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*With thanks for research support from:  
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#### Next Week's Risk Dashboard

- Are markets getting too aggressive pricing BoC cuts?
- US bond auctions will test appetite for the recent drop in yields
- RBA could resume hiking
- Banxico expected to pause
- Peru's central bank expected to cut
- BoC's not-minutes probably won't add much
- Inflation: China, Mexico, Chile, Colombia, Brazil...  
...Philippines, Taiwan, Norway
- Inflation expectations: Eurozone, New Zealand
- Global macro readings

#### Hope Springs Eternal

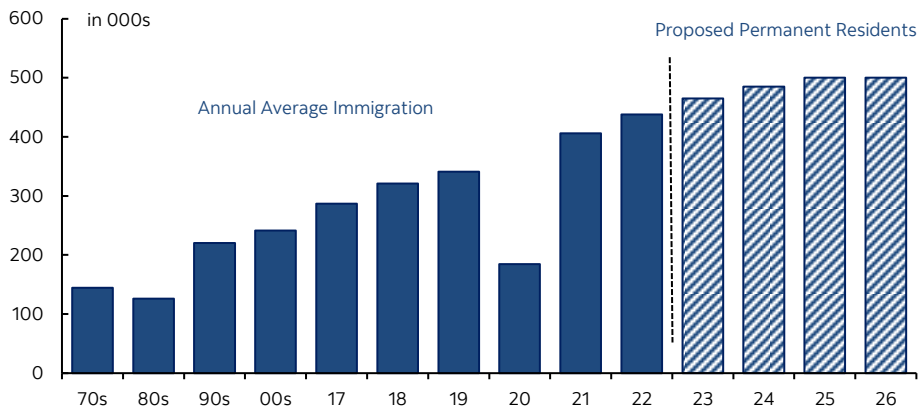
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#### Chart of the Week

##### Canada Stabilizing Immigration Targets



Sources: Scotiabank Economics, Statistics Canada, Ministry of Immigration, Refugees & Citizenship Canada.

Chart of the Week: Prepared by: Jaykumar Parmar, Economic Analyst.

## Global Week Ahead—Hope Springs Eternal

The coming week will be a much lighter one than recent weeks but there will still be a few developments to keep it interesting. We'll hear from Fed Chair Powell again, the RBA may hike, and two LatAm central banks may hold (Banxico) and cut (Peru) while even more BoC communications lie in store. Data risk will be more subdued, with a few gems mixed in including a round of readings on global inflation and inflation expectations, plus Chinese and UK macro data.

After this past week's Treasury announcements on marketable debt issuance and the Quarterly Refunding statements allayed some bond market fears, the real test may come in this coming week's US Treasury auctions for 3s (Tuesday), 10s (Wednesday) and 30s (Thursday). There are many gauges of auction strength, but one is bid-to-cover ratios that have recently ebbed as bonds sold off (chart 1). We'll see if market participants now chase lower yields with stronger bid-to-cover ratios. That could be more consequential than anything else in an otherwise lighter than usual week.

A lighter than usual week of developments affords the opportunity to assess prospects for Bank of Canada moves given how rapidly the market is turning.

### CUTTING BY SPRING COULD BE POLICY ERROR

Will the Bank of Canada cut when Spring is in the air? That seems rather optimistic, yet it is exactly what markets are leaning toward in the wake of a jobs report that was generally in line with expectations ([here](#)). As chart 2 shows, a full 25bps rate cut is now priced for June and markets are pricing a significant portion of such a cut by the April MPR meeting.

Markets haven't stopped there. The 5-year Government of Canada bond yield has dropped by over 60bps very recently and to the lowest levels seen since earlier this summer. Since this is a key determinant of the popular 5-year fixed mortgage rate, people looking to renew their fixed rate mortgages or take out a mortgage to finance a first foray into the housing market may rejoice.

To go against markets can be dicey but is hardly without precedence throughout the whole pandemic era. Recall last Spring when markets were convinced that the BoC would be cutting after its premature pause in January and as the US regional bank crisis was unfolding. They didn't cut, and the BoC came back with two more hikes in June and July.

### Cutting Would Embolden Free Spending Governments...

One reason to be leery toward Springtime easing is the signal that it would send to governments.

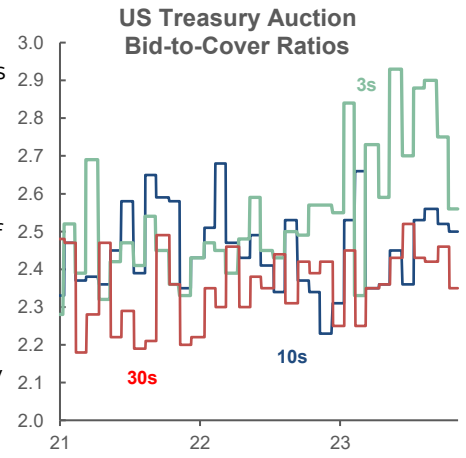
As they embark upon the Winter budget season that typically runs from about February to April at the Federal and provincial levels, governments would be getting a message from the BoC that their interest expense may not turn out to be as elevated as feared. I doubt very much that would be tucked away for deficit relief, especially with elections ahead in British Columbia, Saskatchewan and New Brunswick by October 2024, and then the Federal election on or before October 2025. In this climate, governments are heavily inclined to increase spending and would likely deploy any relief on interest expense toward such purposes.

That, in turn, could add more to inflation risk when the BoC has already signalled concern about government spending fighting the effort to control inflation.

### ...and Reignite Housing Again...

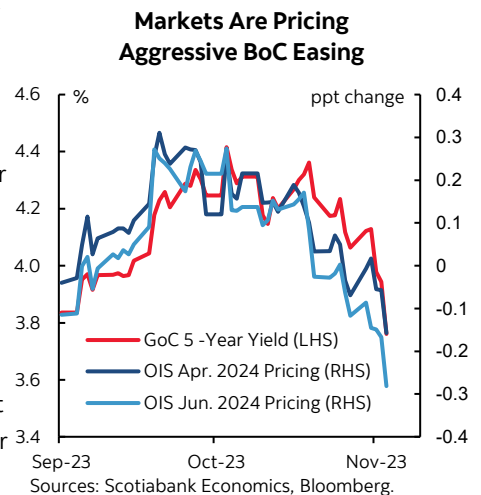
Canada's housing market is highly seasonal with the Springtime environment a beehive of activity. Last year when the BoC went on premature pause in January and then the US regional banking crisis unfolded, the result was to drive the 5-year GoC bond yield sharply lower and take the key 5-year mortgage rate down with it. The result was to light up home sales that jumped by a whopping 11% m/m SA in April as one of a series of five monthly gains. House prices were bid higher and inflation risk pivoted higher along with them. That was one of the motivating factors for the BoC to return to rate hikes in June and July.

Chart 1



Sources: Scotiabank Economics, US Treasury.

Chart 2



Sources: Scotiabank Economics, Bloomberg.

I think the BoC is loathe to go through that experience again. The impact of easing prematurely could be to either thwart prospects for more easing later with higher inflation for longer than otherwise, or to risk an erratic path of having to come back with renewed tightening later.

**...While Adding to Other Sources of Inflation Risk**

A complementary assumption to the above is that the other drivers of inflation risk will remain elevated. Before turning to them I think it's important to downplay two points that others are making.

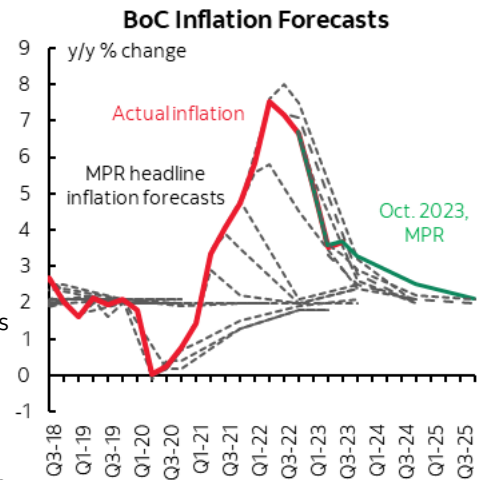
Consensus is putting a lot of stock in weaker GDP growth tilting inflation risk to be lower, not higher. I'm less convinced. Output gaps and augmented Phillips curves have performed poorly as out-of-sample predictors of inflation throughout the pandemic. That's one reason why the BoC's track record at forecasting inflation has been so poor as indicated by the pattern of actual inflation versus what they have actually forecast in successive MPRs (chart 3).

Consensus is also putting a lot of stock in how mortgage rate resets will bring the house down, so to speak. I think their views are exaggerated. The sum total hit to mortgage payments as fixed rate mortgages are reset higher over 2024-26 amounts to about 1% of total household income between now and then (chart 4). That is a calculation that took mortgage rates at their recent peak and allowed for no income growth over this period. In reality, the shock effect is likely to be lower as incomes rise and fixed mortgage rate relief may emerge by then even if it's perhaps too early now while households and lenders adapt. It will be acutely felt by the most leveraged *fraction* of the 40% of households that own their home and have a mortgage (chart 5), but it is not enough to tip the apple cart in a macro sense.

Instead, I still think that inflation risk is pointed higher and that the BoC will be challenged to sustainably achieve 2% inflation. Among the drivers of this view are the following points.

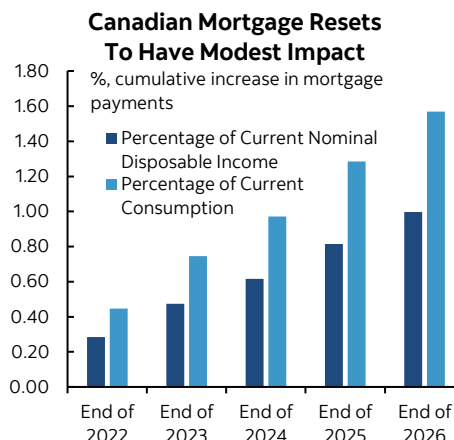
- Even with the slight curtailment on the temporary/nonpermanent side, immigration remains unsustainably high in relation to shortages in housing, consumer markets like autos, and infrastructure shortfalls (see front cover chart).
- New housing inventories remain tight (chart 6) and the pace of homebuilding is adequate to meet demand. The result is that rent overall shelter costs continue to put upward pressure on CPI.
- Wage growth ebbed in October but was still too high and is volatile. The three-month moving average increase remains at about 7% m/m SAAR (chart 7). Wage settlements in the unionized sector that represents one-in-three Canadian workers (three times the US rate) remain hot (chart 8) with high spillover risk into nonunionized sectors and at rates well above the BoC's inflation target.
- Labour productivity stinks and is in sharp contrast to the evidence of a productivity rebound in the US over the past couple of quarters (chart 9). Canadians are getting paid more for producing less, the combined effects of which challenge the BoC's inflation target as companies continue to pass on the costs.
- As a result, Canadian unit labour costs are rising while they are starting to flatline in the US (chart 10).

Chart 3



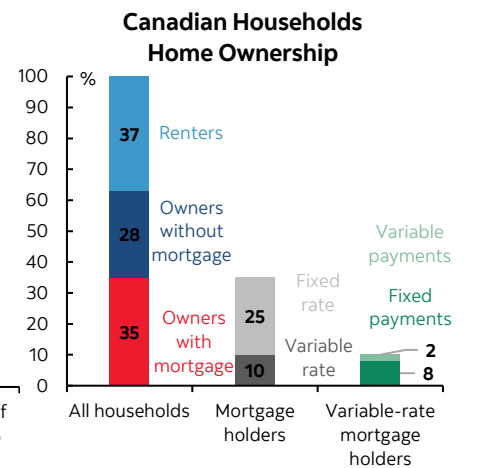
Sources: Scotiabank Economics, BoC, Haver.

Chart 4



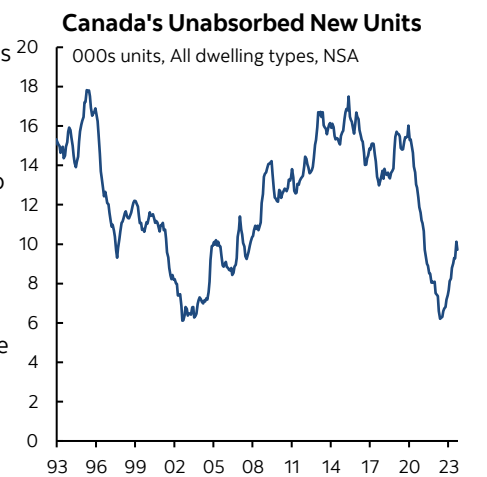
Sources: Scotiabank Economics, Bank of Canada, Statistics Canada.

Chart 5



Sources: Scotiabank Economics, Bank of Canada.

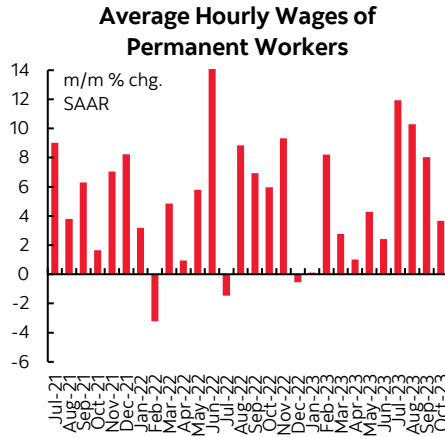
Chart 6



Sources: Scotiabank Economics, CMHC.

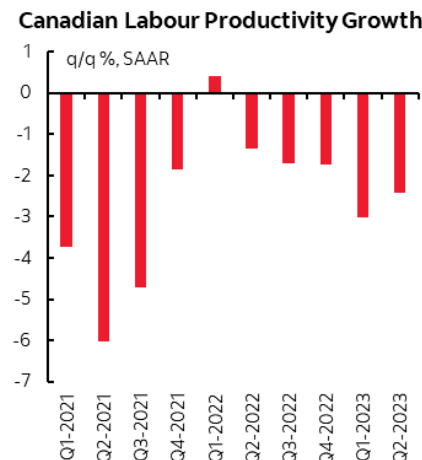
- The Canadian dollar remains undervalued in our view. Easier monetary policy would destabilize the currency when many central banks around the world are concerned about the resulting potential to stoke import price inflation especially in a country that imports much of what it consumes. So, while some suggest that BoC easing will drive a tumbling CAD, I think they will seek to avoid that especially given the next point.
- Inflation expectations remain far above the BoC's 2% target for years to come in consumer and business surveys (charts 11, 12). It's easier to downplay upside risks to inflation if inflation expectations are aligned with the BoC's target but that is not the case. Instead, high expectations are motivating changed behaviour as indicated by the prior comments on wages.
- The external backdrop for the Canadian economy remains buoyant. The terms of trade is still supported by fairly elevated commodity prices and the US economy remains strong.
- Nonfinancial corporate balance sheets remain strong (chart 13). That could provide support to the job market compared to periods of time when corporate balance sheets were more strained. So could the fact that government hiring has driven so much of the job growth during the pandemic and in the absence of any likely austerity programs going forward as noted [here](#).

Chart 7



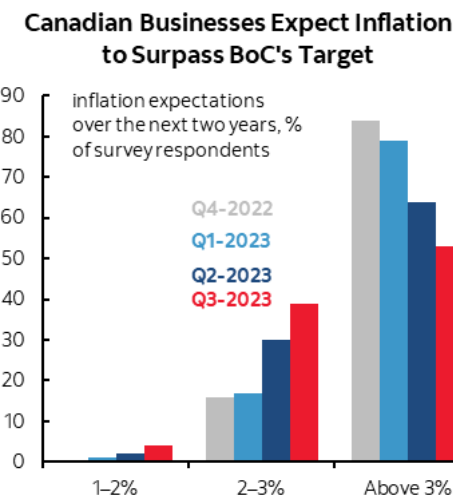
Sources: Scotiabank Economics, Statistics Canada, Haver.

Chart 9



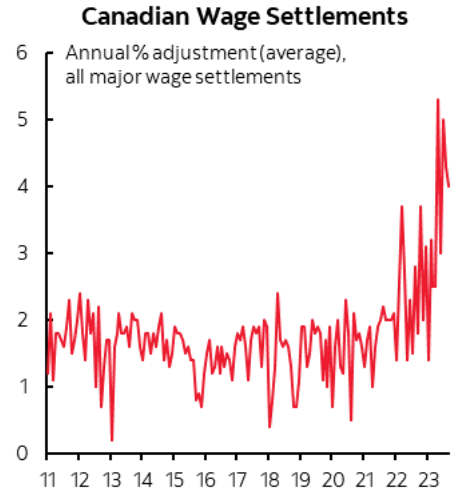
Sources: Scotiabank Economics, Statistics Canada.

Chart 11



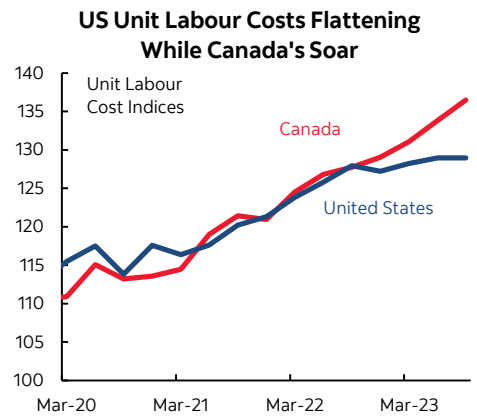
Sources: Scotiabank Economics, Bank of Canada.

Chart 8



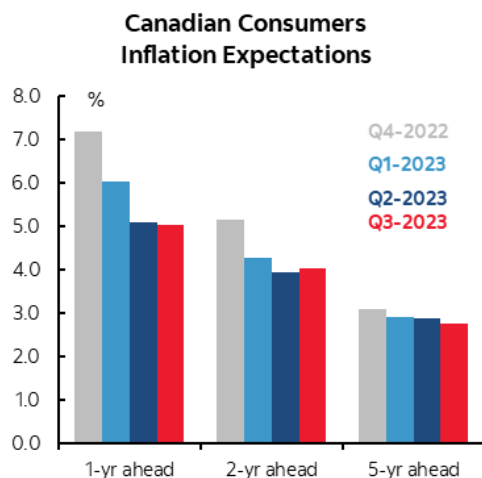
Sources: Scotiabank Economics, Statistics Canada

Chart 10



Sources: Scotiabank Economics, Bloomberg.

Chart 12



Sources: Scotiabank Economics, Bank of Canada.

**CENTRAL BANKS—A HIKE AND TWO CUTS?**

This will be a lighter but not uneventful week for central banks compared to the deluge of decisions by the Fed, BoE and BoJ this past week.

**Powell to Reappear**

The Federal Reserve added a panel appearance by Chair Powell at an IMF conference on Thursday at 2pmET for 90 minutes. He will share the panel on monetary policy challenges in a global economy with the IMF's Gita Gopinath, academic Ken Rogoff, and Bank of Israel Governor Amir Yaron. If he wishes to clarify anything that he said this past week when his remarks prompted an easing of financial conditions, then this would be an opportunity to do so.

**RBA—Resuming Hikes?**

Economists and markets are somewhat divided on the prospects of hiking the policy rate for the first time since June after a four-meeting pause. The RBA’s decision arrives on Monday night eastern time. Markets are on the fence with 50–50 pricing (chart 14). The consensus of two-dozen economists is almost unanimous in expecting a hike. Economists have been wrong on the RBA before including when they were wrong in expecting the RBA to hike at the August 1st meeting when they held.

So what has changed to spark this speculation? A new Governor is one thing, as Michelle Bullock took the reins on September 18th, replacing Philip Lowe. She has generally been sounding a little more hawkish of late. Saying ‘we may need to go again’ on October 25th was a bit of a hint! She expressed uncertainty toward getting to the inflation target quickly enough.

Data has also leaned toward the resumption of hikes, or at least one. A little over a week ago, Q3 inflation data was released that surprised to the upside across all of the measures especially the key trimmed mean and weighted median yardsticks (chart 15). The consumer has been doing well as retail sales were up 0.9% m/m in September.

Private sector credit growth has continued to grow in uninterrupted fashion every month since September 2020 despite rate hikes. The Australian dollar has been depreciating from the early year peak of US\$71.4 cents to about seven cents lower now and is trending around its weakest levels of the past twenty years. For an economy that imports a lot of what it consumes, that may be adding to inflationary pressures at the margin.

What will matter at least as much as whether or not they hike will be the bias; is it one-and-done, or the start of something more? I would think that there is little point to opening the bag of chips and having just one.

**Banxico—Still on Hold**

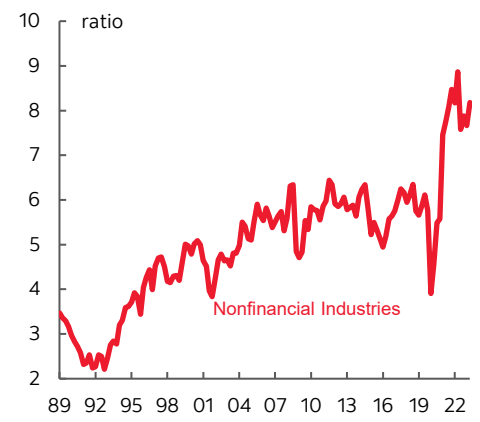
Mexico’s central bank is widely expected to stay on hold at an overnight rate of 11.25% on Thursday afternoon at 2pmET eastern time. That would extend the hold that has been in place since the last hike back on March 30th. Inflation has continued to make progress with September’s core reading falling to 5.8% y/y from a peak of 8.5% a year ago. That hasn’t only been driven by year-ago base effects either, as month-over-month core inflation has been cooling through a series of softer than seasonally normal increases in seasonally unadjusted core inflation since Summer (chart 16). Managing peso volatility in the face of an uncertain Fed outlook adds caution.

**BCRP—Another Cut Coming in Peru**

Further progress on inflation should give Banco Central de Reserva del Peru room to continue easing on Thursday. A 25bps rate cut is expected and would take the reference rate down 75bps since the first cut in September. Inflation fell by more than expected in this past week’s reading for November when it dipped to 4.3% y/y from 5% previously (4.9% consensus). Pressures on core inflation at the margin have also moderated this year compared to last year’s pattern of outsized month-over-month jumps (chart 17).

Chart 13

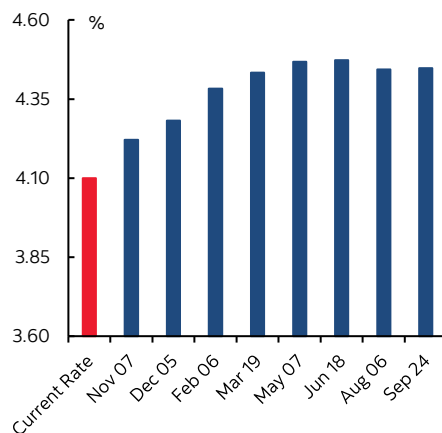
**Canadian Interest Coverage Ratio**



Sources: Scotiabank Economics, Statistics Canada.

Chart 14

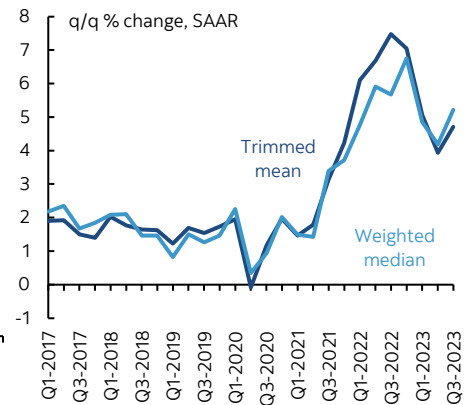
**RBA's Markets Pricing**



Sources: Scotiabank Economics, Bloomberg.

Chart 15

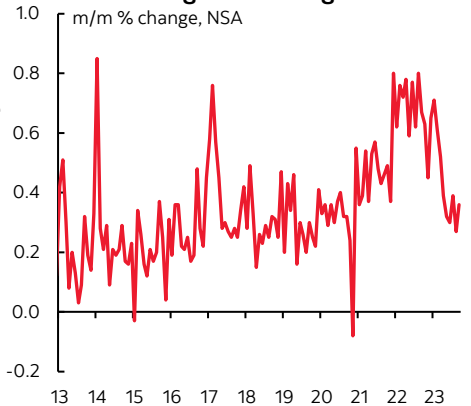
**Australian Core Inflation**



Sources: Scotiabank Economics, Australian Bureau of Statistics.

Chart 16

**Mexico's Core Inflation Cooling At The Margin**



Sources: Scotiabank Economics, INEGI.

**Communications Overload at the BoC**

The Bank of Canada delivers its Summary of Deliberations to the process leading up to the October 25th hawkish hold. There are not ‘minutes’ the way other central banks deliver their accounts of the discussions and they were forced upon the BoC by the IMF’s demands for greater transparency. I don’t expect much of anything new in the deliberations given that the BoC has been on communications overload with the full MPR meeting and press conference and then two rounds of testimony before parliamentary committees this past week.

**GLOBAL MACRO—GLOBAL INFLATION READINGS IN FOCUS**

Inflation updates will be a significant focus across a number of markets with updates to the following readings.

**China’s Volatile Inflation**

China updates CPI and producer price index gauges for October on Wednesday. Key will be core CPI on a month-over-month basis. That reading has been volatile as August’s reading was among the strongest compared to like months in history absent seasonal adjustments, only for September’s reading to be among the weakest (chart 18). Inflation is low and far below the PBOC’s 3% target such that it gives room to ease monetary, regulatory and fiscal policies, but deflation it is not. At least not the way most economists define it as a sustained, broadly based decline in prices that comes to be expected such that behaviour fundamentally changes including through postponement of consumer spending into an environment of cheaper prices. There is little evidence that this is what is happening in China and a great deal reason to believe that inflation will move higher into 2024.

**ECB Inflation Expectations**

ECB measures of inflation expectations will be updated for the month of September on Wednesday over 1- and 3-year horizons. September’s readings moved a touch higher (chart 19) after a roughly year-long move lower. Both gauges remain above the 2% inflation target particularly in the nearer term. Any further rise would probably reignite concern among the hawks.

**RBNZ Inflation Expectations**

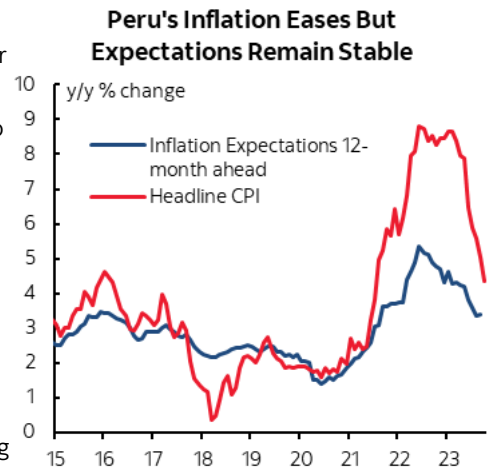
The Reserve Bank of New Zealand’s measure of two-year ahead inflation expectations will be updated with Q4 figures on Tuesday. Like the Eurozone measures, the RBNZ’s measure halted downward momentum in Q3 (chart 20). Any renewed rise when the reading is already stuck modestly above the 2% inflation target coupled with the risk that its neighbour hikes across the Tasman Sea as the NZ\$ has been depreciating throughout the year could motivate the RBNZ to rebalance its perception of risks to the policy rate going forward.

**LatAm Inflation Updates**

Chile and Colombia release updated CPI estimates for October on Wednesday and then Mexico follows on Thursday followed by Brazil on Friday. One

quickly gets a sense of why the region’s central banks have had divergent stances over recent meetings by just looking at chart 21. Inflation remains very high in Colombia where BanRep remains on hold. It is making rapid progress in Brazil and Chile where the central banks have

Chart 17



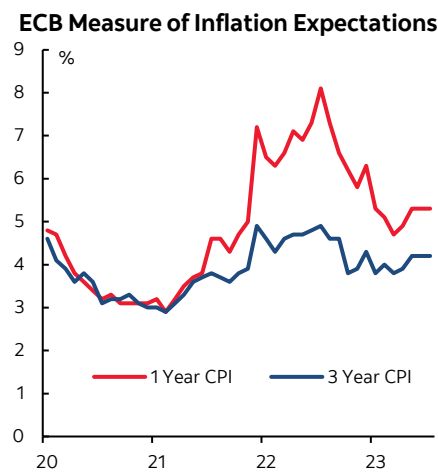
Sources: Scotiabank Economics, Central Bank of Peru.

Chart 18



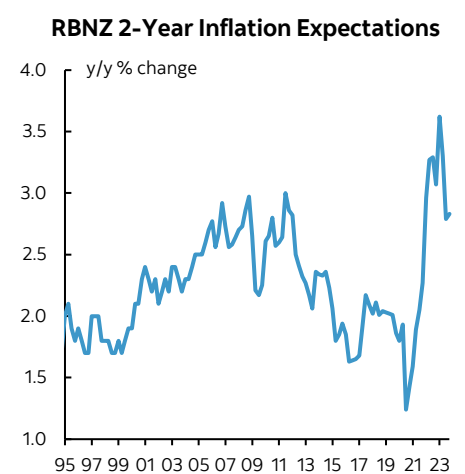
Sources: Scotiabank Economics, China National Bureau of Statistics.

Chart 19



Sources: Scotiabank Economics, ECB.

Chart 20



Sources: Scotiabank Economics, RBNZ.



been cutting. Mexico has also been making progress, but concern about whether the Federal Reserve is done hiking and when it may begin easing motivates considerable uncertainty toward financial stability including the peso's movements.

**Norway's CPI Could Impact Norges Bank**

Norway will update CPI for October on Friday with underlying inflation still stubbornly high (chart 22). This reading may make-or-break Norges Bank's commitment to hike again at its next meeting on December 14th after its recent conditional support for a hike.

**Will Philippines' CPI Inform BSP's Stance?**

The last inflation reading before Bankgo Sentral ng Pilipinas' decision on November 16<sup>th</sup> lands on Monday and it could inform whether the central bank has done enough after its surprise 25bps hike in October following an extended pause. Taiwan also updates CPI for October on Tuesday with its next decision not expected until mid-December.

**The Rest**

Canada will update trade figures for the month of September on Tuesday. Export volumes are tracking higher while import volumes are tracking lower so far over Q3 based upon July and August readings plus the Q2 figure. The combined effects could offer a boost to GDP growth as estimated by expenditure-based accounts versus the monthly production-based GDP accounts. Canada will also update the Ivey purchasing managers' index for October on Monday but its usefulness is limited because it's a mish mash of everything across the public and private sectors and therefore we can't tell what's driving it.

US releases will be very light. On Tuesday, the overall US trade deficit is expected to be little changed at about -US\$60 billion given that we already know the merchandise deficit increased by only about one billion and the slightly rising services surplus is quite stable. Weekly jobless claims (Thursday) and the University of Michigan's consumer sentiment reading for November (Friday) are also due out.

Wage measures from Japan and France are the only ones expected this week. The Bank of Japan is waiting for the Spring round of wage negotiations, but in the meantime it is likely to receive September estimates of labour cash earnings that are expected to be up by only 1% and down by over 2% in real terms. France's Q3 wage figures (Thursday) will be monitored by ECB-watchers given the pattern of fairly strong quarter-over-quarter gains since the start of 2022 (chart 23).

The UK economy has been suffering from weak growth and Friday's Q3 GDP estimate is expected to post no growth. This is part of the reason why the Bank of England has held Bank Rate unchanged over the past two decisions, along with job losses, moderating wage gains and inflation. The UK will also update monthly readings on industrial production, services activity, construction and trade for September on Friday that will inform hand-off momentum into Q4.

Other releases will include German factory orders (Monday) and industrial output (Tuesday), Chinese exports during October early in the week, and possible monthly financing and credit figures this coming week or the following one.

Chart 21

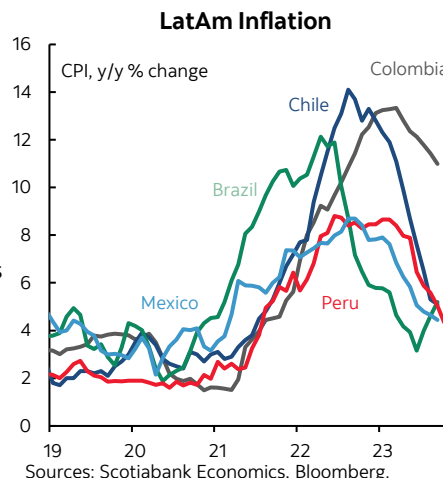


Chart 22

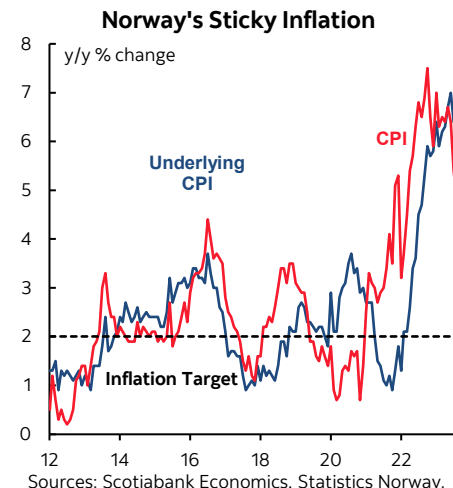
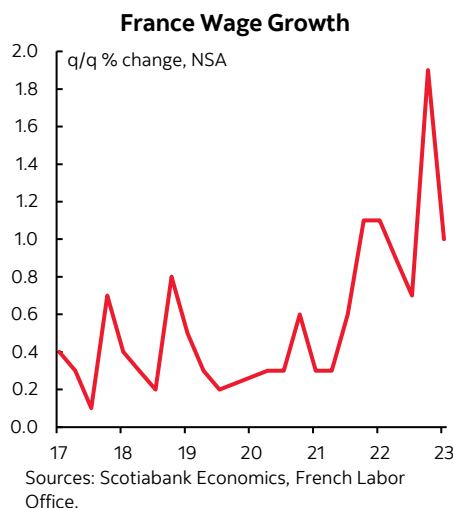


Chart 23



## Key Indicators for the week of November 6 – 10

## NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	11-07	08:30	Merchandise Trade Balance (C\$ bn)	Sep	--	1.0	0.7
US	11-07	08:30	Trade Balance (US\$ bn)	Sep	--	-60.1	-58.3
US	11-07	15:00	Consumer Credit (US\$ bn m/m)	Sep	--	9.5	-15.6
US	11-08	07:00	MBA Mortgage Applications (w/w)	Nov 03	--	--	-2.1
CA	11-08	08:30	Building Permits (m/m)	Sep	--	-1.2	3.4
US	11-08	10:00	Wholesale Inventories (m/m)	Sep F	--	0.0	0.0
MX	11-09	07:00	Bi-Weekly Core CPI (% change)	Oct 31	--	0.2	0.2
MX	11-09	07:00	Bi-Weekly CPI (% change)	Oct 31	--	0.2	0.2
MX	11-09	07:00	Consumer Prices (m/m)	Oct	0.57	0.4	0.4
MX	11-09	07:00	Consumer Prices (y/y)	Oct	4.45	4.3	4.5
MX	11-09	07:00	Consumer Prices Core (m/m)	Oct	0.36	0.4	0.4
US	11-09	08:30	Initial Jobless Claims (000s)	Nov 04	210	217	217
US	11-09	08:30	Continuing Claims (000s)	Oct 28	1830	--	1818
<b>MX</b>	<b>11-09</b>	<b>14:00</b>	<b>Overnight Rate (%)</b>	<b>Nov 9</b>	<b>11.25</b>	<b>11.25</b>	<b>11.25</b>
MX	11-10	07:00	Industrial Production (m/m)	Sep	--	0.2	0.3
MX	11-10	07:00	Industrial Production (y/y)	Sep	--	4.0	5.2
US	11-10	10:00	U. of Michigan Consumer Sentiment	Nov P	64.0	63.3	63.8
US	11-10	14:00	Treasury Budget (US\$ bn)	Oct	--	--	-171.0

## EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	11-06	02:00	Factory Orders (m/m)	Sep	-1.5	3.9
IT	11-06	03:45	Services PMI	Oct	48.5	49.9
FR	11-06	03:50	Services PMI	Oct F	46.1	46.1
GE	11-06	03:55	Services PMI	Oct F	48.0	48.0
EC	11-06	04:00	Composite PMI	Oct F	46.5	46.5
EC	11-06	04:00	Services PMI	Oct F	47.8	47.8
UK	11-06	04:30	PMI Construction	Oct	46.0	45.0
GE	11-07	02:00	Industrial Production (m/m)	Sep	-0.2	-0.2
SP	11-07	03:00	Industrial Output NSA (y/y)	Sep	--	-3.6
EC	11-07	05:00	PPI (m/m)	Sep	0.5	0.6
FR	11-08	02:45	Current Account (€ bn)	Sep	--	-795.0
FR	11-08	02:45	Trade Balance (€ mn)	Sep	--	-8202.0
EC	11-08	05:00	Retail Trade (m/m)	Sep	-0.2	-1.2
UK	11-10	02:00	Business Investment (q/q)	3Q P	--	4.1
UK	11-10	02:00	GDP (q/q)	3Q P	-0.1	0.2
UK	11-10	02:00	Index of Services (m/m)	Sep	0.0	0.4
UK	11-10	02:00	Industrial Production (m/m)	Sep	-0.1	-0.7
UK	11-10	02:00	Manufacturing Production (m/m)	Sep	0.2	-0.8
UK	11-10	02:00	Visible Trade Balance (£ mn)	Sep	-15300.0	-15950.0
IT	11-10	04:00	Industrial Production (m/m)	Sep	-0.2	0.2

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.



## Key Indicators for the week of November 6 – 10

## ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
AU	11-05	19:30	ANZ Job Advertisements (m/m)	Oct	--	-0.1
TH	11-05	22:30	CPI (y/y)	Oct	0.1	0.3
TH	11-05	22:30	CPI (m/m)	Oct	0.1	-0.4
TH	11-05	22:30	Core CPI (y/y)	Oct	0.6	0.6
ID	11-05	23:00	Real GDP (q/q)	3Q	1.7	3.9
ID	11-05	23:00	Real GDP (y/y)	3Q	5.0	5.2
JN	11-06	18:30	Household Spending (y/y)	Sep	-2.7	-2.5
PH	11-06	20:00	CPI (y/y)	Oct	5.6	6.1
PH	11-06	20:00	Exports (y/y)	Sep	-8.3	4.2
PH	11-06	20:00	Imports (y/y)	Sep	-9.0	-13.1
PH	11-06	20:00	Trade Balance (US\$ mn)	Sep	-4250.0	-4128.0
PH	11-06	20:00	CPI (m/m)	Oct	0.5	1.1
CH	11-06	20:00	Foreign Reserves (US\$ bn)	Oct	--	3115.1
CH	11-06	20:00	Exports (y/y)	Oct	-2.9	-6.2
CH	11-06	20:00	Imports (y/y)	Oct	-4.5	-6.3
CH	11-06	20:00	Trade Balance (USD bn)	Oct	84.2	77.8
<b>AU</b>	<b>11-06</b>	<b>22:30</b>	<b>RBA Cash Target Rate (%)</b>	<b>Nov 7</b>	<b>4.35</b>	<b>4.10</b>
MA	11-06	23:00	Industrial Production (y/y)	Sep	--	0.2
AU	11-07	00:30	Foreign Reserves (AUD bn)	Oct	--	90.4
MA	11-07	02:00	Foreign Reserves (US\$ bn)	Oct 31	--	108.9
TA	11-07	03:00	CPI (y/y)	Oct	2.6	2.9
TA	11-07	03:00	Exports (y/y)	Oct	--	3.4
TA	11-07	03:00	Imports (y/y)	Oct	--	-12.2
TA	11-07	03:00	Trade Balance (US\$ bn)	Oct	--	10.3
SI	11-07	04:00	Foreign Reserves (US\$ mn)	Oct	--	337397.3
SK	11-07	18:00	Current Account (US\$ mn)	Sep	--	4809.8
PH	11-07	20:00	Unemployment Rate (%)	Sep	--	4.4
ID	11-07	21:00	Consumer Confidence Index	Oct	--	121.7
JN	11-08	00:00	Coincident Index CI	Sep P	114.7	114.6
JN	11-08	00:00	Leading Index CI	Sep P	108.7	109.2
JN	11-08	00:00	New Composite Leading Economic Index	Sep P	108.7	109.2
JN	11-08	18:50	Bank Lending (y/y)	Oct	--	2.9
JN	11-08	18:50	Current Account (¥ bn)	Sep	2988.9	2279.7
JN	11-08	18:50	Trade Balance - BOP Basis (¥ bn)	Sep	231.6	-749.5
CH	11-08	20:00	New Yuan Loans (bn)	Oct	650.0	2311.8
CH	11-08	20:30	CPI (y/y)	Oct	-0.2	0.0
CH	11-08	20:30	PPI (y/y)	Oct	-2.8	-2.5
PH	11-08	21:00	Real GDP (q/q)	3Q	--	-0.9
PH	11-08	21:00	Real GDP (y/y)	3Q	4.8	4.3
TH	11-08	22:00	Consumer Confidence Economic	Oct	--	53.2
NZ	11-09	16:30	Business NZ PMI	Oct	--	45.3
JN	11-09	18:50	Japan Money Stock M2 (y/y)	Oct	--	2.4
JN	11-09	18:50	Japan Money Stock M3 (y/y)	Oct	--	1.8
IN	11-10	07:00	Industrial Production (y/y)	Sep	--	10.30

## LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	11-06	06:30	Current Account (US\$ mn)	Sep	--	-1400.0	-778.4
BZ	11-08	07:00	Retail Sales (m/m)	Sep	--	0.3	-0.2
BZ	11-08	07:00	Retail Sales (y/y)	Sep	--	2.7	2.3
CO	11-08	18:00	Consumer Price Index (m/m)	Oct	0.32	0.4	0.5
CO	11-08	18:00	Consumer Price Index (y/y)	Oct	10.56	10.6	11.0
<b>PE</b>	<b>11-09</b>	<b>18:00</b>	<b>Reference Rate (%)</b>	<b>Nov 9</b>	<b>7.00</b>	<b>7.0</b>	<b>7.25</b>
BZ	11-10	07:00	IBGE Inflation IPCA (m/m)	Oct	--	0.3	0.3
BZ	11-10	07:00	IBGE Inflation IPCA (y/y)	Oct	--	4.9	5.2

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Global Auctions for the week of November 6 – 10

## NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	11-07	13:00	U.S. To Sell USD48 Bln 3-Year Notes
CA	11-08	12:00	Canada to Sell C\$4 Billion of 4% 2029 Bonds
US	11-08	13:00	U.S. To Sell USD40 Bln 10-Year Notes
US	11-09	13:00	U.S. To Sell USD24 Bln 30-Year Bonds

## EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	11-07	05:00	U.K. to Sell GBP3.75 Billion of 4.625% 2034 Bonds
AS	11-07	05:00	Austria to Sell 0% 2028 Bonds
AS	11-07	05:00	Austria to Sell 2.9% 2033 Bonds
DE	11-08	04:15	Denmark to Sell Bonds
SZ	11-08	05:00	Switzerland to Sell Bonds
NO	11-08	05:00	Norway to Sell Bonds
SW	11-08	05:00	Sweden to Sell SEK2.5 Billion of 1.75% 2033 Bonds
GE	11-08	05:30	Germany to Sell EU4 Billion of 2.6% 2033 Bonds
IT	11-10	05:00	Italy to Sell Bonds

## ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	11-06	22:35	Japan to Sell 10-Year Linker Bonds
CH	11-07	21:35	China Plans to Sell CNY 2Y Upsized Bond
CH	11-07	21:35	China to Sell 115 Billion Yuan 2025 Bonds
JN	11-08	22:35	Japan to Sell 30-Year Bonds
CH	11-09	21:35	China Plans to Sell CNY 30Y Upsized Bond

## LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
No Scheduled Auctions			

## Events for the week of November 6 – 10

## NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	11-07	09:50	Fed's Schmid Speaks at Dallas/Kansas City Energy Conference
US	11-07	13:25	Fed's Logan Participates in Moderated Discussion
US	11-07	13:30	Fed's Logan Speaks at Dallas/Kansas City Fed Energy Conference
CA	11-08	13:30	Bank of Canada Releases Summary of Deliberations
US	11-09	09:30	Fed's Bostic and Barkin Speak on Survey Data
US	11-09	12:00	Fed's Paese Speaks About the Economy and Monetary Policy
<b>MX</b>	<b>11-09</b>	<b>14:00</b>	<b>Overnight Rate</b>
US	11-09	14:00	Fed's Powell Speaks on Panel at IMF Conference
US	11-10	07:30	Fed's Logan Speaks at ECB Money Markets Conference
US	11-10	09:00	Fed's Bostic Speaks About Economic Mobility

## EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	11-06	07:45	ECB's Holzmann, Valimaki, CBTR's Karahan, NBH's Kandrats
UK	11-06	12:00	BOE's Huw Pill speaks
SW	11-07	11:00	Riksbank Governor Thedeen speaks at Bankers Association event
EC	11-07	14:30	ECB's Nagel Speaks
NO	11-08	03:00	Norges Bank Deputy Governor Speaks on Financial stability
NO	11-08	03:00	Norges Bank Financial Stability Report for 2H
EC	11-08	03:45	ECB's Lane, Kazaks Speak
EC	11-08	04:00	ECB 1 Year CPI Expectations
EC	11-08	04:00	ECB 3 Year CPI Expectations
EC	11-08	04:00	ECB's Wunsch speaks
EC	11-08	04:00	ECB's Makhlof Speaks in Dublin
UK	11-08	04:30	BOE Governor Bailey speaks
EC	11-08	07:30	ECB's De Cos Speaks
EC	11-08	07:30	ECB's Vujcic Speaks
EC	11-09	03:00	ECB's Villeroy speaks at event on payments
EC	11-09	03:10	ECB's Lane Speaks
SW	11-09	03:30	Riksbank Financial Stability Report 2023:2
UK	11-09	03:30	BOE's Huw Pill speaks
SZ	11-09	12:00	SNB Money Market Event in Geneva, SNB's Thomas Moser Speaks
SZ	11-09	12:15	SNB Vice President Martin Schlegel Speaks in Basel
EC	11-09	12:30	ECB's Lagarde Speaks
SW	11-10	04:30	Riksbank publishes FX sales
SZ	11-10	05:00	SNB Vice President Martin Schlegel Speaks in Lausanne
EC	11-10	10:20	ECB's Nagel Speaks

## ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	11-05	18:50	BOJ Minutes of Sept. Meeting
JN	11-05	23:10	BOJ Governor Ueda Press Conference in Nagoya
<b>AU</b>	<b>11-06</b>	<b>22:30</b>	<b>RBA Cash Rate Target</b>
SK	11-06	00:00	BOK Minutes of Oct. Policy Meeting
JN	11-08	18:50	BOJ Summary of Opinions (Oct. MPM)
AU	11-09	19:30	RBA-Statement on Monetary Policy

## LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
<b>MX</b>	<b>11-09</b>	<b>14:00</b>	<b>Overnight Rate</b>
<b>PE</b>	<b>11-09</b>	<b>18:00</b>	<b>Reference Rate</b>

## 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	5.00	December 6, 2023	5.00	5.00
Federal Reserve – Federal Funds Target Rate	5.50	December 13, 2023	5.50	5.50
Banco de México – Overnight Rate	11.25	November 9, 2023	11.25	11.25

**Banco de México:** Central Bank of Mexico is expected to hold its overnight rate at 11.25% on Thursday for the fifth consecutive time. Banxico minutes showed that the Board will decide to keep rates high for longer and reduce the magnitude of cuts in 2024.

## 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	4.50	December 14, 2023	4.50	4.50
European Central Bank – Marginal Lending Facility Rate	4.75	December 14, 2023	4.75	4.75
European Central Bank – Deposit Facility Rate	4.00	December 14, 2023	4.00	4.00
Bank of England – Bank Rate	5.25	December 14, 2023	5.25	5.25
Swiss National Bank – Sight Deposit Rate	1.75	December 14, 2023	1.75	1.75
Central Bank of Russia – One-Week Auction Rate	15.00	December 15, 2023	n/a	n/a
Sweden Riksbank – Repo Rate	4.00	November 23, 2023	4.00	4.00
Norges Bank – Deposit Rate	4.25	December 14, 2023	4.50	4.50
Central Bank of Turkey – Benchmark Repo Rate	35.00	November 23, 2023	n/a	n/a

## 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	December 19, 2023	-0.10	-0.10
Reserve Bank of Australia – Cash Rate Target	4.10	November 6, 2023	4.35	4.35
Reserve Bank of New Zealand – Cash Rate	5.50	November 28, 2023	5.50	5.50
People's Bank of China – 1-Year Medium-Term Lending Facility Rate	2.50	November 14, 2023	2.50	2.50
Reserve Bank of India – Repo Rate	6.50	December 7, 2023	6.50	6.50
Bank of Korea – Base Rate	3.50	November 30, 2023	3.50	3.50
Bank of Thailand – Repo Rate	2.50	November 29, 2023	2.50	2.50
Bank Negara Malaysia – Overnight Policy Rate	3.00	January 24, 2024	3.00	3.00
Bank Indonesia – 7-Day Reverse Repo Rate	6.00	November 23, 2023	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	6.50	November 16, 2023	6.50	6.50

**Reserve Bank of Australia:** According to consensus, Reserve Bank of Australia is expected to hike its cash rate by 25bps on Monday after holding the rates at 4.10% for four straight months. Hiking rates was considered in the last meeting as per the minutes and the latest release of RBA's core cpi measures—trimmed mean & weighted median—showed inflation surprising on the upside of expectations. A majority of the consensus (18-2) are expecting a 25bps hike while a couple of them are expecting a pause. On the other hand, markets are pricing around 50% & 80% chances of a hike in November & December respectively.

## 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	12.25	December 13, 2023	11.75	11.75
Banco Central de Chile – Overnight Rate	9.00	December 19, 2023	8.50	8.00
Banco de la República de Colombia – Lending Rate	13.25	December 19, 2023	12.75	12.75
Banco Central de Reserva del Perú – Reference Rate	7.25	November 9, 2023	7.00	7.00

**Banco Central de Reserva del Perú:** Central Bank of Peru is expected to cut its reference rate by 25bps for a third time in a row, after October's weaker-than-expected headline inflation release. The decision will also consider weak economic performance and domestic demand together with risk of El Nino effects on exports.

## 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	8.25	November 23, 2023	8.25	8.25

Sources: Bloomberg, Scotiabank Economics.

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