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BNP PARIBAS

The bank
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US MONETARY POLICY GOES INCLUSIVE

Over the past 10 years, fostering inclusive growth has moved higher up the agenda of governments, international institutions and, increasingly, companies. Under Chairman Powell, it has become a key topic for the Federal Reserve through the focus on the heterogeneity of the labour market situation of different socio-economic groups. It has led to the view that pre-emptive tightening based on a declining unemployment rate is unwarranted. On the contrary, it may very well stop people from finding a job. It will be interesting to see whether other central banks and in particular the ECB in the context of its strategy review, will follow in the Fed's footsteps.

Inclusive growth can be defined as "growth that is both sustainable and broad-based in terms of employment opportunities"¹. Over the past 10 years, fostering inclusive growth has moved higher up the agenda of governments, international institutions and, increasingly, companies

Under Chairman Powell, it has become a key point of attention of the Federal Reserve. Powell's introduction to the press conference following the latest FOMC meeting perfectly illustrates the focus on the heterogeneity of individual situations: "The economic downturn has not fallen equally on all Americans, and those least able to shoulder the burden have been hardest hit. In particular, the high level of joblessness has been especially severe for lower-wage workers in the services sector, for women, and for African Americans and Hispanics."² This focus was also an integral part of the Fed's strategy review.

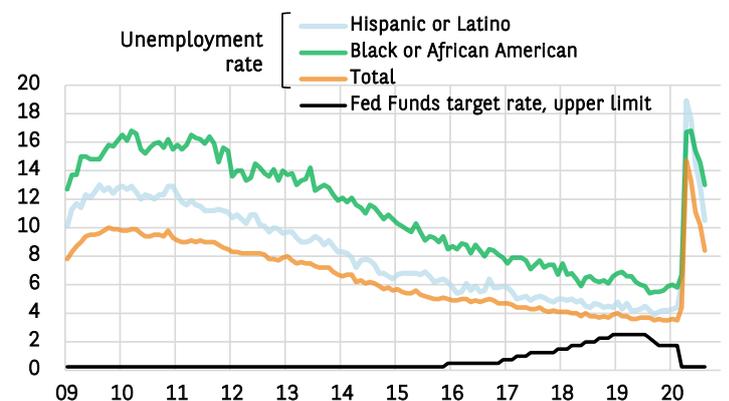
To this end, between February and October 2019, a large number of 'Fed Listens' meetings have been organised throughout the United States allowing a cross-section of American society to express views on the economy, inflation, monetary policy, etc.³ The insights are fascinating to say the least and reveal the gap between theoretical concepts like the Phillips curve or the natural rate of unemployment and the reality on the ground. Participants wondered why the labour market was characterised as 'hot' while in their own communities unemployment remained structurally high.

Business representatives explained they had developed training programmes to cope with recruitment difficulties in a tight labour market. Interestingly, raising wages was not considered as a means of attracting and retaining workers. Rather, the emphasis was put on training programmes, health care, or other benefits. Another striking observation was the fact that inflation was less discussed than the labour market. Against this background, the change in the longer-term strategy of the FOMC is all the more understandable. "A robust job

market can be sustained without causing an outbreak of inflation"⁴. To put it technically, when the Phillips curve is flat, a decline in the unemployment rate is insufficient a reason to tighten monetary policy because this decline does not convey information about the future development of inflation. The central bank can afford to wait before tightening policy. In the old days, when the Phillips curve was upward sloping, rate hikes were pre-emptive. Alan Greenspan's preferred metaphor was that of bringing an oil tanker to port, a manoeuvre which needs to start well before seeing the harbour. Now, monetary policy can be reactive with central bankers waiting to see a sufficient pick-up in inflation before getting into action.

4. New Economic Challenges and the Fed's Monetary Policy Review, Remarks by Jerome H. Powell, Chair Board of Governors of the Federal Reserve System at "Navigating the Decade Ahead: Implications for Monetary Policy," an economic policy symposium sponsored by the Federal Reserve Bank of Kansas City, 27 August 2020

US: UNEMPLOYMENT RATE VS FED FUNDS RATE



SOURCE: BLS, FEDERAL RESERVE, BNP PARIBAS

Under Chairman Powell, inclusive growth has become a key topic for the Federal Reserve through the focus on the heterogeneity of the labour market situation of different socio-economic groups. It will be interesting to see whether the ECB, in the context of its strategy review, will follow in the Fed's footsteps.



There is little or no downside in doing so. On the contrary, this approach allows people to enter the labour market which otherwise would not have found a job or would not even have considered joining the labour force. For a central bank like the Federal Reserve with a double objective, this is an important consideration. When the natural rate of unemployment cannot be determined with a sufficient degree of confidence and when the relevance of the concept is put in question due to the flatness of the Phillips curve, monetary policy should focus on inflation directly, rather than on labour market indicators.

On 21 October, the ECB will organise its own 'listen' event during which President Christine Lagarde and Chief Economist Philip Lane will meet with representatives from a range of European-level civil society organisations⁵. It is part of the work conducted in the context of its strategy review. One can assume that the 'ECB listens' event will provide insights, which have a lot in common with those of the 'Fed listens' events. The more important question is whether and how this will influence the decisions at the end of the ECB's strategy review. Although the ECB only has an inflation objective, a labour market which is functioning in an optimal way –which can be defined as high employment levels across regions and socio-economic categories– should facilitate reaching the inflation objective. Considering that there are dedicated workstreams on climate change and globalisation, which are closely linked to some aspects of inclusive growth, one can hope that the heterogeneity of labour market situations –another key dimension of inclusive growth– will also be taken on board in the discussions.

William De Vijlder

5. Source: ECB website



MARKETS OVERVIEW

OVERVIEW

Week 11-9-20 to 17-9-20

▲ CAC 40	5 034	▶ 5 040	+0.1 %
▲ S&P 500	3 341	▶ 3 357	+0.5 %
▼ Volatility (VIX)	26.9	▶ 26.5	-0.4 pb
▼ Libor \$ 3M (%)	0.25	▶ 0.23	-1.7 bp
▼ OAT 10y (%)	-0.25	▶ -0.30	-5.0 bp
▼ Bund 10y (%)	-0.48	▶ -0.49	-0.9 bp
▲ US Tr. 10y (%)	0.67	▶ 0.68	+1.5 bp
▼ Euro vs dollar	1.18	▶ 1.18	-0.2 %
▲ Gold (ounce, \$)	1 948	▶ 1 948	+0.0 %
▲ Oil (Brent, \$)	39.9	▶ 43.4	+8.8 %

Interest Rates

\$ FED	0.25
Libor 3M	0.23
Libor 12M	0.38
€ BoE	0.10
Libor 3M	0.05
Libor 12M	0.17

At 17-9-20

highest 20

1.75	at	01/01
1.91	at	01/01
2.00	at	01/01
0.75	at	01/01
0.80	at	08/01
0.98	at	01/01

lowest 20

0.25	at	16/03
0.23	at	16/09
0.38	at	16/09
0.10	at	19/03
0.05	at	16/09
0.16	at	14/09

Yield (%)

€ AVG 5-7y	-0.27
Bund 2y	-0.66
Bund 10y	-0.49
OAT 10y	-0.30
Corp. BBB	0.90
\$ Treas. 2y	0.13
Treas. 10y	0.68
High Yield	5.72
£ gilt. 2y	-0.11
gilt. 10y	0.14

At 17-9-20

highest 20

0.72	at	18/03
-0.58	at	14/01
-0.17	at	19/03
0.28	at	18/03
2.54	at	24/03
1.59	at	08/01
1.91	at	01/01
1.129	at	23/03
0.61	at	08/01
0.83	at	01/01

lowest 20

-0.29	at	16/09
-1.00	at	09/03
-0.84	at	09/03
-0.42	at	09/03
0.65	at	20/02
0.11	at	04/08
0.50	at	09/03
5.44	at	21/02
-0.11	at	08/09
0.04	at	04/08

EXCHANGE RATES

1€ =		highest 20	lowest 20	2020
USD	1.18	1.20 at 01/09	1.07 at 20/03	+5.2%
GBP	0.91	0.94 at 23/03	0.83 at 18/02	+7.6%
CHF	1.07	1.09 at 05/06	1.05 at 14/05	-1.1%
JPY	123.64	126.82 at 31/08	114.51 at 06/05	+1.4%
AUD	1.62	1.87 at 23/03	1.60 at 01/01	+1.5%
CNY	7.99	8.26 at 30/07	7.55 at 19/02	+2.2%
BRL	6.21	6.69 at 20/08	4.51 at 02/01	+37.5%
RUB	88.82	90.18 at 08/09	67.75 at 10/01	+27.4%
INR	86.97	89.12 at 18/08	77.21 at 17/02	+8.5%

At 17-9-20

Change

COMMODITIES

Spot price, \$		highest 20	lowest 20	2020	2020(€)
Oil, Brent	43.4	69.1 at 06/01	16.5 at 21/04	-34.6%	-37.8%
Gold (ounce)	1 948	2 053 at 06/08	1 475 at 19/03	+28.1%	+21.8%
Metals, LME	3 034	3 044 at 07/09	2 232 at 23/03	+6.7%	+1.5%
Copper (ton)	6 806	6 815 at 14/09	4 625 at 23/03	+10.7%	+5.2%
CRB Foods	#N/A	#N/A at #N/A	#N/A at #N/A	#N/A	#N/A
wheat (ton)	208	2.4 at 21/01	178 at 26/06	-9.0%	-13.5%
Corn (ton)	141	1.5 at 23/01	113 at 28/04	-0.6%	-10.4%

At 17-9-20

Change

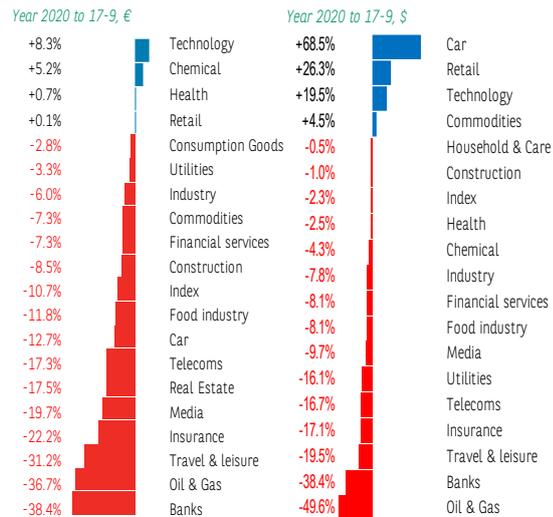
EQUITY INDICES

	Index	highest 20	lowest 20	2020
World				
MSCI World	2 384	2 494 at 02/09	1 602 at 23/03	+11.1%
North America				
S&P500	3 357	3 581 at 02/09	2 237 at 23/03	+3.9%
Europe				
EuroStoxx50	3 317	3 865 at 19/02	2 386 at 18/03	-11.4%
CAC 40	5 040	6 111 at 19/02	3 755 at 18/03	-1.6%
DAX 30	13 208	13 789 at 19/02	8 442 at 18/03	-0.3%
IBEX 35	7 086	10 084 at 19/02	6 107 at 16/03	-2.6%
FTSE100	6 050	7 675 at 17/01	4 994 at 23/03	-2.0%
Asia				
MSCI, loc.	936	1 034 at 20/01	743 at 23/03	-0.7%
Nikkei	23 319	24 084 at 20/01	16 553 at 19/03	-1.4%
Emerging				
MSCI Emerging (\$)	1 107	1 147 at 17/01	758 at 23/03	-0.1%
China	98	102 at 02/09	69 at 19/03	+14.4%
India	572	609 at 17/01	353 at 23/03	-0.2%
Brazil	1 562	2 429 at 02/01	1 036 at 23/03	-14.0%
Russia	594	857 at 20/01	419 at 18/03	-12.5%

At 17-9-20

Change

PERFORMANCE BY SECTOR (Eurostoxx50 & S&P500)

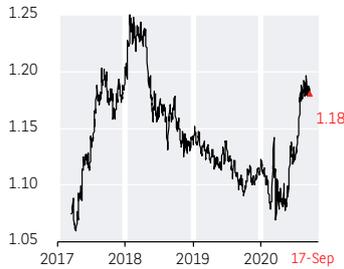


SOURCE: THOMSON REUTERS,

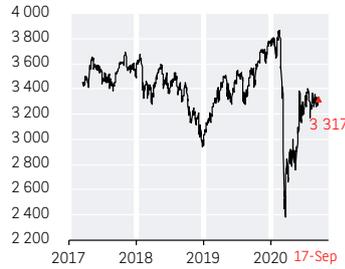


MARKETS OVERVIEW

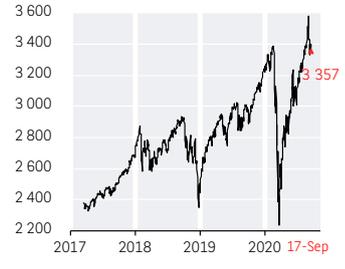
EURO-DOLLAR



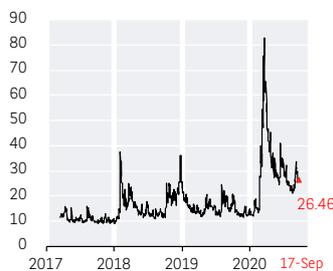
EUROSTOXX50



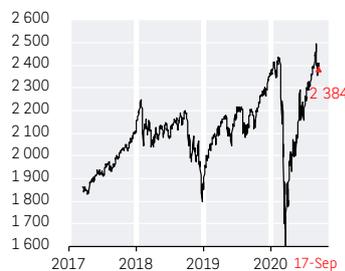
S&P500



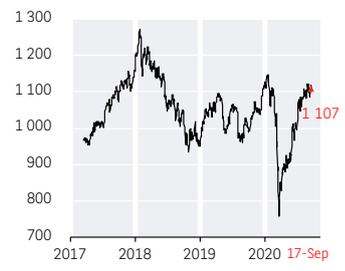
VOLATILITY (VIX, S&P500)



MSCI WORLD (USD)



MSCI EMERGING (USD)



10Y BOND YIELD, TREASURIES VS BUND



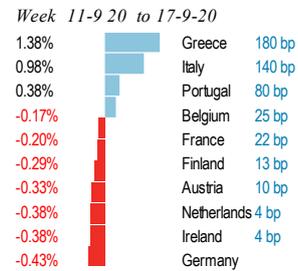
—Bunds —US Treasuries

10Y BOND YIELD

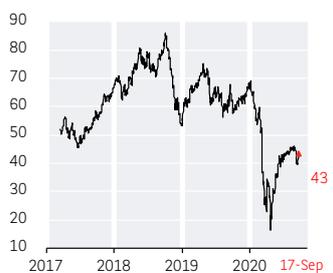


—Bunds —OAT

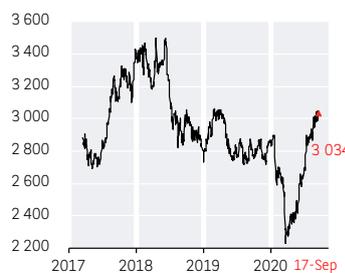
10Y BOND YIELD & SPREADS



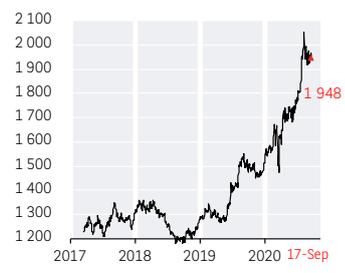
OIL (BRENT, USD)



METALS (LMEX, USD)



GOLD (OUNCE, USD)



SOURCE: THOMSON REUTERS,



ECONOMIC PULSE

CHINA: ECONOMIC RECOVERY IS BROADENING

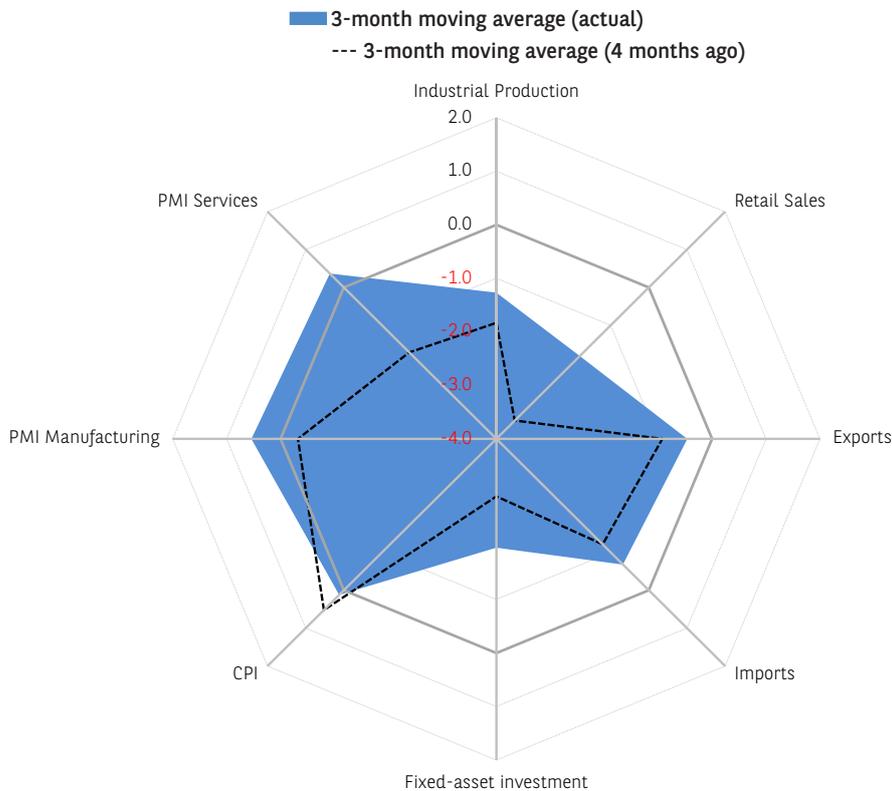
China's economic dynamics continued to improve in August 2020. As seen in our monthly Pulse, the expansion of the blue area compared to the dotted area shows a more widespread recovery in activity. Whereas the improvement since March was initially driven by the rebound in industrial production and investment in public infrastructure and real estate, it has now reached other parts of the economy. Activity indicators have picked up in industry and services. Regarding demand components, investment has continued to strengthen and exports saw a solid bounce back in July and August (up 8.4% y/y in value terms). Even the value of retail sales reported slightly positive growth in August (+0.5% year-on-year) for the first time in 2020. However, retail sales were still down in volume terms (-1.1%), and well below their 2019 level over the first eight months of the year (-8.6% y/y). Online retail sales have continued to make ground.

The return to normal levels of activity in a large number of industrial sectors therefore seems to be complete. However, the shock due to the Covid19 epidemic has severely damaged the financial situation of many corporates (especially micro enterprises and SMEs) and

households, and this could continue to weigh on private investment and consumption. Consumers remain very cautious, notably due to health risks and labor market trends. The unemployment rate calculated by the NBS on the basis of survey data rose abruptly from 5.3% in December 2019 to 6.2% in February 2020. It has fallen again since March (to 5.6% in August) but remains unusually high. Moreover, this rate is likely to under-estimate this year's deterioration in the labor market: first, it measures only urban unemployment and second, it does not take into account a large share of the migrant workers who lost their jobs during the lockdown period.

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 -4 and +2. 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 SCENARIO

7

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	-	-	-
France	1.5	-9.8	6.8	-	-	-
Italy	0.3	-10.0	5.3	-	-	-
Spain	2.0	-13.0	5.0	-	-	-
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	Spot	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
T-Notes 10y	0.67	0.80	0.68	0.75	0.90	1.00	1.20	0.75	1.20
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	-0.43	-0.30	-0.20	-0.10	0.00	-0.30	0.00
OAT 10y	-0.05	-0.15	-0.20	-0.05	0.05	0.15	0.25	-0.05	0.25
BTP 10y	1.55	1.30	0.98	0.90	1.20	1.40	1.50	0.90	1.50
BONDO 10y	0.68	0.50	0.28	0.30	0.50	0.60	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	0.19	0.30	0.30	0.40	0.70	0.30	0.70
Japan BoJ Rate	-0.07	-0.10	-0.07	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
JGB 10y	0.02	0.00	0.03	0.05	0.05	0.10	0.15	0.05	0.15

Exchange Rates	2020				2021				
	Q1	Q2	Spot	Q4e	Q1e	Q2e	Q4e	2020e	2021e
USD EUR / USD	1.10	1.09	1.19	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	1.29	1.41	1.43	1.45	1.48	1.41	1.48
EUR EUR / GBP	0.89	0.88	0.92	0.87	0.87	0.86	0.85	0.87	0.86
EUR / JPY	118	113	126	125	125	124	121	125	121

Brent	2020				2021				
	Q1	Q2	Spot	Q4e	Q1e	Q2e	Q4e	2020e	2021e
Period-average	51	33	40.12	49	61	58	-	44	59
Brent USD/bbl									

LAST UPDATE: 09/10/2020

SOURCE: BNP PARIBAS GLOBAL MARKETS (E: ESTIMATES)


BNP PARIBAS

The bank
for a changing
world

CALENDAR

8

LATEST INDICATORS

Business sentiment in France improved significantly in August and also beat expectations. As expected, the monthly growth of eurozone industrial production slowed in July: the jump the month before was attributable to the scaling back of the lockdown measures. EU car registrations in August showed a huge drop. Data in China in August were more or less in line with expectations. They improved compared to July, which is partly related to the calculation: the year over year change of the year to date number. The latter implies that the impact of the lockdown is diluted as time goes by. The ZEW indices for Germany and the eurozone show that analysts have become significantly more optimistic compared to the previous month. In the US, the picture is mixed with a big increase in the Empire State index and a better housing market index whereas industrial production and retail sales slowed and came in below expectations. Building permits and housing starts declined and were below the consensus. The new projections of the FOMC members show that the federal funds rate is expected to remain unchanged over the entire projection horizon, which stretches until the end of 2023. The Bank of England kept its policy unchanged but is contemplating to bring the policy rate into negative territory should economic conditions require. The Bank of Japan maintained its policy stance. Governor Kuroda declared that the cooperation with the new prime minister would be similar to that with his predecessor.

DATE	COUNTRY/ZONE	INDICATOR	PERIOD	SURVEY	ACTUAL	PREVIOUS
09/14/2020	Japan	Industrial production m/m	July	--	8.7%	8.0%
09/14/2020	France	Bank of France Ind. Sentiment	August	99	106	99
09/14/2020	Eurozone	Industrial production CVS m/m	July	--	4.1%	9.5%
09/15/2020	China	Industrial production y/y	August	0.3%	0.4%	-0.4%
09/15/2020	China	Retail sales y/y	August	-8.8%	-8.6%	-9.9%
09/15/2020	China	Fixed Assets Ex Rural (excluding rural households)	August	-0.4%	-0.3%	-1.6%
09/15/2020	China	Property investment g.a.	August	4.1%	4.6%	3.4%
09/15/2020	China	Unemployment rate	August	5.6%	5.6%	5.7%
09/15/2020	United Kingdom	Jobless Claims	August	--	7.6%	7.4%
09/15/2020	France	CPI EU Harmonized MoM	August	--	-0.1%	-0.1%
09/15/2020	Germany	ZEW survey expectations	Sep	--	77.4	71.5
09/15/2020	Eurozone	ZEW survey expectations	Sep	--	73.9	64.0
09/15/2020	United States	Empire Manufacturing	Sep	9.0	17.0	3.7
09/15/2020	United States	Industrial production m/m	August	0.9%	0.4%	3.5%
09/16/2020	United States	Retail sales Control Group	August	--	-0.1%	0.9%
09/16/2020	United States	NAHB Housing Market Index	Sep	--	83	78
09/16/2020	United States	FOMC Rate Decision (Upper Bound)	Sep	0.25%	0.25%	0.25%
09/16/2020	United States	FOMC Rate Decision (Lower Bound)	Sep	0.00%	0.00%	0.00%
09/17/2020	Eurozone	EU27 New Car Registrations	Sep	--	-18.9%	-22.3%
09/17/2020	Eurozone	CPI y/y	August	--	0.4%	0.4%
09/17/2020	United Kingdom	Bank of England Bank Rate	Sep	--	0.100%	0.100%

SOURCE: BLOOMBERG



DATE	COUNTRY/ZONE	INDICATOR	PERIOD	SURVEY	ACTUAL	PREVIOUS
09/17/2020	United States	Building permits m/m	August	3.5%	-0.9%	17.9%
09/17/2020	United States	Housing starts m/m	August	-2.2%	-5.1%	17.9%
09/17/2020	United States	Philadelphia Fed Business Outlook	Sep	17.0	15.0	17.2
09/17/2020	United States	Initial Jobless Claims	Sep.	--	860k	893k
09/17/2020	Japan	BOJ Policy Balance Rate	Sept.	--	-0.100%	-0.100%
09/17-23/2020	Japan	Tokyo Dept Store Sales	August	--	-8.2%	-27.9%
09/18/2020	United Kingdom	Retail Sales Ex Auto Fuel MoM	August	--		2.0%
09/18/2020	United States	U.of Michigan sentiment	Sep	75.0	78.9	74.1
09/18/2020	United States	U.of Michigan current situation	Sep	--	87.5	82.9
09/18/2020	United States	U.of Michigan expectations	Sep	--	73.3	68.5

SOURCE: BLOOMBERG



CALENDAR: THE WEEK AHEAD

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COMING INDICATORS

It's flash PMI week next week and the data will allow for a better reading of how different countries are doing in September. In addition, we will have important data in Germany (IFO survey) and France (business confidence). Eurozone consumer confidence is eagerly awaited considering that the rebound from its low in the second quarter has been more limited than for business confidence. Moreover it barely moved in August. Should this continue, it could weigh on growth expectations for the fourth quarter. Finally, the ECB will publish its economic bulletin.

DATE	COUNTRY	INDICATOR	PERIOD	CONSENSUS	PREVIOUS
09/22/2020	Eurozone	Consumer Confidence	Sep	--	-14.7
09/22/2020	United States	Existing Home Sales MoM	Aug	1.5%	24.7%
09/23/2020	Japan	Jibun Bank Japan PMI Mfg	Sep	--	47.2
09/23/2020	Japan	Jibun Bank Japan PMI Services	Sep	--	45.0
09/23/2020	Japan	Jibun Bank Japan PMI Composite	Sep	--	45.2
09/23/2020	Germany	GfK Consumer Confidence	Oct	--	-1.8
09/23/2020	France	Markit France Manufacturing PMI	Sep	--	49.8
09/23/2020	France	Markit France Services PMI	Sep	--	51.5
09/23/2020	France	Markit France Composite PMI	Sep	--	51.6
09/23/2020	Germany	Markit/BME Germany Manufacturing PMI	Sep	--	52.2
09/23/2020	Germany	Markit Germany Services PMI	Sep	--	52.5
09/23/2020	Germany	Markit/BME Germany Composite PMI	Sep	--	54.4
09/23/2020	Eurozone	Markit Eurozone Manufacturing PMI	Sep	--	51.7
09/23/2020	Eurozone	Markit Eurozone Services PMI	Sep	--	50.5
09/23/2020	Eurozone	Markit Eurozone Composite PMI	Sep	--	51.9
09/23/2020	United Kingdom	Markit UK PMI Manufacturing SA	Sep	--	55.2
09/23/2020	United Kingdom	Markit/CIPS UK Services PMI	Sep	--	58.8
09/23/2020	United Kingdom	Markit/CIPS UK Composite PMI	Sep	--	59.1
09/23/2020	United States	Markit US Manufacturing PMI	Sep	--	53.1
09/23/2020	United States	Markit US Services PMI	Sep	--	55.0
09/23/2020	United States	Markit US Composite PMI	Sep	--	54.6
09/24/2020	France	Business Confidence	Sep	--	91
09/24/2020	Germany	IFO Business Climate	Sep	--	92.6
09/24/2020	Germany	IFO Expectations	Sep	--	97.5
09/24/2020	Germany	IFO Current Assessment	Sep	--	87.9
09/24/2020	Eurozone	ECB Publishes Economic Bulletin			
09/24/2020	United States	Initial Jobless Claims	Sep	--	--
09/24/2020	United States	New Home Sales MoM	Aug	-2.9%	13.9%
09/25/2020	United States	Cap Goods Orders Nondef Ex Air	Aug	--	1.9%

SOURCE: BLOOMBERG



FURTHER READING

France: An overview of the recovery plan	EcoTV Week	18 September
Towards a resumption of banking consolidation in southern europe?	Chart of the Week	16 September
Spain: The epidemic's rebound weighs on confidence	EcoWeek	11 September
Italy: Disinflationary pressures in services increase	EcoWeek	11 September
United Kingdom: While the economy is recovering, Brexit concerns are mounting	EcoWeek	11 September
Eurozone: ECB: patience required	EcoWeek	11 September
EcoTV - September 2020	EcoTV	10 September
Nordics not particularly optimistic despite smaller recession	Chart of the Week	9 September
Covid-19, lockdown and the environment	Podcast	8 September
Towards a lasting change in the way we produce and consume?	Podcast	8 September
Killing two birds with one stone: fiscal policy to boost growth and meet climate goals	Podcast	8 September
The global repercussions of the Federal Reserve's inflation averaging strategy	EcoWeek	4 September
France: The take-off of the recovery	EcoWeek	4 September
United States: The gap has not yet closed	EcoWeek	4 September
The headaches of the ECB	EcoTV Week	4 September
China: investment recovery continues	Chart of the Week	2 September
US : The Federal Reserve enters a new era of inflation targeting	EcoWeek	31 August
Eurozone : The recovery continues but momentum is slowing	EcoWeek	31 August
Brazil: Investment in times of fiscal adjustment	EcoConjoncture	31 August
France: matching surges in non-financial corporations' fundind and deposits	Chart of the Week	26 August



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