Scotiabank

GLOBAL ECONOMICS

THE GLOBAL WEEK AHEAD

August 23, 2024

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With thanks for research support from: Jaykumar Parmar.

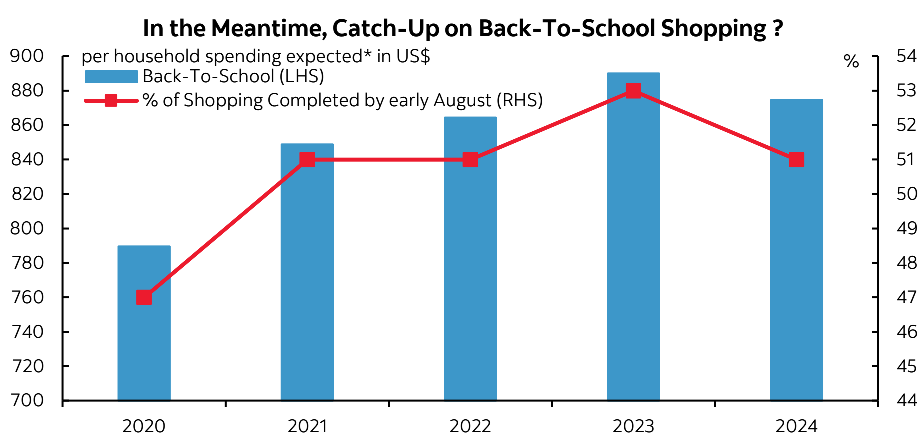
Next Week's Risk Dashboard

- **This really is going to feel like late August**
- **Jackson Hole aftermath**
- **A Welcome turning point for the Fed**
- **Starting big could backfire on the Fed**
- **Is Powell overreacting to distorted data?**
- **Canada's economy may have exited Q2 softly, entered Q3 strongly**
- **Canadian consumers remain alive and kicking**
- **Canadian banks report Q3 earnings…**
- **…as mortgage quality remains strong**
- **US core PCE one of two pre-September FOMC inflation readings**
- **Will Eurozone core CPI continue to be warmer than seasonally normal?**
- **Tokyo core CPI could inform risks to the carry trade**

New Beginnings, Fresh Uncertainties

FORECASTS & DATA

Chart of the Week



*For United States only. Sources: Scotiabank Economics, NRF.

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

New Beginnings, Fresh Uncertainties

This is really going to feel like late August folks. The global line-up of calendar-based market developments will be rather light. There may be some spillover effects from the rest of the Jackson Hole symposium. Otherwise, a modest amount of data risk and Canadian bank earnings will segue into September when market developments often heat up, central bankers return from holidays and schools swing back into action. The ongoing saga around Canada's rail strike will also spill over into the start of the week after the government ordered binding arbitration that the union rejected while threatening a court challenge. But key may be ongoing market effects from Jackson Hole.

JACKSON HOLE AFTERMATH—NO FURTHER AHEAD

Asian markets will start the week catching up to developments at the Fed's Jackson Hole symposium. There may be further spillover of incremental developments at JH over the weekend into the Monday open across western markets except the UK that will be shut on Monday and last to get the memo on Tuesday. For instance, while Governor Macklem at the Bank of Canada is not scheduled to speak, he is in attendance and may speak with the financial press from the sidelines. So could others.

A Welcome Turning Point

A welcome turn in the cycle toward less restrictive monetary policy is upon us in keeping with what was forecast. The key question, however, is how rapidly the FOMC desires taking down the policy rate. On that, I don't think we're any further ahead in our understanding of the Fed's coming moves than we were before Chair Powell's speech (**here**).

A cut in September was already in the bag before he spoke, given the minutes to the July 30th–31st FOMC meeting, other Fed-speak, data and market developments. It was widely expected that Powell would speak about having greater confidence that inflation is sustainably on track toward the 2% target, economic rebalancing, and a need to start easing. His remark that "The upside risks to inflation have diminished. And the downside risks to employment have increased" reflected this rebalancing and the speech put more emphasis on jobs.

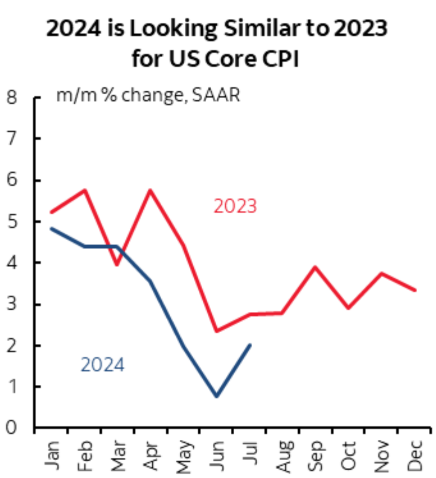
On how big and how often the cuts may be, Powell only said that "the timing and pace of rate cuts will depend on incoming data" which is different from saying "timing pace and magnitude" or something similar that more directly speaks to size. To me, pace speaks more to frequency, or how often to cut.

Given information we have to date, I think the September dot plot is likely to go from June's median call for one cut this year with a substantial number in the two-cut cumulative 50bps camp, to probably -75. I just don't see them swinging from -25 to -100 or more over the three remaining meetings this year as the median projection. Data has gone the way of our expected September cut since the June dot plot, but it hasn't evolved significantly enough to merit rapid policy normalization in my opinion.

Is Powell Overreacting to Data?

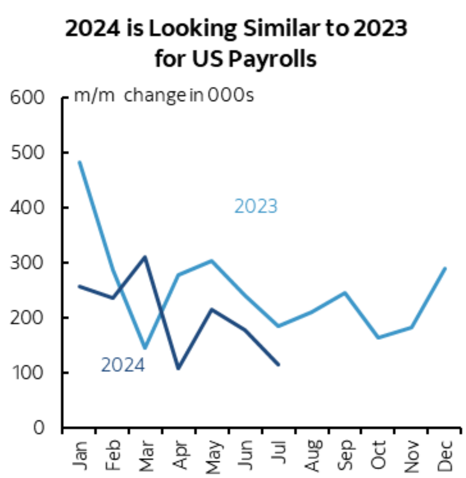
In fact, Chair Powell may be overreacting to this progress in terms of both parts of the dual mandate. The last time he spoke at the July presser, he basically said he's looking at 12-month full-year data because of challenges with seasonal adjustments applied to inflation

Chart 1



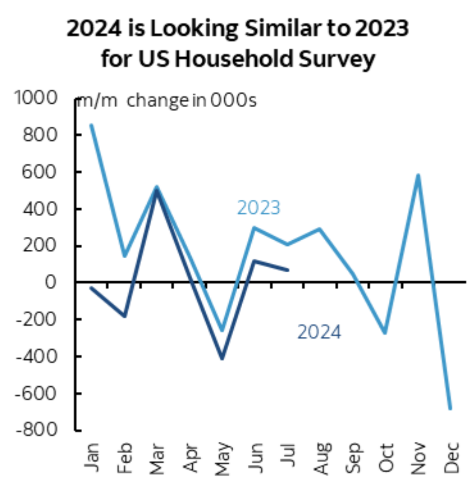
Sources: Scotiabank Economics, BLS.

Chart 2



Sources: Scotiabank Economics, BLS.

Chart 3



Sources: Scotiabank Economics, BLS.

figures. Those seasonal adjustment challenges could overstate core inflation at the beginning of the year and understate it mid-year which has been the pattern last year and this year (chart 1). The pandemic era may have messed up seasonal adjustments and provided a distorted picture at various points throughout the year. That would merit focusing upon much more evidence and not overreacting to just the past three months of soft 0.1–0.2% m/m SA core CPI and the past two months of soft 0.1–0.2% core PCE inflation readings. Imagine cutting aggressively and then watching core inflation boomerang into the new year! The Fed's already severely dented credibility would suffer yet another blow.

It would also merit not overreacting to questionable interpretations of job market readings. The same point on seasonality applies to nonfarm payrolls and the household survey's measure of job growth that last year and this year tended to soften into the summer months (charts 2, 3). For one, I still think July's payrolls were distorted by seasonal adjustment issues (**here**). For another, the downward revisions to nonfarm payrolls in the annual benchmarking could have gone too far if the source that drives the benchmarking itself was distorted as argued **here**. It's widely understood that the QCEW measures used to annually revise nonfarm payrolls do not include migrant workers who have been the ones responsible for about a 3½ million survey in US population in each of the past two years, whereas nonfarm payrolls do count this surge. So why revise payrolls lower to match a faulty benchmark? Maybe both July and downward revisions up to this past March both prompted excessive concern at the Fed.

Perils to Up-Sizing Cuts

In fact, there are other perils to going at a 50 clip that go beyond the seasonality point above. Deliver it once, and markets will move onto pricing another, either trapping the Fed or setting up markets for disappointment later. It would be pretty odd for the Fed to cut 50 in September and to try to head off this market tendency by saying it was a one-and-done move; if so, why'd you do it in the first place?

Similarly, to publish a dot plot showing 100bps or more in cuts through year-end if they included a 50bps cut could well be met by markets having their gotcha moment and saying that if the Fed is doing this and we know the dot plot performs poorly, then let's price even more. To overshoot has very much been the market tendency for some time now especially at the start of the year.

Furthermore, cutting at an accelerated clip of 50 (or more) per meeting could backfire in a signalling sense by conveying to financial markets that the Fed is much more worried and feels compelled to rapidly get to neutral or lower.

Random Bets to be Informed by Developments

And so pricing and/or forecasting a -50bps move along the way into year-end at this point is a random bet in my opinion. If nonfarm payrolls crater on September 6th, ok. If market dysfunction arises in September, ok, in fact maybe more then -50bps in that scenario.

And yet I know enough about forecasting nonfarm payrolls and how markets behave as the end of summer transitions to Fall to be very careful toward randomly betting that one or more 50 moves lie in the cards.

We get another core PCE report on Friday and then one more CPI report before the September decision to add to the data risk.

Risking Another Episode of Faulty Forward Guidance

Moving rapidly would also be a further example of how disastrous forward guidance can be. Everything central bankers have said along the way has been about how the eventual moves down would be asymmetrical to the moves up, meaning not the same frantic size and pace.

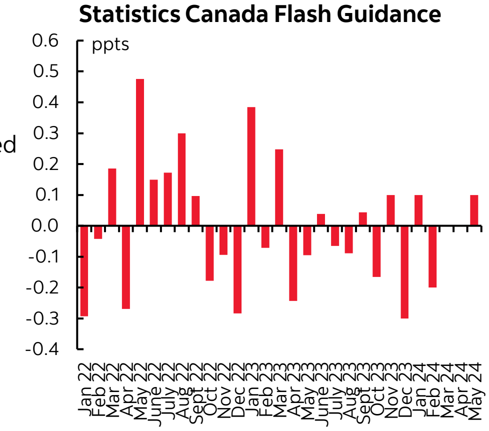
Chair Powell messed up in a big way by ignoring all of the signs and beginning to tighten policy from ultraloose monetary and fiscal policy conditions too late. If Powell turns too dovish too quickly, then his swan song into the likely end of his period in office by May 2026 could be viewed rather unfavourably by history.

CANADA'S ECONOMY—STILL RESILIENT?

Three sets of Canadian GDP figures and associated details arrive on Friday. Monthly GDP for June and the overall tally for Q2 will combine with the first estimate of monthly GDP for July to give us a stronger sense of momentum in the Canadian economy.

Chart 4

Spread Between Actual Real GDP and Statistics Canada Flash Guidance



Sources: Scotiabank Economics, Statistics Canada.

June GDP—Downside Risk to Early Estimate

Statcan had guided on July 31st that GDP probably grew by about 0.1% m/m SA in June. It said that "Increases in construction, real estate and rental and leasing and finance and insurance were partially offset by decreases in manufacturing and wholesale trade."

There may be downside risk to this initial estimate. I've conservatively gone with no growth (0% m/m) and there may be further downside risk. Statcan's flash reading is produced using a highly incomplete set of readings and can be subject to significant revisions as shown in chart 4.

I run a simple OLS regression against known activity readings that is spitting out a contraction of -0.2% m/m SA. If anything, it has tended to be too positive since the beginning of last year. One key caution is that hours worked fell by -0.4% m/m SA and that became known after Statcan published its GDP flash. This matters because GDP is an identity defined as hours worked in aggregate times labour productivity, so a dip in hours worked is a downside risk to tracking GDP growth unless there was—ahem—a sudden pick-up in Canadian labour productivity that is not at all clear in other activity readings.

July GDP—A Potential Rebound

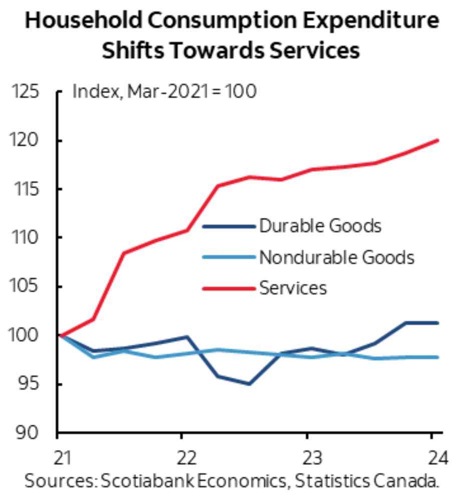
GDP growth may have picked up again in July though. Hours worked jumped higher by 1% m/m SA. Housing starts surged by 16% m/m SA. Statcan tentatively guided that nominal retail sales were up 0.6% m/m SA in July and, based on CPI for that month, it's likely that some of this was a volume gain. Nominal manufacturing shipments were also guided to have jumped higher by 1.1% m/m SA in July. I wouldn't be surprised to see a substantial gain of a few tenths in GDP during the month. A weak end to Q2 and a strong start to Q3 could wire in a good running head start for Q3 GDP.

Q2 GDP—Mild Growth

The quarterly GDP figures are based on a different set of expenditure-based accounts versus the monthly production/income-side GDP accounts. The quarterly readings can be more affected by inventory swings that add to uncertainty given incomplete information. Growth tracking around 1¾% q/q SAAR seems likely after 2½% growth in Q1. Recall that the BoC's July MPR expected growth of 1½% in Q2 and then a powerful acceleration to 2.8% in Q3. We'll have to see the figures for Q2 in order to reassess risks to their forecast tracking.

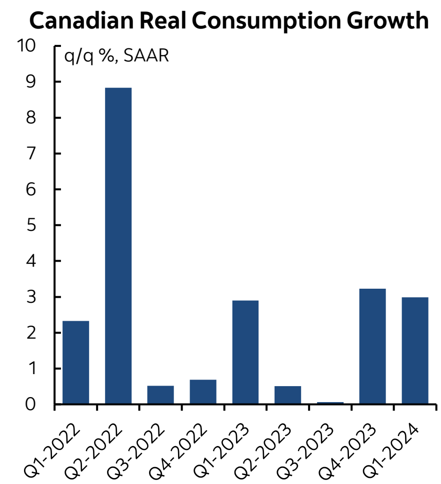
One key is the health of the Canadian consumer. Inflation-adjusted consumer spending grew by 3%+ q/q SAAR in each of Q4 and Q1 this year despite all of the gloomy coverage from others. Retail sales volumes just came in stronger than expected in June (+0.1% m/m SA) with preliminary guidance pointing toward an acceleration in July as nominal sales were reported to be up 0.6% m/m SA which implies a moderate gain in volumes. In Canada, retail sales only capture spending on goods and exclude all services spending.

Chart 5



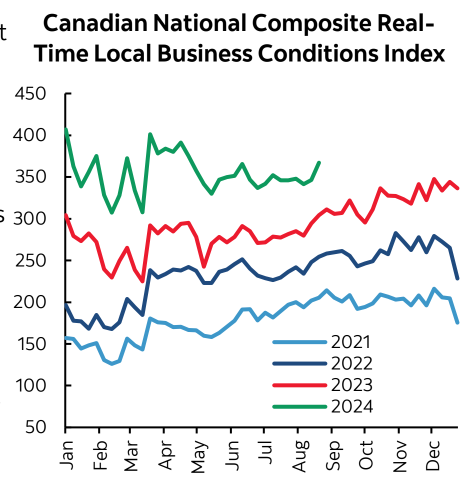
Sources: Scotiabank Economics, Statistics Canada.

Chart 6



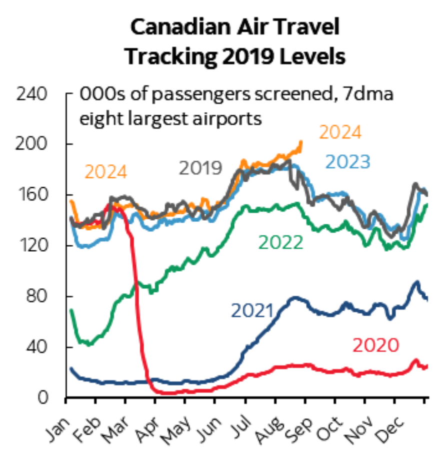
Sources: Scotiabank Economics, Statistics Canada.

Chart 7



Sources: Scotiabank Economics, Statistics Canada.

Chart 8



Sources: Scotiabank Economics, CATSA.

Services spending has been the strong point for a while now as a driver of consumer spending (charts 5, 6) with the Q2 GDP figures set to further inform momentum. Alt-data like the Real-Time Local Business Conditions Index that is partly driven by mobility readings (chart 7) and air travel (chart 8) are looking strong.

CANADIAN BANK EARNINGS

Canada's quarterly bank earnings season swings into high gear this week. TD already released but its issues don't make it representative of the pack.

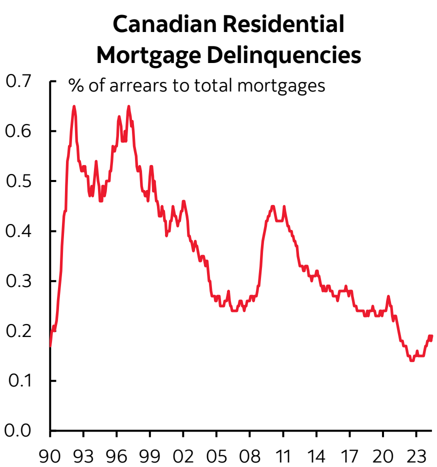
My employer (BNS) and BMO kick it off on Tuesday followed by National Bank and RBC on Wednesday and then CIBC on Thursday followed by Laurentian Bank and Canadian Western Bank on Friday.

Meny Grauman is our financials analyst who will be covering the season. Permissioned clients can check out his preview at our research portal **here** titled "As Macro Fears Fade, the Performance Gap is Widening."

Expect an ongoing focus upon mortgage resets and credit quality as one macro development associated with the season. Mortgage credit quality remains very strong in Canada. The 90+ day arrears ratio has only less than one-fifth of one percentage point (0.19%) of all outstanding mortgages behind in their payments. That remains toward record lows across several cycles (chart 9). Banks have increased their provisions for mortgage loan losses, but from nothing when rates were dirt cheap toward historic average rates that remain very low as a share of outstanding mortgages (chart 10).

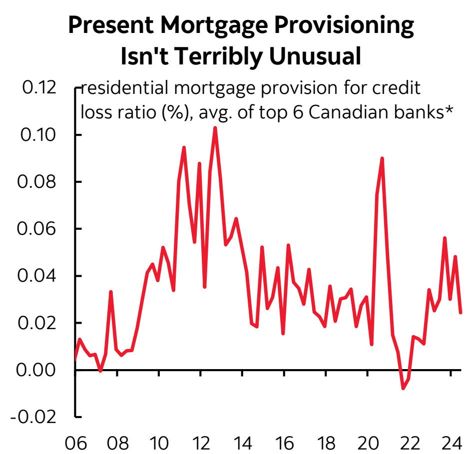
Where there has been a manageable and relatively mild deterioration has been in other revolving credit products like credit cards (charts 11). Here too, however, the rates have gone from as close to nothing as you'll ever really get toward something more in line with the world before extremely stimulative monetary and fiscal policy worked through the system.

Chart 9



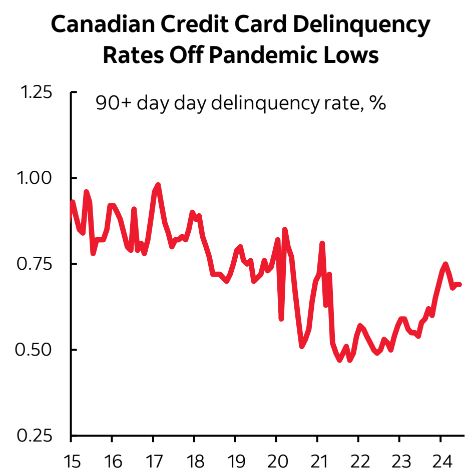
Sources: Scotiabank Economics, CBA.

Chart 10



*Average of full sample since Q1 - 2013.
Sources: Scotiabank Economics.

Chart 11



Sources: Scotiabank Economics, Bloomberg.

GLOBAL MACRO—INFLATION UPDATES IN FOCUS

At the top of the list of other global macro readings this coming week will be a series of inflation reports from the Eurozone, US, Australia and Japan. I will write about other macro readings in regular daily notes throughout the coming week.

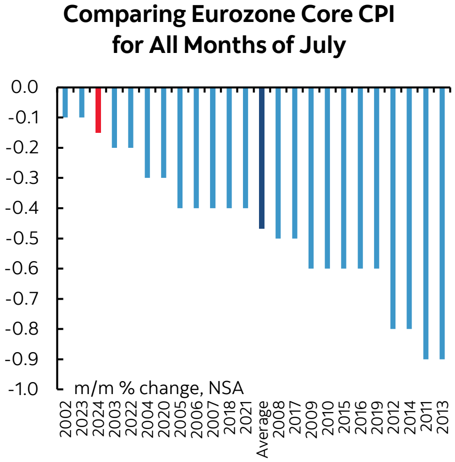
US—More Relief

The Federal Reserve's preferred core inflation reading is generally expected to follow the broadly soft tone of the CPI figure that landed at 0.2% m/m SA. The Cleveland Fed's 'nowcast' is tracking a 0.1% m/m SA rise. This will be the last PCE reading before the September 18th FOMC policy decision, but we will get another CPI reading on September 11th. We will also get another potential revision to Q2 core PCE inflation on Thursday that could imply a changed hand-off effect into Q3.

Eurozone—Not so Cool

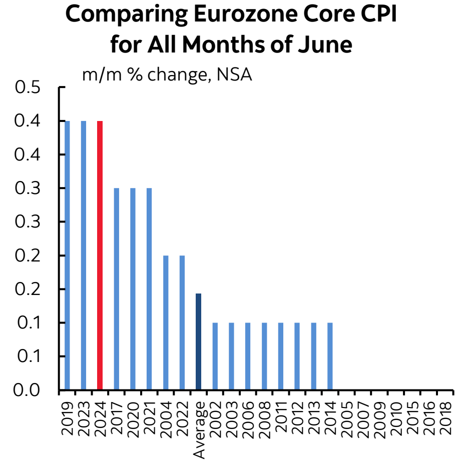
The last Eurozone inflation report before the September 12th ECB meeting lands on Friday. Early glimpses will be provided by the figures for Germany and Spain on Thursday before France and Italy report the next day. Slight further progress is expected with the year-over-year

Chart 12



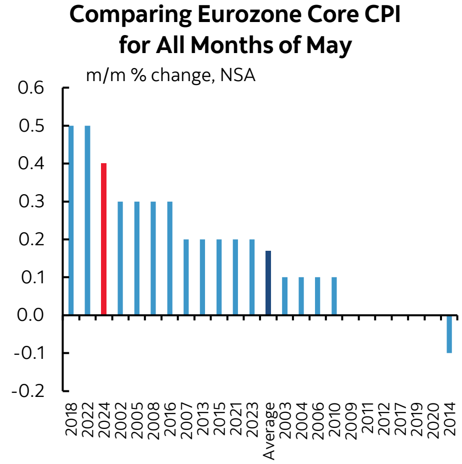
Sources: Scotiabank Economics, Eurostat.

Chart 13



Sources: Scotiabank Economics, Eurostat.

Chart 14

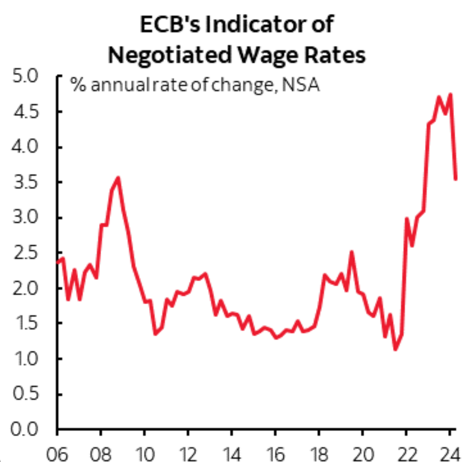


Sources: Scotiabank Economics, Eurostat.

rate slipping a tick to 2.8% and month-over-month headline inflation up by 0.1–0.2%.

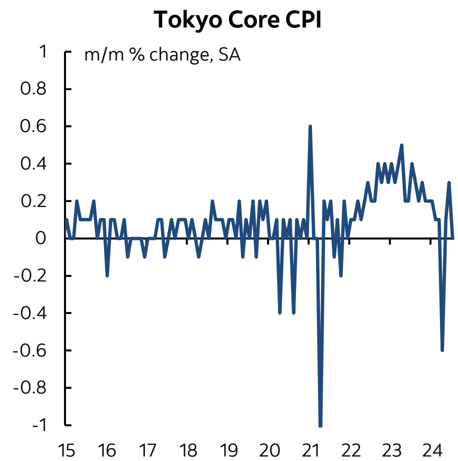
And that doesn't matter. What will matter is whether the pattern of warmer than seasonally normal increases in core prices is extended (charts 12–14). If so, it likely won't stand in the way of cutting in September particularly since President Lagarde can hang her hat on the deceleration in negotiated wage growth (chart 15), but it could impact the policy bias thereafter.

Chart 15



Sources: Scotiabank Economics, European Central Bank (ECB).

Chart 16



Sources: Scotiabank Economics, Ministry of Internal Affairs and Communications.

Japan—Carry Trade Sensitivities

Fresh inflation data for August will take the form of the Tokyo CPI figures at the end of the week. CPI excluding food and energy has been running at a paltry 1½% y/y pace. The higher frequency m/m measure has been decelerating recently (chart 16). Surprises higher or lower could incrementally impact market expectations for timing potentially further BoJ policy tightening.

August 23, 2024

Key Indicators for the week of August 26 – 30

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	08-26	08:30	Durable Goods Orders (m/m)	Jul P	3.0	3.9	-6.7
US	08-26	08:30	Durable Goods Orders ex. Trans. (m/m)	Jul P	0.0	0.1	0.4
US	08-26	10:30	Dallas Fed. Manufacturing Activity	Aug	--	--	-17.5
MX	08-27	08:00	Trade Balance (US$ mn)	Jul	--	--	-1036.9
US	08-27	09:00	S&P/Case-Shiller Home Price Index (m/m)	Jun	0.3	--	0.3
US	08-27	09:00	S&P/Case-Shiller Home Price Index (y/y)	Jun	--	--	6.8
US	08-27	10:00	Consumer Confidence Index	Aug	100.0	100.0	100.3
US	08-27	10:00	Richmond Fed Manufacturing Index	Aug	--	--	-17.0
US	08-28	07:00	MBA Mortgage Applications (w/w)	Aug 23	--	--	-10.1
CA	08-29	08:30	Current Account (C$ bn a.r.)	2Q	--	--	-5.4
US	08-29	08:30	GDP (q/q a.r.)	2Q S	2.8	2.8	2.8
US	08-29	08:30	GDP Deflator (q/q a.r.)	2Q S	--	--	2.3
US	08-29	08:30	Initial Jobless Claims (000s)	Aug 24	230	--	232.0
US	08-29	08:30	Continuing Claims (000s)	Aug 17	1870	--	1863.0
US	08-29	08:30	Wholesale Inventories (m/m)	Jul P	--	--	0.2
US	08-29	10:00	Pending Home Sales (m/m)	Jul	--	--	4.8
CA	08-30	08:30	Real GDP (m/m)	Jun	0.0	0.1	0.2
CA	08-30	08:30	Real GDP (q/q a.r.)	2Q	1.8	1.8	1.7
US	08-30	08:30	PCE Deflator (m/m)	Jul	0.2	0.2	0.1
US	08-30	08:30	PCE Deflator (y/y)	Jul	2.6	2.6	2.5
US	08-30	08:30	PCE ex. Food & Energy (m/m)	Jul	0.2	0.2	0.2
US	08-30	08:30	PCE ex. Food & Energy (y/y)	Jul	2.7	2.7	2.6
US	08-30	08:30	Personal Spending (m/m)	Jul	0.7	0.5	0.3
US	08-30	08:30	Personal Income (m/m)	Jul	0.2	0.2	0.2
US	08-30	09:45	Chicago PMI	Aug	--	--	45.3
US	08-30	10:00	U. of Michigan Consumer Sentiment	Aug F	--	67.8	67.8

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	08-26	04:00	IFO Business Climate Survey	Aug	86.0	87.0
GE	08-26	04:00	IFO Current Assessment Survey	Aug	86.6	87.1
GE	08-26	04:00	IFO Expectations Survey	Aug	86.5	86.9
GE	08-27	02:00	Real GDP (q/q)	2Q F	-0.1	-0.1
GE	08-28	02:00	GfK Consumer Confidence Survey	Sep	-18.7	-18.4
SW	08-29	02:00	GDP (y/y)	2Q	--	0.7
SP	08-29	03:00	CPI (m/m)	Aug P	--	-0.5
SP	08-29	03:00	CPI (y/y)	Aug P	2.4	2.8
SP	08-29	03:00	CPI - EU Harmonized (m/m)	Aug P	0.2	-0.7
SP	08-29	03:00	CPI - EU Harmonized (y/y)	Aug P	2.5	2.9
PD	08-29	04:00	GDP (y/y)	2Q F	--	3.20
EC	08-29	05:00	Economic Confidence	Aug	95.8	95.8
EC	08-29	05:00	Industrial Confidence	Aug	-10.8	-10.5
GE	08-29	08:00	CPI (m/m)	Aug P	0.0	0.3
GE	08-29	08:00	CPI (y/y)	Aug P	2.1	2.3
GE	08-29	08:00	CPI - EU Harmonized (m/m)	Aug P	0.0	0.5
GE	08-29	08:00	CPI - EU Harmonized (y/y)	Aug P	2.2	2.6
GE	08-30	02:00	Retail Sales (m/m)	May	0.6	-0.2
UK	08-30	02:00	Nationwide House Prices (m/m)	Aug	--	0.3
FR	08-30	02:45	Consumer Spending (m/m)	Jul	--	-0.5
FR	08-30	02:45	CPI (m/m)	Aug P	0.5	0.2
FR	08-30	02:45	CPI (y/y)	Aug P	1.8	2.3
FR	08-30	02:45	CPI - EU Harmonized (m/m)	Aug P	0.5	0.2
FR	08-30	02:45	CPI - EU Harmonized (y/y)	Aug P	2.1	2.7
FR	08-30	02:45	GDP (q/q)	2Q F	0.3	0.3
FR	08-30	02:45	Producer Prices (m/m)	Jul	--	-0.3

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

Key Indicators for the week of August 26 – 30

EUROPE *(continued from previous page)*

Country	Date	Time	Indicator	Period	Consensus	Latest
SP	08-30	03:00	Real Retail Sales (y/y)	Jul	--	-1.5
GE	08-30	03:55	Unemployment (000s)	Aug	16.0	18.0
GE	08-30	03:55	Unemployment Rate (%)	Aug	6.0	6.0
SP	08-30	04:00	Current Account (€ bn)	Jun	--	5.6
UK	08-30	04:30	Net Consumer Credit (£ bn)	Jul	1.3	1.2
EC	08-30	05:00	Euro zone CPI Estimate (y/y)	Aug	2.2	2.6
EC	08-30	05:00	Unemployment Rate (%)	Jul	6.5	6.5
IT	08-30	05:00	CPI (m/m)	Aug P	0.3	0.4
IT	08-30	05:00	CPI (y/y)	Aug P	1.2	1.3
IT	08-30	05:00	CPI - EU Harmonized (m/m)	Aug P	-0.1	-0.9
IT	08-30	05:00	CPI - EU Harmonized (y/y)	Aug P	1.4	1.6
PO	08-30	06:00	Real GDP (q/q)	2Q F	--	0.10

ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
SK	08-25	20:00	Discount Store Sales (y/y)	Jul	--	2.1
SK	08-25	20:00	Department Store Sales (y/y)	Jul	--	5.0
TH	08-25	22:00	Customs Exports (y/y)	Jul	5.9	-0.3
TH	08-25	22:00	Customs Imports (y/y)	Jul	1.5	0.3
TH	08-25	22:00	Customs Trade Balance (US$ mn)	Jul	-200.0	218.1
JN	08-26	01:00	Coincident Index CI	Jun F	--	113.7
JN	08-26	01:00	Leading Index CI	Jun F	--	108.6
JN	08-26	01:00	New Composite Leading Economic Index	Jun F	--	108.6
SI	08-26	01:00	Industrial Production (m/m)	Jul	5.0	-3.8
SI	08-26	01:00	Industrial Production (y/y)	Jul	-1.5	-3.9
CH	08-26	21:30	Industrial Profits YTD (y/y)	Jul	--	3.6
HK	08-27	04:30	Exports (y/y)	Jul	--	10.7
HK	08-27	04:30	Imports (y/y)	Jul	--	9.0
HK	08-27	04:30	Trade Balance (HKD bn)	Jul	--	-55.7
PH	08-27	21:00	Budget Deficit/Surplus (PHP bn)	Jul	--	-209.1
AU	08-28	21:30	Private Capital Expenditure	2Q	1.0	1.0
JN	08-29	01:00	Consumer Confidence	Aug	37.0	36.7
NZ	08-29	18:00	ANZ Consumer Confidence Index	Aug	--	87.9
SK	08-29	19:00	Industrial Production (m/m)	Jul	-0.3	0.5
SK	08-29	19:00	Industrial Production (y/y)	Jul	7.8	3.8
SK	08-29	19:00	Cyclical Leading Index Change	Jul	--	0.2
JN	08-29	19:30	Jobless Rate (%)	Jul	2.5	2.5
JN	08-29	19:30	Tokyo CPI (y/y)	Aug	2.3	2.2
JN	08-29	19:50	Industrial Production (m/m)	Jul P	3.6	-4.2
JN	08-29	19:50	Large Retailers' Sales (y/y)	Jul	--	6.6
JN	08-29	19:50	Retail Trade (m/m)	Jul	0.4	0.6
JN	08-29	19:50	Retail Trade (y/y)	Jul	2.8	3.7
JN	08-29	19:50	Industrial Production (y/y)	Jul P	2.7	-7.9
PH	08-29	21:00	Bank Lending (y/y)	Jul	--	12.0
AU	08-29	21:30	Retail Sales (m/m)	Jul	0.3	0.5
AU	08-29	21:30	Private Sector Credit (m/m)	Jul	0.5	0.6
AU	08-29	21:30	Private Sector Credit (y/y)	Jul	--	5.6
JN	08-30	01:00	Housing Starts (y/y)	Jul	-1.0	-6.7
TH	08-30	03:00	Current Account Balance (US$ mn)	Jul	--	1950.0
TH	08-30	03:30	Exports (y/y)	Jul	--	0.3
TH	08-30	03:30	Imports (y/y)	Jul	--	-0.1
TH	08-30	03:30	Trade Balance (US$ mn)	Jul	--	2449.0
HK	08-30	04:30	Retail Sales - Value (y/y)	Jul	--	-9.7
HK	08-30	04:30	Retail Sales - Volume (y/y)	Jul	--	-11.2
IN	08-30	08:00	Real GDP (y/y)	2Q	6.9	7.8
CH	08-30	21:30	Manufacturing PMI	Aug	49.2	49.4
CH	08-30	21:30	Non-manufacturing PMI	Aug	50.0	50.2

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

Key Indicators for the week of August 26 – 30

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	08-26	07:30	Current Account (US$ mn)	Jul	--	--	-4029.0
BZ	08-27	08:00	IBGE Inflation IPCA-15 (m/m)	Aug	--	0.2	0.3
BZ	08-27	08:00	IBGE Inflation IPCA-15 (y/y)	Aug	--	4.4	4.5
CL	08-29	09:00	Unemployment Rate (%)	Jul	--	--	8.3
CL	08-30	09:00	Industrial Production (y/y)	Jul	--	--	-4.8
CL	08-30	09:00	Retail Sales (y/y)	Jul	--	--	7.9
CO	08-30	11:00	Urban Unemployment Rate (%)	Jul	--	--	10.2

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

Global Auctions for the week of August 26 – 30

NORTH AMERICA

Country	Date	Time	Event
US	08-27	13:00	U.S. To Sell USD69 Bln 2-Year Notes
US	08-28	11:30	U.S. To Sell USD28 Bln 2-Year FRN Reopening
CA	08-28	12:00	Canada to Sell C$5.5 Billion of 3.25% 2026 Bonds
US	08-28	13:00	U.S. To Sell USD70 Bln 5-Year Notes
US	08-29	13:00	U.S. To Sell USD44 Bln 7-Year Notes

EUROPE

Country	Date	Time	Event
EC	08-26	05:30	EU to Sell Up to EU2.5 Billion of 3.125% 2028 Bonds
EC	08-26	05:30	EU to Sell Up to EU2.5 Billion of 3% 2034 Bonds
IT	08-27	05:00	Italy Cancels Auction to Sell I/L Bonds
IT	08-27	05:00	Italy to Sell Up to EU2.5 Billion of 3.1% 2026 Bonds
GE	08-27	05:30	Germany to Sell EU4 Billion of 2.5% 2029 Bonds
SW	08-28	05:00	Sweden to Sell SEK1 Billion of 2.25% 2032 Bonds
SW	08-28	05:00	Sweden to Sell SEK3 Billion of 2.25% 2035 Bonds
FI	08-29	06:00	Finland to Sell Ori Bonds

ASIA PACIFIC

Country	Date	Time	Event
AU	08-26	21:00	Australia to Sell A$100M 0.25% 2032 Inflation-Linked Bonds
AU	08-27	21:00	Australia to Sell A$800 Million 3.5% 2034 Bonds
JN	08-28	23:35	Japan to Sell 2-Year Bonds
AU	08-29	21:00	Australia to Sell A$700 Million 2.75% 2029 Bonds

LATIN AMERICA

Country	Date	Time	Event
No Scheduled Auctions			

Sources: Bloomberg, Scotiabank Economics.

Events for the week of August 26 – 30

NORTH AMERICA

Country	Date	Time	Event
US	08-28	18:00	Fed's Bostic Speaks on Economic Outlook
US	08-29	15:30	Fed's Bostic Gives Intro to Fed, Economic Outlook

EUROPE

Country	Date	Time	Event
SW	08-26	03:30	Riksbank minutes from August meeting published
EC	08-27	06:45	ECB's Knot Speaks
EC	08-27	10:00	ECB's Nagel Speaks
UK	08-28	08:15	BOE's Mann Speaks in Frankfurt
EC	08-29	05:15	ECB's Lane Speaks on Panel in Frankfurt
SZ	08-29	12:00	SNB President Jordan Speaks in Basel
EC	08-29	13:00	ECB's Nagel Speaks in Frankfurt
EC	08-30	03:05	ECB's Schnabel Speaks in Tallinn
EC	08-30	03:35	ECB's Schnabel, Rehn, Kazaks, Simkus, Muller on Panel

ASIA PACIFIC

Country	Date	Time	Event
KZ	**08-29**	**03:00**	**Key Rate**

LATIN AMERICA

Country	Date	Time	Event
GU	**08-28**		**Leading Interest Rate**

Sources: Bloomberg, Scotiabank Economics.

Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	4.50	September 4, 2024	4.25	4.50
Federal Reserve – Federal Funds Target Rate	5.50	September 18, 2024	5.25	5.25
Banco de México – Overnight Rate	10.75	September 26, 2024	10.75	10.75

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	4.25	September 12, 2024	4.00	4.00
European Central Bank – Marginal Lending Facility Rate	4.50	September 12, 2024	4.25	4.25
European Central Bank – Deposit Facility Rate	3.75	September 12, 2024	3.50	3.50
Bank of England – Bank Rate	5.00	September 19, 2024	5.00	5.00
Swiss National Bank – Sight Deposit Rate	1.25	September 26, 2024	1.00	1.00
Central Bank of Russia – One-Week Auction Rate	18.00	September 13, 2024	18.00	18.00
Sweden Riksbank – Repo Rate	3.50	September 25, 2024	3.50	3.50
Norges Bank – Deposit Rate	4.50	September 19, 2024	4.50	4.50
Central Bank of Turkey – Benchmark Repo Rate	50.00	September 19, 2024	50.00	50.00

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	0.25	September 20, 2024	0.25	0.25
Reserve Bank of Australia – Cash Rate Target	4.35	September 24, 2024	4.35	4.35
Reserve Bank of New Zealand – Cash Rate	5.25	October 8, 2024	5.25	5.25
People's Bank of China – 1-Year Medium-Term Lending Facility Rate	2.30	August 25, 2024	2.30	2.30
Reserve Bank of India – Repo Rate	6.50	October 9, 2024	6.50	6.50
Bank of Korea – Base Rate	3.50	October 11, 2024	3.50	3.50
Bank of Thailand – Repo Rate	2.50	October 16, 2024	2.50	2.50
Bank Negara Malaysia – Overnight Policy Rate	3.00	September 5, 2024	3.00	3.00
Bank Indonesia – BI-Rate	6.25	September 18, 2024	6.25	6.25
Central Bank of Philippines – Overnight Borrowing Rate	6.25	October 17, 2024	6.25	6.25

People's Bank of China (PBoC): After an off-schedule 20bps cut on July 26th and postponing the 1-Year MLF to August 26th from the usual timing of 15th of each month, the PBoC is likely to hold the 1-Year MLF at 2.30% on Monday. Through this, the PBoC may be signalling the 7-day reverse repo rate as the primary policy rate and shifting its focus away from the 1-Year MLF. Furthermore, the PBoC may prefer to wait for the Fed's September meeting before providing further monetary easing.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	10.50	September 18, 2024	10.50	10.50
Banco Central de Chile – Overnight Rate	5.75	September 3, 2024	5.50	5.50
Banco de la República de Colombia – Lending Rate	10.75	September 30, 2024	10.00	10.00
Banco Central de Reserva del Perú – Reference Rate	5.50	September 12, 2024	5.50	5.25

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	8.25	September 19, 2024	8.25	8.25

Sources: Bloomberg, Scotiabank Economics.