



## Summary

### France

#### Hiatus in first-quarter growth

The prospect of a strong growth figure in Q1 2017 (+0.4% q/q according to our forecasts) is being questioned: it remains well supported by favorable business confidence surveys but it is not backed up by poor monthly activity data.

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### Greece

#### Agreement in sight?

The Greek government has agreed to introduce additional savings measures in 2019 and 2020.

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### Market overview

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### Summary of forecasts

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Also in



## Wait and see

### ■ Inflation is still too low in the eurozone ■ This is what matters most for the ECB

Core inflation, which excludes volatile items such as energy, is currently the most pertinent indicator for measuring price stability in the eurozone. It slipped to 0.7% y/y in March, down 0.2 points from the previous month.

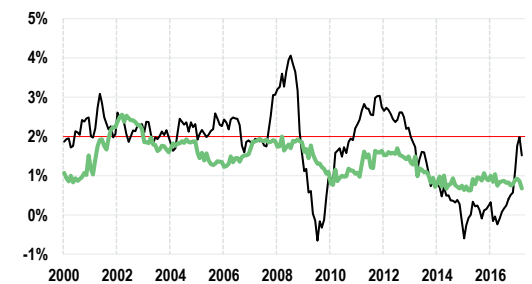
Although this decline is essentially due to seasonal effects, which are temporary, the observation is nonetheless the same: inflationary pressures are weak or non-existent. The cumulative lag in production since 2008 is still important, resulting in persistently high unemployment, despite the recent decline.

Against this backdrop, we expect the European Central Bank (ECB) will remain extremely cautious. Without denying that the structural heterogeneity of EMU member countries poses a real communications challenge for the central bank, we continue to expect an extremely gradual exit from quantitative easing (QE) starting in January 2018. The ECB will probably describe its exit strategy in greater detail next September. In the meantime, economic statistics will confirm – or not – the optimism of recent surveys

### INFLATION IN THE EUROZONE

-- Core

-- Headline



Source: ECB

### THE WEEK ON THE MARKETS

Week 7-4 17 > 13-4-17

↘ CAC 40	5 135	► 5 071	-1.2 %
↘ S&P 500	2 356	► 2 329	-1.1 %
↗ Volatility (VIX)	12.9	► 16.0	+3.1 %
↘ Euribor 3M (%)	-0.33	► -0.33	-0.1 bp
↗ Libor \$ 3M (%)	1.16	► 1.16	+0.1 bp
↗ OAT 10y (%)	0.88	► 0.91	+2.3 bp
↘ Bund 10y (%)	0.23	► 0.19	-3.9 bp
↘ US Tr. 10y (%)	2.37	► 2.23	-14.5 bp
↗ Euro vs dollar	1.06	► 1.06	+0.1 %
↗ Gold (ounce, \$)	1 266	► 1 286	+1.6 %
↗ Oil (Brent, \$)	55.2	► 56.0	+1.4 %

Source: Thomson Reuters