

# ECOWEEK

Issue 23.35

25 September 2023

“MONETARY POLICY OF THE FED IS DATA DEPENDENT AND THE PROJECTIONS OF THE FOMC MEMBERS AS WELL. THE FED AND ITS WATCHERS WILL CONTINUE TO SCRUTINIZE THE INCOMING DATA MORE THAN EVER.”



ECONOMIC RESEARCH



**BNP PARIBAS**

The bank  
for a changing  
world

# TABLE OF CONTENT

---

3

## EDITORIAL

Federal Reserve:  
High(er) for longer

---

5

## MARKETS OVERVIEW

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

---

7

## ECONOMIC PULSE

Analysis of some recent economic data:  
uncertainty

---

8

## ECONOMIC SCENARIO

Main economic and financial  
forecasts

---

9

## FURTHER READING

Latest articles, charts, videos and  
podcasts of Economic Research



## FEDERAL RESERVE: HIGH(ER) FOR LONGER

In the world of central banking, nothing is what it seems. The ECB's recent rate hike was considered dovish whereas the pause by the Federal Reserve received the label hawkish. These reactions show that, beyond the rate decision, the accompanying message also matters. That of the ECB was interpreted as signaling that the terminal rate had been reached. In the US, the latest rate projections of the FOMC members -the dot plot- point toward another hike before year end and a federal funds rate that would stay elevated for longer. This is unsurprising given the resilience of the US economy in reaction to the aggressive monetary tightening and the concern that bringing inflation back to the 2% target would take more time. These projections are surrounded by a lot of uncertainty at the current juncture considering that part of the impact of past rate hikes still needs to manifest itself, the recent significant increase in energy prices and the headwinds from weak growth in China and the Eurozone.

In the world of central banking, nothing is what it seems. Central bank watchers called the latest rate hike by the ECB a dovish hike, whereas the decision of the Federal Reserve to leave the federal funds rate unchanged was considered a hawkish pause.

At first glance, these descriptions seem counterintuitive, but they reflect the importance of the message that came with the announcements. The monetary policy statement of the ECB mentioned "that the key ECB interest rates have reached levels that, maintained for a sufficiently long duration, will make a substantial contribution to the timely return of inflation to our target."<sup>1</sup> This has been interpreted as signaling that policy rates in the Eurozone probably have reached their peak<sup>2</sup>. The Federal Reserve on the other hand may very well increase the federal funds rate again before the end of the year<sup>3</sup>.

The new Summary of Economic Projections (SEP) shows that 12 FOMC members consider a further 25 bp increase of the federal funds rate by the end of the year appropriate, given the Fed's mandate and the growth and inflation outlook. Seven members think that the policy rate already is at the appropriate level. Consequently, the median estimate of the federal funds rate at the end of this year is 25 bp higher than its current level. During this year, the year-end projection has drifted higher (chart 1) reflecting an upward revision of the growth and inflation projections. More important however in the latest SEP is the 50 bp increase of the projected federal funds rate at the end of 2024 and 2025, respectively to 5.1% and 3.9%. The prospect of official rates moving higher and staying there for longer explains why the decision to leave rates unchanged received the label of a hawkish pause and why Treasury yields moved higher whereas equity markets in the US and abroad declined.

As shown in chart 2, the projections show a federal funds rate that would stay elevated throughout next year, despite the start of an easing cycle. The latter is expected to be slower compared to previous experiences.

<sup>1</sup> Source: ECB, Monetary policy statement, 14 September 2023.

<sup>2</sup> For a detailed discussion see: ECB: at the peak, EcoWeek, BNP Paribas, 18 September 2023.

<sup>3</sup> The two remaining FOMC meetings this year are on 31 October-1 November and 12 and 13 December. On the occasion of the latter meeting, a new Summary of Economic Projections of the FOMC members will be released. Source: Federal Reserve.

### DOT PLOT: FOMC MEMBERS' PROJECTIONS OF THE FEDERAL FUNDS RATE FOR YEAR-END 2023

FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate. Number of participants with projected midpoint of target range or target level by the end of 2023.

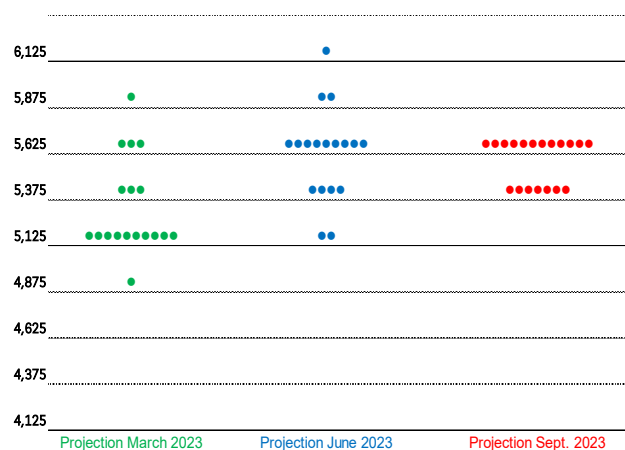


CHART 1

SOURCE: FEDERAL RESERVE, BNP PARIBAS

This reflects a view that bringing inflation back to the 2% target will take time and that the central bank should not ease too quickly. Premature rate cuts could boost growth thereby running the risk of stopping the disinflation process and the Fed losing its credibility. The projected rate path can also be seen as reflecting an expectation of a soft landing. In such case there is no need to cut rates aggressively.

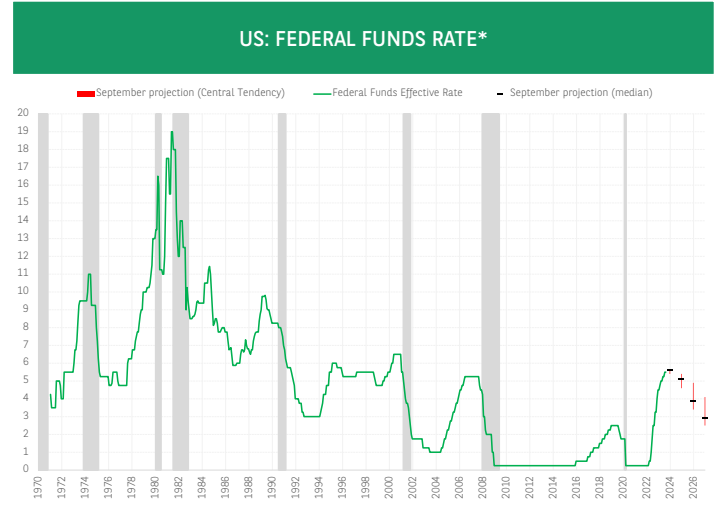
Monetary policy of the Fed is data dependent and the projections of the FOMC members as well. The Fed and its watchers will continue to scrutinize the incoming data more than ever.



# EDITORIAL

These projections are surrounded by a lot of uncertainty, in particular at the current juncture considering that part of the impact of past rate hikes still needs to manifest itself. The recent significant increase in energy prices, weak growth in China and the Eurozone are headwinds for the US economy and complicate the analysis. In this respect, it was very revealing that during his press conference, Jerome Powell answered the question *“Would you call the soft landing now a baseline expectation?”* by saying *“No, no. I would not do that”*, adding that it is possible, whilst refusing to express a view on how likely such an outcome would be<sup>4</sup>. Monetary policy of the Fed is data dependent and the projections of the FOMC members as well. The Fed and its watchers will continue to scrutinize the incoming data more than ever.

William De Vijlder



\*The central tendency excludes the three highest and three lowest projections

CHART 2

SOURCE: FEDERAL RESERVE, BNP PARIBAS

<sup>4</sup> Source : Federal Reserve, Transcript of Chair Powell’s Press Conference, 20 September 2023.



# MARKETS OVERVIEW

## OVERVIEW

Week 15-9-23 to 22-9-23

📉 CAC 40	7 379	▶ 7 185	-2.6 %
📉 S&P 500	4 450	▶ 4 320	-2.9 %
📈 Volatility (VIX)	13.8	▶ 17.2	+3.4 pb
📈 Euribor 3M (%)	3.88	▶ 3.96	+8.0 bp
📉 Libor \$ 3M (%)	5.66	▶ 5.66	-0.2 bp
📈 OAT 10y (%)	3.17	▶ 3.24	+6.6 bp
📈 Bund 10y (%)	2.64	▶ 2.71	+6.4 bp
📈 US Tr. 10y (%)	4.33	▶ 4.43	+9.7 bp
📈 Euro vs dollar	1.07	▶ 1.07	-0.1 %
📉 Gold (ounce, \$)	1 928	▶ 1 927	-0.0 %
📉 Oil (Brent, \$)	94.1	▶ 93.3	-0.8 %

## MONEY & BOND MARKETS

Interest Rates	highest 23	lowest 23
€ ECB	4.50 at 20/09	2.50 at 02/01
Eonia	-0.51 at 02/01	-0.51 at 02/01
Euribor 3M	3.96 at 22/09	2.16 at 02/01
Euribor 12M	4.21 at 21/09	3.30 at 19/01
\$ FED	5.50 at 27/07	4.50 at 02/01
Libor 3M	5.66 at 29/08	4.77 at 02/01
Libor 12M	6.04 at 30/06	4.70 at 20/03
£ BoE	5.25 at 03/08	3.50 at 02/01
Libor 3M	5.39 at 30/08	3.87 at 02/01
Libor 12M	0.81 at 02/01	0.81 at 02/01

At 22-9-23

Yield (%)	highest 23	lowest 23
€ AVG 5-7y	2.64 at 02/01	2.64 at 02/01
Bund 2y	3.37 at 19/09	2.39 at 20/03
Bund 10y	2.71 at 02/03	1.98 at 18/01
OAT 10y	3.24 at 21/09	2.42 at 18/01
Corp. BBB	4.70 at 10/07	3.95 at 02/02
\$ Treas. 2y	5.14 at 20/09	3.85 at 04/05
Treas. 10y	4.43 at 21/09	3.30 at 06/04
High Yield	8.79 at 20/03	7.94 at 02/02
£ gilt. 2y	4.53 at 06/07	3.15 at 02/02
gilt. 10y	4.25 at 17/08	3.00 at 02/02

At 22-9-23

## EXCHANGE RATES

1€ =	highest 23	lowest 23	2023
USD	1.07 at 14/07	1.05 at 05/01	-0.1%
GBP	0.87 at 03/02	0.85 at 11/07	-2.1%
CHF	0.97 at 24/01	0.95 at 05/09	-2.2%
JPY	157.83 at 30/08	138.02 at 03/01	+12.1%
AUD	1.65 at 21/08	1.53 at 27/01	+4.8%
CNY	7.78 at 19/07	7.23 at 05/01	+4.9%
BRL	5.24 at 04/01	5.18 at 18/09	-7.0%
RUB	102.24 at 14/08	73.32 at 12/01	+31.2%
INR	88.39 at 14/07	86.58 at 08/03	+0.1%

At 22-9-23 Change

## COMMODITIES

Spot price, \$	highest 23	lowest 23	2023	2023(€)
Oil, Brent	94.6 at 19/09	71.9 at 12/06	+9.9%	+10.1%
Gold (ounce)	1 927 at 04/05	1 810 at 24/02	+6.2%	+6.3%
Metals, LMEX	3 690 at 26/01	3 564 at 24/05	-7.4%	-7.3%
Copper (ton)	8 162 at 23/01	7 852 at 24/05	-2.4%	-2.3%
wheat (ton)	184 at 13/02	183 at 21/09	-35.4%	-35.3%
Corn (ton)	175 at 13/02	161 at 21/08	-3.3%	-32.6%

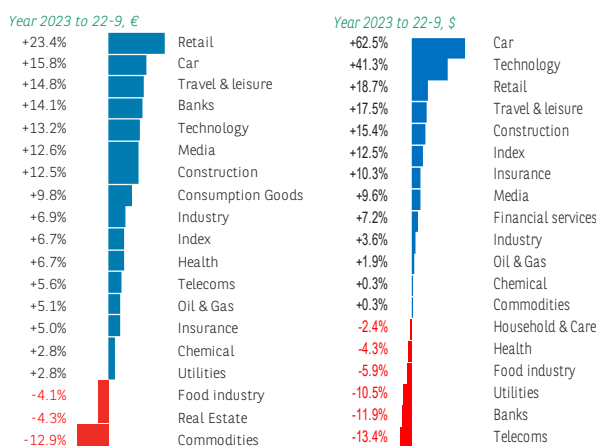
At 22-9-23 Change

## EQUITY INDICES

Index	highest 23	lowest 23	2023
<b>World</b>			
MSCI World	3 064 at 31/07	2 595 at 05/01	+10.6%
<b>North America</b>			
S&P500	4 320 at 31/07	3 808 at 05/01	+12.5%
<b>Europe</b>			
EuroStoxx50	4 207 at 31/07	3 856 at 02/01	+10.9%
CAC 40	7 185 at 21/04	6 595 at 02/01	+1.1%
DAX 30	15 557 at 28/07	14 069 at 02/01	+11.7%
IBEX 35	9 502 at 27/07	8 370 at 02/01	+1.5%
FTSE100	7 684 at 20/02	7 257 at 07/07	+0.3%
<b>Asia</b>			
MSCI, loc.	1 226 at 15/09	1 065 at 04/01	+1.5%
Nikkei	32 402 at 03/07	25 717 at 04/01	+24.2%
<b>Emerging</b>			
MSCI Emerging (\$)	964 at 26/01	941 at 16/03	+0.1%
China	59 at 27/01	57 at 21/09	-7.1%
India	828 at 15/09	703 at 16/03	+7.6%
Brazil	1 575 at 26/07	1 296 at 23/03	+0.6%

At 22-9-23 Change

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

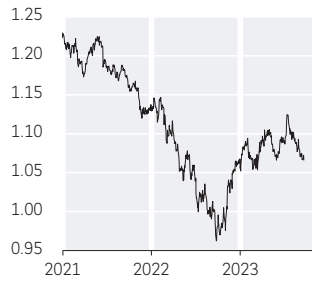


SOURCE: REFINITIV, BNP PARIBAS

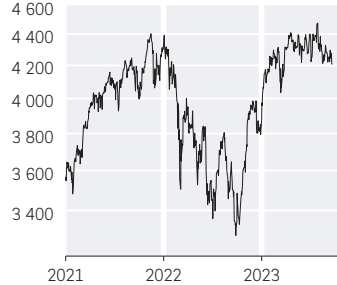


# MARKETS OVERVIEW

**EURO-DOLLAR**



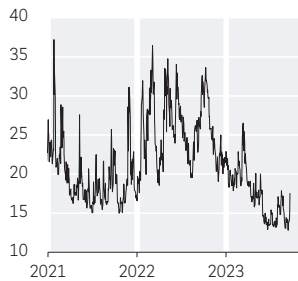
**EUROSTOXX50**



**S&P500**



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



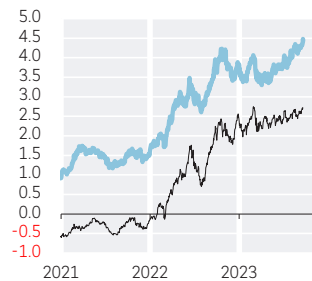
**MSCI WORLD (USD)**



**MSCI EMERGING (USD)**

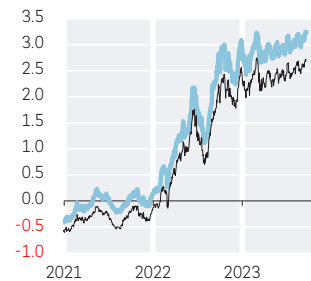


**10Y BOND YIELD, TREASURIES VS BUND**



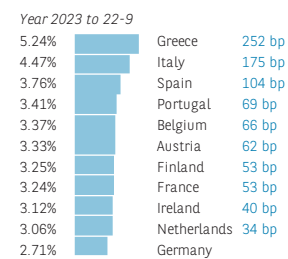
—Bunds —US Treasuries

**10Y BOND YIELD**



—Bunds —OAT

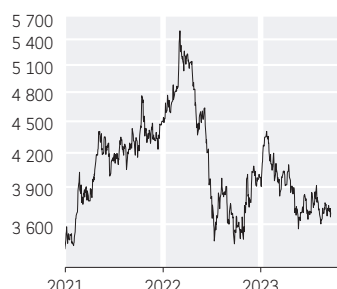
**10Y BOND YIELD & SPREADS**



**OIL (BRENT, USD)**



**METALS (LMEX, USD)**



**GOLD (OUNCE, USD)**

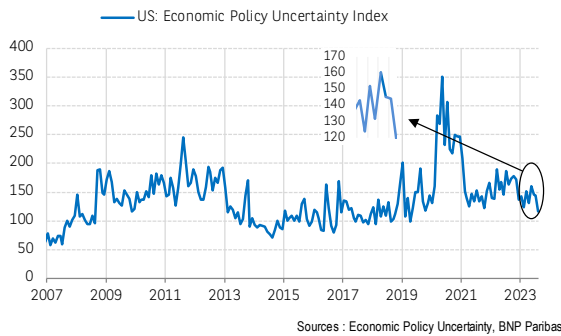


SOURCE: REFINITIV, BNP PARIBAS



# ECONOMIC PULSE

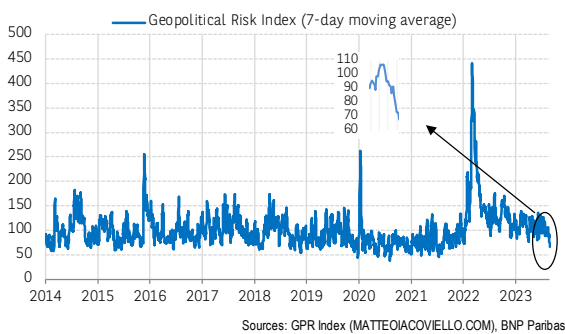
## DECLINING ECONOMIC POLICY UNCERTAINTY



In the USA, economic policy uncertainty, based on media coverage, declined significantly in August, falling to its lowest level since May 2019.



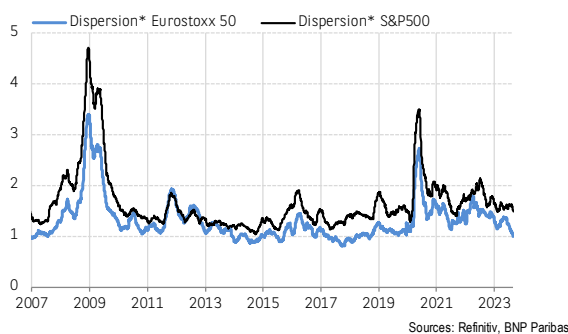
The uncertainty faced by US companies in terms of sales revenue growth declined in August for the second consecutive month but remains above its pre-Covid-19 level.



The geopolitical risk index, also based on media coverage, recently fell after a rise in the first half of August. Apart from fairly high volatility, this index has been trendless since the beginning of the year.



However, uncertainty about the employment outlook has returned to its pre-pandemic level, and it has clearly been declining since the beginning of the year.



Our stock market-based uncertainty indicator\* continues to decline in the euro zone although proving more stable in the US.

\* dispersion of the daily returns of stock market index components



In the Euro zone, the European Commission economic uncertainty index resumed its decline in August, continuing the trend started in autumn 2022. Uncertainty is declining in almost all sectors, but the construction sector where it has increased again.

# ECONOMIC SCENARIO

8

## UNITED STATES

After a strong second half of 2022 (+0.7% q/q on average per quarter), US activity decelerated only slightly in the first half of 2023 (+0.5% q/q on average per quarter), thanks to the resilience of household consumption and the strength of nonresidential investment. The impact of the tighter monetary policy on lending standards is strong but it still limited on activity and employment growth. Q3 GDP growth is expected to be very positive again before a sharp slowdown in Q4 and to slide into recession in the first half of 2024. The peak in inflation was reached in mid-2022 but core disinflation remains gradual. Headline inflation should approach the 2% target in 2024. However, the slow pace of disinflation argues in favor of keeping monetary policy in restrictive territory, despite the expected start of the easing cycle in Q2 2024. This should limit the recovery in 2024.

## CHINA

Economic growth started to accelerate in early 2023 following the end of the zero Covid policy, but the recovery has weakened very rapidly. Export momentum has stalled due to depressed global demand and tensions with the US. Domestic demand has remained held back by a significant loss in consumer and investor confidence. The crisis in the property sector has persisted, with the continued fall in sales, new defaults of developers and growing difficulties of certain financial institutions. The government and the central bank have implemented new policy stimulus measures over the summer, aimed at supporting domestic demand and activity in the property sector. A slight improvement in real GDP growth is thus expected in the short term. However, policy makers remain prudent, notably constrained by the debt excess of the economy and the weak financial situation of local governments.

## EUROZONE

After a slight contraction in GDP in Q4 2022, the euro area returned to slightly positive growth in the first half of 2023. According to the latest figures available, Q1 growth was again revised up (from -0.1% to 0.0% and now to +0.1% q/q), while Q2 growth was downwardly revised to +0.1% q/q, erasing the initially reported technical rebound of +0.3% q/q. The disparate performance between Member States weakens the overall result. France and Spain have been doing well, but Germany, Italy and the Netherlands are struggling. The negative effects of monetary tightening should intensify and further slow economic activity, which would stagnate in the second half of 2023, before starting a sluggish recovery. Although it is expected to decline throughout 2023, inflation would remain elevated, slightly exceeding 3% y/y at the end of this year. Illustrating the slowness of the disinflation process, it would still be significantly above the 2% target at the end of 2024 (2.5% y/y), forcing monetary policy to remain in restrictive territory.

## FRANCE

French growth significantly surprised on the upside in Q2 2023, with activity accelerating more than expected (+0.5% q/q, after stagnation in Q1 and a modestly positive Q4 2022). While household consumption and investment remain depressed, this rebound has been supported by business investment and, above all, exports. A negative correction is likely in Q3. Inflation rebounded in August (5.7% y/y according to the harmonized measure), driven by energy prices, but this rebound does not call into question the slow disinflation process. Because of rising interest rates, household demand should remain subdued in 2023, weighing on our GDP growth forecast (0.7% in 2023, compared to 2.5% in 2022).

## RATES AND EXCHANGE RATES

In the US, after having skipped the June meeting, the Federal Reserve proceeded, as expected, to a further 25bp rate hike in July. This increase should be the last in our view, but uncertainty remains given the still elevated core inflation and the resilience of activity and the labour market to date. In any case, these factors argue against a rate cut before mid-2024. The residual uncertainty on the policy rate peak is reflected in long-term rates, which remained on an upward trend during the first half of September. However, as inflation falls further and the prospect of monetary easing in 2024 rises, long-term rates should resume their decline soon.

Unlike the Fed, the ECB did not pause in June but, like the Fed, it increased its key rates by 25bp in July. It did not stop there and hiked again by 25 bp in September (deposit rate at 4.00%, refinancing rate at 4.50%). We are of the view that this increase should mark, this time, the end of the ECB's tightening cycle, considering the

effects of the monetary tightening already underway. But it is not yet certain that it will really be the last, given the absence of a tangible fall at this stage of core inflation. As part of its monetary tightening, the ECB also announced a complete halt, starting in July 2023, of its reinvestments under the APP. European long-term rates remain on an uptrend, moving in line with US rates, but in a more muted way. They are expected to ease gradually as the fall in core inflation should become more visible, dissipating uncertainty over the continuation of monetary tightening.

On 27 July, 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 0.5%. Further adjustments to the YCC cannot be excluded, given that the country currently faces the fastest rate of inflation since the early 1990s. Nevertheless, the BoJ is unlikely to increase its policy rates this year, but a rise is expected in 2024.

We remain structurally bearish regarding the US dollar versus the euro. The dollar's valuation is expensive and next year the Federal Reserve should ease more than the ECB. We expect the yen to remain around current levels in the near term before strengthening versus the dollar based on the expected monetary divergence between the Fed and the BoJ in 2024.

### 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	2,1	0,3	4,7	8,0	4,1	2,2
Japan	2,3	1,0	2,0	1,0	-0,2	2,5	3,2	2,5
United-Kingdom	7,6	4,1	0,5	0,1	2,6	9,1	7,4	2,9
Euro Area	5,6	3,4	0,5	0,9	2,6	8,4	5,6	2,9
Germany	3,1	1,9	-0,3	0,3	3,2	8,6	6,2	3,0
France	6,4	2,5	0,7	0,5	2,1	5,9	5,7	2,7
Italy	7,0	3,8	0,9	1,1	1,9	8,7	6,0	2,0
Spain	5,5	5,5	2,2	1,5	3,0	8,3	3,6	3,2
China	8,4	3,0	5,1	4,5	0,9	2,0	0,5	2,0
India*	9,1	7,2	6,1	6,0	5,5	6,7	5,9	5,0
Brazil	5,0	2,9	3,1	1,8	8,3	9,3	4,7	4,2

Source : BNP Paribas (e: Estimates & forecasts)

Last update: 25 September 2023

\* Fiscal year from 1st April of year n to March 31st of year n+1

### INTEREST AND EXCHANGE RATES

Interest rates, %		Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
End of period						
US	Fed Funds (upper limit)	5.50	5.50	5.25	4.75	4.25
	T-Note 10y	4.20	4.05	3.95	3.90	3.90
Eurozone	deposit rate	4.00	4.00	3.75	3.50	3.25
	Bund 10y	2.60	2.45	2.40	2.30	2.35
	OAT 10y	3.17	2.99	2.93	2.85	2.92
	BTP 10y	4.50	4.25	4.10	4.10	4.25
UK	BONO 10y	3.70	3.45	3.35	3.30	3.40
	Base rate	5.25	5.25	5.00	4.50	4.00
Japan	Gilts 10y	4.00	3.80	3.60	3.65	3.70
	BoJ Rate	-0.10	-0.10	0.10	0.10	0.25
	JGB 10y	0.75	0.85	0.90	0.90	1.00

Exchange Rates		Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
End of period						
USD	EUR / USD	1.10	1.11	1.12	1.13	1.15
	USD / JPY	145	145	140	138	135
	GBP / USD	1.29	1.29	1.29	1.30	1.32
EUR	EUR / GBP	0.85	0.86	0.87	0.87	0.87
	EUR / JPY	160	161	157	156	155

Brent		Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
End of period						
Brent	USD/bbl	81	82	86	88	86

Sources: BNP Paribas (Market Economics, Interest Rate Strategy, FX Strategy, Commodities Desk Strategy)  
Last update: 25 September 2023



**BNP PARIBAS**

The bank  
for a changing  
world



# FURTHER READING

9

<a href="#">September issue</a>	EcoPulse	22 September 2023
<a href="#">France: the «good accounts» of the French economy</a>	EcoTVWeek	22 September 2023
<a href="#">Inflation is hard to tame in Eastern and Southern Africa</a>	Chart of the Week	20 September 2023
<a href="#">ECB: at the peak</a>	EcoWeek	18 September 2023
<a href="#">Africa seeks funding for its energy transition</a>	EcoTVWeek	15 September 2023
<a href="#">Italy: Bank reserves fully cover the next TLTRO maturities</a>	Chart of the Week	13 September 2023
<a href="#">Population ageing, wage growth and inflation</a>	EcoWeek	11 September 2023
<a href="#">Economic forecasting in a world without stylised facts</a>	EcoTVWeek	8 September 2023
<a href="#">Inflation tracker of September 2023</a>	EcoCharts	8 September 2023
<a href="#">The European Union's response to climate and industrial challenges</a>	Chart of the Week	6 September 2023
<a href="#">From inflation to growth: the migration of uncertainty</a>	EcoWeek	4 September 2023
<a href="#">Jackson Hole 2023: the fight against inflation is not over</a>	EcoTV Week	1 September 2023
<a href="#">France: August's inflation figure reminds us that disinflation will remain gradual</a>	EcoBrief	31 August 2023
<a href="#">July 2023: the hottest month ever measured</a>	Chart of the Week	30 August 2023
<a href="#">Climate neutrality: the race has begun</a>	EcoConjuncture	29 August 2023
<a href="#">Global economy: the long wait</a>	EcoWeek	28 August 2023
<a href="#">Greenflation: how inflationary is the energy transition?</a>	EcoFlash	28 August 2023
<a href="#">Spain: strong job creations to support growth</a>	EcoBrief	27 July 2023
<a href="#">Central America: How climate variability impacts human mobility?</a>	Chart of the Week	27 July 2023
<a href="#">Eurozone: Inflation through the lens of business surveys. The case of services.</a>	EcoWeek	24 July 2023
<a href="#">OECD: Economic pulse of June 2023</a>	EcoPulse	24 July 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

Mickaëlle Fils Marie-Luce

+33 1 42 98 48 59

mickaëlle.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.

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: tlegend

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