

# United States

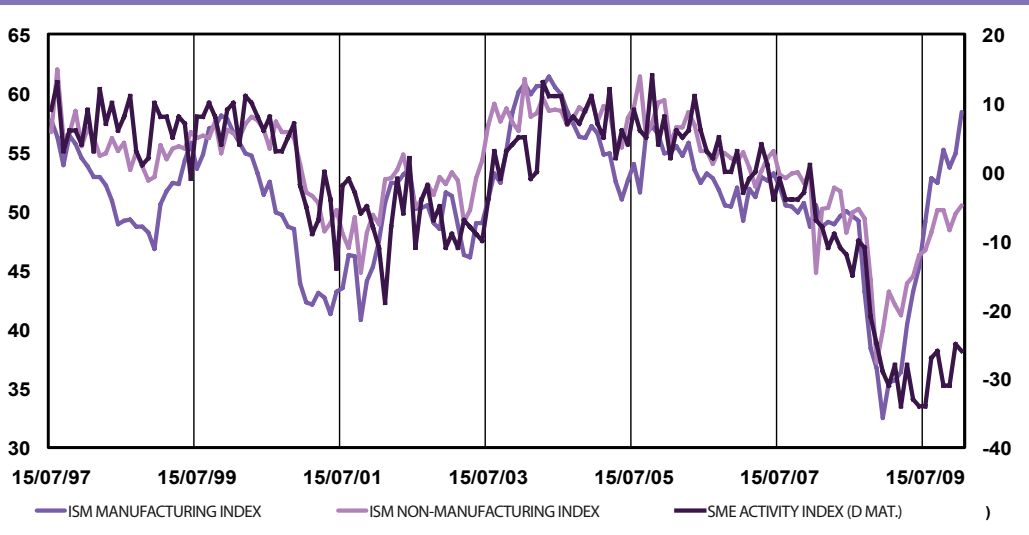
## TOWARDS A SHORT RESTOCKING CYCLE

According to preliminary estimations, growth was 5.6% at an annualised rate in the 4 quarter after 2.2%. Even if this figure may be significantly revised, it will probably remain above 4%. The acceleration in activity has resulted in a very clear reduction in the rate of destocking.

Industry continued its recovery at the start of 2010 due to buoyant exports and the high probability of a fresh period of restocking, which would be of short duration, however. The considerable excess stock in the sustainable goods sector should result in further destocking in the second half of the year.

However, the recovery is weak in the rest of the economy, indeed non-existent for small and medium-sized companies (SME). Final domestic demand is still affected not only by the growing crisis in commercial property, a consequence of structural overcapacities, but also by the shortage of loans. Banks continue to reduce their exposure to SMEs, which are suffering enormous financial hardship, whereas they have been responsible for two-thirds of job creation over these past 15 years. Therefore, despite a fall in the unemployment rate to 9.7% in January, job losses should continue. In this context, mortgage conditions are also becoming increasingly restrictive, preventing any exit from the crisis in the residential property market.

United-States: the manufacturing sector is dynamic, the non-manufacturing sector is weak, smes are still in deep recession.



Sources: Datastream, Groupama AM