

Macroeconomic indicators review: February 29th – March 7th 2016

	US	EMU	UK	Switzerland	Japan	Emerging
Monday	<p>Feb Chicago PMI 47.6 vs 55.6 in Jan.</p> <p>Feb Dallas Fed Manuf. Activity -31.8 vs -34.6 in Jan.</p> <p>Jan pending home sales -2.5%M, 1.4%Y vs 0.9%M in Dec.</p>	<p>Feb flash CPI -0.2%Y vs 0.3%Y in Jan; core CPI 0.8%Y vs 1.0%Y.</p>	<p>Jan consumer credit up 9.1%Y, fastest in 10 years; mortgage lending up 2.8%Y, fastest since 2008.</p>	<p>Feb KOF leading indicator up 2.0 pts to 102.4; positive developments in the manufacturing sector.</p>	<p>Jan industrial output 3.7%M vs -1.7%M in Dec.</p> <p>Jan retail sales -1.1%M, -0.1%Y vs -0.3%M in Dec.</p>	<p>Chinese Yuan guided lower by PBOC for the fifth consecutive session. It will cut the Reserve Requirement Ratio in order to boost liquidity.</p>
Tuesday	<p>Feb ISM manuf. 49.5 vs 48.2 in Jan; new orders 51.5 vs 51.5; employment 48.5 vs 45.9.</p> <p>Jan construction spending 1.5%M, 10.4%Y vs 0.6%M in Dec.</p>	<p>Feb manuf. PMI: EMU 51.2 (rev. 51) vs 52.3 in Jan; DE 50.5 (rev. from 50.2) vs 52.3; FR 50.2 (rev. from 50.3) vs 50; IT 52.2 vs 53.2.</p> <p>Jan jobless rate 10.3% vs 10.4% in Dec.</p>	<p>Feb manuf. PMI 50.8 vs 52.9 in Jan.</p>	<p>Feb manuf. PMI 51.6 vs 50 in Jan.</p> <p>Jan retail sales -0.3%M, 0.2%Y.</p>	<p>Japan sells 10-year bonds at negative yield for first time.</p> <p>Jan jobless rate 3.2% vs 3.3% in Dec.</p>	<p>Feb Caixin manuf. PMI 48 vs 48.4 in Jan.</p>
Wednesday	<p>Feb ADP employment +214K.</p> <p>Fed's Beige Book: expansion in most districts.</p>	<p>Jan PPI -1%M, -2.9%Y vs -0.8%M in Dec.</p>	<p>Feb construction PMI 54.2 vs 55 in Jan.</p>	<p>Q4 GDP 0.4%Q, 0.4%Y vs -0.1%Q in Q3; household 0.1%Q vs 0.3%Q; govt. cons. 0.6%Q vs -0.1%Q; inventories 0.7%Q vs -0.3%Q; exports of goods 3.9%Q vs 1.4%Q; imports of goods 4.2%Q vs 0.9%Q.</p>	<p>Feb monetary base 29%Y vs 28.9%Y in Jan.</p>	<p>Moody's changes outlook on China's Aa3 govt. bond rating to negative from stable.</p>
Thursday	<p>Jobless claims 278K; 4-week avg. 270K; cont. claims 2'257K.</p> <p>Feb ISM non-manuf. 53.4 vs 53.5 in Jan; new orders 55.5 vs 56.5; prices paid 45.5 vs 46.4; employment 49.7 vs 52.1.</p> <p>Jan factory orders 1.6%M, -1.9%Y vs -2.9%M in Dec.</p>	<p>Feb services PMI: EMU 53.3 (rev. from 53) vs 53.6 in Jan; DE 55.3 (rev. from 55.1) vs 55; FR 49.2 (rev. from 49.8) vs 50.3; IT 53.8 vs 53.6.</p> <p>Jan retail sales 0.4%M, 2%Y vs 0.6%M in Dec.</p>	<p>Feb services PMI 52.7 vs 55.6 in Jan.</p> <p>Feb Nationwide house prices 0.3%M, 4.8%Y vs 0.3%M in Jan.</p>		<p>Feb services PMI 51.2 vs 52.4 in Jan.</p>	<p>Feb Caixin services PMI 51.2 vs 52.4 in Jan.</p>
Friday	<p>Feb payrolls +242K vs +172K in Jan; jobless rate 4.9% vs 4.9%; earnings 2.2%Y vs 2.5%Y; hours of work 34.4 vs 34.6.</p> <p>Jan trade deficit 45.7bn vs 44.7bn in Dec; exports -2.1%M, -6.6%Y vs -0.3%M; imports -1.3%M, -4.5%Y vs 0.2%M.</p>					

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...Monday		Jan DE factory orders -0.1%M, 1.1%Y vs -0.2%M in Dec.		Feb SNB foreign currency reserves 571.1bn vs 575bn in Jan.		
Coming indicators and events	Wholesale inventories; monthly budget statement; import prices.	DE industrial production; FR trade balance; GDP; BoF bus. sentiment; FR industrial production; ECB meeting (Thu) ; DE CPI; IT industrial production; industrial production.	BRC sales like-for-like; industrial production; trade balance; construction output.	Jobless rate; CPI.	GDP; trade balance; bank lending; machine orders.	CN trade balance; CN CPI; CN PPI; CN industrial production.
Summary & Comments	<ul style="list-style-type: none"> ◆ Non-farm payrolls grew substantially in February and the jobless rate stood below 5 % for the second month in a row. Wage inflation edged down but remained well above consumer price inflation, inducing ongoing real wage growth for employees. ◆ February ISM reports suggest that activity is bottoming out as growth in the non-manufacturing sector remained virtually steady whereas the contraction eased further in the manufacturing sector. ◆ The trade deficit widened in January as exports declined for the fourth month in a row. Exporters are coping with a strong dollar and weaker foreign demand. ◆ Ten-year Treasury yield rose to a 5-week high on Monday in the wake of stronger-than-expected economic data and rising oil prices. Although a monetary status quo remains the likeliest outcome of March 16 FOMC meeting, the case for higher rates later on has strengthened. 	<ul style="list-style-type: none"> ◆ On Thursday, the ECB is widely expected to cut its deposit rate lower. A broadening or/and a lengthening of its quantitative easing is also likely. ◆ Purchasing Managers' Indices suggest that both manufacturing and service sector activity slowed down in February. France's services PMI fell back below 50, suggesting that the economic recovery is stalling there. ◆ German factory orders eroded for the second month in a row in January, mirroring tentative growth in the manufacturing sector. ◆ Both consumer and producer price inflation stand in negative territory, highlighting the persistent deflationary pressures. 	<ul style="list-style-type: none"> ◆ Though still signaling activity growth, UK PMIs for February indicate that the expansion is slowing down in the private sector. ◆ According to the Nationwide Building Society, house prices rose moderately in February. House price inflation has bottomed out last year and seems to be accelerating gradually. ◆ Mortgage approvals jumped in January ahead of a stamp duty hike in April. Meanwhile, mortgage lending accelerated to its fastest pace since 2008. 	<ul style="list-style-type: none"> ◆ Following a slight contraction in the third quarter, the economic expansion resumed in the fourth quarter. Domestic demand hardly grew amid stagnating investment. ◆ The rise in KOF's leading indicator in February points to stronger economic expansion. 	<ul style="list-style-type: none"> ◆ Japan sold its first 10-year government bond at negative yield last week. 	<ul style="list-style-type: none"> ◆ Chinese PMIs still edged down in February, with manufacturing activity in contraction territory.
Impact for bonds...	-/0	0	0	0	0	n.a.
-1W to -4W	0, -/0, 0, 0/+	0/+, 0/+, 0, 0	0, 0, 0/+, 0	0, 0/+, 0/+, 0	0/+, 0, 0/+, 0	n.a.

NB : x%Y refers to an x-percent year-on-year change, x%Q refers to a quarter-on-quarter change, x%M refers to a month-on-month change, the letter A means that the figure was annualized.

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Current week																			
29.02.2016 16:28	US	Canada	Australia	New Zealand	Japan	EMU (Germany)	EMU (Italy)	UK	Sweden	Switzerland									
Exchange rate	1	1.3526	0.7135	0.6582	112.9	1.0867	1.0867	1.277 EUR/GBP	9.319 /EUR	1.087 /EUR									
Deposit 3M (bid)	0.56	0.75	19	3.00	244	2.87	231	-0.08	-64	-0.19	-75	-0.19	0	0.54	73	-0.61	-42	-0.99	-80
Gov. 2 Year	0.81	0.51	-30	1.77	96	2.28	147	-0.25	-106	-0.57	-138	-0.04	53	0.37	94	-0.62	-5	-1.11	-54
Gov. 5 Year	1.24	0.65	-59	1.89	65	2.43	119	-0.23	-147	-0.40	-164	0.40	80	0.74	114	-0.14	26	-0.90	-50
Gov. 10 Year	1.74	1.16	-58	2.38	64	2.94	120	-0.07	-181	0.11	-163	1.41	130	1.34	123	0.45	34	-0.43	-54
Gov. 30 Year~	2.63	1.97	-66	n.a.	n.a.	n.a.	n.a.	0.90	-173	0.85	-178	2.57	172	2.35	150	n.a.	n.a.	0.13	-72
slope 3M-2Y	25	-24		-123		-59		-17		-38		15		-17		-1		-12	
slope 2Y-10Y	93	65		61		66		18		68		145		97		107		68	
Swap 10 Year	1.59	1.37	-22	2.56	97	3.09	150	0.10	-149	0.50	-109	0.50	0	1.30	80	1.07	57	-0.23	-73
spread Treas./Swap	-15	21		18		15		17		39		-91		-4		62		20	

Current week																			
07.03.2016 16:12	US	Canada	Australia	New Zealand	Japan	EMU (Germany)	EMU (Italy)	UK	Sweden	Switzerland									
Exchange rate	1	1.3334	0.7439	0.6778	113.64	1.0964	1.0964	1.293 EUR/GBP	9.337 /EUR	1.095 /EUR									
Deposit 3M (bid)	0.56	0.79	23	3.00	244	2.87	231	-0.08	-64	-0.25	-81	-0.25	0	0.66	91	-0.60	-35	-0.95	-70
Gov. 2 Year	0.90	0.53	-37	1.98	108	2.31	141	-0.22	-112	-0.55	-145	-0.07	48	0.47	102	-0.61	-6	-1.08	-53
Gov. 5 Year	1.42	0.72	-70	2.13	71	2.48	106	-0.23	-165	-0.37	-179	0.36	73	0.88	125	-0.10	27	-0.90	-53
Gov. 10 Year	1.91	1.27	-64	2.61	70	3.06	115	-0.05	-196	0.21	-170	1.41	120	1.48	127	0.52	31	-0.41	-62
Gov. 30 Year~	2.74	2.09	-65	n.a.	n.a.	n.a.	n.a.	0.73	-201	0.98	-176	2.61	163	2.39	141	n.a.	n.a.	0.15	-83
slope 3M-2Y	34	-26		-102		-56		-14		-30		18		-19		-1		-13	
slope 2Y-10Y	101	74		63		75		17		76		148		101		113		67	
Swap 10 Year	1.78	1.56	-22	2.77	99	3.19	141	0.10	-168	0.57	-121	0.57	0	1.50	93	1.12	55	-0.18	-75
spread Treas./Swap	-13	29		16		13		15		36		-84		2		60		23	
Inflation																			
Latest	1.4	2.0	60	1.7	30	0.1	-130	0.0	-140	-0.2	-160	-0.2	0	0.3	50	0.8	100	-1.3	-110
Consensus 2016	1.5	1.8	27	2.3	77	1.5	4	0.6	-89	0.8	-72	0.6	-15	1.9	109	1.1	36	-0.4	-115
Consensus 2017	2.3	2.0	-27	2.6	31	1.9	-33	2.0	-25	1.5	-76	1.3	-23	2.6	114	2.0	45	0.3	-117
"Real rate"																			
Depos. 3M (bid)	-0.84	-1.21	-37	1.30	214	2.77	361	-0.08	76	-0.05	79	-0.05	0	0.36	41	-1.40	-135	0.35	40
Treasury 10 Year	0.51	-0.73	-124	0.91	40	2.96	245	-0.05	-56	0.41	-10	1.61	120	1.18	77	-0.28	-69	0.89	48

Weekly shifts																			
	US	Canada	Australia	New Zealand	Japan	EMU (Germany)	EMU (Italy)	UK	Sweden	Switzerland									
Deposit 3M (bid)	0	4	4	0	0	0	0	0	0	-6	-6	-6	0	12	18	1	7	4	10
Gov. 2 Year	9	2	-7	21	12	3	-6	3	-6	2	-7	-3	-5	10	8	1	-1	3	1
Gov. 5 Year	18	7	-11	24	6	5	-13	0	-18	3	-15	-4	-7	14	11	4	1	0	-3
Gov. 10 Year	17	11	-6	23	6	12	-5	2	-15	10	-7	0	-10	14	4	7	-3	2	-8
Gov. 30 Year~	11	12	1	n.a.	n.a.	n.a.	n.a.	-17	-28	13	2	4	-9	4	-9	n.a.	n.a.	2	-11
slope 3M-2Y	9	-2		21		3		3		8		3		-2		0		-1	
slope 2Y-10Y	8	9		2		9		-1		8		3		4		6		-1	
Swap 10 Year	19	19	0	21	2	10	-9	0	-19	7	-12	7	0	20	13	5	-2	5	-2
spread Treas./Swap	2	8		-2		-2		-2		-3		7		6		-2		3	

Major indices			
Gvt bonds >1Y	5-day %	YTD %	1 year %
USA	-0.57%	2.5%	2.9%
Japan	0.51%	3.8%	6.0%
EMU	-0.43%	2.1%	1.1%
UK	-0.30%	4.3%	5.9%
Switzerland	-0.18%	4.4%	4.3%
CDS	Spread	Δ 5-day	Δ 1-mth
iTraxx Europe	93	-7	-28
iTraxx X-over	380	-28	-80
CDX.NA.IG	95	-11	-25
SovX WE	31	-6	1
CDX Emer.	90	1	2
Equity	5-day %	YTD %	1 year %
S&P 500	3.0%	-2.6%	-3.9%
Nikkei 225	5.5%	-11.2%	-10.9%
Euro Stoxx 50	1.9%	-8.2%	-17.0%
Hang Seng	5.5%	-8.0%	-16.6%
SMI	1.5%	-9.7%	-12.3%
Commodities	Level	5-day %	1 year %
Brent crude oil	39.4	9.5%	-34.1%
Gold	1269.1	3.0%	8.9%
Basket CRB	168.5	3.3%	-23.4%

NB: On markets with semi-annual coupon payments, the annual equivalent has been calculated / 3M : euro-deposits, annual equivalent

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