



December 14<sup>th</sup> 2009

# GLOBAL EQUITIES

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Le WEEKLY

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## Thoughts: Copenhagen or Ice Age 4

If you loved the Internet blow out, were thrilled by the wars in Afghanistan and Iraq, or possibly enthralled by the Lehman bankruptcy and the subsequent financial quagmire, then you will adore the havoc provoked by global warming. Similar to Rocky, Rambo, Die Hard, Spiderman or Harry Potter, crisis are like blockbusters, they need sequels. The script is always the same: if you did survive the first episodes, the new one will need to be more frightening! Gosh, it will definitely send shivers down your spine! Not because it's cold but on the contrary because it's getting warmer. So because of a rise in temperature, glaciers will melt, the ozone layer will get thinner, flat grounds will be permanently under water. In all, the Mayes with their predictions of an end of the world in 2012 sounded like schoolboys!

To confirm this theory, these distinguished geniuses are spreading across the planet to raise our awareness on this ticking time bomb. Very similar to those other brainy heads that forecast a replay of the 1929 crisis with a recovery in 2011 if lucky or those who foresaw a flu pandemic in 2003, 2007 and today, which could be deadlier than the 1918 Spanish influenza.

Of course, one has to take all those risks seriously. There is no smoke without fire and one should look at all the precautionary measures, just in case. But it's at this point in time that things are getting wrong. It's a known fact that economic forecasting is very subjective and unreliable but not healthcare and climatology. So, if one accepts those numerous opinions, the world is on its last stretch. If the financial system didn't put the planet on its knees, the flu or carbon dioxide will. On the other hand, there is a minority, to which we belong, that stated last February that 2009 wasn't 1929 and believes today that H1N1 will be manageable and that climate changes have to be studied as part of a multi secular cycle which goes far beyond the current alarmist speculations.

What's amazing though is that, like with the financial crisis, apocalyptic scenarii are the most credible. The human race loves to scare itself. It seems that there is an urge to jump into space or in scientific terms, to study Malthusianism. Malthus, an early sympathiser for economic negative growth, stressed that because of limited resources, the world couldn't grow indefinitely. Wars, diseases and natural catastrophes were the regulating system. For sure, in as much as barbarism at the beginning of this century is not as wide spread as 70 years ago, this extreme but simple vision has now become humanistic. So in order to fight global warming without reducing the world population, shrinking the world economy would do the trick. So the high profile Copenhagen summit will hand over a unique historic chance for building a fairer, greener, friendlier world. Hey! Let's wake up! We are not at the movies. Let's not forget that the road to hell is paved with good intentions!














































So let's be loud and clear: negative growth is stupid. Firstly because if such policy can be implemented in rich countries for a short period of time, it would be catastrophic for poorer and developing countries, which would then be barred from catching up with developed countries. Then even in industrialized countries, negative growth would raise the level of unemployment and increase the poverty level, a real social crisis; that would intensify social tensions. This is the paradox: altermondialists and the so-called partisans of a social economy, are very vocal on the poverty level and are at the same time proponent of an economic policy that would raise the level of poverty.

The solution resides elsewhere, as this is the real and only way to have sustained growth in a geographically limited space: Optimisation through technological revolutions. It's fine to cut CO2 emissions but it can only be done if there is an alternative solution, not by a declining economy that would inflate the level of jobless citizens. It is essential to develop new technologies, in the energy sector, that will not only protect the planet but will increase its wealth, especially with new jobs.

So instead of moaning on the end of the world and on developing unverifiable theories, which appear plausible only because they are scary, it would be far more intelligent to adopt a positive attitude based on improving and mastering economic growth. Without economic development, there ain't any sustainability. So let's pray that the world leaders will not forget it. Otherwise, Copenhagen will not be remembered as the city of the mermaid but of the social siren.

Marc Touati

## Economic data released this week:

Country	Event	Period	Actual	Prior	Climate	sum up
	US Consumer credit	October	-\$3,5 bn	-\$8,8 bn		
	US MBA mortgage applications	December 4th	8,5%	2,1%		
	US Wholesale inventories	October	+0,3%	-0,8%		
	US Trade balance	October	-\$ 32,9 bn	-\$ 35,7 bn		
	US Initial jobless claims	December 5th	474 000	457 000		
	US Continuing claims	November 28th	5 157 000	5 460 000		
	US Retail sales	November	+1,3%	+1,1%		
	US Retail sales less auto	November	+1,2%	+0,0%		
	US University of Michigan (preliminary)	December	73,4	67,4		
	US Business inventories	October	+0,2%	-0,4%		
	Fr Budget balance	October	- € 134,8 bn	- € 125,8 bn		
	Fr Trade balance	October	- € 4,4 bn	- € 2,8 bn		
	Fr Industrial production	October	-0,8%,-8,4% YoY	-1,2%,-10,6% YoY		
	Fr Manufacturing production	October	-0,8%,-8,8% YoY	-1,1%,-11,3% YoY		
	GR Factory orders	October	-2,1%,-8,5% YoY	+ 1,3%, +12,8% YoY		
	GR Industrial production	October	-1,8%,-12,4% YoY	+3,1%,-12,6% YoY		
	GR Trade balance	October	+ € 13,6 bn	+ € 10,4 bn		
	GR Current account balance	October	+ € 11,0 bn	+ € 9,3 bn		
	GR Consumer price index (final)	November	- 0,1%,+ 0,4% YoY	- 0,2%,+ 0,3% YoY		
	UK Industrial production	October	+0,0%,-8,4% YoY	+1,3%,-10,8% YoY		
	UK Manufacturing production	October	+0,0%,-7,8% YoY	+1,5%,-9,8% YoY		
	UK Trade balance	October	- £ 3,2 bn	- £ 3,0 bn		
	UK BoE announce rate	December 10th	0,50%	0,50%		
	JP Official reserve change	November	\$ 1073,7	\$ 1056,8		
	JP Trade balance	October	+ ¥ 949,0 bn	+ ¥ 599,2 bn		
	JP Leading index (preliminary)	October	89,7	87,5		
	JP Coincident index (preliminary)	October	94,3	93,2		
	JP GDP (final)	3rd quarter	+0,3% QoQ	+1,2% QoQ		
	JP GDP annualised (final)	3rd quarter	+1,3%	+4,8%		
	CH Consumer price index (YoY)	November	+0,6% YoY	-0,5% YoY		
	CH Retail sales	November	+15,8% YoY	+16,2% YoY		
	CH Industrial production	November	+19,2% YoY	+16,1% YoY		
	CH Trade balance	November	+\$ 19,09 bn	+\$ 23,99 bn		

## Markets:

### The Markets: Time for the annual review...

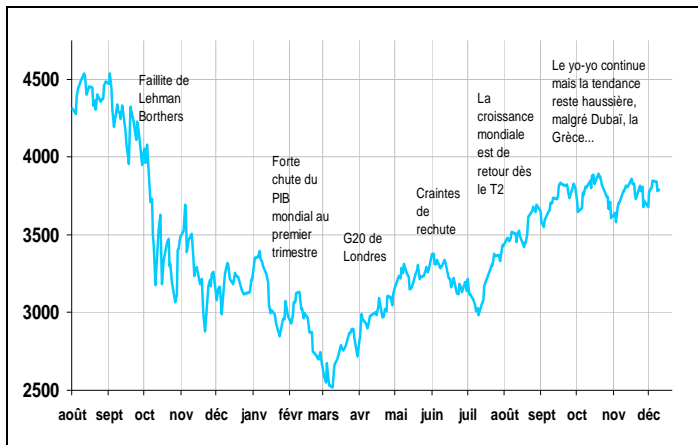
The year is not over yet, but an initial review of the markets can be drawn up. Whereas 2007 and above all 2008 could be called “anni horribiles”, 2009 will be viewed as the year of resurrection and of the defeat of all the Cassandras.

For sure, those bears are still in the majority and this can only underline their failure. Though they celebrated their hour of glory at the time of the Lehman’s default that lasted until March 9<sup>th</sup> of this year, when the markets reached their low point, they just piled up disappointments. Firstly, they didn’t foresee the spring market rebound, hammering that this was just a technical recovery within a bear cycle, which would be worse than in 1929.

The next decline in June allowed them to believe that their dream was finally coming true, but the strong showing during the summer wiped out their hopes. So in other words, they didn’t anticipate the downdraft, as well as the recovery.

Yet two other chances were up for grab: In September the weak job figures statistics in the USA and the so-called bankruptcy of Dubai in November. But each time it was a waste of time, confirming, if need be, that the rebound in equity markets was not just technical, but based on fundamentals.

#### Cac 40 from August 2008 to December 2009: Cassanders were finally wrong...



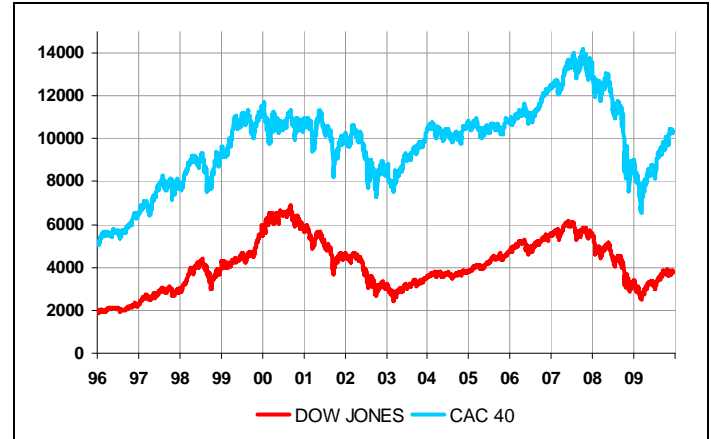
So beyond the low equity valuation, as stated by market capitalisations below book values, markets were pulled by the recovery in the world economy which came from -3.0% in 1Q09 to + 1.5% in 4Q09 and estimated at + 3.5% in 1Q10. at least! At the same time, the massive cost cutting strategy, implemented by companies, led to a dramatic improvement in profitability, which, of course, cheered up investors.

But above all, the gradual improvement in the job environment, as confirmed by the November figures, is clearly indicating that companies are now proceeding with the third step in the cycle: job creation. Indeed, they will remain soft but they will allow to consolidate the

various stimulus plans around the world. Remember the virtuous circle:

investment - jobs- consumption. The markets will surely be comforted and continue on its upward path in 2010

#### Equity markets are not over valued.

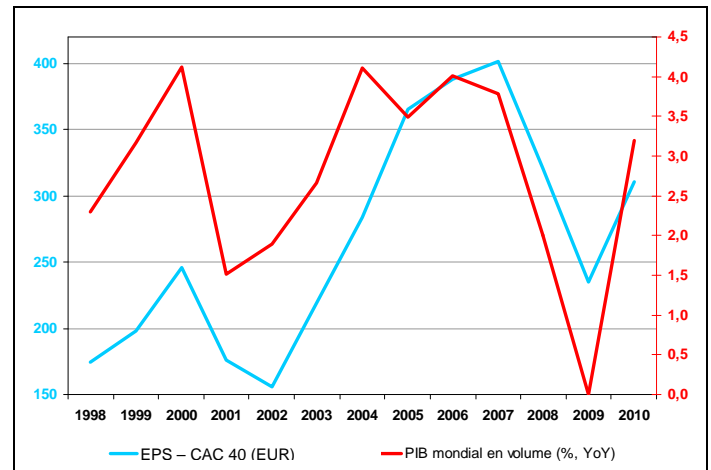


Don’t make the mistake, it’s not because of the 20% average rise in market indices over 2009 (+ 50% from their lows), that those markets are running out of steam. On the contrary and for three reasons, at least:

Firstly, the level of the main indices: CAC40, DAX, Dow Jones are still below their pre-Lehman’s levels as well as below or close to their 1998’s. If markets’ valuation is a reflection of the economic environment and profits’ growth, then it’s clear that equity markets are still undervalued.

Between 1998 and 2009, world GDP rose by more than 100% in value (40% in volume). As for profits, despite the collapse in 2008 and 2009, eps are still up on 1998’s: + 35% on the CAC40 and + 65% on the Dow. In other words, the levelling off of those indices are not justified.

#### A profit’s growth still impressive since 1998.



Sources : world bank and FactSet, forecast Global Equities.

Secondly, though market capitalisations caught back on book values, it is interesting to remember that the

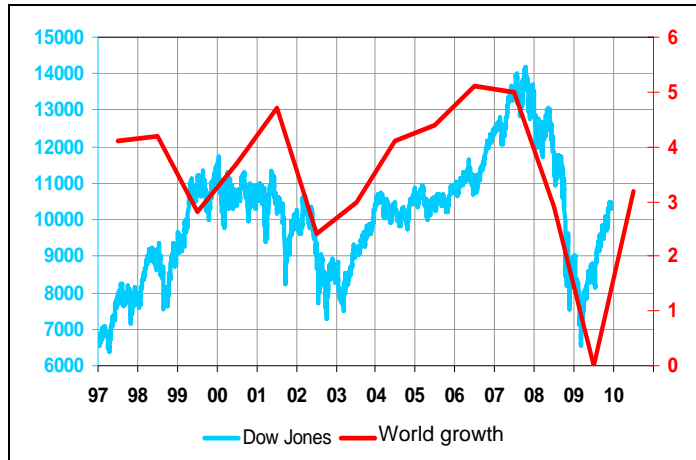
Cap/BV ratio has evolved between 1 and 2. Objectively, the CAC 40 has therefore another 45% potential.

Thirdly, the world's economy should grow by 3.2% in 2010 which should benefit companies that engaged in major restructuring and cost cutting programs.

**The rebound in equity markets is in phase with world growth.**

In all, we believe that equity markets could record another 15% increase and reach 12.200 on the Dow Jones, 3.350 on the EuroStoxx50 and 4.500 on the CAC40. But because of numerous risks that could weigh on the financial and economic scene (especially on the public debt side – see our last week's WEEKLY), we have to get ready to face some high volatility.

*Marc Touati*



## Economic events from December 14<sup>th</sup> to December 18<sup>th</sup>: Inflation is back on both sides of the Atlantic.

This week will be particularly dense in the United-States. On Tuesday: the industrial production, on Wednesday, the inflation on as well as housing starts and building permits, followed by the FOMC and the Fed funds rate decision. Finally on Thursday we will concentrate on the Conference Board leading indicators.

In Germany, we will focus on Tuesday on the ZEW index and on Friday on the IFO index. Finally on Wednesday the inflation in the euro zone will be published.

### **Tuesday, December 15, 10:00 GMT: slight decline in the ZEW index in December.**

After slightly declining to 56.0 in October, the ZEW index dropped sharply to 51 in November. For December we anticipate another slight decline to 50.

### **Tuesday, December 15, 14:15 GMT: US industrial production rises again in November.**

After having been up by 0.1% in October, US industrial production should rise- for a fifth consecutive month - by 0.6% in November as anticipated by the index "production" of the last ISM manufacturing survey which reach 59.9 in November. In this environment, after rising for a fourth consecutive month in October at 70.7%, the rate in capacity utilization should increase again to 71.3% in November.

### **Wednesday, December 16, 10:00 GMT: inflation is back in the euro zone in November.**

After being flat in September, Euro area's consumer price index increased by 0.2% in October i.e. -0.1%YoY. In November, consumer prices should increase by 0.2% led by the rise in energy and commodities prices. From a year ago inflation should be back in positive territory for the first time in seven months to reach +0.6%, meaning the end of deflation in the euro zone.

### **Wednesday, December 16, 13:30 GMT: deflation is over in the US in November.**

Despite a rise of 0.3% in October, inflation remained in negative territory (precisely at -0.2%YoY) for an eighth consecutive month. In November, led by the rise of energy prices and the consequence of the recovery, US

consumer prices should rise by 0.4%. Inflation should be back in positive territory at 1.8%YoY meaning the end of deflation. Meanwhile the core index should be up by 0.1% in November to 1.8%YoY.

### **Wednesday, December 16, 13:30 GMT: increase in housing starts and building permits in November.**

Housing starts which increased by 9% in Q3, were down by 11% in October down to their lowest level in six months. Meanwhile building permits declined by 4% over the same month. However even if the rebound remains very slow the bottom floor has been hit in housing market, and we forecast that housing starts and building permits should be up in November to respectively 575,000 and 570,000.

### **Wednesday, December 16, 19:15 GMT: status quo for the fed funds rates in December.**

After having eased its monetary pressure at maximum, the Fed will be forced to increase its rate due to the recovery and the reflation. But on this future rise Ben Bernanke was very explicit: the Fed will not tighten as long as unemployment has not decreased significantly. Consequently, we anticipate that the fed funds rates should increase at 0.50% during spring 2010.

### **Thursday, December 17, 15:00 GMT: new rise of the Conference Board leading indicators in November.**

If the US recovery remains fragile, the virtuous circle of investment-employment-consumption is taking place progressively. In such conditions, the Conference Board leading index, up since April, should confirm its trend and rise by 0.7% in November.

### **Friday, December 18, 9:00 GMT: stabilization of the IFO index in December.**

After being up for seven consecutive months, the IFO index rose by 1.9 points in November to 93.9, the highest since August 2008. However German economic recovery remains fragile as showed by the industrial production which declined by 1.8% in October. Therefore we forecast a stabilization in the IFO index at 93.5 for December.

*Jérôme Boué*

## Analysis and Perspectives: Bigger means cleaner !.

With an expected GDP growth above 3% in 2010, thanks to a great extent to emerging countries, demand for aircraft should strengthen again. Recent orders during the Dubai Airshow lead us to be more hopeful.

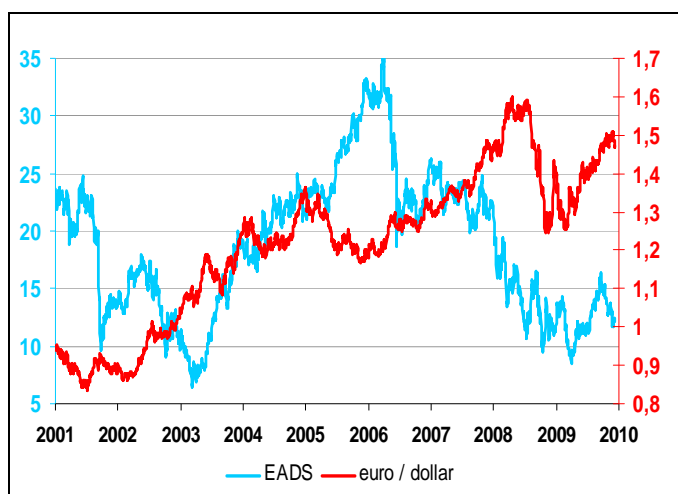
Traffic improves: in October, commercial traffic rose by 0.5% according to IATA and Lufthansa recorded a 14.9% increase in its November traffic. Air France-KLM still managed to have an 11th month consecutive decline but its load factor improved by 3.7 pts. A buy signal for aerospace equipment manufacturers could be close at hand.

In 2009, postponed orders reached an all time high and plane deliveries will be roughly 25% lower. Yet the mass order by UAL of 25 Boeing 787 Dreamliners and of 25 Airbus A350 XWB for a total of US\$ 10 billions is a sign of growing interest by airlines for new greener( fuel, noise) and cost saving aircrafts. Those new planes are more efficient and consume less kerosene. The A 380 is the first of that new generation of greener/cleaner aircrafts with a consumption of a mere 3 lts/100 kms per passenger. The A 350 and the Boeing 787 Dreamliner will soon follow suit, cutting the fuel consumption by 1/3 and of course the emission of carbon dioxide.

Also to be noted after the quasi-paralysis of the financial sector, following the Lehman's demise, financing appears to be a little easier and the value of aircraft has stabilized.

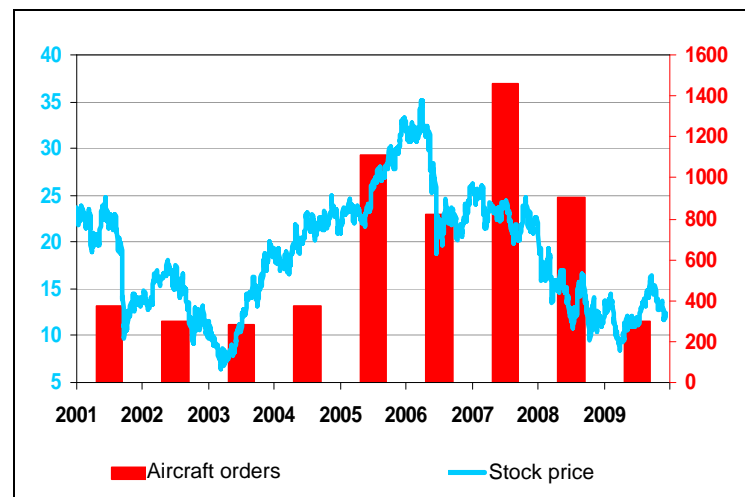
Airbus and Boeing anticipate an increase of 4.7% - 4.9% in commercial traffic p.a. over the next 20 years with a strong development in emerging markets. 2011 should also see airlines returning to profitability .

### Equity markets are hit by the dollar



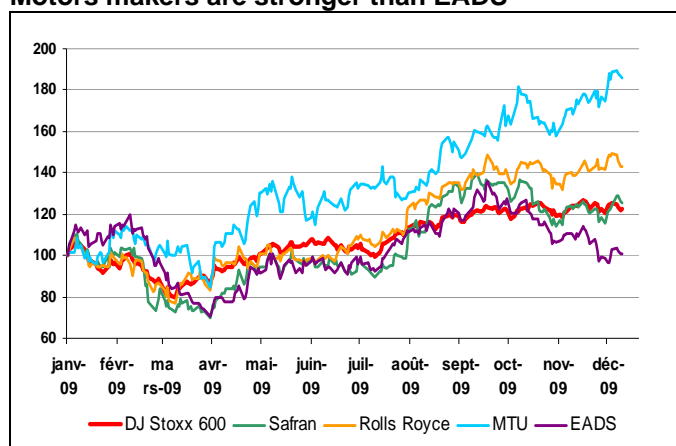
EADS (€12.365). The company suffered from the drift in costs related to the A 380 program, as well as cost overruns on the A350 and the A 400 M which have undermined the finances of the company for the past 2 years. Furthermore, the US Dollar weakness has raised the inherent risks as 67% of EADS costs are billed in € whereas 80% of its revenues are in \$. Yet the company will deliver more aircrafts than in 2008 and for the first half of 2010, the company remains upbeat as far deliveries are concerned. As for orders, it is doubtful that Airbus will reach its target of 300 new units for 2009. As of September 30th, net cash amounted to \$ 8.1 Billions (80% of the market cap.) and the current valuation is still modest: less than 0.95 times its net asset value per share and less than 5 times its operating profit. The stock price dropped by 25% since its most recent high last September, most likely due to the €/ \$ parity.

### Orders books are a factor of valuation



Engine manufacturers have fared better, even though they also suffered from the weak \$. Sales at Safran (€12.425) remained stable in 3Q09 and are 1.2% better on 9mo09. This relative performance is the result of Safran's policy to delocalise in the \$ zone but also of its "maintenance and spare parts" activity, which is obviously less impacted by economic vagaries.

As an example , a medium range A320 with a listed price of US\$ 70 millions will "cost " US\$ 350 millions in maintenance and spare parts over its life span of 25-30 years.

**Motors makers are stronger than EADS**

The CFM 56, jointly developed by Safran and General electric, is the most popular engine in the world, equipping 8300 aircrafts totalling more than 468 millions of hours flown. Margins are low but each servicing costs \$ 1 million a piece. Brake systems are offered for free, providing there is a servicing agreement which pays Safran between \$2 and \$10 for every landing.

Finally Safran is on the verge of swapping some assets with Thales, which will take over Sagem's defence business (optronics systems, UAV systems, sensors, missile guidance systems, inertial navigation). Safran in turn, would inherit flight control systems, biometrics, electrical power generation. This restructuring will add to its visibility, enhancing its valuation. Its current price/net asset value (1.2X) is 35% below its long term valuation whereas its competitors, Rolls Royce and MTU are valued at around 3.5X their net asset value.

**EADS (EAD FP Equity, NL0000235190) at a glance**

	2010	Secteur	DJ 600
PE	<b>13,51 x</b>	15,19 x	12,85 x
EPS	<b>0,92</b>		
Net Dividend Yield (%)	<b>1,61%</b>	2,77%	3,61%
Price to Cash Flow	<b>15,95 x</b>	8,77 x	7,11 x
Net Margin (%)	<b>1,86%</b>		
Price to Book	<b>0,87 x</b>	1,96 x	1,56 x
Price to Sales	<b>0,25</b>		
Ev / Ebitda	<b>4,50</b>		
Return on Equity	<b>6,41%</b>	12,79%	12,03%

**Safran (SAF FP Equity, FR0000073272) at a glance**

	2010	Secteur	DJ 600
PE	<b>12,38 x</b>	15,19 x	12,85 x
EPS	<b>0,99</b>		
Net Dividend Yield (%)	<b>2,45%</b>	2,77%	3,61%
Price to Cash Flow	<b>6,61 x</b>	8,77 x	7,11 x
Net Margin (%)	<b>3,91%</b>		
Price to Book	<b>1,16 x</b>	1,96 x	1,56 x
Price to Sales	<b>0,49</b>		
Ev / Ebitda	<b>5,37</b>		
Return on Equity	<b>9,32%</b>	12,79%	12,03%

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	Prior
14/12/2009	0.50 am	Japan	Tankan large manufacturers index	4th quarter		-27	-33
14/12/2009	0.50 am	Japan	Tankan Non-Manufacturing	4th quarter		-23	-24
14/12/2009	0.50 am	Japan	Tankan large all industry Capex	4th quarter		-11,3%	-10,8%
14/12/2009	5.30 am	Japan	Industrial production (final)	October			+0,5%,-15,1% YoY
14/12/2009	5.30 am	Japan	Capacity utilization (final)	October			1,6%
14/12/2009	8.45 am	France	Current account balance	October			- €3,7 bn
14/12/2009	11.00 am	Euro area	Industrial production	October	-1,6 %, -9,9 %	-0,7%,-11,5% YoY	+0,3%,-12,9% YoY
15/12/2009	8.45 am	France	Consumer price index	November	+0,2%,+0,5% YoY	+0,2%,+0,4% YoY	+0,1%,-0,2% YoY
15/12/2009	10.30 am	United Kingdom	Consumer price index	November		+0,2%,+1,8% YoY	+0,2%,+1,5% YoY
15/12/2009	10.30 am	United Kingdom	Consumer price index core	November		+1,8% YoY	+1,8% YoY
15/12/2009	11.00 am	Germany	ZEW economic sentiment	December	50	50	51,1
15/12/2009	11.00 am	Germany	ZEW current situation	December		-60	-65,6
15/12/2009	11.00 am	Euro area	ZEW economic sentiment	December			51,8
15/12/2009	2.30 pm	United-States	Producer price index	November	+0,8%,+1,7% YoY	+0,8%,+1,8% YoY	+0,3%,-1,9% YoY
15/12/2009	2.30 pm	United-States	Producer price index core	November	+0,2%,+0,9% YoY	+0,2%,+0,9% YoY	-0,6%,+0,7% YoY
15/12/2009	2.30 pm	United-States	Empire manufacturing index	December		25,00	23,51
15/12/2009	3.15 pm	United-States	Industrial production	November	+0,5%	+0,6%	+0,1%
15/12/2009	3.15 pm	United-States	Capacity utilization	November	71,1%	71,0%	70,7%
15/12/2009	7.00 pm	United-States	NAHB housing market index	December		18	17
15/12/2009	11.00 pm	United-States	ABC consumer confidence	December 13th			-47
16/12/2009	9.00 am	France	PMI manufacturing (preliminary)	December		55,0	54,4
16/12/2009	9.00 am	France	PMI services (preliminary)	December		60,0	60,9
16/12/2009	9.30 am	Germany	PMI manufacturing (advanced)	December		52,5	52,4
16/12/2009	9.30 am	Germany	PMI services (advanced)	December		52,0	51,4
16/12/2009	10.00 am	Euro area	PMI manufacturing (advanced)	December		51,4	51,2
16/12/2009	10.00 am	Euro area	PMI services (advanced)	December		53,1	53,0
16/12/2009	10.00 am	Euro area	PMI composite (advanced)	December			53,7
16/12/2009	10.30 am	United Kingdom	Claimant count rate	November		5,1%	5,1%
16/12/2009	10.30 am	United Kingdom	Jobless claims change	November		14 800	12 900
16/12/2009	11.00 am	Euro area	Consumer price index	November	+0,2 % + 0,6 %	+0,2 % + 0,6 %	+0,2%,-0,1% YoY
16/12/2009	11.00 am	Euro area	Consumer price index core	November		+1,2% YoY	+1,2% YoY
16/12/2009	1.00 pm	United-States	MBA mortgage applications	December 11th			8,5%
16/12/2009	2.30 pm	United-States	Current account balance	3rd quarter		-\$106,0 bn	-\$98,8 bn
16/12/2009	2.30 pm	United-States	Consumer price index	November	+0,4%,+1,8% YoY	+0,4%,+1,8% YoY	+0,3%,-0,2% YoY
16/12/2009	2.30 pm	United-States	Consumer price index core	November	+0,1%,+1,8% YoY	+0,1%,+1,8% YoY	+0,2%,+1,7% YoY
16/12/2009	2.30 pm	United-States	Housing starts	November	575 000	575 000	529 000
16/12/2009	2.30 pm	United-States	Building permits	November	570 000	570 000	551 000
16/12/2009	8.15 pm	United-States	FOMC rate decision	December 16th	0,25%	0,25%	0,25%
17/12/2009	6.00 am	Japan	Leading index (final)	October			89,7
17/12/2009	6.00 am	Japan	Coincident index (final)	October			94,3
17/12/2009	2.30 pm	United-States	Initial jobless claims	December 12th		469 000	474 000
17/12/2009	2.30 pm	United-States	Continuing claims	December 5th			5 157 000
17/12/2009	4.00 pm	United-States	Conference Board leading indicators	November	0,7%	0,7%	0,3%
17/12/2009	4.00 pm	United-States	Philadelphia Fed	December		16,0	16,7
12-18 décembre		Japan	BOJ target rate	December 18th	0,10 %		0,10%
18/12/2009	8.00 am	Germany	Producer price index	November		+0,1%,-5,9% YoY	0,0%,-7,6% YoY
18/12/2009	8.45 am	France	Business confidence indicator	December		91	89
18/12/2009	8.45 am	France	Production outlook indicator	December			-9
18/12/2009	10.00 am	Germany	IFO business climate	December	94,5	94,5	93,9
18/12/2009	10.00 am	Germany	IFO current assessment	December		90	89,1
18/12/2009	10.00 am	Germany	IFO expectations	December		98,7	98,9
18/12/2009	10.00 am	Euro area	Current account balance	October			-€5,4 bn
18/12/2009	11.00 am	Euro area	Trade balance (adjusted)	October			+ € 6,8bn

## 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				
	Dec 7th	in 3 months	in 6 months	in 1 year	Dec 11th*	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>	3,54	3,50	4,00	4,30
<b>Euroland</b>	1,00	1,25	1,50	1,75	<b>Euroland</b>	3,22	3,50	3,90	4,20
<b>United Kingdom</b>	0,50	0,50	0,75	1,50	<b>United Kingdom</b>	3,88	3,90	4,00	4,30
<b>Japan</b>	0,10	0,10	0,10	0,10	<b>Japan</b>	1,31	1,50	1,70	1,90

	Exchange rates				International equities markets				
	Dec 11th*	3 months	6 months	1 year	Dec 11th*	3 months	6 months	1 year	
<b>EUR/USD</b>	1,466	1,45	1,30	1,20	<b>Dow Jones</b>	10,472	10,500	11,200	12,000
<b>USD/JPY</b>	88,70	95	100	110	<b>Nikkei</b>	10,106	10,700	11,000	11,500
<b>EUR/JPY</b>	129,98	138	130	132	<b>Cac 40</b>	3,835	3,900	4,200	4,400
<b>EUR/GBP</b>	0,90	0,87	0,85	0,82	<b>Euro Stoxx 50</b>	2,893	2,950	3,100	3,200

\* Level at 9.00 am (Paris Time)



## GLOBAL EQUITIES

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