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BNP PARIBAS

The bank
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world

WEAKER US HOUSEHOLD CONFIDENCE, A SOURCE OF CONCERN?

A recent academic paper argues that, considering the significant recent decline of consumer expectations, the US could be entering recession. However, Covid-19 complicates the interpretation of household confidence data. Fluctuations in infections play a role and the recovery from last year's recession as well as other factors have caused a jump in inflation. Given the historically high quits rate, the weakening in household sentiment probably reflects mounting concern about the impact of inflation on spending power. Something similar has been observed in the latest consumer confidence data for France.

A recent NBER paper¹ has raised eyebrows. Its authors argue that, considering the recent downward movement of consumer expectations, the US economy could be entering recession. Their assessment is based on the historical experience that all recessions since the 1980s have been predicted by a significant drop in the expectations component of the Conference Board household confidence index and the University of Michigan sentiment index (chart 1). As shown in table 1, their recent decline is at the higher end of the historical range, hence the conclusion drawn by the researchers. However, the specific nature of the pandemic-related recession and the recovery that has followed creates an analytical challenge. Swings in household sentiment may reflect fluctuations in the concern about the health situation. Increases in the number of new cases have been associated with a drop in confidence although it should be noted that the Conference Board index started losing ground in spring despite lower infection rates (chart 2).

Another complicating factor is the co-existence of high inflation and a strong labour market. Concerning the latter, filling vacancies has become a top concern for US (and European) companies. Workers sense this as well and change jobs more easily. In the US, the quits rate is at a record high². Interestingly, a gap has opened between this indicator and household sentiment (chart 3). Traditionally, both series are highly correlated but, as of late, the quits rate has continued moving higher whereas sentiment has dropped. Clearly, weaker sentiment does not reflect mounting fears about the job market so another factor must be at work. Rising inflation and inflation expectations are an obvious candidate. They fuel concern amongst households about their spending power, as mentioned in a report on the September University of Michigan sentiment survey: "There was a complete rout of net favourable views of buying conditions: household durables fell to the lowest level since 1980, vehicles fell to the lowest level since 1974, and homes to the lowest level since 1982. These record drops were all due to complaints about high prices."³ A similar divergence

1. *The Economics of Walking About and Predicting US Downturns*, David G. Blanchflower and Alex Bryson, NBER Working Paper No. 29372, October 2021. The authors are respectively professor at Dartmouth College and University College London. David Blanchflower is a former member of the Bank of England's monetary policy committee.

2. The quits rate is the number of quits during the entire month as a percent of total employment (source: US Bureau of Labor Statistics).

3. Source: Preliminary results from the September 2021 survey, University of Michigan,

is noticeable in France where consumer confidence has weakened in October. The assessment of the future savings capacity has recorded a strong decrease and the share of households considering that their standard of living will improve in the next twelve months is also down. The percentage of those who think that prices are rising is up sharply and the same holds for inflation expectations for the next 12 months. Yet, households' fears about future unemployment continue to fall sharply and are well below their long-term average⁴. To conclude, sounding the alarm bell on weaker household sentiment is premature, certainly in Europe, where confidence has hardly declined and remains elevated, but even in the US, despite its drop from recent highs. It does force us to be particularly vigilant to inflation developments and the labour market outlook and to monitor closely whether the latter remains sufficiently strong to neutralise the headwind coming from the former. Based on hiring intentions, one should expect this to remain the case in the near term.

William De Vijlder

Surveys of Consumers, 17 September 2021.

4. Source: INSEE, Monthly consumer confidence survey, October 2021.

US CONSUMER CONFIDENCE, EXPECTATIONS INDEX

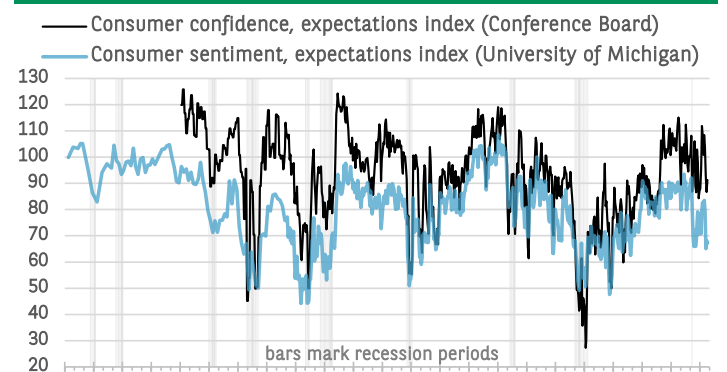


CHART 1

SOURCE: CONFERENCE BOARD, UNIVERSITY OF MICHIGAN, BNP PARIBAS

Sounding the alarm bell on weaker household sentiment is premature, certainly in Europe –given its high level- but also in the US. It does force us to monitor closely whether the labour market outlook remains sufficiently strong to neutralise the headwind coming from higher inflation. Based on hiring intentions, one should expect this to remain the case in the near term.



US CONSUMER CONFIDENCE AND COVID NEW CASES

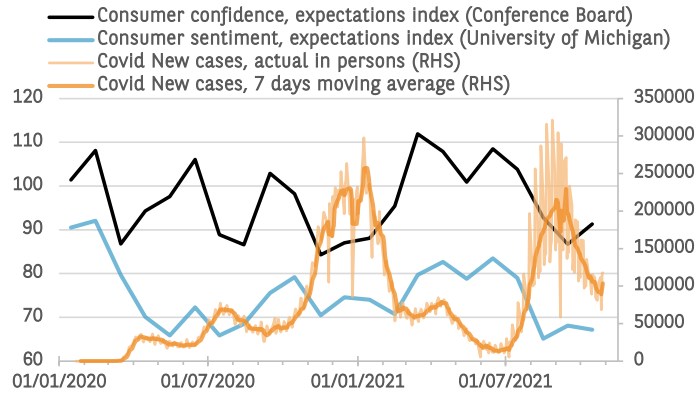


CHART 2

SOURCE: CONFERENCE BOARD, UNIVERSITY OF MICHIGAN, REUTERS, BNP PARIBAS

US CONSUMER CONFIDENCE AND EMPLOYMENT QUILTS RATE

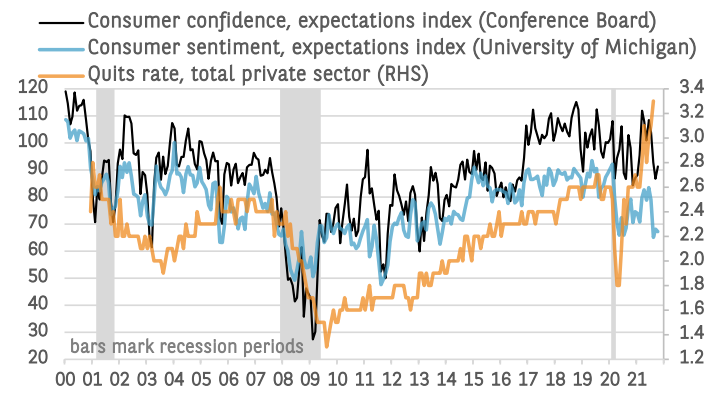


CHART 3

SOURCE: CONFERENCE BOARD, UNIVERSITY OF MICHIGAN, BLS, BNP PARIBAS

HOUSEHOLD CONFIDENCE AND RECESSIONS IN THE US

START OF RECESSION*	POINTS DROP FROM MOST RECENT PEAK	
	CONFERENCE BOARD	UNIVERSITY OF MICHIGAN
January 1980	26.3	17.6
July 1981	8.8	6.1
July 1990	16.5	13.3
March 2001	36	22
December 2007	20.5	21.4
February 2020	21.3	21.3
September 2021	25.3	18.4

*As determined by the NBER Business Cycle Dating Committee, with the exception of September 2021.

TABLE 1

SOURCE: DAVID G. BLANCHFLOWER AND ALEX BRYSON, NBER WORKING PAPER NO. 29372, OCTOBER 2021.

MARKETS OVERVIEW

OVERVIEW

Week 22-10 21 to 28-10-21

➔ CAC 40	6 734	▶ 6 804	+1.0 %
➔ S&P 500	4 545	▶ 4 596	+1.1 %
➔ Volatility (VIX)	15.4	▶ 16.5	+1.1 pb
↘ Euribor 3M (%)	-0.55	▶ -0.56	-0.8 bp
➔ Libor \$ 3M (%)	0.12	▶ 0.13	+0.4 bp
↘ OAT 10y (%)	0.17	▶ 0.14	-3.0 bp
↘ Bund 10y (%)	-0.09	▶ -0.15	-5.5 bp
↘ US Tr. 10y (%)	1.66	▶ 1.57	-8.6 bp
➔ Euro vs dollar	1.16	▶ 1.17	+0.3 %
↘ Gold (ounce, \$)	1 806	▶ 1 801	-0.3 %
↘ Oil (Brent, \$)	85.6	▶ 84.4	-1.4 %

MONEY & BOND MARKETS

Interest Rates	highest 21	lowest 21	Yield (%)	highest 21	lowest 21		
€ ECB	0.00	0.00 at 01/01	0.00 at 01/01	€ AVG 5-7y	-0.06	-0.03 at 22/10	-0.46 at 04/01
Eonia	-0.49	-0.47 at 26/01	-0.50 at 01/01	Bund 2y	-0.63	-0.63 at 28/10	-0.78 at 04/08
Euribor 3M	-0.56	-0.53 at 07/05	-0.56 at 28/10	Bund 10y	-0.15	-0.09 at 22/10	-0.60 at 04/01
Euribor 12M	-0.47	-0.47 at 19/10	-0.52 at 02/02	OAT 10y	0.14	0.23 at 17/05	-0.41 at 04/01
\$ FED	0.25	0.25 at 01/01	0.25 at 01/01	Corp. BBB	0.79	0.83 at 22/10	0.43 at 05/08
Libor 3M	0.13	0.24 at 13/01	0.11 at 09/09	\$ Treas. 2y	0.47	0.47 at 28/10	0.11 at 05/02
Libor 12M	0.33	0.34 at 01/01	0.22 at 06/09	Treas. 10y	1.57	1.75 at 31/03	0.91 at 01/01
£ BoE	0.10	0.10 at 01/01	0.10 at 01/01	High Yield	5.02	5.12 at 12/10	4.52 at 29/06
Libor 3M	0.20	0.22 at 19/10	0.03 at 01/01	£ gilt. 2y	0.56	0.63 at 19/10	-0.08 at 04/01
Libor 12M	0.71	0.74 at 21/10	0.07 at 11/01	gilt. 10y	1.01	1.20 at 21/10	0.21 at 04/01

At 28-10-21

EXCHANGE RATES

1€ =	highest 21	lowest 21	2021	
USD	1.17	1.23 at 06/01	1.15 at 06/10	-4.6%
GBP	0.85	0.91 at 06/01	0.84 at 26/10	-5.5%
CHF	1.07	1.11 at 04/03	1.06 at 27/10	-1.4%
JPY	132.39	133.97 at 28/05	125.22 at 18/01	+4.8%
AUD	1.55	1.64 at 20/08	1.53 at 18/03	-2.5%
CNY	7.47	8.00 at 01/01	7.40 at 26/10	-6.6%
BRL	6.56	6.95 at 03/03	5.88 at 24/06	+3.2%
RUB	82.07	92.47 at 20/04	80.71 at 26/10	-9.3%
INR	87.49	90.39 at 23/04	85.30 at 27/03	-2.1%

At 28-10-21

COMMODITIES

Spot price, \$	highest 21	lowest 21	2021	2021(€)	
Oil, Brent	84.4	86.5 at 26/10	51.2 at 04/01	+62.6%	+70.4%
Gold (ounce)	1 801	1 947 at 05/01	1 682 at 08/03	-5.1%	-0.5%
Metals, LME	4 432	4 763 at 15/10	3 415 at 01/01	+29.8%	+36.0%
Copper (ton)	9 856	11 300 at 18/10	7 749 at 01/01	+27.2%	+33.3%
wheat (ton)	238	2.9 at 07/05	223 at 10/09	-3.9%	+0.7%
Corn (ton)	210	2.9 at 07/05	188 at 04/01	+1.1%	+16.6%

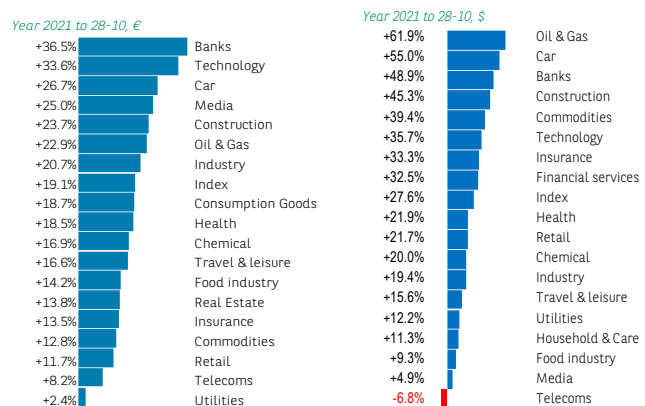
At 28-10-21

EQUITY INDICES

Index	highest 21	lowest 21	2021	
World				
MSCI World	3 179	3 179 at 28/10	2 662 at 29/01	+18.2%
North America				
S&P500	4 596	4 596 at 28/10	3 701 at 04/01	+22.4%
Europe				
EuroStoxx50	4 234	4 246 at 06/09	3 481 at 29/01	+19.2%
CAC 40	6 804	6 896 at 13/08	5 399 at 29/01	+2.3%
DAX 30	15 696	15 977 at 13/08	13 433 at 29/01	+14.4%
IBEX 35	9 026	9 281 at 14/06	7 758 at 29/01	+1.2%
FTSE100	7 249	7 278 at 26/10	6 407 at 29/01	+1.2%
Asia				
MSCI, loc.	1 150	1 196 at 14/09	1 044 at 06/01	+1.0%
Nikkei	28 820	30 670 at 14/09	27 013 at 20/08	+5.0%
Emerging				
MSCI Emerging (\$)	1 276	1 445 at 17/02	1 221 at 20/08	-0.1%
China	93	130 at 17/02	87 at 06/10	-14.4%
India	847	876 at 18/10	659 at 29/01	+28.6%
Brazil	1 466	2 098 at 24/06	1 440 at 22/10	-15.5%
Russia	894	914 at 25/10	647 at 01/02	+27.8%

At 28-10-21

PERFORMANCE BY SECTOR (Eurostoxx50 & S&P500)

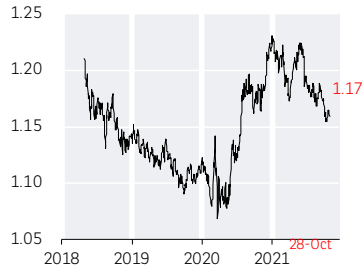


SOURCE: REFINITIV, BNP PARIBAS,

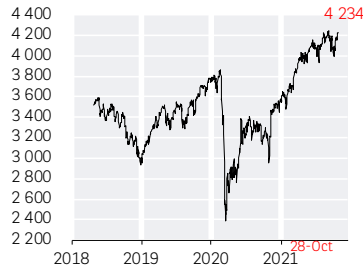


MARKETS OVERVIEW

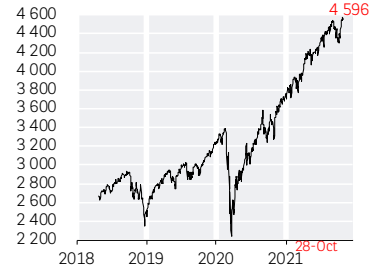
EURO-DOLLAR



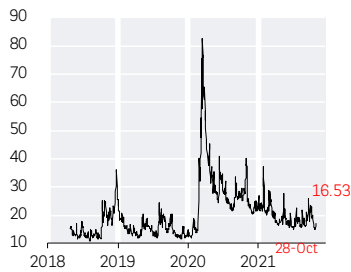
EUROSTOXX50



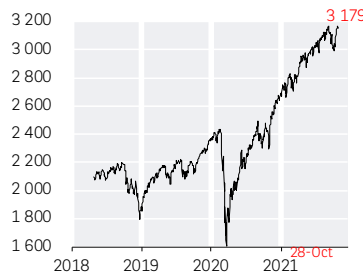
S&P500



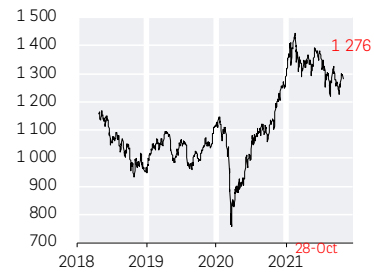
VOLATILITY (VIX, S&P500)



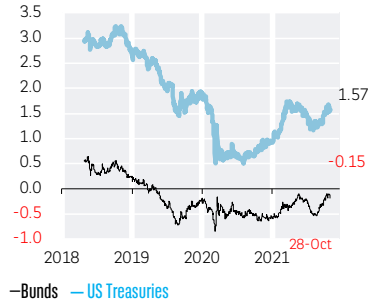
MSCI WORLD (USD)



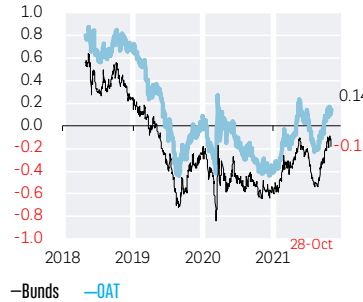
MSCI EMERGING (USD)



10Y BOND YIELD, TREASURIES VS BUND



10Y BOND YIELD

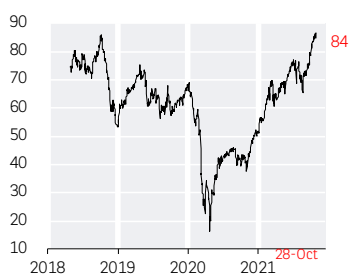


10Y BOND YIELD & SPREADS

Week 22-10-21 to 28-10-21

1.20%	Greece	135 bp
1.00%	Italy	115 bp
0.52%	Spain	67 bp
0.41%	Portugal	56 bp
0.14%	France	29 bp
0.11%	Belgium	25 bp
0.04%	Finland	19 bp
-0.09%	Ireland	6 bp
-0.09%	Austria	6 bp
-0.15%	Germany	0 bp
-0.15%	Netherlands	

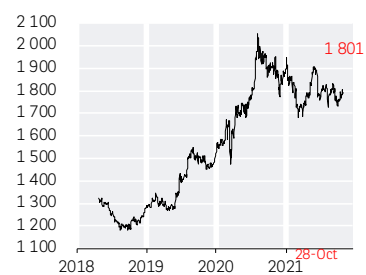
OIL (BRENT, USD)



METALS (LMEX, USD)



GOLD (OUNCE, USD)



SOURCE: REFINITIV, BNP PARIBAS



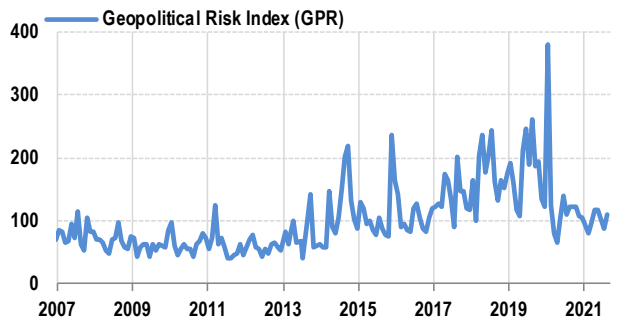
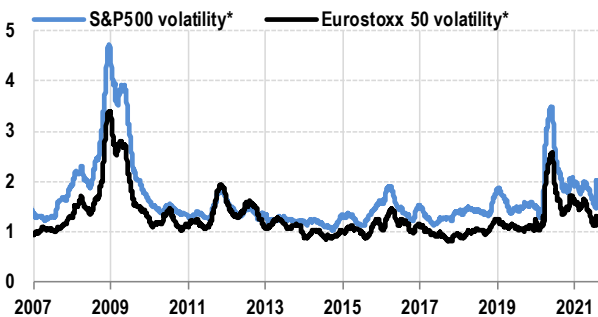
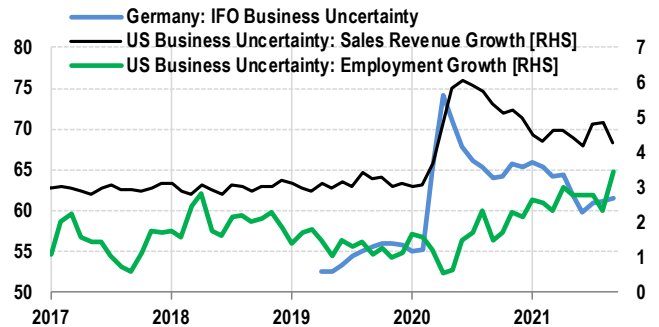
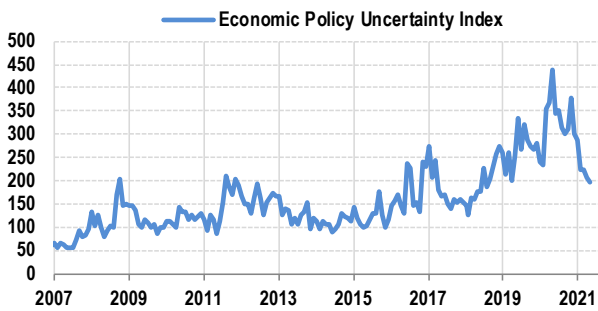
ECONOMIC PULSE

UNCERTAINTY: ONGOING DIVERGENCE REFLECTS ROLE OF SUPPLY BOTTLENECKS

Our different uncertainty gauges are complementary, in terms of scope and methodology. Based on the latest readings, the ongoing divergence reflects the role of supply bottlenecks that confront companies with uncertainty in terms of delivery time, future production and the possibility to fill vacancies. Starting top left and continuing clockwise, economic policy uncertainty based on media coverage continues its decline. It is now back at a level last seen in 2018. However, in Germany, the rise of uncertainty based on business surveys continues – after a considerable decline earlier this year – and reflects the role of supply disruption. In the US, uncertainty with respect to sales growth has dropped, after a temporary increase in recent months, whereas uncertainty about employment growth has jumped. Given the dynamic labour market, this reflects the difficulty of finding staff, something which is well-documented by business surveys. Geopolitical risk – based on media coverage – has edged slightly higher but stays at a low level. Finally, the cross-sectional standard deviation of daily stock market returns of individual companies – a measure of financial uncertainty – has been quite volatile, but without a clear trend.

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



ECONOMIC PULSE

INTERNATIONAL TRADE: SLIGHT RESPITE IN A STRETCHED ENVIRONMENT

Although tensions in world trade remain fierce, there were some signs of easing in October. The Baltic Dry Index (BDI), which reflects the cost of maritime transport for dry bulk goods, declined by around 30% after peaking in the first week of October. Nonetheless, the rise in costs since the start of the year remains impressive, nearly a tripling. Looking more closely at October's figures, we can see that the decline in the BDI was limited solely to very high tonnage container ships, while freight prices continued to rise for smaller vessels.

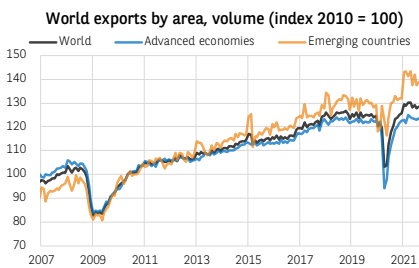
Due in part to transport bottlenecks, the volume of world trade has contracted in recent months (down 1.4% between March and August 2021, according to CPB¹). The decline during this period was widespread and particularly noticeable in the Eurozone (-1.3%), China (-1.6%) and especially Latin America (-7.1%). Global PMIs also deteriorated, indicating among other factors longer delivery times for manufactured goods than during the "great lockdown". Indeed, the corresponding index dropped to 36.5 in September 2021, compared with a trough of 37.7 in April 2020 (a lower number indicates a longer delivery period).

Yet the rebound in trade in 2021 was much more robust than expected. The World Trade Organisation (WTO) significantly revised its growth outlook for the year, from 8.0% to 10.8%. In contrast, it lowered its 2022 forecast from 4.7% to 4.0%. The WTO now forecasts that trade volumes will return to their long-term trend by the end of 2022, which is more optimistic than its previous forecast. Demand for manufactured goods is holding at a very high level, as illustrated by the change in new export orders from Taiwan and South Korea. Demand should remain strong with the approach of the holiday season.

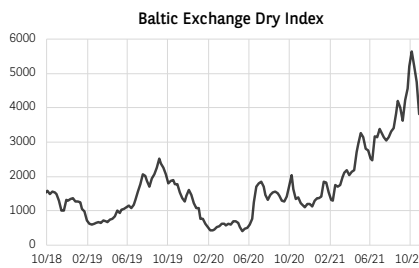
Guillaume Derrien

1. The Netherlands Office of Economic Policy Analysis.

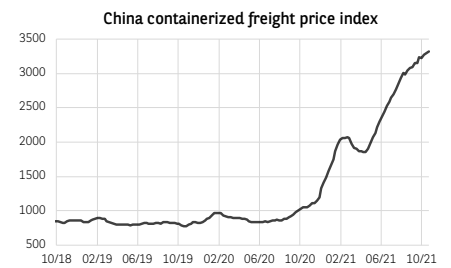
WORLD TRADE INDICATORS



Source: CPB, BNP Paribas



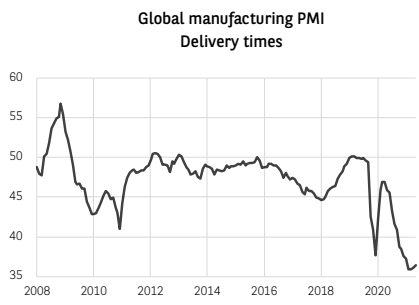
Source: Baltic Exchange, BNP Paribas



Source: Shanghai Shipping Exchange, BNP Paribas



Source: Markit, BNP Paribas



Source: Markit, BNP Paribas



Source: Ministry of Economic Affairs



ECONOMIC SCENARIO

8

UNITED STATES

The US economy, which roared back through to the spring, has now regained its pre-pandemic level and is set to achieve a growth rate of around 6% in 2021. The outlook for the second part of the year looks less sparkling, however. With the vaccination drive running out of steam, the spread of the delta variant is driving up the number of cases and deaths. Business surveys are not as dazzlingly optimistic. The growth rates anticipated remain above potential, however, and would be sufficient to gradually absorb the job shortage caused by the pandemic, with the unemployment rate expected to move towards the 5% mark by the end of the second half of the year. Given the pressures on supply chains and commodity prices, inflation, currently close to 5%, is unlikely to pull back in the immediate term. Indeed, it is not expected to subside until late 2021 or early 2022.

CHINA

China's post-Covid rebound in industrial production and exports peaked at the start of the year and growth rates have been returning to normal. However, the slowdown has been faster than expected during the summer, and has spread to all sectors. This has resulted from various factors, including: the prudent tightening in fiscal policy and domestic credit conditions, the toughening of regulations in sectors such as real estate and tech, supply-chain constraints in the industry, slower export growth as well as new restrictions imposed to deal with the resurgence of the pandemic. In the short term, the vaccine roll-out should continue to accelerate and the authorities are likely to give greater support to domestic demand through monetary and fiscal measures, while continuing regulatory tightening moves.

EUROZONE

After its strong rebound in Q2 2021, growth is expected to maintain the pace in Q3 (+2.2% QoQ). The various supply constraints mean that growth in the third and fourth quarters is a few tenths below the June forecast, a loss that would be gradually recovered in 2022. The quarterly growth profile should go slightly decrescendo next year. Above all, it would remain well above-trend, supported by the significant monetary and fiscal stimulus, the release of accumulated forced savings and investment needs, to the point where, on an annual average basis, growth would be slightly higher than in 2021 (5.2% after 5%), which distinguishes the Eurozone from the United States and the United Kingdom. The health situation remains a key downside risk. Signs of deteriorating business confidence and mark-ups will also be watched. As for inflation, most of its recent rise is temporary. We expect it to peak in Q4 2021 (nearing 4% in year-on-year terms), before ebbing in 2022. However, it would be at a higher level than before the crisis, as growth strengthens and the reflationary efforts of monetary policy also bear fruit. Our inflation forecasts are above those of the ECB.

FRANCE

With a Q2 2021 growth carry-over of almost 5%, the forecast of 6% growth in 2021 in annual average terms has a solid chance of being met. It is even likely to be exceeded. The Q3 and Q4 prospects, however, look somewhat less positive than they did heading into the summer. Procurement problems, hiring difficulties and rising input prices are holding back the recovery a bit more significantly than expected. The return to normal activity in the tourism, accommodation and catering, culture, entertainment, trade and transports sectors continues to be hampered by the health situation too. In 2022, these various obstacles should disappear, but the support from the mechanical catching-up effect will also fade. Growth should normalize but remain strong, supported by the fiscal impulse.

RATES AND EXCHANGE RATES

In the US, the latest signals from the FOMC show that tapering is coming although this should not be considered as signaling a change in guidance on the policy rate. Nevertheless, we expect that in the second half of next year, the FOMC will hike the federal funds rate given the expected decline in the unemployment rate. Against this background, 10-year Treasury yields should move higher in the remainder of the year and in the first half of 2022, before entering a trading range. The peak in yields should be significantly lower than in previous cycles.

In the eurozone, the ECB will maintain its very accommodative policy centered around its asset purchases and forward guidance, in order to generate a lasting pick-up in inflation towards its target. The outcome of the strategy review has clearly confirmed this. We expect net purchases under the PEPP to stop at the end of March 2022,

based on the view that, by then, the pandemic emergency phase will be considered to be behind us. On that occasion, the monthly volume under the traditional asset purchase program should be increased to avoid market disruption. 10-year Bund yields are expected to rise until the first half of 2022 based on the growth and inflation environment. Higher US yields will also play a role. Subsequently, we expect Bunds to stay in a trading range.

Sovereign spreads could widen somewhat in the fourth quarter of this year and early next year on the back of election-related uncertainty. The extent of the widening should be limited, considering ongoing asset purchases by the ECB and the prospect that the ending of net purchases under the PEPP would be accompanied by an increase of the APP.

The Bank of Japan is expected to maintain its current policy stance over the forecast horizon, whilst allowing the 10-year JGB yield to drift higher under the influence of globally rising yields, towards the upper bound of its target range of 0 to 25bp.

We expect the dollar to strengthen versus the euro, driven by widening yield differentials and the growing monetary policy divergence between the Federal Reserve and the ECB. The divergence will also increase between the Fed and the BoJ, which explains our forecast of an appreciation of the dollar versus the yen.

GROWTH & INFLATION

%	GDP Growth			Inflation		
	2021 e	2022 e	2023 e	2021 e	2022 e	2023 e
United-States	6.0	5.3	3.3	4.2	2.8	2.4
Japan	2.1	2.4	1.6	-0.2	0.3	0.5
United-Kingdom	7.0	6.3	2.1	2.3	3.3	2.0
Euro Area	5.0	5.2	2.3	2.4	2.1	1.7
Germany	2.8	5.3	2.4	3.0	2.4	1.9
France	6.3	4.3	2.1	2.0	1.9	1.6
Italy	6.3	5.1	2.8	1.9	2.2	1.4
Spain	6.1	6.4	3.4	2.6	2.2	1.4
China	7.8	5.6	5.4	1.2	2.8	2.5
India*	7.0	11.2	6.2	5.4	4.5	4.3
Brazil	5.0	1.5	2.0	7.8	6.3	3.6
Russia	4.5	3.3	2.6	6.0	5.0	4.1

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, %

End of period		Q4 2021 e	Q2 2022 e	Q4 2022 e	Q4 2023 e
US	Fed Funds (upper limit)	0.25	0.25	0.50	1.25
	T-Notes 10y	1.70	1.90	2.00	1.90
Ezone	Deposit rate	-0.50	-0.50	-0.50	-0.50
	Bund 10y	-0.10	0.00	-0.10	0.10
	OAT 10y	0.40	0.40	0.20	0.40
	BTP 10y	1.10	1.10	1.00	1.20
UK	BONO 10y	0.70	0.70	0.70	0.90
	Base rate	0.10	0.30	0.50	0.80
Japan	Gilts 10y	0.90	1.10	1.10	1.20
	BoJ Rate	-0.10	-0.10	-0.10	-0.10
	JGB 10y	0.10	0.20	0.20	0.20

Exchange Rates

End of period		Q4 2021 e	Q2 2022 e	Q4 2022 e	Q4 2023 e
USD	EUR / USD	1.15	1.13	1.12	1.10
	USD / JPY	111	112	114	116
	GBP / USD	1.37	1.36	1.37	1.38
EUR	EUR / GBP	0.84	0.83	0.82	0.80
	EUR / JPY	128	127	128	128

Brent

End of period		Q4 2021 e	Q2 2022 e	Q4 2022 e	Q4 2023 e
Brent	USD/bbl	87	80	80	85

SOURCE: BNP PARIBAS GLOBAL MARKETS (E: ESTIMATES)



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CALENDAR

9

LATEST INDICATORS

In Germany the IFO business climate weakened on the back on mounting supply bottlenecks. However, consumer confidence improved and unemployment declined with both series doing better than expected. French consumer confidence weakened somewhat due to a strong increase in inflation perceptions. Producer prices increased more than anticipated. The number of jobseekers saw a big decline. In Japan, consumer confidence improved less than expected by the consensus. The Bank of Japan kept its monetary policy stance unchanged, whilst lowering its inflation projection. The ECB didn't change policy either -as expected- but Christine Lagarde insisted on the governing council's focus on inflation and wage developments, adding that it is still of the view that inflation will decline next year. In the US, the Conference Board consumer confidence index improved significantly, which was a surprise considering that the consensus had forecasted a weakening. Third quarter GDP growth slowed significantly and more than anticipated. In the euro area, the European Commission's business surveys created a positive surprise by moving higher, in particular in services. Headline and core inflation came in above expectations. Third quarter GDP growth was strong in France -beating expectations by a wide margin- and Italy. Growth was more moderate in Germany and Spain. For the euro area as a whole, growth picked up slightly versus the second quarter, where the number was revised downwards. Finally, in the US, University of Michigan sentiment edged higher due to slightly better expectations. Inflation expectations were stable.

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	ACTUAL	PREVIOUS
10/25/2021	Germany	IFO Expectations	3Q	96.6	95.4	97.4
10/25/2021	Germany	IFO Current Assessment	3Q	99.4	100.1	100.4
10/25/2021	Germany	IFO Business Climate	Sep	98.0	97.7	98.9
10/25/2021	United States	Chicago Fed Nat Activity Index	Sep	0.2	-0.1	0.1
10/25/2021	United States	Dallas Fed Manf. Activity	Sep	6.0	14.6	4.6
10/26/2021	United States	New Home Sales MoM	Sep	2.2%	14.0%	-1.4%
10/26/2021	United States	Conf. Board Consumer Confidence	Oct	108.0	113.8	109.3
10/26/2021	United States	Conf. Board Present Situation	Oct	--	147.4	144.3
10/26/2021	United States	Conf. Board Expectations	Oct	--	91.3	86.6
10/26/2021	United States	Richmond Fed Manufact. Index	Oct	5.0	12.0	-3.0
10/27/2021	Germany	GfK Consumer Confidence	Oct	-0.5	0.9	0.4
10/27/2021	France	Consumer Confidence	Sep	101.0	99.0	101.0
10/27/2021	France	PPI MoM	Sep	--	1.7%	1.0%
10/27/2021	France	PPI YoY	Sep	--	11.6%	10.0%
10/27/2021	Eurozone	M3 Money Supply YoY	Sep	7.4%	7.4%	7.9%
10/27/2021	France	Total Jobseekers	Sep	--	3307.4k	3510.5k
10/27/2021	United States	Cap Goods Orders Nondef Ex Air	Sep	0.5%	0.8%	0.5%
10/27/21-11/02/21	Germany	Retail Sales MoM	Sep	#N/A	#N/A	#N/A
10/28/2021	Japan	Retail Sales MoM	Aug	1.5%	2.7%	-4.0%
10/28/2021	Germany	Unemployment Change (000's)	Sep	-20.0k	-39.0k	-30.0k
10/28/2021	Eurozone	Consumer Confidence	Oct	-4.0	-4.8	-4.0



DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	ACTUAL	PREVIOUS
10/28/2021	Eurozone	Economic Confidence	Oct	116.9	118.6	117.8
10/28/2021	Eurozone	Industrial Confidence	Oct	12.5	14.2	14.1
10/28/2021	Eurozone	Services Confidence	Oct	16.5	18.2	15.1
10/28/2021	Germany	CPI EU Harmonized YoY	Oct	4.5%	4.6%	4.1%
10/28/2021	United States	Initial Jobless Claims	Oct	290k	281k	290k
10/28/2021	United States	GDP Annualized QoQ	Oct	2.7%	2.0%	6.7%
10/28/2021	United States	Personal Consumption	Oct	0.9%	1.6%	12.0%
10/28/2021	United States	Core PCE QoQ	Sep	4.5%	4.5%	6.1%
10/28/2021	United States	Kansas City Fed Manf. Activity	Oct	--	31.0	22.0
10/28/2021	Japan	BOJ Policy Balance Rate	Oct	-0.1%	-0.1%	-0.1%
10/29/2021	Japan	Consumer Confidence Index	Oct	40.5	39.2	37.8
10/29/2021	France	Consumer Spending MoM	Sep	0.3%	-0.2%	0.7%
10/29/2021	France	Consumer Spending YoY	Sep	-1.3%	-2.3%	-5.4%
10/29/2021	France	GDP QoQ	Oct	2.1%	3.0%	1.3%
10/29/2021	France	CPI EU Harmonized YoY	Oct	3.1%	3.2%	2.7%
10/29/2021	Germany	GDP SA QoQ	Oct	2.2%	1.8%	1.9%
10/29/2021	Eurozone	CPI Core YoY	Oct	1.9%	2.1%	1.9%
10/29/2021	Eurozone	CPI MoM	Oct	0.5%	0.8%	0.5%
10/29/2021	Eurozone	GDP SA QoQ	Oct	2.1%	2.2%	2.1%
10/29/2021	Eurozone	CPI Estimate YoY	Oct	3.7%	4.1%	3.4%
10/29/2021	United States	Employment Cost Index	Oct	0.9%	1.3%	0.7%
10/29/2021	United States	Personal Income	Oct	-0.2%	-1.0%	0.2%
10/29/2021	United States	Personal Spending	Oct	0.5%	0.6%	1.0%
10/29/2021	United States	Real Personal Spending	Oct	0.3%	0.3%	0.6%
10/29/2021	United States	U. of Mich. Sentiment	Oct	71.4	71.7	71.4
10/29/2021	United States	U. of Mich. Current Conditions	Oct	77.9	77.7	80.1
10/29/2021	United States	U. of Mich. Expectations	Oct	67.2	67.9	68.1
10/29/2021	United States	U. of Mich. 1 Yr Inflation	Oct	4.8%	--	4.8%
10/29/2021	United States	U. of Mich. 5-10 Yr Inflation	Oct	--	2.9%	2.8%

SOURCE: BLOOMBERG



CALENDAR: THE WEEK AHEAD

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COMING INDICATORS

It's the start of a new month, which means a busy week in terms of data with the publication of the purchasing managers indices in several countries, the Institute of Supply Management numbers in the US and the US labour market report. It's also an important week for central bank watchers with the monetary policy committee meeting of the Bank of England -will the recent hawkish message be tuned down somewhat?- and, in the US, the FOMC meeting, which will probably lead to an announcement that asset purchases will be scaled back progressively. .

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	PREVIOUS
11/01/2021	Japan	Jibun Bank Japan PMI Mfg	Oct	--	53
11/01/2021	China	Caixin China PMI Mfg	Oct	50	50
11/01/2021	France	Markit France Manufacturing PMI	Oct	--	53.5
11/01/2021	Germany	Markit/BME Germany Manufacturing PMI	Oct	--	58.2
11/01/2021	Eurozone	Markit Eurozone Manufacturing PMI	Oct	--	58.5
11/01/2021	United Kingdom	Markit UK PMI Manufacturing SA	Oct	--	57.7
11/01/2021	United States	ISM Manufacturing	Oct	60.2	61.1
11/01/2021	United States	ISM Prices Paid	Oct	--	81.2
11/01/2021	United States	ISM New Orders	Oct	--	66.7
11/01/2021	United States	ISM Employment	Oct	--	50.2
11/01/2021	United States	Markit US Manufacturing PMI	Oct	--	59.2
11/02/2021	United States	Wards Total Vehicle Sales	Oct	12.25m	12.18m
11/03/2021	Japan	Jibun Bank Japan PMI Services	Oct	--	50.7
11/03/2021	Japan	Jibun Bank Japan PMI Composite	Oct	--	50.7
11/03/2021	China	Caixin China PMI Composite	Oct	--	51.4
11/03/2021	China	Caixin China PMI Services	Oct	53.5	53.4
11/03/2021	United Kingdom	Nationwide House Px NSA YoY	Oct	9.20%	10.00%
11/03/2021	France	Markit France Services PMI	Oct	--	56.6
11/03/2021	France	Markit France Composite PMI	Oct	--	54.7
11/03/2021	Germany	Markit Germany Services PMI	Oct	--	52.4
11/03/2021	Germany	Markit/BME Germany Composite PMI	Oct	--	52
11/03/2021	Eurozone	Markit Eurozone Services PMI	Oct	--	54.7
11/03/2021	Eurozone	Markit Eurozone Composite PMI	Oct	--	54.3
11/03/2021	United Kingdom	Markit/CIPS UK Services PMI	Oct	--	58
11/03/2021	United Kingdom	Markit/CIPS UK Composite PMI	Oct	--	56.8

SOURCE: BLOOMBERG



DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	PREVIOUS
11/03/2021	Eurozone	Unemployment Rate	Sep	--	7.50%
11/03/2021	United States	ISM Services Index	Oct	61.8	61.9
11/03/2021	United States	Cap Goods Orders Nondef Ex Air	Sep	--	0.80%
11/03/2021	United States	Cap Goods Ship Nondef Ex Air	Sep	--	1.40%
11/03/2021	United States	Markit US Services PMI	Oct	--	58.2
11/03/2021	United States	Markit US Composite PMI	Oct	--	57.3
11/03/2021	United States	FOMC Rate Decision (Lower Bound)	Nov	0.00%	0.00%
11/04/2021	Germany	Markit Germany Construction PMI	Oct	--	47.1
11/04/2021	United Kingdom	New Car Registrations YoY	Oct	--	-34.40%
11/04/2021	United Kingdom	Markit/CIPS UK Construction PMI	Oct	--	52.6
11/04/2021	Eurozone	PPI MoM	Sep	--	1.10%
11/04/2021	Eurozone	PPI YoY	Sep	--	13.40%
11/04/2021	United Kingdom	Bank of England Bank Rate	Nov	0.10%	0.10%
11/04/2021	United States	Initial Jobless Claims	Oct	--	--
11/04/2021	United States	Unit Labor Costs	3Q	5.50%	1.30%
11/05/2021	France	Private Sector Payrolls QoQ	3Q	--	1.40%
11/05/2021	France	Wages QoQ	3Q	--	0.30%
11/05/2021	Eurozone	Retail Sales MoM	Sep	--	0.30%
11/05/2021	Eurozone	Retail Sales YoY	Sep	--	0.00%
11/05/2021	United States	Change in Nonfarm Payrolls	Oct	395k	194k
11/05/2021	United States	Unemployment Rate	Oct	4.70%	4.80%
11/05/2021	United States	Average Hourly Earnings YoY	Oct	4.90%	4.60%
11/05/2021	United States	Labor Force Participation Rate	Oct	--	61.60%

SOURCE: BLOOMBERG



FURTHER READING

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International trade: disruptions remain high	EcoTVWeek	29 October 2021
France's 2022 budget: automatic deficit reduction	EcoFlash	27 October 2021
Energy costs: how much of European household spending do they account for?	Chart of the Week	27 October 2021
Reforming EU economic governance: the start of a marathon	EcoWeek	25 October 2021
About the surge in energy prices	EcoTVWeek	22 October 2021
Inflation pressures in emerging economies	Chart of the Week	20 October 2021
Global : The risks associated with transitory but high inflation	EcoWeek	18 October 2021
Unease about the distribution of risks	EcoTVWeek	15 October 2021
4th quarter 2021 issue	EcoEmerging	13 October 2021
United States: PPP government-guaranteed loans are largely converted into public subsidies	Chart of the Week	13 October 2021
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India: consolidation in progress	EcoTVWeek	8 October 2021
4th quarter 2021 issue	EcoPerspectives	7 October 2021
Eurozone: headline inflation at its highest since 2008	Chart of the Week	6 October 2021
Global : Bad inflation clouds outlook	EcoWeek	4 October 2021
Deterioration of public finances in Colombia: why and should we be concerned?	EcoTVWeek	1 October 2021
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