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world

EUROZONE: RISING INTEREST RATES AND PUBLIC DEBT SUSTAINABILITY

Due to the recent significant increase in interest rates, Eurozone countries now have a borrowing cost on newly issued debt that, for an equivalent maturity, is higher than that of the existing debt. From a debt sustainability perspective, this necessitates a smaller primary deficit or a larger surplus, depending on whether the average interest cost is, respectively, lower or higher than the long-term nominal GDP growth rate. However, this effect will only be fully operational when the entire debt has been refinanced at the higher interest rate. Given the long average maturity of existing debt, the annual adjustment effort is small for the time being but it will grow over time. However, debt sustainability is about more than keeping the debt ratio stable under certain circumstances. It is also about the resilience to interest rate and growth shocks. The higher the debt ratio, the more important it is to do more than simply trying to stabilize it.

An IMF working paper of 2020 asked whether the negative differential between the implicit interest rate on government debt (r) and nominal GDP growth (g), that had become prevalent in many countries since the global financial crisis of 2008, allowed for a better sleep¹. Considering the recent huge increase in interest rates in many countries, it is tempting to ask whether the quality of our sleep has worsened.

Chart 1 shows for several Eurozone countries the implicit interest rate on the outstanding government debt (horizontal axis) and the current interest rate on newly issued debt with the same maturity as the existing debt (vertical axis)². All points are above the diagonal, which shows that the marginal borrowing cost -the interest rate on newly issued debt- is above the average borrowing cost -the rate on the existing debt³. It implies that the marginal $r-g$ is higher than the average $r-g$ ⁴. Does this create an issue in terms of debt sustainability, thereby influencing how well we sleep at night?

Before focusing on the key factors, let's recall that the dynamics of the public debt/GDP ratio depend on $r-g$ and the primary balance, which corresponds to the budget balance excluding interest charges. The debt ratio (D/GDP) will be stable over a given period if the primary balance is equal to $(r-g)*(D/GDP)$. When $g > r$, the government can

afford to run a primary deficit and still have a stable debt ratio. When $g < r$, a primary surplus is required. An increase in the average interest rate (Δr) reduces the 'affordable' primary deficit by $(\Delta r)*(D/GDP)$ or increases the required primary surplus to a similar extent.

The initial debt/GDP ratio thus plays an important role in the assessment of the impact of rising borrowing costs on the debt dynamics. The higher the debt ratio, the more corrective action will be necessary to keep it stable when confronted with higher interest rates. However, the longer the average maturity, the more the fiscal adjustment can be spread out over time. For a country with an initial, stable debt/GDP ratio of 120% and an average maturity of 10 years, a 1 percentage point increase in the average borrowing cost would require a fiscal adjustment effort of 1.2% of GDP over a period of 10 years, which corresponds to a small annual effort.

EUROZONE: IMPLICIT INTEREST RATE

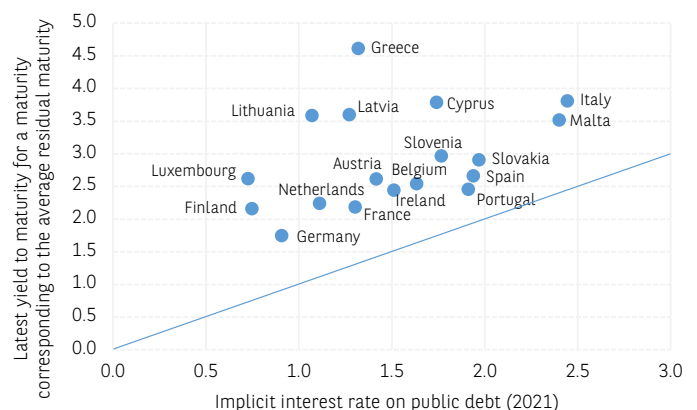


CHART 1

SOURCE: EUROPEAN COMMISSION, BLOOMBERG, REFINITIV, BNP PARIBAS

“The higher the public debt ratio, the more important it is to do more than simply trying to stabilize it.”



Given the increases in interest rates that we have observed thus far and the average maturity of the existing debt (chart 2), it seems that the annual adjustment effort for the various countries should be very small.

However, this conclusion comes with several caveats. It is not clear at what level interest rates will stop moving higher nor how they will evolve thereafter. Rising interest rates should weigh on growth -that is the objective of monetary tightening to lower inflation-, thereby influencing the short-term debt dynamics. This may in turn influence borrowing costs through rising risk premiums.

These examples remind us that debt sustainability is about more than keeping the debt ratio stable under certain circumstances. It is also about the resilience to interest rate and growth shocks. As shown in research by the IMF on a large sample of advanced and emerging economies, the level of public debt plays a key role. High-debt countries have a higher average $r-g$, with a higher probability of downside risks (rising $r-g$) and they also experience larger increases in borrowing costs through risk premium effects in response to unexpected declines in output and an increase of global volatility⁵.

To conclude, if the recent huge increase in interest rates in many countries has not affected the quality of our sleep, it forces us, at a minimum, to be more focused in the morning. The higher the debt ratio, the more important it is to do more than simply trying to stabilize it.

William De Vijlder

EUROZONE: AVERAGE MATURITY OF THE EXISTING DEBT

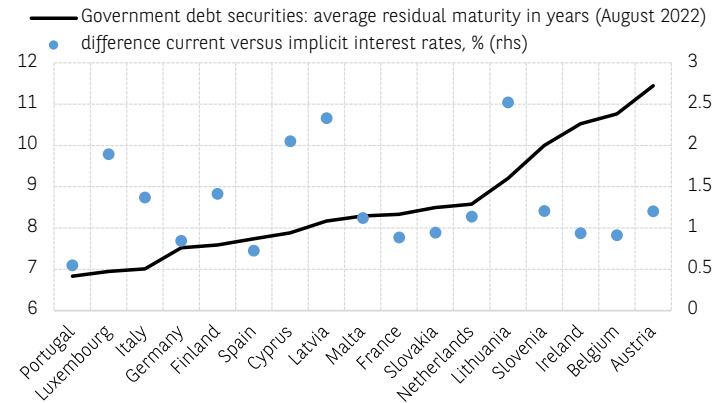


CHART 2 SOURCE: ECB, EUROPEAN COMMISSION, BLOOMBERG, REFINITIV, BNP PARIBAS

5. Source: Weicheng Lian, Andrea F. Presbitero, and Ursula Wiriadinata, Public Debt and $r - g$ at Risk, IMF Working Paper, July 2020.



MARKETS OVERVIEW

OVERVIEW

Week 30-9 22 to 7-10-22

➔ CAC 40	5 762	➔ 5 867	+1.8 %
➔ S&P 500	3 586	➔ 3 640	+1.5 %
➔ Volatility (VIX)	31.6	➔ 31.4	-0.3 pb
➔ Euribor 3M (%)	1.17	➔ 1.29	+11.5 bp
➔ Libor \$ 3M (%)	3.75	➔ 3.91	+15.4 bp
➔ OAT 10y (%)	2.75	➔ 2.80	+5.3 bp
➔ Bund 10y (%)	2.11	➔ 2.20	+9.1 bp
➔ US Tr. 10y (%)	3.80	➔ 3.88	+8.1 bp
➔ Euro vs dollar	0.98	➔ 0.98	-0.1 %
➔ Gold (ounce, \$)	1 674	➔ 1 702	+1.7 %
➔ Oil (Brent, \$)	88.2	➔ 97.9	+11.1 %

MONEY & BOND MARKETS

Interest Rates

		highest 22	lowest 22	
€ ECB	1.25	1.25 at 14/09	0.00 at 03/01	
Eonia	-0.51	-0.51 at 03/01	-0.51 at 03/01	
Euribor 3M	1.29	1.29 at 07/10	-0.58 at 05/01	
Euribor 12M	2.55	2.63 at 27/09	-0.50 at 05/01	
\$ FED	3.25	3.25 at 22/09	0.25 at 03/01	
Libor 3M	3.91	3.91 at 07/10	0.21 at 03/01	
Libor 12M	5.00	5.00 at 07/10	0.58 at 03/01	
£ BoE	2.25	2.25 at 22/09	0.25 at 03/01	
Libor 3M	3.42	3.75 at 26/09	0.26 at 03/01	
Libor 12M	0.81	0.81 at 03/01	0.81 at 03/01	

At 7-10-22

Yield (%)

		highest 22	lowest 22	
€ AVG 5-7y	2.64	2.79 at 28/09	-0.04 at 03/01	
Bund 2y	1.80	1.90 at 27/09	-0.83 at 04/03	
Bund 10y	2.20	2.24 at 27/09	-0.14 at 24/01	
OAT 10y	2.80	2.83 at 29/09	0.15 at 04/01	
Corp. BBB	4.79	4.84 at 29/09	0.90 at 05/01	
\$ Treas. 2y	4.31	4.37 at 27/09	0.70 at 04/01	
Treas. 10y	3.88	3.96 at 27/09	1.63 at 03/01	
High Yield	9.63	9.91 at 30/09	5.07 at 03/01	
£ gilt. 2y	4.17	4.59 at 27/09	0.69 at 03/01	
gilt. 10y	4.24	4.50 at 27/09	0.97 at 03/01	

At 7-10-22

EXCHANGE RATES

1€ =		highest 22	lowest 22	2022
USD	0.98	1.15 at 10/02	0.96 at 27/09	-14.0%
GBP	0.88	0.90 at 28/09	0.83 at 14/04	+4.7%
CHF	0.97	1.06 at 10/02	0.95 at 28/09	-6.3%
JPY	142.03	144.46 at 13/09	125.37 at 04/03	+8.5%
AUD	1.53	1.62 at 04/02	1.43 at 25/08	-2.3%
CNY	6.94	7.29 at 10/02	6.75 at 14/07	-4.3%
BRL	5.10	6.44 at 06/01	5.01 at 21/04	-19.5%
RUB	61.06	164.76 at 07/03	55.60 at 26/09	-28.4%
INR	80.56	85.96 at 11/02	78.49 at 27/09	-4.7%

At 7-10-22 Change

COMMODITIES

Spot price, \$		highest 22	lowest 22	2022	2022(€)
Oil, Brent	97.9	128.2 at 08/03	79.0 at 03/01	+24.9%	+45.2%
Gold (ounce)	1 702	2 056 at 08/03	1 635 at 27/09	-6.6%	+8.6%
Metals, LME	3 577	5 506 at 07/03	3 453 at 27/09	-20.5%	-7.7%
Copper (ton)	7 508	10 702 at 04/03	7 160 at 14/07	-22.9%	-10.4%
wheat (ton)	292	4.7 at 17/05	276 at 18/08	+22.9%	+42.8%
Corn (ton)	259	3.2 at 28/06	226 at 03/01	+1.3%	+31.8%

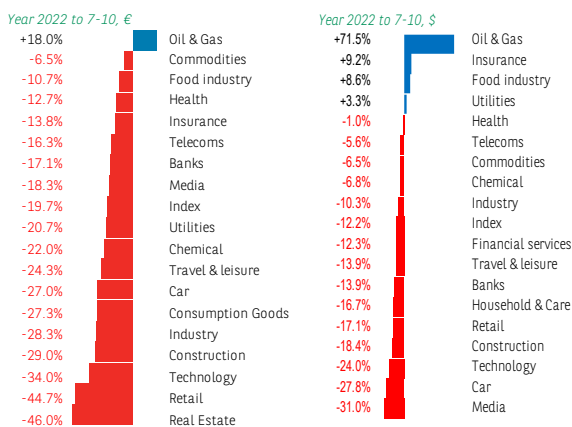
At 7-10-22 Change

EQUITY INDICES

Index	highest 22	lowest 22	2022	
World				
MSCI World	2 418	3 248 at 04/01	2 379 at 30/09	-25.2%
North America				
S&P500	3 640	4 797 at 03/01	3 586 at 30/09	-23.6%
Europe				
EuroStoxx50	3 375	4 392 at 05/01	3 279 at 29/09	-21.5%
CAC 40	5 867	7 376 at 05/01	5 677 at 29/09	-1.8%
DAX 30	12 273	16 272 at 05/01	11 976 at 29/09	-22.7%
IBEX 35	7 437	8 934 at 27/05	7 300 at 29/09	-1.5%
FTSE100	6 991	7 672 at 10/02	6 882 at 29/09	-0.5%
Asia				
MSCI, loc.	1 053	1 165 at 05/01	1 012 at 30/09	-0.8%
Nikkei	27 116	29 332 at 05/01	24 718 at 09/03	-5.8%
Emerging				
MSCI Emerging (\$)	898	1 267 at 12/01	873 at 29/09	-2.7%
China	57	86 at 20/01	56 at 03/10	-29.9%
India	757	891 at 13/01	699 at 17/06	-0.8%
Brazil	1 609	2 003 at 04/04	1 311 at 14/07	+5.0%

At 7-10-22 Change

PERFORMANCE BY SECTOR (Eurostoxx50 & S&P500)

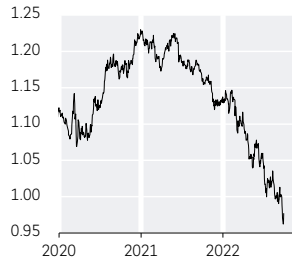


SOURCE: REFINITIV, BNP PARIBAS,

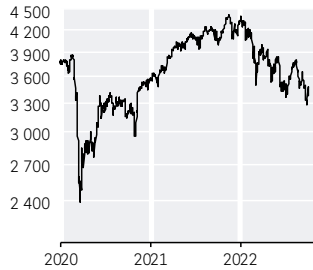


MARKETS OVERVIEW

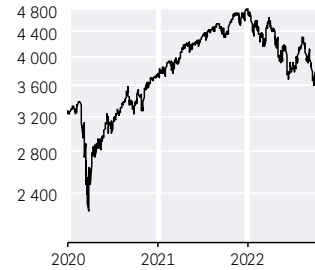
EURO-DOLLAR



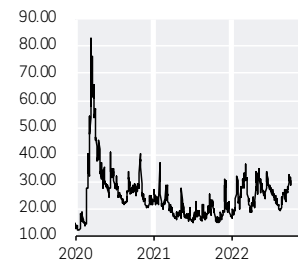
EUROSTOXX50



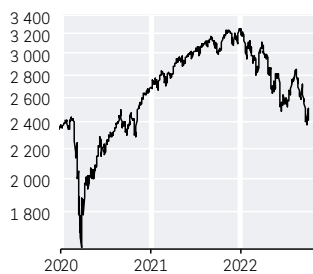
S&P500



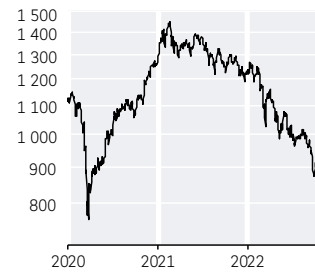
VOLATILITY (VIX, S&P500)



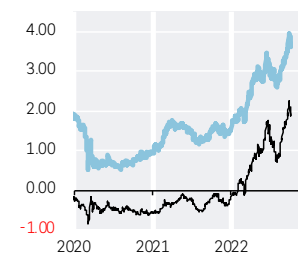
MSCI WORLD (USD)



MSCI EMERGING (USD)

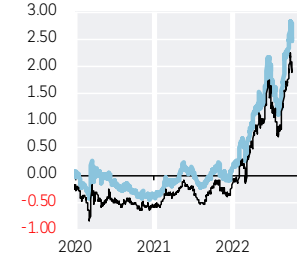


10Y BOND YIELD, TREASURIES VS BUND



-Bunds — US Treasuries

10Y BOND YIELD



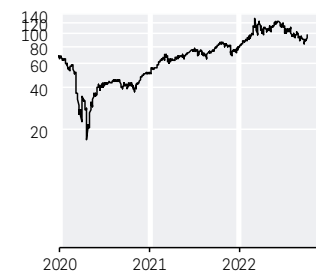
-Bunds —OAT

10Y BOND YIELD & SPREADS

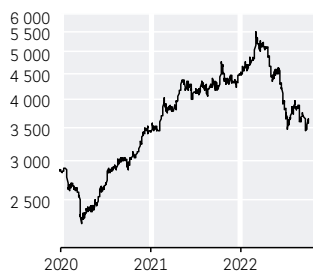
Year 2022 to 7-10

5.14%	Greece	294 bp
4.58%	Italy	238 bp
3.41%	Spain	120 bp
3.18%	Portugal	98 bp
2.89%	Austria	69 bp
2.86%	Finland	66 bp
2.86%	Belgium	65 bp
2.80%	France	60 bp
2.74%	Ireland	53 bp
2.52%	Netherlands	32 bp
2.20%	Germany	

OIL (BRENT, USD)



METALS (LMEX, USD)



GOLD (OUNCE, USD)



SOURCE: REFINITIV, BNP PARIBAS



PMI: A MOST UNWELCOME MIX: DROP IN NEW ORDERS, INCREASE IN INPUT AND OUTPUT PRICES

The global manufacturing PMI has continued its decline in September. There was a small improvement in Canada and the US but the euro area recorded a further decline, with data dropping in France, Germany and the Netherlands. The index was also down in China whereas India, Indonesia and Vietnam are holding up well.

The situation deteriorated significantly in terms of new orders. It is particularly bad in the euro area and the UK although the negative environment is now very broad-based across countries. Orders were down in Japan and China as well, whereas Indonesia saw an improvement.

Despite the low readings for the overall index and in particular the new orders component, the employment survey continues to show some resilience. Further declines are to be expected considering the worsening of the order book data.

In terms of inflation dynamics, the percentage of companies confronted with higher input prices continued its downward trend in Canada and the US but rebounded strongly in the euro area, the UK and Japan. This is probably related to currency developments (depreciation) but it will be monitored closely by central banks.

The developments in terms of output prices tend to be positively correlated with those in input prices so, unsurprisingly, many countries experienced a rebound in output prices in September (US, euro area, several countries in the euro area, United Kingdom, Japan, etc.). Central banks and financial markets are eagerly awaiting the October data to see whether the rebound is confirmed. In such case, it would push higher the expectations about the peak level of policy rates.

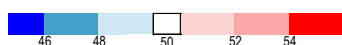
On the other hand, delivery times continue to get shorter, which points towards an easing of supply side tensions.

Finally, the services PMI has seen a huge rebound in the US, after the big drop in August. In the euro area however, the decline continues and at 48.8 the index is now well below the crucial 50 level. Data in France improved versus August, but Germany recorded a big drop.

William De Vijlder

MANUFACTURING PMI																																				
Month	World	Developed Markets															Emerging countries																			
		NA		Europe													LATAM		Eurasia			Middle East & Africa			Asia											
		Canada	USA	EURO ZONE			Austria	Denmark	France	Germany	Greece	Ireland	Italy	Netherlands	Spain	Switzerland	UK	Australia	New Zealand	Japan	Singapore	Brazil	Mexico	Czech Republic	Poland	Russia	Turkey	Egypt	Lebanon	Saudi Arabia	South Africa	UAE	China	Hong Kong	India	Indonesia
Dec-21	54.3	56.5	57.7	58.0	58.7	63.7	55.6	57.4	59.0	58.3	62.0	58.7	56.2	64.2	57.9		53.9	54.3	50.7	49.8	49.4	59.1	56.1	51.6	52.1	49.0	46.7	53.9	54.1	55.6	50.9	50.8	55.5	53.5	52.5	
Jan-22	53.2	56.2	55.5	58.7	61.5	61.1	55.5	59.8	57.9	59.4	58.3	60.1	56.2	63.8	57.3		52.3	55.4	50.6	47.8	46.1	59.0	54.5	51.8	50.5	47.9	47.1	53.2	57.1	54.1	49.1	48.9	54.0	53.7	53.7	
Feb-22	53.7	56.6	57.3	58.2	58.4	52.7	57.2	58.4	57.8	57.8	58.3	60.6	56.9	62.6	58.0		53.2	53.5	52.7	50.2	49.6	48.0	56.5	54.7	48.6	50.4	48.1	47.5	56.2	58.6	54.8	50.4	42.9	54.9	51.2	54.3
Mar-22	52.9	58.9	58.8	56.5	59.3	64.1	54.7	56.9	54.6	59.4	55.8	58.4	54.2	64.0	55.2	55.7		53.2	54.1	50.1	52.3	49.2	54.7	52.7	44.1	49.4	46.5	47.4	56.8	60.0	54.8	48.1	42.0	54.0	51.3	51.7
Apr-22	52.3	56.2	59.2	55.5	57.9	64.0	55.7	54.6	54.8	59.1	54.5	59.9	53.3	62.5	55.8	58.5		51.0	53.5	50.3	51.8	49.3	54.4	52.4	48.2	49.2	46.9	50.7	54.6	46.0	51.7	54.7	51.9	51.7		
May-22	52.3	56.8	57.0	54.6	56.6	61.5	54.6	54.8	53.8	56.4	51.9	57.8	53.8	60.0	54.6	52.4	52.8	53.3	50.4	54.2	50.6	52.3	48.5	50.8	49.2	47.0	47.9	55.7	54.8	55.6	48.1	54.9	54.6	50.8	54.7	
Jun-22	52.2	54.6	52.7	52.1	51.2	70.1	51.4	52.0	51.1	53.1	50.9	55.9	52.6	59.1	52.8	54.0	50.2	52.7	50.3	54.1	52.2	49.0	44.4	50.9	48.1	45.2	49.1	57.0	52.2	54.8	51.7	52.4	53.9	50.2	54.0	
Jul-22	51.1	52.5	52.2	49.8	51.7	38.0	49.5	49.3	49.1	51.8	48.5	54.5	48.7	58.0	52.1	52.5	53.5	52.1	50.1	54.0	48.5	46.8	42.1	50.3	46.9	46.4	49.9	56.3	47.6	55.4	50.4	52.3	56.4	51.3	51.2	
Aug-22	50.3	48.7	51.5	49.6	48.8	47.9	50.6	49.1	48.8	51.1	48.0	52.6	49.9	56.4	47.3	49.3	54.9	51.5	50.0	51.9	48.5	46.8	40.9	51.7	47.4	47.6	50.1	57.7	52.1	56.7	49.5	51.2	56.2	51.7	52.7	
Sep-22	49.8	49.8	52.0	48.4	48.8	49.8	47.7	47.8	49.7	51.5	48.3	49.0	49.0	57.1	48.4	50.2		50.8	49.9	51.1	50.3	44.7	43.0	52.0	46.9	47.6	48.8	56.6	48.2	56.1	48.1		55.1	53.7	52.5	

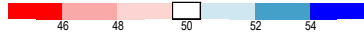
MANUFACTURING PMI - NEW ORDERS																																					
Month	World	Developed Markets															Emerging countries																				
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		Canada	USA	EURO ZONE			Austria	Denmark	France	Germany	Greece	Ireland	Italy	Netherlands	Spain	Switzerland	UK	Australia	New Zealand	Japan	Singapore	Brazil	Mexico	Czech Republic	Poland	Russia	Turkey	Egypt	Israel	Lebanon	Saudi Arabia	South Africa	UAE	China	Hong Kong	India	Indonesia
Dec-21	53.4	54.6	56.8	55.0	53.1		52.5	53.2	58.0	57.6	63.0	54.2	52.7		55.1		52.5	51.2	46.7	46.7	55.3	54.2	51.1	48.2	48.8	53.5	47.2	55.2	44.8	58.6	50.9	51.0	58.4	53.3	54.3		
Jan-22	52.2	55.0	53.7	56.4	58.7		51.2	57.4	55.4	69.2	57.5	55.8	55.0		53.1		50.5	50.4	47.0	46.3	55.3	53.5	51.5	51.7	47.5	46.9	46.0	48.5	53.6	49.8	56.4	48.5	46.5	56.6	55.8	55.0	
Feb-22	53.7	54.2	57.0	57.0	54.2		53.8	58.5	53.8	58.7	57.2	58.0	54.1		54.6	59.8		50.5	50.4	43.7	44.0	57.3	51.5	51.7	47.0	46.8	47.3	56.6	48.6	61.4	50.7	58.2	51.6	36.6	57.6	52.6	55.3
Mar-22	51.4	57.5	59.1	53.7	53.2		51.1	54.0	50.3	60.9	54.6	53.7	47.5		51.8	65.0		52.0	50.3	52.1	47.4	49.4	48.5	40.2	45.9	45.1	49.9	48.3	61.9	50.6	58.3	45.4	33.3	56.1	51.1	52.8	
Apr-22	50.5	54.4	59.0	51.6	53.0		53.0	48.8	50.7	58.7	52.6	56.3	49.6		51.7	64.8		51.5	50.4	51.7	46.7	48.5	48.0	45.9	46.2	45.3	50.7	49.6	59.5	49.3	57.2	42.8	52.2	56.8	52.1	51.9	
May-22	50.9	54.7	56.1	48.7	48.1		50.6	47.0	50.2	52.0	47.4	52.6	50.0		51.1	55.0		50.4	50.5	53.3	49.6	45.4	43.2	49.3	46.8	44.6		49.8	59.9	50.2	58.7	47.5	56.5	56.4	51.6	55.3	
Jun-22	50.1	52.8	48.7	45.2	41.2		46.1	43.3	45.7	47.9	43.9	52.5	49.7		48.3	55.7		50.2	50.7	52.9	50.7	43.9	39.1	51.0	44.9	41.9		49.3	63.3	52.5	56.5	51.2	52.1	55.7	50.9	54.8	
Jul-22	48.9	48.9	48.6	42.6	43.6		43.0	40.1	43.5	47.0	42.5	51.1	43.5		46.9	59.9		49.2	50.2	52.4	46.2	42.6	36.6	51.8	43.6	43.1		49.6	62.0	53.3	57.2	50.3	53.3	60.0	51.6	52.0	
Aug-22	48.2	44.5	48.8	43.3	39.8		44.8	40.9	45.6	47.3	42.6	48.7	47.3		43.9	55.8		48.2	50.1	51.4	45.1	42.2	33.4	52.9	42.8	45.1		49.8	64.1	52.2	59.8	48.9	51.3	60.5	52.4	54.1	
Sep-22	47.7	46.9	51.1	41.3	38.6		40.4	39.1	45.8	46.1	43.2	43.0	44.4		44.8	57.8		46.3	49.9	50.3	48.0	38.5	35.4	52.4	43.0	45.9		48.8	62.3	47.1	59.4	47.1		58.6	56.3	52.3	



SOURCE: S&P GLOBAL, BNP PARIBAS

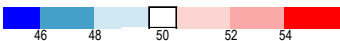
MANUFACTURING PMI – DELIVERY TIMES

WD	Developed Markets																	Emerging countries															
	NA		Europe										Asia-Oceania					LATAM	Eurasia			Middle East & Africa			Asia								
	World	CANADA	USA	EURO ZONE			AUSTRIA	DENMARK	FRANCE	GERMANY	GREECE	IRELAND	ITALY	NETHERLANDS	SPAIN	SWITZERLAND	UK	AUSTRALIA	NEW ZEALAND	JAPAN	BRAZIL	MEXICO	CZECH REPUBLIC	POLAND	RUSSIA	TURKEY	EGYPT	SAUDI ARABIA	SOUTH AFRICA	UAE	CHINA	INDIA	INDONESIA
Dec-21	51,7	52,9	52,8	55,3	59,8	64,8	52,6	56,0	57,0	54,3	57,3	55,7	51,6	60,9	55,7	53,0	52,4	53,1	50,6	46,6	57,9	52,5	51,0	53,7	49,5	50,3	42,4	50,6	48,7	49,3	50,0	50,7	
Jan-22	51,0	53,2	50,3	57,1	61,1	60,6	54,0	58,9	58,1	54,9	57,3	57,7	52,7	62,4	59,0	52,1	49,7	53,3	48,2	40,8	56,6	53,5	52,6	51,6	49,1	50,1	49,2	50,4	47,9	48,4	50,2	51,7	
Feb-22	51,7	54,6	52,2	57,1	62,1	61,4	55,8	58,0	56,5	53,7	57,1	59,3	54,2	63,1	57,9	54,6	51,9	52,8	49,8	46,2	53,3	53,2	47,5	53,0	49,2	50,3	50,7	50,1	48,5	49,8	50,6	51,2	
Mar-22	52,1	53,2	54,0	54,2	60,2	69,2	51,8	54,4	55,0	56,6	53,2	57,5	51,4	62,4	56,7	53,7	52,2	52,6	51,2	49,2	52,8	51,0	44,7	50,7	48,8	49,7	48,5	50,6	50,4	50,1	50,8	48,3	
Apr-22	51,5	54,5	52,7	54,7	57,8	64,8	53,1	55,3	54,9	58,6	52,4	58,5	50,6	60,7	56,7	54,4	49,8	51,4	51,4	51,1	52,7	51,4	45,5	51,5	47,9	51,0	51,5	49,9	49,2	50,5	52,1	52,1	
May-22	51,6	55,3	53,1	56,1	57,7	69,4	54,0	58,0	53,4	59,3	52,7	59,9	50,3	62,8	55,4	51,9	52,9	51,9	53,3	51,7	52,5	51,2	47,1	51,7	48,2	50,9	49,9	50,7	48,6	51,0	50,3	53,0	
Jun-22	51,3	52,9	52,9	54,5	56,4	70,4	52,5	55,4	53,0	55,7	53,0	58,9	51,0	62,0	53,0	52,5	51,3	51,8	53,4	51,2	48,7	47,6	51,2	51,0	48,5	50,7	51,7	51,2	48,8	50,8	48,9	54,0	
Jul-22	50,4	51,9	51,5	53,3	55,7	40,2	50,6	55,2	50,4	52,9	52,0	56,0	48,6	58,4	55,9	53,4	52,9	51,6	55,5	49,6	46,3	47,8	48,4	50,2	50,1	51,3	47,0	51,0	47,8	50,6	52,3	52,3	
Aug-22	50,4	48,8	51,1	52,8	53,9	60,7	52,2	54,5	49,1	52,4	50,5	55,2	48,6	58,3	50,4	54,1	53,6	50,8	53,1	49,8	47,7	45,6	49,2	51,2	50,7	51,2	48,4	51,5	48,3	50,1	51,4	53,4	
Sep-22	50,8	49,5	53,8	52,4	55,7	47,0	51,0	53,4	49,3	53,8	51,0	52,3	49,8	58,5	51,0	53,5			52,8	52,2	51,6	50,6	45,2	52,2	49,2	50,4	50,5	47,0	51,4	47,7	50,7	51,9	53,3



SERVICES PMI

	World	USA	EURO ZONE	FRANCE	GERMANY	IRELAND	ITALY	SPAIN	UK	AUSTRALIA	JAPAN	BRAZIL	RUSSIA	LEBANON	CHINA	HONG KONG	INDIA
Dec-21	54,7	57,6	53,1	57,0	48,7	55,4	53,0	55,8	53,6		52,1	53,6	49,5	46,7	53,1	50,8	55,5
Jan-22	51,0	51,2	51,1	53,1	52,2	56,2	48,5	46,6	54,1		47,6	52,8	49,8	47,1	51,4	48,9	51,5
Feb-22	54,0	56,5	55,5	55,5	55,8	61,8	52,8	56,6	60,5	60,0	44,2	54,7	52,1	47,5	50,2	42,9	51,8
Mar-22	53,4	58,0	55,6	57,4	56,1	63,4	52,1	53,4	62,6	56,2	49,4	58,1	38,1	47,4	42,0	42,0	53,6
Apr-22	52,2	55,6	57,7	58,9	57,6	61,7	55,7	57,1	58,9	57,8	50,7	60,6	44,5	47,9	36,2	51,7	57,9
May-22	51,9	53,4	56,1	58,3	55,0	60,2	53,7	56,5	53,4	49,2	52,6	58,6	48,5	48,6	41,4	54,9	58,9
Jun-22	53,9	52,7	53,0	53,9	52,4	55,6	51,6	54,0	54,3	48,8	54,0	60,8	51,7	49,1	54,5	52,4	59,2
Jul-22	51,1	47,3	51,2	53,2	49,7	56,3	48,4	53,8	52,6	51,7	50,3	55,8	54,7	49,9	55,5	52,3	55,5
Aug-22	49,3	43,7	49,8	51,2	47,7	54,7	50,5	50,6	50,9	53,3	49,5	53,9	49,9	50,1	55,0	51,2	57,2
Sep-22	50,0	49,3	48,8	52,9	45,0	54,1	48,8	48,5	50,0		52,2	51,9	51,1	48,8			



SOURCE: S&P GLOBAL, BNP PARIBAS



ECONOMIC PULSE

JAPAN: INDUSTRY IS HOLDING UP

Despite the still very severe difficulties in the automotive sector and for gas and electricity suppliers, Japanese industry is holding up. The record level of profits recorded by Japanese manufacturers in the second quarter, as reported in the Ministry of Finance’s quarterly survey, was a first significant factor.

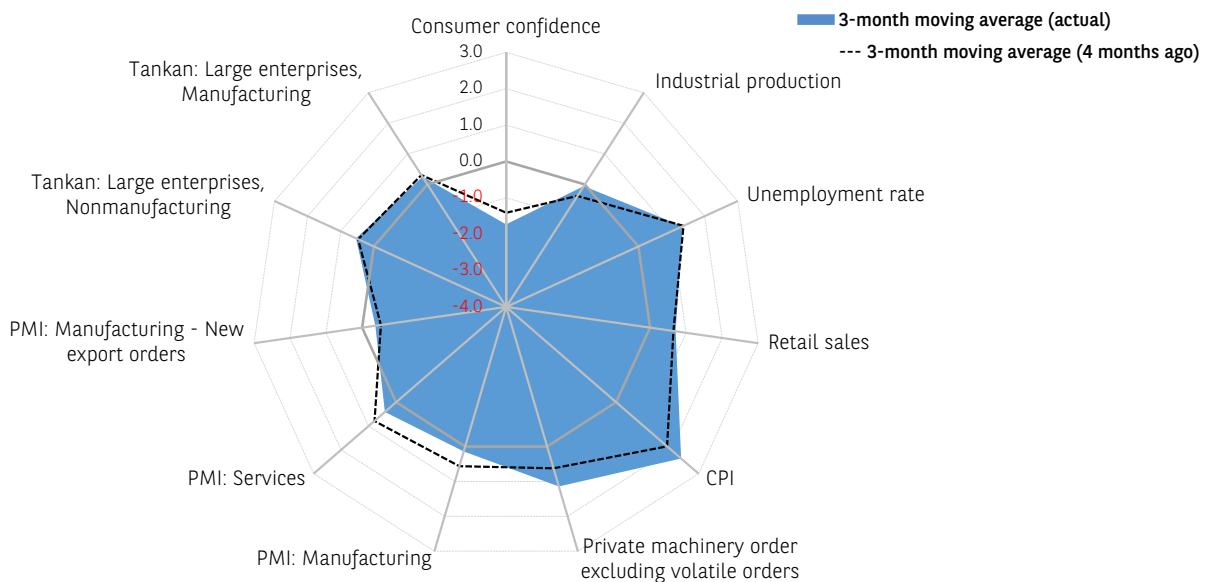
In addition, the September Tankan survey was better than expected. The general diffusion index improved by 1 point (3) compared with an expected drop of the same magnitude. Confidence in the non-manufacturing sector was the most positive surprise, with a rise in the diffusion index of 1 point (5) compared to an expected drop of 4 points. The lifting of entry restrictions in the country from 11 October has undoubtedly contributed to this improvement (the announcement was made on 22 September and the survey was conducted between 29 August and 30 September). The indicator for industry fell slightly (-1 point to 0), but it did not derail, thanks to improving figures in textiles, the oil industry, and metallurgy. Although on the rise, confidence in the automotive sector has nonetheless still deteriorated significantly (-19), confirming the difficulties faced by the sector, such as disruption for certain components and a slowdown in Chinese demand. Unsurprisingly, the index of gas and electricity suppliers fell sharply once again (down by 4 points, to -11).

The gradual unblocking of global production chains has enabled Japanese companies to catch up on some of the backlog accumulated over the previous months, and this was reflected in a significant increase in industrial production in August (+2.7% m/m). The latter has reached its highest level in three years. Projections by the ministry for industry (METI) for September and October also show an expected total increase of 6.2% over the two months. However, these figures are often subject to major revisions.

In relation to households, the outlook is not so positive: the consumer confidence index, assessed by the Cabinet Office, fell in September. Purchasing intentions for consumer durables were the lowest ever recorded since the survey started in 1982. Indeed inflation continues to erode household purchasing power, even though it is still lower than in other industrialised countries: it accelerated to 3.0% in August year-on-year and to 2.7% for the measure followed by the Bank of Japan (which excludes perishable foods).

Guillaume Derrien

JAPAN: QUARTERLY CHANGES



SOURCE: REFINITIV, BNP PARIBAS

The indicators in the radar are all transformed into 'z-scores' (deviations from the long-term average, as standard deviations). These z-scores have mean zero and their values are between -4 and +3. In the radar chart, the blue area shows the actual conditions of economic activity. It is compared with the situation four months earlier (dotted-line). An expansion of the blue area compared to the dotted area signals an increase in the variable.



ECONOMIC PULSE

FRANCE: A GROWING RISK OF RECESSION

Inflation fell to 5.6% year-on-year in September after reaching a high of 6.1% in July, but its decomposition has changed. Food prices (with a year-on-year increase of 9.9% in September) became the main contribution to inflation for the first time (representing a third of the 5.6% figure observed in September), exceeding that of the energy component, the reduction of which owes much to the discount applied to the litre of fuel (which grew from 18 to 30 cents). In 2023, the increase in regulated gas and electricity tariffs will be capped at 15% instead of 120% (Government source), which will prevent 5 inflation points (overall), according to our estimates.

This relatively contained inflation should contribute to a roughly stable household purchasing power in 2022 and even to a rise in 2023 (+0.9% according to our forecasts and those of the Government). However, the Insee household survey shows an increase in the opportunity to save question (+30 in September, compared to +19 two months earlier), suggesting that household consumption should remain constrained.

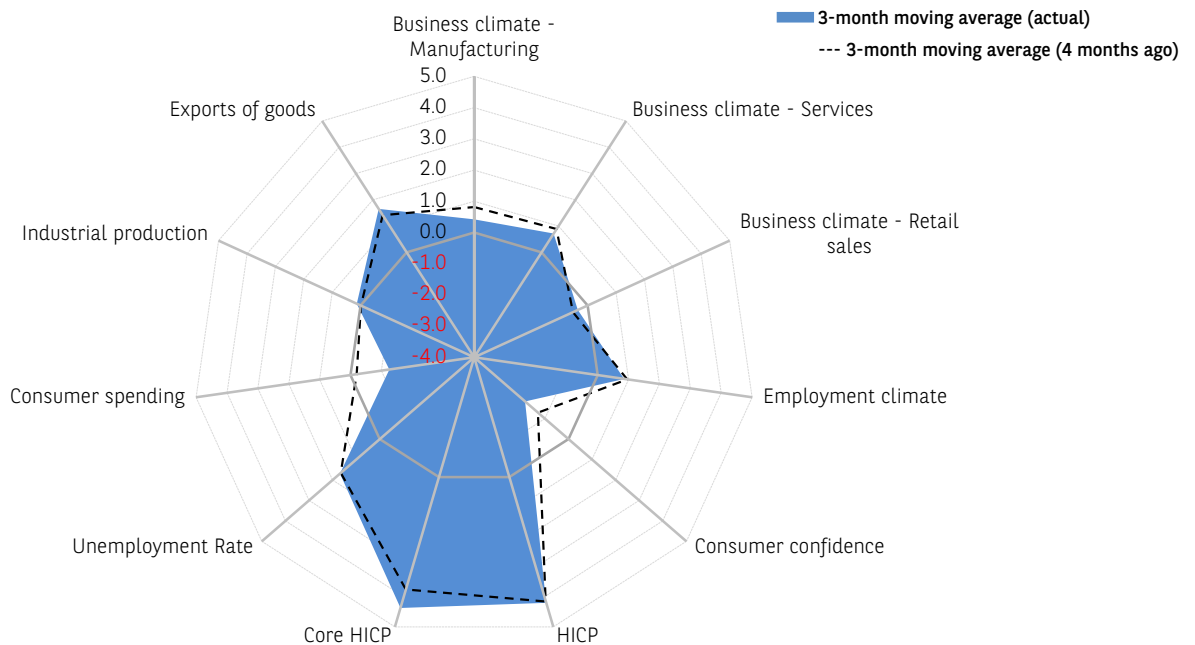
Businesses are preparing to reduce their production. Their inventories are therefore relatively high, not because of high demand or the potential for it, but to continue to meet existing demand in the coming months while obstacles to production are set to entrench (strong constraints on energy – price spikes and limited supply and demand – adding to supply difficulties).

However, the French economy continues to benefit from unique characteristics, with the upturn from the second quarter in accommodation, catering and tourism following the lifting of COVID-19 restrictions. The rebound in car production continued in August – it now stands at 10% below its average level in 2019 compared with almost 40% in March – meaning the lead time on the order book, which stood at almost 7.5 months, has reduced.

This “back to normal” supports growth in an environment that remains difficult. However, it means there is upside risk for our growth forecast for Q3 (-0.2% q/q). It should be noted that Insee was expecting growth of +0.2% q/q and the Bank of France of around +0.25% q/q (forecasts published on 6 October and 10 October, respectively). However, the growth in inventories observed in Q3 supports the likelihood of a correction in Q4, particularly as demand should drop, as shown, for example, by the fall in the percentage of households declaring an intention to purchase a car in the next 12 months (from 10.5% in June to 7.5% in September). We expect quarter-on-quarter growth of -0.3%, with Insee expecting stagnation.

Stéphane Colliac

FRANCE: QUARTERLY CHANGES



SOURCE: REFINITIV, BNP PARIBAS

The indicators in the radar are all transformed into ‘z-scores’ (deviations from the long-term average, as standard deviations). These z-scores have mean zero and their values are between -4 and +5. In the radar chart, the blue area shows the actual conditions of economic activity. It is compared with the situation four months earlier (dotted-line). An expansion of the blue area compared to the dotted area signals an increase in the variable.



ECONOMIC PULSE

COVID-19: HEADING TOWARDS A WAVE OF AUTUMN INFECTIONS IN EUROPE

The weekly number of new cases of Covid-19 in Europe has continued to increase, for the third consecutive week, with 1.7 million new infections between 29 September and 5 October, an increase of 17% compared to the previous week (figure 1). Germany had the largest number (410,513). Then came France (314,964), Russia (254,942), Italy (225,361), Austria (79,933) and then the United Kingdom with around 62,000 new cases. In other parts of the world, the trend is still downward: Africa (-27%), South America (-20%), Asia and North America (-16%). At the same time, the rate of vaccination coverage is progressing but more slowly, although it continues to expand. To date 13 billion doses of vaccine have been administered globally, which brings the proportion of the world's population having received at least one dose of a Covid-19 vaccine to 68.2% (figure 2).

The number of people frequenting shops and leisure facilities is very slightly above its pre-pandemic level in Belgium, while it has recently gone back to slightly below this level in Italy. However it remains somewhat more noticeably below pre-Covid levels in the rest of our sample (France, Germany, Spain, Japan, the United Kingdom and the United States; see figure 3, blue line).

The weekly GDP proxy indicator is on a slightly downward trend in Spain while this trend is more noticeable in Belgium and roughly stable in the United Kingdom, France, Italy and the United States. In Germany, the indicator was marked by a sharp drop in the latest points. In Japan, the upward momentum seen since last July has reversed (figure 3, black line). This indicator is produced by the OECD using Google Trends data from searches relating to consumption, the labour market, real estate, industrial activity and uncertainty. The indicator shown here is calculated on a rolling basis over one year.

Tarik Rharrab

* Google Mobility Reports show how visits and length of stay at different places change compared to a baseline. The baseline is the median value, for the corresponding day of the week, during the 5-week period Jan 3–Feb 6, 2020. A figure of negative 30% indicates that traffic was down 30% compared to a baseline. The reports show trends over several weeks with the most recent data representing approximately 2-3 days ago—this is how long it takes to produce the reports. In order to smooth the series, we use a seven-day moving average of the raw data in the Google Mobility Reports. Source: Google.

DAILY CONFIRMED COVID-19 CASES (7-DAY MOVING AVERAGE)

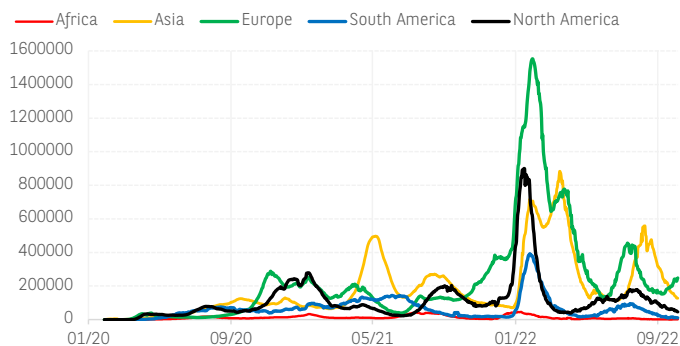


CHART 1

SOURCE: JOHNS-HOPKINS UNIVERSITY (10/06/2022), BNP PARIBAS

SHARE OF PEOPLE WHO RECEIVED AT LEAST ONE DOSE OF VACCINE

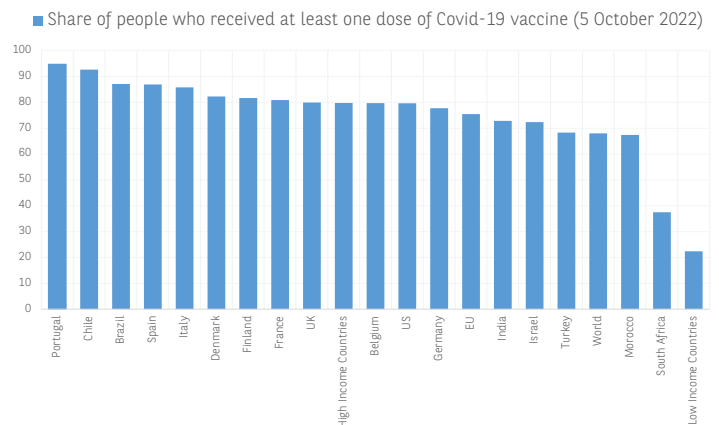


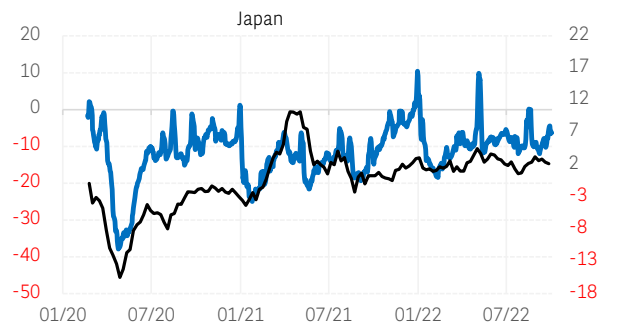
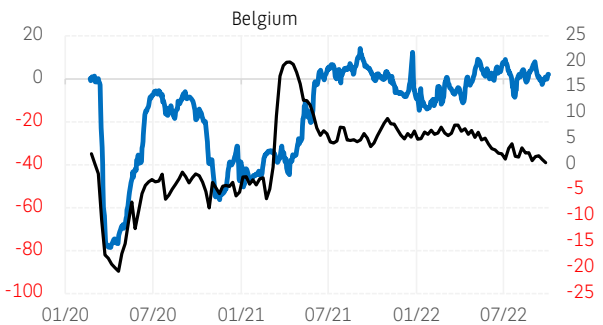
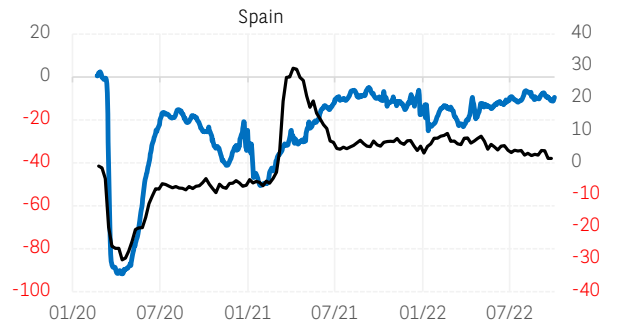
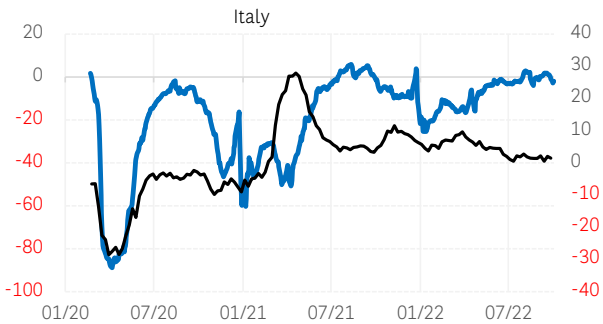
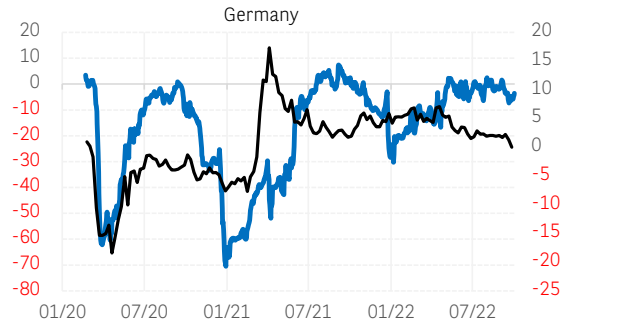
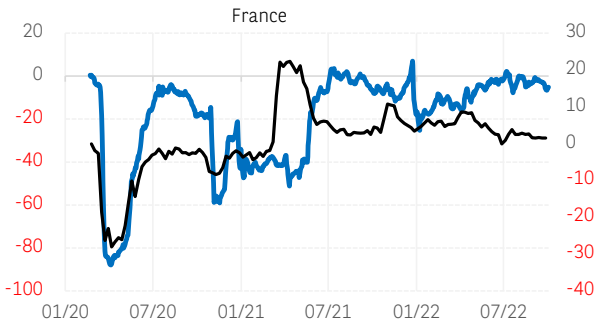
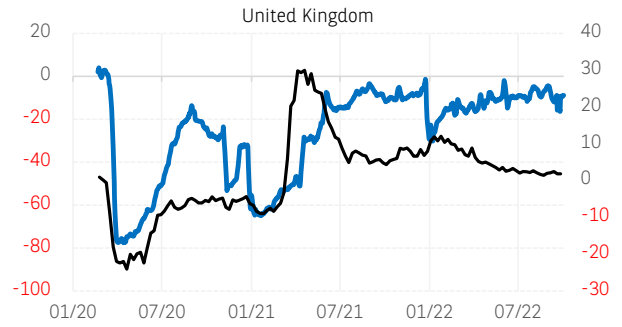
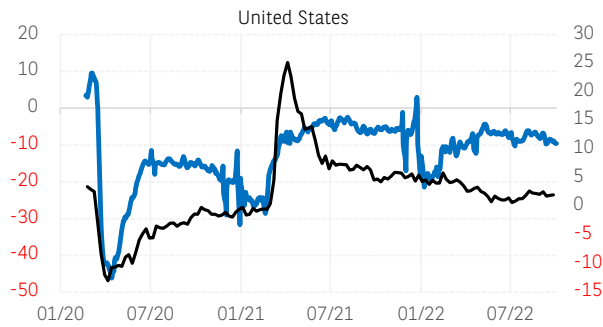
CHART 2

SOURCE: OUR WORLD IN DATA (10/06/2022), BNP PARIBAS



RETAIL AND RECREATION MOBILITY & OECD WEEKLY TRACKER

— Retail and recreation mobility (7-day moving average, % from baseline*) — OECD Weekly tracker, y/2y GDP growth [RHS]

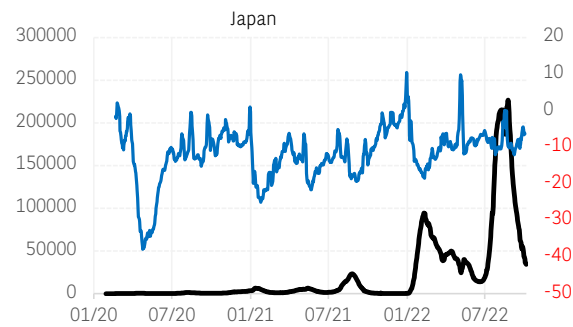
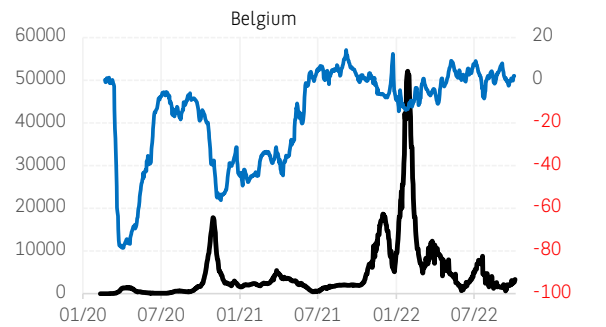
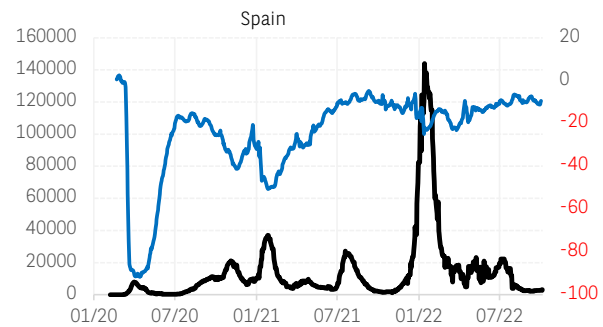
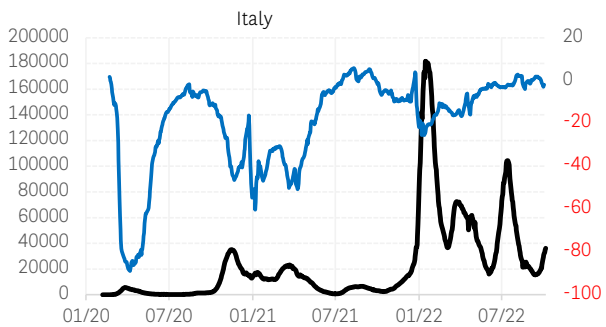
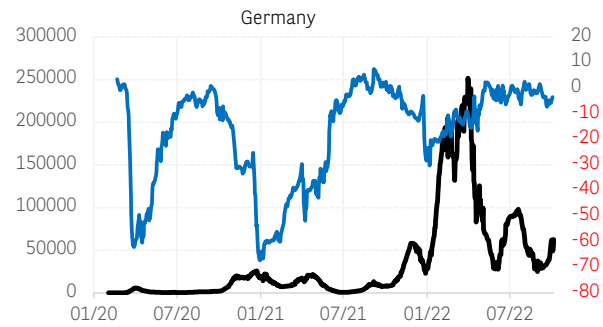
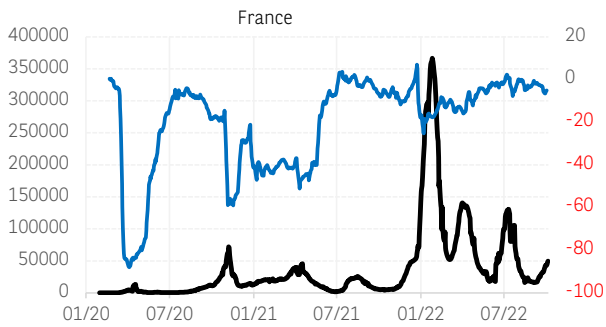
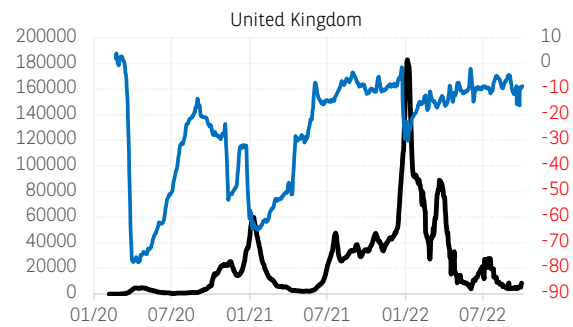
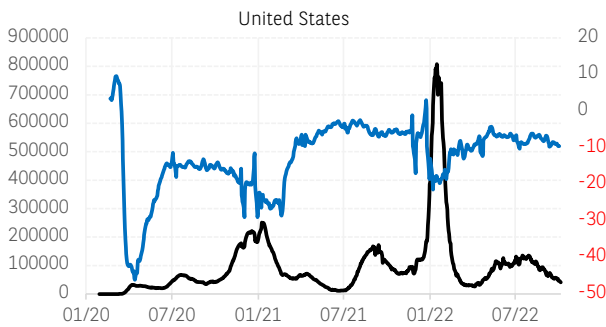


SOURCE: OECD (10/06/2022), GOOGLE (10/06/2022), BNP PARIBAS



DAILY NEW CASES & RETAIL AND RECREATION MOBILITY

— Daily new confirmed cases of Covid-19 (7-day moving average)
 — Retail and recreation mobility (7-day moving average, % from baseline*)[RHS]



SOURCE: JOHNS-HOPKINS UNIVERSITY (10/06/2022), GOOGLE (10/06/2022), BNP PARIBAS



ECONOMIC SCENARIO

14

UNITED STATES

The US economy is slowing down significantly, with GDP contracting again in Q2 2022, despite strong household consumption and a rebound in exports. Job gains remain robust however and the unemployment rate low, which supports wage growth. However, there are some early signs of a slowdown. Inflation may have peaked in mid-2022 and should continue to decline, but not to move below the 2% target. Facing high and persistent inflation, the Fed continues to raise interest rates "expeditiously" and to shrink its balance sheet. As the mid-term elections approach, the Inflation Reduction Act (IRA) vote represents a victory for President Joe Biden, with the implementation of some of his social and environmental key measures. This plan should also support economic activity. According to our forecasts, the US would not fall into recession, but growth would run below-trend for a prolonged period to ease price pressures.

CHINA

Economic activity contracted in Q2 2022 due to the lockdowns imposed in large industrial regions such as Shanghai. The economic growth rebound since late spring has proved difficult. The authorities are enhancing fiscal and monetary easing measures. However, factors constraining growth remain significant: the correction in the property sector continues, and the deterioration in the labour market, the still tight zero Covid strategy and weak household confidence weigh on private consumption. Moreover, exports are expected to suffer from the slowdown in global demand. Consumer price inflation is accelerating only moderately.

EUROZONE

The look in the rear-view mirror is fairly favorable. The first half of 2022 was better than expected, leading to a comfortable growth carry-over a bit above 3%. However, the outlook for the coming quarters is negative: according to our forecasts, the Eurozone will not escape a contraction of its GDP. The current unprecedented combination of shocks (inflation, health, geopolitical, energy, climate, monetary) should overcome the resilience observed so far. We already have signs of this in the deterioration in confidence surveys, which has intensified over the summer. However, the recession should remain limited in scope thanks to the support of fiscal measures and as long as the labor market continues to perform well as it is now. In annual average terms, we expect Eurozone growth to reach 2.8% in 2022 but only 0.3% in 2023 (2 points lower than in our previous scenario in June). Regarding inflation, we forecast it will soon reach its peak, nearing 10% y/y, before engaging in a rather slow disinflation process in 2023.

FRANCE

Real GDP growth has surprised on the upside in the 2nd quarter of 2022 (+0.5% q/q after -0.2% in the 1st quarter), mainly as a result of tourism (positive contribution of net exports) and accommodation & catering following the unwinding of the bulk of Covid related restrictions. However, inflation has continued to accelerate (reaching a peak of 6.1% y/y in July) and household purchasing power has reduced for a second quarter in a row (-1.1% q/q during the 2nd quarter). Backlog of orders in the manufacturing have continued to decrease, and GDP growth should follow (we expect 0.5% in 2023 after 2.3% in 2022).

RATES AND EXCHANGE RATES

In the US, the Federal Reserve will continue its tightening policy at a swift pace. After the 75bp hike in September, further increases will follow in November and December, bringing the federal funds rate to its terminal rate for this cycle at 4.50% (upper end of the target range). This level should be maintained through 2024. The Fed's hawkish stance is motivated by the particularly elevated inflation and a strong labour market. When the economy slows down and inflation will be on a downward path, the Federal Reserve should adapt its guidance to achieve a soft landing. This implies that US Treasury yields should move higher in the near term, reflecting the prospect of monetary policy tightening. In the course of next year we expect somewhat lower yields as growth slows and inflation declines.

After the 50bp rate hike in July and the 75bp increase in September, the ECB Governing Council will continue to raise its policy rates at its next meetings. Policy tightening is frontloaded, which means that the terminal rate - i.e. the peak rate in this cycle - should be reached by the end of the first quarter of next year. We expect a peak for the deposit rate at 3.00%. This should cause an increase in Bund yields.

The Bank of Japan is expected to maintain its current policy stance, at least until Governor Kuroda's term ends in the spring of 2023. Thereafter, we expect a less dovish policy and a one-off rate hike in the fourth quarter of 2023.

We expect the dollar to weaken somewhat versus the euro. The dollar's valuation is expensive, positioning in the market is very long and the long-term interest rate differential should narrow. The yen has already weakened significantly versus the dollar, reflecting the prospect of increased policy divergence between the Fed and the Bank of Japan. We expect the exchange rate to remain around current levels for the remainder of the year. In 2023, the yen should strengthen versus the dollar considering that the federal funds rate should have reached its terminal rate and that the Bank of Japan is expected to tighten policy.

GDP GROWTH & INFLATION

%	GDP Growth				Inflation			
	2021	2022 e	2023 e	2024 e	2021	2022 e	2023 e	2024 e
United-States	5.7	1.7	1.0	0.9	4.7	8.0	4.4	3.9
Japan	1.7	1.3	0.8	0.6	-0.2	2.2	1.1	0.6
United-Kingdom	7.4	3.4	-0.1	1.4	2.6	9.6	9.3	1.7
Euro Area	5.3	2.8	0.3	1.5	2.6	8.3	5.9	2.5
Germany	2.6	1.4	0.4	1.7	3.2	8.6	5.8	2.4
France	6.8	2.3	0.5	1.5	2.1	5.7	4.8	2.1
Italy	6.6	3.4	0.4	1.6	1.9	8.4	6.4	2.2
Spain	5.1	4.3	0.5	1.7	3.0	8.8	4.1	1.6
China	8.1	3.0	5.3	5.0	0.9	2.3	3.1	2.5
India*	9.3	8.3	6.2	6.5	5.4	7.9	5.9	5.5
Brazil	4.6	1.5	0.0	1.2	8.3	11.0	7.1	4.3
Russia	4.5	-7.0	0.8	0.3	7.1	14.0	10.5	7.6

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

INTEREST & EXCHANGE RATES

Interest rates, %		Q2 2022	Q4 2022 e	Q1 2023 e	Q2 2023 e	Q4 2023 e
US	Fed Funds (upper limit)	1.75	4.50	4.50	4.50	4.50
	T-Note 10y	2.97	3.55	3.50	3.45	3.30
	Eurozone	Deposit rate	-0.50	2.25	3.00	3.00
Eurozone	Bund 10y	1.37	1.90	2.20	2.20	2.10
	OAT 10y	1.80	2.55	2.90	2.85	2.75
	BTP 10y	3.29	4.40	4.60	4.50	4.40
	BONO 10y	2.46	3.20	3.70	3.60	3.50
UK	Base rate	1.25	4.00	5.00	5.00	5.00
	Gilts 10y	2.21	4.75	4.85	4.50	4.40
Japan	BoJ Rate	-0.04	-0.10	-0.10	-0.10	0.00
	JGB 10y	0.23	0.25	0.25	0.25	0.45

Exchange Rates		Q2 2022	Q4 2022 e	Q1 2023 e	Q2 2023 e	Q4 2023 e
USD	EUR / USD	1.05	1.00	1.01	1.02	1.06
	USD / JPY	136	137	135	133	127
	GBP / USD	1.21	1.05	1.12	1.12	1.12
EUR	EUR / GBP	0.86	0.95	0.95	0.95	0.95
	EUR / JPY	142	137	136	136	135

Brent		Q2 2022	Q4 2022 e	Q1 2023 e	Q2 2023 e	Q4 2023 e
End of period						
Brent	USD/bbl	115	100	102	107	115

Forecasts as of 6 September unless mentioned otherwise.
Fed Funds Rate and US 10-Year: forecast as of 21 September
BoE Rate, Gilt 10-Year, GBP/USD and EUR/GBP: forecast as of 28 September
Eurozone Deposit Rate: forecast as of 29 September

SOURCES: BNP PARIBAS (E: ESTIMATES & FORECASTS) (MARKET ECONOMICS, INTEREST RATE STRATEGY, FX STRATEG, COMMODITIES DESK STRATEGY), * LAST UPDATE 09/05/2022



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CALENDAR

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LATEST INDICATORS

In the euro area, France and Germany, the PMI data were more or less in line with the flash PMIs published towards the end of September. Following several months of declining numbers, we are now reaching particularly low levels in Germany (manufacturing, services, construction) and in France (manufacturing). The services sector is holding up well in France. In Japan, the Tankan survey was down in the manufacturing sector -the consensus had expected an improvement- but there was an unexpected improvement in the non-manufacturing sector. The manufacturing PMI was slightly weaker than the flash estimate and the opposite holds for services. In the UK, the construction PMI improved significantly, whereas the consensus had expected a weakening. In the US, the manufacturing ISM dropped -but is still above 50-, the prices paid component declined -in line with expectations- but new orders and employment recorded a huge drop. The job openings data were also down, much more than anticipated. The services ISM barely moved in September and remains at a high level. Finally, the pace of job creation is slowing but in September was better

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	ACTUAL	PREVIOUS
10/03/2022	Japan	Tankan Large Mfg Outlook	3Q	11.0	9.0	10.0
10/03/2022	Japan	Tankan Large Non-Mfg Index	3Q	13.0	14.0	13.0
10/03/2022	Japan	Jibun Bank Japan PMI Mfg	Sep	--	50.8	51.0
10/03/2022	France	S&P Global France Manufacturing PMI	Sep	47.8	47.7	47.8
10/03/2022	Germany	S&P Global/BME Germany Manufacturing PMI	Sep	48.3	47.8	48.3
10/03/2022	Eurozone	S&P Global Eurozone Manufacturing PMI	Sep	48.5	48.4	48.5
10/03/2022	United Kingdom	S&P Global/CIPS UK Manufacturing PMI	Sep	48.5	48.4	48.5
10/03/2022	United States	S&P Global US Manufacturing PMI	Sep	51.8	52.0	51.8
10/03/2022	United States	ISM Manufacturing	Sep	52.0	50.9	52.8
10/03/2022	United States	ISM Prices Paid	Sep	51.8	51.7	52.5
10/03/2022	United States	ISM New Orders	Sep	50.5	47.1	51.3
10/03/2022	United States	ISM Employment	Sep	53.0	48.7	54.2
10/04/2022	Eurozone	PPI MoM	Aug	5.0%	5.0%	4.0%
10/04/2022	United States	Cap Goods Orders Nondef Ex Air	Aug	--	1.4%	1.3%
10/04/2022	United States	JOLTS Job Openings	Aug	11088k	10053k	11170k
10/05/2022	Japan	Jibun Bank Japan PMI Services	Sep	--	52.2	51.9
10/05/2022	France	S&P Global France Services PMI	Sep	53.0	52.9	53.0
10/05/2022	Germany	S&P Global Germany Services PMI	Sep	45.4	45.0	45.4
10/05/2022	Eurozone	S&P Global Eurozone Services PMI	Sep	48.9	48.8	48.9
10/05/2022	United States	S&P Global US Services PMI	Sep	49.2	49.3	49.2
10/05/2022	United States	ISM Services Index	Sep	56.0	56.7	56.9
10/06/2022	Germany	S&P Global Germany Construction PMI	Sep	--	41.8	42.6
10/06/2022	United Kingdom	S&P Global/CIPS UK Construction PMI	Sep	48.0	52.3	49.2
10/06/2022	Eurozone	Retail Sales MoM	Aug	-0.3%	-0.3%	-0.4%
10/06/2022	United States	Initial Jobless Claims	Oct	204k	219k	190k
10/07/2022	United States	Change in Nonfarm Payrolls	Sep	255k	263k	315k
10/07/2022	United States	Unemployment Rate	Sep	3.7%	3.5%	3.7%

SOURCE: BLOOMBERG



CALENDAR: THE WEEK AHEAD

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COMING INDICATORS

The important data this week will come from the US: consumer and producer price inflation, retail sales, University of Michigan sentiment and the minutes of the FOMC meeting. The minutes in combination with the inflation numbers will be key in shaping expectations about future rate hikes, thereby influencing developments in bond and equity markets. Elsewhere, we have the EcoWatchers survey in Japan, labour market data in the UK and the final inflation numbers for September in France.

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	PREVIOUS
10/11/2022	Japan	Eco Watchers Survey Current SA	Sep	--	45,5
10/11/2022	Japan	Eco Watchers Survey Outlook SA	Sep	--	49,4
10/11/2022	United Kingdom	Employment Change 3M/3M	Aug	--	40k
10/11/2022	United States	NFIB Small Business Optimism	Sep	--	91,8
10/12/2022	United Kingdom	Monthly GDP (3M/3M)	Aug	--	0,00%
10/12/2022	United States	PPI Ex Food and Energy YoY	Sep	--	7,30%
10/12/2022	United States	PPI Final Demand MoM	Sep	0,20%	-0,10%
10/12/2022	United States	PPI Ex Food and Energy MoM	Sep	0,30%	0,40%
10/12/2022	United States	FOMC Meeting Minutes	Sep	--	--
10/13/2022	United States	CPI MoM	Sep	0,20%	0,10%
10/13/2022	United States	CPI Ex Food and Energy MoM	Sep	0,50%	0,60%
10/13/2022	United States	Initial Jobless Claims	Oct	--	--
10/14/2022	France	CPI EU Harmonized MoM	Sep	--	-0,50%
10/14/2022	France	CPI EU Harmonized YoY	Sep	--	6,20%
10/14/2022	United States	Retail Sales Advance MoM	Sep	0,20%	0,30%
10/14/2022	United States	U. of Mich. Sentiment	Oct	--	58,6
10/14/2022	United States	U. of Mich. Current Conditions	Oct	--	59,7
10/14/2022	United States	U. of Mich. Expectations	Oct	--	58
10/14/2022	United States	U. of Mich. 1 Yr Inflation	Oct	--	4,70%
10/14/2022	United States	U. of Mich. 5-10 Yr Inflation	Oct	--	2,70%

SOURCE: BLOOMBERG



FURTHER READING

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United Kingdom: "God save the Gilt"	EcoTVWeek	7 October 2022
Kenya: Focus on fiscal consolidation	Chart of the Week	5 October 2022
United Kingdom : The 'dash for cash', leverage and the need for economic policy coordination	EcoWeek	3 October 2022
Key figures of the French economy	Pocket Atlas	3 October 2022
EcoPerspectives : The recession narrative	EcoPerspectives	30 September 2022
Spain: Complete reversal of real estate financing model in 12 years	Chart of the Week	28 September 2022
United States: vacancies, job turnover and disinflation	EcoWeek	26 September 2022
France: After inflation comes recession?	EcoTVWeek	23 September 2022
Global: Developed economies: housing prices and bubble risk	Chart of the Week	21 September 2022
Global: The monetary cycle: from panic to perseverance to patience	EcoWeek	19 September 2022
Latin America : the mechanisms of inflation	EcoTVWeek	17 September 2022
Global : 2022, towards a likely new record in CO2 emissions	Chart of the Week	15 September 2022
Global : What drives the pace of disinflation?	EcoWeek	12 September 2022
Eurozone: a positive first half of the year to be followed by a negative second half?	EcoTVWeek	9 September 2022
Sweden: Can populist forces take power in Sweden?	EcoFlash	9 September 2022
Chile: rejection of the draft constitution	Chart of the Week	7 September 2022
Global: Towards a frugal winter	EcoWeek	5 September 2022
Monetary policy : from theory without end to the end of theory	EcoTVWeek	2 September 2022
Eurozone: the rise in corporate bond yields makes bank lending more attractive for non-financial corporations	Chart of the Week	31 July 2022
Global: The new meaning of 'whatever it takes'	EcoWeek	29 July 2022



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