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*With thanks for research support from:  
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#### Risk Dashboard for Dec. 23<sup>rd</sup>–Jan. 3<sup>rd</sup>









##### Week 1:

- Some fun holidaynomics
- The scramble to avert a US government shutdown
- Canadian GDP: A near-term bounce?
- BoC's meeting 'minutes' to further inform shift to gradual
- Light US macro reports
- Turkish delight?
- RBA minutes could inform how soon it may ease
- Global indicators

##### Week 2:

- The US debt ceiling may return with possible market effects
- China PMIs: still on the edge?
- US ISM-mfrg to remain in contraction
- CPI: Japan, Peru, Indonesia, Philippines, Singapore, SK, Thailand
- Global indicators

### The Two-Week Holidaynomics Edition

• <a href="#">Introduction</a>		2
• <a href="#">Holidaynomics! The Santa Rally ... I Can Really Do Without Eleven Pipers Piping! ... No US\$? Maybe Stay Home ... Expensive Headaches ... Your Dentist Will Love You More Than Your Wallet Will ... How Are You Going to Pay for All of That? ... Ode to the Last Minute Larry and Sally</a>		2–4
• <a href="#">A U.S. Government Shutdown?</a>		4
• <a href="#">The U.S. Debt Ceiling Returns</a>		4–5
• <a href="#">Canada's Economy—How Weak Q4 Is Could Impact the BoC's Next Moves</a>		5–6
• <a href="#">Central Banks—Quieter, But Not Silent</a>		6–7
• <a href="#">The BoC's Not-Minutes Minutes</a>		6
• <a href="#">Turkish Delight?</a>		6
• <a href="#">RBA Minutes—Inching Closer?</a>		6–7
• <a href="#">Global Indicators—United States, Latin America, Europe, Asia-Pacific</a>		7
<b>FORECASTS &amp; DATA</b>		
• <a href="#">Key Indicators</a>		A1–A3
• <a href="#">Global Auctions Calendar</a>		A4
• <a href="#">Events Calendar</a>		A5
• <a href="#">Global Central Bank Watch</a>		A6

## Merry Christmas Happy Holidays

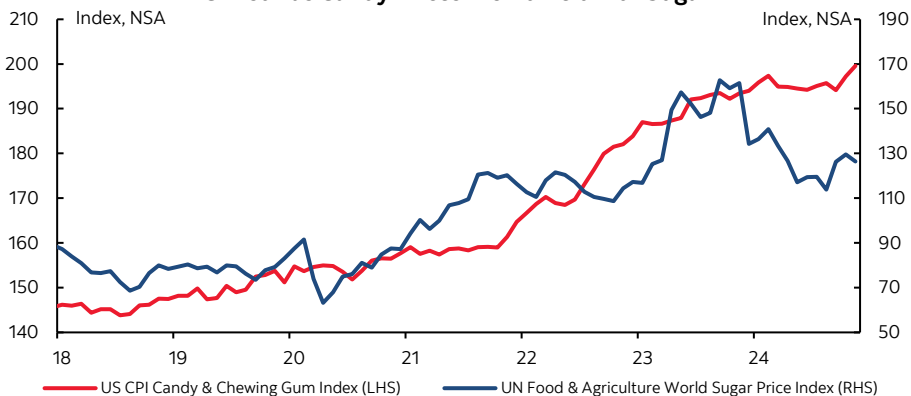
Best wishes for a joyful holiday season and warm wishes for the new year from all of us.

*To our clients, subscribers, and readers, thank you  
for your continued interest in Scotiabank publications.*

The next issue of *The Global Week Ahead* will be published on January 10, 2025.

#### Chart of the Week

#### Christmas Candy Prices Won't Melt with Sugar



Sources: Scotiabank Economics, Bureau of Labor Statistics, Food & Agriculture Organization of the United Nations.

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

## The Two-Week Holidaynomics Edition

Merry Christmas, happy holidays and here's to wishing the best of the new year to our clients, staff, friends and families! While it will be quieter, this two-week edition of the Global Week Ahead addresses expected developments such as the reimposition of the US debt ceiling in the second week, the likelihood of a shutdown of the US government over the holidays, limited central bank communications from the BoC, RBA and Turkey's central bank, and a handful of key global economic indicators out of most major regions of the world economy. Canada will also remain on watch for possible further political developments as PM Trudeau ponders his future and a possible cabinet shuffle lurks ahead.

But before we get to all of that, let's have a bit of fun with some holidaynomics including a semi-serious point or two along the way.

### HOLIDAYNOMICS!

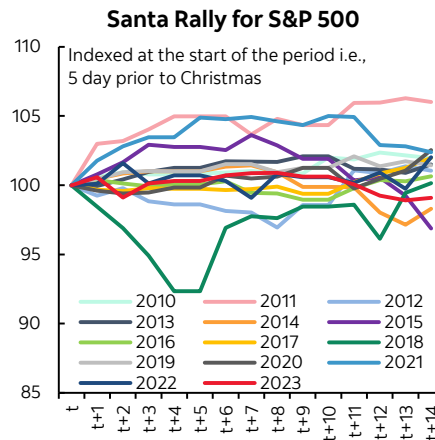
#### The Santa Rally

Wondering what to do as an investor over this period? You're not alone. Staying invested is the usual advice in light of the moderate evidence of a Santa Rally effect on stocks. Then be nimble into the risks that 2025 may bring. There are plenty of academic pieces on the topic with conflicting evidence. Charts 1 and 2 are simpler, but without controlling for various other effects and without measuring whether stocks materially outperform at this time of year compared to other times of the year. All it shows is that stocks are more likely to go up than down over this period despite lower volumes, fewer trading catalysts and with more market participants away from work. Given stock market volatility just before the holiday season it may be that the Santa Rally won't hold unless the market has recalibrated to the Federal Reserve's changed narrative. Trump is a naughty wildcard.

#### I Can Really Do Without Eleven Pipers Piping!

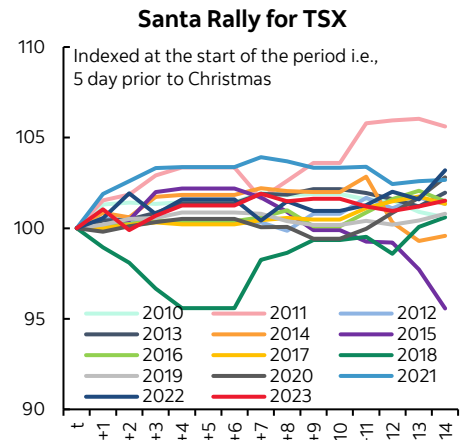
Got some unusual folks on your shopping list with strange interests? We're not here to judge, but be prepared to fork over a cool US\$49,263 to buy every item in the song about 'The Twelve Days of Christmas' according to the folks behind charts 3 and 4 ([here](#)). Inflation has slammed Christmas especially for those among us with odd tastes, or odd acquaintances! If you want to buy every item every single time that it's mentioned in the song for some really unusual reason, then the cost rises to US\$209,272. I'll leave you to explain that one to the neighbours when the truck pulls up especially

Chart 1



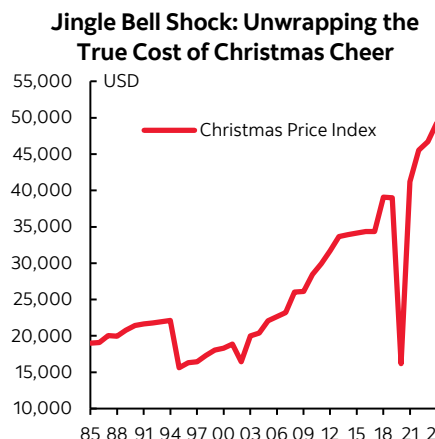
't' is 5 day prior to Christmas. Sources: Scotiabank Economics, Bloomberg.

Chart 2



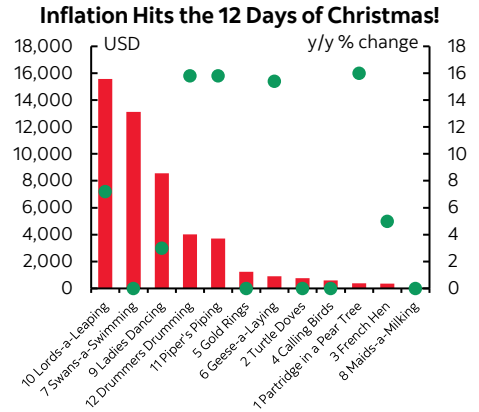
't' is 5 day prior to Christmas. Sources: Scotiabank Economics, Bloomberg.

Chart 3



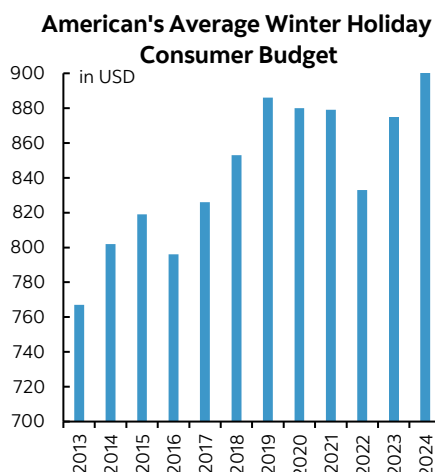
Sources: Scotiabank Economics, PNC Christmas Price Index.

Chart 4



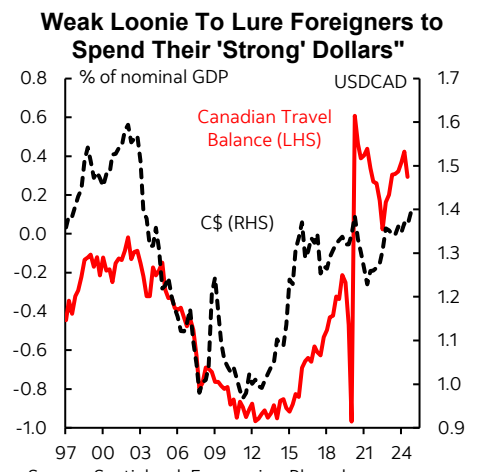
Sources: Scotiabank Economics, PNC Christmas Price Index. Index.

Chart 5



Sources: Scotiabank Economics, NRF.

Chart 6



Source: Scotiabank Economics, Bloomberg, Statistics Canada.

the nine ladies dancing and the ten lords-a-leaping! Now if you're flexible and on a budget and if you can do without buying the uber-expensive, volatile and frequently mentioned 'Seven Swans-A-Swimming' in the song then the total package price is a much more affordable \$36k. Bargain.

**No US\$? Maybe Stay Home**

Thinking of travelling internationally? Maybe you want to see friends and at least some of the relatives abroad? Great, if you have USD as indicated by American travel budgets (chart 5). Not so great otherwise and that's true for many currencies and countries given the broadly based strength of the USD. Chart 6 is one example in that it shows how the weak Canadian dollar is driving an increasingly positive surplus in the international travel account. In other words, it entices more people abroad—in this case particularly the US—to travel to Canada and discourages Canadians from travelling abroad and particularly to the US. Canada is a price-sensitive travel destination. Don't tell Trump, he'll think Canada is ripping off the US, even though it's the strong dollar policies of successive US administrations that explains much of this. And frankly, tariff my beloved country and you can kiss goodbye to my travel dollars in the US next March break!

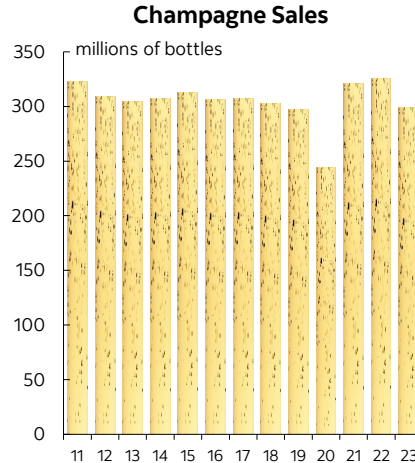
**Expensive Headaches**

Like to imbibe in the bubbly over the holidays? Well, you're an increasingly rare breed of person judging by the statistics, at least if you like the 'authentic' stuff. Champagne sales (real champagne, according to France) have been, err, flat for many years now in volume terms measured by millions of bottles (chart 7). Part of the reason for this is that other bubbly, like prosecco, have risen to compete against the authentic stuff over the years. Another part of the reason is that bubbly in general—even the stuff that's not allowed to be called champagne—are getting increasingly expensive with chart 8 showing the example of sparkling wine in Italian CPI.

**Your Dentist Will Love You More Than Your Wallet Will**

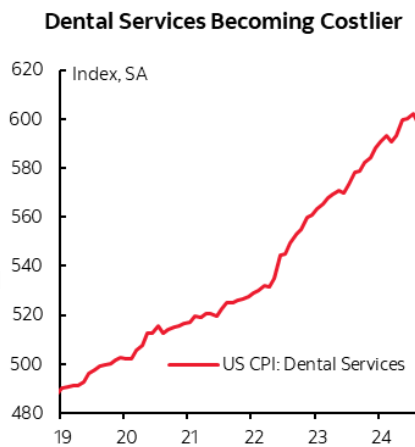
Like to eat a lot of candy over the holidays? I won't tell your dentist, don't worry, it's our little secret, although they can't be complaining (chart 9)! But a dirty little secret lies in the fact that candy prices are, well, kinda sticky! Chart 10 shows that despite the drop in world sugar prices, candy prices are still elevated. Why? Dunno really, but hypotheses could include margin retention by producers (ie: prices go up faster than down if at all) and the rising cost of other inputs like wages and transportation costs. Or maybe we're still more like homebodies than before the pandemic and snack more. The amazing thing in my household is how quickly the stuff goes before I get any.

Chart 7



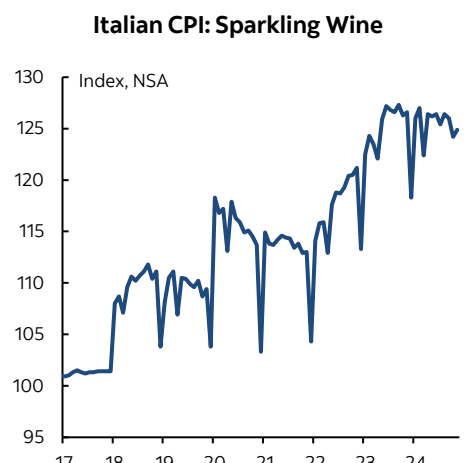
Source: Scotiabank Economics, Expeditions Champagne.

Chart 9



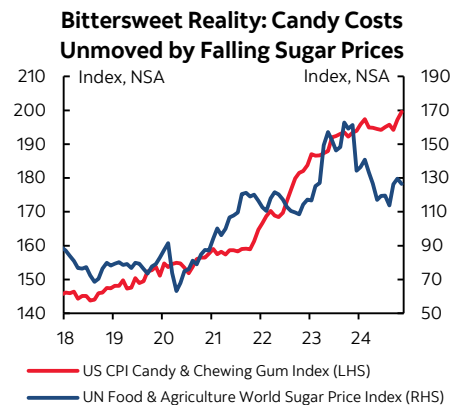
Sources: Scotiabank Economics, BLS.

Chart 8



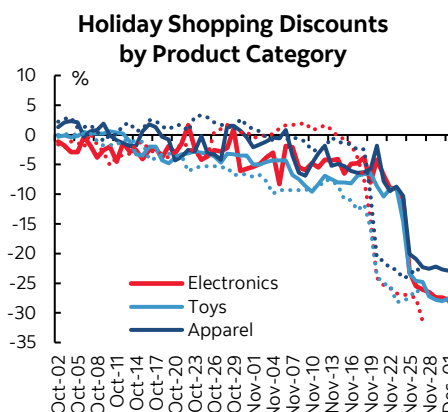
Sources: Scotiabank Economics, ISTAT.

Chart 10



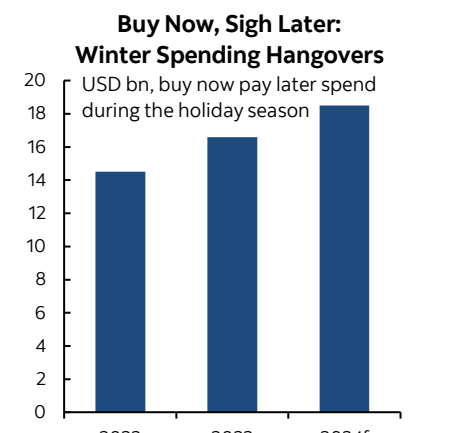
Sources: Scotiabank Economics, Bureau of Labor Statistics, Food & Agriculture Organization of the United Nations.

Chart 11



Dotted lines reflect 2023 & solid lines reflect 2024. Sources: Scotiabank Economics, Adobe 2024 Holiday Shopping Report.

Chart 12



Sources: Scotiabank Economics, Adobe 2024 Holiday Shopping Report.

**How Are You Going to Pay for All of That?**

January's bills tend to follow December's festivities, except less so this time? Discounting is significant in several categories (chart 11) and buy-now-pay-later programs are even more prevalent this year (chart 12).

**Ode to the Last Minute Larry and Sally**

All done your shopping yet? No, huh. Me neither. Apparently we're not alone (chart 13)!

Now onto the serious stuff I suppose. Enjoy the holiday season whatever and however you celebrate it. And be prepared as always to question, rise above puerile tweets, challenge leaders and institutions, and profit from their successes and follies into what is going to be a challenging new year. We'll look forward to doing this together in support of you and with your support for us.

**A U.S. GOVERNMENT SHUTDOWN?**

This publication is being sent shortly after President-elect Trump rejected the bipartisan bill to fund the US government and avert a shutdown that would occur after Friday December 20<sup>th</sup> when funding under current arrangements dries up. The House of Representatives voted down (235-174 including 38 Republicans against) a House GOP solo deal to fund the government. So a shutdown looks likely. Merry Christmas. Prepare for possible widespread disruptions to air travel, delivery of basic government services, etc etc. It may well be that by the time you read this the government has shut and service delivery has begun to be impaired, or an unlikely miraculous last-minute agreement has been struck to avoid such an outcome. A continuing resolution to avert such an outcome was opposed by Trump.

Trump waited until late in the game to declare that he wants concessions that were given to the Democrats to be nullified and a deal to eliminate or at least raise the debt ceiling with explicit guidance to pin it on the Dems before the new red swept Congress convenes in January. The unelected Musk was an instigator behind Trump's move and threatened to undermine GOP members who agreed with the deal. Musk wants a government shutdown if the concessions to the Dems are not removed; that's speaking from the comfort of hundreds of billions in the bank, relative to the lives that would be affected. Time is obviously very tight and so the risk of a government shutdown just before Christmas is high.

It's possible a grand bargain is struck, but a more likely scenario may either be a protracted disagreement or a series of patchwork arrangements that offer temporary funding for some time. The natural next step is to consider risks around the debt ceiling given that eliminating it or raising it is one of Trump's demands.

**THE U.S. DEBT CEILING RETURNS**

It's baaaack! Suspended in June 2023, the US debt ceiling will be reinstated at the level of public debt on January 1<sup>st</sup> 2025. There is over US\$36 trillion of the US Treasury's public debt outstanding (chart 14). It has risen by about \$5 trillion since the debt ceiling was suspended a year-and-a-half ago. \$5 trillion in a booming economy! This stunning profligacy under successive US administrations including Trump 1.0 when tax revenue dollars were given away before the pandemic and deficits widened further in the pandemic, and certainly by President Biden thereafter may present some difficult choices into the new year.

As noted above, President-elect Trump wants the ceiling eliminated or raised as a condition for averting a government shutdown after Friday December 20<sup>th</sup>. He may get it, or a protracted fight.

The current composition of the lame duck session of Congress may make agreement difficult to achieve. One possibility is that the so-called 'red sweep' that takes over Congress in January may result in less division and acrimony as the debt ceiling is raised to some level and for some time.

Against this possibility lies the fact that Trump wishes to deliver trillions of dollars in tax cuts and there is the question of how to fund them. More debt is the very likely answer. A lot more (chart 15).

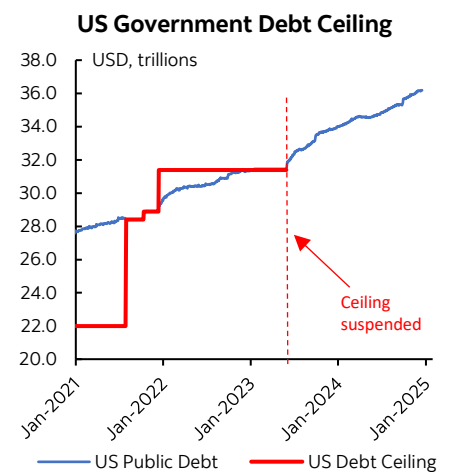
Tax cuts like the ones he proposes don't pay for themselves and certainly did not after the Tax Cuts and Jobs Act of 2018; Trump inherited a deficit-to-GDP ratio of about 2½% after winning the election in 2016 and raised it to almost double that just before the pandemic struck.

Chart 13



Sources: Scotiabank Economics, NRF.

Chart 14



Sources: Scotiabank Economics, Bloomberg.

Abolishing the debt ceiling makes sense in some respects since it is an odd feature that is unique to America and that creates needless turmoil in the operation of basic government services and market uncertainties on a all-too-frequent basis. But not everyone agrees, including the more conservative wing of the GOP who are resisting and who think it applies some discipline. This potential explosion of debt could be key to understanding why he has found new religion in seeking to abolish the debt ceiling compared to the past when Trump was one of its biggest abusers. It may also be how the GOP divisions on debt thwart at least some of Trump’s agenda.

But it may not be the only answer. In the past, both during his previous administration and during President Biden’s, Trump dug in on the debt ceiling and sought measures to curtail spending, only to ultimately back down. Given he is signalling that may not be the case this time, will others within the GOP take his place and block agreement without major spending cuts? At issue is whether this is tried early in the mandate and much earlier than the mid-2026 deadline for Musk’s/Ramaswamy’s DOGE proposals for enhanced government efficiency (their words). If so, then the consequences could be disruptive to markets.

If not raised before hand or soon after implementation, then the debt ceiling would forbid net debt issuance, cease issuance of state and local government series securities, and trigger extraordinary measures to keep the federal government operational.

The most likely outcome would entail drawing down Treasury’s cash horde in the General Account held at the Federal Reserve (chart 16). That presently stands at about US\$775 billion with plans to lower it toward \$700B before the debt ceiling is imposed. During prior debt ceiling spats this cash horde became largely depleted. As the proceeds were disbursed within the banking system it sparked an increase in bank reserves held at the Fed which would repeat this time along with increased demand at the overnight reverse repurchase agreement facility (RRP). This surge in market liquidity was left to chase scarcer Treasuries due to the suspension of net issuance. If a replay unfolds, then the new year could bring disruption to repo and other funding markets, possibly downward pressure upon Treasury yields, and maybe other measures like suspension of reinvestment in the Thrift Savings Plan that funds retirement of federal employees, and suspension of reinvestment in the Exchange Stabilization Fund.

An extreme scenario may require prioritizing Treasury’s obligations. An even more extreme scenario raises the risk of default that would be reminiscent of what happened to the soaring cost of insuring against US government debt default in CDS markets the last time around (chart 17).

Once the debt ceiling is raised, Treasury can return to issuing debt, reverse other extraordinary measures, and replenish its general account thus reversing consequences for funding markets.

**CANADA’S ECONOMY—HOW WEAK Q4 IS COULD IMPACT THE BOC’S NEXT MOVES**

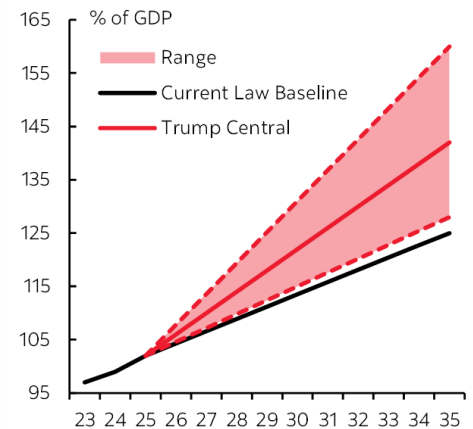
Canada updates GDP for the month of October including details as well as an estimate for November sans details just two days before Christmas. They’ll give us a much better understanding of how Q4 GDP growth is shaping up and what it may mean to the Bank of Canada.

Statistics Canada had guided back on November 29<sup>th</sup> that October was tracking GDP growth of 0.1% m/m at a seasonally adjusted pace. There could be upside to this based upon more recent evidence. The agency cited the following general drivers of October GDP including “Increases in real estate and rental and leasing, transportation and warehousing and retail trade were partially offset by decreases in construction and mining, quarrying, and oil and gas extraction.”

I went with a bit of upside for October at 0.3% m/m SA. There can be differences in the flash and final estimates as shown in chart 18. I don’t have conviction about November as we don’t have many indicators to go by, but there is slight reason to think it could be weaker.

Chart 15

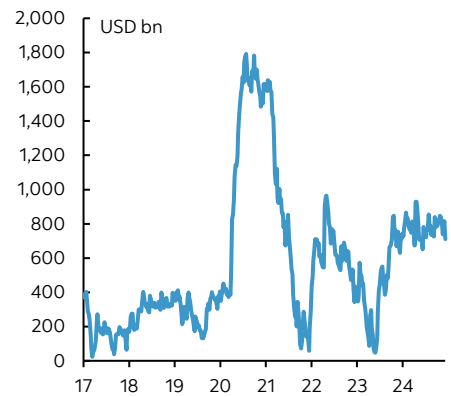
**Projection of Debt Under Trump**



Sources: Scotiabank Economics, Committee for a Responsible Federal Budget.

Chart 16

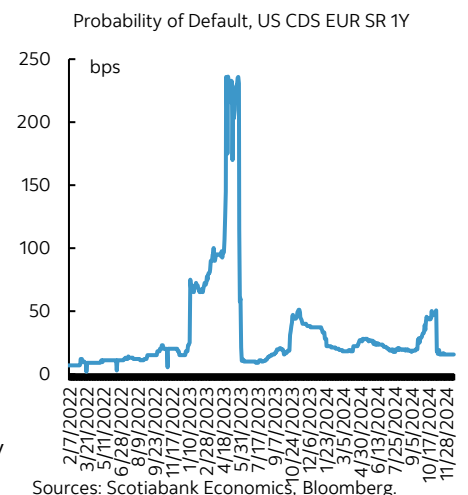
**Treasury General Account With the Federal Reserve**



Sources: Scotiabank Economics, Federal Reserve.

Chart 17

**US Default Risk**



Sources: Scotiabank Economics, Bloomberg.

Since then, we've learned that hours worked were up by 0.3% m/m SA in October but fell by -0.2% m/m in November. Since GDP is an identity defined as aggregate hours worked times labour productivity these figures are a plus for October GDP but not November.

Housing market activity should be a plus for both months. Housing starts were up by about 8% m/m SA in each of the months, signalling more construction spending that may carry through to value-added GDP. Existing home sales were up by 7.7% m/m SA in October and another 2.8% in November. Those sales are mostly paper swaps with no value added from a GDP standpoint, except for the ancillary services that facilitate the transactions, like agents, lawyers and bankers.

Other volume readings for October looked promising as well. If my rough estimates are on the mark and assuming December GDP comes in flat in the absence of any actual data thus far, then Q4 GDP could be shaping up to post over 1½% q/q SAAR growth. That would be a mild acceleration from the 1.0% q/q SAAR growth in Q3 albeit that Q3 posted strength in consumption and housing—two key rate sensitive categories.

Depending upon what happens when we get full Q4 data, another soft quarter of GDP growth below the economy's potential growth rate could drive more slack and an ongoing easing bias at the BoC. Developments in the new year will matter much more, however, and namely tariffs, potential retaliation, the next CPI report in January and other data and developments.

A silver lining to Trump's mischief and the response of Canadian politicians that has been covered on US networks is that more Americans got a basic lesson in Canadian geography and politics and now know that Canada has Premiers and provinces, not Governors and states!

**CENTRAL BANKS—QUIETER, BUT NOT SILENT**

Central bankers like their holiday season as much as many others. They won't be an active bunch at all over the two-week period, but there will be three relatively minor things to consider.

**The BoC's Not-Minutes Minutes**

On December 23<sup>rd</sup>, the Bank of Canada will release the not-minutes Summary of Deliberations to the discussions leading up to the -50bps cut on December 11<sup>th</sup> (recap [here](#)). I don't really get much out of these partly because they're not real minutes, but it's possible we may hear more discussion around the altered bias and uncertainties going forward and more breadth of views.

Recall that despite the 50bps cut, market borrowing costs moved up as bets on future rate cuts were trimmed a touch. Markets hinged on the changed final paragraph of the statement that said they "will be evaluating the need for further reductions in the policy rate" versus previously saying "we expect to reduce the policy rate further." Macklem then said in his presser that "we'll be taking a more gradual approach. That means more gradual than 50bps at the last two meetings. That's a pretty wide zone. That's deliberate." Maybe we'll see more discussion around how wide.

Macklem also hinted at possibly being at the neutral rate with a 3.25% overnight rate when he said "monetary policy no longer needs to be clearly in restrictive territory."

**Turkish Delight?**

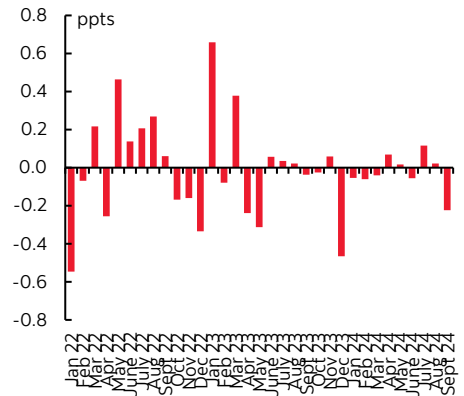
The Central Bank of Turkey has held its policy rate at an eye watering 50% ever since its last five percentage point hike back in February. Consensus is divided on whether it might begin to ease policy at its next decision on December 26<sup>th</sup>. What augurs well for a rate of some magnitude is the fact the economy has slipped into technical recession with small back-to-back contractions in GDP over Q2 and Q3. What does not support easing just yet is that the lira remains weak (chart 19) and core CPI inflation remains high at 47.1% y/y with ongoing month-over-month pressures.

**RBA Minutes—Inching Closer?**

Minutes to the RBA's meeting on December 1<sup>st</sup> arrive two days before Christmas. Watch for any further dialogue around inching closer to easing. Since the next meeting isn't until February 18<sup>th</sup> it really is about inching. The reason to expect as much is that the statement that day noted several things that sounded less hawkish if not more dovish. They said:

Chart 18

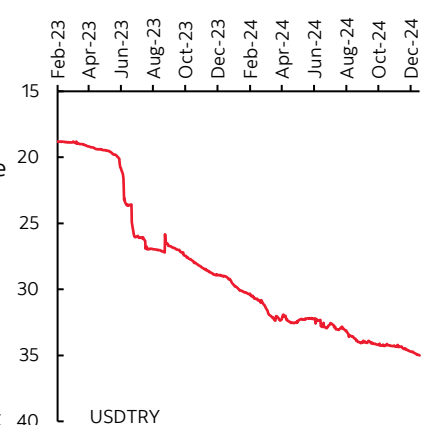
**Spread Between Actual Real GDP and Statistics Canada Flash Guidance**



Sources: Scotiabank Economics, Statistics Canada.

Chart 19

**Weak Turkish Lira**



Sources: Scotiabank Economics, Bloomberg.

“Some of the upside risks to inflation appear to have eased.”

And “...the Board is gaining some confidence that inflation is moving sustainably toward target.”

And gone was the reference to “...the Board is not ruling anything in or out” by way of policy options which finally appeared to be ruling out the risk of further tightening.

As a result of these changes, markets are roughly priced for about 60% of a quarter point cut at the February meeting. They will be looking to the minutes for the possibility of additional colour to inform this stance.

**GLOBAL INDICATORS**

There will also be a limited array of global economic indicators to consider over the two-week holiday period but most of them are of the second or third tier variety as opposed to truly major readings. Chart 20 summarizes them.

**United States**

Consumer confidence may be the most market-impactful of the US releases over this period (Dec 23<sup>rd</sup>). It is expected to rise again. Durable goods orders are expected to soften given weaker aircraft orders (Dec 24<sup>th</sup>). New home sales during November probably climbed given a pick-up in indicators like prospective home buyers (Dec 24<sup>th</sup>). Also out during the first week of the holidays will be the Richmond Fed’s manufacturing gauge, weekly jobless claims, the advance merchandise trade balance and pending home sales.

The second week will be lighter with most of the focus on ISM-manufacturing (January 3<sup>rd</sup>). That same day’s vehicle sales numbers are expected to jump by about another 4% m/m SA to the highest level since April 2021 (chart 21). They are on a tear partly because of sound consumer finances, partly because of replacement demand in the wake of hurricanes and flooding, and perhaps partly in anticipation of tariffs raising auto prices. Also out will be house prices and another batch of weekly jobless claims.

**Latin America**

Mexico updates bi-weekly CPI on December 23<sup>rd</sup> but there will be plenty of further inflation updates before Banxico’s next decision on February 6<sup>th</sup>, as well as key information on tariffs.

Peru updates CPI for December on New Year’s Day and it will problem continue to hover around 2½% y/y. Chile dumps several readings for the unemployment rate, retail sales, and industrial production on the Monday and the Tuesday.

**Europe**

Week 1 of the holidays only brings out Spanish retail sales (December 27<sup>th</sup>). Week 2 brings out German retail sales during November and the unemployment rate (January 3<sup>rd</sup>). Italy releases CPI sometime this week and Spain updates the unemployment rate on the 3<sup>rd</sup>.

**Asia-Pacific**

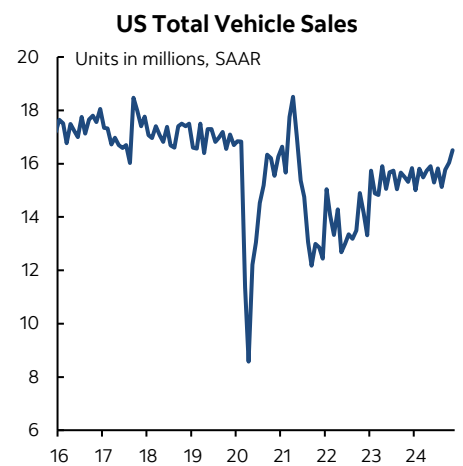
Japan delivers its monthly data dump the day after Christmas and key may be the fresh Tokyo CPI inflation gauge alongside housing starts, industrial output and retail sales. China updates the state versions of its purchasing managers’ indices on December 30<sup>th</sup> as the composite PMI hovers just above the dividing line between contraction and expansion. Several other countries release inflation readings starting with Singapore (Dec 23<sup>rd</sup>) and then Indonesia, Philippines, South Korea and Thailand during the first week of the new year.

Chart 20

Other Global Macro Indicators (December 23rd - January 3rd)			
US	CA	CPI	Other Macro
Consumer Confidence	GDP	MX SI	
<i>Tuesday</i>			
Durable Goods			
New Home Sales			
Richmond Fed			
<i>Wednesday</i>			
	Tokyo	JN	Housing starts, Jobless rate, IP, Retail Sales
<i>Thursday</i>			
Claims			
<i>Friday</i>			
Trade			SP Retail Sales
<i>Monday</i>			
Pending Home Sales		SK	CL UR
<i>Tuesday</i>			
House Prices			CL Retail Sales, IP
<i>Wednesday</i>			
			PE
<i>Thursday</i>			
Claims	S&P PMI		
<i>Friday</i>			
ISM Manf.			GE UR
Vehicle Sales			SP UR
			SI Retail Sales

Sources: Scotiabank Economics, Bloomberg.

Chart 21



Sources: Scotiabank Economics, Wards.

## Key Indicators for December 23 – January 3

## NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	12-23	07:00	Bi-Weekly Core CPI (% change)	Dec 15	--	0.5	-0.1
MX	12-23	07:00	Bi-Weekly CPI (% change)	Dec 15	--	0.4	-0.1
MX	12-23	07:00	Global Economic Indicator IGAE (y/y)	Oct	--	0.2	0.3
MX	12-23	07:00	Trade Balance (US\$ mn)	Nov	--	652.7	370.8
CA	12-23	08:30	IPPI (m/m)	Nov	--	--	1.2
CA	12-23	08:30	Raw Materials Price Index (m/m)	Nov	--	--	3.8
CA	12-23	08:30	Real GDP (m/m)	Oct	0.3	0.1	0.1
US	12-23	10:00	Consumer Confidence Index	Dec	113.7	113.0	111.7
US	12-24	08:30	Durable Goods Orders (m/m)	Nov P	-0.7	-0.3	0.3
US	12-24	08:30	Durable Goods Orders ex. Trans. (m/m)	Nov P	0.2	0.3	0.2
US	12-24	10:00	New Home Sales (000s a.r.)	Nov	650	665.0	610.0
US	12-24	10:00	Richmond Fed Manufacturing Index	Dec	--	-10.0	-14.0
US	12-25	07:00	MBA Mortgage Applications (w/w)	Dec 20	--	--	-0.7
US	12-26	08:30	Initial Jobless Claims (000s)	Dec 21	240	230.0	220.0
US	12-26	08:30	Continuing Claims (000s)	Dec 14	1885	1891.5	1874.0
US	12-27	08:30	Wholesale Inventories (m/m)	Nov P	--	--	0.2
US	12-30	09:45	Chicago PMI	Dec	--	42.5	40.2
US	12-30	10:00	Pending Home Sales (m/m)	Nov	--	0.8	2.0
US	12-30	10:30	Dallas Fed. Manufacturing Activity	Dec	--	--	-2.7
US	12-31	09:00	S&P/Case-Shiller Home Price Index (m/m)	Oct	0.2	0.2	0.2
US	12-31	09:00	S&P/Case-Shiller Home Price Index (y/y)	Oct	4.6	--	4.6
US	01-02	07:00	MBA Mortgage Applications (w/w)	Dec 27	--	--	-0.7
US	01-02	08:30	Initial Jobless Claims (000s)	Dec 28	235.0	230.0	220.0
US	01-02	08:30	Continuing Claims (000s)	Dec 21	1890.0	1891.5	1874.0
US	01-02	10:00	Construction Spending (m/m)	Nov	0.2	0.3	0.4
MX	01-03	07:00	Unemployment Rate (%)	Nov	--	--	2.5
US	01-03	10:00	ISM Manufacturing Index	Dec	48.5	48.5	48.4
US	01-03		Total Vehicle Sales (mn a.r.)	Dec	17.1	16.5	16.5

## EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
UK	12-23	02:00	Business Investment (q/q)	3Q F	--	1.2
UK	12-23	02:00	Current Account (£ bn)	3Q	--	-28.4
UK	12-23	02:00	GDP (q/q)	3Q F	0.1	0.1
SP	12-23	03:00	Real GDP (q/q)	3Q F	--	0.8
<b>TU</b>	<b>12-26</b>	<b>06:00</b>	<b>Benchmark Repo Rate (%)</b>	<b>Dec 26</b>	<b>48.50</b>	<b>50.00</b>
SP	12-27	03:00	Real Retail Sales (y/y)	Nov	--	5.4
RU	12-28	11:00	Real GDP (y/y)	3Q F	--	3.10
SP	12-30	03:00	CPI (m/m)	Dec P	--	0.2
SP	12-30	03:00	CPI (y/y)	Dec P	--	2.4
SP	12-30	03:00	CPI - EU Harmonized (m/m)	Dec P	--	0.0
SP	12-30	03:00	CPI - EU Harmonized (y/y)	Dec P	--	2.4
SP	12-31	04:00	Current Account (€ bn)	Oct	--	4.1
UK	01-02	02:00	Nationwide House Prices (m/m)	Dec	--	1.2
GE	01-02	03:00	Retail Sales (m/m)	Nov	--	-0.5
IT	01-02	03:00	Budget Balance (€ bn)	Dec	--	-5.1
IT	01-02	03:00	Budget Balance YTD (€ bn)	Dec	--	-130.5
IT	01-02	03:45	Manufacturing PMI	Dec F	--	44.5
GE	01-03	03:55	Unemployment (000s)	Dec	12.5	7.0
GE	01-03	03:55	Unemployment Rate (%)	Dec	6.2	6.1
UK	01-03	04:30	Net Consumer Credit (£ bn)	Nov	--	0.0

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.



## Key Indicators for December 23 – January 3

## ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
IN	12-22	22:30	Current Account Balance	3Q	-15.70	-9.74
SI	12-23	00:00	CPI (m/m)	Nov	--	-0.3
SI	12-23	00:00	CPI (y/y)	Nov	1.8	1.4
TA	12-23	03:00	Industrial Production (y/y)	Nov	--	8.9
TA	12-23	03:00	Unemployment Rate (%)	Nov	3.4	3.4
SK	12-23	16:00	Consumer Confidence Index	Dec	--	100.7
JN	12-24	00:30	Nationwide Department Store Sales (y/y)	Nov	--	-0.7
TH	12-24	21:00	Customs Exports (y/y)	Nov	7.0	14.6
TH	12-24	21:00	Customs Imports (y/y)	Nov	1.2	15.9
TH	12-24	21:00	Customs Trade Balance (US\$ mn)	Nov	-780.0	-794.4
JN	12-25	00:00	Coincident Index CI	Oct F	--	116.5
JN	12-25	00:00	Leading Index CI	Oct F	--	108.6
JN	12-25	00:00	New Composite Leading Economic Index	Oct F	--	108.6
JN	12-25	01:00	Machine Tool Orders (y/y)	Nov F	--	3.0
SK	12-25	19:00	Discount Store Sales (y/y)	Nov	--	-3.4
PH	12-25	20:00	Budget Deficit/Surplus (PHP bn)	Nov	--	6.3
JN	12-26	00:00	Housing Starts (y/y)	Nov	0.1	-2.9
SI	12-26	00:00	Industrial Production (m/m)	Nov	--	0.1
SI	12-26	00:00	Industrial Production (y/y)	Nov	9.6	1.2
SK	12-26	16:00	Business Survey- Manufacturing	Jan	--	66.0
SK	12-26	16:00	Business Survey- Non-Manufacturing	Jan	--	70.0
JN	12-26	18:30	Jobless Rate (%)	Nov	2.5	2.5
JN	12-26	18:30	Tokyo CPI (y/y)	Dec	2.9	2.6
JN	12-26	18:50	Industrial Production (m/m)	Nov P	-3.5	2.8
JN	12-26	18:50	Large Retailers' Sales (y/y)	Nov	--	-0.4
JN	12-26	18:50	Retail Trade (m/m)	Nov	0.7	-0.2
JN	12-26	18:50	Retail Trade (y/y)	Nov	1.7	1.3
JN	12-26	18:50	Industrial Production (y/y)	Nov P	-3.6	1.4
SK	12-26	19:00	Department Store Sales (y/y)	Nov	--	-2.6
PH	12-26	20:00	Bank Lending (y/y)	Nov	--	10.3
CH	12-26	20:30	Industrial Profits YTD (y/y)	Nov	--	-10.0
TH	12-27	02:00	Current Account Balance (US\$ mn)	Nov	--	700.0
TH	12-27	02:30	Exports (y/y)	Nov	--	14.2
TH	12-27	02:30	Imports (y/y)	Nov	--	17.1
TH	12-27	02:30	Trade Balance (US\$ mn)	Nov	--	1446.0
SK	12-29	18:00	Industrial Production (m/m)	Nov	--	0.0
SK	12-29	18:00	Industrial Production (y/y)	Nov	--	6.3
SK	12-29	18:00	Cyclical Leading Index Change	Nov	--	-0.1
HK	12-30	03:30	Exports (y/y)	Nov	--	3.5
HK	12-30	03:30	Imports (y/y)	Nov	--	4.5
HK	12-30	03:30	Trade Balance (HKD bn)	Nov	--	-31.0
SK	12-30	18:00	CPI (m/m)	Dec	--	-0.3
SK	12-30	18:00	CPI (y/y)	Dec	1.7	1.5
CH	12-30	20:30	Manufacturing PMI	Dec	50.3	50.3
CH	12-30	20:30	Non-manufacturing PMI	Dec	50.2	50.0
SK	12-31	19:00	Exports (y/y)	Dec	--	1.4
SK	12-31	19:00	Imports (y/y)	Dec	--	-2.4
SK	12-31	19:00	Trade Balance (US\$ mn)	Dec	--	5586.0
CH	01-01	20:45	Caixin Flash China Manufacturing PMI	Dec F	51.8	51.5
CH	01-01	20:45	Caixin Manufacturing PMI	Dec F	51.8	51.5
ID	01-01	21:00	CPI (y/y)	Dec	--	1.6
TH	01-02	02:30	Business Sentiment Index	Dec	--	49.3
HK	01-02	03:30	Retail Sales - Value (y/y)	Nov	--	-2.9
HK	01-02	03:30	Retail Sales - Volume (y/y)	Nov	--	-4.9
SI	01-02	08:00	Purchasing Managers Index	Dec	--	51.0
PH	01-02	20:00	CPI (y/y)	Dec	--	2.5
ID	01-02	21:00	CPI (m/m)	Dec	--	0.3
ID	01-02	21:00	Core CPI (y/y)	Dec	--	2.3
SI	01-03	00:00	Retail Sales (m/m)	Nov	--	0.1
SI	01-03	00:00	Retail Sales (y/y)	Nov	--	2.2
PH	01-03	20:00	CPI (m/m)	Dec	--	0.4

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for December 23 – January 3

## LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
BZ	12-23	06:30	Current Account (US\$ mn)	Nov	--	-3500.0	-5879.8
BZ	12-27	07:00	IBGE Inflation IPCA-15 (m/m)	Dec	--	0.5	0.6
BZ	12-27	07:00	IBGE Inflation IPCA-15 (y/y)	Dec	--	4.8	4.8
CL	12-30	07:00	Unemployment Rate (%)	Nov	--	--	8.6
CL	12-31	07:00	Industrial Production (y/y)	Nov	--	--	3.0
CL	12-31	07:00	Retail Sales (y/y)	Nov	--	--	4.5
CO	12-31	10:00	Urban Unemployment Rate (%)	Nov	--	--	9.5
PE	01-01	10:00	Consumer Price Index (m/m)	Dec	--	--	0.1
PE	01-01	10:00	Consumer Price Index (y/y)	Dec	--	--	2.3
BZ	01-02	08:00	PMI Manufacturing Index	Dec	--	--	52.3

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

**Global Auctions for December 23 – January 3****NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	12-23	13:00	U.S. To Sell 2-Year Notes
US	12-24	11:30	U.S. To Sell 2-Year FRN Reopening
US	12-24	13:00	U.S. To Sell 5-Year Notes
US	12-26	13:00	U.S. To Sell 7-Year Notes

**EUROPE**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	12-31	05:00	Italy Cancels Auction to Sell Bonds

**ASIA PACIFIC**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	12-23	21:35	China Plans to Sell Bonds
JN	12-25	22:35	Japan to Sell 2-Year Bonds

**LATIN AMERICA**

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

## Events for December 23 – January 3

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	12-23	13:30	Bank of Canada Releases Summary of Deliberations
US	01-03	11:00	Fed's Barkin Gives Keynote Address

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SZ	12-31	03:00	Foreign exchange transactions
SW	01-02	03:30	Riksbank minutes from December meeting published

### ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	12-23	18:50	BOJ Minutes of Oct. Meeting
AU	12-23	19:30	RBA Minutes of Dec. Policy Meeting
JN	12-24	00:00	BOJ Governor Ueda Speech at the Keidanren Council
JN	12-26	18:50	BOJ Summary of Opinions (Dec. MPM)
AU	12-29	22:20	RBA's Jones-Fireside Chat

### LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UR	12-23		<b>Monetary Policy Rate</b>
CO	12-26	17:00	Colombia Monetary Policy Minutes
TR	12-30		<b>Central Bank Repurchase Rate</b>
DR	12-31		<b>Overnight 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	3.25	January 29, 2025	3.25	3.00
Federal Reserve – Federal Funds Target Rate	4.50	January 29, 2025	4.50	4.50
Banco de México – Overnight Rate	10.00	February 6, 2025	9.75	9.75

**Bank of Canada:** The Summary of Deliberations to the discussions leading up to the -50bps cut on December 11th arrive on December 23rd.

## 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	3.15	January 30, 2025	2.90	2.90
European Central Bank – Marginal Lending Facility Rate	3.40	January 30, 2025	3.15	3.15
European Central Bank – Deposit Facility Rate	3.00	January 30, 2025	2.75	2.75
Bank of England – Bank Rate	4.75	February 6, 2025	4.75	4.75
Swiss National Bank – Sight Deposit Rate	0.50	March 20, 2025	0.50	0.50
Central Bank of Russia – One-Week Auction Rate	21.00	February 14, 2025	21.00	21.00
Sweden Riksbank – Repo Rate	2.50	January 29, 2025	2.25	2.25
Norges Bank – Deposit Rate	4.50	January 23, 2025	4.50	4.50
Central Bank of Turkey – Benchmark Repo Rate	50.00	December 26, 2024	48.50	48.50

**Central Bank of Turkey:** After holding the policy rate at 50% for the eighth consecutive time, the Central Bank of Turkey is expected to keep the policy rate on hold on Thursday with some economists expecting a small chance of a rate cut ranging from 150bps to 250bps. Both headline and underlying inflation have shown further improvement but still remain elevated at around 47%. Similarly, 12-month inflation expectations have improved but remains elevated at 64%. In addition, the Turkish lira remains weak. Nonetheless, the economy is in a 'technical recession' after the 3Q posted a second consecutive negative q/q growth of -0.2%, supporting the argument for rate cuts. However, the bank had guided that "the tight monetary stance will be maintained until a significant and sustained decline in the underlying trend of monthly inflation is observed". Hence, we will have to wait and see if the bank has gained that confidence to start easing.

## 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	0.25	January 24, 2025	0.25	0.25
Reserve Bank of Australia – Cash Rate Target	4.35	February 17, 2025	4.35	4.35
Reserve Bank of New Zealand – Cash Rate	4.25	February 18, 2025	3.75	3.75
People's Bank of China – 1-Year Medium-Term Lending Facility Rate	2.00	December 25, 2024	2.00	2.00
Reserve Bank of India – Repo Rate	6.50	February 6, 2025	6.50	6.50
Bank of Korea – Base Rate	3.00	January 16, 2025	3.00	3.00
Bank of Thailand – Repo Rate	2.25	February 26, 2025	2.25	2.25
Bank Negara Malaysia – Overnight Policy Rate	3.00	January 22, 2025	3.00	3.00
Bank Indonesia – BI-Rate	6.00	TBA	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	5.75	TBA	5.50	5.50

**Reserve Bank of Australia:** Minutes to the December 1st meeting arrive on December 27th.

## 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	January 29, 2025	13.25	N/A
Banco Central de Chile – Overnight Rate	5.00	January 28, 2025	5.00	N/A
Banco de la República de Colombia – Lending Rate	9.75	January 31, 2025	9.25	9.25
Banco Central de Reserva del Perú – Reference Rate	5.00	TBA	5.00	4.75

## 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	7.75	January 30, 2025	7.50	7.50

Sources: Bloomberg, Scotiabank Economics.

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