

GROWTH REDACTED

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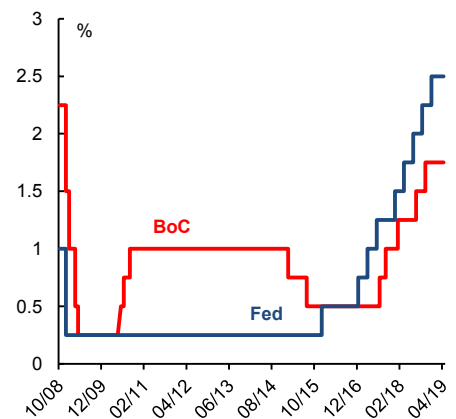
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Next Week's Risk Dashboard

- ▶ CBs: BoC, BoJ, BanRep, Riksbank, BI
- ▶ US GDP
- ▶ US earnings
- ▶ CPI: Australia, Brazil, Malaysia
- ▶ US durables, housing
- ▶ German IFO
- ▶ Putin-Kim
- ▶ Korean GDP

Chart of the Week

BoC To Remain on Hold



Sources: Scotiabank Economics, Bloomberg.

Chart of the Week: Prepared by: Yukiko Kitayama, Analyst, Summer Intern.

Growth Redacted

UNITED STATES—A (NOT SO) SOFT PATCH

Earnings reports will combine with limited macroeconomic data including one marquee release to inform the broad market tone.

One hundred and forty-eight S&P500 firms will release earnings over the coming week and the season pushes deeper into the key nonfinancials including tech stocks. Among the key names will be Twitter, AT&T, Facebook, eBay, Amazon, Ford, American Airlines, Starbucks, Coca-Cola, Visa, Capital One, Lockheed Martin, Boeing, Caterpillar, UPS, 3M, Equifax, Microsoft, Xerox, Intel. Please see chart 1 that depicts the latest share of Q1 earnings that have thus far beaten analysts' estimates. At the same time, buybacks continue unabated with the lagging positive effects of the Tax Cuts and Jobs Act (chart 2), and then the Fed threw kerosene onto it all!

How soft was the soft patch? By historical standards, it might not have been terribly soft after all. **Scotiabank Economics estimates that Q1 GDP growth was probably at about 2%** and possibly stronger. A 'nowcast' model run by Scotia's Rene Lalonde and Nikita Perevalov pumps out an estimate of 2.4%. The Atlanta Fed's 'nowcast' is at 2.8%, but nowcasts that are based upon longer-run models don't fully account for the effects of the US government shutdown. Shutdown influences would knock 0.4% off Q1 according to the CBO's estimate and following a 0.2% shutdown hit in Q4. The CBO estimates that ending the shutdown could add 1% to GDP growth in Q2 as funding was restored and some pent-up activity (e.g. flights) and catch-up spending (e.g. parks maintenance) flow through (chart 3). A range from 2.0–2.5% could be reasonable. This would follow 2.2% in Q4 after 3.4% in Q3 and 4.2% in Q2.

If this happens, then the US economy would still be growing faster than potential—especially after controlling for shutdown effects—and hence pushing deeper into excess aggregate demand with an increasingly positive output gap (charts 4, 5). There remain binary risks, but the Fed may have gotten too easily spooked or the markets misinterpreted the intent of the balance sheet shifts or probably a little of both. The FOMC may have also dropped their guard on inflation at the classically wrong time. As we think about our forecasts in the populist-driven age of

Chart 1 2019Q1 US Earnings are Beating Again

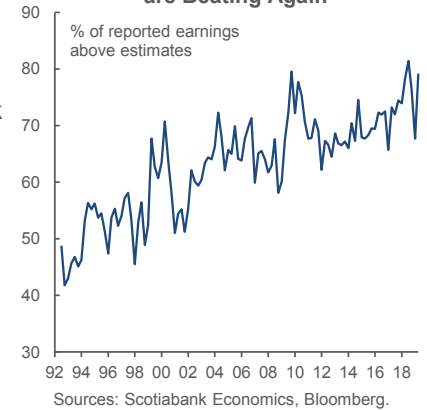


Chart 2

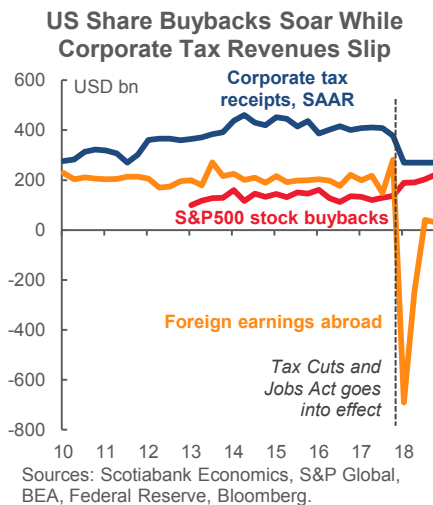


Chart 3

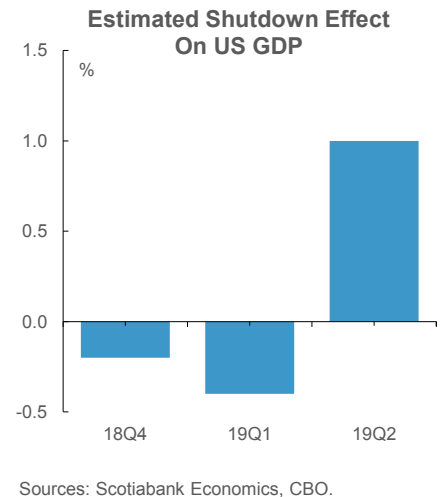


Chart 4

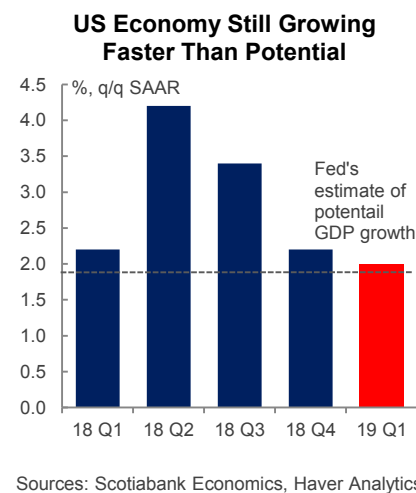


Chart 5



reductions, this fans expectations for a big rec [REDACTED]. In fact, in this scenario, the Federal Reserve might [REDACTED] its policy rate.

Less influential releases will include orders for **durable goods** during March on Thursday. A rebound in Boeing’s plane orders to 44 in March from 5 the prior month is expected to propel headline durable goods higher in a significant reversal of the prior month’s 1.6% drop. There may be a rebound in durables ex-transportation as well following February’s softness.

Existing home sales are likely to take back some of the almost 12% rise in February (Monday) and so might **new home sales** after a 5% rise in February (Tuesday). The **Richmond Fed’s regional manufacturing gauge** (Tuesday) will complement the decline in the **Philly Fed** to further inform ISM-manufacturing expectations.

The US Treasury will auction a mitt full of debt with auctions for 2s, 5s, 7s and two year floating rate notes next week.

CANADA—I SAIDDD, WE’RE DATA DEPENDENT!!

The Bank of Canada will be the main—if not only—game in town over the coming week. Even at that, the monetary policy announcement will be more about jawboning uncertainties within a base case policy framework that is in no rush to change. Having said this, the broad tone of the communications is likely to walk more on the cautiously optimistic side of the equation in such fashion as to remain faithful toward the Governor’s rebound narrative. If so, then at a minimum, the communications could be the further unwinding of near-term curve inversion.

The BoC statement arrives Wednesday at 10amET along with the Monetary Policy Report that includes refreshed forecasts. Governor Poloz and SDG Wilkins will host a press conference at 11:30amET.

Consensus is unanimous toward expecting **no rate change at this meeting** and so are traders as illustrated by OIS markets. Markets have scaled back expectations for a cut by year-end almost as rapidly as the probability had risen over the month of March (chart 6). The market odds of a cut are now only at about one-in-seven.

Within the consensus of economists, Scotiabank Economics is the only major domestic bank to continue to forecast a rate hike by year-end, or over 2020H1 for that matter. At this juncture, timing such a move is very uncertain but **we feel consensus abandoned hike expectations prematurely.** The recent upside surprise in core inflation added some intrigue with headline inflation just a tick beneath the 2% target and core inflation bang on target and with considerable breadth (recap [here](#)). You can read more about our views on the Bank of Canada outlook [here](#) as well as slide decks that were recently circulated to clients.

Chart 6

Markets are Bailing on a BoC Rate Cut



Nevertheless, one inflation report does not a bias make. **At issue is how much slack the BoC judges there to be at this juncture** in light of the deceleration in growth over 2018Q4–2019Q1, backward negative revisions to actual GDP levels by Statistics Canada, and annual revisions to potential GDP growth estimates. Widened slack in the near-term carries lagging influences upon inflation and so even though we’re essentially at 2% now, the BoC’s 2% y/y forecast CPI inflation for the end of this year may be vulnerable to being pushed out as a goal.

Don’t look to Governor Poloz to provide any more explicit guidance toward timing any future rate moves. He said as much in his recent comments at a press briefing following the conclusion of IMF meetings in Washington when in response to questions about the next move he pointed to market pricing for a hold and stated “What’s a while, I don’t know. Once again, that’s a data dependent question.”

Along with this data dependence, the statement is likely to retain guidance that “Governing Council judges that the outlook continues to warrant a policy interest rate that is below its neutral range.” The bias toward eventually getting back toward neutral

rather than cutting is likely to be retained, but I wouldn't be too surprised if during the press conference Poloz notes that the Governing Council might have discussed criteria for a cut.

This begs the question what is the BoC's neutral range? This meeting will bring out the BoC's annual revisions to potential growth and neutral rate estimates. To date, the BoC has guided that 2½–3½% is the range of estimates provided by studies including [this](#) one by its staff last July. That study was referenced as recently as March 14th in SDG Wilkins' speech and in remarks by Governor Poloz this year. It may be unlikely to expect a revision next week. Having said this, an alternative estimate of the neutral rate range is available [here](#) by Scotia's Nikita Perevalov.

Canada also updates wholesale trade during February on Tuesday and conducts a 30 year bond auction on Thursday.

LATIN AMERICA—NO REASON FOR CHANGE

Other than a single central bank decision next week, Latin American markets are more likely to be driven by off-calendar risks or external factors.

BanRep's latest policy decision arrives next Friday. Colombia's central bank has been on hold since this time last year and its hold is expected to continue. At 3.2% and 3.3% for headline and core respectively, inflation is riding just above the midpoint of the 2–4% inflation target range (chart 7). Governor Jose Echavarria's 2019Q1 Governor's Report that was issued at the end of March had noted that inflation is expected to remain between 3.0–3.2% throughout this year and hence no further pressure on the inflation target is anticipated.

Brazil updates the mid-month sneak peek at inflation for April on Thursday. Mexico will update retail sales for February on Thursday—following January's large gain, and also trade during March on Friday.

EUROPE—IS THE RIKSBANK DONE FOR THE YEAR?

European markets will start off the week shut for Easter on Monday and there will be a limited number of factors to keep things interesting thereafter. A single regional central bank and one macro print are on tap.

Sweden's Riksbank is universally expected to keep its repo rate on hold at -0.25% on Thursday but refreshed guidance toward timing the next move will be closely watched. This follows the quarter point hike in December after a policy hold that dated back to February 2016. Deputy Governor Floden recently noted that the latest inflation reading was in line with the Riksbank's expectations, but this is only because its expectations were previously surprised to the downside. Underlying inflation has been falling fairly significantly from a recent peak of 2½% y/y in September down to 1.8% in March. Headline inflation is only a tick higher than that and also below the peak of 2.3% just a few months prior. The nearly 4% depreciation in the krona and 2% depreciation to the euro since the December 20th hike may help stabilize inflation in the near term. Recall that the Riksbank targets inflation at 2%. At its last meeting in February, the Riksbank guided toward another hike over the second half of this year; markets presently assign roughly one-in-two odds to a hike by year-end.

Germany releases the third of four main sentiment gauges next Wednesday. With only the GfK consumer confidence reading due the next week, the coming **IFO business confidence** reading will further inform survey-based growth signals. This comes after the composite purchasing managers' index slightly improved but remains volatile, and after the ZEW measure of investor expectations jumped higher (chart 8).

Chart 7

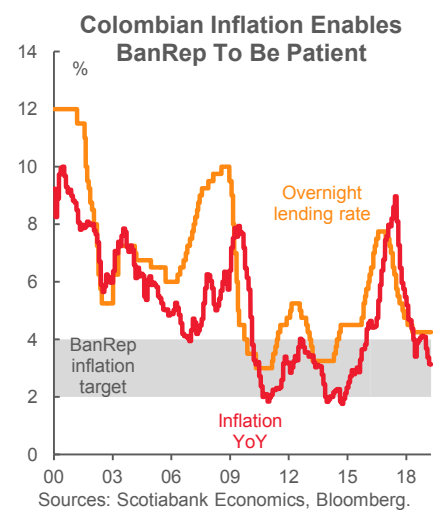
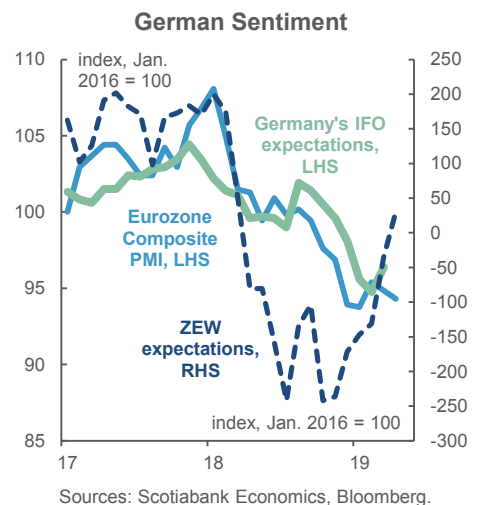


Chart 8



ASIA-PACIFIC—DOWN UNDER RATE RISK

A Bank of Japan policy meeting is pretty much the only consideration that may influence global markets over the coming week, but that's doubtful. What tricks Russian President Putin and North Korean leader Kim Jong Un may have up their sleeves in a meeting either next week or early the following week **could inform geopolitical tensions.** US-China trade talks will be preparing for a resumption of high-level negotiations when USTR Lighthizer and Treasury Secretary Mnuchin take a delegation back to China the following week.

The Bank of Japan is likely to leave its policy rate unchanged at -0.1% with an unchanged tiering system on applicable reserves, an unchanged pace of asset purchases and an unchanged ten year JGB nominal yield target of 'around' 0%. The central bank will extend its forecast horizon to FY2021 and likely indicate that inflation is unlikely to reach the 2% target over this horizon according to sources quoted by Reuters.

Bank Indonesia will also deliver a policy decision next week and is expected to hold its seven day reverse repo rate at 6%. The risk tilts in favour of doves. Inflation is running at 2½% y/y which is well below the 3–5% inflation target zone. Core CPI sits at 3% y/y. The appreciation of the rupiah since the end of October does not help given high import propensity. In short, a pause since November after an aggressive 275bps of hikes over a period of about half a year is sensible, with the question now being whether guidance could suggest that a policy overshoot occurred.

RBA watchers will have a keen eye on Q1 CPI that lands on Tuesday evening eastern time. Recall that minutes to the April 1st meeting laid out the criteria for a rate cut as follows, while nevertheless stating this was not the base case expectation:

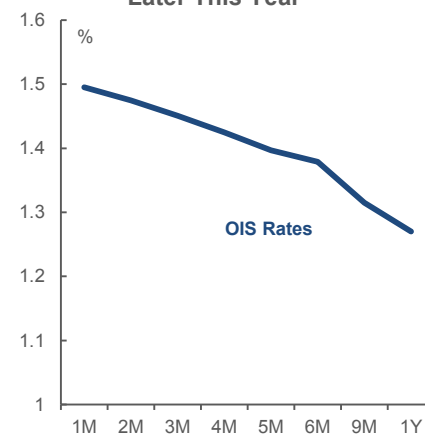
“Members also discussed the scenario where inflation did not move any higher and unemployment trended up, noting that a decrease in the cash rate would likely be appropriate in these circumstances.”

Inflation is expected to ebb next week, but mostly in headline terms as opposed to the trimmed mean and weighted median metrics. Further, recall that Australia's job creating machine continues to chug along. The unemployment rate ticked only slightly higher because of more rapid expansion of the labour force than job growth and still remains around a seven year low. Therefore, the criteria laid out for easing seems out of reach. Nevertheless, CPI could have a significant impact upon present market pricing for a rate cut in future months (chart 9).

Other releases will include South Korean Q1 GDP growth, CPI from Malaysia and the reading just for Tokyo, Japanese macro reports (retail sales, industrial production and housing starts) plus Chinese industrial profits.

Chart 9

Markets Expect the RBA to Cut Later This Year



Sources: Scotiabank Economics, Bloomberg.

Key Indicators for the week of April 22 – 26
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	04/22	10:00	Existing Home Sales (mn a.r.)	Mar	5.2	5.3	5.5
US	04/22	10:00	Existing Home Sales (m/m)	Mar	-5.0	-3.8	11.8
CA	04/23	08:30	Wholesale Trade (m/m)	Feb	--	--	0.6
MX	04/23	09:00	Unemployment Rate (%)	Mar	3.4	3.1	3.3
US	04/23	10:00	New Home Sales (000s a.r.)	Mar	647.0	650.0	667.0
US	04/23	10:00	Richmond Fed Manufacturing Index	Apr	--	10.0	10.0
US	04/24	07:00	MBA Mortgage Applications (w/w)	APR 19	--	--	-3.5
MX	04/24	09:00	Bi-Weekly CPI (% change)	Apr 15	-0.3	-0.1	0.1
MX	04/24	09:00	Bi-Weekly Core CPI (% change)	Apr 15	0.2	0.2	0.1
CA	04/24	10:00	BoC Interest Rate Announcement (%)	Apr 24	1.75	1.75	1.75
US	04/25	08:30	Durable Goods Orders (m/m)	Mar P	1.1	0.7	-1.6
US	04/25	08:30	Durable Goods Orders ex. Trans. (m/m)	Mar P	0.5	0.2	-0.1
US	04/25	08:30	Initial Jobless Claims (000s)	APR 20	195	205	192
US	04/25	08:30	Continuing Claims (000s)	APR 13	1650	1722	1653
MX	04/25	09:00	Retail Sales (INEGI) (y/y)	Feb	2.1	0.1	0.9
US	04/26	08:30	GDP (q/q a.r.)	1Q A	2.0	2.0	2.2
US	04/26	08:30	GDP Deflator (q/q a.r.)	1Q A	--	1.3	1.7
MX	04/26	09:00	Global Economic Indicator IGAE (y/y)	Feb	1.6	1.2	1.3
MX	04/26	09:00	Trade Balance (US\$ mn)	Mar	-544.4	2000.0	1221.6
US	04/26	10:00	U. of Michigan Consumer Sentiment	Apr F	--	97.0	96.9

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>
EC	04/23	10:00	Consumer Confidence	Apr A	--	-7.0	-7.2
GE	04/24	04:00	IFO Business Climate Survey	Apr	--	99.9	99.6
GE	04/24	04:00	IFO Current Assessment Survey	Apr	--	103.6	103.8
GE	04/24	04:00	IFO Expectations Survey	Apr	--	96.0	95.6
UK	04/24	04:30	PSNB ex. Interventions (£ bn)	Mar	--	0.4	0.2
UK	04/24	04:30	Public Finances (PSNCR) (£ bn)	Mar	--	--	0.6
UK	04/24	04:30	Public Sector Net Borrowing (£ bn)	Mar	--	-0.8	-0.7
SP	04/25	03:00	Unemployment Rate (%)	1Q	--	14.4	14.5
SW	04/25	03:30	Riksbank Interest Rate (%)	Apr 25	-0.25	-0.25	-0.25
TU	04/25	07:00	Benchmark Repo Rate (%)	Apr 25	24.00	24.00	24.00
RU	04/26	06:30	One-Week Auction Rate (%)	Apr 26	7.75	7.75	7.75

Key Indicators for the week of April 22 – 26

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
TH	APR 21-22		Customs Exports (y/y)	Mar	--	-1.7	5.9
TH	APR 21-22		Customs Imports (y/y)	Mar	--	-1.0	-10.0
TH	APR 21-22		Customs Trade Balance (US\$ mn)	Mar	--	1254.3	4034.4
TA	04/22	04:00	Export Orders (y/y)	Mar	--	-5.0	-10.9
TA	04/22	04:00	Unemployment Rate (%)	Mar	3.7	--	3.7
JN	04/22	20:30	Markit/JMMA Manufacturing PMI	Apr P	--	--	49.5
SI	04/23	01:00	CPI (y/y)	Mar	0.6	0.7	0.5
JN	04/23	02:00	Machine Tool Orders (y/y)	Mar F	--	--	-28.5
TA	04/23	04:00	Industrial Production (y/y)	Mar	--	-1.5	-1.8
HK	04/23	04:30	CPI (y/y)	Mar	2.3	2.2	2.1
AU	04/23	21:30	Consumer Prices (y/y)	1Q	1.6	1.5	1.8
MA	04/24	00:00	CPI (y/y)	Mar	-0.1	0.3	-0.4
JN	04/24	00:30	All Industry Activity Index (m/m)	Feb	--	-0.1	-0.2
JN	04/24	01:00	Coincident Index CI	Feb F	--	--	98.4
JN	04/24	01:00	Leading Index CI	Feb F	--	--	97.4
SK	04/24	19:00	GDP (y/y)	1Q P	2.7	--	3.1
ID	APR 24-25		BI 7-Day Reverse Repo Rate (%)	Apr 25	6.00	6.00	6.00
JN	APR 24-25		BoJ Policy Rate (%)	Apr 25	-0.10	--	-0.10
PH	APR 24-25		Budget Deficit/Surplus (PHP bn)	Mar	--	--	-76.4
VN	APR 24-30		CPI (y/y)	Apr	--	2.8	2.7
VN	APR 24-30		Industrial Production (y/y)	Apr	--	--	9.1
SK	04/25	17:00	Consumer Confidence Index	Apr	--	--	99.8
NZ	04/25	18:00	ANZ Consumer Confidence Index	Apr	--	--	121.8
NZ	04/25	18:45	Trade Balance (NZD mn)	Mar	--	115.5	12.0
NZ	04/25	18:45	Exports (NZD bn)	Mar	--	5.3	4.8
NZ	04/25	18:45	Imports (NZD bn)	Mar	--	5.2	4.8
JN	04/25	19:30	Jobless Rate (%)	Mar	2.3	2.4	2.3
JN	04/25	19:30	Tokyo CPI (y/y)	Apr	--	1.1	0.9
JN	04/25	19:50	Large Retailers' Sales (y/y)	Mar P	--	--	-1.8
JN	04/25	19:50	Retail Trade (y/y)	Mar P	--	1.0	0.6
AU	04/25	21:30	Producer Price Index (y/y)	1Q	--	--	2.0
SI	04/25	22:30	Unemployment Rate (%)	1Q	2.2	--	2.2
JN	04/26	00:00	Vehicle Production (y/y)	Feb	--	--	7.0
JN	04/26	01:00	Housing Starts (y/y)	Mar	--	4.4	4.2
JN	04/26	01:00	Construction Orders (y/y)	Mar	--	--	-3.4
SI	04/26	01:00	Industrial Production (y/y)	Mar	--	-5.1	0.7
CH	04/26	21:30	Industrial Profits YTD (y/y)	Mar	--	--	-1.9

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CO	04/22	11:00	Trade Balance (US\$ mn)	Feb	-740.0	-830.0	-1025.8
BZ	04/25	08:00	IBGE Inflation IPCA-15 (m/m)	Apr	--	0.7	0.5
BZ	04/25	08:00	IBGE Inflation IPCA-15 (y/y)	Apr	--	--	4.2
BZ	04/25	09:30	Current Account (US\$ mn)	Mar	--	--	-1134.0
CO	04/26		Overnight Lending Rate (%)	Apr 26	4.25	4.25	4.25

Global Auctions for the week of April 22 – 26**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04/23	13:00	U.S. to Sell 2-Year Notes
US	04/24	11:30	U.S. to Sell 2-Year Floating Rate Notes
US	04/24	13:00	U.S. to Sell 5-Year Notes
CA	04/25	12:00	Canada to Sell 30 Year Bonds
US	04/25	13:00	U.S. to Sell 7-Year Notes

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
DE	04/24	04:30	Denmark to Sell Bonds
SW	04/24	05:00	Sweden to Sell Bonds
GE	04/24	05:30	Germany to Sell EUR3 Bln 2029 Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	04/22	23:35	Japan to Sell 2-Year Bonds
CH	04/22	21:30	Shaanxi to Sell 5Y Bonds
CH	04/25	04:00	Liaoning to Sell 10Y Bonds

Source: Bloomberg, Scotiabank Economics.

Events for the week of April 22 – 26**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	04/24	10:00	Bank of Canada Rate Decision
US	04/25	08:30	ECB Vice President Guindos Speaks in New York

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SW	04/25	03:30	Riksbank Interest Rate
SW	04/25	05:00	Riksbank Press Conference
TU	04/25	07:00	One-Week Repo Rate
SZ	04/26	04:00	SNB's Jordan, Studer Speak at Central Bank's AGM in Bern
RU	04/26	06:30	Key Rate

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	APR 24-25		BOJ Policy Balance Rate
JN	APR 24-25		BOJ Outlook Report
ID	APR 24-25		Bank Indonesia 7D Reverse Repo

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CO	04/26		Overnight Lending Rate

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	1.75	April 24, 2019	1.75	1.75
Federal Reserve – Federal Funds Target Rate	2.50	May 1, 2019	2.50	2.50
Banco de México – Overnight Rate	8.25	May 16, 2019	8.25	8.25

Bank of Canada: No policy rate change is expected. Guidance is likely to continue to emphasize the need to maintain a policy rate below neutral in light of sundry risks the outlook and greater slack than the BoC had anticipated. Cautious rebound optimism is likely to push back on rate cut talk.

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	June 6, 2019	0.00	0.00
Bank of England – Bank Rate	0.75	May 2, 2019	0.75	0.75
Swiss National Bank – Libor Target Rate	-0.75	June 13, 2019	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	7.75	April 26, 2019	7.75	7.75
Sweden Riksbank – Repo Rate	-0.25	April 25, 2019	-0.25	-0.25
Norges Bank – Deposit Rate	1.00	May 9, 2019	1.00	1.00
Central Bank of Turkey – Benchmark Repo Rate	24.00	April 25, 2019	24.00	24.00

Riksbank: While a policy hold is expected, decelerating inflation may inform risks surrounding guidance toward a rate hike over 2019H2.

Central Bank of Russia: The policy rate is likely to remain at 7.75%. A pause is expected as inflation data is evaluated following a shift in stance at last month's meeting.

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 25, 2019	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	May 7, 2019	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	May 7, 2019	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	June 6, 2019	6.00	6.00
Bank of Korea – Bank Rate	1.75	May 31, 2019	1.75	1.75
Bank of Thailand – Repo Rate	1.75	May 8, 2019	1.75	1.75
Bank Negara Malaysia – Overnight Policy Rate	3.25	May 7, 2019	3.25	3.25
Bank Indonesia – 7-Day Reverse Repo Rate	6.00	April 25, 2019	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	4.75	May 9, 2019	4.75	4.50

Bank of Japan (BoJ): We do not expect any changes to the BoJ's monetary policy stance following the April 25 meeting. Highly-accommodative monetary policy will likely be maintained through 2020 on the back of Japan's muted inflation outlook and slowing demand growth globally. **Bank Indonesia (BI):** Indonesian monetary authorities will make a policy decision on April 25. We expect the BI to continue its wait-and-see stance over the coming months as it assesses the direction of monetary policy in other economies, notably in the US. Inflation remains contained, at 2.5% y/y in March.

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 8, 2019	6.50	6.50
Banco Central de Chile – Overnight Rate	3.00	May 9, 2019	3.00	3.00
Banco de la República de Colombia – Lending Rate	4.25	April 26, 2019	4.25	4.25
Banco Central de Reserva del Perú – Reference Rate	2.75	May 9, 2019	2.75	2.75

BanRep: With inflation riding just above the inflation target and the central bank expecting it to remain there over the duration of the year, it is unlikely that a bias shift will be communicated for some time.

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	6.75	May 23, 2019	6.75	6.75

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

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