

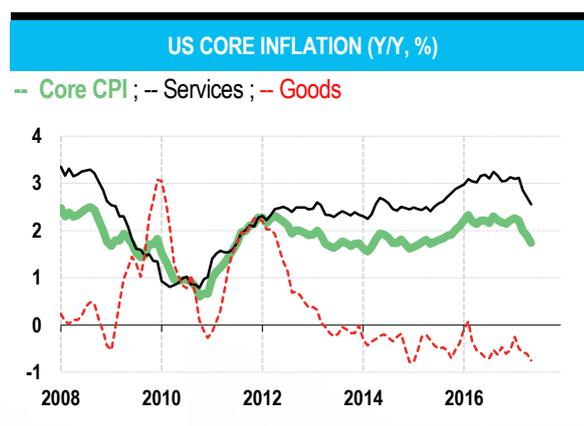
# ECOWEEK

N° 17-24// 16 June 2017

## And the question now is "When"?

■ The Fed increases the Fed Fund Target rate ■ It announces plans to downsize its securities holdings ■ Meanwhile, inflation keeps on slowing down...

This week, the FOMC increased the Fed Fund Target by 25 basis points, in the 1.00%-1.25% fluctuation range. But the main story about the June meeting was the detailed plan for the first step in the balance sheet normalization process. It was already known that, in order to reduce the Fed's holdings of Treasuries and Agencies (bought during the three waves of quantitative easing), the US central bank would stop seizing to reinvest maturing securities. We heard on Wednesday that the Fed would first decrease the amount of reinvestment. Each month, some securities do mature; the Fed used to reinvest all payments; soon, it will reinvest those payments only if they do exceed pre-set (and gradually rising) caps. At first, these caps will be set at USD 6 bn for Treasuries and USD 4 bn for Agencies, caps that will be raised each month until they reach USD 30 bn and USD 20 bn, respectively. The unanswered question is the date at which this will be launched. According to the statement this will be started once the "normalization of the level of the federal funds rate is well under way", a qualitative and vague date that Janet Yellen said she did not want to clarify. In short, the Fed is willing to retain as much flexibility as possible, as it may have to change plans were the economic outlook to deteriorate / improve unexpectedly. The uncertainty is mainly about inflation. As for now, the Fed decided to shrug off the recent deceleration in inflation: during her press brief, Janet Yellen said this was mainly due to "one-off reductions in certain categories of prices, such as wireless telephone services and prescription drugs". That diagnosis may change. Sure enough, there is a lot of truth in Janet Yellen's analysis. Still a deceleration in service prices, and even more a drop, is anything but the sign of a dynamic demand...



Source : US Bureau of Labor Statistics

Alexandra Estiot

p. 2

Chart of the week

p. 3

Markets Overview

p. 4

Indicators

p. 5

Economic scenario

p. 6

Economic forecasts



ECONOMIC RESEARCH DEPARTMENT



BNP PARIBAS

The bank  
for a changing  
world

## Chart of the week

### Qatar

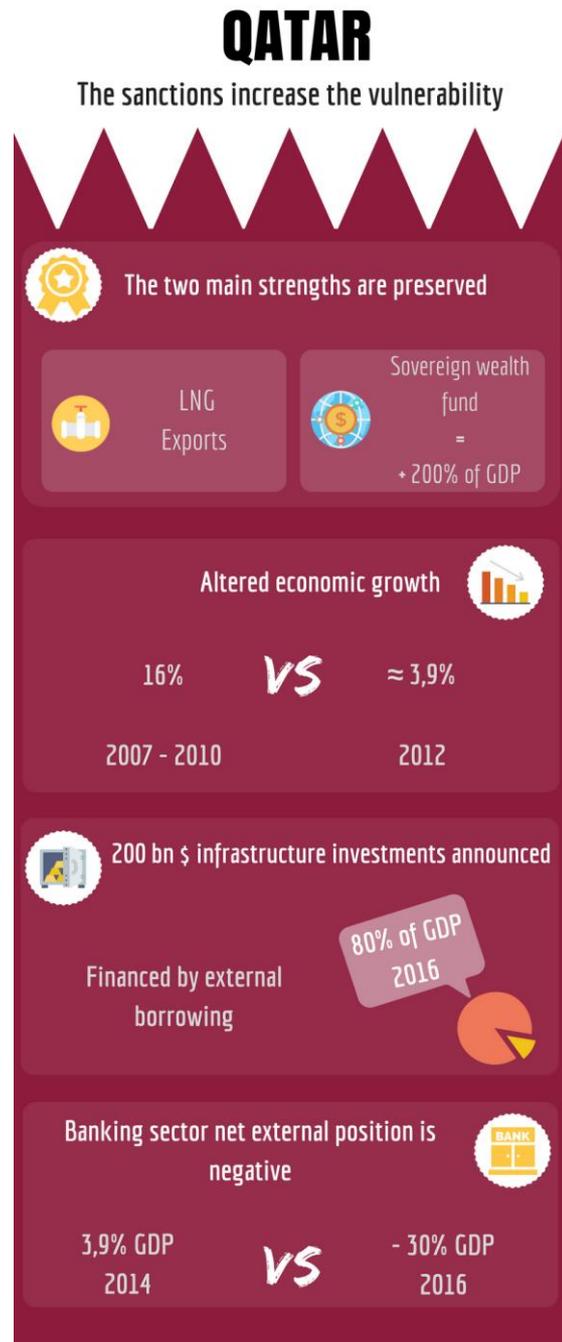
#### The sanctions increase the vulnerability

At their current level, the consequences of the sanctions imposed on Qatar are bearable: alternative commercial channels are used and Qatar's two main strengths are preserved: LNG exports and the sovereign wealth fund (more than 200% of GDP).

However, these tensions have arisen against a background of declining economic conditions. The stagnation of hydrocarbon output and falling oil prices have eaten into economic growth (3.9% per year since 2012, compared to 16% between 2007 and 2010).

In addition, to make the investment set out in the Vision 2030 programme and for the 2022 World Cup (some USD 200 billion announced), the emirate has made massive use of external borrowing estimated at 80% of GDP (excluding banks) in 2016. At the same time, the net external position of the banking sector is currently negative at nearly 30% of GDP, from 3.9% in 2014. Qatar's ability to retain access to external financing is therefore crucial. An extension of sanctions to the financial sector would have a significant effect on economic prospects. The use of the sovereign wealth fund might be possible, but is subject to certain constraints: some assets are relatively illiquid and a significant share of the fund consists of domestic assets.

Pascal Devaux



## Markets overview

### The essentials

Week 9-6 17 > 15-6-17

➤ CAC 40	5 300	▶ 5 217	-1.6 %
➤ S&P 500	2 432	▶ 2 432	+0.0 %
➤ Volatility (VIX)	10.7	▶ 10.9	+0.2 %
➤ Euribor 3M (%)	-0.33	▶ -0.33	+0.2 bp
➤ Libor \$ 3M (%)	1.24	▶ 1.25	+1.4 bp
➤ OAT 10y (%)	0.65	▶ 0.64	-1.0 bp
➤ Bund 10y (%)	0.27	▶ 0.29	+1.9 bp
➤ US Tr. 10y (%)	2.20	▶ 2.16	-3.7 bp
➤ Euro vs dollar	1.12	▶ 1.12	-0.3 %
➤ Gold (ounce, \$)	1 266	▶ 1 255	-0.9 %
➤ Oil (Brent, \$)	48.4	▶ 47.0	-2.9 %

10 y bond yield, OAT vs Bund



Euro-dollar



CAC 40



### Money & Bond Markets

Interest Rates	highest' 17	lowest' 17
€ ECB	0.00 at 02/01	0.00 at 02/01
Eonia	-0.36 at 02/06	-0.37 at 05/06
Euribor 3M	-0.33 at 02/01	-0.33 at 10/04
Euribor 12M	-0.15 at 02/01	-0.15 at 14/06
\$ FED	1.25 at 15/06	0.75 at 02/01
Libor 3M	1.25 at 14/06	1.00 at 02/01
Libor 12M	1.74 at 15/03	1.68 at 06/01
£ BoE	0.25 at 02/01	0.25 at 02/01
Libor 3M	0.29 at 05/01	0.29 at 12/06
Libor 12M	0.61 at 09/01	0.61 at 14/06

At 15-6-17

Yield (%)	highest' 17	lowest' 17
€ AVG 5-7y	0.21 at 17/03	0.18 at 12/06
Bund 2y	-0.68 at 25/01	-0.96 at 24/02
Bund 10y	0.29 at 10/03	0.09 at 02/01
OAT 10y	0.64 at 06/02	0.59 at 14/06
Corp. BBB	1.35 at 01/02	1.29 at 14/06
\$ Treas. 2y	1.36 at 14/03	1.14 at 24/02
Treas. 10y	2.16 at 13/03	2.14 at 14/06
Corp. BBB	3.48 at 14/03	3.46 at 14/06
£ Treas. 2y	0.13 at 06/01	0.01 at 28/02
Treas. 10y	0.96 at 26/01	0.87 at 14/06

At 15-6-17

10y bond yield & spreads

5.88%	Greece	559 pb
2.86%	Portugal	257 pb
1.99%	Italy	170 pb
1.43%	Spain	114 pb
0.69%	Ireland	40 pb
0.64%	France	35 pb
0.63%	Belgium	34 pb
0.50%	Netherland	21 pb
0.41%	Austria	12 pb
0.35%	Finland	6 pb
0.29%	Germany	

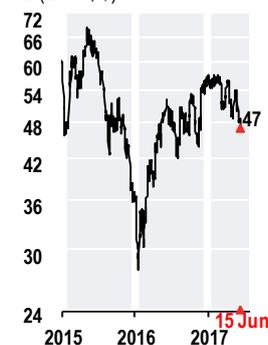
### Commodities

Spot price in dollars	lowest' 17	2017(€)
Oil, Brent	47 at 14/06	-21.6%
Gold (ounce)	1 156 at 03/01	+2.5%
Metals, LMEX	2 639 at 03/01	-3.4%
Copper (ton)	5 462 at 08/05	-3.5%
CRB Foods	325 at 24/04	+3.9%
wheat (ton)	146 at 24/04	+11.2%
Corn (ton)	130 at 23/03	-0.1%

At 15-6-17

Variations

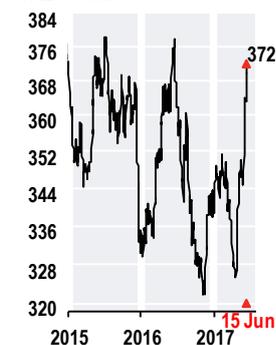
Oil (Brent, \$)



Gold (Ounce, \$)



CRB Foods



### Exchange Rates

1€ =	highest' 17	lowest' 17	2017
USD	1.13 at 14/06	1.04 at 03/01	+5.7%
GBP	0.88 at 12/06	0.84 at 19/04	+2.4%
CHF	1.10 at 10/05	1.06 at 08/02	+1.4%
JPY	123.30 at 25/05	115.57 at 17/04	+0.2%
AUD	1.52 at 01/06	1.37 at 23/02	+0.9%
CNY	7.75 at 22/05	7.22 at 03/01	+3.4%
BRL	3.65 at 13/06	3.24 at 15/02	+6.4%
RUB	64.43 at 31/01	59.66 at 17/04	+0.1%
INR	71.85 at 31/01	68.18 at 07/04	+0.4%

At 15-6-17

Variations

### Equity indices

Index	highest' 17	lowest' 17	2017	2017(€)
CAC 40	5 432 at 05/05	4 749 at 31/01	+7.3%	+7.3%
S&P500	2 440 at 13/06	2 239 at 02/01	+8.6%	+2.8%
DAX	12 823 at 02/06	11 510 at 06/02	+10.5%	+10.5%
Nikkei	20 177 at 02/06	18 336 at 14/04	+3.8%	+3.5%
China*	74 at 08/06	59 at 02/01	+22.3%	+15.2%
India*	540 at 05/06	445 at 03/01	+14.8%	+14.4%
Brazil*	1 695 at 22/02	1 654 at 02/01	+2.0%	-4.1%
Russia*	622 at 03/01	505 at 15/06	-19.9%	-20.8%

At 15-6-17

Variations

\* MSCI index



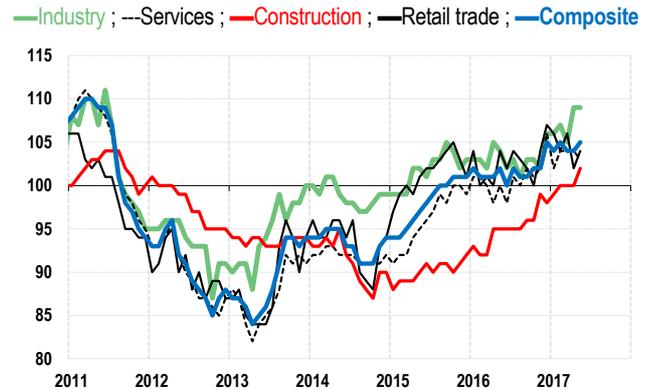
## Indicators

### Thursday 22 France, INSEE business confidence surveys (June)

May	June*	Over 3-m	Expected continuation of the improvement, supported by all sectors of activity
105	106	↗	

\*BNP Paribas forecasts

### France, Business confidence surveys



Source: INSEE

### Thursday 22 Eurozone, Consumer confidence, European Commission (June)

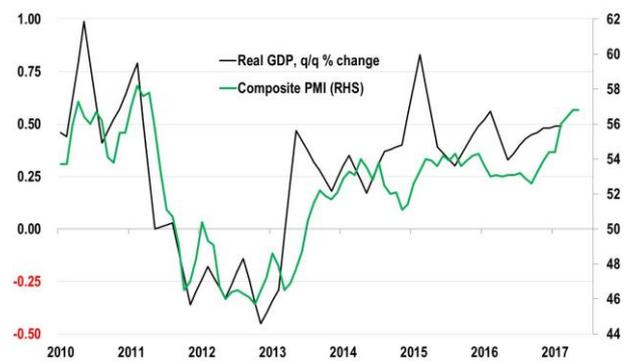
May	June*	Over 3-m	This indicator has seen a strong increase over the past 12 months, reaching the highest level in 10 years
-3.0	-3.3	↗	

### Friday 23 Eurozone, PMI Composite (June)

May	June*	Over 3-m	Confidence should somewhat temper but is likely to comfortably remain in expansionary territory
56.8	56.6	↗	

\*Consensus Bloomberg

### Eurozone: composite PMI and real GDP growth



Source: Eurostat, Markit

### Friday 23 France, PMI Composite (June)

May	June*	Over 3-m	After a strong increase, this indicator has stabilised in recent months, having reached a level which corresponds with robust growth
56.9	56.7	=	

\*Consensus Bloomberg

### Friday 23 Germany, PMI Composite (June)

May	June*	Over 3-m	The strong uptrend of this indicator has been driven by the manufacturing sector.
57.4	57.2	↗	

\*Consensus Bloomberg



## Economic scenario

### UNITED STATES

- GDP growth keeps on a decent 2% pace, however the fiscal outlook remains uncertain. A fiscal stimulus still is possible, but it would not be implemented before end-2017. Potential effects are thus uncertain.
- The labour market is buoyant than ever. Still, the support to households' disposable income is not as strong as it looks as wage inflation remains limited.
- With inflation relatively muted at this stage of the cycle, the Fed is in no rush to increase rates. Still, as the labour market slowly normalises, wages will eventually accelerate, and the Fed funds target will move towards its equilibrium rate.

### CHINA

- After a period of stabilisation since Q2 2016, growth is expected to slow down moderately in the short term.
- Exports should continue to rebound and infrastructure projects will continue to drive investment. However the downside risks are high due to the reduction in industrial production capacity, risks of a downturn in the real estate market and greater financial instability, and slow growth of household revenues.
- The authorities are expected to maintain an expansionist fiscal policy, while the central bank continues to tighten monetary conditions very cautiously.

### EUROZONE

- The recovery is getting stronger and broader: the dispersion of economic performances among member states is receding.
- Despite the cyclical recovery, core inflation still shows no sign of a convincing upward trend. For the recovery to enter its inflationary phase the economy has to improve further, until the point at which wages will tend to increase.
- The level of slack remains uncertain though. Broader measures of labor underutilization reach 18%, double the level of the current unemployment rate. The ECB is expected to remain cautious.

### FRANCE

- A slow growth acceleration is underway. Slightly higher rates of growth should resume. Households' consumption is supported by the jobs recovery but restrained by the upturn in inflation. Investment and exports dynamics are favourable. Risks lie slightly on the upside.
- We expect the output gap to slowly narrow and the unemployment rate to progressively decline, containing the rise in inflation.
- Fiscal policy should continue to combine growth supportive measures and consolidation ones. The fiscal deficit should not be a lot more reduced but it should remain below the 3% threshold.

Annual growth, %	2016	2017 e	2018 e
<b>GDP</b>	<b>1.6</b>	<b>2.2</b>	<b>2.6</b>
Private consumption	2.7	2.8	2.8
Gross Fixed Capital Formation	-0.5	5.0	5.5
Exports	0.4	3.0	2.6
Consumer Price Index (CPI)	1.3	2.0	2.5
CPI ex food and energy	2.2	2.1	2.7
Unemployment rate	4.9	4.6	4.2
Current account balance	-2.6	-2.8	-3.1
Fed. Govt. Budget Balance (% of GDP)	-3.1	-2.9	-3.5
Gross Fed. Govt. Debt (% GDP)	75.9	76.2	76.8

Annual growth, %	2016	2017 e	2018 e
<b>GDP</b>	<b>6.7</b>	<b>6.6</b>	<b>6.4</b>
Industrial output	6.0	6.5	6.0
Gross Fixed Capital Formation (nominal)	8.1	8.5	8.0
Exports (nominal)	-7.7	6.0	5.0
Consumer Price Index (CPI)	2.0	1.8	2.3
Producer Price Index (PPI)	6.0	6.5	6.0
Current account (% GDP)	1.8	1.4	1.1
Gen. Govt. Balance (% of GDP)	-3.8	-3.2	-3.0
Foreign reserves (\$bn)	3 011	3 024	3 072

Annual growth, %	2016	2017 e	2018 e
<b>GDP</b>	<b>1.7</b>	<b>1.9</b>	<b>1.6</b>
Private consumption	1.9	1.5	1.4
Gross Fixed Capital Formation	3.5	1.9	2.6
Exports	2.9	4.5	3.9
Consumer Price Index (CPI)	0.2	1.6	1.4
CPI ex food and energy	0.9	1.1	1.4
Unemployment rate	10.0	9.3	8.8
Current account balance	3.3	3.6	3.5
Gen. Govt. Balance (% of GDP)	-1.5	-1.4	-1.3
Public Debt (% GDP)	91.3	90.3	89.0

Annual growth, %	2016	2017 e	2018 e
<b>GDP</b>	<b>1.1</b>	<b>1.6</b>	<b>1.6</b>
Private consumption	1.8	1.4	1.6
Gross Fixed Capital Formation	2.7	2.4	3.1
Exports	1.2	2.9	3.7
Consumer Price Index (HCPI)	0.3	1.3	1.0
CPI ex food and energy	0.6	0.7	0.9
Unemployment rate	10.1	9.6	9.3
Current account balance	-0.9	-1.1	-0.9
Gen. Govt. Balance (% of GDP)	-3.4	-3.0	-2.8
Public Debt (% GDP)	96.3	96.3	96.2

Sources: BNP Paribas Group Economic Research, European Commission, e: Estimates and forecasts



## Economic forecasts

%	GDP Growth			Inflation			Curr. Account / GDP			Gen. Govt. Balance / GDP		
	2016	2017 e	2018 e	2016	2017 e	2018 e	2016	2017 e	2018 e	2016	2017 e	2018 e
<b>Advanced</b>	<b>1.7</b>	<b>2.0</b>	<b>1.9</b>	<b>0.8</b>	<b>1.7</b>	<b>1.9</b>						
United-States	1.6	2.2	2.6	1.3	2.0	2.5	-2.6	-2.8	-3.1	-3.1	-2.9	-3.5
Japan	1.0	1.4	1.0	-0.1	0.6	0.7	3.8	4.0	4.4	-4.7	-4.4	-4.1
United-Kingdom	1.8	1.8	1.1	0.6	2.6	2.6	-4.4	-3.4	-2.5	-3.0	-2.9	-2.3
<b>Euro Area</b>	<b>1.7</b>	<b>1.9</b>	<b>1.6</b>	<b>0.2</b>	<b>1.6</b>	<b>1.4</b>	<b>3.3</b>	<b>3.6</b>	<b>3.5</b>	<b>-1.5</b>	<b>-1.4</b>	<b>-1.3</b>
Germany	1.8	2.0	1.9	0.4	1.8	1.7	8.3	8.1	8.2	0.8	0.5	0.3
France	1.1	1.6	1.6	0.3	1.3	1.0	-0.9	-1.1	-0.9	-3.4	-3.0	-2.8
Italy	1.0	1.2	0.6	-0.1	1.6	1.2	1.6	2.1	2.2	-2.4	-2.3	-2.3
Spain	3.2	2.8	2.2	-0.3	2.1	1.6	1.8	2.1	2.1	-4.5	-3.2	-2.6
<b>Emerging</b>	<b>4.1</b>	<b>4.5</b>	<b>5.0</b>	<b>4.4</b>	<b>3.1</b>	<b>3.5</b>						
China	6.7	6.6	6.4	2.0	1.8	2.3	1.8	1.4	1.1	-3.8	-3.2	-3.0
India	7.5	7.3	7.8	4.9	4.9	5.2	-1.1	-0.8	-1.6	-3.8	-3.5	-3.2
Brazil	-3.6	0.5	3.0	8.8	4.0	4.4	-1.3	-1.3	-2.5	-8.9	-8.8	-7.7
Russia	-0.6	1.2	2.0	7.1	4.2	4.3	1.7	2.4	2.0	-3.5	-3.1	-2.8
<b>World</b>	<b>3.1</b>	<b>3.5</b>	<b>3.7</b>	<b>2.8</b>	<b>2.5</b>	<b>2.8</b>						

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

## Financial forecasts

Interest rates, %		2017				2018				2016	2017e	2018e
		Q1	Q2e	Q3e	Q4e	Q1e	Q2e	Q3e	Q4e			
<b>US</b>	Fed Funds	1.00	1.25	1.25	1.50	1.75	2.00	2.25	2.50	0.75	1.50	2.50
	Libor 3m \$	1.15	1.20	1.50	1.75	1.90	2.05	2.25	2.45	1.00	1.75	2.45
	T-Notes 10y	2.40	2.20	2.60	3.00	3.10	3.25	3.25	3.25	2.45	3.00	3.25
<b>Ezone</b>	Taux "refi" BCE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.00	0.00	0.25
	Euribor 3 mois	-0.33	-0.33	-0.36	-0.36	-0.36	-0.36	-0.16	0.05	-0.32	-0.36	0.05
	Bund 10y	0.33	0.29	0.60	0.80	1.00	1.20	1.40	1.50	0.11	0.80	1.50
	OAT 10y	0.97	0.74	1.05	1.25	1.45	1.65	1.80	1.90	0.69	1.25	1.90
<b>UK</b>	Base rate	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.25	0.25	0.50
	Gilts 10y	1.07	1.00	1.10	1.25	1.40	1.55	1.80	2.00	1.24	1.25	2.00
<b>Japan</b>	BoJ Rate	-0.06	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.06	-0.10	-0.10
	JGB 10y	0.07	0.06	0.07	0.08	0.08	0.08	0.08	0.08	0.05	0.08	0.08

Exchange Rates		2017				2018				2016	2017e	2018e
		Q1	Q2e	Q3e	Q4e	Q1e	Q2e	Q3e	Q4e			
<b>USD</b>	EUR / USD	1.07	1.10	1.07	1.04	1.05	1.06	1.08	1.10	1.05	1.04	1.10
	USD / JPY	111	115	117	120	118	116	114	112	117	120	112
	GBP / USD	1.25	1.31	1.30	1.30	1.30	1.29	1.29	1.29	1.24	1.30	1.29
	USD / CHF	1.00	1.00	1.05	1.08	1.07	1.06	1.04	1.05	1.02	1.08	1.05
<b>EUR</b>	EUR / GBP	0.86	0.84	0.82	0.80	0.81	0.82	0.84	0.85	0.85	0.80	0.85
	EUR / CHF	1.07	1.10	1.12	1.12	1.12	1.12	1.12	1.15	1.07	1.12	1.15
	EUR / JPY	119	127	125	125	124	123	123	123	123	125	123

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



# GROUP ECONOMIC RESEARCH

■ **William DE VIJDER** +33(0)1 55 77 47 31 william.devijlder@bnpparibas.com  
Chief Economist

## ADVANCED ECONOMIES AND STATISTICS

■ **Jean-Luc PROUTAT** +33.(0)1.58.16.73.32 jean-luc.proutat@bnpparibas.com  
Head

■ **Alexandra ESTIOT** +33.(0)1.58.16.81.69 alexandra.estiot@bnpparibas.com  
Works coordination - United States - United Kingdom - Globalisation

■ **Hélène BAUDCHON** +33.(0)1.58.16.03.63 helene.baudchon@bnpparibas.com  
France (short-term outlook and forecasts) - Labour markets

■ **Frédérique CERISIER** +33.(0)1.43.16.95.52 frederique.cerisier@bnpparibas.com  
Euro Area (European governance and public finances), Spain, Portugal

■ **Thibault MERCIER** +33.(0)1.57.43.02.91 thibault.mercier@bnpparibas.com  
Euro Area (short-term outlook and monetary policy), France (structural reforms)

■ **Catherine STEPHAN** +33.(0)1.55.77.71.89 catherine.stephan@bnpparibas.com  
Nordic countries - World trade - Education, health, social conditions

■ **Raymond VAN DER PUTTEN** +33.(0)1.42.98.53.99 raymond.vanderputten@bnpparibas.com  
Germany, Netherlands, Austria, Switzerland - Energy, climate - Long-term projections

■ **Tarik RHARRAB** +33.(0)1.43.16.95.56 tarik.rharrab@bnpparibas.com  
Statistics and Modelling

## BANKING ECONOMICS

■ **Laurent QUIGNON** +33.(0)1.42.98.56.54 laurent.quignon@bnpparibas.com  
Head

■ **Céline CHOLET** +33.(0)1.43.16.95.54 celine.choulet@bnpparibas.com

■ **Thomas HUMBLLOT** +33.(0)1.40.14.30.77 thomas.humbloit@bnpparibas.com

## EMERGING ECONOMIES AND COUNTRY RISK

■ **François FAURE** +33.(0)1 42 98 79 82 francois.faure@bnpparibas.com  
Head - South Africa, Argentina - Methodology

■ **Christine PELTIER** +33.(0)1.42.98.56.27 christine.peltier@bnpparibas.com  
Deputy Head - Greater China, Vietnam, other North Asia countries - Methodology

■ **Stéphane ALBY** +33.(0)1.42.98.02.04 stephane.alby@bnpparibas.com  
Africa (French-speaking countries)

■ **Sylvain BELLEFONTAINE** +33.(0)1.42.98.26.77 sylvain.bellefontaine@bnpparibas.com  
Turkey, Brazil, Mexico, Central & South America - Methodology

■ **Pascal DEVAUX** +33.(0)1.43.16.95.51 pascal.devaux@bnpparibas.com  
Middle East, Balkan countries, Nigeria, Angola - Scoring

■ **Anna DORBEC** +33.(0)1.42.98.48.45 anna.dorbec@bnpparibas.com  
CIS, Central European countries

■ **Johanna MELKA** +33.(0)1.58.16.05.84 johanna.melka@bnpparibas.com  
Asia, Russia

■ **Alexandra WENTZINGER** +33.(0)1.42.98.74.26 alexandra.wentzinger@bnpparibas.com  
Chile, Uruguay, Paraguay

■ **Michel BERNARDINI** +33.(0)1.42.98.05.71 michel.bernardini@bnpparibas.com  
Contact Média



**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.

YOU WANT TO RECEIVE OUR PUBLICATIONS?  
**SUBSCRIBE ON OUR WEBSITE**  
<http://economic-research.bnpparibas.com>

OR

READ AND WATCH OUR ANALYSES ON **ECO NEWS**, OUR IPAD AND ANDROID APPLICATION

© 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