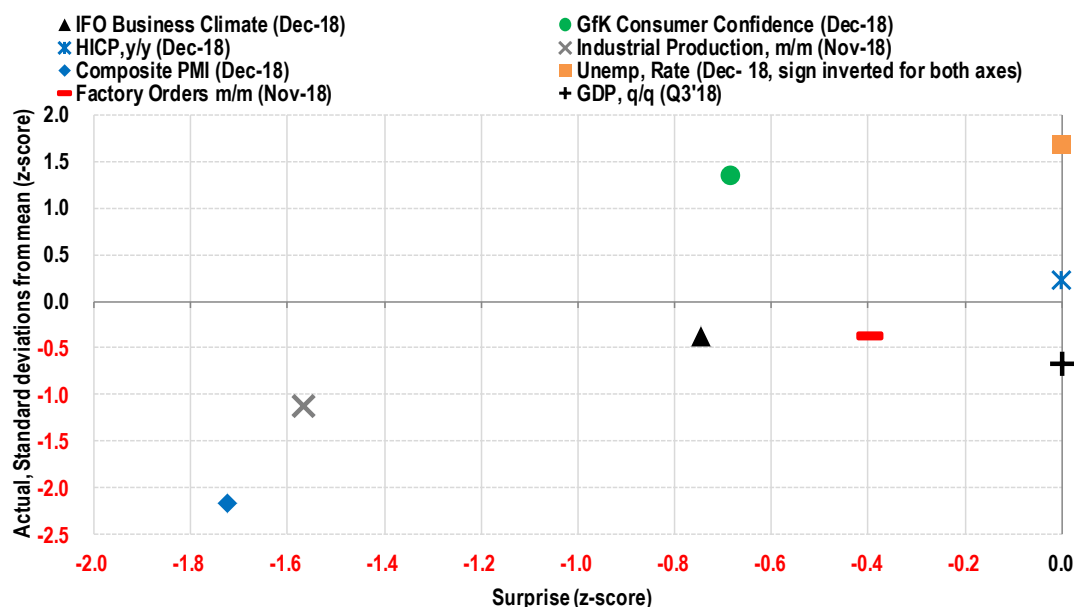


Pulse

Germany: Rude awakening

For Germany, 2019 started with a hangover. Most indicators that we follow are below their long-term average and all surprised on the downside. In particular, the export-oriented manufacturing sector has been badly affected. Production declined in five months out of the six to November. The further decline in the PMI manufacturing in December to 51.5 does not signal a quick rebound. Nevertheless, household confidence, although weakening, remains well above its long-term average, underpinned by the dynamic labour market, generous pay deals and the loosening fiscal stance.



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 at 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 at 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).

Source: Bloomberg, BNP Paribas

Indicators preview

In the US the Beige Book will probably get more attention than normal following the recent weak data and the drop in the stock market. Attention will also go to several housing market indicators, retail sales, University of Michigan household sentiment and to the Philadelphia Fed survey for January. Inflation data will be published for the eurozone, France and the UK.

Date	Country/Region	Event	Period	Surv(M)	Prior
01/15/19	France	CPI EU Harmonized MoM	Dec.	--	--
01/15/19	United States	PPI Ex Food and Energy MoM	Dec.	0.2%	0.3%
01/16/19	Japan	Core Machine Orders MoM	Nov.	--	7.6%
01/16/19	United Kingdom	CPI MoM	Dec.	--	0.2%
01/16/19	United States	Retail Sales Advance MoM	Dec.	0.2%	0.2%
01/16/19	United States	NAHB Housing Market Index	Jan.	--	56
01/16/19	United States	U.S. Federal Reserve Releases Beige Book			
01/17/19	Eurozone	CPI MoM	Dec.	--	-0.2%
01/17/19	United States	Housing Starts MoM	Dec.	0.0%	3.2%
01/17/19	United States	Building Permits MoM	Dec.	-2.1%	5.0%
01/17/19	United States	Philadelphia Fed Business Outlook	Jan.	--	9.4
01/18/19	United Kingdom	Retail Sales Ex Auto Fuel MoM	Dec.	--	1.2%
01/18/19	United States	Industrial Production MoM	Dec.	0.2%	0.6%
01/18/19	United States	University of Michigan Sentiment	Jan.	--	98.3

Source: Bloomberg, BNP Paribas

