

THE GLOBAL WEEK AHEAD

October 24, 2025

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Next Week's Risk Dashboard

- US policy uncertainty hit record highs...
- ...even before flaring Canada-US tensions
- Fed preview: -25bps, end QT, reinforce September dots
- BoC preview: -25bps, careful guidance
- US, Canadian earnings ramp up...
- ...with the main focus on US tech
- ECB to stand pat
- BoJ to hold, updated forecasts key
- BCCh to stand pat
- Ditto for BanRep
- Canadian GDP: Still adding slack
- Milei's make-or-break midterms
- Global data

The Fed Faces Record US Policy Uncertainty

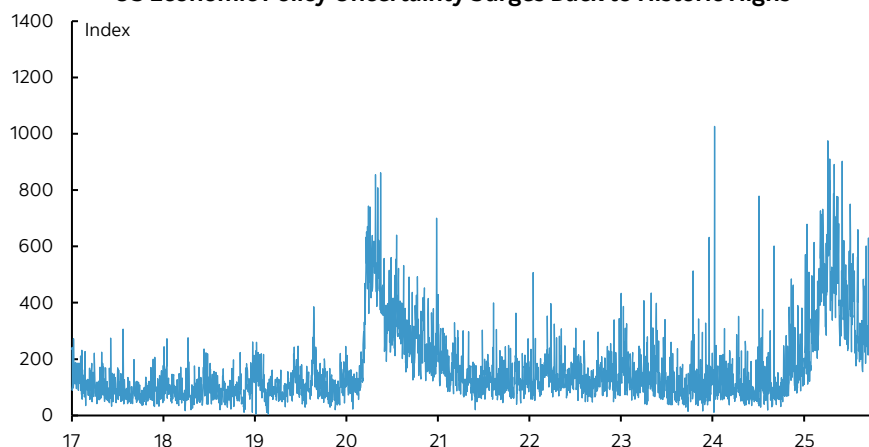
• Introduction	2
• FOMC—Fumbling in the Dark	2–3
• FOMC Still Focused More on Jobs than Inflation Risk	2
• Powell Likely to Indicate Continued Backing of the Previous Projections	2–3
• The End of QT	3
• Bank of Canada—Another Cut Coming	3–5
• BoJ—Patience	5
• ECB—Holding Pattern	5–6
• BanRep—Inflation is Just Too High	6
• BCCh—Here Too!	6
• Argentina's Election—Are You In Or Out?	6
• Canada's Economy—Still Adding Slack	6–7
• Earnings—Mag7 Results Will be Key	7
• Global Macro	7

FORECASTS & DATA

• Key Indicators	A1–A3
• Global Auctions Calendar	A4
• Events Calendar	A5
• Global Central Bank Watch	A6

Chart of the Week

US Economic Policy Uncertainty Surges Back to Historic Highs



Sources: Scotiabank Economics, Baker, Bloom & Davis.

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

The Fed Faces Record US Policy Uncertainty

The coming week is going to be significantly dominated by central bank decisions combined with a wave of 'Mag7' earnings and data releases. Each of the Fed, BoC, ECB, BoJ, and central banks in Chile and Colombia will weigh in. Ongoing developments in Canada-US relations may also figure prominently. The world has changed a great deal since former President Reagan's speech about the virtues of free trade and against tariffs in 1987 such that Canada and the US are more tightly integrated than ever before which raises the risks to both sides of failing to work toward an agreement that addresses concerns on both sides. As the front cover chart of the week depicts, US policy uncertainty indices are flaring to record highs which will cost growth both in the US and abroad.

FOMC—FUMBLING IN THE DARK

The FOMC is widely expected to cut its policy rate by 25bps to 4.0% on Wednesday in a statement-only affair (2pmET) sans forecasts or dots followed by Chair Powell's press conference thirty minutes later. The next updated Summary of Economic Projections including a fresh dot plot of members' rate expectations will arrive at the December meeting.

This would bring cumulative easing from the 5½% policy rate peak to 150bps and with considerably more to come.

FOMC Still Focused More on Jobs than Inflation Risk

The modus operandi continues to involve a pivot toward greater concern about downside risk to the job market while looking through at least near-term risk to inflation. Recall Chair Powell's quote at the September press conference:

"We kept our policy at a clearly restrictive level over the course of this year. That's because the labour market was in a strong position. I can no longer say that. The risks were clearly tilted toward inflation. I would say they're moving toward equality, or greater equality which suggests we should be moving in the direction of neutral."

This is reminiscent of the pandemic when Chair Powell ignored inflation evidence and emphasized the need to target fully inclusive maximum employment, except that the nature of today's shocks is materially different.

Of course, judging the current state of the Fed's dual mandate is nearly impossible because of missing data for both jobs and inflation. Jobs because we don't have nonfarm payrolls for September. Inflation because we don't have the Fed's preferred PCE gauges or part of the necessary ingredients in producer prices while the CPI estimate has a huge data quality problem. About 40% of the CPI basket was estimated using proxy methods that use prices in other cities/regions in lieu of shortfalls elsewhere or using prices for somewhat different goods where data can't be obtained and all due to cuts to the BLS's budget. Compounding this is ongoing doubt toward the role played by seasonal adjustment factors in tamping down core inflation as explained [here](#).

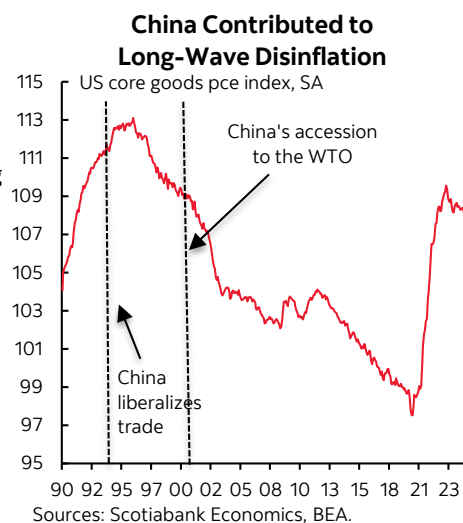
The fact that we don't have fresh readings for nonfarm payrolls likely won't matter much to Powell given the previously weakening trend for employment growth including sharp downward annual revisions to March payrolls and weakness since then. One caveat to this view is that the breakeven rate for monthly nonfarm payroll creation has slowed toward very low numbers, maybe zero, possibly even negative in light of highly restrictive immigration policy and its effects on both population and labour force expansion.

Powell Likely to Indicate Continued Backing of the Previous Projections

Chair Powell will be asked whether the SEP and dot plot in September still applies. He's likely to indicate that it does. Powell said on October 14th that "it is fair to say that the outlook for employment and inflation does not appear to have changed much since our September meeting four weeks ago." He's likely to have something similar to say this time, perhaps buttressed by a slightly softer than expected reading for core CPI. Therefore, while sounding cautious toward data—or the absence thereof—and developments, he is likely to passively reinforce the Committee's guidance to expect another 25bps rate cut in December.

As for inflation, the FOMC is at risk of falling victim to myopia once more. We won't settle the debate about what happens to inflation from tariffs as a subset of much broader and more complicated supply chain challenges with short-term price data. This is multi-year stuff folks within supply chains that are notoriously complicated and that evolve slowly over time. For instance, to play the flipside of today, had you rejected the possible effects on US inflation of

Chart 1



October 24, 2025

China's trade liberalization in the 1990s and accession to the WTO in 2001 by only looking at a handful of monthly inflation readings back then, the result is that you would have misjudged the next two decades of disinflationary pressures (chart 1).

The End of QT

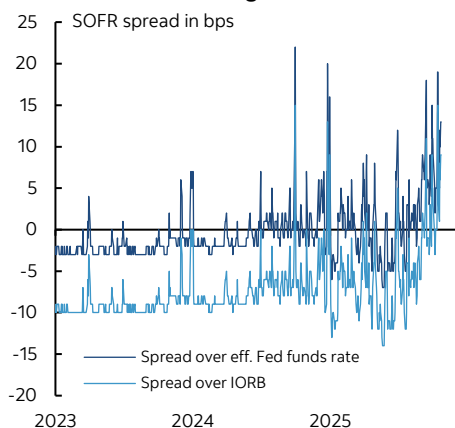
The more meaningful development could be around the balance sheet in the wake of Powell's speech titled "Understanding the Fed's Balance Sheet" ([here](#)). Recall the following guidance with emphasis added:

"Our long-stated plan is to stop balance sheet runoff when reserves are somewhat above the level we judge consistent with ample reserve conditions. We may approach that point **in coming months**, and we are closely monitoring a wide range of indicators to inform this decision. Some signs have begun to emerge that liquidity conditions are gradually tightening, including a general firming of repo rates along with more noticeable but temporary pressures on selected dates."

Pressures on market funding conditions have become more acute, leading to the base case likelihood that the Fed announces the end of quantitative tightening at this meeting. Chart 2 shows funding spreads over fed funds. Chart 3 shows falling reserves. Chart 4 shows that excess reserves parked at the Fed in overnight RRP have fallen to nothing. Some of this liquidity drain is due to the Treasury's focus upon replenishing the General Account that was depleted by the earlier funding spat and doing so through bills issuance that mopped up liquidity. The Fed could err on the side of viewing funding pressures as partly driven by perhaps underestimating optimal reserves and hence end QT now.

Chart 2

The Return of Funding Market Pressures



Sources: Scotiabank Economics, Bloomberg.

Chart 3

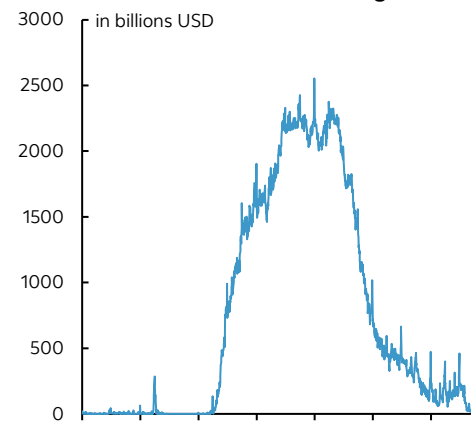
Less 'Ample' Reserves



Sources: Scotiabank Economics, Federal Reserve.

Chart 4

Less Excess Cash to Park in Overnight RRP



Sources: Scotiabank Economics, New York Fed.

BANK OF CANADA—ANOTHER CUT COMING

Wednesday morning will offer the full deal from the Bank of Canada when it releases a suite of updated communications and forecasts to accompany the latest rate decision. The policy statement (9:45amET) will be accompanied by Governor Macklem's written opening remarks to his press conference along with the October Monetary Policy Report. A full press conference ensues at 10:30amET.

Pretty much everybody who is anybody in the forecasting community expects the BoC to cut by 25bps, bringing the overnight rate to 2.25%. Markets are priced for about an 85% probability of a cut. That would bring cumulative easing from the 5% policy rate peak to 275bps of cuts. At 2.25%, the overnight rate would be basically zero in inflation adjusted terms, or even negative—depending upon whether we use trailing CPI inflation or core inflation, or measures of expectations drawn from surveys of forecasters, businesses and consumers.

The case for additional easing is not airtight but includes the following points.

- They'd need good arguments against a cut that I don't think they have in relation to disappointing the over 80% priced probability of a 25bps cut. From a risk-reward standpoint, it may be more difficult to justify holding than to cut and, if they agree, sound like they're shifting to the sidelines.
- Core inflation measures are in the range on a higher frequency m/m SAAR basis for a while now.

- Their July MPR expected inflation to be around 2% by the end of 2026 in the current tariff scenario. Developments since then likely have them thinking there is more downside to that forecast than upside, ergo give it a nudge. In particular, if trade negotiations are stalled or if tensions should escalate, then the BoC may lean further toward the lowest of its inflation scenarios in the July MPR (chart 5). Governor Macklem has indicated the BoC will revert back to providing a base case central forecast in the October MPR which may or may not prove appropriate given trade tensions.
- One cut doesn't do it given my longstanding bag of chips metaphor and that you can't just pull one chip out of the bag.
- Jobs rebounded, but the BoC always fades just one spot number for the volatile household survey and the trend is weak. The BoC's broad labour market index is rapidly falling to levels not seen since 2021 (chart 6).
- GDP is weakening with basically no growth being tracked in Q3 so slack continues to open up. On the one hand, that's why they were cutting from last July to this March in anticipation of a souring economy. Plus, the economy is broadly tracking their expectations in the July MPR. But key may be Macklem's ongoing guidance they expect a slight improvement in growth by at rates still below the economy's potential GDP growth rate which means more slack opening up over time.
- You could argue the Budget's influences both ways. Wait to see if PM Carney is going to prime the pump a lot, versus act now because it might be optically harder to act after the Budget is presented and passed. I think at this juncture, the BoC will say they want to err on the side of combining policy measures.
- Macklem is a dove at heart. I rarely take him seriously when he jawbones inflation risk. He's a labour market guy at heart as he was when delivering fully inclusive speeches as Senior Deputy Governor under BoC Governor Carney at the time and more recently in the pandemic.
- Trade policy uncertainty will be elevated for a long time yet especially in light of recent developments.

The case for an unlikely but not impossible hold at this meeting could be based on the following points:

- the real policy rate is zero and we're already well within the neutral r^* range.
- Financial conditions are buoyant. There is no financial crisis notwithstanding persistent risks.
- Inflation expectations remain elevated (charts 7, 8).
- Monetary policy entails lagging effects and we're still inside the full pass through of 250bps of rate cuts that began in June of last year through to March of this year. Give it time for a zero real rate to work through.

- there are more drivers of inflation risk than just output gaps. Costs are under upward pressure through the whole value-added supply chain. Labour settlements are too hot, productivity is not, inventories are high, and supply chains are at a highly nascent stage of being revamped in the US-driven global trade war and revamping them entails higher costs. Someone pays those higher costs. Sensible

Chart 5

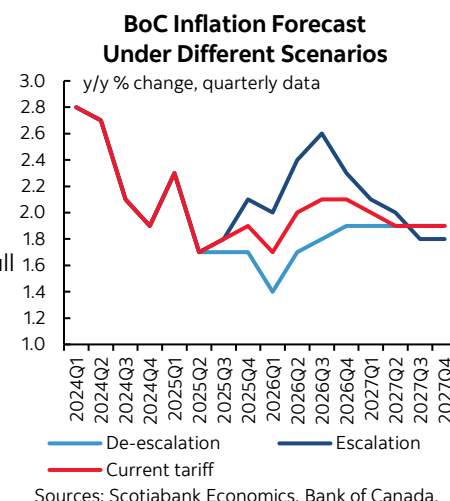


Chart 6

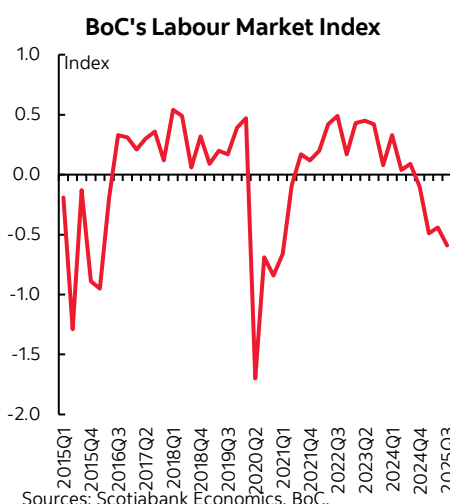


Chart 7

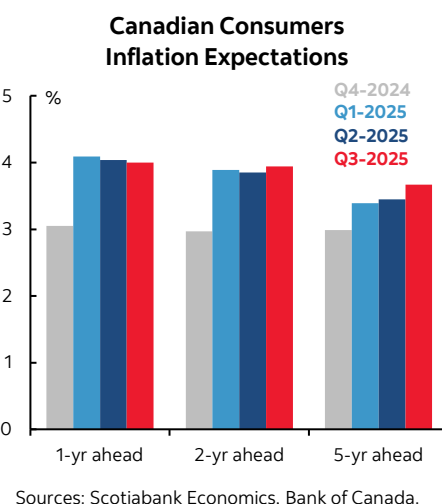
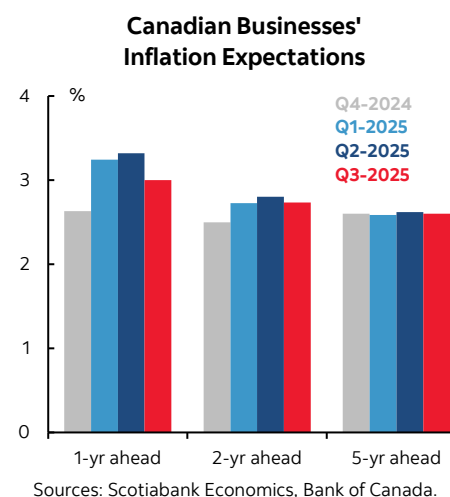


Chart 8



incidence effects would have one thinking everyone will share in it including higher prices for consumers in a longer wave sense.

- the tariff shock to Canada is often exaggerated. The effective tariff rate has bumped up to 6%. USDCAD over 1.40 is doing what a flexible exchange rate should do to help assuage the shock to the terms of trade. Remove the tariffs on the most affected narrow sectors, and the tariff shock is tiny given the high CUSMA/USMCA compliance rate.
- Canada has the lowest tariff shock against any notable US trade partner by far. Anything can happen to CUSMA/USMCA but you can't conduct monetary policy when the outcome could be bimodal in nature.
- Recent developments in Canada-US trade relations including the suspension of negotiations may have driven greater conviction in Ottawa that bigger deficit-financed measures are needed.

The way to balance the pros and cons to cutting at this meeting may be through a generally neutral-hawkish sounding and noncommittal bias. That could be as simple as continuing to strike out the reference in the July statement to how "there may be a need for a reduction in the policy interest rate" as they did in the September statement or strengthening this message in such fashion as to indicate more gradual assessments in future.

As for balance sheet measures, the BoC's policy toolkit and market developments have succeeded in tamping down the spread between the market measure of the policy rate (CORRA) and the policy rate itself (chart 9). This likely implies no need for further adjustments at this time as the BoC monitors any spillover effects into Canadian funding markets from what the Federal Reserve may do later in the day.

BOJ—PATIENCE

The Bank of Japan issues a policy statement late on Thursday evening eastern time and will be followed by Governor Ueda's press conference in the early morning (~2–3amET).

No policy rate change is expected but refreshed forecasts and guidance could be impactful. Markets are priced for no rate change at this meeting but about half of a quarter-point cut in December and full cut pricing by early 2026 at either the January or March meetings.

Acting now with further policy tightening would be affronted by weakening underlying inflation. Japanese core CPI was flat in m/m seasonally adjusted and annualized terms during September. It's just one data point, but it's a sudden deceleration to the weakest reading since December 2021 (chart 10). Core inflation has slowed on a three-month moving average basis. That's key because the BoJ has previously said it "will hike when the outlook matches our forecast." Well, it's not.

As for the future, the BoJ's forecasts will be closely watched for whether it repeats expectations for core CPI to land just beneath 2% by the end of next year and hit 2% the year after. Until the BoJ has greater confidence it is on track in this regard it may continue to be reticent to tighten further.

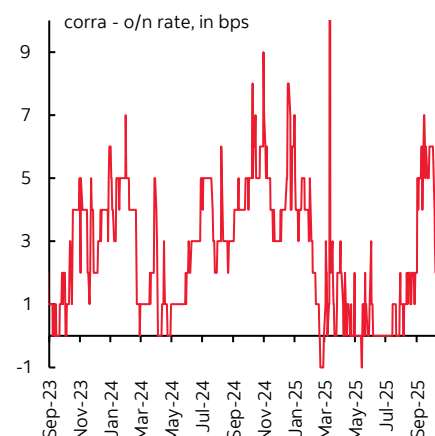
ECB—HOLDING PATTERN

The European Central Bank is also not expected to make any policy changes on Thursday. Markets are priced for no policy rate change and consensus unanimously expects a hold at a deposit rate of 2%.

Core CPI inflation has come down to 2.4% y/y and is within the ECB's 2% headline target zone (chart 11). Measures of inflation expectations are also just north of 2% (chart 12). 200bps of

Chart 9

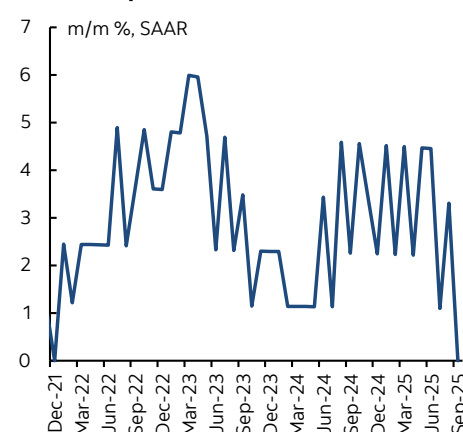
CORRA-Overnight Rate Spread



Sources: Scotiabank Economics, Bank of Canada.

Chart 10

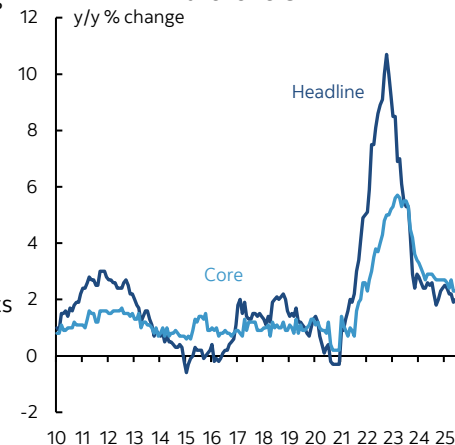
Japanese Core Inflation



Sources: Scotiabank Economics, Ministry of Internal Affairs and Communications.

Chart 11

Eurozone CPI



Sources: Scotiabank Economics, Bloomberg.

easing have brought the policy rate toward a neutral rate range while underlying inflation details like services inflation still indicating underlying concerns (chart 13).

BANREP—INFLATION IS JUST TOO HIGH

Colombia's central bank is widely expected to remain on hold at an overnight lending rate of 9¼% on Friday. It has been on hold since its last rate reduction in April. Inflation remains too high to contemplate further easing at this juncture. CPI is running at 5.2% y/y with core inflation just a hair beneath 5%. Inflation expectations also remain elevated (chart 14).

BCCH—HERE TOO!

Chile's central bank is also unanimously expected to leave its overnight rate unchanged at 4.75% on Tuesday late in the day. Here too inflation is running too hot at 4.4% y/y (chart 15). Recall that BCCh also indicated patience when it said in its last decision that "the risk of greater inflation persistence calls for gathering more information before continuing the process of guiding the MPR toward its neutral range."

ARGENTINA'S ELECTION—ARE YOU IN OR OUT?

Argentina's Legislative mid-term elections will be held on Sunday. It's make or break time for President Milei's reforms depending upon the outcome. Ditto for Argentina's markets.

Half of the seats (127 of the 257) in the Chamber of Deputies and a third of the seats (24 of the 72) in the Senate will be elected. Milei's party—La Libertad Avanza—has been polling ahead of the Peronists represented by Fuerza Patria but not by much. A weak showing by Milei's party could further damage the peso (chart 16) especially in light of President Trump's guidance that "If he wins, we're staying with him. And if he doesn't win, we're gone."

CANADA'S ECONOMY—STILL ADDING SLACK

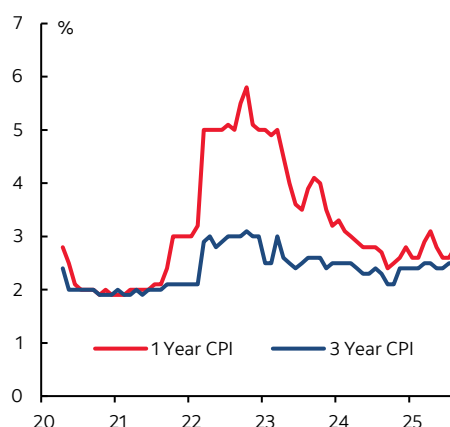
We'll get a more complete picture of the performance of the Canadian economy when GDP figures arrive on Friday. August and September estimates will firm up estimates for overall Q3 GDP.

The August figures will include revisions to the initial guidance from Statcan that the economy was "essentially unchanged" that month. My tracking points toward a mild dip of -0.1% m/m SA. The figures for August will also include sector details. Statcan had said that "Increases in wholesale trade and retail trade were offset by decreases in mining, quarrying, and oil and gas extraction, manufacturing, and transportation and warehousing."

Key, however, may be the first estimate for September sans details. There is very little information available for the month. We know that hours worked dipped by -0.2% m/m SA and since GDP is hours times labour productivity this points to downside risk. Retail sales also reversed August's gain while existing home sales also dipped but vehicle sales accelerated.

Chart 12

ECB Measure of Inflation Expectations



Sources: Scotiabank Economics, ECB.

Chart 13

Eurozone Services Inflation



Sources: Scotiabank Economics, Eurostat.

Chart 14

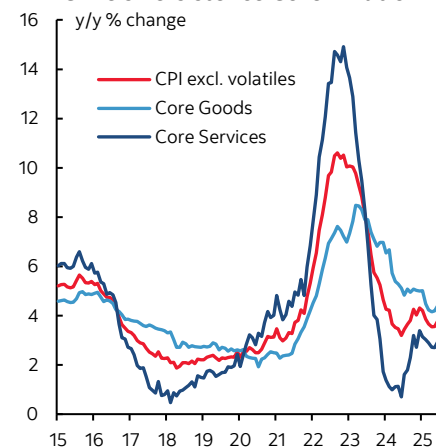
Colombia's Inflation Expectations Still Elevated



Sources: Scotiabank Economics, Banco Central de la Republica de Colombia.

Chart 15

Chile's Persistence Core Inflation



Sources: Scotiabank Economics, INE.

Chart 16

Argentina's Peso Freefall



Sources: Scotiabank Economics, Bloomberg.

October 24, 2025

The overall picture is one of an economy that may be posting very little growth in Q3. Based on monthly GDP estimates, growth could be around ¾% q/q SAAR after GDP contracted in Q2 despite strong consumption and strong final domestic demand.

As a consequence, Canada's economy continues to open up a modest amount of slack.

EARNINGS—MAG7 RESULTS WILL BE KEY

About 160 firms listed on the S&P 500 deliver Q3 earnings this week in a rapid intensification of and broadening of the season. Given the dominant role played by the 'Magnificent Seven' stocks in driving S&P performance (chart 17) it is their results that may matter most. Apple, Meta Platforms, Alphabet, Amazon, and Microsoft are among the key tech names to watch for their earnings, guidance, and further insights into AI-related tech spending.

Canada's earnings season also intensifies with about 50 TSX-listed firms poised to release earnings over the week. Banks October 31st year-end and any funding implications will result in earnings releases for this important segment of the credit and equity markets only by the first week of December.

GLOBAL MACRO

See chart 18 for a listing of the key indicators due out this week from across the world with the caveat that yet again most of the US data including Q3 GDP will continue to be held up by the US government shutdown.

Chart 17

Seven Stocks Dominate the S&P500

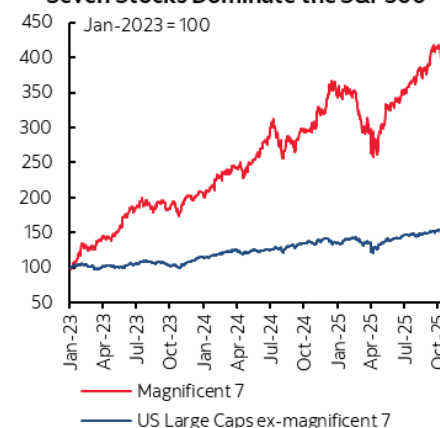


Chart 18

Other Global Macro Indicators (Oct 27th - Oct 31st)			
US	CA	CPI	Other Macro
		<u>Monday</u>	
Durable			MX Trade
Dallas Fed. Manf. Activity			GE IFO Survey, Retail Sales
			IR GDP
			SK GDP
		<u>Tuesday</u>	
Home Price Index		AU	MX UR
Consumer Confidence Index			GE Consumer Confidence
Richmond Fed Manf. Index			
		<u>Wednesday</u>	
MBA Mort. App			CL UR
Wholesale Inventories			SP GDP
Pending Home Sales			JN Consumer Confidence, IP, Retail Trade, IP
		<u>Thursday</u>	
GDP		SP	MX GDP
Claims		GE	CL IP, Retail Sales
		Tokyo	FR GDP
			EC GDP, Economic Confidence, Industrial Confidence
			GE GDP, UR
			UK House Prices
			JN Jobless Rate
			CH PMI
		<u>Friday</u>	
Employment Cost Index	Monthly GDP	FR	CO UR
PCE		EC	TA GDP
Personal Income & Spending		IT	HK GDP
Chicago PMI			

Sources: Scotiabank Economics, Bloomberg.

Key Indicators for the week of October 27 – 31
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>
MX	10-27	08:00	Trade Balance (US\$ mn)	Sep	--	--	-1943.9
US	10-27	08:30	Durable Goods Orders (m/m)	Sep P	0.5	0.3	2.9
US	10-27	08:30	Durable Goods Orders ex. Trans. (m/m)	Sep P	0.3	0.2	0.4
US	10-27	10:30	Dallas Fed. Manufacturing Activity	Oct	--	--	-8.7
MX	10-28	08:00	Unemployment Rate (%)	Sep	--	--	2.9
US	10-28	09:00	S&P/Case-Shiller Home Price Index (m/m)	Aug	-0.2	--	-0.1
US	10-28	09:00	S&P/Case-Shiller Home Price Index (y/y)	Aug	1.7	--	1.8
US	10-28	10:00	Consumer Confidence Index	Oct	93.0	93.8	94.2
US	10-28	10:00	Richmond Fed Manufacturing Index	Oct	--	--	-17.0
US	10-29	07:00	MBA Mortgage Applications (w/w)	Oct 24	--	--	-0.3
US	10-29	08:30	Wholesale Inventories (m/m)	Sep P	--	-0.2	-0.2
CA	10-29	09:45	BoC Interest Rate Announcement (%)	Oct 29	2.25	2.25	2.5
US	10-29	10:00	Pending Home Sales (m/m)	Sep	--	--	4.0
US	10-29	14:00	FOMC Interest Rate Meeting (%)	Oct 29	4.00	4.00	4.25
MX	10-30	08:00	GDP (q/q)	3Q P	--	--	0.6
MX	10-30	08:00	GDP (y/y)	3Q P	--	-0.6	0.1
US	10-30	08:30	GDP (q/q a.r.)	3Q A	3.0	3.0	3.8
US	10-30	08:30	GDP Deflator (q/q a.r.)	3Q A	--	--	2.1
US	10-30	08:30	Initial Jobless Claims (000s)	Oct 25	240	--	218.0
US	10-30	08:30	Continuing Claims (000s)	Oct 18	1940	--	1926.0
CA	10-31	08:30	Real GDP (m/m)	Aug	-0.1	--	0.2
US	10-31	08:30	Employment Cost Index (q/q)	3Q	0.9	0.9	0.9
US	10-31	08:30	PCE Deflator (m/m)	Sep	0.3	--	0.3
US	10-31	08:30	PCE Deflator (y/y)	Sep	2.8	--	2.7
US	10-31	08:30	PCE ex. Food & Energy (m/m)	Sep	0.2	0.3	0.2
US	10-31	08:30	PCE ex. Food & Energy (y/y)	Sep	2.8	--	2.9
US	10-31	08:30	Personal Spending (m/m)	Sep	--	0.4	0.6
US	10-31	08:30	Personal Income (m/m)	Sep	--	0.4	0.4
US	10-31	09:45	Chicago PMI	Oct	--	42.0	40.6

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>Consensus</u>	<u>Latest</u>
GE	10-27	05:00	IFO Business Climate Survey	Oct	88.0	87.7
GE	10-27	05:00	IFO Current Assessment Survey	Oct	86.0	85.7
GE	10-27	05:00	IFO Expectations Survey	Oct	90.0	89.7
GE	10-27		Retail Sales (m/m)	Sep	0.2	-0.2
IR	10-27		Real GDP (q/q)	3Q P	--	0.2
GE	10-28	03:00	GfK Consumer Confidence Survey	Nov	-22.0	-22.3
SP	10-29	04:00	Real GDP (q/q)	3Q P	0.6	0.8
SP	10-29	04:00	Real Retail Sales (y/y)	Sep	--	3.0
UK	10-29	05:30	Net Consumer Credit (£ bn)	Sep	1.5	1.7
FR	10-30	02:30	Consumer Spending (m/m)	Sep	-0.1	0.1
FR	10-30	02:30	GDP (q/q)	3Q P	0.2	0.3
SP	10-30	04:00	CPI (m/m)	Oct P	0.5	-0.3
SP	10-30	04:00	CPI (y/y)	Oct P	2.9	3.0
SP	10-30	04:00	CPI - EU Harmonized (m/m)	Oct P	0.3	0.2
SP	10-30	04:00	CPI - EU Harmonized (y/y)	Oct P	3.0	3.0
GE	10-30	04:55	Unemployment (000s)	Oct	10.0	14.0
GE	10-30	04:55	Unemployment Rate (%)	Oct	6.3	6.3
GE	10-30	05:00	Real GDP (q/q)	3Q P	0.0	-0.3
IT	10-30	05:00	Real GDP (q/q)	3Q P	0.1	-0.1

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of October 27 – 31
EUROPE *(continued from previous page)*

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>Consensus</u>	<u>Latest</u>
EC	10-30	06:00	Economic Confidence	Oct	96.0	95.5
EC	10-30	06:00	GDP (q/q)	3Q A	0.1	0.1
EC	10-30	06:00	Industrial Confidence	Oct	-10.0	-10.3
EC	10-30	06:00	Unemployment Rate (%)	Sep	6.3	6.3
PO	10-30	07:00	Real GDP (q/q)	3Q P	--	0.60
GE	10-30	09:00	CPI (m/m)	Oct P	0.2	0.2
GE	10-30	09:00	CPI (y/y)	Oct P	2.2	2.4
GE	10-30	09:00	CPI - EU Harmonized (m/m)	Oct P	0.2	0.2
GE	10-30	09:00	CPI - EU Harmonized (y/y)	Oct P	2.2	2.4
EC	10-30	09:15	ECB Main Refinancing Rate (%)	Oct 30	2.15	2.15
UK	10-30		Nationwide House Prices (m/m)	Oct	0.0	0.5
FR	10-31	03:45	CPI (m/m)	Oct P	0.1	-1.0
FR	10-31	03:45	CPI (y/y)	Oct P	1.0	1.2
FR	10-31	03:45	CPI - EU Harmonized (m/m)	Oct P	0.1	-1.1
FR	10-31	03:45	CPI - EU Harmonized (y/y)	Oct P	0.9	1.1
FR	10-31	03:45	Producer Prices (m/m)	Sep	--	-0.2
SP	10-31	05:00	Current Account (€ bn)	Aug	--	6.3
EC	10-31	06:00	CPI (m/m)	Oct P	0.2	0.1
EC	10-31	06:00	Euro zone CPI Estimate (y/y)	Oct P	2.1	2.2
EC	10-31	06:00	Euro zone Core CPI Estimate (y/y)	Oct P	2.3	2.4
IT	10-31	06:00	CPI (m/m)	Oct P	-0.1	-0.2
IT	10-31	06:00	CPI (y/y)	Oct P	1.5	1.6
IT	10-31	06:00	CPI - EU Harmonized (m/m)	Oct P	0.1	1.3
IT	10-31	06:00	CPI - EU Harmonized (y/y)	Oct P	1.6	1.8

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>Consensus</u>	<u>Latest</u>
CH	10-26	21:30	Industrial Profits YTD (y/y)	Sep	--	20.4
TA	10-27	04:00	Unemployment Rate (%)	Sep	3.4	3.4
HK	10-27	04:30	Exports (y/y)	Sep	15.0	14.5
HK	10-27	04:30	Imports (y/y)	Sep	13.2	11.5
HK	10-27	04:30	Trade Balance (HKD bn)	Sep	-49.7	-25.4
SK	10-27	17:00	Consumer Confidence Index	Oct	--	110.1
SK	10-27	19:00	GDP (q/q)	3Q A	1.0	0.7
SK	10-27	19:00	GDP (y/y)	3Q A	1.5	0.6
IN	10-28	06:30	Industrial Production (y/y)	Sep	2.20	4.00
AU	10-28	20:30	Consumer Prices (y/y)	3Q	3.0	2.1
AU	10-28	20:30	Consumer Prices (q/q)	3Q	1.1	0.7
JN	10-29	01:00	Consumer Confidence	Oct	35.5	35.3
PH	10-29	21:00	Exports (y/y)	Sep	11.5	4.6
PH	10-29	21:00	Imports (y/y)	Sep	-2.8	-4.9
PH	10-29	21:00	Trade Balance (US\$ mn)	Sep	-4100.0	-3540.0
NZ	10-30	17:00	ANZ Consumer Confidence Index	Oct	--	94.6
SK	10-30	19:00	Industrial Production (m/m)	Sep	0.1	2.4
SK	10-30	19:00	Industrial Production (y/y)	Sep	5.9	0.9
SK	10-30	19:00	Cyclical Leading Index Change	Sep	--	0.5
JN	10-30	19:30	Jobless Rate (%)	Sep	2.5	2.6
JN	10-30	19:30	Tokyo CPI (y/y)	Oct	2.5	2.5
JN	10-30	19:50	Industrial Production (m/m)	Sep P	1.5	-1.5
JN	10-30	19:50	Large Retailers' Sales (y/y)	Sep	--	1.8
JN	10-30	19:50	Retail Trade (m/m)	Sep	0.8	-0.9
JN	10-30	19:50	Retail Trade (y/y)	Sep	0.7	-0.9
JN	10-30	19:50	Industrial Production (y/y)	Sep P	1.8	-1.6

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of October 27 – 31
ASIA PACIFIC *(continued from previous page)*

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>Consensus</u>	<u>Latest</u>
AU	10-30	20:30	Private Sector Credit (m/m)	Sep	0.6	0.6
AU	10-30	20:30	Private Sector Credit (y/y)	Sep	--	7.3
AU	10-30	20:30	Producer Price Index (q/q)	3Q	--	0.7
AU	10-30	20:30	Producer Price Index (y/y)	3Q	--	3.4
CH	10-30	21:30	Manufacturing PMI	Oct	49.6	49.8
CH	10-30	21:30	Non-manufacturing PMI	Oct	50.2	50.0
PH	10-30		Bank Lending (y/y)	Sep	--	10.4
SI	10-30		Unemployment Rate (%)	Sep	--	2.0
JN	10-31	01:00	Housing Starts (y/y)	Sep	-7.8	-9.8
TH	10-31	03:00	Current Account Balance (US\$ mn)	Sep	--	-1500.0
TH	10-31	03:30	Exports (y/y)	Sep	--	5.5
TH	10-31	03:30	Imports (y/y)	Sep	--	14.7
TH	10-31	03:30	Trade Balance (US\$ mn)	Sep	--	810.0
TA	10-31	04:00	Real GDP (y/y)	3Q A	6.0	8.0
HK	10-31	04:30	Real GDP (q/q)	3Q A	-0.1	0.4
HK	10-31	04:30	Real GDP (y/y)	3Q A	2.9	3.1
HK	10-31	04:30	Retail Sales - Value (y/y)	Sep	2.3	3.8
HK	10-31	04:30	Retail Sales - Volume (y/y)	Sep	--	3.2
SK	10-31	20:00	Exports (y/y)	Oct	-0.2	12.6
SK	10-31	20:00	Imports (y/y)	Oct	-1.8	8.2
SK	10-31	20:00	Trade Balance (US\$ mn)	Oct	2738.0	9531.0

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
CL	10-28	17:00	Nominal Overnight Rate Target (%)	Oct 28	4.75	4.75	4.75
CL	10-29	08:00	Unemployment Rate (%)	Sep	--	--	8.6
CL	10-30	08:00	Industrial Production (y/y)	Sep	--	--	1.8
CL	10-30	08:00	Retail Sales (y/y)	Sep	--	--	5.3
CO	10-31	11:00	Urban Unemployment Rate (%)	Sep	--	7.7	7.8
CO	10-31	14:00	Overnight Lending Rate (%)	Oct 31	9.25	9.25	9.25

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Global Auctions for the week of October 27 – 31

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	10-27	11:30	U.S. To Sell USD69 Bln 2-Year Notes
US	10-27	01:00	U.S. To Sell USD70 Bln 5-Year Notes
US	10-28	01:00	U.S. To Sell USD44 Bln 7-Year Notes
US	10-29	11:30	U.S. To Sell USD30 Bln 2-Year FRN
CA	10-30	12:00	Canada to Sell 2 Year Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BE	10-27	07:00	Belgium to Sell 1.25% 2033 Bonds
IT	10-28	06:00	Italy to Sell Up to EU2 Billion of 2.1% 2027 Bonds
GE	10-28	06:30	Germany to Sell EU4 Billion of 2.2% 2030 Bonds
UK	10-29	06:00	UK to Sell GBP3.75 Billion of 4.125% 2033 Bonds
NO	10-29	06:00	Norway to Sell Bonds
GE	10-29	06:30	Germany to Sell EU4.5 Billion of 2.6% 2035 Bonds
IT	10-30	06:00	Italy to Sell Bonds
FI	10-30	07:00	Finland to Sell Ori Bonds

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	10-30	11:35	Japan to Sell 2-Year Bonds

LATIN AMERICA

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

Events for the week of October 27 – 31

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	10-29	09:45	Bank of Canada Rate Decision
US	10-29	14:00	FOMC Rate Decision (Upper Bound)
US	10-29	14:00	Fed Interest on Reserve Balances Rate
US	10-29	14:00	Fed Reverse Repo Rate
US	10-30	13:15	Fed's Logan Speaks at Bank Funding Conference
US	10-31	09:30	Fed's Logan Speaks at Bank Funding Conference, Day 2
US	10-31	12:00	Fed's Hammack and Bostic Speak at Bank Funding Conference

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	10-27	05:00	ECB 1 Year CPI Expectations
EC	10-27	05:00	ECB 3 Year CPI Expectations
EC	10-28	05:00	ECB Bank Lending Survey
EC	10-28	05:30	ECB's Panetta Speaks
EC	10-28	06:00	Negotiated Wages
EC	10-30	09:15	ECB Deposit Facility Rate
EC	10-30	09:15	ECB Main Refinancing Rate
EC	10-30	09:15	ECB Marginal Lending Facility
EC	10-30	09:45	ECB President Christine Lagarde Holds Press Conference
SZ	10-30	13:00	SNB Board Member Petra Tschudin Speaks in Basel
EC	10-31	05:00	ECB Survey of Professional Forecasters

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	10-27	04:15	RBA's Bullock-Fireside Chat
PK	10-27		SBP Rate Decision (Target)
JN	10-29	20:00	BOJ Target Rate
JN	10-30	02:30	BOJ Governor Ueda Press Conference at BOJ

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CL	10-28	17:00	Overnight Rate Target
CO	10-31	14:00	Overnight Lending Rate
DR	10-31		Overnight Rate

Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	2.50	October 29, 2025	2.25	2.25
Federal Reserve – Federal Funds Target Rate	4.25	October 29, 2025	4.00	4.00
Banco de México – Overnight Rate	7.50	November 6, 2025	7.25	7.25

Bank of Canada (BoC): The Bank of Canada is widely expected to cut its overnight target rate by 25bps on Wednesday when it releases a suite of updated communications and forecasts to accompany the latest rate decision. The policy statement (9:45amET) will be accompanied by Governor Macklem's written opening remarks to his press conference along with the October Monetary Policy Report. A full press conference ensues at 10:30amET. **Federal Open Market Committee (FOMC):** The FOMC is widely expected to cut its policy rate by 25bps to 4.0% on Wednesday in a statement-only affair (2pmET) sans forecasts or dots followed by Chair Powell's press conference thirty minutes later. The Fed may also end Quantitative Tightening as funding market pressures become more acute.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	2.15	October 30, 2025	2.15	2.15
European Central Bank – Marginal Lending Facility Rate	2.40	October 30, 2025	2.40	2.40
European Central Bank – Deposit Facility Rate	2.00	October 30, 2025	2.00	2.00
Bank of England – Bank Rate	4.00	November 6, 2025	4.00	4.00
Swiss National Bank – Sight Deposit Rate	0.00	December 11, 2025	0.00	0.00
Central Bank of Russia – One-Week Auction Rate	16.50	December 19, 2025	16.00	16.00
Sweden Riksbank – Repo Rate	1.75	November 5, 2025	1.75	1.75
Norges Bank – Deposit Rate	4.00	November 6, 2025	4.00	4.00
Central Bank of Turkey – Benchmark Repo Rate	39.50	December 11, 2025	38.50	38.50

European Central Bank (ECB): The European Central Bank is unanimously expected to keep its three benchmark policy rates unchanged on Thursday, maintaining its data-dependent approach. Inflation has hovered around the ECB's 2% medium-term target, while one-year-ahead inflation expectations rose to 2.8% in August from 2.6% in July. Soft survey data continues to signal positive underlying momentum in the economy, although trade policy uncertainty and geopolitical tensions remain key downside risks. With risks to economic growth appearing more balanced and the inflation outlook still uncertain, the ECB is likely to continue monitoring incoming data to assess the balance of risks and determine the appropriate monetary policy stance. Most policymakers view the current policy rate as being at an appropriate level, aligning with a shift toward a more neutral stance.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	0.50	October 30, 2025	0.50	0.50
Reserve Bank of Australia – Cash Rate Target	3.60	November 3, 2025	3.60	3.60
Reserve Bank of New Zealand – Cash Rate	2.50	November 25, 2025	2.25	2.25
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	December 4, 2025	5.25	5.25
Bank of Korea – Base Rate	2.50	November 27, 2025	2.25	2.25
Bank of Thailand – Repo Rate	1.50	December 17, 2025	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	2.75	November 6, 2025	2.75	2.75
Bank Indonesia – BI-Rate	4.75	November 19, 2025	4.50	4.50
Central Bank of Philippines – Overnight Borrowing Rate	4.75	December 11, 2025	4.75	4.75

Bank of Japan (BoJ): The Bank of Japan is expected to keep its policy rate unchanged at 0.50% on Thursday, as markets have sharply reduced the probability of a 25bps rate hike—from 50% after the September meeting to just 10%. Consensus also favours a hold, with only a small minority anticipating a rate increase. While inflation remains above the 2% year-over-year target, core inflation has started to lose momentum on a month-over-month basis. Adding to the high uncertainty is the lack of key economic data, which makes it harder to assess the impact of U.S. tariffs on the American economy. This, in turn, complicates the evaluation of downside risks to Japan's domestic outlook. Moreover, escalating trade tensions between the U.S. and China are further weighing on the global economic outlook. Given these uncertainties, the BoJ may opt to delay a rate hike at this meeting. Additionally, market consensus suggests the central bank might prefer to avoid tightening policy so soon after LDP President Sanae Takaichi assumed the role of Prime Minister last week—especially considering the BoJ's historically cautious approach during political transitions.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	15.00	November 5, 2025	15.00	15.00
Banco Central de Chile – Overnight Rate	4.75	October 28, 2025	4.75	4.75
Banco de la República de Colombia – Lending Rate	9.25	October 31, 2025	9.25	9.25
Banco Central de Reserva del Perú – Reference Rate	4.25	November 13, 2025	4.25	4.25

Banco Central de Chile: The Banco Central de Chile is unanimously expected to keep its overnight rate steady at 4.75% on Tuesday, as inflation remains persistently above the 3% target. The central bank had paused in September after a 25bps cut in July, citing higher-than-expected core inflation, and subsequently revised its 12-month core inflation forecast upward. In addition, the bank emphasized that “the risk of greater inflation persistence calls for gathering more information before continuing the process of guiding the MPR toward its neutral range.” Since then, September data has confirmed continued inflationary pressure, particularly in core goods and services, reinforcing the case for a cautious stance. **Banco Central de la República de Colombia:** The Banco Central de la República de Colombia is also expected to hold its policy rate at 9.25% on Friday, amid stubborn inflation and a rise in inflation expectations. In September, the bank noted that core inflation had ended August above staff projections, prompting a revised outlook that anticipates a slower convergence toward the 3% inflation target. Since then, both headline and core inflation for September have surprised to the upside, and 12-month inflation expectations have climbed above 4%. As a result, the central bank is likely to maintain its current policy rate, although divisions within the Board could persist.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	7.00	November 20, 2025	7.00	7.00

Sources: Bloomberg, Scotiabank Economics.

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