Sunday Wrap

Happy Sunday,

This past Thursday the long suffering hawkish wing of the ECB's Governing Council successfully leveraged the latest high inflation number into a de facto pre-announcement of an important policy shift, delivered by Christine Lagarde during the Q&A section of the press conference. The new policy message implies a reversal of the ECB's decision announced just seven weeks ago, as well as statements made by Executive Board members as recently as last week. Not surprisingly, it caused mayhem in markets and finance departments across Europe's corporate sector.

Of course, the Fed had turned hawkish already and the Bank of England delivered its blow earlier on Thursday, leading some (less informed) observers to suggest that the ECB had fallen behind the curve. Importantly, however, the state of the three economies varies significantly: The US recovery is well ahead of Europe's, its labor market is roaring ahead, as illustrated by Friday's super-strong January payroll numbers (and revision of November-December), fueling strong wage growth and demand. As a result, the US is now enjoying a healthy dose of demand-pull inflation. The UK also sees stronger wage growth, partly as it's suffering a sizable hit to potential output from Brexit and the mishandling of the pandemic. UK inflation is therefore a greater threat even at lower growth numbers.

None of this applies to the eurozone to any even remotely comparable extent, as indeed recognised by Lagarde during Thursday's press conference. BoE governor Bailey's call for wage restraint on Thursday while Lagarde was "not here saying that there should be wage moderation. There is clearly an adjustment to be had which I am hoping we will see in the course of '22".

Yet, by studiously refusing to say that the aggressively priced-in rate hikes for this year are different from the Governing Council's policy intentions, Lagarde sent a decisively hawkish statement of policy intent during the Q&A – in contrast to the opening statement, which included nothing more than an appropriate message of policy flexibility to take into account the greater uncertainty. And this, apparently, on the back of a "hope" of higher wage growth in the future!

The disconnect between, on the one hand, the publicly available ECB analysis and forecasts as well as messages from key ECB folks just last week and, on the other hand, this new policy message became the topic of an unprecedented number of calls with market participants and the corporate sector I've had Thursday afternoon and evening, all day Friday and into Saturday.

I'll summarize my thoughts in the following two segments:

- **What led to Thursday's message – and what it means for ECB policies in the next 12 months.**
- **If they go ahead, it'll almost certainly be a policy mistake with measurable consequences for the eurozone during the next few years.**

1. ECB's press conference: What happened? – And what it means for ECB policies in the next 12 months.

I obviously got the ECB wrong this past week, but what irritates me the most is that I think I had correctly understood the dynamics of the Lagarde-led Governing Council (GC) in which politics play a more important role, relative to economics, than in the past. Yet, I had pulled my punches after having witnessed how the clearly economics-based policies during the pandemic had overruled the more "politics based" approach which had been indicated in late 2019. Last year's (premature) announcement of the end to PEPP should have told me that the balance had begun to swing back to where Lagarde had promised it to be – but I guess I believed too much in the persuasive powers of my profession …

With the latest inflation surprises, my contention is that Lagarde panicked, and shifted to the hawkish side to prevent a return to the Draghi-era of public disagreement (particularly in Germany), and to buy herself insurance against being wrong on the dovish side. In the process, she left economists high and dry. It was no surprise that the Bundesbank's spokesperson said that President Nagel was "very happy" with the outcome.

Yet, as Isabel Schnabel laid out so clearly in her Süddeutsche Zeitung interview just three and a half weeks ago, the ECB's "decisions are based on a medium-term perspective covering around one to three years …[and] in our projections, medium-term inflation will fall back below our target of 2% … although … now subject to greater uncertainty. That is why we should not raise interest rates prematurely, as that could choke off the recovery". Surely, the medium-term outlook cannot fundamentally have changed on the back of one or two data points, and yet, that's what Lagarde implied on Thursday by not pushing back on the market's pricing in of rate hikes this year.

Let me explain how I think we got to this:

As you may recall, when Christine Lagarde took over the ECB in late 2019, I concluded from her very early statements that her top priority was to end the public bickering between the national central bank chiefs at the GC and that this would lead to a shift in policies toward a more hawkish stance.

Draghi had led the ECB from the front, driving through the policies he saw fit. With inflation well below target, this translated into broadly the same aggressively accommodative policies as other major central banks, including sizable QE (after the introduction of negative rates had failed to do the job). Nevertheless, Draghi's policies, and approach, left a number of ECB members increasingly unhappy, even to the extent that then Bundesbank President, Jens Weidmann, and others started a public campaign against ECB policies. Weidmann went so far as testifying at the German Constitutional Court against some of ECB policies.

Lagarde's first priority as ECB president was to end this public war-of-words, which she did by promising to be a "manager of the GC", leading from the middle if you will, rather than being a "policy leader". To gain the trust of Weidmann and the noisy part of the German public, she studiously refused to repeat Draghi's famous "whatever it takes" statement, however much she was invited to do so. And at her first opportunity, at the now infamous press conference, she said that the ECB is not here to close the spreads – a blunder which she clarified in a hastily organized interview after a sufficiently important call had been placed to the ECB.

But before the newly empowered hawkish part of the GC could reverse Draghi's policies, COVID tore up the script, bringing everyone onto the same page: The ECB Executive Board and staff designed, and the GC agreed on, the impressive policy response to the health crisis and the necessary fiscal response, particularly with the PEPP.

Yet, at the first sign last year of a growth recovery (and regardless of the still depressed GDP levels), the hawks' discomfort with the ECB's massive asset purchases and negative rates became louder, and as inflation shot up (and regardless of the fact that it is virtually all caused by supply shocks), the German media went crazy, it seems that Lagarde may have begun to lose her nerve.

The economists at the Executive Board, particularly Philip Lane and Isabel Schnabel, kept delivering a clear and consistent message on the source of inflation, the outlook for growth and inflation as well as the changing risk profile, while reiterating the ECB's reaction function. This was clear in Schnabel's SZ interview on 14 January, and again in Philip Lane's interview with Verslo Zinios on 25 January – that's Tuesday of last week!

And Lagarde was on board at the press conference in December, when she announced the decision to keep monthly net purchases at EUR 40bn in Q2, EUR 30bn in Q3 and "from October onwards … EUR 20bn for as long as necessary to reinforce the accommodative impact of our policy rates." In the Q&A session in December, Lagarde even finessed that last point by saying, "We will maintain [the net purchases] at EUR 20bn until such time when we arrive at our target, which is 2% over the medium term". Note: "until we arrive" at the target. On that basis, and given the well communicated sequencing, it was clear to everyone that the first rate hike could not be envisaged until sometime in 2023, at the earliest.

But the surprise increase in the January headline, year-on-year, inflation number to 5.1%, published earlier this week, emboldened the hawks (regardless of the fact that it was driven primarily by energy and supply shortages in the goods sector) and, according to Reuters and the FT, a "sizable minority" now wanted the ECB to announce immediately a faster end to QE –

just seven weeks after having committed to the numbers referred to above. If true, this is – in any normal monetary policy discussion – nothing less than panic. Unless, of course, the 5.1% is just a fig leaf for a different concern and agenda!

Thursday's prepared statement notes that "wage growth remains muted overall" and that markets and survey-based inflation expectations "will help headline inflation to settle durably at our two per cent target". "The risks to the economic outlook [remain] broadly balanced over the medium term", but there is now upside risk to the inflation forecast. Appropriately, with the increased uncertainty, the statement includes a few tweaks to provide the coverage for policy flexibility going forward. But there is no indication of any plans to change policies unless the next forecasts in March throw a complete curveball at the medium-term outlook.

Is this likely? I think not. On the backside of my envelope, I now have inflation around 5% during the first half of this year (over which monetary policy will have zero impact), then dropping sharply towards 2% during the second half, and below 2% in the policy-relevant period of 2023-24. I'll be shocked if the ECB's March forecast turns out materially different from what I have here.

Still, in the Q&A, Lagarde all but pre-announced a major adjustment to policies to be formally announced in March. She noted the risk of higher inflation, particularly in the short term, and wondered why the low unemployment rate has not led to wage growth – but she "hoped" it would come; a "hope", not a "fact"! And remember, wages will need to grow faster on a sustained basis than productivity growth before it becomes a concern for inflation. Philip Lane has said that, on ECB estimates, we'll need wage growth of 3% to see inflation converge to 2%. That's still a long way away! To tighten policies on the basis of a hope of wage growth, not least at a time when inflation expectations have only just reached 2% after many years of undershooting, would be – on any theory and practical experience – premature.

And yet, Lagarde explicitly refused to say that the market is wrong in pricing in rate hikes already this year, thereby implying a decision in March to accelerate the end of net purchases, to make room for a rate hike (or two?) before year end – assuming the stated sequencing is maintained, as she said it will be.

(Side comment: I think they should scrap sequencing, hike rates to zero, and keep the message on QE, namely the EUR 20bn per month until the target has been reached. I've never liked the negative rates; they were copied from Switzerland and Scandinavia where they were employed to serve their FX policy and with time they have become too distortive as they have led to the use of tiering, TLTRO benefits for banks etc. In other words, the sequencing of ending net purchases before lift-off may be appropriate when rates are in positive territory, but almost not so when you come from negative rates. Furthermore, a dose of QE helps limit fragmentation.)

Were Lagarde's statements on Thursday a sign of inexperience or a worrisome distance from understanding markets, or a message? I think the latter, probably triggered by a worry about a renewed public disagreement from the hawks. In other words, she bought herself insurance against further inflation surprises and, of course, the ultimate risk of the economic forecasts turning out to be terribly wrong. Not a little wrong, but terribly wrong! My contention is that the price of that insurance policy will be lower growth, more trouble getting inflation anchored at 2% over the medium term (it'll be lower) and a return to a troublesome degree of fragmentation.

With markets in understandable turmoil Thursday afternoon, and major media outlets and commentators aghast at what they had witnessed, maybe of some comfort, the ECB chose to highlight the following part of the chaotic press conference in their post-meeting tweet: "We will not be complacent but we're not going to be rushed into a process. We will follow the sequence that we have set for ourselves, we will verify the forward guidance criteria and we will be gradual in whatever we do".

It was not quite the clarifying CNBC interview asked for by Pictet's outstanding ECB watcher Frederik Ducrozet (asking on behalf of a friend, he claimed in his tweet!), but still an apparent attempt to clarify matters. Yet, by Friday's close, calmness in markets remained elusive and the damage to spreads, and hence fragmentation, was well under way.

2. A policy mistake with measurable consequences for the eurozone during the next few years.

Forecasting is difficult at the best of times, and extremely uncertain in times like these, but I'll make three observations to suggest that the virtually pre-announced policy tightening (of an end to net purchases in maybe Q3, and rate increases to at least zero within a year or so) are very likely to be a policy mistake.

First, I am not aware of a single economics-based forecast that has eurozone GDP reaching the extension of the pre-pandemic trend line until 2024, at the earliest. Part of the reason is the inevitable headwinds from fiscal consolidation baked into the outlook, the continuing supply constraints as well as the prospect of a further de-globalization. This implies both a slowing path of GDP growth over the medium term, as well as a possible hit to potential output. How this impacts the output gap and the changes in it, and hence core inflation during the next 2-5 years, remains uncertain, of course. But again, I haven't seen a single comprehensive forecast which has inflation above 2% over the medium term. Those arguing for monetary policy tightening owe the public their forecasts for why it's called for, given the ECB's mandate.

Second and related, uncertainty is indeed the dominant feature now, and it is only appropriate for a central bank to keep all its options open. You may recall my long-held skepticism towards forward guidance if it goes beyond providing us with: (i) the central forecast, (ii) the risk assessment, and (iii) the reaction function. The ECB is scrambling a bit here, partly because the forecast is no longer clear. Not only are the ECB staff forecasts subject to revisions, Lagarde emphasized on Thursday that while the staff forecast includes a set of assumptions, the GC members may have different assumptions. So what forecast exactly is it that informs the decisions on policies?

In times of elevated uncertainty, policymakers should step extra carefully, as noted by former ECB Vice President Constancio in an impressively succinct thread of tweets on Friday: When "facing uncertainty in the models and projections, policy should do less", he wrote, concluding (in apparent reference to the panic at the ECB over the present inflation numbers) with this important quote from the great Alan Blinder: "Looking out the window, seeing the temperature, and deciding, is a very bad strategy for monetary policy".

Third, combining the missing clear forecasts and struggling with the reaction function, I can't help but conclude that a measurable part of the rationale for ending QE during the summer is an unquantifiable discomfort with a large central bank balance sheet, a belief that QE encourages policymakers in some countries to conduct irresponsible fiscal policies, fear of so-called fiscal dominance and (possibly) other shadows on the wall. Either way, valid concerns or not, any such concerns should be spelled out and explained before they enter the reaction function.

Let me end by summarizing what is likely to happen if I'm wrong – or right - in my assessment:

If I am wrong on all this, and Europe is indeed heading into demand-driven inflation (in other words, the hawks at the ECB are right and that this has nothing to do with politics), then I very much doubt that markets are right in pricing in a terminal rate of only about 0.5% already in some 18 months' time. Overheating and demand-pull inflation will not be tamed by a policy rate of 0.5%. Then, as a rough indication, I think we are talking about a policy rate during 2023-24 of 2%-3% minimum, before underlying inflation settles at 2%. (I'll make the similar argument for the presently priced-in terminal rate in the US of about 2.0% - if this is real demand-driven inflation, I'll take more to stop it than markets price in these days, as I argued in this note on 16 January.)

In contrast, if I am broadly right in my understanding of the outlook for European economics and my description above of what drives the ECB now, then we are in for a dose of premature policy tightening – which will be a policy mistake. In that case, markets are probably right in pricing in a European terminal rate already next year of some 0.50%. In that case, the decline in inflation during the second half of this year and into 2023, already baked in, will close the window for rate hikes very early next year, maybe at zero percent rates.

More importantly, however, in this (for me much more likely) scenario, we'll pay the price for the premature tightening as we move through 2023-24 in the form of lower growth, higher unemployment and inflation well below 2%.

Bad as that will be, there is a much the bigger problem: The likely return to the bad old days of fragmentation. Even with Italy's presently outstanding policies and reasonable clarity on politics for the next year, BTP spreads over Bunds widened massively to 154bp on the back of Lagarde's surprise on Thursday. If this is "the new normal", then Italy – and the rest of the south – will be looking forward to a monetary policy stance that's considerably tighter than in Northern Europe.

This will not cause major problems for fiscal policy because the roughly seven years average maturity of the debt (and, as a share of revenue, they'll remain well below their historical average for years to come), but it'll weigh on private investment, growth and employment – and, in turn, maybe then on politics too.

Lots have been said, written – and hoped – about the effects on spreads of this past year's markedly better policies in Italy and other southern European countries, as well as of the NGEU, but judged by the market reaction to the (admittedly clumsy) ECB press conference, we are far from being out of the woods when it comes to the even transmission of monetary policy in the eurozone, and hence to the danger of fragmentation.

When Lagarde overlooked the importance of a broadly equal transmission of monetary policy during her press conference in late 2019, she was quickly reminded, and she tried to put things right. But the issue was only truly addressed with the PEPP and the explicit statement that ECB policies apply equally to all constituencies of the eurozone.

As the ECB now indicates an end not only to PEPP, but to all net purchases, they'll need to clarify whether they still care about a broadly similar monetary policy stance across the eurozone, and how they'll achieve it - or whether the private sector in the south should now expect interest rates of some 150bp higher than what their competitors in the north benefit from.

Over to you, ECB….

And on that note, I'll finish up my coffee here at my lovely little café, and head out for a walk. Me and Tiergarten need each other on this wintery day ...

Best

Erik

Erik F. Nielsen, Group Chief Economics Advisor (UniCredit Bank, London)
+44 207 826-1765
erik.nielsen@unicredit.eu

** Erik Nielsen is an advisor to the UniCredit group and not a member of the research team. This note, however, is published and confined within the laws and regulation for research.*

Legal Notices

Glossary

A comprehensive glossary for many of the terms used in the report is available on our website: https://www.unicreditresearch.eu/index.php?id=glossary

Disclaimer

Our recommendations are based on information obtained from or are based upon public information sources that we consider to be reliable, but for the completeness and accuracy of which we assume no liability. All information, estimates, opinions, projections and forecasts included in this report represent the independent judgment of the analysts as of the date of the issue unless stated otherwise. We reserve the right to modify the views expressed herein at any time without notice. Moreover, we reserve the right not to update this information or to discontinue it altogether without notice. This report may contain links to websites of third parties, the content of which is not controlled by UniCredit Bank. No liability is assumed for the content of these third-party websites.

This report is for information purposes only and (i) does not constitute or form part of any offer for sale or subscription of or solicitation of any offer to buy or subscribe for any financial, money market or investment instrument or any security, (ii) is neither intended as such an offer for sale or subscription of or solicitation of an offer to buy or subscribe for any financial, money market or investment instrument or any security nor (iii) as marketing material within the meaning of applicable prospectus law . The investment possibilities discussed in this report may not be suitable for certain investors depending on their specific investment objectives and time horizon or in the context of their overall financial situation. The investments discussed may fluctuate in price or value. Investors may get back less than they invested. Fluctuations in exchange rates may have an adverse effect on the value of investments. Furthermore, past performance is not necessarily indicative of future results. In particular, the risks associated with an investment in the financial, money market or investment instrument or security under discussion are not explained in their entirety.

This information is given without any warranty on an "as is" basis and should not be regarded as a substitute for obtaining individual advice. Investors must make their own determination of the appropriateness of an investment in any instruments referred to herein based on the merits and risks involved, their own investment strategy and their legal, fiscal and financial position. As this document does not qualify as an investment recommendation or as a direct investment recommendation, neither this document nor any part of it shall form the basis of, or be relied on in connection with or act as an inducement to enter into, any contract or commitment whatsoever. Investors are urged to contact their bank's investment advisor for individual explanations and advice.

Neither UniCredit Bank AG, UniCredit Bank AG London Branch, UniCredit Bank AG Milan Branch, UniCredit Bank AG Vienna Branch, UniCredit Bank Austria AG, UniCredit Bulbank, Zagrebačka banka d.d., UniCredit Bank Czech Republic and Slovakia, ZAO UniCredit Bank Russia, UniCredit Bank Czech Republic and Slovakia Slovakia Branch, UniCredit Bank Romania, UniCredit Bank AG New York Branch nor any of their respective directors, officers or employees nor any other person accepts any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

This report is being distributed by electronic and ordinary mail to professional investors, who are expected to make their own investment decisions without undue reliance on this publication, and may not be redistributed, reproduced or published in whole or in part for any purpose.

This report was completed and first published on 6 February 2022 at 13:04.

Responsibility for the content of this publication lies with:

UniCredit Group and its subsidiaries are subject to regulation by the European Central Bank

a) UniCredit Bank AG (UniCredit Bank, Munich or Frankfurt), Arabellastraße 12, 81925 Munich, Germany, (also responsible for the distribution pursuant to §85 WpHG). Regulatory authority: “BaFin“ – Bundesanstalt für Finanzdienstleistungsaufsicht, Marie-Curie-Str. 24-28, 60439 Frankfurt, Germany.

b) UniCredit Bank AG London Branch (UniCredit Bank, London), Moor House, 120 London Wall, London EC2Y 5ET, United Kingdom. Regulatory authority: “BaFin“ – Bundesanstalt für Finanzdienstleistungsaufsicht, Marie-Curie-Str. 24-28, 60439 Frankfurt, Germany and subject to limited regulation by the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN, United Kingdom and Prudential Regulation Authority 20 Moorgate, London, EC2R 6DA, United Kingdom. Further details regarding our regulatory status are available on request.

c) UniCredit Bank AG Milan Branch (UniCredit Bank, Milan), Piazza Gae Aulenti, 4 - Torre C, 20154 Milan, Italy, duly authorized by the Bank of Italy to provide investment services.

Regulatory authority: “Bank of Italy”, Via Nazionale 91, 00184 Roma, Italy and Bundesanstalt für Finanzdienstleistungsaufsicht, Marie-Curie-Str. 24-28, 60439 Frankfurt, Germany.

d) UniCredit Bank AG Vienna Branch (UniCredit Bank, Vienna), Rothschildplatz 1, 1020 Vienna, Austria. Regulatory authority: Finanzmarktaufsichtsbehörde (FMA), Otto-Wagner-Platz 5, 1090 Vienna, Austria and subject to limited regulation by the “BaFin“ – Bundesanstalt für Finanzdienstleistungsaufsicht, Marie-Curie-Str. 24-28, 60439 Frankfurt, Germany. Details about the extent of our regulation by the Bundesanstalt für Finanzdienstleistungsaufsicht are available from us on request.

e) UniCredit Bank Austria AG (Bank Austria), Rothschildplatz 1, 1020 Vienna, Austria. Regulatory authority: Finanzmarktaufsichtsbehörde (FMA), Otto-Wagner-Platz 5, 1090 Vienna, Austria

f) UniCredit Bulbank, Sveta Nedelya Sq. 7, BG-1000 Sofia, Bulgaria. Regulatory authority: Financial Supervision Commission (FSC), 16 Budapeshta str., 1000 Sofia, Bulgaria

g) Zagrebačka banka d.d., Trg bana Josipa Jelačića 10, HR-10000 Zagreb, Croatia. Regulatory authority: Croatian Agency for Supervision of Financial Services, Franje Račkoga 6, 10000 Zagreb, Croatia

h) UniCredit Bank Czech Republic and Slovakia, Želetavská 1525/1, 140 92 Praga 4, Czech Republic. Regulatory authority: CNB Czech National Bank, Na Příkopě 28, 115 03 Praga 1, Czech Republic

i) ZAO UniCredit Bank Russia (UniCredit Russia), Prechistenskaya nab. 9, RF-119034 Moscow, Russia. Regulatory authority: Federal Service on Financial Markets, 9 Leninsky prospekt, Moscow 119991, Russia

j) UniCredit Bank Czech Republic and Slovakia, Slovakia Branch, Šancova 1/A, SK-813 33 Bratislava, Slovakia. Regulatory authority: CNB Czech National Bank, Na Příkopě 28, 115 03 Praha 1, Czech Republic and subject to limited regulation by the National Bank of Slovakia, Imricha Karvaša 1, 813 25 Bratislava, Slovakia. Regulatory authority: National Bank of Slovakia, Imricha Karvaša 1, 813 25 Bratislava, Slovakia

k) UniCredit Bank Romania, Bucharest 1F Expozitiei Boulevard, 012101 Bucharest 1, Romania. Regulatory authority: National Bank of Romania, 25 Lipscani Street, 030031, 3rd District, Bucharest, Romania

l) UniCredit Bank AG New York Branch (UniCredit Bank, New York), 150 East 42nd Street, New York, NY 10017. Regulatory authority: “BaFin“ – Bundesanstalt für Finanzdienstleistungsaufsicht, Marie-Curie-Str. 24-28, 60439 Frankfurt, Germany and New York State Department of Financial Services, One State Street, New York, NY 10004-1511

Further details regarding our regulatory status are available on request.

ANALYST DECLARATION

The analyst’s remuneration has not been, and will not be, geared to the recommendations or views expressed in this report, neither directly nor indirectly.

All of the views expressed accurately reflect the analyst’s views, which have not been influenced by considerations of UniCredit Bank’s business or client relationships.

POTENTIAL CONFLICTS OF INTERESTS

You will find a list of keys for company specific regulatory disclosures on our website https://www.unicreditresearch.eu/index.php?id=disclaimer.

RECOMMENDATIONS, RATINGS AND EVALUATION METHODOLOGY

You will find the history of rating regarding recommendation changes as well as an overview of the breakdown in absolute and relative terms of our investment ratings, and a note on the evaluation basis for interest-bearing securities on our website https://www.unicreditresearch.eu/index.php?id=disclaimer and https://www.unicreditresearch.eu/index.php?id=legalnotices.

ADDITIONAL REQUIRED DISCLOSURES UNDER THE LAWS AND REGULATIONS OF JURISDICTIONS INDICATED

You will find a list of further additional required disclosures under the laws and regulations of the jurisdictions indicated on our website https://www.unicreditresearch.eu/index.php?id=disclaimer.

E 20/1

UniCredit Research* — Macro Research

Marco Valli
Global Head of Research,
Chief European Economist
+39 02 8862-0537
marco.valli@unicredit.eu

Dr. Ingo Heimig
Head of Research Operations
& Regulatory Controls
+49 89 378-13952
ingo.heimig@unicredit.de

Head of Macro Research

Marco Valli
Global Head of Research,
Chief European Economist
+39 02 8862-0537
marco.valli@unicredit.eu

European Economics Research

Dr. Andreas Rees
Chief German Economist
+49 69 2717-2074
andreas.rees@unicredit.de

Dr. Loredana Federico
Chief Italian Economist
+39 02 8862-0534
loredanamaria.federico@unicredit.eu

Stefan Bruckbauer
Chief Austrian Economist
+43 50505-41951
stefan.bruckbauer@unicreditgroup.at

Tullia Bucco
Economist
+39 02 8862-0532
tullia.bucco@unicredit.eu

Edoardo Campanella
Economist
+39 02 8862-0522
edoardo.campanella@unicredit.eu

Walter Pudschedl
Economist
+43 50505-41957
walter.pudschedl@unicreditgroup.at

Chiara Silvestre
Economist
chiara.silvestre@unicredit.eu

International Economics Research

Daniel Vernazza, Ph.D.
Chief International Economist
+44 207 826-7805
daniel.vernazza@unicredit.eu

EEMEA Economics Research

Dan Bucşa
Chief CEE Economist
+44 207 826-7954
dan.bucsa@unicredit.eu

Gökçe Çelik
Senior CEE Economist
+44 207 826-6077
gokce.celik@unicredit.eu

Mauro Giorgio Marrano
Senior CEE Economist
+43 50505-82712
mauro.giorgiomarrano@unicredit.de

Artem Arkhipov
Head, Macroeconomic Analysis
and Research, Russia
+7 495 258-7258
artem.arkhipov@unicredit.ru

Hrvoje Dolenec
Chief Economist, Croatia
+385 1 6006-678
hrvoje.dolenec@unicreditgroup.zaba.hr

Dr. Ágnes Halász
Chief Economist, Head, Economics and
Strategic Analysis, Hungary
+36 1 301-1907
agnes.halasz@unicreditgroup.hu

Ľubomír Koršňák
Chief Economist, Slovakia
+421 2 4950 2427
lubomir.korsnak@unicreditgroup.sk

Anca Maria Negrescu
Senior Economist, Romania
+40 21 200-1377
anca.negrescu@unicredit.ro

Kristofor Pavlov
Chief Economist, Bulgaria
+359 2 923-2192
kristofor.pavlov@unicreditgroup.bg

Pavel Sobíšek
Chief Economist, Czech Republic
+420 955 960-716
pavel.sobisek@unicreditgroup.cz

UniCredit Research, Corporate & Investment Banking, UniCredit Bank AG, Am Eisbach 4, D-80538 Munich, globalresearch@unicredit.de
Bloomberg: UCCR, Internet: www.unicreditresearch.eu

MR 22/1

*UniCredit Research is the joint research department of UniCredit Bank AG (UniCredit Bank, Munich or Frankfurt), UniCredit Bank AG London Branch (UniCredit Bank, London), UniCredit Bank AG Milan Branch (UniCredit Bank, Milan), UniCredit Bank AG Vienna Branch (UniCredit Bank, Vienna), UniCredit Bank Austria AG (Bank Austria), UniCredit Bulbank, Zagrebačka banka d.d., UniCredit Bank Czech Republic and Slovakia, ZAO UniCredit Bank Russia (UniCredit Russia), UniCredit Bank Romania.