Scotiabank

GLOBAL ECONOMICS

THE GLOBAL WEEK AHEAD

November 15, 2024

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With thanks for research support from: Cesar Amador.

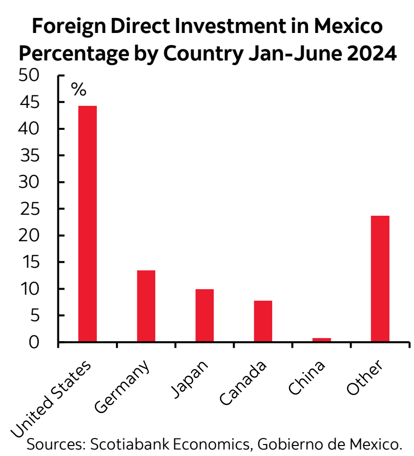
Next Week's Risk Dashboard

- **Canada's strengths and vulnerabilities into NAFTA 3.0**
- **Canadian CPI back up to 2%?**
- **Canada's growth may be disappointing the BoC again**
- **Global PMIs to offer a post-US-election test**
- **UK CPI to jump on higher energy price cap**
- **Japanese CPI will probably reinforce BoJ hike bias…**
- **…but a trade war risks a more cautious Shunto wage round ahead**
- **GDP updates: Chile, Colombia, Peru, Mexico, Norway**
- **Bank Indonesia faces a split consensus**
- **SARB likely to cut again**
- **Turkey's central bank will probably hold**
- **China unlikely to change Loan Prime Rates again**

Canada in a NAFTA 3.0 World

FORECASTS & DATA

Chart of the Week



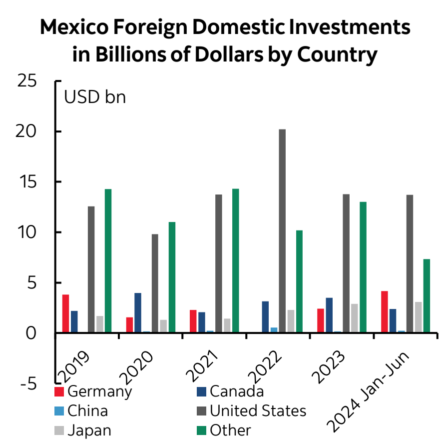


Chart of the Week: Prepared by: Cesar Amador, Economic Analyst.

Canada in a NAFTA 3.0 World

The global line-up of calendar-based risks contains several gems but is generally in intermission between acts. A few emerging market central banks will weigh in with decisions and there is significant data risk in places like the UK, Japan, Latin America and across post-election sentiment surveys.

This issue will offer a particular focus on Canada in terms of the interplay between potential trade policy developments, a coming inflation report, and tracking of GDP growth and how all of that may influence the Bank of Canada.

NAFTA 3.0 AND THE BOC

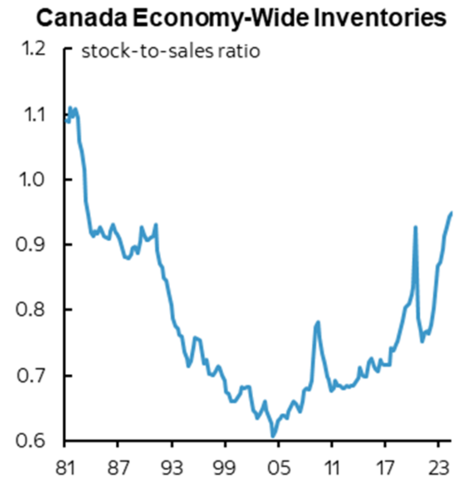
Trade policy risks overhang the Canadian macroeconomic outlook and bring elevated uncertainty. How conditions may evolve is unclear even among those who have an above average understanding of economics.

There are pluses and minuses in the backdrop to how Canada is positioned going into such uncertainties.

Among the concerns is that the economy already has slack measured by output gaps and adding more via more intense uncertainty would be undesirable. Canada has high inventories that may be partly prudent in a world of higher risks to supply chains and also partly overshooting (chart 1), a gently rising unemployment rate, very poor labour productivity growth, high unit labour costs, ongoing labour strife, significant coming public and private debt payment resets, an increasingly uncompetitive tax regime (chart 2), an underperforming economy, curtailed immigration policies and election risk.

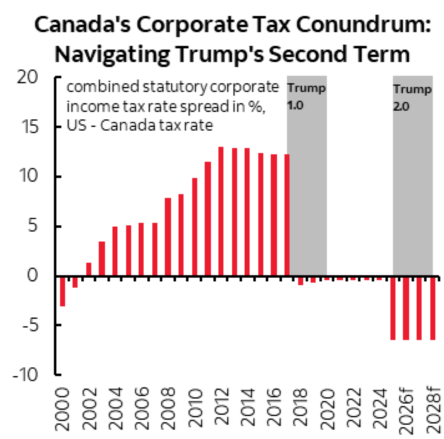
Sources of resilience, however, include strong corporate finances (chart 3) and a much lower federal deficit-to-GDP ratio than the US that can help to accommodate significant shocks either through automatic stabilizer effects or explicit stimulus. Canada has a well-capitalized banking system. Canadian households have spent years hunkering down and repairing their finances including through stockpiling a high buffer of savings (charts 4, 5). Canada has pent-up demand in housing and consumer markets alongside the lagging effects of immigration on demand for housing. Canada has a strong team of trade policy professionals and negotiators. Perhaps most important is that Canada has an independent central bank that has ample room to ease if needed, a flexible currency and a deep, liquid and highly rated bond market including the Government of Canada's rare AAA status.

Chart 1



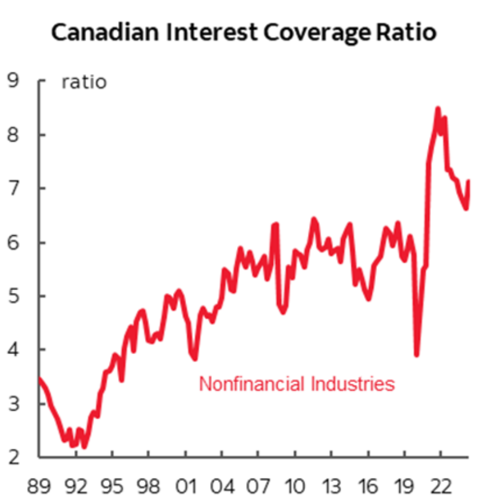
Source: Scotiabank Economics, Statistics Canada.

Chart 2



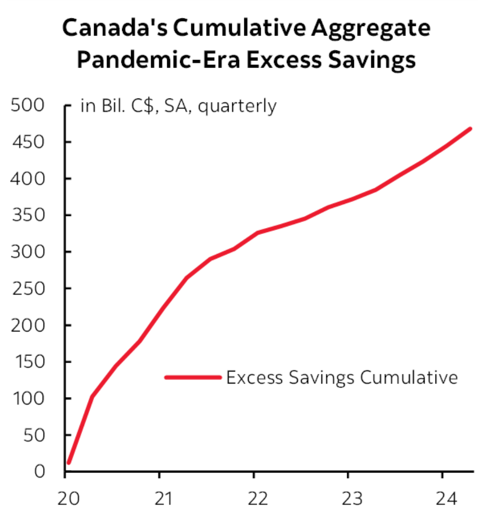
*Note: Forecast assumes no change to Canadian corporate tax rate while Trump slashes tax rate to 15%.
Sources: Scotiabank Economics, OECD.

Chart 3



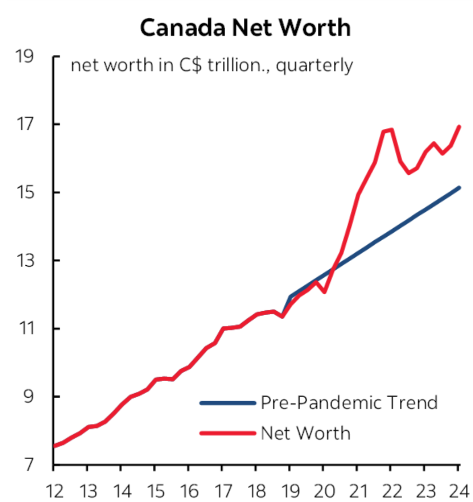
Sources: Scotiabank Economics, Statistics Canada.

Chart 4



Sources: Scotiabank Economics, Statistics Canada.

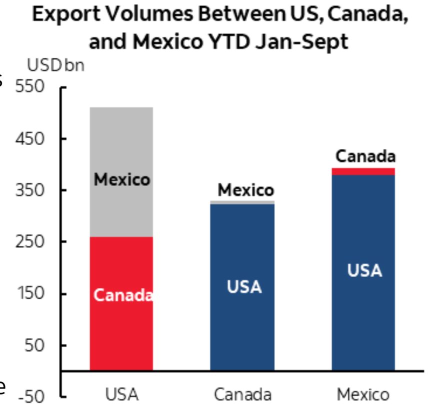
Chart 5



Sources: Scotiabank Economics, Statistics Canada.

Of course, having friends in business and government within the US can't hurt either, as Canada saw through support from politicians and business lobby groups in the US during NAFTA 2.0 negotiations. Canada is an important trading partner to the US (chart 6) such that jeopardizing this relationship is recognized by many as an own goal on the US side—including in the constituencies of many members of Congress who wouldn't want weakening local economies into mid-term elections.

Chart 6



Scotiabank Economics, U.S. Census Bureau, Banxico, Statistics Canada, Bloomberg.

The best-case scenario would be that Canada can escape the brunt of tariffs that the US may introduce. That could be the case as it curries favour with the US administration through the Federal Government's distancing of itself from Mexico (even though the inclusion of Mexico is critical to the success of the North American economy) and through joining US efforts in applying tariffs against China. The outcome plays into greater global divisions as multilateral institutions deteriorate but may spare Canada from a direct hit. Canada also presents much lower perceived border risk to the US, has a stable and well-regulated banking system, presents much lower risk of being a back door for Chinese exports and investment into the US, has a generally strong legal system and stable Constitution, shared values toward market-based economies and democracies, and an open energy sector. Canada has generally not introduced major new trade irritants since the CUSMA deal was signed.

Also recall that Trump said this about the USMCA/CUSMA trade deal in a variant of his 'best ever' accolades:

> "The USMCA is the largest, most significant, modern, and balanced trade agreement in history. All of our countries will benefit greatly."

Still, there are important risks. The previous best-case scenario of minor tweaks to NAFTA 2.0 amid the possibility of an extension for a further 16 years to expire in 2042 instead of 2036 with limited skirmishes is likely gone, at least for now.

In its place is the greater likelihood that the US may exercise its right to engage in annual reviews of the NAFTA 2.0/CUSMA/USMCA agreement. This could elevate uncertainty in each of the incoming US administration's years. The passage of time relative to the 2036 expiration would also shorten business planning horizons with each year that goes by. Businesses in all three countries should be concerned about this.

Furthermore, the fundamental issue is the Trump administration's bias that trade is generally bad because it comes at the perceived expense of production in the US. This fallacy is at the heart of protectionist arguments from time immemorial, but it's the hand that may be played alongside an effort to secure more advantageous trade terms regardless of merit.

An added uncertainty is whether Canada would retaliate if the Trump administration applies tariffs. Economic theory would say that the optimal outcome for the sake of the economy as a whole would be to resist retaliation and stay at the negotiating table, especially for such a trade dependent nation. Then there are politics and human nature to consider.

Added uncertainties that could impact trade policy risks include issues around border security that are much lower on the northern US border, Canada's low defence spending, certain forms of preferential policies to some sectors of the economy, and the possibility of revisiting dispute settlement mechanisms within the agreement such as in light of the ruling by a USMCA panel on automotive rules of origin that went against the US.

How inflation would evolve in response to the risk of trade shocks and how the Bank of Canada should respond are uncertain, but in my view, a modestly sized, open economy that trades a lot would be more vulnerable on growth and in disinflationary fashion from a weak initial starting point in terms of slack that would merit a dovish central bank response. The BoC has tended to respond to terms of trade shocks by easing policy. It did so in response to lower commodity prices in late 2014 into early 2015. US-China aggression could pose external risks to Canada even absent directly applied tariffs against Canada.

CANADIAN INFLATION—A WARM UP ACT TO GDP

Canada updates CPI inflation for October on Tuesday. It's the last inflation reading before the Bank of Canada's next decision on December 11th. There is, however, other data that is at least as important—arguably more so—between now and then such that decisions like the size of the likely cut won't just be informed by CPI.

Back Up at 2%?

First, the estimates. I went with 0.4% m/m seasonally unadjusted for headline CPI that would translate into a seasonally adjusted rise of 0.3% m/m. That would translate into a year-over-year reading of 2% in a bounce back from 1.6% the prior month. If nothing changed other than year-ago base effects, then inflation would otherwise land at 1.6% but it's the upside from prices in October that would lift the annual rate.

Why? Gasoline is not expected to play a significant role as seasonally unadjusted prices were little changed in October over September. Food prices are also not expected to be a material influence. But October is a reliable up-month for many seasonally unadjusted prices including shelter components like property taxes, communications, household operations and furnishings, clothing and footwear, and transportation via vehicle prices. On top of up-months for seasonally unadjusted prices is the traction in builder prices; chart 7 applies our seasonal adjustment to the house-only component of Statistics Canada's new house price index which drives replacement cost in CPI. Prices are rising as the rent-versus-own dynamic is shifting in favour of owning given surging rent, while tight supply in new and resale markets, rising input costs including so far only limited relief in financing costs, and an embarrassment of riches being thrown at builders are also supportive of pricing power.

Rent is a bit of a wildcard with about a 7% basket weight. Market measures have been sharply slowing (chart 8), but that doesn't offer assurance that they will translate into rent within CPI which is significantly because of methodological differences explained **here**. One reason is that Statistics Canada makes hedonic model adjustments that reflect how dwelling characteristics may have changed. Another reason is that Statistics Canada includes new rents, existing tenants rents as they are rolled over, and existing tenants rents that are the middle of their lease which delays CPI-rent's adjustments to market changes.

Core Gauges to Matter More

Key, however, is going to be the BoC's preferred core inflation measures called trimmed mean CPI and weighted median CPI. They ebbed over recent reports (chart 9). This trend may persist along a volatile path given ongoing slack in the economy, but the month-to-month gyrations are nearly impossible to predict. Weighted median CPI m/m SAAR is the change in the 50th percentile price in the basket after ranking weighted contributions from highest to lowest and is extremely sensitive to small differences in the composition of the basket that are largely unavailable. Trimmed mean CPI lops off the top and bottom 20% of the CPI basket after doing the same ordering and is also difficult to estimate given the few price signals we have to go by in advance.

TRACKING CANADIAN GDP GROWTH

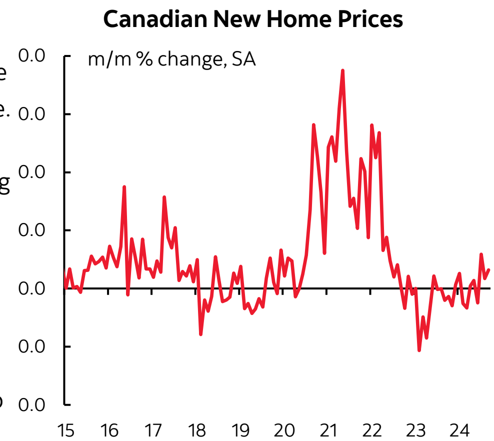
Apart from CPI, the other key releases ahead that may impact expectations for the BoC's next decision include GDP figures for Q3 as well as monthly estimates for September and October on November 29th, plus another jobs report on December 6th, plus the Fall Economic Statement at some point later this month or early December, and potential policy expectations out of the incoming US administration.

In my opinion, the BoC may be more focused upon the GDP figures even notwithstanding very recent strength in interest-sensitive activities like sales of existing homes and autos. If their tracking of Q3 growth at 1.5% and Q4 at 2% is disappointed by the coming figures that will also inform hand-off effects for tracking Q4 growth, then the BoC could argue that it is once again tracking more slack in the economy than forecast. That, in turn, could make them more dovish in that it would raise concern toward undershooting their 2% inflation target into 2025 which could merit upsizing with greater urgency now.

Weak Q3 GDP Tracking

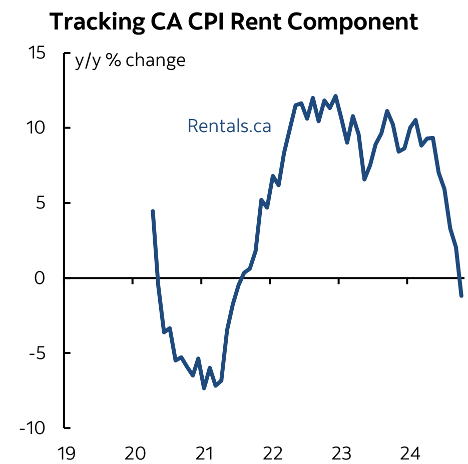
And so on that note, updated tracking of Q3 GDP growth in Canada isn't good. Even if I use Statcan's preliminary estimate for September GDP of +0.3% m/m I only get 1% q/q SAAR for Q3 using the monthly production-side GDP accounts. That's tracking beneath the BoC's 1.5% q/q SAAR expenditure-side GDP growth estimate.

Chart 7



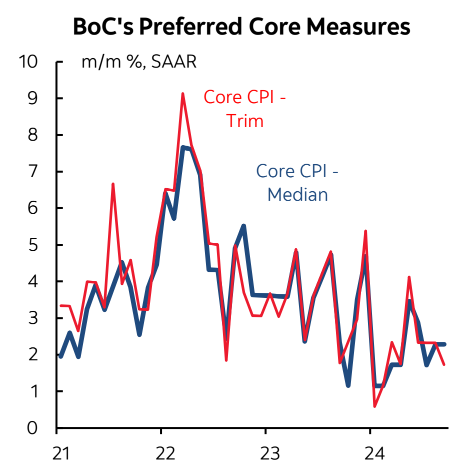
Sources: Scotiabank Economics, Statistics Canada, Haver.

Chart 8



Sources: Scotiabank Economics, Rentals.ca

Chart 9



Sources: Scotiabank Economics, Statistics Canada.

But September isn't looking that strong by my tracking. I'm getting little change, which would translate into 0.6% q/q SAAR for Q3 using the production side accounts. The same caveat applies as always here in that production side monthly accounts don't necessarily line up with expenditure-side accounts given factors like inventory swings, but they're usually not that far off. Then the key is what advance guidance on October GDP may be provided by Statcan later in the month. We have very little data to go by so far other that a rise in aggregate hours.

Why it Matters

The reason this matters is because if the BoC gets another downward surprise to GDP after sharply revising its forecast for Q3 lower in the October MPR from 2.8% q/q SAAR to 1¼%, then there will be again more slack than they figured which could motivate greater concern about undershooting the 2% inflation target which could motivate another upsized cut. I still want to see the data on cpi next week, then GDP, then jobs, and maybe Freeland's FES etc before firming the call, but am still open minded toward 25 or 50. Making the call before seeing the data would be kind of irresponsible.

In my view, US policy risks also carry dovish implications for the BoC that could bring on more policy easing than previously anticipated. In my opinion, the BoC would probably react dovishly to an external terms of trade shock like lower commodity prices on global growth concerns particularly as the US and China lock horns, and like potential US tariffs imposed on Canada.

The waning action of the S&P's post-election rally to just about 1½% from a peak of 4% is reining in a positive wealth shock. This is important because we need assumptions on wealth effects for consumption into the start of 2025 and the initial reaction is disappearing.

I'd then repeat my view that this time the circumstances are different. Risk assets were already generously priced and more so than 2016–18 (multiples, credit spreads etc). Corporate margins were already higher into the US election than back in Trump 1.0. Risk appetite is unlikely to fare well ***if*** tariffs start to get flung back and forth just on the uncertainty factor alone, let alone the damage. The US is in excess demand where the dollar, bonds & Fed are more likely to sterilize any fiscal bursts than in the wake of the 2017 Tax Cuts and Jobs Act. As for corporate tax cuts that are likely to be much smaller this time around, do they pass through and prompt more investment and hiring? Or are they hoarded much like the ongoing hoarding of high levels of corporate cash balances and the preservation of sky-high interest coverage? I think c-suites take a wait and see approach as the rules of the game on trade, investment and immigration are being thrown up in the air.

CENTRAL BANKS—EMERGING MARKETS STRUGGLING WITH TRUMP'S WIN

Three emerging market central banks will weigh in with policy decisions this week. There are no major central banks on tap that have the potential to impact global markets. Financial market volatility in the wake of the US election has created greater uncertainty toward the policy path going forward.

Bank Indonesia—Split Consensus

Consensus is divided on what Bank Indonesia might do on Wednesday morning (ET as always in this publication). Roughly half foresee a hold and half a 25bps cut. Part of the reason for this is that the central bank has behaved in somewhat volatile fashion. It cut against expectations for a hold in September, then held in October as expected. Four factors that could support a cut include a relatively resilient rupiah since the US election compared to other Asian FX crosses, a drop of under 3% in the local stock index, higher bond yields, and falling inflation. CPI fell back to 1.7% y/y in October, but core CPI was a tick firmer than expected at 2.2%.

SARB—Inflation Progress with a Wary Eye on the Rand

The South African Reserve Bank is expected to deliver another quarter point cut on Thursday after its initial reduction of the cycle in September. What may temper enthusiasm toward a cut is that the rand has depreciated by about 5% to the dollar since the US election. Offsetting this may be ongoing progress on inflation that at 3.8% y/y in September and with core at 4.1% is well within SARB's 3–6% inflation target range. Furthermore, the Johannesburg stock index has dropped by about 3% since the US election.

Turkey—Probably Not Yet

Turkey's central bank is expected to remain on hold again on Thursday with a 1-week repo rate of 50% but with cut risk. The lira has been flat to the USD since the US election but on a longer-term depreciating trend that poses risk of imported inflation. Inflation remains at eye-watering levels but falling from a recent peak of 75% y/y to 48½% y/y which makes the real policy rate increasingly restrictive. By contrast to some other EMs, however, Turkey's main stock market index is up by over 8% since the US election.

China—Not the Main Measures

China will announce Loan Prime Rates on Tuesday. Neither the 1- or 5-year LPRs are expected to be cut again after being reduced by a quarter point each on October 20th in the wake of stimulus announcements.

GLOBAL MACRO RELEASES

Inflation reports from the UK and Japan may incrementally inform policy risks facing the Bank of England and Bank of Japan with other global macro releases focused upon PMIs and LatAm GDP.

UK Inflation—Energy Bills Up!

UK CPI inflation (Wednesday) is expected to jump higher at least in headline terms given higher energy prices, but core CPI inflation is expected to remain little changed at just over 3% y/y. Key is that Ofgem (the UK energy regulator) raised the energy price cap for a typical household by about 10% (**here**). That hike may put downside risk into Friday's retail sales for October. Also on the inflation front is the forward risk that lagging effects of prior currency strength may stoke lessened import-price pressures into the core CPI basket. Chart 10 shows the UK effective exchange rate along with core CPI y/y plotted on an inverse scale; a stronger currency has coincided with weakening inflation, notwithstanding recent sterling weakness.

Japanese CPI—Core to Edge Up, Reinforce Hike Pricing

Japan's national CPI print on Thursday is likely to follow the already known Tokyo gauge lower, but key is more likely to be core excluding both food and energy that will likely edge higher. National CPI ex-f&e is expected to climb toward 2.2–2.3% y/y which extend the resumption of a gentle upswing over the past couple of months. If so, then this could add to sentiment that the BoJ is inching toward further policy tightening as soon as the December 19th meeting.

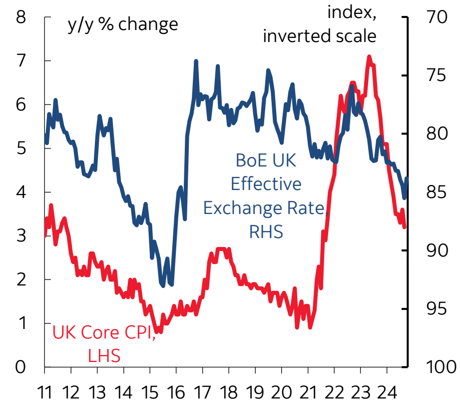
Count me skeptical toward tightening into the new year. Maybe hike on the consumption strength in recent GDP figures. Maybe on the yen weakness since the US election that risks stoking more import price pressures. Maybe on the short-run effects of possible tariffs on inflation that also depends on whether retaliation ensues and/or upon whether tariffs are a one-off jump or a serial tit-for-tat escalation yet even then the effect is likely to plateau. But tread carefully. Trade is key to Japan's economy, to its labour force, and hence to its consumers. And let's just see how willing companies are to deliver another massive wage gain in the coming Spring Shunto negotiations as trade turmoil arrives (chart 11).

Global Purchasing Managers' Indices

Purchasing managers' indices will be the main event by way of global economic fundamentals this week. The November readings may offer the first sentiment-based glimpse at the aftermath of the US election and in the wake of the global softening across several of these readings that are indicating little to no growth outside of the US and India (charts 12, 13). Headline readings above 50 signal growth, below 50 signal contraction in the economy. Australia and Japan lead off on Thursday evening (ET) followed by the Eurozone, UK, US and India on Friday.

Chart 10

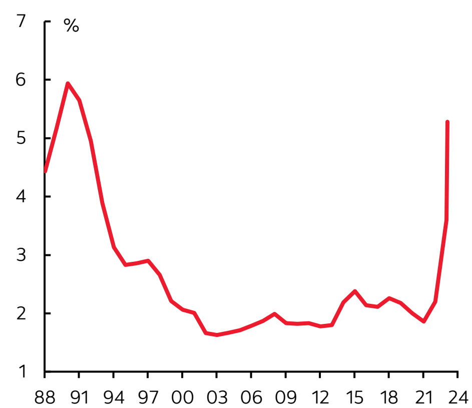
Currency Effects On UK Inflation



Sources: Scotiabank Economics, U.K. Office for National Statistics, Bank of England.

Chart 11

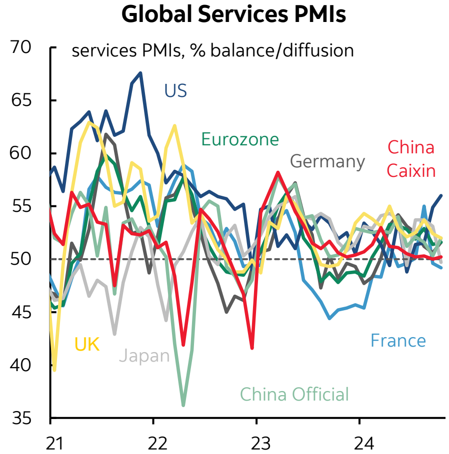
Japan's Spring Wage Negotiations



Sources: Scotiabank Economics, Ministry of Health, Labor & Welfare.

Chart 12

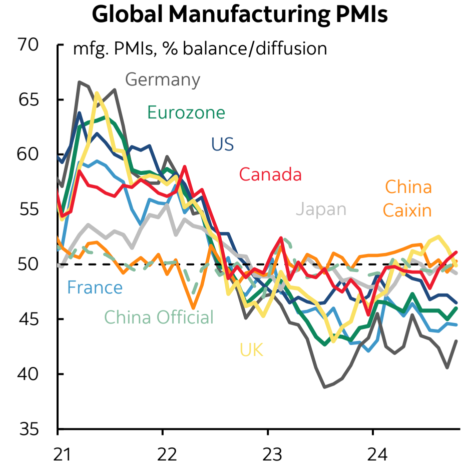
Global Services PMIs



Sources: Scotiabank Economics, Markit, Bloomberg, ISM.

Chart 13

Global Manufacturing PMIs

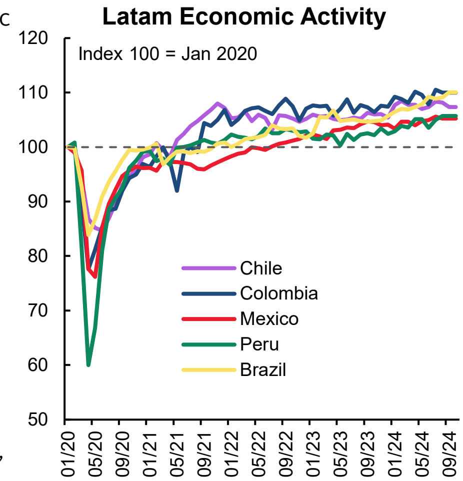


Sources: Scotiabank Economics, Bloomberg.

GDP Reports Focus on LatAm Economies

GDP figures will be refreshed in several LatAm economies and Norway. Chile's economy is expected to rebound from the drop in Q2 (Monday); key is that the mid-quarter monthly economic activity index for August posted one of the strongest seasonally unadjusted m/m gains for like months of August on record. Colombia's economy (also Monday) is expected to post another moderate gain in Q3. Peru refreshes Q3 GDP on Friday with growth expected to remain around 3½% y/y. Even though Mexico recorded a preliminary rise of 1% q/q SA nonannualized in third quarter GDP, the inclusion of monthly figures for September (Friday) will inform revision risk as Mexico's performance over time compared to other neighbours is shown in chart 14. And on the other side of the ocean, we have Norway's Q3 GDP (Thursday) that is expected to post another quarter of fairly tepid growth.

Chart 14



Sources: Scotiabank Economics, Bloomberg.

Canada's Light Calendar

Canada might see October's housing starts (Monday) bounce higher toward 250k based upon a rise in dwelling permit volumes not only over the prior month but for several months now. Further, October was an unseasonably warm and dry month that could benefit construction activity. Retail sales are also due out (Friday) and Statcan had previously guided they were tracking a gain of 0.5% m/m for September. That may be revised, and we'll get a first glimpse at the October estimate.

A Light US Calendar

This will be a light week by way of calendar-based risk in the US. Housing starts for October (Tuesday) might slip a touch, but rising pending home sales may have lifted existing home sales during October (Thursday).

Key Indicators for the week of November 18 – 22

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	11-18	08:15	Housing Starts (000s a.r.)	Oct	250	240.0	223.8
CA	11-18	08:30	International Securities Transactions (C$ bn)	Sep	--	--	10.0
US	11-18	10:00	NAHB Housing Market Index	Nov	--	42.0	43.0
US	11-18	16:00	Total Net TIC Flows (US$ bn)	Sep	--	--	79.2
US	11-18	16:00	Net Long-term TIC Flows (US$ bn)	Sep	--	--	111.4
CA	11-19	08:30	Core CPI - Median (y/y)	Oct	--	--	2.3
CA	11-19	08:30	Core CPI - Trim (y/y)	Oct	--	--	2.4
CA	11-19	08:30	CPI, All items (m/m)	Oct	0.4	0.3	-0.4
CA	11-19	08:30	CPI, All items (y/y)	Oct	2.0	1.9	1.6
CA	11-19	08:30	CPI, All items (index)	Oct	--	--	161.1
US	11-19	08:30	Building Permits (000s a.r.)	Oct	--	1438.0	1425.0
US	11-19	08:30	Housing Starts (000s a.r.)	Oct	1350	1335.0	1354.0
US	11-19	08:30	Housing Starts (m/m)	Oct	-0.3	-1.4	-0.5
CA	11-19	08:30	Core CPI - Common (y/y)	Oct	--	--	2.1
CA	11-19	08:30	CPI SA, All items (m/m)	Oct	--	--	0.0
US	11-20	07:00	MBA Mortgage Applications (w/w)	Nov-15	--	--	0.5
MX	11-21	07:00	Retail Sales (INEGI) (y/y)	Sep	--	--	-0.8
CA	11-21	08:30	IPPI (m/m)	Oct	--	--	-0.6
CA	11-21	08:30	Raw Materials Price Index (m/m)	Oct	--	--	-3.1
US	11-21	08:30	Initial Jobless Claims (000s)	Nov-16	225	220.0	217.0
US	11-21	08:30	Continuing Claims (000s)	Nov-09	1900	--	1873.0
US	11-21	08:30	Philadelphia Fed Index	Nov	--	6.5	10.3
US	11-21	10:00	Existing Home Sales (mn a.r.)	Oct	4.0	3.9	3.8
US	11-21	10:00	Existing Home Sales (m/m)	Oct	4.2	2.2	-1.0
US	11-21	10:00	Leading Indicators (m/m)	Oct	--	-0.3	-0.5
MX	11-22	07:00	Bi-Weekly Core CPI (% change)	Nov 15	--	--	0.1
MX	11-22	07:00	Bi-Weekly CPI (% change)	Nov 15	--	--	0.3
MX	11-22	07:00	GDP (q/q)	3Q F	--	--	1.0
MX	11-22	07:00	GDP (y/y)	3Q F	--	--	1.5
MX	11-22	07:00	Global Economic Indicator IGAE (y/y)	Sep	--	--	0.4
CA	11-22	08:30	Retail Sales (m/m)	Sep	0.5	0.3	0.4
CA	11-22	08:30	Retail Sales ex. Autos (m/m)	Sep	--	--	-0.7
US	11-22	10:00	U. of Michigan Consumer Sentiment	Nov F	--	73.5	73.0

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
EC	11-18	05:00	Trade Balance (€ mn)	Sep	6.0	4583.6
EC	11-19	04:00	Current Account (€ bn)	Sep	--	31.5
IT	11-19	04:30	Current Account (€ mn)	Sep	--	1375.6
EC	11-19	05:00	CPI (m/m)	Oct F	0.3	0.3
EC	11-19	05:00	CPI (y/y)	Oct F	2.0	2.0
EC	11-19	05:00	Euro zone Core CPI Estimate (y/y)	Oct F	2.7	2.7
GE	11-20	02:00	Producer Prices (m/m)	Oct	0.2	-0.5
UK	11-20	02:00	CPI (m/m)	Oct	0.5	0.0
UK	11-20	02:00	CPI (y/y)	Oct	2.2	1.7
UK	11-20	02:00	RPI (m/m)	Oct	0.5	-0.3
UK	11-20	02:00	RPI (y/y)	Oct	3.3	2.7
NO	11-21	02:00	GDP (q/q)	3Q	--	1.40
UK	11-21	02:00	PSNB ex. Interventions (£ bn)	Oct	13.3	16.6
UK	11-21	02:00	Public Finances (PSNCR) (£ bn)	Oct	--	-20.5
UK	11-21	02:00	Public Sector Net Borrowing (£ bn)	Oct	14.0	16.6
TU	11-21	06:00	Benchmark Repo Rate (%)	Nov 21	50.00	50.00
EC	11-21	10:00	Consumer Confidence	Nov P	-12.4	-12.5
UK	11-21	19:01	GfK Consumer Confidence Survey	Nov	-22.0	-21.0

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

Key Indicators for the week of November 18 – 22

EUROPE *(continued from previous page)*

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	11-22	02:00	Real GDP (q/q)	3Q F	0.2	0.2
UK	11-22	02:00	Retail Sales ex. Auto Fuel (m/m)	Oct	-0.4	0.3
UK	11-22	02:00	Retail Sales with Auto Fuel (m/m)	Oct	-0.3	0.0
FR	11-22	03:15	Manufacturing PMI	Nov P	44.7	44.5
FR	11-22	03:15	Services PMI	Nov P	49.0	49.2
GE	11-22	03:30	Manufacturing PMI	Nov P	43.0	43.0
GE	11-22	03:30	Services PMI	Nov P	51.8	51.6
EC	11-22	04:00	Composite PMI	Nov P	50.0	50.0
EC	11-22	04:00	Manufacturing PMI	Nov P	46.0	46.0
EC	11-22	04:00	Services PMI	Nov P	51.6	51.6
UK	11-22	04:30	Manufacturing PMI	Nov P	50.0	49.9
UK	11-22	04:30	Services PMI	Nov P	52.0	52.0

ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
NZ	11-17	16:45	Producer Price - Inputs (q/q)	3Q	--	1.4
NZ	11-17	16:45	Producer Price - Outputs (q/q)	3Q	--	1.1
JN	11-17	18:50	Machine Orders (m/m)	Sep	1.5	-1.9
SI	11-17	19:30	Exports (y/y)	Oct	4.0	2.7
TH	11-17	21:30	GDP (q/q)	3Q	0.8	0.8
TH	11-17	21:30	GDP (y/y)	3Q	2.4	2.3
HK	11-18	03:30	Unemployment Rate (%)	Oct	3.0	3.0
MA	11-18	23:00	Exports (y/y)	Oct	3.5	-0.3
MA	11-18	23:00	Imports (y/y)	Oct	6.6	10.9
MA	11-18	23:00	Trade Balance (MYR bn)	Oct	7.8	13.2
SK	11-19	16:00	PPI (y/y)	Oct	--	1.0
JN	11-19	18:50	Merchandise Trade Balance (¥ bn)	Oct	-414.1	-294.1
JN	11-19	18:50	Adjusted Merchandise Trade Balance (¥ bn)	Oct	-144.8	-187.2
JN	11-19	18:50	Merchandise Trade Exports (y/y)	Oct	0.9	-1.7
JN	11-19	18:50	Merchandise Trade Imports (y/y)	Oct	-1.3	1.8
CH	11-19	20:00	PBoC Loan Prime Rate 1-Year (%)	Nov 20	3.1	3.1
PH	11-19		Balance of Payments (US$ mn)	Oct	--	3526.0
ID	11-20	02:20	BI 7-Day Reverse Repo Rate (%)	Nov 20	6.0	6.0
TA	11-20	03:00	Export Orders (y/y)	Oct	3.8	4.6
TA	11-20	03:20	Current Account Balance (US$ mn)	3Q	--	21819.0
ID	11-20	22:00	Current Account Balance (US$ mn)	3Q	-2688.0	-3021.0
HK	11-21	03:30	CPI (y/y)	Oct	1.6	2.2
JN	11-21	18:30	National CPI (y/y)	Oct	2.3	2.5
JN	11-21	19:30	Markit/JMMA Manufacturing PMI	Nov P	--	49.2
MA	11-21	23:00	CPI (y/y)	Oct	1.8	1.8
SI	11-21		Real GDP (y/y)	3Q F	4.6	4.1
SI	11-21		GDP (q/q)	3Q F	4.6	4.1
MA	11-22	02:00	Foreign Reserves (US$ bn)	Nov 15	--	117.6
TA	11-22	03:00	Unemployment Rate (%)	Oct	3.4	3.4

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CL	11-18	06:30	GDP (q/q)	3Q	--	0.6	-0.6
CL	11-18	06:30	GDP (y/y)	3Q	--	2.2	1.6
CO	11-20	10:00	Trade Balance (US$ mn)	Sep	--	-780.0	-1313.0
PE	11-22	15:00	GDP (y/y)	3Q	3.8	3.5	3.6

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

Global Auctions for the week of November 18 – 22

NORTH AMERICA

Country	Date	Time	Event
CA	11-20	12:00	Canada to Sell 10 Year Bonds
US	11-20	13:00	U.S. To Sell 20-Year Bonds
CA	11-21	12:00	Canada to Sell 5 Year Bonds

EUROPE

Country	Date	Time	Event
BE	11-18	06:00	Belgium to Sell 2.85% 2034 Bonds
BE	11-18	06:00	Belgium to Sell 3.45% 2043 Bonds
UK	11-19	05:00	U.K. to Sell GBP3.25 Billion of 3.75% 2038 Bonds
FI	11-19	06:00	Finland to Sell Bonds
DE	11-20	04:15	Denmark to Sell Bonds
GR	11-20	05:00	Greece to Sell Bonds
SW	11-20	05:00	Sweden to Sell SEK2 Billion of 0.75% 2028 Bonds
SW	11-20	05:00	Sweden to Sell SEK2 Billion of 2.25% 2035 Bonds
GE	11-20	05:30	Germany to Sell EU1 Billion of 1.8% 2053 Bonds
GE	11-20	05:30	Germany to Sell EU1 Billion of 0% 2052 Bonds
SP	11-21	04:30	Spain to Sell Bonds
FR	11-21	04:50	France to Sell Bonds
IC	11-22	06:00	Iceland to Sell Bonds

ASIA PACIFIC

Country	Date	Time	Event
CH	11-19	21:35	China to Sell 48 Billion Yuan 2029 Bonds
CH	11-19	21:35	China to Sell 95 Billion Yuan 2025 Bonds
JN	11-20	22:35	Japan to Sell 20-Year Bonds
CH	11-21	21:35	China Plans to Sell 10 Year Bonds

LATIN AMERICA

Country	Date	Time	Event
No Scheduled Auctions			

Sources: Bloomberg, Scotiabank Economics.

Events for the week of November 18 – 22

NORTH AMERICA

Country	Date	Time	Event
US	11-16	11:55	Fed's Collins Gives Closing Remarks
US	11-18	10:00	Fed's Goolsbee Gives Welcome Remarks
US	11-21	08:45	Fed's Hammack Gives Welcome Remarks
US	11-21	12:25	Fed's Goolsbee Participates in Moderated Q&A
US	11-21	12:30	Fed's Hammack Moderates Conversation

EUROPE

Country	Date	Time	Event
EC	11-16	06:15	ECB's Guindos Speaks in Madrid
EC	11-18	03:00	ECB's Guindos Speaks in Frankfurt
EC	11-18	03:00	Bundesbank Chief Nagel Speaks in Tokyo
SZ	11-18	04:00	Domestic Sight Deposits CHF
SZ	11-18	04:00	Total Sight Deposits CHF
IR	11-18	04:00	ECB's Makhlouf Speaks in Dublin
EC	11-18	08:00	ECB's Lane Gives Lecture in Rome
EC	11-18	08:00	ECB's Stournaras Speaks at Bloomberg Forum in Athens
EC	11-18	13:30	BOE's Greene & ECB's Vujcic Speak in London
EC	11-18	13:30	ECB's Lagarde Speaks in Paris
EC	11-19	03:30	ECB's Elderson Speaks at Green Finance Forum
EC	11-19	05:00	ECB Publishes Euro Area Negotiated Wages Indicator for Q3 2024
EC	11-19	05:45	ECB's Vujcic Speaks in London
IC	**11-20**	**03:30**	**7-Day Term Deposit Rate**
EC	11-20	04:00	ECB Financial Stability Review
EC	11-20	08:00	ECB's Lagarde Speaks at MacroPru Conference
UK	11-20	11:00	BOE's Ramsden Speaks
EC	11-20	13:00	ECB's Guindos Speaks at MacroPru Conference
EC	11-20	13:30	ECB's Stournaras Speaks in London
IR	11-20	14:00	ECB's Makhlouf Speaks in Dublin
EC	11-21	00:25	ECB's Villeroy speaks in Tokyo
EC	11-21	03:00	ECB's Knot Speaks in Amsterdam
AS	11-21	03:30	ECB's Holzmann Speaks in Vienna
EC	11-21	03:30	ECB's Cipollone Speaks as ECRB in Frankfurt
EC	11-21	04:00	ECB's Escriva in Spanish Parliament
NO	11-21	04:00	Norges Bank 4Q Expectations Survey
UK	11-21	09:00	BOE's Mann Speaks
EC	11-21	10:30	ECB's Lane Participates in Panel in Amsterdam
EC	11-21	11:00	ECB's Holzmann, Kazimir, Vujcic speak in Vienna
SZ	11-21	12:00	SNB's Tschudin Speaks at Money Market Event in Geneva
EC	11-22	03:30	ECB's Lagarde Speaks in Frankfurt
EC	11-22	04:00	ECB's Centeno Speaks in London
SZ	11-22	07:40	SNB's Schlegel Speaks in Zurich
EC	11-22	08:00	ECB's Nagel, Villeroy Speak in Frankfurt

ASIA PACIFIC

Country	Date	Time	Event
AU	11-18	01:30	RBA's Kent-Speech
AU	11-18	19:30	RBA Minutes of Nov. Policy Meeting
CH	**11-19**	**20:00**	**5-Year Loan Prime Rate**
CH	**11-19**	**20:00**	**1-Year Loan Prime Rate**
ID	**11-20**	**02:20**	**BI-Rate**
AU	11-21	03:00	RBA's Bullock-Speech

LATIN AMERICA

Country	Date	Time	Event
PY	**11-19**		**Monetary Policy 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	4.75	December 18, 2024	4.50	4.50
Banco de México – Overnight Rate	10.25	December 19, 2024	10.00	10.00

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	3.40	December 12, 2024	3.15	3.15
European Central Bank – Marginal Lending Facility Rate	3.65	December 12, 2024	3.40	3.40
European Central Bank – Deposit Facility Rate	3.25	December 12, 2024	3.00	3.00
Bank of England – Bank Rate	4.75	December 19, 2024	4.50	4.50
Swiss National Bank – Sight Deposit Rate	1.00	December 12, 2024	0.75	0.75
Central Bank of Russia – One-Week Auction Rate	21.00	December 20, 2024	21.00	21.00
Sweden Riksbank – Repo Rate	2.75	December 19, 2024	2.50	2.50
Norges Bank – Deposit Rate	4.50	December 19, 2024	4.50	4.50
Central Bank of Turkey – Benchmark Repo Rate	50.00	November 21, 2024	50.00	50.00

Central Bank of Turkey (TCMB): Turkey's central bank is expected to remain on hold again on Thursday with a 1-week repo rate of 50% but with cut risk. The lira has been flat to the USD since the US election but on a longer-term depreciating trend that poses risk of imported inflation. Inflation remains at eye-watering levels but falling from a recent peak of 75% y/y to 48½% y/y which makes the real policy rate increasingly restrictive. By contrast to some other EMs, however, Turkey's main stock market index is up by over 8% since the US election.

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	December 9, 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	January 22, 2025	3.00	3.00
Bank Indonesia – BI-Rate	6.00	November 20, 2024	5.75	5.75
Central Bank of Philippines – Overnight Borrowing Rate	6.00	December 19, 2024	5.75	5.75

Bank Indonesia (BI): Consensus is divided on what Bank Indonesia might do on Wednesday morning (ET as always in this publication). Roughly half foresee a hold and half a 25bps cut. Part of the reason for this is that the central bank has behaved in somewhat volatile fashion. It cut against expectations for a hold in September, then held in October as expected. Four factors that could support a cut include a relatively resilient rupiah since the US election compared to other Asian FX crosses, a drop of under 3% in the local stock index, higher bond yields, and falling inflation. CPI fell back to 1.7% y/y in October, but core CPI was a tick firmer than expected at 2.2%.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	11.25	December 11, 2024	11.75	11.75
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	9.00	9.00
Banco Central de Reserva del Perú – Reference Rate	5.00	December 12, 2024	5.00	4.75

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

South African Reserve Bank (SARB): The South African Reserve Bank is expected to deliver another quarter point cut on Thursday after its initial reduction of the cycle in September. What may temper enthusiasm toward a cut is that the rand has depreciated by about 5% to the dollar since the US election. Offsetting this may be ongoing progress on inflation that at 3.8% y/y in September and with core at 4.1% is well within SARB's 3-6% inflation target range. Furthermore, the Johannesburg stock index has dropped by about 3% since the US election.

Sources: Bloomberg, Scotiabank Economics.