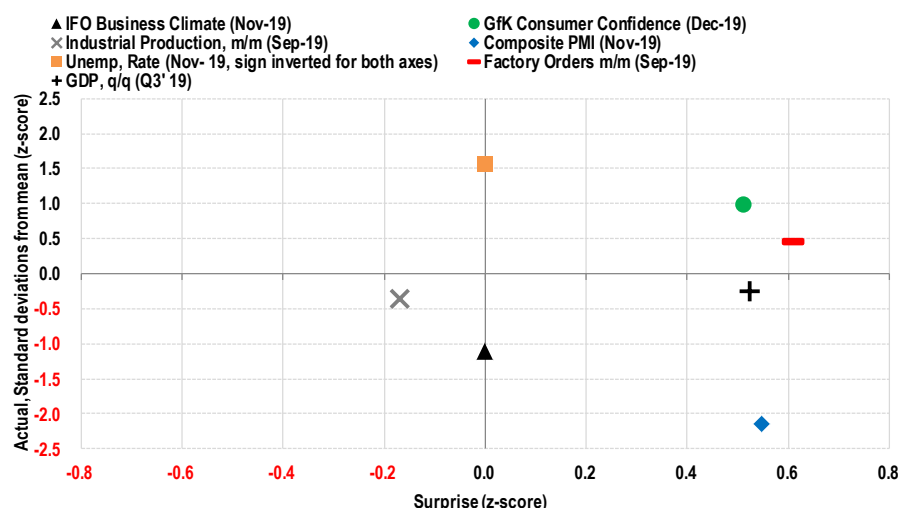


Pulse

Germany: passed the trough?

Most indicators for November surprised on the upside. Despite a string of disappointing data, in particular from the manufacturing sector, GDP actually increased in Q3 by a meagre 0.1%, whereas the consensus had expected a further shrinkage (-0.1%). The main reason was robust growth of private consumption, underpinned strong household confidence levels. GfK indicate that household confidence has remained also very strong in Q4. Also net exports contributed positively to growth, as world trade bounced back. Nevertheless, industrial production remained very weak and the strong rebound in orders in September was the only positive surprise for manufacturers.



Note: z-score is a score which indicates how many standard deviations an observation is from the mean: $z=(x-\mu)/\sigma$ where x : observation, μ : mean, σ : standard deviation. On the X-axis, x corresponds to the last known surprise for each indicator represented on the graph, μ and σ corresponds respectively to the mean and the standard deviation of the last 24 value for monthly data and the last 8 quarters for quarterly data. On the Y-axis, x corresponds to the last known value of indicator, μ and σ corresponds respectively to the mean and the standard deviation for this indicator since 2000 (for China since 2011).

Indicators preview

It is central bank week next week. Markets will try to gauge whether there is any change in emphasis in Jerome Powell's press conference after the FOMC meeting. In the eurozone, the first press conference following the Governing Council meeting, of Christine Lagarde as ECB president, is eagerly awaited. We can expect a broad range of questions on topics such as the policy stance, the strategy review, climate change and the ECB, etc. In terms of data, we have several releases in France (in particular, industry sentiment and job creations), the Tankan survey and machine orders in Japan as well as US retail sales.

Date	Country/Region	Event	Period	Survey	Prior
12/09/2019	Japan	GDP SA QoQ	3Q	--	0.1%
12/09/2019	Germany	Trade Balance	Oct	--	2.11e+10
12/09/2019	France	Bank of France Ind. Sentiment	Nov	--	98
12/09/2019	Japan	Eco Watch Survey Current SA	Nov	--	36.7
12/09/2019	Switzerland	Aggregate Financing CNY	Nov	--	6.189e+11
12/10/2019	Switzerland	CPI YoY	Nov	4.1%	3.8%
12/10/2019	Switzerland	PPI YoY	Nov	--	-1.6%
12/10/2019	Japan	Machine Tool Orders YoY	Nov	--	-37.4%
12/10/2019	France	Private Sector Payrolls QoQ	3Q	--	0.3%
12/10/2019	France	Industrial Production MoM	Oct	--	0.3%
12/10/2019	United Kingdom	Industrial Production MoM	Oct	--	-0.3%
12/10/2019	United States	NFIB Small Business Optimism	Nov	103.1	102.4
12/11/2019	United States	CPI MoM	Nov	0.3%	0.4%
12/11/2019	United States	FOMC Rate Decision (Upper Bound)	Dec	1.75%	1.75%
12/12/2019	Japan	Core Machine Orders MoM	Oct	--	-2.9%
12/12/2019	Germany	CPI EU Harmonized MoM	Nov	--	-0.8%
12/12/2019	France	CPI EU Harmonized MoM	Nov	--	0.1%
12/12/2019	Eurozone	Industrial Production SA MoM	Oct	--	0.1%
12/12/2019	Eurozone	ECB Deposit Facility Rate	Dec	--	-0.500%
12/12/2019	United States	PPI Ex Food and Energy MoM	Nov	--	0.3%
12/12/2019	United Kingdom	CBI Retailing Reported Sales	Dec	--	-3
12/13/2019	Japan	Tankan Large Mfg Index	4Q	--	--
12/13/2019	United States	Retail Sales Advance MoM	Nov	0.5%	0.3%

Source: Bloomberg, BNP Paribas

