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GLOBAL ECONOMICS

THE GLOBAL WEEK AHEAD

August 7, 2026

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With thanks for research support from: Jaykumar Parmar.

Next Week's Risk Dashboard

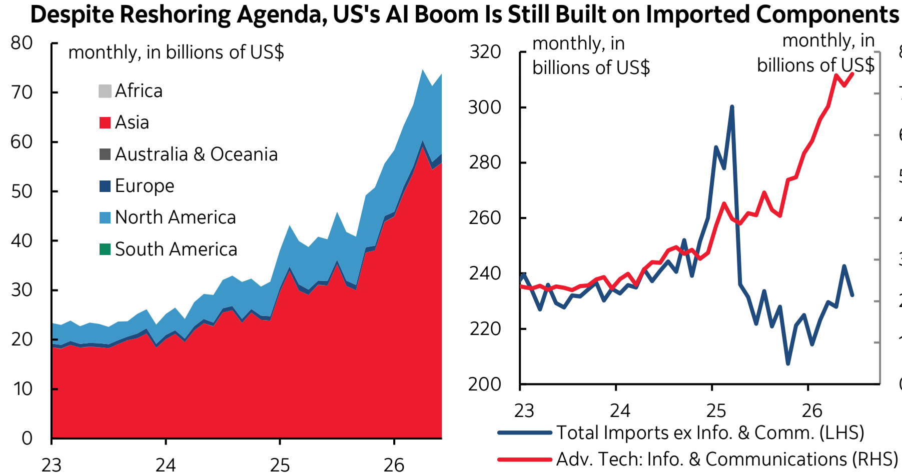
- **Will US CPI reinforce the impact of weak jobs on Fed pricing?**
- **The short and the long on US inflation**
- **The Fed and midterms**
- **The perils of bonds leading the Fed**
- **Trump v. Cook returns**
- **BCRP may hold but pressure is building**
- **Norges Bank will probably hold**
- **RBA is in watch and wait mode**
- **US retail sales and sentiment to inform consumer tracking**
- **UK data dump expected to depict further softening**
- **Inflation: China, Norway, India, Brazil, Colombia**

CUSMA vs. US Inflation

FORECASTS & DATA

Chart of the Week

Despite Reshoring Agenda, US's AI Boom Is Still Built on Imported Components



Sources: Scotiabank Economics, Census Bureau. Sources: Scotiabank Economics, Census Bureau.

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

August 7, 2026

CUSMA vs. US Inflation

The market's addiction to inflation tracking will get its latest fix this week. In fact, it's entirely conceivable that nothing else really matters in terms of calendar-based risk this week.

If I'm right in expecting an up-tick in core CPI, then any modest relief in rates after disappointing jobs numbers (recap **here**) could prove fleeting. If consensus is right in expecting a temperate reading, then it could reinforce reduced pricing for near-term tightening.

And yet there is a solid case for how this is all a very silly exercise marked by excessive dependency upon backward-looking data—stretching back five years in time—relative to forward-looking factors and excessive willingness by Chair Warsh to rely upon bond market signals. The CPI preview below will delve into these issues. At least as important could be how Chair Warsh defends Governor Cook and Fed independence if guidance that the administration is imminently moving toward removing her on the Board is intensified.

Other developments will include a few central bank decisions (the RBA, Norges, and BCRP) plus updates on US consumer spending, a round of UK macro reports and a few inflation readings.

CUSMA CRUNCH TIME

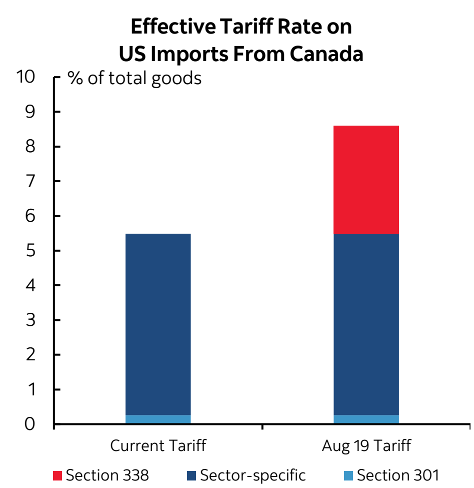
It's also going to be crunch time for Canadian and US trade negotiators. Either they must achieve a deal of some sort before the August 19th deadline set by Trump for additional Section 338 tariffs on about $20 billion worth of Canadian imports, or Trump extends the deadline which he is prone to doing while citing whatever excuse merits a delay. If the tariffs were to go ahead, then they would meaningfully add to the average effective tariff rate on Canadian imports into the US (chart 1). PM Carney has also warned that "everything is on the table" by way of retaliation if the US tariffs were to go ahead.

If media accounts fed by anonymous sources are on the mark, then a deal may be possible by Canada bending on US trade irritants in exchange for tariff relief on the most affected sectors like steel, aluminum, autos and lumber. The reported concessions by Canada—if accurate—would be pretty modest in that they would remove or lessen some forms of retaliation like limited Canadian tariffs on US imports principally on autos, the ban on US alcohol across the cooperating provinces, more tweaks to dairy quotas and at a sensitive moment with Quebec's referendum approaching in October, and some procurement policies.

Talk about the mother of all zero-sum, fruitless efforts if tariffs are meaningfully reduced in exchange for reduced retaliation. It could well be positioned as a victory for retaliation. In my opinion, Canada should hold resist short-term deals.

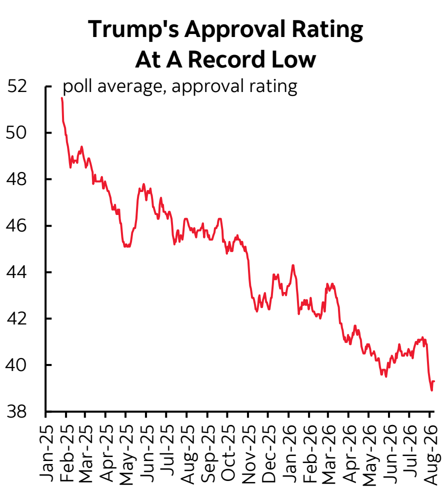
Canada holds most of the cards. The US faces midterms that have Trump and the GOP on the run (charts 2–4) whereas PM Carney holds a majority until no later than October 2029. Canada's economy and labour market are roaring ahead as punctuated by the latest jobs report (chart 5,

Chart 1



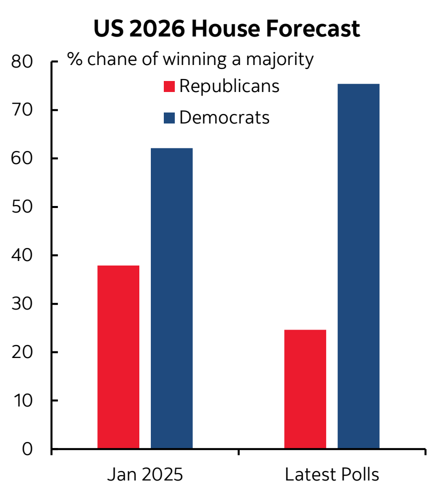
Source: Scotiabank Economics.

Chart 2



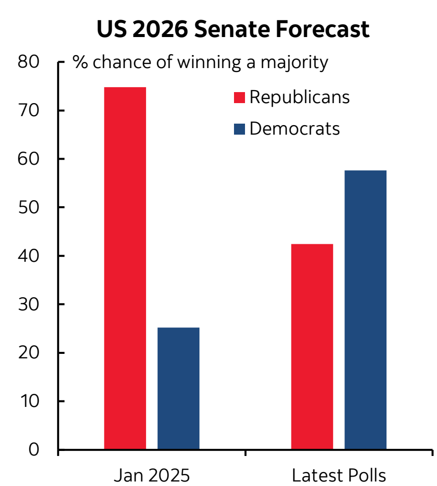
Sources: Scotiabank Economics, Real Clear Politics.

Chart 3



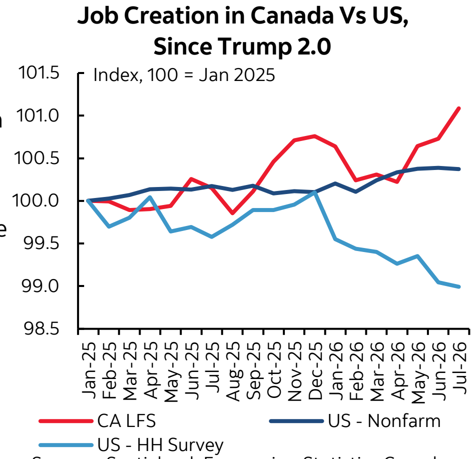
Sources: Scotiabank Economics, Racetothewh.com

Chart 4



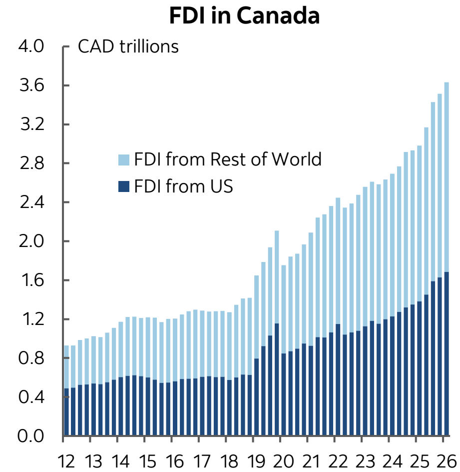
Sources: Scotiabank Economics, Racetothewh.com recap **here**). The US labour market is stumbling as noted. Tariffs and wars have been contributing factors to the US administration's affordability woes before voters and some of the special interests most affected by Canada's retaliation may rejoice should a deal be struck. The US war with Iran has benefited Canada in terms of buoying commodities and therefore driving improved terms of trade with trickle down effects through the economy. CAD has depreciated by about a couple of dimes to the dollar since 2021 to offset more than the tariff shock. Canadian fiscal policy is on the verge of sustainably adding to growth potentially for years to come while US fiscal policy is turning restrictive. Canada is dangling major projects that will be attractive to big investors at home and abroad and it's in US interests to participate in potentially trillions of dollars of such projects over time. Foreign direct investment into Canada is on a tear with countries other than the US leading (chart 6). A part of this is that Canada is raising spending on defence with major contracts like military jets yet to be decided upon. Canadian exports are trending up for several quarters and diversifying away from the United States (chart 7 and **here**). Canadian financial markets are also doing rather well with lower bond yields, tight credit spreads and one of the few global stock markets to outperform the US since the day before the US election in 2024 (chart 8).

Chart 5



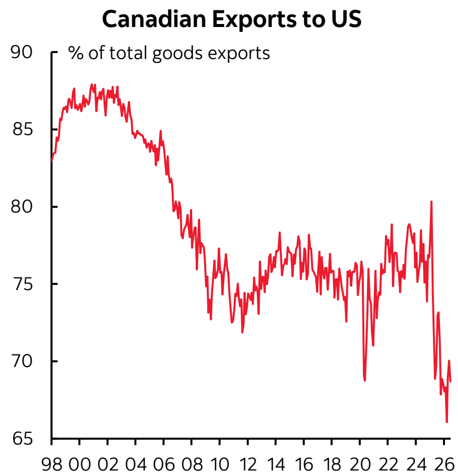
Sources: Scotiabank Economics, Statistics Canada, Bureau of Labor Statistics.

Chart 6



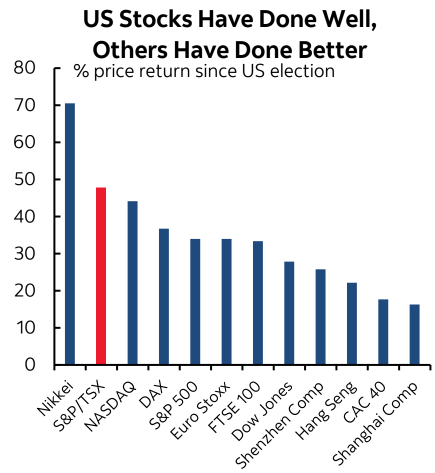
Sources: Scotiabank Economics, Statistics Canada.

Chart 7



Sources: Scotiabank Economics, Statistics Canada.

Chart 8



Sources: Scotiabank Economics, Bloomberg.

Waving a shiny new trade deal before the electorate and signalling improved cooperation with allies may resonate well on November 7th. Continued divisions on all fronts may not. A deal before the new Congress convenes in January would raise the possibility of DJT's signature going on it rather than having to then negotiate with the Democrats should they take one or both chambers. Just be careful about the durability of that signature in terms of keeping that ace in the hole.

US INFLATION—THE SHORT AND THE LONG OF IT

Another round of US inflation readings lands this week. It may be influential to pricing the FOMC's policy decision on September 16th along with one more batch of such figures before then. CPI and producer prices will be updated with July readings on Wednesday and Thursday respectively. Taken together they will help to firm up expectations for what has historically been treated as the Fed's preferred PCE inflation readings which is now up in the air because of Chair Warsh's taskforces.

CPI is estimated to have increased by 0.2% m/m SA which would mean an unchanged 3½% y/y rate of change in prices. Core CPI is estimated to rise by 0.3% m/m SA which would keep the year-over-year rate at 2.6%.

July is normally a mild seasonal up-month for unadjusted prices (chart 9) and the seasonal adjustment factor has been lower in the pandemic-era than prior years (chart 10) which could restrain the pace of price increases compared to like months of July in history.

Gasoline will be a modest downside which is part of the reason behind a weaker headline estimate than for core CPI. Food prices are expected to be a small contributor. Year-ago base effects would drop the y/y rates of headline and core inflation if prices were unchanged over June. New vehicle prices appear to have slipped in seasonally adjusted terms.

I'm expecting a sharp rebound in core service prices (CPI services ex-housing services and energy services). The prior month's plunge was rather anomalous. Categories like airfare, for example, do not appear to have experienced the same drop in July as in June whether in terms of domestic airfare (chart 11) or international airfare.

Core goods prices (ex-food and energy) may also be ripe for an acceleration partly on a combination of maturing tariff effects (for now, TBC) but also amid ongoing watch over potential pass-through effects from higher commodity prices.

Short-Term Inflation Risk is High…

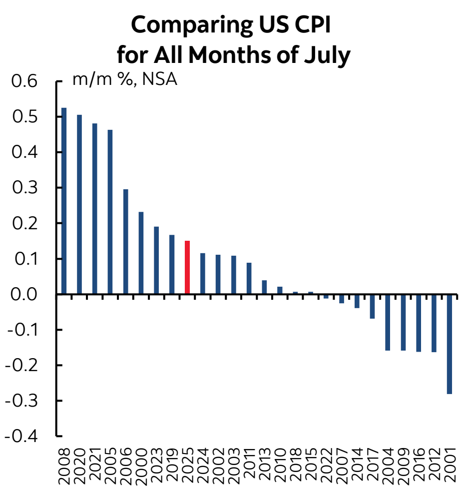
Herein lies the rub. I buy that near-term inflation risk remains elevated and an overly data dependent FOMC may well react by raising rates. In the context of lagging effects of monetary tightening, however, I don't see this as appropriate in the face of how inflation risk is likely to evolve in a medium-term sense.

In terms of nearer term inflation risk, breadth is challenging (chart 12). Shipping costs are soaring (chart 13). Inventories are tightening which means that the ability to mitigate inflation by selling down stockpiles at older prices may be maturing (chart 14). Soft data like ISM-prices paid point to rising inflation (chart 15). The US economy remains in excess demand as measured by output gaps (chart 16). Heavy AI investment is clearly driving prices for electronics and communications equipment sharply higher (chart 17). If monetary policy were to be driven exclusively or mostly by near-term inflation risk, then this evidence could easily support hiking.

…but Not Unambiguously Amid the Risk of Longer-Run Disinflation…

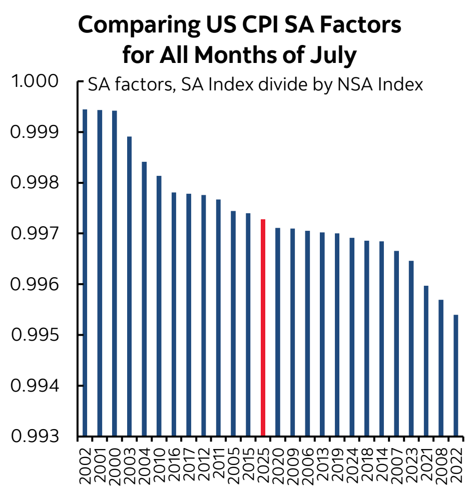
And then there is the other side of the coin. Housing inflation continues to diminish (chart 18). The lagging effects of market measures suggest that housing inflation could remain tame into next year (chart 19). Shelter is about 35% of the CPI basket mostly through owners'

Chart 9



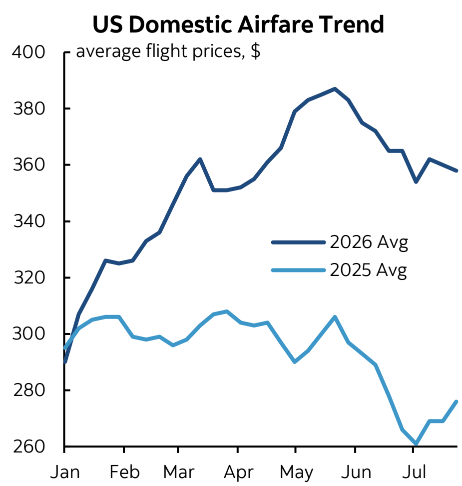
Sources: Scotiabank Economics, BLS

Chart 10



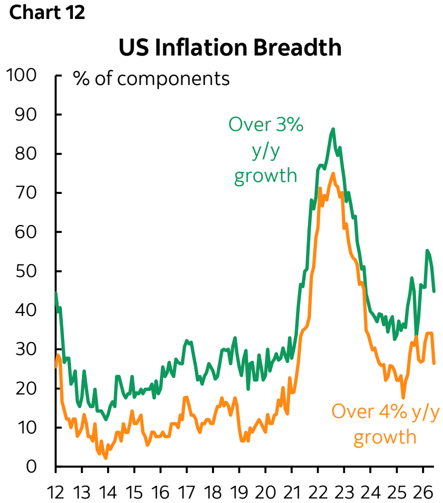
Sources: Scotiabank Economics, BLS

Chart 11



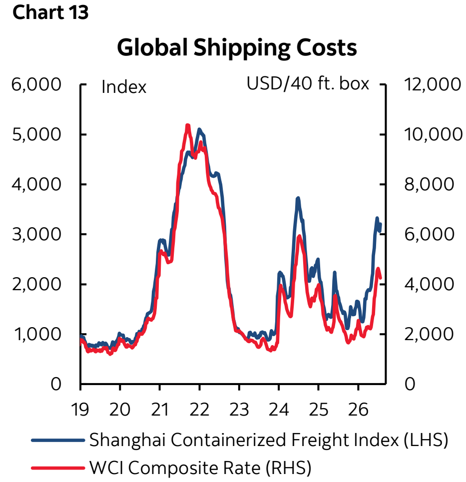
Sources: Scotiabank Economics, Kayak.

Chart 12



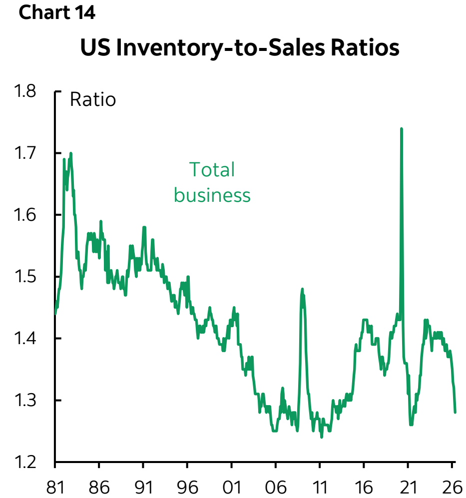
Sources: Scotiabank Economics, BLS.

Chart 13



Sources: Scotiabank Economics, Drewry World Container Index, Shanghai Shipping Exchange.

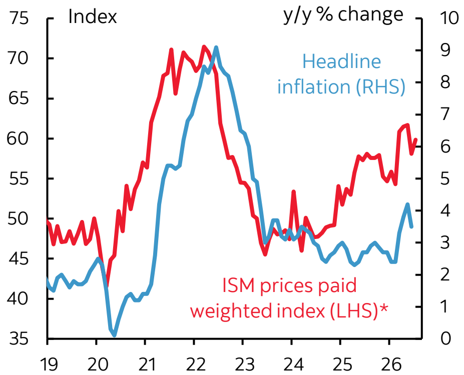
Chart 14



Sources: Scotiabank Economics, US Census

Chart 15

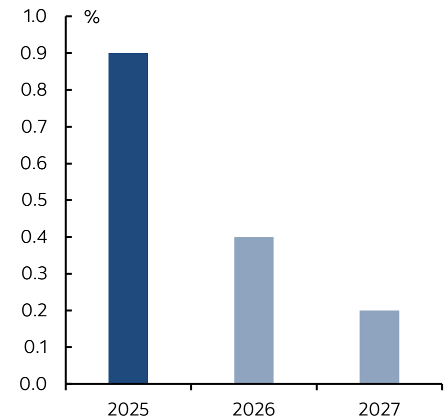
ISM Prices Paid vs Inflation



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

Chart 16

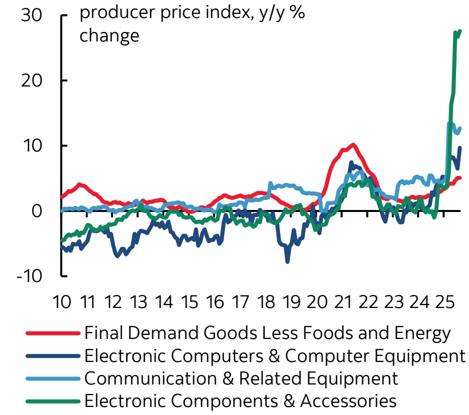
US Output Gap



Source: Scotiabank Economics.

Chart 17

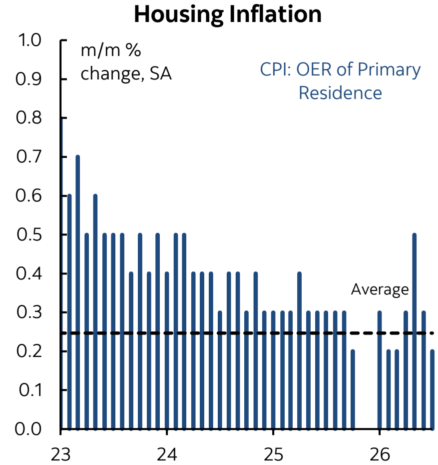
From Data Centers to Factory Gates: AI's Inflation Footprint



Sources: Scotiabank Economics, BLS.

Chart 18

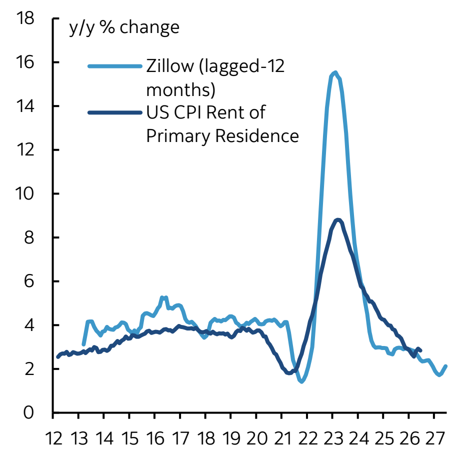
Housing Inflation



Sources: Scotiabank Economics, BLS.

Chart 19

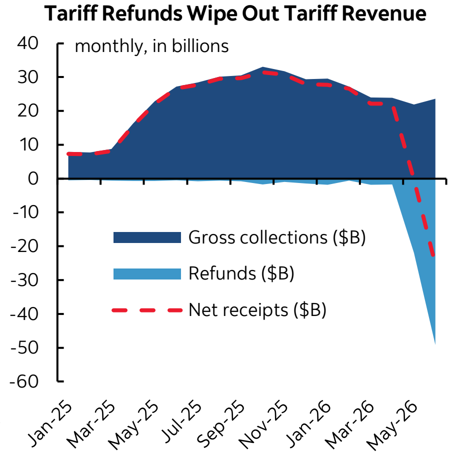
US CPI Rent vs Zillow



Sources: Scotiabank Economics, BLS, Zillow.

Chart 20

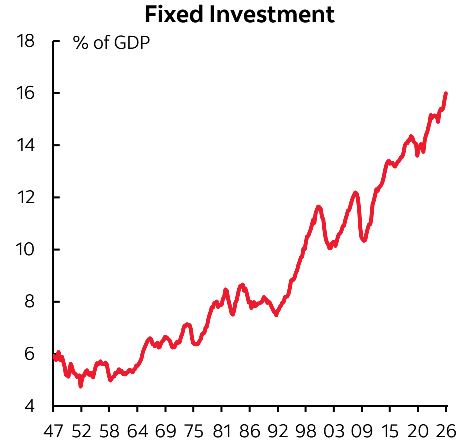
Tariff Refunds Wipe Out Tariff Revenue



Sources: Scotiabank Economics, Monthly Treasury statements, Tax Foundation.

Chart 21

US Real Private Nonresidential Fixed Investment



Sources: Scotiabank Economics, BEA.

equivalent rent but also primary rent. It's a large chunk of the basket but PCE cuts that weight by more than half (15½%) and therefore relatively downplays this form of disinflation.

Further, tariff refunds due to struck-down tariffs are swamping tariff collections and driving net disbursements back to companies who may use the proceeds to hold off on price hikes (chart 20). USD strength may be helping to restrain some price pass through effects. And whatever happens to core goods inflation encounters the reality that the trend has been weak. Further, the extent to which surging AI-driven prices for electronics and communications equipment spills over into other goods may cause disinflationary second-round effects by discouraging purchases. Fm2c, you can keep your phones amid coming price hikes.

As previously shown, we also forecast that the output gap will become more balanced as heavy investment drives the supply side alongside expectations for moderate growth.

The supply side is expanding because the investment stock in the US is climbing rapidly (charts 21, 22). It's not a miracle per se. It's not because of tariffs bringing home investment despite the administration's claims. In fact, over time, that could cause the opposite effect; I would argue that history shows when countries build protectionist walls it lessens competitive pressures which results in less focus upon doing the things to remain competitive. The capital stock decays, factories fall into ruin, and competitiveness suffers. Hello Soviet Union as an extreme example.

Rather, rapidly rising investment is being aided by heavy subsidies that includes making permanent the 'bonus' write-offs as the BBB did. Bonus depreciation for equipment purchases allows deducting the cost of investment and started at 30% in 2002, was increased to 100%

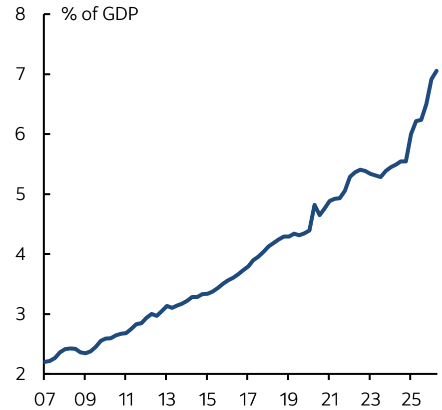
(ie: full-year write-offs) in 2018 under the Tax Cuts and Jobs Act during Trump 1.0, was then curtailed by the Biden administration, and then raised back to 100% and made permanent in the BBB Act (chart 23).

The trillion-dollar question is whether this will drive a subsidized productivity bonanza, or a lot of waste through a capital overhang in the US economy alongside a fiscal mess that fails to rein in deficits after years of procyclical fiscal policy. It might also weaken the labour market and hence the other half of the Fed's dual mandate by raising the capital:labour ratio. I don't have a full answer for all of that, but it would be imprudent not to be on guard. Not all of the investment going into AI will reveal winners, just as the rapid expansion of firms in the early days of the auto industry did not. Not all of that investment will be monetized into something useful. At some point, stimulating investment through subsidies beyond what free market forces would have otherwise invested may bring forward investment and create a vacuum in its aftermath. An extreme example of this was China coming out of the GFC.

On the demand side, fiscal policy is moving toward tightening using the measure in chart 24 that sums up expenditure and taxation policies across all levels of government. Real wage pressures, an increasingly depleted saving rate (chart 25), a negative housing wealth effect amid falling real house prices, and AI's likely effects on jobs may restrain consumers.

Chart 22

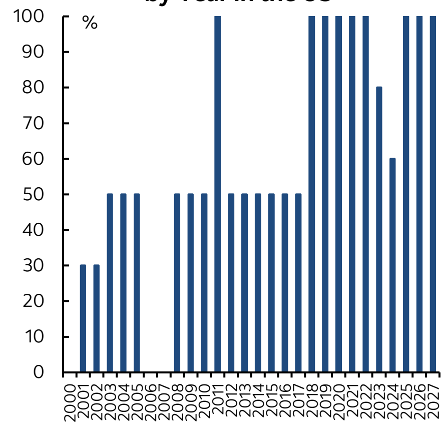
US Real Pvt Fixed Invest: Info Processing Equip/Software



Sources: Scotiabank Economics, BEA.

Chart 23

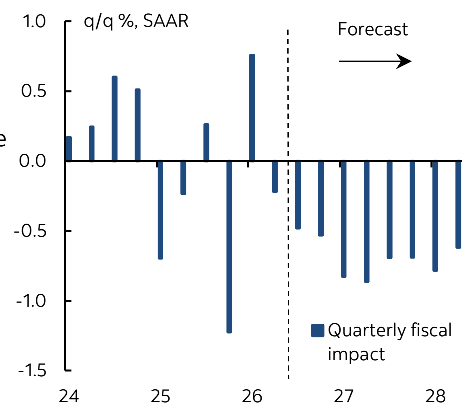
Bonus Depreciation Percentage by Year in the US



Sources: Scotiabank Economics, Tax Foundation.

Chart 24

Contribution of Fiscal Policy to Real GDP Growth



Sources: Scotiabank Economics, Hutchins Center.

Chart 25

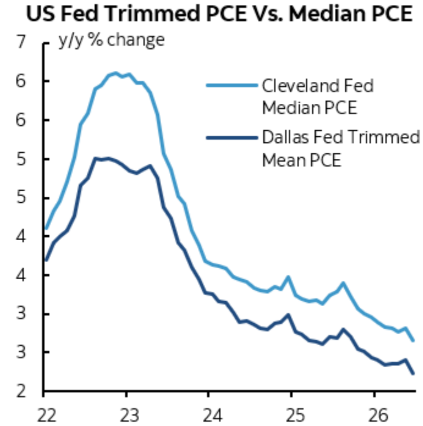
US Personal Savings Rate

Sources: Scotiabank Economics, US BEA.

There is also the very important consideration of whether today's inflation is as generalized as popular narratives suggest, or more narrowly driven in a relative price shock. Trimmed mean and weighted median price measures lean more toward the latter argument relative to headline measures of inflation (chart 26). The supply chain shocks of the pandemic are confronted by today's supply side expansion. The demand surge coming out of the pandemic has no parallel today. Moderate nominal wage growth and a relative price shock combine to present the risk of second-round disinflationary pressures as households spend more upon what they must to a degree—namely energy and groceries—and have less to spend on other things.

Chart 26

US Fed Trimmed PCE Vs. Median PCE



Sources: Scotiabank Economics, Dallas Fed, Cleveland Fed.

...and the Perils of Fed Reliance Upon Markets

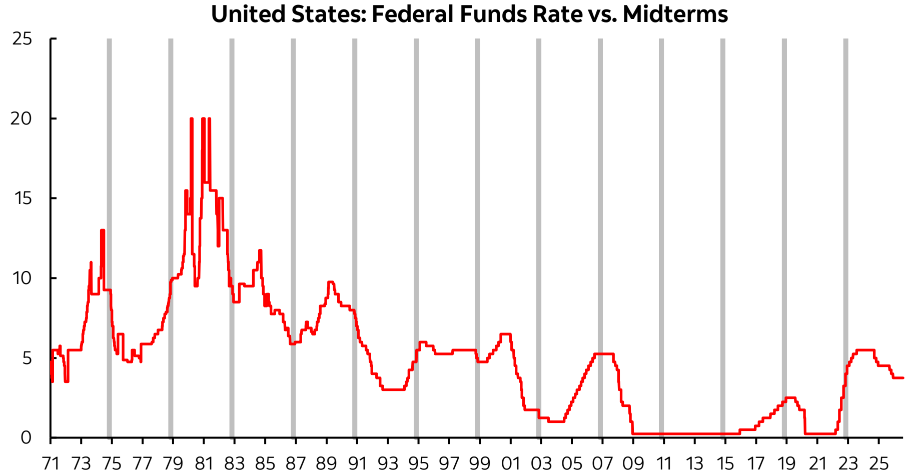
And so enter two cautions on market attitudes in terms of what the Fed should do. Markets are pricing just over half of a hike by the September 16th decision and most of a hike by October.

The first caution is that would be a first in the sense that the Fed has never commenced a hiking cycle in September or October during midterm election years (chart 27). Continued, yes, but not started. That doesn't mean it's impossible, but under current political realities, you'd better have extreme confidence that you're doing the right thing to avoid stiffer Congressional oversight and more enemies in Washington. The Fed's history of mistakes should make it very cautious from a credibility standpoint. At least in the shorter run, the political calculus to the Fed is likely to be riskier if they hiked pre-midterms than held until after and reevaluated.

The second caution is about Warsh's apparent willingness to take his cues on appropriate policy from the bond market. Talk about the tail wagging the dog.

For example, had the Fed conducted policy in line with what markets believed about inflation risk coming out of the GFC then the Fed might have hiked by hundreds of basis points and caused a depression rather than a subdued period of growth. Markets and umpteen op-eds by the WSJ thought the biggest risk to Fed balance sheet expansion was a massive spurt of inflation; they didn't get that narrow money expansion was a pittance against broad money destruction and what was happening to money multipliers and velocity.

Chart 27



Source: Scotiabank Economics, Bloomberg

An opposite example is that had the Fed abided by what markets were pricing when SVB collapsed and regional banks were under pressure in 2023, then it might have slashed rates and created a bigger subsequent inflation problem as markets did not understand that the Fed had other tools for addressing these challenges. For example, the June 2023 OIS contract was pricing about 100bps of easing and the 2-year Treasury yield had plummeted by about 125bps which the FOMC was correct to have looked through.

Overall, amid the uncertainty, I would prefer to see a patient Fed. If you by chance recall anything I wrote in the pandemic, then that wasn't my argument then; the Fed's muddled interpretation of its mandate and data led to it raising rates too late. The risk is the opposite today (ie: mistimed tightening), but the probability of error may be similar.

CENTRAL BANKS—THREE PROBABLE HOLDS*

Three central banks will offer updated decisions this week. Each one is expected to stay on hold but at least two of them offer uncertain hawkish risks, hence the asterisk in the header.

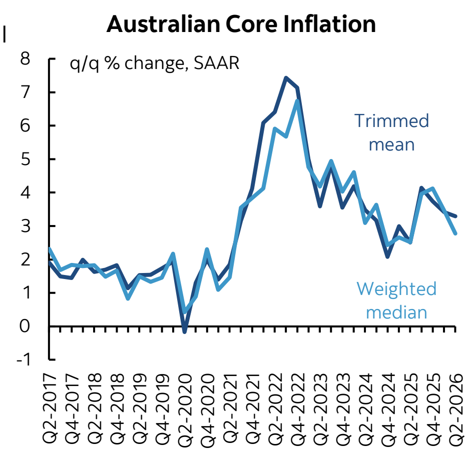
RBA—Watching and Waiting

Australia's central bank weighs in with a decision on monetary policy on Tuesday. Consensus unanimously expects a hold at a cash rate target of 4.35%. Markets are aligned with consensus and are only pricing half of a quarter point hike by year-end.

After 75bps of hikes this year, the RBA appears to be satisfied with evaluating the effects before deciding upon next steps. Slight undershooting of Q2 CPI inflation measures relative to consensus bought a bit more time for this evaluation phase (chart 28). By contrast, the labour market remains very strong with 120k jobs created in the past two months and 161k so far this year.

Nevertheless, the broad tone is likely to land on the hawkish side of neutral. That could come in terms of verbiage, or by letting updated forecasts do the talking.

Chart 28



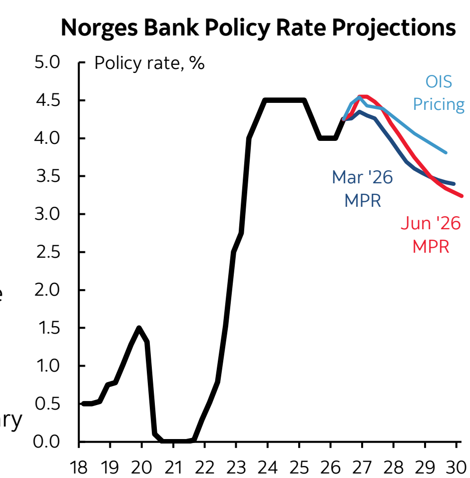
Sources: Scotiabank Economics, Australian Bureau of Statistics.

Norges—Tightening Bias

Thursday's decision by Norway's central bank is a little more uncertain. Consensus is somewhat divided on hold versus hike scenarios. Markets have only less than a one-in-four chance of a hike at this meeting but most of a hike priced by September and a full hike priced by year-end.

In the hike camp is prior guidance from Governor Ida Wolden Bache who said after the last decision "the Committee's current assessment of the outlook implies that it will likely be necessary to raise the policy rate further at one of the forthcoming monetary policy meetings." Chart 29 depicts their explicit forward rate guidance as at June. Ok, so which one, and how likely?

Chart 29



Sources: Scotiabank Economics, Norges Bank.

It's not very likely at this meeting. The most recent underlying CPI inflation reading for June surprised lower at 2.7% y/y (3.3% consensus, 3.4% prior). What complicates matters, however, is that Norway updates CPI for July on Monday and some expect underlying inflation to snap higher. Combined with volatility around elevated energy prices that matter enormously to Norway's economy, this could be enough to tilt the balance either to a hike or more hawkish guidance.

BCRP—In Motion

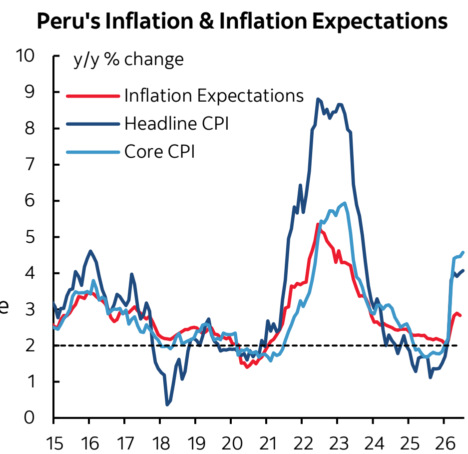
Peru's central bank is expected to remain on hold at a reference rate of 4.25% on Thursday evening (ET). There may be a hawkish tinge to the communications going forward.

The BCRP stayed on hold as inflation soared amid political uncertainty. Some of this uncertainty has dissipated with right-leaning President Keiko Fujimori taking office following a lengthy election campaign. Now the focus turns to what combination of policy measures may be pursued.

Fiscal and regulatory policies will be closely monitored in terms of potentially aiding growth. Draft legislation is in the works to reform the tax system in a more growth friendly manner. The legislation reportedly opens the prospect of raising interest rate caps on lending that could stoke more lending activity. There is also talk of easing regulatory measures in the mining sector.

With core inflation running at 4½% and on the rise and inflation expectations on the rise alongside potentially growth-friendly policy changes (chart 30), the BCRP could be put in a position of responding with a tightening stance especially due to upside inflation risks stemming from a potentially severe El Niño event and tensions in the Middle East.

Chart 30



Sources: Scotiabank Economics, Central Bank of Peru.

GLOBAL MACRO—US CONSUMERS AND THE UK ECONOMY

Beyond what has already been addressed, the handful of other key developments on tap will be mostly skewed toward assessing the health of the US consumer and the UK economy. Off-calendar risk will remain focused upon developments in the Middle East and perhaps CUSMA trade negotiations.

US markets will be obsessed with aforementioned inflation readings and with little else to noodle over the coming week. Existing home sales could soften in July's reading (Tuesday) given soft tracking of pending home sales. Retail sales during July (Friday) are expected to post a modest gain in total sales and a slightly warmer gain in sales ex-autos as auto sales slipped in July. Ninety minutes after retail sales will see attention pivot toward UMich consumer sentiment that is expected to slip on cash flow drivers like higher energy prices.

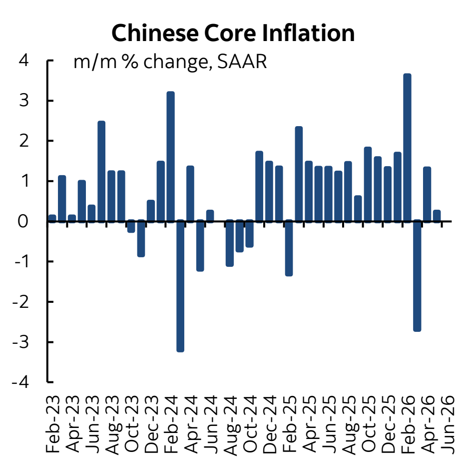
European markets will be dominated by attention to UK macro readings and with little else by way of calendar-based risk. Thursday will be the big day when the UK dumps a massive line-up of readings. Q2 GDP growth is expected to be moderate with estimates between about 0.2–0.6% q/q SA nonannualized. Consumption is expected to be soft along with investment, but net trade could offer a lift. The economy is expected to have slipped in June's GDP reading and we'll get the breakdown in terms of industrial output, services output, construction activity and net trade in the same batch of readings.

Canadian markets could be primarily driven by spillover effects from US inflation and developments abroad alongside any headline risk emanating from trade negotiations with the US ahead of the following week's threatened US tariff deadline and potential Canadian retaliation. Data risk will be low. Manufacturing shipments (Friday) are expected to be flat after a solid prior gain, but mostly due to lower energy prices in June before they rebounded. Wholesale trade is expected to post a strong gain based upon advance guidance from Statcan (Friday).

Norway's CPI for July (Monday) has already been noted in the Norges Bank section.

Elsewhere the focus will be upon a sprinkling of inflation readings out of China (August 8th) amid a waning trend (chart 31), Colombia (higher core, Monday), Brazil (softer, Tuesday) and India (steady, Wednesday).

Chart 31



Sources: Scotiabank Economics, China National Bureau of Statistics.

Key Indicators for the week of August 10 – 14

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	08-11	08:00	Industrial Production (m/m)	Jun	--	--	-0.8
MX	08-11	08:00	Industrial Production (y/y)	Jun	--	0.8	-0.7
US	08-11	10:00	Existing Home Sales (mn a.r.)	Jul	4.0	4.1	4.1
US	08-11	10:00	Existing Home Sales (m/m)	Jul	-2.2	-1.0	-2.4
US	08-12	07:00	MBA Mortgage Applications (w/w)	Aug 07	--	--	-2.9
CA	08-12	08:30	Building Permits (m/m)	Jun	--	--	-1.7
US	08-12	08:30	CPI (m/m)	Jul	0.2	0.1	-0.4
US	08-12	08:30	CPI (y/y)	Jul	3.5	3.4	3.5
US	08-12	08:30	CPI (index)	Jul	--	334.3	334.0
US	08-12	08:30	CPI ex. Food & Energy (m/m)	Jul	0.3	0.2	0.0
US	08-12	08:30	CPI ex. Food & Energy (y/y)	Jul	2.6	2.5	2.6
US	08-12	14:00	Treasury Budget (US$ bn)	Jul	--	--	-120.3
US	08-13	08:30	Initial Jobless Claims (000s)	Aug 08	200	202.5	199.0
US	08-13	08:30	Continuing Claims (000s)	Aug 01	1785	--	1801.0
US	08-13	08:30	PPI (m/m)	Jul	0.2	0.2	-0.3
US	08-13	08:30	PPI ex. Food & Energy (m/m)	Jul	0.3	0.3	0.2
CA	08-14	08:30	Manufacturing Shipments (m/m)	Jun	-0.1	-0.1	1.3
CA	08-14	08:30	Wholesale Trade (m/m)	Jun	2.7	2.7	0.0
US	08-14	08:30	Retail Sales (m/m)	Jul	0.2	0.2	0.2
US	08-14	08:30	Retail Sales ex. Autos (m/m)	Jul	0.3	0.2	-0.2
US	08-14	10:00	Business Inventories (m/m)	Jun	--	--	0.3
US	08-14	10:00	U. of Michigan Consumer Sentiment	Aug P	54.0	54.1	55.2

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	08-12	02:00	CPI (m/m)	Jul F	0.8	0.8
GE	08-12	02:00	CPI (y/y)	Jul F	2.8	2.8
GE	08-12	02:00	CPI - EU Harmonized (m/m)	Jul F	0.9	0.9
GE	08-12	02:00	CPI - EU Harmonized (y/y)	Jul F	2.8	2.8
IT	08-12	04:00	CPI (m/m)	Jul F	0.2	0.2
IT	08-12	04:00	CPI (y/y)	Jul F	2.8	2.8
IT	08-12	04:00	CPI - EU Harmonized (m/m)	Jul F	-1.0	-1.0
IT	08-12	04:00	CPI - EU Harmonized (y/y)	Jul F	2.9	2.9
RU	08-12	12:00	Real GDP (y/y)	2Q A	0.90	-0.20
GE	08-12		Current Account (€ bn)	Jun	--	10.4
UK	08-13	02:00	Business Investment (q/q)	2Q P	-0.4	0.9
UK	08-13	02:00	GDP (q/q)	2Q P	0.4	0.6
UK	08-13	02:00	Index of Services (m/m)	Jun	0.1	0.3
UK	08-13	02:00	Industrial Production (m/m)	Jun	0.1	-0.5
UK	08-13	02:00	Manufacturing Production (m/m)	Jun	-0.2	0.1
UK	08-13	02:00	Visible Trade Balance (£ mn)	Jun	-20400.0	-18660.0
SP	08-13	03:00	CPI (m/m)	Jul F	--	0.2
SP	08-13	03:00	CPI (y/y)	Jul F	3.5	3.5
SP	08-13	03:00	CPI - EU Harmonized (m/m)	Jul F	--	-0.1
SP	08-13	03:00	CPI - EU Harmonized (y/y)	Jul F	3.8	3.8
NO	**08-13**	**04:00**	**Norwegian Deposit Rates (%)**	**Aug 13**	**4.25**	**4.25**
EC	08-13	05:00	Industrial Production (m/m)	Jun	0.0	-0.2
EC	08-13	05:00	Industrial Production (y/y)	Jun	-0.5	-1.2
FR	08-14	02:45	CPI (m/m)	Jul F	0.6	0.6
FR	08-14	02:45	CPI (y/y)	Jul F	2.1	2.1
FR	08-14	02:45	CPI - EU Harmonized (m/m)	Jul F	0.6	0.6
FR	08-14	02:45	CPI - EU Harmonized (y/y)	Jul F	2.4	2.4
PD	08-14	03:30	GDP (y/y)	2Q P	3.70	3.50
EC	08-14	05:00	Employment (q/q)	2Q P	--	0.1
EC	08-14	05:00	GDP (q/q)	2Q P	0.4	0.4
EC	08-14	05:00	Trade Balance (€ mn)	Jun	--	-7776.2

Forecasts at time of publication.
Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of August 10 – 14

ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
JN	08-09	19:50	Bank Lending (y/y)	Jul	--	5.7
JN	08-09	19:50	Current Account (¥ bn)	Jun	1512.0	3968.3
JN	08-09	19:50	Trade Balance - BOP Basis (¥ bn)	Jun	-70.2	6.9
ID	08-09	23:00	Consumer Confidence Index	Jul	--	117.8
AU	08-10	02:30	Foreign Reserves (AUD bn)	Jul	--	102.5
MA	08-11	00:00	Industrial Production (y/y)	Jun	7.4	8.4
SK	08-11	19:00	Unemployment Rate (%)	Jul	2.7	2.7
JN	08-11	19:50	Japan Money Stock M2 (y/y)	Jul	--	2.2
JN	08-11	19:50	Japan Money Stock M3 (y/y)	Jul	--	1.5
AU	08-11	21:30	Wage Cost Index (q/q)	2Q	0.8	0.8
AU	**08-11**	**00:30**	**RBA Cash Target Rate (%)**	**Aug 11**	**4.4**	**4.4**
JN	08-12	02:00	Machine Tool Orders (y/y)	Jul P	--	52.7
IN	08-12	06:30	CPI (y/y)	Jul	4.41	4.38
IN	08-12		Exports (y/y)	Jul	--	15.5
IN	08-12		Imports (y/y)	Jul	--	31.0
NZ	08-13	18:30	Business NZ PMI	Jul	--	59.7
MA	08-14	00:00	Current Account Balance (MYR mns)	2Q	25.3	15200.0
MA	08-14	00:00	GDP (y/y)	2Q F	5.8	5.8
IN	08-14	02:30	Monthly Wholesale Prices (y/y)	Jul	10.0	9.9
HK	08-14	04:30	Real GDP (q/q)	2Q F	--	-0.6
HK	08-14	04:30	Real GDP (y/y)	2Q F	--	4.3

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CO	08-10	19:00	Consumer Price Index (m/m)	Jul	--	0.3	0.4
CO	08-10	19:00	Consumer Price Index (y/y)	Jul	--	6.2	6.1
BZ	08-11	08:00	IBGE Inflation IPCA (m/m)	Jul	--	0.0	0.2
BZ	08-11	08:00	IBGE Inflation IPCA (y/y)	Jul	--	4.4	4.6
BZ	08-13	08:00	Retail Sales (m/m)	Jun	--	0.1	0.1
BZ	08-13	08:00	Retail Sales (y/y)	Jun	--	2.1	0.4
PE	**08-13**	**19:00**	**Reference Rate (%)**	**Aug 13**	**4.25**	**--**	**4.25**
CO	08-14	11:00	Retail Sales (y/y)	Jun	--	14.4	11.7

Forecasts at time of publication.
Sources: Bloomberg, Scotiabank Economics.

Global Auctions for the week of August 10 – 14

NORTH AMERICA

Country	Date	Time	Event
US	08-11	13:00	U.S. To Sell USD58 Bln 3-Year Notes
CA	08-12	12:00	Canada to Sell 5 Year Bonds
US	08-12	13:00	U.S. To Sell USD42 Bln 10-Year Notes
US	08-13	13:00	U.S. To Sell USD25 Bln 30-Year Bonds

EUROPE

Country	Date	Time	Event
GE	08-11	05:30	Germany to Sell EU6 Billion of 2.9% 2031 Bonds
SW	08-12	05:00	Sweden to Sell Bonds
GE	08-12	05:30	Germany to Sell Bonds

ASIA PACIFIC

Country	Date	Time	Event
AU	08-11	21:00	Australia to Sell A$1 Billion 4.25% 2036 Bonds
CH	08-11	22:35	China To Sell 50-Year Additional Bonds
JN	08-11	23:35	Japan to Sell 10-Year Linker Bonds
AU	08-13	21:00	Australia to Sell A$1 Billion 1.75% 2032 Bonds
CH	08-13	22:35	China To Sell Bonds

LATIN AMERICA

Country	Date	Time	Event
No Scheduled Auctions			

Sources: Bloomberg, Scotiabank Economics.

Events for the week of August 10 – 14

NORTH AMERICA

Country	Date	Time	Event
US	08-08	12:45	Fed's Bowman Speaks in Fireside Chat
US	08-13	08:15	Fed's Hammack Speaks in Moderated Discussion
US	08-13	08:40	Barkin Speaks on Economic Outlook

EUROPE

Country	Date	Time	Event
NO	**08-13**	**04:00**	**Deposit Rates**

ASIA PACIFIC

Country	Date	Time	Event
JN	08-09	19:50	BOJ Summary of Opinions (July MPM)
AU	**08-11**	**00:30**	**RBA Cash Rate Target**
AU	08-11	00:30	RBA-Statement on Monetary Policy
AU	08-12	20:15	RBA's Kent-Fireside Chat
AU	08-13	19:30	RBA's Bullock-Testimony

LATIN AMERICA

Country	Date	Time	Event
BZ	08-11	07:00	Central Bank Meeting Minutes
PE	**08-13**	**19:00**	**Reference 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	September 2, 2026	2.25	2.25
Federal Reserve – Federal Funds Target Rate	3.75	September 16, 2026	3.75	3.75
Banco de México – Overnight Rate	6.50	September 24, 2026	6.50	6.50

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	2.40	September 10, 2026	2.65	2.65
European Central Bank – Marginal Lending Facility Rate	2.65	September 10, 2026	2.90	2.90
European Central Bank – Deposit Facility Rate	2.25	September 10, 2026	2.50	2.50
Bank of England – Bank Rate	3.75	September 17, 2026	3.75	3.75
Swiss National Bank – Sight Deposit Rate	0.00	September 24, 2026	0.00	0.00
Central Bank of Russia – One-Week Auction Rate	14.00	September 11, 2026	14.00	14.00
Sweden Riksbank – Repo Rate	1.75	August 20, 2026	1.75	1.75
Norges Bank – Deposit Rate	4.25	August 13, 2026	4.25	4.25
Central Bank of Turkey – Benchmark Repo Rate	37.00	September 10, 2026	37.00	37.00

Norges Bank: Slower-than-expected underlying inflation in June is likely to reduce the urgency for further tightening, leading us to expect Norges Bank to keep its deposit rate unchanged at 4.25% on Thursday. Governor Ida Wolden Bache and the bank's forward guidance have previously indicated that "the Committee's current assessment of the outlook implies that it will likely be necessary to raise the policy rate further at one of the forthcoming monetary policy meetings." Since then, however, oil prices have remained highly volatile amid ongoing uncertainty surrounding the conflict in the Middle East. In addition, June inflation surprised to the downside, prompting markets to scale back expectations for a rate hike at this meeting. Market-implied odds of a hike have fallen from around 60% to about 25%, although investors continue to price in a 25 bp increase by year-end. While the likelihood of a rate hike this week appears low, both markets and policymakers will receive one more inflation report on Monday, covering July price developments, before Norges Bank announces its policy decision on Thursday.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	1.00	September 18, 2026	1.00	1.00
Reserve Bank of Australia – Cash Rate Target	4.35	August 11, 2026	4.35	4.35
Reserve Bank of New Zealand – Cash Rate	2.50	September 1, 2026	2.75	2.75
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	October 7, 2026	5.25	5.25
Bank of Korea – Base Rate	2.75	August 27, 2026	2.75	2.75
Bank of Thailand – Repo Rate	1.00	August 26, 2026	1.00	1.00
Bank Negara Malaysia – Overnight Policy Rate	2.75	September 3, 2026	2.75	2.75
Bank Indonesia – BI-Rate	5.75	August 19, 2026	5.75	5.75
Central Bank of Philippines – Overnight Borrowing Rate	4.75	August 27, 2026	5.00	5.00

Reserve Bank of Australia (RBA): After raising rates three times this year, the RBA is widely expected to leave its cash rate unchanged at 4.35% on Tuesday as it evaluates the cumulative effects of previous tightening and the oil-related supply shocks. Before the Q2 inflation release, markets had priced a roughly 30% chance of a hike at this meeting and an 85% probability of additional tightening by year-end. However, softer-than-expected core inflation should ease some pressure on policymakers, with trimmed mean inflation slowing to 3.3% q/q SAAR and weighted median inflation easing to 2.7%. Markets now assign virtually no probability to a rate increase this month and only around a 50% chance of further tightening by year-end. Still, the RBA is likely to deliver a hawkish hold, retaining a tightening bias amid a resilient labour market and limited signs of moderation in household spending. The RBA will also publish updated economic forecasts, offering fresh guidance on its inflation and growth outlook.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	14.00	September 16, 2026	14.00	14.00
Banco Central de Chile – Overnight Rate	4.50	September 8, 2026	4.50	4.50
Banco de la República de Colombia – Lending Rate	12.00	September 30, 2026	12.50	12.50
Banco Central de Reserva del Perú – Reference Rate	4.25	August 13, 2026	4.25	4.25

Banco Central de Reserva del Perú (BCRP): The Central Bank of Peru is unanimously expected to keep its policy rate unchanged on Thursday, despite inflation remaining above the 1–3% target range. Both headline and core inflation surprised to the upside in July, driven by seasonally strong holiday demand and persistent supply-side shocks. Nevertheless, inflation expectations remain well anchored within the target range. As policymakers view these pressures as temporary and expect inflation to return to target as supply constraints ease, the central bank is likely to remain on hold while monitoring upside risks from a severe El Niño event and geopolitical tensions in the Middle East. The bank will also keep a close eye on the new government's fiscal agenda, including any higher social spending, minimum wage increases, and measures to stimulate private investment, given the economy's limited spare capacity.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	7.00	September 23, 2026	7.25	7.25

Sources: Bloomberg, Scotiabank Economics.

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