EDMOND DE ROTHSCHILD

23 SEPTEMBER 2019

WEEKLY ECONOMIC INSIGHTS

A PUBLICATION OF THE **ECONOMIC RESEARCH** TEAM

SUPPORT FOR DETERIORATED ECONOMIC ACTIVITY

Our economic and financial analysis of the week's events (p.2)

- The US Federal Reserve, the Swiss National Bank, the Bank of Japan and the Bank of England held their monetary policy meetings on 18 and 19 September
- In the US, **the Fed lowered its key rate by 25 basis points to 2.00%**, once again citing the risks linked to the slowdown in global growth and trade tensions
- Given the deterioration in the economic outlook and the easing cycle started by the Fed...
- ... **the potential for a rise in US long-term rates should be limited, unless oil prices were to continue to rise and lead to short-term investor concerns**
- **In Switzerland, the SNB maintained its key rate at -0.75%, but modified its exemption limits for banks** with the aim of alleviating the burden of negative rates on them...
- ... in order to ensure room for manoeuvre in monetary policy. **The SNB has thus also eased its monetary policy, despite not yet changing its key rate**
- **In Japan, the central bank maintained its targets for its key rate and the 10-year JGB yield** at -0.10% and 0.00%, respectively...
- ... **but it indicated that it intends to review its outlook for economic activity and prices** at its next meeting, **which tends to support our forecast of another cut in its key rate**...
- ... without, however, changing its asset purchase policy given the very low yield of the 10-year JGB
- **In the UK, the Bank of England maintained its key rate at 0.75%, but expressed greater concerns about the slowdown of global growth and Brexit**
- While Brexit-related uncertainties are causing greater volatility and downwards pressure on the sterling exchange rate, the Bank of England's leeway for lowering its key rate should be reduced...
- ... but we continue to anticipate that, **in the event of a no-deal exit of the UK from the European Union, the BoE could resume its asset purchases**
- **In the eurozone, PMI surveys deteriorated in September...**
- ... which should incite the European Central Bank to maintain a very dovish communication over the coming months

Chief Editor: Sophie Casanova – Deputy Director of Economic Research
Editorial Director: Mathilde Lemoine, Group Chief Economist

SUPPORT FOR DETERIORATED ECONOMIC ACTIVITY

1. **US Federal Reserve**
   The Fed continues its monetary easing cycle
2. **Swiss National Bank**
   The SNB has reduced the cost of negative rates for banks
3. **Bank of Japan**
   The BoJ opened the door to new monetary easing in October
4. **Bank of England**
   The BoE has adopted a slightly more dovish tone
5. **Eurozone**
   The PMI surveys deteriorated in September

Sophie Casanova – Economist Central Banks, +33 1 40 17 37 15, s.casanova@edr.com

The Fed and the Swiss National Bank held their monetary policy meetings on 18 and 19 September. The Fed lowered its key rate by 25 basis points, once again citing the risks linked to the slowdown in global growth and trade tensions. In Switzerland, the SNB maintained its key rate at -0.75%, but modified its exemption limits for banks with the aim of alleviating the burden of negative rates on them in order to ensure room for manoeuvre in monetary policy. In Japan, the BoJ maintained its targets for its key rate and the 10-year JGB yield at -0.10% and 0.00%, respectively, but it indicated that it intends to closely review the outlook for economic activity and prices at its next meeting in October. For its part, the Bank of England, which also opted for the monetary status quo by maintaining its key rate at 0.75%, highlighted the downside risks for its macroeconomic scenario.

In this Weekly we analyse the implications of these monetary policy decisions. According to our analysis, the worldwide wave of monetary easing launched in the summer of 2019 is not over and, while uncertainty remains high, both the Fed and the SNB, and even the BoJ, may have to lower their key rates in the coming months. The BoE's leeway may be more limited, but in the event of a no-deal Brexit it could resume its asset purchases.

1. FED: IT CONTINUES ITS MONETARY EASING CYCLE

- The US Federal Reserve cut its fed funds rate by 25 basis points on 18 September to 2.00%.
- **The Fed confirmed that its rate cuts are part of a preventive approach**, i.e. to insure against economic and international trade risks. It thus continues to suggest that it is no longer data dependent, meaning that its priority is the influence of investor expectations. This could result in greater volatility.
- **US GDP growth started to slow in the summer of 2018**. Furthermore, the factor driving growth, i.e. household consumption, could rapidly be stamped out with the rise in oil prices (the price of WTI has risen from $55 to $59 per barrel since 13 September) and the upcoming application of higher trade tariffs on all imports coming from China on 15 December. The outlook for activity has deteriorated sharply (the manufacturing ISM stood at 49.1 in August vs. 56.6 in January 2019).
- **The cuts in the fed funds rate in July and September brought it back to its level of August 2018**. But the press conference indicates that the FOMC is open to further easing, which could limit the extent of the yield curve inversion.
- **Moreover, the Fed could soon resume the expansion of its balance sheet**. While recent tensions on the money market result from technical factors, more structural factors, notably the insufficient level of excess reserves, are also at play.
- **Given the deterioration in the economic outlook and the easing cycle started by the Fed, the potential for a rise in US long-term rates is limited, unless oil prices were to continue to rise and lead to short-term investor concerns.**

Box 1: The tensions on the US repo market are pushing the Fed to act by injecting liquidity

The tensions on US money markets rose significantly this week. Notably, the overnight repo rate, which was close to 2.00% on Friday 13 September, surged to close to 10% during the session of 17 September. This rise in short-term interest rates led the New York Federal Reserve to intervene by injecting USD75 billion via its open market operations on 17, 18, 19 and 20 September. This liquidity provision enabled the repo rate to return to close to 1.75% on 20 September.

Technical factors that led to a shortage of short-term liquidity were in play. Tax payment dates for companies and Treasury auctions held by the US Treasury dried up the liquidity on the market.

However, according to our analysis, this sharp rise in short-term interest rates could be a sign that the excess reserves of US banks have become too low. The reserves deposited by US banks with the Fed, which had increased from USD282 billion at the start of 2008 to USD2,820 billion in October 2014, dropped sharply when the Fed decreased the size of its balance sheet. This contraction of banks' excess reserves has, moreover, continued since the Fed stabilised the size of its balance sheet in August 2019, as, notably, currency in circulation continued to grow. Thus, these reserves, which had returned to USD1,490 billion on 1 August stood at USD1,385 billion, on 17 September.

While the Fed has committed to maintaining high excess reserves to carry out its monetary policy[1], it is likely to be reluctant to have to intervene frequently via open market operations in order to provide liquidity to market participants. **As a result, in order to ensure that excess reserves do not drop further and that they will be large enough, the Fed could once again increase the size of its balance sheet, according to our analysis**.

2. SNB: IT HAS REDUCED THE COST OF NEGATIVE RATES FOR BANKS

- While the SNB maintained its key rate at -0.75%, **it reduced the burden for banks in order to be able to lower its key rate later on**, according to our analysis.
- The Swiss National Bank was able to maintain its key rate at -0.75% thanks to the lower pressure than expected on the Swiss franc. Firstly, the cut in the ECB's deposit rate was less than what investors were expecting, and the ECB implemented a system of exemptions from negative rates for European banks. Thus, the rate differential between the eurozone and Switzerland widened less than expected, which reduced the upwards pressure on the Swiss franc against the euro. Moreover, recent signs of China's good intentions reassured investors and slightly reduced the franc's appeal as a safe haven currency.
- **The SNB nevertheless did not remain inactive**. It raised the exemption limit on negative interest rates and announced that it would revise it every month in order to **reduce the cost of negative rates on Swiss banks. It thereby gave itself the means to lower rates in the event of an increase in global uncertainty and if the European economy were to deteriorate sharply**.
- Like the other major central banks, the SNB has eased its monetary policy, despite not yet changing its key rate. Although it has lowered the cost of the negative rates for banks, Swiss bond yields remain negative across all maturities on the yield curve, and savers continue to suffer from the effects.

Box 2: The SNB announced a change in its exemptions from negative interest rates

The Swiss National Bank announced that it was adjusting its exemption limits on negative interest rates for banks. Not only will it raise the total amount of sight deposits exempted, but it will update this threshold monthly to reflect developments in banks' balance sheets over time.

Thus, for the Swiss banks, under the new exemption terms, the exempted amount will correspond to **the moving average of the minimum reserve requirements over the preceding 36 reference periods, multiplied by the applicable threshold factor. The threshold factor can be revised by the SNB. It was initially set at 25.**

As a reminder, the SNB had previously defined the amount of excess reserves exempted from negative interest rates as equal to 20x the amount of minimum reserves that had been required during the reference period of November 2014. **In 2014 the SNB had thus chosen a static threshold for its exemptions system which, over time, had increased the amount of excess reserves of banks subject to a negative interest rate** (from CHF153 billion at the start of 2015 to CHF302 billion in August 2019). As shown in the chart, the share of excess reserves subject to a negative interest rate thus amounted to close to 50% in August 2019.

The changes to the previous exemption system announced today were significant in that not only do they enable the quantity of deposits exempted from negative rates to be revised up, they make the exemption system dynamic, which will prevent an increase in the burden of negative rates when banks' balance sheets rise.

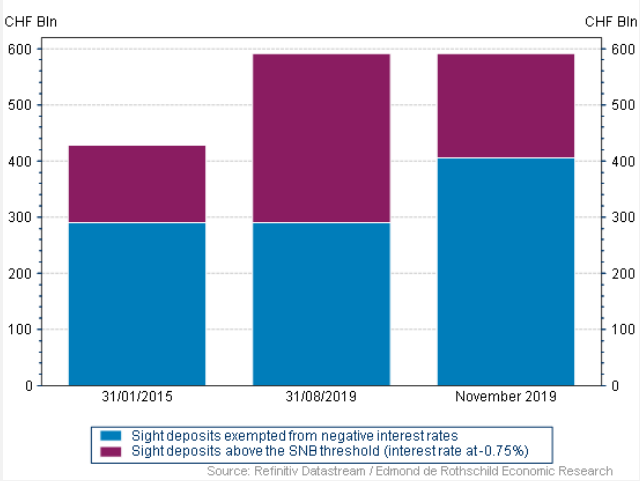
The impact of this measure will only be able to be assessed at the individual bank level as the exemption is defined based on the amount of required reserves of each one. **However, from a macroeconomic point of view and based on the aggregate data**

[1] See notably: https://www.federalreserve.gov/newsevents/pressreleases/monetary20190320c.htm

available, we can establish that:

- **The amount of excess reserves exempt from the negative interest rates will increase on 1 November from CHF290 billion to close to CHF405 billion.**
- This implies that the share of excess reserves subject to a negative interest rate, which had increased from 32% at the start of 2015 to 51% at end-August 2019 (as up to now the quantity exempted was fixed), would return to 31% in November.
- **The average interest rate paid on all excess reserves, which had dropped from -0.24% at the start of 2015 to -0.38% in August 2019, would return to -0.24%.**

Chart: Impact for the banks of the change in the terms of exemption from negative interest rates



3. BOJ: IT OPENED THE DOOR TO NEW MONETARY EASING IN OCTOBER

- Following its monetary policy meeting, the Bank of Japan maintained the targets for its key rate and the 10-year JGB yield at -0.10% and 0.00%, respectively.
- Furthermore, the BoJ reiterated its forward guidance on its key rate and the level of long-term interest rates, repeating that it intends to maintain their current extremely low levels for an extended period of time, at least until the summer of 2020.
- In its press release, **the BoJ highlighted the ongoing slowdown in global growth as well as the increasing downside risks to economic activity**.
- **This led it to conclude that it is necessary to pay closer attention to the risk that inflation would not return to the 2.0% target** (in August, core inflation came in at just 0.4%, i.e. the same level as its average since the start of 2019).
- **The BoJ thus committed to reviewing its outlook for economic activity and prices at its meeting on 31 October** when it updates its quarterly macroeconomic forecasts.
- **This statement supports our forecast according to which the Bank of Japan could decide to carry out further monetary easing by decreasing its key rate.**
- **Conversely, given the extremely low level of the 10-year JGB**, which was at -0.21% at the close on 20 September (i.e. close to the low point of +/-20bp to its target tolerated by the BoJ), **we do not expect a change in the BoJ's asset purchase policy in the near future**.

4. BOE: THE BOE HAS ADOPTED A SLIGHTLY MORE DOVISH TONE

- The Bank of England maintained its key rate at 0.75% following its monetary policy meeting of 19 September.
- **The tone of its communication was nevertheless more accommodative than previously, with the bank notably underlining that the slowdown in the global economy and uncertainty related to the Brexit terms could increase downward pressure on economic activity and prices**.
- Furthermore, the BoE once again revised its GDP forecast for the UK downward, estimating that it could come in at +0.2% q-o-q in Q2 vs. +0.3% as it had estimated previously.
- **While Brexit-related uncertainties are causing greater volatility and downwards pressure on the sterling exchange rate**[2], **the Bank of England's leeway to lower its key rate could be reduced**, according to our analysis, as any drop in the pound could increase inflationary pressure in the UK.
- Conversely, we continue to anticipate that, **in the case of a withdrawal of the UK from the EU without an agreement, the BoE could resume its asset purchases**, notably of its sovereign Gilt bonds, while demand from international investors for these securities could be reduced.

5. EUROZONE: PMI SURVEYS DETERIORATED IN SEPTEMBER

Jean-Christophe Delfim – Economist, Eurozone and Real Estate, +41 58 818 82 43, jc.delfim@edr.com

- The preliminary publication of the PMI surveys for the eurozone for September show a deterioration in activity in the manufacturing sector and, to a lesser extent, the services sector.
- As shown in the table below, **the manufacturing index for the eurozone has dropped sharply, returning to its lowest level since October 2012, while the services sector has returned to its lowest level since December 2014**. The composite index is at the same level as it was in June 2013.
- **The trend in the German purchasing manager surveys was the most unfavourable. The German manufacturing index was, notably, at its lowest level since June 2009**, confirming the contraction in manufacturing activity. The services and composite indices returned to their lowest readings since December 2018 and October 2012, respectively.
- **France's indices were also down, but to a more limited extent**, with the services and composite indices returning to their levels of May 2019 and the index of the manufacturing sector to that of April 2019.
- While the ECB announced a full set of easing measures on 12 September[3], these PMI surveys could back its decision to maintain a very dovish tone over the coming months.

	Eurozone			Germany			France		
	Composite	Manufacturing	Services	Composite	Manufacturing	Services	Composite	Manufacturing	Services
2016 (avg)	**53.3**	**52.5**	**53.1**	**54.3**	**53.2**	**54.1**	**50.9**	**49.8**	**51.1**
2017 (avg)	**56.4**	**57.4**	**55.6**	**56.6**	**59.4**	**54.6**	**56.8**	**55.2**	**57**
2018 (avg)	**54.6**	**55**	**54.5**	**54.8**	**56.1**	**54.2**	**55**	**53.3**	**55.5**
Q2 2018 (avg)	54.7	55.5	54.6	54.3	57	53.2	55.4	53.6	55.9
Q3 2018 (avg)	54.3	54.3	54.4	55.2	55.5	55	54.4	53.1	55
Q4 2018 (avg)	52.3	51.7	52.8	52.4	51.8	53.3	52.3	50.6	53.1
Q1 2019 (avg)	51.5	49.1	52.4	52.1	47.1	54.6	49.2	50.8	49
Q2 2019 (avg)	51.8	47.7	53.1	52.5	44.6	55.6	51.3	50.8	51.6
6.2019	52.2	47.6	53.6	52.6	45	55.8	52.7	51.9	52.9
7.2019	51.5	46.5	53.2	50.9	43.2	54.5	51.9	49.7	52.6
8.2019	51.9	47	53.5	51.7	43.5	54.8	52.9	51.1	53.4
09.2019 (Preliminary)	50.4	45.6	52	49.1	41.4	52.5	51.3	50.3	51.6

Source: Thomson Reuters Datastream, Edmond de Rothschild Economic Research

[2] Its nominal effective exchange rate, which has picked up by 4.7% since August 2019 with fears of a no-deal Brexit having been reduced slightly, nevertheless remains -3.4% below its level at the start of May 2019 and -17.6% below its level of November 2015, i.e. before the announcement of the referendum on the UK leaving the European Union

3 See our Weekly Economist Insights of 16 September 2019

APPENDIX 1 – LATEST CHANGES ON FINANCIAL MARKETS

PERFORMANCE IN LOCAL CURRENCY 20/09/2019	LAST PRICE	WEEKLY CHANGE	MONTHLY CHANGE	YEAR-TO-DATE CHANGE	1-YEAR CHANGE
Equities					
World (MSCI)	2 198	-0.4%	4.9%	16.6%	-0.1%
United States (S&P 500)	2 992	-0.5%	5.1%	19.4%	2.1%
Eurozone (Euro Stoxx 50)	3 571	0.6%	7.1%	19.0%	4.1%
Germany (DAX)	12 468	0.0%	7.4%	18.1%	0.3%
France (CAC 40)	5 691	0.6%	6.8%	20.3%	3.6%
Spain (IBEX 35)	9 179	0.5%	6.1%	7.5%	-4.3%
Italy (FTSE MIB)	22 123	-0.3%	8.1%	20.7%	2.7%
Portugal (PSI 20)	5 016	-0.6%	4.7%	6.0%	-6.2%
United Kingdom (FTSE 100)	7 345	-0.3%	3.5%	9.2%	-1.9%
Switzerland (SMI)	10 057	0.1%	3.2%	19.3%	11.8%
Japan (Nikkei)	22 079	1.5%	6.6%	10.3%	-7.5%
Emerging Markets (MSCI)	1 021	-0.5%	4.9%	5.7%	-2.9%
Sovereign Bonds, 10Y *(change in basis point)*					
United States	1.72%	-17.4	18.6	-96.3	-134.1
Eurozone					
Germany	-0.52%	-7.2	15.4	-76.3	-98.3
France	-0.22%	-5.2	15.2	-93.1	-100.0
Spain	0.24%	-6.6	9.8	-118.0	-125.9
Italy	0.92%	4.2	-39.4	-181.9	-190.7
Portugal	0.25%	-7.2	8.5	-147.3	-162.0
United Kingdom	0.63%	-13.4	14.7	-64.9	-92.5
Switzerland	-0.77%	-10.9	16.9	-51.5	-77.6
Japan	-0.21%	-5.4	2.4	-21.0	-34.0
Emerging Markets (local currency)	3.90%	-3.3	1.2	-94.5	-140.7
Corporate Bonds *(change in basis point)*					
United States (IG Corp.)	2.98%	-14.6	8.6	-33.0	-112.4
Eurozone (IG Corp.)	0.45%	0.9	19.3	-26.8	-63.7
Emerging Markets (USD)	4.98%	-4.3	-12.9	46.9	-115.8
High-Yield Bonds *(change in basis point)*					
United States (HY Corp.)	5.57%	-12.3	-21.7	-14.5	-67.7
Eurozone (HY Corp.)	3.35%	-3.4	-28.8	45.3	-37.8
Convertible Bonds					
United States (Convert. Barclays)	53	-0.1%	1.8%	13.5%	-1.4%
Eurozone (Convert. Exane)	8 055	-0.2%	1.0%	9.5%	3.2%
Commodities					
Commodities	394	-0.1%	4.8%	0.8%	-2.8%
Gold	1 508	1.0%	-1.2%	17.7%	26.0%
Crude Oil (Brent)	65	6.6%	10.8%	21.5%	-17.3%
Currencies					
Dollar Index	98.7	0.1%	1.1%	2.6%	4.8%
EURUSD	1.10	-0.1%	-1.4%	-4.2%	-6.5%
GBPUSD	1.24	0.0%	1.4%	-2.5%	-5.2%
EURCHF	1.09	0.3%	-0.2%	3.3%	4.0%
USDCHF	1.01	-0.1%	1.7%	1.0%	2.8%
USDJPY	107.49	-0.6%	2.0%	-1.9%	-4.7%

Source : Bloomberg

Main Economic Indicators - Released (16 - 20 September) and to be released (23 - 27 September)

Date	Indicator	Period	Consensus	Actual	Prior	Revised
US						
Date	Indicator	Period	Consensus	**Actual**	Prior	Revised
17/09	**Industrial Production, MoM**	**Aug**	**0.2%**	**0.6%**	**-0.2%**	**-0.1%**
17/09	**Manufacturing Production, MoM**	**Aug**	**0.2%**	**0.5%**	**-0.4%**	**--**
18/09	**Housing Starts, month**	**Aug**	**1250k**	**1364k**	**1191k**	**1215k**
18/09	**Building Permits, month**	**Aug**	**1300k**	**1419k**	**1336k**	**1317k**
18/09	**FOMC Rate Decision (Upper Bound)**		**2.00%**	**2.00%**	**2.25%**	**--**
18/09	**FOMC Rate Decision (Lower Bound)**		**1.75%**	**1.75%**	**2.00%**	**--**
19/09	**Existing Home Sales, month**	**Aug**	**5.38m**	**5.49m**	**5.42m**	**--**
24/09	*Case-Shiller 20-City Home Price index, YoY*	*Jul*	*2.1%*	--	*2.1%*	--
25/09	*New Home Sales, month*	*Aug*	*656k*	--	*635k*	--
26/09	*GDP, QoQ annualized*	*2Q T*	*2.0%*	--	*2.0%*	--
26/09	*GDP, YoY*	*2Q T*			*2.3%*	
26/09	*Advance Goods Trade Balance, month*	*Aug*	*-$73.5b*	--	*-$72.3b*	--
27/09	*Personal Income, MoM*	*Aug*	*0.4%*	--	*0.1%*	--
27/09	*Durable Goods Orders, MoM*	*Aug P*	*-1.1%*	--	*2.0%*	--
27/09	*Personal Spending, MoM*	*Aug*	*0.3%*	--	*0.6%*	--
27/09	*PCE index, YoY*	*Aug*	*1.4%*	--	*1.4%*	--
Euro zone						
Date	Indicator	Period	Consensus	**Actual**	Prior	Revised
18/09	**Core HICP, YoY**	**Aug F**	**0.9%**	**0.9%**	**0.9%**	**--**
18/09	**HICP, YoY**	**Aug F**	**1.0%**	**1.0%**	**1.0%**	**--**
23/09	**Manufacturing PMI, month**	**Sep P**	**47.3**	**45.6**	**47.0**	**--**
23/09	**Services PMI, month**	**Sep P**	**53.3**	**52.0**	**53.5**	**--**
23/09	**Composite PMI, month**	**Sep P**	**52.0**	**50.4**	**51.9**	**--**
26/09	*M3 Money Supply, YoY*	*Aug*	*5.1%*	--	*5.2%*	--
26/09	*ECB Publishes Economic Bulletin*					
27/09	*Economic Confidence, month*	*Sep*	*103.0*	--	*103.1*	--
27/09	*Business Climate Indicator, month*	*Sep*	*12.0%*	--	*11.0%*	--
Germany						
Date	Indicator	Period	Consensus	**Actual**	Prior	Revised
17/09	**ZEW Survey Current Situation, month**	**Sep**	**-15.0**	**-19.9**	**-13.5**	**--**
17/09	**ZEW Survey Expectations, month**	**Sep**	**-38.0**	**-22.5**	**-44.1**	**--**
23/09	**Manufacturing PMI, month**	**Sep P**	**44.0**	**41.4**	**43.5**	**--**
23/09	**Services PMI, month**	**Sep P**	**54.3**	**52.5**	**54.8**	**--**
23/09	**Composite PMI, month**	**Sep P**	**51.5**	**49.1**	**51.7**	**--**
24/09	*IFO Business Climate, month*	*Sep*	*94.5*	--	*94.3*	--
France						
Date	Indicator	Period	Consensus	**Actual**	Prior	Revised
23/09	**Manufacturing PMI, month**	**Sep P**	**51.2**	**-**	**51.1**	**--**
23/09	**Services PMI, month**	**Sep P**	**53.2**	**51.6**	**53.4**	**--**
23/09	**Composite PMI, month**	**Sep P**	**52.6**	**51.3**	**52.9**	**--**
24/09	*INSEE Business Confidence, month*	*Sep*	*105.0*	--	*105.0*	--
27/09	*Consumer Spending, MoM*	*Aug*	*0.3%*	--	*0.4%*	--
27/09	*HICP, YoY*	*Sep P*	*1.3%*	--	*1.3%*	--
Switzerland						
Date	Indicator	Period	Consensus	**Actual**	Prior	Revised
19/09	**Exportations réelles, GM**	**Aug**	**--**	**-4.4%**	**-1.8%**	**-1.2%**
19/09	**Importations réelles, GM**	**Aug**	**--**	**1.0%**	**-0.5%**	**0.0%**
19/09	**SNB key interest rate**		**-0.75%**	**-**	**-0.75%**	**--**
23/09	**M3 Money Supply, YoY**	**Aug**	**--**	**-**	**3.1%**	**3.2%**
UK				**-**		-
Date	Indicator	Period	Consensus	**-**	Prior	-
16/09	**Rightmove House Price Index, MoM**	**Sep**	**--**	**-0.2%**	**-1.0%**	**--**
16/09	**Rightmove House Price Index, YoY**	**Sep**	**--**	**0.2%**	**1.2%**	**--**
18/09	**CPI, YoY**	**Aug**	**1.9%**	**1.7%**	**2.1%**	**--**
18/09	**Core CPI, YoY**	**Aug**	**1.8%**	**1.5%**	**1.9%**	**--**
19/09	**Retail Sales, MoM**	**Aug**	**0.0%**	**-0.2%**	**0.2%**	**0.4%**
19/09	**Bank of England Bank Rate**		**0.75%**	**0.75%**	**0.75%**	**--**
19/09	**BOE Asset Purchase Target**	**Sep**	**435b**	**435b**	**435b**	**--**
24/09	*CBI Trends Total Orders, month*	*Sep*	*-16.0*	--	*-13.0*	--
27/09	*GfK Consumer Confidence, month*	*Sep*	*-14.0*	--	*-14.0*	--
Japon						
Date	Indicator	Period	Consensus	**Actual**	Prior	Revised
19/09	**BOJ Short-Term Policy Rate**		**-0.10%**	**-0.10%**	**-0.10%**	**--**
19/09	**BOJ Long-Term Policy Rate**		**0.00%**	**0.00%**	**0.00%**	**--**
20/09	**CPI, YoY**	**Aug**	**0.3%**	**0.3%**	**0.5%**	**--**
China						
Date	Indicator	Period	Consensus	**Actual**	Prior	Revised
16/09	**Fixed Assets Ex Rural, YTD YoY**	**Aug**	**5.7%**	**5.5%**	**5.7%**	**--**
16/09	**Industrial Production, YoY**	**Aug**	**5.2%**	**4.4%**	**4.8%**	**--**
16/09	**Industrial Production, YtD YoY**	**Aug**	**5.7%**	**5.6%**	**5.8%**	**--**
16/09	**Retail Sales, YoY**	**Aug**	**7.9%**	**7.5%**	**7.6%**	**--**
16/09	**Retail Sales, YtD YoY**	**Aug**	**8.3%**	**8.2%**	**8.3%**	**--**
17/09	**New Home Prices,MoM**	**Aug**	**--**	**0.6%**	**0.6%**	**--**

EDMOND DE ROTHSCHILD (SUISSE) S.A.
Rue de Hesse 18 – 1204 Genève - T. +41 58 818 91 91 |
Rue de Morat 11 – 1700 Fribourg - T. +41 26 347 24 24
Avenue Agassiz 2 – 1003 Lausanne - T. +41 21 318 88 88
Via Ginevra 2 – 6900 Lugano - T. +41 91 913 45 00
Beethovenstrasse 9 – 8002 Zürich - T. +41 44 818 81 11

EDMOND DE ROTHSCHILD (EUROPE)
Luxembourg – Boulevard Emmanuel Servais 20 – 2535 Luxembourg – T. +352 24 88 1
Belgique – Avenue Louise – Louizalaan 480/ Boite 16A – 1050 Bruxelles – T. +32 2 645 5757
Espagne – Paseo de la Castellana 55 – 28046 – Madrid – T. +34 91 364 6600
Portugal – Rua D.Pedro V 130 – 1250-095 Lisboa – T. +351 21 045 4660

EDMOND DE ROTHSCHILD (FRANCE)
47, rue du Faubourg Saint-Honoré – 75008 Paris – T. +33 1 40 17 25 25
116, rue de Jemmapes – 59800 Lille – T. +33 3 62 53 75 00
27, rue Auguste Comte – 69006 Lyon – T. +33 4 72 82 35 25
Hôtel de Saige 23, cours du Chapeau Rouge – 33000 Bordeaux – T. +33 5 56 44 20 66
165, avenue du Prado – 13008 Marseille – T. +33 4 91 29 90 80
11, rue La Fayette – 44000 Nantes – T. +33 2 53 59 10 00
6, avenue de la Marseillaise – 67000 Strasbourg – T. +33 3 68 33 90 00
22, rue Croix Baragnon – 31000 Toulouse – T. +33 5 67 20 49 00
Succursale Italiana, 36, Corso Venezia – 20121 Milano Italia - T. +39 02-760611

www.edmond-de-rothschild.com