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*With thanks for research support from:  
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#### Next Week's Risk Dashboard

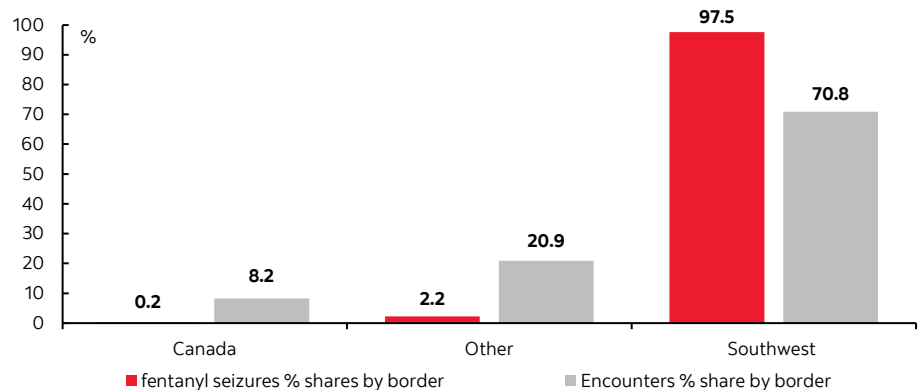
- Estimating the impact of US tariffs on the Canada and the US
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## The Tariff Boomerang

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#### Chart of the Week

Canada's Border Doesn't Merit Tariffs



\*YTD Share Jan-Oct 2024

Sources: Scotiabank Economics, U.S. Customs and Border Protection.

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

## The Tariff Boomerang

This will be the last week of relative calm in the world of central bankers before the following two weeks put them back in the hot seat. That doesn't mean it will be an uneventful week.

Nonfarm payrolls will be the marquee release to global markets, with a side order of Canadian jobs for local market content. Watch for guidance from retailers in the US and Canada where Black Friday and Cyber Monday are bigger deals than elsewhere, but less so than in the past given how long and drawn out the sales have become. Canada kicks off bank earnings season with Q4 and full year results. Only the RBI weighs in with a policy decision, but plenty of central bankers will fight for control of the podium at the Fed, ECB, BoE and SNB while the Bank of Canada slips into communications blackout.

Also keep an eye on developments concerning France's budget following demands from the National Rally's Le Pen set against the backdrop of an already frayed fiscal situation. She has threatened to bring down the government by filing a confidence motion if her demands are not met including a tax freeze, indexing of pensions, immigration controls, a tougher stance on crime and to cancel a drug reimbursement plan.

I'll start, however, by drawing upon work shared with our clients since Trump's tariff announcements on Monday night. We're not incorporating 25% tariffs in our projections, but they need to be evaluated as a risk facing our clients—along with the appropriate response that starts with negotiating, but may end with throwing it back.

### CANADA & TARIFFS—PICK YOUR PATH, KNOW THE CONSEQUENCES

Earlier this week, incoming US President Trump threatened that Canada and Mexico would face a punitive tariff rate of 25% on 100% of imports into the United States by executive order shortly after inauguration day on January 20<sup>th</sup> 2025. His rationale was to penalize the countries for lax border security in terms of drugs—particularly fentanyl—and illegal immigrants flooding into the United States.

The stated rationale is a ruse that masks the real objective and is in Canada's case not supported by the evidence. Our Mexican economics team is far better situated and qualified to comment on that side of the border's issues. I'll confine my views to Canada and draw on notes I've published on this topic throughout the week.

### Blaming Border Security for Tariffs Against Canada is a Ruse

The US Customs and Border Protection agency breaks down fentanyl seizures by air, land, sea and vehicles [here](#). 2024ytd figures show that the northern border (aka Canada) accounted for 0.08% of all fentanyl seizures by value in the US (chart 1).

Second, the same US Customs and Border Protection Agency data breaks down figures on encounters at the border broken down by border which serves as evidence on illegal migration into the US ([here](#)). Here too, Canada is not the problem (chart 2). Canada's numbers also show a much lower share are in the 'individuals within a family unit' than on the southwest border.

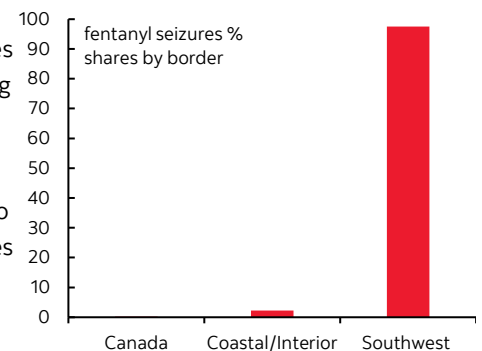
So if this isn't about border security in Canada's case, then what is it about? I think Trump is signalling a move to once again use Section 232 of the Trade Expansion Act of 1962 that gives broad ability to impose tariffs in response to a perceived national security risk. That way he thinks he gets around trade agreements and can ram it through on his own.

Trump thinks tariffs a) are good because they substitute purchases from US companies from foreign firms and encourage domestic investment, and b) because they can fund other tax cuts. Both views are almost entirely without merit. He can't impose them without declaring a national security issue, so he uses section 232 of the Trade Expansion Act of 1962 to hike tariffs while fabricating one.

With that, it's unclear what Canada can do going forward. Maybe token gestures at the border to address an issue that doesn't materially exist will assuage Trump's concerns and give him a small political victory before his base and perhaps avoid tariffs. Canada should also

Chart 1

### Canada Is a Negligible Share of America's Fentanyl Imports

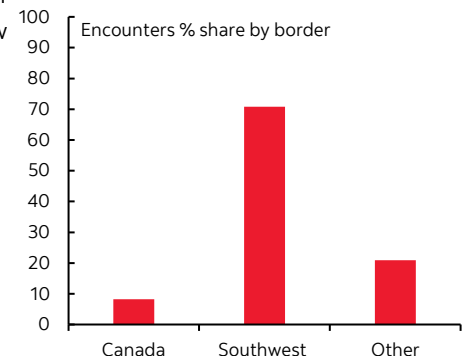


\*YTD Share Jan-Oct 2024

Sources: Scotiabank Economics, U.S. Customs and Border Protection.

Chart 2

### Canada Isn't the Source of Illegal Migrants



\*YTD Share Jan-Oct 2024

Sources: Scotiabank Economics, U.S. Customs and Border Protection.

raises its own issues on border security with the US such as the risk of a flood of migrants escaping Trump’s tightened immigration plans, and the problem of illegally exported guns from the US to Canada. That should be ‘plan A’. But that view rests on the assumption that he really is pursuing tariffs because of border security issues and will indeed bend if he can point to some mild efforts, and I’m not sure at all that this is the case. If he does, and achieves some concessions, then tariffs may move on to tackling the next perceived injustice against America.

**Estimating the Impact of Trump’s Tariffs on the US and Canada**

If the US imposed a 25% tariff on all goods imported from Canada with or without Canadian retaliation, then the result would be a swift and severe recession on America’s northern doorstep that would crush demand for US imports.

That’s the conclusion of modelling work around various tariff scenarios by our modellers René Lalonde—probably the best in the country in my opinion and who was one of the original architects of the BoC’s workhorse macroeconomic models—and Farah Omran. See the accompanying table (chart 3) for model-based estimates of the effects of tariffs imposed by the US in five percentage point increments up to 25% in order to provide an idea of the sensitivities at different tariff thresholds.

Under Trump’s threatened 25% tariffs and assuming at first that Canada did not retaliate, the result would be that Canada’s economy would contract by a peak 3.8% q/q SAAR and lose 2.7% of GDP in the long-run. The BoC’s policy rate would go down 275bps, the UR would rise 2.2 ppts, core inflation would fall -0.9% and the exchange rate would depreciate by about 20%.

With full retaliation by Canada, Canada’s economy would contract by 5.6% at peak, lose 4.5% of long-run GDP, the policy rate would go UP 275bps, the exchange rate would fall by about 21%, the UR would rise 3ppts and core inflation would rise by over 4 ppts.

The US wouldn’t be hit as hard as it imposes tariffs with only mild Canadian retaliation but would still feel the effects. Trump’s 25% tariff would raise the US unemployment rate by 0.4 ppts, knock a peak 0.9ppts off GDP growth and 0.5% off long-run US growth, raise US core PCE inflation and add a half percentage point to the Federal Reserve’s policy rate relative to the scenario absent tariffs. Greater retaliation by Canada and Mexico and perhaps China would obviously impose significantly further damage upon the US economy.

**Chart 3**

Estimating the Impact of 25% US Tariffs on All Goods Imported from Canada																
Tariff	US								Canada (without retaliation)							
	GDP, %	GDP, long-run, %	Core PCE, pps	Policy Rate, bps	Exchange Rate, %	FX impact by 25q4	Unemployment, pps	Unemployment, pps	GDP, %	GDP, long-run, %	Core Inflation, pps	Policy Rate, bps	Exchange Rate, %	FX impact by 25q4	Unemployment, pps	
5%	-0.2	-0.1	0.2	11	1.7	0.8	0.1	-0.8	-0.5	-0.2	-55	3.9	2.1	0.4		
timing	2026Q2	2028Q4	2025Q2	2025Q3	2025Q1	2025q4	2026Q4	2026Q4	2028Q4	2026Q3	2026Q4	2025Q1	2025q4	2025Q3		
10%	-0.3	-0.2	0.4	22	3.4	1.6	0.1	-1.5	-1.1	-0.4	-110	7.8	4.2	0.9		
15%	-0.5	-0.3	0.6	32	5.1	2.5	0.2	-2.3	-1.6	-0.5	-164	11.6	6.3	1.3		
20%	-0.7	-0.4	0.7	43	6.7	3.3	0.3	-3.1	-2.2	-0.7	-219	15.5	8.4	1.7		
25%	-0.9	-0.5	0.9	54	8.4	4.1	0.4	-3.8	-2.7	-0.9	-274	19.4	10.5	2.2		
Tariff	Canada (with retaliation)								Canada (half retaliation)							
	GDP, %	GDP, long-run, %	Core Inflation, pps	Policy Rate, bps	Exchange Rate, %	FX impact by 25q4	Unemployment, pps	Unemployment, pps	GDP, %	GDP, long-run, %	Core Inflation, pps	Policy Rate, bps	Exchange Rate, %	FX impact by 25q4	Unemployment, pps	
5%	-1.1	-0.9	0.8	56	4.2	2.2	0.6	-0.9	-0.7	0.4	16	4.0	2.1	0.5		
timing	2027Q1	2028Q4	2025Q3	2025Q3	2025Q1	2025q4	2025Q4	2026Q4	2028Q4	2025Q2	2025Q3	2025Q1	2025q4	2025Q4		
10%	-2.3	-1.8	1.7	112	8.4	4.4	1.2	-1.9	-1.4	0.8	33	8.1	4.3	1.0		
15%	-3.4	-2.7	2.5	168	12.6	6.5	1.8	-2.8	-2.2	1.2	49	12.1	6.4	1.5		
20%	-4.5	-3.6	3.3	224	16.8	8.7	2.4	-3.8	-2.9	1.6	65	16.1	8.6	2.0		
25%	-5.6	-4.5	4.1	280	20.9	10.9	3.0	-4.7	-3.6	2.0	82	20.2	10.7	2.5		

**What Canada Did in 2018**

If appeasement on border security matters does not work and Trump goes ahead with tariffs, then what would be the playbook? I fear Canada may retaliate in the end if Trump really does go ahead with tariffs. Recall what FinMin Freeland (now Deputy PM) said in 2018:

"Canada has no choice but to retaliate with a measured, perfectly reciprocal dollar-for-dollar response."

We have already heard guidance from anonymous Canadian officials that lists and strategies for retaliation are being drawn up to be at the ready if needed.

November 29, 2024

[Here](#) is the list of items Canada imposed retaliatory tariffs upon when the US imposed tariffs on May 31st 2018. Canada implemented the moves on Canada Day (July 1st) 2018 and they stayed in place until May 17th 2019, thus leaning against the optimistic narrative at the time that tariffs would be very short-lived. The tariffs were narrower in scope in response to the narrower US tariffs than what is being proposed now, but they were aimed in a strategic manner right at Trump's base, right down to Kentucky bourbon. US e-cars made in the US might land on the list. The Canadian government's proven inclination is to retaliate and I'm not sure it will be different this time albeit with far greater stakes.

Now, the flaw in the break-it-first "art of the deal" approach is that it assumes in a game theory sense that others won't match it. That didn't work the first time as countries retaliated and ultimately Trump backed down on most of the NAFTA demands that resulted in very little change to Canada and small changes to Mexico. Part of me hopes retaliation does not ensue because the consequences could be quite bad for everyone, but I wouldn't be the least bit surprised to see China, Mexico and Canada punch back.

Canada needs to be united in this regard. I find it bothersome to see regional, political and commercial differences that risk a divided approach which is exactly the aim of the incoming US administration. Plan 'A' is to attempt the negotiating angle first and see how that works. Plan 'B' involves asking fundamental questions about how Canada wants to spend the next four years. Being chased around the playground on one fabricated issue after another?

### Tariffs Could Drive the Hottest Single-Month US CPI Report on Record

If the US goes ahead with its threatened tariffs on Canada, Mexico and China, then it risks kicking off 2025 with the biggest single month rise in CPI on record. That is one manifestation of the cost that Trump would impose upon American consumers.

The biggest single-month changes in US CPI on record were 1.2% m/m in June 2022, 1.4% in September 2005, 1.4% in March 1980, 1.8% m/m in August 1973, and toward 2% m/m in the post-WWII years.

The tariff effect could come close to those readings and may even surpass them.

For starters, US CPI would probably jump by around 1% m/m just on the energy tariff alone. I can almost hear the howls from drivers of gas guzzlers in the US now. On autos, estimates I've seen of the pass-through effect of tariffs on auto prices would add between 0.2–0.4% m/m to CPI in weighted contribution terms. Then layer on the impact upon grocery prices, lumber and other construction materials, toys, lots of electronics, business equipment, raw commodities like metals that would ripple through everything, etc etc.

Ironically, Trump campaigned on bringing inflation down, even though his policies add to inflation risk before even getting into tariffs.

If American consumers view the threat as credible, then it is likely that some demand will be pulled forward affected items in order to get in before the tariffs. That could perversely add to shorter-term US growth before weakening thereafter, and to short-term pulled-forward inflation ahead of the tariff hikes. Being in excess demand, the US doesn't have the aggregate capacity to fill this void by cranking up domestic production. It can take years to do so anyway as it's not as simple as just flicking a switch in sectors like energy.

### US Policies Driving a Stronger USD Will Continue to Widen the Trade Deficit

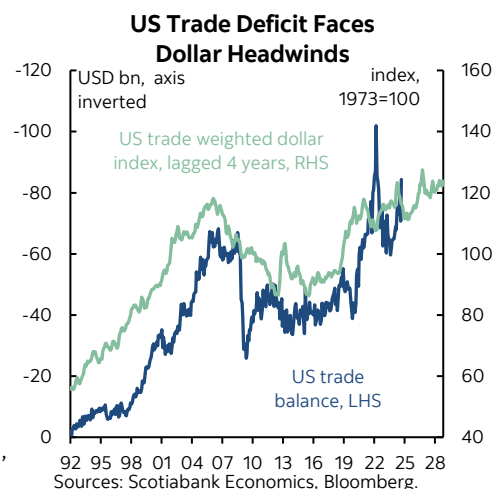
The added element to the incoming US administration's policies that bears repeating is that its strong dollar policies will drive a further worsening of the US trade deficit (chart 4). Trump's policies risk playing a game of Trade Whack-a-Mole as his policies inflame dollar strength, drive a worsened trade account, which angers him toward more protectionism so he lashes out again, worsens things again and so forth.

### NONFARM PAYROLLS—THE CLOUDS SHOULD LIFT

The final nonfarm payrolls (Friday) and set of other job market readings before the FOMC's policy decision on December 18<sup>th</sup> arrives over the course of this week.

I went with a gain of 200k and a downtick in the unemployment rate to 4%. After just 12k payroll positions were created in October, there are two main expectations for the November readings and both of them have to do with the effects of hurricanes Helene and Milton. First, when past hurricanes hit, the first estimates of the foregone employment were revised up in the next report and sometimes

Chart 4



by a lot (charts 5, 6). Expect upward revisions to portray a healthier labour market.

Second, when the effects subside and despite persistence damage and disrupted lives, the next couple of payroll reports tend to rebound (charts 7, 8). This is partly a business resumption effect, and partly a rebuilding effect. The rebound tends not to happen all in one month but is mostly over with after a couple.

Election-related hiring may have been a wash between the October and November reference periods for payrolls and reference weeks for the household survey.

It's not clear that distorted seasonal adjustment factors will play a role this time. The prior month's SA factor was the biggest for a month of October on record and it was also high for October 2023 (chart 9), but I don't see the same issue for recent past months of November like last year (chart 10).

At this point we have relatively few labour market readings to go by as a nonfarm guide, though in fairness they are often of little help. Consumer confidence figures showed that consumers' perception of how plentiful jobs are slipped a bit in November. Initial jobless claims fell between the nonfarm reference periods of October and November.

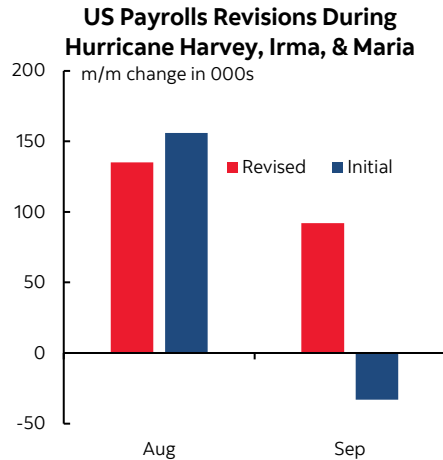
Additional labour market readings to be released before payrolls may inform the estimate. They will include Monday's ISM-manufacturing measure of employment, Tuesday's JOLTS job vacancies for October, Wednesday's employment subindex to the ISM-services gauge and ADP private payrolls for November, and Challenger job losses for November (Thursday).

**CANADIAN JOBS—MAY AS WELL HIRE!**

Another mild employment gain, another weak productivity report and a likely moderation of wage growth are all expected this week.

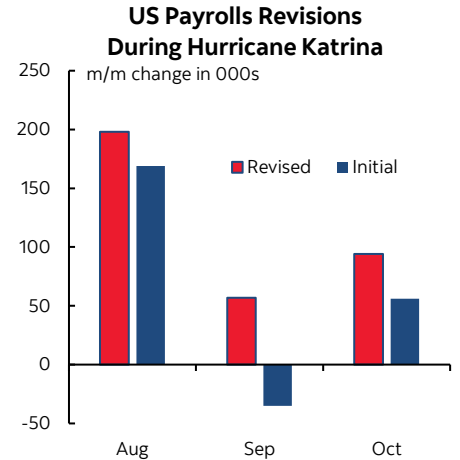
Q3 productivity (Wednesday) is expected to fall by around -¼% q/q SA at a nonannualized rate. You, dear reader, are very unlikely to be part of the problem, but someone out there is! Canadian labour productivity has fallen in seven out of the past eight quarterly readings (chart 11). The driving catalysts this time are a sharp gain in hours worked during Q3 but a soft annualized GDP growth print of 1% minus the government's contributions.

Chart 5



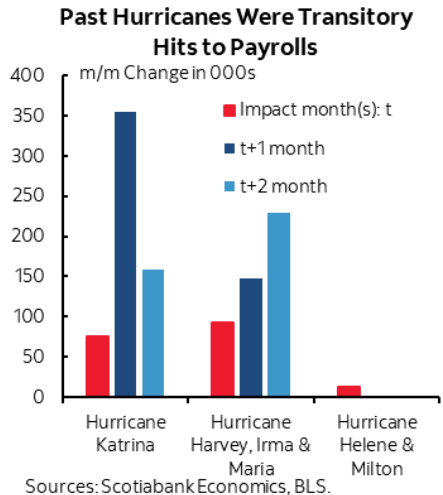
Sources: Scotiabank Economics, BLS.

Chart 6



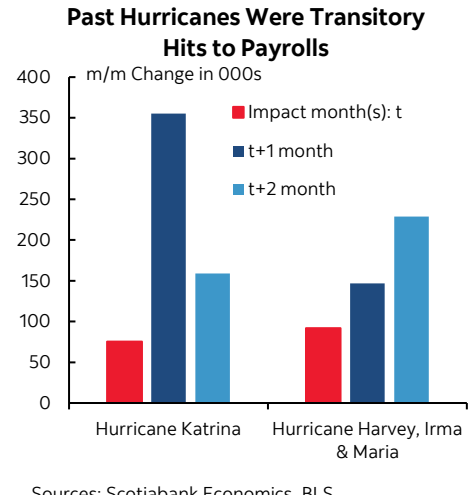
Sources: Scotiabank Economics, BLS.

Chart 7



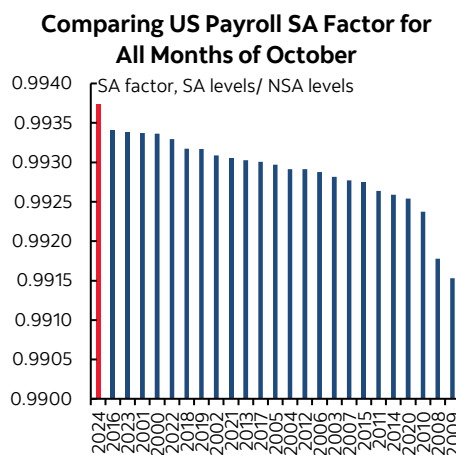
Sources: Scotiabank Economics, BLS.

Chart 8



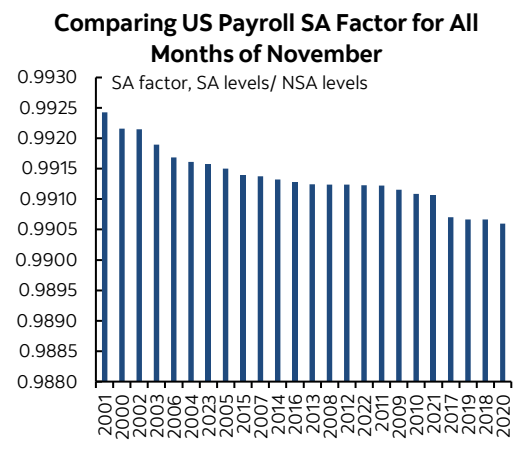
Sources: Scotiabank Economics, BLS.

Chart 9



Sources: Scotiabank Economics, BLS.

Chart 10



Sources: Scotiabank Economics, BLS.

Working more hours is a fallback option in Canadian business. Word on the street is that when you whine less and invest more, good things can happen, yet equipment spending has fallen in four of the past five quarters, six of the past nine, and thirteen of the twenty-two quarters dating back to when the problem really became amplified in the Spring of 2019 (chart 12).

Then it's onto jobs and wages for the month of November on Friday. I don't have much conviction on this one which I'm treating as being more about the clean-up and the implications for the Bank of Canada. Wage growth is one exception, however, as the collective bargaining decisions that drove a large gain in October's wage growth (chart 13) are unlikely to make for a repeat this time.

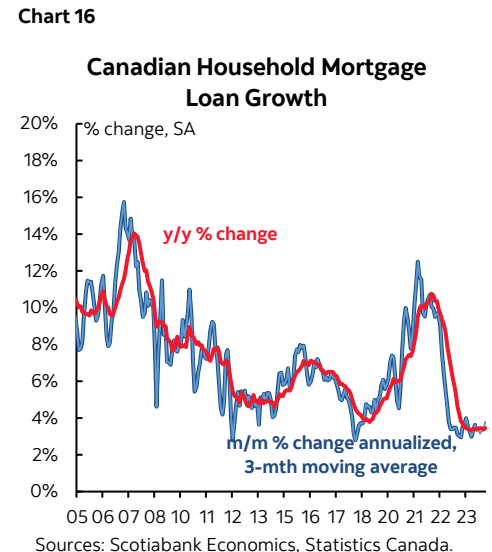
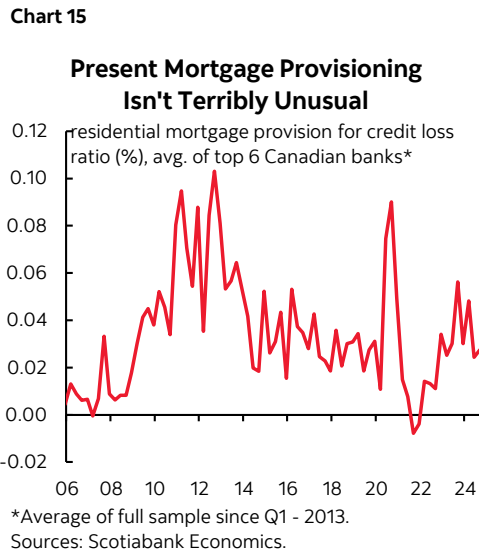
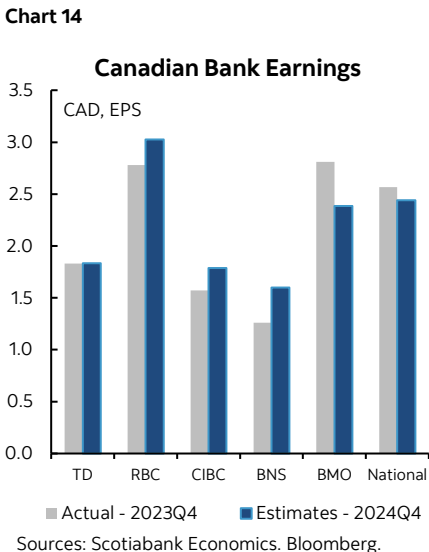
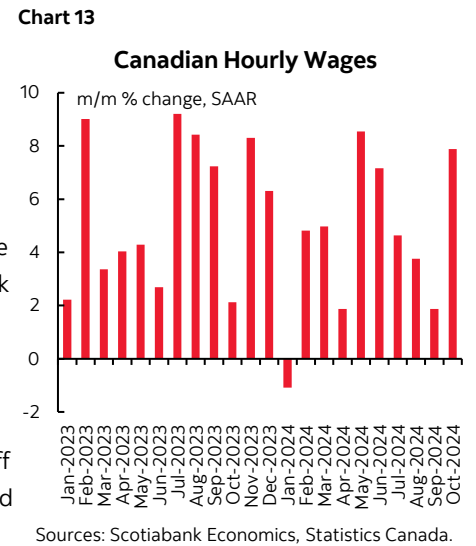
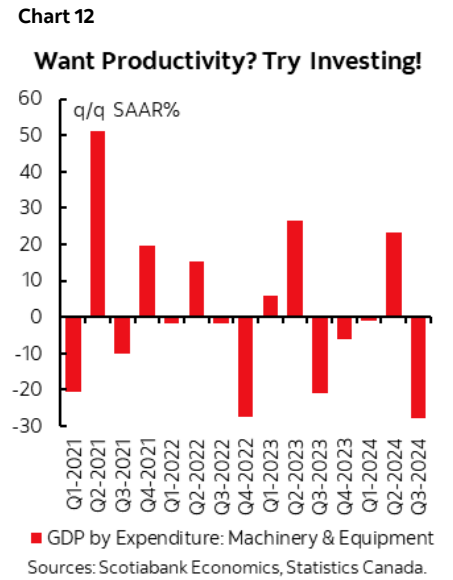
For employment, a small gain of 20k was pencilled in alongside a slightly lower unemployment rate of 6.4% if the lagging effects of implementing tighter immigration laws for temporary residents that began in September result in weak figures for the pool of eligible workers.

Canada's job market has been resilient all year long. 272k jobs have been created on a year-to-date basis up to October. Of that amount, 158k jobs were created in the private sector 73k in the public sector plus another 41k who are self-employed. 215k full-time jobs have swamped the 57k part-time jobs created so far this year. Canadians in aggregate are working 2.2% more hours worked so far this year at an annualized rate.

**CANADIAN BANK EARNINGS—SAYING GOODBYE TO 2024**

Canada's banks release fiscal Q4 and full-year earnings next week. BNS (my employer) kicks it off on Tuesday followed by RBC and National Bank (Wednesday), BMO, CIBC and TD (Thursday) and then Laurentian and Canadian Western Bank (Friday). Permissioned clients are encouraged to review Meny Grauman's preview of the season [here](#).

Chart 14 shows analysts' average expectations for earnings per share by bank for 2024Q4 compared to the same quarter last year.





Among the keys will be variations in reported loan growth particularly on the household side of the picture where growth in mortgage and consumer loans outstanding remains weak (chart 15) and mortgage loan loss provisions that have largely mean-reverted toward long-run averages (chart 16).

### CENTRAL BANKS—TIP TOEING INTO DECEMBER'S ONSLAUGHT

Only one central bank will deliver a decision this week before an onslaught of decisions the following week by the ECB, BoC, RBA, SNB, BSB, BCRP and then the Fed, BoJ and BoE the week after that. The Bank of Canada slips into communications blackout this week ahead of its December 11<sup>th</sup> decision. There will be plenty of central bank communications from the Fed, ECB, BoE and SNB.

The Reserve Bank of India will offer the week's only central bank decision when it weighs in at the end of the week. The RBI is expected to leave its repurchase rate unchanged at 6.5%. Since its last decision on October 9th, the rupee has depreciated slightly further to the USD but along a prior path that has seen the currency mildly depreciate since March. This adds marginal risk of import price pass through on the heels of a recently stronger than expected CPI print for October that climbed to 6.2% y/y (5.5% prior, 5.9% consensus). The lagging effects of heavy rains on crop prices were a driver, but even as this subsides the RBI is likely to be concerned about US policy risks on inflation and global trade.

### OTHER GLOBAL RELEASES

It's hard to beat nonfarm payrolls and only a smattering of lower profile reports is due out this week.

The US will mainly focus upon payrolls and holiday shopping sales results, but there will be a smattering of other releases. Key ones will be Monday's ISM-manufacturing that has been in contraction for seven consecutive months and Wednesday's ISM-services that has continued to post strong growth. Vehicle sales are expecting to jump by about 3% m/m SA to 16½ million at a seasonally adjusted and annualized rate for what could be the highest reading since March 2021 (Tuesday).

Canada will also report S&P's purchasing managers' indices for November (Wednesday), trade figures for October (Thursday) and the Ivey PMI for November (Thursday).

A wave of CPI inflation readings from across Asian and LatAm markets plus a pair of non-Eurozone European countries will include Philippines and South Korea (Monday), Switzerland (Tuesday), Taiwan, Thailand, and Sweden (Thursday), and then Chile and Colombia on Friday.

A trio of GDP reports should show solid growth in Australia and Brazil (Tuesday), and another weak picture for South Korea (Wednesday). Economic activity indices for Chile (Monday) and PMIs out of Mexico on Monday and Brazil on Wednesday will further inform momentum in their economies.

Keep an eye on German data this week as well. Exports are expected to continue falling (Friday), industrial production might partially recover from September's weakness (Friday) and factory orders after expected to reverse some of the prior month's gains (Thursday).

Key Indicators for the week of December 2 – 6

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	12-02	10:00	Construction Spending (m/m)	Oct	0.1	0.2	0.1
US	12-02	10:00	ISM Manufacturing Index	Nov	47.5	47.6	46.5
MX	12-03	07:00	Unemployment Rate (%)	Oct	--	--	2.9
US	12-03	10:00	JOLTS Job Openings (000s)	Oct	--	7510.0	7443.0
US	12-03		Total Vehicle Sales (mn a.r.)	Nov	16.5	16.0	16.0
US	12-04	07:00	MBA Mortgage Applications (w/w)	Nov-29	--	--	6.3
US	12-04	08:15	ADP Employment Report (000s m/m)	Nov	180	165.0	233.0
CA	12-04	08:30	Productivity (q/q a.r.)	3Q	-0.3	--	-0.2
US	12-04	10:00	Factory Orders (m/m)	Oct	0.2	0.3	-0.5
US	12-04	10:00	ISM Non-Manufacturing Composite	Nov	56.0	55.5	56.0
US	12-05	08:30	Initial Jobless Claims (000s)	Nov-30	215	--	213.0
US	12-05	08:30	Continuing Claims (000s)	Nov-23	1920	--	1907.0
CA	12-05	08:30	Merchandise Trade Balance (C\$ bn)	Oct	--	--	-1.3
US	12-05	08:30	Trade Balance (US\$ bn)	Oct	-74.5	-75.0	-84.4
CA	12-06	08:30	Employment (000s m/m)	Nov	20.0	--	14.5
CA	12-06	08:30	Unemployment Rate (%)	Nov	6.4	--	6.5
US	12-06	08:30	Average Hourly Earnings (m/m)	Nov	0.3	0.3	0.4
US	12-06	08:30	Average Hourly Earnings (y/y)	Nov	3.9	3.9	4.0
US	12-06	08:30	Average Weekly Hours	Nov	--	34.3	34.3
US	12-06	08:30	Nonfarm Employment Report (000s m/m)	Nov	200	200.0	12.0
US	12-06	08:30	Unemployment Rate (%)	Nov	4.0	4.2	4.1
US	12-06	10:00	U. of Michigan Consumer Sentiment	Dec P	73.0	73.0	71.8
US	12-06	15:00	Consumer Credit (US\$ bn m/m)	Oct	--	10.0	6.0
US	12-06		Household Employment Report (000s m/m)	Nov	--	--	-368.0

EUROPE

Country	Date	Time	Indicator	Period	Consensus	Latest
UK	12-02	02:00	Nationwide House Prices (m/m)	Nov	0.2	0.1
IT	12-02	03:45	Manufacturing PMI	Nov	46.0	46.9
FR	12-02	03:50	Manufacturing PMI	Nov F	43.2	43.2
GE	12-02	03:55	Manufacturing PMI	Nov F	43.2	43.2
EC	12-02	04:00	Manufacturing PMI	Nov F	45.2	45.2
IT	12-02	04:00	Real GDP (q/q)	3Q F	0.0	0.0
UK	12-02	04:30	Manufacturing PMI	Nov F	48.6	48.6
EC	12-02	05:00	Unemployment Rate (%)	Oct	6.3	6.3
IR	12-02		Real GDP (q/q)	3Q F	--	2.0
IT	12-02		Budget Balance (€ bn)	Nov	--	-17.0
IT	12-02		Budget Balance YTD (€ bn)	Nov	--	-125.9
FR	12-03	02:45	Central Government Balance (€ bn)	Oct	--	-173.8
IT	12-04	03:45	Services PMI	Nov	51.0	52.4
FR	12-04	03:50	Services PMI	Nov F	45.7	45.7
GE	12-04	03:55	Services PMI	Nov F	49.4	49.4
EC	12-04	04:00	Composite PMI	Nov F	48.1	48.1
EC	12-04	04:00	Services PMI	Nov F	49.2	49.2
UK	12-04	04:30	Official Reserves Changes (US\$ bn)	Nov	--	-945.0
UK	12-04	04:30	Services PMI	Nov F	50.0	50.0
EC	12-04	05:00	PPI (m/m)	Oct	0.4	-0.6
GE	12-05	02:00	Factory Orders (m/m)	Oct	-2.1	0.0
FR	12-05	02:45	Industrial Production (m/m)	Oct	0.3	-0.9
FR	12-05	02:45	Industrial Production (y/y)	Oct	-0.1	-0.6
FR	12-05	02:45	Manufacturing Production (m/m)	Oct	--	-0.8
SP	12-05	03:00	Industrial Output NSA (y/y)	Oct	--	0.1
UK	12-05	04:30	PMI Construction	Nov	53.5	54.3
EC	12-05	05:00	Retail Trade (m/m)	Oct	-0.4	0.5

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.



## Key Indicators for the week of December 2 – 6

## EUROPE (continued from previous page)

Country	Date	Time	Indicator	Period	Consensus	Latest
GE	12-06	02:00	Industrial Production (m/m)	Oct	1.0	-2.5
FR	12-06	02:45	Current Account (€ bn)	Oct	--	-2100.0
FR	12-06	02:45	Trade Balance (€ mn)	Oct	--	-8266.4
EC	12-06	05:00	Employment (q/q)	3Q F	--	0.2
EC	12-06	05:00	GDP (q/q)	3Q F	0.4	0.4
GR	12-06	05:00	Real GDP NSA (y/y)	3Q	--	2.7

## ASIA PACIFIC

Country	Date	Time	Indicator	Period	Consensus	Latest
JN	12-01	18:50	Capital Spending (y/y)	3Q	6.7	7.4
AU	12-01	19:30	Building Approvals (m/m)	Oct	1.3	4.4
AU	12-01	19:30	Retail Sales (m/m)	Oct	0.4	0.1
AU	12-01	19:30	ANZ Job Advertisements (m/m)	Nov	--	0.3
JN	12-01	19:30	Markit/JMMA Manufacturing PMI	Nov F	--	49.0
CH	12-01	20:45	Caixin Flash China Manufacturing PMI	Nov	50.6	50.3
CH	12-01	20:45	Caixin Manufacturing PMI	Nov	50.6	50.3
ID	12-01	23:00	CPI (y/y)	Nov	1.5	1.7
ID	12-01	23:00	CPI (m/m)	Nov	0.2	0.1
ID	12-01	23:00	Core CPI (y/y)	Nov	2.2	2.2
TH	12-02	02:30	Business Sentiment Index	Nov	--	47.0
SI	12-02	08:00	Purchasing Managers Index	Nov	--	50.8
NZ	12-02	16:45	Terms of Trade Index (q/q)	3Q	1.3	2.0
SK	12-02	18:00	CPI (m/m)	Nov	0.0	0.0
SK	12-02	18:00	CPI (y/y)	Nov	1.7	1.3
JN	12-02	18:50	Monetary Base (y/y)	Nov	--	-0.3
AU	12-02	19:30	Current Account (AUD bn)	3Q	-11.0	-10725.0
AU	12-02	19:30	Australia Net Exports of GDP	3Q	0.2	0.2
AU	12-03	19:30	GDP (q/q)	3Q	0.5	0.2
AU	12-03	19:30	GDP (y/y)	3Q	1.1	1.0
HK	12-03	19:30	Purchasing Managers Index	Nov	--	52.2
CH	12-03	20:45	Caixin Services PMI	Nov	52.4	52.0
SK	12-04	18:00	GDP (q/q)	3Q P	0.1	0.1
SK	12-04	18:00	GDP (y/y)	3Q P	1.5	1.5
AU	12-04	19:30	Trade Balance (AUD mn)	Oct	4500.0	4609.0
PH	12-04	20:00	CPI (y/y)	Nov	2.5	2.3
PH	12-04	20:00	CPI (m/m)	Nov	0.3	0.2
SI	12-05	00:00	Retail Sales (m/m)	Oct	--	0.4
SI	12-05	00:00	Retail Sales (y/y)	Oct	2.2	2.0
TA	12-05	03:00	CPI (y/y)	Nov	2.0	1.7
SK	12-05	18:00	Current Account (US\$ mn)	Oct	--	11124.4
JN	12-05	18:30	Household Spending (y/y)	Oct	-2.5	-1.1
PH	12-05	20:00	Unemployment Rate (%)	Oct	--	3.7
TH	12-05	22:30	CPI (y/y)	Nov	1.1	0.8
TH	12-05	22:30	CPI (m/m)	Nov	0.2	-0.1
TH	12-05	22:30	Core CPI (y/y)	Nov	0.8	0.8
IN	12-05	23:30	Repo Rate (%)	Dec 6	6.50	6.50
IN	12-05	23:30	Cash Reserve Ratio (%)	Dec 6	4.50	4.50
JN	12-06	00:00	Coincident Index CI	Oct P	117.7	115.3
JN	12-06	00:00	Leading Index CI	Oct P	108.8	109.1
JN	12-06	00:00	New Composite Leading Economic Index	Oct P	108.8	109.1
AU	12-06	00:30	Foreign Reserves (AUD bn)	Nov	--	99.0
MA	12-06	02:00	Foreign Reserves (US\$ bn)	Nov 29	--	118.0
SI	12-06		Foreign Reserves (US\$ mn)	Nov	--	383721.6
VN	12-06		CPI (y/y)	Nov	3.0	2.9
VN	12-06		Industrial Production (y/y)	Nov	--	7.0

Forecasts at time of publication.

Sources: Bloomberg, Scotiabank Economics.

Key Indicators for the week of December 2 – 6

LATIN AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Indicator</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>
PE	12-01	10:00	Consumer Price Index (m/m)	Nov	0.1	--	-0.1
PE	12-01	10:00	Consumer Price Index (y/y)	Nov	2.3	--	2.0
CL	12-02	06:30	Economic Activity Index SA (m/m)	Oct	--	--	-0.8
CL	12-02	06:30	Economic Activity Index NSA (y/y)	Oct	--	--	0.1
BZ	12-02	08:00	PMI Manufacturing Index	Nov	--	--	52.9
BZ	12-03	07:00	GDP (IBGE) (q/q)	3Q	--	0.7	1.4
BZ	12-03	07:00	GDP (IBGE) (y/y)	3Q	--	3.9	3.3
BZ	12-04	07:00	Industrial Production SA (m/m)	Oct	--	0.2	1.1
BZ	12-04	07:00	Industrial Production (y/y)	Oct	--	6.0	3.4
BZ	12-05	13:00	Trade Balance (FOB) - Monthly (US\$ mn)	Nov	--	6500.0	4342.8
CO	12-06	18:00	Consumer Price Index (m/m)	Nov	0.18	0.2	-0.1
CO	12-06	18:00	Consumer Price Index (y/y)	Nov	5.1	5.1	5.4

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

## Global Auctions for the week of December 2 – 6

## NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
CA	12-05	12:00	Canada to Sell C\$5.5 Billion of 3% 2027 Bonds

## EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
UK	12-03	05:00	U.K. to Sell GBP2.25 Billion of 4.375% 2054 Bonds
GE	12-03	05:30	Germany to Sell EU4.5 Billion of 2% 2026 Bonds
DE	12-04	04:15	Denmark to Sell Bonds
SW	12-04	05:00	Sweden to Sell SEK2 Billion of 2.25% 2035 Bonds
NO	12-04	05:00	Norway to Sell Bonds
UK	12-04	05:00	U.K. to Sell GBP4 Billion of 4% 2031 Bonds
SW	12-04	05:00	Sweden to Sell SEK2 Billion of 2.25% 2032 Bonds
GE	12-04	05:30	Germany to Sell EU3.5 Billion of 2.6% 2034 Bonds
SP	12-05	04:30	Spain to Sell Bonds
FR	12-05	04:50	France to Sell Bonds
IC	12-06	06:00	Iceland to Sell Bonds

## ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SK	12-01	21:30	South Korea to Sell 300 Billion Won 30-Year Bonds
JN	12-02	22:35	Japan to Sell 10-Year Bonds
CH	12-03	21:35	China Plans to Sell 5 Year Bonds
CH	12-03	21:35	China to Sell 45 Billion Yuan 2029 Bonds
JN	12-04	22:35	Japan to Sell 30-Year Bonds
CH	12-05	21:35	China Plans to Sell 30 Year Bonds

## LATIN AMERICA

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

## Events for the week of December 2 – 6

## NORTH AMERICA

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
US	12-02	15:15	Fed's Waller Gives Keynote at Fed Framework Conference
US	12-02	16:30	Fed's Williams Gives Keynote Remarks
US	12-03	12:35	Fed's Kugler Gives Speech on Labor Market, Policy
US	12-03	15:45	Fed's Goolsbee Gives Closing Remarks
US	12-04	08:45	Fed's Musalem Speaks on US Economy, Policy
US	12-04	13:45	Fed's Powell Speaks in Moderated Discussion
US	12-04	14:00	Federal Reserve Releases Beige Book
US	12-06	09:15	Fed's Bowman Speaks to Missouri Bankers Association
US	12-06	10:30	Fed's Goolsbee Participates in Fireside Chat
US	12-06	12:00	Fed's Hammack Speaks on the US Economy
US	12-06	13:00	Fed's Daly Speaks in Moderated Conversation

## EUROPE

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
SZ	11-30	06:15	SNB's Schlegel Speaks in Frankfurt
SZ	12-02	04:00	Domestic Sight Deposits CHF
SZ	12-02	04:00	Total Sight Deposits CHF
SW	12-02	10:00	Breman: the Riksbank's role in the economy and total defence
SW	12-04	03:00	Meeting of the Executive Board of the Riksbank
EC	12-04	12:10	ECB's Nagel Speaks at ESM
SW	12-05	03:30	Seim: The economic situation and current monetary policy
UK	12-05	12:00	BOE's Greene Speaks
SZ	12-06	03:00	Foreign Currency Reserves
SW	12-06	04:45	Seim: The economic situation and current monetary policy

## ASIA PACIFIC

<u>Country</u>	<u>Date</u>	<u>Time</u>	<u>Event</u>
AU	12-01	21:25	RBA's Jacobs-Speech
NZ	12-03		RBNZ Appears at Select Committee for Annual Review
JN	12-04	20:30	BOJ Board Nakamura Speech in Hiroshima
<b>IN</b>	<b>12-05</b>	<b>23:30</b>	<b>RBI Repurchase Rate</b>
<b>IN</b>	<b>12-05</b>	<b>23:30</b>	<b>RBI Cash Reserve Ratio</b>
SL	12-05	00:00	Gross Official Reserves

## LATIN AMERICA

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

## Global Central Bank Watch

## NORTH AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
Bank of Canada – Overnight Target Rate	3.75	December 11, 2024	3.50	3.25
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

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
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	December 26, 2024	50.00	50.00

## ASIA PACIFIC

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
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	4.25	February 18, 2025	3.75	4.00
People's Bank of China – 1-Year Medium-Term Lending Facility Rate	2.00	December 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	3.00	January 16, 2025	3.00	3.00
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	December 18, 2024	5.75	5.75
Central Bank of Philippines – Overnight Borrowing Rate	6.00	December 19, 2024	5.75	5.75

**Reserve Bank of India (RBI):** India's central bank is expected to leave its repurchase rate unchanged at 6.5% on Friday. Since its last decision on October 9th, the rupee has depreciated slightly further to the USD but along a prior path that has seen the currency mildly depreciate since March. This adds marginal risk of import price pass through on the heels of a recently stronger-than-expected CPI print for October that climbed to 6.2% y/y (5.5% prior, 5.9% consensus). The lagging effects of heavy rains on crop prices were a driver, but even as this subsides the RBI is likely to be concerned about US policy risks on inflation and global trade.

## LATIN AMERICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
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	9.25	9.25
Banco Central de Reserva del Perú – Reference Rate	5.00	December 12, 2024	5.00	4.75

## AFRICA

<u>Rate</u>	<u>Current Rate</u>	<u>Next Meeting</u>	<u>Scotia's Forecasts</u>	<u>Consensus Forecasts</u>
South African Reserve Bank – Repo Rate	7.75	January 30, 2025	7.50	7.25

Sources: Bloomberg, Scotiabank Economics.

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