



## The Q4 Outlook

---

*December 7, 2018*

**Brett House**  
**Vice-President & Deputy Chief Economist**

 [@BrettEHouse](https://twitter.com/BrettEHouse)



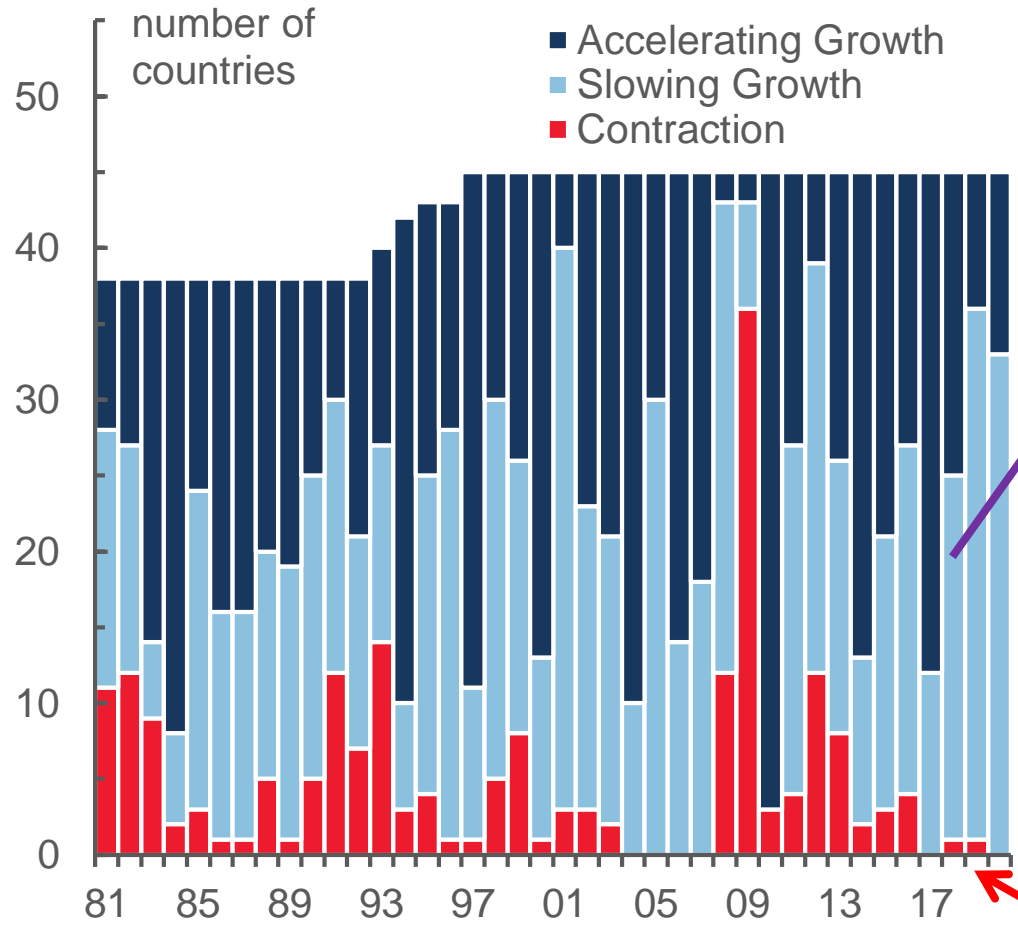
# Key Forces: Rising Rates, Volatility, Uncertainty, & Protectionism

1. **Global Growth Still Synchronized, but Slowing**
2. **Rising Policy Rates in North America**
3. **Ontario & Hamilton in Context**
4. **Trade: USMCA, Metals Tariffs, & China**



# OECD & Large EMs: Still Synchronized, but Slowing Growth

## OECD & Related EM Countries Growing in Sync



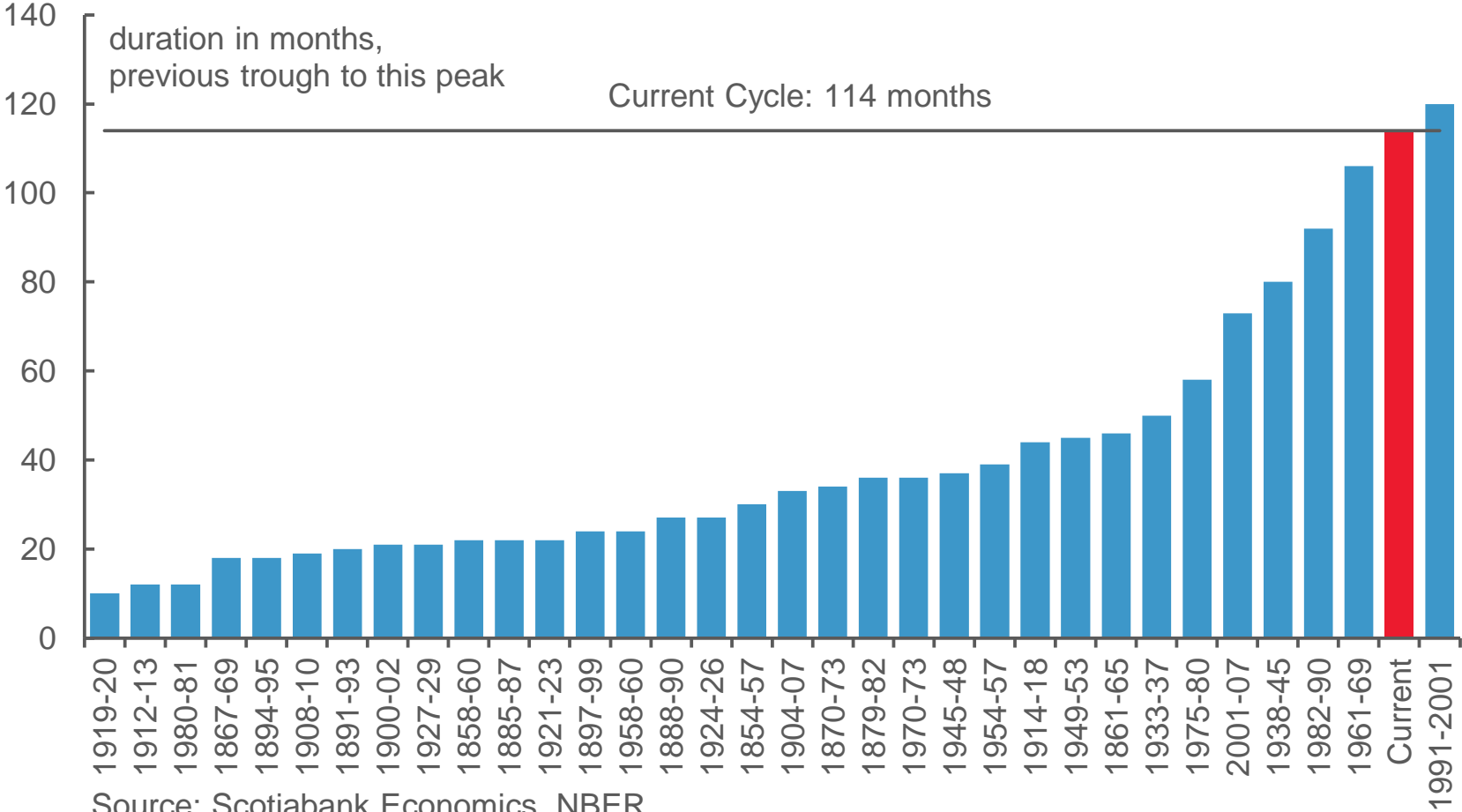
More major economies slowing than accelerating, but not heading into recession

Cry for Argentina

Sources: Scotiabank Economics, IMF.

# US Growth: Longest Expansion on Record After July

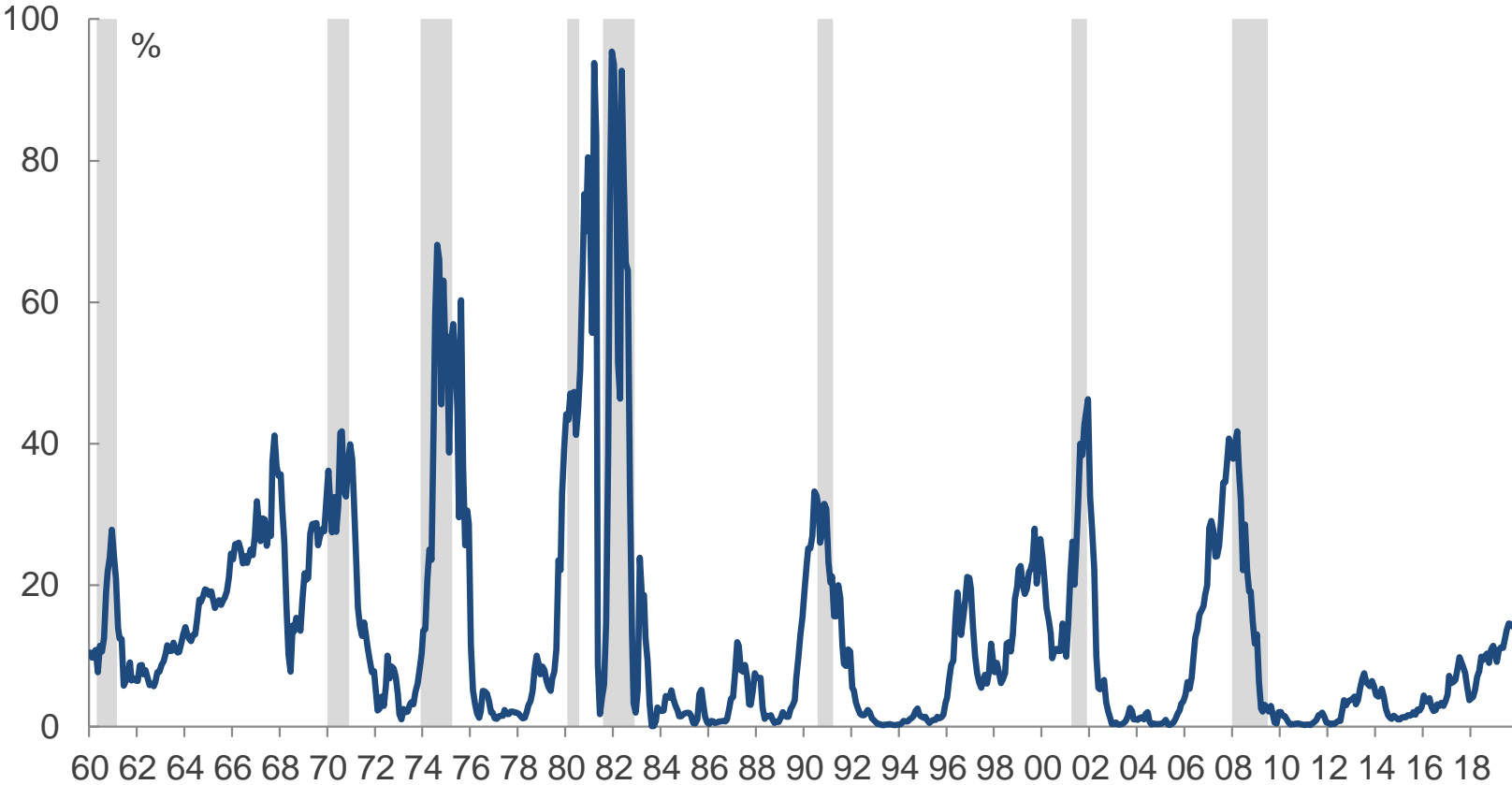
## US Expansion Periods



Source: Scotiabank Economics, NBER.

# US Economy: Probability of Recession Remains Low

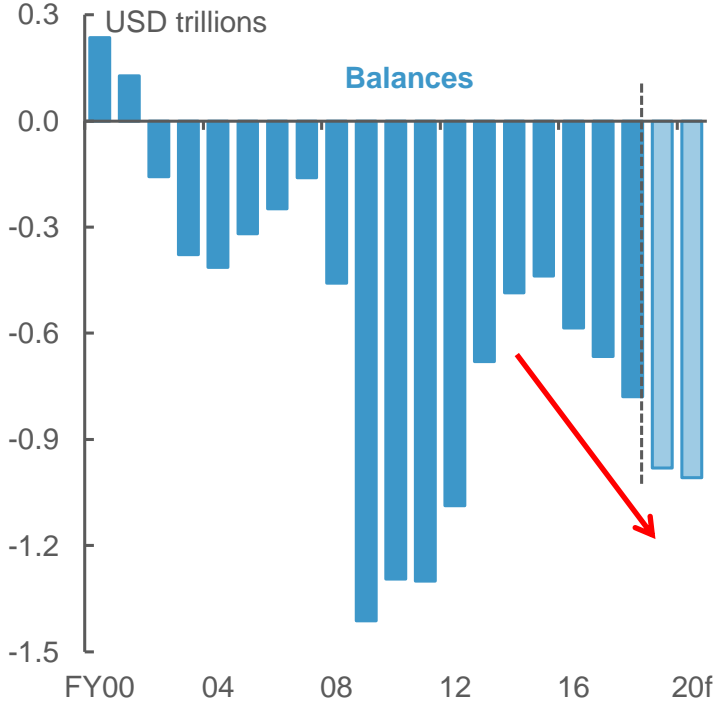
### Treasury-Spread Based US Recession Probability 12-mths Ahead



Sources: Scotiabank Economics, FRBNY. Shaded areas represent recession periods.

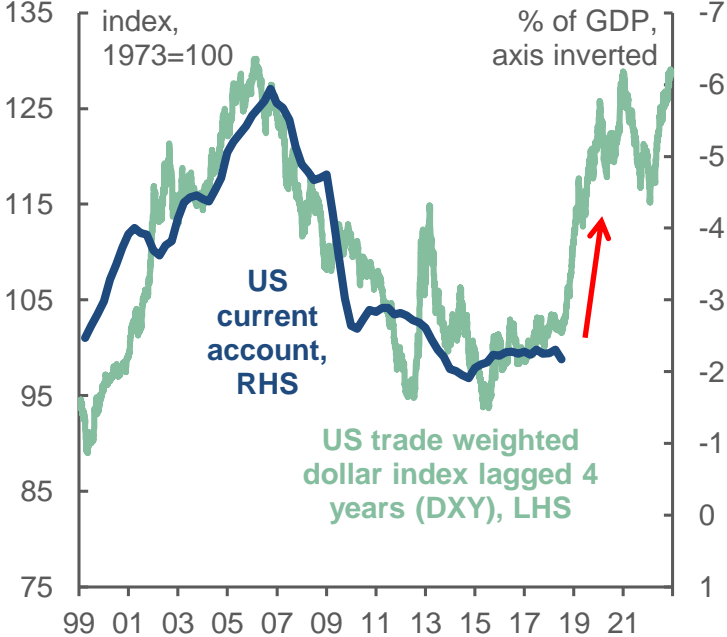
# US Trade Deficits: US Protectionism = Not Winning

**US Federal Deficit Widens**



Sources: Scotiabank Economics, CBO.

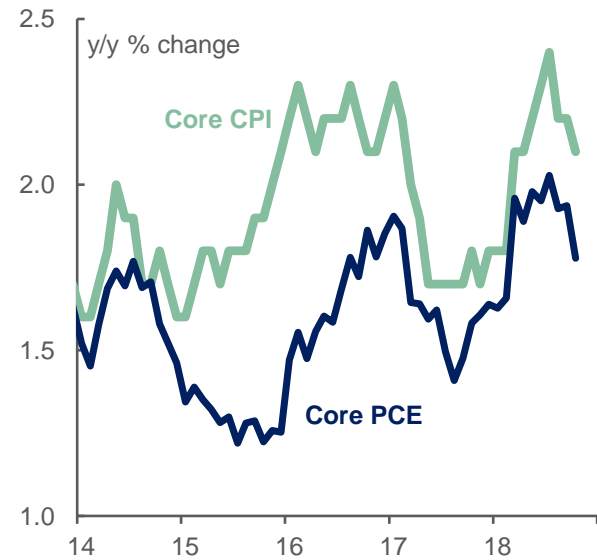
**US Current Account Deficit and US Trade-Weighted Dollar**



Source: Scotiabank Economics, Federal Reserve, Bloomberg.

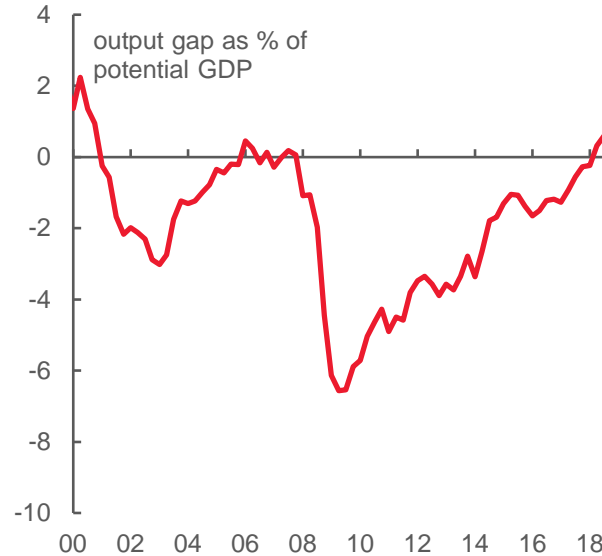
# US Fed: Supply-Side Tightness Points to Moderate US Rate Hikes

### Core PCE Following Core CPI Lower?



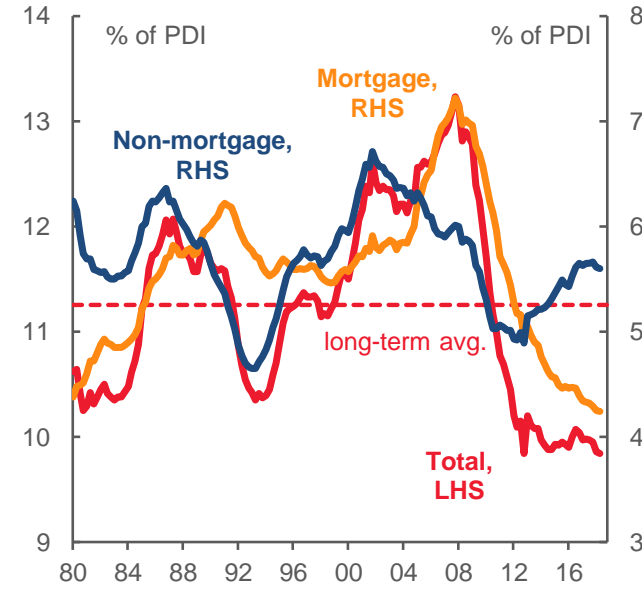
Sources: Scotiabank Economics, Bloomberg.

### US Excess Demand at a Two-Decade High



Sources: Scotiabank Economics, Congressional Budget Office.

### US Debt Service Ratio

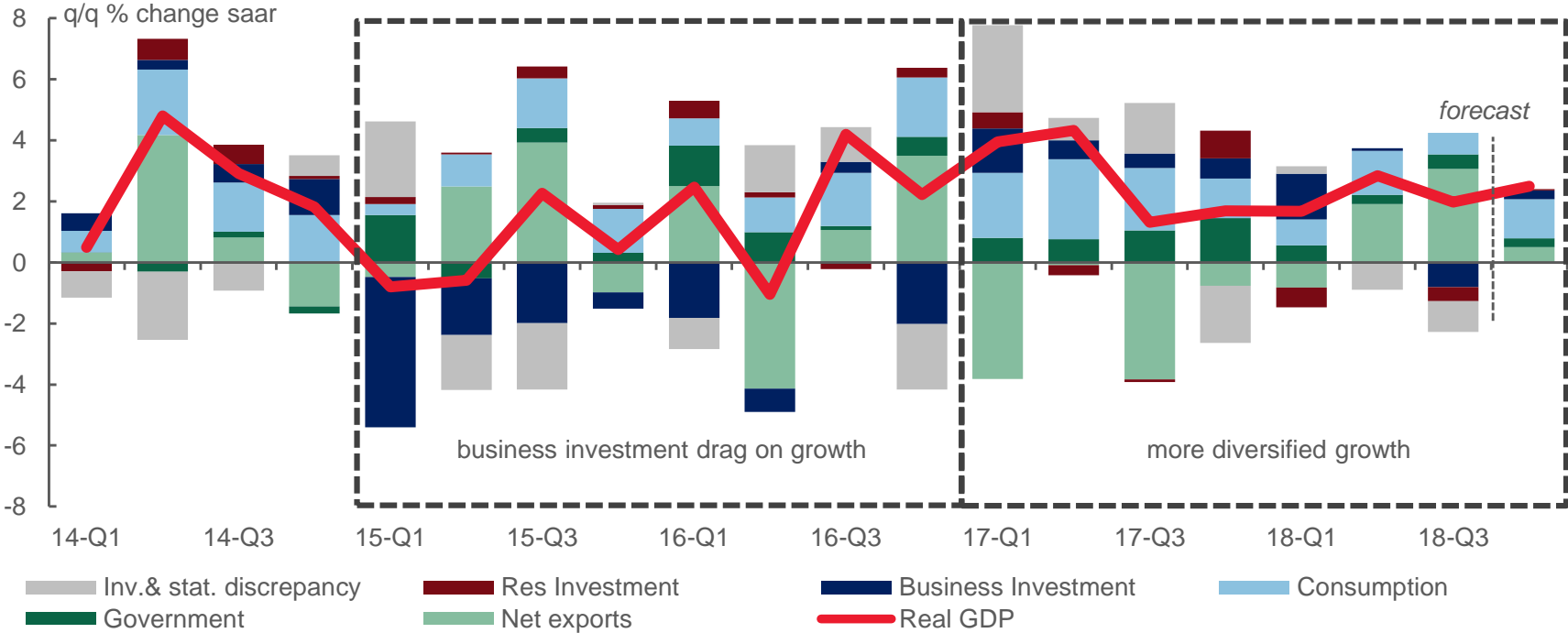


Sources: Scotiabank Economics, US Federal Reserve.



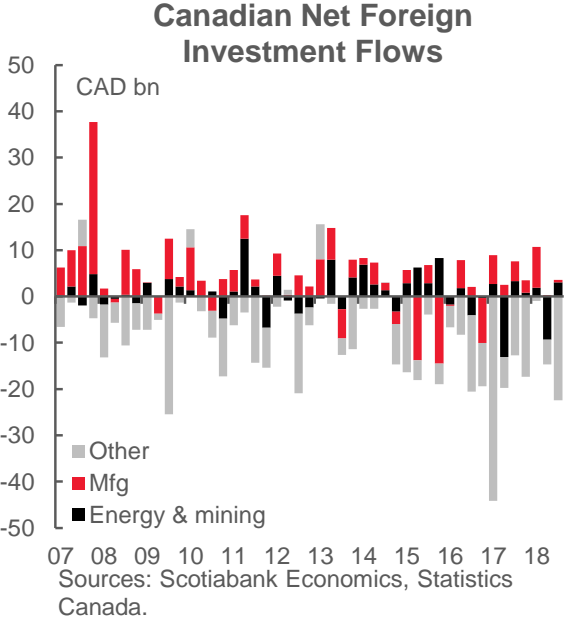
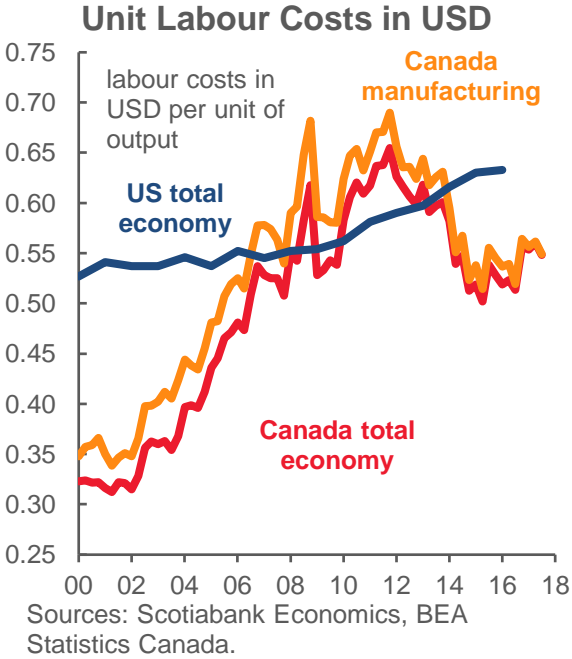
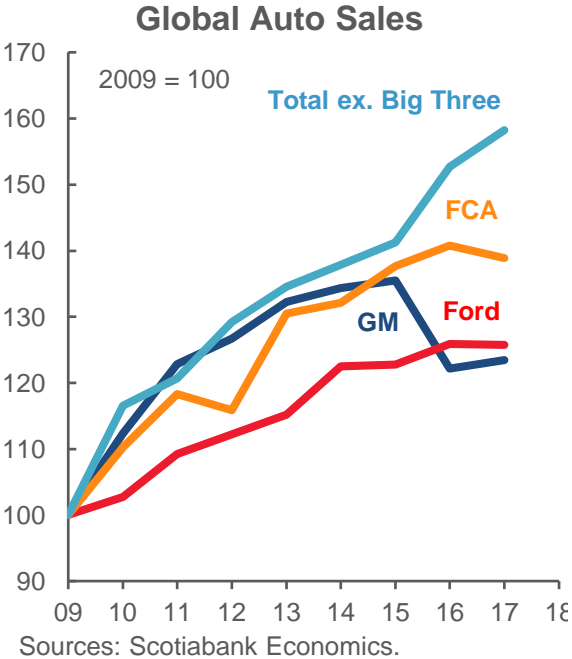
# Canadian Growth: Increasingly Diversified

Contribution to Canadian GDP Growth



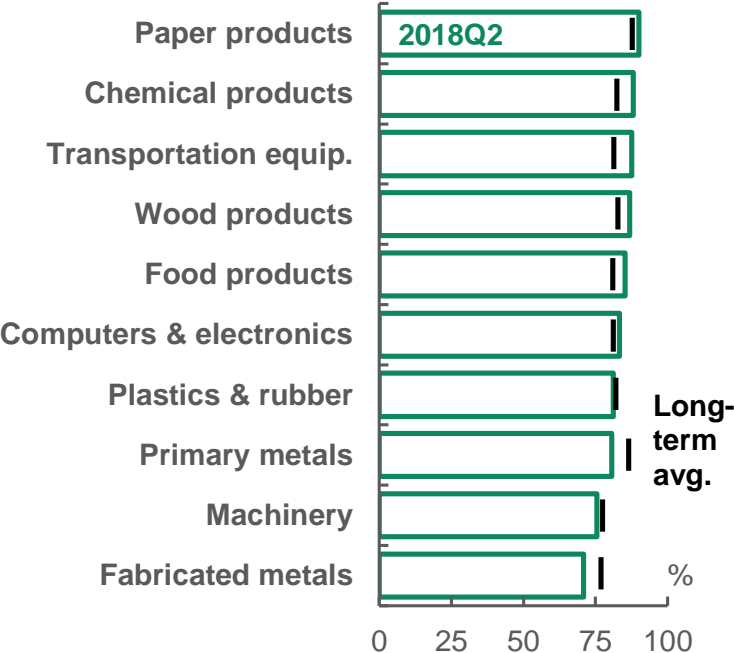
Sources: Scotiabank Economics, Statistics Canada.

# Competitiveness: Oshawa Isn't a Parable for Canada



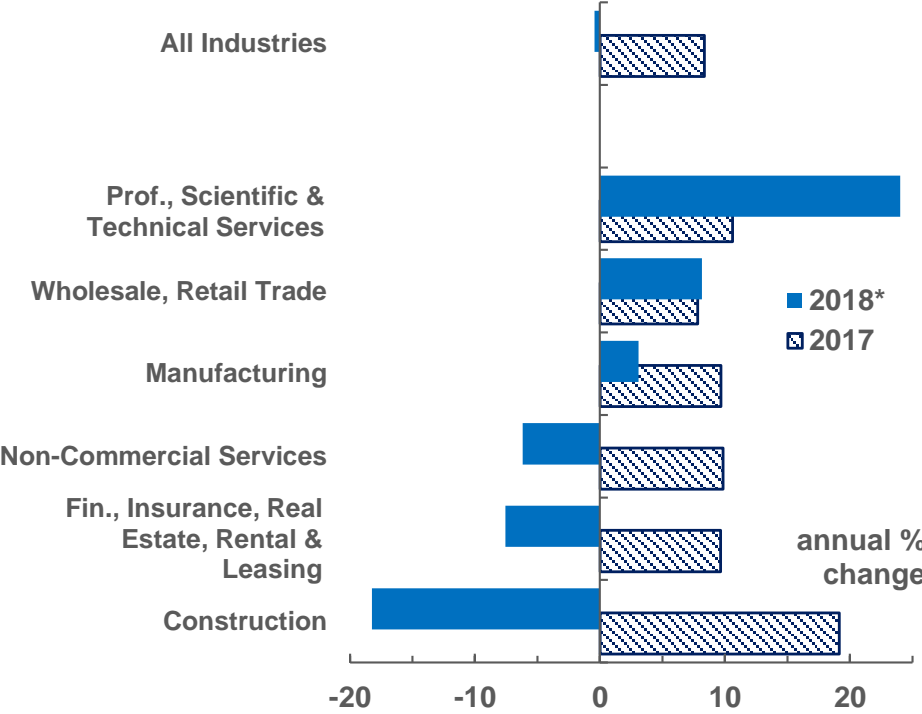
# Industry: Recent Performance

### Capacity Utilization Rates



Sources: Scotiabank Economics, Statistics Canada.

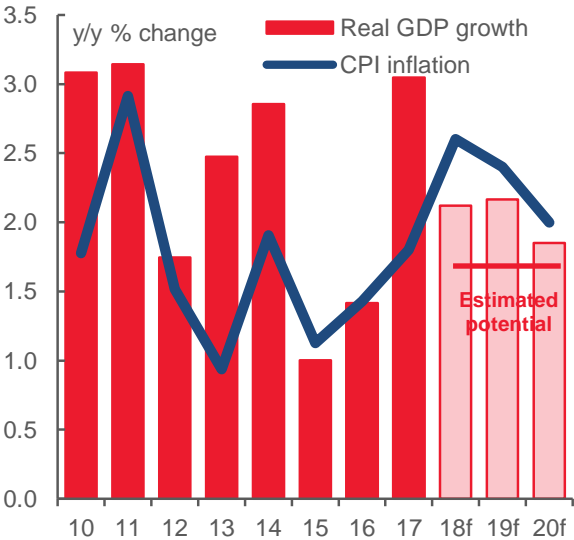
### Employment Gains Hold in A Number of Industries After Strong 2017



\* Jan.–Oct. Sources: Scotiabank Economics, Statistics Canada.

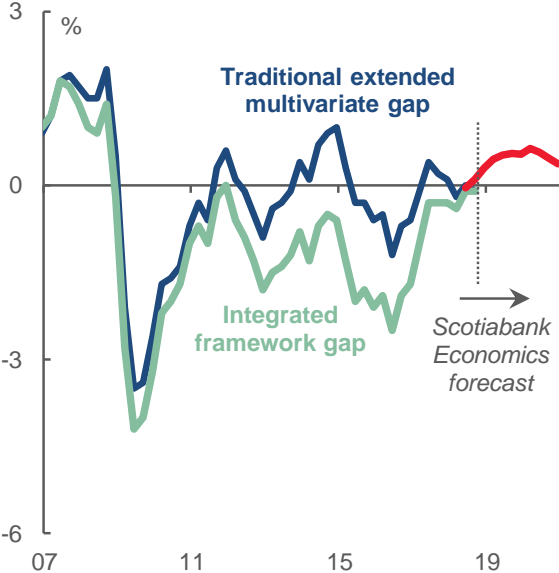
# Canada: Growth Above Potential, Some Inflationary Pressures

Canada's Growth Above Potential



Sources: Scotiabank Economics, Statistics Canada.

Canadian Output Gap



Sources: Scotiabank Economics, Bank of Canada.

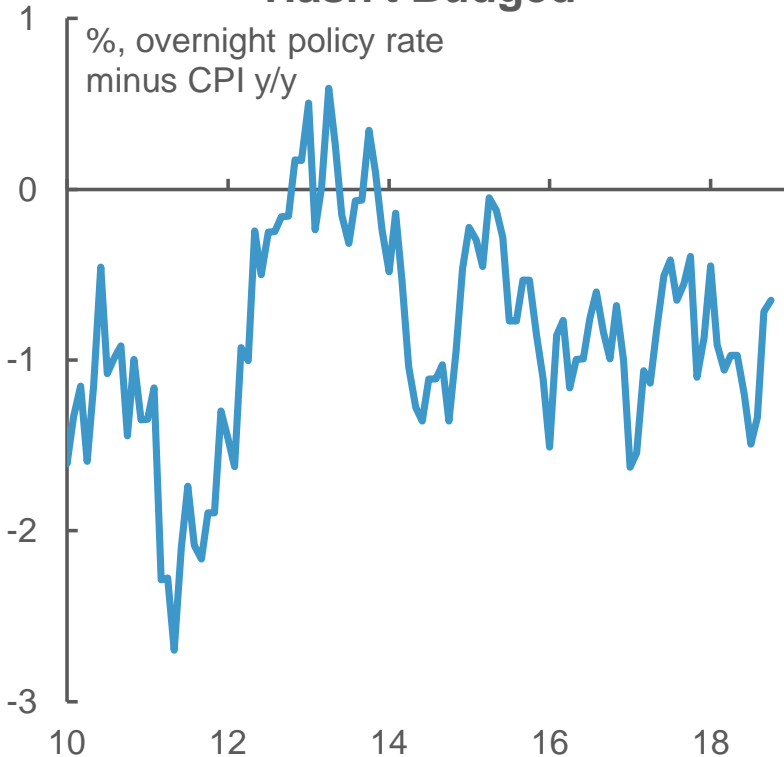
Average 'Core' Inflation



Sources: Scotiabank Economics, Statistics Canada.

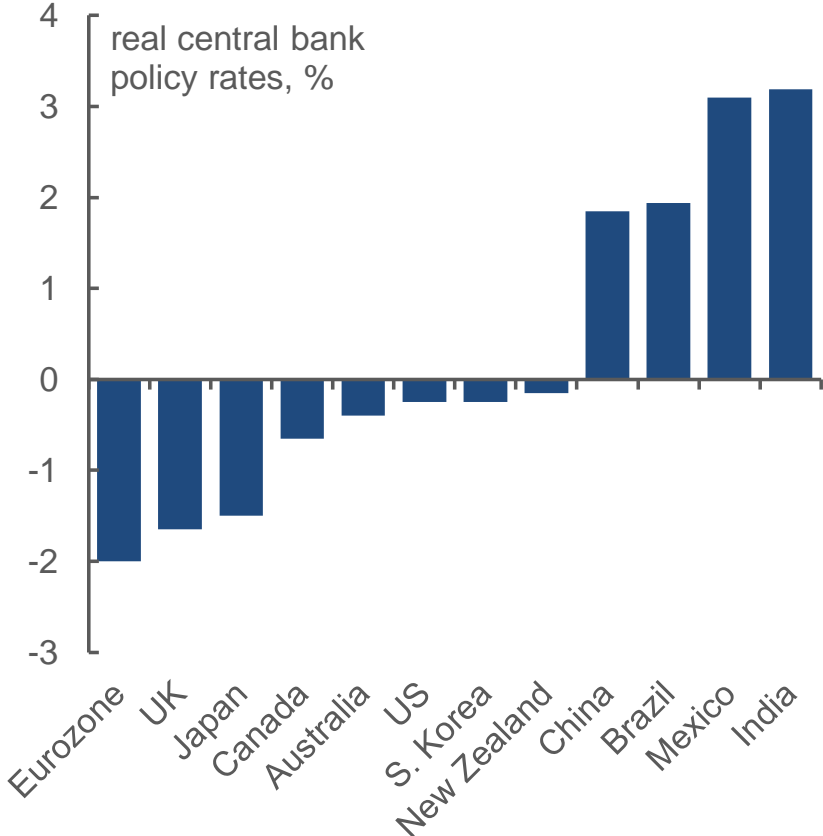
# Bank of Canada: Hasn't (Yet) Tightened in Real Terms

**BoC's Real Policy Rate  
Hasn't Budged**



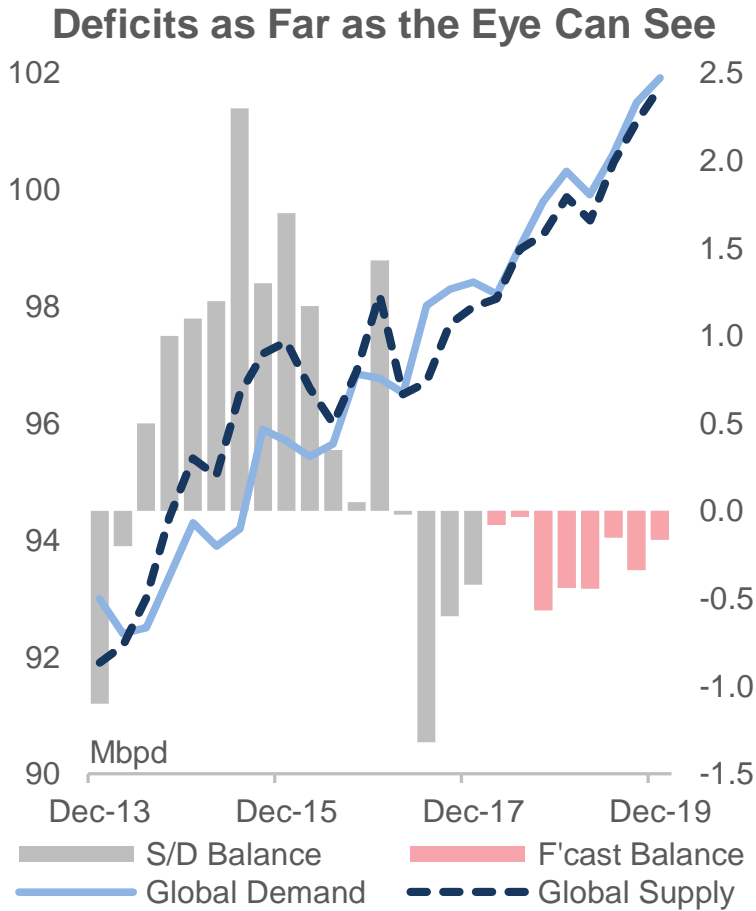
Sources: Scotiabank Economics, Bank of Canada, Statistics Canada.

**Easy Canadian Money**



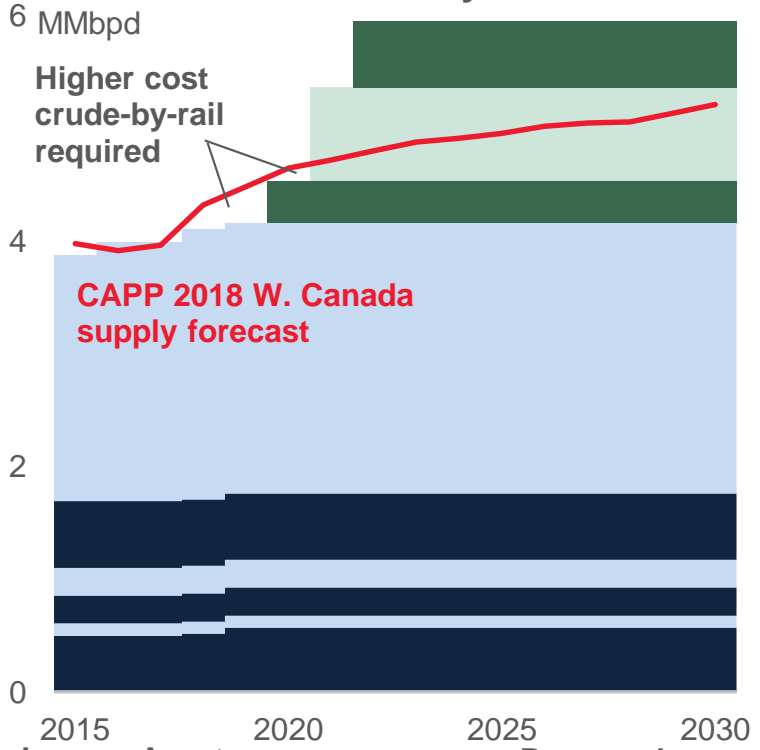
Sources: Scotiabank Economics, Bloomberg.

# Global Oil Prices: WTI to Stabilize; WCS Narrower, but Vulnerable



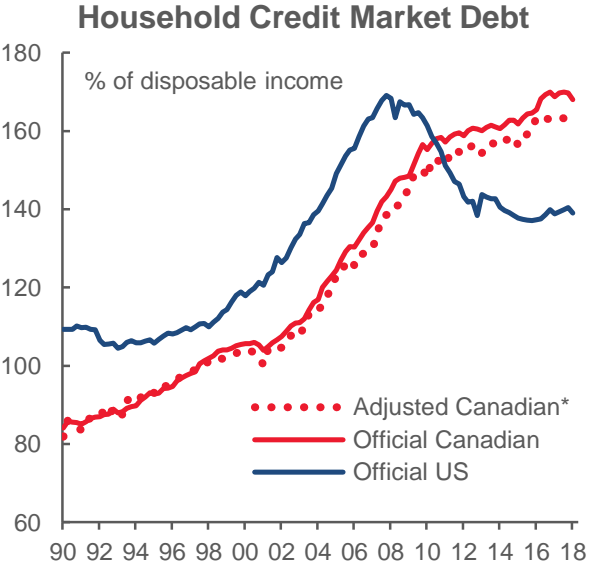
Sources: Scotiabank Economics, Scotiabank GBM, IEA, EIA, JODI, OPEC.

### TMEP Delay Expands Ups the Stakes for KXL in Early 2020s

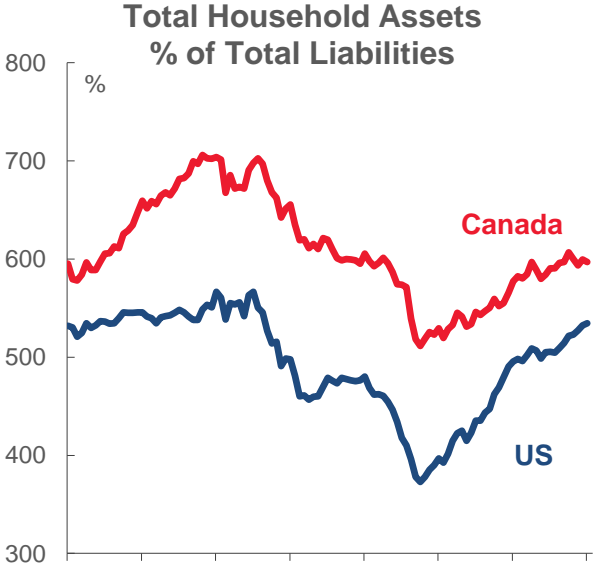


- | <u>Legacy Assets</u> |             | <u>Proposed</u> |
|----------------------|-------------|-----------------|
| 1. W. Cdn Refineries | 4. Express  | 7. Line 3       |
| 2. R & Milk River    | 5. Keystone | 8. KXL          |
| 3. Trans Mountain    | 6. Mainline | 9. TMEP         |
- Source: Scotiabank Economics, CAPP.

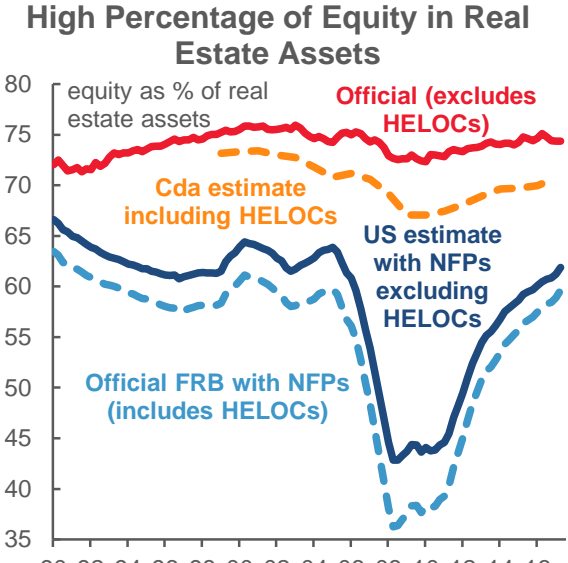
# Canada Debt: Balance Sheets Consistently Stronger than US



\* Adjusted for US concepts and definitions.  
 Sources: Scotiabank Economics, BEA, Federal Reserve Board, Statistics Canada.



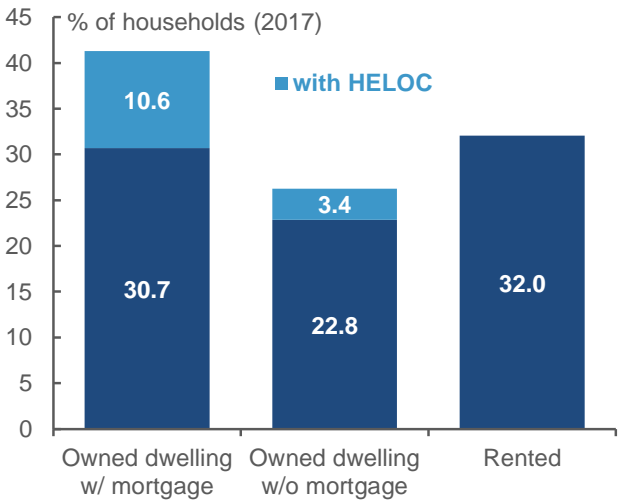
Sources: Scotiabank Economics, Statistics Canada, Federal Reserve Board.



Sources: Scotiabank Economics, OSFI, FCAC, Statistics Canada, Federal Reserve Board.

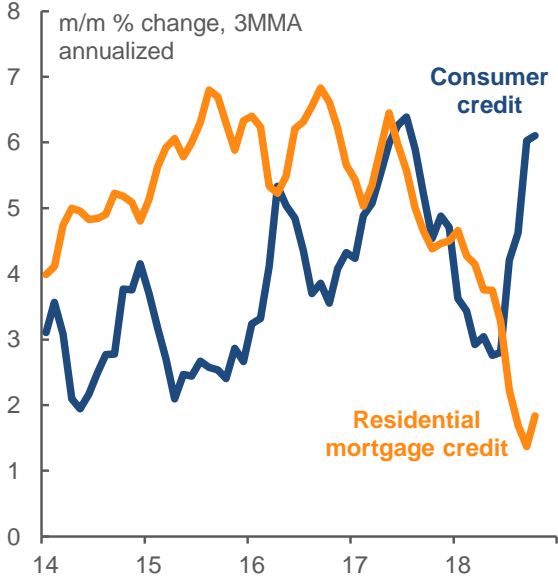
# Canada Housing: Housing Market Can Weather Higher Rates

## More than 50% of Households Do Not Have a Mortgage or HELOC



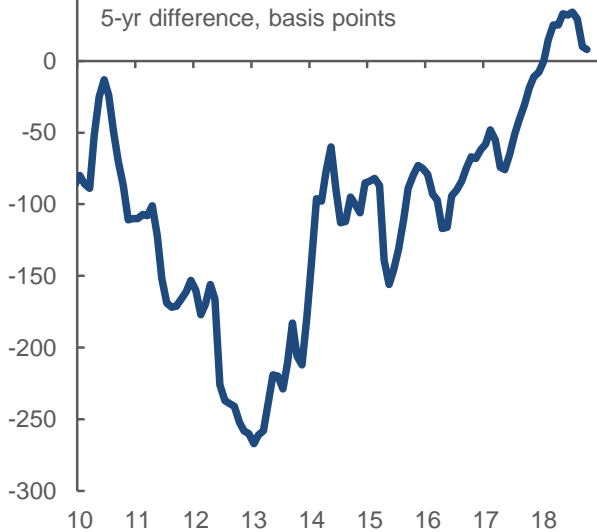
Sources: Scotiabank Economics, Mortgage Professionals Canada.

## Household Credit Growth



Sources: Scotiabank Economics, Bank of Canada.

## 5-yr Mortgage Rates Resetting Higher

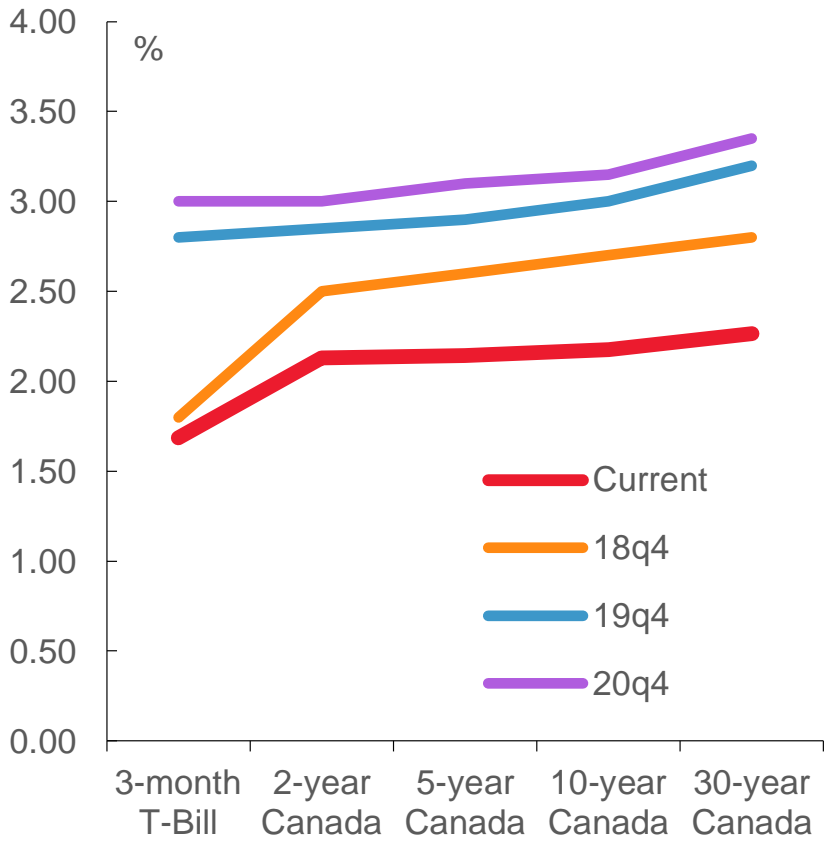


Sources: Scotiabank Economics, CMHC.



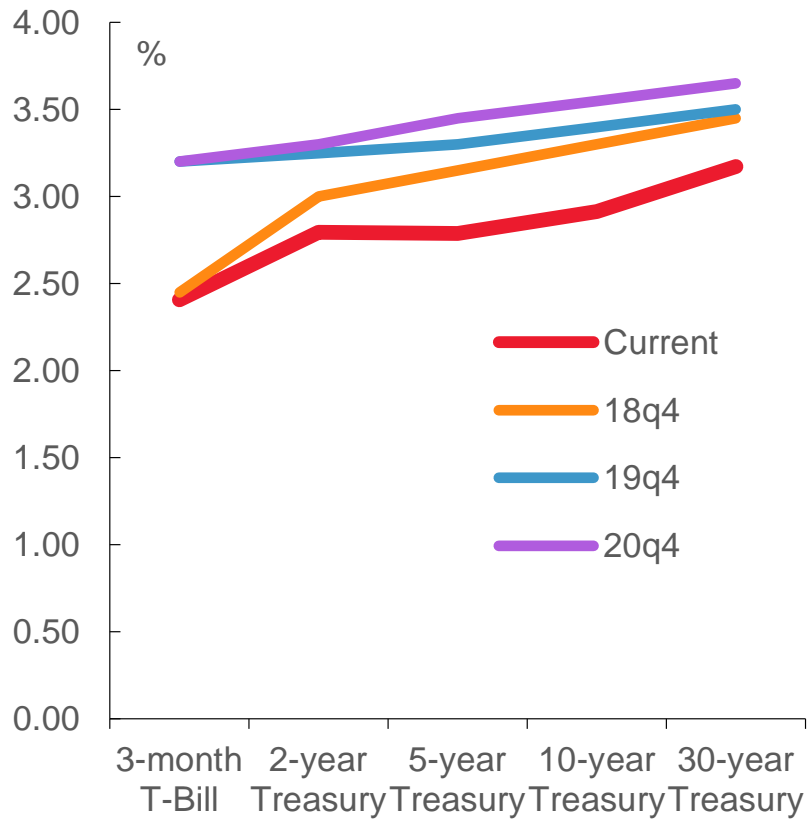
# Interest Rates: BoC ~ +125 bps & Fed +100 bps by Q1-2020

### Canada Yield Curve



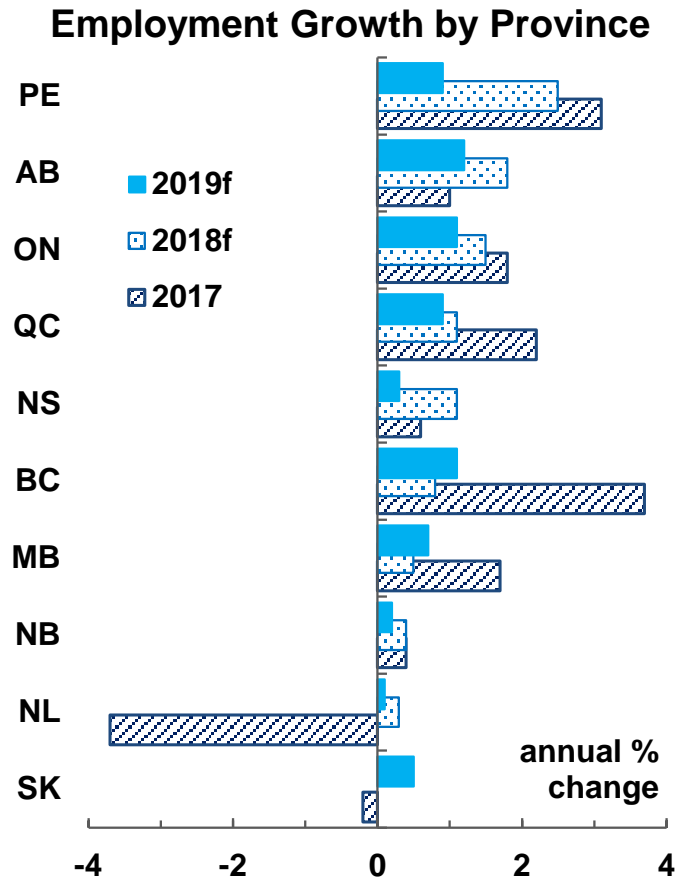
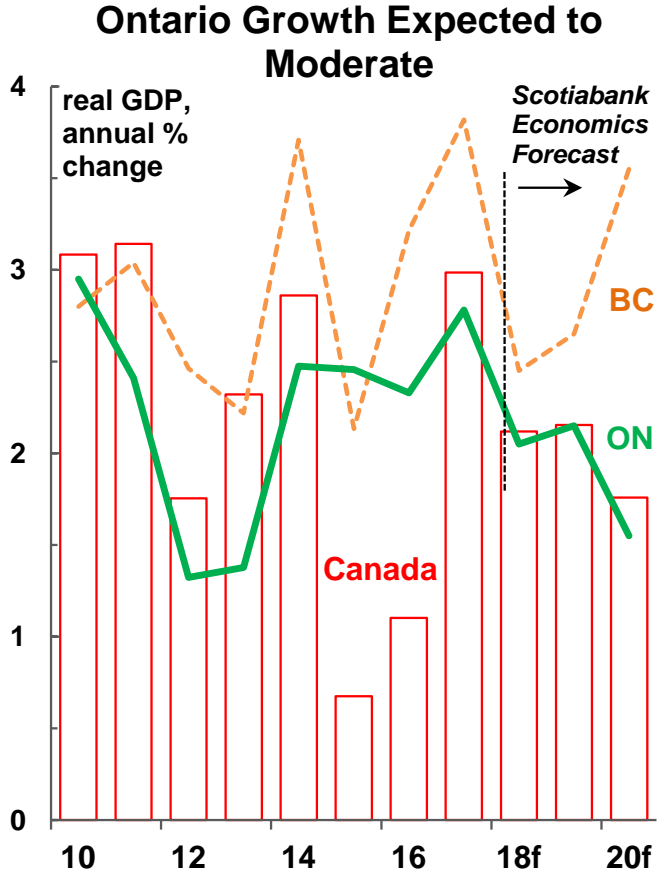
Source: Scotiabank Economics, Bloomberg.

### US Yield Curve



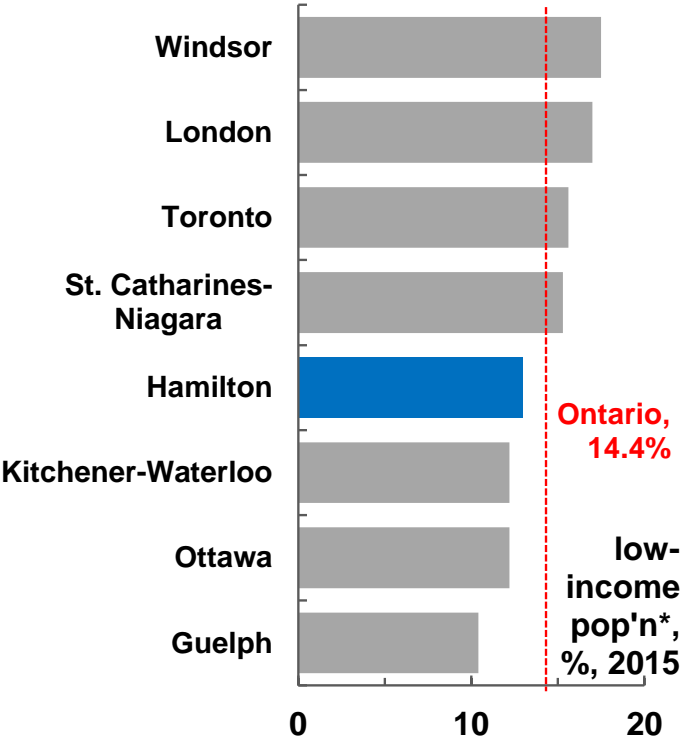
Sources: Scotiabank Economics, Bloomberg.

# Ontario Outlook: Middle of the Provincial Pack



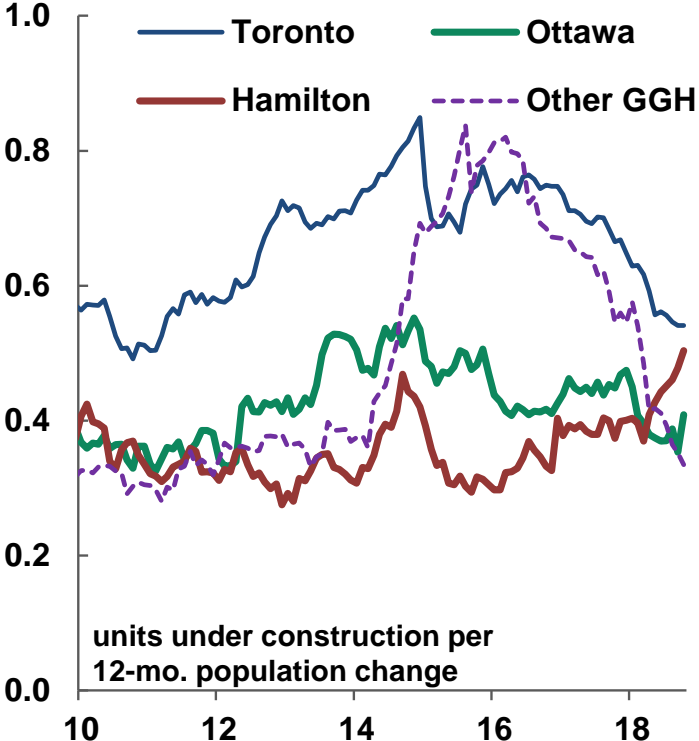
# Ontario Fall Fiscal Review: Low-Income Tax Credit & Homebuilding

Hamilton Likely Less Affected by LIFT



\* Based on Low-Income Measure, After-Tax. Sources: Scotiabank Economics, Statistics Canada: *Census of Population*.

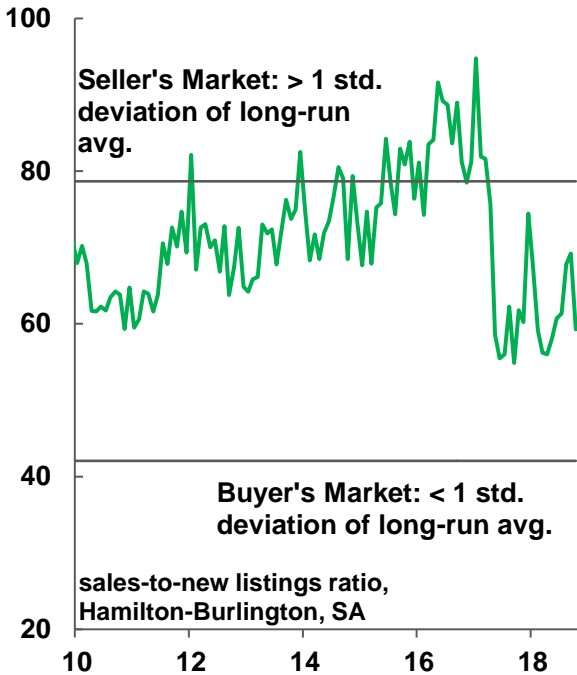
Efforts to Boost Homebuilding Welcome in Hamilton



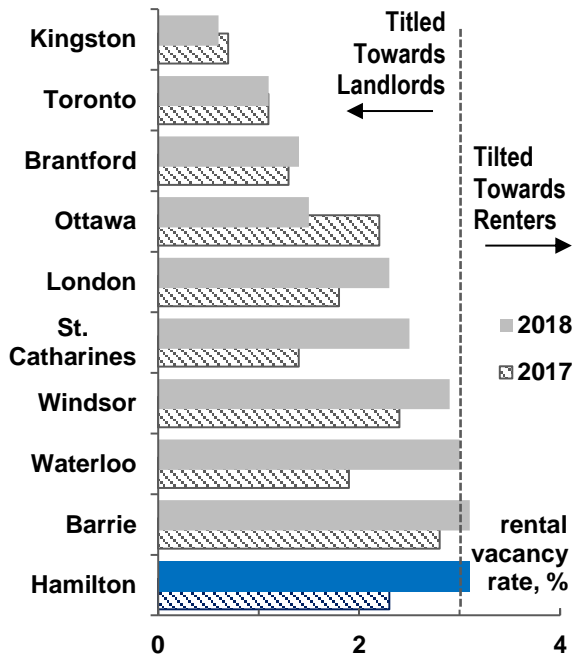
Sources: Scotiabank Economics, CMHC, Statistics Canada.

# Hamilton Housing: Broadly Balanced

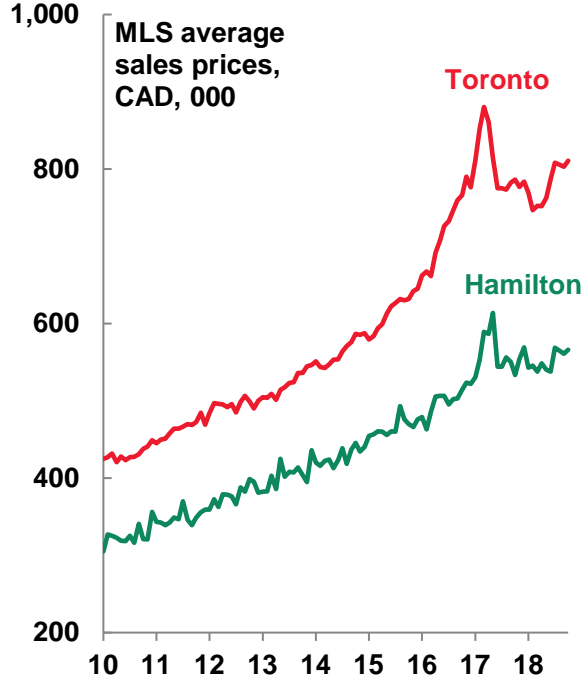
**Balanced Market Conditions...**



**...Across Multiple Indicators...**



**...With Home Prices Stabilizing After 2016-17 Run-Up**



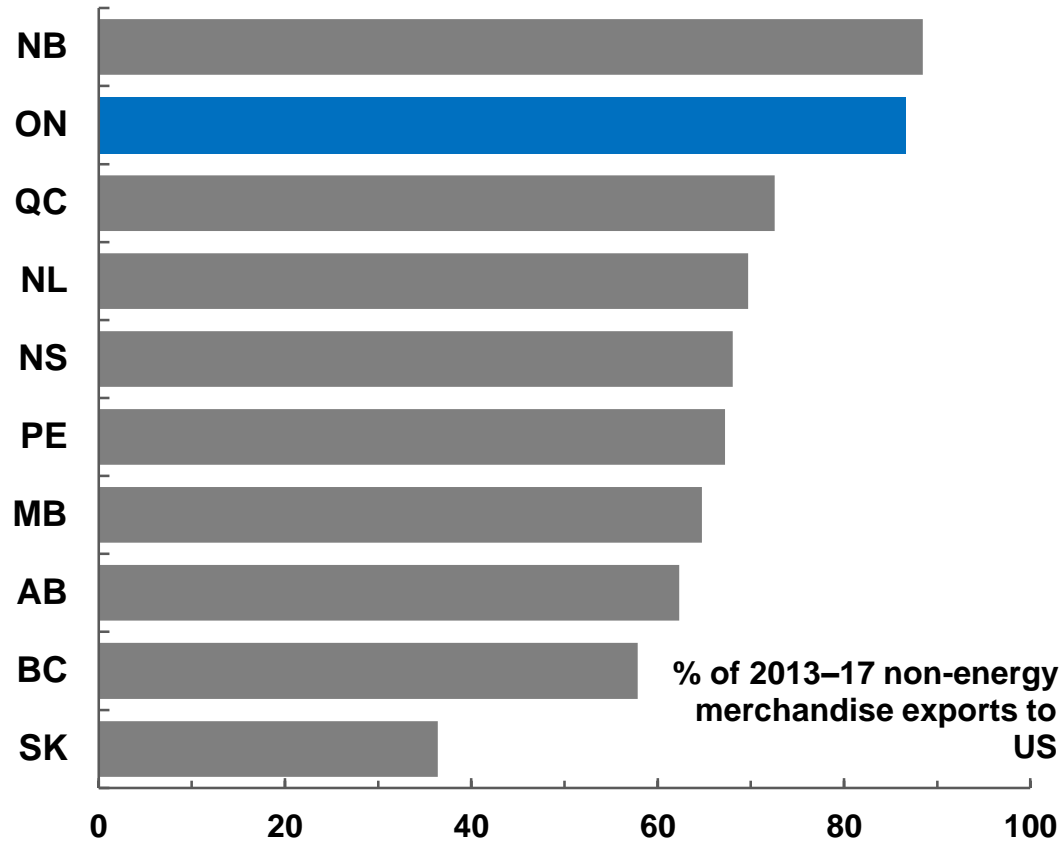
**U**nexpectedly  
**S**table  
**M**ajor  
**C**oncessions  
**A**voided

- Autos
- Sunset clause
- Dispute settlement
- Supply management
- Government procurement
- IP



# Ontario: Dependent on NAFTA / CUSMA

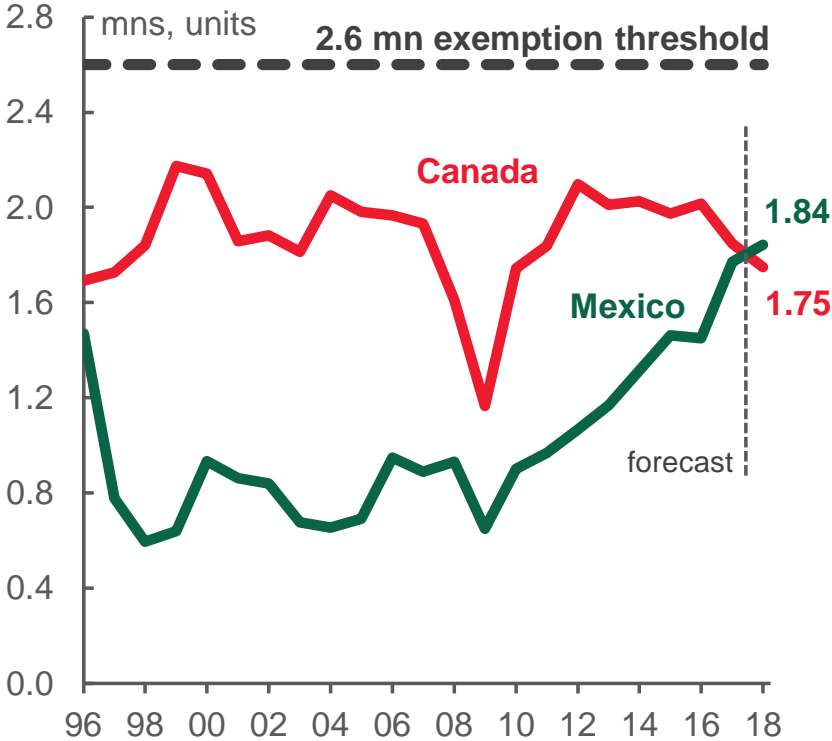
## USMCA Averts Significant Downside



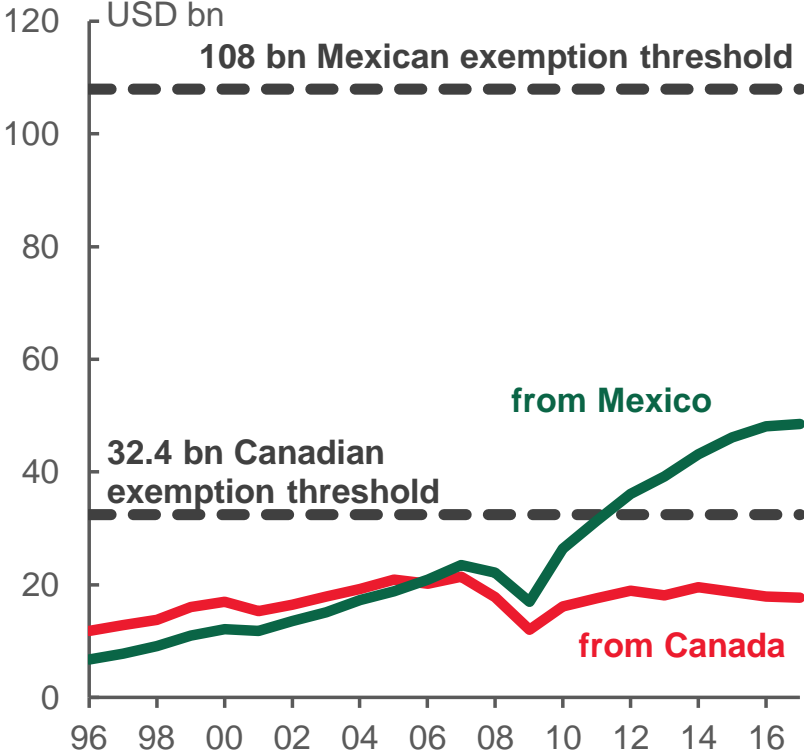
Sources: Scotiabank Economics, Industry Canada.

# Autos: Tariff-Free Access Under Quota for Foreseeable Future

### US Imports of Passenger Vehicles from North America



### US Motor Vehicle Parts Imports from North America

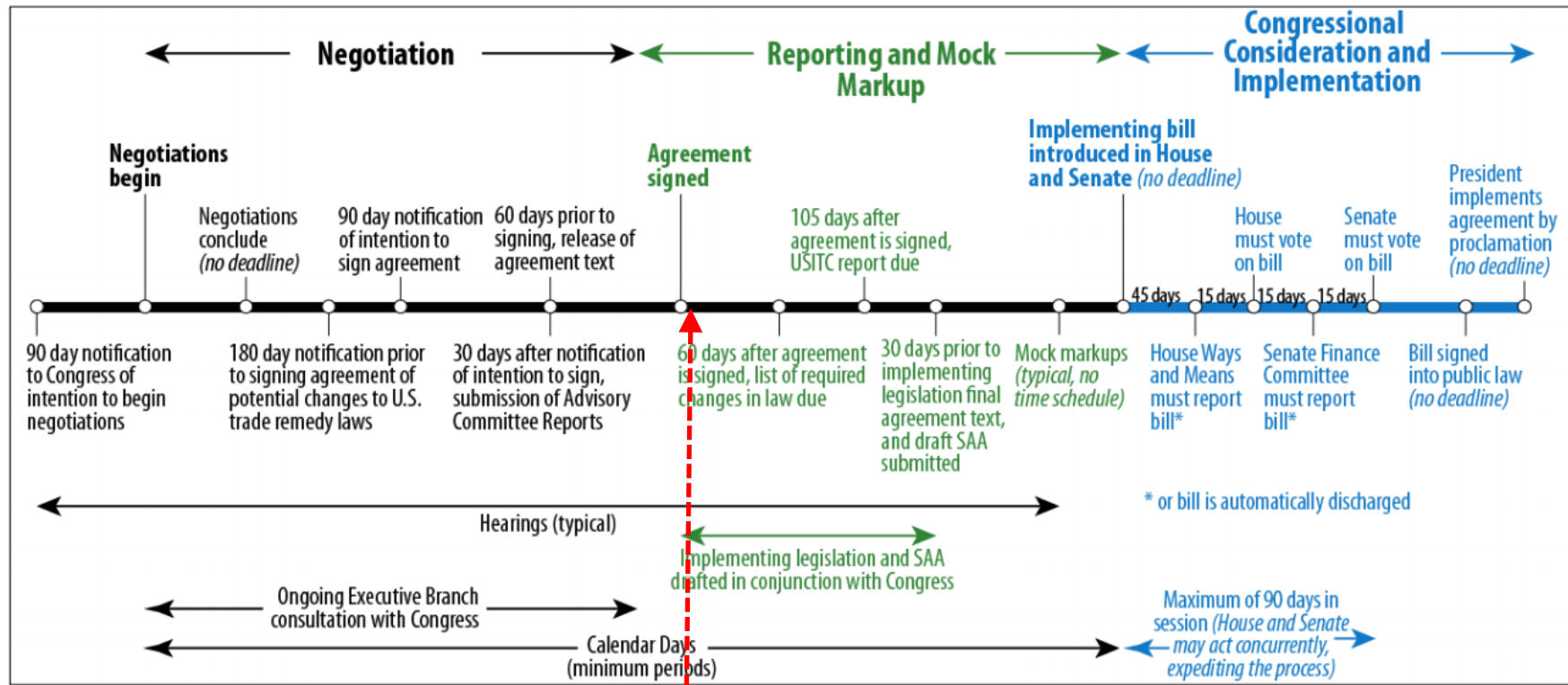


Sources: Scotiabank Economics, US ITC.

Sources: Scotiabank Economics, US ITC.

- Mexico also gets temporary exemption on 1.6 mn vehicles compliant with original NAFTA rules of origin.

# Ratification: Not Before Mid-2019 in the US



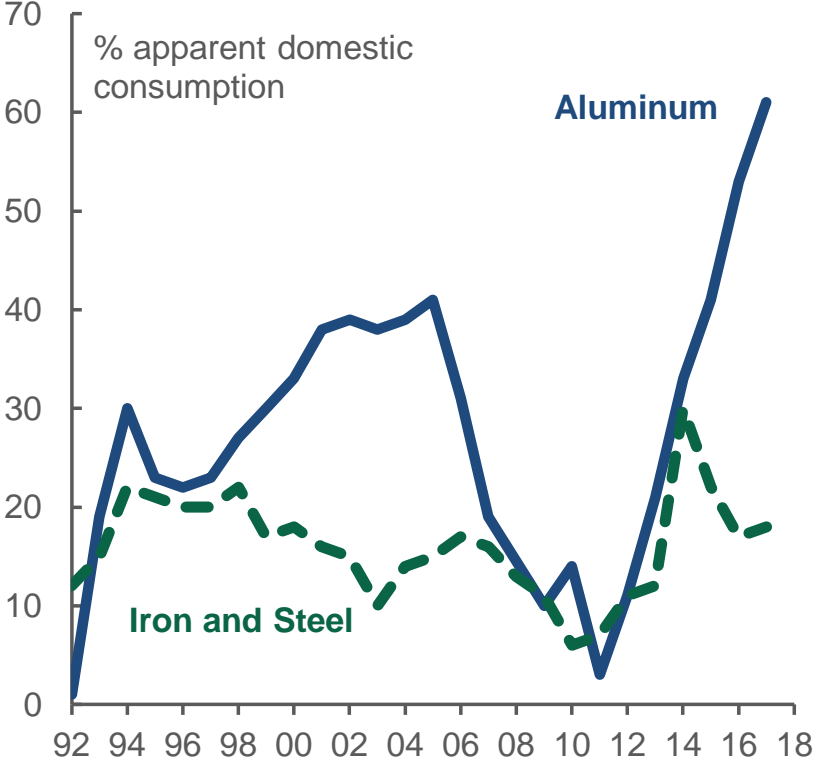
Source: CRS.

We are here



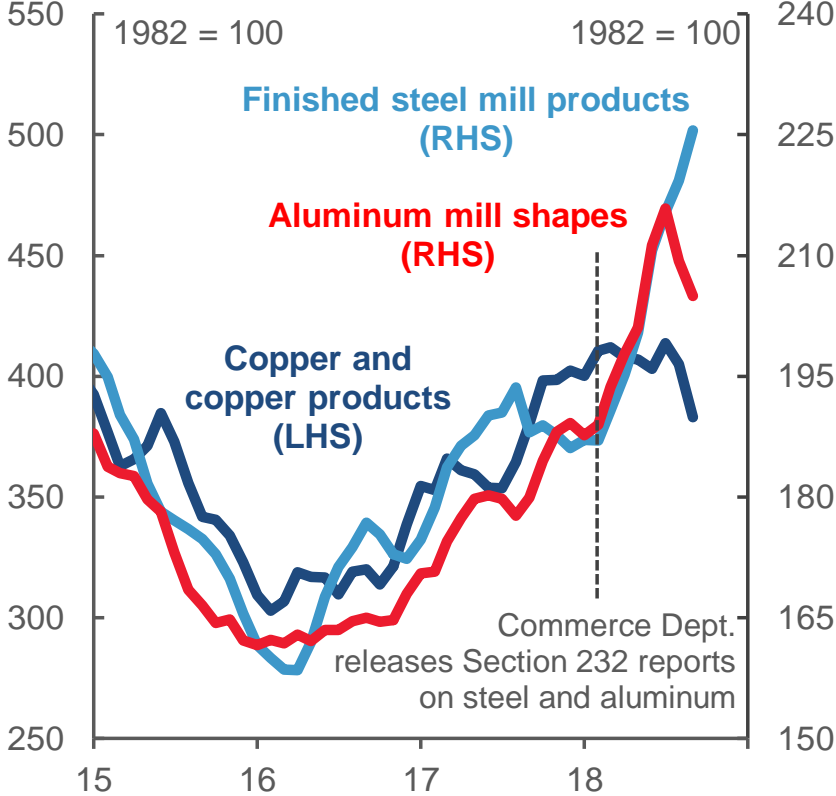
# US Sec. 232 Tariffs: US Relies on Steel & Aluminum Imports

### US Net Import Reliance on Aluminum and Steel



Sources: Scotiabank Economics, USGS.

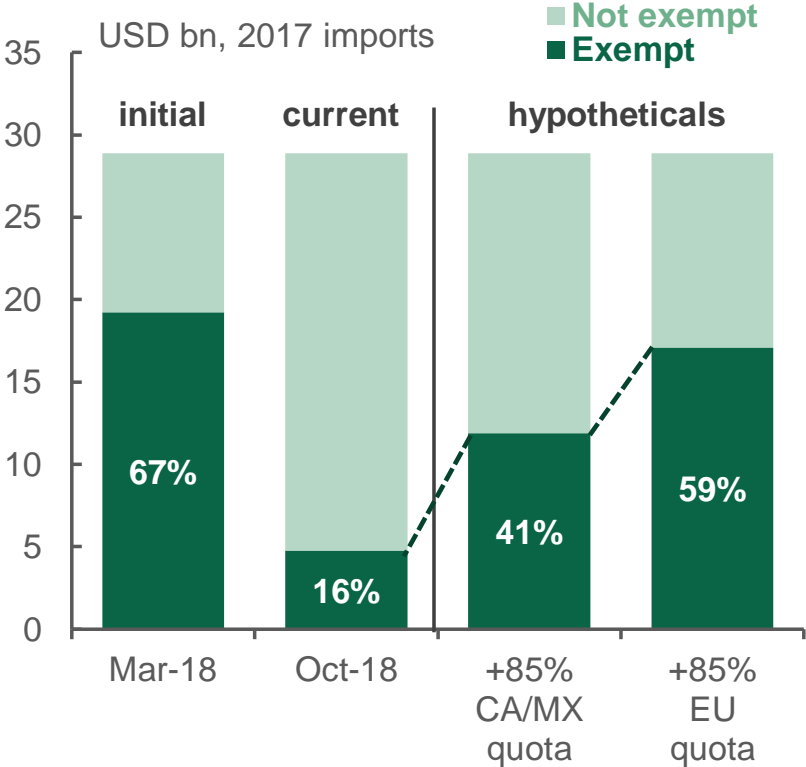
### Tariffs Impact US Producer Prices



Sources: Scotiabank Economics, BLS.

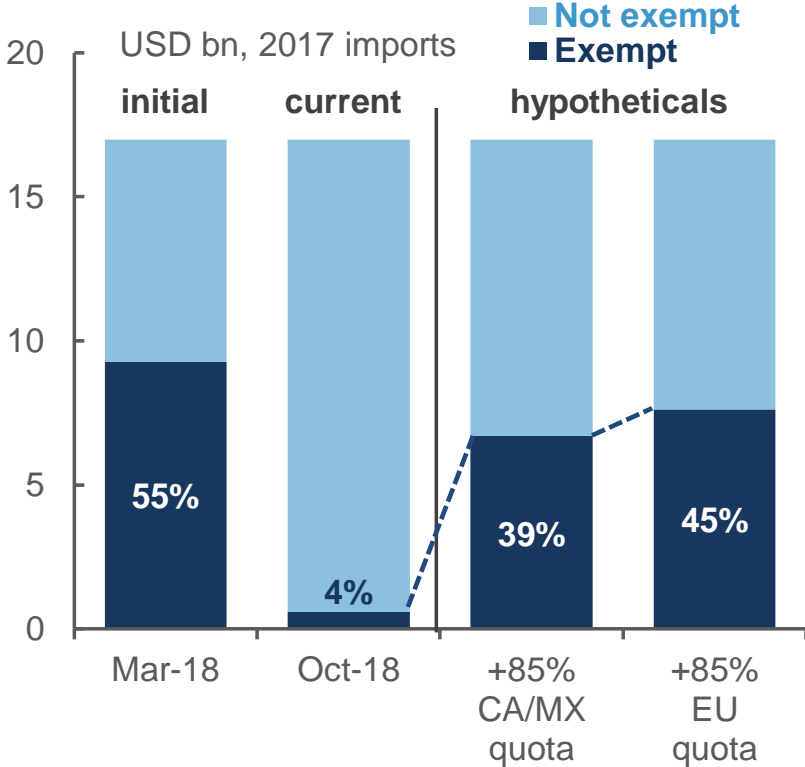
# Metals Tariffs: Current Exemptions Cover Small Share of Imports

## US Steel Tariffs Exemptions



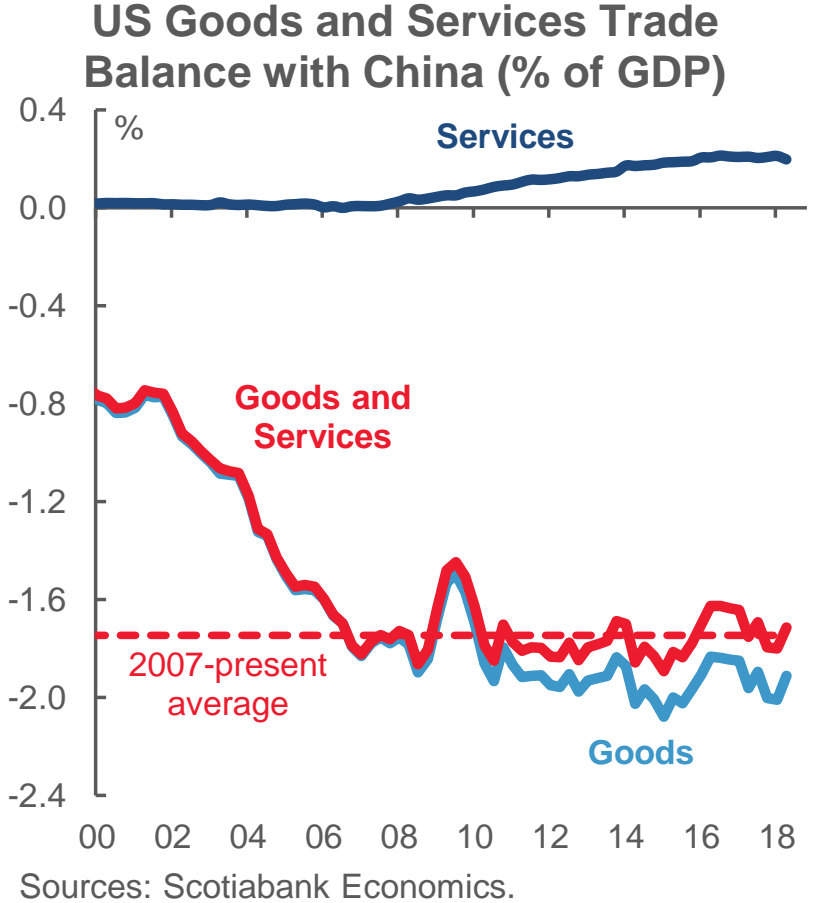
Sources: Scotiabank Economics, US ITC.

## US Aluminum Tariffs Exemptions



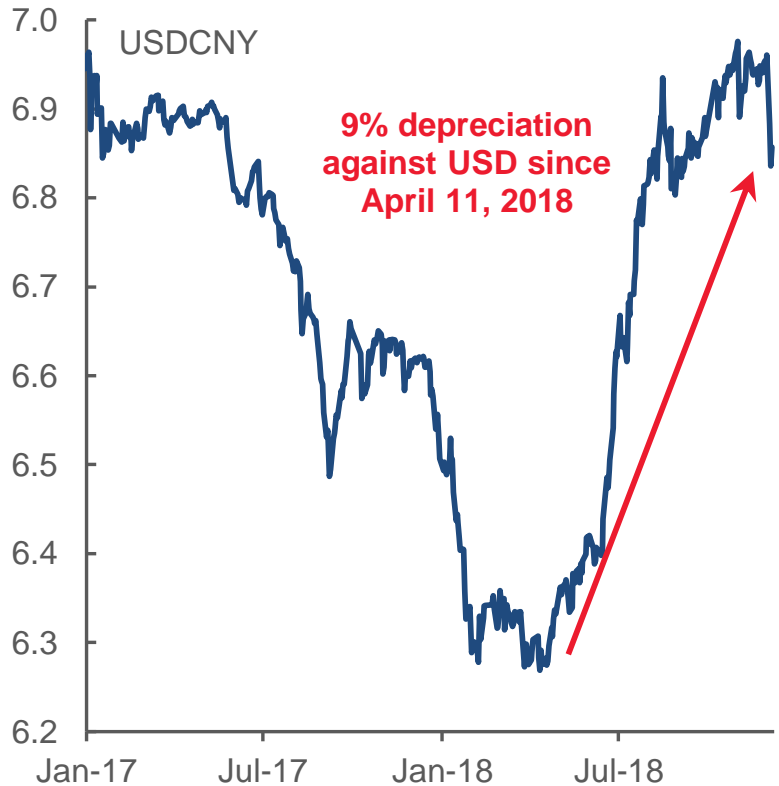
Sources: Scotiabank Economics, US ITC.

# China: US Trade Deficit with China Widening



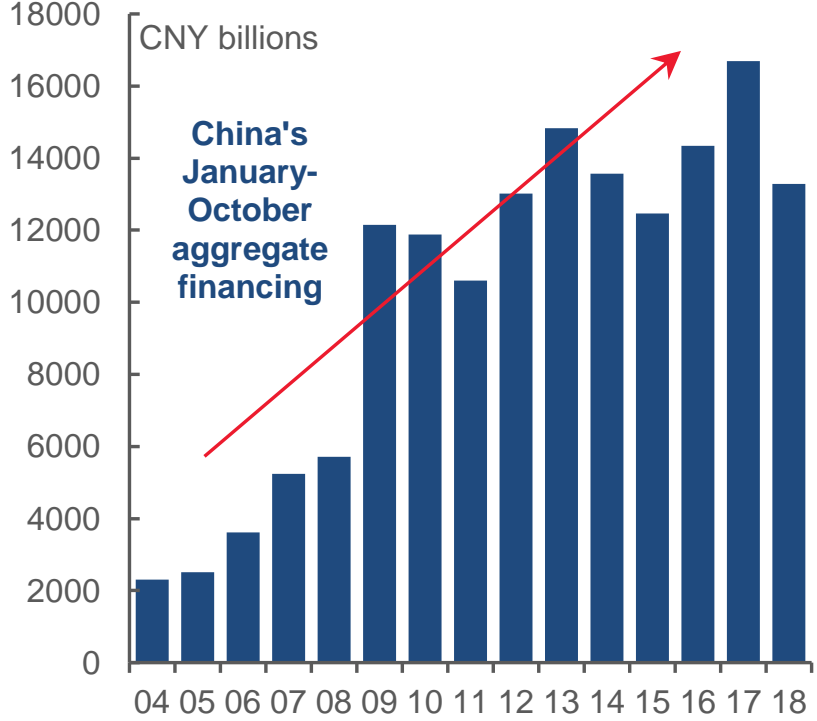
# China: RMB, Domestic Credit, & Other Tools to Counteract Tariffs

**Chinese Yuan Performance**



Sources: Scotiabank Economics, Bloomberg.

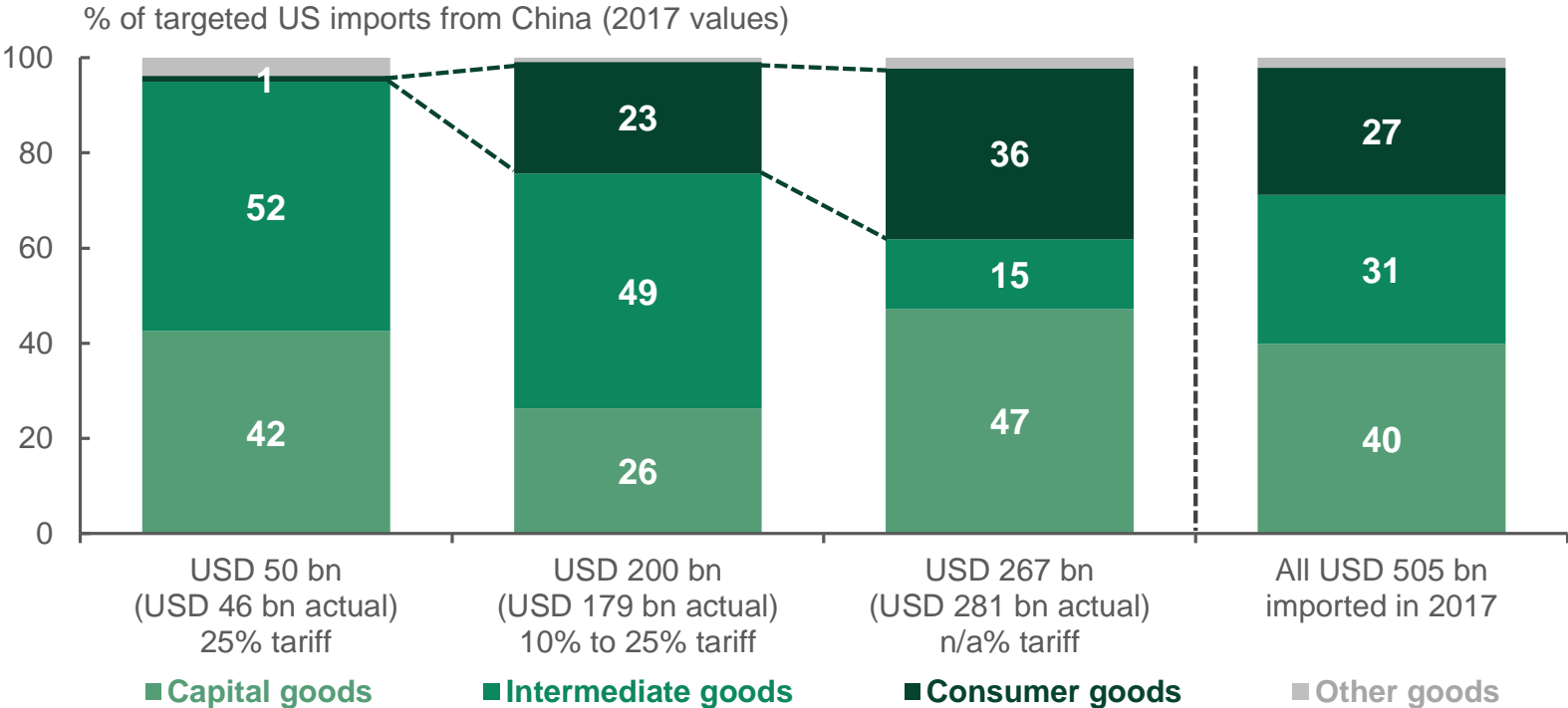
**China's Aggregate Financing Remains Strong**



Sources: Scotiabank Economics, Bloomberg.

# China: Trump Unlikely to Hit His Base in an Election Year

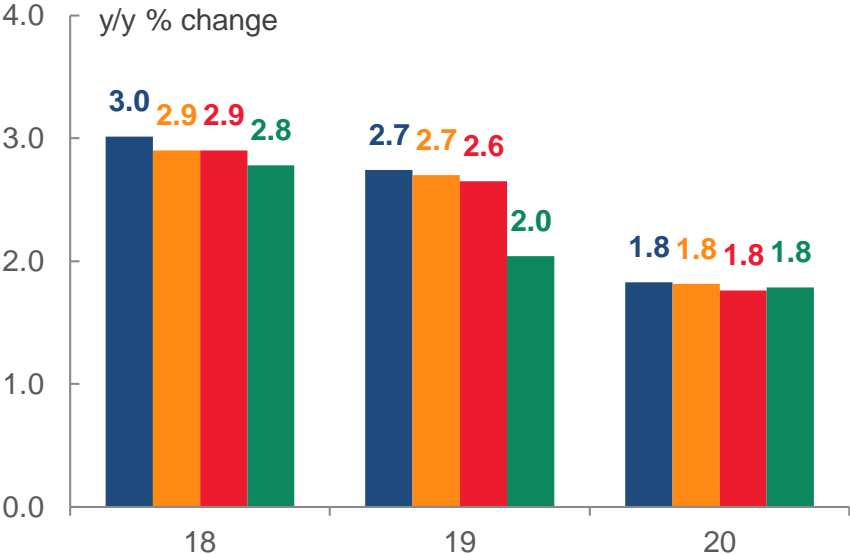
## US Tariffs Incrementally Impact Consumer Goods Imports from China



Sources: Scotiabank Economics, US ITC, International Trade Centre, USTR.

# China: All-Out US-China Trade War May Lead to Strong Slowdown

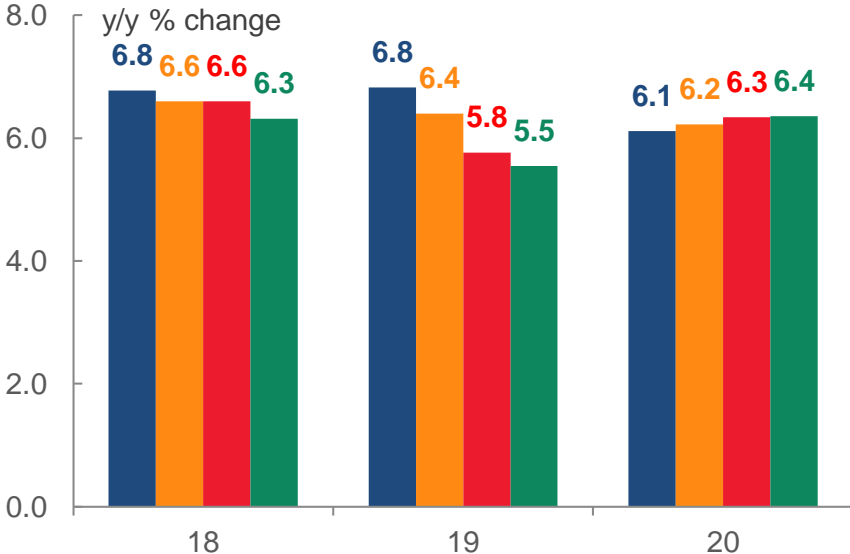
### US GDP Growth: IMF Tariffs Scenarios



- Baseline excluding tariffs
- Baseline with tariffs
- 25% on USD 267bn imports from China, and reciprocal
- Add market reaction, confidence effect, and auto tariffs

Sources: Scotiabank Economics, IMF October 2018 WEO.

### China GDP Growth: IMF Tariffs Scenarios

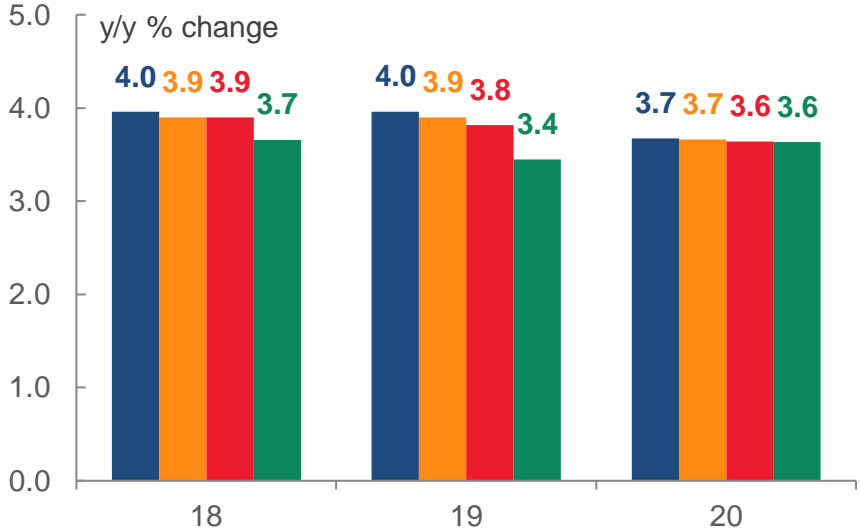


- Baseline excluding tariffs
- Baseline with tariffs
- 25% on USD 267bn imports from China, and reciprocal
- Add market reaction, confidence effect, and auto tariffs

Sources: Scotiabank Economics, IMF October 2018 WEO.

# China: Spillovers to Global Economy & NAFTA/USMCA Partners

**World GDP Growth: IMF Tariffs Scenarios**



- Baseline excluding tariffs
- Baseline with tariffs
- 25% on USD 267bn imports from China, and reciprocal
- Add market reaction, confidence effect, and auto tariffs

Sources: Scotiabank Economics, IMF October 2018 WEO.

**Canada and Mexico GDP Growth: IMF Tariffs Scenarios**



- Baseline excluding tariffs
- Baseline with tariffs
- 25% on USD 267bn imports from China, and reciprocal
- Add market reaction, confidence effect, and auto tariffs

Sources: Scotiabank Economics, IMF October 2018 WEO.

---

## Appendix. Q4 Forecasts



# Q4 Forecasts: Real GDP and Inflation Forecast

	2000–17	2017	2018f	2019f	2020f	2000–17	2017	2018f	2019f	2020f
	Real GDP (annual % change)					Consumer Prices (y/y % change, year-end)				
World (based on purchasing power parity)	3.9	3.8	3.8	3.7	3.5					
Canada	2.2	3.0	2.1	2.2	1.8	1.9	1.8	2.9	2.1	2.0
United States	2.0	2.2	2.9	2.4	1.7	2.2	2.1	2.4	2.2	2.1
Mexico	2.2	2.0	1.8	2.1	2.4	4.4	6.8	5.1	4.1	3.8
United Kingdom	1.9	1.7	1.4	1.5	1.5	2.0	2.7	2.3	2.1	2.0
Eurozone	1.3	2.4	2.0	1.9	1.7	1.8	1.4	1.9	1.7	1.9
Germany	1.4	2.2	1.9	1.9	1.6	1.5	1.7	1.8	1.9	2.2
France	1.4	2.2	1.6	1.6	1.6	1.4	1.2	1.6	2.2	1.5
China	9.3	6.9	6.6	6.2	6.0	2.3	1.8	2.4	2.5	2.3
India	7.0	6.3	7.6	7.5	7.5	6.8	5.2	4.0	5.2	4.8
Japan	1.0	1.7	1.2	1.0	0.9	0.1	1.0	1.0	2.3	1.1
South Korea	4.1	3.1	2.9	2.8	2.6	2.6	1.5	2.2	2.5	2.2
Australia	2.9	2.2	3.1	2.7	2.5	2.7	1.9	2.0	2.5	2.6
Thailand	4.0	3.9	4.3	3.8	3.5	1.9	0.8	1.2	2.0	2.2
Brazil	2.5	1.0	1.3	1.8	2.1	6.5	3.0	4.7	5.1	4.6
Colombia	3.9	1.8	2.5	3.5	3.6	5.1	4.1	3.4	3.6	3.6
Peru	5.0	2.5	3.7	4.0	4.1	2.7	1.4	2.0	2.5	2.5
Chile	3.9	1.5	3.9	3.2	3.2	3.3	2.3	3.2	3.0	3.0

Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, IMF, Bloomberg.

# Q4 Forecasts: Quarterly Canada and US Forecasts

Quarterly Forecasts	2017		2018				2019				2020			
Canada	Q4	Q1	Q2	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	
Real GDP (q/q ann. % change)	1.7	1.4	2.9	2.1	2.4	2.1	2.1	1.9	1.7	2.1	2.0	1.5	1.5	
Real GDP (y/y % change)	3.0	2.3	1.9	2.0	2.2	2.4	2.2	2.1	1.9	1.9	1.9	1.8	1.8	
Consumer prices (y/y % change)	1.8	2.1	2.3	2.9	2.9	2.8	2.6	2.3	2.1	2.1	2.0	2.0	2.0	
Avg. of new core CPIs (y/y % change)	1.7	1.9	2.0	2.1	2.2	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	
United States	Q4	Q1	Q2	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	
Real GDP (q/q ann. % change)	2.3	2.2	4.2	3.2	2.5	2.1	2.0	1.9	1.8	1.7	1.7	1.6	1.5	
Real GDP (y/y % change)	2.5	2.6	2.9	3.0	3.0	3.0	2.4	2.1	1.9	1.9	1.8	1.7	1.6	
Consumer prices (y/y % change)	2.1	2.3	2.6	2.6	2.4	2.2	2.2	2.2	2.2	2.1	2.1	2.0	2.1	
CPI ex. food & energy (y/y % change)	1.7	1.9	2.2	2.2	2.3	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	
Core PCE deflator (y/y % change)	1.6	1.7	1.9	2.1	2.1	2.2	2.2	2.2	2.1	2.1	2.0	2.0	2.0	

Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, Bloomberg.

# Q4 Forecasts: Central Bank Rates Forecast

Central Bank Rates	2018		2019				2020			
	Q3	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
<b>Americas</b>	(%, end of period)									
Bank of Canada	1.50	1.75	2.00	2.25	2.50	2.75	3.00	3.00	3.00	3.00
US Federal Reserve (upper bound)	2.25	2.50	2.75	3.00	3.25	3.25	3.25	3.25	3.25	3.25
Bank of Mexico	7.75	8.00	8.00	8.00	8.00	8.00	8.00	7.50	7.50	7.50
Central Bank of Brazil	6.50	7.25	8.25	8.75	9.25	9.75	10.00	10.00	10.00	10.00
Bank of the Republic of Colombia	4.25	4.50	4.75	5.00	5.25	5.50	5.50	5.50	5.50	5.50
Central Reserve Bank of Peru	2.75	2.75	3.00	3.00	3.25	3.25	3.50	3.75	4.00	4.00
Central Bank of Chile	2.50	2.75	3.00	3.25	3.50	3.75	3.75	4.00	4.00	4.00
<b>Europe</b>										
European Central Bank	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.50	0.50
Bank of England	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
<b>Asia/Oceania</b>										
Reserve Bank of Australia	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.25	2.25	2.50
Bank of Japan	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
People's Bank of China	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Reserve Bank of India	6.50	6.75	6.75	7.00	7.00	7.25	7.25	7.25	7.25	7.25
Bank of Korea	1.50	1.75	1.75	2.00	2.00	2.25	2.25	2.50	2.50	2.50
Bank of Thailand	1.50	1.75	1.75	2.00	2.00	2.25	2.25	2.25	2.25	2.25

Sources: Scotiabank Economics, Bloomberg.

## Q4 Forecasts: Commodities Forecast

Commodities	2000–2017			Annual Average			
	Low	Avg.	High	2017	2018f	2019f	2020f
WTI Oil (USD/bbl)	17	62	145	51	68	72	69
Brent Oil (USD/bbl)	18	65	146	55	74	80	75
WCS - WTI Discount* (USD/bbl)	-43	-16	-6	-13	-27	-24	-21
Nymex Natural Gas (USD/mmbtu)	1.64	4.83	15.38	3.02	2.93	2.93	3.00
Copper (USD/lb)	0.60	2.38	4.60	2.80	2.99	3.00	3.20
Zinc (USD/lb)	0.33	0.84	2.10	1.31	1.33	1.30	1.25
Nickel (USD/lb)	2.00	7.12	24.58	4.72	6.15	6.50	7.00
Aluminium (USD/lb)	0.56	0.87	1.49	0.89	0.95	1.00	1.00
Iron Ore (USD/tonne)	17	67	187	72	65	65	60
Metallurgical Coal (USD/tonne)	39	131	330	187	205	175	160
Gold, London PM Fix (USD/oz)	256	890	1,895	1,257	1,262	1,300	1,300
Silver, London PM Fix (USD/oz)	4.07	14.80	48.70	17.05	15.70	17.00	17.00

\* 2008–16 average.

Sources: Scotiabank Economics, Bloomberg.

# Q4 Forecasts: Currencies and Interest Rates Forecasts

## Currencies and Interest Rates

### Americas

(end of period)

Canadian dollar (USDCAD)	1.29	1.28	1.25	1.25	1.22	1.22	1.22	1.22	1.22	1.22
Canadian dollar (CADUSD)	0.77	0.78	0.80	0.80	0.82	0.82	0.82	0.82	0.82	0.82
Mexican peso (USDMXN)	18.72	20.07	20.32	20.15	20.21	20.40	20.50	20.33	20.39	20.69
Brazilian real (USDBRL)	4.05	3.75	4.15	4.34	4.67	4.60	4.21	4.12	4.06	3.89
Colombian peso (USDCOP)	2,966	3,080	3,120	3,100	3,085	3,055	3,050	3,055	3,060	3,065
Peruvian sol (USDPEN)	3.30	3.26	3.27	3.23	3.24	3.22	3.20	3.20	3.20	3.20
Chilean peso (USDCLP)	657	650	650	650	650	650	650	640	640	640

### Europe

Euro (EURUSD)	1.16	1.20	1.22	1.24	1.26	1.30	1.30	1.30	1.32	1.32
UK pound (GBPUSD)	1.30	1.32	1.32	1.35	1.37	1.40	1.42	1.42	1.45	1.45

### Asia/Oceania

Japanese yen (USDJPY)	110	110	110	110	108	108	107	107	105	105
Australian dollar (AUDUSD)	0.73	0.73	0.75	0.77	0.77	0.78	0.78	0.78	0.78	0.78
Chinese yuan (USDCNY)	6.87	6.90	6.80	6.60	6.70	6.70	6.60	6.60	6.50	6.50
Indian rupee (USDINR)	72.5	72.5	72.0	70.0	71.0	71.0	70.0	70.0	69.0	69.0
South Korean won (USDKRW)	1,109	1,100	1,090	1,080	1,085	1,085	1,080	1,080	1,070	1,070
Thai baht (USDTHB)	32.3	32.2	32.0	31.6	31.8	31.8	31.6	31.6	31.4	31.4

### Canada (Yields, %)

3-month T-bill	1.58	1.80	2.05	2.30	2.55	2.80	3.00	3.00	3.00	3.00
2-year Canada	2.21	2.50	2.40	2.55	2.70	2.85	3.05	3.05	3.05	3.05
5-year Canada	2.34	2.55	2.50	2.60	2.75	2.90	3.10	3.10	3.10	3.10
10-year Canada	2.43	2.60	2.60	2.70	2.85	3.00	3.15	3.15	3.15	3.15
30-year Canada	2.42	2.65	2.65	2.75	2.90	3.10	3.30	3.35	3.35	3.35

### United States (Yields, %)

3-month T-bill	2.20	2.45	2.70	2.95	3.20	3.20	3.20	3.20	3.20	3.20
2-year Treasury	2.82	3.00	3.00	3.10	3.30	3.30	3.30	3.30	3.30	3.30
5-year Treasury	2.95	3.15	3.05	3.15	3.35	3.35	3.40	3.40	3.45	3.45
10-year Treasury	3.06	3.25	3.15	3.20	3.40	3.40	3.50	3.50	3.55	3.55
30-year Treasury	3.21	3.40	3.30	3.30	3.50	3.50	3.60	3.60	3.65	3.65

Sources: Scotiabank Economics, Bloomberg.

## For more information...

---

### Scotiabank Economics:

Web: [www.scotiabank.com/economics](http://www.scotiabank.com/economics)

Email: [scotia.economics@scotiabank.com](mailto:scotia.economics@scotiabank.com)

Twitter: [@ScotiabankViews](https://twitter.com/ScotiabankViews)

### Brett House:

Twitter: [@BrettEHouse](https://twitter.com/BrettEHouse)

### NAFTA / USMCA research:

[www.scotiabank.com/NAFTA](http://www.scotiabank.com/NAFTA)



Scotiabank Economics  
talks NAFTA

# Contact

## Brett House

Deputy Chief Economist

416.863.7463

@BrettEHouse

[brett.house@scotiabank.com](mailto:brett.house@scotiabank.com)

## Scotiabank Economics:

[www.scotiabank.com/economics](http://www.scotiabank.com/economics)

[scotia.economics@scotiabank.com](mailto:scotia.economics@scotiabank.com)

@ScotiabankViews

## NAFTA research:

[www.scotiabank.com/NAFTA](http://www.scotiabank.com/NAFTA)

This report has been prepared by Scotiabank Economics as a resource for the clients of Scotiabank. Opinions, estimates and projections contained herein are our own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness. Neither Scotiabank nor any of its officers, directors, partners, employees or affiliates accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

These reports are provided to you for informational purposes only. This report is not, and is not constructed as, an offer to sell or solicitation of any offer to buy any financial instrument, nor shall this report be construed as an opinion as to whether you should enter into any swap or trading strategy involving a swap or any other transaction. The information contained in this report is not intended to be, and does not constitute, a recommendation of a swap or trading strategy involving a swap within the meaning of U.S. Commodity Futures Trading Commission Regulation 23.434 and Appendix A thereto. This material is not intended to be individually tailored to your needs or characteristics and should not be viewed as a “call to action” or suggestion that you enter into a swap or trading strategy involving a swap or any other transaction. Scotiabank may engage in transactions in a manner inconsistent with the views discussed in this report and may have positions, or be in the process of acquiring or disposing of positions, referred to in this report.

Scotiabank, its affiliates and any of their respective officers, directors and employees may from time to time take positions in currencies, act as managers, co-managers or underwriters of a public offering or act as principals or agents, deal in, own or act as market makers or advisors, brokers or commercial and/or investment bankers in relation to securities or related derivatives. As a result of these actions, Scotiabank may receive remuneration. All Scotiabank products and services are subject to the terms of applicable agreements and local regulations. Officers, directors and employees of Scotiabank and its affiliates may serve as directors of corporations.

Any securities discussed in this report may not be suitable for all investors. Scotiabank recommends that investors independently evaluate any issuer and security discussed in this report, and consult with any advisors they deem necessary prior to making any investment.

**This report and all information, opinions and conclusions contained in it are protected by copyright. This information may not be reproduced without the prior express written consent of Scotiabank.**

<sup>TM</sup>Trademark of The Bank of Nova Scotia. Used under license, where applicable.

Scotiabank, together with “Global Banking and Markets”, is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including, Scotiabanc Inc.; Citadel Hill Advisors L.L.C.; The Bank of Nova Scotia Trust Company of New York; Scotiabank Europe plc; Scotiabank (Ireland) Limited; Scotiabank Inverlat S.A., Institución de Banca Múltiple, Scotia Inverlat Casa de Bolsa S.A. de C.V., Scotia Inverlat Derivados S.A. de C.V. – all members of the Scotiabank group and authorized users of the Scotiabank mark. The Bank of Nova Scotia is incorporated in Canada with limited liability and is authorised and regulated by the Office of the Superintendent of Financial Institutions Canada. The Bank of Nova Scotia is authorised by the UK Prudential Regulation Authority and is subject to regulation by the UK Financial Conduct Authority and limited regulation by the UK Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia's regulation by the UK Prudential Regulation Authority are available from us on request. Scotiabank Europe plc is authorised by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulation Authority.

Scotiabank Inverlat, S.A., Scotia Inverlat Casa de Bolsa, S.A. de C.V., and Scotia Derivados, S.A. de C.V., are each authorized and regulated by the Mexican financial authorities.

Not all products and services are offered in all jurisdictions. Services described are available in jurisdictions where permitted by law.