieved when the unemployment rate drops back down toward 3 ½% by the end of next year. Does it also mean that the FOMC wants to see the 4.3 million people out of the workforce brought back in? Even further to that, does it also want to see the 1½ million who are working part-time and would prefer full-time work actually securing full-time work? If so, that could take somewhat longer as indicated by the broader U-6 measure of unemployment (chart 1).

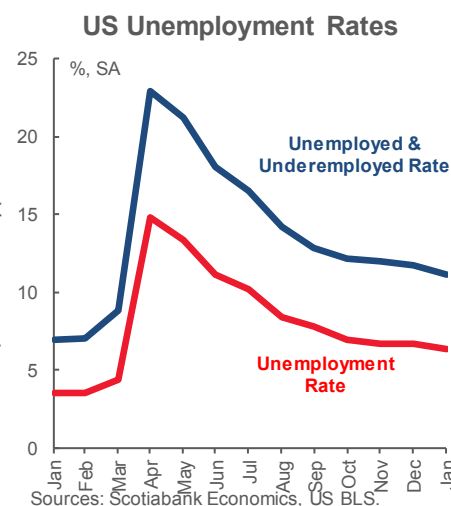
Or does the committee’s definition really go as broadly as Chair Powell suggested in the press conference following the January meeting when he said the following:

“When we say full employment is a broad and inclusive goal, we’ll look at different demographic groups and not say we’re at maximum employment until we are there across all pockets” in terms of women, different racial groups etc.

The more extreme the definition of full employment becomes, the greater the potential risk over time to inflation and hence tilting the balance of risks on the dual mandate in a different direction from present. Since the election, Chair Powell has put increased emphasis upon achieving a fully inclusive definition of full employment and spoken as if referencing how monetary policy will remain highly stimulative until fully equal labour market outcomes are experienced. Bear in mind that Chair Powell’s term is up for renewal next February, Vice Chair Quarles’ term is up this September, Vice Chair Clarida’s term is up the following month and there remains a vacant Governor position. All three of the Fed’s most senior roles are Republicans and are mismatched to the diversity and inclusion agenda that is strongly driving appointments in the Biden administration. I’m inclined to believe that Powell’s comments that imply an extreme definition of full employment are not to be taken literally, as opposed to treating them as being sensitive to the political climate that may shape the very top of the FOMC for years to come, but I’d like to see a fuller discussion on “substantial” across the FOMC. That could, for example, take the form of indicating acceptance toward one of these approaches using the language employed to denote frequency of citation in the minutes (none, one, a couple, a few, some, several, many, most, all but one, generally all).

For more on rates views including the Fed, please see the *US-Canada Rates Outlook 2021–22: So Long Emergency, Hello Inflation* piece [here](#).

Chart 1



Turkey's central bank is expected to hold its one-week repo rate at 17% on Thursday with a small minority expecting a hike. Inflation has risen to 15% y/y, but much of this reflected the lagging effects of the lira's lengthy depreciation that was due to political challenges, often involving the central bank that previously eased under government direction, as well as the effects of sanctions. Back in 2014 it took about two liras to buy one USD before long-term depreciation drove that up to about 8½ at the peak last November. The return of tighter monetary policy that raised the policy rate from 8% last August to 17% by year-end has succeeded in turning the currency around somewhat to about 7-to-one. An evaluation period spent monitoring inflation and currency markets will likely mean a pause for some time.

Bank Indonesia has the opposite currency problem. It fears that if it cuts the 3.75% seven-day reverse repo rate on Thursday that it might stoke currency instability and potential balance of payments challenges. The currency, however, has been relatively stable for several months compared to the volatility through much of last year. That might allow the central bank to return to easing in order to address low inflation that entered the new year at about 1½% y/y on a headline and core CPI basis in line with the expectations of most economists.

2. REDOING THE PESSIMISTIC VACCINE NARRATIVE

Even the laggards are picking up the pace on vaccine deliveries, so the pessimism being spearheaded by the popular press has been excessive. Watch for further developments on vaccine take-up and covid-19 case counts over the coming week and beyond.

Enter Canada. The country may be arriving at the anticipated inflection point. Revised company guidance involves four million doses to be delivered to Canada by Pfizer by the end of March; being a two shot regimen and after adjusting for the 20% extra derived from withdrawing six instead of five doses per vial with the same efficacy, that translates into 2.4 million inoculations. Revised company guidance points to 84 million doses to be delivered to Canada between now and the end of September from Moderna and Pfizer combined (chart 2). If Health Canada moves toward approving the Oxford/AstraZeneca and Johnson and Johnson vaccines, then add another 20 million doses (10 million inoculations) and 38 million doses (and inoculations, being a one-shot vaccine) respectively. Let alone what would happen if the other vaccine candidates are approved.

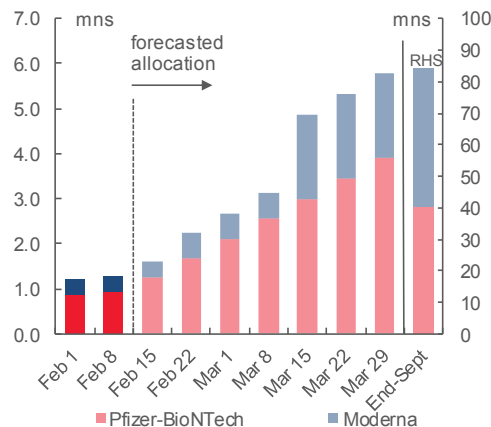
In a country with 38 million people, just the Moderna and Pfizer supply will take care of the whole population. Presumably overshoots through supply from other vaccine makers would be either stored for second rounds, shared with other countries or redirected.

There remain plenty of risks. For one, we need vaccines and the sooner the better if mutations really spark a third wave soon, but thus far the case evidence remains pointed in the other direction and is being outpaced by doses administered so if that crossover point is maintained then net momentum has shifted more favourably (chart 3).

Whatever the outcome, let's be fair here, folks. The Trudeau administration is taking much more heat than it deserves. Early on, Canada signed more contracts with

Chart 2

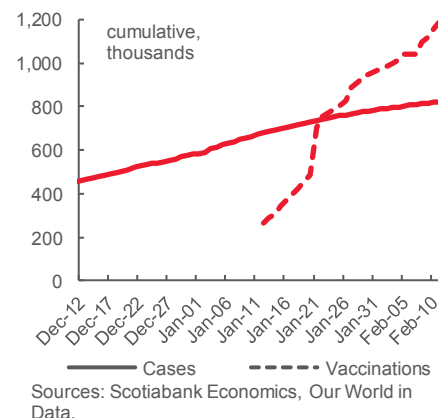
Canadian Vaccination Rollout: Where We Stand



Sources: Scotiabank Economics, Canada Government.

Chart 3

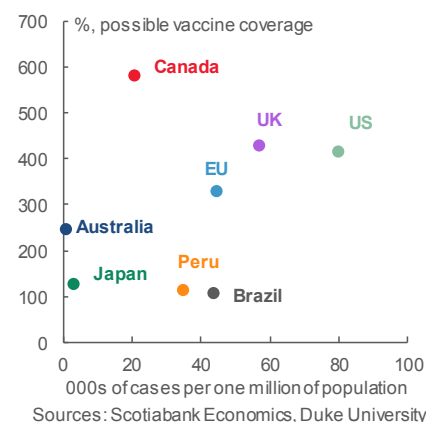
Canadian Doses Administered Exceed Cases



Sources: Scotiabank Economics, Our World in Data.

Chart 4

Canada Overcommits to Vaccines in Effort to Hedge Trial Risks



Sources: Scotiabank Economics, Duke University.

companies for more doses than anyone else and certainly when scaled to the case counts (chart 4). Canada was ahead of most others which drew charges from other (particularly less developed) countries that Canada was unfairly securing this supply ahead of others who were less organized. Perhaps the others were just less well organized in advance and should answer to their own electorates for why that was the case, why they often continue to advise against wearing masks, etc. etc.

Second, we're getting to the point that was always expected to follow the temporary interruption partly owing to Pfizer's Belgian plant retooling that was necessary to scale up production. Canada regressed on its vaccine supply during that period and is on the cusp of catching up. Then factor in challenges stemming from a possible home bias for big pharma serving their own markets first while nonetheless in a tough spot navigating how to urgently supply enough vaccine to nearly 8 billion people around the world, decades of Canadian drug policy that were less favourable to drug innovation, not to mention Canada's constitutional division of powers that grants much control over health spending and policies to the Provinces—that are often difficult to coordinate on any number of topics.

The point is that if we even come anywhere close to getting this kind of supply and rolling it out, then there has been far too much pessimism on Canada's vaccine issues and the outlook and far too little optimism which would be a disservice to more balanced debate over trying to time changes in the macroeconomic and overall policy environment.

In fact, consider that in the US, \$2.3T++ of fiscal stimulus within two bills likely to pass within three months of one another will hit the economy over the summer just as a majority of Americans will be inoculated, given current distribution plans. In Canada, ditto on the vaccines but maybe a few months later, and then add imported benefits of US fiscal stimulus (through US consumption into the trade account) plus the pending Federal budget in Canada. All that the ministerial letters said was no "permanent" increase in spending, whereas the C\$70–100 billion of added spending guided in the Fall statement was limited to three years (ergo, not permanent).

The next risk to the outlook to consider is whether people will take the bait in terms of behaviour. There are two reasons why they probably will.

1. The first one involves using our eyes. What you or I may think to be irrational behaviour isn't what matters. The reality is that people do hit the beaches, bars, gyms and restaurants the minute they can even if it is perceived to be irrational, which may be much less the case after getting vaccines. What I'm getting at here is to use the Warren Buffet approach when he hit a homerun on Amex. You know what the sentiment is, you can hear what analysts are telling you, now go to the check out counters and count the number of times people whip out their Amex cards with your own eyes, then buy it, and ride it to a fortune. It's the same thing here: don't impugn behavioural sensibilities because you disagree with them; such a normative filter has no place when forecasting the economy.

2. Second, never underestimate the power of consumers to spend everything they earn, or most of it. Betting against that is a main reason why consensus spends so much time revising up their forecasts during expansions with this one likely being no different. Sure, it may be a while—if ever—before we get line-ups at buffets, packed cruise ships, or people boasting about their airline status. Maybe that stuff will never be the same, but they'll spend it on other things while, at the same time, diverting what they are saving from not spending on transportation to the office, etc. etc. toward... Hey, let's rebuild the deck, buy that flashy tv, or re-shingle the roof. The macroeconomics is likely to restore consumption momentum which is the best remedy of all toward healing the tragic pain so many continue to experience.

3. WHAT PMIS SAY ABOUT NEAR-TERM GROWTH

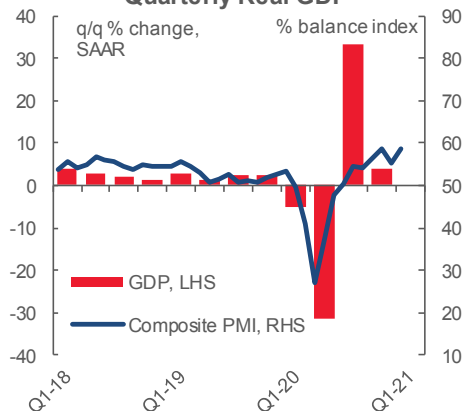
Going into a long weekend, I always say, What's a month without another batch of global purchasing managers' indices? Hmph. Well, ok, maybe that's a wee bit of an exaggeration, but it's still worth paying attention to the fact that the US, Eurozone, UK, Australia and Japan will offer February updates for these early readings of how GDP growth is tracking. Note the connections in charts 5–9 between the PMIs and GDP growth for why they matter to markets and forecasters tracking the current evolution of risks to the forecasts.

4. OTHER RELEASES

Canada and Japan (Wednesday) plus the UK and Sweden (Thursday) will offer up inflation reports for January. Canada is the closest to the central bank's inflation target using the operational 'core' measure with little change expected next week; headline inflation is expected to edge slightly higher to 0.8% y/y with average core remaining near 1.6%. The UK is next with core

Chart 5

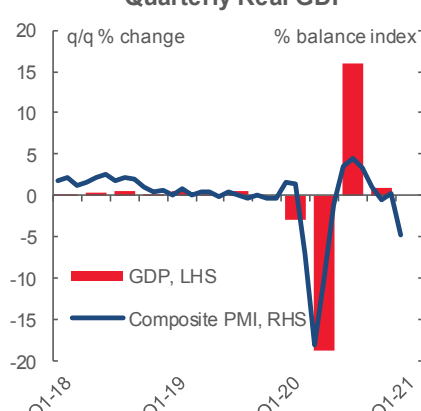
US Composite PMI & Quarterly Real GDP



Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart 6

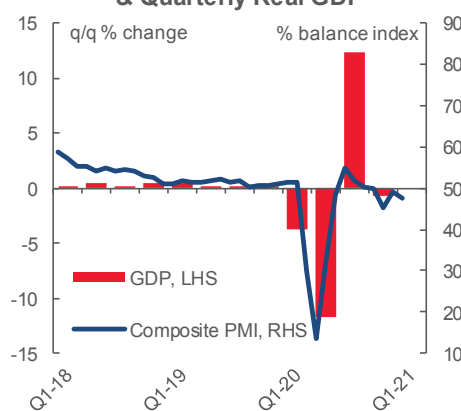
UK Composite PMI & Quarterly Real GDP



Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart 7

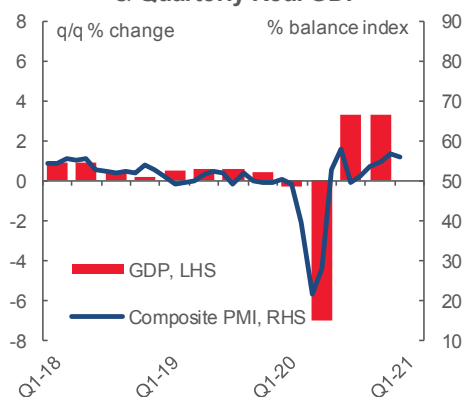
Euro Area Composite PMI & Quarterly Real GDP



Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart 8

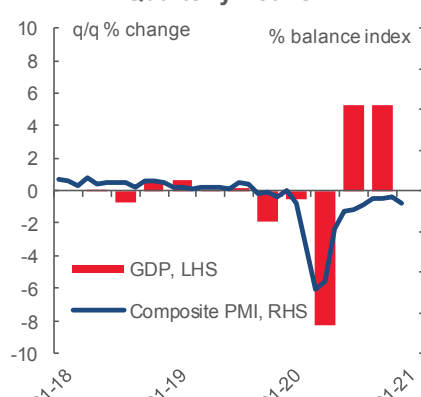
Australia Composite PMI & Quarterly Real GDP



Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart 9

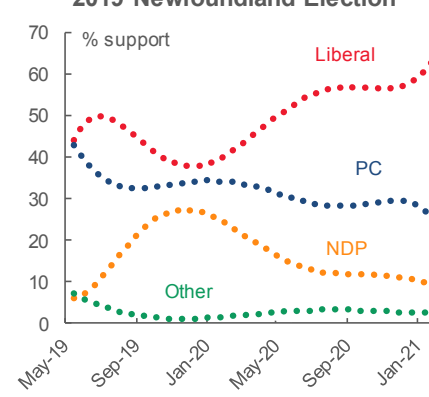
Japan Composite PMI & Quarterly Real GDP



Sources: Scotiabank Economics, IHS Markit, Bloomberg.

Chart 10

Evolution of Voter Intentions Since 2019 Newfoundland Election



Sources: Scotiabank Economics, Various Polling Firms.

inflation expected to be little changed from the 1.4% y/y rate set the prior month. Sweden's inflation is expected to jump toward 1.6% in a marked pick-up driven primarily by year-ago base effects. Japan remains in deflation.

Four sets of Q4 GDP numbers will be released including Japan (+10.1% q/q SAAR), Thailand (3 ¼% q/q SAAR) and Colombia (+<6% q/q) to kick off the week, followed by Peru on Thursday that is likely to show a continued ~3% y/y contraction.

Other US releases will focus upon industrial and household readings. In addition to Friday's Markit PMIs, the Philly Fed (Thursday) and Empire (Tuesday) readings will inform ISM-manufacturing expectations. Industrial output during January is due out on Wednesday. A 2% gain in vehicle sales and a rise in gasoline prices are among the contributing drivers behind expectations for a gain in retail sales on Wednesday. Existing home sales, housing starts, weekly claims and producer prices round out the hits.

Canada will also update retail sales (Friday) with earlier Statistics Canada guidance pointed toward a 2.6% m/m drop for December but watch the January guidance for fresher information. Monday should offer a better start to the week, however, as manufacturing sales are expected to rise by 0.6% m/m based on earlier guidance. Canada also updates existing home sales for January on Tuesday. Newfoundland and Labrador heads to the polls on Saturday, or rather, some of them will after COVID-19 resulted in the postponement of voting in about half of the districts. It's one for the incumbent Liberals to lose (chart 10).

Miscellaneous international releases will offer up Australian jobs for January (Wednesday), German investor sentiment (Tuesday) and UK retail sales (Friday).

Key Indicators for week of February 15 – 19

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	02/15	08:30	Manufacturing Shipments (m/m)	Dec	0.6	--	-0.6
CA	02/16	08:30	International Securities Transactions (C\$ bn)	Dec	--	--	11.8
US	02/16	08:30	Empire State Manufacturing Index	Feb	--	6.7	3.5
CA	02/16	09:00	Existing Home Sales (m/m)	Jan	--	--	7.2
US	02/16	16:00	Total Net TIC Flows (US\$ bn)	Dec	--	--	214.1
US	02/16	16:00	Net Long-term TIC Flows (US\$ bn)	Dec	--	--	149.2
US	02/17	07:00	MBA Mortgage Applications (w/w)	Feb 12	--	--	-4.1
CA	02/17	08:30	Core CPI - Common (y/y)	Jan	1.3	--	1.3
CA	02/17	08:30	Core CPI - Median (y/y)	Jan	1.8	--	1.8
CA	02/17	08:30	Core CPI - Trim (y/y)	Jan	1.6	--	1.6
CA	02/17	08:30	CPI, All items (m/m)	Jan	0.3	--	-0.2
CA	02/17	08:30	CPI, All items (y/y)	Jan	0.8	--	0.7
CA	02/17	08:30	CPI, All items (index)	Jan	--	--	137.4
US	02/17	08:30	PPI (m/m)	Jan	0.5	0.4	0.3
US	02/17	08:30	PPI ex. Food & Energy (m/m)	Jan	0.3	0.2	0.1
US	02/17	08:30	Retail Sales (m/m)	Jan	1.0	0.9	-0.7
US	02/17	08:30	Retail Sales ex. Autos (m/m)	Jan	0.9	0.9	-1.4
US	02/17	09:15	Capacity Utilization (%)	Jan	--	74.8	74.5
US	02/17	09:15	Industrial Production (m/m)	Jan	0.5	0.4	1.6
US	02/17	10:00	Business Inventories (m/m)	Dec	--	0.5	0.5
US	02/17	10:00	NAHB Housing Market Index	Feb	--	83.0	83.0
CA	02/18	08:30	Teranet - National Bank HPI (y/y)	Jan	--	--	9.4
US	02/18	08:30	Building Permits (000s a.r.)	Jan	--	1,668	1,704
US	02/18	08:30	Export Prices (m/m)	Jan	--	0.9	1.1
US	02/18	08:30	Housing Starts (000s a.r.)	Jan	1677	1,658	1,669
US	02/18	08:30	Housing Starts (m/m)	Jan	0.5	-0.7	5.8
US	02/18	08:30	Import Prices (m/m)	Jan	--	1.0	0.9
US	02/18	08:30	Initial Jobless Claims (000s)	Feb 13	770	760.0	779.0
US	02/18	08:30	Continuing Claims (000s)	Feb 6	4,500	--	4,592
US	02/18	08:30	Philadelphia Fed Index	Feb	--	20.0	26.5
CA	02/19	08:30	Retail Sales (m/m)	Dec	-2.6	--	1.3
CA	02/19	08:30	Retail Sales ex. Autos (m/m)	Dec	-2.0	--	2.1
US	02/19	10:00	Existing Home Sales (mn a.r.)	Jan	6.6	6.6	6.8
US	02/19	10:00	Existing Home Sales (m/m)	Jan	-2.0	-2.2	0.8

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
EC	02/15	05:00	Industrial Production (m/m)	Dec	--	-0.5	2.5
EC	02/15	05:00	Industrial Production (y/y)	Dec	--	-0.1	-0.6
EC	02/15	05:00	Trade Balance (€ mn)	Dec	--	--	25.8
EC	02/16	05:00	Employment (q/q)	4Q P	--	--	1.0
EC	02/16	05:00	GDP (q/q)	4Q P	--	-0.7	-0.7
EC	02/16	05:00	ZEW Survey (Economic Sentiment)	Feb	--	--	58.3
GE	02/16	05:00	ZEW Survey (Current Situation)	Feb	--	-66.6	-66.4
GE	02/16	05:00	ZEW Survey (Economic Sentiment)	Feb	--	60.0	61.8
UK	02/17	02:00	CPI (m/m)	Jan	--	-0.4	0.3
UK	02/17	02:00	CPI (y/y)	Jan	--	0.5	0.6
UK	02/17	02:00	RPI (m/m)	Jan	--	-0.4	0.6
UK	02/17	02:00	RPI (y/y)	Jan	--	1.3	1.2
TU	02/18	06:00	Benchmark Repo Rate (%)	Feb 18	--	17.00	17.00
EC	02/18	10:00	Consumer Confidence	Feb A	--	-15.0	-15.5
UK	02/18	19:01	GfK Consumer Confidence Survey	Feb	--	-26.0	-28.0
GE	02/19	02:00	Producer Prices (m/m)	Jan	--	0.9	0.8
UK	02/19	02:00	PSNB ex. Interventions (£ bn)	Jan	--	24.8	34.1
UK	02/19	02:00	Public Finances (PSNCR) (£ bn)	Jan	--	--	40.6
UK	02/19	02:00	Public Sector Net Borrowing (£ bn)	Jan	--	22.0	33.4
UK	02/19	02:00	Retail Sales ex. Auto Fuel (m/m)	Jan	--	-2.0	0.4
UK	02/19	02:00	Retail Sales with Auto Fuel (m/m)	Jan	--	-2.5	0.3

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for week February 15 – 19

EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
FR	02/19	02:45	CPI (m/m)	Jan F	--	0.2	0.2
FR	02/19	02:45	CPI (y/y)	Jan F	--	0.6	0.6
FR	02/19	02:45	CPI - EU Harmonized (m/m)	Jan F	--	0.3	0.3
FR	02/19	02:45	CPI - EU Harmonized (y/y)	Jan F	--	0.8	0.8
FR	02/19	03:15	Manufacturing PMI	Feb P	--	51.5	51.6
FR	02/19	03:15	Services PMI	Feb P	--	47.0	47.3
GE	02/19	03:30	Manufacturing PMI	Feb P	--	56.5	57.1
GE	02/19	03:30	Services PMI	Feb P	--	46.5	46.7
EC	02/19	04:00	Current Account (€ bn)	Dec	--	--	24.6
EC	02/19	04:00	Composite PMI	Feb P	--	48.0	47.8
EC	02/19	04:00	Manufacturing PMI	Feb P	--	54.3	54.8
EC	02/19	04:00	Services PMI	Feb P	--	45.9	45.4
IT	02/19	04:00	CPI - EU Harmonized (y/y)	Jan F	--	0.5	0.5
IT	02/19	04:30	Current Account (€ mn)	Dec	--	--	7,110
UK	02/19	04:30	Manufacturing PMI	Feb P	--	53.2	54.1
UK	02/19	04:30	Services PMI	Feb P	--	42.0	39.5

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
JN	02/14	18:50	GDP (q/q)	4Q P	2.4	2.4	5.3
JN	02/14	18:50	GDP Deflator (y/y)	4Q P	--	0.5	1.2
SI	02/14	19:00	Real GDP (y/y)	4Q F	-3.8	-3.6	-3.8
TH	02/14	21:30	GDP (y/y)	4Q	-4.5	-5.5	-6.4
TH	02/14	21:30	Annual GDP (y/y)	2020	-6.2	-6.5	2.4
ID	02/14	23:00	Exports (y/y)	Jan	--	13.5	14.6
ID	02/14	23:00	Imports (y/y)	Jan	--	-2.8	-0.5
ID	02/14	23:00	Trade Balance (US\$ mn)	Jan	--	1,700	2,101
JN	02/14	23:30	Capacity Utilization (m/m)	Dec	--	--	-2.9
JN	02/14	23:30	Industrial Production (y/y)	Dec F	--	--	-3.2
IN	02/15	01:30	Monthly Wholesale Prices (y/y)	Jan	--	1.1	1.2
IN	02/15	06:30	Exports (y/y)	Jan	--	--	0.1
IN	02/15	06:30	Imports (y/y)	Jan	--	--	7.6
JN	02/15	23:30	Tertiary Industry Index (m/m)	Dec	--	-0.6	-0.7
JN	02/16	18:50	Machine Orders (m/m)	Dec	--	-6.1	1.5
JN	02/16	18:50	Merchandise Trade Balance (¥ bn)	Jan	--	-650.0	749.6
JN	02/16	18:50	Adjusted Merchandise Trade Balance (¥ bn)	Jan	--	477.8	477.1
JN	02/16	18:50	Merchandise Trade Exports (y/y)	Jan	--	6.6	2.0
JN	02/16	18:50	Merchandise Trade Imports (y/y)	Jan	--	-5.0	-11.6
JN	02/16	19:00	Nationwide Department Store Sales (y/y)	Jan	--	--	-13.7
SI	02/16	19:30	Exports (y/y)	Jan	--	4.6	6.8
AU	02/17	19:30	Employment (000s)	Jan	--	30.0	50.0
AU	02/17	19:30	Unemployment Rate (%)	Jan	6.6	6.5	6.6
JN	02/18	01:00	Machine Tool Orders (y/y)	Jan F	--	--	9.7
ID	02/18	02:20	BI 7-Day Reverse Repo Rate (%)	Feb 18	3.50	3.50	3.75
HK	02/18	03:30	Unemployment Rate (%)	Jan	--	6.9	6.6
SK	02/18	16:00	PPI (y/y)	Jan	--	--	0.1
NZ	02/18	16:45	Producer Price - Inputs (q/q)	4Q	--	--	0.6
NZ	02/18	16:45	Producer Price - Outputs (q/q)	4Q	--	--	-0.3
JN	02/18	18:30	National CPI (y/y)	Jan	-1.0	-0.7	-1.2
AU	02/18	19:30	Retail Sales (m/m)	Jan P	--	2.0	-4.1
JN	02/18	19:30	Markit/JMMA Manufacturing PMI	Feb P	--	--	49.8
ID	02/18	22:00	Current Account Balance (US\$ mn)	4Q	--	1,218	964.0
PH	02/19		Balance of Payments (US\$ mn)	Jan	--	--	4,236

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
PE	02/15	10:00	Unemployment Rate (%)	Jan	--	--	13.8
PE	02/15	10:00	Economic Activity Index NSA (y/y)	Dec	-1.0	--	-2.8
PE	02/18	09:00	GDP (y/y)	4Q	-2.5	--	-9.4

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Global Auctions for week of February 15 – 19

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	02/17	13:00	U.S. To Sell 20-Year Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	02/16	05:00	U.K. to Sell 3.25 Billion Pounds of 0.125% 2024 Bonds
UK	02/16	06:30	U.K. to Sell 1.25 Billion Pounds of 1.75% 2057 Bonds
DE	02/17	04:30	Denmark to Sell Bonds
UK	02/17	05:00	U.K. to Sell 0.625% 2035 Bonds
GE	02/17	05:30	Germany to Sell 1.5 Billion Euros of 1.25% 2048 Bonds
SP	02/18	04:30	Spain to Sell Bonds
FR	02/18	04:50	France to Sell Bonds
SW	02/18	05:00	Sweden to Sell I/L Bonds
FR	02/18	05:50	France to Sell I/L Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	02/15	22:35	Japan to Sell 5-Year Bonds
JN	02/15	22:35	5Y Note Amount Sold
JN	02/15	22:35	5Y Note Average Yield
JN	02/15	22:35	5Y Note Bid/Cover Ratio
JN	02/15	22:35	5Y Note Tail Yield
JN	02/17	22:30	Japan to Sell 12-Month Bills
JN	02/17	22:30	1Y Note Amount Sold
JN	02/17	22:30	1Y Note Average Yield
JN	02/17	22:30	1Y Note Bid/Cover Ratio
JN	02/17	22:30	1Y Note Tail Yield
JN	02/17	22:35	Japan to Sell 20-Year Bonds
JN	02/17	22:35	20Y Bond Amount Sold
JN	02/17	22:35	20Y Bond Average Yield
JN	02/17	22:35	20Y Bond Bid/Cover Ratio
JN	02/17	22:35	20Y Bond Tail Yield
JN	02/18	22:30	Japan to Sell 3-Month Bills
JN	02/18	22:30	3M Discount Bill Amount Sold
JN	02/18	22:30	3M Discount Bill Bid/Cover Ratio
JN	02/18	22:30	3M Discount Bill Average Yield

LATIN AMERICA

No Scheduled Auctions

Events for week of February 15 – 19**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	02/17	09:15	Fed's Rosengren Takes Part in Panel Discussion
US	02/17	14:00	FOMC Meeting Minutes
US	02/18	08:00	Fed's Brainard Speaks at IIF Climate Finance Summit

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	02/15		Euro-Area Finance Ministers Meet
EC	02/16		EU Finance Ministers Meet
SW	02/19	03:30	Riksbank Publishes Minutes from Feb.9 Meeting

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	02/15	19:30	RBA Minutes of Feb. Policy Meeting
AU	02/16	20:00	RBA's Kent Participates in Panel
ID	02/18	02:20	Bank Indonesia 7D Reverse Repo

LATIN AMERICA

No Scheduled Events

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	0.25	March 10, 2021	0.25	0.25
Federal Reserve – Federal Funds Target Rate	0.25	March 17, 2021	0.25	0.25
Banco de México – Overnight Rate	4.25	March 25, 2021	4.00	4.00

Federal Reserve: Minutes to the January FOMC meeting arrive on Wednesday. They should confirm somewhat greater optimism while emphasizing it is premature to address taper talk just yet. It would be helpful to hear a discussion on what constitutes "substantial" progress toward full employment as discussed in the body of the text.

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	March 11, 2021	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	March 11, 2021	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	March 11, 2021	-0.50	-0.50
Bank of England – Bank Rate	0.10	March 18, 2021	0.10	0.10
Swiss National Bank – Libor Target Rate	-0.75	TBA	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	4.25	March 19, 2021	4.25	4.25
Sweden Riksbank – Repo Rate	0.00	April 27, 2021	0.00	0.00
Norges Bank – Deposit Rate	0.00	March 18, 2021	0.00	0.00
Central Bank of Turkey – Benchmark Repo Rate	17.00	February 18, 2021	17.00	17.00

Central Bank of Turkey (CBRT): The Monetary Policy Committee is expected to keep its benchmark rate on hold at 17.00%. The CBRT has pledged to keep rates high for an extended period in order to reach its 9.4% y/y inflation target by end-2021. Additional tightening, however, is not off the table should inflation accelerate.

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	March 19, 2021	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.10	March 1, 2021	0.10	0.10
Reserve Bank of New Zealand – Cash Rate	0.25	February 23, 2021	0.25	0.25
People's Bank of China – 1-Year Loan Prime Rate	3.85	February 21, 2021	3.85	3.85
Reserve Bank of India – Repo Rate	4.00	April 7, 2021	4.00	4.00
Bank of Korea – Bank Rate	0.50	February 25, 2021	0.50	0.50
Bank of Thailand – Repo Rate	0.50	March 24, 2021	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	March 4, 2021	1.75	1.75
Bank Indonesia – 7-Day Reverse Repo Rate	3.75	February 18, 2021	3.50	3.50
Central Bank of Philippines – Overnight Borrowing Rate	2.00	March 25, 2021	2.00	2.00

Bank Indonesia (BI): Indonesian monetary authorities will make a policy decision on February 18. We expect Bank Indonesia to lower the benchmark 7-day reverse repo rate by 25 bps to 3.50%, marking the final cut of this easing cycle. The prior reduction (of 25 bps) took place in November 2020. Inflation in Indonesia has continued to ease in recent months (the headline CPI increased by 1.6% y/y in January), providing BI with policy space to support the economy's nascent recovery.

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	2.00	March 17, 2021	2.00	2.00
Banco Central de Chile – Overnight Rate	0.50	March 30, 2021	0.50	0.50
Banco de la República de Colombia – Lending Rate	1.75	March 26, 2021	1.75	1.75
Banco Central de Reserva del Perú – Reference Rate	0.25	March 11, 2021	0.25	0.25

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	3.50	March 25, 2021	3.50	3.50

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

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