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Next Week's Risk Dashboard

- Nonfarm payrolls preview — Aye Aye All!
- AI & economics — a nonfarm illustration
- Canadian jobs preview — Set low expectations
- Overall state of the Canadian and US job markets
- More tariff threats
- RBA — unfinished business
- BoC testimony may provide further insights
- Norges Bank — Soaring oil Vs. restrictive stance
- Negara — Taxes and debt or rate hikes?
- Riksbank — Up or Down? Yes.
- Banxico — The last dance?
- BanRep — After the shock
- Global macro: Eurozone wages, NZ jobs, LatAm & Asia-Pacific CPI

All Together Now!

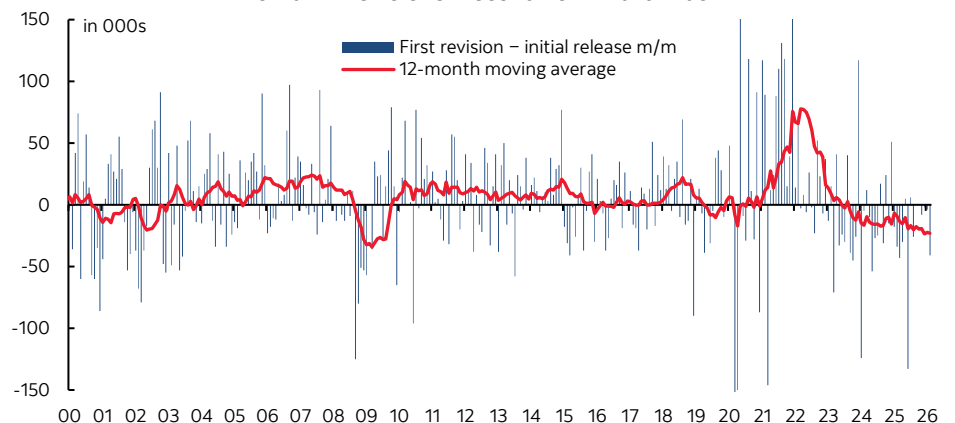
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Chart of the Week

Nonfarm Revisions: Recent Downward Bias



Sources: Scotiabank Economics, BLS, Bloomberg.

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

All Together Now!

Several risks could come to a head over the coming week across most areas of interest to markets. It's unclear how it may all net out.

Earnings will continue to figure prominently. Another 126 S&P-listed firms will release in the US, plus 91 TSX-listed firms, and a wave of foreign earnings reports. So far, they've been supportive as the S&P has pushed to an all-time index high with 81% of 315 firms that have released thus far beating EPS expectations and 72% have beaten sales expectations. This is always a tango between underlying strength and more conservative analysts since SOX.

Top shelf data risk will be pronounced especially on Friday when nonfarm payrolls land. This could be a soft one ahead of potentially wild distortions over subsequent months. A full preview is provided along with a take on the overall state of the US job market.

Canada releases its job figures at the same time as nonfarm payrolls and may be the less-watched sibling. This one may also be on the soft side, with a full preview and state of the job market north of the border offered in what follows.

And while the key figures of central banking are out of the way now, not to be neglected will be a bevy of still notable ones to watch. Five in total. Norges may hike. Banxico may cut. Further insights from the BoC will be provided. The three may not march on in unison despite sharing oil in common in part because of varying policy stances going into the commodity shock. Net energy importers like Australia will probably hike while Sweden can't make up its mind and perhaps wishes it had its neighbour's problem.

Tariffs are also back alongside threatened troop withdrawals as US-European relations worsen. Trump has threatened 25% tariffs against European autos as he alleges Europe is failing to fully live up to its trade deal. There is no order yet. His pattern is to back down. It may be either a negotiating or diversionary tactic. Europe may be more inclined to retaliate this time if Trump carries through on his threat. Europe would perhaps be well advised to show more of a spine this time. Trump's 5,000 troop removal order is retaliation for what Merz said about Trump's handling of Iran. Stress is clearly not in short supply in the White House.

And speaking of diversions, talks between the US and Iran appear to remain in a total stalemate with Trump—in his usual subtle ways—threatening to “blast the hell out of them” should Iran not meet his terms, while Iran threatens to counter. I have a hard time believing Trump and the GOP will wish to see further tariffs passing through to American consumers and businesses as gasoline probably continues to climb through the summer driving season as supply shocks have yet to fully hit US shores. How about US\$6–7/gallon?

NONFARM PAYROLLS—AYE AYE AI!

Will nonfarm payrolls matter to the FOMC? There is a high bar set against arguing that it will matter at this point given the dominant focus upon the price stability half of the dual mandate. Still, it could be impactful to markets—especially if my estimate is in the right ballpark.

I went with a gain of only 10k payroll jobs in April. The unemployment rate is projected to dip to 4.2%. After 178k payroll positions were created in March, a near-donut with more downside than upside risk to the call could restore a little more balance in fed funds policy rate pricing that doesn't presently think the FOMC will cut until year 2200, give or take.

Before getting into the weeds on the calls, on a lark I asked ChatGPT to write a nonfarm payrolls preview for me. It was partly for entertainment, partly out of morbid curiosity to see what the jobs of economists are up against. Check it out in the accompanying box 1 where I pasted what I asked and what it spat out in about 2 seconds flat.

Suffice it to say that I'm not so worried. It told me weather was a drag on jobs in March especially in construction and leisure and retail which is wrong (see below). It told me that the labour force participation rate was near cycle highs, when instead it has steadily fallen by a large 2.7 ppts from its late 2023 peak. It told me that the unemployment rate is expected to “hold steady at 3.8% or edge up to 3.9%” when it's at 4.3% going into April's numbers which in my biz is a huge half-point error. And so forth.

Kids, rely on this tool for your homework to your own demise. What ChatGPT gave me is worth an 'F' and ethics training. It's useful for other things—like, say, Taylor Rule scenarios and the like—and can sound informed to a layperson, but it's a dumpster fire to anyone who follows the facts and arguments closely.

So, moving on, here's the logic, which is always presented by first reminding us that nonfarm payroll changes have a 90% confidence interval of +/-122,000 which is actually about 15k lower than the last time I checked with the BLS. 90 times out of 100 in repeated sampling the estimate would be expected to fall somewhere within what they publish and 122k higher or lower. It's noisy, in other words. Rankings speak to outperforming others dealing with the same noise.

BOX 1: WHAT CHATGPT OFFERED AS A NONFARM PAYROLLS PREVIEW

Please write a nonfarm payrolls preview for the month of April. Make sure it includes references to weather effects, health sector hiring, seasonality, unemployment rate expectations, other job market indicators and expected revisions to prior months.

U.S. Nonfarm Payrolls Preview—April 2026

We look for a moderate rebound in job growth in April following softer prints earlier in the year, with headline nonfarm payrolls rising by **~175k–200k**. The underlying trend in hiring remains resilient but is no longer accelerating, as tighter financial conditions and slower demand growth continue to temper labor demand.

Weather effects

Weather is likely to provide a modest **positive payback** in April. March data were likely held down by residual winter disruptions in parts of the Midwest and Northeast, including unseasonably cold temperatures and localized storms during the survey week. April's more typical conditions should support a rebound in construction, leisure & hospitality, and some retail categories. That said, weather effects this time of year are usually second-order compared with January–March volatility.

Health care and social assistance

Health sector hiring should again be a **key pillar of job growth**, with gains in the **40k–60k range**. Structural demand—aging demographics, backlog of procedures, and ongoing expansion in outpatient services—continues to drive steady hiring in ambulatory care and hospitals. This sector has consistently outperformed and is likely masking softness elsewhere.

Other sector dynamics

- **Leisure & hospitality:** Likely to bounce back after weather-related weakness, though trend hiring has cooled from last year's pace.
- **Construction:** A weather-driven rebound is expected, but underlying momentum remains mixed given high borrowing costs.
- **Professional & business services:** Likely subdued, reflecting weaker demand for temporary help and consulting services.
- **Government:** Continued steady gains, particularly at the state and local level (education-related hiring still a factor).

Seasonality and residual distortions

April data are generally cleaner than the heavily adjusted winter months, but **seasonal adjustment noise** remains a risk—particularly in education, retail, and construction. Recent years have seen persistent **early-year seasonal quirks**, so some payback from earlier distortions is possible. However, we do not expect a large seasonal “snapback” comparable to prior cycles.

Unemployment rate and household survey

We expect the **unemployment rate to hold steady at 3.8% or edge up to 3.9%**, reflecting:

- Slightly slower employment growth in the household survey
- Continued expansion in labor force participation

The participation rate is likely to remain near cycle highs, supported by prime-age workers, though gains are becoming more incremental.

Wages

Average hourly earnings should rise **~0.3% m/m**, keeping the y/y pace near **4.0%–4.2%**. Wage growth continues to gradually cool but remains above levels consistent with 2% inflation.

Other labor market indicators

Recent high-frequency and survey data point to **gradual cooling but not deterioration**:

- **Initial jobless claims** remain low, consistent with limited layoffs
- **Continuing claims** have drifted higher, suggesting longer job search durations
- **JOLTS data** show declining job openings and a lower quits rate, indicating reduced worker confidence
- **ADP employment** has been volatile but broadly consistent with mid-range payroll gains
- **NFIB hiring plans** continue to soften, pointing to slower small business hiring ahead

Revisions to prior months

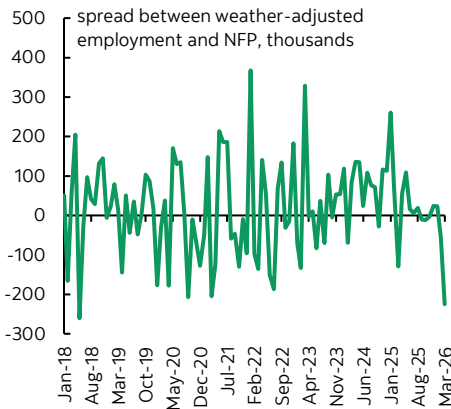
We expect **modest net downward revisions (~25k–50k)** to February and March. Recent benchmarking patterns and softer incoming data suggest prior estimates may have slightly overstated momentum. That said, revisions are unlikely to materially alter the broader narrative of a gradually cooling labor market.

Bottom line

April payrolls should show a **weather-assisted rebound** with continued strength in health care and public sector hiring, offset by softer cyclical sectors. The labor market remains solid but is clearly transitioning toward a **more sustainable, slower pace of growth**, consistent with a gradual rebalancing rather than an abrupt slowdown.

Chart 1

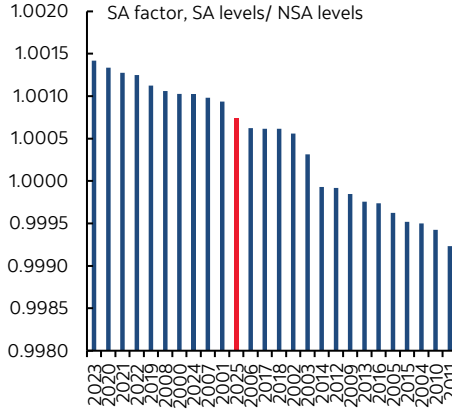
The Weather Effect on Nonfarm Payrolls



Sources: Scotiabank Economics, Bloomberg.

Chart 2

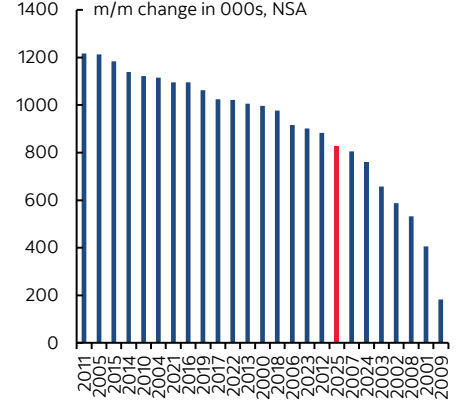
Comparing US Payroll SA Factor for All Months of April



Sources: Scotiabank Economics,

Chart 3

Comparing US Payroll NSA for All Months of April



Sources: Scotiabank Economics,

Weather

The San Fran Fed’s estimate of weather effects on nonfarm payrolls in March showed that weather overstated the job gain by between 225–250,000 depending upon which of their two methodologies you use (chart 1 and [here](#)). Controlling for weather, the official 178k gain in March would have been more like roughly -50k to -75k. This matters because even though there were plenty of tornadoes and storms across the Midwest during April’s nonfarm reference period, a high contribution from weather effects in March makes it tougher to post a repeated large gain the next month. Weather should be a drag on m/m payrolls this time.

Seasonality

Seasonal adjustment factors for like months of April are shown in chart 2. I went with a replay of last April. The highest SA factors—that would boost payroll changes relative to lower seasonal adjustment factors—were all set in the 2019–2023 period and the BLS has been migrating away from those peaks.

April is usually a strong seasonal up-month for employment creation before controlling for this with seasonal adjustments (chart 3). Having said that, just to keep flat on the m/m SA payroll change would require marrying last April’s SA factor to a seasonally unadjusted gain of at least 750k m/m. That’s possible, but a repeat gain over 100k m/m SA would require at least 850,000 jobs to be gained in seasonally unadjusted terms when the US has been losing hiring momentum.

Health Hiring

I don’t have a strong view on this contribution which is a risk to the call in both directions. What I’ve assumed is a bit of cooling from the 90k addition of health and social service jobs that were added in March. The powerful and concentrated flu season distorted the ebbs and flows in this category for a number of months. The expiration of some ACA subsidies at the end of 2025 may be a trend downside to health sector hiring but this is very difficult to time. Health sector job postings are the most likely to offer visa status which has a higher option value in the context of current immigration policy.

Revisions

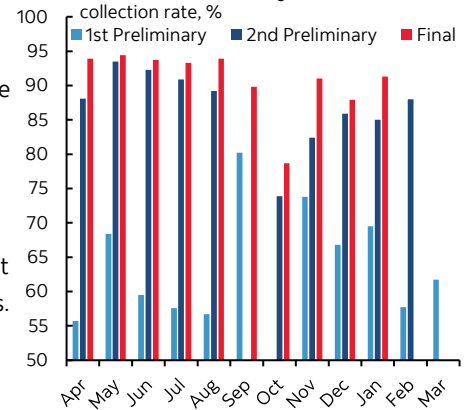
Another nervousness factor surrounding the call is how the prior two months get revised this time. I’ve gone with a modest 20–30k downward revision which is around the trend, but the high degree of under-sampling that happened last month could mean bigger revision effects—we just can’t necessarily tell in which direction (chart 4). Negative revisions are becoming a bigger factor as Jay Parmar’s chart of the week on the front cover demonstrates.

Other Readings

There is a limited number of other job market readings with more on the way over the coming week, but they’re rather mixed. They’re also not usually very helpful in relation to nonfarm’s own sample and quirks such as seasonality adjustments and the birth-death model that

Chart 4

How the BLS Collects & Publishes Nonfarm Payrolls



Sources: Scotiabank Economics, BLS.

seeks to control for non-sampling error reflecting difficulty capturing job growth through the creation of new businesses (more [here](#)).

ADP private payrolls could be up by about 150–160k m/m in April. That would suggest upside to nonfarm private payrolls (ex-government), but ADP throws off so many head fakes and can be so heavily revised that it's never trusted.

'Indeed' job postings fell in April's nonfarm reference period over the readings in February and March.

Initial jobless claims were range bound between the March and April nonfarm reference periods and fell afterward. Further, rule changes have dampened its usefulness as a guide that was always limited because it only tells you gross claims for benefits.

Falling continuing claims suggest that the unemployment rate could edge lower given the correlated movements in the two measures (chart 5). The unemployment rate has nothing to do with the nonfarm call as it comes from the more volatile household survey that has been posting three consecutive months of declines in employment and a falling labour force in two of the past three months.

How consumers view the availability of jobs remained soft in April after ticking a touch higher in March (chart 6).

ISM-manufacturing-employment continued to contract in April's reading, but manufacturing jobs are only about 8% of total nonfarm payrolls.

ICE detentions are still quite high but coming off the peak (chart 7). The fear factor may still be keeping people out of the workforce as a partial explanation for falling participation rates.

Over the coming week we'll get JOLTS job openings and quits data for March that inches a little closer as a guide to April (Tuesday). Challenger job cuts in April (Thursday), Revelio's nonfarm change estimate (Thursday) and ISM-services-employment (Tuesday) might also help as input.

The Overall State of the US Job Market

In a nutshell, it's not as healthy as Chair Powell has tended to portray.

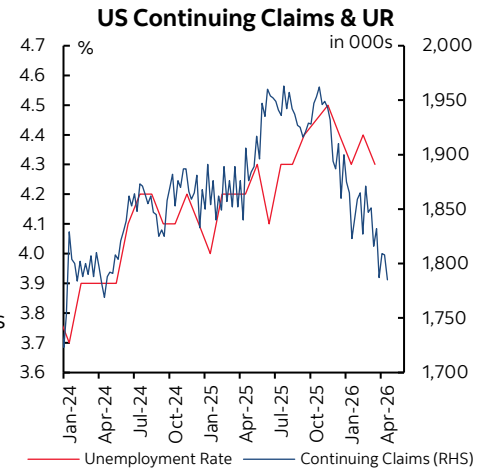
For one, the ratio of job openings to the number of unemployed has been below 1.0 for three months, indicating an insufficient number of opportunities before then turning to whether there are skills mismatches (chart 8).

Private nonfarm payrolls have generally been down more than up the majority of months since just before the US election in 2024 such that something began to pivot before that moment (chart 9).

The so-called 'Beveridge Curve' shows the balance that exists between job vacancies and unemployed and demonstrates a degree of slack (chart 10). Where the US labour market sits today is roughly around the high end of vacancies and low end of the unemployment rate especially excluding the distorted pandemic period shown in light blue.

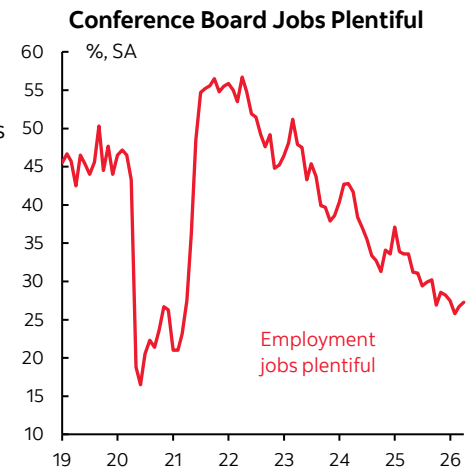
It's inadequate to say there shouldn't be worries about the US job market because the unemployment rate is well behaved. The unemployment rate is about a full percentage point higher than it was at the low in 2023 in addition to the sliding participation rate. That

Chart 5



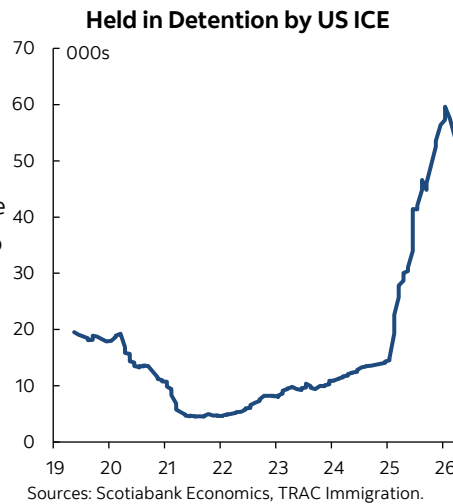
Sources: Scotiabank Economics, BLS, Dep. of Labor.

Chart 6



Sources: Scotiabank Economics, Bloomberg.

Chart 7



Sources: Scotiabank Economics, TRAC Immigration.

Chart 8



Sources: Scotiabank Economics, BLS.

Chart 9
US Private Sector Jobs ex Health Care

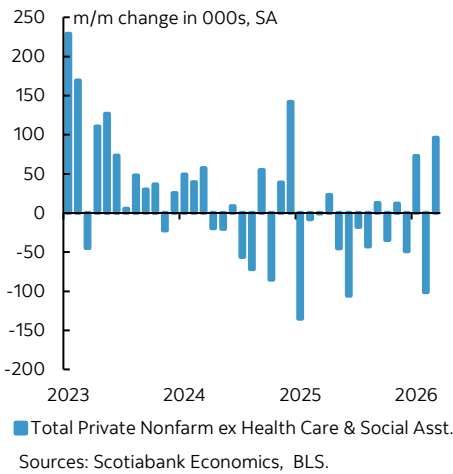


Chart 10
United States Beveridge Curve

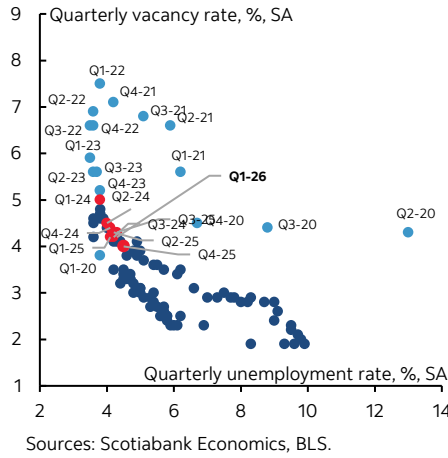
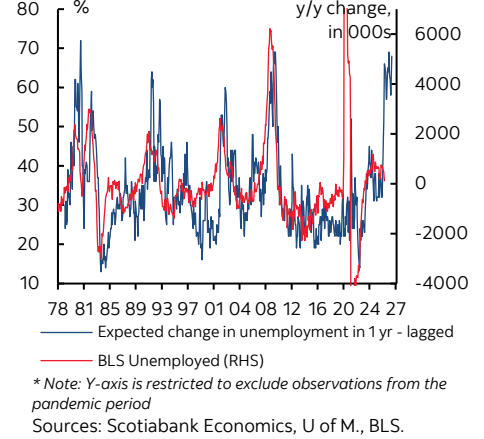


Chart 11
U.S. Consumer Anxiety Consistently Predicts Unemployment Trends



the shock to the unemployment rate from weakening trend private payrolls has not been greater because of tighter immigration policy overly discounts the fact that growth in jobs and incomes drive growth in consumer spending and demand for housing.

Measures like the UofM survey's expected change in the number of unemployed Americans over the coming year have historically been very closely tied to what actually happens and this measure continues to flash a strong warning sign (chart 11). It's soft data, but with a strong record and consumers are closer to what's happening at their employers than economists and markets.

Unfortunately, the ability of the FOMC and markets to read the state of the job market may be significantly distorted by coming factors that will need to be controlled. Estimates after April will start to get more complicated by temporary factors. The end of the partial shutdown affecting Homeland Security employees might be slightly additive to May payrolls. FIFA World Cup hiring may begin to make contributions in May but with the bulk of the hiring focused upon June and July before this effect reverses afterward. Estimates of the number of folks who will be hired or volunteer on a temporary basis push into the hundreds of thousands.

CANADIAN JOBS—SET LOW EXPECTATIONS

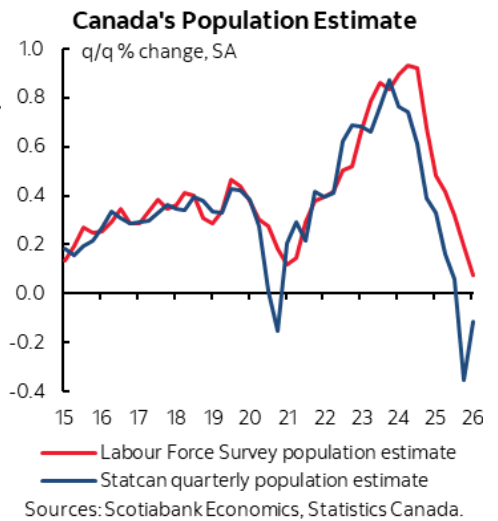
Canada also updates job market conditions for the month of April on Friday at the same time as nonfarm payrolls. If you think forecasting payrolls is tough, you need extra good fortune forecasting this one.

The main measure that is followed in Canada is the Labour Force Survey. It's a household survey, like the US version that accompanies nonfarm payrolls. Household surveys have higher noise factors. The 95% confidence band for the change in Canadian employment is about +/-57,000 which would be about half a million in the context of the US labour market for reference purposes. It's also huge in the US household survey where the BLS says the 90% confidence interval for its measure of the change in the number of unemployed is about +/-425k.

I've estimated no change in jobs during April and a flat unemployment rate of 6.7%. Key for the unemployment rate is when the survey starts showing a contracting population and contracting labour force as a reflection of tighter immigration population. That's especially applied to the temps category that includes international students, temporary foreign workers and asylum seekers. As StatCan explains, the LFS applies a 12-month moving average to the size of the temp category and therefore its measures lag actual population changes (chart 12). The time for LFS to catch up and begin showing declining population is approaching.

Statcan does not revise jobs on a monthly basis like the US does. The problem this time is a bit of a quirky argument. The seasonal adjustment factor is expected to remain lower than historically as has been the pattern for like months of April in recent years (chart 13) while there is a very high bar for the seasonally unadjusted change in employment to be big enough to keep the change in jobs in the black.

Chart 12



In fact, you'd need a seasonally unadjusted change of 170k m/m just to keep seasonally adjusted jobs flat. As chart 14 shows, 170k would be among the very small handful of the strongest gains in history. There is more downside than upside risk to a flat reading.

What might help could be the weather and sickness arguments that may have held back hiring and interviewing in the past month. We know that to have been the case in terms of hours worked (charts 15, 16).

Across other advance readings, 'Indeed' job postings have been softening with new postings falling (chart 17). Small businesses indicate a bias toward hiring more workers (chart 18).

What's more interesting in Canada is that the Bank of Canada's figures for wage growth that control for compositional shifts surged last month according to their fresh estimates (chart 19). There is little different compared to surging wage growth that does not control for compositional changes (chart 20). Canada is still very much in an upward wage spiral including the effects of expiring collective bargaining agreements struck 3-4 years ago that are cementing years of wage gains above the BoC's 2% inflation target going forward (chart 21). Canada is not the US in so many ways, one of which being the extended wage resets with triple the 10% unionization rate that exists stateside.

As for the broader state of the Canadian job market, Canada's Beveridge Curve is shown in chart 22. The relationship between the job vacancy rate and the unemployment rate is about smack dab in the middle of historical experience.

Chart 23 shows unemployment rates compared to estimate of full employment unemployment rates (NAIRU) in Canada and the US. It also shows Statcan's measure of the Canadian unemployment rate measured using US concepts, since Canada's defines the labour market starting at a younger age, has less stringent criteria for defining who is actively looking for work etc. Canada always has a higher unemployment rate than the US but right now there is perhaps marginal slack in both countries relative to estimates of full employment.

Chart 13

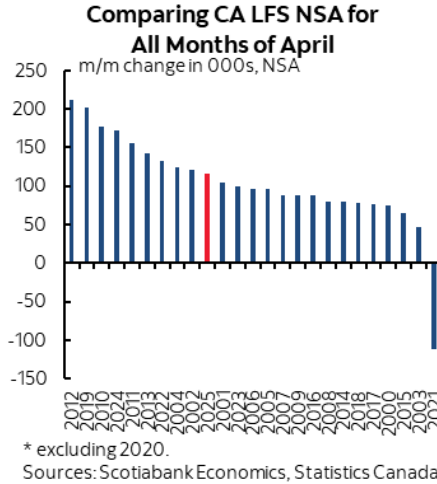


Chart 14

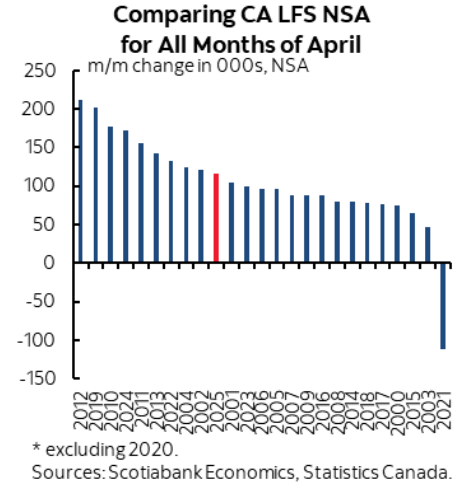


Chart 15

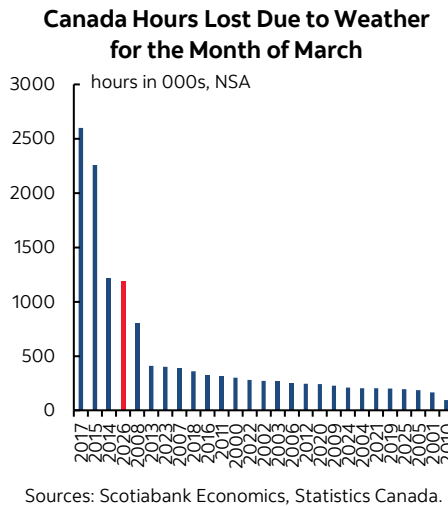


Chart 16

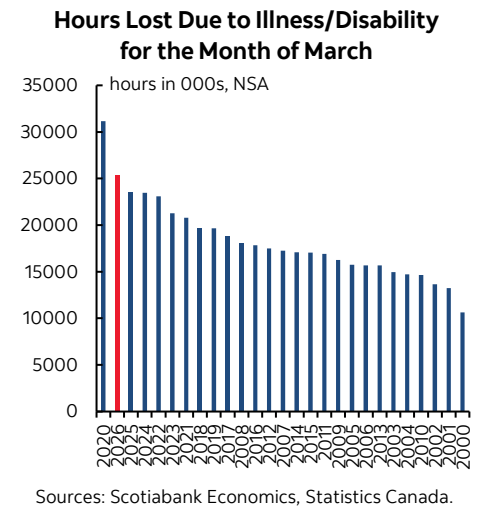


Chart 17

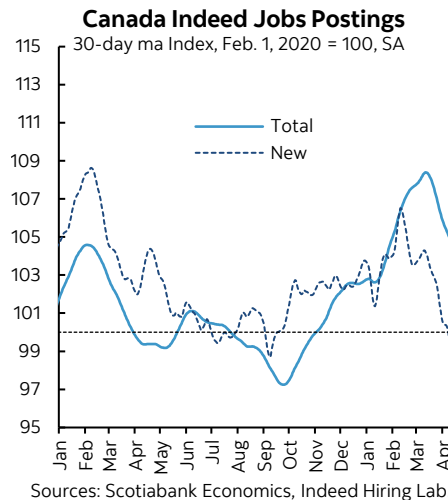


Chart 18

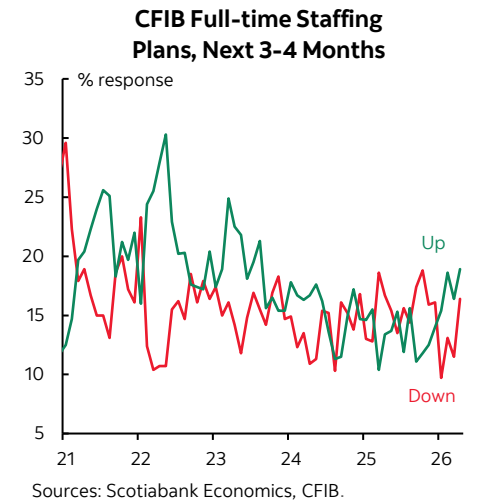
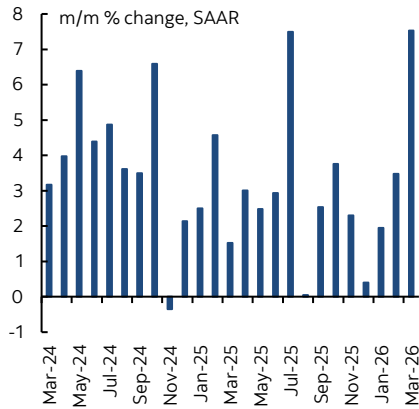
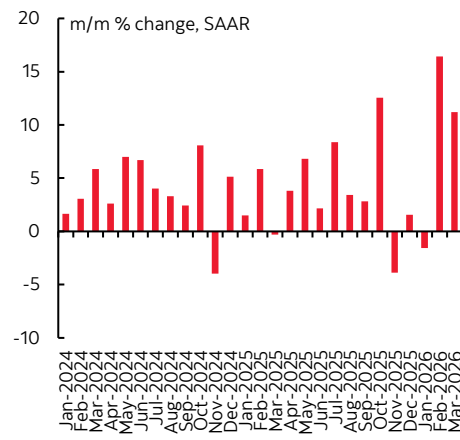


Chart 19
Canada's Composition Controlled Wage Measure



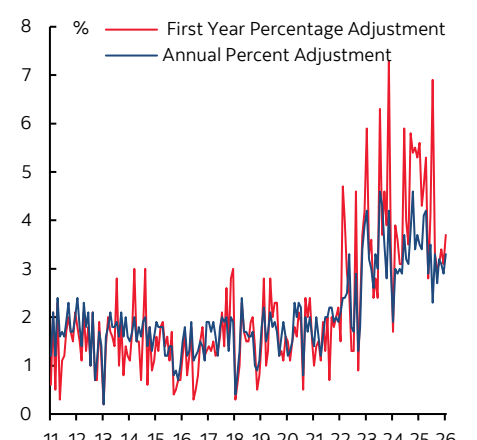
Sources: Scotiabank Economics, Bank of Canada.

Chart 20
Canadian Hourly Wages



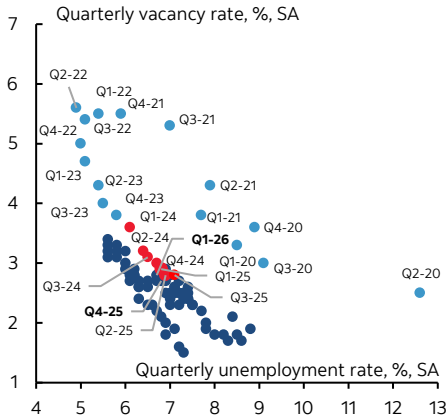
Sources: Scotiabank Economics, Statistics Canada.

Chart 21
Canadian Wage Settlements



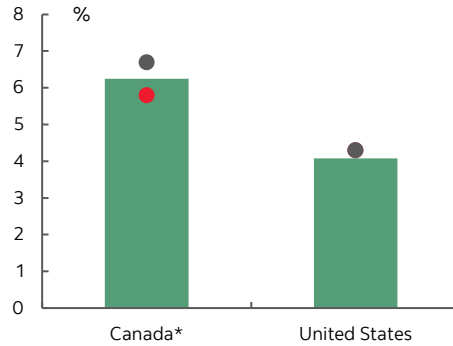
Sources: Scotiabank Economics, Statistics Canada.

Chart 22
Canada Beveridge Curve



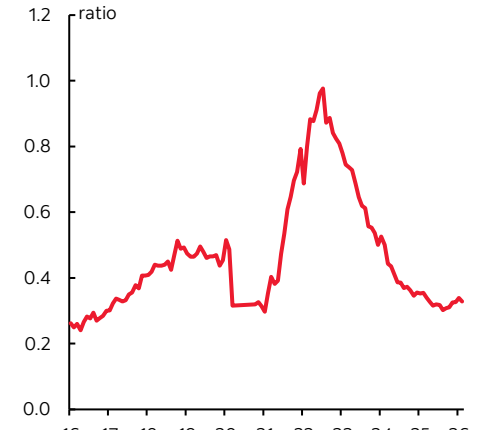
Sources: Scotiabank Economics, Statistics Canada.

Chart 23
Canada Vs. US Labour Market



Legend: ■ NAIRU ● UR (US concepts) ● UR - Official
*Canadian unemployment rate as adjusted by Statistics Canada to be comparable to the US.
Sources: Scotiabank Economics, OECD, Statistics Canada, BLS.

Chart 24
Canadian Job Vacancies to Unemployed



Sources: Scotiabank Economics, Statistics Canada.

Chart 24 shows that in Canada, job vacancies tend to almost always be fewer in number than the number of unemployed. Canada's labour market always has more structural unemployment driven by regional, policy and other frictions some of which frankly I'd rather not get into!

CENTRAL BANKS—REGIONAL AFTERSHOCKS

Five regional central banks will weigh in with policy decisions this week in the aftermath of the key figures this past week. A few things might also be cleared up in two rounds of Bank of Canada testimony.

BoC Testimony—More Insights Needed

BoC Governor Macklem and Senior Deputy Governor Rogers will deliver two rounds of parliamentary testimony on Monday (3:30pmET) and Wednesday (4:15pmET). The post-BoC recap provided areas where I'm hoping for more to be revealed in the discussion with members of Parliament ([here](#)).

Like why did they only speak about the effects of surging oil and gas prices and supply chain challenges and not about all the other commodities that are on fire? Expect the opposition to go after the BoC on the implications of more federal government spending equal to 1/2% of NGDP this year and 1/4% next year and expect the BoC to shrug and avoid commenting on friends in government. Expect grilling on why you'd downgrade growth projections ex-inventory effects when everything the country sells by way of key commodities is on fire now. The BoC says medium-term inflation expectations are around their target, yet no measure in Canada supports this including their own. Why does the BoC have the lowest inflation forecast on the street? Perhaps ask them to comment on the possibility Canada gets a trade deal and commodities stay high. Why is the BoC easing via the inflation-adjusted policy rate into a commodity shock?

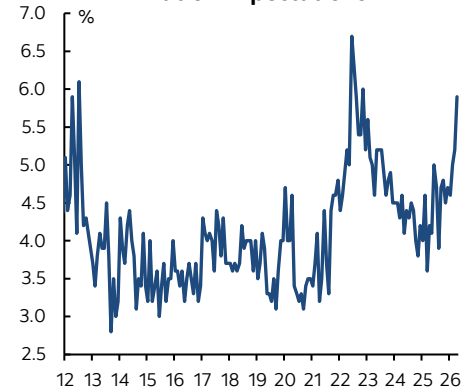
RBA—Unfinished Business and More to Come

Consensus almost unanimously expects Australia’s central bank to hike by another 25bps to a cash rate target of 4.35% on Tuesday. Australian futures and OIS markets attach three-in-four odds to a hike.

Inflation at 4.6% y/y with still hot trimmed mean CPI and soaring inflation expectations (chart 25) would be leaned on as a rationale for hiking a third time since February. Those readings during Q1 largely pre-date the additional inflation shock that will be coming over the months and quarters ahead. The possibility of affordability measures in the following week’s Budget on May 12th may be implicitly guiding a tighter stance.

Chart 25

Australia’s Consumer Inflation Expectations



Sources: Scotiabank Economics, Melbourne Institute of Applied Economic and Social Research.

Negara—Taxes and Debt or Rate Hikes?

Malaysia’s central bank is widely expected to stay on hold on Thursday at an overnight rate of 2.75%. Consensus is unanimous and markets are priced for no change.

CPI is running at just 1.7% y/y up to March. Malaysia applies subsidized price caps on gasoline and recently lowered purchase quotas by one-third to 200 litres. While this approach shifts incidence effects of soaring energy prices onto others including government and taxpayers, it temporarily mitigates inflation pass through.

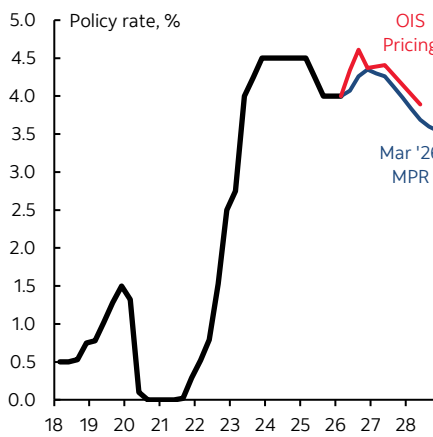
Norges Bank—Soaring Oil Vs. Restrictive Stance

Norway’s central bank will be a tougher call on Thursday. Most within consensus see the central bank holding at a deposit rate of 4%. A minority expect a 25bps hike. Half of a quarter-point hike is priced in OIS. So what gives?

Normally this central bank provides explicit forward guidance. At its last meeting in March it gave less than explicit guidance. Governor Ida Wolden Bache said “...the Committee judges that it will likely be necessary to raise the policy rate at one of the forthcoming monetary policy meetings.”

Chart 26

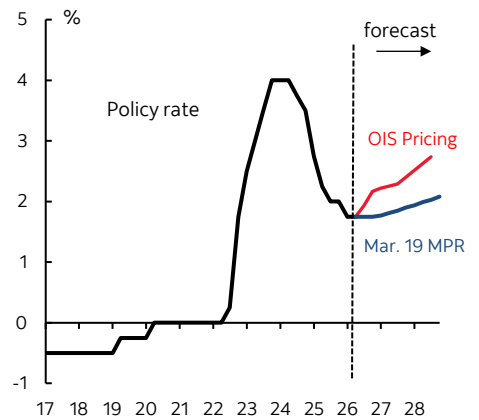
Norges Bank Policy Rate Projections



Sources: Scotiabank Economics, Norges Bank.

Chart 27

Riksbank’s Forward Guidance



Sources: Scotiabank Economics, Riksbank.

That could mean May, June, August, or maybe thereafter. Since Norway is heavily dependent upon oil production and is strongly benefiting from oil prices as the US and Israeli war against Iran continues, it seems this is very likely to be the first of the developed world’s commodity-oriented central banks to hike.

The rub lies in the fact that—unlike the Bank of Canada—Norges Bank remains in restrictive territory on its policy rate and might decide this is enough to give it further time to assess conditions.

Markets don’t have a whole lot priced for Norges (chart 26).

Riksbank—Up or Down?

Sweden’s central bank is widely expected to leave its policy repo rate unchanged at 1.75% on Thursday. Guidance that was provided at the March meeting signalled uncertainty about the future direction of the policy rate that is unlikely to have been settled since then. Sweden is a net energy importer and so it doesn’t enjoy the riches flowing to its Scandinavian neighbour. Here’s what they said in March and what data dependency may largely repeat this time:

“One possible scenario is that the war has significantly greater effects on the global economy and leads to a broader and more persistent upturn in inflation. The Riksbank would then have to raise the policy rate, even though economic activity in this case would be significantly lower. Another possible scenario is that the negative effects on demand become more significant at the same time as inflationary pressures

become weaker. The Riksbank would then have to cut the policy rate to stimulate demand and thereby stabilise inflation at the target.”

Markets are nevertheless calling for a hike profile (chart 27).

Banxico—The Last Dance?

Mexico’s central bank is widely expected to cut its overnight rate by 25bps on Thursday. Consensus is unanimous and markets are largely priced for a cut.

At 6.75% going into the meeting, Banxico’s policy rate is within reach of the middle of its neutral rate range if not higher. This stance provides somewhat more flexibility aligned with another large energy exporter—Norway—compared to, say, an energy exporting nation like Canada where the central bank’s policy rate is at the bottom of its neutral range.

Banxico has an easing bias as indicated by saying at its March meeting that “the Board will evaluate the appropriateness and timing for an additional reference rate cut.” Growth is disappointing as the economy contracted in Q1. Still, expect dissenting voices again after Deputy Governor Jonathan Heath voted against easing the last time because of inflation worries.

Governor Victoria Rodriguez Ceja recently remarked that the end of the easing cycle is near at hand and so this could be the final cut.

A limiting factor is that Banxico’s policy rate spread over the Federal Reserve is toward the tight and with the FOMC not sounding like it’s in a hurry to cut with the hawks lining up (chart 28).

BanRep Minutes to Offer More Colour

Colombia’s central bank stunned forecasters and markets by staying on hold at an overnight lending rate of 11.25% this past week. Many had anticipated a 50bps hike. Wednesday’s minutes will provide further opportunity to elaborate on the rationale.

GLOBAL MACRO—SIDE SHOWS

Canada will mainly focus on BoC testimony and Friday’s jobs report, but Tuesday’s trade figures will improve our understanding of Q1 GDP tracking. Some little watched PMIs will be released that same day.

US markets will obsess over nonfarm and related readings, but there will be a few other more minor gauges to consider. Factory orders should be strong after the surge in durable goods orders (Monday). The trade deficit is expected to widen a bit given we already know the goods portion (Tuesday). ISM-services will help to inform growth momentum in services but also broader inflation risk since the ISM price gauges are a leading indicator of coming inflation (chart 29). New home sales in March (Tuesday) are expected to post a solid gain into modest growth in construction spending (Thursday). The week closes with UofM sentiment (Friday).

CPI inflation readings from across Asia-Pacific and LatAm markets will be the rest of the main line-up. It starts with Indonesia and Philippines (Monday), then Switzerland, South Korea, and Thailand (Tuesday), followed by Sweden (Wednesday), Mexico and Taiwan (Thursday) and wrapped up by Chile and Colombia (Friday).

At the euro-area level, the key release will be the updated EU wage tracker on Wednesday, which will provide insight into recent wage negotiations and their implications for future wage growth. The tracker is currently pointing to wage growth of around 2.6% in 2026 and will be closely monitored by the ECB as it assesses second-round effects from the global energy price shock.

In Asian markets, New Zealand is scheduled to release its Q1 labour-market data on Tuesday, which is expected to show another modest increase of 0.3% q/q. However, the focus will be on the unemployment rate, which is expected to remain steady at 5.4%. Any uptick would further support the case for the RBNZ to remain on a patient hold. Furthermore, China will release its private services PMI on Tuesday.

Chart 30 showcases the rest of the global line-up.

Chart 28

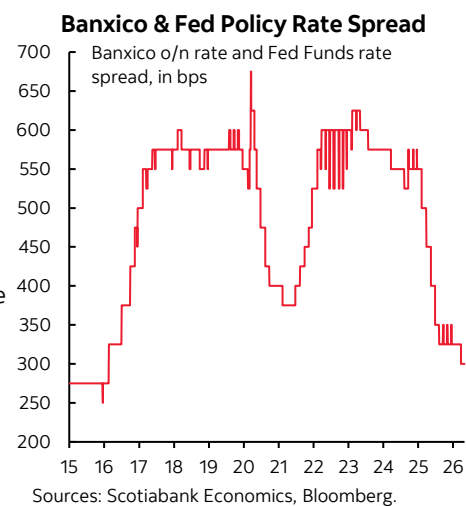


Chart 29

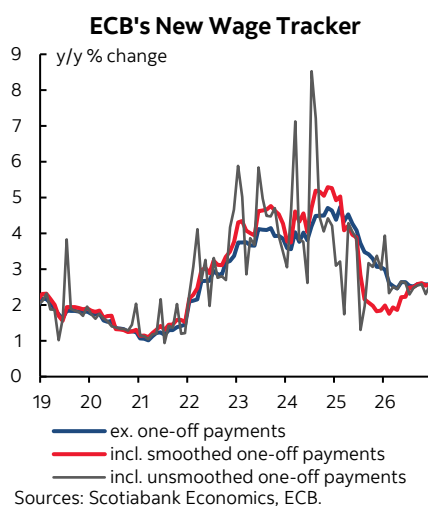


Chart 30

Other Global Macro Indicators (May 04th - May 08th)			
US	CA	CPI	Other Macro
<u>Monday</u>			
Factory Orders		ID	CL Economic Activity
		PH	
<u>Tuesday</u>			
Trade	Trade	SK	ID Q1 GDP
ISM Serv		TH	HK Q1 GDP
JOLTS			NZ Employment
New Home Sales			CH Private Serv. PMI
<u>Wednesday</u>			
MBA Mort. App.			PH Q1 GDP
ADP Jobs			FR IP, Manf. Prod
			EC PPI
			AU Trade
<u>Thursday</u>			
Claims		TA	FR Trade
Productivity		MX	EC Retail
Unit Labour Costs			GE Factory Orders
Construction Spending			BZ IP
Consumer Credit			
<u>Friday</u>			
Jobs & Wages	Jobs & Wages	CO	GE IP
			SP Industrial Output
Sources: Scotiabank Economics, Bloomberg.			

Key Indicators for the week of May 4 – 8

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	05-04	10:00	Factory Orders (m/m)	Mar	0.4	0.4	0.0
CA	05-05	08:30	Merchandise Trade Balance (C\$ bn)	Mar	--	-2.0	-5.7
US	05-05	08:30	Trade Balance (US\$ bn)	Mar	-60.7	-59.0	-57.3
US	05-05	10:00	ISM Non-Manufacturing Composite	Apr	53.5	53.7	54.0
US	05-05	10:00	JOLTS Job Openings (000s)	Mar	--	6867.0	6882.0
US	05-05	10:00	New Home Sales (000s a.r.)	Feb	650	--	587.0
US	05-05	10:00	New Home Sales (000s a.r.)	Mar	--	667.5	--
US	05-06	07:00	MBA Mortgage Applications (w/w)	May 01	--	--	-1.6
US	05-06	08:15	ADP Employment Report (000s m/m)	Apr	150	79.0	62.0
MX	05-07	08:00	Bi-Weekly Core CPI (% change)	Apr 30	--	0.1	0.2
MX	05-07	08:00	Bi-Weekly CPI (% change)	Apr 30	--	0.1	0.1
MX	05-07	08:00	Consumer Prices (m/m)	Apr	--	0.3	0.9
MX	05-07	08:00	Consumer Prices (y/y)	Apr	--	4.5	4.6
MX	05-07	08:00	Consumer Prices Core (m/m)	Apr	--	0.3	0.4
US	05-07	08:30	Initial Jobless Claims (000s)	May 02	215	196.5	189.0
US	05-07	08:30	Continuing Claims (000s)	Apr 25	1820	--	1785.0
US	05-07	08:30	Productivity (q/q a.r.)	1Q P	0.5	--	1.8
US	05-07	08:30	Unit Labor Costs (q/q a.r.)	1Q P	3.0	--	4.4
US	05-07	10:00	Construction Spending (m/m)	Feb	0.2	--	-0.3
US	05-07	10:00	Construction Spending (m/m)	Mar	--	--	--
MX	05-07	15:00	Overnight Rate (%)	May 7	--	6.50	6.75
US	05-07	15:00	Consumer Credit (US\$ bn m/m)	Mar	--	12.5	9.5
CA	05-08	08:30	Employment (000s m/m)	Apr	0.0	8.2	14.1
CA	05-08	08:30	Unemployment Rate (%)	Apr	6.7	6.7	6.7
US	05-08	08:30	Average Hourly Earnings (m/m)	Apr	0.3	0.3	0.2
US	05-08	08:30	Average Hourly Earnings (y/y)	Apr	3.8	3.8	3.5
US	05-08	08:30	Average Weekly Hours	Apr	--	34.2	34.2
US	05-08	08:30	Nonfarm Employment Report (000s m/m)	Apr	10	60.0	178.0
US	05-08	08:30	Unemployment Rate (%)	Apr	4.2	4.3	4.3
US	05-08	08:30	Household Employment Report (000s m/m)	Apr	--	--	-64.0

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
IT	05-04	03:45	Manufacturing PMI	Apr	51.6	51.3
FR	05-04	03:50	Manufacturing PMI	Apr F	52.8	52.8
GE	05-04	03:55	Manufacturing PMI	Apr F	51.2	51.2
EC	05-04	04:00	Manufacturing PMI	Apr F	52.2	52.2
FR	05-05	02:45	Central Government Balance (€ bn)	Mar	--	-32.1
FR	05-06	02:45	Industrial Production (m/m)	Mar	0.5	-0.7
FR	05-06	02:45	Industrial Production (y/y)	Mar	0.2	-0.3
FR	05-06	02:45	Manufacturing Production (m/m)	Mar	--	0.0
IT	05-06	03:45	Services PMI	Apr	48.0	48.8
FR	05-06	03:50	Services PMI	Apr F	46.5	46.5
GE	05-06	03:55	Services PMI	Apr F	46.9	46.9
EC	05-06	04:00	Composite PMI	Apr F	48.6	48.6
EC	05-06	04:00	Services PMI	Apr F	47.4	47.4
UK	05-06	04:30	Official Reserves Changes (US\$ bn)	Apr	--	-7884.0
UK	05-06	04:30	Services PMI	Apr F	52.0	52.0
EC	05-06	05:00	PPI (m/m)	Mar	3.1	-0.7
GE	05-07	02:00	Factory Orders (m/m)	Mar	1.0	0.9
FR	05-07	02:45	Current Account (€ bn)	Mar	--	-1790.0
FR	05-07	02:45	Trade Balance (€ mn)	Mar	--	-5778.0

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of May 4 – 8

EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	Consensus	Latest
SW	05-07	03:30	Riksbank Interest Rate (%)	May 7	1.75	1.75
NO	05-07	04:00	Norwegian Deposit Rates (%)	May 7	4.00	4.00
UK	05-07	04:30	PMI Construction	Apr	46.0	45.6
EC	05-07	05:00	Retail Trade (m/m)	Mar	-0.4	-0.2
GE	05-08	02:00	Industrial Production (m/m)	Mar	0.5	-0.3
SP	05-08	03:00	Industrial Output NSA (y/y)	Mar	--	-1.3

ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
AU	05-03	21:30	Building Approvals (m/m)	Mar	-10.0	29.7
AU	05-03	21:30	ANZ Job Advertisements (m/m)	Apr	--	-3.1
ID	05-04	00:00	Exports (y/y)	Mar	0.6	1.0
ID	05-04	00:00	Imports (y/y)	Mar	10.6	10.9
ID	05-04	00:00	Trade Balance (US\$ mn)	Mar	2273.5	1280.0
ID	05-04	00:00	CPI (y/y)	Apr	2.7	3.5
ID	05-04	00:00	CPI (m/m)	Apr	0.3	0.4
ID	05-04	00:00	Core CPI (y/y)	Apr	2.5	2.5
PH	05-04	21:00	CPI (y/y)	Apr	5.6	4.1
PH	05-04	21:00	CPI (m/m)	Apr	1.2	1.4
ID	05-05	00:00	Real GDP (q/q)	1Q	-1.0	0.9
ID	05-05	00:00	Real GDP (y/y)	1Q	5.4	5.4
SI	05-05	01:00	Retail Sales (m/m)	Mar	--	-4.1
SI	05-05	01:00	Retail Sales (y/y)	Mar	--	8.3
TH	05-05	03:30	Business Sentiment Index	Apr	--	47.7
HK	05-05	04:30	Real GDP (q/q)	1Q A	0.8	1.0
HK	05-05	04:30	Real GDP (y/y)	1Q A	3.6	3.8
NZ	05-05	18:45	Unemployment Rate (%)	1Q	5.4	5.4
NZ	05-05	18:45	Employment Change (y/y)	1Q	0.5	0.2
SK	05-05	19:00	CPI (m/m)	Apr	0.5	0.3
SK	05-05	19:00	CPI (y/y)	Apr	2.6	2.2
HK	05-05	20:30	Purchasing Managers Index	Apr	--	49.3
PH	05-05	21:00	Unemployment Rate (%)	Mar	--	5.1
CH	05-05	21:45	Caixin Services PMI	Apr	52.0	52.1
TH	05-05	23:30	CPI (y/y)	Apr	2.2	-0.1
TH	05-05	23:30	CPI (m/m)	Apr	2.1	0.6
TH	05-05	23:30	Core CPI (y/y)	Apr	0.6	0.6
AU	05-05		RBA Cash Target Rate (%)	May 5	4.35	4.10
HK	05-06	04:30	Retail Sales - Value (y/y)	Mar	9.4	19.3
HK	05-06	04:30	Retail Sales - Volume (y/y)	Mar	--	17.5
JN	05-06	19:50	Monetary Base (y/y)	Apr	--	-11.6
AU	05-06	21:30	Trade Balance (AUD mn)	Mar	4400.0	5686.0
PH	05-06	22:00	Real GDP (q/q)	1Q	1.1	0.6
PH	05-06	22:00	Real GDP (y/y)	1Q	3.3	3.0
AU	05-07	02:30	Foreign Reserves (AUD bn)	Apr	--	106.8
MA	05-07	03:00	Overnight Rate (%)	May 7	2.75	2.75
TA	05-07	04:00	CPI (y/y)	Apr	1.7	1.2
SI	05-07	05:00	Foreign Reserves (US\$ mn)	Apr	--	419193.4
SK	05-07	19:00	Current Account (US\$ mn)	Mar	--	23192.7
CH	05-07		Foreign Reserves (US\$ bn)	Apr	--	3342.1
TH	05-07		Consumer Confidence Economic	Apr	--	45.5
MA	05-08	00:00	Industrial Production (y/y)	Mar	3.6	3.1
MA	05-08	03:00	Foreign Reserves (US\$ bn)	Apr 30	--	128.8
TA	05-08	04:00	Exports (y/y)	Apr	57.5	61.8
TA	05-08	04:00	Imports (y/y)	Apr	41.2	38.3
TA	05-08	04:00	Trade Balance (US\$ bn)	Apr	18.8	21.3

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of May 4 – 8

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	05-04	08:30	Economic Activity Index SA (m/m)	Mar	--	0.1	-0.3
CL	05-04	08:30	Economic Activity Index NSA (y/y)	Mar	--	0.5	-0.3
BZ	05-04	09:00	PMI Manufacturing Index	Apr	--	--	49.0
BZ	05-07	08:00	Industrial Production SA (m/m)	Mar	--	-0.1	0.9
BZ	05-07	08:00	Industrial Production (y/y)	Mar	--	3.7	-0.7
BZ	05-07	14:00	Trade Balance (FOB) - Monthly (US\$ mn)	Apr	--	10900.0	6404.6
CO	05-08	19:00	Consumer Price Index (m/m)	Apr	--	0.7	0.8
CO	05-08	19:00	Consumer Price Index (y/y)	Apr	--	5.6	5.6

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Global Auctions for the week of May 4 – 8

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	05-06	08:30	US Treasury Quarterly Refunding Announcement
CA	05-06	12:00	Canada to Sell C\$5.5 Billion of 2.75% 2028 Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AS	05-05	05:00	Austria to Sell Bonds
GE	05-05	05:30	Germany to Sell Bonds
DE	05-06	04:15	Denmark to Sell Bonds
SW	05-06	05:00	Sweden to Sell Bonds
GE	05-06	05:30	Germany to Sell Bonds
SP	05-07	04:30	Spain to Sell Bonds
FR	05-07	04:50	France to Sell Bonds

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	05-05	22:35	China To Sell 50-Year New Bonds
CH	05-05	23:35	China to Sell 45 Billion Yuan 2076 Bonds
CH	05-07	22:35	China To Sell 2-Year Additional Bonds
CH	05-07	22:35	China To Sell 30-Year Additional Bonds
CH	05-07	23:35	China to Sell 85 Billion Yuan 2.2% 2056 Bonds
CH	05-07	23:35	China to Sell 170 Billion Yuan 1.29% 2028 Bonds

LATIN AMERICA

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

Events for the week of May 4 – 8

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	05-04	12:50	Fed's Williams Delivers Keynote Remarks
CA	05-04	15:30	Bank of Canada's Macklem and Rogers Appear Before Lawmakers
US	05-05	10:00	Fed's Bowman Speaks at Washington Financial Symposium
US	05-05	12:30	Fed's Barr Speaks on Banking Regulation
US	05-06	09:30	Fed's Musalem Speaks at Mississippi Bankers Association
US	05-06	13:00	Fed's Goolsbee Speaks on Panel Event
US	05-07	14:05	Fed's Hammack Speaks in Fireside Chat
MX	05-07	15:00	Overnight Rate
US	05-07	15:30	Fed's Williams in Moderated Discussion
US	05-08	05:45	Fed Governor Cook Speaks on Asset Tokenization
US	05-08	19:30	Fed's Waller, Bowman, Daly and Goolsbee on Panel

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	05-04	03:00	ECB's Simkus Speaks in Vilnius
EC	05-04	04:00	ECB Survey of Professional Forecasters
EC	05-04	05:00	ECB's Dolenc Speaks in Ljubljana
EC	05-04	05:00	ECB's Villeroy Speaks in Paris
EC	05-04	08:00	ECB's Kocher Speaks in Vienna
EC	05-04	08:15	ECB's Guindos Speaks in Brussels
EC	05-04	13:05	ECB's Nagel Speaks in Frankfurt
EC	05-05	04:00	ECB's Panetta Speaks in London
EC	05-05	11:40	ECB's Lane Speaks in Frankfurt
EC	05-06	04:00	ECB Wage Tracker
EC	05-06	04:00	ECB's Lane Speaks in Berlin
EC	05-06	04:40	ECB's Cipollone Speaks in Milan
EC	05-07	02:45	ECB's Kocher Speaks at St. Gallen Symposium
EC	05-07	03:15	ECB's Villeroy Speaks in Paris
EC	05-07	03:15	ECB's Guindos Speaks in Frankfurt
SW	05-07	03:30	Riksbank Policy Rate
NO	05-07	04:00	Deposit Rates
EC	05-07	08:40	ECB's Lane Speaks in London
EC	05-07	13:00	ECB's Schnabel Speaks in London
UK	05-07		BOE & ECB Rate-Setters Speak at Conference in London
EC	05-08	03:05	ECB's Guindos Speaks in Madrid

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
NZ	05-03	21:30	RBNZ MPC Member Prasanna Gai Speaks
AU	05-05	00:30	RBA Cash Rate Target
AU	05-05	00:30	RBA-Statement on Monetary Policy
NZ	05-05	17:00	RBNZ Publishes Financial Stability Report
NZ	05-05	21:00	RBNZ News Conference for Financial Stability Report
JN	05-06	19:50	BOJ Minutes of March Meeting
MA	05-07	03:00	BNM Overnight Policy Rate

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
BZ	05-05	07:00	Central Bank Meeting Minutes
CO	05-06	18:00	Colombia Monetary Policy Minutes
MX	05-07	15:00	Overnight Rate

Sources: Bloomberg, Scotiabank Economics.

Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	2.25	June 10, 2026	2.25	2.25
Federal Reserve – Federal Funds Target Rate	3.75	June 17, 2026	3.75	3.75
Banco de México – Overnight Rate	6.75	May 7, 2026		6.50

Bank of Canada (BoC): Governor Macklem, accompanied by Senior Deputy Governor Carolyn Rogers, will appear before the House of Commons Standing Committee on Finance on Monday at 3:30pm EST. An opening statement will be published on the bank's website at 3:30pm EST. Attention will focus on any commentary regarding fiscal stimulus—if pressed on the impact of increased government spending in the latest Spring Fiscal Update—as well as the recent surge in broad commodity prices excluding energy. **Banxico:** Consensus expects the Central Bank of Mexico to deliver another 25 bp rate cut on Thursday, following weaker-than-expected Q1 GDP growth and stable core inflation since its March meeting, when policymakers stated that “the Board will evaluate the appropriateness and timing for an additional reference rate cut.” Q1 GDP growth disappointed expectations, contracting by 0.8% q/q compared with a consensus forecast of -0.6%, while core inflation eased slightly in early April, though it remains above the bank's 2–4% target range. Additionally, the resilience of the Mexican peso provides scope for the bank to lower its overnight rate to support economic activity, narrowing the policy rate differential with the Federal Reserve to its lowest level since late 2015. While this cut is widely expected to mark the final move of the current easing cycle based on recent comments from board members, the key focus will be whether the bank offers any guidance or language—such as maintaining an “appropriate monetary policy”—to signal a pause going forward or keep the door open to further policy adjustments.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	2.15	June 11, 2026	2.40	2.40
European Central Bank – Marginal Lending Facility Rate	2.40	June 11, 2026	2.65	2.65
European Central Bank – Deposit Facility Rate	2.00	June 11, 2026	2.25	2.25
Bank of England – Bank Rate	3.75	June 18, 2026	3.75	3.75
Swiss National Bank – Sight Deposit Rate	0.00	June 18, 2026	0.00	0.00
Central Bank of Russia – One-Week Auction Rate	14.50	June 19, 2026	14.25	14.25
Sweden Riksbank – Repo Rate	1.75	May 7, 2026	1.75	1.75
Norges Bank – Deposit Rate	4.00	May 7, 2026	4.00	4.00
Central Bank of Turkey – Benchmark Repo Rate	37.00	June 11, 2026	37.00	37.00

Riksbank: The Riksbank is widely expected to hold its repo rate steady on Thursday after weaker-than-expected Q1 GDP and easing inflation. GDP contracted 0.2% q/q versus expectations for modest growth, while underlying inflation eased in March. Although the bank signalled no rate changes this year at its March meeting, markets are now pricing two hikes by year-end amid rising commodity prices. The key question is whether the Riksbank addresses this divergence or opts to hold policy guidance steady ahead of the June forecast update. **Norges Bank:** Consensus and markets are evenly split between a 25 bp hike and a hold at the Norges Bank's monetary policy meeting on Thursday. At its previous meeting, the bank shifted to a more hawkish tone, stating that “it will likely be appropriate to raise the policy rate at one of the forthcoming monetary policy meetings,” with its updated policy rate path signaling a 25 bp hike by end-Q3. Since then, March inflation has come broadly in line with consensus, while the unemployment rate has remained stable. Wage developments have also gained attention, with Norway's largest trade unions agreeing to a 4.4% pay increase for this year, setting the benchmark for broader wage negotiations. Although broadly consistent with the bank's upward revised wage growth forecast, the outcome reinforces concerns about slowing disinflation. At the same time, ongoing uncertainty surrounding the Middle East conflict and persistently elevated global energy prices—an income boost for a net energy-exporting economy—pose upside risks to inflation and inflation expectations. As a result, the bank may opt to pull forward a rate hike at this meeting or alternatively remain patient and wait for additional data on inflation, Q1 GDP, and wage growth before acting in June alongside updated forecasts.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	0.75	June 16, 2026	0.75	0.75
Reserve Bank of Australia – Cash Rate Target	4.10	May 5, 2026	4.35	4.35
Reserve Bank of New Zealand – Cash Rate	2.25	May 26, 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	June 5, 2026	5.25	5.25
Bank of Korea – Base Rate	2.50	May 28, 2026	2.50	2.50
Bank of Thailand – Repo Rate	1.00	June 24, 2026	1.00	1.00
Bank Negara Malaysia – Overnight Policy Rate	2.75	May 7, 2026	2.75	2.75
Bank Indonesia – BI-Rate	4.75	May 20, 2026	4.75	4.75
Central Bank of Philippines – Overnight Borrowing Rate	4.50	June 18, 2026	4.50	4.50

Reserve Bank of Australia (RBA): Consensus expects the RBA to deliver a third straight cash-rate hike on Tuesday, with markets pricing roughly a 75% chance of tightening. Since the March meeting, resilient economic data, elevated energy prices, and ongoing Middle East tensions have only reinforced the case for further policy tightening. Job gains added roughly 70k in the last two months with unemployment rate rising modestly to 4.3%. However, job vacancies still remain elevated keeping labour market tight. Q1 core inflation measures slightly missed the consensus but still remain elevated, with consumer inflation expectations rising to the highest since 2022. Additionally, strong household spending and private credit data will add to the RBA's concern of ongoing higher capacity pressures while elevated energy prices will further constrain the supply capacity. Hence, instead of waiting to get more details on the Budget in the following week, the RBA is expected to get ahead with a 25bp hike along with its updated economic forecast. **Bank Negara Malaysia:** The Central Bank of Malaysia is unanimously expected to keep its overnight policy rate unchanged at 2.75% on Thursday, as economic conditions continue to evolve broadly in line with the bank's forecasts. Economic growth remains resilient, with the economy expanding by 5.3% in the first quarter, supported by a strong external sector benefiting from higher electrical and electronics exports and robust tourism activity. The Malaysian ringgit has remained stable, while inflation continues to be moderate. As a result, the bank is likely to maintain its current policy stance as “appropriate and supportive of the economy amid price stability.”

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	14.50	June 17, 2026	14.25	14.25
Banco Central de Chile – Overnight Rate	4.50	June 16, 2026	4.50	4.50
Banco de la República de Colombia – Lending Rate	11.25	June 30, 2026	11.75	11.75
Banco Central de Reserva del Perú – Reference Rate	4.25	May 14, 2026	4.25	4.25

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	6.75	May 28, 2026	6.75	6.75

Sources: Bloomberg, Scotiabank Economics.

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