

Central Bank DATES



ECONOMIC RESEARCH

BMO  **Capital Markets™**

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all dates are in local time

Monday	Tuesday	Wednesday	Thursday	Friday
		1	2	3
			 ECB  BoE Q2 Credit Conditions Survey  Riksbank Decision & Monetary Policy Report  SNB Monetary Policy Report  Iceland	 Indonesia
6	7	8	9	10
	 RBA	 BoE	 ECB Monthly Report  South Korea  Philippines	
13	14	15	16	17
	 BoJ	 FOMC Minutes from June 23-24  Thailand	 BoJ Monthly Report	 Mexico
20	21	22	23	24
	 BoC  RBA Minutes from July 7  BoJ Minutes from June 15-16  Brazil	 BoE Minutes from July 8-9	 BoC Monetary Policy Report Update	
27	28	29	30	31
 Hungary  Israel	 Poland	 FOMC Beige Book  Mexico Inflation Report  Malaysia	 RBNZ	

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CANADA

The Bank of Canada held rates at its 0.25% floor last month and maintained a conditional commitment to remain there until mid-2010. The statement specifically mentioned the Canadian dollar's substantial appreciation (in May) as a potential stumbling block to economic recovery. BoC Governor Carney also mentioned potential FX intervention in the intermeeting period. However, considering the loonie's recent pullback, currency intervention doesn't appear likely. Watch for an updated forecast in the MPR update, but little action on the policy front.

Official Rate: **0.25%** • Quantitative Easing: **No** • Last Decision: **June 4, unch** • Next Decision: **July 21, unch**


U.S.

The U.S. economy appears to be forming a bottom, though given the sluggish outlook the Fed expects to keep rates "exceptionally low" for an "extended period". The backup in Treasury yields into June had made increased QE more likely. However, yields have fallen back since, making any such move unlikely. Indeed, improving financial conditions prompted the Fed to scale back the size of the TAF and alter the conditions on some facilities.

Official Rate: **0%-to-0.25%** • Quantitative Easing: **Yes** • Last Decision **June 23-24, unch** • Next Decision: **August 11, unch**


ECB

Economic conditions are stabilizing in Europe, likely keeping the ECB sidelined into next year. The announcement of €60 bln in covered bond purchases, which will take place through mid-2010, will probably mark the ECB's only venture in non-conventional policy easing. The ECB also conducted its first 12-month refinancing in June, which saw a massive €442 lent out. Don't look for any new actions in July, with the Bank likely in wait-and-see mode for the rest of 2009.

Official Rate: **1.00%** • Quantitative Easing: **No** • Last Decision: **June 4, unch** • Next Decision: **July 2, unch**


U.K.

At its June meeting, the Bank of England acknowledged that conditions had improved, but also noted that confidence remains "fragile". The BoE's £125 Asset Purchase Facility (APF) will be completed by the August meeting at the current pace, perhaps pointing to another increase at this month's meeting. Along with boosting the APF limit (they will need Treasury's permission to go beyond £150 bln), the Bank might announce its intention to slow the pace of purchases, which would be the first step towards ending its foray into quantitative easing.

Official Rate: **0.50%** • Quantitative Easing: **Yes** • Last Decision: **June 3-4, unch** • Next Decision: **July 8-9, unch**


JAPAN

Following a record economic contraction at the turn of the year, it looks as though real GDP will grow in Q2. However, it will take a number of years for Japan's economy to return to recent peak activity levels. With deflation likely to persist at least through 2010, don't expect the Bank of Japan to pare back on its easing activity. Indeed, the BoJ is likely to be the last of the major central banks to tighten policy.

Official Rate: **0.10%** • Quantitative Easing: **Yes** • Last Decision: **June 15-16, unch** • Next Decision: **July 14-15, unch**


AUSTRALIA

With surprising growth in Q1 real GDP, Australia managed to avoid a technical recession. The ongoing slow, yet steady, improvement in the global outlook will likely keep the RBA on hold through at least the next few months. With Australia's economy outperforming most (if not all) developed economies, look for the RBA to be among the first central banks to start raising rates. However, with inflation slowing, there's room for further stimulus if conditions take a turn for the worse.

Official Rate: **3.00%** • Quantitative Easing: **No** • Last Decision: **June 2, unch** • Next Decision: **July 7, unch**












NEW ZEALAND

Improving global economic conditions will likely be enough to keep the RBNZ on hold for a second consecutive meeting. However, since "risks to activity remain weighted to the downside", the RBNZ expects "to keep the OCR (Official Cash Rate) at or below the current level through until the latter part of 2010." If necessary, slowing inflation leaves "room for further reductions in shorter-term lending rates."

Official Rate: **2.50%** • Quantitative Easing: **No** • Last Decision: **June 11, unch** • Next Decision: **July 30, unch**





































2009 RATE DECISIONS

 BANK OF CANADA			 BANK OF JAPAN			 RESERVE BANK OF NEW ZEALAND		
January 20	1.00%	-50 bps	January 21–22	0.10%	unch	January 28	3.50%	-150 bps
March 3	0.50%	-50 bps	February 18–19	0.10%	unch	March 12	3.00%	-50 bps
April 21	0.25%	-25 bps	March 17–18	0.10%	unch	April 30	2.50%	-50 bps
June 4	0.25%	unch	April 6–7	0.10%	unch	June 11	2.50%	unch
July 21			April 30	0.10%	unch	July 30		
September 10			May 21–22	0.10%	unch	September 10		
October 20			June 15–16	0.10%	unch	October 29		
December 8			July 14–15			December 10		
			August 10–11					
 FEDERAL RESERVE			September 16–17			 SWISS NATIONAL BANK		
January 27–28	0%-0.25%	unch	October 13–14			March 12	0%-0.75%	-25 bps
March 17	0%-0.25%	unch	October 30			June 18	0%-0.75%	unch
April 28–29	0%-0.25%	unch	November 19–20			September 17		
June 23–24	0%-0.25%	unch	December 17–18			December 10		
August 11			 EUROPEAN CENTRAL BANK			 RIKSBANK (SWEDEN)		
September 22			January 15	2.00%	-50 bps	February 11	1.00%	-100 bps
November 3–4			February 5	2.00%	unch	April 21	0.50%	-50 bps
December 15			March 5	1.50%	-50 bps	July 2		
			April 2	1.25%	-25 bps	September 3		
 BANK OF ENGLAND			May 7	1.00%	-25 bps	October 22		
January 7–8	1.50%	-50 bps	June 4	1.00%	unch	December 16		
February 4–5	1.00%	-50 bps	July 2					
March 4–5	0.50%	-50 bps	August 6			 NORGES BANK (NORWAY)		
April 8–9	0.50%	unch	September 3			February 4	2.50%	-50 bps
May 6–7	0.50%	unch	October 8			March 25	2.00%	-50 bps
June 3–4	0.50%	unch	November 5			May 6	1.50%	-50 bps
July 8–9			December 3			June 17	1.25%	-25 bps
August 5–6			 RESERVE BANK OF AUSTRALIA			August 12		
September 9–10			February 3	3.25%	-100 bps	September 23		
October 7–8			March 3	3.25%	unch	October 28		
November 4–5			April 7	3.00%	-25 bps	December 16		
December 10–11			May 5	3.00%	unch			
			June 2	3.00%	unch			
			July 7					
			August 4					
			September 1					
			October 6					
			November 3					
			December 1					



INFLATION WATCH

	Period	Inflation Rate (percent)	Current Policy Rate (percent)		Period	Inflation Rate (percent)	Current Policy Rate (percent)		
North America and Europe				Asia					
	Australia	Mar-2009	2.5	3.00		Hong Kong	May-2009	0.1	0.50
	Canada	May-2009	0.1	0.25		Indonesia	May-2009	6.0	7.00
	Eurozone	Jun-2009	-0.1	1.00		South Korea	May-2009	2.7	2.00
	Japan	May-2009	-1.1	0.10		Malaysia	May-2009	2.4	2.00
	New Zealand	Mar-2009	3.0	2.50		Pakistan	May-2009	14.4	14.00
	Norway	May-2009	3.0	1.25		Philippines	May-2009	3.3	4.25
	Sweden	May-2009	-0.5	0.50		Singapore	May-2009	-0.3	0.18
	Switzerland	May-2009	-1.0	0 - 0.75		Taiwan	May-2009	-0.1	1.25
	United Kingdom	May-2009	2.2	0.50		Thailand	May-2009	-3.3	1.25
	United States	May-2009	-1.3	0.13		Vietnam	Jun-2009	4.0	5.00
BRICs				Middle East and Africa					
	Brazil	May-2009	5.4	9.25		Saudi Arabia	May-2009	5.5	2.00
	Russia	May-2009	12.3	11.50		Turkey	May-2009	5.2	4.75
	India	Jun-2009	-1.1	4.75		South Africa	May-2009	8.3	7.50
	China	May-2009	-1.2	5.31					
Emerging Europe				Latin America					
	Czech Republic	May-2009	1.3	1.50		Chile	May-2009	3.0	0.75
	Hungary	May-2009	4.0	9.50		Colombia	May-2009	4.8	5.95
	Poland	May-2009	3.6	3.50		Mexico	May-2009	6.0	4.75
	Peru	May-2009	4.2	3.00					
Developed Countries			(last month)		Developing Countries			(last month)	
Average			0.7	0.9	Average			4.4	5.3
Median			0.0	0.2	Median			4.1	5.0