252 – 6 January 2025

Investment Institute Macroeconomics

Three Questions for 2025

- What will be the “transformation rate” from Trump’s electoral platform to policy implementation?
- Will China go “all in” with its stimulus and engage on a proper model change?
- Can we “Make Europe Great Again”? At least one, possibly three key elections ahead this year

Many investors are counting on a low “transformation rate” from D. Trump’s electoral platform to implementation, considering that adverse market reactions to policy announcements would quickly trigger some recalibration. Yet, the experience from Trump’s first mandate does not point to such an “error correction” mode. Unfavourable market reactions to some aspects of his policies – trade war, containment of “Big Tech – did not sway Trump’s stance at the time. A “mellowing” from the platform is not necessarily the natural slope. Political constraints may be better predictors of how the campaign pledges will shape actual policies. From this angle, the new episode of government shutdown drama in December was informative: the President-elect is already squeezed between an active minority of fiscal hawks in his own party and a Congress majority which has not renounced its pro-spending proclivities. This suggests that a significant additional drift in the deficit, as tax cuts are unlikely to be offset by spending restraint, remains the most likely scenario, justifying the additional rise in long-term yields of the last few weeks.

How China responds to the new US administration is another key question. The shift to supporting consumption in the definition of the fiscal stimulus is welcome, but many announced measures remain vague and unquantified. Skewing the allocation of productivity gains towards wages is what the country needs right now, but this may be difficult to deliver for businesses amid deteriorated prospects.

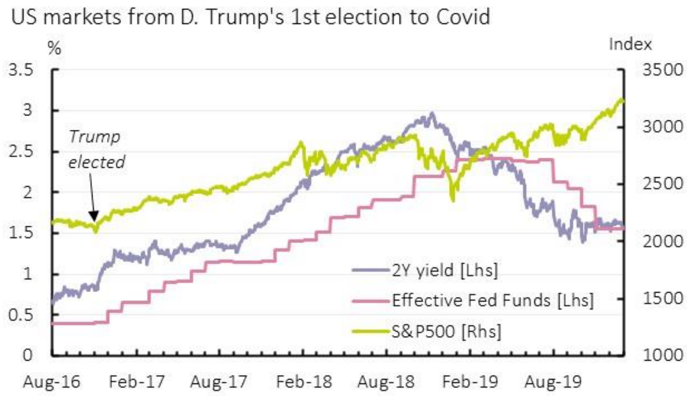
The issue for Europe this year is how the new awareness of the widening gap relative to the US, prompted by the Draghi report, can elicit action rather than feed the general gloom. Popular support for EU institutions has improved after the slump of the last decade, and this could be leveraged to trigger another step of fiscal integration. More political consistency across the member states could be the result on potential early elections in Hungary. Yet, getting a decisive impulse from Germany will be difficult, even after a change in coalition, given the political and institutional constraints there. Finally, getting more momentum at the European level will remain daunting without a domestic political clarification in France, possibly at the cost of another election which itself carries additional risks.

What will Trump's "transformation rate" be?

The "transformation rate" into actual legislation of Donald Trump's electoral platform is probably the most crucial issue for the global macroeconomic and financial outlook in 2025. **There seems to be a strong belief among investors that the new US administration will follow an "error correction" approach with the market as "Justice of the Peace".** The idea is that Donald Trump routinely looks at the performance of US equity indices as the best real-time assessment of his decisions. Any significant deterioration in US equity markets in reaction to the implementation of some of his most business unfriendly ideas – e.g. massive deportations of illegal immigrants or crippling tariffs – would quickly usher in a "recalibration" of the policies. This would be consistent with a low "transformation rate".

This optimistic reading is not supported by the actual behaviour of the US financial markets during D. Trump's first mandate. True, from November 2016 to September 2018, the performance of the S&P500 index was stellar, fuelled by the "sugar-rush" of the Tax Cuts and Jobs Act, with a cumulative price return of 40% – most of it bagged in by the beginning of 2018. Yet, the following autumn was more difficult – the S&P losing almost 20%, very close to a "bear market" configuration, and it took until the spring of 2019 for the S&P index to recover all the lost ground (see Exhibit 1).

Exhibit 1 – Revisiting Trump 1.0



Source: Bloomberg and AXA IM Research, January 2025

The correction was to some extent a consequence of the continuous rise in the Federal Reserve (Fed)'s policy rates, but Donald Trump's policies and communication played a key role, between the "trade war" with China which started in earnest in the spring of 2018 and was broadened in August and September of that year, and explicit criticisms of Tech companies, interpreted at the time by the market as the signal of imminent regulatory action against them. Despite the adverse market reaction, there was no immediate "correction course" by the Trump administration. Quite the opposite. The criticism of "Big Tech" intensified in 2019, aired for instance during a "Social Media Summit" held in July at the White House, while the Department of Justice, together with the Federal Trade Commission, launched an antitrust investigation against several Tech businesses roughly at the same time. On the external front, Donald Trump did not reduce the pressure on China. In May 2019, he ordered an increase in tariffs from 10% to 25% on USD200bn of Chinese imports into the US. A "truce" negotiated with Beijing at the G20 summit in Osaka in June 2019 did not last long, and it is only in October 2019 that the "Phase One" deal was announced.

The rebound in the market from the beginning of 2019 onward cannot be explained by a "Trump mellowing" moment, but rather by the expected and then effective reversal of the Fed's stance. Even if the Fed did not cut before the summer of 2019, the shift to accommodation had been squarely anticipated, as the behaviour of the 2-year yield suggests. Ultimately, the US economy did not fall in recession in the second half of 2019 (GDP growth remained slightly above 2%), but this concern was routinely expressed – for instance when the ISM index in manufacturing fell below 50 in August 2019: this did not sway the policy stance at the White House.

Of course, Donald Trump's positioning has changed on some issues since his first mandate. Although his views on international trade have possibly become even more strident, he has seemingly completely changed his stance on

Tech – and this sector has been a key beneficiary of the "Trump Trade redux" which has recently lifted the US market – but our point is that betting on an "error correction" course for this vintage of Trumpnomics is risky. We think **the best attitude is to take Donald Trump's platform at face value, without trying to second guess how adverse market reactions could ultimately soften the blows, to focus on the probability that it is implemented after taking on board political constraint**s.

From that point of view, **the latest "budget drama" in Washington DC is informative.** It is easy to be blasé with this issue. As often – although not always – a "government shutdown" was averted at the last minute just before Christmas thanks to a bi-partisan effort. Yet, the "dance" between the Republican caucus in Congress and President-elect Trump may already tell us a lot about how policy could be negotiated under the new configuration. Indeed, the initial deal collapsed under the opposition from Donald Trump – and Elon Musk – who objected to some of the extra expenditure involved. At first glance, this was another sign of the control Donald Trump exerts on the Republican machine, even before he is inaugurated. Yet, in a subsequent vote he failed to get from the Republican caucus what was probably paramount to him: a two-year extension of the debt ceiling, which would have protected the new presidential team from any "fiscal accident" until the mid-term elections of 2026 should the deficit rise too much in response to his tax cuts programme. **This suggests that the "fiscal hawks" in the Republican party will not give in that easily to the presidential administration**.

The 38 Republican hardliners, who voted on 20 December against the 2-year debt ceiling extension justified their vote by the absence of credible spending cuts, despite direct pressure from Donald Trump (he explicitly threatened to support challengers in the primaries these Representatives will have to win in 2026). Of course, reining in federal expenditure is precisely what Elon Musk and Vivek Ramaswamy are supposed to do in the new administration but, as we have already explored in Macrocast, we do not think substantial savings can be found if the defence and social programmes are protected – which was in principle enshrined in Donald Trump's platform.

While the fiscal hawks will impose limits to Trump's fiscal plans, the debates at the House in December also brought some new evidence that the US Congress, even with a Republican majority in the Senate, is not necessarily supportive of spending cuts, quite the opposite. Indeed, a bi-partisan bill has just made it through the two houses which allowed federal employees to benefit fully from the social security pension rights accrued from periods spent in the private sector, on top of their federal retirement benefits. This had long been a "political football" between the two parties, but the "Social Security Fairness Act", at a cost of almost USD200bn over the coming decade, was supported by a clear majority of the Republican caucus in the House (only 75 Republicans opposed it) and in the Senate (20 out of 48 Republicans voted against it). The Act contained no offsetting clause on the revenue side.

Taken these two episodes together, the market should brace itself for significant volatility on the fiscal front in 2025, with a lot of brinkmanship and little visibility until a proper budget bill gets through. Squeezed between the fiscal hawks and the spending proclivities of a majority of the Congress, the most likely scenario in our view is that the tax cuts will only be possible if the White House reach out to a bipartisan deal, which in our view cannot have any other conclusion than a continuation of the expenditure drift. We have also already argued in Macrocast how tariff hikes should not only be seen as a trade rebalancing tool, but more and more as a source of income for a constrained federal government. Arguably, tariffs only affect relative prices (they raise the price of imported products relative to domestically produced ones) but cannot raise the overall level of prices unless consumers are ready to use and can find enough cash to pay for higher imported goods without squeezing their expenditure on the other items. This is precisely what another net fiscal loosening will allow. **In such circumstances, that the US bond market – already unsettled by the Fed's hawkish tone in December – reacts to the latest political developments by demanding higher long-term yields makes perfect sense, in our view.**

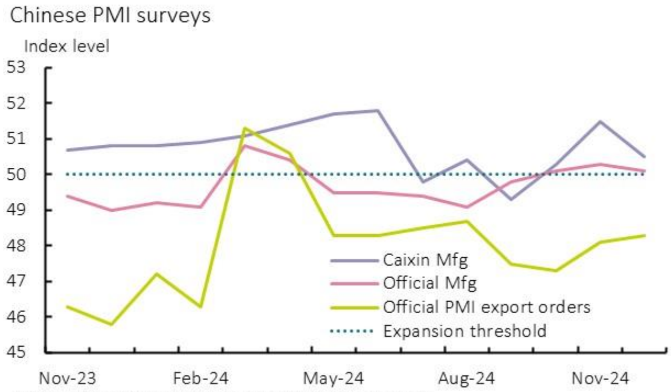
Will China be more precise with its stimulus, or even engage in model change?

During the US presidential campaign, Chinese spokespeople offered no sign of preference for either candidate. A very recent article in Foreign Affairs by Yan Xuetong from Tsinghua University convincingly argues an optimistic case – from Beijing's point of view, but also in terms of global tension – under the telling title *"Why China is not scared of Trump"* (see link here). His point is that, unlike his Democratic opponents, Trump is not essentially ideologically motivated and his lack of interest in Human Rights issues would probably make him reluctant to try to intervene in Chinese internal affairs (e.g. the Xinjiang issue). Moreover, his isolationism and propensity to disrupt historical alliances would ultimately weaken the US global leadership, offering China some room for manoeuvre. Finally, his focus on domestic affairs – and record in his first term on not engaging in military adventures – would make him unlikely to heap pressure on Beijing on Taiwan, at least as long as Beijing itself does not make any significant move on this.

Yet, before getting to his quite favourable conclusion, Professor Xuetong takes it as a given that on economic issues, the confrontation with China will intensify. A difference he makes between the Biden and the Trump approaches to China's economic challenge – which we find very apt – is that the former focused on denying Beijing the possibility to get closer to the technological frontier, while the latter is looking for a complete decoupling of the US economy from China.

The latest dataflow from China is not encouraging. The Caixin manufacturing Purchasing Managers Index (PMI) lost steam in December after an unexpected rebound in November, in line with the usually less volatile official PMI (which is skewed towards large, state-owned companies). With new export orders wallowing in deep contraction territory (see Exhibit 2), the limits of the essentially externally driven "productive quality" strategy are being met even before the new US administration implements new protectionist measures against Chinese products. On the domestic front, the continuation of "near deflation" (see Exhibit 3) is a clear sign that overcapacities – or demand deficit – are still holding back the economy.

Exhibit 2 – Weak manufacturing



Source: Macrobond and AXA IM Research, January 2025

Exhibit 3 – Near-deflation continues

Source: Macrobond and AXA IM Research, January 2025

Since the end of last summer, **the Chinese leadership has gradually taken the measure of the main challenge now facing the economy: the absolute need to find a domestic engine of growth which can no longer be manufacturing investment nor residential construction.** Beyond an "all purpose" loosening of the monetary stance, the Chinese leadership has been increasingly focusing on consumption-supportive measures. Beijing is now resorting to a wide arsenal, from traditional income tax cuts to direct subsidies, such as childcare payments to families with more than one child (USD114 per child each month), or "vouchers" targeting specific items, such as recreation, on top of "trade in" bonuses encouraging spending on low-carbon products. Yet, it has been impossible to get a precise quantification of the whole package – for instance, the tax cuts still need to be explicit, and we doubt this particular measure can have a significant impact, given the low level of taxation in China in the first place. Last week, some Chinese carmakers announced their own "trade-in" subsidies since the 2024 programme expired without new announcements by the government. It may well be that Beijing wants to know more about the magnitude of the trade blows the US administration will inflict in 2025 to properly calibrate the programmes, but the constant time gap between announcements and policy implementation is eroding the psychological impact the stimulus should have.

While we wait for more concrete steps on the stimulus, **we remain convinced that the fundamental solution for the Chinese economy lies in a more structural shift in how productivity gains are distributed**. From the early 2000s to the late 2010s, the share of wages has seemingly fallen in China's GDP. A reversal would help China emulate the sequence seen in all mature economies, when they emerged from a capital-intensive development model, to a consumption-driven one. Of course, pushing businesses to up wages when they are facing difficulties on their export market is a tall order, but ultimately, we think this is the only avenue. Other apparently "neat" solutions, such as a allowing the currency to weaken more decisively – which is our baseline for this year – can help delay the inevitable but coupled with trade tariffs hiked in retaliation to American moves, this would only damage households' purchasing power further.

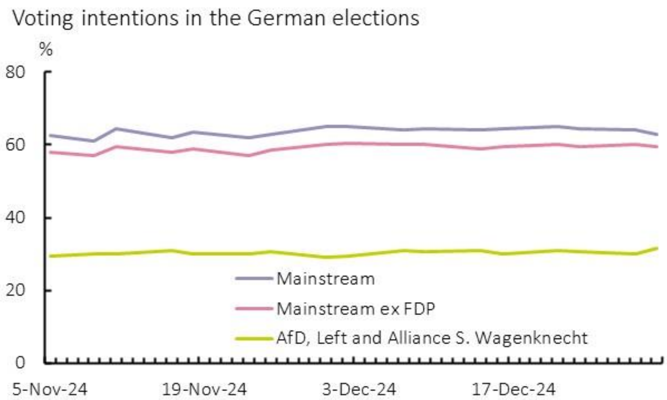
Can we "Make Europe Great Again"? One – maybe three – key elections in 2025

The European Union (EU) is going to find itself under massive external pressure this year, between a likely trade conflict with the US and the possibility Chinese exporters focus more on the European markets as a consequence of their de facto exclusion from the US if the Trump administration implements the kind of tariff hikes he dangled during the campaign. At the same time, the EU will need to step up more decisively its defence effort given Trump's "fair burden sharing" approach to North Atlantic Treaty Organization (NATO). Beyond the already daunting financial aspects of the military capacity rebuilding, Europeans may also have to make strategic decisions which would be uncomfortable to some member states. If a US-brokered ceasefire were to emerge in Ukraine this year, it is likely that concrete security guarantees would need to be offered to Kyiv, and they would probably need to come from European countries, possibly in the form of armed forces stationed in Ukraine – an option openly put on the table by France and supported by Italy… but so far not by Germany under its current government.

These external challenges are getting more pressing at a time when Europe's domestic economic capacity is constrained. 2024 was the year Europe took the measure of the depth of its structural issues with the publication of the "Draghi Report" and **the awareness of the widening performance gap with the US has spread beyond the policy circles. Yet, without action, such awareness will only add to the generic gloom** and convince more Europeans to continue exporting their savings to the other side of the Atlantic in search for structurally higher returns. Germany today embodies a lot of the flaws of the European model, between an over-reliance on industries from the previous industrial revolution, poor demographic prospects, low infrastructure investment, lowish digitalisation levels and an energy mix which manages to be at the same time unstable, expensive, and highly carbonated. In the geopolitical space, even if under the incumbent coalition a large financial effort has been made to modernise the military and support to Ukraine has been tangible, the country still hesitates on how far containing Russia should go. This naturally makes the February general elections crucial.

Italy completely transformed its political scene in the 1990s, and again at the turn of this decade. A similar re-alignment has been occurring in France over the last 10 years. Compared with these two countries, the German political organization looks like a beacon of stability. A Christian Democratic Union (CDU) Chancellor is likely to succeed to one from Social Democratic Party (SPD), a seemingly immutable rule since the 1950s, even if since then a three-parties mainstream has given way to a four-parties one with the emergence of the Greens. The challenge from parties outside the mainstream has been on the rise, with far-right groups, together with far-left ones, attracting a little less than one third of the votes. Yet, unless there is sudden break in what has been a very stable distribution of voting intentions since the early elections were announced (see Exhibit 4), **mainstream parties will have more than enough space to negotiate another coalition between themselves.**

Exhibit 4 – Stable 2/3 1/3 split since the campaign started



Source: INSA and AXA IM Research, January 2025

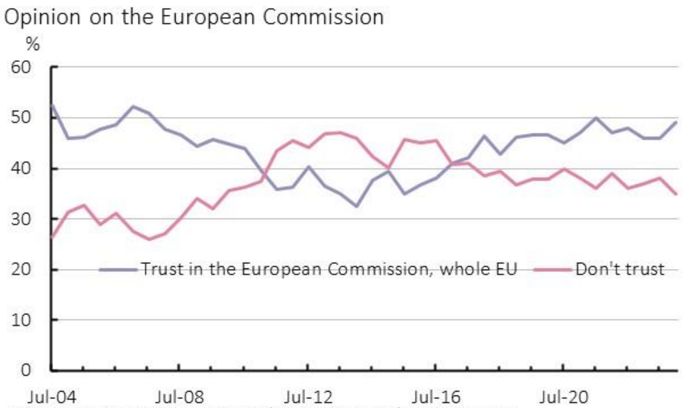
The question is "to do what"? Friedrich Merz, leader of CDU-CSU, is clearly ahead of the two centre-left parties, but his manifesto is difficult to reconcile with the platforms of SPD and Greens – which is probably to be expected at this stage of the race. While Merz had sounded open to a reform of the debt brake, if this were to fund much-needed investment, his party's platform is skewed towards tax cuts, in a traditional supply-side approach in which capital expenditure is better boosted by lower tax than by direct government spending. The openness to re-starting Germany's nuclear power stations would collide with the Greens, and probably the SPD's agendas. An additional difficulty is that a reform of the debt brake would take a constitutional change which would require a two-thirds majority in the two houses of parliament. It is not obvious that the non-mainstream parties (which, for different reasons, would probably refuse to support a government-driven reform on that front) will get a blocking one third of the seats in the Bundestag (Die Linke, falling below the 5% limit according to the polls, will get a proportional representation in the Bundestag only if they win at least three constituencies in the direct vote). Yet, even if Free Democratic Party (FDP) – a mainstream party, but opposed to a reform of the debt brake – will also struggle to get a parliamentary representation given its current standing in the polls – **getting the constitutional change over the line would require a complete agreement across CDU-CSU, SPD and the Greens, and this is not going to be straightforward.**

The arithmetic remains complex – the final total number of seats in Bundestag, and hence the majority threshold – is not fixed but depends on the number of "balancing seats" which need to be added to respect proportional representation once the constituency results are in – but looking at the current polls, a two-way coalition between CDU-CSU and SPD looks possible, but with a small majority margin. Extending the coalition to the Greens would of course help – especially if the ultimate prize is a constitutional reform – but Christian Social Union (CSU), the Bavarian branch of the German centre-right, has expressed, so far, a refusal to belong to such large coalition. **In a nutshell, getting a political configuration which could deliver the kind a decisive macroeconomic strategy change Germany needs right now is far from being obvious.**

Germany's institutional quirks do not matter for the region's largest economy alone. Indeed, **the chances of another wave of European policy integration to help with the overhaul of the EU's economic model depend to a large extent on the legal possibility for Berlin to support such a move.**

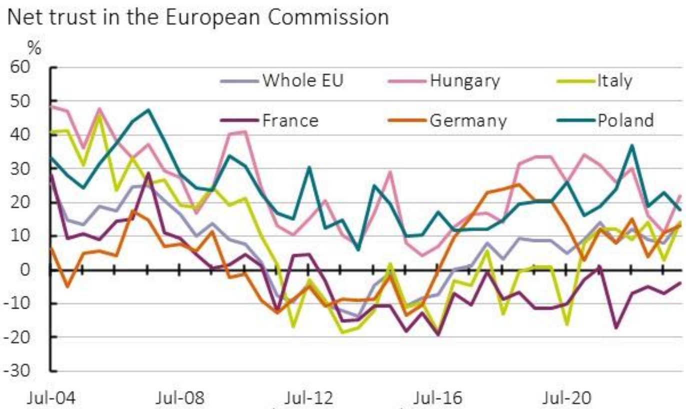
We do not think that it is a generic discontent of European citizens with the EU's direction which can explain the difficulties to find more momentum for common projects after the post-Covid "Next Generation" programme (NGEU). Indeed, polls suggest that a majority of Europeans support the general policy direction in Brussels. Exhibit 5 suggests that after the sovereign crisis of 2011-2012, when in many countries Brussels was essentially seen as a nasty disciplinarian imposing bitter adjustments, gradually a majority of European citizens started trusting the Commission again. Levels of "net trust" are currently quite close across "old" core countries which did not go through a hard time 10 years ago (Germany) and "peripherals" such as Italy. Even in countries with a recent past, or a present of tough confrontation with Brussels, such as Hungary and Poland, the level of trust is quite high (see Exhibit 6). France is the "odd one out" (more on this in a moment).

Exhibit 5 – EU institutions are more popular



Source: DG Comm Barometer and AXA IM Research, January 2025

Exhibit 6 – Fairly well distributed across member states



Source: DG Comm Barometer and AXA IM Research, January 2025

There seems to be a "readiness for more Europe". It would seem obvious for Europeans to forge ahead with another instalment of "quasi fiscal federalism", by putting more resources together at the EU budget level to fund structural investments and defence in a common way. **An issue there is the possible reaction of the German Constitutional Court.** In December 2022, the Karlsruhe judges gave the Europeans a nice Christmas gift by rejecting a complaint against the "Next Generation" programme, considering that the EU had not in this instance exceeded its competence and created an unacceptable dent into the German parliament's fiscal sovereignty. Yet, the details of the ruling matter. Indeed, it is only because the purpose of the Next Generation programme was well circumscribed in *scope* and limited in *time* that the Court found it acceptable without a breach in Germany's constitutional order (see here this link to a very thorough analysis by the Jacques Delors Centre). At the very least, this position of the German Court suggests that the existing NGEU's financial capacity could not be re-purposed towards anything else than what was stipulated in the Own Resources Directive (dealing with the economic consequences of the pandemic). In a more extensive approach, **this would raise a doubt on the willingness of Karlsruhe to accept a constant "drift" in the EU's fiscal competences via the accumulation of "special purpose" programmes.**

All this points to severe limits to the impulse to European economic integration a new government in Berlin could provide. Domestic affairs will likely use up a lot of political bandwidth, while any Chancellor will remain aware of the constitutional constraints which would weigh on any significant "European leap forward" on fiscal matters.

Of course, Germany is not going to be the only key battleground. Beyond the financial issues, **another integration step in the EU probably cannot happen without progress on political consistency, in terms of general goals, geopolitical alignment and values, across member states. This is why the electoral fate of Hungary matters**. 2026 is the normal term for the next general elections, but the opposition is calling for an early vote, and the government has already made budgetary provisions for a vote this year. Brussels has upped the pressure on Budapest, with a freeze – and in some cases an outright cancellation – of some EU transfers to Hungary effective as of last week. Hungary is already grappling with a deterioration in its fiscal position. **This is the first time Viktor Orban's EU-critical positioning is costing the Hungarian economy in a tangible manner**. Some polls have recently put a liberal centre-right party led by Peter Magyar ahead of Orban's group (FIDESZ). A defeat of Orban, coming after the shift to a pro-European government in Poland in 2023, would probably be a sign of greater consistency at the EU level, even if the recent developments in Romania need of course to be closely monitored.

But it is also likely that **Europeans will have to contend with the US influence beyond the realm of trade policy or defence.** Viktor Orban has been the only European leader whom Donald Trump has been repeatedly praising in his communication since his election, and the US President-elect has already made it plain that he did not approve of some of fundamental views held by the "Brussels consensus", for instance in the field of energy policy (calling the EU on stepping up their purchase of US Liquefied Natural Gas rather than developing renewables further). A "mainstream" project for Europe cannot count on any support from Washington DC.

To this extraordinarily challenging configuration for Europe, one needs to add the political uncertainty in France. The first big test for Francois Bayrou's cabinet will be the passing of a proper budget bill for 2025, now scheduled for next month. Efforts at placating the concerns of some of the groups which have refused to join the government but have not irrevocably pledged to support a motion of no confidence (e.g. the Socialists) may make it possible to get the bill through, but it remains to be seen if Paris can become again a force of proposition at the European level within the current composition of the National Assembly. New parliamentary elections could be organised from July 2025 onward. A key issue of course is whether another vote would necessarily provide a clear majority, and/or if such hypothetical majority was interested in European affairs at a time when French citizens are, according to the Eurobarometer, among the most critical of the EU's policy stance.

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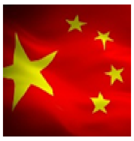
Country/Region	What we focused on last week	What we will focus on in next weeks
	• UST yields and dollar have traded higher since Fed at end of last year • Mfg surveys (Dec) mixed. Sharp drops in Philly Fed & Chicago PMI. Richmond & Markit PMI rose • Initial jobless claims at 8m low, continuing claims reversed recent gains; volatile holiday seasonals • Conf Bd cons confidence (Dec) fell to 104.7 (112.8), expectations to 6m low from 2y high	• US payrolls (Dec) NFIB suggests some risk of dip. Will watch labour supply for signs of persistent slower migration impact, post hurricane distortions • JOLTS survey (Nov) expects resumed downward trend • FOMC minutes (Dec) – any range of views on outlook • US services ISM (Dec) rise expected following gains in S&P PMI index • Uni Mich cons sentiment (Jan, p) further weakening?
	• EC consumer sentiment dropped in December. • Final EMU manufacturing PMI broadly unchanged at 45.1 in December • First council of minister, led by PM Bayrou reportedly set a target to bring the French deficit to 5.4% of GDP in 2025 from 6.1% in 2024.	• December services final PMIs, EC survey • EMU "flash" HICP (Dec) • EMU retail sales (Nov) • Politics/Policies: German electoral campaign getting traction. France: first concrete steps to be taken by the new government
	• Nationwide House Prices (Dec) up 4.7% on the year, with a 0.7%mom rise in Dec. • Final manu PMI (Dec) revised down to 47.0 from the flash estimate 47.3 • Cons. credit (Nov) • Mortgage approvals (Nov)	• New car sales (Dec) likely will remain weak • Final composite PMI (Dec) look for any downward revision in services PMI • BRC retail sales (Dec) look for signs of weakness • Construction PMI (Dec) likely will edge down from the Nov reading, 55.2
	• Final manu PMI (Dec) broadly unch from flash estimate at 49.6 (flash 49.5)	• Final composite PMI (Dec) no reason to expect material revision • Consumer confidence (Dec) likely to remain subdued by past standards • Av. cash earnings (Nov) look for further rise • Household spending (Nov) expect a small pick up
	• PBoC kept rate at 2.00% for MT lending facility • PMI (NBS, Dec) services lift to 52.2 a 9m high, manufacturing broadly stable at 50.1 • Caixin mfg PMI (Dec) ease back to 50.5 from 51.5 • Authorities widen scope of cons trade-in scheme	• CPI inflation (Dec) expected to just remain +ve yoy • PPI inflation (Dec) expected in deflation (-2.5%) • Possible release of December M2 and lending data
	• GDP (Q4): Singapore (4.3%yoy) • CPI (Dec, yoy): Indonesia (1.6%), South Korea (1.9%), Poland (4.8%), Turkey (44.4%) • Industrial production (Nov, yoy): Chile (0.6%), South Korea (0.1%)	• CPI (Dec): Brazil, Colombia, Mexico, Philippines, Taiwan, Thailand • Industrial production (Nov): Brazil, Czech Republic, Hungary, India, Mexico

Upcoming events	US:	Mon: Composite PMI (Dec), Factory orders (Nov); Tue: Trade balance (Nov), ISM non-mfg index (Dec), JOLTS (Nov); Wed: ADP emp change (Dec); Thu: Initial jobless claims (w/e 28 Dec); Fri: Non-farm payrolls (Dec), Unemp (Dec), Avg earnings (Dec) , Michigan consumer sentiment and inflation expectations (Jan, p)
	Euro Area:	Mon: Sp, It, Ez svc PMI (Dec), Ez composite PMI (Dec), Ge HICP (Dec, p), Ge CPI (Dec, p); Tue: Fr, It HICP (Dec, p), Ez ECB consumer inflation expectations (Nov), It Unemp (Nov), Ez HICP (flash) (Dec), Ez Unemp (Nov); Wed: Ez consumer confidence (Dec), Ez PPI (Nov), Ez industrial confidence (Dec); Thu: Ge IP (Nov), Ez retail sales (Nov); Fri: Fr IP (Nov), Fr Consumer spending (Nov), Sp IP (Nov), It retail sales (Nov)
	UK:	Mon: Composite & Svc PMI (Dec); Tue: BRC sales monitor (Dec), Halifax house price index (Dec), Construction PMI (Dec); Thu: BRC shop price index (Dec)
	Japan:	No data release
	China:	Mon: Caixin svc PMI (Dec)

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