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

- Wednesday will pack a punch
- BoC: the hawkish case outweighs a dovish pivot
- US core CPI will help inform soft patch versus persistence
- FOMC minutes to further inform QT debate
- ECB: why perfectly priced for June?
- CBs: RBNZ, Peru, BoT, BoK, BSP
- CPI: China, Chile, Mexico, Brazil, India, Taiwan, Norway, Sweden

#### Hawks to Prey on Doves

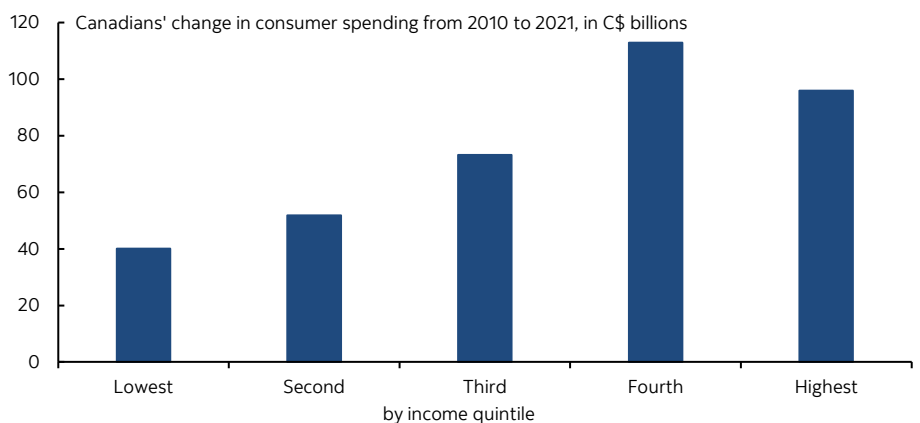
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#### Chart of the Week

##### Beware Canadian Tax Hikes on Upper Income Earners



Sources: Scotiabank Economics, Statistics Canada.

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

## Hawks to Prey on Doves

Maybe don't book Wednesday off. Just saying.

Three of the week's four biggest developments will unfold on that day over less than six hours from start to finish. It starts with US CPI, then moves on to the Bank of Canada and wraps up with the FOMC minutes to the March meeting. Many of the other calendar-based developments are more likely to play backseat roles and that could also include China's CPI reading later that evening and then the Thursday's ECB deliberations. Several other central banks will also weigh in.

My main focus this week will be upon the BoC. While there are points to be made on both sides, I think the outcome will favour the hawks.

### BANK OF CANADA—THE HAWKISH CASE OUTWEIGHS A DOVISH PIVOT

The Bank of Canada weighs in with a policy decision, statement, and full Monetary Policy Report including updated forecasts (9:45amET) and then a press conference (10:30amET) on Wednesday. No policy rate change is expected and they've ruled out changes to quantitative tightening for now. Key will be the bias, and on that, they should be exceptionally careful.

It's been a tough stretch for the Bank of Canada's forecasts. Developments since they last forecast back in January have just been too darn rosy relative to the BoC's gloom in order to merit a dovish pivot any time soon.

### The Doves' Case

Let's clip their wings before turning to the rest of the narrative. You could argue that the BoC will turn more dovish because of two back-to-back soft readings for core inflation, because of limited evidence that businesses' signalled a reduction in the size and frequency of price changes going forward, because of one soft jobs report, and because they may upgrade their assessment of the supply side.

I wouldn't and I don't think the BoC will be of such persuasion. The jobs report was better under the hood as argued [here](#) and included evidence that wage growth remains too robust relative to the inflation target and productivity.

Core inflation may have had several temporary drivers to the soft patch so far this year as argued [here](#). Business and particularly consumer inflation expectations remain too high and the backing up in long-term inflation expectations is likely to be especially disconcerting (chart 1).

The Bank of Canada is very unlikely to be swayed by one jobs report whatever one thinks happened, or two inflation reports. They'll require much more evidence as Governor Macklem put it during the March 6<sup>th</sup> press conference when he said "...we want to see a further deceleration in core inflation in the coming months." Note the plural reference, as opposed to the single additional month we've seen since his remarks.

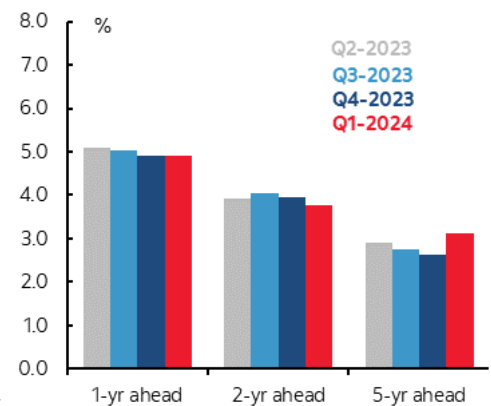
When Deputy Governor Gravelle spoke after the next CPI report, he said it was "very encouraging" but that it's "one number." Technically it was two, but who's counting. The point is that the BoC would be silly to overreact to so little data—especially in isolation of solid arguments for why bigger picture developments have added to inflation risk. It would be very surprising if the tendency were to suddenly become much more reactionary.

And on the supply side, the BoC will probably argue that the level of potential GDP is now judged to be higher than previously because of an extra year of strong population growth that is continuing even in the last monthly estimates for March. A key question, however, is whether this proves to be just a one-off.

If the Federal Government succeeds in bringing down the number of temporary residents in the country by 15% from just over 2½ million at present to around 375k lower within three years, then it should have the effect of dramatically cooling population growth going forward (chart 2). They need to get the provinces on side and in turn work with educational institutions of varying repute

Chart 1

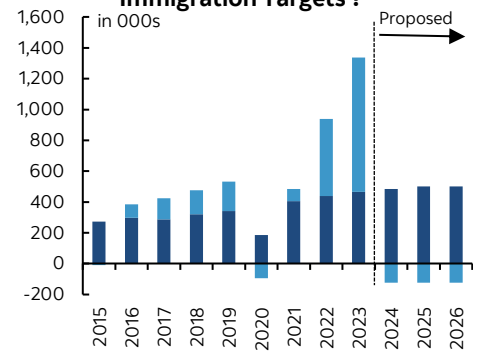
### Canadian Consumers Inflation Expectations



Sources: Scotiabank Economics, Bank of Canada.

Chart 2

### Canada Stabilizing Immigration Targets?



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

in order to achieve this. Still, it would probably be imprudent of the BoC if they were to revise up the level of potential GDP—and hence the capacity of the supply side to absorb inflationary pressures—while ignoring the forward looking risks.

**The Hawks’ Multi-Faceted Case**

There is a lengthier list of reasons for why the BoC shouldn’t even hint at rate cuts any time soon.

**i. Managing Markets**

If they do take any step toward teeing up a cut, then they’d better have an exceptionally strong narrative. Markets are itching for an excuse to pile into the front-end and buy bonds like they’re Taylor Swift tickets. A central bank that looks through strong upside to its prior narrative that it’ll expand upon below and turns more dovish regardless would be a signal to markets that its reaction function is independent of the balanced suite of data and developments. That would be a very dovish signal and, in my opinion, policy error that could invite a response by markets to price more aggressive cuts thereafter, and to forecasters to upgrade GDP and inflation forecasts going forward and thus prolong efforts to contain the painful consequences of high and volatile inflation.

**ii. Serial Upside to GDP Growth**

Let’s start with GDP tracking by making two observations:

- 2023Q4: They forecast 0% q/q SAAR in the January 24<sup>th</sup>, 2024, MPR. We got 1%. Score 1 for upside. A 1% beat is nothing to spit at.
- 2024Q1: They forecast 0.5% q/q SAAR in the same January MPR. We're tracking somewhere around 3½%. There is still significant risk to this estimate given a lot of data that is yet to come, but we’re confident that the BoC will need to sharply raise its projection. Score 2 for upside.

These are very large forecast upsides as growth vaults to its strongest pace in year (chart 3). On their own, they would sharply narrow the negative output gap measure of slack in the economy. How the BoC fudges estimated potential GDP could partially offset the positive surprises on actual GDP growth.

These are serial upsides to the BoC’s serially gloomy view. They fundamentally challenge the BoC’s confidence in the Canadian economy opening as much slack as they had thought at the start of the year and in 2024H1 being the worst for the economy. There are still plenty of forward-looking risks, but they have to acknowledge that the latest two quarters are evolving considerably better than they feared.

This rebound evidence also reinforces my argument throughout the past year that the BoC was too quick to take credit for dampening growth with its rate hikes and too dismissive toward other causes of soft GDP growth. There is of course some evidence of rate effects on consumption, but they were too dismissive toward the growth dampening effects of inventory shedding that shaved at times multiple percentage points off of quarterly growth starting in 2022Q4, strikes that cost many hours worked and hence production, the effects of wildfires, and considerations such as unplanned maintenance and retooling in sectors like autos, petrochemicals and mining.

**iii. Fiscal Easing Cancels Monetary Easing**

Once upon a time we used to beseech governments to pitch in and help central banks while steering through the Global Financial Crisis and its aftermath. Now we can’t stop them.

The BoC’s estimate of fiscal contributions to growth probably has to be revised sharply higher. They had figured around a 0.5–0.6 ppts weighted contribution to growth in 2024 and 2025. Without even being able to incorporate the Federal budget on the 16<sup>th</sup> and considering just the four largest provinces reveals that the contribution to growth from government spending is tracking about double what the BoC had estimated (chart 4). The Feds are likely to add to that estimate of fiscal contributions to growth and are floating expansionary components of the Budget each week in advance. Recall that Governor Macklem warned that if governments added more to fiscal easing, then it would only further complicate his job.

Chart 3

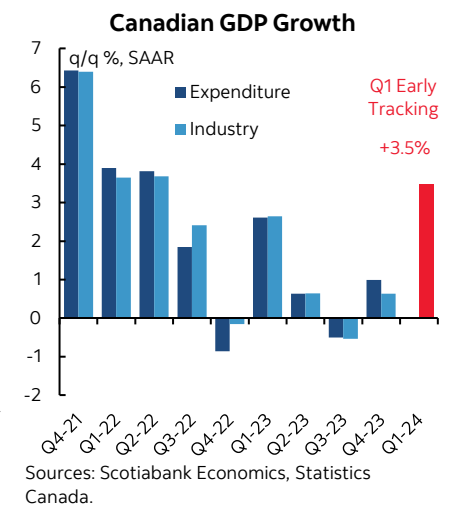
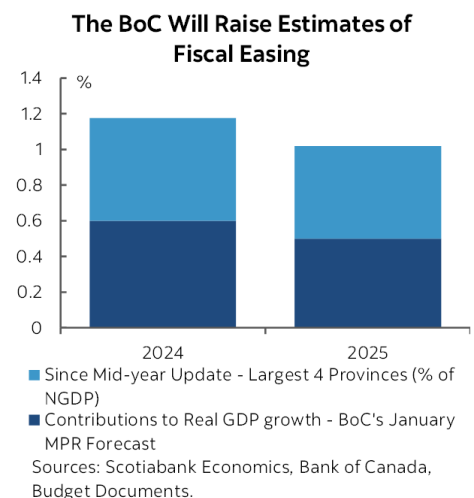


Chart 4



A risk is how much the Federal Government takes out of the system through tax hikes as the PM has only said that middle-income earners won't face higher taxes. That's probably not an unintended slip as opposed to a message to others to expect hikes. Nobody knows how they define middle income, but OECD estimates and past comments by Liberal politicians probably pegs it in a wide range from about C\$50k to \$140k in after-tax household income and likely toward the middle of that range.

If in the quest for 'fairness'—howsoever defined—the outcome is that upper income earners face material tax hikes, then it could dampen economic growth, given evidence that they have driven so much of the gain in consumer spending over time using the freshest available figures from Statcan (chart 5). And that's without getting into the controversy over what is 'rich' especially in Canada's most expensive cities.

Also bear in mind that fiscal policy will remain very much in play into next year's Federal election.

**iv. The Terms of Trade**

When the terms of trade—the ratio of export prices to import prices—has risen or held firm in the past it has, all else equal, been cause for the BoC to either turn less dovish or more hawkish.

Recall that this measure matters to a country like Canada that trades a lot and produces lots of commodities. When it rises or hangs out at elevated levels then it's like an imported positive income shock, selling our stuff at attractive prices relative to what we're paying for other junk we buy from abroad. The effects trickle down through improved fiscal balances (giving even more money to spend...), corporate balances and household financial conditions.

Well the terms of trade is holding firm but it's only up to February (chart 6). There are a lot of component prices, but much of the run-up in oil prices is not being captured yet. Western Canada Select started February at about \$53/barrel and left March at about \$70.

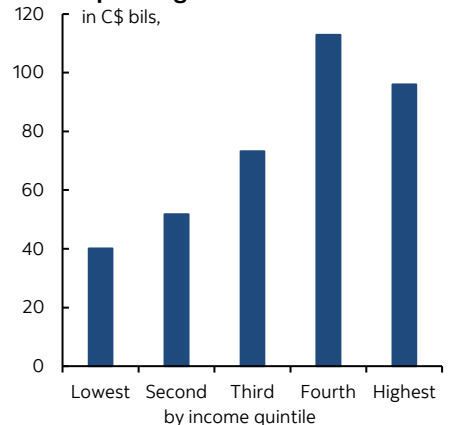
**v. Other Considerations**

There are other considerations with a couple of them worth briefly mentioning before moving on. One is that Canada is about to enter the thick of the Spring housing market over April to June. The Easter Bunny robbed realtors of some sales in March that should be made up in April but the uncertainty lies around how powerful the season will turn out to be. Buying intentions remains very strong (chart 7). Housing shortages pre-existed the surge of immigration that has compounded them while strong trend job gains and firm wage pressures are supportive of housing demand. First time buyers are sitting on the sidelines having waited out a soft patch on prices. Targets for permanent residents remain high and so it will take many years yet to address housing shortfalls and pressures on affordability in a best case scenario.

That also depends upon what the Federal government has up its sleeve by way of potential further housing initiatives. PM Trudeau recently stated "On mortgages, we will have more to say between now and the budget date on April 16th, and perhaps we will save it for April 16." That fanned speculation toward what may be in the works. Anything that stimulates housing demand even further should be treated with great care as it could ultimately wind up fanning further pressures on affordability.

An added consideration is the Federal Reserve. Another 303k payroll positions created in March and firm wage pressure in the context of a resilient US economy doesn't scream out in favour of cutting rates any time soon especially given the way the year has started with higher than expected core inflation.

**Chart 5**  
**Canadians' Change in Consumer Spending From 2010 to 2021**  
in C\$ bil.



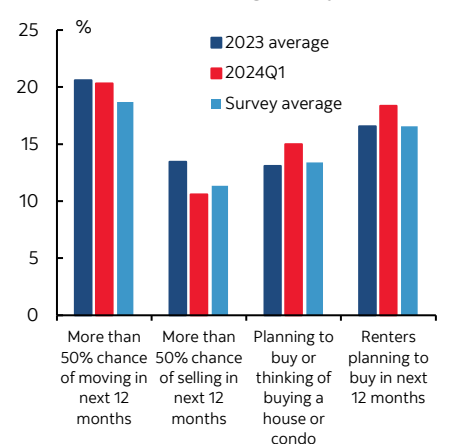
Sources: Scotiabank Economics, Statistics Canada.

**Chart 6**  
**Canada's Terms of Trade**  
export / import prices



Sources: Scotiabank Economics, Statistics Canada.

**Chart 7**  
**More People Planning to Buy A Home !**



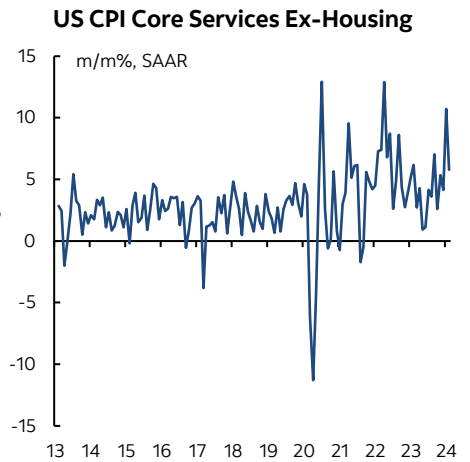
Sources: Scotiabank Economics, Bank of Canada.

**INFLATION—US CPI TO DOMINATE**

A series of inflation reports are due this week including some of the world’s biggest economies and throughout our clients’ markets within the Americas.

- US CPI (Wednesday):** I’ve estimated a gain of 0.3% m/m SA for core CPI and 0.4% for headline inflation. The difference between the two measures is partly driven by the rise in gasoline prices last month. Industry guidance points to a decline in used vehicle prices that could subtract about 0.1 ppts off of headline CPI and slightly more off of core. New vehicle prices are expected to be relatively little changed. OER is expected to post another 0.4–0.5% m/m gain with rent of primary residence performing similarly. Key—and more difficult to estimate—will be core services inflation that has been a driver of the recent reacceleration (chart 8).
- China CPI (Wednesday):** Year-ago base effects have shifted in favour of ending so-called deflation. March CPI will continue that trend and CPI is likely to continue to rise in y/y terms over the duration of the year. I maintain that China was never really in deflation in the first place using the economist’s typical definition of it versus the media’s treatment.
- LatAm:** Chile reports on Monday and its year-over-year inflation rate is expected to push below 4% and possibly reverse the mild upward pressure in the prior reading. Mexico reports March CPI on Tuesday with the usual running head start provided by bi-weekly readings driving expectations for a slight gain to 4½% y/y. Brazil’s inflation rate is expected to pull back to 4% y/y and to continue its descent from a post-pandemic peak of 12.1% (Wednesday).

Chart 8



Sources: Scotiabank Economics, BLS.

I’ll write more about other releases over the week. CBCT watchers will keep an eye on Taiwan’s March reading (Tuesday) amid potential disruptions in the next report after the worst earthquake in 25 years. Wednesday brings out Norway’s update. Both Sweden and India update on Friday.

**OTHER CENTRAL BANKS—FOMC MINUTES AND THE ECB THE HEADLINERS**

I wrote a fair bit about the Bank of Canada because I think it’s going to be the most interesting of the central banks to weigh in this week and because it’s close to home. There are, however, going to be several other central bank communications that could be impactful.

**FOMC Minutes**

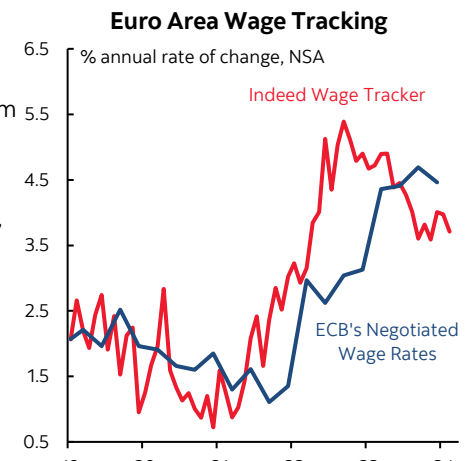
Minutes to the March 19<sup>th</sup>–20<sup>th</sup> FOMC meeting arrive on Wednesday at 2pmET (recap [here](#)). Markets took the communications somewhat dovishly when they arguably should not have. The communications indicated a base case outlook for 75bps of cuts starting later this year without a compelling need to rush it and with a skewness in FOMC participants’ views toward less than 75 this year. The minutes will have a partially stale feel to them, however, since Q4 GDP was revised up afterward, core PCE inflation was revised higher to 0.5% m/m SA in January and printed at 0.3% in February, and nonfarm payrolls and wages came in strongly for February.

The key thing to watch, however, will be the promised fuller discussion about balance sheet management plans. Guidance pointed toward a decision “fairly soon” and further discussion. From my recollection, ‘soon’ leans toward the next meeting, so ‘fairly soon’ could sound like within the next couple of meetings and hence perhaps by the June FOMC. Watch for possible discussion about the ranges for the first taper, ranges for end target and ranges for timelines. Powell did say, however, that nothing was decided at the meeting which indicates that further discussion on the modalities will occur at the May/June meetings with an announcement.

**ECB—In Play After This Week**

Thursday’s outcome should be a placeholder before the more critical meeting on June 6<sup>th</sup>. Tuesday’s bank lending survey may inform one part of how the ECB is thinking about broad conditions in this case financial conditions and monetary policy transmission effects. There will be no forecasts offered with this meeting as they were updated the last time in March.

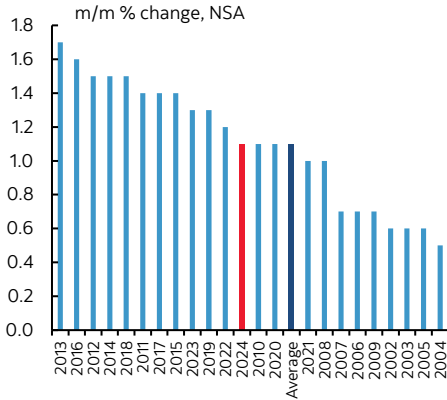
Chart 9



Sources: Scotiabank Economics, Indeed, ECB.

Chart 10

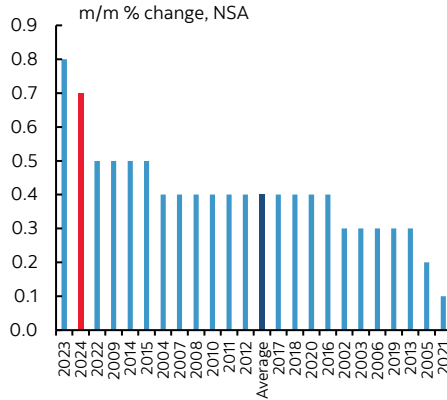
**Comparing Eurozone Core CPI for All Months of March**



Sources: Scotiabank Economics, Eurostat.

Chart 11

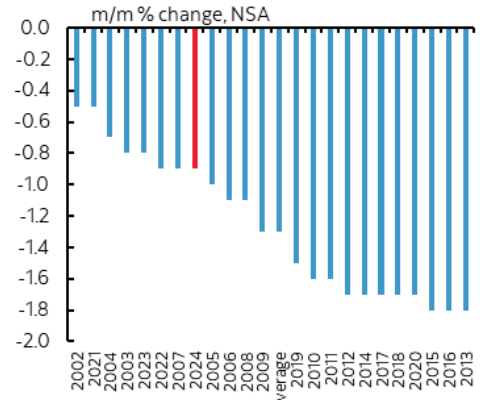
**Comparing Eurozone Core CPI for All Months of February**



Sources: Scotiabank Economics, Eurostat.

Chart 12

**Comparing Eurozone Core CPI for All Months of January**

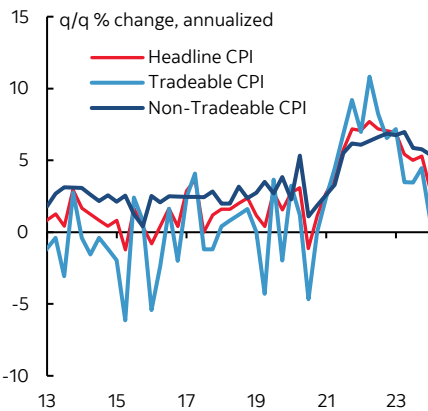


Sources: Scotiabank Economics, Eurostat.

In my opinion, the full pricing for a quarter point rate cut in June may well be the end outcome but I'm surprised that there isn't so much as a few basis points of uncertainty being factored in. Oil prices are soaring and if this persists then it will probably flow through as a renewed source of upside risk to inflation over the duration of 2024 into 2025. The ECB has also been clear that they wish to see the results of the critical start to collective bargaining exercises when Q1 wage data arrives into the June meeting to further inform the trajectory for wages (chart 9). Furthermore, core Eurozone inflation hasn't exactly been light on a trend basis (charts 10–12).

Chart 13

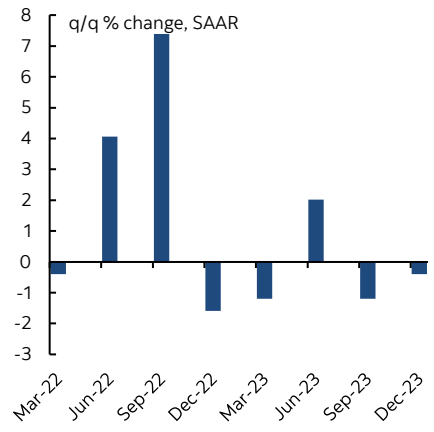
**New Zealand's Inflation**



Sources: Scotiabank Economics, Stats NZ.

Chart 14

**New Zealand's GDP**



Sources: Scotiabank Economics, Bloomberg.

In short, I personally just don't see the need for the ECB to be in a rush to begin cutting rates. The path toward about 100bps of rate cuts into year-end looks aggressive to me.

**Others**

A half dozen other central banks will deliver policy decisions over the coming week. I'll write more about them over the week and just offer highlights as time runs out this week.

- Bangko Sentral ng Pilipinas is expected to leave its policy rate unchanged at 6.5% on Monday.
- The RBNZ is forecast to hold its cash rate at 5.5% on Tuesday evening ET but toe signal further patience over coming meetings. The economy slipped into recession by the end of last year and inflation is sharply declining (charts 13, 14).
- The Bank of Thailand is expected to hold at 2.5% on Wednesday.
- Peru's central bank is expected to hold on Thursday.
- The Bank of Korea is also expected to hold on Friday.

## Key Indicators for the week of April 8 – 12

## NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	04-09	08:00	Bi-Weekly Core CPI (% change)	Mar 31	--	0.2	0.3
MX	04-09	08:00	Bi-Weekly CPI (% change)	Mar 31	--	0.1	0.3
MX	04-09	08:00	Consumer Prices (m/m)	Mar	--	0.4	0.1
MX	04-09	08:00	Consumer Prices (y/y)	Mar	--	4.5	4.4
MX	04-09	08:00	Consumer Prices Core (m/m)	Mar	--	0.5	0.5
US	04-10	07:00	MBA Mortgage Applications (w/w)	Apr 05	--	--	-0.6
CA	04-10	08:30	Building Permits (m/m)	Feb	--	-3.9	13.5
US	04-10	08:30	CPI (m/m)	Mar	0.4	0.3	0.4
US	04-10	08:30	CPI (y/y)	Mar	3.5	3.4	3.2
US	04-10	08:30	CPI (index)	Mar	--	312.1	310.3
US	04-10	08:30	CPI ex. Food & Energy (m/m)	Mar	0.3	0.3	0.4
US	04-10	08:30	CPI ex. Food & Energy (y/y)	Mar	3.7	3.7	3.8
<b>CA</b>	<b>04-10</b>	<b>09:45</b>	<b>BoC Interest Rate Announcement (%)</b>	<b>Apr 10</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
US	04-10	10:00	Wholesale Inventories (m/m)	Feb F	--	0.5	0.5
US	04-10	14:00	Treasury Budget (US\$ bn)	Mar	--	-177.5	-296.3
MX	04-11	08:00	Industrial Production (m/m)	Feb	--	--	0.4
MX	04-11	08:00	Industrial Production (y/y)	Feb	--	2.8	2.9
US	04-11	08:30	Initial Jobless Claims (000s)	Apr 06	210	215.0	221.0
US	04-11	08:30	Continuing Claims (000s)	Mar 30	1800	1800.0	1791.0
US	04-11	08:30	PPI (m/m)	Mar	0.3	0.3	0.6
US	04-11	08:30	PPI ex. Food & Energy (m/m)	Mar	0.2	0.2	0.3
US	04-12	08:30	Export Prices (m/m)	Mar	--	0.3	0.8
US	04-12	08:30	Import Prices (m/m)	Mar	--	0.3	0.3
CA	04-12	09:00	Existing Home Sales (m/m)	Mar	--	--	-3.1
US	04-12	10:00	U. of Michigan Consumer Sentiment	Apr P	81.0	79.0	79.4

## EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	04-08	02:00	Industrial Production (m/m)	Feb	0.5	1.0
FR	04-09	02:45	Current Account (€ bn)	Feb	--	-983.0
FR	04-09	02:45	Trade Balance (€ mn)	Feb	--	-7387.5
GE	04-11	03:00	Current Account (€ bn)	Feb	--	29.7
IT	04-11	04:00	Industrial Production (m/m)	Feb	0.5	-1.2
<b>EC</b>	<b>04-11</b>	<b>08:15</b>	<b>ECB Main Refinancing Rate (%)</b>	<b>Apr 11</b>	<b>4.50</b>	<b>4.50</b>
UK	04-12	02:00	Index of Services (m/m)	Feb	0.1	0.2
UK	04-12	02:00	Industrial Production (m/m)	Feb	0.0	-0.2
UK	04-12	02:00	Manufacturing Production (m/m)	Feb	0.1	0.0
UK	04-12	02:00	Visible Trade Balance (£ mn)	Feb	-14500.0	-14515.0
FR	04-12	02:45	CPI (m/m)	Mar F	0.2	0.2
FR	04-12	02:45	CPI (y/y)	Mar F	2.3	2.3
FR	04-12	02:45	CPI - EU Harmonized (m/m)	Mar F	0.3	0.3
FR	04-12	02:45	CPI - EU Harmonized (y/y)	Mar F	2.4	2.4
SP	04-12	03:00	CPI (m/m)	Mar F	0.8	0.8
SP	04-12	03:00	CPI (y/y)	Mar F	3.2	3.2
SP	04-12	03:00	CPI - EU Harmonized (m/m)	Mar F	1.3	1.3
SP	04-12	03:00	CPI - EU Harmonized (y/y)	Mar F	3.2	3.2

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for the week of April 8 – 12

## ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
CH	04-06	21:00	Foreign Reserves (US\$ bn)	Mar	3229.0	3225.8
JN	04-07	19:50	Current Account (¥ bn)	Feb	3078.7	438.2
JN	04-07	19:50	Trade Balance - BOP Basis (¥ bn)	Feb	-192.7	-1442.7
SI	04-07	21:00	Real GDP (y/y)	1Q A	3.2	2.2
MA	04-08	00:00	Industrial Production (y/y)	Feb	1.7	4.3
AU	04-08	02:30	Foreign Reserves (AUD bn)	Mar	--	90.5
<b>PH</b>	<b>04-08</b>	<b>03:00</b>	<b>Overnight Borrowing Rate (%)</b>	<b>Apr 8</b>	<b>6.50</b>	<b>6.50</b>
SI	04-08	05:00	Foreign Reserves (US\$ mn)	Mar	--	357345.5
CH	04-08	21:00	New Yuan Loans (bn)	Mar	3700.0	1455.6
TH	04-08	22:00	Consumer Confidence Economic	Mar	--	57.7
JN	04-09	01:00	Consumer Confidence	Mar	39.6	39.1
JN	04-09	02:00	Machine Tool Orders (y/y)	Mar P	--	-8.0
TA	04-09	04:00	CPI (y/y)	Mar	2.5	3.1
JN	04-09	19:50	Bank Lending (y/y)	Mar	--	3.0
PH	04-09	21:00	Unemployment Rate (%)	Feb	--	4.5
<b>NZ</b>	<b>04-09</b>	<b>22:00</b>	<b>RBNZ Official Cash Rate (%)</b>	<b>Apr 10</b>	<b>5.50</b>	<b>5.50</b>
<b>TH</b>	<b>04-10</b>	<b>03:05</b>	<b>BoT Repo Rate (%)</b>	<b>Apr 10</b>	<b>2.50</b>	<b>2.50</b>
TA	04-10	04:00	Exports (y/y)	Mar	7.5	1.3
TA	04-10	04:00	Imports (y/y)	Mar	-0.9	-17.8
TA	04-10	04:00	Trade Balance (US\$ bn)	Mar	8.2	7.9
JN	04-10	19:50	Japan Money Stock M2 (y/y)	Mar	--	2.5
JN	04-10	19:50	Japan Money Stock M3 (y/y)	Mar	--	1.8
PH	04-10	21:00	Exports (y/y)	Feb	7.8	9.1
PH	04-10	21:00	Imports (y/y)	Feb	3.2	-7.6
PH	04-10	21:00	Trade Balance (US\$ mn)	Feb	-3993.0	-4221.0
PH	04-10	21:00	Bank Lending (y/y)	Feb	--	8.3
CH	04-10	21:30	CPI (y/y)	Mar	0.4	0.7
CH	04-10	21:30	PPI (y/y)	Mar	-2.8	-2.7
NZ	04-11	18:30	Business NZ PMI	Mar	--	49.3
SK	04-11	19:00	Unemployment Rate (%)	Mar	2.8	2.6
<b>SK</b>	<b>04-11</b>	<b>20:00</b>	<b>BoK Base Rate (%)</b>	<b>Apr 12</b>	<b>3.50</b>	<b>3.50</b>
CH	04-11	21:00	Exports (y/y)	Mar	-1.8	5.6
CH	04-11	21:00	Imports (y/y)	Mar	1.0	-8.2
CH	04-11	21:00	Trade Balance (USD bn)	Mar	70.2	39.7
JN	04-12	00:30	Capacity Utilization (m/m)	Feb	--	-7.9
JN	04-12	00:30	Industrial Production (m/m)	Feb F	--	-0.1
JN	04-12	00:30	Industrial Production (y/y)	Feb F	--	-3.4
IN	04-12	08:00	CPI (y/y)	Mar	4.85	5.09
IN	04-12	08:00	Industrial Production (y/y)	Feb	6.10	3.80

## LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	04-10	08:00	IBGE Inflation IPCA (m/m)	Mar	--	0.3	0.8
BZ	04-10	08:00	IBGE Inflation IPCA (y/y)	Mar	--	4.0	4.5
BZ	04-11	08:00	Retail Sales (m/m)	Feb	--	--	2.5
BZ	04-11	08:00	Retail Sales (y/y)	Feb	--	--	4.1
<b>PE</b>	<b>04-11</b>	<b>19:00</b>	<b>Reference Rate (%)</b>	<b>Apr 11</b>	<b>6.25</b>	--	<b>6.25</b>

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.



## Global Auctions for the week of April 8 – 12

## NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04-09	13:00	U.S. To Sell USD58 Bln 3-Year Notes
US	04-10	13:00	U.S. To Sell USD39 Bln 10-Year Notes Reopening
CA	04-11	12:00	Canada to Sell C\$6.5 Billion of 4% 2026 Bonds
US	04-11	13:00	U.S. To Sell USD22 Bln 30-Year Bond Reopening

## EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	04-08	05:30	EU to Sell Bonds
AS	04-09	05:00	Austria to Sell 2.9% 2034 Bonds
UK	04-09	05:00	U.K. to Sell GBP2.25 Billion of 4.75% 2043 Bonds
AS	04-09	05:00	Austria to Sell 0.5% 2029 Bonds
GE	04-09	05:30	Germany to Sell EU4 Billion of 2.1% 2029 Bonds
SW	04-10	05:00	Sweden to Sell SEK2.5 Billion of 0.75% 2029 Bonds
SZ	04-10	05:00	Switzerland to Sell Bonds
NO	04-10	05:00	Norway to Sell Bonds
UK	04-10	05:00	U.K. to Sell GBP4 Billion of 3.75% 2027 Bonds
SW	04-10	05:00	Sweden to Sell SEK1 Billion of 1.75% 2033 Bonds
GE	04-10	05:30	Germany to Sell EU2.5 Billion of 2041 Bonds
IC	04-10	07:00	Iceland to Sell Bonds
IT	04-11	05:00	Italy to Sell Bonds

## ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	04-08	23:35	Japan to Sell 5-Year Bonds
AU	04-09	21:00	Australia to Sell A\$800 Million 4.75% 2027 Bonds
CH	04-09	22:35	China to Sell 125 Billion Yuan 2026 Bonds
CH	04-09	22:35	China to Sell 115 Billion Yuan 2031 Bonds
JN	04-10	23:35	Japan to Sell 20-Year Bonds

## LATIN AMERICA

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

## Events for the week of April 8 – 12

## NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04-08	19:00	Fed's Kashkari Participates in Town Hall Meeting
US	04-10	08:45	Fed's Bowman Discusses Basel Capital Requirements
<b>CA</b>	<b>04-10</b>	<b>09:45</b>	<b>Bank of Canada Rate Decision</b>
US	04-10	12:45	Fed's Goolsbee Participates in Panel Discussion
<b>US</b>	<b>04-10</b>	<b>14:00</b>	<b>FOMC Meeting Minutes</b>
US	04-11	08:45	Fed's Williams Gives Keynote Remarks
US	04-11	12:00	Fed's Collins Speaks at Economic Club of New York
US	04-11	13:30	Fed's Bostic Participates in Moderated Conversation
US	04-12	14:30	Fed's Bostic Gives Speech on Housing
US	04-12	15:30	Fed's Daly Participates in Fireside Chat

## EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	04-06	09:00	ECB's Stournaras Participates in Fireside Chat
SW	04-08	03:00	Riksbank's Thedeen speech at Nordea in Copenhagen
GR	04-08	05:00	ECB's Stournaras Speaks at Bank of Greece AGM
SW	04-08	06:00	Riksbank's Thedeen speech in Malmo
SZ	04-08	11:15	SNB's Jordan, BIS's Carstens Speak in Zurich
UK	04-08	11:30	BOE's Breeden speaks
SW	04-08	13:00	Riksbank's Thedeen speech in Malmo
EC	04-09	04:00	ECB Bank Lending Survey
SW	04-09	06:00	Riksbank's Floden speech on the economy and monetary policy
SZ	04-09	12:30	SNB's Schlegel Speaks in Geneva
NO	04-10	04:00	Norges Bank Deputy Governor Longva Speech
NO	04-10	04:00	Norges Bank Governor Wolden Bache Speech
SW	04-11	07:15	Riksbank's Jansson speech on the economy and monetary policy
<b>EC</b>	<b>04-11</b>	<b>08:15</b>	<b>ECB Main Refinancing Rate</b>
<b>EC</b>	<b>04-11</b>	<b>08:15</b>	<b>ECB Marginal Lending Facility</b>
<b>EC</b>	<b>04-11</b>	<b>08:15</b>	<b>ECB Deposit Facility Rate</b>
EC	04-11	08:45	ECB President Christine Lagarde Holds Press Conference
UK	04-11	14:00	BOE's Megan Greene speaks
SW	04-12	02:30	Riksbank's Breman speaks on the psychology of inflation
EC	04-12	04:00	ECB Survey of Professional Forecasters
UK	04-12	07:00	Bank of England releases Bermanke report on forecasting

## ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
<b>PH</b>	<b>04-08</b>	<b>03:00</b>	<b>BSP Overnight Borrowing Rate</b>
<b>PH</b>	<b>04-08</b>	<b>03:00</b>	<b>BSP Standing Overnight Deposit Facility Rate</b>
<b>NZ</b>	<b>04-09</b>	<b>22:00</b>	<b>RBNZ Official Cash Rate</b>
NZ	04-09	22:00	RBNZ Monetary Policy Review
<b>TH</b>	<b>04-10</b>	<b>03:05</b>	<b>BoT Benchmark Interest Rate</b>
NZ	04-10	16:15	Finance Min at Parliament Select Committee on BPS
<b>SK</b>	<b>04-11</b>	<b>00:00</b>	<b>BOK Base Rate</b>
<b>KZ</b>	<b>04-12</b>	<b>03:00</b>	<b>Key Rate</b>

## LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
<b>UR</b>	<b>04-10</b>		<b>Monetary Policy Rate</b>
<b>PE</b>	<b>04-11</b>	<b>19:00</b>	<b>Reference Rate</b>

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	April 10, 2024	5.00	5.00
Federal Reserve – Federal Funds Target Rate	5.50	May 1, 2024	5.50	5.50
Banco de México – Overnight Rate	11.00	May 9, 2024	10.75	10.75

**Bank of Canada (BoC):** The BoC is expected to hold its policy rate at 5% on Wednesday when it unveils a statement and the MPR with full forecast updates followed by Governor Macklem's press conference. We expect a less dovish / more hawkish tone. **FOMC:** Minutes to the March 19th - 20th FOMC meeting will arrive on Wednesday and may inform further discussion on QT plans although Chair Powell had said that they decided nothing at this meeting.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	4.50	April 11, 2024	4.50	4.50
European Central Bank – Marginal Lending Facility Rate	4.75	April 11, 2024	4.75	4.75
European Central Bank – Deposit Facility Rate	4.00	April 11, 2024	4.00	4.00
Bank of England – Bank Rate	5.25	May 9, 2024	5.25	5.25
Swiss National Bank – Sight Deposit Rate	1.50	June 20, 2024	1.50	1.50
Central Bank of Russia – One-Week Auction Rate	16.00	April 26, 2024	16.00	16.00
Sweden Riksbank – Repo Rate	4.00	May 8, 2024	4.00	4.00
Norges Bank – Deposit Rate	4.50	May 3, 2024	4.50	4.50
Central Bank of Turkey – Benchmark Repo Rate	50.00	April 25, 2024	50.00	50.00

**European Central Bank (ECB):** The ECB is expected to hold its policy rate on Thursday as it waits to observe the trend of the wage growth during the spring negotiations. Trend core inflation at the margin is not so cool yet and an oil price shock puts further progress on inflation in jeopardy. That might have President Lagarde sounding a touch more cautious.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	0.00	TBA	0.00	0.00
Reserve Bank of Australia – Cash Rate Target	4.35	May 7, 2024	4.35	4.35
Reserve Bank of New Zealand – Cash Rate	5.50	April 9, 2024	5.50	5.50
People's Bank of China – 1-Year Medium-Term Lending Facility Rate	2.50	April 14, 2024	2.50	2.50
Reserve Bank of India – Repo Rate	6.50	June 7, 2024	6.50	6.50
Bank of Korea – Base Rate	3.50	April 12, 2024	3.50	3.50
Bank of Thailand – Repo Rate	2.50	April 10, 2024	2.50	2.50
Bank Negara Malaysia – Overnight Policy Rate	3.00	May 9, 2024	3.00	3.00
Bank Indonesia – BI-Rate	6.00	April 24, 2024	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	6.50	April 8, 2024	6.50	6.50

**Reserve Bank of New Zealand (RBNZ):** RBNZ will be slowly moving towards rate cuts after going into a technical recession with consecutive quarters of negative growth. However, RBNZ is not expected to cut its cash rate on Tuesday but can provide further guidance on future rate cuts. **Bank of Korea (BoK):** BoK is expected to hold its base rate at 3.5% on Friday amidst sticky inflation prints. Both the headline and core measures are still above the 2% inflation target level. **Bank of Thailand (BoT):** A majority of the consensus expects the BoT to hold its repo rate at 2.50% on Wednesday with a small probability of cutting its repo rate by 25bps due to recent soft economic fundamentals which is making it difficult for the bank to justify the hold. **Central Bank of Philippines (CBPH):** A recent spike in headline inflation along with the rising upside risks to the inflation outlook will prompt the bank to hold its overnight borrowing rate at 6.50% on Monday.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	10.75	May 8, 2024	10.25	10.25
Banco Central de Chile – Overnight Rate	6.50	May 23, 2024	6.00	N/A
Banco de la República de Colombia – Lending Rate	12.25	April 30, 2024	11.50	N/A
Banco Central de Reserva del Perú – Reference Rate	6.25	April 11, 2024	6.25	N/A

**Banco Central de Reserva del Perú:** After a surprise hold at its March meeting, our Peruvian economist Guillermo Arbe Carbonel expects the Banco Central de Reserva del Perú to maintain its reference rate for a second time in a row. Headline inflation slowed down for the month of March (3.05 y/y%) but was higher than expected and just sitting on the upper limit of the target range while at the margin core inflation is still hot.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	8.25	May 30, 2024	8.25	8.25

Sources: Bloomberg, Scotiabank Economics.

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