

SHOOT FIRST, TALK LATER

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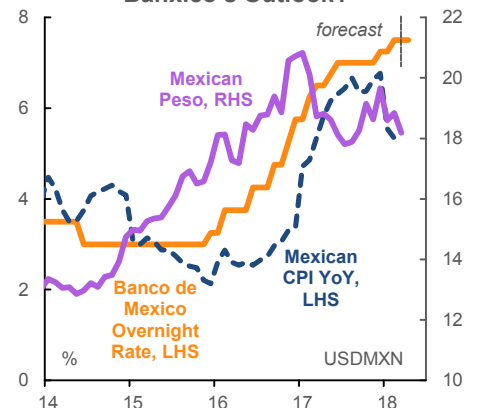
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Next Week's Risk Dashboard

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Chart of the Week

**Peso Dynamics Shifting
Banxico's Outlook?**



Sources: Scotiabank Economics, Banco de Mexico, Bloomberg.

Chart of the Week: Prepared by: Raffi Ghazarian, Senior Research Analyst.

Shoot First, Talk Later

CANADA — HOW WELL IS INVESTMENT HOLDING UP?

How investment is or is not holding up in the latest survey readings from the Bank of Canada will be significant to BoC watchers and hence the currency and short-term rates. There is significant risk of a handshake deal on NAFTA at some point soon while negotiations would likely continue to unfold for months thereafter. The eighth round of negotiations will commence on Monday in Washington as ministerial level discussions cited progress to end this week but major obstacles appear to remain. Cited progress on autos looks highly questionable. Otherwise, the week will be focused upon a smattering of housing updates and little else.

What exactly is happening with the investment picture is uncertain but important to the BoC's thinking in multiple respects. On Monday, the Business Outlook Survey and the Senior Loan Officer Survey will inform this and other issues. For one, the BoC has long hoped for signs of a rotation of the sources of growth away from households and toward exports and investment. It isn't getting that on the exports side of the picture, while consumption growth and momentum in housing markets have both slowed. Secondly, an investment-led recovery would go a long way toward easing rate pressures by expanding the supply side of the economy and with that the non-inflationary speed limit to growth. More investment that expands productive capacity when capacity constraints are high and rising could hold at bay further inflationary pressures all else equal by limiting the extent to which prices have to be used to ration demand.

So what is the evidence? It's rather mixed, actually. Chart 1 shows that growth in the volume of imports of industrial machinery has stumbled of late. There was a brief spike higher in December that lifted Q4 overall, but that was focused upon a transitory rise in imports of equipment ahead of new emissions regulations affecting diesel engines and machines that disallowed imports of such equipment that no longer met the tighter standards starting on January 1st of this year. Otherwise, capital goods imports have been riding flat for the past couple of quarters. This matters a lot because Canada imports the majority of its capital goods.

Chart 2 shows StatsCan's recent investment intentions surveys. This source for intentions correlates reasonably well with actual investment but is underwhelming. For a fuller recap, see Marc Desormeaux's piece [here](#).

Then we have the BoC's Business Outlook Survey that is rich with survey-based evidence of business attitudes. Some of the key metrics from the last survey released in January and covering the period from November 14th to December 8th are shown in chart 3. The investment intentions component had improved back then, but the updated survey that covers the period from about mid-February through the first week of March will offer a more timely assessment. It's nevertheless impossible to have completely fresh evidence as considerations like NAFTA or US-China trade uncertainty evolve by the day. Nevertheless, while it's based upon a small sample of about 100 firms, the BoC uses this survey to partially inform forward-looking expectations to complement its forecasting exercises.

Chart 1

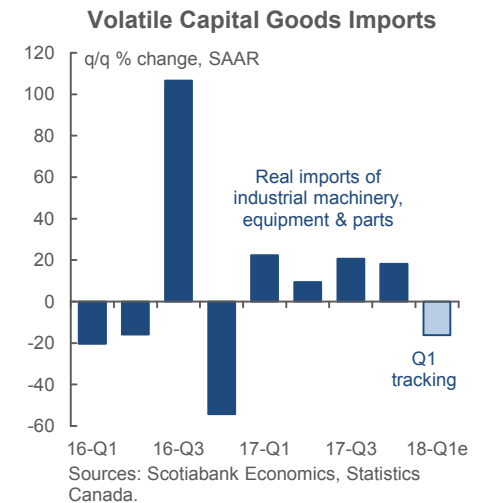


Chart 2

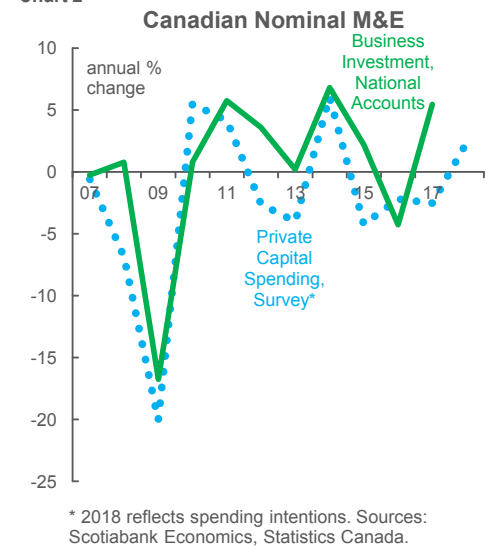
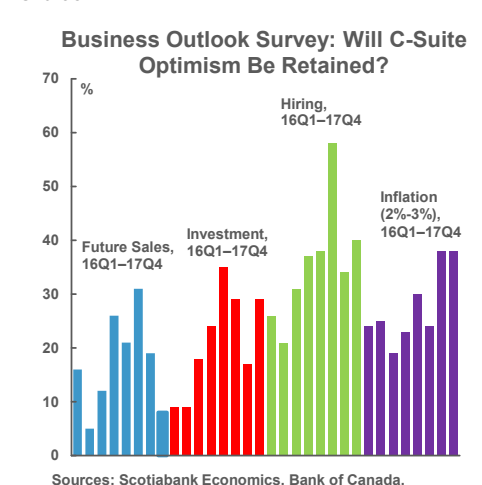


Chart 3



Housing data will include housing starts on Monday that are expected to hold above 200k at an annualized rate for the fifteenth time in sixteen months. Building permits (Tuesday), the Teranet repeat-sales gauge of house prices (Thursday), StatsCan's new house price index (Thursday) and existing home sales (Friday) will round out the housing-heavy release calendar. Resales will likely be weak in the wake of figures from markets like Toronto, but among the advantages to the Canadian Real Estate Association release is a) the figures are complete across nationwide markets versus the handful of individual cities that report in advance, and b) they seasonally adjust the totals for sales, listings, prices, etc. I thought much of the coverage of the Toronto sales figures was overly alarmist; average prices are down sharply from a year ago, but are skewed toward relatively upper-end homes and compared to the peak in activity of a year ago. Average prices have really only gone back to where they were just prior to the overheated Spring 2017 market. The near-term housing picture is likely to continue to be soft as B-20 stress testing bites, but against the backdrop of income and job gains plus immigration and limited interest rate pass-through in refinancings that should resurrect demand thereafter.

Canada auctions 3s on Wednesday. Roger Quick and Kareem Kudus will offer previews and recaps.

ASIA — M.A.D.

Four issues will be worth considering across Asian markets but one of them in particular could negate the relevance of the other three.

Whether or not the US delivers the next list of goods targeted for tariffs on another \$100 billion of goods imported from China—and China's likely response—could well be not only the dominant factor across Asian markets but clearly global markets as well. Yes, global, including European equities despite their outperformance over this past week (chart 4). This outperformance has assumed that European stocks remain immune to global growth challenges that could easily arise if two of the largest three main regions become embroiled in mutually assured trade destruction. Trade and investment diversion may help Europe in a market share sense, but where the balance lies against risks to global growth is uncertain.

Of secondary importance may be a round of Chinese macro updates and all of them are always to be taken with a grain of salt early on each year a) because of the shifting timing of the annual Lunar New Year holiday and b) because of the seasonal front-loaded way that China still doles out credit allocations to the banking sector.

Foreign reserves for March (this week or next) follow a dip in February that was the first since January of last year and so China's cash stockpile faces some uncertainty over directions. Aggregate financing figures for March (this week or next) follow the combined months of January and February that have so far made 2018 the strongest year-to-date tally of the past ten years behind only 2015. CPI on Tuesday night is expected to begin to pull off from the base-effect induced spike in February. Then toward week's end we'll get fresh trade figures amid expectations for a smaller monthly trade surplus.

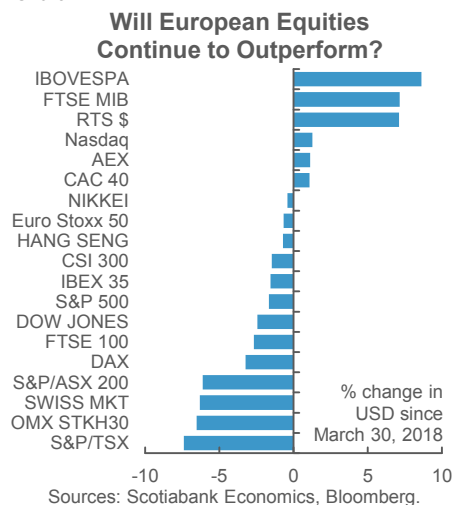
Indian CPI for March (Thursday) will further inform the Reserve Bank of India's latest more neutral stance that downgraded the inflation forecast by a half percentage point to between 4.7–5.1% y/y this fiscal year. Trade and industrial production are also on tap.

Lastly, the Bank of Korea makes another policy decision at mid-week. No policy changes are expected at this juncture but consensus expectations for a rise to the 2% inflation target later this year are behind expectations for further rate hikes over coming months.

EUROPE — ECB GUIDANCE IN FOCUS

A wave of European Central Bank speak will be a point of focus next week ahead of the April 26th ECB meeting that may further the dialogue on backing away from bond buying after September. Modest data risk will struggle to get much attention against the backdrop of grander global developments.

Chart 4



No fewer than nine ECB officials speak over the coming week. This past week we heard from ECB Executive Board Member Benoît Coeuré who flagged how protectionism has “contributed to tighter financial conditions” and that “A ‘trade war’ scenario would add to global uncertainty at a time when some central banks have only just begun the process of unwinding the unconventional policy measures put in place following the global financial crisis.” Coeuré nevertheless was inclined to look through the immediate market impact of trade frictions against “the backdrop of very strong growth momentum” but clearly the ECB is in watch mode on the risks. Executive Board members Vítor Constâncio, Benoît Coeuré and Peter Praet will speak next week. Bundesbank President Jens Weidmann, Austrian central bank head Ewald Nowotny and Italian central bank head Ignazio Visco will also speak. The Chair of the ECB’s Supervisory Board Danièle Nouy, Pentti Hakkarainen and Ignazio Angeloni—also members of the Supervisory Board—also weigh in.

Data risk will be fairly modest. **Swedish inflation** (Thursday) is expected to rise to the 2% inflation target again but partly on volatile year-ago base effects. **Norwegian inflation** is expected to surpass Norges Bank’s recently lowered 2% inflation target.

UK markets will digest trade and industrial output figures on Wednesday and then the Bank of England’s credit conditions and bank liabilities surveys on Thursday. Also on deck will be European add-ups for industrial production (Thursday) and trade (Friday) following more individual country releases earlier in the week.

LATIN AMERICA — FULL HOUSE

Five markets will receive information of relevance to monetary policy directions including a full house hand consisting of a pair of central banks and three of a kind inflation reports.

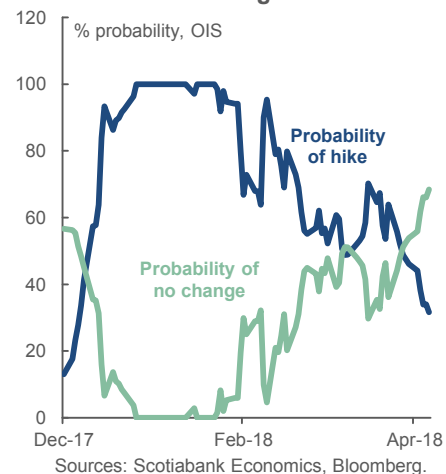
Banxico makes another policy decision on Thursday. Only a very small minority of economists expect another hike with the majority of shops expecting a hold including Scotiabank’s Vice President of Latin America Economics Eduardo Suárez. The market probability of a hike has moved sharply lower over recent weeks (chart 5). Another inflation update on Monday for March will incrementally inform the decision. CPI inflation has already been rolling over from a peak of 6.8% y/y in December to 5.3% in February amid expectations for a decline to just over 5% next week. That would bring inflation closer to the central bank’s 2–4% inflation target range. Banxico’s recent forecasts (slide deck [here](#)) stipulated expectations for inflation to decline to 3.8% y/y in Q4 and 3.2% y/y by 2019Q4 and hence well within the target range.

Peru, on the other hand, has all but non-existent inflation but next Thursday’s policy decision is expected to leave the policy rate unchanged at 2.75% albeit with cut risk. Banco Central de Reserva del Perú cut its policy rate on March 8th to address soft growth that ended 2017 at 2.3% y/y and weak inflation that then became non-existent at a rate of just 0.4% y/y in March. Graft investigations into the activities of construction companies amid allegations of corruption have hit investment. Ex-President Kuczynski’s resignation on Friday March 23rd in the context of the Carwash bribery scandal across LatAm markets ahead of a second impeachment vote injected further political instability. **The bias coming out of the last policy meeting hinted at a willingness to do more if necessary** and so the 2.75% reference rate faces cut risk. At its March decision, the central bank indicated it was looking through an inflation soft patch and expecting 2% inflation toward year-end and recall the central bank targets 1–3% inflation.

Speaking of inflation problems but much in the opposite direction, **Argentina updates March CPI** on Thursday. How does 25% y/y inflation sound? The purchasing power of every peso of earnings would sink rapidly at that pace, except for the fact that wage growth is running at 27% y/y largely thanks to inflation clauses, all of which continues to pose serious economic challenges. **Brazil will also update inflation on Tuesday** and it is expected to run within the range of recent readings that have fluctuated within the 2.8% y/y zone. Inflation crested at 10.7% y/y in January of 2016.

Chart 5

Banxico Rate Change Probabilities



UNITED STATES — COMMUNICATIONS BREAKDOWN

Tariffs, CPI, FOMC minutes and bank earnings season will be the main events with global market reach.

Markets will be on close watch for the pending release of what the International Trade Representative wishes to target by way of applying President Trump's recently guided additional tariffs on \$100 billion of imports from China. China has made it abundantly clear it will respond forcefully. This issue will weigh heavily on market sentiment as the dominant consideration over the coming week. Uncoordinated action within the Trump administration and no effort toward engaging China in a dialogue are signs that President Trump and an increasingly hawkish inner circle are acting unilaterally.

CPI inflation for March lands on Wednesday. Headline inflation should follow gasoline prices higher as one ingredient to the call (chart 6). If that were the only driver then the Federal Reserve would largely look through it. Core CPI inflation is also expected to rise, however, and cross the 2% mark for the first time since last March. This is not the Fed's preferred inflation gauge which remains the price deflator for total consumer expenditures that dynamically adjusts weights for where consumers spend (luxury stores versus discounters for example) and what they buy versus the periodic rebasing of CPI. Core PCE was only slightly behind at 1.6% y/y in February. One force driving inflation higher is likely the USD's effects as it has depreciated since the peak early last year. Another force is the lifting of transitory factors such as one-offs like mobile phone service pricing that Chair Powell cited again recently.

Bank earnings season fires up again. Seven S&P500 firms release Q1 earnings reports next week including BlackRock and Delta on Thursday and then JP Morgan, Citigroup, Wells Fargo and PNC Financial on Friday. The hit to earnings from repatriation taxes is passing and guidance will count for more to markets.

Fed-speak will continue with a primary focus upon Wednesday's FOMC minutes. Recall the outcome of the last meeting [here](#). The FOMC raised the policy rate by 25bps and guided there will be three hikes in total this year. **What has been almost entirely absent from recent Fed communications has been much reference to the impact of trade policy and financial stability risks.** Chair Powell's recent speech ([here](#)) didn't even once mention the word 'trade'. Outgoing San Francisco Fed President and incoming NY Fed President John Williams also didn't even mention 'trade' a single time in his recent speech ([here](#)) and came across as a Fed centrist on the nearer term policy outlook by supporting the median FOMC forecast for three hikes this year including the one in March. In a moderated Q&A session following his speech, Powell stated that he thinks tariff risks are at a "relatively early stage" and they "talked about it at the recent FOMC meeting" but they "don't see near-term implications because we don't know when the tariffs will come into effect and what the effects may be." He went on to correctly note that tariffs can push up prices, but that's a transitory influence that would likely give way to disinflation.

We'll hear more about this dialogue in next Wednesday's minutes to the March 21st FOMC meeting that could more fully develop the discussion on possible risks and how the FOMC may adapt to them. **Why else might the Fed not be acknowledging rising trade and financial stability risks?** For one, the domestic economy is expected to have solid momentum with gently rising inflation as a fiscal impulse unfolds and that is consistent with tightened monetary policy. For another, the Fed shouldn't respond to rumours and threats on the tariff front and maintain flexibility for when it may be needed. Other possibilities include a) the Fed has a tendency to lag behind recognition of fresh developments, or b) they don't wish to send a negative signal of increased concern versus a degree of confidence that emerges from a steady state forecast, or c) the fiscal position of the US economy is a long-run mess that monetary policy should take into consideration, or d) the Fed perhaps doesn't wish to signal to the Trump administration that it will behave as an insurance policy....

Other data risk will be minor including producer prices on Tuesday and the University of Michigan's consumer sentiment gauge on Friday.

The US Treasury conducts a 10 year reopening on Wednesday and then a 30 year reopening on Thursday plus a three year auction on Tuesday. Moody's issues a fresh sovereign debt rating on Friday, likely after the market close.

Chart 6

Rising Gasoline Prices to Lift CPI



Key Indicators for the week of April 9 – 13

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	04/09	08:15	Housing Starts (000s a.r.)	Mar	220.0	218.0	229.7
MX	04/09	09:00	Bi-Weekly Core CPI (% change)	Mar 31	0.1	0.1	0.2
MX	04/09	09:00	Bi-Weekly CPI (% change)	Mar 31	0.3	0.2	0.3
MX	04/09	09:00	Consumer Prices (m/m)	Mar	0.5	0.4	0.4
MX	04/09	09:00	Consumer Prices (y/y)	Mar	5.2	5.1	5.3
MX	04/09	09:00	Consumer Prices Core (m/m)	Mar	0.4	0.4	0.5
CA	04/09	10:30	BoC Senior Loan Officer Survey	1Q	--	--	-6.4
CA	04/09	10:30	Business Outlook Future Sales	1Q	--	--	8.0
CA	04/10	08:30	Building Permits (m/m)	Feb	--	--	5.6
US	04/10	08:30	PPI (m/m)	Mar	--	0.1	0.2
US	04/10	08:30	PPI ex. Food & Energy (m/m)	Mar	--	0.2	0.2
US	04/10	10:00	Wholesale Inventories (m/m)	Feb F	--	0.6	1.1
US	04/11	07:00	MBA Mortgage Applications (w/w)	APR 6	--	--	-3.3
US	04/11	08:30	CPI (m/m)	Mar	0.0	0.0	0.2
US	04/11	08:30	CPI (y/y)	Mar	2.3	2.4	2.2
US	04/11	08:30	CPI (index)	Mar	--	249.6	249.0
US	04/11	08:30	CPI ex. Food & Energy (m/m)	Mar	0.2	0.2	0.2
US	04/11	08:30	CPI ex. Food & Energy (y/y)	Mar	2.1	2.1	1.8
MX	04/11	09:00	Industrial Production (m/m)	Feb	--	0.6	0.0
MX	04/11	09:00	Industrial Production (y/y)	Feb	1.4	1.3	0.9
US	04/11	14:00	Treasury Budget (US\$ bn)	Mar	--	-185.0	49.2
CA	04/12	08:30	New Housing Price Index (m/m)	Feb	--	--	0.0
CA	04/12	08:30	Teranet - National Bank HPI (y/y)	Mar	--	--	7.5
US	04/12	08:30	Initial Jobless Claims (000s)	APR 7	235	230	242
US	04/12	08:30	Continuing Claims (000s)	MAR 31	1820	--	1808
US	04/12	08:30	Export Prices (m/m)	Mar	--	0.2	0.2
US	04/12	08:30	Import Prices (m/m)	Mar	--	0.1	0.4
MX	04/12	14:00	Overnight Rate (%)	Apr 12	7.50	7.50	7.50
CA	04/13	09:00	Existing Home Sales (m/m)	Mar	--	--	-6.5
US	04/13	10:00	JOLTS Job Openings (000s)	Feb	--	--	6312.0
US	04/13	10:00	U. of Michigan Consumer Sentiment	Apr P	101.5	100.6	101.4

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
GE	04/09	02:00	Current Account (€ bn)	Feb	--	22.6	22.0
GE	04/09	02:00	Trade Balance (€ bn)	Feb	--	20.0	17.3
UK	04/09	03:30	Halifax House Price (3 month, y/y)	Mar	2.2	2.0	1.8
FR	04/10	02:45	Industrial Production (m/m)	Feb	--	1.4	-2.0
FR	04/10	02:45	Industrial Production (y/y)	Feb	--	4.3	1.2
FR	04/10	02:45	Manufacturing Production (m/m)	Feb	--	0.7	-1.1
IT	04/10	04:00	Industrial Production (m/m)	Feb	--	0.8	-1.9
UK	04/11	04:30	Industrial Production (m/m)	Feb	0.6	0.4	1.3
UK	04/11	04:30	Manufacturing Production (m/m)	Feb	-0.4	0.2	0.1
UK	04/11	04:30	Visible Trade Balance (£ mn)	Feb	-11900	-11900	-12325
FR	04/12	02:45	CPI (m/m)	Mar F	--	1.0	1.0
FR	04/12	02:45	CPI (y/y)	Mar F	--	1.5	1.5
FR	04/12	02:45	CPI - EU Harmonized (m/m)	Mar F	--	1.1	1.1
FR	04/12	02:45	CPI - EU Harmonized (y/y)	Mar F	--	1.7	1.7
EC	04/12	05:00	Industrial Production (m/m)	Feb	--	0.1	-1.0
EC	04/12	05:00	Industrial Production (y/y)	Feb	--	3.6	2.7
GE	04/13	02:00	CPI (m/m)	Mar F	--	0.4	0.4
GE	04/13	02:00	CPI (y/y)	Mar F	--	1.6	1.6
GE	04/13	02:00	CPI - EU Harmonized (m/m)	Mar F	--	0.4	0.4
GE	04/13	02:00	CPI - EU Harmonized (y/y)	Mar F	--	1.5	1.5
SP	04/13	03:00	CPI (m/m)	Mar F	--	0.1	0.0
SP	04/13	03:00	CPI (y/y)	Mar F	--	1.2	1.2
SP	04/13	03:00	CPI - EU Harmonized (m/m)	Mar F	--	1.2	1.2
SP	04/13	03:00	CPI - EU Harmonized (y/y)	Mar F	--	1.3	1.3
EC	04/13	05:00	Trade Balance (€ mn)	Feb	--	--	3266.7

Forecasts at time of publication.

Source: Bloomberg, Scotiabank Economics.

Key Indicators for the week of April 9 – 13
ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
CH	04/07		Foreign Reserves (US\$ bn)	Mar	--	3146.0	3134.5
JN	04/08	19:50	Current Account (¥ bn)	Feb	--	2196.0	607.4
JN	04/08	19:50	Trade Balance - BOP Basis (¥ bn)	Feb	--	249.7	-666.6
JN	04/09	01:00	Consumer Confidence	Mar	--	44.5	44.3
AU	04/09	02:30	Foreign Reserves (AUD bn)	Mar	--	--	70.8
TA	04/09	04:00	Exports (y/y)	Mar	--	7.1	-1.2
TA	04/09	04:00	Imports (y/y)	Mar	--	9.1	0.9
TA	04/09	04:00	Trade Balance (US\$ bn)	Mar	--	3.9	2.9
SI	04/09	05:00	Foreign Reserves (US\$ mn)	Mar	--	--	282784
CH	APR 9-15		Aggregate Financing (CNY bn)	Mar	--	1900.0	1173.6
CH	APR 9-15		New Yuan Loans (bn)	Mar	--	1200.0	839.3
JN	04/10	02:00	Machine Tool Orders (y/y)	Mar P	--	--	39.5
TA	04/10	04:00	CPI (y/y)	Mar	2.1	1.7	2.2
SK	04/10	19:00	Unemployment Rate (%)	Mar	3.6	--	3.6
JN	04/10	19:50	Bank Lending (y/y)	Mar	--	--	2.1
JN	04/10	19:50	Machine Orders (m/m)	Feb	--	-2.5	8.2
PH	04/10	21:00	Exports (y/y)	Feb	--	--	0.5
PH	04/10	21:00	Imports (y/y)	Feb	--	--	11.4
PH	04/10	21:00	Trade Balance (US\$ mn)	Feb	--	--	-3317.0
CH	04/10	21:30	CPI (y/y)	Mar	2.5	2.6	2.9
CH	04/10	21:30	PPI (y/y)	Mar	--	3.3	3.7
PH	APR 10-11		Budget Deficit/Surplus (PHP bn)	Feb	--	--	10.2
MA	04/11	00:00	Industrial Production (y/y)	Feb	--	--	3.0
JN	04/11	19:50	Japan Money Stock M2 (y/y)	Mar	--	3.2	3.3
JN	04/11	19:50	Japan Money Stock M3 (y/y)	Mar	--	2.7	2.8
AU	04/11	21:30	Home Loans (%)	Feb	--	-0.4	-1.1
AU	04/11	21:30	Investment Lending (% change)	Feb	--	--	1.1
SK	APR 11-12		BoK Base Rate (%)	Apr 12	1.50	1.50	1.50
SI	04/12	01:00	Retail Sales (m/m)	Feb	--	--	-5.4
SI	04/12	01:00	Retail Sales (y/y)	Feb	--	--	-8.4
IN	04/12	08:00	CPI (y/y)	Mar	4.5	--	4.4
IN	04/12	08:00	Industrial Production (y/y)	Feb	--	--	7.5
NZ	04/12	18:30	Business NZ PMI	Mar	--	--	53.4
CH	APR 12-13		Exports (y/y)	Mar	--	11.9	44.5
CH	APR 12-13		Imports (y/y)	Mar	--	12.4	6.3
CH	APR 12-13		Trade Balance (USD bn)	Mar	--	27.9	33.8
IN	APR 12-16		Exports (y/y)	Mar	--	--	4.5
IN	APR 12-16		Imports (y/y)	Mar	--	--	10.4

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
BZ	04/10	08:00	IBGE Inflation IPCA (m/m)	Mar	--	0.1	0.3
BZ	04/10	08:00	IBGE Inflation IPCA (y/y)	Mar	--	2.7	2.8
BZ	04/12	08:00	Retail Sales (m/m)	Feb	--	0.8	0.9
BZ	04/12	08:00	Retail Sales (y/y)	Feb	--	3.4	3.2
PE	04/12	19:00	Reference Rate (%)	Apr 12	2.75	2.75	2.75
PE	APR 12-14		Trade Balance (USD mn)	Feb	500.0	--	632.5

Global Auctions for the week of April 9 – 13

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04/10	13:00	U.S. to Sell USD30 Bln 3-Year Notes
CA	04/11	12:00	Canada to Sell CAD2.2 Bln 0.75% 2021 Bonds
US	04/11	13:00	U.S. to Sell USD21 Bln 10-Year Notes Reopening
US	04/12	13:00	U.S. to Sell USD13 Bln 30-Year Bonds Reopening

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AS	04/10	05:15	Austria to Sell 4.15% 2037 Bonds
AS	04/10	05:15	Austria to Sell 0.75% 2028 Bonds
UK	04/10	05:30	U.K. to Sell 2 Billion Pounds of 1.75% 2057 Bonds
NE	04/10	05:30	Netherlands to Sell Up to EUR2.5 Bln 0% 2024 Bonds
GE	04/10	05:30	Germany to Sell EUR500 Mln 0.1% I/L 2026 Bonds
SZ	04/11	05:15	Switzerland to Sell Bonds (OPTIONAL)
GE	04/11	05:30	Germany to Sell EUR1.5 Bln 2.5% 2046 Bonds
IT	04/12	05:00	Italy to Sell Bonds
SW	04/12	05:03	Sweden to Sell 500 Million Kronor of 0.125% 2032 Linkers
IC	04/13	06:30	Iceland to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	04/08	21:30	Shanxi to Sell Bonds
AU	04/09	21:00	Australia To Sell AUD150 Mln 0.75% 2027 Bonds
CH	04/10	02:00	Guangdong to Sell Bonds
CH	04/10	03:00	Guangdong to Sell Bonds
AU	04/10	21:00	Australia To Sell AUD600 Mln 2.75% 2028 Bonds
CH	04/10	22:35	China To Sell CNY45 Bln 3-Yr Bonds
CH	04/10	22:35	China to Sell CNY45 Bln 7-Yr Upsized Bonds
CH	04/11	02:00	Jiangsu to Sell Bonds
CH	04/11	21:30	Ningxia to Sell Bonds
NZ	04/11	22:05	New Zealand Plans To Sell NZD200Mln 2.75% 2025 Bonds
JN	04/11	23:45	Japan to Sell 30-Year Bonds
AU	04/12	21:00	Australia To Sell AUD1000 Mln 2.25% 2022 Bonds

Source: Bloomberg, Scotiabank Economics.

Events for the week of April 9 – 13

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04/07	11:00	Fed's Evans Speaks on the Economy and Monetary Policy
US	04/10	04:30	Fed's Kaplan Speaks in Beijing
US	04/11	14:00	FOMC Meeting Minutes
MX	04/12	14:00	Overnight Rate
US	04/12	17:00	Fed's Kashkari Speaks in Moderated Q&A in Minneapolis
CA	04/12		Mark Carney speaks at Canada Growth Summit in Toronto
US	04/13	08:00	Fed's Rosengren Speaks on Economic Outlook
US	04/13	09:00	Fed's Bullard Speaks on Living Standards across U.S. Cities
US	04/13	13:00	Fed's Kaplan Speaks in Odessa
US	04/13		United States of America Sovereign Debt to Be Rated by Moody's

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	04/09	09:00	ECB's Constancio Speaks in Brussels
EC	04/09	12:45	ECB's Praet Speaks in Frankfurt
EC	04/10	03:30	ECB's Nouy Speaks in Ljubljana
EC	04/10	03:45	ECB's Nowotny Speaks in London
UK	04/10	05:30	BOE's Haldane speaks in Melbourne.
IT	04/10	11:30	ECB's Visco Speaks at Book Presentation in Rome
EC	04/11	07:00	ECB's Draghi Speaks in Frankfurt
EC	04/11	09:00	ECB's Hakkarainen Speaks in Brussels
EC	04/11	10:40	ECB's Angeloni Speaks in Brussels
SW	04/11	12:00	Riksbank Deputy Governor Skingsley Gives Speech
UK	04/12	02:30	BOE's Broadbent speaks in Sydney.
NO	04/12	03:30	Norway Central Bank Governor Olsen Speaks in Stavanger
EC	04/12	07:30	ECB Publishes Account of March Policy Meeting
EC	04/12	08:15	ECB's Coeure Speaks in Paris
NO	04/12	11:30	Norway Central Bank Deputy Governor Nicolaisen Speaks in Oslo
GE	04/12	12:00	ECB's Weidmann Gives Speech in Berlin on Strengthening the Euro
CA	04/12		Mark Carney speaks at Canada Growth Summit in Toronto
SW	04/13	02:00	Riksbank Deputy Governor Floden Gives Speech
NO	04/13	06:30	Norway Central Bank Governor Olsen Speaks in Tromso
IR	04/13		Ireland Sovereign Debt to Be Rated by Moody's
SP	04/13		Spain Sovereign Debt to Be Rated by Moody's

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	APR 7-11		Boao Forum for Asia in Hainan, China
CH	04/10	21:00	PBOC Governor Yi Gang speaks at Boao Forum, China
AU	04/10	23:05	RBA Governor Lowe Speaks in Perth
JN	04/11	20:30	Kuroda Speaks at Branch Managers Meeting
CH	04/11	20:45	PBOC Governor Yi Gang speaks at IMF/PBOC conference in Beijing
SK	APR 11-12		BoK 7-Day Repo Rate
AU	04/12	21:30	RBA Financial Stability Review
SI	APR 12-13		Singapore's MAS monetary policy decision

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
PE	04/12	19:00	Reference Rate

Source: Bloomberg, Scotiabank Economics.

Global Central Bank Watch

NORTH AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Bank of Canada – Overnight Target Rate	1.25	April 18, 2018	1.25	1.25
Federal Reserve – Federal Funds Target Rate	1.75	May 2, 2018	1.75	1.75
Banco de México – Overnight Rate	7.50	April 12, 2018	7.50	7.50

Banxico: No policy change is expected at this meeting. CPI inflation is expected to decline to just above 5% y/y next week which would bring it closer to the 2-4% inflation target zone.

EUROPE

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
European Central Bank – Refinancing Rate	0.00	April 26, 2018	0.00	--
Bank of England – Bank Rate	0.50	May 10, 2018	0.75	--
Swiss National Bank – Libor Target Rate	-0.75	June 21, 2018	-0.75	--
Central Bank of Russia – One-Week Auction Rate	7.25	April 27, 2018	7.25	7.00
Sweden Riksbank – Repo Rate	-0.50	April 26, 2018	-0.50	--
Norges Bank – Deposit Rate	0.50	May 3, 2018	0.50	--
Central Bank of Turkey – Benchmark Repo Rate	8.00	April 25, 2018	8.00	--

ASIA PACIFIC

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Bank of Japan – Policy Rate	-0.10	April 27, 2018	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	May 1, 2018	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	May 9, 2018	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	June 6, 2018	6.00	--
Bank of Korea – Bank Rate	1.50	April 12, 2018	1.50	1.50
Bank of Thailand – Repo Rate	1.50	May 16, 2018	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	3.25	May 10, 2018	3.25	--
Bank Indonesia – 7-Day Reverse Repo Rate	4.25	April 19, 2018	4.25	--

Monetary authorities of the **Bank of Korea** (BoK) will meet on April 12; we do not expect any changes to the benchmark interest rate, which was raised by 25 basis points to 1.50% in November 2017, the first hike in over six years. Nevertheless, with domestic demand showing signs of strength, the economy's output gap having turned positive and inflationary pressures building gradually, further monetary tightening is in store over the coming months, potentially as early as at the May 24 policy meeting.

LATIN AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Banco Central do Brasil – Selic Rate	6.50	May 16, 2018	6.50	--
Banco Central de Chile – Overnight Rate	2.50	May 3, 2018	2.50	--
Banco de la República de Colombia – Lending Rate	4.50	April 27, 2018	4.50	--
Banco Central de Reserva del Perú – Reference Rate	2.75	April 12, 2018	2.75	2.75

Banco Central de Reserva del Perú: No policy rate change is expected but there is cut risk. Inflation recently fell to just 0.4% y/y but the central bank last guided that it is looking through this and forecasting on-target 2% inflation by year-end.

AFRICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
South African Reserve Bank – Repo Rate	6.50	May 24, 2018	6.50	--

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