

“ WHEN THE CONDUCT OF EACH POLICY -MONETARY, FISCAL, MACROPRUDENTIAL- TAKES INTO ACCOUNT THE STANCE OF THE OTHER POLICIES AND ITS INFLUENCE ON THE OTHER OBJECTIVES, OVERALL ECONOMIC STABILITY SHOULD BENEFIT. ”



ECONOMIC RESEARCH



**BNP PARIBAS**

The bank  
for a changing  
world

# TABLE OF CONTENT

---

3

## EDITORIAL

The nexus between price stability, financial stability and fiscal sustainability (part 1).

---

5

## MARKETS OVERVIEW

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

---

7

## ECONOMIC PULSE

Analysis of recent economic data: China

---

8

## ECONOMIC SCENARIO

Main economic and financial forecasts

---

9

## FURTHER READING

Latest articles, charts, videos and podcasts of Economic Research



## THE NEXUS BETWEEN PRICE STABILITY, FINANCIAL STABILITY AND FISCAL SUSTAINABILITY (PART 1).

Price stability, financial stability and fiscal sustainability are part of the necessary conditions for the balanced development of an economy in the longer run. They can be considered as pillars on which the 'economic house' is built. Weakness or fragility of one pillar -e.g. inflation well above target, overvalued asset prices or a high and rising public debt ratio - may impact the solidity of the other pillars and weaken the overall structure. This gives rise to a debate about the nexus between these three conditions. Given these interactions, it is important that each policy -monetary, fiscal, financial stability oriented- is conducted in a way that takes into account its influence on the other objectives. This should enhance overall economic stability.

Price stability, financial stability and fiscal sustainability are part of the necessary conditions for the balanced development of an economy in the longer run<sup>1</sup>.

Price stability corresponds to a rate of inflation that on a sustained basis is in line with the objective of the central bank. The definition of financial stability is more complex. According to the IMF, it refers to the ability of the financial system to perform three tasks. Firstly, facilitating an "efficient allocation of economic resources -both spatially and especially intertemporally- and the effectiveness of other economic processes (such as wealth accumulation, economic growth, and ultimately social prosperity)". Secondly, assessing, pricing, allocating and managing financial risks. Thirdly, maintaining "its ability to perform these key functions -even when affected by external shocks or by a buildup of imbalances- primarily through self-corrective mechanisms."<sup>2</sup>

Finally, fiscal sustainability can be associated with a stable public debt-to-GDP ratio. However, other aspects should also be taken into account: the ratio of debt service to fiscal revenues, the foreign currency share of foreign debt, the sensitivity of debt dynamics to interest rate and growth shocks, the expected impact of population ageing on health care expenditures and pension payments, etc.<sup>3</sup>

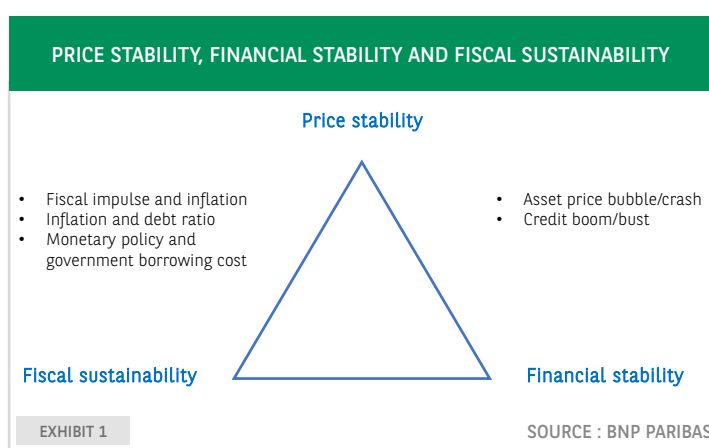
Price stability, financial stability and fiscal sustainability can be considered as pillars on which the 'economic house' is built. Continuing with this metaphor, weakness or fragility of one pillar -e.g. inflation well above target, overvalued asset prices or a high and rising public debt ratio- may impact the solidity of the other pillars and weaken the overall structure. This gives rise to a debate about the nexus between these three conditions (see exhibit).

The recent events that have impacted a limited number of small and midsized regional banks in the United States have fueled the debate whether central banks are facing a tradeoff between the pursuit of price stability and safeguarding financial stability.

<sup>1</sup> The list of conditions is longer and includes full employment, a sustainable balance of payments, inclusive growth, growth that is sustainable from an environmental perspective, etc. In this respect, one should also refer to the United Nations' sustainable development goals.

<sup>2</sup> Source: IMF, Defining financial stability, working paper 04/187, 2004.

<sup>3</sup> In this respect, see: Eduardo Levy Yeyati and Federico Sturzenegger, A balance sheet approach to fiscal sustainability, VoxEU column, 24 March 2023.



The argument of a tradeoff states that a very accommodative monetary policy eventually causes financial imbalances such as excessive borrowing to finance projects, the use of leverage for financial investments, the compression of risk premia, expensive valuations and financial markets being 'priced for perfection'. When monetary policy becomes restrictive, certain projects may become unprofitable and financial markets generally enter a phase of decompression of risk premia.

Such developments are an integral part of monetary transmission, but they nevertheless give rise to concern that, in the end, the adjustment could become disorderly, which is why both the Federal Reserve and the ECB have recently insisted on the data-dependent nature of their monetary policy and on the fact that they have specific tools -liquidity provision- should the risk of financial instability increase.

” When the conduct of each policy -monetary, fiscal, macroprudential- takes into account the stance of the other policies and its influence on the other objectives, overall economic stability should benefit.



Moreover, they argue that these tools can be deployed without interfering with the conduct of monetary policy.<sup>4</sup>

Turning to the nexus between price stability and fiscal sustainability, an ill-timed fiscal expansion can complicate the central bank's task of reaching price stability. The other way around, monetary policy can make reaching fiscal sustainability easier or more difficult depending on whether policy is accommodative or restrictive.

Finally, fiscal sustainability and financial stability are also tied to each other. On the one hand, mounting concerns about the risk of a deterioration of government finances can impact the economy via financial markets -rising government bond yields, which pull along the cost of financing of the private sector- and the bank credit channel.<sup>5</sup> On the other hand, financial instability can necessitate government intervention -e.g. through deposit insurance, measures to support the economy in general, etc.- that causes a deterioration in public finances.<sup>6</sup>

Given the interactions between the three 'pillars', it is important that the conduct of each policy -monetary, fiscal, macroprudential<sup>7</sup>- takes into account the stance of the other policies and its influence on the other objectives. To illustrate this point, the transmission of monetary tightening will be different during an asset price and/or credit boom, which may reflect excessively optimistic expectations about the growth outlook. Initially this may limit the effect of rate hikes but when the expectations turn gloomy, the reaction of economic agents may be very strong.

The central bank will need to take this into account when hiking its policy rate. Likewise, fiscal policy decisions will be influenced by the interest rate environment and outlook. By adopting this broader perspective, overall economic stability should benefit.

**William De Vijlder**

<sup>4</sup> For a more detailed analysis, see H el ene Baudchon and William De Vijlder, A tool for each target, or how to reconcile price stability and financial stability, EcoPerspectives, BNP Paribas, 4 April 2023.

<sup>5</sup> Rising sovereign yields may increase the cost of funding of banks. Worsening public finances may directly or indirectly influence the lending policy of banks.

<sup>6</sup> For a detailed discussion, see Claudio Borio, Marc Farag and Fabrizio Zampolli, Tackling the fiscal policy-financial stability nexus, BIS Working Papers, No.1090, April 2023.

<sup>7</sup> Financial stability is primarily pursued through macroprudential policy (source: The role of financial stability in the ECB's new monetary policy strategy, Financial Stability Review, November 2021).



# MARKETS OVERVIEW

5

## OVERVIEW

Week 14-4-23 to 21-4-23

↗ CAC 40	7 520	▶ 7 577	+0.8 %
↘ S&P 500	4 138	▶ 4 134	-0.1 %
↘ Volatility (VIX)	17.1	▶ 16.8	-0.3 pb
↗ Euribor 3M (%)	3.18	▶ 3.26	+8.6 bp
↗ Libor \$ 3M (%)	5.26	▶ 5.26	-0.7 bp
↗ OAT 10y (%)	2.94	▶ 3.00	+6.5 bp
↗ Bund 10y (%)	2.44	▶ 2.49	+5.1 bp
↗ US Tr. 10y (%)	3.52	▶ 3.57	+5.7 bp
↘ Euro vs dollar	1.10	▶ 1.10	-0.3 %
↘ Gold (ounce, \$)	1 999	▶ 1 978	-1.0 %
↘ Oil (Brent, \$)	86.4	▶ 81.7	-5.4 %

## 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	3.26	3.26 at 21/04	2.16 at 02/01
Euribor 12M	3.85	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	5.26	5.27 at 20/04	4.77 at 02/01
Libor 12M	5.41	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	4.59	4.60 at 19/04	3.87 at 02/01
Libor 12M	0.81	0.81 at 02/01	0.81 at 02/01

At 21-4-23

Yield (%)		highest 23	lowest 23
€ AVG 5-7y	2.64	2.64 at 02/01	2.64 at 02/01
Bund 2y	2.98	3.36 at 08/03	2.39 at 20/03
Bund 10y	2.49	2.75 at 02/03	1.98 at 18/01
OAT 10y	3.00	3.23 at 03/03	2.42 at 18/01
Corp. BBB	4.55	4.75 at 03/03	3.95 at 02/02
\$ Treas. 2y	4.19	5.12 at 08/03	3.86 at 24/03
Treas. 10y	3.57	4.06 at 02/03	3.30 at 06/04
High Yield	8.69	9.16 at 20/03	7.94 at 02/02
£ gilt. 2y	4.25	4.33 at 19/04	3.15 at 02/02
gilt. 10y	3.76	3.86 at 19/04	3.00 at 02/02

At 21-4-23

## EXCHANGE RATES

1€ =		highest 23	lowest 23	2023
USD	1.10	1.10 at 13/04	1.05 at 05/01	+2.8%
GBP	0.89	0.90 at 03/02	0.87 at 19/01	-0.2%
CHF	0.98	1.00 at 24/01	0.97 at 15/03	-0.7%
JPY	147.52	147.52 at 21/04	138.02 at 03/01	+4.8%
AUD	1.64	1.64 at 21/04	1.53 at 27/01	+4.3%
CNY	7.56	7.59 at 13/04	7.23 at 05/01	+1.9%
BRL	5.54	5.79 at 04/01	5.40 at 08/03	-1.6%
RUB	89.60	90.52 at 12/04	73.32 at 12/01	+15.0%
INR	90.10	90.43 at 13/04	86.58 at 08/03	+2.0%

At 21-4-23

Change

## COMMODITIES

Spot price, \$		highest 23	lowest 23	2023	2023(€)
Oil, Brent	81.7	88.2 at 23/01	72.6 at 17/03	-3.8%	-6.4%
Gold (ounce)	1 978	2 037 at 13/04	1 810 at 24/02	+8.9%	+6.0%
Metals, LME	3 985	4 404 at 26/01	3 824 at 15/03	+0.0%	-2.7%
Copper (ton)	8 779	9 331 at 23/01	8 236 at 04/01	+4.9%	+2.1%
wheat (ton)	242	2.9 at 13/02	241 at 09/03	-15.3%	-17.6%
Corn (ton)	252	2.7 at 13/02	239 at 09/03	-0.3%	-5.7%

At 21-4-23

Change

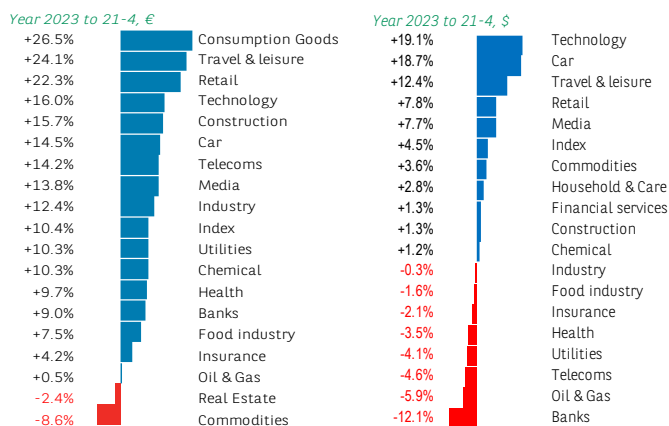
## EQUITY INDICES

Index	highest 23	lowest 23	2023	
<b>World</b>				
MSCI World	2 823	2 848 at 02/02	2 595 at 05/01	+8.5%
<b>North America</b>				
S&P500	4 134	4 180 at 02/02	3 808 at 05/01	+7.7%
<b>Europe</b>				
EuroStoxx50	4 409	4 409 at 21/04	3 856 at 02/01	+16.2%
CAC 40	7 577	7 577 at 21/04	6 595 at 02/01	+1.7%
DAX 30	15 882	15 895 at 19/04	14 069 at 02/01	+14.1%
IBEX 35	9 416	9 511 at 06/03	8 370 at 02/01	+1.4%
FTSE100	7 914	8 014 at 20/02	7 335 at 17/03	+0.6%
<b>Asia</b>				
MSCI, loc.	1 132	1 143 at 09/03	1 065 at 04/01	+0.6%
Nikkei	28 564	28 659 at 18/04	25 717 at 04/01	+9.5%
<b>Emerging</b>				
MSCI Emerging (\$)	981	1 052 at 26/01	941 at 16/03	+0.3%
China	64	75 at 27/01	62 at 20/03	+1.1%
India	729	786 at 18/01	703 at 16/03	-6.1%
Brazil	1 433	1 574 at 25/01	1 296 at 23/03	-6.0%

At 21-4-23

Change

## PERFORMANCE BY SECTOR (Eurostoxx50 & S&P500)



SOURCE: REFINITIV, BNP PARIBAS

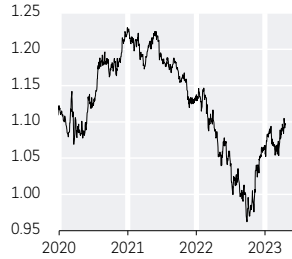


# BNP PARIBAS

The bank  
for a changing  
world

# MARKETS OVERVIEW

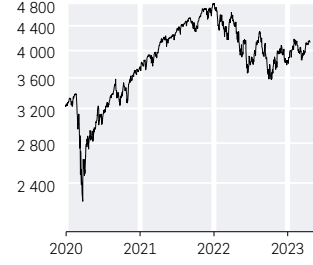
**EURO-DOLLAR**



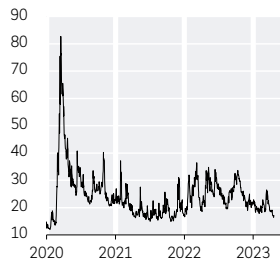
**EUROSTOXX50**



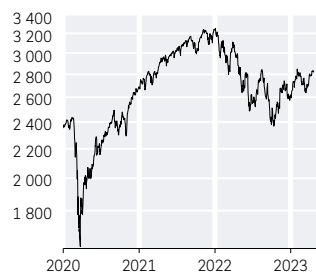
**S&P500**



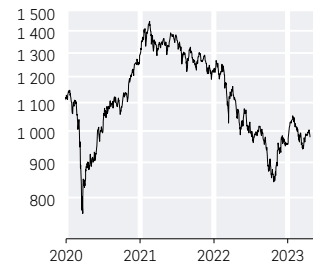
**VOLATILITY (VIX, S&P500)**



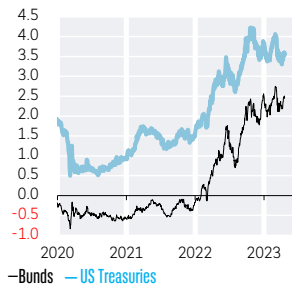
**MSCI WORLD (USD)**



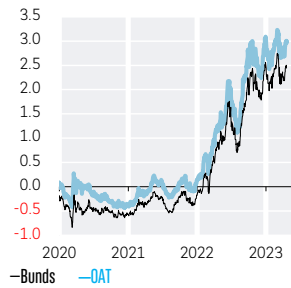
**MSCI EMERGING (USD)**



**10Y BOND YIELD, TREASURIES VS BUND**



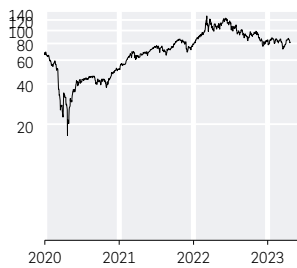
**10Y BOND YIELD**



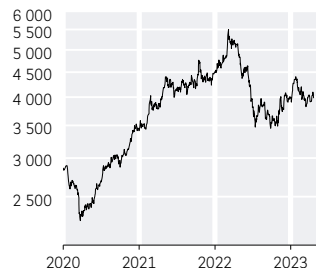
**10Y BOND YIELD & SPREADS**

Year 2023 to 21-4		
4.74%	Greece	225 bp
4.28%	Italy	178 bp
3.53%	Spain	104 bp
3.23%	Portugal	74 bp
3.13%	Austria	64 bp
3.11%	Belgium	62 bp
3.07%	Finland	58 bp
3.00%	France	51 bp
2.87%	Ireland	38 bp
2.86%	Netherlands	37 bp
2.49%	Germany	

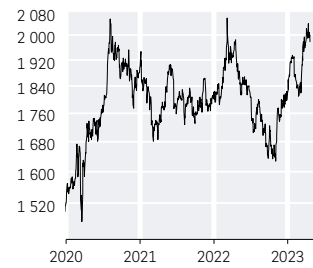
**OIL (BRENT, USD)**



**METALS (LMEX, USD)**



**GOLD (OUNCE, USD)**



SOURCE: REFINITIV, BNP PARIBAS



# ECONOMIC PULSE

7

## CHINA: REBOUND

In Q1 2023, Chinese economic growth stood at +2.2% quarter-on-quarter (compared to +0.6% in Q4 2022) and +4.5% year-on-year (compared to +2.9% in Q4 2022). Activity has indeed recovered rapidly since the abandonment of all the health restrictions last December. The real GDP growth rate in year-on-year terms is expected to accelerate further in Q2 2023.

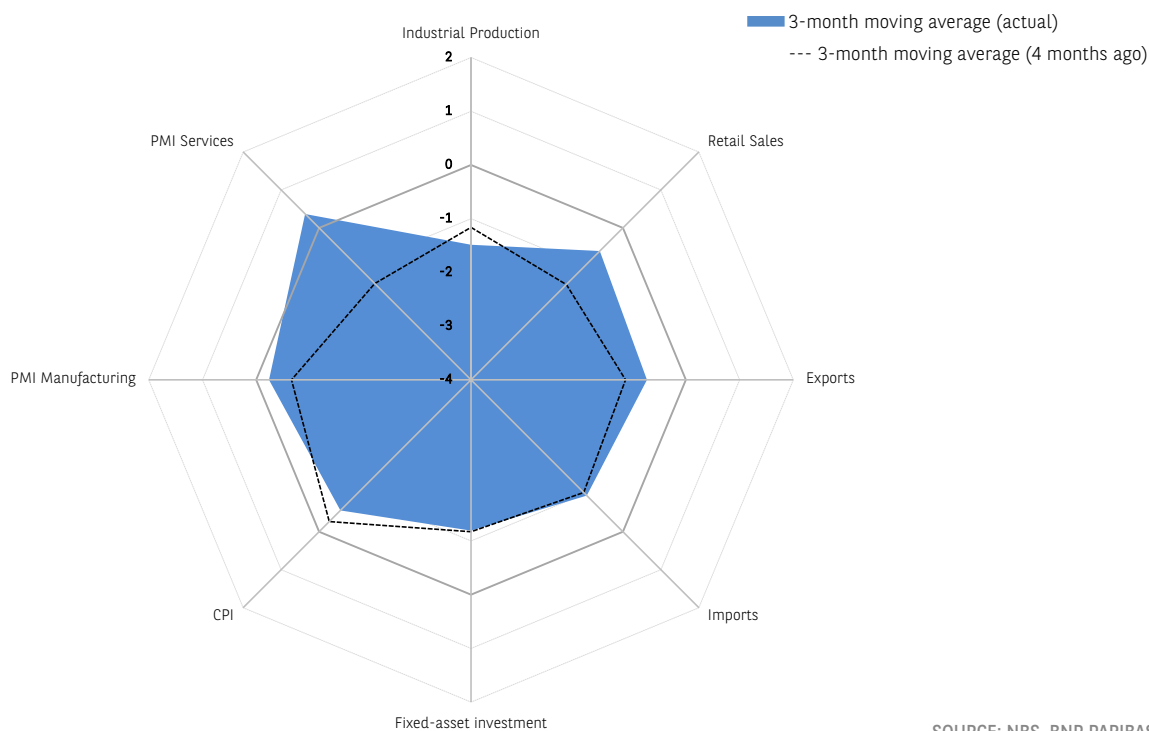
As shown in the graph below, the services sector has experienced the most significant recovery since the beginning of 2023, while acceleration in industry has been more moderate. Growth in services was driven by the strong recovery in retail trade, transport, restaurants and accommodation, which had contracted in 2022. The rebound in private consumption did not lead to an inflationary surge. On the contrary, consumer price inflation slowed in Q1 2023 (reaching +1.3% y/y vs. +1.8% in Q4 2022), notably due to the slower increase in food and fuel prices. Core inflation only accelerated slightly and remained low (+0.8% in Q1 2023 compared to +0.6% in Q4 2022).

Thanks to the reopening of the economy and support measures implemented by the authorities, the crisis in the real estate sector has subsided: completed floor space increased y/y in Q1 2023, after five consecutive quarters of decline. Property sales continued to fall, but at a much slower pace than in previous months (-3.5% y/y in Q1 2023, compared to -24.3% in 2022), and the average house price in the country's 70 main cities has started to stabilise. On the other hand, floor space under construction and real estate investment continued to fall in Q1 2023.

In industry, the weakening of activity during the zero-Covid policy period was much less severe than in services. The recovery in industrial production since January has naturally been more modest. However, growth in the industrial sector was also held back by the contraction in computer and semiconductor production, which resulted from the turnaround of the global electronic cycle as well as very strict controls imposed by Washington on electronic component sales to Chinese companies. Geopolitical tensions and the slowdown in global demand, added to regulatory uncertainties on the domestic market, should continue to fuel uncertainties among Chinese investors at least in the short term. Neither manufacturing investment nor total investment growth accelerated in Q1 2023.

Christine Peltier

### CHINA: 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.



**BNP PARIBAS**

The bank  
for a changing  
world

# ECONOMIC SCENARIO

8

## 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. This slowdown remains progressive however as evidenced by the slow puncture of the labour market, with job creation remaining high, the unemployment rate low and wage growth buoyant. Inflation seems to have peaked in the middle of 2022, but core disinflation remains gradual in such a way that headline inflation should stay 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, will 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 0.8% and 0.5% respectively. Although it is expected to decline throughout 2023, inflation would 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 is still high (and has reached a new peak of 7.3% y/y in February 2023 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. 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. US Treasuries are largely pricing in the upcoming rate hikes. In the near-term, there is still some upward potential, 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.

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. We expect the yen to remain around current levels in the near term before strengthening versus the dollar considering that the federal funds rate should have reached its terminal rate.

### INFLATION\* AND GDP GROWTH\*\*

%	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	2,7	1,5
United-Kingdom	7,6	4,0	-0,4	1,0	2,6	9,1	6,6	2,0
Euro Area	5,3	3,5	0,8	0,5	2,6	8,4	5,5	2,7
Germany	2,6	1,9	0,0	0,5	3,2	8,7	6,1	2,7
France	6,8	2,6	0,5	0,6	2,1	5,9	6,1	3,0
Italy	7,0	3,8	0,9	0,7	1,9	8,7	5,7	2,1
Spain	5,5	5,5	1,4	0,8	3,0	8,3	3,4	2,3
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	5,0	2,9	1,5	0,5	8,3	9,3	5,5	5,5

\* LAST UPDATE 20 APRIL 2023: INFLATION FOR EUROZONE, GERMANY, FRANCE, ITALY, SPAIN AND UK

LAST UPDATE 31 MARCH 2023: GDP AND INFLATION FOR THE US

\*\* LAST UPDATE 21 APRIL 2023: GDP EUROZONE, GERMANY, FRANCE, ITALY AND SPAIN

\*\*\* FISCAL YEAR FROM 1<sup>ST</sup> APRIL OF YEAR N TO MARCH 31<sup>ST</sup> OF YEAR N+1

SOURCE: BNP PARIBAS (E: ESTIMATES & FORECASTS)

### INTEREST AND EXCHANGE RATES

#### Interest rates, %

End of period	Q2 2023	Q3 2023	Q4 2023	Q4 2024
US				
Fed Funds (upper limit)*	5.25	5.25	5.25	3.50
T-Note 10y ***	3.75	3.50	3.40	3.25
Eurozone				
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
BONO 10y	4.10	4.00	3.60	2.90
UK				
Base rate*	4.50	4.50	4.50	3.50
Gilts 10y	3.75	3.50	3.35	2.80
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	85	90	90	95

\* LAST UPDATES: DEPOSIT RATE AT 21 MARCH 2023, FED FUNDS AT 31 MARCH 2023, BOE RATE AT 20 APRIL 2023

\*\* JGB 10Y: LAST UPDATE AT 28 MARCH

\*\*\* US 10Y: LAST UPDATE AT 12 APRIL

SOURCES: BNP PARIBAS (MARKET ECONOMICS, INTEREST RATE STRATEGY, FX STRATEGY, COMMODITIES DESK STRATEGY)



**BNP PARIBAS**

The bank  
for a changing  
world



# FURTHER READING

9

<a href="#">OECD: April 2023 Pulse</a>	EcoPulse	24 April 2023
<a href="#">About the impact of the structural decoupling between US and China on Emerging Markets</a>	EcoTVWeek	21 April 2023
<a href="#">CO2 emissions: who is making the trend?</a>	Chart of the Week	19 April 2023
<a href="#">The multiple factors underpinning the renewed strength of the euro against the dollar</a>	EcoWeek	17 April
<a href="#">Nigeria's presidential election: a tight victory for significant challenges</a>	EcoTVWeek	14 April 2023
<a href="#">Increase in business insolvencies in Europe: should we be worried?</a>	EcoFlash	14 April 2023
<a href="#">The spectre of a structural decoupling of the US and China</a>	EcoEmerging	14 April 2023
<a href="#">Real estate prices in Europe: towards a wider reversal?</a>	Chart of the Week	12 April 2023
<a href="#">The US labour market: a slow puncture</a>	EcoWeek	10 April 2023
<a href="#">It takes time to stop a train. Monetary policy and the services sector</a>	EcoTVWeek	7 April 2023
<a href="#">Inflation Tracker April 2023</a>	EcoChart	6 April 2023
<a href="#">A tool for each target, or how to reconcile price stability and financial stability</a>	EcoPerspectives	6 April 2023
<a href="#">Brazil: current trade patterns with China threaten the promise of re-industrialization</a>	Chart of the Week	5 April 2023
<a href="#">Eurozone: what's behind the rebound in the services sector business climate?</a>	EcoWeek	3 April 2023
<a href="#">Difficult times for the Egyptian economy</a>	EcoTVWeek	31 March 2023
<a href="#">From the earth to the sky</a>	Chart of the Week	29 March 2023
<a href="#">Resilience, uncertainty and robust monetary policy</a>	EcoWeek	27 March 2023
<a href="#">OECD pulse</a>	EcoPulse	24 March 2023
<a href="#">Towards a disinflationary reduction in the supply-demand imbalance</a>	EcoTVWeek	24 March 2023
<a href="#">China: A decent rebound in the first two months of 2023</a>	EcoPulse	22 March 2023



# GROUP ECONOMIC RESEARCH

William De Vijlder  
Chief Economist

+33 1 55 77 47 31

william.devijlder@bnpparibas.com

## OECD ECONOMIES AND STATISTICS

Hélène Baudchon  
Deputy chief economist, Head - United States

+33 1 58 16 03 63

helene.baudchon@bnpparibas.com

Stéphane Colliac  
France, Germany

+33 1 42 98 43 86

stephane.colliac@bnpparibas.com

Guillaume Derrien  
Eurozone, Southern Europe, Japan, United Kingdom - Global trade

+33 1 55 77 71 89

guillaume.a.derrien@bnpparibas.com

Veary Bou, Tarik Rharrab  
Statistics

## ECONOMIC PROJECTIONS, RELATIONSHIP WITH THE FRENCH NETWORK

Jean-Luc Proutat  
Head

+33 1 58 16 73 32

jean-luc.proutat@bnpparibas.com

## BANKING ECONOMICS

Laurent Quignon  
Head

+33 1 42 98 56 54

laurent.quignon@bnpparibas.com

Céline Choulet

+33 1 43 16 95 54

celine.choulet@bnpparibas.com

Thomas Humblot

+33 1 40 14 30 77

thomas.humblot@bnpparibas.com

Marianne Mueller

+33 1 40 14 48 11

marianne.mueller@bnpparibas.com

## EMERGING ECONOMIES AND COUNTRY RISK

François Faure  
Head - Argentina, Turkey - Methodology, Modelling

+33 1 42 98 79 82

francois.faure@bnpparibas.com

Christine Peltier  
Deputy Head - Greater China, Vietnam - Methodology

+33 1 42 98 56 27

christine.peltier@bnpparibas.com

Stéphane Alby  
Africa (French-speaking countries)

+33 1 42 98 02 04

stephane.alby@bnpparibas.com

Pascal Devaux  
Middle East, Balkan countries

+33 1 43 16 95 51

pascal.devaux@bnpparibas.com

Hélène Drouot  
South Korea, Philippines, Thailand, Andean countries

+33 1 42 98 33 00

helene.drouot@bnpparibas.com

Salim Hammad  
Latin America

+33 1 42 98 74 26

salim.hammad@bnpparibas.com

Cynthia Kalasopatan Antoine  
Ukraine, Central European countries

+33 1 53 31 59 32

cynthia.kalasopatan.antoine@bnpparibas.com

Johanna Melka  
India, South Asia, Russia, Kazakhstan

+33 1 58 16 05 84

johanna.melka@bnpparibas.com

Lucas Plé  
Africa (Portuguese & English-speaking countries)

+33 1 40 14 50 18

lucas.ple@bnpparibas.com

## CONTACT MEDIA

Mickaelle Fils Marie-Luce

+33 1 42 98 48 59

mickaelle.filsmarie-luce@bnpparibas.com



**BNP PARIBAS**

The bank  
for a changing  
world

# GROUP ECONOMIC RESEARCH

## ECOCONJONCTURE

Structural or thematic topics.

## ECOMERGING

Analyses and forecasts for a selection of emerging economies.

## ECOPERSPECTIVES

Analyses and forecasts with a focus on developed countries.

## ECOFLASH

Data releases, major economic events.

## ECOWEEK

Recent economic and policy developments, data comments, economic calendar, forecasts.

## ECOCHARTS

Easy-to-read monthly overview of inflation dynamics in the main developed economies.

## ECOPULSE

Monthly barometer of key economic indicators of the main OECD countries.

## ECOTV WEEK

## MACROWAVES

Our economic podcast.

The information and opinions contained in this report have been obtained from, or are based on, public sources believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate, complete or up to date and it should not be relied upon as such. This report does not constitute an offer or solicitation to buy or sell any securities or other investment. It does not constitute investment advice, nor financial research or analysis. Information and opinions contained in the report are not to be relied upon as authoritative or taken in substitution for the exercise of judgement by any recipient; they are subject to change without notice and not intended to provide the sole basis of any evaluation of the instruments discussed herein. Any reference to past performance should not be taken as an indication of future performance. To the fullest extent permitted by law, no BNP Paribas group company accepts any liability whatsoever (including in negligence) for any direct or consequential loss arising from any use of or reliance on material contained in this report. All estimates and opinions included in this report are made as of the date of this report. Unless otherwise indicated in this report there is no intention to update this report. BNP Paribas SA and its affiliates (collectively "BNP Paribas") may make a market in, or may, as principal or agent, buy or sell securities of any issuer or person mentioned in this report or derivatives thereon. BNP Paribas may have a financial interest in any issuer or person mentioned in this report, including a long or short position in their securities and/or options, futures or other derivative instruments based thereon. Prices, yields and other similar information included in this report are included for information purposes. Numerous factors will affect market pricing and there is no certainty that transactions could be executed at these prices. BNP Paribas, including its officers and employees may serve or have served as an officer, director or in an advisory capacity for any person mentioned in this report. BNP Paribas may, from time to time, solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) within the last 12 months for any person referred to in this report. BNP Paribas may be a party to an agreement with any person relating to the production of this report. BNP Paribas, may to the extent permitted by law, have acted upon or used the information contained herein, or the research or analysis on which it was based, before its publication. BNP Paribas may receive or intend to seek compensation for investment banking services in the next three months from or in relation to any person mentioned in this report. Any person mentioned in this report may have been provided with sections of this report prior to its publication in order to verify its factual accuracy.

BNP Paribas is incorporated in France with limited liability. Registered Office 16 Boulevard des Italiens, 75009 Paris. This report was produced by a BNP Paribas group company. This report is for the use of intended recipients and may not be reproduced (in whole or in part) or delivered or transmitted to any other person without the prior written consent of BNP Paribas. By accepting this document you agree to be bound by the foregoing limitations.

Certain countries within the European Economic Area:

This report has been approved for publication in the United Kingdom by BNP Paribas London Branch. BNP Paribas London Branch is authorised and supervised by the Autorité de Contrôle Prudentiel and authorised and subject to limited regulation by the Financial Services Authority. Details of the extent of our authorisation and regulation by the Financial Services Authority are available from us on request.

This report has been approved for publication in France by BNP Paribas SA. BNP Paribas SA is incorporated in France with Limited Liability and is authorised by the Autorité de Contrôle Prudentiel (ACP) and regulated by the Autorité des Marchés Financiers (AMF). Its head office is 16, boulevard des Italiens 75009 Paris, France.

This report is being distributed in Germany either by BNP Paribas London Branch or by BNP Paribas Niederlassung Frankfurt am Main, a branch of BNP Paribas S.A. whose head office is in Paris, France. BNP Paribas S.A. - Niederlassung Frankfurt am Main, Europa Allee 12, 60327 Frankfurt is authorised and supervised by the Autorité de Contrôle Prudentiel and it is authorised and subject to limited regulation by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

United States: This report is being distributed to US persons by BNP Paribas Securities Corp., or by a subsidiary or affiliate of BNP Paribas that is not registered as a US broker-dealer. BNP Paribas Securities Corp., a subsidiary of BNP Paribas, is a broker-dealer registered with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority and other principal exchanges. BNP Paribas Securities Corp. accepts responsibility for the content of a report prepared by another non-U.S. affiliate only when distributed to U.S. persons by BNP Paribas Securities Corp.

Japan: This report is being distributed in Japan by BNP Paribas Securities (Japan) Limited or by a subsidiary or affiliate of BNP Paribas not registered as a financial instruments firm in Japan, to certain financial institutions defined by article 17-3, item 1 of the Financial Instruments and Exchange Law Enforcement Order. BNP Paribas Securities (Japan) Limited is a financial instruments firm registered according to the Financial Instruments and Exchange Law of Japan and a member of the Japan Securities Dealers Association and the Financial Futures Association of Japan. BNP Paribas Securities (Japan) Limited accepts responsibility for the content of a report prepared by another non-Japan affiliate only when distributed to Japanese based firms by BNP Paribas Securities (Japan) Limited. Some of the foreign securities stated on this report are not disclosed according to the Financial Instruments and Exchange Law of Japan.

Hong Kong: This report is being distributed in Hong Kong by BNP Paribas Hong Kong Branch, a branch of BNP Paribas whose head office is in Paris, France. BNP Paribas Hong Kong Branch is registered as a Licensed Bank under the Banking Ordinance and regulated by the Hong Kong Monetary Authority. BNP Paribas Hong Kong Branch is also a Registered Institution regulated by the Securities and Futures Commission for the conduct of Regulated Activity Types 1, 4 and 6 under the Securities and Futures Ordinance.

Some or all the information reported in this document may already have been published on <https://globalmarkets.bnpparibas.com>

© BNP Paribas (2015). All rights reserved.

HOW TO RECEIVE OUR PUBLICATIONS

**SUBSCRIBE ON OUR WEBSITE**  
see the [Economic Research website](#)

&

**FOLLOW US ON LINKEDIN**  
see the [Economic Research linkedin page](#)

**OR TWITTER**  
see the [Economic Research Twitter page](#)



Published by BNP PARIBAS Economic Research

Head office: 16 boulevard des Italiens - 75009 Paris France / Phone : +33 (0) 1.42.98.12.34  
Internet: [www.group.bnpparibas.com](http://www.group.bnpparibas.com) - [www.economic-research.bnpparibas.com](http://www.economic-research.bnpparibas.com)

Head of publication : Jean Lemierre / Chief editor: William De Vijlder

Copyright: Patpitchaya



**BNP PARIBAS**

The bank  
for a changing  
world