

Central Bank DATES



**ECONOMIC
RESEARCH**

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all dates are in local time

Monday	Tuesday	Wednesday	Thursday	Friday
1	2  RBA	3  Norges Bank	4  BoE  ECB  BoC Governor Carney Speaks Winnipeg  Indonesia	5  RBA Statement on Monetary Policy G7 Finance Ministers and Central Bankers meet in Iqaluit (Feb. 6-7)
8	9	10  BoE Quarterly Inflation Report	11  ECB Monthly Report  South Korea  Riksbank	12  BoC Governor Carney Speaks India (Feb. 13)
15	16  RBA Minutes from February 2	17  FOMC Minutes from January 26-27  BoE Minutes from February 3-4	18  BoC Review  BoJ	19  BoJ Monthly Report  Mexico
22  Hungary  Israel	23  BoJ Minutes from January 25-26	24  Poland	25	26

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CANADA

The Bank of Canada left its forecast relatively unchanged, with a strong loonie offsetting the upward revision to global growth, and maintained its commitment to hold rates steady until mid-2010. On the inflation front, the Bank remains confident that a wide output gap will keep inflation contained into 2011. However, if November's GDP strength persists, that gap could close faster than anticipated. Even so, expect little change in tone from the Bank at the March decision.

Official Rate: 0.25% • **Quantitative Easing: No** • **Last Decision: January 19, unch** • **Next Decision: March 2, unch**


U.S.

The FOMC slightly upgraded its outlook in January and announced a definitive end to the Term Auction Facility. With MBS/Agency debt purchases ending in March as well, the Fed continues to slowly withdraw liquidity. Indeed, rate hikes aren't likely to start until the second half of the year at the earliest. As long as the Fed believes that conditions "*warrant exceptionally low levels of the federal funds rate for an extended period*", rates are unlikely to change for at least six months.

Official Rate: 0% to 0.25% • **Quantitative Easing: Yes** • **Last Decision: January 26-27, unch** • **Next Decision: March 16, unch**


ECB

As the Euro area sluggishly emerges from recession, the ECB is cautiously moving towards exiting its unprecedented policy easing. Credit facilities are being pared, but rate hikes remain a 2010H2 story. Fiscal worries, centred in Greece, are likely a major concern for the central bank and other European officials. The coming necessary fiscal consolidation, not just in Greece, will act as a stiff headwind on growth. The weak recovery along with still-tame inflation and falling money supply will keep pressure off the ECB to tighten in the near term.

Official Rate: 1.00% • **Quantitative Easing: No** • **Last Decision: January 14, unch** • **Next Decision: February 4, unch**


U.K.

Armed with a new Inflation Report, this will be the BoE's first meaningful policy meeting in 3 months. With the economy emerging from recession, albeit at a disappointingly sluggish pace, and inflation perking up (even if only temporarily), we judge the Bank will hold rates and its Asset Purchase Facility steady, signalling a likely end to quantitative easing. However, look for the committee to keep open the option of increasing the Facility further in case the recovery derails or progresses at too tepid a pace.

Official Rate: 0.50% • **Quantitative Easing: Yes** • **Last Decision: January 6-7, unch** • **Next Decision: February 3-4, unch**


JAPAN

The Bank of Japan kept its economic assessment steady in January, though the forecast for inflation was revised up slightly. Even so, deflation is still projected to persist through 2011. There was some disappointment the BoJ didn't step up its attack on deflation by increasing quantitative easing. Unless economic momentum accelerates and becomes less dependent on policy stimulus, more easing remains a strong possibility.

Official Rate: 0.10% • **Quantitative Easing: Yes** • **Last Decision: January 25-26, unch** • **Next Decision: February 17-18, unch**


AUSTRALIA

Australia continues to outperform among developed economies, with the latest data showing solid job growth and slightly above-expected inflation in Q4. Indeed, underlying inflation is running slightly above the RBA's November forecast, which will be revised in this month's Monetary Policy Statement. We look for the RBA to hike another 25 bps in February, with rates continuing to trend higher throughout 2010 as Australia's economic strength persists.

Official Rate: 3.75% • **Quantitative Easing: No** • **Last Decision: December 1, +25 bps** • **Next Decision: February 2, +25 bps**












NEW ZEALAND

The RBNZ confirmed that little has changed since its December decision with a tepid recovery underway. The growth forecast continues to be driven by strength in emerging markets (specifically China) and Australia, and the resulting boost in commodity prices. The timeline for tightening remains "*the middle of 2010*" assuming the economic outlook unfolds as the Bank projects.

Official Rate: 2.50% • **Quantitative Easing: No** • **Last Decision: January 28, unch** • **Next Decision: March 11, unch**





































2010 RATE DECISIONS

 BANK OF CANADA January 19 0.25% unch March 2 April 20 June 1 July 20 September 8 October 19 December 7	 BANK OF JAPAN January 25–26 0.10% unch February 17–18 March 16–17 April 6–7 April 30 May 20–21 June 14–15 July 14–15 August 9–10 September 6–7 October 4–5 October 28 November 15–16 December 20–21	 RESERVE BANK OF NEW ZEALAND January 28 2.50% unch March 11 April 29 June 10 July 29 September 16 October 28 December 9
 FEDERAL RESERVE January 26–27 0%-0.25% unch March 16 April 27–28 June 22–23 August 10 September 21 November 2–3 December 14	 EUROPEAN CENTRAL BANK January 14 1.00% unch February 4 March 4 April 8 May 6 June 10 July 8 August 5 September 2 October 7 November 4 December 2	 SWISS NATIONAL BANK March 11 June 17 September 16 December 16
 BANK OF ENGLAND January 6–7 0.50% unch February 3–4 March 3–4 April 7–8 May 5–6 June 9–10 July 7–8 August 4–5 September 8–9 October 6–7 November 3–4 December 8–9	 RESERVE BANK OF AUSTRALIA February 2 March 2 April 6 May 4 June 1 July 6 August 3 September 7 October 5 November 2 December 7	 RIKSBANK (SWEDEN) February 11 April 20 July 2  NORGES BANK (NORWAY) February 3 March 24 May 5 June 23 August 11 September 22 October 27 December 15



INFLATION WATCH

	Period	Inflation Rate (percent)	Current Policy Rate (percent)		Period	Inflation Rate (percent)	Current Policy Rate (percent)		
North America and Europe				Asia					
	Australia	Dec-2009	2.1	3.75		Hong Kong	Dec-2009	1.3	0.50
	Canada	Dec-2009	1.3	0.25		Indonesia	Dec-2009	2.8	6.50
	Eurozone	Jan-2010	1.0	1.00		South Korea	Dec-2009	2.8	2.00
	Japan	Dec-2009	-1.7	0.10		Malaysia	Dec-2009	1.1	2.00
	New Zealand	Dec-2009	2.0	2.50		Pakistan	Dec-2009	10.5	12.50
	Norway	Dec-2009	2.0	1.75		Philippines	Dec-2009	4.4	4.00
	Sweden	Dec-2009	0.9	0.25		Singapore	Dec-2009	-0.1	0.31
	Switzerland	Dec-2009	0.3	0 - 0.75		Taiwan	Dec-2009	-0.2	1.25
	United Kingdom	Dec-2009	2.8	0.50		Thailand	Dec-2009	3.5	1.25
	United States	Dec-2009	2.7	0.13		Vietnam	Jan-2010	8.5	6.00
BRICs				Middle East and Africa					
	Brazil	Dec-2009	4.1	8.75		Saudi Arabia	Dec-2009	4.2	2.00
	Russia	Dec-2009	8.8	8.75		Turkey	Dec-2009	6.5	2.50
	India	Oct-2009	1.5	4.75		South Africa	Dec-2009	6.0	7.00
	China	Nov-2009	0.5	5.31					
Emerging Europe				Latin America					
	Czech Republic	Dec-2009	1.0	1.00		Chile	Dec-2009	-1.4	0.50
	Hungary	Dec-2009	5.6	6.00		Colombia	Dec-2009	2.0	3.50
	Poland	Dec-2009	3.5	3.50		Mexico	Dec-2009	3.6	4.50
	Peru	Dec-2009	0.2	1.25					
Developed Countries			(last month)		Developing Countries			(last month)	
Average Inflation Rate			1.2	0.6	Average Inflation Rate			3.9	3.5
Median Inflation Rate			1.3	0.8	Median Inflation Rate			3.5	3.4