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

#### Next Week's Risk Dashboard

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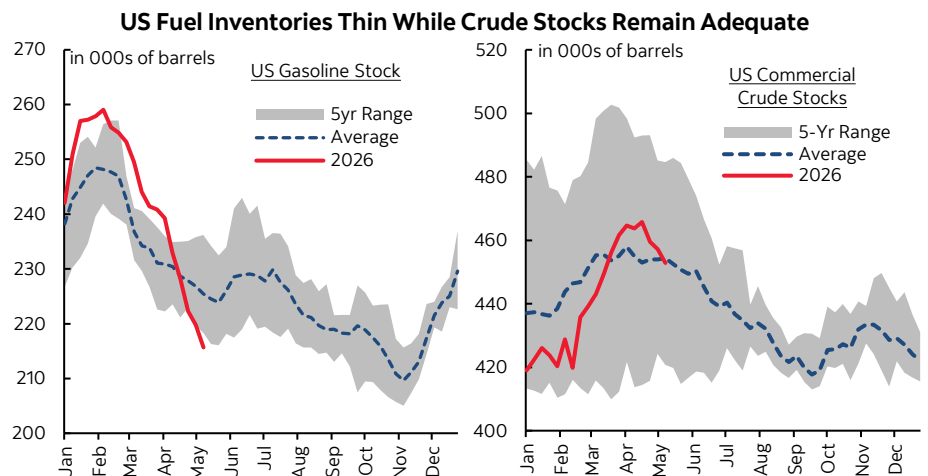
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#### Chart of the Week



Sources: Scotiabank Economics, US Department of Energy.

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

## Joined at the Hip

When it comes to inflation, Canada is different than the US. Or so goes a popular narrative.

Reality bites. We'll find out how badly it bites this week when Canada follows the US with its own inflation update. It turns out the two countries share a lot in common and this could mean that Canada experiences a surge of inflation pressure much like what the US saw this past week when CPI jumped to 3.8% y/y and core CPI increased to 2.8% y/y. More lies ahead.

Enter charts 1–2. What happens to inflation in one country doesn't just stay in that country; it reflects some common drivers across integrated economies and supply chains with some similarities and differences between them.

There are important measurement differences—like US OER and rent versus Canadian builder prices and rent in CPI—but in general total inflation and core inflation (ex-food and energy) are both highly correlated in the two countries over time. There are gaps that can be partly explained by differences in measures of spare capacity in the two economies (chart 3) but their inflation rates are still very highly correlated with only a modest share of the divergence explained by relative slack.

Where a common driver comes in is likely to be further upward pressure upon gasoline prices in both countries as it's by no means clear they are close to a peak. Canada and the US are experiencing leaner gasoline and distillate stocks than would be normal at this point in Spring as Jay Parmar's charts 4–5 demonstrate. Gasoline refinery capacity utilization is already seasonally high (chart 6). They are tighter markets than crude stocks (chart 7). Abnormally lean inventories into the summer driving season are why energy analysts point to expectations of further upward pressure on gas prices than the present roughly US\$4.6/gallon across all grades in the US and nearly C\$2/litre for regular gas in Canada. US\$5–6/gallon and \$2.5–3/litre in Canada are not stretches.

The WTI futures curve is at its highest this year (chart 8). So are gasoline futures prices (chart 9). Non-energy spot prices continue to soar (chart 10). Further, non-energy futures prices are up sharply including USD gains of 22% ytd for aluminum, around 15% for copper and nickel, 14% for

Chart 1



Chart 2

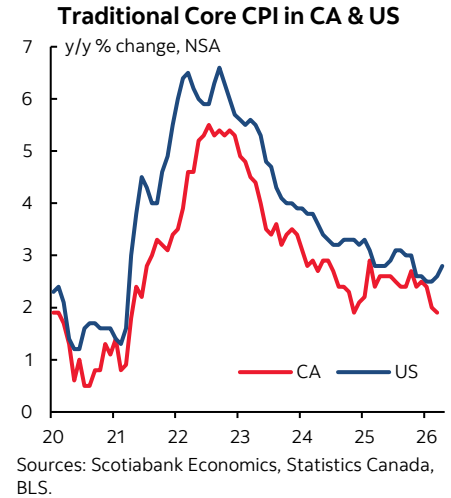


Chart 3

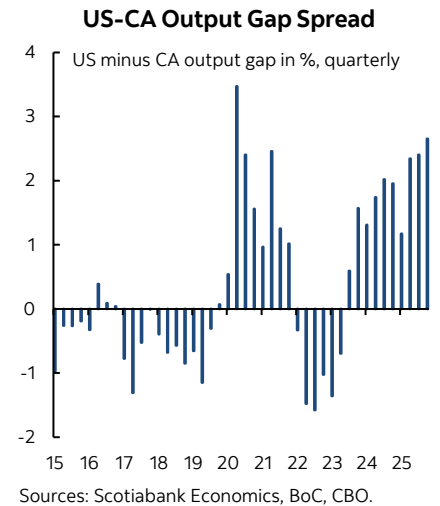


Chart 4

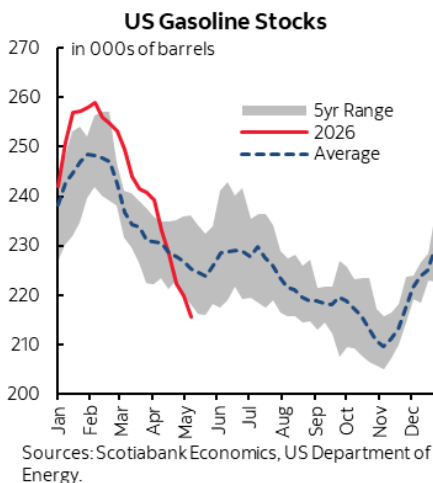


Chart 5

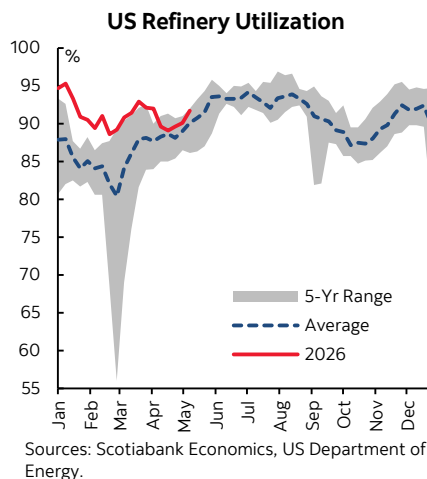


Chart 6

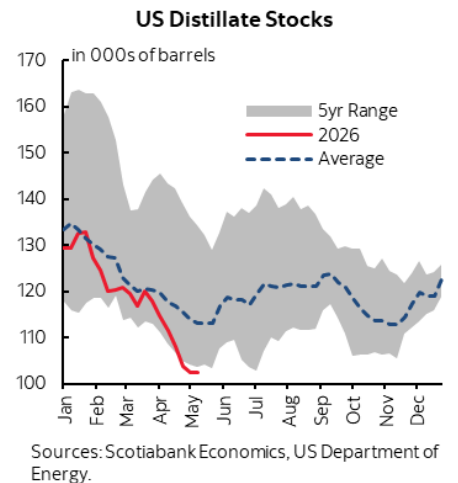


Chart 7

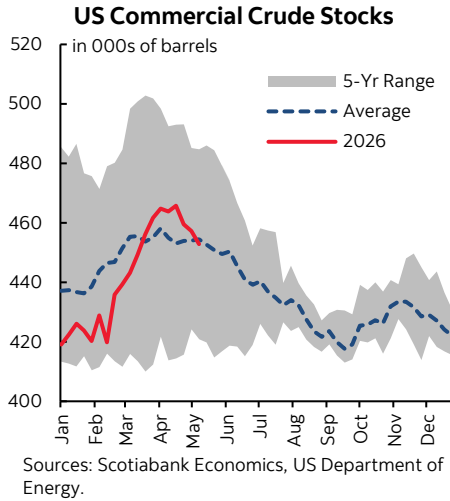


Chart 8

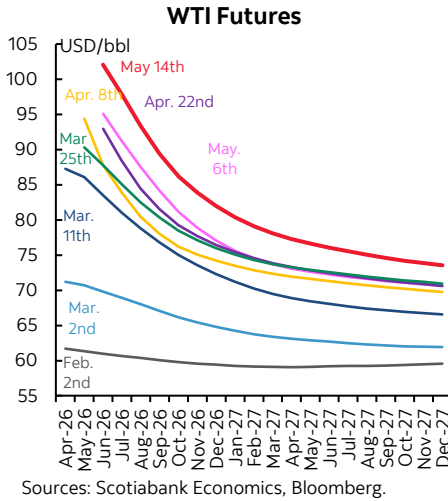
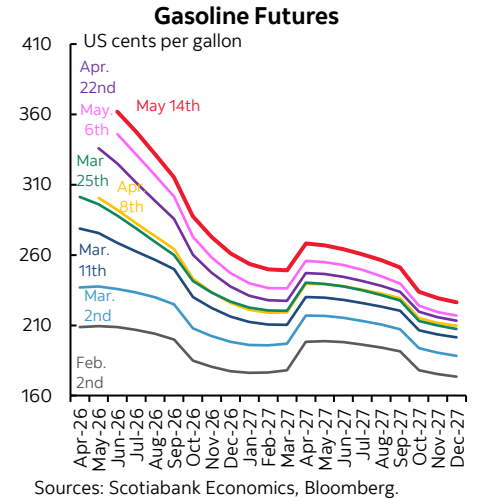


Chart 9



soybeans, 9% for live cattle and sharp gains for wheat. Most econometric models in Canada don't even include the effects of non-energy commodity prices and are thus wearing horse-blinders when it comes to evaluating these effects which is an important point to recall when considering their outputs for growth, inflation, incomes, rates etc. Surging Canadian export prices over import prices is like importing higher incomes through the back door (chart 11).

Chart 10



Chart 11



There are also important implications for relative policy rates. On that count, it's the real (inflation-adjusted) policy rate that matters, not the nominal rate. As chart 12 shows, the Fed is still marginally in positive real rate territory, although less so than previously which reflects some degree of accommodating the commodity shocks.

Chart 12

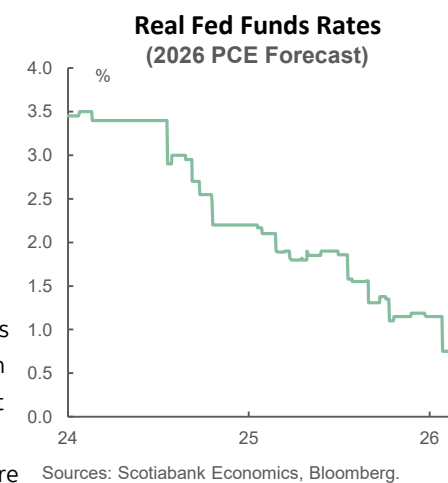
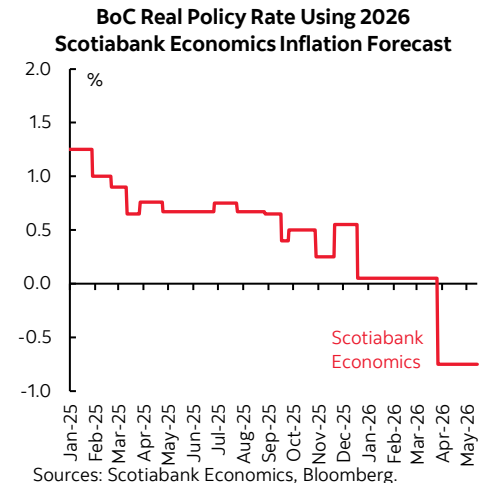


Chart 13



As chart 13 shows, however, Canada is in negative real rate territory and it probably hasn't hit bottom yet. I think our house forecast for inflation is on the low side and so the real rate is likely more negative than shown. The Bank of Canada is easing into a positive commodity shock to a country that produces a lot of them.

This is an unusual stance as fiscal policy also applies stimulus and Q1 GDP growth is tracking higher than once feared with the consumer playing a significant part (see later). Trade policy concerns are exaggerated as most Canadian exports to the US are compliant with the CUSMA/USMCA agreement at a depreciated and hence more competitive currency. My view remains that Trump will sing like a canary in settling for trade deals before a new Congress convenes in January and perhaps before the midterms. To go through two years of utter turmoil on trade that is making Americans pay higher prices with no grand deals would be failure.

The Federal Reserve is better positioned to handle the inflation shock going into inflation fears than the Bank of Canada is because the Fed has not turned as accommodative on the inflation shock.

With that, we turn to a preview of next week’s Canadian inflation figures before then considering other expected developments in a lighter than usual week. They will include Nvidia’s earnings on Wednesday (consensus EPS US\$1.76), FOMC minutes, Bank Indonesia’s policy decision, global PMIs, Canadian consumer spending and GDP tracking, UK PM Starmer’s problems, UK jobs and inflation, Aussie jobs and a few GDP reports. Any spillover effects of the underwhelming US-China Summit and further developments concerning Iran may also lie in store.

**CANADIAN CPI—WHO STOLE MY TAX CUT?**

Canada refreshes CPI figures for the month of April and this one could post a sharp acceleration that may challenge the Bank of Canada’s narrative.

I’ve estimated that CPI will rise by 1% m/m seasonally unadjusted (NSA), or about 0.9% m/m SA. That would be enough to raise the year-over-year rate to 3½%. There is a whole range of reasonable estimates between 0.5–1%+ m/m NSA but I’ll explain going relatively high.

First, note that the Bank of Canada’s April Monetary Policy Report said that inflation would crest at 3% y/y in April and then begin to turn lower. That may be aggressive and it’s unclear how the BoC may react to a material overshoot. 3% y/y in April would require that the month-over-month seasonally unadjusted change is no more than 0.5% NSA with no upward revisions given an unchanged year-over-year base effect even with the cessation of the consumer portion of the carbon tax last April.

An overshoot is feasible. We know gasoline prices and on a weighted basis they should contribute about 0.3% m/m NSA. Furthermore, April is normally a seasonal up-month for prices especially in recent years with core CPI likely to rise by 0.3–0.5% m/m NSA and I went relatively high on this factor (chart 14). This means that CPI could rise by 0.5% or more on just gasoline (0.3) and seasonal influences (anything 0.2 or over) before considering other factors.

Hoping for the fuel tax suspension that was implemented in April until Labour Day in September to drag the figures down is a pipe dream. First, the weighted effect if implemented at the start of the month would only be about a 0.2% m/m weighted drag on m/m CPI. The cut, however, was only implemented on April 20<sup>th</sup> and so the prorated impact on April CPI would only be about a half of one-tenth of a percentage point or less.

Furthermore, as a warning to the US that is reportedly considering a similar move, chart 15 shows where the money went. Refiners’ margins have risen by about fifteen cents per litre of gasoline since the fuel tax suspension ([here](#)). Refiners’ margins are calculated as the spread between the wholesale price of gasoline and the price of crude oil including transportation costs. Refiners’ margins now stand at a record high in cents per litre terms. The explanation for this lies in some combination of crowding-in the vacated tax space and the economics of the gasoline market that is tighter than the crude market. [These](#) folks make a similar argument for the US.

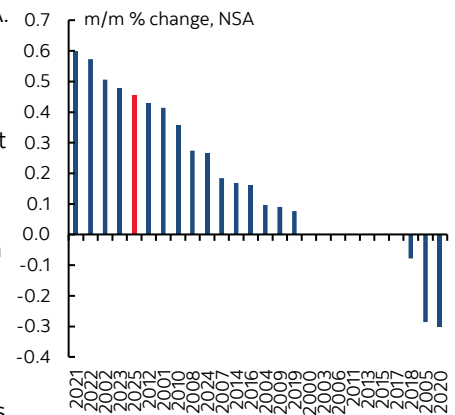
This shouldn’t come as much of a surprise. Changes in taxes like fuel excise or GST/HST taxes often invite incidence effects that can invite companies to crowd in space vacated by tax cuts by raising their own prices. That invites whether they are pursued as good economics or merely good politics.

There is a host of other factors that could add heat to April inflation. One is food prices for which I’ve only gone with a weighted 0.1% m/m NSA contribution to CPI. Another is the potential reversal of outlier moves among major price categories in March that were to the downside, like household operations and furnishings as well as clothing. Those two categories each shaved a weighted 0.1% m/m off CPI in March and were either side of 1% weaker than a normal m/m change.

What may be more difficult to estimate is potential pass through of higher commodity prices. That may be too soon to expect but is likely coming into the summer months. As previously noted, the whole WTI oil futures curve has pushed to new wartime highs and the Bank of

Chart 14

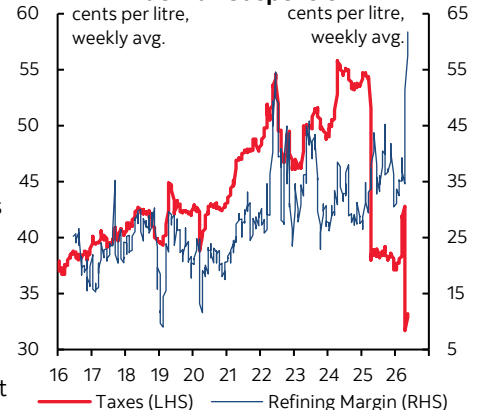
Comparing Canada Core CPI for Months of April



Sources: Scotiabank Economics, Statistics Canada.

Chart 15

Refining Margin Offsetting Federal Fuel Tax Suspension



Sources: Scotiabank Economics, GoC.

Canada’s commodity price index excluding energy is also approaching its prior peak during the outburst of inflation in the pandemic.

If passthrough arrives, then the lagging effects on core inflation from pre-war producer price pressures could be reinforced. Chart 16 shows the movement in core industrial prices and core CPI; we’re getting to roughly the point at which core CPI should be seeing pass through from pre-war influences, let alone wartime effects. And on that note, April’s producer prices will be updated on Friday.

In addition to uncertainty around the estimate, there is uncertainty around how the Bank of Canada could react should CPI already be tracking higher than they had hoped. Oil prices are moving in the direction of the BoC’s inflation shock scenario that warranted tightening as laid out in their April MPR. This is the last CPI reading before the June 10<sup>th</sup> BoC decision sans forecasts (next forecasts in July). A lot of other data will be on tap before that decision, however, including Q1 GDP (May 29<sup>th</sup>) and another jobs report on June 5<sup>th</sup>. External factors such as developments in the Middle East and external data could also sway the BoC’s bias.

I think there is a high bar set against moving the policy rate as soon as June but if CPI performs above the BoC’s expectations next week then OIS pricing by individual months could be affected from June onward.

What will help settle the matter may be tracking of core inflation. There were nascent signs that Canada may have been emerging from an inflation soft patch in March—similar to early 2024—and we’ll be looking for any additional trend signals (chart 17). Recall that weighted median CPI was quite low for four months and then suddenly jumped to 2¾% m/m SAAR in March. Trimmed mean CPI was also low for four months and then climbed by 2.2% m/m SAAR. Traditional core CPI ex-food and energy, however, dropped to 0% m/m SAAR with a negative revision partly due to clothing and household ops/furnishings prices. It’s kind of silly in my view to still hear people talking of that inflation soft patch in a totally different world going forward.

**CENTRAL BANKS—HOW MANY DISSENTERS?**

This will be a very light week for global central banks with most of the focus on FOMC meeting minutes as only one regional central bank is expected to weigh in against a divided consensus.

**FOMC Minutes—How Many?**

Wednesday’s FOMC minutes (2pmET) may add more insight into the divisions between hawks, neutral voices and doves.

We know that three FOMC officials—all regional presidents—explicitly dissented against language in the May statement that left the door open to a possible easing bias (Logan, Kashkari, Hammack). One more (Boston’s Collins) later revealed that she was a non-voting supporter of the dissenters. That makes almost one-quarter (4) of the 17 FOMC members and one-quarter (3) of the voting FOMC members who officially opposed any hint at easing. Will others be revealed? Watch the language that cites frequency of citation for an indication (one, a couple, a few, some, several, many, most etc).

The rest of the US calendar will be very light. Only weekly ADP private payrolls (Tuesday), pending home sales for April (Tuesday), jobless claims (Thursday) and housing starts for April (Thursday) are due out. There will be an early market close next Friday ahead of the Memorial Day long weekend.

**Bank Indonesia—Growth and Stability**

Only one regional central bank is scheduled to meet this week, with consensus evenly split between a 25 bps hike and a hold. Given the bank’s history of delivering surprises, such a divided outlook is nothing new.

Chart 16

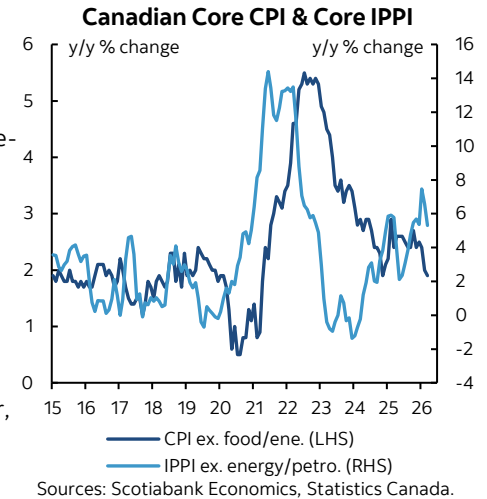


Chart 17

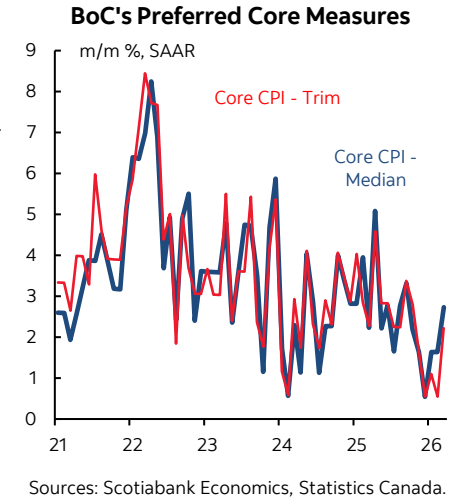
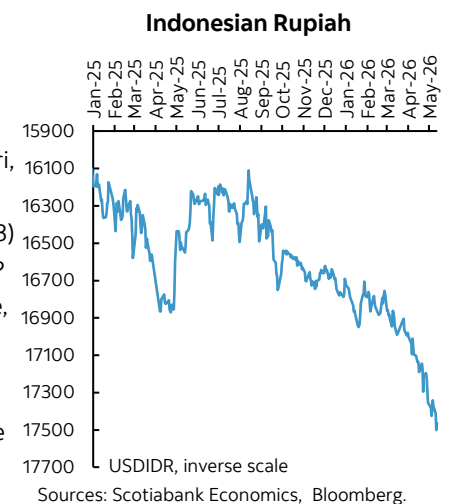


Chart 18



May 15, 2026

Bank Indonesia's policy decision on Wednesday remains finely balanced. April inflation data showed both headline and core readings at the midpoint of the 1.5–3.5% target range, supporting the case for keeping rates on hold. At the same time, however, the continued weakening of the rupiah against the U.S. dollar (chart 18), alongside persistently elevated global energy prices, strengthens the case for a rate hike. Q1 GDP also surprised to the upside, expanding by 5.6% y/y.

### UK TURMOIL — LESSONS FOR CANADA

The approaching 10-year anniversary of the Brexit vote is plodding ahead toward possibly the sixth prime minister since then as PM Starmer appears to be on the ropes. Japanese-style political instability is causing a renewed lack of confidence in UK markets in a lesson to Canadian separatists that would invite effects that would make Brexit look like child's play as argued in this past week's [weekly](#) that had a whole focus section on separation risk in Alberta and Quebec.

To briefly sum up developments, Labour's Health Secretary, Wes Streeting, resigned the other day to pave the way for Manchester Mayor Andy Burnham to run for parliament and contest Starmer's leadership via a by-election in Macclesfield. No date has been set and it's not assured that Burnham will a) win Labour's nomination and then b) win against Reform and the Greens. Starmer has faced a cabinet revolt and is deeply unpopular among voters with a YouGov polling showing that 69% of voters view him unfavourably. The lottery ticket crowd on Polymarket is betting that Starmer will be toast by year-end (chart 19).

Markets are trading on the view that Burnham would drive a major surge of gilts issuance and sharply relaxed fiscal policy; hello Liz. Of course he can say whatever when unencumbered by the constraints of office and would have to be judged by his stances in office and by what is viewed to be passable in Parliament with markets applying some discipline, but he has somewhat derisively said that the UK government had to "get beyond this thing of being in hock to the bond markets." Burnham wouldn't be the first naïve politician to dismiss bond markets only to be disciplined by them and himself could be a short-lived leader like Truss if he acted on his rhetoric and assuming he can topple Starmer which may not be too difficult to do.

So what's he all about that has gilts and sterling on edge? Burnham has favoured halving income taxes, lowering rents, utility bills, and transportation fares. Free utilities circa 1917 Bolsheviks?? Oh boy, better get ready for crammed subways and brownouts. He has advocated a plan to build dollops of new homes. He has sounded supportive of ramping up defence spending in a way that would fall outside of the budget. Cha-ching. Promises promises, how ya gonna pay for it all? These are knee-jerk reactions in markets in my opinion but the path will be informed by a series of possible next steps over coming weeks and months.

### GLOBAL MACRO

The rest of the calendar-based line-up will have a handful of key factors to consider. Global purchasing managers' indices will offer a soft data take on the current state of global supply chains. FOMC minutes, Canadian consumers, key UK data on jobs and inflation, Australian jobs, Bank Indonesia's latest decision and a few GDP reports will round it out. Jay and I will partner on parts of what follows.

#### Global PMIs—Illusory Resilience?

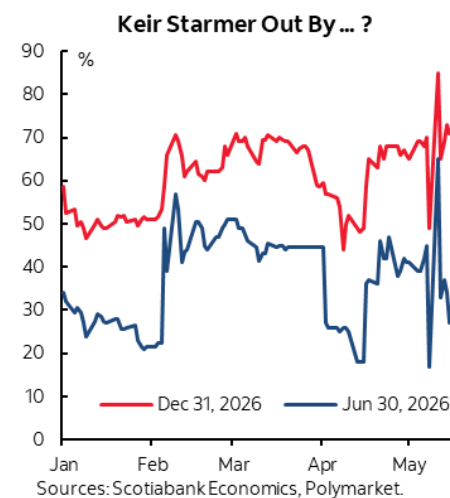
Global purchasing managers' indices will be updated with monthly readings for May. Japan and Australia kick it off on Wednesday evening followed by India, then the Eurozone and UK into Thursday morning followed by the US.

Recall that the last round of PMIs offered somewhat of an illusory sense of resilience. They signalled that growth was holding up, but primarily because of order front-running and stockpiling in anticipation of higher prices being passed through alongside supply shortages. Price guidance accelerated across markets to between the fastest inflation since the pandemic or on record depending on the country. At some point the order front-running phase will mature and give way to dealing with accelerating prices but it's unclear if that will happen just yet.

#### Canadian Consumers & GDP—Facts Versus Gloom

Canada only refreshes retail sales for March with April guidance on Friday once inflation is out of the way. Key will be to apply some facts to the often excessively gloomy coverage.

Chart 19



Canada has been tracking Q1 retail sales volume growth of around 6% q/q SAAR which aligns with around 4% q/q SAAR growth in goods consumption (chart 20) alongside healthy proxy measures for spending on services. Statcan had guided that March was tracking a nominal retail sales gain of 0.6% m/m SA. Details including volumes will be important to further inform the health of the consumer. Statcan will also simultaneously release April's retail sales nominal growth estimate sans details.

The consumer was looking rather buoyant to start off 2026. Pessimists—who were wrong with their gloom coming into Q1—will dismiss that strength as something to fade in the face of a commodity shock. We'll see, as commodity rallies in Canada tend to be followed by buoyant growth in aggregate household incomes in Canada —perhaps just not in Ottawa—while consumers allow the saving rate to adjust lower to keep on spending.

Regardless, there are implications for Q1 GDP tracking. Consumption appears to be strong. Inventories are likely to rebound from the 4% weighted drag on Q4 GDP and because of surging imports that may have occurred in order to front-run expected price increases as in the US (chart 21). An import gain as an import leakage effect from GDP could offset an inventory contribution to growth, leaving us to focus on what could be rather strong final domestic demand. Rate sensitive spending is getting a lift from other things like government spending. From very little to no growth expected or being previously tracked in Q1 at the start of the year, 2% q/q SAAR now seems plausible which would be double the estimate potential growth rate, thereby narrowing some slack in the economy just as commodities add inflation risk in addition to prior pre-war movements in producer prices. There may be upside to this Q1 GDP estimate given, for example, that we really have little ability to estimate the inventory side of the equation since Canadian monthly inventories are only available for manufacturing and wholesale whereas we get quarterly retail, resources and agricultural inventories after the fact.

**UK Jobs, Wages, and CPI—One of Two Rounds Before the BoE**

In the coming week, the UK will provide further updates on labour market conditions for March and April on Tuesday, followed by April inflation data on Wednesday, ahead of another set of labour market and inflation releases due shortly before and on the Bank of England's June 18<sup>th</sup> monetary policy meeting.

Given the ONS labour data's low response rates and elevated revision risk, the focus will be on the underlying trends rather than any single release. The UK's official employment data, which lags by a month, has risen in four of the past five months through February, while the unemployment rate fell to 4.9% from 5.2% previously. By contrast, payroll data, after revisions, has shown two consecutive months of decline following earlier modest gains. However, the next batch of releases will be key in assessing how the labour market is evolving through the Middle East conflict period and will better inform the Bank of England's policy outlook.

Importantly, progress has been made in stabilizing wage growth, which has moderated to around 2.5% on a three-month moving average basis, with the Indeed wage tracker pointing to further deceleration (chart 22). Core inflation in March was broadly in line with typical month of March, though it remains early to assess second-round effects. April's readings will provide further clarity on the trend, particularly around any persistence from second-round pressures and ongoing stickiness in services inflation.

**Australian Jobs—RBA Likely to Hold in June Regardless of Jobs**

Australia will also release its April labour market data on Wednesday, and it has continued to show resilience, with year-to-date job gains of around 90k. However, the unemployment rate has edged up by two-tenths to 4.3% from a recent low of 4.1%. Markets are currently pricing in around a 20% chance of a rate hike at the June 16<sup>th</sup> meeting, with a full hike priced by August. Any upside surprise in the labour market data might increase the probability of a June move, with another inflation print and Q1 GDP data due ahead of the meeting.

Chart 20

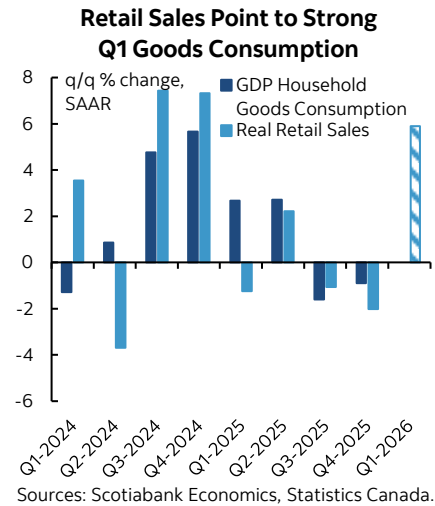


Chart 21

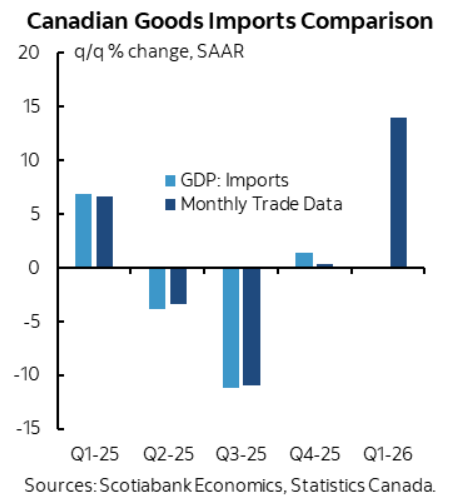
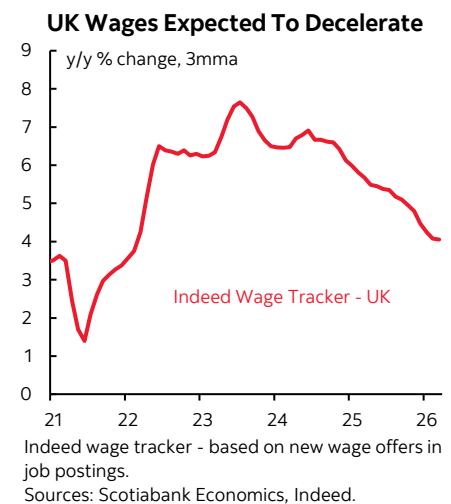


Chart 22



Nevertheless, the RBA had guided a pause when Governor Bullock said at the last meeting that the RBA can now “sit and see what happens.”

**Stale Q1 GDP Readings**

Just as markets largely ignored solid UK macro readings for Q1, they are likely to do the same for a batch of GDP readings due out from other countries this week.

Japan’s economy probably posted growth of around 1½% q/q SAAR in Q1 (Monday). Chile’s economy may remain on a slowing trajectory for y/y GDP growth toward 1% (Monday). Germany issues Q1 GDP revisions to the original 0.3% q/q SA estimate of marginal growth and this time releases details with the report.

Monthly economic activity proxies for growth will be released by Peru (Monday), Mexico (Friday) and Brazil (Friday).

See chart 23 for the layout of other releases by country and day.

**Chart 23**

Other Global Macro Indicators (May 18th - May 22nd)			
US	CA	CPI	Other Macro
<i>Monday</i>			
NAHB Housing Market Index		BZ Economic Activity	
		CL GDP Q1	
		PE GDP Q1	
		NZ Producer Prices Q1	
		JN GDP Q1	
<i>Tuesday</i>			
Pending Home Sales	CPI	MA	UK Job & Wages
	Building Permits		EC Trade
			JN Capacity Utilization
<i>Wednesday</i>			
MBA Mort. App		UK	SK PPI
			JN Machine Tool Orders, Trade, PMI
			AU Jobs
<i>Thursday</i>			
Building Permits		HK	FR PMI
Housing Starts		JN	GE PMI
Claims		EC PMI, Labour Cost Q1, Consumer Confidence	
Philadelphia Fed Index		UK PMI, Consumer Confidence	
<i>Friday</i>			
U of Mich - F	Retail Sales	UK Retail Sales	
	IPPI & Raw Materials Price Index	GE IFO Survey	

Sources: Scotiabank Economics, Bloomberg.

## Key Indicators for the week of May 18 – 22

## NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
US	05-18	10:00	NAHB Housing Market Index	May	--	34.0	34.0
US	05-18	16:00	Total Net TIC Flows (US\$ bn)	Mar	--	--	184.5
US	05-18	16:00	Net Long-term TIC Flows (US\$ bn)	Mar	--	--	58.6
CA	05-19	08:30	Building Permits (m/m)	Mar	--	3.7	-8.4
CA	05-19	08:30	Core CPI - Median (y/y)	Apr	--	--	2.3
CA	05-19	08:30	Core CPI - Trim (y/y)	Apr	--	--	2.2
CA	05-19	08:30	CPI, All items (m/m)	Apr	1.0	0.8	0.9
CA	05-19	08:30	CPI, All items (y/y)	Apr	3.5	3.0	2.4
CA	05-19	08:30	CPI, All items (index)	Apr	--	--	167.4
US	05-19	10:00	Pending Home Sales (m/m)	Apr	--	1.6	1.5
CA	05-19	08:30	Core CPI - Common (y/y)	Apr	--	--	2.6
CA	05-19	08:30	CPI SA, All items (m/m)	Apr	--	--	0.5
US	05-20	07:00	MBA Mortgage Applications (w/w)	May 15	--	--	1.7
MX	05-21	08:00	Retail Sales (INEGI) (y/y)	Mar	--	--	3.1
US	05-21	08:30	Building Permits (000s a.r.)	Apr P	--	1380.0	1363.0
US	05-21	08:30	Housing Starts (000s a.r.)	Apr	1420	1420.0	1502.0
US	05-21	08:30	Housing Starts (m/m)	Apr	-5.5	-5.5	10.8
US	05-21	08:30	Initial Jobless Claims (000s)	May 16	200	--	211.0
US	05-21	08:30	Continuing Claims (000s)	May 09	1770	--	1782.0
US	05-21	08:30	Philadelphia Fed Index	May	--	15.0	26.7
MX	05-22	08:00	Bi-Weekly Core CPI (% change)	May 15	--	--	0.1
MX	05-22	08:00	Bi-Weekly CPI (% change)	May 15	--	--	0.0
MX	05-22	08:00	GDP (q/q)	1Q F	--	--	-0.8
MX	05-22	08:00	GDP (y/y)	1Q F	--	--	0.1
MX	05-22	08:00	Global Economic Indicator IGAE (y/y)	Mar	--	--	-0.3
CA	05-22	08:30	IPPI (m/m)	Apr	--	--	2.4
CA	05-22	08:30	Raw Materials Price Index (m/m)	Apr	--	--	12.0
CA	05-22	08:30	Retail Sales (m/m)	Mar	0.6	0.7	0.7
CA	05-22	08:30	Retail Sales ex. Autos (m/m)	Mar	--	1.0	0.5
US	05-22	10:00	U. of Michigan Consumer Sentiment	May F	--	48.2	48.2

## EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>Consensus</u>	<u>Latest</u>
UK	05-19	02:00	Average Weekly Earnings (3-month, y/y)	Mar	3.7	3.8
UK	05-19	02:00	Employment Change (3M/3M, 000s)	Mar	104.0	25.0
UK	05-19	02:00	Jobless Claims Change (000s)	Apr	--	26.8
UK	05-19	02:00	ILO Unemployment Rate (%)	Mar	4.8	4.9
EC	05-19	05:00	Trade Balance (€ mn)	Mar	--	11511.9
GE	05-20	02:00	Producer Prices (m/m)	Apr	1.0	2.5
UK	05-20	02:00	CPI (m/m)	Apr	0.9	0.7
UK	05-20	02:00	CPI (y/y)	Apr	3.0	3.3
UK	05-20	02:00	RPI (m/m)	Apr	1.4	0.8
UK	05-20	02:00	RPI (y/y)	Apr	3.7	4.1
EC	05-20	05:00	CPI (m/m)	Apr F	1.0	1.0
EC	05-20	05:00	CPI (y/y)	Apr F	3.0	3.0
EC	05-20	05:00	Euro zone Core CPI Estimate (y/y)	Apr F	2.2	2.2
FR	05-21	03:15	Manufacturing PMI	May P	52.3	52.8
FR	05-21	03:15	Services PMI	May P	46.6	46.5
GE	05-21	03:30	Manufacturing PMI	May P	51.0	51.4
GE	05-21	03:30	Services PMI	May P	47.1	46.9
EC	05-21	04:00	Current Account (€ bn)	Mar	--	24.9
EC	05-21	04:00	Composite PMI	May P	49.0	48.8
EC	05-21	04:00	Manufacturing PMI	May P	51.7	52.2
EC	05-21	04:00	Services PMI	May P	48.0	47.6
IT	05-21	04:00	Current Account (€ mn)	Mar	--	3654.5
UK	05-21	04:30	Manufacturing PMI	May P	53.0	53.7
UK	05-21	04:30	Services PMI	May P	51.8	52.7

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for the week of May 18 – 22

## EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	Consensus	Latest
EC	05-21	05:00	Labour Costs (y/y)	1Q P	--	3.3
EC	05-21	10:00	Consumer Confidence	May P	-20.0	-20.6
UK	05-21	19:01	GfK Consumer Confidence Survey	May	-28.0	-25.0
GE	05-22	02:00	GfK Consumer Confidence Survey	Jun	-34.0	-33.3
GE	05-22	02:00	Real GDP (q/q)	1Q F	0.3	0.3
UK	05-22	02:00	PSNB ex. Interventions (£ bn)	Apr	--	12.6
UK	05-22	02:00	Public Finances (PSNCR) (£ bn)	Apr	--	28.5
UK	05-22	02:00	Public Sector Net Borrowing (£ bn)	Apr	20.0	12.6
UK	05-22	02:00	Retail Sales ex. Auto Fuel (m/m)	Apr	-0.3	0.2
UK	05-22	02:00	Retail Sales with Auto Fuel (m/m)	Apr	-0.6	0.7
GE	05-22	04:00	IFO Business Climate Survey	May	84.3	84.4
GE	05-22	04:00	IFO Current Assessment Survey	May	85.2	85.4
GE	05-22	04:00	IFO Expectations Survey	May	83.7	83.3

## ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
SI	05-17	20:30	Exports (y/y)	Apr	11.5	15.3
CH	05-17	22:00	Fixed Asset Investment YTD (y/y)	Apr	1.7	1.7
CH	05-17	22:00	Industrial Production (y/y)	Apr	6.0	5.7
CH	05-17	22:00	Retail Sales (y/y)	Apr	2.0	1.7
TH	05-17	22:30	GDP (q/q)	1Q	0.3	1.9
TH	05-17	22:30	GDP (y/y)	1Q	2.4	2.5
NZ	05-18	18:45	Producer Price - Inputs (q/q)	1Q	--	-0.5
NZ	05-18	18:45	Producer Price - Outputs (q/q)	1Q	--	0.1
JN	05-18	19:50	GDP (q/q)	1Q P	0.4	0.3
JN	05-18	19:50	GDP Deflator (y/y)	1Q P	3.1	3.4
JN	05-18		Nationwide Department Store Sales (y/y)	Apr	--	3.2
MA	05-19	00:00	CPI (y/y)	Apr	1.9	1.7
JN	05-19	00:30	Capacity Utilization (m/m)	Mar	--	-0.1
JN	05-19	00:30	Industrial Production (m/m)	Mar F	--	-0.5
JN	05-19	00:30	Tertiary Industry Index (m/m)	Mar	-0.4	-0.4
JN	05-19	00:30	Industrial Production (y/y)	Mar F	--	2.3
HK	05-19	04:30	Unemployment Rate (%)	Apr	--	3.7
CH	05-19	21:00	PBoC Loan Prime Rate 1-Year (%)	May 20	3.0	3.0
PH	05-19		Balance of Payments (US\$ mn)	Apr	--	-2600.0
MA	05-20	00:00	Exports (y/y)	Apr	9.3	8.3
MA	05-20	00:00	Imports (y/y)	Apr	1.7	10.4
MA	05-20	00:00	Trade Balance (MYR bn)	Apr	18.0	24.6
<b>ID</b>	<b>05-20</b>	<b>03:20</b>	<b>BI 7-Day Reverse Repo Rate (%)</b>	<b>May 20</b>	<b>5.00</b>	<b>4.75</b>
TA	05-20	04:00	Export Orders (y/y)	Apr	42.6	65.9
TA	05-20	04:20	Current Account Balance (US\$ mn)	1Q	--	69930.0
SK	05-20	17:00	PPI (y/y)	Apr	--	4.1
NZ	05-20	18:45	Trade Balance (NZD mn)	Apr	--	698.0
NZ	05-20	18:45	Exports (NZD bn)	Apr	--	7943.9
NZ	05-20	18:45	Imports (NZD bn)	Apr	--	7245.9
JN	05-20	19:50	Machine Orders (m/m)	Mar	-8.6	13.6
JN	05-20	19:50	Merchandise Trade Balance (¥ bn)	Apr	-45.3	643.0
JN	05-20	19:50	Adjusted Merchandise Trade Balance (¥ bn)	Apr	-214.3	90.7
JN	05-20	19:50	Merchandise Trade Exports (y/y)	Apr	9.2	11.5
JN	05-20	19:50	Merchandise Trade Imports (y/y)	Apr	8.5	10.9
JN	05-20	20:30	Markit/JMMA Manufacturing PMI	May P	--	55.1
AU	05-20	21:30	Employment (000s)	Apr	15.0	17.9
AU	05-20	21:30	Unemployment Rate (%)	Apr	4.3	4.3

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for the week of May 18 – 22

## 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>
HK	05-21	04:30	CPI (y/y)	Apr	2.0	1.7
SK	05-21	17:00	Consumer Confidence Index	May	--	99.2
NZ	05-21	18:45	Retail Sales Ex Inflation (q/q)	1Q	0.5	0.9
JN	05-21	19:30	National CPI (y/y)	Apr	1.6	1.5
ID	05-21	23:00	Current Account Balance (US\$ mn)	1Q	-4700.0	-2542.0
TH	05-21		Customs Exports (y/y)	Apr	19.3	18.7
TH	05-21		Customs Imports (y/y)	Apr	27.1	35.7
TH	05-21		Customs Trade Balance (US\$ mn)	Apr	-5852.0	-3339.5
MA	05-22	03:00	Foreign Reserves (US\$ bn)	May 15	--	129.7
TA	05-22	04:00	Unemployment Rate (%)	Apr	3.4	3.4
SI	05-22		Real GDP (y/y)	1Q F	5.2	4.6
SI	05-22		GDP (q/q)	1Q F	5.2	4.6

## 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>
BZ	05-18	08:00	Economic Activity Index SA (m/m)	Mar	--	--	0.6
BZ	05-18	08:00	Economic Activity Index NSA (y/y)	Mar	--	--	-0.3
CL	05-18	08:30	GDP (q/q)	1Q	--	--	0.6
CL	05-18	08:30	GDP (y/y)	1Q	--	--	1.6
PE	05-18		GDP (y/y)	1Q	--	--	3.2
CO	05-19	11:00	Trade Balance (US\$ mn)	Mar	--	--	-1235.0

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Global Auctions for the week of May 18 – 22

## NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	05-20	12:00	Canada to Sell C\$5.5 Billion of 2.75% 2028 Bonds
US	05-20	13:00	U.S. To Sell USD16 Bln 20-Year Bonds

## EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	05-18	05:30	EU to Sell Bonds
GE	05-19	05:30	Germany to Sell EU5 Billion of 2.5% 2031 Bonds
FI	05-19	06:00	Finland to Sell Bonds
DE	05-20	04:15	Denmark to Sell Bonds
SW	05-20	05:00	Sweden to Sell Bonds
GE	05-20	05:30	Germany to Sell EU5 Billion of 2.9% 2036 Bonds
SP	05-21	04:30	Spain to Sell Bonds
FR	05-21	04:50	France to Sell Bonds
UK	05-21	05:00	UK to Sell GBP4 Billion of 4.875% 2036 Bonds

## ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	05-17	23:35	Japan to Sell 5-Year Bonds
JN	05-19	23:35	Japan to Sell 20-Year Bonds
CH	05-19	23:35	China to Sell 85 Billion Yuan 2.2% 2056 Bonds
CH	05-21	22:35	China To Sell 3-Year New Bonds
CH	05-21	22:35	China To Sell 5-Year New Bonds

## LATIN AMERICA

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

## Events for the week of May 18 – 22

## NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	05-19	08:00	Fed's Waller in Moderated Discussion
US	05-19	19:00	Fed's Paulson Speaks on Economic Outlook
US	05-20	09:15	Fed's Barr Speaks on Consumer Financial Health
US	05-20	14:00	FOMC Meeting Minutes
MX	05-21	11:00	Central Bank Monetary Policy Minutes
US	05-22	10:00	Fed's Waller Speaks on Economic Outlook

## EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	05-18	03:35	BOE Rate-Setter Megan Greene Speaks in Italy
UK	05-18	04:30	BOE Rate-Setter Catherine Mann Speaks in Hungary
UK	05-19	04:10	BOE Deputy Governor Sarah Breeden Speaks
EC	05-19	08:00	ECB's Lane Speaks in Frankfurt
EC	05-19	09:55	ECB's Makhoul Speaks in Frankfurt
EC	05-20	03:00	Candidate for Bank of France Governor Speaks in Paris
<b>IC</b>	<b>05-20</b>	<b>04:30</b>	<b>7-Day Term Deposit Rate</b>
EC	05-21	05:00	ECB's Villeroy Speaks in Paris
UK	05-21	08:00	BOE Rate-Setter Alan Taylor Speaks
EC	05-22	02:15	ECB's Lane Speaks in Singapore
EC	05-22	05:00	Negotiated Wages
EC	05-22	07:30	ECB's Vujcic, Kazimir, Muller Speak in Ljubljana

## ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	05-16		BOJ Deputy Governor Himino Speaks: Society of Mon. Economics
AU	05-18	19:30	RBA's Hunter-Speech
AU	05-18	21:30	RBA Minutes of May Policy Meeting
CH	05-19	21:00	1-Year Loan Prime Rate
CH	05-19	21:00	5-Year Loan Prime Rate
<b>ID</b>	<b>05-20</b>	<b>03:20</b>	<b>BI-Rate</b>
JN	05-21		BOJ Board Member Koeda Speaks in Fukuoka

## LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
MX	05-21	11:00	Central Bank Monetary Policy Minutes
<b>PY</b>	<b>05-22</b>		<b>Monetary Policy Rate</b>

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	6.50	June 25, 2026	6.50	6.50

**Federal Open Market Committee (FOMC):** On Wednesday, the Federal Open Market Committee will release the minutes of its April 29th monetary policy meeting at 2pmET, where it kept policy rates unchanged. The key focus will be on the arguments put forward by the three dissenters, "who supported maintaining the target range for the federal funds rate but did not support inclusion of an easing bias in the statement at this time." In addition, watch for whether there was any discussion by them around the possibility of rate hikes. The minutes may also indicate whether this view was shared more broadly among other voting members or not in light of at least one nonvoting member who does.

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	June 17, 2026	1.75	1.75
Norges Bank – Deposit Rate	4.25	June 18, 2026	4.50	4.50
Central Bank of Turkey – Benchmark Repo Rate	37.00	June 11, 2026	37.00	37.00

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	4.35	June 16, 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	July 9, 2026	2.75	2.75
Bank Indonesia – BI-Rate	4.75	May 20, 2026	5.00	5.00
Central Bank of Philippines – Overnight Borrowing Rate	4.50	June 18, 2026	4.50	4.50

**Bank Indonesia:** Bank Indonesia's policy decision on Wednesday remains finely balanced, as it aims to support the rupiah and economic growth, with consensus evenly split between a 25 bp hike and a hold. April inflation data showed both headline and core inflation readings at the midpoint of the 1.5–3.5% target range, while Q1 GDP surprised to the upside—supporting the case for keeping rates on hold. At the same time, however, the continued weakening of the rupiah against the U.S. dollar, alongside persistently elevated global energy prices, strengthens the case for a rate hike

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	June 11, 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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