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ECONOMIC RESEARCH



BNP PARIBAS

The bank
for a changing
world

ECB: THE WEAKER EURO, A BLESSING OR A HEADACHE?

At first glance, the significant depreciation of the euro looks like a blessing for the ECB. Via its mechanical effect on import prices, it should remove any remaining doubt about the necessity of hiking the deposit rate. However, upon closer inspection, there is concern that the weaker euro, through its effect on inflation and hence households' purchasing power, will weigh on growth. This would warrant a cautious approach in terms of policy tightening. On balance, a deposit rate hike in the second half of the year looks like a certainty, but the real question is about the scale and timing of subsequent rate increases. This will depend on how the inflation outlook develops.

For the ECB, the latest Eurozone data provide a discomfiting combination of record-high inflation and slow first quarter growth¹. The level and widespread nature of the former are forcing the central bank to act and markets are now pricing in 90 bp of rate hikes this year² although the latter provides dovish governing council members with an argument not to rush things.

In a recent Bloomberg interview³, Philip Lane, the ECB's chief economist, noted that the first rate hike was not the issue. The question is what happens thereafter in terms of scale and timing of interest rate normalisation. This is a very different world from what we see at the Federal Reserve and its guidance of multiple rate hikes in the coming months, including 50 bp increases, probably as early as the next FOMC meeting on 3 and 4 May.

Unsurprisingly, this difference in monetary aggressiveness has caused a considerable depreciation of the euro versus the dollar on the back of widening interest rate differentials (charts 1 & 2). *A priori*, for the Eurozone, such a move should be considered as growth-supportive – by boosting exports and weighing on imports –, and inflationary, via higher import prices. Philip Lane acknowledged that *“the currency depreciation will be an important factor shaping the June projections”*, one channel being the mechanical effect on import prices.

Seen from this angle, the weaker euro is a blessing for the governing council because it should facilitate reaching agreement on the need for a deposit rate lift-off. However, he continued by saying *“when we think about investments, when we think about consumption, net exports for the euro area, it's a big macro variable and this move is significant”*.

There is some ambiguity on how to interpret the comment on investments and consumption. Inflation is already well-above target, even if we strip out energy and food prices, so a weaker euro, higher import prices and hence more inflation, make matters worse for

households, in terms of purchasing power, and companies, in terms of margin pressure. When suffering from a commodity price shock, the depreciation of the currency is most unwelcome (chart 3) because it implies a bigger headwind for growth.

This would call for a cautious approach in terms of policy tightening. Nevertheless, proceeding swiftly with the first rate hike could help, provided that it would support the euro. Interestingly, whether one considers the weak euro as a blessing – because of its impact on inflation – or a headache – because of its impact on growth – the policy recommendation is to start raising the deposit rate soon.

William De Vijlder

US VS. EUROZONE:
EXCHANGE RATE AND GOVERNMENT BOND YIELD SPREAD

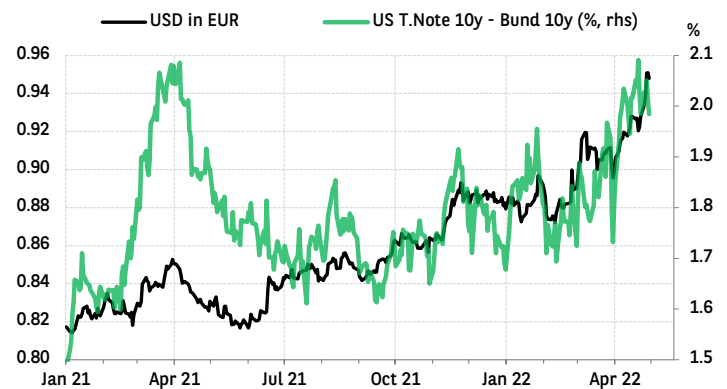


CHART 1

SOURCE: REFINITIV, BNP PARIBAS

1. The preliminary estimate for April shows 7.5% inflation (7.4% in March) and an acceleration of core HICP – i.e. excluding energy, food, alcohol and tobacco – from 2.9% to 3.5%. First quarter real GDP growth was 0.2% (quarter-on-quarter, non-annualised) versus 0.3% in the fourth quarter of 2021. Source: Eurostat.

2. Source: ECB's Lane say first rate hike is no big deal, cautious on further moves, Reuters, 29 April 2022.

3. Interview with Bloomberg Television on 29 April 2022.

Whether one considers the weak euro as a blessing - because of its impact on inflation - or a headache - because of its impact on growth - the policy recommendation is to start raising the deposit rate soon.



US VS EUROZONE: EXCHANGE RATE AND 1-YEAR RATE SPREAD

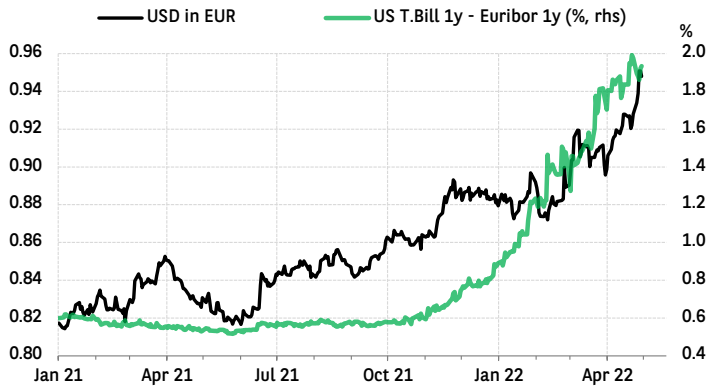


CHART 2

SOURCE: REFINITIV, BNP PARIBAS

BRENT CRUDE OIL PRICE PER BARREL

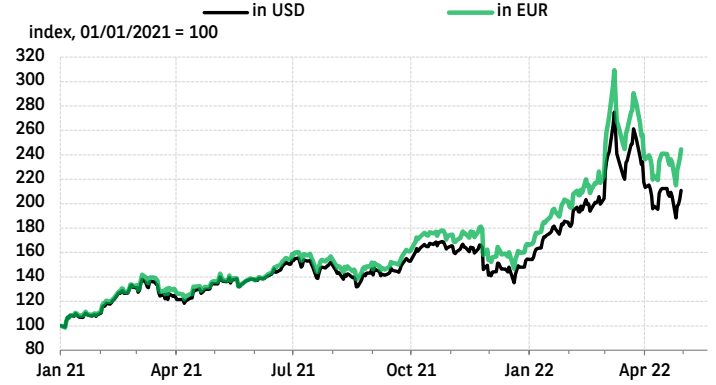


CHART 3

SOURCE: REFINITIV, BNP PARIBAS



MARKETS OVERVIEW

OVERVIEW

Week 22-4 22 to 29-4-22

📉 CAC 40	6 581	▶ 6 534	-0.7 %
📉 S&P 500	4 272	▶ 4 132	-3.3 %
📈 Volatility (VIX)	28.2	▶ 33.4	+5.2 pb
📉 Euribor 3M (%)	-0.43	▶ -0.43	-0.2 bp
📈 Libor 3M (%)	1.21	▶ 1.33	+12.1 bp
📈 OAT 10y (%)	1.27	▶ 1.29	+2.3 bp
📉 Bund 10y (%)	0.92	▶ 0.90	-2.1 bp
📉 US Tr. 10y (%)	2.91	▶ 2.89	-2.1 bp
📉 Euro vs dollar	1.08	▶ 1.05	-2.1 %
📉 Gold (ounce, \$)	1 928	▶ 1 908	-1.0 %
📈 Oil (Brent, \$)	106.6	▶ 107.8	+1.1 %

MONEY & BOND MARKETS

Interest Rates

	highest 22	lowest 22
€ ECB	0.00 at 03/01	0.00 at 03/01
Eonia	-0.51 at 03/01	-0.51 at 03/01
Euribor 3M	-0.43 at 25/04	-0.58 at 05/01
Euribor 12M	0.17 at 29/04	-0.50 at 05/01
\$ FED	0.50 at 17/03	0.25 at 03/01
Libor 3M	1.33 at 29/04	0.21 at 03/01
Libor 12M	2.63 at 29/04	0.58 at 03/01
€ BoE	0.75 at 17/03	0.25 at 03/01
Libor 3M	1.23 at 22/04	0.26 at 03/01
Libor 12M	0.81 at 03/01	0.81 at 03/01

At 29-4-22

Yield (%)

	highest 22	lowest 22
€ AVG 5-7y	1.16 at 22/04	-0.04 at 03/01
Bund 2y	0.13 at 29/04	-0.83 at 04/03
Bund 10y	0.90 at 22/04	-0.14 at 24/01
OAT 10y	1.29 at 29/04	0.15 at 04/01
Corp. BBB	2.66 at 29/04	0.90 at 05/01
\$ Treas. 2y	2.65 at 22/04	0.70 at 04/01
Treas. 10y	2.89 at 21/04	1.63 at 03/01
High Yield	7.16 at 29/04	5.07 at 03/01
£ gilt. 2y	1.62 at 21/04	0.69 at 03/01
gilt. 10y	1.90 at 21/04	0.97 at 03/01

At 29-4-22

EXCHANGE RATES

1€ =	highest 22	lowest 22	2022
USD	1.05 at 10/02	1.05 at 28/04	-7.2%
GBP	0.84 at 30/03	0.83 at 14/04	+0.1%
CHF	1.02 at 10/02	1.00 at 04/03	-1.2%
JPY	136.68 at 21/04	125.37 at 04/03	+4.4%
AUD	1.48 at 04/02	1.43 at 05/04	-5.1%
CNY	6.95 at 10/02	6.87 at 14/04	-4.1%
BRL	5.22 at 06/01	5.01 at 21/04	-17.5%
RUB	74.72 at 07/03	74.72 at 29/04	-12.4%
INR	80.64 at 11/02	80.44 at 28/04	-4.6%

At 29-4-22

Change

COMMODITIES

Spot price, \$	highest 22	lowest 22	2022	2022(€)
Oil, Brent	107.8 at 08/03	79.0 at 03/01	+37.5%	+48.2%
Gold (ounce)	1 908 at 08/03	1 785 at 28/01	+4.7%	+12.9%
Metals, LME	4 831 at 07/03	4 489 at 06/01	+7.3%	+15.7%
Copper (ton)	9 771 at 04/03	9 543 at 06/01	+0.3%	+8.1%
wheat (ton)	389 at 07/03	281 at 14/01	+63.5%	+76.3%
Corn (ton)	313 at 29/04	226 at 03/01	+3.7%	+47.8%

At 29-4-22

Change

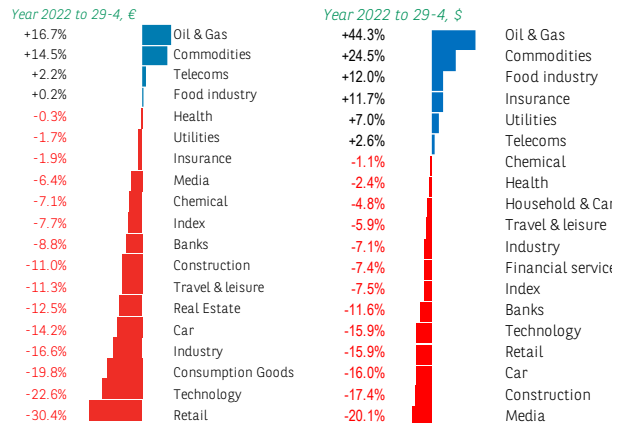
EQUITY INDICES

Index	highest 22	lowest 22	2022
World			
MSCI World	3 248 at 04/01	2 796 at 29/04	-13.5%
North America			
S&P500	4 132 at 03/01	4 132 at 29/04	-13.3%
Europe			
EuroStoxx50	3 803 at 05/01	3 505 at 08/03	-11.5%
CAC 40	6 534 at 05/01	5 963 at 08/03	-9.9%
DAX 30	16 272 at 05/01	12 832 at 08/03	-11.2%
IBEX 35	8 584 at 10/02	7 645 at 07/03	-10.1%
FTSE100	7 545 at 10/02	6 959 at 07/03	+0.2%
Asia			
MSCI, loc.	1 097 at 05/01	1 024 at 08/03	-0.4%
Nikkei	26 848 at 05/01	24 718 at 09/03	-6.8%
Emerging			
MSCI Emerging (\$)	1 076 at 12/01	1 027 at 15/03	-1.3%
China	69 at 20/01	59 at 15/03	-16.7%
India	813 at 13/01	742 at 07/03	-1.0%
Brazil	1 639 at 04/04	1 372 at 06/01	+1.6%

At 29-4-22

Change

PERFORMANCE BY SECTOR (Eurostoxx50 & S&P500)

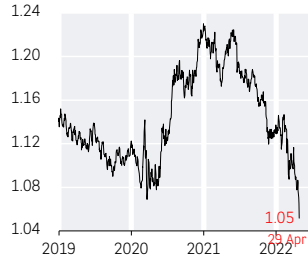


SOURCE: REFINITIV, BNP PARIBAS,



MARKETS OVERVIEW

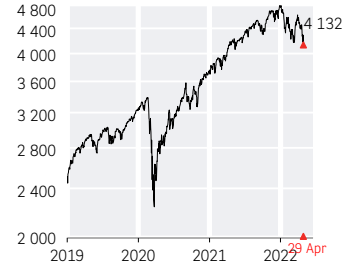
EURO-DOLLAR



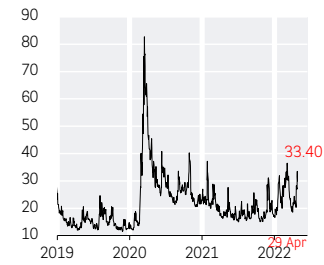
EUROSTOXX50



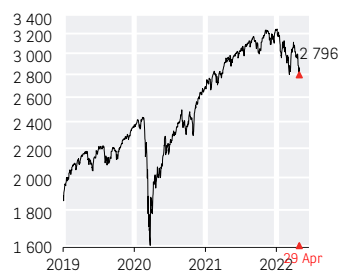
S&P500



VOLATILITY (VIX, S&P500)



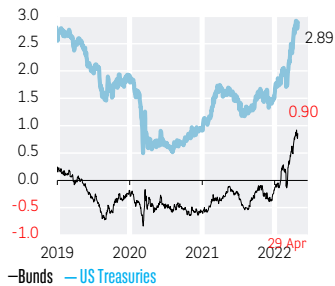
MSCI WORLD (USD)



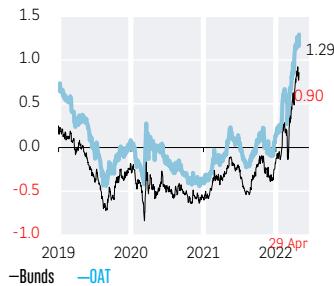
MSCI EMERGING (USD)



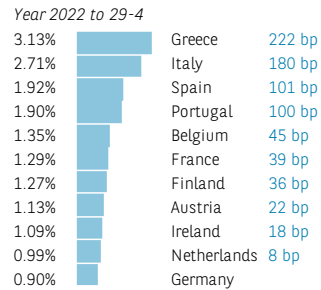
10Y BOND YIELD, TREASURIES VS BUND



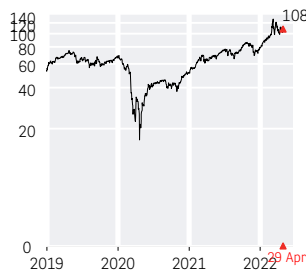
10Y BOND YIELD



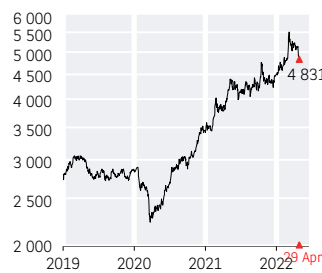
10Y BOND YIELD & SPREADS



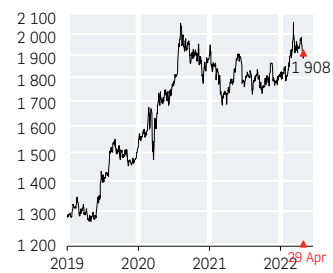
OIL (BRENT, USD)



METALS (LMEX, USD)



GOLD (OUNCE, USD)



SOURCE: REFINITIV, BNP PARIBAS



ECONOMIC PULSE

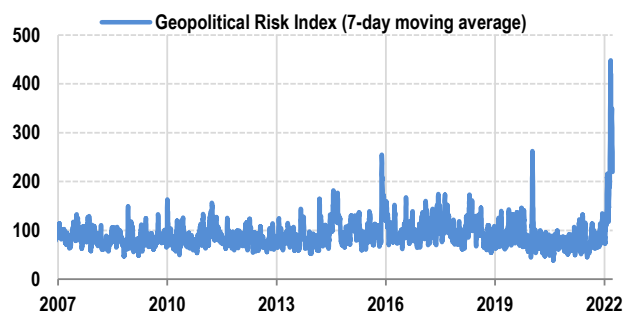
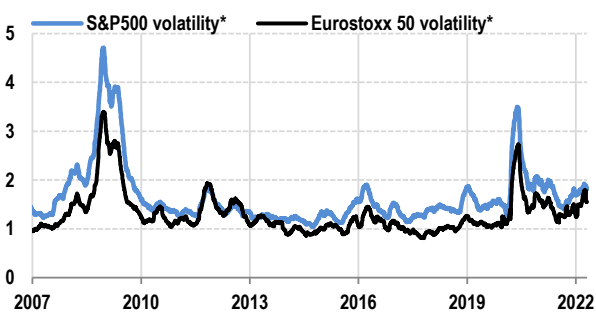
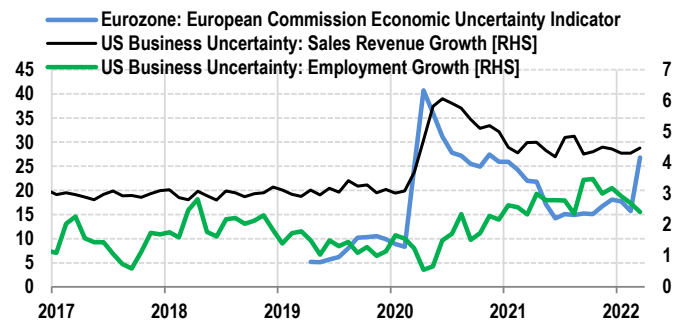
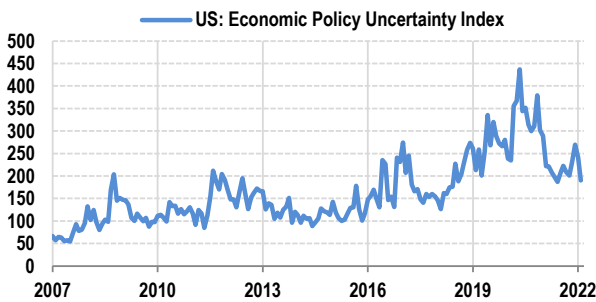
UNCERTAINTY: DOMINATED BY GEOPOLITICS

Our different uncertainty gauges are complementary, in terms of scope and methodology. Starting top left and continuing clockwise, US economic policy uncertainty based on media coverage has declined since the start of the year. In the US, business uncertainty about sales revenue growth has been edging higher whereas uncertainty about employment growth continues its downtrend.

The European Commission’s uncertainty index has jumped following the war in Ukraine. This has also caused an exceptionally large increase in the geopolitical risk index, which is based on media coverage. The cross-sectional standard deviation of daily stock market returns of individual companies – a measure of financial uncertainty – has risen in the US and the euro area, albeit to a limited degree.

William De Vijlder

CHANGES IN UNCERTAINTY



* volatility = 60-day moving average of the cross-sectional standard deviation of daily returns of the index constituents

SOURCE: REFINITIV, ECONOMIC POLICY UNCERTAINTY, IFO, ATLANTA FED, BNP PARIBAS



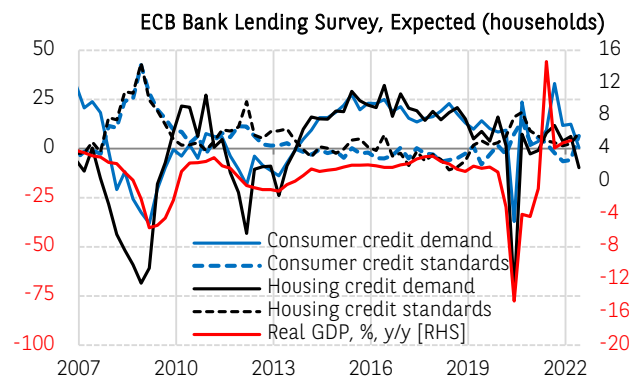
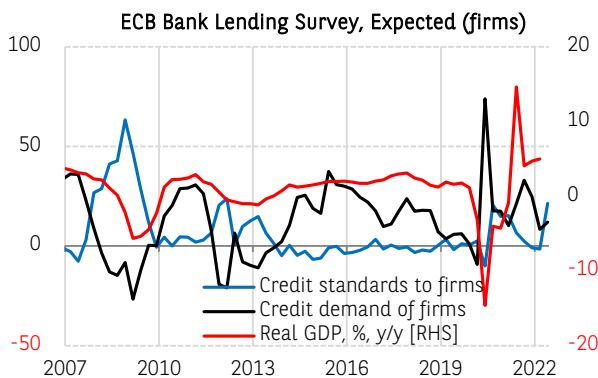
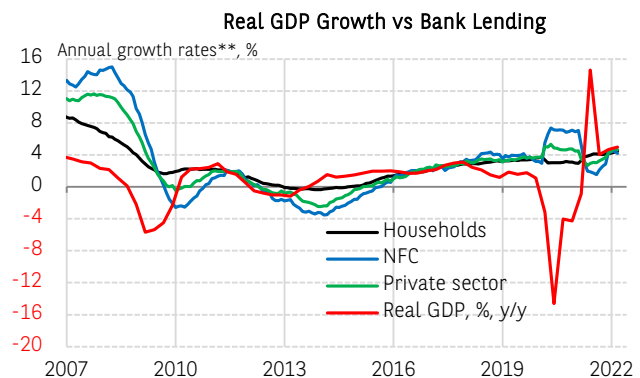
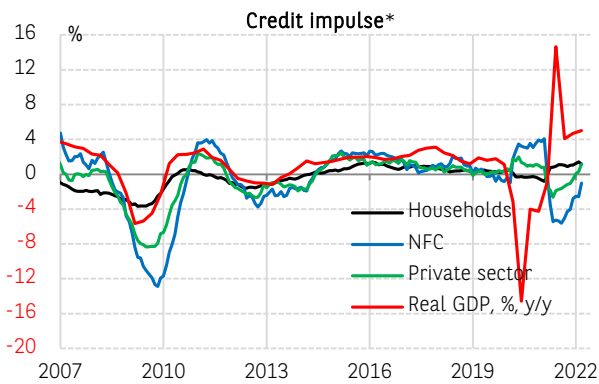
EUROZONE: THE WAR IN UKRAINE, A FACTOR IN THE TIGHTENING OF LENDING CONDITIONS FOR ENTERPRISES

Over and above the human drama, Russia’s attack on Ukraine has tarnished economic prospects, and in doing so, has affected conditions for access to bank credit to non-financial corporations (NFCs) and households in the Eurozone. Growth in outstanding bank loans to NFCs decelerated in March 2022 (4.2%, from 4.5% in February) for the first time since September 2021 (by way of comparison, real year-on-year GDP growth was 5% in Q1 2022, from 4.7% in Q4 2021 according to Eurostat’s preliminary estimate, masking a slowdown on a quarterly basis, +0,2% q/q in Q1 2022 against +0,3% q/q in Q4 2021). Because of a substantial comparison effect (between March and August 2021, the virtual cessation of new guaranteed loans to NFCs and a first wave of loan repayments put the brakes on growth in lending), the impulse of credit to NFCs (reflecting the change, over a year, of the annual growth in outstanding loans) continued to improve – whilst remaining negative – to -1.0% in March 2022, from -2.6% in February. The dynamic growth in loans to households persisted in Q1 2022 (4.5% y/y in March 2022), boosted both by exceptionally low interest rates and by the expectations that these will rise. The total credit impulse for NFCs and households together returned to positive territory in Q1 2022, reaching 1.2% in March 2022.

In the ECB’s Bank Lending Survey for Q1 2022 (conducted between 7 and 22 March 2022), the banks questioned are expecting a slowdown in household demand for credit in Q2 2022 (lower demand for house purchases, stabilisation of consumer credit), in a reflection of the decline in European consumer confidence since the end of February. They are also predicting a tightening of credit standards for all types of loans to households. However, the impacts of the war in Ukraine on economic activity and prices of inputs (energy, agricultural products, metals), the latest wave of Covid-19 infections in China, persistent supply chain problems, the repayment of government-guaranteed loans and the increase in interest rates that is taking shape all particularly threaten the financial position of NFCs. Banks surveyed by the ECB expect a marked tightening in credit standards for loans to enterprises in Q2 2022. Granted, the scale of the tightening predicted is smaller than during the financial crisis of 2008. It is however in line with that expected in the July 2020 survey, when fears were running high about the effects of the Covid-19 crisis on credit risks, or in January 2012 when the sovereign debt crisis pushed up European banks’ bond debt cost.

Céline Choulet

CREDIT IMPULSE IN THE EUROZONE



*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



ECONOMIC SCENARIO

8

UNITED STATES

The US economy has returned to its pre-pandemic trajectory, and with the unemployment rate at 4%, it is now close to potential. Inflation has risen above 7%, the highest level in forty years, and the Federal Reserve is expected to raise its key rates by at least 100 basis points in 2022. Buoyed by job creations, household consumption is however penalised by the decline in real wages. The downward revision of the government's fiscal ambitions, notably its social welfare plans, may also contribute to calm down private demand. GDP growth will slowdown at around 4%, inflation is expected to remain very high through the end of spring, before easing by the second half of 2022.

CHINA

Economic growth has slowed markedly since last summer. The crisis in the real estate and construction sectors, the authorities' zero-Covid strategy and the persisting weakness of household consumption have heavily weighed on activity. These factors are likely to persist in the short term, even though the government increases fiscal policy support and the central bank enhances monetary easing measures. At the same time, the authorities are expected to continue to act to clean up the property market and tighten the regulatory framework. The export industry, which has remained buoyant in recent months, could start to lose growth momentum in the short term.

EUROZONE

After a strong Q3, growth in Q4 2021 was, as expected, significantly weaker (+0.3% t/t according to the first Eurostat estimate). In addition to the expected normalization, headwinds have increased (supply-side problems, surging inflation and uncertainties arising from the new wave of the pandemic). However, business climate surveys continue to show some resilience. Although the downside risks have intensified, leading, mid-February, to a 0.6 pts downward revision to our growth forecast for 2022 (to 3.6%), we continue to see the recovery as resilient. A number of tailwinds remain at work – still supportive (albeit less so) policy mix, a build-up of forced savings, scope for the service sector to catch-up, the need for companies to invest and rebuild inventories. Despite a more meaningful slowdown, growth is expected to remain well above its trend rate in 2022. Meanwhile, inflation continues to surge, postponing the expected peak. This is still mainly an energy story but more sustained and widespread factors are also gaining traction. We expect average inflation to spike at 5% in 2022 in annual average terms (after 2.6% in 2021), masking an expected decline over the course of the year.

FRANCE

What is happening at the aggregate eurozone level is representative of what is happening in France, and vice-versa. Although the figures are different, our analysis and view of the economic outlook are identical. In Germany, the headwinds are stronger, while France is less exposed. French growth surprised on the upside in Q4 2021 (0.7% q/q according to INSEE's initial estimate) and reached 7% in 2021 as a whole. In 2022, GDP growth would ease to 3.2%, against a background of higher inflation (4.7% expected in 2022 after 1.6% in 2021).

RATES AND EXCHANGE RATES

In the US, the Federal Reserve has started its tightening cycle and, based on the projections of the FOMC members, several rate hikes should follow this year and next. Over the next 15 months, we expect 275 bp of additional rate hikes. In addition, the reduction of the size of the balance sheet (quantitative tightening) will influence the level of interest rates. The Fed's hawkish stance is motivated by particularly elevated inflation, a strong economy and very low policy rates. These policy changes should only put limited upward pressure on long-term Treasury yields considering that the market has anticipated to a large degree the policy tightening. In addition, as the rate hike cycle continues, bond investors will start to price the prospect of slower growth and the decline of inflation.

In the euro area, the jump in uncertainty and commodity prices are weighing on the sentiment of companies and households. Despite exceptionally high inflation, the ECB insists on the need to keep its optionality, which reflects a preference to have better

visibility about the inflation outlook before deciding to change policy. We expect a first hike of the deposit rate in September although an earlier move, on the occasion of the July meeting, cannot be excluded. Further rate hikes should follow in 2023 bringing the deposit rate to 0.50%. This should push bond yields higher but also lead to a widening of certain sovereign spreads.

The Bank of Japan is expected to maintain its current policy stance in the near term but raise its short-term policy rate from -0.10% to the 0-0.10% range in the latter part of 2023, whilst allowing the 10-year JGB yield to drift higher. These decisions would be based on an increased emphasis on the side effects of the negative interest rate policy and concern about the risk of further yen weakening and its impact on households via higher import prices.

We expect the dollar to weaken versus the euro, considering that both the Federal Reserve and the ECB will tighten policy, that the long-term interest rate differential should narrow and that the euro is undervalued versus the dollar. The increased policy divergence between the Fed and the Bank of Japan should cause an appreciation of the dollar versus the yen but in the latter part of 2023, we expect the yen to appreciate following the change in monetary policy of the Bank of Japan.

GDP GROWTH

%	GDP Growth			Inflation		
	2021	2022 e	2023 e	2021	2022 e	2023 e
United-States	5.7	3.7	2.5	4.7	6.7	2.7
Japan	1.7	1.6	2.0	-0.2	1.5	1.1
United-Kingdom	7.5	3.6	1.7	2.5	7.0	3.2
Euro Area	5.3	2.8	2.7	2.6	6.8	3.4
Germany	2.9	2.1	3.4	3.2	6.6	3.6
France	7.0	3.2	2.5	2.1	5.3	2.5
Italy	6.6	2.8	2.2	2.0	6.4	2.6
Spain	5.0	4.8	2.7	3.0	8.1	3.5
China	7.7	4.8	5.1	0.9	2.4	2.7
India*	8.1	9.5	7.3	5.1	6.3	5.2
Brazil	5.0	-0.5	0.0	8.3	9.0	5.7
Russia	4.5	-8.5	3.1	7.0	18.2	5.0

SOURCE: BNP PARIBAS GROUP ECONOMIC RESEARCH (E: ESTIMATES & FORECASTS)
*FISCAL YEAR FROM 1ST APRIL OF YEAR N TO MARCH 31ST OF YEAR N+1
** LAST UPDATE 04/08/2022

INTEREST & EXCHANGE RATES

Interest rates, %

End of period		Q1 2022	Q2 2022 e	Q3 2022 e	Q4 2022 e	Q4 2023 e
US	Fed Funds (upper limit)	0.50	1.50	2.00	2.50	3.25
	T-Note 10y	2.33	2.50	2.60	2.70	2.60
Ezone	Deposit rate	-0.50	-0.50	-0.50	-0.25	0.50
	Bund 10y	0.51	0.75	0.90	1.00	1.20
	OAT 10y	0.84	1.20	1.40	1.50	1.70
	BTP 10y	1.97	2.45	2.75	3.00	3.20
	BONO 10y	1.37	1.75	2.00	2.15	2.35
UK	Base rate	0.75	1.00	1.25	1.25	1.75
	Gilts 10y	1.59	1.75	1.90	2.00	2.00
Japan	BoJ Rate	-0.02	-0.10	-0.10	-0.10	0.10
	JGB 10y	0.21	0.25	0.25	0.25	0.45

Exchange Rates

End of period		Q1 2022	Q2 2022 e	Q3 2022 e	Q4 2022 e	Q4 2023 e
USD	EUR / USD	1.11	1.11	1.13	1.14	1.20
	USD / JPY	121	125	124	123	115
	GBP / USD	1.32	1.29	1.31	1.33	1.40
EUR	EUR / GBP	0.85	0.86	0.86	0.86	0.86
	EUR / IPY	135	139	140	140	138

Brent

End of period		Q1 2022	Q2 2022 e	Q3 2022 e	Q4 2022 e	Q4 2023 e
Brent*	USD/bbl	107	113	115	110	105

FORECASTS PRODUCED ON 2 MAY 2022. SOURCE: BNP PARIBAS (E: ESTIMATES & FORECASTS)
(MARKET ECONOMICS, INTEREST RATE STRATEGY, FX STRATEGY, COMMODITIES DESK STRATEGY)



BNP PARIBAS

The bank
for a changing
world

CALENDAR

9

LATEST INDICATORS

In Germany, the IFO business climate picked up in April after its drop in March. Expectations have improved. Inflation increased further, reaching 7.8%. First quarter GDP growth of 0.2% versus the previous quarter, was in line with the eurozone number. Consumer confidence dropped. In France, consumer confidence decline on the back of high inflation. Consumer spending declined in March and first quarter growth came in at zero percent. April inflation accelerated to 5.4%. Eurozone inflation continues to increase, reaching 7.5% for the headline number and 3.5% for core inflation. GDP grew 0.2% in the first quarter. In the UK, the trend of total orders is downwards. In the US, the Conference Board consumer confidence index was stable, thereby surprising to the upside. The assessment of the present situation weakened but expectations improved. New home sales dropped significantly. Unexpectedly, first quarter GDP contracted. University of Michigan sentiment improved, but less than expected. The assessment of current conditions as well as expectations did better. Inflation expectations were stable. Finally, in Japan the central bank confirmed its dovish stance in terms of monetary policy, despite the significant weakening of the yen.

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	ACTUAL	PREVIOUS
04/25/2022	Germany	IFO Business Climate	Apr	--	91.8	90.8
04/25/2022	Germany	IFO Current Assessment	Apr	--	97.2	97.1
04/25/2022	Germany	IFO Expectations	Apr	--	86.7	84.9
04/25/2022	United Kingdom	CBI Trends Total Orders	Apr	--	14	26
04/26/2022	United States	Cap Goods Orders Nondef Ex Air	Mar P	--	1.00%	-0.30%
04/26/2022	United States	Conf. Board Consumer Confidence	Apr	106.8	107.3	107.6
04/26/2022	United States	Conf. Board Present Situation	Apr	--	152.6	153.8
04/26/2022	United States	Conf. Board Expectations	Apr	--	77.2	76.6
04/26/2022	United States	New Home Sales MoM	Mar	0.40%	-8.60%	-1.20%
04/27/2022	Germany	GfK Consumer Confidence	May	--	-26.5	-15.7
04/27/2022	France	Consumer Confidence	Apr	--	88	90
04/27/22-05/02/22	Germany	Retail Sales MoM	Mar	--	-0.10	0.30%
04/28/2022	Germany	CPI EU Harmonized MoM	Apr	--	0.70%	2.50%
04/28/2022	Germany	CPI EU Harmonized YoY	Apr	--	7.80%	7.60%
04/28/2022	United States	GDP Annualized QoQ	1Q	1.00%	-1.40%	6.90%
04/28/2022	United States	Personal Consumption	1Q	3.40%	2.70%	2.50%
04/28/2022	United States	GDP Price Index	1Q	7.00%	8.00%	7.10%
04/28/2022	United States	Core PCE QoQ	1Q	--	5.20%	5.00%



DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	ACTUAL	PREVIOUS
04/28/2022	United States	Initial Jobless Claims	Apr	--	180K	185K
04/28/2022	Japan	BOJ Policy Balance Rate	Apr	--	-0.10%	-0.10%
04/29/2022	France	Consumer Spending MoM	Mar	--	-1.30%	0.90%
04/29/2022	France	GDP QoQ	1Q	--	0.00%	0.80%
04/29/2022	France	GDP YoY	1Q	--	5.30%	5.50%
04/29/2022	France	CPI EU Harmonized MoM	Apr	--	0.50%	1.60%
04/29/2022	France	CPI EU Harmonized YoY	Apr	--	5.40%	5.10%
04/29/2022	Germany	GDP SA QoQ	1Q	--	0.20%	-0.30%
04/29/2022	Germany	GDP NSA YoY	1Q	--	4.00%	1.80%
04/29/2022	Eurozone	CPI Estimate YoY	Apr	--	7.50%	7.40%
04/29/2022	Eurozone	CPI MoM	Apr	--	0.60%	2.40%
04/29/2022	Eurozone	CPI Core YoY	Apr	--	3.50%	2.90%
04/29/2022	Eurozone	GDP SA QoQ	1Q	--	0.20%	0.30%
04/29/2022	Eurozone	GDP SA YoY	1Q	--	5.00%	4.70%
04/29/2022	United States	Employment Cost Index	1Q	1.10%	1.40%	1.00%
04/29/2022	United States	Personal Income	Mar	0.40%	0.50%	0.70%
04/29/2022	United States	Personal Spending	Mar	0.60%	1.10%	0.60%
04/29/2022	United States	Real Personal Spending	Mar	--	0.20%	0.10%
04/29/2022	United States	PCE Core Deflator MoM	Mar	0.30%	0.30%	0.30%
04/29/2022	United States	PCE Core Deflator YoY	Mar	5.30%	5.20%	5.30%
04/29/2022	United States	U. of Mich. Sentiment	Apr	65.7	65.2	59.4
04/29/2022	United States	U. of Mich. Current Conditions	Apr	--	69.4	68.1
04/29/2022	United States	U. of Mich. Expectations	Apr	--	62.5	54.3
04/29/2022	United States	U. of Mich. 1 Yr Inflation	Apr	--	5.40%	5.40%
04/29/2022	United States	U. of Mich. 5-10 Yr Inflation	Apr	--	3.00%	3.00%

SOURCE: BLOOMBERG



CALENDAR: THE WEEK AHEAD

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COMING INDICATORS

An important week with meetings of the FOMC in the US and the monetary policy committee of the Bank of England. There will be a plethora in terms of data with the labour market report in the US, the delayed publication of the European Commission's surveys, the purchasing managers' indices for manufacturing and services and, in the US, the Institute of Supply Management surveys.

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	PREVIOUS
04/30/2022	China	Composite PMI	Apr	--	48.8
04/30/2022	China	Manufacturing PMI	Apr	48	49.5
04/30/2022	China	Non-manufacturing PMI	Apr	46.3	48.4
04/30/2022	China	Caixin China PMI Mfg	Apr	47.4	48.1
05/02/2022	Japan	Jibun Bank Japan PMI Mfg	Apr	--	--
05/02/2022	Japan	Consumer Confidence Index	Apr	--	32.8
05/02/2022	France	S&P Global France Manufacturing PMI	Apr	--	--
05/02/2022	Germany	S&P Global/BME Germany Manufacturing PMI	Apr	--	--
05/02/2022	Eurozone	S&P Global Eurozone Manufacturing PMI	Apr	--	--
05/02/2022	Eurozone	Economic Confidence	Apr	--	108.5
05/02/2022	Eurozone	Industrial Confidence	Apr	--	10.4
05/02/2022	Eurozone	Services Confidence	Apr	--	14.4
05/02/2022	Eurozone	Consumer Confidence	Apr	--	--
05/02/2022	United States	S&P Global US Manufacturing PMI	Apr	--	--
05/02/2022	United States	ISM Manufacturing	Apr	57.5	57.1
05/02/2022	United States	ISM Prices Paid	Apr	--	87.1
05/02/2022	United States	ISM New Orders	Apr	--	53.8
05/02/2022	United States	ISM Employment	Apr	--	56.3
05/03/2022	Germany	Unemployment Change (000's)	Apr	--	-18.0k
05/03/2022	United Kingdom	S&P Global/CIPS UK Manufacturing PMI	Apr	--	--
05/03/2022	Eurozone	PPI MoM	Mar	--	1.10%
05/03/2022	Eurozone	PPI YoY	Mar	--	31.40%
05/03/2022	Eurozone	Unemployment Rate	Mar	--	6.80%
05/03/2022	United States	JOLTS Job Openings	Mar	--	11266k
05/03/2022	United States	Cap Goods Orders Nondef Ex Air	Mar	--	--

SOURCE: BLOOMBERG



DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	PREVIOUS
05/04/2022	France	S&P Global France Services PMI	Apr	--	--
05/04/2022	France	S&P Global France Composite PMI	Apr	--	--
05/04/2022	Germany	S&P Global Germany Services PMI	Apr	--	--
05/04/2022	Germany	S&P Global Germany Composite PMI	Apr	--	--
05/04/2022	Eurozone	S&P Global Eurozone Services PMI	Apr	--	--
05/04/2022	Eurozone	S&P Global Eurozone Composite PMI	Apr	--	--
05/04/2022	Eurozone	Retail Sales MoM	Mar	--	0.30%
05/04/2022	Eurozone	Retail Sales YoY	Mar	--	5.00%
05/04/2022	United States	S&P Global US Services PMI	Apr	--	--
05/04/2022	United States	S&P Global US Composite PMI	Apr	--	--
05/04/2022	United States	ISM Services Index	Apr	58.5	58.3
05/04/2022	United States	FOMC Rate Decision (Lower Bound)	May	0.75%	0.25%
05/04/2022	United States	FOMC Rate Decision (Upper Bound)	May	1.00%	0.50%
05/05/2022	China	Caixin China PMI Composite	Apr	--	43.9
05/05/2022	China	Caixin China PMI Services	Apr	41.1	42
05/05/2022	United Kingdom	S&P Global/CIPS UK Services PMI	Apr	--	--
05/05/2022	United Kingdom	S&P Global/CIPS UK Composite PMI	Apr	--	--
05/05/2022	United Kingdom	Bank of England Bank Rate	May	--	0.75%
05/05/2022	United States	Nonfarm Productivity	1Q	-2.30%	6.60%
05/05/2022	United States	Unit Labor Costs	1Q	6.40%	0.90%
05/05/2022	United States	Initial Jobless Claims	Apr	--	--
05/06/2022	France	Private Sector Payrolls QoQ	1Q	--	0.60%
05/06/2022	United States	Change in Nonfarm Payrolls	Apr	350k	431k
05/06/2022	United States	Unemployment Rate	Apr	3.60%	3.60%
05/06/2022	United States	Average Hourly Earnings MoM	Apr	0.40%	0.40%
05/06/2022	United States	Average Hourly Earnings YoY	Apr	--	5.60%
05/06/2022	United States	Average Weekly Hours All Employees	Apr	34.6	34.6
05/06/2022	United States	Labor Force Participation Rate	Apr	--	62.40%

SOURCE: BLOOMBERG



FURTHER READING

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Spanish housing market: cautious optimism	EcoFlash	29 April 2022
France: Supply-side constraints and inflation are weighing on growth	EcoTVWeek	29 April 2022
United Kingdom : Higher inflation causes decline in real wages	Chart of the Week	27 April 2022
Global : Inflation persistence and why it matters	EcoWeek	25 April 2022
From one crisis to another, how does Europe respond?	EcoTVWeek	22 April 2022
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Global: Cyclical outlook dominated by a shock to expectations	EcoWeek	29 March 2022



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