

“ HISTORICALLY, A DETERIORATION OF THE ORDER BOOK ASSESSMENT HAS BEEN FOLLOWED BY A REDUCTION IN THE LENGTH OF THE ASSURED PRODUCTION. FOCUSING TOO MUCH ON THE HIGH LEVEL OF THE LATTER TODAY ENTAILS THE RISK OF OVERESTIMATING THE STRENGTH OF THE MANUFACTURING AND CONSTRUCTION SECTOR. ”

ECONOMIC RESEARCH



BNP PARIBAS

The bank
for a changing
world

TABLE OF CONTENT

3

EDITORIAL

Eurozone: the importance of levels and changes in levels

5

MARKETS OVERVIEW

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

7

ECONOMIC PULSE

Analysis of some recent economic data: PMI data

9

ECONOMIC SCENARIO

Main economic and financial forecasts

10

FURTHER READING

Latest articles, charts, videos and podcasts of Economic Research



EUROZONE: THE IMPORTANCE OF LEVELS AND CHANGES IN LEVELS

The analysis of the cyclical environment tends to focus on the change in the level of economic variables (growth, inflation), rather than on the level (activity, prices) itself. However, both matter. The recent decline in energy price inflation is good news but the price level remains well above that recorded at the start of last year. In the manufacturing and construction sectors, the assured production based on the level of order books remains very high. This might explain what hiring plans remain elevated. However, the order intake has been slowing. Historically, such a development has been followed by a reduction in the length of the assured production. Focusing too much on the high level of the latter today entails the risk of overestimating the strength of the manufacturing and construction sector.

In the analysis of the cyclical environment, growth and inflation tend to play a central role. This shouldn't come as a surprise. After all, a prolonged period of sustained growth raises the likelihood of a pickup in inflation. The latter in turn is relevant for central banks and the level of interest rates. Growth and inflation represent the change of a variable over a given time period -monthly, quarterly, annual- but this focus on, in mathematical terms, first differences, should not make us forget that at times, the level of activity, demand, prices, etc. also play an important role. For instance, a rebound in equity prices -the first difference is positive- may represent little in terms of support to household confidence when the stock market is still well below its recent highs. But, on the contrary, a big decline in asset prices may complicate the access to credit because the collateral is less valuable. A drop in property prices may put homeowners in a situation of negative equity, whereby the value of their house is lower than that of their mortgage. This may weigh on their spending and restrict their geographical mobility due to a reluctance to crystallise their loss.

Another significant example is what is happening to inflation today. The decline in energy prices in recent months is reflected in a huge drop in annual energy price inflation, which in turn has contributed to lower headline inflation. However, chart 1 shows that the energy price component of the Eurozone HICP is still well above its level reached at the start of 2022 or earlier: its recent fall has not erased much of its preceding sharp rise. This means that the shock to household budgets and the costs of businesses continues to make itself felt -although less than before thanks to the recent price decline- and this may prop up wage demands and influence price setting behaviour of companies as well as negatively impact consumer and corporate spending. Such a backward looking behaviour may lead to inflation inertia and slow down the pace of disinflation.

¹ Data are from the European Commission's business surveys. The question for manufacturing is formulated as follows: "Do you consider your current overall order books to be...? + more than sufficient (above normal) = sufficient (normal for the season) - not sufficient (below normal)." Source: European Commission, The Joint Harmonised EU Programme of Business and Consumer Surveys, User Guide, January 2023 update.

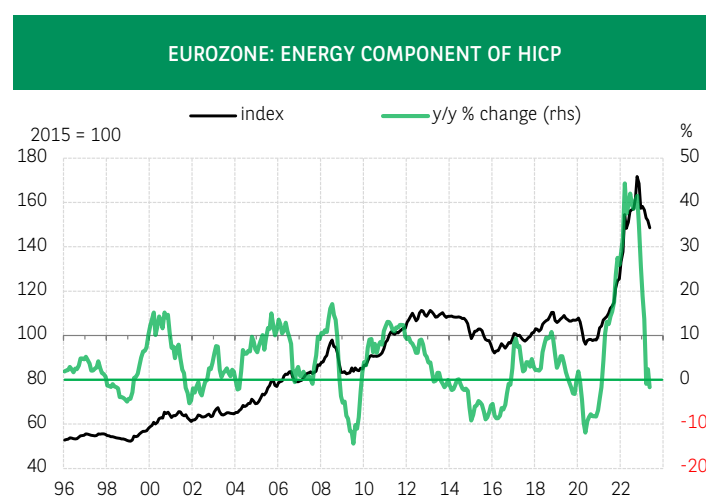


CHART 1

SOURCE: EUROSTAT, BNP PARIBAS

When analysing activity and demand, levels also matter. Charts 2 and 3 show the assessment of the order books by Eurozone companies in the manufacturing and the construction sector¹. In both cases, a significant decline can be noted since the start of 2022.

However, in manufacturing, the duration of production assured by current order books remains close to its historical record and in construction, the current backlog in orders corresponds to an ensured operating time in months that is also close to record levels.

Historically, a deterioration of the order book assessment -a slowing order intake- has been followed by a reduction in the length of the assured production. Focusing too much on the high level of the latter today entails the risk of overestimating the strength of the manufacturing and construction sector.



EDITORIAL

In the terminology used before, these variables can be considered as representing the level of the order book -the total of orders received in the past and which have not yet been executed-, whereas the assessment of order books focuses on new orders and hence is correlated with the change in the order book level (charts 4 and 5).

Historically, a deterioration of the order book assessment -a slowing order intake- has been followed by a reduction in the length of the assured production. This implies that focusing on the high level of the latter today entails the risk of overestimating the strength of the manufacturing and construction sector: weakness in these sectors is building as new orders are diminishing.

The good news is that, as long as the length of assured production remains high, companies may be inclined to keep on hiring staff. The bad news is that it may also create a feeling that pricing power is still high.

William De Vijlder

EUROZONE: BUSINESS SURVEYS, TOTAL MANUFACTURING

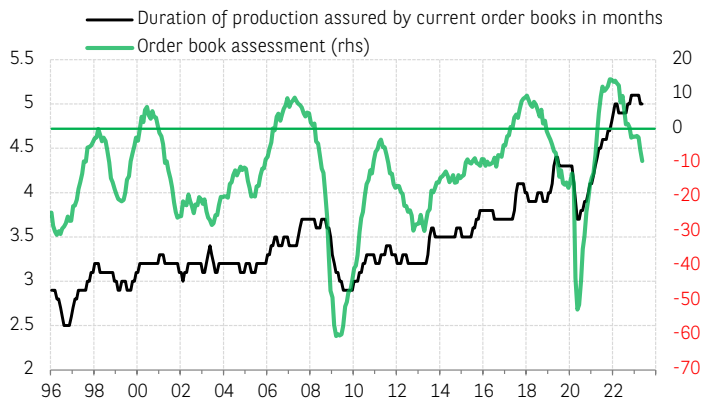


CHART 2 SOURCE: EUROPEAN COMMISSION, BNP PARIBAS

EUROZONE: CONSTRUCTION SURVEYS

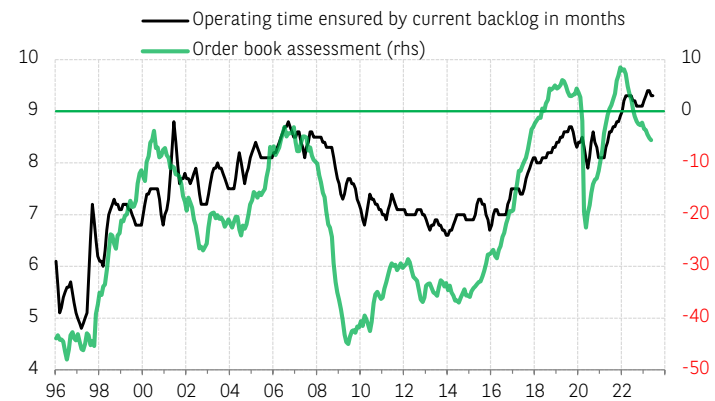


CHART 3 SOURCE: EUROPEAN COMMISSION, BNP PARIBAS

EUROZONE: BUSINESS SURVEYS, TOTAL MANUFACTURING

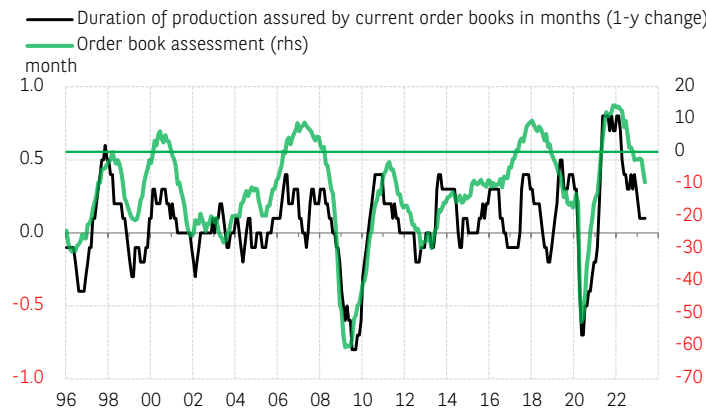


CHART 4 SOURCE: EUROPEAN COMMISSION, BNP PARIBAS

EUROZONE: CONSTRUCTION SURVEYS

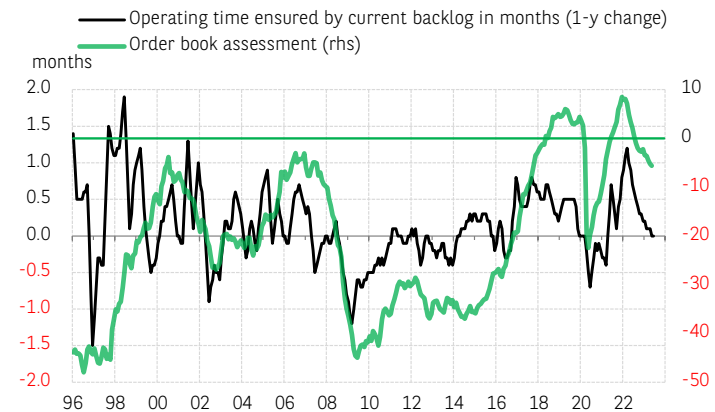


CHART 5 SOURCE: EUROPEAN COMMISSION, BNP PARIBAS

MARKETS OVERVIEW

OVERVIEW

Week 2-6 23 to 9-6-23

↓ CAC 40	7 271	▶ 7 213	-0.8 %
↑ S&P 500	4 282	▶ 4 299	+0.4 %
↑ Volatility (VIX)	#N/A	▶ #N/A	#N/A pb
↓ Euribor 3M (%)	3.49	▶ 3.47	-2.1 bp
↑ Libor \$ 3M (%)	5.50	▶ 5.54	+4.8 bp
↑ OAT 10y (%)	2.80	▶ 2.88	+7.7 bp
↑ Bund 10y (%)	2.31	▶ 2.38	+6.9 bp
↑ US Tr. 10y (%)	3.69	▶ 3.75	+5.6 bp
↑ Euro vs dollar	1.07	▶ 1.08	+0.3 %
↓ Gold (ounce, \$)	1 965	▶ 1 963	-0.1 %
↓ Oil (Brent, \$)	76.1	▶ 74.8	-1.7 %

MONEY & BOND MARKETS

Interest Rates

		highest 23	lowest 23
€ ECB	3.75	3.75 at 10/05	2.50 at 02/01
Eonia	-0.51	-0.51 at 02/01	-0.51 at 02/01
Euribor 3M	3.47	3.49 at 05/06	2.16 at 02/01
Euribor 12M	3.93	3.98 at 29/05	3.30 at 19/01
\$ FED	5.25	5.25 at 04/05	4.50 at 02/01
Libor 3M	5.54	5.54 at 09/06	4.77 at 02/01
Libor 12M	5.78	5.88 at 08/03	4.70 at 20/03
£ BoE	4.50	4.50 at 11/05	3.50 at 02/01
Libor 3M	4.93	4.93 at 09/06	3.87 at 02/01
Libor 12M	0.81	0.81 at 02/01	0.81 at 02/01

At 9-6-23

Yield (%)

		highest 23	lowest 23
€ AVG 5-7y	2.64	2.64 at 02/01	2.64 at 02/01
Bund 2y	3.04	3.36 at 08/03	2.39 at 20/03
Bund 10y	2.38	2.75 at 02/03	1.98 at 18/01
OAT 10y	2.88	3.23 at 03/03	2.42 at 18/01
Corp. BBB	4.53	4.75 at 03/03	3.95 at 02/02
\$ Treas. 2y	4.61	5.12 at 08/03	3.85 at 04/05
Treas. 10y	3.75	4.06 at 02/03	3.30 at 06/04
High Yield	8.77	9.16 at 20/03	7.94 at 02/02
£ gilt. 2y	4.53	4.56 at 07/06	3.15 at 02/02
gilt. 10y	4.24	4.38 at 25/05	3.00 at 02/02

At 9-6-23

EXCHANGE RATES

1€ =		highest 23	lowest 23	2023
USD	1.08	1.11 at 03/05	1.05 at 05/01	+0.8%
GBP	0.86	0.90 at 03/02	0.86 at 09/06	-3.6%
CHF	0.97	1.00 at 24/01	0.97 at 29/05	-1.7%
JPY	149.93	150.77 at 01/05	138.02 at 03/01	+6.5%
AUD	1.60	1.67 at 26/04	1.53 at 27/01	+1.4%
CNY	7.66	7.68 at 08/06	7.23 at 05/01	+3.3%
BRL	5.25	5.79 at 04/01	5.25 at 09/06	-6.9%
RUB	88.88	91.39 at 26/04	73.32 at 12/01	+14.1%
INR	88.70	90.45 at 03/05	86.58 at 08/03	+0.5%

At 9-6-23

Change

COMMODITIES

Spot price, \$		highest 23	lowest 23	2023	2023(€)
Oil, Brent	74.8	88.2 at 23/01	72.4 at 03/05	-11.9%	-12.6%
Gold (ounce)	1 963	2 047 at 04/05	1 810 at 24/02	+8.1%	+7.3%
Metals, LMEX	3 737	4 404 at 26/01	3 564 at 24/05	-6.2%	-6.9%
Copper (ton)	8 349	9 331 at 23/01	7 852 at 24/05	-0.2%	-1.0%
wheat (ton)	233	2.9 at 13/02	216 at 30/05	-18.3%	-18.9%
Corn (ton)	243	2.7 at 13/02	225 at 19/05	-0.7%	-7.5%

At 9-6-23

Change

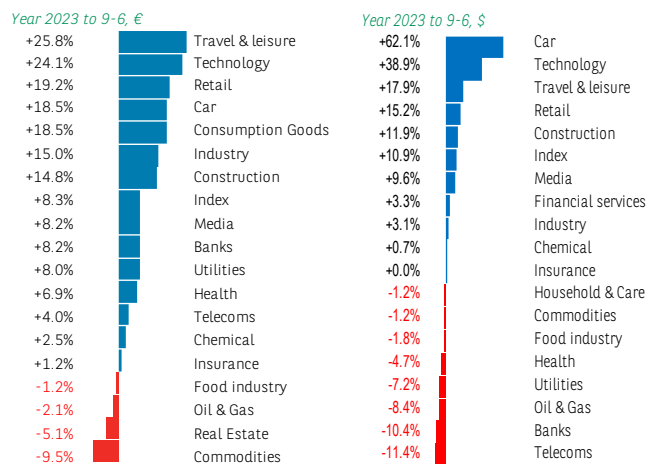
EQUITY INDICES

	Index	highest 23	lowest 23	2023
World				
MSCI World	2 886	2 886 at 09/06	2 595 at 05/01	+10.9%
North America				
S&P500	4 299	4 299 at 09/06	3 808 at 05/01	+12.0%
Europe				
EuroStoxx50	4 290	4 409 at 21/04	3 856 at 02/01	+13.1%
CAC 40	7 213	7 577 at 21/04	6 595 at 02/01	+1.1%
DAX 30	15 950	16 275 at 19/05	14 069 at 02/01	+14.6%
IBEX 35	9 310	9 511 at 06/03	8 370 at 02/01	+1.3%
FTSE100	7 562	8 014 at 20/02	7 335 at 17/03	+0.1%
Asia				
MSCI, loc.	1 192	1 196 at 06/06	1 065 at 04/01	+1.2%
Nikkei	32 265	32 507 at 06/06	25 717 at 04/01	+23.6%
Emerging				
MSCI Emerging (\$)	1 002	1 052 at 26/01	941 at 16/03	+0.5%
China	62	75 at 27/01	58 at 31/05	-3.0%
India	776	786 at 18/01	703 at 16/03	+0.4%
Brazil	1 621	1 621 at 09/06	1 296 at 23/03	+2.6%

At 9-6-23

Change

PERFORMANCE BY SECTOR (Eurostoxx50 & S&P500)

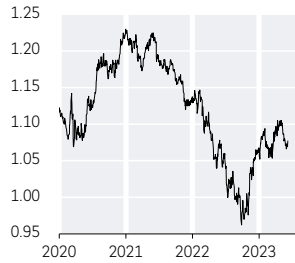


SOURCE: REFINITIV, BNP PARIBAS

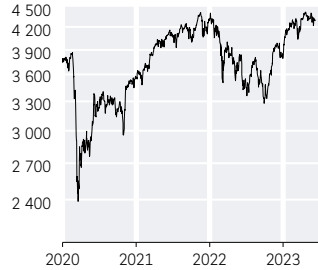


MARKETS OVERVIEW

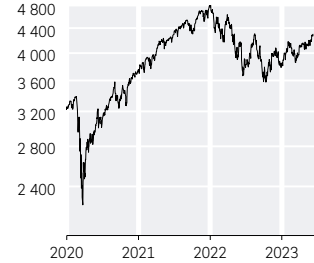
EURO-DOLLAR



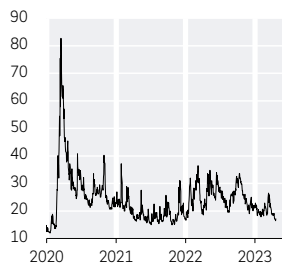
EUROSTOXX50



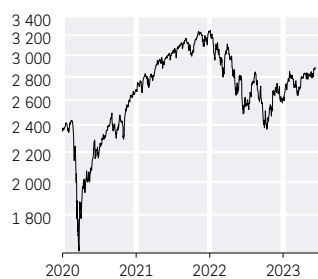
S&P500



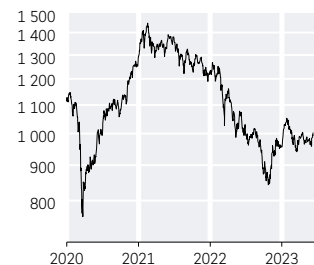
VOLATILITY (VIX, S&P500)



MSCI WORLD (USD)



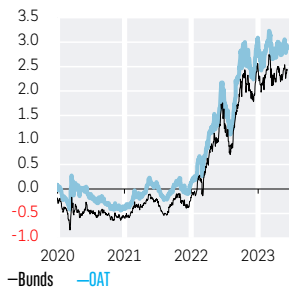
MSCI EMERGING (USD)



10Y BOND YIELD, TREASURIES VS BUND



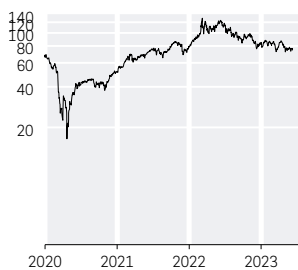
10Y BOND YIELD



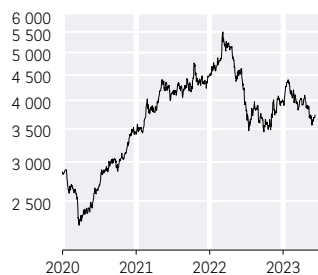
10Y BOND YIELD & SPREADS

Year 2023 to 9-6		
4.65%	Greece	227 bp
3.97%	Italy	159 bp
3.36%	Spain	98 bp
3.05%	Austria	67 bp
3.05%	Belgium	67 bp
2.99%	Portugal	61 bp
2.97%	Finland	59 bp
2.88%	France	50 bp
2.74%	Ireland	36 bp
2.74%	Netherlands	36 bp
2.38%	Germany	

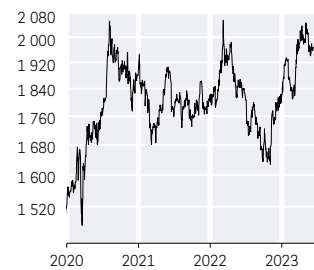
OIL (BRENT, USD)



METALS (LMEX, USD)



GOLD (OUNCE, USD)



SOURCE: REFINITIV, BNP PARIBAS



ECONOMIC PULSE

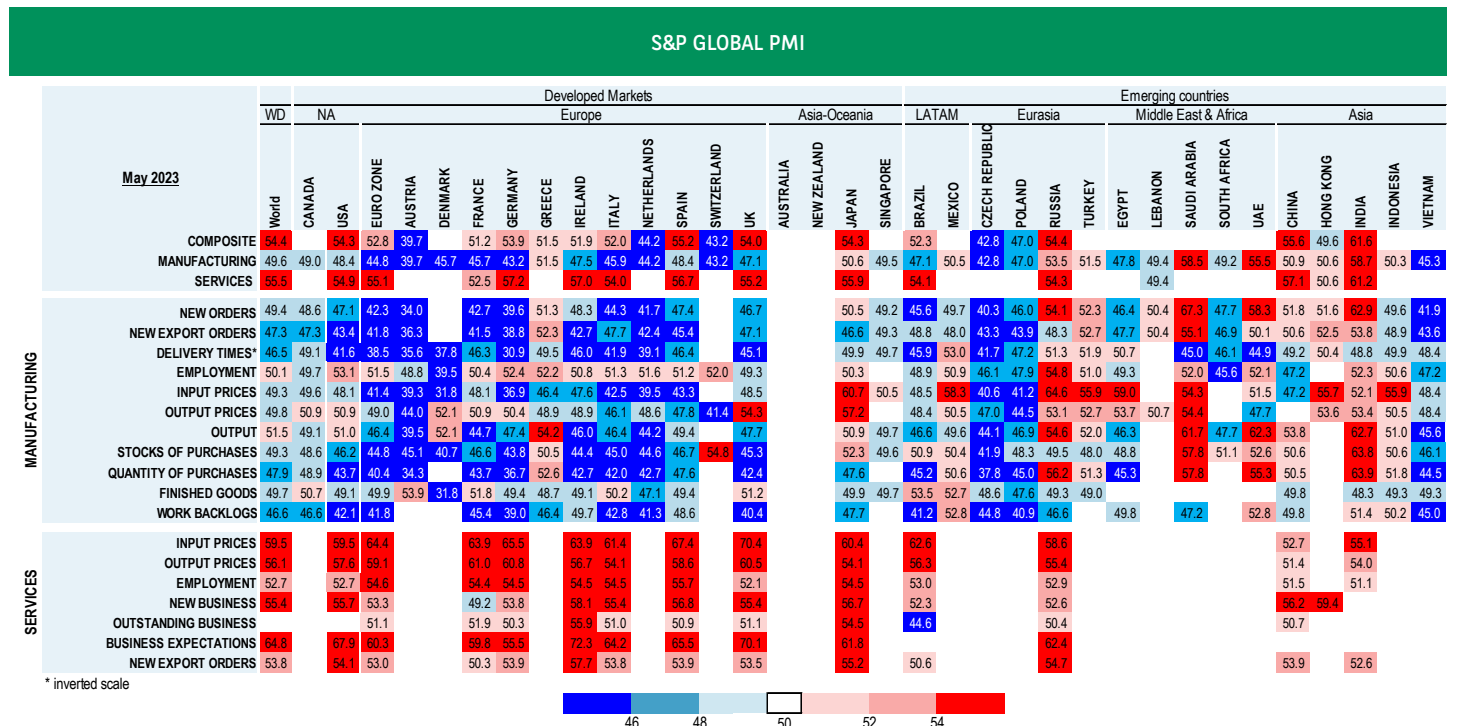
SERVICES AND MANUFACTURING PMI: TWO DIFFERENT TRAJECTORIES

The global composite PMI rose to its highest level in a year and a half in May at 54.4 compared with 54.2 in April, the fourth increase in a row. However, this improvement in global activity conceals a clear disparity between the brisk momentum of the services sector and the weakness of the manufacturing sector. In May, the global services PMI reached its highest level since November 2021 (55.5), while the manufacturing PMI fell to its lowest level since January 2023.

In the services sector, four out of the six components covered by the survey showed improvement: new business for service providers, new export orders, input prices, and output prices. By country, the United States, Germany, China, and Japan all saw an increase in the index compared to the previous month, while it declined in the eurozone as a whole (with decreases recorded in France, Italy, and Spain) and the United Kingdom.

The picture is very different for the manufacturing PMI index, especially in developed countries. Except for Japan and France, the index declined in May due to a contraction in new orders for production. On the contrary, China and India recorded an improvement in the business climate in the manufacturing sector. In terms of components, there was a significant decline in delivery times in the eurozone, except for France. Input prices and selling prices also declined, thanks to a significant decrease in commodity prices. Regarding employment, the PMI index declined in China and developed countries, except for Germany and the Netherlands, while it increased in India, Brazil, and Vietnam.

Tarik Rharrab

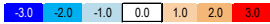


SOURCE: S&P GLOBAL, BNP PARIBAS

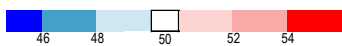
ECONOMIC PULSE

S&P GLOBAL PMI CHANGE (MAY VERSUS APRIL)

	Developed Markets																				Emerging countries															
	WD	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	INDONESIA	VIETNAM	
COMPOSITE	0.2	0.9	-1.3																																	
MANUFACTURING	0.0	-1.2	-1.8	-1.0	-2.3	-1.9	0.1	-1.3	-0.9	-1.1	-0.9	-0.7	-0.6	-2.1	-0.7																					
SERVICES	0.1	1.3	-1.1																																	
NEW ORDERS	0.0	-0.3	-3.1	-2.6	-3.1																															
NEW EXPORT ORDERS	-1.1	-0.4	-3.6	-3.2	-1.2																															
DELIVERY TIMES	0.2	1.4	1.7	-3.4	-4.6	6.7	1.8	5.8	-1.9	-0.3	-3.2	-6.2	-3.0																							
EMPLOYMENT	-0.5	-2.4	-0.3	-0.2	-2.0	-6.4	-0.1	0.6	-2.1	-0.7	-1.0	0.1	-1.2	-5.8	-0.1																					
INPUT PRICES	-3.0	-9.6	-10.5	-2.6	4.1	10.1	-3.0	-2.7	4.8	-1.1	-1.5	-5.6	-2.1	-3.1																						
OUTPUT PRICES	-1.8	-1.8	-6.4	-2.6	-5.0	4.8	-2.3	-2.0	-2.9	-4.4	-2.5	-4.1	-1.5	-2.9	-2.4																					
OUTPUT	0.8	-1.5	-1.4	-2.1	-7.4	4.8	2.5	-3.2	-0.1	-1.8	-2.4	-3.5	-0.9	-1.7																						
STOCKS OF PURCHASES	-0.2	-0.3	-2.5	-1.5	1.3	-4.2	-3.6	-0.3	-1.9	-4.6	-2.1	0.9	-1.9	7.4	1.0																					
QUANTITY OF PURCHASES	-1.4		-5.5	-1.0	-4.0																															
FINISHED GOODS	-0.3	0.9	0.0	-0.4	4.7	-9.7	-1.6	0.4	0.1	-2.8	-1.1	-0.4	-1.3	1.9																						
WORK BACKLOGS	-1.6	-0.8	-5.3	-1.0																																
INPUT PRICES	-1.1		-1.2	-4.1																																
OUTPUT PRICES	-0.1		-0.9	0.4																																
EMPLOYMENT	-0.3		0.0	-1.0																																
NEW BUSINESS	0.7		-3.4	-2.1																																
OUTSTANDING BUSINESS				-0.8																																
BUSINESS EXPECTATIONS	-0.5		0.7	-0.9																																
NEW EXPORT ORDERS	1.6		4.8	-0.2																																



SOURCE: S&P GLOBAL, BNP PARIBAS



SOURCE: S&P GLOBAL, BNP PARIBAS

ECONOMIC SCENARIO

9

UNITED STATES

After a strong second half of 2022 (+0.7% q/q on average per quarter), US growth slowed sharply in Q1 2023 (+0.3% q/q). The growth breakdown allows us to put the weakness of the figure into perspective (this is mainly due to the very negative contribution of changes in inventories). Signs of the expected recession are still limited and even absent in the labour market, leading us to upwardly revise our near-term growth forecasts (Q2 growth a little more positive, Q3 a bit less negative). While the peak in inflation was reached in mid-2022, core disinflation remains gradual in such a way that headline inflation should stay significantly above the target of 2% by the end of 2023. 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

After a small GDP contraction in Q4 2022, economic activity in the eurozone surprised 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 first estimate for Q1 2023 growth has been less positive than expected, up by only 0.1% q/q. The figure could even turn negative in the wake of the large downward revision to German growth: the eurozone would then fall into technical recession. A technical rebound is expected in Q2 but, after that, the build-up of the negative effects of monetary tightening would cause growth to fall back. After three quarters of stagnation, a limited recovery would follow. 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 increased in Q1 2023 (0.2% q/q in Q1, after 0% in Q4 2022) driven by transport equipment's exports. However, household demand has played on the downside: household consumption stabilized (+0.1% q/q) in Q1 after -1% q/q in Q4 2022 whereas their investment decreased by 2.3% q/q in Q1 (after -1.2% in Q4). As inflation is still high (with a 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 2.5% in 2022).

RATES AND EXCHANGE RATES

In the US, the 25 bp increase in the Fed Funds rate in May, once anticipated to be the last, may not mark the end of the hiking cycle. The Federal Reserve is likely to skip the June meeting and favor a status quo, given the steep tightening in lending standards, before reverting to one last 25 bp hike in July, given continued high inflation and labour market resilience. The slow pace of disinflation would argue in favor of no rate cut until the beginning of 2024, despite the US economy entering recession in the second half of 2023. The peak in long-term yields is likely to have been reached too. Bond yields should subsequently move lower as the inflation outlook improves and the market starts anticipating monetary policy easing in 2024.

Unlike the Fed, the ECB should not skip the June meeting: it should hike again considering the tightening of monetary conditions and credit standards is less advanced than in the US. While core inflation shows encouraging signs of easing in April and May, it is not yet sufficient to end the thinking cycle. We expect two additional hikes, 25 bp each, in June and July, raising the deposit rate to 3.75%. As part of its monetary tightening tools, the ECB also announced a complete halt, starting in July 2023, of its reinvestments under the APP. European long-term rates may also have peaked and should move lower, driven by both a gradual decline in inflation in the eurozone and lower US 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.

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	1.3	-0.1	4.7	8.0	4.0	2.5
Japan	2.2	1.0	1.5	1.0	-0.2	2.5	3.1	1.7
United-Kingdom	7.6	4.1	0.4	0.7	2.6	9.1	7.1	2.1
Euro Area	5.3	3.5	0.4	0.6	2.6	8.4	5.3	2.7
Germany	2.6	1.9	-0.4	0.5	3.2	8.7	5.7	2.4
France	6.8	2.6	0.5	0.6	2.1	5.9	5.6	2.6
Italy	7.0	3.8	1.1	0.7	1.9	8.7	6.0	2.3
Spain	5.5	5.5	1.8	0.8	3.0	8.3	2.8	2.2
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	2.5	0.5	8.3	9.3	5.0	4.8

* GDP: LAST UPDATE 8 JUNE 2023: JAPAN, LAST UPDATE 2 JUNE 2023: US AND BRAZIL, LAST UPDATE 17 MAY 2023: UK AND JAPAN, LAST UPDATE 21 MAY 2023: GERMANY
 ** INFLATION LAST UPDATE 2 JUNE 2023: EUROZONE, GERMANY, FRANCE, ITALY, SPAIN, US AND BRAZIL
 *** 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

Interest rates, %

End of period		Q2 2023	Q3 2023	Q4 2023	Q4 2024
US	Fed Funds (upper limit)*	5.25	5.50	5.50	3.75
	T-Note 10y **	3.90	3.90	3.85	3.55
Eurozone	deposit rate*	3.50	3.75	3.75	2.75
	Bund 10y **	2.60	2.45	2.20	2.00
	OAT 10y	3.15	3.00	2.72	2.50
	BTP 10y	4.60	4.70	4.45	3.80
UK	BONO 10y	3.60	3.55	3.30	2.90
	Base rate*	4.75	5.00	5.00	3.75
Japan	Gilts 10y **	3.80	3.55	3.35	2.80
	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

* DEPOSIT RATE: LAST UPDATE AT 27 APRIL 2023, FED FUNDS AT 2 JUNE 2023, BOE RATE AT 20 APRIL 2023
 ** BUND 10Y: LAST UPDATE AT 3 MAY 2023, GILTS 10Y: 20 APRIL 2023, JGB 10Y: 28 MARCH 2023, US 10Y: 5 JUNE 2023

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



BNP PARIBAS

The bank
for a changing
world

FURTHER READING

10

UK considers review of deposit guarantee scheme	EcoTVWeek	9 June 2023
Inflation tracker June 2023	EcoCharts	8 June 2023
Dutch growth between cyclical headwinds and the energy transition	Chart of the Week	7 June 2023
Eurozone and the United States: Where does inflation come from?	EcoWeek	7 June 2023
India: demographic advantage could turn into social risk	EcoTVWeek	1 June 2023
France: corporate profit margins improve	EcoBrief	31 May 2023
China: real estate crisis continues	Chart of the Week	31 May 2023
Eurozone: the dichotomy between manufacturing and services	EcoWeek	31 May 2023
May 2023 issue	EcoPulse	30 May 2023
Legislative elections in Thailand	EcoTVWeek	26 May 2023
France: Pessimism Is Gaining Ground	EcoBrief	25 May 2023
Normalisation of monetary policy in the United Kingdom: the impact on mortgages	Chart of The Week	24 May 2023
France: no recession without job destructions	EcoWeek	22 May 2023
Hungary: Further GDP contraction highlights numerous challenges	EcoTVWeek	19 May 2023
Climate change: IPCC scenarios updated	Chart of the Week	17 May 2023
Eurozone: concerns about inflation persistence	EcoWeek	16 May 2023
Fed and ECB: similar reaction functions, different guidance	EcoTVWeek	12 May 2023
Southern europe: recovery of the public accounts	EcoFlash	11 May 2023
Japan is not spared from the return of inflation	Chart of the Week	10 May 2023
When will the federal reserve stop tightening? Insights from previous cycles	EcoWeek	9 May 2023
French growth: a tale of three sectors (transport equipment, food and housing)	EcoTVWeek	5 May 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.

ECOFFLASH

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.

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 - www.economic-research.bnpparibas.com

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

Copyright: Valentina Eltsova

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.



BNP PARIBAS

The bank
for a changing
world