Scotiabank

GLOBAL ECONOMICS

THE GLOBAL WEEK AHEAD

December 21, 2023

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With thanks for research support from: Cesar Amador.

Double Holiday Edition!

Risk Dashboard for Dec. 25th–Jan. 5th

Week of December 25th:

- A very quiet holiday markets calendar
- Spanish CPI kicks off Eurozone inflation tracking
- Light US, Japanese releases

Week of January 1st:

- US nonfarm: consensus expected absolutely none of this
- US wages are being paid for by productivity gains, unlike elsewhere
- A ruling on Trump's election eligibility faces an early new year deadline
- Trump poses more risk to the outlook than all other alternatives
- FOMC minutes to expand on rate cut dialogue
- Canadian jobs: a banner year no matter how it ends
- Canadian wage growth is skyrocketing
- PMIs: China, US-ISM, India, Mexico, Brazil
- Will Eurozone core CPI continue to cool?
- Inflation: Asia-Pacific, LatAm
- Other global indicators

HAPPY

Holidays

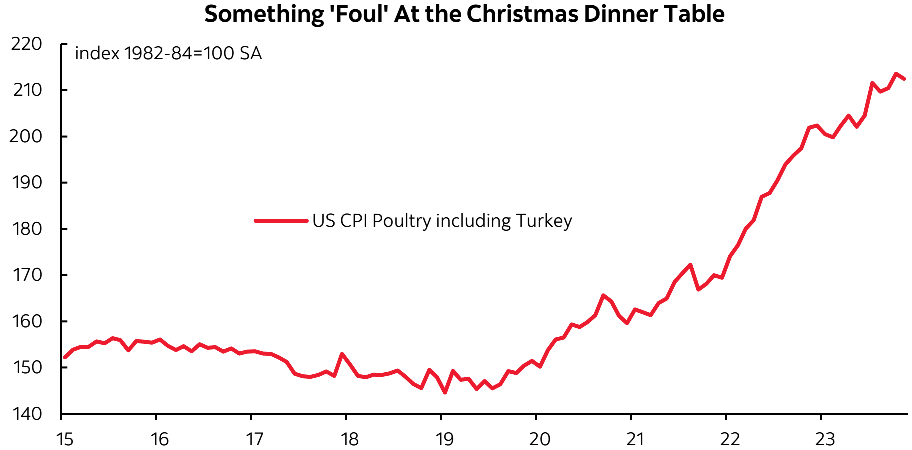
Best wishes for a safe and joyous holiday season from all of us.

To our clients & readers, thank you
for your continued interest in Scotiabank publications.

The next issue of *The Global Week Ahead* will be published on January 5, 2024.

Chart of the Week

Something 'Foul' At the Christmas Dinner Table



Scotiabank Economics, Bureau of Labor Statistics, Bloomberg.

Chart of the Week: Prepared by: Cesar Amador, Economic Analyst.

December 21, 2023

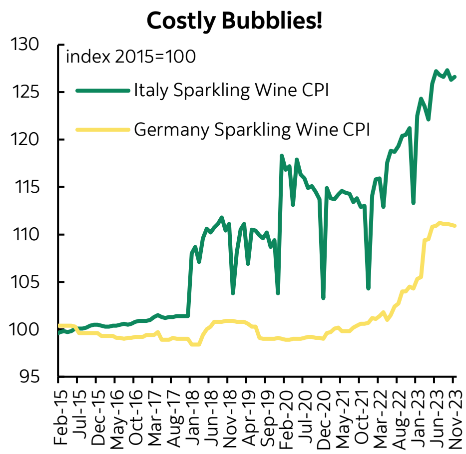
Double Holiday Edition!

This edition will cover the two weeks over the Christmas and New Year's holidays and through the first week of the new year when regular publishing will resume.

On behalf of the Scotiabank Economics team, I would like to extend the very best of the holiday season to our clients, friends and colleagues and a safe, healthy and prosperous new year. It may cost you more to reconnect and celebrate as evidenced by things like the cover chart's turkey prices and by chart 1, but the time spent together after years of turmoil is priceless.

The first week marked by the days immediately following Christmas will be a very quiet period at least for calendar-based forms of risk. The second week will bring several key developments across a number of global markets so rest up and be ready for what the new year brings!

Chart 1



Sources: Scotiabank Economics, ISTAT, and German Federal Statisical Office.

THE WEEK OF DECEMBER 25TH – 29TH 2023

The first of the two-week period will afford many of our readers the opportunity to connect with family and friends over Christmas and the year-end holiday period perhaps while thinking ahead to what lies in store for 2024. There will be very few calendar-based market developments while lighter than usual market liquidity could amplify volatility around any unexpected off-calendar developments.

Spain to Lead Eurozone Inflation Tracking

Spanish CPI inflation (Friday) will commence country-level tracking of December's Eurozone inflation that is due out the following Friday. Further declines in gasoline prices could continue to weigh on the headline reading.

A Few Light US Macro Reports

Minor US releases will be on the docket. Repeat sale home prices (Tuesday) will aim for the ninth consecutive monthly gain when October's reading arrives. Housing market developments will also be informed by pending home sales during November (Thursday). Weekly jobless claims (Thursday) could be in a period of uncertainty for seasonal adjustments given that the exact week in which the 25th Christmas holiday appears varies from year to year. The Richmond Fed's manufacturing gauge (Wednesday) will further inform ISM-manufacturing expectations and advance merchandise trade figures (Thursday) are unlikely to spike anyone's 'nog.

The Rest is Highlighted by Japanese Releases

Other highlights this week will include South Korean CPI for December (Thursday), several Japanese releases including the jobless rate for November (Monday), November retail sales, industrial production and housing starts (Wednesday). German retail sales will arrive at some point over the next couple of weeks and China's industrial profits for November are out on Tuesday.

THE WEEK OF JANUARY 1ST – 5TH 2024

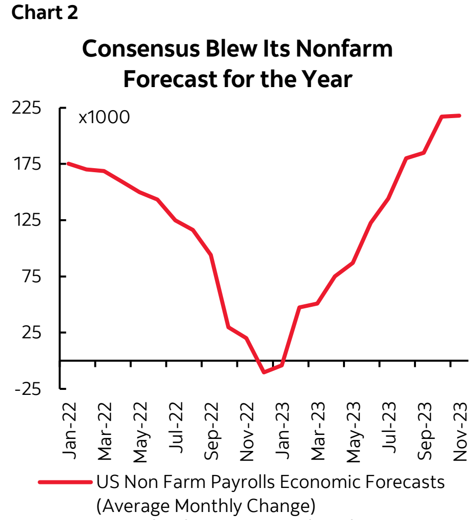
The first week of the new year will bring with it elevated calendar-based risk. US jobs and wages, Eurozone inflation, Canadian jobs and wages, FOMC minutes, Chinese PMIs, and a likely decision by the US Supreme Court on Trump's candidacy are among the highlights.

U.S. JOBS—The Year That Humbled Forecasters

Another batch of US job market figures including wages will arrive for the month of December on Friday January 5th. I've gone with an estimated gain of 200k plus a mild up-tick in the unemployment rate on the assumption that the household survey will find it hard to repeat the prior month's huge 747k gain in jobs relative to the 532k rise in the labour force.

Nonfarm payrolls are up by 2.6 million so far this year and consensus forecast absolutely none of it at the start of the year only to chase the numbers higher as the year wore on (chart 2). This is part of having blown forecasts for GDP growth that persistently outpaced expectations for each of the past six quarters and counting.

Chart 2



Sources: Scotiabank Economics, Bloomberg.

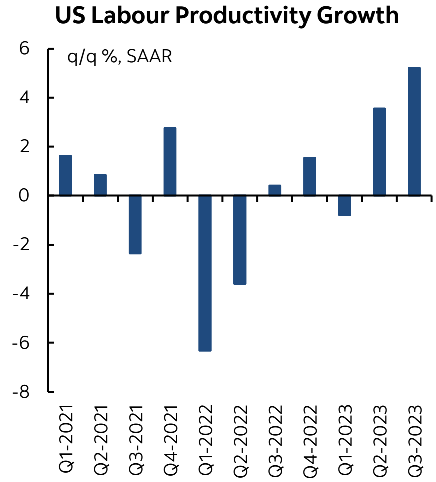
December 21, 2023

At this point, there are very few advance indicators of what to expect for nonfarm payrolls to go by, to the extent to which they are useful in any event. Each of the JOLTS postings and vacancies figures (January 3rd), Challenger layoffs (4th) and ADP private payrolls (4th) are not due out until the days leading up to the payrolls report. Ditto for ISM-manufacturing's employment subindex (Wednesday) and the ISM-services employment subindex (Friday).

About all we can point to by way of leading indicators are the improvement in consumers' perceptions toward the availability of jobs and jobless claims. Initial claims fell marginally between the November and December nonfarm reference periods. Consumer confidence subindices are showing that consumers perceived there to have been a significant seasonally adjusted pick-up in the availability of jobs in December.

On wages, the plus in America's favour is that moderate gains are recently being paid for by productivity growth (chart 3). Many of America's trading partners cannot say the same thing, such as Canada, the UK and the Eurozone to name a few. That said, the US witnessed a large rise in unit labour costs (productivity-adjusted employment costs) from 2020 through to early this year and so it's uncertain whether or not recent improvement will be the start of a trend or if renewed disappointment will set in.

Chart 3



Sources: Scotiabank Economics, Statistics Canada.

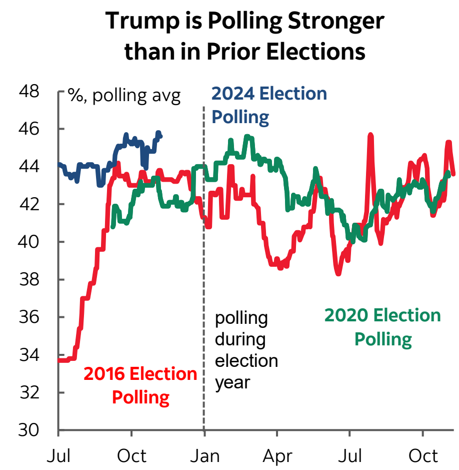
SUPREME COURT TO RULE ON TRUMP'S ELIGIBILITY

By Friday January 5th—the same day as payrolls and almost three years to the day after the attack by insurrectionists on the Capitol—the US Supreme Court must rule on an appeal by former President Trump of the decision by Colorado's Supreme Court that declared him ineligible to be on the state's ballot. It must do so if it wishes to comply with the statutory deadline for putting names on the ballot for the state's Republican primary on March 5th. It probably also has to do so quite soon given momentum elsewhere—such as in California—to perhaps expand upon the initiative by blocking Trump's name from the ballot while he is polling higher numbers than at a comparable point of either of the prior two election campaigns (chart 4).

What the Supreme Court may choose to do is highly uncertain especially for most of us who don't count ourselves as among the cottage industry of experts on the US Constitution and its interpretations over time!

The outcome of the appeal could well have far-reaching political and economic consequences. In my opinion, a failed appeal that upholds the Colorado court's ruling and by extension perhaps applies it across the land could spark a great deal of divisive political turmoil but may brighten the economic outlook after the election. By contrast, a successful appeal would also spark a great deal of divisive political turmoil but lessen some significant policy risks while keeping others amplified.

Chart 4



Sources: Scotiabank Economics, Real Clear Politics.

To be clear, I'm not talking about Trump's well documented character issues because that's rather well documented. I am speaking from the mind of an economist.

- Trump says he'll impose across-the-board tariff hikes that would trigger trade wars and hit c-suite confidence, curtailing hiring and investment plans at home and abroad. We saw that before the pandemic, when core capital goods orders were falling, core PCE inflation was waning, US two-year Treasuries were rallying and the dialogue was about Fed rate cuts even before the pandemic arrived. Trump's argument that tariffs work because the funds flow to the US Treasury is wrong because the proceeds would be siphoned from the pockets of American consumers and businesses and passed on by foreign targets depending upon how varying incidence effects operate.

- Trump could be perceived to pose renewed risk to NAFTA 2.0/CUSMA/USMCA or whatever one prefers to call it, plus other trade agreements. That could damage confidence across US, Canadian and Mexican businesses. His model of operating rests upon creating maximum uncertainty in his so-called 'art of the deal' approach.

- Trump could be destabilizing to other institutions such as the Federal Reserve. Chair Powell's second and final term ends on May 15th 2026 when his fourteen year limit on the Board of Governors is reached and it would be Trump appointing his successor. Can we trust him to appoint a balanced, respected, circumspect thinker or would he stack the deck with an obvious dove? I'm not sure we can have enough faith in Congress after the election to know.
- America needs to enforce its immigration policies and is challenged by high income discrepancies relative to Latin American economies, but his stance on immigration is far too disturbingly extreme for a country with an aging population that needs reasonable immigration as a driver of long run economic growth.
- His likely extension of Tax Cuts and Jobs Act provisions would further inflame pressures on the deficit beyond their slated expiration at the end of 2025; in today's changed bond market that could add to upward pressure upon yields, thereby making every business and household pay for the cut extensions and in the process raising the discount rate on future earnings in equity markets.
- Trump was not a fiscal conservative by any means when he was in office. From the 2016 election to just before the pandemic, the US fiscal deficit had widened from -3% of nominal GDP to -4.8%. He did absolutely nothing to rein it in and put in place measures that inflamed future deficit financing as part of what bond markets are dealing with now. The Biden administration then heaped on enormous spending partly as an extension of the same pandemic hit that disrupted finances in the late stages of the Trump administration, but well beyond that.
- Trump failed to move the needle on infrastructure spending in his first term and would be highly unlikely to meet success this time. In fairness, that's at least as much of a commentary about Congress as it is about Trump.
- His ability to steer a country through a crisis was an abject failure in the pandemic not least of which due to his efforts to discredit scientists and public health authorities.
- Trump's stance on geopolitical matters such as the war in Ukraine and tensions in the Taiwan Strait could result in American indifference and easily inflame tensions across global supply chains especially as they relate to Taiwan given its enormous role in the semiconductor and electrical components industries.
- Trump's sympathy for the world's despots—Putin, Xi Jinping, MBS, Orban— and his mocking of the basic principles of a democracy could be highly destabilizing to the rule of law with wide ranging potential implications.

I want to be clear that these observations are not to be taken as an endorsement of the Biden administration. Biden is no free trader and his fiscal policies have added to higher deficits for longer and associated bond market pressures. On a relative basis, however, it's my belief that Trump would be far more damaging to the outlook and there are less risky options on both sides.

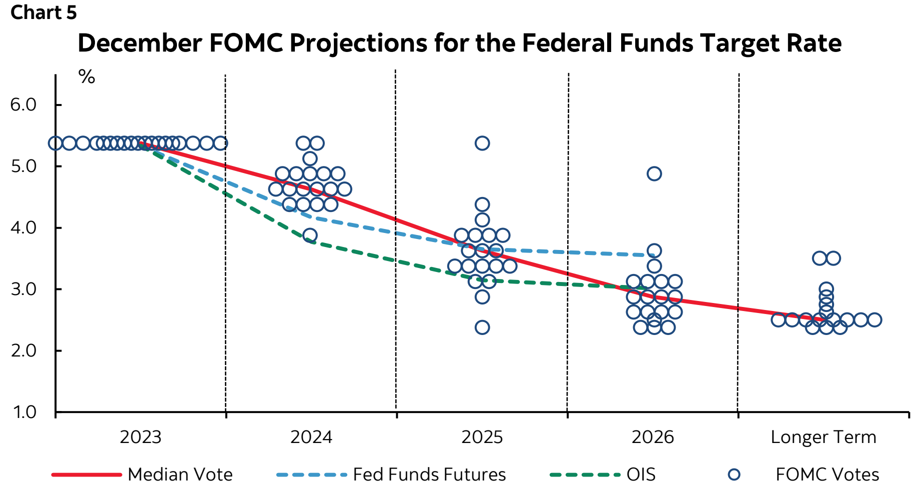
FOMC MINUTES—A Fuller Rate Cut Dialogue

Minutes to the December 12th – 13th FOMC meeting that culminated in a violent reaction in favour of easier financial conditions will arrive on Wednesday afternoon at 2pmET (recap **here**).

Sometimes the worst thing that can happen to a forecast is for people to believe it—and then some by overreacting. That's the dilemma facing the Federal Reserve as it tries to guide expectations for modest easing next year only to see markets push such expectations even higher and earlier.

I remain of the view that markets probably overreacted and so did a lot of the competitor commentary on how there was a big sudden pivot at the Fed. Here are the reasons for caution in that regard:

Chart 5



Note: OIS & Fed Fund Futures as of Dec 13, 2023.
Sources: Scotiabank Economics, US Federal Reserve.

- Folks point to the Fed showing rate cuts next year as if it's a fresh development. They've been showing cuts in 2024 off 2023 levels in every single dot plot since June 2022.

- Others say that it was a pivot because they removed an extra hike for this year from the September 2023 dot plot. While that's true, it shouldn't have surprised anyone. Everyone thought the dots would flatten out this year. Markets had removed another hike long ago. FOMC officials were increasingly guiding they thought they might be done before the recent meeting.
- The fact they added an extra 25bps to cuts in the median projection for next year was taken as evidence of a pivot. I don't view that as a tweak rather than a pivot to go from a median dot showing 50bps of cuts to 75bps now.
- Some are saying there's a broader consensus on the FOMC in favour of easing. Check out the individual dots in chart 5 once more and let me know if you see a grand consensus. Next year's 75bps of easing by the median participant masks the fact that there are only six out of 19 dots in that camp with four calling for -100bps and one calling for -175bps, but in the other direction there are five saying they favour -50bps, 1 favouring only -25bps and two saying they shouldn't be easing at all. You call that a consensus? It sounds to me like a muffin fight went on during that meeting!

As argued at the time, the only way I can rationalize the market reaction to the Fed is either positioning swings and/or that markets know the Fed can miss inflection points and so when they heard -75bps, markets went back to their history books and interpreted it as more than that. This could be the correct assumption, but it might not be at all if history offers no guide to today's different circumstances.

In any event, Chair Powell did intimate that the minutes would contain a further discussion on when to cut when he was asked during his recent press conference about when it will begin to become appropriate to begin easing and responded with "That was a discussion point in our meeting today." Since the minutes recap the discussion, they are very likely to expand upon the dialogue. I would expect the same diverse range of views as reflected in the diverse array of dots for next year.

One key may be reference to the breadth of support against prematurely easing monetary policy using the Fed' language that connotes frequency of citation (none, one, a couple, a few, some, several, many, most, generally all etc).

For now, they are all just opinions. The Fed is subject to the same shortcomings as everyone else when it comes to forecasting achievement of their dual mandate. For instance, as chart 6 shows, the number of FOMC officials who think core PCE inflation risk is pointed higher merely tends to move with the latest inflation numbers. If the Suez Canal, US economic resilience, tensions around Taiwan or any number of other significant risks to forecasting inflation were to raise reported inflation then the officials would chase that higher too. Compounding this tendency is the chicken-and-egg argument that easing should arrive as projected inflation falls which clearly rests upon the ability to forecast inflation. Needless to say that hasn't been a strong suit for basically anyone.

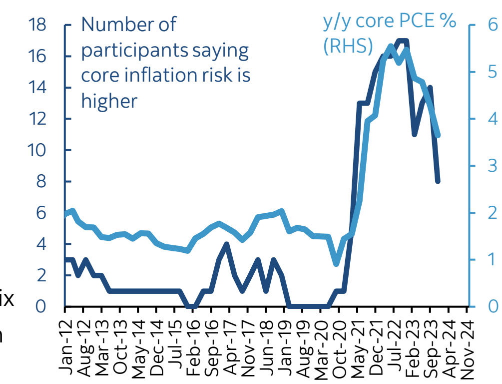
CANADIAN JOBS—A BANNER YEAR REGARDLESS OF HOW IT ENDS

Canada updates jobs and wages for December on Friday January 5th. I've gone with a guesstimated gain of 25,000 and a slight uptick in the unemployment rate as the pace of labour force expansion through population growth is likely to continue to exceed job growth.

Vacancies remain high (chart 7) and immigration is explosively above reasonable levels in relation to the ability of the country to absorb so much so quickly but at the margin the two forces should continue to support employment levels.

Chart 6

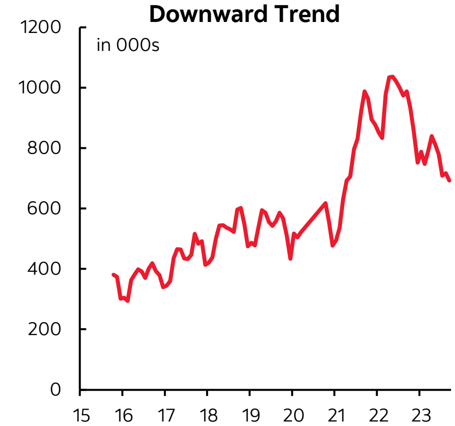
Fed Officials Following the Trend in Saying Inflation Risk is Declining



Sources: Scotiabank Economics, Bloomberg.

Chart 7

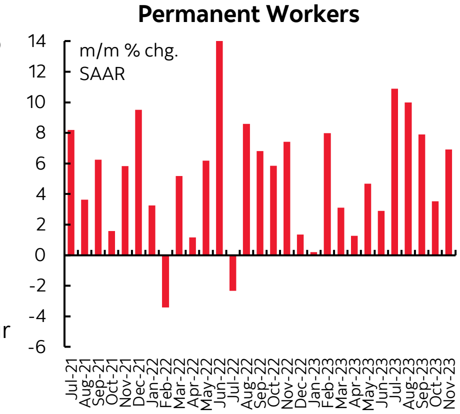
Canadian Job Vacancies Continuing Downward Trend



Sources: Scotiabank Economics, Statistics Canada.

Chart 8

Average Hourly Wages of Permanent Workers

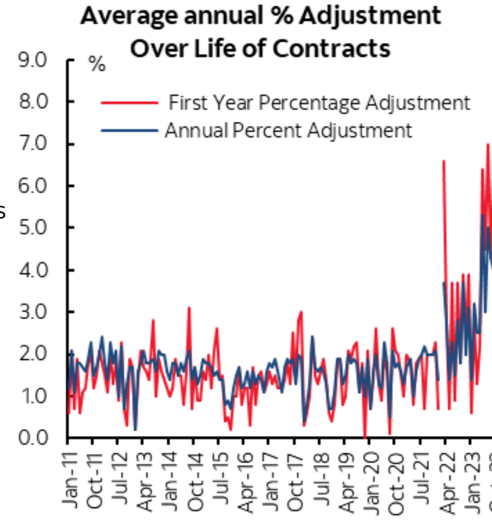


Sources: Scotiabank Economics, Statistics Canada, Haver.

Key will also be wages that have been rising at a hot pace including the reacceleration in November (chart 8).

Collective bargaining decisions are cementing years of massive wage gains at rates far above the BoC's 2% inflation target (chart 9). In October (November data will be released over the holidays), three agreements established a first-year wage adjustment of 8.3% on average and 5% over the average 43 months of the contracts. In September, the contracts established a first-year wage gain of 6.3% and an average of 4% over the average 37 months of that month's agreements. The pattern across agreements over recent months has been to set explosive wage gains. In a labour market in which one-in-three workers are unionized (versus 10% in the US) that matters a lot for informing overall wage pressures across the economy and with likely spillover effects on nonunionized sectors ongoing.

Chart 9

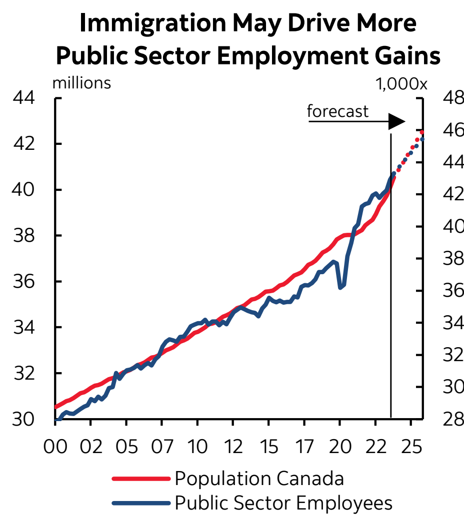


Sources: Scotiabank Economics, Statistics Canada.

It has been another banner year for job growth in Canada despite the cloud of doom that has hung over so much of the commentary from others. 430,000 jobs have been created so far with one more month to go. Most of them (about 350k) have been full-time jobs. The majority (about 290k) have been private payrolls jobs as public payroll employment went up by about 144k and self-employment was little changed.

That came as a surprise to the Canadian consensus that came into the year projecting a year-end unemployment rate of 6½% versus what has been a reasonably stable 5¾% rate over recent months that is up from 5% at the start of the year.

Chart 10



Sources: Scotiabank Economics, Bloomberg.

The reason for the rise in unemployment is meaningful. If it were due to mass job losses as some anticipated then that would be one thing, but it hasn't risen for this reason. It has risen because of rapid population growth that drove a large expansion of the labour force of about 627k so far this year.

Could employment prove to be relatively resilient in 2024 or with only relatively mild softness? I think so and for several reasons beyond our assumed soft landing macroeconomic scenario.

About half of the 1.1 million jobs gained since the start of the pandemic have been in the public sector and no government has a material austerity program in place. About 21% of total employment is directly in the public sector, plus some of the self-employed category that makes up another 13%.

In fact, as population rises, public sector employment is likely to continue rising. Public sector employment has been a remarkably constant share of total population of about 10% for years. As Canada continues to experience extremely rapid population growth, applying this constant share could result in about another 100,000 public sector jobs created in each of the next two years (chart 10).

How so? Because delivery of health, education and social services is people intensive and so as population rises, more people are required to deliver these services. Productivity in the public sector is weak everywhere, albeit difficult to measure. The UK's efforts to tackle the challenge of poor public sector productivity may bear fruit, but as population rapidly escalates there will be a need for more teachers, more nurses, more doctors, more workers in general across many activities that typically fall within the public sector in Canada.

An added reason for potential resilience could be labour hoarding in the economy; give up talent and you may never get it back. Canada's historic bias in favour of preserving bodies over productivity through both public and private sector attitudes may be an additional argument. So could reasons to expect a reasonably soft landing in the economy that looks through to improved conditions as rates eventually ease.

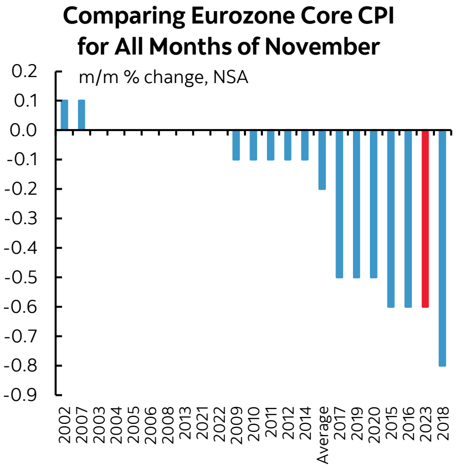
Higher levels of immigration result in opportunities created by the new arrivals some of whom start their own businesses.

EUROZONE CPI—Core Inflation is Cooling

We'll find out how Eurozone inflation ended 2023 just before US payrolls land on Friday January 5th.

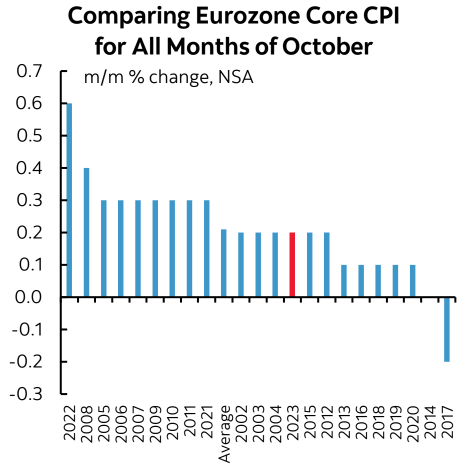
Spain's release on December 29th could start to inform expectations. It will then take until Thursday January 4th for France and Germany to weigh in with Italy releasing on the same day as the Eurozone tally.

Chart 11



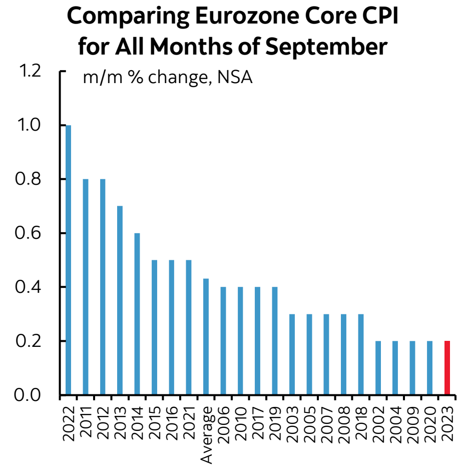
Sources: Scotiabank Economics, Eurostat.

Chart 12



Sources: Scotiabank Economics, Eurostat.

Chart 13

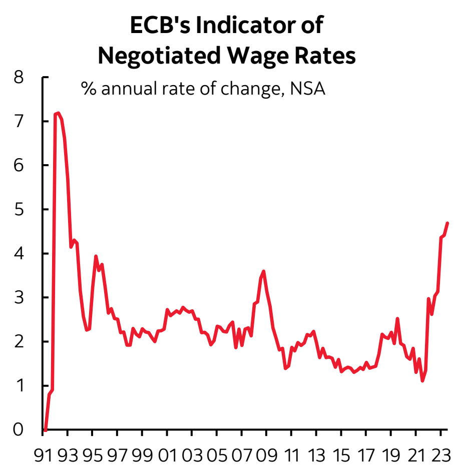


Sources: Scotiabank Economics, Eurostat.

December is normally a seasonal up-month for price pressures. That means that the -0.6% m/m NSA dip in headline Eurozone CPI in November that was softer than consensus expectations for a -0.2% reading should post a significant rebound. Weighing on this prospect is that gasoline prices continued to decline in December over November.

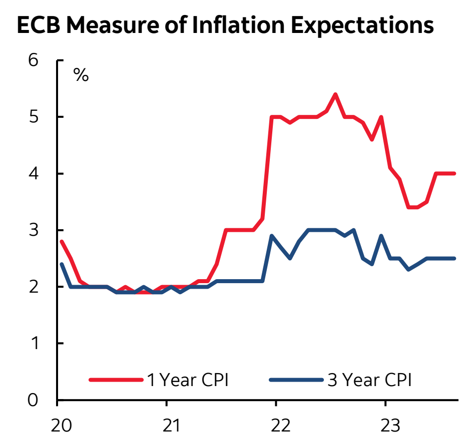
Nevertheless, key will be core inflation that may decelerate again in y/y terms partly due to year-ago base effects amid uncertainty around the pressures at the margin.

Chart 14



Sources: Scotiabank Economics, European Central Bank (ECB).

Chart 15



Sources: Scotiabank Economics, ECB.

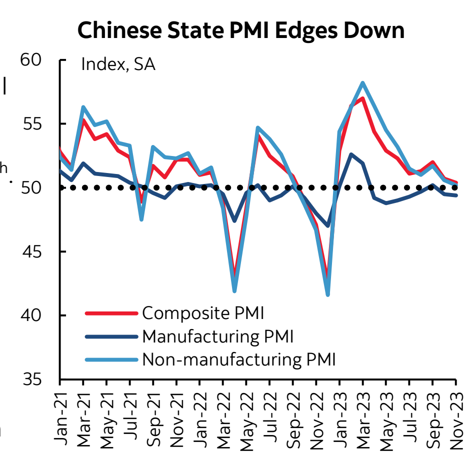
The Eurozone is showing convincing softening of core inflation in month-over-month terms as the last three months have all put in seasonally unadjusted readings that have been softer than like months in history (charts 11–13). Whether that continues or not is uncertain in the face of high wage pressures (chart 14), high inflation expectations (chart 15) and geopolitical considerations such as monitoring of supply chain pressures related to the Suez Canal.

GLOBAL MACRO—PMIs in Focus

The transition from the end of 2023 into the first week of the new year will complement the focus upon US and Canadian jobs reports with a number of other potentially impactful readings. Key will be purchasing managers' indices out China, the US and India.

China updates the state's purchasing managers' indices for December on Saturday December 30th. China has been barely eking out any growth of late according to these measures with the non-manufacturing sector barely expanding and the manufacturing sector slightly contracting. They have combined to drive the composite PMI lower since a temporary surge after abandoning Covid Zero restrictions (chart 16).

Chart 16



Sources: Scotiabank Economics, China Federation of Logistics & Purchasing.

Other US releases beyond job market readings will include the following:

- **Construction spending (Tuesday):** November's release will try to make it eleven in a row with every month this year having registered a gain.

- **ISM-mfrg (Wednesday):** December's soft data ISM-manufacturing reading is likely to extend the sectors contraction to 14 consecutive months with new orders shrinking for probably 16 straight months since the initial pandemic rebound began cooling on the goods side of the economy. Except of course for the fact that the hard data has shown only three dips so far this year.
- **Vehicle sales (Wednesday):** Industry guidance points to a flat reading of 15.4 million cars and trucks sold in December at a seasonally adjusted and annualized rate that is unchanged over November.
- **Factory orders (Friday):** At the point of publication we don't even have durable goods orders and so we are reserving judgement toward November's reading for total factory orders.
- **ISM-services (Friday):** Can December's reading sustain the momentum in November's evidence of accelerated growth in the services service?

India updates its purchasing managers' indices for December on January 3rd. Unlike China's, they have remained quite buoyant.

Brazil's on the other hand, have been indicating slight growth in the economy led by services and December's updates on January 2nd and 4th will probably stick to the trend.

A similar outcome is expected when Mexico updates its PMIs on January 2nd.

A number of LatAm and Asia-Pacific economies will update inflation reports for December into the new year including Peru, Indonesia, Philippines, Taiwan and Thailand.

Also watch Banxico minutes on January 4th and German retail sales and unemployment.

Key Indicators for the weeks of December 25 – January 5

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	12-26	09:00	S&P/Case-Shiller Home Price Index (m/m)	Oct	0.7	0.6	0.7
US	12-26	09:00	S&P/Case-Shiller Home Price Index (y/y)	Oct	5.1	--	3.9
US	12-26	10:30	Dallas Fed. Manufacturing Activity	Dec	--	--	-19.9
US	12-27	07:00	MBA Mortgage Applications (w/w)	Dec	--	--	-1.5
US	12-27	10:00	Richmond Fed Manufacturing Index	Dec	--	--	-5.0
MX	12-28	07:00	Unemployment Rate (%)	Nov	--	2.8	2.8
US	12-28	08:30	Initial Jobless Claims (000s)	Dec	210	215.0	205.0
US	12-28	08:30	Continuing Claims (000s)	Dec	1880	1880.0	1865.0
US	12-28	08:30	Wholesale Inventories (m/m)	Nov P	--	-0.1	-0.4
US	12-28	10:00	Pending Home Sales (m/m)	Nov	--	1.0	-1.5
US	12-29	09:45	Chicago PMI	Dec	--	50.0	55.8
US	01-02	10:00	Construction Spending (m/m)	Nov	0.5	0.5	0.6
US	01-03	09:00	Total Vehicle Sales (mn a.r.)	Dec	15.4	15.5	15.3
US	01-03	10:00	ISM Manufacturing Index	Dec	47.0	47.4	46.7
US	01-03	10:00	JOLTS Job Openings (000s)	Nov	--	8750.0	8733.0
US	01-03	14:00	FOMC Meeting Minutes				
US	01-04	08:15	ADP Employment Report (000s m/m)	Dec	130	110.0	103.0
US	01-04	08:30	Initial Jobless Claims (000s)	Dec	210	215.0	205.0
US	01-04	08:30	Continuing Claims (000s)	Dec	1885	1880.0	1865.0
CA	01-05	08:30	Employment (000s m/m)	Dec	25	--	24.9
CA	01-05	08:30	Unemployment Rate (%)	Dec	5.8	--	5.8
US	01-05	08:30	Average Hourly Earnings (m/m)	Dec	0.3	0.3	0.4
US	01-05	08:30	Average Hourly Earnings (y/y)	Dec	3.9	--	4.0
US	01-05	08:30	Average Weekly Hours	Dec	--	34.4	34.4
US	01-05	08:30	Nonfarm Employment Report (000s m/m)	Dec	200	158.0	199.0
US	01-05	08:30	Unemployment Rate (%)	Dec	3.8	3.8	3.7
US	01-05	08:30	Household Employment Report (000s m/m)	Dec	--	--	747.0
US	01-05	10:00	Factory Orders (m/m)	Nov	--	1.4	-3.6
US	01-05	10:00	ISM Non-Manufacturing Composite	Dec	53.0	52.6	52.7

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	12-27	02:00	Retail Sales (m/m)	Nov	-0.5	1.2
UK	12-28	02:00	Nationwide House Prices (m/m)	Dec	--	0.2
SP	12-28	03:00	Real Retail Sales (y/y)	Nov	--	4.5
SP	12-29	03:00	CPI (m/m)	Dec P	0.2	-0.3
SP	12-29	03:00	CPI (y/y)	Dec P	3.3	3.2
SP	12-29	03:00	CPI - EU Harmonized (m/m)	Dec P	--	-0.5
SP	12-29	03:00	CPI - EU Harmonized (y/y)	Dec P	3.3	3.3
SP	12-29	04:00	Current Account (€ bn)	Oct	--	3.5
RU	12-29	11:00	Real GDP (y/y)	3Q F	--	5.50
IT	01-02	03:45	Manufacturing PMI	Dec	--	44.4
FR	01-02	03:50	Manufacturing PMI	Dec F	--	42.0
GE	01-02	03:55	Manufacturing PMI	Dec F	43.1	43.1
EC	01-02	04:00	Manufacturing PMI	Dec F	44.2	44.2
UK	01-02	04:30	Manufacturing PMI	Dec F	46.4	46.4
IT	01-02	13:00	Budget Balance (€ bn)	Dec	--	-1.1
IT	01-02	13:00	Budget Balance YTD (€ bn)	Dec	--	-79.2
GE	01-03	03:55	Unemployment (000s)	Dec	20	22.0
GE	01-03	03:55	Unemployment Rate (%)	Dec	5.9	5.9
FR	01-04	02:45	CPI (m/m)	Dec P	--	-0.2
FR	01-04	02:45	CPI (y/y)	Dec P	3.7	3.5
FR	01-04	02:45	CPI - EU Harmonized (m/m)	Dec P	0.2	0.0
FR	01-04	02:45	CPI - EU Harmonized (y/y)	Dec P	4.2	3.9
IT	01-04	03:45	Services PMI	Dec	--	49.5
FR	01-04	03:50	Services PMI	Dec F	--	44.3
GE	01-04	03:55	Services PMI	Dec F	48.4	48.4

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

Key Indicators for the weeks of December 25 – January 5

EUROPE *(continued from previous page)*

Country	Date	Time	Indicator	Period	Consensus	Latest
EC	01-04	04:00	Composite PMI	Dec F	47	47.0
EC	01-04	04:00	Services PMI	Dec F	48.1	48.1
UK	01-04	04:30	Net Consumer Credit (£ bn)	Nov	--	1.3
UK	01-04	04:30	Official Reserves Changes (US$ bn)	Dec	--	2227.0
UK	01-04	04:30	Services PMI	Dec F	52.7	52.7
GE	01-04	08:00	CPI (m/m)	Dec P	0.2	-0.4
GE	01-04	08:00	CPI (y/y)	Dec P	3.8	3.2
GE	01-04	08:00	CPI - EU Harmonized (m/m)	Dec P	0.3	-0.7
GE	01-04	08:00	CPI - EU Harmonized (y/y)	Dec P	3.9	2.3
UK	01-05	04:30	PMI Construction	Dec	--	45.5
EC	01-05	05:00	Euro zone CPI Estimate (y/y)	Dec	2.9	2.4
EC	01-05	05:00	PPI (m/m)	Nov	--	0.2
IT	01-05	05:00	CPI (m/m)	Dec P	--	-0.5
IT	01-05	05:00	CPI (y/y)	Dec P	--	0.7
IT	01-05	05:00	CPI - EU Harmonized (m/m)	Dec P	0.3	-0.6
IT	01-05	05:00	CPI - EU Harmonized (y/y)	Dec P	0.5	0.6

ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
JN	12-25	00:00	Coincident Index CI	Oct F	--	115.9
JN	12-25	00:00	Leading Index CI	Oct F	--	108.7
JN	12-25	00:00	New Composite Leading Economic Index	Oct F	--	108.7
JN	12-25	00:30	Nationwide Department Store Sales (y/y)	Nov	--	6.1
TA	12-25	03:00	Industrial Production (y/y)	Nov	-1.0	-2.3
JN	12-25	18:30	Jobless Rate (%)	Nov	2.6	2.5
TH	12-25	22:00	Customs Exports (y/y)	Nov	5.5	8.0
TH	12-25	22:00	Customs Imports (y/y)	Nov	2.8	10.2
TH	12-25	22:00	Customs Trade Balance (US$ mn)	Nov	-475.5	-832.3
SI	12-26	00:00	CPI (m/m)	Nov	--	0.2
SI	12-26	00:00	CPI (y/y)	Nov	3.9	4.7
SI	12-26	00:00	Industrial Production (m/m)	Nov	-5.0	9.8
SI	12-26	00:00	Industrial Production (y/y)	Nov	1.7	7.4
JN	12-26	01:00	Machine Tool Orders (y/y)	Nov F	--	-13.6
SK	12-26	16:00	Consumer Confidence Index	Dec	--	97.2
CH	12-26	20:30	Industrial Profits YTD (y/y)	Nov	--	2.7
SK	12-26	21:00	Discount Store Sales (y/y)	Nov	--	-4.1
SK	12-26	21:00	Department Store Sales (y/y)	Nov	--	-2.6
JN	12-27	00:00	Housing Starts (y/y)	Nov	-3.9	-6.3
SK	12-27	16:00	Business Survey- Manufacturing	Jan	--	68.0
SK	12-27	16:00	Business Survey- Non-Manufacturing	Jan	--	71.0
SK	12-27	18:00	Industrial Production (m/m)	Nov	1.6	-3.5
SK	12-27	18:00	Industrial Production (y/y)	Nov	3.5	1.1
SK	12-27	18:00	Cyclical Leading Index Change	Nov	--	0.3
JN	12-27	18:50	Industrial Production (m/m)	Nov P	-1.4	1.3
JN	12-27	18:50	Large Retailers' Sales (y/y)	Nov	--	3.7
JN	12-27	18:50	Retail Trade (m/m)	Nov	0.5	-1.7
JN	12-27	18:50	Retail Trade (y/y)	Nov	5.5	4.1
JN	12-27	18:50	Industrial Production (y/y)	Nov P	-1.4	1.1
TH	12-28	02:00	Current Account Balance (US$ mn)	Nov	1163.0	665.0
TH	12-28	02:30	Exports (y/y)	Nov	--	7.0
TH	12-28	02:30	Imports (y/y)	Nov	--	10.5
TH	12-28	02:30	Trade Balance (US$ mn)	Nov	--	1265.0
HK	12-28	03:30	Exports (y/y)	Nov	--	1.4
HK	12-28	03:30	Imports (y/y)	Nov	--	2.6
HK	12-28	03:30	Trade Balance (HKD bn)	Nov	--	-25.8
SK	12-28	18:00	CPI (m/m)	Dec	0.3	-0.5
SK	12-28	18:00	CPI (y/y)	Dec	3.2	3.3
PH	12-28	21:00	Budget Deficit/Surplus (PHP bn)	Nov	--	-34.4

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

Key Indicators for the weeks of December 25 – January 5

ASIA PACIFIC *(continued from previous page)*

Country	Date	Time	Indicator	Period	Consensus	Latest
HK	12-29	03:30	Govt Monthly Budget Surp/Def (HKD bn)	Nov	--	-15.2
IN	12-29	05:30	Fiscal Deficit (INR Crore)	Nov	--	101839.00
IN	12-29	07:00	Current Account Balance	3Q	-9.00	-9.20
PH	12-29	09:00	Bank Lending (y/y)	Nov	--	6.9
VN	12-29	21:00	CPI (y/y)	Dec	3.8	3.5
VN	12-29	21:00	Industrial Production (y/y)	Dec	--	5.8
CH	12-30	20:30	Manufacturing PMI	Dec	50.0	49.4
CH	12-30	20:30	Non-manufacturing PMI	Dec	50.5	50.2
SK	12-31	19:00	Exports (y/y)	Dec	--	7.7
SK	12-31	19:00	Imports (y/y)	Dec	--	-11.6
SK	12-31	19:00	Trade Balance (US$ mn)	Dec	--	3778.0
CH	01-01	20:45	Caixin Flash China Manufacturing PMI	Dec	--	50.7
CH	01-01	20:45	Caixin Manufacturing PMI	Dec	--	50.7
ID	01-01	23:00	CPI (y/y)	Dec	2.8	2.9
ID	01-01	23:00	CPI (m/m)	Dec	0.6	0.4
ID	01-01	23:00	Core CPI (y/y)	Dec	1.9	1.9
TH	01-03	02:30	Business Sentiment Index	Dec	--	49.0
SI	01-03	08:00	Purchasing Managers Index	Dec	--	50.3
HK	01-03	19:30	Purchasing Managers Index	Dec	--	50.1
JN	01-03	19:30	Markit/JMMA Manufacturing PMI	Dec F	--	47.7
CH	01-03	20:45	Caixin Services PMI	Dec	--	51.5
HK	01-04	03:30	Retail Sales - Value (y/y)	Nov	--	5.6
HK	01-04	03:30	Retail Sales - Volume (y/y)	Nov	--	2.7
SI	01-04	04:00	Foreign Reserves (US$ mn)	Dec	--	345464.4
JN	01-04	18:50	Monetary Base (y/y)	Dec	--	8.9
TH	01-04	22:30	CPI (y/y)	Dec	-0.3	-0.4
TH	01-04	22:30	CPI (m/m)	Dec	--	-0.3
TH	01-04	22:30	Core CPI (y/y)	Dec	--	0.6
JN	01-05	00:00	Consumer Confidence	Dec	--	36.1
SI	01-05	00:00	Retail Sales (m/m)	Nov	--	-0.8
SI	01-05	00:00	Retail Sales (y/y)	Nov	--	-0.1
TA	01-05	03:00	CPI (y/y)	Dec	--	2.9
PH	01-05	20:00	Unemployment Rate (%)	Nov	--	4.2

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	12-28	07:00	IBGE Inflation IPCA-15 (m/m)	Dec	--	0.3	0.3
BZ	12-28	07:00	IBGE Inflation IPCA-15 (y/y)	Dec	--	4.6	4.8
CL	12-29	07:00	Industrial Production (y/y)	Nov	--	--	9.5
CL	12-29	07:00	Retail Sales (y/y)	Nov	-4.0	--	-6.9
CL	12-29	07:00	Unemployment Rate (%)	Nov	8.7	--	8.9
CO	12-29	10:00	Urban Unemployment Rate (%)	Nov	--	9.2	9.0
PE	01-01	12:00	Consumer Price Index (m/m)	Dec	0.26	--	-0.16
PE	01-01	12:00	Consumer Price Index (y/y)	Dec	3.1	--	3.6
BZ	01-02	08:00	PMI Manufacturing Index	Dec	--	--	49.4
BZ	01-02	13:00	Trade Balance (FOB) - Monthly (US$ mn)	Dec	--	--	8775.7
BZ	01-05	07:00	Industrial Production SA (m/m)	Nov	--	--	0.1
BZ	01-05	07:00	Industrial Production (y/y)	Nov	--	--	1.2

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

Global Auctions for the weeks of December 25 – January 5

NORTH AMERICA

Country	Date	Time	Event
US	12-26	13:00	U.S. To Sell 2-Year Notes
US	12-27	13:00	U.S. To Sell 5-Year Notes
US	12-28	13:00	U.S. To Sell 7-Year Notes

EUROPE

Country	Date	Time	Event
IT	12-27	05:00	Italy Cancels Bond Auction
IT	12-28	05:00	Italy Cancels Bond Auction
SP	01-04	04:30	Spain to Sell Bonds
FR	01-04	04:50	France to Sell Bonds
UK	01-04	05:00	UK to Sell 3.75% 2038 Bonds

ASIA PACIFIC

Country	Date	Time	Event
JN	12-25	22:35	Japan to Sell 2-Year Bonds
PK	12-27	09:00	Pakistan to Sell Bonds
PK	01-03	09:00	Pakistan to Sell Bonds

LATIN AMERICA

Country	Date	Time	Event
No Scheduled Auctions			

Sources: Bloomberg, Scotiabank Economics.

Events for the weeks of December 25 – January 5

NORTH AMERICA

Country	Date	Time	Event
US	01-03	14:00	FOMC Meeting Minutes
MX	01-04	10:00	Central Bank Monetary Policy Minutes

EUROPE

Country	Date	Time	Event
SZ	12-27	04:00	Domestic Sight Deposits CHF
SZ	12-27	04:00	Total Sight Deposits CHF
SW	12-29	04:30	Riksbank publishes FX sales
SZ	01-02	04:00	Domestic Sight Deposits CHF
SZ	01-02	04:00	Total Sight Deposits CHF
SZ	01-05	03:00	Foreign Currency Reserves

ASIA PACIFIC

Country	Date	Time	Event
JN	12-24	20:10	BOJ Outright Bond Purchase 25Years~
JN	12-24	20:10	BOJ Outright Bond Purchase 10~25Years
JN	12-24	20:10	BOJ Outright Bond Purchase 3~5 Years
JN	12-24	20:10	BOJ Outright Bond Purchase 5~10 Years
JN	12-24	00:00	BOJ Governor Ueda Speech at the Keidanren Meeting in Tokyo
JN	12-26	18:50	BOJ Summary of Opinions (Dec. MPM)
SL	01-04	00:00	Gross Official Reserves

LATIN AMERICA

Country	Date	Time	Event
TR	**12-29**		**Central Bank Repurchase Rate**
UR	**12-29**		**Monetary Policy Rate**
DR	**12-31**		**Overnight Rate**
MX	01-04	10:00	Central Bank Monetary Policy Minutes

Sources: 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	5.00	January 24, 2024	5.00	5.00
Federal Reserve – Federal Funds Target Rate	5.50	January 31, 2024	5.50	5.50
Banco de México – Overnight Rate	11.25	February 8, 2024	11.25	11.25

FOMC Minutes: Minutes to the December 12th-13th FOMC meeting arrive on Wednesday January 3rd at 2pmET. Watch for a further discussion on the Committee's range of opinions around reducing the fed funds policy rate in terms of magnitudes and potential timing. Chair Powell made it clear "That was a discussion point in our meeting today" which signals that a richer dialogue went on behind the scenes that is likely to be informed by the minutes using the Fed's frequency of citations language around key viewpoints.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	4.50	January 25, 2024	4.50	4.50
European Central Bank – Marginal Lending Facility Rate	4.75	January 25, 2024	4.75	4.75
European Central Bank – Deposit Facility Rate	4.00	January 25, 2024	4.00	4.00
Bank of England – Bank Rate	5.25	February 1, 2024	5.25	5.25
Swiss National Bank – Sight Deposit Rate	1.75	March 21, 2024	1.75	1.75
Central Bank of Russia – One-Week Auction Rate	16.00	February 16, 2024	16.00	16.00
Sweden Riksbank – Repo Rate	4.00	February 1, 2024	4.00	4.00
Norges Bank – Deposit Rate	4.50	January 25, 2024	4.50	4.50
Central Bank of Turkey – Benchmark Repo Rate	42.50	January 25, 2024	42.50	42.50

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	January 23, 2024	-0.10	-0.10
Reserve Bank of Australia – Cash Rate Target	4.35	February 5, 2024	4.35	4.35
Reserve Bank of New Zealand – Cash Rate	5.50	February 27, 2024	5.50	5.50
People's Bank of China – 1-Year Medium-Term Lending Facility Rate	2.50	January 14, 2024	2.50	2.50
Reserve Bank of India – Repo Rate	6.50	February 7, 2024	6.50	6.50
Bank of Korea – Base Rate	3.50	January 11, 2024	3.50	3.50
Bank of Thailand – Repo Rate	2.50	February 7, 2024	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	January 25, 2024	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	6.50	February 9, 2024	6.50	6.50

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	11.75	January 31, 2024	11.25	11.25
Banco Central de Chile – Overnight Rate	8.25	January 31, 2024	7.75	n/a
Banco de la República de Colombia – Lending Rate	13.00	January 31, 2024	12.50	n/a
Banco Central de Reserva del Perú – Reference Rate	6.75	January 11, 2024	6.50	n/a

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	8.25	January 25, 2024	8.25	8.25

Sources: Bloomberg, Scotiabank Economics.