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Jaykumar Parmar.*

## War is Peace

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## FORECASTS & DATA

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#### Next Week's Risk Dashboard

- Geopolitical risk may intensify
- US Q4/annual earnings season kicks off with the banks
- US CPI — another distorted one on the way...
- ...but the FOMC should pay greater heed to the sagging job market
- Trump may announce his Fed Chair pick
- SCOTUS may announce the IEEPA tariff decision
- Carney meets Xi under Trump's watchful eye
- BoK expected to hold as won slips again
- Global macro

#### Chart of the Week

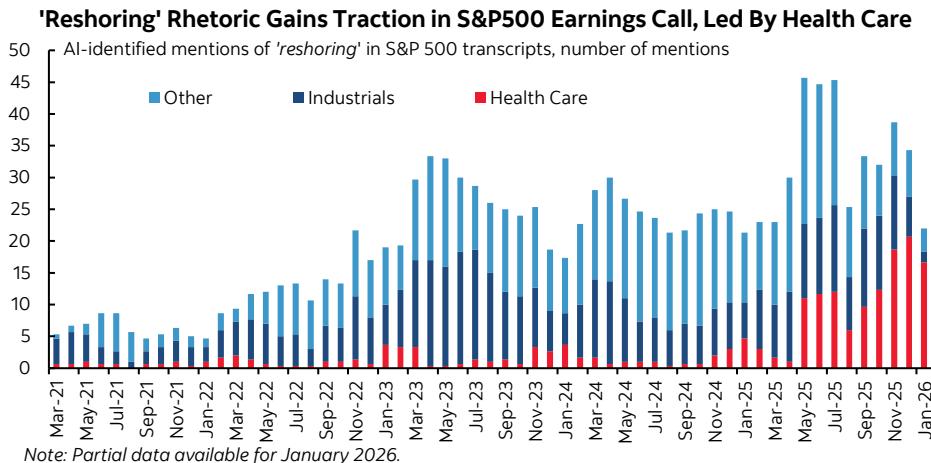


Chart of the Week: Prepared by: Jaykumar Parmar, Economic Analyst.

## War is Peace

Readers familiar with major pieces of literature don't need the title to this week's edition to be explained. Yet rising geopolitical risk is not having a terribly large impact on global markets to date. That fits a frequent pattern whereby spikes in geopolitical risk tend to be temporary influences—within reason. The clustering of several potential flare-ups will continue to be closely monitored.

Moving right along, this coming week's developments will principally focus upon the following, with some of them elaborated upon later:

- US earnings season, at first focused on the banks;
- the last US CPI reading (Tuesday) before the FOMC's January 28<sup>th</sup> decision;
- a possible SCOTUS decision on IEEPA tariffs after weeks of teasing us. SCOTUS has set Wednesday for its next opinion day (10amET) with argument days also scheduled from Monday to Wednesday. Markets—and ourselves—would be surprised if SCOTUS did not reject use of IEEPA tariffs, but how, under what terms including potential reimbursement, and how Trump would respond with other measures are all highly uncertain. Chart 1 offers a reminder of the other instruments Trump could employ.
- Possibly Trump's pick for Federal Reserve Chair that was guided to be possible either before or after the Davos World Economic Forum which is the following week. Betting markets have the two Kevins—Warsh and Hassett—running neck-and-neck (chart 2). Warsh may be handicapped by his opposition to tariffs and QE and deep criticisms of the Federal Reserve that I find appealing, but Trump may not. Hassett faces the challenge that markets may perceive him to be too dovish which could be bad for the 10-year Treasury yield as input into 30-year mortgage rates.
- Canadian PM Carney's much ballyhooed visit to China runs from Tuesday to Saturday in order to potentially curry favour with President Xi Jinping. Diversifying exports and investment is the name of the game as the US retreats from its international relations. It's the first visit by a Canadian PM in almost a decade. Watch for specific commitments versus generalities—and perhaps any reactions from the US to closer Canadian ties with China.
- other catch-up US releases and some other international data particularly out of the UK;
- and there is only one central bank that will weigh in with a decision (the BoK).

Chart 1

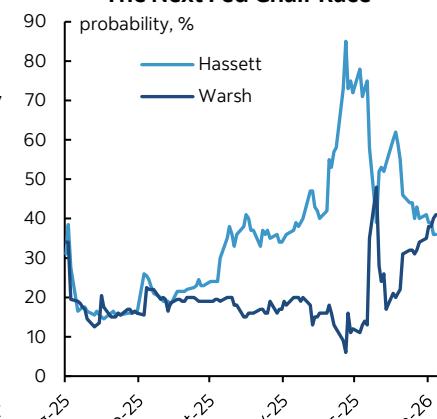
### Review of Trump's Tariff Toolkit

Tools the US President can use to Impose Tariffs without Congress Approval				
Tool	Requirements	Timeline before tariffs can be imposed	Comments	Trump Tariffs 1.0 (2018 - 2019)
Section 232 (Trade Expansion Act of 1962)	President finds a threat to national security: Dept. of Commerce has to conduct an investigation	270 days to issue the finding; President then has 90 days to determine the import adjustment	Commerce department investigates whether a product is being imported in the US that threatens to impair national security	25% Tariff on imported steel & 10% Tariff on imported aluminum (March 2018)
Section 201 (Trades Act of 1974)	USITC does an investigation and must submit a finding	120 - 150 days to submit a finding before tariffs can be implemented		Tariffs on washing machine imports for 3 years & solar cell and module imports for 4 years as a result of Section 201 Investigation (January 2018)
Section 301 (Trades Act of 1974)	USTR investigates unfair foreign practices; can cover a wide range of products	Likely months: Remediation actions reviewed every 4 years		25% Tariffs on up to \$60B of imports from China (March 2018). 10% Tariffs on up to \$200B worth of good from China (September 2018). Later increased to 25%. 10% Tariffs on approx. \$300B worth of additional Chinese goods (August 2019)
Section 338 (Trade Act of 1930)	Allows the President to impose new or additional tariffs of up to 50% from countries that have discriminated against US products; can also be applied to third countries that benefit from the conduct	Quick - via executive order	Can be challenged via the WTO though this is unlikely to be a strong deterrent to using it	
Section 122 (Trades Act of 1974)	President has right to address large and serious balance of payments deficits via import surcharges of up to 15% and import quotas	Can be done quickly but for maximum of 150 days, so it's a temporary measure; Congress can extend it	Actions taken must apply evenly to every country	
International Emergency Economic Powers Act (IEEPA)	Grants the President the authority to regulate international commerce after declaring a national emergency in response to any unusual and extraordinary threat to the national security, foreign policy, or economy of the US.	Soon after an emergency is declared		

Sources: Scotiabank Economics, Oxford Economics, Tax Foundation.

Chart 2

### The Next Fed Chair Race



Sources: Scotiabank Economics, Polymarket.

## US Q4 AND 2025 EARNINGS SEASON

The Q4 and full year earnings season begins in earnest this week. Major banks will lead the way as is customary. A key reading to watch for the overall earnings season will be profit margins; so far, they've been holding up rather well despite the narrative that tariffs would be absorbed at shareholders' expense (chart 3).

JP Morgan and BoNYM kick it off on Tuesday, followed by Goldman, Citi, BofA and Wells Fargo on Wednesday. Goldman, BlackRock and Morgan Stanley (Thursday) will be followed by State Street and a few regionals on Friday.

The analyst consensus expects this season to post mild gains over the same quarter a year ago which is the relevant comparator since earnings are not seasonally adjusted (chart 4).

Frankly, it's almost always a sure bet that they'll beat. Until SOX and the dot com period, it used to be about a 50-50 bet whether earnings would beat or miss. Something changed afterward, perhaps making analysts more conservative. Other explanations for constantly being surprised to the upside may be unflattering (chart 5).

In addition to how trading divisions performed (probably rather well) another key consideration will be how banks view the credit cycle particularly in the context of a slowing job market.

To date, they've not been experiencing abnormal loan losses (chart 6). The biggest banks have collectively raised provisions from abnormally low levels when basically free money—interest rates and hand-outs—had next to no one defaulting in the pandemic. Conditions have normalized. The dollar amounts of provisions have risen but so have the loan books.

Chart 3



Chart 4

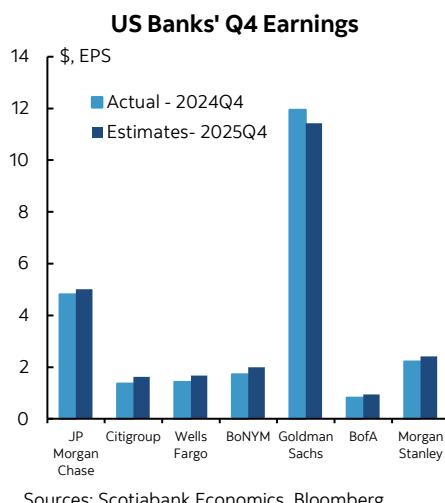


Chart 5



Chart 6

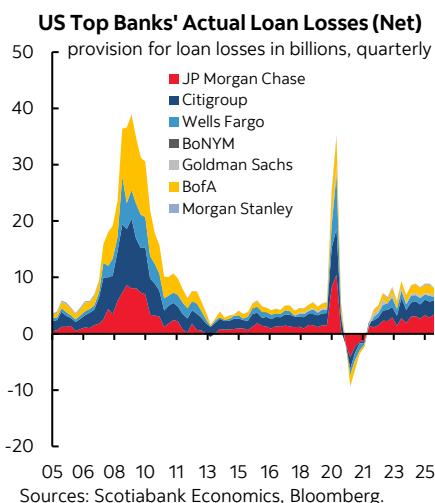


Chart 7

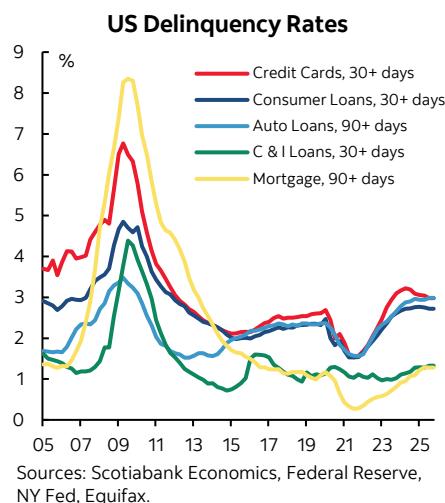
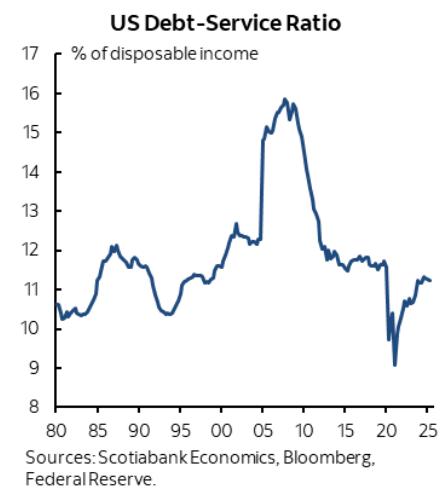


Chart 8



Which necessitates looking at default rates and drivers. Those have also risen from the free money era, but not alarmingly so (chart 7).

In terms of fundamentals, key predictors of consumer and business loan charge-offs with lagging effects to any changes are the household debt service burden (chart 8) and the corporate interest coverage ratio (chart 9). Both are healthy. Impressively so, in fact. And neither measure reflects the full pass-through effects of monetary easing to date which takes several quarters or years to work through depending on the credit product.

### US INFLATION—MAYBE IT'S BEST TO FOCUS ON JOBS

CPI for December lands on Tuesday. It's the last CPI reading ahead of the January 27<sup>th</sup>–28<sup>th</sup> FOMC meeting but there is also the Fed's preferred PCE reading on January 22<sup>nd</sup> which lags behind due to the shutdown.

Increases of 0.3% m/m SA are expected for both total CPI and core CPI ex-food and energy. Key may also be revisions after the prior month's surprise dip with 2.7% /2.6% y/y headline/core (consensus 3.1/3.0). I've factored in expectations for gasoline prices, vehicle prices, shelter, food and core services. Watch breadth that has been rising again (chart 10), while ISM price gauges have pulled off the peak but continue to indicate passthrough risk into the CPI basket (chart 11).

The problem is that there is more uncertainty this time than even at normal times for the following reasons.

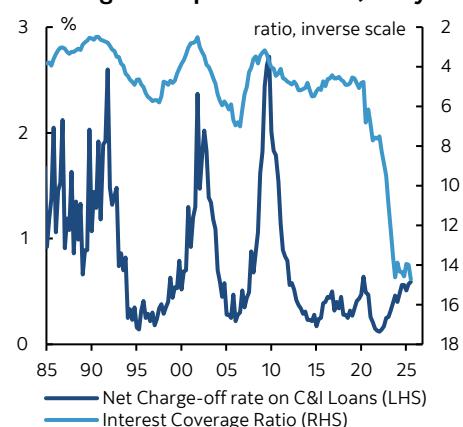
First, because of the government shutdown that extended to mid-November, the BLS guided that CPI data collection resumed on November 14, 2025. By authorizing additional collection hours, BLS attempted to collect data for the entire month of November." That skewed the prior month's price collection to a limited sample particularly into the heart of the holiday retail season during which there may have been more sales price discounting than in the first half of the month that was not collected this time. In turn, the December CPI change over November could be distorted more than usual.

Second, this same argument could also impact the year-over-year rates of inflation. November's compared half of November 2025's normal data sample after the shutdown ended to all of the prior November. This likely explains why CPI fell more than expected to 2.7% y/y (headline) and 2.6% (core) that month. December's year-over-year rate won't have that problem and is likely to pop higher again.

Third, the share of the CPI basket that is being estimated through proxy methods rather than hard data collection remains toward a record high (chart 12). December's estimated share will be updated after 11amET following CPI. We can't tell if this over- or under-states inflation, or neither.

Chart 9

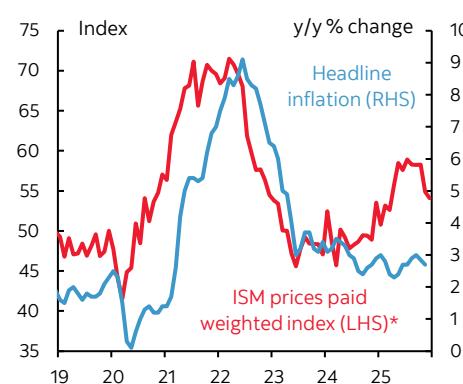
### Strong US Corporate Credit Quality



Sources:Scotiabank Economics, Haver, Bloomberg

Chart 11

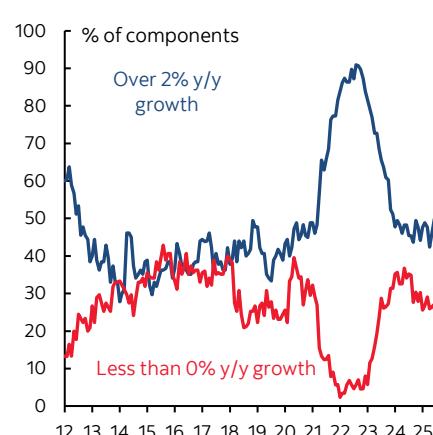
### ISM Prices Paid vs Inflation



\*Weighted at 75% of ISM-services prices paid index and 10% of ISM-mfg. prices paid index.  
Sources: Scotiabank Economics, BLS, ISM.

Chart 10

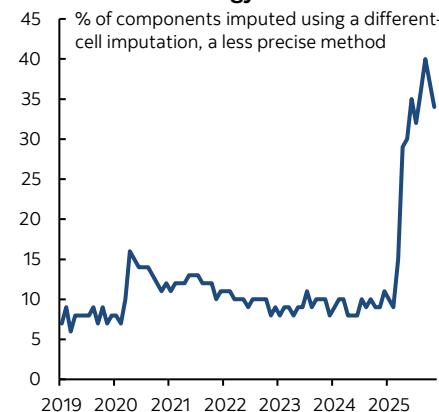
### US Inflation Breadth



Sources: Scotiabank Economics, BLS.

Chart 12

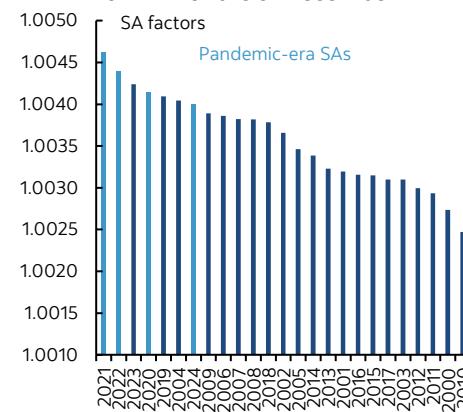
### BLS Use of Alternate Estimation Methodology in US CPI



Sources: Scotiabank Economics, BLS.

Chart 13

### Comparing US Core CPI SA Factors for All Months of December



Sources: Scotiabank Economics, BLS

Fourth, seasonal adjustment factors may overstate inflation. The SA factor has been on the high side in recent years when comparing like months of December (chart 13).

All of which is to say that for a second month, the FOMC may have a case for fading whatever they see in the inflation figures. As argued [here](#), they may be better advised to focus upon the clear weakening of nonfarm payrolls especially after considering estimates for how the official figures are overstated and the details are weak.

Producer prices during October and November (Wednesday) will also help us firm up estimates for the Federal Reserve's preferred PCE measure of inflation alongside CPI inputs.

### GLOBAL MACRO ROUND-UP

Chart 14 summarizes the rest of the global indicator line up. I'll cover them in more detail in daily notes over the course of the week.

The Bank of Korea is widely expected to stay on hold for a fifth straight meeting on Thursday at a base rate of 2½%. In late December, the BoK and Korea's Ministry of Economy and Finance issued a joint statement addressing the weakness of the won and outlined measures to stabilize the foreign-exchange market. That worked for a brief period, but the won has since resumed a depreciating trend. Won weakness and house price inflation with associated stability concerns will keep the central bank guarded.

Canada only refreshes existing home sales for December after falling in two of the prior three months (Thursday), manufacturing sales that are expected to drop in November's reading (Thursday), probably flat wholesale sales (Friday), and possibly a small gain in new home construction (Friday).

US markets may have plenty to focus upon with earnings, CPI and possible policy developments. The rest of the indicator line up could add a touch more spice with updates for new home sales in both September and October (Tuesday) and existing home sales (Wednesday). Retail sales may post a modest gain for November (Wednesday) rooted in higher auto sales and the start of the holiday shopping season. Industrial measures include the Empire and Philly Fed regional manufacturing gauges that may help to estimate the next ISM-manufacturing print, and Friday's industrial production in December.

Watch for China's refreshed figures for credit growth sometime this week given the slowing pattern (chart 15). Asia-Pacific markets will otherwise look to India for a possible jump in headline inflation to start the week, plus Malaysia's Q4 GDP growth (Thursday night ET).

The UK will be where it's all at in Europe this week. November readings for GDP, industrial output, services activity, construction spending and trade figures arrive on Thursday. It would be surprising if industrial output did not soften after the prior surge, and services activity did not strengthen after the prior dip.

LatAm markets face light calendar-based risk. Each of Peru (Thursday) and Brazil (Friday) update their monthly economic activity indices for November that serve as a GDP proxy.

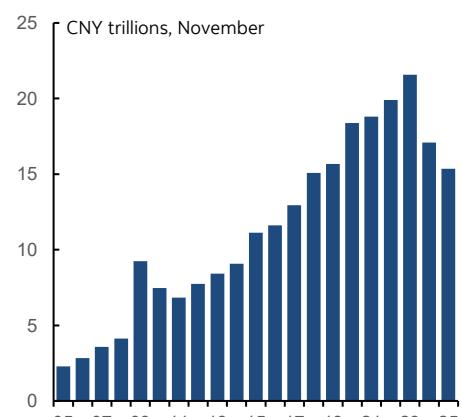
Chart 14

Other Global Macro Indicators (Jan 12th - Jan 16th)			
US	CA	CPI <u>Monday</u>	Other Macro
<u>Tuesday</u>			
CPI	Building Permits	SK UR	
New Home Sales		CH Trade	
Treasury Budget			
<u>Wednesday</u>			
MBA Mort. App		JN Machine Tool Orders	
PPI		IN Trade	
Retail Sales			
Existing Home Sales			
<u>Thursday</u>			
Claims	Existing Home Sales	BZ Retail Sales	
	Manf. Shipments	PE Economic Activity, UR	
	Wholesale Trade	UK Index of Serv., IP, Manf. Prod., Trade	
		IT IP	
		MA GDP	
<u>Friday</u>			
Capacity Utilization	Housing Starts	BZ Economic Activity	
IP			
NAHB Housing Market Index			

Sources: Scotiabank Economics, Bloomberg.

Chart 15

China's Year-to-Date New Yuan Loans



Sources: Scotiabank Economics, Bloomberg.

## Key Indicators for the week of January 12 – 16

## NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	01-13	08:30	Building Permits (m/m)	Nov	--	--	14.9
US	01-13	08:30	CPI (m/m)	Dec	0.3	0.3	0.3
US	01-13	08:30	CPI (y/y)	Dec	2.6	2.7	2.7
US	01-13	08:30	CPI (index)	Dec	--	324.3	324.1
US	01-13	08:30	CPI ex. Food & Energy (m/m)	Dec	0.3	0.3	0.2
US	01-13	08:30	CPI ex. Food & Energy (y/y)	Dec	2.7	2.7	2.6
US	01-13	10:00	New Home Sales (000s a.r.)	Sept	700	--	800.0
US	01-13	10:00	New Home Sales (000s a.r.)	Oct	700	713.5	--
US	01-13	14:00	Treasury Budget (US\$ bn)	Dec	--	--	-173.3
US	01-14	07:00	MBA Mortgage Applications (w/w)	Jan 09	--	--	-10.0
US	01-14	08:30	Current Account (US\$ bn)	3Q	--	--	-251.3
US	01-14	08:30	PPI (m/m)	Nov	0.2	0.3	0.3
US	01-14	08:30	PPI ex. Food & Energy (m/m)	Nov	0.2	0.2	0.1
US	01-14	08:30	Retail Sales (m/m)	Nov	0.5	0.4	0.0
US	01-14	08:30	Retail Sales ex. Autos (m/m)	Nov	0.4	0.4	0.4
US	01-14	10:00	Business Inventories (m/m)	Oct	--	--	0.2
US	01-14	10:00	Existing Home Sales (mn a.r.)	Dec	4.3	4.2	4.1
US	01-14	10:00	Existing Home Sales (m/m)	Dec	4.1	2.4	0.5
CA	01-15	05:00	Existing Home Sales (m/m)	Dec	--	--	-0.6
CA	01-15	08:30	Manufacturing Shipments (m/m)	Nov	-1.1	-1.1	-1.0
CA	01-15	08:30	Wholesale Trade (m/m)	Nov	0.0	0.1	0.1
US	01-15	08:30	Empire State Manufacturing Index	Jan	--	1.0	-3.9
US	01-15	08:30	Export Prices (m/m)	Nov	--	--	0.0
US	01-15	08:30	Import Prices (m/m)	Nov	--	-0.2	0.0
US	01-15	08:30	Initial Jobless Claims (000s)	Jan 10	220	--	208.0
US	01-15	08:30	Continuing Claims (000s)	Jan 03	1900	--	1914.0
US	01-15	08:30	Philadelphia Fed Index	Jan	--	-2.9	-8.8
US	01-15	16:00	Total Net TIC Flows (US\$ bn)	Nov	--	--	-37.3
US	01-15	16:00	Net Long-term TIC Flows (US\$ bn)	Nov	--	--	17.5
CA	01-16	08:15	Housing Starts (000s a.r.)	Dec	265	260.0	254.1
CA	01-16	08:30	International Securities Transactions (C\$ bn)	Nov	--	--	46.6
US	01-16	09:15	Capacity Utilization (%)	Dec	--	76.0	75.9
US	01-16	09:15	Industrial Production (m/m)	Dec	0.1	0.2	0.2
US	01-16	10:00	NAHB Housing Market Index	Jan	--	--	39.0

## EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	01-12	03:00	Current Account (€ bn)	Nov	--	14.8
FR	01-13	02:45	Central Government Balance (€ bn)	Nov	--	-136.2
UK	01-15	02:00	Index of Services (m/m)	Nov	0.2	-0.3
UK	01-15	02:00	Industrial Production (m/m)	Nov	0.0	1.1
UK	01-15	02:00	Manufacturing Production (m/m)	Nov	0.4	0.5
UK	01-15	02:00	Visible Trade Balance (£ mn)	Nov	-20400.0	-22542.0
SP	01-15	03:00	CPI (m/m)	Dec F	0.3	0.3
SP	01-15	03:00	CPI (y/y)	Dec F	2.9	2.9
SP	01-15	03:00	CPI - EU Harmonized (m/m)	Dec F	0.3	0.3
SP	01-15	03:00	CPI - EU Harmonized (y/y)	Dec F	3.0	3.0
GE	01-15	04:00	Real GDP NSA (y/y)	2025	0.2	-0.5
GE	01-15	04:00	Budget (Maastricht) (% of GDP)	2025	-2.7	-2.7
IT	01-15	04:00	Industrial Production (m/m)	Nov	0.6	-1.0
EC	01-15	05:00	Industrial Production (m/m)	Nov	0.5	0.8
EC	01-15	05:00	Industrial Production (y/y)	Nov	2.0	2.0
EC	01-15	05:00	Trade Balance (€ mn)	Nov	--	18390.0

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for the week of January 12 – 16

## ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
AU	01-11	19:30	ANZ Job Advertisements (m/m)	Dec	--	-0.8
IN	01-12	05:30	CPI (y/y)	Dec	1.56	0.71
JN	01-12	18:50	Bank Lending (y/y)	Dec	--	4.2
JN	01-12	18:50	Current Account (¥ bn)	Nov	3608.7	2833.5
JN	01-12	18:50	Trade Balance - BOP Basis (¥ bn)	Nov	518.8	98.3
PH	01-12	20:00	Bank Lending (y/y)	Nov	--	10.2
SK	01-13	18:00	Unemployment Rate (%)	Dec	2.7	2.7
JN	01-13	18:50	Japan Money Stock M2 (y/y)	Dec	--	1.8
JN	01-13	18:50	Japan Money Stock M3 (y/y)	Dec	--	1.2
CH	01-13	20:00	Exports (y/y)	Dec	3.0	5.9
CH	01-13	20:00	Imports (y/y)	Dec	0.7	1.9
CH	01-13	20:00	Trade Balance (USD bn)	Dec	114.1	111.7
JN	01-14	01:00	Machine Tool Orders (y/y)	Dec P	--	14.8
IN	01-14	01:30	Monthly Wholesale Prices (y/y)	Dec	0.3	-0.3
SK	01-14	19:00	BoK Base Rate (%)	Jan 15	2.5	2.5
PH	01-14	20:00	Overseas Remittances (y/y)	Nov	3.0	3.0
IN	01-14	22:30	Exports (y/y)	Dec	--	19.4
IN	01-14	22:30	Imports (y/y)	Dec	--	-1.9
NZ	01-15	16:30	Business NZ PMI	Dec	--	51.4
SI	01-15	19:30	Exports (y/y)	Dec	9.2	11.6
MA	01-15	23:00	Annual GDP (y/y)	2025 A	4.8	5.1
MA	01-15	23:00	GDP (y/y)	4Q A	5.4	5.2

## LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	01-15	07:00	Retail Sales (m/m)	Nov	--	0.9	0.5
BZ	01-15	07:00	Retail Sales (y/y)	Nov	--	1.1	1.1
PE	01-15	10:00	Economic Activity Index NSA (y/y)	Nov	--	--	3.6
PE	01-15	10:00	Unemployment Rate (%)	Dec	--	--	5.9
BZ	01-16	07:00	Economic Activity Index SA (m/m)	Nov	--	0.3	-0.3
BZ	01-16	07:00	Economic Activity Index NSA (y/y)	Nov	--	0.6	0.4

## Global Auctions for the week of January 12 – 16

## NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	01-12	11:30	U.S. To Sell USD58 Bln 3-Year Notes
US	01-12	13:00	U.S. To Sell USD39 Bln 10-Year Notes Reopening
US	01-13	13:00	U.S. To Sell USD22 Bln 30-Year Bond Reopening
CA	01-14	12:00	Canada to Sell C\$5.25 Billion of 2.75% 2031 Bonds

## EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
NE	01-13	04:00	Netherlands to Sell Up to EU5 Billion of 2.5% 2031 Bonds
AS	01-13	05:00	Austria to Sell 3.15% 2053 Bonds
IT	01-13	05:00	Italy to Sell Up to EU4 Billion of 2.4% 2029 Bonds
AS	01-13	05:00	Austria to Sell 2.95% 2035 Bonds
GE	01-13	05:30	Germany to Sell EU6 Billion of 2031 Bonds
SW	01-14	05:00	Sweden to Sell SEK3.5 Billion of 2.25% 2032 Bonds
UK	01-14	05:00	UK to Sell 4.75% 2035 Bonds
SZ	01-14	05:00	Switzerland to Sell Bonds
SW	01-14	05:00	Sweden to Sell SEK4.5 Billion of 2.5% 2036 Bonds
UK	01-14	05:00	UK to Sell GBP4.5 Billion of 4.75% 2035 Bonds
GE	01-14	05:30	Germany to Sell Bonds
SP	01-15	04:30	Spain to Sell Bonds

## ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	01-13	22:35	Japan to Sell 5-Year Bonds
CH	01-13	22:35	China to Sell 135 Billion Yuan 2027 Bonds
CH	01-13	22:35	China to Sell 32 Billion Yuan 2056 Bonds

## LATIN AMERICA

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

## Events for the week of January 12 – 16

## NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	01-12	12:30	Fed's Bostic Moderates Discussion with CEO of Intercontinental
US	01-12	12:45	Fed's Barkin Participates in Fireside Chat
US	01-12	18:00	Fed's Williams Delivers Keynote Remarks
US	01-13	10:00	Fed's Musalem Speaks on MNI Webcast
US	01-13	16:00	Fed's Barkin in Moderated Conversation
US	01-14	09:50	Fed's Paulson Speaks on Economic Outlook
US	01-14	10:00	Fed's Miran Speaks in Athens
US	01-14	12:00	Fed's Kashkari Speaks in Virtual Town Hall
US	01-14	12:00	Fed's Bostic Participates in Moderated Discussion
US	01-14	14:10	Fed's Williams Delivers Opening Remarks
US	01-15	08:35	Fed's Bostic Delivers Remarks at Metro Atlanta Chamber
US	01-15	12:40	Fed's Tom Barkin Speaks on Virginia Economic Outlook
US	01-16	15:30	Fed's Jefferson Gives Keynote Address

## EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	01-12	03:50	ECB's Guindos Speaks in Madrid
EC	01-12	12:00	ECB's Villeroy Speaks in Paris
EC	01-13	04:40	ECB's Kocher Speaks in Vienna
EC	01-14	03:20	ECB's Guindos Speaks in Madrid
UK	01-14	04:15	BOE's Alan Taylor Speaks
UK	01-14	10:30	BOE's Ramsden Speaks.
EC	01-15	04:00	ECB Publishes Economic Bulletin

## ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	01-14	19:00	BOK Base Rate

## LATIN AMERICA

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

## Global Central Bank Watch

## NORTH AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Bank of Canada – Overnight Target Rate	2.25	January 28, 2026	2.25	2.25
Federal Reserve – Federal Funds Target Rate	3.75	January 28, 2026	3.50	3.75
Banco de México – Overnight Rate	7.00	February 5, 2026	6.75	7.00

## EUROPE

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
European Central Bank – Refinancing Rate	2.15	February 5, 2026	2.15	2.15
European Central Bank – Marginal Lending Facility Rate	2.40	February 5, 2026	2.40	2.40
European Central Bank – Deposit Facility Rate	2.00	February 5, 2026	2.00	2.00
Bank of England – Bank Rate	3.75	February 5, 2026	3.75	3.75
Swiss National Bank – Sight Deposit Rate	0.00	March 19, 2026	0.00	0.00
Central Bank of Russia – One-Week Auction Rate	16.00	February 13, 2026	15.75	15.75
Sweden Riksbank – Repo Rate	1.75	January 29, 2026	1.75	1.75
Norges Bank – Deposit Rate	4.00	January 22, 2026	4.00	4.00
Central Bank of Turkey – Benchmark Repo Rate	38.00	January 22, 2026	37.00	37.00

## ASIA PACIFIC

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Bank of Japan – Policy Rate	0.75	January 23, 2026	0.75	0.75
Reserve Bank of Australia – Cash Rate Target	3.60	February 2, 2026	3.60	3.60
Reserve Bank of New Zealand – Cash Rate	2.25	February 17, 2026	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	5.25	February 5, 2026	5.25	5.25
Bank of Korea – Base Rate	2.50	January 15, 2026	2.50	2.50
Bank of Thailand – Repo Rate	1.25	February 25, 2026	1.00	1.00
Bank Negara Malaysia – Overnight Policy Rate	2.75	January 22, 2026	2.75	2.75
Bank Indonesia – BI-Rate	4.75	January 21, 2026	4.75	4.75
Central Bank of Philippines – Overnight Borrowing Rate	4.50	February 19, 2026	4.50	4.50

**Bank of Korea (BoK):** The Bank of Korea is expected to keep its base rate unchanged at 2.50% on Thursday, marking a fifth consecutive hold. In late December, the BoK and Korea's Ministry of Economy and Finance issued a joint statement addressing the weakness of the won and outlined measures to stabilize the foreign exchange market. Given these efforts to support the currency, alongside ongoing concerns about overheating in the housing market, the markets do not expect the bank to adjust its policy rate at this meeting. In addition, while inflation looks broadly stable, upside risks remain due to the weaker won.

## LATIN AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Banco Central do Brasil – Selic Rate	15.00	January 28, 2026	15.00	15.00
Banco Central de Chile – Overnight Rate	4.50	January 27, 2026	4.50	4.50
Banco de la República de Colombia – Lending Rate	9.25	January 30, 2026	9.25	9.25
Banco Central de Reserva del Perú – Reference Rate	4.25	February 12, 2026	4.25	4.25

## AFRICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
South African Reserve Bank – Repo Rate	6.75	January 29, 2026	6.50	6.50

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