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BNP PARIBAS

The bank
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PENT-UP DEMAND TO TRIGGER INFLATION PICK-UP

The Covid-19 pandemic has caused a decline in inflation and, in most euro area countries, an increase in the inflation dispersion between sectors. It will take considerable time until activity has been restored sufficiently to generate labour market bottlenecks, which – in the absence of exogenous shocks- are a necessary condition to see a broad-based and lasting increase in inflation. This suggests that for the coming years, we should expect inflation to fluctuate around a slowly rising trend. In the course of 2021, the unleashing of pent-up demand – under the assumption that a vaccine is sufficiently widely deployed- could cause a temporary pick-up in inflation. In this respect, a decline in the price elasticity of demand will play a key role.

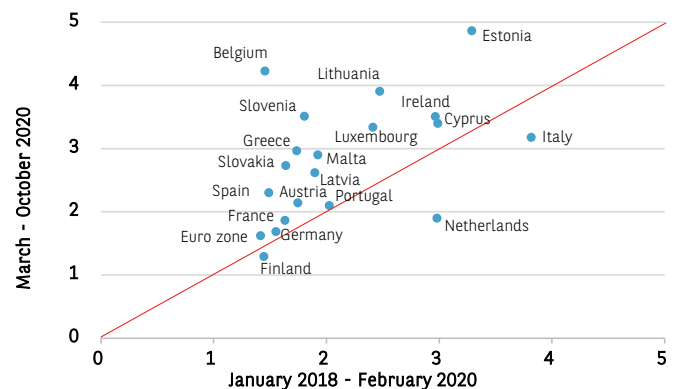
Inflation is mostly analysed from a macroeconomic perspective, such as how it relates to the stance of monetary policy, the existence of labour market bottlenecks, etc. However, it is largely the result of millions of decisions by households and businesses in terms of spending, production or commercial strategy. In general, the decisions of individual households will tend to be very correlated – think of swings in consumer confidence - and the same applies for companies. This warrants a macroeconomic approach to inflation. However, at times, heterogeneity is an important factor, leading to price developments that are very different across sectors. That is also the recent experience. The Covid-19 pandemic triggered a sharp slowdown in prices in the euro area. The inflation rate, measured by the annual change in the Harmonised Index of Consumer Prices (HICP), held in negative territory for the third consecutive month in October 2020 (-0.3% year-on-year). Granted, exogenous events like the temporary cut in Germany's VAT rate have played a role, but core inflation is also pointing to a very mild increase in prices. Core inflation held to a historical low of +0.2% in October, the same as in September. This feeble momentum can be seen in all four of the big euro-area economies.

The disinflationary shock triggered by the crisis is especially visible in certain sectors that were hit hardest by social distancing measures and other health restrictions. As chart 1 shows, in the majority of the euro-area countries, inflation differentials between sectors have tended to increase this year compared to the two previous years. In transport services, for example, prices have fallen sharply since the summer months, especially in Italy (-7.9% y/y in October) and France (-6%). At the same time, under drastic lockdown measures to restrict movement, the prices of services pertaining to "tourism and hotel packages" also fell sharply, notably in Spain (down about 8% over the past four months), whose economy is highly dependent on tourism.

In general, for most of the country-sector pairings, inflation is weaker this year than in the period 2018-2019 (chart 2). A second wave of the pandemic is currently sweeping the member states, although it lacks the intensity of the first wave, which should maintain downward pressure on inflation in the euro area. As a result, inflation is likely to stray further from the ECB's inflation target, which is why the Governing Council is expected to ease monetary policy again at its

next meeting on 10 December. The highly accommodative stance will need to be maintained for several years. It will take considerable time until activity has been restored sufficiently to generate labour market bottlenecks, which –in the absence of exogenous shocks- are a necessary condition to see a broad-based and lasting increase in inflation. We should also keep in mind the experience of 2017 and 2018, when, as we were approaching the peak of the business cycle, the transmission of faster wage growth into inflation was limited. This suggests that for the coming years, we should expect inflation to fluctuate around a slowly rising trend. In the course of 2021, the pick-up in inflation could –temporarily- be a bit quicker. The mechanical rebound that will follow the current lockdown in several European countries will occur against a background of increasing talk about the deployment of a vaccine. This should support confidence because of a decline in uncertainty. Those companies that have maintained a

SECTOR DISPERSION OF ANNUAL INFLATION*



*The chart shows the standard deviation across sectors of monthly observations of annual inflation.

SOURCE: EUROSTAT, BNP PARIBAS



In the course of 2021, the unleashing of pent-up demand – under the assumption that a vaccine is sufficiently widely deployed – could cause a temporary pick-up in inflation. In this respect, a decline in the price elasticity of demand will play a key role.

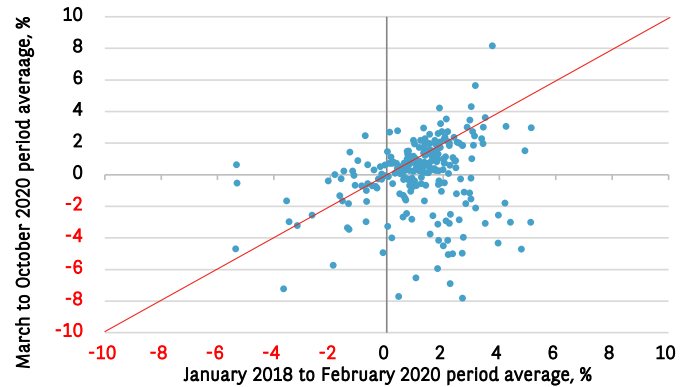


satisfactory profitability may be inclined to step up their investments, which in turn would raise households' confidence in the labour market outlook. In some sectors, the ensuing pick-up in demand could meet supply bottlenecks, following the lockdown measures. Once a vaccine is administered, pent-up demand could be unleashed –supported by the forced savings accumulated during lockdown- as people will be eager, depending on their financial situation, to travel again, go to restaurants and shops, etc.

This is where the microeconomic approach of inflation is relevant. In such an environment, the price elasticity of demand may very well decline. People could be eager to spend, even though it costs a bit more, because they associate it with going back to normal. It brings relief. Businesses could seize the opportunity to restore somewhat their financial situation by slightly increasing their margins. As a consequence, we could see above trend inflation for a while. Clearly, the extent depends on the weight of the sectors that would see these reactions. It should also be a temporary phenomenon: unleashing pent-up demand is temporary by nature.

William De Vijlder & Louis Boisset

AVERAGE ANNUAL INFLATION PER COUNTRY-SECTOR PAIR (MONTHLY DATA)*



* Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, Spain.

Sectors: All items, Core inflation, Clothing & footwear, Housing, water, electricity, gas & other fuels, Furnishings, household equip. & routine, Health, Transport, Communications, Recreation & culture, Restaurants & hotels, Miscellaneous.

SOURCE: EUROSTAT, BNP PARIBAS



MARKETS OVERVIEW

OVERVIEW

Week 13-11-20 to 19-11-20

➤ CAC 40	5 380	➤ 5 475	+1.8 %
➤ S&P 500	3 585	➤ 3 582	-0.1 %
➤ Volatility (VIX)	23.1	➤ 23.1	+0.0 pb
➤ Libor \$ 3M (%)	0.22	➤ 0.22	+0.2 bp
➤ OAT 10y (%)	-0.36	➤ -0.40	-3.1 bp
➤ Bund 10y (%)	-0.55	➤ -0.57	-2.2 bp
➤ US Tr. 10y (%)	0.88	➤ 0.84	-3.5 bp
➤ Euro vs dollar	1.18	➤ 1.18	+0.2 %
➤ Gold (ounce, \$)	1 893	➤ 1 859	-1.8 %
➤ Oil (Brent, \$)	42.8	➤ 44.3	+3.4 %

MONEY & BOND MARKETS

Interest Rates	highest 20	lowest 20	Rendements (%)	+haut 20	+bas 20
€ ECB	0.00	0.00 at 01/01	€ Moy. 5-7a	-0.40	0.72
Eonia	-0.47	-0.44 at 31/03	Bund 2a	-0.73	-0.58
Euribor 3M	-0.53	-0.16 at 23/04	Bund 10a	-0.57	-0.17
Euribor 12M	-0.48	-0.05 at 22/04	OAT 10a	-0.40	0.28
\$ FED	0.25	1.75 at 01/01	Corp. BBB	0.61	2.54
Libor 3M	0.22	1.91 at 01/01	\$ Treas. 2a	0.17	1.59
Libor 12M	0.34	2.00 at 01/01	Treas. 10a	0.84	1.91
€ BoE	0.10	0.75 at 01/01	High Yield	5.32	11.29
Libor 3M	0.05	0.80 at 08/01	£ Gilt. 2a	-0.02	0.61
Libor 12M	0.13	0.98 at 01/01	Gilt. 10a	0.35	0.83

EXCHANGE RATES

1€ =	highest 20	lowest 20	2020
USD	1.18	1.20 at 01/09	+5.5%
GBP	0.90	0.94 at 23/03	+5.7%
CHF	1.08	1.09 at 05/06	-0.6%
JPY	123.01	126.82 at 31/08	+0.8%
AUD	1.63	1.87 at 23/03	+2.0%
CNY	7.80	8.26 at 30/07	-0.3%
BRL	6.29	6.75 at 28/10	+39.3%
RUB	90.38	93.98 at 02/11	+29.6%
INR	87.94	89.12 at 18/08	+9.8%

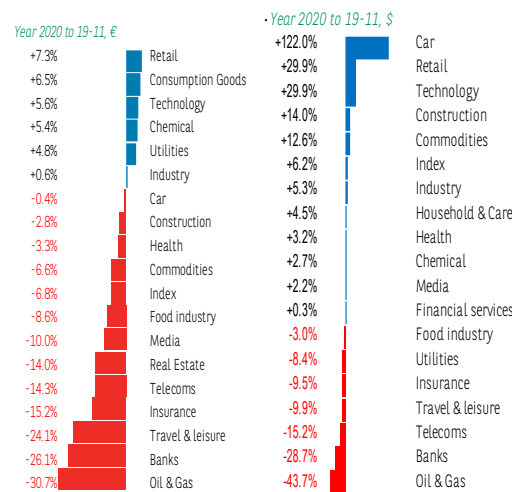
COMMODITIES

Spot price, \$	highest 20	lowest 20	2020	2020(€)
Oil, Brent	44.3	69.1 at 06/01	16.5 at 21/04	-33.2% -36.7%
Gold (ounce)	1 859	2 053 at 06/08	1 475 at 19/03	+22.3% +15.9%
Metals, LME	3 144	3 144 at 12/11	2 232 at 23/03	+10.6% +4.8%
Copper (ton)	7 076	7 093 at 16/11	4 625 at 23/03	+15.1% +9.1%
wheat (ton)	225	2.4 at 21/01	178 at 26/06	-1.8% -6.9%
Corn (ton)	163	1.6 at 18/11	113 at 28/04	+0.9% +3.0%

EQUITY INDICES

Index	highest 20	lowest 20	2020	
World				
MSCI World	2 546	2 561 at 16/11	1 602 at 23/03	+8.0%
North America				
S&P500	3 582	3 627 at 16/11	2 237 at 23/03	+10.9%
Europe				
EuroStoxx50	3 452	3 865 at 19/02	2 386 at 18/03	-7.8%
CAC 40	5 475	6 111 at 19/02	3 755 at 18/03	-0.8%
DAX 30	13 086	13 789 at 19/02	8 442 at 18/03	-1.2%
IBEX 35	7 930	10 084 at 19/02	6 107 at 16/03	-1.7%
FTSE100	6 334	7 675 at 17/01	4 994 at 23/03	-1.6%
Asia				
MSCI, loc.	1 006	1 034 at 20/01	743 at 23/03	-0.0%
Nikkei	25 634	26 015 at 17/11	16 553 at 19/03	+8.4%
Emerging				
MSCI Emerging (\$)	1 200	1 208 at 18/11	758 at 23/03	+0.8%
China	106	109 at 09/11	69 at 19/03	+23.0%
India	606	614 at 18/11	353 at 23/03	+6.5%
Brazil	1 646	2 429 at 02/01	1 036 at 23/03	-8.4%
Russia	600	857 at 20/01	419 at 18/03	-10.6%

PERFORMANCE BY SECTOR (Eurostoxx50 & S&P500)

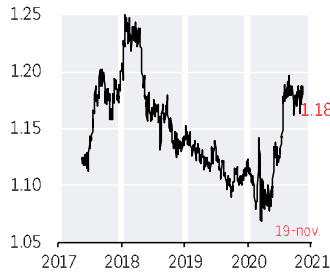


SOURCE: THOMSON REUTERS,

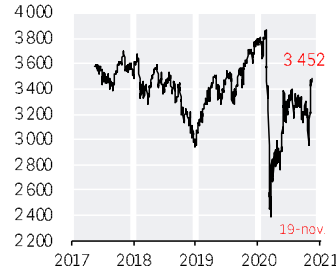


MARKETS OVERVIEW

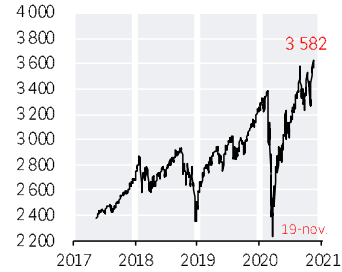
EURO-DOLLAR



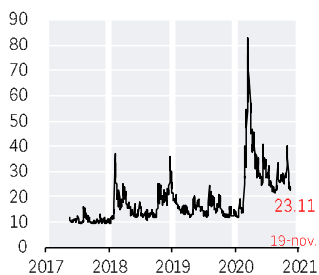
EUROSTOXX50



S&P500



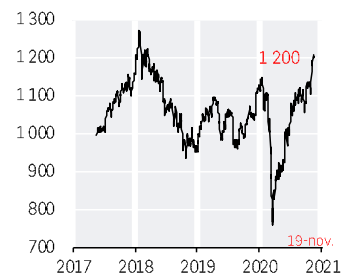
VOLATILITY (VIX, S&P500)



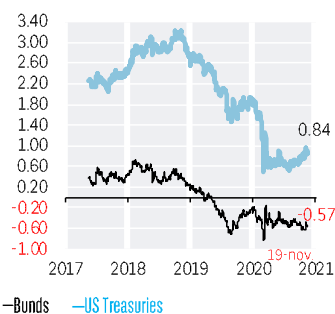
MSCI WORLD (USD)



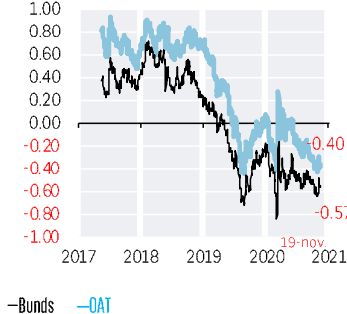
MSCI EMERGING (USD)



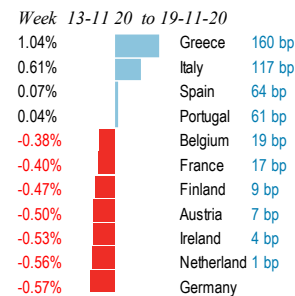
10Y BOND YIELD, TREASURIES VS BUND



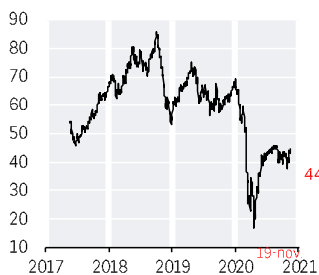
10Y BOND YIELD



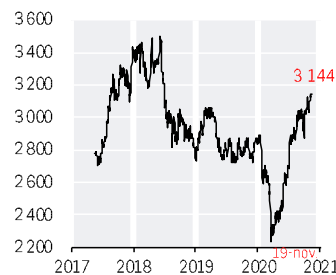
10Y BOND YIELD & SPREADS



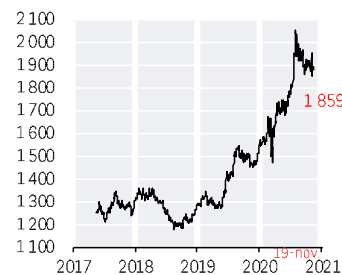
OIL (BRENT, USD)



METALS (LMEX, USD)



GOLD (OUNCE, USD)



SOURCE: THOMSON REUTERS,



ECONOMIC PULSE

CHINA: CONTINUED MOMENTUM

The latest economic indicators show that the recovery in Chinese growth continued to strengthen in October. As seen in our monthly Pulse, the expansion of the blue area compared to the dotted area shows a more widespread recovery in activity in August-October than in the three previous months.

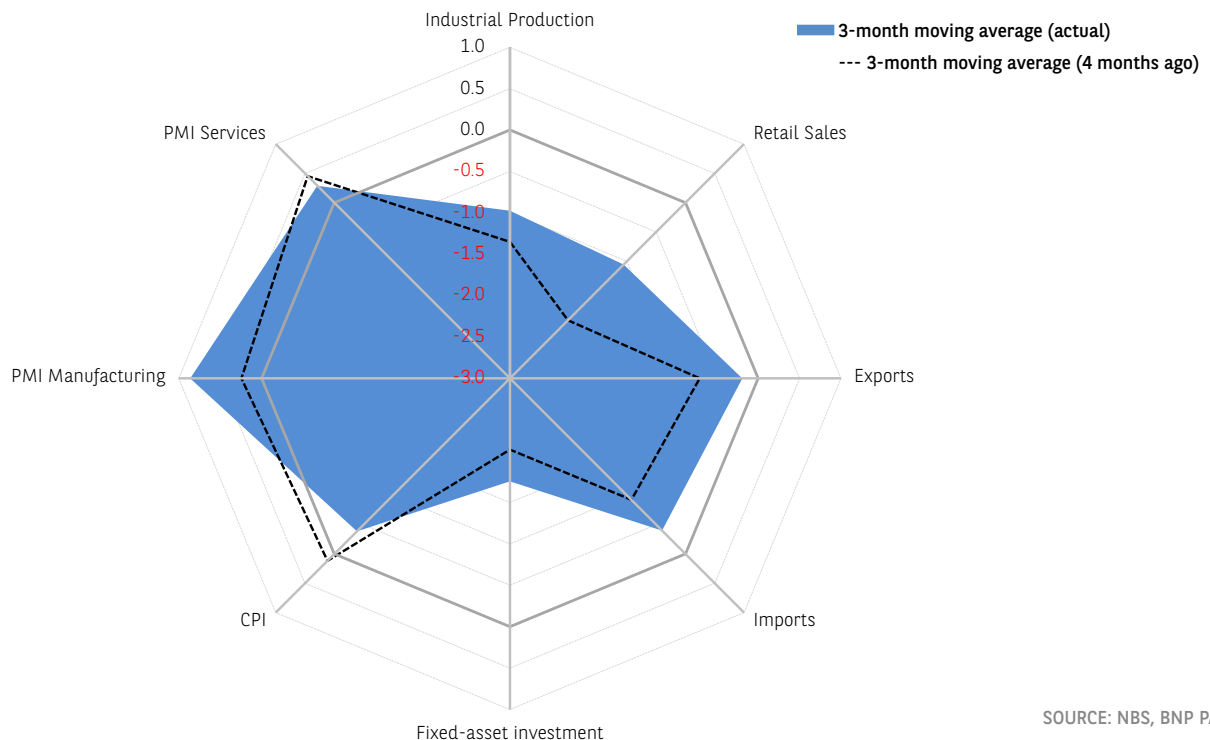
On the supply side, industrial production growth remained at 6.9% year-on-year (y/y) in September and October, and was 2% higher than its 2019 level over the first ten months of the year. In the services sector, the growth rebound has been slower following the lockdown period in Q1 2020, but activity has significantly strengthened since September and it grew faster than industrial production in October (+7.4%). This has gone with the strengthening in household consumption, which has been supported by the improvement in the labour market (the urban unemployment rate continued to decline in October, reaching 5.3%) and lower inflation. In fact, consumer price inflation fell to a low 0.5% y/y in October, mostly as a result of the rapid slowdown in food prices following their spike in Q4 2019 and the first months of 2020. The rebound in retail sales volumes has been noticeable since the end of the summer

(+4.6% y/y in October) and growth in e-commerce has continued to gain momentum. In the short term, however, household demand is likely to remain constrained by the impact of income losses registered in the first months of 2020 and by the increase in precarious jobs that has gone along with the recent recovery in employment.

Domestic investment growth also strengthened in October, still driven by investment in infrastructure projects and the property sector. While China's fiscal policy and public spending are expected to continue to support activity going forward, the authorities seem to have started a prudent and targeted tightening of monetary policy. For instance, they have recently introduced prudential rules aimed at better controlling leverage ratios of property developers; this could contribute to a weakening in property investment in the coming months. Lastly, growth in manufacturing investment has remained rather weak but yet has recently shown signs of rebound, notably encouraged by the solid performance of exports in the last three months (merchandise goods have increased by 10.3% y/y in USD terms on average).

Christine Peltier

QUARTERLY CHANGES



SOURCE: NBS, 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 -3 and +1. 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 AND RECREATION: THE IMPACT OF SOCIAL DISTANCING AND LOCKDOWN MEASURES ON MOBILITY TRENDS

Since mid-September, the resurgence of the Covid-19 pandemic and the reintroduction of health restrictions in numerous countries have led to another decline in retail and recreation traffic. Customer traffic flows fell sharpest in the countries that were hit hardest by the second wave of the pandemic and that implemented full lockdowns, according to Google mobility reports*.

France, Belgium and the UK, which experienced a rapid increase in the number of new cases, reported a sharp decline in customer traffic following the announcement of new lockdown measures, with traffic flows down 59%, 55% and 48% respectively (charts 1 and 2). In Italy and Germany, customer traffic was still low, down by about 35% and 31%, respectively (chart 1). Although Spain opted for local lockdown

measures, it has reported a slightly bigger decline in customer traffic, down nearly 40%. In addition, in the United States and Japan, the trend has remained stable since the start of June, with respectively 15% and 10% on average (chart 2).

Chart 3 shows the relationship between Markit PMI surveys in the services sector and visits to 'retail and recreation'. Naturally, a decline (or increase) in customer traffic results in a decline (or increase) in PMI. The downturn in the services PMI reported during the first lockdown was preceded by a sharp drop in retail traffic, which suggests a smaller decline in the services PMI in November.

Tarik Rharrab

RETAIL AND RECREATION MOBILITY

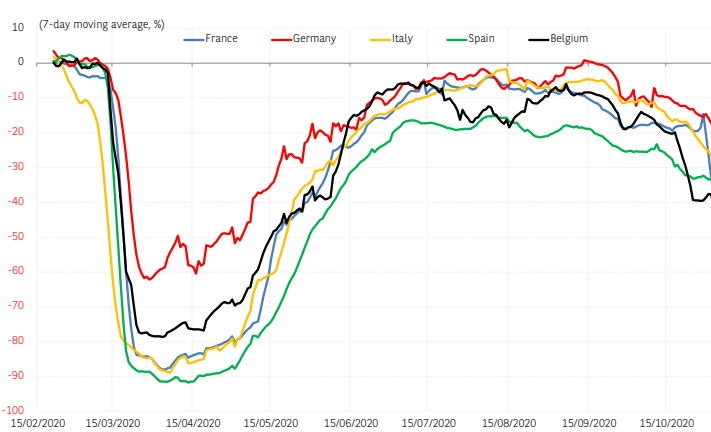


CHART 1

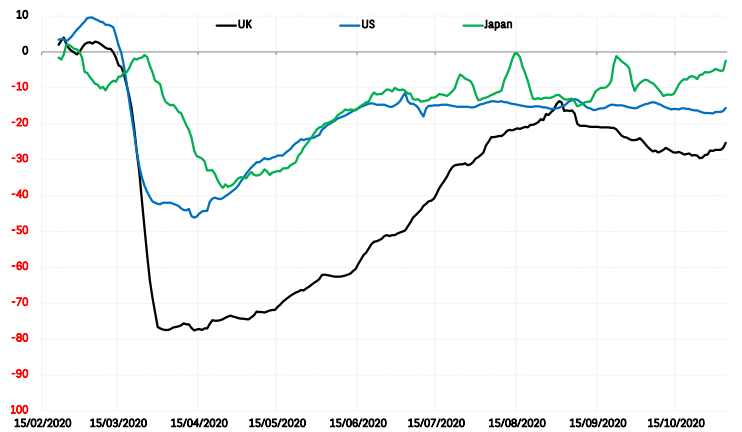


CHART 2

SOURCE: GOOGLE (LAST UPDATE 10 NOVEMBER 2020), BNP PARIBAS

*Google Mobility Reports show how visits and length of stay at different places change compared to a baseline. Daily traffic is compared to a baseline value for that day of the week. 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. Source: Google



ECONOMIC PULSE

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

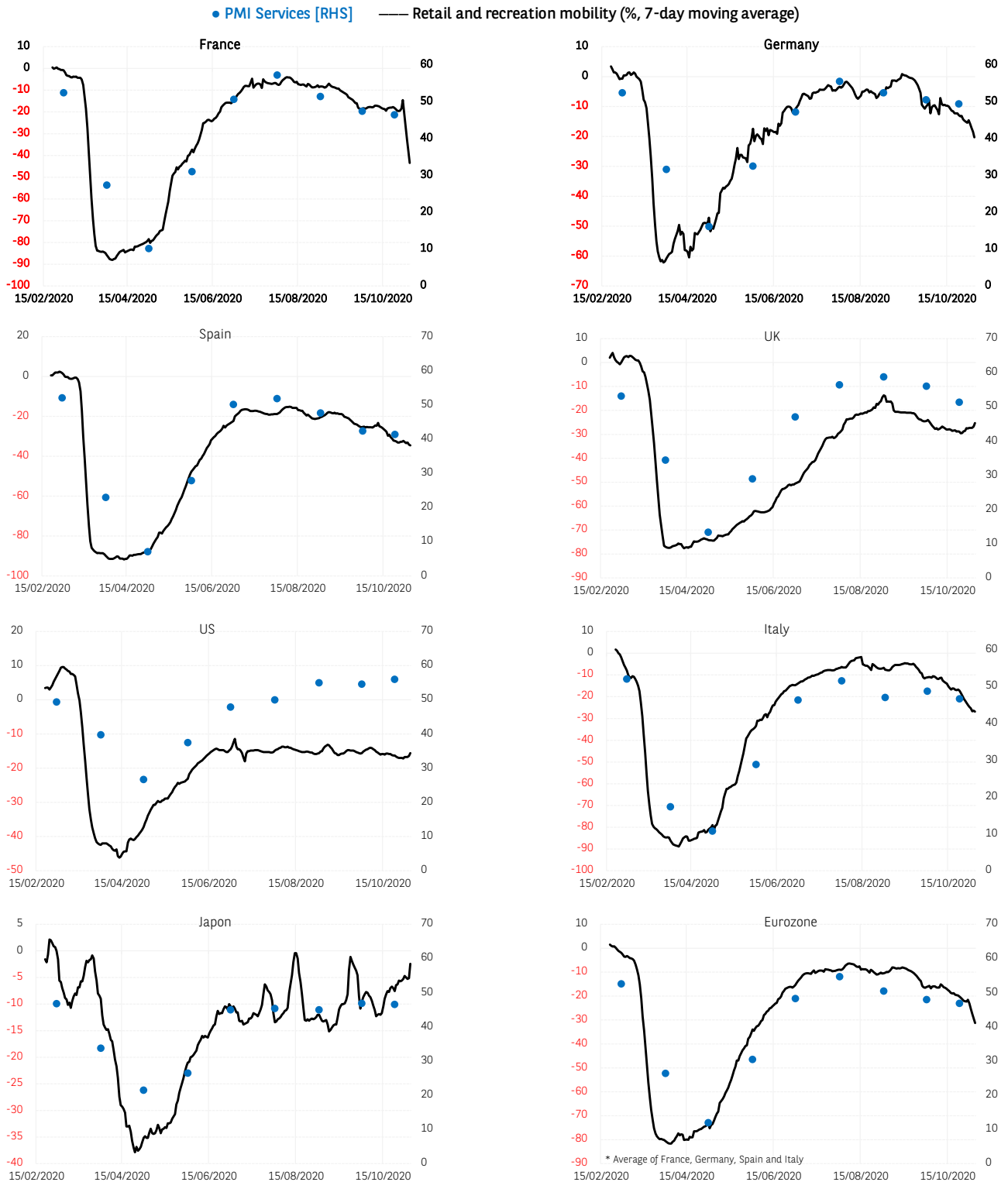


CHART 3

SOURCE: GOOGLE (LAST UPDATE 10 NOVEMBER 2020), MARKIT, BNP PARIBAS



ECONOMIC SCENARIO

9

UNITED STATES

After its collapse in the second quarter (-31.7% on an annualized basis) the economy partially recovered during the summer months, with surveys (among households and businesses) returning to almost normal levels. However, at the end of September, the activity deficit to be filled compared to 2019 remains significant (in the order of 4 percentage points of GDP), as the sectors most exposed internationally are far from having returned to their pre-crisis level. With an unemployment rate that has doubled and is now close to 8.5%, the labour market remains hard-hit, a fact that no doubt weighed in the Fed's decision to further accommodate its policy in the long term by adapting its inflation targeting strategy.

CHINA

After plummeting during the period of the strictest lockdown in February, economic activity has gradually turned around since March. The contraction in real GDP was unprecedented in Q1 2020, but the rebound in Q2 was strong enough to completely regain the ground that was lost. Monetary policy has been eased cautiously and should become less supportive in H2 2020 as the authorities focus more on containing risks in the financial system. Stimulus efforts should depend increasingly on fiscal policy in the year ahead, with infrastructure investment boosted further. Downside risks on our short-term scenario are significant, notably due to the sluggish momentum in private consumption growth and tensions with the US.

EUROZONE

As expected, confinement measures taken to tackle the epidemic have severely hit the eurozone economy. GDP has massively fallen in Q2 2020, by -11.8% (q/q) after -3.7% in Q1 2020. While the economy entered Q3 2020 with relatively strong momentum, the latest indicators point to a somewhat slower pace with the risk of a significant decrease in GDP growth in Q4 2020. In all likelihood, the loss of activity following the Covid-19 shock should not be erased by the end-2021. Beyond the uncertainties about the pandemic, worries remain regarding the expected increase in both unemployment rate and bankruptcies. These developments could weigh respectively on consumer confidence and private investment. The policy mix will remain supportive, which is an essential condition for a strong recovery. Fiscal recovery packages, both at the national and European level, are a crucial complement to the accommodative and flexible monetary policy.

FRANCE

In the first half of 2020, the economy suffered a massive recessionary shock caused by the Covid-19 pandemic and containment measures: GDP plunged by 5.9% q/q in Q1 and then by 13.8% q/q in Q2. Since mid-May and the end of the lockdown, a mechanical rebound has been at work: the catching up was vigorous until June-July and is helping to moderate the 2020 GDP contraction. But it remains incomplete and is losing steam. The French sectoral specificities, the dispersed nature of the recovery and the return to normal, both at the sector level and geographically, act as a brake. Uncertainty remains high as to the extent of the shock wave in terms of company failures and rising unemployment. The health situation remains worrying. By 2021, GDP would still be about 2% below its end-2019 level. However, the emergency measures implemented in the spring have played a key cushioning role, while the EUR 100 bn France Recovery plan, detailed on 3 September, have a reinforcing role. We estimate the additional growth in 2021 at 0.6 points.

INTEREST RATES AND FX RATES

In the US, the Federal Reserve's new strategy of targeting average inflation implies a dovish twist. Policy should remain on hold for quite some time, considering that the FOMC wants inflation to move beyond 2% so as to make up for below target inflation in recent years. Should the economic situation worsen, more measures are to be expected. Treasury yields should move higher on the back of the economic recovery and because the Fed will accept and actually wants inflation to rise beyond 2%.

In the eurozone, the ECB projects inflation in 2022 to remain well below its objective and, although the economy is recovering, it considers that risks are still tilted to the downside. This implies that current monetary policy will be maintained for a long time and that more easing is possible should circumstances require. This very accommodative setting should keep a lid on sovereign bond spreads. As usual, eurozone bond yields will be very much influenced by what happens to US yields. Clearly, fluctuations in risk appetite also play an important role.

The Bank of Japan is expected to maintain its current policy stance including its yield curve control strategy.

We expect the recent trend of dollar weakening to continue. 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 which should support the euro. Similar arguments apply for the dollar versus the yen.

GROWTH & INFLATION

%	GDP Growth			Inflation		
	2019	2020 e	2021 e	2019	2020 e	2021 e
United-States	2.2	-4.2	4.2	1.8	1.3	1.9
Japan	0.7	-5.4	1.2	0.5	0.0	-0.3
United-Kingdom	1.5	-9.7	6.9	1.8	0.7	1.3
Euro Area	1.3	-8.0	5.2	1.2	0.3	0.9
Germany	0.6	-5.6	4.7	1.4	0.6	1.6
France	1.5	-9.8	6.8	1.3	0.6	0.9
Italy	0.3	-10.0	5.3	0.6	-0.1	0.4
Spain	2.0	-13.0	5.0	0.8	-0.3	0.6
China	6.1	2.5	7.5	2.9	2.8	2.3
India*	4.2	-11.4	9.6	4.8	5.5	3.4
Brazil	1.1	-5.0	3.0	3.7	2.6	2.6
Russia	1.3	-5.0	3.1	4.3	3.3	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 09/10/2020

INTEREST & EXCHANGE RATES

Interest rates, %	2020				2021				
	Q1	Q2	Q3	Q4e	Q1e	Q2e	Q4e	2020e	2021e
US Fed Funds (upper limit)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Ezone Deposit rate	-0.50	-0.50	0.00	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
Bund 10y	-0.46	-0.50	-0.54	-0.30	-0.20	-0.10	0.00	-0.30	0.00
OAT 10y	-0.05	-0.15	-0.32	-0.05	0.05	0.15	0.25	-0.05	0.25
BTP 10y	1.55	1.30	0.77	0.90	1.20	1.40	1.50	0.90	1.50
BONO 10y	0.68	0.50	0.16	0.30	0.50	0.20	0.70	0.30	0.70
UK Base rate	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Gilts 10y	0.31	0.55	0.14	0.30	0.30	0.40	0.70	0.30	0.70
Japan BoJ Rate	-0.07	-0.10	-0.03	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
JGB 10y	0.02	0.00	0.02	0.05	0.05	0.10	0.15	0.05	0.15

Exchange Rates	2020				2021				
	Q1	Q2	Q3	Q4e	Q1e	Q2e	Q4e	2020e	2021e
USD EUR / USD	1.10	1.09	1.17	1.23	1.24	1.25	1.27	1.23	1.27
USD / JPY	108	104	106	102	101	99	95	102	95
GBP / USD	1.24	1.24	1.28	1.41	1.43	1.45	1.48	1.41	1.48
EUR EUR / GBP	0.89	0.88	0.91	0.87	0.87	0.86	0.86	0.87	0.86
EUR / JPY	118	113	124	125	125	124	121	125	121

Brent	2020				2021				
	Q1	Q2	Q3	Q4e	Q1e	Q2e	Q4e	2020e	2021e
Period-average	51	33	41.02	49	61	58	-	44	59
Brent USD/bbl	51	33	41.02	49	61	58	-	44	59

LAST UPDATE: 09/10/2020

SOURCE: BNP PARIBAS GLOBAL MARKETS (E: ESTIMATES)



CALENDAR

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LATEST INDICATORS

Japan's GDP rebounded strongly in the third quarter, exceeding expectations. Exports played a significant role and they improved further in October, thereby doing far better than anticipated. Data in China for the month of October showed an acceleration of growth in industrial production, fixed assets and property investments. On a year to date basis, the numbers are well ahead of those of last year. This does not apply to retail sales although an improvement could be noted compared to September. The data in the US were mixed. Empire Manufacturing was down and disappointed, the Philadelphia business outlook declined as well, but less than expected. Retail sales were virtually unchanged and disappointed as well (in the table the control group data are reported because they are a proxy for household consumption in the national accounts data). On the other hand, industrial production and capacity utilisation improved versus September data. Housing-related data are sending conflicting signals: lpermits were flat versus September but housing starts saw a significant acceleration and the NAHB housing market index improved as well. A concerning development was the increase in initial unemployment claims. Finally there was slight weakening of the purchasing managers' indices in Japan.

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	ACTUAL	PREVIOUS
11/16/2020	Japan	GDP SA QoQ	3Q	4.4%	5.0%	-7.9%
11/16/2020	China	New Home Prices MoM	Oct	--	0.15%	0.34%
11/16/2020	China	Industrial Production YTD YoY	Oct	1.8%	1.8%	1.2%
11/16/2020	China	Retail Sales YTD YoY	Oct	-5.9%	-5.9%	-7.2%
11/16/2020	China	Fixed Assets Ex Rural YTD YoY	Oct	1.6%	1.8%	0.8%
11/16/2020	China	Property Investment YTD YoY	Oct	6.0%	6.3%	5.6%
11/16/2020	China	Surveyed Jobless Rate	Oct	5.3%	5.3%	5.4%
11/16/2020	United States	Empire Manufacturing	Nov	13.8	6.3	10.5
11/17/2020	United States	Retail Sales Control Group	Oct	0.5%	0.1%	0.9%
11/17/2020	United States	Industrial Production MoM	Oct	1.0%	1.1%	-0.4%
11/17/2020	United States	Capacity Utilization	Oct	72.3%	72.8%	72.0%
11/17/2020	United States	NAHB Housing Market Index	Nov	85	90	85
11/17/20-11/20/20	Japan	Tokyo Dept Store Sales YoY	Oct		--	-35%
11/18/2020	Japan	Exports YoY	Oct	-4.5%	-0.2%	-4.9%
11/18/2020	United Kingdom	CPI Core YoY	Oct	--	1.5%	1.3%
11/18/2020	Eurozone	EU27 New Car Registrations	Oct	--	-7.8%	3.1%
11/18/2020	Eurozone	CPI Core YoY	Oct	0.2%	0.2%	0.2%
11/18/2020	United States	Building Permits MoM	Oct	1.6%	0.0%	4.7%
11/18/2020	United States	Housing Starts MoM	Oct	2.3%	4.9%	6.3%
11/19/2020	United States	Initial Jobless Claims	Nov	--	742k	711k
11/19/2020	United States	Philadelphia Fed Business Outlook	Nov	22.0	26.3	32.3
11/19/2020	United States	Existing Home Sales MoM	Oct	-1.6%	4.3%	9.9%
11/19/2020	United States	Kansas City Fed Manf. Activity	Nov	--	11	13
11/19/20-11/25/20	United Kingdom	CBI Trends Total Orders	Nov	--	-40	-34
11/20/2020	United Kingdom	GfK Consumer Confidence	Nov	--	-33	-31
11/20/2020	Japan	Jibun Bank Japan PMI Mfg	Nov	--	48.3	48.7
11/20/2020	Japan	Jibun Bank Japan PMI Services	Nov	--	46.7	47.7
11/20/2020	Japan	Jibun Bank Japan PMI Composite	Nov	--	47.0	48.0
11/20/2020	Eurozone	Consumer Confidence	Nov	-17.7	-17.6	-15.5

SOURCE: BLOOMBERG



CALENDAR: THE WEEK AHEAD

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COMING INDICATORS

A very busy week ahead of us with the publication of several surveys for the month of November: the flash PMIs in France, Germany, the euro area, the UK and the US, the European Commission economic confidence survey and its subseries; the IFO business climate in Germany; business and consumer confidence in France. In the US we will also have the Conference Board confidence index and University of Michigan sentiment. Updated estimates for 3rd quarter GDP growth will be released in Germany, the US and France. Finally, the FOMC will publish the minutes of its latest meeting.

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	PREVIOUS
11/23/2020	France	Markit France Manufacturing PMI	Nov	--	51.3
11/23/2020	France	Markit France Services PMI	Nov	--	46.5
11/23/2020	France	Markit France Composite PMI	Nov	--	47.5
11/23/2020	Germany	Markit/BME Germany Manufacturing PMI	Nov	--	58.2
11/23/2020	Germany	Markit Germany Services PMI	Nov	--	49.5
11/23/2020	Germany	Markit/BME Germany Composite PMI	Nov	--	55.0
11/23/2020	Eurozone	Markit Eurozone Manufacturing PMI	Nov	--	54.8
11/23/2020	Eurozone	Markit Eurozone Services PMI	Nov	--	46.9
11/23/2020	Eurozone	Markit Eurozone Composite PMI	Nov	--	50.0
11/23/2020	United Kingdom	Markit/CIPS UK Composite PMI	Nov	--	52.1
11/23/2020	United States	Chicago Fed Nat Activity Index	Oct	--	0.27
11/23/2020	United States	Markit US Manufacturing PMI	Nov	52.5	53.4
11/23/2020	United States	Markit US Services PMI	Nov	56.0	56.9
11/23/2020	United States	Markit US Composite PMI	Nov	--	56.3
11/24/2020	Japan	Tokyo Dept Store Sales YoY	Oct	--	-35.0%
11/24/2020	Germany	GDP SA QoQ	3Q	--	8.2%
11/24/2020	France	Business Confidence	Nov	--	90
11/24/2020	France	Consumer Confidence	Nov	--	94
11/24/2020	Germany	IFO Business Climate	Nov	--	92.7
11/24/2020	Germany	IFO Expectations	Nov	--	95.0
11/24/2020	Germany	IFO Current Assessment	Nov	--	90.3
11/24/2020	United States	Conf. Board Consumer Confidence	Nov	99.5	100.9
11/24/2020	United States	Richmond Fed Manufact. Index	Nov	--	29
11/25/2020	United States	GDP Annualized QoQ	3Q	33.1%	33.1%
11/25/2020	United States	Initial Jobless Claims	Nov	--	--
11/25/2020	United States	Cap Goods Orders Nondef Ex Air	Oct	--	1.0%
11/25/2020	United States	U. of Mich. Sentiment	Nov	77.2	77.0
11/25/2020	United States	New Home Sales MoM	Oct	1.2%	-3.5%
11/25/2020	United States	FOMC Meeting Minutes	Nov	--	--
11/26/2020	Japan	Machine Tool Orders YoY	Oct	--	-5.9%
11/26/2020	Germany	GfK Consumer Confidence	Dec	--	-3.1
11/27/2020	France	CPI EU Harmonized YoY	Nov	--	0.1%
11/27/2020	France	GDP QoQ	3Q	--	18.2%
11/27/2020	Eurozone	Economic Confidence	Nov	--	90.9
11/27/2020	Eurozone	Industrial Confidence	Nov	--	-9.6
11/27/2020	Eurozone	Services Confidence	Nov	--	-11.8
11/27/2020	Eurozone	Consumer Confidence	Nov	--	--
11/27/20-12/02/20	Germany	Retail Sales MoM	Oct	--	-2.2%

SOURCE: BLOOMBERG



FURTHER READING

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French labour market: current situation and outlook	EcoTVWeek	20 November
Decrease in non-performing loan ratios might soon end	Chart of the week	18 November
Global : L'annonce d'un vaccin contre la Covid-19 réduit le risque de perte extrême (tail risk)	EcoWeek	14 November
Zone Euro : Des risques sur la reprise	EcoWeek	14 November
The stop-go recovery	EcoTV	13 November
Turkey: Deciphering Lira's depreciation	EcoTV	13 November
France: The exceptional figures of the 2021 budget	EcoTV	13 November
France : The very muted variations of employment compared to the large swings in GDP	Chart of the Week	10 November
Fiscal policy takes centre stage (and will stay there)	EcoWeek	9 November
Manufacturing holding up well, services under pressure	EcoWeek	9 November
France: The Government-guaranteed loan evolves	EcoTVWeek	6 November
Eurozone : From rebound to relapse	EcoFlash	5 November
France 2021 budget: budgeting for crisis and recovery	EcoFlash	5 November
South Africa : The epidemic is hitting an already contracting economy and a fragile society	Chart of the Week	4 November
Global : The stop-start recovery	EcoWeek	2 November
Eurozone: Credit impulse in the eurozone: increase in lending flows to non-financial companies, slight contraction for households	EcoWeek	2 November
France: On a roller-coaster	EcoWeek	2 November
Germany : Rising infections threaten to throw recovery off course	EcoWeek	30 October
Spain: 2021 budget unveiled amid health emergency	EcoTVWeek	30 October
Treasuries have pretty much become proxies for central bank reserves from a regulatory point of view	Chart of the Week	28 October



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