

APRIL'S FOOLS

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Next Week's Risk Dashboard

- ▶ NAFTA
- ▶ US funding pressures
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- ▶ UK PMIs
- ▶ Chinese macro
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Chart of the Week

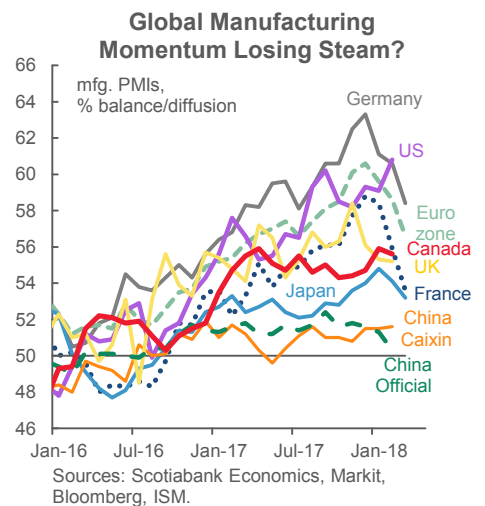


Chart of the Week: Prepared by: Raffi Ghazarian, Senior Research Analyst.

April's Fools

CANADA — AN APRIL FOOL'S JOKE?

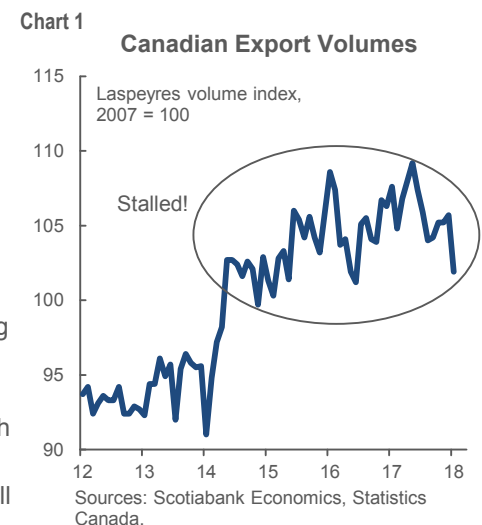
Markets have largely reversed improved odds of a NAFTA deal and next week may inform whether that bias has been correct. Data risk will be concentrated toward the end of the week.

There is a high bar set for being able to deliver upon US Trade Representative Lighthizer's earlier quest for at least a handshake agreement on NAFTA that would be achieved into next week. Markets were once more optimistic, but an example of the reversal of sentiment includes the fact that an earlier cheapening of the front-end to the Canada rates curve has been unwound albeit with soft domestic data providing an assist.

The US goal is for such an agreement to be a path marker toward a formal legal draft by May 1st when the US administration says that steel and aluminum tariff exemptions for Canada and Mexico would expire. Little about the broad tone of discussions suggests that a tangible deal of sorts is imminent. It seems that a discussion on autos is still focused upon divisive US proposals such as a North American minimum wage in the auto sector as a backdoor way to achieve higher US auto import content at Mexico's expense; ergo, Mexico's opposition. It's also not clear that material progress has been made regarding highly contentious issues including but not limited to a sunset clause, trade and investment dispute remedies, mutual access to government procurement programs, dairy marketing boards and foreign market access in several industries.

Then it's on to data risks and how they may further inform the outlook for the Bank of Canada.

Trade figures for February arrive on Thursday. The quarter has been off to a miserable start thus far. At a seasonally adjusted and annualized rate, export volumes are tracking a 12% decline in Q1 over Q4 while import volumes are down by over 5% but we only have the Q4 hand-off and January evidence to base tracking upon thus far. Nevertheless, net trade is a significant drag on GDP growth so far in Q1. Indeed, the pattern has been entirely unimpressive over the past three quarters following large import gains early last year. At a minimum, there is no evidence that a sustainable rotation of the sources of growth away from excess reliance upon the household sector toward exports is underway (chart 1) while import volumes signal a soft pull effect by the domestic economy. That dashes one of the Bank of Canada's long hoped-for goals. I'm expecting a re-widening of the nominal trade balance next week after the prior month's illusory improvement that was driven by a bigger collapse in imports than exports. CAD depreciated by over 1% m/m in February over January which should lift export prices relative to import prices and contribute toward a better trade balance. It's how the volume performs in the context of quarterly growth tracking that will matter more.



Then spin the wheel on Friday! **The Labour Force Survey for the month of March arrives.** Here too the quarter and year are performing softly. Canada lost a net 73,000 jobs in January and February but, of course, this followed the creation of 174,000 jobs in Q4. 2017 was the strongest year for job gains (337k) since 2003. While export softness has been a trend, the jobs trend has been very positive for years. This survey's measure of wage growth no longer directly informs the BoC's interpretation of wage pressures versus the BoC's composite wage common metric. While available upon special request, the BoC does not make the wage common metric publicly available on its web site and it is not available through Statistics Canada's CANSIM database.

UNITED STATES — WHAAGES?

What's happening with wage growth should vie with NAFTA headline risk and top-of-the-house Fed-speak for attention in terms of drivers of the US market tone and with global spillover effects. Challenges to ongoing funding pressures remain significant.

What may dominate the calendar are ongoing developments in funding risks. It is not clear that funding pressures arise just from heavy t-bill issuance related to prior government funding and debt ceiling constraints. As chart 2 demonstrates, the connection over time between spreads and issuance has been anything but airtight. The spread sometimes widens when issuance accelerates and sometimes doesn't, and the spread sometimes narrows when issuance falls and sometimes doesn't. Current spreads are at their widest since early 2009, but bill issuance is not a concomitant stand-out today. Further, bill issuance accelerated on a temporary basis centered upon recent uncertainty over funding demands, but three month spreads aren't acknowledging the expected deceleration of t-bill issuance in the wake of funding agreements; funding pressures should have eased by now if markets are the slightest forward-looking to what everyone understands to be a near-term decline in bills issuance. On that last point, it is always dicey for analysts to take public information that is known to many and use it to infer that market pricing must be incorrect as opposed to respecting potential market signals that may carry greater meaning. In short, it would be wrong to dismiss funding market pressures as solely—or even primarily—a function of short-term bill issuance relative to other possibilities like diminished liquidity, broad perceptions of market risks and regulatory changes affecting money market funds as well as greater limitations on applying balance sheets by traditional arbitrage players.

Labour market readings will dominate top-shelf data risk. After Wednesday's ADP private payrolls print, Friday's nonfarm payrolls report and wage growth follow the mixed signals in the prior month's tallies when payrolls soared by 313,000 but average hourly wage growth slipped to 2.6% y/y. This measure of wage growth is expected to tick higher next week but probably remain within the volatile range of the recent past. In fact, following a short-lived acceleration in 2015, this measure of wage growth then stalled out with the latest figure matching the average since the start of 2016. This is, however, just one wage measure that the Fed follows and not the best. For one thing, it's an average and can be swung by skewed changes in income distribution in any particular period. **Chart 3 shows multiple wage growth measures and I don't see any obvious or durable break-outs in recent trends across a variety of measures.** One is the Atlanta Fed's wage metric that tracks median wages from constructed sources and it is higher than the average wage growth measure but has decelerated somewhat over the past 12–18 months. Another is the BLS's employment cost index that adjusts for compositional shifts across wage earners but is available only quarterly; it has mildly accelerated. Pure employer costs for employee compensation that are drawn from the same BLS report do not make adjustments for compositional shifts and were accelerating more rapidly until growth eased over 2017H2. Unit labour costs that essentially adjust compensation for productivity growth have recently accelerated but remain soft and there have been many short-lived false starts in this measure over the post-Global Financial Crisis (GFC) period. In short, mixed measures over relatively short periods in the context of many false starts require much more data to consistently show accelerating wage pressures. No one is perhaps more aware of this than the Federal Reserve given that FOMC officials have falsely flagged progress on wages in the post-GFC period only to witness no follow-through.

ISM manufacturing for March (Monday) may ease. The two regional surveys that are the best correlated with headline ISM are the Philly Fed (22.3, prior 25.8) and the Richmond Fed (15, 28 prior) metrics that both pulled back in March. Nevertheless, ISM-manufacturing is at its highest since early 2004 and signalling significant expansion of the manufacturing sector. How trade policy uncertainty influences manufacturing sentiment is a risk into the next few prints.

Chart 2

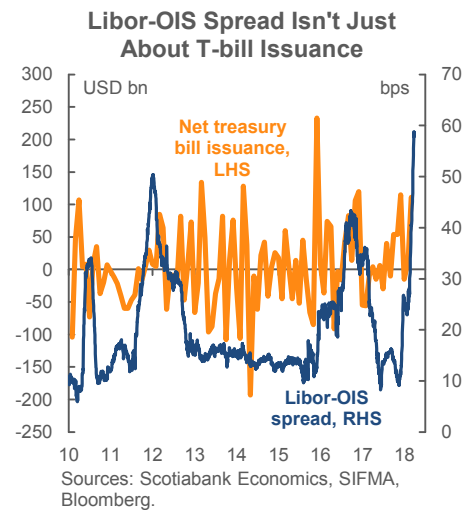
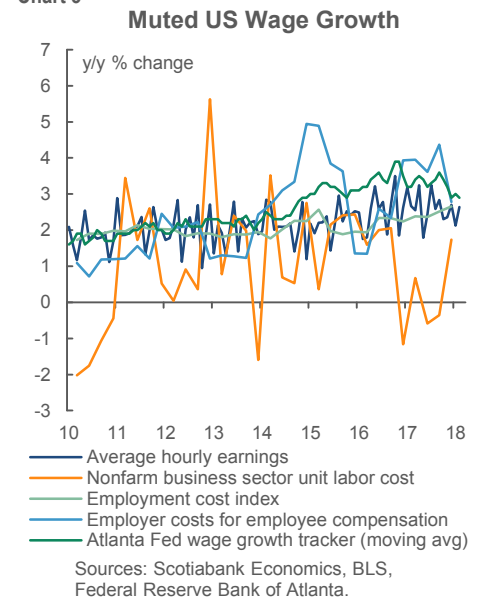


Chart 3



The **ISM services reading** will be updated for March on Wednesday and it too has been around its highest since 2005. Will it prove durable to tech sector challenges? Will they perhaps prove more likely to show up in the next month's ISM services reading? **Vehicle sales** are forecast to be relatively flat on Tuesday, **factory orders** should follow durable goods orders higher on Wednesday and the **trade deficit** is expected to remain at its widest since 2008. For a President who campaigned in favour of reining in trade deficits, a widening deficit is ill-timed into mid-term elections and motivated by a variety of factors—not least of which the long lagging effects of prior USD strength. Monday's construction spending rounds out the updates.

Fed-speak may also be key. Fed Chair Powell speaks on the economic outlook on Friday afternoon. Atlanta's Bostic (voting, Thursday), Cleveland President Mester (voting, Wednesday), St. Louis President Bullard (alternate, Wednesday) and Chicago President Evans (alternate, Saturday April 7th) are also scheduled.

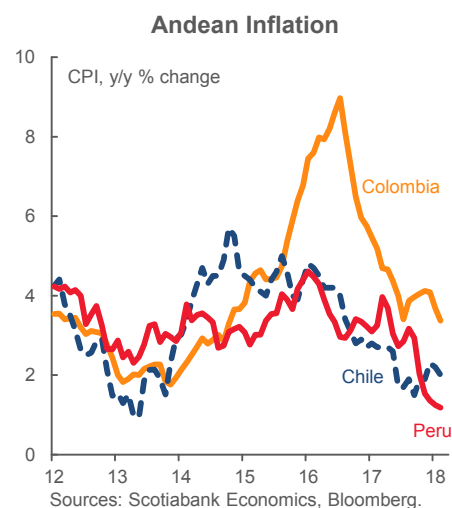
LATIN AMERICA — DESINFLACIÓN!

Mexico's financial markets will remain vulnerable to progress in NAFTA negotiations—or lack thereof—as argued in the Canadian section to this note. That could be the bigger risk facing Latin American markets and cross-market spillover effects.

Incremental non-NAFTA risk will be focused upon a trio of CPI inflation reports for the month of March from Peru (Monday), Colombia (Thursday) and Chile (Friday). Chart 4 demonstrates the coincident recent trends.

- **Peru's inflation rate** is expected to all but disappear. From a rate of 1.2% y/y that had already been the lowest since May 2010, inflation is expected to dip to barely above zero and register the softest reading since late 2009. The lower bound of the 1–3% inflation target range is likely to be breached. Banco Central de Reserva del Peru cut on March 8th and another inflation dip could well fan the accompanying easing bias on the path to the April 12th decision.
- **Colombia's inflation rate** is also expected to decline a little further and marginally become the softest inflation rate since October 2014. Inflation in this country's case is nevertheless just coming back in line toward the mid-point of the 2–4% inflation target range. Colombia's inflation rate is probably not far from bottoming later on this year while there is the possibility of one more BanRep rate cut.
- **Chilean inflation**—and I'm sure you've spotted the pattern—is also expected to ebb. Next week's CPI print is expected to slip beneath 2% y/y and register the third decline to round out the week. Inflation should be hitting a trough in the near-term but may dip just beneath the central bank's 2–4% inflation target range. Banco Central de Chile is expected to begin tightening monetary policy fairly soon with Scotiabank Economics forecasting 75bps in hikes by year-end.

Chart 4



Central bank meeting minutes from Chile (Thursday) and Colombia (Friday) will be mixed in with the inflation reports. Miscellaneous releases will also include Brazilian trade and industrial production, Mexican vehicle sales and the purchasing managers' index for the manufacturing sector plus Chilean retail sales.

EUROPE — SISYPHUS AND THE ECB

Whether or not the Eurozone is chalking up progress toward the ECB's inflation aspirations, and growth signals out of the UK economy will be the two dominant bits of new information to potentially influence European markets.

Not too hot and not too cold along a gyrating path. That about sums up what's happening to **Eurozone inflation** of late and next Wednesday's CPI update for March will likely continue to fit that picture. At the point of publishing, I don't yet know how French and Italian figures will come in. German inflation climbed three tenths to 1.5% y/y in the March release and Spanish inflation ticked higher to 1.3% y/y. Information across the main Eurozone economies that is available to date is therefore consistent with expectations for a rise in Eurozone inflation, but the key will be what happens to core inflation. Any rise in core CPI is likely to be

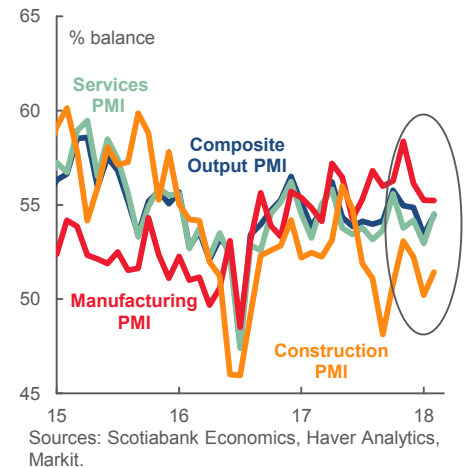
modest and within the 0.9–1.2% range of the past year and hence well below the ECB’s below 2% headline inflation goal. Unlike Sisyphus, ECB President Draghi is not forever condemned to a possibly fruitless task. Said task may simply wind up transitioning to his successor!

Further reinforcing this point will be an update to the Eurozone unemployment rate next week. While it has moved sharply lower from the post-crisis peak of over 12% to a still-high reading of about 8½% now, participation rates are low and indicative of ongoing slack. The female participation rate has risen slightly since the GFC but is still only at about 50% and the male participation rate has fallen by a few percentage points to about 63%. The youth unemployment rate remains high at 17.7%. Judged through this lens, it makes sense that **wage growth remains** fairly muted at about 1.5% y/y on average across the Eurozone and has been trendless over the past three years. **The absence of material nominal wage growth and essentially no real wage growth is not indicative of sudden inflationary pressures emerging through this channel.**

Another batch of **UK purchasing managers’ indices** arrives and will inform Q1 into Q2 GDP growth expectations. The March figures for the composite (Thursday), services (Thursday), manufacturing (Tuesday) and construction (Wednesday) sector PMIs are important by way of informing which direction the trend is really going. The PMIs had been deteriorating after November into January and then generally popped higher into February (chart 5). Was the improvement a flash in the pan or a renewed up-leg?

Chart 5

March Will Inform UK PMI Trend



Q1 Eurozone growth tracking will then be informed by a series of more routine reports. Germany updates retail sales, factory orders and industrial production. France updates trade figures.

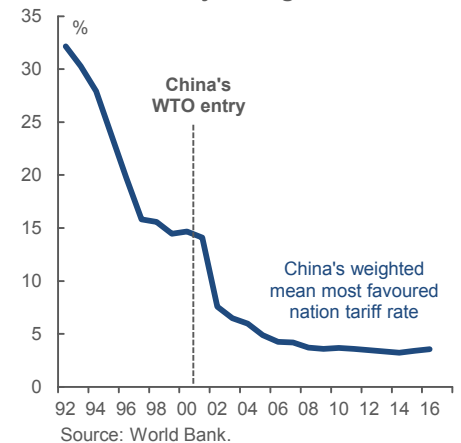
ASIA — WINDING BACK THE CLOCK

A pair of central bank decisions, some China data and a round of regional inflation updates will be the main influencing factors to the local market tone but with little capacity to influence the global market tone. **Ongoing US-China trade tensions, however, may well inform the global market tone.**

The US administration is expected to announce tariffs on China’s so-called ‘2025 industries’ that are new growth sectors such as robotics and artificial intelligence applications alongside limits on Chinese investments in US companies and technology transfers. At issue is once again how China responds, although to date China’s responses have been measured. It’s unclear that the US is effectively protecting its own technology in this regard, versus diverting access to technological innovation toward other markets and therefore handicapping US businesses. In fact, so far, America’s moves on trade policy have been more about protecting old industries like steel (while arguably damaging it in the longer run), reducing choice for American consumers (e.g. steel, Korean trucks) and doing little to materially open new markets abroad. I guess that’s a positive compared to igniting more intense trade wars. At the margin, this may support a bias that US trade policy is going through a course correction that is more conciliatory in nature by comparison to much more strident and bellicose earlier rhetoric. It may be that the financial market response combined with domestic lobbying and counter responses from trade partners are reining in the so-called ‘art of the deal.’

Chart 6

China Has Already Made Major Progress



In a bigger picture sense, however, the combative US tone comes at an awkward juncture for China’s integration into the world economy. It thwarts further progress and risks reversing some of it. As chart 6 depicts, China has already massively reduced the weighted mean most favoured nation tariff applied across all products entering the country. There is still much further work to be

done to more fully integrate China into the world trading system and global capital markets while improving market access. A more constructive dialogue through multilateral channels is unfortunately being jeopardized along this path of an increasingly open Chinese economy.

Then it's on to the battle of the reserve banks. **The Reserve Bank of Australia** weighs in with its latest policy decisions and guidance on Tuesday evening (eastern time) and the **Reserve Bank of India** weighs in a couple of days later. Neither of the central banks is expected to alter policy now. The RBA may gradually transition toward tighter policy later in the year and work its bias accordingly. The RBI's recent hawkishness may be tempered by a mild pullback in inflation to about the 4½% range that lies well within the 2–6% inflation target range.

Data releases will be focused upon Chinese retail sales and private purchasing managers' indices plus a round of inflation reports from Thailand, Indonesia, South Korea and Philippines. Japan's Q1 Tankan report will also inform the global wave of survey-based evidence of strength in manufacturing and services. Australian retail sales and trade updates will play a backseat to RBA guidance on the week.

Key Indicators for the week of April 2 – 6
NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
US	04/02	10:00	Construction Spending (m/m)	Feb	0.2	0.3	0.0
US	04/02	10:00	ISM Manufacturing Index	Mar	59.5	60.0	60.8
US	04/03		Domestic Vehicle Sales (mn a.r.)	Mar	--	13.1	12.9
US	04/03		Total Vehicle Sales (mn a.r.)	Mar	16.9	16.9	17.0
US	04/04	07:00	MBA Mortgage Applications (w/w)	MAR 30	--	--	4.8
US	04/04	08:15	ADP Employment Report (000s m/m)	Mar	205.0	202.5	234.7
US	04/04	10:00	Durable Goods Orders (m/m)	Feb F	--	--	3.1
US	04/04	10:00	Durable Goods Orders ex. Trans. (m/m)	Feb F	--	--	1.2
US	04/04	10:00	Factory Orders (m/m)	Feb	1.8	1.7	-1.4
US	04/04	10:00	ISM Non-Manufacturing Composite	Mar	58.7	59.0	59.5
CA	04/05	08:30	Merchandise Trade Balance (C\$ bn)	Feb	-2.5	--	-1.9
US	04/05	08:30	Initial Jobless Claims (000s)	MAR 31	225	--	215
US	04/05	08:30	Continuing Claims (000s)	MAR 24	1840	--	1871
US	04/05	08:30	Trade Balance (US\$ bn)	Feb	-55.5	-56.0	-56.6
CA	04/06	08:30	Employment (000s m/m)	Mar	20.0	--	15.4
CA	04/06	08:30	Unemployment Rate (%)	Mar	5.7	--	5.8
US	04/06	08:30	Nonfarm Employment Report (000s m/m)	Mar	200.0	185.0	313.0
US	04/06	08:30	Unemployment Rate (%)	Mar	4.0	4.0	4.1
US	04/06	08:30	Household Employment Report (000s m/m)	Mar	--	--	785.0
US	04/06	08:30	Average Hourly Earnings (m/m)	Mar	--	0.2	0.1
US	04/06	08:30	Average Hourly Earnings (y/y)	Mar	2.7	2.7	2.6
US	04/06	08:30	Average Weekly Hours	Mar	--	34.5	34.5
US	04/06	15:00	Consumer Credit (US\$ bn m/m)	Feb	--	15.0	13.9

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
IT	04/03	03:45	Manufacturing PMI	Mar	--	55.5	56.8
FR	04/03	03:50	Manufacturing PMI	Mar F	--	53.6	53.6
GE	04/03	03:55	Manufacturing PMI	Mar F	--	58.4	58.4
EC	04/03	04:00	Manufacturing PMI	Mar F	--	56.6	56.6
UK	04/03	04:30	Manufacturing PMI	Mar	--	54.7	55.2
IT	04/03		Budget Balance (€ bn)	Mar	--	--	-6.3
IT	04/03		Budget Balance YTD (€ bn)	Mar	--	--	-5.8
GE	APR 3-4		Retail Sales (m/m)	Feb	--	0.7	-1.0
RU	APR 3-4		Real GDP (y/y)	4Q	--	1.9	1.8
UK	04/04	04:30	PMI Construction	Mar	--	51.0	51.4
EC	04/04	05:00	Euro zone CPI Estimate (y/y)	Mar	--	1.4	1.2
EC	04/04	05:00	Euro zone Core CPI Estimate (y/y)	Mar A	--	1.1	1.0
EC	04/04	05:00	Unemployment Rate (%)	Feb	--	8.5	8.6
GE	04/05	02:00	Factory Orders (m/m)	Feb	--	1.5	-3.9
IT	04/05	03:45	Services PMI	Mar	--	54.0	55.0
FR	04/05	03:50	Services PMI	Mar F	--	56.8	56.8
GE	04/05	03:55	Services PMI	Mar F	--	54.2	54.2
EC	04/05	04:00	Composite PMI	Mar F	--	55.3	55.3
EC	04/05	04:00	Services PMI	Mar F	--	55.0	55.0
UK	04/05	04:30	Official Reserves Changes (US\$ bn)	Mar	--	--	651.0
UK	04/05	04:30	Services PMI	Mar	--	54.0	0.1
EC	04/05	05:00	PPI (m/m)	Feb	--	0.0	0.4
EC	04/05	05:00	Retail Trade (m/m)	Feb	--	0.6	-0.1
GE	04/06	02:00	Industrial Production (m/m)	Feb	--	0.3	-0.1
FR	04/06	02:45	Central Government Balance (€ bn)	Feb	--	--	-10.8
FR	04/06	02:45	Current Account (€ bn)	Feb	--	--	-1643
FR	04/06	02:45	Trade Balance (€ mn)	Feb	--	-5150	-5560
SP	04/06	03:00	Industrial Output NSA (y/y)	Feb	--	--	4.0

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

Key Indicators for the week of April 2 – 6

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
JN	03/31	00:00	Vehicle Production (y/y)	Feb	--	--	-3.8
SK	03/31	20:00	Exports (y/y)	Mar	--	6.9	4.0
SK	03/31	20:00	Imports (y/y)	Mar	--	6.8	14.8
SK	03/31	20:00	Trade Balance (US\$ mn)	Mar	--	4839	3311
JN	04/01	19:50	Tankan All Industries Index	1Q	--	1.1	6.4
JN	04/01	19:50	Tankan Manufacturing Index	1Q	--	25.0	26.0
JN	04/01	19:50	Tankan Non-Manufacturing Index	1Q	--	24.0	25.0
JN	04/01	20:30	Markit/JMMA Manufacturing PMI	Mar F	53.2	--	53.2
CH	04/01	21:45	HSBC Manufacturing PMI	Mar	51.7	51.7	51.6
TH	04/01	23:00	CPI (y/y)	Mar	1.1	0.9	0.4
TH	04/01	23:00	Core CPI (y/y)	Mar	--	0.6	0.6
ID	04/02		CPI (y/y)	Mar	3.3	3.3	3.2
ID	04/02		Core CPI (y/y)	Mar	--	--	2.6
JN	04/02	01:00	Vehicle Sales (y/y)	Mar	--	--	-4.9
TH	04/02	03:30	Business Sentiment Index	Mar	--	--	51.4
SI	04/02	09:00	Purchasing Managers Index	Mar	--	--	52.7
SK	04/02	19:00	CPI (y/y)	Mar	1.6	1.5	1.4
SK	04/02	19:00	Core CPI (y/y)	Mar	--	--	1.2
JN	04/02	19:50	Monetary Base (y/y)	Mar	--	--	9.4
AU	04/02	21:30	ANZ Job Advertisements (m/m)	Mar	--	--	-0.3
JN	APR 1-6		Official Reserve Assets (US\$ bn)	Mar	--	--	1261.7
HK	04/03	04:30	Retail Sales - Volume (y/y)	Feb	--	--	2.2
NZ	04/03	18:00	ANZ Consumer Confidence Index	Mar	--	--	127.7
AU	04/03	21:30	Building Approvals (m/m)	Feb	--	-5.0	17.1
AU	04/03	21:30	Retail Sales (m/m)	Feb	--	0.3	0.1
CH	04/03	21:45	HSBC Services PMI	Mar	--	54.5	54.2
AU	04/03	00:30	RBA Cash Target Rate (%)	Apr 3	1.50	1.50	1.50
NZ	04/04	13:00	QV House Prices (y/y)	Mar	--	--	6.5
SK	04/04	19:00	Current Account (US\$ mn)	Feb	--	--	2680
PH	04/04	21:00	CPI (y/y)	Mar	4.5	4.7	4.5
PH	04/04	21:00	Core CPI (y/y)	Mar	--	--	4.4
AU	04/04	21:30	Trade Balance (AUD mn)	Feb	--	725	1055
TH	04/04	23:30	Consumer Confidence Economic	Mar	--	--	66.2
MA	04/05		Exports (y/y)	Feb	--	6.5	17.9
MA	04/05		Imports (y/y)	Feb	--	5.2	11.6
MA	04/05		Trade Balance (MYR bn)	Feb	--	8.7	9.7
IN	04/05	05:00	Repo Rate (%)	Apr 5	6.00	--	6.00
IN	04/05	05:00	Reverse Repo Rate (%)	Apr 5	5.75	--	5.75
IN	04/05	05:00	Cash Reserve Ratio (%)	Apr 5	4.00	--	4.00
JN	04/05	19:30	Household Spending (y/y)	Feb	--	0.7	2.0
HK	04/05	20:30	Purchasing Managers Index	Mar	--	--	51.7
SI	APR 5-13		Real GDP (y/y)	1Q A	--	--	3.6
JN	04/06	01:00	Coincident Index CI	Feb P	--	--	114.9
JN	04/06	01:00	Leading Index CI	Feb P	--	--	105.6
MA	04/06	03:00	Foreign Reserves (US\$ bn)	Mar 30	--	--	103.9

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
PE	04/01	01:00	Consumer Price Index (m/m)	Mar	--	0.5	0.3
PE	04/01	01:00	Consumer Price Index (y/y)	Mar	--	0.3	1.2
BZ	04/02	09:00	PMI Manufacturing Index	Mar	--	--	53.2
BZ	APR 4-6		Trade Balance (FOB) - Monthly (US\$ mn)	Mar	--	--	4907
BZ	04/03	08:00	Industrial Production SA (m/m)	Feb	--	--	-2.4
BZ	04/03	08:00	Industrial Production (y/y)	Feb	--	--	5.7
CL	04/03	08:00	Retail Sales (y/y)	Feb	4.4	5.2	3.8
CL	04/05	07:30	Economic Activity Index SA (m/m)	Feb	--	--	0.8
CL	04/05	07:30	Economic Activity Index NSA (y/y)	Feb	4.1	4.5	3.5
CO	04/05	20:00	Consumer Price Index (m/m)	Mar	--	0.4	0.7
CO	04/05	20:00	Consumer Price Index (y/y)	Mar	--	3.3	3.4
CL	04/06	07:00	CPI (m/m)	Mar	0.3	0.3	0.0
CL	04/06	07:00	CPI (y/y)	Mar	1.9	1.9	2.0

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

Global Auctions for the week of April 2 – 6**EUROPE**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
DE	04/04	04:30	Denmark to Sell 0.5% 2027 Bonds
DE	04/04	04:30	Denmark to Sell 2030 I/L Bonds
SW	04/04	05:03	Sweden to Sell 1.5 Billion Kronor of 0.75% 2028 Bonds
GE	04/04	05:30	Germany to Sell EUR3 Bln 0% 2023 Bonds
UK	04/04	05:30	U.K. to Sell 2.75 Billion Pounds of 0.75% 2023 Bonds
SP	04/05	04:30	Spain to Sell 0.05% 2021 Bonds
SP	04/05	04:30	Spain to Sell 0.65% 2027 Linkers
SP	04/05	04:30	Spain to Sell 1.4% 2028 Bonds
SP	04/05	04:30	Spain to Sell 2.7% 2048 Bonds
FR	04/05	04:50	France to Sell Bonds
IC	04/06	06:30	Iceland to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	04/02	21:30	Shandong to Sell Bonds
CH	04/02	22:30	Shandong to Sell Bonds
JN	04/02	23:45	Japan to Sell 10-Year Bonds
CH	04/03	02:00	Liaoning to Sell Bonds
CH	04/03	03:00	Liaoning to Sell Bonds
AU	04/03	21:00	Australia Plans To Sell AUD600 Mln 2.25% 2028 Bonds
NZ	04/04	22:05	New Zealand Plans To Sell NZD100Mln Inflation Bonds
AU	04/05	21:00	Australia Plans To Sell AUD400 Mln 2.0% 2021 Bonds

Events for the week of April 2 – 6

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04/03		Wisconsin spring election
US	04/04	09:45	Fed's Bullard Speaks on U.S. Economy and Monetary Policy
US	04/04	11:00	Fed's Mester Speaks on Diversity in Economics
US	04/05	13:00	Fed's Bostic Speaks on Financial Literacy
US	04/06	13:30	Fed Chairman Powell to Give Speech on Economic Outlook

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
RU	04/03	03:30	Bank of Russia Governor Elvira Nabiullina speaks at ARB annual meeting
SZ	04/05	12:00	SNB's Maechler, Dewet Moser Speak in Zurich
SP	04/06	06:00	Bank of Spain's Linde Speaks at Conference in Lisbon
NO	04/06	08:10	Norway Central Bank Governor, Finance Minister Speak in London
FR	04/06		France Sovereign Debt to be rated by S&P

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	04/03	00:30	RBA Cash Rate Target
IN	04/05	05:00	RBI Repurchase Rate
IN	04/05	05:00	RBI Reverse Repo Rate
IN	04/05	05:00	RBI Cash Reserve Ratio

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CL	04/05	07:30	Central Bank Meeting Minutes
CO	04/06	14:00	Colombia Monetary Policy Minutes

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	--

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	--
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	April 3, 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	April 5, 2018	6.00	--
Bank of Korea – Bank Rate	1.50	April 12, 2018	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	--

The Reserve Bank of Australia (RBA) will hold a monetary policy meeting on April 3; we do not expect any changes to the benchmark interest rate as Australia's inflation remains contained (1.9% y/y in Q4 2017). We expect wage pressures and demand-driven inflation to strengthen modestly over the course of 2018, which will likely prompt the RBA to commence a tightening cycle in Q4 2018. **The Reserve Bank of India (RBI)** will hold a monetary policy meeting on April 5. We expect the benchmark repurchase rate to be left at 6.0%. At the February meeting, the Monetary Policy Committee turned slightly more hawkish, highlighting various upside risks to inflation (such as fiscal slippage ahead of general elections in 2019). While we acknowledge such risks, we forecast India's headline inflation to remain within the RBI's medium-term target of 4% \pm 2% y/y through 2019.

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	--

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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