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GLOBAL ECONOMICS

THE GLOBAL WEEK AHEAD

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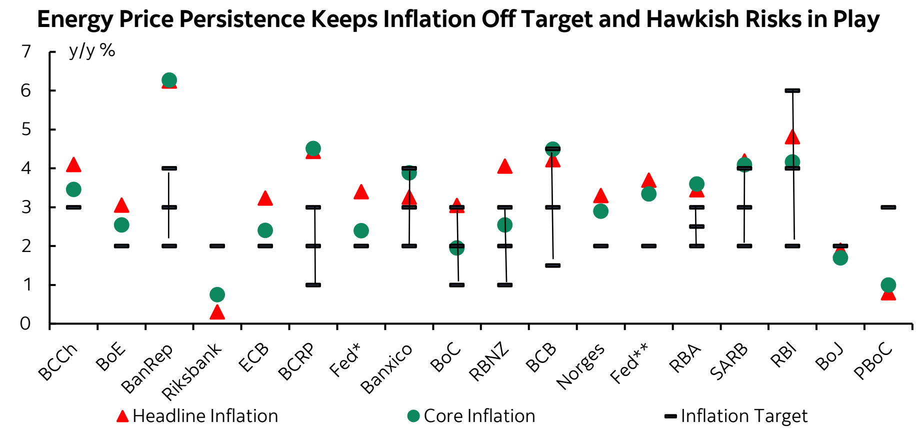


*Using US CPI.
**Using US PCE.
Sources: Scotiabank Economics, Central Banks.

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

All the World's a Stage

With just over five weeks to go until US midterm elections, we're entering peak biennial funny season for US politics. Showmanship with world leaders, splashy headlines about policy intentions, market jawboning in an effort to improve drivers of affordability pressures, polls aplenty and general attempts at voter appeasement will continue to drive high market volatility. The effects are on display at the highest levels in bond and equity markets and in pockets of markets like potash and soybean prices. The noise is paradise from a trading volume standpoint as year-end draws nearer.

What could play further in this regard is guidance from USTR Jamieson Greer that a partial agreement with China will be announced on Monday that could include agricultural products and medical devices plus select other goods. It won't be a grand deal by any means given the extended truce on the trade war until January, but it could nibble away at a few micro irritants particularly to groups like US farmers.

There will nevertheless be more important signals in the fundamentals and central bank policy attitudes over the coming week.

A key issue will be whether Friday's nonfarm payrolls will repeat with another solid gain after the narrow drivers and distorted seasonal adjustments drove 162k rise in July. I'll explain scepticism. Yet it doesn't matter much to the FOMC that has declared the labour market to be just fine, but inflation is not.

Canada's economy will be thrust into the spotlight in a holiday-interrupted week with GDP figures. A pair of Bank of Canada speeches may not only inform the policy rate bias but also introduce fresh guidance on balance sheet management tools of relevance to funding and liquidity markets amid evidence of strains. We could see policy shifts being teed up and it's frankly been too long since the BoC last commented on such matters.

At least one (RBA) of two central banks could hike this week, perhaps both (BanRep the other).

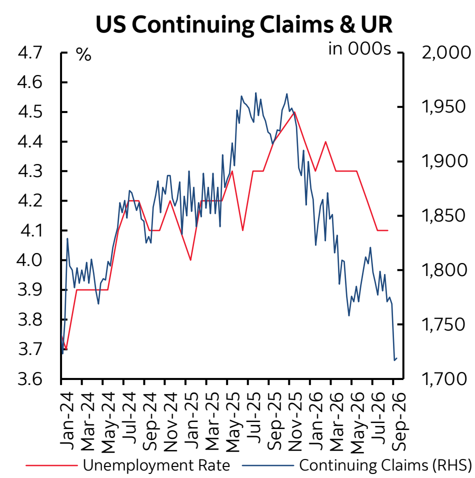
The rest of the week will be dominated by global inflation readings. Fresh measures for September from the Eurozone could inform the ECB's next step. Australian inflation arrives after the RBA's decision. Tokyo CPI lands about one month before the BoJ's next decision. Several other countries will also report fresh inflation readings.

US NONFARM PAYROLLS—EXTRAPOLATE OR DISMISS?

Was August's reported gain of 162k nonfarm payroll positions an aberration, a technical fluke, or the sign of an accelerating job market? We'll get the next leg of answers on Friday when nonfarm payrolls for the month of September land along with related measures like the unemployment rate, wage growth and hours worked.

I've estimated a rise of about 75k and an unchanged unemployment rate of 4.1%. I wouldn't say there is much confidence behind these readings with an explanation as to why after trying to rationalize the forecast. The UR could follow continuing claims lower (chart 1) but the wild gains in the household survey measures of employment and the labour force are likely to cool or reverse but the net effect is difficult to ascertain.

Chart 1



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

August's gain was a peculiar one. It occurred due to an abrupt increase in the seasonal adjustment that stood out like a sore thumb compared to multiple recent years and especially in the leisure and hospitality sector. If the SA factor had instead been around last August's (2025), then only 15k jobs would have been created as argued **here**. Seasonally unadjusted job growth was lacklustre and in line with a normal August.

Will this tendency repeat itself? I'm not sure. There was no such change in SA factors over prior months. It was the first establishment survey presided over by Trump's hand-picked BLS Commissioner who had just passed Senate confirmation as the prior month's report was released. The circumstances looked fishy to me as a strong reason for fading the gain.

Greater reason to expect a cooler reading with more downside than upside potential to my estimate involves noting the potentially one-off drivers of August's gain.

For one, the San Francisco Fed estimates that payrolls benefited from a weather effect tha t added 40k jobs (**here**). That high jumping off point for weather effects could be hard to repeat but we perhaps saw it in the form of gains in sectors like construction and leisure and hospitality.

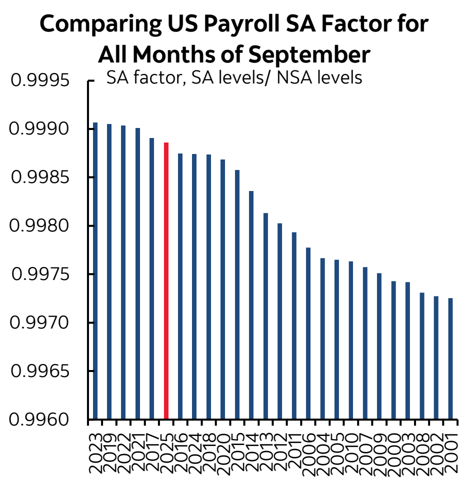
Second government hiring was up by 35k in August which was very much against the longstanding trend. What drove it was a 42k gain in local government hiring in the education sector. This goes against reports of layoffs as ESSA funding has been expiring and driving reduced head counts.

Third, the leisure and hospitality sector gained 62k jobs for the strongest increase in about three and a half years. I'm expecting at least a partial reversal as summertime hiring winds down.

Take out weather and hiring in just the two categories of leisure and hospitality and local government education workers, and payrolls and the entire rest of the labour market only saw about 25k jobs created. That's without even considering the SA factor argument; in its absence, the rest of the labour market outside of those affected sectors would have probably lost jobs.

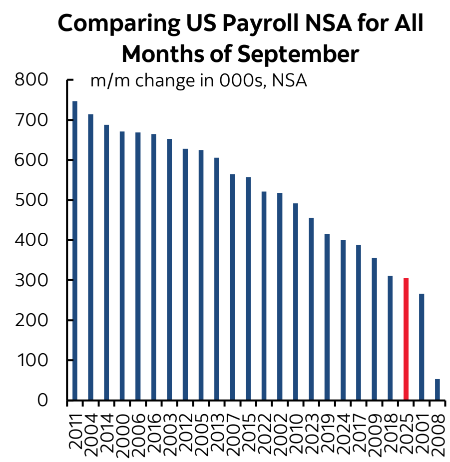
Among other considerations are charts 2 and 3 that show the range of SA factors for September and m/m seasonally unadjusted payroll changes in past Septembers. I've erred on the side of a higher SA factor than last year's, leaning toward September 2022 in order to arrive at a payroll gain of 75k along with about a 375k seasonally unadjusted gain that would be consistent with the pattern of slowing unadjusted job gains.

Chart 2



Sources: Scotiabank Economics, BLS.

Chart 3



* excluding 2020 & 2021
Sources: Scotiabank Economics, BLS.

Also recall that Trump's 50% tariffs on selected imports from Canada kicked in on August 22nd and Canada retaliated on September 8th. Both actions were ahead of the nonfarm reference period but are likely to be small influences upon US jobs.

Layoff trackers are uninteresting for September. There will be more job market readings in advance of payrolls including JOLTS job openings (Tuesday), ADP private payrolls that may land around 60k (Wednesday), Challenger job layoffs (Thursday) and weekly jobless claims.

And so what. The FOMC is focused upon inflation via the price stability part of its dual mandate. It has declared—wisely or not—that the job market isn't the concern. We'll see.

CANADA'S ECONOMY—SOLID MOMENTUM?

Canada refreshes GDP figures on Tuesday before local bond markets (but not stocks) shut early at 1:30pmET ahead of the National Day for Truth and Reconciliation when markets will be closed on Wednesday.

We should have a more informed view on Q3 GDP growth and hence sustainability arguments following the rapid 3.3% q/q SAAR pace of GDP growth in Q2. On August 28th, Statcan guided that July GDP was "essentially unchanged" which I've taken over time to mean somewhere around -0.1% to +0.1% m/m SA. Our tracking suggests a touch of upside which leans toward mild growth of 0.1% that month. One driver is hours worked that were up 0.6% m/m SA and have grown that rapidly in three of the past four months. GDP is hours times labour productivity, so solid growth in hours is a good start for tracking GDP growth. Other activity readings were mixed.

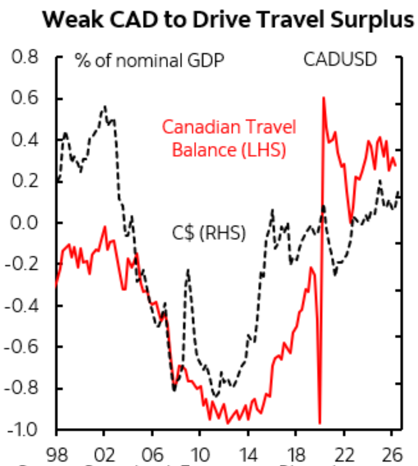
The preliminary reading for August GDP could well be stronger than July. We know that hours worked were up another 0.6% m/m SA. Other activity readings look supportive after translating advance guidance on nominal readings into value-added GDP tracking.

Proxies for service sector activity may add to tracking. Foreign travel spending in Canada has been buoyant while spending by Canadian tourists abroad is weaker than prior years; the heavily undervalued Canadian dollar is a major driver in both directions (charts 4, 5). Air travel usually wanes over late summer in seasonally unadjusted terms but is higher than usual this time (chart 6). I can vouch for that after having difficulty finding a parking spot at Pearson this past week. Growth in restaurant reservations is strong (chart 7).

Given what we know about Q2 GDP and the way we think Q3 is tracking, it could translate into Q3 growth of around 2% q/q SAAR. That wouldn't be too shabby after 3¼% and would certainly be better than the fears that some had.

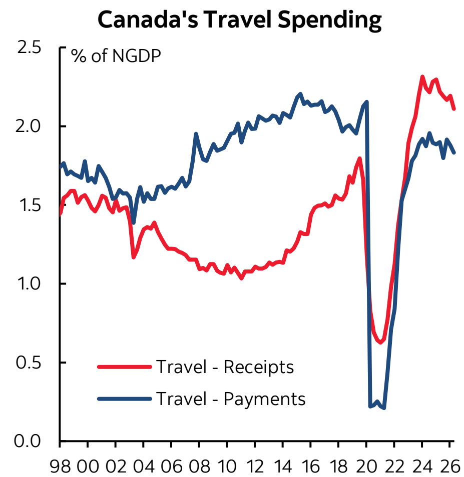
This estimate is for monthly production/income-based GDP growth. The more common means of forecasting growth is to use quarterly expenditure-based GDP in the classic Keynesian accounting sense: C+I+G+X-M. That could be meaningfully different as it's likely that the large inventory drag on Q2 GDP (-4.9 ppts) and the large export addition to GDP growth (4.7 ppts) could swap places but with high uncertainty around their relative magnitudes. In other words, selling down inventories to drive exports in Q2 could reverse via inventory restocking in Q3. That's why we would advise paying closer attention to final domestic demand (C+I+G ex-inventories) as a better momentum signal and that grew 3.8% q/q SAAR in Q2 and which will be updated only on November 30th.

Chart 4



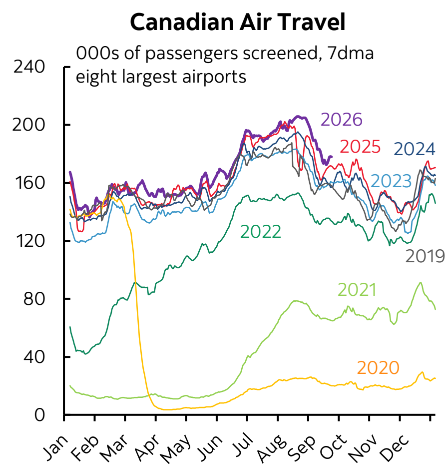
Source: Scotiabank Economics, Bloomberg, Statistics Canada.

Chart 5



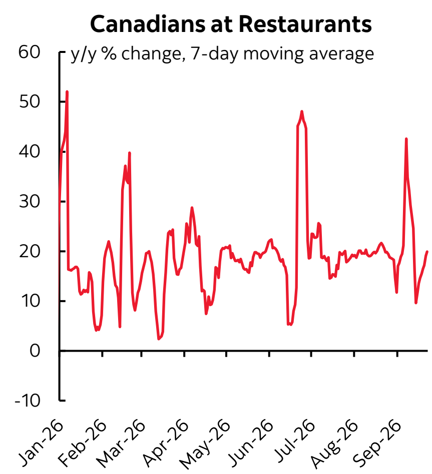
Sources: Scotiabank Economics, Statistics Canada.

Chart 6



Sources: Scotiabank Economics, CATSA.

Chart 7



Sources: Scotiabank Economics, OpenTable.

A side issue is why Governor Macklem did not emphasize Q3 tracking in his recent remarks. His staff surely have their own tracking, but all he did was say Q4 GDP growth might slow to about 1% q/q SAAR—with no data tracking available to support anything other than model noise at this point. That seemed like cherry-picking to me; simply gloss over what was missed to date.

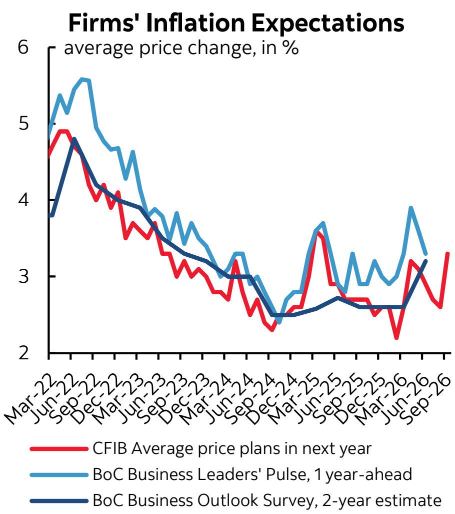
And it matters. That's because we could be tracking closure of the output gap that is presently in modest excess supply within about 1–2 quarters. If that's the case, then the BoC may already be behind the inflation battle. Policy should begin tightening in advance of shut capacity especially when the policy rate is at the bottom of the neutral rate range and roughly zero if not negative in real terms alongside a deeply undervalued Canadian dollar.

Further, all measures of inflation are either at or above the BoC's 2% midpoint of its 1–3% inflation target range. Total CPI is up 3% y/y. Traditional core CPI (ex-food and energy) is up 2.1% y/y and in month-over-month annualized terms it has been running at 3% or higher for four straight months. Trimmed mean and weighted median CPI sit on about 2% y/y and remember these measures are not strict y/y spot readings as opposed to rolling compounded m/m readings. For two months, trimmed mean and weighted median have been at 2¾% m/m SAAR.

Insofar as expectations are concerned, a small business survey points to higher inflation expectations that tend to be well correlated with the Bank of Canada's survey measures that are likely to rise when they are released on October 19th (chart 8). In some respects, this is increasingly looking similar to the pandemic era by way of inflation pass through into transportation costs that may be passed through (chart 9).

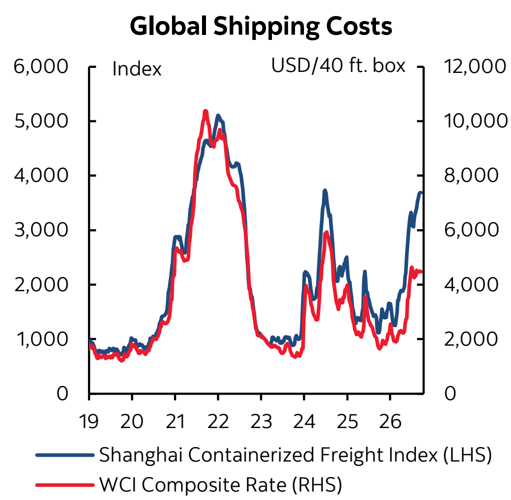
So, if inflation is your thing as a central bank, then you should be tightening whether in an output gap way of thinking and/or in terms of inflation data dependency. It doesn't require going hog wild on rate hikes which I wouldn't expect out of any forward guidance. It should require rebalancing the risks in a step-by-step risk management sense by moving at least toward the middle or upper end of the 2¼% to 3¼% estimated neutral rate range and then evaluating. Otherwise, policy may remain over stimulative from an inflation risk standpoint and here we go again. It would also leave the door open toward an increasing sense that an outright restrictive stance may be required.

Chart 8



Sources: Scotiabank Economics, CFIB, BoC.

Chart 9



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

BOC SPEECHES COULD INFORM POLICY RATE AND BALANCE SHEET PLANS

What matters, however, may be how the BoC tees things up into the October 28th decision and we could learn more this week. We could also learn more about balance sheet plans.

Before turning to this week's speeches, recall that Governor Macklem dropped the forward guidance line from the prior statement that deemed the policy rate to be "appropriate," warned about further upside risk to inflation than previously judged, and closely tied the next rate decision to updated forecasts to be presented at the next meeting. When combined, these arguments along with surpassing the BoC's expectations for GDP growth and inflation very much make October a 'live' meeting. Based on what we know so far, I'd say they go especially given our rising confidence toward the 2027 outlook.

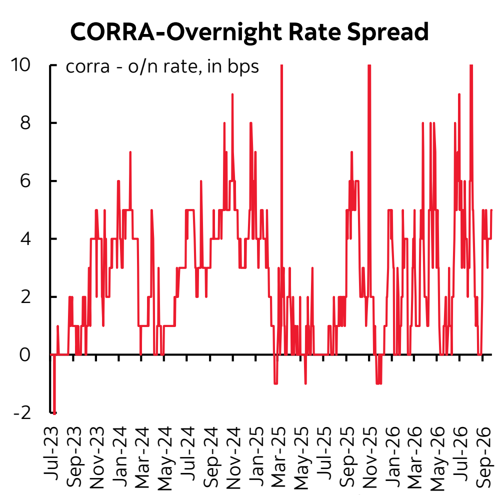
So on we go to comments from two BoC official this week. Deputy Governor Toni Gravelle speaks on 'Repo markets and monetary policy implementation." It could be important to the niche world of funding and liquidity management but because it could make other eyes glaze over there is no planned Q&A or press availability. Anything he offers on the economy and policy rate guidance may also be relevant.

Yet this could be an important speech. We haven't heard from Mr. Gravelle in quite some time. He heads the financial markets division and Fed watchers can think of him as being in a role akin to that of the folks at the NY Fed including their SOMA group. He's the guy they roll out any time they have something new to say on balance sheet management. The last time he spoke on the topic was January of last year ([here]).

What could he say?

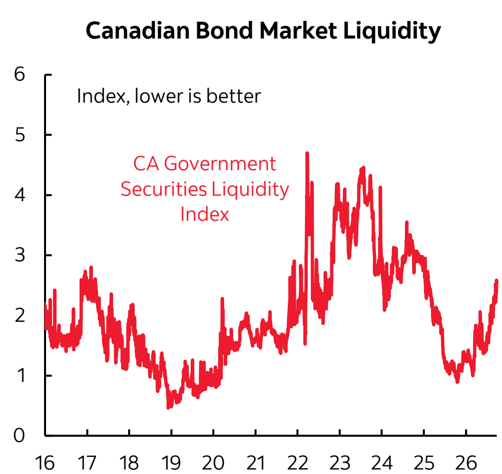
With CORRA still trading about 5bps above the 2¼% overnight rate (chart 10), the BoC still clearly faces challenges in

Chart 10



Sources: Scotiabank Economics, Bank of Canada.

Chart 11



Sources: Scotiabank Economics, Bloomberg.

implementing monetary policy by steering all relative rates to its policy rate. Government of Canada bond market liquidity has also deteriorated of late; on chart 11, lower is better. We'll be watching his remarks on potential new tools, tweaks to existing ones, and/or guidance on liquidity management in funding markets.

Recall that in the quest toward a more normalized balance sheet, the BoC is seeking to achieve two identities. One is to equate interest-bearing assets (holdings of bills and securities purchased through repo) to interest-bearing liabilities represented by settlement balances held at the BoC by CPA members. It's not there yet despite aggressive expansion of its repo book as bills and repos are well shy of settlement balances. The other identity is to equate GoC bond holdings on the asset side to currency in circulation on the liability side. Here too the BoC is not there yet but could be in the not too distant future.

We'll be watching closely for guidance on plans for the repo book and t-bill buying in the context of ongoing funding market pressures. We'll also be monitoring language around an expected return to gross GoC bond buying to offset maturity redemptions next year while currency in circulation keeps growing probably around a longer-run nominal GDP pace. The BoC has long guided it could return to gross buying of Government of Canada to offset maturities when they arrive closer to the point to which they equal currency in circulation which is likely at some point next year. This would not be QE but would be in the normal course of operations. They have guided that markets would be informed by stronger signals the closer they get to the possible changes. Annual buying in the C$10–20B range that ramps up later on is feasible.

Senior Deputy Governor Rogers also speaks on Thursday. Her topic is "Canada's housing market." There will be moderated Q&A but no press conference. I doubt we'll learn much that would further inform potential lift off timing given a) the speech arrives before the next rounds of data for jobs, inflation and GDP among others, and b) it's still well ahead of the blackout period that commences on October 20th—eight days before the decision and MPR.

CENTRAL BANKS—DEUCES ARE WILD?

Two central banks will deliver policy decisions that could be a hike-hold draw or even a pair of hikes.

RBA—Going Up Down Under

Another quarter-point rate hike is almost fully priced for Tuesday's decision. Consensus unanimously expects a hike to 4.6% for the first hike since May. That would take the cash rate target up by a cumulative 100bps since February.

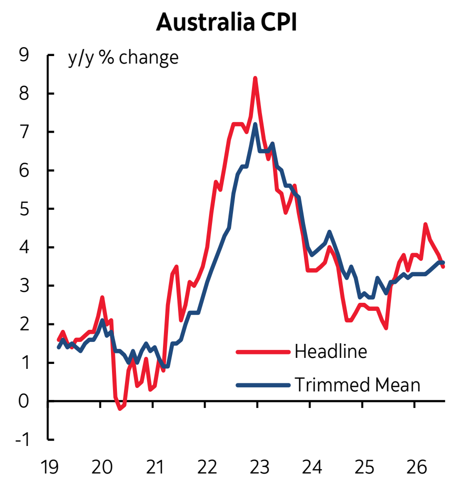
Inflation by multiple measures is cruising above the RBA's 2–3% target range (chart 12). Total CPI was up 3.5% y/y in July with trimmed mean CPI up 3.6% y/y and an experimental proxy gauge from the Melbourne Institute was up 4.8% y/y in August. Governor Bullock recently sounded incrementally hawkish when she said on September 17th "It's more important than ever that we bring inflation down to target." On inflation, she said "It's much harder to look through when there are persistent shocks because of the risk that will flow through the inflation expectations, I think we have to acknowledge that the trade-off has gotten worse." She emphasized the need to act quickly because "The longer we're above the target, then the more concerning it is that inflation expectations will start to adjust."

Markets are pricing another 25bps hike by the February decision with significant odds of another hike before year-end. They will pay close attention to guidance.

BanRep—Will the Governor Win Out This Time?

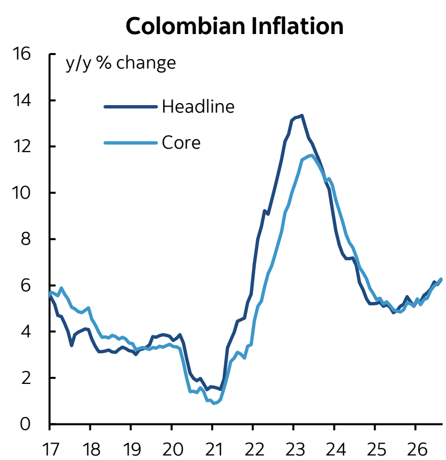
Colombia's central bank is widely expected to leave its overnight lending rate unchanged at 12% on Wednesday but a minority think it could restart hikes.

Chart 12



Sources: Scotiabank Economics, Australian Bureau of Statistics.

Chart 13



Sources: Scotiabank Economics, Departamento Administrativo Nacional de Estadistica (DANE).

The more hawkish minority may be pointing to the prior meeting in July that revealed a 4–3 hold-hike vote split that had the Governor in the minority hike camp. They may be pointing to growing evidence of a longer commodity price shock amid rising global supply chain pressures while the policy rate gap to the Federal Reserve widens. Inflation is running over 6% y/y in terms of both total CPI and core CPI and on the rise (chart 13).

GLOBAL MACRO—INFLATION IS EVERYWHERE

I've partnered with Jay Parmar for parts of this section on weekly indicators.

Markets and central banks are seeing inflation everywhere these days. Perhaps it's justified. Perhaps it's a modern-day spin on psychologist Abraham Maslow's line that "I suppose it is tempting, if the only tool you have is a hammer, to treat everything as if it were a nail." He's the same famous psychologist who gave us Maslow's hierarchy of needs.

What we need to ultimately see is how much of today's price pressures evolve into the core basket of prices excluding more volatile items like commodities and for how long.

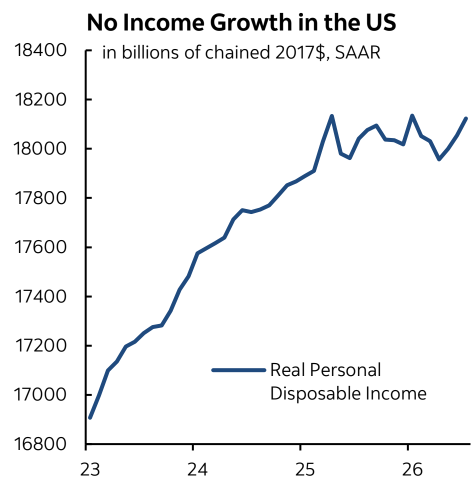
The US will be a major focus. The Fed's preferred PCE gauges of inflation for August arrive on Wednesday. I've estimated 0.3% m/m SA for total PCE and 0.2% for core PCE inflation. Consensus is a tick higher on both. How markets react depends upon who is right; 0.3% and the hawks take flight, but if it's 0.2, then it could be a third consecutive reading averaging around this relatively tame figure which could suggest more patience in pricing the Fed's next move. Consensus may be simply going with core CPI that was up 0.3% m/m SA. To get 0.2% takes into account the different weights between CPI and PCE, the pertinent categories of producer prices that are included in PCE, and other methodological differences. It would take more than the last time around to round up the estimate to 0.3%.

Other US readings are shown in the accompanying tables along with Scotia's estimates. Real house prices are expected to keep falling (Tuesday). Consumer confidence may move sideways (Tuesday). Modest monthly real income growth against a flat trend will fund expected strength in real personal spending in a way that further erodes the saving rate as shown in charts 14 and 15 (Wednesday). Q2 GDP growth is likely to remain around 1½% q/q SAAR on revision (Wednesday). The first reading for monthly exports and imports in August (Wednesday) will then tee up a hat trick of measures on Thursday including ISM-manufacturing, construction spending and a slightly slower pace of vehicle sales. Factory orders close out the week on Friday after durable goods orders were flat.

Chart 14

Sources: Scotiabank Economics, US BEA.

Chart 15



Sources: Scotiabank Economics, US BEA.

Australia will release its August CPI report on Tuesday, followed by September inflation prints from Switzerland, Tokyo, South Korea, Indonesia, and Peru on Thursday. The week concludes with the Eurozone's September inflation report on Friday.

Australia's inflation report, due shortly after the RBA decision, is likely to have limited immediate policy implications but will represent the first of two inflation readings before the bank's November meeting. Headline inflation is expected to accelerate to 4.2% y/y from 3.5%, while trimmed-mean inflation is also expected to edge higher to 3.7%, reinforcing concerns that underlying price pressures remain persistent.

Focus then shifts to Tokyo CPI on Thursday, ahead of the Bank of Japan's October 30th meeting. After three consecutive firm readings, with the three-month average running above 4% SAAR, another strong print would add to pressure on the BoJ to continue normalizing policy. This comes with markets currently pricing only around a 20% probability of a rate hike in October.

In Peru, both headline and core inflation are expected to remain elevated, although policymakers have increasingly focused on core inflation excluding transportation, which has remained below 2% since April 2025. The BCRP expects inflation to converge toward target as supply shocks fade, although risks from El Niño and ongoing Middle Ea st tensions persist. Any renewed acceleration in the core ex-transportation measure could trigger a more hawkish policy response.

Inflation releases from Switzerland, Indonesia, and South Korea will also be closely monitored, as recent price pressures have challenged central banks' inflation objectives and are likely to increase pressure on policymakers to maintain a more hawkish stance.

Finally, the Eurozone will release its last major inflation report on Friday ahead of the ECB's October 29th meeting. Markets remain divided over whether the ECB will deliver another hike or remain on hold, leaving inflation data and the persistence of higher energy prices as critical inputs. Consensus expects inflation to accelerate further, with particular focus on the month-over-month, non-seasonally adjusted core inflation reading. A stronger-than-expected print, coupled with sustained energy price pressures, could shift market pricing further in favour of an October rate hike.

Key Indicators for the week of September 28 – October 2

North America

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	09-28	08:00	Trade Balance (US$ mn)	Aug	--	--	-847.5
US	09-28	10:30	Dallas Fed. Manufacturing Activity	Sep	--	7.3	11.6
CA	09-29	08:30	Real GDP (m/m)	Jul	0.1	0.1	0.3
US	09-29	09:00	S&P/Case-Shiller Home Price Index (m/m)	Jul	0.2	0.2	0.2
US	09-29	09:00	S&P/Case-Shiller Home Price Index (y/y)	Jul	2.2	--	2.1
US	09-29	10:00	Consumer Confidence Index	Sep	90.0	90.0	89.4
US	09-29	10:00	JOLTS Job Openings (000s)	Aug	--	7225.0	7271.0
US	09-30	07:00	MBA Mortgage Applications (w/w)	Sep 25	--	--	-1.5
US	09-30	08:15	ADP Employment Report (000s m/m)	Sep	75	70.0	38.0
US	09-30	08:30	GDP (q/q a.r.)	2Q F	1.5	1.5	1.5
US	09-30	08:30	GDP Deflator (q/q a.r.)	2Q F	--	6.4	6.4
US	09-30	08:30	PCE Deflator (m/m)	Aug	0.3	0.4	0.2
US	09-30	08:30	PCE Deflator (y/y)	Aug	3.7	3.7	3.7
US	09-30	08:30	PCE ex. Food & Energy (m/m)	Aug	0.2	0.3	0.3
US	09-30	08:30	PCE ex. Food & Energy (y/y)	Aug	3.3	3.3	3.3
US	09-30	08:30	Personal Spending (m/m)	Aug	1.0	0.9	0.2
US	09-30	08:30	Personal Income (m/m)	Aug	0.3	0.5	0.4
US	09-30	08:30	Wholesale Inventories (m/m)	Aug P	--	--	1.3
US	09-30	09:45	Chicago PMI	Sep	--	51.2	47.1
US	10-01	08:30	Initial Jobless Claims (000s)	Sep 26	200	--	197.0
US	10-01	08:30	Continuing Claims (000s)	Sep 19	1720	--	1719.0
US	10-01	10:00	Challenger Job Cuts (in 000s)	Aug	--	--	52.9
US	10-01	10:00	Construction Spending (m/m)	Aug	0.2	0.1	-0.5
US	10-01	10:00	ISM Manufacturing Index	Sep	54.5	55.0	54.6
US	10-01		Total Vehicle Sales (mn a.r.)	Sep	16.3	16.6	16.8
US	10-02	08:30	Average Hourly Earnings (m/m)	Sep	0.3	0.3	0.3
US	10-02	08:30	Average Hourly Earnings (y/y)	Sep	3.2	3.2	3.1
US	10-02	08:30	Average Weekly Hours	Sep	--	34.3	34.4
US	10-02	08:30	Nonfarm Employment Report (000s m/m)	Sep	75	100.0	162.0
US	10-02	08:30	Unemployment Rate (%)	Sep	4.1	4.1	4.1
US	10-02	10:00	Factory Orders (m/m)	Aug	0.2	-0.1	0.9
US	10-02	08:30	Household Employment Report (000s m/m)	Sep	--	--	569.0

Europe

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	09-28		Retail Sales (m/m)	Aug	1.5	-3.4
SP	09-29	03:00	CPI (m/m)	Sep P	0.1	0.7
SP	09-29	03:00	CPI (y/y)	Sep P	4.7	4.3
SP	09-29	03:00	CPI - EU Harmonized (m/m)	Sep P	0.6	0.7
SP	09-29	03:00	CPI - EU Harmonized (y/y)	Sep P	4.9	4.6
SP	09-29	03:00	Real Retail Sales (y/y)	Aug	--	-0.2
UK	09-29	04:30	Net Consumer Credit (£ bn)	Aug	1.9	2.0
EC	09-29	05:00	Economic Confidence	Sep	98.8	98.4
EC	09-29	05:00	Industrial Confidence	Sep	-4.8	-5.3
UK	09-30	02:00	Business Investment (q/q)	2Q F	1.7	1.7
UK	09-30	02:00	Current Account (£ bn)	2Q	-25.5	-22.1
UK	09-30	02:00	GDP (q/q)	2Q F	0.4	0.4
FR	09-30	02:45	Consumer Spending (m/m)	Aug	0.0	0.5
FR	09-30	02:45	CPI (m/m)	Sep P	-0.5	0.7
FR	09-30	02:45	CPI (y/y)	Sep P	2.8	2.4
FR	09-30	02:45	CPI - EU Harmonized (m/m)	Sep P	-0.5	0.7
FR	09-30	02:45	CPI - EU Harmonized (y/y)	Sep P	3.1	2.6
FR	09-30	02:45	Producer Prices (m/m)	Aug	--	1.1
GE	09-30	03:55	Unemployment (000s)	Sep	2.0	4.0
GE	09-30	03:55	Unemployment Rate (%)	Sep	6.4	6.4
SP	09-30	04:00	Current Account (€ bn)	Jul	--	3.5

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

Key Indicators for the week of September 28 – October 2

Europe *(continued from previous page)*

Country	Date	Time	Indicator	Period	Consensus	Latest
IT	09-30	05:00	CPI (m/m)	Sep P	0.2	0.5
IT	09-30	05:00	CPI (y/y)	Sep P	3.7	3.3
IT	09-30	05:00	CPI - EU Harmonized (m/m)	Sep P	1.7	0.1
IT	09-30	05:00	CPI - EU Harmonized (y/y)	Sep P	3.7	3.2
GE	09-30	08:00	CPI (m/m)	Sep P	0.5	0.2
GE	09-30	08:00	CPI (y/y)	Sep P	3.1	2.9
GE	09-30	08:00	CPI - EU Harmonized (m/m)	Sep P	0.5	0.2
GE	09-30	08:00	CPI - EU Harmonized (y/y)	Sep P	3.2	2.9
UK	09-30		Nationwide House Prices (m/m)	Sep	0.1	0.2
IT	10-01	03:45	Manufacturing PMI	Sep	50.0	49.6
EC	10-01	05:00	Unemployment Rate (%)	Aug	6.4	6.4
IT	10-01		Budget Balance (€ bn)	Sep	--	-12.3
IT	10-01		Budget Balance YTD (€ bn)	Sep	--	-5.4
EC	10-02	05:00	CPI (m/m)	Sep P	0.5	0.4
EC	10-02	05:00	CPI (y/y)	Sep P	3.7	3.2
EC	10-02	05:00	Euro zone CPI Estimate (y/y)	Sep P	3.7	3.3
EC	10-02	05:00	Euro zone Core CPI Estimate (y/y)	Sep P	2.5	2.4
RU	10-02	12:00	Real GDP (y/y)	2Q F	--	1.30

Asia Pacific

Country	Date	Time	Indicator	Period	Consensus	Latest
CH	09-27	21:30	Industrial Profits YTD (y/y)	Aug	--	11.2
SI	09-28	01:00	Industrial Production (m/m)	Aug	2.0	2.3
SI	09-28	01:00	Industrial Production (y/y)	Aug	18.3	6.8
IN	09-28	06:30	Industrial Production (y/y)	Aug	7.10	6.70
JN	09-29	01:00	Coincident Index CI	Jul F	--	120.6
JN	09-29	01:00	Leading Index CI	Jul F	--	117.9
JN	09-29	01:00	New Composite Leading Economic Index	Jul F	--	117.9
SK	09-29	19:00	Industrial Production (m/m)	Aug	0.4	0.2
SK	09-29	19:00	Industrial Production (y/y)	Aug	4.3	3.6
SK	09-29	19:00	Cyclical Leading Index Change	Aug	--	0.4
JN	09-29	19:50	Industrial Production (m/m)	Aug P	1.2	-0.2
JN	09-29	19:50	Large Retailers' Sales (y/y)	Aug	--	1.4
JN	09-29	19:50	Retail Trade (m/m)	Aug	-1.0	2.1
JN	09-29	19:50	Retail Trade (y/y)	Aug	3.2	3.7
JN	09-29	19:50	Industrial Production (y/y)	Aug P	6.6	3.9
PH	09-29	21:00	Exports (y/y)	Aug	12.5	10.8
PH	09-29	21:00	Imports (y/y)	Aug	19.4	19.8
PH	09-29	21:00	Trade Balance (US$ mn)	Aug	-5500.0	-5970.0
AU	09-29	21:30	Building Approvals (m/m)	Aug	-1.0	-3.6
AU	09-29	21:30	Private Sector Credit (m/m)	Aug	0.5	0.6
AU	09-29	21:30	Private Sector Credit (y/y)	Aug	--	8.4
CH	09-29	21:30	Manufacturing PMI	Sep	50.1	49.8
CH	09-29	21:30	Non-manufacturing PMI	Sep	49.3	49.0
CH	09-29	21:45	Caixin Flash China Manufacturing PMI	Sep	51.7	51.5
CH	09-29	21:45	Caixin Manufacturing PMI	Sep	51.7	51.5
CH	09-29	21:45	Caixin Services PMI	Sep	51.2	51.4
AU	09-29		RBA Cash Target Rate (%)	Sep 29	4.6	4.4
JN	09-30	01:00	Housing Starts (y/y)	Aug	7.0	8.2
JN	09-30	02:00	Machine Tool Orders (y/y)	Aug F	--	64.7
TH	09-30	03:00	Current Account Balance (US$ mn)	Aug	--	-1559.0
TH	09-30	03:30	Exports (y/y)	Aug	--	22.4
TH	09-30	03:30	Imports (y/y)	Aug	--	35.5
TH	09-30	03:30	Trade Balance (US$ mn)	Aug	--	-47.0

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

Key Indicators for the week of September 28 – October 2

Asia Pacific ***(continued from previous page)***

Country	Date	Time	Indicator	Period	Consensus	Latest
JN	09-30	19:50	Tankan All Industries Index	3Q	12.2	11.5
JN	09-30	19:50	Tankan Manufacturing Index	3Q	25.0	22.0
JN	09-30	19:50	Tankan Non-Manufacturing Index	3Q	36.0	37.0
SK	09-30	20:00	Exports (y/y)	Sep	62.4	68.7
SK	09-30	20:00	Imports (y/y)	Sep	20.5	22.4
SK	09-30	20:00	Trade Balance (US$ mn)	Sep	39430.0	34785.0
AU	09-30	21:30	Trade Balance (AUD mn)	Aug	2100.0	1923.0
PH	09-30		Bank Lending (y/y)	Aug	--	10.4
ID	10-01	00:00	Exports (y/y)	Aug	2.5	6.1
ID	10-01	00:00	Imports (y/y)	Aug	28.0	27.0
ID	10-01	00:00	Trade Balance (US$ mn)	Aug	700.0	121.9
ID	10-01	00:00	CPI (y/y)	Sep	3.3	3.2
ID	10-01	00:00	CPI (m/m)	Sep	0.3	0.2
ID	10-01	00:00	Core CPI (y/y)	Sep	2.9	2.9
TH	10-01	03:30	Business Sentiment Index	Sep	--	49.8
NZ	10-01	17:00	ANZ Consumer Confidence Index	Sep	--	98.0
SK	10-01	19:00	CPI (m/m)	Sep	0.4	0.2
SK	10-01	19:00	CPI (y/y)	Sep	2.9	3.1
JN	10-01	19:30	Jobless Rate (%)	Aug	2.4	2.4
JN	10-01	19:30	Tokyo CPI (y/y)	Sep	2.5	1.9
JN	10-01	19:50	Monetary Base (y/y)	Sep	--	-15.7
HK	10-02	04:30	Retail Sales - Value (y/y)	Aug	3.7	4.5
HK	10-02	04:30	Retail Sales - Volume (y/y)	Aug	--	2.3
SI	10-02	09:00	Purchasing Managers Index	Sep	--	51.5
VN	10-02	22:05	CPI (y/y)	Sep	--	4.9
VN	10-02	22:05	Industrial Production (y/y)	Sep	--	14.4

Latin America

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	09-28	07:30	Current Account (US$ mn)	Aug	--	--	-8110.4
CL	09-30	08:00	Industrial Production (y/y)	Aug	--	--	-5.0
CL	09-30	08:00	Retail Sales (y/y)	Aug	--	--	2.2
CL	09-30	08:00	Unemployment Rate (%)	Aug	--	--	9.5
CO	09-30	11:00	Urban Unemployment Rate (%)	Aug	--	8.3	8.6
CO	09-30	14:00	Overnight Lending Rate (%)	Sep 30	--	12.00	12.00
CL	10-01	07:30	Economic Activity Index SA (m/m)	Aug	--	--	-1.7
CL	10-01	07:30	Economic Activity Index NSA (y/y)	Aug	--	--	-1.5
BZ	10-01	09:00	PMI Manufacturing Index	Sep	--	--	46.3
PE	10-01	11:00	Consumer Price Index (m/m)	Sep	--	--	0.1
PE	10-01	11:00	Consumer Price Index (y/y)	Sep	--	--	4.4
BZ	10-02	08:00	Industrial Production SA (m/m)	Aug	--	--	0.2
BZ	10-02	08:00	Industrial Production (y/y)	Aug	--	--	-0.5

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

Global Auctions for the week of September 28 – October 2

North America

Country	Date	Time	Event
No Scheduled Auctions			

Europe

Country	Date	Time	Event
EC	09-28	05:30	EU to Sell Bonds
BE	09-28	06:00	Belgium to Sell Bonds
NE	09-29	04:00	Netherlands to Sell Bonds
IT	09-29	05:00	Italy to Sell Up to EU1.5B of 2036 Floating Bonds
UK	09-29	05:00	UK to Sell GBP4.25 Billion of 4.875% 2036 Bonds
IT	09-29	05:00	Italy to Sell Up to EU3.5 Billion of 3.95% 2032 Bonds
IT	09-29	05:00	Italy to Sell Up to EU3 Billion of 4% 2036 Bonds
SW	09-30	05:00	Sweden to Sell SEK5 Billion of 2.25% 2032 Bonds
GE	09-30	05:30	Germany to Sell EU5.5 Billion of 3% 2036 Bonds
SP	10-01	04:30	Spain to Sell Bonds
FR	10-01	04:50	France to Sell Bonds
BE	10-02	06:00	Belgium to Sell Bonds through Ori Auction

Asia Pacific

Country	Date	Time	Event
JN	09-28	23:35	Japan to Sell 40-Year Bonds
JN	09-29	23:35	Japan to Sell 2-Year Bonds

Latin America

Country	Date	Time	Event
No Scheduled Auctions			

Sources: Bloomberg, Scotiabank Economics.

Events for the week of September 2 – October 2

North America

Country	Date	Time	Event
US	09-29	13:00	Fed's Goolsbee Speaks in Moderated Discussion
US	09-29	14:00	Fed's Williams Gives Keynote Remarks
US	09-30	13:30	Fed's Barkin Gives Welcome Remarks at Rural America Conference
US	09-30	15:25	Fed's Cook Speaks at Investing in Rural America Conference
US	09-30	17:10	Fed's Goolsbee Gives Keynote Address
US	09-30	18:00	Fed's Kashkari Speaks in Fireside Chat
US	10-01	09:05	Fed's Barkin, Collins, Schmid on Panel About Rural America
US	10-01	15:30	Fed's Cook and NY Fed's Williams at Panel
US	10-01	18:45	Fed's Logan Speaks At Eleventh District Appreciation Event

Europe

Country	Date	Time	Event
UK	09-28	06:00	BOE's Ramsden Speaks on QT in London
NO	09-29	02:30	Norway Government Debt Plans for 4Q
EC	09-29	04:00	ECB's Kazimir Speaks in Bratislava
EC	09-29	06:00	ECB's Nagel Speaks in Frankfurt
EC	09-29	07:30	ECB's Escriva Speaks in Madrid
EC	09-29	09:15	ECB's Cipollone Speaks in Frankfurt
UK	09-29	11:30	BOE's Taylor Speaks in London
SZ	09-30	03:00	Foreign exchange transactions
SW	09-30	03:30	Riksbank's Jansson Speaks in London
EC	09-30	11:45	ECB's Schnabel Speaks in Luxembourg
UK	10-01	04:00	BOE Governor Delivers Opening Remarks at London
EC	10-01	04:20	ECB's Cipollone Speaks in Brussels
IR	10-01	04:45	Central Bank of Ireland Governor Gabriel Makhlouf Keynote Addr
EC	10-01	06:35	Bundesbank Chief Nagel Speaks in London
UK	10-01	08:00	BOE's Mann Speaks in London
EC	10-01	09:30	ECB's Lagarde Speaks in Frankfurt
EC	10-01	10:00	ECB's Sleijpen Speaks
SZ	10-01	11:30	SNB's Schlegel Gives Introductory Remarks
EC	10-02	07:30	ECB's Vujcic Speaks in Frankfurt
EC	10-02	15:35	ECB's Nagel Speaks in Rostock, Germany

Asia Pacific

Country	Date	Time	Event
JN	09-27	19:50	BOJ Minutes of July Meeting
AU	**09-29**	**00:30**	**RBA Cash Rate Target**
SL	**09-29**	**22:00**	**CBSL Overnight Policy Rate**
JN	09-30	19:50	BOJ Summary of Opinions (Sept. MPM)
AU	09-30	21:30	RBA-Financial Stability Review

Latin America

Country	Date	Time	Event
CO	**09-30**	**14:00**	**Overnight Lending Rate**
DR	**09-30**		**Overnight Rate**

Sources: Bloomberg, Scotiabank Economics.

Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	2.25	October 28, 2026	2.25	2.25
Federal Reserve – Federal Funds Target Rate	4.00	October 28, 2026	4.25	4.00
Banco de México – Overnight Rate	6.50	November 5, 2026	6.50	6.50

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	December 10, 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	November 4, 2026	2.00	2.00
Norges Bank – Deposit Rate	4.50	November 5, 2026	4.50	4.50
Central Bank of Turkey – Benchmark Repo Rate	37.00	October 22, 2026	37.00	37.00

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	1.25	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	3.00	3.00
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	October 21, 2026	5.75	5.75
Central Bank of Philippines – Overnight Borrowing Rate	5.00	October 22, 2026	5.00	5.00

Reserve Bank of Australia (RBA): The RBA is widely expected to resume its tightening cycle on Tuesday with a 25 bp rate hike, following a hawkish two-meeting pause to assess the impact of earlier tightening. Since then, persistently elevated headline and trimmed-mean inflation, alongside higher energy prices, have strengthened the case for further policy action. Recent remarks from Governor Bullock suggest the bank's tolerance for above-target inflation is diminishing, with policymakers concerned about a still-tight labour market, persistent supply-side shocks, and the risk of inflation expectations becoming entrenched. Markets have fully priced this week's hike and see around a 50% probability of an additional move by year-end, leaving the focus on whether the RBA signals this is a one-off adjustment or the beginning of a broader tightening phase.

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

Banco de la República de Colombia: The consensus expects the Central Bank of Colombia to keep rates unchanged at 12.0% on Wednesday, reflecting the narrow 4-3 split seen in July when three members, including the Governor, favoured a 50 bp hike. The balance between the hold and hike camps remains finely poised, with no indication of a shift in voting preferences and the new Finance Minister likely supporting a hold, given his focus on fiscal consolidation. A stronger peso has also provided additional justification for maintaining rates. That said, the upside risks to the policy outlook have also increased. Inflation accelerated in both July and August, the latest MPR revised 2026–27 inflation forecasts above the upper end of the 2–4% target range, and inflation expectations continue to drift higher. With only one vote needed to tilt the board toward a hike, the risk of a surprise tightening remains elevated despite consensus expectations for another hold.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	7.25	November 19, 2026	7.25	7.25

Sources: Bloomberg, Scotiabank Economics.