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GLOBAL ECONOMICS

# THE GLOBAL WEEK AHEAD

November 1, 2024

## Contributors

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***With thanks for research support from: Jaykumar Parmar.***

## Next Week's Risk Dashboard

- US election primer
- Whomever wins faces fewer Fed vacancies this time
- Canada has strengths and options in dealing with the US
- Canadian jobs might benefit from seasonal oddities
- FOMC likely to stay on track, for now
- BoE easing path is slower, not thwarted by the UK Budget
- BoC speech on mortgages to emphasize resilience
- Will Peru's central bank resume easing?
- Brazil's central bank going against the traffic
- The RBA isn't there yet
- Norges Bank expected to remain on hold
- Riksbank could upsize cutting
- Bank Negara to stay on hold
- Global indicator round-up

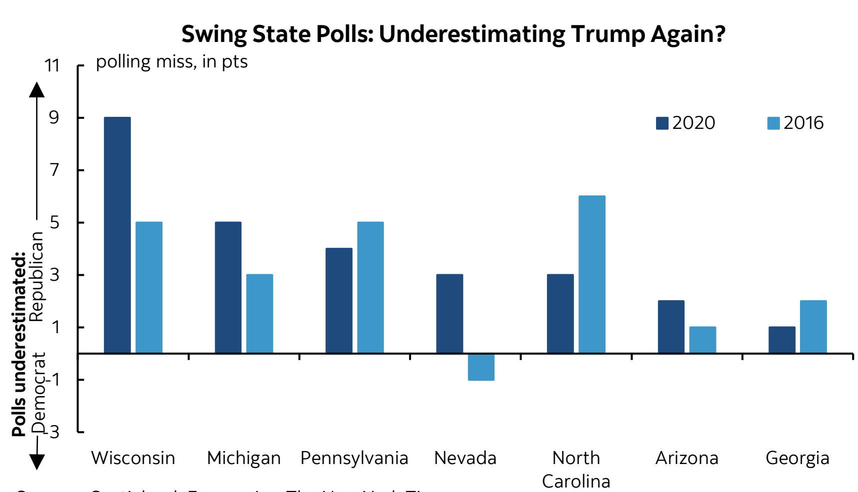
## Bring It On!



## FORECASTS & DATA



### Chart of the Week




Sources: Scotiabank Economics, The New York Times.

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

November 1, 2024

# Bring It On!

Tuesday's US election and Thursday's concentration of central bank decisions will be the biggest days of the week capped off by Canadian jobs on Friday. Which effect on markets comes first is unclear given we just don't know when the US election results will be available, let alone who will win the Presidency and both chambers, and how campaign rhetoric may translate into policy over time.

## US ELECTION—WHEN WILL WE KNOW?

Finally. The cottage industry of US elections that whirs to life every couple of years, takes about a year to unfold each time, and costs many billions of dollars is finally reaching a crescendo. Whatever one's political persuasions, any country that doesn't already have an electoral system would hardly be well advised to emulate the US.

Chart 1 is replicated from the source to show when polls open and results will first become available by individual state. Election junkies can start tuning in at 6pmET after which the very earliest results will start to trickle in but settle in for a lonnnnngg night if so. In fact, it's well understood that we might not get results that night, or by the next morning. It could easily take days, but hopefully not weeks to get the full outcome.

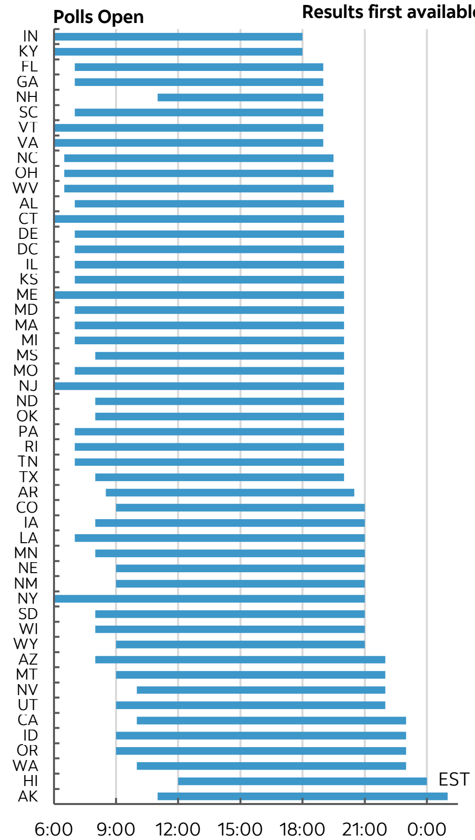
The 2020 election result was not known until the Saturday. The 2000 Bush versus Gore election wasn't settled until December 12th after a prolonged issue with Florida recounts that ultimately went all the way to the Supreme Court of the United States. There's a chance that the results will be known fairly quickly this time, but the closeness of the race suggests it will go right down to the wire including full counting of overseas ballots. Americans overseas are estimated at anywhere from 4½ million to 9 million but very few tend to vote. The closeness of the vote, however, could make their votes the deciding factor.

I've written views on the election in multiple publications. Let's just see the results for the Presidency and both chambers. I don't trust either the polls or the evidence on manipulated betting sites. **This** is a good article on the changes to polling since the last couple of elections and the caveats. Average polling error in elections over the decades has oscillated between overstating the Dems chances and the GOP's chances and serves as a reminder that just because the last two elections overestimated the Dems margin doesn't mean that they will this time especially in light of many changes to how polls are being done now.

As for the rhetoric versus the policies, let's first get to the outcomes and then assess. Charts 2–3 provide fiscal costing scenarios for each candidate's platform. Many hypothesized proposals make zero sense, like replacing income taxes with tariffs as cogently argued **here** in no small part by pointing to the vast differences in the two tax bases (chart 4). Loose speculation to go after Canadian water is even sillier (**here**). The Harris plan would reduce US tax competitiveness (chart 5). High tariffs would be a danger to the world economy.

**Chart 1**

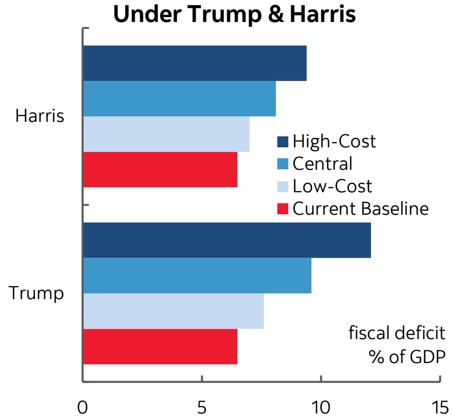
**When Election Results Will Start Rolling In**




Sources: Scotiabank Economics, U.S. News & World Report.

**Chart 2**

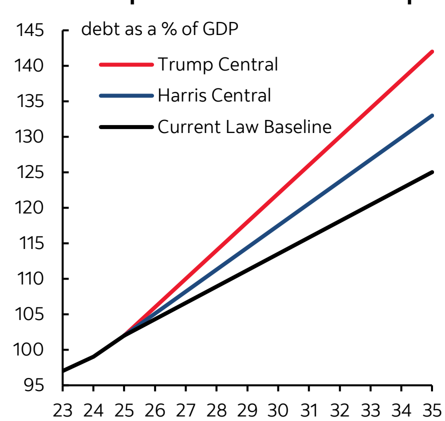
**Fiscal Deficit Impact Under Trump & Harris**




Sources: Scotiabank Economics, Committee for a Responsible Federal Budget.

**Chart 3**

**Fiscal Impact of the Harris & Trump**

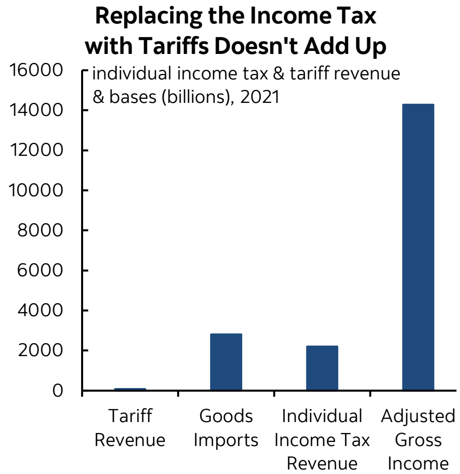



Sources: Scotiabank Economics, Committee for a Responsible Federal Budget.

As for implications for the Federal Reserve, they are to be taken seriously, but the ability of the President-designate to directly influence the FOMC through appointments over the 2025–28 term is more limited this time. Influencing the Federal Reserve Act in other ways would probably take years, while facing high uncertainty in Congress including among Republicans. Naturally Chair Powell's 4-year terms ends in 2026, so his reappointment or choosing a successor could be impactful. Powell could stay on as a Governor until January 2028, but this may be doubtful if his term is not renewed. I think it's not clear that choosing someone else would be worse. The only other Governor whose term expires within the 2025–28 presidential term is Adriana Kugler in January 2026. All other Governors will be in their roles—barring unusual circumstances—until the 2030s (chart 6).

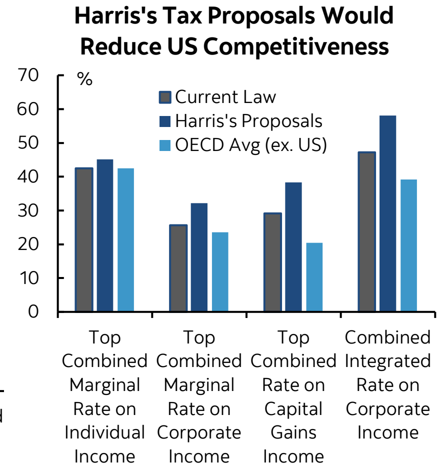
As for regional Presidents, they are appointed by the boards of the local District banks—not by the US administration. Four regional Presidents' terms expire before the November 2028 election—Philly, Richmond, NY and San Fran—and retirement rules relative to when they were appointed required that they cannot be reappointed. So, potential tweet storms aside, let's stay calm for now about implications for the Fed.

Chart 4




Sources: Scotiabank Economics, Tax Foundation.

Chart 5

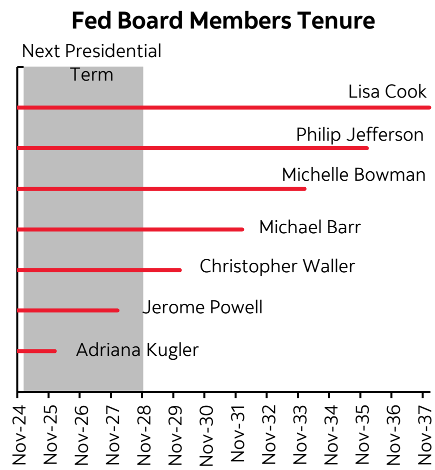



Sources: Scotiabank Economics, Tax Foundation.

Any election impact on Canada will be considered depending upon the outcome, but I'll offer a few tentative thoughts.

- The first two years may be the greater risks given historical evidence that US midterm elections tend to be a setback for the incumbent administration.
- Canada has been there before and Nafta 2.0 negotiations were managed by extremely capable and professional hands on the Canadian side. Decades of policy memory and a professional bureaucracy served the country well during tense negotiations.
- Nafta 2.0 was Trump's trade deal with his own signature on it such that declaring it to be wanting on the path to the 2026 renewal would be an admission of weakness on his own part should he be victorious, though it stands to reason he's not terribly captive to things he once did and said. Still, expect Canada to dig in on important trade matters with a longer-term perspective. A Harris outcome may strengthen environmental and labour demands, but pose less risk overall.
- Canada is no threat to the US in terms of its economy and immigration. While I often disagree with US trade rhetoric, China and Mexico are likely to attract more attention.

Chart 6




Sources: Scotiabank Economics, Brookings.

- That said, Canada could be collateral damage through the commodities trade and overall trade dependency if cooler heads do not prevail. Canada needs to keep its options open.
- In such a scenario, a flexible currency serves the important role of being a potential shock absorber to any policy disruptions.
- Room for policy easing by the Bank of Canada is another important option should it need to be called upon. There is around 100bps of policy easing to get toward a neutral rate setting, and a darker scenario would well explore considerably further easing.
- Canada's fiscal position and strong credit rating can be leveraged to lean against policy disruptions.
- Further, the US reliance upon Canada as an export destination across so many states means that Canada has many allies across US businesses and local governments.
- The world is arguably better prepared with options to address aggressive US trade policies this time with greater ability to shove back. Geopolitical dangers lurk ahead and could impact risk appetite across higher beta markets and more open economies.

## FOMC—DELIVERING WHAT THEY PROMISED

The Federal Reserve's Open Market Committee is widely expected to cut the policy rate range by another 25bps on Thursday. Consensus is almost unanimous, especially if we home in on expectations across US primary dealers including ourselves.

For one thing, to skip a cut after cutting 50bps in September would be taken as an admission that the FOMC feels it made a mistake. That wouldn't play well in markets, or for confidence in the Fed.

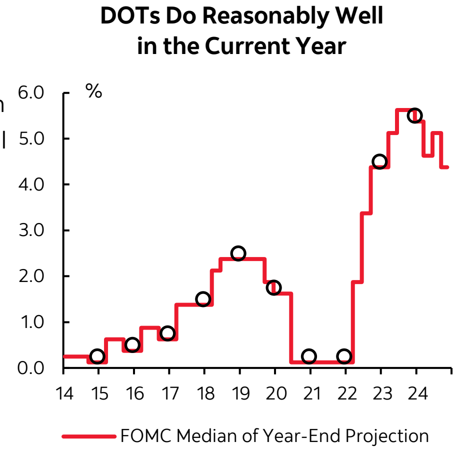
For another, the FOMC usually delivers what the dot plot says it will deliver for the current year when it is delivered relatively late in the year. The explicit guidance that the Committee provided in the Summary of Economic Projections in September pointed toward another 50bps of cuts in total for the November and December meetings. Chart 7 shows that the in-year dots usually perform well. The median Committee projection for the policy rate 1-, 2- and 3-years out tends to perform, well, not so well.

Chair Powell is very likely to say that the data is noisy, but that the broad trends point toward a gradual rebalancing of pressures on aggregate supply and demand at the margin. The US is still in excess demand as measured by estimates of its output gap (chart 8), but trend productivity gains and prior population growth have aided the supply side as somewhat of a mitigating factor to ongoing strength on the demand side of the economy.

In terms of dual mandate variables, Powell is likely to continue to cite progress toward lower inflation with PCE at 2.1% y/y now and core PCE at 2.7%. He can still argue that payrolls are growing at a generally somewhat cooler pace so far this year of 170k/month about 250k/month over the same period last year. Powell is likely to dismiss the recent 12k payrolls print for reasons cited **here**. And yet accelerating wage and core prices data is a red flag (chart 9).

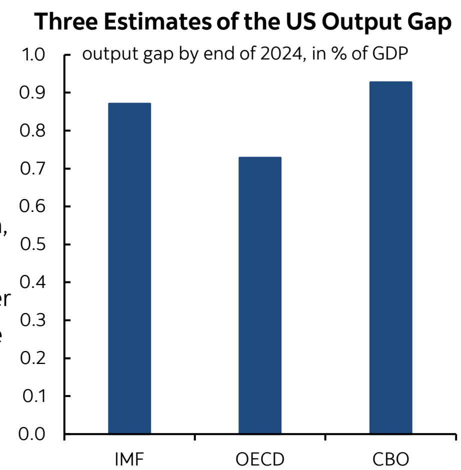
My own opinion remains that it was a mistake for the FOMC to upsize in September both in terms of the data, its distortions, confidence in the outlook, and the poor communications leading up to the decision that led over 90% of economists to be surprised by the upsizing. The US economy remains in excess demand and therefore has yet to take a step in the direction of opening up disinflationary spare capacity that would give confidence in durably achieving 2% inflation. Upsizing before an election that is marked by policy proposals that could inflame debt issuance and inflation through tariffs and fiscal stimulus simply looked rather unusual.

**Chart 7**



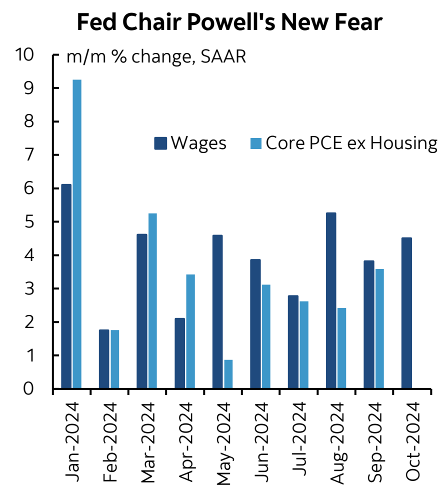

Sources: Scotiabank Economics, Bloomberg.

**Chart 8**




Sources: Scotiabank Economics, OECD, IMF, CBO.

**Chart 9**




Sources: Scotiabank Economics, BLS, BEA.

And assuming we know the results of the US election by Thursday—which may well not be the case—Powell is extraordinarily unlikely to say much of anything about it whatever the outcome. He will indicate a willingness to work with whichever administration while focusing upon the dual mandate set by Congress and monitoring policy developments, data, and markets going forward. He cannot opine on the macroeconomic effects of potential policies because a) he won't know them yet, and b) he tends to stay in his lane, leaving fiscal policy to elected officials.

### BANK OF ENGLAND—GILTS DID THEIR DIRTY WORK

Thursday's Bank of England decision will probably stay on course toward a 25bps cut to a new Bank Rate of 4.75%, but the BoE's tendency to surprise and the recent UK Budget lessened market confidence. Economists are unanimous in expecting a cut. Markets have reduced pricing from a sure thing just before the budget, to about 20bps of a quarter point cut now at the point of publishing.

Given that the Budget has not passed the BoE may be reticent to abandon some of the hints and allusions to date. Governor Bailey recently noted that "disinflation is happening I think faster than we expected it to." Chief Economist Hew Pill's recent speech on October 4$^{th}$ emphasized "the need for such caution points to a gradual withdrawal of monetary policy restriction." The emphasis he placed on coming inflation data before the next decision saw core CPI fall by more than expected to 3.2% y/y (3.6% prior, 3.4% consensus) in September.

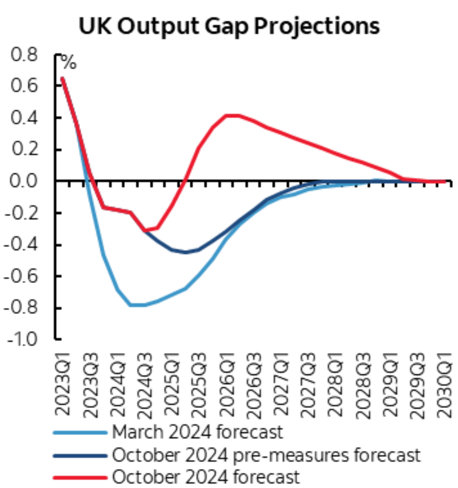
I would think that the BoE would have reason to be less restrictive by cutting for only the second time this cycle following the first cut in August followed by a pause at the September meeting. The resulting 4.75% rate would remain well into restrictive territory given a rough neutral rate ballpark of around 3%.

And yet the BoE's forward guidance is likely to be very cautious. Even more so than Pill had indicated when he spoke about a month ago. The reason is the Budget that the fledgling Labour Party just delivered this past week. What may nevertheless encourage the BoE is that the bond market has moved relatively quickly to sterilize at least some of the effects given a roughly quarter-point increase in the 2- and 10-year yields on gilts.

The bond market reaction was a good lesson—not the first one from the UK!—to other countries and their central banks as fiscal easing is treated as a substitute for monetary easing.

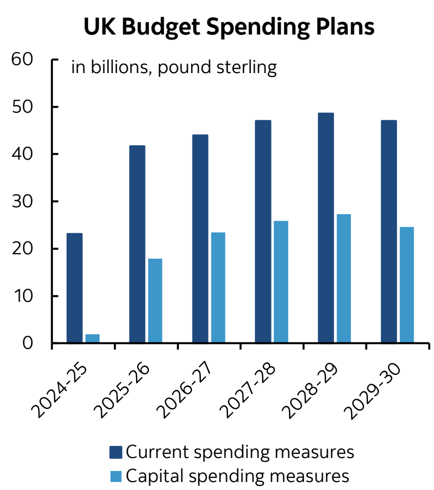
Why? Chart 10 explains all that you need to know. The UK Office of Budget Responsibility (OBR) issued an updated projection for the UK output gap comparing the pre-Budget forecast as the dark blue line along with the light blue line's March projection, alongside the post-Budget forecast shown as the red line. The fiscal stimulus effects will push the UK into excess aggregate demand by 2025H2 as a result of the spending surge (chart 11) and debt issuance will also climb (chart 12) while the tax take on the UK economy hits a post-war record high (chart 13). The effect is projected to add upside to inflation forecasts (chart 14) with modestly less monetary easing that reinforces the earlier point about the Budget not being a barrier to being cutting (chart 15). That is as clear as sign as any that monetary easing is likely to be less significant in the UK than elsewhere. Should other governments — looking at you, US, maybe even Canada into its election year—replicate the UK's choices here, then brace for higher rates for longer.

**Chart 10**



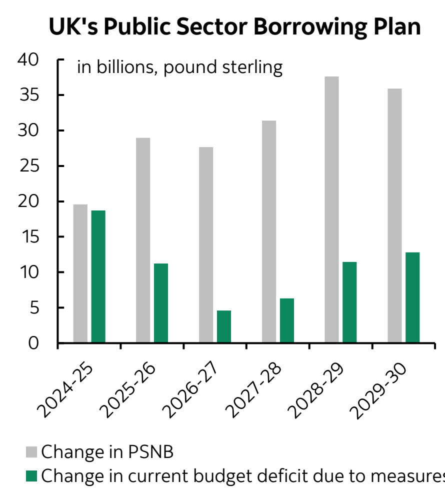

Sources: Scotiabank Economics, UK OBR.

**Chart 11**



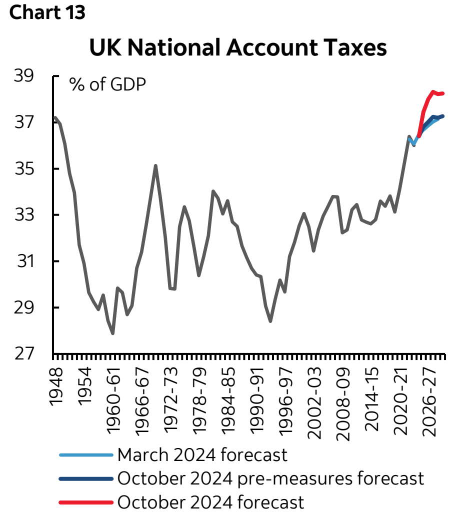

Sources: Scotiabank Economics, OBR.

**Chart 12**



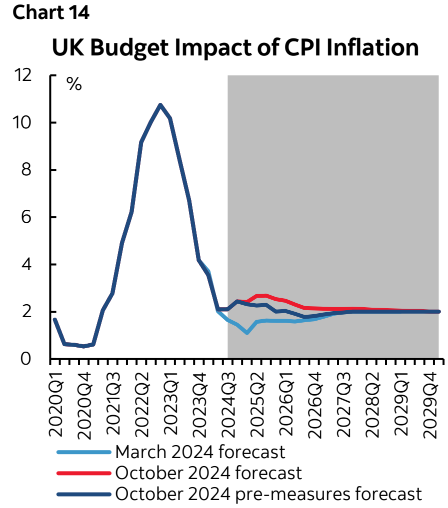

Sources: Scotiabank Economics, OBR.

**Chart 13**



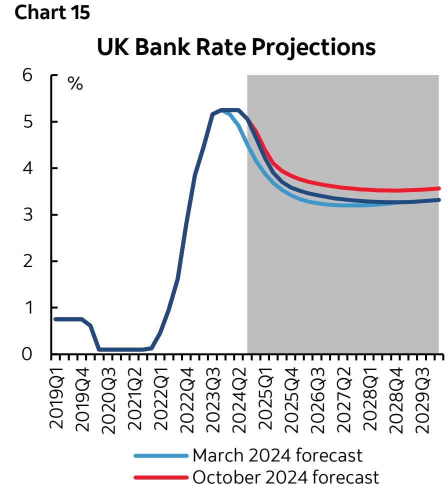

Sources: Scotiabank Economics, ONS, OBR.

**Chart 14**



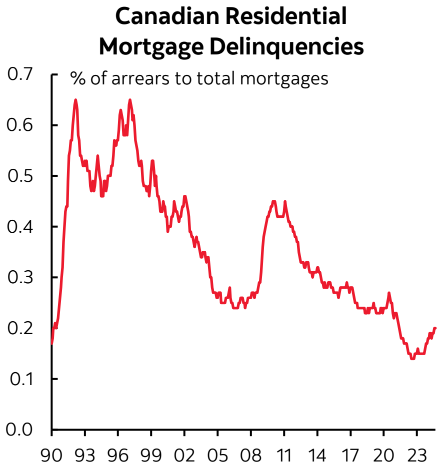

Sources: Scotiabank Economics, OBR.

**Chart 15**



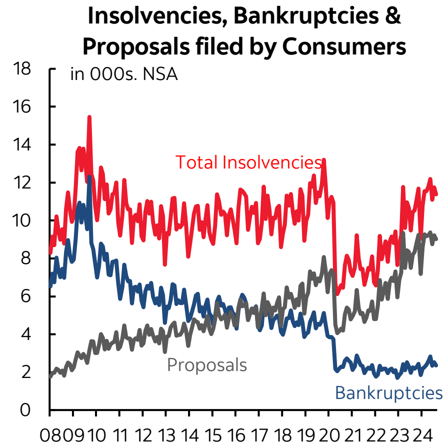

Sources: Scotiabank Economics, OBR.

Chart 16



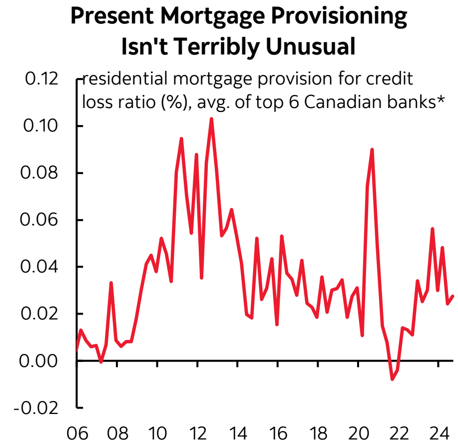

Sources: Scotiabank Economics, CBA.

Chart 17




Sources: Scotiabank Economics, ISED, Statistics Canada.

Chart 18




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

## BANK OF CANADA SPEECH—MORTGAGE MARKETS REMAIN HEALTHY

The BoC will deliver a welcome update of what it thinks about Canada's mortgage market and its not-minutes Summary of Deliberations in the lead up to the 50bps cut on October 23rd.

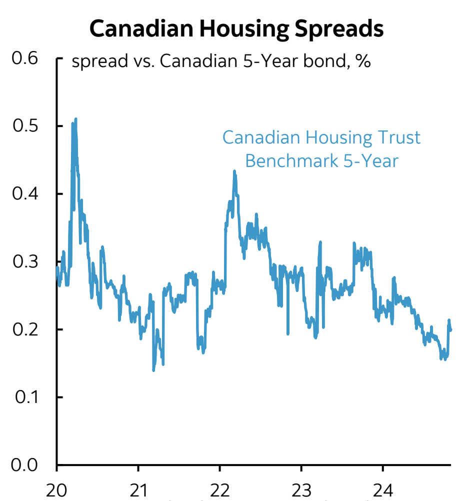
Senior Deputy Governor Rogers speaks on Wednesday, albeit when everyone might want to know what she thinks about the impact of the US election on Canada. There will be text (12:25pmET), Q&A but no presser.

I would expect Rogers to say that Canada is adapting well to rate resets but there is still further adjustment on the fixed rate side ahead. Delinquency rates remain very low (chart 16), as do consumer bankruptcies while the rise in work out proposals has driven higher insolvencies (chart 17). Banks' provisions for mortgage loan losses as a share of the mortgage book have merely mean-reverted toward historical averages from, well, nothing when mortgage rates were dirt cheap in the pandemic (chart 18).

All of which is something the market generally understands better than other forums (chart 19) especially upon considering the other unique features of Canada's mortgage market. Part of the reason for this and other measures of housing-related spreads is that supply remains tight. Industry-wide growth in total residential mortgages outstanding remains toward multi-decade lows (chart 20).

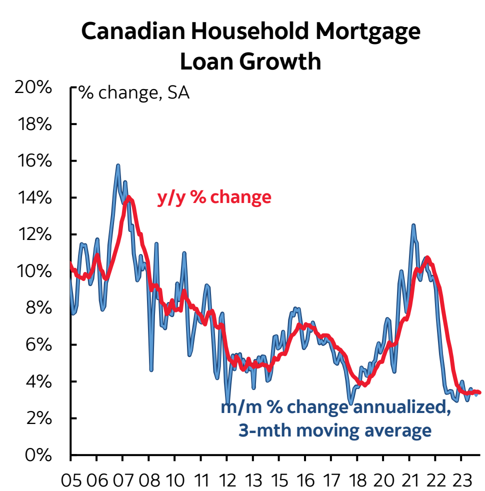
Rogers is likely to avoid commenting on the macroeconomic effects of the US election—assuming we know the results when she speaks—and to instead emphasize Canada's relative strengths into potential turmoil.

Chart 19




Source: Scotiabank Economics, Bloomberg.

Chart 20




Sources: Scotiabank Economics, Statistics Canada.

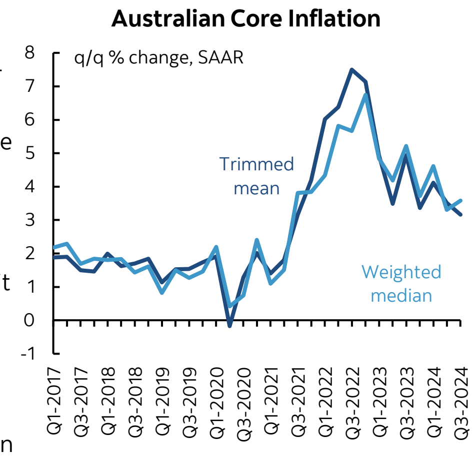
And after a deluge of BoC communications including the ones on game day (summarized **here**), a fireside chat, and two rounds of parliamentary testimony it's pretty unlikely that we'll learn anything new in Tuesday's Summary of Deliberations. One thing to watch for may be discussion around the merits of cutting by 25bps or 50bps at that meeting.

## RBA—NOT YET!

Maybe clean out the garage, or pick something else on the to-do list on Monday evening (ET) or Tuesday morning local time when the Reserve Bank of Australia delivers another policy decision. This one's going to be mind numbingly boring.

No one expects a change to the 4.35% policy rate. That includes economists and markets that have no action priced until at least a modest chance at a cut in February. RBA guidance has supported this perspective. Governor Bullock recently reiterated in the foreword to the RBA's Annual Report that inflation "will take another year or two before it is sustainably back" in the 2–3% inflation target range given a positive output gap. The latest core inflation gauges remained above the upper bound of the inflation target range on average at 3.65% y/y and including above -3% q/q SAAR readings as evidence of ongoing pressures at the margin (chart 21).

**Chart 21**



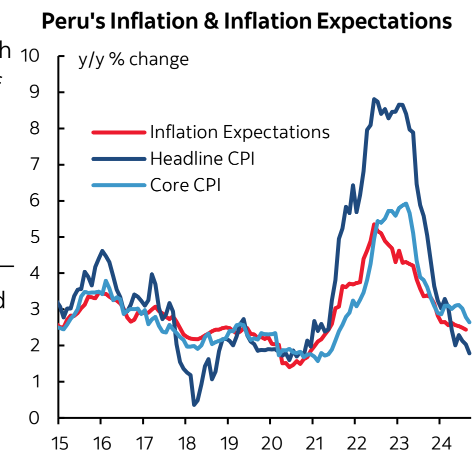

Sources: Scotiabank Economics, Australian Bureau of Statistics.

### BCRP—WILL THE HOLD BE EXTENDED?

Banco Central de Reserva del Peru (BCRP) faces a somewhat divided consensus. Several expect it to cut its reference rate by 25bps to 5% on Thursday. Our Lima-based team is among those expecting a continuation of the unexpected hold that was delivered on October 10th.

The decision to hold at that meeting was driven by the central bank's expectation that inflation could rise again in Q4. Sure enough, inflation did rise in the recent CPI print for October at least in y/y terms to 2% from 1.8% the prior month. The core inflation rate nevertheless slipped back to 2.5% from 2.6% previously but remains above the 2% inflation target while inflation expectations continue to fall (chart 22).

**Chart 22**




Sources: Scotiabank Economics, Central Bank of Peru.

It may also be that BCRP feels it necessary to allow monetary easing to date to work through with the effects being evaluated alongside the Federal Reserve's comfort toward the size and pace of future easing steps. BCRP has cut by 250bps since September 2023 and remains in restrictive territory with a positive real policy rate.

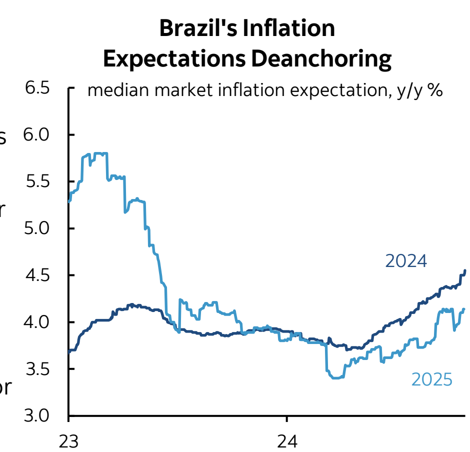
### BRAZIL'S CENTRAL BANK—GOING AGAINST TRAFFIC

Banco Central do Brasil is among the few central banks in the world—Russia and Turkey among others—that has been in tightening mode. It reminds me of the first time I visited Bermuda, rented a moped, and promptly drove in the wrong lane, only Brazil's case for going against the traffic is more compelling!

Tightening is expected to continue on Wednesday when the Selic rate is widely expected to go up by another 50bps following September's 25bps increase. That, in turn followed an easing cycle that had brought the rate down by 325bps starting from July 2023 through to when a policy hold began after the last cut in May of this year.

Why? A new Governor is one reason. Governor Galipolo was nominated Governor in early September and confirmed by the Senate in early October following the term held by Roberto Campos Neto. He is more inflation hawkish and has data to back him. Brazil's headline inflation rate has risen from under 4% early this year to about 4½% now with stalled progress toward the 3% +/-1.5% inflation target range. The depreciating real is adding import price pressures and has fallen to the USD back to levels last seen earlier in the pandemic. These developments have contributed to a renewed deanchoring of inflation expectations (chart 23). Resuming hiking after a protracted easing campaign is the nightmare scenario for many global central bankers.

**Chart 23**




Sources: Scotiabank Economics, Banco Central do Brasil.

### NORGES—BECAUSE THEY SAID SO!

Norges Bank is widely expected to stay on hold at a deposit rate of 4.5% on Thursday. That's where the rate has remained since the last hike of the cycle last December. Markets are priced for a shot at a cut in January and a little over a full 25bps cut at the March meeting.

The September Monetary Policy Report said "…it is appropriate to keep the policy rate at today's level for a period ahead but that the time to ease monetary policy is approaching." Explicit forward guidance said not to expect cuts this year with the policy rate "at 4.5% to the end of 2024 before being gradually reduced from 2025Q1."

Since then, the krone has depreciated by about 5% to the dollar. Brent crude has been little changed at just over US$73/barrel. Inflation is still running at 3% y/y with underlying CPI at 3.1%.

### RIKSBANK—IS THIS THE ONE?

Sweden's central bank is widely expected to cut its policy rate by a half point to 2.75% on Thursday. A few foresee a smaller 25bps cut.

Why 50? Because the last statement on September 25th said "A cut of 0.5 percentage points is possible at one of these meetings" in reference to the November and December meetings this year.

What's happened since has bolstered the case for thinking this might be the one when they deliver upsizing. Underlying inflation excluding energy slipped to 2% y/y from 2.2%in the data the Riksbank had available for the prior month. Somewhat volatile GDP figures retreated by 0.4% m/m in September with a downward revision to the prior month's strong 1.1% gain that is now reported as 0.8%. Currency weakening and uncertainty over the future path of the Federal Reserve may lean toward holding off on upsizing, including the fact that the krona has depreciated by about 5% to the dollar since the last meeting.

### BANK NEGARA—ENDING SUBSIDIES TO DRIVE CENTRAL BANK CAUTION

Bank Negara Malaysia is widely expected to extend is policy rate hold at 3% on Wednesday. Negara sounded in no rush to ease at its last decision on September 5th and indicated that government plans to reduce gasoline subsidies could add upside to inflation going forward. On October 18th, Malaysian Prime Minister Anwar Ibrahim stated the government will end subsidies in mid-2025 given the passing of critical inflation pressures and the impact on the Budget. He also added a distributional concern, noting "It cannot be denied that foreigners and the top 15% of the super-rich consumers enjoy 40% of RON95 subsidies" that "can be better utilized for the improvement of educational facilities, health as well as public transportation."

### CANADIAN JOBS—THOSE PESKY SAS

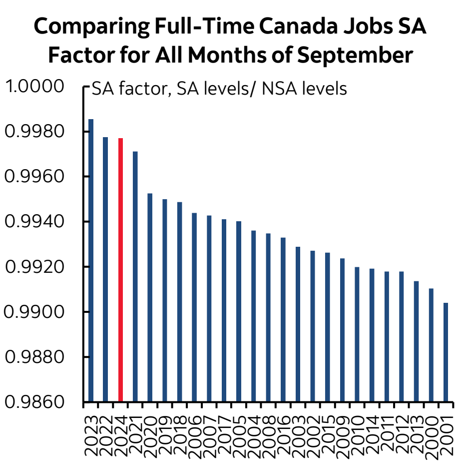
Canada faces a lot of data on the road to the Bank of Canada's December 11th policy decision that could determine whether to keep upsizing cuts at a 50bps+ pace or return to a more measured quarter-point pace. Next up will be Friday's jobs report for October.

I've loosely estimated a gain of 30k jobs on the heels of the 47k jobs that were created in September. Canada doesn't revise monthly jobs estimates outside of annual benchmarking exercises unless something truly unusual has happened.

That was an odd report. A massive full-time gain of 112k jobs was recorded alongside a large part-time loss of 65k. It kind of smelled, frankly. The SA factor for this September was higher than average, joining the higher than usual SA factor for the prior September and the one before that (chart 24). A recency bias in seasonal adjustment factor estimation is revealing higher than normal SAs now. The SA factor for part-time jobs was the weakest on record compared to like months of September (chart 25) but the SA factor for full-time jobs was one of the very strongest ones on record (chart 26). This could explain the outsize moves in both categories with some mean-reversion potentially kicking in this time.

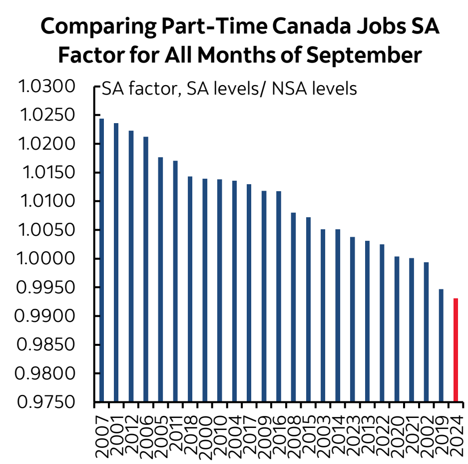
In fact, Canada might be having a somewhat similar issue to the US with seasonal adjustment factors. Last October's SA factor was the highest on record and the 2022 SA factor for October was fourth highest (chart 27). Should this pattern persist this October, then it could artificially inflate the job gain.

Chart 24



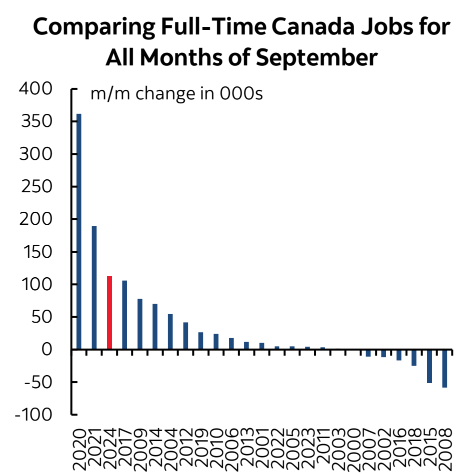

Sources: Scotiabank Economics, Statistics Canada.

Chart 25




Sources: Scotiabank Economics, Statistics Canada.

Chart 26

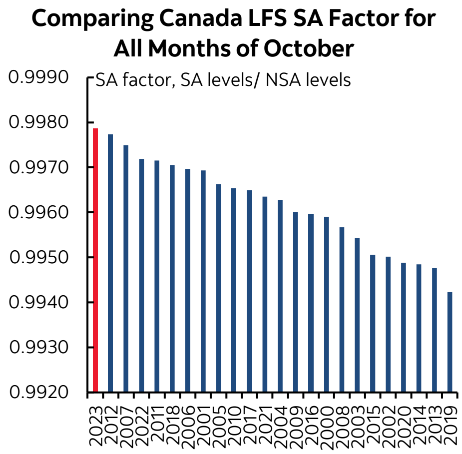



Sources: Scotiabank Economics, Statistics Canada.

By how much? Assuming a roughly 50k seasonally unadjusted job gain for October which would be in the ball park of estimates outside of the immediate pandemic period could register a large seasonally adjusted gain if higher than usual SA factors persist. Chart 28 shows the seasonally adjusted changes in jobs at varying SA factors.

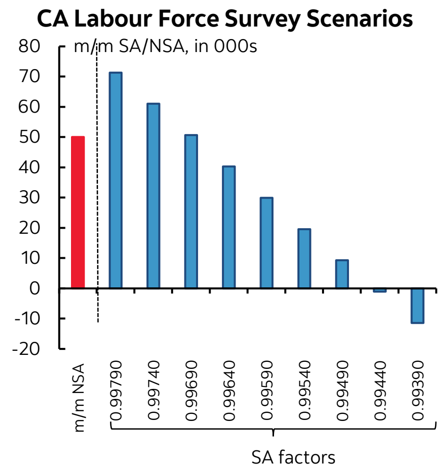
All that said, it's a household survey, and so the statistical error is very high. The 95% confidence band is estimated at +/-57k around each month's change in employment. You could steer the CN Tower sideways down the middle of this band.

Chart 27




Sources: Scotiabank Economics, Statistics Canada.

Chart 28




Sources: Scotiabank Economics.

Canada will then face one more jobs report on December 6th, another CPI report on November 19th, and Q4 GDP with monthly September and preliminary October figures on November 29th. If growth looks like it is tracking beneath BoC expectations for Q3/Q4, then the BoC may be tempted to upsize cuts again because of greater than expected slack that makes it more challenging to durably hit its 2% inflation target within a reasonable period of time. On top of this, the federal government's Fall Economic Statement will be delivered at any time before early December, the US election's ramifications will need to be considered, as will any potential surprises from the Federal Reserve and other external developments.

## GLOBAL MACRO ROUND-UP

Other global macro releases will be relatively light over the duration of the week and of far lesser significance to the central banks and election. See chart 29.

US releases will focus upon ISM-services for October (Tuesday) that is expected to take back some of the prior month's strong increase. Productivity growth is expected to be solid once again at around 2 ½% q/q SAAR for Q3 (Thursday) which should translate into modest pressure on unit labour costs (ie: productivity adjusted employment costs). Other releases will include a dip in factory orders given what we already know about durable goods orders (Monday), a large increase in the US trade deficit (Tuesday), weekly jobless claims that remain quite low (Thursday) and the UoM consumer sentiment measure (Friday) that might partially follow the solid gain in the Conference Board's consumer confidence reading.

Canada updates trade figures for September on Tuesday plus S&P's purchasing managers' indices on Tuesday and the Ivey PMI on Wednesday. While they will help a touch in terms of tracking growth risks, none of these are likely to garner significant market attention.

Chart 29

Other Global Macro Indicators (November 04 - November 08)

| US | CA | CPI | Other Macro |
|---|---|---|---|
| | | *Monday* | |
| Factory Orders | | SK | CL Economic Activity |
| | | PH | CH PMI |
| | | | ID GDP |
| | | *Tuesday* | |
| US Election | Trade | | BZ S&P PMI |
| Trade | S&P PMI | | NZ Jobs |
| ISM Services | | | SP Jobs |
| | | *Wednesday* | |
| | Ivey PMI | | CL Trade, Wage |
| | | | JN Real Cash Earnings |
| | | | PH GDP |
| | | | IR UR |
| | | *Thursday* | |
| Productivity | | MX | EC Retail Sales |
| Unit Labor Costs | | SW | |
| Claims | | IR | |
| Wholesale Trade | | | |
| | | *Friday* | |
| U. of Mich. | LFS | CL | FR Wages |
| | | BZ | IT Retail Sales, IP |
| | | CO | |
| | | CH | |

Sources: Scotiabank Economics, Bloomberg.

A round of CPI updates will struggle to garner much attention. South Korea, Thailand and Philippines kick if off on Monday, followed by Taiwan on Wednesday, Mexico and Sweden (Thursday) and Colombia on Friday. China also releases CPI figures but not until Friday night (ET) with inflation expected to continue to hover just above 0% y/y.

## Key Indicators for the week of November 4 – 8

### NORTH AMERICA

| Country | Date | Time | Indicator | Period | BNS | Consensus | Latest |
|---|---|---|---|---|---|---|---|
| US | 11-04 | 10:00 | Durable Goods Orders (m/m) | Sep F | -- | -- | -0.8 |
| US | 11-04 | 10:00 | Durable Goods Orders ex. Trans. (m/m) | Sep F | -- | -- | 0.4 |
| US | 11-04 | 10:00 | Factory Orders (m/m) | Sep | -0.5 | -0.4 | -0.2 |
| CA | 11-05 | 08:30 | Merchandise Trade Balance (C$ bn) | Sep | -- | -1.5 | -1.1 |
| US | 11-05 | 08:30 | Trade Balance (US$ bn) | Sep | -83.8 | -74.5 | -70.4 |
| US | 11-05 | 10:00 | ISM Non-Manufacturing Composite | Oct | 53.5 | 53.5 | 54.9 |
| US | 11-06 | 07:00 | MBA Mortgage Applications (w/w) | Nov 01 | -- | -- | -0.1 |
| MX | 11-07 | 07:00 | Bi-Weekly Core CPI (% change) | Oct 31 | -- | -- | 0.2 |
| MX | 11-07 | 07:00 | Bi-Weekly CPI (% change) | Oct 31 | -- | -- | 0.4 |
| MX | 11-07 | 07:00 | Consumer Prices (m/m) | Oct | -- | -- | 0.1 |
| MX | 11-07 | 07:00 | Consumer Prices (y/y) | Oct | -- | 4.8 | 4.6 |
| MX | 11-07 | 07:00 | Consumer Prices Core (m/m) | Oct | -- | -- | 0.3 |
| US | 11-07 | 08:30 | Initial Jobless Claims (000s) | Nov 02 | 235 | -- | 216.0 |
| US | 11-07 | 08:30 | Continuing Claims (000s) | Oct 26 | 1910 | -- | 1862.0 |
| US | 11-07 | 08:30 | Productivity (q/q a.r.) | 3Q P | 2.2 | 2.3 | 2.5 |
| US | 11-07 | 08:30 | Unit Labor Costs (q/q a.r.) | 3Q P | 1.0 | 0.8 | 0.4 |
| **US** | **11-07** | **14:00** | **FOMC Interest Rate Meeting (%)** | **Nov 7** | **4.75** | **4.75** | **5.00** |
| US | 11-07 | 15:00 | Consumer Credit (US$ bn m/m) | Sep | -- | 14.5 | 8.9 |
| CA | 11-08 | 08:30 | Employment (000s m/m) | Oct | 30.0 | 30.0 | 46.7 |
| CA | 11-08 | 08:30 | Unemployment Rate (%) | Oct | 6.4 | 6.6 | 6.5 |
| US | 11-08 | 10:00 | U. of Michigan Consumer Sentiment | Nov P | 72.0 | 70.6 | 70.5 |

### EUROPE

| Country | Date | Time | Indicator | Period | Consensus | Latest |
|---|---|---|---|---|---|---|
| IT | 11-04 | 03:00 | Budget Balance (€ bn) | Oct | -- | -24.0 |
| IT | 11-04 | 03:00 | Budget Balance YTD (€ bn) | Oct | -- | -108.7 |
| IT | 11-04 | 03:45 | Manufacturing PMI | Oct | 48.7 | 48.3 |
| FR | 11-04 | 03:50 | Manufacturing PMI | Oct F | 44.5 | 44.5 |
| GE | 11-04 | 03:55 | Manufacturing PMI | Oct F | 42.6 | 42.6 |
| EC | 11-04 | 04:00 | Manufacturing PMI | Oct F | 45.9 | 45.9 |
| FR | 11-05 | 02:45 | Central Government Balance (€ bn) | Sep | -- | -171.9 |
| FR | 11-05 | 02:45 | Industrial Production (m/m) | Sep | -0.8 | 1.4 |
| FR | 11-05 | 02:45 | Industrial Production (y/y) | Sep | -0.5 | 0.5 |
| FR | 11-05 | 02:45 | Manufacturing Production (m/m) | Sep | -1.1 | 1.6 |
| UK | 11-05 | 04:30 | Official Reserves Changes (US$ bn) | Oct | -- | 2133.0 |
| UK | 11-05 | 04:30 | Services PMI | Oct F | 51.8 | 51.8 |
| GE | 11-06 | 02:00 | Factory Orders (m/m) | Sep | 1.5 | -5.8 |
| IT | 11-06 | 03:45 | Services PMI | Oct | 50.5 | 50.5 |
| FR | 11-06 | 03:50 | Services PMI | Oct F | 48.3 | 48.3 |
| GE | 11-06 | 03:55 | Services PMI | Oct F | 51.4 | 51.4 |
| EC | 11-06 | 04:00 | Composite PMI | Oct F | 49.7 | 49.7 |
| EC | 11-06 | 04:00 | Services PMI | Oct F | 51.2 | 51.2 |
| UK | 11-06 | 04:30 | PMI Construction | Oct | 55.1 | 57.2 |
| EC | 11-06 | 05:00 | PPI (m/m) | Sep | -0.6 | 0.6 |
| GE | 11-07 | 02:00 | Industrial Production (m/m) | Sep | -1.0 | 2.9 |
| SP | 11-07 | 03:00 | Industrial Output NSA (y/y) | Sep | -- | -3.5 |
| **SW** | **11-07** | **03:30** | **Riksbank Interest Rate (%)** | **Nov 7** | **2.75** | **3.25** |
| **NO** | **11-07** | **04:00** | **Norwegian Deposit Rates (%)** | **Nov 7** | **4.50** | **4.50** |
| EC | 11-07 | 05:00 | Retail Trade (m/m) | Sep | 0.4 | 0.2 |
| **UK** | **11-07** | **07:00** | **BoE Policy Announcement (%)** | **Nov 7** | **4.75** | **5.00** |
| FR | 11-08 | 02:45 | Current Account (€ bn) | Sep | -- | -600.0 |
| FR | 11-08 | 02:45 | Trade Balance (€ mn) | Sep | -- | -7371.0 |
| IT | 11-08 | 04:00 | Industrial Production (m/m) | Sep | -0.3 | 0.1 |

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

## Key Indicators for the week of November 4 – 8

### ASIA PACIFIC

| Country | Date | Time | Indicator | Period | Consensus | Latest |
|---|---|---|---|---|---|---|
| AU | 11-03 | 19:30 | ANZ Job Advertisements (m/m) | Oct | -- | 1.6 |
| SK | 11-04 | 18:00 | CPI (m/m) | Oct | 0.2 | 0.1 |
| SK | 11-04 | 18:00 | CPI (y/y) | Oct | 1.4 | 1.6 |
| JN | 11-04 | 18:50 | Monetary Base (y/y) | Oct | -- | -0.1 |
| HK | 11-04 | 19:30 | Purchasing Managers Index | Oct | -- | 50.0 |
| PH | 11-04 | 20:00 | CPI (y/y) | Oct | 2.4 | 1.9 |
| PH | 11-04 | 20:00 | CPI (m/m) | Oct | 0.3 | -0.2 |
| CH | 11-04 | 20:45 | Caixin Services PMI | Oct | 50.5 | 50.3 |
| TH | 11-04 | 22:30 | CPI (y/y) | Oct | 1.0 | 0.6 |
| TH | 11-04 | 22:30 | CPI (m/m) | Oct | 0.1 | -0.1 |
| TH | 11-04 | 22:30 | Core CPI (y/y) | Oct | 0.8 | 0.8 |
| **AU** | **11-04** | **22:30** | **RBA Cash Target Rate (%)** | **Nov 5** | **4.35** | **4.35** |
| ID | 11-04 | 23:00 | Real GDP (q/q) | 3Q | 1.6 | 3.8 |
| ID | 11-04 | 23:00 | Real GDP (y/y) | 3Q | 5.0 | 5.1 |
| SI | 11-05 | 00:00 | Retail Sales (m/m) | Sep | -- | 0.7 |
| SI | 11-05 | 00:00 | Retail Sales (y/y) | Sep | -- | 0.6 |
| NZ | 11-05 | 16:45 | Unemployment Rate (%) | 3Q | 5.0 | 4.6 |
| NZ | 11-05 | 16:45 | Employment Change (y/y) | 3Q | 0.1 | 0.6 |
| PH | 11-05 | 20:00 | Exports (y/y) | Sep | 3.0 | 0.3 |
| PH | 11-05 | 20:00 | Imports (y/y) | Sep | 1.4 | 2.7 |
| PH | 11-05 | 20:00 | Trade Balance (US$ mn) | Sep | -3587.0 | -4375.0 |
| PH | 11-05 | 20:00 | Unemployment Rate (%) | Sep | -- | 4.0 |
| VN | 11-05 | 21:00 | CPI (y/y) | Oct | 2.8 | 2.6 |
| VN | 11-05 | 21:00 | Industrial Production (y/y) | Oct | -- | 10.8 |
| **MA** | **11-06** | **02:00** | **Overnight Rate (%)** | **Nov 6** | **3.00** | **3.00** |
| TA | 11-06 | 03:00 | CPI (y/y) | Oct | 1.8 | 1.8 |
| SK | 11-06 | 18:00 | Current Account (US$ mn) | Sep | -- | 6595.3 |
| AU | 11-06 | 19:30 | Trade Balance (AUD mn) | Sep | 5300.0 | 5644.0 |
| CH | 11-06 | 20:00 | Foreign Reserves (US$ bn) | Oct | 3286.0 | 3316.4 |
| CH | 11-06 | 20:00 | Exports (y/y) | Oct | 4.5 | 2.4 |
| CH | 11-06 | 20:00 | Imports (y/y) | Oct | -1.5 | 0.3 |
| CH | 11-06 | 20:00 | Trade Balance (USD bn) | Oct | 74.2 | 81.7 |
| PH | 11-06 | 21:00 | Real GDP (q/q) | 3Q | 1.7 | 0.5 |
| PH | 11-06 | 21:00 | Real GDP (y/y) | 3Q | 5.7 | 6.3 |
| AU | 11-07 | 00:30 | Foreign Reserves (AUD bn) | Oct | -- | 94.0 |
| MA | 11-07 | 02:00 | Foreign Reserves (US$ bn) | Oct 30 | -- | 119.6 |
| SI | 11-07 | 04:00 | Foreign Reserves (US$ mn) | Oct | -- | 389812.2 |
| JN | 11-07 | 18:30 | Household Spending (y/y) | Sep | -1.8 | -1.9 |
| MA | 11-07 | 23:00 | Industrial Production (y/y) | Sep | 3.5 | 4.1 |
| JN | 11-08 | 00:00 | Coincident Index CI | Sep P | 115.5 | 114.0 |
| JN | 11-08 | 00:00 | Leading Index CI | Sep P | 109.0 | 106.9 |
| JN | 11-08 | 00:00 | New Composite Leading Economic Index | Sep P | 109.0 | 106.9 |
| TA | 11-08 | 03:00 | Exports (y/y) | Oct | 9.1 | 4.5 |
| TA | 11-08 | 03:00 | Imports (y/y) | Oct | 8.9 | 17.3 |
| TA | 11-08 | 03:00 | Trade Balance (US$ bn) | Oct | 5.9 | 7.1 |
| CH | 11-08 | 20:30 | CPI (y/y) | Oct | 0.3 | 0.4 |
| CH | 11-08 | 20:30 | PPI (y/y) | Oct | -2.5 | -2.8 |

### LATIN AMERICA

| Country | Date | Time | Indicator | Period | BNS | Consensus | Latest |
|---|---|---|---|---|---|---|---|
| CL | 11-04 | 06:30 | Economic Activity Index SA (m/m) | Sep | -- | 0.0 | -0.2 |
| CL | 11-04 | 06:30 | Economic Activity Index NSA (y/y) | Sep | -- | 1.3 | 2.3 |
| BZ | 11-06 | 13:00 | Trade Balance (FOB) - Monthly (US$ mn) | Oct | -- | -- | 5363.4 |
| **BZ** | **11-06** | **16:30** | **SELIC Target Rate (%)** | **Nov 6** | **11.25** | **11.25** | **10.75** |
| **PE** | **11-07** | **18:00** | **Reference Rate (%)** | **Nov 7** | **5.25** | **5.00** | **5.25** |
| BZ | 11-08 | 07:00 | IBGE Inflation IPCA (m/m) | Oct | -- | -- | 0.4 |
| BZ | 11-08 | 07:00 | IBGE Inflation IPCA (y/y) | Oct | -- | -- | 4.4 |
| CO | 11-08 | 18:00 | Consumer Price Index (m/m) | Oct | -- | 0.2 | 0.2 |
| CO | 11-08 | 18:00 | Consumer Price Index (y/y) | Oct | -- | 5.7 | 5.8 |

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

## Global Auctions for the week of November 4 – 8

### NORTH AMERICA

| Country | Date | Time | Event |
|---|---|---|---|
| US | 11-04 | 13:00 | U.S. To Sell USD58 Bln 3-Year Notes |
| US | 11-05 | 13:00 | U.S. To Sell USD42 Bln 10-Year Notes |
| US | 11-06 | 13:00 | U.S. To Sell USD25 Bln 30-Year Bonds |

### EUROPE

| Country | Date | Time | Event |
|---|---|---|---|
| EC | 11-04 | 05:30 | EU to Sell Bonds |
| AS | 11-05 | 05:00 | Austria to Sell 2.9% 2034 Bonds |
| UK | 11-05 | 05:00 | U.K. to Sell GBP3.75 Billion of 4.25% 2034 Bonds |
| AS | 11-05 | 05:00 | Austria to Sell 3.15% 2044 Bonds |
| DE | 11-06 | 04:15 | Denmark to Sell Bonds |
| SW | 11-06 | 05:00 | Sweden to Sell Bonds |
| GE | 11-06 | 05:30 | Germany to Sell Bonds |
| SP | 11-07 | 04:30 | Spain to Sell Bonds |
| FR | 11-07 | 04:50 | France to Sell Bonds |
| BE | 11-08 | 06:00 | Belgium to Sell Bonds through Ori Auction |
| IC | 11-08 | 06:00 | Iceland to Sell Bonds |

### ASIA PACIFIC

| Country | Date | Time | Event |
|---|---|---|---|
| AU | 11-03 | 19:00 | Australia to Sell A$700 Million 2.75% 2027 Bonds |
| CH | 11-05 | 21:35 | China Plans to Sell 2 Year Bonds |
| CH | 11-05 | 21:35 | China to Sell 95 Billion Yuan 2026 Bonds |
| JN | 11-06 | 22:35 | Japan to Sell 10-Year Bonds |
| AU | 11-07 | 19:00 | Australia to Sell A$800 Million 2.75% 2035 Bonds |
| CH | 11-07 | 21:35 | China Plans to Sell 20 Year Bonds |
| CH | 11-07 | 21:35 | China to Sell 30 Billion Yuan 2044 Bonds |

### LATIN AMERICA

| Country | Date | Time | Event |
|---|---|---|---|
| No Scheduled Auctions | | | |

Sources: Bloomberg, Scotiabank Economics.

## Events for the week of November 4 – 8

### NORTH AMERICA

| Country | Date | Time | Event |
|---|---|---|---|
| US | 11-01 | 09:45 | Fed's Logan Gives Welcoming Remarks |
| CA | 11-05 | 13:30 | Bank of Canada Releases Summary of Deliberations |
| US | 11-07 | 14:00 | FOMC Rate Decision |
| US | 11-08 | 11:00 | Fed's Bowman Speaks on Banking Topics |

### EUROPE

| Country | Date | Time | Event |
|---|---|---|---|
| EC | 11-04 | 05:00 | ECB's Nagel Speaks |
| EC | 11-04 | 08:00 | ECB's Holzmann Gives Introduction at SUERF Conference |
| EC | 11-05 | 13:30 | ECB's Schnabel Gives Speech at Harvard |
| EC | 11-06 | 06:00 | ECB's Escriva Speaks in Parliament |
| EC | 11-06 | 09:00 | ECB's Lagarde Gives Welcome Remarks |
| EC | 11-06 | 09:30 | ECB's Guindos Gives Speech |
| EC | 11-07 | 02:35 | ECB's Stournaras Speaks |
| SZ | 11-07 | 03:00 | Foreign Currency Reserves |
| EC | 11-07 | 03:10 | ECB's Schnabel Speaks in Frankfurt |
| **SW** | **11-07** | **03:30** | **Riksbank Policy Rate** |
| **NO** | **11-07** | **04:00** | **Deposit Rates** |
| EC | 11-07 | 05:45 | ECB's Elderson Speaks on Climate Panel |
| **UK** | **11-07** | **07:00** | **Bank of England Bank Rate** |
| EC | 11-07 | 07:00 | ECB's Escriva Speaks |
| UK | 11-07 | 07:30 | BOE Press Conference |
| EC | 11-07 | 08:30 | ECB's Lane Speaks in Athens |
| EC | 11-07 | 09:30 | ECB's Lane, Stournaras Speak in Athens |
| EC | 11-07 | 10:45 | ECB's Stournaras Speaks in Athens |
| SZ | 11-08 | 03:00 | SNB's Martin Speaks |
| UK | 11-08 | 07:15 | BOE's Pill Speaks |

### ASIA PACIFIC

| Country | Date | Time | Event |
|---|---|---|---|
| **PK** | **11-03** | **00:00** | **SBP Rate Decision** |
| NZ | 11-04 | 15:00 | RBNZ Publishes Financial Stability Report |
| NZ | 11-04 | 19:00 | RBNZ News Conference on FinStab Report |
| **AU** | **11-04** | **22:30** | **RBA Cash Rate Target** |
| AU | 11-04 | 22:30 | RBA-Statement on Monetary Policy |
| JN | 11-05 | 18:50 | BOJ Minutes of Sept. Meeting |
| **MA** | **11-06** | **02:00** | **BNM Overnight Policy Rate** |
| NZ | 11-06 | 14:10 | RBNZ at Parliament Committee on FinStab |
| SL | 11-06 | 00:00 | Gross Official Reserves |
| AU | 11-07 | 21:45 | RBA's Jones-Panel |

### LATIN AMERICA

| Country | Date | Time | Event |
|---|---|---|---|
| **BZ** | **11-06** | **16:30** | **Selic Rate** |
| CO | 11-06 | 17:00 | Colombia Monetary Policy Minutes |
| **PE** | **11-07** | **18:00** | **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 | 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 |

**Federal Reserve:** The Federal Reserve is expected to cut its federal funds rate by 25bps on Thursday at 2pm EST. The bank will release an updated statement at 2pm, followed by Chair Powell's press conference at 2:30pm. The key will be to see if the Fed turns a bit less dovish post strong US economic data.

## 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 | 2.75 | 2.75 |
| 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 |

**Bank of England (BoE): The** Bank of England is expected to cut its bank rate by 25bps on Thursday with a very small chance of a surprise hold due to the recent expansionary Budget. Core inflation slowed at the margin though services inflation still remains elevated on a y/y basis. Key will be to watch for the bank's updated forecasts and forward guidance taking into account the recent budget. **Sweden Riksbank:** Riksbank is expected to cut its repo rate by either 25bps or 50bps on Thursday. In its last meeting, the bank had already signaled further cuts in the next two meetings of the year if the outlook for inflation and economic activity remains unchanged, with a chance of a 50bps cut at one of these meetings. The latest CPI figures show inflation is under control and has been below the 2% target. However, the 3Q economic activity surprised consensus and slowed down by -0.1% q/q SA. Markets are currently leaning toward a 50bps rate cut, with the majority of economists now favouring a 50bps rate cut. **Norges Bank:** Norges Bank is expected to keep its deposit rate at 4.50% on Thursday after both forward guidance and the Governor conveyed that "the policy rate will likely be kept at 4.5 percent to the end of the year" at its last meeting. Since then, the headline inflation has ticked up from 2.6% to 3% in September while the underlying inflation has slowed down a tick to 3.1%. In addition, the krone has further depreciated due to the stronger US dollar.

## ASIA PACIFIC

| Rate | Current Rate | Next Meeting | Scotia's Forecasts | Consensus Forecasts |
|---|---|---|---|---|
| Bank of Japan – Policy Rate | 0.25 | December 19, 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 |

**Reserve Bank of Australia (RBA):** The Reserve Bank of Australia is unanimously expected to maintain its cash rate target at 4.35% and will publish a new round of economic forecasts on Monday. The latest preferred core inflation figures for Q3 were still hot at around 3.2-3.6%, which is above the bank's inflation target range of 2-3%. It is expected to come back within the target range in "another year or two." In addition, the job market remains tight with elevated wages. **Bank Negara Malaysia:** Bank Negara Malaysia is expected to maintain its overnight policy rate at 3% on Wednesday amidst stable inflation around 2%, while 3Q economic growth beat consensus (5.3% vs 5.1%) on the upper side. The bank sees the current rate as supportive of economic growth and "consistent with the current assessment of inflation and growth prospects." Additionally, tourist activity remains robust and almost near the pre-pandemic level.

## 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 | 9.75 | December 20, 2024 | N/A | N/A |
| Banco Central de Reserva del Perú – Reference Rate | 5.25 | November 7, 2024 | 5.25 | 5.00 |

**Banco Central do Brasil:** Banco Central do Brasil is expected to be aggressive and hike its Selic rate by 50bps on Wednesday after a 25bps hike in September, raising its policy rate to 11.25%. Since the last meeting, the data still suggests strong economic activity and a tight labour market, with inflation expectations deanchoring. Governor Neto, who has two policy meetings before he leaves the bank, has already communicated his concerns regarding deanchored inflation expectations and loss of inflation credibility. **Banco Central de Reserva del Peru:** After a surprise hold at its last meeting, our LatAm-based economists expect the Banco Central de Reserva del Peru to hold its reference rate at 5.25% on Thursday, while a small consensus (2-1) expects a 25bps rate cut. The monetary policy statement didn't explicitly mention the reason for the pause except changing the line from core inflation within the target range to core inflation is above the midpoint of 2% of the inflation target range. Hence, since then, nothing much has changed and the BCRP doesn't look to be in a hurry to cut rates.

## 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.