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ECONOMIC RESEARCH



BNP PARIBAS

The bank
for a changing
world

INFLATION: SHIFTING FOCUS, SHIFTING CONCERNS

Historically, there is a close relationship in the US and the euro area between, on the one hand, a measure of price pressures based on survey data on manufacturing delivery times and input prices, and, on the other hand, core inflation. The recent flash purchasing managers' indices show that price pressures may be peaking, thereby providing hope that inflation will follow in the not-too-distant future. This will focus the attention to the speed of decline in inflation. A very slow process would be highly disconcerting, raising fears that ever-higher interest rates would end up causing a recession. Everybody wants slower growth to bring inflation under control, but nobody wants the growth engine to stall.

Historically, there is a close relationship in the euro area between, on the one hand, a measure of price pressures based on survey data on manufacturing delivery times and input prices, and, on the other hand, core inflation, whereby the latter follows with a lag of about twelve months the former (chart 1). In the US, the correlation is also high although the lead time of price pressures is a lot shorter (chart 2 and 3). Against this background, the recent flash purchasing managers' indices show that price pressures may be peaking, thereby providing hope that inflation will follow¹. In the euro area, Germany and France, delivery times have shortened and the percentage of companies experiencing higher input prices has declined slightly in May (chart 4). US companies also report somewhat shorter delivery times, but more companies than before are facing higher input prices (chart 5).

With high and rising inflation having been the dominant concern so far this year, there is a risk of overreacting to any evidence pointing towards a possible change in direction. Such a change, if it were to be confirmed in the coming months, would clearly bring relief, but it would also shift the focus to how fast inflation will decline. The process will probably be slow considering that a large majority of companies are still complaining about higher input prices and long delivery times. The strength of demand, through its influence on companies' pricing power, also plays a role. In this respect, the flash PMIs for May show a small reduction in the number of companies in the US, the euro area and France planning to raise their output prices. In Germany, the decline was negligible, although a survey conducted in May by the Ifo Institute shows a bigger change². It is the first drop in several months but given that the net balance of German companies planning to raise their prices in the next three months is still high, the decline in inflation should be slow. According to the Ifo Institute, "the trend suggests that monthly rates of inflation will fall from above 7 percent to below 6 percent in the second half of the year".

These developments have influenced financial markets. Bond markets have started to price that the inflation dynamics may be about to change, witness the recent decline in breakeven inflation in the US

1. Data for the Eurozone were collected 12-20 May and for the US Data 12-23 May. Source: S&P Global.

2. Source: Ifo Institute: Fewer Companies in Germany Plan to Raise Prices, 27 May 2022. The decline was noted in the different sectors (manufacturing, wholesale, services, construction).

and Germany (chart 6). This reflects a combination of lower inflation expectations as well as a belief that the risk of upside surprises to inflation has declined.

Once inflation will have peaked, the question of its speed of decline will be particularly important because it will shape expectations about how much central banks will have to raise their policy rates. This in turn will influence the evolution of bond yields and, more generally, borrowing costs and hence economic activity. The slower the decline of inflation, the more discomfort it would generate, raising fears that ever-higher interest rates would end up causing a recession. This concern is particularly vivid in the US, considering the expected cumulative tightening by the Federal Reserve. Everybody wants slower growth to bring inflation under control, but nobody wants the growth engine to stall.

William De Vijlder

EUROZONE: PRICE PRESSURES AND INFLATION

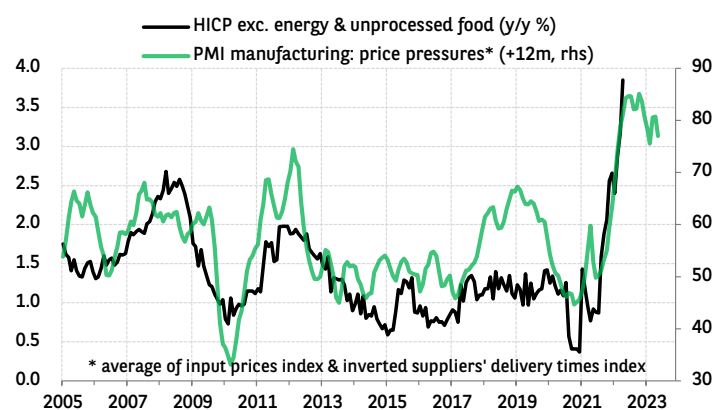


CHART 1

SOURCE: S&P GLOBAL, EUROSTAT, BNP PARIBAS

The slower the decline of inflation, the more discomfort it would generate, raising fears that ever-higher interest rates would end up causing a recession. Everybody wants slower growth to bring inflation under control, but nobody wants the growth engine to stall.



US: PRICE PRESSURES (PMI) AND INFLATION

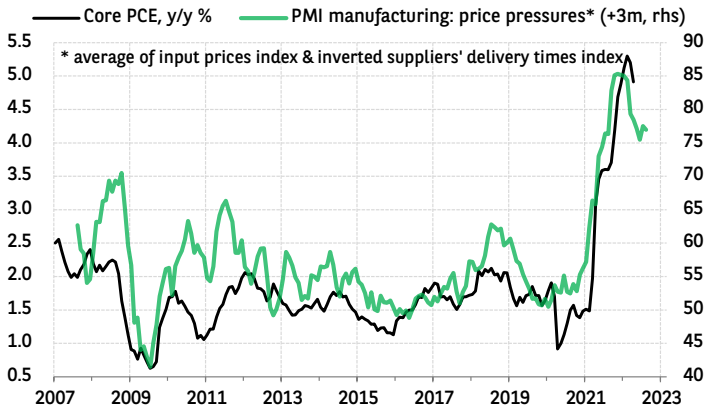


CHART 2

SOURCE: S&P GLOBAL, BEA, BNP PARIBAS

US: PRICE PRESSURES (ISM) AND INFLATION

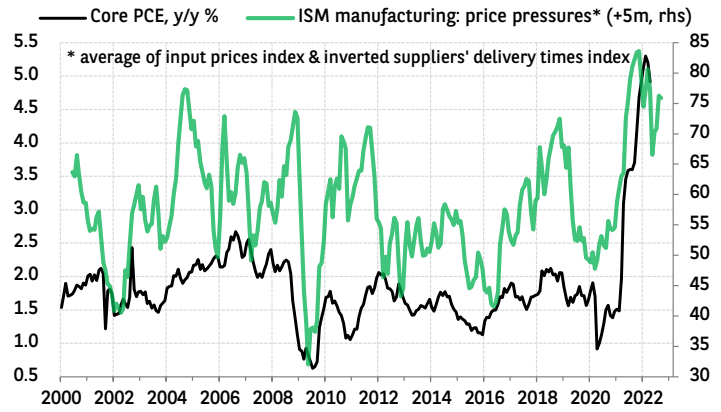
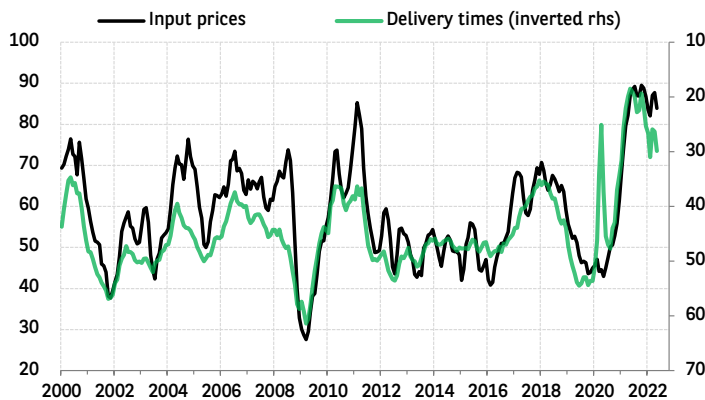


CHART 3

SOURCE: ISM, BEA, BNP PARIBAS

EURO AREA PMI

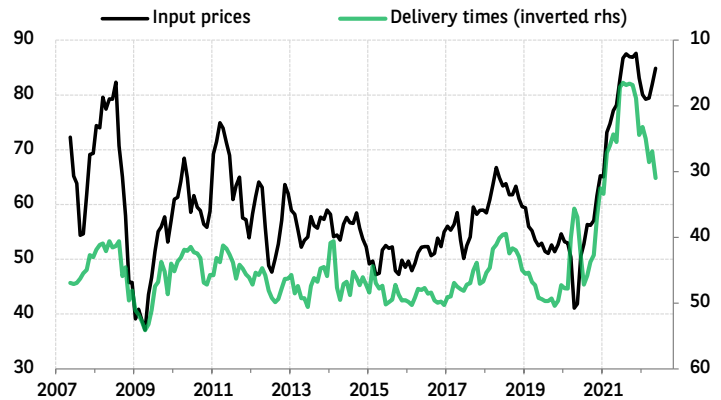


In the PMI survey, a higher number means shorter delivery times, hence the use of an inverted scale.

CHART 4

SOURCE: S&P GLOBAL, BNP PARIBAS

US PMI



In the PMI survey, a higher number means shorter delivery times, hence the use of an inverted scale.

CHART 5

SOURCE: S&P GLOBAL, BNP PARIBAS

BREAKEVEN INFLATION: GERMANY AND UNITED STATES

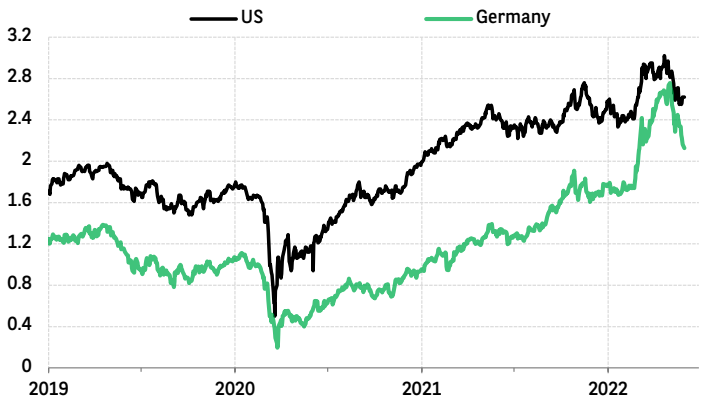


CHART 6

SOURCE: REFINITIV, BNP PARIBAS



MARKETS OVERVIEW

OVERVIEW

Week 20-5-22 to 27-5-22

↗ CAC 40	6 285	▶ 6 516	+3.7 %
↗ S&P 500	3 901	▶ 4 158	+6.6 %
↘ Volatility (VIX)	29.4	▶ 25.7	-3.7 pb
↘ Euribor 3M (%)	-0.35	▶ -0.37	-2.0 bp
↗ Libor 3M (%)	1.51	▶ 1.60	+9.1 bp
↗ OAT 10y (%)	1.31	▶ 1.31	+0.1 bp
↗ Bund 10y (%)	0.94	▶ 0.96	+1.9 bp
↘ US Tr. 10y (%)	2.80	▶ 2.76	-4.1 bp
↗ Euro vs dollar	1.06	▶ 1.07	+1.4 %
↗ Gold (ounce, \$)	1 844	▶ 1 852	+0.5 %
↗ Oil (Brent, \$)	112.7	▶ 119.5	+6.1 %

MONEY & BOND MARKETS

Interest Rates	highest 22	lowest 22	Yield (%)	highest 22	lowest 22
€ ECB	0.00	0.00 at 03/01	€ AVG 5-7y	1.25	1.43 at 09/05
Eonia	-0.51	-0.51 at 03/01	Bund 2y	0.20	0.33 at 06/05
Euribor 3M	-0.37	-0.35 at 19/05	Bund 10y	0.96	1.14 at 06/05
Euribor 12M	0.36	0.36 at 24/05	OAT 10y	1.31	1.53 at 06/05
\$ FED	1.00	1.00 at 05/05	Corp. BBB	2.88	2.97 at 09/05
Libor 3M	1.60	1.60 at 27/05	\$ Treas. 2y	2.47	2.69 at 05/05
Libor 12M	2.70	2.75 at 04/05	Treas. 10y	2.76	3.13 at 06/05
£ BoE	1.00	1.00 at 05/05	High Yield	7.26	7.80 at 19/05
Libor 3M	1.38	1.38 at 27/05	£ gilt. 2y	1.47	1.80 at 21/04
Libor 12M	0.81	0.81 at 03/01	gilt. 10y	1.90	2.01 at 21/04

At 27-5-22

EXCHANGE RATES

1€ =	highest 22	lowest 22	2022	
USD	1.07	1.15 at 10/02	1.04 at 13/05	-5.8%
GBP	0.85	0.86 at 06/05	0.83 at 14/04	+1.1%
CHF	1.02	1.06 at 10/02	1.00 at 04/03	-1.1%
JPY	136.15	139.36 at 21/04	125.37 at 04/03	+4.0%
AUD	1.50	1.62 at 04/02	1.43 at 05/04	-4.2%
CNY	7.19	7.29 at 10/02	6.87 at 14/04	-0.9%
BRL	5.07	6.44 at 06/01	5.01 at 21/04	-20.0%
RUB	72.40	164.76 at 07/03	61.01 at 24/05	-15.1%
INR	83.08	85.96 at 11/02	80.30 at 05/05	-1.7%

At 27-5-22

COMMODITIES

Spot price, \$	highest 22	lowest 22	2022	2022(€)
Oil, Brent	119.5	128.2 at 08/03	79.0 at 03/01	+52.5% +61.9%
Gold (ounce)	1 852	2 056 at 08/03	1 785 at 28/01	+1.6% +7.9%
Metals, LMEX	4 553	5 506 at 07/03	4 369 at 12/05	+1.1% +7.4%
Copper (ton)	9 454	10 702 at 04/03	9 104 at 12/05	-2.9% +3.1%
wheat (ton)	429	4.7 at 17/05	281 at 14/01	+80.2% +91.4%
Corn (ton)	307	3.2 at 16/05	226 at 03/01	+3.4% +42.6%

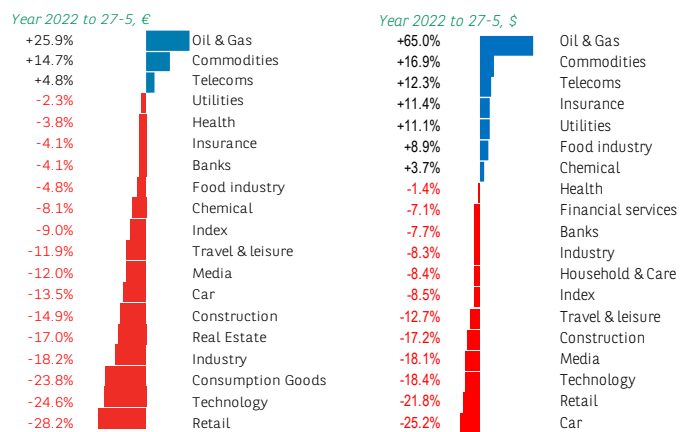
At 27-5-22

EQUITY INDICES

Index	highest 22	lowest 22	2022	
World				
MSCI World	2 803	3 248 at 04/01	2 640 at 12/05	-13.3%
North America				
S&P500	4 158	4 797 at 03/01	3 901 at 19/05	-12.8%
Europe				
EuroStoxx50	3 809	4 392 at 05/01	3 505 at 08/03	-11.4%
CAC 40	6 516	7 376 at 05/01	5 963 at 08/03	-0.9%
DAX 30	14 462	16 272 at 05/01	12 832 at 08/03	-9.0%
IBEX 35	8 934	8 934 at 27/05	7 645 at 07/03	+0.3%
FTSE100	7 585	7 672 at 10/02	6 959 at 07/03	+0.3%
Asia				
MSCI, loc.	1 084	1 165 at 05/01	1 024 at 08/03	-0.5%
Nikkei	26 782	29 332 at 05/01	24 718 at 09/03	-7.0%
Emerging				
MSCI Emerging (\$)	1 043	1 267 at 12/01	988 at 12/05	-1.5%
China	66	86 at 20/01	59 at 15/03	-19.5%
India	751	891 at 13/01	732 at 19/05	-7.2%
Brazil	1 753	2 003 at 04/04	1 372 at 06/01	+3.7%

At 27-5-22

PERFORMANCE BY SECTOR (Eurostoxx50 & S&P500)

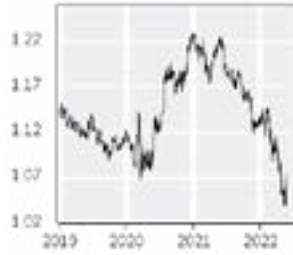


SOURCE: REFINITIV, BNP PARIBAS,

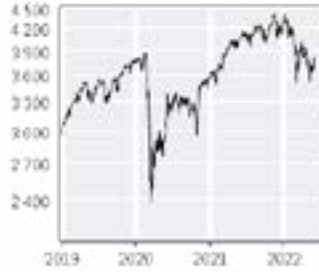


MARKETS OVERVIEW

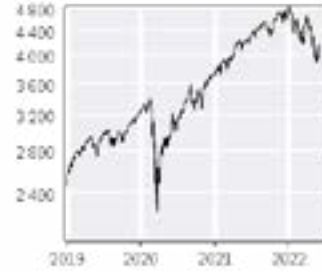
EURO-DOLLAR



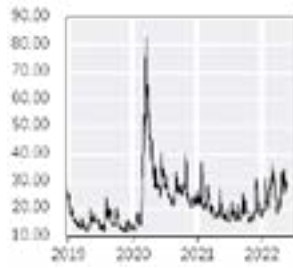
EUROSTOXX50



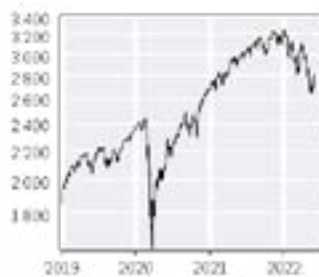
S&P500



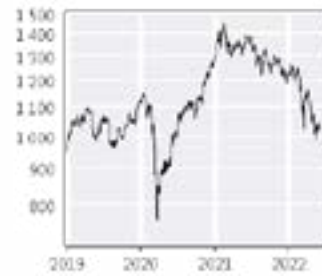
VOLATILITY (VIX, S&P500)



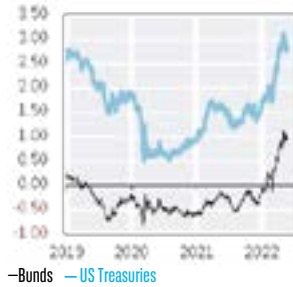
MSCI WORLD (USD)



MSCI EMERGING (USD)

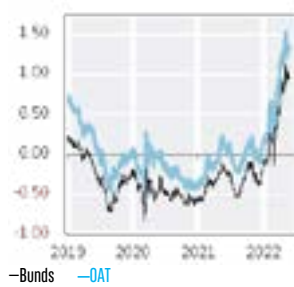


10Y BOND YIELD, TREASURIES VS BUND



-Bunds -US Treasuries

10Y BOND YIELD



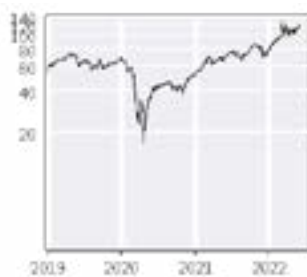
-Bunds -OAT

10Y BOND YIELD & SPREADS

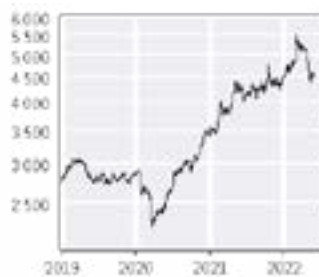
Year 2022 to 27-5

3.25%	Greece	229 bp
2.89%	Italy	193 bp
2.03%	Spain	107 bp
1.95%	Portugal	98 bp
1.55%	Belgium	59 bp
1.34%	Finland	38 bp
1.31%	France	35 bp
1.19%	Austria	23 bp
1.07%	Ireland	10 bp
1.02%	Netherlands	6 bp
0.96%	Germany	

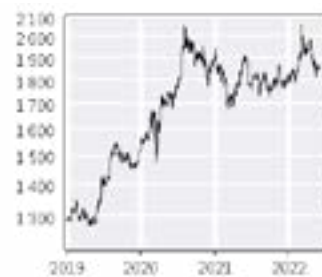
OIL (BRENT, USD)



METALS (LMEX, USD)



GOLD (OUNCE, USD)



SOURCE: REFINITIV, BNP PARIBAS



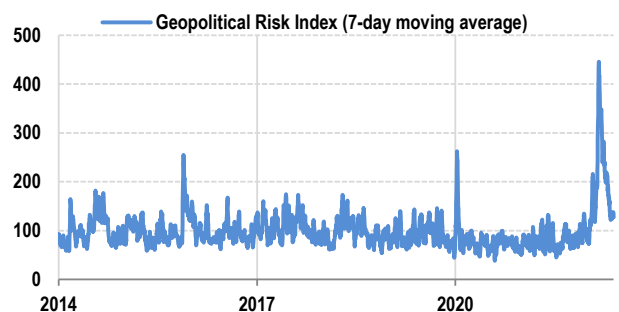
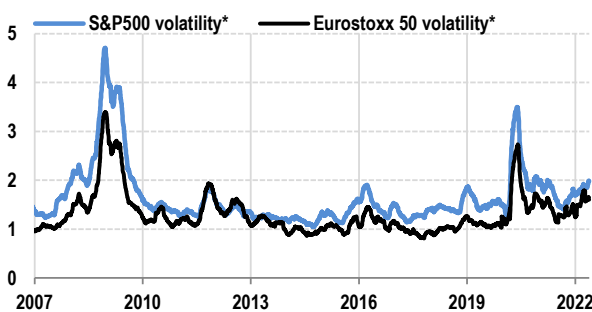
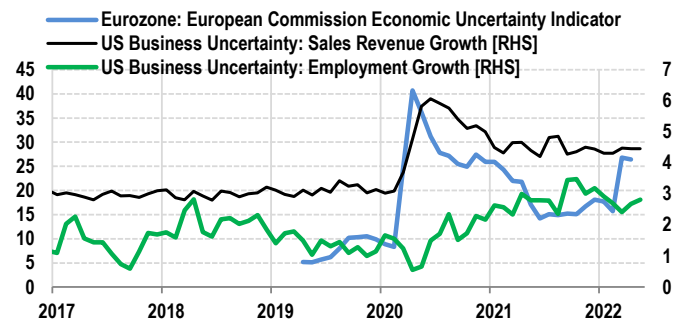
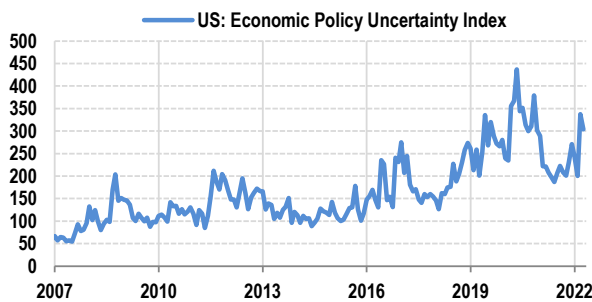
ECONOMIC PULSE

ECONOMIC UNCERTAINTY EDGING HIGHER

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 eased slightly after a significant increase, reflecting concern about the impact of aggressive monetary policy tightening. In the US, business uncertainty about sales revenue growth has been stable but uncertainty about employment growth has rebounded somewhat, probably reflecting ongoing difficulties in filling vacancies. The European Commission's uncertainty index, after having jumped following the war in Ukraine, has stabilised. The geopolitical risk index, which is based on media coverage, has dropped and reflects a less intense media coverage of the war in Ukraine compared to the end of February and March. The cross-sectional standard deviation of daily stock market returns of individual companies - a measure of financial uncertainty - continues its gradual increase in the US and the euro area.

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, EUROPEAN COMMISSION, ATLANTA FED, GPR INDEX (MATTEOIACOVIELLO.COM), BNP PARIBAS



ECONOMIC PULSE

WORLD TRADE: SLOWDOWN CONFIRMED

Global PMI numbers point to a significant slowdown in global economic activity. The new export orders sub-index dropped to 48.1 in March, below the threshold for expansion, and was unchanged in April. More specifically, new export orders for Taiwan recorded a heavy fall (down 17.2% m/m), the biggest drop for fourteen months. Although a pullback was expected, following a strong rise in March (21.6% m/m), the scale of the decline was surprising.

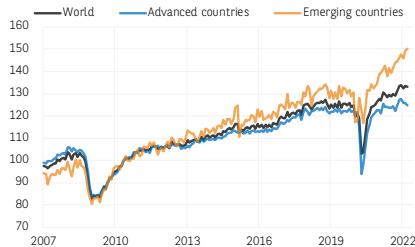
The tightening of the lockdown in China has affected international trade. The Global Supply Chain Pressure Index (Figure 3) rose in April, for the first time this year, indicating an increase in friction. Although restrictions in Shanghai were eased in May, this will provide only very limited help to still highly-disrupted global production chains in the short term. Delivery times in manufacturing are lengthening again: the global PMI component assessing these delays worsened in April (down 2.9 points to 35.8) and is now very close to the low point of October 2021, of 34.8. Another example of this increase in pressures comes from the Baltic Exchange Dry Index, which measures dry goods bulk shipping costs. It began to rise again in early February, although it has seen a slight dip in recent days. This said, the index of global freight rates is at its lowest for ten months.

Lastly, even though West Coast ports in the US are seeing a gradual return to normal activity levels, attention has now turned to the renegotiation of port workers' contracts, which have been ongoing since 10 May. During the previous negotiating round in 2015, a breakdown in talks led to significant disruption in port activity, which in current circumstances would be most unwelcome. Negotiations are likely to last for several weeks, as current contracts expire on 1 July.

Guillaume Derrien

INTERNATIONAL TRADE INDICATORS

1. World exports by area, volume (index 2010 = 100)



Source: CPB, BNP Paribas

2. Global manufacturing PMI, new export orders



S&P Global (Markit), BNP Paribas

3. Global supply-chain pressures index



Source: Federal Reserve of New York

4. Baltic Exchange Dry Index



Source: Baltic Exchange, BNP Paribas

5. Freight rate index



Source: Freightos, BNP Paribas

6. Global manufacturing PMI, delivery times (Inverted line)



S&P Global (Markit), BNP Paribas



ECONOMIC SCENARIO

8

UNITED STATES

Despite a surprising contraction in Q1 2022, the US economy remains dynamic and well supported by household consumption and business investment. The robustness of the labour market, which is at full employment, bolsters wages and household consumption. However, inflation, at its highest for four decades, weighs on purchasing power. As inflation is far beyond the Federal Reserve's objective and also more persistent than anticipated, monetary policy is being tightened sharply. The scaling back of the government's fiscal ambitions, especially its social welfare and environmental plans, may also contribute to moderate growth. Against this background, whilst avoiding a recession, the U.S. economy is expected to slow down clearly.

CHINA

Economic growth has slowed again markedly since March, after two months of improvement. Lockdown measures imposed in many regions in order to contain the Covid-19 epidemic, the continued correction in the real estate sector, the persisting weakness of private consumption and the effects of the war in Ukraine on commodity prices and world demand are major negative factors that will continue to constrain economic growth in the short-term. Consequently, the government increases fiscal policy support and the central bank enhances monetary easing measures..

EUROZONE

Following on from Q4 2021, the eurozone again saw positive but weak growth in Q1 2022. The surge in inflation that began in early 2021 has morphed into an inflationary shock. Inflation continues to be driven primarily by energy prices, but has climbed to new record levels nonetheless. In addition, it is now becoming more widespread and thus more persistent. Although the deterioration of business climate surveys remained limited up until April, consumer confidence has worsened more noticeably. The risk of a recession in the short term is increasing but, should there be one, it would only be technical (limited in duration and extent). The labour market remains robust and the economy still benefits from the cyclical momentum that existed prior to the war in Ukraine, fiscal measures that seek to cushion the impact of inflation on purchasing power, excess savings which are still available and the need to invest. In our scenario (no recession), we expect eurozone growth to reach 2.8% on average over 2022 and something similar (2.7%) in 2023. This scenario is in line with the April consensus for 2022 but is more optimistic for 2023. The risks are on the downside.

FRANCE

GDP growth has slowed markedly in the 1st quarter of 2022 (0% q/q after +0.8% in the 4th quarter of 2021), as a result of a decrease in household consumption (-1.3% q/q). Higher inflation has pressured households' purchasing power and should also weigh on Q2 expectations. In parallel, corporate investment maintained its growth (+0.7% q/q), as corporates have to cope with output capacity constraints. Overall, in 2022, GDP growth should ease to 3.2% (7% in 2021), against a background of higher inflation (4.8% expected in 2022 after 1.6% in 2021).

RATES AND EXCHANGE RATES

In the US, the Federal Reserve will continue its tightening policy at a swift pace. We expect 50bp hikes at the June, July and September meetings, followed by an increase of 25bp in November and December. The terminal rate of 3.00-3.25% to be reached in 2023 Q1. 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. Confronted with high and widespread inflation, the ECB has changed its tone. We expect a first hike of the deposit rate in September although an earlier move, on the occasion of the July meeting, is becoming

increasingly likely. A further rate hike will follow bringing the deposit rate to 0.00% at the end of this year. 2023 should see several rate increase, with a deposit rate at 1.25% at the end of the year. 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	6.5	2.8
Japan	1.7	1.6	2.0	-0.2	1.5	1.1
United-Kingdom*	7.5	3.6	1.7	2.5	7.4	3.3
Euro Area*	5.3	2.8	2.7	2.6	7.3	4.0
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 05/06/2022

INTEREST & EXCHANGE RATES

Interest rates, %		Q1 2022	Q2 2022 e	Q3 2022 e	Q4 2022 e	Q4 2023 e
End of period						
US	Fed Funds (upper limit)**	0.50	1.50	2.50	3.00	3.25
	T-Note 10y	2.33	2.50	2.60	2.70	2.60
	Deposit rate**	-0.50	-0.50	-0.25	0.00	1.25
	Bund 10y	0.51	0.75	0.90	1.00	1.20
Ezone	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
UK	Gilts 10y	1.59	1.75	1.90	2.00	2.00
	Japan	BoJ Rate	-0.02	-0.10	-0.10	-0.10
Japan	JGB 10y	0.21	0.25	0.25	0.25	0.45
Exchange Rates		Q1 2022	Q2 2022 e	Q3 2022 e	Q4 2022 e	Q4 2023 e
End of period						
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 / JPY	135	139	140	140	138
Brent		Q1 2022	Q2 2022 e	Q3 2022 e	Q4 2022 e	Q4 2023 e
End of period						
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)
* BASE CASE ** LAST UPDATE 06/05/2022



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CALENDAR

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LATEST INDICATORS

In the euro area, the flash PMIs were down slightly compared to April and also came in below expectations. In France, consumer confidence declined unexpectedly, business confidence was stable -the consensus had expected a lower number- and the composite PMI declined less than anticipated. In Germany, the IFO business climate improved unexpectedly, on the back of a better assessment of the current environment. The composite PMI picked up (the consensus had expected a slight decline). Consumer confidence hardly changed. In Japan, the services PMI edged higher and the opposite happened for manufacturing. In the UK, the manufacturing PMI declined in May but that is nothing compared to the huge, unexpected drop in the services PMI. In the US, the PMI numbers declined across the board. Growth of capital goods orders (a proxy for corporate investment) slowed down more than anticipated. There was a slight, unexpected downward revision of first quarter GDP growth. Growth of spending remains strong and well above income growth, implying a decline in the personal savings rate. Finally, University of Michigan sentiment dropped more than expected on the back of a worsening of the expectations component.

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	ACTUALISÉ	PREVIOUS
05/23/2022	Germany	IFO Business Climate	May	91.4	93.0	91.9
05/23/2022	Germany	IFO Current Assessment	May	96.8	99.5	97.3
05/23/2022	Germany	IFO Expectations	May	86.5	86.9	86.8
05/24/2022	Japan	Jibun Bank Japan PMI Services	May	--	51.7	50.7
05/24/2022	Japan	Jibun Bank Japan PMI Composite	May	--	51.4	51.1
05/24/2022	Japan	Jibun Bank Japan PMI Mfg	May	--	53.2	53.5
05/24/2022	Japan	Nationwide Dept Sales YoY	Apr	--	19.0%	4.6%
05/24/2022	France	Business Confidence	May	105.0	106.0	106.0
05/24/2022	France	S&P Global France Manufacturing PMI	May	55.2	54.5	55.7
05/24/2022	France	S&P Global France Services PMI	May	58.5	58.4	58.9
05/24/2022	France	S&P Global France Composite PMI	May	56.9	57.1	57.6
05/24/2022	Germany	S&P Global/BME Germany Manufacturing PMI	May	54.0	54.7	54.6
05/24/2022	Germany	S&P Global Germany Services PMI	May	57.1	56.3	57.6
05/24/2022	Germany	S&P Global Germany Composite PMI	May	53.9	54.6	54.3
05/24/2022	Eurozone	S&P Global Eurozone Manufacturing PMI	May	54.7	54.4	55.5
05/24/2022	Eurozone	S&P Global Eurozone Services PMI	May	57.4	56.3	57.7
05/24/2022	Eurozone	S&P Global Eurozone Composite PMI	May	55.1	54.9	55.8
05/24/2022	United Kingdom	S&P Global/CIPS UK Manufacturing PMI	May	55.0	54.6	55.8
05/24/2022	United Kingdom	S&P Global/CIPS UK Services PMI	May	57.0	51.8	58.9
05/24/2022	United Kingdom	S&P Global/CIPS UK Composite PMI	May	56.5	51.8	58.2
05/24/2022	United States	S&P Global US Manufacturing PMI	May	57.7	57.5	59.2



DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	ACTUALISÉ	PREVIOUS
05/24/2022	United States	S&P Global US Services PMI	May	55.2	53.5	55.6
05/24/2022	United States	S&P Global US Composite PMI	May	55.7	53.8	56.0
05/24/2022	United States	New Home Sales MoM	Apr	-2.0%	-16.6%	-10.5%
05/25/2022	Germany	GfK Consumer Confidence	Jun	-25.5	-26.0	-26.6
05/25/2022	Germany	GDP SA QoQ	1Q	0.2%	0.2%	0.2%
05/25/2022	France	Consumer Confidence	May	89.0	86.0	87.0
05/25/2022	United States	MBA Mortgage Applications	May	--	-1.2%	-11.0%
05/25/2022	United States	Cap Goods Orders Nondef Ex Air	Apr	0.5%	0.3%	1.1%
05/25/2022	United States	Cap Goods Ship Nondef Ex Air	Apr	0.5%	0.8%	0.2%
05/25/2022	United States	FOMC Meeting Minutes	May	--	--	--
05/26/2022	United States	GDP Annualized QoQ	1Q	-1.3%	-1.5%	-1.4%
05/26/2022	United States	Initial Jobless Claims	May	215k	210k	218k
05/27/2022	United States	Personal Income	Apr	0.5%	0.4%	0.5%
05/27/2022	United States	Personal Spending	Apr	0.8%	0.9%	1.4%
05/27/2022	United States	Real Personal Spending	Apr	0.7%	0.7%	0.5%
05/27/2022	United States	PCE Core Deflator MoM	Apr	0.3%	0.3%	0.3%
05/27/2022	United States	PCE Core Deflator YoY	Apr	4.9%	4.9%	5.2%
05/27/2022	United States	U. of Mich. Sentiment	May	59.1	58.4	65.2
05/27/2022	United States	U. of Mich. Current Conditions	May	63.6	63.3	63.6
05/27/2022	United States	U. of Mich. Expectations	May	56.3	55.2	62.5
05/27/2022	United States	U. of Mich. 1 Yr Inflation	May	5.4%	5.3%	5.4%
05/27/2022	United States	U. of Mich. 5-10 Yr Inflation	May	--	3.0%	3.0%

SOURCE: BLOOMBERG



CALENDAR: THE WEEK AHEAD

COMING INDICATORS

A very busy week ahead of us with a lot of survey data covering the month of May: purchasing managers' indices for several countries, European Commission surveys, Conference Board survey and the ISM indices for manufacturing and for services in the US. In addition, we will have industrial production (Japan, France), retail sales (Germany, Japan, euro area) and May inflation data for the euro area. The Federal Reserve will publish its beige book in the run-up to its next FOMC meeting. The highlight of the week will be the labour market report in the US.

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	PREVIOUS
05/30/2022	Eurozone	Economic Confidence	May	--	105
05/30/2022	Eurozone	Industrial Confidence	May	--	7.9
05/30/2022	Eurozone	Services Confidence	May	--	13.5
05/30/2022	Eurozone	Consumer Confidence	May	--	-21.1
05/30/2022	Germany	CPI EU Harmonized MoM	May	--	0.70%
05/30/2022	Germany	CPI EU Harmonized YoY	May	--	7.80%
05/30/22-06/01/22	Germany	Retail Sales MoM	Apr	-0.50%	-0.10%
05/31/2022	Japan	Retail Sales MoM	Apr	--	2.00%
05/31/2022	Japan	Industrial Production MoM	Apr P	--	0.30%
05/31/2022	China	Composite PMI	May	--	42.7
05/31/2022	China	Manufacturing PMI	May	48.7	47.4
05/31/2022	China	Non-manufacturing PMI	May	45.2	41.9
05/31/2022	Japan	Consumer Confidence Index	May	--	33
05/31/2022	France	CPI EU Harmonized MoM	May	--	0.50%
05/31/2022	France	CPI EU Harmonized YoY	May	--	5.40%
05/31/2022	France	Consumer Spending MoM	Apr	--	-1.30%
05/31/2022	France	GDP QoQ	1Q F	--	0.00%
05/31/2022	Germany	Unemployment Change (000's)	May	--	-13.0k
05/31/2022	Eurozone	CPI Estimate YoY	May	--	7.50%
05/31/2022	Eurozone	CPI MoM	May	--	0.60%
05/31/2022	Eurozone	CPI Core YoY	May	--	3.50%
05/31/2022	United States	S&P CoreLogic CS 20-City MoM SA	Mar	1.80%	2.39%
05/31/2022	United States	S&P CoreLogic CS 20-City YoY NSA	Mar	--	20.20%
05/31/2022	United States	Conf. Board Consumer Confidence	May	104	107.3
05/31/2022	United States	Conf. Board Present Situation	May	--	152.6
05/31/2022	United States	Conf. Board Expectations	May	--	77.2
06/01/2022	Japan	Jibun Bank Japan PMI Mfg	May	--	53.2
06/01/2022	China	Caixin China PMI Mfg	May	50.2	46
06/01/2022	France	S&P Global France Manufacturing PMI	May	--	54.5



DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	PREVIOUS
06/01/2022	Germany	S&P Global/BME Germany Manufacturing PMI	May	--	54.7
06/01/2022	Eurozone	S&P Global Eurozone Manufacturing PMI	May	--	54.4
06/01/2022	United Kingdom	S&P Global/CIPS UK Manufacturing PMI	May	--	54.6
06/01/2022	Eurozone	Unemployment Rate	Apr	--	6.80%
06/01/2022	United States	MBA Mortgage Applications	May	--	--
06/01/2022	United States	S&P Global US Manufacturing PMI	May	--	57.5
06/01/2022	United States	Construction Spending MoM	Apr	0.70%	0.10%
06/01/2022	United States	ISM Manufacturing	May	55	55.4
06/01/2022	United States	ISM Prices Paid	May	--	84.6
06/01/2022	United States	ISM New Orders	May	--	53.5
06/01/2022	United States	ISM Employment	May	--	50.9
06/01/2022	United States	JOLTS Job Openings	Apr	--	11549k
06/01/2022	United States	U.S. Federal Reserve Releases Beige Book			
06/02/2022	Eurozone	PPI MoM	Apr	--	5.30%
06/02/2022	Eurozone	PPI YoY	Apr	--	36.80%
06/02/2022	United States	Initial Jobless Claims	May	--	--
06/02/2022	United States	Cap Goods Orders Nondef Ex Air	Apr F	--	--
06/03/22 02:30	Japan	Jibun Bank Japan PMI Services	May	--	51.7
06/03/22 02:30	Japan	Jibun Bank Japan PMI Composite	May	--	51.4
06/03/22 08:00	Germany	Exports SA MoM	Apr	--	-3.30%
06/03/22 08:45	France	Industrial Production MoM	Apr	--	-0.50%
06/03/22 09:50	France	S&P Global France Services PMI	May	--	58.4
06/03/22 09:50	France	S&P Global France Composite PMI	May	--	57.1
06/03/22 09:55	Germany	S&P Global Germany Services PMI	May	--	56.3
06/03/22 09:55	Germany	S&P Global Germany Composite PMI	May	--	54.6
06/03/22 10:00	Eurozone	S&P Global Eurozone Services PMI	May	--	56.3
06/03/22 10:00	Eurozone	S&P Global Eurozone Composite PMI	May	--	54.9
06/03/22 11:00	Eurozone	Retail Sales MoM	Apr	--	-0.40%
06/03/22 11:00	Eurozone	Retail Sales YoY	Apr	--	0.80%
06/03/22 14:30	United States	Change in Nonfarm Payrolls	May	350k	428k
06/03/22 14:30	United States	Unemployment Rate	May	3.50%	3.60%
06/03/22 14:30	United States	Average Hourly Earnings MoM	May	0.40%	0.30%
06/03/22 14:30	United States	Average Weekly Hours All Employees	May	34.6	34.6
06/03/22 14:30	United States	Labor Force Participation Rate	May	--	62.20%
06/03/22 15:45	United States	S&P Global US Services PMI	May	--	53.5
06/03/22 15:45	United States	S&P Global US Composite PMI	May	--	53.8
06/03/22 16:00	United States	ISM Services Index	May	57	57.1

SOURCE: BLOOMBERG



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United Arab Emirates: Favourable economic prospects	EcoTVWeek	27 May 2022
Colombia: recent behaviour of capital flows ahead of the presidential election	Chart of the Week	25 May 2022
European Union : The reaction of uncertainty to Covid-19 and the war in Ukraine	EcoWeek	23 May 2022
China: new economic slowdown, new rise in credit risks	EcoTV Week	20 May 2022
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On the need to restate Manufacturing PMI in order to understand the shock to German industry	Chart of the Week	18 May 2022
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ECB: the weaker euro, a blessing or a headache?	EcoWeek	02 May 2022
Chinese exports: a major growth slowdown is expected	Chart of the Week	29 April 2022
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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
Emerging countries will bend but not break	EcoEmerging	22 April 2022



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