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#### Risk Dashboard for:

##### Week of August 8<sup>th</sup> - 12<sup>th</sup>:

- Inflation's long and short games
- Assessing supply chains
- US CPI could reinforce nonfarm's hawkish Fed effects
- China's inflation is still being driven by pork prices
- Banxico to follow the Fed
- Peru's central bank: one more and done?
- Indian inflation likely eased on lower oil
- BoT likely to commence its tightening cycle
- South Korea's strong job market
- Other CPI: Brazil, Chile, Mexico, Norway, Sweden

##### Week of August 15<sup>th</sup> - 19<sup>th</sup>:

- FOMC minutes to re-emphasize what markets missed
- Canadian CPI still running hot
- PBoC likely to stay on hold with the yuan under pressure
- UK CPI inflation will only go up from here
- Japanese inflation drivers are already ebbing
- Australian jobs still resilient?
- UK jobs a bright spot in a bleak outlook
- RBNZ: another 50 with refreshed guidance
- Philippines' central bank likely to deliver another out-sized hike
- Norges Bank still hiking before refreshing forward guidance
- Turkey's central bank is the poster child of what not to do
- Other macro

## Inflation's Long and Short Game

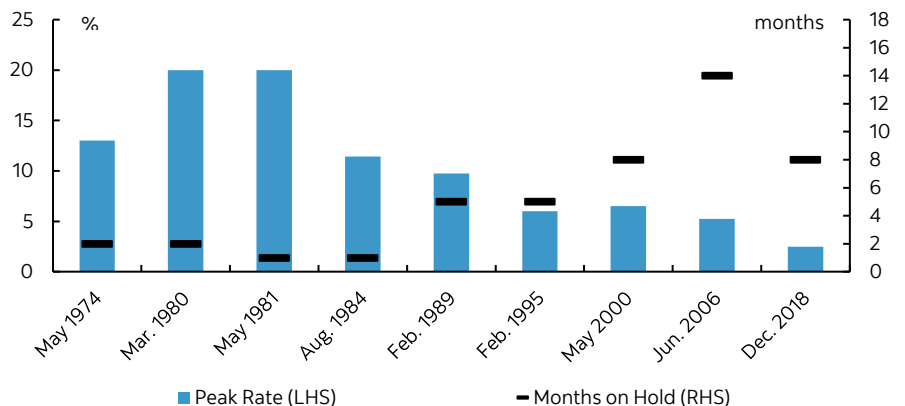
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### Chart of the Week

History of the US Hiking Cycle: Evolving into Lower Rates with Longer Holds



Sources: Scotiabank Economics, Federal Reserve.

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

## Inflation's Long and Short Game

The dominant focus over the next couple of weeks is going to be upon a round of inflation reports from the US, Canada, UK, China, India, Mexico, Japan, Mexico, Chile, Brazil, Norway and Sweden. There will also be a round of decisions by several regional central banks and possibly guidance from the Fed and PBoC. Data risk will otherwise be modest and geopolitical developments may be a wildcard.

Central banks are unlikely to be inclined to flag material progress with inflation still massively higher than targets across much of the world (chart 1).

Fortunately, major central banks can take to the sidelines to assess fresh developments as they generally take a breather before returning in September. An exception could be any guidance offered through the Fed's Jackson Hole gathering on August 25<sup>th</sup>–27<sup>th</sup> under the banner of "Reassessing constraints on the economy and policy." As usual, the agenda and attendees won't be known until the event's first evening.

One feature of that discussion is likely to involve reassessing supply chain pressures amid very tentative evidence of easing but still high constraints such as in ocean transit times ([here](#)) and in charts 2–7. While impetuous financial markets seek salvation in every bit of short-term data wiggle and are accordingly swinging all over the map in classic August fashion, central banks should resist the temptation to over-react to further possible improvements in either supply chains or hard inflation readings. Perhaps the biggest reason is that regardless

of incremental progress toward lessening severe supply chain constraints we could be at a very nascent stage in terms of how businesses are fundamentally re-evaluating and redesigning supply chains in the wake of successive shocks.

Those shocks started with Trump's trade wars against, well, basically everyone, and transitioned toward generally less open immigration policies across several economies like the US and into the pandemic and then the war in Ukraine. C-suites the world over are now left grappling with a series of blows to the past model that outsourced to lowest cost jurisdictions for manufacturing facilities or service centers with relatively little concern about border frictions to one in which operational risk has escalated. If serial border frictions are here to stay—and it's not hard to imagine so—then the very viability of industries and individual firms could rest upon how they adapt.

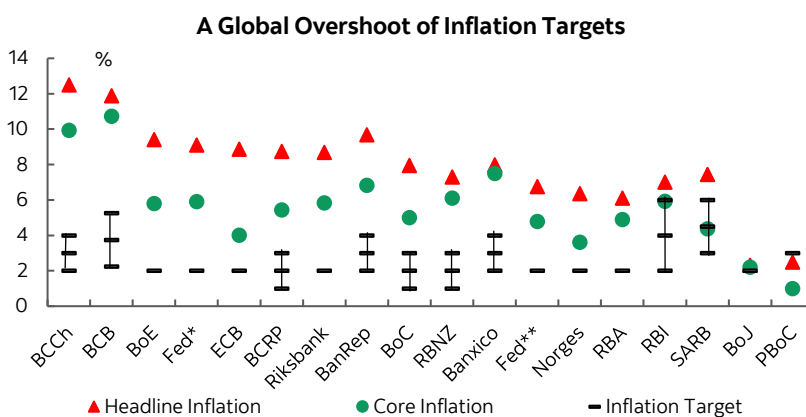
That could mean internalizing more supply chains, growing more of their own in-house transportation networks and infrastructure, integrating both vertically and horizontally, bringing chains closer to home, stocking permanently higher inventory levels in a reversal of just-in-time management to varying degrees depending upon the speed of turnover and changes in tastes, and targeting higher economies of scale to be able to spread the higher costs that stem from all of this across a larger base. Many of these approaches add costs and the firms and industries with some pricing power could be better positioned to pass this onto consumers in long-wave fashion. I'm afraid the world has changed in a very fundamental manner within a rather short period of time starting with the US election and Brexit in 2016. Central banks need to change and face the reality that the inflation threat could be with us for a very long time to come and not be overly sensitive to shorter term developments. That could well mean considerably higher neutral policy rates as the goalposts shift.

In addition to this narrative, another reason not to prematurely declare victory is that renewed deterioration in supply chains could well occur as factors like Europe's looming energy crisis this winter take hold and disrupt multiple industries that will either be unable to have adequate power or will pay dearly for it which means you and I will, not to mention any twists the pandemic or geopolitical risks may have in store for us. Another reason is that ongoing pass-through of lagging price pressures from prior damage to supply chains could unfold. Last, for now, and depending upon the economy, there may not be enough progress toward opening up slack in order to push inflation lower after central banks over-stimulated demand.

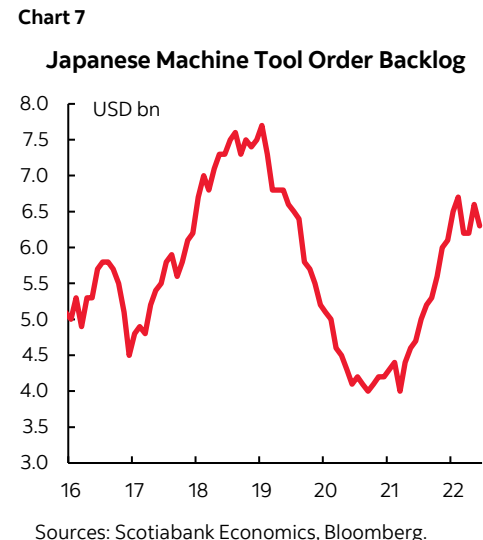
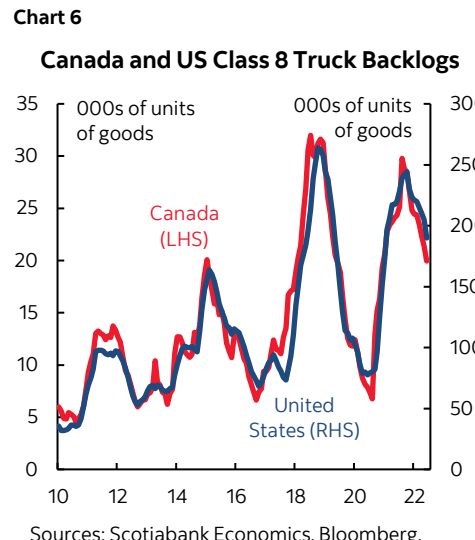
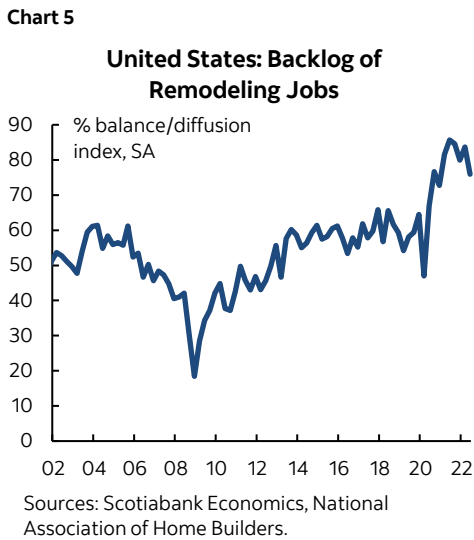
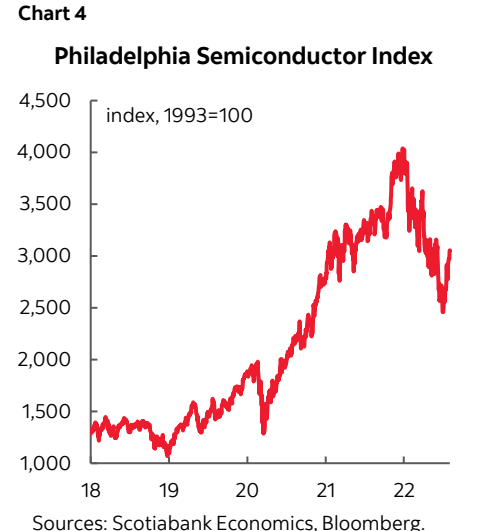
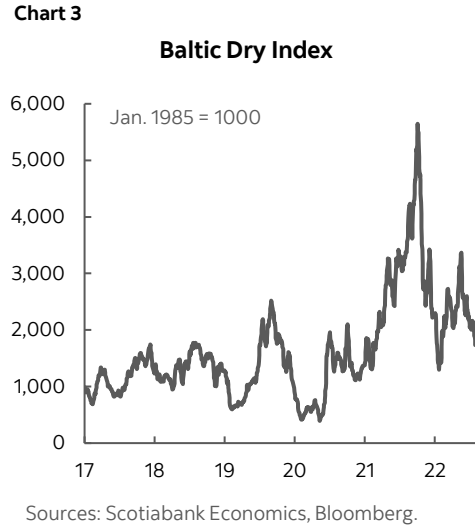
### INFLATION'S SHORT GAME

Another wave of global inflation readings lies ahead and this time will offer updates for the month of July. I'll rattle off expectations for the readings that are nearest and dearest first of all and then follow with the rest.

Chart 1



▲ Headline Inflation      ● Core Inflation      — Inflation Target  
 \*Using US CPI.  
 \*\*Using US PCE.  
 Sources: Scotiabank Economics, Central Banks.



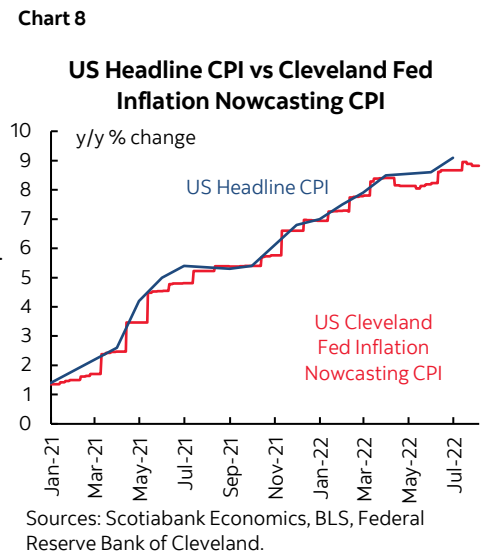
**US CPI—Another Hot One**

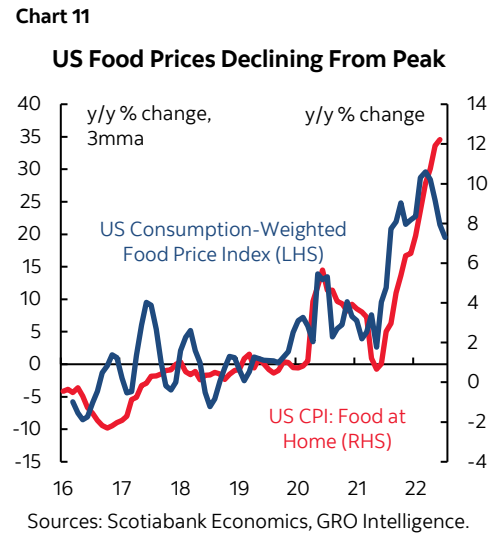
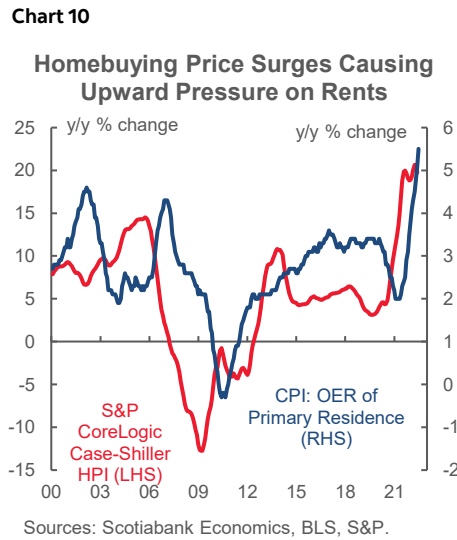
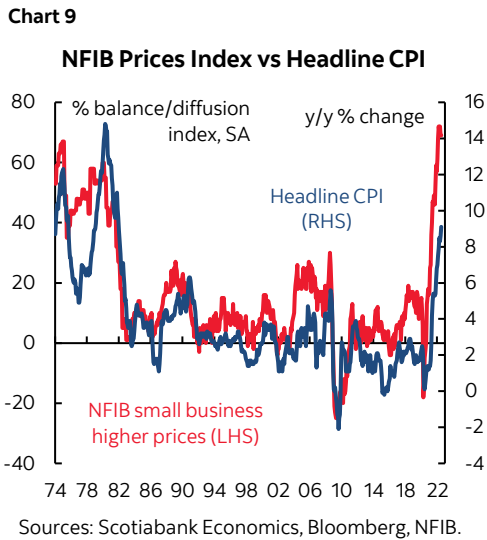
US CPI will be updated on Wednesday August 10<sup>th</sup>. I've gone with 8.9% y/y (9.1% prior) and 0.4% m/m SA for headline CPI. For CPI ex-food-and-energy I've gone with 6.1% y/y led by a 0.6% m/m SA gain. If that view proves to be correct, then annualized month-over-month core CPI will land close to 7½% which would be in line with the recent three-month moving average and indicate that inflationary pressures remain hot.

The Cleveland Fed's inflation 'nowcast' points toward inflation running a tenth or two beneath 9% y/y and it has been slightly underestimating actual CPI inflation for several months (chart 8). Further, while some PMIs have been indicating lessening price pressures, small businesses are not (chart 9).

Other drivers are somewhat mixed. Year-ago base effects will shift toward dragging the year-over-year headline and core rates down by about a half percentage point or slightly less in both cases. July is typically a modest month for seasonality. House prices will probably keep owners' equivalent rent on the hot side (chart 10). All-grades retail gasoline prices fell by over 7% m/m NSA and about half that in seasonally adjusted terms. Henry hub natural gas prices fell by about 5% m/m NSA but the tiny weight on piped gas of under 1% should mean minimal drag.

Used vehicle prices seem to have fallen and are estimated to knock about 0.1% m/m off overall inflation while new vehicle prices seemed to be fairly flat. Food-at-home and food-away-from-home are assumed to combine for another gain of around 1% m/m but pressures may be





abating (chart 11). There is also likely to be an ongoing reopening effect upon prices as pent-up services demand continues to get unleashed.

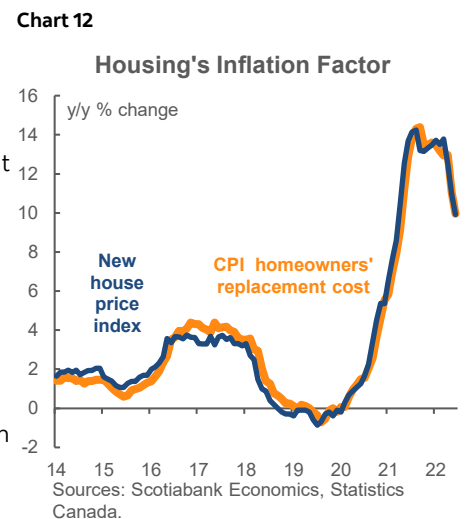
Having said all of that, it's August and it's one print. There will be another CPI print on September 13<sup>th</sup> before the next FOMC decisions on September 21<sup>st</sup> but only one more reading on the Fed's preferred PCE inflation estimates before then. After the full recovery in nonfarm payrolls that beat expectations amid accelerating wage growth (recap [here](#)) there will be another update on September 2nd. The FOMC's nimble decisions tend to go down to the frail and rather brittle wire these days and there may well be plenty of other developments between now and then to inform the stance and revised Summary of Economic Projections including the dot plot at the September meeting.

In any event, the absurdity of calling play-by-plays around individual data points downplays what should be the greater focus upon longer-lived drivers of inflation that should set a much higher bar against back pedalling than markets have been pricing through premature cuts starting next Spring. I'd rather see the Fed overdo it in order to ensure that inflation winds down without boomeranging back upon us; for markets to counsel otherwise could be tantamount to thinking you know more than your doctor and stopping your course of antibiotics midway!

**Canadian CPI—Housing's Waning Influence**

Canada's inflation figures for July are set to be updated the week after the US on Tuesday, August 16<sup>th</sup>. Here I've gone with 7.8% y/y (8.1% prior) and 0.4% m/m SA. CPI ex-food-and-energy is forecast to pick up to 5.8% y/y (5.3% prior) through a 0.7% m/m SA rise. Central tendency measures are expected to climb over 5% y/y on average and note that all three of them have generally converged around 5% including June readings for common component at 4.6%, weighted median CPI at 4.9% and trimmed mean CPI at 5.5%. Common component's upward revisions have been particularly eye catching of late.

The drivers are somewhat similar to the US call. One difference is the way in which Statistics Canada captures housing in CPI by using the house-only component of the new house price index (ie: ex-land) as a driver of replacement cost within shelter costs, versus OER in the US. This driver is waning in Canada (chart 12). Further, base effect shifts will drop the year-over-year rate toward 7.4% from 8.1% y/y. Light July seasonality may add some upward pressure on the month-over-month rate especially given the Canadian convention to poll for seasonally unadjusted estimates. Lower gasoline prices are estimated to subtract about 0.4% in weight terms from month-over-month pressures. A mild acceleration in food prices is estimated after the prior month's sudden deceleration with an added kicker perhaps from a weaker C\$ on average in July versus June. Used and new vehicle prices should add a small amount but a 26% m/m plunge in Alberta hub natural gas prices could more than offset that even at a small 0.8% weight. Like the US, a reopening effect on broader price pressures is expected to continue.



**China—Pork’s First- and Second-Round Effects**

Unlike other parts of the world that are dealing with hot headline and core readings, China has only seen an acceleration in headline CPI. That is likely to continue with July updates on Tuesday August 9<sup>th</sup> that could at least temporarily take headline inflation closer to the state’s 3% goal while leaving core inflation at around one-third of that pace.

Given a roughly one-fifth share of the total CPI basket, soaring pork prices are likely to keep overall food price inflation under upward pressure for now (chart 13). When this has happened in the past it can tend to invoke second-round disinflationary effects as the cost of the food staple crowds out spending on other items. If that happens again then it may add to the case for easier policy albeit a perhaps missed opportunity in the face of risks surrounding the yuan-dollar and Fed connections.

**UK—Fear of What Lies Ahead**

UK inflation readings will be updated on Wednesday, August 17<sup>th</sup>. It will just be a placeholder around the recent roughly 9½% y/y pace along a path of expected further upward pressure that the Bank of England has already taken into account by revising inflation forecasts higher (chart 14).

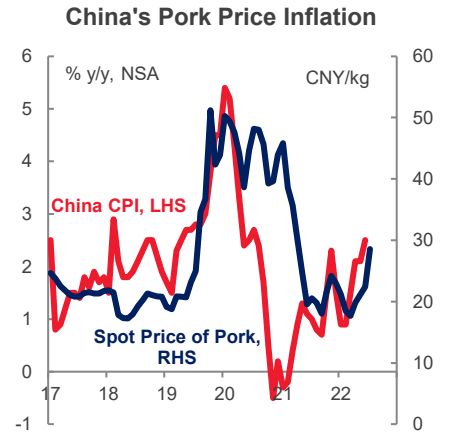
Ofgem, the UK energy regulator, has recently guided that they will shift toward adjusting energy price caps affecting millions of UK consumers on a quarterly basis instead of biannually. The next price cap update will occur at the end of August ([here](#)) and the advisory contained a warning from Ofgem that “customers face a very challenging winter ahead.” UK analyst estimates point toward expectations for a rough doubling of monthly energy bills from the cap set last April by this Winter. In addition, sterling’s softening is likely to add further upward pressure upon inflation (chart 15). Markets are pricing Bank Rate at over 125bps higher than the present 1.75% level by next summer as such inflationary forces are bound to have the BoE continue to look through its forecast recession beginning in Q4 and adhering to its inflation mandate.

**Japan—Rising Inflation? Meh**

Japanese CPI inflation for July on August 18<sup>th</sup> could start to top out and face downside pressure. Much of the run-up to date has been driven by oil prices and a weaker yen, both of which have softened of late (chart 16). WTI in USD terms has fallen from a recent peak of US\$122/barrel in early June toward the upper-80s now while the yen bottomed at about 139 to the dollar in mid-July and has modestly strengthened since then. This prior run-up erroneously led some market participants to argue the BoJ would have to adopt some form of tightening measure and perhaps its 10-year JGB yield target was vulnerable.

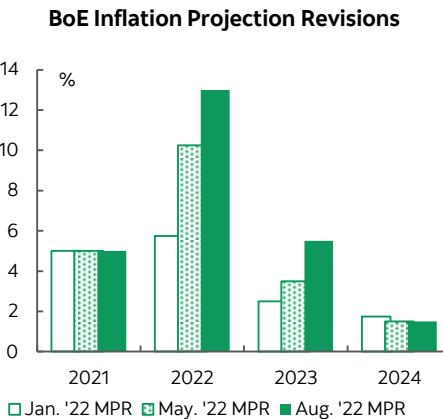
The problem with that narrative was always that this isn’t the kind of inflation that the Bank of Japan wants. It is inclined to view the effects of inflation derived from higher oil prices and a weaker yen as transitory and hence unlikely to deliver the medium- to longer-run goal of 2% inflation. The Bank of Japan has estimated ([here](#), especially pages 20–21) that a one standard deviation move in the yen (roughly 4%) adds about 0.1–0.2% to inflation over 2–8 quarters before subsiding. Further, the same paper estimated that a one standard deviation in oil prices of roughly 15% would add 0.1–0.3 percentage points to inflation inside of a year before subsiding. Japan has been experiencing a

Chart 13



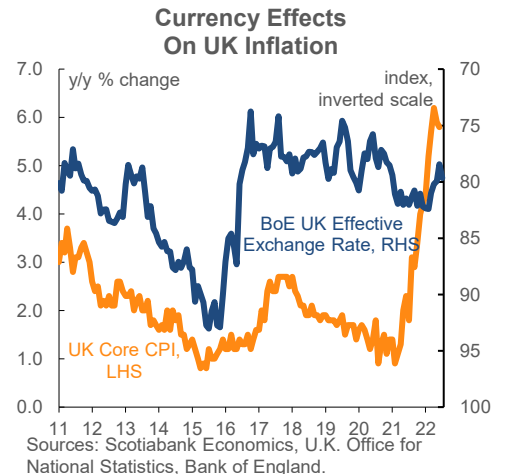
Sources: Scotiabank Economics, Bloomberg.

Chart 14



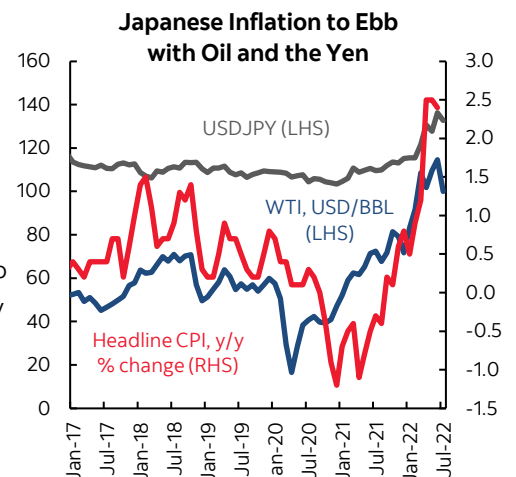
Sources: Scotiabank Economics, BoE MPR Feb. 2022.

Chart 15



Sources: Scotiabank Economics, U.K. Office for National Statistics, Bank of England.

Chart 16



Sources: Scotiabank Economics, Bloomberg.

relative price shock as a commodity importer with a weakening currency but these influences may be waning and the second-round effects in the context of soft wage gains could be more disinflationary in Japan than elsewhere.

**India—CPI Could Ebb on Lower Oil**

India updates inflation readings for July on Friday August 12<sup>th</sup>. Forecasting Indian inflation is to a significant degree a matter of forecasting movements in two key commodities: oil and food’s nearly one-half weight that includes volatile swings in onion prices. Both have been hot contributions as fuel and lighting prices have been rising by over 10% y/y and food has been up by nearly 8%. Oil prices are slipping of late and that could help drive inflation back under 7% y/y. It’s too early to look ahead to seasonal pressures from the influence of monsoons on onion prices as a staple in the Indian diet that can swing inflation numbers around fairly quickly (chart 17).

Still, with core inflation over 6% y/y the Reserve Bank of India has remained on a tightening path including a cumulative repo rate hike of 140bps since having started tightening in Q2 including its latest 50bps hike.

**Others**

Inflation updates will also be delivered over the week of August 8<sup>th</sup> – 12<sup>th</sup> by Chile (Monday) that is expected to inch higher toward 13% y/y, Brazil (Tuesday) that could see the headline rate dip back beneath 11% y/y, Mexico (Tuesday) that may cross above 8% y/y, Norway (Wednesday) that is likely to see firmer upward pressure on underlying CPI, Sweden (Friday) and Indonesia (Friday).

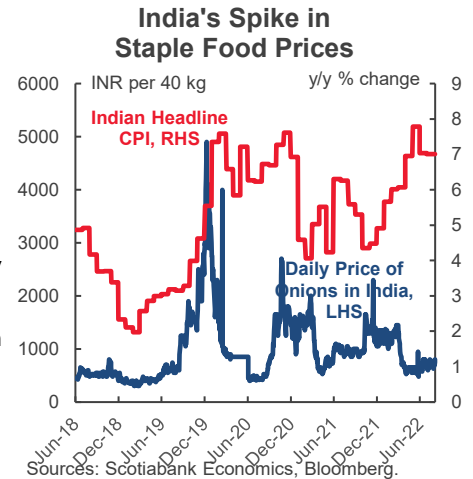
**CENTRAL BANK ROUND-UP**

Unless the People’s Bank of China has a trick up its sleeve—which is unlikely—then all of the central bank decisions that are on tap for the coming two weeks will offer localized market risk. Another exception may be any unlikely surprises in the minutes to the July FOMC meeting.

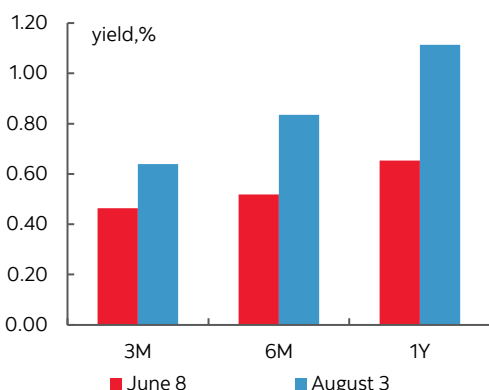
Here are the expected outcomes in chronological order:

- **Bank of Thailand (August 10<sup>th</sup>):** Most expect a quarter-point hike in the BoT’s benchmark rate as its first tepid foray into tightening territory following the close 4–3 hold vote at the June meeting that was accompanied by guidance that “a very accommodative monetary policy will be less needed going forward.” Markets have been adjusting accordingly (chart 18). Core CPI inflation has accelerated by a full percentage point in the past three months to 3% with broadening drivers. Headline inflation has surged to 7.6% y/y and hence far above the 1–3% target range.
- **Banxico (August 11<sup>th</sup>):** Most expect another 75bps increase in the overnight rate with further upside ahead (chart 19). Banxico Deputy Governor Heath laid out the script ahead of the Fed’s hawkish pivot when he said in March “When the Fed increases we’ve always increased at the same pace or more, but never less, so I don’t really see the case for it to be different now.”

**Chart 17**

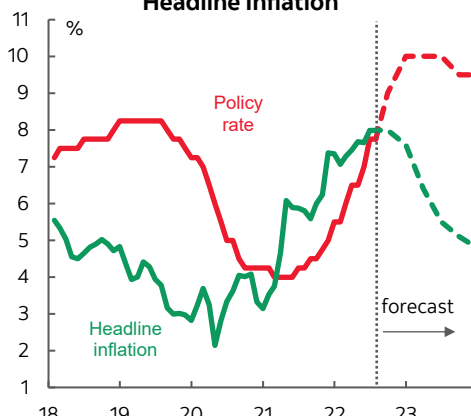


**Chart 18 Thailand: Short-Term Rates Moving Up in Anticipation of Rate Hike**



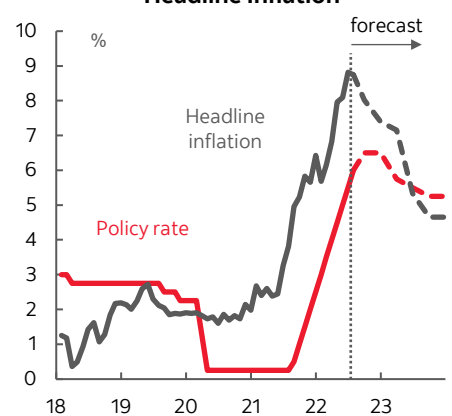
Sources: Scotiabank Economics, Bloomberg.

**Chart 19 Mexico: Overnight Rate vs Headline Inflation**



Sources: Scotiabank Economics, Banxico, INEGI.

**Chart 20 Peru: Reference Rate vs Headline Inflation**



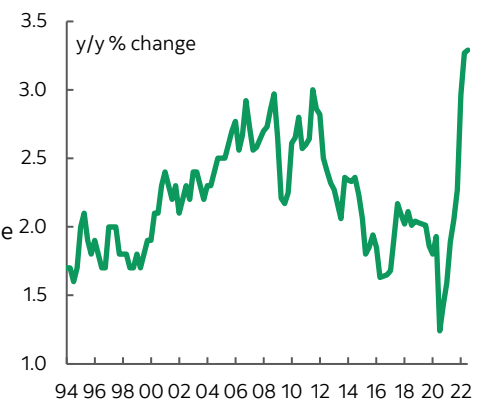
Sources: Scotiabank Economics, BCRP, INEI.



- Peru (August 11<sup>th</sup>):** Another 50bps hike to the reference rate is expected which would mean a cumulative rate increase of 625bps since the tightening cycle began one year ago. Guidance will be key as some believe the hiking cycle could be winding up whereas there are continued upside surprises to inflation at 8.7% y/y with core CPI still climbing at 5.4% (chart 20).
- RBNZ (August 16<sup>th</sup>):** Another 50bps hike is expected that would continue the accelerated pace that kicked in back in April after the central bank started tightening in quarter-point increments last August. A fresh Monetary Policy Statement will be issued with updated forward guidance that may further inform the difference between the prior forward guidance in May that pointed to a peak policy rate of about 4% next year relative to market pricing that is close to that. Since then, headline inflation accelerated by a bit faster than expected to 7.3% y/y in Q2 and 2-year ahead inflation expectations have remained above-target (chart 21).
- FOMC Minutes (August 17<sup>th</sup>):** Minutes to the FOMC meeting on July 26<sup>th</sup>–27<sup>th</sup> may take the opportunity to further reinforce the narrative that markets misinterpreted what the Committee was conveying and could therefore have a generally hawkish tone. A recap of that meeting is available [here](#). Recall that markets reacted in dovish fashion by choosing what they wished to hear and in my opinion missing the main messages like how Powell said “I think you can think of the destination as still broadly in line with the June SEP” that showed a peak fed funds upper limit of 3.75% which was above market pricing at the time and still slightly remains so now.
- PBoC (date TBD):** Some time between August 12<sup>th</sup> and August 16<sup>th</sup> the People’s Bank of China will set its one-year Medium-Term Lending Facility Rate. No change is expected to the 2.85% level. While there remains a case for easing given core inflation is at about one-third of the 3% headline target, growth is disappointing, property market struggles and Covid Zero policies have been damaging and foreign export markets are softening, the opportunity may have passed as the Fed’s more hawkish pivot has driven dollar strength that has caught the yuan in its hold (chart 22). Managed adjustments to the yuan are occurring to moderate its weakening. Cuts at this point may feed greater financial instability via capital outflows.
- Philippines (August 18<sup>th</sup>):** Bangko Sentral ng Pilipinas is expected to hike by another 50–75bps after starting a hiking cycle with 25bps hikes in May and June. Since then, inflation accelerated to 6.4% y/y. While the central bank may have been leaning toward another 25–50bps at this coming meeting, its guidance had lowballed the 75bps hike they delivered in July.
- Norges Bank (August 18<sup>th</sup>):** Norges Bank is likely to hike by another 25bps in keeping with the forward guidance offered within the June 23<sup>rd</sup> Monetary Policy Report but ahead of a refresh in the September forecasts (chart 23). Staff recently updated their estimates of the real neutral rate to between -0.5% and +0.5% which attached to a 2% inflation target implies a nominal neutral rate of 1.5–2.5% ([here](#)). At 1.25% heading into the August decision, monetary policy remains too stimulative and is a considerable distance from turning restrictive. Market pricing for the policy rate sees a peak of about 2¼% next year. As inflation continues to climb with underlying CPI running at 3.6% y/y and headline at 6.3%, such a peak that far out may be conservative.
- Turkey (August 18<sup>th</sup>):** Whatever Erdogan says should happen to the 14% one-week repo rate is what it is likely to be and to the detriment of society. No change is likely at this meeting, but the policy rate is far too low for a country with Turkey’s characteristics. Erdogan’s rather unorthodox stance drove the policy rate 500bps lower last year and cratered the lira. It has depreciated by another 25% or so in about the past month largely on relative central bank shifts as everyone else tightens while Turkey sleeps. High interest rates don’t cause

Chart 21

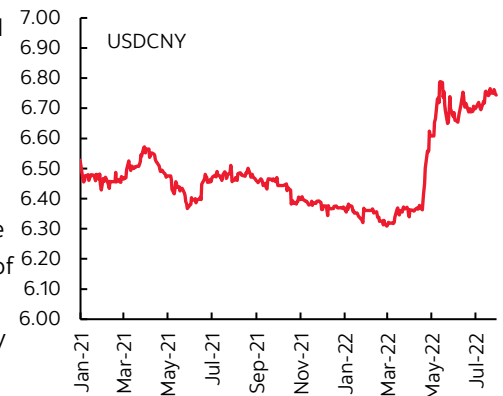
**RBNZ 2-Year Inflation Expectations**



Sources: Scotiabank Economics, Bloomberg.

Chart 22

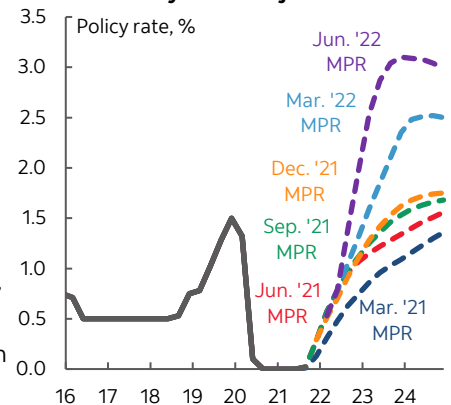
**The Fed's Pivot and the Yuan**



Sources: Scotiabank Economics, Bloomberg.

Chart 23

**Norges Bank Continues to Push Up Its Policy Rate Projections**



Sources: Scotiabank Economics, Norges Bank.

inflation (his contention) as evidenced by soaring inflation in the wake of the cuts and the currency's collapse. CPI is up 80% y/y and facing further upward pressure as monetary policy has thoroughly failed the nation amid a plunging real cost of borrowing (chart 24).

#### OTHER MACRO

Inflation, supply chains and some central banks will dominate attention alongside off-calendar developments while the rest of the global macro line-up is expected to be fairly light.

Beyond CPI, the US calendar during the first of the two weeks covered here will also face a likely drop in labour productivity and large rise in unit labour costs during Q2 (Tuesday), likely moderation of producer price increases during July (Thursday), another update to weekly jobless claims (Thursday) and the University of Michigan's consumer sentiment release for August (Friday) with emphasis upon inflation expectations given Chair Powell's focus upon the gauge. The second week will bring out industrial activity readings such as the Empire manufacturing gauge for August (Monday), industrial production during July (Tuesday) and the Philly Fed's manufacturing release for August (Thursday). Also watch a pair of housing updates including housing starts (Tuesday) and existing home sales (Thursday).

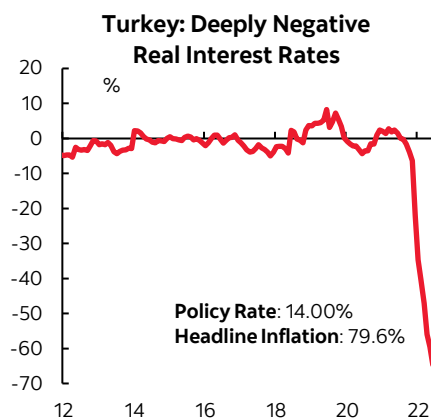
Canada faces a dead empty calendar for the week of August 8<sup>th</sup> – 12<sup>th</sup> and the following week will primarily focus upon CPI as noted above. That week is likely to reveal around a 1% m/m drop in manufacturing shipments during June (Monday). On that same day there will be another bleak existing home sales report for July given advance readings from several major cities. The following day's housing starts might remain resilience of building permits are any guide. The week will close with retail sales for June on Friday August 19<sup>th</sup> with preliminary guidance pointing to a small nominal gain and a drop in inflation-adjusted terms.

Job updates out of South Korea (Aug. 9), United Kingdom (Aug 16), and Australia (Aug 17) will likely have regional impacts as policy makers assess labour market conditions against tighter economic conditions.

- The South Korean labour market has been sitting at the sub 3.0% unemployment rate level for the past five months, a sign of labour market resilience. The participation rate is still sitting at a historic high of 64.1% while over 600k jobs in excess of pre-pandemic levels have been created.
- Labour market figures out of the UK will likely attract the most eyes after the BoE hiked rates in record increments and are looking increasingly pessimistic about the economic outlook, flagging a recession to begin in Q4-2022. Despite this, the labour market has held up remarkably well, with unemployment holding near historic lows at 3.8% and another +31k payrolls added for the month of June. For now, the labour market still remains extremely tight with ample job vacancies, but it is worth noting that the BOE expects unemployment levels to climb to 6.3% by 2025.
- Australia's job market continues to push deeper into full employment, with another upside surprise in June employment (+88k) alongside a participation rate that nudged further into record territory at 66.8% and a record low unemployment rate at 3.5%. At this point, the RBA has the green light from the labour market to continue its aggressive rate hiking cycle.

Q2 GDP will be updated by the UK (August 12<sup>th</sup>), as well as Philippines, Taiwan and Malaysia over the week. The following week will bring Q2 GDP figures from Colombia, Chile and Norway.

Chart 24



Sources: Scotiabank Economics, CBRT, Turkish Statistical Institute.



## Key Indicators for August 8 – 19

## NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	08/09	07:00	Bi-Weekly Core CPI (% change)	Jul 31	--	0.2	0.3
MX	08/09	07:00	Bi-Weekly CPI (% change)	Jul 31	--	0.2	0.4
MX	08/09	07:00	Consumer Prices (m/m)	Jul	--	0.7	0.8
MX	08/09	07:00	Consumer Prices (y/y)	Jul	--	8.1	8.0
MX	08/09	07:00	Consumer Prices Core (m/m)	Jul	--	0.6	0.8
US	08/09	08:30	Productivity (q/q a.r.)	2Q P	-5.1	-4.5	-7.3
US	08/09	08:30	Unit Labor Costs (q/q a.r.)	2Q P	10.0	9.5	12.6
US	08/10	07:00	MBA Mortgage Applications (w/w)	Aug 5	--	--	1.2
US	08/10	08:30	CPI (m/m)	Jul	0.4	0.2	1.3
US	08/10	08:30	CPI (y/y)	Jul	8.9	8.7	9.1
US	08/10	08:30	CPI (index)	Jul	--	296.7	296.3
US	08/10	08:30	CPI ex. Food & Energy (m/m)	Jul	0.6	0.5	0.7
US	08/10	08:30	CPI ex. Food & Energy (y/y)	Jul	6.1	6.1	5.9
US	08/10	10:00	Wholesale Inventories (m/m)	Jun F	--	1.9	1.9
US	08/10	14:00	Treasury Budget (US\$ bn)	Jul	--	--	-88.8
MX	08/11	07:00	Industrial Production (m/m)	Jun	--	--	0.1
MX	08/11	07:00	Industrial Production (y/y)	Jun	--	--	3.3
US	08/11	08:30	Initial Jobless Claims (000s)	Aug 6	270	265.0	260.0
US	08/11	08:30	Continuing Claims (000s)	Jul 30	1370	1405.0	1416.0
US	08/11	08:30	PPI (m/m)	Jul	0.1	0.3	1.1
US	08/11	08:30	PPI ex. Food & Energy (m/m)	Jul	0.4	0.4	0.4
<b>MX</b>	<b>08/11</b>	<b>14:00</b>	<b>Overnight Rate (%)</b>	<b>Aug 11</b>	<b>8.50</b>	<b>8.50</b>	<b>7.75</b>
US	08/12	08:30	Export Prices (m/m)	Jul	--	-1.1	0.7
US	08/12	08:30	Import Prices (m/m)	Jul	--	-0.9	0.2
US	08/12	10:00	U. of Michigan Consumer Sentiment	Aug P	51.0	52.3	51.5
CA	08/15	08:30	Manufacturing Shipments (m/m)	Jun	-1.0	--	-2.0
CA	08/15	08:30	Wholesale Trade (m/m)	Jun	0.5	--	1.6
US	08/15	08:30	Empire State Manufacturing Index	Aug	--	4.0	11.1
CA	08/15	09:00	Existing Home Sales (m/m)	Jul	--	--	-5.6
US	08/15	10:00	NAHB Housing Market Index	Aug	--	53.0	55.0
US	08/15	16:00	Total Net TIC Flows (US\$ bn)	Jun	--	--	182.5
US	08/15	16:00	Net Long-term TIC Flows (US\$ bn)	Jun	--	--	155.3
CA	08/16	08:15	Housing Starts (000s a.r.)	Jul	255	--	273.8
CA	08/16	08:30	Core CPI - Common (y/y)	Jul	--	--	4.6
CA	08/16	08:30	Core CPI - Median (y/y)	Jul	--	--	4.9
CA	08/16	08:30	Core CPI - Trim (y/y)	Jul	--	--	5.5
CA	08/16	08:30	CPI, All items (m/m)	Jul	0.4	--	0.7
CA	08/16	08:30	CPI, All items (y/y)	Jul	7.8	--	8.1
CA	08/16	08:30	CPI, All items (index)	Jul	--	--	152.9
CA	08/16	08:30	International Securities Transactions (C\$ bn)	Jun	--	--	2.3
US	08/16	08:30	Building Permits (000s a.r.)	Jul	--	1680.0	1696.0
US	08/16	08:30	Housing Starts (000s a.r.)	Jul	1550	1529.0	1559.0
US	08/16	08:30	Housing Starts (m/m)	Jul	-0.6	-1.9	-2.0
US	08/16	09:15	Capacity Utilization (%)	Jul	79.9	80.1	80.0
US	08/16	09:15	Industrial Production (m/m)	Jul	-0.1	0.2	-0.2
US	08/17	08:30	Retail Sales (m/m)	Jul	0.2	0.2	1.0
US	08/17	08:30	Retail Sales ex. Autos (m/m)	Jul	--	0.1	1.0
US	08/17	10:00	Business Inventories (m/m)	Jun	--	1.4	1.4
CA	08/18	08:30	IPPI (m/m)	Jul	--	--	1.8
CA	08/18	08:30	Raw Materials Price Index (m/m)	Jul	--	--	2.7
CA	08/18	08:30	Teranet - National Bank HPI (y/y)	Jul	--	--	16.7
US	08/18	08:30	Philadelphia Fed Index	Aug	--	--	-12.3
US	08/18	10:00	Existing Home Sales (mn a.r.)	Jul	4.9	4.8	5.1
US	08/18	10:00	Existing Home Sales (m/m)	Jul	-4.3	-5.7	-5.4
US	08/18	10:00	Leading Indicators (m/m)	Jul	--	--	-0.8
MX	08/19	07:00	Retail Sales (INEGI) (y/y)	Jun	--	--	5.2
CA	08/19	08:30	Retail Sales (m/m)	Jun	0.3	--	2.2
CA	08/19	08:30	Retail Sales ex. Autos (m/m)	Jun	--	--	1.9

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for August 8 – 19

## EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	08/10	02:00	CPI (m/m)	Jul F	0.9	0.9
GE	08/10	02:00	CPI (y/y)	Jul F	7.5	7.5
GE	08/10	02:00	CPI - EU Harmonized (m/m)	Jul F	0.8	0.8
GE	08/10	02:00	CPI - EU Harmonized (y/y)	Jul F	8.5	8.5
IT	08/10	04:00	CPI - EU Harmonized (y/y)	Jul F	8.4	8.4
GE	08/11		Current Account (€ bn)	Jun	--	2.5
UK	08/12	02:00	Business Investment (q/q)	2Q P	1.2	-0.6
UK	08/12	02:00	GDP (q/q)	2Q P	-0.2	0.8
UK	08/12	02:00	Index of Services (m/m)	Jun	-1.0	0.4
UK	08/12	02:00	Industrial Production (m/m)	Jun	-1.4	0.9
UK	08/12	02:00	Manufacturing Production (m/m)	Jun	-1.8	1.4
UK	08/12	02:00	Visible Trade Balance (£ mn)	Jun	-22,300	-21,445
FR	08/12	02:45	CPI (m/m)	Jul F	0.3	0.3
FR	08/12	02:45	CPI (y/y)	Jul F	6.1	6.1
FR	08/12	02:45	CPI - EU Harmonized (m/m)	Jul F	0.3	0.3
FR	08/12	02:45	CPI - EU Harmonized (y/y)	Jul F	6.8	6.8
SP	08/12	03:00	CPI (m/m)	Jul F	-0.2	-0.2
SP	08/12	03:00	CPI (y/y)	Jul F	10.8	10.8
SP	08/12	03:00	CPI - EU Harmonized (m/m)	Jul F	-0.5	-0.5
SP	08/12	03:00	CPI - EU Harmonized (y/y)	Jul F	10.8	10.8
EC	08/12	05:00	Industrial Production (m/m)	Jun	0.2	0.0
EC	08/12	05:00	Industrial Production (y/y)	Jun	1.0	1.6
RU	08/12	12:00	Real GDP (y/y)	2Q A	-4.80	3.50
UK	08/16	02:00	Average Weekly Earnings (3-month, y/y)	Jun	--	6.2
UK	08/16	02:00	Employment Change (3M/3M, 000s)	Jun	--	296.0
UK	08/16	02:00	Jobless Claims Change (000s)	Jul	--	-20.0
UK	08/16	02:00	ILO Unemployment Rate (%)	Jun	--	3.8
EC	08/16	05:00	Trade Balance (€ mn)	Jun	--	-26,304
EC	08/16	05:00	ZEW Survey (Economic Sentiment)	Aug	--	-51.1
GE	08/16	05:00	ZEW Survey (Current Situation)	Aug	--	-45.8
GE	08/16	05:00	ZEW Survey (Economic Sentiment)	Aug	--	-53.8
UK	08/17	02:00	CPI (m/m)	Jul	--	0.8
UK	08/17	02:00	CPI (y/y)	Jul	--	9.4
UK	08/17	02:00	RPI (m/m)	Jul	--	0.9
UK	08/17	02:00	RPI (y/y)	Jul	--	11.8
PD	08/17	04:00	GDP (y/y)	2Q P	--	8.50
EC	08/17	05:00	Employment (q/q)	2Q P	--	0.6
EC	08/17	05:00	GDP (q/q)	2Q P	--	0.7
<b>NO</b>	<b>08/18</b>	<b>04:00</b>	<b>Norwegian Deposit Rates (%)</b>	<b>Aug 18</b>	<b>1.50</b>	<b>1.25</b>
EC	08/18	05:00	CPI (m/m)	Jul F	--	0.1
EC	08/18	05:00	CPI (y/y)	Jul F	--	8.9
EC	08/18	05:00	Euro zone Core CPI Estimate (y/y)	Jul F	--	4.0
<b>TU</b>	<b>08/18</b>	<b>07:00</b>	<b>Benchmark Repo Rate (%)</b>	<b>Aug 18</b>	<b>14.00</b>	<b>14.00</b>
UK	08/18	19:01	GfK Consumer Confidence Survey	Aug	--	-41.0
GE	08/19	02:00	Producer Prices (m/m)	Jul	--	0.6
UK	08/19	02:00	PSNB ex. Interventions (£ bn)	Jul	--	22.9
UK	08/19	02:00	Public Finances (PSNCR) (£ bn)	Jul	--	12.6
UK	08/19	02:00	Public Sector Net Borrowing (£ bn)	Jul	--	22.1
UK	08/19	02:00	Retail Sales ex. Auto Fuel (m/m)	Jul	--	0.4
UK	08/19	02:00	Retail Sales with Auto Fuel (m/m)	Jul	--	-0.1
EC	08/19	04:00	Current Account (€ bn)	Jun	--	-4.5
IT	08/19	04:30	Current Account (€ mn)	Jun	--	-1,251

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for August 8 – 19

## ASIA PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
JN	08/07	19:50	Bank Lending (y/y)	Jul	--	--	1.3
JN	08/07	19:50	Current Account (¥ bn)	Jun	--	-706.1	128.4
JN	08/07	19:50	Trade Balance - BOP Basis (¥ bn)	Jun	--	-985.9	-1951.2
CH	08/07	21:00	Foreign Reserves (US\$ bn)	Jul	--	3050.7	3071.3
CH	08/07	21:00	Exports (y/y)	Jul	--	14.1	17.9
CH	08/07	21:00	Imports (y/y)	Jul	--	4.0	1.0
CH	08/07	21:00	Trade Balance (USD bn)	Jul	--	89.0	97.9
AU	08/08	02:30	Foreign Reserves (AUD bn)	Jul	--	--	79.9
TA	08/08	04:00	Exports (y/y)	Jul	--	11.7	15.2
TA	08/08	04:00	Imports (y/y)	Jul	--	20.1	19.2
TA	08/08	04:00	Trade Balance (US\$ bn)	Jul	--	3.8	4.6
SI	08/08	05:00	Foreign Reserves (US\$ mn)	Jul	--	--	314318.3
JN	08/08	19:50	Japan Money Stock M2 (y/y)	Jul	--	3.3	3.3
JN	08/08	19:50	Japan Money Stock M3 (y/y)	Jul	--	3.0	3.0
PH	08/08	21:00	Exports (y/y)	Jun	--	4.3	6.2
PH	08/08	21:00	Imports (y/y)	Jun	--	23.0	29.4
PH	08/08	21:00	Trade Balance (US\$ mn)	Jun	--	-5395.0	-5349.0
PH	08/08	21:00	Unemployment Rate (%)	Jun	--	--	6.0
PH	08/08	22:00	Real GDP (q/q)	2Q	--	0.1	1.9
PH	08/08	22:00	Real GDP (y/y)	2Q	--	8.2	8.3
TH	08/08	23:30	Consumer Confidence Economic	Jul	--	--	35.7
MA	08/09	00:00	Industrial Production (y/y)	Jun	--	5.3	4.1
JN	08/09	02:00	Machine Tool Orders (y/y)	Jul P	--	--	17.1
SK	08/09	19:00	Unemployment Rate (%)	Jul	--	3.0	2.9
CH	08/09	21:30	CPI (y/y)	Jul	--	2.9	2.5
CH	08/09	21:30	PPI (y/y)	Jul	--	4.9	6.1
CH	08/09	21:30	New Yuan Loans (bn)	Jul	--	1160.0	2806.3
<b>TH</b>	<b>08/10</b>	<b>03:00</b>	<b>BoT Repo Rate (%)</b>	<b>Aug 10</b>	<b>0.75</b>	<b>0.75</b>	<b>0.50</b>
NZ	08/11	18:30	Business NZ PMI	Jul	--	--	49.7
MA	08/12	00:00	Current Account Balance (MYR mns)	2Q	--	--	3000.0
MA	08/12	00:00	GDP (y/y)	2Q	--	6.7	5.0
TA	08/12	04:00	Real GDP (y/y)	2Q P	--	3.1	3.1
HK	08/12	04:30	Real GDP (q/q)	2Q F	--	--	0.9
HK	08/12	04:30	Real GDP (y/y)	2Q F	--	--	-1.4
IN	08/12	08:00	CPI (y/y)	Jul	--	6.77	7.01
IN	08/12	08:00	Industrial Production (y/y)	Jun	--	10.30	19.60
IN	08/12	23:30	Exports (y/y)	Jul	--	--	23.5
IN	08/12	23:30	Imports (y/y)	Jul	--	--	57.6
JN	08/14	19:50	GDP (q/q)	2Q P	--	0.7	-0.1
JN	08/14	19:50	GDP Deflator (y/y)	2Q P	--	-0.8	-0.5
CH	08/14	22:00	Fixed Asset Investment YTD (y/y)	Jul	--	6.2	6.1
CH	08/14	22:00	Industrial Production (y/y)	Jul	--	4.5	3.9
CH	08/14	22:00	Retail Sales (y/y)	Jul	--	5.0	3.1
TH	08/14	22:30	GDP (q/q)	2Q	--	0.8	1.1
TH	08/14	22:30	GDP (y/y)	2Q	--	2.4	2.2
ID	08/15	00:00	Exports (y/y)	Jul	--	31.0	40.7
ID	08/15	00:00	Imports (y/y)	Jul	--	19.0	22.0
ID	08/15	00:00	Trade Balance (US\$ mn)	Jul	--	3500.0	5090.0
JN	08/15	00:30	Capacity Utilization (m/m)	Jun	--	--	-9.2
JN	08/15	00:30	Industrial Production (m/m)	Jun F	--	--	8.9
JN	08/15	00:30	Industrial Production (y/y)	Jun F	--	--	-3.1
JN	08/16	00:30	Tertiary Industry Index (m/m)	Jun	--	--	0.8
IN	08/16	02:30	Monthly Wholesale Prices (y/y)	Jul	--	14.2	15.2
NZ	08/16	18:45	Producer Price - Inputs (q/q)	2Q	--	--	1.2
NZ	08/16	18:45	Producer Price - Outputs (q/q)	2Q	--	--	1.5

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for August 8 – 19

## ASIA PACIFIC (continued from previous page)

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
JN	08/16	19:50	Machine Orders (m/m)	Jun	--	--	-5.6
JN	08/16	19:50	Merchandise Trade Balance (¥ bn)	Jul	--	--	-1398.5
JN	08/16	19:50	Adjusted Merchandise Trade Balance (¥ bn)	Jul	--	--	-1928.9
JN	08/16	19:50	Merchandise Trade Exports (y/y)	Jul	--	--	19.3
JN	08/16	19:50	Merchandise Trade Imports (y/y)	Jul	--	--	46.1
SI	08/16	20:30	Exports (y/y)	Jul	--	--	9.0
AU	08/16	21:30	Wage Cost Index (q/q)	2Q	--	--	0.7
<b>NZ</b>	<b>08/16</b>	<b>22:00</b>	<b>RBNZ Official Cash Rate (%)</b>	<b>Aug 17</b>	<b>3.00</b>	<b>--</b>	<b>2.50</b>
JN	08/16		Nationwide Department Store Sales (y/y)	Jul	--	--	11.7
HK	08/17	04:30	Unemployment Rate (%)	Jul	--	--	4.7
AU	08/17	21:30	Employment (000s)	Jul	--	--	88.4
AU	08/17	21:30	Unemployment Rate (%)	Jul	--	--	3.5
<b>PH</b>	<b>08/18</b>	<b>03:00</b>	<b>Overnight Borrowing Rate (%)</b>	<b>Aug 18</b>	<b>3.75</b>	<b>--</b>	<b>3.25</b>
NZ	08/18	18:45	Trade Balance (NZD mn)	Jul	--	--	-701.3
NZ	08/18	18:45	Exports (NZD bn)	Jul	--	--	6415.6
NZ	08/18	18:45	Imports (NZD bn)	Jul	--	--	7116.9
JN	08/18	19:30	National CPI (y/y)	Jul	--	--	2.4
ID	08/18	23:00	Current Account Balance (US\$ mn)	2Q	--	--	200.0
PH	08/18		Balance of Payments (US\$ mn)	Jul	--	--	-1574.0
MA	08/19	00:00	Exports (y/y)	Jul	--	--	38.8
MA	08/19	00:00	Imports (y/y)	Jul	--	--	49.3
MA	08/19	00:00	Trade Balance (MYR bn)	Jul	--	--	21.9
TA	08/19	04:20	Current Account Balance (US\$ mn)	2Q	--	--	30679.0

## LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	08/09	08:00	IBGE Inflation IPCA (m/m)	Jul	--	-0.6	0.7
BZ	08/09	08:00	IBGE Inflation IPCA (y/y)	Jul	--	10.1	11.9
BZ	08/10	08:00	Retail Sales (m/m)	Jun	--	-0.8	0.1
BZ	08/10	08:00	Retail Sales (y/y)	Jun	--	1.0	-0.2
<b>PE</b>	<b>08/11</b>	<b>19:00</b>	<b>Reference Rate (%)</b>	<b>Aug 11</b>	<b>6.50</b>	<b>6.50</b>	<b>6.00</b>
CO	08/12	11:00	Retail Sales (y/y)	Jun	--	18.0	34.8
BZ	08/15	08:00	Economic Activity Index SA (m/m)	Jun	--	--	-0.1
BZ	08/15	08:00	Economic Activity Index NSA (y/y)	Jun	--	--	3.7
PE	08/15	10:00	Economic Activity Index NSA (y/y)	Jun	--	--	2.3
PE	08/15	10:00	Unemployment Rate (%)	Jul	--	--	6.8
CO	08/16	11:00	Trade Balance (US\$ mn)	Jun	--	--	-1732.5
CL	08/18	08:30	GDP (q/q)	2Q	--	--	-0.8
CL	08/18	08:30	GDP (y/y)	2Q	--	--	7.2

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Global Auctions for August 8 – 19

## NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	08/09	13:00	U.S. To Sell USD42 Bln 3-Year Notes
US	08/10	13:00	U.S. To Sell USD35 Bln 10-Year Notes
CA	08/11	12:00	Canada to Sell 2 Year Bonds
CA	08/11	12:00	Canada to Sell C\$4 Billion of 3% 2024 Bonds
US	08/11	13:00	U.S. To Sell USD21 Bln 30-Year Bonds
US	08/17	13:00	U.S. To Sell 20-Year Bonds
CA	08/18	12:00	Canada to Sell 3 Year Bonds

## EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	08/09	05:00	U.K. to Sell GBP1.75 Billion of 1.25% 2051 Bonds
AS	08/09	05:15	Austria to Sell Bonds
GE	08/09	05:30	Germany to Sell Bonds
IC	08/12	07:00	Iceland to Sell Bonds
UK	08/16	05:00	U.K. to Sell 0.5% 2029 Bonds
GE	08/16	05:30	Germany to sell 4 Billion Euros of 2027 Bonds
DE	08/17	04:15	Denmark to Sell Bonds
FR	08/18	04:50	France to Sell Bonds

## ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	08/08	02:00	Yunnan to Sell Bonds
CH	08/08	23:30	Qingdao to Sell Bonds
JN	08/08	23:35	Japan to Sell 30-Year Bonds
CH	08/09	22:35	China Plans to Sell CNY 2Y Upsized Bond
CH	08/09	22:35	China to Sell CNY 85Bln 5Y Upsized Bond
CH	08/11	22:35	China To Sell CNY85 Bln 10-Yr Bonds
JN	08/15	23:35	Japan to Sell 5-Year Bonds
JN	08/17	23:35	Japan to Sell 20-Year Bonds
CH	08/18	22:35	China Plans to Sell CNY 30Y Upsized Bond

## LATIN AMERICA

No Scheduled Auctions.

## Events for August 8 – 19

## NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	08/10	11:00	Fed's Evans Discusses the Economy and Monetary Policy
US	08/10	14:00	Fed's Kashkari Discusses Inflation
<b>MX</b>	<b>08/11</b>	<b>14:00</b>	<b>Overnight Rate</b>
US	08/11	19:30	Fed's Daly speaks in interview on Bloomberg Television
US	08/17	14:00	FOMC Meeting Minutes

## EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
<b>NO</b>	<b>08/18</b>	<b>04:00</b>	<b>Deposit Rates</b>

## ASIA-PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
<b>TH</b>	<b>08/10</b>	<b>03:00</b>	<b>BoT Benchmark Interest Rate</b>
AU	08/15	21:30	RBA Minutes of Aug. Policy Meeting
NZ	08/16	22:00	RBNZ Monetary Policy Statement
<b>NZ</b>	<b>08/16</b>	<b>22:00</b>	<b>RBNZ Official Cash Rate</b>
NZ	08/16	23:00	RBNZ Governor News Conference After OCR Decision
<b>PH</b>	<b>08/18</b>	<b>03:00</b>	<b>BSP Overnight Borrowing Rate</b>
PH	08/18	03:00	BSP Standing Overnight Deposit Facility Rate

## LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
<b>MX</b>	<b>08/11</b>	<b>14:00</b>	<b>Overnight Rate</b>
<b>PE</b>	<b>08/11</b>	<b>19:00</b>	<b>Reference Rate</b>



## Global Central Bank Watch

## NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	2.50	September 7, 2022	3.25	3.00
Federal Reserve – Federal Funds Target Rate	2.50	September 21, 2022	3.25	3.25
Banco de México – Overnight Rate	7.75	August 11, 2022	8.50	8.50

**Banco de México (Banxico):** After a 75 bps hike in June, Banxico's statement noted that "the Bank intends to continue raising the reference rate and will evaluate taking the same forceful measures if conditions required". The minutes also show that the Board is willing to act "forcefully" to ensure convergence to the inflation target. Therefore, we anticipate the committee will raise the Overnight Rate by another 75 bps to 8.50% on Thursday. The remaining three meetings of the year could see 50 bps hikes, ending the cycle at 10.00% by year-end.

## EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	0.50	September 8, 2022	0.75	0.75
European Central Bank – Marginal Lending Facility Rate	0.75	September 8, 2022	1.00	1.00
European Central Bank – Deposit Facility Rate	0.00	September 8, 2022	0.25	0.25
Bank of England – Bank Rate	1.75	September 15, 2022	2.25	2.25
Swiss National Bank – Sight Deposit Rate	-0.25	September 22, 2022	0.00	0.00
Central Bank of Russia – One-Week Auction Rate	8.00	September 16, 2022	8.00	8.00
Sweden Riksbank – Repo Rate	0.75	September 20, 2022	1.25	1.25
Norges Bank – Deposit Rate	1.25	August 18, 2022	1.50	1.50
Central Bank of Turkey – Benchmark Repo Rate	14.00	August 18, 2022	14.00	14.00

**Norges Bank:** Norges Bank has taken a measured approach to raising interest rates when they began their hiking cycle in August 2021. Since then, they have broadly stuck with their guidance, and next week's meeting should see a quarter point hike to 1.50%. Norges Bank acknowledges that persistence in price pressures coupled with a tight labour market will require a markedly higher policy rate. Their last MPR has the Deposit Rate peaking at 3.10%, 185 bps away from current levels. **Central Bank of Turkey (CBRT):** Despite inflation reaching nearly 80% y/y in July, no changes to the policy rate are expected at next week's meeting. "Other" measures are likely to have limited success in taming inflation and propping up the Lira. The -65% real policy rate is by far the most deeply negative real rate amongst EM peers.

## ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	September 22, 2022	-0.10	0.00
Reserve Bank of Australia – Cash Rate Target	1.85	September 6, 2022	2.35	2.35
Reserve Bank of New Zealand – Cash Rate	2.50	August 16, 2022	3.00	3.00
People's Bank of China – 1-Year Loan Prime Rate	3.70	August 21, 2022	3.70	4.25
Reserve Bank of India – Repo Rate	5.40	September 30, 2022	5.65	5.65
Bank of Korea – Bank Rate	2.25	August 25, 2022	2.50	2.50
Bank of Thailand – Repo Rate	0.50	August 10, 2022	0.75	0.75
Bank Negara Malaysia – Overnight Policy Rate	2.25	September 8, 2022	2.50	2.50
Bank Indonesia – 7-Day Reverse Repo Rate	3.50	August 23, 2022	4.00	4.00
Central Bank of Philippines – Overnight Borrowing Rate	3.25	August 18, 2022	3.75	3.75

**People's Bank of China (PBoC):** The PBoC is expected to hold its one-year Medium-Term Lending Facility at 2.85% next week. The Yuan has remained relatively stable even as the Federal Reserve maintains its aggressive stance for further tightening. Policy decisions may take a backseat in the short term as US-China tensions dominate headlines. **Reserve Bank of New Zealand (RBNZ):** The committee is expected to raise the Cash Rate by a fourth consecutive 50 bps move to 3.00% next week. Markets expect a peak cycle rate of 3.75% by year-end, with the magnitude of rate hikes likely to come back down to 25 bps increments. The RBNZ is trying to balance a hot Q2 inflation print (7.3% y/y actual; consensus 7.1% y/y) combined with the recent increase in the unemployment rate, the first increase in two years. **Bank of Thailand (BoT):** A 25 bps hike of the Repo Rate to 0.75% is expected on Wednesday after a hawkish hold in June. The Bank of Thailand is one of the few central banks yet to commence its hiking cycle, but broad-based inflation (7.7% y/y headline and 2.5% y/y core) will likely nudge them to their first move higher. **Central Bank of Philippines (BSP):** Next week's policy decision is expected to bring a 50 bps hike of the overnight borrowing rate to 3.75%. Last meeting's 75 bps hikes was one of likely many greater-than-25 bps hikes needed in order to tame inflation which is running at 6.1% y/y, above the bank's 3 +/- 1% target range.

## LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	13.75	September 21, 2022	13.75	13.75
Banco Central de Chile – Overnight Rate	9.75	September 6, 2022	10.50	10.50
Banco de la República de Colombia – Lending Rate	9.00	September 30, 2022	9.50	9.50
Banco Central de Reserva del Perú – Reference Rate	6.00	August 11, 2022	6.50	6.50

**Banco Central de Reserva del Perú (BCRP):** We expect BCRP will raise the Reference Rate by 50 bps to 6.50% at the August 11 policy rate meeting. For now, we have this as the final hike in the cycle which would mark a cumulative 625 bps of tightening since August 2021. This outlook is heavily dependent on if CPI peaked at 8.8% y/y in June–July's 8.7% y/y print, while lower than the peak, does not provide the central bank with much relief, as it still came in higher than the expected 8.4% y/y.

## AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	5.50	September 22, 2022	5.75	5.75

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

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