



*Update November 9<sup>th</sup> 2015*

### ***This week key data from the Euro Zone - Will stronger than expected data stay the ECB's hand?***

*Next week we shall be seeing key data on growth in the Euro Zone, with expectations of an improvement in the performance of France - the weaker partner in the Franco – German axis. A stronger than expected growth may induce prudence with regard to embarking on further monetary measures.*

### ***US accent shall be on retail sales - Consumption seventy per cent of the economy?***

*In the US, the accent shall be on retail sales. This is seen as a harbinger of the “State of the Nation” of the other seventy per cent of the US economy. Will the apparent strengthening of the labor market lend a significant boost to consumption notwithstanding scant wage growth?*

### ***Stock markets in a cautious mood - OECB warning on global growth***

*Stock markets are in a cautious mood as the OECD joins the chorus of those foreseeing a further slowing in the global economy. The weakness is seen as stemming from the emerging markets and from more modest prospects for the Euro Zone. We have foreseen these developments for some time and expect that further downward revisions are on the way.*

### ***OECD analysis – inconsistencies across GDP estimates***

*There are still some inconsistencies apparent when doing a horizontal analysis across the GDP growth / contraction rates, with a slightly lower GDP decrease in China alongside a + 3 per cent contraction in Brazil. In the light of China's massive use of commodities, the two numbers are out of synch. We expect that Chinese rates shall be corrected down.*

### ***Markets gearing up for two “mammoth” central bank meetings***

*As concerns monetary policy, the ultimate market driver, we see markets as starting to gear up for two “mammoth” meetings next month. Expectations are currently that the US shall proceed to raise rates and that the Euro Zone shall ease further.*

**Jean Ergas**  
**(646) 780-8880**  
**jergas@tigressfp.com**  
**Twitter: @jean\_ergas**

**Tigress Financial Partners**  
Member of FINRA / MSRB /  
SIPC  
500 Fifth Avenue  
New York, NY 10110  
(212) 430-8700  
[www.tigressfinancialpartners.com](http://www.tigressfinancialpartners.com)

To subscribe to Jean's Global  
Macro Overview, order  
customized reports, or gain  
direct access to Jean, contact  
[research@tigressfp.com](mailto:research@tigressfp.com).

***ECB shall likely announce further measures***

*With inflation nowhere to be seen, we see the ECB as signaling further measures and possibly further expanding its “buyable” bonds range. This shall limit any – for the time being, scant upside – to the Euro, should the Federal Reserve not move.*

***Non- Euro European economies shall continue to be cautious***

*We expect further caution among the non-Euro European economies, with the Bank of England in the lead in the non-aggression front. With opposition to the EU building and the business world broadly pro- EU, the UK central bank shall be remiss to risk triggering any economic slowing or housing collapse.*

***Growth versus economic reality******Are we seeing a growing divergence between the financial and the real economy?***

*Are we seeing a growing divergence between the financial economy and the real economy? The CEO of Maersk - which carries 15 per cent of global trade – views the IMF’s forecasts, albeit revised downwards – as still too optimistic. This is based on a bottom up analysis, comparing global trade volumes with 2015 growth expectations. This has been corroborated by a 6.9 per cent fall in Chinese exports in October.*

***We are not surprised and continue to expect further downward revisions, with the Euro Zone and emerging markets bearing the brunt of increasing caution.***

***Still see exports as critical to China meeting its GDP targets***

*The take on the Chinese situation seems to be that the Chinese government shall resort to further measures to stimulate the internal economy, as opposed to boosting exports via devaluation. While domestic demand may be strengthening as the re-balancing continues, we still view exports as key to reaching the 6 ½ per cent target deemed the basis for growth.*

***Has the Federal Reserve signed off on economic mediocrity at best?***

*With regard to the Federal Reserve, the head of the San Francisco Federal Reserve is waxing enthusiastically about the US economy. The Federal Reserve leading officials appear to have accepted the “brute” metrics of the labor market, focusing on employment and not wages. This does not bode well for the strength of the business cycle going forward.*

***Saudi Arabia is nothing but persistent! Will keep pumping!***

*Last but not least, Saudi Arabia shall maintain its production strategy. We are confirmed in our view that the recent S+P downgrading has had scant effect on a country with a minimal external debt load and still massive FX reserves. The assumptions underlying the Saudi strategy are a return to market equilibrium by late 2016. The Saudi strategy will lead to further scrapping of capital investment impacting the energy value chain.*

***On the FX front, we are seeing US Dollar strength across a broad front and expect this to continue. Emerging market currencies shall continue to bear the brunt of this trend.***

**Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC**

**Research: (646) 780-8880 [research@tigressfp.com](mailto:research@tigressfp.com)**

500 Fifth Avenue New York, NY 10110 (212) 430-8700 [www.tigressfinancialpartners.com](http://www.tigressfinancialpartners.com)

**Contacts**

**Jean Ergas**  
Chief Economist  
(917) 551-6533 Direct  
[jergas@tigressfp.com](mailto:jergas@tigressfp.com)

**Ivan Feinseth**  
Chief Investment Officer  
(212) 430-8730 Direct  
[ifeinseth@tigressfp.com](mailto:ifeinseth@tigressfp.com)

**Philip Van Deusen**  
Director of Research  
(646) 862-2909 Direct  
[pvandeusen@tigressfp.com](mailto:pvandeusen@tigressfp.com)

**Brian O'Sullivan**  
Managing Director, Trading  
(646) 798-8453 Direct  
[bosullivan@tigressfp.com](mailto:bosullivan@tigressfp.com)

**Ernest Williams**  
Institutional Sales & Trading  
(646) 862-2912 Direct  
[ewilliams@tigressfp.com](mailto:ewilliams@tigressfp.com)

**Chris DeCarolis**  
Research Associate  
(646) 402-6695 Direct  
[cdecarolis@tigressfp.com](mailto:cdecarolis@tigressfp.com)

**About Jean:**

Jean Ergas is the Chief Economist for Tigress Financial Partners LLC (Member FINRA, MSRB, SIPC) based in New York City.

He is an Adjunct Assistant Professor at New York University's School of Professional Studies and an Adjunct Faculty member at Manhattanville College. In 2014 he received the award for teaching excellence from NYU School of Professional Studies.

He is fluent in English, French, German, Italian, Spanish and Portuguese. He also has a certificate in Arabic – from NYU School of Professional Studies.

His career has spanned the complete range of macro risk analysis - energy / commodities with ENI - Global Fortune 500 17 - leading global natural resources group, capital markets with Swiss Bank Corporation (now UBS) and insurance / reinsurance with the A.M. Best Company. Jean contributes regularly to international media commenting on key macro-economic issues.

Jean is a member of the American Institute of Certified Public Accountants and has an MBA and an Advanced Professional Certificate in Accounting from New York University's Stern School. He has also passed the FINRA Series 7 examination.

**Research Report Disclaimer**

This report is produced for informational purposes only and is not a solicitation to buy or sell any securities or services from any companies or issuers mentioned herein or to participate in any particular trading strategy or in any jurisdiction in which such an offer or solicitation would violate applicable laws or regulations.

Tigress research is distributed in the United States by Tigress Financial Partners LLC a registered broker dealer with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA) and in Brazil by Gradual Investimentos, Gradual CCTVM S/A, a financial institution authorized by the Central Bank of Brazil.

The information contained herein has been obtained or derived from sources believed to be reliable but its accuracy and completeness is not guaranteed and should not be the sole basis of any investment decision but only to be used as a factor in the investment decision process.

This report does not provide individually tailored investment advice and has been prepared without regard to the individual financial circumstances and investment objectives of any person(s) receiving it. The analysis and conclusions herein are not a complete analysis of every material fact respecting any company, industry, or security. The opinions expressed in this report reflect the judgment of the author(s) at this date and are subject to change without further notice. Tigress Financial Partners is under no obligation to provide updates to recipients of any previously issued reports or recommendations.

The market value and expected income from any investment may vary because of changes in interest rates or foreign exchange rates, securities prices or market indexes, operational or financial conditions of the underlying companies or other factors. Past performance is not indicative of future performance. Estimates of future performance, research ratings and target prices are based on assumptions that may not be realized. Unless otherwise stated, the cover page provides the most recently available closing price on the primary exchange for the subject company's securities/instruments.

Securities are offered through Tigress Financial Partners LLC a SEC Registered Broker Dealer and a member of FINRA / MSRB / SIPC which clears its securities transactions and provides custody of client accounts on a fully disclosed basis through Pershing LLC, a subsidiary of The Bank of New York Mellon.

Securities in your account are protected up to \$500,000 of which \$250,000 can be for claims for cash awaiting reinvestment. Please note that SIPC does not protect against loss due to market fluctuation. For additional information please go to [www.sipc.org](http://www.sipc.org).

In addition to SIPC protection, Pershing provides Tigress Financial Partners LLC client accounts coverage in excess of SIPC limits from Lloyd's of London, in conjunction with other insurance companies. The excess of SIPC coverage provides an aggregate loss limit of \$1 billion for eligible securities over all client accounts and a per-client loss limit of \$1.9 million for cash awaiting reinvestment within the aggregate loss limit of \$1 billion. The excess of SIPC coverage does not protect against loss due to market fluctuation. For additional information please go to [www.lloyds.com](http://www.lloyds.com).

Pershing's excess of SIPC coverage is provided by Lloyd's of London in conjunction with XL Specialty Insurance Co., Axis Specialty Europe Ltd., Great Lakes Reinsurance (UK) PLC and Ironshore Specialty Insurance Co.

**About Tigress Financial Partners LLC**

Tigress Financial Partners is a specialized financial services firm providing expertise and services in investment banking, investment research, asset management, corporate advisory and trade execution services.

Tigress Financial Partners provides its services to corporate entities, institutional investors, high-net worth individual investors, public and private pensions, federal, state and municipal governments.

Tigress Financial Partners LLC is a registered broker dealer with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA), the Municipal Securities Rulemaking Board (MSRB) and the Securities Investor Protection Corporation (SIPC).

Tigress Financial Partners LLC is a Woman-Owned Business Enterprise (WBE) and is nationally certified by WBENC, the Women's Business Enterprise National Council.

Tigress Financial Partners LLC is a wholly-owned subsidiary of Tigress Holdings LLC and Gradual Holding Financeira S.A.

For further information please go to [www.tigressfinancialpartners.com](http://www.tigressfinancialpartners.com).

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise without prior expressed permission in writing from Tigress Financial Partners LLC.

All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service of their respective owners.

© 2015 Tigress Financial Partners LLC. All Rights reserved.

**Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC****Research: (646) 780-8880 [research@tigressfp.com](mailto:research@tigressfp.com)**500 Fifth Avenue New York, NY 10110 (212) 430-8700 [www.tigressfinancialpartners.com](http://www.tigressfinancialpartners.com)