BMO Capital Markets Economics | A Weekly Financial Digest

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Focus

Feature Article

Global Inflation: The Tides of March

Our Thoughts

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This is the End, Beautiful Fed, the End

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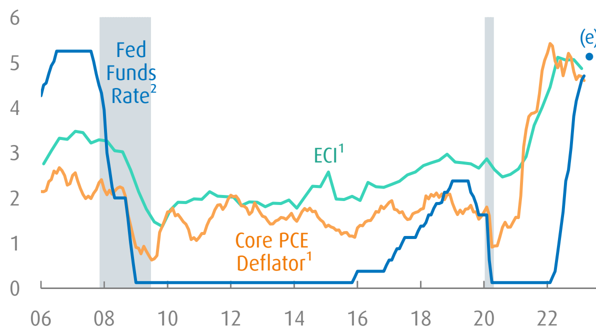
The Federal Reserve is widely, albeit not universally, expected to hike by one more 25 bp clump next week. And this is widely, albeit not universally, expected to be the last such hike following a string of ferocious rate increases over the past 14 months. Assuming that we and the consensus are correct, the May 3rd move will take the fed funds rate to a range of 5.00%-to-5.25%, a full and tidy 500 bps above where the tightening cycle began. Curiously, it will also take rates almost precisely back to where they peaked in the 2004-06 cycle (5.25%), which ended in the catastrophic 2008 financial crisis… but, we won't mention that part.

Chart 1
Blurred Lines
United States



Shading marks U.S. recessions; [1] (y/y % chng); [2] (percent); e = May 2023 estimate
Sources: BMO Economics, Haver Analytics, Conference Board, Philly FRB

Short-term interest rates of just above 5% will perch them a bit higher than the latest trends in both core inflation and the best measure of wages *(Chart 1)*. The core PCE deflator eased slightly in March to 4.6% y/y, down from last year's peak of 5.4%, but still a long, long way from the Tipperary of the Fed's 2% target. Similarly, the employment cost index eased somewhat in Q1 to a 4.8% y/y pace (from 5.1% in Q4), although short-term trends are not relenting and the wage component is still up 5.0% y/y. Our contention for much of the past year is that **short-term interest rates would need to at least rise above underlying inflation trends to truly break underlying inflation trends**. And while core inflation looks sticky, it is now mission accomplished on the degree of rate rises.

The economy also weighed in with some pretty compelling arguments for the Fed to now move to the sidelines. Real GDP cooled to a surprisingly mild 1.1% annual rate in Q1, and early indications point to a slower Q2. Regional manufacturing surveys are quite soft for April, and the consumer's momentum stalled heading into the month. We are maintaining our view that **overall GDP will take a small step back this quarter and next**. Meantime, the regional banking sector stress flared again this week, mostly countered by solid tech earnings. And, the debt ceiling dance is picking up the pace, and is now expected to reach its crescendo in July.

Financial markets absorbed the likelihood that the tightening cycle is indeed drawing to a close with another back and forth week. The S&P 500 is poised to finish the month with a small gain but is now almost exactly back to where it stood a year ago (it finished April 2022 at 4,132). Bond yields also bobbed and weaved on this week's mixed events, but mostly weaved lower to below 3.5% for the 10-year Treasury. For reference, that's also not so different from where we stood a year ago, as 10s first pushed above the 3% threshold around this time in 2022. The latest dip in yields also got a small subtle push from cooled oil prices, as WTI slid to $75 after punching above $83 just two weeks ago on OPEC+'s production cuts.

The debate now turns to **how long before the rate cuts can commence**. Of course, we need to be certain this rather dramatic tightening is truly over before drawing any strong conclusions. And recall that just days before the banking crisis broke open, Chair Powell was starkly warning that rates needed to rise much further than the Fed had

previously warned. Only the most hawkish are still suggesting that's still the case, and the rolling stress in regional banks and the upcoming debt ceiling fight are likely to put any further rate hikes on ice. While the Fed is probably not going to send an explicit pause message at the May meeting, that will likely be the body language in the press conference.

Assuming next week is the end, **history suggests that rates could begin to come down around the turn of the year**. The first rate cut is normally about 6 to 8 months after the last hike, which would take us to around the mid-December FOMC meeting. However, there is nothing "normal" about this cycle, and no one should expect a textbook Fed response on the downside for rates. Perhaps the most glaring difference this cycle compared to other recent episodes is how far core inflation remains from target, pointing to the risk of higher for longer. The counter case is how far rates have risen and the raft of challenges facing the economy, pointing to the risk of a sooner policy shift. We believe these factors are largely offsetting and continue to look for rate cuts to commence in early 2024.

The **Bank of Canada** was the first major central bank to hit pause, ending proceedings in January after a 425 bp year-long fusillade of rate hikes. While the Bank continues to gamely talk about the possibility of further rate increases, markets are highly skeptical of that prospect—a tiny chance of one more hike is currently priced in. The latest round of news reinforces the holding pattern for the Bank. Real GDP nudged up just 0.1% in February, and then looks to have dipped by a similar amount in March. While Q1 as a whole looks to come in close to our 2.5% call, that sturdy gain was flattered by a weather-aided jump in January activity, which is now petering out. In fact, the ongoing public sector strike is likely to tip a sluggish underlying economy into the red again in April, and quite possibly for all of Q2.

How the Bank of Canada responds to the strike depends on two key questions: How long does it last, and how large is the settlement? Provided the strike doesn't drag on too much longer, the Bank would likely look past any temporary GDP weakness the job action prompts, as activity would almost certainly quickly rebound. Probably the larger concern for monetary policy would be if a high-profile agreement sets a high floor for wages elsewhere, hardening underlying inflation.

While Canada's core inflation has been somewhat more moderate than U.S. trends, the Bank is clearly concerned about the potential for wage costs to keep inflation above their target zone. Adding to that mix is a weak Canadian dollar (down more than 5% from a year ago) and increasing signs that the housing market is bottoming. Among the many major releases next week—the FOMC, both jobs reports, the PMIs—keep an eye on the home sales data for April from Canada's major cities. Any indications that things are turning higher there will only make the Bank more anxious to tamp down talk of potential rate cuts later this year.

Fed Policy Preview: The Push before the Pause

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The FOMC is expected to push **policy rates up another 25 bps** on May 3, lifting the fed funds target range to 5.00%-to-5.25%. This will be the highest level since before the Great Recession (just slightly below the 5.25% peak in August 2007) and the largest cumulative rate hike (500 bps over 10 actions) since the FOMC began targeting the fed funds rate in the 1980s. The market is currently pricing in 95% odds of a move with an additional near-20% chance of a follow-up action in mid-June (meaning 80% odds of a pause). Although we don't expect any more rate hikes after May, we judge the **Fed will be a bit cagey about a prospective, and probable, pause**.

We reckon March's forward guidance will be repeated. Last meeting, the Fed altered the language in place since the tightening campaign began in March 2022. The eight-times-employed phrase that the Committee *"anticipates that ongoing increases in the target range will be appropriate"* was replaced by *"anticipates that some additional policy firming may be appropriate"*. Chair Powell said to focus on the words *"some"* and *"may"* in the new phrase versus *"ongoing"* in the old guidance, in the context of rate hikes. The shift signalled more rate-hike conditionality given the uncertain impact of banking system stress along with the lagged impact of tightening already in the hopper. Under this guidance, the Fed *"may"* opt to pause in June or continue with *"some"* rate hikes. Note that even if the Fed pauses, policy would still, technically, be *"firming"* as quantitative tightening continues. This was a clever turn of phrase.

However, we judge the chances of a June pause are tilted more to even odds than to 100%, given the inflation data on the ground. For example:

- The Fed's preferred price metric, the **PCE price index**, increased 0.1% in March, pulling headline inflation down by 0.9 ppts to 4.2% y/y owing to a favourable year-ago comparison. The three-month change was 4.0% annualized. The core index increased 0.3%, allowing PCE core inflation to ebb a tenth to 4.6% y/y with the three-month change at 4.9% annualized. And, the **supercore metric** rose 0.2% in March, which was a surprisingly low result (the other two were as expected). This pulled down the yearly change by 0.3 ppts to 4.4% y/y with the three-month change at 4.6% annualized.
- Although inflation is clearly slowing, the flush of '4 handles' across the annual and shorter-term trends, which is still more than double the Fed's target, suggests it's a stubborn slowdown that could require more rate hikes after May to expedite.
- The Fed's preferred wage metric, the **Employment Cost Index** (ECI) increased a slightly larger-than-expected 1.2% in Q1 or 4.7% annualized. Because of a constructive year-ago comparison, this pulled down the annual change by 0.3 ppts to 4.8% y/y. Note again the flush of '4s'.

With the fed funds rate about to shed its '4 handle', **real policy rates are moving unequivocally into modestly positive territory**. Given the stubbornness of inflation, this would appear to be an appropriate place to consider a pause, even just a temporary one.

Meanwhile, economic momentum is slowing (see Sal's Thought) but not enough, yet, to halt net hiring. Recall, payrolls still expanded 236k in March with household-

survey jobs up 577k. History argues that flat or mildly falling job growth is a necessary ingredient to meaningfully and lastingly temper wage demands.

Elsewhere, despite the renewed woes of First Republic Bank, the loan and deposit situation among smaller (and larger) banks seems to have stabilized. Banks, in general, are still losing deposits to higher-yielding money market funds or the money is just being spent. Note that although the personal saving rate jumped by three-tenths to 5.1% in March, it's still below the 7½% pre-pandemic trend, meaning that consumers were again drawing from their excess savings during the month.

While banking system stress will likely leave a legacy of **tighter lending standards and less loan availability** than would otherwise be the case, we suspect having acted quickly to ring-fence the problem and thus minimize contagion, the Fed is content to allow these incrementally tighter credit conditions to complement its rate hikes in the fight against inflation. And this fight still has a way to go, which is why even after a pause we don't expect rate cuts until next year (the market is pricing in more than 50 bps worth of easing during the second half of this year).

U.S. Still Headed for Recession? Yes, No, Maybe, Think So

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The U.S. **economy isn't going down without a fight**. It slowed to a 1.1% annualized rate in the first quarter, but the expansion continues. After the most aggressive rate increases in four decades, this is about as soft a landing that anyone could hope for. And, if inflation continues to ebb, the Fed just might pull off a feat worthy of Houdini's praise.

But that's a big 'if' given that **core PCE inflation is proving sticky** at above 4%. The glue comes from a tight labour market. The employment cost index sped up to a 4.7% annualized rate in Q1, not much below the yearly rate of 4.8%, which itself is not far behind the 33-year high of 5.1% reached earlier this cycle. Together with a likely decline in Q1 labour productivity, **unit labour costs could accelerate to over 6% annualized** in next week's release. This means that inflation's biggest driver is revving three times faster than what would be required to sustain price stability.

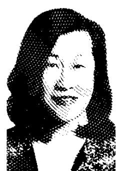
Next week's releases also include the first set of key April indicators, notably payrolls and the ISM surveys. In addition, preliminary auto sales data flag some acceleration, suggesting consumers might be catching a fourth wind. They took a breather in February and March after bolting out of the gates in January to take advantage of milder winter weather. Households are buying fewer goods, while spending somewhat less on services. Even if they stand perfectly still through the spring, real personal spending will register a slight decline from the prior quarter's average. And, with businesses also pulling back, **real GDP could contract modestly this quarter**.

Or not. **Real-time indicators suggest flat rather than contracting activity in April.** Both air travel and hotel spending are holding at a steady cruising altitude. Credit and debit card use, retail and restaurant spending, and theatre outings also are stable, albeit with a slight downside tilt. Indeed's job postings continue to ebb, though from high levels. The Fed's Weekly Economic Index has faded to around 1% y/y, while the OECD's Economic Activity Tracker is holding somewhat firmer. The economy might not be growing much, but it doesn't appear to be contracting, either.

But just because GDP isn't contracting doesn't mean it won't. The Fed's staff, perhaps influenced by its own leading indicator, now expects a mild recession to unfold later this year. Its indicator is derived from the spread between the 3-month Treasury forward rate 18 months ahead and the current rate. The latter is well below the former because investors expect the Fed to slash interest rates, presumably to address a recession. In fact, this indicator is placing higher odds (99%) on a downtun in the year ahead than before the Great Recession. Similarly, a year-long slide in the Conference Board's Leading Economic Index also signals trouble. Based on a stellar track record over the past six decades—it has never flagged a recession that didn't happen—the LEI's 8% plunge in the past year lines up with a 2 ppt rise in the unemployment rate to around 5.5% this summer. While that timeline seems iffy, the end result may only be delayed by the unusual nature of this business cycle owing to excess savings, pent-up services demand, and labour hoarding.

Bottom Line: The U.S. economy is losing steam and remains at high risk of stalling or contracting. Much will depend on whether higher borrowing costs and tighter lending conditions overcome lingering support from excess savings. We continue to pencil in a shallow downturn for this spring and summer… but note I said pencil, not pen.

Global Recession Dodge Ball



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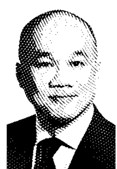
The **Euro Area** is so far avoiding a recession. Indeed, the region has been able to dish out upside surprises as energy prices fell. Sure, the 0.1% rise in Q1 **real GDP** was disappointing, but the fact that the economy expanded is welcome news. The regional breakdown produced some interesting results: strength in Portugal, Spain and Italy, for example, offset declines in Ireland and Austria. **Germany** was unchanged in Q1, but a downward revision to 2022Q2 flew under the radar: the economy now shows a contraction, instead of expansion, during that quarter. So while the broader economy is growing, albeit sluggishly, **inflation** is easing, off and on. On a harmonized basis, German CPI slowed to a 13-month low of 7.6% in April, an unexpected development and one that will be treated with some relief in Frankfurt. But cooling inflation wasn't shared across the region: in fact, it accelerated in France and Spain. In other words, it is far too early for policy tightening to come to an end. (Policymakers are also likely keeping a wary eye on food costs, as Europe suffers through its second drought in two years.)

Note that this week we also saw inflation ease in **Australia**, while inflation expectations fell in **South Korea** (as it, too, avoided recession). Not so much in Japan, where **Tokyo's** core core CPI hit a four-decade high in April. But the **BoJ** is seemingly unconcerned: it will "*patiently*" continue on its current easy path, but will review its policy over the next year and a half.

Bottom Line: Steady as she goes.

Crude Oil Outlook: The EV Effect



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Crude oil prices are struggling once again with WTI hovering around US$75/bbl after it had rebounded to over $80 earlier this month. This step back is somewhat surprising after OPEC+ unexpectedly cut its production by a hefty 1.7 mb/d at the beginning of April. That equates to 1.7% of last year's average global output of 100 mb/d. By all

appearances, **recession fears are the key factor** currently dictating the direction of crude oil prices. Downward price pressure will likely persist unless and until it becomes clear that a (major) recession will be avoided and, moreover, that growth in global oil demand won't be stunted.

However, we can't help but wonder whether there are **other forces** that might be inhibiting growth in global oil demand; more specifically: the slow return to in-person work (especially in North America), still sluggish overseas tourism and the increasing **electrical vehicle (EV) adoption**. On the latter, the International Energy Agency's (IEA) **Global EV Outlook 2023**, released this past week, shows that rising EV usage can no longer be considered an afterthought when it comes to its impact on global oil demand. EV sales are booming, up around 25% y/y in 2023Q1. Moreover, EVs made up 14% of all new cars sold globally in 2022, up from around 9% in 2021 and less than 5% in 2020. The IEA estimates EVs could account for 18% of total car sales in 2023, which will lead to better fuel efficiency in road transportation in the U.S., Europe and China. These are currently the big three markets, with China accounting for over half of the world's EV sales.

The most interesting part of the report explored how the growing stock of EVs could lower oil use. Based on what climate measures have actually been put in place as well as specific policy initiatives that are under development (as per the IEA's Stated Policies Scenario—STEPS), **the IEA estimates that the projected EV fleet in 2030 could displace more than 5 mb/d of diesel and motor gasoline** (vs. 0.7 mb/d in 2022). In its Announced Pledges Scenario (APS), the amount of displacement would reach nearly 6 mb/d. Equally vital, the IEA indicated peak road transport demand would likely occur around 2025. These projections on the surface seem aggressive but are not out of the realm of possibility.

Otherwise, it's pretty clear what the key factor the IEA's forecasted decline in oil demand for road transportation is based on—**new legislation in the EU and the U.S.** to fast-forward electrification objectives. In October 2022, the EU adopted new CO2 standards for cars and vans that are aligned with the 2030 goals set out in the Fit for 55 package. In August, the Biden Administration passed the Inflation Reduction Act of 2022 (IRA), which is designed to promote more affordable healthcare and clean energy investment (mainly EVs). According to the IEA, the IRA, combined with adoption of California's Advanced Clean Cars II rule by a number of states, could deliver a 50% market share for EVs by 2030, in line with the national target. The implementation of recently proposed emissions standards from the U.S. Environmental Protection Agency could increase this share further. Separately, it will be interesting to see how the IEA's projections for overall global oil demand, which also include usage for jet fuel, heating, petrochemicals, etc., have changed when the agency releases its annual World Energy Outlook publication in the fall. In its last edition, the IEA's STEPS had global oil demand peaking in the mid-2030s and then declining slightly to 2050.

Key Takeaway: The rise of the EV is now moving the needle and will need to be watched very closely by the oil market. Peak oil demand could be arriving sooner than the forecasting community is currently anticipating.

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*Indications of stronger growth and a move toward price stability are **good news** for the economy.*

	Good News	Bad News
Canada ▪ BoC Minutes confirm policymakers remain comfortable on the sidelines	**SEPH Employment** +62,508 (Feb.) **Manufacturing Sales** +0.7% (Mar. A) **New House Price Index** unch (Mar.) **Ottawa** posted a budget surplus of $3.1 bln (Apr.-to-Feb.)—vs. a $69.8 bln deficit in last year	**Monthly Real GDP** +0.1% (Feb.)—below expected and StatCan estimates a 0.1% decline in March **Wholesale Trade** -0.4% (Mar. A)
United States ▪ Shrinking inventories drag on Q1 economic growth ▪ FOMC on deck next week: +25 bps expected ▪ U.S. House Republicans pass debt ceiling bill but by a very thin margin	**Personal Income** +0.3% (Mar.) **Goods Trade Deficit** cut to $84.6 bln (Mar. A) **S&P Case-Shiller Home Prices** +0.1%; **FHFA Home Prices** +0.5% (Feb.) **New Home Sales** +9.6% to 683,000 a.r. (Mar.) **Wholesale Inventories** +0.1%; **Retail Inventories** +0.7% (Mar. A) **Initial Claims** -16k to 230k (Apr. 22 week)	**Real GDP** +1.1% a.r. (Q1 A)—below expected but mostly inventories **Real Personal Spending** unch (Mar.) **Core PCE Deflator** +0.3% (Mar.)—or a still-elevated +4.6% y/y **Employment Cost Index** +1.2% (Q1) **Core Durable Goods Orders** -0.4% (Mar.) **Pending Home Sales** -5.2% (Mar.) **Chicago Fed National Activity Index** -0.19 (Mar.) **Conference Board's Consumer Confidence Index** -2.7 pts to 101.3 (Apr.)
Japan ▪ BoJ stays on hold as Governor Ueda takes the reins	**Retail Sales** +0.6% (Mar.) **Department Store Sales** +9.8% y/y (Mar.) **Industrial Production** +0.8% (Mar. P)	**Jobless Rate** +0.2 ppts to 2.8% (Mar.)—16-mth high
Europe ▪ Euro Area skirts winter recession but GDP growth is weak ▪ Riksbank hikes 50 bps; dovish forecast hits krona ▪ ECB on deck next week: +25 bps expected	**Euro Area—Economic Confidence** +0.1 pts to 99.3 (Apr.) **Germany—Consumer Prices** slowed to +7.6% y/y (Apr. P) **Germany—ifo Business Climate** +0.4 pts to 93.6 (Apr.); **GfK Consumer Confidence** +3.6 pts to -25.7 (May) **France—Real GDP** +0.2% q/q (Q1 P) **France—Consumer Confidence** +1 pts to 83 (Apr.) **Italy—Real GDP** +0.5% q/q (Q1 P) **Italy—Consumer Confidence** +0.4 pts to 105.5 (Apr.)	**Euro Area—Real GDP** +0.1% q/q (Q1 A)—below expected and prior quarter revised down **Germany—Real GDP** unch q/q (Q1 P) **Germany—Unemployment** +24,000 (Apr.)—but **Jobless Rate** steady at 5.6% **France—Consumer Prices** picked up to 6.9% y/y (Apr. P) **France—Consumer Spending** -1.3% (Mar.)
Other ▪ Softer-than-expected inflation print in Australia may not keep the RBA from hiking next week	**Australia—Consumer Prices** slowed to +6.3% y/y (Mar.) **Mexico—Real GDP** +3.9% y/y (Q1 P)	

Global Inflation: The Tides of March

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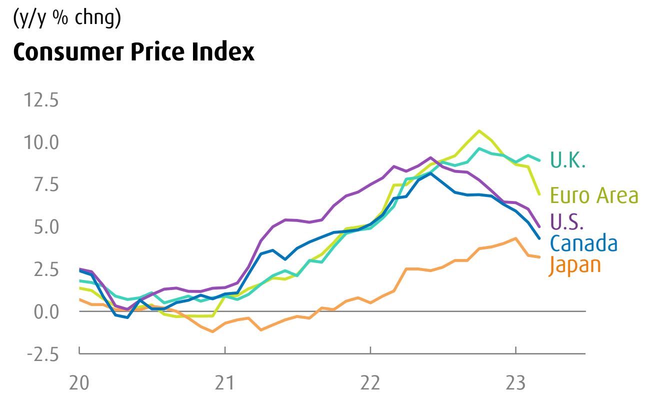
In recent weeks, statistical agencies across the G10 economies have been releasing their CPI reports for March, in some cases showing hefty deceleration in headline inflation rates due to constructive year-ago comparisons (*Charts 1 and 2*). For example, the annual change dropped 0.9 ppts in Canada, 1.0 ppts in the U.S., 1.4 ppts in Sweden and 1.6 ppts in the Euro Area. The other countries had smaller falls with only Norway seeing a slight rise. Importantly, the next few months sport the potential for further disinflation, substantial in some cases, again owing to favourable year-ago comparisons. *(Note that early CPI inflation readings for April have been mixed. In the Euro Area, France and Spain had higher figures with Belgium and Germany posting lower numbers. In Japan, Tokyo's increased.)*

In the wake of Russia's invasion of Ukraine, there was a surge in global commodity prices because this region is a major producer and exporter of raw goods ranging from energy and agriculture to metals and minerals. Some of these prices began creeping up beforehand reflecting the risk of conflict. With supply from the region curtailed with the war negatively impacting production and distribution, and because of sanctions (on Russia), prices spiked with some commodities hitting multiyear or even record highs (*Chart 3*). The invasion kept aggregate, all-commodities price inflation running at elevated levels for longer than the pre-invasion trend implied.

The food and energy price spikes were the quickest to cascade by jacking up the monthly moves in global CPIs. However, the incremental impacts lasted for only a few months as commodity market participants quickly flipped from being more concerned about adequate supply to being more worried about adequate demand amid increasingly aggressive central bank tightening and inflation's erosion of purchasing power. The broadest commodity price indices peaked in June and were back below pre-invasion levels by September, although the peaks and recovery points varied across specific commodities.

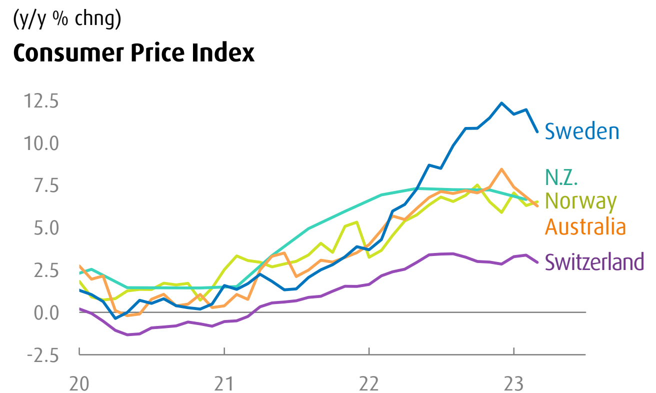
Nevertheless, last year's March-June interval saw the larger CPI monthly moves averaging from 0.6% (Euro Area, Norway, Australia) to 0.9% (U.K., Sweden). Both

Chart 1
Inflation Rolling Over, Part I



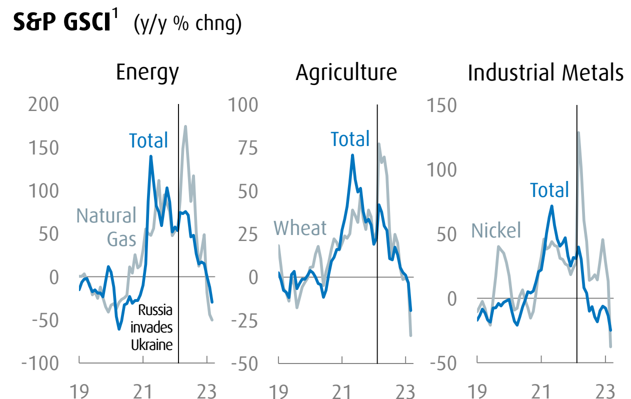
Sources: BMO Economics, Haver Analytics

Chart 2
Inflation Rolling Over, Part II



Sources: BMO Economics, Haver Analytics

Chart 3
Commodities Fuelled Inflation



Sources: BMO Economics, Haver Analytics [1] *S&P Goldman Sachs Commodity Index*

the U.S. and Canada averaged 0.8% gains. If the patterns over the next three months run slower than these trends, and they could if the latest three-month trends are indicative, many headline inflation rates will be noticeably lower by June. For example, assuming the latest three-month average is replicated exactly, CPI inflation will fall the most in Canada, by 1.8 ppts to 2.5%, followed by the U.S. (-1.6 ppts to 3.4%) and Sweden (-1.4 ppts to 9.2%), with the Euro Area and U.K. each dropping by 1.0 ppts to 5.9% and 7.9%, respectively. However, so far in April, oil prices are already averaging more than 8% above their March level.

But, further reinforcing disinflation momentum during the next three months and beyond is the legacy of unsnarled global supply chains (*Chart 4*). Production and distribution pressures spiked at the onset of the pandemic with both demand and supply repressed by restrictions and illness. These pressures initially ebbed as businesses (that were permitted to reopen) got accustomed to working under COVID protocols despite some ongoing production and distribution difficulties. But, as the demand for goods rebounded, supply was slow to respond owing to the pandemic's lingering influence, which seeded a growing inflationary state of net excess demand.

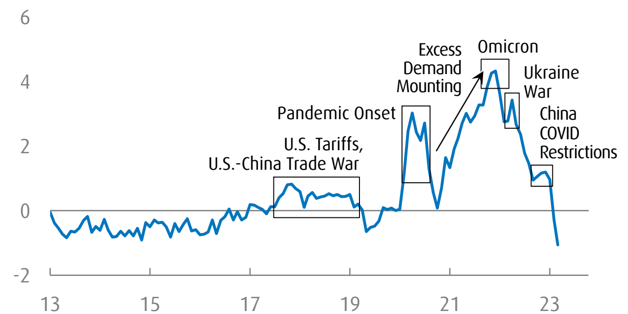
Goods demand quickly pushed above pre-pandemic levels, with some spending diverted from services (the latter sector suffered from harsher restrictions). Governments also provided various degrees of financial support to offset lost incomes, against backgrounds of very accommodative monetary policies. Interest rates were slashed to their effective lower bounds across the G10 with all central banks engaging in quantitative easing, except in Norway.

The surge in goods demand and the boost provided by fiscal policy was particularly profound in the U.S. (*Chart 5*). By March 2021 and the third round of Economic Impact Payments, which (along with other non-UI household support measures) rang in larger than the first batch at the depth of the recession, real goods spending had soared more than 20% above its pre-pandemic level. In other words, some six years of normal U.S. growth in goods demand was squeezed into one year. When you're the largest economy on the planet (okay, second largest in PPP terms), this incremental demand exacerbates global supply chain pressures and further propagates the inflation process.

Chart 4
Chains Unsnarled

(standard deviation from average value)

Global Supply Chain Pressure Index

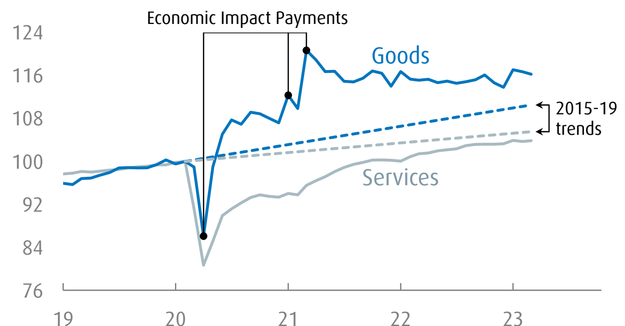


Sources: BMO Economics, Haver Analytics, Federal Reserve Bank of New York

Chart 5
Demand Prodded

United States (February 2020 = 100)

Real Consumer Spending



Sources: BMO Economics, Haver Analytics

The New York Fed's Global Supply Chain Pressure Index had two distinct pandemic-era spikes (*Chart 4 again*); the first was at the onset and a second, more prolonged one unfolded as the state of global excess demand mounted and then peaked as the Omicron variant wreaked havoc (for both goods and services markets). However, since December 2021, supply chain pressures have been trending down, with brief interruptions around the time of Russia's invasion of Ukraine and toward the end of last year as China's (since-relaxed) COVID restrictions were proving to be onerous.

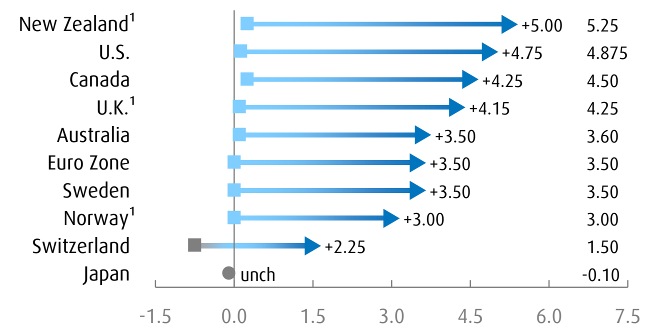
Net excess demand and its inflationary impulse eased as supply was increasingly catching up to demand, and as demand itself was being dampened by monetary policy tightening across the G10, except in Japan (*Chart 6*). By the autumn of 2021, it was becoming obvious that inflation was turning out to be more persistent than presumed (remember the 'transitory' narrative), and some central banks were already taking tightening turns. Policy rates started being raised in Norway (two actions in September and December), New Zealand (two moves in October and November) and the U.K. (December).

Partly held back by the Omicron outbreak, it was only after Russia's invasion of Ukraine that the other central banks started raising policy rates. To be fair, both the Bank of Canada and the Fed were signalling their March liftoffs before the invasion. The remaining institutions began moving in May (Australia, Sweden), June (Switzerland) and July (ECB). Both the Bank of Canada and Reserve Bank of Australia have now officially paused on a conditional basis, but both retain tightening biases. Among the central banks that tend to formally announce upcoming actions, Norges Bank (Norway) said it will raise rates another 50 bps by the summer and the Riksbank (Sweden) said another 25 bp hike will occur in June or September. The Fed meets next week and is expected to raise rates another 25 bps, tying it again with the Reserve Bank of New Zealand for the largest cumulative rate hike (500 bps). The RBNZ was vague about future moves; we'll see what the Fed has to say.

Chart 6
Huge Hikes

(chng since September 2021 : ppts : as of April 28, 2023)

Central Bank Policy Rate



Sources: BMO Economics, Haver Analytics *[1] tightening began in 2021*

One reason why central banks consider pausing is to take stock and allow past tightening efforts to work their way through the economy. The goal among them is to slow demand enough to adequately reduce inflation and still minimize the risk of a deep recession. Lower headline inflation rates in the next three months could encourage more central banks to pause (other than the BoC and RBA). However, the ultimate amount of cumulative tightening and length of time that policy rates will be at or near their terminal node will be informed by the path of underlying inflation.

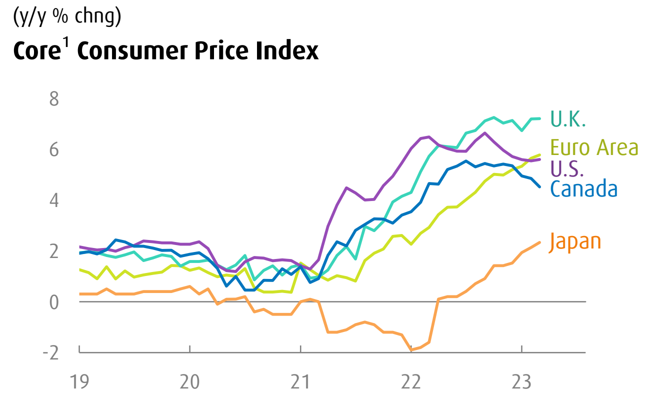
For the sake of cross-country comparison, we look at core inflation defined as the total CPI less food and energy items (*Charts 7 and 8*). The picture here is less about 'rolling over' and more about 'stubbornness'. Among the higher core inflation rates in March, half are running around the mid-6% range: Sweden 6.7%, Australia 6.6% (Q2), New Zealand 6.5% (Q2) and Norway 6.4%. The U.K. is in the range above (7.2%), with the Euro Area and the U.S. in the range below (5.8% and 5.6%, respectively). Apart from

Switzerland (at 1.6% with strong price administration) and Japan (with a 31-year high of 2.3% except for sales tax hikes in 1997 and 2014), Canada is the lowest at 4.5%.

Interestingly, Canada along with Australia and New Zealand are the only jurisdictions in which the three-month trend in core inflation is running more than a percentage point below its yearly change, pointing to further meaningful core disinflation. And, two of the three corresponding central banks have already paused. The three-month trends in Sweden and Norway are running at least two percentage points above the yearly rate and both corresponding central banks have already locked in additional rate hikes (and we're betting June for the Riksbank). Even Japan's three-month core inflation trend is running more than a percentage point above its yearly pace, which is one reason why speculation is swirling that we'll see something from new Bank of Japan Governor Ueda soon.

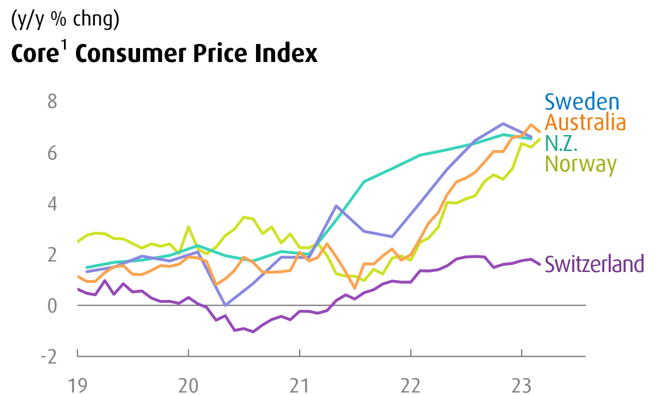
Bottom Line: Among all G10 economies, headline inflation looks to decelerate further in the months ahead but improvements in core inflation are looking to be less pervasive. After 2022's commonality of monetary policy tightening, 2023 is unfolding with the beginnings of policy divergence (pausing vs. tightening) that could diverge further by year-end (easing vs. pausing vs. tightening).

Chart 7
Stubborn Core, Part I



Sources: BMO Economics, Haver Analytics *[1] total excl. food and energy*

Chart 8
Stubborn Core, Part II



Sources: BMO Economics, Haver Analytics *[1] total excl. food and energy*

Economic Forecast Summary for April 28, 2023

		2022				2023				Annual		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2022	2023	2024
CANADA												
Real GDP	(q/q % chng : a.r.)	2.4	3.6	2.3	0.0	2.5	-0.5	-0.7	1.0	3.4	1.0	1.3
Consumer Price Index	(y/y % chng)	5.8	7.5	7.2	6.7	5.1	3.5	3.3	3.0	6.8	3.8	2.5
Unemployment Rate	(percent)	5.7	5.1	5.1	5.1	5.0	5.2	5.5	5.7	5.3	5.4	5.6
Housing Starts	(000s : a.r.)	243	270	281	259	223	245	232	220	263	230	220
Current Account Balance	($blns : a.r.)	11.0	22.0	-33.7	-42.6	-33.5	-33.7	-39.6	-41.5	-10.8	-37.0	-42.0
Interest Rates						(average for the quarter : %)						
Overnight Rate		0.33	1.17	2.75	3.92	4.50	4.50	4.50	4.50	2.04	4.50	3.88
3-month Treasury Bill		0.39	1.43	2.91	3.96	4.39	4.35	4.35	4.35	2.17	4.35	3.75
10-year Bond		1.92	2.98	3.01	3.16	3.04	3.15	3.15	3.10	2.77	3.10	2.95
Canada-U.S. Interest Rate Spreads						(average for the quarter : bps)						
90-day		9	33	16	-22	-39	-69	-74	-74	9	-64	-87
10-year		-2	5	-10	-67	-61	-52	-52	-51	-18	-54	-44
UNITED STATES												
Real GDP	(q/q % chng : a.r.)	-1.6	-0.6	3.2	2.6	1.1	-0.5 ↑	-0.8 ↑	0.8	2.1	1.0	1.3
Consumer Price Index	(y/y % chng)	8.0	8.6	8.3	7.1	5.8	4.3	3.7	3.3	8.0	4.2	2.5
Unemployment Rate	(percent)	3.8	3.6	3.5	3.6	3.5	3.7	4.5	4.8	3.6	4.1	4.7
Housing Starts	(mlns : a.r.)	1.72	1.65	1.45	1.40	1.40	1.38	1.34	1.37	1.55	1.37	1.41
Current Account Balance	($trlns : a.r.)	-1.12	-0.95	-0.88	-0.83	-0.82 ↑	-0.85 ↑	-0.85 ↑	-0.86 ↑	-0.94	-0.84 ↑	-0.88 ↑
Interest Rates						(average for the quarter : %)						
Fed Funds Target Rate		0.21	0.96	2.63	3.79	4.63	5.04	5.13	5.13	1.90	4.98	4.67
3-month Treasury Bill		0.30	1.10	2.75	4.18	4.78	5.05	5.10	5.10	2.08	5.00	4.65
10-year Note		1.94	2.93	3.11	3.83	3.65	3.65	3.70	3.60	2.95	3.65	3.40
EXCHANGE RATES						(average for the quarter)						
US¢/C$		79.0	78.4	76.6	73.7	74.0	74.4	75.5	76.6	76.9	75.1	77.7
C$/US$		1.27	1.28	1.31	1.36	1.35	1.34	1.33	1.31	1.30	1.33	1.29
¥/US$		116	130	138	141	132	133	132	130	131	132	127
US$/Euro		1.12	1.06	1.01	1.02	1.07	1.09	1.11	1.12	1.05	1.10	1.14
US$/£		1.34	1.26	1.18	1.17	1.22	1.24	1.26	1.27	1.24	1.25	1.28

Blocked areas mark BMO Capital Markets forecasts; up and down arrows (↑↓) indicate forecast changes; spreads may differ due to rounding

Canada

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Merchandise Trade Balance
Thursday, 8:30 am

Mar. (e)	**+$0.1 bln**
Consensus	*+$0.4 bln*
Feb.	+$0.4 bln

Canada's **merchandise trade** account looks to maintain a narrow $0.1 bln surplus in March. Energy prices were modestly lower in Canadian dollar terms, while broader commodities were little changed. An increase in manufacturing activity, fuelled by the transportation sector, will provide some offset to the drag from energy. Meantime, services trade is expected to stay in deep deficit as international travel continues to tick up, leaving the overall goods & services account in a modest deficit.

Employment
Friday, 8:30 am

Apr. (e)	**+0.1% (+20,000)**
Consensus	*+0.1% (+20,000)*
Mar.	+0.2% (+34,700)

Unemployment Rate

Apr. (e)	**5.1%**
Consensus	*5.1%*
Mar.	5.0%

Average Hourly Wages

Apr. (e)	**+5.4% y/y**
Mar.	+5.3% y/y

The labour market has held up surprisingly well through the early stages of 2023, with January's mammoth jobs gain followed up by respectable increases in the next two months. In fact, Q1's 231k rise in employment was the best non-pandemic quarter on record, and was the strongest since the late 1980s on a percentage basis. We're looking for another steady 20k gain in **employment**, though that would be a big step down from the 3- and 6-month averages. Given rapid population growth, our call for a 20k gain is below the pace of labour force growth over the past year. Indeed, we're looking for the unemployment rate to rise a tick to 5.1%. Wage growth slowed a touch in March, but remains far too strong for the BoC, who would welcome a slowdown to levels more consistent with the 2% inflation target. Lastly, hours worked surged 5% annualized in Q1, so we'll be watching for any retracement of that strength and the implications for Q2 GDP growth.

United States

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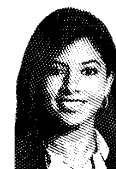

Priscilla Thiagamoorthy
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ISM Manufacturing PMI
Monday, 10:00 am

Apr. (e)	**46.5**
Consensus	*46.8*
Mar.	46.3

ISM Services PMI
Wednesday, 10:00 am

Apr. (e)	**51.0**
Consensus	*51.8*
Mar.	51.2

The **ISM manufacturing PMI** looks to edge up 0.2 pts to 46.5 in April, though it is still holding in contraction terrain. Some regional Fed manufacturing surveys showed that the indexes for new orders and shipments remained negative but increased this month. As such, the new orders index likely climbed slightly, while the decline in the production index looks to be stabilizing. Meantime, the prices sub-index probably fell further below the 50-mark. With the Fed likely to raise rates one more time before pausing, looking ahead, the ISM's manufacturing gauge should continue to lose steam, signalling a contraction.

Although the **ISM services PMI** gauge is expected to edge down 0.2 pts to 51.0 in April, it is still indicating an expansion. Business activity has come down slightly over the past year, but it is holding up remarkably well. Meantime, new orders look to inch lower, along with employment, though both sub-indexes are expected to stay above the 50-mark. After hitting a record-high 84.5 in December 2021, the prices sub-index has come down nicely, slipping below the 60-mark in the prior month for the first time since September 2020. Overall, momentum in the services sector is likely to slow further amid tighter financial conditions.

FOMC Announcement
Wednesday, 2:00 pm
Press briefing at 2:30 pm

See Michael Gregory's Thought on page 4.

Productivity

Thursday, 8:30 am

	Productivity	Unit Labour Costs
Q1 P (e)	**-2.3% a.r.**	**+6.3% a.r.**
Consensus	*-0.1% a.r.*	*+4.0% a.r.*
Q4	+1.7% a.r.	+3.2% a.r.

After improving in the second half of last year, **labour productivity** in the nonfarm business sector appears to have taken a big step back in Q1, dropping 2.3% annualized. And, with hourly compensation likely to clock in at a 4% or higher rate based on a firmer employment cost index, the sag in productivity suggests that **unit labour costs** could accelerate 6.3%, nearly double the prior quarter's rate. If the Fed is considering a pause after the May 3rd decision, unit labour costs running three times faster than what would be consistent with price stability could make it think twice in June.

Nonfarm Payrolls

Friday, 8:30 am

Apr. (e)	**+180,000**
Consensus	*+180,000*
Mar.	+236,000

Unemployment Rate

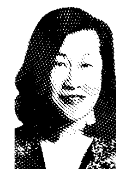
Apr. (e)	**3.6%**
Consensus	*3.6%*
Mar.	3.5%

Average Hourly Earnings

Apr. (e)	**+0.3%**	**+4.2% y/y**
Consensus	*+0.3%*	*+4.2% y/y*
Mar.	+0.3%	+4.2% y/y

Job growth looks to moderate further in April, though not enough to ease wage pressures very much. **Nonfarm payrolls** are expected to rise 180,000, down from the prior pace of 236,000. Leisure and hospitality should continue to lead, as the sector still has less staff than before the pandemic. The same can be said for government, though state and local officials are quickly rebuilding education rolls. Aggregate work hours may decline for a third straight month, signaling a contraction in Q2 real GDP. Assuming the participation rate rises for a fifth straight month, the **jobless rate** may edge up to 3.6%. Average hourly earnings are expected to rise 0.3%, keeping the yearly rate at 4.2%. Released after next week's FOMC meeting, the jobs report will have a bearing on the June decision. For now, the labour market is simply running too hot to provide much confidence that inflation will gravitate back to the 2% target on a sustained basis.

Central Banks



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ECB Monetary Policy Announcement

Thursday, 8:15 am ET
Press conference at 8:45 am ET

RBA Monetary Policy Announcement

Tuesday

A number of central banks are nearing the end of the tightening cycle but the **ECB** is not one of them. As every policymaker on the Governing Council has said repeatedly, inflation remains far too high. It has been above the 2% target for 21 months; most recently, at 6.9% y/y in March. At least it is down from last October's peak of 10.6%; but, core inflation still sits at a record 5.7%, even after 350 bps of rate hikes since July 2022. But, the pace of tightening has slowed, from 75 bps in September and October; then, to 50 bps in December, February and March. For the May 4 decision, the Netherlands' Knot said that the April CPI report (out May 2) will determine if the move is 25 or 50. Although Isabel Schnabel and Slovenia's Vasle warned that 50 bps is still on the table, we deem it unlikely, as the tone of some Council members has become ever-so-slightly less hawkish and headline inflation has come down sharply. But even the dovish Chief Economist, Philip Lane, declared that "*this is still not the right time to stop*" and Belgium's Pierre Wunsch warned of "*clear signs of second-round effects*". BMO looks for 25 bp hikes in May and June, bringing the refi rate to 4%.

Then there's the **RBA**. It surprised markets by staying put at 3.6% in April, but Governor Lowe warned that it did not mean that increases were over. The Minutes also revealed that a rate hike was considered but the Board wanted to see more information on inflation, jobs, spending and business conditions. Since then, employment jumped by 53k and the jobless rate stayed just above record lows at 3.5%, household credit grew 8%, and the composite PMI hit a one-year high. Headline inflation in Q1 cooled from Q4's 32-year high of 7.8% but is still elevated at 7.0%, while services inflation accelerated to a 22-year high. Although markets expect the RBA to remain on hold, we look for one last move, either of the 25 bp or 15 bp variety on May 2.

Financial Markets Update for April 28, 2023

		Apr 28 [1]	Apr 21	Week Ago	4 Weeks Ago	Dec 31, 2022
					(basis point change)	
Canadian Money Market	Call Money	4.50	4.50	0	0	25
	Prime Rate	6.70	6.70	0	0	25
U.S. Money Market	Fed Funds (effective)	5.00	5.00	0	0	50
	Prime Rate	8.00	8.00	0	0	50
3-Month Rates	Canada	4.35	4.38	-3	1	12
	United States	5.11	5.02	10	42	77
	Japan	-0.18	-0.18	0	7	-1
	United Kingdom	4.50	4.59	-9	8	62
	Australia	3.68	3.68	0	-3	41
2-Year Bonds	Canada	3.68	3.73	-5	-5	-37
	United States	4.04	4.18	-15	1	-39
10-Year Bonds	Canada	2.88	2.94	-5	-1	-42
	United States	3.45	3.57	-13	-2	-43
	Japan	0.38	0.47	-8	6	-3
	Germany	2.33	2.48	-15	4	-24
	United Kingdom	3.72	3.76	-3	24	6
	Australia	3.34	3.46	-12	4	-71
Risk Indicators	VIX	16.4	16.8	-0.3 pts	-2.3 pts	-5.3 pts
	Inv. Grade CDS Spread [2]	77	76	1	1	-5
	High Yield CDS Spread [2]	475	470	5	12	-9
					(percent change)	
Currencies	US¢/C$	73.73	73.87	-0.2	-0.3	-0.1
	C$/US$	1.356	1.354	—	—	—
	¥/US$	136.15	134.16	1.5	2.5	3.8
	US$/€	1.1042	1.0986	0.5	1.9	3.1
	US$/£	1.257	1.243	1.1	1.9	4.0
	US¢/A$	66.10	66.92	-1.2	-1.1	-3.0
Commodities	CRB Futures Index	265.22	270.80	-2.1	-0.9	-4.5
	Oil (generic contract)	75.57	77.87	-3.0	-0.1	-5.8
	Natural Gas (generic contract)	2.40	2.41	-0.5	8.2	-46.4
	Gold (spot price)	1,994.45	1,983.06	0.6	1.3	9.3
Equities	S&P/TSX Composite	20,605	20,693	-0.4	2.5	6.3
	S&P 500	4,150	4,134	0.4	1.0	8.1
	Nasdaq	12,122	12,072	0.4	-0.8	15.8
	Dow Jones Industrial	33,882	33,809	0.2	1.8	2.2
	Nikkei	28,856	28,564	1.0	2.9	10.6
	Frankfurt DAX	15,895	15,882	0.1	1.7	14.2
	London FT100	7,859	7,914	-0.7	3.0	5.5
	France CAC40	7,482	7,577	-1.3	2.2	15.6
	S&P ASX 200	7,309	7,330	-0.3	1.8	3.8

[1] = as of 11:00 am *[2] = One day delay*

Global Calendar — May 1–May 5

China

Monday May 1

Manufacturing PMI		Nonmfg.
Apr. (e)	**51.4**	**57.0**
Mar.	51.9	58.2

Thursday May 4

Caixin Manufacturing PMI	
Apr. (e)	**50.3**
Mar.	50.0

Friday May 5

Caixin Services PMI		Composite
Apr. (e)	**57.3**	**n.a.**
Mar.	57.8	54.5

Japan

Monday May 1

Jibun Manufacturing PMI	
Apr. F (e)	**49.5**
Mar.	49.2

Consumer Confidence	
Apr. (e)	**34.8**
Mar.	33.9

Europe

Tuesday May 2

EURO AREA

Manufacturing PMI		
Apr. F (e)	**45.5**	
Mar.	47.3	

Adjusted Private Sector Credit		
Mar.		
Feb.	+4.3% y/y	

Consumer Price Index		
Apr. P (e)	**+0.7%**	**+7.0% y/y**
Mar.	+0.9%	+6.9% y/y

Core CPI	
Apr. P (e)	**+5.6% y/y**
Mar.	+5.7% y/y

GERMANY

Retail Sales		
Mar. (e)	**+0.4%**	**-6.5% y/y**
Feb.	-0.4%	-5.9% y/y

ITALY

Consumer Price Index		
Apr. P (e)	**+0.3%**	**+8.0% y/y**
Mar.	+0.8%	+8.1% y/y

UNITED KINGDOM

Manufacturing PMI	
Apr. F (e)	**46.6**
Mar.	47.9

Wednesday May 3

EURO AREA

Jobless Rate	
Mar. (e)	**6.6%**
Feb.	6.6%

ITALY

Jobless Rate	
Mar. (e)	**8.0%**
Feb.	8.0%

Thursday May 4

EURO AREA

Services PMI		Composite
Apr. F (e)	**56.6**	**54.4**
Mar.	55.0	53.7

Producer Price Index		
Mar. (e)	**-1.8%**	**+5.7% y/y**
Feb.	-0.5%	+13.2% y/y

8 :15 am ECB Monetary Policy Meeting (8:45 am Press Conference)

GERMANY

Trade Surplus	
Mar. (e)	**€16.0 bln**
Feb.	€16.1 bln

UNITED KINGDOM

Services PMI		Composite
Apr. F (e)	**54.9**	**53.9**
Mar.	52.9	52.2

Friday May 5

EURO AREA

Retail Sales		
Mar. (e)	**-0.2%**	**-3.1% y/y**
Feb.	-0.8%	-3.0% y/y

GERMANY

Factory Orders		
Mar. (e)	**-2.4%**	**-3.1% y/y**
Feb.	+4.8%	-5.7% y/y

FRANCE

Industrial Production		
Mar. (e)	**-0.5%**	**+1.1% y/y**
Feb.	+1.2%	+1.3% y/y

Manufacturing Production		
Mar.		
Feb.	+1.3%	+2.2% y/y

ITALY

Retail Sales		
Mar.		
Feb.	-0.1%	+5.8% y/y

Other

Tuesday May 2

AUSTRALIA

Reserve Bank of Australia Monetary Policy Meeting

Wednesday May 3

AUSTRALIA

Retail Sales	
Mar. (e)	**+0.3%**
Feb.	+0.2%

BRAZIL

Central Bank of Brazil Monetary Policy Meeting

Thursday May 4

AUSTRALIA

Trade Surplus	
Mar. (e)	**A$13.0 bln**
Feb.	A$13.9 bln

Friday May 5

AUSTRALIA

Reserve Bank of Australia Statement on Monetary Policy

D = date approximate

Upcoming Policy Meetings | Bank of England: May 11, June 22, Aug. 3 | European Central Bank: June 15, July 27, Sep 14

North American Calendar — May 1–May 5

Canada

Monday May 1	Tuesday May 2	Wednesday May 3	Thursday May 4	Friday May 5
9:30 am S&P Global Manufacturing PMI **Apr.** Mar. 48.6	**Auto Sales[D]** **Apr.** Mar. +3.7% y/y 11:15 am Cash management bond buybacks $0.5 bln		**8:30 am Merchandise Trade Balance** **Mar. (e) +$0.1 bln** *Consensus +$0.4 bln* Feb. +$0.4 bln **10:00 am Ivey PMI (s.a.)** **Apr.** Mar. 58.2 **12:50 pm BoC Governor Macklem discusses the economic outlook in a fireside chat at the Toronto Region Board of Trade** 2-year bond auction announcement	**8:30 am Employment** **Apr. (e) +0.1% (+20,000)** *Consensus +0.1% (+20,000)* Mar. +0.2% (+34,700) **8:30 am Unemployment Rate** **Apr. (e) 5.1%** *Consensus 5.1%* Mar. 5.0% **8:30 am Average Hourly Wages** **Apr. (e) +5.4% y/y** Mar. +5.3% y/y

United States

Monday May 1	Tuesday May 2	Wednesday May 3	Thursday May 4	Friday May 5
9:45 am S&P Global Mfg PMI (Apr. F) **10:00 am ISM Manufacturing PMI** **Apr. (e) 46.5** *Consensus 46.8* Mar. 46.3 **10:00 am Construction Spending** **Mar. (e) -0.3%** *Consensus +0.1%* Feb. -0.1% 11:30 am 13- & 26-week bill auctions $105 bln	**10:00 am Factory Orders** **Mar. (e) +1.5%** *Consensus +1.3%* Feb. -0.8% **10:00 am Job Openings & Labor Turnover Survey (Mar.)** **Autodata Total Vehicle Sales[D]** **Apr. (e) 15.5 mln a.r.** Mar. 14.9 mln a.r. **FOMC Meeting begins** 11:00 am 4-, 8- & 17-week bill auction announcements 11:30 am 21-day cash management bill auction $40 bln	**7:00 am MBA Mortgage Apps** **Apr. 28** Apr. 21 +3.7% **8:15 am ADP National Employment Report** **Apr. (e) +150,000** *Consensus +145,000* Mar. +145,000 **9:45 am S&P Global Services/ Composite PMI (Apr. F)** **10:00 am ISM Services PMI** **Apr. (e) 51.0** *Consensus 51.8* Mar. 51.2 **2:00 pm FOMC Announcement** **2:30 pm Fed Chair Powell's Press Briefing** 8:30 am 3- & 10-year note, 30-year bond auction and other quarterly refinancing announcements 11:30 am 17-week bill auction	**7:30 am Challenger Layoff Report** **Apr.** Mar. +319.4% y/y **8:30 am Initial Claims** **Apr. 29** Apr. 22 230k (-16k) **8:30 am Continuing Claims** **Apr. 22** Apr. 15 1,858k (-3k) **8:30 am Productivity / Unit Labour Costs** **Q1 P (e) -2.3% a.r. / +6.3% a.r.** *Consensus -0.1% a.r. / +4.0% a.r.* Q4 +1.7% a.r. / +3.2% a.r. **8:30 am Goods & Services Trade Deficit** **Mar. (e) $62.0 bln** *Consensus $63.5 bln* Feb. $70.5 bln **10:00 am Global Supply Chain Pressure Index** **Apr.** Mar. -1.06 11:00 am 13- & 26-week bill auction announcements 11:30 am 4- & 8-week bill auctions	**8:30 am Nonfarm Payrolls** **Apr. (e) +180,000** *Consensus +180,000* Mar. +236,000 **8:30 am Unemployment Rate** **Apr. (e) 3.6%** *Consensus 3.6%* Mar. 3.5% **8:30 am Average Hourly Earnings** **Apr. (e) +0.3% / +4.2% y/y** *Consensus +0.3% / +4.2% y/y* Mar. +0.3% / +4.2% y/y **3:00 pm Consumer Credit** **Mar. (e) +$16.5 bln** Feb. +$15.3 bln Fed Speakers: Governor Cook (1:00 pm); St. Louis' Bullard (1:00 pm)

[C] = consensus [D] = date approximate [R] = reopening

Upcoming Policy Meetings | Bank of Canada: June 7, July 12, Sep. 6 | FOMC: June 13-14, July 25-26, Sep. 19-20

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