THE OUTLOOK ON INFLATIONARY DEVELOPMENTS

Comments by **Lorenzo Codogno**
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LSE The London School of Economics and Political Science

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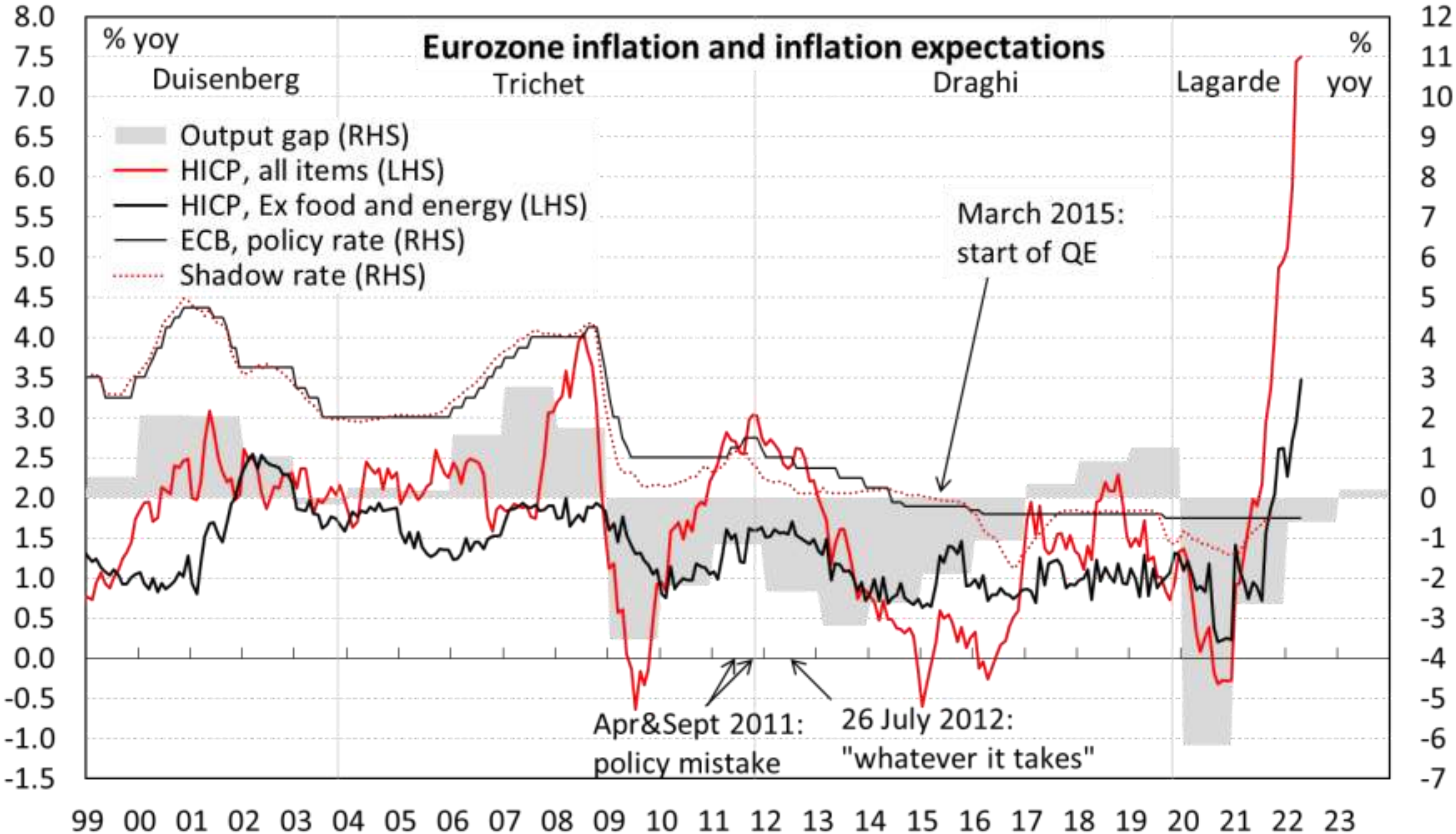
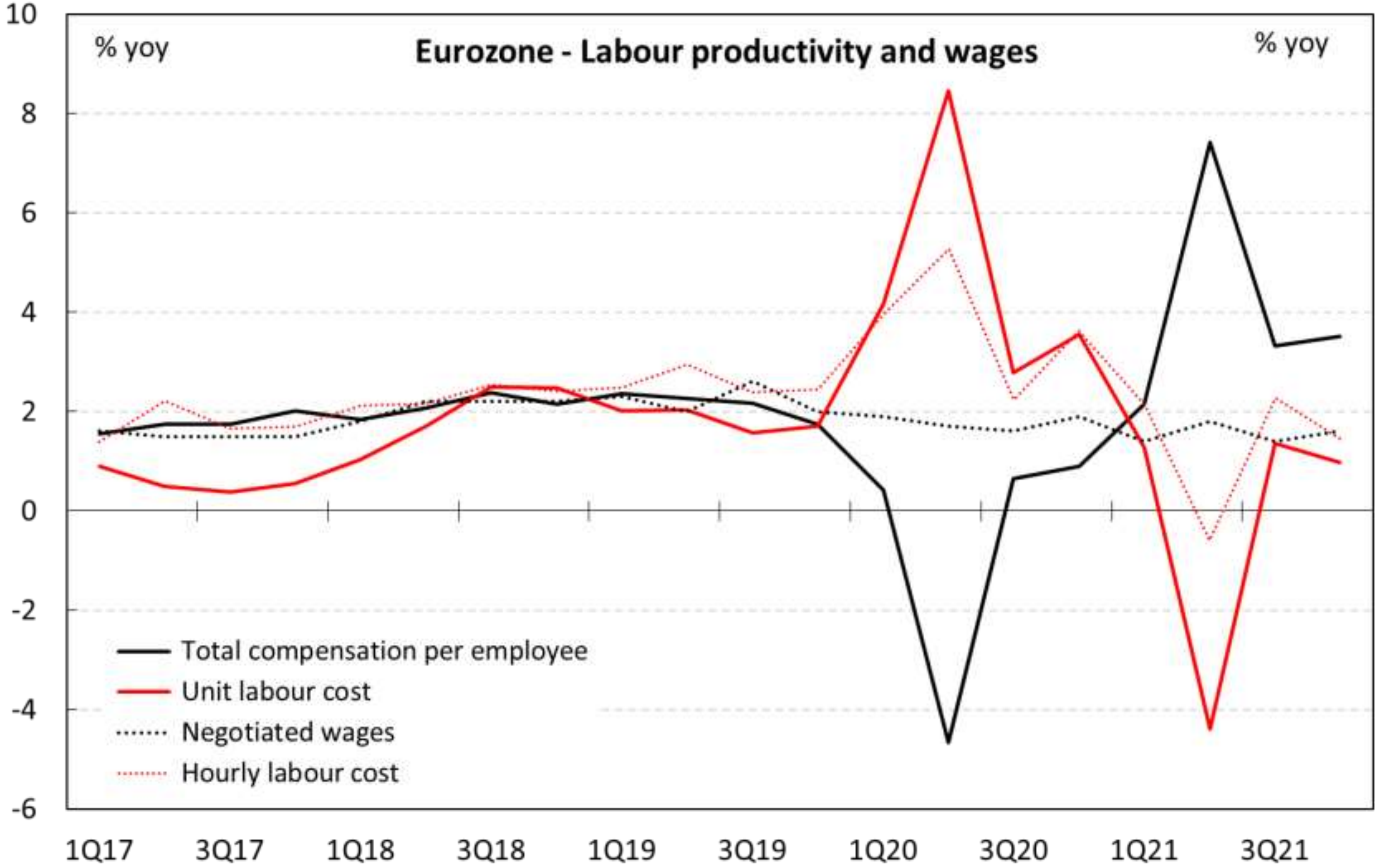
Lorenzo Codogno Macro Advisors Ltd,
Founder and Chief Economist
lorenzo.codogno@lc-ma.com +44 (0) 7583 564410

Policy reaction: would early tightening trigger a recession?



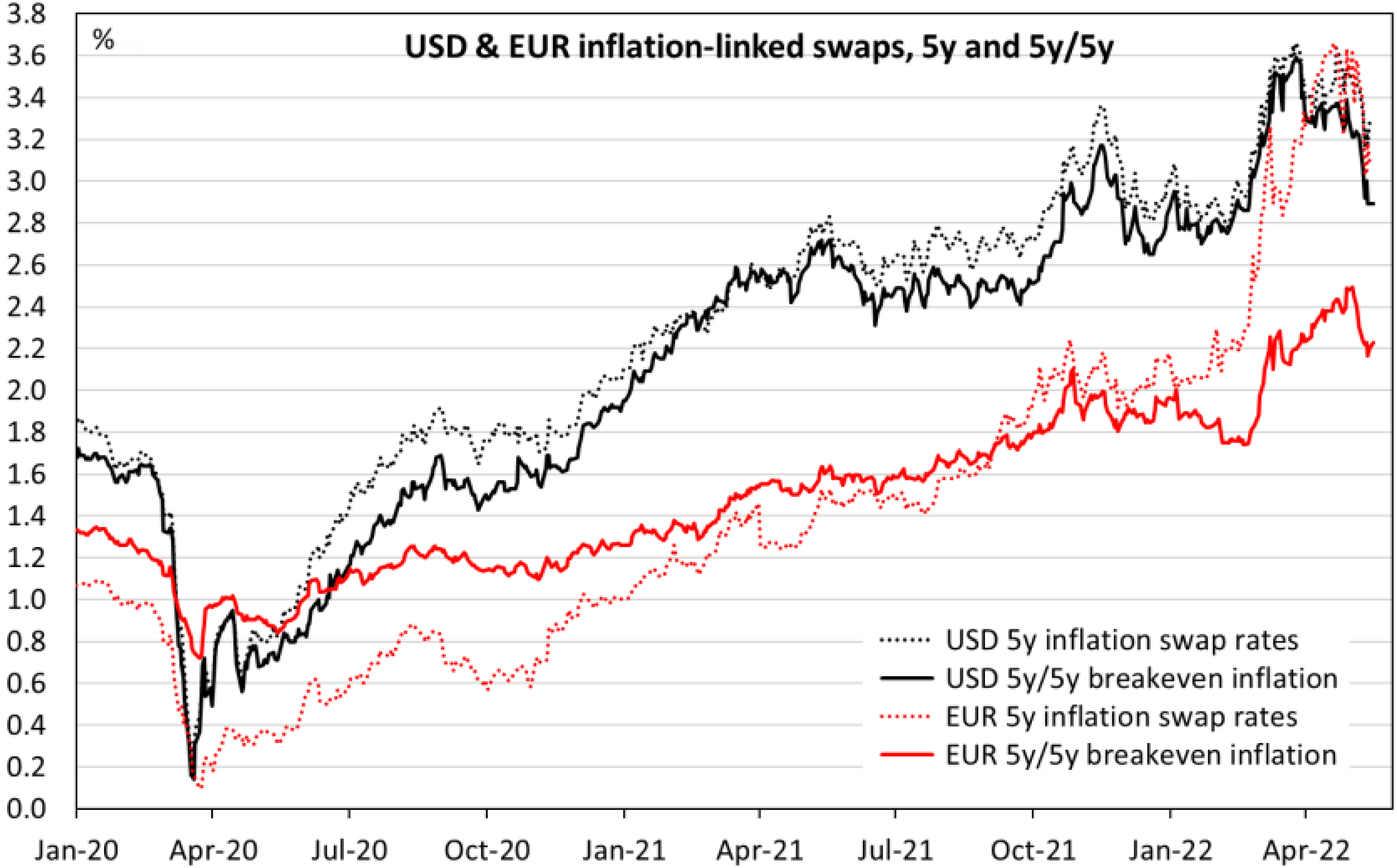
Source: Refinitiv (Datastream), Eurostat, ECB, European Commission, LC-MA calculations.

No major shift in wages; anecdotally, there are some risks



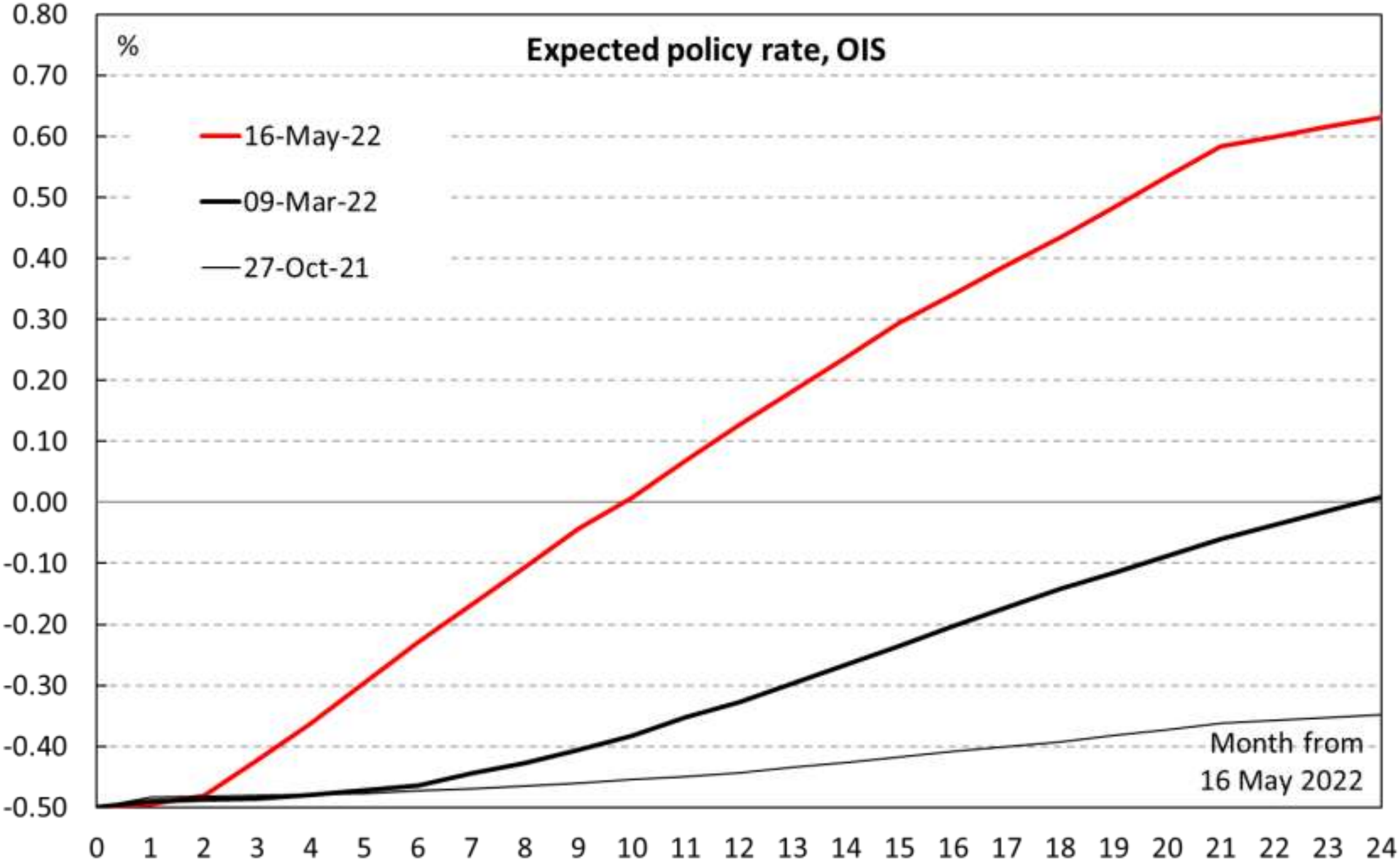
Source: Refinitiv (Datastream), ECB, Eurostat, LC-MA own calculations.

Eurozone long-term expectations are still broadly anchored



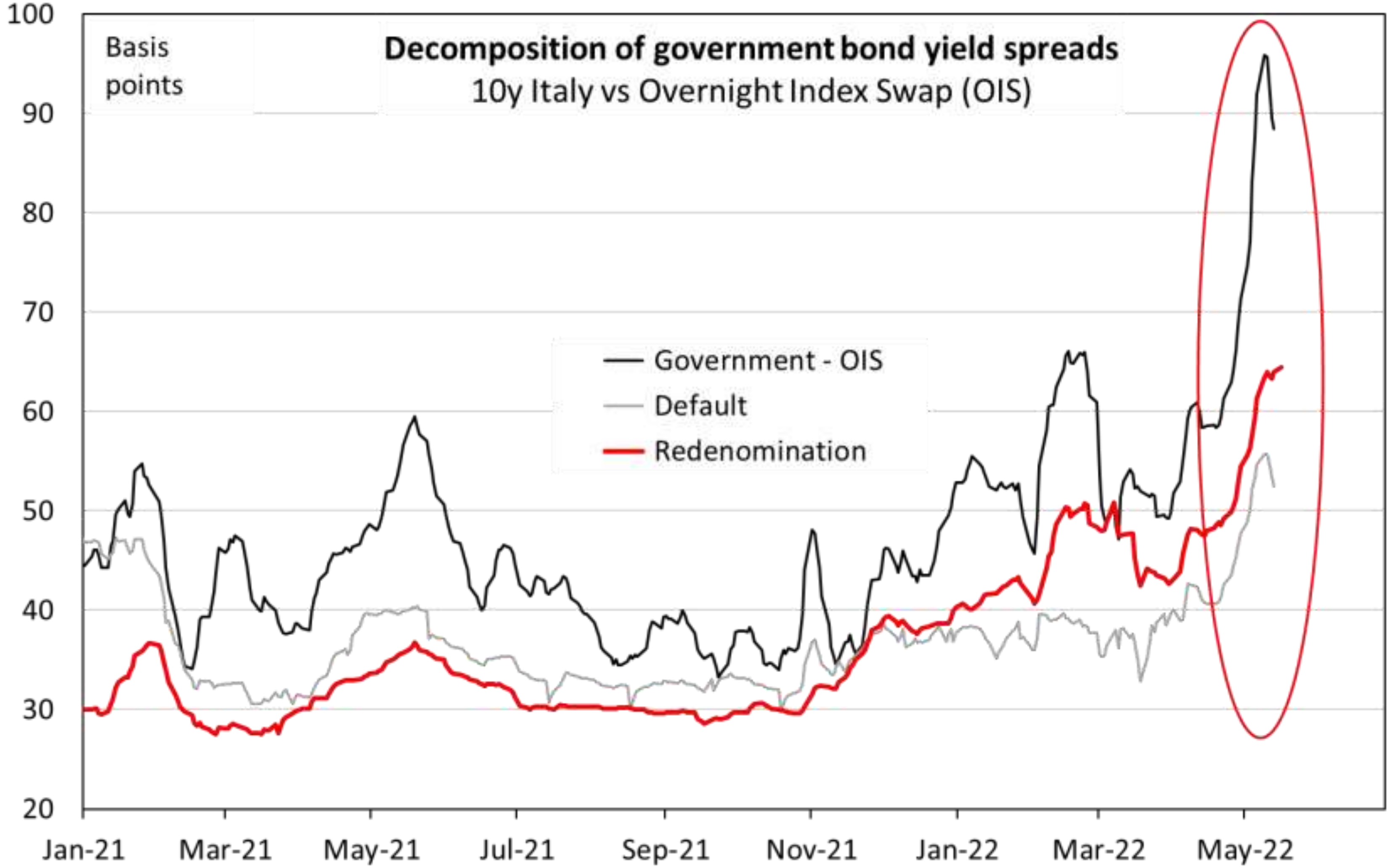
Source: Refinitiv (Datastream), LC-MA calculations.

The shift in ECB policy expectations has been substantial



Source: Refinitiv (Datastream), LC-MA calculations.

Fragmentation? Default and redenomination risk on the rise



Source: Refinitiv (Datastream), LC-MA calculations. Based on 10-year constant maturity bonds.