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GLOBAL ECONOMICS

THE GLOBAL WEEK AHEAD

October 4, 2024

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With thanks for research support from: Jaykumar Parmar.

Next Week's Risk Dashboard

- **Soaring wages, anti-automation…**
- **…won't help North America's already poorly ranked ports…**
- **…as a litmus test of a broader economic struggle**
- **BoC watchers face key twin developments…**
- **…as Canadian job growth faces policy changes, seasonal distortions…**
- **…and BoC surveys will update inflation expectations**
- **US core CPI faces renewed interest…**
- **…after a strong but distorted payrolls report**
- **US earnings season commences**
- **FOMC minutes will be stale on arrival…**
- **…and suddenly the dual mandate pivot is less clear**
- **Ditto for Banxico, RBA minutes**
- **RBI staring at renewed inflation risk**
- **RBNZ: upsize or wait for CPI?**
- **BoK expect to commence easing cycle**
- **UK economy to inform BoE expectations after dovish Bailey**
- **BCRP expected to deliver another cut**
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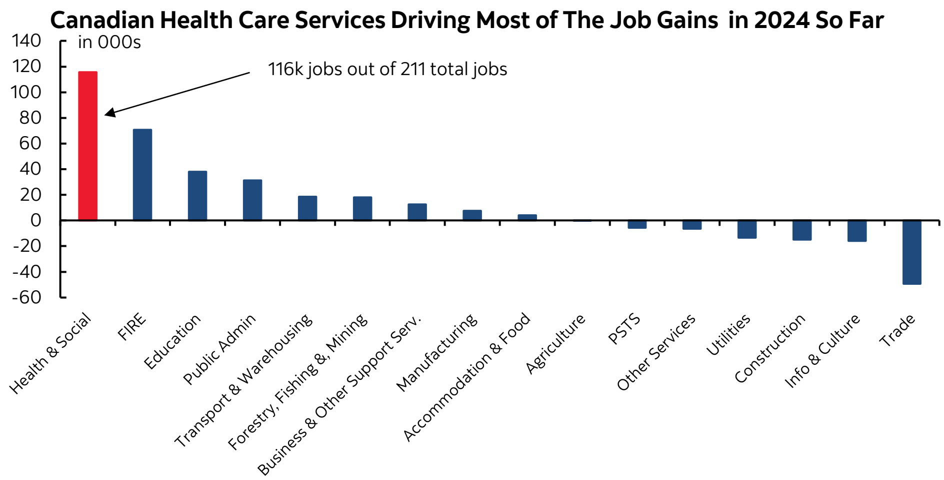
Chart of the Week



Sources: Scotiabank Economics, Statistics Canada.

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

Luddites 1, Progress 0

Key highlights on this week's docket are likely to include monitoring developments in the Middle East as Israel's likely retaliation against Iran could light up energy markets. Calendar-based risks will include another US CPI report in the wake of the strong payrolls reading. Canada updates jobs and wages and the Bank of Canada's preferred surveys including measures of inflation expectations that Governing Council carefully monitors. Several central banks will weigh in, including BCRP, the RBNZ, RBI, and BoK, plus we'll get fuller meeting minutes from the FOMC, Banxico and RBA. The state of the UK economy may further inform prospects for Bank of England rate cuts in the wake of Governor Bailey's dovish comments. And if that's not enough, then another US earnings season whirs to life toward the end of the week with reports from JP Morgan, Blackrock, Wells Fargo and BoNYM.

Before delving into that, however, it's worth explaining why short-term peace was bought at the expense of future problems with the suspended strike across US east coast and gulf coast ports.

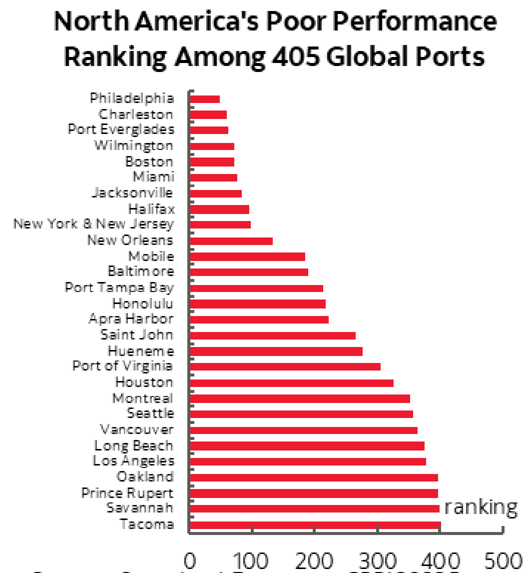
US PORT STRIKE SUSPENSION—SHORT-TERM POSITIVE, LONG-TERM NEGATIVE

Even before recent developments, US and Canadian ports ranked well down the list of the world's ports with some of them among the worst in the world (**here**). The best ranked N.A. port in terms of the World Bank's 2023 performance index was Philadelphia at #50. New York/New Jersey ranks 99th. Ports like New Orleans (#133), Baltimore (191), Tampa (214), Virginia (306), Houston (327), Montreal (351), Vancouver (363), and Los Angeles (378) rank among the worst in the world on the list of 405 major ports (chart 1).

Recent labour agreements in both the US and Canada are unlikely to improve upon this performance and may drive further long-term decline. Progress and productivity were delivered a significant blow as the suspension of the US port strike to January solved a short-term problem and created a bigger longer-term one.

A massive 62% wage gain over six years—averaging over 10% per year—was reportedly offered to the union that holds a monopoly on labour across all US ports throughout the east- and Gulf coasts. Another union that holds a monopoly over west coast ports settled a similarly huge wage gain earlier. This is wonderful for the workers who, like so many, have struggled with higher borrowing costs, and higher prices for just about everything. They've more than made up for that now.

Chart 1



Sources: Scotiabank Economics, CPPI 2023 Data.

Consumers and businesses are the ones who will foot the bill over time and that's the 'however' part of the story.

But the bigger issue could be how the contract addresses automation and this feeds into an important debate governing the outlook for the N.A. economy. The union has said they demand "absolute airtight language that there will be no automation or semi-automation." That may provide at least near-term job security. If they succeed, however, then it will be a victory for Luddites. It would serve as a strong signal that America is in a technological revolution that it doesn't wish to succeed.

When I was in Singapore earlier this year, I had the opportunity to visit one of the world's most impressive ports with their senior management. Containers were neatly stacked as high and far as the eye could see, cranes aplenty were spread across the docks and with barely a human in sight at a heavily automated and world class port. Singapore is ranked #17 out of 405 world ports and Singapore's status as a port of commerce is legendary.

Now I get the job security fears of the workers at US ports. Everyone strives for this to a degree. And yet longer-run living standards are not well served by capitulating to Luddites. Automation is cheaper, more efficient, more reliable, runs 24–7 and doesn't go on strike. A six-year contract that prevents modernization of US ports means that six-year from now those jobs may be even more vulnerable to a further loss of efficiency and global competitiveness.

Jobs that get phased out create others. This has been the enduring truth since the Spinning Jenny and steam engine. Resisting change is only delaying the inevitable while putting countries and economies at a disadvantage. The job security of a few will come at the expense of American trade and commerce and hence at the expense of millions of consumers and businesses who will be left with globally uncompetitive ports operating at higher cost that get passed onto everyone else. That means lost opportunity and lost jobs elsewhere in the economy.

The unfortunate part here is that I have deep admiration for how fantastically innovative and inventive the US economy can be, and it is at the forefront of many of today's most advanced technologies. It just doesn't seem to want them. It would rather have other countries, foreign businesses and ports elsewhere use American innovation while gaining competitiveness over the US. How ironic is that. Yet I see this bias in N.A. political circles toward important new technologies such as generative AI and being reflected in protectionist policies. Lael Brainard may have felt it wise to tout the virtues of collective bargaining and how week's developments were a victory for American workers. In the long run, it is not.

FRIDAY MAY BE KEY TO BANK OF CANADA WATCHERS

Friday may be key to forming expectations for the Bank of Canada's next policy decision on October 23rd. It starts with the jobs report for September followed two hours later by the Bank of Canada's fresh consumer and business surveys including measures of inflation expectations that they follow closely. The reward to getting through all of that will be to go straight into the Canadian Thanksgiving long weekend.

Pricing for the BoC's decision on October 23rd was trimmed in the wake of the strong US jobs report. Market expectations shifted from over 80% odds of a 50bps cut to about 60% odds. What happens on Friday may swing the pendulum in either direction, but it may take significant surprises to materially matter.

A larger negative output gap (excess supply) in Canada may make larger rate cuts more likely in Canada than the US that has a large positive output gap (excess demand). That's only part of the picture, however, as the BoC started lower than the Fed's policy rate, has cut more to a -75bps rate differential, has a similar neutral rate to the Fed's, while the Canadian rates curve is about ¾% lower than the US in 2s and 5s. The BoC could look at that and conclude that there is no need to shock bond market pricing and no clear advantage to committing to larger reductions now versus the same or similar landing point on the policy rate into Spring.

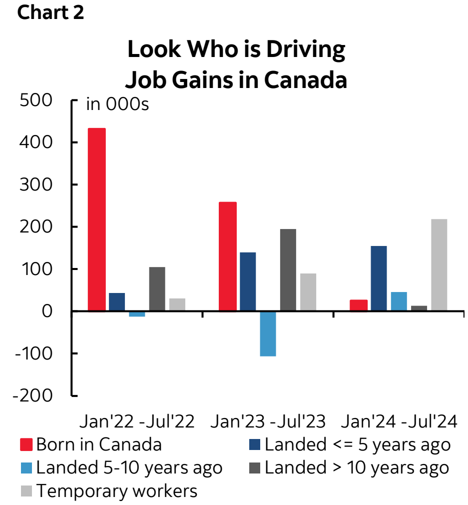
Then layer on all of the arguments on Canada that I've offered in various writings on pent-up demand and pent-up savings both waiting to be unleashed by rate cuts, structural housing shortfalls and excessive immigration, robust growth in wages and wage settlements versus moribund labour productivity, ongoing fiscal stimulus with more likely ahead, etc. The outcome is such that going big and fast now could unleash forces that set back progress against inflation too soon later next year and into 2026. There is no compelling reason to upsize.

Conflicting Forces Driving Canadian Jobs

I'm a little nervous about this jobs report and hope to be pleasantly surprised. The unemployment rate is forecast to rise again as immigration drives a faster pace of growth in the labour supply than jobs. This is never with the utmost confidence, not least of which because the 95% confidence band around the estimated change in jobs is +/-57k in what amounts to a Labour Force Survey with a high degree of statistical noise.

Policy changes could either lean toward a mild gain estimated at 10k, or downside risk. Changes to the temporary foreign workers program and international student application volumes could negatively impact employment by reducing fill rates and perhaps creating job vacancies given how much job growth this year has been driven by temps (chart 2). This should be controlled against as a welcome development given the role that excessive numbers of arrivals under both categories have driven much of the rise in the nation's unemployment rate and so an important detail will be to attempt to remove these effects.

Chart 2



Sources: Scotiabank Economics, Statistics Canada.

On September 1st, the Federal Government implemented a two-year cap on international student visas and admissions to Canada that had been announced in January. Effective September 26th, the Federal Government implemented reductions to the size of the Temporary Foreign Worker Program. The first change took effect before the reference week for the Labour Force Survey which is the week that includes the 15th day of each month. The second change occurred afterward. In both cases, however, there may have been pre-emptive reductions in the numbers of workers.

One indication of why this last point was made is provided in chart 3 that shows that the flow of new temporary residents has indeed been declining for three consecutive quarters up to the latest available which is 2024Q2 even as the outstanding number of temporary residents keeps climbing (chart 4). It's reasonable to expect the flow to continue to decline and drive outright declines in the outstandings. Another indication of this may have been reports across university towns of lower rents across student residences due to softer demand into the new school year.

And yet a competing effect could be a Canadian twist on what drove the strong US nonfarm payrolls report (recap here). While challenges with seasonal adjustment factors in Canada have not posed the same issue as in the US, it's possible they will this September. Last September's SA factor was among the highest for like months of September on record (chart 5). September can be a volatile turning point for seasonally unadjusted jobs and seasonal adjustment factors partly as a new school year begins. If this September repeats with an unusually strong SA factor, then it could either inflate a seasonally unadjusted gain or dampen a seasonally unadjusted loss. It may be important to control for this effect.

Also watch wage growth that has been recently cooler, but well above the inflation target and out of sync with tumbling productivity (chart 6).

BoC Will Have an Eye on Inflation Expectations

Two hours later we'll get the BoC's quarterly Business Outlook Survey and Canadian Survey of Consumer Expectations that precede BoC meetings including a Monetary Policy Report. Key will be the gauges of inflation expectations that have remained notably above the BoC's 2% headline CPI target (charts 7, 8).

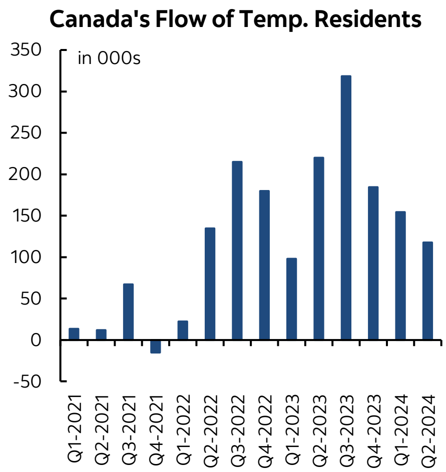
US INFLATION—SUDDENLY THE FED'S DUAL MANDATE PIVOT IS LESS CLEAR

It's unclear that Thursday's CPI inflation reading or the next day's producer price report—both for September—will matter to the FOMC. They have made it clear that their focus has turned more toward the full employment half of the Fed's dual mandate and relatively away from the price stability half. After nonfarm payrolls exceeded expectations, this calculus is now much less clear.

CPI is estimated to rise by only 0.1% m/m SA with core a touch firmer at 0.2% m/m SA. The Cleveland Fed's core CPI 'nowcast' is a bit firmer at 0.3% m/m. It nailed the estimate the prior month when core CPI was up by 0.3%, or 3.4% m/m SAAR along a recently accelerating trend (chart 9).

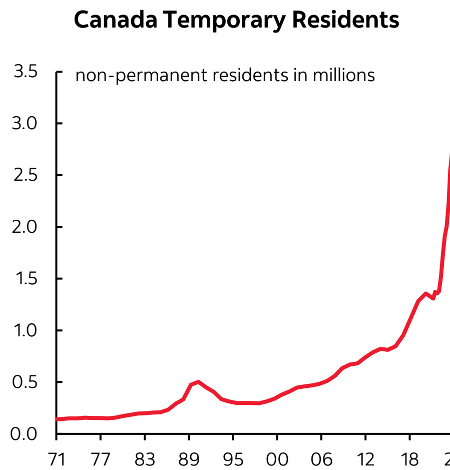
If this recently accelerating trend continues, then it presents a potentially awkward dynamic for the FOMC when paired with hot jobs. One set of data points won't cause a renewed pivot in terms of what Committee members are focused upon but reminds them that chasing volatile data with all of its associated challenges—like seasonal adjustments—can be treacherous.

Chart 3



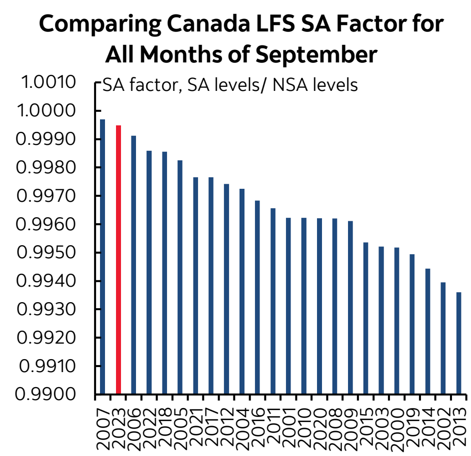
Sources: Scotiabank Economics. Statistics Canada.

Chart 4



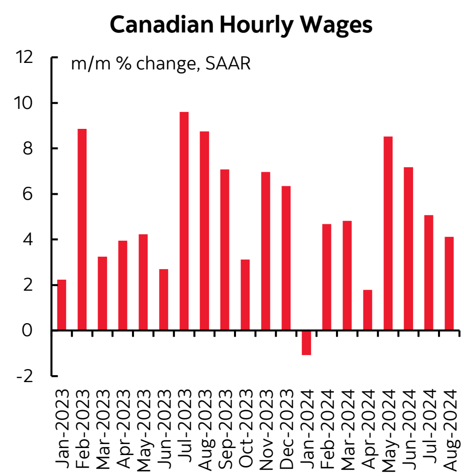
Sources: Scotiabank Economics, Statistics Canada.

Chart 5



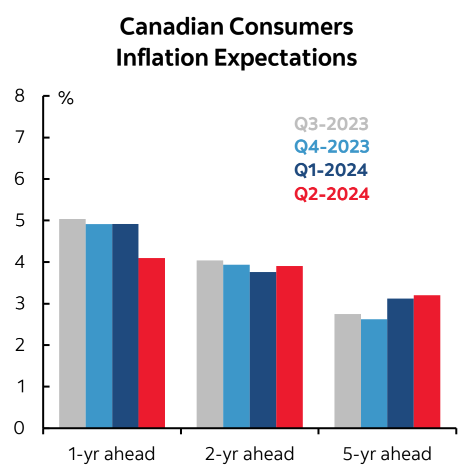
Sources: Scotiabank Economics, Statistics Canada.

Chart 6



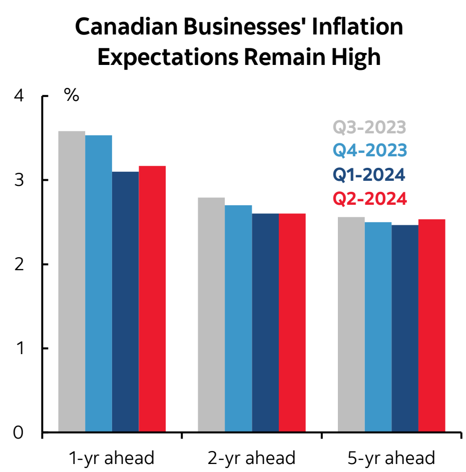
Sources: Scotiabank Economics, Statistics Canada.

Chart 7



Sources: Scotiabank Economics, Bank of Canada.

Chart 8

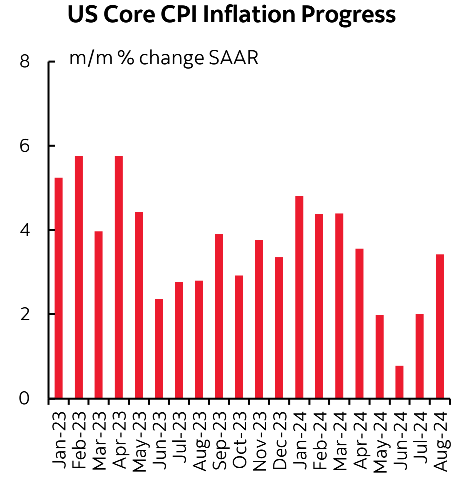


Sources: Scotiabank Economics, Bank of Canada.

A few of the expectations are outlined below:

- Rent of primary residence and owners equivalent rent are both expected to remain sticky.
- Core services inflation is also expected to remain warm.
- Core goods prices have been declining for a while now and may face greater risk in October on the heels of Hurricane Helene's effects and the temporary disruptions caused by the port strike.
- Gasoline prices are estimated to knock about 0.1% m/m off of headline CPI inflation.
- Food prices are expected to be a flat contribution to headline inflation.

Chart 9



Sources: Scotiabank Economics, BLS.

CENTRAL BANKS—US JOBS THREW A WRENCH IN THE WORKS

Several central bank decisions will spice up regional markets while FOMC, Banxico and RBA minutes may each be stale on arrival.

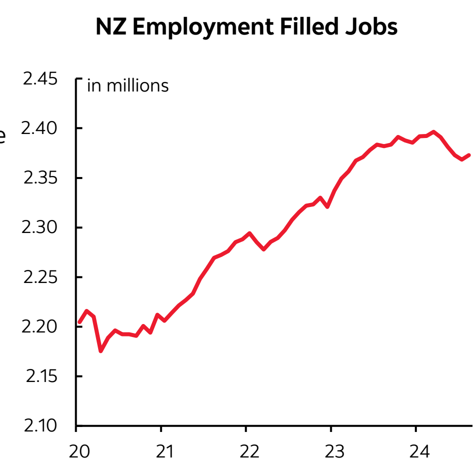
RBA Minutes—In No Rush

Minutes to the Reserve Bank of Australia's meeting on September 25th arrive Monday. The RBA sounded in no rush to alter its policy stance and said the 2–3% inflation target is not expected to be sustainably achieved until 2026. The RBA argued that policy easing abroad is happening because other central banks were more restrictive than the RBA. On the same day as the RBA meeting, however, Chinese authorities began announcing a series of measures in an attempt to stimulate the economy (recap **here**). We're still waiting for the next shoe to drop in the form of promised fiscal easing. Developments in China's economy and markets are material to Australia's economy and so in that sense the minutes could have somewhat of a dated feel, though one that adds to the sentiment that the RBA is in no rush to ease.

RBNZ—Upsizing or Let's See CPI?

Most forecasters expect the Reserve Bank of New Zealand to cut 50bps to a new cash rate of 4.75% on Wednesday. Markets are mostly priced for such a move. Some expect a repeat of the first 25bps cut in August. Since that first cut, GDP shrank by -0.2% q/q SA non annualized in Q2 and with a minor downward revision to just +0.1% q/q SA growth in Q1, and employment has come off the peak set earlier this year (chart 10). If anything holds back the RBNZ, then it could be to wait to see Q3 CPI figures that arrive the following week, although there is a lot of ground to cover until the next decision toward the end of November.

Chart 10



Sources: Scotiabank Economics, Statistics New Zealand.

FOMC Minutes—Stale on Arrival

Minutes to the FOMC's meeting on September 17th–18th arrive Wednesday at 2pmET. We'll hear more of a discussion on the motives to easing 50bps and around the Committee's views on the path forward when they guided that future moves would likely be smaller. Absent from the communications at the time (recap **here**) was an attempt to explain why showing more rate cuts was nevertheless accompanied by unchanged GDP projections and a higher forecast unemployment rate. More easing might have been expected to be more stimulative, so will the minutes reveal other underlying concerns in greater detail? That's doubtful, but we'll see. Regardless, a strong—although distorted—nonfarm payrolls report (**here**) and China's stimulus measures are among the reasons to fade the minutes as less relevant now.

RBI—Fresh Doubts

Most don't expect the Reserve Bank of India to alter its 6.5% repurchase rate in Wednesday's decision. A small minority think it could commence cutting with a -25bps move.

Cutting now could be dicey. The rupee had been appreciating after the Federal Reserve's 50bps cut but has since unwound all of that move. One reason for this has been Middle East tensions that have driven higher inflation expectations due to upward pressure on oil prices. Another reason is likely to be the strong US jobs report that throws into fresh doubt the size and pace of further Fed cuts. Higher oil prices and a weaker currency may call into renewed doubt confidence that inflation at 3.7% y/y will remain as well behaved relative to the 4% +/-2% target range.

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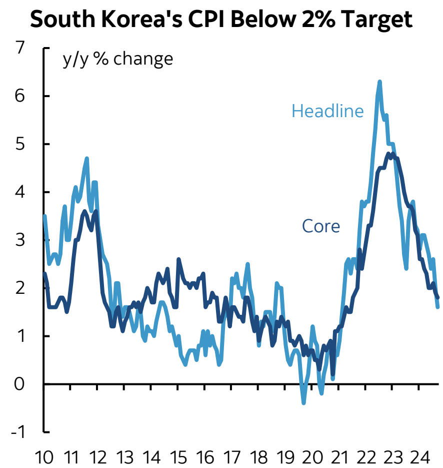
BCRP—Further Room to Ease

Most economists—including—our Lima-based economist—expect Banco Central de Reserva del Peru to cut by 25bps on Thursday. The Sol has appreciated a touch since the Fed's 50bps cut on September 18th and may give added room to ease. Inflation at 1.8% y/y with core CPI at 2.6% lies within the 2% +/-1% target range. Forward guidance is expected to be cautious in the wake of the strong US jobs report that complicates market expectations for the Fed's future moves and recall that BCRP has already cut by 250bps to date. A reduction to 5% would nevertheless remain above estimates of the neutral policy rate.

Banxico Minutes—Heath's Cautions Paired with US Payrolls Are More Important

Banxico minutes to the September 26th meeting when the overnight rate was cut by 25bps arrive Thursday. Since that meeting, Deputy Governor Heath said that policy had to remain restrictive in order to "break the persistence of services prices." He also said that if the Fed continues to cut, then "not with a perfect correlation by any means, we will also have to basically do the same." The repriced outlook for nearer-term FOMC cuts after the strong nonfarm payrolls report combine with Heath's comments to make the Banxico minutes less relevant.

Chart 11



Sources: Scotiabank Economics, Bloomberg.

Bank of Korea—Following Through?

Most economists expect the Bank of Korea to cut its base rate by 25bps on Friday. The central bank teed up possible easing at this meeting while communicating its decisions at the last meeting on August 22nd. The BoK said it had "greater confidence that inflation will converge on the target level" and that it will "examine the proper timing of rate cuts while maintaining a restrictive policy stance." Inflation has been rapidly decelerating (chart 11).

GLOBAL MACRO—WILL THE UK ECONOMY REINFORCE BAILEY'S GUIDANCE

Other readings due out this week will pale in comparison to what has already been covered. Chart 12 summarizes them and I'll write about some of them in daily notes as the week progresses.

UK macro data will be one of the focal points. On Friday, we'll get updates for August on GDP, industrial production, construction output, the monthly services index and net trade figures. They are expected to rebound from the prior month's soft patch. If so, then it could challenge Governor Bailey's remarks this past week about how the Bank of England could become "a bit more aggressive" reducing Bank Rate and "a bit more activist" as long as inflation figures are supportive. On that note, the next CPI report arrives the following week on the 16th and will be the last reading before the BoE's next decision on November 7th that is priced for a 25bps reduction.

Several countries will refresh CPI readings this week. It starts with Colombia and Thailand (Monday), then Chile and Taiwan (Tuesday), followed by Mexico and Brazil (Wednesday) and then Norway on Thursday.

Other releases will be relatively light out of Canada and the US. Germany updates trade figures on Wednesday. China might update monthly credit figures either this week or the following week.

Chart 12

Other Global Macro Indicators (October 7th - October 11th)

US	CA	CPI	Other Macro
		Monday	
Treasury Budget		CO	GE Factory Orders
Consumer Credit		TH	EC Retail Trade
		VN	
		Tuesday	
Trade	Trade	TA	GE IP
			FR Trade
		Wednesday	
Wholesale Inventories		MX	
		BZ	
		Thursday	
Claims			IT IP
			BZ Retail Sales
			SI GDP
		Friday	
PPI	Building Permits		MX IP
U. of M Consumer Sent.	BoC Surveys		UK IP, Manf Prod., Trade
			IN IP

Sources: Scotiabank Economics, Bloomberg.

Key Indicators for the week of October 7 – 11

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	10-07	09:00	Treasury Budget (US$ bn)	Sep	--	35.0	-380.1
US	10-07	15:00	Consumer Credit (US$ bn m/m)	Aug	--	12.0	25.5
CA	10-08	08:30	Merchandise Trade Balance (C$ bn)	Aug	--	-0.5	0.7
US	10-08	08:30	Trade Balance (US$ bn)	Aug	-70.0	-70.5	-78.8
US	10-09	07:00	MBA Mortgage Applications (w/w)		--	--	-1.3
MX	10-09	08:00	Bi-Weekly Core CPI (% change)	Sep 30	--	0.1	0.2
MX	10-09	08:00	Bi-Weekly CPI (% change)	Sep 30	--	0.0	0.1
MX	10-09	08:00	Consumer Prices (m/m)	Sep	--	0.1	0.0
MX	10-09	08:00	Consumer Prices (y/y)	Sep	--	4.6	5.0
MX	10-09	08:00	Consumer Prices Core (m/m)	Sep	--	0.3	0.2
US	10-09	10:00	Wholesale Inventories (m/m)	Aug F	--	0.2	0.2
US	10-10	08:30	CPI (m/m)	Sep	0.1	0.1	0.2
US	10-10	08:30	CPI (y/y)	Sep	2.3	2.3	2.5
US	10-10	08:30	CPI (index)	Sep	--	314.9	314.8
US	10-10	08:30	CPI ex. Food & Energy (m/m)	Sep	0.2	0.2	0.3
US	10-10	08:30	CPI ex. Food & Energy (y/y)	Sep	3.2	3.2	3.2
US	10-10	08:30	Initial Jobless Claims (000s)		220	229.0	225.0
US	10-10	08:30	Continuing Claims (000s)		1830	--	1826.0
MX	10-11	08:00	Industrial Production (m/m)	Aug	--	0.2	0.2
MX	10-11	08:00	Industrial Production (y/y)	Aug	--	0.4	2.1
CA	10-11	08:30	Building Permits (m/m)	Aug	--	-6.0	22.1
CA	10-11	08:30	Employment (000s m/m)	Sep	10.0	31.5	22.1
CA	10-11	08:30	Unemployment Rate (%)	Sep	6.8	6.7	6.6
US	10-11	08:30	PPI (m/m)	Sep	0.1	0.1	0.2
US	10-11	08:30	PPI ex. Food & Energy (m/m)	Sep	0.2	0.2	0.3
US	10-11	10:00	U. of Michigan Consumer Sentiment	Oct P	70.0	70.5	70.1
CA	10-11	10:30	Business Outlook Future Sales	3Q	--	--	1.0

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	10-07	02:00	Factory Orders (m/m)	Aug	-2.0	2.9
EC	10-07	05:00	Retail Trade (m/m)	Aug	0.2	0.1
GE	10-08	02:00	Industrial Production (m/m)	Aug	0.8	-2.4
FR	10-08	02:45	Current Account (€ bn)	Aug	--	-1200.0
FR	10-08	02:45	Trade Balance (€ mn)	Aug	--	-5884.5
IT	10-10	04:00	Industrial Production (m/m)	Aug	0.3	-0.9
GE	10-11	02:00	CPI (m/m)	Sep F	0.0	0.0
GE	10-11	02:00	CPI (y/y)	Sep F	1.6	1.6
GE	10-11	02:00	CPI - EU Harmonized (m/m)	Sep F	-0.1	-0.1
GE	10-11	02:00	CPI - EU Harmonized (y/y)	Sep F	1.8	1.8
UK	10-11	02:00	Index of Services (m/m)	Aug	0.2	0.1
UK	10-11	02:00	Industrial Production (m/m)	Aug	0.2	-0.8
UK	10-11	02:00	Manufacturing Production (m/m)	Aug	0.3	-1.0
UK	10-11	02:00	Visible Trade Balance (£ mn)	Aug	-19300.0	-20003.0
GE	10-11		Current Account (€ bn)	Aug	--	16.0

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

Key Indicators for the week of October 7 – 11

ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
TH	10-06	23:30	CPI (y/y)	Sep	0.8	0.4
TH	10-06	23:30	CPI (m/m)	Sep	0.0	0.1
TH	10-06	23:30	Core CPI (y/y)	Sep	0.7	0.6
VN	10-06		CPI (y/y)	Sep	2.7	3.5
VN	10-06		Industrial Production (y/y)	Sep	--	9.5
JN	10-07	01:00	Coincident Index CI	Aug P	113.6	117.2
JN	10-07	01:00	Leading Index CI	Aug P	106.9	109.3
JN	10-07	01:00	New Composite Leading Economic Index	Aug P	106.9	109.3
MA	10-07	03:00	Foreign Reserves (US$ bn)	Sep 30	--	117.6
SI	10-07	05:00	Foreign Reserves (US$ mn)	Sep	--	384587.4
SK	10-07	19:00	Current Account (US$ mn)	Aug	--	9131.8
JN	10-07	19:30	Household Spending (y/y)	Aug	-2.7	0.1
JN	10-07	19:50	Current Account (¥ bn)	Aug	2975.0	3193.0
JN	10-07	19:50	Trade Balance - BOP Basis (¥ bn)	Aug	-532.4	-482.7
AU	10-07	20:30	ANZ Job Advertisements (m/m)	Sep	--	-2.1
PH	10-07	21:00	Unemployment Rate (%)	Aug	--	4.7
ID	10-07	23:00	Consumer Confidence Index	Sep	--	124.4
CH	10-07		Foreign Reserves (US$ bn)	Sep	3308.1	3288.2
TH	10-07		Consumer Confidence Economic	Sep	--	50.2
AU	10-08	01:30	Foreign Reserves (AUD bn)	Sep	--	96.2
TA	10-08	04:00	CPI (y/y)	Sep	2.0	2.4
TA	10-08	04:00	Exports (y/y)	Sep	11.8	16.8
TA	10-08	04:00	Imports (y/y)	Sep	12.4	11.8
TA	10-08	04:00	Trade Balance (US$ bn)	Sep	10.6	11.5
NZ	**10-08**	**21:00**	**RBNZ Official Cash Rate (%)**	**Oct 9**	**4.75**	**5.25**
IN	**10-09**	**00:30**	**Repo Rate (%)**	**Oct 9**	**6.50**	**6.50**
IN	10-09	00:30	Cash Reserve Ratio (%)	Oct 9	4.50	4.50
JN	10-09	02:00	Machine Tool Orders (y/y)	Sep P	--	-3.5
JN	10-09	19:50	Bank Lending (y/y)	Sep	--	3.0
PH	10-09	21:00	Exports (y/y)	Aug	-7.1	0.1
PH	10-09	21:00	Imports (y/y)	Aug	-1.9	7.2
PH	10-09	21:00	Trade Balance (US$ mn)	Aug	-4371.0	-4869.0
NZ	10-10	17:30	Business NZ PMI	Sep	--	45.8
JN	10-10	19:50	Japan Money Stock M2 (y/y)	Sep	--	1.3
JN	10-10	19:50	Japan Money Stock M3 (y/y)	Sep	--	0.9
SI	10-10		Real GDP (y/y)	3Q A	3.7	2.9
SI	10-10		GDP (q/q)	3Q A	3.7	2.9
MA	10-11	00:00	Industrial Production (y/y)	Aug	5.4	5.3
IN	10-11	08:00	Industrial Production (y/y)	Aug	1.10	4.80
SK	**10-11**		**BoK Base Rate (%)**	**Oct 11**	**3.25**	**3.50**

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CO	10-07	19:00	Consumer Price Index (m/m)	Sep	--	0.3	0.0
CO	10-07	19:00	Consumer Price Index (y/y)	Sep	--	5.8	6.1
BZ	10-09	08:00	IBGE Inflation IPCA (m/m)	Sep	--	0.5	0.0
BZ	10-09	08:00	IBGE Inflation IPCA (y/y)	Sep	--	4.5	4.2
BZ	10-10	08:00	Retail Sales (m/m)	Aug	--	-0.6	0.6
BZ	10-10	08:00	Retail Sales (y/y)	Aug	--	4.2	4.4
PE	**10-10**	**19:00**	**Reference Rate (%)**	**Oct 10**	**5.00**	**5.00**	**5.25**

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

Global Auctions for the week of October 7 – 11

NORTH AMERICA

Country	Date	Time	Event
US	10-08	13:00	U.S. To Sell 3-Year Notes
US	10-09	13:00	U.S. To Sell 10-Year Notes Reopening
CA	10-10	12:00	Canada to Sell 2 Year Bonds
US	10-10	13:00	U.S. To Sell 30-Year Bond Reopening

EUROPE

Country	Date	Time	Event
NE	10-08	04:00	Netherlands to Sell Bonds
AS	10-08	05:00	Austria to Sell Bonds
GE	10-08	05:30	Germany to Sell Green Bonds
SZ	10-09	05:00	Switzerland to Sell Bonds
SW	10-09	05:00	Sweden to Sell Bonds
NO	10-09	05:00	Norway to Sell Bonds
UK	10-09	05:00	UK to Sell 4.25% 2034 Bonds
GE	10-09	05:30	Germany to Sell EUR 1B of 15-year Bonds
GE	10-09	05:30	Germany to Sell EUR 500M of 15-year Bonds
PO	10-09	05:30	Portugal to Sell Bonds
IT	10-11	05:00	Italy to Sell Bonds

ASIA PACIFIC

Country	Date	Time	Event
JN	10-07	23:35	Japan to Sell 30-Year Bonds
CH	10-08	22:35	China to Sell 115 Billion Yuan 2027 Bonds
CH	10-08	22:35	China to Sell 100 Billion Yuan 2031 Bonds
JN	10-09	23:35	Japan to Sell 5-Year Bonds

LATIN AMERICA

Country	Date	Time	Event
No Scheduled Auctions			

Sources: Bloomberg, Scotiabank Economics.

Events for the week of October 7 – 11

NORTH AMERICA

Country	Date	Time	Event
US	10-07	13:50	Fed's Kashkari Participates in Q&A
US	10-07	18:00	Fed's Bostic Moderates Conversation with Steve Koonin
US	10-07	18:30	Fed's Musalem Speaks on Economy, Policy
US	10-08	03:00	Fed's Kugler Speaks at ECB Event (Schnabel Chairs Session)
US	10-08	12:45	Fed's Bostic Speaks on the Economic Outlook
US	10-08	16:00	Fed's Collins Speaks at Community Banking Conference
US	10-09	08:00	Fed's Bostic Gives Welcome Remarks
US	10-09	09:15	Fed's Logan Speaks at Houston Energy Conference
US	10-09	10:30	Fed's Goolsbee Gives Opening Remarks at Payments Conference
US	10-09	14:00	FOMC Meeting Minutes
US	10-09	17:00	Fed's Collins Speaks at Worcester Event
US	10-09	18:00	Fed's Daly Speaks in Moderated Conversation
US	10-10	11:00	Fed's Williams Gives Keynote Remarks
US	10-11	09:45	Fed's Goolsbee Gives Opening Remarks
US	10-11	10:45	Fed's Logan Participates in Panel Discussion

EUROPE

Country	Date	Time	Event
EC	10-07	03:05	ECB's Cipollone Speaks
EC	10-07	03:45	ECB's Lane Speaks in Frankfurt
SW	10-08	03:30	Riksbank Deputy Governor Bunge speaks on monetary policy
EC	10-09	12:00	ECB's Villeroy speaks in Paris
SW	10-10	02:30	Riksbank Governor speaks on economic policy frameworks
SW	10-10	02:30	Riksbank Governor Thedeen speaks on economic policy frameworks
SZ	10-10	11:30	SNB's Martin Speaks in Zurich

ASIA PACIFIC

Country	Date	Time	Event
AU	10-07	20:30	RBA Minutes of Sept. Policy Meeting
AU	10-07	21:00	RBA's Hauser-Remarks
AU	10-08	20:00	RBA's Kent-Speech
NZ	10-08	21:00	RBNZ Official Cash Rate
NZ	10-08	21:00	RBNZ Monetary Policy Review
IN	**10-09**	**00:30**	**RBI Repurchase Rate**
AU	10-10	03:45	RBA's Hunter-Panel
SK	**10-10**	**00:00**	**BOK Base Rate**
KZ	**10-11**	**03:00**	**Key Rate**

LATIN AMERICA

Country	Date	Time	Event
UR	**10-08**		**Monetary Policy Rate**
MX	10-10	11:00	Central Bank Monetary Policy Minutes
PE	**10-10**	**19:00**	**Reference 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	4.25	October 23, 2024	4.00	4.00
Federal Reserve – Federal Funds Target Rate	5.00	November 7, 2024	4.75	4.75
Banco de México – Overnight Rate	10.50	November 14, 2024	N/A	10.25

Federal Reserve: The Federal Reserve will release minutes from the September 17th-18th FOMC meeting on Wednesday at 2pm EST when the Fed delivered a jumbo rate cut of 50bps - more than expected by economists. The key thing will be to watch over the discussions around the 50bps vs the 25bps rate cut and the consensus among the members. The minutes are likely to be stale given more recent developments like nonfarm payrolls.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	3.65	October 17, 2024	3.65	3.65
European Central Bank – Marginal Lending Facility Rate	3.90	October 17, 2024	3.90	3.90
European Central Bank – Deposit Facility Rate	3.50	October 17, 2024	3.50	3.50
Bank of England – Bank Rate	5.00	November 7, 2024	4.75	4.75
Swiss National Bank – Sight Deposit Rate	1.00	December 12, 2024	1.00	1.00
Central Bank of Russia – One-Week Auction Rate	19.00	October 25, 2024	19.00	19.00
Sweden Riksbank – Repo Rate	3.25	November 7, 2024	3.00	3.00
Norges Bank – Deposit Rate	4.50	November 7, 2024	4.50	4.50
Central Bank of Turkey – Benchmark Repo Rate	50.00	October 17, 2024	50.00	50.00

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	0.25	October 31, 2024	0.25	0.25
Reserve Bank of Australia – Cash Rate Target	4.35	November 4, 2024	4.35	4.35
Reserve Bank of New Zealand – Cash Rate	5.25	October 8, 2024	4.75	4.75
People's Bank of China – 1-Year Medium-Term Lending Facility Rate	2.00	October 25, 2024	2.00	2.00
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	3.25	3.25
Bank of Thailand – Repo Rate	2.50	October 16, 2024	2.50	2.50
Bank Negara Malaysia – Overnight Policy Rate	3.00	November 6, 2024	3.00	3.00
Bank Indonesia – BI-Rate	6.00	October 16, 2024	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	6.25	October 17, 2024	6.25	6.25

Reserve Bank of New Zealand (RBNZ): Reserve Bank of New Zealand is expected to further reduce its cash rate on Tuesday for the second time in a row. However, both economists and markets expect the bank to increase the pace of its rate cut on Tuesday by reducing the cash rate by 50bps to 4.75%. Since the last meeting, inflation expectations have slowed down at the mid-point of the inflation target, GDP shrank in Q2, and employment has been softening. On the flip side, the RBA has sounded in no hurry and China has added stimulus. **Reserve Bank of India (RBI):** The Reserve Bank of India is expected to maintain its repo rate at 6.50% on Wednesday, with a slight possibility of a 25 basis points cut. Both headline and core inflation are currently below the midpoint of the bank's target range. Additionally, the Federal Reserve's significant rate cut provides room for the RBI to consider a rate reduction. However, the recent escalation of tensions in the Middle East has led to a sharp increase in crude oil prices, raising inflation concerns and causing the rupee to depreciate. This situation is putting additional pressure on the RBI. **Bank of Korea (BoK):** Bank of Korea is expected to deliver its first rate cut of 25bps on Friday after the latest inflation figures slipped under the 2% inflation target.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	10.75	November 6, 2024	11.00	11.00
Banco Central de Chile – Overnight Rate	5.50	October 17, 2024	5.50	N/A
Banco de la República de Colombia – Lending Rate	10.25	October 31, 2024	9.75	N/A
Banco Central de Reserva del Perú – Reference Rate	5.25	October 10, 2024	5.00	5.00

Banco Central de Reserva del Peru: Banco Central de Reserva del Peru is expected to lower its reference rate further by 25bps on Thursday. Both headline and core inflation are now within the bank's inflation target. Plus the Fed's jumbo rate cut has provided some cushion for the BCRP to lower its rate again as per our Latam team.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	8.00	November 21, 2024	8.00	8.00

Sources: Bloomberg, Scotiabank Economics.