

Contributors

Derek Holt

VP & Head of Capital Markets Economics
Scotiabank Economics
416.863.7707
derek.holt@scotiabank.com

*With thanks for research support from:
Jaykumar Parmar.*

Next Week's Risk Dashboard

- Sickies and nonfarm payrolls
- US population benchmarking could drag down the household survey
- Iran risks expected to heat up
- China's National People's Congress to set fresh plans...
- ...that they never hit anyway
- China is finding work arounds to US tariffs...
- ...but catching up on AI may be more difficult
- BoC's Macklem to speak on stability, offer GDP reaction
- Bank Negara expected to hold as ringgit hits psychological levels
- Australia's economy expected to post strong growth again
- CPI: Eurozone, Chile, Colombia, SK
- Global macro

The Three Bears

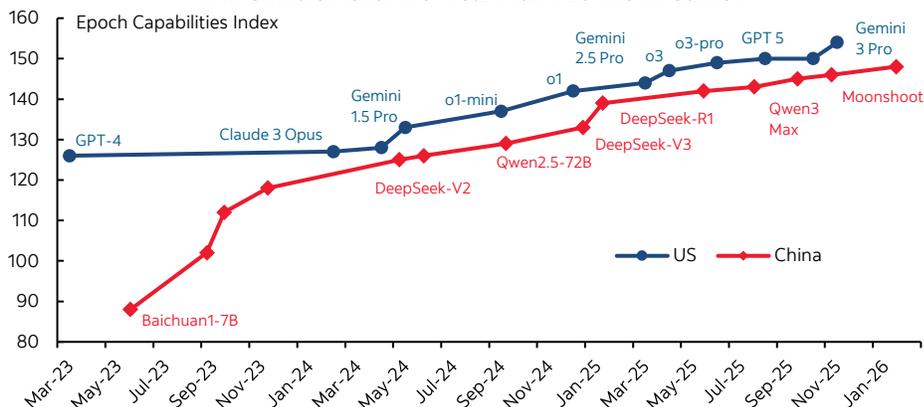
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Chart of the Week

Will China's Next Five-Year Plan Tilt The AI Game ?



Epoch Capabilities Index combines scores from many different AI benchmarks into a single "general capability" scale. Sources: Scotiabank Economics, Epoch AI.

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

The Three Bears

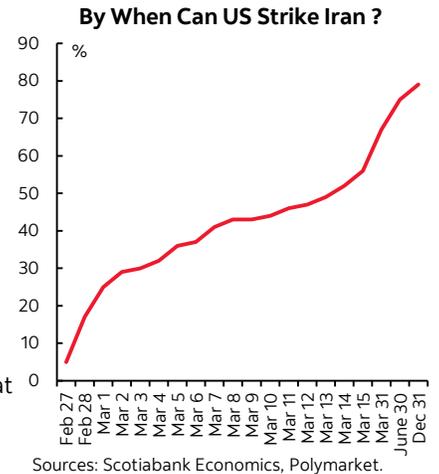
This week's 'big three' developments will include the following considerations along with a handful of other relatively more minor considerations. All three could become awkwardly entangled with one another.

One is Friday's release of the world's single most important macroeconomic indicator (nonfarm payrolls) that could inform pricing and timing of the Federal Reserve's next move. The effects could ripple through the rates and currencies complexes and risk assets.

Two is China's National People's Congress that unfolds over the second half of the week into the next one. An awful lot has changed since the last one with markets watching closely for adjustments to macroeconomic policies and targets. Tariffs being one of them. A second being what Jay Parmar's chart of the week on the front cover is getting at. China's best AI model capabilities have persistently lagged the best capabilities of US AI models as measured by the Epoch Capabilities Index. Adjustments to China's tech ambitions and self-reliance upon AI as a growth engine could be just as important to the NPC's plans as dealing with trade tensions—and perhaps more so.

Three is developments around Iran. An awful lot of hardware has been called into the region, stoking concern that strikes may be imminent. The US keeps applying pressure on Iran to give up its nuclear ambitions while Iran keeps resisting. Warning signs keep arriving, including orders to leave American embassies in the region. For what it's worth, the lottery ticket crowd is betting that the US doesn't strike Iran until at least the following week, but the market odds of an attack this coming week are expected to roughly double (chart 1).

Chart 1



NONFARM—A SICK CALL

A lot could be riding on February's nonfarm payrolls call when we get the numbers on Friday. Ditto for what happens to the unemployment rate. No chance of a policy rate change is priced for the March 18th FOMC decision with very little priced for the April 29th decision. If what follows is on the mark, then the reward may lie in paying the nearer term contracts in fed funds futures and OIS. That doesn't require conviction that the Fed *will* cut in March, just the insertion of a little more chance until we hear the views of Committee members.

Step 1: What Drove January's Payroll Gain?

The first step toward explaining the February nonfarm payrolls call is to understand what drove January's report and hence whether the effects could reverse.

Touting the strength of the US labour market because of the surprise 130k gain in payrolls during January was basically the same as saying it's a good thing to have so many people sick. That's because the worst January flu season on record was responsible for boosting related hiring in the health sector. After all, every other indicator of the US job market going into the January report in early February was looking rather weak.

Chart 2

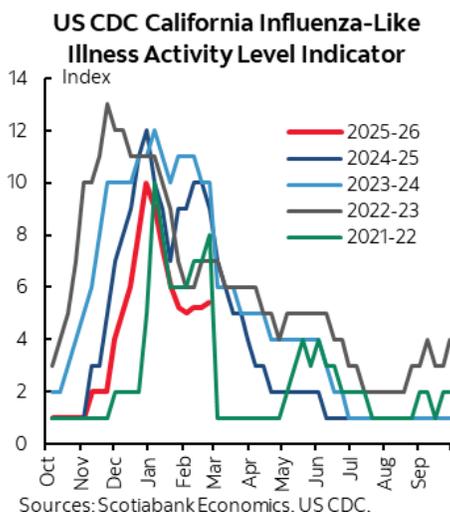


Chart 3

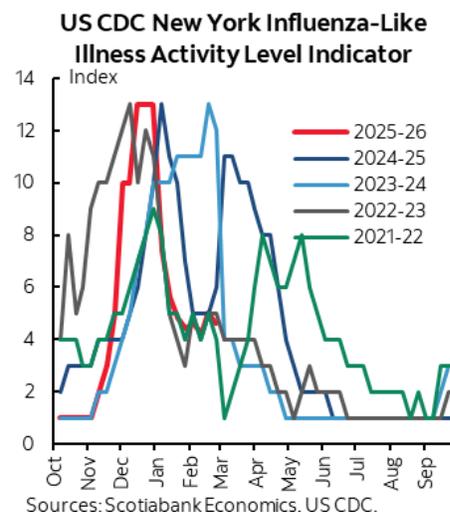
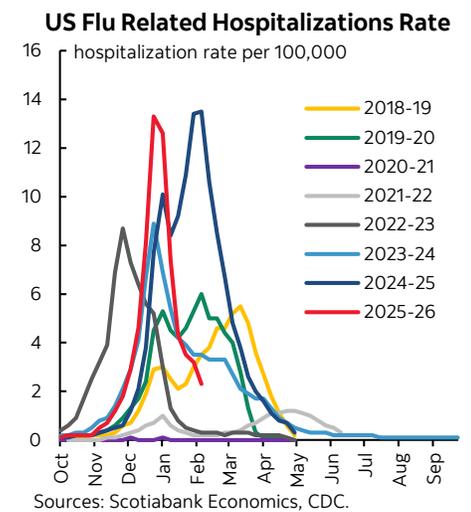


Chart 4



Of the 130k nonfarm payroll gain in January, 124k of the jobs were in the health and social services sectors. Within those sectors, 82k jobs were created in health care of which ambulatory care services including outpatient services were the biggest component (+50k), followed by hospitals (18k) and nursing and residential care facilities (13k). A sector that makes heavy use of on-call workers had all hands on-deck among doctors, nurses, and support workers as cases mounted.

Take that out health and social security and job growth was up a paltry 6k, or very close to my zero call for January. Where I got it wrong was on failing to understand how much of a surge of health hiring would be driven by influenza as an offset to expiring Affordable Care Act subsidies at the end of December.

Charts 2–4 show examples of the surge in influenza rates and hospitalizations. The season started later than seasonally normal and reached an historic high in January.

Chart 5 shows that seasonal hiring for health workers tends to pick up from September to December to prepare for coming sickness once vacations are over and schoolkids are back to licking their desks, rubbing their eyes, chewing on pencils and drinking from fountains among the cleaner examples of how viruses spread. The adults are worse!

Except that this time around, the later start to the season created a sense that over-hiring had occurred over September–November which resulted in too little hiring in December compared to seasonal norms (charts 6–8). That effect coupled with a massive surge of influenza cases across the country drove January healthcare worker reductions to be much lower than seasonally normal (chart 9), hence the seasonally adjusted gains after applying compensating seasonal adjustment factors. I believe this argument dominated January nonfarm payrolls.

In fact, the 124k health and social security jobs that were created in January in seasonally adjusted terms—two-thirds of which were in the health care sector—was an all-time record for a month of January.

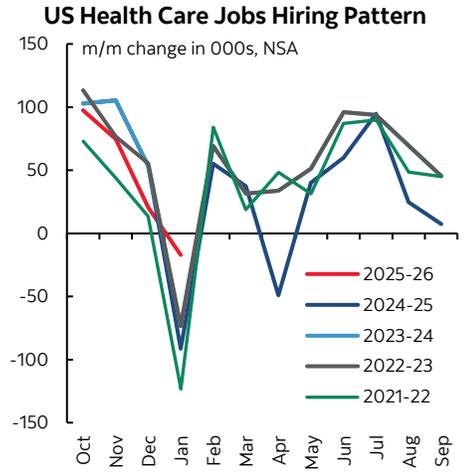
Step 2: The Hangover

That’s unlikely to repeat this time, thereby failing to mask the underlying weak trend in hiring ex-health and social services. Influenza rates have already been coming well off the peak at a quicker pace than in prior years (charts 2, 3 again). With this observation should go less health sector on-call workers through the reference period (nonfarm) and reference week (household survey).

A Downside Trend for Health Sector Hiring?

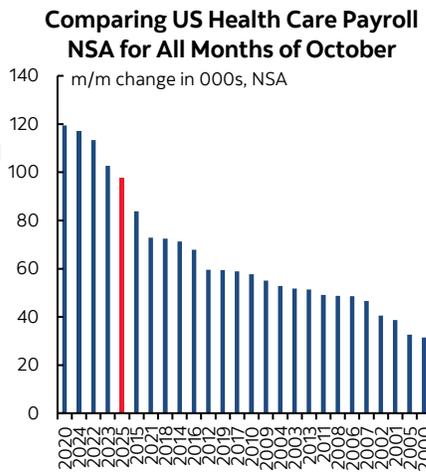
It could be that a bad flu season temporarily interrupted the aftereffects of expired Affordable Care Act subsidies that ended as the calendar flipped over to 2026. Studies like [this](#) one use a model to suggest that 286k to 340k jobs might be lost this year because of the ACA expiration. The authors reasonably reckon that there are direct and indirect effects on jobs. One is less appetite to hire. The other is the

Chart 5



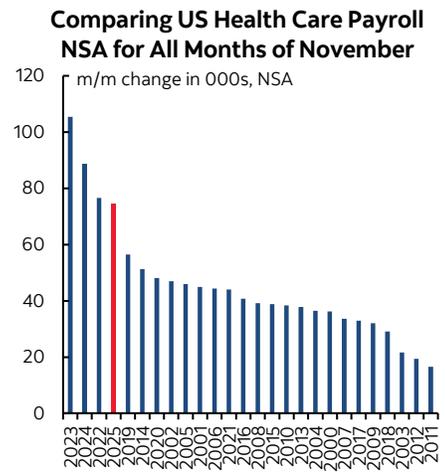
Sources: Scotiabank Economics, BLS.

Chart 6



Sources: Scotiabank Economics,

Chart 7



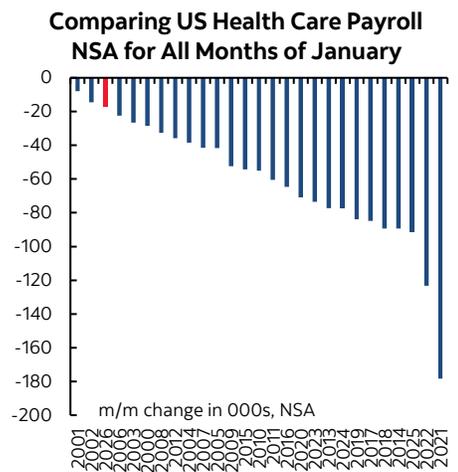
Sources: Scotiabank Economics,

Chart 8



Sources: Scotiabank Economics,

Chart 9



Source: Scotiabank Economics.

indirect effect that forces folks to spend more on pricier insurance options or leads millions to lose their insurance. Those effects probably drive higher precautionary saving and hence less consumption growth with adverse effects upon hiring. In addition to model uncertainty is uncertainty toward timing the losses and distributing them over the year.

Other Drivers

As for other drivers, February is normally a seasonal up-month for hiring (chart 10) that is controlled through a steady pattern of the lowest seasonal adjustment factors on record over recent years when comparing like months in history (chart 11). Reasonable scenarios around these two considerations point to more downside risk than upside risk this time (chart 12).

What consumers signal about the availability of jobs as indicated by the consumer confidence ‘jobs plentiful’ gauge is at its lowest since early 2021 (chart 13).

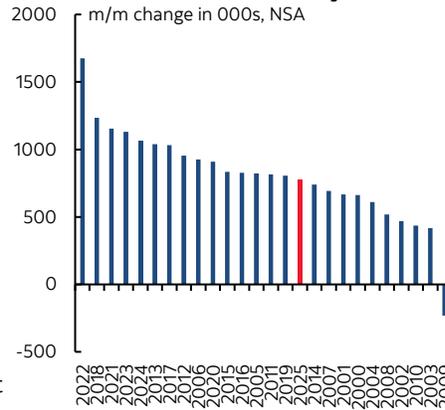
Initial jobless claims only inform the net picture between potential job losses and replacement hiring without telling us much of anything about the pace of job growth. Nevertheless, they remained in the low 200ks in the January and February nonfarm reference periods.

Volatile continuing claims might indicate some upside risk to the unemployment rate given the correlations (chart 14).

We’ll learn more about other readings on the health of the job market over the coming week. Weekly ADP private payrolls are tracking a monthly ADP gain of around 40–50k. February’s reading arrives on Wednesday. Challenger job layoffs (Thursday), ISM-manufacturing-

Chart 10

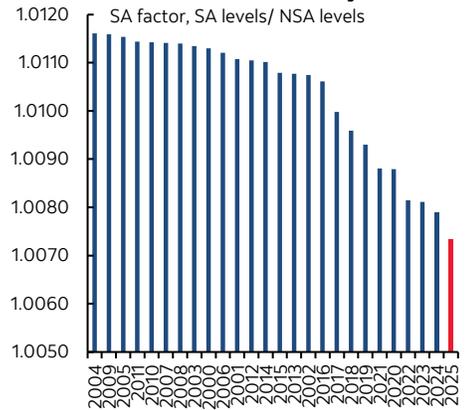
Comparing US Payroll NSA for All Months of February



Sources: Scotiabank Economics,

Chart 11

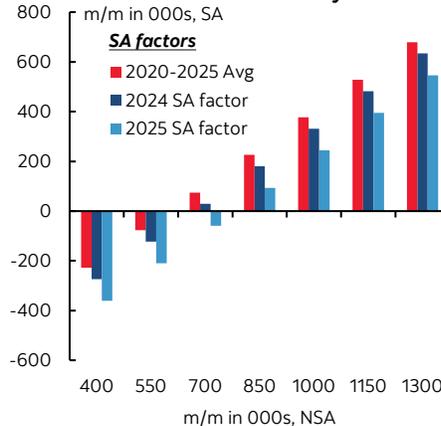
Comparing US Payroll SA Factor for All Months of February



Sources: Scotiabank Economics,

Chart 12

US Nonfarm Payroll Scenarios for February



Sources: Scotiabank Economics, BLS.

Chart 13

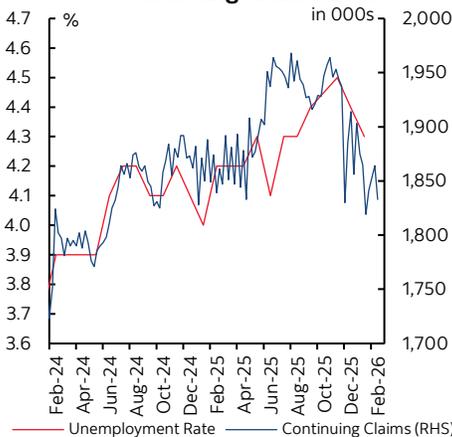
Conference Board Jobs Plentiful



Sources: Scotiabank Economics, Bloomberg.

Chart 14

US Continuing Claims & UR



Sources: Scotiabank Economics, BLS, Dep. of Labor.

Chart 15

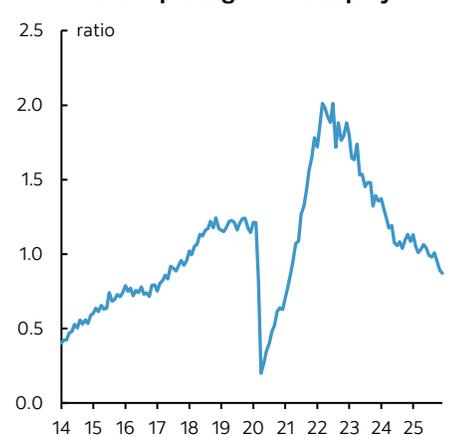
United States Beveridge Curve



Sources: Scotiabank Economics, BLS.

Chart 16

US Job Openings to Unemployed



Sources: Scotiabank Economics, BLS.

employment (Monday), ISM-services-employment (Wednesday) and Revelio’s nonfarm measure (Thursday) will round out our understanding of the overall health of the US job market.

As for the equilibrium state of the overall US job market, it’s not bad, but could be better. Chart 15 shows the so-called Beveridge Curve. Where we presently sit is in the middle zone between the relationship between the job vacancy rate and the unemployment rate. It’s neither too hot nor too cold. Nevertheless, the shortages of job openings relative to the number of unemployed as signalled by two months of readings beneath one in chart 16 is disturbing if it continues. That would signal a turn of events toward job shortages that we haven’t seen in the US since April 2021 in the early days of recovering from the pandemic.

The Household Survey May Collapse

Normally the BLS would incorporate revised population counts in the January version of the household survey from which the unemployment rate is derived. This year that was delayed possibly until this report for February. I say possibly because the MLS has merely said they would do as “as soon as practicable.”

The effects could be profound in terms of large expected declines in the household survey’s measure of employment and the size of the labour force. This was first reviewed [here](#).

The purpose of the annual population count revisions is to benchmark what the BLS has been applying in terms of assumed population growth by month to what the Census Bureau estimates to have been the population change. They do it once per year only to the single month and do not incorporate revisions stemming from the updated population counts over prior months. That’s why there is always a discrete jump or drop in January’s estimates of the noninstitutionalized population 16+ within the household survey every January off of which employment and labour force changes are then derived.

This time, however, they’ll be revising down. By a lot. That’s because ever since January of last year, the BLS has been using the CBO’s projected level of population counts as at that time and based on the 2024 vintage. This means they’re using population counts dating back to before ‘Inauguration Day’ after which immigration policy tightened rather sharply.

How much of a difference could this make? I tentatively figure that using current Census Bureau counts as at January this year would revise down the BLS estimate of the 16+ noninstitutionalized population by about 1.25 million people. This difference is derived from tracking the Census Bureau’s monthly population counts up to the present and the BLS household survey’s counts for the 16+ noninstitutionalized population. This would be a record downward revision as shown in chart 17 that shows this estimate along with annual population count revisions normally in January of each year. Chart 18 shows how the BLS measure of the 16+ noninstitutionalized population is presently overshooting the Census Bureau’s estimates.

If we apply a steady 59.8% emp:population ratio from this latest report, then the household survey’s measure of employment could be revised down by about 750k jobs in February’s report next month as a one-off level adjustment. If we also apply a steady labour force participation rate of 62.5% from this latest report, then the labour force would be revised down by about 780k.

Because of this delay in revising population counts, January’s estimated 528k gain in employment and 387k gain in the labour force were misleading. Both would have probably been strong negatives if not for the delayed incorporation of more realistic population counts.

Chart 17
US Adjustments to Household Survey Population Estimates

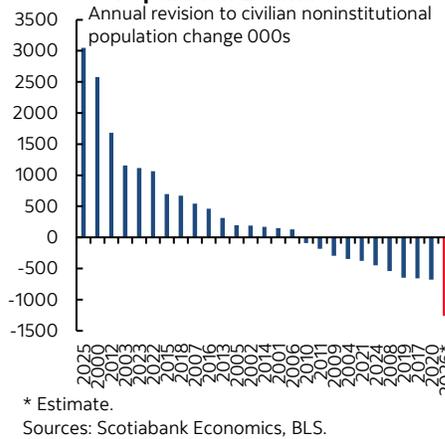


Chart 18
Tracking US Household Survey Population

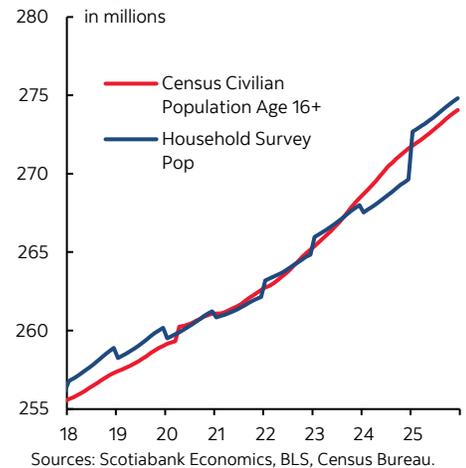


Chart 19
China's Record Trade Surplus

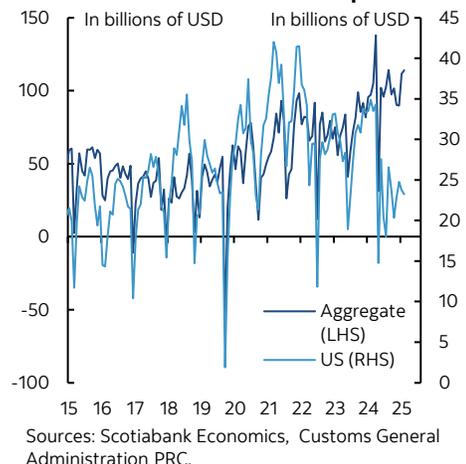


Chart 20

China's GDP Growth Targets Are Mere Suggestions

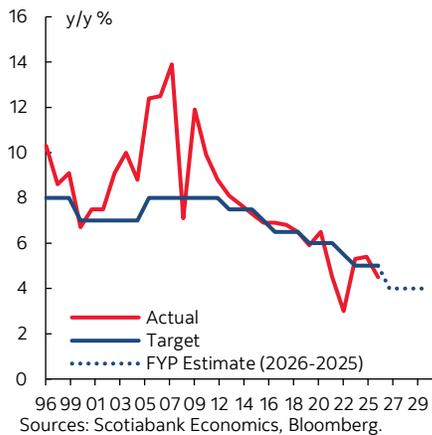


Chart 21

China's Annual Inflation Targets Are Usually Higher Than Achieved

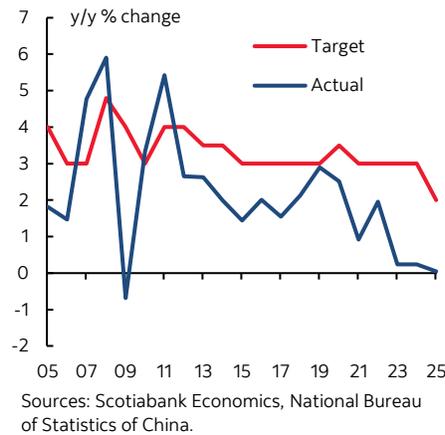
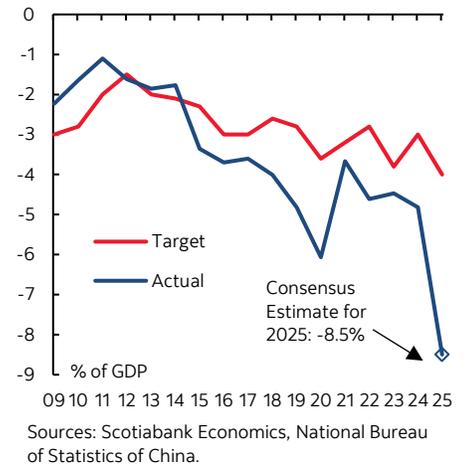


Chart 22

China's Fiscal Deficit



CHINA'S NATIONAL PEOPLE'S CONGRESS—A NEW FIVE-YEAR PLAN

China sets goals for 2026 and rolls out the new 15th five-year plan this week. The Two Sessions meetings run from March Wednesday 4th to March 11th. The last plan was set in the early days of the Trump Presidency and before 'Liberation Day.' Much has changed since.

The Chinese People's Political Consultative Conference (CPPCC), a political advisory body, kicks it off before the NPC session to debate, discuss and recommend on the Five-Year Plan draft (2026–2030) and the annual Budget.

The NPC may set a growth target for 2026 that is similar to what was achieved in 2024 and 2025, or around 5%. A lower target is feasible and could signal adjustment difficulties to trade tensions with the US that have found other outlets (chart 19), but also ongoing problems stemming from falling property prices and hence relatively inelastic demand for money, China's deterioration in competitiveness compared to other parts of Asia, and demographic challenges.

Treat the growth target with scepticism (chart 20). Ditto for the inflation target that is almost always missed (chart 21). Another ditto for fiscal deficit targets that are routinely missed (chart 22).

The Chinese government will also discuss economic, political and social priorities for the year with China watchers closely scrutinizing the discussions and the potential for an ongoing purge of China's military.

CENTRAL BANKS—NONFARM REACTIONS

Central banks will be rather quiet for a while until they all come out of the woodworks around mid-March, but there will be a thing or two to follow this week. It will also be the final week for FOMC communications before slipping into blackout on March 8th before the March 18th decision, so watch for Committee members' reactions to Friday's payrolls. There is a high bar to moving the policy rate at that meeting barring a nasty nonfarm surprise.

Bank Negara Malaysia—An Eye on the Ringgit

The only policy decision will be offered by Bank Negara Malaysia on Thursday. No action is expected as the policy rate is likely to stay at 2.75%. Growth is solid at 6.3% y/y. Inflation is low at 1.6% y/y. Negara has not changed its policy rate since July of last year. One thing to watch other than updated projections will be remarks about currency strength. The ringgit has appreciated by about 18% to the dollar since mid-2024 including a recent 8% move since September. Currency strength could challenge export growth and put downward pressure on inflation. To many Malaysians, approaching 3.80 to the dollar is of psychological importance and with a potential election call at some point this year.

Bank of Canada—So, About that GDP Print

Governor Macklem is back again for another fireside chat this time at Toronto's Global Risk Institute on Wednesday. He has preached patience to date as complex supply and demand forces upon the inflation outlook are assessed. Key may be any reaction to Q4 GDP that was weaker than the BoC had expected but he's likely to fade that because so much of it was due to a massive inventory drag effect while the domestic economy performed decently (recap [here](#)). Macklem's appearance is billed as a focus upon global economic and financial stability risks.

GLOBAL MACRO—TYING UP LOOSE ENDS

Several countries will be releasing their final sets of data—covering last quarter's GDP, February PMIs, and inflation readings—before a wave of central banks lines up for their monetary policy meetings starting mid-March. Jay Parmar and I summarize them.

A key release will be Australia's Q4 GDP number (Tuesday), which is expected to show another quarter of strong economic growth (chart 23). Private demand has continued to strengthen and is being led by consumption and investment—and another stronger-than-expected print would influence RBA hike pricing, although the bar remains high for another 25bps hike in March but is mostly priced for April.

On the same day, Brazil's weak Q4 growth release is expected to strengthen the case for a 50bps cut in March, in line with earlier guidance from the central bank.

PMIs, meanwhile, will offer insights into ongoing economic momentum and close tracking of Q1 economic growth. China reports both its private and state PMIs on Tuesday, with the former expected to continue signaling expansion while the state-sector gauge remains sluggish.

Switzerland and Mexico will release their PMIs on Monday, followed by Spain and Brazil on Wednesday.

The US updates ISM-manufacturing (Monday) and ISM-services (Wednesday) readings that will inform economic momentum in February along with measures and anecdotes covering order books, pricing plans, hiring and cap-ex plans. Also watch for vehicle sales that are expected to post a mild rebound (Tuesday).

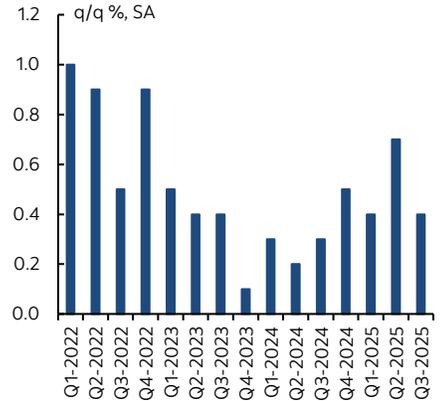
Canada also refreshes the S&P manufacturing (Monday) and services (Wednesday) PMIs plus the Ivey gauge (Friday) and Q4 labour productivity that is likely to fall (Wednesday).

Finally, around a dozen countries will publish their February inflation readings this week. Italy, along with the Eurozone aggregate, begins on Tuesday, followed by Philippines & Switzerland on Wednesday; South Korea and Sweden on Thursday; and Chile, Colombia and Taiwan on Friday. None of these releases are expected to materially influence each country's upcoming monetary policy decisions. The key exception is Chile, where another soft inflation print (chart 24) would further support market expectations for a 25bps cut in March. For Colombia, the focus will be on the inflation expectations (chart 25), which spiked unexpectedly in January and will be closely watched by the central bank for signs of persistence.

Chart 26 shows the rest of the global indicators scheduled for the week.

Chart 23

Australia's GDP Growth



Sources: Scotiabank Economics, Australian Bureau of Statistics.

Chart 24

Chile Headline & Core Inflation



Sources: Scotiabank Economics, INE.

Chart 25

Colombia's Inflation Expectations Increasing



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

Chart 26

Other Global Macro Indicators (Mar 02nd - Mar 06th)			
US	CA	CPI	Other Macro
<i>Monday</i>			
ISM Manf.			UK House Prices
			CL Economic Activity
			JN Jobless Rate
<i>Tuesday</i>			
Vehicle Sales		EC	BZ GDP
			CH PMI
			AU GDP
<i>Wednesday</i>			
MBA Mort. App.	Productivity	PH	EC PPI, UR
ADP Employment		TH	JN Consumer Confidence
ISM Serv.			TA Export Orders
<i>Thursday</i>			
Challenger Job Cuts		SK	FR IP, Manf. Production
Claims		VN	EC Retail Trade
Productivity			TA IP
ULC			
<i>Friday</i>			
Jobs & Wages		CO	BZ IP
Retail Sales		TA	
Sources: Scotiabank Economics, Bloomberg.			

Key Indicators for the week of March 2 – 6

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	03-02	10:00	ISM Manufacturing Index	Feb	52.5	52.0	52.6
US	03-03		Total Vehicle Sales (mn a.r.)	Feb	15.2	15.2	14.9
US	03-04	07:00	MBA Mortgage Applications (w/w)	Feb 27	--	--	0.4
US	03-04	08:15	ADP Employment Report (000s m/m)	Feb	40	50.0	22.0
CA	03-04	08:30	Productivity (q/q a.r.)	4Q	-0.3	--	0.9
US	03-04	10:00	ISM Non-Manufacturing Composite	Feb	54.0	53.7	53.8
US	03-05	07:30	Challenger Job Cuts Total (in 000s)	Feb	--	--	108.4
US	03-05	08:30	Export Prices (m/m)	Jan	--	0.0	0.3
US	03-05	08:30	Import Prices (m/m)	Jan	--	0.1	0.1
US	03-05	08:30	Initial Jobless Claims (000s)	Feb 28	215	215	212
US	03-05	08:30	Continuing Claims (000s)	Feb 21	1850	--	1833
US	03-05	08:30	Productivity (q/q a.r.)	4Q P	1.6	1.6	4.9
US	03-05	08:30	Unit Labor Costs (q/q a.r.)	4Q P	2.1	2.2	-1.9
US	03-06	08:30	Average Hourly Earnings (m/m)	Feb	0.3	0.3	0.4
US	03-06	08:30	Average Hourly Earnings (y/y)	Feb	3.7	3.7	3.7
US	03-06	08:30	Average Weekly Hours	Feb	--	34.3	34.3
US	03-06	08:30	Nonfarm Employment Report (000s m/m)	Feb	10	60.0	130.0
US	03-06	08:30	Unemployment Rate (%)	Feb	4.4	4.4	4.3
US	03-06	08:30	Household Employment Report (000s m/m)	Feb	--	--	528.0
US	03-06	08:30	Retail Sales (m/m)	Jan	-0.5	-0.3	0.0
US	03-06	08:30	Retail Sales ex. Autos (m/m)	Jan	0.0	0.0	0.0
US	03-06	10:00	Business Inventories (m/m)	Dec	--	--	0.1
US	03-06	15:00	Consumer Credit (US\$ bn m/m)	Jan	--	11.8	24.0

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
UK	03-02	02:00	Nationwide House Prices (m/m)	Feb	0.2	0.3
IT	03-02	03:45	Manufacturing PMI	Feb	48.7	48.1
FR	03-02	03:50	Manufacturing PMI	Feb F	49.9	49.9
GE	03-02	03:55	Manufacturing PMI	Feb F	50.7	50.7
EC	03-02	04:00	Manufacturing PMI	Feb F	50.8	50.8
PD	03-02	04:00	GDP (y/y)	4Q F	--	4.00
UK	03-02	04:30	Manufacturing PMI	Feb F	52.0	52.0
UK	03-02	04:30	Net Consumer Credit (£ bn)	Jan	1.7	1.5
IR	03-02		Real GDP (q/q)	4Q F	--	-0.6
FR	03-03	02:45	Central Government Balance (€ bn)	Jan	--	-124.7
EC	03-03	05:00	Euro zone CPI Estimate (y/y)	Feb P	1.7	1.7
IT	03-04	03:45	Services PMI	Feb	53.0	52.9
FR	03-04	03:50	Services PMI	Feb F	49.6	49.6
GE	03-04	03:55	Services PMI	Feb F	53.4	53.4
EC	03-04	04:00	Composite PMI	Feb F	51.9	51.9
EC	03-04	04:00	Services PMI	Feb F	51.8	51.8
UK	03-04	04:30	Official Reserves Changes (US\$ bn)	Feb	--	7472.0
UK	03-04	04:30	Services PMI	Feb F	53.9	53.9
EC	03-04	05:00	PPI (m/m)	Jan	--	-0.3
EC	03-04	05:00	Unemployment Rate (%)	Jan	6.2	6.2
IT	03-04	05:00	Real GDP (q/q)	4Q F	0.3	0.3
FR	03-05	02:45	Industrial Production (m/m)	Jan	0.3	-0.7
FR	03-05	02:45	Industrial Production (y/y)	Jan	2.2	1.7
FR	03-05	02:45	Manufacturing Production (m/m)	Jan	--	-0.8
SP	03-05	03:00	Industrial Output NSA (y/y)	Jan	--	2.8
UK	03-05	04:30	PMI Construction	Feb	47.5	46.4
EC	03-05	05:00	Retail Trade (m/m)	Jan	0.2	-0.5

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of March 2 – 6

EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	03-06	02:00	Factory Orders (m/m)	Jan	-5.0	7.8
EC	03-06	05:00	Employment (q/q)	4Q F	--	0.2
EC	03-06	05:00	GDP (q/q)	4Q F	0.3	0.3
GR	03-06	05:00	Real GDP NSA (y/y)	4Q	--	2.0

ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
AU	03-01	19:30	ANZ Job Advertisements (m/m)	Feb	--	4.4
JN	03-01	19:30	Markit/JMMA Manufacturing PMI	Feb F	--	52.8
CH	03-01	20:45	Caixin Flash China Manufacturing PMI	Feb	50.0	50.3
CH	03-01	20:45	Caixin Manufacturing PMI	Feb	50.0	50.3
ID	03-01	23:00	Exports (y/y)	Jan	11.1	11.6
ID	03-01	23:00	Imports (y/y)	Jan	15.0	10.8
ID	03-01	23:00	Trade Balance (US\$ mn)	Jan	2794.0	2512.7
ID	03-01	23:00	CPI (y/y)	Feb	4.3	3.6
ID	03-01	23:00	CPI (m/m)	Feb	0.3	-0.2
ID	03-01	23:00	Core CPI (y/y)	Feb	2.5	2.5
TH	03-02	02:30	Business Sentiment Index	Feb	--	49.1
IN	03-02	05:30	Industrial Production (y/y)	Jan	6.00	7.80
SI	03-02	08:00	Purchasing Managers Index	Feb	--	50.5
JN	03-02	18:30	Jobless Rate (%)	Jan	2.6	2.6
JN	03-02	18:50	Capital Spending (y/y)	4Q	3.0	2.9
JN	03-02	18:50	Monetary Base (y/y)	Feb	--	-9.5
AU	03-02	19:30	Building Approvals (m/m)	Jan	5.5	-14.9
AU	03-02	19:30	Current Account (AUD bn)	4Q	-17.0	-16646.0
AU	03-02	19:30	Australia Net Exports of GDP	4Q	-0.3	-0.1
IN	03-02		Current Account Balance	4Q	-15.58	-12.29
NZ	03-03	16:45	Terms of Trade Index (q/q)	4Q	-0.3	-2.1
SK	03-03	18:00	Industrial Production (m/m)	Jan	0.5	1.7
SK	03-03	18:00	Industrial Production (y/y)	Jan	2.9	-0.3
SK	03-03	18:00	Cyclical Leading Index Change	Jan	--	0.6
AU	03-03	19:30	GDP (q/q)	4Q	0.7	0.4
AU	03-03	19:30	GDP (y/y)	4Q	2.2	2.1
HK	03-03	19:30	Purchasing Managers Index	Feb	--	52.3
CH	03-03	20:30	Manufacturing PMI	Feb	49.1	49.3
CH	03-03	20:30	Non-manufacturing PMI	Feb	49.7	49.4
CH	03-03	20:45	Caixin Services PMI	Feb	52.4	52.3
PH	03-03		Budget Deficit/Surplus (PHP bn)	Dec	--	-157.6
JN	03-04	00:00	Consumer Confidence	Feb	38.1	37.9
TA	03-04	03:00	Export Orders (y/y)	Jan	53.3	43.8
HK	03-04	03:30	Retail Sales - Value (y/y)	Jan	--	6.6
HK	03-04	03:30	Retail Sales - Volume (y/y)	Jan	--	5.1
AU	03-04	19:30	Trade Balance (AUD mn)	Jan	3900.0	3373.0
PH	03-04	20:00	CPI (y/y)	Feb	2.5	2.0
PH	03-04	20:00	CPI (m/m)	Feb	0.3	0.8
TH	03-04	22:30	CPI (y/y)	Feb	-0.7	-0.7
TH	03-04	22:30	CPI (m/m)	Feb	0.0	-0.3
TH	03-04	22:30	Core CPI (y/y)	Feb	0.5	0.6
SI	03-05	00:00	Retail Sales (m/m)	Jan	--	-5.4
SI	03-05	00:00	Retail Sales (y/y)	Jan	--	2.7
MA	03-05	02:00	Overnight Rate (%)	Mar 6	2.75	2.75

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of March 2 – 6

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>
TA	03-05	03:00	Industrial Production (y/y)	Jan	30.5	21.6
SK	03-05	18:00	Current Account (US\$ mn)	Jan	--	18702.6
SK	03-05	18:00	CPI (m/m)	Feb	0.4	0.4
SK	03-05	18:00	CPI (y/y)	Feb	2.2	2.0
VN	03-05	21:05	CPI (y/y)	Feb	2.8	2.5
VN	03-05	21:05	Industrial Production (y/y)	Feb	--	21.5
SI	03-05		Foreign Reserves (US\$ mn)	Feb	--	416969.1
AU	03-06	00:30	Foreign Reserves (AUD bn)	Feb	--	104.7
TA	03-06	03:00	CPI (y/y)	Feb	1.7	0.7

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>
PE	03-01	10:00	Consumer Price Index (m/m)	Feb	--	0.2	0.1
PE	03-01	10:00	Consumer Price Index (y/y)	Feb	--	1.7	1.7
CL	03-02	06:30	Economic Activity Index SA (m/m)	Jan	--	--	0.6
CL	03-02	06:30	Economic Activity Index NSA (y/y)	Jan	--	1.1	1.7
BZ	03-02	08:00	PMI Manufacturing Index	Feb	--	--	47.0
BZ	03-03	07:00	GDP (IBGE) (q/q)	4Q	--	0.2	0.1
BZ	03-03	07:00	GDP (IBGE) (y/y)	4Q	--	1.6	1.8
BZ	03-05	13:00	Trade Balance (FOB) - Monthly (US\$ mn)	Feb	--	--	4342.8
BZ	03-06	07:00	Industrial Production SA (m/m)	Jan	--	--	-1.2
BZ	03-06	07:00	Industrial Production (y/y)	Jan	--	--	0.4
CO	03-06	18:00	Consumer Price Index (m/m)	Feb	--	--	1.2
CO	03-06	18:00	Consumer Price Index (y/y)	Feb	--	5.4	5.4

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Global Auctions for the week of March 2 – 6

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	03-05	12:00	Canada to Sell C\$3 Billion of 3.5% 2057 Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
NE	03-03	04:00	Netherlands to Sell Up to EU7B of 2.75% 2036 Bonds
GE	03-03	05:30	Germany to Sell Bonds
GE	03-04	05:30	Germany to Sell Bonds
SP	03-05	04:30	Spain to Sell Bonds
FR	03-05	04:50	France to Sell Bonds
UK	03-05	05:00	UK to Sell GBP3.5 Billion of 4% 2029 Bonds

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	03-02	07:00	Australia to Sell A\$300 Million 3% 2047 Bonds
JN	03-02	10:35	Japan to Sell 10-Year Bonds
AU	03-03	07:00	Australia to Sell A\$900 Million 4.75% 2037 Bonds
JN	03-04	10:35	Japan to Sell 30-Year Bonds
AU	03-05	07:00	Australia to Sell A\$800 Million 1.5% 2031 Bonds

LATIN AMERICA

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

Events for the week of March 2 – 6

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	03-02	09:15	BoC Deputy Governor Sharon Kozicki Speaks in Oslo
US	03-03	09:55	Fed's Williams Gives Keynote Remarks
US	03-03	11:55	Fed's Kashkari Speaks at 2026 Bloomberg Invest Conference
CA	03-04	10:30	Bank of Canada Governor Tiff Macklem Speaks in Toronto
US	03-04	14:00	Fed Releases Beige Book
US	03-06	13:30	Fed's Hammack Speaks at Monetary Policy Forum

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	03-01	10:00	ECB'S Nagel Speaks in Baden Baden
UK	03-02	07:30	BOE's Taylor speaks in Oslo
EC	03-02	09:00	ECB's Lagarde, Nagel, Stournaras Speaks at Women's Day Event
NO	03-03	02:45	Norges Bank Monetary Policy Mandate Conference
EC	03-03	10:30	ECB's Kocher Speaks at OeNB Women's Forum
EC	03-03	10:40	ECB's Sleijpen Speaks in Groningen
SZ	03-04	04:00	SNB's Martin Speaks on New Banknote Series in Zurich
EC	03-04	04:40	ECB's Muller Speaks in Tallin
EC	03-04	05:45	ECB's Cipollone Speaks in Luxembourg
EC	03-04	08:30	ECB'S Guindos Speaks in Frankfurt
EC	03-05	03:50	ECB's Guindos Speaks in Brussels
EC	03-05	04:35	ECB's Rehn Speaks in Brussels
EC	03-05	12:00	ECB's Lagarde Speaks in Bologna
EC	03-06	08:30	ECB's Cipollone Speaks in Frankfurt
EC	03-06	12:00	ECB's Schnabel Speaks in New York

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	03-02		BOJ Deputy Governor Himino Speaks in Wakayama
AU	03-02	07:30	RBA's Hunter-Remarks
AU	03-02	16:10	RBA's Bullock-Speech
MA	03-05	02:00	BNM Overnight Policy Rate
KZ	03-06	02:00	Key Rate
AU	03-06	13:30	RBA's Hauser-Panel Discussion

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UR	03-03		Monetary Policy Rate

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	March 18, 2026	2.25	2.25
Federal Reserve – Federal Funds Target Rate	3.75	March 18, 2026	3.50	3.75
Banco de México – Overnight Rate	7.00	March 26, 2026	7.00	7.00

Bank of Canada (BoC): Bank of Canada Governor Tiff Macklem is scheduled to speak at a Global Risk Institute event in Toronto on Wednesday at 10:30am EST. His remarks will focus on global economic and financial stability risks and will serve as his final public appearance before the bank enters its blackout period ahead of the March 18th policy decision. Not much is expected from this speech, given the bank is on a prolonged hold and has recently emphasized patience.

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	March 19, 2026	2.15	2.15
European Central Bank – Marginal Lending Facility Rate	2.40	March 19, 2026	2.40	2.40
European Central Bank – Deposit Facility Rate	2.00	March 19, 2026	2.00	2.00
Bank of England – Bank Rate	3.75	March 19, 2026	3.50	3.50
Swiss National Bank – Sight Deposit Rate	0.00	March 19, 2026	0.00	0.00
Central Bank of Russia – One-Week Auction Rate	15.50	March 20, 2026	15.25	15.25
Sweden Riksbank – Repo Rate	1.75	March 19, 2026	1.75	1.75
Norges Bank – Deposit Rate	4.00	March 26, 2026	4.00	4.00
Central Bank of Turkey – Benchmark Repo Rate	37.00	March 12, 2026	36.00	36.00

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	March 19, 2026	0.75	0.75
Reserve Bank of Australia – Cash Rate Target	3.85	March 16, 2026	3.85	3.85
Reserve Bank of New Zealand – Cash Rate	2.25	April 7, 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	April 8, 2026	5.25	5.25
Bank of Korea – Base Rate	2.50	April 10, 2026	2.50	2.50
Bank of Thailand – Repo Rate	1.00	April 29, 2026	1.00	1.00
Bank Negara Malaysia – Overnight Policy Rate	2.75	March 5, 2026	2.75	2.75
Bank Indonesia – BI-Rate	4.75	March 17, 2026	4.75	4.75
Central Bank of Philippines – Overnight Borrowing Rate	4.25	April 23, 2026	4.25	4.25

Bank Negara Malaysia: Bank Negara Malaysia is expected to keep its overnight policy rate unchanged at 2.75% on Thursday, in line with consensus expectations and market pricing. After reporting preliminary GDP growth of 4.9% for 2025, the figure was revised up to 5.2% y/y, compared with 5.1% in 2024. Inflation remains stable and close to its long-term average, hence, reducing the urgency for policy adjustments. As a result, the bank is likely to maintain its current monetary policy stance while continuing to assess the balance of risks surrounding the outlook for both growth and inflation.

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	March 18, 2026	14.50	14.50
Banco Central de Chile – Overnight Rate	4.50	March 24, 2026	4.25	4.25
Banco de la República de Colombia – Lending Rate	10.25	March 31, 2026	10.25	10.25
Banco Central de Reserva del Perú – Reference Rate	4.25	March 12, 2026	4.00	4.00

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	March 26, 2026	6.75	6.75

Sources: Bloomberg, Scotiabank Economics.

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