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*With thanks for research support from:
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Next Week's Risk Dashboard

- Key central bankers to confront skeptical markets
- FOMC: Will Powell convince markets he's serious?
- ECB: Moving toward restrictive
- BoE: Less convincing to do here
- US nonfarm payrolls: is consensus too negative again?
- Are US layoffs alarming or evidence of overdue churning?
- GDP: Eurozone, Canada, Mexico, HK, Sweden
- Soaring US employment costs
- Eurozone inflation to face renewed energy pressures
- China's rebound to face an early test
- PMIs: US ISMs, China, India
- Brazil's central bank to hold, weigh fiscal risks
- US auto sales to rebound
- CPI: Eurozone, Peru, SK, Indonesia
- NZ jobs and wages to inform RBNZ's next move
- Heavy US earnings including big tech

Markets Versus the Gods

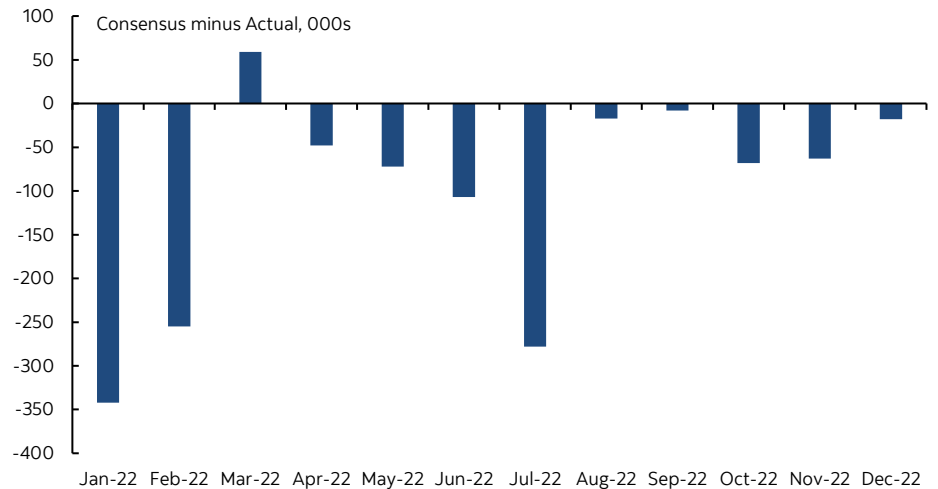
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Chart of the Week

Consensus Has a Nonfarm Bias Problem



Sources: Scotiabank Economics, Bloomberg.

Chart of the Week: Prepared by: John Fanjoy, Economist.

Markets Versus the Gods

For some time now there has been a contest of wills between financial markets and key central banks. In one ring, it has been markets versus Lagarde. In another, it has been Powell versus markets. There is market skepticism toward the resolve of central bankers to keep on tightening monetary policy by enough to deliver the knock-out blow to inflation. This has been illustrated by market pricing that has undercut policy guidance. With their credibility continuing to be on the line, key is the need for central bankers to not so easily be swayed by mixed and tentative evidence of damage being done to parts of the economy when such is the intent of tighter monetary policy that is oriented toward bringing supply and demand conditions back into realignment. Letting up too soon risks going back in the ring later on.

This week will bring this battle to prime time and I have a feeling that central banks will use it as an opportunity to assert control over markets. Markets will also have to consider top-shelf macroeconomic reports such as nonfarm payrolls, Eurozone inflation, GDP growth in the Eurozone, Canada, Mexico and others, Chinese PMIs and US employment costs to name a few. Over 100 S&P earnings reports including big tech names will round it all out.

US NONFARM PAYROLLS—UNDERESTIMATING CHURN?

Oh joy, another humbling nonfarm payrolls call lies ahead. This time we're talking about the first estimate of job growth for the new year on Friday February 3rd.

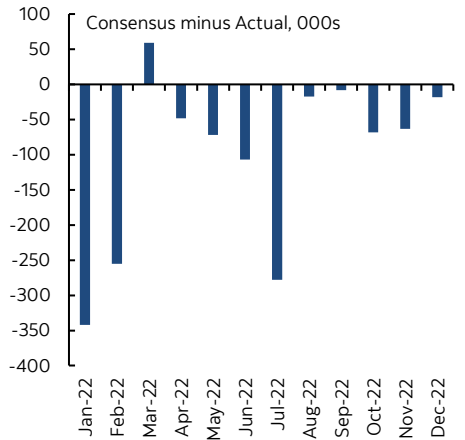
At the time of publishing most of consensus was clustered within about a 170k–220k range of estimated growth in nonfarm payrolls. The whisper number—drawn from anyone's guess inputted on Bloomberg terminals—is for 191k. I pencilled in 200k to the economist consensus with an unchanged unemployment rate of 3.5% and wage growth of 0.3% m/m.

Where does the risk lie? Well, in one sense, when it comes to nonfarm payrolls the +/-120k 90% confidence interval builds in a lot of noise around the estimates such that basically anything could conceivably happen. What also matters is evidence of a persistent forecast bias.

As the cover chart (repeated here as chart 1) vividly illustrates, consensus underestimated growth in nonfarm payrolls during eleven of the twelve months during 2022. Sometimes consensus has been off by tens to hundreds of thousands of jobs each month. Now maybe that's because in a more cautious environment you get less flak as a forecaster if you are surprised more positively than more negatively in terms of risk-reward considerations. Or

Chart 1

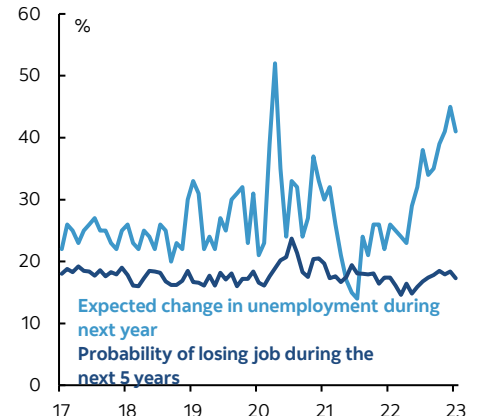
Consensus Has a Nonfarm Bias Problem



Sources: Scotiabank Economics, Bloomberg.

Chart 2

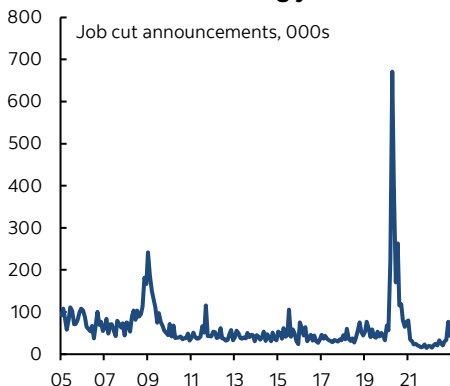
More Anxious Workers



Sources: Scotiabank Economics, University of Michigan.

Chart 3

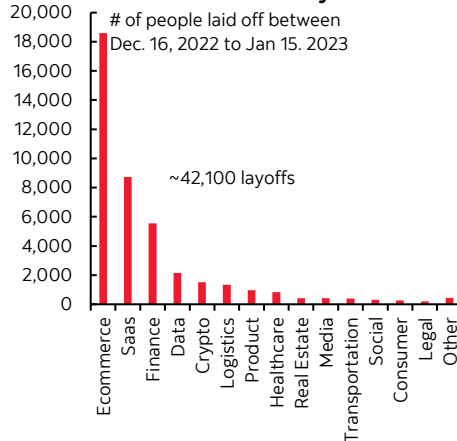
US Layoffs are Rising, But So Far Not Alarmingly



Sources: Scotiabank Economics, Challenger, Gray and Christmas, Inc.

Chart 4

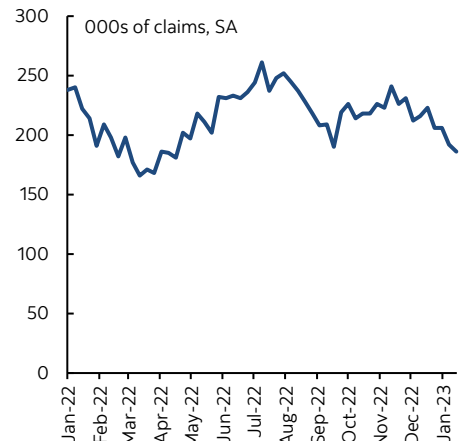
US Tech. Related Layoffs



Sources: Scotiabank Economics, Layoffs Tracker.

Chart 5

US Initial Jobless Claims



Sources: Scotiabank Economics, Bloomberg.

January 27, 2023

maybe consensus is just too darn negative, like they were toward US GDP growth throughout both Q3 and Q4.

New information to this bias is being presented by escalating layoff announcements. This is having a disruptive and unfortunate impact upon the affected individuals and their close connections. We can see this in measures that demonstrate this unease such as a trend rise in the share of Americans who are worried about losing their jobs over the coming year and over the next five years, although both measures have eased a touch into the new year (chart 2).

But it is important to put layoffs in perspective. While the numbers could rise in future and need to be carefully monitored, they do not appear to be derailing job markets as of yet.

This is seen in the Challenger, Gray and Christmas measure of laid off individuals with estimates into January 2023 (chart 3). The numbers have risen but remain relatively low.

This is also seen in our use of a web site source for tracking layoffs specifically between proxies for the nonfarm payrolls reference periods in each of December and January, defined as the pay periods including the 12th day of each month whether hourly, daily, weekly, bi-weekly, monthly or some other arrangement (chart 4).

Another illustration of how layoffs to date may be more about labour churn—moving out of challenged sectors toward more resilient ones—than overall devastation is derived from observing very low levels of initial jobless claims for unemployment benefits (chart 5). How can you have that happening at the same time that layoffs are rising albeit still manageably so?

Either there are lagging effects for when pink slips start showing up in jobless claims and/or layoffs are being offset by strength elsewhere. That could either be due to layoffs being reabsorbed into job vacancies and/or due to enough job creation elsewhere. JOLTS job vacancies only go up to November but there were about 10 ½ million of them at that time. The NFIB's measure of jobs that small businesses find hard to fill has been declining as a possible sign that openings are being filled and workers reabsorbed (chart 6).

This churn might still leave people behind in their finances and confidence. If it means reallocating workers from sectors that benefited the most from behavioural changes during the pandemic and from low interest rates toward sectors more reflective of a return to some degree of normality that have struggled to get enough workers then it could be a positive development for the overall economy and a sign that the labour force is gradually rebalancing.

In all, if the suite of evidence pointing toward continued hiring activity is on the mark, then this is a bullish signal into next week's nonfarm payrolls but bad for folks who would prefer Powell to get weak kneed. We'll find out more about these advance indicators for payrolls as the coming week's march to nonfarm reveals fresh estimates for jobs plentiful in consumer confidence, ISM-manufacturing employment and ADP payrolls. ISM-services employment only arrives after payrolls on Friday.

FEDERAL RESERVE—25 AND COUNTING

Another FOMC meeting on Tuesday and Wednesday will culminate with the statement at 2pmET followed by Chair Powell's press conference starting at 2:30pmET. There will be no updated Summary of Economic Projections or its dot plot offered at this meeting with the next chance at updating all of that arriving on March 22nd.

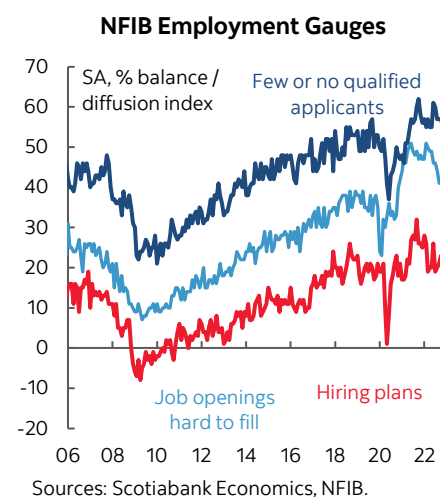
A 25bps rate hike is widely expected among economists and fed funds futures are priced for it. Tail risks are low. There has been no signal offered by FOMC officials that they are open to a pause, nor has there been guidance toward a bigger 50bps move which would be the slightly fatter tail risk.

Still, this notion that the Fed could or might raise 50bps next week is off base. Several Fed speakers have already leaned toward 25. The Fed has gone out of its way not to surprise with administered rate changes on game day and reserved more of the right to surprise markets on the bias.

At his December press conference, Powell was asked about downshifting and loosely intimated as such:

"I can't tell you that today. We're into restrictive territory and it's not so important how fast we go. It's far more important to determine how high we go and how long we should stay there."

Chart 6



There is nothing between now and Wednesday that they could reasonably hang their hats upon by way of a repeat of last summer's changed guidance through the press in blackout. 25 it is.

But I think Powell may repeat his line about how the dots may shift higher again in March and continued rate increases are required. At 4.75% the Committee will still be below the 5.25% terminal rate in December's dots. Most of the new information since then has been more positive or at least less negative (China, Europe, financial conditions, etc).

If Chair Powell and the broader Committee wish to signal a bias shift then the next most likely candidates for this would be Powell's next semi-annual testimony before Congress in late February or early March (date tbd), or the March FOMC meeting with fresh forecasts.

CENTRAL BANKS—ECB, BOE, BCB

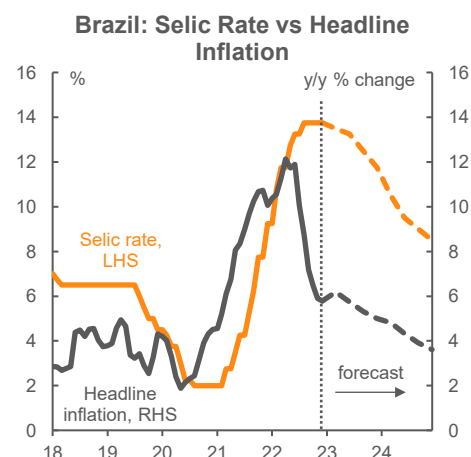
Three other central banks will weigh in with policy decisions this coming week.

- Banco Central do Brasil (Wednesday):** Another hold is expected with the Selic rate staying at 13.75% which is where it has been since last August. Inflation has been rapidly tumbling (chart 7) but markets are now more uncertain toward the timing and pace of possible future easing. A major reason for this is the change of administration to President Luiz Inacio Lula da Silva (“Lula”) and the uncertainty this has created around fiscal policy while also questioning the independence of the central bank.
- ECB (Thursday):** Pretty much all of consensus and markets are priced for a 50bps hike in each of the ECB's main policy rates. This is in keeping with most ECB guidance including from President Lagarde during her prior press conference in December. Expect Lagarde to guide that another 50bps hike lies ahead at the March meeting. It's important to recognize that while rapid hikes have been delivered (chart 8), the ECB has yet to move into meaningfully restrictive territory with its policy rates because it moved toward tightening later than other central banks. The ECB is therefore lagging behind, say, the Fed, the BoE, the BoC and many others and yet it is faced with among the highest inflation rates.
- Bank of England (Thursday):** Will that be +25 or 50? Most within consensus expect the BoE to hike by another 50bps. A significant minority expects a quarter-point hike. This same division is reflected in market pricing that is roughly sitting on the fence between the two scenarios. High inflation will probably keep the BoE on track with a larger move (chart 9). Markets are also pricing a terminal rate of up to 4 ½% compared to Bank Rate going into this meeting that is presently set at 3.5%. A widely referenced quote by Governor Bailey seemed to lean toward if not endorse such terminal rate pricing:

“Back in November, and quite unusually for us, we thought the market curve, and therefore the market's view of what they thought we would do, was out of line with our own thinking. If you go back to the height of that period, the peak of what the market thought we were going to get to was over 6%, but the time we did our forecast in November it was 5.2%, it is now down to 4.5%. Now I am not endorsing 4.5%, but what you may have noticed in December is that we did not include the comment that we made in November about the market being in our view rather out of line.”

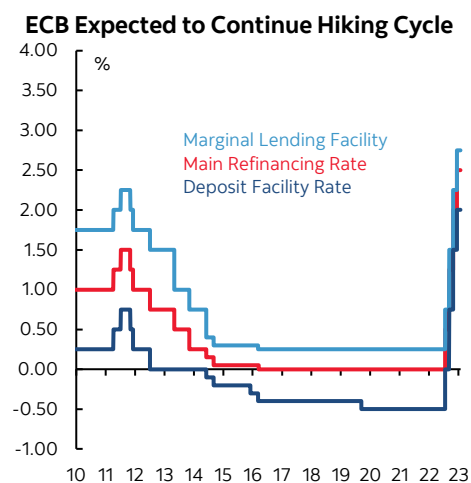
Huh? Greenspan shadow writing? This narrative could be interpreted as meaning that the Governor is less discomfited toward market expectations compared to the magnitude of what was being priced in a totally different environment when markets feared greater energy-induced inflation across Europe and when the former and disastrous Truss administration had just given way to PM Sunak in October.

Chart 7



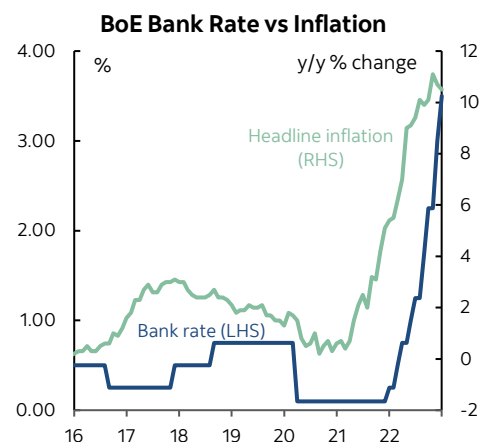
Sources: Scotiabank Economics, BCB, IBGE.

Chart 8



Sources: Scotiabank Economics, Bloomberg.

Chart 9



Sources: Scotiabank Economics, Bank of England, ONS.

ECONOMIC GROWTH

GDP growth estimates for Q4 will start rolling in across a broader part of the world economy. So far, we know that the US expanded by 2.9% q/q SAAR in Q4 and once again beat the consensus bias that was much lower until recently, and that China's economy was flat in Q4 as the first reaction to ending Covid Zero restrictions. This week we'll get estimates from the following regions:

- Eurozone (Tuesday):** The economy is forecast to have stalled out with most of consensus split between -0.1% and 0% q/q non-annualized growth. So far, Spain slightly beat expectations with growth of 0.2% q/q non-annualized. We'll see figures for Germany on Monday, and then France and Italy on the same day as the Eurozone add-up. Of greater importance than Q4 is the sense that downside risks to the Eurozone economy have diminished as the worst fears toward energy prices have not materialized and as financial conditions have eased.
- Canada (Tuesday):** Canada updates monthly GDP on a production basis for November and a preliminary estimate for December ahead of the quarterly Q4 GDP estimates on an expenditure basis at the end of February. I've estimated November GDP growth of 0.2% m/m for a slightly firmer reading than StatCan's 'flash' guidance that was provided back on December 23rd before a wave of data updates. The economy looks to have posted no growth in December on a highly tentative basis as hours worked edged up while other indicators pointed to mixed results. The overall fourth quarter is tracking growth of about 1.6% q/q SAAR (chart 10).
- Mexico (Tuesday):** Mild growth of 0.3% q/q SA is expected for Q4 GDP but local economists mostly range from growth of 0.2% toward ¾%.

HK GDP is expected to rebound (Wednesday) and Sweden's economy is forecast to register mild growth (Monday).

INFLATION—EUROZONE TO REBOUND

This will also be another big week for inflation watchers primarily via a focus upon US and Eurozone measures.

The US measures are not directly oriented toward providing inflation updates, but with the Fed focused upon potential cost-push labour market drivers of inflation they could be just as relevant. Tuesday's Q4 Employment Cost Index is expected to rattle a few cages again when it continues to rise at a rapid pace of over 1% q/q non-annualized for the strongest trend in years (chart 11). Another taste of the pressures will land on Thursday with Q4 labour productivity and Unit Labour Cost (productivity adjusted labour costs) figures. ULCs are expected to rise at a cooler pace as productivity improved not only in Q4 but also Q3 on the back of the improvement in GDP over those quarters compared to earlier in the year. This may be a fleeting improvement following a rapid acceleration.

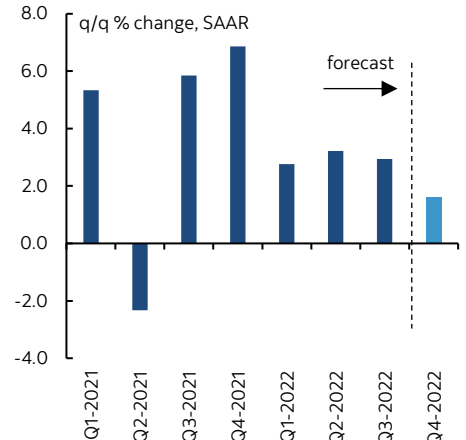
Eurozone inflation estimates arrive Wednesday following updated estimates from individual countries starting with Spain (Monday) then France, Italy and Germany on Tuesday. A 6% m/m rise in Euro Area gas prices in January over December is expected to drive a rebound in headline inflation after the 0.4% m/m drop in December (chart 12). Core inflation will matter more to the ECB.

A test of the impact of Peru's protests on inflation will arrive when Lima's CPI for January gets updated on Wednesday. The prior month's acceleration to 0.8% m/m is not expected to repeat but a still firm reading is anticipated.

Two Asian economies will refresh CPI estimates including South Korea (Wednesday) and Indonesia by the same day.

Chart 10

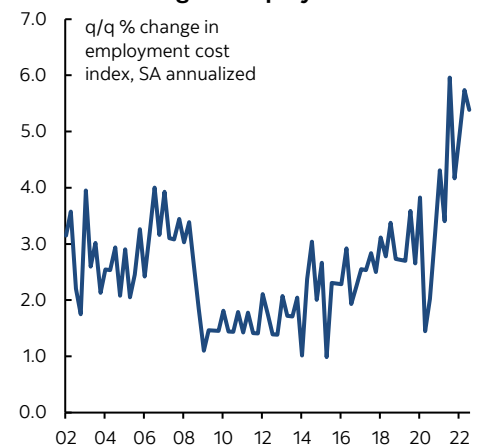
Canadian Economic Resilience



Sources: Scotiabank Economics, Statistics Canada.

Chart 11

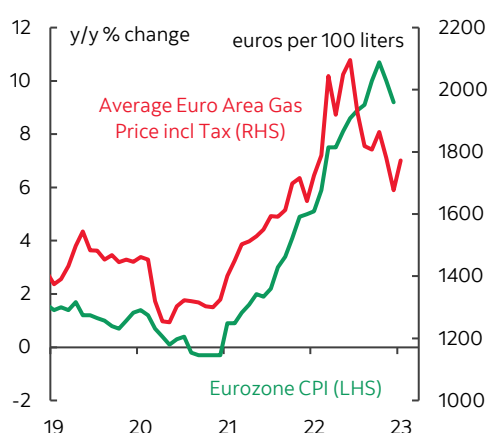
Accelerating US Employment Costs



Sources: Scotiabank Economics, Bloomberg.

Chart 12

Eurozone Gas Prices & Inflation



Sources: Scotiabank Economics, Eurostat, European Commission.

OTHER—TECH EARNINGS IN FOCUS

Another heavy week for US earnings reports will bring out over 100 S&P500 firms including multiple key names across sectors. A small sampling includes Apple, Amazon.com, Alphabet, Meta Platforms, Pfizer, McDonald’s, UPS, GM, Caterpillar, Ford, Starbucks and Merck. Earnings reports are generally outperforming analysts’ expectations.

The first signs of a rebound in China could begin to emerge in official data this week. The state’s purchasing managers indices for January (Monday night ET) are expected to rebound from December’s softness during the initial stages of abandoning highly restrictive Covid Zero policies. Private PMIs will be updated later in the week.

Nonfarm payrolls, earnings and the Fed will dominate the US calendar, but also watch several other indicators.

- **Auto sales (Wednesday):** Sales probably sharply rebounded toward 16 million in January at a seasonally adjusted and annualized rate, up from 13.3 million the month before. If industry guidance proves to be accurate, then this would be the highest volume of cars and trucks sold since May 2021. This could serve as a significant lift to overall consumer spending in January alongside a healthier recent batch of housing measures that have included rising mortgage purchase transactions, higher new and pending home sales and higher model home foot traffic. In other words, January’s activity might add some upside to what is baked into Q1 consumption growth based upon the Q4 tally and the lost momentum toward the end of the quarter (Chart 13).
- **Consumer Confidence (Tuesday):** Watch for an improvement here as employment markets have generally held together thus far and mortgage rates have declined, although gasoline prices have increased again in January.
- **ISM-gauges:** Could the manufacturing (Wednesday) and services (Friday) measures follow the improved pattern across US S&P PMIs plus multiple major economies like the Eurozone, Japan and Australia (but not the UK)?

The rest of the week’s global gauges will focus upon Q4 wage growth in New Zealand that will further inform the explosive trend for RBNZ watchers (chart 14). How European consumer spending fared to end the year will be informed by French consumer spending (Tuesday) and German retail sales sometime over the week. Likewise for Australia (Monday). Germany also releases December exports (Thursday). Japan will report a wave of releases across the jobless rate, retail sales, industrial output and housing starts at the start of the week so watch for potentially additional implication for the Bank of Japan.

Chart 13

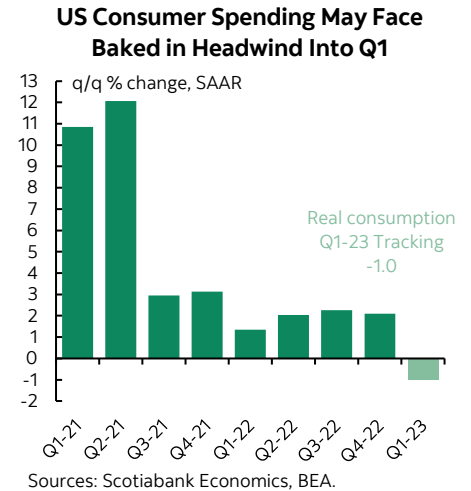
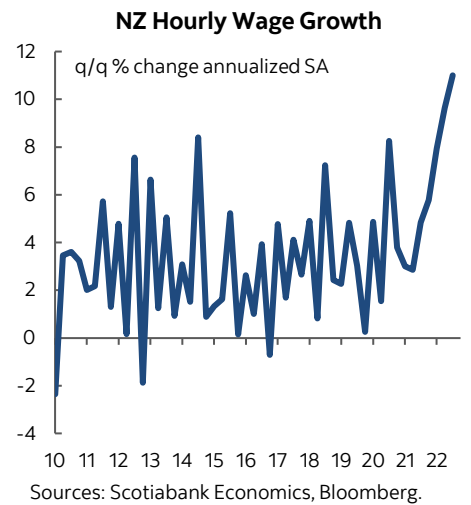


Chart 14



Key Indicators for the week of January 30 – February 3

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	01-30	10:30	Dallas Fed. Manufacturing Activity	Jan	--	-15.5	-18.8
MX	01-31	07:00	GDP (q/q)	4Q P	--	0.3	0.9
MX	01-31	07:00	GDP (y/y)	4Q P	--	3.4	4.3
CA	01-31	08:30	Real GDP (m/m)	Nov	0.2	0.1	0.1
US	01-31	08:30	Employment Cost Index (q/q)	4Q	1.2	1.1	1.2
US	01-31	09:00	S&P/Case-Shiller Home Price Index (m/m)	Nov	-0.6	-0.5	-0.5
US	01-31	09:00	S&P/Case-Shiller Home Price Index (y/y)	Nov	6.5	6.8	8.6
US	01-31	09:45	Chicago PMI	Jan	--	45.3	45.1
US	01-31	10:00	Consumer Confidence Index	Jan	110	109.0	108.3
US	02-01	07:00	MBA Mortgage Applications (w/w)	Jan 27	--	--	7.0
US	02-01	08:15	ADP Employment Report (000s m/m)	Jan	200	165.0	235.0
US	02-01	09:00	Total Vehicle Sales (mn a.r.)	Jan	16.0	14.4	13.3
US	02-01	10:00	Construction Spending (m/m)	Dec	-0.1	0.0	0.2
US	02-01	10:00	ISM Manufacturing Index	Jan	48.5	48.0	48.4
US	02-01	10:00	JOLTS Job Openings (000s)	Dec	10200	10325.0	10458.0
US	02-01	14:00	FOMC Interest Rate Meeting (%)	Feb 1	4.75	4.75	4.50
CA	02-02	08:30	Building Permits (m/m)	Dec	--	-2.3	14.1
US	02-02	08:30	Initial Jobless Claims (000s)	Jan 28	190	200.0	186.0
US	02-02	08:30	Continuing Claims (000s)	Jan 21	1690	1678.0	1675.0
US	02-02	08:30	Productivity (q/q a.r.)	4Q P	2.5	2.5	0.8
US	02-02	08:30	Unit Labor Costs (q/q a.r.)	4Q P	1.5	1.5	2.4
US	02-02	10:00	Factory Orders (m/m)	Dec	2.1	2.4	-1.8
US	02-03	08:30	Average Hourly Earnings (m/m)	Jan	0.3	0.3	0.3
US	02-03	08:30	Average Hourly Earnings (y/y)	Jan	4.3	4.3	4.6
US	02-03	08:30	Average Weekly Hours	Jan	--	34.3	34.3
US	02-03	08:30	Household Employment Report (000s m/m)	Jan	--	--	717.0
US	02-03	08:30	Nonfarm Employment Report (000s m/m)	Jan	200	190.0	223.0
US	02-03	08:30	Unemployment Rate (%)	Jan	3.5	3.6	3.5
US	02-03	10:00	ISM Non-Manufacturing Composite	Jan	51.0	50.5	49.2

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
UK	01-28	04:00	Nationwide House Prices (m/m)	Jan	-0.5	-0.1
GE	01-30	03:00	Retail Sales (m/m)	Dec	-0.5	1.7
SP	01-30	03:00	CPI (m/m)	Jan P	--	0.2
SP	01-30	03:00	CPI (y/y)	Jan P	5.0	5.7
SP	01-30	03:00	CPI - EU Harmonized (m/m)	Jan P	-1.9	0.0
SP	01-30	03:00	CPI - EU Harmonized (y/y)	Jan P	4.8	5.5
SP	01-30	03:00	Real Retail Sales (y/y)	Dec	--	-0.8
EC	01-30	05:00	Economic Confidence	Jan	97.0	94.0
EC	01-30	05:00	Industrial Confidence	Jan	-0.9	-1.9
FR	01-31	01:30	Consumer Spending (m/m)	Dec	0.1	0.5
FR	01-31	01:30	GDP (q/q)	4Q P	0.0	0.2
FR	01-31	02:45	CPI (m/m)	Jan P	0.5	-0.1
FR	01-31	02:45	CPI (y/y)	Jan P	6.1	5.9
FR	01-31	02:45	CPI - EU Harmonized (m/m)	Jan P	0.4	-0.1
FR	01-31	02:45	CPI - EU Harmonized (y/y)	Jan P	7.0	6.7
FR	01-31	02:45	Producer Prices (m/m)	Dec	--	1.2
GE	01-31	03:55	Unemployment (000s)	Jan	5.0	-13.0
GE	01-31	03:55	Unemployment Rate (%)	Jan	5.5	5.5
GE	01-31	04:00	Real GDP (q/q)	4Q P	0.0	0.4
SP	01-31	04:00	Current Account (€ bn)	Nov	--	2.7
PO	01-31	04:30	Real GDP (q/q)	4Q P	0.20	0.00
UK	01-31	04:30	Net Consumer Credit (£ bn)	Dec	1.2	1.5
EC	01-31	05:00	GDP (q/q)	4Q A	-0.1	0.3
IT	01-31	05:00	Real GDP (q/q)	4Q P	-0.2	0.5
GE	01-31	08:00	CPI (m/m)	Jan P	1.2	-0.8
GE	01-31	08:00	CPI (y/y)	Jan P	9.4	8.6
GE	01-31	08:00	CPI - EU Harmonized (m/m)	Jan P	1.4	-1.2
GE	01-31	08:00	CPI - EU Harmonized (y/y)	Jan P	10.2	9.6

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of January 30 – February 3

EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	Consensus	Latest
IT	02-01	03:00	Budget Balance (€ bn)	Jan	--	-3.2
IT	02-01	03:00	Budget Balance YTD (€ bn)	Jan	--	0.0
IT	02-01	03:45	Manufacturing PMI	Jan	49.5	48.5
EC	02-01	05:00	CPI (m/m)	Jan P	0.1	-0.4
EC	02-01	05:00	Euro zone CPI Estimate (y/y)	Jan	9.0	9.2
EC	02-01	05:00	Euro zone Core CPI Estimate (y/y)	Jan P	5.1	5.2
EC	02-01	05:00	Unemployment Rate (%)	Dec	6.5	6.5
IT	02-01	05:00	CPI (m/m)	Jan P	-0.3	0.3
IT	02-01	05:00	CPI (y/y)	Jan P	10.1	11.6
IT	02-01	05:00	CPI - EU Harmonized (m/m)	Jan P	-1.5	0.2
IT	02-01	05:00	CPI - EU Harmonized (y/y)	Jan P	10.7	12.3
FR	02-02	02:45	Central Government Balance (€ bn)	Dec	--	-159.3
UK	02-02	07:00	BoE Policy Announcement (%)	Feb 2	4.00	3.50
EC	02-02	08:15	ECB Main Refinancing Rate (%)	Feb 2	3.00	2.50
FR	02-03	02:45	Industrial Production (m/m)	Dec	0.2	2.0
FR	02-03	02:45	Industrial Production (y/y)	Dec	0.9	0.7
FR	02-03	02:45	Manufacturing Production (m/m)	Dec	0.2	2.4
IT	02-03	03:45	Services PMI	Jan	50.9	49.9
UK	02-03	04:30	Official Reserves Changes (US\$ bn)	Jan	--	1204.0
EC	02-03	05:00	PPI (m/m)	Dec	-0.5	-0.9

ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
PH	01-28	20:00	Bank Lending (y/y)	Dec	--	13.5
NZ	01-29	16:45	Trade Balance (NZD mn)	Dec	--	0.7
NZ	01-29	16:45	Exports (NZD bn)	Dec	--	5962.3
NZ	01-29	16:45	Imports (NZD bn)	Dec	--	8260.0
SK	01-30	18:00	Industrial Production (m/m)	Dec	-0.2	0.4
SK	01-30	18:00	Industrial Production (y/y)	Dec	-6.1	-3.7
SK	01-30	18:00	Cyclical Leading Index Change	Dec	--	-0.2
JN	01-30	18:30	Jobless Rate (%)	Dec	2.5	2.5
JN	01-30	18:50	Industrial Production (m/m)	Dec P	-1.2	0.2
JN	01-30	18:50	Large Retailers' Sales (y/y)	Dec	--	2.4
JN	01-30	18:50	Retail Trade (m/m)	Dec	0.8	-1.3
JN	01-30	18:50	Retail Trade (y/y)	Dec	3.1	2.5
JN	01-30	18:50	Industrial Production (y/y)	Dec P	-4.0	-0.9
AU	01-30	19:30	Retail Sales (m/m)	Dec	-0.2	1.4
AU	01-30	19:30	Private Sector Credit (m/m)	Dec	0.5	0.5
AU	01-30	19:30	Private Sector Credit (y/y)	Dec	--	8.9
CH	01-30	20:30	Industrial Profits YTD (y/y)	Dec	--	0.8
CH	01-30	20:30	Manufacturing PMI	Jan	50.1	47.0
CH	01-30	20:30	Non-manufacturing PMI	Jan	52.0	41.6
SI	01-30	21:30	Unemployment Rate (%)	Dec	--	2.0
JN	01-31	00:00	Consumer Confidence	Jan	30.4	30.3
JN	01-31	00:00	Housing Starts (y/y)	Dec	0.4	-1.4
TH	01-31	02:00	Current Account Balance (US\$ mn)	Dec	500.0	-445.0
TH	01-31	02:30	Exports (y/y)	Dec	--	-5.5
TH	01-31	02:30	Imports (y/y)	Dec	--	8.2
TH	01-31	02:30	Trade Balance (US\$ mn)	Dec	--	542.0
TA	01-31	03:00	Export Orders (y/y)	Dec	-25.6	-23.4
HK	01-31	03:30	Govt Monthly Budget Surp/Def (HKD bn)	Dec	--	5.4
IN	01-31	05:30	Fiscal Deficit (INR Crore)	Dec	--	220017.00
NZ	01-31	16:45	Unemployment Rate (%)	4Q	3.3	3.3
NZ	01-31	16:45	Employment Change (y/y)	4Q	1.5	1.2
SK	01-31	19:00	Exports (y/y)	Jan	-11.5	-9.6
SK	01-31	19:00	Imports (y/y)	Jan	-3.6	-2.5
SK	01-31	19:00	Trade Balance (US\$ mn)	Jan	-8713.0	-4692.0
CH	01-31	20:45	Caixin Flash China Manufacturing PMI	Jan	49.8	49.0
CH	01-31	20:45	Caixin Manufacturing PMI	Jan	49.8	49.0

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of January 30 – February 3

ASIA PACIFIC (continued from previous page)

Country	Date	Time	Indicator	Period	Consensus	Latest
TH	02-01	02:30	Business Sentiment Index	Jan	--	48.4
TA	02-01	03:00	Industrial Production (y/y)	Dec	-5.8	-4.9
HK	02-01	03:30	Real GDP (q/q)	4Q A	1.8	-2.6
HK	02-01	03:30	Real GDP (y/y)	4Q A	-2.8	-4.5
SK	02-01	18:00	CPI (m/m)	Jan	0.6	0.2
SK	02-01	18:00	CPI (y/y)	Jan	5.1	5.0
SK	02-01	18:00	Core CPI (y/y)	Jan	--	4.8
JN	02-01	18:50	Monetary Base (y/y)	Jan	--	-6.1
AU	02-01	19:30	Building Approvals (m/m)	Dec	1.0	4.7
HK	02-01	20:00	Annual GDP	2022	--	6.3
ID	02-01	21:00	CPI (y/y)	Jan	5.4	5.5
ID	02-01	21:00	CPI (m/m)	Jan	0.5	0.7
ID	02-01	21:00	Core CPI (y/y)	Jan	3.3	3.4
SI	02-02	08:00	Purchasing Managers Index	Jan	--	49.7
NZ	02-02	16:00	ANZ Consumer Confidence Index	Jan	--	73.8
HK	02-02	19:30	Purchasing Managers Index	Jan	--	49.6
CH	02-02	20:45	Caixin Services PMI	Jan	51.6	48.0
SI	02-03	00:00	Retail Sales (m/m)	Dec	--	0.7
SI	02-03	00:00	Retail Sales (y/y)	Dec	--	2.8
HK	02-03	03:30	Retail Sales - Value (y/y)	Dec	--	-4.2
HK	02-03	03:30	Retail Sales - Volume (y/y)	Dec	--	-5.3

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CL	01-30	07:00	Unemployment Rate (%)	Dec	7.9	7.9	7.9
CL	01-31	07:00	Industrial Production (y/y)	Dec	--	-7.3	-7.8
CL	01-31	07:00	Retail Sales (y/y)	Dec	-15.0	-14.0	-15.2
CO	01-31	10:00	Urban Unemployment Rate (%)	Dec	--	9.3	9.1
CL	02-01	06:30	Economic Activity Index SA (m/m)	Dec	--	--	-0.8
CL	02-01	06:30	Economic Activity Index NSA (y/y)	Dec	-2.7	-2.4	-2.5
BZ	02-01	08:00	PMI Manufacturing Index	Jan	--	--	44.2
PE	02-01	10:00	Consumer Price Index (m/m)	Jan	--	0.5	0.8
PE	02-01	10:00	Consumer Price Index (y/y)	Jan	--	9.1	8.5
BZ	02-01	13:00	Trade Balance (FOB) - Monthly (US\$ mn)	Jan	--	3400.0	4779.0
BZ	02-01	16:30	SELIC Target Rate (%)	Feb 1	13.75	13.75	13.75
BZ	02-03	07:00	Industrial Production SA (m/m)	Dec	--	0.2	-0.1
BZ	02-03	07:00	Industrial Production (y/y)	Dec	--	-0.6	0.9

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Global Auctions for the week of January 30 – February 3

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	02-02	12:00	Canada to Sell 10 Year Bonds

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
EC	01-30	05:30	EU to Sell Bonds
EC	01-30	05:30	EU to Sell Bonds
IT	01-31	05:00	Italy to Sell Bonds
GE	01-31	05:30	Germany to Sell Bonds
SW	02-01	05:00	Sweden to Sell Bonds
UK	02-01	05:00	U.K. to Sell Bonds
NO	02-01	05:00	Norway to Sell Bonds
SW	02-01	05:00	Sweden to Sell Bonds
GE	02-01	05:30	Germany to Sell Bonds
FR	02-02	04:50	France to Sell Bonds
IC	02-03	06:00	Iceland to Sell Bonds

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	01-29	20:30	Dalian to Sell Bonds
CH	01-29	21:30	Shandong to Sell Bonds
CH	01-29	22:30	Shandong to Sell Bonds
CH	01-29	23:30	Shandong to Sell Bonds
CH	01-30	00:30	Shandong to Sell Bonds
CH	01-30	01:00	Hainan to Sell Bonds
CH	01-30	01:30	Shandong to Sell Bonds
CH	01-30	03:00	Tianjin to Sell Bonds
CH	01-30	20:30	Anhui to Sell Bonds
CH	01-30	21:30	Beijing to Sell Bonds
CH	01-30	22:30	Chongqing to Sell Bonds
JN	01-30	22:35	Japan to Sell 2-Year Bonds
CH	01-31	01:00	Shaanxi to Sell Bonds
CH	01-31	02:00	Shanxi to Sell Bonds
CH	01-31	03:00	Hebei to Sell Bonds
CH	02-01	02:00	Hubei to Sell Bonds
JN	02-01	22:35	Japan to Sell 10-Year Bonds

LATIN AMERICA

No Scheduled Auctions.

Events for the week of January 30 – February 3

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	02-01	14:00	FOMC Rate Decision (Lower Bound)
US	02-01	14:00	FOMC Rate Decision (Upper Bound)
US	02-01	14:30	Fed Chair Holds Press Conference Following FOMC Meeting

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SZ	01-30	04:00	Domestic Sight Deposits CHF
SZ	01-30	04:00	Total Sight Deposits CHF
EC	01-30	08:15	ECB's Villeroy speaks in Paris
SZ	01-31	03:00	Swiss National Bank Releases 4Q 2022 Currency Allocation
SW	01-31	03:00	Sweden parliamentary hearing on financial stability
EC	01-31	04:00	Euro Area Bank Lending Survey
SZ	02-02	03:30	SNB's Maechler Speaks in Lausanne
UK	02-02	07:00	Bank of England Bank Rate
UK	02-02	07:30	BOE Governor Andrew Bailey press conference
EC	02-02	08:15	ECB Main Refinancing Rate
EC	02-02	08:15	ECB Marginal Lending Facility
EC	02-02	08:15	ECB Deposit Facility Rate
EC	02-02	08:45	ECB President Christine Lagarde Holds Press Conference
SZ	02-02	10:50	SNB's Dewet Moser speaks in Zurich
SZ	02-02	12:30	SNB President Thomas Jordan Speaks in Zurich
EC	02-02	13:30	ECB's Lagarde Speaks
EC	02-03	04:00	ECB Survey of Professional Forecasters
UK	02-03	07:15	BOE's Huw Pill speaks
IT	02-03	08:45	ECB's Visco speaks in Rome

ASIA PACIFIC

No Scheduled Events.

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CO	01-31	17:00	Colombia Monetary Policy Minutes
BZ	02-01	16:30	Selic Rate

Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	4.50	March 8, 2023	4.50	4.50
Federal Reserve – Federal Funds Target Rate	4.50	February 1, 2023	4.75	4.75
Banco de México – Overnight Rate	10.50	February 9, 2023	10.75	10.75

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	2.50	February 2, 2023	3.00	3.00
European Central Bank – Marginal Lending Facility Rate	2.75	February 2, 2023	3.25	3.25
European Central Bank – Deposit Facility Rate	2.00	February 2, 2023	2.50	2.50
Bank of England – Bank Rate	3.50	February 2, 2023	4.00	4.00
Swiss National Bank – Sight Deposit Rate	1.00	March 23, 2023	1.50	1.50
Central Bank of Russia – One-Week Auction Rate	7.50	February 10, 2023	7.50	7.50
Sweden Riksbank – Repo Rate	2.50	February 9, 2023	3.00	3.00
Norges Bank – Deposit Rate	2.75	March 23, 2023	2.75	2.75
Central Bank of Turkey – Benchmark Repo Rate	9.00	February 23, 2023	9.00	9.00

European Central Bank (ECB): The ECB is largely expected to hike all three policy rates by 50bps at their upcoming meeting. Gasoline prices in Europe are off the peak, but have recently started rising again, and depending on how they evolve, could see a slow down in the pace of rate hikes as early as March but more likely later. **Bank of England (BoE):** The BoE is expected to continue hiking Bank rate next week. Despite headline and core inflation above 10% and 6% year-on-year respectively, BoE Governor Andrew Bailey said that inflation is expected to fall quite rapidly starting in the late spring. He has noted that there is less disagreement between the BoE and market pricing for the terminal rate than previously.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	March 10, 2023	-0.10	-0.10
Reserve Bank of Australia – Cash Rate Target	3.10	February 6, 2023	3.25	3.25
Reserve Bank of New Zealand – Cash Rate	4.25	February 21, 2023	5.00	5.00
People's Bank of China – 1-Year Loan Prime Rate	3.65	February 19, 2023	3.65	3.65
Reserve Bank of India – Repo Rate	6.25	February 7, 2023	6.50	6.50
Bank of Korea – Base Rate	3.50	February 23, 2023	3.50	3.50
Bank of Thailand – Repo Rate	1.50	March 29, 2023	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	2.75	March 9, 2023	3.00	3.00
Bank Indonesia – 7-Day Reverse Repo Rate	5.75	February 16, 2023	5.75	5.75
Central Bank of Philippines – Overnight Borrowing Rate	5.50	February 16, 2023	5.75	5.75

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	13.75	February 1, 2023	13.75	13.75
Banco Central de Chile – Overnight Rate	11.25	April 4, 2023	--	11.25
Banco de la República de Colombia – Lending Rate	12.75	March 31, 2023	13.00	13.00
Banco Central de Reserva del Perú – Reference Rate	7.75	February 9, 2023	7.75	7.75

Banco Central do Brazil (BCB): We expect the BCB to hold the Selic rate at 13.75% in their upcoming meeting. Despite year-over-year inflation having come down below 6% from levels around 12% in mid-2022, the BCB is not expected to cut the policy rate while it assesses the impact on prices of the Lula administration's general stance on fiscal policy including social support programmes.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	7.25	March 30, 2023	7.50	7.50

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

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