

Contributors

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Chart 1

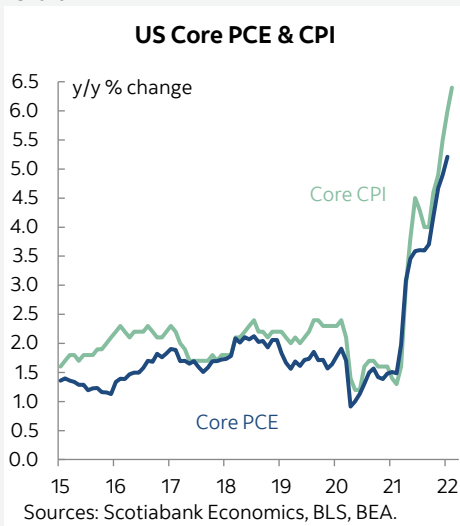
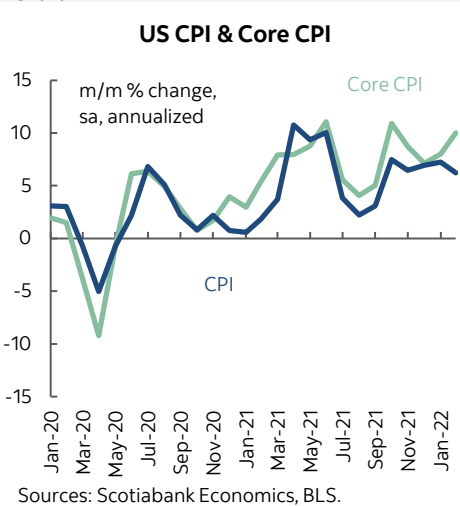


Chart 2



## ECB Steals the Thunder Away from US CPI

- **ECB delivers another hawkish pivot...**
- **...by speeding up APP taper plans...**
- **...and indicating rate hikes could start as soon as September...**
- **...while leaving themselves maximum optionality around hike timing**
- **US CPI landed on the screws...**
- **...ahead of much greater upward pressure**

The more hawkish than anticipated ECB stole the thunder away from US CPI that landed on the screws. As a consequence, much of the global rates complex saw yields push higher and almost exclusively due to the ECB's actions that I'll start with.

### THE ECB'S HAWKISH PIVOT

The ECB statement ([here](#)) and President Lagarde's press conference opening remarks ([here](#)) and Q&A can be briefly summarized as follows:

1. The Pandemic Emergency Purchase Program is ending this month as previously guided and as expected.
2. Purchases under the Asset Purchase Program—that encompasses all other purchase programs of public sector, corporate sector, ABS and covered bond instruments—were unexpectedly tapered at a faster pace than previously guided and purchases are conditionally guided to end some time during Q3. Prior statement guidance was:

"monthly net purchases under the APP will amount to €40 billion in the second quarter of 2022 and €30 billion in the third quarter. From October onwards, the Governing Council will maintain net asset purchases under the APP at a monthly pace of €20 billion for as long as necessary to reinforce the accommodative impact of its policy rates. "

And has now been replaced by two references:

"Monthly net purchases under the APP will amount to €40 billion in April, €30 billion in May and €20 billion in June."

And

"If the incoming data support the expectation that the medium-term inflation outlook will not weaken even after the end of its net asset purchases, the Governing Council will conclude net purchases under the APP in the third quarter."

Lagarde emphasized in the press conference that the conditional ending of the APP could occur at any time in Q3 from July though the September meeting.

3. Rate guidance changed in a subtle way that leaves all options on the table in terms of timing lift-off. The prior statement said that the APP would end "shortly" before raising rates and now the current statement says that raising rates could happen "some time" after ending APP purchases. What's meant by "some time"? Lagarde did not reintroduce language around how a 2022 hike would be "very unlikely" that she had been saying before the hawkish pivot at the last meeting. Instead, Lagarde said that "some time after is all encompassing" and "it could be the week after" or "it could be months after."

With that kind of guidance, markets will always price the earliest scenario which is probably that they end purchases as early as July and then hike as soon as at the next meeting in September. All options from that point forward are on the table conditional

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upon, well, just about everything from inflation tracking to growth tracking to further developments in the war in Ukraine and stability considerations.

#### 4. Breadth of opinions.

Lagarde was asked about how much agreement there was around accelerating the policy exits. She said that the discussion started off with widely divergent views around the table, but that all Governing Council members ultimately supported the decisions that emphasize optionality. She somewhat defensively noted that the decisions made today were not to accelerate normalization but rather to progress step-by-step and to acknowledge uncertainty and add optionalities in order to be able to respond in all circumstances in an agile way.

Overall, they sped up the APP taper, brought forward its conditional end and guided that hikes could commence as soon as right after. In all, that's a hawkish set of messages and they were taken hawkishly by markets.

#### 5. Forecasts

The ECB staff revised down GDP growth this year while revising up inflation forecasts for 2022 and leaving both variables' forecasts little changed in subsequent years. Lagarde emphasized increased confidence that inflation expectations will durably converge upon the ECB's 2% target which added to the general sense of hawkishness around the communications.

#### GLOBAL CENTRAL BANKS ON THE MOVE

So there you go. The Ukraine war isn't obviously dovish for the front-end across central banks as some believe. If it isn't obviously dovish for the ECB which has the war on its doorstep, then it's hard to see it as such for the Fed and the BoC. Quite the opposite, in fact, as they are likely to pivot toward sounding increasingly hawkish going forward.

It's for this reason that we saw some spillover effect of the ECB's actions on markets in the US and Canada. We're now getting several central banks who are behaving in an expedited hurry to get out of asset purchase programs and to varying degrees move toward policy tightening. The RBNZ went cold turkey on purchases with no reinvestment and managed sales. The BoC reinvested for what will likely be ~5 months and is likely to fully end reinvestment next month. The ECB is ending net purchases in ~4–6 months from now before it pivots to reinvestment. The BoE has already acted including hiking. The Fed will end net purchases next week and while we've heard no further decisions will be forthcoming at this meeting on balance sheet plans, I think it's likely the presser will jawbone rapid roll-off.

There are multiple scenarios around the war in Ukraine, but short of the deepest and darkest ones, the message coming from global central banks is that they are much more concerned about how far behind they are in the fight against inflation. This is an environment in which to expedite monetary tightening at central banks like the Fed and BoC.

#### US CPI DETAILS

##### US CPI m/m % // y/y %, February:

Actual: 0.8 / 7.9

Scotia: 0.7 / 7.8

Consensus: 0.8 / 7.9

Prior: 0.6 / 7.5

##### US core CPI m/m % // y/y % change, February:

Actual: 0.5 / 6.4

Scotia: 0.5 / 6.4

Consensus: 0.5 / 6.4

Prior: 0.6 / 6.0

The release didn't much matter to markets because it landed on the screws and because the ECB was first to grab the mic with Lagarde outshouting US CPI. Charts 1 and 2 show the rise in year-over-year terms and what it could mean to the Fed's preferred PCE measure plus how month-over-month annualized price increases indicate no slowdown of inflationary pressures whatsoever. Further, markets are more focused upon what lays ahead in line with expectations for much higher inflation numbers to be forthcoming. The oil price effect alone is likely to add multiple tenths to core inflation going forward (chart 3).

Charts 4 and 5 (next page) show the weighted contributions to the change in US CPI and unweighted changes by price category in month-over-month terms. Charts 6 and 7 do the same things for the year-over-year changes in prices. There remains substantial breadth.

Charts 8–16 break out some of the key components in year-over-year terms. The accompanying table at the back provides much richer information on the drivers of inflation and uses z-scores to indicate how far out of the norm have been recent price changes compared to years past.

Natural gas and gasoline prices lifted overall energy up 3.5% m/m for the largest weighted contributor to the change in CPI.

The pandemic-affected high contact areas saw prices light up. Airfare was up 5.2% m/m. Intracity transportation was up 1.1%. Intercity transportation increased by 1.2%. Car/truck rental prices were up 3.5% m/m. Lodging was up 2.2% m/m. The pick-up in mobility post-omicron fed high contact price pressures.

Food prices are indeed accelerating, up 1% m/m led by groceries ("at home") with take-out ("away from home") up only 0.4%

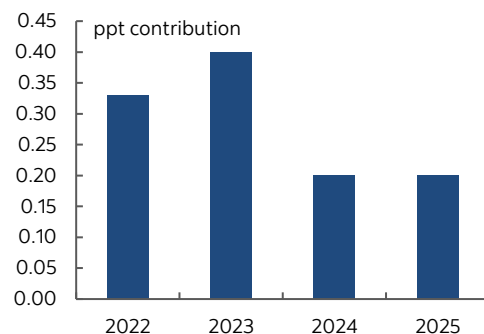
Apparel prices were up +0.7% m/m led by women's clothing.

New vehicle prices were up 0.3% m/m and used vehicle prices fell 0.2%, which together roughly cancel each other out in terms of weighted contributions. That's the expected net influence.

Shelter costs were up 0.5% m/m with owners equivalent rent up 0.4%.

Chart 3

**Addition to US Core PCE Inflation If This Oil Shock Persists**



Sources: Scotiabank Economics, Conflitti, C., & Luciani, M. (2019). Oil price pass-through into core inflation. *The Energy Journal*, 40(6).

Chart 4

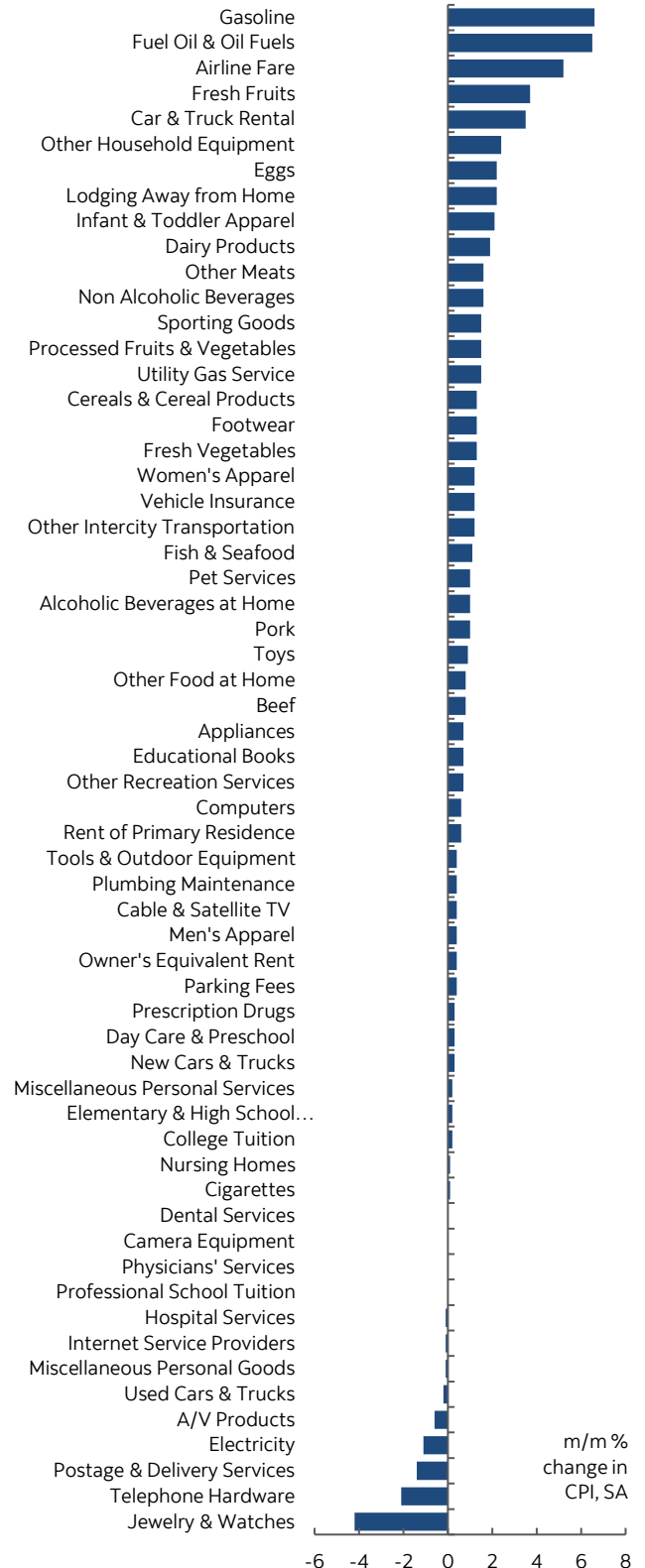
**February Weighted Contributions to Monthly Change in US Headline CPI**



Sources: Scotiabank Economics, US BLS.

Chart 5

**February Changes in US Headline CPI Categories**



Sources: Scotiabank Economics, US BLS.

Chart 6

**February Weighted Contributions to the 12-Month Change in US Headline CPI**



Source: Scotiabank Economics, BLS.

Chart 7

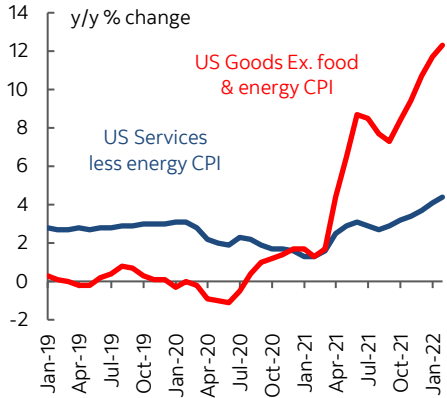
**February 12-Month Changes in US Headline CPI Categories**



Sources: Scotiabank Economics, BLS.

Chart 8

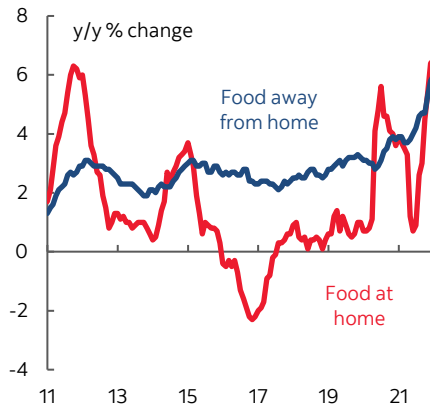
**US Goods vs Services Inflation**



Sources: Scotiabank Economics, BLS.

Chart 9

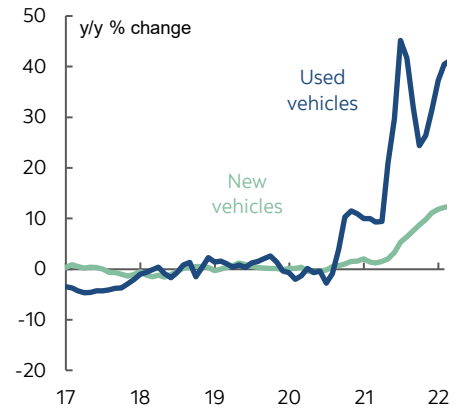
**US Food Prices**



Sources: Scotiabank Economics, BLS.

Chart 10

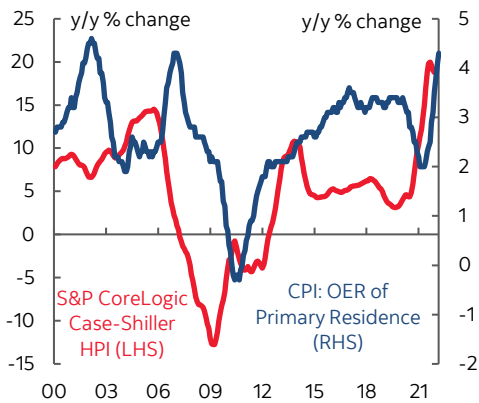
**New vs Used Vehicle Inflation**



Sources: Scotiabank Economics, BLS.

Chart 11

**Homebuying Price Surges Causing Upward Pressure on Rents**



Sources: Scotiabank Economics, BLS, S&P.

Chart 12

**US Apparel**



Sources: Scotiabank Economics, BLS.

Chart 13

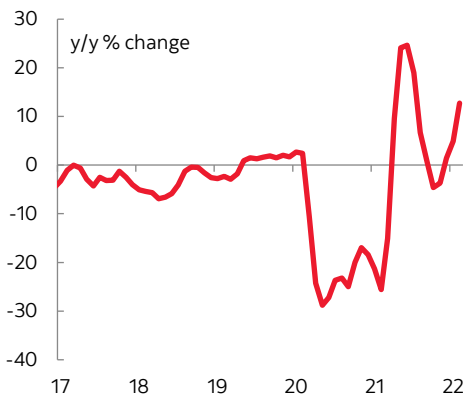
**Prescription Drug Prices**



Sources: Scotiabank Economics, BLS.

Chart 14

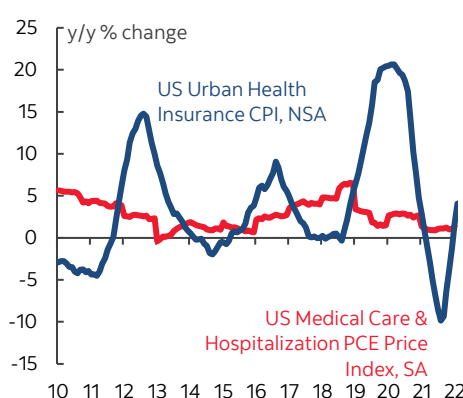
**US Airfare**



Sources: Scotiabank Economics, BLS.

Chart 15

**US Medical Care Insurance Inflation**



Sources: Scotiabank Economics, US BLS, US Bureau of Economic Analysis.

Chart 16

**US Financial Services**



Sources: Scotiabank Economics, BLS.

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Feb 2022				Weighted Contributions (ppts)*			5-Year Pre-Pandemic			10-Year Pre-Pandemic			
US INFLATION COMPONENT BREAKDOWN	y/y % change	10-year trend	Pandemic trend (Jan 2019–Present)	m/m % change	Weights (%)	y/y	m/m	2015–2019 avg. y/y	Std. Dev.	Z-Score	2011–2019 avg. y/y	Std. Dev.	Z-Score
<b>Food</b>	<b>7.9</b>			<b>1.0</b>	<b>13.39</b>	<b>1.06</b>	<b>0.13</b>	<b>1.3</b>	<b>0.8</b>	<b>8.7</b>	<b>1.7</b>	<b>1.1</b>	<b>5.4</b>
<b>Food, home</b>	<b>8.6</b>			<b>1.4</b>	<b>8.19</b>	<b>0.70</b>	<b>0.11</b>	<b>0.2</b>	<b>1.1</b>	<b>7.4</b>	<b>1.2</b>	<b>1.9</b>	<b>4.0</b>
Cereals & bakery products	7.8			1.1	1.04	0.08	0.01	0.4	0.9	8.4	0.9	1.7	4.1
Meats, poultry, fish & eggs	13.0			1.2	1.88	0.24	0.02	-0.2	3.2	4.1	2.1	3.9	2.8
Dairy & related products	5.2			1.9	0.76	0.04	0.01	-0.6	1.6	3.6	1.1	3.1	1.3
Fruits & vegetables	7.6			2.3	1.42	0.11	0.03	0.4	1.7	4.2	1.0	2.0	3.3
Non-alcoholic beverages	6.7			1.6	0.94	0.06	0.01	0.6	1.0	5.9	0.5	1.6	3.9
Other food at home	8.2			0.8	2.16	0.18	0.02	0.5	0.6	12.0	1.0	1.6	4.6
<b>Food, away</b>	<b>6.8</b>			<b>0.4</b>	<b>5.20</b>	<b>0.35</b>	<b>0.02</b>	<b>2.7</b>	<b>0.3</b>	<b>13.8</b>	<b>2.5</b>	<b>0.5</b>	<b>8.3</b>
Full services meals & snacks	7.5			0.6	2.41	0.18	0.01	2.6	0.4	13.3	2.4	0.5	10.2
Limited services meals and snacks	8.0			0.3	2.55	0.20	0.01	2.8	0.3	16.1	2.5	0.7	7.8
Food at employee sites and school	-40.7			-2.0	0.04	-0.01	0.00	2.8	2.4	-17.8	2.8	1.9	-22.7
Food from vending machines & mobile vendors	5.9			0.2	0.04	0.00	0.00	3.1	1.0	2.8	2.5	1.3	2.6
Other food away from home	5.5			0.8	0.17	0.01	0.00	2.5	1.3	2.3	2.3	1.0	3.2
<b>Energy</b>	<b>25.6</b>			<b>3.5</b>	<b>7.41</b>	<b>1.90</b>	<b>0.26</b>	<b>-1.9</b>	<b>10.0</b>	<b>2.8</b>	<b>1.6</b>	<b>9.6</b>	<b>2.5</b>
<b>Energy comm.</b>	<b>37.9</b>			<b>6.7</b>	<b>4.00</b>	<b>1.51</b>	<b>0.27</b>	<b>-2.8</b>	<b>17.0</b>	<b>2.4</b>	<b>3.0</b>	<b>17.1</b>	<b>2.0</b>
Fuel oils & other fuels	33.4			6.5	0.20	0.07	0.01	-2.3	15.8	2.3	2.7	14.4	2.1
Motor fuel	38.1			6.7	3.79	1.45	0.25	-2.8	17.1	2.4	3.0	17.3	2.0
<u>Gasoline</u>	<u>38.0</u>			<u>6.6</u>	<u>3.72</u>	<u>1.41</u>	<u>0.25</u>	<u>-2.8</u>	<u>17.1</u>	<u>2.4</u>	<u>3.0</u>	<u>17.4</u>	<u>2.0</u>
<u>Other</u>	<u>40.5</u>			<u>6</u>	<u>0.07</u>	<u>0.03</u>	<u>0.00</u>	<u>-2.3</u>	<u>19.5</u>	<u>2.2</u>	<u>3.6</u>	<u>17.9</u>	<u>2.1</u>
<b>Energy serv.</b>	<b>12.3</b>			<b>-0.4</b>	<b>3.42</b>	<b>0.42</b>	<b>-0.01</b>	<b>0.0</b>	<b>2.4</b>	<b>5.0</b>	<b>0.5</b>	<b>2.7</b>	<b>4.4</b>
Electricity	9.0			-1.1	2.54	0.23	-0.03	0.5	1.5	5.8	1.0	1.7	4.8
Utility (piped gas service)	23.8			1.5	0.88	0.21	0.01	-1.4	7.5	3.4	-0.9	7.3	3.4
<b>All items less food and energy</b>	<b>6.4</b>			<b>0.5</b>	<b>79.20</b>	<b>5.07</b>	<b>0.40</b>	<b>2.0</b>	<b>0.2</b>	<b>19.6</b>	<b>1.8</b>	<b>0.4</b>	<b>11.2</b>
<b>Commodities less food and energy</b>	<b>12.3</b>			<b>0.4</b>	<b>21.80</b>	<b>2.68</b>	<b>0.09</b>	<b>-0.3</b>	<b>0.4</b>	<b>32.4</b>	<b>0.2</b>	<b>0.9</b>	<b>13.6</b>
<b>Household furnishings</b>	<b>10.3</b>			<b>0.8</b>	<b>3.74</b>	<b>0.38</b>	<b>0.03</b>	<b>-0.8</b>	<b>1.2</b>	<b>9.3</b>	<b>-0.9</b>	<b>1.2</b>	<b>9.4</b>
Window & floor coverings	6.8			0.1	0.30	0.02	0.00	-2.3	1.7	5.3	-2.8	1.8	5.4
Furniture & bedding	17.1			0.1	0.99	0.17	0.00	-0.3	1.7	10.1	-0.9	2.1	8.7
Appliances	7.3			0.7	0.26	0.02	0.00	-1.2	3.1	2.7	-1.6	3.0	2.9
Other household equipment	7.5			3.3	0.57	0.04	0.02	-3.5	1.8	6.0	-3.7	1.5	7.5
Tools & hardware	10.6			0.4	0.94	0.10	0.00	-0.1	1.0	10.3	-0.3	1.2	8.9
Housekeeping supplies	6.3			1.4	0.93	0.06	0.01	0.3	1.2	5.1	0.4	1.3	4.5

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Feb 2022				Weighted Contributions (ppts)*			5-Year Pre-Pandemic			10-Year Pre-Pandemic			
US INFLATION COMPONENT BREAKDOWN	y/y % change	10-year trend	Pandemic trend (Jan 2019–Present)	m/m % change	Weights (%)	y/y	m/m	2015–2019 avg. y/y	Std. Dev.	Z-Score	2011–2019 avg. y/y	Std. Dev.	Z-Score
<b>Apparel</b>	<b>6.6</b>			<b>0.7</b>	<b>2.50</b>	<b>0.16</b>	<b>0.02</b>	<b>-0.5</b>	<b>1.0</b>	<b>7.3</b>	<b>0.3</b>	<b>1.7</b>	<b>3.6</b>
Men's & boys apparel	8.6			0.4	0.64	0.05	0.00	-0.3	1.5	5.8	0.5	2.3	3.6
Women's & girls apparel	4.9			1.2	0.96	0.05	0.01	-1.3	1.9	3.4	-0.1	2.5	2.0
Footwear	7.0			1.3	0.61	0.04	0.01	0.2	1.3	5.1	0.8	1.7	3.7
Infant & toddler's apparel	12.4			2.1	0.12	0.01	0.00	0.4	3.8	3.2	0.5	3.6	3.3
Jewelry & watches	4.2			-4.2	0.17	0.01	-0.01	1.0	3.4	0.9	1.5	3.8	0.7
<b>Trans. less fuel</b>	<b>23.9</b>			<b>0.1</b>	<b>6.88</b>	<b>1.64</b>	<b>0.01</b>	<b>-0.3</b>	<b>0.9</b>	<b>27.3</b>	<b>0.4</b>	<b>1.5</b>	<b>15.8</b>
New vehicles	12.4			0.3	4.09	0.51	0.01	0.1	0.7	18.7	0.8	1.2	9.5
Used cars & trucks	41.2			-0.2	4.17	1.72	-0.01	-1.3	2.1	20.4	1.1	4.8	8.3
Motor vehicle parts & equipment	14.3			1.6	0.43	0.06	0.01	0.2	1.1	13.3	0.9	2.2	6.2
<b>Medical comm.</b>	<b>2.5</b>			<b>0.3</b>	<b>1.53</b>	<b>0.04</b>	<b>0.00</b>	<b>2.1</b>	<b>1.7</b>	<b>0.2</b>	<b>2.3</b>	<b>1.5</b>	<b>0.2</b>
Medicinal Drugs	2.5			0.4	1.56	0.04	0.01	2.2	1.8	0.2	2.3	1.6	0.2
Medical equipment & supplies	2.8			-0.5	0.10	0.00	0.00	0.4	1.2	2.0	0.3	1.2	2.1
<b>Recreation comm.</b>	<b>4.6</b>			<b>0.9</b>	<b>2.04</b>	<b>0.09</b>	<b>0.02</b>	<b>-2.6</b>	<b>1.1</b>	<b>6.8</b>	<b>-2.3</b>	<b>0.9</b>	<b>7.6</b>
Video & audio products	-0.2			-0.6	0.27	0.00	0.00	-10.1	2.4	4.1	-9.2	2.2	4.1
Pets & pet products	5.2			1.6	0.55	0.03	0.01	0.4	1.5	3.2	0.5	1.5	3.2
Sporting goods	7.1			0.5	0.57	0.04	0.00	-0.7	1.5	5.1	-0.6	1.2	6.3
Photographic Equipment & supplies	2.8			0.0	0.02	0.00	0.00	-1.7	4.6	1.0	-3.0	4.0	1.4
Recreational reading materials	4.1			3.5	0.10	0.00	0.00	1.6	1.9	1.4	1.5	1.8	1.5
Other recreational goods	3.5			1.0	0.39	0.01	0.00	-6.5	1.3	7.5	-5.2	1.7	5.0
<b>Educ. &amp; communication comm.</b>	<b>0.3</b>			<b>-0.7</b>	<b>0.52</b>	<b>0.00</b>	<b>0.00</b>	<b>-3.7</b>	<b>1.0</b>	<b>4.0</b>	<b>-3.5</b>	<b>0.9</b>	<b>4.2</b>
Educational books & supplies	0.8			-0.4	0.09	0.00	0.00	2.2	3.0	-0.5	3.6	2.7	-1.0
IT commodities	0.6			-0.7	0.41	0.00	0.00	-6.1	1.9	3.5	-6.8	1.8	4.1
<b>Alcohol</b>	<b>3.5</b>			<b>0.8</b>	<b>0.89</b>	<b>0.03</b>	<b>0.01</b>	<b>1.3</b>	<b>0.3</b>	<b>6.5</b>	<b>1.4</b>	<b>0.4</b>	<b>5.8</b>
Alcoholic beverages at home	2.5			1.0	0.59	0.01	0.01	0.8	0.6	2.8	0.8	0.5	3.2
Alcoholic beverages away from home	4.5			0.3	0.30	0.01	0.00	1.9	0.5	5.6	2.2	0.7	3.5
<b>Other goods</b>	<b>4.9</b>			<b>0.9</b>	<b>1.48</b>	<b>0.07</b>	<b>0.01</b>	<b>1.4</b>	<b>0.9</b>	<b>4.1</b>	<b>1.4</b>	<b>0.7</b>	<b>4.9</b>
Tobacco & smoking products	7.0			0.6	0.52	0.04	0.00	4.3	1.5	1.8	4.4	3.8	0.7
Personal care products	0.8			0.8	0.65	0.01	0.01	-0.3	0.6	1.9	-0.1	0.8	1.1
Miscellaneous personal goods	12.3			2.3	0.19	0.02	0.00	-2.4	3.1	4.8	-1.7	2.4	5.8



March 10, 2022

Feb 2022				Weighted Contributions (ppts)*			5-Year Pre-Pandemic			10-Year Pre-Pandemic			
US INFLATION COMPONENT BREAKDOWN	y/y % change	10-year trend	Pandemic trend (Jan 2019–Present)	m/m % change	Weights (%)	y/y	m/m	2015–2019 avg. y/y	Std. Dev.	Z-Score	2011–2019 avg. y/y	Std. Dev.	Z-Score
<b>Services less energy services</b>	<b>4.4</b>			<b>0.5</b>	<b>57.40</b>	<b>2.53</b>	<b>0.29</b>	<b>2.8</b>	<b>0.2</b>	<b>6.8</b>	<b>2.4</b>	<b>0.6</b>	<b>3.2</b>
<b>Shelter</b>	<b>4.7</b>			<b>0.5</b>	<b>32.80</b>	<b>1.54</b>	<b>0.16</b>	<b>3.3</b>	<b>0.2</b>	<b>8.4</b>	<b>2.5</b>	<b>1.2</b>	<b>1.9</b>
Rent of shelter	4.8			0.6	32.42	1.56	0.19	3.3	0.2	8.1	2.5	1.2	2.0
<i>Rent of primary residence</i>	<i>4.2</i>			<i>0.6</i>	<i>7.37</i>	<i>0.31</i>	<i>0.04</i>	<i>3.7</i>	<i>0.1</i>	<i>3.8</i>	<i>2.9</i>	<i>1.1</i>	<i>1.2</i>
<i>Lodging away from home</i>	<i>25.1</i>			<i>2.2</i>	<i>0.90</i>	<i>0.23</i>	<i>0.02</i>	<i>2.3</i>	<i>2.0</i>	<i>11.3</i>	<i>2.2</i>	<i>2.2</i>	<i>10.5</i>
<i>OER of residences</i>	<i>4.3</i>			<i>0.4</i>	<i>24.15</i>	<i>1.04</i>	<i>0.10</i>	<i>3.2</i>	<i>0.2</i>	<i>5.3</i>	<i>2.4</i>	<i>1.1</i>	<i>1.8</i>
Tenants' & household insurance	-0.4			0.1	0.38	0.00	0.00	1.4	1.2	-1.5	2.3	1.5	-1.7
<b>Water, sewer, trash collection</b>	<b>4.2</b>			<b>0.5</b>	<b>1.11</b>	<b>0.05</b>	<b>0.01</b>	<b>3.6</b>	<b>0.6</b>	<b>1.0</b>	<b>4.3</b>	<b>1.0</b>	<b>-0.1</b>
Water & sewage maintenance	4.2			0.4	0.81	0.03	0.00	4.0	0.8	0.3	4.8	1.4	-0.5
Garbage & trash collection	4.1			1.0	0.31	0.01	0.00	2.5	1.5	1.1	2.5	1.1	1.5
<b>Household ops.</b>	<b>8.4</b>			<b>1.1</b>	<b>0.90</b>	<b>0.08</b>	<b>0.01</b>	<b>3.8</b>	<b>1.3</b>	<b>3.7</b>	<b>2.6</b>	<b>1.6</b>	<b>3.6</b>
Domestic services	9.4			0.6	0.25	0.02	0.00	2.0	1.1	7.0	1.6	1.0	7.5
Gardening & lawncare	4.1			0.2	0.30	0.01	0.00	4.3	2.7	-0.1	2.8	2.6	0.5
Moving, storage, freight	5.7			-0.6	0.10	0.01	0.00	5.6	3.9	0.0	3.3	3.9	0.6
Repair of household items	5.4			0.1	0.12	0.01	0.00	4.8	2.1	0.3	4.2	2.0	0.6
<b>Medical serv.</b>	<b>2.4</b>			<b>0.1</b>	<b>6.97</b>	<b>0.17</b>	<b>0.01</b>	<b>2.9</b>	<b>1.0</b>	<b>-0.5</b>	<b>3.0</b>	<b>0.8</b>	<b>-0.8</b>
Professional Services	1.5			-0.1	3.57	0.05	0.00	1.5	0.9	0.0	1.8	0.8	-0.4
Hospital & related services	3.4			0.0	2.58	0.09	0.00	3.8	1.1	-0.4	4.5	1.3	-0.9
Health insurance	4.1			1.9	0.82	0.03	0.02	5.0	5.8	-0.2	3.6	6.0	0.1
<b>Transportation serv.</b>	<b>6.6</b>			<b>1.4</b>	<b>5.60</b>	<b>0.37</b>	<b>0.08</b>	<b>2.6</b>	<b>1.1</b>	<b>3.6</b>	<b>2.6</b>	<b>1.0</b>	<b>4.1</b>
Leased cars & trucks	-3.6			-3.6	0.63	-0.02	-0.02	0.5	3.0	-1.4	-1.6	3.2	-0.6
Motor vehicle maintenance & repair	6.3			1.7	1.03	0.06	0.02	2.2	0.7	5.9	2.0	0.6	7.5
Motor vehicle insurance	4.3			1.2	2.39	0.10	0.03	5.5	2.6	-0.5	4.8	2.0	-0.3
Motor vehicle fees	1.1			0.1	0.52	0.01	0.00	1.8	0.7	-1.0	2.2	1.9	-0.6
Public transportation	8.3			3.5	0.77	0.06	0.03	-1.2	1.5	6.3	1.0	3.6	2.0
<b>Recreation serv.</b>	<b>5.1</b>			<b>0.6</b>	<b>3.78</b>	<b>0.19</b>	<b>0.02</b>	<b>2.6</b>	<b>0.7</b>	<b>3.8</b>	<b>2.3</b>	<b>0.7</b>	<b>3.7</b>
Video & audio services	3.8			0.4	1.24	0.05	0.00	2.7	1.4	0.8	2.6	1.3	0.9
Pet services	5.8			1.0	0.51	0.03	0.01	3.1	0.8	3.5	3.3	0.9	2.8
Photo services	1.6			0.3	0.03	0.00	0.00	-0.2	2.0	0.9	0.8	1.8	0.4
Other recreation services	5.8			0.7	1.48	0.09	0.01	2.4	0.6	5.7	1.7	1.1	3.8
<b>Educ. &amp; communication serv.</b>	<b>1.7</b>			<b>0.1</b>	<b>6.25</b>	<b>0.11</b>	<b>0.01</b>	<b>0.4</b>	<b>1.3</b>	<b>1.0</b>	<b>1.1</b>	<b>1.3</b>	<b>0.5</b>
Tuition, school fees, child care	2.2			0.2	2.57	0.06	0.01	2.8	0.6	-1.1	3.3	0.8	-1.5
Postage & delivery	3.7			-1.4	0.09	0.00	0.00	2.3	2.0	0.7	3.3	2.0	0.2
Telephone services	0.6			0.2	1.89	0.01	0.00	-2.4	3.0	1.0	-1.3	2.4	0.8
Internet services	2.8			-0.1	0.96	0.03	0.00	-0.2	1.5	2.0	0.1	1.3	2.0
<b>Other personal serv.</b>	<b>6.2</b>			<b>1.2</b>	<b>1.65</b>	<b>0.10</b>	<b>0.02</b>	<b>2.7</b>	<b>0.7</b>	<b>5.2</b>	<b>2.4</b>	<b>0.6</b>	<b>6.0</b>
Personal care services	5.6			1.1	0.55	0.03	0.01	2.3	0.7	4.7	1.8	0.8	4.6
Miscellaneous personal services	6.6			1.2	0.83	0.05	0.01	2.9	0.9	4.0	2.7	0.7	5.3

\*Number may not add due to rounding

Sources: Scotiabank Economics, BLS.

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