



H2 2014 IN 10 GRAPHS

June 18, 2014

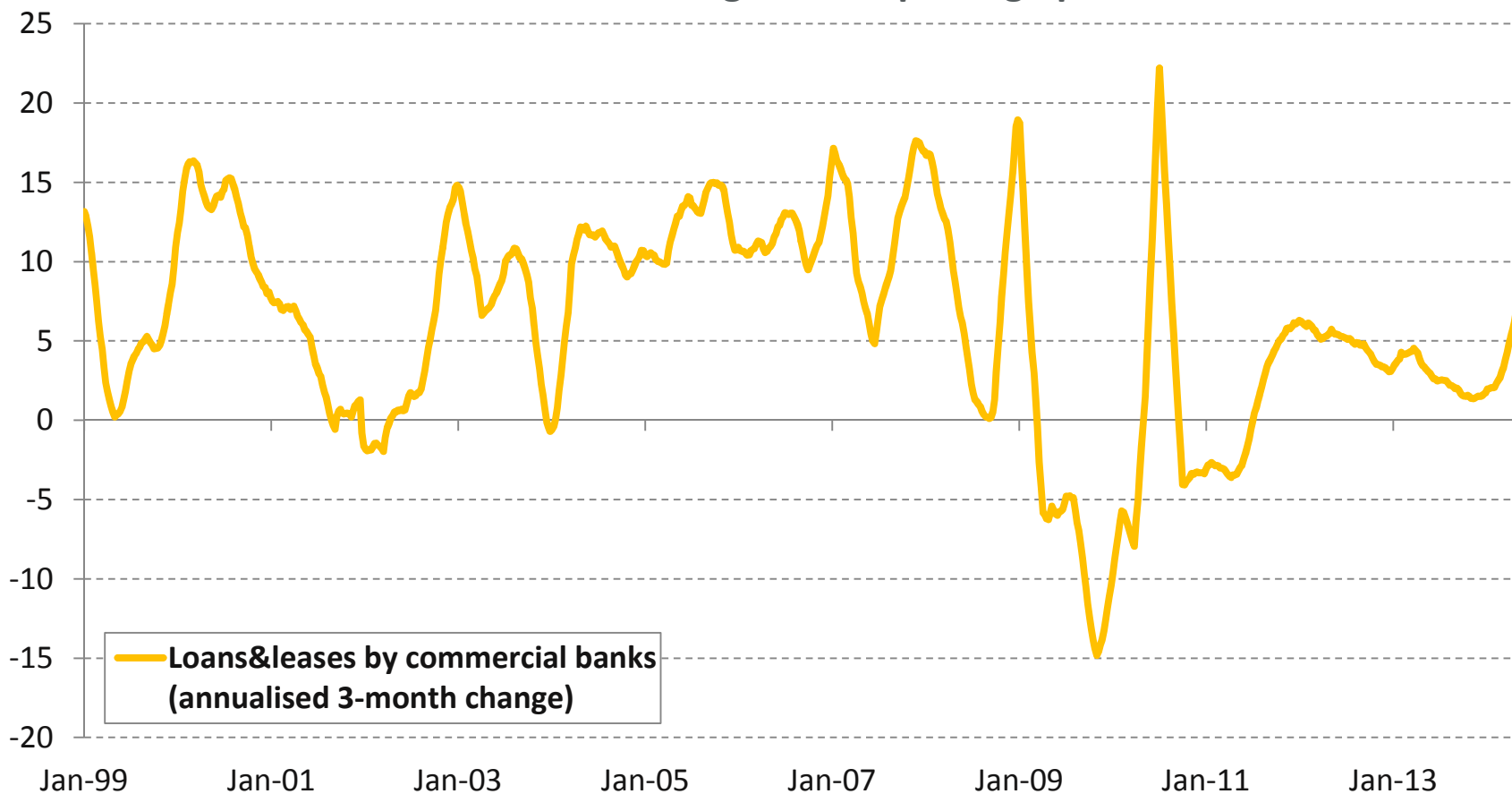


H2 2014: Gradual global recovery continues

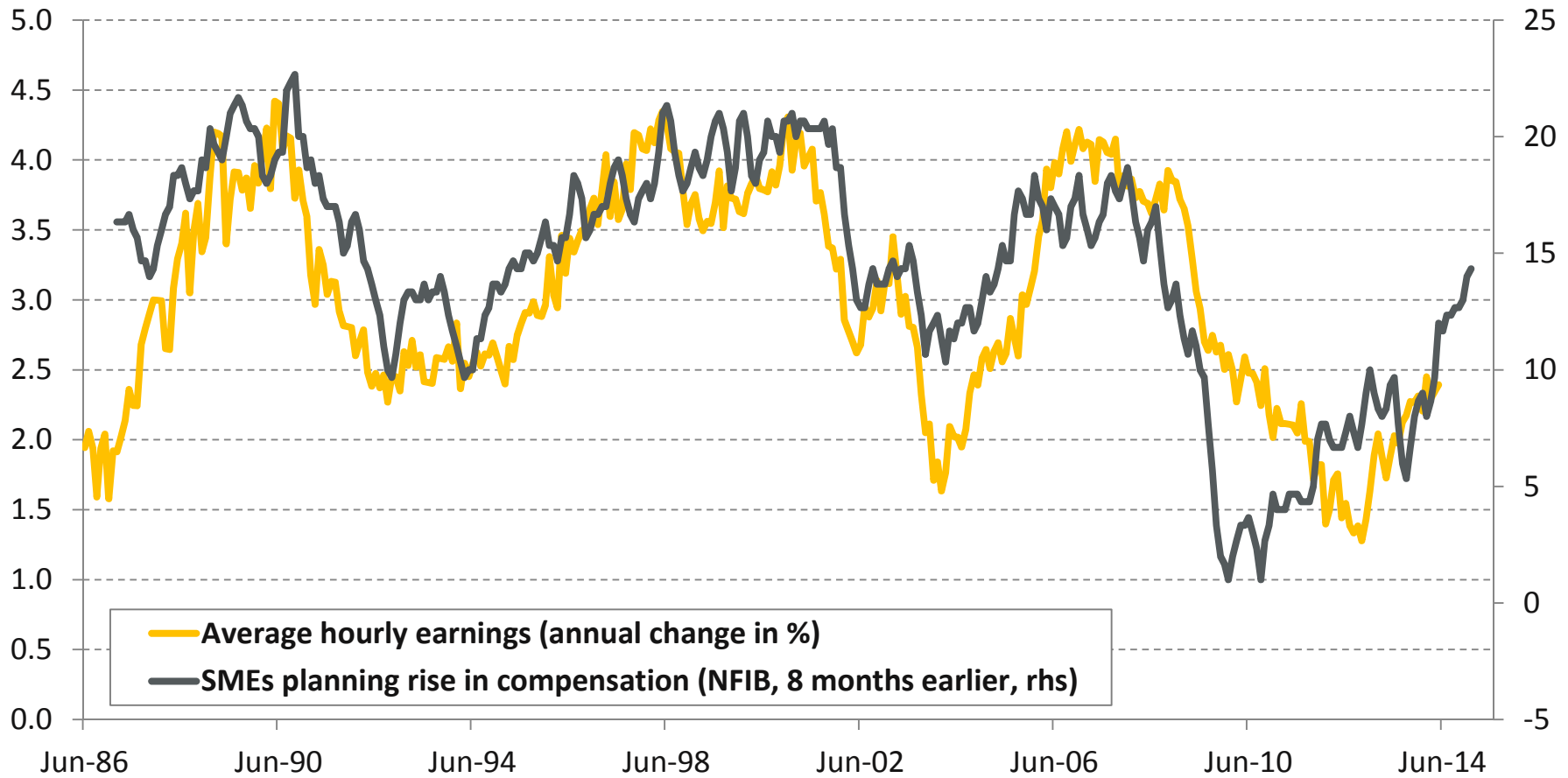
- Global recovery remains on track
- Inflation remains very low
- Fed/BoE towards first rate hike, while ECB/BoJ consider more stimulus
- Managed slowdown in China

US monetary policy feeding through into economic recovery

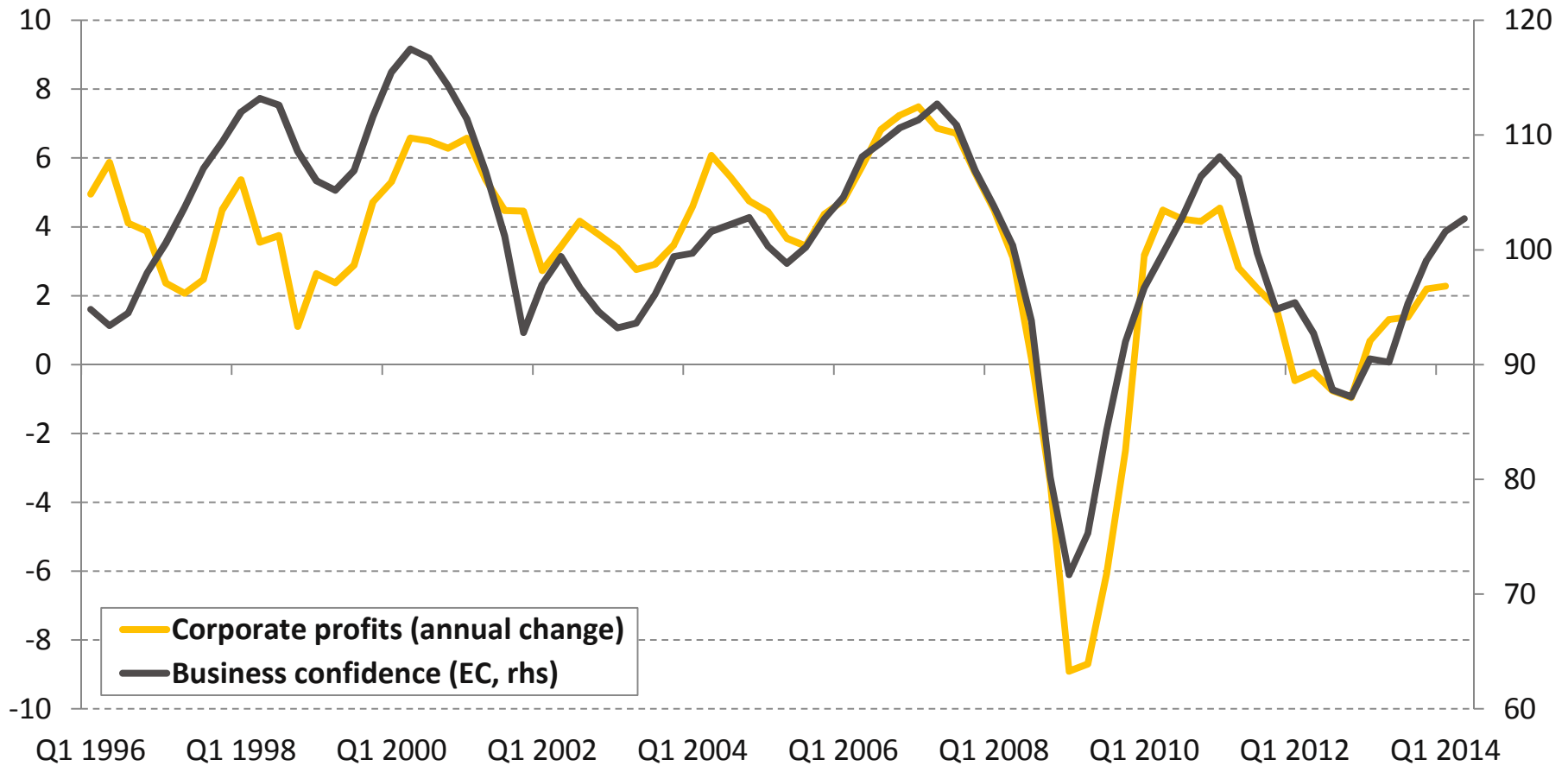
US credit growth is picking up



US: Increasing wage growth becomes an issue for the Fed

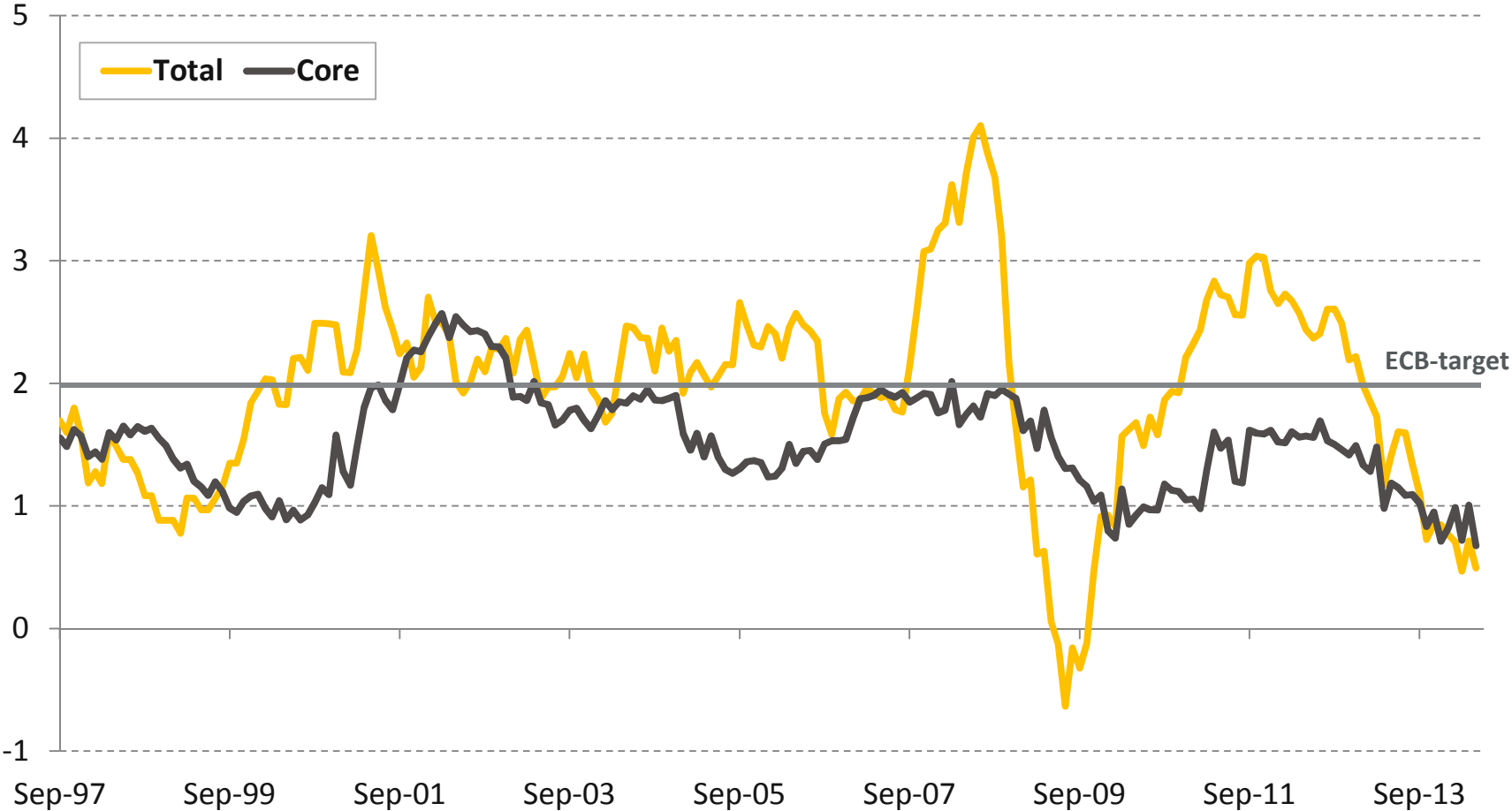


Eurozone companies benefit from improving outlook

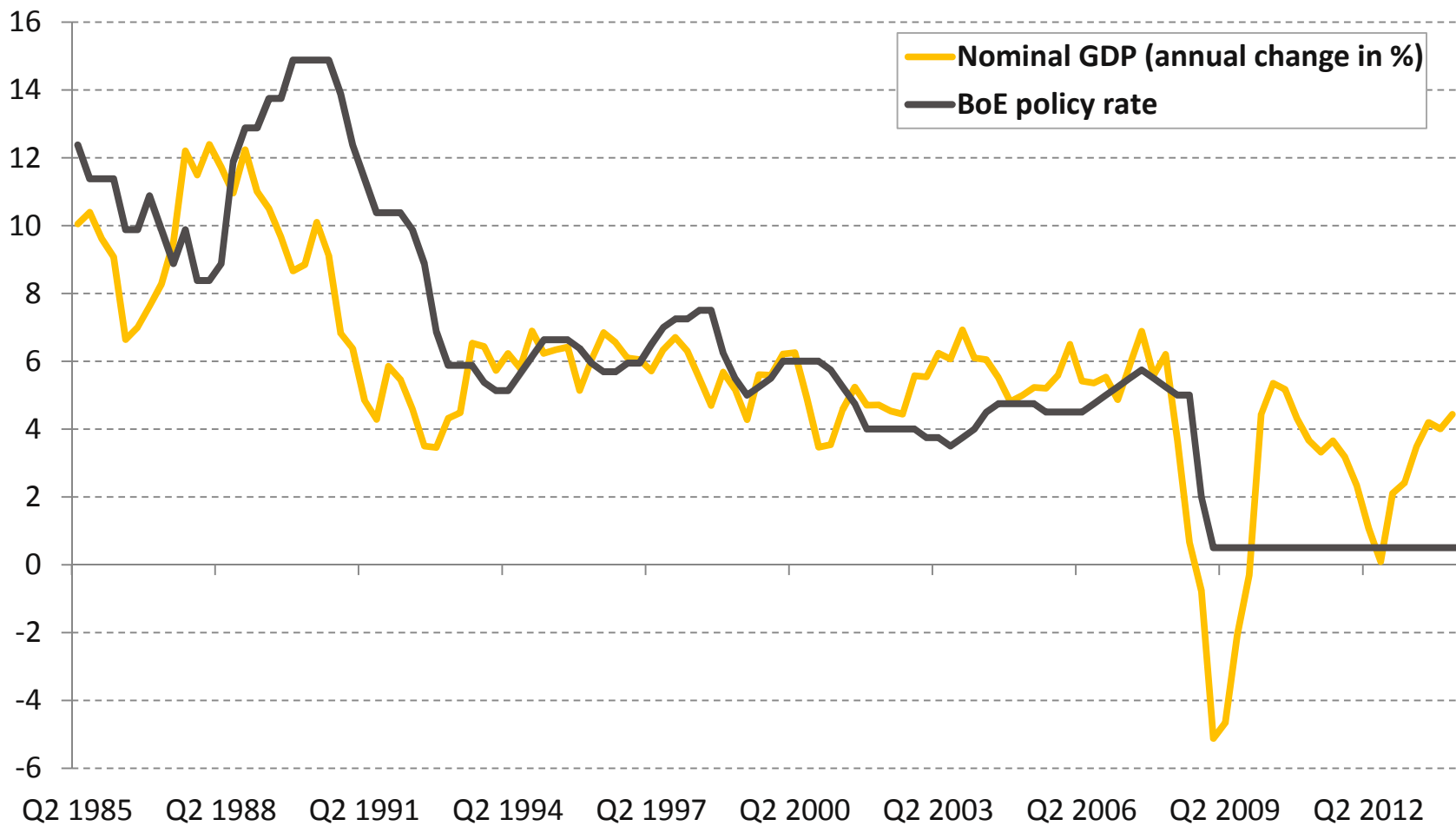


ECB is missing its inflation target by a wide margin

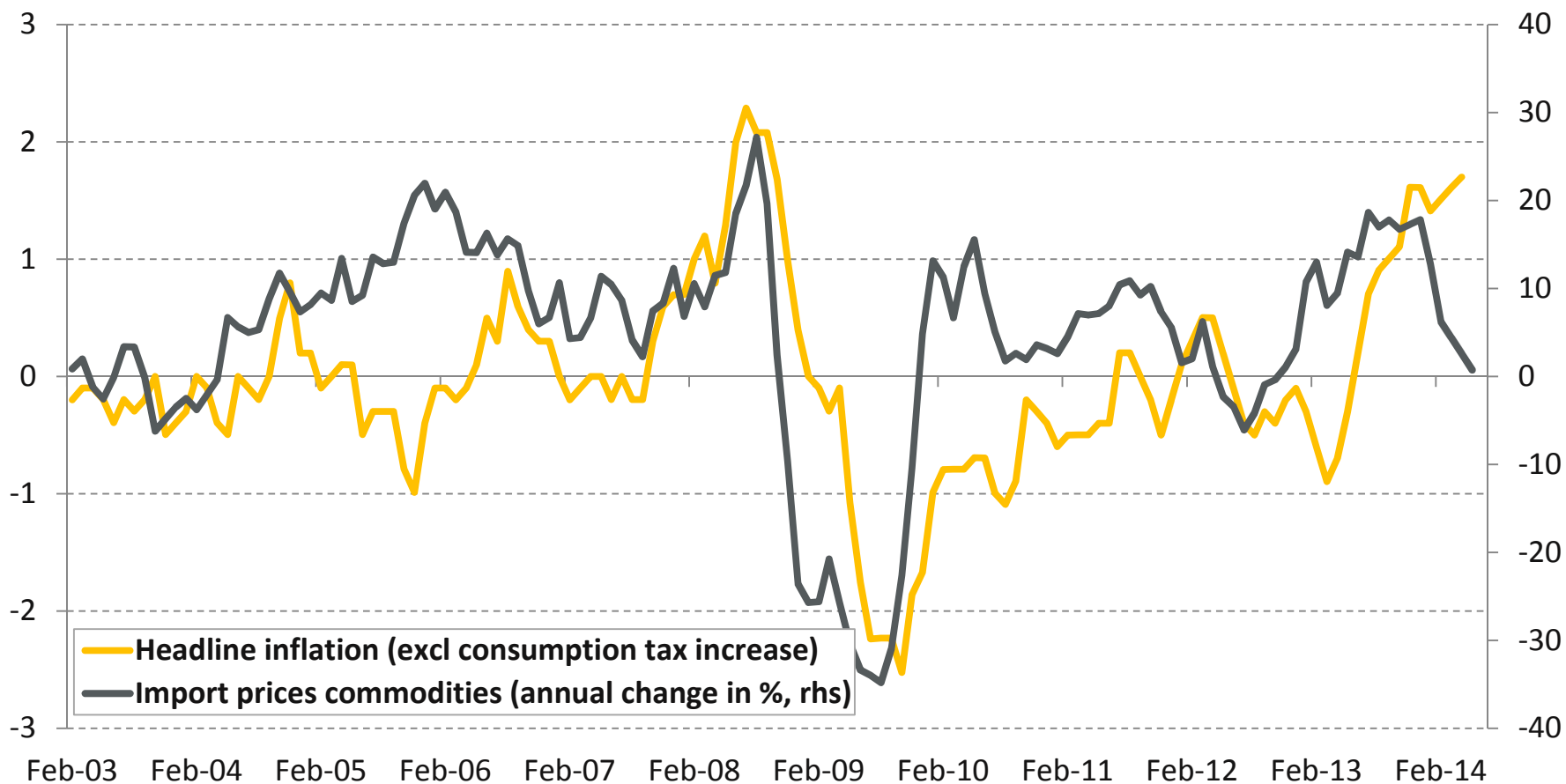
Eurozone inflation



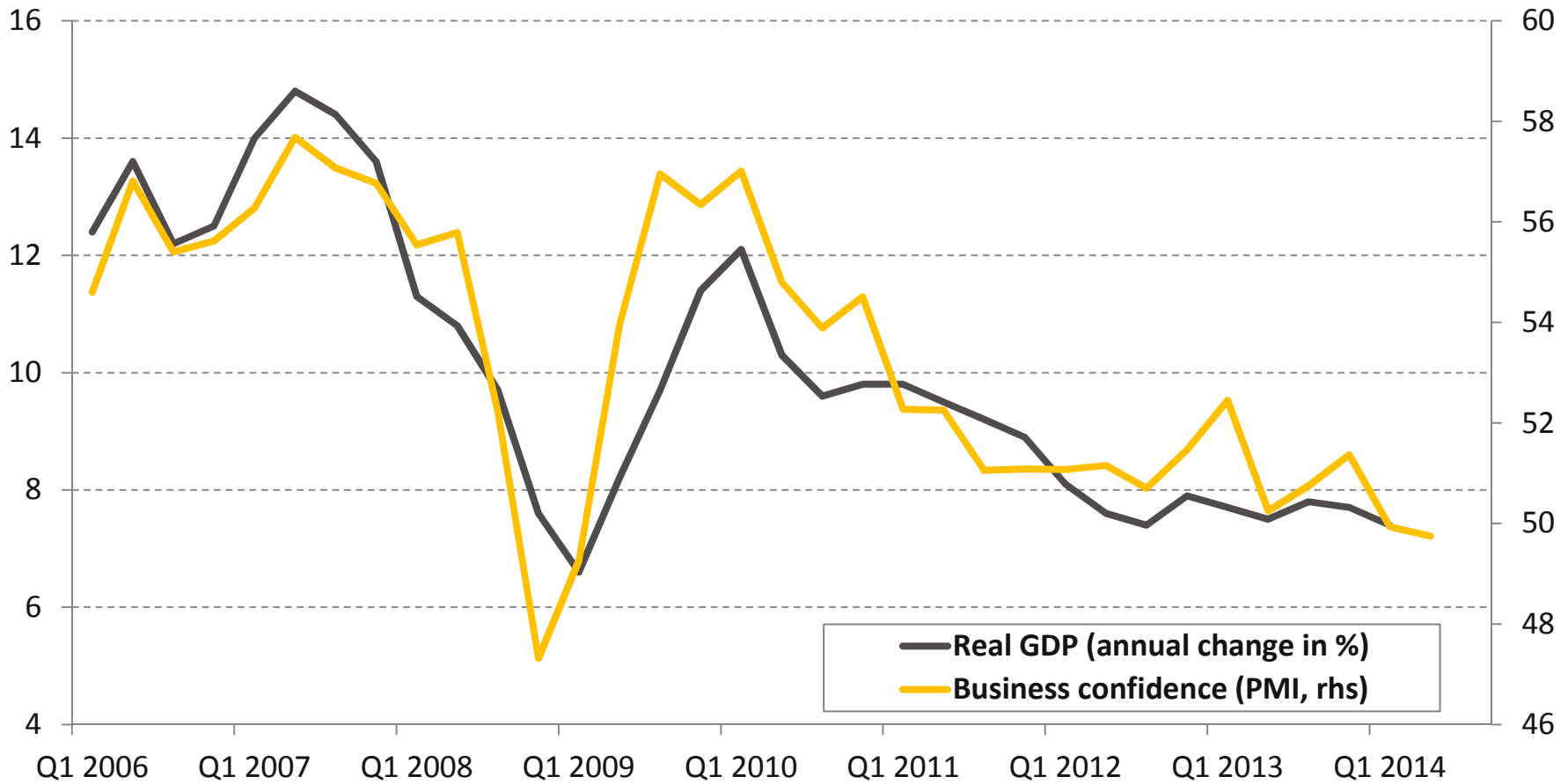
UK: BoE moving towards first rate hike



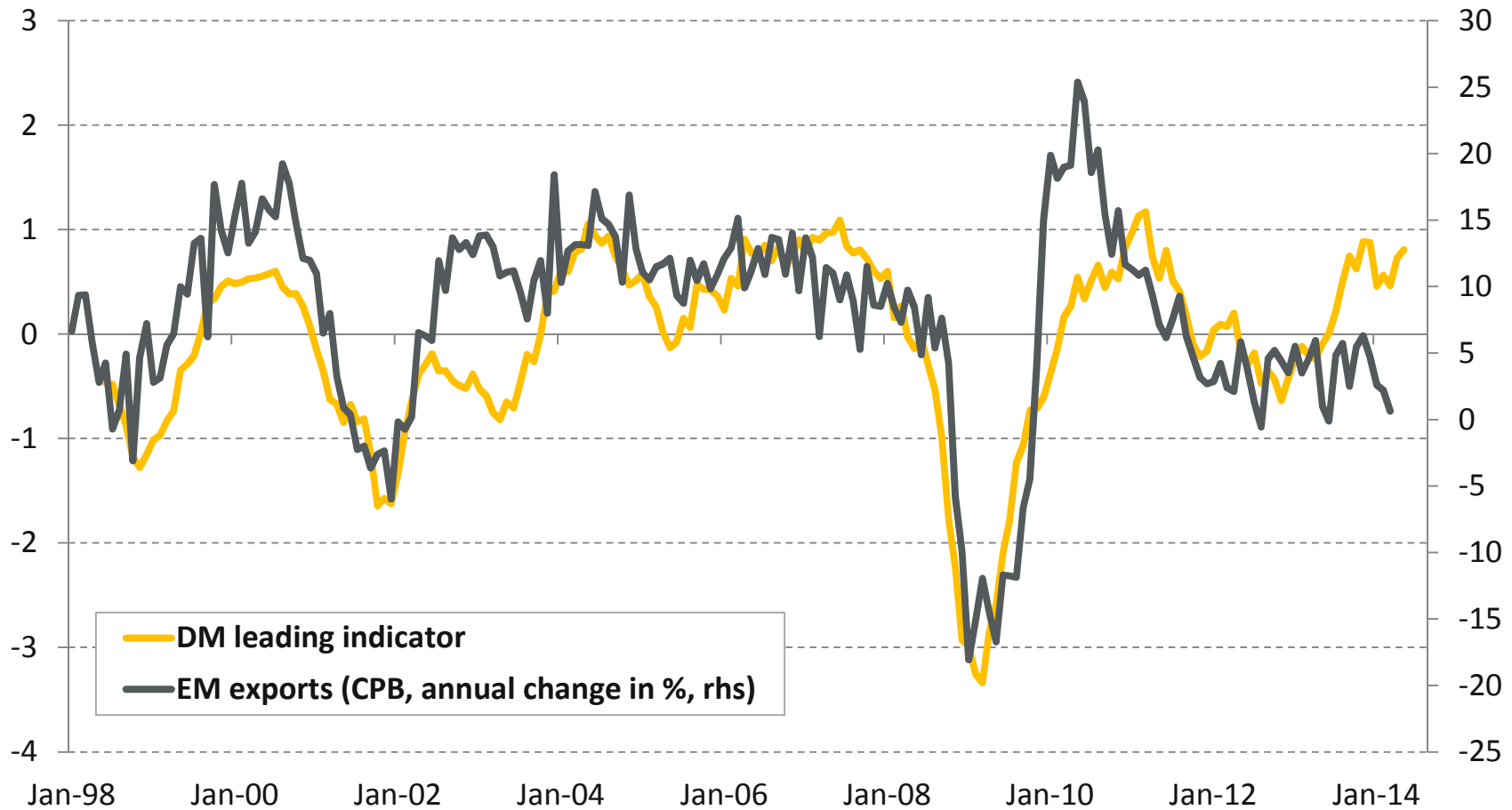
Fading Yen impact on inflation highlights need for more BoJ stimulus



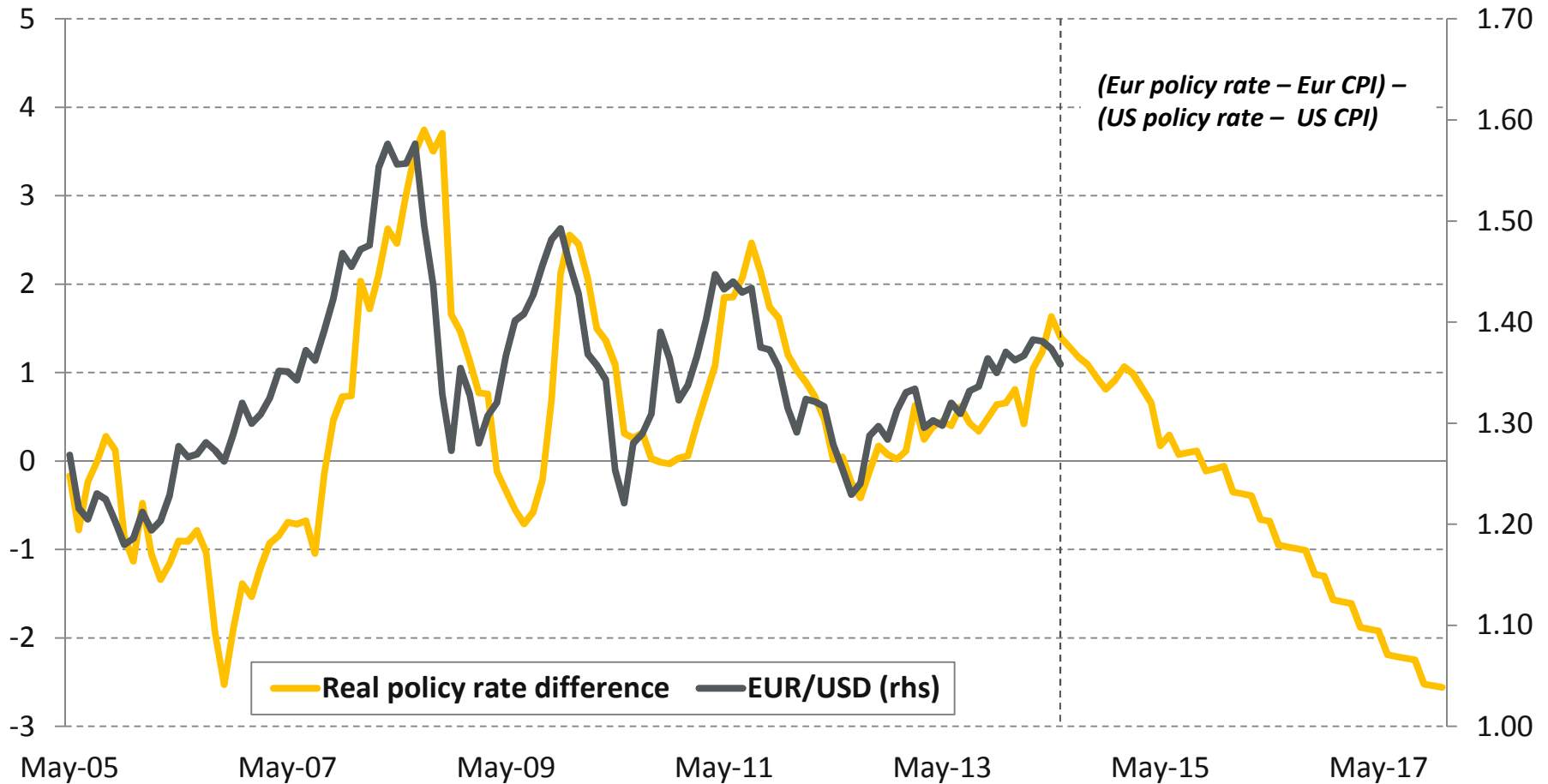
China: Managed slowdown continues



EM: improving outlook thanks to exports

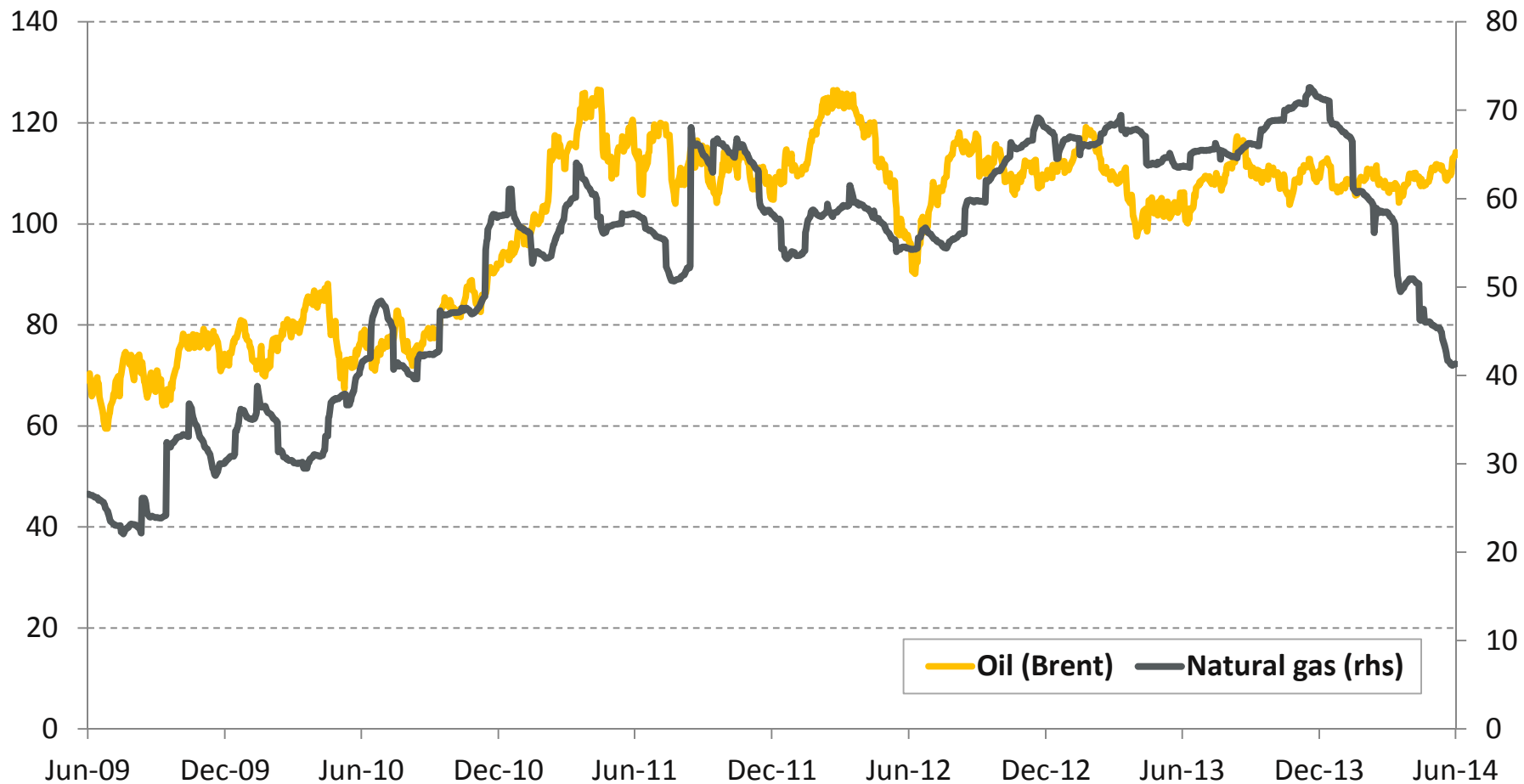


Diverging policy ECB-Fed should push up USD vs EUR



Geopolitics: Ukraine and Iraq will not derail global recovery

Energy prices



Risks to the global recovery

- Early monetary tightening by the Fed
- Ukraine, Iraq: worrying politics, but limited economic implications
- Scare stories about China: managed slowdown rather than hard landing
- Longer term issues: debt situation, financial repression, secular stagnation, monetary policy experiment, ...