



November 9<sup>th</sup> 2009

# GLOBAL EQUITIES

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## Thoughts: Central banks caught in their own trap!

Central Banks around the globe are now facing a Cornelian dilemma, especially in the Western world. In fact, about a year ago, at the height of the financial crisis, they not only injected huge amount of liquidities but they also cut their rates drastically. They didn't have the choice anyway as, without those concerted efforts, the whole financial system would have collapsed, together with the economy. They did learn from the 1929 crash and of the more recent Japanese experience of the early '90s, when authorities didn't measure the size of the damages and therefore had no reaction whatsoever. In other words, central banks did their job even if one can regret that the ECB didn't go all the way by cutting its refi rate to the level of all other major central banks. To be different is fine, but avoiding nipping the economic recovery in the Eurozone in the bud would be better! But let's be fair, the ECB after raising its rates in July 2008 in the midst of the Eurozone's recession, had to move back in line with the pack and did cut its rates to historic low levels. Now comes the question which is in every central banker's mind: what's next and when?

After having come to the rescue of the financial and economic world, central banks will have to fine tune and it could be highly risky. And for a valid reason: If they act too swiftly and too harshly, they run the risk of slowing the economy before the job market turns around. Let's not forget that an economic cycle always follows the same pattern: Stock markets decline beforehand but recover early, usually six months before the economy emerges from the trough. Then six to nine months later, the rebound translates into job creations, paving the way to the virtuous circle: growth -> jobs-> consumption. So, if central banks act before any improvement in employment, they will cut short the scenario and the ghost of a double dip, what is called a W shaped trend, will be looming, a prospect already in the cards according to many economists, the same ones that a few months ago were forecasting a L type economy until at least 2011. Showing unrivalled inventiveness, they stressed that having escaped by luck the L, we will not avoid the W, as they are betting on an hasty move by central banks that will kill the economic recovery prematurely.

That is why central banks are caught in the middle. If they don't act on rates in order to strengthen the world economy, they run the risk of boosting inflation in the following quarters and therefore lose their credibility, which in turn will push long term rates higher and slowdown the economy. Hence we can say today that they are caught in their own trap and they will have to be very skilful in their exit strategy, as they will have very little room to manoeuvre, should the economy remain fragile. To avoid such scenario, central banks will have to be thrifty, pragmatic and unbiased. In that environment, the Eurozone will not have it easy, on the contrary...

The FED already played its cards: no rise in Fed Funds as long as unemployment is not significantly declining. In other words, the FED is not taking the risk of a W type economy, even if it means raising rates towards 2% by the end of 2010, in order to control any inflationary pressure, to reassure investors and to avoid gloom on the bond market. So with the job market back on its rails, the Fed will then not worry about the sustainability of the recovery and 10yr Treasuries will hit 4.5% This is our scenario for the next 12 months with an American economy growing at 2.5% - 3%, an ideal script for the job market, for financing public debt and for avoiding inflation, which should remain subdued at around 2.5%.




















































If we are rather reassured about the US economy, we are still sceptical about the Eurozone. We are still worry that the ECB will threaten with a rate increase as soon as inflation is back in positive territory, possibly as soon as this month (the actual figure being published in early December). According to us, such a move could take place in February 2010, i.e. 3 months before an expected turnaround on the job market. Then budgetary laxness will supersede monetary orthodoxy. It will surely help economic growth for awhile but it will augment public debts and widen deficits. The consequence: a rise in long term rates and in fine a slowdown in the Eurozone economy.

So from now until the end of 2010, rates on both sides of the Atlantic will move in unison in 2010: Fed Funds and refi rate at 2% and long term bond rates at 4.5% but for different reasons. And all this for what? A 2.8% growth in the USA and 1.3 in Europe.

But as we got accustomed to that situation. Why changing...?

*Marc Touati*

## Economic data released this week:

Country	Event	Period	Actual	Prior	Climat	Sum up
	US ISM manufacturing	October	55,7	52,6		
	US Pending home sales	September	+6,1%,+19,8% YoY	+6,4%,+12,1% YoY		
	US Construction spending	September	+0,8% MoM	-0,1% MoM		
	US Factory orders	September	+0,9%	-0,8%		
	US ABC consumer confidence	November 1 st	-49	-51		
	US Total vehicle sales	October	10,45 million	9,20 million		
	US MBA motgage applications	October 30 st	+8,2%	-12,3%		
	US ADP employment survey	October	-203 000	-227 000		
	US ISM non-manufacturing	October	50,6	50,9		
	US FOMC meeting and rate decision	November4 th	0,25%	0,25%		
	US Non farm productivity (preliminary)	3rd quarter	+9,5%	+6,9%		
	US Unit labor cost	3rd quarter	-5,2%	-6,1%		
	US Initial jobless claims	October 31 st	512 000	532 000		
	US Continuing claims	October 24th	5 749 000	5 817 000		
	US <u>Employment report</u>	October				
	US Unemployment rate	October	10,2%	9,8%		
	US change in non farm payrolls	October	-190 000	-219 000		
	US Change in manufacturing payrolls	October	- 61 000	-45 000		
	US Average hourly earning	October	+0,3%,+2,4% YoY	+0,1%,+2,5% YoY		
	US Average weekly hours	October	33,0	33,0		
US Wholesale inventories	September	-0,9%	- 1,3%			
US Consumer credit	September	-\$ 14,8 bn	-\$ 9,9 bn			
	ZE PMI manufacturing (final)	October	50,7	50,7		
	ZE PMI services (final)	October	52,6	52,3		
	ZE PMI composite (final)	October	53,0	53,0		
	ZE Producer price index	September	-0,4%,-7,7% YoY	+0,5%,-7,5% YoY		
	ZE Retail sales	September	-0,7%,-3,6% YoY	-0,1%,-2,3% YoY		
	ZE ECB announce rates	November 5th	1,00%	1,00%		
	Fr PMI manufacturing (final)	October	55,6	55,3		
	Fr PMI services (final)	October	57,7	57,8		
	Fr Government budget balance	September	-€ 125,8 bn	-€ 127,6 bn		
	All PMI manufacturing (final)	October	51,0	51,1		
	All PMI services (final)	October	50,7	50,9		
	All Factory orders	September	+0,9%,-13,1% YoY	+2,1%,-19,8% YoY		
	UK PMI manufacturing	October	53,7	49,9		
	UK PMI services	October	56,9	55,3		
	UK Official reserve change	October	\$ 555 million	\$ 1665 million		
	UK Industrial production	September	+1,6%,-10,3% YoY	-2,6%,-11,5% YoY		
	UK BoE announce rate	November 5th	0,50%	0,50%		
	JP Vehicle sales	October	+12,6% YoY	+3,5% YoY		

## Markets:

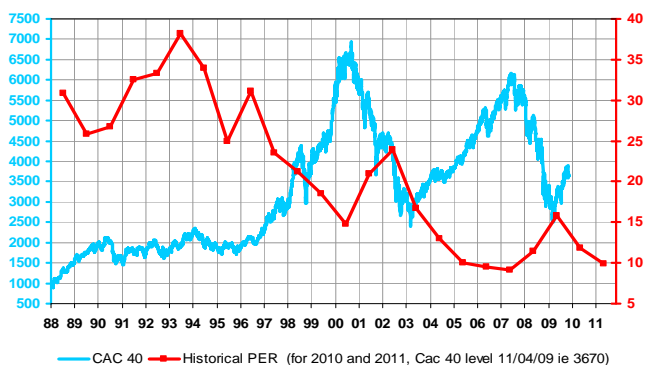
### CAC 40: What is the right price?

Having gone over the 3800 level as early as Sept 16th, 2009, moving up to 3883 mid-October, the CAC 40 has gone through a consolidation phase, heightened by an extreme volatility. In fact, the correction is quite normal and even welcomed. Not only because our forecast of a CAC 40 reaching the 3800 level by year end was already reached (we made that prediction back in March when the index was limping at 2500), but also because the market needed to pause after a 55% rise, before moving forward again. Yes, the CAC 40 still has some upward potential for 2010. For sure, the rise in commodity prices, the excessive strength of the euro or the probable tightening by the ECB early 2010 could all dampen the economic recovery and the bullish sentiment on the market. But on the other hand, because of an expected 3.2 % growth in the world economy, the return of many listed companies to more normalized profits and the anticipation of numerous mergers and acquisitions, the CAC 40 is not yet at its right price.

Hence, after avoiding the worst in terms of profitability, thanks to massive cost cutting programs, corporates are now benefiting from a slow improvement in orders, the latter should improve in time if considering the latest PMI surveys. The recovery has only started. So following recent upside surprises on earnings, those should continue but with the topline taking the relay from the sometime excessive cost cutting programs. In turn, the job market would improve and would firm the economic recovery. Within that framework, the market PE ratio should not become overextended, preventing a new speculative bubble.

For 2009, the CAC 40's PE currently stands around 15x on the basis of a 30% decline in earnings (after a 20% drop in 2008). Should earnings in 2H09 be better than expected, the ratio could come down somewhat by year end. Moreover with a CAC at 3800 and supposing a rise in earnings in 2010 and 2011, albeit not back at 2007 level, the market PE would currently stands at 11.5x 2010 and 9.5x 2011.

**PE are showing that the Cac 40 is not over valued.**



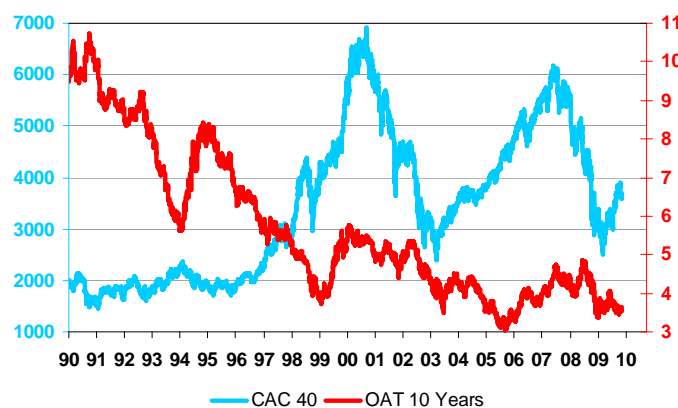
Sources : Factset, Calculs Global Equities

Looking at the average PE over the 1987-2008 period of 23x (with 10 yr long term rates of 6%), one can clearly see that even at the current level, the market is not that expensive, in as much long term rates remain at or below 4%. To reach a PE of 15x and supposing that earnings rise by 30% next year, the target could be around 4650.

Furthermore, despite the fact that only 8 companies are today valued at below book value (as against 23 in March) they are still lowly priced according to that measuring gauge. Sales are not yet over and bargains are still plentiful!

Of course there is always the danger of a sharp increase in rates that could ruin our scenario!

**A slight rise in long term rates will not stop the rebound in the Cac 40.**



Sources : Datastream et Bloomberg

As we believe that the recovery will remain soft with a tame inflation, long term rates should creep by 100 BPS towards 4.5% by year end 2010. So considering all the positive fundamental elements, we think that the CAC 40's right price is around 4500. But should the market be entertained by a flurry of mergers and take-over-bids, that level could easily be surpassed.

We agree, that the short term will remain volatile, taking profits when suitable and building positions when deemed favourable, but as a whole, the rise on the Paris market is not over yet!

Marc Touati

## Despite the normal rise in market capitalisations, Cac stocks are not overly expensive

(Source Factset, Calculs Global Equities)

Name	Price (11/04/2009)	% Change YTD	Return on Equity 09	Market Cap.	Shareholder's Equity 2009 (estimated)
Accor SA (FR Listing)	34,32	-2,3%	8,53%	7 731	3 253
Air Liquide SA (FR Listing)	75,95	16,0%	15,63%	20 056	7 478
Alcatel-Lucent (Ordinary)	2,65	72,8%	-8,14%	6 140	3 986
Alstom SA (FR Listing)	47,75	13,7%	32,60%	13 790	3 783
Arcelem (Class A)	23,80	40,0%	-1,45%	38 859	42 541
AXA SA (Ordinary)	16,73	5,6%	7,97%	34 951	40 750
BNP Paribas SA (FR Listing)	52,63	79,0%	9,45%	62 322	58 639
Bouygues SA (Ordinary)	33,95	12,4%	15,02%	11 678	8 056
Cap Gemini	32,49	18,1%	8,08%	4 807	4 185
Carrefour SA (FR Listing)	30,11	9,4%	13,28%	21 221	10 574
Credit Agricole (FR Listing)	13,60	70,0%	2,79%	31 546	43 740
Danone (FR Listing)	41,15	1,0%	11,35%	26 620	14 557
Dexia	5,39	68,3%	12,46%	9 493	9 066
Eads	13,21	9,8%	6,75%	10 759	11 333
Electricite de France	38,27	-7,8%	15,81%	69 725	24 700
Essilor Intl (Ordinary)	38,40	14,4%	15,65%	8 128	2 617
France Telecom	17,20	-13,8%	16,69%	45 556	28 573
GDF Suez (FR Listing)	28,87	-18,3%	8,11%	65 233	59 644
Lafarge SA (Ordinary)	57,69	53,2%	7,47%	16 462	15 029
Lagardere	31,93	10,1%	7,79%	4 186	5 134
LVMH	70,17	46,9%	12,98%	34 382	14 202
Michelin	50,97	35,7%	3,27%	7 511	5 199
Oreal (L')	70,34	12,9%	15,72%	42 095	13 059
Pernod Ricard SA	56,75	13,6%	14,22%	14 678	7 767
Peugeot SA	23,06	89,8%	-11,85%	5 397	11 843
PPR SA	78,63	68,7%	7,73%	9 952	9 643
Renault SA	31,38	69,1%	-18,77%	8 940	17 442
Saint Gobain	36,10	18,3%	3,92%	18 513	16 193
Sanofi-Aventis SA	49,95	10,0%	17,76%	65 722	47 734
Schneider Electric SA	71,58	35,1%	8,60%	18 749	11 873
Societe Generale	45,64	33,8%	2,90%	33 765	37 314
Stmicroelectronics	5,54	15,8%	-8,94%	5 040	5 081
Suez Environnement SA	15,12	25,5%	11,10%	7 404	3 601
Technip SA	45,19	107,2%	14,68%	4 940	2 838
Total SA	41,64	7,0%	15,14%	97 718	54 827
Unibail-Rodamco	149,65	40,5%	7,28%	13 646	11 401
Vallourec SA	113,45	40,1%	13,15%	6 418	3 485
Veolia Environnement SA	22,40	0,9%	7,33%	11 057	7 450
Vinci SA	36,48	21,6%	15,87%	18 961	9 616
Vivendi	19,01	-18,3%	10,98%	23 354	24 066
CAC 40 (FR)	3 670,33	14,1%	8,53%	957 501	712 331

## Economic events from November 9<sup>th</sup> to November 13<sup>th</sup>: Euro area: Growth is finally back on track.

This week will be particularly quiet in the United States, with only the trade balance on Friday .

On this side of the Atlantic, we will concentrate on the ZEW index in Germany (Tuesday) but most of all we will focus on the publication of the national accounts for the third quarter in Germany, France and in the Euro zone (Friday). After five consecutive falling quarters, the euro area's GDP should confirm that growth is finally back on track.

### **Tuesday, November 10, 10:00 GMT: small decline in the ZEW index in November.**

After surging to 56.1 in August, and rising again to 57.7 in September the highest level since April 2006, the ZEW index should slightly decline to 56 in October.

Indeed due to the equity market correction in October, the ZEW index should decline again in November to 55.

### **Friday, November 13, 10:00 GMT: growth is back in the euro zone for the third quarter.**

After dropping to an historical low in the first quarter by 2.5% and despite the fact that French and German GDP rose by 0.3%, the euro area's GDP recorded a fifth consecutive decline in the second quarters 2009 in dropping by 0.2%. With a total of 1861 billion euros (at the prices of 2000), the GDP in the euro zone reached its lowest level since the first quarter 2006.

Nevertheless, because of the technical correction linked to the previous sharp fall, to the reduction in

interest rates, to the earlier weakness of the euro as well as energy prices at the beginning of year, and to the effects of the various budgetary stimulus plans, we anticipate the euro area GDP should rise by 0.4% in the third quarter 2009.

A similar trend should be observed in France and in Germany, showing that the unexpected rebound of the second quarters was not a flash in the pan.

However, as interest rates are not dropping any more, with the effects of the stimulus plans fading, and a dangerously rising the euro as well as firming energy prices, the euro zone should have some hard time to transform this technical rebound into a durable recovery.

In such conditions, unfortunately it seems that the recovery in the euro area will be weak and fragile. Consequently after dropping by around 4% this year the Euro are GDP should rise by only 1.3% in 2010.

### **Friday, November 13, 13:30 GMT: small increase in the US trade deficit in September.**

After rising in June and in July, the US trade deficit and dropping to 30.71 billion dollars in August, it should slightly increase in September.

Indeed, exports which had increased in August by 0.2% should stabilized, led by the weakness in the dollar, while imports which had fallen by 0.6%, should increase, led by the rebound in household consumption in the United States. Consequently the US trade deficit should slightly rise to 31 billion dollars in September.

Jérôme Boué

## Analysis and Perspectives: PUBERNET

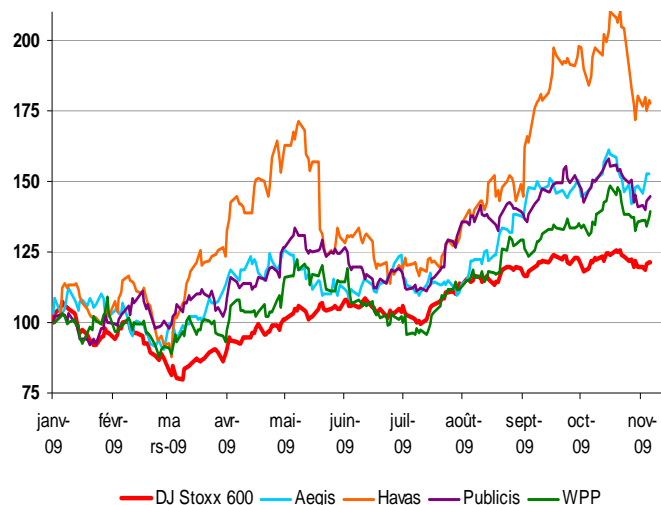
For the advertising industry, the drop in activity slowed down in the course of 3Q09. But patience will still be needed, at least until 2Q10 when organic growth should resume.

ZenithOptimedia, a Publicis market research company, has again cut its forecast for advertising budgets, on a worldwide basis, to -9.9% (vs -8.5%) for 2009. But positive signs are already perceptible. For 2010, ZenithOptimedia expects a moderate and uneven recovery (+0.5%) with a further 2.9% decline in mature markets (USA; Western Europe, Japan) but a strong 7.8% growth in emerging markets.

In 2009, the Web is the only media that will record a positive 9% growth as against a 20% drop in magazines, -17% in newspapers, 10% in Radio, 9% in billboards, and 7% in television.

In 2010 14% of the world advertising budget will be directed towards the Web, just behind Television (40%) and newspapers (22%). Following Denmark, the United Kingdom has recorded higher ad sales on the net than on TV for the first time during 1H09.

### Havas and WPP remain under valued



Source : Bloomberg

PUBLICIS (€26.84) has been an early player in both areas. Following the acquisition of Razorfish, the Web will amount to 25% of its revenues. The company is also the leading ad agency in China, Russia, Turkey, Mexico and Brazil and those countries should account for 21% of the group's turnover in 2010.

But 2 other stocks appear undervalued.

WPP (GBP 568) which has been very aggressive on those markets. Last June, its fully owned subsidiary Sudler and Hennessey acquired 60% of MDS, one of the leading advertising agencies in China, focusing on healthcare. In July, Ogilvy (100% owned) took control of T&A Communications in Vietnam. At the same time Added Value (100% owned) purchased 51% of both Saffron Hill Singapore and Saffron Hill Philippines. In total, in 1H09, the Web represented 25% of WPP's sales and emerging markets accounted for 24% of the total.

### HAVAS (€2,674)

Within the group, Havas enjoys the soundest financial structure and its net debt, as of September 30<sup>th</sup> 09, amounted to a mere €159 million as against €312 million a year ago (i.e. 0.8x EBITDA). So in 2008, its strong creative power coupled with a costs structure that is lower than the main competition (Global Networks) allowed the company to record a positive organic growth of 4.7%, by far the highest in the sector. Havas only manages one Global Network (EuroRSCG Worldwide), whereas Omnicom runs 3 (BBDO, DDB and JBWA), WPP 4 (JWT, Ogilvy, Grey Global, Young and Rubicam) and Publicis has 3 agencies (Publicis, Saatchi 1 Saatchi and Leo Burnett). All those agencies are always bidding against each other and this leads to cannibalisation, hurting their costs structures. It is estimated that a US\$ 100 million contract won by Havas will generate the same organic growth than a US\$ 600 million won by WPP.

Classification by country according to the share of Internet in the mix media		
Country	share of Internet in the mix media in 2008 (forecast)	share of Internet in the mix media in 2009 (forecast)
United Kingdom	25,60%	28,10%
Denmark	22,60%	27,70%
Sweden	19,50%	21,90%
South Korea	16,60%	18,80%
Norway	15,90%	18,10%
Japan	15,50%	17,50%
Netherlands	15,70%	17,30%
Australia	14,00%	17,20%
Canada	14,50%	17,10%
Czech Republic	14,30%	16,60%
Belgium	11,30%	15,50%
USA	14,20%	15,40%
Germany	12,90%	14,10%
Taiwan	11,50%	13,40%
Estonia	11,40%	13,00%
World Average	11,70%	13,00%
Spain	8,10%	9,70%
France	8,30%	9,70%

Source : GroupM, December 2008

In other words, emerging markets and the Web were the only growing areas in the US\$ 445 billion advertising industry. The ever growing development of social networking sites and the emergence of the mobile phone market are today the real challenges for the industry. The latter will become the industry's most powerful tool for generating growth.

Those “new businesses” at Havas did amount to € 1,131.- million for the first 3 quarters of 2009. The Digital business represented 16.4% of total revenues as of June 30<sup>th</sup>,09, Asia Pacific and Latin America 's contribution was 10% of the group's total sales.

Current valuation (5.8x 2010 EBITDA (e) and 1.1x book value) doesn't include the company strength, especially in a difficult environment. Though the stock jumped 20% in the past fortnight, the stock could be priced at around € 3.40 if to be on par with its main competitors.

#### Havas at a glance (HAV FP Equity, FR0000121881)

	2010	Secteur	DJ 600
PE	<b>11,90 x</b>	12,05 x	12,73 x
EPS	<b>0,22</b>		
Net Dividend Yield (%)	<b>1,83%</b>	4,56%	3,67%
Price to Cash Flow	<b>8,70 x</b>	6,7 x	6,9 x
Net Margin (%)	<b>6,77%</b>		
Price to Book	<b>0,96 x</b>	1,81 x	1,54 x
Price to Sales	<b>0,79</b>		
Ev / Ebitda	<b>5,46</b>		
Return on Equity	<b>8,10%</b>	14,98%	12,07%

#### WPP at a glance (WPP LN Equity, JE00B3DMTY01)

	2010	Secteur	DJ 600
PE	<b>11,87 x</b>	12,05 x	12,73 x
EPS (GBp)	<b>47,29</b>		
Net Dividend Yield (%)	<b>2,87%</b>	4,56%	3,67%
Price to Cash Flow	<b>8,28 x</b>	6,7 x	6,9 x
Net Margin (%)	<b>5,90%</b>		
Price to Book	<b>1,12 x</b>	1,81 x	1,54 x
Price to Sales	<b>0,82</b>		
Ev / Ebitda	<b>7,59</b>		
Return on Equity	<b>9,43%</b>	14,98%	12,07%

Source : Factset

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

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

Date	Time	Country	Event	Period	GE forecast	Consensus	Previous
09/11/2009	8.00 am	Germany	Trade balance	September		+ € 11,2 bn	+ € 8,1 bn
09/11/2009	8.00 am	Germany	Current account balance	September		+ € 9,0 bn	+ € 4,6 bn
09/11/2009	8.30 am	France	Bank of France business sentiment	October		93	92
09/11/2009	12.00 am	Germany	Industrial production	September		+1,2%,-13,8%	+1,7%,-16,8% YoY
10/11/2009	00.50 am	Japan	Adjusted current account	September		+ ¥ 1320,1 bn	+ ¥ 1233,6 bn
10/11/2009	00.50 am	Japan	Trade balance	September		+ ¥ 630,0 bn	+ ¥ 303,7 bn
10/11/2009	01.01 am	United Kingdom	RICS house price balance	October			+22%
10/11/2009	5.30 am	Japan	Bankruptcies	October			-18,0% YoY
10/11/2009	7.00 am	Japan	Machine tool orders (preliminary)	October			-62,1% YoY
10/11/2009	8.00 am	Germany	Consumer price index (final)	October		+ 0,1%,+ 0,0% YoY	+ 0,1%,+ 0,0% YoY
10/11/2009	8.45 am	France	Industrial production	September		+1,0%,-9,0% YoY	+1,8%,-10,8% YoY
10/11/2009	8.45 am	France	Manufacturing production	September		+1,2% MoM	+1,9%,-11,5% YoY
10/11/2009	10.30 am	United Kingdom	Trade balance	September			-£ 2,3 bn
10/11/2009	11.00 am	Germany	ZEW economic sentiment	November	55	55	56,0
10/11/2009	11.00 am	Germany	ZEW current situation	November		-69,5	- 72,2
10/11/2009	11.00 am	Euro area	ZEW economic sentiment	November			56,9
10/11/2009	4.00 am	United-States	IBD/TIPP economic optimism	November			48,7
10/11/2009	11.00 am	United-States	ABC consumer confidence	November 8th			-49
11/11/2009	0.50 am	Japan	Machine orders	September		+4,1% MoM	+0,5% MoM
11/11/2009	3.00 am	China	Consumer price index (final)	October		-0,4% YoY	-0,8% YoY
11/11/2009	3.00 am	China	Retail sales	October		+15,7% YoY	+15,5% YoY
11/11/2009	3.00 am	China	Industrial production	October		+15,2% YoY	+13,9% YoY
11/11/2009		China	Trade balance	October		+\$18,70 bn	+\$12,93 bn
11/11/2009	10.30 am	United Kingdom	Claimant count rate	October		5,1%	5,0%
11/11/2009	10.30 am	United Kingdom	Continuing claims	October		20 000	20 800
12/11/2009	8.45 am	France	Current account balance	September			-€ 3,7 bn
12/11/2009	11.00 am	Euro area	Industrial production	September		+0,5%,-14,1%YoY	+0,9%,-15,4%YoY
12/11/2009	1.00 pm	United-States	MBA mortgage applications	6 November			8,2%
12/11/2009	2.30 pm	United-States	Initial jobless claims	November 7th			512 000
12/11/2009	2.30 pm	United-States	Continuing claims	October 31st			5 749 000
12/11/2009	8.00 pm	United-States	Monthly budget statement	October		-\$150,0 bn	-\$155,5 bn
13/11/2009	5.30 am	Japan	Industrial production (final)	September			+1,4%,-18,9% YoY
13/11/2009	5.30 am	Japan	Capacity utilization (final)	September			2,3% MoM
13/11/2009	8.00 am	Germany	Gross Domestic Product (preliminary)	3rd quarter	+ 0,4% QoQ,- 5,2% YoY	+ 0,8% QoQ,- 4,8% YoY	+0,3% QoQ,-5,9% YoY
13/11/2009	8.45 am	France	Consumer price index (final)	October		+0,1%,-0,2% YoY	- 0,2%,- 0,4% YoY
13/11/2009	8.45 am	France	Wages (preliminary)	3rd quarter			+0,4%QoQ
13/11/2009	8.50 am	France	Gross Domestic Product (preliminary)	3rd quarter	+ 0,4% QoQ,- 2,1% YoY	+ 0,6% QoQ,- 1,9% YoY	+0,3% QoQ,- 2,8% YoY
13/11/2009	11.00 am	Euro area	Consumer price index (final)	October		+0,3%,-0,1% YoY	+0,0%,- 0,3% YoY
13/11/2009	11.00 am	Euro area	Consumer price index (ex food and energy)	October		+1,2% YoY	+1,2% YoY
13/11/2009	11.00 am	Euro area	Gross Domestic Product (advanced)	3rd quarter	+ 0,4% QoQ,- 4% YoY	+ 0,6% QoQ,- 3,9% YoY	- 0,2% QoQ,- 4,8% YoY
13/11/2009	2.30 pm	United-States	Trade Balance	September	-\$31 bn	-\$31,9 bn	-\$30,7 bn
13/11/2009	4.00 pm	United-States	University of Michigan consumer confidence (preliminary)	November		71,0	70,6

## 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 9th	in 3 months	in 6 months	in 1 year	Nov 9th*	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>	3,52	3,50	4,00	4,30
<b>Euroland</b>	1,00	1,25	1,50	1,75	<b>Euroland</b>	3,38	3,50	3,90	4,20
<b>United Kingdom</b>	0,50	0,50	0,75	1,50	<b>United Kingdom</b>	3,89	3,70	4,00	4,30
<b>Japan</b>	0,10	0,10	0,10	0,10	<b>Japan</b>	1,48	1,40	1,70	1,90

	Exchange rates				International equities markets				
	Nov 9th*	3 months	6 months	1 year	Nov 9th*	3 months	6 months	1 year	
<b>EUR/USD</b>	1,497	1,45	1,30	1,20	<b>Dow Jones</b>	10,023	10,000	10,800	11,500
<b>USD/JPY</b>	90,13	95	100	110	<b>Nikkei</b>	9,809	10,700	11,000	11,500
<b>EUR/JPY</b>	134,94	138	130	132	<b>Cac 40</b>	3,748	3,900	4,200	4,400
<b>EUR/GBP</b>	0,89	0,87	0,85	0,82	<b>Euro Stoxx 50</b>	2,828	2,950	3,100	3,300

\* Level at 9.15 am (Paris Time)



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