

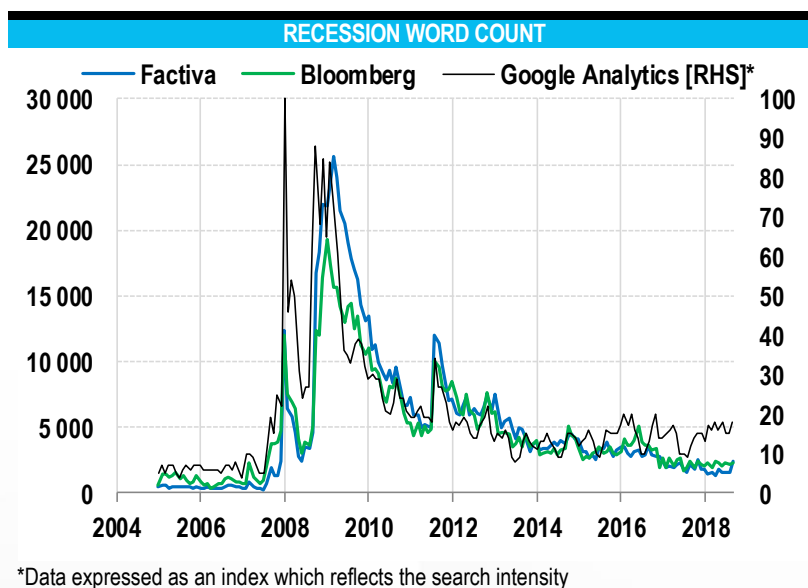
# ECOWEEK

No. 18-40, 31 October 2018

## Don't mention the R word

■ People update their expectations more quickly when media coverage of a given economic topic becomes more intense ■ The change in the outlook is more important than today's cyclical environment ■ Monitoring media coverage of economic slowdown risk will become particularly relevant against the background of a loss of momentum in survey data

A recent cover of *The Economist* titled: "The next recession. How bad will it be?" Considering that the world economy is still growing at a healthy pace, is the time ripe to talk about the next recession? It is reminiscent of an article in the same newspaper back in the 90s which showed a recession index based on the number of references to the R-word in *The Washington Post* and the *New York Times*. The accompanying chart has been inspired by this index. Whereas the data from Factiva are based on a large number of media in several countries, the Bloomberg data show the number of Bloomberg articles mentioning recession. Finally, the data from Google show the search activity in the US. Interestingly, the recent readings of the three indicators are still well above those of 2005-2006. This might reflect that the Great Recession is still influencing the search activity and the media attention to economic downturns. Since the beginning of last year the results for Bloomberg have been rather stable and the recession count by Factiva has been trending down. The very recent increase might be related to the intense media coverage of the 10<sup>th</sup> anniversary of the collapse of Lehman Brothers. Google search activity has actually been rising since the summer of 2017 and we're now back to the levels of 2016. Things still look very quiet at the moment compared to the big jumps in the three series in 2007, 2008 and 2011. Back in 2004, research by Doms and Morin<sup>1</sup> of the Federal Reserve had already shown that intense media coverage pushes people to update their expectations more frequently. This implies that a significant increase in the use of the R-word could end up influencing how people assess the economic outlook. Clearly, press articles could also merely reflect increasing concerns of people about the economy, rather than being a cause of such an increase. Recent research by Soroka et al. (2015) also highlights the responsiveness of media and the public to perceived changes in the outlook, rather than to where the economy is today<sup>2</sup>. In an environment of softening survey data, monitoring media coverage will become increasingly important.



William De Vijlder

<sup>1</sup> Mark Doms and Norman Morin, Consumer Sentiment, the Economy, and the News Media, Federal Reserve Bank of San Francisco and Board of Governors of the Federal Reserve System, September 2004

<sup>2</sup> Stuart N. Soroka, Dominik A. Stecula, Christopher Wlezien, It's (Change in) the (Future) Economy, Stupid: Economic Indicators, the Media, and Public Opinion, *American Journal of Political Science*, Vol. 59, No. 2, April 2015

p. 2

Markets Overview

p. 3

Pulse

p. 4

Economic scenario

**Eco**  
WEEK

ECONOMIC RESEARCH DEPARTMENT



BNP PARIBAS

The bank  
for a changing  
world

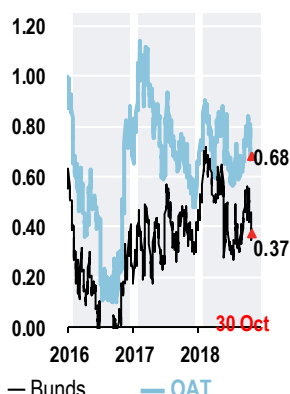
## Markets overview

### The essentials

Week 26-10-18 > 30-10-18

➤ CAC 40	4 967	➤ 4 979	+0.2 %
➤ S&P 500	2 659	➤ 2 683	+0.9 %
➤ Volatility (VIX)	24.2	➤ 23.4	-0.8 pb
➤ Euribor 3M (%)	-0.32	➤ -0.32	+0.0 bp
➤ Libor \$ 3M (%)	2.52	➤ 2.53	+0.6 bp
➤ OAT 10y (%)	0.67	➤ 0.68	+1.4 bp
➤ Bund 10y (%)	0.35	➤ 0.37	+2.3 bp
➤ US Tr. 10y (%)	3.08	➤ 3.11	+3.4 bp
➤ Euro vs dollar	1.14	➤ 1.14	-0.1 %
➤ Gold (ounce, \$)	1 242	➤ 1 224	-1.4 %
➤ Oil (Brent, \$)	77.1	➤ 76.2	-1.1 %

10 y bond yield, OAT vs Bund



Euro-dollar



CAC 40



### Money & Bond Markets

Interest Rates	highest' 18	lowest' 18
€ ECB	0.00 at 01/01	0.00 at 01/01
Eonia	-0.37 at 31/08	-0.37 at 18/05
Euribor 3M	-0.32 at 01/10	-0.33 at 01/01
Euribor 12M	-0.15 at 24/10	-0.19 at 19/02
\$ FED	2.25 at 27/09	1.50 at 01/01
Libor 3M	2.53 at 29/10	1.69 at 01/01
Libor 12M	3.06 at 29/10	2.11 at 01/01
£ BoE	0.75 at 02/08	0.50 at 01/01
Libor 3M	0.81 at 29/10	0.52 at 04/01
Libor 12M	1.05 at 10/10	0.76 at 03/01

At 30-10-18

Yield (%)	highest' 18	lowest' 18
€ AVG 5-7y	0.87 at 19/10	0.41 at 18/04
Bund 2y	-0.62 at 25/09	-0.79 at 29/05
Bund 10y	0.37 at 15/02	0.27 at 19/07
OAT 10y	0.68 at 08/02	0.57 at 13/07
Corp. BBB	1.81 at 29/10	1.17 at 08/01
\$ Treas. 2y	2.84 at 22/10	1.89 at 01/01
Treas. 10y	3.11 at 08/10	2.41 at 01/01
Corp. BBB	4.60 at 30/10	3.59 at 01/01
£ Treas. 2y	0.72 at 05/10	0.40 at 01/01
Treas. 10y	1.41 at 10/10	1.23 at 01/01

At 30-10-18

10y bond yield & spreads

4.85%	Greece	448 pb
3.49%	Italy	311 pb
1.89%	Portugal	152 pb
1.59%	Spain	121 pb
0.78%	Belgium	40 pb
0.68%	France	30 pb
0.65%	Ireland	27 pb
0.64%	Finland	26 pb
0.59%	Austria	21 pb
0.51%	Netherlands	13 pb
0.37%	Germany	

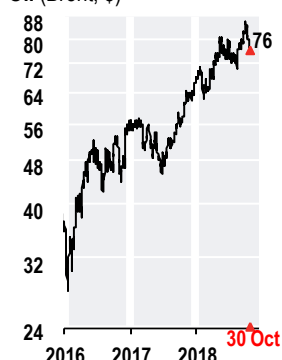
### Commodities

Spot price in dollars	lowest' 18	2018(€)
Oil, Brent	62.2 at 13/02	+20.9%
Gold (ounce)	1 179 at 17/08	-0.7%
Metals, LMEX	2 820 at 15/08	-10.9%
Copper (ton)	5 759 at 15/08	-10.9%
CRB Foods	316 at 30/08	+5.3%
wheat (ton)	155 at 16/01	+19.6%
Corn (ton)	115 at 18/09	+8.3%

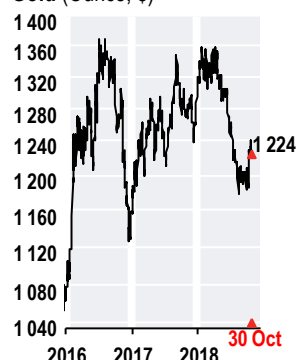
At 30-10-18

Variations

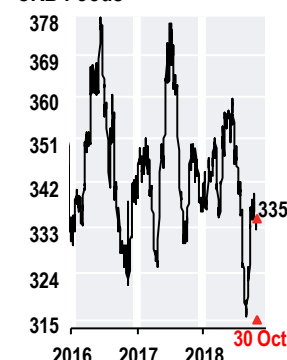
Oil (Brent, \$)



Gold (Ounce, \$)



CRB Foods



### Exchange Rates

1€ =	highest' 18	lowest' 18	2018
USD	1.14 at 25/01	1.13 at 15/08	-5.4%
GBP	0.89 at 28/08	0.86 at 17/04	+0.6%
CHF	1.14 at 19/04	1.12 at 07/09	-2.4%
JPY	128.15 at 02/02	124.96 at 15/08	-5.3%
AUD	1.63 at 11/09	1.53 at 09/01	+4.1%
CNY	7.91 at 25/09	7.42 at 29/05	+1.2%
BRL	4.22 at 14/09	3.87 at 08/01	+5.9%
RUB	74.53 at 10/09	68.06 at 09/01	+7.8%
INR	83.74 at 11/10	75.92 at 08/01	+9.3%

At 30-10-18

Variations

### Equity indices

Index	highest' 18	lowest' 18	2018	2018(€)
CAC 40	5 640 at 22/05	4 953 at 24/10	-6.3%	-6.3%
S&P500	2 931 at 20/09	2 581 at 08/02	+0.3%	+6.0%
DAX	13 560 at 23/01	11 192 at 24/10	-12.6%	-12.6%
Nikkei	24 271 at 02/10	20 618 at 23/03	-5.7%	-0.5%
China*	68 at 26/01	68 at 30/10	-23.1%	-19.1%
India*	497 at 29/01	487 at 26/10	-6.1%	-14.1%
Brazil*	2 024 at 26/01	1 561 at 11/09	+12.0%	+5.7%
Russia*	586 at 26/02	551 at 23/08	+8.5%	+2.4%

At 30-10-18

Variations

\* MSCI index



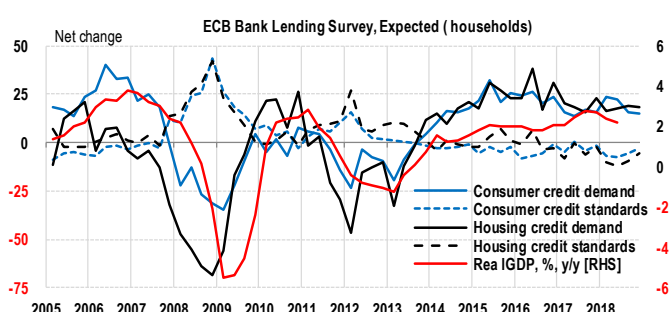
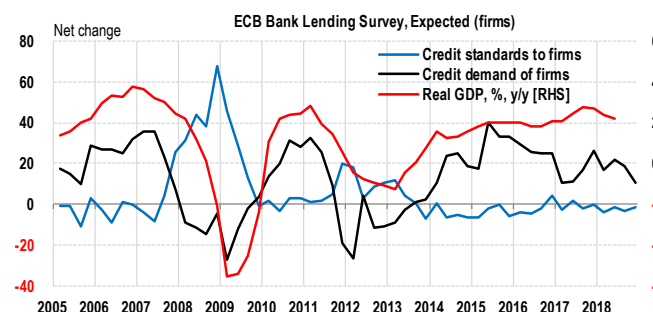
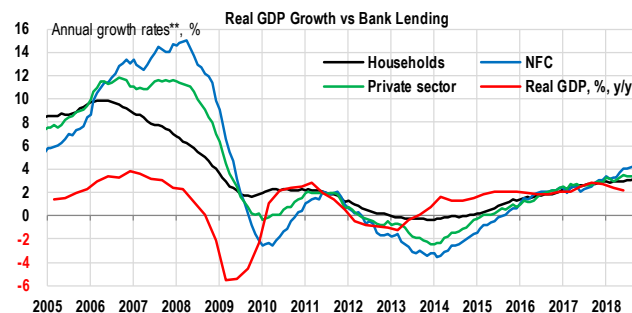
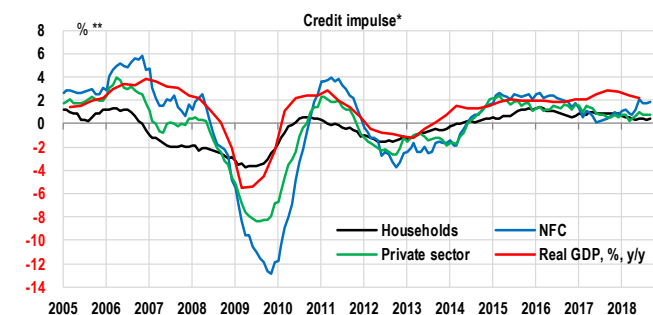
BNP PARIBAS

The bank  
for a changing  
world

## Pulse

## Eurozone: Credit pulse

After a rebound in June, the pulse of lending stabilized in September. This dynamism is due to the continued acceleration of loans to non-financial corporations and, to a lesser extent, households. Loan demand by households remains more favorably oriented than that of non-financial corporations, while the credit conditions continue to ease but not as fast as in August.



\*Credit impulse is measured as the annual change of the annual growth rate of MFI loans \*\* Adjusted for securitizations

Source: ECB, ECB survey on the distribution of credit, BLS, BNP Paribas calculations

## Indicators preview

Next week the focus in the US will be on the FOMC meeting and the ISM for the non-manufacturing sector, which last month caused a big jump in bond yields. We will also see the release of the Markit PMI data for the services sector and the composite index in several countries. The ECB will publish its bulletin and the European Commission its updated forecasts.

Date	Country	Event	Period	Survey	Prior
11/05/18	United States	ISM Non-Manufacturing Index	Oct	--	61.6
11/06/18	France	Markit France Composite PMI	Oct	--	--
11/06/18	Germany	Markit/BME Germany Composite PMI	Oct	--	--
11/06/18	Eurozone	Markit Eurozone Composite PMI	Oct	--	--
11/07/18	Japan	Leading Index CI	Sep	--	--
11/07/18	United Kingdom	Halifax House Prices MoM	Oct	--	-1.4%
11/07/18	Eurozone	Retail Sales MoM	Sep	--	-0.2%
11/08/18	France	Survey of Industrial Investment			
11/08/18	Eurozone	ECB Publishes Economic Bulletin			
11/08/18	Eurozone	European Commission Updates Its Economic Forecasts			
11/08/18	United States	FOMC Rate Decision (Upper Bound)	nov-08	2.25%	2.25%
11/08/18	Japan	Eco Watchers Survey Outlook SA	Oct	--	51.3
11/09/18	France	Industrial Production MoM	Sep	--	0.3%
11/09/18	United Kingdom	GDP QoQ	3Q	--	0.4%
11/09/18	United States	PPI Ex Food and Energy MoM	Oct	0.2%	0.2%
11/09/18	United States	University of Michigan Sentiment	Nov	--	--

Sources: Bloomberg, BNP Paribas



## Economic scenario

### UNITED STATES

- Economy is expected to expand at approximately 2.8% this year on the back of tax cuts, booming profits and credit. However, the slowdown of international trade implies the risk is on the downside.
- Inflation is accelerating in the wake of higher oil prices and a tight labour market.
- The Fed will keep on tightening its policy. We forecast the Fed funds target rate to reach 2.75% in Q1 2019.

### CHINA

- Economic growth will decelerate in 2018-2019. The export outlook is significantly darkened by US protectionist measures. Private domestic demand should be affected by the worsening performance of the export manufacturing sector and the continued moderation in the property market.
- In order to contain the slowdown, the central bank has started to ease liquidity and credit conditions. At the same time, the reduction in financial instability risks should remain a top policy priority. Fiscal policy will also be expansionary and infrastructure spending is projected to rise.

### EUROZONE

- The recovery is continuing, although it has been weaker than expected at the start of the year. Intra-EU trade grows with domestic demand, especially corporate investment.
- Inflation has rebounded in the wake of higher oil prices, but the core CPI trend remains subdued. This argues for the ECB to maintain the status quo on the refinancing rate for a long period of time.

### FRANCE

- Growth slows down but remains above potential. Households' consumption should get a boost from the planned tax cuts and the jobs recovery but inflation reduces purchasing power gains. Business investment dynamics remain favourable. The global backdrop is less supportive. A slight rise in core inflation is appearing but remains to be confirmed.

### INTEREST RATES AND FX RATES

- In the US, ongoing strong growth and a very low unemployment rate pave the way for more rate hikes. We expect 1 more this year and 1 in the first half of 2019 after which the Fed will want to see how the economy reacts. As a consequence, US treasury yields should increase, although to a limited degree: the market expects that the tightening cycle is already well advanced. The ECB has announced it intends to stop its net asset purchases at the end of 2018. A first hike of the deposit rate is expected after the summer of 2019. As a consequence, bond yields should increase. No change expected in Japan.
- The narrowing bond yield differential between the US and the eurozone should cause a strengthening of the euro, all the more so considering it is still below its long-term fair value (around 1.34).

### SUMMARY

%	GDP Growth			Inflation		
	2017	2018 e	2019 e	2017	2018 e	2019 e
<b>Advanced</b>	<b>2.2</b>	<b>2.2</b>	<b>1.5</b>	<b>1.8</b>	<b>2.1</b>	<b>1.9</b>
United-States	2.2	2.8	1.8	2.1	2.5	2.1
Japan	1.7	0.9	0.6	0.5	1.0	1.0
United-Kingdom	1.7	1.3	1.6	2.7	2.4	2.1
<b>Euro Area</b>	<b>2.5</b>	<b>2.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.9</b>	<b>1.9</b>
Germany	2.5	1.9	1.6	1.7	1.9	2.1
France	2.3	1.7	1.6	1.2	2.1	1.6
Italy	1.6	1.2	1.0	1.3	1.5	1.9
Spain	3.0	2.7	2.0	2.0	1.8	1.8
<b>Emerging</b>	<b>5.9</b>	<b>5.8</b>	<b>5.8</b>	<b>2.4</b>	<b>2.9</b>	<b>2.9</b>
China	6.9	6.4	6.1	1.6	2.1	1.9
India	6.7	7.4	7.6	3.6	4.8	4.6
Brazil	1.0	1.5	3.0	3.4	3.7	3.7
Russia	1.5	1.7	1.7	3.7	2.7	4.1

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

### INTEREST RATES & FX RATES

Interest rates, %		2018	2019						
End of period		Q4e	Q1e	Q2e	Q3e	Q4e	2017	2018e	2019e
<b>US</b>	Fed Funds	2.50	2.75	2.75	2.75	2.75	1.50	2.50	2.75
	Libor 3m \$	2.36	2.80	2.85	2.65	2.55	1.69	2.36	2.55
	T-Notes 10y	3.10	3.15	3.20	3.10	3.00	2.41	3.10	3.00
<b>Ezone</b>	ECB Refi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Euribor 3m	-0.30	-0.30	-0.25	-0.20	-0.15	-0.33	-0.30	-0.15
	Bund 10y	0.75	0.85	1.00	1.10	1.20	0.42	0.75	1.20
	OAT 10y	1.00	1.10	1.25	1.35	1.45	0.66	1.00	1.45
<b>UK</b>	Base rate	0.75	0.75	1.00	1.00	1.25	0.50	0.75	1.25
	Gilt 10y	1.55	1.70	1.80	1.90	2.00	1.23	1.55	2.00
<b>Japan</b>	BoJ Rate	-0.10	-0.10	-0.10	-0.10	-0.10	-0.04	-0.10	-0.10
	JGB 10y	0.14	0.12	0.10	0.04	0.02	0.05	0.14	0.02

Exchange Rates		2019							
End of period		Q4e	Q1e	Q2e	Q3e	Q4e	2017	2018e	2019e
<b>USD</b>	EUR / USD	1.20	1.22	1.25	1.28	1.30	1.20	1.20	1.30
	USD / JPY	106	102	100	99	98	113	106	98
	GBP / USD	1.30	1.34	1.40	1.45	1.49	1.35	1.30	1.49
	USD / CHF	0.97	0.97	0.96	0.95	0.94	0.97	0.97	0.94
<b>EUR</b>	EUR / GBP	0.92	0.91	0.89	0.88	0.87	0.89	0.92	0.87
	EUR / CHF	1.16	1.18	1.20	1.22	1.22	1.17	1.16	1.22
	EUR / JPY	127	124	125	127	127	135	127	127

Source : GlobalMarkets (e: Estimates & forecasts)



# GROUP ECONOMIC RESEARCH

■ **William DE VIJDER**  
Chief Economist

+33.(0)1 55 77 47 31

william.devijlder@bnpparibas.com

## ADVANCED ECONOMIES AND STATISTICS

■ **Jean-Luc PROUTAT**  
Head

+33.(0)1.58.16.73.32

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

■ **Hélène BAUDCHON**

France (short-term outlook and forecasts) - Labour markets

+33.(0)1.58.16.03.63

helene.baudchon@bnpparibas.com

■ **Frédérique CERISIER**

Euro Area (European governance and public finances), Spain, Portugal

+33.(0)1.43.16.95.52

frederique.cerisier@bnpparibas.com

■ **Thibault MERCIER**

Euro Area (short-term outlook and monetary policy), France (structural reforms)

+33.(0)1.57.43.02.91

thibault.mercier@bnpparibas.com

■ **Catherine STEPHAN**

Nordic countries - World trade - Education, health, social conditions

+33.(0)1.55.77.71.89

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

■ **Tarik RHARRAB**

Statistics and Modelling

+33.(0)1.43.16.95.56

tarik.rharrab@bnpparibas.com

## BANKING ECONOMICS

■ **Laurent QUIGNON**  
Head

+33.(0)1.42.98.56.54

laurent.quignon@bnpparibas.com

■ **Laure BAQUERO**

+33.(0)1.43.16.95.50

laure.baquero@bnpparibas.com

■ **Céline CHOLET**

+33.(0)1.43.16.95.54

celine.choulet@bnpparibas.com

■ **Thomas HUMBLLOT**

+33.(0)1.40.14.30.77

thomas.humbloit@bnpparibas.com

## EMERGING ECONOMIES AND COUNTRY RISK

■ **François FAURE**

Head - Argentina, Central European countries

+33.(0)1 42 98 79 82

francois.faure@bnpparibas.com

■ **Christine PELTIER**

Deputy Head - Greater China, Vietnam, other North Asian countries, South Africa

+33.(0)1.42.98.56.27

christine.peltier@bnpparibas.com

■ **Stéphane ALBY**

Africa (French-speaking countries)

+33.(0)1.42.98.02.04

stephane.alby@bnpparibas.com

■ **Sylvain BELLEFONTAINE**

Turkey, Central European countries

+33.(0)1.42.98.26.77

sylvain.bellefontaine@bnpparibas.com

■ **Sara CONFALONIERI**

Africa (Portuguese & English-speaking countries)

+33.(0)1.42.98.43.86

sara.confalonieri@bnpparibas.com

■ **Pascal DEVAUX**

Middle East, Balkan countries

+33.(0)1.43.16.95.51

pascal.devaux@bnpparibas.com

■ **Hélène DROUOT**

Korea, Thailand, Philippines, Mexico, Andean countries

+33.(0)1.42.98.33.00

helene.drouot@bnpparibas.com

■ **Salim HAMMAD**

Latin America

+33.(0)1.42.98.74.26

salim.hammad@bnpparibas.com

■ **Johanna MELKA**

India, South Asia, Russia, Kazakhstan, CIS

+33.(0)1.58.16.05.84

johanna.melka@bnpparibas.com

■ **Michel BERNARDINI**  
Contact Média

+33.(0)1.42.98.05.71

michel.bernardini@bnpparibas.com



**BNP PARIBAS**

**The bank  
for a changing  
world**



# OUR PUBLICATIONS



## CONJUNCTURE

Structural or in news flow, two issues analysed in depth



## EMERGING

Analyses and forecasts for a selection of emerging economies



## PERSPECTIVES

Analyses and forecasts for the main countries, emerging or developed



## ECOFASH

Data releases, major economic events. Our detailed views...



## ECOWEEK

Weekly economic news and much more...



## ECOTV

In this monthly web TV, our economists make sense of economic news



## ECOTV WEEK

What is the main event this week? The answer is in your two minutes of economy

The information and opinions contained in this report have been obtained from, or are based on, public sources believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate, complete or up to date and it should not be relied upon as such. This report does not constitute an offer or solicitation to buy or sell any securities or other investment. It does not constitute investment advice, nor financial research or analysis. Information and opinions contained in the report are not to be relied upon as authoritative or taken in substitution for the exercise of judgement by any recipient; they are subject to change without notice and not intended to provide the sole basis of any evaluation of the instruments discussed herein. Any reference to past performance should not be taken as an indication of future performance. To the fullest extent permitted by law, no BNP Paribas group company accepts any liability whatsoever (including in negligence) for any direct or consequential loss arising from any use of or reliance on material contained in this report. All estimates and opinions included in this report are made as of the date of this report. Unless otherwise indicated in this report there is no intention to update this report. BNP Paribas SA and its affiliates (collectively "BNP Paribas") may make a market in, or may, as principal or agent, buy or sell securities of any issuer or person mentioned in this report or derivatives thereon. BNP Paribas may have a financial interest in any issuer or person mentioned in this report, including a long or short position in their securities and/or options, futures or other derivative instruments based thereon. Prices, yields and other similar information included in this report are included for information purposes. Numerous factors will affect market pricing and there is no certainty that transactions could be executed at these prices. BNP Paribas, including its officers and employees may serve or have served as an officer, director or in an advisory capacity for any person mentioned in this report. BNP Paribas may, from time to time, solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) within the last 12 months for any person referred to in this report. BNP Paribas may be a party to an agreement with any person relating to the production of this report. BNP Paribas may, to the extent permitted by law, have added upon or used the information contained herein, or the research or analysis on which it was based, before its publication. BNP Paribas may receive or intend to seek compensation for investment banking services in the next three months from or in relation to any person mentioned in this report. Any person mentioned in this report may have been provided with sections of this report prior to its publication in order to verify its factual accuracy.

BNP Paribas is incorporated in France with limited liability. Registered Office 16 Boulevard des Italiens, 75009 Paris. This report was produced by a BNP Paribas group company. This report is for the use of intended recipients and may not be reproduced (in whole or in part) or delivered or transmitted to any other person without the prior written consent of BNP Paribas. By accepting this document you agree to be bound by the foregoing limitations.

Certain countries within the European Economic Area:

This report has been approved for publication in the United Kingdom by BNP Paribas London Branch. BNP Paribas London Branch is authorised and supervised by the Autorité de Contrôle Prudentiel and authorised and subject to limited regulation by the Financial Services Authority. Details of the extent of our authorisation and regulation by the Financial Services Authority are available from us on request.

This report has been approved for publication in France by BNP Paribas SA. BNP Paribas SA is incorporated in France with Limited Liability and is authorised by the Autorité de Contrôle Prudentiel (ACP) and regulated by the Autorité des Marchés Financiers (AMF). Its head office is 16, boulevard des Italiens 75009 Paris, France.

This report is being distributed in Germany either by BNP Paribas London Branch or by BNP Paribas Niederlassung Frankfurt am Main, a branch of BNP Paribas S.A. whose head office is in Paris, France. BNP Paribas S.A. – Niederlassung Frankfurt am Main, Europa Allee 12, 60327 Frankfurt is authorised and supervised by the Autorité de Contrôle Prudentiel and it is authorised and subject to limited regulation by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

**United States:** This report is being distributed to US persons by BNP Paribas Securities Corp., or by a subsidiary or affiliate of BNP Paribas that is not registered as a US broker-dealer. BNP Paribas Securities Corp., a subsidiary of BNP Paribas, is a broker-dealer registered with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority and other principal exchanges. BNP Paribas Securities Corp. accepts responsibility for the content of a report prepared by another non-U.S. affiliate only when distributed to U.S. persons by BNP Paribas Securities Corp.

**Japan:** This report is being distributed in Japan by BNP Paribas Securities (Japan) Limited or by a subsidiary or affiliate of BNP Paribas that is not registered as a financial instruments firm in Japan, to certain financial institutions defined by article 17-3, item 1 of the Financial Instruments and Exchange Law Enforcement Order. BNP Paribas Securities (Japan) Limited is a financial instruments firm registered according to the Financial Instruments and Exchange Law of Japan and a member of the Japan Securities Dealers Association and the Financial Futures Association of Japan. BNP Paribas Securities (Japan) Limited accepts responsibility for the content of a report prepared by another non-Japan affiliate only when distributed to Japanese based firms by BNP Paribas Securities (Japan) Limited. Some of the foreign securities stated on this report are not disclosed according to the Financial Instruments and Exchange Law of Japan.

**Hong Kong:** This report is being distributed in Hong Kong by BNP Paribas Hong Kong Branch, a branch of BNP Paribas whose head office is in Paris, France. BNP Paribas Hong Kong Branch is registered as a Licensed Bank under the Banking Ordinance and regulated by the Hong Kong Monetary Authority. BNP Paribas Hong Kong Branch is also a Registered Institution regulated by the Securities and Futures Commission for the conduct of Regulated Activity Types 1, 4 and 6 under the Securities and Futures Ordinance.

Some or all the information reported in this document may already have been published on <https://globalmarkets.bnpparibas.com>

© BNP Paribas (2015). All rights reserved.

YOU WANT TO RECEIVE OUR PUBLICATIONS?

**SUBSCRIBE ON OUR WEBSITE**  
<http://economic-research.bnpparibas.com>

AND

**FOLLOW US ON LINKEDIN**  
<https://www.linkedin.com/showcase/bnp-paribas-economic-research/>  
**OR TWITTER**  
[https://twitter.com/EtudesEco\\_BNPP](https://twitter.com/EtudesEco_BNPP)

© BNP Paribas (2015). All rights reserved.

Prepared by Economic Research – BNP PARIBAS

Registered Office: 16 boulevard des Italiens – 75009 PARIS

Tel: +33 (0) 1.42.98.12.34 – [www.group.bnpparibas.com](http://www.group.bnpparibas.com)

Publisher: Jean Lemierre. Editor: William De Vijlder



# BNP PARIBAS

The bank  
for a changing  
world