Risk factors

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The table below presents risk factors with judgmental probabilities (i.e. not market based). It also develops the possible market impacts.

Risk # 1 — 50% probability — Further escalation in trade tensions between the US, Europe and China

Analysis | After tariffs on aluminium and steel, Donald Trump now seeks to "punish" China (with tariff increases on $34 bn in goods as of July 6). China intends not to over-react but retaliates on an equivalent amount of goods imported from the US. It is likely that Trump's threats (e.g. rise in tariffs on auto imports) is primarily a message sent to his electoral base in the run-up to the mid-term elections (6 November). However we should not rule out a much more severe confrontation between the US, China and Europe. Retaliations could lead to further protectionist measures by the White House and thus provoke a chain reaction. Although the probability of an escalation of trade tensions is elevated, that of a chain reaction seems quite limited for two reasons: (1) many sectors in the US would be victims of retaliation which would be counterproductive before the mid-term elections (strong opposition already perceptible in the Republican camp/ boomerang effect); (2) partner countries will be careful not to fall into the trap set and maintain a measured response. That said, we cannot ignore the risk of a clash, for at least two other reasons: (1) the moderate camp (favourable to free trade) has almost disappeared from the white House and (2) the strategy pursued by Donald Trump seems to benefit him (his rating approval has increased over the past few weeks) and, so far we see little or no impact on business climate in the US.

Market impact | Trade tensions have begun to weigh on business climate (especially in Europe) and may lead to a postponement of some investment projects. Even in the absence of a large-scale trade war, the economy may slow down. A chain reaction would cause a slump in global trade while exacerbating local inflationary pressures in the short run (mainly in the US), putting central banks in a corner. This would cause a general rise in risk aversion (fear of a global downturn). Contrary to what Trump asserts, there has never been a winner in a confrontation of this type. There are only losers.

Risk # 2 — 50% probability — Increased geopolitical risks, with an additional increase in the price of oil

Analysis | Financial markets are now operating against a complex geopolitical backdrop. On the one hand, the situation has dramatically eased in Asia with the promise of denuclearization of the North Korean leader. On the other hand, the situation in the Middle East remains tense with regard to the Iranian issue (denunciation by the United States of the JCPOA agreement signed in 2015, with a resumption of sanctions against Iran and, as a consequence, with a possible resumption of sanctions against Iran and, as a consequence, a possible resumption of the nuclear programme). Tensions in the Middle East are already partly responsible for rising oil prices.

Market impact | There will be regular spikes in volatility. The current geopolitical risks are well identified but many and, by their nature, materialize unpredictably. Other political risks (including the consequences of the new US diplomacy) are more difficult to assess at this stage. Is this all likely to affect growth prospects and the direction of financial markets? No one really knows it but it is very likely that this is the case, at least occasionally.

Risk # 3 — 20% probability — Political instability in Italy with renewed stress on sovereign spreads in the Eurozone

Analysis | The government coalition between M5S and the League has obscured the European sky. Relations will be particularly tense between Italy and other EU countries, particularly in terms of fiscal policy and migration policy. If the risk of a serious budget slippage should not be ignored, the declarations from the Finance Minister were intended to reassure its partners in Europe: it seems out of the question for the coalition to implement a policy that would put at risk Italy's euro membership. This is why the coalition has said that it would postpone (to 2019 or 2020) many measures of its program.

Market impact | In case, however, of uncontrolled budgetary drift in Italy, one would expect a very rapid increase in local interest rates, which would jeopardize the ongoing recovery and the public debt sustainability in the medium term. In this case, it is likely that the coalition will explode, or that the President will veto the financial bill. In both cases, new elections would be inevitable. Keep in mind however that the ECB has anti-contagion tools that it could mobilise to avoid a contagion to other peripheral markets.

Risk # 4 — 15% probability — Pro-cyclical fiscal policy pushes the Fed to raise its rates more quickly than expected

Analysis | The expansionist budgetary policy (tax cuts and increase in public spending) will boost GDP growth in 2018. With GDP growth well above 2% inflation that is likely to exceed 2% on average this year and an economy that is close to full employment (with a positive output gap), the real fed funds rate should be much higher than it is now, in a normal cycle. So, technically, the Fed is "behind the curve". The Fed must clearly avoid any communication errors. Markets could react poorly if rates surge. The most recent example of a bond crash dates back to February 1994 and was triggered by a 25bp increase in rates (not prepared). This type of policy mistake is highly improbable today: the Fed is now reporting that it would not over-react should inflation accelerate temporarily. However, we note that the short-term positive impact of the budgetary policy should allow the Fed to continue to raise interest rates without increasing the risk of recession and, as such, without damaging the financial markets.

Market impact | If the Fed steps up its rate increases, we will have to bet on a sharp downturn in equities and on contagion into the emerging markets. This situation would be conducive to a widening of spreads between Europe and the US.

Risk # 5 | 10% probability | A long-term and significant increase in long-term interest rates

Analysis | The increase in long-term rates can come from at least six sources: (i) a significant upswing in (nominal, real or potential) growth prospects, (ii) more aggressive tightening of interest rate policies, (iii) the "true" end of QEs (the end of reinvesting maturing papers in the US, an even more drastic reduction in the ECB's asset purchasing programme), (iv) a resurgence of inflation or inflation expectations, (v) a massive reversal of fiscal and tax policies, or (vi) a resurgence of specific political risks. Nevertheless, these factors seem more unlikely today than at the beginning of the year given global risks. This conclusion is particularly valid in the case of the Eurozone: growth is slowing and the ECB intends to maintain very accommodative monetary conditions this year and next. This is indeed a necessary condition for inflation to recover gradually. However, the desire to lower the degree of monetary accommodation - including ending QE by year end - remains intact. A moderate rise in European bond yields seems inevitable. But a marked increase is unlikely (except in Italy).

Market impact | A sharp rise in long rates would be bad news in the US, where the sensitivity of the economy to long-term rates has increased with corporate re-leveraging: this would weaken growth and in itself would sow the seeds for a future decline in long rates. It should also be noted that a sharp rise in long-term rates would stop the rate hikes from the Fed. Another reason not to believe in a long-lasting and wide rise in US and European long-term bond yields.

Risk # 6 | 10% probability | A Chinese "hard landing"/ a bursting of the credit bubble

Analysis | Chinese growth is still solid (and more resilient than many market observers believed one year ago), but the country's economic model is fragile: the excess of credit is visible, non-financial corporate debt has surged since the GFC. The good news is that it has peaked: the NFC debt to GDP ratio has started to drop in late 2017. We will continue to monitor closely the trend in Chinese private debt that currently benefits from the strength of nominal GDP. In the case of hard landing or the bursting of the credit bubble, the Chinese authorities would be unable to avoid a stronger depreciation of the Yuan.

Market impact | A hard landing linked to a burst of the credit bubble would have a very negative impact and its cascading effects would be particularly disastrous: vulnerability of banking systems (in China and elsewhere), vulnerability of the global financial system, vulnerability linked to China's public and private debt, negative impact on regional and global trade, and thus on commodities and emerging countries, impacts on the currencies of commodity-exporting countries, advanced countries and emerging countries.

Risk # 7 | 10% probability | « Hard Brexit »

Analysis | We identify 4 possible scenarios: **(1) Soft Brexit (55% probability)** with an extended transition period, followed by a specific customs union arrangement, free trade in goods but only partial access for services (intermediate regimes of mutual recognition and equivalences, some oversight by the ECJ…). **(2) Very soft Brexit (25% probability)**, with an extended transition period, after which the UK remains in the EU customs union and in a close-to-EEA relationship relatively to the single market (incl. Few restrictions on movements of people). **(3) A hard Brexit (10% probability), on WTO terms with very little access for services**. **(4) No Brexit (10% probability)**. It would probably require early elections and a major change in government, followed by another referendum. A "no Brexit" scenario may be confirmed only after a long period of uncertainty (withdrawal of the UK's invocation of Art. 50).

Market impact | Scenarios (3) and (4) would be accompanied by financial turbulence but for very different reasons. It would probably be necessary to go through a serious political crisis to question Brexit (scenario 4). With regard to (3), even though the likelihood of a hard Brexit has significantly dropped, negotiations get bogged down which is not good news. In the event that the outcome is ultimately unfavourable for the UK, we would see additional weakening of the GBP and below-trend GDP growth.

MACROECONOMIC CONTEXT

Our convictions and our scenarios

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This section provides a reminder of our central scenario and alternative scenarios.

Central scenario (70% probability): global growth is stabilising.

- **Continued expansion of global activity:** global expansion continues despite a decoupling at the «second derivative» level. Indeed, growth will slow in the Eurozone this year, while it will accelerate in the US. However, in both cases, growth is expected to remain significantly above its potential. Despite rising risks, surveys remain elevated by historical standards. Some EM countries appear particularly fragile but for very specific reasons (Turkey, Argentina or Brazil) and while monetary policy is starting to become more restrictive in some EMs simultaneously, growth remains firmly anchored in both emerging and advanced economies. The ongoing rebalancing in China is progressing quietly. Most economies continue to benefit from a favourable investment momentum. The synchronous nature of expansion makes it more robust.

- **World trade:** world trade has slightly weakened since the start of the year (+3.8% yoy). The tariff increases announced by Donald Trump on steel and aluminium were finally implemented on June 1 (on Canada, Mexico and EU countries). Retaliation measures will be put in place. We observe that the protectionist rhetoric has begun to weigh on business confidence, particularly in Europe. However, it should be kept in mind that the products being targeted account for a small share of world trade and partner retaliation is targeted at a few products. We continue to expect a slight decline in the world trade to global GDP ratio (i.e., trade growth slightly below that of global GDP).

- **United States:** GDP growth is expected between 2.8% and 3.8% in Q2 2018 after 2.3% in Q1. Surveys remain upbeat. The fiscal stimulus (tax cuts and increased spending) extends the duration of the US cycle. No recession to fear in 2018 or 2019. But by summer 2019, the theme of the end of the cycle will probably resurface (end of fiscal multipliers, impact of the monetary tightening).

- **Eurozone:** we maintain our growth forecasts at 2.1% (2018) and 1.8% (2019). The rise in oil prices (+50% yoy) coupled with protectionist threats weigh on the outlook for H2 2018. At this stage, we do not anticipate that the policy of the new government coalition in Italy will have a significant impact on the economy. Peripheral economies should continue to benefit from a catch-up perspective. Despite the end of ECB's Asset purchase program (APP) at the end of the year, the ECB is expected to maintain very accommodative monetary conditions. On the political side, the European summit (28-29 June 2018) was dominated by the migratory crisis. On the financial side, the only decision made concerns the ESM which will provide the common backstop to the Single Resolution Fund (SRF), to help the banks if needed. It is an additional small step in the direction of a banking union. The other proposals made by from France and Germany (transformation of the ESM into a EMF, creation of a budget for the Eurozone) will be examined at the European summit in December.

- **United Kingdom:** the transition period runs from March 2019 to the end of 2020. The dissensions on Brexit terms are strong on the fact of remaining or not in the Customs Union. Uncertainty will continue to weigh on the UK economy, but in a diffuse way. We continue to expect below-potential growth in 2018-2019.

- **China:** growth is robust and the transition is under control. The reduction in overcapacity has reduced downside risks. Debt remains essentially domestic and has stabilised. We expect the gradual deceleration of growth to continue and a slow rebalancing (less growth, less debt). The rise in tariffs on US imports from China (to the tune of USD 50 bn) has raised fears of a larger US-China confrontation. At this stage, however, the impact seems modest and, as an agreement is likely, we have not revised our growth forecasts.

- **Inflation:** core inflation remains low at this stage in the cycle (especially in advanced economies) and should recover gradually in 2018. That said, the slowdown in inflation over recent years is primarily structural (tied to supply factors), while the cyclical component of inflation has weakened (flattening of the Phillips curve). While the pick-up in core inflation promises to be modest, the likelihood of an “inflation surprise” is nonetheless increasing as surplus capacities disappear around the world.. The risk is easier to spot in the US (we expect wages to continue to accelerate), given how close the economy is to full employment.

- **Oil prices:** oil prices have increased sharply (USD 77 a barrel for Brent) and are at their highest level in almost four years. This rise is due to tensions in the Middle East, the OPEC policy, and high global demand. Short-term risks are to the upside. Rebalancing through increased supply will take time to materialise (US production is already on a historic high). We have revised our equilibrium-price assumption (at around $75), which we is now our new forecast the 6- to 12-month horizons.

- **Central banks will continue to remove monetary accommodation at a gradual pace.** The Fed will continue to raise its key interest rates (we anticipate two 25bp hikes in H2 2018, 2 additional hikes in H1 2019 followed by a pause)) and reduce its balance sheet at the announced pace (with a gradual non-replacement of papers reaching maturity); meanwhile, the ECB will reduce its monthly asset purchases (from € 30 bn to € 15 bn) in Q4 and put an end to its APP at the end of the year. The 1st rate hike from the ECB is not expected before Q3 or Q4 2019.

The protectionist measures announced by Trump weigh on confidence, especially in Europe. And Donald Trump is ready to go further (he explicitly threatens to raise tariffs on imported cars from Europe from 2.5% to 20%). This threat is to be taken very seriously. The likelihood of a tougher trade confrontation is increasing, at a time when geopolitical risks in the Middle East remain elevated (with upside risks on oil).

Downside risk scenario (20% probability): marked economic slowdown due to a trade war, a geopolitical crisis or a sudden repricing of risk premiums.

- The risk of increasing protectionist measures (coming from the US) followed by retaliatory measures from the rest of the world rises with the proximity of the mid-term elections in November (Trump seeking to satisfy his electoral base).
- Aggravation of current geopolitical tensions in the Middle East (upside risks on oil prices).

Consequences:

- All things being equal, a trade war would be negative for growth and, in the short term, could prove inflationary.
- An abrupt re-evaluation of risks on the fixed income markets, with a global decompression of spreads (govies and credit, on the developed and emerging markets alike). Decline in market liquidity.
- With the resulting financial turbulence, the theme of the end of the cycle would resurface in the US.
- Central banks cease recalibrating their monetary policies and, in the worst case (very unlikely) resort to unconventional tools (expanding their balance sheets).

Upside risk scenario (10% probability): pick-up in global growth:

The probability is low due to the global uncertainty induced by the rise of tensions on trade (between the US, Europe and China in particular), by geopolitical tensions and political uncertainty in Europe (relationships between Italy and the rest of the EU). These factors may encourage companies to remain cautious, making the upside risk scenario even more unlikely to materialise.

- Sharp pick-up driven by business investment, global trade, and synchronisation of the overall cycle.
- In a very promising environment, the pro-cyclical US tax policy generates a stronger than expected pick-up in domestic growth in the US. Growth is picking up again in the eurozone after a soft patch in Q1. Stabilisation in China, confirmation of the trend in Japan, etc.
- Central banks react late, maintaining excessively accommodative monetary conditions, hence a “mini boom”.

Consequences:

- A marked pick-up in global growth for the second consecutive year would increase inflation expectations, forcing the central banks to consider normalising their monetary policy more quickly.
- Rise in real key interest rates (in the US especially).
- Given the resulting financial turbulence, the mini-boom would not last long. There would be a greater risk of a boom/bust (i.e. the bust after the boom).

Macroeconomic picture by area

United States

The economy's coincident and leading indicators point to above 3% growth in Q2 2018

- The U.S. outlook remains solid as metrics representing leading indicators of economic activity show a strong pick-up.
- Business indicators, both Manufacturing and Services picked up in May, positioning close to their highs. Consumer confidence indicators improved in June too, remaining consistent with a resilient consumption path.
- Industrial activity disappointed by contracting in May, but its overall trend is still stable. Retail sales proved to be strong. The gap between disposable income and consumption growth has been narrowing. The saving rate declined marginally. All of which supports the case for an acceleration in Q2 consumption growth.
- The inflation outlook keeps firming, with Core PCE now closer to the Fed Target and headline CPI at 2.8%. The labour market continues to tighten, driving wages gradually higher. Import and energy prices continue to support headline inflation.
- The Fed, more confident about its economic outlook, raised its rates in June, hinting at an additional 2 hikes in 2018.

Risk factors

- Decline in confidence, due to U.S. trade policies and risk of trade partners' retaliation
- Inflation: upside risks from higher oil prices and stronger acceleration of wage pressures
- Tighter financial conditions impacting growth and policies at a global level
- Geopolitical risks stemming from a more "muscular" approach by the U.S. Administration (e.g. Iran, North Korea)

Eurozone

Despite the rise in risks, the recovery will continue

- After numerous disappointments at the beginning of the year, data have tended to stabilise, in line with GDP growth of around 2% per year. Underlying inflation, which has been stuck for a long time at around 1% per year, should increase slightly in the coming months.
- Political risks have increased due to the new "anti-system" coalition government in Italy and recent internal tensions in the German government on the immigration issue. Moreover, the Eurozone is more exposed than the United States to the trade war risk.

Risk factors

- Rise in anti-establishment parties
- Overreaction by the euro
- External risks (in particular trade war risks)

United Kingdom

The job market provides an important support despite the Brexit uncertainty

- Despite the slight upgrading of Q1 growth (0.2% vs. 0.1% announced previously), the economy has certainly slowed due to Brexit-related uncertainty. However, job market figures remain strong (the unemployment rate reached a new low at 4.2% in March). Nominal wages are increasing while real wages are back in positive territory thanks to the slight decrease in inflation.
- Brexit negotiations have crystallised on the theme as to whether the UK can (partially or fully, temporarily or permanently) remain in a customs union with the EU. However, the sharp internal disagreement within Theresa May's government is making it difficult for the UK to build its negotiating position.

Risk factors

- A hard Brexit
- The current account deficit remains very high

Japan

Economy submerges but the surface is within reach

- The activities of manufacturers, constructors and the tertiary industry are all losing momentum. The economy needs a few more months to regain strength as an inventory adjustment is now in progress, particularly in the electronic parts and devices industry.
- However, there are increasing green shoots of hope as the automobile industry has almost finalised a stock adjustment, with a rebound in exports to the U.S. Meanwhile, an acceleration in labour income is gradually stimulating consumption expenditure.
- Capital investment is durable notwithstanding slower global economic growth and faltering corporate earnings. Machinery orders reached the highest level since June 2008. Capex by manufacturers is surprisingly resilient despite the threat of protectionism.

Risk factors

- Further appreciation of the yen
- Intensified trade dispute with the U.S

China

- Underlying economic activity still holding up, although some weakness in recent headline figures.
- Effects from financial deleveraging more visible, with credit slowdown and pick- up in individual corporate bond defaults.
- Increasing uncertainty in US/China trade relationship, though China still pushing for talks and delivering reforms.
- In response, policy further fine-tuned towards less tight stance, with a second RRR cut this year so far and policy support to private and small businesses.
- RMB showed some weakness recently, mainly due to short-term factors.
- That said, the medium-term outlook is still constructive in a gradual recognition of the RMB as a reserve currency, and structural transition continuing towards a New Economy less dependent on credit and the external environment.
- In reality, Trump's pressures seem to have pushed China to speed up the necessary reforms for its transition.

Risk factors

- **US/China Trade tensions, with considerable uncertainty in the near term**
- **Policy mistakes in managing structural transition**
- **Geopolitical noise regarding North Korea, still to watch despite initial agreement reached between US and North Korea towards peaceful solution following Trump/Kim Summit on 12th June**

Asia (ex JP & CH)

- Macro momentum in the region has been stable, with Thailand and India the drivers, while Malaysia has acted as a drag. Export dynamics are still very sound and broadly distributed among Manufacturing and Commodity Exporters.
- Inflation environment after May data releases remains very benign. Oil price spikes have only partially been reflected in the cost of living. India and the Philippines are still the two countries with inflation at uncomfortable levels.
- The Monetary Policy outlook in the region has been confirming the shift towards a tighter stance. Again, the Philippines is going ahead with its hiking cycle to rein back inflation towards the target. The RBI raised Monetary Policy rates at the beginning of June as a preventive intervention against inflation risk.
- The most relevant political news in the region has been the harshening attitude of the US Administration towards China with potentially $200bn of further tariffs.

Risk factors:

- **Stable and still constructive macroeconomic momentum**
- **May inflation still very benign with few exceptions**
- **Central banks shifting towards a tighter stance**
- **Higher geopolitical risk**

Latam

- In the region, Brazil was in the spotlight due to expectations of its economic growth outlook cooling down. Although GDP growth is generally still growing, downside risks have been increasing in the Consumer sector following higher unemployment and weaker real wages.
- Inflation figures in May still signalled a very benign outlook. Risks are on the upside, due to currency weakness pass-through, together with high oil prices.
- As expected, the Banxico has continued with a very orthodox Monetary Policy, hiking policy rates (25bps), following the Federal Reserve and a weaker Mexican Peso. Brazil has confirmed the end of the easing cycle and the BCB is adopting a very pragmatical approach, monitoring CCY volatility and inflation expectations.
- The Mexican elections are close (1 July) and the AMLO (Morena Party), the more populist candidate, continues to lead the polls (double-digit figures).

Risk factors:

- **Brazilian economy less buoyant than consensus expectations**
- **The Banxico hiked policy rates by 25bps**
- **Inflation outlook still benign**
- **Busy political agenda, with elections coming up in Mexico and Brazil**

EMEA (Europe Middle East & Africa)

Russia: we forecast 1.7% YoY growth for 2018-2019

- Despite the threat of potential US sanctions down the road, the macroeconomic scenario remains supportive helped by high oil prices. Russia will among the few emerging market sovereigns with the "twin surpluses" in 2018, while accumulating assets at the National Wealth Fund.

Risk factors:

- **Lower oil prices and stepped-up US sanctions**

South Africa: growth forecast down to 1.5% YoY in 2018

- The GDP figure came out well below market expectations. In a generally unfavourable environment for "risky" assets, we have downgraded our growth forecasts especially as the authorities have little room for manoeuvre to boost domestic demand.

Risk factors:

- **Less fiscal consolidation, failure to enact reforms**

Turkey: we forecast a slowdown in growth in 2018 to 4.3%.

- Erdogan has comfortably won the elections and obtained the majority in parliament. The day after the results, the markets purchased the decline in political uncertainty and the lira appreciated. However, the country has considerable economic vulnerabilities which still represent a real challenge for the new government. If Erdogan wants to maintain the support of the markets, he will have to ensure the credibility of his policy mix.

Risk factors:

- **A lax monetary policy, higher inflation and twin deficits, depreciation in the currency**

Macro and Market forecasts

Macroeconomic forecasts
(4 July 2018)

Annual averages (%)	Real GDP growth %			Inflation (CPI, yoy, %)		
	2017	2018	2019	2017	2018	2019
US	2.3	2.9	2.7	2.1	2.6	2.4
Japan	1.7	1.0	1.2	0.5	0.8	1.1
Eurozone	2.6	2.1	1.8	1.5	1.6	1.7
Germany	2.5	2.0	1.9	1.7	1.7	1.5
France	2.3	2.0	1.7	1.2	1.6	1.4
Italy	1.6	1.3	1.2	1.2	1.1	1.2
Spain	3.1	2.7	2.2	2.0	1.4	1.6
UK	1.8	1.3	1.6	2.7	2.5	2.4
Brazil	1.0	1.7	2.2	3.5	3.2	4.2
Russia	1.5	1.5	1.7	3.7	2.9	4.1
India	6.2	7.1	6.5	3.3	4.6	5.3
Indonesia	5.1	5.1	5.6	3.8	3.8	4.0
China	6.9	6.6	6.4	1.6	2.0	2.3
Turkey	7.3	4.3	4.4	11.1	14.0	9.5
Developed countries	2.3	2.3	2.1	1.7	2.0	2.0
Emerging countries	4.9	5.0	4.9	3.5	3.6	3.7
World	3.8	3.9	3.8	2.8	3.0	3.0

Source: Amundi Research

Key interest rate outlook

	27/06/2018	Amundi + 6m.	Consensus Q4 2018	Amundi + 12m.	Consensus Q2 2019
US	2.00	2.5	2.50	2.75	2.75
Eurozone	0.00	0.00	0.00	0.00	0.00
Japan	-0.10	-0.10	-0.10	-0.10	-0.10
UK	0.50	0.75	0.75	0.75	1.00

Long rate outlook

2Y. Bond yield

	27/06/2018	Amundi + 6m.	Forward + 6m.	Amundi + 12m.	Forward + 12m.
US	2.52	2.6/2.7	2.68	2.80/2.90	2.75
Germany	-0.68	-0.50/-0.40	-0.65	-0.40/-0.20	-0.56
Japan	-0.13	-0.20/-0.00	-0.14	-0.20/-0.00	-0.12
UK	0.72	0.80/1.0	0.79	0.8/1.0	0.80

10Y. Bond yield

	27/06/2018	Amundi + 6m.	Forward + 6m.	Amundi + 12m.	Forward + 12m.
US	2.85	3.0/3.15	2.90	3.0/3.15	2.92
Germany	0.32	0.60/0.80	0.40	0.80/1.00	0.47
Japan	0.05	0	0.08	0.10	0.13
UK	1.26	1.40/1.60	1.40	1.40/1.60	1.45

Currency outlook

	27/06/2018	Amundi + 6m.	Consensus Q4 2018	Amundi + 12m.	Consensus Q2 2019
EUR/USD	1.16	1.20	1.20	1.25	1.24
USD/JPY	110.60	109	109	105	105
EUR/GBP	0.89	0.91	0.89	0.93	0.89
EUR/CHF	1.16	1.16	1.19	1.18	1.20
EUR/NOK	9.47	9.36	9.46	9.25	9.20
EUR/SEK	10.42	10.15	10.20	10.00	9.98
USD/CAD	1.32	1.28	1.28	1.25	1.26
AUD/USD	0.74	0.77	0.77	0.77	0.78
NZD/USD	0.68	0.70	0.70	0.71	0.72
USD/CNY	6.62	6.60	6.45	6.50	6.42

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