

#### Contributors

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#### Next Week's Risk Dashboard

- The dangers of a possible Trump victory
- Nonfarm payrolls: hurricanes versus seasonal factors
- The Fed is likely to look through temporary hurricane effects on jobs
- Japan's general election could raise political uncertainty
- Bank of Japan to stay out of the fray this week
- UK Budget expected to raise already high taxes, and debt
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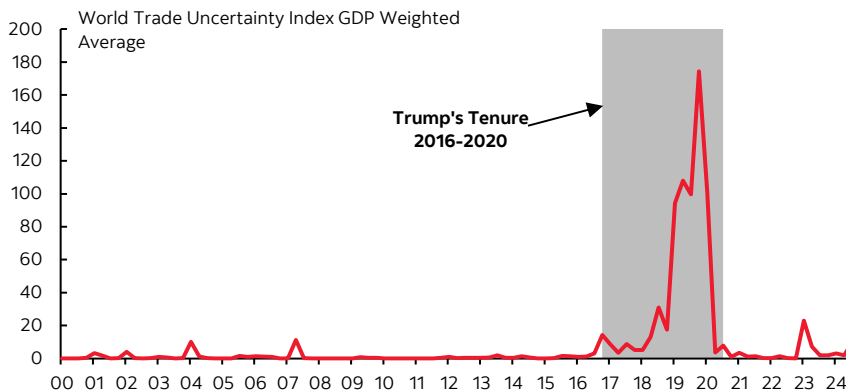
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#### Chart of the Week

##### Trump's Trade Policies Risk Renewed C-Cuite Uncertainty



Sources: Scotiabank Economics, World Uncertainty Index.

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

## Gloves Off

Donald Trump's proposed economic policies and likely debasement of democratic and market institutions would be ruinous to the US and global economies.

Enough tiptoeing around the issues. That message needs to be shouted into the final full week before the November 5<sup>th</sup> election. The stakes are so high—the highest around a US election in decades if not ever—that the warnings must be written with a strong bite and absent reservations by global economists before American voters make a potentially big and irreversible mistake.

That's not an endorsement for Kamala Harris. She is just the least damaging potential candidate with an unfavourable history of her own on trade—including voting against TPP and NAFTA 2.0—and her fiscal policy bias over the past five years that is marked by a preference toward greater government intrusion in the economy. The Biden-Harris administration messed up on files like immigration, though that was significantly because Trump's mischief prevented an earlier border deal. I can understand voter disengagement over how far left the Biden administration pivoted. They advanced a deeper role for the state through non-market mechanisms that make me uncomfortable. My articles at the start of this year ([example](#)) argued that the Dems have been their own worst enemies and misread the voting room.

When voting, however, my bias is that politicians will mess up, but it's a matter of picking the one you think will be less damaging. As a professional economist, I have no doubt that this means voting against Donald Trump and the weak self-serving men behind him.

For starters, Trump's first term was a total failure in my books. Trump achieved nothing on infrastructure despite saying he'd be the one to do so; that was Biden, heavy distorting subsidies and all. His trade skirmishes ranged from ineffective, to costly to consumers, to much ado about nothing much at all like NAFTA 2.0. His finger wagging at subsidies and unfair trade practices aboard has considerable legitimacy, but conveniently ignores America's own such practices like bailing out everyone in the GFC and heaping massive subsidies across multiple sectors of the US economy from agriculture to IT, aerospace and to the whole military-industrial complex. His tax cuts did not pay for themselves as almost any economist would say they wouldn't; he inherited a deficit at about 2½% of GDP just before the 2016 election and widened it to almost double that just before the pandemic. His issuance pre-pandemic and during the pandemic set the stage for what Biden would further inflame by way of debt supply pressures on yields. His crisis management skills during the pandemic were nothing short of awful. His slugging of the Fed was obviously self-serving and unhelpful. His courtship of despots like Putin embarrassed America and made the country look like an unreliable and untrustworthy ally captured by dictators. His sore loser temper tantrum on Jan 6<sup>th</sup> put lives, institutions and a democracy in danger. His grift issues while in office were a flagrant abuse of power. And all that is without getting into his sundry and sordid character defects that make him out to be a truly awful person; a horrible example to younger generations looking for reasons not to be cynical toward their leaders.

And now his Term 2.0 policies risk very high damage to America and the world. Extreme protectionism that would invite retaliation, a large negative population shock and a surge of debt issuance to feed totally undisciplined fiscal policy, if delivered, would be extraordinarily damaging to the world outlook. This isn't 2016 when bond markets didn't care about inflation and issuance. This is 2024, the US economy doesn't need pump priming, it's in excess demand and will remain there next year, and Trump's plans risk being highly destabilizing to world markets in a much more fractured world. The US needs to assert control over its borders, but Trump's extreme immigration policies would severely damage the US economy. His clear preference toward allowing Russia to have its way with Ukraine, and China with Taiwan, would be the biggest foreign policy mistakes since Neville Chamberlain's appeasement speeches were delivered starting in Munich 1938 ("Peace for Our Time," allowing Germany to annex Czechoslovakia). Trump's more extreme, impetuous ways today than during Trump 1.0 risk applying terrible, unglued judgement in volatile, sensitive circumstances.

There are those in my industry who I know will scoff at this. They are quite vocal—indeed loudly so—in their support for Trump. I get the appeal of lower taxes under Trump as among their somewhat more rational arguments while filtering out the rants like the idiocy that often dominates online comments and social media postings. They will put self-interest above the nation's and the world's interests. That, in my opinion, risks turning into a mistake of epic proportions that would come back to harm them in time. America's fiscal position is living on borrowed time and the more damage that's done now, the higher taxes will go in future in a potentially more divided and more dangerous world.

The final full week before the US election will have plenty of other developments to consider before we get to what kind of world we may be facing shortly thereafter. A heavy line-up will focus on global fundamentals, a few central bank communications, the UK budget and global earnings reports.

**US NONFARM PAYROLLS—A TEMPORARY HIT FROM HURRICANES?**

Nonfarm payrolls will be updated with October figures on Friday, along with other labour market measures like wage growth, hours worked, and other details. There will be several other labour market readings available in the lead up to payrolls.

My guesstimate is for payrolls to grow by only 95k with an uptick in the unemployment rate to 4.2%. Hurricanes are likely to dominate favourable seasonal adjustment factors in temporarily depressing payroll growth before the rebound into year-end.

**Hurricanes Will Temporarily Depress Payrolls...**

Hurricanes are a downside risk. Helene made landfall on September 26<sup>th</sup> – 27<sup>th</sup> and Milton struck shore on October 9<sup>th</sup>. They both hit between the September and October nonfarm reference periods. This is very likely to slow payrolls more so through reduced hiring than outright job losses.

As the BLS notes, weather tends to have little direct effect on payrolls ([here](#)), scroll down to severe weather question):

“Unusually severe weather, natural disasters, government shutdowns, and other catastrophic events are more likely to have an impact on CES estimates of average weekly hours than on employment. In the establishment survey, the reference period is the pay period that includes the 12th of the month. Average weekly hours are estimated for paid time during the pay period, including pay for holidays, sick leave, or other time off.

Any event in which employees are prevented from working a normal schedule typically results in a reduction in average weekly hours. For example, some employees may be off work for part of the pay period and not receive pay for the time missed, while some workers, such as those dealing with cleanup or repair, may work extra hours.”

The BLS only counts lost payrolls during adverse weather events if you are off the payroll for the entire nonfarm reference period which is the pay period including the 12<sup>th</sup> day of each month. The BLS estimates that about two-thirds of payroll employees have a 2-week, semi-monthly or monthly pay period. Therefore, for the majority of workers, even if you can only receive pay for one hour of that period, you count on payrolls and hence not as a lost job during adverse weather events.

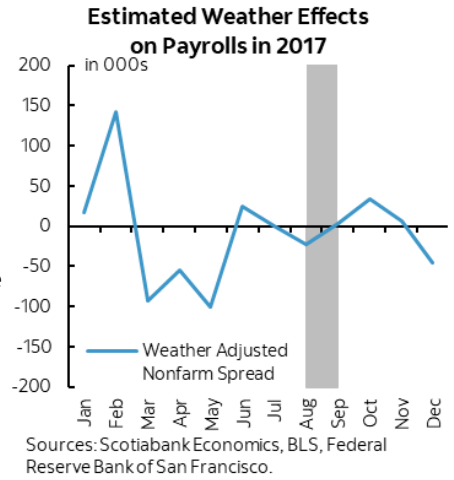
This may be why measures like the San Francisco Fed’s weather-adjusted payrolls measure (explained [here](#)) tend to show little effect of hurricanes including the trio of bad ones in 2017 (chart 1).

And yet, the reality is that payrolls do exhibit materially slower gains when bad hurricanes hit. That includes Katrina (2005, chart 2) and the 2017 trio (chart 3). You might not drop off payrolls—though so would—but it’s still hard to impossible for prospects and hiring managers to get to job interviews!

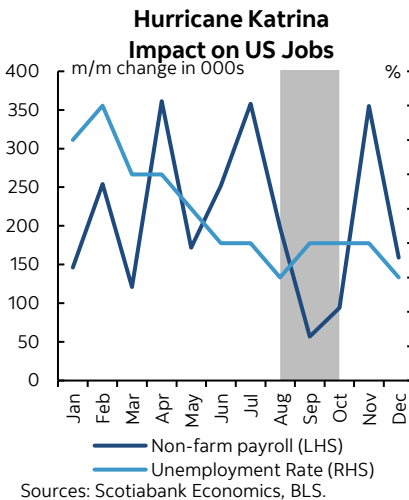
**...Before Payrolls Rebound**

As chart 4 shows, it doesn’t take long at all for payroll growth to rebound following hurricanes. Payrolls quickly make up for lost time once business resumption effects kick in along with rebuilding efforts. This counsels looking through this week’s numbers.

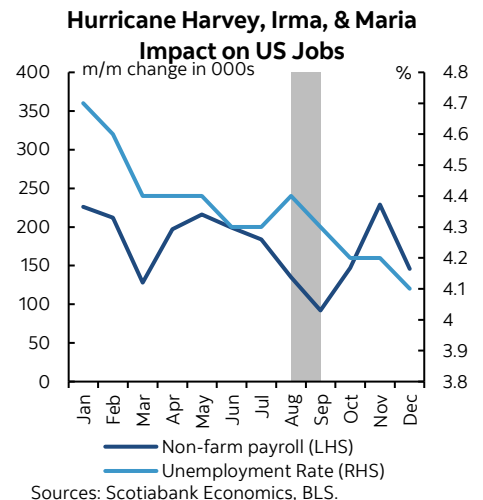
**Chart 1**



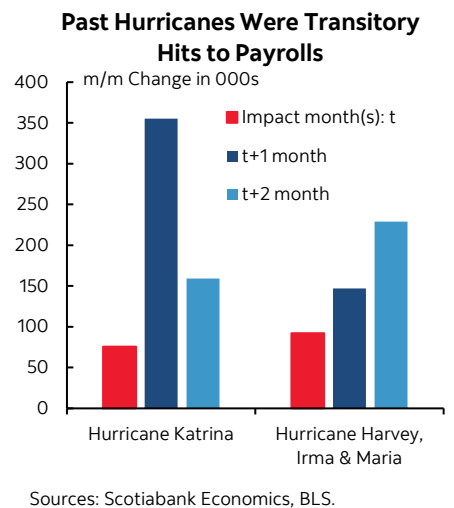
**Chart 2**



**Chart 3**



**Chart 4**



**Federal Reserve Would be Wise to Ignore**

If payroll growth is strong, then the FOMC might consider either a small 25bps cut at the November 7<sup>th</sup> meeting two days after the US election, or none at all following its outsized 50bps opening salvo. If payrolls are weak, then it will probably ignore the reading while delivering a small cut nonetheless.

That tends to be the way the Fed has approached weather effects in the past. Recall former Chair Yellen’s remarks in 2017:

“While the effects of the hurricanes on the U.S. economy are quite noticeable in the short term, history suggests that the longer-term effects will be modest and that aggregate economic activity will recover quickly. The hurricanes will likely result in some hit to GDP growth in the third quarter but a rebound thereafter, and smoothing through those movements, I’m expecting growth that continues to exceed potential in the second half of the year.”

The September 2017 FOMC meeting extended a pause in the hike cycle that began before the hurricanes at the July meeting. The statement said this:

“Hurricanes Harvey, Irma, and Maria have devastated many communities, inflicting severe hardship. Storm-related disruptions and rebuilding will affect economic activity in the near term, but past experience suggests that the storms are unlikely to materially alter the course of the national economy over the medium term. Consequently, the Committee continues to expect that, with gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate pace, and labor market conditions will strengthen somewhat further. Higher prices for gasoline and some other items in the aftermath of the hurricanes will likely boost inflation temporarily.”

This time around, I think it’s unlikely that the Fed would deliver a bigger cut because of hurricanes. In act, I’d have little faith in the FOMC if they did so given the transitory nature of the impact on growth and inflation and given the greater role played by fiscal supports including FEMA-led actions.

**Seasonal Adjustment Factors Could Be An Upside Risk**

This is probably going to be the second month in a row in which seasonal adjustment factors could be higher than normal compared to like months in history. Last October’s SA factor was the second highest on record compared to all past Octobers (chart 5). That could give payrolls an artificial boost as at least a partial offset to the weather effects.

Why should we expect another month of stronger than usual seasonal adjustment factors compared to like months of October in history? This has been happening in recent years during which SA factors have been higher than normal. Seasonal adjustment factor estimates are strongly weighted toward recent years, like the last 3–4 years. As the calculations stretch into the pandemic-recovery era, they are biased too low during the Spring into summer months when the pandemic shutdowns hit, and too high in the recovery periods relative to history.

The BLS itself states so ([here](#)) by noting that “Standard seasonal adjustment methodology relies heavily on the experience of the most recent three years.”

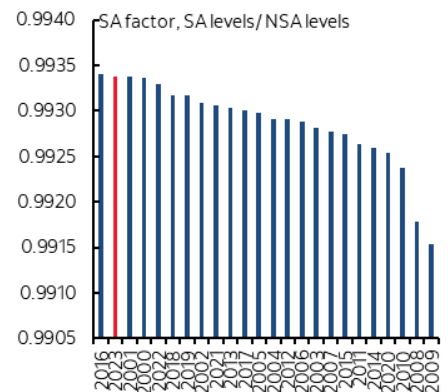
Chart 6 shows the high sensitivity of the change in seasonally adjusted payrolls to the exact SA factor assuming a roughly average 1.1 million seasonally unadjusted payroll gain for months of October. Thus, on SA factors alone, the reading could stay positive but this isn’t assured.

**Other US Job Market Readings**

Also watch wage growth that has remained strong (chart 7).

Chart 5

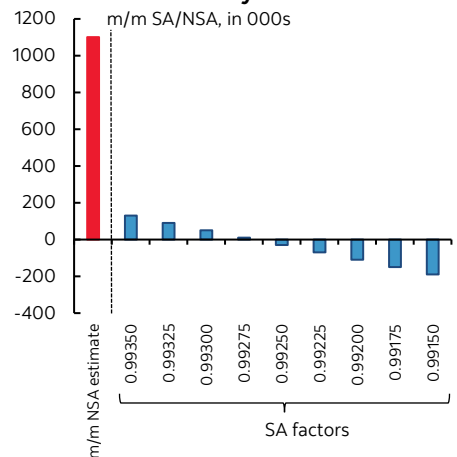
**Comparing US Payroll SA Factor for All Months of October**



Sources: Scotiabank Economics, BLS.

Chart 6

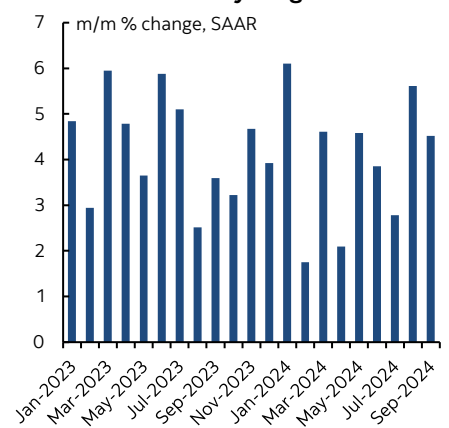
**US Nonfarm Payroll Scenarios**



Sources: Scotiabank Economics.

Chart 7

**US Hourly Wages**



Sources: Scotiabank Economics, Statistics Canada.

The path toward payrolls will also be littered with other labour market readings that could either inform payroll estimates or other perspectives on the labour market.

JOLTS job openings for September (Tuesday) have been trending fairly sideways since Spring at a still relatively elevated estimate of roughly 8 million.

ADP private payrolls for October (Wednesday) don't appear to have the same SA factor issues as nonfarm payrolls. I estimated +100k for ADP, similar to nonfarm.

Challenger job cuts for October (Thursday) will probably stay around a level that is compatible with job growth. The prior month's reading of 73k is a little higher than pre-pandemic levels but not by much. If anything, difficulty getting into work could make it less likely to deliver pink slips.

The Q3 Employment Cost Index (Thursday) is expected to rise by another roughly 1% q/q non annualized. Its growth has slowed from the 2022 peak, but it is still running at about double the pre-pandemic pace. The following week's productivity figures will then factor into how employment costs are driving unit labour costs within the overall inflation narrative.

**GLOBAL INFLATION—MERE FOOTNOTES?**

Several countries will register updated inflation readings including the US, Eurozone, Australia, Switzerland, Peru and Indonesia. With significant risk surrounding the US election's outcome and what influence it may have upon global trade and fiscal policies these could become somewhat stale readings in short order.

**US—Muted Core PCE Inflation**

A pair of the Fed's preferred inflation readings will be refreshed on Wednesday and Thursday. They are unlikely to shift the bias away from a 25bps cut on November 7th with mild risk of a hold. Wednesday's Q3 core PCE estimate will set the stage for the next day's core PCE estimate for September along with the month's income, spending and saving rate estimates. Barring revisions, Q2 core PCE is tracking 2% q/q SAAR assuming September's estimates will be about 0.2% m/m SA.

**Eurozone—Settling the Score**

Further progress on core inflation is expected when October's estimate is released on Thursday. Key, however, will be the evidence at the margin given the suddenly softer than seasonally normal reading in September that followed a long string of seasonally stronger than normal readings when compared changes to like months in history. Was it just one month of relief, or will a trend take place?

By the time individual countries' estimates have been updated we should have a better idea of what to expect for the Eurozone reading. Germany and Spain report on Wednesday before France and Italy release just before the eurozone reading.

**Australia—RBA Won't Rush to Ease With Core Expected to Remain Hot**

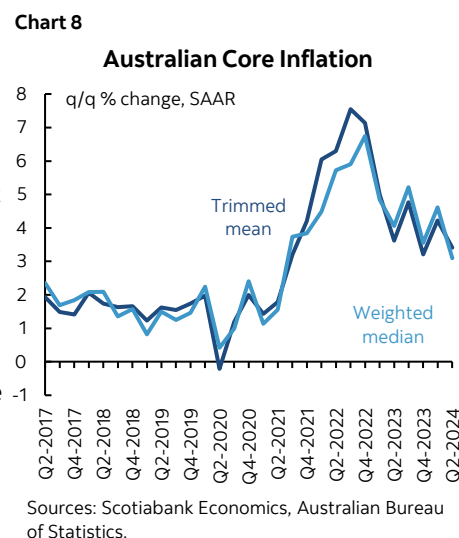
The Reserve Bank of Australia will closely follow Q3 CPI inflation figures on Tuesday. Markets are priced for little chance of any action on the policy rate until toward the February meeting when a significant chance at a hike starts to get factored in. The RBA's guidance sounds like it is in less of a rush to ease and has not removed hike risk.

The core inflation gauges—trimmed mean and weighted median—have continued to run fairly hot (chart 8) and are expected to do so again in the Q3 estimates. The RBA targets total inflation of 2–3%, whereas the annualized core gauges have been tracking over 3% and in the context of a very strong job market.

SNB watchers will follow CPI for October on Friday but with the next policy decision not until December 12th by when another round of data will be available. With the BCRP's next decision due on November 7th, Friday's CPI figures for Peru and the US election's effects could inform further steps in the easing bias. Indonesia also reports CPI on Thursday.

**GLOBAL GROWTH—US TO LEAD THE WAY**

By about mid-week we will have a much better idea of how global growth is tracking. That's because we will get GDP reports from across the US, Eurozone, individual Eurozone countries, Canada, Mexico and some other countries. The US economy is once again expected to outperform all others, thereby giving the current administration bragging rights into the election.



### 1. US GDP—Back-to-Back 3s?

Economic growth is estimated at about 3% q/q SAAR for Q3 and we'll find out whether that's on the mark or not on Wednesday. If so, and barring revisions, this would be a return to back-to-back 3-handled quarterly economic expansions.

Nowcasts suggest something even stronger could be in the cards. The Atlanta Fed's nowcast model estimates Q3 growth at 3.3%. The first pass is just a placeholder that can be subsequently revised and potentially by a lot. That's true of the next pass and it's true of the third estimate when fuller services spending data is incorporated.

Key is tracking consumption. Data up to August is tracking growth in inflation-adjusted consumer spending growth well over 3% q/q SAAR in Q3 by using the Q2 average, Q3 hard data up to August, and assuming a significant part of the 0.7% m/m surge in the retail sales control group during September translates into total consumer spending that we'll get for that month on Thursday—the day after GDP. The US consumer remains alive and well (chart 9).

### 2. Canadian GDP—Ending on a Soft Note?

The state of Canada's economy will be in focus on Thursday. That's when Statistics Canada updates its estimate for August GDP and provides a preliminary estimate for September that will refresh our tracking for Q3 GDP growth and tracking relative to the BoC's revised forecast of 1.5% q/q SAAR.

A simple model that I run estimates August GDP at +0.1% m/m SA compared to Statcan's guidance on September 27<sup>th</sup> that the month was "essentially unchanged." I've overridden my simple model with judgement to impose a decline of -0.1% and here's why.

We know that hours worked slipped -0.1% m/m SA in August which is no big deal after the 1% surge in July, but since GDP is an identity defined as hours times labour productivity the slip in hours during August will weigh on economic growth. There were large declines in housing starts that portend weakness in construction. There were declines in sectors like manufacturing and wholesale and transportation sectors. A bright spot was retail.

And yet we also know that August was hit by wildfire effects that disrupted multiple sectors of the economy. The gorgeous resort town of Jasper, Alberta will rebuild, but the decimation that struck the region disrupted key rail freight movements and trade. Wildfires were flagged by Statcan as also disrupting mining operations in parts of the country, as well as travel, tourism and accommodation services.

September might not be in a better position. Limited data we have for September focuses particularly hard upon a 0.4% m/m SA drop in hours worked that month that requires an activity-fed rebound in productivity to offset the effects which is hardly Canada's strong suit.

### 3. Eurozone GDP—Make Europe Grow Again

There will be no mega numbers coming out of the Eurozone this week. Q3 GDP growth is expected to be soft at 0.2% q/q SA nonannualized, or well under 1% annualized. This estimate is bracketed by a tenth on either side within consensus.

Behind the aggregate will be a highly mixed picture across individual countries. France is expected to post mild growth along with Italy, Spain is expected to lead the pack, and Germany's economy may contract for a second straight quarter and therefore meet one definition of entering recession. In fact, Germany's economy could contract for the third time in the past four quarters, thus cementing its status as the sickest of the bunch.

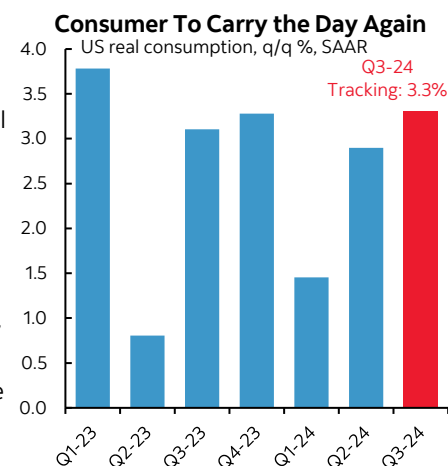
### 4. Mexican GDP—Accelerated Growth

Wednesday's reading for Q3 GDP is expected to accelerate. Growth of about ¾% q/q SA (~2¾% SAAR) is expected in what would be the strongest growth since Q3 of last year. That would mask the deceleration of growth in year-over-year terms toward 1% that is being driven by high year-ago base effects.

### CENTRAL BANKS—WOULD YOU DO IT AGAIN, MR. MACKLEM?

A pair of central bank decisions (BoJ, BanRep) and several chance for the BoC to revisit its communications will characterize an otherwise quiet calendar for global central banks as the FOMC goes into communications blackout ahead of the following Thursday's decisions.

Chart 9



Sources: Scotiabank Economics, BEA.



**Bank of Canada—Now What Do You Think?**

Would you have cut 50bps knowing what you know now? Governor Macklem will head out to market his team’s latest projections and decisions following this past week’s communications and the decision to cut by 50bps with guidance for more cuts ahead including the fact he did not shut the door on another upsized move (recap [here](#)).

He will hold a fireside chat on the state of the Canadian economy on Monday at 1:30pmET (no presser or remarks). He and Senior Deputy Governor Rogers will then deliver two rounds of parliamentary testimonies on Tuesday at 3:30pmET including text, and again the next day at 4:15pmET with the same text.

Since his recent press conference, we have learned material new information on two main counts. One is the government’s changed immigration policy. Two is the strength shown in retail sales during August plus tentative guidance for another gain in September that is positive for the consumer.

Macklem will likely be asked about how he views the changes in immigration policy and for an update on the state of the consumer. I expressed some thoughts [here](#). Comments he offered in a media roundtable at the conclusion of this past week’s IMF-World Bank meetings made it clear that he is very unlikely to criticize the government’s policy shift which should surprise no one as a creature of government himself. He may offer further opinions on the implications for potential GDP growth, ensuing risks to actual GDP growth, net slack and inflation with implications for the policy rate.

Macklem’s comments sounded skeptical that the government would be able to reduce migration as fast as the targets imply and he’ll be asked why. He also suggested that the effects would be modestly negative for GDP growth, that there would be little inflation impact (presumably because potential GDP also slows), that per capita spending would rise, and that there isn’t that big of a difference between the government’s population plans and what the BoC had incorporated.

That may be contested. The BoC stated in its October MPR that it was assuming 1½% y/y population growth over its projection period which significantly contrasts with the government’s projection of -0.2% y/y in each of the next two years.

What I think will happen is that the BoC will shift to the sidelines on the topic for a while with a show-me attitude, waiting to see what actually happens to population growth and adjusting accordingly while it continues to focus upon other data.

**Bank of Japan—Staying Out of the Political Fray**

This one should be a non-event. The Bank of Japan delivers a policy decision early on Thursday morning (ET) that will be accompanied by fresh forecasts and Governor Ueda’s press briefing at about 2:30amET.

The meeting follows this weekend’s general election that may add uncertainty into the mixture not least of which because of a large undecided share of voters (chart 10). The LDP is thought to be vulnerable in this election, thereby potentially requiring cooperation and sharing power.

No policy rate change is expected with markets priced for nothing and consensus unanimous toward a hold. This is despite the fact that Japanese core inflation accelerated at the margin. The October reading for Tokyo CPI ex-fresh food and energy was up by 0.5% m/m SA, or 6.2% m/m SAAR, for the strongest gain since April 2023 (chart 11).

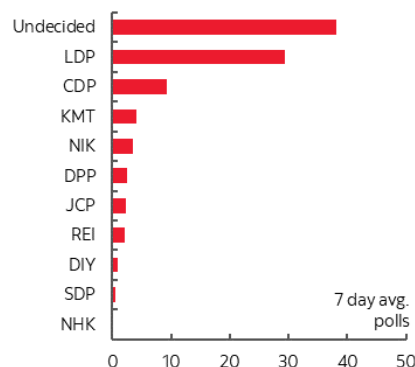
The reading had no material impact on the yen or JGBs. That’s likely because BoJ Governor Ueda has basically said that no action is planned at next Thursday’s meeting and reiterated this stance after the CPI reading by saying “I believe we have enough time” to consider the US economy and market stability. He directly noted that “a view on the US economy....which may be related to the US presidential election” will be considered.

**BanRep—Watching the COP**

Colombia’s central bank is expected to cut its overnight lending rate by another 50bps on Thursday. A minority thinks that it could cut by 75bps. This would extend the multi-meeting pattern of half-point moves with little case to upsize, though some will prefer such a course of

**Chart 10**

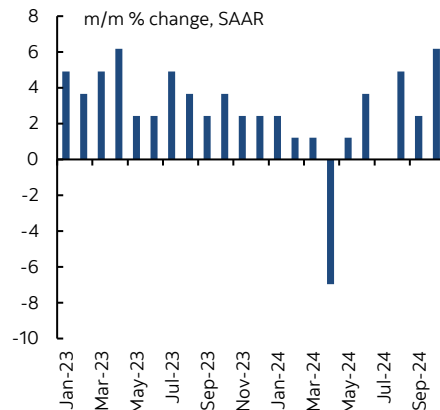
**Japanese General Election 2024 Polls**



Sources: Scotiabank Economics, Kyodo News, NHK, Jiji Press, JNN, ANN, Nikkei, Asahi.

**Chart 11**

**Tokyo Core CPI**



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

action. Core inflation continues to decelerate toward 6 ½% y/y from the peak of nearly double that and the central bank is seeking to get ahead of further downward pressure.

Easing, however, has contributed toward currency weakness (chart 12). The COP has depreciated by about 13% since April and about 4% just over the past month relative to the dollar. Further weakness could continue to add to import price pressures.

**UK BUDGET—MORE DEBT & HIGHER TAXES RISK CAPITAL FLIGHT**

The long-anticipated first budget of PM Keir Starmer’s Labour government will be presented on Wednesday by Chancellor of the Exchequer Rachel Reeves.

Politically unpopular tax hikes are expected in the context of what is already a high tax burden. [These](#) folks put the UK at #30 out of 38 countries on tax competitiveness just before the Budget (chart 13). Where the UK ranks well is on cross-border tax rules, while it ranks middle-of-the-pack on individual taxes, with among the highest consumption taxes and property taxes. Increases in Starmer’s contentiously defined “working people” taxes and corporations have been somewhat ruled out, but uncertainty continues. Taxing the ‘rich’ is going to be the focus with—like in Canada—higher capital gains taxes. Inheritance taxes may go up along with other levies.

What’s different about London compared to elsewhere is the mobility of its capital as a major international financial center with high property investments by the world’s wealthiest. We’ll be watching this with keen interest.

Reuters reporting suggests that anonymous officials indicate about £40 billion of fiscal measures. The government is expected to relax fiscal rules that would enable it to borrow tens of billions more over the five-year plan including through “changing the way that we measure debt” as Reeves put it.

**ONTARIO’S FISCAL UPDATE—SHORT-TERM GAINS**

Canada’s largest province—Ontario—is scheduled to release its fall economic and fiscal update on Wednesday October 30th and what follows is Laura Gu’s assessment.

The province’s FY24 deficit is projected at -\$0.6 billion (-0.05% of nominal GDP), significantly narrower than the -\$3 billion (-0.3% of GDP) forecasted earlier this year. We expect the hand-off from this improvement to drive modest near-term gains in the bottom line. Recall the 2024 Budget outlines deficits of -\$9.8 billion (-0.9% of nominal GDP) for FY25, -\$4.7 billion (-0.4%) for FY26, with a return to balance anticipated in FY27.

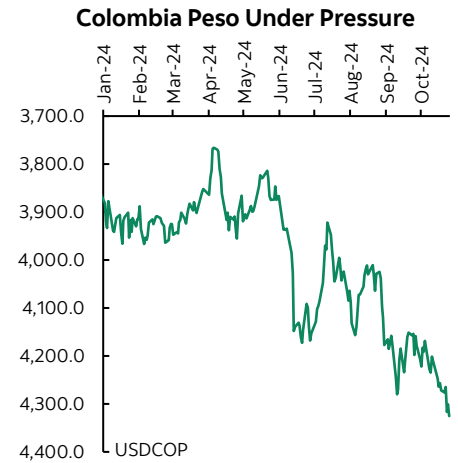
The macro backdrop remains supportive. The current plan projects a prudent near-term growth trajectory of 0.3% in real terms for 2024 and 1.9% for 2025—lower than our current view and could see upward revision in the update. The 2024 Budget also accounted for revenue losses due to the federal government’s cap on international students, with potential further revenue losses from restrictions on temporary workers and immigrants. Over the medium term, a smaller tax base resulting from these federal policies could pressure the province’s fiscal consolidation path amid economic uncertainties. The Financial Accountability Office (FAO)’s updated forecast indicates a delayed return to balance due to lower projected tax revenues. A cautious approach to new spending aligns with the uncertain revenue outlook, though pocketbook measures are likely to be introduced in anticipation of the looming provincial election.

**OTHER GLOBAL MACRO READINGS**

Chart 15 summarizes other global macro indicators not captured elsewhere.

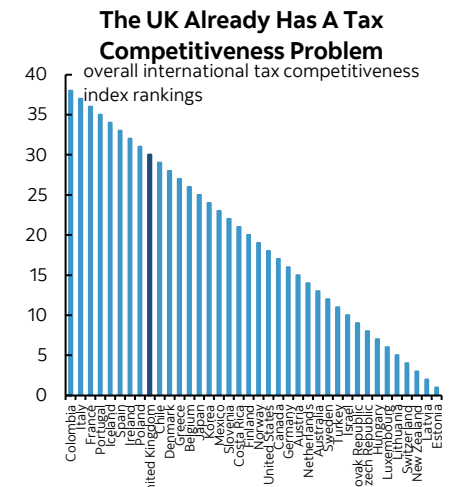
China’s state purchasing managers’ indices may be the most significant among the remaining releases (Wednesday) and could be a highly preliminary test of sentiment following recent stimulus announcements.

Chart 12



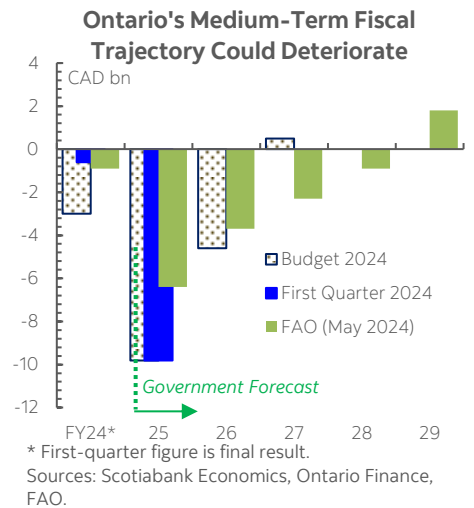
Sources: Scotiabank Economics, Bloomberg.

Chart 13



Sources: Scotiabank Economics.

Chart 14



\* First-quarter figure is final result. Sources: Scotiabank Economics, Ontario Finance, FAO.



The US will face several other macro readings with the most important being consumer confidence for October (Tuesday), consumer spending in the wake of strong retail sales numbers (Thursday), ISM-manufacturing after mixed regional manufacturing reports (Friday) and an expected jump in vehicle sales during October (Friday).

Canada will mostly focus on GDP and Macklem, with just lagging payrolls for August (Thursday) and manufacturing numbers (Friday) due out.

LatAm markets will consider labour market readings including unemployment rates in Chile (Tuesday), Colombia (Thursday), Mexico and Brazil (Friday). Unemployment rates have been rising in Mexico and Chile, while falling in Brazil and Colombia.

Japan’s election and the BoJ will dominate attention in that country, but a sprinkling of other macro readings will include Monday’s jobless rate for September, and then retail sales, industrial production and housing starts around mid-week.

Australia will update retail sales (Wednesday) and then total household spending (Thursday).

Ontario is scheduled to release its fall economic and fiscal update on Wednesday October 30<sup>th</sup> and what follows is Laura Gu’s assessment.

Chart 15

Other Global Macro Indicators (October 28th - November 01)			
US	CA	CPI	Other Macro
<i>Monday</i>			
			MX Trade
			JP Jobless Rate
<i>Tuesday</i>			
Adv. Trade			CL UR
Consumer Conf.			
<i>Wednesday</i>			
Pending Home Sales			CL Retail Sales, IP
			AU Retail Sales
			CH State PMIs
			JP Retail Sales, IP
			SK IP
<i>Thursday</i>			
Spending/Income	SEPH	ID	CO UR
			AU Household Spending, PPI
			JP Housing Starts
			SK Exports
<i>Friday</i>			
ISM Manf.	Manf. PMI	BZ IP	
Vehicle Sales			MX UR

Sources: Scotiabank Economics, Bloomberg.

## Key Indicators for the week of October 28 – November 1

## NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	10-28	08:00	Trade Balance (US\$ mn)	Sep	--	-1620.4	-4868.0
US	10-28	10:30	Dallas Fed. Manufacturing Activity	Oct	--	-9.0	-9.0
US	10-29	08:30	Wholesale Inventories (m/m)	Sep P	--	--	0.1
US	10-29	09:00	S&P/Case-Shiller Home Price Index (m/m)	Aug	0.2	--	0.27
US	10-29	09:00	S&P/Case-Shiller Home Price Index (y/y)	Aug	4.6	--	5.9
US	10-29	10:00	Consumer Confidence Index	Oct	99.0	98.8	98.7
US	10-29	10:00	JOLTS Job Openings (000s)	Sep	--	7900.0	8040.0
US	10-30	07:00	MBA Mortgage Applications (w/w)	Oct 25	--	--	-6.7
MX	10-30	08:00	GDP (q/q)	3Q P	--	--	0.2
MX	10-30	08:00	GDP (y/y)	3Q P	--	--	2.1
US	10-30	08:15	ADP Employment Report (000s m/m)	Oct	100	97.5	143.0
US	10-30	08:30	GDP (q/q a.r.)	3Q A	3.0	3.0	3.0
US	10-30	08:30	GDP Deflator (q/q a.r.)	3Q A	--	--	2.5
US	10-30	10:00	Pending Home Sales (m/m)	Sep	--	--	0.6
CA	10-31	08:30	Real GDP (m/m)	Aug	-0.1	0.1	0.2
US	10-31	08:30	Employment Cost Index (q/q)	3Q	1.0	0.9	0.9
US	10-31	08:30	Initial Jobless Claims (000s)	Oct 26	235	--	227.0
US	10-31	08:30	Continuing Claims (000s)	Oct 19	1995	--	1897.0
US	10-31	08:30	PCE Deflator (m/m)	Sep	0.2	0.2	0.1
US	10-31	08:30	PCE Deflator (y/y)	Sep	2.1	2.1	2.2
US	10-31	08:30	PCE ex. Food & Energy (m/m)	Sep	0.3	0.3	0.1
US	10-31	08:30	PCE ex. Food & Energy (y/y)	Sep	2.7	2.6	2.7
US	10-31	08:30	Personal Spending (m/m)	Sep	0.4	0.4	0.2
US	10-31	08:30	Personal Income (m/m)	Sep	0.4	0.4	0.2
US	10-31	09:45	Chicago PMI	Oct	--	--	46.6
MX	11-01	08:00	Unemployment Rate (%)	Sep	--	--	3.0
US	11-01	08:30	Average Hourly Earnings (m/m)	Oct	0.3	0.3	0.4
US	11-01	08:30	Average Hourly Earnings (y/y)	Oct	4.0	4.0	4.0
US	11-01	08:30	Average Weekly Hours	Oct	--	34.2	34.2
US	11-01	08:30	Nonfarm Employment Report (000s m/m)	Oct	95	120.0	254.0
US	11-01	08:30	Unemployment Rate (%)	Oct	4.2	4.1	4.1
US	11-01	08:30	Household Employment Report (000s m/m)	Oct	--	--	430.0
US	11-01	09:00	Total Vehicle Sales (mn a.r.)	Oct	16	15.8	15.8
US	11-01	10:00	Construction Spending (m/m)	Sep	0.0	0.0	-0.1
US	11-01	10:00	ISM Manufacturing Index	Oct	47.0	47.6	47.2

## EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
SP	10-28	04:00	Real Retail Sales (y/y)	Sep	--	3.2
GE	10-31	03:00	Retail Sales (m/m)	Sep	-0.5	1.6
GE	10-29	03:00	GfK Consumer Confidence Survey	Nov	-20.5	-21.2
UK	10-29	05:30	Net Consumer Credit (£ bn)	Sep	1.4	1.3
IR	10-29	07:00	Real GDP (q/q)	3Q P	--	-1.0
FR	10-30	02:30	Consumer Spending (m/m)	Sep	--	0.2
FR	10-30	02:30	GDP (q/q)	3Q P	0.2	0.2
SP	10-30	04:00	CPI (m/m)	Oct P	--	-0.6
SP	10-30	04:00	CPI (y/y)	Oct P	--	1.5
SP	10-30	04:00	CPI - EU Harmonized (m/m)	Oct P	--	-0.1
SP	10-30	04:00	CPI - EU Harmonized (y/y)	Oct P	--	1.7
SP	10-30	04:00	Real GDP (q/q)	3Q P	0.6	0.8
GE	10-30	04:55	Unemployment (000s)	Oct	15.0	17.0
GE	10-30	04:55	Unemployment Rate (%)	Oct	6.1	6.0
GE	10-30	05:00	Real GDP (q/q)	3Q P	-0.1	-0.1
IT	10-30	05:00	Real GDP (q/q)	3Q P	0.2	0.2
PO	10-30	05:30	Real GDP (q/q)	3Q P	--	0.10

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for the week of October 28 – November 1

## EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	Consensus	Latest
EC	10-30	06:00	Economic Confidence	Oct	96.2	96.2
EC	10-30	06:00	GDP (q/q)	3Q A	0.2	0.2
EC	10-30	06:00	Industrial Confidence	Oct	-10.5	-10.9
GE	10-30	09:00	CPI (m/m)	Oct P	0.2	0.0
GE	10-30	09:00	CPI (y/y)	Oct P	1.8	1.6
GE	10-30	09:00	CPI - EU Harmonized (m/m)	Oct P	0.2	-0.1
GE	10-30	09:00	CPI - EU Harmonized (y/y)	Oct P	2.1	1.8
UK	11-01	03:00	Nationwide House Prices (m/m)	Oct	0.3	0.7
FR	10-31	03:45	CPI (m/m)	Oct P	0.2	-1.2
FR	10-31	03:45	CPI (y/y)	Oct P	1.1	1.1
FR	10-31	03:45	CPI - EU Harmonized (m/m)	Oct P	0.1	-1.3
FR	10-31	03:45	CPI - EU Harmonized (y/y)	Oct P	1.4	1.4
FR	10-31	03:45	Producer Prices (m/m)	Sep	--	0.2
SP	10-31	05:00	Current Account (€ bn)	Aug	--	5.8
EC	10-31	06:00	CPI (m/m)	Oct P	0.2	-0.1
EC	10-31	06:00	Euro zone CPI Estimate (y/y)	Oct	1.9	1.8
EC	10-31	06:00	Euro zone Core CPI Estimate (y/y)	Oct P	2.6	2.7
EC	10-31	06:00	Unemployment Rate (%)	Sep	6.4	6.4
IT	10-31	06:00	CPI (m/m)	Oct P	--	-0.2
IT	10-31	06:00	CPI (y/y)	Oct P	0.9	0.7
IT	10-31	06:00	CPI - EU Harmonized (m/m)	Oct P	0.1	1.2
IT	10-31	06:00	CPI - EU Harmonized (y/y)	Oct P	0.8	0.7

## ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
SK	10-27	20:00	Discount Store Sales (y/y)	Sep	--	5.9
SK	10-27	20:00	Department Store Sales (y/y)	Sep	--	4.4
TH	10-27	23:30	Customs Exports (y/y)	Sep	3.0	7.0
TH	10-27	23:30	Customs Imports (y/y)	Sep	5.7	8.9
TH	10-27	23:30	Customs Trade Balance (US\$ mn)	Sep	1843.0	264.9
HK	10-28	04:30	Exports (y/y)	Sep	5.2	6.4
HK	10-28	04:30	Imports (y/y)	Sep	2.3	7.9
HK	10-28	04:30	Trade Balance (HKD bn)	Sep	-47.1	-33.1
JN	10-28	19:30	Jobless Rate (%)	Sep	2.5	2.5
SI	10-28	22:30	Unemployment Rate (%)	Sep	1.9	2.0
AU	10-29	20:30	Consumer Prices (y/y)	3Q	2.9	3.8
AU	10-29	20:30	Consumer Prices (q/q)	3Q	0.3	1.0
JN	10-30	01:00	Consumer Confidence	Oct	36.7	36.9
SK	10-30	19:00	Industrial Production (m/m)	Sep	1.2	4.1
SK	10-30	19:00	Industrial Production (y/y)	Sep	-0.3	3.8
SK	10-30	19:00	Cyclical Leading Index Change	Sep	--	-0.1
JN	10-30	19:50	Industrial Production (m/m)	Sep P	0.9	-3.3
JN	10-30	19:50	Large Retailers' Sales (y/y)	Sep	--	4.3
JN	10-30	19:50	Retail Trade (m/m)	Sep	-0.3	1.0
JN	10-30	19:50	Retail Trade (y/y)	Sep	2.2	3.1
JN	10-30	19:50	Industrial Production (y/y)	Sep P	-3.2	-4.9
AU	10-30	20:30	Building Approvals (m/m)	Sep	2.1	-6.1
AU	10-30	20:30	Retail Sales (m/m)	Sep	0.2	0.7
AU	10-30	20:30	Private Sector Credit (m/m)	Sep	0.5	0.5
AU	10-30	20:30	Private Sector Credit (y/y)	Sep	--	5.7
PH	10-30	21:00	Bank Lending (y/y)	Sep	--	9.3
CH	10-30	21:30	Manufacturing PMI	Oct	49.9	49.8
CH	10-30	21:30	Non-manufacturing PMI	Oct	50.5	50.0
JN	10-31	01:00	Housing Starts (y/y)	Sep	-4.3	-5.1
TH	10-31	03:00	Current Account Balance (US\$ mn)	Sep	--	1362.0
TH	10-31	03:30	Exports (y/y)	Sep	--	11.4
TH	10-31	03:30	Imports (y/y)	Sep	--	8.5
TH	10-31	03:30	Trade Balance (US\$ mn)	Sep	--	2442.0

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Key Indicators for the week of October 28 – November 1

## ASIA PACIFIC (continued from previous page)

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>Consensus</u>	<u>Latest</u>
TA	10-31	04:00	Real GDP (y/y)	3Q A	3.4	5.1
HK	10-31	04:30	Real GDP (q/q)	3Q A	0.2	0.4
HK	10-31	04:30	Real GDP (y/y)	3Q A	3.2	3.3
SK	10-31	20:00	Exports (y/y)	Oct	6.8	7.5
SK	10-31	20:00	Imports (y/y)	Oct	0.7	2.2
SK	10-31	20:00	Trade Balance (US\$ mn)	Oct	4229.0	6656.0
AU	10-31	20:30	Producer Price Index (q/q)	3Q	--	1.0
AU	10-31	20:30	Producer Price Index (y/y)	3Q	--	4.8
CH	10-31	21:45	Caixin Flash China Manufacturing PMI	Oct	49.8	49.3
CH	10-31	21:45	Caixin Manufacturing PMI	Oct	49.8	49.3
ID	10-31	22:00	CPI (y/y)	Oct	1.7	1.8
ID	10-31	22:00	CPI (m/m)	Oct	0.0	-0.1
ID	10-31	22:00	Core CPI (y/y)	Oct	2.1	2.1
TH	11-01	03:30	Business Sentiment Index	Oct	--	45.7
HK	11-01	04:30	Retail Sales - Value (y/y)	Sep	-9.0	-10.1
HK	11-01	04:30	Retail Sales - Volume (y/y)	Sep	-10.5	-11.8

## LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
BZ	10-29	07:30	Current Account (US\$ mn)	Sep	--	--	-6588.8
CL	10-29	08:00	Unemployment Rate (%)	Sep	--	--	8.9
CL	10-30	08:00	Industrial Production (y/y)	Sep	--	--	3.4
CL	10-30	08:00	Retail Sales (y/y)	Sep	--	--	6.8
CO	10-31	11:00	Urban Unemployment Rate (%)	Sep	--	10.2	10.0
<b>CO</b>	<b>10-31</b>	<b>14:00</b>	<b>Overnight Lending Rate (%)</b>	<b>Oct 31</b>	<b>9.75</b>	<b>9.75</b>	<b>10.25</b>
BZ	11-01	08:00	Industrial Production SA (m/m)	Sep	--	--	0.1
BZ	11-01	08:00	Industrial Production (y/y)	Sep	--	--	2.2
BZ	11-01	09:00	PMI Manufacturing Index	Oct	--	--	53.2
PE	11-01	11:00	Consumer Price Index (m/m)	Oct	--	--	-0.2
PE	11-01	11:00	Consumer Price Index (y/y)	Oct	--	--	1.8

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

## Global Auctions for the week of October 28 – November 1

### NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	10-28	11:30	U.S. To Sell USD69 Bln 2-Year Notes
US	10-28	13:00	U.S. To Sell USD70 Bln 5-Year Notes
US	10-29	13:00	U.S. To Sell USD44 Bln 7-Year Notes
CA	10-31	12:00	Canada to Sell C\$5.5 Billion of 3.25% 2027 Bonds

### EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	10-29	06:00	U.K. to Sell GBP4 Billion of 4.125% 2029 Bonds
GE	10-29	06:30	Germany to Sell EU4 Billion of 2.5% 2029 Bonds
IT	10-30	06:00	Italy to Sell Bonds
NO	10-30	06:00	Norway to Sell Bonds
UK	10-31	06:00	U.K. to Sell GBP2.25 Billion of 1.5% 2053 Bonds

### ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	10-27	20:00	Australia to Sell A\$700 Million 2.75% 2028 Bonds
SK	10-28	22:30	South Korea to Sell 400 Billion Won 20-Year Bonds
JN	10-28	23:35	Japan to Sell 2-Year Bonds
AU	10-31	20:00	Australia to Sell A\$800 Million 3.5% 2034 Bonds

### LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
No Scheduled Auctions			

## Events for the week of October 28 – November 1

## NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	10-28	13:30	BoC's Governor Macklem Fireside Chat

## EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	10-26	11:20	BOE's Bailey Speaks
EC	10-28	05:00	ECB's Wunsch Speaks
SW	10-29	04:30	Riksbank Business Survey
DE	10-29	13:30	Danish Central Banker Signe Krogstrup Speaks in Geneva
SZ	10-29	14:00	SNB's Schlegel Speaks in Cham
SZ	10-30	05:00	SNB's Schlegel and Kraenzlin Speak at News Conference in Bern
UK	10-30	08:30	UK Chancellor of the Exchequer Rachel Reeves presents budget
EC	10-30	11:00	ECB's Schnabel Speaks in Frankfurt
EC	10-30	14:00	ECB's Nagel Speaks
UK	10-30	21:35	BOE's Breeden Speaks
EC	10-31	05:00	ECB's Panetta speaks in Rome

## ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
JN	10-27	21:10	BOJ Outright Bond Purchase Inflation-indexed bonds
JN	10-30	00:00	BOJ Target Rate
UZ	10-31		Key Rate

## LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CO	10-31	14:00	Overnight Lending Rate
DR	10-31		Overnight Rate



Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	3.75	December 11, 2024	3.50	3.50
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	10.25	10.25

**Bank of Canada (BoC):** Bank of Canada Governor Tiff Macklem will be having a fireside chat at The Logic Summit in Toronto on Monday at 1:30pm EST, days after cutting the overnight target rate by 50bps at the latest policy meeting. He will then appear in two rounds of parliamentary testimony on Tuesday and Wednesday. New information since the meeting included updates to Canada's immigration policy and solid retail sales and we'll watch for further comments on both.

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	3.40	December 12, 2024	3.40	3.40
European Central Bank – Marginal Lending Facility Rate	3.65	December 12, 2024	3.65	3.65
European Central Bank – Deposit Facility Rate	3.25	December 12, 2024	3.25	3.25
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	21.00	December 20, 2024	21.00	21.00
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	November 21, 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	4.75	November 26, 2024	4.50	4.50
People's Bank of China – 1-Year Medium-Term Lending Facility Rate	2.00	November 25, 2024	2.00	2.00
Reserve Bank of India – Repo Rate	6.50	December 5, 2024	6.50	6.50
Bank of Korea – Base Rate	3.25	November 28, 2024	3.25	3.25
Bank of Thailand – Repo Rate	2.25	December 18, 2024	2.25	2.25
Bank Negara Malaysia – Overnight Policy Rate	3.00	November 6, 2024	3.00	3.00
Bank Indonesia – BI-Rate	6.00	November 20, 2024	6.00	6.00
Central Bank of Philippines – Overnight Borrowing Rate	6.00	December 19, 2024	5.75	5.75

**Bank of Japan (BoJ):** The Bank of Japan is expected to hold its policy rate at 0.25% on Thursday amidst rising political uncertainty, with the ruling coalition failing to secure a majority in the latest general election polls. Additionally, the BoJ's Governor signaled that they have 'enough time' to consider the next policy steps, taking into account the US economic outlook – including the upcoming US presidential election, and the impact of a weak yen on inflation. On the other hand, while the latest core inflation figures had no material impact, they do show prices heating up at the margin.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	10.75	November 6, 2024	11.25	11.25
Banco Central de Chile – Overnight Rate	5.25	December 17, 2024	5.00	5.00
Banco de la República de Colombia – Lending Rate	10.25	October 31, 2024	9.75	9.75
Banco Central de Reserva del Perú – Reference Rate	5.25	November 7, 2024	5.00	5.00

**Banco de la República de Colombia:** Banco de la República de Colombia is expected to keep its pace of cutting unchanged by reducing its lending rate by another 50bps on Thursday. Core inflation slowed further and is moving towards the 3% inflation target but increasing the pace of rate cuts is unlikely amidst concerns on fiscal policy. COP weakness is a material consideration that may merit caution going forward.

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	8.00	November 21, 2024	7.75	7.75

Sources: Bloomberg, Scotiabank Economics.

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