

# ECOWEEK

No. 19-15, 12 April 2019

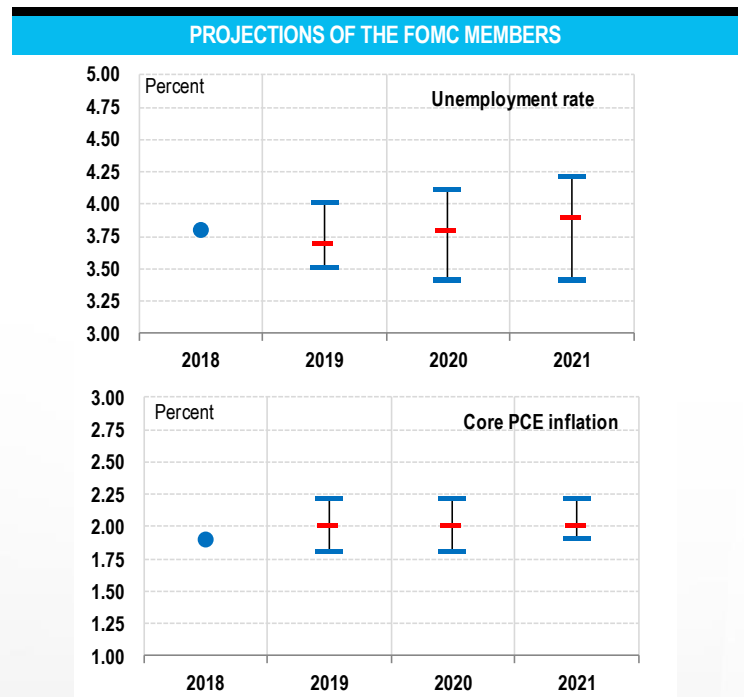
## US: Three different messages from Washington DC

■ President Trump has argued that the US economy would get a boost if the Federal Reserve were to cut rates ■ The minutes of the FOMC show the members are confident about the growth outlook. The outlook for inflation, against a background of global uncertainties, allows them to be patient in terms of policy ■ The IMF in its latest Global Financial Stability Report expresses concern about how high debt levels weigh on the resilience when faced with significantly slower growth or higher borrowing costs ■ This implies that Fed policy will not only be confidently patient but also patiently vigilant

Recent comments and analyses about the US show that the perspective drives the messages. Hence the messages are different, not to say conflicting. President Trump argued last week that the economy would climb like a rocket ship if the Fed would cut rates, adding that the central bank had slowed down the economy. Considering that next year is an election year, it doesn't come as a surprise that politicians closely monitor the health of the economy. It is reminiscent of the famous line *"it's the economy stupid"* from Bill Clinton's successful campaign against George Bush sr. for the 1992 presidential elections.

From the perspective of the Federal Reserve, the focus is on meeting the policy objectives. The minutes of the March meeting show that the committee members are quite relaxed about the economic outlook with their projections pointing towards ongoing good growth (slightly above potential), a low rate of unemployment and inflation which remains under control. Compared to December, their uncertainty about the outlook hasn't really changed although the risks of a pick-up of the unemployment rate and a decline of inflation have increased, but only slightly so (charts on next page). The minutes also show that the Fed staff is confident about the outlook: the first quarter slowdown should be transitory and growth is expected to bounce back solidly in the second quarter. Moreover, it considers uncertainty around its projections to be in line with the historical average, whereas risks to the outlook are roughly balanced. All in all, this leads to a central bank which is confidently patient: confident about the growth outlook but waiting patiently before contemplating any new action on official rates. Why hurry when inflation is stubbornly close to target and foreign headwinds haven't disappeared?

.../...



Source: Federal Reserve, Minutes of the March meeting of the FOMC, BNP Paribas

p. 3

Markets Overview

p. 4

Pulse

p. 5

Economic scenario

**Eco**  
**WEEK**

ECONOMIC RESEARCH DEPARTMENT



**BNP PARIBAS**

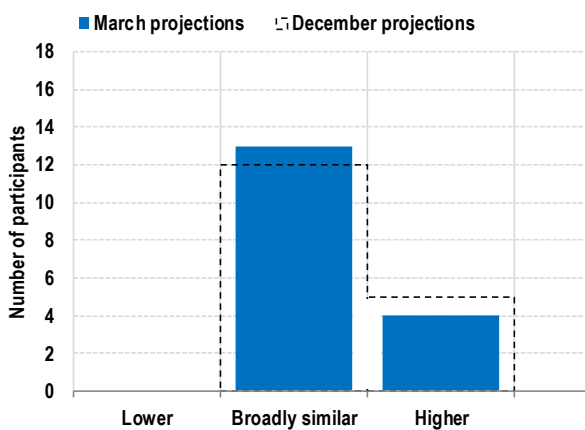
The bank  
for a changing  
world

The minutes report that “A few participants observed that the appropriate path for policy, insofar as it implied lower interest rates for longer periods of time, could lead to greater financial stability risks. However, a couple of these participants noted that such financial stability risks could be addressed through appropriate use of countercyclical macroprudential policy tools or other supervisory or regulatory tools.” Moreover, “a few participants observed that an economic deterioration in the United States, if it occurred, might be amplified by significant debt service burdens for many firms.” A link can easily be made with the IMF’s new Global Financial Stability Report, “Vulnerabilities in a Maturing Credit Cycle”. In this report the authors point towards a US corporate credit cycle which appears to be at its highest point in recent history (though lower than in some other countries); corporate debt is skewed towards lower-rated issuers; leverage is at cyclical highs in most ratings buckets. This has happened, quite logically, against the background of prolonged monetary accommodation and a global expansion. However, when these cyclical support factors turn into headwinds, the implications of reduced resilience should manifest themselves: increased sensitivity

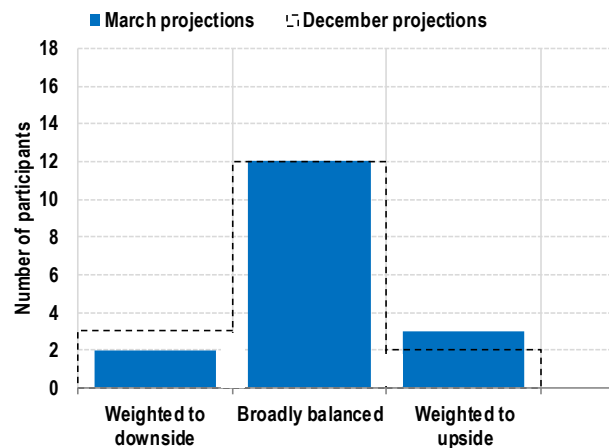
to lower earnings or to an increase in interest rates, following a rise in the corporate spread versus treasuries if recession risks were to mount. The extent of the downturn then becomes particularly important: “Although corporate balance sheets are strong enough to sustain a moderate economic slowdown or a gradual tightening of financial conditions, a significant deceleration in earnings growth or a sharp tightening of financial conditions could lead to a notable deterioration in corporate credit quality.” One should also be concerned about contagion effects starting from lower-rated issuers, which will suffer more from a deterioration in the macro environment. This may end up impacting higher quality corporates as well, via their business with financially constrained firms and a deterioration in their own funding conditions, with banks and investors turning more cautious across the board. The lagged effects of monetary easing to counter such a tide, create a two-fold challenge for the Fed: avoiding to tighten too much when the environment still looks good and making sure to ease sufficiently quickly when the outlook worsens. The policy is not only confidently patient, it will also be patiently vigilant.

**William De Vijlder**

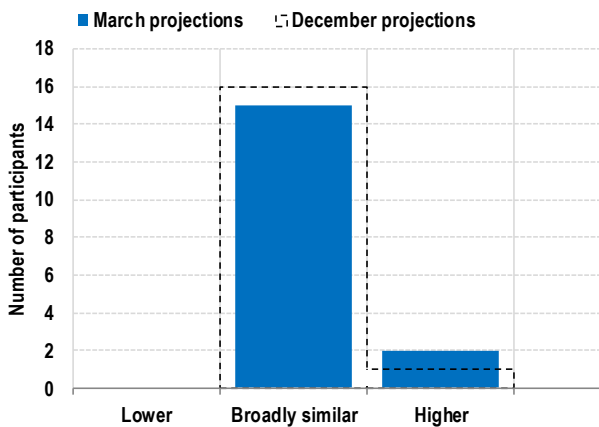
**UNCERTAINTY ABOUT THE UNEMPLOYMENT RATE**



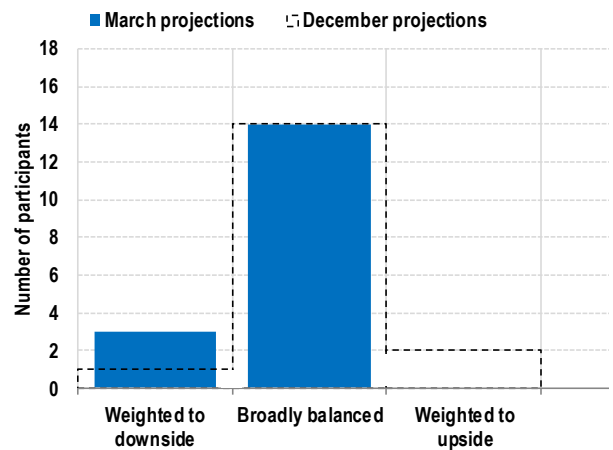
**RISKS TO THE UNEMPLOYMENT RATE**



**UNCERTAINTY ABOUT PCE INFLATION**



**RISKS TO CORE PCE INFLATION**



Source: Federal Reserve, Minutes of the March meeting of the FOMC, BNP Paribas



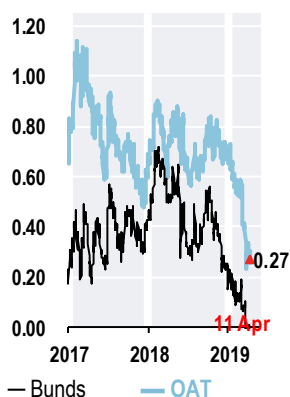
## Markets overview

### The essentials

Week 5-4 19 > 11-4-19

↗ CAC 40	5 476	▶ 5 486	+0.2 %
↘ S&P 500	2 893	▶ 2 888	-0.2 %
↗ Volatility (VIX)	12.8	▶ 13.0	+0.2 pb
↗ Euribor 3M (%)	-0.31	▶ -0.31	+0.0 bp
↗ Libor \$ 3M (%)	2.59	▶ 2.60	+1.1 bp
↘ OAT 10y (%)	0.30	▶ 0.27	-2.5 bp
↘ Bund 10y (%)	0.00	▶ -0.01	-0.9 bp
↗ US Tr. 10y (%)	2.50	▶ 2.51	+0.5 bp
↗ Euro vs dollar	1.12	▶ 1.13	+0.4 %
↗ Gold (ounce, \$)	1 292	▶ 1 296	+0.3 %
↗ Oil (Brent, \$)	69.9	▶ 71.4	+2.2 %

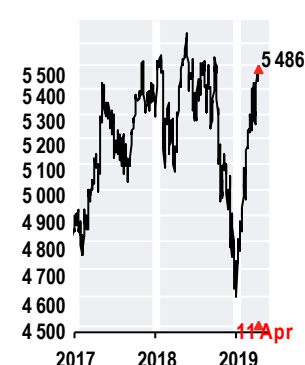
10 y bond yield, OAT vs Bund



Euro-dollar



CAC 40



### Money & Bond Markets

Interest Rates	highest' 19	lowest' 19
€ ECB	0.00 at 01/01	0.00 at 01/01
Eonia	-0.37 at 01/01	-0.37 at 26/02
Euribor 3M	-0.31 at 24/01	-0.31 at 28/03
Euribor 12M	-0.11 at 06/02	-0.12 at 02/01
\$ FED	2.50 at 01/01	2.50 at 01/01
Libor 3M	2.60 at 01/01	2.58 at 09/04
Libor 12M	2.74 at 21/01	2.68 at 27/03
£ BoE	0.75 at 01/01	0.75 at 01/01
Libor 3M	0.82 at 29/01	0.82 at 08/04
Libor 12M	1.08 at 11/01	1.05 at 02/04

At 11-4-19

Yield (%)	highest' 19	lowest' 19
€ AVG 5-7y	0.38 at 09/01	0.38 at 11/04
Bund 2y	-0.53 at 05/03	-0.63 at 27/03
Bund 10y	-0.01 at 01/01	-0.08 at 27/03
OAT 10y	0.27 at 08/01	0.24 at 27/03
Corp. BBB	1.40 at 08/01	1.40 at 10/04
\$ Treas. 2y	2.37 at 18/01	2.22 at 27/03
Treas. 10y	2.51 at 18/01	2.37 at 27/03
Corp. BBB	4.01 at 01/01	3.98 at 27/03
£ Treas. 2y	0.74 at 27/02	0.63 at 02/04
Treas. 10y	1.15 at 18/01	0.99 at 25/03

At 11-4-19

10y bond yield & spreads

3.82%	Greece	382 pb
2.37%	Italy	237 pb
1.14%	Portugal	114 pb
1.00%	Spain	100 pb
0.44%	Belgium	44 pb
0.28%	Austria	28 pb
0.27%	France	27 pb
0.20%	Finland	20 pb
0.17%	Netherland	17 pb
0.16%	Ireland	16 pb
-0.01%	Germany	

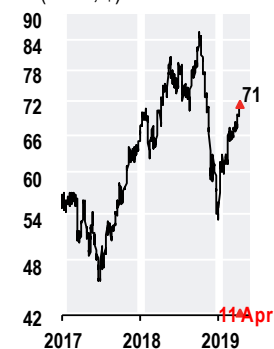
### Commodities

Spot price in dollars	lowest' 19	2019(€)
Oil, Brent	71.4 at 01/01	+36.3%
Gold (ounce)	1 281 at 21/01	+2.5%
Metals, LME	2 730 at 03/01	+8.5%
Copper (ton)	5 714 at 03/01	+8.9%
CRB Foods	324 at 07/03	+8.0%
w wheat (ton)	168 at 11/03	-6.5%
Corn (ton)	130 at 29/03	-0.9%

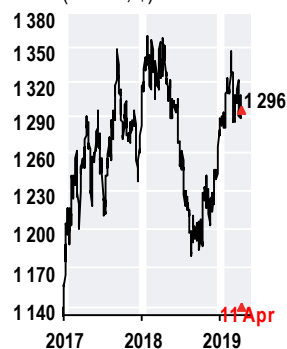
At 11-4-19

Variations

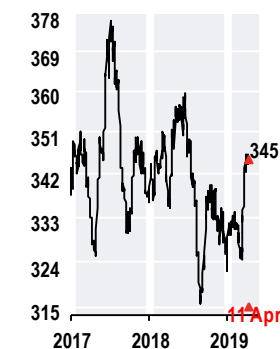
Oil (Brent, \$)



Gold (Ounce, \$)



CRB Foods



### Exchange Rates

€ =	highest' 19	lowest' 19	2019
USD	1.15 at 10/01	1.12 at 02/04	-1.4%
GBP	0.90 at 03/01	0.85 at 14/03	-4.0%
CHF	1.14 at 05/02	1.12 at 02/04	+0.3%
JPY	127.43 at 01/03	122.54 at 03/01	+0.2%
AUD	1.63 at 03/01	1.57 at 31/01	-2.8%
CNY	7.87 at 09/01	7.52 at 02/04	-3.5%
BRL	4.46 at 28/03	4.18 at 31/01	-2.5%
RUB	79.30 at 01/01	72.45 at 21/03	-8.4%
INR	82.00 at 04/02	76.84 at 03/04	-2.7%

At 11-4-19

Variations

### Equity indices

Index	highest' 19	lowest' 19	2019	2019(€)
CAC 40	5 486 at 11/04	4 611 at 03/01	+16.0%	+16.0%
S&P500	2 888 at 08/04	2 448 at 03/01	+15.2%	+16.8%
DAX	11 935 at 05/04	10 417 at 03/01	+13.0%	+13.0%
Nikkei	21 711 at 04/03	19 562 at 04/01	+8.5%	+8.3%
China*	85 at 09/04	68 at 03/01	+21.4%	+23.0%
India*	599 at 02/04	530 at 19/02	+6.0%	+8.9%
Brazil*	2 097 at 04/02	1 944 at 01/01	+6.7%	+9.4%
Russia*	665 at 10/04	572 at 01/01	+9.0%	+17.8%

At 11-4-19

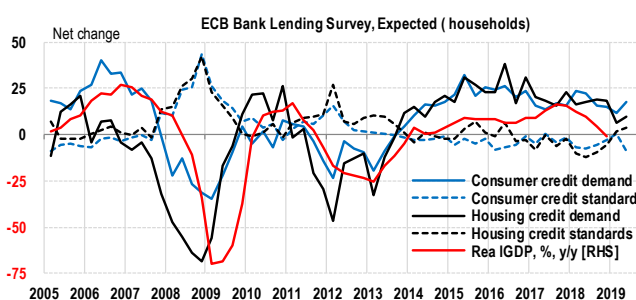
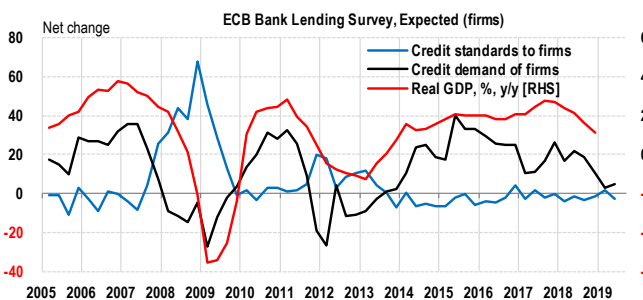
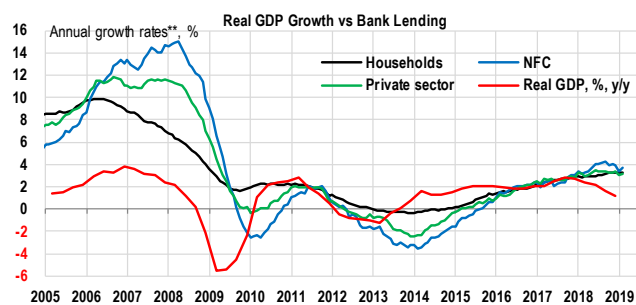
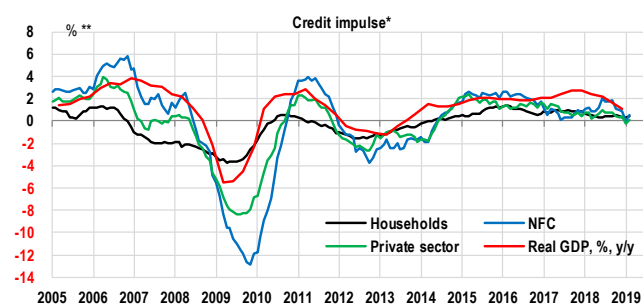
Variations

\* MSCI index

**Pulse**

**Eurozone: credit impulse**

After contracting in January, the credit impulse picked up very slightly in February 2019. This trend is due almost exclusively to lending to non-financial companies, whereas the credit impulse has remained relatively flat for households since November 2018. Demand is expected to increase in second-quarter 2019 for all loan categories, stimulated by the easing of financing conditions, except for home loans, for which lending conditions are expected to tighten slightly.



\*Credit impulse is measured as the annual change of the annual growth rate of MFI loans \*\* Adjusted for securitizations

Source: ECB, ECB survey on the distribution of credit, BLS, BNP Paribas calculations

**Indicators preview**

Next week is rather light on data. We have inflation numbers in the eurozone and the UK and, in the US, industrial production, retail sales, housing starts and building permits. The Philadelphia Fed business outlook will provide a first flavour of how April is doing. The Federal Reserve will publish its Beige Book with the usual regional granularity on US economic developments.

Date	Country	Event	Period	Surv(M)	Prior
04/16/19	United States	Industrial Production MoM	March	0.3%	0.1%
04/17/19	United Kingdom	CPI MoM	March	--	0.5%
04/17/19	Eurozone	CPI MoM	March	--	0.3%
04/17/19	United States	U.S. Federal Reserve Releases Beige Book			
04/18/19	United Kingdom	Retail Sales Ex Auto Fuel MoM	March	--	0.2%
04/18/19	United States	Retail Sales Advance MoM	March	0.9%	-0.2%
04/18/19	United States	Philadelphia Fed Business Outlook	April	10.0	13.7
04/19/19	United States	Housing Starts MoM	March	6.2%	-8.7%
04/19/19	United States	Building Permits MoM	March	0.6%	-1.6%

Source: Bloomberg, BNP Paribas



## Economic scenario

### UNITED STATES

- Growth is expected to slow to 2.3% this year. Trade war uncertainty acts as a drag, the housing market is softening, corporate investment should slow, as well as exports in reaction to the past strengthening of the dollar against a broad range of currencies.
- Core inflation remains well under control and has eased a bit.
- Following the dovish message from the January FOMC meeting, markets are pricing in a policy easing in the course of 2020.

### CHINA

- Economic growth continues to slow, with an export outlook severely darkened by US tariff hikes.
- The central bank is easing liquidity and credit conditions, though the reduction in financial-instability risks via regulatory tightening should remain a priority. Fiscal policy has also turned expansionary through increased infrastructure spending and a rising number of household/corporate tax cuts.
- In the short term, private domestic demand should be affected by the knock-on effect of weakening exports and the continued moderation in the property market. Fiscal measures should support consumer spending.

### EUROZONE

- The slowdown is becoming increasingly evident, especially in the German economy, which has suffered from one-off factors but also from a slowdown of exports to China. Capacity constraints also play a role. Business climate in the manufacturing sector continues to decline. Italy has now entered a technical recession with quarterly growth negative in the third and fourth quarter of 2018.
- Inflation is now expected to decrease following the past drop in the oil price, while core CPI is hardly moving. The activity slowdown also implies that the pick-up in core inflation should be slower than expected until recently. We do not expect the ECB to move rates this year (see below).

### FRANCE

- Growth is slowing although the economy should show some resilience. Households' consumption should get a boost from the tax cuts and the jobs recovery but inflation reduces purchasing power gains. Business investment dynamics remain favourable. The global backdrop is less supportive. A slight rise in core inflation is appearing but remains to be confirmed.

### INTEREST RATES AND FX RATES

- In the US, the Fed has announced to be patient before deciding on any change in its policy. We expect key rates to stay on hold. We have changed the forecast for 10 year treasury yields and now expect a yield of 2.80% by mid-year and 2.70% at the end of the year.
- As the ECB confirmed that key rates won't change this year, the forecast for 10 year Bund yields and now expect a yield of 0.30% by mid-year and 0.40% at the end of the year.
- No change expected in Japan.
- The prospect of a narrowing bond yield differential between the US and the eurozone should cause a strengthening of the euro, all the more so considering it is still below its long-term fair value (around 1.34).

%	GDP Growth			Inflation		
	2018	2019	2020 e	2018	2019 e	2020 e
<b>Advanced</b>	<b>2.2</b>	<b>1.5</b>	<b>1.3</b>	<b>2.0</b>	<b>1.4</b>	<b>1.6</b>
United-States	2.9	2.3	1.8	2.4	1.7	2.0
Japan	0.8	0.2	0.3	1.0	0.5	0.5
United-Kingdom	1.4	1.1	1.5	2.5	2.0	1.9
<b>Euro Area</b>	<b>1.8</b>	<b>0.9</b>	<b>1.0</b>	<b>1.8</b>	<b>1.2</b>	<b>1.4</b>
Germany	1.4	0.7	0.9	1.9	1.4	1.7
France	1.5	1.2	1.2	2.1	1.2	1.7
Italy	0.8	0.0	0.5	1.3	0.9	1.2
Spain	2.5	2.1	1.7	1.7	1.0	1.4
<b>Emerging</b>	<b>5.9</b>	<b>5.8</b>	<b>5.8</b>	<b>2.6</b>	<b>2.5</b>	<b>2.8</b>
China	6.6	6.2	6.0	2.1	1.6	2.0
India	7.4	7.6	7.8	3.4	3.3	4.1
Brazil	1.1	2.0	3.0	3.7	3.8	3.6
Russia	1.7	1.5	1.8	2.8	5.1	4.1

Source : BNP Paribas Group Economic Research (e: Estimates & forecasts)

Interest rates, %		2019				2018	2019e	2020e
End of period		Q1	Q2e	Q3e	Q4e			
<b>US</b>	Fed Funds	2.50	2.50	2.50	2.50	2.50	2.50	2.50
	Libor 3m \$	2.60	2.60	2.60	2.60	2.81	2.60	2.50
	T-Notes 10y	2.42	2.80	2.75	2.70	2.69	2.70	2.50
<b>Ezone</b>	ECB Refi	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Euribor 3m	-0.31	-0.30	-0.30	-0.30	-0.31	-0.30	-0.30
	Bund 10y	-0.07	0.30	0.30	0.30	0.25	0.30	0.40
	OAT 10y	0.26	0.65	0.65	0.60	0.71	0.60	0.70
<b>UK</b>	Base rate	0.75	1.00	1.00	1.25	0.75	1.25	1.25
	Gilts 10y	1.00	1.85	2.00	2.10	1.27	2.10	2.10
<b>Japan</b>	BoJ Rate	-0.06	-0.10	-0.10	-0.10	-0.07	-0.10	-0.20
	JGB 10y	-0.09	-0.03	-0.05	-0.05	0.00	-0.05	-0.20

Source : BNP Paribas GlobalMarkets (e: Forecasts)

Exchange Rates		2019				2018	2019e	2020e
End of period		Q1	Q2e	Q3e	Q4e			
USD	EUR / USD	1.12	1.17	1.18	1.20	1.14	1.20	1.25
	USD / JPY	111	108	105	100	110	100	90
	GBP / USD	1.30	1.38	1.40	1.45	1.27	1.45	1.51
EUR	USD / CHF	1.00	0.97	0.97	0.97	0.99	0.97	0.93
	EUR / GBP	0.85	0.85	0.84	0.83	0.90	0.83	0.83
	EUR / CHF	1.12	1.14	1.15	1.16	1.13	1.16	1.16
	EUR / JPY	124	126	124	120	125	120	113

Source : BNP Paribas GlobalMarkets (e: Forecasts)



# GROUP ECONOMIC RESEARCH

**William De Vijlder**  
Chief Economist

+33 1 55 77 47 31 [william.devijlder@bnpparibas.com](mailto:william.devijlder@bnpparibas.com)

## ADVANCED ECONOMIES AND STATISTICS

**Jean-Luc Proutat**

Head – United States, United Kingdom

+33 1 58 16 73 32 [jeanluc.proutat@bnpparibas.com](mailto:jeanluc.proutat@bnpparibas.com)

**Hélène Baudchon**

France – Labour markets

+33 1 58 16 03 63 [helene.baudchon@bnpparibas.com](mailto:helene.baudchon@bnpparibas.com)

**Louis Boisset**

European Central Bank watch, Euro area global view, Japan

+33 1 57 43 02 91 [louis.boisset@bnpparibas.com](mailto:louis.boisset@bnpparibas.com)

**Frédérique Cerisier**

Euro area (European governance and public finances), Spain, Portugal

+33 1 43 16 95 52 [frederique.cerisier@bnpparibas.com](mailto:frederique.cerisier@bnpparibas.com)

**Catherine Stephan**

Nordic countries – World trade – Education, health, social conditions

+33 1 55 77 71 89 [catherine.stephan@bnpparibas.com](mailto:catherine.stephan@bnpparibas.com)

**Raymond Van Der Putten**

Germany, Netherlands, Austria, Switzerland – Energy, climate – Long-term projections

+33 1 42 98 53 99 [raymond.vanderputten@bnpparibas.com](mailto:raymond.vanderputten@bnpparibas.com)

**Tarik Rharrab**

Statistics

+33 1 43 16 95 56 [tarik.rharrab@bnpparibas.com](mailto:tarik.rharrab@bnpparibas.com)

## BANKING ECONOMICS

**Laurent Quignon**

Head

+33 1 42 98 56 54 [laurent.quignon@bnpparibas.com](mailto:laurent.quignon@bnpparibas.com)

**Laure Baquero**

+ 33 1 43 16 95 50 [laure.baquero@bnpparibas.com](mailto:laure.baquero@bnpparibas.com)

**Céline Choulet**

+33 1 43 16 95 54 [celine.choulet@bnpparibas.com](mailto:celine.choulet@bnpparibas.com)

**Thomas Humblot**

+ 33 1 40 14 30 77 [thomas.humblot@bnpparibas.com](mailto:thomas.humblot@bnpparibas.com)

## EMERGING ECONOMIES AND COUNTRY RISK

**François Faure**

Head

+33 1 42 98 79 82 [francois.faure@bnpparibas.com](mailto:francois.faure@bnpparibas.com)

**Christine Peltier**

Deputy Head – Greater China, Vietnam, other North Asian countries, South Africa

+33 1 42 98 56 27 [christine.peltier@bnpparibas.com](mailto:christine.peltier@bnpparibas.com)

**Stéphane Alby**

Africa (French-speaking countries)

+33 1 42 98 02 04 [stephane.alby@bnpparibas.com](mailto:stephane.alby@bnpparibas.com)

**Sylvain Bellefontaine**

Turkey, Ukraine, Central European countries

+33 1 42 98 26 77 [sylvain.bellefontaine@bnpparibas.com](mailto:sylvain.bellefontaine@bnpparibas.com)

**Sara Confalonieri**

Africa (Portuguese & English-speaking countries)

+33 1 42 98 43 86 [sara.confalonieri@bnpparibas.com](mailto:sara.confalonieri@bnpparibas.com)

**Pascal Devaux**

Middle East, Balkan countries

+33 1 43 16 95 51 [pascal.devaux@bnpparibas.com](mailto:pascal.devaux@bnpparibas.com)

**Hélène Drouot**

Korea, Thailand, Philippines, Mexico, Andean countries

+33 1 42 98 33 00 [helene.drouot@bnpparibas.com](mailto:helene.drouot@bnpparibas.com)

**Salim Hammad**

Latin America

+33 1 42 98 74 26 [salim.hammad@bnpparibas.com](mailto:salim.hammad@bnpparibas.com)

**Johanna Melka**

India, South Asia, Russia, Kazakhstan, CIS

+33 1 58 16 05 84 [johanna.melka@bnpparibas.com](mailto:johanna.melka@bnpparibas.com)

## CONTACT MEDIA

**Michel Bernardini**

+33 1 42 98 05 71 [michel.bernardini@bnpparibas.com](mailto:michel.bernardini@bnpparibas.com)



**BNP PARIBAS**

The bank  
for a changing  
world



# OUR PUBLICATIONS



## CONJONCTURE

Structural or in news flow, two issues analysed in depth



## EMERGING

Analyses and forecasts for a selection of emerging economies



## PERSPECTIVES

Analyses and forecasts for the main countries, emerging or developed



## ECOFASH

Data releases, major economic events. Our detailed views...



## ECOWEEK

Weekly economic news and much more...



## ECOTV

In this monthly web TV, our economists make sense of economic news



## ECOTV WEEK

What is the main event this week? The answer is in your two minutes of economy

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.

POUR RECEVOIR NOS PUBLICATIONS

VOUS POUVEZ VOUS ABONNER SUR NOTRE SITE ONGLET ABONNEMENT <http://economic-research.bnpparibas.com>

ET

NOUS SUIVRE SUR LINKEDIN <https://www.linkedin.com/showcase/bnp-paribas-economic-research/> OU TWITTER [https://twitter.com/EtudesEco\\_BNPP](https://twitter.com/EtudesEco_BNPP)

© BNP Paribas (2015). All rights reserved.

Prepared by Economic Research – BNP PARIBAS

Registered Office: 16 boulevard des Italiens – 75009 PARIS

Tel: +33 (0) 1.42.98.12.34 – Internet :

[www.group.bnpparibas.com](http://www.group.bnpparibas.com)

Publisher: Jean Lemierre. Editor: William De Vijlder



BNP PARIBAS

The bank  
for a changing  
world