

BIDEN WANTS YOUR STOCKS

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FORECASTS & DATA

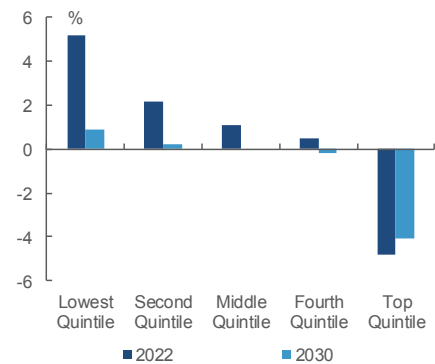
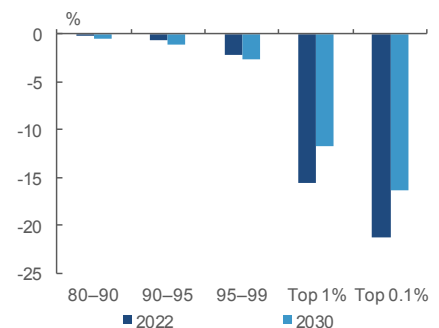
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Next Week's Risk Dashboard

- Biden's next stimulus plan
- CBs: FOMC, BoJ, Riksbank, BanRep
- BoC's Macklem
- GDP: Canada, US, Mexico, EZ, Sweden, SK, Taiwan
- Inflation: US, EZ, Australia, Tokyo
- PMIs: China
- Other macro

Chart of the Week
Potential Impacts on After-Tax Income Under Biden's Tax Plan

...breakdown of top quintile


Sources: Scotiabank Economics, Urban Institute & Brookings Institution TaxPolicyCenter.

Chart of the Week: Prepared by: Marc Ercolao, Economic Analyst.

Biden Wants Your Stocks

BIDEN'S 'SOTU' ADDRESS

President Biden will address a joint session of Congress on Wednesday at 9pmET. It will be fashioned as a State of the Union (SOTU) speech, but just don't call it that. A new President typically doesn't give a SOTU address in his first year in office until he—or perhaps one day she—gets his sea legs under him.

The invitation from House Speaker Pelosi is nevertheless in keeping with the style of a SOTU speech. The prime-time televised audience from within a lightly populated chamber with limited guests will have an agenda-setting tone. It will likely review what the Biden administration has already enacted in the form of the US\$1.9 trillion American Recovery Act. It will also likely focus on the proposals within the American Jobs Plan and reinforce flexibility around the targeted corporate tax hikes behind the US\$2¼ trillion infrastructure spending package that spreads the targeted spending over eight years and the tax hikes over fifteen.

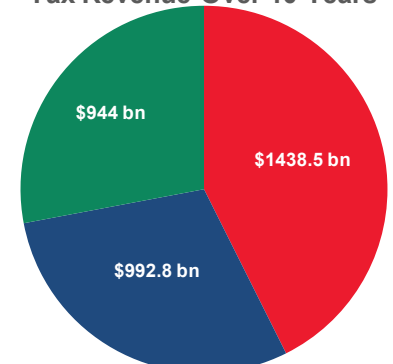
We may also hear further details around the next set of proposals behind the American Families Plan. This is the plan that would fund program spending with personal tax hikes. Unconfirmed indications suggest a package on the order of US\$1–1.5 trillion including tax credits will include features like \$225B on childcare, US\$225B on a paid leave program, \$200B on pre-K education spending, and a multi-year extension of the child tax credit of US\$3,600 per annum for kids under 5 years of age and \$3k for those over six. The Tax Foundation has estimated the cost of a decade-long extension of this credit to be on the order of US\$1.6 trillion.

With spending proposals will go higher taxes. That's where more of the market attention is likely to be focused. The indirect growth benefits to what Biden is proposing on infrastructure and program spending carry benefits to the economy that translate less readily into earnings and stocks than his tax plans for corporations and upper income earners. Evidence regarding the sensitivities around discussing such plans arises each time a headline hits and stocks dip. As a reminder of Biden's overall tax plan, recall chart 1 that shows the sum total of his platform's costing of additional tax revenues and the accompanying table that shows a breakdown of what he has planned on personal tax measures.

As another reminder, the Biden Administration's pledge not to raise taxes on the middle class does not mean that they would skirt by the consequences to plans to tax the stock market through sharp increases in capital gains taxation. The cover chart on the front of this publication shows how changes to personal income taxes would directly affect upper income Americans. That doesn't mean that changes in tax policy writ large won't affect the middle-income earners.

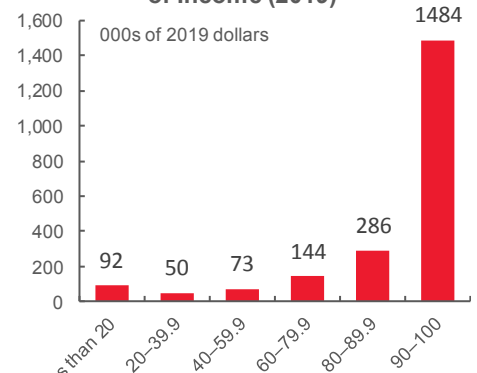
Enter chart 2 that shows that families in the 60th–80th income percentile range with before-tax median family income under US\$100k own equities equal to about 1.5 times their family income. Families in the 80th–90th percentile income range with median before-tax family income of about US\$150k own equities equal to about three times their income through all direct and indirect holdings. The lion's share of equities in aggregate are held by the relatively very wealthy, but don't tell middle class Americans they don't own any. Tax policy disruptions to the stock market could boomerang upon the Biden Administration by hitting the 401ks of the middle class.

Chart 1
Biden's Plan For \$3.4 Trillion New Tax Revenue Over 10 Years



■ Corporate Tax ■ Payroll Tax ■ Individual Income Tax
Sources: Scotiabank Economics, Wharton Budget Model.

Chart 2
Stock Holdings by Percentile of Income (2019)



Sources: Scotiabank Economics, Federal Reserve.

CENTRAL BANKS—A TOUGH ACT TO PRECEDE

Four central bank decisions will probably be placeholders and so will additional testimony offered by Bank of Canada Governor Tiff Macklem.

Federal Reserve—Over to You, Mr. President!

The Federal Reserve’s Open Market Committee meets Tuesday and Wednesday and will culminate in the 2pmET statement on Wednesday followed by Chair Powell’s press conference from 2:30pmET until about an hour later. Forecasts and dots were updated at the last meeting (recap [here](#)).

I’m sure Powell was thrilled to hear some time ago of plans for President Biden’s address hours after his own press conference which may invite further questioning over how monetary policy may adapt to increasingly expansionary fiscal policy over time.

No significant policy changes are likely at this meeting. It’s extra unlikely there will be much of anything to come out of this meeting on the theory that Powell—whose job is up for renewal next February—won’t want to rock the boat ahead of Biden’s signature speech. It’s possible we hear discussion about the tools the Federal Reserve has at its disposal to control short-term rates relative to the Interest on Excess Reserves which is the de facto policy rate. The deviations have not worsened compared to prior meetings at which FOMC officials have resisted raising the IOER rate in an attempt to raise the floor for all short-term market rates (chart 3). Further, the US\$50 billion increase in the counterparty limit for overnight reverse repurchase agreement operations to US\$80 billion signalled a preference toward using other tools first.

Developments since that last set of communications on March 17th have nevertheless been even more constructive so one might expect the broad tone of the statement and Chair Powell’s press conference to sound a bit more encouraged. The US economy generated 916,000 new jobs with upward revisions for an overall gain of 1.07 million, but the statement is likely to retain the reference to such indicators having “turned up recently.” Chair Powell’s press conference is likely to haul out the same barrage of numbers showing how much further job market progress is required to get to full employment, though it’s unclear that getting all of the 8.4 million nonfarm payroll positions back to last February’s level is likely to be achievable. Also since the last meeting, the Biden Administration announced detailed plans behind the American Jobs Plan, while details backing the American Families Plan are pending.

Overall, watch for continued reference to the need for substantial further progress before courting a tapering dialogue that is expected to occur over 2021H2 ahead of a first reduction in the US\$80B/month and US\$40B/month of Treasury and MBS purchases.

The Others

No policy changes are expected by the Bank of Japan on Tuesday. There may be slight upward revisions to future growth expectations amid nearer term concerns toward rising COVID-19 cases that have driven Japanese PM Yoshihide Suga to advocate locking down Tokyo ahead of the summer Olympics.

Sweden’s Riksbank is not expected to alter policy on Tuesday. A lot has transpired since its last meeting way back on February 10th, but not all of it has been good. Sweden’s COVID-19 case count has risen 56% since that time. Cases and restrictions have risen across some of its export markets. GDP growth has been mixed as Q4 registered an unexpected

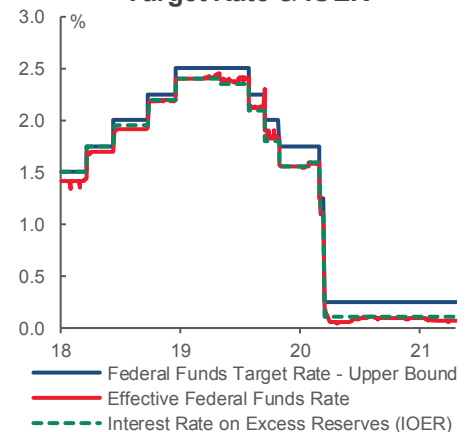
Biden Platform's Personal Tax Plans

Personal tax revenues would increase by ~US\$1T over 2021-30

- About 80% of tax haul would be from the top 1%
- Effective tax rate on top 0.1% would jump 12.4 points
- The bottom 95% of earners would face unchanged taxes...
- ...but the bottom 99% of earners would be indirectly and modestly hit by the impact of higher corporate taxes on investment and wages
- Reverse much of the Tax Cuts and Jobs Act of January 2018
- Raise the top marginal rate 2.6 points to 39.6%
- Tax capital gains/dividends at ordinary 39.6% rate for incomes above US\$1 million
- Reintroduce First-Time Homebuyers Tax Credit
- Expand child and dependent care tax credits
- Raise estate taxes including lowered exemption threshold

Chart 3

The Effective Federal Funds Target Rate & IOER



Sources: Scotiabank Economics, Bloomberg.

contraction but the prior quarter was upgraded. Underlying inflation has accelerated to 1.9% y/y but partly on the back of the deceleration that was in play since the end of 2019. Overall, watch for limited upgrades to growth forecasts but the central bank's guidance for its policy repo rate is likely to remain at 0% throughout the 2021–24 forecast horizon.

Bank of Canada Governor Macklem will deliver routine testimony before the House of Commons Standing Committee on Finance on Tuesday from about 4pmET until two hours later. He is likely to generally stick to script after this past week's communications (recap [here](#)). There will be an opening statement available at the start of his appearance, but no press conference. **One thing to watch for may be further grilling on why the BoC forecasts an extended overshoot of its 2% inflation target through to 2023** which is unusually long given the prior tendency to emphasize the ability of monetary policy to bring inflation on target within a medium-term horizon. See the above-noted recap for a further explanation of the importance of this topic. An interview with Governor Macklem is expected to be published in the Globe and Mail this weekend.

Colombia's central bank is expected to hold its repo rate at 1.75% on Friday. Core inflation appears to have bottomed with a slight recent up-tick to 1.1% y/y and headline inflation sits at 1.5% compared to the 3% +/-1% inflation target range. It is likely premature to hear reference to imminent tightening pressure ahead of expectations for tightened policy later in the year.

MACRO REPORTS

Canada should have a decent week in terms of releases on the economics calendar. Statistics Canada's advance 'flash' guidance indicated that Wednesday's retail sales report for February will post growth of about 4% m/m. The agency also indicated that Friday's GDP print for February was tracking a gain of about 0.5%.

US releases will mainly focus upon Q1 GDP on Thursday and Friday's consumer spending and income figures for March plus the Fed's preferred inflation gauges that same day. GDP is expected to climb by around 6% q/q at an annualized rate and the range within consensus runs between about 4½% and nearly 10%.

Here are expectations for the state of the US consumer:

- Given that we already know that retail sales were up by about 10% m/m and barring revisions, the fact they now account for about 50% of total consumption should on its own drive about a **5% m/m jump in total spending plus a modest assist from services spending.**
- Personal income growth is likely to soar to about 20% m/m because of stimulus cheques and growth in wages and salaries as almost one million jobs were recreated in March.** About 80% of the American Recovery Act's stimulus cheques were distributed in March with the bulk of the remainder still being distributed in April. Chart 4 shows updated income growth projections based on current tracking of the weekly distribution of such cheques.
- Given we already know CPI, headline PCE inflation is expected to rise to 2.4% y/y (from 1.6% the prior month) with core PCE inflation increased to 1.8% y/y (from 1.4%). Base effects won't explain all of that as sizeable month-ago price gains are expected for both readings. In fact, if the estimate for March core PCE inflation over February is correct, **then the trend in the annualized monthly price pressures is much firmer than the Fed has generally been letting on and it isn't clear that's just transitory (chart 5).**

The US is also expected to register a decent gain in durable goods orders during March (Monday), a further rise in the Conference Board's consumer confidence measure during

Chart 4

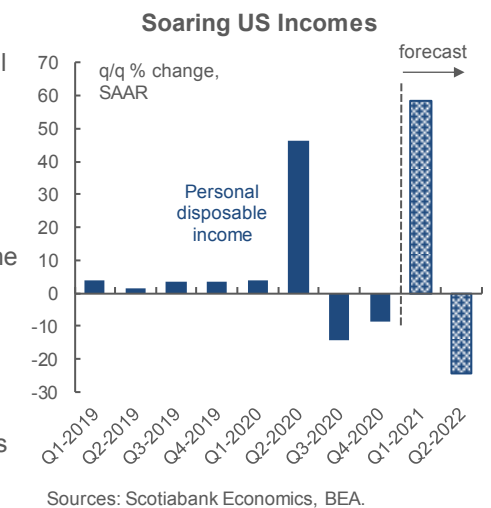
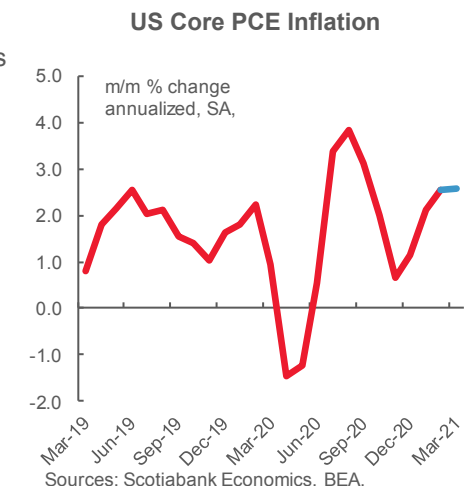


Chart 5



April (Tuesday), and a possible rebound in pending sales of existing homes during March after harsh weather dampened February's sales (Thursday). The Richmond Fed's manufacturing gauge for April (Tuesday) will further inform ISM-manufacturing expectations on May 3rd; each of the Philly Fed, Empire and Kansas City measures registered improvement which tentatively points toward a further rise in the ISM gauge.

A batch of other global inflation prints will complement the US figures with a mixture of base-effect and other distortions. **Australia's Q1 CPI readings (Tuesday) could drive headline inflation up half a point toward 1½% y/y** with relatively steady year-over-year trimmed mean and weighted median gauges. What I like about Australia's core inflation readings, however, is that they provide quarter-over-quarter estimates that when annualized can help to inform whether price pressures are really only driven by what happened a year ago. Statistics Canada is an example of an agency that could do likewise to help the market understand what is driving core inflation gauges.

Eurozone inflation is expected to be almost all base-effect driven toward a reading of about 1½% y/y (Friday). Germany and Spain will release the day before; France and Italy also release inflation on Friday.

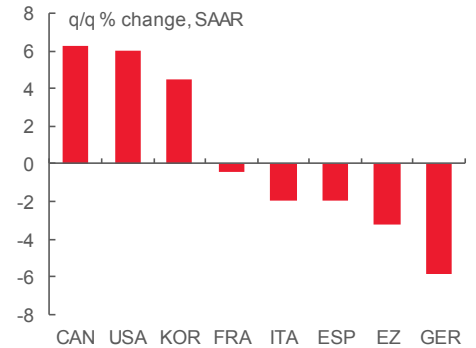
In addition to the aforementioned US and Canadian readings, **a lengthy list of other Q1 GDP growth readings** arrives starting on Monday with South Korea, then Thursday with Sweden, and then Eurozone GDP and individual countries on Friday along with Mexico and Taiwan. Chart 6 shows the leaders and laggards across the reports we'll get over the coming week.

China's state PMI readings for April (Thursday night) may be cleaner indicators than the ones we've been dealing with so far this year that have been distorted by the tighter restrictions around Lunar New Year holiday effects during January and February that drove a rebound in March when the holiday effects ease (chart 7).

Also watch for updates on the German economy including IFO business confidence, retail sales, GfK consumer confidence and unemployment figures. Japan will update retail sales, jobless figures, industrial output, housing starts and Tokyo CPI.

Chart 6

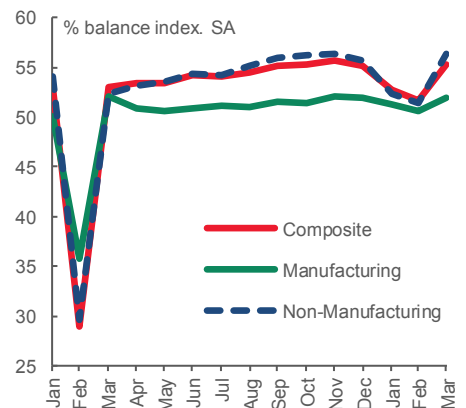
Canada & US Q1 Growth Expected to Lead the Pack*



*Canada & US estimates from Scotiabank Economics' latest *forecast tables*; other countries from Bloomberg consensus.
Sources: Scotiabank Economics, Bloomberg

Chart 7

China's PMIs



Sources: Scotiabank Economics, CNBS, China Federation of Logistics & Purchasing.

Key Indicators for week of April 26 – 30
NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	04/26	07:00	Global Economic Indicator IGAE (y/y)	Feb	--	-4.1	-5.4
US	04/26	08:30	Durable Goods Orders (m/m)	Mar P	1.5	2.3	-1.2
US	04/26	08:30	Durable Goods Orders ex. Trans. (m/m)	Mar P	1.0	1.6	-0.9
US	04/26	10:30	Dallas Fed. Manufacturing Activity	Apr	--	30.0	28.9
MX	04/27	07:00	Trade Balance (US\$ mn)	Mar	--	--	2,681
US	04/27	09:00	S&P/Case-Shiller Home Price Index (m/m)	Feb	--	1.1	1.2
US	04/27	09:00	S&P/Case-Shiller Home Price Index (y/y)	Feb	--	11.9	11.1
US	04/27	10:00	Consumer Confidence Index	Apr	113.0	112.0	109.7
US	04/27	10:00	Richmond Fed Manufacturing Index	Apr	--	22.0	17.0
US	04/28	07:00	MBA Mortgage Applications (w/w)	Apr 23	--	--	8.6
CA	04/28	08:30	Retail Sales (m/m)	Feb	4.0	4.0	-1.1
CA	04/28	08:30	Retail Sales ex. Autos (m/m)	Feb	2.5	3.2	-1.2
US	04/28	08:30	Wholesale Inventories (m/m)	Mar P	--	0.6	0.6
US	04/28	14:00	FOMC Interest Rate Meeting (%)	Apr 28	0.25	0.25	0.25
US	04/29	08:30	GDP (q/q a.r.)	1Q A	6.0	6.5	4.3
US	04/29	08:30	GDP Deflator (q/q a.r.)	1Q A	--	2.6	2.0
US	04/29	08:30	Initial Jobless Claims (000s)	Apr 24	530	555.0	547.0
US	04/29	08:30	Continuing Claims (000s)	Apr 17	3,550	--	3,674
US	04/29	10:00	Pending Home Sales (m/m)	Mar	--	4.5	-10.6
MX	04/30	07:00	GDP (q/q)	1Q P	0.1	0.1	3.3
MX	04/30	07:00	GDP (y/y)	1Q P	--	-3.1	-4.3
CA	04/30	08:30	IPPI (m/m)	Mar	--	1.5	2.6
CA	04/30	08:30	Raw Materials Price Index (m/m)	Mar	--	2.0	6.6
CA	04/30	08:30	Real GDP (m/m)	Feb	0.5	0.5	0.7
US	04/30	08:30	Employment Cost Index (q/q)	1Q	--	0.7	0.7
US	04/30	08:30	PCE Deflator (m/m)	Mar	0.6	0.5	0.2
US	04/30	08:30	PCE Deflator (y/y)	Mar	2.4	2.3	1.6
US	04/30	08:30	PCE ex. Food & Energy (m/m)	Mar	0.3	0.3	0.1
US	04/30	08:30	PCE ex. Food & Energy (y/y)	Mar	1.8	1.8	1.4
US	04/30	08:30	Personal Spending (m/m)	Mar	5.4	4.1	-1.0
US	04/30	08:30	Personal Income (m/m)	Mar	20.5	20.0	-7.1
US	04/30	09:45	Chicago PMI	Apr	--	64.3	66.3
US	04/30	10:00	U. of Michigan Consumer Sentiment	Apr F	--	87.5	86.5

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	04/26	04:00	IFO Business Climate Survey	Apr	98.0	96.6
GE	04/26	04:00	IFO Current Assessment Survey	Apr	94.5	93.0
GE	04/26	04:00	IFO Expectations Survey	Apr	101.0	100.4
SW	04/27	03:30	Riksbank Interest Rate (%)	Apr 27	0.00	0.00
GE	04/28	02:00	GfK Consumer Confidence Survey	May	-4.2	-6.2
UK	04/28	04:00	Nationwide House Prices (m/m)	Apr	0.5	-0.2
SP	04/29	03:00	CPI (m/m)	Apr P	1.0	1.0
SP	04/29	03:00	CPI (y/y)	Apr P	1.7	1.3
SP	04/29	03:00	CPI - EU Harmonized (m/m)	Apr P	0.9	1.9
SP	04/29	03:00	CPI - EU Harmonized (y/y)	Apr P	1.7	1.2
SP	04/29	03:00	Unemployment Rate (%)	1Q	16.6	16.1
GE	04/29	03:55	Unemployment (000s)	Apr	-10.0	-8.0
GE	04/29	03:55	Unemployment Rate (%)	Apr	6.0	6.0
EC	04/29	05:00	Economic Confidence	Apr	102.1	100.9
EC	04/29	05:00	Industrial Confidence	Apr	4.0	2.0
GE	04/29	08:00	CPI (m/m)	Apr P	0.5	0.5
GE	04/29	08:00	CPI (y/y)	Apr P	1.9	1.7
GE	04/29	08:00	CPI - EU Harmonized (m/m)	Apr P	0.4	0.5
GE	04/29	08:00	CPI - EU Harmonized (y/y)	Apr P	2.1	2.0
FR	04/30	01:30	Consumer Spending (m/m)	Mar	0.4	0.0
FR	04/30	01:30	GDP (q/q)	1Q P	-0.1	-1.4
FR	04/30	02:45	CPI (m/m)	Apr P	0.2	0.6

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for week of April 26 – 30

EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	Consensus	Latest
FR	04/30	02:45	CPI (y/y)	Apr P	1.3	1.1
FR	04/30	02:45	CPI - EU Harmonized (m/m)	Apr P	0.1	0.7
FR	04/30	02:45	CPI - EU Harmonized (y/y)	Apr P	1.6	1.4
FR	04/30	02:45	Producer Prices (m/m)	Mar	--	0.8
SP	04/30	03:00	Real GDP (q/q)	1Q P	-0.5	0.0
SP	04/30	03:00	Real Retail Sales (y/y)	Mar	--	-9.4
GE	04/30	04:00	Real GDP (q/q)	1Q P	-1.5	0.3
IT	04/30	04:00	Real GDP (q/q)	1Q P	-0.5	-1.9
SP	04/30	04:00	Current Account (€ bn)	Feb	--	0.5
PO	04/30	04:30	Real GDP (q/q)	1Q P	-1.60	0.20
EC	04/30	05:00	CPI (m/m)	Apr P	0.5	0.9
EC	04/30	05:00	Euro zone CPI Estimate (y/y)	Apr	1.6	1.3
EC	04/30	05:00	Euro zone Core CPI Estimate (y/y)	Apr P	0.8	0.9
EC	04/30	05:00	GDP (q/q)	1Q A	-0.8	-0.7
EC	04/30	05:00	Unemployment Rate (%)	Mar	8.3	8.3
IT	04/30	05:00	CPI (m/m)	Apr P	0.3	0.3
IT	04/30	05:00	CPI (y/y)	Apr P	1.0	0.8
IT	04/30	05:00	CPI - EU Harmonized (m/m)	Apr P	0.8	1.8
IT	04/30	05:00	CPI - EU Harmonized (y/y)	Apr P	0.9	0.6

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
VN	04/25	22:00	CPI (y/y)	Apr	--	2.5	1.2
VN	04/25	22:00	Industrial Production (y/y)	Apr	--	--	3.9
SI	04/26	01:00	Industrial Production (y/y)	Mar	--	2.8	16.4
SK	04/26	19:00	GDP (q/q)	1Q P	0.9	1.1	1.2
SK	04/26	19:00	GDP (y/y)	1Q P	1.0	1.2	-1.2
CH	04/26	21:30	Industrial Profits YTD (y/y)	Mar	--	--	20.1
HK	04/27	04:30	Exports (y/y)	Mar	--	15.0	30.4
HK	04/27	04:30	Imports (y/y)	Mar	--	15.0	17.6
HK	04/27	04:30	Trade Balance (HKD bn)	Mar	--	-37.8	-14.7
SK	04/27	17:00	Consumer Confidence Index	Apr	--	--	100.5
JN	04/27	19:50	Large Retailers' Sales (y/y)	Mar	--	5.3	-4.8
JN	04/27	19:50	Retail Trade (y/y)	Mar	--	4.6	-1.5
AU	04/27	21:30	Consumer Prices (y/y)	1Q	1.0	1.4	0.9
JN	04/27		BoJ Policy Rate (%)	Apr 27	-0.10	-0.10	-0.10
MA	04/28	00:00	Exports (y/y)	Mar	--	16.3	17.6
MA	04/28	00:00	Imports (y/y)	Mar	--	10.0	12.7
MA	04/28	00:00	Trade Balance (MYR bn)	Mar	--	18.3	17.9
SK	04/28	17:00	Business Survey- Manufacturing	May	--	--	91.0
SK	04/28	17:00	Business Survey- Non-Manufacturing	May	--	--	78.0
NZ	04/28	18:45	Trade Balance (NZD mn)	Mar	--	33.0	181.2
NZ	04/28	18:45	Exports (NZD bn)	Mar	--	6	4,473
NZ	04/28	18:45	Imports (NZD bn)	Mar	--	6	4,292
SI	04/28	21:00	Unemployment Rate (%)	1Q	--	--	3.3
NZ	04/29	18:00	ANZ Consumer Confidence Index	Apr	--	--	110.8
SK	04/29	19:00	Industrial Production (y/y)	Mar	--	4.2	0.9
SK	04/29	19:00	Cyclical Leading Index Change	Mar	--	--	0.2
JN	04/29	19:30	Jobless Rate (%)	Mar	2.9	2.9	2.9
JN	04/29	19:30	Tokyo CPI (y/y)	Apr	--	-0.2	-0.2
JN	04/29	19:50	Industrial Production (y/y)	Mar P	--	-0.3	-2.0
CH	04/29	21:00	Manufacturing PMI	Apr	51.7	51.7	51.9
CH	04/29	21:00	Non-manufacturing PMI	Apr	--	55.9	56.3
AU	04/29	21:30	Private Sector Credit (y/y)	Mar	--	0.8	1.6
AU	04/29	21:30	Producer Price Index (y/y)	1Q	--	--	-0.1
JN	04/30	01:00	Consumer Confidence	Apr	--	34.0	36.1
JN	04/30	01:00	Housing Starts (y/y)	Mar	--	-7.4	-3.7

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for week of April 26 – 30
ASIA-PACIFIC (continued from previous page)

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
TH	04/30	03:00	Current Account Balance (US\$ mn)	Mar	--	-1,000	-1,071
TH	04/30	03:30	Exports (y/y)	Mar	--	--	-0.2
TH	04/30	03:30	Imports (y/y)	Mar	--	--	23.9
TH	04/30	03:30	Trade Balance (US\$ mn)	Mar	--	--	2,137
TA	04/30	04:00	Real GDP (y/y)	1Q A	5.5	6.1	5.1
SK	04/30	20:00	Exports (y/y)	Apr	--	44.0	16.5
SK	04/30	20:00	Imports (y/y)	Apr	--	29.2	18.8
SK	04/30	20:00	Trade Balance (US\$ mn)	Apr	--	2,600	4,132

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	04/26	08:30	Current Account (US\$ mn)	Mar	--	-2,700	-2,326
BZ	04/27	08:00	IBGE Inflation IPCA-15 (m/m)	Apr	--	0.7	0.9
BZ	04/27	08:00	IBGE Inflation IPCA-15 (y/y)	Apr	5.6	6.3	5.5
CL	04/30	09:00	Industrial Production (y/y)	Mar	--	--	-0.6
CL	04/30	09:00	Retail Sales (y/y)	Mar	28.0	--	4.0
CL	04/30	09:00	Unemployment Rate (%)	Mar	10.6	--	10.3
CO	04/30	11:00	Urban Unemployment Rate (%)	Mar	17.9	--	18.1
CO	04/30	14:00	Overnight Lending Rate (%)	Apr 30	1.75	1.75	1.75

Global Auctions for week April 26 – 30**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04/26	13:00	U.S. To Sell 5-Year Notes
US	04/27	13:00	U.S. To Sell 7-Year Notes

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	04/27	05:00	Italy to Sell Bonds
GE	04/27	05:30	Germany to Sell 4 Billion Euros of 0% 2028 Bonds
NE	04/28	04:00	Netherlands to Sell Up to 2.5B Euros of 0.5% 2026 Bonds
NO	04/28	05:00	Norway to Sell Bonds
GE	04/28	05:30	Germany to Sell EUR 2.5 Bln of 0% 2036 Bonds
IT	04/29	05:00	Italy to Sell Bonds

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	04/27	23:35	Japan to Sell 2-Year Bonds

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
No Scheduled Auctions.			

Events for week of April 26 – 30**NORTH AMERICA**

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04/28	14:00	FOMC Rate Decision (Lower Bound)
US	04/28	14:00	FOMC Rate Decision (Upper Bound)
US	04/28	14:30	Powell Holds Press Conference Following FOMC Meeting

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SW	04/27	03:30	Riksbank Interest Rate

ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	04/26/21-04/27/21		BOJ Policy Balance Rate
JN	04/26/21-04/27/21		BOJ 10-Yr Yield Target

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CO	04/30	14:00	Overnight Lending Rate

Sources: 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	0.25	June 9, 2021	0.25	0.25
Federal Reserve – Federal Funds Target Rate	0.25	April 28, 2021	0.25	0.25
Banco de México – Overnight Rate	4.00	May 13, 2021	4.00	4.00

Federal Reserve: No substantive policy changes are expected at this meeting. The FOMC updated their forecasts and dot plots at the last meeting and it will take a fair amount of additional progress toward fuller employment and inflation goals to alter their narrative.

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 10, 2021	0.00	0.00
European Central Bank – Marginal Lending Facility Rate	0.25	June 10, 2021	0.25	0.25
European Central Bank – Deposit Facility Rate	-0.50	June 10, 2021	-0.50	-0.50
Bank of England – Bank Rate	0.10	May 6, 2021	0.10	0.00
Swiss National Bank – Libor Target Rate	-0.75	TBA	-0.75	-0.75
Central Bank of Russia – One-Week Auction Rate	5.00	June 11, 2021	5.25	--
Sweden Riksbank – Repo Rate	0.00	April 27, 2021	0.00	0.00
Norges Bank – Deposit Rate	0.00	May 6, 2021	0.00	0.00
Central Bank of Turkey – Benchmark Repo Rate	19.00	May 6, 2021	19.00	19.00

Riksbank: Sweden's benchmark policy rate is expected to remain at 0.00% on April 27. The February meeting saw the board vote unanimously to keep the rate path at zero through Q1-2024. Bond buying was left at 700bn SEK through December 2021 while the Riksbank has also signalled the balance sheet will remain unchanged in 2022. Overall economic conditions have been more positive than what was forecasted in February, but expect the Bank to continue to support the economy through the pandemic.

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, 2021	-0.10	-0.10
Reserve Bank of Australia – Cash Target Rate	0.10	May 4, 2021	0.10	0.10
Reserve Bank of New Zealand – Cash Rate	0.25	May 25, 2021	0.25	0.25
People's Bank of China – 1-Year Loan Prime Rate	3.85	May 19, 2021	3.85	3.85
Reserve Bank of India – Repo Rate	4.00	TBA	4.00	4.00
Bank of Korea – Bank Rate	0.50	May 27, 2021	0.50	0.50
Bank of Thailand – Repo Rate	0.50	May 5, 2021	0.50	0.50
Bank Negara Malaysia – Overnight Policy Rate	1.75	May 6, 2021	1.75	1.75
Bank Indonesia – 7-Day Reverse Repo Rate	3.50	May 25, 2021	3.50	3.50
Central Bank of Philippines – Overnight Borrowing Rate	2.00	May 13, 2021	2.00	2.00

Bank of Japan (BoJ): We expect the BoJ to leave its monetary policy parameters unchanged following the April 27 policy meeting. In March, the central bank announced the results of its monetary policy framework review and added flexibility to its accommodative monetary policy stance. The BoJ introduced a wider +/-25 bps range for the 10-year bond yield target of 0%. It removed its earlier pledge to buy at least JPY 6 trillion of ETFs annually, yet it maintained the annual upper limit of JPY 12 trillion. From now on, the BoJ will only purchase ETFs that track the TOPIX. The central bank also announced that it would offer counterbalancing measures for banks if the policy rate was lowered further into negative territory from the current level of -0.1%.

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	2.75	May 5, 2021	3.50	3.50
Banco Central de Chile – Overnight Rate	0.50	May 13, 2021	0.50	0.50
Banco de la República de Colombia – Lending Rate	1.75	April 30, 2021	1.75	1.75
Banco Central de Reserva del Perú – Reference Rate	0.25	May 12, 2021	0.25	0.25

Banco de la República de Colombia (BanRep): Our Colombian economists expect the monetary policy rate will be held at 1.75% on April 30. Inflation is set to accelerate in coming months, mainly on base effects, following the 1.5% y/y reading in March—below the Bank's 3+/-1% inflation target range. If economic activity continues to rebound following February's monthly uptick and inflation increases to the target range, we foresee hikes beginning in Q3-2021 with a 2.50% policy rate by the end of the year.

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	3.50	May 20, 2021	3.50	3.50

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

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