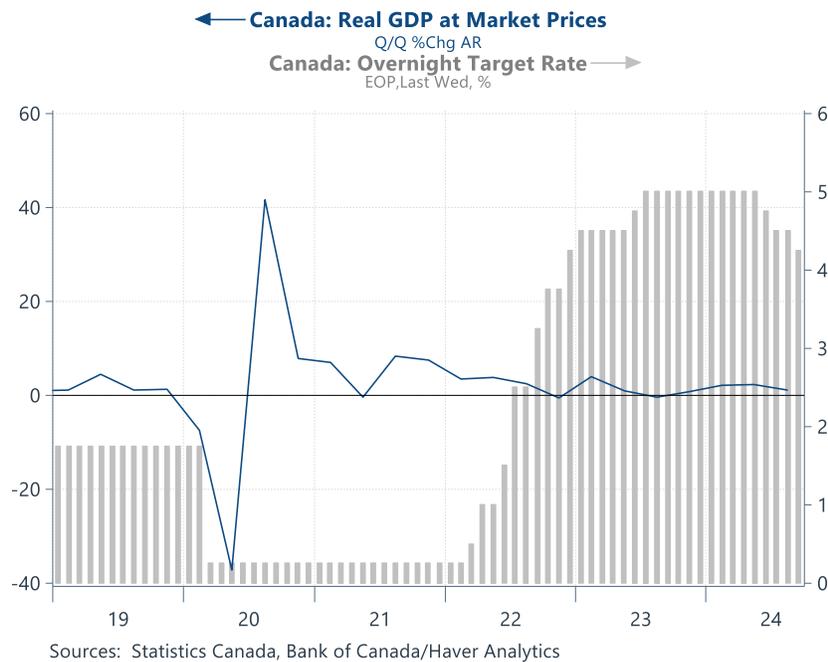


Attention will shift back to inflation in the US this week with the release of the November CPI data. October saw an uptick in price pressures, both in the CPI and PCE inflation measures. As a result, the US' disinflationary trend appears to have stalled, limiting the Federal Reserve's ability to significantly lower interest rates if progress on disinflation remains disrupted. Outside of the US, attention will also focus on the Bank of Canada's (BoC) rate decision on Wednesday. Expectations for another substantial rate cut have risen, particularly in light of Canada's underwhelming Q3 GDP performance.



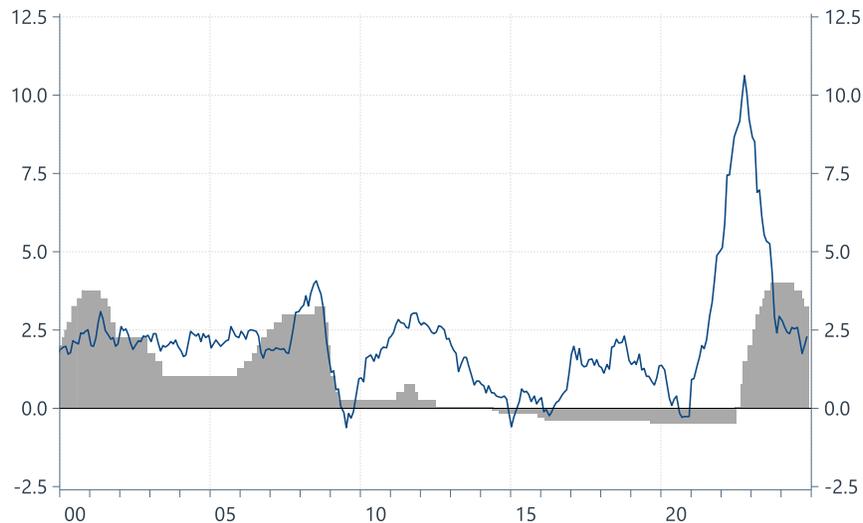
In Europe, all eyes will be on the ECB's final monetary policy decision of the year, with expectations for another rate cut. The focus now shifts to whether the ECB will opt for a 50 bps reduction rather than a 25 bps cut, as inflation in the Euro area appears to be under control, hovering around the 2% mark in recent months. This provides room for further easing if necessary. In addition to the ECB's decision, attention will also be given to industrial production data from the Euro area and the UK, as well as the UK's October GDP report.

EA 11-20: HICP Monetary Union: Index of Consumer Prices

% Change - Year to Year NSA, 2015=100

Euro Area 11-20: Deposit Rate

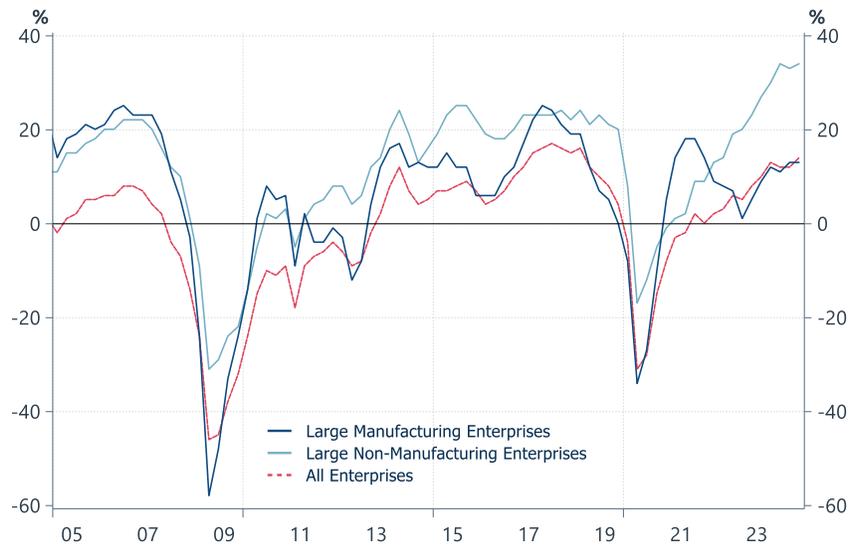
EOP, %



Sources: EUROSTAT, ECB/Haver

The focus this week will likely be on Japan and Australia in the Asia-Pacific region. In Japan, attention will be on the Q4 Tankan survey results, along with October data for industrial production and capacity utilization. Japanese businesses showed an improved outlook in Q3, driven by non-manufacturers, and observers will be watching to see if this positive sentiment can be sustained into the year's end. In Australia, the Reserve Bank (RBA) will meet on Tuesday to decide on monetary policy. Rate cuts are widely expected to be put on hold, as core inflation remains sticky and far from levels that would justify the start of an easing cycle. Instead, the RBA is likely to begin cutting rates mid-next year, with expectations for a shallow easing cycle.

Japan Tankan Survey Results (% Favorable - % Unfavorable)



Source: Bank of Japan/Haver Analytics