



## Summary

## Emerging

## Justified caution

The "Trump tantrum" has left few traces on the financial conditions of emerging countries. The cost of corporate financing in dollars is at an all-time low, the oil and metal prices continue to recover and foreign trade seems to be picking up. Cause for rejoicing? It is hard to be so certain, given the kaleidoscope of potential risks.

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## Turkey

## A complex equation

Economic growth lost its steam in H2 2016 in the aftermath of the aborted coup in July. Political and security concerns are likely to continue dragging down confidence among economic agents and investors, as well as the Turkish lira and economic activity in 2017.

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## Market overview

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## Summary of forecasts

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Also in



## And what if the EU were to strengthen its ties?

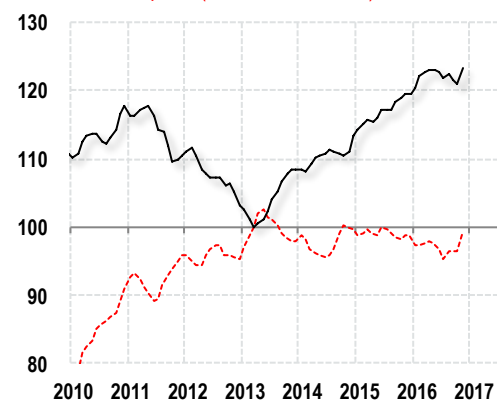
■ The European Union reinforces its own trade... ■ ...while economy picks up ■ The UK has nevertheless chosen to distance itself.

As if thumbing its nose at the prevailing Euroscepticism, the business climate is improving a little more each day in the Old World, especially in industry. The purchasing managers' index rose above 55 in January, a sign of dynamic output. The recovery continues. Stretching from Germany to Spain, it is both widespread and endogenous. Intra-EU trade is indeed picking up, while trade with the rest of the world tends to be flat (chart). This uncoupling is rare: it illustrates the polarisation of trade after several decades of globalisation. As a result, the single market is gaining weight again: it absorbed 64% of EU28 exports in 2016, up from 62% in 2013. Faced with the protectionist threats of the new US administration, Europe's 500 million consumers count more than ever for those who want to continue doing business within an organised framework. Even so, having just decided to leave the European Union, the UK has chosen to distance itself. Just where it intends to go remains to be seen.

## HEALTHY INSIDE

— Intra-EU exports (volume, 2013=100)

--- Extra-EU exports (volume, 2013=100)



Source: Eurostat

## THE WEEK ON THE MARKETS

Week 3-2 17 > 9-2-17

➤ CAC 40	4 825	➤ 4 826	+0.0 %
➤ S&P 500	2 297	➤ 2 308	+0.5 %
➤ Volatility (VIX)	11.0	➤ 10.9	-0.1 %
➤ Euribor 3M (%)	-0.33	➤ -0.33	+0.0 bp
➤ Libor \$ 3M (%)	1.03	➤ 1.03	-0.0 bp
➤ OAT 10y (%)	1.07	➤ 0.98	-9.3 bp
➤ Bund 10y (%)	0.41	➤ 0.31	-10.2 bp
➤ US Tr. 10y (%)	2.49	➤ 2.41	-8.1 bp
➤ Euro vs dollar	1.08	➤ 1.07	-1.2 %
➤ Gold (ounce, \$)	1 218	➤ 1 235	+1.4 %
➤ Oil (Brent, \$)	57.0	➤ 55.6	-2.6 %

Source: Thomson Reuters



## Emerging countries

### Due caution

- The “Trump tantrum” has left few traces on the financial conditions of emerging countries, with the exception of Mexico and Turkey. Despite higher US long-term rates, the cost of corporate financing in dollars is at an all-time low.
- Oil and metal prices continue to recover and foreign trade seems to be picking up.
- Even so, the IMF and the World Bank have revised downwards their growth forecasts for 2017, insisting on the downside risks more than on the gearing effect of a US fiscal stimulus.
- Are they being overly cautious after years of systematic downward revisions? It is hard to be so certain given the kaleidoscope of potential risks.

### Renewed calm

Donald Trump's election in early November sent a wave of panic through emerging financial markets. Three months later, there are few traces left of the “Trump tantrum”. With the notable exception of Mexico and Turkey, the main emerging currencies have been stable or have strengthened. The average risk premium on dollar-denominated sovereign debt returned to pre-election levels, while that of corporate debt has continued to decline without a glitch. Even though US long-term rates have increased, the cost of corporate financing in dollars has fallen to an all-time low.

At the same time, oil and metal prices have continued to rebound, notably due to the improvement in activity and prices in the industrial and real-estate sectors in China. From a more general perspective, foreign trade has picked up in emerging countries, notably intra-Asian trade. All in all, based on both real and financial indicators, the IIF expects the annualised quarterly growth to accelerate to about 5% in Q4 2016.

### Growth forecasts are revised downwards again

Even so, the IMF and the World Bank have revised downwards their 2017 growth forecasts (from the October 2016 outlook for the IMF and the June 2016 outlook for the World Bank).

Although Chinese growth is expected to slow to 6.5% (vs. 6.7% in 2016), the two international institutions still expect average growth to rebound in the emerging countries, as Brazil and Russia both pull out of recession. In contrast, they both expect Mexican growth to slow to less than 2% due to: 1) a persistent financial shock due to the country's exchange rates and interest rates, and 2) a drop-off in exports due to uncertainty over trade relations with its US neighbour. The other big revisions concern 1) India, where the shock of demonetisation will hit growth, a priori temporarily, 2) Turkey, which like Mexico, faces financial tensions, but which are due more to domestic factors than to the Trump effect, and 3) a reassessment of the size of the slowdowns or recessions in the oil-producing countries (Angola, Saudi Arabia, Nigeria).

The World Bank does not take into account any gearing effects due to a US fiscal stimulus, while the IMF gives them cautious consideration. These gearing effects are seen more as upside risks rather than as key assumptions in a baseline scenario.

### A kaleidoscope of risks

The two institutions insist, in contrast, on the numerous downside risks: economic risks, including the reduction in potential growth, high corporate debt loads and falling profitability, and the deteriorating quality of bank portfolios; financial risks, including capital outflows and US monetary tightening; and political risks, in the broad sense of the term, including geopolitics, domestic politics and economic policy.

China's financial instability still seems to be the main potential risk factor. Non-financial private sector debt (i.e. excluding the central government) reached 210% of GDP in 2016 and will be difficult to scale back. Corporate debt (120% of GDP) is levelling off, but household debt (45% of GDP) and the debt of local governments and their financing vehicles (45% of GDP) continue to rise much faster than GDP. This is also the case for debt originated through the least regulated compartment of shadow banking, which now accounts for 50% of GDP (up from 16% in 2011) according to Moody's estimates. Moreover, there are recurrent squeezes on domestic liquidity, due to capital outflows and panic movements sweeping corporate debt and local government financing instruments. In a nutshell, the potential for a corporate debt crisis continues to rise. Fortunately, unlike in late 2015, the conditions are no longer ripe for a crisis to be triggered: industry is not in deflation any longer, real estate prices have picked up, the exchange rate is more flexible and the Chinese monetary authorities are playing their role as liquidity supplier of last resort.

In terms of political risks, the World Bank economists have tried to evaluate their effects on investment in the emerging and developing countries to explain the latter's weakness since 2010. More precisely, they calculated the impact of two measures of uncertainty on two different examples: economic policy uncertainty in the nearby external environment (the EU for the Eastern European countries) and domestic political risk (in this case Brazil). They show that an increase (or reduction) in political risks can very largely offset the reduction (or increase) in financial market volatility (as measured by VIX), especially if the two sources of political uncertainty are combined.



## Turkey

### A complex equation

- The extent of the upward revision of past economic growth figures from 2012-15 does not remove the external vulnerability and the limited credibility of monetary policy.
- Economic growth lost its steam in H2 2016 in the aftermath of the aborted coup in July.
- Political and security concerns are likely to continue dragging down confidence among economic agents and investors, as well as the Turkish lira and economic activity in 2017.

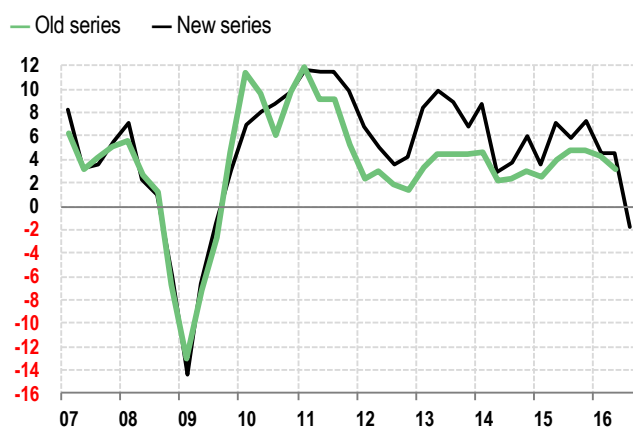
### Major upward adjustments to the national accounts

In December, Turkstat, the National Statistics Institute, published national accounts for the third quarter, accompanied by a revised methodology and revised historical GDP figures, resulting in some good news and bad news. The bad news was the extent of the economic decline following the attempted coup on 15 July. According to the new published data, real GDP fell 1.8% year-on-year in Q3; the failure to publish figures adjusted for seasonal variations and changes in the number of working days means that sequential analysis is not relevant. The upward revision of Q3 2015 GDP growth also raised the base for comparison, leading to a larger year-on-year drop. Most of the reduction in economic activity was caused by a slump in consumer spending (-3.2% year-on-year). The tourist season was disastrous, with summer revenues down 40%. The unemployment rate rose to 11.8% seasonally-adjusted. Investment stagnated (-0.6%), whereas public-sector consumption rose sharply (+23.8%), as expected given the government's expansionary fiscal policy. Exports (-7%) suffered from weak external demand. On the supply side, only the real-estate and construction sectors continued to show growth.

The biggest surprise – and a pleasant although rather puzzling one – was the extent of the upward revision of past economic growth figures from 2011 onwards, following the adoption of European standards (ESA 2010) that comply with international standards (SNA 2008). According to the new figures, real GDP grew at a CAGR of 6.1% between 2012 and 2015, as opposed to only 3.3% under the old standards. Real GDP was revised upward by almost 11% and nominal GDP by 19%. As a result, the breakdown between real and nominal GDP is not an issue. Most GDP components were upgraded. However, consumer spending, which has been the main growth driver since 2013, has been revised lower from mid-2015 onward, suggesting that consumer confidence has become less resilient given the difficult socio-political and geopolitical context. The largest revision concerns investment. Some expenditure such as R&D has been reclassified as investment. Most importantly, despite the lack of detail about gross fixed capital formation (public or private sector; expenditure on machinery/equipment or construction), Turkstat states that the old figures significantly understated the construction boom. This puts a new complexion on Turkish investment, one that is more consistent with the growth in lending to companies seen in the

last few years. Even factoring in companies' working capital requirements and the scale of the debt they had to refinance, the old figures showed a lack of correlation between investment and lending that was hard to explain.

### Real GDP growth, % y/y



Sources : Turkstat, Bloomberg

### A rewriting of macroeconomic narrative, although the country's weaknesses still exist

The new methodology seems to be more robust (chained volume series that remove the effect of price changes, more data from observed sources instead of surveys, reclassification of certain criteria) and the new statistics are meant to reflect the economic reality more accurately: 74% of the gap between the old and new data series is apparently due to measurement errors. However, the new figures mean that the previous analysis of Turkey's economic slowdown since 2012 and lack of productivity growth – following a good decade (average growth of 5%) punctuated by two years of overinvestment (2010-2011) in response to the recessionary impact of the global crisis – is now null. The low domestic savings rate – singled out as the Turkish economy's Achilles heel and the cause of its dependence on foreign savings – turns out to be a myth. The investment rate has been revised upward by 5 points to 28% and Turkey's external deficit has been revised down by 1 point of GDP because of upgraded GDP figures. Those changes have pushed up the domestic savings rate by more than 6 points. At around 21% of GDP, it is now in line with the average seen in developed countries, higher than figures in Central and Eastern Europe and Latin America, but well below Asian levels. Overall, therefore, the Turks are substantially richer and less spendthrift than previously thought, while ratios regarding the public finances have also improved from relatively good levels.

However, Turkey's external position remains vulnerable. Nominal GDP in US-dollar terms has been trimmed by the sharp decline in the Turkish lira, which has fallen 50% against the euro-dollar basket



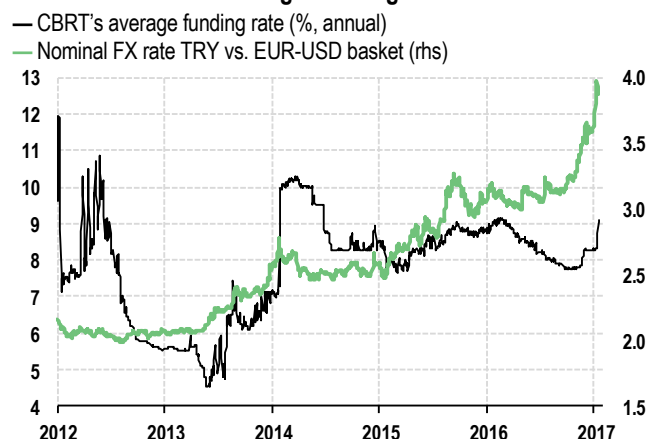
since May 2013. The country's external borrowing requirements remain substantial at almost USD 200 bn in 2016, equal to almost 25% of estimated GDP, because of a current-account deficit of around USD 35 bn and external debt repayments of around USD 135 bn. USD 200 bn is also the amount of foreign-currency debt owed by Turkish non-financial companies, most of which is onshore (i.e. owed to local banks) and involves medium- to long-term maturities. Set against those foreign liabilities, FX reserves declined slightly year-on-year at USD 92 bn in December 2016. They provide a relatively thin safety cushion, especially since "free" FX reserves (i.e. excluding commercial bank deposits at the central bank) only amount to USD 37 bn. Since peaking in May 2013, when the Fed announced its tapering plan and Turkey's social unrest began, local-currency assets (bonds and stocks) held by non-residents have fallen from USD 152 bn to USD 61 bn, due to around USD 9 bn of net portfolio investment outflows but more importantly because of currency and valuation effects.

### ...notably given deteriorating political and security situation

Terror attacks by IS and the PKK are becoming more common, especially since Turkey started its military involvement in Syria in August, and a state of emergency was reimposed in July. The crackdown on institutions and businesses has widened beyond Gulenist circles and is continuing, making social divisions worse. On 22 January, the Turkish parliament adopted a plan to revise the constitution, introducing a strong executive presidency (removing the position of prime minister and replacing it with that of a president who is the head of the government and the majority party; giving the president more powers over the judiciary, etc.). A referendum should take place in the next three months. That could be followed by early parliamentary elections in order to make the reform applicable immediately instead of in 2019, and to replace existing MPs, some of whom are suspected to be Gulenists. In addition to the difficult domestic and regional context, diplomatic relations with the USA and EU have become strained again and Turkey has moved closer to Russia, while Donald Trump's election victory has had a negative impact on all emerging markets.

The lira has fallen sharply, dropping 35% against the dollar since July 2016, including 32% since Moody's cut Turkey's sovereign credit rating to junk in late September (a move that Fitch followed on 27 January), 23% since the US election in November and 10% since the start of 2017. The authorities are nervous, and President Erdogan has suggested to holders of foreign-currency assets that they convert them into lira to show patriotism. Although some public- and private-sector companies have apparently complied with that request, the conversion of bank deposits into euros and dollars has accelerated, clearly showing the concerns of savers. There have been rumours that capital controls will be introduced. However, the government has quickly denied them, conscious of the devastating impact that constraints on capital outflows will have on capital inflows, which are crucial if the balance of payments is to remain sustainable. Higher taxes on foreign-currency deposits, which would not constitute capital controls, would in theory have little effect on the behaviour of savers, who are looking more for safety than high returns. A simple ban on foreign-currency deposits cannot be ruled out.

### Interest rates and foreign exchange rate



Sources : CBRT, Datastream, BNP Paribas

In its 2017 monetary and exchange-rate policy programme, the central bank (CBRT) reiterated its "official" target of price stability within a floating exchange-rate system. Nevertheless, shock therapy such as the sharp hike in interest rates carried out in January 2014 does not appear to be on the cards. Political pressure and the flagging economy mean that monetary policy remains rather loose. The limited action taken in November (symbolic increase in the one-week repo rate and overnight lending rate) was not enough to stem the rapid decline in the lira or the major inflationary pressure also resulting from higher oil prices and increases in wages and certain taxes. Since 16 January, the CBRT has focused on its "late liquidity window", the interest rate of which was hiked by 100 bp to 11% at the latest monetary policy committee on 24 January. The one-week repo rate was unchanged (8%) and the o/n lending rate was hiked by 75 bp to 9.25%.

Our baseline scenario does not include stagflation. However, the high level of political and security risk is likely to remain a drag on the lira, confidence among economic agents and foreign investors, and therefore economic activity.





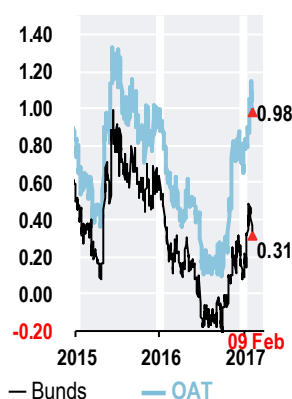
## Markets overview

## The essentials

Week 3-2 17 &gt; 9-2-17

➤ CAC 40	4 825	➤ 4 826	+0.0 %
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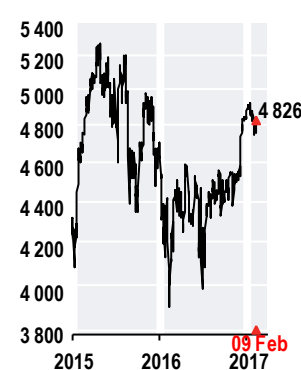
10 y bond yield, OAT vs Bund



Euro-dollar



CAC 40



## Money &amp; Bond Markets

Interest Rates		highest' 17		lowest' 17	
€ ECB	0.00	0.00 at 02/01	0.00	at 02/01	
Eonia	-0.35	-0.35 at 04/01	-0.36	at 02/01	
Euribor 3M	-0.33	-0.32 at 02/01	-0.33	at 17/01	
Euribor 12M	-0.10	-0.08 at 02/01	-0.10	at 01/02	
\$ FED	0.75	0.75 at 02/01	0.75	at 02/01	
Libor 3M	1.03	1.04 at 20/01	1.00	at 02/01	
Libor 12M	1.70	1.73 at 20/01	1.68	at 06/01	
£ BoE	0.25	0.25 at 02/01	0.25	at 02/01	
Libor 3M	0.36	0.37 at 05/01	0.35	at 03/02	
Libor 12M	0.75	0.78 at 09/01	0.75	at 07/02	

At 9-2-17

Yield (%)		highest' 17		lowest' 17	
€ AVG 5-7y	0.46	0.56 at 02/02	0.23	at 02/01	
Bund 2y	-0.80	-0.66 at 25/01	-0.82	at 08/02	
Bund 10y	0.31	0.49 at 26/01	0.09	at 02/01	
OAT 10y	0.98	1.14 at 06/02	0.67	at 02/01	
Corp. BBB	1.54	1.65 at 01/02	1.49	at 02/01	
\$ Treas. 2y	1.18	1.24 at 04/01	1.15	at 23/01	
Treas. 10y	2.41	2.52 at 25/01	2.33	at 17/01	
Corp. BBB	3.73	3.81 at 03/01	3.68	at 17/01	
£ Treas. 2y	0.09	0.22 at 06/01	0.06	at 02/01	
Treas. 10y	1.24	1.51 at 26/01	1.22	at 08/02	

At 9-2-17

10y bond yield &amp; spreads

7.88%	Greece	756 pb
4.32%	Portugal	401 pb
2.18%	Italy	186 pb
1.63%	Spain	131 pb
1.04%	Ireland	73 pb
0.98%	France	66 pb
0.86%	Belgium	54 pb
0.57%	Austria	26 pb
0.50%	Finland	19 pb
0.49%	Netherlands	17 pb
0.31%	Germany	

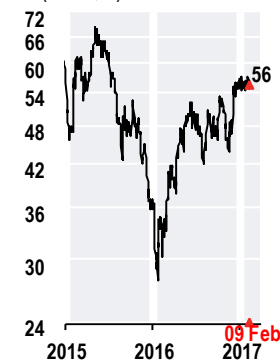
## Commodities

Spot price in dollars		lowest' 17		2017(€)	
Oil, Brent	56	54 at 19/01	-3.1%		
Gold (ounce)	1 235	1 156 at 03/01	+5.5%		
Metals, LMEX	2 821	2 639 at 03/01	+4.9%		
Copper (ton)	5 809	5 487 at 03/01	+4.0%		
CRB Foods	349	339 at 02/01	+1.9%		
wheat (ton)	163	146 at 02/01	+10.1%		
Corn (ton)	138	133 at 02/01	+3.0%		

At 9-2-17

Variations

Oil (Brent, \$)



Gold (Ounce, \$)



CRB Foods



## Exchange Rates

1€ =		highest' 17		lowest' 17		2017	
USD	1.07	1.08 at 31/01	1.04	at 03/01	+1.1%		
GBP	0.85	0.88 at 16/01	0.85	at 26/01	-0.3%		
CHF	1.07	1.07 at 24/01	1.06	at 08/02	-0.4%		
JPY	120.48	123.21 at 06/01	119.70	at 08/02	-2.1%		
AUD	1.40	1.46 at 02/01	1.40	at 09/02	-4.0%		
CNY	7.32	7.43 at 31/01	7.22	at 03/01	-0.1%		
BRL	3.33	3.44 at 18/01	3.33	at 09/02	-2.9%		
RUB	62.81	64.95 at 31/01	62.81	at 09/02	-2.5%		
INR	71.37	73.32 at 31/01	70.95	at 03/01	-0.3%		

At 9-2-17

Variations

## Equity indices

	Index	highest' 17		lowest' 17		2017	2017(€)
CAC 40	4 826	4 922	at 13/01	4 749	at 31/01	-0.7%	-0.7%
S&P500	2 308	2 308	at 09/02	2 239	at 02/01	+3.1%	+2.0%
DAX	11 643	11 849	at 26/01	11 510	at 06/02	+1.4%	+1.4%
Nikkei	18 908	19 594	at 04/01	18 788	at 24/01	-1.1%	+1.0%
China*	64	64	at 09/02	59	at 02/01	+9.4%	+8.2%
India*	485	485	at 09/02	445	at 03/01	+7.1%	+7.4%
Brazil*	1 872	1 886	at 27/01	1 654	at 02/01	+7.5%	+10.7%
Russia*	597	622	at 03/01	589	at 23/01	-3.8%	-2.0%

At 9-2-17

Variations

\* MSCI index



## Economic forecasts

En %	GDP Growth			Inflation			Curr. account / GDP			Fiscal balances / GDP		
	2016 e	2017 e	2018 e	2016 e	2017 e	2018 e	2016 e	2017 e	2018 e	2016 e	2017 e	2018 e
<b>Advanced</b>	<b>1.6</b>	<b>1.7</b>	<b>2.1</b>	<b>0.8</b>	<b>1.7</b>	<b>1.9</b>						
<b>United States</b>	<b>1.6</b>	<b>2.4</b>	<b>2.8</b>	<b>1.3</b>	<b>2.4</b>	<b>2.5</b>	<b>-2.5</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-3.4</b>	<b>-4.2</b>	<b>-5.0</b>
Japan	1.0	1.1	0.8	-0.1	0.7	1.0	3.6	3.8	4.1	-4.6	-4.2	-4.1
United Kingdom	2.1	1.1	1.6	0.6	2.4	2.6	-5.5	-4.6	-3.5	-3.7	-4.0	-4.1
<b>Euro Area</b>	<b>1.7</b>	<b>1.5</b>	<b>1.5</b>	<b>0.2</b>	<b>1.6</b>	<b>1.2</b>	<b>3.2</b>	<b>2.9</b>	<b>2.9</b>	<b>-1.8</b>	<b>-1.6</b>	<b>-1.4</b>
Germany	1.8	1.8	1.9	0.4	1.6	1.5	8.9	8.1	8.4	0.6	0.6	0.5
France	1.1	1.3	1.5	0.3	1.0	0.9	-0.9	-0.6	-0.8	-3.4	-3.0	-2.7
Italy	0.9	0.6	0.7	-0.1	1.1	0.9	2.0	2.2	2.0	-2.5	-2.6	-2.6
Spain	3.3	2.4	2.0	-0.3	2.2	1.4	1.1	1.6	1.6	-4.6	-3.8	-3.2
Netherlands	2.2	2.0	1.6	0.1	1.0	1.4	8.5	8.3	8.0	-1.1	-0.5	-0.2
Belgium	1.4	1.2	1.4	1.8	1.6	1.6	0.8	0.6	0.6	-2.9	-1.6	-1.9
<b>Emerging</b>	<b>4.3</b>	<b>4.6</b>	<b>5.1</b>	<b>4.8</b>	<b>4.4</b>	<b>4.2</b>						
China	6.7	6.2	6.4	2.0	2.3	2.5	2.2	1.7	1.5	-3.0	-3.3	-3.5
India	7.5	8.1	8.3	5.0	5.7	4.9	-1.1	-0.5	-1.3	-3.9	-3.5	-3.5
Brazil	-3.5	1.0	3.0	8.2	4.5	4.4	-1.1	-1.4	-2.1	-9.6	-9.3	-7.4
Russia	-0.5	1.0	2.5	7.0	4.6	4.2	2.5	2.7	3.2	-3.7	-2.9	-1.8
<b>World</b>	<b>3.1</b>	<b>3.3</b>	<b>3.8</b>	<b>3.1</b>	<b>3.3</b>	<b>3.3</b>						

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

## Financial forecasts

Interest rates		2016				2017				2016	2017e	2018e
End period		Q1	Q2	Q3	Q4	Q1e	Q2e	Q3e	Q4e			
<b>US</b>	Fed Funds	0.25-0.5	0.25-0.5	0.25-0.5	0.75	0.50-0.75	0.50-0.75	0.75-1.00	1.00-1.25	0.25-0.75	1.00-1.25	2.00-2.25
	3-month Libor \$	0.63	0.65	0.85	1.00	0.90	0.90	0.95	1.10	1.00	1.10	2.45
	10-year T-notes	1.79	1.49	1.61	2.45	2.55	2.75	2.85	3.00	2.45	3.00	3.50
<b>EMU</b>	Refinancing rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	3-month Euribor	-0.24	-0.29	-0.30	-0.32	-0.30	-0.30	-0.30	-0.30	-0.32	-0.30	-0.15
	10-year Bund	0.16	-0.13	-0.19	0.11	0.40	0.50	0.60	0.70	0.11	0.70	1.20
	10-year OAT	0.41	0.20	0.12	0.69	0.90	0.90	1.00	1.10	0.69	1.10	1.70
	10-year BTP	1.23	1.35	1.19	1.84	1.90	2.10	2.30	2.50	1.84	2.50	3.00
<b>UK</b>	Base rate	0.50	0.50	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
	3-month Libor £	0.59	0.56	0.38	0.37	0.40	0.40	0.40	0.40	0.37	0.40	0.40
	10-year Gilt	1.42	1.02	0.76	1.24	1.70	1.65	1.75	1.90	1.24	1.90	2.15
<b>Japan</b>	Overnight call rate	-0.00	-0.06	-0.06	-0.06	-0.10	-0.10	-0.10	-0.10	-0.06	-0.10	-0.10
	3-month JPY Libor	0.10	0.06	0.06	0.06	-0.10	-0.10	-0.10	-0.10	0.06	-0.10	0.05
	10-year JGB	-0.04	-0.23	-0.08	0.05	-0.06	-0.05	-0.02	0.00	0.05	0.00	0.15

Exchange rates		2016				2017				2016	2017e	2018e
End period		Q1	Q2	Q3	Q4	Q1e	Q2e	Q3e	Q4e			
<b>USD</b>	EUR / USD	1.14	1.11	1.12	1.05	1.04	1.02	1.02	1.00	1.05	1.00	1.09
	USD / JPY	112	103	101	117	115	120	125	128	117	128	135
<b>EUR</b>	EUR / GBP	0.79	0.83	0.87	0.85	0.84	0.82	0.82	0.80	0.85	0.80	0.76
	EUR / CHF	1.09	1.08	1.09	1.07	1.08	1.10	1.12	1.12	1.07	1.12	1.15
	EUR/JPY	128	114	114	123	120	122	128	128	123	128	147

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



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# BNP PARIBAS

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## Group Economic Research

■ **William DE VIJDER**  
Chief Economist

+33.(0)1 55 77 47 31

[william.devijlder@bnpparibas.com](mailto:william.devijlder@bnpparibas.com)

### ADVANCED ECONOMIES AND STATISTICS

■ **Jean-Luc PROUTAT**  
Head

+33.(0)1.58.16.73.32

[jean-luc.proutat@bnpparibas.com](mailto:jean-luc.proutat@bnpparibas.com)

■ **Alexandra ESTIOT**  
Works coordination - United States - United Kingdom - Globalisation

+33.(0)1.58.16.81.69

[alexandra.estiot@bnpparibas.com](mailto:alexandra.estiot@bnpparibas.com)

■ **Hélène BAUDCHON**  
France (short-term outlook and forecasts) - Labour markets

+33.(0)1.58.16.03.63

[helene.baudchon@bnpparibas.com](mailto:helene.baudchon@bnpparibas.com)

■ **Frédérique CERISIER**  
Euro Area - European Institutions and governance - Public finances

+33.(0)1.43.16.95.52

[frederique.cerisier@bnpparibas.com](mailto:frederique.cerisier@bnpparibas.com)

■ **Thibault MERCIER**  
France (structural reforms) - European central bank

+33.(0)1.57.43.02.91

[thibault.mercier@bnpparibas.com](mailto:thibault.mercier@bnpparibas.com)

■ **Manuel NUNEZ**  
Japan, Ireland - Projects

+33.(0)1.42.98.27.62

[manuel.a.nunez@bnpparibas.com](mailto:manuel.a.nunez@bnpparibas.com)

■ **Catherine STEPHAN**  
Spain, Portugal - World trade - Education, health, social conditions

+33.(0)1.55.77.71.89

[catherine.stephan@bnpparibas.com](mailto:catherine.stephan@bnpparibas.com)

■ **Raymond VAN DER PUTTEN**  
Germany, Netherlands, Austria, Switzerland - Energy, climate - Long-term projections

+33.(0)1.42.98.53.99

[raymond.vanderputten@bnpparibas.com](mailto:raymond.vanderputten@bnpparibas.com)

■ **Tarik RHARRAB**  
Statistics and Modelling

+33.(0)1.43.16.95.56

[tarik.rharrab@bnpparibas.com](mailto:tarik.rharrab@bnpparibas.com)

### BANKING ECONOMICS

■ **Laurent QUIGNON**  
Head

+33.(0)1.42.98.56.54

[laurent.quignon@bnpparibas.com](mailto:laurent.quignon@bnpparibas.com)

■ **Céline CHOULET**

+33.(0)1.43.16.95.54

[celine.choulet@bnpparibas.com](mailto:celine.choulet@bnpparibas.com)

■ **Thomas HUMBLLOT**

+33.(0)1.42.98.44.24

[thomas.humblot@bnpparibas.com](mailto:thomas.humblot@bnpparibas.com)

■ **Laurent NAHMIA**

+33.(0)1.40.14.30.77

[laurent.nahmias@bnpparibas.com](mailto:laurent.nahmias@bnpparibas.com)

### EMERGING ECONOMIES AND COUNTRY RISK

■ **François FAURE**  
Head

+33.(0)1 42 98 79 82

[francois.faure@bnpparibas.com](mailto:francois.faure@bnpparibas.com)

■ **Christine PELTIER**  
Deputy Head - Greater China, Vietnam - Methodology

+33.(0)1.42.98.56.27

[christine.peltier@bnpparibas.com](mailto:christine.peltier@bnpparibas.com)

■ **Stéphane ALBY**  
Africa (French-speaking countries)

+33.(0)1.42.98.02.04

[stephane.alby@bnpparibas.com](mailto:stephane.alby@bnpparibas.com)

■ **Sylvain BELLEFONTAINE**  
Turkey, Brazil, Mexico, Central America - Methodology

+33.(0)1.42.98.26.77

[sylvain.bellefontaine@bnpparibas.com](mailto:sylvain.bellefontaine@bnpparibas.com)

■ **Valérie PERRACINO-GUERIN**  
Africa (English and Portuguese speaking countries)

+33.(0)1.55.77.80.60

[valerie.perracino@bnpparibas.com](mailto:valerie.perracino@bnpparibas.com)

■ **Pascal DEVAUX**  
Middle East, Balkan countries - Scoring

+33.(0)1.43.16.95.51

[pascal.deviaux@bnpparibas.com](mailto:pascal.deviaux@bnpparibas.com)

■ **Anna DORBEC**  
CIS, Central European countries

+33.(0)1.42.98.48.45

[anna.dorbec@bnpparibas.com](mailto:anna.dorbec@bnpparibas.com)

■ **Hélène DROUOT**  
Asia

+33.(0)1.42.98.33.00

[helene.drouot@bnpparibas.com](mailto:helene.drouot@bnpparibas.com)

■ **Johanna MELKA**  
Asia, Russia

+33.(0)1.58.16.05.84

[johanna.melka@bnpparibas.com](mailto:johanna.melka@bnpparibas.com)

■ **Alexandra WENTZINGER**  
South America, Caribbean countries

+33.(0)1.42.98.74.26

[alexandra.wentzinger@bnpparibas.com](mailto:alexandra.wentzinger@bnpparibas.com)

■ **Michel BERNARDINI**  
Public Relation Officer

+33.(0)1.42.98.05.71

[michel.bernardini@bnpparibas.com](mailto:michel.bernardini@bnpparibas.com)





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Registered Office: 16 boulevard des Italiens – 75009 PARIS  
Tel : +33 (0) 1.42.98.12.34  
Internet : [www.group.bnpparibas.com](http://www.group.bnpparibas.com) - [www.economic-research.bnpparibas.com](http://www.economic-research.bnpparibas.com)

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