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ECONOMIC RESEARCH DEPARTMENT



**BNP PARIBAS**

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## EUROZONE: THE MANY FACES OF PROPORTIONALITY IN ECONOMIC POLICY

Following the judgment of the German Constitutional Court on 5 May, the ECB Governing Council needs to demonstrate that the monetary policy objectives of its PSPP are not disproportionate to the economic and fiscal policy effects resulting from the programme. In most cases, monetary, economic and fiscal policies are mutually reinforcing. When assessing whether monetary policy is appropriate, one should take into account the stance of economic and fiscal policy. The necessity to have adequate transmission to all jurisdictions as well as the likelihood and extent of tail risks due to insufficient policy action also play a role in the assessment.

It is an ironic coincidence that the publication on 5 May of the judgment of the German Federal Constitutional Court on the Public Sector Purchase Programme (PSPP) of the European Central Bank (ECB)<sup>1</sup> was followed the next day by the European Commission's spring forecast. The former concluded that the review undertaken back in 2018 by the European Court of Justice (ECJ) of the PSPP is "not comprehensible", considering that in assessing PSPP's proportionality, the ECJ had completely disregarded all economic policy effects arising from the programme<sup>2</sup>. This reflects a view that the pursuit of an inflation mandate could have unwanted economic and fiscal policy effects, e.g. by creating an environment providing cheap financing to companies with weak balance sheets and highly-indebted countries. In this line of thinking, monetary policy is disproportionate when in pursuing its objective – inflation rates below, but close to 2% – it ignores economic and fiscal effects. In reality, the effects of monetary, economic and fiscal policies are difficult to separate. More importantly, in most cases, these policies are mutually reinforcing, rather than conflictual. A fiscal expansion has a bigger impact when monetary policy is very accommodative because it avoids that rising interest rates act as a headwind. Inaction in terms of structural adjustment – a point which was emphasized by Mario Draghi as ECB President in every single press conference during his mandate – increases the burden on monetary policy. Likewise, insufficient fiscal stimulus during a downturn puts the entire burden on monetary policy. This implies that the proportionality of monetary policy needs to be assessed taking into consideration the stance of economic and fiscal policy.

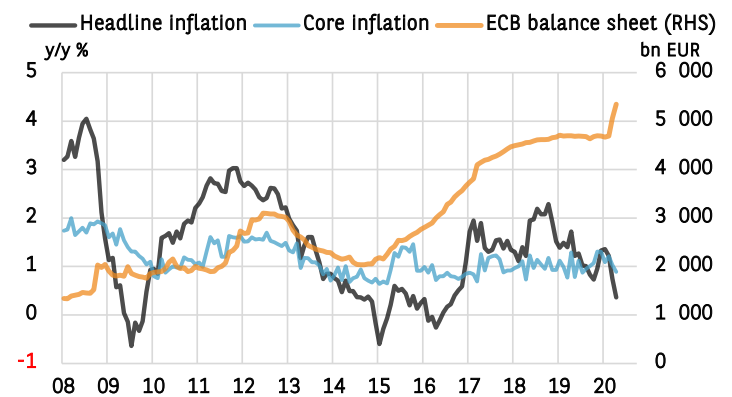
Another factor to be taking into account is the risk of non-linear developments. This is top of mind when a central bank wants to preserve its inflation targeting credentials: throwing in the towel could put us into deflation, with detrimental economic consequences. Another example

is maintaining adequate market functioning, including for governments. This is a key objective of the Pandemic Emergency Purchase Programme<sup>3</sup>. The relationship between policy effort and risk was clearly emphasized by ECB President Lagarde in last week's press conference: "That some self-imposed limits might hamper action that the ECB is required to take in order to fulfil its mandate, the Governing Council will consider revising them to the extent necessary to make its action proportionate to the risks that we face."<sup>4</sup>

3. The judgment of the German Constitutional Court did not concern the PEPP. The Court explicitly stated that the decision "does not concern any financial assistance measures taken by the European Union of the ECB in the context of the current coronavirus crisis."

4. Source: ECB, Press conference, Christine Lagarde, President of the ECB, Luis de Guindos, Vice-President of the ECB, Frankfurt am Main, 30 April 2020

### EUROZONE: INFLATION AND ECB BALANCE SHEET



SOURCE: EUROSTAT, ECB, BNP PARIBAS

1. Source: Bundesverfassungsgericht, ECB decisions on the Public Sector Purchase Programme exceed EU competences, Press Release No. 32/2020 of 05 May 2020

2. As a consequence, "the Bundesbank may thus no longer participate in the implementation and execution of the ECB decisions at issue, unless the ECB Governing Council adopts a new decision that demonstrates in a comprehensible and substantiated manner that the monetary policy objectives pursued by the PSPP are not disproportionate to the economic and fiscal policy effects resulting from the programme."

The assessment whether monetary policy in pursuing its inflation objective is proportionate needs to take into account the stance of economic and fiscal policy, the necessity to have adequate transmission to all jurisdictions as well as the likelihood and extent of tail risks due to insufficient policy action.



Following the publication of the judgment, the spread between Italy and Germany widened somewhat, but, all in all, the reaction was muted. Investors must have considered that countless press conferences, meeting accounts, speeches and working papers should make it an easy task for the ECB to demonstrate that its PSPP is proportionate. In reaction, the ECB issued a press release in which it took note of the ruling adding it remains fully committed to its mandate to ensure *“that the monetary policy action taken in pursuit of the objective of maintaining price stability is transmitted to all parts of the economy and to all jurisdictions of the euro area.”* The emphasis on ‘all jurisdictions’ is no coincidence and is a subtle reminder that the large geographic remit is another factor to take into account what is proportionate and what is not.

Whereas the Constitutional Court’s judgment could raise concerns that the interpretation of the ECB’s mandate could be narrowed, thereby weighing on the effectiveness of monetary policy, the spring forecast of the European Commission emphasized the downside risks to its bleak assessment of the outlook and underlined once again to do more and act collectively. It mentions the risk of a revival of concerns about debt sustainability –which supports the necessity of the PEPP- but also the importance of sufficient coordination of national policy responses. The common EU response could be too limited *“or be inadequate to compensate for the lack of sufficient policy space in those euro area Member States that are also hardest hit.”* This last point brings another aspect of proportionality into the picture: in a monetary union, a condition for fiscal policy in a given country or at the union-wide level to be proportionate is that it takes into account whether it sufficiently compensates for the absence of policy leeway in certain member states. To conclude, the assessment whether monetary policy in pursuing its inflation objective is proportionate needs to take into account the stance of economic and fiscal policy, the necessity to have adequate transmission to all jurisdictions as well as the likelihood and extent of tail risks due to insufficient policy action. In addition it seems useful to apply such an assessment to fiscal policy in the context of a monetary union.

**William De Vijlder**



# MARKETS OVERVIEW

## OVERVIEW

Week 1-5-20 to 6-5-20

▼ CAC 40	4 572	▶ 4 433	-3.0 %
▲ S&P 500	2 831	▶ 2 848	+0.6 %
▼ Volatility (VIX)	37.2	▶ 34.1	-3.1 pb
▼ Libor \$ 3M (%)	0.54	▶ 0.45	-9.3 bp
▲ OAT 10y (%)	-0.08	▶ 0.03	+10.6 bp
▲ Bund 10y (%)	-0.59	▶ -0.50	+8.3 bp
▲ US Tr. 10y (%)	0.64	▶ 0.71	+7.3 bp
▼ Euro vs dollar	1.10	▶ 1.08	-1.9 %
▼ Gold (ounce, \$)	1 692	▶ 1 687	-0.3 %
▲ Oil (Brent, \$)	26.5	▶ 29.8	+12.5 %

### Interest Rates

		highest 20	lowest 20
\$ FED	0.25	1.75 at 01/01	0.25 at 16/03
Libor 3M	0.45	1.91 at 01/01	0.45 at 06/05
Libor 12M	0.80	2.00 at 01/01	0.74 at 09/03
£ BoE	0.10	0.75 at 01/01	0.10 at 19/03
Libor 3M	0.40	0.80 at 08/01	0.38 at 11/03
Libor 12M	0.75	0.98 at 01/01	0.52 at 11/03

At 6-5-20

## MONEY & BOND MARKETS

### Yield (%)

		highest 20	lowest 20
€ AVG 5-7y	0.10	0.72 at 18/03	-0.28 at 04/03
Bund 2y	-0.75	-0.58 at 14/01	-1.00 at 09/03
Bund 10y	-0.50	-0.17 at 19/03	-0.84 at 09/03
OAT 10y	0.03	0.28 at 18/03	-0.42 at 09/03
Corp. BBB	1.74	2.54 at 24/03	0.65 at 20/02
\$ Treas. 2y	0.18	1.59 at 08/01	0.18 at 04/05
Treas. 10y	0.71	1.91 at 01/01	0.50 at 09/03
High Yield	8.19	11.29 at 23/03	5.44 at 21/02
£ gilt. 2y	0.06	0.61 at 08/01	0.00 at 23/03
gilt. 10y	0.19	0.83 at 01/01	0.17 at 09/03

At 6-5-20

## EXCHANGE RATES

1€ =		highest 20	lowest 20	2020
USD	1.08	1.14 at 09/03	1.07 at 20/03	-3.8%
GBP	0.87	0.94 at 23/03	0.83 at 18/02	+3.1%
CHF	1.05	1.09 at 01/01	1.05 at 16/04	-3.2%
JPY	114.51	122.70 at 16/01	114.51 at 06/05	-6.1%
AUD	1.68	1.87 at 23/03	1.60 at 01/01	+5.2%
CNY	7.66	7.94 at 09/03	7.55 at 19/02	-2.0%
BRL	6.13	6.15 at 24/04	4.51 at 02/01	+35.7%
RUB	80.49	87.95 at 30/03	67.75 at 10/01	+15.5%
INR	81.80	84.60 at 09/03	77.21 at 17/02	+2.1%

At 6-5-20

Change

## COMMODITIES

Spot price, \$		highest 20	lowest 20	2020	2020(€)
Oil, Brent	29.8	69.1 at 06/01	16.5 at 21/04	-55.0%	-53.3%
Gold (ounce)	1 687	1 738 at 23/04	1 475 at 19/03	+10.9%	+15.3%
Metals, LME	2 393	2 894 at 20/01	2 232 at 23/03	-15.8%	-12.5%
Copper (ton)	5 168	6 270 at 14/01	4 625 at 23/03	-16.0%	-12.6%
CRB Foods	281	341.5 at 21/01	272 at 27/04	-16.9%	-13.6%
wheat (ton)	198	2.4 at 21/01	195 at 16/03	-13.5%	-10.1%
Corn (ton)	115	1.5 at 23/01	113 at 28/04	-2.3%	-19.8%

At 6-5-20

Change

## EQUITY INDICES

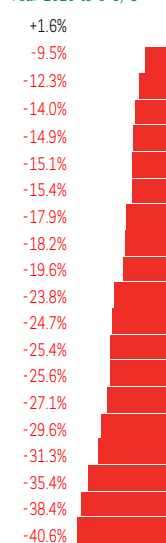
Index	highest 20	lowest 20	2020	
<b>World</b>			+1.6%	
MSCI World	2 008	2 435 at 12/02	1 602 at 23/03	-14.9%
<b>North America</b>			-9.5%	
S&P500	2 848	3 386 at 19/02	2 237 at 23/03	-11.8%
<b>Europe</b>			-12.3%	
EuroStoxx50	2 844	3 865 at 19/02	2 386 at 18/03	-14.9%
CAC 40	4 433	6 111 at 19/02	3 755 at 18/03	-15.1%
DAX 30	10 606	13 789 at 19/02	8 442 at 18/03	-15.4%
IBEX 35	6 672	10 084 at 19/02	6 107 at 16/03	-17.9%
FTSE100	5 854	7 675 at 17/01	4 994 at 23/03	-18.2%
<b>Asia</b>			-19.6%	
MSCI, loc.	837	1 034 at 20/01	743 at 23/03	-23.8%
Nikkei	19 619	24 084 at 20/01	16 553 at 19/03	-24.7%
<b>Emerging</b>			-25.4%	
MSCI Emerging (\$)	899	1 147 at 17/01	758 at 23/03	-25.6%
China	80	90 at 13/01	69 at 19/03	-27.1%
India	441	609 at 17/01	353 at 23/03	-29.6%
Brazil	1 158	2 429 at 02/01	1 036 at 23/03	-31.3%
Russia	563	857 at 20/01	419 at 18/03	-35.4%

At 6-5-20

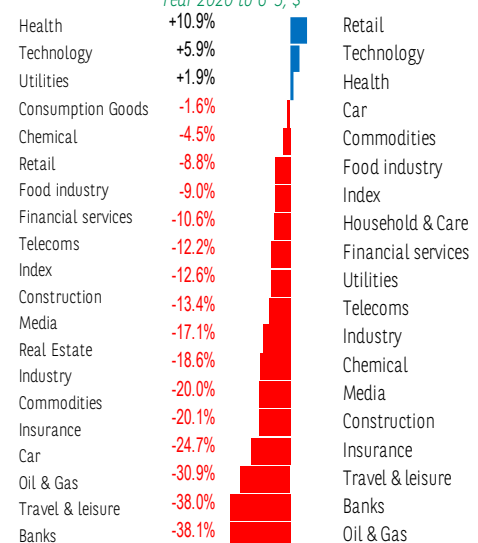
Change

## PERFORMANCE BY SECTOR (EUROSTOXX 50 & S&P500)

Year 2020 to 6-5, €



Year 2020 to 6-5, \$

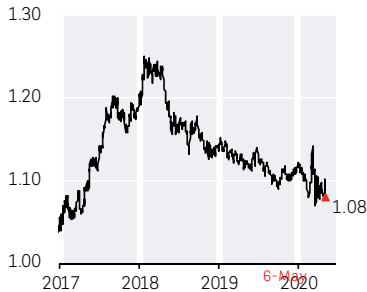


SOURCE: THOMSON REUTERS,

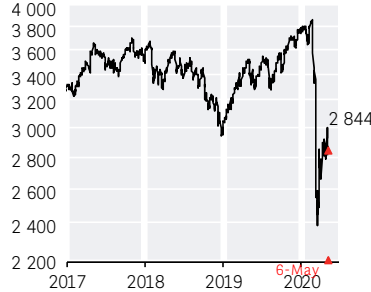


# MARKETS OVERVIEW

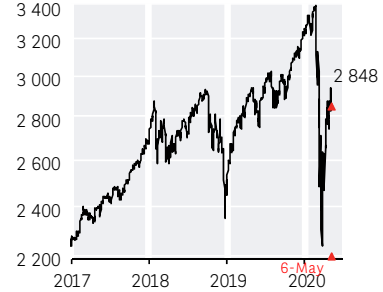
**EURO-DOLLAR**



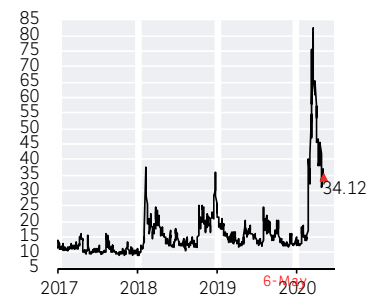
**EUROSTOXX50**



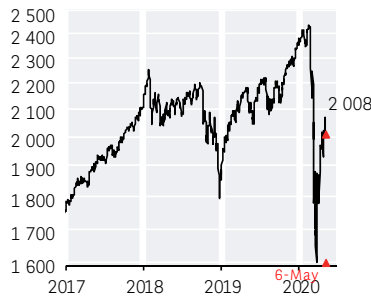
**S&P500**



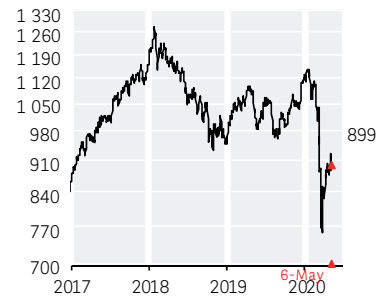
**VOLATILITY (VIX, S&P500)**



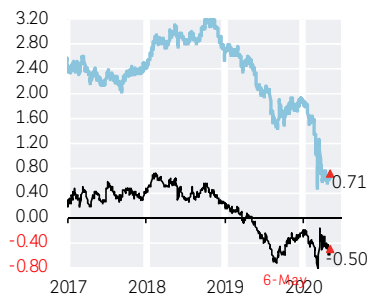
**MSCI WORLD (USD)**



**MSCI EMERGING (USD)**

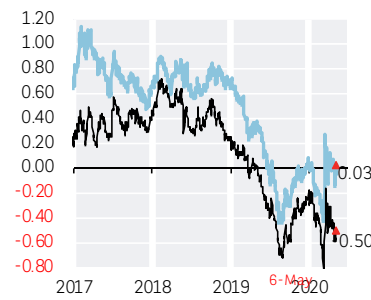


**10Y BOND YIELD, TREASURIES VS BUND**



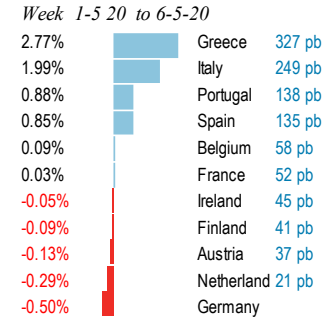
—Bunds —US Treasuries

**10Y BOND YIELD**

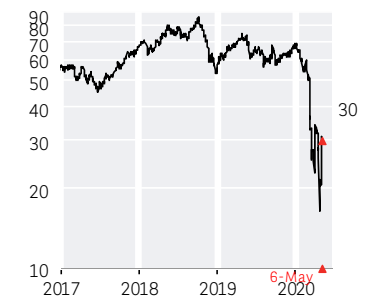


—Bunds —OAT

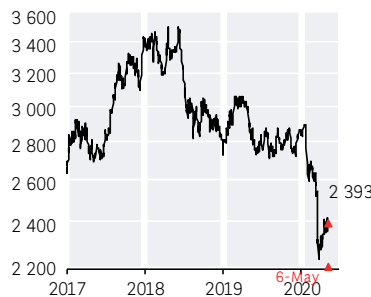
**10Y BOND YIELD & SPREADS**



**OIL (BRENT, USD)**



**METALS (LMEX, USD)**



**GOLD (OUNCE, USD)**



SOURCE: THOMSON REUTERS,



# ECONOMIC PULSE

## SPAIN: AT THE HEIGHT OF THE CRISIS

The Spanish data has sharply deteriorated – well below their historical averages – since the beginning of the lockdown in March. The trend in exports and industrial output remains positive on the graphic below but the latest figures are only for February. They will also plunge in March/April.

Indeed, the Purchasing Manager Indices (PMI) – which are more timely – show a record fall in activity in April. The services PMI plunged to 7.1 while the manufacturing index slipped to 30.8. Overall, firms reported a steep decline in output prices: the corresponding composite indicator was 36.2, the lowest level since March 2009.

While real GDP already declined by a record 5.2% q/q in Q1, it is clear that the contraction in Q2 will be even sharper, causing severe economic and social issues. The Spanish national employment office (SEPE) data, released last Tuesday, showed a record increase in unemployment in March-April (+681,210 or +21.7% after seasonal adjustment). This is despite the introduction of temporary layoffs (ERTE) for nearly 3.39 million individuals. These persons are considered as employed. It is

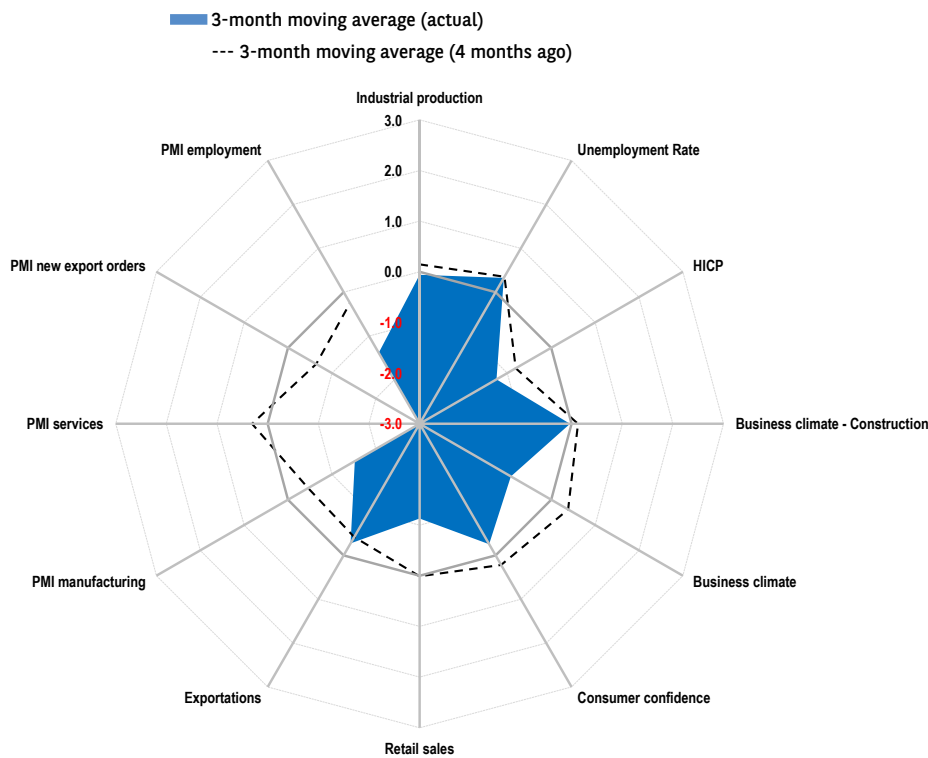
thus likely that the level of unemployment will rise even further in the coming months, as ERTE and some supports to companies are gradually scaled back.

The end of the lockdown, which really gets underway next Monday (the first phase will begin at the national level on May 11<sup>th</sup>), will be very gradual and spread out over at least 8 weeks. The economic recovery is set to remain sluggish at least through the summer and likely longer. The risks of protracted declines in key economic sectors for the country – not least tourism – are high.

In its Stability Plan submitted to the European Commission on May 1<sup>st</sup>, the Spanish government is now forecasting a 9.2% contraction in real GDP in 2020, and the public deficit is expected to swell to 10.3% of GDP.

**Guillaume Derrien**

### QUARTERLY CHANGES



SOURCE: THOMSON REUTERS, BNP PARIBAS

The indicators in the radar are all transformed into z-scores. By construction, the z-scores have mean zero and their values, which indicate how far the indicator is removed from its long-term average, are in the interval between -3 and 3 in almost all cases. 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 signals an improvement.



# ECONOMIC SCENARIO

7

## UNITED STATES

• The economy is increasingly impacted by the spreading of the coronavirus and concern is mounting about an increase in the unemployment rate, which would weigh on consumer spending. This explains the very significant measures taken by the Federal Reserve and those announced by the Administration. Clearly, the near term prospects depend on how the epidemic evolves. Once we will be beyond the peak, the measures taken thus far will be instrumental in supporting the recovery in demand and activity.

## CHINA

• The Covid-19 shock has represented a severe shock to both demand and supply. Economic activity collapsed in the first two months of the year (industrial production fell by 14% year-on-year, exports by 18% and retail sales by 24%), and we have revised strongly downwards our real GDP growth forecast for 2020. Activity has already started to recover, but this process should remain very gradual in the coming months.

• Since the outbreak of the virus, the central bank and the government have considerably stepped up stimulus measures aimed at helping enterprises and supporting domestic demand. However, the extent of the economic recovery is likely to be constrained by the consequences of the sanitary and economic crisis currently spreading in the rest of the world.

## EUROZONE

• The huge impact of the coronavirus epidemic is becoming increasingly visible in activity and demand data, following lockdowns, but also in confidence data and business expectations. The first semester will be significantly affected although the extent depends on when the epidemic will be brought under control. Taking guidance from the experience in China, the second semester should see an improvement in activity, which should be helped by the huge support measures which are being taken. Forecasts are entirely dependent on the scenario which is assumed for the epidemic.

## FRANCE

• A sharp GDP contraction is now expected in the first half of 2020 because of the propagation of the Covid-19 epidemic and ensuing lockdown measures. The recessionary shock should be temporary, but the shape of the recovery remains uncertain. The fiscal and financial packages announced by the Government, as well as the ECB measures on the monetary front, are aimed at limiting as much as possible the shock and at creating the conditions for activity to resume and get back to normal as rapidly as possible. We expect a quick rebound but risks lie on the downside. Inflation will also be negatively impacted, especially because of the plunge in oil prices.

## INTEREST RATES AND FX RATES

• In the US, the Federal Reserve has taken, in several meetings, a host of measures to inject liquidity in the financial system and facilitate the financing of companies. The federal funds rate has been brought down to the zero lower bound and QE has been restarted. Additional measures are to be expected should the economic and liquidity situation deteriorate further. Treasury yields have seen a big drop, reflecting a flight to safety but have also been very volatile. Eventually, given the temporary nature of the coronavirus epidemic and the fiscal stimulus measures, this should be followed by a rebound in yields but the timing is completely unclear.

• In the eurozone, the ECB has taken considerable measures to inject liquidity by starting a temporary Pandemic Emergency Purchase Programme, expanding the range of eligible assets under the corporate sector purchase programme (CSPP) to non-financial commercial paper and by easing the collateral standards by adjusting the main risk parameters of the collateral framework. More is to be expected should circumstances require. These measures should also keep a lid on sovereign bond spreads. The movement of bond yields will be very

much influenced by what happens to US yields, and hence, in the near term, by news about the epidemic.

• The Bank of Japan has kept its policy rate unchanged but has decided to double its purchases of ETFs and J-REITS (Investment funds tied to Japanese real estate). The target for its corporate bonds purchases has also been increased.

• Growing concerns about the global economic impact of the coronavirus have caused big drops in equity markets and a quest for liquidity, in particular in dollar. In this environment the dollar has acted as a safe haven currency.

### GROWTH & INFLATION

%	GDP Growth**			Inflation		
	2019	2020 e	2021 e	2019	2020 e	2021 e
United-States	2.3	-5.7	4.9	1.6	1.2	2.2
Japan	0.7	-4.6	0.3	0.5	-0.2	-0.2
United-Kingdom	1.4	-6.7	8.9	1.8	0.7	1.7
Euro Area	1.2	-8.3	8.0	1.2	0.2	1.2
Germany	0.6	-6.4	6.7	1.4	0.5	1.4
France	1.3	-7.1	7.0	1.3	0.3	1.3
Italy	0.2	-12.1	10.2	0.6	-	-
China	6.1	2.5	8.1	2.9	3.1	2.0
India*	6.1	2.7	5.2	4.7	3.5	4.0
Brazil	1.1	-4.0	4.0	3.7	3.6	3.5
Russia	1.3	-4.5	3.8	4.3	3.3	3.5

SOURCE: BNP PARIBAS GROUP ECONOMIC RESEARCH (E: ESTIMATES & FORECASTS)

\*FISCAL YEAR FROM 1<sup>ST</sup> APRIL OF YEAR N TO MARCH 31<sup>ST</sup> OF YEAR N+1

\*\*LAST UPDATE 23/04/2020

### INTEREST & EXCHANGE RATES

Interest rates, %		2019		2020				2018			2019			2020e		
End of period		Q3	Q4	Q1	Q2e	Q3e	Q4e	2018	2019	2020e	2018	2019	2020e	2018	2019	2020e
US	Fed Funds (upper limit)	2.00	1.75	0.25	0.25	0.25	0.25	2.50	1.75	0.25						
	T-Notes 10y	1.67	1.92	0.67	0.80	1.00	1.25	2.69	1.92	1.25						
Ezone	Deposit rate	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50						
	Bund 10y	-0.57	-0.19	-0.46	-0.50	-0.30	-0.20	0.25	-0.19	-0.20						
	OAT 10y	-0.28	0.08	-0.05	-0.15	0.00	0.05	0.71	0.08	0.05						
	BTP 10y	0.83	1.32	1.55	1.30	1.20	1.10	2.77	1.32	1.10						
UK	BON0 10y	0.15	0.47	0.68	0.50	0.50	0.50	1.42	0.47	0.50						
	Base rate	0.75	0.75	0.10	0.10	0.10	0.10	0.75	0.75	0.10						
Japan	Gilts 10y	0.40	0.83	0.31	0.55	0.85	0.90	1.27	0.83	0.90						
	BoJ Rate	-0.06	-0.05	-0.07	-0.10	-0.10	-0.10	-0.07	-0.05	-0.10						
Japan	JGB 10y	-0.22	-0.02	0.02	0.00	0.00	0.05	0.00	-0.02	0.05						
	Last update 20/03/2020															
Exchange Rates		2019		2020				2018			2019			2020e		
End of period		Q3	Q4	Q1	Q2e	Q3e	Q4e	2018	2019	2020e	2018	2019	2020e	2018	2019	2020e
USD	EUR / USD	1.09	1.12	1.10	1.12	1.15	1.17	1.14	1.12	1.17						
	USD / JPY	108	109	108	104	102	100	110	109	100						
	GBP / USD	1.23	1.32	1.24	1.27	1.32	1.34	1.27	1.32	1.34						
	USD / CHF	1.00	0.97	0.97	0.95	0.94	0.92	0.99	0.97	0.92						
EUR	EUR / GBP	0.89	0.83	0.89	0.88	0.87	0.87	0.90	0.83	0.87						
	EUR / CHF	1.09	1.09	1.06	1.06	1.08	1.08	1.13	1.09	1.08						
	EUR / JPY	118	122	118	117	117	117	125	122	117						
Last update 09/04/2020																

SOURCE: BNP PARIBAS GLOBAL MARKETS (E: ESTIMATES)



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## CALENDAR

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## LATEST INDICATORS

The PMIs released this week illustrate the different stages of the pandemic. Whereas in China, the Caixin manufacturing index was only marginally lower in April compared to March, in Europe and the US the full hit of the lockdown during the month of April showed up in the huge declines of the manufacturing and, even more so, services indices. In addition, eurozone retail sales and industrial output in Germany and France plunged in March compared to the previous month. The slight improvement in the Chinese Caixin services index provides comfort but the level remains low, which in combination with the big drop in imports, is a reminder of the challenges the economy is facing post-lockdown.

DATE	COUNTRY	INDICATOR	PERIOD	ACTUAL	PREVIOUS
05/04/2020	China	Caixin Manufacturing PMI Final	April	49.4	50.1
05/04/2020	Spain	Manufacturing PMI	April	30.8	45.7
05/04/2020	Italy	Markit/IHS Manufacturing PMI	April	31.1	40.3
05/04/2020	France	Markit Manufacturing PMI	April	31.5	43.2
05/04/2020	Germany	Markit/BME Manufacturing PMI	April	34.5	45.4
05/04/2020	Euro Zone	Markit Manufacturing Final PMI	April	33.4	44.5
05/05/2020	United States	Markit Composite Final PMI	April	27	40.9
05/06/2020	Spain	Services PMI	April	7.1	23
05/06/2020	Italy	Markit/IHS Services PMI	April	10.8	17.4
05/06/2020	France	Markit Services PMI	April	10.2	27.4
05/06/2020	Germany	Markit Services PMI	April	16.2	31.7
05/06/2020	Euro Zone	Markit Services Final PMI	April	12	26.4
05/06/2020	Euro Zone	Markit Composite Final PMI	April	13.6	29.7
05/06/2020	Euro Zone	Retail Sales MM	March	-11.2	0.6
05/07/2020	Germany	Industrial Output m/m	March	-9.2	0.3
05/07/2020	China	Caixin Services PMI	April	44.4	43
05/07/2020	France	Industrial Output m/m	March	-16.2	0.8
05/07/2020	United Kingdom	BoE Bank Rate	May	0.1	0.1
05/07/2020	United States	Initial Jobless Claims	2 May	3,169K	3,846K
05/07/2020	China	Exports y/y	April	3.5	-6.6
05/07/2020	China	Imports y/y	April	-14.2	-1
08/05/2020	United States	Non-Farm Payrolls	April		-701,000
08/05/2020	United States	Unemployment Rate	April		4.4

SOURCE: THOMSON REUTERS



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## CALENDAR: THE WEEK AHEAD

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## COMING INDICATORS

Next week sees the publication of several important statistics in China, which will allow to assess how the country is doing post-lockdown: loan growth, urban investment, industrial output, retail sales, inflation. The UK and Germany will publish their estimate for Q1 GDP growth. Inflation will be released in Germany, Spain, France and Italy. In the US, we have consumer price inflation, retail sales, industrial production, job openings and, for May, the NY Fed survey and University of Michigan sentiment.

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	PREVIOUS
05/11/2020	China (Mainland)	Outstanding Loan Growth	April		12,7
05/12/2020	China (Mainland)	PPI y/y	April		-1,5
05/12/2020	China (Mainland)	CPI y/y	April		4,3
05/12/2020	United States	Core CPI y/y, NSA	April	1,7	2,1
05/13/2020	United Kingdom	GDP Prelim q/q	Q1		0
05/13/2020	Euro Zone	Industrial Production y/y	March		-1,9
05/13/2020	United States	PPI exFood/Energy y/y	April	1,1	1,4
05/14/2020	Germany	HICP Final y/y	April		0,8
05/14/2020	Spain	HICP Final y/y	April		-0,6
05/14/2020	United States	Initial Jobless Claims	May		
05/15/2020	China (Mainland)	Urban Investment (ytd) y/y	April		-16,1
05/15/2020	China (Mainland)	Industrial Output y/y	April		-1,1
05/15/2020	China (Mainland)	Retail Sales y/y	April		-15,8
05/15/2020	Germany	GDP Flash q/q	Q1		0
05/15/2020	France	CPI (EU Norm) Final y/y	April		0,5
05/15/2020	Italy	CPI (EU Norm) Final y/y	April		0,1
05/15/2020	Euro Zone	GDP Flash Estimate q/q	Q1		-3,8
05/15/2020	United States	NY Fed Manufacturing	May	-69	-78,2
05/15/2020	United States	Retail Control	April		1,7
05/15/2020	United States	Industrial Production m/m	April	-9,9	-5,4
05/15/2020	United States	Capacity Utilization	April	67,4	72,7
05/15/2020	United States	JOLTS Job Openings	March		6882000
05/15/2020	United States	University of Michigan Sentiment	May	72,2	71,8

SOURCE: THOMSON REUTERS



## FURTHER READING

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<a href="#">The sharp rise in household inflation expectations in April, a signal to be put into perspective</a>	Chart of the Week	6 May 2020
<a href="#">The drop in Eurozone GDP: the worst is yet to come</a>	EcoTV Week	6 May 2020
<a href="#">COVID-19: Key measures taken by governments and central banks (update)</a>	EcoFlash	6 May 2020
<a href="#">The Fed: the global lender of last resort</a>	Conjoncture	30 April 2020
<a href="#">Preparing for leaner pensions</a>	Conjoncture	30 April 2020
<a href="#">France: shocking figures reveal the extent of the shock</a>	EcoTV Week	30 April 2020
<a href="#">Central bank balance sheet expansion: the sky is not the limit</a>	EcoWeek	30 April 2020
<a href="#">Eurozone: Lending trends in the euro zone: The coronavirus pandemic has led to an unprecedented rise in demand for credit from companies, but has hit demand from households</a>	EcoWeek	30 April 2020
<a href="#">COVID-19: Key measures taken by governments and central banks (update)</a>	EcoFlash	29 April 2020
<a href="#">The Egyptian pound's gradual depreciation is likely to continue in the short term</a>	Chart of the Week	29 April 2020
<a href="#">Eurozone: A disinflationary bias in the short and the medium term?</a>	EcoFlash	27 April 2020
<a href="#">Turkey: a still resilient pulse indicator</a>	EcoWeek	24 April 2020
<a href="#">The EU response to the economic consequences of the pandemic: clear progress</a>	EcoWeek	24 April 2020
<a href="#">The new government-guaranteed loan in France</a>	EcoTV	24 April 2020
<a href="#">COVID-19: Key measures taken by governments and central banks (update)</a>	EcoFlash	22 April 2020
<a href="#">The first effects of monetary policy measures on bank balance sheets</a>	Chart of the Week	22 April 2020
<a href="#">Huge jump in uncertainty acts as an additional drag on activity</a>	EcoWeek	17 April 2020
<a href="#">The Covid-19 pandemic: stress testing the supply side</a>	EcoWeek	17 April 2020
<a href="#">Will the Covid-19 shock lead to a significant increase in the inflation rate?</a>	EcoTV Week	17 April 2020



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