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“ THE LATEST INDICATORS ON THE US LABOUR MARKET CONFIRM THAT IT IS SLOWING BUT NOT TO AN EXTENT THAT WILL DETER THE FED FROM HIKING THE FED FUNDS RATES. ”

ECONOMIC RESEARCH



BNP PARIBAS

The bank
for a changing
world

TABLE OF CONTENT

3

EDITORIAL

The US labour market:
A slow puncture

5

MARKETS OVERVIEW

Recent market developments (foreign
exchange, stock markets, interest rates,
commodities, etc.)

7

ECONOMIC PULSE

Analysis of some recent economic data:
PMIs

10

ECONOMIC SCENARIO

Main economic and financial
forecasts

11

FURTHER READING

Latest articles, charts, videos and
podcasts of Economic Research



THE US LABOUR MARKET: A SLOW PUNCTURE

According to the latest indicators, the US labour market continues to progressively slow down. The pace of both job creation and wage growth remains high. The unemployment rate has fallen slightly, whilst the participation rate has increased. Hiring difficulties remain acute, according to the falling but still very high ratio of unfilled job vacancy per unemployed person. The picture painted by confidence surveys is mixed. The gradual nature of the labour market's slowdown allows the Fed to continue its monetary policy tightening. A further – and probably final – 25bp increase in Fed Funds rates is expected in May.

What does the US labour market tell us about the slowdown of the economy? Does it strengthen or challenge expectations of a new (and final?) hike in the Fed Funds rates at the Federal Reserve's next meeting on 2 and 3 May? The strong performance of the US labour market has played an essential role so far in the resilience of growth and inflation, in the face of monetary tightening, in particular through wage dynamics. The publication of the employment report for March, alongside a series of other labour market statistics, represents an opportune moment for an update.

The overall message is that the slowdown is clearly continuing, while remaining progressive. The 12-month moving average of non-farm payroll jobs' gains illustrates well this gradual deceleration: it fell from around 600,000 new jobs in the spring of 2022 to 350,000 in March 2023 (Chart 1). However, the 236,000 jobs created in March still represents a very high monthly rate, compared to a monthly average of around 185,000 over the previous three cycles¹. Among the sector details that caught our attention, we would highlight the loss of jobs in the construction sector in March. The figure was not substantial (-9,000), but such a negative print had not been seen since May 2021. Moreover, this could prove to be the first of a (long?) series given the other negative signals appearing in the US real estate market. These losses pushed the goods sector as a whole into the red (-7,000) for the first time since April 2021. In services, retail stood out, with a return to job losses (-15,000) after three positive months.

Over the past year, the unemployment rate slightly oscillated around a historically low level of around 3.5%; it fell in March. Although this was only a small decline (-0.1 of a point), it represented a strong positive signal in current circumstances, all the more so as it was based on faster growth in employment than in the labour force.

Another positive signal came from the participation rate, which has resumed its rise since December 2022: although still well below its high of the late-1990s, at 67%, it is now closing in on its pre-Covid level of 63%. If this increase continues, hiring difficulties and the ensuing pressure on wage growth should ease, helping the Fed as it tries to tackle inflation.

¹1991-2001, 2001-2007, 2010-2019.

UNITED STATES: HIRING PACE

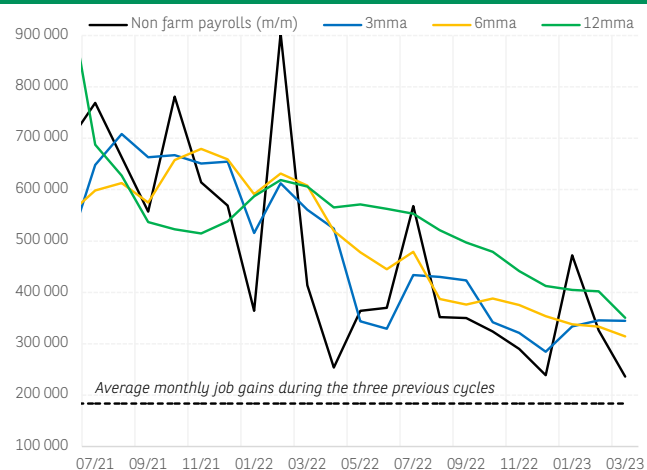


CHART 1

SOURCE: BLS, MACROBOND, BNP PARIBAS

Having fallen in February, the ratio of unfilled job vacancy per unemployed person nevertheless remains very high, suggesting that significant recruitment difficulties persist (Chart 2). One less favourable consequence of a higher participation rate is that it can contribute to a more significant rise in the unemployment rate in the coming months, against the current background of slowing job creation. For the time being, the unemployment rate has merely ceased to fall. However, on a year-on-year basis, this fall is now virtually nil, a trend that will need to be watched as it could turn into a recessionary signal. Historically we have seen a correlation between the US economy going into recession and an increase of at least half a point in the unemployment rate over one year (more specifically in its 3-month moving average, see Chart 3).

The latest indicators on the US labour market confirm that it is slowing but not to an extent that will deter the Fed from hiking the Fed funds rates by a further quarter-point at its next meeting in early May. The slowdown remains gradual, while job creation and wage growth continue to run at relatively high levels.



EDITORIAL

The picture painted by confidence surveys is mixed. Most notably, the 'employment' component of ISM surveys deteriorated in March: -2.2 points, to 46.9, in the manufacturing sector and -2.7 points, to 51.3, in the non-manufacturing sector. Moreover, according to the National Federation of Independent Business (NFIB) survey, the net percentage of small firms planning to expand employment has fallen sharply since mid-2021. Given the high starting point, this trend represents some kind of return to normal, and should not necessarily cause concern. However, the level reached in March (15%) corresponds to the figure seen at past cyclical peaks, prior to the onset of recession. Human resource managers questioned by the Conference Board at the beginning of the year nevertheless displayed continued confidence about prospects for recruiting and retaining workers over the next few months². Household sentiment also remains relatively positive: in March some 50% of respondents said they believed jobs were plentiful, with only 10% seeing jobs as hard to get (this is historically high for the former measure and low for the latter).

Lastly, like employment, wages are seeing slower but still strong growth (Chart 4). The slowdown is more marked according to the BLS measure of nominal average hourly pay (which was growing at nearly 6% y/y in March 2022 but had slowed to 4.2% in March 2023) than according to the Atlanta Fed's wage tracker (which peaked at 7% y/y in June 2022 and had slowed to 6.1% in March 2023). We would nevertheless note that behind this fairly limited deceleration there has been a significant difference in wage growth between 'job stayers' (bouncing back in February) and 'job switchers' (marked slowing).

Taken together, these trends confirm the slowing of the US labour market – and, behind this deceleration, the role and effectiveness of the Fed monetary tightening – but not to an extent that will deter the central bank from hiking the Fed funds rates by a further quarter-point at its next meeting in early May. The slowdown remains gradual, with job creation and wage growth continuing to run at relatively high levels.

Using an automobile metaphor, the US economy would be a car the labour market its four tires. Overinflated, they burst under the effect of the monetary tightening. At first, the puncture is slow and controlled but the full stop of the car, due to the flat tires, seems inevitable. The challenge for the Fed is to ensure that the tires are not too badly damaged and the stop is as short as possible and enough to stem inflation. In the meantime, the Fed's decision will also take other factors into account, and may give them even greater weight, most notably April's Senior Loan Officer Opinion Survey (SLOOS) on lending conditions and what it says about the scale of tightening in this area.

Hélène Baudchon

² Survey: HR Leaders Are Confident About Hiring and Retaining (conference-board.org), 4 April 2023

UNITED STATES: UNFILLED JOB VACANCY PER UNEMPLOYED PERSON

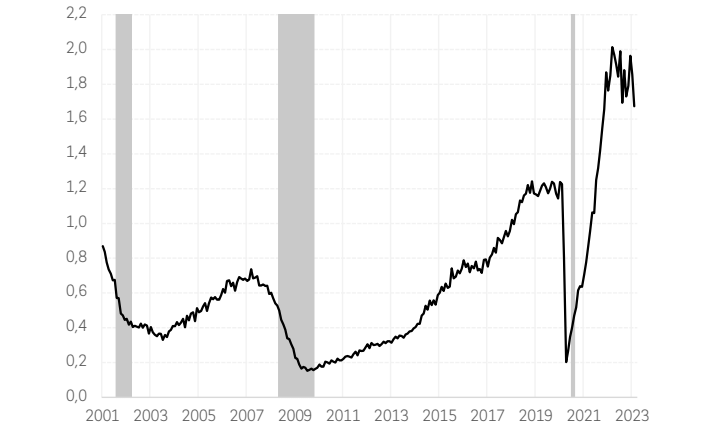


CHART 2 SOURCE: BLS, MACROBOND, BNP PARIBAS

UNITED STATES: UNEMPLOYMENT RATE AND RECESSION

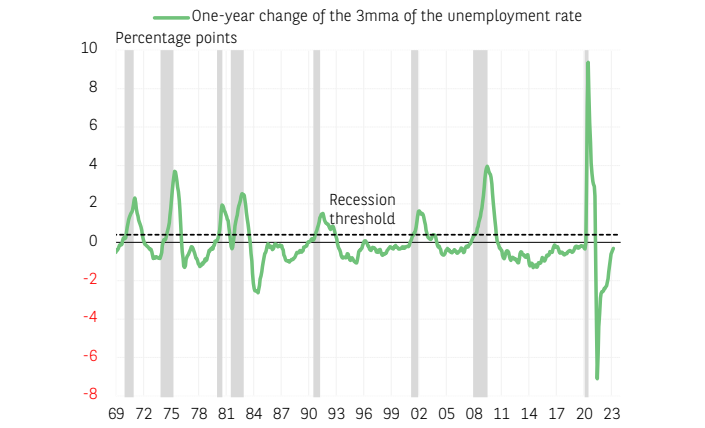


CHART 3 SOURCE: BLS, MACROBOND, BNP PARIBAS

UNITED STATES: WAGE GROWTH TRACKER AND AVERAGE HOURLY EARNINGS

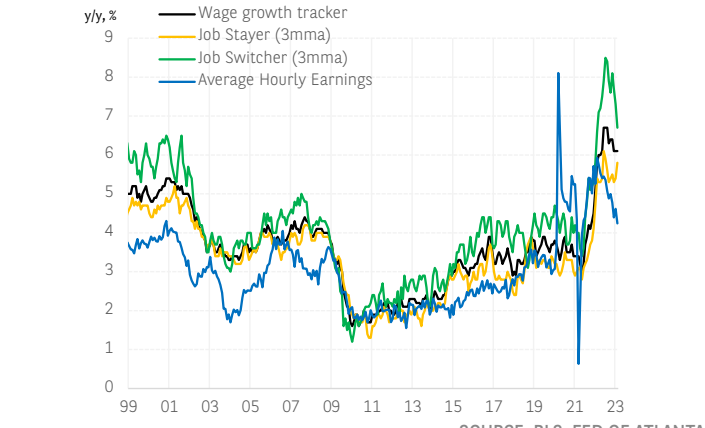


CHART 4 SOURCE: BLS, FED OF ATLANTA, MACROBOND, BNP PARIBAS

MARKETS OVERVIEW

OVERVIEW

Week 31-3 23 to 7-4-23

| | | | |
|--------------------|-------|---------|----------|
| ↗ CAC 40 | 7 322 | ▶ 7 325 | +0.0 % |
| ↘ S&P 500 | 4 109 | ▶ 4 105 | -0.1 % |
| ↘ Volatility (VIX) | 18.7 | ▶ 18.4 | -0.3 pb |
| ↗ Euribor 3M (%) | 3.04 | ▶ 3.08 | +3.7 bp |
| ↗ Libor \$ 3M (%) | 5.19 | ▶ 5.20 | +0.5 bp |
| ↘ OAT 10y (%) | 2.83 | ▶ 2.69 | -13.8 bp |
| ↘ Bund 10y (%) | 2.30 | ▶ 2.19 | -11.3 bp |
| ↘ US Tr. 10y (%) | 3.48 | ▶ 3.40 | -8.1 bp |
| ↗ Euro vs dollar | 1.09 | ▶ 1.09 | +0.5 % |
| ↗ Gold (ounce, \$) | 1 977 | ▶ 2 008 | +1.6 % |
| ↗ Oil (Brent, \$) | 79.8 | ▶ 85.2 | +6.8 % |

MONEY & BOND MARKETS

Interest Rates

| | | highest 23 | lowest 23 |
|-------------|-------|----------------|----------------|
| € ECB | 3.50 | 3.50 at 22/03 | 2.50 at 02/01 |
| Eonia | -0.51 | -0.51 at 02/01 | -0.51 at 02/01 |
| Euribor 3M | 3.08 | 3.08 at 06/04 | 2.16 at 02/01 |
| Euribor 12M | 3.58 | 3.98 at 09/03 | 3.30 at 19/01 |
| \$ FED | 5.00 | 5.00 at 23/03 | 4.50 at 02/01 |
| Libor 3M | 5.20 | 5.22 at 03/04 | 4.77 at 02/01 |
| Libor 12M | 5.13 | 5.88 at 08/03 | 4.70 at 20/03 |
| € BoE | 4.25 | 4.25 at 23/03 | 3.50 at 02/01 |
| Libor 3M | 4.44 | 4.44 at 05/04 | 3.87 at 02/01 |
| Libor 12M | 0.81 | 0.81 at 02/01 | 0.81 at 02/01 |

At 7-4-23

Yield (%)

| | | highest 23 | lowest 23 |
|--------------|------|---------------|---------------|
| € AVG 5-7y | 2.64 | 2.64 at 02/01 | 2.64 at 02/01 |
| Bund 2y | 2.62 | 3.36 at 08/03 | 2.39 at 20/03 |
| Bund 10y | 2.19 | 2.75 at 02/03 | 1.98 at 18/01 |
| OAT 10y | 2.69 | 3.23 at 03/03 | 2.42 at 18/01 |
| Corp. BBB | 4.35 | 4.75 at 03/03 | 3.95 at 02/02 |
| \$ Treas. 2y | 4.12 | 5.12 at 08/03 | 3.86 at 24/03 |
| Treas. 10y | 3.40 | 4.06 at 02/03 | 3.30 at 06/04 |
| High Yield | 8.72 | 9.16 at 20/03 | 7.94 at 02/02 |
| £ gilt. 2y | 3.88 | 4.10 at 09/03 | 3.15 at 02/02 |
| gilt. 10y | 3.43 | 3.78 at 02/03 | 3.00 at 02/02 |

At 7-4-23

EXCHANGE RATES

| 1€ = | | highest 23 | lowest 23 | 2023 |
|------|--------|-----------------|-----------------|--------|
| USD | 1.09 | 1.10 at 04/04 | 1.05 at 05/01 | +2.4% |
| GBP | 0.88 | 0.90 at 03/02 | 0.87 at 19/01 | -1.0% |
| CHF | 0.99 | 1.00 at 24/01 | 0.97 at 15/03 | +0.0% |
| JPY | 143.96 | 145.27 at 01/03 | 138.02 at 03/01 | +2.2% |
| AUD | 1.64 | 1.64 at 06/04 | 1.53 at 27/01 | +4.1% |
| CNY | 7.52 | 7.55 at 04/04 | 7.23 at 05/01 | +1.3% |
| BRL | 5.53 | 5.79 at 04/01 | 5.40 at 08/03 | -1.9% |
| RUB | 88.73 | 88.73 at 06/04 | 73.32 at 12/01 | +13.9% |
| INR | 89.46 | 90.31 at 04/04 | 86.58 at 08/03 | +1.3% |

At 7-4-23

Change

COMMODITIES

| Spot price, \$ | | highest 23 | lowest 23 | 2023 | 2023(e) |
|----------------|-------|----------------|----------------|--------|---------|
| Oil, Brent | 85.2 | 88.2 at 23/01 | 72.6 at 17/03 | +0.3% | -2.0% |
| Gold (ounce) | 2 008 | 2 022 at 04/04 | 1 810 at 24/02 | +10.6% | +8.1% |
| Metals, LME | 3 917 | 4 404 at 26/01 | 3 824 at 15/03 | -1.7% | -3.9% |
| Copper (ton) | 8 807 | 9 331 at 23/01 | 8 236 at 04/01 | +5.3% | +2.9% |
| wheat (ton) | 247 | 2.9 at 13/02 | 241 at 09/03 | -13.5% | -15.5% |
| Corn (ton) | 251 | 2.7 at 13/02 | 239 at 09/03 | -0.3% | -5.7% |

At 7-4-23

Change

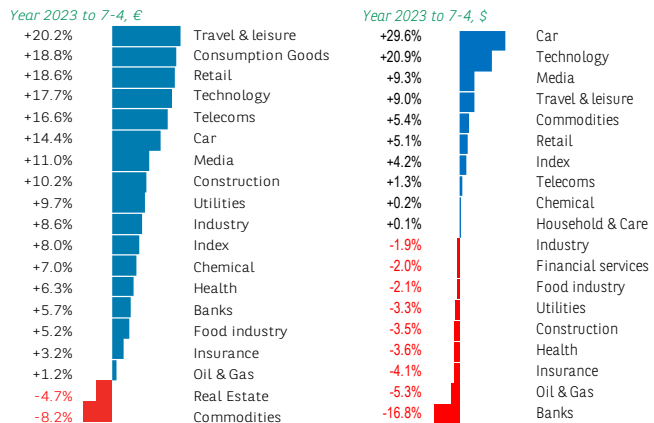
EQUITY INDICES

| | Index | highest 23 | lowest 23 | 2023 |
|----------------------|--------|-----------------|-----------------|--------|
| World | | | | |
| MSCI World | 2 790 | 2 848 at 02/02 | 2 595 at 05/01 | +7.2% |
| North America | | | | |
| S&P500 | 4 105 | 4 180 at 02/02 | 3 808 at 05/01 | +6.9% |
| Europe | | | | |
| EuroStoxx50 | 4 309 | 4 315 at 04/04 | 3 856 at 02/01 | +13.6% |
| CAC 40 | 7 325 | 7 373 at 06/03 | 6 595 at 02/01 | +1.3% |
| DAX 30 | 15 598 | 15 654 at 06/03 | 14 069 at 02/01 | +12.0% |
| IBEX 35 | 9 312 | 9 511 at 06/03 | 8 370 at 02/01 | +1.3% |
| FTSE100 | 7 742 | 8 014 at 20/02 | 7 335 at 17/03 | +0.4% |
| Asia | | | | |
| MSCI, loc. | 1 105 | 1 143 at 09/03 | 1 065 at 04/01 | +0.3% |
| Nikkei | 27 518 | 28 623 at 09/03 | 25 717 at 04/01 | +5.5% |
| Emerging | | | | |
| MSCI Emerging (\$) | 987 | 1 052 at 26/01 | 941 at 16/03 | +0.3% |
| China | 66 | 75 at 27/01 | 62 at 20/03 | +3.9% |
| India | 731 | 786 at 18/01 | 703 at 16/03 | -6.2% |
| Brazil | 1 385 | 1 574 at 25/01 | 1 296 at 23/03 | -9.1% |

At 7-4-23

Change

PERFORMANCE BY SECTOR (Eurostoxx50 & S&P500)

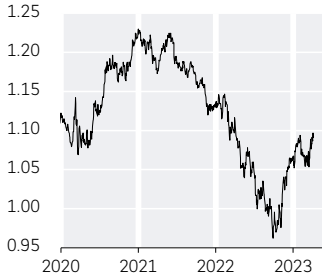


SOURCE: REFINITIV, BNP PARIBAS,



MARKETS OVERVIEW

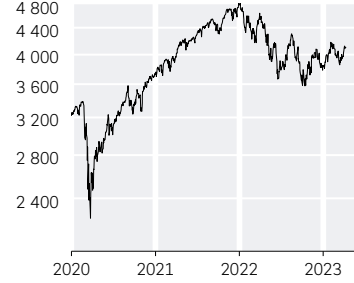
EURO-DOLLAR



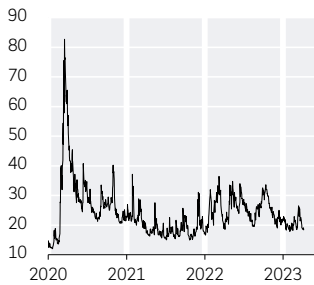
EUROSTOXX50



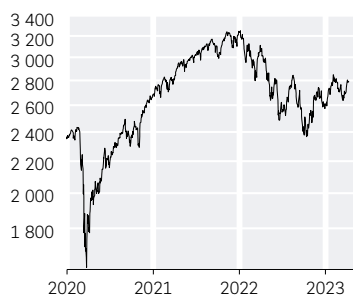
S&P500



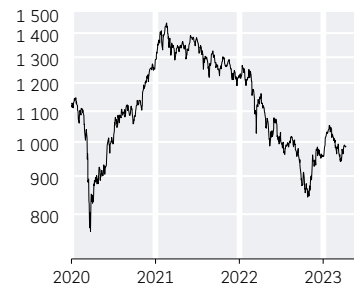
VOLATILITY (VIX, S&P500)



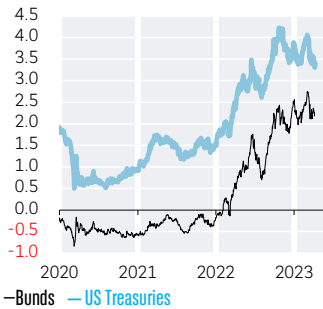
MSCI WORLD (USD)



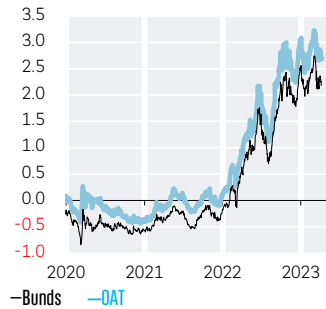
MSCI EMERGING (USD)



10Y BOND YIELD, TREASURIES VS BUND



10Y BOND YIELD

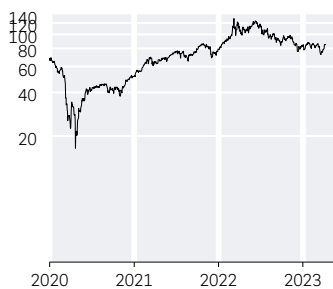


10Y BOND YIELD & SPREADS

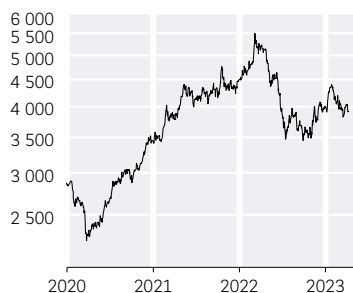
Year 2023 to 7-4

| | | |
|-------|-------------|--------|
| 4.51% | Greece | 232 bp |
| 3.96% | Italy | 177 bp |
| 3.24% | Spain | 105 bp |
| 2.96% | Portugal | 77 bp |
| 2.85% | Austria | 66 bp |
| 2.81% | Belgium | 62 bp |
| 2.76% | Finland | 57 bp |
| 2.69% | France | 50 bp |
| 2.62% | Ireland | 43 bp |
| 2.54% | Netherlands | 35 bp |
| 2.19% | Germany | |

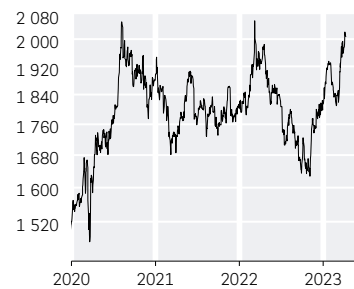
OIL (BRENT, USD)



METALS (LMEX, USD)



GOLD (OUNCE, USD)



SOURCE: REFINITIV, BNP PARIBAS,



ECONOMIC PULSE

7

PMI: INPUT PRICES FALL AGAINST A BACKGROUND OF NORMALISING DELIVERY TIMES

Manufacturing PMI figures were mixed in March, with another increase in the United States and a decline in the Eurozone. Worldwide, the index fell slightly. In Europe, the PMIs rose in Spain and Greece but deteriorated in the Netherlands and the UK, and even more so in Germany and Austria. In France, manufacturing PMI has virtually levelled off. The index also declined in Italy but held above 50 (the level that separates economic expansion from contraction). In Asia, PMI contracted in China, where February's rebound was short-lived, and dropped below 50 in Vietnam. In Japan, in contrast, the index rebounded (table 1).

After rebounding in February, new export orders (table 2) dropped in March, due to sharp declines in Vietnam and China, and a slight fall in the United States and the UK. In contrast, data for the Eurozone and for most member countries (France, Germany, Greece and Italy) showed an increase, an improvement that is consistent with the normalisation of delivery times (table 3). Higher figures indicate shorter delivery times, which is good news because it signals a reduction in supply chain difficulties.

The normalisation of supply chain conditions has also carried over to input prices (table 4). The index is still relatively high in most countries, but what matters most is that it is declining, and this decline can be seen in all of the countries covered by the survey with the exception of Indonesia, Hong Kong, Saudi Arabia, Russia and Egypt. Manufacturing output prices (table 5) have also dipped globally, after levelling off in February. This decline is mainly due to sharp declines in the index for the United States, the Eurozone and most of the member countries. In contrast, output prices continued to rise in Japan, the third increase in a row.

At the world level, the employment component of manufacturing PMI (table 6) declined in March. The index fell in the United States, which means February's rebound was only temporary. It declined slightly in the Eurozone, Germany and Austria, while holding flat in France. The index rose in Spain, the Netherlands and to a lesser extent in Italy, but declined sharply in Denmark, the only country in Europe where it dropped below the 50 threshold. The index also declined in the UK, where it has been holding below 50 for the past six months. The index declined in China and fell slightly in India (where it is currently below the 50 threshold), while it is holding at low levels in Poland and the Czech Republic – despite some improvement – as well as in South Africa and Vietnam.

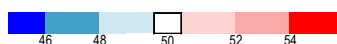
Lastly, services PMI (table 7) continued to rise at the world level and is now well above the 50 threshold. It has increased in virtually all of the countries in our selection, with the exception of the UK, Ireland, India and Lebanon. It rose strongly in Italy, Spain and Russia.

Tarik Rharrab

MANUFACTURING PMI

| WD | Developed Markets | | | | | | | | | | | | | | | | Emerging countries | | | | | | | | | | | | | | | | | |
|--------|-------------------|--------|--------|-----------|---------|---------|--------|---------|--------|---------|-------|-------------|--------------|-------------|------|-----------|--------------------|-------|-----------|---------|--------|----------------|----------------------|--------|--------|-------|---------|--------------|--------------|------|-------|-----------|-------|-----------|
| | NA | | Europe | | | | | | | | | | Asia-Oceania | | | | LATAM | | | Eurasia | | | Middle East & Africa | | | Asia | | | | | | | | |
| | World | CANADA | USA | EURO ZONE | AUSTRIA | DENMARK | FRANCE | GERMANY | GREECE | IRELAND | ITALY | NETHERLANDS | SPAIN | SWITZERLAND | UK | AUSTRALIA | NEW ZEALAND | JAPAN | SINGAPORE | BRAZIL | MEXICO | CZECH REPUBLIC | POLAND | RUSSIA | TURKEY | EGYPT | LEBANON | SAUDI ARABIA | SOUTH AFRICA | UAE | CHINA | HONG KONG | INDIA | INDONESIA |
| Jun-22 | 52.2 | 54.6 | 52.7 | 52.1 | 51.2 | 70.4 | 51.4 | 52.0 | 51.1 | 53.1 | 50.9 | 55.9 | 52.6 | 59.1 | 52.8 | 50.0 | 52.7 | 50.3 | 54.1 | 52.2 | 49.0 | 44.4 | 50.9 | 48.1 | 45.2 | 49.1 | 57.0 | 52.0 | 54.8 | 51.7 | 52.4 | 53.9 | 50.2 | 54.0 |
| Jul-22 | 51.1 | 52.5 | 52.2 | 49.8 | 51.7 | 38.9 | 49.5 | 49.3 | 49.1 | 51.8 | 48.5 | 54.5 | 48.7 | 58.0 | 52.1 | 53.0 | 52.1 | 50.1 | 54.0 | 48.5 | 46.8 | 42.1 | 50.3 | 46.9 | 46.4 | 49.9 | 56.3 | 49.4 | 55.4 | 50.4 | 52.3 | 56.4 | 51.3 | 51.2 |
| Aug-22 | 50.3 | 48.7 | 51.5 | 49.6 | 48.8 | 49.9 | 50.6 | 49.1 | 48.8 | 51.1 | 48.0 | 52.6 | 49.9 | 56.7 | 47.3 | 54.7 | 51.5 | 50.0 | 51.9 | 48.5 | 46.8 | 40.9 | 51.7 | 47.4 | 47.6 | 50.1 | 57.7 | 51.1 | 56.7 | 49.5 | 51.2 | 56.2 | 51.7 | 52.7 |
| Sep-22 | 49.8 | 49.8 | 52.0 | 48.4 | 48.8 | 50.1 | 47.7 | 47.8 | 49.7 | 51.5 | 48.3 | 49.0 | 49.0 | 56.8 | 48.4 | 51.4 | 50.8 | 49.9 | 51.1 | 50.3 | 44.7 | 43.0 | 52.0 | 46.9 | 47.6 | 48.8 | 56.6 | 48.2 | 56.1 | 48.1 | 48.0 | 55.1 | 53.7 | 52.5 |
| Oct-22 | 49.4 | 48.8 | 50.4 | 46.4 | 46.6 | 50.4 | 47.2 | 45.1 | 48.1 | 51.4 | 46.5 | 47.9 | 44.7 | 55.4 | 46.2 | 48.9 | 50.7 | 49.7 | 50.8 | 50.3 | 41.7 | 42.0 | 50.7 | 46.4 | 47.7 | 49.1 | 57.2 | 50.0 | 56.6 | 49.2 | 49.3 | 55.3 | 51.8 | 50.6 |
| Nov-22 | 48.8 | 49.6 | 47.7 | 47.1 | 46.6 | 45.9 | 48.3 | 46.2 | 48.4 | 48.7 | 48.4 | 46.0 | 45.7 | 54.4 | 46.5 | 47.4 | 49.0 | 49.8 | 44.3 | 50.6 | 41.6 | 43.4 | 53.2 | 45.7 | 45.4 | 48.1 | 58.5 | 52.6 | 54.4 | 49.4 | 48.7 | 55.7 | 50.3 | 47.4 |
| Dec-22 | 48.7 | 49.2 | 46.2 | 47.8 | 47.3 | 49.3 | 49.2 | 47.1 | 47.2 | 48.7 | 48.5 | 46.4 | 54.5 | 45.3 | 48.1 | 48.9 | 49.7 | 44.2 | 51.3 | 42.6 | 45.6 | 53.0 | 48.1 | 47.2 | 47.3 | 56.9 | 53.1 | 54.2 | 49.0 | 49.6 | 57.8 | 50.9 | 46.4 | |
| Jan-23 | 49.1 | 51.0 | 46.9 | 48.8 | 48.4 | 52.1 | 50.5 | 47.3 | 49.2 | 50.1 | 50.4 | 49.6 | 48.4 | 49.3 | 47.0 | 51.2 | 48.9 | 49.8 | 47.5 | 48.9 | 44.6 | 47.5 | 52.6 | 50.1 | 45.5 | 47.7 | 58.2 | 53.0 | 54.1 | 49.2 | 51.2 | 55.4 | 51.3 | 47.4 |
| Feb-23 | 49.9 | 52.4 | 47.3 | 48.5 | 47.1 | 39.2 | 47.4 | 46.3 | 51.7 | 51.3 | 52.0 | 48.7 | 50.7 | 48.9 | 49.3 | 52.0 | 47.7 | 50.0 | 49.2 | 51.0 | 44.3 | 48.5 | 53.6 | 50.1 | 46.9 | 48.8 | 59.8 | 48.8 | 54.3 | 51.6 | 53.9 | 55.3 | 51.2 | 51.2 |
| Mar-23 | 49.6 | 48.6 | 49.2 | 47.3 | 44.7 | 44.3 | 47.3 | 44.7 | 52.8 | 49.7 | 51.1 | 46.4 | 51.3 | 47.0 | 47.9 | 49.2 | 49.9 | 47.0 | 51.0 | 44.3 | 48.3 | 53.2 | 50.9 | 46.7 | 49.7 | 58.7 | 48.1 | 55.9 | 50.0 | 53.5 | 56.4 | 51.9 | 47.7 | |

TABLE 1



SOURCES : S&P GLOBAL, BNP PARIBAS



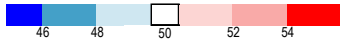
BNP PARIBAS

The bank
for a changing
world

ECONOMIC PULSE

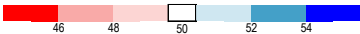
MANUFACTURING PMI - NEW EXPORT ORDERS

| Date | Developed Markets | | | | | | | | | | | | | | | | | | | Emerging countries | | | | | | | | | | | | | | | | |
|--------|-------------------|--------|------|-----------|------|------|---------|---------|--------|---------|--------|---------|-------|--------------|-------|-------------|------|-----------|-------------|--------------------|----------------------|--------|--------|----------------|--------|--------|--------|-------|------|---------|--------------|--------------|------|-------|-----------|-------|
| | World | NA | | Europe | | | | | | | | | | Asia-Oceania | | LATAM | | Eurasia | | | Middle East & Africa | | | Asia | | | | | | | | | | | | |
| | | Canada | USA | EURO ZONE | | | Austria | Denmark | France | Germany | Greece | Ireland | Italy | Netherlands | Spain | Switzerland | UK | Australia | New Zealand | Japan | Singapore | Brazil | Mexico | Czech Republic | Poland | Russia | Turkey | Egypt | Brae | Lebanon | Saudi Arabia | South Africa | UAE | China | Hong Kong | India |
| Jun-22 | 49.5 | 48.5 | 48.6 | 45.8 | 44.5 | 44.7 | 44.1 | 46.3 | 46.6 | 47.8 | 51.0 | 48.5 | 47.0 | 53.0 | 47.8 | 50.8 | 48.5 | 51.6 | 44.6 | 40.1 | 41.9 | 49.1 | 48.1 | 49.7 | 49.3 | 54.6 | 48.9 | 53.1 | 52.3 | 46.8 | 55.0 | 48.4 | 53.9 | | | |
| Jul-22 | 48.0 | 47.3 | 46.3 | 44.3 | 43.9 | 45.0 | 42.9 | 46.1 | 48.4 | 42.8 | 50.4 | 43.6 | 46.4 | 51.2 | 48.8 | 50.5 | 46.6 | 50.6 | 40.5 | 38.7 | 45.1 | 49.9 | 52.4 | 57.1 | 49.6 | 55.1 | 50.2 | 53.2 | 50.7 | 46.2 | 52.6 | 43.8 | 52.9 | | | |
| Aug-22 | 47.0 | 45.4 | 47.2 | 44.0 | 40.7 | 47.2 | 41.5 | 45.1 | 47.5 | 45.0 | 48.0 | 45.4 | 42.7 | 46.9 | 47.3 | 50.2 | 46.5 | 49.2 | 39.5 | 39.2 | 40.9 | 48.5 | 48.2 | 43.8 | 49.8 | 54.3 | 50.4 | 51.3 | 48.6 | 47.4 | 53.9 | 49.6 | 52.8 | | | |
| Sep-22 | 45.9 | 46.6 | 47.6 | 42.5 | 38.9 | 44.1 | 39.8 | 47.9 | 47.8 | 45.5 | 43.1 | 41.5 | 42.2 | 51.5 | 47.5 | 50.0 | 45.2 | 49.7 | 37.3 | 44.0 | 44.9 | 46.1 | 37.9 | 45.7 | 48.8 | 53.9 | 47.1 | 51.7 | 45.5 | 45.9 | 55.2 | 48.5 | 51.9 | | | |
| Oct-22 | 46.2 | 45.4 | 44.9 | 39.6 | 33.3 | 44.8 | 34.9 | 44.1 | 47.1 | 43.3 | 40.1 | 40.0 | 40.6 | 49.4 | 47.5 | 49.9 | 45.7 | 48.8 | 34.7 | 38.9 | 40.3 | 43.7 | 49.0 | 45.3 | 48.4 | 56.1 | 50.7 | 50.8 | 49.6 | 47.4 | 56.6 | 43.4 | 50.6 | | | |
| Nov-22 | 46.2 | 46.2 | 45.7 | 41.6 | 34.8 | 42.8 | 39.1 | 47.2 | 48.7 | 45.3 | 39.7 | 40.7 | 39.1 | 51.7 | 47.5 | 49.9 | 45.7 | 48.8 | 33.7 | 40.2 | 42.4 | 43.4 | 45.0 | 44.3 | 47.8 | 58.6 | 47.7 | 51.3 | 49.3 | 49.2 | 56.3 | 42.5 | 46.3 | | | |
| Dec-22 | 46.2 | 45.9 | 46.7 | 42.8 | 36.4 | 41.5 | 41.5 | 45.4 | 49.5 | 45.3 | 42.1 | 42.4 | 43.1 | 49.0 | 46.3 | 49.3 | 40.4 | 49.9 | 35.5 | 43.9 | 45.0 | 45.6 | 50.6 | 54.7 | 48.1 | 56.3 | 48.6 | 49.0 | 47.5 | 45.0 | 53.4 | 47.9 | 47.6 | | | |
| Jan-23 | 47.5 | 47.4 | 48.6 | 44.7 | 41.3 | 41.5 | 42.8 | 49.2 | 48.1 | 49.2 | 47.6 | 46.4 | 44.1 | 49.0 | 46.6 | 49.4 | 39.4 | 50.1 | 41.1 | 45.1 | 45.3 | 47.6 | 44.7 | 52.4 | 48.8 | 57.8 | 47.4 | 47.5 | 48.7 | 50.6 | 51.2 | 45.5 | 50.3 | | | |
| Feb-23 | 48.3 | 48.2 | 47.3 | 43.3 | 40.5 | 40.4 | 39.8 | 48.3 | 46.2 | 48.9 | 47.4 | 49.6 | 49.0 | 51.7 | 43.0 | 49.8 | 42.1 | 51.6 | 42.2 | 46.4 | 46.2 | 47.0 | 45.7 | 48.7 | 48.9 | 59.7 | 53.6 | 49.8 | 52.2 | 56.5 | 50.5 | 47.3 | 53.7 | | | |
| Mar-23 | 47.7 | 45.9 | 46.6 | 45.5 | 40.0 | 46.0 | 43.1 | 50.9 | 45.8 | 50.7 | 44.9 | 48.7 | 48.7 | 51.7 | 46.1 | 49.7 | 42.5 | 48.8 | 41.5 | 46.3 | 45.0 | 52.4 | 47.2 | 49.4 | 56.4 | 51.0 | 50.1 | 49.0 | 55.3 | 51.2 | 48.5 | 47.2 | | | | |



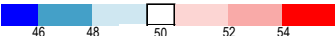
MANUFACTURING PMI - DELIVERY TIMES

| Date | Developed Markets | | | | | | | | | | | | | | | | | | | Emerging countries | | | | | | | | | | | | | |
|--------|-------------------|--------|------|-----------|------|------|---------|---------|--------|---------|--------|---------|-------|--------------|-------|-------|-----------|-------------|-------|--------------------|----------------------|--------|----------------|--------|--------|--------|-------|--------------|--------------|------|-------|-----------|-------|
| | World | NA | | Europe | | | | | | | | | | Asia-Oceania | | LATAM | | Eurasia | | | Middle East & Africa | | | Asia | | | | | | | | | |
| | | Canada | USA | EURO ZONE | | | Austria | Denmark | France | Germany | Greece | Ireland | Italy | Netherlands | Spain | UK | Australia | New Zealand | Japan | Singapore | Brazil | Mexico | Czech Republic | Poland | Russia | Turkey | Egypt | Saudi Arabia | South Africa | UAE | China | Hong Kong | India |
| Jun-22 | 42.2 | 31.0 | 33.6 | 34.2 | 34.6 | 43.7 | 31.2 | 33.0 | 30.7 | 32.4 | 38.0 | 36.6 | 39.8 | 34.5 | 51.5 | 51.7 | 38.0 | 50.1 | 42.1 | 38.5 | 37.9 | 43.2 | 40.7 | 46.8 | 46.1 | 54.5 | 63.9 | 51.4 | 50.2 | 44.5 | 50.3 | 50.0 | 45.1 |
| Jul-22 | 42.8 | 33.1 | 33.7 | 37.9 | 38.7 | 49.1 | 32.0 | 38.7 | 33.4 | 36.6 | 40.8 | 38.5 | 40.8 | 37.9 | 47.4 | 50.0 | 39.2 | 50.3 | 41.5 | 41.9 | 42.4 | 45.7 | 39.0 | 46.2 | 48.7 | 55.0 | 60.2 | 51.0 | 49.1 | 46.9 | 50.2 | 48.9 | 48.5 |
| Aug-22 | 44.8 | 37.6 | 38.9 | 40.2 | 41.4 | 47.0 | 33.1 | 40.9 | 36.1 | 37.7 | 44.5 | 39.8 | 44.9 | 44.5 | 47.1 | 54.0 | 40.0 | 50.4 | 46.6 | 42.5 | 46.5 | 47.3 | 43.8 | 46.7 | 49.5 | 54.6 | 59.9 | 52.8 | 49.4 | 49.2 | 50.8 | 50.0 | 50.5 |
| Sep-22 | 45.7 | 41.2 | 43.1 | 41.8 | 39.5 | 54.1 | 37.8 | 44.6 | 35.4 | 39.5 | 40.8 | 42.6 | 41.1 | 42.1 | 52.8 | 54.4 | 41.6 | 50.5 | 49.1 | 42.0 | 47.0 | 47.7 | 45.3 | 46.1 | 49.4 | 50.9 | 61.7 | 51.7 | 48.7 | 49.1 | 49.4 | 49.8 | 50.1 |
| Oct-22 | 46.5 | 44.1 | 44.3 | 43.4 | 41.7 | 58.0 | 38.5 | 47.1 | 36.7 | 38.9 | 42.2 | 42.2 | 43.9 | 43.6 | 48.3 | 55.1 | 43.7 | 50.6 | 49.7 | 43.8 | 46.4 | 49.3 | 43.5 | 51.2 | 50.2 | 51.4 | 61.9 | 52.1 | 48.8 | 49.0 | 49.6 | 49.1 | 50.4 |
| Nov-22 | 47.3 | 45.0 | 50.5 | 47.5 | 47.4 | 52.0 | 39.9 | 53.1 | 42.6 | 42.3 | 45.7 | 45.3 | 44.8 | 45.3 | 39.2 | 49.7 | 43.8 | 50.4 | 52.2 | 46.2 | 47.9 | 49.8 | 44.8 | 53.3 | 49.2 | 54.6 | 61.7 | 51.7 | 45.5 | 50.4 | 50.3 | 49.4 | 49.6 |
| Dec-22 | 47.8 | 44.4 | 49.9 | 50.0 | 49.6 | 58.2 | 39.1 | 56.8 | 47.1 | 44.7 | 46.9 | 49.5 | 48.4 | 46.8 | 48.5 | 43.9 | 50.5 | 53.6 | 46.2 | 47.0 | 48.9 | 45.0 | 53.3 | 49.3 | 51.5 | 65.8 | 50.5 | 46.7 | 50.5 | 50.0 | 49.2 | 49.2 | |
| Jan-23 | 49.0 | 46.6 | 50.2 | 49.8 | 50.5 | 58.6 | 36.5 | 55.4 | 46.9 | 50.7 | 47.3 | 52.2 | 47.8 | 47.8 | 51.8 | 45.6 | 50.4 | 51.2 | 47.8 | 49.0 | 48.5 | 47.4 | 49.8 | 48.9 | 52.7 | 57.6 | 51.9 | 49.3 | 51.2 | 50.5 | 49.3 | 50.3 | |
| Feb-23 | 51.0 | 46.5 | 53.0 | 54.8 | 53.9 | 59.8 | 44.7 | 64.1 | 44.7 | 49.1 | 47.7 | 55.1 | 48.6 | 51.0 | 51.8 | 46.8 | 49.9 | 51.4 | 46.4 | 47.5 | 50.6 | 45.7 | 44.5 | 48.1 | 54.2 | 55.3 | 55.0 | 51.2 | 55.2 | 50.0 | 50.8 | 50.7 | |
| Mar-23 | 52.6 | 49.3 | 55.2 | 62.2 | 60.3 | 66.3 | 50.4 | 74.3 | 49.8 | 50.9 | 53.4 | 61.1 | 52.8 | 55.3 | 48.4 | 50.0 | 51.8 | 47.3 | 55.5 | 48.9 | 47.6 | 49.0 | 49.3 | 55.5 | 50.8 | 51.3 | 50.6 | 54.0 | 50.2 | 51.4 | 51.6 | | |



MANUFACTURING PMI - INPUT PRICES

| Date | Developed Markets | | | | | | | | | | | | | | | | | | | Emerging countries | | | | | | | | | | | | | | | |
|--------|-------------------|--------|------|-----------|------|------|---------|---------|--------|---------|--------|---------|-------|--------------|-------|-------------|------|-----------|-------------|--------------------|----------------------|--------|--------|----------------|--------|--------|--------|-------|---------|--------------|--------------|-----|-------|-----------|-------|
| | World | NA | | Europe | | | | | | | | | | Asia-Oceania | | LATAM | | Eurasia | | | Middle East & Africa | | | Asia | | | | | | | | | | | |
| | | Canada | USA | EURO ZONE | | | Austria | Denmark | France | Germany | Greece | Ireland | Italy | Netherlands | Spain | Switzerland | UK | Australia | New Zealand | Japan | Singapore | Brazil | Mexico | Czech Republic | Poland | Russia | Turkey | Egypt | Lebanon | Saudi Arabia | South Africa | UAE | China | Hong Kong | India |
| Jun-22 | 68.7 | 74.2 | 79.5 | 80.0 | 81.6 | 76.2 | 77.7 | 83.3 | 81.8 | 82.6 | 74.2 | 77.6 | 76.3 | 84.6 | 89.3 | 74.6 | 52.7 | 71.7 | 71.7 | 77.8 | 68.9 | 54.9 | 71.7 | 72.0 | 55.3 | 58.5 | 55.2 | 52.2 | 58.1 | 67.5 | 66.8 | | | | |
| Jul-22 | 65.4 | 71.4 | 76.4 | 74.9 | 77.2 | 88.0 | 71.9 | 79.1 | 72.6 | 82.6 | 64.4 | 73.8 | 70.5 | 77.5 | 79.7 | 75.8 | 52.6 | 67.5 | 70.3 | 71.1 | 68.0 | 55.4 | 68.9 | 64.1 | 55.0 | 56.5 | 51.0 | 53.7 | 57.2 | 65.0 | 56.4 | | | | |
| Aug-22 | 61.1 | 64.9 | 68.1 | 71.7 | 74.3 | 71.6 | 70.1 | 77.3 | 61.7 | 75.7 | 58.9 | 73.2 | 66.1 | 67.9 | 81.7 | 71.9 | 52.3 | 59.1 | 70.3 | 67.0 | 67.2 | 54.1 | 59.4 | 58.8 | 53.5 | 48.8 | 47.8 | 52.9 | 56.4 | 63.6 | 50.7 | | | | |
| Sep-22 | 61.3 | 62.0 | 65.2 | 76.5 | 79.2 | 60.4 | 75.0 | 79.5 | 71.6 | 74.4 | 73.3 | 74.4 | 73.0 | 74.5 | 84.8 | 75.6 | 51.8 | 53.0 | 67.5 | 67.8 | 68.4 | 55.3 | 64.8 | 64.6 | 54.0 | 51.4 | 47.6 | 53.1 | 53.9 | 61.6 | 51.5 | | | | |
| Oct-22 | 61.2 | 61.7 | 64.7 | 72.0 | 75.3 | 50.4 | 72.3 | 74.0 | 72.1 | 72.8 | 68.4 | 71.2 | 66.8 | 73.7 | 78.0 | 74.7 | 51.5 | 46.6 | 69.6 | 68.8 | 68.1 | 58.2 | 60.6 | 63.5 | 52.0 | 51.4 | 50.7 | 54.8 | 54.0 | 61.1 | 52.7 | | | | |
| Nov-22 | 59.2 | 60.9 | 63.4 | 64.5 | 64.5 | 52.5 | 65.1 | 66.4 | 69.2 | 69.4 | 58.0 | 66.3 | 59.4 | 69.7 | 77.2 | 69.5 | 51.2 | 48.1 | 68.6 | 59.6 | 62.0 | 55.9 | 54.1 | 72.4 | 54.7 | 50.6 | 51.4 | 56.3 | 51.8 | 60.5 | 54.1 | | | | |
| Dec-22 | 56.8 | 61.5 | 55.6 | 61.0 | 61.1 | 45.9 | 65.0 | 60.4 | 59.1 | 68.5 | 56.0 | 62.1 | 57.0 | 62.0 | 68.9 | 51.0 | 51.8 | 67.1 | 63.8 | 56.3 | 55.4 | 55.9 | 65.0 | 52.9 | 49.8 | 51.1 | 56.7 | 52.0 | 58.3 | 54.5 | | | | | |
| Jan-23 | 57.0 | 58.6 | 58.8 | 56.3 | 57.1 | 61.3 | 61.7 | 53.7 | 56.4 | 63.5 | 53.0 | 57.7 | 55.1 | 60.4 | 68.1 | 50.8 | 55.1 | 62.6 | 59.9 | 59.1 | 58.0 | 64.9 | 72.3 | 52.4 | 49.9 | 52.0 | 55.4 | 52.5 | 57.5 | 56.3 | | | | | |
| Feb-23 | 55.5 | 57.9 | 56.4 | 50.9 | 54.3 | 45.8 | 53.9 | 46.5 | 52.4 | 59.1 | 49.3 | 54.5 | 55.9 | 56.1 | 67.6 | 50.9 | 55.5 | 64.7 | 55.3 | 54.4 | 58.8 | 64.8 | 62.7 | 53.7 | 51.5 | 51.7 | 55.2 | 53.3 | 57.3 | 57.6 | | | | | |
| Mar-23 | 53.7 | 57.2 | 55.1 | 46.8 | 48.8 | 39.3 | 51.4 | 42.7 | 51.7 | 53.8 | 46.1 | 48.5 | 48.6 | 53.6 | 67.0 | 50.6 | 50.6 | 61.8 | 47.6 | 54.1 | 60.8 | 61.5 | 62.8 | 54.6 | 51.2 | 50.0 | 56.3 | 51.9 | 58.6 | 53.4 | | | | | |



TABLES 2-3-4

SOURCE: S&P GLOBAL, BNP PARIBAS



BNP PARIBAS

The bank for a changing world

ECONOMIC PULSE

PMI MANUFACTURING - OUTPUT PRICES

| WD | Developed Markets | | | | | | | | | | | | | | | | | Emerging countries | | | | | | | | | | | | | | | | |
|--------|-------------------|--------|--------|-----------|---------|---------|--------|---------|--------|---------|-------|-------------|--------------|-------------|----|-----------|-------------|--------------------|-----------|---------|--------|----------------|----------------------|--------|--------|-------|---------|--------------|--------------|------|-------|-----------|-------|-----------|
| | NA | | Europe | | | | | | | | | | Asia-Oceania | | | | | LATAM | | Eurasia | | | Middle East & Africa | | | | Asia | | | | | | | |
| | World | CANADA | USA | EURO ZONE | AUSTRIA | DENMARK | FRANCE | GERMANY | GREECE | IRELAND | ITALY | NETHERLANDS | SPAIN | SWITZERLAND | UK | AUSTRALIA | NEW ZEALAND | JAPAN | SINGAPORE | BRAZIL | MEXICO | CZECH REPUBLIC | POLAND | RUSSIA | TURKEY | EGYPT | LEBANON | SAUDI ARABIA | SOUTH AFRICA | UAE | CHINA | HONG KONG | INDIA | INDONESIA |
| Jun-22 | 60.5 | 65.9 | 71.1 | 70.9 | 71.1 | 75.0 | 66.9 | 73.7 | 68.4 | 68.4 | 69.2 | 73.2 | 68.6 | 72.1 | | | | 62.7 | 66.7 | 53.8 | 69.5 | 65.6 | 48.9 | 62.1 | 61.8 | 54.9 | 53.3 | 48.2 | | 53.0 | 53.2 | 54.7 | 55.9 | |
| Jul-22 | 58.3 | 64.1 | 66.7 | 67.9 | 66.3 | 32.3 | 67.7 | 69.1 | 66.2 | 71.0 | 63.9 | 68.6 | 66.6 | 69.6 | | | 61.9 | | 61.9 | 54.5 | 67.7 | 62.2 | 46.4 | 58.5 | 56.1 | 54.2 | 53.4 | 49.6 | | 51.3 | 52.6 | 53.2 | 51.6 | |
| Aug-22 | 56.7 | 60.5 | 62.9 | 65.9 | 65.4 | 44.9 | 61.8 | 69.4 | 61.3 | 66.5 | 60.3 | 71.3 | 63.2 | 64.8 | | | 59.5 | | 56.3 | 54.4 | 65.6 | 61.1 | 50.6 | 54.8 | 53.0 | 57.2 | 50.8 | 47.4 | | 52.2 | 52.7 | 53.0 | 50.5 | |
| Sep-22 | 56.6 | 55.4 | 64.1 | 67.4 | 67.6 | 60.3 | 63.3 | 69.1 | 62.9 | 66.9 | 67.3 | 71.5 | 65.3 | 66.4 | | | 61.6 | | 52.6 | 53.0 | 65.9 | 60.7 | 49.4 | 59.9 | 54.8 | 56.8 | 51.8 | 48.5 | | 51.2 | 51.8 | 52.9 | 51.4 | |
| Oct-22 | 56.5 | 60.8 | 61.1 | 66.1 | 67.0 | 64.3 | 61.7 | 68.5 | 64.6 | 68.3 | 64.1 | 68.7 | 61.9 | 65.0 | | | 62.5 | | 47.4 | 52.0 | 63.2 | 61.5 | 49.8 | 57.3 | 53.5 | 55.9 | 51.5 | 49.4 | | 52.0 | 51.7 | 52.6 | 51.1 | |
| Nov-22 | 56.2 | 56.6 | 61.2 | 63.6 | 66.0 | 62.8 | 59.8 | 67.0 | 62.4 | 62.7 | 59.7 | 64.9 | 60.2 | 64.6 | | | 59.6 | | 49.7 | 51.2 | 60.1 | 61.4 | 50.2 | 55.2 | 57.7 | 54.6 | 52.9 | 49.9 | | 51.6 | 51.0 | 52.7 | 47.5 | |
| Dec-22 | 54.7 | 58.7 | 56.5 | 61.2 | 60.5 | 69.5 | 61.4 | 62.1 | 58.1 | 64.9 | 58.6 | 63.9 | 56.8 | 60.1 | | | 59.2 | | 51.5 | 50.9 | 59.8 | 59.3 | 51.9 | 55.2 | 57.3 | 54.5 | 53.6 | 48.6 | | 52.0 | 53.1 | 52.2 | 48.2 | |
| Jan-23 | 54.8 | 56.6 | 57.3 | 61.6 | 62.3 | 52.0 | 66.8 | 63.3 | 58.1 | 59.8 | 57.0 | 61.6 | 54.5 | 61.3 | | | 55.7 | | 51.6 | 51.1 | 60.5 | 60.5 | 50.7 | 62.1 | 63.1 | 58.2 | 50.6 | 48.4 | | 55.4 | 52.7 | 51.8 | 51.5 | |
| Feb-23 | 54.8 | 56.2 | 59.6 | 58.4 | 59.3 | 46.4 | 59.1 | 59.9 | 57.9 | 59.7 | 53.9 | 57.6 | 57.0 | 59.8 | | | 57.1 | | 51.7 | 50.9 | 57.5 | 53.6 | 51.4 | 59.4 | 56.3 | 60.1 | 53.2 | 49.2 | | 54.6 | 51.8 | 52.0 | 53.6 | |
| Mar-23 | 52.8 | 54.3 | 54.0 | 53.4 | 51.6 | 45.4 | 56.7 | 53.7 | 53.5 | 54.4 | 49.5 | 55.2 | 52.5 | 57.8 | | | 57.5 | | 52.6 | 50.1 | 51.4 | 51.0 | 52.4 | 57.4 | 55.6 | 58.1 | 50.5 | 49.0 | | 55.6 | 52.0 | 50.6 | 50.6 | |

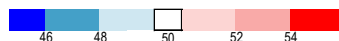
MANUFACTURING PMI - EMPLOYMENT

| WD | Developed Markets | | | | | | | | | | | | | | | | | Emerging countries | | | | | | | | | | | | | | | | |
|--------|-------------------|--------|--------|-----------|---------|---------|--------|---------|--------|---------|-------|-------------|--------------|-------------|------|-----------|-------------|--------------------|-----------|---------|--------|----------------|----------------------|--------|--------|-------|---------|--------------|--------------|------|-------|-----------|-------|-----------|
| | NA | | Europe | | | | | | | | | | Asia-Oceania | | | | | LATAM | | Eurasia | | | Middle East & Africa | | | | Asia | | | | | | | |
| | World | CANADA | USA | EURO ZONE | AUSTRIA | DENMARK | FRANCE | GERMANY | GREECE | IRELAND | ITALY | NETHERLANDS | SPAIN | SWITZERLAND | UK | AUSTRALIA | NEW ZEALAND | JAPAN | SINGAPORE | BRAZIL | MEXICO | CZECH REPUBLIC | POLAND | RUSSIA | TURKEY | EGYPT | LEBANON | SAUDI ARABIA | SOUTH AFRICA | UAE | CHINA | HONG KONG | INDIA | INDONESIA |
| Jun-22 | 51.3 | 52.9 | 52.9 | 54.5 | 56.4 | 69.3 | 52.5 | 55.4 | 53.0 | 55.7 | 53.0 | 58.9 | 51.0 | 61.6 | 53.0 | 52.5 | 51.3 | 51.8 | 53.4 | 51.2 | 48.7 | 47.6 | 51.2 | 51.0 | 48.5 | 50.7 | 51.3 | 51.2 | 48.8 | 50.8 | 48.9 | 54.0 | | |
| Jul-22 | 50.4 | 51.9 | 51.5 | 53.3 | 55.7 | 39.4 | 50.6 | 55.2 | 50.4 | 52.9 | 52.0 | 56.0 | 48.6 | 58.7 | 55.9 | 53.4 | 52.6 | 51.6 | 55.5 | 49.6 | 46.3 | 47.8 | 48.4 | 50.2 | 50.1 | 51.3 | 48.4 | 51.0 | 47.8 | 50.6 | 52.3 | 52.3 | | |
| Aug-22 | 50.3 | 48.8 | 51.1 | 52.8 | 53.9 | 60.0 | 52.2 | 54.5 | 49.1 | 52.4 | 50.5 | 55.2 | 48.6 | 58.5 | 50.4 | 54.1 | 53.3 | 50.8 | 53.1 | 49.8 | 47.7 | 45.6 | 49.2 | 51.2 | 50.7 | 51.2 | 48.4 | 51.5 | 48.3 | 50.1 | 51.4 | 53.4 | | |
| Sep-22 | 50.8 | 49.5 | 53.8 | 52.4 | 55.7 | 46.2 | 51.0 | 53.4 | 49.3 | 53.8 | 51.0 | 52.3 | 49.8 | 58.8 | 51.0 | 53.5 | 51.5 | 52.8 | 52.2 | 51.6 | 50.6 | 45.2 | 52.2 | 49.2 | 50.4 | 50.5 | 46.7 | 51.4 | 47.7 | 50.7 | 51.9 | 53.3 | | |
| Oct-22 | 50.3 | 49.0 | 51.4 | 52.6 | 56.2 | 45.7 | 51.7 | 54.5 | 49.7 | 52.9 | 50.8 | 53.3 | 45.5 | 59.3 | 48.3 | 53.1 | 48.9 | 51.3 | 52.3 | 50.3 | 47.0 | 43.7 | 47.0 | 47.7 | 49.6 | 50.2 | 41.5 | 52.0 | 48.7 | 53.6 | 50.5 | 52.3 | | |
| Nov-22 | 49.9 | 51.1 | 51.1 | 52.0 | 54.4 | 43.0 | 51.7 | 53.8 | 49.6 | 49.7 | 51.2 | 52.0 | 47.0 | 61.6 | 47.8 | 52.0 | 47.2 | 51.1 | 48.6 | 51.6 | 46.5 | 44.7 | 51.5 | 50.2 | 50.8 | 50.6 | 45.7 | 51.5 | 47.6 | 53.4 | 50.6 | 46.8 | | |
| Dec-22 | 49.8 | 50.8 | 50.6 | 51.9 | 55.4 | 46.2 | 49.0 | 53.4 | 50.3 | 50.2 | 51.0 | 53.6 | 50.0 | 61.1 | 45.5 | 51.6 | 49.9 | 50.9 | 47.3 | 52.3 | 45.7 | 47.3 | 54.3 | 52.1 | 49.4 | 52.0 | 54.3 | 50.6 | 47.7 | 51.8 | 50.3 | 45.1 | | |
| Jan-23 | 50.0 | 51.5 | 50.3 | 52.1 | 54.9 | 58.9 | 51.7 | 52.3 | 49.7 | 52.6 | 51.7 | 52.6 | 50.1 | 59.0 | 46.7 | 53.2 | 51.6 | 50.9 | 49.5 | 49.8 | 45.7 | 45.9 | 53.6 | 52.0 | 48.7 | 51.2 | 48.4 | 51.3 | 48.4 | 50.1 | 50.0 | 47.7 | | |
| Feb-23 | 51.1 | 51.9 | 52.5 | 52.3 | 52.3 | 51.2 | 50.7 | 52.6 | 51.3 | 53.9 | 53.2 | 50.3 | 51.3 | 53.9 | 48.9 | 53.3 | 54.0 | 50.8 | 49.8 | 50.2 | 44.2 | 47.1 | 52.4 | 51.9 | 48.3 | 51.9 | 47.1 | 51.0 | 50.6 | 50.3 | 50.1 | 51.2 | | |
| Mar-23 | 50.3 | 51.5 | 51.9 | 52.1 | 51.7 | 45.0 | 50.7 | 52.2 | 53.8 | 51.5 | 53.3 | 52.5 | 51.9 | 57.0 | 46.6 | 53.1 | | 50.5 | 47.4 | 50.8 | 45.1 | 47.5 | 53.0 | 49.7 | 49.0 | 51.7 | 45.4 | 52.6 | 49.3 | 49.9 | 50.3 | 47.7 | | |

SERVICES PMI

| | World | USA | EURO ZONE | FRANCE | GERMANY | IRELAND | ITALY | SPAIN | UK | AUSTRALIA | JAPAN | BRAZIL | RUSSIA | LEBANON | CHINA | HONG KONG | INDIA |
|--------|-------|------|-----------|--------|---------|---------|-------|-------|------|-----------|-------|--------|--------|---------|-------|-----------|-------|
| Jun-22 | 53.9 | 52.7 | 53.0 | 53.9 | 52.4 | 55.6 | 51.6 | 54.0 | 54.3 | 48.8 | 54.0 | 60.8 | 51.7 | 49.1 | 54.5 | 52.4 | 59.2 |
| Jul-22 | 51.1 | 47.3 | 51.2 | 53.2 | 49.7 | 56.3 | 48.4 | 53.8 | 52.6 | 51.7 | 50.3 | 55.8 | 54.7 | 49.9 | 55.5 | 52.3 | 55.5 |
| Aug-22 | 49.2 | 43.7 | 49.8 | 51.2 | 47.7 | 54.7 | 50.5 | 50.6 | 50.9 | 53.3 | 49.5 | 53.9 | 49.9 | 50.1 | 55.0 | 51.2 | 57.2 |
| Sep-22 | 50.0 | 49.3 | 48.8 | 52.9 | 45.0 | 54.1 | 48.8 | 48.5 | 50.0 | 48.0 | 52.2 | 51.9 | 51.1 | 48.8 | 49.3 | 48.0 | 54.3 |
| Oct-22 | 49.2 | 47.8 | 48.6 | 51.7 | 46.5 | 53.2 | 46.4 | 49.7 | 48.8 | 47.7 | 53.2 | 54.0 | 43.7 | 49.1 | 48.4 | 49.3 | 55.1 |
| Nov-22 | 48.0 | 46.2 | 48.5 | 49.3 | 46.1 | 50.8 | 49.5 | 51.2 | 48.8 | 45.6 | 50.3 | 51.6 | 48.3 | 48.1 | 46.7 | 48.7 | 56.4 |
| Dec-22 | 48.0 | 44.7 | 49.8 | 49.5 | 49.2 | 52.7 | 49.9 | 51.6 | 49.9 | | 51.1 | 51.0 | 45.9 | 47.3 | 48.0 | 49.6 | 58.5 |
| Jan-23 | 50.0 | 46.8 | 50.8 | 49.4 | 50.7 | 54.1 | 51.2 | 52.7 | 48.7 | | 52.3 | 50.7 | 48.7 | 47.7 | 52.9 | 51.2 | 57.2 |
| Feb-23 | 52.6 | 50.6 | 52.7 | 53.1 | 50.9 | 58.2 | 51.6 | 56.7 | 53.5 | | 54.0 | 49.8 | 53.1 | 48.8 | 55.0 | 53.9 | 59.4 |
| Mar-23 | 54.4 | 52.6 | 55.0 | 53.9 | 53.7 | 55.7 | 55.7 | 59.4 | 52.9 | | 55.0 | 51.8 | 58.1 | 49.7 | 57.8 | 53.5 | 57.8 |

TABLES 5-6-7



SOURCE: S&P GLOBAL, BNP PARIBAS



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ECONOMIC SCENARIO

10

UNITED STATES

The U.S. economy continued to grow in Q4, although it slowed slightly compared to Q3. However, the main drivers of growth, namely household consumption and private inventories, are fragile, suggesting that the economy should continue to slow. The labour market is still very tight, with job creation remaining high, the unemployment rate low and wage growth buoyant. Inflation seems to have peaked in the middle of 2022, but disinflation remains gradual and the inflation rate should remain significantly above the target of 2% by the end of 2023. From this point of view, the Fed is probably not quite done with raising its policy rates yet. The ongoing monetary tightening is expected to drive the US economy into recession in the second half of 2023 and limit the expected recovery in 2024.

CHINA

Economic growth, which was sluggish and unbalanced in 2022, is projected to strengthen in 2023. The end of the zero Covid policy has led to a rebound in private demand and activity in the services sector since late January, and household consumption will continue to benefit from large catch-up effects in the short term. However, while export and industrial production prospects are darkened by the weakening in global demand, activity driven by the domestic market remains constrained by important drags. In fact, the recovery in the labour market remains uncertain, the improvement in the property and construction sectors is likely to be limited, and the worrying financial situation of local governments should constrain public investment. Fiscal and monetary support is expected to be prudent. Consumer price inflation, which averaged 2% in 2022, should accelerate only mildly in 2023.

EUROZONE

Economic growth in the eurozone was zero in the fourth quarter of 2022, but better than expected for 2022 as a whole, at 3.5%. It continued to surprise favorably in the early months of 2023 judging by the improvement in survey data (business confidence and, to a lesser extent, consumer confidence). However, the combination of the inflationary shock, the energy crisis and forced monetary tightening and the build-up of their negative effects will weaken activity in 2023. Real GDP growth should be weakly positive in 2023 and 2024, at 0.7% and 0.5% respectively. Although it is expected to decline throughout 2023, inflation will remain elevated and well above the 2% target at the end of this year and still a bit above at the end of 2024, forcing monetary policy to remain in restrictive territory.

FRANCE

Real GDP growth has decreased in H2 2022 (0.2% q/q in Q3 and 0.1% in Q4, after +0.5% in Q2). Corporate investment and inventory rebuilding have remained the main growth drivers, whereas household demand has played on the downside: household consumption has decreased by 1.2% q/q in Q4 and their investment by 0.9%. As inflation has reached a new peak in February 2023 (7.2% y/y according to the harmonized measure) and because of rising interest rates, household demand should remain subdued in 2023, weighing on our GDP growth forecast (0.5% in 2023, compared to 2.6% in 2022).

RATES AND EXCHANGE RATES

In the US, the Federal Reserve should continue its tightening policy, but the terminal rate of the federal funds seems to have moved closer given the ongoing tightening of monetary and financial conditions and lending standards remains uncertain. Our forecasts now see it sooner and 50 basis points lower, at 5.25% (upper end of the target range) in May 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. In the near-term, there is still some upward potential for long term rates, in view of the Fed's bias, albeit somewhat less pronounced, to continue hiking, but subsequently yields should move lower as the inflation outlook improves and the market starts anticipating policy easing in 2024.

The ECB Governing Council is also expected to continue to raise its policy rates at its next two meetings, in May and June. However, the same uncertainty as for the Fed weighs on the terminal rate -i.e. the peak rate in this cycle. Our forecasts, updated on March 21, put the deposit rate at 3.50% in June (vs. 4% in July previously). In the near term, government bond yields could resume rising if the ECB continues to tighten 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.

GDP GROWTH** AND INFLATION*

| % | GDP Growth** | | | | Inflation* | | | |
|----------------|--------------|------|--------|--------|------------|------|--------|--------|
| | 2021 | 2022 | 2023 e | 2024 e | 2021 | 2022 | 2023 e | 2024 e |
| United-States | 5.9 | 2.1 | 1.4 | -0.1 | 4.7 | 8.0 | 4.4 | 2.6 |
| Japan | 2.2 | 1.0 | 1.2 | 0.8 | -0.2 | 2.5 | 2.6 | 1.4 |
| United-Kingdom | 7.6 | 4.0 | -0.4 | 1.0 | 2.6 | 9.1 | 6.2 | 1.9 |
| Euro Area | 5.3 | 3.5 | 0.7 | 0.5 | 2.6 | 8.4 | 5.4 | 2.6 |
| Germany | 2.6 | 1.9 | -0.1 | 0.5 | 3.2 | 8.7 | 5.8 | 2.3 |
| France | 6.8 | 2.6 | 0.5 | 0.6 | 2.1 | 5.9 | 5.9 | 2.9 |
| Italy | 7.0 | 3.8 | 0.9 | 0.7 | 1.9 | 8.7 | 6.6 | 2.3 |
| Spain | 5.5 | 5.5 | 1.4 | 0.8 | 3.0 | 8.3 | 3.3 | 2.1 |
| China | 8.4 | 3.0 | 5.6 | 5.3 | 0.9 | 2.0 | 2.7 | 2.5 |
| India*** | 8.7 | 7.0 | 5.7 | 6.0 | 5.5 | 6.7 | 5.4 | 4.5 |
| Brazil | 4.6 | 2.9 | 1.5 | 0.5 | 8.3 | 9.3 | 5.5 | 5.5 |

* LAST UPDATE 31 MARCH 2023: INFLATION EUROZONE, GERMANY, FRANCE, ITALY, SPAIN; GDP AND INFLATION OF THE UNITED STATES

** LAST UPDATE 28 MARCH: GDP EUROZONE, GERMANY, FRANCE, ITALY, SPAIN

*** FISCAL YEAR FROM 1st APRIL OF YEAR N TO MARCH 31st OF YEAR N+1

SOURCE: BNP PARIBAS (E: ESTIMATES & FORECASTS)

INTEREST AND EXCHANGE RATES

| End of period | | Q2 2023 | Q3 2023 | Q4 2023 | Q4 2024 |
|---------------|---------------|---------|---------|---------|---------|
| US | Fed Funds | 5.25 | 5.25 | 5.25 | 3.50 |
| | (upper limit) | | | | |
| Eurozone | T-Note 10y | 4.30 | 4.10 | 3.90 | 3.65 |
| | deposit rate* | 3.50 | 3.50 | 3.50 | 2.75 |
| | Bund 10y | 3.10 | 2.90 | 2.50 | 2.00 |
| | OAT 10y | 3.65 | 3.45 | 3.02 | 2.50 |
| | BTP 10y | 5.10 | 5.15 | 4.75 | 3.80 |
| UK | BONO 10y | 4.10 | 4.00 | 3.60 | 2.90 |
| | Base rate | 4.25 | 4.25 | 4.25 | 3.50 |
| | Gilts 10y | 3.70 | 3.50 | 3.25 | 2.85 |
| Japan | BoJ Rate | -0.10 | -0.10 | -0.10 | 0.10 |
| | JGB 10y** | 0.45 | 0.60 | 0.65 | 0.80 |

Exchange Rates

| End of period | | Q2 2023 | Q3 2023 | Q4 2023 | Q4 2024 |
|---------------|-----------|---------|---------|---------|---------|
| USD | EUR / USD | 1.10 | 1.12 | 1.14 | 1.18 |
| | USD / JPY | 133 | 130 | 127 | 121 |
| | GBP / USD | 1.24 | 1.26 | 1.28 | 1.33 |
| EUR | EUR / GBP | 0.89 | 0.89 | 0.89 | 0.89 |
| | EUR / JPY | 146 | 146 | 145 | 143 |

Brent

| End of period | | Q2 2023 | Q3 2023 | Q4 2023 | Q4 2024 |
|---------------|---------|---------|---------|---------|---------|
| Brent | USD/bbl | 85 | 90 | 90 | 95 |

* LAST UPDATE 21 MARCH 2023

** LAST UPDATE 28 MARCH 2023

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



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11

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