Scotiabank

GLOBAL ECONOMICS

THE GLOBAL WEEK AHEAD

March 28, 2025

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With thanks for research support from: Jaykumar Parmar.

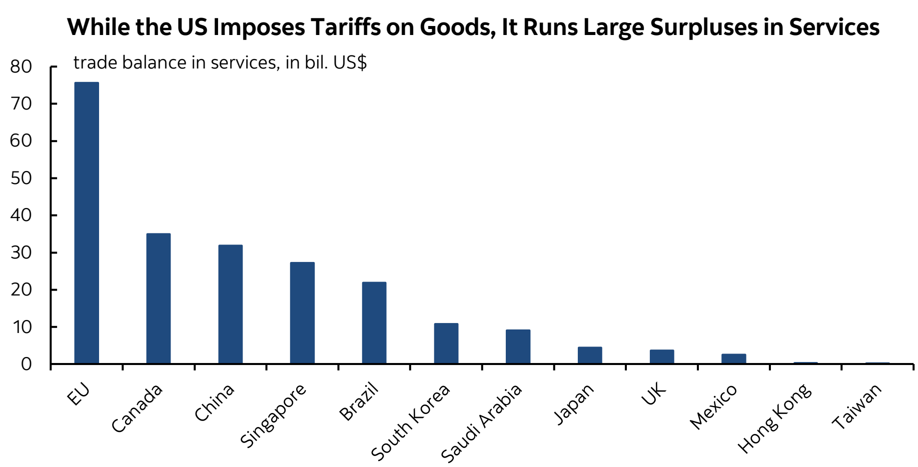
Next Week's Risk Dashboard

- **A black mark on the annals of global economic history will arrive this week**
- **'Liberation Day' will be a libertarian's worst nightmare**
- **A protectionist US wall revisits 1930, and the 1500s through 1700s**
- **Which countries are most vulnerable to US tariffs**
- **All the ways America heavily protects its auto sector**
- **Expect retaliation…**
- **…including direct pre-commitments to do so from Canada**
- **Four narratives on the way forward**
- **US nonfarm payrolls: cautious optimism for now**
- **Fed's Powell to update outlook post-tariffs and nonfarm…**
- **…and most of the Fed's Board will weigh in post-tariffs**
- **Canadian jobs: tariffs and snow**
- **BanRep expected to hold again**
- **RBA to hold**
- **Eurozone CPI is likely to be soft for now**

Tariffied!

FORECASTS & DATA

Chart of the Week



Sources: Scotiabank Economics, Census Bureau.

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

March 28, 2025

Tariffied!

A black mark in the annals of global economic history arrives on Wednesday. President Trump calls it 'Liberation Day.' That's hard to square with the common rallying cry that puts economic freedom above all else in American—and particularly Republican—politics. It seems to me that this would be an American libertarian's worst nightmare, yet common folks are the ones who will pay. Greater government interference in commerce is about to be unleashed and in ways that create untold consequences for the economy, for financial markets, for supply chains, for job security facing millions of workers, and for inflation. Protectionist walls of the sort that Trump is setting out to build haven't been seen since the 1930 Smoot-Hawley Act, the Mercantilist period of the 1500s through 1700s, and in multiple developing economies. Take a hint.

We don't know what the tariff plans will include but can speculate and already have some of the plans including ones before this week and this past week's additions. It seems like the US administration doesn't quite know yet either. It's likely that speculation toward what the FT called a two-step process that (ab)uses emergency powers to impose "substantial" tariffs while conducting probes into trade practices of other countries is likely. That means tensions are here to stay for the foreseeable future.

The most vulnerable countries are ones with relatively high tariffs on US imports and with whom the US is running trade deficits as shown in chart 1. The logic is weak, and the target countries are not always consistent by both metrics, but it gives a sense of what the US administration has indicated to date. Chart 2 also shows that the US already has significant tariffs on many of these countries.

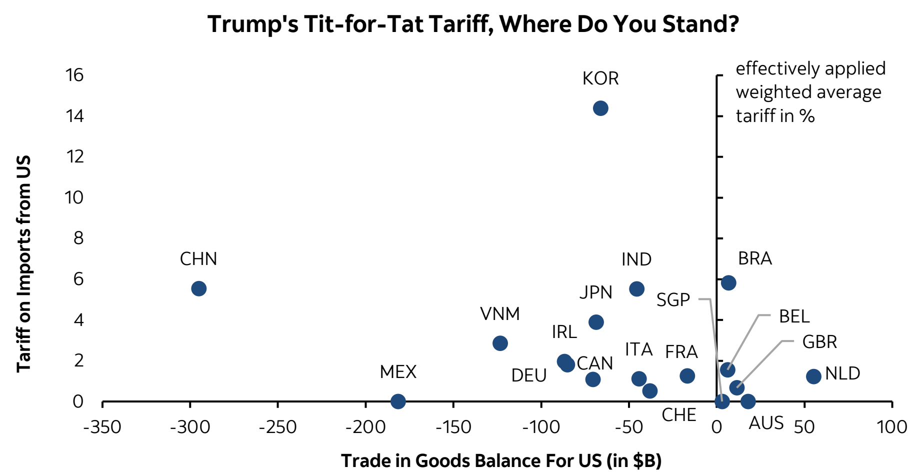
The logic is weak for multiple reasons. One being that trade deficits like the US runs—or broader current account deficits—can reflect many drivers. One is the attractiveness of investing in the US that drives large capital inflows to the US and large outflows to service those liabilities to foreigners. Two is that the US saves too little with massive fiscal deficits over 7% of GDP and a low personal saving rate especially in real terms.

Further, countries that use tariffs often do so because they don't have the money to play the subsidy game at which US governments excel. The US average tariff is no different than Canada's (chart 3) and ditto for its non-tariff barriers (chart 4). But the US is among the global leaders at the subsidy racket. Think Farm Bill.

All signs indicate that this is not merely a negotiating tactic. This past week's announcements from the US on copper tariffs (see **here**) and auto tariffs (see **here**) offered a prelude to what is to be expected this coming week. They will clearly result in price shocks to Americans.

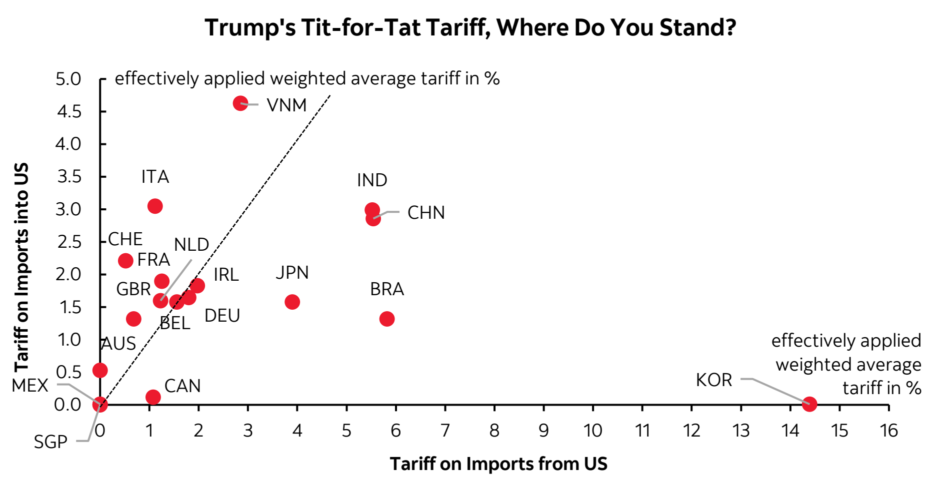
As argued in that second link, it's rather rich of the US to wag a finger at other countries on alleged unfair trade practices in autos when it applies dollops of subsidies to the sector at the federal and state levels, has the so-called 'chicken tax' of 25% against imported light trucks, and has applied industry bailouts funded by taxpayers and also led by the Federal Reserve's various QE policies. Now the US seeks to put the auto sector behind a tariff wall alongside auto loan deductibility of interest as another taxpayer subsidy. All of this makes no sense whatsoever and is among the countless

Chart 1



Sources: Scotiabank Economics, World Integrated Trade Solution, Census Bureau.

Chart 2

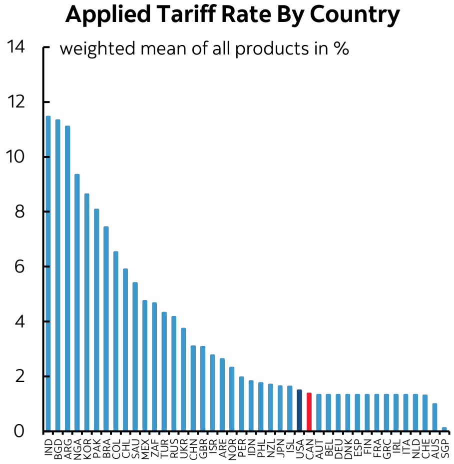


Sources: Scotiabank Economics, World Integrated Trade Solution.

examples of why foreign governments are likely to view the US as wearing a tilted halo. It's also how an industry winds up making Ladas and Yugos.

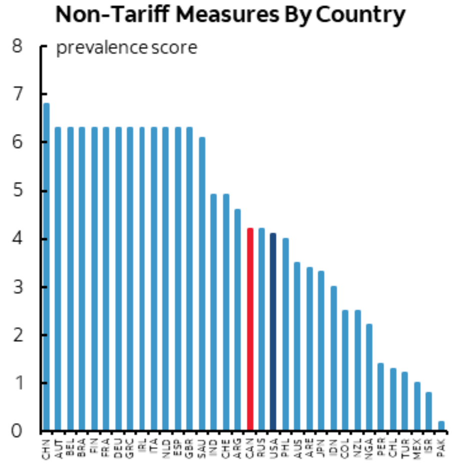
Expect retaliation against whatever the US applies. Canadian Prime Minister Carney has made that abundantly clear. He has said "our response to these latest tariffs is to fight, to protect, and to build," that "we will respond forcefully," that "Canada will retaliate with maximum impact in the US and minimum in Canada," and that "Nothing is off the table." There isn't much ambiguity in all of that! He pledges negotiations to start after the Canadian election a month from now, a build strategy, and retaliation as the three-pronged approach.

Chart 3



Sources: Scotiabank Economics, World Bank.

Chart 4



Sources: Scotiabank Economics, UNCTAD.

And he's right, in my opinion. Of course, US VP Vance is also correct when he said "no way" Canada can win a trade war with the US. His sentence was incomplete, however, because he should have also said the same of his country.

There are no winners in trade wars, but you can make them end quicker by shoving back and causing maximum damage through the US by way of damage to supply chains, production shifts, plant closures, jobs lost, soaring prices, polling etc. You can do that right into a mid-term election year. The incumbent often loses ground, the GOP has slim majorities, and the electorate might not be so pleased with their trade war's effects. You can make it less likely that you get picked on next time instead of the weaker kid; that sucks to be the weaker kid that didn't stand up for himself/herself, but it's not you. And at issue is facing permanent tariffs without standing up, versus possibly getting to a new best, most fabulous, greatest, they said it couldn't be done, I did it all by myself, hugest trade deal in the history of trade deals. Like it's oh so 2018 again.

The chance that Trump backs off against industry pressure from within remains high. As a further example, not even the oil patch likes Trump's energy policies as indicated by the incredibly direct blowback from oil patch executives in the Dallas Fed's latest survey (**here**). Toss in soaring prices and supply chain disruptions across multiple industries stemming from a variety of widespread tariffs and damage is already being done to the US economy.

So pick your narrative from this point forward.

1. This will all blow over because Trump will settle into midterms rather than risk losing both chambers of Congress as prices and uncertainty soar, growth and employment ebb. That's the 2018 playbook, only a grander version this time given the scope and magnitude of the measures being undertaken.

2. A fundamentally different trade deal will emerge. Not just token changes as in #1, but a profoundly different deal or maybe bilateral side deals. That may or may not mean keeping the US, Mexico and Canada together versus going back to the less efficient Canada-US FTA of the 1980s.

3. That we'll be in high tension purgatory until Trump is gone and take our chances with whatever may follow. Trump has no obvious successor, and the Democrats are in disarray, both of which could change.

4. Or that free trade in N.A. is dead as the US administration is taking steps to fundamentally destroy CUSMA/USMCA/NAFTA.

There are profound differences in the macro and financial market implications to all four. I used to think #1 was most likely and still hold out some hope. At this stage, it's unclear which of the three other alternatives is most plausible. This coming week's developments are likely to further inform which scenario is on the mark in a high stakes gamble that is sure to invite retaliation from abroad.

But enough about tariffs for now. We'll have plenty to write about with a good team looking at various aspects and implications stemming from whatever happens this week. Nonfarm payrolls, Canadian jobs, Chair Powell's post-tariff economic outlook, decisions by the RBA and BanRep and limited other global macro data will offer enough variety.

US NONFARM—CAUTIOUS OPTIMISM, FOR NOW

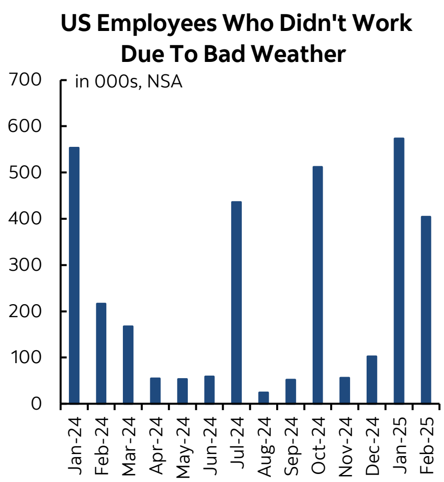
One of two nonfarm payrolls reports before the next FOMC decision on May 7th will arrive on Friday. The readings for March could either assuage or feed concerns about the US economy's momentum. My hunch is they'll do the former, but in this case, job growth may not be an accurate gauge of confidence in the economy as I'll explain.

With the usual caveat that you could spin Toronto's CN Tower up here in free and strong Canada sideways down the middle of the +/-130k 90% confidence bands for payroll estimates, I went with a gain of 175k for March. I've also estimated that the unemployment rate could slip a tenth to an even 4% as derived from the companion household survey as jobs rebound more than the labour force from the large declines in both during the prior month.

Here's a breakdown of the loose reasoning to complement an approach informed by a simple model and a lot of judgement.

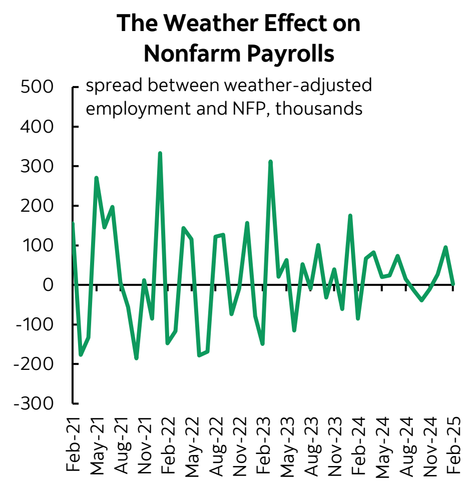
Weather effects are somewhat uncertain, but I've gone with a mildly positive influence for the nonfarm tally and a bigger one for the household survey measure of jobs. The BLS measure for 'unable to work' due to bad weather was abnormally high in both January and February this year (chart 5). That measure is drawn from the household survey that includes payroll employees as well as workers not on formal payrolls. By contrast, the San Fran Fed's weather-adjusted payroll change in February turned out to be a largely neutral effect (chart 6). Other than massive differences in sampling noise, the two sources taken together could imply that weather may be more of a beneficial impact on household survey employment than on payrolls.

Chart 5



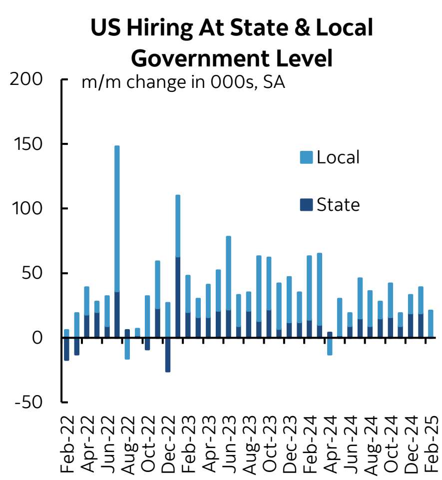
Sources: Scotiabank Economics, BLS.

Chart 6



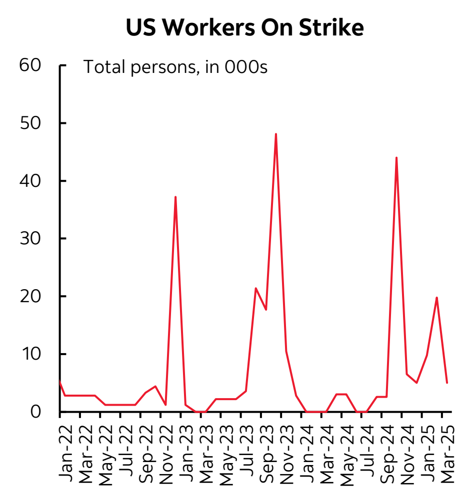
Sources: Scotiabank Economics, Bloomberg.

Chart 7



Sources: Scotiabank Economics, BLS.

Chart 8



Sources: Scotiabank Economics, BLS.

A modest decline in federal government employment is expected, but most of the effects of the DOGE cuts are likely still ahead as cuts are staggered and workers who accepted packages will technically be on payroll for several more months.

Offsetting this federal government effect could be ongoing hiring at the state and local level such that we could see total government hiring being either flat if not a material gain. State and local level governments have been on a hiring spree for quite a while (chart 7) and may continue as federal program cuts result in downloaded responsibilities to other governments.

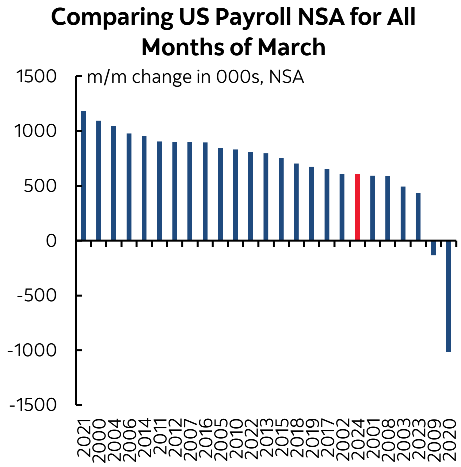
There could be a mildly positive strike rebound effect on payrolls. There were 19,800 workers on strike through the whole February nonfarm reference period and that number dropped to 5,000 by the March reference period **here** (chart 8). To have counted off payroll during a strike you have to meet several criteria, one of which is having been off it for the whole reference period subject to pay frequency. Of course, striking workers also must be captured by the sample. More **here**.

We have limited advance readings to go by and more will arrive before the payrolls report, but the ones we do have are mildly supportive of payrolls. Consumer confidence jobs plentiful was steady at 33.6, unchanged from February and signalling that consumers felt there was similar availability of jobs. Initial jobless claims were little changed between reference weeks with no clear shift in either direction. S&P PMIs on net were constructive signals for growth and hiring. 'Indeed' job postings have had a slight downward bias.

We'll also get JOLTS for February on Tuesday, ISM-manufacturing employment on Tuesday, ADP private payrolls for March on Wednesday, Challenger job losses for March on Thursday, and ISM-services employment on Thursday. NFIB hiring and difficulty filling jobs measures won't arrive until the following week and are among the variables I plug in when available.

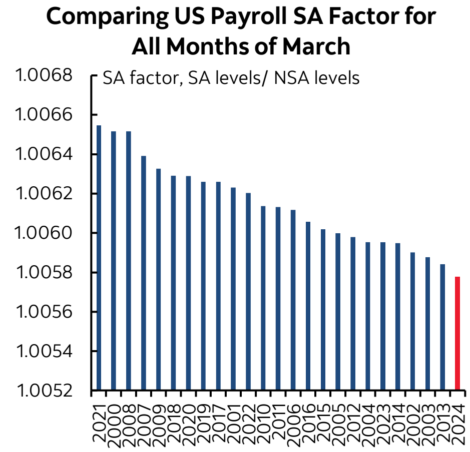
Nonfarm, however, is a beast on its own and doesn't necessarily line up terribly well with other advance labour market signals. It has its own methodology, including its tendency to be swayed by multiple job holders by counting jobs versus the household survey that counts bodies. It also has its own sampling error that is very different from other readings.

Chart 9



Sources: Scotiabank Economics, BLS.

Chart 10



Sources: Scotiabank Economics, BLS.

As for seasonality influences, March is normally a significant up-month for seasonally unadjusted job gains (chart 9). The rub lies in the fact that the seasonal adjustment factors for recent months of March have been on the low side compared to like months of March (chart 10). The latter point could restrain job growth again, just as it did last month, which is why on balance I went with a decent number but capped it on the SA factor. That will require providing alternative job growth estimates under different SA factors because I don't have confidence in the recency bias that drives their estimation.

As for tariffs and confidence to hire, I can give reasonable arguments in both directions by way of payroll implications, but on balance hesitantly lean toward a positive short-term effect on hiring. For one, it's probably too soon to have much of an effect to the downside as tariffs get announced and implemented with a lag and then another lag follows the macroeconomic effects. In the interim period, a rush to beat tariffs may drive expedited hiring in the short-term. We see that in some readings, like industry estimates for vehicle sales that appear to have surged in March, plus the March S&P PMIs.

Ultimately, however, the balance of risks in the near-term when it comes to the impact of tariffs on hiring may depend upon a shift in the capital to labour ratio toward labour in meeting production needs. Confidence to invest is more likely to be hit harder than confidence to hire; it's easier to fire workers if the economy is swirling the bowl than to unwind cap-ex. So if nonfarm payrolls look solid this week, be careful in going too far by taking that as a signal that all is just peachy in the US economy; it could just as easily reflect unwillingness to invest as uncertainty gauges soar.

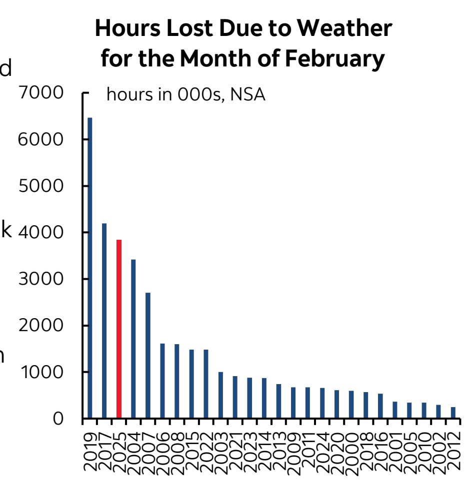
CANADIAN JOBS—TARIFFS AND SNOW

Canada updates job market readings for March on Friday. Unlike the US, this is the last set of job market signals before the Bank of Canada's next decision on April 16th that is presently priced at less than one-in-three odds of a cut. Those odds will also be informed by tariff announcements and interpreted effects this week, another CPI report the day before the April decision, and the BoC's consumer and business surveys on April 7th.

I've gone with a gain of 25k jobs in March and a slightly lower unemployment rate of 6.5%. Being a household survey, there is a lot of statistical noise as indicated by a 95% confidence interval of +/- 57k around estimated monthly job changes.

One motivating reason for the estimate is weather. Uh oh, economists and weather again, you say. Tut tut, now now. This one has some merit to it. Even for this Canadian, February was a bad month by way of more snow and colder temperatures than I recall in many years. Apparently, others agreed as there was a steep increase in hours worked that were lost due to weather in February (chart 11). Workers that may have been out of the job market temporarily and could return, and hours worked could rebound in March. If so, then a gain in hours worked could be a plus for March

Chart 11



Sources: Scotiabank Economics, Statistics Canada.

GDP that would end Q1 on a solid note and offer some momentum into Q2 by way of the effects on GDP math.

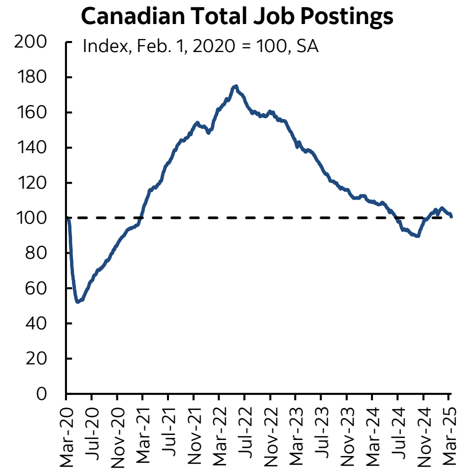
There are precious few other signals to go by in Canada. The CFIB indicates that hiring plans among small businesses over the next 3–4 months have cooled (chart 12), although that doesn't necessarily speak to what happened to hiring in March. 'Indeed' job postings have recently trended a little lower (chart 13).

The Canadian labour market has become more balanced in a Beveridge Curve sense. Balance has been restored between job vacancy rates and the unemployment rate (chart 14).

Chart 12

Sources: Scotiabank Economics, CFIB.

Chart 13



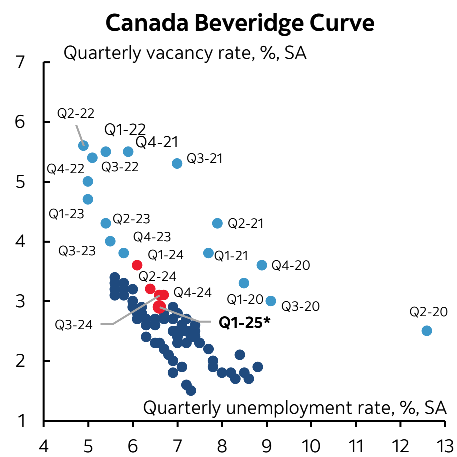
Sources: Scotiabank Economics, Indeed Hiring Lab.

Next up are seasonal influences. March normally posts a job gain in seasonally unadjusted terms (chart 15). Offsetting this may be another lower than normal seasonal adjustment factor based on the fact that all of the lowest SA factors for March employment have been in the years leading up to the pandemic and especially the years following (chart 16).

As for trade tensions, it may be too early to expect reduced hiring. Chart 17 shows that trend job growth slowed the last time Canada and the US went head-to-head on trade tensions in 2018–19 and there was significant volatility with some declines mixed in, but on balance, employment grew through that period. In fact, employment was up by almost 570k jobs by the end of 2019 compared to the end of 2017.

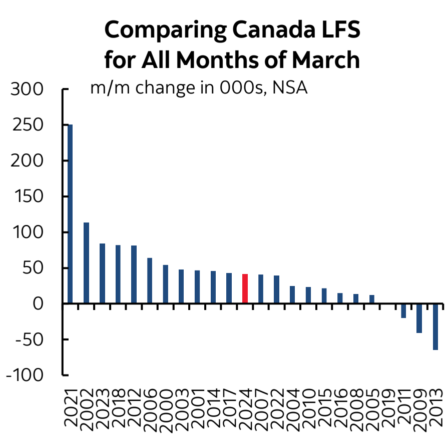
Today is obviously a much bigger risk given the magnitude of US belligerence. That doesn't have to mean immediate hits on employment and for similar reasons to what I'll argue in the section on US payrolls so I won't repeat them here.

Chart 14



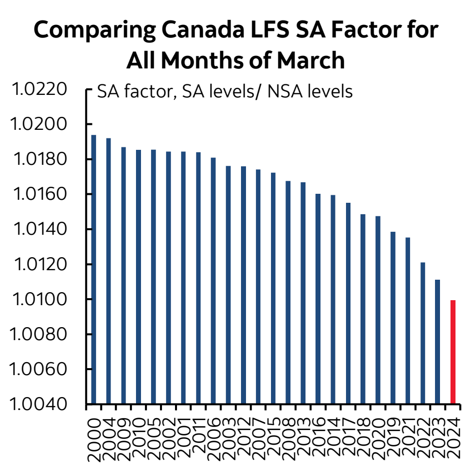
Sources: Scotiabank Economics, Statistics Canada.

Chart 15



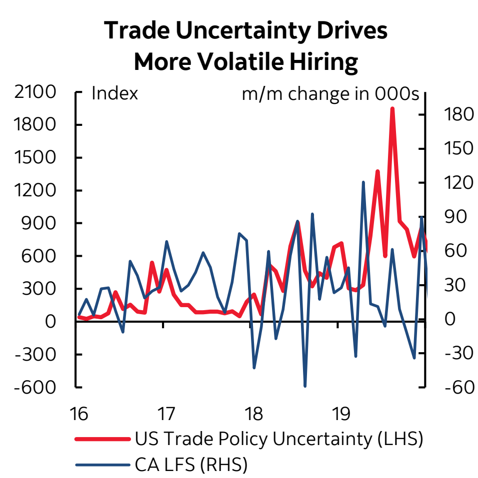
Note: Observation for 2020 has been excluded.
Sources: Scotiabank Economics, Statistics Canada.

Chart 16



Sources: Scotiabank Economics, Statistics Canada.

Chart 17



Sources: Scotiabank Economics, Statistics Canada, Baker, Bloom & Davis.

CENTRAL BANKS—THE FED'S TARIFF REACTIONS

This will be a lighter week for global central banks and they're probably all rather happy about that. I mean, there is high risk that the few who do have to weigh in might get hit by tariffs being flung in all directions and unable to do much beyond watching. Key, however, will be the reaction of much of the Fed's Board of Governors that weighs in after Trump's tariff announcements—including the Chair.

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RBA—'Twas the Night Before Tariffs

The Reserve Bank of Australia is widely expected to be on hold on late Monday night (ET) or Tuesday Down Under and one day before Tariff Man leaps out of his phone booth. The cash rate target is likely to stay at 4.1%.

One reason for holding is that they just cut by 25bps with some trepidation at the February 17th meeting. At that decision, the RBA said it expected core inflation to remain in upper half of its 2–3% inflation target range from this June through the next 2+ years. They also cautioned—as have other central banks like the Fed—that easing too quickly could stall progress on disinflation. That was a reason for why Governor Bullock said "I want to be very clear that today's decision does not imply that further rate cuts along the lines suggested by the markets are coming." That's not exactly the kind of language that a central banker on a straight line easing path would have chosen—with or without being on the eve of uncertain tariff effects.

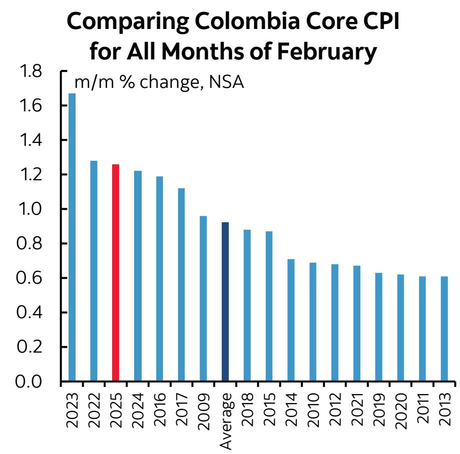
BanRep—Probably a Hold

Colombia's central bank is expected to stay on hold at an overnight lending rate of 9.5% on Tuesday afternoon. This is the view of the median consensus forecast and our economists in Colombia. A significant minority of forecasters leave open the possibility of a rate cut.

One thing that would counsel keeping their powder dry may be to see what actually transpires when the US administration makes its tariff announcements and others react.

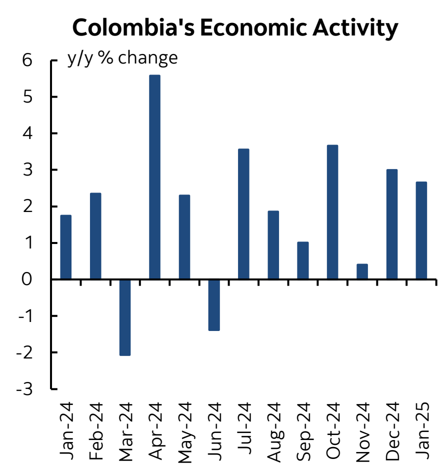
And yet core inflation is already recently running a little too warm for comfort (chart 18). Recent growth has also been decent (chart 19).

Chart 18



Sources: Scotiabank Economics, Departamento Administrativo Nacional de Estadistica (DANE).

Chart 19



Sources: Scotiabank Economics, Departamento Administrativo Nacional de Estadistica (DANE).

Key Fed-Speak

This will also be a significant week for Fed-speak that picks up on the recently more hawkish comments from several FOMC officials. Much of the whole Board of Governors will be trudged out to present a united voice from the top of the house in the wake of Trump's tariff announcements.

Key will be Chair Powell's speech on the economic outlook in Virginia on Friday (11:25amET). Also on tap will be Governors Waller and Barr shortly after Powell speaks, Governor Kugler (Wednesday), Governor Jefferson (Thursday), Governor Cook (Thursday).

Recall that Chair Powell already effectively ruled out a move in May at the last decision (recap **here**). Since then, several FOMC officials have sounded incrementally more cautious and patient.

Boston's Collins supports holding for longer. Richmond's Barkin signalled discomfort toward assuming that tariffs would merely offer one-off transitory effects on inflation. St. Louis President Musalem cautioned that indirect tariff effects may raise persistent inflationary pressure and said there is no urgency to cut. Atlanta's Bostic indicated he was previously at two rate cuts this year and now expects only one. Minneapolis President said there is more work to be done in lowering inflation. Chicago's Goolsbee cautioned that it's unrealistic to expect to know the rate path from this point forward. San Fran's Daly said she still thinks two cuts may be reasonable this year but is "100%" focused on inflation.

GLOBAL MACRO—A FEW OTHER GEMS

Chart 20 summarizes other global indicators that are due out this week.

Eurozone CPI on Tuesday will be the culmination of individual country reports that began with this past week's softer than expected readings from France and Spain and with Germany and Italy set to report on Monday. Sweden (Friday) and Switzerland (Thursday) will also report inflation figures.

US releases will also include ISM-manufacturing that may weaken (Tuesday) and also the March ISM-services report (Thursday) that could be fairly resilient. Vehicle sales are expected to rise based on industry guidance. Factory orders are likely to follow durable goods orders higher (Wednesday).

Canada will be primarily focused upon tariff developments and the jobs report. Trade figures for February (Thursday) and S&P PMIs for manufacturing (Tuesday) and the composite gauge (Thursday) will round things out.

LatAm markets face an otherwise light calendar beyond tariff developments and BanRep. Key will be Peru's CPI reading for March on Tuesday and Chile's GDP proxy for February (Tuesday).

Asia-Pacific markets face a light line-up such that spillover effects of US tariffs and their responses are likely to dominate market interests. CPI will be updated by South Korea (Monday), Philippines (Thursday) and Thailand (Friday). Australian retail sales (Monday) and trade (Wednesday). Japan updates its Q1 Tankan Survey (Monday).

Chart 20

Other Global Macro Indicators (March 31st - April 04th)

US	CA	CPI		Other Macro
		Monday		
Chicago PMI		IT	GE	Retail Sales
Dallas Fed. Manf. Activity		GE	CL	IP, Retail Sales
			CO	UR
			JN	Housing Starts, Jobless Rate
			AU	Retail Sales
			CH	PMI
		Tuesday		
Construction Spending		EC	IT	Manf PMI
ISM Manf. Index		SK	EC	UR
Jolts		PE	CL	Economic Activity
Vehicle Sales			BZ	PMI Manf. Index
		Wednesday		
MBA Mortgage App.			BZ	IP
ADP Employment			AU	Trade
Factory Orders				
		Thursday		
Claims	Trade	PH	IT	Serv PMI
Trade			EC	PPI
ISM Non-Manf. Index				
		Friday		
Jobs	Jobs	TH	GE	Factory Orders
			FR	IP, Manf. Production
			UK	PMI Construction
			BZ	Trade

Sources: Scotiabank Economics, Bloomberg.

Key Indicators for the week of March 31 – April 4

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	03-31	09:45	Chicago PMI	Mar	--	45.0	45.5
US	03-31	10:30	Dallas Fed. Manufacturing Activity	Mar	--	-5.0	-8.3
US	04-01	10:00	Construction Spending (m/m)	Feb	0.3	0.2	-0.2
US	04-01	10:00	ISM Manufacturing Index	Mar	49.5	49.7	50.3
US	04-01	10:00	JOLTS Job Openings (000s)	Feb	--	7784.5	7740.0
US	04-01		Total Vehicle Sales (mn a.r.)	Mar	16.5	16.0	16.0
US	04-02	07:00	MBA Mortgage Applications (w/w)	Mar 28	--	--	-2.0
US	04-02	08:15	ADP Employment Report (000s m/m)	Mar	100	120.0	77.0
US	04-02	10:00	Factory Orders (m/m)	Feb	0.7	0.5	1.7
CA	04-03	08:30	Merchandise Trade Balance (C$ bn)	Feb	--	3.5	4.0
US	04-03	08:30	Initial Jobless Claims (000s)	Mar 29	225	225.0	224.0
US	04-03	08:30	Continuing Claims (000s)	Mar 22	1865	--	1856.0
US	04-03	08:30	Trade Balance (US$ bn)	Feb	-122.0	-120.7	-131.4
US	04-03	10:00	ISM Non-Manufacturing Composite	Mar	53.5	53.1	53.5
CA	04-04	08:30	Employment (000s m/m)	Mar	25.0	15.6	1.1
CA	04-04	08:30	Unemployment Rate (%)	Mar	6.5	6.7	6.6
US	04-04	08:30	Average Hourly Earnings (m/m)	Mar	0.3	0.3	0.3
US	04-04	08:30	Average Hourly Earnings (y/y)	Mar	4.0	3.9	4.0
US	04-04	08:30	Average Weekly Hours	Mar	--	34.2	34.1
US	04-04	08:30	Nonfarm Employment Report (000s m/m)	Mar	175	140.0	151.0
US	04-04	08:30	Unemployment Rate (%)	Mar	4.0	4.1	4.1
US	04-04	08:30	Household Employment Report (000s m/m)	Mar	--	--	-588.0

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
UK	03-30		Nationwide House Prices (m/m)	Mar	0.2	0.4
GE	03-31	02:00	Retail Sales (m/m)	Feb	0.0	0.3
SP	03-31	04:00	Current Account (€ bn)	Jan	--	1.7
UK	03-31	04:30	Net Consumer Credit (£ bn)	Feb	1.2	1.7
IT	03-31	05:00	CPI (m/m)	Mar P	0.0	0.2
IT	03-31	05:00	CPI (y/y)	Mar P	1.6	1.6
IT	03-31	05:00	CPI - EU Harmonized (m/m)	Mar P	1.3	0.1
IT	03-31	05:00	CPI - EU Harmonized (y/y)	Mar P	1.8	1.7
GE	03-31	08:00	CPI (m/m)	Mar P	0.3	0.4
GE	03-31	08:00	CPI (y/y)	Mar P	2.2	2.3
GE	03-31	08:00	CPI - EU Harmonized (m/m)	Mar P	0.4	0.5
GE	03-31	08:00	CPI - EU Harmonized (y/y)	Mar P	2.4	2.6
IT	04-01	03:45	Manufacturing PMI	Mar	48.0	47.4
EC	04-01	05:00	CPI (m/m)	Mar P	0.6	0.4
EC	04-01	05:00	Euro zone CPI Estimate (y/y)	Mar P	2.2	2.4
EC	04-01	05:00	Euro zone Core CPI Estimate (y/y)	Mar P	2.5	2.6
EC	04-01	05:00	Unemployment Rate (%)	Feb	6.2	6.2
IT	04-01		Budget Balance (€ bn)	Mar	--	-18.7
IT	04-01		Budget Balance YTD (€ bn)	Mar	--	-5.4
FR	04-02	02:45	Central Government Balance (€ bn)	Feb	--	-17.3
IT	04-03	03:45	Services PMI	Mar	52.5	53.0
UK	04-03	04:30	Official Reserves Changes (US$ bn)	Mar	--	646.0
EC	04-03	05:00	PPI (m/m)	Feb	0.3	0.8
GE	04-04	02:00	Factory Orders (m/m)	Feb	3.5	-7.0
FR	04-04	02:45	Industrial Production (m/m)	Feb	0.5	-0.6
FR	04-04	02:45	Industrial Production (y/y)	Feb	-1.2	-1.6
FR	04-04	02:45	Manufacturing Production (m/m)	Feb	--	-0.7
SP	04-04	03:00	Industrial Output NSA (y/y)	Feb	--	-1.0
UK	04-04	04:30	PMI Construction	Mar	46.6	44.6

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

Key Indicators for the week of March 31 – April 4

ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
SK	03-30	19:00	Industrial Production (m/m)	Feb	0.8	-2.3
SK	03-30	19:00	Industrial Production (y/y)	Feb	2.5	-4.1
SK	03-30	19:00	Cyclical Leading Index Change	Feb	--	-0.3
JN	03-30	19:50	Industrial Production (m/m)	Feb P	2.0	-1.1
JN	03-30	19:50	Large Retailers' Sales (y/y)	Feb	--	3.6
JN	03-30	19:50	Retail Trade (m/m)	Feb	-0.2	1.2
JN	03-30	19:50	Retail Trade (y/y)	Feb	2.5	4.4
JN	03-30	19:50	Industrial Production (y/y)	Feb P	1.2	2.2
AU	03-30	20:30	Private Sector Credit (m/m)	Feb	0.5	0.5
AU	03-30	20:30	Private Sector Credit (y/y)	Feb	--	6.5
PH	03-30	21:00	Bank Lending (y/y)	Feb	--	11.3
CH	03-30	21:30	Manufacturing PMI	Mar	50.4	50.2
CH	03-30	21:30	Non-manufacturing PMI	Mar	50.5	50.4
JN	03-31	01:00	Housing Starts (y/y)	Feb	-2.2	-4.6
TH	03-31	03:00	Current Account Balance (US$ mn)	Feb	4200.0	2700.0
TH	03-31	03:30	Exports (y/y)	Feb	--	12.9
TH	03-31	03:30	Imports (y/y)	Feb	--	7.5
TH	03-31	03:30	Trade Balance (US$ mn)	Feb	--	404.0
HK	03-31	04:30	Retail Sales - Value (y/y)	Feb	--	-3.2
HK	03-31	04:30	Retail Sales - Volume (y/y)	Feb	--	-5.2
JN	03-31	19:30	Jobless Rate (%)	Feb	2.5	2.5
JN	03-31	19:50	Tankan All Industries Index	1Q	3.2	11.3
JN	03-31	19:50	Tankan Manufacturing Index	1Q	12.0	14.0
JN	03-31	19:50	Tankan Non-Manufacturing Index	1Q	33.0	33.0
SK	03-31	20:00	Exports (y/y)	Mar	4.9	0.7
SK	03-31	20:00	Imports (y/y)	Mar	2.2	0.2
SK	03-31	20:00	Trade Balance (US$ mn)	Mar	5972.0	4152.0
AU	03-31	20:30	Retail Sales (m/m)	Feb	0.3	0.3
CH	03-31	21:45	Caixin Flash China Manufacturing PMI	Mar	50.6	50.8
CH	03-31	21:45	Caixin Manufacturing PMI	Mar	50.6	50.8
AU	**03-31**	**23:30**	**RBA Cash Target Rate (%)**	**Apr 1**	**4.10**	**4.10**
TH	04-01	03:30	Business Sentiment Index	Mar	--	48.9
SK	04-01	19:00	CPI (m/m)	Mar	0.1	0.3
SK	04-01	19:00	CPI (y/y)	Mar	1.9	2.0
JN	04-01	19:50	Monetary Base (y/y)	Mar	--	-1.8
AU	04-01	20:30	Building Approvals (m/m)	Feb	-1.5	6.3
PH	04-01	21:00	Budget Deficit/Surplus (PHP bn)	Feb	--	68.4
SI	04-02	09:00	Purchasing Managers Index	Mar	--	50.7
AU	04-02	20:30	Trade Balance (AUD mn)	Feb	5400.0	5620.0
HK	04-02	20:30	Purchasing Managers Index	Mar	--	49.0
CH	04-02	21:45	Caixin Services PMI	Mar	51.5	51.4
JN	04-03	19:30	Household Spending (y/y)	Feb	-0.8	0.8
PH	04-03	21:00	CPI (y/y)	Mar	2.1	2.1
PH	04-03	21:00	CPI (m/m)	Mar	0.1	-0.2
TH	04-03	22:00	CPI (y/y)	Mar	1.1	1.1
TH	04-03	22:00	CPI (m/m)	Mar	0.1	0.0
TH	04-03	22:00	Core CPI (y/y)	Mar	1.0	1.0
SI	04-04	01:00	Retail Sales (m/m)	Feb	--	2.4
SI	04-04	01:00	Retail Sales (y/y)	Feb	1.3	4.5

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CL	03-31	08:00	Industrial Production (y/y)	Feb	--	--	3.5
CL	03-31	08:00	Retail Sales (y/y)	Feb	--	3.5	8.0
CO	03-31	11:00	Urban Unemployment Rate (%)	Feb	--	10.5	11.1
CO	**03-31**	**14:00**	**Overnight Lending Rate (%)**	**Mar 31**	**9.50**	**9.50**	**9.50**
CL	04-01	07:30	Economic Activity Index SA (m/m)	Feb	--	--	0.4
CL	04-01	07:30	Economic Activity Index NSA (y/y)	Feb	--	--	2.5
BZ	04-01	09:00	PMI Manufacturing Index	Mar	--	--	53.0
PE	04-01	11:00	Consumer Price Index (m/m)	Mar	--	--	0.2
PE	04-01	11:00	Consumer Price Index (y/y)	Mar	--	--	1.5
BZ	04-02	08:00	Industrial Production SA (m/m)	Feb	--	--	0.0
BZ	04-02	08:00	Industrial Production (y/y)	Feb	--	--	1.4
BZ	04-04	14:00	Trade Balance (FOB) - Monthly (US$ mn)	Mar	--	--	-323.7

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

Global Auctions for the week of March 31 – April 4

NORTH AMERICA

Country	Date	Time	Event
CA	04-03	12:00	Canada to Sell C$5.25B of 3.25% 2035 Bonds

EUROPE

Country	Date	Time	Event
GE	04-01	05:30	Germany to Sell EU4.5 Billion of 2.2% 2027 Bonds
DE	04-02	04:15	Denmark to Sell Bonds
GE	04-02	05:30	Germany to Sell EU4.5 Billion of 2.5% 2035 Bonds
SP	04-03	04:30	Spain to Sell Bonds
FR	04-03	04:50	France to Sell Bonds
UK	04-03	05:00	UK to Sell GBP3.25 Billion of 4.375% 2040 Bonds
FI	04-03	06:00	Finland to Sell Ori Bonds

ASIA PACIFIC

Country	Date	Time	Event
AU	03-30	08:00	Australia to Sell A$600 Million 2.25% 2028 Bonds
SK	03-30	09:10	Bank of Korea to Sell 500 Billion Won 91-Day Bonds
SK	03-30	10:00	South Korea to Sell 1.8 Trillion Won 2-Year Bonds
JN	03-30	11:35	Japan to Sell 2-Year Bonds
SK	03-31	10:00	South Korea to Sell 5.7 Trillion Won 30-Year Bonds
AU	04-01	08:00	Australia to Sell A$800 Million 3.75% 2034 Bonds
SK	04-01	09:10	Bank of Korea to Sell 2 Trillion Won 2-Year Bonds
JN	04-02	11:35	Japan to Sell 10-Year Bonds
AU	04-03	08:00	Australia to Sell A$600 Million 1% 2031 Bonds
SK	04-03	10:00	South Korea to Sell 100B Won 10-Year Inflation-Linked Bonds

LATIN AMERICA

Country	Date	Time	Event
No Scheduled Auctions			

Sources: Bloomberg, Scotiabank Economics.

Events for the week of March 31 – April 4

NORTH AMERICA

Country	Date	Time	Event
US	04-01	09:00	Fed's Barkin Discusses Policy, Economic Outlook
US	04-02	04:30	Fed's Kugler Speaks on Inflation Expectations
US	04-03	12:30	Fed's Jefferson Gives Keynote on Communication
US	04-03	02:30	Fed's Cook Speaks on Economic Outlook
US	04-04	11:25	Fed's Powell Speaks on Economic Outlook
US	04-04	12:00	Fed's Barr Speaks on AI and Banking
US	04-04	12:45	Fed's Waller Speaks on Payments

EUROPE

Country	Date	Time	Event
EC	03-31	04:00	ECB's Panetta Speaks in Rome
EC	03-31	04:00	ECB's Villeroy Speaks on Banking in Paris
SW	03-31	12:00	Riksbank's Breman Holds Speech
NO	03-31		Norges Bank Deputy Governors Longva, Borsum Speeches
SW	04-01	03:00	Riksbank's Jansson Holds Speech
UK	04-01	04:15	BOE's Greene speaks
EC	04-01	04:20	ECB's Cipollone Speaks in Croatia
EC	04-01	08:30	ECB's Lagarde Speaks at AI Conference
EC	04-01	12:30	ECB's Lane Speaks at AI Conference
EC	04-02	06:30	ECB's Schnabel Speaks in Paris
EC	04-02	08:00	ECB's Escriva Speaks in Santiago de Compostela
EC	04-02	10:05	ECB's Lane Moderates AI Roundtable
EC	04-03	03:20	ECB's Guindos Speaks on Financial Stability in Amsterdam
SZ	04-03	04:30	SNB's Tschudin Speaks in Zurich
SW	04-03	05:45	Riksbank's Thedeen Gives Presentation
EC	04-03	06:00	ECB's Schnabel Speaks at OECD Event in Paris
EC	04-03	07:30	ECB Publishes Account of March 5-6 Policy Meeting

ASIA PACIFIC

Country	Date	Time	Event
AU	**03-31**	**11:30**	**RBA Cash Rate Target**
AU	04-01	07:25	RBA's Kent-Speech
AU	04-02	08:30	RBA-Financial Stability Review

LATIN AMERICA

Country	Date	Time	Event
CO	**03-31**	**02:00**	**Overnight Lending Rate**
DR	**03-31**		**Overnight Rate**
CO	04-03	06:00	Colombia 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	2.75	April 16, 2025	2.75	2.75
Federal Reserve – Federal Funds Target Rate	4.50	May 7, 2025	4.50	4.50
Banco de México – Overnight Rate	9.00	May 15, 2025	8.50	N/A

Federal Reserve: Federal Reserve Chair Jerome Powell is scheduled to speak on the economic outlook at the Society for Advancing Business Editing & Writing Annual Conference this Friday at 11:25 AM EST. His remarks will follow President Trump's anticipated announcement of retaliatory tariffs on Wednesday. Powell's perspective on the tariffs will be of interest to market.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	2.65	April 17, 2025	2.40	2.65
European Central Bank – Marginal Lending Facility Rate	2.90	April 17, 2025	2.65	2.90
European Central Bank – Deposit Facility Rate	2.50	April 17, 2025	2.25	2.50
Bank of England – Bank Rate	4.50	May 8, 2025	4.50	4.50
Swiss National Bank – Sight Deposit Rate	0.25	June 19, 2025	0.25	0.25
Central Bank of Russia – One-Week Auction Rate	21.00	April 25, 2025	21.00	21.00
Sweden Riksbank – Repo Rate	2.25	May 8, 2025	2.25	2.25
Norges Bank – Deposit Rate	4.50	May 8, 2025	4.50	4.50
Central Bank of Turkey – Benchmark Repo Rate	42.50	April 17, 2025	42.50	42.50

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	0.50	May 1, 2025	0.50	0.50
Reserve Bank of Australia – Cash Rate Target	4.10	March 31, 2025	4.10	4.10
Reserve Bank of New Zealand – Cash Rate	3.75	April 8, 2025	3.50	3.50
People's Bank of China – 1-Year Medium-Term Lending Facility Rate	2.00	April 24, 2025	2.00	2.00
Reserve Bank of India – Repo Rate	6.25	April 9, 2025	6.00	6.00
Bank of Korea – Base Rate	2.75	April 17, 2025	2.75	2.75
Bank of Thailand – Repo Rate	2.00	April 30, 2025	2.00	2.00
Bank Negara Malaysia – Overnight Policy Rate	3.00	May 8, 2025	3.00	3.00
Bank Indonesia – BI-Rate	5.75	April 23, 2025	5.75	5.75
Central Bank of Philippines – Overnight Borrowing Rate	5.75	April 10, 2025	5.50	5.50

Reserve Bank of Australia (RBA): The Reserve Bank of Australia (RBA) is expected to maintain its cash rate at 4.10% on Monday, following a 25bps reduction at its previous meeting. The bank had stated that they "remain cautious on prospects for further easing," and the Governor clarified that "today's decision doesn't imply further cuts coming." The RBA has gained confidence that easing inflationary and wage pressures, coupled with weak growth, indicate disinflation may be occurring more quickly than anticipated. However, upside risks remain, particularly due to a tightened labour market, which the bank believes has tightened further. Since the last meeting, two jobs reports have been released: January reflected a still-strong job market (+30.5k), while growth decelerated in February (-52.8k). Moreover, productivity has yet to improve, leading to high unit labour costs. As a result, the RBA will continue to monitor incoming data, particularly regarding the job market, and assess how rising geopolitical and policy uncertainties impact households and business activity.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	14.25	May 7, 2025	14.75	N/A
Banco Central de Chile – Overnight Rate	5.00	April 29, 2025	5.00	5.00
Banco de la República de Colombia – Lending Rate	9.50	March 31, 2025	9.50	9.50
Banco Central de Reserva del Perú – Reference Rate	4.75	April 10, 2025	4.75	4.75

Banco de la República de Colombia: Banco de la República de Colombia is expected to maintain its lending rate at 9.50% on Monday, following its previous decision to keep the policy rate unchanged, which surprised the market. The decision to pause the aggressive easing cycle was primarily driven by uncertainties surrounding inflation reduction and significant wage increases. Since then, core inflation for the first two months of the year has been notably higher compared to the same period in previous years. Additionally, fourth-quarter economic growth and January's economic activity exceeded expectations.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	7.50	May 29, 2025	7.50	7.50

Sources: Bloomberg, Scotiabank Economics.