

Tailwinds and Headwinds in the Global Economy

March 2016

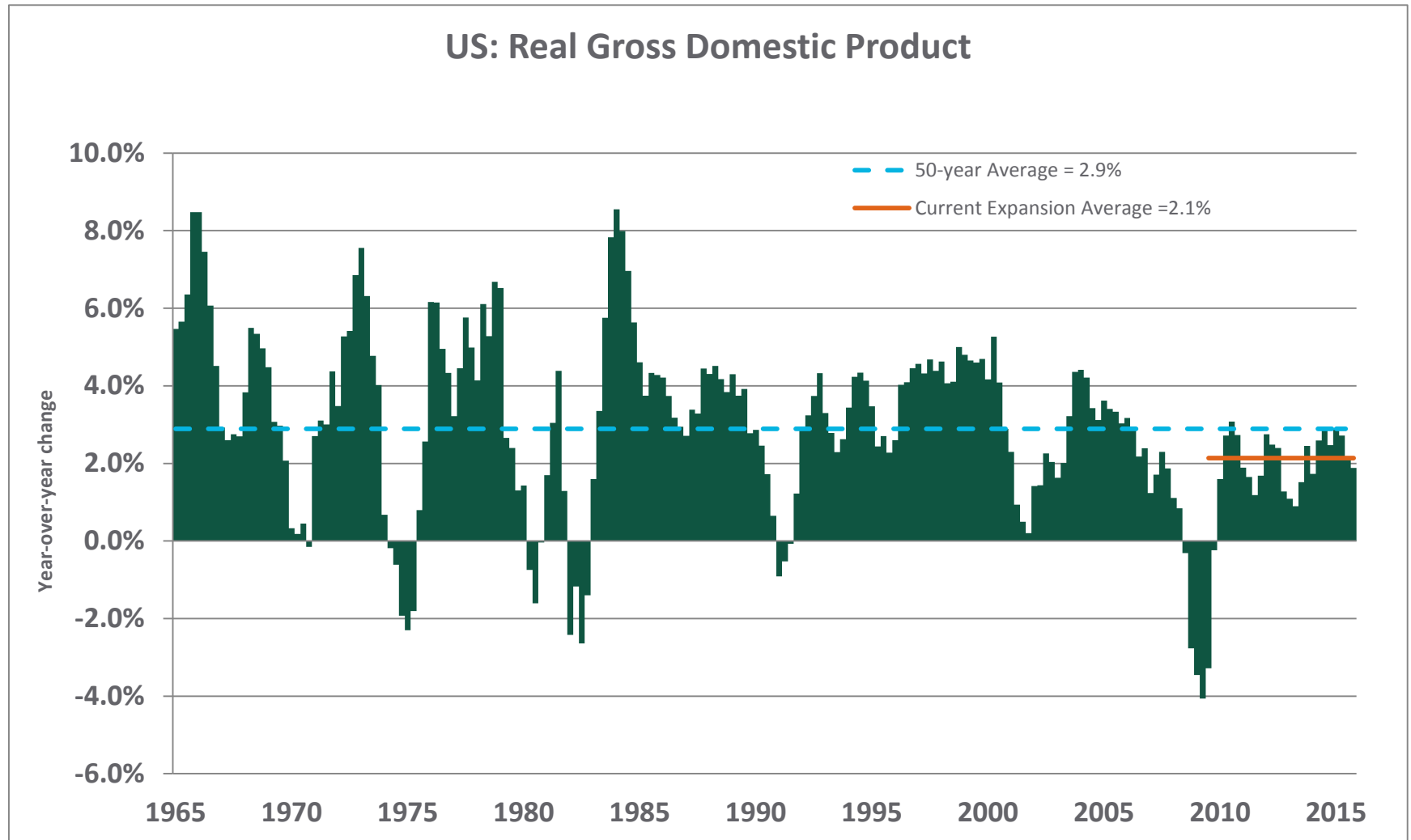
Asha Bangalore
Senior Vice President
Economic Research



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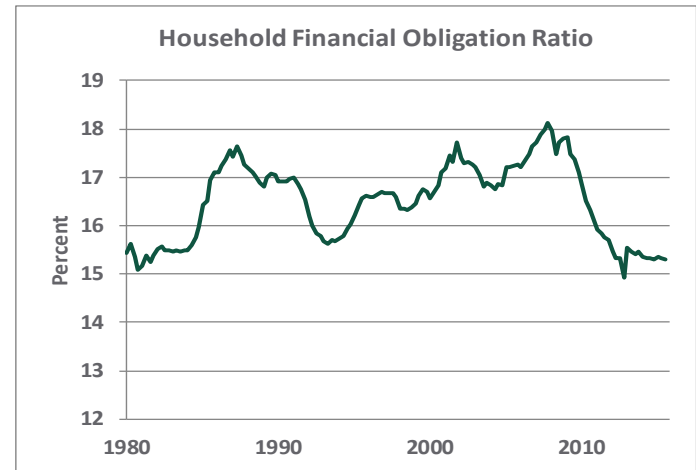
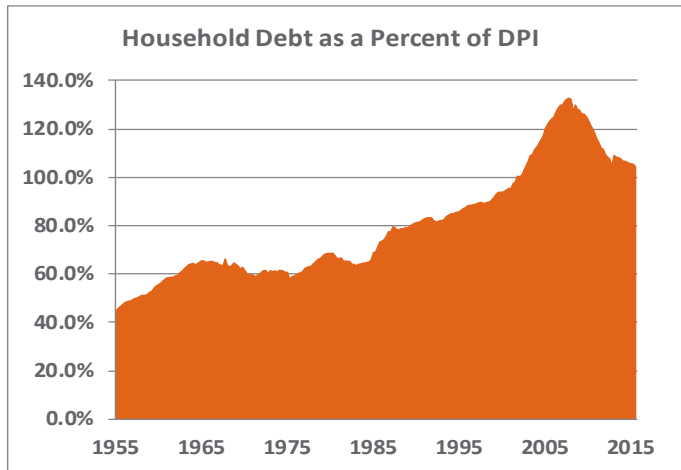
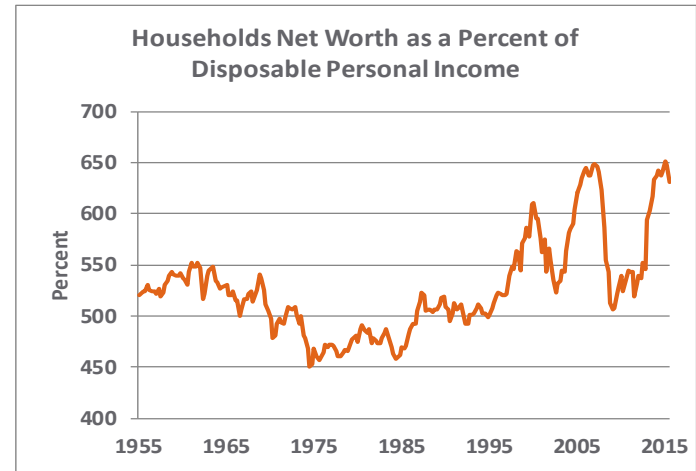
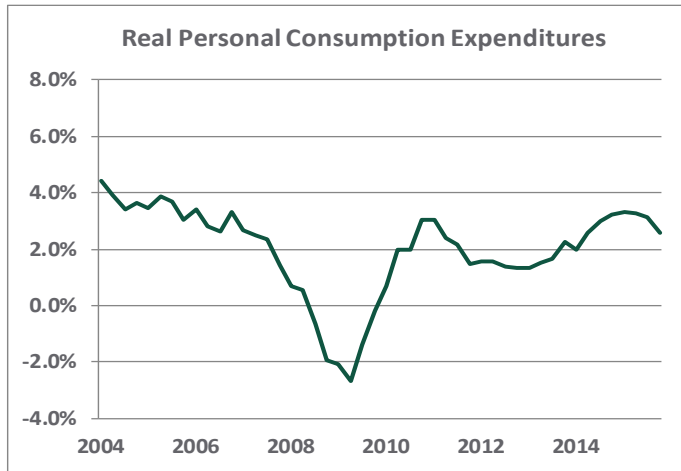
United States

The expansion is one of the longest on record.



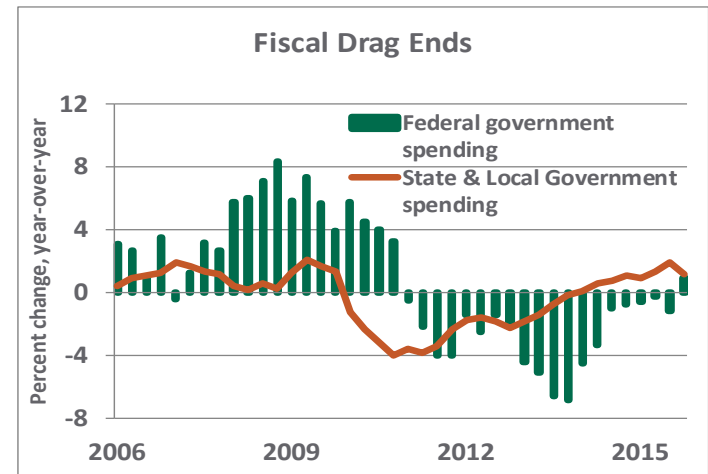
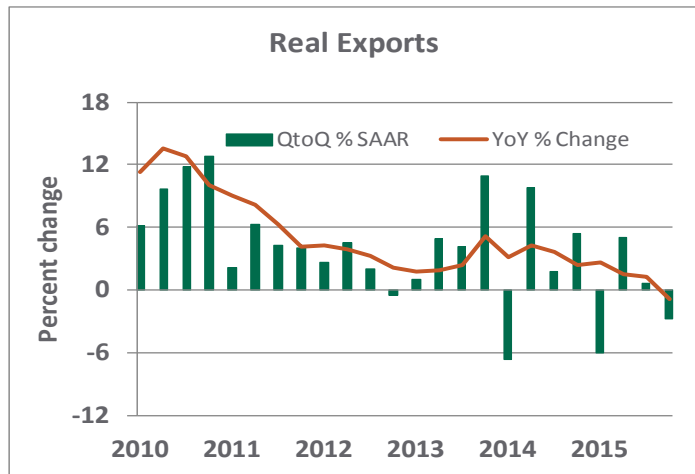
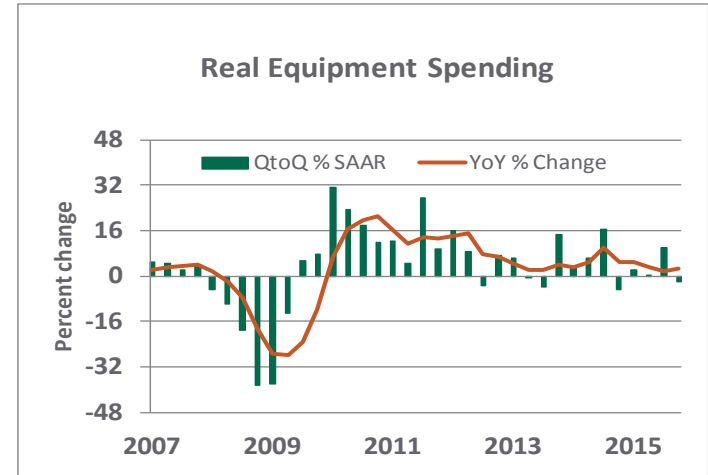
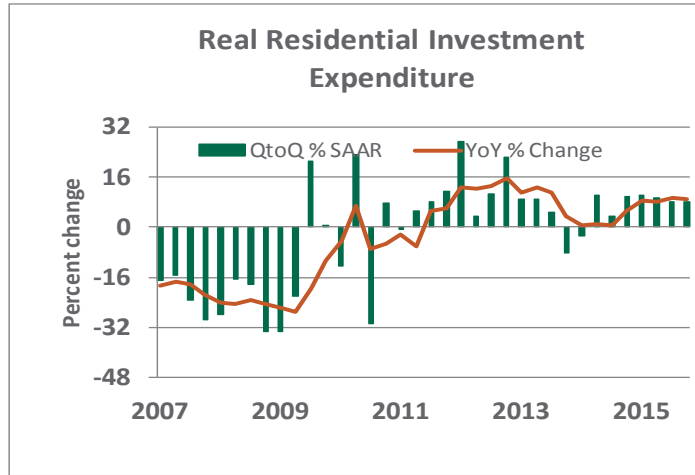
Source: Haver Analytics

Favorable consumer fundamentals are supportive of growth.



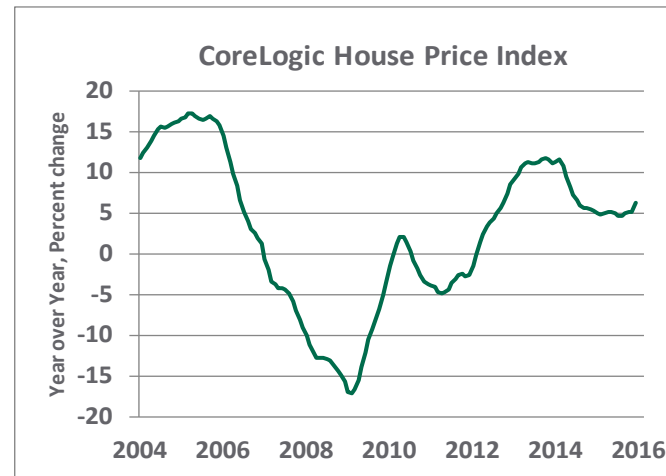
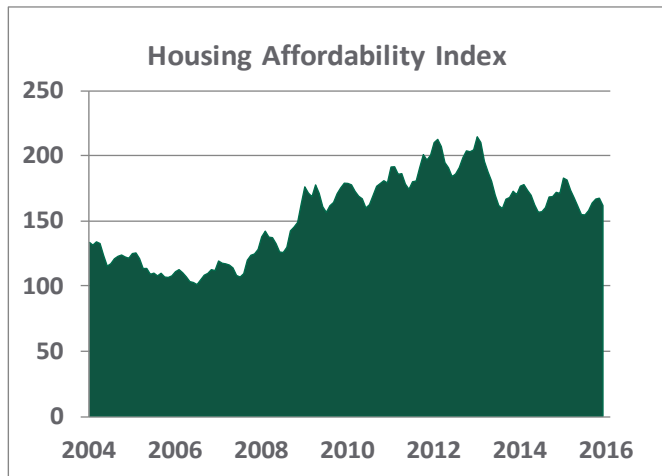
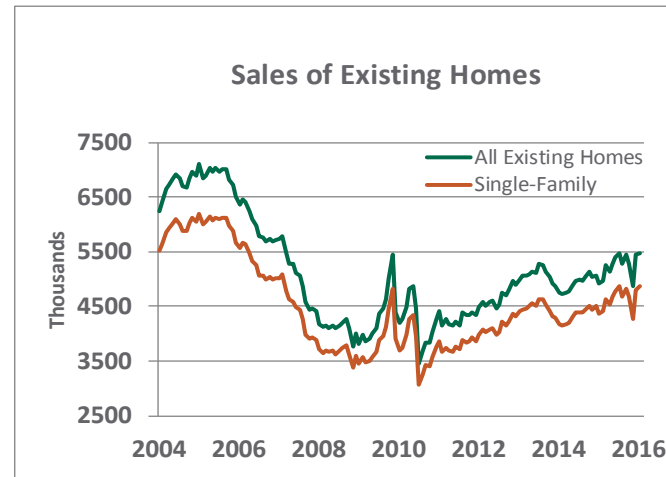
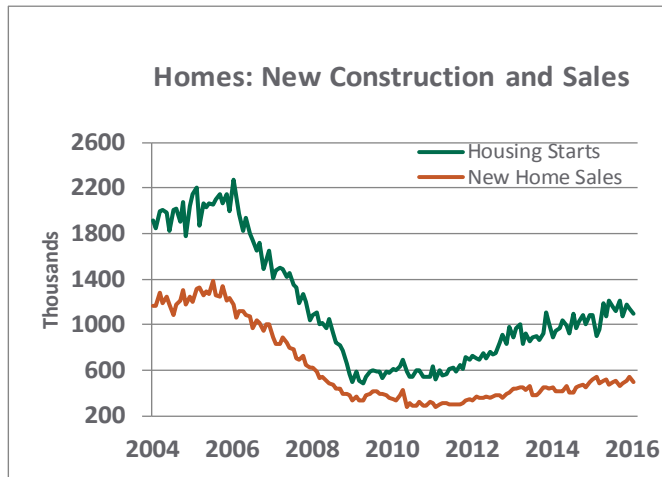
Source: Haver Analytics

Exports are on the watch list, business spending is soft, residential and government outlays are not a drag.

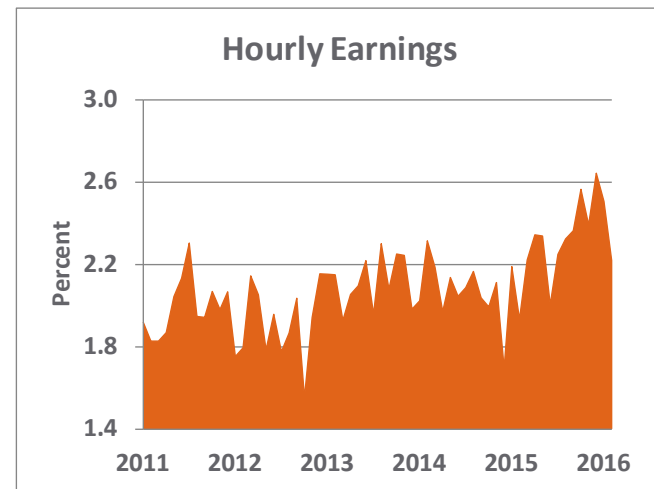
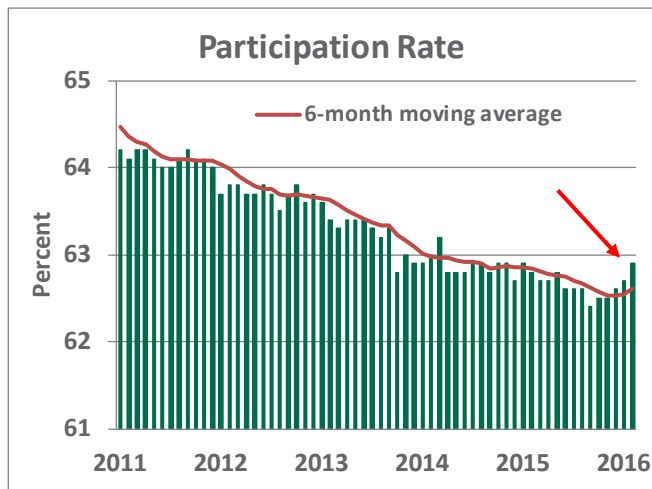
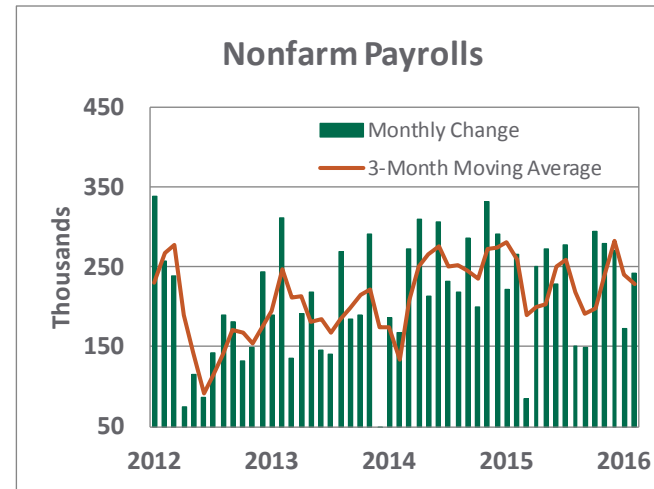
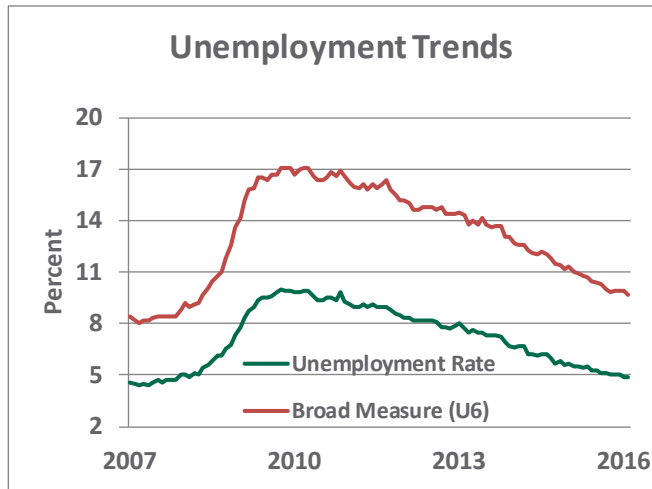


Source: Haver Analytics

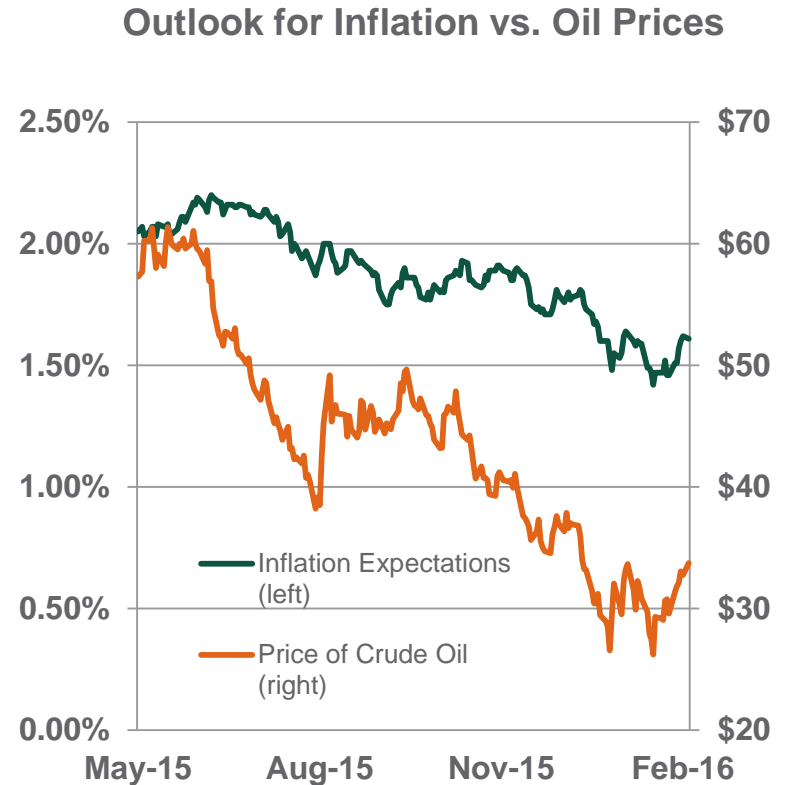
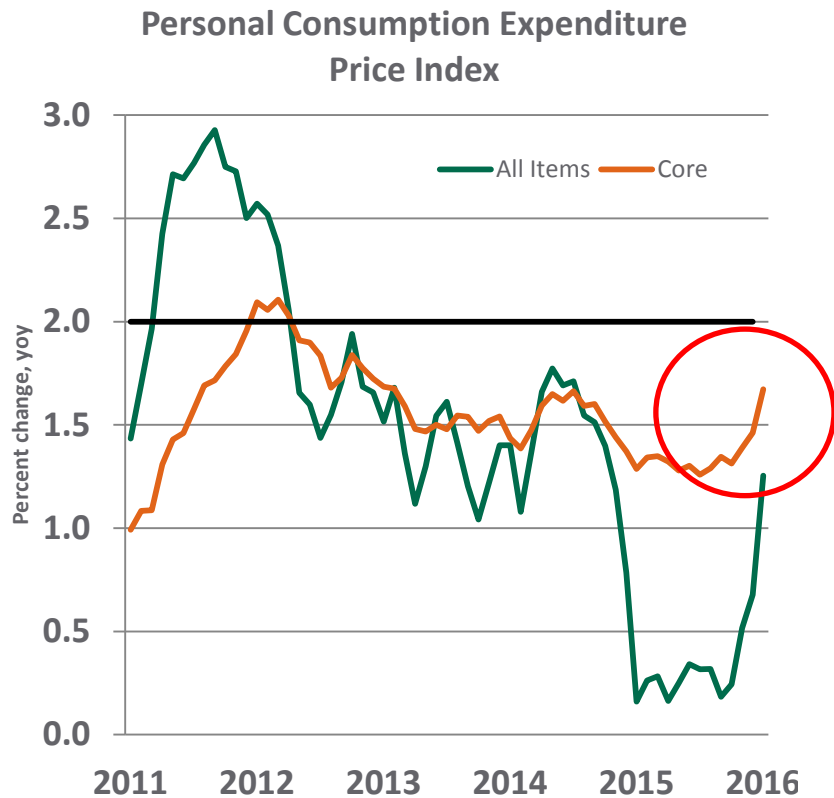
The housing sector is stable and the outlook is positive.



The labor market is largely a bright spot, pockets of concern remain.



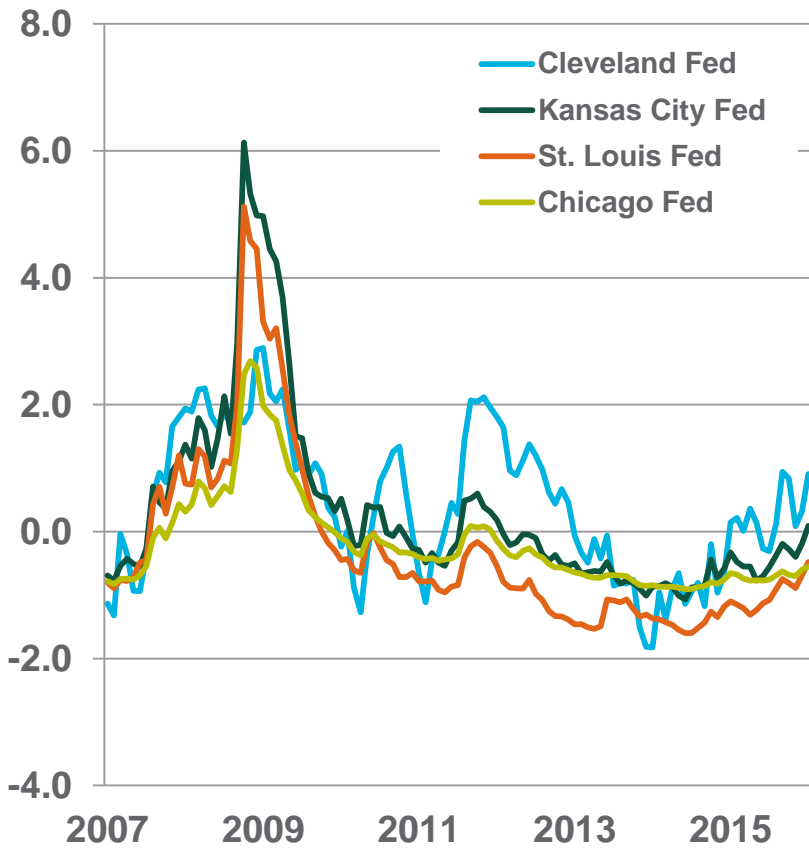
Mixed readings on inflation and inflation expectations.



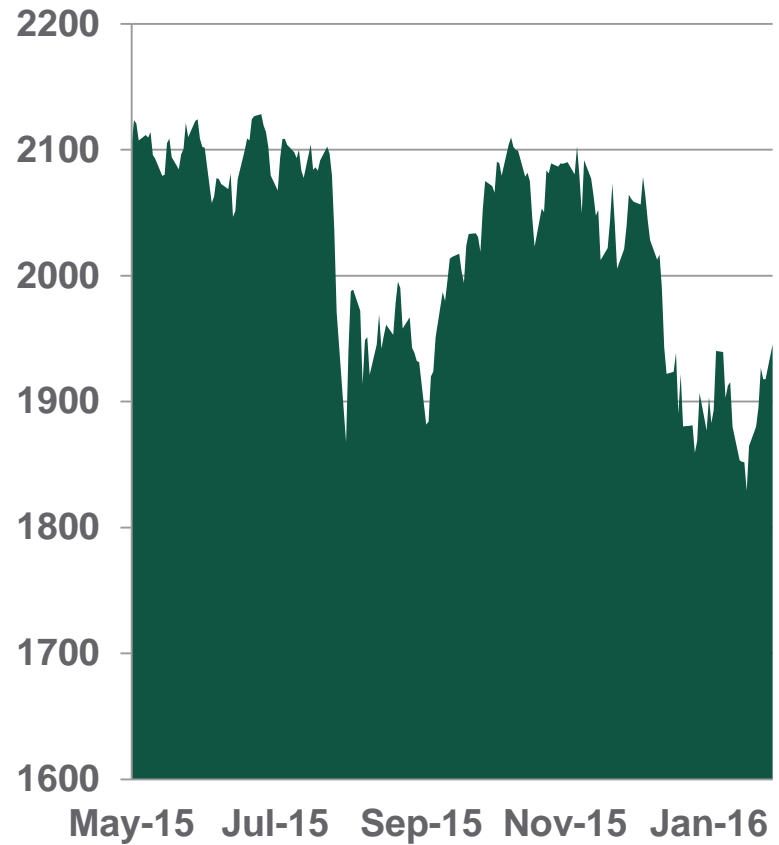
Source: Haver Analytics

The Fed is watching financial conditions...

Indexes of Financial Conditions



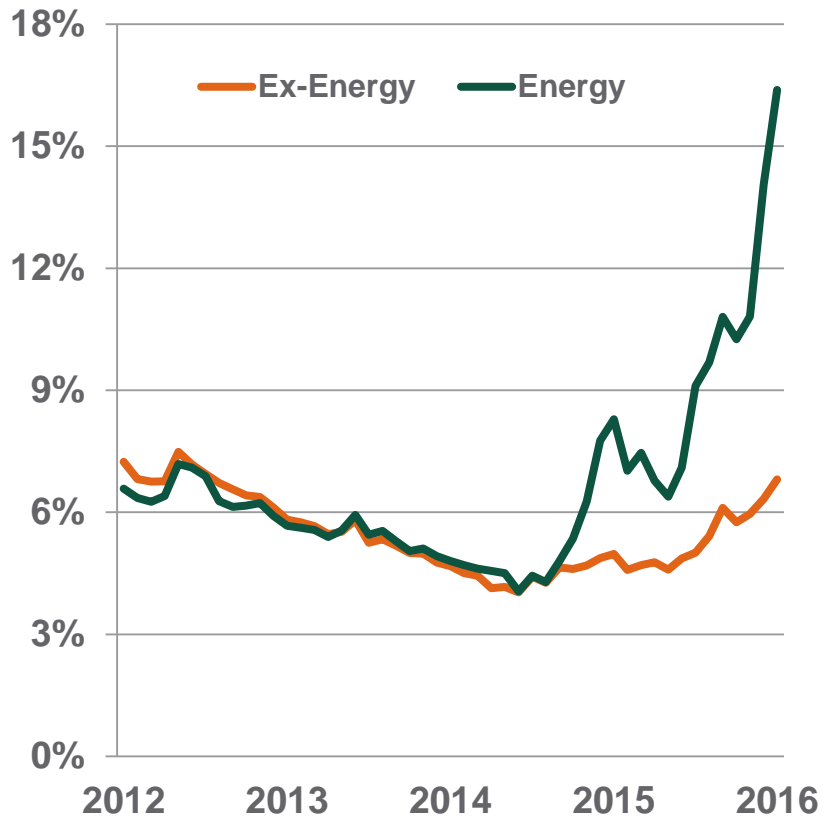
S&P 500



Source: Haver Analytics

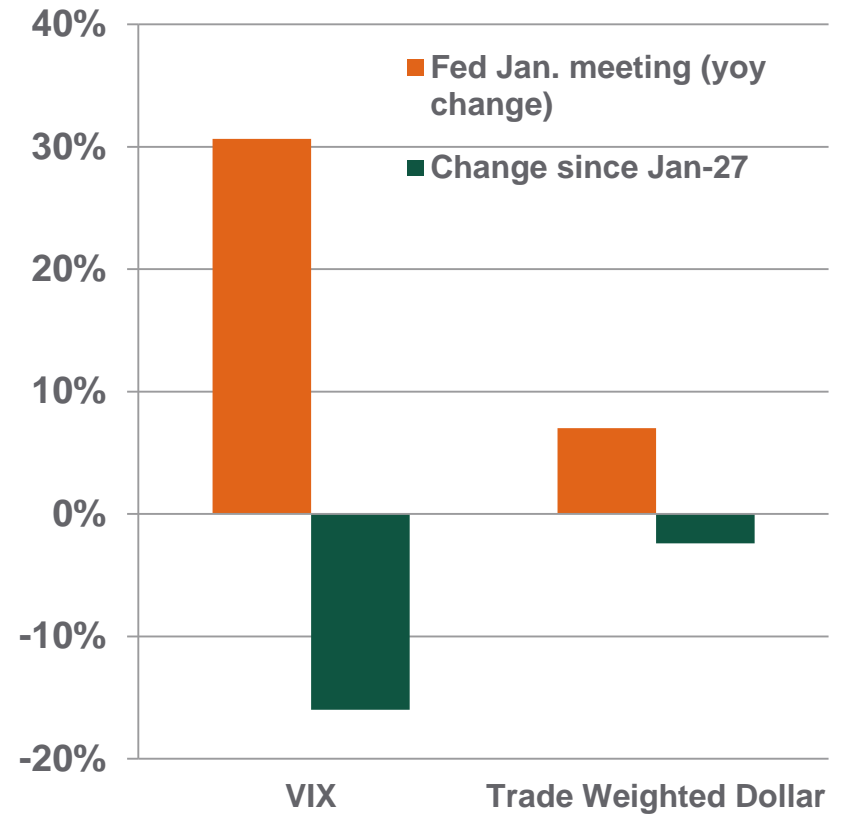
... which are complicating matters.

High Yield Bond Spreads



Source: Barclays, Haver Analytics

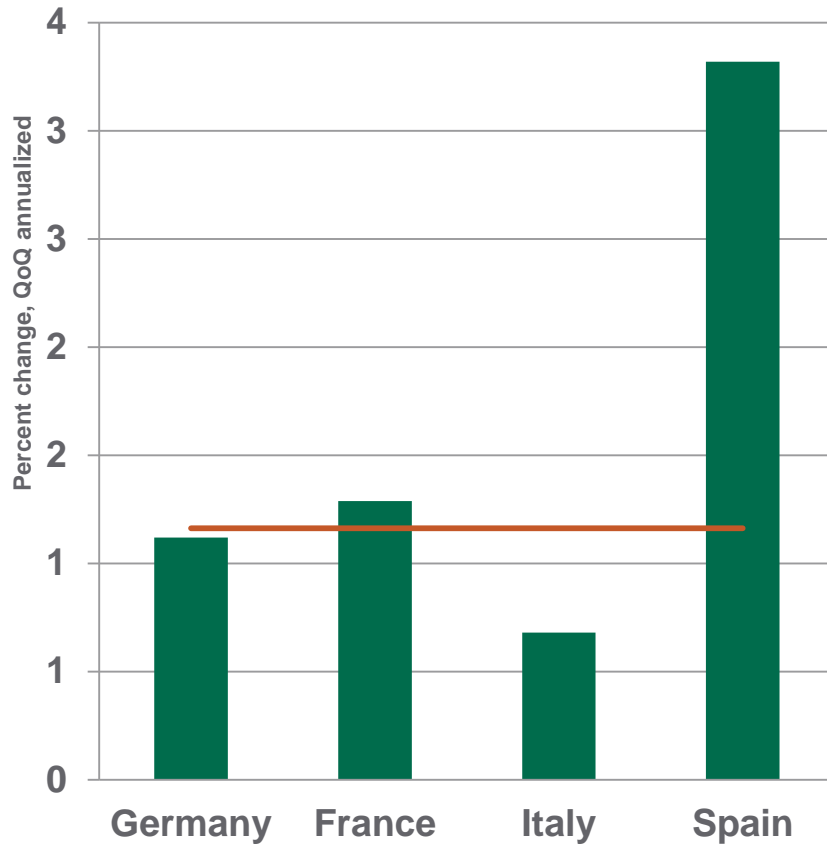
VIX and the U.S. Dollar



Eurozone

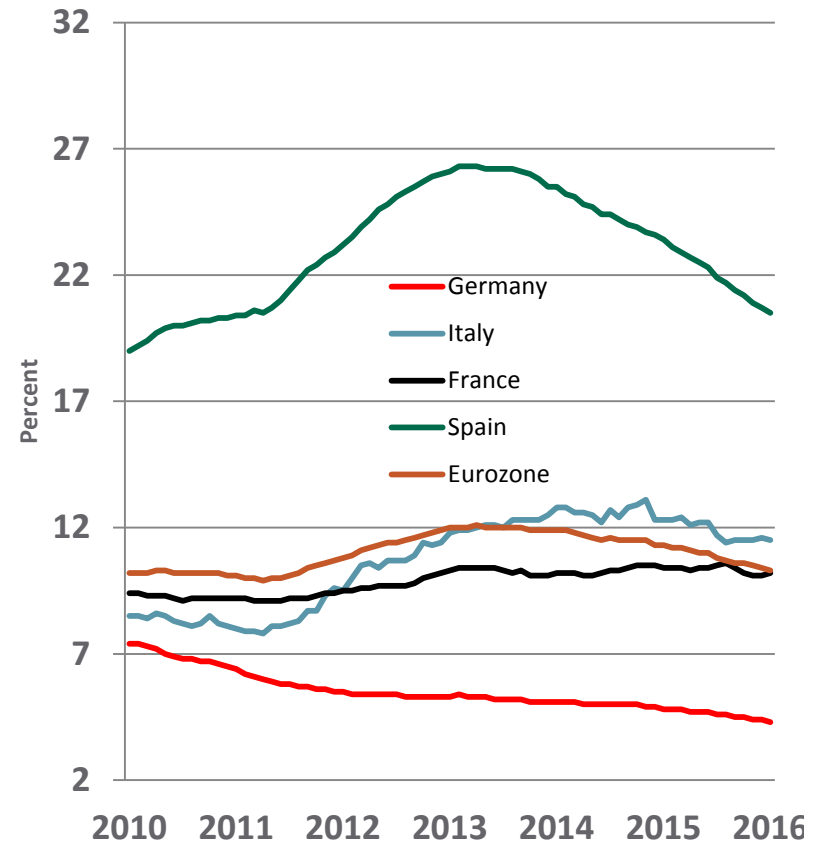
There are no easy economics solutions for the members of the eurozone.

Real Gross Domestic Product
(2015:Q4)



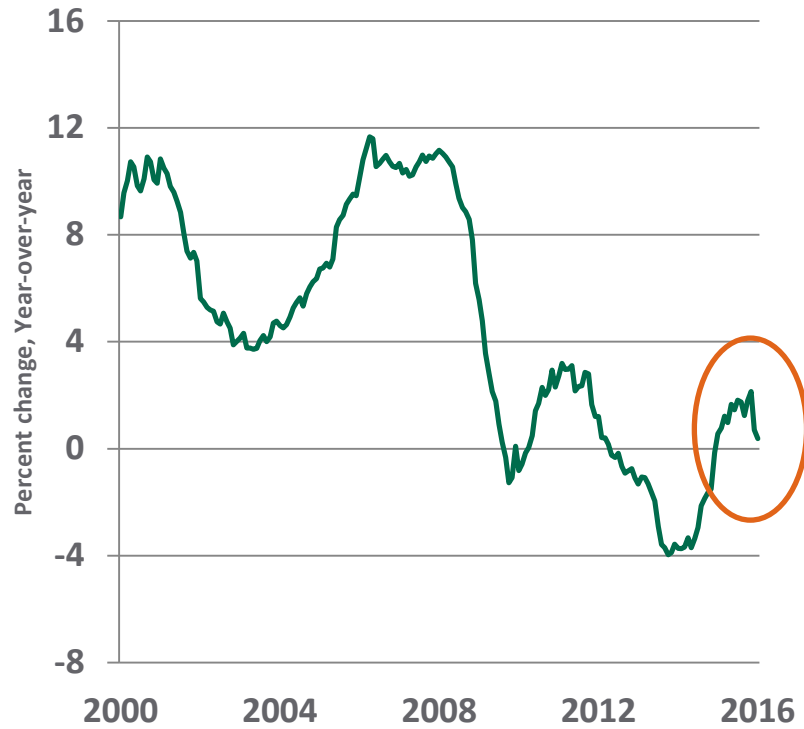
Source: Haver Analytics

Europe: Unemployment Rate

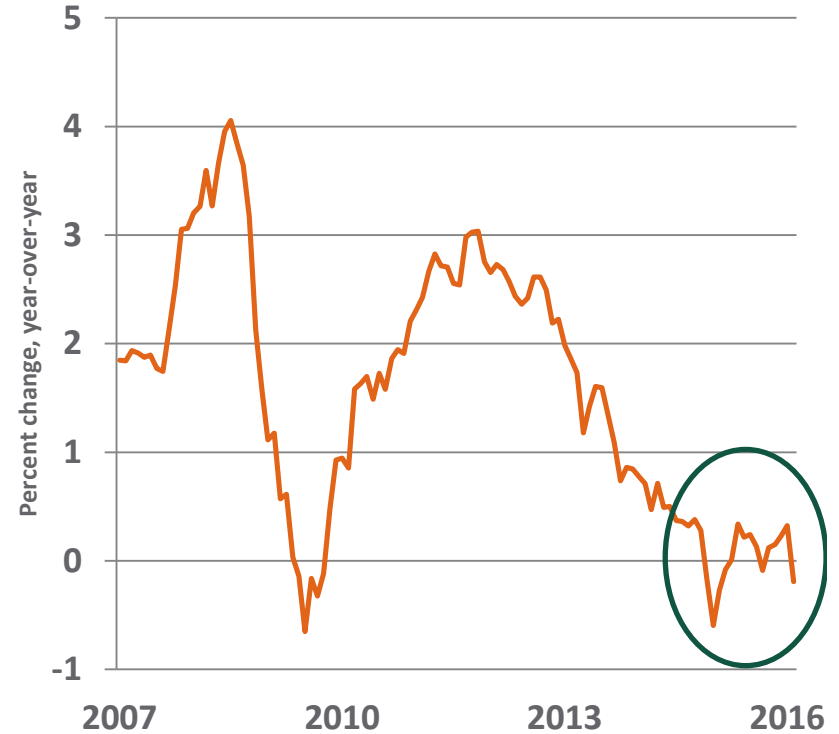


What economic variables to track in the eurozone?

Eurozone: Credit Growth



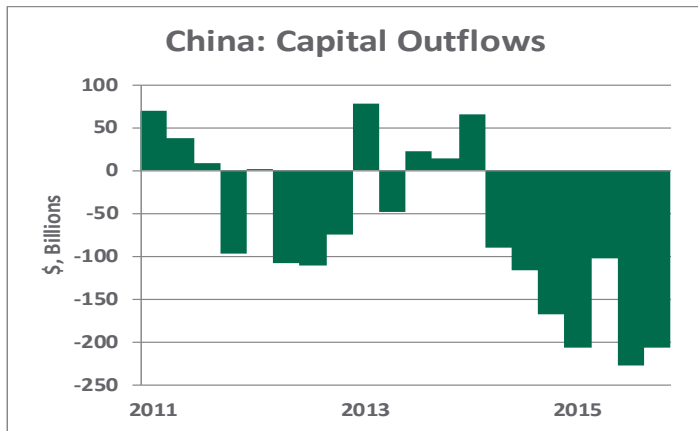
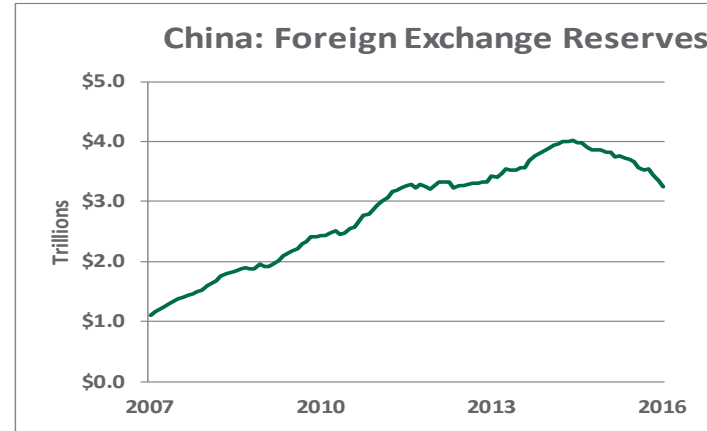
Eurozone: Inflation



Source; Haver Analytics

China

The Chinese economic challenges present a risk to the global economy.

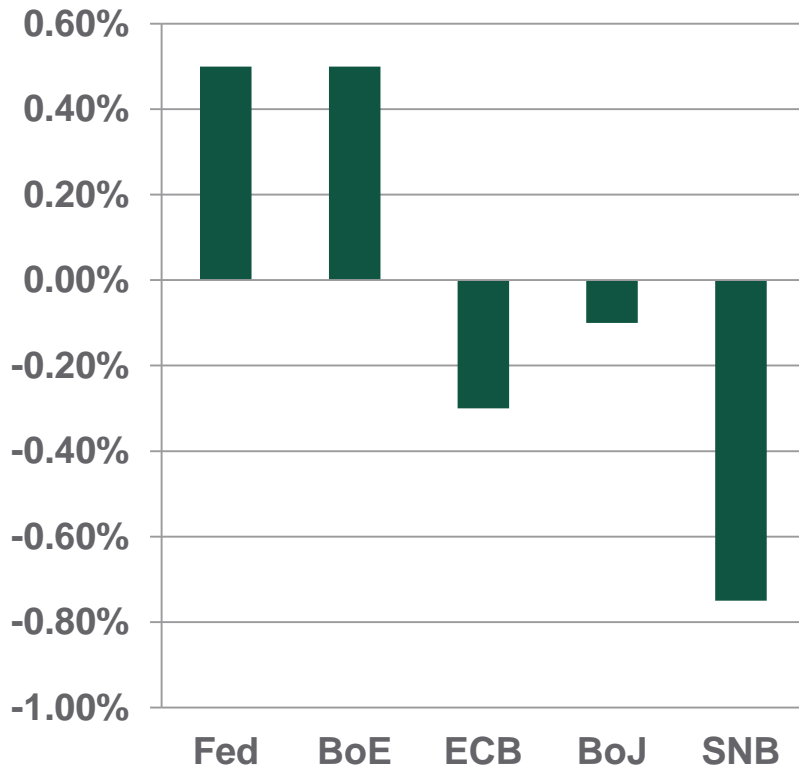


Source: Haver Analytics, Goldman Sachs

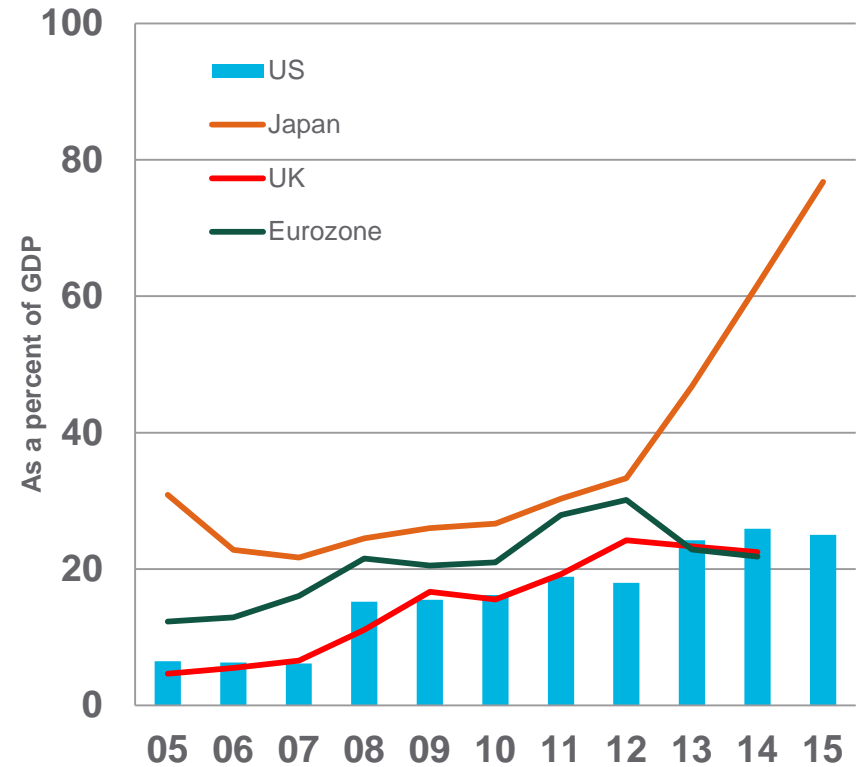
Central Banks

Central banks are minding the store.

Central Bank Deposit Rates



Balance Sheet of Central Banks



Source: Haver Analytics



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