

THE GLOBAL WEEK AHEAD

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

- Fed's Jackson Hole symposium to be the focal point
- Powell's keynote — why he's more likely to dig in than acquiesce
- Powell could skirt by near-term references...
- ...and focus more on the medium-term and the framework review
- Multiple key central bankers will attend Jackson Hole
- Canadian CPI is one of two readings before the next BoC decision
- RBNZ expected to cut
- Riksbank, BI expected to hold
- UK CPI: services still running too hot for further easing?
- Japanese core inflation expected to remain firm

Too Soon to Pivot?

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- [Canadian Inflation—September's Bank of Canada Decision Won't Hang On Just This Reading](#) 2
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Chart of the Week

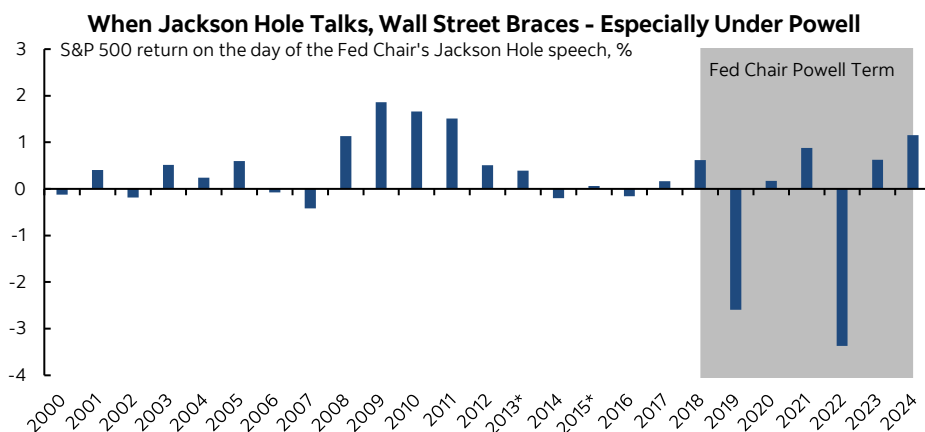


Chart of the Week: Prepared by: Jaykumar Parmar, Economic Analyst.

Too Soon to Pivot?

This could be a seminal week for Fed watchers. As the dog days of August pass on, other developments will pale by comparison.

JACKSON HOLE—LOFTY EXPECTATIONS

The Federal Reserve's annual Jackson Hole symposium will be held this week. It starts with interviews from the sidelines as officials arrive. The formal agenda will be released on Thursday evening. The key event will be Chair Powell's speech on the economic outlook and framework review on Friday morning at 10amET. Multiple top central bankers will be in attendance. BoC Governor Macklem will be there, but it's not clear whether he's speaking. BoE Governor Bailey and ECB President Lagarde will speak on the same panel on Saturday. BoJ Governor Ueda may attend but is not confirmed at the time of writing. I'm sure the list will expand.

The official focus this year is on "Labour Markets in Transition: Demographics, Productivity, and Macroeconomic Policy." Yawn. The unofficial focus across financial markets will be whether Powell pivots, or digs in on an extended pause against market pricing for cuts starting in September. I doubt he will speak directly to September in what is typically a short speech sans Q&A that is focused upon the broader path ahead. He may focus heavily on the promised conclusions of the framework review that Powell has said would be finished by the end of summer and to be followed by addressing communications tools including the Summary of Economic Projections in the Fall.

If Powell weighs in on the near-term, a hint at September would perhaps employ terms like 'soon' or 'somewhat soon' in reference to an easing bias. I doubt he's of that mindset and think that a September cut remains overpriced. A pivot would give traders' itchy trigger fingers—that have been jonesing for a cut all year—their gotcha moment as an excuse to pile on more aggressive easing that the FOMC may not be comfortable courting at this time. The Fed has not won the last inflation battle given recent PPI and CPI readings and the requirement to have much more data given factors like residual seasonality and sampling deficiencies. Job growth has slowed of late, but is not that far below sharply lower payroll breakeven rates in light of tighter immigration policy. Confidence in where the balance between upside risks to inflation and downside risks to job markets may reside remains unsettled and awaiting much more evidence. The issue of how tariffs, immigration changes, and broader macroeconomic policies may impact inflation remains at a highly nascent stage. Policy is not materially restrictive. The economy remains resilient including consumer spending. To cut soon could make the Fed look thoroughly politicized given the heat from Trump. Financial conditions are broadly stimulative. We've seen plenty of times when two, three, or even four Governors have dissented. The moral hazard issue is that material easing could embolden more unwise policies like protectionism.

CANADIAN INFLATION—SEPTEMBER'S BANK OF CANADA DECISION WON'T HANG ON JUST THIS READING

Canada refreshes inflation tracking with the July CPI report due on Tuesday. It's one of two CPI readings before the next BoC decision on September 17th with the next one arriving the day before such that not much rests on just this one reading. My estimate is for a 0.5% m/m seasonally unadjusted rise in headline CPI based on limited observables such as gas prices, seasonal influences, and some housing and food price tracking. What will matter, however, is what will happen to the average of the two preferred core inflation readings used by the BoC that have remained hot and are impossible to estimate in m/m SAAR terms. They have averaged 3.4% m/m SAAR over the past three months. Service price inflation has been trending warmly, the breadth of price pressures has been rising, and key may be any early tariff effects on some goods prices both directly—through Canada's limited retaliatory measures—and indirectly—through supply chain effects. The core measures exclude tariffs, but not the possible pass-through incidence effects.

GLOBAL CENTRAL BANKS—A CUT AND TWO HOLDS

Three regional central banks will weigh in with decisions this week. Most forecasters expect the RBNZ to cut by 25bps on Tuesday evening (10pmET), Sweden's Riksbank to hold at 2% on Wednesday morning (3:30amET) and Bank Indonesia to hold at 5¼% with mild cut risk on Wednesday morning (3:20amET). See the accompanying Central Bank Watch table for a little more on each.

GLOBAL DATA—PMI DELUGE, JAPANESE AND UK CPI

PMIs start arriving with releases by Japan and Australia on Wednesday night (ET) followed by India, the Eurozone, UK and US on Thursday morning. Watch for potentially clearer indications of tariff effects on prices, orders, and hiring patterns.

UK CPI is expected to be soft at a seasonally-typical reading that is little changed in July. Core CPI has been too hot at 3.7% y/y and services have been leading the pressures at 4.8% y/y, thereby calling into question the need for any further easing by the Bank of England. Japanese CPI is expected to follow the deceleration in the already known Tokyo gauge that dipped beneath 3% y/y in July, but note that it was driven by commodities as CPI ex-food and energy was stuck at 3.1%.

Key Indicators for the week of August 18 – 22

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	08-18	08:15	Housing Starts (000s a.r.)	Jul	240	265.0	283.7
CA	08-18	08:30	International Securities Transactions (C\$ bn)	Jun	--	--	-2.8
US	08-18	10:00	NAHB Housing Market Index	Aug	--	34.0	33.0
CA	08-19	08:30	Core CPI - Median (y/y)	Jul	--	3.1	3.1
CA	08-19	08:30	Core CPI - Trim (y/y)	Jul	--	3.1	3.0
CA	08-19	08:30	CPI, All items (m/m)	Jul	0.5	0.3	0.1
CA	08-19	08:30	CPI, All items (y/y)	Jul	1.9	1.8	1.9
CA	08-19	08:30	CPI, All items (index)	Jul	--	164.9	164.4
US	08-19	08:30	Building Permits (000s a.r.)	Jul P	--	1388.0	1393.0
US	08-19	08:30	Housing Starts (000s a.r.)	Jul	1321	1300.0	1321.0
US	08-19	08:30	Housing Starts (m/m)	Jul	0.0	-1.6	4.6
CA	08-19	08:30	Core CPI - Common (y/y)	Jul	--	--	2.6
CA	08-19	08:30	CPI SA, All items (m/m)	Jul	--	--	0.2
US	08-20	07:00	MBA Mortgage Applications (w/w)	Aug 15	--	--	10.9
MX	08-21	08:00	Retail Sales (INEGI) (y/y)	Jun	--	2.4	2.7
CA	08-21	08:30	IPPI (m/m)	Jul	--	0.3	0.4
CA	08-21	08:30	Raw Materials Price Index (m/m)	Jul	--	-0.6	2.7
US	08-21	08:30	Initial Jobless Claims (000s)	Aug 16	225	225.0	224.0
US	08-21	08:30	Continuing Claims (000s)	Aug 09	1960	1960.0	1953.0
US	08-21	08:30	Philadelphia Fed Index	Aug	--	6.7	15.9
US	08-21	10:00	Existing Home Sales (mn a.r.)	Jul	3.9	3.9	3.93
US	08-21	10:00	Existing Home Sales (m/m)	Jul	-0.8	-0.3	-2.7
US	08-21	10:00	Leading Indicators (m/m)	Jul	--	-0.1	-0.3
MX	08-22	08:00	Bi-Weekly Core CPI (% change)	Aug 15	--	0.1	0.1
MX	08-22	08:00	Bi-Weekly CPI (% change)	Aug 15	--	0.1	0.1
MX	08-22	08:00	GDP (q/q)	2Q F	--	0.6	0.7
MX	08-22	08:00	GDP (y/y)	2Q F	--	0.0	0.1
MX	08-22	08:00	Global Economic Indicator IGAE (y/y)	Jun	--	1.4	-0.2
CA	08-22	08:30	Retail Sales (m/m)	Jun	1.5	1.5	-1.1
CA	08-22	08:30	Retail Sales ex. Autos (m/m)	Jun	--	0.9	-0.2

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
EC	08-18	05:00	Trade Balance (€ mn)	Jun	14.5	7000.0
EC	08-19	04:00	Current Account (€ bn)	Jun	--	32.3
IT	08-19	04:30	Current Account (€ mn)	Jun	--	1665.3
GE	08-20	02:00	Producer Prices (m/m)	Jul	0.1	0.1
UK	08-20	02:00	CPI (m/m)	Jul	0.0	0.3
UK	08-20	02:00	CPI (y/y)	Jul	3.7	3.6
UK	08-20	02:00	RPI (m/m)	Jul	0.1	0.4
UK	08-20	02:00	RPI (y/y)	Jul	4.5	4.4
SW	08-20	03:30	Riksbank Interest Rate (%)	Aug 20	2.00	2.00
EC	08-20	05:00	CPI (m/m)	Jul F	0.0	0.0
EC	08-20	05:00	CPI (y/y)	Jul F	2.0	2.0
EC	08-20	05:00	Euro zone Core CPI Estimate (y/y)	Jul F	2.3	2.3
NO	08-21	02:00	GDP (q/q)	2Q	--	-0.10
UK	08-21	02:00	PSNB ex. Interventions (£ bn)	Jul	--	20.7
UK	08-21	02:00	Public Finances (PSNCR) (£ bn)	Jul	--	-16.1
UK	08-21	02:00	Public Sector Net Borrowing (£ bn)	Jul	2.6	20.7
FR	08-21	03:15	Manufacturing PMI	Aug P	48.1	48.2
FR	08-21	03:15	Services PMI	Aug P	48.6	48.5
GE	08-21	03:30	Manufacturing PMI	Aug P	48.8	49.1
GE	08-21	03:30	Services PMI	Aug P	50.4	50.6

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of August 18 – 22

EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	Consensus	Latest
EC	08-21	04:00	Composite PMI	Aug P	50.6	50.9
EC	08-21	04:00	Manufacturing PMI	Aug P	49.5	49.8
EC	08-21	04:00	Services PMI	Aug P	50.8	51.0
UK	08-21	04:30	Manufacturing PMI	Aug P	48.3	48.0
UK	08-21	04:30	Services PMI	Aug P	51.8	51.8
EC	08-21	10:00	Consumer Confidence	Aug P	-14.7	-14.7
UK	08-21	19:01	GfK Consumer Confidence Survey	Aug	-19.0	-19.0
GE	08-22	02:00	Real GDP (q/q)	2Q F	-0.1	-0.1
UK	08-22	02:00	Retail Sales ex. Auto Fuel (m/m)	Jul	0.3	0.6
UK	08-22	02:00	Retail Sales with Auto Fuel (m/m)	Jul	0.4	0.9

ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
SI	08-17	20:30	Exports (y/y)	Jul	-0.4	13.0
TH	08-17	22:30	GDP (q/q)	2Q	0.4	0.7
TH	08-17	22:30	GDP (y/y)	2Q	2.5	3.1
JN	08-18	00:30	Tertiary Industry Index (m/m)	Jun	0.2	0.6
NZ	08-18	18:45	Producer Price - Inputs (q/q)	2Q	--	2.9
NZ	08-18	18:45	Producer Price - Outputs (q/q)	2Q	--	2.2
TH	08-18		Customs Exports (y/y)	Jul	10.0	15.5
TH	08-18		Customs Imports (y/y)	Jul	5.2	13.1
TH	08-18		Customs Trade Balance (US\$ mn)	Jul	150.0	1061.7
MA	08-19	00:00	Exports (y/y)	Jul	-2.6	-3.5
MA	08-19	00:00	Imports (y/y)	Jul	-1.8	1.2
MA	08-19	00:00	Trade Balance (MYR bn)	Jul	5.4	8.6
HK	08-19	04:30	Unemployment Rate (%)	Jul	--	3.5
JN	08-19	19:50	Machine Orders (m/m)	Jun	-0.6	-0.6
JN	08-19	19:50	Merchandise Trade Balance (¥ bn)	Jul	215.0	152.1
JN	08-19	19:50	Adjusted Merchandise Trade Balance (¥ bn)	Jul	-81.4	-235.5
JN	08-19	19:50	Merchandise Trade Exports (y/y)	Jul	-2.1	-0.5
JN	08-19	19:50	Merchandise Trade Imports (y/y)	Jul	-10.0	0.3
CH	08-19	21:00	PBoC Loan Prime Rate 1-Year (%)	Aug 20	3.0	3.0
NZ	08-19	22:00	RBNZ Official Cash Rate (%)	Aug 20	3.00	3.25
PH	08-19		Balance of Payments (US\$ mn)	Jul	--	226.0
ID	08-20	03:20	BI 7-Day Reverse Repo Rate (%)	Aug 20	5.25	5.25
TA	08-20	04:00	Export Orders (y/y)	Jul	15.2	24.6
TA	08-20	04:20	Current Account Balance (US\$ mn)	2Q	--	30230.0
SK	08-20	17:00	PPI (y/y)	Jul	--	0.5
NZ	08-20	18:45	Trade Balance (NZD mn)	Jul	--	142.1
NZ	08-20	18:45	Exports (NZD bn)	Jul	--	6630.2
NZ	08-20	18:45	Imports (NZD bn)	Jul	--	6488.1
JN	08-20	20:30	Markit/JMMA Manufacturing PMI	Aug P	--	48.9
ID	08-20	23:00	Current Account Balance (US\$ mn)	2Q	--	-177.0
HK	08-21	04:30	CPI (y/y)	Jul	1.0	1.4
JN	08-21	19:30	National CPI (y/y)	Jul	3.1	3.3
MA	08-22	00:00	CPI (y/y)	Jul	1.2	1.1
MA	08-22	03:00	Foreign Reserves (US\$ bn)	Aug 15	--	121.3
TA	08-22	04:00	Unemployment Rate (%)	Jul	--	3.3

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of August 18 – 22

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	08-18	08:00	Economic Activity Index SA (m/m)	Jun	--	0.0	-0.7
BZ	08-18	08:00	Economic Activity Index NSA (y/y)	Jun	--	1.2	3.2
CL	08-18	08:30	GDP (q/q)	2Q	--	0.4	0.7
CL	08-18	08:30	GDP (y/y)	2Q	--	2.9	2.3
CO	08-19	11:00	Trade Balance (US\$ mn)	Jun	--	-1080.0	-1447.7

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

Global Auctions for the week of August 18 – 22

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	08-20	12:00	Canada to Sell C\$5.25 Billion of 2.75% 2030 Bonds
US	08-20	13:00	U.S. To Sell USD16 Bln 20-Year Bonds
US	08-21	13:00	U.S. To Sell USD8 Bln 30-Year TIPS Reopening

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
GE	08-19	05:30	Germany to Sell EU4.5 Billion of 2.2% 2030 Bonds
DE	08-20	04:15	Denmark to Sell Bonds
NO	08-20	05:00	Norway to Sell Bonds
GE	08-20	05:30	Germany to Sell EU1.5 Billion of 2.5% 2054 Bonds
GE	08-20	05:30	Germany to Sell EU1 Billion of 2.5% 2046 Bonds
FR	08-21	04:50	France to Sell 2.5% 2030 Bonds
FR	08-21	04:50	France to Sell 2.4% 2028 Bonds
FR	08-21	04:50	France to Sell 2.7% 2031 Bonds

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	08-18	23:35	Japan to Sell 20-Year Bonds
AU	08-19	21:00	Australia to Sell A\$1.5 Billion 1.25% 2032 Bonds
CH	08-19	23:35	China to Sell 125 Billion Yuan 2030 Bonds
AU	08-21	21:00	Australia to Sell A\$300 Million 4.75% 2054 Bonds

LATIN AMERICA

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

Events for the week of August 18 – 22

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	08-20	11:00	Fed's Waller Speaks at Wyoming Blockchain Symposium
US	08-20	14:00	FOMC Meeting Minutes
US	08-20	15:00	Fed's Bostic in Moderated Conversation on Economic Outlook
MX	08-21	11:00	Central Bank Monetary Policy Minutes

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	08-20	03:10	ECB's Lagarde Speaks in Geneva
SW	08-20	03:30	Riksbank Policy Rate
IC	08-20	04:30	7-Day Term Deposit Rate
SZ	08-21	11:45	SNB's Martin Speaks in Zurich
EC	08-22	05:00	Negotiated Wages

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UZ	08-18		Key Rate
CH	08-19	21:00	1-Year Loan Prime Rate
CH	08-19	21:00	5-Year Loan Prime Rate
NZ	08-19	22:00	RBNZ OCR, Decision, Monetary Policy Statement
NZ	08-19	22:00	RBNZ Official Cash Rate
AU	08-19	22:00	RBA's McPhee, Jones-Panel Discussion
NZ	08-19	23:00	RBNZ Governor News Conference
ID	08-20	03:20	BI-Rate
NZ	08-20	16:10	RBNZ Governor at Parliament Select Committee on MPS

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UR	08-19		Monetary Policy Rate
MX	08-21	11:00	Central Bank Monetary Policy Minutes
PY	08-22		Monetary Policy 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	September 17, 2025	2.75	2.75
Federal Reserve – Federal Funds Target Rate	4.50	September 17, 2025	4.50	4.50
Banco de México – Overnight Rate	7.75	September 25, 2025	7.75	7.50

Federal Reserve: The Federal Open Market Committee (FOMC) will release the minutes from its July 30, 2025 meeting on Wednesday, where it maintained the policy rate at 4.50%. However, two governors dissented from the decision. As such, the minutes will offer deeper insight into the policy debate.

In addition, the Federal Reserve Bank of Kansas City will host its annual Jackson Hole Economic Policy symposium from August 21-23, 2025 under the theme "Labor Markets in Transition: Demographics, Productivity, and Macroeconomic Policy". A key highlight will be Chair Powell's speech on Friday, which comes ahead of the next FOMC meeting on September 17th. Markets are currently pricing in a 25bps rate cut at that meeting. Watch for whether Chair Powell maintains his stance from the last meeting or pivots away in response to the latest data developments.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	2.15	September 11, 2025	2.15	2.15
European Central Bank – Marginal Lending Facility Rate	2.40	September 11, 2025	2.40	2.40
European Central Bank – Deposit Facility Rate	2.00	September 11, 2025	2.00	2.00
Bank of England – Bank Rate	4.00	September 18, 2025	4.00	4.00
Swiss National Bank – Sight Deposit Rate	0.00	September 25, 2025	0.00	0.00
Central Bank of Russia – One-Week Auction Rate	18.00	September 12, 2025	18.00	18.00
Sweden Riksbank – Repo Rate	2.00	September 23, 2025	2.00	2.00
Norges Bank – Deposit Rate	4.25	September 18, 2025	4.25	4.25
Central Bank of Turkey – Benchmark Repo Rate	43.00	September 11, 2025	41.00	41.00

Riksbank: Riksbank is expected to maintain its repo rate at 2% on Wednesday, following a couple of warm core inflation readings for June and July. Additionally, the bank's updated forecast in June indicated a possibility of another rate cut later this year. Markets are currently pricing in only about a 10% chance of a rate cut.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	0.50	September 19, 2025	0.50	0.50
Reserve Bank of Australia – Cash Rate Target	3.60	September 30, 2025	3.60	3.60
Reserve Bank of New Zealand – Cash Rate	3.25	October 7, 2025	3.00	3.00
People's Bank of China – 7-Day Reverse Repo Rate	1.40	TBA	1.40	1.40
Reserve Bank of India – Repo Rate	5.50	October 1, 2025	5.50	5.50
Bank of Korea – Base Rate	2.50	August 28, 2025	2.25	2.25
Bank of Thailand – Repo Rate	1.50	October 8, 2025	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	2.75	September 4, 2025	2.75	2.75
Bank Indonesia – BI-Rate	5.25	September 17, 2025	5.25	5.25
Central Bank of Philippines – Overnight Borrowing Rate	5.25	August 28, 2025	5.25	5.25

Reserve Bank of New Zealand (RBNZ): The Reserve Bank of New Zealand is unanimously expected to cut its cash rate by 25bps on Tuesday. At its July meeting, the bank held rates steady but signaled a dovish bias: "If medium-term inflation pressures continue to ease as projected, the Committee expects to lower the Official Cash Rate further." While inflation ticked up, as anticipated, it remains within the inflation target range. However, the labour market deteriorated further in 2Q, and looming headwinds in the form of higher US tariffs of 15%—an increase from the "baseline" tariff of 10%—could hinder the economic recovery. Additionally, the May forecasts will be updated with particular attention on the future policy path. The current projection shows only one additional rate cut by the end of 2025, whereas markets are now pricing in around two cuts. **Bank Indonesia (BI):** Given Bank Indonesia's history of surprises, Wednesday's monetary policy meeting is expected to be a live one. The current consensus expects no change. At its previous meeting, the bank surprised the market with a dovish 25bps rate cut and reiterated its stance: "Bank Indonesia will continue considering further room for interest rate reduction to nurture economic growth", with the timing and the magnitude dependent on evolving economic conditions. Since then, inflation has been near the mid-point of the inflation target range, while 2Q GDP growth came in slightly stronger than expected. However, Indonesian exporters now face a 19% US tariff, posing a challenge to future growth. Moreover, the rupiah has strengthened compared to the last meeting, potentially providing room for another 25bps cut.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	15.00	September 17, 2025	15.00	15.00
Banco Central de Chile – Overnight Rate	4.75	September 9, 2025	4.75	4.75
Banco de la República de Colombia – Lending Rate	9.25	September 30, 2025	9.25	9.00
Banco Central de Reserva del Perú – Reference Rate	4.50	September 11, 2025	4.50	4.50

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	7.00	September 18, 2025	7.00	7.00

Sources: Bloomberg, Scotiabank Economics.

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