Scotiabank

GLOBAL ECONOMICS

THE GLOBAL WEEK AHEAD

September 18, 2026

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With thanks for research support from: Jaykumar Parmar.

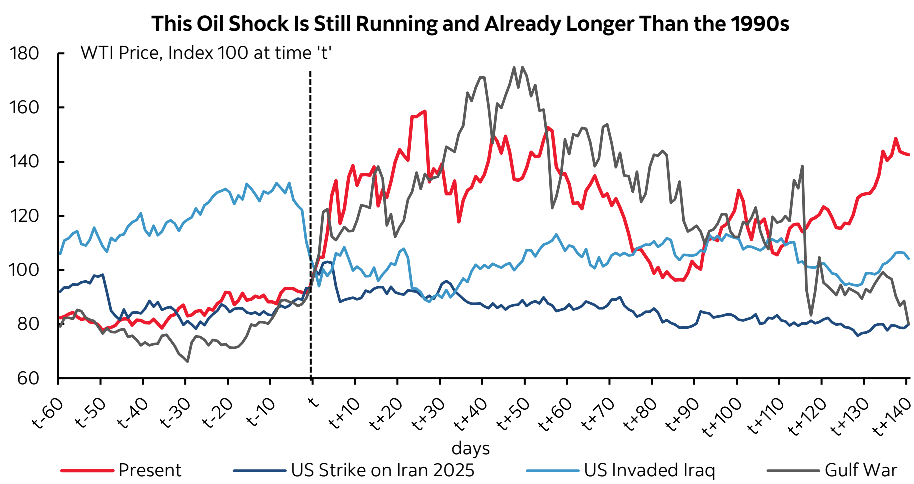
Next Week's Risk Dashboard

- **Our team evaluates Canada's investment and tax plans**
- **BoC's Macklem has reason to double down on hawkishness**
- **Banxico — A little more cautious**
- **Norges Bank — Ready to take flight again?**
- **Riksbank — Illusory disinflation**
- **SNB — Let's be franc**
- **BI — Prone to surprising**
- **SARB expected to hike**
- **Global PMIs — front-loaded?**
- **Tracking Canadian consumer spending**
- **Aussie jobs — rebound?**
- **US cap-ex — temporary lull?**

Canada's Time to Shine

FORECASTS & DATA

Chart of the Week



Sources: Scotiabank Economics, Bloomberg.

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

Canada's Time to Shine

The coming week may lower the temperature in terms of potentially sizeable catalysts to swings in global markets. Central banks will dominate, but few of the ones on the docket could be called dominant versus of more regional significance. A potentially important speech from Bank of Canada Governor Macklem may inform our rate views either way. A half dozen other regional central banks will weigh in including Banxico which is particularly important to our client base.

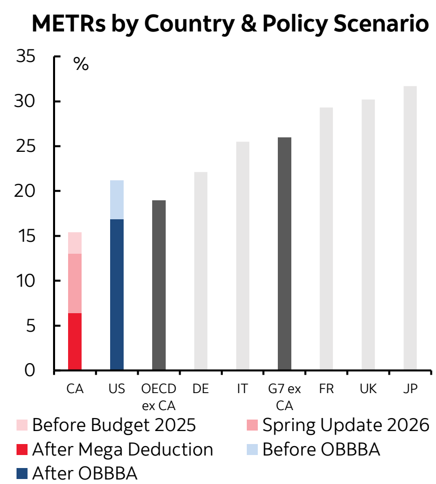
The calendar-based event and macro indicator line-ups will be relatively tame. The monthly grind of global purchasing managers' indices will be combined with Canadian retail sales during July and August, Aussie jobs and US capital goods orders.

Key may be the long-awaited Summit between Chinese President Xi Jinping and US President Trump on Thursday in Washington. Hanging in the balance is a pending US report on spare capacity and tariff threats.

A lighter line-up affords the opportunity to offer a beefier take on what Canada's grand investment and taxation plans are seeking to achieve and the probability of success. The Investment Summit outlined high level **plans**, an Advance Income Tax Rulings program is a major initiative that offers up-front certainty with potential to capitalize the tax effects of investment plans (**here**) and the Productivity Mega Deduction is the third-prong in the framework (**here**).

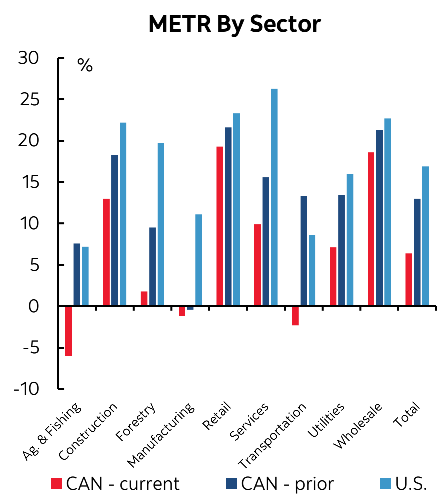
I've asked Rebekah Young on our team to share her views on Canada's investment plans since she's the best on the street in terms of Canada's fiscal framework and she does so with input on the forecast implications from Olivier Gervais. I'll share other complementary and supplementary team views from Julien Champagne and myself afterward. You could sum up our collective views by saying we're encouraged, but with limits, plenty of uncertainties and guardrails.

Chart 1



Sources: Scotiabank Economics, Dep. of Finance.

Chart 2



Sources: Scotiabank Economics, Dep. of Finance.

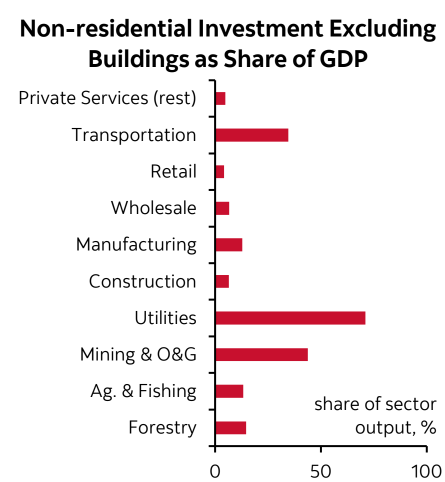
MEGA-SIZING CANADA'S TAX ADVANTAGE

This section shares Rebekah's insights.

Canada's federal government announced a sizeable new tax measure—the "Productivity Mega Deduction"—on September 15th. It introduces immediate expensing for a much wider range of depreciable capital, expanding eligible coverage from roughly 15% of capital investment under last spring's Productivity Super Deduction to about two-thirds today. It takes effect immediately and is permanent (charts 1, 2).

The measure lowers the cost of capital, improves cash flow and strengthens the case for new investment in Canada. It should support capital deepening and, over time, productivity gains. It also widens Canada's relative tax advantage, cutting the marginal effective tax rate on business investment from 13% to 6.4%. Capital-intensive sectors should benefit most (charts 3–5).

Chart 3



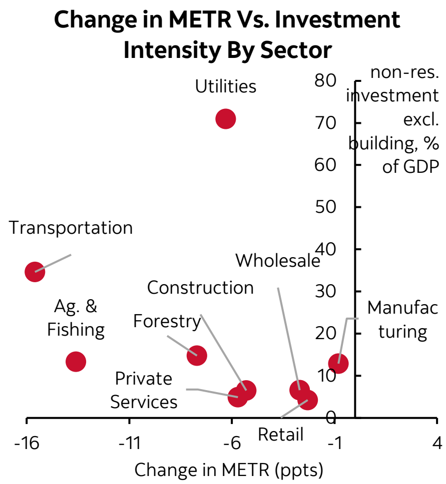
Sources: Scotiabank Economics, Statistics Canada.

The harder question is how much incremental investment follows. Tax policy matters, but the cost of capital is only one input in capital spending decisions. Demand, financing conditions, regulatory timelines, labour availability and business confidence will determine how much incremental investment is unlocked and over what timeframe. Historically, Canadian business investment has barely kept pace with depreciation in real terms (chart 6).

The government attaches sizeable estimates to the measure. It expects an average $8.5 bn in annual incremental investment, with broader economic impacts of up to $22 bn. Against roughly $140 bn in newly eligible annual investment (from a total capital outlay of $280 bn), that implies a response of about 6%. The 2017 U.S. tax reform (immediate expensing was a signature measure) offers only a loose guidepost with IMF analysis pointing to a 3.5% increase in business investment following the reforms, but attributes much of the gains to strong demand—not tax changes alone—as a key driver. (A more recent University of Toronto paper isolates the impact of the depreciation allowances, putting the lift at 4.5%.)

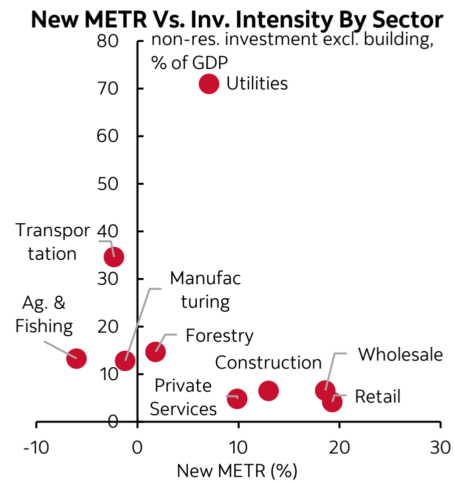
Canada's measure is narrower, more directly targeted at productive capital formation, and lands as capital demand is building in sectors with critical structural tailwinds such as energy security, critical minerals, and defence. The Scotia Growth Institute estimates the nation's project inventory is now over $1 tn, although some of that pipeline pre-dates the Carney government (interactive map and analysis). That backdrop could support a stronger response than Canada's recent investment track record suggests.

Chart 4



Sources: Scotiabank Economics, Statistics Canada.

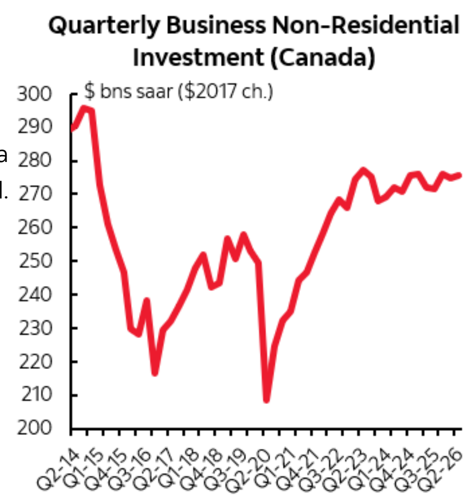
Chart 5



Sources: Scotiabank Economics, Statistics Canada.

The government's upper-end estimates for the measure are optimistic but plausible. A $22 bn annual lift would equal almost 0.7% of GDP, while our preliminary modelling points to a somewhat smaller—but still material—long-run impact of about 0.5% of GDP. The deduction strengthens the incentive to invest, supporting capital accumulation and, over time, productivity growth. Import intensity is a key assumption, particularly for machinery and equipment, where import shares can run around 40% and are already rising (chart 7). Without a deeper domestic industrial base, a meaningful share of the spending impulse could leak abroad. Higher interest rates would also provide a partial offset. Still, the measure could lift investment above our prior expectations. How quickly firms translate the incentives into actual spending remains uncertain. Labour, materials, and financing constraints are likely to slow uptake. We expect some impulse in 2027, with the bulk of the impact likely arriving later.

Chart 6

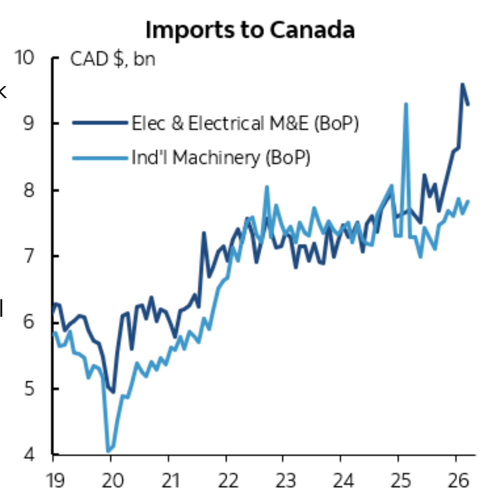


Sources: Scotiabank Economics, Statistics Canada.

While this could provide a meaningful boost to our outlook, our forecast already included a relatively steep business-investment ramp before the announcement (chart 8) and these measures suggest it wasn't steep enough and/or that they raise our confidence in it. Some of the measure's impact may therefore already be embedded in our profile. At the same time, the incentive—especially if reinforced by stronger sentiment—could generate a larger effect than the model suggests.

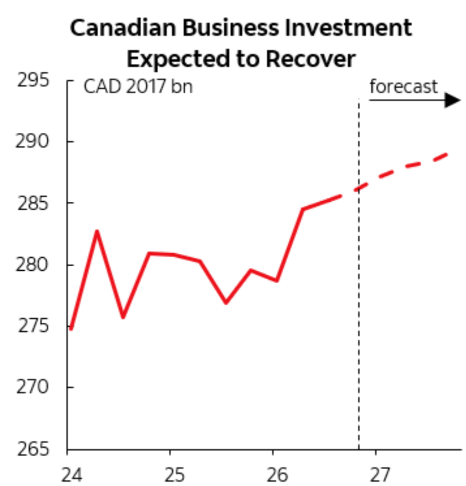
The fiscal cost is substantial at $36 bn over five years. Stronger investment and growth would offset some of that through higher revenues: federal sensitivities suggest a 1 ppt real GDP shock improves the fiscal balance by about $5 bn annually, while a 10% WTI price shock adds roughly $2 bn. Still, the measure is new pressure on the fiscal framework, especially alongside an array of announcements since the Spring Economic Update. There is no date yet for the Fall Budget but the direction of travel is clear.

Chart 7



Sources: Scotiabank Economics, Statistics Canada.

Chart 8



Sources: Scotiabank Economics, Statistics Canada.

ANCILLARY MATTERS TO CANADA'S INVESTMENT PLAN

Our team's Julien Champagne observes that the tax policy changes are encouraging, but Canada's average effective corporate tax rate is not lower than other countries (chart 9) and this may significantly influence outcomes alongside generally higher property and personal income taxes in Canada relative to the US. You might also argue that there are benefits to high taxes such as health and education spending, but getting firms to pay for public externalities is often challenging.

Switching to my views for the rest, I like the energy that has gripped the country. It could raise business and consumer confidence which is tough to quantify. It's possible that being the fastest growing economy in the G7 during the second quarter of this year was not just a one-off. As argued in multiple presentations including this past week's Fixed Income Forum we hosted in Toronto, I think Canada's economy is about to shine. The bar is rather low when compared to some other countries and regions, but the boost being given to the investment climate could combine with other drivers to potentially make Canada the class leader on growth across developed economies—even ahead of the US. Commodities are on fire, fiscal policy is ramping into higher gear, rates are still stimulative and the TSX has everyone other than the Nikkei since the 2024 US election, the currency is undervalued, and I don't think we're far away from starting a dialogue on returning to higher immigration targets. Small business surveys are flagging labour shortages and we'll need more workers to feed the cap-ex boom.

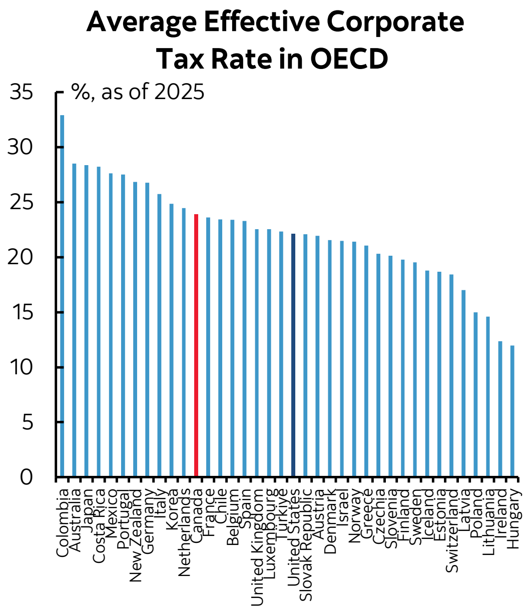
There are caveats aplenty to the investment plans. Sizeable amounts of equipment spending may leak out of the country to the US (**here**) and beyond (Japan, Germany etc) that could amount to well over half of the plans unless domestic supply chains strengthen which is also a part of the Carney administration's plan. This could mitigate the impact upon overall GDP growth.

Past experience offers reservations. When Canada juiced equipment write-offs in 2007 and subsequent years through to **2015**, a high-level impact on equipment investment was tough to discern (chart 10). Then again, there was the Global Financial Crisis and a Canadian recession in the middle of the period!

This paper from Statistics Canada last year could have used plainer language but used the universe of firm-level tax returns over 2001–2019 to share evidence that small businesses to respond to shifts in corporate tax incentives to invest particularly in equipment.

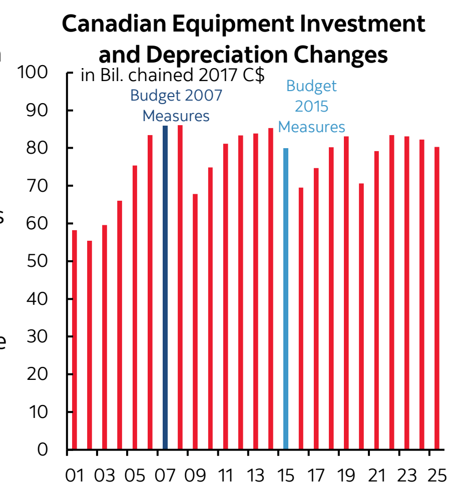
This study—also done last year—uses about 20,000 "firm-years" of Canadian nonfinancial firms from 2006–2021 and concludes that there is indeed evidence that marginal tax rates and statutory tax rates are negatively related to investment (ie: lower tax, higher investment and vice versa) and "the negative relation is mitigated by accelerated tax depreciation policies."

Chart 9



Sources: Scotiabank Economics, OECD.

Chart 10



Sources: Scotiabank Economics, Statistics Canada.

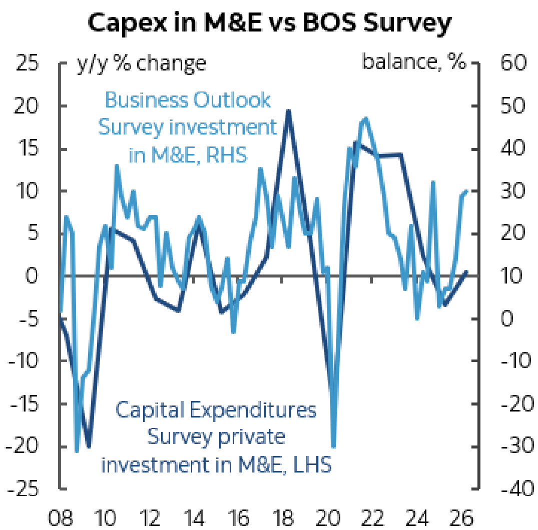
Today could be more powerful—with emphasis upon 'could'! Over prior periods, tax policy sought to stimulate investment when there was often slack in the economy. Canada has a little of that now, but we anticipate it will close by early 2027 as measured by the concept of output gaps (aggregate demand net of supply). As capacity pressures potentially return, firms may be responding more aggressively to inducements to invest.

The targeted incremental investment dollars sound large (up to $1T over five years), but economics is about ratios and the numbers are somewhat less impressive expressed in relation to, say, the fact that foreign direct investment into Canada has risen by $1½ trillion in the past five years or to cumulative GDP of toward $20T over the coming five years. Under promise and over deliver into the 2029 election may be wise. We also find it difficult to ascertain how much of the investment target is truly new and it will be impossible to formally lay out a pro forma sum of capital project investment flows.

How such investment flows drive broader economic effects is the domain of attempts to estimate investment multipliers. Canada's Parliamentary Budget Officer offers a neat off-the-shelf summary **here** by type of public investment with and without incorporating their estimates of how the Bank of Canada could respond. Think of it sort of like the macroeconomic equivalent to wondering how the amount you just spent on a renovation impacts your home's value. They account for import leakage effects and in general a $1 permanent increased in inflation-adjusted investment yields an overall impact of under $1 depending upon the type of initiative. Economists have a range of estimates for these multiplier effects.

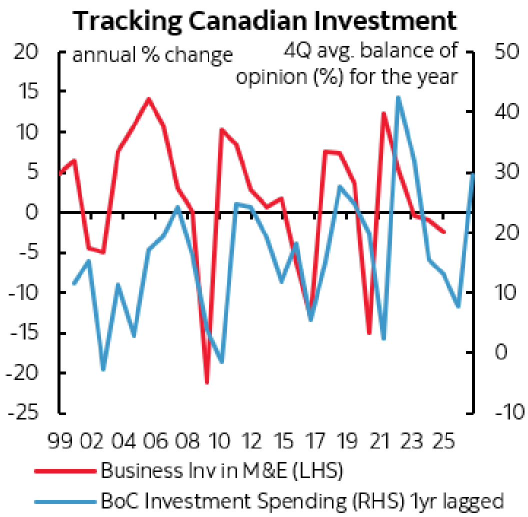
Another challenge will be to evaluate incoming data that helps to track the responses to regime changes. Surveys of investment intentions are of limited use. Statistics Canada's survey (**here**) is done only on an annual basis and available each February and it only looks ahead one year at a time. The Bank of Canada's Business Outlook survey includes a measure of planned investment that is available quarterly before each meeting that brings out fresh forecasts and it too looks forward only one-year at a time. They are both shown in chart 11 but they also offer limited insight over a short period (chart 12).

Chart 11



Sources: Scotiabank Economics, Bank of Canada, Statistics Canada.

Chart 12



Sources: Scotiabank Economics, Statistics Canada, BoC.

Difficulty tracking the investment flows is likely to mean that markets, forecasters and policy makers such as the Bank of Canada will need to be even more data dependent as the evidence rolls in.

An impact on the trade account is likely to see exports benefiting from a cap-ex boost and offsetting to higher imports of capital goods.

Wild cards are the impact on deficits since we don't have a funding plan until the Fall Budget which itself will likely only be another marker on evolving long range plans. Eliminating the operating deficit in FY27–28 a year ahead of schedule is small potatoes since the Spring update only pegged it at -C$5 billion. It's probably safe to say that deficits will be bigger but still among the lowest anywhere relative to the respective sizes of the various economies. Rebekah will tackle this one when we learn more.

For the Bank of Canada, a complicating matter is how such plans simultaneously impact supply—by expanding productivity capacity and productivity—and demand—for capital goods and spillover effects. How that nets out in output gaps will be informed over time along with implications for the policy rate path. We have long had the most aggressive BoC forecast on the street and markets have come around to this. These investment plans further strengthen our confidence in rate hikes to 3% by early next year and we'll consider further changes as new information arises.

Ultimately the test will be how businesses respond to the carrots they've been handed. The economics may be uncertain, but the politics are crystal clear. Invest and it's a win-win outcome for governments and the economy. Invest not and stop complaining about taxes and the investment climate as there are deeper issues in the business community.

CENTRAL BANKS—HE CAN'T BE LESS HAWKISH

Potentially important policy rate guidance from the Bank of Canada will combine with policy decisions from a half dozen global central banks to make this the most active space over the coming week.

Bank of Canada—Macklem Speech

Bank of Canada Governor Macklem delivers a speech on "economic developments" to be followed by Q&A on Monday. The speech will be available at 11:05amET and there will be a press conference at about 12:30pmET. Key will be whether he feels pricing for about 15bps of a quarter point rate hike on October 28th and over 25bps priced for December is worth addressing indirectly. He is speaking well ahead of the blackout period for the next decision which begins on October 20th, before the next jobs report and before the next CPI report etc.

Recall his hawkish pivot at the most recent meeting on September 2nd (recap **here**). Since then, oil prices have risen further, core inflation has been hot (recap **here**), the federal government has introduced its "mega" deduction for cap-ex investments and the FOMC turned more hawkish (recap **here**). The sum total of evidence such as this suggests that Macklem is unlikely to back off his hawkish pivot and may double down.

Bank Indonesia—Prone to Surprising

BI is expected to leave its policy rate unchanged at 5.75% on Wednesday. Uh oh. This is, after all, a central bank that loves to surprise. With inflation on the rise at 3.2% y/y in August and core steadily ascending toward 3%, the central bank may be under pressure to sound more hawkish.

SARB—Resuming Hikes

The South African Reserve Bank is widely expected to deliver another 25bps rate hike on Wednesday, taking the policy repo rate up to 7.25% and having last hiked in May. Inflation is expected to continue rising in the CPI figures for August that get released just hours before the decision. An expected reading of around 4½% y/y with core around 4¼% is getting into the middle of the 3–6% inflation target range and threatening to go higher alongside elevated inflation expectations (chart 13).

Banxico—A Little More Cautious

Markets believe that Mexico's central bank may come under increased pressure to signal a more hawkish stance from the present 6.5% overnight rate—but not yet. That bias may be unlikely to arrive as soon as when it meets on Thursday.

There may be more intensified inflation warnings from some officials derived from drivers such as commodity prices and namely oil. Markets are pricing about 100bps of further tightening over the coming year. Core CPI inflation continues to drift lower to 3.8% y/y in August but a freshened energy shock since July may raise fears about second-round pressures mitigated by slack. Policy tightening by the Federal Reserve narrows the Banxico policy rate spread to 250bps which is the narrowest in years (chart 14) and is supporting the peso. A recap of the recent Budget is available here.

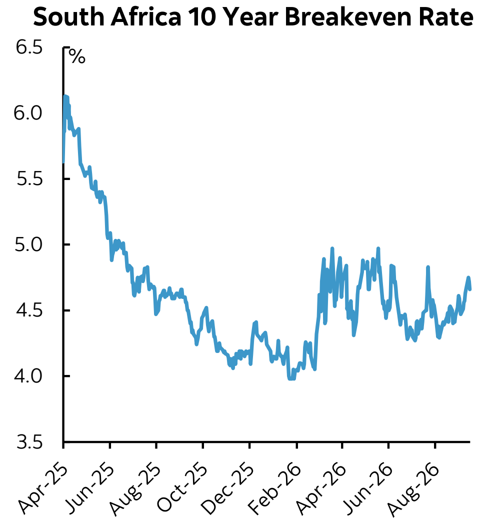
Riksbank—Illusory Disinflation

Sweden's central bank is widely expected to stay on hold at a policy rate of 1.75% on Thursday. Markets are priced for a hold but then most of a hike at the November 4th meeting. Guidance at the prior meeting in August continued to state that "the probability of a rate increase later this year remains." That is likely to be retained but there are only two more meetings after this one. Despite low current inflation readings in y/y and m/m terms, the Riksbank is concerned about evidence of accelerating inflation excluding temporary fiscal measures; underlying inflation ex-fiscal measures has been around 4 ½% q/q SAAR of late and accelerating (chart 15).

Norges Bank—About to Take Flight Again?

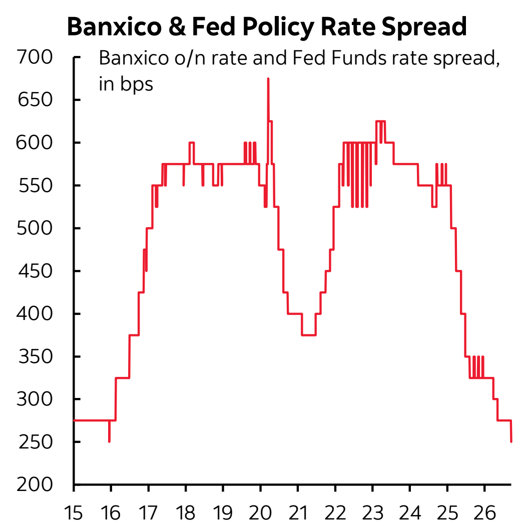
Norway's central bank may hike its deposit rate again on Thursday. It last raised the rate in May. Markets have about half of a 25bps hike priced. Whereas the prior August statement noted that "inflation has slowed and been lower than projected," recent figures accelerated to 3.3% y/y and with underlying CPI rising to 3% y/y. Surging oil prices—notably Brent that is well over US$100/barrel—represent more income for the economy that is likely to stoke further economic activity and inflation risk. Explicit forward rate guidance has generally been hawkish for this oil-sensitive central bank. It has previously warned that further rate hikes may be needed but in August guided this stance would be freshly informed by updated projections at this meeting. When it previously issued this guidance, it said a rate hike may be needed "at one" of its forthcoming meetings which if resurrected could imply only one hike over the three remaining meetings this year.

Chart 13



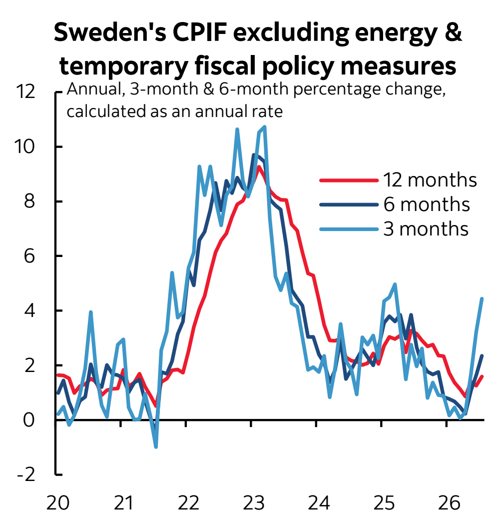
Sources: Scotiabank Economics, Bloomberg.

Chart 14



Sources: Scotiabank Economics, Bloomberg.

Chart 15



Sources: Scotiabank Economics, Statistics Sweden, the Riksbank.

SNB—Steady for Now, Watching the Franc

The Swiss National Bank is not expected to adjust its policy rate that stands at 0% on Thursday. Inflation is very low at 0.8% y/y with core CPI running at half that rate. The steady depreciation of the Swiss franc since February and mostly since June is among the considerations behind why SNB may adopt a gradually more hawkish stance. Markets are pricing 50bps of rate hikes by next June.

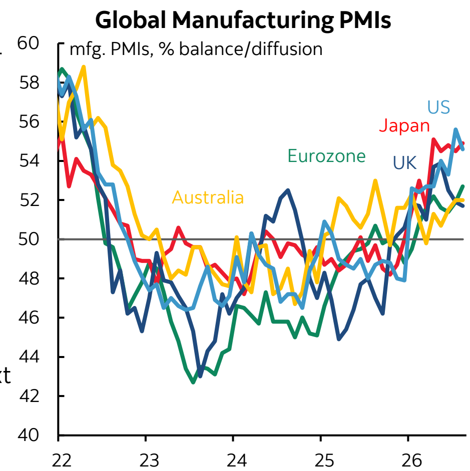
GLOBAL MACRO ROUND-UP

How is Canadian consumer spending holding up? Are global manufacturing and service industries still driving heated inflationary pressures and front-running order books? Will Australia's job market rebound from a temporary lull? And while the US new home market is going through tough times, more important may be whether tech order books restore growth in core durable goods orders. I've partnered with Jay Parmar on the following.

Global PMIs—Front Loaded?

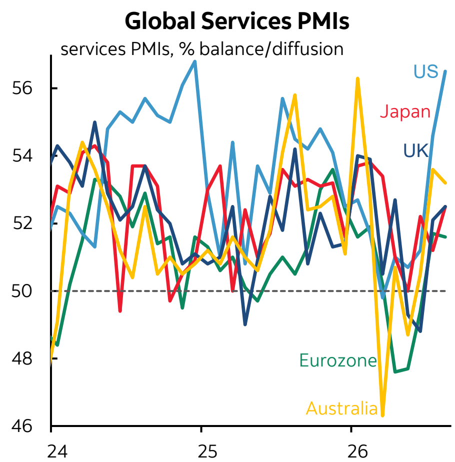
With a relatively light global economic calendar next week, attention will turn to September PMI surveys for clues on third-quarter growth across major economies. Australia will kick off the reporting cycle on Tuesday evening, followed by India, the euro area, the UK, the US, and Japan on Wednesday.

Chart 16



Sources: Scotiabank Economics, S&P Global.

Chart 17



Sources: Scotiabank Economics, Markit, Bloomberg, ISM.

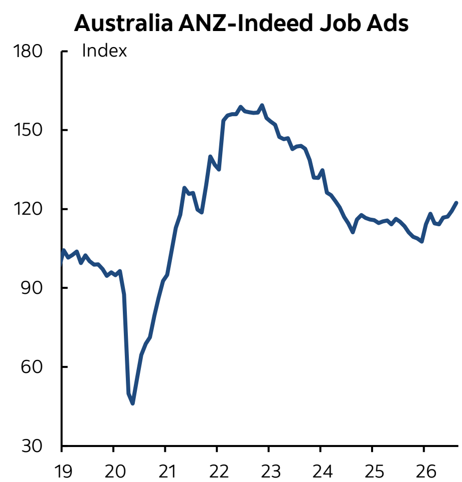
To date, PMIs have signalled continued resilience in manufacturing, with activity remaining in expansion territory (above 50), supported by front-loaded demand and ongoing AI-related spending (charts 16, 17). At the same time, services activity has rebounded sharply in July and August after slipping into contraction territory in Q2, providing further support to Q3 growth.

Aussie Jobs—Rebound?

Australia's August labour market report, due Thursday, will be the last major release before the RBA's policy meeting the following week. Markets currently price a 90% chance of a 25bp rate hike, and a single labour market report is unlikely to materially alter that view given persistent inflation risks and limited signs of labour market easing.

Employment is expected to increase by around 20K in August, partially reversing July's 16K decline, while the unemployment rate is forecast to hold at 4.5%. Indeed job postings and the ANZ-Indeed Job Ads series also continue to signal resilient labour demand (chart 18).

Chart 18



Sources: Scotiabank Economics, ANZ, Indeed.

Will Canadian Consumers Maintain Their Running Headstart into Q3?

Canada will focus on the aforementioned BoC speech but also Thursday's retail sales. Advance guidance pointed to a drop of 0.8% m/m SA in July's retail sales but keys will be a) how much of that was volume driven if any, and b) advance guidance for August. Canadian retail sales volumes had strong momentum coming into Q3 with nearly 5% q/q SAAR growth baked in solely by virtue of the Q2 average and exiting the quarter on a high note. We'll update this tracking with this week's data.

After a Lull, Eyes Will Focus Upon Core Durable Goods Orders

US releases will focus upon durable goods orders for the month of August (Friday). Some moderation after the prior month's surge may be likely but more important may be whether stalled momentum in core orders (ex-air and defence) will resume. New home sales in August (Thursday) plunged by 10% m/m in July so perhaps a rebound will occur but along a miserable trend. Shrinking population, soaring mortgage rates and the lack of portability of juicy pandemic-era mortgages have seriously impaired any need to expand the housing stock.

Key Indicators for the week of September 21 – 25

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	09-22	08:00	Retail Sales (INEGI) (y/y)	Jul	--	--	2.7
US	09-22	10:00	Richmond Fed Manufacturing Index	Sep	--	--	4.0
US	09-23	07:00	MBA Mortgage Applications (w/w)	Sep 18	--	--	-4.1
MX	09-24	08:00	Bi-Weekly Core CPI (% change)	Sep 15	--	0.1	0.0
MX	09-24	08:00	Bi-Weekly CPI (% change)	Sep 15	--	0.2	0.1
MX	09-24	08:00	Global Economic Indicator IGAE (y/y)	Jul	--	1.7	2.8
CA	09-24	08:30	Retail Sales (m/m)	Jul	-0.8	-0.8	0.6
CA	09-24	08:30	Retail Sales ex. Autos (m/m)	Jul	--	-0.5	0.5
US	09-24	08:30	Current Account (US$ bn)	2Q	--	--	-226.8
US	09-24	08:30	Initial Jobless Claims (000s)	Sep 19	205	--	196.0
US	09-24	08:30	Continuing Claims (000s)	Sep 12	1775	--	1730.0
US	09-24	10:00	New Home Sales (000s a.r.)	Aug	615	615.0	607.0
MX	**09-24**	**15:00**	**Overnight Rate (%)**	**Sep 24**	**6.50**	**6.50**	**6.50**
MX	09-25	08:00	Unemployment Rate (%)	Aug	--	--	2.9
US	09-25	08:30	Durable Goods Orders (m/m)	Aug P	-0.3	-0.3	1.1
US	09-25	08:30	Durable Goods Orders ex. Trans. (m/m)	Aug P	0.3	0.5	0.4
US	09-25	10:00	U. of Michigan Consumer Sentiment	Sep F	--	47.8	47.8

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
UK	09-22	02:00	PSNB ex. Interventions (£ bn)	Aug	--	1.8
UK	09-22	02:00	Public Finances (PSNCR) (£ bn)	Aug	--	-29.0
UK	09-22	02:00	Public Sector Net Borrowing (£ bn)	Aug	15.7	1.8
EC	09-22	10:00	Consumer Confidence	Sep P	-16.0	-15.5
FR	09-23	03:15	Manufacturing PMI	Sep P	50.9	51.1
FR	09-23	03:15	Services PMI	Sep P	48.3	48.0
GE	09-23	03:30	Manufacturing PMI	Sep P	54.0	54.3
GE	09-23	03:30	Services PMI	Sep P	50.0	49.7
EC	09-23	04:00	Composite PMI	Sep P	51.6	52.0
EC	09-23	04:00	Manufacturing PMI	Sep P	52.6	52.7
EC	09-23	04:00	Services PMI	Sep P	51.4	51.6
UK	09-23	04:30	Manufacturing PMI	Sep P	51.5	51.7
UK	09-23	04:30	Services PMI	Sep P	52.0	52.5
GE	09-23		Retail Sales (m/m)	Aug	1.5	-3.4
SW	**09-24**	**03:30**	**Riksbank Interest Rate (%)**	**Sep 24**	**1.75**	**1.75**
GE	09-24	04:00	IFO Business Climate Survey	Sep	89.0	88.8
GE	09-24	04:00	IFO Current Assessment Survey	Sep	89.0	88.5
GE	09-24	04:00	IFO Expectations Survey	Sep	89.2	89.1
NO	**09-24**	**04:00**	**Norwegian Deposit Rates (%)**	**Sep 24**	**4.50**	**4.25**
GE	09-25	02:00	GfK Consumer Confidence Survey	Oct	-27.4	-26.6
SP	09-25	03:00	Real GDP (q/q)	2Q F	0.7	0.0

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

Key Indicators for the week of September 21 – 25

ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
CH	09-20	21:00	PBoC Loan Prime Rate 1-Year (%)	Sep 21	3.0	3.0
HK	09-21	04:30	BoP Current Account (HK$ bns)	2Q	--	38.5
TH	09-21		Customs Exports (y/y)	Aug	24.8	21.6
TH	09-21		Customs Imports (y/y)	Aug	31.4	36.7
TH	09-21		Customs Trade Balance (US$ mn)	Aug	-3761.0	-3610.0
TA	09-22	04:00	Export Orders (y/y)	Aug	62.4	61.9
TA	09-22	04:00	Unemployment Rate (%)	Aug	3.3	3.3
SK	09-22	17:00	Consumer Confidence Index	Sep	--	104.5
SI	09-23	01:00	CPI (m/m)	Aug	0.6	-0.2
SI	09-23	01:00	CPI (y/y)	Aug	2.3	2.2
MA	09-23	03:00	Foreign Reserves (US$ bn)	Sep 15	--	132.0
ID	**09-23**	**03:20**	**BI 7-Day Reverse Repo Rate (%)**	**Sep 23**	**5.75**	**5.75**
TA	09-23	04:00	Industrial Production (y/y)	Aug	26.0	25.6
HK	09-23	04:30	CPI (y/y)	Aug	1.8	1.7
JN	09-23	20:30	Markit/JMMA Manufacturing PMI	Sep P	--	54.9
AU	09-23	21:30	Employment (000s)	Aug	20.0	-15.8
AU	09-23	21:30	Unemployment Rate (%)	Aug	4.5	4.5
HK	09-24	04:30	Exports (y/y)	Aug	--	50.7
HK	09-24	04:30	Imports (y/y)	Aug	--	41.0
HK	09-24	04:30	Trade Balance (HKD bn)	Aug	--	-4.9
PH	09-24		Budget Deficit/Surplus (PHP bn)	Aug	--	-106.3
JN	09-25	01:30	Nationwide Department Store Sales (y/y)	Aug	--	5.1
SK	09-25		Discount Store Sales (y/y)	Aug	--	-11.2
SK	09-25		Department Store Sales (y/y)	Aug	--	17.9

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CO	09-21	11:00	Trade Balance (US$ mn)	Jul	--	--	-2161.0
BZ	09-25	08:00	IBGE Inflation IPCA-15 (m/m)	Sep	--	--	-0.4
BZ	09-25	08:00	IBGE Inflation IPCA-15 (y/y)	Sep	--	--	4.2

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

Global Auctions for the week of September 21 – 25

NORTH AMERICA

Country	Date	Time	Event
US	09-22	13:00	U.S. To Sell USD69 Bln 2-Year Notes
US	09-23	11:30	U.S. To Sell USD28 Bln 2-Year FRN Reopening
CA	09-23	12:00	Canada to Sell C$5 Billion of 3.5% 2036 Bonds
US	09-23	13:00	U.S. To Sell USD70 Bln 5-Year Notes
CA	09-24	12:00	Canada to Sell C$5.5 Billion of 3% 2028 Bonds
US	09-24	13:00	U.S. To Sell USD44 Bln 7-Year Notes

EUROPE

Country	Date	Time	Event
UK	09-22	05:00	UK to Sell GBP4.75 Billion of 4.625% 2032 Bonds
GE	09-22	05:30	Germany to Sell EU5 Billion of 2.9% 2031 Bonds
SW	09-23	05:00	Sweden to Sell SEK3 Billion of 1.75% 2033 Bonds
SW	09-23	05:00	Sweden to Sell SEK2 Billion of 2.75% 2037 Bonds
GE	09-23	05:30	Germany to Sell EU1 Billion of 2.9% 2056 Bonds
GE	09-23	05:30	Germany to Sell EU1 Billion of 3.4% 2047 Bonds
IT	09-24	05:00	Italy to Sell I/L Bonds
FI	09-24	06:00	Finland to Sell Ori Bonds

ASIA PACIFIC

Country	Date	Time	Event
CH	09-20	23:35	China to Sell 90 Billion Yuan 1.66% 2036 Bonds
CH	09-20	23:35	China to Sell 130 Billion Yuan 1.23% 2029 Bonds

LATIN AMERICA

Country	Date	Time	Event
No Scheduled Auctions			

Sources: Bloomberg, Scotiabank Economics.

Events for the week of September 21 – 25

NORTH AMERICA

Country	Date	Time	Event
US	09-21	06:30	Fed's Goolsbee Speaks About Monetary Policy
CA	09-21	11:20	Bank of Canada Governor Tiff Macklem Speaks in Halifax
US	09-22	10:05	Fed's Williams Gives Keynote Remarks
US	09-22	13:00	Fed's Barkin Speaks to the CFA Society Baltimore
US	09-24	04:10	Fed's Williams Speaks During Moderated Discussion
US	09-24	08:00	Fed's Barkin In Fireside Chat With Economic Club of Washington
US	09-24	08:50	Fed's Hammack Delivers Opening Remarks at Inflation Conference
US	09-24	10:10	Fed's Paulson Speaks At Fintech Conference
MX	**09-24**	**15:00**	**Overnight Rate**
US	09-25	05:15	Fed's Williams Participates in Policy Panel
US	09-25	14:00	Fed's Hammack Participates In Policy Panel Discussion

EUROPE

Country	Date	Time	Event
EC	09-22	04:30	ECB's Nagel Speaks in Frankfurt
EC	09-22	08:30	ECB's Sleijpen, Buch Speak in Amsterdam
EC	09-22	15:30	ECB's Nagel Speaks in London
EC	09-23	03:00	ECB's Vujcic Speaks in Frankfurt
EC	09-23	04:50	ECB's Zigman Speaks in Zagreb
EC	09-23	12:30	ECB's Lane Speaks in Geneva
SZ	**09-24**	**03:30**	**SNB Policy Rate**
SW	**09-24**	**03:30**	**Riksbank Policy Rate**
SZ	09-24	04:00	SNB's Schlegel Speaks After Rate Decision
NO	**09-24**	**04:00**	**Deposit Rates**
EC	09-24	04:00	ECB Publishes Economic Bulletin
UK	09-24	05:30	BOE's Dhingra Speaks in London
UK	09-24	09:30	BOE's Breeden Speaks in London
UK	09-24	10:00	BOE's Lombardelli Speaks in Poland
EC	09-25	14:00	ECB's Vujcic Speaks in Cleveland

ASIA PACIFIC

Country	Date	Time	Event
CH	09-20	21:00	1-Year Loan Prime Rate
CH	09-20	21:00	5-Year Loan Prime Rate
AU	09-21	23:10	RBA's Bullock-Fireside Chat
ID	**09-23**	**03:20**	**BI-Rate**

LATIN AMERICA

Country	Date	Time	Event
PY	**09-21**		**Monetary Policy Rate**
BZ	09-22	07:00	Central Bank Meeting Minutes
GU	**09-23**		**Leading Interest Rate**
BZ	09-24	07:00	Central Bank Monetary Policy Report
MX	**09-24**	**15:00**	**Overnight Rate**
TR	09-25		Central Bank Repurchase 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	October 28, 2026	2.25	2.25
Federal Reserve – Federal Funds Target Rate	4.00	October 28, 2026	4.00	4.00
Banco de México – Overnight Rate	6.50	September 24, 2026	6.50	6.50

Bank of Canada: Governor Macklem speaks on the economy on Monday which may further inform his stance on the direction of monetary policy. **Banco de México:** The Bank of Mexico is expected to keep its overnight policy rate unchanged at 6.50% on Thursday, marking a third consecutive hold. In August, the Board reiterated that "it will be appropriate to maintain the reference rate at its current level" while maintaining the balance of inflation risks tilted to the upside. Since then, both headline and core inflation have continued to ease toward the 3% target. However, the external backdrop has become more challenging. Oil prices have risen sharply, while the Fed delivered a 25bp hike last week and signalled another increase by year-end. The resulting narrowing of the Banxico-Fed rate differential has weighed a bit on the peso so far, adding further to the upside risks for inflation. Nevertheless, with economic slack expected to persist and downside risks to growth remaining elevated, Banxico is likely to stay on hold while retaining a cautious inflation stance.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	2.65	October 29, 2026	2.65	2.65
European Central Bank – Marginal Lending Facility Rate	2.90	October 29, 2026	2.90	2.90
European Central Bank – Deposit Facility Rate	2.50	October 29, 2026	2.50	2.50
Bank of England – Bank Rate	3.75	November 5, 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	October 23, 2026	14.00	14.00
Sweden Riksbank – Repo Rate	1.75	September 24, 2026	1.75	1.75
Norges Bank – Deposit Rate	4.25	September 24, 2026	4.50	4.50
Central Bank of Turkey – Benchmark Repo Rate	37.00	October 22, 2026	37.00	37.00

Swiss National Bank (SNB): The Swiss National Bank is unanimously expected to keep its policy rate unchanged at 0% on Thursday, with markets pricing the next move as a rate hike sometime next year. Headline inflation has firmed to 0.8%, largely reflecting higher energy prices, while core inflation has remained stable at around 0.3%–0.4%. Economic activity has also surprised to the upside, with Q2 GDP expanding by 1.9% q/q SA after growing 0.6% in Q1. In addition, the risk of further appreciation of the Swiss franc, and the resulting drag on inflation, has diminished as the currency has eased from its earlier highs. **Sweden Riksbank:** The Riksbank is expected to keep its policy rate unchanged at 1.75% on Thursday while maintaining its bias toward higher rates later this year. Since the last meeting, oil prices have risen further, while Q2 GDP growth surprised to the upside. However, underlying inflation excluding energy came in softer than is typically observed in August, suggesting limited pass-through from higher commodity prices, while unemployment remains elevated. Even so, resilient economic growth, weaker currency and rising forward-looking inflation pressures, driven in part by higher energy costs, support the case for a future rate hike. Markets currently price in one additional hike this year, with the bank's updated policy-rate path and forward guidance likely to provide further clarity on the timing of that move. **Norges Bank:** Norges Bank's policy decision on Thursday is expected to be a close call, with markets pricing a roughly 50% chance of a 25bp rate hike, while the consensus continues to favour one. Since the August meeting, when policymakers signalled that further tightening could still be required, oil prices have risen above US$100 per barrel, underlying inflation has picked up to 3.0%, and economic activity has remained resilient. Together, these developments strengthen the case for a 25bp hike at this meeting. Beyond the decision itself, markets will closely scrutinize the updated economic forecasts and the implied path for future policy rates.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	1.00	October 30, 2026	1.25	1.25
Reserve Bank of Australia – Cash Rate Target	4.35	September 29, 2026	4.60	4.60
Reserve Bank of New Zealand – Cash Rate	2.75	October 27, 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	3.00	October 22, 2026	3.00	3.00
Bank of Thailand – Repo Rate	1.00	October 28, 2026	1.00	1.00
Bank Negara Malaysia – Overnight Policy Rate	2.75	November 5, 2026	2.75	2.75
Bank Indonesia – BI-Rate	5.75	September 23, 2026	5.75	5.75
Central Bank of Philippines – Overnight Borrowing Rate	5.00	October 22, 2026	5.00	5.00

Bank Indonesia (BI): Barring any surprises, Bank Indonesia is widely expected to leave its policy rate unchanged at 5.75% on Wednesday. Although both headline and core inflation have firmed in recent months, they remain comfortably within the 1.5%–3.5% target range. Meanwhile, the rupiah has reversed earlier losses after falling to a record low, reducing concerns over imported inflation and exchange rate stability.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	13.75	November 4, 2026	13.75	13.75
Banco Central de Chile – Overnight Rate	4.50	October 27, 2026	4.50	4.50
Banco de la República de Colombia – Lending Rate	12.00	September 30, 2026	12.00	12.00
Banco Central de Reserva del Perú – Reference Rate	4.25	October 7, 2026	4.25	4.25

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

South African Reserve Bank (SARB): The South African Reserve Bank is expected to deliver a 25bp rate hike on Wednesday after surprising markets in July by keeping rates unchanged amid a more favourable inflation outlook and weak growth. The baseline forecast implied no further rate changes this year. However, oil prices have since risen above US$100 per barrel, increasing the relevance of the bank's adverse scenario, which calls for an additional rate hike. While the resilient rand has partly offset imported inflation pressures, core inflation has continued to drift away from target and inflation expectations remain elevated, supporting the case for a further rate increase despite weak growth.

Sources: Bloomberg, Scotiabank Economics.