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WEEKLY ECONOMIC INSIGHTS

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CENTRAL BANKS DETERMINED TO PROVIDE LIQUIDITY

OUR ECONOMIC AND FINANCIAL ANALYSIS OF THE WEEK'S EVENTS (p. 2)

THE CORONAVIRUS EPIDEMIC AND THE CENTRAL BANKS

- **The health crisis has dried up liquidity on some asset markets, such as:**
  - The US sovereign bond (Treasuries) market. Their long-term yields, which up until now had dropped sharply as a result of the flight to quality, have risen abruptly
  - The cost of financing in dollars has increased significantly vis-à-vis most currencies
- **But the Federal Reserve reacted, without waiting for the 18 March FOMC meeting, by announcing on Sunday 15 March :**
  - A 100 basis point cut in the Fed funds rate to 0.25%
  - Purchases of $500bn of Treasuries and $200bn of Mortgage Backed Securities
- **The U.S. Central Bank also said it will resume buying short-term corporate debt to reopen the credit market**
- **Furthermore, the Fed along with the European Central Bank, the Swiss National Bank, the Bank of England, the Bank of Japan and the Bank of Canada have announced that they will facilitate the provision of dollar liquidity**
- **The Fed's responsiveness demonstrates its willingness to stem any drying up of liquidity in the US credit market and in dollar funding for its partners**

OIL MARKET

- **Russia and Saudi Arabia have entered into a war of attrition that is keeping the price of oil low**
- **Canada and Brazil should suffer**

Chief Editor: Sophie Casanova – Deputy Director of Economic Research

CENTRAL BANKS DETERMINED TO PROVIDE LIQUIDITY

1. **Coronavirus**
   The Fed is determined to stem the drying up of liquidity
2. **Oil Market**
   Saudi Arabia is boosting production, cutting prices and looking to take customers away from Russia

1. CORONAVIRUS: CENTRAL BANKS RESPOND STRONGLY TO THE RISK OF LIQUIDITY DRY-UP

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The intensification of the global health crisis, characterised by the very rapid rise in the number of coronavirus cases, has led to drastic restriction measures by the governments, notably in European countries, resulting in the immediate halt of activity, and caused several countries, notably the United States, to declare a state of emergency.

In this context, investor confidence has deteriorated significantly as reflected in the rise in the implied volatility of the equity indices. In the United States, the VIX rose from 41.94 on 6 March to 75.47 on 12 March before returning to 57.83 on 13 March. In Europe, the VSTOXX index increased from 43.0 on 6 March to 74.3 on 13 March. Meanwhile equity indices fell (the S&P 500 lost -8.8% and the Eurostoxx 50 -20.0%).

Furthermore, signs of a significant liquidity shortage have appeared on some financial markets, including those deemed to be the safest. Thus, for example, in the United States, the Treasury yields, which had benefited over the last few weeks from a flight-to-quality movement, abruptly rebounded, with the 10-year and 30-year Treasuries notably rising from 0.54% to 0.96% and from 1.00% to 1.54%, respectively, between 9 and 13 March. Likewise, the cost of liquidity in dollars surged, as shown, for example, by the collapse of the EUR/USD swap premium, the value of which decreases when the cost of financing in dollars increases, which moved from -12.9 points on 6 March to -51.4 on 13 March.

Faced with this beginning of a liquidity crisis, the central banks were forced to intervene urgently and rapidly implement new exceptional measures in addition to the monetary easing measures they had already taken.

The most important announcements came from the US Federal Reserve (Fed), which did not hesitate in deciding, on the evening of 15 March, on a full set of large-scale measures. Following an intermeeting, the Fed opted to:

- Lower the fed funds rate by 100 basis points, bringing it to its lowest historical level of 0.25%. This massive cut in the fed funds rate reduces the cost of liquidity in dollars and is also a “signal” aiming to reassure investors of the central bank’s determination, according to our analysis.
- Resume its asset purchases, committing in the coming months to:
  - $500bn in Treasuries
  - $200bn in Mortgage-Backed Securities

  These asset purchases should enable the Fed, as announced by Jerome Powell, to intervene on the Treasury and MBS markets to inject as much liquidity as necessary and thus avoid a sharp rise in yields. The Fed will intervene in a discretionary manner according to liquidity needs. This is why, unlike for the previous asset purchase programmes, it did not specify its monthly pace of purchases.
- Lower the discount rate applied to banks by 125 basis points to 0.25% so that banks can refinance at a low cost from the Fed. In addition, the reserve requirements for all banks were lowered to 0.00%. Lastly, the Fed said that it was encouraging banks to use their capital and liquidity buffers to support lending to households and businesses affected by the coronavirus outbreak. All of these measures aim both to ensure that sufficient liquidity is available to banks and to encourage them to lend to businesses and households.

Finally, the main central banks announced, also on the evening of 15 March, coordinated measures aiming to ensure available financing in dollars:

- The Fed, the European Central Bank (ECB), the Swiss National Bank (SNB), the Bank of England (BoE), the Bank of Japan (BoJ) and the Bank of Canada announced that they are reopening their swap lines that will enable the Fed to lend dollars to other central banks. The latter will set up three-month lending operations for which the interest rate will be the US overnight indexed swap (OIS) rate plus 25 basis points.

In the wake of these announcements, on 16 March:

- The BoJ announced it was doubling the amounts of its ETF purchases (increasing the yearly pace to 12,000 billion yen) and its purchases of Japanese real estate trust funds. It also indicated it was increasing by 2,000bn yen its purchases of commercial paper issued by companies for short-term financing and corporate bonds.
- The Korean central bank lowered its key rate by 50 basis points to 0.75% and the New Zealand central bank by 75 basis points to 0.25%.

Several other central banks had also made announcements a few days before the Fed's action.

Thus, the ECB, which, contrary to investor expectations, had not lowered its deposit rate at its regular meeting of 12 March, maintaining it at -0.50%, nevertheless unveiled the following measures:

- A temporary envelope of €120bn will be dedicated to asset purchases between now and the end of the year. These purchases will come on top of the monthly €20bn in monthly purchases carried out as part of its asset purchase programme and will especially target corporate bonds.
- An easing of the conditions of the quarterly targeted longer-term refinancing operations (TLTROs 3):
    - The rate applied will be 25 basis points lower than the refinancing rate (which is at 0.00%) and could be lowered by up to 25 basis points below the deposit rate (at -0.50%) if the banks achieve a pre-set lending target. The rate applied in these operations thus could be -0.75%.
    - The maximum amount of liquidity requested from the ECB could reach 50% of banks' outstanding eligible loans (vs. 30% previously).
    - The ECB has also committed to studying measures to soften its rules regarding the collateral it accepts in these operations.
- Additional refinancing operations will be carried out on a weekly basis to enable banks to request liquidity between two quarterly TLTROs. The rate on these liquidity loans will be equal to the deposit rate, i.e. -0.50%.

In the UK, the BoE, following an exceptional meeting on 11 March, opted for the following measures:

- A 50 basis-point cut in its key rate, bringing it to 0.25%, its lowest historical level, to which it had been lowered following the results of the Brexit referendum.
- Measures set up to provide liquidity to banks with incentives to increase their lending, in particular to SMEs. It will carry out 4-year refinancing operations at an interest rate close to that of its key rate.
- A reduction in the countercyclical capital buffer of 1% to 0% on banks' exposures to UK borrowers (it was to be raised to 2% in December 2020). It will be maintained at this level for at least 12 months. The BoE specified that this would make close to £190 billion available to banks (the equivalent of 13 times the net credit granted by UK banks to businesses in 2019).

Lastly, in China, the country's central bank announced a decrease in its reserve requirement ratio by 50 to 150 basis points for banks that will lend to small and medium-sized companies on 13 March, which should enable an injection of close to 550bn yuan into the Chinese financial system.

Analysis and implications

- Since the spread of the coronavirus outbreak, liquidity has been a major concern for the central banks and governments. If corporate spreads have sharply risen, the far-reaching measures taken by the Fed on the evening of 15 March and supplemented on 16 March by the announcement of the purchase of short term corporate debt show the determination of the Federal Reserve to curb any onset of a liquidity crisis.
- The other central banks, except notably the ECB, have not only lowered their key rates to reduce financing costs but they also set up measures to reduce banks' constraints, providing them with liquidity and inciting them to lend more to companies and households.
- Governments, for their part, have notably endeavoured to reduce the constraints on companies (notably SMEs) and households and provide them with temporary financial support, aiming primarily to limit their cash flow problems (see text insert p. 5).
- These measures are aimed at avoiding a credit crunch that could be generated, on the one hand, by an increase in defaults by companies and households that have been shut down and, on the other hand, by the inability of banks to maintain their financing to the economy.

Insert: The main government measures announced to limit the recessive impact of the quarantine outside China

United States: USD250 billion

- A bill was signed for an $8.3 billion emergency spending package
- The US Treasury Department will defer the payment of taxes without interest or penalties for certain individuals and companies This measure could represent 200 billion dollars
- The Small Business Administration will provide liquidity to companies
- The Federal Emergency Management Agency, which has a budget of $42 billion, which could be raised to $50 billion according to Donald Trump, will be able to assist state and local governments

European Union: EUR37 billion (a sleeper agent!):

- €8 billion guarantee for loans for 100,000 companies
- Support for private/public research on vaccines, diagnosis and treatment
- Suspension of rules concerning State aid to enable governments to support companies and reduce defaults
- Support to health spending, SMEs or other vulnerable activities
- Member countries will be authorised to exceed the usual budget restrictions, notably the 3% deficit limit of the European treaties

Germany: EUR500 billion

- The German plan appears to be the most complete and ambitious, and primarily aims to support all companies through higher loans than to date with simplified and accelerated procedures
- In particular, the available amount of these loans will increase by €93 billion to more than €550 billion, and the federal government will bear more risk
- Guarantee of loans and cash facilities
- Deferred payment of corporate tax
- Official statements suggest that the balanced budget rule could be suspended if more funds are necessary to counter the impact of the epidemic
- In addition, public investment will increase by at least €12.4 billion between now and 2024
- Partial unemployment measures borne by the State will be put in place

France: EUR40 billion

- Possible deferral of social contributions and taxes in March
- Tax breaks for the companies hit the hardest
- Creation of a solidarity fund for SMES with cash problems
- The State has asked banks to reschedule bank loan repayments with the Banque de France as mediator
- Adoption of partial unemployment programmes subsidised by the State (100% compensation for companies vs. on the basis of the minimum wage (SMIC) which is the current compensation level)
- Increase in the bank guarantees of the Banque publique d'investissement (BPI) by 40% to 90% and broadening of these guarantees to intermediate-sized companies (ETIs)
- Aid for the refinancing of companies
- Extensions granted to companies that cannot honour a contract with the public sector

Spain: EUR14 billion (1.2% of GDP)

- Affected employees will receive 75% of their salary
- Aid to SMEs that need liquidity and tax credits
- Partial unemployment benefits and subsidies to families having to keep their children at home

1/2

Italy: EUR25 billion (0.6% of GDP)

- Suspension of home loan payments for 18 months for workers whose activity has been suspended or reduced for 30 days
- Freeze on taxes, reduction in retirement contributions
- Funds for seasonal workers, micro-companies and independent workers
- Concerning aid to companies in particular, it will be offered first to companies whose turnover has dropped by more than 25%
- Reinforcement of ordinary partial unemployment benefits and extension of exceptional partial unemployment benefits for services companies
- 12-day parental leave with 80% income paid for low wages and 30% for high salaries
- Additional funding for the healthcare system
- Public guarantee for arrears on loans to businesses

Switzerland: Federal: CHF10 billion, of which CHF8 billion in unemployment insurance

- Further decrease in the waiting time to receive partial unemployment from three days to one day until 30 April
- Administrative simplifications for easier access to measures for reducing working hours
- Bank loan guarantees for SMEs totalling CHF580 million for up to 1 million per case
- Up to CHF4.5 million could also be requested to offset losses linked to export promotion activities
- Pending: temporary aid for companies with cash flow problems and companies having suffered from cancellations of events, zero-interest loans for those without access to bank loans, extension of partial unemployment to employees with fixed-term contracts and temporary workers
- Due to Switzerland's federal system, measures at the level of the cantons have also been announced. Geneva in particular has announced it is making 50 million francs available to companies in difficulty

United Kingdom: GBP30 billion

- £7 billion for self-employed workers and SMEs: sickness benefits paid for 14 days for companies with fewer than 250 employees, direct financial aid of £3,000 for 700,000 SMEs, local tax exemptions, subsidies and bank loans to support SMEs
- 5 billion for the health system

Australia: AUD11.4 million

- Subsidies for companies in the sectors hit the hardest

Korea: KRW12 billion (0.6% of GDP)

- Aid for the medical sector and subsidies for childcare
- Aid for SMEs to pay wages
- Extension of loan schedules

Japan: USD4.6 billion + USD15 billion

- Second set of measures to counter the effects of the epidemic, focusing on support for small and medium-sized companies

Malaysia: MYR20 billion (1.3% of GDP)

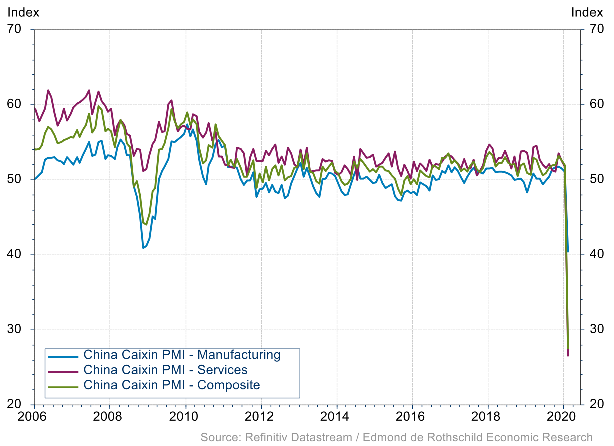
- Credit facilities, deferred payment of income tax
- Reduction in the minimum contribution to the "Employee Provident Fund" and money paid to the lowest-income households
- Financing of infrastructure in rural areas
- Individual aid to tourism sector workers
- Subsidies to the healthcare sector

2/2

Sources: Government, Reuters, Edmond de Rothschild Economic Research

Chart 1: PMIs in China

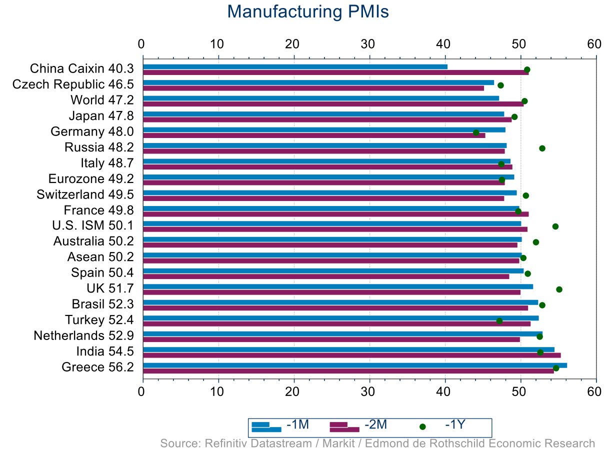
China's activity recorded an exceptionally sharp drop in February



Source: Refinitiv Datastream / Edmond de Rothschild Economic Research

Chart 2: Manufacturing PMIs

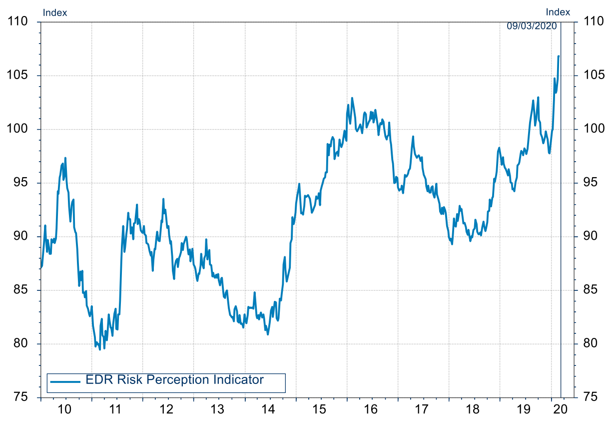
The impact of the epidemic remained limited in February in the other main regions



Source: Refinitiv Datastream / Markit / Edmond de Rothschild Economic Research

Chart 3: Financial stress

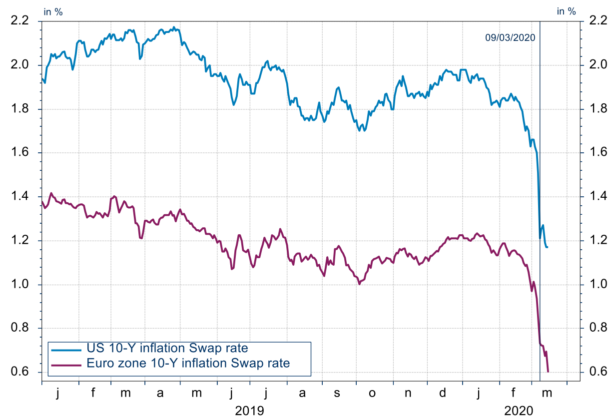
Our financial stress indicators show that the uncertainty linked to the coronavirus has continued to rise



Source: Refinitiv Datastream / Edmond de Rothschild Economic Research

Chart 4: Inflation expectations

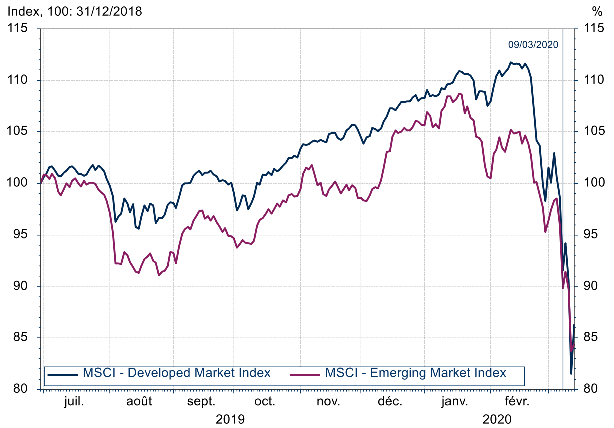
Inflation expectations are at historical lows



Source: Refinitiv Datastream / Edmond de Rothschild Economic Research

Chart 5: Equity markets

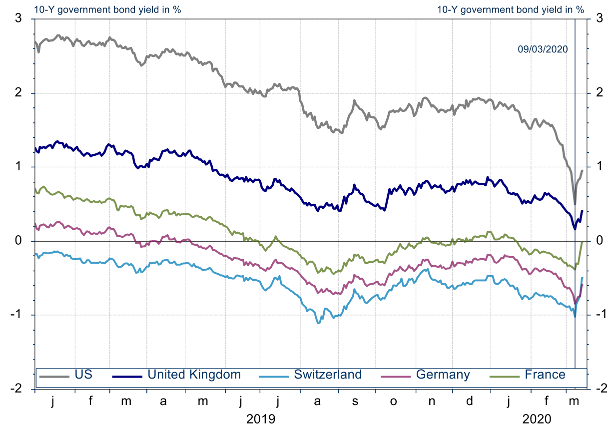
The spread of the epidemic on a global scale has led to a sharp rise in risk premiums



Source: Refinitiv Datastream / Edmond de Rothschild Economic Research

Chart 6: 10-Year yields

Government yields have sharply increased last week



Source: Refinitiv Datastream / Markit, ISM / Edmond de Rothschild Economic Research

2. OIL MARKET: SAUDI ARABIA IS BOOSTING PRODUCTION, CUTTING PRICES AND LOOKING TO TAKE CUSTOMERS AWAY FROM RUSSIA

Manuel Maleki – Economist, m.maleki@edr.com

Oil prices have tumbled lately, driven down by weak expected demand and a war for market share between Russia and Saudi Arabia. For the time being, it is hard to say which side will win and how long the situation might last. One thing is for sure: the longer this goes on, the tougher it is going to be on the oil sectors of countries such as Brazil, Canada and the United States.

Oil prices have tanked in recent weeks on:

- demand-related fears with economic activity expected to shrink owing to COVID-19
- expectations of plentiful supply, with Saudi Arabia, the United Arab Emirates (UAE) and Russia all upping production.

Saudi oil company Aramco is set to increase its production capacity to 12.3 million barrels per day (mb/d) from approximately 9.5 mb/d at present, while the UAE is targeting 4 mb/d in April, up from just over 3 mb/d right now. The two countries plan to quickly increase the supply of oil to the market by raising their output and drawing on reserves. Russia, meanwhile, is going to boost its output by 0.2 mb/d in April to 11 mb/d.

The war for market share looks set to intensify, with Saudi Arabia specifically targeting Russian customers and offering oil at $25 a barrel. For now, Russia has said that it is not interested in resuming talks within OPEC+, which comprises OPEC plus ten producing countries, including Russia, and accounts for about 50% of global production.

One might think that Riyadh has the advantage over Moscow and should be able to impose its view on the oil market without difficulty. Digging deeper, though, we see a more nuanced situation. While Saudi oil is much cheaper to extract than Russian oil (between $3 and $5 a barrel vs. between $15 and $20), Russia's fiscal breakeven point, i.e. the price per barrel at which the country's budget breaks even, is much lower than Saudi Arabia's (approx. $40 vs. $80). Moreover, from a technical point of view, Russia is better positioned because it exports a significant share of its oil to China through the Eastern Siberia – Pacific Ocean pipeline. The pipeline, which opened in 2011, has enabled Russia to become China's number-one supplier, with a market share of about 15%, compared with 14% for Saudi Arabia. This method of transporting oil is much less costly than shipping, whose cost per day tripled this week on the back of Riyadh's decisions.

In the war of attrition that is taking shape, Russia has smaller foreign currency reserves than Saudi Arabia (approx. $450bn vs. $630bn), but they are less volatile (Chart 1). Both countries are among the largest holders of foreign currencies. Looking at their domestic currencies, the rouble floats according to supply and demand, even if the Russian central bank can intervene, whereas the Saudi riyal is pegged to the dollar, so Russia has more flexibility in its economic policy.

In short, both camps have strengths and weaknesses, making it hard to say for sure which side will come out on top. Obviously, we should not rule out the possibility that the two countries might reach a compromise if oil demand turns out to be stronger than currently expected.

The conflict will affect other producers. Last week we talked about US producers. They have now begun announcing drastic cuts to budgets and future investments, and are talking with service firms in a bid to lower costs by around 25%.

It is important to remember that other major producers such as Canada and Brazil have benefited from the OPEC+ quotas policy to boost production, the former specialising in heavy oil and oil sands, while the latter has massive deepwater oil fields. These two countries account for about 7% of global production (around 7 mb/d) and have stepped up their output by about 1 mb/d overall since the Algiers Agreement reached in September 2016 (see Chart 2). However, their production costs are higher than those of Russia or Saudi Arabia. Accordingly, the Canadian oil sector, which is made up of private companies, is expected to suffer, while Petrobras, the state-owned company in charge of Brazil's oil, is also likely to encounter difficulties.

Analysis and implications

- The combination of increased supply and declining demand is hitting crude prices.
- From an economic standpoint, lower prices should help energy-importing economies, such as those of Europe, in the short term by freeing up household purchasing power and reducing businesses' energy bills.
- Although the fall in prices is having an adverse impact on US business investment, the overall impact remains positive, as the decrease benefits households as well as companies through wider margins. Oil price movements are a key component of inflation, so the decline should, at least temporarily, act as a dampener on inflation.
- Many producing countries that are highly dependent on oil, such as Nigeria, Angola and Iraq, are expected to suffer economically, which could have social repercussions for these fragile countries. Richer nations such as Saudi Arabia might also experience difficulties.
- If the current price decline continues, it could threaten the business models of US, Canadian and Brazilian producers, which rely on higher prices. However, the impact on the sector is likely to be felt strongly in a few months from now, as the hedging strategies implemented by firms to gain some visibility should safeguard them from the effects of the fall for that long.
- At this point, we believe that both sides look ready to wage this war of attrition for as long as it takes, with Moscow and Riyadh sending signals showing their resolve not to yield. Neither country wants to bear the cost of reduced production alone. The lack of reliable information on costs and production levels makes it unclear what the outcome of this price war will be and when the conflict is to be resolved.

Chart 1: Saudi Arabia's foreign currency reserves are larger, but more volatile, than those of Russia

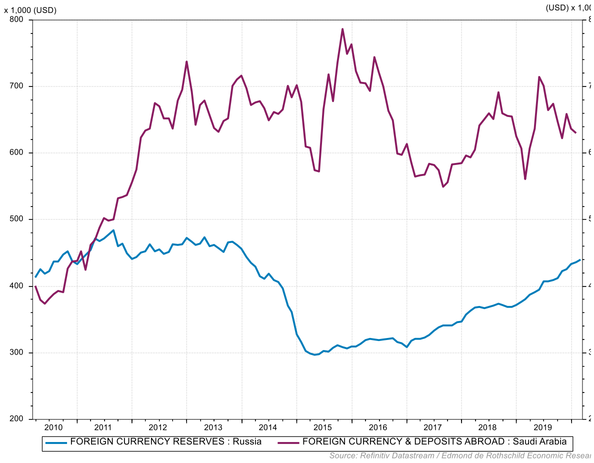
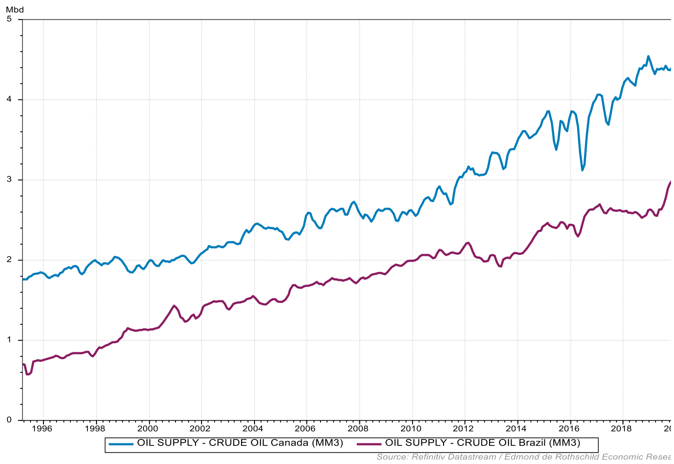


Chart 2: *Canada and Brazil have benefited from OPEC+ quotas to boost their production*



APPENDIX 1 – LATEST CHANGES ON FINANCIAL MARKETS

PERFORMANCE IN LOCAL CURRENCY 13/03/2020	LAST PRICE	WEEKLY CHANGE	MONTHLY CHANGE	YEAR-TO-DATE CHANGE	1-YEAR CHANGE
Equities					
World (MSCI)	1 882	-12.5%	-22.6%	-20.2%	-10.8%
United States (S&P 500)	2 711	-8.8%	-19.8%	-16.1%	-3.9%
Eurozone (Euro Stoxx 50)	2 586	-20.0%	-32.7%	-31.0%	-23.6%
Germany (DAX)	9 232	-20.0%	-32.8%	-30.3%	-21.0%
France (CAC 40)	4 118	-19.9%	-32.1%	-31.1%	-23.8%
Spain (IBEX 35)	6 630	-20.9%	-33.4%	-30.6%	-29.0%
Italy (FTSE MIB)	15 954	-23.3%	-35.8%	-32.1%	-24.2%
Portugal (PSI 20)	3 837	-17.9%	-28.0%	-26.4%	-26.8%
United Kingdom (FTSE 100)	5 366	-17.0%	-27.6%	-28.9%	-25.8%
Switzerland (SMI)	8 368	-14.1%	-24.8%	-21.2%	-11.8%
Japan (Nikkei)	17 431	-16.0%	-25.9%	-26.3%	-18.7%
Emerging Markets (MSCI)	891	-11.9%	-19.4%	-20.0%	-15.7%
Sovereign Bonds, 10Y *(change in basis point)*					
United States	0.96%	19.8	-62.5	-91.9	-162.7
Eurozone					
Germany	-0.54%	16.6	-14.3	-35.9	-62.8
France	0.02%	36.1	17.4	-10.0	-44.1
Spain	0.62%	40.8	32.8	15.4	-56.7
Italy	1.79%	71.2	86.4	37.3	-71.1
Portugal	0.82%	51.9	52.8	37.7	-49.1
United Kingdom	0.41%	17.7	-21.5	-45.4	-79.8
Switzerland	-0.52%	33.4	16.9	-4.5	-21.2
Japan	0.05%	17.5	8.1	6.5	8.8
Emerging Markets (local currency)	3.58%	32.1	10.9	-130.1	-111.6
Corporate Bonds *(change in basis point)*					
United States (IG Corp.)	3.18%	95.9	55.6	-13.1	-67.0
Eurozone (IG Corp.)	1.05%	59.1	69.4	24.1	12.6
Emerging Markets (USD)	6.04%	163.6	161.4	152.7	43.8
High-Yield Bonds *(change in basis point)*					
United States (HY Corp.)	8.27%	191.5	312.6	255.9	172.2
Eurozone (HY Corp.)	6.32%	232.7	329.4	336.9	232.6
Convertible Bonds					
United States (Convert. Barclays)	48	-12.9%	-19.9%	-13.9%	-8.6%
Eurozone (Convert. Exane)	7 739	-4.8%	-9.2%	-5.6%	0.7%
Commodities					
Commodities	350	-7.8%	-13.2%	-16.8%	-14.1%
Gold	1 517	-9.3%	-4.2%	-0.4%	16.4%
Crude Oil (Brent)	34	-25.9%	-41.4%	-49.5%	-49.5%
Currencies					
Dollar Index	98.2	3.4%	-1.0%	1.8%	1.6%
EURUSD	1.12	-2.5%	3.0%	-0.4%	-1.5%
GBPUSD	1.22	-6.9%	-6.1%	-7.9%	-7.9%
EURCHF	1.06	0.2%	0.6%	2.7%	7.4%
USDCHF	1.06	2.3%	-3.5%	-2.2%	-5.5%
USDJPY	105.77	3.3%	-3.7%	-2.6%	-5.1%

Source : Bloomberg

APPENDIX 2 – MAIN ECONOMIC INDICATORS

Main Economic Indicators - Released (9 - 13 March) and to be released (16 - 20 March)

US

Date	Indicator	Period	Consensus	Actual	Prior	Revised
11/03	CPI, YoY	Feb	2,2%	2,3%	2,5%	--
11/03	Core CPI, YoY	Feb	2,3%	2,4%	2,3%	--
12/03	PPI, YoY	Feb	1,8%	1,3%	2,1%	--
12/03	Core PPI, Yoy	Feb	1,7%	1,4%	1,7%	--
15/03	FOMC Rate Decision (Upper Bound)		--	0,25%	1,25%	--
15/03	FOMC Rate Decision (Lower Bound)		--	0,00%	1,00%	--
17/03	Retail Sales, MoM	Feb	0,2%	--	0,3%	--
17/03	Retail Sales, Control Group, MoM	Feb	0,4%	--	0,0%	--
17/03	Industrial Production, MoM	Feb	0,4%	--	-0,3%	--
17/03	Manufacturing Production, MoM	Feb	0,2%	--	-0,1%	--
18/03	Building Permits, month	Feb	1500k	--	1551k	1550k
18/03	Housing Starts, month	Feb	1500k	--	1567k	--
20/03	Existing Home Sales, month	Feb	5.51m	--	5.46m	--

Euro zone

Date	Indicator	Period	Consensus	Actual	Prior	Revised
10/03	GDP, QoQ	4Q F	0,1%	0,1%	0,1%	--
10/03	GDP, YoY	4Q F	0,9%	1,0%	0,9%	--
12/03	Industrial Production, MoM	Jan	1,5%	2,3%	-2,1%	-1,8%
12/03	ECB - Refinancing rate		0,00%	0,00%	0,00%	--
12/03	ECB - Deposit rate		-0,50%	-0,50%	-0,50%	--
18/03	HICP, YoY	Feb F	1,2%	--	1,2%	--
18/03	Core HICP, YoY	Feb F	1,2%	--	1,2%	--

Germany

Date	Indicator	Period	Consensus	Actual	Prior	Revised
09/03	Industrial Production, MoM	Jan	1,7%	3,0%	-3,5%	-2,2%
13/03	HICP, YoY	Feb F	1,7%	1,7%	1,7%	--
17/03	ZEW Survey Expectations, month	Mar	-30,0	--	8,7	--
17/03	ZEW Survey Current Situation, month	Mar	-30,0	--	-15,7	--

France

Date	Indicator	Period	Consensus	Actual	Prior	Revised
10/03	Manufacturing Production, MoM	Jan	1,7%	1,2%	-2,6%	-2,2%
13/03	HICP, YoY	Feb F	1,6%	1,6%	1,6%	--

Switzerland

Date	Indicator	Period	Consensus	Actual	Prior	Revised
09/03	Unemployment Rate, month	Feb	2,3%	2,3%	2,3%	--
19/03	Exportations réelles, GM	Feb	--	--	1,7%	--
19/03	Importations réelles, GM	Feb	--	--	-1,8%	--
19/03	Décision de politique monétaire		-0,75%	-	-0,75%	--

UK

Date	Indicator	Period	Consensus	Actual	Prior	Revised
11/03	Bank of England Bank Rate		--	0,3%	0,8%	--
11/03	BOE Asset Purchase Target	Mar	--	435b	435b	--
11/03	Manufacturing Production, MoM	Jan	0,2%	0,2%	0,3%	--
11/03	Visible Trade Balance £Mln, month	Jan	-£7000m	-£3720m	£845m	-£1418m
12/03	RICS House Price Balance, month	Feb	20,0%	29,0%	17,0%	18,0%
16/03	Rightmove House Price Index, MoM	Mar	--	1,0%	0,8%	--
16/03	Rightmove House Price Index, YoY	Mar	--	3,5%	2,9%	--
17/03	SNB key interest rate	Jan	3,8%	-	3,8%	--

Japon

Date	Indicator	Period	Consensus	-	Prior	-
09/03	GDP, QoQ	4Q F	-1,7%	-	-1,6%	-
16/03	BOJ Short-Term Policy Rate		-0,10%	-0,10%	-0,10%	--
16/03	BOJ Long-Term Policy Rate		0,00%	0,00%	0,00%	--
17/03	Industrial Production, MoM	Jan F	--	--	0,8%	--
19/03	CPI, YoY	Feb	0,5%	--	0,7%	--

China

Date	Indicator	Period	Consensus	Actual	Prior	Revised
10/03	PPI, YoY	Feb	-0,3%	-0,4%	0,1%	--
10/03	CPI, YoY	Feb	5,2%	5,2%	5,4%	--
11/03	New Yuan Loans CNY, month	Feb	1120.0b	905.7b	3340.0b	--
11/03	M2 Money Supply, YoY	Feb	8,5%	8,8%	8,4%	--
16/03	New Home Prices,MoM	Feb	--	0,0%	0,3%	--
16/03	Retail Sales, YtD YoY	Feb	-4,0%	-20,5%	--	--
16/03	Industrial Production, YtD YoY	Feb	-3,0%	-13,5%	--	--
16/03	Fixed Assets Ex Rural, YTD YoY	Feb	-2,0%	-24,5%	--	--

APPENDIX 3 – KEY EVENTS IN 2020

Key events in 2020

Date	Geographical area	Event
18/03/20	United-States	Fed Monetary Policy Decision
19/03/20	Switzerland	SNB Monetary Policy Decision
19/03/20	Japan	BoJ Monetary Policy Decision
26-27/03/20	European Union	European Council
26/03/20	United-Kingdom	BoE Monetary Policy Decision
T1 20	Espagne	First decisions of the new Spanish coalition
T1 20	Euro zone	Implementation of new macro-prudential rules on the granting of mortgage credit
Avril - Mai	United-States	US Treasury Report on Foreign Exchange Policies of Major Trading Partners of the US
17/04/20	China	Q1 20 GDP
28/04/20	Japan	BoJ Monetary Policy Decision
29/04/20	United-States	Fed Monetary Policy Decision
29/04/20	United-States	Q1 20 GDP first estimate
30/04/20	Euro zone	ECB Monetary Policy Decision
30/04/20	Euro zone	Q1 20 GDP first estimate
Mai	European Union	European Commission New Economic Forecasts
07/05/20	United-Kingdom	BoE Monetary Policy Decision
17/05/20	Switzerland / European Union	Possible resumption of negotiations on the institutional agreement between Switzerland and the EU
Juin - Juillet	Euro zone	ECB annual Forum in Sintra
Juin-Juillet	United-States	J. Powell Testimony before the congress
04/06/20	Euro zone	ECB Monetary Policy Decision
10/06/20	United-States	Fed Monetary Policy Decision
16/06/20	Japan	BoJ Monetary Policy Decision
18-19/06/20	European Union	European Council
18/06/20	United-Kingdom	BoE Monetary Policy Decision
18/06/20	Switzerland	SNB Monetary Policy Decision
13-16/07/20	United-States	Democratic National Convention
15/07/20	Japan	BoJ Monetary Policy Decision
16/07/20	Euro zone	ECB Monetary Policy Decision
16/07/20	China	Q2 20 GDP
29/07/20	United-States	Fed Monetary Policy Decision
30/07/20	United-States	Q2 20 GDP first estimate
31/07/20	Euro zone	Q2 20 GDP first estimate
01/08/20	United-States	Jackson Hole Symposium
06/08/20	United-Kingdom	BoE Monetary Policy Decision
24-27/08/20	United-States	Republican National Convention
10/09/20	Euro zone	ECB Monetary Policy Decision
16/09/20	United-States	Fed Monetary Policy Decision
17/09/20	United-Kingdom	BoE Monetary Policy Decision
17/09/20	Japan	BoJ Monetary Policy Decision
24/09/20	Switzerland	SNB Monetary Policy Decision
29/09/20	United-States	First Presidential Debate
15-16/10/20	European Union	European Council
16/10/20	United-States	Second Presidential Debate
19/10/20	China	Q3 20 GDP
22/10/20	United-States	Third Presidential Debate
29/10/20	Euro zone	ECB Monetary Policy Decision
29/10/20	Japan	BoJ Monetary Policy Decision
29/10/20	United-States	Q3 20 GDP first estimate
30/10/20	Euro zone	Q3 20 GDP first estimate
03/11/20	United-States	Presidential Election
05/11/20	United-States	Fed Monetary Policy Decision
05/11/20	United-Kingdom	BoE Monetary Policy Decision
10/12/20	Euro zone	ECB Monetary Policy Decision
16/12/20	United-States	Fed Monetary Policy Decision
17/12/20	United-Kingdom	BoE Monetary Policy Decision
17/12/20	Switzerland	SNB Monetary Policy Decision
18/12/20	Japan	BoJ Monetary Policy Decision
Over the year	United-States / China	Trade negociations
Over the year	United-States / Euro zone	Risk of US taxe hike on European vehicles
Over the year	Switzerland / United-States	Negotiations on the Swiss-United States Free Trade Agreement
Over the year	Germany, Spain	Possible implementation of rental framework rules in some German cities and in Spain.
Over the year	Moyen-Orient, Libye	Geopolitical risks in the Middle East and Libya

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