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GLOBAL TRADE

President Trump announced the immediate exemption of additional tariffs on 200 food products (including beef, coffee and bananas) in response to rising grocery prices. An agreement was reached between the United States and Switzerland: the tariff applied by the former on imports from Switzerland (whose GDP contracted in Q3) will be reduced from 39% to 15% in exchange for a pledge of USD 200 billion in investments in the United States (particularly in pharmaceuticals) by the end of 2028; the date of entry into force is not known.

ADVANCED ECONOMIES

UNITED STATES

End of the shutdown. Congress voted to extend federal government funding until 30 January, allowing the government to reopen after a 43-day shutdown, the longest in history. We estimate the impact of the shutdown on Q4 growth at around 0.8% on an annualised quarterly basis. The full schedule for the release of official economic data is not yet known, but the inflation and unemployment figures for October will never be compiled. A possible rate cut by the Fed in December is becoming a close call, as four regional Fed presidents (Bostic, Collins, Kashkari and Musalem) have added their voices to those who had warned that monetary policy was not sufficiently restrictive given the upward trajectory of inflation. The probability of a rate cut in December fell from 96% before the 28-29 October meeting to 43% on 14 November. *Coming up: manufacturing surveys (Empire: Monday, Philly Fed and Kansas: Thursday), September employment situation (Thursday).*

EUROZONE / EUROPEAN UNION

Eurozone/EU: After a setback in Q2, exports rebounded in September (+4.7% m/m). Industrial production rose by 0.2% m/m in September. The European Parliament decided to reduce the scope of the CSRD (reporting obligation) and CSDDD (due diligence obligation) directives for European companies. The thresholds for application have been significantly raised and the obligation to have a climate transition plan has been removed. The exemption from customs duties on parcels worth less than €150 will be abolished in order to limit the influx of Chinese parcels (effective from Q1 2026). *Coming up: September current account, Q3 labour costs, ECB minutes (Wednesday), November consumer confidence (Thursday), PMI (Friday).*

- **France: Moderate rise in unemployment rate in Q3**, to 7.7% (+0.3 pp in one year). The proportion of 15–29-year-olds who are neither in employment nor in training fell to 12.5% (-0.2 pp). The Banque de France estimates that growth "continued at a moderate pace" in October, thanks to services. The National Assembly approved the suspension of pension reform until January 2028 (budgetary cost of EUR 100 million in 2026 and EUR 1.4 billion in 2027). The markets reacted favourably, prioritising increased political stability in the short term. The High Council of Public Finance has issued its opinion on the execution of the 2025 budget: the public debt ratio is expected to have increased by 3 pp to 116% of GDP and the deficit is expected to have reached 5.4% of GDP (as expected), compared with 5.8% in 2024: the reduction in the deficit is entirely attributable to an increase in compulsory levies. *Coming up: INSEE business climate and PMI (Friday).*

- **Germany: The Bundestag Finance Committee has finalised the 2026 draft budget.** The text will be put to a final vote in Parliament from 25 to 28 November. According to the current version, net debt would increase by EUR 180 billion. At the same time, the Council of Economic Experts points out that, by 2030, less than half of the EUR 500 billion earmarked for infrastructure would correspond to new investments (investments included in the federal budget alone would reach EUR 58.3 billion in 2026, compared with EUR 56.7 billion in 2024) and is revising its growth forecast for 2026 to +0.9% (-0.1 pp compared with the May forecast). *Coming up: PMI (Friday).*

- **Italy: Good news.** Industrial production rose in September (+1.3% y/y; highest since January 2023), driven by agri-food and electronics, despite a decline in automotive production. Goods exports rebounded strongly in September (+10.5% y/y), both within and outside the EU, including +34.7% to the United States. *Coming up: September current account balance (Wednesday).*

UNITED KINGDOM

Growth stalls in Q3. GDP grew by only 0.1% q/q and 1.3% y/y in Q3, partly due to a lengthy shutdown at Jaguar Land Rover (cyberattack). Household consumption (+0.2% q/q) could be weakened by the rise in unemployment (5% in August, the highest since 2021), while growth in wages excluding bonuses continues to slow (4.4% y/y in September). Speculation about an increase in income tax rates (which is not expected to appear in the 2026 budget announced on 26 November) has created significant pressure on the pound sterling and 10-year rates (+14 bp on Friday 14 November). *Coming up: October inflation (Wednesday), CBI industry survey (Thursday), October retail sales, PMI (Friday).*

JAPAN

First contraction in GDP (-0.4% q/q) in Q3 since Q1 2024, penalised by a decline in exports (-1.2% q/q) after an increase in Q2 (frontloading). Non-residential investment remains buoyant, but household consumption is slowing and residential investment is declining. Relative optimism for the Bank of Japan (BoJ): its Summary of Opinions forecasts "*modest*" but "*above-potential*" growth in 2025 and 2026. The BoJ considers the impact of tariffs to be significant but "less than expected". Thus, "*the conditions for a new stage in normalisation are almost in place*" (in terms of inflation), which will lead to a 25 bp rate hike in December according to our forecast. *Coming up: PMI (Friday).*

STABLECOINS

The United Kingdom proposes a more restrictive framework than MiCA or the Genius Act. The Bank of England has unveiled its proposals for regulating the issuance of pound sterling-denominated payment stablecoins. The text submitted for consultation would require these issuances to be backed by liquid asset reserves consisting of 40% non-interest-bearing deposits with the BoE and, for the remaining 60%, short-term UK Treasury securities. In order to limit the adverse effects of the rise of stablecoins on credit intermediation, the BoE also plans to impose temporary holding limits per digital asset for individuals (GBP 20,000) and businesses (GBP 10 million, with some exceptions).

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EMERGING ECONOMIES

AFRICA & MIDDLE EAST

Saudi Arabia: CPI inflation stabilised at 2.2% y/y in September. Rent increases moderated to 5.7% from over 10% at the beginning of the year. The recent announcement of a five-year freeze on residential and commercial rents in the capital could allow this trend to continue despite rapid urbanisation fuelled by the influx of expatriates. Excluding rents, inflation remained low, particularly for foodstuffs (1.1% y/y), which constitute the main component of the CPI (22%).

South Africa: The Treasury has endorsed the Central Bank's new inflation target of 3% (+/-1%) in its mid-year fiscal policy statement. Despite the downward revision of (real and nominal) growth in 2025 and 2026, the course of fiscal consolidation is being maintained: the Treasury forecasts a budget deficit of 4.5% of GDP for the current fiscal year (April 2025-March 2026) and 3.6% of GDP for the following year. National government debt is expected to peak at 78% of GDP this fiscal year and then decline only very slowly to around 77% of GDP over the next three years. Financial markets reacted positively to the announcement. The exchange rate appreciated to USD 17.01/ZAR on 13 November, a level not seen since January 2023. The average yield on 10-year Treasury bonds fell to its lowest level since 2021. For the first time since 2005, Standard & Poor's upgraded the sovereign foreign currency rating from BB- to BB with a positive outlook.

ASIA

ASEAN: Growth is holding up better than expected. In Q3 2025, economic growth remained robust in Indonesia (+5% y/y) and surprised on the upside in Malaysia (+5.2% y/y) and Vietnam (+8.2% y/y). Exports were much stronger than anticipated and domestic demand remained buoyant, thanks in particular to expansionary fiscal policies and a robust labour market (in Malaysia). By contrast, growth slowed significantly in the Philippines (+4% y/y) and Thailand (+1.2% y/y). Declining investment and tourism revenues weighed on Thai growth.

China: The economic slowdown continued in October. Industrial production growth fell to +4.9% y/y (after +6.5% in September) and services growth also slowed (+4.6%, after +5.6% in September). These are the slowest growth rates in over a year. On the demand side, the slowdown affected both exports (which fell slightly in value terms in October) and domestic demand. Retail sales growth fell below 3% in October (compared with +4.5% y/y in the first nine months of 2025). Above all, the contraction in total investment worsened (-1.7% y/y in value terms in the first ten months of 2025). This is due to lower investment in real estate and construction, and a slowdown in investment in public infrastructure and the manufacturing sector. The latter is suffering from the deterioration in export prospects and probably also from the anti-involution measures imposed by the authorities. The anti-involution campaign has probably also played a role in the slight reduction in deflationary pressures. In October, the consumer price index rose again (+0.2% y/y) and core inflation continued to accelerate slightly (+1.2%).

India: NDA wins regional elections in Bihar. The coalition party led by Narendra Modi (National Democratic Alliance) won the regional elections by a large majority in one of the country's poorest and most agricultural states. This victory strengthens the government's position and suggests that Modi will continue to defend India's agricultural sector in trade negotiations with the Trump administration.

CENTRAL EUROPE

Poland: Outperforming the region. Real GDP growth stood at 0.8% q/q in Q3 (+3.7% y/y). In 2025, the country will undoubtedly be the best performer in the region, with a growth carry-over of 3.2% in Q3 2025. The breakdown of the figures is not yet known, but everything suggests that domestic demand was the main driver of growth.

LATIN AMERICA

Latin America: Towards a reduction in US tariffs for the agricultural sector. On 13 November, the US government announced that it was working on framework agreements with Argentina, Ecuador, Guatemala and El Salvador. Tariffs on certain agricultural products (e.g. Argentine beef, bananas, coffee and cocoa), the list of which has not yet been finalised, would be reduced or eliminated. For other products, the reciprocal tariffs would remain unchanged (10% for Argentina, El Salvador and Guatemala, 15% for Ecuador).

Peru: Policy rate unchanged at 4.25%. Inflation (1.3% y/y in October) and inflation expectations have remained within the Central Bank's target range (between 1% and 3%) for over a year. The rate of 4.25% (unchanged since September) is close to the neutral policy rate.

COMMODITIES

The IEA (International Energy Agency) has revised its oil supply forecast for 2026 slightly upwards (+0.2 mb/d to 108.7 mb/d), thereby increasing the supply surplus for 2026 (4.2 mb/d compared with 2.5 mb/d forecast for 2025). Furthermore, the increase in global stocks reached its highest level since July 2021 in September. This trend appears to be continuing in October, fuelled by the increase in oil on water, particularly from countries under sanctions. The agency points out the high level of uncertainty affecting its forecasts given the ongoing trade war and geopolitical risk.

The EIA (US Energy Information Administration) has left its oil demand and production forecasts for 2026 virtually unchanged (105.2 mb/d and 107.4 mb/d respectively). However, the forecast for Brent crude oil prices in 2026 has been revised upwards by USD 2.8/bbl to USD 54.9/bbl, given the increase in Chinese stocks and new sanctions on Russian exports.