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ECONOMIC RESEARCH



BNP PARIBAS

The bank
for a changing
world

EUROZONE INFLATION: MORE NOISE THAN SIGNAL

The preliminary estimation for euro area inflation surprised to the upside, with annual core inflation reaching 1.4% in January. Monthly inflation was negative however, at -0.5%. Due to the Covid-19 pandemic, inflation data have become very noisy and hence more difficult to interpret. Survey data show rising input prices and lengthening of delivery times, which could exert some upward pressure on inflation. These factors should dissipate during the course of the year. Given the economic slack, any lasting pick-up in inflation should be a very gradual process

The preliminary estimate for euro area inflation surprised to the upside, with annual core inflation reaching 1.4% in January. Monthly inflation was negative however, at -0.5%. This may explain why the bond market was unimpressed. 10-year Bund yields hardly reacted to the news. Another reason could be that investors are very much aware that, due to the pandemic, inflation data have become very noisy and hence more difficult to interpret.

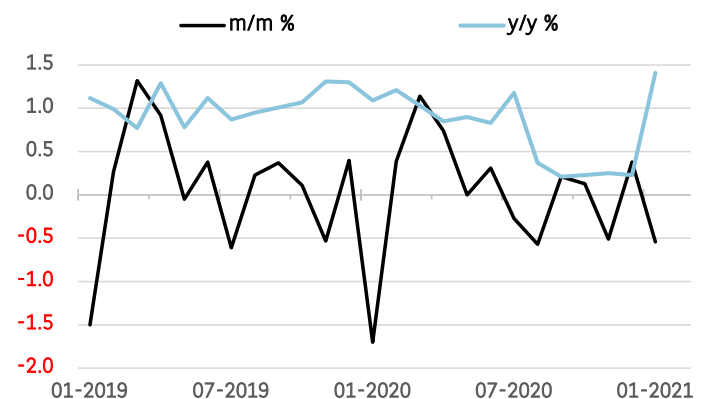
Several factors play a role. One, lockdown means that for certain items, new price sources need to be used. Certain prices may even be missing, because shops, hotels and restaurants are closed or services are no longer provided. Statistically, this is addressed by imputing the price changes observed for similar products for which data are available. In January, prices for 18% of services are imputed. Admittedly, it is well below the level of April last year when 41% of services and 43% of non-energy industrial goods had imputed prices, but it remains significant¹. Two, changes in taxation created base effects. In Germany, the temporary reduction in the VAT rate first caused a decline in prices, but, having ended in December, it triggered a price increase in January. Three, shop closures in certain countries meant less discounting than usual during the sale season, which is reflected in an increase of annual inflation. Four, due to restrictions and working-from-home, the household spending basket changes, which may also influence inflation dynamics². Finally, supply-side factors may cause a temporary increase in inflation. Sectors that have been under lockdown could see a jump in demand when restrictions are lifted, creating room to raise prices when price elasticity of demand is low.

Generally speaking, supply/demand-imbalances are already manifesting themselves in the purchasing managers' survey which point towards rising input prices and lengthening delivery times. This shows the delayed effects of supply side disruption but also the sudden acceleration of demand when restrictions are dropped. It is doubtful this will trigger a significant increase of consumer price inflation. The

PMI surveys show that output prices have increased less than input prices. Moreover, the influence of these factors should wane during the course of the year, as producers are better able to gauge the level of demand. It would imply that the more traditional inflation drivers would gain the upper hand, like inflation expectations and, in particular, economic slack. Given the ongoing concern about the employment outlook and the absence of labour market bottlenecks, any lasting pick-up in inflation should be a very gradual process.

William De Vijlder

EUROZONE: CORE HICP INFLATION RATE



SOURCE: EUROSTAT, BNP PARIBAS

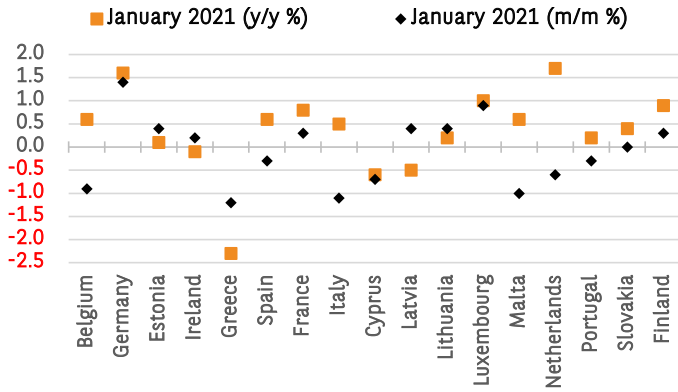
1. Source: Eurostat. <https://ec.europa.eu/eurostat/web/hicp/publications>.

2. Eurostat has written a special note on the updating of the HICP weights: <https://ec.europa.eu/eurostat/documents/10186/10693286/Guidance-on-the-compilation-of-HICP-weights-in-case-of-large-changes-in-consumer-expenditures.pdf>

Due to the Covid-19 pandemic, inflation data have become very noisy. Supply disruption may cause temporary increases, but given the economic slack, any lasting pick-up in inflation should be a very gradual process.



EUROZONE: HICP INFLATION RATE (EUROSTAT FLASH ESTIMATE)



SOURCE: EUROSTAT, BNP PARIBAS

EUROZONE: HICP INFLATION AND ITS COMPONENTS, %

	2021 weights	January 2021 annual rate	January 2021 monthly rate
All-items HICP	1000	0.9e	0.2e
All-items excluding:			
energy	905.1e	1.5e	-0.2e
energy, unprocessed food	854.5e	1.4e	-0.3e
energy, food, alcohol & tobacco	687.4e	1.4e	-0.5e
Food, alcohol & tobacco	217.6e	1.5e	0.8e
Processed food, alcohol & tobacco	167.0e	1.3e	0.7e
Unprocessed food	50.6e	1.9e	1.1e
Energy	94.9e	-4.1e	3.8e
Non-energy industrial goods	267.7e	1.4e	-1.5e
Services	419.7e	1.4e	0.0e

e Eurostat estimate

SOURCE: EUROSTAT, BNP PARIBAS



MARKETS OVERVIEW

OVERVIEW

Week 29-1 21 to 4-2-21

📈 CAC 40	5 399	▶ 5 609	+3.9 %
📈 S&P 500	3 714	▶ 3 872	+4.2 %
📉 Volatility (VIX)	33.1	▶ 21.8	-11.3 pb
📈 Euribor 3M (%)	-0.55	▶ -0.54	+0.5 bp
📈 Libor \$ 3M (%)	0.20	▶ 0.20	-0.7 bp
📈 OAT 10y (%)	-0.34	▶ -0.29	+4.9 bp
📈 Bund 10y (%)	-0.55	▶ -0.49	+6.3 bp
📈 US Tr. 10y (%)	1.10	▶ 1.14	+4.4 bp
📉 Euro vs dollar	1.21	▶ 1.20	-1.4 %
📉 Gold (ounce, \$)	1 858	▶ 1 790	-3.7 %
📈 Oil (Brent, \$)	56.0	▶ 58.9	+5.3 %

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	-0.39	-0.38 at 22/01	-0.46 at 04/01
Eonia	-0.47	-0.47 at 26/01	-0.50 at 01/01	Bund 2y	-0.70	-0.67 at 12/01	-0.75 at 01/01
Euribor 3M	-0.54	-0.54 at 26/01	-0.56 at 06/01	Bund 10y	-0.49	-0.49 at 04/02	-0.60 at 04/01
Euribor 12M	-0.51	-0.49 at 25/01	-0.52 at 02/02	OAT 10y	-0.29	-0.29 at 04/02	-0.41 at 04/01
\$ FED	0.25	0.25 at 01/01	0.25 at 01/01	Corp. BBB	0.57	0.58 at 29/01	0.50 at 08/01
Libor 3M	0.20	0.24 at 13/01	0.19 at 02/02	Treas. 2y	0.12	0.15 at 06/01	0.12 at 04/01
Libor 12M	0.31	0.34 at 01/01	0.30 at 02/02	Treas. 10y	1.14	1.14 at 04/02	0.91 at 01/01
£ BoE	0.10	0.10 at 01/01	0.10 at 01/01	High Yield	4.70	4.86 at 12/01	4.70 at 04/02
Libor 3M	0.04	0.04 at 01/02	0.03 at 01/01	£ gilt. 2y	0.03	0.03 at 04/02	-0.08 at 04/01
Libor 12M	0.09	0.09 at 03/02	0.07 at 11/01	£ gilt. 10y	0.46	0.46 at 04/02	0.21 at 04/01

EXCHANGE RATES

1€ =	highest 21	lowest 21	2021	
USD	1.20	1.23 at 06/01	1.20 at 04/02	-2.1%
GBP	0.88	0.91 at 06/01	0.88 at 04/02	-2.0%
CHF	1.08	1.09 at 07/01	1.08 at 18/01	+0.0%
JPY	126.28	127.42 at 07/01	125.22 at 18/01	-0.0%
AUD	1.58	1.60 at 04/01	1.56 at 14/01	-0.6%
CNY	7.74	8.00 at 01/01	7.74 at 04/02	-3.2%
BRL	6.49	6.69 at 11/01	6.33 at 18/01	+2.2%
RUB	90.68	92.20 at 28/01	88.87 at 20/01	+0.2%
INR	87.40	89.88 at 07/01	87.40 at 04/02	-2.2%

At 4-2-21 Change

COMMODITIES

Spot price, \$	highest 21	lowest 21	2021	2021(€)	
Oil, Brent	58.9	58.9 at 04/02	51.2 at 04/01	+13.6%	+16.0%
Gold (ounce)	1 790	1 947 at 05/01	1 790 at 04/02	-5.7%	-3.7%
Metals, LME	3 461	3 580 at 07/01	3 415 at 01/01	+1.4%	+3.5%
Copper (ton)	7 826	8 167 at 07/01	7 749 at 01/01	+1.0%	+3.2%
wheat (ton)	248	2.6 at 15/01	247 at 22/01	+0.3%	+2.4%
Corn (ton)	212	2.1 at 03/02	188 at 04/01	+1.2%	+14.7%

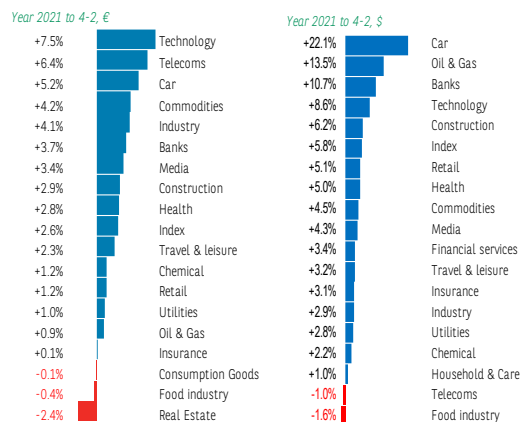
At 4-2-21 Change

EQUITY INDICES

Index	highest 21	lowest 21	2021	
World				
MSCI World	2 758	2 766 at 21/01	2 662 at 29/01	+2.5%
North America				
S&P500	3 872	3 872 at 04/02	3 701 at 04/01	+3.1%
Europe				
EuroStoxx50	3 642	3 645 at 08/01	3 481 at 29/01	+2.5%
CAC 40	5 609	5 707 at 08/01	5 399 at 29/01	+0.1%
DAX 30	14 060	14 060 at 04/02	13 433 at 29/01	+2.5%
IBEX 35	8 123	8 408 at 08/01	7 758 at 29/01	+0.1%
FTSE100	6 504	6 873 at 08/01	6 407 at 29/01	+0.1%
Asia				
MSCI, loc.	1 079	1 086 at 25/01	1 044 at 06/01	+0.3%
Nikkei	28 342	28 822 at 25/01	27 056 at 06/01	+3.3%
Emerging				
MSCI Emerging (\$)	1 388	1 410 at 25/01	1 292 at 01/01	+0.7%
China	122	125 at 25/01	108 at 01/01	+12.9%
India	712	712 at 04/02	659 at 29/01	+5.3%
Brazil	1 798	1 941 at 14/01	1 727 at 29/01	+0.0%
Russia	668	722 at 14/01	647 at 01/02	+2.0%

At 4-2-21 Change

PERFORMANCE BY SECTOR (Eurostoxx50 & S&P500)

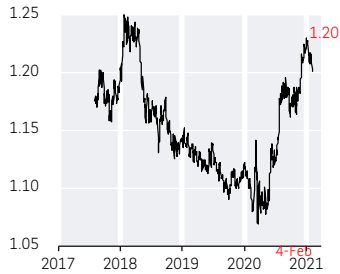


SOURCE: THOMSON REUTERS,

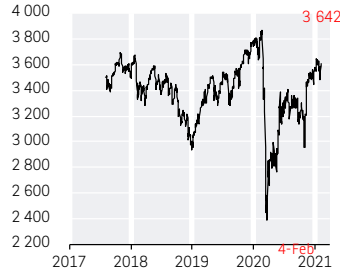


MARKETS OVERVIEW

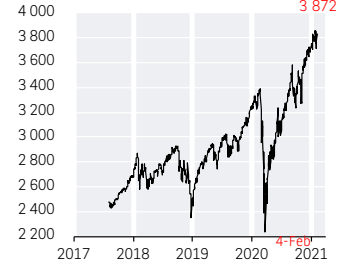
EURO-DOLLAR



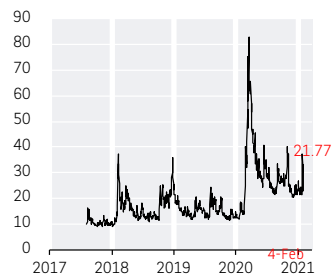
EUROSTOXX50



S&P500



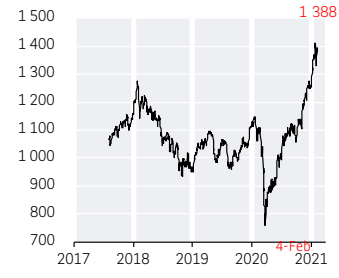
VOLATILITY (VIX, S&P500)



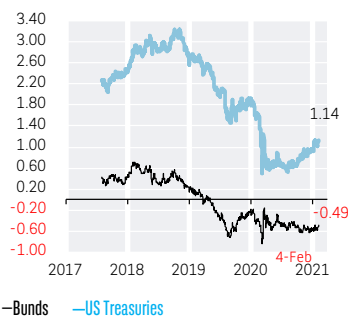
MSCI WORLD (USD)



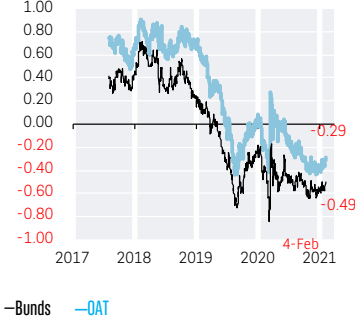
MSCI EMERGING (USD)



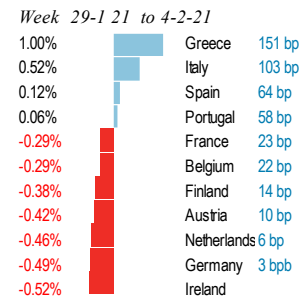
10Y BOND YIELD, TREASURIES VS BUND



10Y BOND YIELD



10Y BOND YIELD & SPREADS



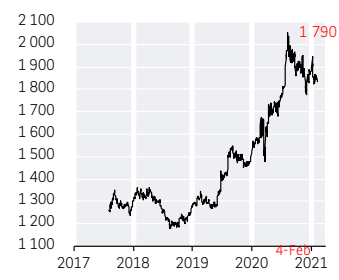
OIL (BRENT, USD)



METALS (LMEX, USD)



GOLD (OUNCE, USD)



SOURCE: THOMSON REUTERS,



ECONOMIC PULSE

UNITED KINGDOM: SOME LIGHT AT THE END OF THE TUNNEL

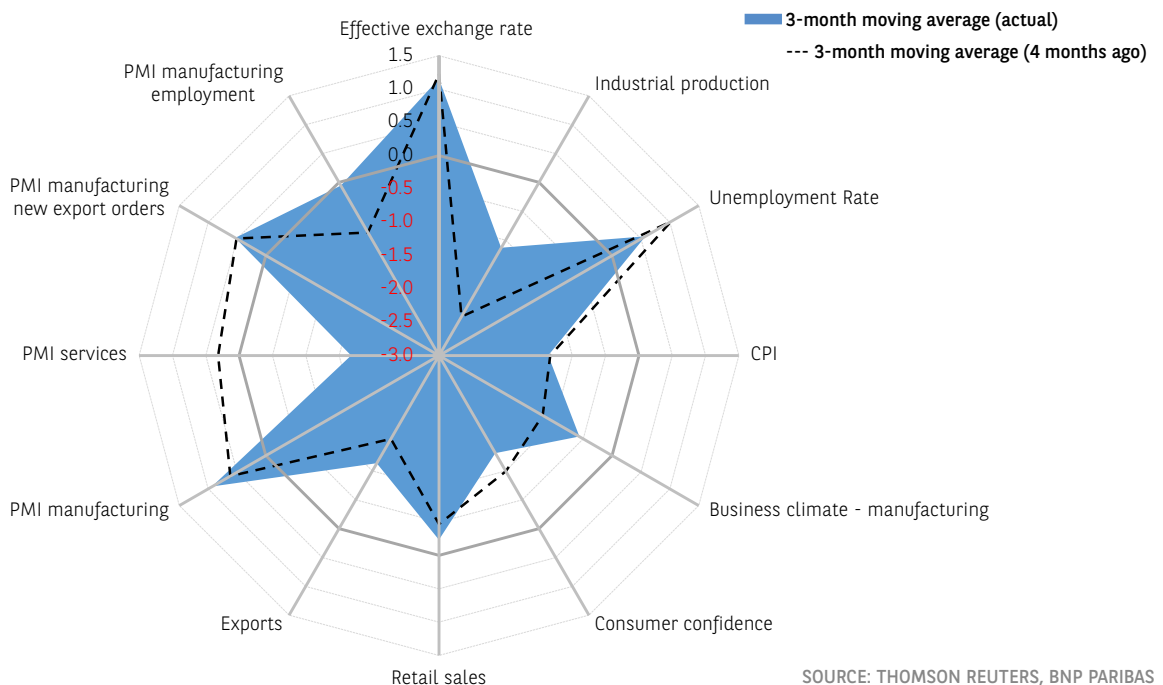
Unlike major European Union (EU) countries, UK still has not released its GDP for the fourth quarter of 2020. Nevertheless, the monthly indicator of the Office for National Statistics (ONS) gives a foretaste of how the economy fared during this period. In November, GDP contracted for the first time since April, falling by 2.6% as a second lockdown was imposed in England. This drop is due to the services sector, as the index for the production sector stagnated and the one for the construction sector increased. In fact, all services sub-sectors declined that month. Not surprisingly, the most affected sectors were accommodation and food service activities as well as wholesale and retail trade.

The second lockdown was lifted in early December, so it is possible that GDP increased a bit over the fourth quarter as a whole. However, GDP will certainly contract in the first quarter of 2021. Faced with another resurgence of the pandemic, the British government imposed a third lockdown in England at the beginning of January, and Prime Minister Boris Johnson has recently announced that it will remain in place until at least 8 March. In addition, the UK's exit from the EU's single market has markedly hindered the exchanges of certain goods - notably perishable goods - between the two parties. In its Monetary Policy Report for February 2021, the Bank of England estimates that UK GDP edged up by 0.6% in the fourth quarter of 2020 and forecasts that it will fall by more than 4% in the first quarter of 2021.

However, looking beyond the first months of this year, there is cause for optimism. Several vaccines that have proved to be effective against Covid-19 have now been approved by the British sanitary authorities, and the UK is vaccinating its population rapidly, indeed at a much quicker pace than EU countries. More than 15% of British have already been inoculated. Moreover, British companies will progressively adapt to their new trade relationship with the EU, which will certainly reduce frictions. In fact, this optimism can already be felt on foreign exchange markets. Over the past thirty days, the British pound has risen by about 3% against the euro.

Hubert de Barochez

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 -3 and +1.5. In the radar chart, the blue area shows the actual conditions of economic activity. It is compared with the situation four months earlier (dotted-line). An expansion of the blue area compared to the dotted area signals an increase in the variable.



ECONOMIC PULSE

RETAIL FOOTFALL BETWEEN RECOVERY AND STABILISATION

According to the Google Mobility Report of 2 February, visits to retail and recreation have picked up in some countries and stabilised in others.

France, Italy, Belgium and the UK saw a recovery during the final week of January, with respective increases in the 7-day moving average to 40%, 43%, 45% and 63% below the baseline* (Charts 1 and 2). However, the momentum is less distinct in the UK. On 1 February, Italy eased restrictions in most regions, allowing bars and restaurants to open until 6pm, which is likely to have a positive effect on people’s mobility. In Spain, footfall rebounded very slightly at the end of January, after a drop due to snowstorm Filomena that hit the country in early January. In Germany, footfall was stable at a very low level, with the 7-day moving average around 60% below the baseline. Visitor numbers have also stabilised in the United States and Japan in the final week of January. Visitor numbers remain high in these countries relative to those in Europe, at around 75% of pre-crisis levels.

The final services PMI data show how tighter health restrictions weighed on activity in this sector in January (Chart 3). For all countries other than the US, these indices remained below the 50-mark, which separates contraction from expansion. In Spain, the snowstorm Filomena that hit the country in early January and health restrictions, weighed heavily on service activity, the index of which fell sharply to 41.7 in January from 48 in December. In Italy, the services index climbed from 39.7 in December to 44.7 in January, well above the consensus (39.5).

In France, the services PMI dropped from 49.1 in December to 47.3 in January, a lowest for three months. In Germany services continued to decelerate, with the services PMI hitting 46.7 in January, the fourth consecutive monthly fall. In Japan, where the services PMI had stabilised at 47.7 in 2020 Q4, it fell sharply in January, taking it to 46.1, a lowest since August 2020. There was also a steep drop in the index in the UK, from 49.4 in December to 39.5 in January, the biggest fall since May 2020. It rose to 57.5 in January (from 54.8 in December), the second highest score since March 2015.

Tarik Rharrab

RETAIL AND RECREATION MOBILITY

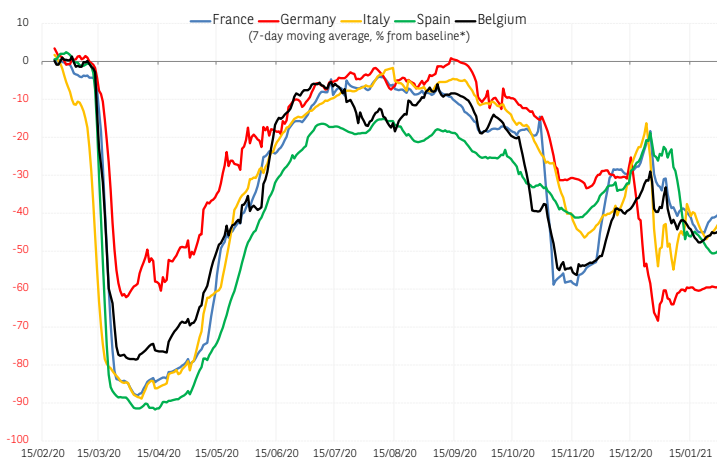


CHART 1

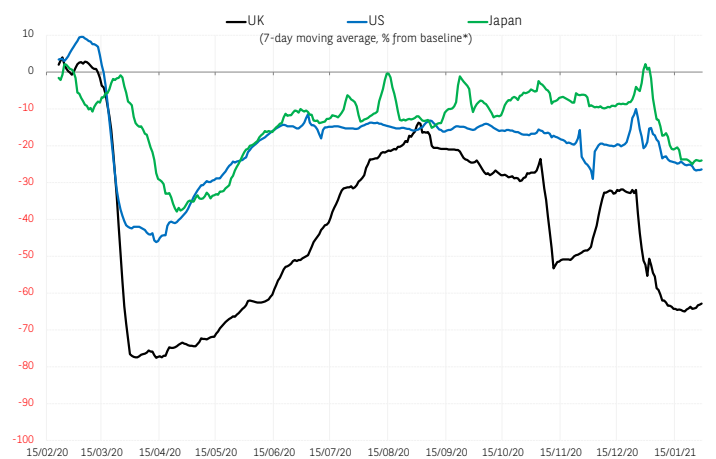


CHART 2

SOURCE: GOOGLE (LAST UPDATE 2 FEBRUARY 2021), BNP PARIBAS

*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.

ECONOMIC PULSE

RELATIONSHIP BETWEEN MARKIT PMI SURVEYS IN THE SERVICES SECTOR AND RETAIL AND RECREATION MOBILITY

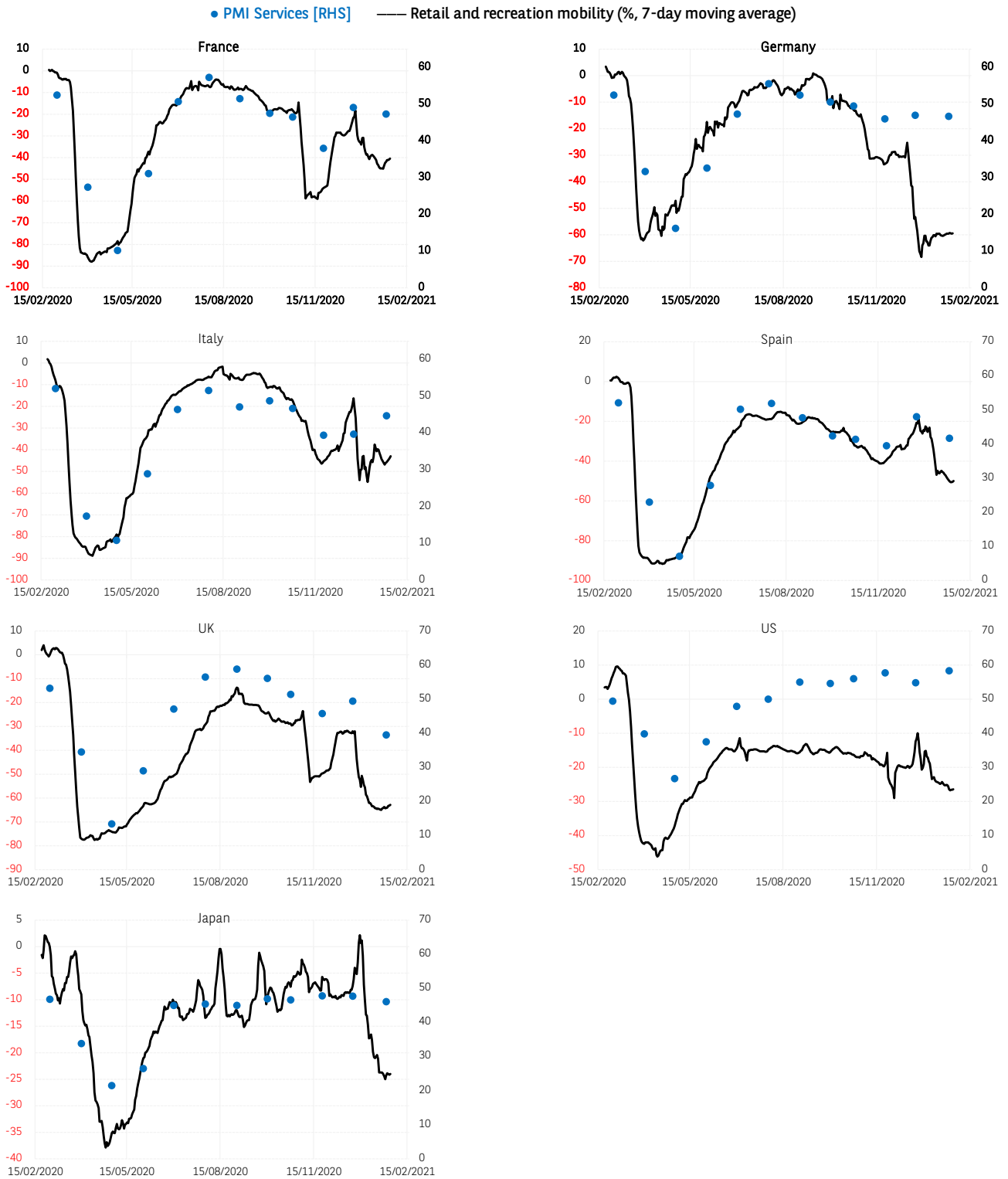


CHART 3

SOURCE: GOOGLE (LAST UPDATE 2 FEBRUARY 2021), MARKIT, BNP PARIBAS



ECONOMIC SCENARIO

9

UNITED STATES

With a drop in GDP of an estimated 3.6% in 2020, the USA has experienced a record-breaking recession, albeit one that has been less severe than in most other countries. The health cost of the Covid-19 epidemic has, however, been immense, with the USA having the highest number of deaths in the world and suffering a higher mortality rate than the European Union. As we move into winter, the disease is surging again, forcing certain states, such as New York and California, to tighten social distancing measures. Although the economy had seemed able to avoid a further contraction, it could be flatlining at the start of the new year, although a gradual return to normal is then expected as vaccines become available.

CHINA

After plummeting in Q1 2020, economic activity has experienced a V-shaped rebound since Q2. The recovery has first been driven principally by industrial production and investment in infrastructure projects and the real estate sector. Then exports have strengthened, supported by the rebound in global demand. Finally, the services sector and private consumption have regained growth momentum since last summer. In the short term, fiscal policy should continue to support economic growth. Domestic credit conditions, which have been eased prudently in 2020, have started to be tightened since Q4, as the authorities aim to contain risks in the financial system.

EUROZONE

After a solid rebound in Q3 2020 (+12.6%), even exceeding expectations, Eurozone GDP should slow sharply in Q4 2020. Given the resurgence of the pandemic and the implementation of new sanitary restrictions in most of the member states, the recovery is losing momentum. The activity loss caused by the Covid-19 crisis is unlikely to be fully erased before year-end 2021. Despite the hopes raised by the vaccines, worries about the pandemic and unemployment trends in eurozone member states in the months ahead are shaking consumer confidence, which remains low. The risk of corporate defaults continues to rise as long as the pandemic is not completely under control, which is undermining private investment. Support from fiscal policy at both the national and European levels will be essential, as is maintaining an accommodating and flexible monetary policy.

FRANCE

The risks have materialized for a W-shaped growth profile. After the massive recessionary shock of H1 2020 due to the first lockdown, the economy vigorously recovered in Q3 before relapsing again in Q4 under the impact of a new lockdown designed to curb the second wave of the Covid-19 pandemic. Yet the second V is bound to be less pronounced than the first: on the downside because the second lockdown was not as restrictive nor as long, and on the upside because this time the restrictive measures will be lifted gradually and conditionally. Major fiscal resources have been deployed that effectively buffered the double shock, but still the economy has been weakened, which is straining its rebound capacity. The start-up of a massive vaccination campaign in 2021 raises hopes that we might be seeing the light at the end of the tunnel. Growth should also get a boost from the first effects of the France Relance stimulus package. French GDP is expected to catch up pre-crisis levels during 2022 and the economy to return to 100% of its normal functioning. Inflation is also expected to pick up, but will hold at extremely low levels.

RATES AND EXCHANGE RATES

In the US, policy should remain on hold for quite some time, considering that the FOMC wants inflation to move beyond 2% to make up for past below target inflation. To this end, it has decided at its December meeting that the current pace of asset purchases will be maintained 'until substantial further progress has been made' toward reaching its goals in terms of maximum employment and inflation. Should the economic situation worsen, more measures are to be expected. Treasury yields should move higher on the back of fiscal stimulus and the economic recovery and because the Fed will accept and actually wants inflation to rise beyond 2%.

In the eurozone, at its December meeting, the ECB has eased policy further. In particular, it has decided to increase the envelope of the pandemic emergency purchase programme (PEPP) and to extend its horizon for net purchases to at least the end of March 2022. These measures aim to support the economy so as to create a pick-up in inflation, which has dropped to a very low level. This very accommodative stance -which will be maintained for a long time- should keep a lid on sovereign bond spreads, although at some point, speculation that the PEPP's end date might not be prolonged any further should cause some spread widening. As usual, eurozone bond yields will be very much influenced by what happens to US yields. The prospect of a more lasting recovery as a vaccine will be deployed, should contribute to somewhat higher bond yields.

The Bank of Japan is expected to maintain its current policy stance including its yield curve control strategy. We expect the dollar to weaken further versus the euro. Due to the limited short-term interest rate differential, international investors incur low costs when they want to hedge their dollar exposure, the euro is still undervalued versus the dollar and the Fed's new strategy of targeting average inflation implies a more dovish stance compared to the ECB. The 'risk-on' environment is also supportive for the euro. Similar arguments apply for the dollar versus the yen.

GROWTH & INFLATION

%	GDP Growth				Inflation			
	2019	2020 e	2021 e	2022 e	2019	2020 e	2021 e	2022 e
United-States*	2.2	-3.6	4.2	4.1	1.8	1.3	1.9	1.9
Japan*	0.3	-5.3	1.1	3.0	0.5	0.0	-0.4	-0.3
United-Kingdom*	1.5	-11.1	4.0	8.6	1.8	0.9	1.5	2.1
Euro Area*	1.3	-7.3	3.8	5.5	1.2	0.2	0.8	1.3
Germany*	0.6	-5.6	2.7	5.1	1.4	0.4	1.3	1.2
France*	1.5	-9.0	5.5	4.7	1.3	0.5	0.6	1.2
Italy*	0.3	-9.0	4.5	4.4	0.6	-0.2	0.5	1.3
Spain*	2.0	-11.6	5.4	5.9	0.8	-0.4	0.4	0.9
China*	6.1	2.3	9.5	5.3	2.9	2.6	2.3	2.8
India**	4.2	-11.4	11.6	5.0	4.8	5.8	4.3	3.8
Brazil	1.1	-4.5	3.0	3.0	3.7	3.1	4.0	4.0
Russia	1.3	-4.5	3.8	3.0	4.3	3.4	3.5	3.5

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: 23 NOVEMBER 2020, *GROWTH UPDATED ON 7 JANUARY 2021

INTEREST & EXCHANGE RATES

Interest rates, %		2021					
End of period		Q1e	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	1.10	1.20	1.30	1.40	1.40	1.50
	Deposit rate	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
Ezone	Bund 10y	-0.35	-0.50	-0.40	-0.20	-0.20	0.10
	OAT 10y	-0.10	-0.25	-0.15	0.10	0.10	0.50
	BTP 10y	0.75	0.60	0.80	1.20	1.20	1.70
UK	BONO 10y	0.35	0.20	0.40	0.60	0.60	1.00
	Base rate	0.10	0.10	0.10	0.10	0.10	0.10
Japan	Gilts 10y	0.40	0.40	0.50	0.60	0.60	0.75
	BoJ Rate	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
	JGB 10y	0.05	0.05	0.10	0.10	0.10	0.15
Exchange Rates		2021					
End of period		Q1e	Q2e	Q3e	Q4e	2021e	2022e
USD	EUR / USD	1.22	1.24	1.25	1.25	1.25	1.30
	USD / JPY	101	100	98	98	98	95
	GBP / USD	1.39	1.41	1.44	1.44	1.44	1.59
EUR	EUR / GBP	0.88	0.88	0.87	0.87	0.87	0.82
	EUR / JPY	123	124	123	123	123	124
Brent		2021					
Period-average		Q1e	Q2e	Q3e	Q4e	2021e	2022e
Brent	USD/bbl	56	54	55	59	56	-

LAST UPDATE: 23/11/2020

SOURCE: BNP PARIBAS GLOBAL MARKETS (E: ESTIMATES)



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CALENDAR

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LATEST INDICATORS

In the euro area, the unemployment rate remained stable in December. GDP contracted in the 4th quarter but slightly less than expected. Core inflation increased more than anticipated. In France, the survey of industrial investment picked up and the decline of private sector employment was less than expected. In December, eurozone retail sales expanded more than the analyst consensus. Finally, the US labour market report saw weak job growth, lower than expected. The December number has been revised significantly, from -140K to -227K. The unemployment rate declined.

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	ACTUAL	PREVIOUS
02/01/2021	Eurozone	Unemployment Rate	Dec	8.3%	8.3%	8.3%
02/02/2021	Eurozone	GDP SA QoQ	4Q	-0.9%	-0.7%	12.4%
02/03/2021	Eurozone	CPI Core YoY	Jan	0.9%	--	0.2%
02/04/2021	France	Survey of Industrial Investment		--	10.0%	4.0%
02/04/2021	Eurozone	ECB Publishes Economic Bulletin				
02/04/2021	Eurozone	Retail Sales MoM	Dec	1.6%	2.0%	-6.1%
02/04/2021	United Kingdom	Bank of England Bank Rate	Feb	0.1%	0.1%	0.1%
02/05/2021	Germany	Factory Orders MoM	Dec	-1.0%	-1.9%	2.3%
02/05/2021	France	Private Sector Payrolls QoQ	4Q	-0.7%	-0.2%	1.6%
02/05/2021	United States	Change in Nonfarm Payrolls	Jan	70k	49k	-227k
02/05/2021	United States	Unemployment Rate	Jan	6.7%	6.3%	6.7%
02/05/2021	United States	Labor Force Participation Rate	Jan	61.5%	61.4%	61.5%

SOURCE: BLOOMBERG



CALENDAR: THE WEEK AHEAD

COMING INDICATORS

Next week is rather light in terms of data. In Japan, we will have the Eco Watchers Survey for January and in China, data on aggregate financing as well as inflation. The UK will release its fourth quarter GDP numbers. The Banque de France will release its industrial sentiment index. In the US, we have small business optimism, initial unemployment claims, inflation and University of Michigan sentiment. Finally, the European Commission will publish its economic forecasts.

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	PREVIOUS
02/08/2021	Japan	Eco Watchers Survey Current SA	Jan	--	35.5
02/08/2021	Japan	Eco Watchers Survey Outlook SA	Jan	--	37.1
02/08/2021	Germany	Industrial Production SA MoM	Dec	--	0.90%
02/09/2021	Japan	Machine Tool Orders YoY	Jan P	--	9.90%
02/09/2021	Germany	Exports SA MoM	Dec	--	2.20%
02/09/2021	Germany	Imports SA MoM	Dec	--	4.70%
02/09/2021	United States	NFIB Small Business Optimism	Jan	--	95.9
02/09/2021	United States	JOLTS Job Openings	Dec	--	6527
02/09/2021	France	Bank of France Ind. Sentiment	Jan	--	97
02/09/21-02/15/21	China	Aggregate Financing CNY	Jan	4600.0b	1720.0b
02/10/2021	China	CPI YoY	Jan	-0.10%	0.20%
02/10/2021	China	PPI YoY	Jan	0.30%	-0.40%
02/10/2021	Germany	CPI EU Harmonized MoM	Jan F	--	1.40%
02/10/2021	France	Industrial Production MoM	Dec	--	-0.90%
02/10/2021	United States	CPI Ex Food and Energy MoM	Jan	0.20%	0.10%
02/10/2021	United Kingdom	Total Business Investment QoQ	4Q P	--	9.40%
02/10/2021	United Kingdom	GDP QoQ	4Q P	--	16.00%
02/10/2021	United Kingdom	Private Consumption QoQ	4Q P	--	19.50%
02/10/2021	United Kingdom	Government Spending QoQ	4Q P	--	10.40%
02/10/2021	United Kingdom	Gross Fixed Capital Formation QoQ	4Q P	--	17.90%
02/10/2021	United Kingdom	Exports QoQ	4Q P	--	-0.40%
02/10/2021	United Kingdom	Imports QoQ	4Q P	--	11.70%
02/11/2021	Eurozone	European Commission publishes Economic Forecasts			
02/11/2021	United States	Initial Jobless Claims	6-Feb	--	--
02/12/2021	Eurozone	Industrial Production SA MoM	Dec	--	2.50%
02/12/2021	United States	U. of Mich. Sentiment	Feb P	80	79
02/12/2021	United States	U. of Mich. Current Conditions	Feb P	--	86.7
02/12/2021	United States	U. of Mich. Expectations	Feb P	--	74
02/12/2021	United States	U. of Mich. 1 Yr Inflation	Feb P	--	3.00%
02/12/2021	United States	U. of Mich. 5-10 Yr Inflation	Feb P	--	2.70%

SOURCE: BLOOMBERG



FURTHER READING

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Towards a delayed eurozone recovery?	EcoTVWeek	5 February 2021
Us banks: plans for share buybacks before the downsizing of balance sheets	Chart of the Week	3 February 2021
EcoWeek 21.04. January 29, 2021 issue	EcoWeek	29 January 2021
United Kingdom: A month after Brexit	EcoTVWeek	29 January 2021
France: old and new indicators for assessing the economic situation	Chart of the Week	27 January 2021
EcoWeek 21.03. January 22, 2021 issue	EcoWeek	22 January 2021
France's economic situation at the start of 2021	EcoTVWeek	22 January 2021
Spain: Towards a protracted increase in the public deficit?	EcoFlash	21 January 2021
The stock market's recovery in Brazil: a local story	Chart of the Week	20 January 2021
2021 1st quarter issue	EcoEmerging	18 January 2021
EcoWeek 21.02. January 15, 2021 issue	EcoWeek	15 January 2021
The migration of risk in 2021.	EcoTVWeek	15 January 2021
The growing cost of negative interest rates on excess reserves has temporarily been offset by the terms of tltro iii	Chart of the Week	14 January 2021
Turkey: ending the stop-and-go growth?	Conjoncture	12 January 2021
Global: Why the level of public indebtedness matters: a market perspective	EcoWeek	11 January 2021
January 2021 edition	EcoTV	7 January 2021
Special Edition – 2021: hopes and challenges	EcoTVWeek	7 January 2021
United Kingdom: Brexit: The worst has been avoided	EcoFlash	6 January 2021
Climate change is accelerating	Chart of the Week	6 January 2021
EcoWeek 20.47. December 18, 2020 issue	EcoWeek	18 December 2020



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