Le WEEKLY

GLOBAL EQUITIES

October 12th 2009

SUMMARY

Thoughts:
Obama, the IMF, Ireland: is the tide turning?

What have Barack Obama, the IMF and Ireland in common? The answer is easy: in less than a week, the US President, the International Organization and this European country have gone through a sudden change, at least on the surface.

Thus, less than a year after his election, and while being weakened by the debate on healthcare reform, Barack Obama just suffered his first political and international blow: the failure of the City of Chicago, his adopted city, in its bid to gain the 2012 Olympics. Even worse, at the first ballot, despite the last minute attempt to plead the case in front of the IOC. Obviously his trip to Copenhagen misfired. Hence one question: How can such a fine strategist fall into the trap? Some will already conclude that he has lost his touch, even comparing it to the disappointment that surrounded G.W. Bush’s two mandates. And what if, like his predecessor, Barack Obama wasn’t up to the task? Of course the vote by the IOC will not change the world, except maybe to show the growing influence of Brazil and its President. But nevertheless, this setback could announce more important failures, on the economic front, on the international scene, such as Afghanistan, Iraq, the Iranian nuclear question and the situation in the Middle East. What a contrast to the euphoria of last spring! Nevertheless, if this change of heart will certainly please some in Europe and in France, honouring the US President with the Nobel price will restore his prestige. Furthermore the USA is the best positioned country within the developed world to emerge from recession and to experience a strong recovery. This is more so, that the bulk of the economic package will be implemented in 2010, thanks to a US$ 400 billion capital expenditure program. And that,even the IMF is able to include in its forecasts!

This is the second U-turn of the past few days. In fact, a few weeks ago, the IMF was stubbornly reiterated his motto of a crisis similar in magnitude to the 1929’s, that it would take years to recover and that the banking system was still on the verge of bankruptcy. And now what a turn! For sure it still stresses the risks but now admits that the world economy could grow by 3.1% in 2010 (Just to remind you that our original forecast last spring was for a 3.2% growth!), split among China (+9%), the USA (+1.5%) and the Euroland (+0.3%). Just last June the IMF was forecasting a 1.1% decline worldwide (+7.5% in China, -1.6% in the USA and -0.6% in the Euroland). Two assumptions: either the IMF’s economists and its Managing Director have been blessed by grace or, as usual they are trend followers and extrapolate the future from the past. In any event, one has to be worried! On the one hand; it reminds us that the IMF ‘s forecasts are among the least reliable, on the other hand, reality is very often at the opposite of the IMF’s views. Early 2008, the IMF was looking at a 2.5% increase in the Euroland economy and a 1% decline in the American GDP. Final score: + 0.7% for the former and +0.4% for the latter. Ten years earlier, the IMF was forecasting a 10 year recession in Russia and the strongest economic growth among emerging countries performed by Argentina. Final score: Russia’s GDP rose by 30% between 1998 and 2002 and Argentina’s collapsed by 28%. In other words, the recent change of mind is the worst piece of news. Fortunately, the Managing Director, when talking off the record, is underlining the over-optimistic official forecasts and is stressing the risk of a relapse in the world economy. Phew! We can still maintain our positive scenario for next year. Just remember: the IMF’s forecasts are not economic but political. And on that front, there hasn’t been any change.

Finally the third U-turn of the week: Ireland has massively adopted the Lisbon treaty. After having been accused of treason, of being selfish and of putting the European construction on hold, Ireland became a few days ago, the saviour of Europe, enabling the EU to move forward. For sure, at least on this point, the economic crisis has been worth having. Let’s not kid ourselves, the Irish “Yes” vote is a “Yes” of fear. For sure, without the protection of the Eurozone, of which Ireland is part, the country would have suffered an even deeper recession. But here too, appearances can deceive! Admittedly without the euro, the drop in the Irish economy would have been worse, but it did not prevent the recession. Worse of all, because of its excessive strength, the euro fed the recession and is preventing a quicker recovery. This is without mentioning Eastern Europe which is tied to the euro and hence, has an extra hurdle to overcome. Despite the Irish “Yes”, the most difficult has yet to come. To start with, we will need to get the eurosceptics, the Czech Republic and the United Kingdom on board and as long as the British government is not joining the euro, the eurozone will not be complete and the euro will not play its full role. This is all the more important as, with budget deficits getting out of hand, notably in France, we need an harmonization of fiscal policies and the setting up of a federal budget, all of which can be put off indefinitely. But this prospect is, alas, far away as the UK contrary to its Irish cousins, is not in a hurry to become europhile. And there are good reasons; thanks to its non-participation to the euro, it was able to benefit from a speedy and strong cut in interest rates, a massive depreciation of the pound sterling and from a stimulus package of pharaonic proportions.

What can we conclude out of those three U-turns? Which actually weren’t? Very simply, one should not go by appearances, but take more time to reflect and above all do not fall into the trap of a single thought.

Marc Touati

Economic data released this week:

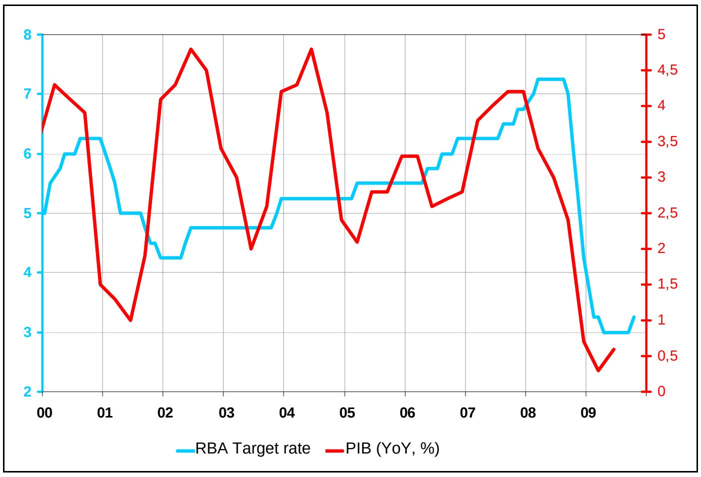
Country		Event	Period	Actual	Prior	Climat	Sum up
	US	ISM manufacturing	September	50,9	48,4		
	US	ABC consumer confidence	October 4th	-45	-46		
	US	MBA mortgage applications	October 2nd	+16,4%	-2,8%		
	US	Consumer credit	August	- $ 12,0 bn	- $ 19,0 bn		
	US	Initial jobless claims	October 3rd	521 000	554 000		
	US	Continuing claims	September 26 th	6 040 000	6 112 000		
	US	Wholesales inventories	August	-1,3%	-1,6%		
	US	ICSC chains store sales	September	+0,1%	-2,0%		
	US	Trade balance	August	-$ 30,7 bn	-$ 32,0 bn		
	EZ	PMI manufacturing (final)	September	50,9	50,6		
	EZ	PMI composite (final)	September	51,1	50,8		
	EZ	Retail sales	August	-0,2%,-2,6% YoY	-0,2%,-1,9% YoY		
	EZ	Gross Domestic Product (final)	2nd Quarter	- 0,2%,- 4,8% YoY	- 2,5%,- 4,9% YoY		
	EZ	European Central Bank announces rates	October 8th	1,00%	1,00%		
	Fr	PMI services (final)	September	53,2	52,2		
	Fr	Central government balance	August	-127,6 bn	-€ 109,0 bn		
	Fr	Trade balance	August	- € 3,4 bn	- € 1,0 bn		
	Fr	Industrial production	August	+1,8%,-10,8% YoY	+0,3%,-12,4% YoY		
	Fr	Manufacturing production	August	+1,9%,-11,5% YoY	+0,8%,-13,3% YoY		
	GR	PMI services (final)	September	52,1	52,2		
	GR	Factory orders	August	+1,4%,-20,4% YoY	+ 3,5%,-19,8% YoY		
	GR	Industrial production	August	+1,7%,-16,8% YoY	-1,1%,-17,0% YoY		
	GR	Trade balance	August	+ € 8,1 bn	+ € 14,1 bn		
	GR	Current account balance	August	+ € 4,6 bn	+ € 11,4 bn		
	GR	Consumer price index (final)	September	-0,4%, - 0,3% YoY	-0,4%, - 0,3% YoY		
	UK	PMI services	September	55,3	54,1		
	UK	Official reserve assets	September	$1665 million	$ 396 million		
	UK	Industrial production	August	-2,5%,-11,2% YoY	+0,5%,-9,3% YoY		
	UK	Manufacturing production	August	-1,9%,-11,3% YoY	+0,7%,-10,2% YoY		
	UK	Nationwide consumer confidence	September	71	65		
	UK	Bank of England announces rates	October 8th	0,50%	0,50%		
	UK	Trade balance	August	-£ 2,3 bn	-£ 2,5 bn		
	UK	Visible trade balance	August	-£ 6,2 bn	-£ 6,4 bn		
	JP	Official reserve assets	September	$ 1052,6 bn	$ 1042,3 bn		
	JP	Leading index (preliminary)	August	83,3	82,5		
	JP	Coincident index (préliminaire)	August	91,4	89,8		
	JP	Trade balance	August	+¥ 303,7 bn	+¥ 1159,0 bn		
	JP	Bankrupties	September	-18,0%	-1,0% YoY		
	JP	Machine tools orders (preliminary)	September	-61,9% YoY	-71,5% YoY		
	JP	Machine orders	August	+ 0,5%,-26,5% YoY	-9,3%,-34,8% YoY		

Markets:

Interest rates in 2010: An inevitable rise…

Having started in September 2007 with the cut in the Fed Funds rate, the worldwide cycle of lower rates has stopped this week with the first rate increase in Australia. The reason couldn't be easier. After having taken all the measures possible to boost the economy, the Reserve Bank of Australia is now in a position to adopt a more restrictive policy as the Australian economy is back on track and can expect a strong economy over the next few quarters in the wake of China, one of its main trading partners.

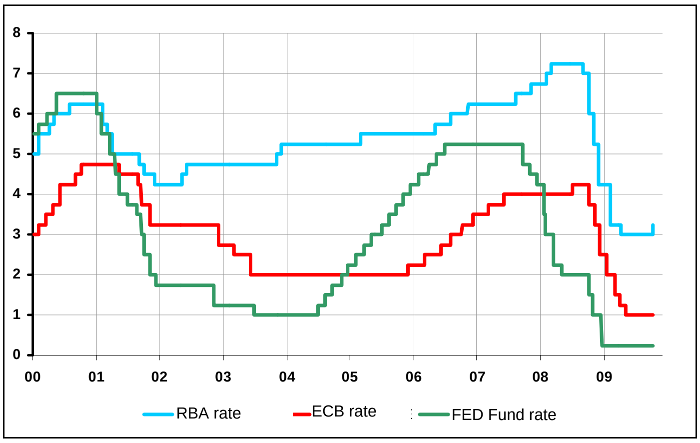
The Reserve Bank of Australia policy in line with economic growth.



For sure, this move comes all the way from down under but it is the first step that will be copied around the world and on both sides of the Atlantic in particular.

This process will be different though; on the timing, the scale as well as on the motives behind those moves.

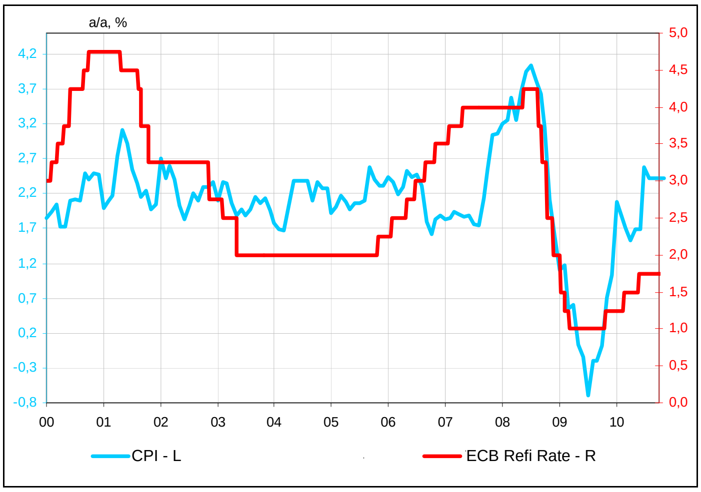
Will the Fed and the ECB follow the RBA?



Hence and if unsurprising, the ECB kept its refi rate unchanged last October 8th, it should follow suit pretty soon. Not because of an especially strong recovery, but simply because the rate of inflation in the Eurozone will turn "positive" in November and could reach 1.6% in January 2010 and 2% by the spring of next year. In order to prevent such an "horror", the ECB, which has the wellbeing of the Eurozone's citizens in mind, will raise its refi rate to 1.25% early 2010 and to 1.50% during the Spring and 1.75% by the summer.

Those moves will cap the economic recovery which will mean a status quo for the refi rate until early 2011.

The ECB will not wait for the return of inflation to increase its refi rate.



From October 2009 to December 2010 : prévisions Global Equities

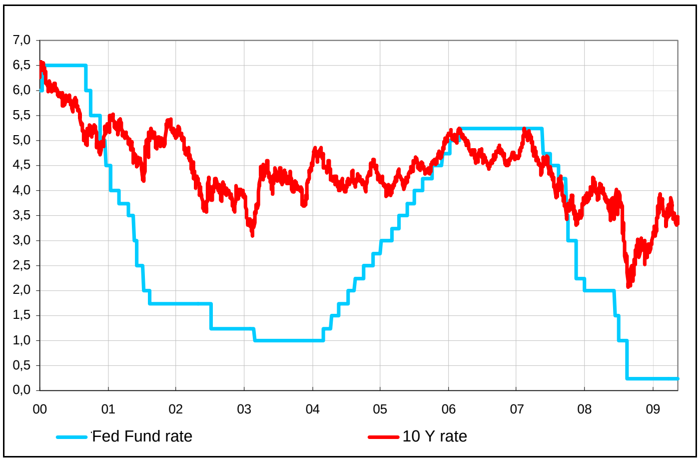
The FED will also engage in a tightening mode in 2010 but for different reasons, together with another schedule. Firstly let's remember that FED Funds currently stand at 0%-0.25% as against 1% for the Eurozone refi. At the same time, the FED chief, Mr. Bernanke was clear: No move on rates for as long as no improvement in unemployment: So not before spring/summer of 2010.

Nevertheless, as soon as economic growth, job creation and a 2% inflation are reached, the FED will speed up its tightening policy and FED Funds rate could reach 1.75% by the end of 2010. Meanwhile in order not to derail the recovery, it will have to remain cautious and the 2% level should not be reached before the spring of 2011.

That should limit any risk of long term rates moving sharply higher, as they will undoubtedly follow to some extent short term rates.

Four main reasons: the monetary tightening, the return to economic growth and inflation above 2% and the rise in public debt. In as much the first three elements should remain subdued, rates in 10 yr treasuries should stabilize around 4.5% by next summer in the USA as well as in Europe.

The Fed will watch closely long terms rates



The real difficulty will be the fourth element, i.e. the budget and public deficits that could get out of control. The deciding rule will be plain and clear; if the resulting economic growth yields more than the cost of servicing those public debts, the rise in long term rates will be moderate. If not, the rise could be enormous…

Let's make it simple: if economic growth is close or above 3%, there won't be a crash on the bond market. That should be the case in the USA where we anticipate a 2.8% growth rate next year but in the Eurozone, we only forecast the economy to grow by 1.3%!

So despite lower inflation and slower growth than in the USA, the Eurozone should experience far higher long term rates. That will lead to an even wider gap between the respective rates of growth. We can only console ourselves with a better inflation rate. For the past 15 years, we have been accustomed to it!

Marc Touati

Economic events from October 12th to October 16th:

United States: consolidation of the recovery.

In the United-States we will focus on retail sales (Wednesday), inflation (Thursday) and industrial production on Friday.

On this side of the Atlantic, the ZEW index will be the main focus on Tuesday.

Tuesday, October 13, 10:00 GMT: slight decline in the ZEW index for October.

After declining to 39.5 in July, stopping eight consecutives months of progression, the ZEW index, jumped to 56.1 in August and again in September to 57.7, its highest since April 2006.

In October, we anticipate a small correction of the ZEW index which should slow to 57.

Wednesday, October 8, 13:30 GMT: retail sales dropped in September.

After dropping by 0.2% in July stopping two consecutives months of increase, US retail sales rose by 2.7% in August. Nevertheless, as the cash for clunkers program ended, retail sales should decline by 1% in September.

This should be confirmed by the high number of job destruction in the retail sector (precisely 39,000 in September). Excluding transport, after increasing by 1.1% in August, retail sales should rise by 0.2% in September.

Thursday, October 15, 13:30 GMT: deflation slightly slows down in the United States.

After stabilizing in July, consumer prices rose by 0.4% in August and dropped by 1.5%YoY. For September, prices should rise by 0.2% led by the slight increase in commodities and by the economic recovery in the United States. The rate will slightly dropped to -1.4%YoY. The core index (excluding food and energy) should increase by 0.1% in September and by 1.4%YoY.

Friday, October 16, 14:15 GMT: new rise in US industrial production.

After having increasing by 1% in July, ending eight consecutives months of decline, it rose by 0.8% in August. US industrial production should confirmed this rebound by rising by 0.4% in September. This rise will be confirmed by the "production index" of last ISM manufacturing survey which reached 55.7 in September.

Moreover, after four consecutive quarters of cut in capital spending, US industrial companies are now matching economics fundamentals, and investment again. In such conditions, after having increased by 69% in July, which followed eight consecutive months of decline, and after rising by 69.6% in August, capacity utilization should increase again to reach 70% in September.

Jérôme Boué

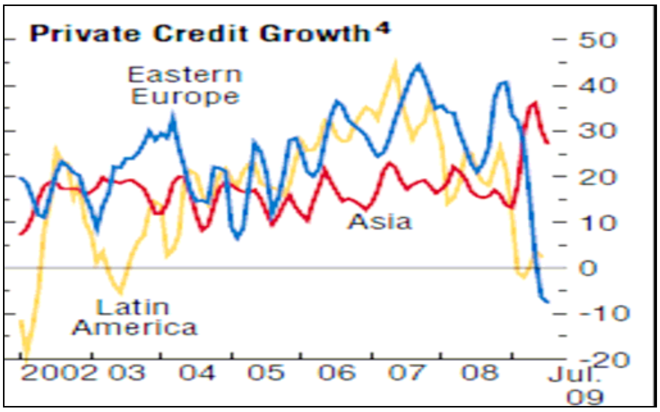
Analysis and Perspectives:

Dead Weight on the Eastern Front

The European banking sector has raised € 350 billions since the beginning of the crisis. Raising the Tier One ratio and lowering the cost of financial risk have been a priority among financial institutions, in order to improve the level of solvability to that prior of the crisis and before any regulatory stiffening.

From 2Q09 onwards, banking operations have improved and favourable prospects in the investment banking side have already been factored in stock prices. Hence, a second wave of capital increases has started (BNPParibas, SocGen, BBVA, Intesa San Paolo, Unicredit…), obviously encouraged by the bullish sentiment on the markets. It also marks the banks' willingness to repay government aids and to strengthen their balance sheets.

Nevertheless, toxic assets haven't disappeared and some financial institutions are dangerously exposed to Eastern and South-Eastern Europe. One cannot exclude some major depreciation for potential loan and asset losses. According to our estimates, the Hungarian GDP should contract by 8% this year, the Romanian's by 9% and the Estonian's by 17%. In Russia inflation should reach 10% whereas its GDP should be cut by 11%. During the current crisis, Russia's foreign exchange reserves dwindled by 50%. In the Ukraine, inflation should climb to 15%, together with a 21% slump in GDP.



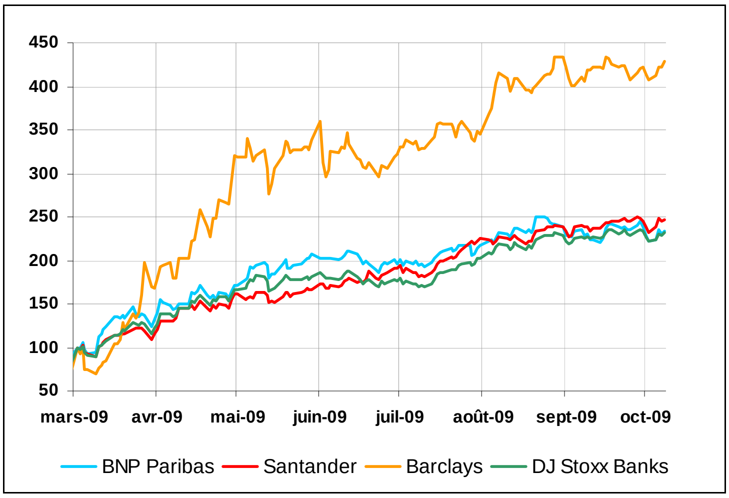
Source : IMF

To that effect, the € 850 millions capital increase by the Greek bank EMPORIKI, early 2009, was insufficient, as the bank refused any help from the State. Crédit Agricole, its 82% majority shareholder will be forced to inject € 1 billion. Emporiki's exposure to Bulgaria, Albania and Romania is not an isolated event and the vast majority of German, Austrian, Scandinavian, Italian and Greek banks have to confront similar environments.

Unicredit, an undervalued stock, has a presence in 18 central and eastern European countries, controlling about 24.3% of the Croatian market, 18.8% of the Bosnian's, 15.8% of the Bulgarian's and 12.7% of the Polish's This geographical zone represents also 8% of Intesa San Paolo' s operating income, 40% of the loan portfolio at Erste Bank of Austria and 9.5% of revenues at Commerzbank.

Halfway through the banking recovery, three institutions appear to be leading the pack; BNPParibas, Barclays and Santander, which have all successfully participated in the sector's consolidation. Their wise acquisitions will allow them to produce by 2012 a ROE above 13% at BNPP and Barclays and close to 17% at Santander.

The three winners



Source : Bloomberg

BNPP bought some assets from Fortis, whose trough profits amount to € 1.9 billion. This deal was executed at less than 0.7 x book value (after depreciation).

Santander acquired Alliance and Leicester in the United Kingdom and took £ 25 billions in deposits from Bradford and Bingley, also in England. Furthermore, the bank's Brazilian operations already represents 20% of the group's net income. It just raised € 5.5 billions through an IPO of 16.2% of Santander Brasil. The raised issue price of 23.5 reals per share puts a value on Santander Brasil at € 34 billions, higher than Société Générale' market capitalisation.

Barclays bought the US assets of Lehman Brothers for a mere $ 1.25 billion. Following that acquisition, Barclays could boast a 12% rise in quarterly profit. Last June, Barclays sold its most profitable asset Barclays Global Investors (BGI) to BlackRock for US$ 13.5 billions in cash plus a 19.9% stake in BlackRock, which is valued today 20% higher then at the time of the deal. The cash portion enabled the bank to strengthen its equity base and Barclays is today the best capitalized bank in the world.

From last March low point, bank shares rose on average by 168% (BNPP + 157%, Santander + 175% and Barclays by a whooping 619%) But despite those performances, BNPP and Santander are still valued at 1.1 time book value whereas in 2007 they were valued closer to 2.1 times. Santander is at a premium, thanks to its Brazilian exposure.

For the other bank stocks, they appear fully valued at this point in time.

Barclays (ISIN: GB0031348658, BARC LN Equity): at a glance.

	2010	Secteur	DJ 600
PE	**15,7 x**	16,4 x	13,1 x
EPS (GBp)	**24,39**		
Net Dividend Yield (%)	**1,60%**	2,65%	3,60%
Net Margin (%)	**8,78%**		
Price to Book	**0,97 x**	1,11 x	1,57 x
Return on Equity	**6,27%**	7,00%	12,00%

BNP Paribas (ISIN: FR0000131104, BNP FP Equity): at a glance.

	2010	Secteur	DJ 600
PE	**10,9 x**	16,4 x	13,1 x
EPS	**4,92**		
Net Dividend Yield (%)	**2,89%**	2,65%	3,60%
Net Margin (%)	**14,35%**		
Price to Book	**1,05 x**	1,11 x	1,57 x
Return on Equity	**9,69%**	7,00%	12,00%

Santander (ISIN: ES0113900J37, SAN SM Equity): at a glance.

	2010	Secteur	DJ 600
PE	**10,4 x**	16,4 x	13,1 x
EPS	**1,05**		
Net Dividend Yield (%)	**4,93%**	2,65%	3,60%
Net Margin (%)	**23,04%**		
Price to Book	**1,33 x**	1,11 x	1,57 x
Return on Equity	**13,00%**	7,00%	12,00%

Sources : Factset

Philippe Moni / Gerard Weinberg

(Institutional Sales at Global Equities)

Global calendar of the statistics and economic events for this week :

Date	Heure	Pays	Indicateur	Période	Prévisions GE	Consensus	Précédent
12-14 oct		China	New Yuan loans	September		Yuan 440 bn	Yuan 410,4 bn
13/10/2009	1.01 am	United Kingdom	RICS house price balance	September		+15,0%	+10,7%
13/10/2009	1.50 am	Japan	Money supply M3	September		+2,1% YoY	+2,0% YoY
13/10/2009	1.50 am	Japan	Money supply M2	September		+2,9% YoY	+2,8% YoY
13/10/2009	1.50 am	Japan	Bank lending adjusted	September			+2,5% YoY
10-13 oct		China	Business climate	third quarter			115,9
10-13 oct		China	Entrepreneur confidence index	third quarter			110,2
13/10/2009	**8.45 am**	**France**	**Consumer price index**	**September**	**-0,1%,-0,2% YoY**	**-0,1%,-0,2% YoY**	**+0,5%,- 0,2% YoY**
13/10/2009	8.45 am	France	Current account balance	August			-€ 1,2 bn
13/10/2009	10.30 am	United Kingdom	Consumer price index	September		+0,2%,+1,3% YoY	+0,4%,+1,6% YoY
13/10/2009	10.30 am	United Kingdom	Consumer price index core (ex food and energy)	September		+1,7% YoY	+1,8% YoY
13/10/2009	10.30 am	United Kingdom	Indice DCLG des prix des maisons	August			-8,3% YoY
13/10/2009	**11.00 am**	**Germany**	**ZEW survey (conomic sentiment)**	**october**	**57**	**59,0**	**57,7**
13/10/2009	11.00 am	Germany	ZEW survey (current situation)	october		-68,3	-74,0
13/10/2009	11.00 am	Euro area	ZEW survey (economic sentiment)	october			59,6
13/10/2009	4.00 pm	United-States	IBD/TIPP economic optimism	october			52,5
13/10/2009	11.00 pm	United-States	ABC consumer confidence	october 11th			- 45
14/10/2009		Japan	BOJ target rate	october 14 th		0,10%	0,10%
10-14 oct		China	Trade balance	September		+$17,00bn	+$15,7 bn
14/10/2009	10.30 am	United Kingdom	Claimant count rate	September		+5,1%	+5,0%
14/10/2009	10.30 am	United Kingdom	Jobless claim change	September		25 0000	24 400
14/10/2009	10.30 am	United Kingdom	Average earnings including bonus	August		+1,4% 3M/YoY	+1,7% 3M/YoY
14/10/2009	**11.00 am**	**Euro area**	**Industrial production**	**August**		**+0,8%,-15,8% YoY**	**- 0,3%,-15,9% YoY**
14/10/2009	12.00 pm	United-States	Bloomberg global confidence	october			58,54
14/10/2009	12.00 pm	United-States	MBA mortgage applications	9 october			+16,4%
14/10/2009	**2.30 pm**	**United-States**	**Retail sales**	**September**	**-1 %**	**- 2,1%**	**+2,7%**
14/10/2009	**2.30 pm**	**United-States**	**Retail sales less autos**	**September**	**+0,2%**	**+0,2%**	**+1,1%**
14/10/2009	4.00 pm	United-States	Business inventories	August		-0,8%	-1,0%
14/10/2009	8.00 pm	United-States	Minutes of Sept. 23 FOMC meeting				
15/10/2009	6.30 am	Japan	Industrial production (final)	August			+1,8%,-18,7% YoY
15/10/2009	6.30 am	Japan	Capacity utilization (final)	September			+3,9%
15/10/2009	7.00 am	Japan	BOJ monthly report				
15/10/2009	8.00 am	Euro area	EU 25 new cars registrations	September			+3,3%
15/10/2009	**11.00 am**	**Euro area**	**Consumer price index**	**September**	**+0,1%,- 0,3% YoY**	**+0,1%,- 0,3% YoY**	**+0,3%,- 0,2% YoY**
15/10/2009	**11.00 am**	**Euro area**	**Consumer price index core (ex food and energy)**	**September**	**+1,2% YoY**	**+1,2% YoY**	**+1,3% YoY**
15/10/2009	**2.30 pm**	**United-States**	**Consumer price index**	**September**	**+0,2%,-1,4% YoY**	**+0,2%,-1,4% YoY**	**+0,4%,-1,5% YoY**
15/10/2009	**2.30 pm**	**United-States**	**Consumer price index core (ex food and energy)**	**September**	**+0,1%,+1,4% YoY**	**+0,1%,+1,4% YoY**	**+0,1%,+1,4% YoY**
15/10/2009	2.30 pm	United-States	Initial jobless claims	10 october		525 000	521 000
15/10/2009	2.30 pm	United-States	Continuing claims	3 october			6 040 000
15/10/2009	2.30 pm	United-States	Empire Manufacturing	october		18,00	18,88
15/10/2009	4.00 pm	United-States	Philadelphia Fed	october		12,0	14,1
16/10/2009	**11.00 am**	**Euro area**	**Trade balance sa**	**August**			**+€ 6,8 bn**
16/10/2009	3.00 pm	United-States	Total Net TIC flows	August			-€ 97,5 bn
16/10/2009	**3.15 pm**	**United-States**	**Industrial production**	**September**	**+0,4%**	**+0,1%**	**+0,8%**
16/10/2009	**3.15 pm**	**United-States**	**Capacity utilization**	**September**	**70%**	**69,7%**	**69,6%**
16/10/2009	4.00 pm	United-States	University of Michigan (preliminary)	october		73,5	73,5

Our economic and financial forecast for 2009-2010.

	Real GDP growth				Inflation annual average				Unemployment rate annual average			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
US	2,0	1,1	-2,2	2,8	2,9	3,8	-0,6	2,7	4,6	5,8	9,3	9,0
Japan	2,1	-0,7	-5,0	0,2	0,5	1,2	-0,2	1,2	3,9	4,1	5,0	4,8
Eurozone	2,7	0,7	-3,9	1,3	2,1	3,3	0,6	2,2	7,4	7,4	9,4	9,1
Germany	2,5	1,0	-4,9	1,7	2,1	2,6	0,7	2,3	9,0	7,8	9,4	9,1
France	1,9	0,7	-2,2	1,5	1,6	2,8	0,5	2,2	8,0	7,5	9,5	9,2
Italy	1,7	-1,0	-4,5	1,0	2,2	3,2	1,2	2,5	6,2	6,9	9,3	9,0
Spain	3,8	1,1	-2,9	1,0	3,2	3,5	1,0	2,4	8,3	10,5	16,0	15,5
UK	3,1	0,7	-3,9	1,4	2,3	4,0	0,9	2,6	5,4	5,6	7,5	7,0
World	5,0	2,8	0,0	3,2								

	Key interest rates					10 years government bond interest rates			
	Oct 12th	in 3 months	in 6 months	in 1 year		Oct 12th*	in 3 months	in 6 months	in 1 year
United States	0-0,25	0,25	0,50	1,75	**United States**	3,38	3,80	4,00	4,30
Euroland	1,00	1,25	1,50	1,75	**Euroland**	3,22	3,80	4,00	4,30
United Kingdom	0,50	0,50	0,75	1,50	**United Kingdom**	3,42	3,90	4,20	4,40
Japan	0,10	0,10	0,10	0,10	**Japan**	1,29	1,60	1,70	1,90

	Exchange rates					International equities markets			
	Oct 12th*	3 months	6 months	1 year		Oct 12th*	3 months	6 months	1 year
EUR/USD	1,470	1,45	1,30	1,20	**Dow Jones**	9,865	9,800	10,300	11,500
USD/JPY	90,26	95	100	110	**Nikkei**	10,016	10,700	11,000	11,500
EUR/JPY	132,64	138	130	132	**Cac 40**	3,807	3,800	4,000	4,300
EUR/GBP	0,93	0,85	0,83	0,80	**Euro Stoxx 50**	2,892	2,850	3,000	3,250

* Level at 9.15 am (Paris Time)

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