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BNP PARIBAS

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GROWTH HITS SPEED LIMIT

Judging by recent survey data, it seems many advanced economies are hitting against their speed limit in terms of economic growth. This has several consequences. It creates upside risks to inflation, something which is acknowledged by the Federal Reserve and the ECB. Labour shortages can cause faster wage growth but they should also underpin consumer confidence and spending. Supply bottlenecks should boost company investments. However, when growth is at the speed limit, future economic volatility may increase. Finally, it also creates an analytical challenge in understanding whether softer business surveys are demand or supply driven.

Economists often use metaphors to explain their views and, when discussing cyclical developments, reference is often made to speed. When growth is slowing significantly, stall speed is used to describe the point where the slowdown becomes self-reinforcing due to a drop in confidence, cutbacks in investments and hiring, etc. The mirror image of that occurs during a recovery when escape velocity is reached. Growth then becomes self-sustained and no longer needs additional support from economic policy. The increase in demand can be so strong that supply can't follow. Bottlenecks develop and the economy then hits a speed limit. Judging by the recent purchasing managers' indexes (PMI), this seems to be the stage that many advanced countries have now reached.

The reasons are well-documented. On the demand side, there is the unleashing of pent-up demand when restrictions on mobility are lifted, tapping into excess savings built up during lockdown, fiscal and monetary stimulus, etc. On the supply side, several factors are at work: the ripple effect of disruptions in global value chains, the inelastic nature of supply when faced with a sudden increase in demand, logistical issues (shipping capacity, container handling capacity in ports), etc.

Pressure on supply has been accumulating for several months, witness the lengthening delivery lags and rising input prices (chart 1). There are reasons to assume that this pressure should ease gradually. Demand growth is expected to slow from the recent, unsustainably fast pace¹ and supply should adjust as well. However, this could be a slow process. The flash PMI for August shows that in manufacturing and services, slightly fewer companies in the Eurozone are faced with higher input prices than the month before, but the level remains extremely high compared to history. In the US however the number continues to increase. The minutes of the July FOMC meeting have several references to supply bottlenecks, which may last longer than expected². A similar message is heard in the Eurozone. The account of the July meeting of the ECB Governing Council mentions that *"in the latest ECB Corporate Telephone Survey, firms had reported that it was probably going to take until sometime next year before these supply constraints would no longer be an issue."*³ This implies that both in the US and the Eurozone, there are upside risks to inflation, something which is acknowledged by the respective central banks.

1. Where restrictions have been lifted for quite some already, the mechanical boost to demand should wane. Price increases in certain sectors can also weigh on demand.

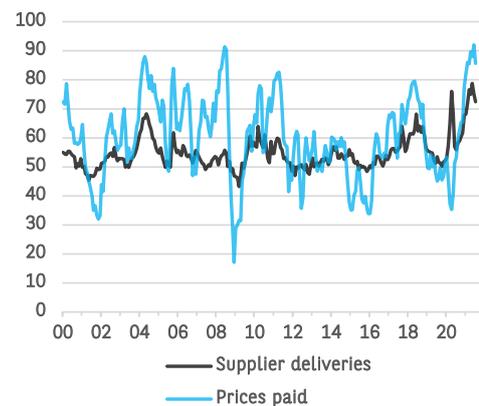
2. *"Many business contacts had expressed uncertainty and pessimism over prospects regarding the easing of supply constraints over the near term."* Source: Federal Reserve, Minutes of the Federal Open Market Committee, 27-28 July 2021.

3. Source: ECB, Account of the monetary policy meeting of the Governing Council of the European Central Bank held in Frankfurt am Main on Wednesday and Thursday, 21-22 July 2021.

Labour shortages are another manifestation of the imbalance between demand and supply. In the US, according to FOMC participants, they limit the ability of firms to keep up with strong demand. In the Eurozone, as shown in chart 2, labour shortage in construction is close to the pre-pandemic high and in services it is also getting closer. In manufacturing, it has rebounded strongly and is now well above the previous cyclical peak.

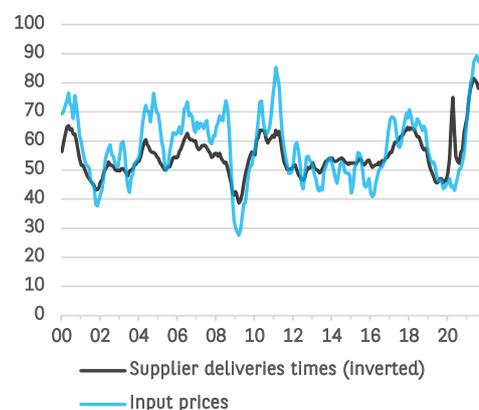
There is plenty of anecdotal evidence of companies in the US and Europe complaining about difficulties in filling vacancies. This is a headwind for growth but eventually, it could also lead to higher wages.

US ISM MANUFACTURING



SOURCE: ISM, BNP PARIBAS

EUROZONE MANUFACTURING PMI



SOURCE: IHS MARKIT, BNP PARIBAS

CHART 1



Although this has occurred for certain types of jobs, it does not yet show up in overall wage growth numbers to any significant degree. A tight labour market should boost confidence of households about finding a job or holding on to their current job. In the Eurozone, unemployment expectations for the next 12 months have seen a large drop and the employment series of the PMI surveys have improved significantly this year, reflecting hiring intentions of companies. This should support consumer spending, although a lot depends on how the pandemic evolves. Aggregate demand should also benefit from an increase in corporate investment in reaction to rising capacity utilisation and strong demand.⁴

Another, less positive, potential consequence of 'growth at the speed limit' is an increase in future economic volatility. Faced with long delivery lags, clients of companies may be tempted to order more than strictly necessary. For the producers this complicates the assessment of the true state of demand. Orders may be cancelled subsequently. Investment plans may be frontloaded, at the risk of having too much capacity at a later stage. To the extent that inflation ends up being higher than anticipated, monetary policy expectations would be revised, leading to higher bond yields and, quite likely, lower equity prices.

Finally, the current environment also raises analytical challenges. The recent softening of survey data could be interpreted as signalling a weaker demand outlook, which, in combination with high inflation, could trigger a 'stagflation is back' narrative. At the current juncture however, it is more a reflection of supply constraints acting as a headwind in meeting demand. This inspires confidence in the growth outlook.

William De Vijlder

LABOUR SHORTAGES IN THE EUROZONE

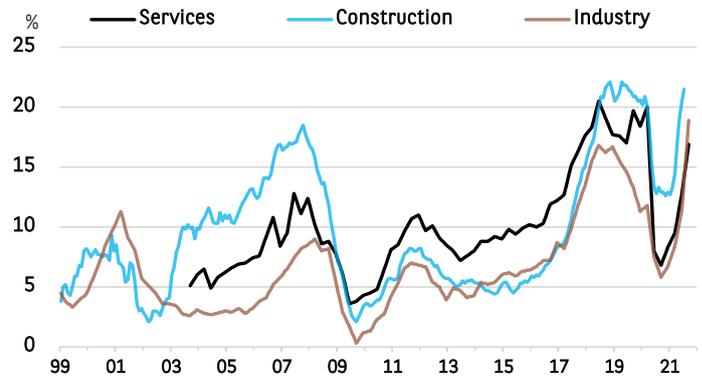


CHART 2

SOURCE: EUROPEAN COMMISSION SURVEYS, BNP PARIBAS



When economies hit their speed limit in terms of growth, this creates upside risks to inflation. It may also cause future economic volatility to rise.

4. In France, INSEE, in its July manufacturing investment survey, expects an increase of corporate investment of 10% in nominal terms this year compared to 2020.



MARKETS OVERVIEW

OVERVIEW

Week 20-8-21 to 27-8-21

➔ CAC 40	6 626	➔	6 682	+0.8 %
➔ S&P 500	4 442	➔	4 509	+1.5 %
➔ Volatility (VIX)	18.6	➔	16.4	-2.2 pb
➔ Euribor 3M (%)	-0.55	➔	-0.55	-0.2 bp
➔ Libor \$ 3M (%)	0.13	➔	0.12	-0.8 bp
➔ OAT 10y (%)	-0.22	➔	-0.13	+8.6 bp
➔ Bund 10y (%)	-0.54	➔	-0.46	+7.6 bp
➔ US Tr. 10y (%)	1.24	➔	1.29	+5.0 bp
➔ Euro vs dollar	1.17	➔	1.18	+0.9 %
➔ Gold (ounce, \$)	1 783	➔	1 808	+1.4 %
➔ Oil (Brent, \$)	65.3	➔	71.2	+9.0 %

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 -0.34	-0.03 at 19/05
Eonia	-0.49	-0.47 at 26/01	-0.50 at 01/01	Bund 2y -0.75	-0.64 at 23/06
Euribor 3M	-0.55	-0.53 at 07/05	-0.56 at 06/01	Bund 10y -0.46	-0.11 at 20/05
Euribor 12M	-0.50	-0.47 at 20/04	-0.52 at 02/02	OAT 10y -0.13	0.23 at 17/05
\$ FED	0.25	0.25 at 01/01	0.25 at 01/01	Corp. BBB 0.53	0.79 at 20/05
Libor 3M	0.12	0.24 at 13/01	0.12 at 30/07	Treas. 2y 0.20	0.26 at 01/07
Libor 12M	0.24	0.34 at 01/01	0.23 at 04/08	Treas. 10y 1.29	1.75 at 31/03
€ BoE	0.10	0.10 at 01/01	0.10 at 01/01	High Yield 4.61	4.87 at 09/03
Libor 3M	0.07	0.09 at 24/03	0.03 at 01/01	€ gilt. 2y 0.12	0.16 at 12/08
Libor 12M	0.23	0.23 at 27/08	0.07 at 11/01	€ gilt. 10y 0.68	0.93 at 13/05

At 27-8-21

EXCHANGE RATES

1€ =	highest 21	lowest 21	2021	
USD	1.18	1.23 at 06/01	1.17 at 20/08	-3.7%
GBP	0.86	0.91 at 06/01	0.85 at 10/08	-4.2%
CHF	1.08	1.11 at 04/03	1.07 at 17/08	-0.5%
JPY	129.62	133.97 at 28/05	125.22 at 18/01	+2.6%
AUD	1.62	1.64 at 20/08	1.53 at 18/03	+1.9%
CNY	7.64	8.00 at 01/01	7.59 at 19/08	-4.6%
BRL	6.14	6.95 at 03/03	5.88 at 24/06	-3.4%
RUB	86.73	92.47 at 20/04	86.04 at 18/06	-4.2%
INR	86.86	90.39 at 23/04	85.30 at 27/03	-2.8%

At 27-8-21

COMMODITIES

Spot price, \$	highest 21	lowest 21	2021	2021(€)	
Oil, Brent	71.2	77.2 at 05/07	51.2 at 04/01	+37.1%	+42.4%
Gold (ounce)	1 808	1 947 at 05/01	1 682 at 08/03	-4.8%	-1.1%
Metals, LME	4 190	4 402 at 11/05	3 415 at 01/01	+22.7%	+27.4%
Copper (ton)	9 424	10 449 at 11/05	7 749 at 01/01	+21.6%	+26.3%
wheat (ton)	251	2.9 at 07/05	224 at 09/07	+1.3%	+5.2%
Corn (ton)	234	2.9 at 07/05	188 at 04/01	+2.4%	+29.0%

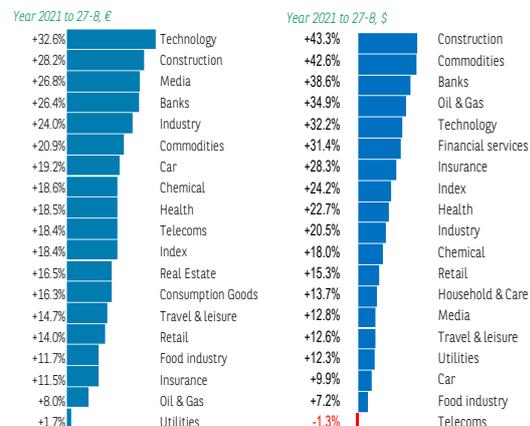
At 27-8-21

EQUITY INDICES

Index	highest 21	lowest 21	2021	
World				
MSCI World	3 134	3 134 at 27/08	2 662 at 29/01	+16.5%
North America				
S&P500	4 509	4 509 at 27/08	3 701 at 04/01	+20.1%
Europe				
EuroStoxx50	4 191	4 230 at 13/08	3 481 at 29/01	+18.0%
CAC 40	6 892	6 896 at 13/08	5 399 at 29/01	+2.0%
DAX 30	15 852	15 977 at 13/08	13 433 at 29/01	+15.5%
IBEX 35	8 922	9 281 at 14/06	7 758 at 29/01	+1.1%
FTSE100	7 148	7 220 at 11/08	6 407 at 29/01	+1.1%
Asia				
MSCI, loc.	1 127	1 150 at 15/06	1 044 at 06/01	+0.8%
Nikkei	27 641	30 468 at 16/02	27 013 at 20/08	+0.7%
Emerging				
MSCI Emerging (\$)	1 273	1 445 at 17/02	1 221 at 20/08	-0.1%
China	91	130 at 17/02	87 at 20/08	-15.8%
India	813	813 at 27/08	659 at 29/01	+21.5%
Brazil	1 837	2 098 at 24/06	1 561 at 09/03	-1.8%
Russia	787	802 at 17/08	647 at 01/02	+17.1%

At 27-8-21

PERFORMANCE BY SECTOR (Eurostoxx50 & S&P500)

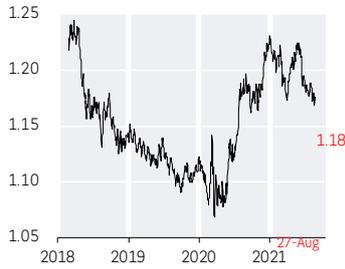


SOURCE: REFINITIV, BNP PARIBAS,

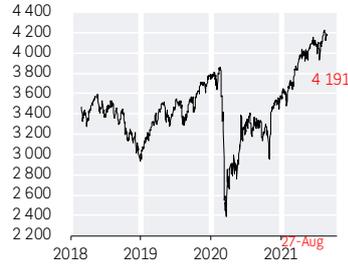


MARKETS OVERVIEW

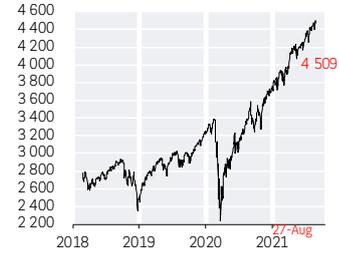
EURO-DOLLAR



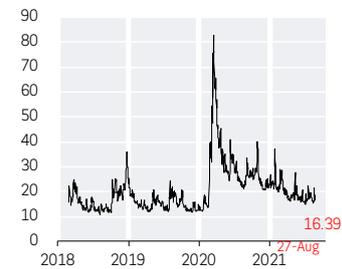
EUROSTOXX50



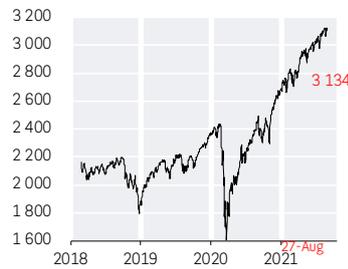
S&P500



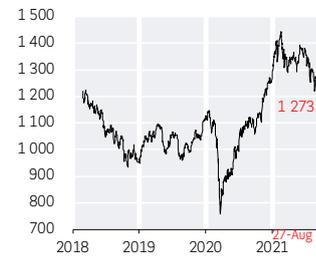
VOLATILITY (VIX, S&P500)



MSCI WORLD (USD)



MSCI EMERGING (USD)

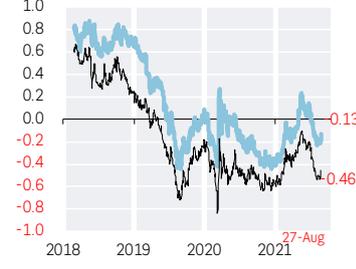


10Y BOND YIELD, TREASURIES VS BUND



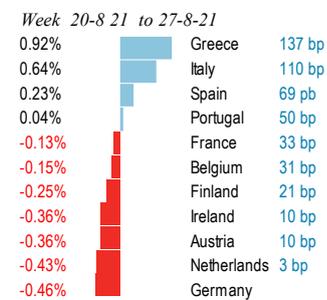
—Bunds —US Treasuries

10Y BOND YIELD

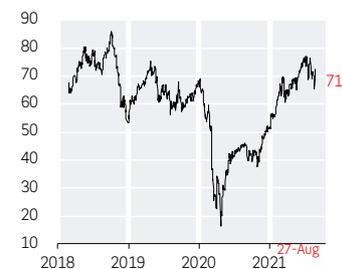


—Bunds —OAT

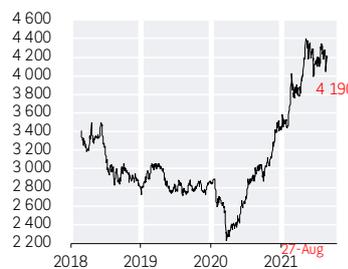
10Y BOND YIELD & SPREADS



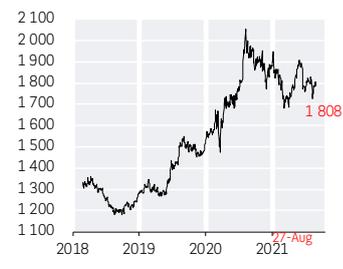
OIL (BRENT, USD)



METALS (LMEX, USD)



GOLD (OUNCE, USD)



SOURCE: REFINITIV, BNP PARIBAS



ECONOMIC PULSE

EUROZONE: CREDIT IMPULSE REMAINS NEGATIVE IN Q2, DEMAND FOR FINANCING EXPECTED TO RISE IN Q3

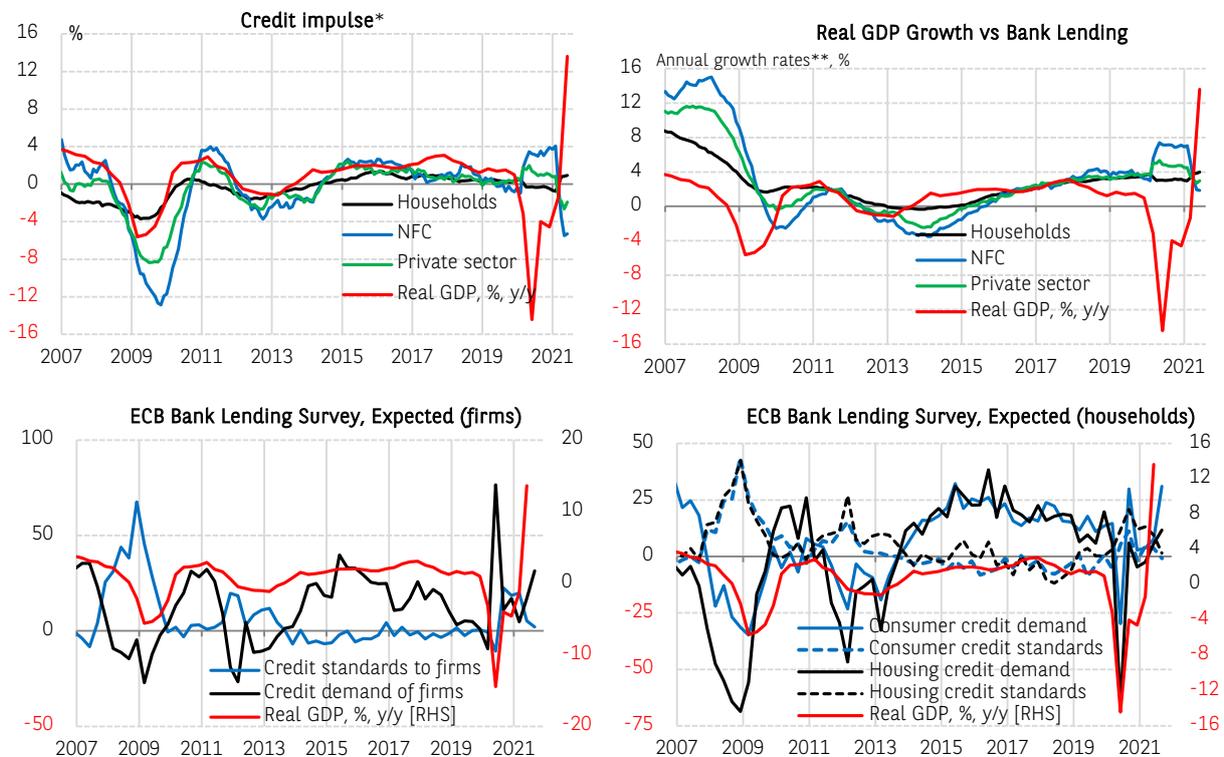
The credit impulse in the eurozone, reflecting the year-on-year change in credit outstanding, remained negative in June 2021. As a reminder, the introduction of financial support measures for companies by eurozone governments led to exceptionally strong but temporary growth in bank lending to non-financial corporations in spring 2020. Combined with this, the slowdown in outstandings seen a year later (+1.9% y/y in June 2021 vs. +5.3% in March 2021) squeezed the credit impulse in lending to non-financial corporations (-5.3% in June 2021 vs. +0.3% in March). However, the very marked slowdown in outstanding loans to non-financial corporations should be considered against the backdrop of a significant proportion of companies still having abundant liquidity relating to loans taken out in anticipation of their needs in 2020, which may be redeployed to finance a fraction of capital expenditure. As a result of the unusually countercyclical role played by bank loans in 2020 and following on from the developments seen in the second quarter (rebound in real GDP of +13.6% y/y in Q2 2021 vs. -1.3% in Q1), continuing economic recovery in the second half of 2021 in the eurozone is unlikely to be accompanied by as marked an upturn in outstanding loans as usual during this phase of the cycle.

The development of outstanding household loans seems slightly more correlated to actual economic activity. Following relatively stable growth of around 3% since April 2020, in June 2021, they increased at a rate not seen since 2008, up +4.0% y/y. This growth was fuelled by demand for home loans (+5.7% y/y), while outstanding consumer loans remained down slightly in June 2021 (-0.2%).

The results of the ECB's Bank Lending Survey suggest greater demand for financing from companies and households in the third quarter of 2021 (with an upturn likely in consumer loans in particular). On average, banks expect to keep their lending criteria unchanged after being made stricter in 2020. Lastly, the survey was conducted over a period during which the Delta coronavirus variant was already actively circulating (from 14 to 29 June 2021) and an unexpected deterioration in the health situation could shed doubt on these forecasts.

Laurent Quignon

CREDIT IMPULSE IN THE EUROZONE



SOURCE: ECB SURVEY ON THE DISTRIBUTION OF CREDIT, BLS, BNP PARIBAS CALCULATIONS

*Credit impulse is measured as the annual change of the annual growth rate of MFI loans

** Adjusted for securitizations



ECONOMIC PULSE

GERMANY: RAPID SPREAD OF DELTA VARIANT WEIGHS ON ECONOMIC SENTIMENT

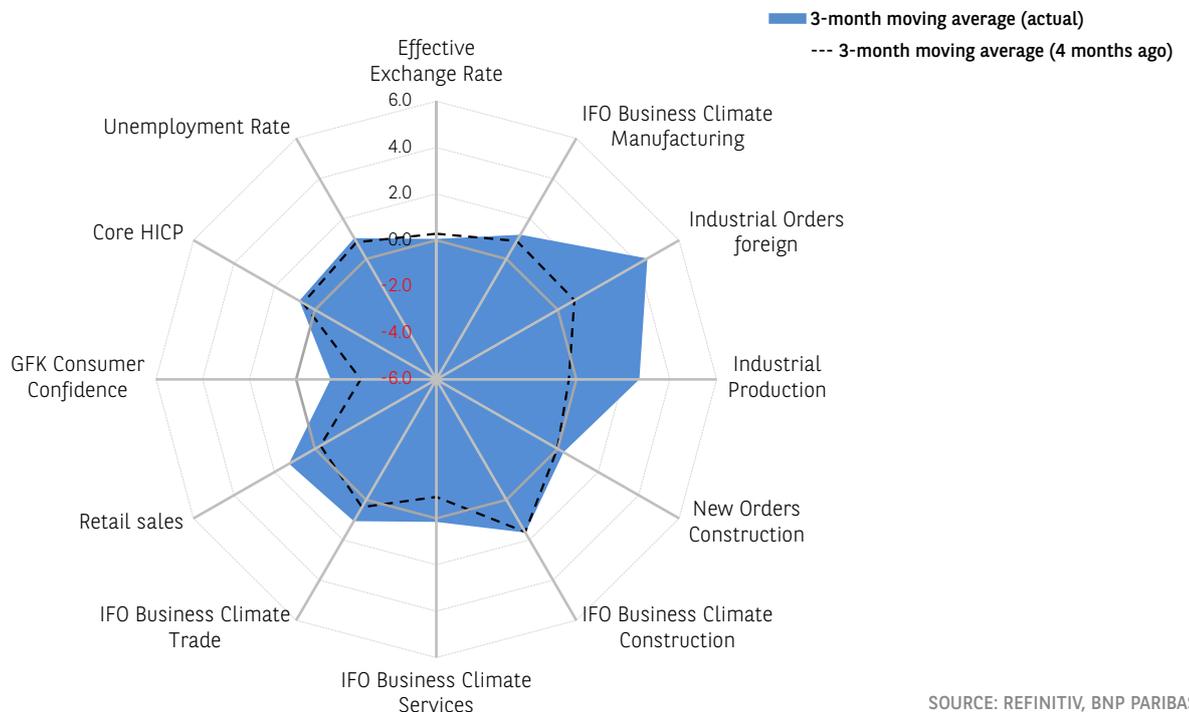
The German economic climate has significantly improved according to our Pulse. The blue area, representing the situation in the past three months, has clearly expanded compared to that in the preceding three-month period (the area within the dashed line). This is most obvious in the hard data for the manufacturing sector such as orders and production, which strengthened significantly in Q2 from the previous quarter.

However, this is largely a rear mirror view that stands in sharp contrast to the most recent sentiment indicators that actually signal a deterioration of the economic climate. In August, the ifo Business Climate index dropped for the second consecutive month owing to a further slide in expectations. This is partly related to the worldwide shortage of semiconductors that is holding back output in Germany's large car industry. In addition, the lack of building materials is delaying construction activity. The business climate also deteriorated in services in August despite increased activity on the back of the easing of Covid-19-related measures. However, expectations fell sharply, as the sector fears a renewed tightening following the rapid spread of the delta variant. The increase in infections is also the reason for the sharp drop in consumer sentiment in August. The GfK institute expects a further decline next month.

A major uncertainty for the economy is related to the course of the pandemic. In recent weeks, the 7-day incidence rate has rapidly increased and stood at 60.1 per 100.000 inhabitants on 25 August. In the most populous land of North Rhine-Westphalia, it even reached 114.3. At the same time, the vaccination momentum is slowing. Currently, only 60% of the population is fully vaccinated. A second uncertainty is the outcome of the upcoming federal elections, which will be held on 26 September. In recent weeks, the CDU/CSU lead in the polls has completely disappeared and the party is now in a neck-and-neck race with the SPD.

Raymond Van Der Putten

QUARTERLY CHANGES



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 -6 and +6. 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

8

FRANCE: MORE TEMPERED OPTIMISM

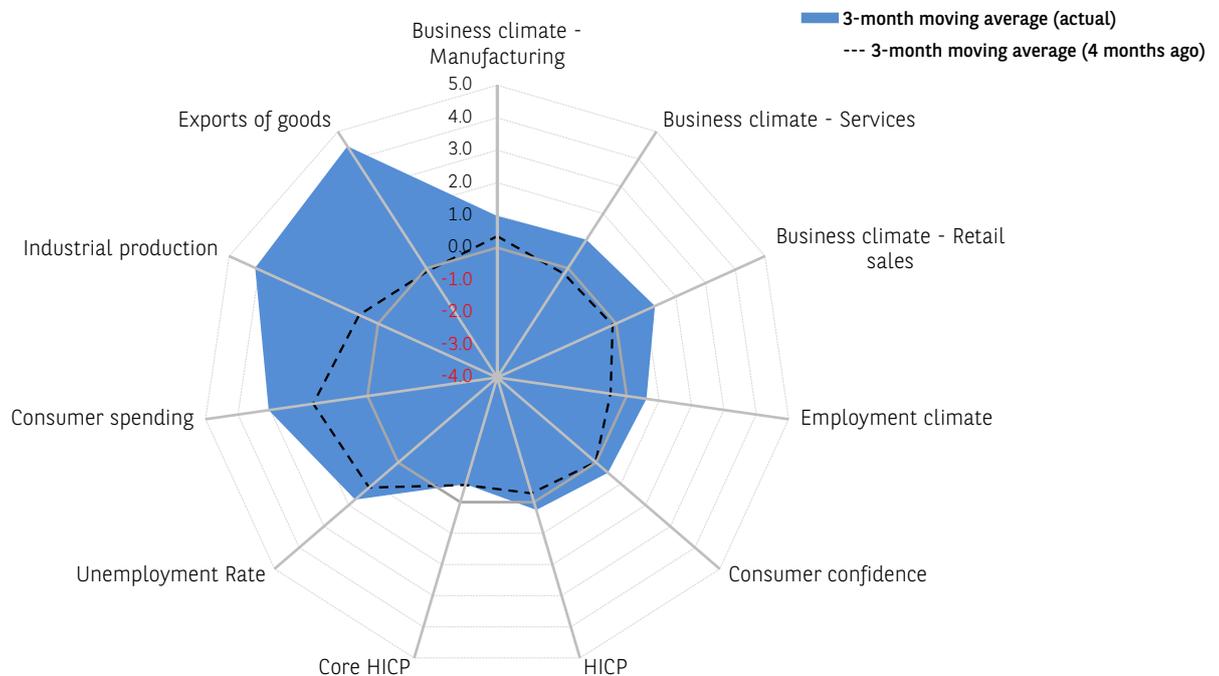
According to INSEE's preliminary estimate, French GDP grew 0.9% q/q in Q2 2021. This outcome was slightly better than expected, as we had forecast a 0.8% rise and INSEE a 0.7% increase. Although growth in France was significantly weaker than across the euro zone at large (2% q/q) or the United States (1.6% q/q), it was still a decent figure given the circumstances. Indeed, despite the third lockdown in April, it lay well inside positive territory. The lockdown's negative impact on economic activity was even more modest than that of the second lockdown. According to the Banque de France's latest estimates, the GDP shortfall compared with the pre-pandemic level widened by only a small margin between March (slightly less than 4%) and April (slightly over 4%), whereas it had worsened from -3% to -6% between October and November 2020. In May, the GDP shortfall diminished again – to slightly less than 4% – ahead of a larger improvement in June to around -2%. In June, France's economy was thus operating at 98% of its pre-pandemic level. The gentle-paced recovery conveyed by these figures contrasts with the excessive optimism reflected in the far stronger rebound of the May and June business confidence surveys.

The growth carryover in Q2 2021 stands at close to 5%, with the upward revision in the previous three quarters also playing a role in this. The government forecast, which matches our own, of growth of 6% over the year as a whole has solid chances of being reached, even though the growth outlook for Q3 and Q4 is not quite as rosy as it was three months ago, heading into the summer. Supply chain issues, hiring difficulties and higher input prices are holding back the recovery a bit more significantly than expected. The ongoing pandemic situation continues to hamper too the return to normal activity in the tourism, hotel & restaurant, culture, entertainment, trade and transports sector.

The decline in the July and August business climate surveys reflects these various factors, as well as natural statistical pullback from the heights reached in June. The scale of their decline was modest, however, and they remain at a very high level. Our Pulse continues to point to an improvement in the economic situation in recent months compared with the previous three months. It shows up more clearly in the economic indicators (consumer spending, production, exports) than in the confidence surveys (the blue area largely surpasses the area marked by the dotted line) because the hard data continue to be underpinned by a highly supportive base effect and because the more recent soft data we have (up to August rather than up to June) are somewhat lower.

Hélène Baudchon

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.



BNP PARIBAS

The bank
for a changing
world

ECONOMIC PULSE

DESPITE THE HIGH LEVEL OF NEW CASES IN SEVERAL COUNTRIES, MOBILITY INDICATORS REMAIN AT A HIGH LEVEL

According to the latest figures published by Johns Hopkins University, 4.6 million new Covid-19 cases were recorded worldwide between 19 and 25 August, up 1.2% on the previous week. Cases increased in both North America (10.8%) and Europe (3.5%). Conversely, decreases were logged in South America (7.7%), Asia (4.0%) and Africa (1.9%) over the same period (chart 1). In addition, vaccination drives have continued to make progress around the world, especially in the European Union where the pace of vaccination remains very high (chart 2).

Despite the Covid-19 situation, retail and recreation mobility is still holding up at its pre-pandemic level in Germany, Belgium and Italy. Vaccinations have thus tempered the impact of new cases on economic activity. Mobility is still lagging below its pre-Covid level in several countries (France, Spain, the United States, Japan and the United Kingdom), with declines ranging between 17% (Japan) and 3% (France). It's worth noting that footfall in France was back at its pre-pandemic level during the first week of August (chart 3).

Lastly, the OECD Weekly Tracker of annual GDP growth has dipped slightly of late in most of the world's most advanced economies. The OECD now calculates this indicator on a two-year rolling basis to avoid the base effect caused by comparisons with the figures for 2020. That said, it has improved recently in France and Italy (chart 3). The indicator is calculated by the OECD based on Google Trends data resulting from queries on consumption, the labour market, housing, industrial activity and uncertainty.

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)

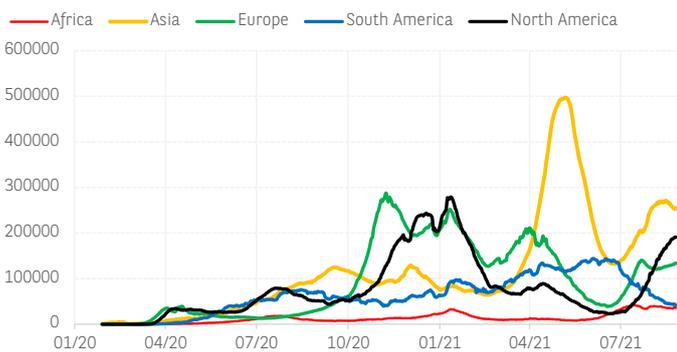


CHART 1

SOURCE: JOHNS-HOPKINS UNIVERSITY (08/26/2021), BNP PARIBAS

SHARE OF PEOPLE WHO RECEIVED AT LEAST ONE DOSE OF VACCINE

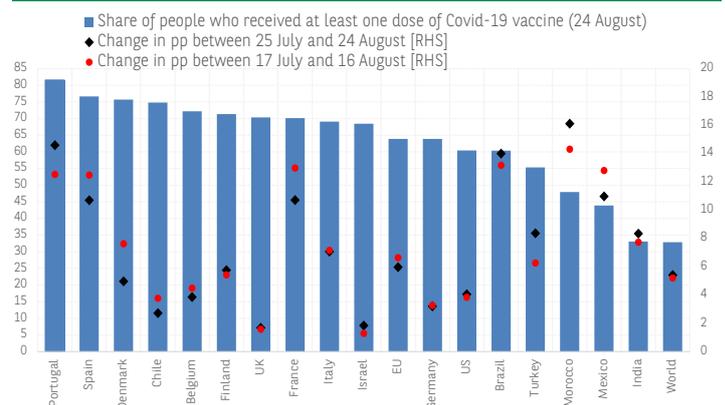


CHART 2

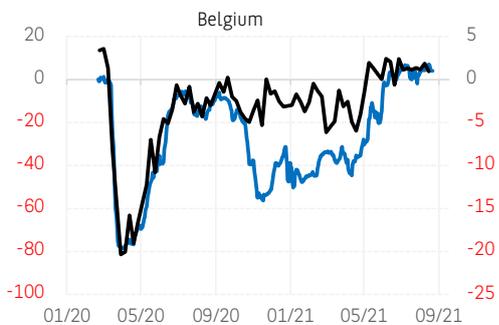
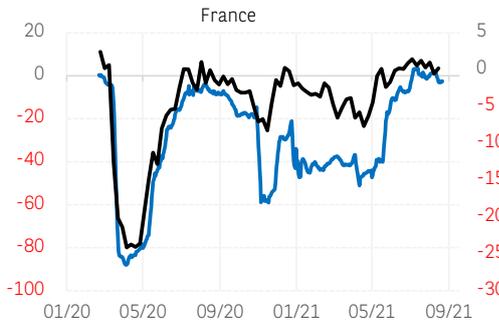
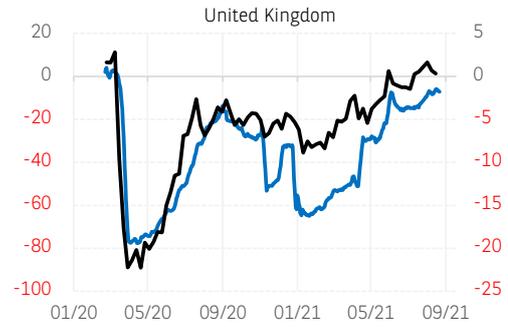
SOURCE: OUR WORLD IN DATA (08/26/2021), BNP PARIBAS



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]

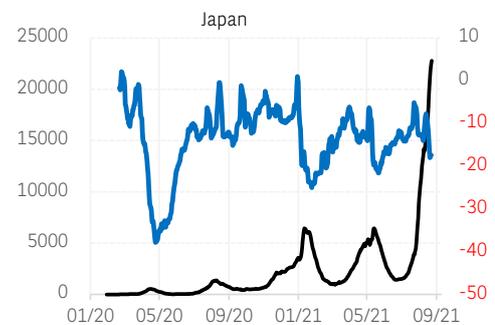
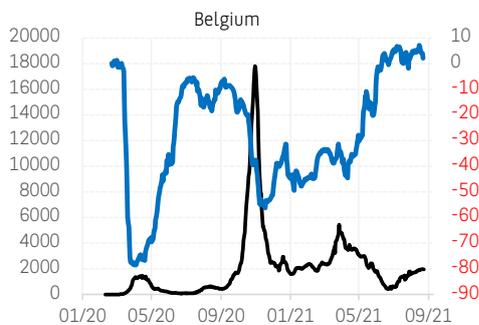
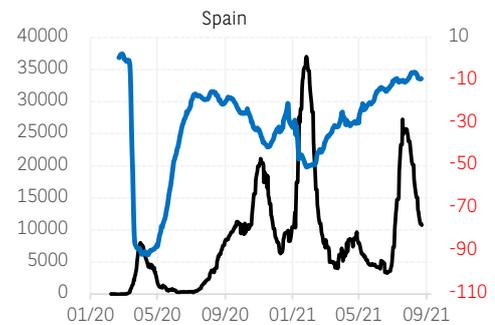
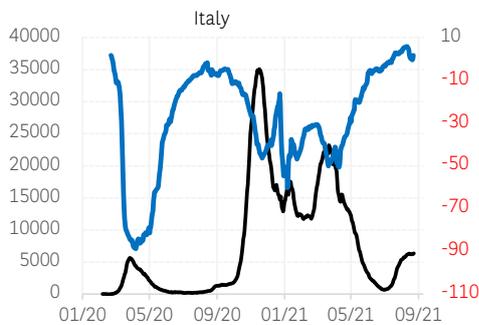
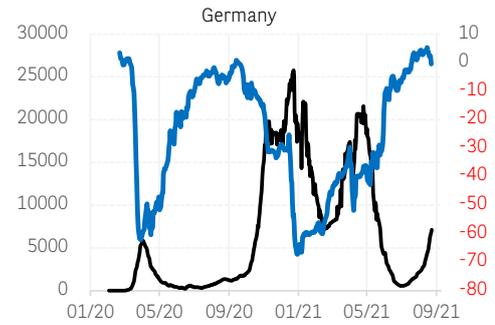
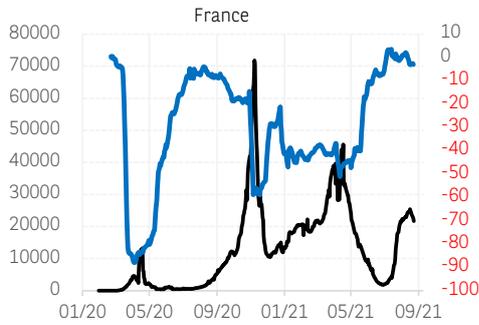
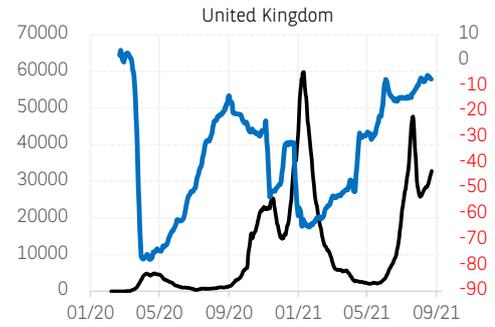
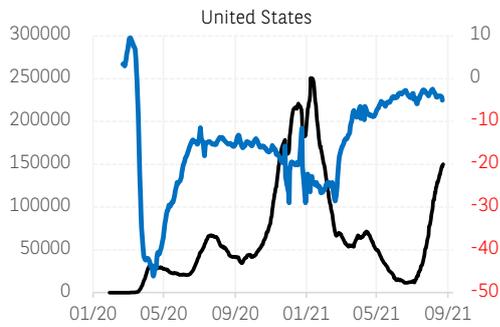


SOURCE: OECD (08/26/2021), GOOGLE (08/26/2021), BNP PARIBAS



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 (08/26/2021), GOOGLE (08/26/2021), BNP PARIBAS



ECONOMIC SCENARIO

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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

The post-Covid19 rebound in industrial production and exports reached its peak in the first months of 2021 and growth rates should normalize gradually in the coming quarters. Investment growth in infrastructure and real estate projects is expected to slow. The recovery in the services sector and in private consumption, which was still somewhat disappointing in H1 2021, should gain some momentum in H2 thanks to the acceleration of the vaccination campaign. Given the softer economic growth rebound, moderate consumer price inflation pressures and continued RMB appreciation over the past year, the authorities are expected to tighten the monetary and credit policy very cautiously in the short term. Fiscal support is also being withdrawn gradually.

EUROZONE

After an historic recession in 2020 (-6.8%, annual average), the Eurozone economy rebounded firmly in the first half of 2021. The annual growth should be +4.8% this year and +5.2% in 2022. Eurozone GDP could reach its pre-crisis level faster than we expected before, around end-2021. The acceleration of vaccines rollout in a large majority of Members States of the Eurozone and the progressive lifting of health restrictions reduce uncertainties for economic agents. Indeed, Economic Sentiment Index has reached an all-time high in July. Consumers' confidence, despite a slight decline in July, in particular has increased rapidly over the past few months. Also, in this still tricky situation, the policy-mix will remain accommodative to support the recovery. The rise in inflation should be temporary.

FRANCE

With a Q2 2021 growth carry-over of almost 5%, the Government's forecast, which we share, of 6% growth in 2021 in annual average terms has a solid chance of being met. 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. As for inflation, most of its recent rise is temporary. We expect it to peak in Q4 2021, before falling 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.

RATES AND EXCHANGE RATES

In the US, the outlook for inflation and employment as well as the latest signals from the FOMC point towards the central bank providing greater clarity in September about its intentions to scale back its asset purchases. We expect tapering to start in January next year or even earlier, but this depends on the strength of the labour market. We now expect the first Fed rate hike in this cycle in early 2023, which is earlier than previously thought. 10-year Treasury yields are expected to rise this year as well as next, reflecting an increase in real yields on the back of, as of Q4 this year, slowing but still strong growth and a gradually less accommodative monetary policy. 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 stance. Given the expected developments in terms of growth and inflation, the net purchases of the pandemic emergency purchase programme (PEPP) should stop at the end of March

2022 but the monthly volume under the traditional asset purchase programme should be increased on that occasion in order to avoid market disruption. 10-year Bund yields are expected to rise until the first half of 2022 and decline thereafter on the back of softer economic data. Sovereign spreads should widen somewhat in the fourth quarter of this year on the back of election-related uncertainty and the prospect of ending the PEPP.

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, 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 prospect of a first Fed rate hike. Similarly, we expect an appreciation of the dollar versus the yen. The Bank of Japan is expected to maintain its current policy stance including its yield curve control strategy although the range of the latter has recently been widened to +/- 25 bp around 0%. Within this range, JGB yields are expected to move higher, following the global trend.

GROWTH & INFLATION

%	GDP Growth				Inflation			
	2019	2020	2021 e	2022 e	2019	2020	2021 e	2022 e
United-States	2.2	-3.5	6.9	4.7	1.8	1.2	3.9	2.7
Japan	0.3	-4.7	2.2	3.3	0.5	0.0	0.0	0.2
United-Kingdom	1.5	-9.8	7.8	5.6	1.8	0.9	1.8	2.5
Euro Area	1.3	-6.7	4.8	5.2	1.2	0.3	2.1	1.8
Germany	0.6	-5.1	3.7	5.5	1.4	0.4	2.7	2.0
France	1.5	-8.0	6.0	4.6	1.3	0.5	1.8	1.3
Italy	0.3	-8.9	5.2	4.5	0.6	-0.1	1.5	1.9
Spain	2.0	-10.8	6.0	6.3	0.8	-0.4	2.3	1.8
China	6.1	2.3	8.7	5.3	2.9	2.5	1.7	2.8
India*	4.2	-7.2	8.4	9.4	4.8	6.1	5.0	5.0
Brazil	1.1	-4.1	5.5	3.0	3.7	3.2	7.2	4.8
Russia	1.3	-4.5	4.5	3.0	4.3	3.4	5.8	4.3

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, %		2021					2022e	
End of period		Q1	Q2e*	Q3e	Q4e	2021e	2022e	
US	Fed Funds (upper limit)	0.25	0.25	0.25	0.25	0.25	0.25	
	T-Notes 10y	1.75	1.54	1.70	1.90	1.90	2.20	
Ezone	Deposit rate	-0.50	0.00	-0.50	-0.50	-0.50	-0.50	
	Bund 10y	-0.33	-0.20	0.00	0.10	0.10	0.00	
	OAT 10y	-0.11	0.14	0.35	0.55	0.55	0.30	
	BTP 10y	0.63	0.84	1.10	1.40	1.40	1.10	
UK	BONO 10y	0.34	0.49	0.70	0.90	0.90	0.80	
	Base rate	0.10	0.10	0.10	0.10	0.10	0.25	
Japan	Gilts 10y	0.88	0.81	0.90	1.10	1.10	1.30	
	BoJ Rate	-0.04	-0.03	-0.10	-0.10	-0.10	-0.10	
	JGB 10y	0.09	0.05	0.12	0.20	0.20	0.23	
Exchange Rates		2021					2022e	
End of period		Q1	Q2e*	Q3e	Q4e	2021e	2022e	
USD	EUR / USD	1.18	1.20	1.18	1.17	1.17	1.14	
	USD / JPY	111	111	111	111	111	114	
	GBP / USD	1.38	1.39	1.40	1.39	1.39	1.38	
EUR	EUR / GBP	0.85	0.86	0.84	0.84	0.84	0.83	
	EUR / JPY	130	132	131	130	130	130	
Brent		2021					2022e	
End of period		Q1	Q2e*	Q3e	Q4e	2021e	2022e	
Brent	USD/bbl	64	76	80	78	78	70	

*SPOT RATES AS AT 25 JUNE

SOURCE: BNP PARIBAS GLOBAL MARKETS (E: ESTIMATES)



CALENDAR

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LATEST INDICATORS

In China, the purchasing managers indices sent a conflicting signal in July. The official index declined slightly whereas the Caixin composite PMI improved significantly on the back of the services sector. Several data pointed to slower growth in July and the data came in below the consensus: retail sales, industrial production, fixed assets investment. In addition, the jobless rate recorded a small increase.

In the eurozone, consumer confidence was stable in July but confidence in industry and services picked up further. The unemployment rate in June declined (the consensus had expected a stabilisation). Second quarter GDP growth is now estimated at 2% versus the first quarter. Headline inflation rose to 2.2% although core inflation declined to 0.7%. The final July PMIs were slightly better than the previous readings. The flash PMIs for August showed a quasi-stabilisation at a high level for services whereas the manufacturing index edged lower. The ZEW expectations index saw a big drop.

In France, consumer confidence declined slightly in July and August and consumer spending came in below expectations. Second quarter GDP of 0.9% was a bit better than anticipated. The unemployment rate saw a small decline in the second quarter but less than expected by the consensus. The July PMI data remained at a high level but were down somewhat versus the previous readings. The August flash PMIs recorded an additional decline versus the previous month. INSEE business confidence declined as well in August, more than anticipated.

In Germany, the business climate is worsening, judging by the decline of the IFO index in July as well as in August. This is driven by the expectations component because the current assessment actually improved in both months. The ZEW survey sent the same message: expectations down, current assessment up. The July PMIs improved versus the previous data but the flash PMIs for August saw a rather large decline in manufacturing. The GfK consumer confidence index was also down.

In Japan the composite PMI declined in July as well as in August, essentially driven by the services sector. Consumer confidence hardly moved in July. The EcoWatchers Survey saw an unexpected improvement in the assessment of the current situation whereas the outlook declined more than anticipated. Second quarter GDP growth surprised positively.

In the UK, second quarter GDP growth was very strong (4.8%), in line with the consensus. The manufacturing and, in particular, the services PMI declined both in July and August. Consumer confidence saw a small decrease but July retail sales recorded an unexpected contraction.

US second quarter GDP growth (6.4% on an annualised basis) was strong but below the consensus. Subsequently, it was revised upwards to 6.6%. The manufacturing ISM declined slightly in July. Prices paid were down and new orders as well but the employment series was up. The ISM services index was up strongly, beating expectations by a wide margin. The services PMI on the other hand saw an opposite movement and declined significantly. The manufacturing PMI improved in July. The labour market report for July was strong. Job creations beat expectations and the data for the previous month saw an upward revision. Core inflation edged lower in July but remains high (4.3%). The preliminary data for University of Michigan sentiment for August dropped both in the assessment of current conditions but even more so with respect to the outlook. Long-term inflation expectations moved higher, reaching 3.0%. The final data were slightly better. Retail sales declined more than expected in July and housing starts dropped significantly. The flash PMI for August was lower for manufacturing whereas services recorded an even bigger decline.

DATE	COUNTRY/REGION	EVENT	PERIOD	SURVEY	ACTUAL	PREVIOUS
07/26/2021	Japan	Jibun Bank Japan PMI Mfg	Jul	--	52.2	52.4
07/26/2021	Japan	Jibun Bank Japan PMI Services	Jul	--	--	48.0
07/26/2021	Japan	Jibun Bank Japan PMI Composite	Jul	--	47.7	48.9
07/26/2021	Germany	IFO Expectations	Jul	103.6	101.2	103.8
07/26/2021	Germany	IFO Current Assessment	Jul	101.8	100.4	99.8
07/26/2021	Germany	IFO Business Climate	Jul	102.5	100.8	101.8
07/27/2021	France	Total Jobseekers	2Q	--	3510.5k	3560.6k
07/27/2021	United States	Conf. Board Consumer Confidence	Jul	123.9	129.1	128.9
07/27/2021	United States	Conf. Board Present Situation	Jul	--	160.3	159.6
07/27/2021	United States	Conf. Board Expectations	Jul	--	108.4	108.5
07/28/2021	Germany	GfK Consumer Confidence	Aug	1.0	-0.3	-0.3
07/28/2021	France	Consumer Confidence	Jul	102.0	101.0	103.0
07/28/2021	United States	FOMC Rate Decision (Upper Bound)	Jul	0.3%	0.3%	0.3%
07/29/2021	Germany	Unemployment Change (000's)	Jul	-29.0k	-91.0k	-39.0k
07/29/2021	Eurozone	Consumer Confidence	Jul	--	-4.4	-4.4
07/29/2021	Eurozone	Economic Confidence	Jul	118.2	119.0	117.9
07/29/2021	Eurozone	Industrial Confidence	Jul	13.0	14.6	12.8
07/29/2021	Eurozone	Services Confidence	Jul	19.3	19.3	17.9



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DATE	COUNTRY/REGION	EVENT	PERIOD	SURVEY	ACTUAL	PREVIOUS
07/29/2021	United States	Initial Jobless Claims	Jul	385k	400k	424k
07/29/2021	United States	GDP Annualized QoQ	2Q	8.4%	6.5%	6.3%
07/30/2021	Japan	Retail Sales MoM	Jun	2.7%	3.1%	-0.3%
07/30/2021	France	Consumer Spending MoM	Jun	0.7%	0.3%	10.6%
07/30/2021	France	GDP QoQ	2Q	0.8%	0.9%	0.0%
07/30/2021	Germany	GDP SA QoQ	2Q	2.0%	1.5%	-2.1%
07/30/21 11:00	Eurozone	Unemployment Rate	Jun	7.9%	7.7%	8.0%
07/30/2021	Eurozone	CPI Estimate YoY	Jul	2.0%	2.2%	1.9%
07/30/2021	United States	U. of Mich. Sentiment	Jul	80.8	81.2	80.8
07/30/2021	United States	U. of Mich. Current Conditions	Jul	84.5	84.5	84.5
07/30/2021	United States	U. of Mich. Expectations	Jul	78.4	79.0	78.4
07/30/2021	United States	U. of Mich. 1 Yr Inflation	Jul	4.8%	4.7%	4.8%
07/30/2021	United States	U. of Mich. 5-10 Yr Inflation	Jul	--	2.8%	2.9%
07/31/2021	China	Non-manufacturing PMI	Jul	53.3	53.3	53.5
07/31/2021	China	Manufacturing PMI	Jul	50.8	50.4	50.9
07/31/2021	China	Composite PMI	Jul	--	52.4	52.9
08/02/2021	Japan	Jibun Bank Japan PMI Mfg	Jul	--	53.0	53
08/02/2021	China	Caixin China PMI Mfg	Jul	51.0	50.3	51.3
08/02/2021	Japan	Consumer Confidence Index	Jul	36.9	37.5	37.4
08/02/2021	France	Markit France Manufacturing PMI	Jul	58.1	58.0	58.0
08/02/2021	Germany	Markit/BME Germany Manufacturing PMI	Jul	65.6	65.9	65.9
08/02/2021	Eurozone	Markit Eurozone Manufacturing PMI	Jul	62.6	62.8	62.8
08/02/2021	United Kingdom	Markit UK PMI Manufacturing SA	Jul	60.4	60.4	60.4
08/02/2021	United States	Markit US Manufacturing PMI	Jul	63.1	63.4	63.4
08/02/2021	United States	ISM Manufacturing	Jul	61.0	59.5	60.6
08/02/2021	United States	ISM Prices Paid	Jul	89.0	85.7	92.1
08/02/2021	United States	ISM New Orders	Jul	64.2	64.9	66.0
08/02/2021	United States	ISM Employment	Jul	51.7	52.9	49.9
08/04/2021	Japan	Jibun Bank Japan PMI Services	Jul	--	47.4	47.4
08/04/2021	Japan	Jibun Bank Japan PMI Composite	Jul	--	48.8	48.8
08/04/2021	China	Caixin China PMI Composite	Jul	--	53.1	50.6
08/04/2021	China	Caixin China PMI Services	Jul	50.5	54.9	50.3
08/04/2021	France	Markit France Services PMI	Jul	57.0	56.8	56.8
08/04/2021	France	Markit France Composite PMI	Jul	56.8	56.6	56.6
08/04/2021	Germany	Markit Germany Services PMI	Jul	62.2	61.8	61.8
08/04/2021	Germany	Markit/BME Germany Composite PMI	Jul	62.5	62.4	62.4
08/04/2021	Eurozone	Markit Eurozone Services PMI	Jul	60.4	59.8	59.8
08/04/2021	Eurozone	Markit Eurozone Composite PMI	Jul	60.6	60.2	60.2
08/04/2021	United Kingdom	Markit/CIPS UK Services PMI	Jul	57.8	59.6	59.6
08/04/2021	United Kingdom	Markit/CIPS UK Composite PMI	Jul	57.7	59.2	59.2
08/04/2021	United States	Markit US Services PMI	Jul	59.8	59.9	59.9
08/04/2021	United States	Markit US Composite PMI	Jul	--	59.9	59.9



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DATE	COUNTRY/REGION	EVENT	PERIOD	SURVEY	ACTUAL	PREVIOUS
08/04/2021	United States	ISM Services Index	Jul	60.5	64.1	60.1
08/05/2021	Eurozone	ECB Publishes Economic Bulletin				
08/05/2021	United Kingdom	Bank of England Bank Rate	Aug	0.1%	0.1%	0.1%
08/06/2021	United States	Change in Nonfarm Payrolls	Jul	870k	943k	938k
08/06/2021	United States	Unemployment Rate	Jul	5.7%	5.4%	5.9%
08/06/2021	United States	Labor Force Participation Rate	Jul	61.7%	61.7%	61.6%
08/09/2021	China	CPI YoY	Jul	0.8%	1.0%	1.1%
08/09/2021	China	PPI YoY	Jul	8.8%	9.0%	8.8%
08/10/2021	Japan	Eco Watchers Survey Outlook SA	Jul	49.2	48.4	52.4
08/10/2021	Japan	Eco Watchers Survey Current SA	Jul	43.4	48.4	47.6
08/10/2021	Germany	ZEW Survey Expectations	Aug	55.0	40.4	63.3
08/10/2021	Germany	ZEW Survey Current Situation	Aug	31.0	29.3	21.9
08/10/2021	Eurozone	ZEW Survey Expectations	Aug	--	42.7	61.2
08/11/2021	United States	CPI YoY	Jul	5.3%	5.4%	5.4%
08/11/2021	United States	CPI Ex Food and Energy YoY	Jul	4.3%	4.3%	4.5%
08/12/2021	United Kingdom	GDP QoQ	2Q	4.8%	4.8%	-1.6%
08/12/2021	United States	PPI Final Demand MoM	Jul	0.6%	1.0%	1.0%
08/13/2021	France	ILO Unemployment Rate	2Q	7.8%	8.0%	8.1%
08/13/2021	United States	U. of Mich. Sentiment	Aug	81.2	70.2	81.2
08/13/2021	United States	U. of Mich. Current Conditions	Aug	83.5	77.9	84.5
08/13/2021	United States	U. of Mich. Expectations	Aug	78.0	65.2	79.0
08/13/2021	United States	U. of Mich. 1 Yr Inflation	Aug	4.6%	4.6%	4.7%
08/13/2021	United States	U. of Mich. 5-10 Yr Inflation	Aug	--	3.0%	2.8%
08/16/2021	Japan	GDP SA QoQ	2Q P	0.1%	0.3%	-0.9%
08/16/2021	China	Retail Sales YoY	Jul	10.9%	8.5%	12.1%
08/16/2021	China	Industrial Production YoY	Jul	7.9%	6.4%	8.3%
08/16/2021	China	Fixed Assets Ex Rural YTD YoY	Jul	11.3%	10.3%	12.6%
08/16/2021	China	Property Investment YTD YoY	Jul	12.9%	12.7%	15.0%
08/16/2021	China	Surveyed Jobless Rate	Jul	5.0%	5.1%	5.0%
08/17/2021	Eurozone	GDP SA QoQ	2Q	2.0%	2.0%	2.0%
08/17/2021	United States	Retail Sales Control Group	Jul	-0.2%	-1.0%	1.4%
08/17/2021	United States	NAHB Housing Market Index	Aug	80.0	75.0	80.0
08/18/2021	United Kingdom	CPIH YoY	Jul	2.3%	2.1%	2.4%
08/18/2021	Eurozone	CPI YoY	Jul	2.2%	2.2%	1.9%
08/18/2021	Eurozone	CPI Core YoY	Jul	0.7%	0.7%	0.7%
08/18/2021	United States	Housing Starts MoM	Jul	-2.6%	-7.0%	3.5%
08/18/2021	United States	Building Permits MoM	Jul	1.0%	2.6%	-5.3%
08/18/2021	United States	FOMC Meeting Minutes	28-Jul			
08/20/2021	United Kingdom	GfK Consumer Confidence	Aug	-7.0	-8.0	-7.0
08/20/2021	United Kingdom	Retail Sales Ex Auto Fuel MoM	Jul	0.1%	-2.4%	0.0%
08/23/2021	Japan	Jibun Bank Japan PMI Mfg	Aug	--	52.4	53.0



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DATE	COUNTRY/REGION	EVENT	PERIOD	SURVEY	ACTUAL	PREVIOUS
08/23/2021	Japan	Jibun Bank Japan PMI Services	Aug	--	43.5	47.4
08/23/2021	Japan	Jibun Bank Japan PMI Composite	Aug	--	45.9	48.8
08/23/2021	France	Markit France Manufacturing PMI	Aug	57.2	57.3	58.0
08/23/2021	France	Markit France Services PMI	Aug	56.3	56.4	56.8
08/23/2021	France	Markit France Composite PMI	Aug	56.1	55.9	56.6
08/23/2021	Germany	Markit/BME Germany Manufacturing PMI	Aug	65.0	62.7	65.9
08/23/2021	Germany	Markit Germany Services PMI	Aug	61.0	61.5	61.8
08/23/2021	Germany	Markit/BME Germany Composite PMI	Aug	62.0	60.6	62.4
08/23/2021	Eurozone	Markit Eurozone Manufacturing PMI	Aug	62.0	61.5	62.8
08/23/2021	Eurozone	Markit Eurozone Services PMI	Aug	59.5	59.7	59.8
08/23/2021	Eurozone	Markit Eurozone Composite PMI	Aug	59.6	59.5	60.2
08/23/2021	United Kingdom	Markit UK PMI Manufacturing SA	Aug	59.5	60.1	60.4
08/23/2021	United Kingdom	Markit/CIPS UK Services PMI	Aug	59.1	55.5	59.6
08/23/2021	United Kingdom	Markit/CIPS UK Composite PMI	Aug	58.7	55.3	59.2
08/23/2021	United States	Markit US Manufacturing PMI	Aug	62.0	61.2	63.4
08/23/2021	United States	Markit US Services PMI	Aug	59.2	55.2	59.9
08/23/2021	United States	Markit US Composite PMI	Aug	--	55.4	59.9
08/23/2021	Eurozone	Consumer Confidence	Aug	-4.9	-5.3	-4.4
08/24/2021	Germany	GDP SA QoQ	2Q	1.5%	1.6%	1.5%
08/25/2021	Germany	IFO Expectations	Aug	100.0	97.5	101.0
08/25/2021	Germany	IFO Current Assessment	Aug	100.8	101.4	100.4
08/25/2021	Germany	IFO Business Climate	Aug	100.4	99.4	100.7
08/26/2021	Germany	GfK Consumer Confidence	Sep	-0.5	-1.2	-0.4
08/26/2021	France	Business Confidence	Aug	112	110	113
08/26/2021	United States	GDP Annualized QoQ	2Q	6.7%	6.6%	6.5%
08/27/2021	France	Consumer Confidence	Aug	100	99	100
08/27/2021	United States	U. of Mich. Sentiment	Aug	70.8	70.3	70.2
08/27/2021	United States	U. of Mich. Current Conditions	Aug	77.9	78.5	77.9
08/27/2021	United States	U. of Mich. Expectations	Aug	65.4	65.1	65.2
08/27/2021	United States	U. of Mich. 1 Yr Inflation	Aug	4.60%	4.60%	4.60%
08/27/2021	United States	U. of Mich. 5-10 Yr Inflation	Aug	--	2.90%	3.00%

SOURCE: BLOOMBERG



CALENDAR: THE WEEK AHEAD

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COMING INDICATORS

Several important data will be published this week, which will allow to better assess the cyclical environment in the month of August. For the eurozone we have the European Commission's household and business surveys. The purchasing managers' indices for manufacturing and services as well as the composite index will be released for a large number of countries. We also have inflation data for the eurozone, Germany and France. Finally, in the US, we have consumer confidence, the ISM indices as well as the all-important labour market report.

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	PREVIOUS
08/30/2021	Eurozone	Consumer Confidence	Aug	--	-5.3
08/30/2021	Eurozone	Economic Confidence	Aug	--	119
08/30/2021	Eurozone	Industrial Confidence	Aug	--	14.6
08/30/2021	Eurozone	Services Confidence	Aug	--	19.3
08/30/2021	Germany	CPI EU Harmonized MoM	Aug	--	0.50%
08/30/21-09/02/21	Germany	Retail Sales MoM	Jul	-1.10%	4.20%
08/31/2021	Japan	Jobless Rate	Jul	--	2.90%
08/31/2021	China	Non-manufacturing PMI	Aug	52	53.3
08/31/2021	China	Manufacturing PMI	Aug	50.2	50.4
08/31/2021	China	Composite PMI	Aug	--	52.4
08/31/2021	Japan	Consumer Confidence Index	Aug	--	37.5
08/31/2021	France	PPI MoM	Jul	--	1.10%
08/31/2021	France	Consumer Spending MoM	Jul	--	0.30%
08/31/2021	France	CPI EU Harmonized MoM	Aug	--	0.10%
08/31/2021	France	GDP QoQ	2Q	--	0.90%
08/31/2021	Germany	Unemployment Change (000's)	Aug	--	-91.0k
08/31/2021	Eurozone	CPI Core YoY	Aug	--	0.70%
08/31/2021	Eurozone	CPI MoM	Aug	--	-0.10%
08/31/2021	Eurozone	CPI Estimate YoY	Aug	--	2.20%
08/31/2021	United States	Conf. Board Consumer Confidence	Aug	124	129.1
08/31/2021	United States	Conf. Board Present Situation	Aug	--	160.3
08/31/2021	United States	Conf. Board Expectations	Aug	--	108.4
09/01/2021	Japan	Jibun Bank Japan PMI Mfg	Aug	--	52.4
09/01/2021	China	Caixin China PMI Mfg	Aug	50.2	50.3
09/01/2021	France	Markit France Manufacturing PMI	Aug	--	57.3
09/01/2021	Germany	Markit/BME Germany Manufacturing PMI	Aug	--	62.7
09/01/2021	Eurozone	Markit Eurozone Manufacturing PMI	Aug	--	61.5
09/01/2021	United Kingdom	Markit UK PMI Manufacturing SA	Aug	--	60.1
09/01/2021	Eurozone	Unemployment Rate	Jul	--	7.70%

SOURCE: BLOOMBERG



DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	PREVIOUS
09/01/2021	United States	Markit US Manufacturing PMI	Aug	--	61.2
09/01/2021	United States	Construction Spending MoM	Jul	0.30%	0.10%
09/01/2021	United States	ISM Manufacturing	Aug	59	59.5
09/01/2021	United States	ISM Prices Paid	Aug	--	85.7
09/01/2021	United States	ISM New Orders	Aug	--	64.9
09/01/2021	United States	ISM Employment	Aug	--	52.9
09/02/2021	Eurozone	PPI MoM	Jul	--	1.40%
09/02/2021	Eurozone	PPI YoY	Jul	--	10.20%
09/02/2021	United States	Initial Jobless Claims	28-Aug	--	--
09/02/2021	United States	Unit Labor Costs	2Q	0.90%	1.00%
09/02/2021	United States	Cap Goods Orders Nondef Ex Air	Jul	--	--
09/03/2021	Japan	Jibun Bank Japan PMI Services	Aug	--	43.5
09/03/2021	Japan	Jibun Bank Japan PMI Composite	Aug	--	45.9
09/03/2021	China	Caixin China PMI Composite	Aug	--	53.1
09/03/2021	China	Caixin China PMI Services	Aug	51.3	54.9
09/03/2021	France	Markit France Services PMI	Aug	--	56.4
09/03/2021	France	Markit France Composite PMI	Aug	--	55.9
09/03/2021	Germany	Markit Germany Services PMI	Aug	--	61.5
09/03/2021	Germany	Markit/BME Germany Composite PMI	Aug	--	60.6
09/03/2021	Eurozone	Markit Eurozone Services PMI	Aug	--	59.7
09/03/2021	Eurozone	Markit Eurozone Composite PMI	Aug	--	59.5
09/03/2021	United Kingdom	Markit/CIPS UK Services PMI	Aug	--	55.5
09/03/2021	United Kingdom	Markit/CIPS UK Composite PMI	Aug	--	55.3
09/03/2021	Eurozone	Retail Sales MoM	Jul	--	1.50%
09/03/2021	United States	Change in Nonfarm Payrolls	Aug	775k	943k
09/03/2021	United States	Unemployment Rate	Aug	5.20%	5.40%
09/03/2021	United States	Average Hourly Earnings YoY	Aug	4.00%	4.00%
09/03/2021	United States	Average Weekly Hours All Employees	Aug	34.8	34.8
09/03/2021	United States	Labor Force Participation Rate	Aug	--	61.70%
09/03/2021	United States	Underemployment Rate	Aug	--	9.20%
09/03/2021	United States	Markit US Services PMI	Aug	--	55.2
09/03/2021	United States	Markit US Composite PMI	Aug	--	55.4
09/03/2021	United States	ISM Services Index	Aug	62.7	64.1

SOURCE: BLOOMBERG



FURTHER READING

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French labour market: are the signs of a return to better fortune already there?	Chart of the Week	25 August 2021
Saudi Arabia: Positive short-term prospects	EcoTVWeek	30 July 2021
Latin America: Potential growth and the commodities cycle	Chart of the Week	28 July 2021
US inflation: increasing discomfort	EcoWeek	26 July 2021
Outlook for the second half of the year: it's not over	EcoTVWeek	23 July 2021
India: up against a wall	Conjoncture	23 July 2021
Economic recovery in the advanced countries: lessons from the past	Conjoncture	23 July 2021
UK banks have lost ground on The Banker 's ranking since the announcement of Brexit	Chart of the Week	21 July 2021
US Treasuries: buyer beware	EcoWeek	19 July 2021
Vaccination campaign, economic recovery and the Olympic Games: Japan sends mixed signals	EcoTVWeek	16 July 2021
United-States: The timid return of the pandemic's vanishing labour force	Chart of the Week	15 July 2021
3rd quarter 2021 issue: Emerging Countries: A fragile recovery	EcoEmerging	13 July 2021
Eurozone: The ECB's strategy review: "We've heard what you said and we've listened"	EcoWeek	12 July 2021
Emerging Countries: a still fragile recovery	EcoTVWeek	9 July 2021
Central America's public debt profile: a high dependence on external creditors	Chart of the Week	7 July 2021
3rd quarter 2021 issue	EcoPerspectives	7 July 2021
July 2021 issue	French Economy Pocket Atlas	6 July 2021
Eurozone : Unemployment, consumer confidence and household spending	EcoWeek	5 July 2021
Covid-19: A comparative analysis of support measures in Germany, France, Italy and Spain	EcoFlash	2 July 2021



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