

THE GLOBAL WEEK AHEAD

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Next Week's Risk Dashboard

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- Canadian jobs to get a lift from the election
- Aussie election: will Albanese retain control?
- BoE: The pattern says 'cut' this time
- Norges Bank to stick to its guidance
- Riksbank may repeat that it's done
- BCB expected to gear down
- BCRP faces a divided consensus
- The Ringgit might give Negara more room
- Global macro—key may be Chinese inflation

Checkmate!

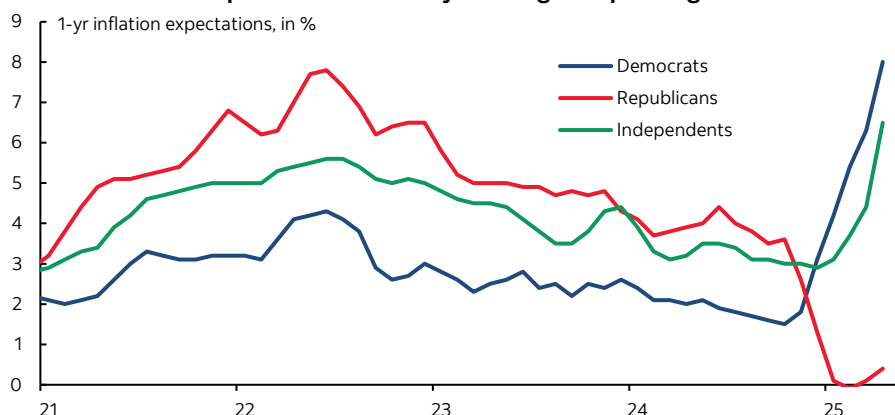
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Chart of the Week

Even Republicans Are Finally Starting to Expect Higher Prices



Sources: Scotiabank Economics, U of Mich.

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

Checkmate!

In the game of chess, checkmate stands for when the King has failed to execute sound moves and has no way to escape. Federal Reserve Chair Powell can declare checkmate on President Trump who will nevertheless be displeased with the FOMC as this week's main event.

For one thing, there is no reason to be easing to this point, and it's likely that we'll hear Powell say as much about the next meeting as well.

For another, Powell's warnings on the effects of tariffs that drew Trump's ire are on the cusp of being borne out. Sometime between now and the next FOMC meeting in June we are likely to begin to see shelves becoming bare across key US retailers and many prices soaring. A supply shock through no product availability due to absurdly high tariffs could begin to exceed the likely negative demand shock. As markets apply what I think is selective hearing toward the shoddy state of global trade negotiations allegedly with 200 countries—five more than exist with a liberal definition of country—they'll come to grips with the damage to growth, inflation and jobs.

Several other central banks will also weigh in within this difficult environment including the Bank of England and five others. Australia's election results, Canada's latest job market readings and several other global macro indicators are also on the docket.

A litmus test of the US sincerity to strike trade deals will come on Tuesday. Will Trump take out his volatile frustrations on Canadian PM Carney that day? Or will the air of desperation within the US administration to strike deals offer a more conciliatory tone?

MR. CARNEY GOES TO WASHINGTON—THE BENEFIT OF THE ZELENSKY MOMENT

Canadian PM Mark Carney and his entourage will trudge down to Washington to meet with US President Trump and his own entourage. The format, length and time are unknown at the time of publishing.

The advantage to the appalling Zelenskyy moment when he was ambushed in the Oval Office is that once revealed, the tactics are more easily averted in subsequent rounds. That general line of reasoning also explains why I'm not a big believer in the 'art of the deal' nonsense. It would be irresponsible of the Carney administration to agree to the possible risks of a staged ambush which is probably why Carney emphasizes that he—like the former Canadian administration the last time around—won't negotiate in public. Maybe have a talk together on Carney's CFC1 Airbus A-330-200 plane as Trump waits for his.

Still, the risks may be high and mostly in terms of Trump's penchant for stirring unpredictable chaos. Trump's election day social media post sound as belligerent as ever toward Canada. To me, it feels premature to be holding this meeting at such a high level unless they have significant confidence that work being done in the background by bureaucrats and technocrats have been making serious, largely undisclosed progress outside of the recent news that Canadian auto parts companies get a two-year pause on tariffs. That step, by the way, should be viewed cautiously; is Trump merely pushing off another fight until after the midterms on November 7th, 2026?

Nevertheless, the Carney administration is quickly lining up its ducks. The plan is to announce a new Cabinet on May 12th, and Carney did not commit to retaining Finance Minister Champagne.

Parliament will be recalled on May 26th with King Charles III and Queen Camilla in attendance amid some domestic questioning over what this says about independence. Ottawa will be taken over by all manner of pomp and pageantry. The King will deliver the Speech from the Throne the next day that will outline general goals of the Carney administration, and the rest of the King's itinerary for his visit to Canada will be disclosed at a later date. We probably know enough about the goals that will be outlined in the Speech already, given the Liberal platform and Carney's reinforcement of the main messages this past week.

By Canada Day—July 1st, not the 4th, just to be clear(!)—Carney has pledged a 1% tax cut for the lowest income tax bracket that will heavily favour lower income earners.

A June timeline for a full federal Budget seems to be in the cards. It would have to be passed by Parliament that sits between May 26th and June 20th and doesn't return until September 15th. That limited window faces high uncertainty around getting key fiscal initiatives and perhaps any possible trade deal passed in time.

CENTRAL BANKS—POWELL MAY LEAN AGAINST MARKET PRICING FOR CUTS

Seven central banks will weigh in with decisions this week. Key to global markets may be the FOMC, but also on tap are the Bank of England, Norges Bank, the Riksbank, and central banks in Chile, Brazil and Malaysia. The BoC also releases its Financial Stability Report on Thursday. Let's go.

Federal Reserve—Patience, People, I Said Patience!

The title to this section is what an impatient, frustrated Chair Powell might say to markets that haven't really gotten the message of late. At the peak in earlier April, markets were pricing about 125bps of cuts by year-end and that has backed off closer to 75bps. That may still be too much for Powell's liking.

Enter the statement on Wednesday afternoon at 2pmET followed by the usual press conference a half hour later for around 45–60 minutes or so. The next Summary of Economic Projections including a revised dot plot is due at the next decision on June 18th.

I'm expecting Chair Powell to repeat some variant of "we're not going to be in any hurry to move. We're well positioned to wait for further clarity." That's what he said at the April meeting about this meeting, and he has a case to basically rule out a June cut with similar language. Markets once had about 40bps of a cut priced by June and have backed off to less than 10bps now. That still sounds like too much.

Why? Because of data, and because there is no reason to alter his stance on forward risks to the dual mandate.

On data, he can point to a still-resilient job market as the unemployment rate remains low at 4.2% after 177k nonfarm payroll positions were created in April.

He's also likely to discount Q1 GDP softness of -0.3% q/q SAAR by correctly noting that it was distorted by tariff front-running with a massive import leakage effect from GDP accounts that knocked about five percentage points off of GDP growth. Instead, he's likely to point to Final Domestic Demand that remains resilient (chart 1). In essence, final domestic demand continues to grow in excess of potential GDP.

Inflation was soft in March at 0% m/m SA for the preferred core PCE reading, but that's fresh off readings of 0.5% in February and 0.3% in January and the Committee is likely to smooth through volatile data.

On forward risks to the dual mandate, I still think arguments laid out a few weeks ago remain valid ([here](#)). Powell reinforced them at his April 16th appearance in Chicago.

Tariffs will negatively impact employment while raising inflation. Where the balance between the two lies is highly uncertain. As Chair Powell has noted, the FOMC would respond to a shock that poses conflicting influences on its dual mandate of price stability and full employment by being adherent to what it said in its Statement on Longer-Run Goals and Monetary Policy Strategy ([here](#)). Paragraph six spells out how they would act in such an instance:

"The Committee's employment and inflation objectives are generally complementary. However, under circumstances in which the Committee judges that the objectives are not complementary, it takes into account the employment shortfalls and inflation deviations and the potentially different time horizons over which employment and inflation are projected to return to levels judged consistent with its mandate."

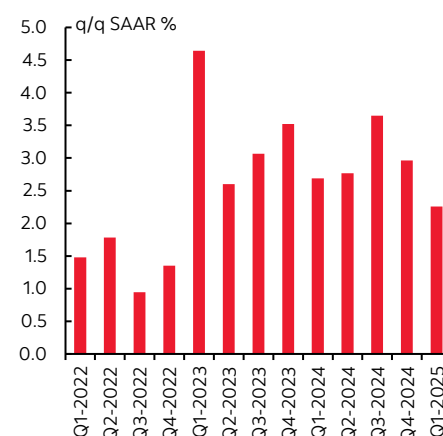
As Powell put it, "You think about how far each variable is from its goal and how long it would take to get back. Then ask what do you need to do. If one of them is further away, then you would focus on that one." In plain English, they would dovishly pivot toward easing if job market conditions deviate from their estimated longer-run 4% neutral unemployment rate and broader assessment of labour market conditions more than inflation deviates from their 2% target. By contrast, they would pivot hawkishly if the opposite were to happen. Should the two be in equal opposition to one another, then the FOMC may be forced into a position that does nothing for some time.

Which narrative comes to dominate is an empirical and data dependent matter with significant uncertainty. That's why Chair Powell recently stated "It's just too soon to say what would be the appropriate monetary policy response. We're waiting for greater clarity before considering further adjustments."

It's still too soon. It will remain too soon next month. Expect that message to resonate loud and clear once more. Even the relatively dovish Governor Waller does not have a leg to stand on in terms of his bias toward easing should job markets begin to crater as there is no real evidence that's happening thus far. Waller dissented at the last meeting because the Committee tapered the pace at which maturing Treasury holdings were allowed to run-off but may be regretting that now. No dissenters are expected this time.

Chart 1

US Final Domestic Demand



Sources: Scotiabank Economics, BLS.

Bank of England—Cut, Hold, Cut, Hold, Cut, Hold... Cut!

The BoE is widely expected to cut Bank Rate by 25bps on Thursday. Markets are fully priced, and consensus is unanimous.

Why? It doesn't take any great pattern recognition skills to catch on to the alternating patterns of cuts and holds since easing began last August. A 25bps cut is the next move after holding in March.

Data is also on the BoE's side as core CPI inflation continues to drift lower to 3.4% y/y and with softening service price inflation while job markets weaken (chart 2). Governor Bailey has intensified his tone and is "focused on the growth shock" and it must "take very seriously."

On that count, key is whether the slow-and-steady alternating pattern continues to be guided, or whether gives a nod to market pricing for most of another cut at the next meeting on June 19th. Refreshed forecasts could do the talking for the BoE.

BCRP—The Fed's Long Arm

Consensus is divided on the next move by Banco Central de Reserva del Peru on Thursday. Some—including our LatAm economists—expect a hold at a reference rate of 4.75%, while some expect a 25bps cut after three consecutive holds including the last decision on April 10th.

At 1.9% y/y, core inflation in April would support a cut as it has moved below the 2% inflation target.

A concern flagged by our LatAm economists is currency stability and capital flight, should the policy rate differential to the Federal Reserve disappear.

Norges—Because They Said So!

Norges Bank is widely expected to stay on hold at a deposit rate of 4.5% on Thursday—and markets are priced accordingly.

Why? Because they said so. This central bank provides fairly explicit policy rate guidance At its last meeting, it said "The Committee judges that the current stance is warranted for somewhat longer than previously signaled." Its explicit forward rate guidance has move higher over time (chart 3).

Riksbank—Done!

Sweden's Riksbank is also expected to leave its policy rate unchanged at 2.25% on Thursday. Consensus is all but unanimous, and markets are priced for a hold.

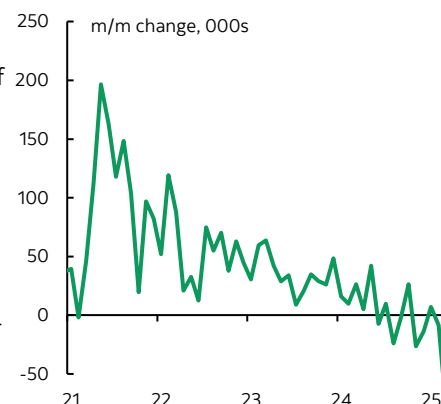
The last decision on March 20th stated that the Executive Board "Assess that the rate will remain at this level going forward." Their guidance is shown in chart 4. Markets are not quite in agreement with another 25bps cut priced by the August meeting.

BCB—Gearing Down

After three 100bps hikes in a row following milder increases that began last September, Banco Central do Brasil is expected to downshift back to a 50bps hike on Wednesday. That would take the cumulative increases to 425bps.

Chart 2

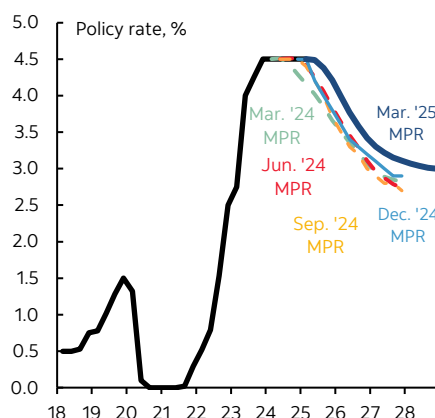
UK Payroll Employment



Sources: Scotiabank Economics, UK ONS.

Chart 3

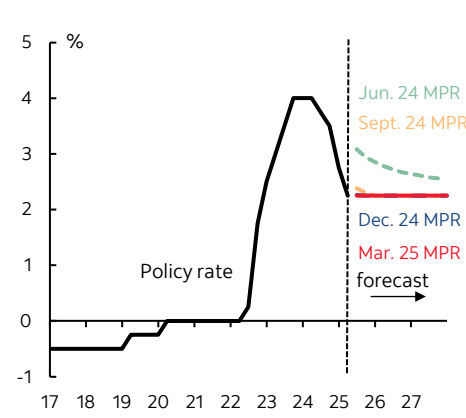
Norges Bank Policy Rate Projections



Sources: Scotiabank Economics, Norges Bank.

Chart 4

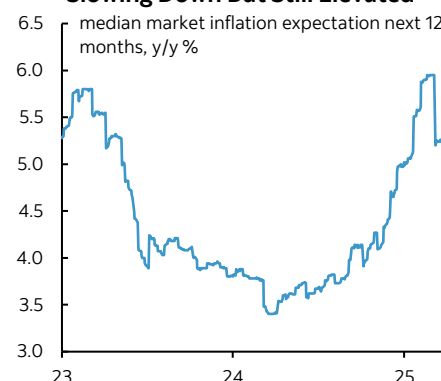
Riksbank's Forward Guidance



Sources: Scotiabank Economics, Riksbank.

Chart 5

Brazil's Inflation Expectations Slowing Down But Still Elevated



Sources: Scotiabank Economics, Banco Central do Brasil.

Here too, we have a central bank that tees up subsequent decisions rather explicitly. It said at the March meeting that “The Committee anticipates an adjustment of lower magnitude in the next meeting, if the scenario evolves as expected.”

So has it evolved as expected? Yes and no. Inflation in April was stuck at 5½% y/y, but measures of inflation expectations have edged a touch lower (chart 5). Watch the revised inflation forecasts carefully.

Bank Negara—The Ringgit May Provide More Flexibility

Consensus is somewhat divided on Bank Negara Malaysia’s next step on Thursday. Most expect a hold at an overnight rate of 3%, but some expect a 25bps cut. Key is whether Negara pivots more aggressively toward addressing growth downsides as the ringgit has appreciated throughout the past month.

CANADIAN JOBS—THE ELECTION MAY MASK WHAT’S IMPORTANT

Canada updates the state of its job markets with April figures on Friday. This could be a tricky one that requires looking past a possibly rosier headline number and toward the underlying details.

I’ve estimated a gain of 25k jobs and a flat unemployment rate of 6.7%. When adjusted for US measurement concepts it would be like a 6.1% unemployment rate in the US. Canada’s unemployment rate is a half point about the OECD’s estimate of the natural rate of unemployment. By this measure, that makes for a slightly looser job market in Canada than, say, the US where the unemployment rate of 4.2% compares to the natural rate of 4.1%.

A main driver of the expected gain is likely to be election-related hiring. Elections Canada hired a quarter million workers for this election which was somewhat more than in recent elections perhaps reflecting such factors as the population surge and redrawing of electoral districts (chart 6). Canada emphasizes security over efficiency with manual vote counts and so productivity isn’t any more of a thing during elections as any other time. There won’t be a quarter million jobs created in the report though.

Key is how many of these will show up in the reference week of April 13th – 19th. That week included two of the four days of advance polling that set a new record share of one-in-four eligible voters. Most workers would be hired temporarily much closer to and on the day of the April 28th election and therefore wouldn’t show up in the Labour Force Survey.

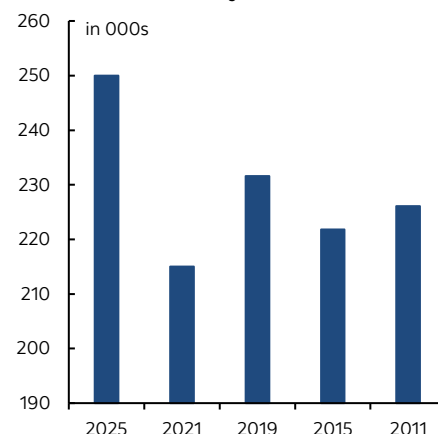
Chart 7 provides one way of assessing the impact. It looks at past elections and what happened to public administration jobs—the category in which election hiring directly shows up—during the reference week of the month in which the election was held. It also distinguishes between times when the advance polling overlapped with the reference week. In recent elections, tens of thousands of jobs have been temporarily created to run the election when the reference week included at least two of the advance polling days as it did this year.

The rub lies in the fact that most other indicators suggest that job growth momentum has probably cooled. One is volatility in the retail sector that has faced a hot mess of GST/HST distortions, post-holiday hangovers, weather effects, sagging confidence, and store closures. The retail sector lost about 8k jobs in March after gaining 27k in February and before that another 26k in January after losing 30k in December before the bulk of the effects of the mid-December GST/HST cut arrived. There may be further downside here including uncertainty toward timing cuts at a large department store chain that will probably be more fully captured in the May jobs report.

Further, CFIB small business hiring attitudes have soured and job postings have been softening a bit.

Chart 6

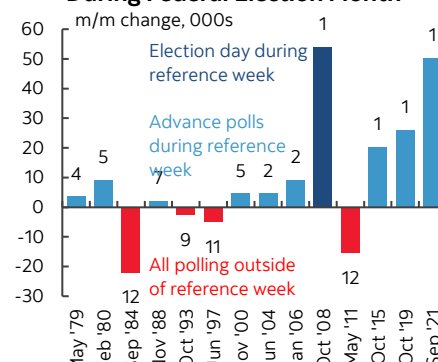
Workers Hired by Elections Canada



Sources: Scotiabank Economics, Elections Canada.

Chart 7

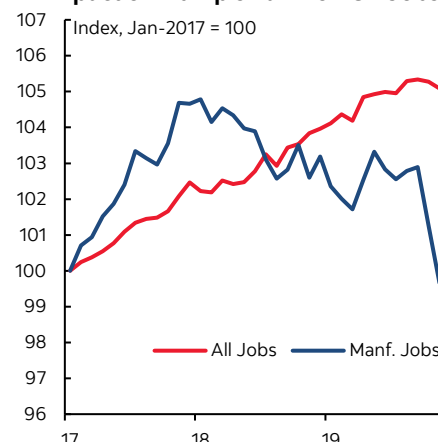
Changes in Public Admin Employment During Federal Election Month



Note: Labels above bars are the rank within that year from largest gain descending to largest loss.
Sources: Scotiabank Economics, StatsCan.

Chart 8

Impact of Trump's Tariff on CA Jobs



Sources: Scotiabank Economics, Statistics Canada.

As for tariffs and trade tensions, chart 8 shows that trend job growth in manufacturing 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. This time is a bigger deal, but there is still a case for meeting demand with more labour that is easier to adjust than more capital.

A relatively soft seasonal adjustment factor for months of April in recent years may nevertheless restrain net upside to jobs (chart 9).

AUSTRALIAN ELECTION—THE STATUS QUO?

Australians will choose their next PM and a different composition of the House of Representatives and Senate this weekend. All polls will have shut by 8pmET (6amET). Media may call the election as soon as Saturday night local time, unless the vote is very close in which case it could take throughout the week and possibly longer to call the outcome.

Australia has a preferential voting system which means that if the candidate one voted for doesn't win, then their vote will be passed to their second choice, and then the third, and so on, until a single candidate in the seat secures more than half of the votes. Chart 10 shows what the polls expect for both the primary and ultimate outcomes. The primary vote doesn't reveal a clear winner in terms of voters' first choices. The current PM—Anthony Albanese—and his Australian Labour Party is tied on the first pass with his opponent—Peter Dutton—and his Liberal-National Coalition.

If the polls are correct not only on the first but also subsequent choices, then the incumbent ALP administration is likely to win as shown in the two bars on the far right hand side of the same chart 10.

Polling momentum has swung in their favour. It seems to me that potential polling error is more likely to be compounded in Australia than simpler systems like Canada's.

The ALP has a slim majority in the current composition of the House of Representatives but the L-NP opposition has a slim majority in the Senate for divided chambers (chart 11). All of the House seats are up for grabs and just over half of the Senate seats.

Like Canada, a record share of voters has already made their choices in advance polls with 22% of eligible voters having weighed in already.

Markets may be more vulnerable to a surprise ALP loss. ALP seeks to cut the tax rate by two points to 14% over two years, offer an additional tax deduction for some, boost mining and processing of critical minerals and renewable energy, while probably continuing to improve ties with China. Dutton is a China hawk, pledges to reduce immigration and public sector spending. Both parties have similar stances on improving the cost of living and both are likely to pursue expansionary fiscal policies.

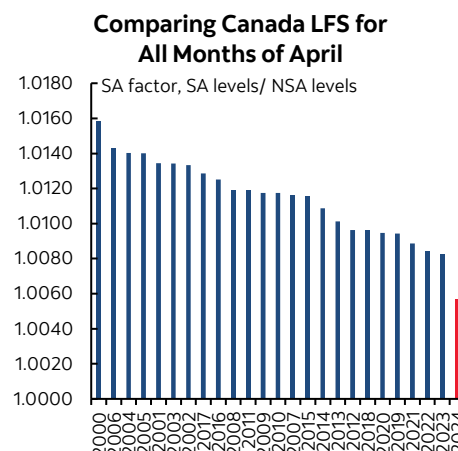
GLOBAL MACRO—CHINA'S MOUNTING DEFLATION RISK

Chart 12 shows the rest of the global line-up of indicators not discussed so far. It's a relatively light week for what's left.

The main focal point will be a batch of CPI inflation numbers out of countries including China that may start to reflect massive bilateral tariffs with the US, Philippines, Taiwan, Thailand, Chile, Colombia, Mexico, Sweden, Norway and Switzerland. Unfortunately, China's figures arrive on Friday night when the world's markets are shut.

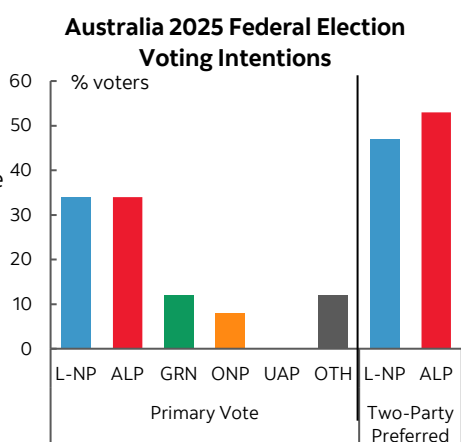
The main releases out of the US will be ISM-services for April (Monday) that will likely soften, and Q1 productivity and unit labour costs (Thursday) that will probably show weak productivity and probably the biggest surge in productivity-adjusted employment costs since 2022.

Chart 9



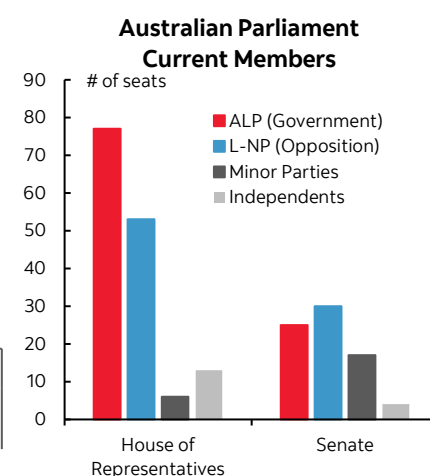
Sources: Scotiabank Economics, Statistics Canada.

Chart 10



Sources: Scotiabank Economics, Redbridge/Accent.

Chart 11



Sources: Scotiabank Economics, Australia PEO.

The next RBNZ decision isn’t until the end of the month, but this week’s Q1 job growth and wage figures (Tuesday evening, ET as always) will be the last batch of major labour market readings before then. Job growth is expected to remain stalled after contracting in third of the prior four quarters while wage growth has been somewhat off the peak rates during 2022–23.

Canada updates trade figures (Monday) that will further inform Q1 GDP expectations and influences to start Q2 by way of tariff front-running activity. The Ivey (Tuesday) and S&P composite (Monday) PMIs will be updated for April.

Q1 GDP figures from Indonesia (Monday) and Philippines (Wednesday), Q1 wage growth in France (Wednesday), German factory orders, industrial output and trade (Wednesday to Thursday) and several industrial output readings across Europe round out the line-up.

Chart 12

Other Global Macro Indicators (May 5th - May 9th)			
US	CA	CPI	Other Macro
<u>Monday</u>			
ISM Serv		PH	ID GDP
		VN	CH PMI
<u>Tuesday</u>			
Trade	Trade		FR IP, Manf. Prod
			EC PPI
			NZ Jobs. UR
<u>Wednesday</u>			
MBA Mort. App.		MX	GE Factory Orders
Consumer Credit		TA	FR Trade, Current Account
		TH	UK PMI Construction
			EC Retail Trade
			BZ IP, Trade
			PH GDP
<u>Thursday</u>			
Claims		CO	GE IP
Productivity			SP Industrial Output
ULC			
NY Fed 1-Yr Inflation Exp.			
<u>Friday</u>			
	Jobs & Wages	BZ	IT IP
		CH	CH Trade
Sources: Scotiabank Economics, Bloomberg.			

Key Indicators for the week of May 5 – 9
NORTH 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>
US	05-05	10:00	ISM Non-Manufacturing Index	Apr	50.0	50.2	50.8
CA	05-06	08:30	Merchandise Trade Balance (C\$ bn)	Mar	--	-1.5	-1.5
US	05-06	08:30	Trade Balance (US\$ bn)	Mar	-138.0	-136.6	-122.7
US	05-07	07:00	MBA Mortgage Applications (w/w)	May 02	--	--	-4.2
US	05-07	14:00	FOMC Interest Rate Meeting (%)	May 7	4.50	4.50	4.50
US	05-07	15:00	Consumer Credit (US\$ bn m/m)	Mar	--	10.0	-0.8
MX	05-08	08:00	Bi-Weekly Core CPI (% change)	Apr 30	--	0.1	0.3
MX	05-08	08:00	Bi-Weekly CPI (% change)	Apr 30	--	0.2	0.1
MX	05-08	08:00	Consumer Prices (m/m)	Apr	--	0.3	0.3
MX	05-08	08:00	Consumer Prices (y/y)	Apr	--	3.9	3.8
MX	05-08	08:00	Consumer Prices Core (m/m)	Apr	--	0.5	0.4
US	05-08	08:30	Initial Jobless Claims (000s)	May 03	225	230.0	241.0
US	05-08	08:30	Continuing Claims (000s)	Apr 26	1850	--	1916.0
US	05-08	08:30	Productivity (q/q a.r.)	1Q P	-0.5	-0.7	1.5
US	05-08	08:30	Unit Labor Costs (q/q a.r.)	1Q P	4.1	5.2	2.2
US	05-08	11:00	NY Fed 1-Yr Inflation Expectations (%)	Apr	--	--	3.6
CA	05-09	08:30	Employment (000s m/m)	Apr	25.0	5.0	-32.6
CA	05-09	08:30	Unemployment Rate (%)	Apr	6.7	6.8	6.7

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>Consensus</u>	<u>Latest</u>
FR	05-06	02:45	Industrial Production (m/m)	Mar	0.3	0.7
FR	05-06	02:45	Industrial Production (y/y)	Mar	-0.2	-0.4
FR	05-06	02:45	Manufacturing Production (m/m)	Mar	--	1.4
IT	05-06	03:45	Services PMI	Apr	51.3	52.0
FR	05-06	03:50	Services PMI	Apr F	46.8	46.8
GE	05-06	03:55	Services PMI	Apr F	48.8	48.8
EC	05-06	04:00	Composite PMI	Apr F	50.1	50.1
EC	05-06	04:00	Services PMI	Apr F	49.7	49.7
UK	05-06	04:30	Official Reserves Changes (US\$ bn)	Apr	--	4390.0
UK	05-06	04:30	Services PMI	Apr F	48.9	48.9
EC	05-06	05:00	PPI (m/m)	Mar	-1.4	0.2
GE	05-07	02:00	Factory Orders (m/m)	Mar	1.0	0.0
FR	05-07	02:45	Current Account (€ bn)	Mar	--	-1900.0
FR	05-07	02:45	Trade Balance (€ mn)	Mar	--	-7874.3
UK	05-07	04:30	PMI Construction	Apr	46.0	46.4
EC	05-07	05:00	Retail Trade (m/m)	Mar	-0.1	0.3
GE	05-08	02:00	Industrial Production (m/m)	Mar	1.0	-1.3
SP	05-08	03:00	Industrial Output NSA (y/y)	Mar	--	-2.4
SW	05-08	03:30	Riksbank Interest Rate (%)	May 8	2.25	2.25
NO	05-08	04:00	Norwegian Deposit Rates (%)	May 8	4.50	4.50
UK	05-08	07:00	BoE Policy Announcement (%)	May 8	4.25	4.50
IT	05-09	04:00	Industrial Production (m/m)	Mar	0.4	-0.9

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of May 5 – 9

ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
AU	05-04	21:30	ANZ Job Advertisements (m/m)	Apr	--	0.4
ID	05-05	00:00	Real GDP (q/q)	1Q	-0.9	0.5
ID	05-05	00:00	Real GDP (y/y)	1Q	4.9	5.0
SI	05-05	01:00	Retail Sales (m/m)	Mar	--	3.0
SI	05-05	01:00	Retail Sales (y/y)	Mar	--	-3.6
PH	05-05	21:00	CPI (y/y)	Apr	1.8	1.8
PH	05-05	21:00	CPI (m/m)	Apr	-0.1	-0.2
AU	05-05	21:30	Building Approvals (m/m)	Mar	-1.8	-0.3
CH	05-05	21:45	Caixin Services PMI	Apr	51.8	51.9
VN	05-05	22:05	CPI (y/y)	Apr	3.3	3.1
VN	05-05	22:05	Industrial Production (y/y)	Apr	--	8.6
TH	05-05	23:00	CPI (y/y)	Apr	-0.1	0.8
TH	05-05	23:00	CPI (m/m)	Apr	0.2	-0.2
TH	05-05	23:00	Core CPI (y/y)	Apr	0.9	0.9
NZ	05-06	18:45	Unemployment Rate (%)	1Q	5.3	5.1
NZ	05-06	18:45	Employment Change (y/y)	1Q	-0.5	-1.1
HK	05-06	20:30	Purchasing Managers Index	Apr	--	48.3
PH	05-06	21:00	Unemployment Rate (%)	Mar	--	3.8
CH	05-06	21:00	Foreign Reserves (US\$ bn)	Apr	--	3240.7
TH	05-06	22:00	Consumer Confidence Economic	Apr	--	50.5
AU	05-07	02:30	Foreign Reserves (AUD bn)	Apr	--	105.2
TA	05-07	04:00	CPI (y/y)	Apr	2.1	2.3
SI	05-07	05:00	Foreign Reserves (US\$ mn)	Apr	--	381075.2
PH	05-07	21:00	Bank Lending (y/y)	Mar	--	10.2
PH	05-07	22:00	Real GDP (q/q)	1Q	1.6	1.8
PH	05-07	22:00	Real GDP (y/y)	1Q	5.7	5.3
MA	05-08	00:00	Industrial Production (y/y)	Mar	2.2	1.5
MA	05-08	03:00	Foreign Reserves (US\$ bn)	Apr 30	--	118.4
MA	05-08	03:00	Overnight Rate (%)	May 8	3.00	3.00
TA	05-08	04:00	Exports (y/y)	Apr	16.5	18.6
TA	05-08	04:00	Imports (y/y)	Apr	19.0	28.8
TA	05-08	04:00	Trade Balance (US\$ bn)	Apr	6.3	7.0
SK	05-08	19:00	Current Account (US\$ mn)	Mar	--	7177.7
JN	05-08	19:30	Household Spending (y/y)	Mar	0.2	-0.5
CH	05-08	21:00	Exports (y/y)	Apr	2.0	12.4
CH	05-08	21:00	Imports (y/y)	Apr	-5.9	-4.3
CH	05-08	21:00	Trade Balance (USD bn)	Apr	94.3	102.6
ID	05-08	23:00	Consumer Confidence Index	Apr	--	121.1
CH	05-09	21:30	CPI (y/y)	Apr	--	-0.1
CH	05-09	21:30	PPI (y/y)	Apr	--	-2.5

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	05-07	08:00	Industrial Production SA (m/m)	Mar	--	0.3	-0.1
BZ	05-07	08:00	Industrial Production (y/y)	Mar	--	1.4	1.5
BZ	05-07	14:00	Trade Balance (FOB) - Monthly (US\$ mn)	Apr	--	--	8154.5
BZ	05-07	17:30	SELIC Target Rate (%)	May 7	14.75	14.75	14.25
CO	05-08	19:00	Consumer Price Index (m/m)	Apr	--	0.5	0.5
CO	05-08	19:00	Consumer Price Index (y/y)	Apr	--	5.0	5.1
PE	05-08	19:00	Reference Rate (%)	May 8	4.75	4.63	4.75
BZ	05-09	08:00	IBGE Inflation IPCA (m/m)	Apr	--	0.5	0.6
BZ	05-09	08:00	IBGE Inflation IPCA (y/y)	Apr	--	5.5	5.5

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Global Auctions for the week of May 5 – 9

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	05-05	01:00	U.S. To Sell USD58 Bln 3-Year Notes
US	05-06	01:00	U.S. To Sell USD42 Bln 10-Year Notes
CA	05-08	12:00	Canada to Sell C\$5.25 Billion of 2.75% 2030 Bonds
US	05-08	01:00	U.S. To Sell USD25 Bln 30-Year Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AS	05-06	05:00	Austria to Sell Bonds
GE	05-06	05:30	Germany to Sell EU4.5 Billion of 2.4% 2030 Bonds
DE	05-07	04:15	Denmark to Sell Bonds
FR	05-07	04:50	France to Sell Bonds
SW	05-07	05:00	Sweden to Sell SEK1.5 Billion of 0.75% 2029 Bonds
UK	05-07	05:00	UK to Sell GBP4.5 Billion of 4.375% 2030 Bonds
SW	05-07	05:00	Sweden to Sell SEK3.5 Billion of 2.25% 2035 Bonds
PO	05-07	05:30	Portugal to Sell Bonds
BE	05-07	06:00	Belgium to Sell Bonds through Ori Auction
SP	05-08	04:30	Spain to Sell Bonds

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	05-07	11:35	Japan to Sell 10-Year Bonds
CH	05-08	11:35	China to Sell 71 Billion Yuan 2055 Bonds
CH	05-08	11:35	China to Sell 170 Billion Yuan 2026 Bonds

LATIN AMERICA

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

Events for the week of May 5 – 9

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	05-03	12:50	Fed's Cook Gives Commencement Address
US	05-07	02:00	FOMC Rate Decision
CA	05-08	10:00	Bank of Canada Releases Financial Stability Report
US	05-09	06:15	Fed's Williams Gives Keynote Address in Reykjavik
US	05-09	06:45	Fed's Barr Gives Speech on AI and the Labor Market
US	05-09	08:30	Fed's Kugler Gives Speech on Maximum Employment
US	05-09	10:00	Fed's Goolsbee Gives Remarks at Fed Listens Event
US	05-09	11:30	Fed's Williams, Waller on Panel at Hoover
US	05-09	07:45	Fed's Musalem, Hammack, Cook on Panel at Hoover

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC			ECB's Panetta in Milan for Asian Development Bank Event
EC	05-06	03:00	ECB's Panetta, BOK's Rhee, Cambodia's Chea in Milan
SZ	05-06	03:35	SNB's Schlegel Speaks in Zurich
SZ	05-07	05:00	SNB's Tschudin on Panel in Zurich
SW	05-08	03:30	Riksbank Policy Rate
NO	05-08	04:00	Deposit Rates
UK	05-08	07:00	Bank of England Bank Rate
IC			Reykjavik Economic Conference
FI	05-09	02:00	ECB's Rehn, EU's Virkkunen Speak at Bruegel Event in Helsinki
UK	05-09	04:40	BOE's Bailey Speaks
UK	05-09	07:15	BOE's Pill Speaks
EC	05-09	09:10	ECB's Simkus Speaks in Reykjavik
EC	05-09	07:45	ECB's Schnabel Speaks on Panel at Hoover

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
PK	05-05		SBP Rate Decision (Target)
EC	05-06	03:00	ECB's Panetta, BOK's Rhee, Cambodia's Chea in Milan
NZ	05-06	05:00	RBNZ Publishes Financial Stability Report
NZ	05-06	09:00	RBNZ News Conference on FinStab Report
JN	05-07	07:50	BOJ Minutes of March Meeting
MA	05-08	03:00	BNM Overnight Policy Rate

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CO	05-06	06:00	Colombia Monetary Policy Minutes
BZ	05-07	05:30	Selic Rate
PE	05-08	07:00	Reference Rate

Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	2.75	June 4, 2025	2.75	2.50
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	8.50

Bank of Canada (BoC): The Bank of Canada will release its annual Financial Stability Report on Thursday at 10 a.m. EST, followed by a press conference at 11 a.m. EST with Governor Macklem and Senior Deputy Governor Rogers. **Federal Open Market Committee (FOMC):** The Federal Reserve is unanimously expected to maintain its federal funds target rate on Wednesday. The Federal Open Market Committee will update and publish its monetary policy statement at 2 p.m. EST, followed by Chair Powell's press conference at 2:30 p.m. EST.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	2.40	June 5, 2025	2.15	2.15
European Central Bank – Marginal Lending Facility Rate	2.65	June 5, 2025	2.40	2.40
European Central Bank – Deposit Facility Rate	2.25	June 5, 2025	2.00	2.00
Bank of England – Bank Rate	4.50	May 8, 2025	4.25	4.25
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	June 6, 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	46.00	June 19, 2025	46.00	46.00

Bank of England (BoE): The Bank of England is unanimously expected to lower Bank Rate by 25 basis points on Thursday, given slowing core inflation at the margin and future headwinds to economic growth. Markets have already fully priced in a 25 basis point rate cut for this meeting. Since holding the bank rate steady at its previous meeting, core inflation has eased slightly in February and March. However, in a recent speech, Governor Bailey emphasized that the bank must "take very seriously the risk to growth" and remain "focused on the growth shock." He also cautioned that "tariffs will have a negative effect on growth." With the bank prioritizing growth and acknowledging future headwinds—alongside signs of weakness in the labour market—it is expected to proceed with a 25 basis point rate cut. However, the bank is likely to maintain a wait-and-see stance, taking a gradual and cautious approach to further monetary policy adjustments, considering still-elevated service inflation and wages. The Bank of England will also update its forecasts at this meeting. **Sweden Riksbank (Riksbank):** Sweden's Riksbank is expected to maintain its repo rate at 2.25% on Thursday, with markets pricing in only a minimal chance of a rate cut. At its previous meeting, the bank decided to hold the policy rate at 2.25% and projected that it would remain at this level for an extended period. Since the March meeting, several notable developments have emerged. March inflation figures came in lower than expected, while Q1 growth was flat and fell short of expectations. The krona has strengthened further amid rising uncertainty. Additionally, Trump's tariffs have introduced additional downside risks to Sweden's already-weak economy. As a result, the key focus will be on the bank's forward guidance—whether it plans to implement financial easing or delay it due to upside risks to inflation. **Norges Bank:** Norges Bank is expected to maintain its deposit rate at 4.5% on Thursday's meeting, in line with its previous guidance: "The Committee judges that the current stance is warranted for somewhat longer than previously signaled.". Since then, underlying inflation has remained around 3.4%, well above the 2% target. As a result, the bank is unlikely to rush into cutting rates, having previously cautioned that it does not want to lower them prematurely. Markets too are not pricing any cuts for this meeting with around 90% of a 25bps rate cut at its August meeting.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	0.50	June 17, 2025	0.50	0.50
Reserve Bank of Australia – Cash Rate Target	4.10	May 20, 2025	3.85	3.85
Reserve Bank of New Zealand – Cash Rate	3.50	May 27, 2025	3.25	3.25
People's Bank of China – 1-Year Medium-Term Lending Facility Rate	2.00	TBA	1.90	1.90
Reserve Bank of India – Repo Rate	6.00	June 6, 2025	6.00	6.00
Bank of Korea – Base Rate	2.75	May 29, 2025	2.50	2.50
Bank of Thailand – Repo Rate	1.75	June 25, 2025	1.75	1.75
Bank Negara Malaysia – Overnight Policy Rate	3.00	May 8, 2025	3.00	3.00
Bank Indonesia – BI-Rate	5.75	May 21, 2025	5.75	5.75
Central Bank of Philippines – Overnight Borrowing Rate	5.50	June 19, 2025	5.25	5.25

Bank Negara Malaysia: Bank Negara Malaysia is expected to maintain its overnight policy rate at 3% on Thursday, despite some developments that could prompt a more dovish stance. The policy rate was last raised by 25 bps two years ago, and the bank has held it steady since. Since the last meeting, both headline and core inflation have continued to slow. Additionally, the ringgit has strengthened by approximately 2–3% since March. Furthermore, the Q1 advanced growth estimate of 4.4% year-over-year fell short of the 4.8% consensus. The bank previously cautioned that it foresees significant growth challenges ahead. Therefore, the key focus will be on any forward guidance or hints of future monetary policy easing.

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	14.75
Banco Central de Chile – Overnight Rate	5.00	June 17, 2025	5.00	5.00
Banco de la República de Colombia – Lending Rate	9.25	June 27, 2025	9.00	9.00
Banco Central de Reserva del Perú – Reference Rate	4.75	May 8, 2025	4.75	4.75

Banco Central do Brasil: Banco Central do Brasil is expected to raise its Selic rate by a smaller magnitude of 50 basis points on Wednesday, in line with its forward guidance from the March meeting: "The Committee anticipates an adjustment of lower magnitude in the next meeting, if the scenario evolves as expected." Since then, several developments have occurred. Inflation expectations have eased slightly, while actual inflation has risen above the upper limit of the target range, and economic activity has demonstrated resilience. As a result, risks to the bank's inflation outlook remain skewed to the upside. Further forward guidance from the bank could provide insight into the expectation of future rate hikes. **Banco Central de Reserva del Perú:** Our LatAm-based economist expects Banco Central de Reserva del Perú to maintain its reference rate for the fourth consecutive time on Thursday, given the lack of significant changes since the last meeting on April 10 and continued uncertainty regarding the ongoing trade war. Since the previous meeting, April's inflation data revealed both headline and core CPI slightly below the 2% midpoint of the inflation target range. Meanwhile, February's economic activity data came out a bit lower than expected. Our economist also notes that lowering the reference rate could eliminate the spread with the Fed rate, potentially leading to capital outflow risks. Hence, we expect the bank to hold its reference rate for now.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	7.50	May 29, 2025	7.25	7.25

Sources: Bloomberg, Scotiabank Economics.

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