



November 30<sup>th</sup> 2009

# GLOBAL EQUITIES

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Le WEEKLY

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## Thoughts:

### After the W, the inverted N.... a la Dubai

Last week, when we explained in the very same column the dangers threatening the planet in 2012, we thought that we reached the peak in economic terror while adding that these were only potential risks that we were still able to avoid. And yet, if we have to believe some, we are still miles away!

Taking up again the views from many stubborn Cassandras around the globe, a major French bank sent to their clients last week an ultra bearish newsletter that even Nostradamus wouldn't have written. According to their specialists and doom doctors, the present rebound is only a quiet break between two storms, the second of which will be far worse than the first one. In short, it's not even a W that we can now expect but an inverted N: И (from the Cyrillic alphabet). In other words, after a short lived remission, the capitalistic system will die, as quickly as next year. Beware, those views are not expressed by Marxists, Trotskyists or those Mayas that we mentioned last week, but by economists that lived in that system for decades. So in order to prevent an epidemic of depressions or suicides among their clients, they are coming up with some remedies, for example by buying some their in-house products. To be sure, while agonizing, the system still offers some rewards!

Anyway, those forecasts that were actually more or less expressed a few months ago by those very same analysts, were loud enough to provoke a new buzz on the markets, which, by and large, remain pessimistic. Of course, it would be stupid on our part to deny the reality and to give a very rosy picture of the world, because of a naïve optimism. We have permanently drawn the attention on all the dangers surrounding the world economy and the financial markets. Nevertheless, it would be equally stupid to spread catastrophic views at any price, just to justify the fact that most economists (95% of them) missed the 2009 rebound. That is why, as we were among the very few to foresee at the height of the crisis, an economic recovery for the 2nd half 2009 and in 2010, we kept on saying and still do that the recovery is very fragile and will not survive too many pitfalls, especially in the Eurozone, as it could suffer from a strong €, a high oil price or from interest rates that could be raised too early. But we are not ready for a W nor a N nor a И economic cycle!

Let's remember that those forecasters have always been wrong and shy to announce the end of a recession, being tempted to defend the thesis of a relapse. And this is easily understandable: they never foresaw the crisis in the first place, hence to make up for their errors, they then were anticipating that the worse was coming. But in attempting to hide their mistakes, they are making new ones. That is why no one is actually giving high credit marks to those analysts and economists.

Over the past 15 years, there have been 3 instances. To start with, the 1991/2 period. After the recession of 1990/91; the consequence of the first Gulf war, and the subsequent rise in oil price, the recovery that followed was depicted as short lived. That was without counting with the modernization of the economy, that started with Reagan and continued under Clinton. The new IT revolution of the 90-s that was at the epicentre of the longest growth cycle in history. This tidal wave was so powerful that it shuts the mouth of those Cassandras who predicted the end of the cycle for 1995. That trend has actually accelerated and lasted until the summer of 2000. 3 years later, third attempt. After a 10 yr growth cycle, the American economy entered in a recession phase in 2001 but came out in 2002. Again the W theory resurfaced in 2003, convincing the FED to lower rates down to 1%, which, with insight, was a mistake. Easing monetary policy during a recession is fine, doing it while the economy is growing is counter productive. Too much oil and the engine is flooded: the 2006 real estate bubble and the 2007 subprime crash. In other words, to prevent a W cycle, the Fed almost gave birth to an L.



























































In fact since the end of the 2nd world war, the only W cycle in the USA happened in 1980/82. The second oil shock led to a collapse of the US economy during 2Q80, followed by a quick recovery at the end of 1980 with another relapse in the Spring of 1981 and a final exit in 1983. This 2 tier crisis was in fact in a period of stagflation, forcing the FED to keep high rates, putting a lid on the recovery at the same time.

Today is different: rates are at historic low levels, stimulus plans are superabundant and actually is only now being implemented in the USA. Inflation will surely reappear but will remain tame. Finally and above all, the USA and the rest of the world are bound to buy into a new revolution: the new energy technologies. In as much the IT revolution enabled the US to get over the slump of the late 80's early 90's, the Energy Revolution will do the same in 2010 onwards.

So instead of scaring investors, it would be far better and more constructive to lead them towards new opportunities. We actually just lived in the last few days through one of those sterile and depressing examples with the worries of a possible default by the Emirate of Dubai and its implications. Out of proportion fears, not only because the sister state of Abu Dhabi, within the UAE will surely step in and because the GDP of Dubai amounts to 0.1% of world GDP only! As for the western banks, their exposure being limited with potential losses not exceeding \$ 8 billions at the most. Nothing to spark a world wide crisis...

Marc Touati

## Economic data released this week:

Country	Event	Period	Actual	Prior	Climate	sum up
	US Chicago Fed activity	October	-1,08	-1,01		
	US Existing home sales	October	6,10 million (+ 10,1%)	5,54 million (+ 8,8%)		
	US GDP (preliminary)	3rd quarter	+2,8%	+3,5%		
	US Consumer spending (preliminary)	3rd quarter	+2,9%	+3,4%		
	US Consumer spending core (preliminary)	3rd quarter	+1,3%	+1,4%		
	US C&S composite-20 house prices	septembre	-9,36%	-11,30% YoY		
	US Conference Board consumer confidence	November	49,5	48,7		
	US Richmond Fed manufacturing activity	November	1	7		
	US House price index	septembre	+0,0%	-0,5% MoM		
	US ABC consumer confidence	November 22 th	-47	-45		
	US Indice MBA des demandes hebdomadaires de credits immobiliers	November 20 th	-4,5%	+0,3%		
	US Personal income	October	+0,2%	+0,2%		
	US Personal expenses	October	+0,7%	-0,6%		
	US Personal expense core	October	+0,2%,+1,4% YoY	+0,1%,+1,3% YoY		
	US Durable goods	October	-0,6%	+2,0%		
	US Durable goods excluding transports	October	-1,3%	+1,8%		
	US Initial jobless claims	November 21th	466 000	501 000		
	US Continuing claims	November 14th	5 423 000	5 613 000		
	US Université of Michigan consumer confidence (final)	November	67,4	66,0		
	US New home sales	October	430 000 (+6,2%)	405 000 (-2,4%)		
	ZE PMI manufacturing (advanced)	November	51,0	50,7		
	ZE PMI services (advanced)	November	53,2	52,6		
	ZE PMI composite (advanced)	November	53,7	53,0		
	ZE Industrial new orders	septembre	+1,5%,-16,1% YoY	+0,6%,-23,2% YoY		
	ZE Economic confidence	November	88,8	86,1		
	Fr PMI manufacturing (preliminary)	November	54,2	55,6		
	Fr PMI services (preliminary)	November	60,4	57,7		
	Fr Business climate	November	89	89		
	Fr Production outlook	November	-9	-10		
	Fr Consumer spending	October	+1,1%,+3,5% YoY	+2,4%,+1,1% YoY		
	Fr Total jonseekers	October	2 627 300	2 574 900		
	Fr Consumer confidence	November	-30	-34		
	All PMI manufacturing (advanced)	November	52,0	51,0		
	All PMI services (advanced)	November	51,5	50,7		
	All GDP (final)	3rd quarter	+0,7%,-4,8% YoY	+0,7%,-4,8% YoY		
	All IFO economic sentiment	November	93,9	92,0		
	All IFO present situation	November	89,1	87,4		
	All IFO expectations	November	98,9	96,8		
	All GfK consumer confidence	décembre	3,7	4,0		
	All Consumer price index(preliminary)	November	-0,2%,+0,3% YoY	+0,1%,+0,0% YoY		
	UK GDP (preliminary)	3rd quarter	-0,3%,-5,1% YoY	-0,4%,-5,2% YoY		
	JP Merchandise trade balance adjusted	October	+ ¥ 419,1bn	+ ¥ 223,1bn		
	JP Unemployment rate	October	5,1%	5,3%		
	JP Consumer spending	October	+1,6% YoY	+1,0% YoY		
	JP National consumer price index	October	-2,5% YoY	-2,2% YoY		
	JP National consumer price index core	October	-1,1% YoY	-1,0% YoY		

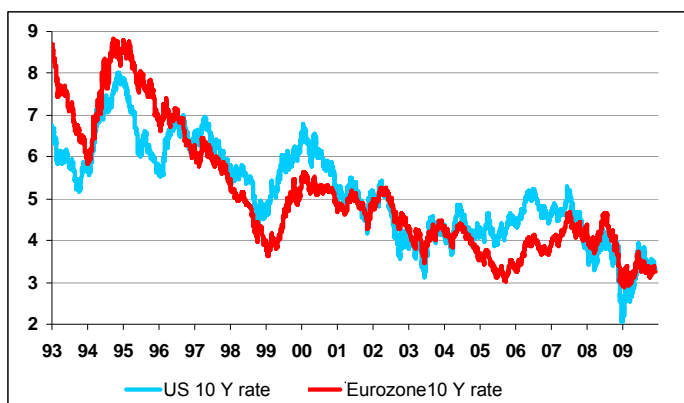
## Markets:

### Is it the end of the bull market in bonds.

2008 and 2009 will certainly be remembered for the world financial collapse that almost brought the capitalist system on the verge of exploding – that's what we were led to believe - , but also be characterized by a major bull market in bonds. As it is always the case in times of crisis and weak equity markets, a flight to quality took place, mainly towards Treasuries issued by AAA rated governments and government agencies.

In this context, may it be in the USA, Germany or France, 10 yr government bond rates dropped and remained at rock bottom levels, even as rates rose slightly since last summer and the dreaded economic cataclysm, that was envisioned by most, incl. international organizations such as the IMF, was avoided.

#### 2008-2009, bond rally sparked.



But once the worst being over, investors regain their composure and do start focusing on Treasury markets, not only because of the “safe haven” aspect but also as a “risky” bet. From then on, long term rates do factor in economic fundamentals, and the logic is taking over. Historically, long term rates depend on three factors: economic growth, inflation and public deficits.

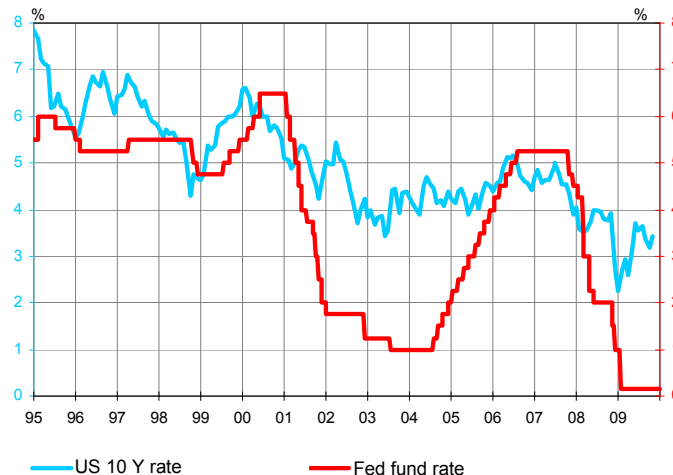
In a recession phase, coupled with deflation, the first two being negative, then the third factor is being suppressed and its consequence on rates, minimized, remaining low. That situation has been observed in Japan for the past ten years and more recently (since 2008) on both side of the pond. Inversely, when there is some lasting growing economy, the three factors act together and rates do firm and can lead to a weak bond market, should inflation and public deficits get out of hand.

In this environment, it is clear that 2010 will experience a rise in long term rates, if only because of higher short term rates and it is useful to determine the evolution of those parameters and conclude if such a bond move can be avoided.

To start with, one has to isolate the most likely trend in rates fixed by Central Banks. In the USA as well as in the UK, authorities will do their utmost by stepping on their brakes in order to avoid any monetary tightening

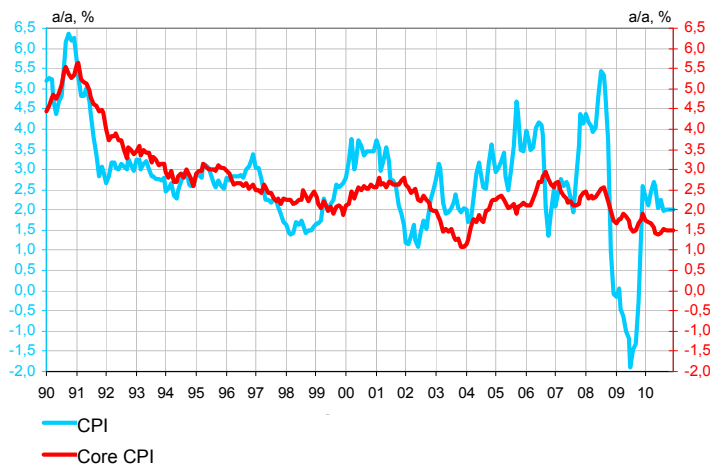
until the recovery is well anchored and unemployment declines before reversing their rate policies.

#### The Fed will continue to control 10 yr government bond rate.



As far as the FED is concerned, one must remember that its by-laws clearly stipulate that it has to act to limit any rise in long term rates. A rise of 25 bps in Fed Funds to 1.75% at the end of 2010 appears to be the worst case scenario , a still very low level to which limited risk factors, associated with the economic growth and inflation could be added. Indeed, next year, the American GDP should grow 2.8%, with an average inflation of 2.3%, 1.5% for the core.

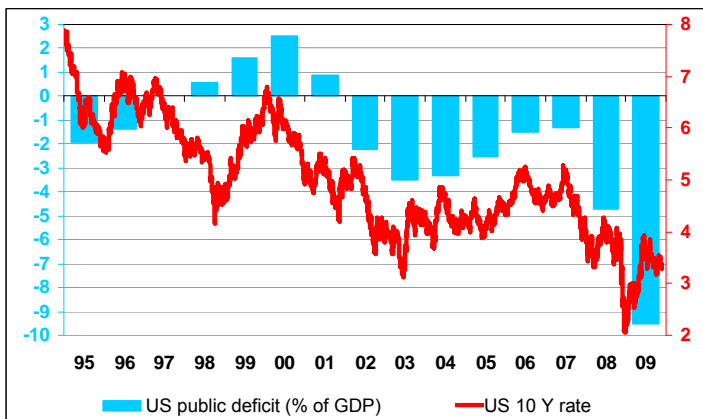
#### US inflation will remain under control.



The only question mark that could possibly rock the bond market could stem from the deteriorating budget deficit. From 1998 until 2001, it showed a surplus oscillating between 0.5% and 2%. Last year it turned into a deficit of 2.5% and the gap widened to 9.5% this year. Logical consequence of this slide, public debt will now represent 75% of GDP. But in fact, the real danger lays really in the efficacy of the stimulus plan and will it be enough to service this bulging level of debt and avoid a major debt bubble? With an expected 2.8% positive growth in 2010, the costs of servicing the public debt will

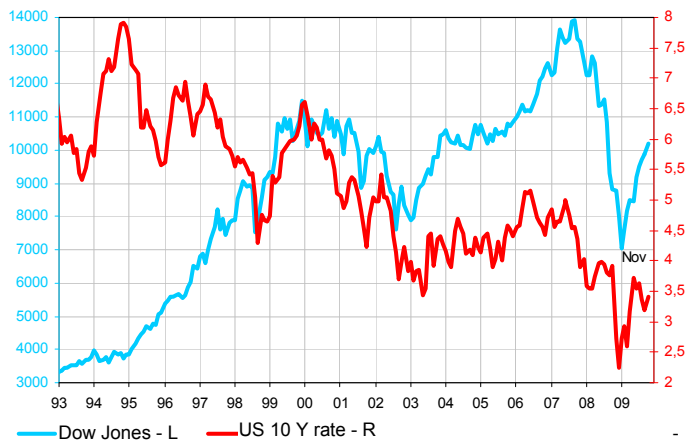
be easily financed and the budget deficit could be cut to 5% of GDP as early as 2011.

**If public deficit is under check, the rate rise in 10 yr treasuries will remain limited.**



Again the rise in American long term rates is inevitable but its magnitude will be limited, with Treasuries at around 4.5% a year from now, basically an ideal level to consolidate the economic recovery, to control inflation and to limit the cost of public debt. On top of it, that level won't be sufficient to destabilize equity markets actually will lead to a reallocation process, out of bonds into equities. So at the end the Dow Jones can easily reach 12000 next year.

**A rise in long term rates can go along with a rise in equity markets.**

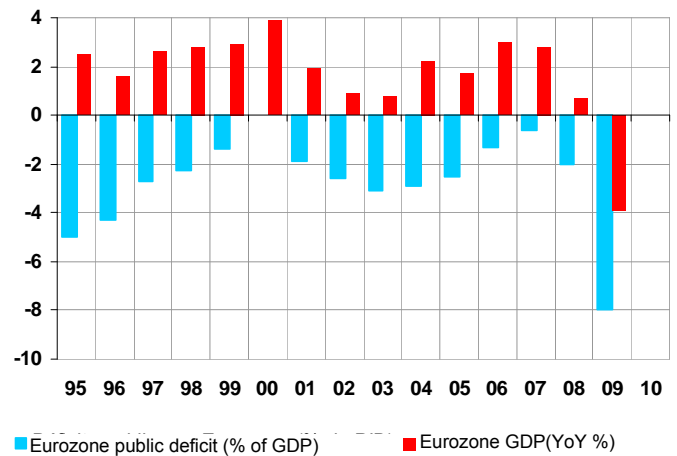


In as much the US bond and equity markets set the tone for the rest of the world, a similar move could also happen in the Eurozone, at least until the fall of 2010, when a decoupling could take place, as the favourable conditions prevailing in the USA will not be replicated.

Firstly it is sure that the ECB will raise its refi rate earlier, as soon as 1Q10 when inflation hits 1.5%. As the refi rate is already above the Fed Funds, it could quickly climb to 2%. Yes, this move will mechanically dampen inflation and economic growth, hence erasing the first two factors impacting long term rates but it could weigh heavily on the bond market perniciously.

For sure, the level of debt in the Eurozone will be lower than the one in the USA this year but it could surpass it in 2010, feeding the ever growing and dangerous bubble. Even worse, to service that level of debt, the Eurozone economy should grow at 3%. Our 1.3% forecast for 2010 and the following years means that the bleeding will go on, and it should become a haemorrhage starting 2012 when some countries, starting with France, will be unable to pay state funded pensions. That will undoubtedly lead rating agencies to lower some states from their current AAA.

**A Euro zone: public deficit without substantial growth.**



In that case, the third risk factor (national accounts) should explode, resulting in long term rates to rise to and above 4.5% by next fall, which will weaken an already soft economy. The Eurozone states did salvage the financial system in 2008, but from now on they will have to save themselves.

*Marc Touati*

## Economic events from November 30<sup>th</sup> to December 4<sup>th</sup>:

### United States: Sharp fall in job destructions.

In the United States: focus on Tuesday on the ISM manufacturing, on Thursday on the ISM services and finally on Friday on the employment report.

On this side of the pond, focus on the initial estimate for inflation in the euro zone on Monday and on the ECB refi rate on Thursday.

**Monday, November 30th, 10:00 GMT: inflation returns in positive territory in the euro zone.**

While having been negative since June, and after reaching a bottom at -0.6%YoY in July, consumer price index dropped by - 0.1% YoY in October. For November, led by the rise in energy prices and commodities, inflation should return in positive territory to + 0.5%YoY, meaning the end of deflation in the euro zone.

**Tuesday December first, 15:00 GMT: small rise of the ISM manufacturing index in November.**

After being above 50 for the first time since January 2008 at 52.9 in August, the ISM manufacturing index remained positive in September reached 55.7 in October the highest since April 2006. Industrial recovery is taking place in the United States and we anticipate a small rise in the ISM manufacturing index at 56 in November.

**Thursday, December 3rd, 12:45 GMT: Status quo on the ECB's refi rate.**

Despite the fact that GDP in the euro zone remained very low (precisely -4.1%YoY), and despite the high level of the euro currency, the ECB will keep its refi rate unchanged in December at 1%. This decision will be most likely be justified by the fragile recovery as

revealed in particular by the last IFO, INSEE or PMI surveys.

Moreover as the inflation should reach + 1.5% during the first quarter 2010, the ECB will most likely increase its refi rate. One more time the ECB will shoot itself in the foot and the economic recovery will remained soft.

**Thursday, December 3rd, 15:00GMT: new rise in the ISM services index in November.**

After reaching 50.9 in September, above 50 for the first time since August 2008, the ISM services index reached 50.6 in October. After over cutting capital spending, US companies are investing again, not only in the manufacturing sector but also in services. Therefore we anticipate a new rise in the ISM services index to 52 in November, the highest for two years.

**Friday, December 3rd, 13:30 GMT: US unemployment rate is stabilizing and job destructions are sharply down in November.**

After an exceptional drop to 9.4% YoY in July, unemployment rate rose again to 10.2% in October the worst since April 1983. Despite the end of the recession, this increase in the unemployment rate was quite logical as it is a lagging indicator. However, after the sharp rise in October we anticipate a stabilization at 10.2% in November. Meanwhile, job destructions which had reached 190,000 in October "the best result" since August 2008, should dropped sharply to 100,000 in November. Nevertheless, as the US recovery is not strong enough and still at its early phase, the unemployment rate should increase in the coming months, and this until the beginning 2010 to at least 10.5%.

*Jérôme Boué*

## Analysis and Perspectives: Winter transfer season for PPR?

PPR (€81.22) will hit a new milestone in its restructuring plan with the initial public offering of CFAO, the majority of shares being offered on this occasion. With this financial deal, PPR is clearly increasing its visibility and affirming its desire to become a world leader in branded consumer goods, luxury and lifestyle goods.

Gucci and Puma are the new DNAs for the future of the PPR Group. Those two brands already represent 60% of its operating profit.

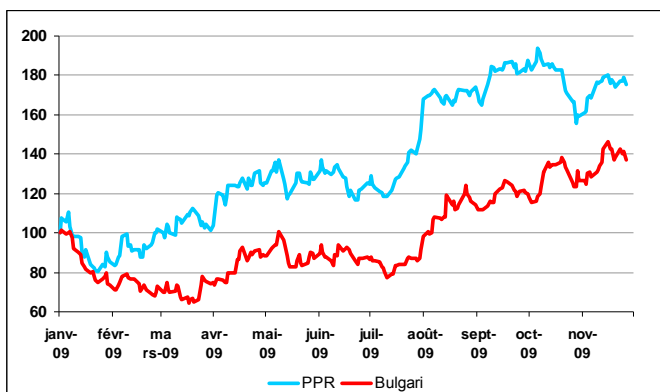
CFAO will be priced between € 24.80 and € 29, allowing the company to cash in some € 900 millions if priced at the high end of the bracket. It will then increase the cash hoard, which currently amounts to € 4.5 billions enabling the company to re-deploy its activities.

Other sales may be in the offing: Conforama, the FNAC and Redcats all are possibly on the bloc but will not be sold on the cheap, and all options are kept open. The listing of CFAO will definitely be a test.

François-Henri Pinault believes the Group is not visible enough in the jewellery and watches areas.

We would just remind readers that the purchase of Puma in 2007 was preceded by the sale of Le Printemps Department stores a year earlier. For sure those potential transactions at the periphery of what the company now considers to be the core activities and the subsequent excitement are pointing to a major deal.

For the time being, PPR is still focusing its attention on its restructuring plan, on preserving its margins and on maximising its free cash flow. For the first 9 months of 2009, sales contracted by 6.6% on a comparable basis but some divisions, namely Redcats, FNAC and Conforama recorded some improvement in September and for the first 3 weeks of October, the company was again in positive comparisons.



On the other side of the Alps, Bulgari (€6.33) is a gem. Similar to Puma, it's a family run company, managing a worldwide brand and again like Puma at the time, the company is not for sale.

During 1H09, 45% of sales came from jewellery and 23% from watches.

Bulgari is currently struggling to increase value but it's improving. After a loss of € 11.2 mn in 2Q09, the company returned to profits in 3Q09 with a € 7mn gain. Sales rose by 10% in October and the company anticipates the 4th quarter to be the best this year. Bulgari's owned stores have seen declines in sales slowing down : - 15% in 1Q ; - 10% in 2Q and - 3% in 3Q09.

40% of its revenues stem from Asia, mainly Japan and China and it is expected to see the latter country to become the largest customer of luxury items, ahead of Japan with an estimated total of over \$ 12 billions.

According to Interbrand, Bulgari ranks 10th in brand recognition, in the luxury goods area.

Tiffany (\$43.21) is the other company that could attract PPR's attention. With a market capitalisation of \$ 5 billions and a 90% float, the company is definitely a take over candidate.

3Q09's figures were far better than expected: though down 9% in the Americas, sales were up 10% in Asia. Hence Tiffany raised its objectives for FY09 as a whole. Its double positioning is definitely appealing, luxury jewellery items as well as affordable items (some goods are sold for as little as \$ 30)

The stock valuation and PPR's current image on the market scene will evolve in time with the Group's transformation. The company is currently valued at 1.1 x its Book value as against 1.5 x on average over the past 15 years and as against an historic rate of 3.5 x for the sector of luxury and lifestyle products. Its discount is around 50%, if not slightly more.

The discount on Bulgari is also significant at 2.25x book value as against an average of 3.3x over the past 10 years

*Philippe Moni / Gerard Weinberg  
(Institutional Sales at Global Equities)*

## PPR (PP FP Equity, FR0000121485) at a glance

## Bulgari (BUL IM Equity, IT0001119087) at a glance

	2010	Secteur	DJ 600		2010	Secteur	DJ 600
PE	<b>12,64 x</b>	15,94 x	13,03 x	PE	<b>34,75 x</b>	15,94 x	13,03 x
EPS	<b>6,59</b>			EPS	<b>0,18</b>		
Net Dividend Yield (%)	<b>3,96%</b>	2,90%	3,66%	Net Dividend Yield (%)	<b>1,12%</b>	2,90%	3,66%
Price to Cash Flow	<b>8,09 x</b>	10,83 x	6,97 x	Price to Cash Flow	<b>16,38 x</b>	10,83 x	6,97 x
Net Margin (%)	<b>4,29%</b>			Net Margin (%)	<b>5,49%</b>		
Price to Book	<b>1,06 x</b>	2,41 x	1,55 x	Price to Book	<b>2,25 x</b>	2,41 x	1,55 x
Price to Sales	<b>0,54</b>			Price to Sales	<b>1,92</b>		
Ev / Ebitda	<b>7,30</b>			Ev / Ebitda	<b>15,21</b>		
Return on Equity	<b>8,36%</b>	15,36%	12,12%	Return on Equity	<b>6,30%</b>	15,36%	12,12%

Source : Factset

Position	Brand	Value of the brand in 2008 (Millions of euros)	Country
1	Louis Vuitton	16 718,00	France
2	Gucci	6 388,00	Italie
3	Chanel	4 918,00	France
4	Rolex	3 836,00	Suisse
5	Hermès	3 541,00	France
6	Cartier	3 278,00	France
7	Tiffany & Co	3 257,00	Etats-Unis
8	Prada	2 775,00	Italie
9	Ferrari	2 730,00	Italie
10	Bulgari	2 577,00	Italie
11	Burberry	2 542,00	Royaume-Uni
12	Dior	1 578,00	France
13	Patek Philippe	855,00	Suisse
14	Zegna	633,00	Italie
15	Ferragamo	559,00	Italie

Source: Interbrand, Classement 2008 des plus grandes marques de luxe

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

Date	Time	Country	Event	Period	GE Forecast	Consensus	Prior
30/11/2009	0.50 am	Japan	Industrial production (preliminary)	October		+2,5%,-13,4% YoY	+2,1%,-18,4% YoY
30/11/2009	1.01 am	United Kingdom	GfK consumer confidence index	November		-11	-13
30/11/2009	8.45 am	France	Producer price index	October		+0,2%,-7,3% YoY	-0,3%,-8,1% YoY
30/11/2009	10.30 am	United Kingdom	Net consumer credit	October			- £ 0,3 bn
30/11/2009	10.30 am	United Kingdom	Mortgage approvals	October		57 500	56 200
30/11/2009	10.30 am	United Kingdom	M4 money supply (final)	October			+1,8%,+11,0% YoY
<b>30/11/2009</b>	<b>11.00 am</b>	<b>Euro area</b>	<b>Consumer price index (advanced)</b>	<b>November</b>	<b>+ 0,5 % YoY</b>	<b>+0,5% YoY</b>	<b>-0,1% YoY</b>
30/11/2009	3.45 pm	United-States	Chicago purchasing manager	November		53,0	54,2
30/11/2009	4.00 pm	United-States	NAPM-Milwaukee	November			50,0
30/11/2009	4.30 pm	United-States	Dallas Fed manufacturing activity	November		0,0%	-3,3%
1er-7 decembre		Japan	Official reserve assets	December			\$ 1056,8 bn
01/12/2009	2.00 am	China	PMI manufacturing	November		55,9	55,2
01/12/2009	6.00 am	Japan	Vehicles sales	November			+12,6% YoY
01/12/2009	8.00 am	Germany	Retail sales	October		+0,5%,-1,7% YoY	-0,2%,-3,9% YoY
<b>01/12/2009</b>	<b>9.50 am</b>	<b>France</b>	<b>PMI manufacturing (final)</b>	<b>November</b>		<b>54,2</b>	<b>54,2</b>
<b>01/12/2009</b>	<b>9.55 am</b>	<b>Germany</b>	<b>PMI manufacturing (final)</b>	<b>November</b>		<b>52</b>	<b>52</b>
<b>01/12/2009</b>	<b>9.55 am</b>	<b>Germany</b>	<b>Unemployment rate</b>	<b>November</b>		<b>8,1%</b>	<b>8,1%</b>
<b>01/12/2009</b>	<b>10.00 am</b>	<b>Euro area</b>	<b>PMI manufacturing (final)</b>	<b>November</b>	<b>51</b>	<b>51</b>	<b>51</b>
01/12/2009	10.30 am	United Kingdom	PMI manufacturing	November		54	53,7
<b>01/12/2009</b>	<b>11.00 am</b>	<b>Euro area</b>	<b>Unemployment rate</b>	<b>October</b>	<b>9,8 %</b>	<b>9,8%</b>	<b>9,7%</b>
<b>01/12/2009</b>	<b>4.00 pm</b>	<b>United-States</b>	<b>ISM manufacturing</b>	<b>November</b>	<b>56</b>	<b>54,8</b>	<b>55,7</b>
01/12/2009	4.00 pm	United-States	Pending home sales	October		-0,8% MoM	+6,1%,+19,8% YoY
01/12/2009	4.00 pm	United-States	Construction spending	October		-0,4%	+0,8%
01/12/2009	4.00 pm	United-States	ABC consumer confidence	November 29th			-47
01/12/2009		United-States	Total vehicle sales	November		10,50 million	10,45 million
02/12/2009	10.30 am	United Kingdom	PMI construction	November		46,8	46,2
02/12/2009	11.00 am	Euro area	Production price index	October		+0,0%,-6,8% YoY	-0,4%,-7,7% YoY
02/12/2009	1.00 pm	United-States	MBA mortgage applications	November 27th			-4,5%
02/12/2009	2.15 pm	United-States	ADP employment report	November		- 155 000	- 203 000
02/12/2009	8.00 pm	United-States	Fed Beige Book				
03/12/2009	8.45 am	France	Indice ILO du taux de chômage	3rd quarter		10%	9,5%
<b>03/12/2009</b>	<b>9.50 am</b>	<b>France</b>	<b>PMI services (final)</b>	<b>November</b>		<b>60,4</b>	<b>60,4</b>
<b>03/12/2009</b>	<b>9.55 am</b>	<b>Germany</b>	<b>PMI services (final)</b>	<b>November</b>		<b>51,5</b>	<b>51,5</b>
<b>03/12/2009</b>	<b>10.00 am</b>	<b>Euro area</b>	<b>PMI services (final)</b>	<b>November</b>	<b>53,2</b>	<b>53,2</b>	<b>53,2</b>
<b>03/12/2009</b>	<b>10.00 am</b>	<b>Euro area</b>	<b>PMI composite (final)</b>	<b>November</b>	<b>53,7</b>	<b>53,7</b>	<b>53,7</b>
03/12/2009	10.30 am	United Kingdom	PMI services	November		57	56,9
03/12/2009	10.30 am	United Kingdom	Official reserves change	November			\$ 555 million
03/12/2009	11.00 am	Euro area	Retail sales	October		+0,1%,-2,6% YoY	-0,7%,-3,6% YoY
<b>03/12/2009</b>	<b>11.00 am</b>	<b>Euro area</b>	<b>GDP (preliminary)</b>	<b>3rd quarter</b>		<b>-4,1% YoY</b>	<b>+0,4%,-4,1% YoY</b>
<b>03/12/2009</b>	<b>13.45 am</b>	<b>Euro area</b>	<b>ECB announces interest rate</b>	<b>3 December</b>	<b>1,00 %</b>	<b>1,00%</b>	<b>1,00%</b>
03/12/2009	2.30 pm	United-States	Non farm productivity (final)	3rd quarter		8,5%	9,5%
03/12/2009	2.30 pm	United-States	Unit labor cost (final)	3rd quarter		-4,2%	-5,2%
03/12/2009	2.30 pm	United-States	Initial jobless claims	28 November		483 000	466 000
03/12/2009	2.30 pm	United-States	Continuing claims	21 November		5 540 000	5 423 000
<b>03/12/2009</b>	<b>4.00 pm</b>	<b>United-States</b>	<b>ISM non manufacturing composite</b>	<b>November</b>	<b>52</b>	<b>51,5</b>	<b>50,6</b>
<b>04/12/2009</b>	<b>2.30 pm</b>	<b>United-States</b>	<b>Employment report</b>	<b>November</b>			
			<b>Unemployment rate</b>		<b>10,2%</b>	<b>10,2%</b>	<b>10,2%</b>
			<b>Change in non farm payrolls</b>		<b>- 100 000</b>	<b>- 118 000</b>	<b>-190 000</b>
			<b>Change in manufacturing payrolls</b>		<b>- 50 000</b>	<b>- 50 000</b>	<b>- 61 000</b>
			<b>Average hourly earnings</b>		<b>+0,2% MoM</b>	<b>+0,2% MoM</b>	<b>+0,3%,-2,4% YoY</b>
			<b>Average weekly hours</b>			<b>33,1</b>	<b>33,0</b>
<b>04/12/2009</b>	<b>4.00 pm</b>	<b>United-States</b>	<b>Factory orders</b>	<b>October</b>	<b>-0,2 %</b>	<b>0,1%</b>	<b>0,9%</b>

## Our economic and financial forecast for 2009-2010.

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

	Key interest rates				10 years government bond interest rates				
	Nov 30rd	in 3 months	in 6 months	in 1 year	Nov 30rd*	in 3 months	in 6 months	in 1 year	
<b>United States</b>	0-0,25	0,25	0,50	1,75	<b>United States</b>	3,23	3,50	4,00	4,30
<b>Euroland</b>	1,00	1,25	1,50	1,75	<b>Euroland</b>	3,16	3,50	3,90	4,20
<b>United Kingdom</b>	0,50	0,50	0,75	1,50	<b>United Kingdom</b>	3,52	3,90	4,00	4,30
<b>Japan</b>	0,10	0,10	0,10	0,10	<b>Japan</b>	1,27	1,50	1,70	1,90

	Exchange rates				International equities markets				
	Nov 30rd*	3 months	6 months	1 year	Nov 30rd*	3 months	6 months	1 year	
<b>EUR/USD</b>	1,505	1,45	1,30	1,20	<b>Dow Jones</b>	10,310	10,500	11,200	12,000
<b>USD/JPY</b>	86,15	95	100	110	<b>Nikkei</b>	9,346	10,700	11,000	11,500
<b>EUR/JPY</b>	129,68	138	130	132	<b>Cac 40</b>	3,729	3,900	4,200	4,400
<b>EUR/GBP</b>	0,91	0,87	0,85	0,82	<b>Euro Stoxx 50</b>	2,842	2,950	3,100	3,200

\* Level at 9.00 am (Paris Time)



## GLOBAL EQUITIES

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