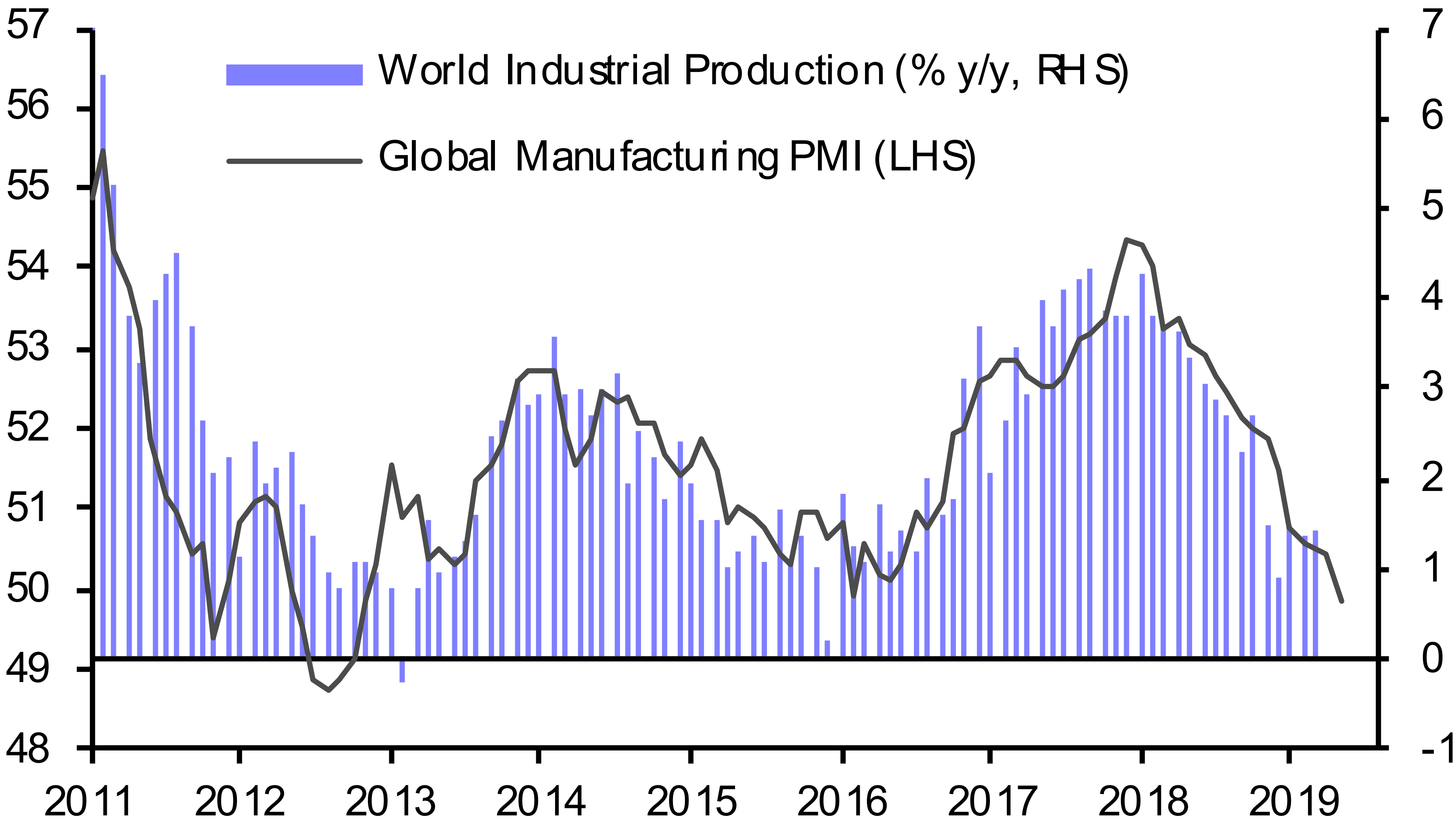
CAPITAL ECONOMICS

World Economic Prospects

Paul Ashworth

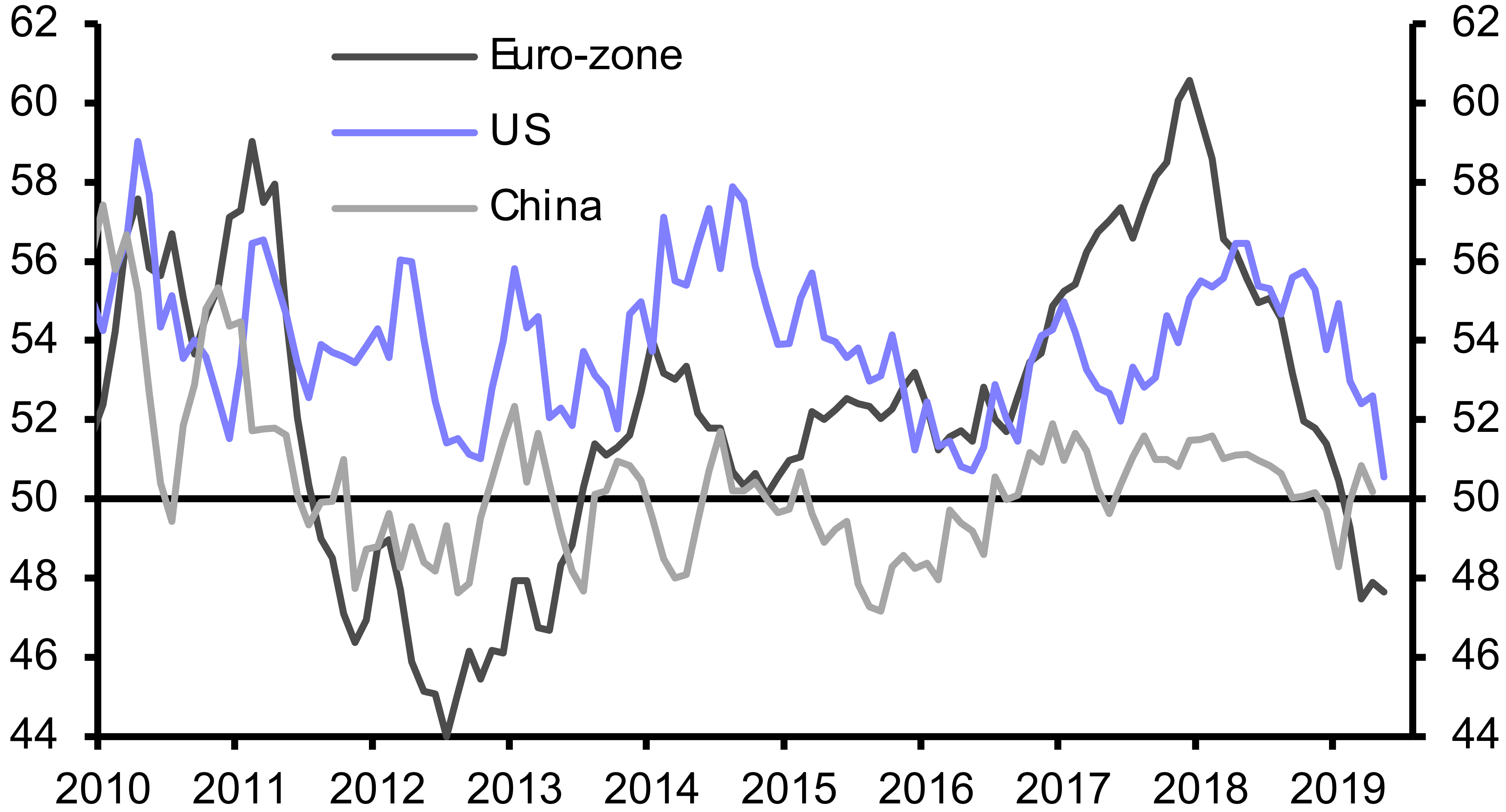
TORONTO NEW YORK LONDON SINGAPORE SYDNEY

1. Industrial Production & Manufacturing PMI



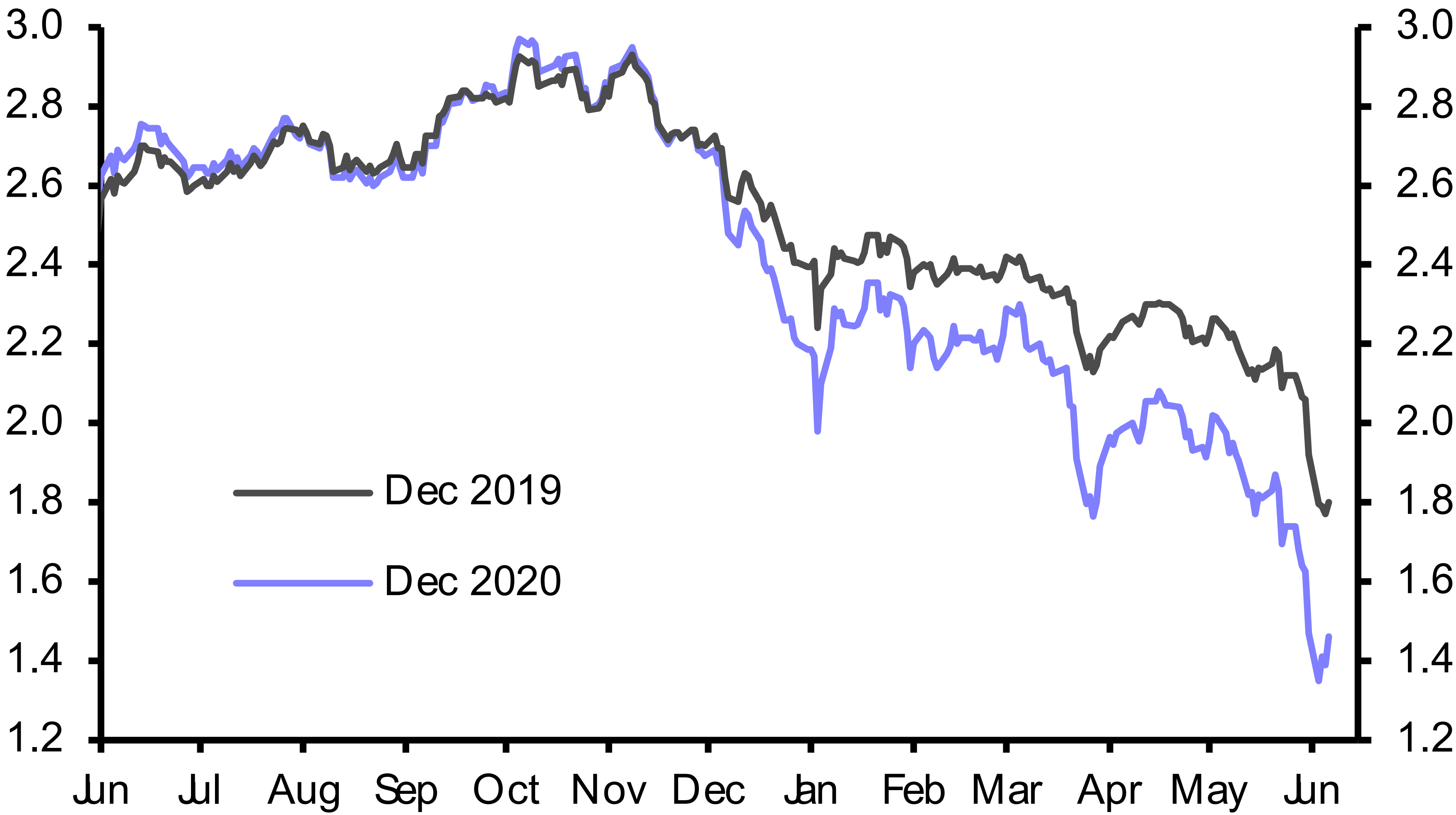
Sources: Refinitiv, Markit

2. Markit Manufacturing PMIs



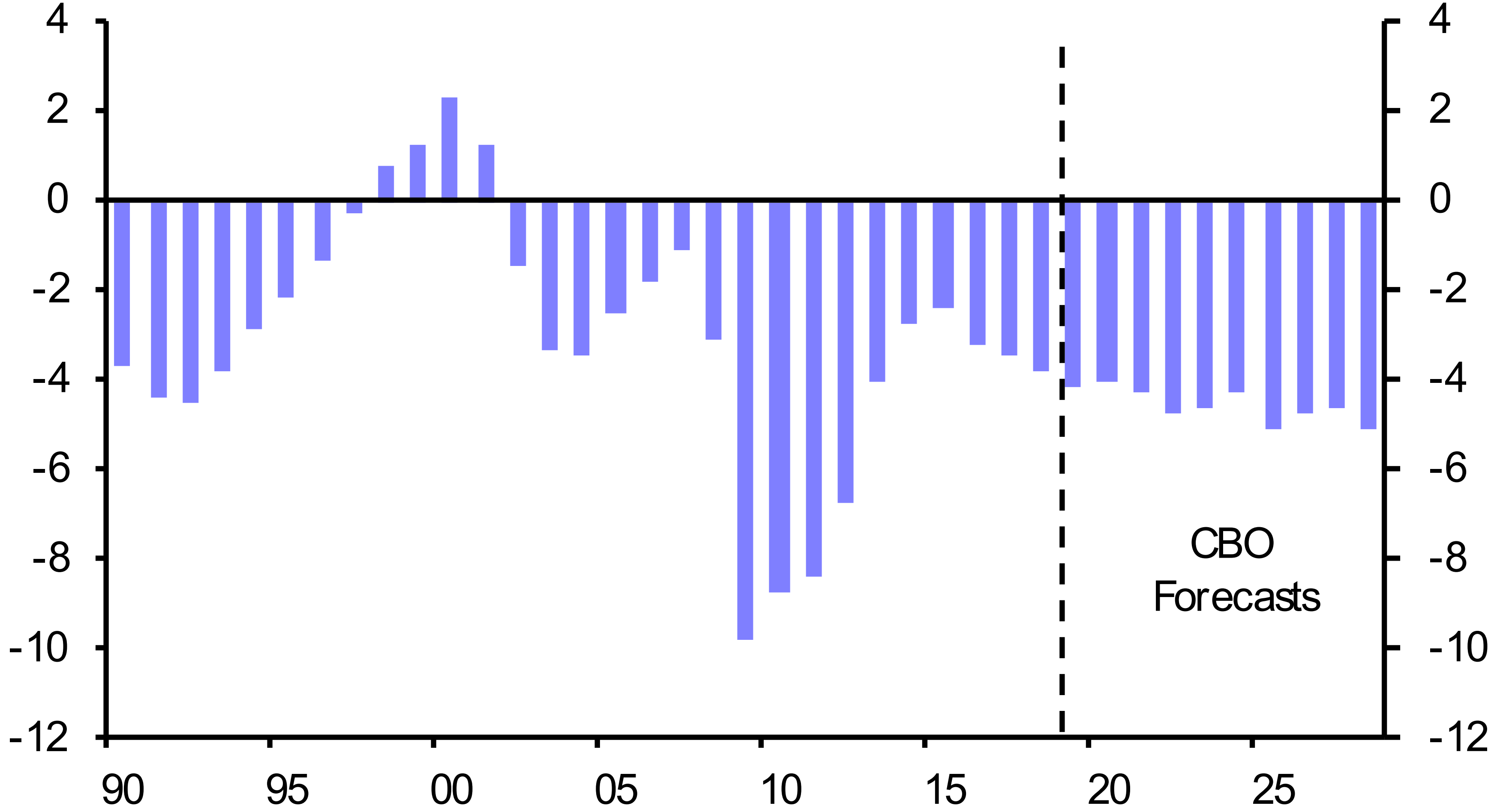
Source: Markit

3. US Fed Funds Futures Rate Expectations (%)



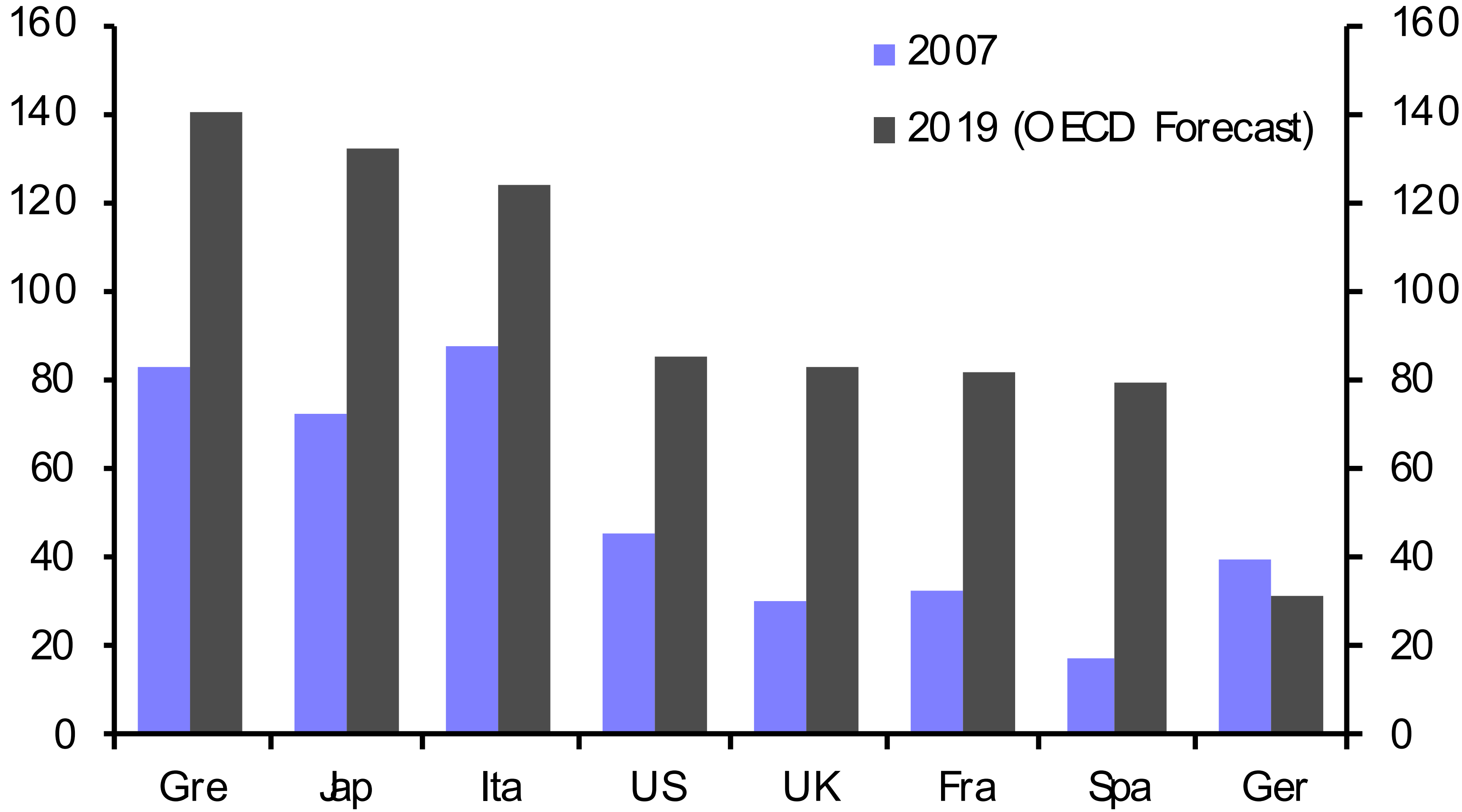
Source: Bloomberg

4. US Federal Budget Balance (As a % of GDP)



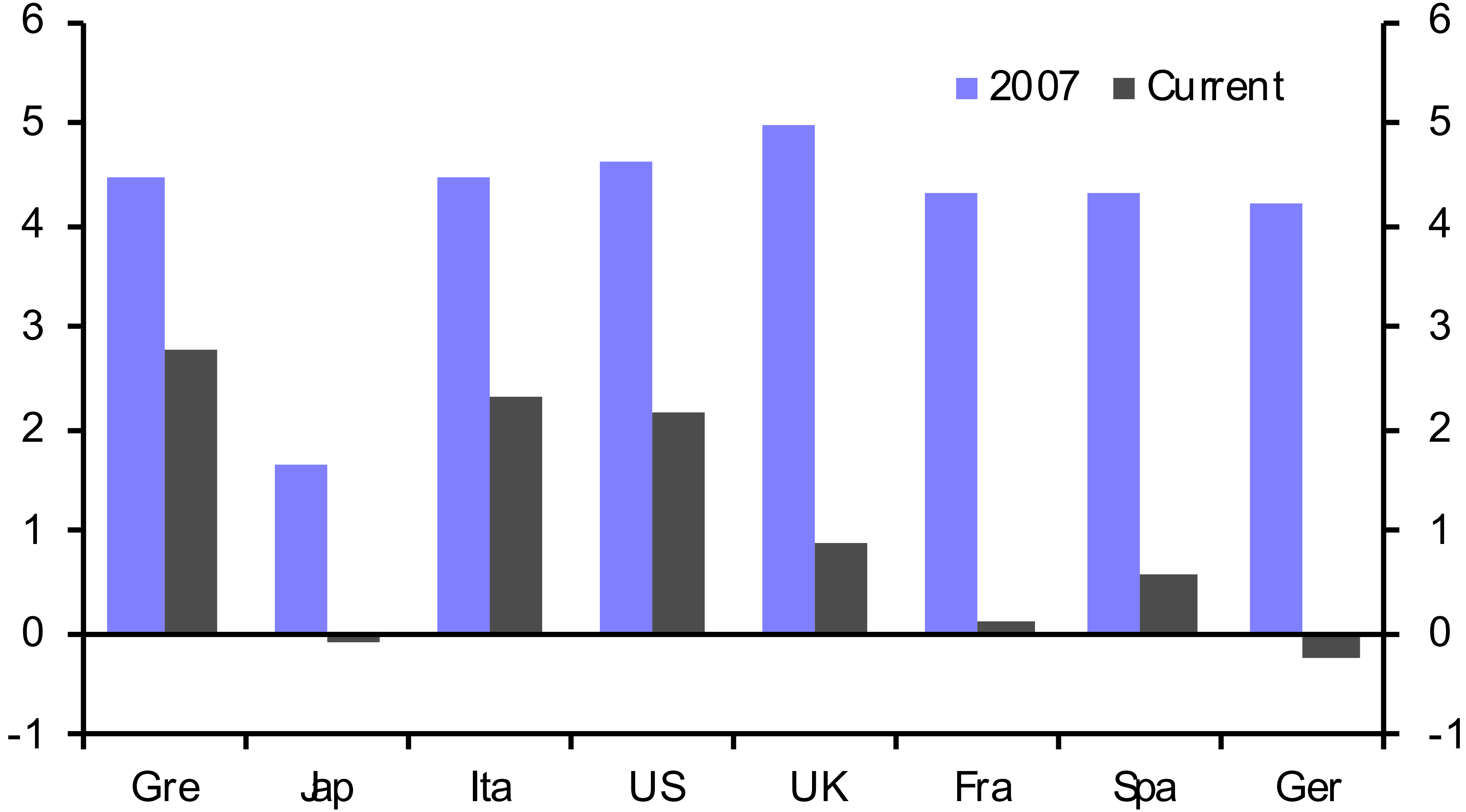
Sources: Refinitiv, CBO

5. Net Government Debt (As a % of GDP)



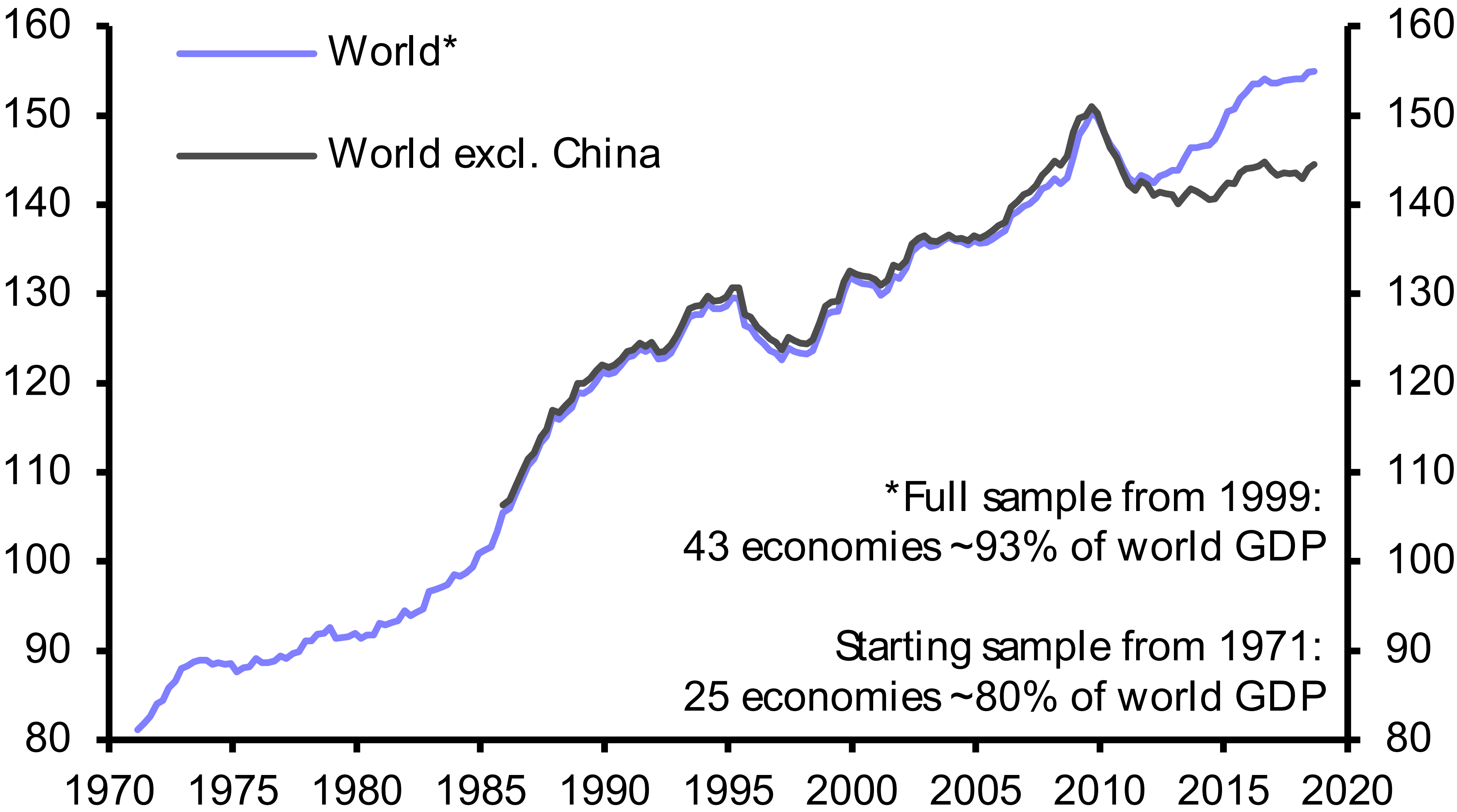
Source: OECD

6. 10-Year Government Bond Yield (%)



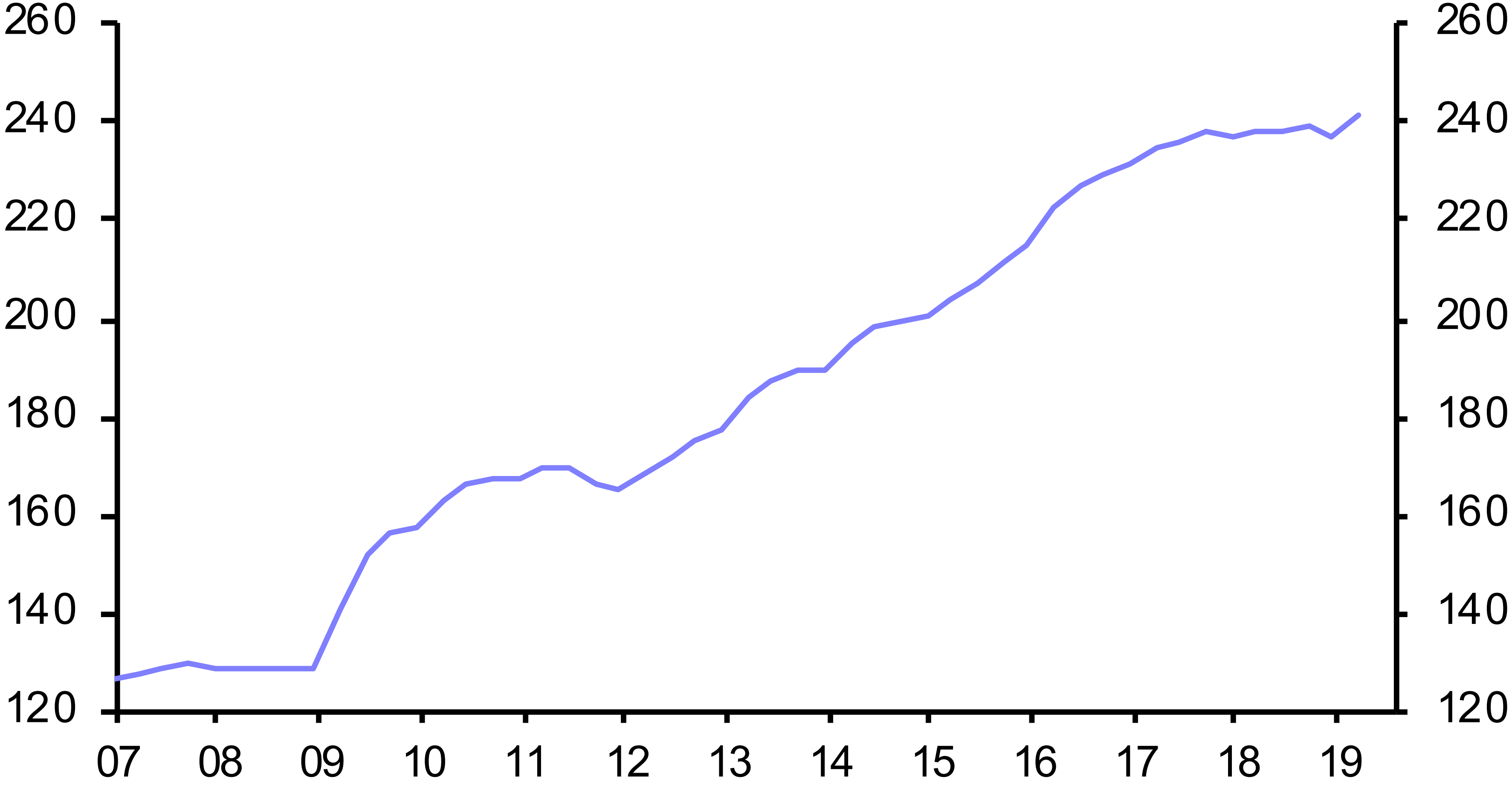
Sources: OECD, Bloomberg

7. World Non-Financial Private Sector Debt (% of GDP)



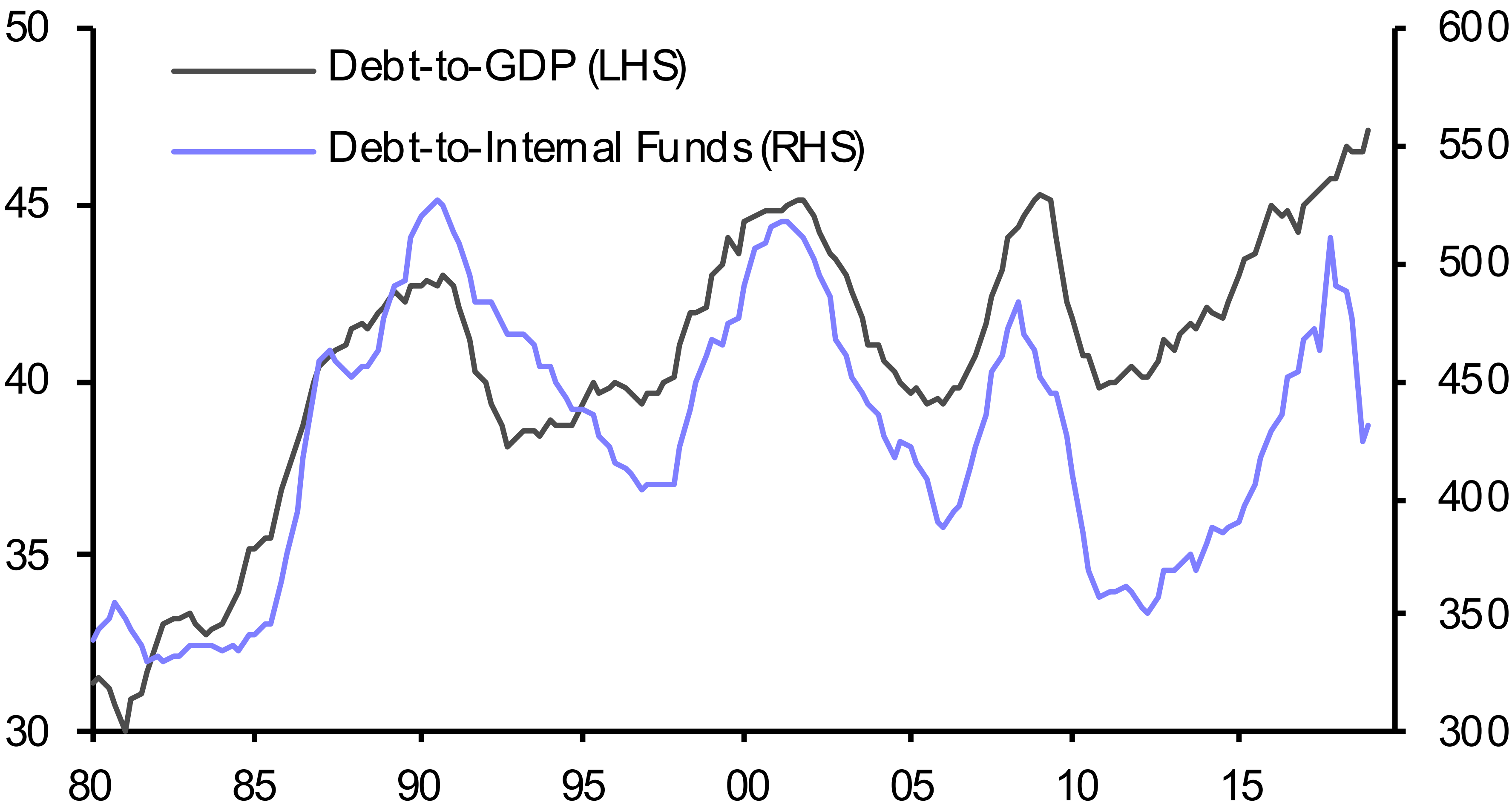
Sources: Refinitiv, Capital Economics

8. China Total Credit (As a % of GDP)



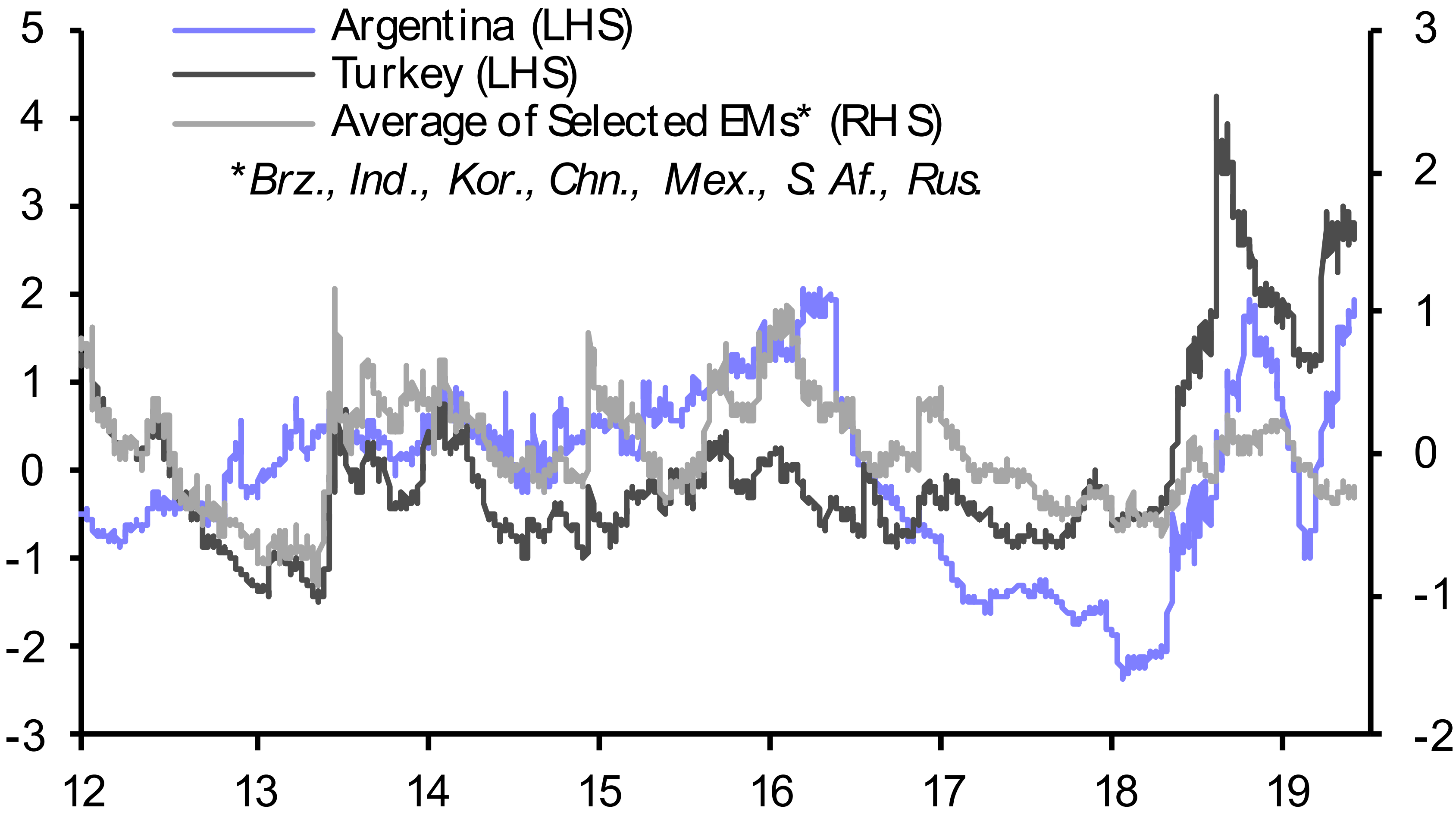
Sources: CEIC, Capital Economics

9. US Non-Financial Corporate Debt (As a % of GDP)



Source: Refinitiv

10. Capital Economics EM Financial Conditions Indicators

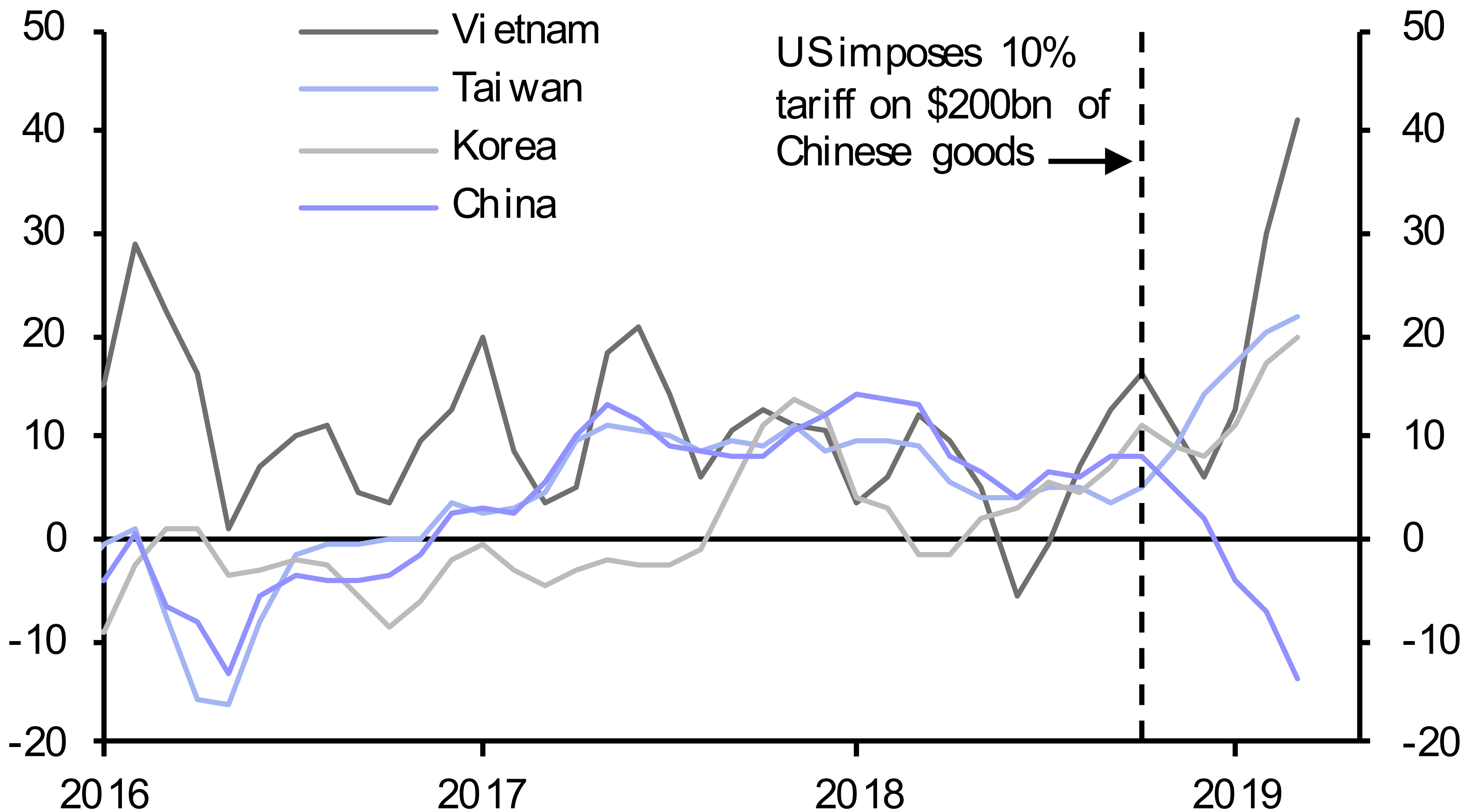


Sources: Refinitiv, Bloomberg, Capital Economics

11. US Bilateral Trade With China (%y/y)

Source: Refinitiv

12. US Goods Imports (%y/y)



Source: Refinitiv

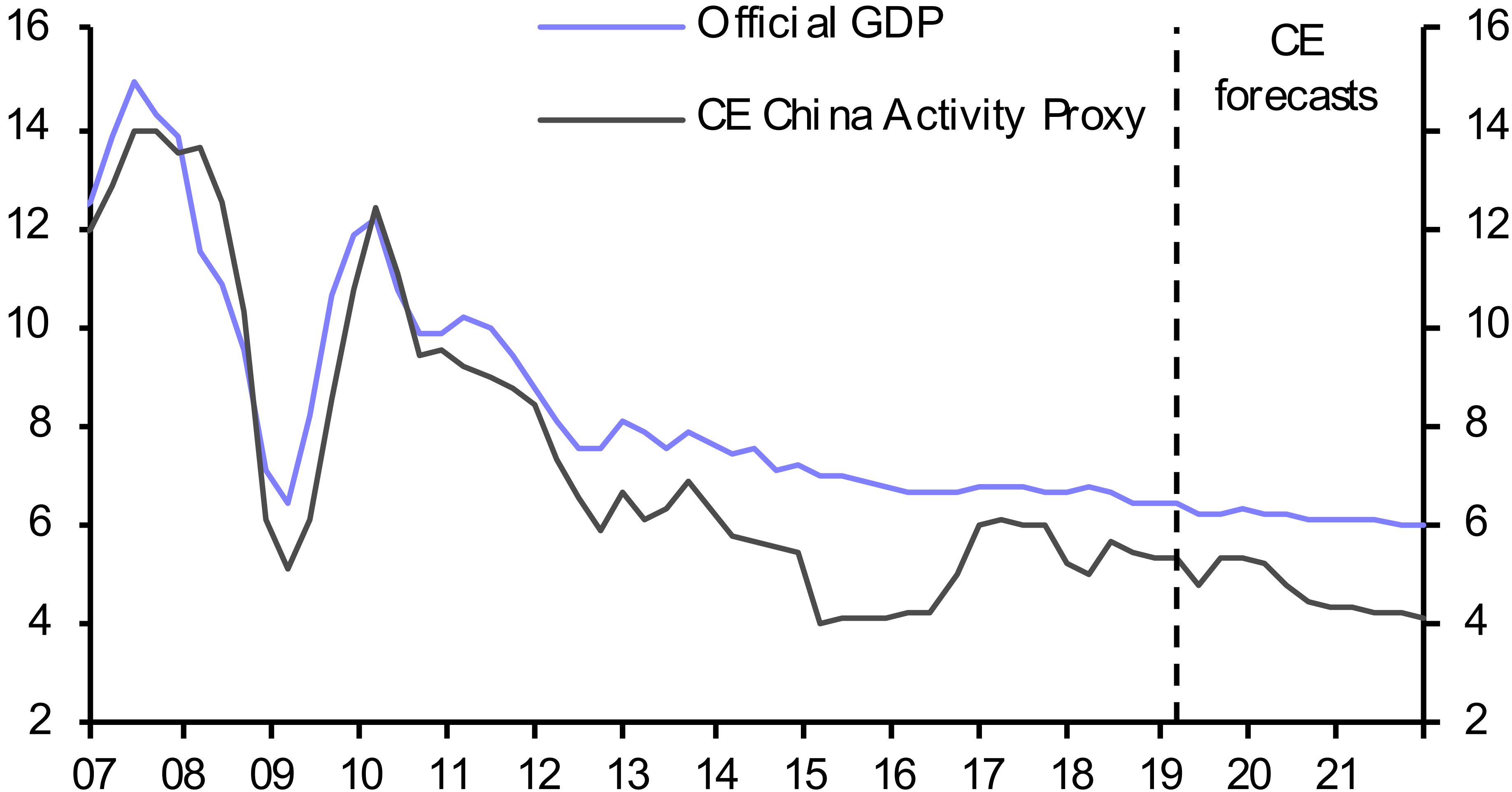
13. What ultimately lies behind protectionism?

- Is this just Trump being Trump – a possible one-term President?

- Is it a natural reaction to rising inequality in developed countries?

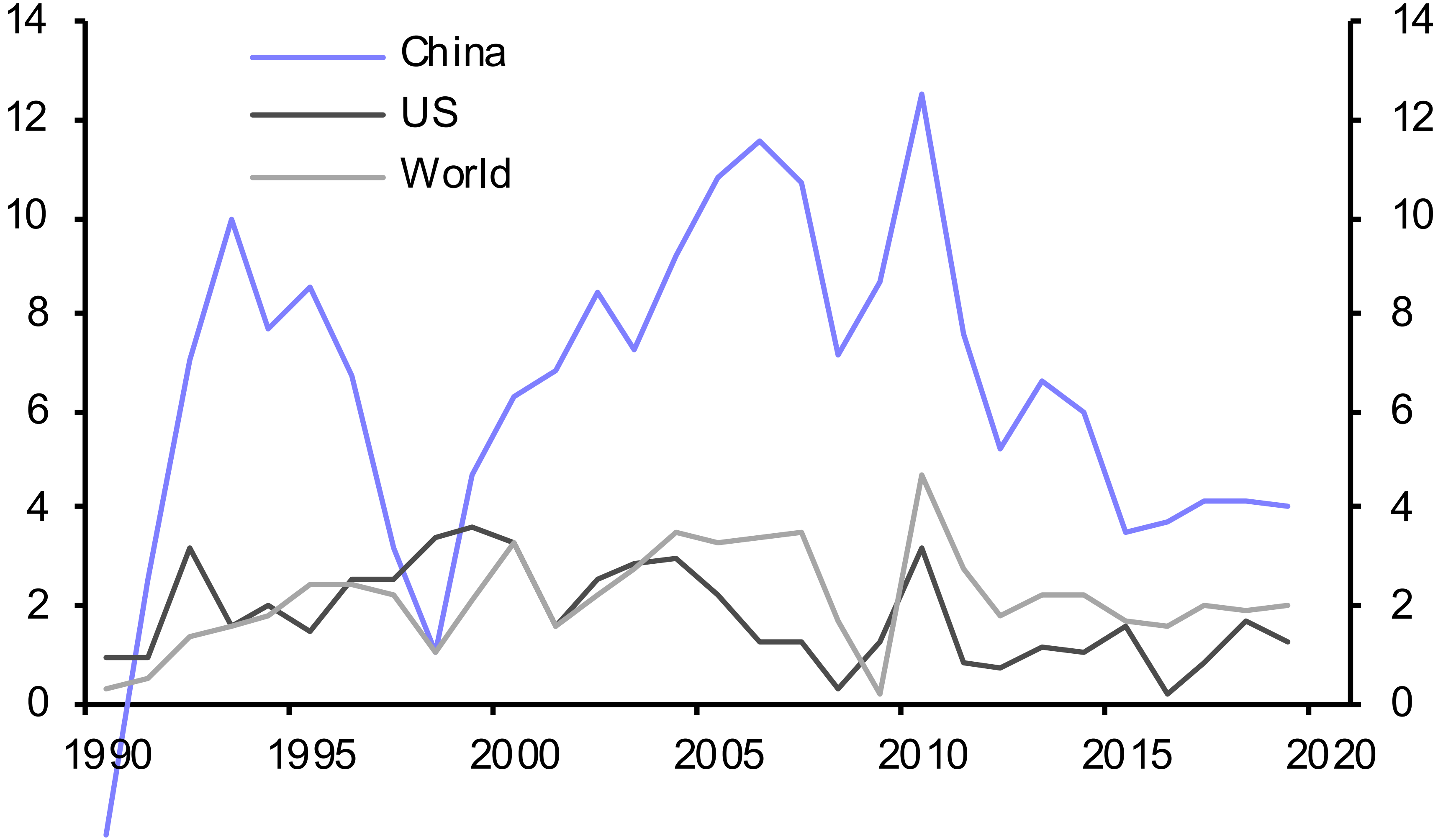
- Is trade just a proxy for a broader battle for supremacy between super powers US & China?

14. China GDP and CAP (% y/y)



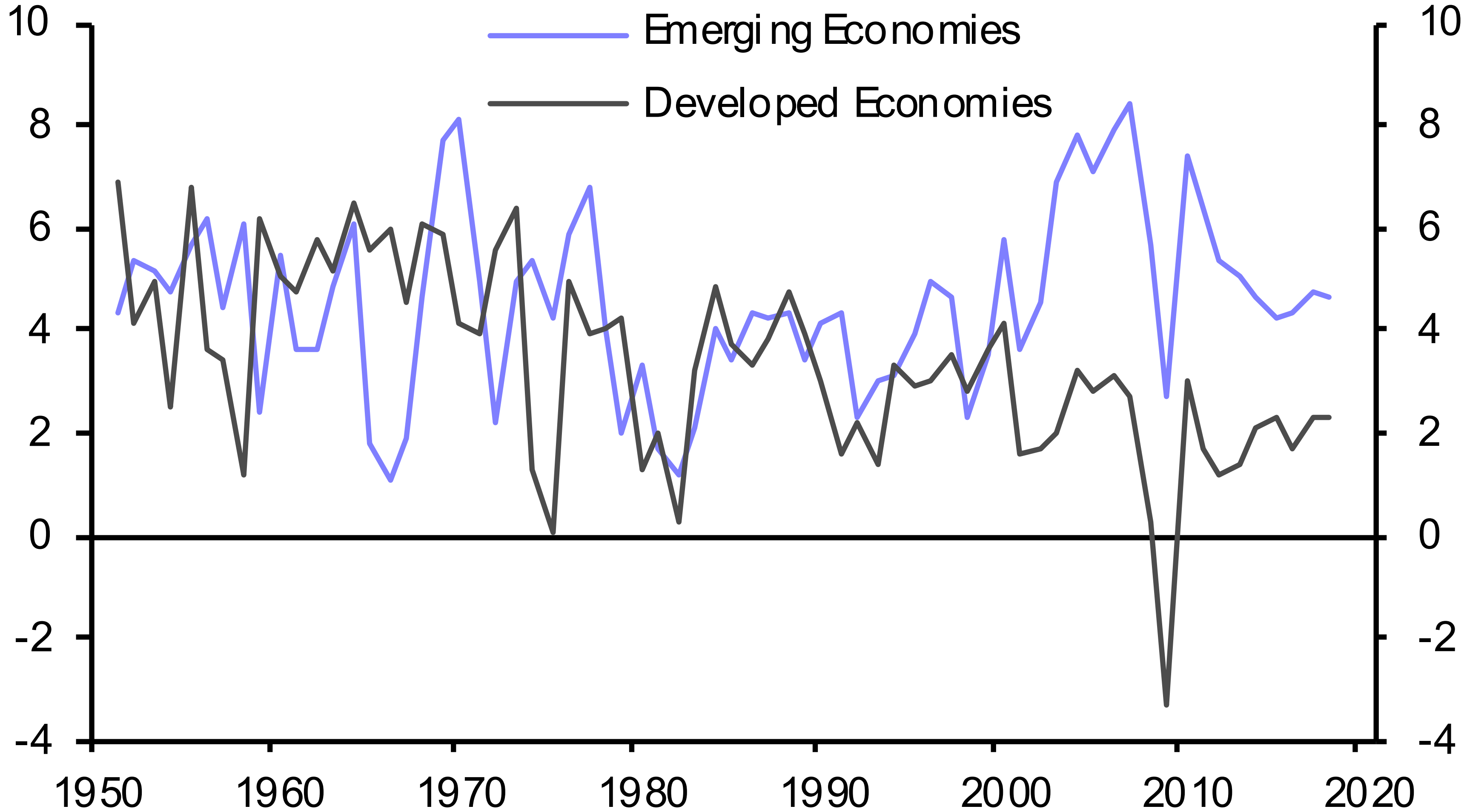
Sources: CEIC, Capital Economics

15. Labour Productivity Per Person (%y/y)



Source: Conference Board Total Economy Database

16. Real GDP (%y/y)



Sources: Maddison