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

- Nonfarm's global aftermath
- US CPI is the next focus for Fed watchers
- US bank earnings to inform sector risks
- FOMC minutes to debate tightening effects
- The BoC will probably lean against cut pricing
- Will the BoK follow through on its prior threat?
- Peru's central bank is expected to hold
- US retail sales probably softened
- PBoC constrained despite low Chinese inflation
- Australian jobs to offer post-mortem on RBA's pause

Easter Leftovers

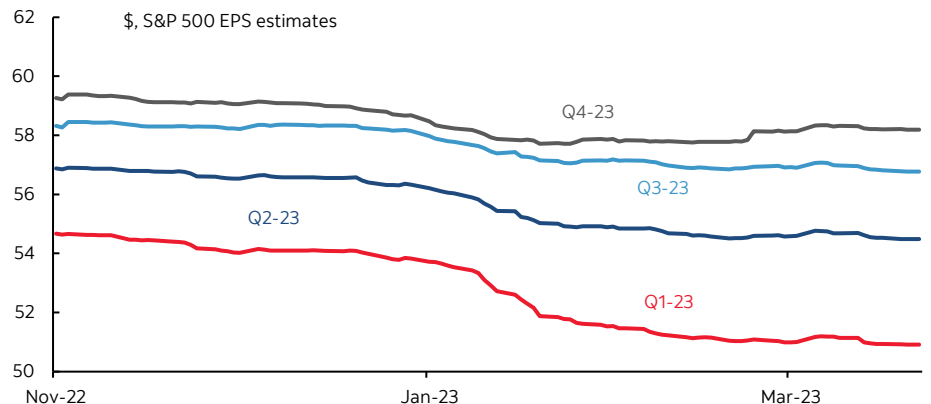
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Chart of the Week

Larger Cuts to EPS Estimates Ahead of the Earnings Season



Sources: Scotiabank Economics, Bloomberg.

Chart of the Week: Prepared by: Jaykumar Parmar, Economic Analyst.

Easter Leftovers

Global markets will start off the week dealing with the aftermath of nonfarm payrolls as many of them were shut when the figures landed on Good Friday. Attention will then quickly shift toward US CPI, FOMC minutes, US bank earnings, and some US macro reports that could materially inform next steps for the Federal Reserve. Fresh decisions from the Bank of Canada, Peru’s central bank and the Bank of Korea and other global macro reports from Chinese inflation to Australian jobs will also make for an active week across global calendars.

US INFLATION—BASE EFFECTS ARE INTENSIFYING

US CPI inflation will be updated for the month of March on Wednesday. I’ve estimated a headline rise of 0.2% m/m SA and for the year-over-year rate to decelerate toward 5.1%. Core CPI excluding food and energy is forecast to rise by 0.3% m/m SA with the year-over-year rate holding firm at 5.5%. Key will be these measures of price changes at the margin rather than being fooled by powerful changes in year-ago base effects.

These estimates are somewhat softer than the Cleveland Fed’s ‘nowcast’ estimate (chart 1). I’m also a bit below consensus for core CPI.

Price signals from the ISM surveys are reasonably correlated with CPI and when weighted to reflect the composition of the US economy point toward a significant deceleration in the year-over-year rate (chart 2). This approach does not work as well for month-over-month changes in CPI as this measure of inflation has much more noise than the weighted ISM prices gauge.

Base effects will be a powerful driver of the year-over-year deceleration in headline and core inflation. If nothing other than year-ago base effects changed then CPI would decelerate from 6% y/y in February toward 4.6% in March, while core would decelerate from 5.5% to 5.1%. March is normally a seasonal up-month for prices over February which offsets some of the base effect argument.

In terms of other drivers, one is that gas prices were seasonally weak in m/m SA terms. I figure they fell by around 4% and that at a 3.2% weight would knock about 0.1% off of CPI in m/m terms. Slight declines in new and used vehicle prices may have combined to drag up to another 0.1% m/m off of CPI. Food prices probably added slightly to inflationary pressures, owners equivalent rent likely remains a hot contributor at least until weaker market gauges flow through later this year, and core service price inflation is expected to remain firm which is where Chair Powell’s main concern lies.

US EARNINGS—BANKS KICK IT OFF

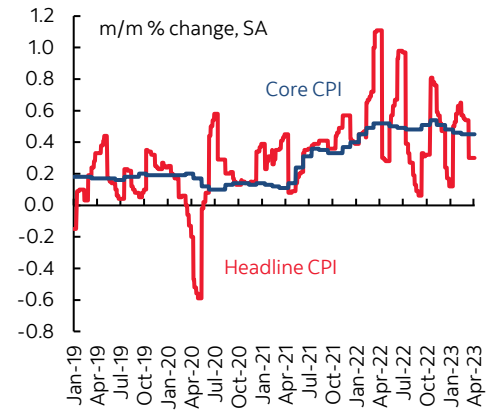
The 2023Q1 earnings season starts off slowly this week as eleven S&P500 firms release toward the end of the week. Financials will be the usual focus to start and, well, you know that they’ve been the focus of much of the brouhaha in markets of late.

Beleaguered First Republic Bank kicks it off on Thursday followed by JP Morgan, BlackRock, Citigroup and Wells Fargo the next day.

Expectations for this earnings season have markedly deteriorated as shown in the cover chart that shows how S&P500 EPS estimates have been lowered even back to the start of the quarter. Chart 3 shows that

Chart 1

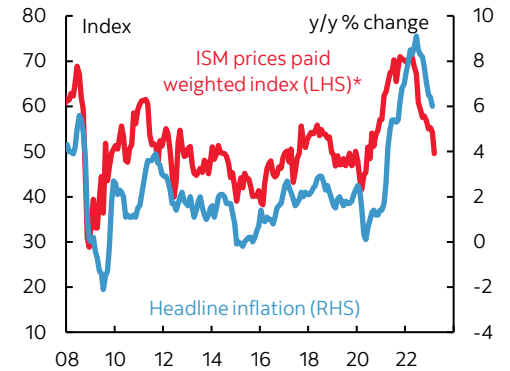
Cleveland Fed Nowcast



Sources: Scotiabank Economics, Cleveland Fed.

Chart 2

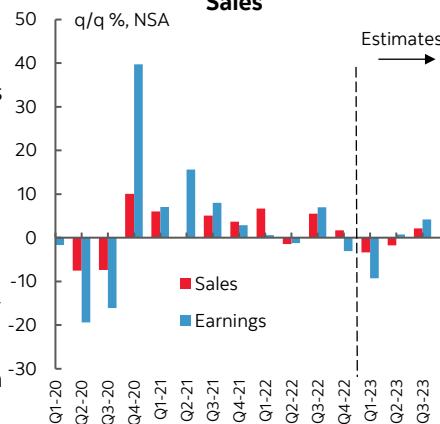
ISM Prices Paid vs Inflation



*Weighted at 75% of ISM-services prices paid index and 10% of ISM-mfg. prices paid index. Sources: Scotiabank Economics, BLS, ISM.

Chart 3

Earnings Season: S&P 500 Earnings vs Sales



Sources: Scotiabank Economics, Bloomberg.

Chart 4

US Earnings Usually Beat Expectations Since SOX



Sources: Scotiabank Economics, Bloomberg.

consensus expects earnings to drop by the most since the start of the pandemic. US equity analysts have had a strong tendency to underestimate earnings growth since SOX legislation was introduced and so the key will be whether or not they've turned too bearish (chart 4).

BANK OF CANADA—TOO SOON, FOLKS, TOO SOON

The Bank of Canada delivers a fresh assessment and policy guidance on Wednesday. The statement and Monetary Policy Report including updated forecasts land at 10amET. Governor Macklem and SDG Rogers will host a press conference at 11amET. Governor Macklem returns the next day at 9:30amET to participate in a 30 minute moderated Q&A session at the IMF's Spring Meetings in Washington ([here](#)). Governors also typically hold side sessions with members of the press that may spawn further accounts of his views.

Nobody expects a policy rate change at this meeting. Guidance will likely repeat reference to how Governing Council expects "to hold the policy interest rate at its current levels, conditional on economic developments evolving broadly in line with the MPR outlook" and that it "is prepared to increase the policy rate further if needed..." It is likely too soon for the BoC to reevaluate the lagging effects of rate increases to date this soon after adopting the conditional hold in January. It likely feels that it does not have enough information to merit a further hike at this point (more on this below). On the other hand, it probably doesn't want to feed market sentiment toward pricing rate cuts when they are already pricing a significant chance at one being delivered as soon as the July meeting. To soften its guidance now would drive a pile-on into the front-end and amplify easing bets in a 'gotcha' moment that would feel to me to be extraordinarily premature.

Furthermore, the BoC has already set the framework for next steps in its Quantitative Tightening plans as explained [here](#). I doubt that Deputy Governor Gravelle's speech set up this meeting for further QT guidance from the Governor. In the past when the BoC was preparing markets for adjusting balance sheet plans the seed was planted by Gravelle and Governor Macklem executed the plans later.

All that said, the BoC has some work to do with its forecasts. Not only is the job market still highly resilient (recap [here](#)), but so is the broader economy. The BoC had forecast Q1 GDP growth of about 0.5% q/q SAAR and it is probably tracking closer to the 3-4% range (recap [here](#)). Core inflation remains sticky at well above the 2% headline target (chart 5). The Governor is likely to emphasize how this indicates slow if any progress in terms of the broad drivers of inflation toward returning to the 2% inflation target and how easing too soon is a bigger risk than further tightening.

The press conference or other appearances this week could invite the Governor to dive further into the balance sheet plans. This is important since liquidity provided to the financial system and how low the BoC can take reserves held by the deposit-taking institutions at the BoC matters to the resilience of the system and to the credit cycle. In my opinion, the BoC may be challenged to get reserves as low as it indicates (chart 6). It is targeting a vastly leaner reserves framework than the Fed.

Regarding the case for a hike, it's not like there is no case for returning with another one or more at some point should data like we've been getting continue to arrive. It's just premature to do so at this juncture. The economy is outpacing their expectations with no clear progress toward disinflationary slack. The key 5-year GoC yield has dropped by 70bps since early March. If you want to send a clear signal to markets that you are not open to easing anytime soon then what better way than to neutralize some of the cut pricing upon rolling out a new macro forecast. Another expansionary Federal Budget has just been delivered by a government that is thoroughly addicted to spending by embracing NDP fiscal plans despite the fact voters only gave them 25 seats in the last election. Furthermore, oil prices have risen including about a 50% rise in Western Canada Select crude oil while immigration stimulus is arriving.

FOMC MINUTES HIGHLIGHT OTHER CENTRAL BANK DEVELOPMENTS

A pair of central bank decisions and Fed minutes probably offer relatively low risk.

Chart 5

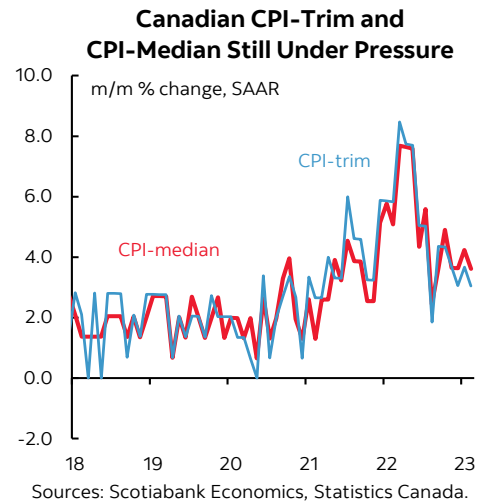
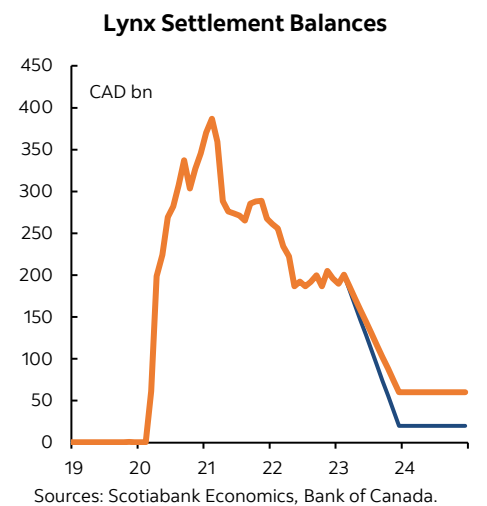


Chart 6



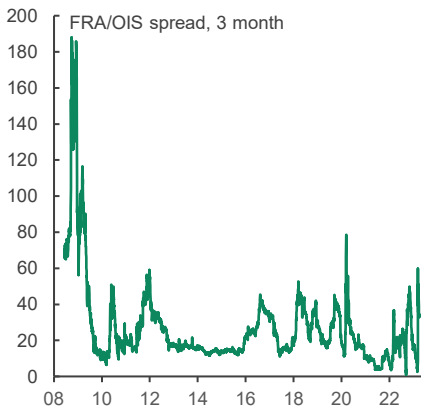
FOMC Minutes—Defining the Undefinable

Minutes to the March 21st – 22nd FOMC meeting arrive on Wednesday. Recall that they hiked by 25bps, left QT plans unchanged, and issued a dot plot that was little changed from the one in December (recap [here](#)). The turmoil that swept through US and European banks reversed prior momentum toward raising the terminal policy rate probably toward 5.5–5.75% and so instead the FOMC left its estimate unchanged to indicate just one more 25bps hike would be forthcoming after the one they just delivered.

Using the language that connotes the frequency of supporting voices around particular issues I would watch for discussion on the perceived rate equivalence to tightened financial conditions as judged back then. Chair Powell casually suggested that it could be equivalent to about a 25bps rate hike with the understandable caveat “though it’s not possible” to be precise. Fair enough. Powell candidly stated that “it’s possible that the effects of recent turmoil could turn out to be quite modest or drive material further tightening of financial conditions. We simply don’t know.” It’s unlikely that the minutes will provide a clearer answer, but developments since then have generally improved.

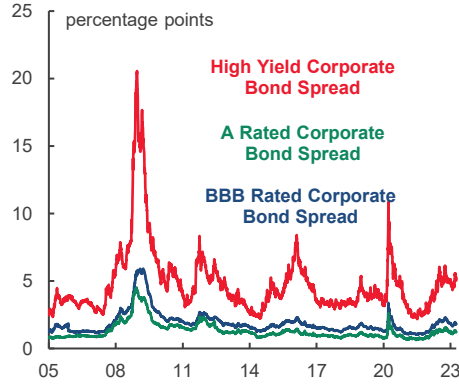
The minutes are likely to be treated as stale but could also convey opposition toward market pricing for rate cuts this soon. Measures of financial market stress have improved since the meeting as shown in charts 7–9.

Chart 7
Interbank Lending Risk Proxy



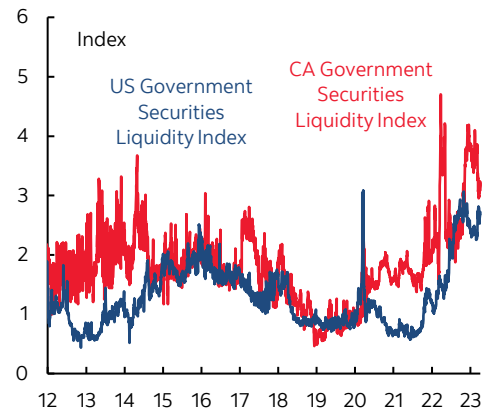
Sources: Scotiabank Economics, Bloomberg.

Chart 8
Spread between 10 Year US Corporate Bonds & US Treasury Bonds



Sources: Scotiabank Economics, Bloomberg.

Chart 9
US & CA Bond Market Liquidity



Sources: Scotiabank Economics, Bloomberg.

Bank of Korea—Teasing Markets

Will the Bank of Korea follow the RBNZ with a hawkish move on Tuesday? Probably not, but the risk of a hike cannot be fully ruled out. The prior meeting in February revealed a policy hold but a Board consensus to raise another 25bps in future. The OPEC+ impact on higher oil prices may add to inflationary concerns, yet the latest core inflation reading was in line with a typical month of March in m/m NSA terms.

Peru’s Central Bank—Holding Firm

Banco Central de Reserva del Peru delivers a fresh policy decision on Thursday. Peru’s central bank is expected to remain on hold again at a policy reference rate of 7.75%. It’s premature to court easing expectations especially after March CPI at 1.25% m/m NSA was one of the hottest months of March over the past couple of decades (chart 10).

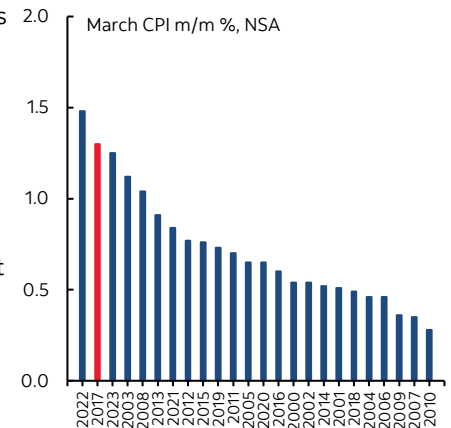
GLOBAL MACRO—A FEW KEY GEMS

Much of the week’s focus across global markets will be upon the aforementioned matters, but there are still several other forms of calendar-based risk to consider especially given the tendency of markets to overreact to every single data point.

US markets will primarily focus upon CPI, earnings and FOMC minutes in the aftermath of payrolls, but a few other macro gems lie ahead.

- retail sales during March (Friday): A modest decline is likely and based upon a small decline in seasonally adjusted gasoline prices and a slight slip in vehicle sales.

Chart 10
Peru’s Hot Inflation



Sources: Scotiabank Economics, Bloomberg.

- Producer prices (Thursday): Soft energy prices will probably keep a lid on the headline reading but a mild gain is expected for core prices.
- Initial jobless claims (Thursday): Revisions raised recent estimates of the number of people who have been filing for jobless benefits toward the 230–250k trend over recent weeks. That is still modest but nevertheless reaching toward the highest levels since early 2022.
- industrial production (Friday): Manufacturing output was probably weak in keeping with the contractionary signal from the production subindex to the ISM manufacturing report.
- UofM sentiment (Friday): Will this measure of consumer sentiment surprise higher like the Conference Board’s consumer confidence gauge did? One uncertainty is the different time periods covered by the two gauges. Another uncertainty is that UofM is more driven by cash flow and household finances whereas the Conference Board’s measure is more driven by job market conditions.

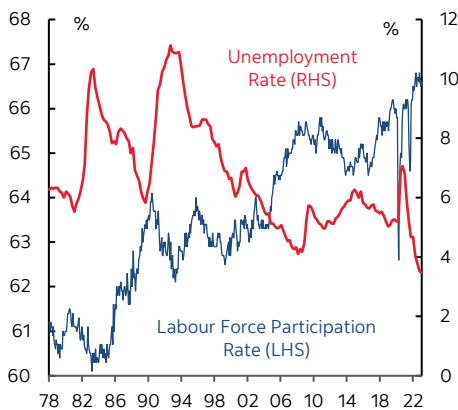
Canadian markets will mainly focus upon the Bank of Canada with only light data due out on Friday. Existing home sale sales increased in February and the figures for March will inform the durability of this gain as the more important Spring housing market lies ahead. Manufacturing sales for February probably declined in nominal terms based upon preliminary guidance from Statcan.

China updates CPI inflation and producer price inflation on Monday, trade figures a couple of days later, new home prices on Friday and perhaps aggregate financing figures either this coming week or the following week. CPI is expected to remain weak at around 1% and well below the PBoC’s 3% inflation target, but the central bank’s flexibility is constrained by the uncertainty around further moves by the Fed and the implications for the yuan and stability considerations. India also updates inflation on Wednesday with Taiwan due the day before.

Australia aims for another job gain this time for the month of March on Wednesday. Jobs fell in December and January but sharply rebounded in February while still portraying a tight labour market (charts 11–13). The figures arrive following the recent RBA decision to stay on hold while warning that further tightening may be required.

Chart 11

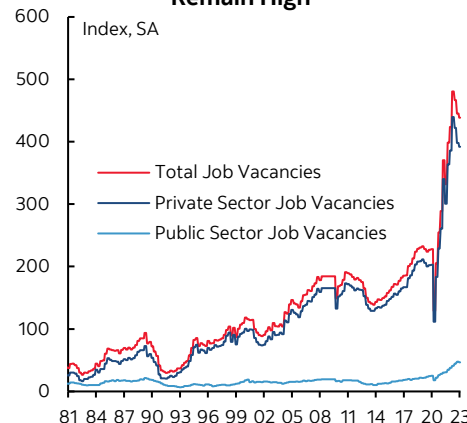
Australia's Tight Labour Market



Sources: Scotiabank Economics, Bloomberg.

Chart 12

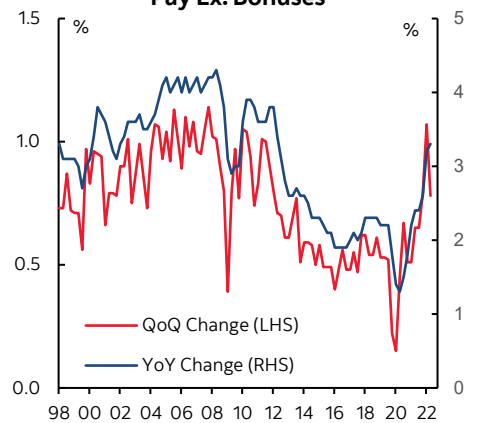
Australia's Job Vacancies Peaked But Remain High



Sources: Scotiabank Economics, Bloomberg.

Chart 13

Australia Wage Cost Hourly Rates of Pay Ex. Bonuses



Sources: Scotiabank Economics,

European markets will consider light developments focused upon lagging February data on GDP, industrial production, service sector activity and trade (Thursday), plus updated inflation readings from Norway (Tuesday) and Sweden (Friday).

LatAm markets face the release of fresh inflation readings in Brazil (Tuesday) and Argentina (Friday) but little else by way of calendar-based risk beyond monitoring Peru’s central bank.

Key Indicators for the week of April 10 – 14

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	04-10	10:00	Wholesale Inventories (m/m)	Feb F	--	0.2	0.2
MX	04-11	08:00	Industrial Production (m/m)	Feb	--	0.3	0.0
MX	04-11	08:00	Industrial Production (y/y)	Feb	--	3.1	2.8
US	04-12	07:00	MBA Mortgage Applications (w/w)	Apr 7	--	--	-4.1
US	04-12	08:30	CPI (m/m)	Mar	0.2	0.2	0.4
US	04-12	08:30	CPI (y/y)	Mar	5.1	5.2	6.0
US	04-12	08:30	CPI (index)	Mar	--	302.4	300.8
US	04-12	08:30	CPI ex. Food & Energy (m/m)	Mar	0.3	0.4	0.5
US	04-12	08:30	CPI ex. Food & Energy (y/y)	Mar	5.5	5.6	5.5
CA	04-12	10:00	BoC Interest Rate Announcement (%)	Apr 12	4.50	4.50	4.50
US	04-12	14:00	Treasury Budget (US\$ bn)	Mar	--	--	-262.4
US	04-13	08:30	Initial Jobless Claims (000s)	Apr 8	195	200.0	228.0
US	04-13	08:30	Continuing Claims (000s)	Apr 1	1695	1700.0	1823.0
US	04-13	08:30	PPI (m/m)	Mar	0.0	0.0	-0.1
US	04-13	08:30	PPI ex. Food & Energy (m/m)	Mar	0.2	0.3	0.0
CA	04-14	08:30	Manufacturing Shipments (m/m)	Feb	-2.8	-2.5	4.1
US	04-14	08:30	Export Prices (m/m)	Mar	--	-0.3	0.2
US	04-14	08:30	Import Prices (m/m)	Mar	--	-0.1	-0.1
US	04-14	08:30	Retail Sales (m/m)	Mar	-0.5	-0.5	-0.4
US	04-14	08:30	Retail Sales ex. Autos (m/m)	Mar	-0.4	-0.4	-0.1
CA	04-14	09:00	Existing Home Sales (m/m)	Mar	--	--	2.3
US	04-14	09:15	Capacity Utilization (%)	Mar	--	79.2	79.1
US	04-14	09:15	Industrial Production (m/m)	Mar	0.2	0.3	0.0
US	04-14	10:00	Business Inventories (m/m)	Feb	--	0.3	-0.1
US	04-14	10:00	U. of Michigan Consumer Sentiment	Apr P	60.0	62.3	62.0

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
EC	04-11	05:00	Retail Trade (m/m)	Feb	-0.8	0.3
GE	04-13	02:00	CPI (m/m)	Mar F	0.8	0.8
GE	04-13	02:00	CPI (y/y)	Mar F	7.4	7.4
GE	04-13	02:00	CPI - EU Harmonized (m/m)	Mar F	1.1	1.1
GE	04-13	02:00	CPI - EU Harmonized (y/y)	Mar F	7.8	7.8
UK	04-13	02:00	Index of Services (m/m)	Feb	0.1	0.5
UK	04-13	02:00	Industrial Production (m/m)	Feb	0.1	-0.3
UK	04-13	02:00	Manufacturing Production (m/m)	Feb	0.2	-0.4
UK	04-13	02:00	Visible Trade Balance (£ mn)	Feb	-17000.0	-17855.0
GE	04-13	03:00	Current Account (€ bn)	Feb	--	16.2
IT	04-13	04:00	Industrial Production (m/m)	Feb	0.4	-0.7
EC	04-13	05:00	Industrial Production (m/m)	Feb	0.9	0.7
EC	04-13	05:00	Industrial Production (y/y)	Feb	1.2	0.9
FR	04-14	02:45	CPI (m/m)	Mar F	--	0.8
FR	04-14	02:45	CPI (y/y)	Mar F	5.6	5.6
FR	04-14	02:45	CPI - EU Harmonized (m/m)	Mar F	0.9	0.9
FR	04-14	02:45	CPI - EU Harmonized (y/y)	Mar F	6.6	6.6
SP	04-14	03:00	CPI (m/m)	Mar F	--	0.4
SP	04-14	03:00	CPI (y/y)	Mar F	3.3	3.3
SP	04-14	03:00	CPI - EU Harmonized (m/m)	Mar F	--	1.1
SP	04-14	03:00	CPI - EU Harmonized (y/y)	Mar F	3.1	0.0

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of April 10 – 14

ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
CH	04-08	21:00	New Yuan Loans (bn)	Mar	3300.0	1812.1
JN	04-09	19:50	Current Account (¥ bn)	Feb	2514.6	-1976.6
JN	04-09	19:50	Trade Balance - BOP Basis (¥ bn)	Feb	-575.5	-3181.8
SI	04-09	21:00	Real GDP (y/y)	1Q A	0.7	2.1
SI	04-09	21:00	GDP (q/q)	1Q A	0.7	2.1
JN	04-10	01:00	Consumer Confidence	Mar	31.5	31.1
SK	04-10	20:00	BoK Base Rate (%)	Apr 11	3.50	3.50
PH	04-10	21:00	Exports (y/y)	Feb	-11.3	-13.5
PH	04-10	21:00	Imports (y/y)	Feb	3.8	3.9
PH	04-10	21:00	Trade Balance (US\$ mn)	Feb	-5040.0	-5739.0
PH	04-10	21:00	Unemployment Rate (%)	Feb	--	4.8
CH	04-10	21:30	CPI (y/y)	Mar	1.0	1.0
CH	04-10	21:30	PPI (y/y)	Mar	-2.5	-1.4
ID	04-10	22:00	Consumer Confidence Index	Mar	--	122.4
MA	04-11	00:00	Industrial Production (y/y)	Mar P	3.1	1.8
JN	04-11	02:00	Machine Tool Orders (y/y)	Mar P	--	-10.7
AU	04-11	02:30	Foreign Reserves (AUD bn)	Mar	--	85.0
TA	04-11	04:00	CPI (y/y)	Mar	2.2	2.4
TA	04-11	04:00	Exports (y/y)	Mar	-15.0	-17.1
TA	04-11	04:00	Imports (y/y)	Mar	-12.1	-9.4
TA	04-11	04:00	Trade Balance (US\$ bn)	Mar	3.5	2.4
SK	04-11	19:00	Unemployment Rate (%)	Mar	--	2.6
JN	04-11	19:50	Bank Lending (y/y)	Mar	--	3.3
JN	04-11	19:50	Machine Orders (m/m)	Feb	-6.3	9.5
IN	04-12	08:00	CPI (y/y)	Mar	5.80	6.44
IN	04-12	08:00	Industrial Production (y/y)	Feb	5.20	5.20
JN	04-12	19:50	Japan Money Stock M2 (y/y)	Mar	--	2.6
JN	04-12	19:50	Japan Money Stock M3 (y/y)	Mar	--	2.2
CH	04-12	21:00	Exports (y/y)	Mar	-7.4	-1.3
CH	04-12	21:00	Imports (y/y)	Mar	-7.0	4.2
CH	04-12	21:00	Trade Balance (USD bn)	Mar	41.0	16.8
AU	04-12	21:30	Employment (000s)	Mar	20.0	64.6
AU	04-12	21:30	Unemployment Rate (%)	Mar	3.6	3.5
NZ	04-13	18:30	Business NZ PMI	Mar	--	52.0
JN	04-13	20:00	Nationwide Department Store Sales (y/y)	Mar	--	20.4
PH	04-13	21:00	Overseas Remittances (y/y)	Feb	--	3.5
IN	04-14	07:30	Exports (y/y)	Mar	--	-8.8
IN	04-14	07:30	Imports (y/y)	Mar	--	-8.2

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	04-11	08:00	IBGE Inflation IPCA (m/m)	Mar	--	0.8	0.8
BZ	04-11	08:00	IBGE Inflation IPCA (y/y)	Mar	--	4.7	5.6
BZ	04-12	08:00	Retail Sales (m/m)	Jan	--	3.0	-2.6
BZ	04-12	08:00	Retail Sales (y/y)	Jan	--	1.5	0.4
PE	04-13	18:00	Reference Rate (%)	Apr 13	7.75	7.75	7.75
CO	04-14	11:00	Retail Sales (y/y)	Feb	--	0.9	1.2

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Global Auctions for the week of April 10 – 14

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04-10	16:15	Fed's Williams Takes Part in a Moderated Discussion
US	04-11	13:30	Chicago Fed's Goolsbee Speaks at Economic Club of Chicago
US	04-11	19:30	Fed's Kashkari Speaks in Town-Hall Event
US	04-12	09:00	Fed's Barkin Speaks at Conference on the Rural Economy
CA	04-12	10:00	Bank of Canada Rate Decision
US	04-12	14:00	FOMC Meeting Minutes
MX	04-13	11:00	Central Bank Monetary Policy Minutes

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
IT	04-07	09:00	Bank of Italy To Release the Quarterly Economic Bulletin
EC	04-10	10:00	ECB's De Cos Speaks
SZ	04-11	04:00	Domestic Sight Deposits CHF
SZ	04-11	04:00	Total Sight Deposits CHF
UK	04-12	09:00	BOE Governor Andrew Bailey speaks in Washington
EC	04-12	14:15	ECB's Villeroy Speaks in Washington
UK	04-13	09:00	BOE's Huw Pill speaks
UK	04-14	12:00	BOE's Tenreyro speaks in Washington
EC	04-14	14:15	ECB's Nagel Speaks in Washington

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
KZ	04-07	02:00	Key Rate
SK	04-10	00:00	BoK 7-Day Repo Rate
AU	04-12	00:45	RBA's Bullock-Panel

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
MX	04-13	11:00	Central Bank Monetary Policy Minutes
PE	04-13	18:00	Reference Rate

Events for the week of April 10 – 14

NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	04-12	13:00	U.S. To Sell 10-Year Notes Reopening
CA	04-13	12:00	Canada to Sell 2 Year Bonds
US	04-13	13:00	U.S. To Sell 30-Year Bond Reopening

EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
GE	04-11	05:30	Germany to Sell Bonds
SW	04-12	05:00	Sweden to Sell Bonds
SZ	04-12	05:00	Switzerland to Sell Bonds
GE	04-12	05:30	Germany to Sell Bonds
SP	04-13	04:30	Spain to Sell Bonds
IT	04-13	05:00	Italy to Sell Bonds
UK	04-13	05:00	U.K. to Sell 3.25% 2033 Bonds
IC	04-14	07:00	Iceland to Sell Bonds

ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CH	04-07	02:00	Hebei to Sell Bonds
JN	04-10	23:35	Japan to Sell 5-Year Bonds
CH	04-13	22:35	China Plans to Sell Bond

LATIN AMERICA

No Scheduled Auctions

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	4.50	April 12, 2023	4.50	4.50
Federal Reserve – Federal Funds Target Rate	5.00	May 3, 2023	5.25	5.25
Banco de México – Overnight Rate	11.25	May 18, 2023	11.50	11.25

Bank of Canada (BoC): No policy rate change is expected on Wednesday when the BoC unveils a statement and MPR with full forecast updates followed by Governor Macklem's press conference. The conditional hold is likely to remain intact.

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	3.50	May 4, 2023	3.75	3.75
European Central Bank – Marginal Lending Facility Rate	3.75	May 4, 2023	4.00	4.00
European Central Bank – Deposit Facility Rate	3.00	May 4, 2023	3.25	3.25
Bank of England – Bank Rate	4.25	May 11, 2023	4.25	4.25
Swiss National Bank – Sight Deposit Rate	1.50	June 22, 2023	1.50	1.50
Central Bank of Russia – One-Week Auction Rate	7.50	April 28, 2023	7.50	7.50
Sweden Riksbank – Repo Rate	3.00	April 26, 2023	3.50	3.50
Norges Bank – Deposit Rate	3.00	May 4, 2023	3.00	3.00
Central Bank of Turkey – Benchmark Repo Rate	8.50	April 27, 2023	8.50	8.50

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 28, 2023	-0.10	-0.10
Reserve Bank of Australia – Cash Rate Target	3.60	May 2, 2023	3.60	3.60
Reserve Bank of New Zealand – Cash Rate	5.25	May 23, 2023	5.50	5.50
People's Bank of China – 1-Year Loan Prime Rate	3.65	April 19, 2023	3.65	3.65
Reserve Bank of India – Repo Rate	6.50	June 8, 2023	6.50	6.75
Bank of Korea – Base Rate	3.50	April 13, 2023	3.50	3.50
Bank of Thailand – Repo Rate	1.75	May 31, 2023	1.75	1.75
Bank Negara Malaysia – Overnight Policy Rate	2.75	May 3, 2023	2.75	3.00
Bank Indonesia – 7-Day Reverse Repo Rate	5.75	April 19, 2023	5.75	5.75
Central Bank of Philippines – Overnight Borrowing Rate	6.25	May 18, 2023	6.25	6.25

Bank of Korea: Will the BoK follow the RBNZ with a hawkish move this week? Probably not, but the risk of a hike cannot be fully ruled out. The prior meeting in February revealed a policy hold but a Board consensus to raise another 25bps in future. The OPEC+ impact on higher oil prices may add to inflationary concerns, yet the latest core inflation reading was in line with a typical month of March in m/m NSA terms.

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	13.75	May 3, 2023	13.75	13.25
Banco Central de Chile – Overnight Rate	11.25	May 12, 2023	11.25	11.25
Banco de la República de Colombia – Lending Rate	13.00	April 28, 2023	13.25	13.25
Banco Central de Reserva del Perú – Reference Rate	7.75	April 13, 2023	7.75	7.75

Banco Central de Reserva del Perú: Peru's central bank is expected to remain on hold again at a policy reference rate of 7.75% on Thursday. It's premature to court easing expectations especially after March CPI at 1.25% m/m NSA was one of the hottest months of March over the past couple of decades.

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	7.75	May 25, 2023	7.75	7.75

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

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