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GLOBAL TRADE

The US Supreme Court is currently examining the legality of Donald Trump's invocation of the International Emergency Economic Powers Act (1977) to impose "reciprocal" tariffs and tariffs related to fentanyl. The Supremes' questions suggested skepticism that the IEEPA authorises sweeping tariffs even though it does not explicitly mention them, and even though the Constitution assigns the power of taxation solely to Congress. The Supreme Court could conclude that the IIEPA allows for tariffs but only under more restricted conditions and may, or may not, require the administration to refund tariffs that have already been paid.

ADVANCED ECONOMIES

UNITED STATES

United States: Possible end to the shutdown amid concerns about the economic situation: following the Republicans' electoral losses in several local elections on 4 November, the Senate has taken a first step towards reopening the Federal government. Moderate recovery in employment: according to the ADP survey, 42,000 jobs were created in the private sector in October, marking the first positive result since July. However, other indicators (also private and warranting caution) present a more negative outlook. A two-speed ISM survey: the ISM manufacturing index fell slightly (48.7, -0.4 pp) alongside a contraction in production (48.2, -2.8 pp), while the services index achieved its highest level since February (52.4, +2.4 pp) due to a surge in activity and new orders. The increase in prices paid reveals contrasting trends in industry (58, -3.9 pp) and services (70, +0.6 pp, marking its highest since October 2022). Consumer sentiment (University of Michigan) fell in November to 50.2 (-3.3 points), its lowest level since June 2022. *Coming up: NFIB small business optimism for October (Tuesday).*

EUROZONE / EUROPEAN UNION

The recovery is ongoing, with a few exceptions. In October, the composite PMI reached its highest level since May 2023 (+1 point to 52.5). Momentum in services (+1.7 points to 53) remains stronger than in manufacturing (+0.2 points to 50). Capacity utilisation is at its highest level in three years. On the other hand, the construction PMI fell (-2 points to 44) and retail sales declined in September (-0.1% m/m), while car registrations picked up (+8.9% y/y in September). Inflationary pressures remain contained, with producer prices declining by 0.2% y/y in September, dragged down by energy costs. The ECB's wage tracker suggests that wage growth will remain moderate over the next twelve months (2.2% y/y for Q3 2026). The European Commission (EC) has confirmed that it is drawing up plans to centralise the oversight of major cross-border market infrastructures under ESMA. Finally, the EU has set a target to reduce CO_2 emissions by 2040 (-90% compared to 1990), with some flexibility. *Coming up: September industrial production (Thursday), second GDP estimate and flash estimate of Q3 employment (Friday), September trade balance (Friday).*

- France: Increase in activity, slowdown in employment. Manufacturing output continued to be supported in September (+0.9% m/m) by the aerospace industry, which also accounted for nearly half of the increase in goods exports in September (+13% y/y). Airbus deliveries remained high in October (78 aircraft, +26% y/y). At the same time, exports of goods to Germany rebounded (+10% y/y in Q3, previously stable). The composite PMI fell from 48.1 in September to 47.7 in October, impacted by the services sector (short of the flash estimate of 46.8). INSEE estimates that private sector employment fell by 60,000 jobs q/q in Q3 (+43k in Q2), largely due to a reduction in apprenticeships (-10,000 units y/y in July-August according to Dares). This estimate may be revised as data for September (the month in which more than half of the year's apprenticeship contracts are signed) is not yet available. The National Assembly adopted the revenue section of the social security financing bill, which indicates a shortfall of nearly EUR 3 billion according to the general report. Before discussions on expenditure begin, the concessions promised by the government (EUR 4.5 billion: indexation of pensions and minimum social benefits, along with a freeze on pension reform) would increase the projected social security deficit to EUR 25 bn by 2026 (EUR 17.5 bn in the initial draft and EUR 23 bn in 2025). This would increase the overall public deficit from 4.7% of GDP (the government's initial draft) to nearly 5% of GDP. *Coming up: Banque de France business survey (Tuesday), Q3 unemployment rate (Thursday), business start-ups in October (Friday).*

- Germany: Improvement in September. After a disappointing August, industrial production increased (+1.3% m/m), as did goods exports (+1.4% m/m), both bolstered by a recovery in the automotive sector and exports to the United States. The trade balance stood at EUR 15.3 billion (-9.5% m/m), marking the lowest level of the year due to exceptionally high imports, which indicate a rebound in domestic demand (+3.1% m/m, the first increase since June). There was also a rebound in new car registrations (+8% y/y in October and +10% in Q3, after a 5% decline in H1). The composite PMI rose from 52 in September to 53.9 in October (a 3.1 points m/m increase in the services PMI).

- Italy: The private sector regains momentum. The composite PMI reached its highest level since March 2024, standing at 53.1 (+1.4 points m/m), primarily driven by strong acceleration in services (54.0; +1.5 points) and stabilisation in manufacturing (49.9; +0.9 points). New orders are up, particularly export orders. *Coming up: September industrial production (Wednesday), September trade balance (Friday).*

- Spain: Private sector activity accelerated again in October, with the composite PMI reaching a 2025 high (56; +2.2 points m/m), driven by the services sector (56.6; +2.3 points). Hiring expectations returned to their highest levels since March. In the manufacturing sector (52.1; +0.6 points), production increased due to a rise in new orders. However, there was a decline in new export orders.

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UNITED KINGDOM

The BoE kept its key interest rate at 4% in a close vote (5-4). The slowdown in wage growth and service prices in September did not convince the majority of the committee, while inflation expectations (3.7% at 3 months, 3.4% at 1 year according to the DMP survey) have been stable for 3 months. However, we anticipate a cut in the key interest rate in December. House prices increased by 1.3% y/y in October (Halifax index, the highest since January). *Coming up: September employment (Tuesday), third-quarter GDP, September GDP (Thursday).*

JAPAN

The real wage index remained in negative territory in September, at -1.4% y/y (+0.3 pp). Scheduled contractual wage growth was stable at +1.9% y/y. At the same time, household spending experienced a slowdown, rising by +1.8% y/y (-0.5 pp). *Coming up: Summary of Opinions from the BoJ's latest meeting (Monday).*

EMERGING ECONOMIES

ASIA

China: Exports declined in October. Merchandise exports fell suddenly in October (-1.1% y/y in current USD, after +5.9% y/y in the first nine months of 2025) and imports rose by +1% (after -1% in the first nine months). The decline was unsurprisingly due to the contraction in exports to the United States (-25.2% y/y) but also to the decline in exports to Japan (-5.7%), South Korea (-13.1%) and Malaysia (-10.1%). Export growth to other ASEAN and Asian countries remained strong, while Chinese exports to the European Union (+0.9%) and Latin America (+2.1%) remained nearly unchanged y/y. Apart from the US tariff shock, this sudden deterioration can be attributed to the slight reappreciation of the yuan since June (by less than 1% against the USD and around 1.4% against the euro and in real effective terms). It is also likely to reflect the impact of measures introduced by certain countries to curb imports of Chinese goods.

CENTRAL EUROPE

Poland: The central bank cut its key rate for the fifth time this year (to 4.25%, down 150 basis points since May). The ongoing reduction in inflation gives it some room for manoeuvre. It has revised down its inflation forecasts for 2025 and 2026 (3.7% in 2025 and 2.9% in 2026, 0.2 points lower than last July for both years). It has also revised its growth forecasts upwards for 2026 (3.7%, or +0.6 percentage points). The easing cycle is likely to continue at least until Q1 2026.

Czech Republic: The National Bank has kept its monetary policy unchanged since May (key rate at 2.5%) and is unlikely to alter its position in the short term due to rising prices in the property sector and persistent wage pressures.

Türkiye: Very slight deceleration in inflation. In October, the monthly change in the CPI was 2.6% for the overall index and 2.6% for the core index, compared with 3.2% in September for both indices. Year-on-year, the inflation rate has remained stable at around 33% since August, but core inflation slowed for the fourth consecutive month to 32.1% from 36.5% in June.

EU: The annual report on EU enlargement highlights progress for Ukraine, Moldova, Albania and, above all, Montenegro, the country closest to accession, which could take place in 2028.

LATIN AMERICA

Chile: Deceleration in inflation. The inflation rate stood at 3.4% year-on-year (down from 4.4% in September), marking its lowest level since April 2021, despite strong domestic demand, the recent increase in the minimum wage, and the depreciation of the peso.

Mexico: New cut in key interest rate. The Central Bank cut its key interest rate for the eighth time this year by 25 basis points (to 7.25%, totalling 275 basis points since January) at its meeting on 6 November. Inflation slowed in October (to 3.6% year-on-year after 3.8% in September) but remained above target. The Central Bank said it had slightly revised its overall inflation forecast downwards, while its core inflation forecast had been revised upwards. However, it reaffirmed its target of convergence towards 3% inflation by Q3 2026.

AFRICA

Angola: Modest fiscal consolidation planned for 2026. The 2026 budget, which was presented to Parliament, forecasts a budget deficit of 2.8% of GDP, compared with a forecast of 3.3% of GDP for 2025. Assumptions regarding oil prices (average price per barrel at $61 and average production of 1.05 mb/d) are more realistic than in 2024, which will mitigate the risk of budgetary slippage. For the first time, non-oil revenues (7.8% of GDP) are expected to exceed oil revenues (5.5% of GDP).

Côte d'Ivoire: Real GDP grew by 8.3% year-on-year in H1 2025. This growth was primarily driven by the secondary sector (+8.9%). For 2025 as a whole, economic growth is expected to exceed the government's forecast of 6.3%.

Nigeria: Return to the Eurobond market. The government issued two Eurobonds totalling USD 2.35 billion at an average interest rate of 8.9% and an average maturity of 13.8 years. The issue was oversubscribed by 453%, indicating strong investor appetite. Nigeria becomes the sixth sub-Saharan African country to return to the Eurobond market in 2025.