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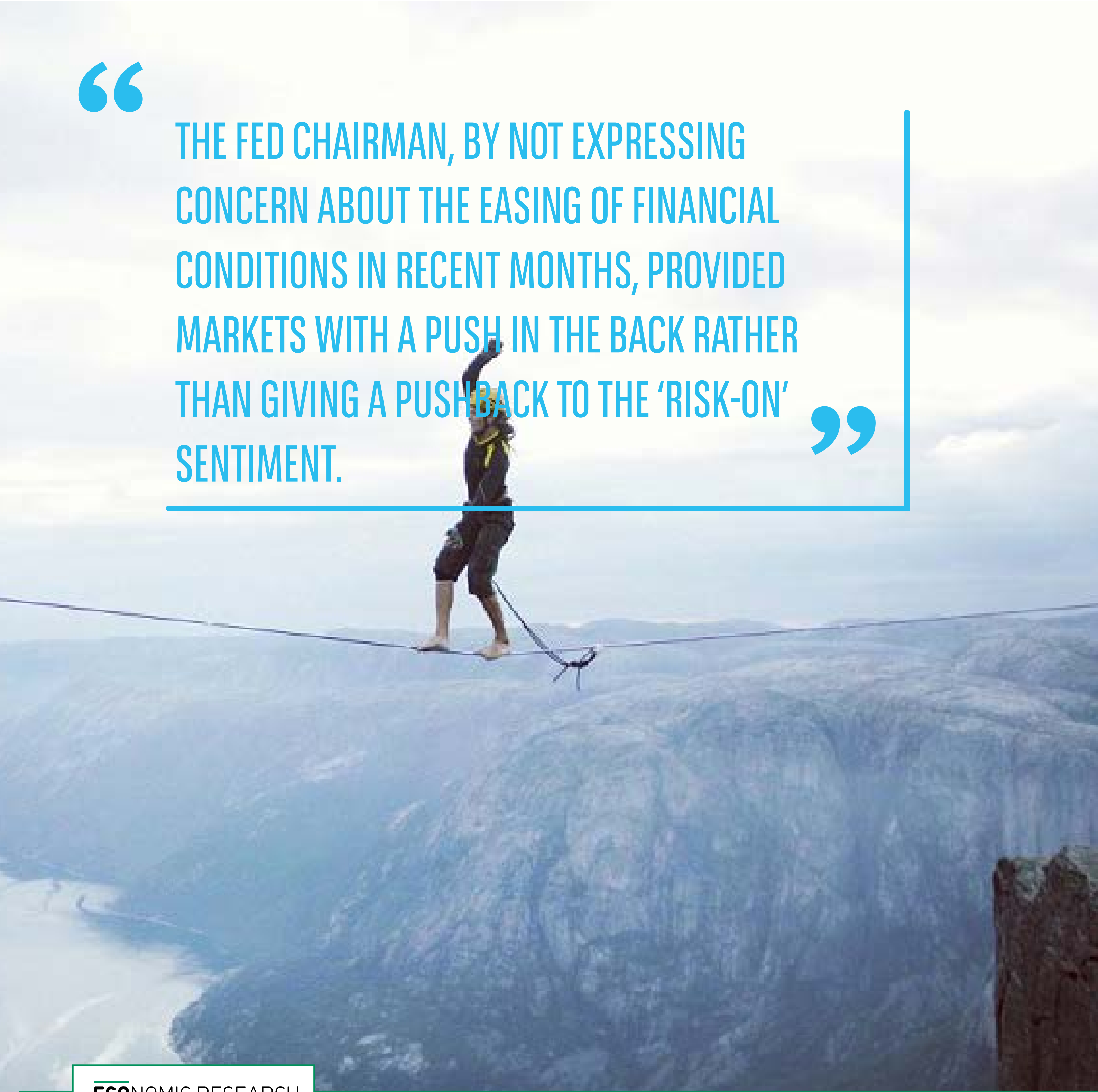


"THE FED CHAIRMAN, BY NOT EXPRESSING CONCERN ABOUT THE EASING OF FINANCIAL CONDITIONS IN RECENT MONTHS, PROVIDED MARKETS WITH A PUSH IN THE BACK RATHER THAN GIVING A PUSHBACK TO THE 'RISK-ON' SENTIMENT."

ECONOMIC RESEARCH

BNP PARIBAS

The bank
for a changing
world

TABLE OF CONTENT

CENTRAL BANKS, MARKETS AND THE ECONOMY: THREE TIMES WRONGFOOTED

In the US, financial conditions have eased in recent months and weighed on the effectiveness of the Fed's policy tightening. Jerome Powell recently gave the impression of not being too concerned, so markets rallied, and financial conditions eased further despite the hawkish message from the FOMC. In the Eurozone, another rate hike by the ECB and the commitment to raise rates again in March caused a huge drop in bond yields because markets expect we're getting closer to the terminal rate. It reflects a concern of not being invested in the right asset class when the guidance of central banks will change: based on past experience, one would expect that bond and equity markets would rally when central banks signal that the tightening cycle is (almost) over. However, as we have seen with the surprisingly strong US labour market report, such positioning comes with the risk of being wrongfooted by the data. What follows is huge volatility.

Financial markets are a key channel of monetary transmission. Changes of official interest rates, or expectations thereof, influence the level of government bond yields, corporate bond spreads, equity markets and the exchange rate. Together, they represent financial conditions faced by borrowers and investors whose decisions influence the real economy.

It explains why central banks and investors pay particular attention to the evolution of these financial conditions. In the US, they have eased in recent months (*charts 2-5*) despite the aggressive rate hikes by the Federal Reserve. Treasury yields, corporate bond yields and their spreads versus Treasuries have declined, equity markets have rallied, and the dollar has depreciated. Such easing of financial conditions reduces the effectiveness of official rate increases, so Fed watchers were keen to learn whether Jerome Powell would express an opinion on the topic during his latest press conference. He did so in answering a journalist's question[1] but by saying that the Fed's focus is not on short-term moves, he gave the impression of not being too concerned. Unsurprisingly, markets rallied, and financial conditions eased further (*chart 1*). Not exactly what the Federal Reserve had hoped for with its otherwise hawkish message.

The ECB is facing a similar challenge of coping with fluctuations in financial conditions and, through its communication, trying to influence them, but like the Federal Reserve, it has been wrongfooted by financial markets. Although, following the meeting on 2 February, the monetary policy statement as well as the press conference reflected an unambiguous decisiveness to increase its official rates further, there was a huge drop in bond yields in reaction to the announcement that *"we intend to raise interest rates by another 50 basis points at our next monetary policy meeting in March and we will then evaluate the subsequent path of our monetary policy."*[2] Clearly, this was interpreted as signaling an increasing likelihood that the rate hikes, if any, beyond the March meeting could come in smaller steps -like in the US- and that the terminal rate -the cyclical peak of the policy rate- was getting closer.

A third case of being wrongfooted came with the publication of the January US labour market data. Financial markets were taken completely by surprise by the strength of the report. 517,000 new jobs were created -versus a consensus forecast of 187,000-, the unemployment rate declined to 3.4% (consensus: 3.6%), weekly hours worked increased to 34.7 (consensus: 34.4) and the participation rate increased to 62.4% (consensus: 62.3%).

INTRADAY REACTION OF 10-YEAR YIELDS

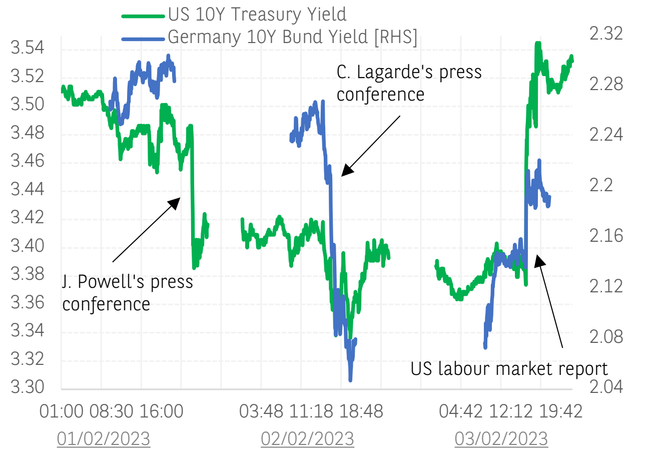


CHART 1

SOURCE: BLOOMBERG, BNP PARIBAS

In addition, another report also surprised to the upside: the ISM services index jumped to 55.2, far ahead of the consensus of 50.4. Consequently, the yield on the 10 year Treasury note moved about 15 basis points higher.

Two lessons can be learned from these recent developments. Firstly, investors are afraid of 'missing the train', i.e. not being invested sufficiently in the asset class of their choice when the guidance of central banks would change: based on past experience, one would expect that bond and equity markets would rally when central banks signal that the tightening cycle is (almost) over. Secondly, despite the slowdown in certain areas, the US economy remains, on the whole, resilient, and shows a capacity to surprise positively. Inevitably, this leads to heightened financial market volatility.

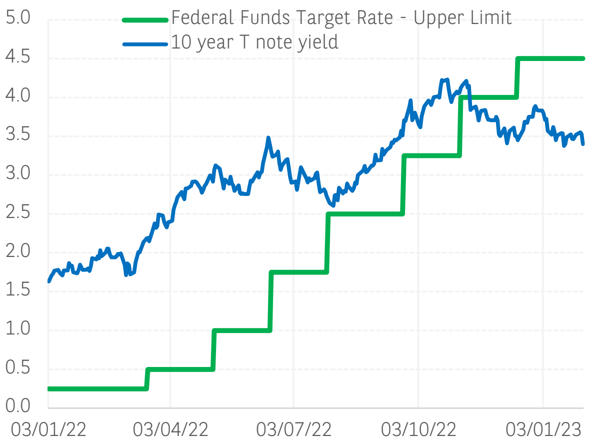
William De Vijlder

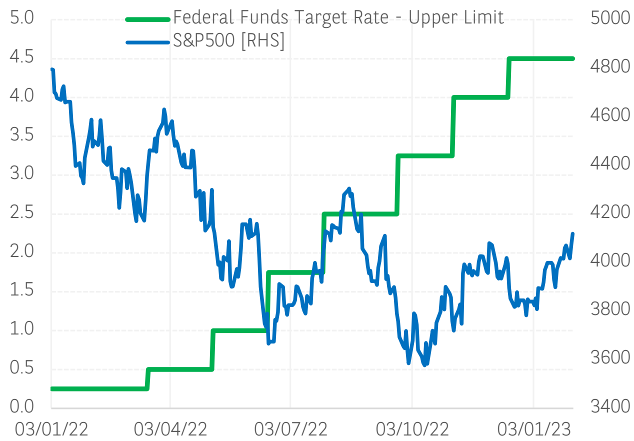
1 The question was asked by Chris Rugaber of Associated Press: "As you know financial conditions have loosened since the fall with bond yields falling, which has also brought down mortgage rates, and the stock market posted a solid gain in January. Does that make your job of combating inflation harder? And could you see lifting rates higher than you otherwise would to offset the increase in -- or to offset the easing of financial conditions?" Source: Transcript of Chair Powell's Press Conference, 1 February 2023, Federal Reserve.

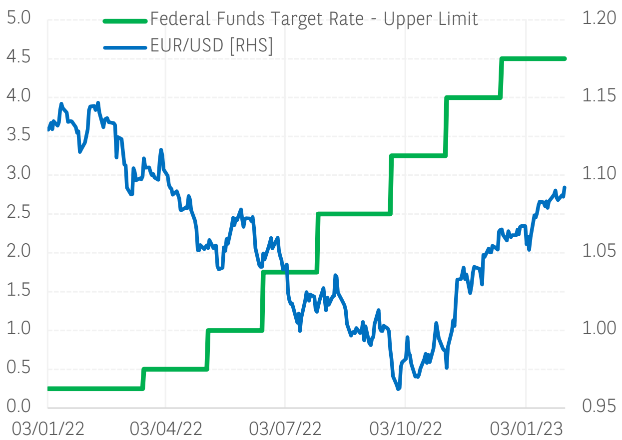
2 Source : ECB, press conference of Christine Lagarde, President of the ECB, and Luis de Guindos, Vice-President of the ECB, Frankfurt am Main, 2 February 2023.

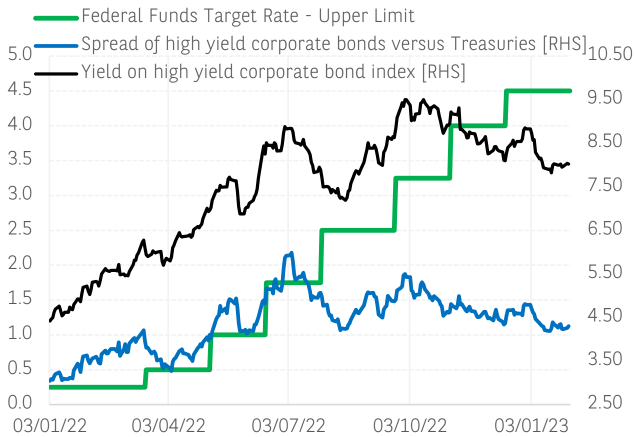
EDITORIAL

FINANCIAL CONDITIONS AND FED POLICY









CHARTS 2-5

SOURCE: REFINITIV, FED OF ST LOUIS, BNP PARIBAS

> The Fed chairman, by not expressing concern about the easing of financial conditions in recent months, provided markets with a push in the back rather than giving a pushback to the 'risk-on' sentiment.

MARKETS OVERVIEW

OVERVIEW

Week 27-1 23 to 3-2-23				
↗ CAC 40	7 097	▸ 7 234	+1.9	%
↗ S&P 500	4 071	▸ 4 136	+1.6	%
↘ Volatility (VIX)	18.5	▸ 18.3	-0.2	pb
↗ Euribor 3M (%)	2.49	▸ 2.55	+5.3	bp
↗ Libor $ 3M (%)	4.83	▸ 4.83	+0.9	bp
↘ OAT 10y (%)	2.71	▸ 2.65	-5.6	bp
↘ Bund 10y (%)	2.20	▸ 2.16	-4.6	bp
↗ US Tr. 10y (%)	3.52	▸ 3.53	+1.4	bp
↗ Euro vs dollar	1.08	▸ 1.09	+0.2	%
↘ Gold (ounce, $)	1 928	▸ 1 870	-3.0	%
↘ Oil (Brent, $)	86.7	▸ 80.0	-7.7	%

MONEY & BOND MARKETS

Interest Rates		highest 23	lowest 23
€ ECB	2.50	2.50 at 02/01	2.50 at 02/01
Eonia	-0.51	-0.51 at 02/01	-0.51 at 02/01
Euribor 3M	2.55	2.55 at 03/02	2.16 at 02/01
Euribor 12M	3.37	3.45 at 02/02	3.30 at 19/01
$ FED	4.75	4.75 at 02/02	4.50 at 02/01
Libor 3M	4.83	4.83 at 03/02	4.77 at 02/01
Libor 12M	5.25	5.56 at 06/01	5.25 at 03/02
£ BoE	4.00	4.00 at 02/02	3.50 at 02/01
Libor 3M	4.16	4.16 at 03/02	3.87 at 02/01
Libor 12M	0.81	0.81 at 02/01	0.81 at 02/01

At 3-2-23

Yield (%)		highest 23	lowest 23
€ AVG 5-7y	2.64	2.64 at 02/01	2.64 at 02/01
Bund 2y	2.57	2.69 at 01/02	2.46 at 17/01
Bund 10y	2.16	2.44 at 02/01	1.98 at 18/01
OAT 10y	2.65	2.99 at 02/01	2.42 at 18/01
Corp. BBB	4.03	4.63 at 02/01	3.95 at 02/02
$ Treas. 2y	4.31	4.46 at 05/01	4.08 at 18/01
Treas. 10y	3.53	3.83 at 02/01	3.38 at 18/01
High Yield	8.02	9.01 at 02/01	7.94 at 02/02
£ gilt. 2y	3.17	3.69 at 02/01	3.15 at 02/02
gilt. 10y	3.05	3.67 at 02/01	3.00 at 02/02

At 3-2-23

EXCHANGE RATES

1€ =		highest 23	lowest 23	2023
USD	1.09	1.09 at 02/02	1.05 at 05/01	+1.7%
GBP	0.90	0.90 at 03/02	0.87 at 19/01	+1.1%
CHF	1.00	1.00 at 24/01	0.99 at 04/01	+1.5%
JPY	142.28	142.58 at 11/01	138.02 at 03/01	+1.0%
AUD	1.56	1.57 at 02/01	1.53 at 27/01	-1.1%
CNY	7.32	7.42 at 02/01	7.23 at 05/01	-1.3%
BRL	5.56	5.79 at 04/01	5.47 at 02/02	-1.4%
RUB	76.68	77.91 at 02/01	73.32 at 12/01	-1.6%
INR	88.86	89.91 at 02/02	86.85 at 05/01	+0.6%

At 3-2-23 *Change*

COMMODITIES

Spot price, $		highest 23	lowest 23	2023	2023(€)
Oil, Brent	80.0	88.2 at 23/01	78.0 at 04/01	-5.8%	-7.4%
Gold (ounce)	1 870	1 935 at 24/01	1 824 at 02/01	+3.0%	+1.3%
Metals, LMEX	4 214	4 404 at 26/01	3 905 at 05/01	+5.8%	+4.0%
Copper (ton)	8 951	9 331 at 23/01	8 236 at 04/01	+7.0%	+5.2%
wheat (ton)	282	2.9 at 02/01	268 at 23/01	-1.3%	-3.0%
Corn (ton)	264	2.7 at 17/01	251 at 04/01	+0.1%	-0.4%

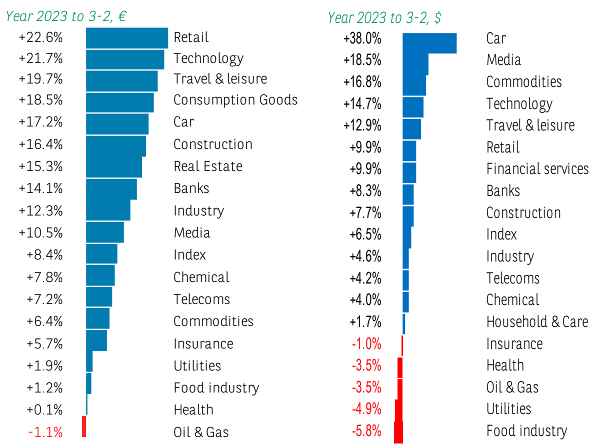
At 3-2-23 *Change*

EQUITY INDICES

	Index	highest 23	lowest 23	2023
World				
MSCI World	2 821	2 848 at 02/02	2 595 at 05/01	+8.4%
North America				
S&P500	4 136	4 180 at 02/02	3 808 at 05/01	+7.7%
Europe				
EuroStoxx50	4 258	4 258 at 03/02	3 856 at 02/01	+12.2%
CAC 40	7 234	7 234 at 03/02	6 595 at 02/01	+1.2%
DAX 30	15 476	15 509 at 02/02	14 069 at 02/01	+11.2%
IBEX 35	9 226	9 230 at 02/02	8 370 at 02/01	+1.2%
FTSE100	7 902	7 902 at 03/02	7 452 at 02/01	+0.6%
Asia				
MSCI, loc.	1 126	1 130 at 27/01	1 065 at 04/01	+0.5%
Nikkei	27 509	27 509 at 03/02	25 717 at 04/01	+5.4%
Emerging				
MSCI Emerging ($)	1 039	1 052 at 26/01	956 at 02/01	+0.9%
China	71	75 at 27/01	64 at 02/01	+11.5%
India	747	786 at 18/01	738 at 02/02	-4.2%
Brazil	1 480	1 574 at 25/01	1 357 at 04/01	-1.7%

At 3-2-23 *Change*

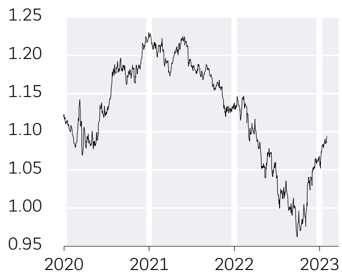
PERFORMANCE BY SECTOR (Eurostoxx50 & S&P500)



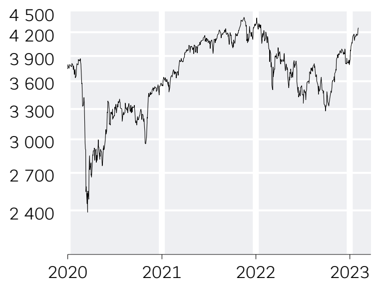
SOURCE: REFINITIV, BNP PARIBAS

MARKETS OVERVIEW

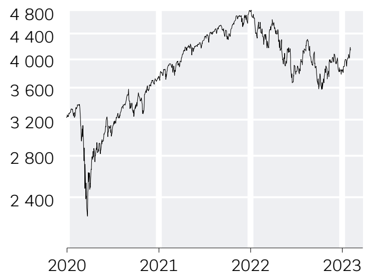
EURO-DOLLAR



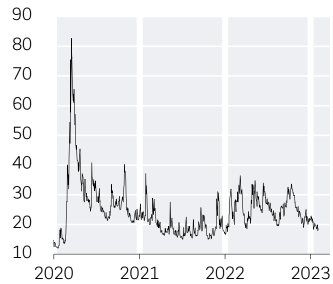
EUROSTOXX50



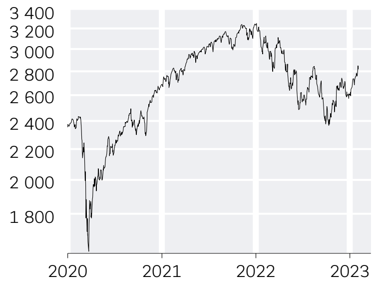
S&P500



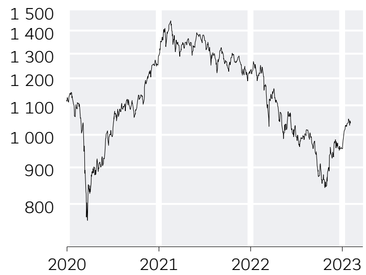
VOLATILITY (VIX, S&P500)



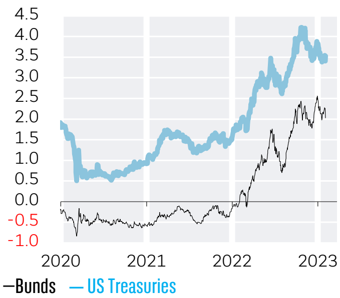
MSCI WORLD (USD)



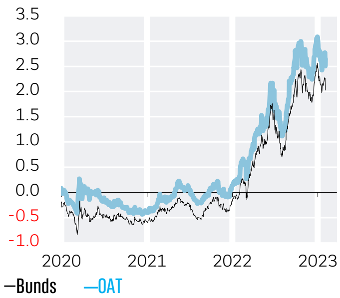
MSCI EMERGING (USD)



10Y BOND YIELD, TREASURIES VS BUND

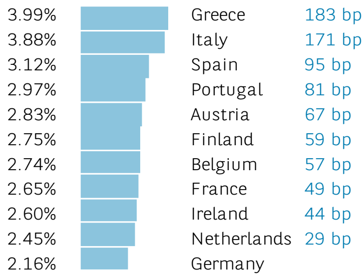


10Y BOND YIELD

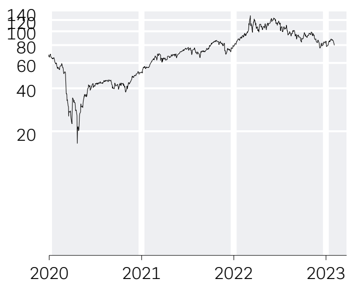


10Y BOND YIELD & SPREADS

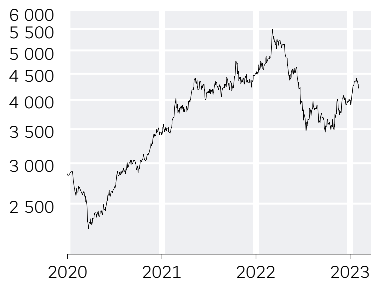
Year 2023 to 3-2



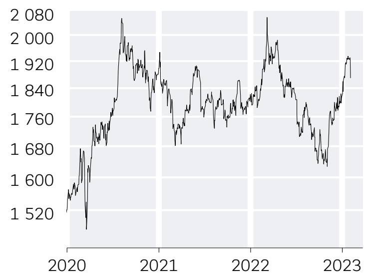
OIL (BRENT, USD)



METALS (LMEX, USD)



GOLD (OUNCE, USD)



SOURCE: REFINITIV, BNP PARIBAS

CREDIT IMPULSE: RISING INTEREST RATES CATCH UP ON BANK LENDING

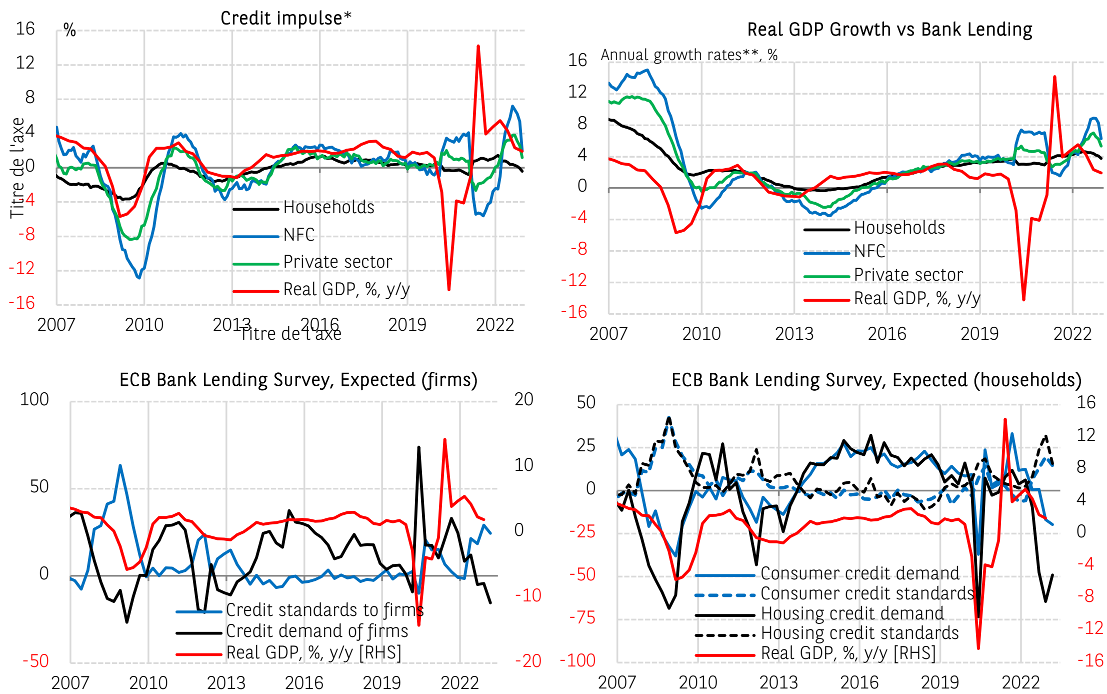
The ECB's policy tightening cycle that began in July 2022 is starting to have a negative effect on bank lending. Outstanding loans to the private sector slowed between September (+7.0% year-on-year) and December 2022 (+5.3%). Their continued sustained growth conceals a very sharp drop in the credit impulse between September and December 2022, which was unprecedented since spring 2009. The credit momentum fell more sharply for non-financial companies (NFCs) while remaining positive (+1.9 in December 2022), and more moderately for households, for which it is now negative (-0.1).

Banks surveyed by the ECB between 12 December 2022 and 10 January 2023 as part of its Bank Lending Survey (BLS, published on 31 January) report a tightening of the criteria for all loan categories in the fourth quarter of 2022. For companies, tightening is even the most pronounced since the sovereign debt crisis (2011). The demand for financing is declining due to rising borrowing costs and falling investment. With regard to households, the criteria were also significantly tightened in the fourth quarter, but slightly less than expected during the previous BLS. These changes, as well as the downturn in demand, concern both housing loans and consumer credit. The main explanatory factors are the higher cost of credit, weak household confidence and the deterioration of the real estate market outlook.

For the first quarter of 2023, the banks surveyed anticipate a further decline in demand for financing from both households and companies and envisage a further tightening of the approval criteria, in the same way as that reported in the fourth quarter of 2022.

Laurent Quignon

CREDIT IMPULSE



*Credit impulse is measured as the annual change of the annual growth rate of MFI loans ** Adjusted for securitizations

SOURCE: ECB, ECB SURVEY ON THE DISTRIBUTION OF CREDIT, BLS, BNP PARIBAS CALCULATIONS

ECONOMIC SCENARIO

UNITED STATES

The U.S. economy continued to grow in Q4, although it slowed slightly compared to Q3. The determinants of growth, namely household consumption and private inventories, are fragile, suggesting that the economy should continue to slow. The labour market is showing very early signs of a slowdown, but job creation remains high, the unemployment rate is still low and wages are still buoyant. Inflation seems to have peaked in the middle of the year and should continue to fall while remaining significantly above the target of 2% by late 2023. Following the mid-term elections, the Democrats retained a narrow majority in the Senate and the Republicans won a very tiny majority in the House of Representatives. This should limit what President Joe Biden can do over the remainder of his term, but, at the same time, compromises could also be reached.

CHINA

The recovery in Chinese economic growth since its Q2 2022 contraction has been sluggish and unbalanced. Industrial production has been the main growth driver, but it has lost steam since last October, largely due to the weakening in external demand and slower export growth. Meanwhile, activity driven by the domestic market and the services sector remains constrained by powerful drags, including the crisis in the property sector, the deterioration in the labour market, weak household confidence, and the Covid policy. Since early December 2022, the very sudden and ill-prepared abandonment of the strict zero Covid policy has plunged the country into new turbulence. However, domestic demand should rebound when the epidemic wave starts to ease. The authorities are enhancing again fiscal and monetary support measures, which are notably aimed at stabilizing the property sector.

EUROZONE

Growth in the euro zone in the third quarter was weak, but at least it remained positive, while the survey data (business and consumer confidence) seemed to be clearly pointing to a decline. Although a contraction was avoided in the third quarter, the euro zone is unlikely to avoid recession. The combination of the inflationary shock, the energy crisis and the enforced monetary tightening and their increasingly negative effects are likely to overcome the resistance seen to date. However, the recession should remain shallow thanks to the fiscal policy cushion and the current tightness of the labour market. In annual average terms, real GDP growth in the euro zone is expected to reach 3.4% in 2022 and 0.2% in 2023. The subsequent recovery is likely to be weak. Inflation is likely to remain elevated, well above the 2% target at the end of this year and only falling back to it at the end of 2024, which will keep monetary policy in restrictive territory.

FRANCE

Real GDP growth has continued during the 3rd quarter (0.2% q/q, after +0.5% during the 2nd quarter), driven by a growth of manufacturing production partly explained by a recovery of sectors exposed to supply-side problems (particularly the car sector) and partly related to growing inventories in order to avoid potential stronger constraints on production during the winter. This element should weigh on Q4 GDP growth, which should also suffer from the ongoing inflation acceleration (from 5.9% y/y in December towards 6.5% in February, before a gradual disinflation). These shocks should weigh on GDP growth in 2023 (0% according to our forecasts, after 2.5% in 2022).

RATES AND EXCHANGE RATES

In the US, the Federal Reserve will continue its tightening policy, bringing the federal funds rate to its terminal rate for this cycle at 5.25% (upper end of the target range) in the first half of this year. Given the expected slow decline in inflation and despite the economy entering recession, this level should be maintained through 2023 and only be followed by rate cuts in 2024. US Treasuries are largely pricing in the upcoming rate hikes. In the near term there is still some upward potential, but subsequently yields should move lower as the inflation outlook improves and the market starts anticipating policy easing in 2024.

The ECB Governing Council will continue to raise its policy rates at its next meetings. We expect the terminal rate -i.e. the peak rate in this cycle- to be reached by the end of the first half of this year. We expect a peak for the deposit rate at 3.25%. We expect quantitative tightening to start in the second quarter of 2023. Early on in 2023, we expect higher government bond yields on the back of important supply but thereafter yields should move lower, driven by a gradual decline in inflation. Lower US yields should also play a role in the decline of eurozone yields.

The Bank of Japan has increased the upper end of its target range for the 10-year JGB yield to 0.5% and further adjustments to the yield curve control policy cannot be excluded. Nevertheless, we do not expect the BoJ to proceed with a rate hike.

We expect the dollar to weaken somewhat versus the euro. The dollar's valuation is expensive, positioning in the market is very long and the long-term interest rate differential should narrow.

The yen has already weakened significantly versus the dollar, reflecting the increased policy divergence between the Fed and the Bank of Japan. We expect the exchange rate to remain around current levels in the near term. In 2023, the yen should strengthen versus the dollar considering that the federal funds rate should have reached its terminal rate.

GDP GROWTH AND INFLATION

	GDP Growth				Inflation			
%	2021	2022 e	2023 e	2024 e	2021	2022 e	2023 e	2024 e
United-States	5,7	2,1	0,7	0,2	4,7	8,1	4,2	2,4
Japan	1,7	1,2	0,9	0,3	-0,2	2,5	2,2	1,2
United-Kingdom	7,4	4,4	-0,9	0,8	2,6	9,0	6,8	2,1
Euro Area	5,3	3,4	0,2	1,3	2,6	8,4	5,0	2,4
Germany	2,6	1,9	-0,2	1,2	3,2	8,6	4,6	2,1
France	6,8	2,5	0,0	1,0	2,1	5,9	5,8	2,9
Italy	6,6	3,9	0,2	1,2	1,9	8,7	6,7	2,3
Spain	5,1	5,3	0,6	1,4	3,0	8,3	1,8	1,7
China	8,1	3,0	5,1	5,3	0,9	2,0	2,7	2,5
India*	9,3	8,3	6,2	6,5	5,4	7,9	5,9	5,5
Brazil	4,6	3,0	0,5	1,3	8,3	9,4	5,4	4,9
Russia	4,5	-7,0	0,8	0,3	7,1	14,0	10,5	7,6

SOURCE: BNP PARIBAS GROUP ECONOMIC RESEARCH (E: ESTIMATES & FORECASTS)
*FISCAL YEAR FROM 1ST APRIL OF YEAR N TO MARCH 31ST OF YEAR N+1

INTEREST AND EXCHANGE RATES

Interest rates, % End of period		Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q4 2024
US	Fed Funds (upper limit)	5.00	5.25	5.25	5.25	3.25
	T-Note 10y	4.30	4.00	3.75	3.50	3.25
Eurozone	deposit rate	3.00	3.25	3.25	3.25	2.00
	Bund 10y	2.75	2.65	2.50	2.30	2.00
	OAT 10y	3.45	3.30	3.10	2.90	2.50
	BTP 10y	5.25	5.05	4.80	4.60	3.80
	BONO 10y	4.05	3.90	3.75	3.55	2.90
UK	Base rate	4.25	4.25	4.25	4.25	3.50
	Gilts 10y	4.00	3.75	3.60	3.35	3.15
Japan	BoJ Rate	-0.10	-0.10	-0.10	-0.10	-0.10
	JGB 10y	0.90	0.95	0.95	0.90	0.90

Exchange Rates End of period		Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q4 2024
USD	EUR / USD	1.01	1.00	1.03	1.06	1.10
	USD / JPY	140	138	133	128	120
	GBP / USD	1.09	1.08	1.11	1.14	1.18
EUR	EUR / GBP	0.93	0.93	0.95	0.95	0.95
	EUR / JPY	141	138	137	136	132

Brent End of period		Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q4 2024
Brent	USD/bbl	95	93	95	92	95

SOURCES: BNP PARIBAS (E: ESTIMATES & FORECASTS) (MARKET ECONOMICS, INTEREST RATE STRATEGY, FX STRATEGY, COMMODITIES DESK STRATEGY)

CALENDAR

LATEST INDICATORS

In China, the manufacturing PMIs were better in January than the month before but the improvement was even stronger in services. In the Eurozone, the European Commission's economic confidence index improved in January. Sentiment in industry and services increased more than expected. Fourth quarter GDP growth also brought a positive surprise with an increase of 0.1% versus the third quarter. The consensus had expected a slight contraction. Headline inflation declined on an annual basis and was even negative on a monthly basis. Annual core inflation was stable however. The ECB hiked its policy rate with 50bp and intends to do the same at its March meeting. Monthly producer price inflation unexpectedly increased in December. In France, consumer spending declined unexpectedly in December. GDP growth was better than expected in the fourth quarter (+0.1% versus 0%). In Germany however, GDP shrunk (-0.2%), against an expectation of an unchanged number. In Japan, consumer confidence recorded a small improvement in January. In the UK, the Bank of England raised its policy rate again, with 50 basis points. The Federal Reserve on the other hand scaled back its pace of tightening by deciding on a 25bp increase. The message remains hawkish however. The Conference Board consumer confidence index weakened in January. The participants are more upbeat about the present situation but gloomier about the outlook. The manufacturing ISM declined more than anticipated and, at 47.4, is now well below 50. Finally, the week ended on a very strong note with an impressive labour market report. Job creations in January were far ahead of the consensus -on top of an upward revision of the December number-, the unemployment rate declined to 3.4%, the weekly hours worked increased as well as the participation rate. In addition, the ISM services index jumped to 55.2, beating expectations by a wide margin. The US economy remains surprisingly resilient.

DATE	COUNTRY	INDICATOR	PERIOD	SURVEY	ACTUAL	PREVIOUS
01/30/2023	Eurozone	Consumer Confidence	Jan	--	-20.9	-20.9
01/30/2023	Eurozone	Economic Confidence	Jan	97.0	99.9	97.1
01/30/2023	Eurozone	Industrial Confidence	Jan	-0.9	1.3	-0.6
01/30/2023	Eurozone	Services Confidence	Jan	8.5	10.7	7.7
01/31/2023	China	Manufacturing PMI	Jan	50.1	50.1	47.0
01/31/2023	China	Non-manufacturing PMI	Jan	52.0	54.4	41.6
01/31/2023	Japan	Consumer Confidence Index	Jan	30.5	31.0	30.3
01/31/2023	France	Consumer Spending MoM	Dec	0.3%	-1.3%	0.6%
01/31/2023	France	GDP QoQ	4Q	0.0%	0.1%	0.2%
01/31/2023	Germany	GDP SA QoQ	4Q	0.0%	-0.2%	0.5%
01/31/2023	Eurozone	GDP SA QoQ	4Q	-0.1%	0.1%	0.3%
01/31/2023	United States	Employment Cost Index	4Q	1.1%	1.0%	1.2%
01/31/2023	United States	Conf. Board Consumer Confidence	Jan	109.0	107.1	109.0
01/31/2023	United States	Conf. Board Present Situation	Jan	--	150.9	147.4
01/31/2023	United States	Conf. Board Expectations	Jan	--	77.8	83.4
02/01/2023	Japan	Jibun Bank Japan PMI Mfg	Jan	--	48.9	48.9
02/01/2023	China	Caixin China PMI Mfg	Jan	49.8	49.2	49.0
02/01/2023	France	S&P Global France Manufacturing PMI	Jan	50.8	50.5	50.8
02/01/2023	Germany	S&P Global/BME Germany Manufacturing PMI	Jan	47.0	47.3	47.0

DATE	COUNTRY	INDICATOR	PERIOD	SURVEY	ACTUAL	PREVIOUS
02/01/2023	Eurozone	S&P Global Eurozone Manufacturing PMI	Jan	48.8	48.8	48.8
02/01/2023	United Kingdom	S&P Global/CIPS UK Manufacturing PMI	Jan	46.7	47.0	46.7
02/01/2023	Eurozone	CPI Estimate YoY	Jan	8.9%	8.5%	9.2%
02/01/2023	Eurozone	Unemployment Rate	Dec	6.5%	6.6%	6.6%
02/01/2023	Eurozone	CPI MoM	Jan	0.1%	-0.4%	-0.4%
02/01/2023	Eurozone	CPI Core YoY	Jan	5.1%	5.2%	5.2%
02/01/2023	United States	S&P Global US Manufacturing PMI	Jan	46.8	46.9	46.8
02/01/2023	United States	ISM Manufacturing	Jan	48.0	47.4	48.4
02/01/2023	United States	JOLTS Job Openings	Dec	10300k	11012k	10440k
02/01/2023	United States	FOMC Rate Decision (Upper Bound)	Feb	4.75%	4.75%	4.50%
02/02/2023	United Kingdom	Bank of England rate	Feb	4.0%	4.0%	3.5%
02/02/2023	Eurozone	ECB Deposit Facility Rate	Feb	2.5%	2.5%	2.0%
02/02/2023	United States	Initial Jobless Claims	Jan	195k	183k	186k
02/03/2023	Japan	Jibun Bank Japan PMI Services	Jan	--	52.3	52.4
02/03/2023	China	Caixin China PMI Services	Jan	51.0	52.9	48.0
02/03/2023	France	S&P Global France Services PMI	Jan	49.2	49.4	49.2
02/03/2023	Germany	S&P Global Germany Services PMI	Jan	50.4	50.7	50.4
02/03/2023	Eurozone	S&P Global Eurozone Services PMI	Jan	50.7	50.8	50.7
02/03/2023	Eurozone	ECB Survey of Professional Forecasters				
02/03/2023	United Kingdom	S&P Global/CIPS UK Services PMI	Jan	48.0	48.7	48.0
02/03/2023	Eurozone	PPI MoM	Dec	-0.5%	1.1	-0.9%
02/03/2023	United States	Change in Nonfarm Payrolls	Jan	185k	517k	260k
02/03/2023	United States	Unemployment Rate	Jan	3.6%	3.4%	3.5%
02/03/2023	United States	Average Hourly Earnings MoM	Jan	0.3%	0.3%	0.4%
02/03/2023	United States	Average Weekly Hours All Employees	Jan	34.3	34.7	34.4
02/03/2023	United States	Labor Force Participation Rate	Jan	62.3%	62.4%	62.3%
02/03/2023	United States	S&P Global US Services PMI	Jan	46.6	46.8	44.7
02/03/2023	United States	ISM Services Index	Jan	50.4	55.2	49.2

SOURCE: BLOOMBERG

CALENDAR: THE WEEK AHEAD

COMING INDICATORS

A light week ahead of us in terms of data with Eurozone retail sales, the EcoWatchers' survey in Japan, labour market and wage data in France, UK's fourth quarter GDP numbers and, in the US, University of Michigan confidence.

DATE	COUNTRY	INDICATOR	PERIOD	SURVEY	PREVIOUS
02/06/2023	Germany	S&P Global Germany Construction PMI	Jan	--	41.7
02/06/2023	United Kingdom	S&P Global/CIPS UK Construction PMI	Jan	--	48.8
02/06/2023	Eurozone	Retail Sales MoM	Dec	--	0.8%
02/08/2023	Japan	Eco Watchers Survey Current SA	Jan	--	47.9
02/08/2023	Japan	Eco Watchers Survey Outlook SA	Jan	--	47.0
02/08/2023	France	Private Sector Payrolls QoQ	4Q	--	0.6%
02/08/2023	United States	MBA Mortgage Applications	Feb	--	-9.0%
02/10/2023	China	CPI YoY	Jan	2.3%	1.8%
02/10/2023	China	PPI YoY	Jan	-0.4%	-0.7%
02/10/2023	United Kingdom	GDP QoQ	4Q	0.0%	-0.3%
02/10/2023	United Kingdom	GDP YoY	4Q	--	1.9%
02/10/2023	France	Wages QoQ	4Q	--	1.0%
02/10/2023	United States	U. of Mich. Sentiment	Feb	65.0	64.9
02/10/2023	United States	U. of Mich. Current Conditions	Feb	--	68.4
02/10/2023	United States	U. of Mich. Expectations	Feb	--	62.7
02/10/2023	United States	U. of Mich. 1 Yr Inflation	Feb	--	3.9%
02/10/2023	United States	U. of Mich. 5-10 Yr Inflation	Feb	--	2.9%

SOURCE: BLOOMBERG

FURTHER READING

What can Asian economies expect from a rebound in Chinese growth?	EcoTVWeek	3 February 2023
Behind the watts, a big contrast	Chart of the Week	1 February 2023
United States: GDP growth, good on the surface but with negative undercurrents	EcoWeek	30 January 2023
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Wage-price loop in the Eurozone: Where do we stand?	EcoTVWeek	20 January 2023
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2023, electric atmosphere	EcoTVWeek	12 January 2023
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Eurozone: starting the year on an upbeat note	EcoWeek	9 January 2023
Economic outlook 2023: three “certainties”, many uncertainties	EcoTVWeek	6 January 2023
GDP and carbon, a united couple	Chart of the Week	4 January 2023
2023: a year of transition, to what?	EcoWeek	2 January 2023
France: Nearly a third of housing loans are still guaranteed by mortgage	Chart of the Week	21 December 2022

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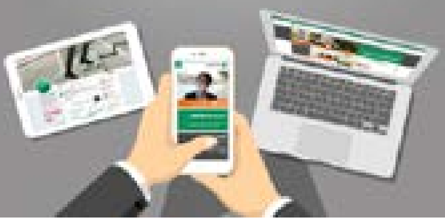

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