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"Although the ECB still needs to decide on its first rate cut, it is important to gauge the speed and extent of the policy easing. Based on the credibility of the ECB and plausible estimates of the neutral rate, it makes sense to use an assumption of a range between 2.00% and 2.50% as the end point of the easing cycle."

ECONOMIC RESEARCH

BNP PARIBAS

The bank for a changing world

TABLE OF CONTENT

THE OTHER TERMINAL RATE: HOW FAR WILL POLICY RATES BE CUT?

Recent communication by the Federal Reserve and the ECB has made it clear that the first cut in official interest rates is coming. Both central banks are saying the same -it depends on the data- but the ECB communication is more opaque than that of the Federal Reserve, which provides interest rate projections of the FOMC members (dot plot). In assessing how fast and how much the ECB might cut policy rates in this cycle, several approaches can be adopted. Based on the credibility of the ECB and plausible estimates of the neutral rate, it makes sense to use an assumption of a range between 2.00% and 2.50% for the ECB deposit rate as the end point of the easing cycle.

Recent communication by the Federal Reserve and the ECB has made it clear that the first cut in official interest rates is coming. On the presentation of the semiannual monetary policy report to the Congress, Jerome Powell stated that the FOMC is waiting to become more confident that inflation is sustainably moving to 2%, adding "*When we do get that confidence — and we're not far from it — it'll be appropriate to begin to dial back the level of restriction*.[1]" In his press conference on 20 March following the FOMC meeting, he confirmed the message that policy easing will start this year[2]. Earlier this month, Christine Lagarde had mentioned during her press conference that the ECB is making good progress towards its inflation target but that more data are needed to be sufficiently confident that the inflation target will be reached. "*We will know a little more in April, but we will know a lot more in June.*[3]" So far for the easy question -will there be a rate cut?- so let's move on to the difficult questions of how many cuts and how fast. What will be the 'other' terminal rate, i.e. the rate at which central banks will stop reducing their policy rate[4]. At first glance, both central banks are saying the same -it depends on the data- but upon closer inspection, the ECB communication is more opaque than that of the Federal Reserve. During his press conference, Jerome Powell referred to the FOMC members' projections for the federal funds rate (the 'dot plot'). "*If the economy evolves as projected, the median participant projects that the appropriate level of the federal funds rate will be 4.6 percent at the end of this year, 3.9 percent at the end of 2025, and 3.1 percent at the end of 2026—still above the median longer-term funds rate.*[5]" Clearly, given the data-dependency of policy, the policy rate path decided by the Fed would be different should the economy evolve differently than expected. Nevertheless, the dot plot provides a clear picture of the base scenario that the FOMC members have in mind and serves as a good reference point for economic agents. Speaking at the recent ECB Watchers conference, Christine Lagarde stated "*We cannot precommit to a particular rate path however tempting that is, however much some of you would like to see it. If we are honest to our methodology and if we have discipline in adhering to this principle, we cannot.*[6]" The absence of guidance on Eurozone policy rates -there is no ECB dot plot- raises two questions: does it matter, and, how should one go about in assessing how far rates could be cut? Concerning the former, in theory, one would expect a positive impact on macroeconomic performance from publishing interest rate projections. They should lower the uncertainty about the future interest rate path.

€STR FORWARD RATE

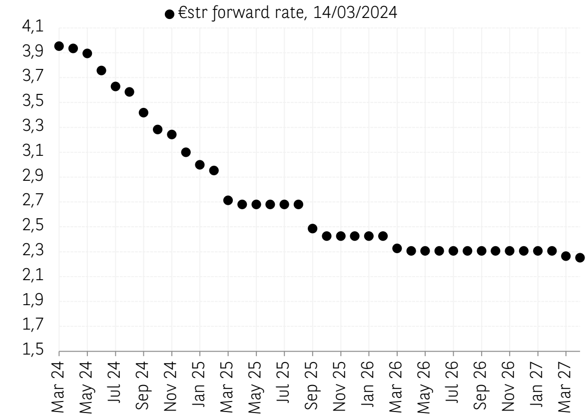


CHART 1

SOURCE: CME GROUP VIA BLOOMBERG & MACROBOND, BNP PARIBAS

€STR FORWARD RATE

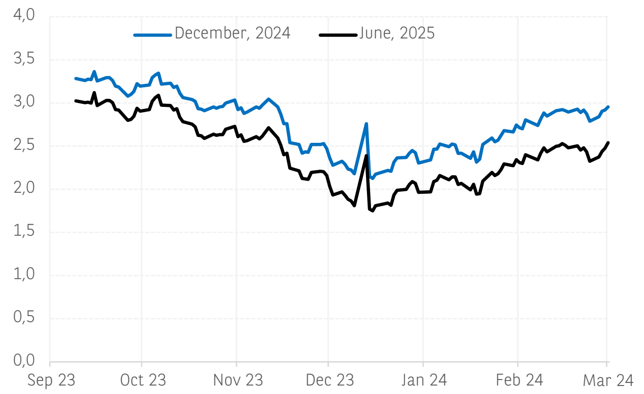


CHART 2

SOURCE: CME GROUP VIA BLOOMBERG & MACROBOND, BNP PARIBAS

1 Source: Fed Is 'Not Far' From Confidence Needed to Cut Rates, Powell Says, Bloomberg, 7 March 2024.
2 *"It will likely be appropriate to begin dialing back policy restraint at some point this year."* Source: Federal Reserve, Transcript of Chair Powell's Press Conference, 20 March 2024.
3 Source: *ECB, Monetary policy statement and press conference,* Christine Lagarde, President of the ECB, Luis de Guindos, Vice-President of the ECB, Frankfurt am Main, 7 March 2024.
4 The concept of the terminal rate was often used when central banks were tightening policy. It corresponds to the peak level of the policy rate in this phase of the business cycle.
5 Source: *Federal Reserve, Transcript of Chair Powell's Press Conference,* 20 March 2024.
6 Transcript from the video on Bloomberg: *Lagarde says ECB can't commit to cuts after likely June move,* Bloomberg, 20 March 2024.

Consequently, households and companies may be more eager to react to the prospect of rate cuts as reflected in these projections than to those that can be inferred from financial markets and which are inherently more volatile. Interest rate uncertainty matters because of its negative impact on firm decisions[7]. However, one should be mindful that major changes in the interest rate projections could increase uncertainty by wrongfooting markets, households and firms.

At the current juncture, the more relevant question in the Eurozone is how fast and how much policy rates might be cut in this cycle under the hypothesis that key economic variables -inflation, growth, wages,

etc.- would evolve in line with the latest ECB staff projections. Several approaches could be adopted (table). The first consists of looking at the consensus forecast. The latest ECB Survey of Monetary Analysts (March 2024) sees the deposit rate, which is currently at 4.00%, dropping to 3.00% at the end of this year, 2.25% at the end of 2025 before reaching its long-term projection of 2.00% in 2027. Secondly, one could look at market pricing. Based on the euro short-term rate (€STR) forward curve, markets expect a decline in the deposit rate of 85 basis points (bp) by the end of this year and 150 bp by the end of 2025 (chart 1). However, market pricing can fluctuate significantly, in reaction to data surprises and comments of ECB governing council members. A shown in chart 2, based on €STR futures, the implied interest rate for December 2024 had dropped about 120 basis points in the fourth quarter of 2023, before rising again approximately 80 basis points. Clearly, the stability of the deposit rate -the last hike occurred at the September 2023 governing council meeting-, did not stop market pricing for the future path to be very volatile.

Thirdly, a simple approach consists of applying the expected decline in inflation to the nominal deposit rate. In doing so, one (implicitly) assumes that the current real policy rate should remain appropriate going forward.

This makes little sense. High real interest rates are necessary when inflation needs to be brought back under control but subsequently, real rates should be lowered through nominal policy rate cuts that are bigger than the decline in inflation. For this reason, a fourth approach consists of trying to understand the ECB's reaction function. Governing council members have repeatedly explained that it is built around three criteria: the inflation outlook, the dynamics of underlying inflation and the strength of monetary transmission[8]. However, this does not answer the question of calibration: at which point will the nominal policy rate have dropped sufficiently considering the inflation outlook and the monetary environment? The historical experience offers little help due to the limited number of easing cycles and the specificity of the then prevailing economic environment. A more obvious approach, in theory at least, is to look at the neutral rate, i.e. the real short-term interest rate that is consistent with output corresponding to its potential level whereby inflation is stable and consistent with the central bank's objective. This rate cannot be observed, and empirical estimates depend on the models and assumptions that have been used. Recent research by the ECB, shows that since the second half of 2023 model-based estimates "*have ranged between about minus three-quarters of a percentage point to around half a percentage point*" with the median estimate slightly above zero[9]. Interestingly, this is rather close to the implied real rate that can be inferred from the ECB Survey of Monetary Analysts, which has headline inflation in line with the ECB target of 2.00% as of the third quarter of 2025 -for core inflation this is expected to occur a quarter later-, and the ECB deposit rate dropping to 2.25% in 2025 Q4 and to 2.00% as of 2026 Q1.

In conclusion, although the ECB still needs to decide on its first rate cut, it is important to gauge the speed and extent of the policy easing. Concerning the end point of the easing cycle -the other terminal rate-, it makes sense to use an assumption of a range between 2.00% and 2.50%.

William De Vijlder

7 Research by the Banque de France shows that *"in the presence of heightened short-term interest rate uncertainty, firms tend to decrease their future investments and hiring activities. They also adopt a more cautious approach by hoarding cash and cutting dividend payments."* Source: Anne Duquerroy, Klodiana Istrefi and Sarah Mouabbi, Interest Rate Uncertainty and Firm Decisions, CEPR Discussion paper 18722, December 2023.

8 Source: *Building confidence in the path ahead, Speech by Christine Lagarde, President of the ECB, at The ECB and its Watchers XXIV Conference,* organised by the Institute for Monetary and Financial Stability, Goethe University, Frankfurt am Main, 20 March 2024.

9 Source: Estimates of the natural interest rate for the euro area: an update, ECB Economic Bulletin, Issue 1/2024. From 2014 until 2018, the median estimate across a wide range of models had been equal to zero. It moved into negative territory in 2019 and dropped even more during the Covid-19 pandemic and its aftermath. More recently it has increased again, moving slightly above zero.

ANTICIPATING ECB MONETARY POLICY: REFERENCE POINTS

ITEM	COMMENT
Consensus forecast (ECB Survey of Monetary Analysts)	
Expectations based on market pricing	Can fluctuate a lot
Assume that expected decline in policy rate corresponds to expected decline in (core) inflation	Implies assumption of stable real policy rate, which is questionable
Looking for historical reference points for real policy rates	Limited number of easing cycles and each cycle was specific
Looking at the three criteria of the ECB's reaction function: inflation outlook, dynamics of underlying inflation, strength of monetary transmission	Not clear how they will influence decisions
Use the neutral rate as a reference point	Wide range of neutral rate estimates

MARKETS OVERVIEW

OVERVIEW

Week 8-3 24 to 15-3-24

↗ CAC 40	8 028	▸	8 164	+1.7	%
↘ S&P 500	5 124	▸	5 117	-0.1	%
↘ Volatility (VIX)	14.7	▸	14.4	-0.3	pb
↘ Euribor 3M (%)	3.94	▸	3.93	-1.2	bp
↗ Libor $ 3M (%)	5.58	▸	5.59	+0.9	bp
↗ OAT 10y (%)	2.71	▸	2.88	+16.9	bp
↗ Bund 10y (%)	2.25	▸	2.42	+17.3	bp
↗ US Tr. 10y (%)	4.09	▸	4.32	+23.0	bp
↘ Euro vs dollar	1.10	▸	1.09	-0.7	%
↘ Gold (ounce, $)	2 173	▸	2 162	-0.5	%
↗ Oil (Brent, $)	82.2	▸	85.4	+4.0	%

MONEY & BOND MARKETS

Interest Rates		highest 24	lowest 24
€ ECB	4.50	4.50 at 01/01	4.50 at 01/01
Eonia	-0.51	-0.51 at 01/01	-0.51 at 01/01
Euribor 3M	3.93	3.97 at 18/01	3.88 at 01/02
Euribor 12M	3.71	3.75 at 05/03	3.51 at 01/02
$ FED	5.50	5.50 at 01/01	5.50 at 01/01
Libor 3M	5.59	5.60 at 27/02	5.53 at 01/02
Libor 12M	6.04	6.04 at 01/01	6.04 at 01/01
£ BoE	5.25	5.25 at 01/01	5.25 at 01/01
Libor 3M	5.33	5.33 at 06/03	5.31 at 16/01
Libor 12M	0.81	0.81 at 01/01	0.81 at 01/01

At 15-3-24

Yield (%)		highest 24	lowest 24
€ AVG 5-7y	2.64	2.64 at 01/01	2.64 at 01/01
Bund 2y	3.04	3.04 at 15/03	2.53 at 01/02
Bund 10y	2.42	2.44 at 28/02	2.02 at 03/01
OAT 10y	2.88	2.88 at 01/03	2.47 at 01/01
Corp. BBB	3.96	4.06 at 28/02	3.75 at 01/01
$ Treas. 2y	4.78	4.78 at 15/03	4.22 at 15/01
Treas. 10y	4.32	4.34 at 21/02	3.86 at 01/02
High Yield	7.81	8.10 at 05/01	7.73 at 13/03
£ gilt. 2y	4.62	4.68 at 13/02	3.98 at 01/01
gilt. 10y	4.10	4.22 at 13/02	3.60 at 01/01

At 15-3-24

EXCHANGE RATES

1€ =		highest 24	lowest 24	2024
USD	1.09	1.10 at 01/01	1.07 at 13/02	-1.4%
GBP	0.85	0.87 at 02/01	0.85 at 13/02	-1.4%
CHF	0.96	0.96 at 15/03	0.93 at 08/01	+3.5%
JPY	162.38	163.58 at 26/02	155.33 at 02/01	+4.3%
AUD	1.66	1.67 at 28/02	1.62 at 02/01	+2.4%
CNY	7.84	7.88 at 08/03	7.71 at 13/02	+0.0%
BRL	5.44	5.45 at 08/03	5.31 at 13/02	+1.4%
RUB	100.96	102.67 at 23/02	95.72 at 19/01	+2.2%
INR	90.25	91.92 at 01/01	88.97 at 13/02	-1.8%

At 15-3-24 *Change*

COMMODITIES

Spot price, $		highest 24	lowest 24	2024	2024(€)
Oil, Brent	85.4	85.4 at 15/03	75.8 at 08/01	+10.0%	+11.6%
Gold (ounce)	2 162	2 185 at 11/03	1 989 at 14/02	+4.7%	+6.2%
Metals, LMEX	3 894	3 894 at 15/03	3 558 at 09/02	+3.5%	+5.0%
Copper (ton)	8 969	8 969 at 15/03	8 065 at 09/02	+6.0%	+7.5%
wheat (ton)	191	2.3 at 01/01	191 at 15/03	-18.0%	-16.8%
Corn (ton)	160	1.7 at 01/01	148 at 23/02	-0.8%	-6.8%

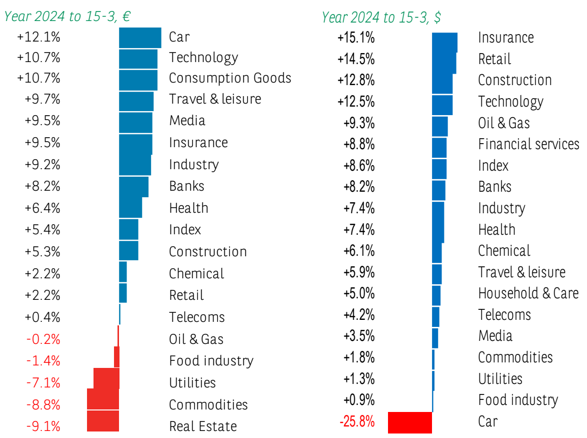
At 15-3-24 *Change*

EQUITY INDICES

	Index	highest 24	lowest 24	2024
World				
MSCI World	3 363	3 397 at 12/03	3 114 at 04/01	+6.1%
North America				
S&P500	5 117	5 175 at 12/03	4 689 at 04/01	+7.3%
Europe				
EuroStoxx50	4 986	5 001 at 13/03	4 403 at 17/01	+10.3%
CAC 40	8 164	8 164 at 15/03	7 319 at 17/01	+0.8%
DAX 30	17 937	17 965 at 12/03	16 432 at 17/01	+7.1%
IBEX 35	10 598	10 598 at 15/03	9 858 at 19/01	+0.5%
FTSE100	7 727	7 772 at 13/03	7 446 at 17/01	-0.0%
Asia				
MSCI, loc.	1 360	1 388 at 08/03	1 242 at 03/01	+0.9%
Nikkei	38 708	40 109 at 04/03	33 288 at 04/01	+15.7%
Emerging				
MSCI Emerging ($)	1 035	1 049 at 12/03	958 at 17/01	+0.1%
China	55	56 at 12/03	49 at 22/01	-1.0%
India	961	989 at 07/03	915 at 03/01	+3.9%
Brazil	1 634	1 800 at 01/01	1 634 at 15/03	-6.7%

At 15-3-24 *Change*

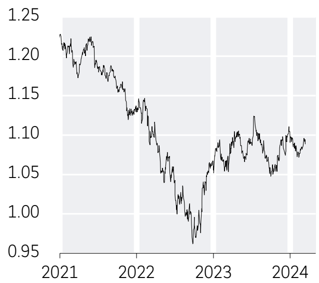
PERFORMANCE BY SECTOR (Eurostoxx50 & S&P500)



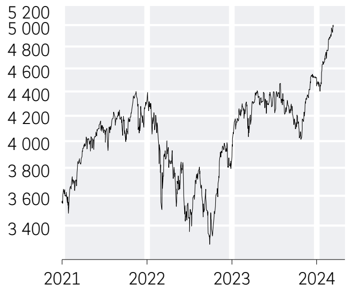
SOURCE: REFINITIV, BNP PARIBAS

MARKETS OVERVIEW

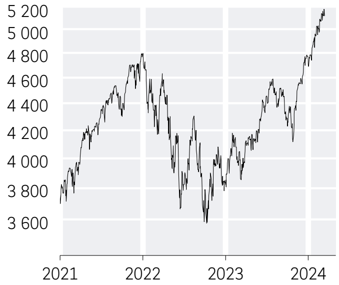
EURO-DOLLAR



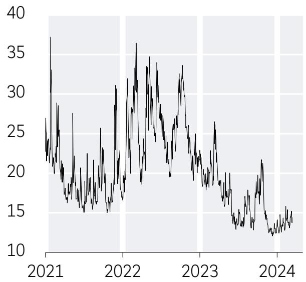
EUROSTOXX50



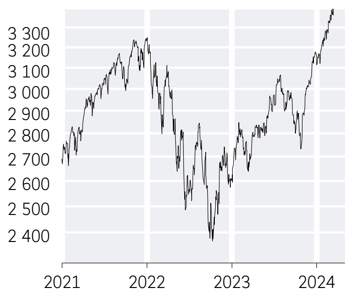
S&P500



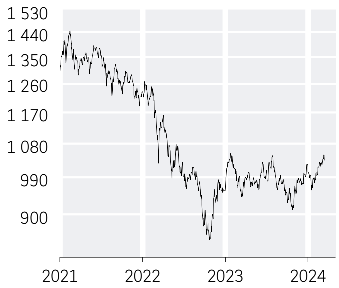
VOLATILITY (VIX, S&P500)



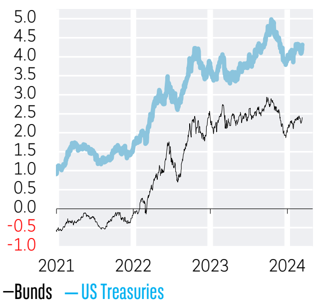
MSCI WORLD (USD)



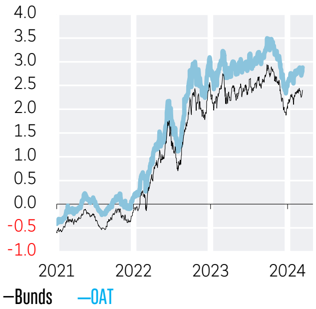
MSCI EMERGING (USD)



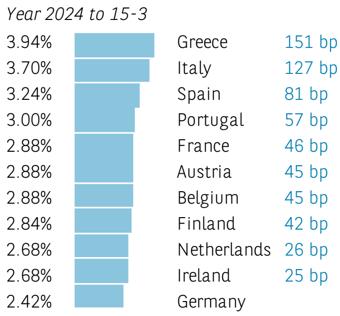
10Y BOND YIELD, TREASURIES VS BUND



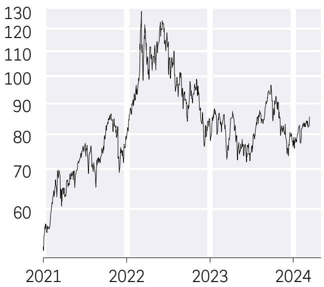
10Y BOND YIELD



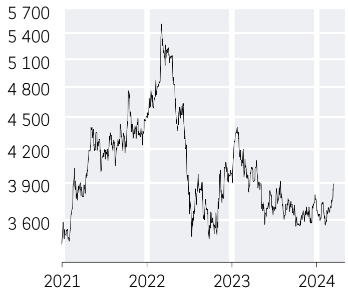
10Y BOND YIELD & SPREADS



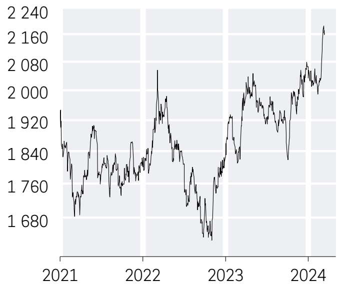
OIL (BRENT, USD)



METALS (LMEX, USD)



GOLD (OUNCE, USD)



SOURCE: REFINITIV, BNP PARIBAS

CHINA: ON HOLD

Economic indicators for the first two months of 2024 showed a slight improvement in activity, driven primarily by the export manufacturing sector.

Growth in industrial production reached +7% y/y in real terms in January-February 2024 compared to +6% in Q4 2023, and manufacturing investment also strengthened slightly. It increased by +9.4% y/y in nominal terms over the first two months, after +6.5% over 2023 as a whole.

Activity in the manufacturing sector is largely supported by goods exports, which have regained strength since the autumn. In January-February 2024, exports even rebounded by +7.1% y/y in current USD terms. Growth in goods imports also picked up (+3.5% y/y). The increase in exports affected all trade partners and benefited a wide range of products, ranging from low value-added consumer goods to green technology products.

Meanwhile, sectors that depend on the domestic market remain sluggish. Activity in the services sector grew by +5.8% y/y in January-February 2024 compared to +8.5% in Q4 2023. Household consumption did not really improve, with retail sales up by only around 6% in real terms over the first two months of the year (after +8.7% y/y in Q4 2023). Reflecting weak domestic demand and the imbalance between supply and demand, consumer price inflation was slightly negative in Q4 2023 (-0.3% y/y) and almost zero on average in January-February 2024.

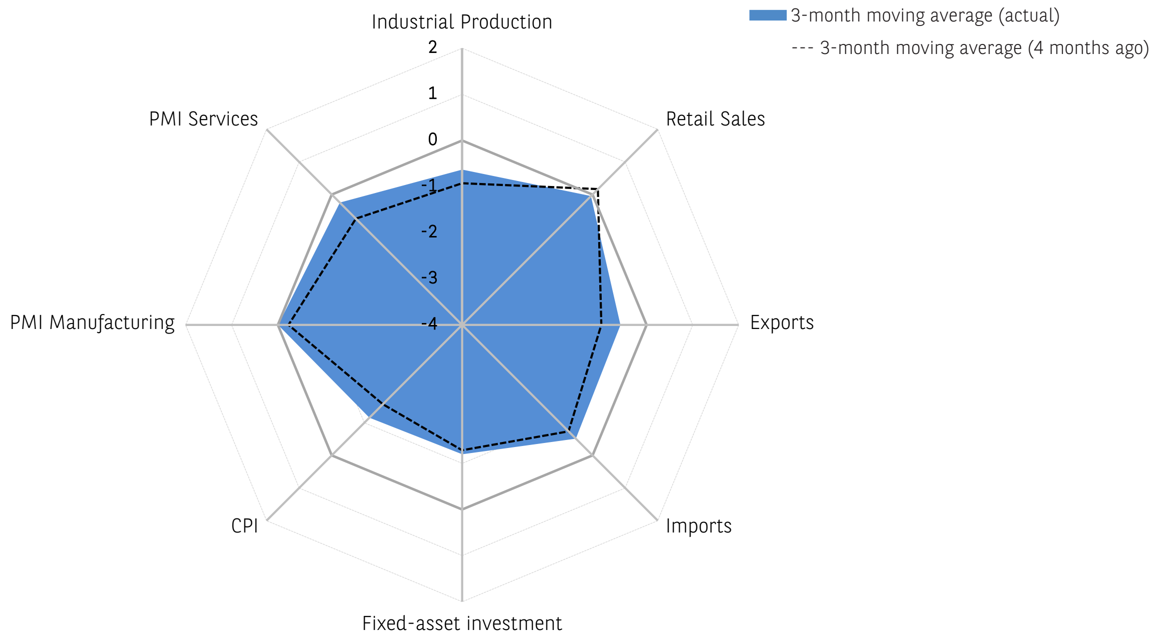
The same factors explain why consumers have been cautious for several months now: a severe crisis in the property sector, negative wealth effects linked to the fall in house prices (-10% on average since mid-2021 in China's 70 largest cities) and the fall in stock prices since 2021, and concerns about employment and income prospects. The unemployment rate in urban areas rose again slightly at the beginning of the year, from 5.1% in December to 5.3% in February. It was driven in particular by the rise in unemployment among 16-24-year-olds (from 14.9% in December to 15.3% in February, according to the new series published for the last three months).

In the property sector, the decline in investment continued in January-February (-9% y/y). Similarly, volumes of property transactions, construction start-ups and sites under construction have all continued to contract sharply since the beginning of the year.

The monetary and budgetary support measures implemented by the authorities since summer 2023 have therefore had relatively limited effects on activity. However, the fiscal stimulus has recently increased, helping to accelerate public spending and investment in infrastructure projects. These trends are expected to continue in the very short term.

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.

UNITED STATES

The US economy has shown a surprising vigour in 2023, illustrated by the +0.8% q/q advance in Q4 GDP and a +2,5% yearly annual growth driven by the resilience of household consumption and the good figures of business investment. Thus, we have gradually ruled out the event of a recession induced by the cumulative monetary tightening. Our baseline scenario implies a +2.8% rate of growth for 2024, enabled by factors such as the carryover effect from 2023 and an expected increase in real incomes, with a slowdown over S2. The inflation peak was reached in mid-2022, and the latter is expected to approach the 2% target in 2024. This picture paves the way for an easing of its monetary policy by the Fed, which can foresee a soft landing of the US economy and start cutting rates progressively as from June 2024.

CHINA

The post-Covid rebound in economic activity proved to be weaker than initially expected. Domestic demand has remained held back by a significant loss in private investor and consumer confidence. The crisis in the property sector has persisted, with the continued fall in sales, defaults of developers and growing difficulties of certain financial institutions. These constraints to economic growth have persisted since the beginning of 2024. However, activity has strengthened slightly, driven by the manufacturing export sector, and helped by fiscal stimulus measures. In the short term, exports are likely to continue to gain strength. Moreover, the authorities are expected to continue to ease their economic policy mix, which is a prerequisite for reaching the official real GDP growth target of "about 5%" that has been set for 2024. Consumer price inflation will remain low. Yet the policy leeway of the government and the central bank is still being constrained by the debt excess of the economy and the weak financial situation of local government.

EUROZONE

The euro area GDP slightly contracted in the second half of 2023 according to the latest Eurostat data. Annual growth was only 0.5% in 2023.The negative effects of monetary tightening are expected to continue to weigh on economic activity this winter. Activity is expected to inch higher in the first quarter of 2024, before a more pronounced recovery from spring onwards. This would be underpinned by a first rate cut by the ECB, which we expect to happen in June. This monetary easing would accompany the inflation decline, which is expected to come close to the 2% target during the second quarter. Disinflation, along with the dynamism of wages, is expected to support household purchasing power and consumption. Growth should also be supported by NGEU disbursements and its deployment on the ground.

FRANCE

France experienced 0% q/q growth in Q3 and 0.1% q/q growth in Q4 2023 after a short-lived acceleration in Q2 2023 (+0.6% t/t, driven by exceptional factors, such as aeronautics). In Q4, corporate investment has decreased for the first time (after significant growth). In parallel, household consumption was stable and household investment decreased markedly. Disinflation is now visible (the harmonized index grew by 3.1% y/y in February 2024, compared to 5.7% y/y in September 2023), but the impact of higher interest rates should continue to be felt. As a result, we except 0.1% growth q/q during the Q1 2024. Going forward, we expect no clear growth acceleration this year (0.7% in 2024 after 0.9% in 2023).

RATES AND EXCHANGE RATES

The first policy rate cuts are taking shape somewhat more clearly. They would, according to our forecasts, occur in June for the Federal Reserve, the ECB, and the Bank of England. In particular, the Federal Reserve and the ECB declare they are about to have the necessary data and confidence to be in a position to estimate that inflation is heading sustainably towards the 2% target. The most prominent risk, however, is that inflation proves to be stickier than anticipated, which would delay the monetary easing. We expect three 25-basis-point rate cuts from the Fed by the end of 2024, four for the ECB and the Bank of England. On both sides of the Atlantic, policy rates in real terms and the degree of monetary restriction would remain about unchanged. The induced decline in long-term rates should be limited by the importance of bond issuance against a background of quantitative tightening.

On 31 October, the Bank of Japan (BoJ) adjusted its yield curve control policy (YCC) by allowing a wider fluctuation in 10-year sovereign interest rates around the target of 1%. Further adjustments to monetary policy are likely, given that the country currently faces the fastest rate of inflation since the early 1990s. We expect the BoJ to end its negative interest rate policy this Spring (most likely in March), while keeping a loose approach to its yield curve control policy.

We remain fundamentally bearish regarding the US dollar, but the still-strong US growth pushes back and moderates its expected depreciation, especially versus the euro. The yen is expected to strengthen more significantly versus the USD, based on the combination of the start of BoJ tightening and of the repatriation by Japanese investors of their foreign holdings.

GDP GROWTH AND INFLATION

	GDP Growth				Inflation			
%	2022	2023	2024 e	2025 e	2022	2023	2024 e	2025 e
United-States	1,9	2.5	2,8	1,8	8,0	4,1	3,1	2,8
Japan	0,9	1,9	0,4	0,9	2,5	3,2	2,3	2,0
United-Kingdom	4,4	0,1	0,1	1,2	9,1	7,4	2,1	2,2
Euro Area	3,4	0,5	0,7	1,7	8,4	5,4	2,3	2,1
Germany	1,9	-0,1	0,0	1,4	8,7	6,0	2,3	2,1
France	2,5	0,9	0,7	1,4	5,9	5,7	2,4	1,8
Italy	3,9	0,9	0,9	1,4	8,7	5,9	1,2	1,8
Spain	5,8	2,5	2,0	2,1	8,3	3,4	2,7	2,0
China	3,0	5,2	4,5	4,3	2,0	0,2	-0,1	1,2
India*	7,2	7,5	8,1	7,1	6,7	6,7	5,5	4,8
Brazil	2,9	2,9	1,8	1,8	9,3	4,6	3,9	3,8

Source : BNP Paribas (e: Estimates & forecasts)
Last update: 22 March 2024
* Fiscal year from 1st April of year n to March 31st of year n+1

INTEREST AND EXCHANGE RATES

Interest rates, % End of period		Q2 2024	Q3 2024	Q4 2024	Q2 2025	Q4 2025
US	Fed Funds (upper limit)	5.25	5.00	4.75	4.25	4.00
	T-Note 10y	4.25	4.20	4.20	4.20	4.20
Eurozone	deposit rate	3.75	3.25	3.00	2.50	2.50
	Bund 10y	2.35	1.95	2.00	2.25	2.50
	OAT 10y	2.87	2.50	2.52	2.80	3.05
	BTP 10y	3.70	3.35	3.45	3.80	4.00
	BONO 10y	3.19	2.82	2.85	3.15	3.38
UK	Base rate	5.00	4.50	4.25	3.75	3.25
	Gilts 10y	4.00	3.80	3.70	3.55	3.65
Japan	BoJ Rate	0.10	0.25	0.25	0.50	0.75
	JGB 10y	0.90	1.00	1.20	1.40	1.35

Exchange Rates End of period		Q2 2024	Q3 2024	Q4 2024	Q2 2025	Q4 2025
USD	EUR / USD	1.10	1.10	1.10	1.12	1.14
	USD / JPY	146	144	142	137	133
	GBP / USD	1.31	1.33	1.33	1.35	1.37
EUR	EUR / GBP	0.84	0.83	0.83	0.83	0.83
	EUR / JPY	161	158	156	153	152

Brent Quarter Average		Q2 2024	Q3 2024	Q4 2024	Q2 2025	Q4 2025
Brent	USD/bbl	80	85	83	81	82

Sources: BNP Paribas (Market Economics, Interest Rate Strategy, FX Strategy, Commodities Desk Strategy)
Last update: 12 March 2024

FURTHER READING

French economy Pocket Atlas - March 2024	French economy Pocket Atlas	21 March 2024
Non-financial corporations: production taxes still account for 2.6% of French GDP	EcoFlash	21 March 2024
Inversion of the US yield curve and recessions: a leading signal, usually	EcoTV	21 March 2024
The Fed's QT: are yesterday's sellers today's buyers?	Chart of the Week	20 March 2024
Canada: Running low on fuel	EcoFlash	19 March 2024
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Inflation Tracker - March 2023 | Resistance to the downside	EcoCharts	15 March 2024
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France, youth employment: on the verge of a more pronounced downturn?	Chart of the Week	13 March 2024
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Audiobrief | French trade deficit: France is relatively deindustrialised but investing	Podcast - Macro Waves	12 March 2024
European Union: a future between ageing and greening	Chart of the Week	6 March 2024
February's issue	EcoPulse	5 March 2024
Eurozone: Economic spring will come, but slowly	EcoWeek	4 March 2024
Tunisia: gloomy outlook	Chart of the Week	28 February 2024
United States: the economic consequences of political polarization	EcoWeek	26 February 2024
UK: a Spring budget with no room for maneuver	EcoTV	23 February 2024
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Addressing the public debt challenge in the EU: the role of the new economic governance	EcoWeek	20 February 2024
Eurozone : positive momentum of business sentiment but pay attention to prices	EcoTV	15 February 2024
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