



### ECONOMIC RESEARCH DEPARTMENT

## Summary

### Emerging

#### Justified caution

The "Trump tantrum" has left few traces on the financial conditions of emerging countries. The cost of corporate financing in dollars is at an all-time low, the oil and metal prices continue to recover and foreign trade seems to be picking up. Cause for rejoicing? It is hard to be so certain, given the kaleidoscope of potential risks.

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### Turkey

#### A complex equation

Economic growth lost its steam in H2 2016 in the aftermath of the aborted coup in July. Political and security concerns are likely to continue dragging down confidence among economic agents and investors, as well as the Turkish lira and economic activity in 2017.

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### Market overview

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### Summary of forecasts

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Also in

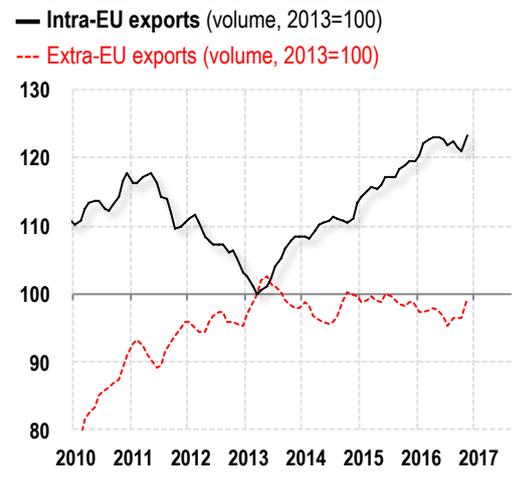


## And what if the EU were to strengthen its ties?

■ The European Union reinforces its own trade... ■ ...while economy picks up ■ The UK has nevertheless chosen to distance itself.

As if thumbing its nose at the prevailing Euroscepticism, the business climate is improving a little more each day in the Old World, especially in industry. The purchasing managers' index rose above 55 in January, a sign of dynamic output. The recovery continues. Stretching from Germany to Spain, it is both widespread and endogenous. Intra-EU trade is indeed picking up, while trade with the rest of the world tends to be flat (chart). This uncoupling is rare: it illustrates the polarisation of trade after several decades of globalisation. As a result, the single market is gaining weight again: it absorbed 64% of EU28 exports in 2016, up from 62% in 2013. Faced with the protectionist threats of the new US administration, Europe's 500 million consumers count more than ever for those who want to continue doing business within an organised framework. Even so, having just decided to leave the European Union, the UK has chosen to distance itself. Just where it intends to go remains to be seen.

### HEALTHY INSIDE



Source: Eurostat

### THE WEEK ON THE MARKETS

Week 3-2 17 > 9-2-17

➔ CAC 40	4 825	➔ 4 826	+0.0 %
➔ S&P 500	2 297	➔ 2 308	+0.5 %
➔ Volatility (VIX)	11.0	➔ 10.9	-0.1 %
➔ Euribor 3M (%)	-0.33	➔ -0.33	+0.0 bp
➔ Libor \$ 3M (%)	1.03	➔ 1.03	-0.0 bp
➔ OAT 10y (%)	1.07	➔ 0.98	-9.3 bp
➔ Bund 10y (%)	0.41	➔ 0.31	-10.2 bp
➔ US Tr. 10y (%)	2.49	➔ 2.41	-8.1 bp
➔ Euro vs dollar	1.08	➔ 1.07	-1.2 %
➔ Gold (ounce, \$)	1 218	➔ 1 235	+1.4 %
➔ Oil (Brent, \$)	57.0	➔ 55.6	-2.6 %

Source: Thomson Reuters