Macroeconomic Outlook

2017: Andante Moderato, risks are mainly political

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Macroeconomic Analysis – Intesa Sanpaolo

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Global 2017: growth turning up at last

- The global economy weathered the Brexit vote much better than many expected and is now in **acceleration mode.**
- **Stronger growth in 2017 feasible. DM mainly are pressing ahead.** Main economies: US , EA & JP running above potential.
- **EM slowly back** as Brazil, Argentina, Russia and Nigeria exit recession. **China** surprisingly resilient, helped by fiscal policies and Yuan depreciation. Other factors contribute too: recovering oil prices; some balance sheet adjustments & smaller capital outflows suggest EM will cope better than in the past with US hiking cycle.
- **Mild reflation in the pipeline**. In US we expect a genuine rise in core prices. Risk of core inflation inertia remains in Japan and Europe
- **Monetary policy still ultra loose. FOMC** to hike three times by end 2017. Fed is now a follower: the pace of fiscal easing sets the timing and intensity of the hiking cycle. **BoJ** effectively leaves the MoF in control of its balance sheet and sets a new way of dealing with high debts. The **ECB's** December should be the last dose of unconventional stimulus T- Day is approaching. **PBoC** monetary policy remains accommodative. Brazil, Russia, still in easing mode.
- **Fiscal policy in the driving seat in US and Japan**, still supportive in China very **modest boost in Europe**.

Risks still on the downside and are mainly political

Risks for global growth remain tilted to the downside

ST risks:

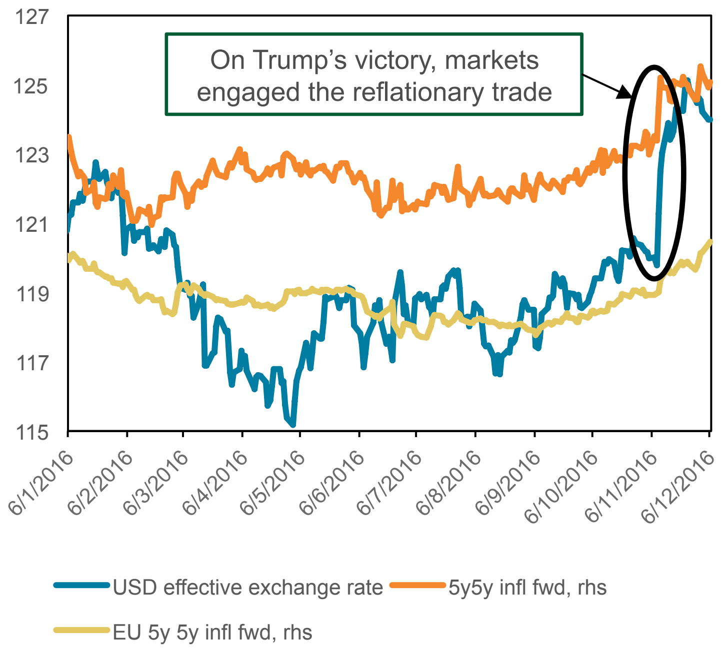
- US economy heats up and FED hikes more than is expected triggering a global tightening of financial conditions
- Early 2017 - risk of Hard Brexit limited
- Faster drift towards protectionist measures in the US and not only with adverse effects on global demand recovery and medium term growth prospects
- Populist parties gain increasingly more power in Europe (for instance, surprise victory of Marine Le Pen in France). Exit of a member country remains remote.
- Some parts of the European banking system experience large losses

LT risks:

- Rising risk of boom and bust in the US after 2018, as fiscal stimulus emanates on a mature cycle
- Increase in international tensions US – Latam & US - Asia
- Failure to advance the completion of the European Union
- China: debt-fuelled growth increases future risks and sustainability concerns

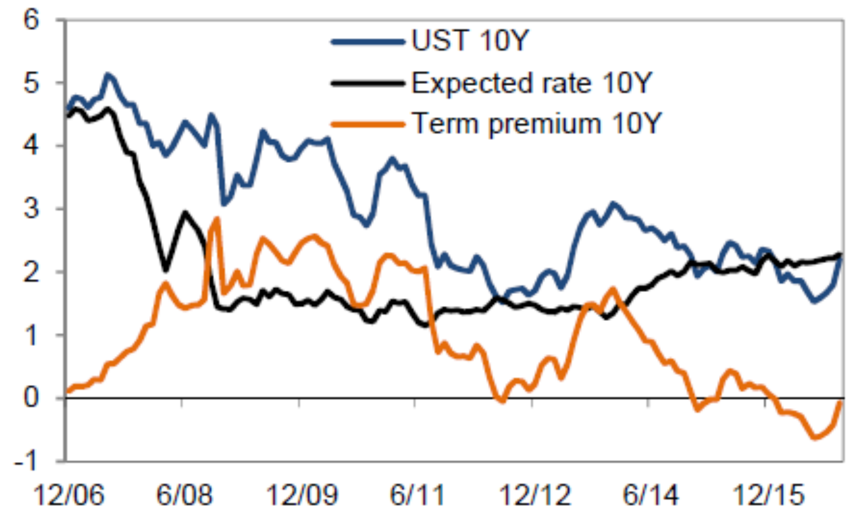
The world has changed from late summer

Inflation expectations slowly rising in tandem with oil since mid summer. Trump victory raised hopes of reflationary policies but…



Source: Blomberg and Intesa Sanpaolo research

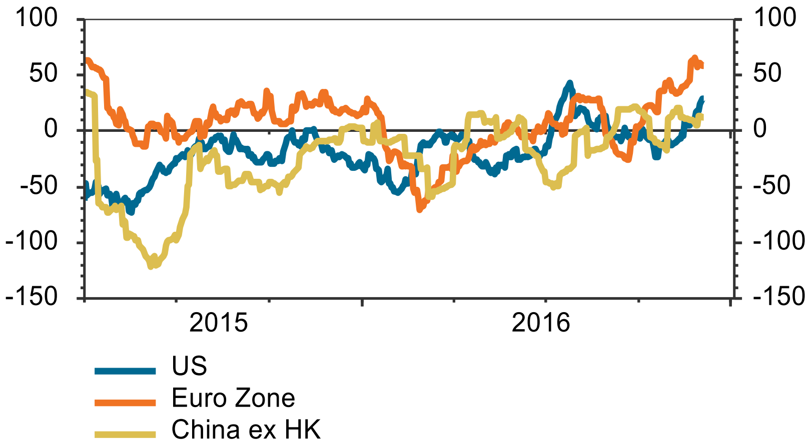
…the FED model suggests the rise in Treasuries is partly due to an increase in risk premium = more uncertain about the future



Source: NY FED & Intesa Sanpaolo research

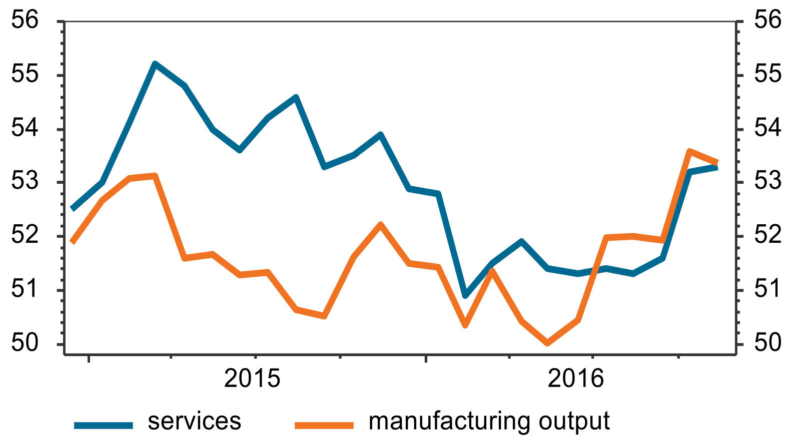
Global short term outlook improving. Will it last?

Data have surprised on the upside



Source: Thomson Reuters Datastream Charting.

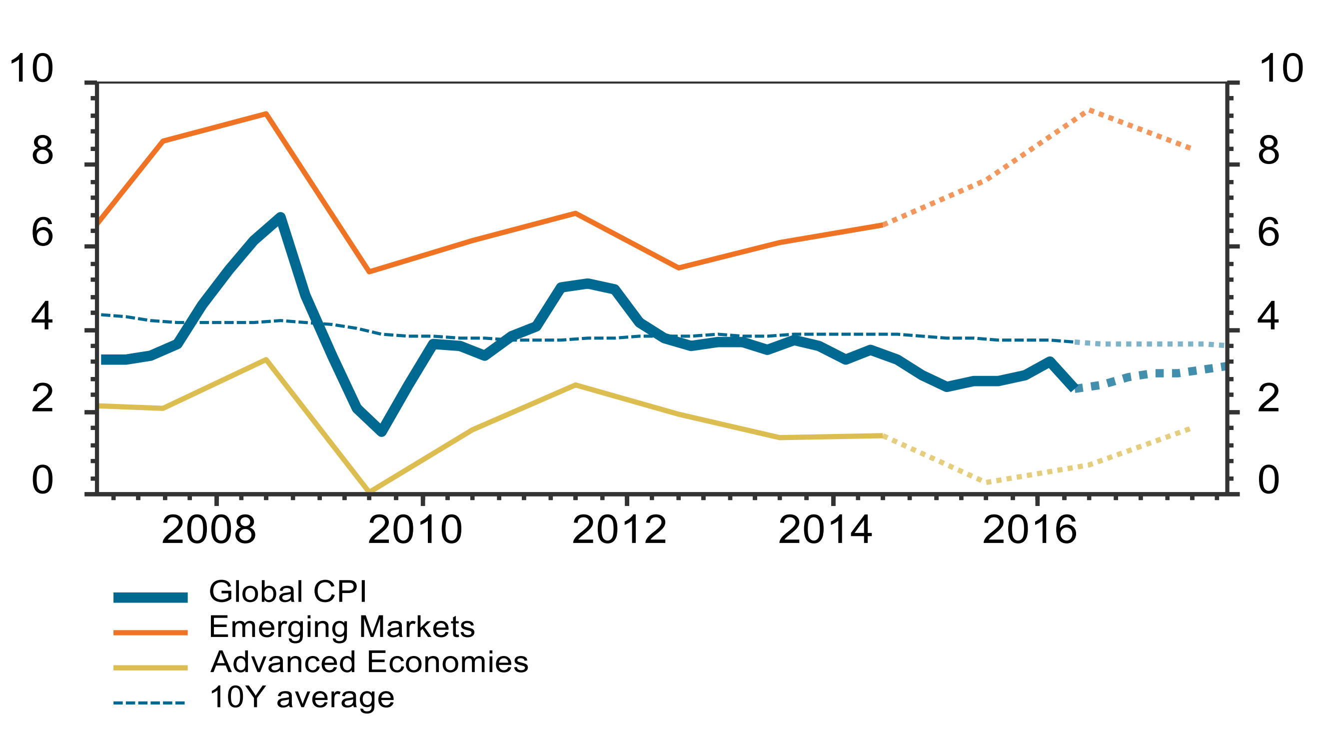
Manufacturing returning to growth, services the expansion continues
(PMI Global output indices)



Source: Thomson Reuters Datastream Charting.

Is reflation back?

Consumer prices: y/y average annual growth
Global economy, advanced countries and emerging markets

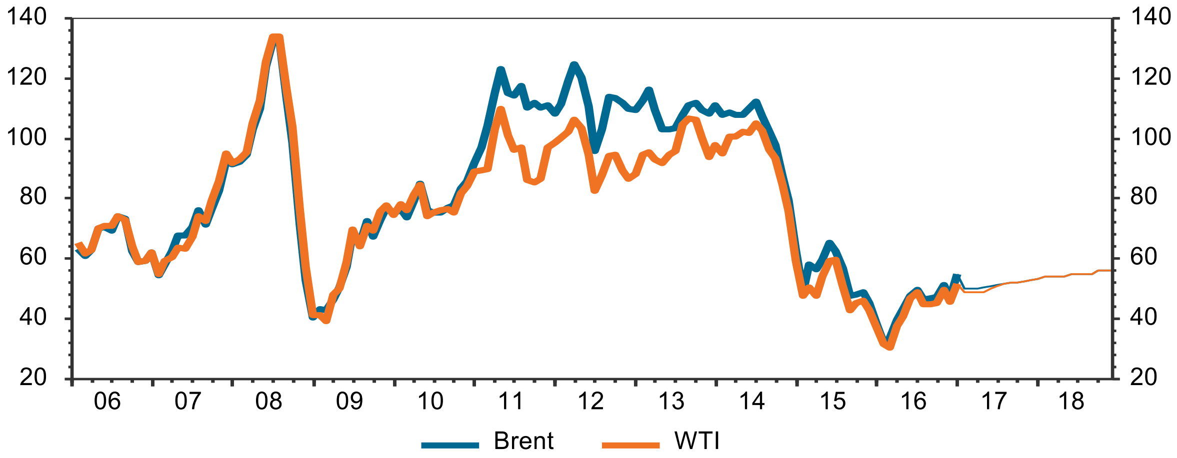


Source: Thomson Reuters Datastream and Intesa Sanpaolo forecasts

The OPEC meeting to help the rebalancing. Prices to stay low due to structural outward shift in supply

- OPEC has announced its first cut in 8 years to 32.5 mb/d target from 33.6 mb/d . If properly implemented, the deal will accelerate market rebalancing and start a process of stock drawdown, as the global crude oil market would turn into deficit in the 2nd half of 2017.
- It's not clear yet how OPEC will manage future output increase from members exempted from the deal. The most probably solutions are that either any increase from Libya and Nigeria will not be offset, or Saudi Arabia will act as a swing producer.
- Our estimates for BRT: 52$ in 2017, 55$ in 2018, 60$ in 2019.

We have upgraded our forecast only modestly

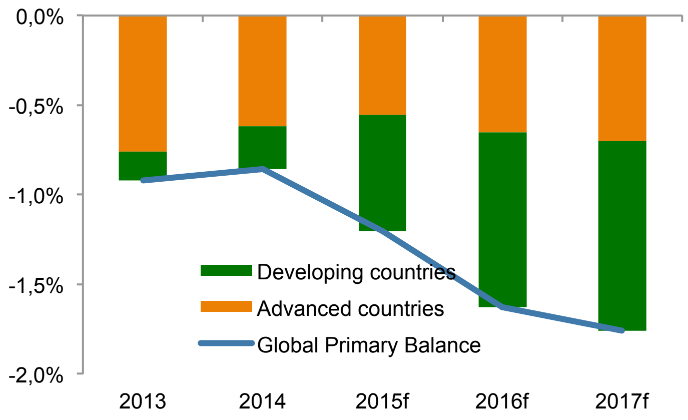


Source: Blomberg and Intesa Sanpaolo research

Policy mix still highly supportive: fiscal policy now in the driving seat in US, Japan and China

- Fiscal policy is emanating at a time of rising yields likely to be less effective than when rates are at zero or even below zero.

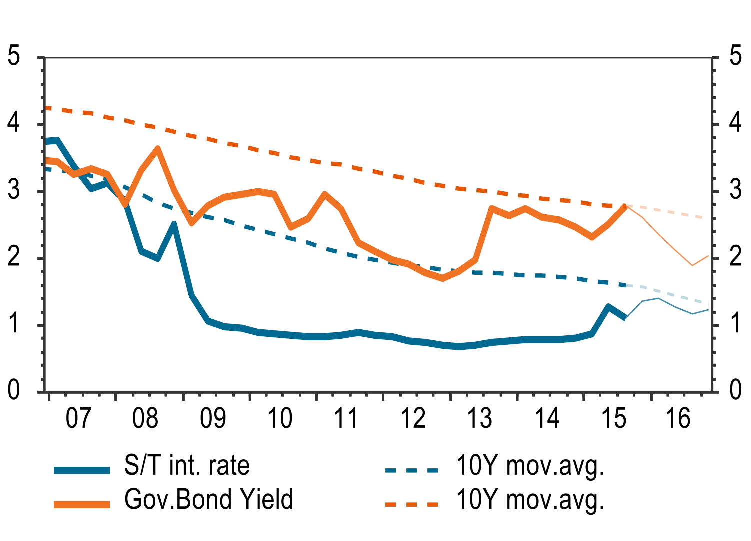
Fiscal policy stays accommodative



NB: based on 11 major advanced nations and 8 major emerging countries. Aggregation at current exchange rates.

Source: Thomson Reuters and Intesa Sanpaolo

Interest rates to remain at record lows



NB: based on 11 major advanced nations and 8 major emerging countries. Aggregation at current exchange rates.

Source: Thomson Reuters and Intesa Sanpaolo

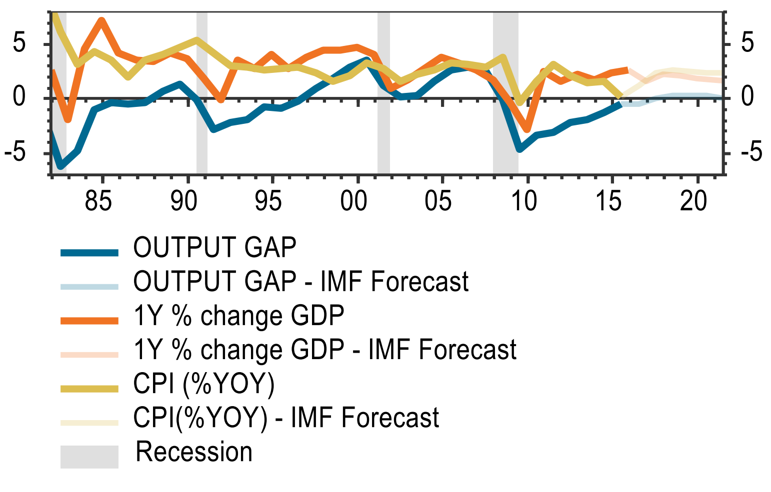
US/1. Regime shift: fiscal dominance

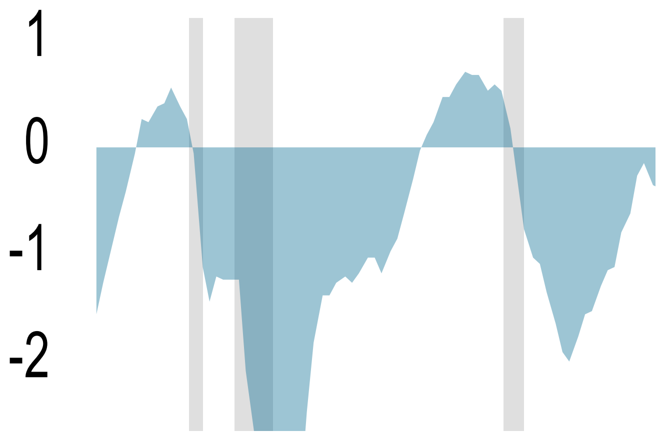
- After years of monetary policy dominance, the November vote brought about a regime shift to fiscal dominance. **Fiscal reflation will be the name of the game in 2017-18.** The outlook now depends on the new alliance between legislative and executive power.
- After 6 years of divided government and legislative stalemate, the new **Republican mandate implies swift activism on many issues.**
- The new order generates a huge **increase in uncertainty** for 2 reasons. For one, there is information on the big trends (reflation) but little is known about the details, timing and size of future reforms. Moreover, the President-elect is not an orthodox Republican and his policies are likely to be dovish on fiscal issues and hawkish on international trade.
- Action on two fronts: legislative and executive.
- **Legislative**. Use of reconciliation procedure to avoid filibustering in the Senate => legislation on **taxes and spending**. Top priority: tax code reform for households and businesses, w/lower rates and fewer deductions. Profit repatriation. Higher spending for defense and infrastructure. => **deficit by app. 1-1.2 tln in 10 yrs, +0.6-0.7 pp GDP through 2018.**
- **Executive. Protectionism** more in words than in deeds.

US/2. Fiscal reflation in the time of full employment

- **Reflation trend very likely, but forecast very uncertain without details**. Our scenario incorporates compromise between Trump's pre-electoral promises (widening deficit by 5-6 tln in 10 yrs, higher barriers to trade and immigration) and Congress Republicans.
- Further **uncertainty due to cyclical stage**: economy at full employment, inflation close to 2%. Past experience shows that unemployment below equilibrium => inflationary pressures => Fed's reaction => recession.
- If reforms don't bring about higher productivity and potential growth rate from current 1.8% => reflationary policies may turn mostly inflationary after 2018.

Output and unemployment gaps already closed: what next?

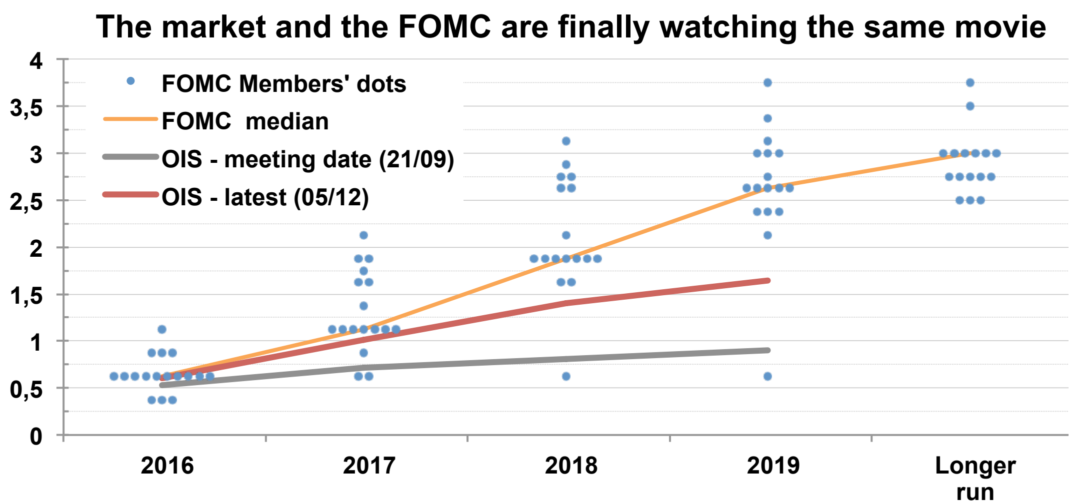




Source: Thomson Reuters Datastream

US/3. The Fed will be a follower in the policy game

- Forecasts of growth around potential in H12016 and large uncertainty on fiscal and trade policy imply a wait and see attitude on the part of the Fed.
- Willingness to **accept overshooting of inflation and unemployment goals** in 2017 => neutral stance early in 2017, USD and market yields are doing part of the Fed's job. Likely 2 hikes in 2017, 3 in 2018.
- Added uncertainty due to the President's ability to fill 2 Board positions in 2017 and maybe two more in 2018 (Yellen and Fischer).
- **Risks are higher post-2018**, with stronger inflationary pressures and potential market worries over growing deficits and debt.

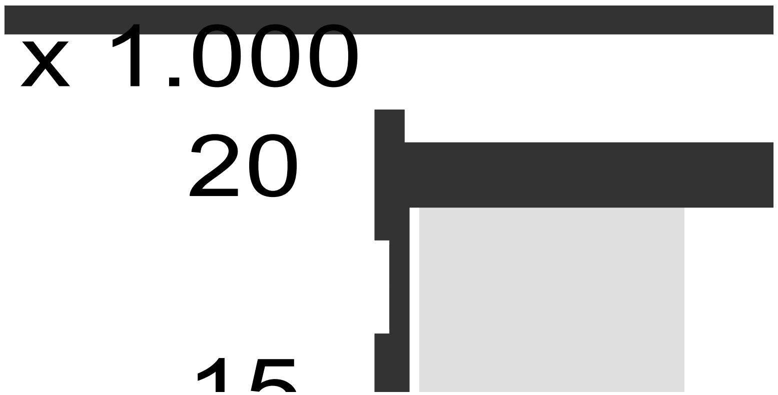


Source: Intesa Sanpaolo on Federal Reserve data

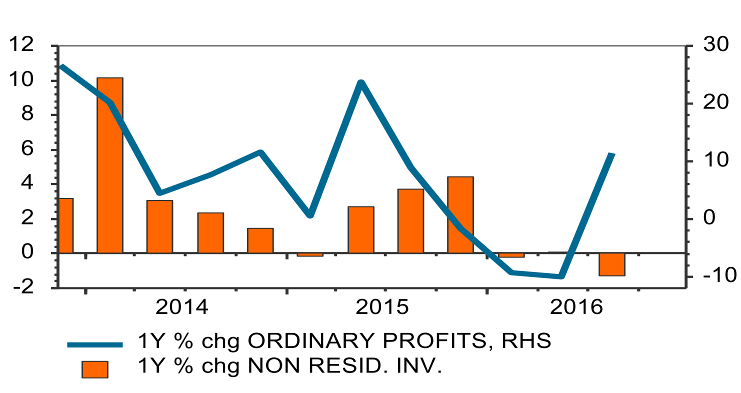
Japan: will the reflation trilogy succeed at last ?

- End of a cyclical phase dependent on monetary policy. As in the US, **fiscal policy will be the growth driver,** with easier monetary conditions thanks to the weaker yen (due to USD strength). The BoJ will continue to have two important tasks: the **control of real rates** and the **pseudo-monetisation of the public debt.**
- Growth forecast at **0.8% in 2016**, accelerating to **1.2% in 2017**, well above potential (estimated at around 0.5% by the BoJ). Consumption still moderated by higher savings. Public and private investment (weaker yen=>higher profits) main driving forces.

The propensity to save higher after consumption tax hikes



Business investment restrained by earnings, dependent on the yen



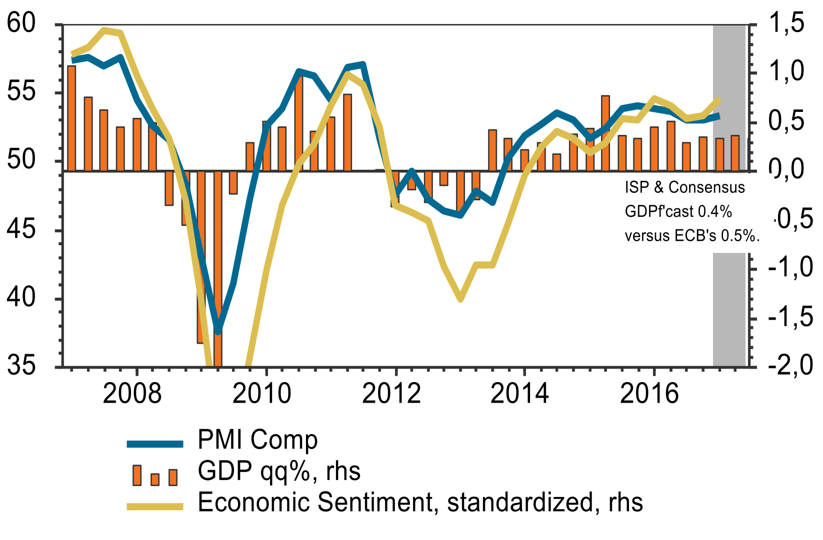
Source: Thomson Reuters Datastream

Eurozone: it is all about politics!

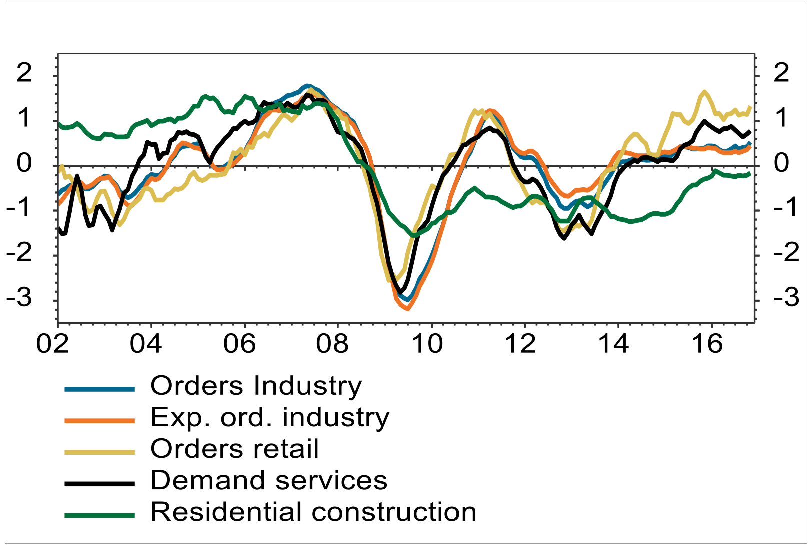
- **Euro zone recovery modest but resilient.** Impact of Brexit on growth and financial markets limited, as we had expected. Euro area industry now growing as global demand picked up. In 2017 growth to stabilize at 1.5% above trend for the third year.
- **Growth supported by domestic demand**, thanks to highly expansionary financial conditions, modest but continued job creation , limited increase in oil prices.
- **Monetary policy dominance continues as fiscal policy provides limited and decreasing support.** No change of gear only of rhetoric on fiscal issues and immigration before German elections Aug /Sept 2017.
- **But ECB policies approaching T-Day.** December 8th announcement is likely to be last dose (540 billion euros) of unconventional monetary easing. We see the ECB tapering by end 2017 / early 2018. Short term rates at current level until late 2018.
- **Risks to euro forecasts mainly political in nature**. Risk of early elections in Italy remains. In **2017** parliamentary elections are scheduled in Holland (March), France (May / June) and Germany (October). In all cases there is a **risk of further drift towards anti-euro positions**.

Euro zone recovery gaining speed?

Surveys suggest GDP will grow at 0,45% over the turn of the year as…



…demand is picking up in all sectors. Industry growing more strongly

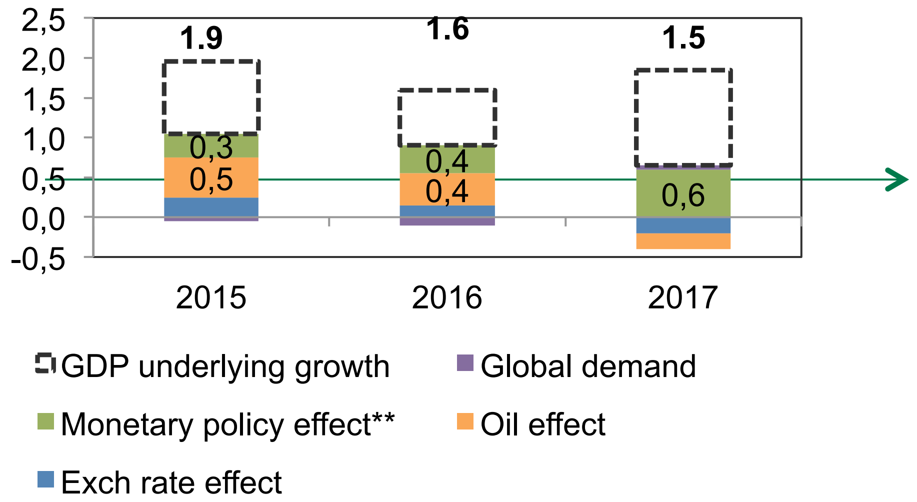


Source: Thomson Reuters & Intesa Sanpaolo research

Monetary policy remains the only game in town

- Main support to GDP growth next year will come from loose looser monetary conditions.
- Contribution from oil from very positive to negative (-0.2%)
- **Greater uncertainty seems to be the new norm but hard to quantify**.

GDP growth drivers in 2015-17



EC potential growth ≅ 1.0%

ECB expects potential well below pre crisis 1.7%

Note: estimates of QE effects 1,1% in 2 years (based on ECB working paper no 1956, September 2016).

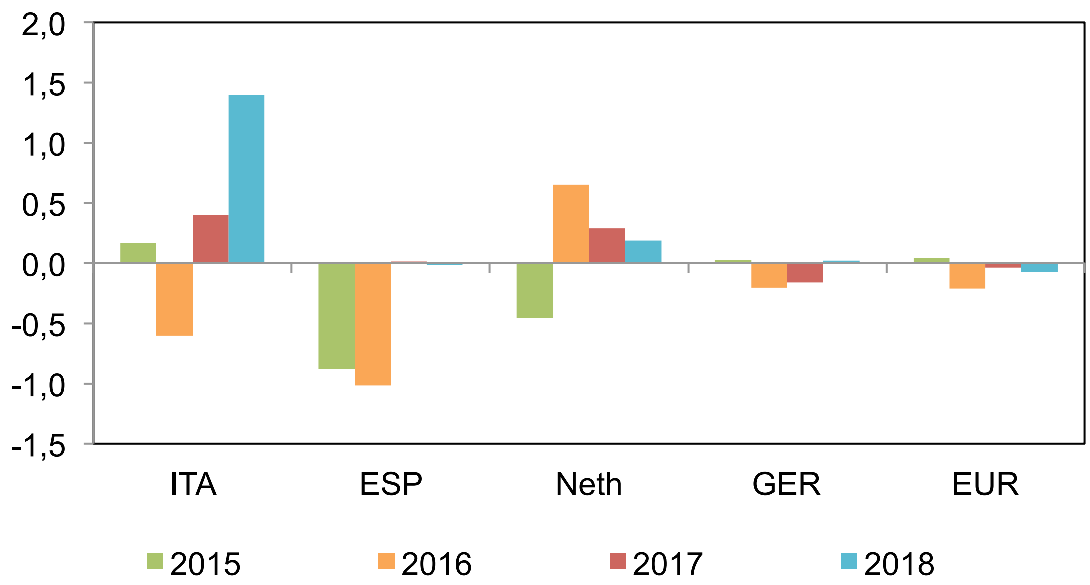
Source: Thomson Reuters-Datastream and Intesa Sanpaolo calculations with Oxford Economic Forecasting

Fiscal policy not biting but not adding space either

- Fiscal policy will be slightly looser in 2016-17, according to the EC forecasts.
- High debt ratios are a source of concern, because they prevent the counter-cyclical use of fiscal policy – and led to a perverse tightening of the fiscal stance during the crisis. But low debt high current account surplus countries Germany and Netherlands should contribute more.

Fiscal easing elusive, given the imperceptible contribution from surplus countries

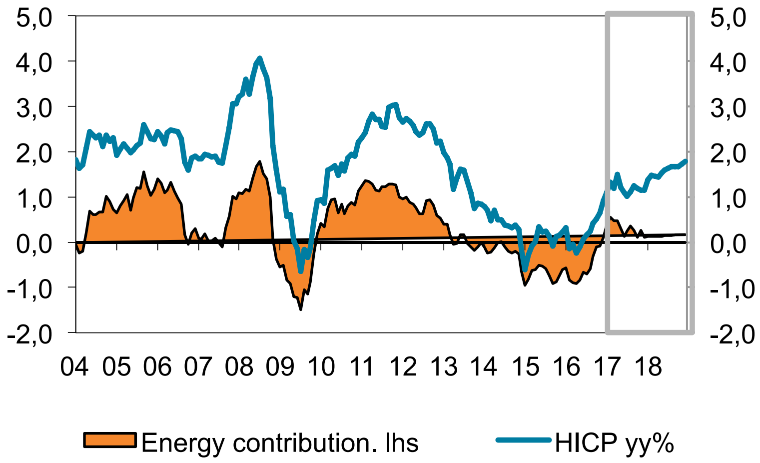
(Change structural balance % of GDP)



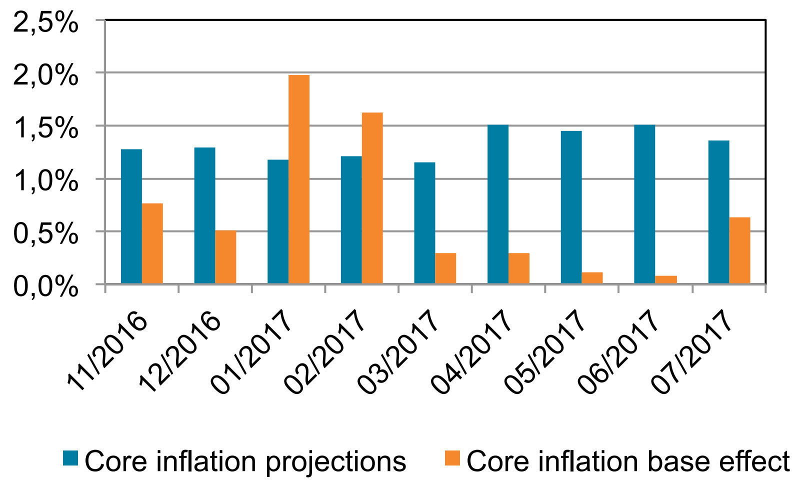
Source: Thomson Reuters Datastream, European Commission 2016 Autumn Forecasts (AMECO) and Intesa Sanpaolo analysis.

Reflation? likely but may prove temporary

Inflation low energy contribution after mid 2017



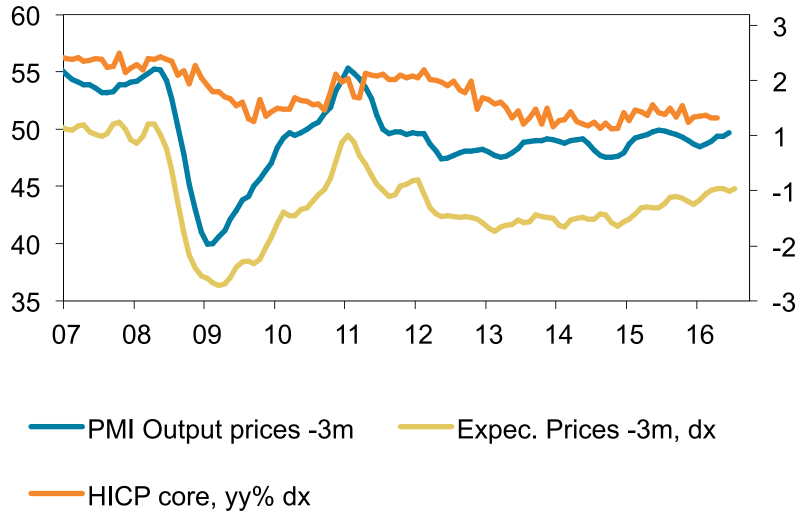
Base effects to push core up in the coming months. But from next Spring genuine upward pressures are needed



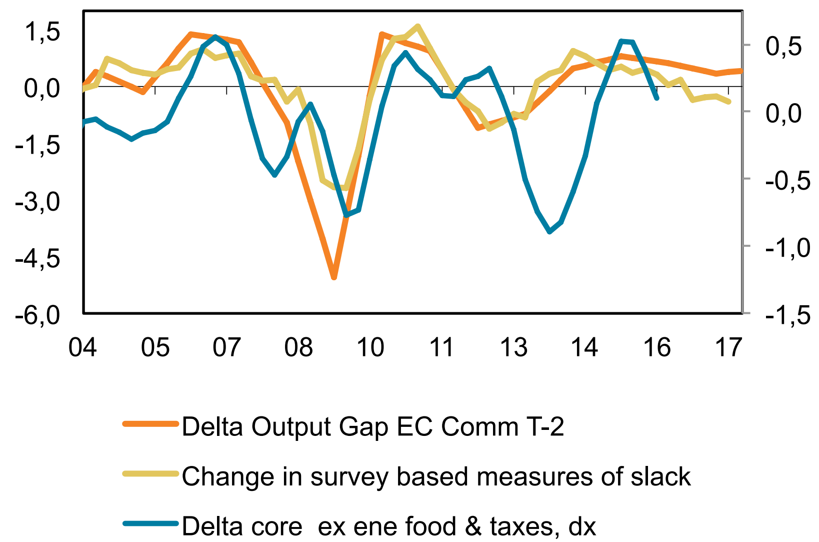
Source: Thomson Reuters Datastream, Euostat & Intesa Sanpaolo estimates

“Durable” rise in inflation depends on core dynamics

Reanchoring effect of ECB’s polices remains unconvincing



The rise in *core* inflation relies on GDP and chiefly domestic demand growth. The reduction in the output gap will be slower ahead, posing risks for core inflation

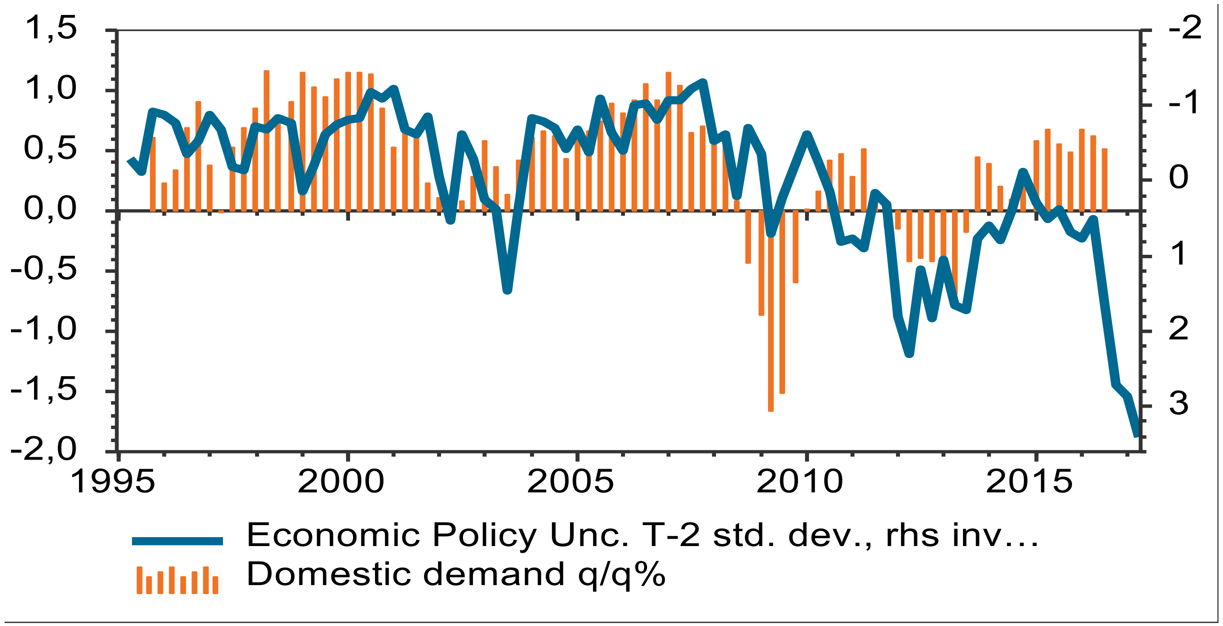


NB: Output gap European Commission change on the previous year. Measures of excess supply from surveys are based on the question from the European Commission's quarterly survey: “Is demand a limit to production?” for industry, construction, services and retail. The series are normalised and aggregated with the weightings of the sectors in value added.

Source: Thomson Reuters Datastream, Eurostat , EU Commission

Main risk is rising political uncertainty

Uncertainty could postpone spending decisions



Source: Thomson Reuters Datastream

Is the ECB tapering already?

- The ECB extended the APP until December 2017 at a pace of 60 billion euros a month. Duration has been preferred to volumes.
- Limit of purchases above the depo no longer binding from January 2017.
- Extension of purchases to bonds with residual maturity of 12 months – enhance forward guidance on short term rates fostered a steepening of the yield curve which is positive for the banking industry
- The *T_Day* is further away. Draghi insisted that purchases can be increases if the macro outlook worsen., but the opposite has not been considered.

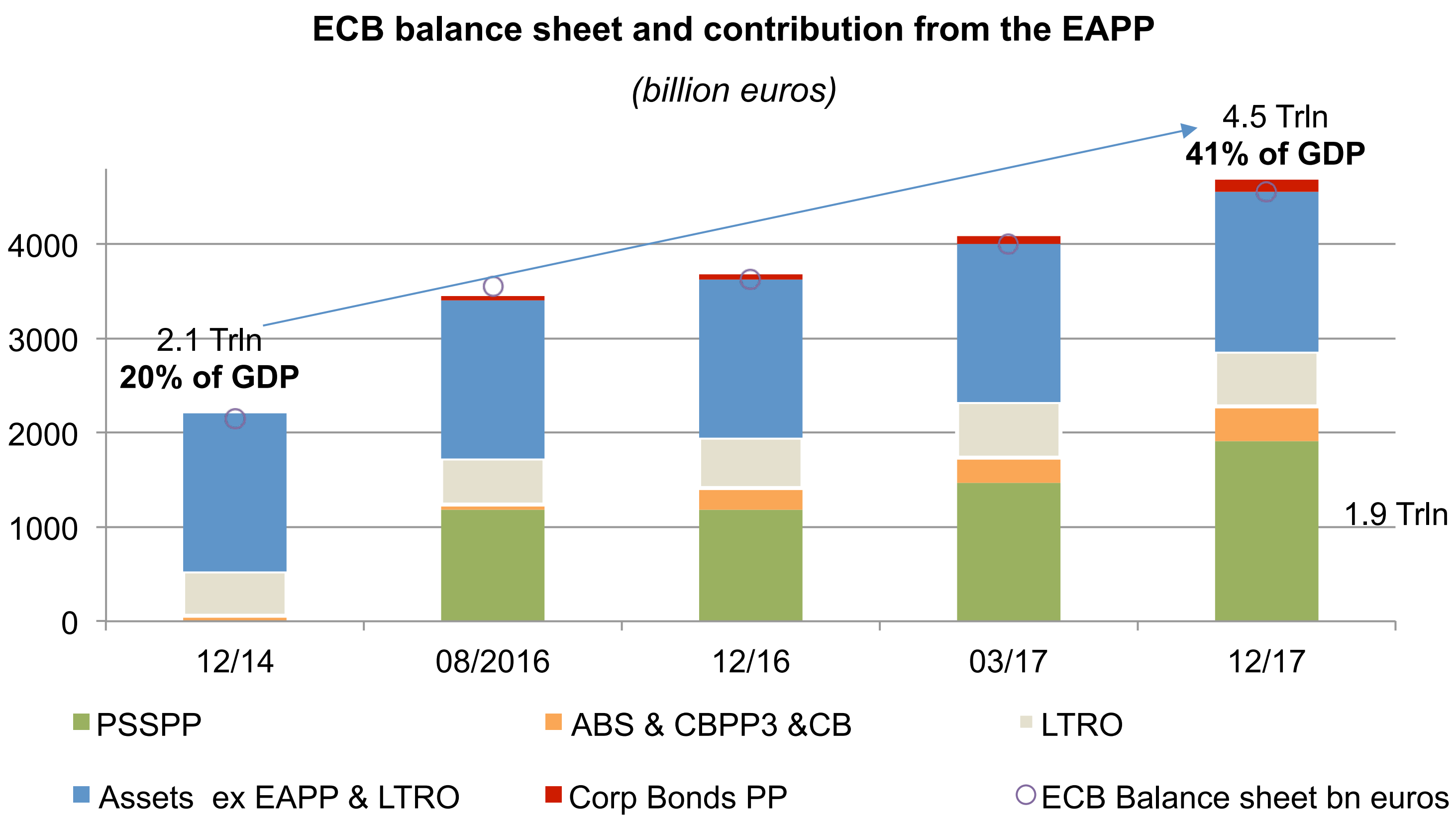
ECB bazooka has fired 2280 billion increase in the balance sheet via EAPP purchases

Tab. 2 – A regime gli acquisti APP avranno fatto salire di 20 punti di PIL il bilancio BCE

	Mld di euro
Dicembre 2015 – lancio dell'APP	1140
Marzo 2016 - Estensione fino a marzo 2017	360
Marzo 2016 – Aumento da 60 a 80 miliardi al mese	240
Marzo 2017 - Estensione APP fino a dicembre 2017, riduzione da 80 a 60 mld di euro	540
Memo: reinvestimento scadenze	*320*
Totale programmi di acquisto da dicembre 2014	**2280**
Memo: PIL nominale	*10396*
Misure in % del PIL	***21.9%***

Fonte: BCE ed elaborazioni Intesa Sanpaolo

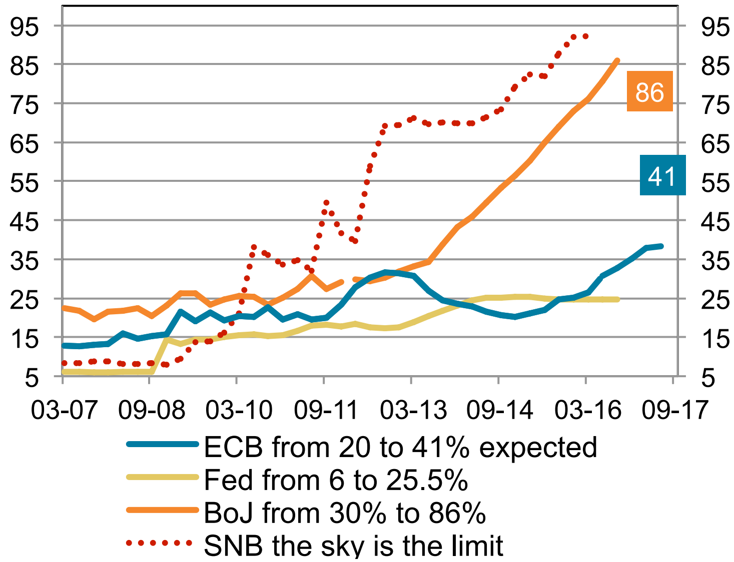
How far has the ECB gone?



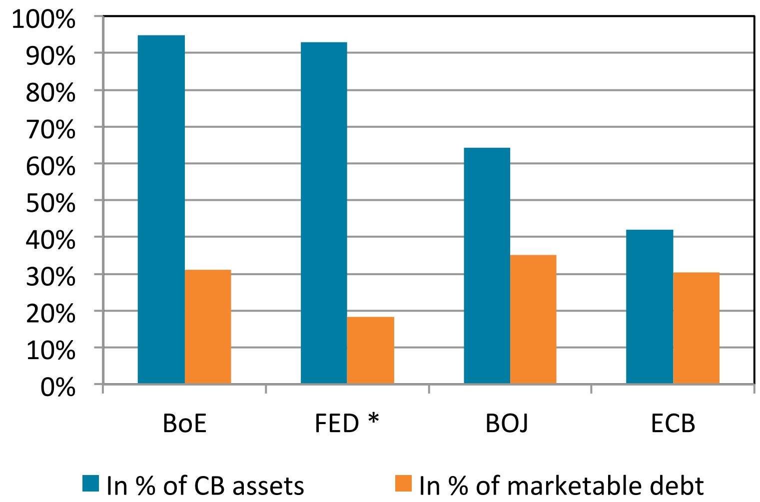
Source: ECB Thomson Reuters Datastream

But monetary policy remains constrained by unwillingness to share risks

ECB is not doing less than the FED but much less than the BoJ



But holdings of sovereigns are lower than those of the BOJ and the FED



Note : * Treasuries only 55%

Source: NCBs and Intesa San Paolo elaborations

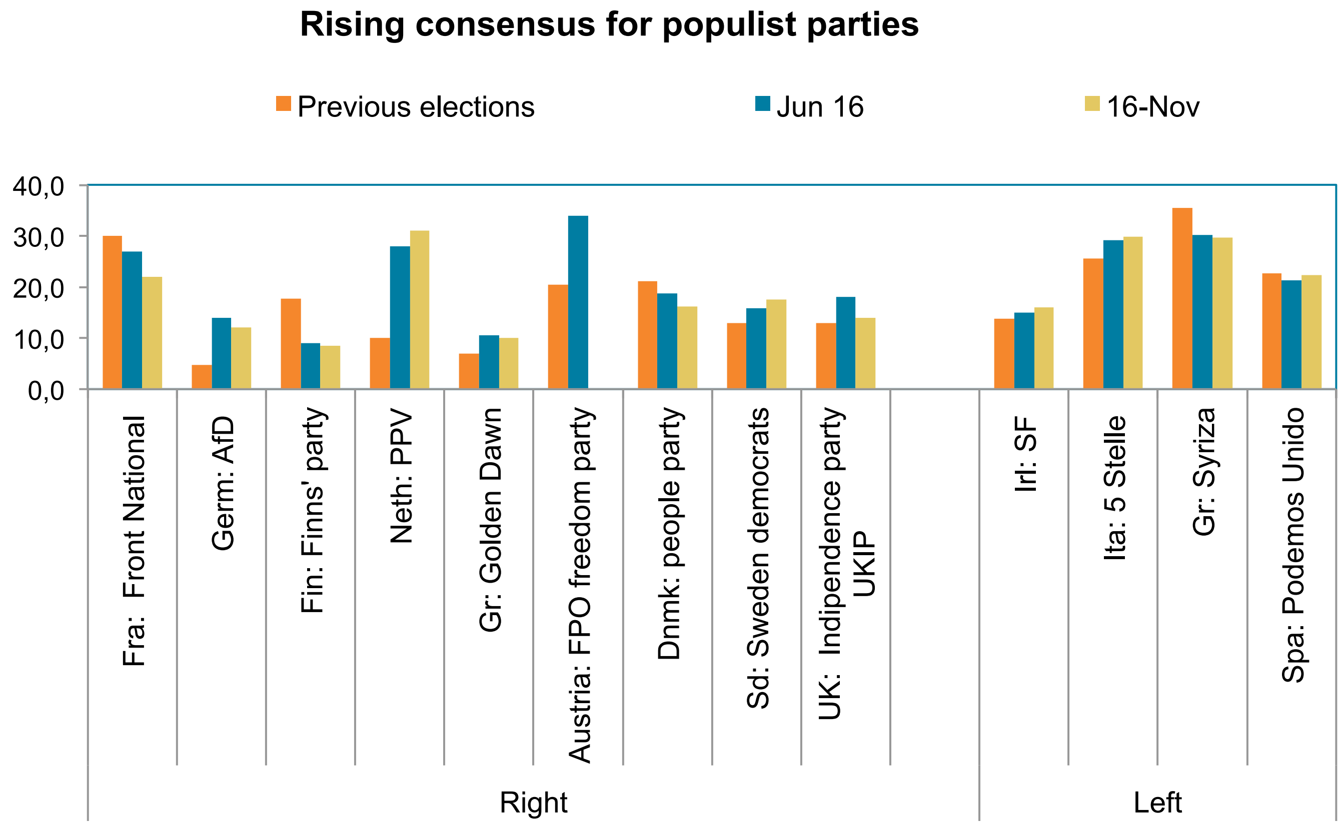
The Eurozone faces serious institutional challenges

- **Electoral cycle**: national votes in Netherlands (March 2017), France (Apr-June 2017), Germany (by Oct 2017), Italy (by May 2018, probably in 2017)
- Moderate parties are losing ground
- The migrant crisis boosted nationalism and anti-EU sentiment, leading to a beggar-thy-neighbour attitude among EU countries
- Deteriorated living standards are an issue in part of Southern Europe, leading younger votes to seek radical political changes

The 2017 electoral cycle in the Eurozone

Netherlands 15 March 2017	Support for the parties that won the 2012 vote plummeted. Eurosceptic PVV is neck to neck with VVD. Very high degree of fragmentation.
France 23 Apr & 7 May 2017 11 & 18 June 2017	Eurosceptic FN is almost certain to make it to the ballot, but it will probably lose to a moderate centre-right candidate.
Germany before 22 October 2017	In the polls, CDU-CSU has dropped to 30-34%, the SPD to 22-24%. Strong advance of AfD (12-14%).
Italy before 24 May 2018	In the polls, PD is steady at 30-32%. 5Stars has risen to 27-30%. Lega Nord and Forza Italia (both right wing) fluctuate between 10-15% each.

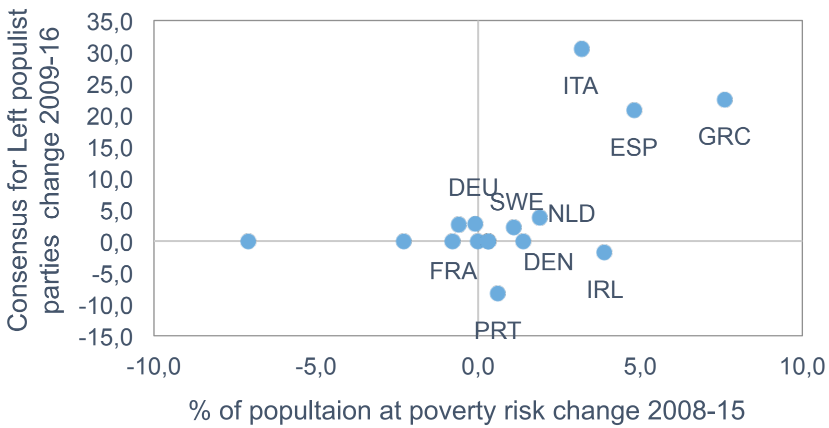
Rising *Vox populi*



Source: Wikipedia & Intesa Sanpaolo calculations

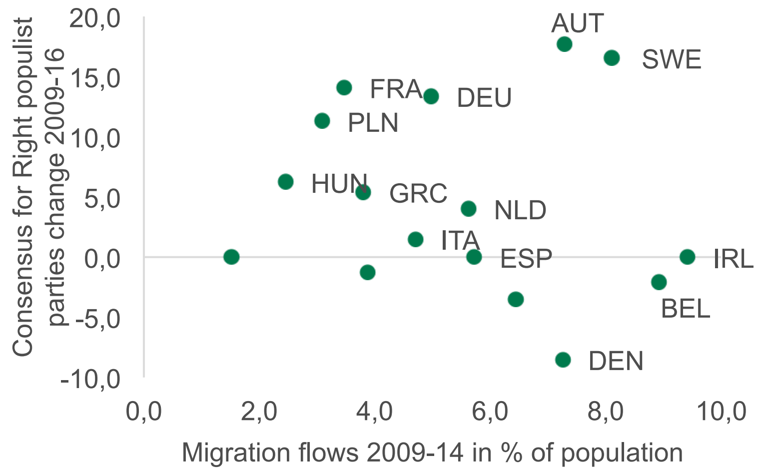
Rising *Vox populi.* What is it all about?

Rising consensus for left wing populist parties linked to deterioration in living conditions



Note: X axis data change in population at poverty risk as defined from Eurostat. Y – axis change in consensus between 2009 (European Parliamentary elections) & 2016 (either results at latest elections 2015 / 2016 or latest polls projections).

While consensus for right wing parties more linked to immigration issues



Note: X axis data change in foreign population Eurostat. Y – axis as in the chart on the left

Source: Eurostat, Wikipedia & Intesa Sanpaolo calculations

Europe: what is at stake, beyond mere ‘uncertainty’?

- The problems are not the short-term effects, but the long-term implications:
  - **No serious debate and no shared view on what is needed to make the monetary union stable** (completion of the banking union? fiscal framework to deal with temporary idiosyncratic shocks? crisis management? legacy debt?).
  - **No strategy to react to the secular trend of a massive migration from Africa** to Europe – just (occasional) emergency management.
- The extent of the advance of populist, nationalist and/or anti-EU movements will affect our capability to respond to challenges.
- Little market impact to be expected: focus on ECB measures, election outcomes

GDP growth to pick up next year but risks are on the downside

	2014	2015	2016f	2017f	2018f
United States	**2.4**	**2.6**	**1.6**	**2.1**	**2.5**
Euro Area	**1.2**	**1.9**	**1.6**	**1.5**	**1.6**
Germany*	1.6	1.7	1.7	1.5	1.6
France	0.7	1.2	1.2	1.5	1.6
Italy	0.2	0.6	0.9	1.0	1.2
Spain	1.4	3.2	3.2	2.5	1.7
OPEC	**2.8**	**2.2**	**2.4**	**3.5**	**3.9**
Eastern Europe	**0.6**	**0.1**	**1.4**	**2.4**	**2.5**
Turkey	3.0	4.0	3.0	2.1	3.0
Russia	0.7	-3.7	-0.5	1.0	1.7
Latin America	**-0.3**	**-1.0**	**0.7**	**2.4**	**3.1**
Brazil	0.1	-3.9	-3.3	1.1	1.5
Japan	**-0.1**	**0.6**	**0.8**	**1.2**	**1.0**
China	**7.3**	**6.9**	**6.7**	**6.5**	**6.2**
India	7.0	7.2	7.5	7.4	7.5
World	**3.2**	**3.0**	**3.2**	**3.5**	**3.6**

* Work day adjusted

Source: Intesa Sanpaolo research

Rates forecasts: limited rise ahead

Government Bond Yield Curves

US Treasury	28/11	Dec-16	Mar-17	Jun-17	Sep-17
2Y	1.11	0.90	0.90	1.00	1.20
Forward		1.13	1.17	0.85	0.79
5Y	1.81	1.50	1.60	1.70	1.90
Forward		1.83	1.88	1.73	1.77
10Y	2.33	2.00	2.10	2.20	2.40
Forward		2.35	2.39	2.43	2.47
30Y	2.99	2.70	2.90	3.00	3.20
Forward		3.00	3.02	3.05	3.08
Slope (bp)					
2/10Y	122	110	120	120	120
Forward		122	122	159	168
2/5Y	70	60	70	70	70
Forward		70	71	88	97
5/10Y	52	50	50	50	50
Forward		52	51	71	71
10/30Y	65	70	80	80	80
Forward		65	63	62	60

Note: Forward rates are computed using GC repo rates specified in the table on page2.

Bund	28/11	Dec-16	Mar-17	Jun-17	Sep-17
2Y	-0.76	-0.60	-0.60	-0.50	-0.50
Forward		-0.77	-0.80	-0.84	-0.89
5Y	-0.45	-0.41	-0.34	-0.20	-0.20
Forward		-0.45	-0.45	-0.44	-0.43
10Y	0.22	0.10	0.20	0.30	0.40
Forward		0.22	0.24	0.26	0.29
30Y	0.86	0.70	0.80	0.90	1.00
Forward		0.87	0.88	0.90	0.92
Slope (bp)					
2/10Y	97	70	80	80	90
Forward		99	104	110	118
2/5Y	30	19	26	30	30
Forward		32	35	40	46
5/10Y	67	51	54	50	60
Forward		67	69	70	72
10/30Y	65	60	60	60	60
Forward		65	64	64	63

Source: Bloomberg, Intesa Sanpaolo

BTP	28/11	Dec-16	Mar-17	Jun-17	Sep-17
2Y	0.09	0.10	0.10	0.20	0.20
Forward		0.12	0.24	0.42	0.75
5Y	0.98	0.95	1.05	1.15	1.20
Forward		1.02	1.10	1.18	1.28
10Y	2.08	2.00	2.20	2.30	2.40
Forward		2.14	2.21	2.29	2.37
30Y	3.11	3.10	3.30	3.30	3.40
Forward		3.14	3.18	3.23	3.27
Slope					
2/10Y	199	190	210	210	220
Forward		202	198	187	162
2/5Y	89	85	95	95	100
Forward		90	86	77	53
10/30Y	103	110	110	100	100
Forward		99	97	94	91

Bonos	28/11	Dec-16	Mar-17	Jun-17	Sep-17
2Y	-0.11	-0.10	-0.10	-0.10	-0.10
Forward		-0.09	-0.03	0.05	0.18
5Y	0.54	0.46	0.51	0.61	0.66
Forward		0.56	0.61	0.67	0.73
10Y	1.56	1.40	1.50	1.70	1.80
Forward		1.59	1.64	1.70	1.76
30Y	2.78	2.50	2.60	2.70	2.80
Forward		2.80	2.84	2.88	2.92
Slope					
2/10Y	167	150	160	180	190
Forward		168	168	165	158
2/5Y	65	56	61	71	76
Forward		65	65	62	55
10/30Y	123	110	110	100	100
Forward		121	120	118	116

Note: Forward rates are computed using GC repo rates specified in the table below.
Source: Bloomberg, Intesa Sanpaolo

Rates forecasts: spread widening on political uncertainty mainly in Italy

Government Bond Yield Spreads (bp)

BTP-Bund

	28/11	Dec-16	Mar-17	Jun-17	Sep-17
2Y	85	70	70	70	70
Forward		90	104	125	164
5Y	144	136	139	135	140
Forward		147	154	162	171
10Y	186	190	200	200	200
Forward		193	197	203	208
30Y	225	240	250	240	240
Forward		227	230	233	236
Slope					
2/10Y	102	120	130	130	130
10/30Y	38	50	50	40	40

Bonos-Bund

	28/11	Dec-16	Mar-17	Jun-17	Sep-17
2Y	65	50	50	40	40
Forward		68	77	89	108
5Y	99	87	85	81	86
Forward		101	106	111	116
10Y	134	130	130	140	140
Forward		137	140	144	147
30Y	192	180	180	180	180
Forward		194	196	198	201
Slope					
2/10Y	69	80	80	100	100
10/30Y	58	50	50	40	40

US Treasury-Bund

	28/11	Dec-16	Mar-17	Jun-17	Sep-17
2Y	187	150	150	150	170
Forward		191	197	168	169
5Y	226	191	194	190	210
Forward		228	233	217	220
10Y	212	190	190	190	200
Forward		213	215	217	219
30Y	212	200	210	210	220
Forward		213	214	215	216

OAT-Bund

	28/11	Dec-16	Mar-17	Jun-17	Sep-17
2Y	15	10	10	20	20
Forward		15	17	20	24
5Y	42	25	30	35	35
Forward		42	44	46	48
10Y	54	40	50	50	50
Forward		55	56	58	59
30Y	71	56	66	66	66
Forward		71	72	73	74

Note: Forward rates are computed using GC repo rates specified in the table below. Source: Bloomberg, Intesa Sanpaolo

Euro € - Trading range dynamics

- Euro depreciation triggered by diverging monetary polices ahead of December FED and ECB meetings and US election results. The move should be almost complete.
- In 2017 Euro in trade range as size of monetary divergence rises modestly and is already in the prices. Risks are mainly tilted to the downside for the euro. Market expectations are for an even more gradual path of Fed rate increases than the one envisaged by the Fed itself. This means that if the US economy performs better than expected, the Fed could deliver more rate hikes, thus favouring the dollar not only vs. the euro but also vs. the other currencies.
- When the trading range dynamics end, the breakthrough should occur on the upside, because the ECB is in the final stage of its expansionary cycle: a currency usually stops falling (starting a more or less gradual recovery) when the correspondent central bank is in the final stage of its expansionary cycle.

FX forecasts: dollar appreciation trend almost done

Exchange rate forecasts

	07-12-16	1m	3m	6m	12m	24m
EUR/USD	1.0713	1.05	1.08	1.10	1.13	1.18
USD/JPY	113.92	110	112	113	114	115
GBP/USD	1.2582	1.20	1.22	1.28	1.33	1.40
EUR/CHF	1.0820	1.08	1.09	1.10	1.12	1.14
EUR/SEK	9.7577	9.80	9.85	9.60	9.40	9.10
EUR/NOK	8.9950	9.00	9.10	8.90	8.80	8.70
EUR/DKK	7.4374	7.45	7.45	7.45	7.46	7.46
USD/CAD	1.3265	1.33	1.35	1.30	1.25	1.23
AUD/USD	0.7452	0.73	0.70	0.72	0.75	0.80
NZD/USD	0.7135	0.68	0.65	0.70	0.72	0.76
EUR/JPY	122.06	116	121	124	129	136
EUR/GBP	0.8516	0.87	0.89	0.86	0.85	0.84
EUR/CAD	1.4214	1.39	1.46	1.42	1.41	1.45
EUR/AUD	1.4378	1.44	1.55	1.52	1.51	1.48
EUR/NZD	1.5011	1.54	1.66	1.58	1.58	1.56

Forward exchange rates

	07-12-16	1m	3m	6m	12m	24m
EUR/USD	1.0713	1.0733	1.0761	1.0809	1.0916	1.1159
USD/JPY	113.92	113.68	113.41	112.89	111.75	109.08
GBP/USD	1.2582	1.2595	1.2610	1.2636	1.2695	1.2835
EUR/CHF	1.0820	1.0813	1.0806	1.0790	1.0758	1.0699
EUR/SEK	9.7577	9.7540	9.7499	9.7436	9.7370	9.7305
EUR/NOK	8.9950	9.0095	9.0302	9.0643	9.1340	9.2843
EUR/DKK	7.4374	7.4368	7.4358	7.4326	7.4278	7.4209
USD/CAD	1.3265	1.3259	1.3250	1.3236	1.3205	1.3127
AUD/USD	0.7452	0.7446	0.7436	0.7421	0.7396	0.7350
NZD/USD	0.7135	0.7128	0.7115	0.7095	0.7056	0.6969
EUR/JPY	122.06	122.04	122.07	122.05	122.00	121.76
EUR/GBP	0.8516	0.8523	0.8535	0.8555	0.8597	0.8688
EUR/CAD	1.4214	1.4234	1.4262	1.4311	1.4418	1.4643
EUR/AUD	1.4378	1.4415	1.4473	1.4566	1.4758	1.5191
EUR/NZD	1.5011	1.5054	1.5120	1.5230	1.5462	1.5974

Source: Intesa Sanpaolo research

Appendix (1/2)

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Appendix (2/2)

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