



Summary

Eurozone

Budget season

Member states are currently finalizing the draft proposals they will submit to the European Commission by mid-October. Its job will probably be difficult.

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France

Economic indicators are turning green

The expected rebound in Q3 growth is taking shape (+0.3% according to our estimates).

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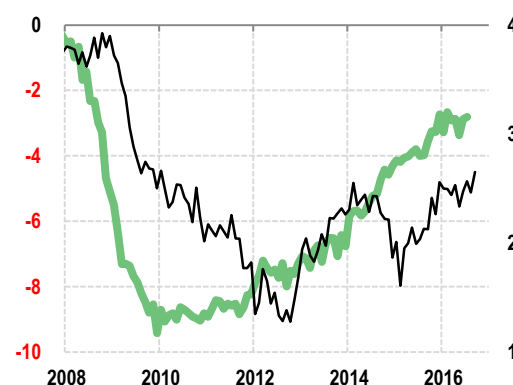
Philips curve, alive and kicking

- Another month of strong payrolls growth ■ Unemployment rate edging up
- Wages re-accelerating

In the US, September labour market report was the perfect illustration of the Fed's main story: a continued support to the economy is possible without inflationary pressures as the labour market still has room for absorbing new entrants (or re-entrants). Over the month, and despite six years of continuous expansion in non-farm payrolls, the US economy created 156k new positions. At the same time, the unemployment rate edged up to 5% (from 4.9% over the three previous months). The reason behind these conflicting developments: the labour participation ratio kept on rebounding, reaching 62.9% in September. In essence, this is what Janet Yellen told at the end of the most recent FOMC meeting: "the strong labor market is attracting people from outside the labor force back into employment". This also means that the Philips curve may be neither dead nor flat, but that the correct measure of labour market tensions is not the usually followed unemployment rate, the BLS' U3 definition. For some time, we have been presenting our own measure of underemployment, the Slack Index. Interestingly, in early 2016, it had stopped improving, even though the labour market dynamism was as true as ever. At the same time, wage growth was stagnating. Recently, our Slack index regained some momentum. And so did wage growth. Measured by the year-on-year rate of growth in hourly earnings of non-supervisory production workers of the private sectors, wage growth was 2.7% in September, the best reading for seven years...

WAGES RE-ACCELERATING

-- Slack Index ; -- Wage growth (y/y, %, r.h.s.)



Sources: US BLS, BNPP Economic Research

THE WEEK ON THE MARKETS

Week 30-9 16 > 6-10-16

↗ CAC 40	4 448	► 4 480	+0.7 %
↘ S&P 500	2 168	► 2 161	-0.3 %
↘ Volatility (VIX)	13.3	► 12.8	-0.5 %
↘ Euribor 3M (%)	-0.30	► -0.30	-0.3 bp
↗ Libor \$ 3M (%)	0.85	► 0.87	+1.4 bp
↗ OAT 10y (%)	0.12	► 0.24	+12.2 bp
↗ Bund 10y (%)	-0.19	► -0.08	+11.5 bp
↗ US Tr. 10y (%)	1.61	► 1.74	+13.6 bp
↘ Euro vs dollar	1.12	► 1.12	-0.6 %
↘ Gold (ounce, \$)	1 322	► 1 251	-5.3 %
↗ Oil (Brent, \$)	49.0	► 52.4	+7.1 %

Source: Thomson Reuters



Eurozone

Budget season

- Since 2013, the European Commission has had the right to examine member states' budget proposals at the time they are presented to their national parliaments, instead of waiting until after implementation.
- Executive leaders are putting the final touches on the budget proposals that must be submitted to the European Commission before 15 October. The Commission will then submit its recommendations in the following weeks.
- For member states still undergoing excessive deficit procedures, the big question is to what extent the Commission will seek to maintain pressure in a tough environment.
- In France, the problem is whether the commitments made today will hold up during an election year. In Spain, the transition government lacks sufficient legitimacy to take action.
- For the other member states, the context is different. Fiscal easing is actively encouraged in Germany, and might be tolerated in Italy. Once these compromises are added together, we can probably count on a slightly expansionist fiscal policy next year, fairly similar, on average, to the trends observed in 2016.

The European budget season has begun. In most European capitals, executive leaders are putting the final touches on their 2017 budget proposals. By 15 October, all of the eurozone member states must submit their 2017 budget proposals to Brussels, along with the latest estimates of their public finance situation at year-end 2016. In the following weeks, the Commission will review their compliance with recommended fiscal trajectories for 2016 and will verify whether their 2017 proposals are based on credible growth prospects, notably in the light of the Commission's Autumn Economic Forecast¹, whether they comply with the economic and fiscal strategies presented last spring, and whether they take into account the European Council's June recommendations.

The 3% rule: the inescapable dividing line

Although everyone agrees that the famous "3% rule" does not have a solid theoretical basis, that it is too rigid in the face of economic fluctuations and that it does not necessarily ensure the long-term sustainability of a member state, which might, for example, have very high public debt, it has nonetheless survived the numerous European fiscal reforms since the crisis. It remains an inescapable dividing line between member states: constraints differ significantly depending on whether a country's budget deficit is situated above or below 3% of GDP, independently of all other considerations.

¹ To be released in November.

Targets within reach ?

Fiscal balances, % of GDP — 2015 — 2016, — 2017

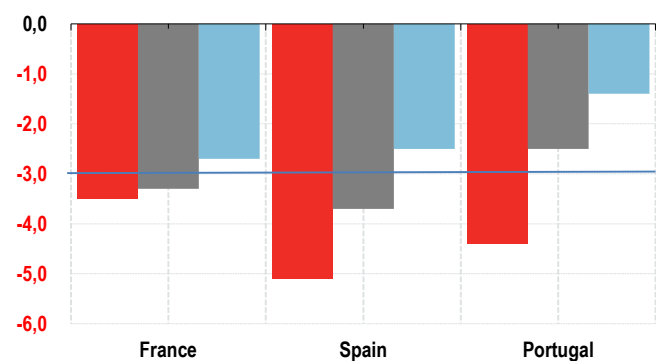


Chart 1

Sources: European Commission, national data

At year-end 2016, only three eurozone member states – France, Spain and Portugal – will still be undergoing excessive deficit procedures initiated at the beginning of the 2008 crisis². These economies are struggling to turn around their public accounts. In recent years, their progress has regularly fallen short of the European Commission's expectations, and the Commission has had to extend their deadlines. In the months ahead, the big question is to what extent the European Commission will seek to maintain pressure on these states to pursue fiscal adjustments in the midst of a tough environment. The Commission faces two challenges: it must maintain pressure on these states to complete the fiscal consolidation process in the eurozone as a whole, and it must affirm its credibility over its ability to ensure compliance with European rules.

France, whose 2017 budget proposal was presented in detail last week³, has already been given two extensions. The French government confirmed its commitment already made last spring, when updating its Stability and Growth Programme, to reducing the deficit well below 3% next year, to 2.7%, after 3.3% in 2016. By that time, the Commission was already concerned about the planned fiscal adjustment strategy, which is based excessively on "the hypothesis of a stronger cyclical environment and persistently low interest rates", leverages over which the country has little control, to the detriment of structural measures that could have a lasting impact on public finances. This fall, the Commission will re-examine these factors in an environment shaped by presidential elections in 2017, which obviously is not very propitious for stepping up fiscal efforts.

Spain and Portugal will also be hard to manage. Last spring the Commission had already noted a lack of effective action on fiscal consolidation in both countries. Theoretically, and for the first time in

² Excluding Greece, which is undergoing specific procedures as part of its adjustment programme.

³ "France: a constrained budget", H. Baudchon, Ecoweek, 30 september 2016.



European history, these observations could have resulted in fines being imposed on each member state, of up to 0.2% of GDP. But the European Council, acting within its powers, decided to cancel these fines in June. The Commission is now asking the Portuguese government to reduce the public deficit significantly below 3% in 2016, to 2.5%. The Commission is asking Spain to ensure "a durable correction in the excessive deficit by 2017 at the latest, by reducing the public deficit to 3.7% of GDP in 2016 and to 2.5% of GDP in 2017." What impact will these demands have? If Spain's political deadlock is unblocked in the weeks ahead, and Mr. Rajoy is able to form a new government, it is unlikely that he will be able to present a credible budget proposal that satisfies all these requirements by 15 October. The newly formed government will certainly be given more time to elaborate a budget and propose corrective measures, which will then be carefully examined by the Commission's services. Fiscal policy would become restrictive in 2017, especially given the favourable economic outlook. On the other hand, if the country must return to the voting booths for the third time in a year, the institutional gridlock will continue and the current interim government will not have the legitimacy necessary to make large-scale adjustments.

Manoeuvring room and budget flexibility

The situation is different for the other member states, which are monitored as part of the "preventative" arm of the Stability and Growth Pact. For these countries, the Commission's position is relatively clear: given the sluggishness of eurozone growth and the shortage of demand at the eurozone level, the countries with some fiscal manoeuvring room should not hesitate to use it⁴. This is typical of Germany, which will apparently report another fiscal surplus in 2016, for the fifth consecutive year. With the approach of general elections in fall 2017, and faced with the cost of accommodating refugees, Finance Minister Wolfgang Schauble has already announced a series of priorities for the federal budget in 2017. He plans to increase support for public investment and to proceed with several tax cuts next year, albeit without calling into question the principle of a balanced budget nor debt reduction efforts, which aim to lower the public debt ratio below 60% of GDP by 2020.

The Commission is actively encouraging fiscal easing in Germany and is likely to tolerate it in Italy. Like the French government, Matteo Renzi presented the Italians with the first elements of his 2017 budget proposal. He will ask the European authorities to allow it to benefit from flexibility measures again in 2017⁵, which enabled it to pursue an expansionist policy in 2016, despite slightly increasing the country's very high public debt (estimated at 132.8% in 2016). If a waiver is granted, Italy's fiscal deficit could level off at 2.4% in both 2016 and 2017.

An incremental policy

Faced with sluggish growth prospects and rising Eurosceptic tendencies, at a time of growing uncertainty over the ECB's capacity

⁴ Under European budget procedures, each member state is assigned a medium-term fiscal target, generally close to equilibrium, towards which it must converge. Member states with "manoeuvring room" are those that have already implemented convergence with a budget balance close to the medium-term target.

⁵ See "Eurozone: Flexibility for the fiscal rules in exchange for more reforms and investment" F. Cerisier, Ecoweek, 16 January 2015.

Diverging trends

Public debt ratios, % of GDP — Germany ; — Italy

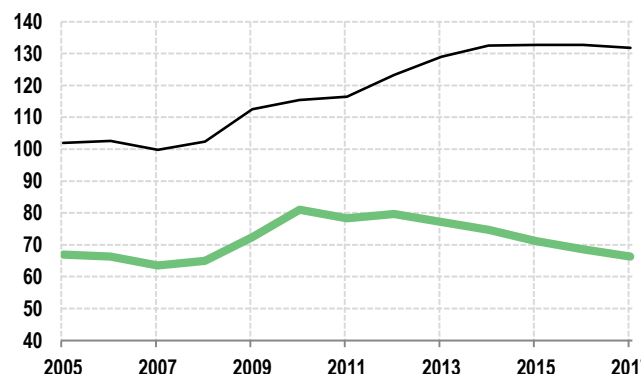


Chart 2

Source: European Commission (Ameco)

to do more, and aware of the electoral stakes in several member countries, the Commission will have to be extremely diplomatic and act with caution. Already proposing to extend deadlines and to double the capacity of the European Investment Plan, Jean Claude Juncker does not try to hide the fact that he is a serious believer in the "flexibility" of European fiscal rules.

In the end, each member state pursues European fiscal policy – regardless of the direction – in small steps. Above all, European policy still results from the actions of several member states: although they more or less follow the same rules, they do not coordinate their actions by internalising the consequences of their policies on the rest of the eurozone. Once these compromises are added up, we can count on a slightly expansionist fiscal policy next year, maybe a little less favourable but fairly similar, on average, to the trends reported in 2016. But will that be enough? Six years after the great consolidation movement began, fiscal policy is no longer curbing eurozone activity, but it is still a constraint and has not returned to its status as an economic policy tool.



France

Economic indicators are turning green

- The expected rebound in Q3 growth is taking shape (+0.3% according to our estimates).
- Household spending on goods and industrial output both rebounded strongly in August.
- The unexpectedly sharp upturn in the number of jobseekers in August is largely due to a statistical artefact.
- The disappointing stability of household confidence in September masks more favourable details.
- Inflation, in contrast, remains uncomfortably low.

Thanks to the very strong rise in August industrial production, the appraisal of the latest economic indicators for France is positive on balance. Without this positive print, the picture would be more mixed.

The main negative surprise came from the number of category A jobseekers registered with *Pôle Emploi* (i.e. those that have not worked for the past month), which rose strongly in August (+1.4% m/m), halting the slight downward trend observed since the beginning of the year. The underlying improving trend is not called into question, however, since August's poor showing is largely due to a statistical irregularity. As *Pôle Emploi* explained in its press release, there was an unusually sharp decline in the number of jobseekers removed from the listing for failing to update their information, which is due in part to the greater number of working days during the reference period. Fewer removals means more jobseekers registered with *Pôle Emploi*. Although this glitch must be kept in perspective, it is nonetheless a good reminder that the reversal of the unemployment curve is a laborious process.

Household confidence also disappointed in September but to a smaller extent since the INSEE composite index remained flat at 97, contrary to our expectation of a 1-point improvement. This stability reflects opposing trends between, on the one hand, the balance of opinions concerning the opportunity to make big-ticket purchases, future living standards in France and the unemployment outlook (which are improving), and on the other, past individual financial situations and the past standard of living in France (which are declining). Yet the improving factors seem to carry more weight than the negative ones. As a result, we are keeping in perspective the somewhat disappointing overall stability of household confidence, especially since business confidence improved slightly in September.

There was nothing surprising about the preliminary inflation estimate for September, which at 0.4% y/y was in line with our expectations. Although inflation remains uncomfortably low, it is gradually picking up. Yet this slight upturn in inflation is mainly due to the energy component, which made a less negative contribution as the impact of past oil price declines tapers off. Although core inflation is not as low as it reaches 0.7% y/y in September according to our estimates, it has not shown the least signs of accelerating, much to the contrary, and it has even slowed over the recent period (from 0.7% in June to

0.5% in July and 0.4% in August). This is concerning, especially since we think the situation will persist due to the lack of more robust growth.

Household spending on goods also increased as expected in August (+0.7% m/m). This rebound is good news because it brings to an end a 4-month decline, and tends to confirm the temporary nature of this poor statistical series. It helps reduce the Q3 negative carry-over of consumer spending on goods, from -1% q/q to -0.6% q/q. It also supports our forecast of a slight upturn in overall consumption in Q3, to 0.1% q/q from -0.1% q/q in Q2. This expected rebound is relatively limited because even if consumer spending on goods in September proves to be as strong as in August, the Q3 figure would still contract (-0.3% q/q according to our forecasts, after 0% in Q2) due to negative carry-over effects. This mild increase in overall consumption is also based on a technical rebound in the consumption of services (+0.4% q/q according to our expectations) after a sharp – and rare – Q2 decline of 0.2%. All these factors contribute to our forecast of a rebound in Q3 GDP to 0.3% q/q (vs. -0.1% in Q2).

Industrial output rose 2.1% m/m in August, which also supports our growth scenario. This even-stronger-than-expected rebound helped push the carry-over into positive territory (+0.2% q/q from -1.2% q/q). It was also a solid performance since it was fairly broad-based across the various segments of industrial production.

To sum up, based on the hard data available so far (two of the three months), our nowcasting model estimates Q3 growth at 0.3% q/q while soft data (available for the full three months of Q3) point to growth of 0.4% q/q. These results reassure our growth forecast and even suggest an upside risk. In comparison, the Bank of France is forecasting growth of 0.3% q/q and the INSEE has just lowered its forecast to 0.2% q/q in its October update, which is 0.1 points lower than its June figure.

This adjustment, combined with the stronger-than-expected Q2 payback, has led to a significant downward revision in the INSEE's average annual growth forecast to 1.3% in 2016, from 1.6% previously. Note also that the INSEE maintained its Q4 forecast unchanged at 0.4% q/q. We are less optimistic about Q4 and are forecasting growth of only 0.2% q/q. Yet for the full year, this makes no difference: our 2016 growth forecast also reaches 1.3%. This sluggish outcome masks however a higher contribution of domestic demand (1.7 percentage points), partly offset by the negative contribution of net exports (-0.4 pp) and change in inventories (-0.1 pp).



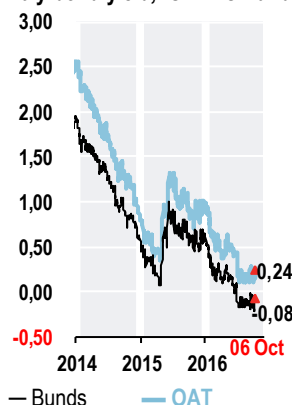
Markets overview

The essentials

Week 30-9 16 > 6-10-16

➔ CAC 40	4 448	➔ 4 480	+0.7 %
➔ S&P 500	2 168	➔ 2 161	-0.3 %
➔ Volatility (VIX)	13.3	➔ 12.8	-0.5 %
➔ Euribor 3M (%)	-0.30	➔ -0.30	-0.3 bp
➔ Libor \$ 3M (%)	0.85	➔ 0.87	+1.4 bp
➔ OAT 10y (%)	0.12	➔ 0.24	+12.2 bp
➔ Bund 10y (%)	-0.19	➔ -0.08	+11.5 bp
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➔ Euro vs dollar	1.12	➔ 1.12	-0.6 %
➔ Gold (ounce, \$)	1 322	➔ 1 251	-5.3 %
➔ Oil (Brent, \$)	49.0	➔ 52.4	+7.1 %

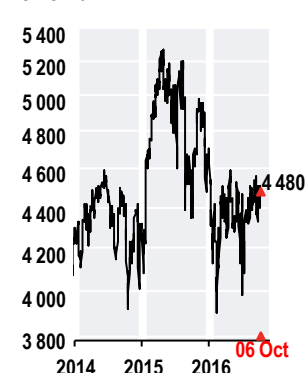
10 y bond yield, OAT vs Bund



Euro-dollar



CAC 40



Money & Bond Markets

Interest Rates		highest' 16		lowest' 16	
€ ECB	0.00	0.05 at 01/01	0.00 at 16/03		
Eonia	-0.35	-0.13 at 01/01	-0.36 at 26/05		
Euribor 3M	-0.30	-0.13 at 01/01	-0.30 at 08/09		
Euribor 12M	-0.06	0.06 at 01/01	-0.06 at 29/09		
\$ FED	0.50	0.50 at 01/01	0.50 at 01/01		
Libor 3M	0.87	0.87 at 05/10	0.61 at 04/01		
Libor 12M	1.57	1.57 at 05/10	1.12 at 12/02		
£ BoE	0.25	0.50 at 01/01	0.25 at 04/08		
Libor 3M	0.38	0.59 at 15/02	0.38 at 08/09		
Libor 12M	0.76	1.07 at 01/01	0.72 at 10/08		

At 6-10-16

Yield (%)		highest' 16		lowest' 16	
€ AVG 5-7y	0.00	0.49 at 12/01	-0.14 at 27/09		
Bund 2y	-0.67	-0.34 at 01/01	-0.70 at 28/09		
Bund 10y	-0.08	0.63 at 01/01	-0.22 at 28/09		
OAT 10y	0.24	0.98 at 01/01	0.10 at 27/09		
Corp. BBB	1.30	2.50 at 20/01	1.14 at 07/09		
\$ Treas. 2y	0.85	1.06 at 01/01	0.56 at 05/07		
Treas. 10y	1.74	2.27 at 01/01	1.36 at 08/07		
Corp. BBB	3.35	4.50 at 12/02	3.24 at 18/08		
£ Treas. 2y	0.12	0.65 at 01/01	0.07 at 29/09		
Treas. 10y	0.87	1.96 at 01/01	0.61 at 12/08		

At 6-10-16

10y bond yield & spreads

8.30%	Greece	837 pb
3.54%	Portugal	361 pb
1.41%	Italy	148 pb
1.08%	Spain	115 pb
0.49%	Ireland	57 pb
0.25%	Belgium	32 pb
0.24%	France	31 pb
0.23%	Austria	30 pb
0.14%	Finland	21 pb
0.13%	Netherlands	20 pb
-0.08%	Germany	

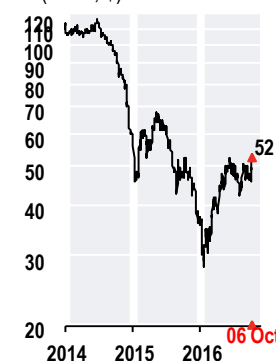
Commodities

Spot price in dollars		lowest' 16		2016(€)	
Oil, Brent	52	28 at 20/01	+42.8%		
Gold (ounce)	1 251	1 062 at 01/01	+14.6%		
Metals, LMEX	2 439	2 049 at 12/01	+7.7%		
Copper (ton)	4 738	4 328 at 15/01	-2.1%		
CRB Foods	328	328 at 06/10	-4.9%		
wheat (ton)	133	126 at 16/08	-16.4%		
Corn (ton)	123	113 at 31/08	-13.0%		

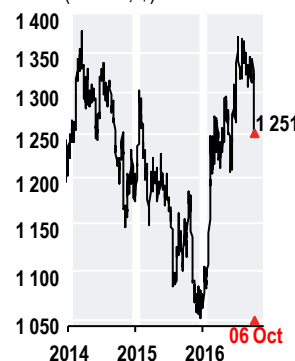
At 6-10-16

Variations

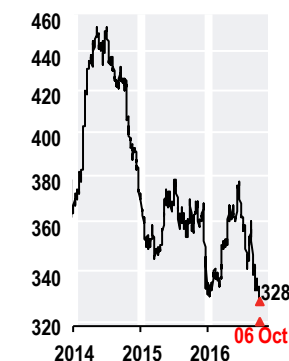
Oil (Brent, \$)



Gold (Ounce, \$)



CRB Foods



Exchange Rates

1€ =		highest' 16		lowest' 16		2016	
USD	1.12	1.15 at 03/05	1.07 at 05/01	+2.8%			
GBP	0.88	0.88 at 06/10	0.73 at 05/01	+19.8%			
CHF	1.09	1.11 at 04/02	1.08 at 24/06	+0.7%			
JPY	116.09	131.84 at 01/02	110.95 at 08/07	-11.2%			
AUD	1.48	1.60 at 11/02	1.45 at 10/08	-1.2%			
CNY	7.45	7.54 at 22/08	6.99 at 05/01	+5.6%			
BRL	3.61	4.53 at 16/02	3.49 at 09/08	-16.0%			
RUB	69.58	91.22 at 11/02	69.58 at 06/10	-12.3%			
INR	74.48	77.50 at 11/02	71.42 at 05/01	+3.6%			

At 6-10-16

Variations

Equity indices

Index		highest' 16		lowest' 16		2016		2016(€)
CAC 40	4 480	4 637 at 01/01	3 897 at 11/02	-3.4%				-3.4%
S&P500	2 161	2 190 at 15/08	1 829 at 11/02	+5.7%				+2.8%
DAX	10 569	10 753 at 07/09	8 753 at 11/02	-1.6%				-1.6%
Nikkei	16 899	19 034 at 01/01	14 952 at 24/06	-11.2%				-0.1%
China*	65	65 at 22/09	48 at 12/02	+9.2%				+6.1%
India*	493	504 at 08/09	393 at 11/02	+8.1%				+4.3%
Brazil*	1 722	1 746 at 08/09	860 at 21/01	+35.8%				+61.6%
Russia*	521	526 at 08/09	331 at 20/01	+13.3%				+25.2%

At 6-10-16

Variations

* MSCI index



Economic forecasts

En %	GDP Growth			Inflation			Curr. account / GDP			Fiscal balances / GDP		
	2015	2016 e	2017 e	2015	2016 e	2017 e	2015	2016 e	2017 e	2015	2016 e	2017 e
Advanced	1.9	1.4	1.3	0.3	0.7	1.5						
United States	2.6	1.5	1.6	0.1	1.3	2.2	-2.5	-2.6	-2.7	-2.5	-3.1	-3.1
Japan	0.5	0.4	0.1	0.8	-0.2	0.5	3.3	3.6	3.2	-4.5	-4.3	-3.9
United Kingdom	2.2	1.6	0.7	0.1	0.6	2.4	-5.4	-5.9	-4.4	-4.1	-3.6	-4.4
Euro Area	1.9	1.5	1.1	0.0	0.2	1.0	3.2	2.9	2.7	-2.1	-2.1	-1.9
Germany	1.5	1.8	1.3	0.1	0.3	1.1	8.6	8.2	7.5	0.7	0.3	0.1
France	1.2	1.3	1.0	0.1	0.4	1.2	-0.2	-0.2	-0.4	-3.5	-3.4	-3.1
Italy	0.6	0.8	0.3	0.1	0.0	1.0	2.2	2.2	2.1	-2.6	-2.8	-2.8
Spain	3.2	3.1	1.9	-0.6	-0.5	1.1	1.4	1.2	1.0	-5.1	-4.6	-3.5
Netherlands	1.5	1.1	1.1	0.2	0.4	0.9	9.4	9.5	9.2	-1.8	-1.8	-1.6
Belgium	1.4	1.2	1.5	0.6	1.5	1.5	0.8	1.3	1.5	-2.5	-2.7	-2.3
Portugal	1.5	1.1	1.1	0.5	0.8	1.2	0.8	0.6	0.4	-4.4	-2.9	-2.7
Emerging	4.1	4.2	4.9	5.9	6.5	5.5						
China	6.9	6.6	6.3	1.4	2.0	2.2	3.1	2.6	1.9	-2.4	-3.0	-3.2
India	7.2	7.9	8.3	4.9	5.4	5.0	-1.3	-1.1	-1.3	-4.1	-3.9	-3.5
Brazil	-3.8	-3.0	2.0	9.0	8.8	5.0	-3.3	-1.0	-1.5	-10.3	-10.1	-9.4
Russia	-3.7	0.0	2.2	15.6	7.1	5.4	5.2	2.8	3.5	-2.1	-2.8	-1.6
World	3.1	3.0	3.3	3.5	4.0	3.8						

Source : BNP Paribas Group Economic Research (e: Estimates & forecasts)

Financial forecasts

Interest rates		2016				2017				2015	2016e	2017e
		Q1	Q2	Q3	Q4e	Q1e	Q2e	Q3e	Q4e			
US	Fed Funds	0.50	0.50	0.5	0.50-0.75	0.50-0.75	0.50-0.75	0.50-0.75	0.50-0.75	0.01	0.50-0.75	0.50-0.75
	3-month Libor \$	0.63	0.65	0.85	0.85	0.90	0.90	0.95	0.95	0.61	0.85	0.95
	10-year T-notes	1.79	1.49	1.61	1.60	1.60	1.55	1.55	1.50	2.27	1.60	1.50
EMU	Refinancing rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00
	3-month Euribor	-0.24	-0.29	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.13	-0.30	-0.30
	10-year Bund	0.16	-0.13	-0.19	-0.20	-0.20	-0.20	-0.20	-0.20	0.63	-0.20	-0.20
	10-year OAT	0.41	0.20	0.12	0.10	0.20	0.10	0.10	0.10	0.98	0.10	0.10
	10-year BTP	1.23	1.35	1.19	0.90	0.90	0.90	0.80	0.80	1.60	0.90	0.80
UK	Base rate	0.50	0.50	0.25	0.10	0.10	0.10	0.10	0.10	0.50	0.10	0.10
	3-month Libor £	0.59	0.56	0.38	0.20	0.30	0.35	0.35	0.35	0.59	0.20	0.35
	10-year Gilt	1.42	1.02	0.76	0.65	0.65	0.65	0.70	0.80	1.96	0.65	0.80
Japan	Overnight call rate	-0.00	-0.06	-0.06	-0.10	-0.10	-0.10	-0.10	-0.10	0.04	-0.10	-0.10
	3-month JPY Libor	0.10	0.06	0.06	0.05	0.05	0.05	0.05	0.05	0.17	0.05	0.05
	10-year JGB	-0.04	-0.23	-0.08	-0.10	-0.15	-0.15	-0.15	-0.15	0.25	-0.10	-0.15

Exchange rates		2016				2017				2015	2016e	2017e
		Q1	Q2	Q3	Q4e	Q1e	Q2e	Q3e	Q4e			
USD	EUR / USD	1.14	1.11	1.12	1.08	1.12	1.10	1.07	1.05	1.09	1.08	1.05
	USD / JPY	112	103	101	108	106	108	115	120	120	108	120
EUR	EUR / GBP	0.79	0.83	0.87	0.84	0.86	0.84	0.79	0.77	0.74	0.84	0.77
	EUR / CHF	1.09	1.08	1.09	1.12	1.13	1.14	1.15	1.16	1.09	1.12	1.16
	EUR/JPY	128	114	114	117	119	119	123	126	131	117	126

Source : BNP Paribas Group Economic Research / GlobalMarkets (e: Estimates & forecasts)



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