

# Global Macro Trends

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**ΗΠΑ:** Σε πορεία οριακής επιβράδυνσης  
**Ευρωζώνη:** Σχεδόν ανεπαίσθητη βελτίωση  
**Κίνα:** Αδυναμία ανάκαμψης

**US:** On a marginal deceleration path  
**Euro Area:** Almost imperceptible improvement  
**China:** Economic recovery weakness

## Διεθνείς Μακροοικονομικές Τάσεις

► **Ο ρυθμός ανάπτυξης παγκοσμίως** το α' τρίμηνο παρέμεινε σε ικανοποιητικά επίπεδα, καθώς η οικονομία της ΕΖ ανέκαμψε μετά από μια παρατεταμένη περίοδο στασιμότητας ενώ παράλληλα η οικονομική δραστηριότητα της Κίνας ήταν ισχυρότερη της αναμενόμενης. Η ανάπτυξη των ΗΠΑ, από την άλλη πλευρά, επιβραδύνθηκε περισσότερο από το αναμενόμενο το α' τρίμηνο του 2024. Ο πληθωρισμός συνεχίζει να αποκλιμακώνεται ήπια, με την Fed ωστόσο να προβαίνει σε μια μικρή ανοδική αναθεώρηση των εκτιμήσεων της για το 2024 και η ΕΚΤ για το 2024 & 2025 αντίστοιχα. Ο πληθωρισμός στις ΗΠΑ εξέπληξε αρνητικά το α' τρίμηνο, αλλά υποχώρησε ελαφρά τον Μάιο. Αντίθετα, ο πληθωρισμός της ΕΖ μειώθηκε ταχύτερα από το αναμενόμενο το α' τρίμηνο αλλά επιταχύνθηκε εκ νέου τον Μάιο. Συνολικά, για ΗΠΑ & Ευρωζώνη εκτιμούμε ότι η σύγκληση του πληθωρισμού προς τον στόχο του 2% θα επιτευχθεί στην αρχή του 2025. Τέλος στην Κίνα, οι πληθωριστικές πιέσεις παραμένουν σχεδόν ανύπαρκτες.

► **Η αμερικανική οικονομία** παρουσίασε μικρότερη δυναμική από την αναμενόμενη το Α' τρίμηνο του 2024, με την οικονομία να αναπτύσσεται με ρυθμό 1,4% (σε τριμηνιαία-ετησιοποιημένη βάση) έναντι 3,4% το αμέσως προηγούμενο τρίμηνο. Οι πάγιες επενδύσεις μαζί με την ιδιωτική κατανάλωση αποτέλεσαν τους σημαντικότερους παράγοντες της ανόδου, με την ιδιωτική κατανάλωση ωστόσο να επιβραδύνεται σημαντικά. Η κατανάλωση στον τομέα των υπηρεσιών ενισχύθηκε 2,8% ενώ η κατανάλωση αγαθών υποχώρησε 2,3%, μια τάση η οποία συνεχίζει και αποτυπώνεται στους πρόσφατους πρόδρομους δείκτες μεταποίησης και υπηρεσιών. Τα τελευταία οικονομικά στοιχεία και οι πρόδρομοι δείκτες συνιστούν ενδείξεις συγκράτησης της οικονομίας ενώ και οι συνθήκες στην αγορά εργασίας γίνονται σταδιακά λιγότερο ευνοϊκές. Μια ήπια επιβράδυνση της οικονομικής δραστηριότητας είναι το βασικό μας σενάριο για το τρέχον και το επόμενο έτος. Η εκτίμησή μας για τον ρυθμό ανάπτυξης για το σύνολο του έτους παραμένει μεταξύ 1,5% και 2% (ελαφρώς χαμηλότερα από την εκτίμηση του consensus).

► Στην **Ευρωζώνη**, τα τελευταία οικονομικά στοιχεία και οι πρόδρομοι δείκτες στην πλειοψηφία τους είναι συγκρατημένα. Από την άλλη, θετικά επιδρά η πολύ καλή εικόνα στην αγορά εργασίας. Οι αποταμιεύσεις των καταναλωτών από την περίοδο του Covid συνεχίζουν να είναι η ραχοκοκαλιά της ανάπτυξης στην Ευρωζώνη, οι οποίες μεταφράζονται σε υψηλότερα επίπεδα καταναλωτικής εμπιστοσύνης. **Εκτιμούμε ότι η διαφορά ανάπτυξης μεταξύ των Η.Π.Α. και της Ευρωζώνης θα συρρικνωθεί περαιτέρω εξαιτίας της επιβράδυνσης της οικονομικής δραστηριότητας των Η.Π.Α. αλλά και της επιτάχυνσης που αναμένουμε το 2024-2025 στην Ευρωζώνη.**

► Στην **Κίνα**, η αναπτυξιακή δυναμική της φαίνεται μεσοπρόθεσμα να μετριάζεται καθώς θα γίνονται όλο και πιο εμφανείς οι συνέπειες των αυξημένων δασμών και των λοιπών περιοριστικών μέτρων των ΗΠΑ πρωτίστως και δευτερευόντως της Ε.Ε.. Παράλληλα, η επίλυση των προβλημάτων στην αγορά ακινήτων απαιτούν χρόνο, κεφάλαια και ευελιξία χειρισμών, ενώ και η εσωτερική ζήτηση δεν φαίνεται να αναπτύσσεται με ρυθμό ικανό να αντισταθμίσει τις απώλειες στην ανάπτυξη των ανωτέρω τομέων.

# Global macro trends

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- ▶ **Global Growth** remained quite firm in Q1 2024 following Euro Area's recovery after a prolonged period of stagnation, meanwhile China's growth was stronger than anticipated. On the other hand, US growth decelerated more than expected in Q1 2024. Despite trending down, **Global Inflation** remained sticky and uneven resulting in the Fed raising its inflation forecast for the year and ECB for 2024 and 2025. US inflation surprised negatively in Q1 but came weaker than expected in May slowing moderately from the prior month. In contrast, EA inflation came down faster than expected in Q1 and reaccelerated in May. Overall, for the US & Eurozone, we estimate that inflation will converge towards central banks' 2% target in early 2025. Finally, in China, inflationary pressures remain almost non-existent.
- ▶ **The US economy showed less momentum than expected in Q1 2024**, with the economy growing at a slower rate of 1.4% compared to 3.4% in Q4 2023 (SAAR, QoQ%). The main drivers of the increase were fixed investments together with private consumption, with the latter however moderating significantly compared to the previous quarter. Spending on services (+2.8%) more than offset the decline in spending on goods (-2.3%), a trend which is also echoed in recent leading manufacturing and services indices. Recent economic surprises and various leading indicators point to a deceleration of economic activity, while at the same time conditions in the labor market are gradually becoming less favorable. Our baseline scenario calls for a mild slowdown in economic activity both in 2024 and 2025. Our full-year growth estimate for 2024 remains between 1.5% and 2% (slightly below the consensus estimate).
- ▶ **In the Eurozone, latest economic data and leading indicators point to a slow but growing economy.** The labor market remains healthy and is expected to have a positive effect on growth, and consumer savings from the Covid period continue to be the backbone of growth in the Eurozone, translating into higher levels of consumer confidence. **We estimate that the growth gap between the U.S. and the EA will shrink further due to the expected slowdown of economic activity in the US and the anticipated acceleration in the Euro Area in 2024-2025.**
- ▶ **China's growth momentum seems to be moderating in the medium term**, as the consequences of higher tariffs and other restrictive measures by the US primarily and secondarily by the EU will become apparent. At the same time, any solutions to the problems faced by the real estate market will take time, money and operational flexibility, while internal demand does not seem to be growing at a rate capable of offsetting the expected impact from higher tariffs & China's real estate prolonged downturn.

## Main Macroeconomic Indicators – Market Consensus

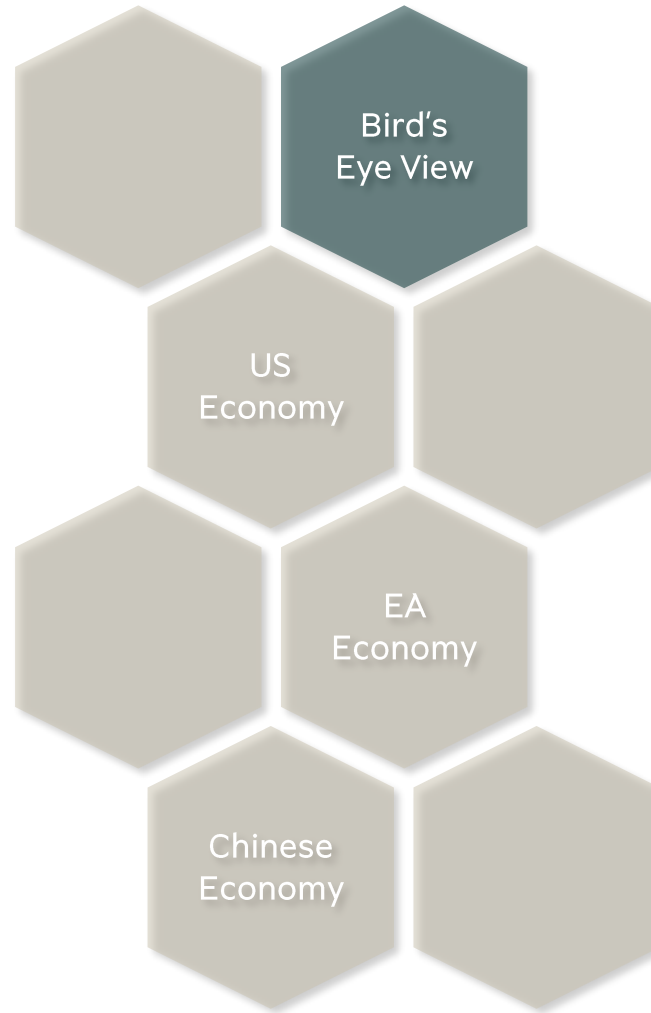
US											
	Actual				Estimates				% Y/Y avg		
	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2023	2024	2025
Real GDP Q/Q % SAAR	2.1	4.9	3.4	1.4	2	1.6	1.6	1.8	2.5	2.3	1.8
Headline PCE PI % Y/Y	3.9	3.3	2.8	2.6	2.6	2.5	2.6	2.3	3.8	2.6	2.2
Core PCE % Y/Y	4.6	3.8	3.2	2.9	2.7	2.7	2.7	2.4	4.1	2.8	2.3
Unemployment Rate	3.6	3.7	3.7	3.8	4.0	4.0	4.1	4.1	3.6	4.0	4.1
Fed Policy Rate (Upper Bound)	5.25	5.50	5.50	5.50	5.50	5.35	5.05	4.75	5.50	5.05	3.95

EA											
	Actual				Estimates				% Y/Y avg		
	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2023	2024	2025
Real GDP Q/Q %	0.1	0.0	-0.1	0.3	0.3	0.3	0.4	0.4	0.5	0.7	1.4
CPI % Y/Y	6.2	4.9	2.7	2.6	2.5	2.2	2.3	2.1	5.5	2.4	2.1
Unemployment Rate	6.5	6.6	6.5	6.5	6.5	6.5	6.5	6.5	6.6	6.5	6.5
ECB Policy Rate (Main Refin Rate)	4.00	4.50	4.50	4.50	4.25	3.65	3.40	3.15	4.50	3.40	2.58

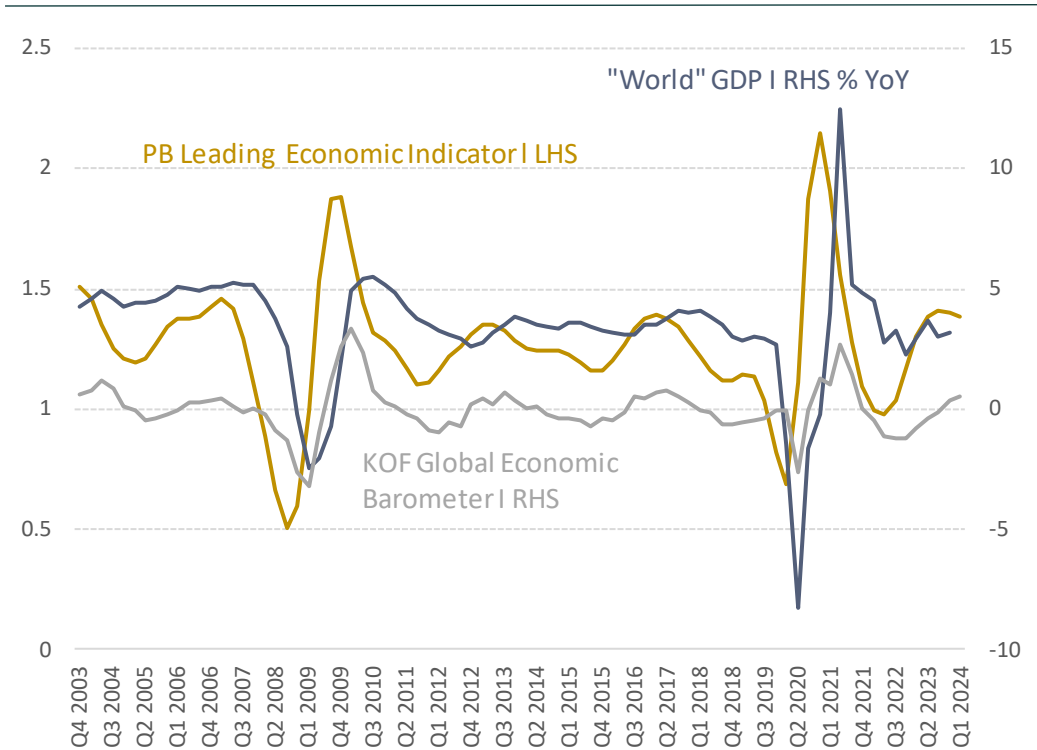
  

	Emerging Markets		Brazil			China		India		
	Real GDP	Inflation	Real GDP	Inflation	Key Rate	Real GDP	Inflation	Real GDP	Inflation	Key Rate
2021	6.0	3.6	5.0	8.3	9.25	8.4	0.9	9.7	6.7	6.25
2022	3.8	6.4	3.0	9.3	13.75	3.0	2.0	7.0	5.7	6.50
2023	4.2	5.7	2.9	4.6	11.75	5.2	0.2	7.8	4.8	6.20
2024f	4.3	7.1	2.1	4.0	9.62	4.9	0.7	6.8	4.5	5.85
2025f	4.3	4.0	2.0	3.5	9.00	4.5	1.5	6.5	4.5	--

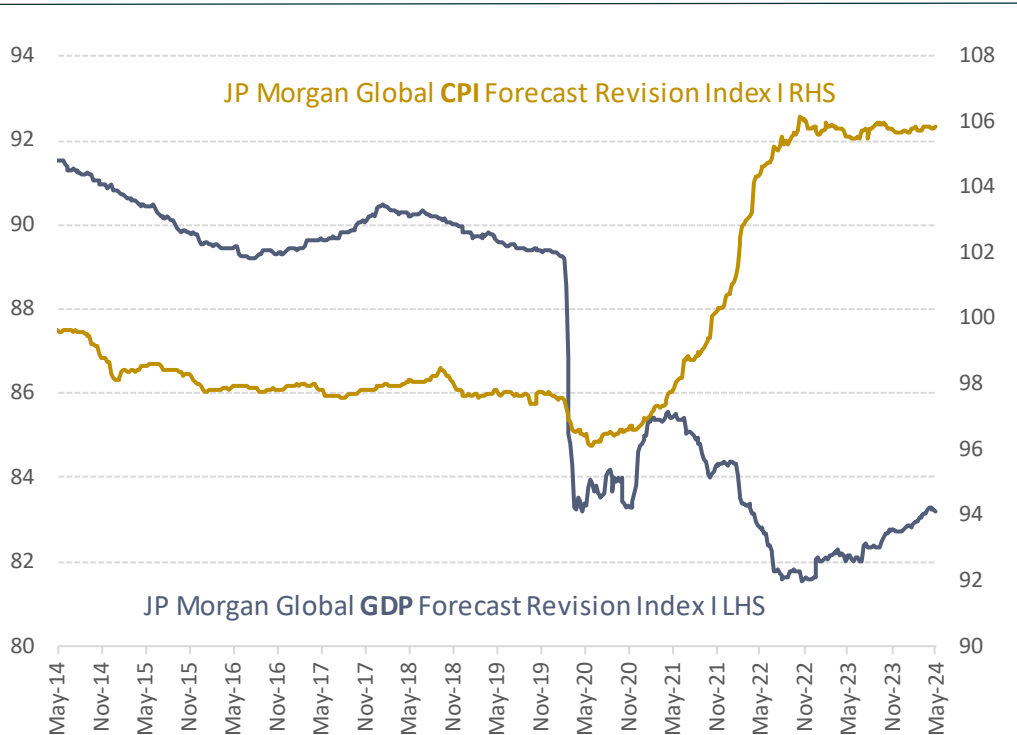


The Global Bird's-Eye View | The global economy seems to have escaped the “subpar growth trap” but inflation remains above central banks’ target

Piraeus Bank “World” Leading Economic Indicator & Economic Growth

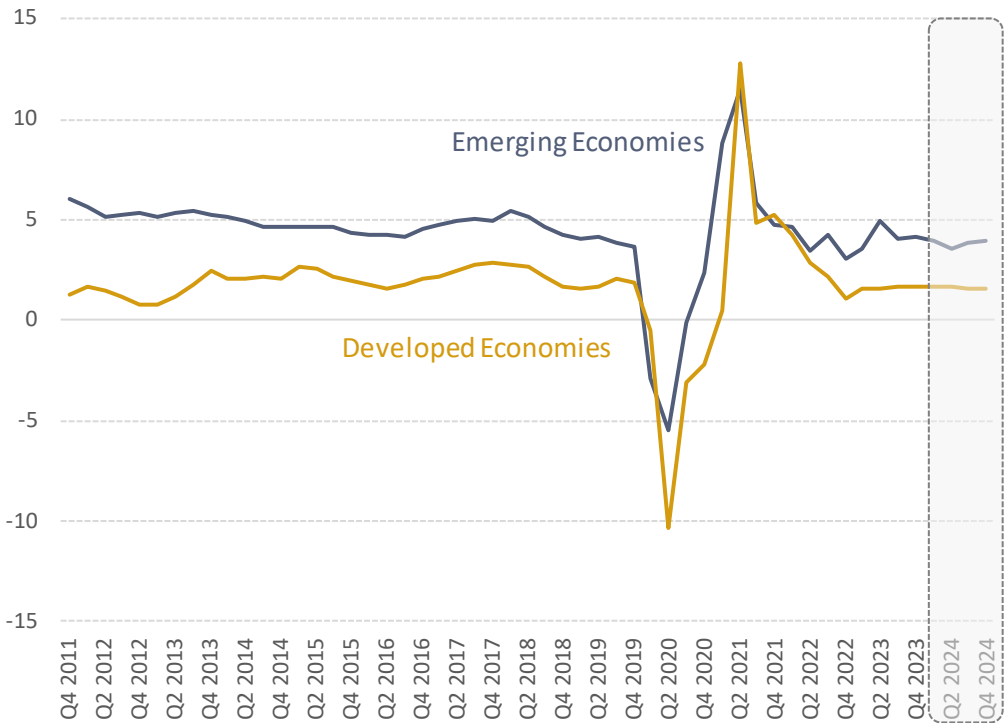


JP Morgan Global Forecast Revision Indices

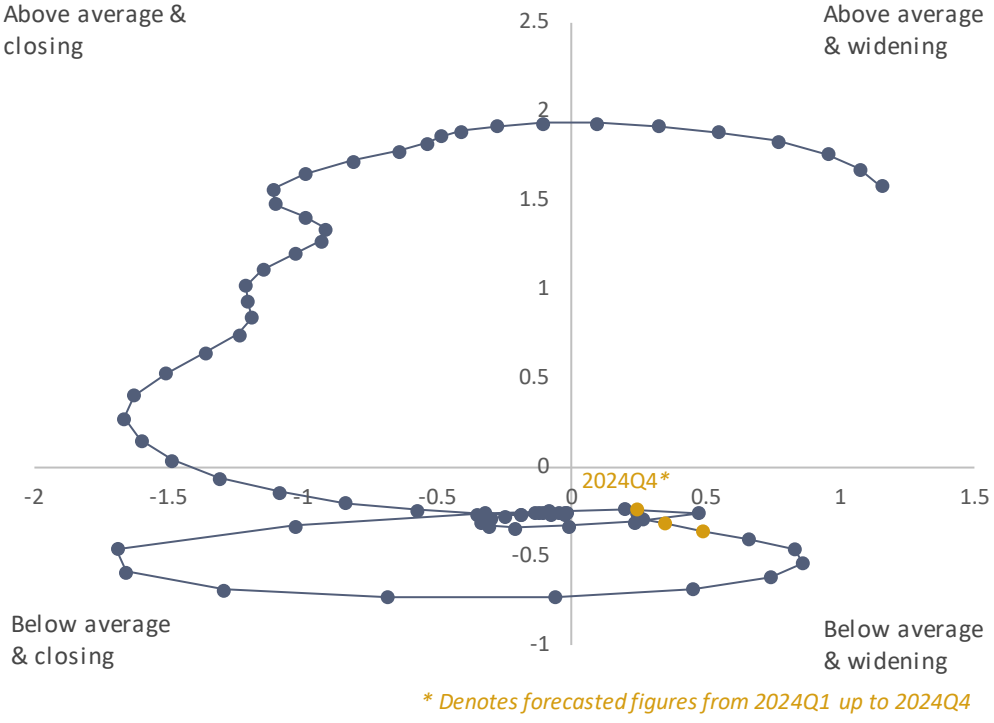


# The Global Bird's-Eye View | Emerging markets' growth differential picked up, trending towards expansion in the 2nd part of 2024

Real GDP Growth l % YoY

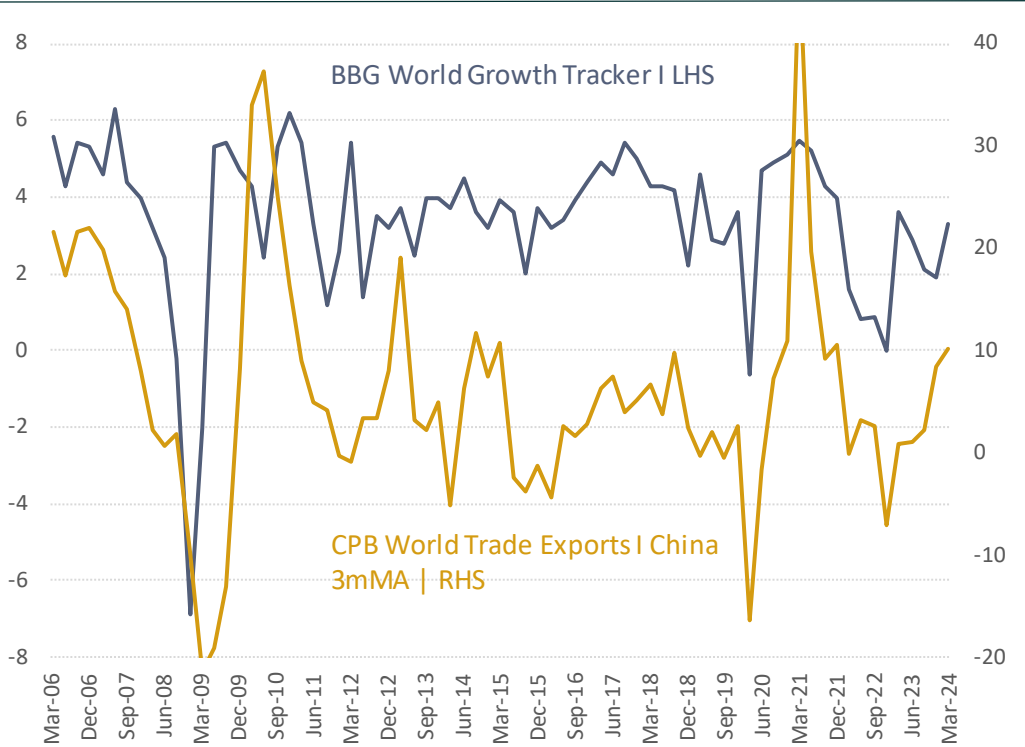


EM – DM Growth Differential

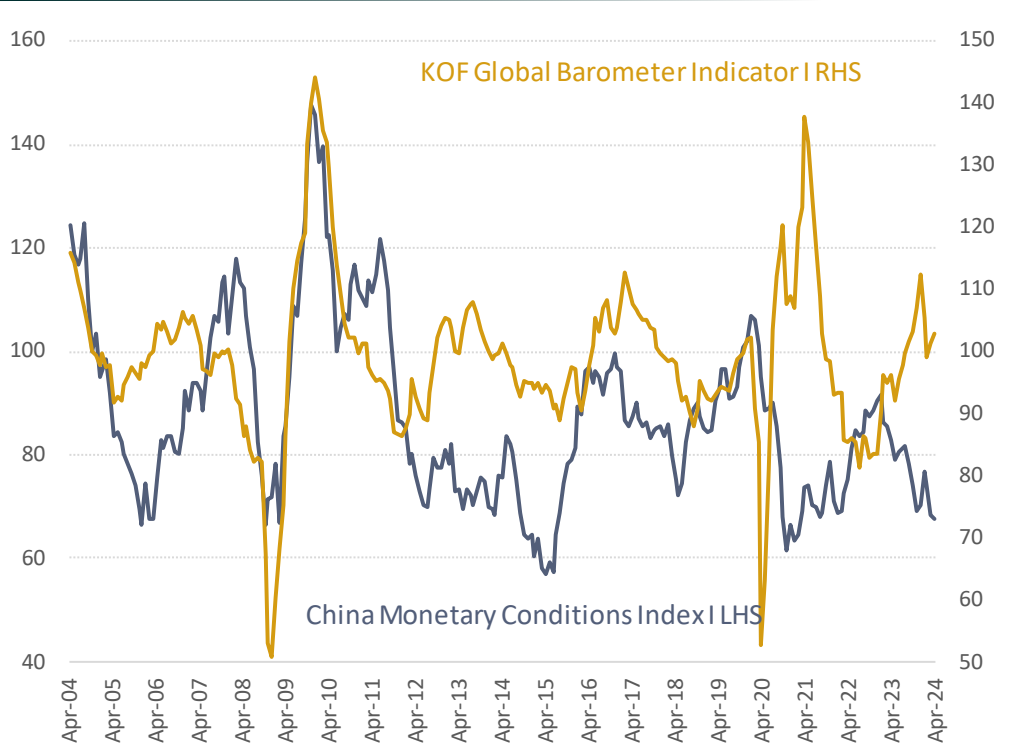


# Global Economic Activity | China's slowdown is a global headwind

BBG World Growth Tracker & China Exports



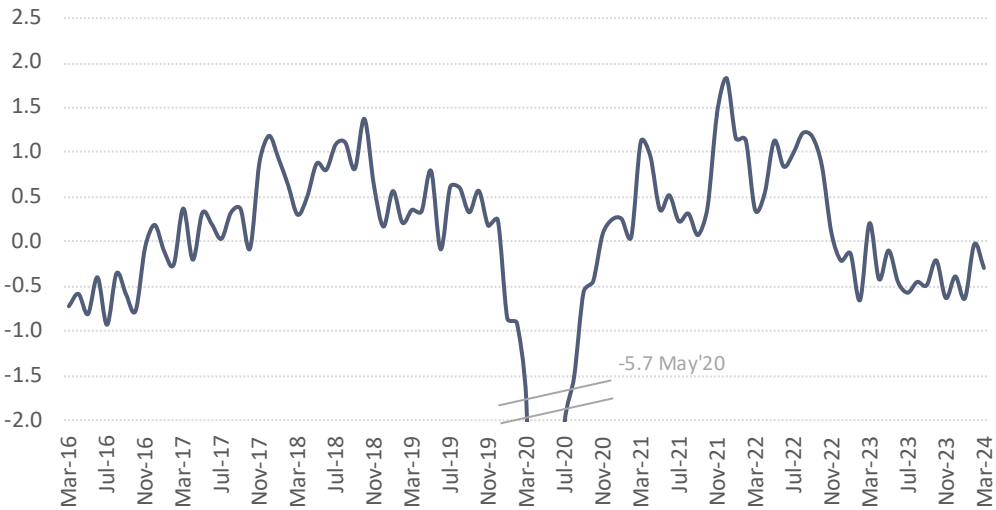
KOF Global Barometer Indicator & China Monetary Conditions



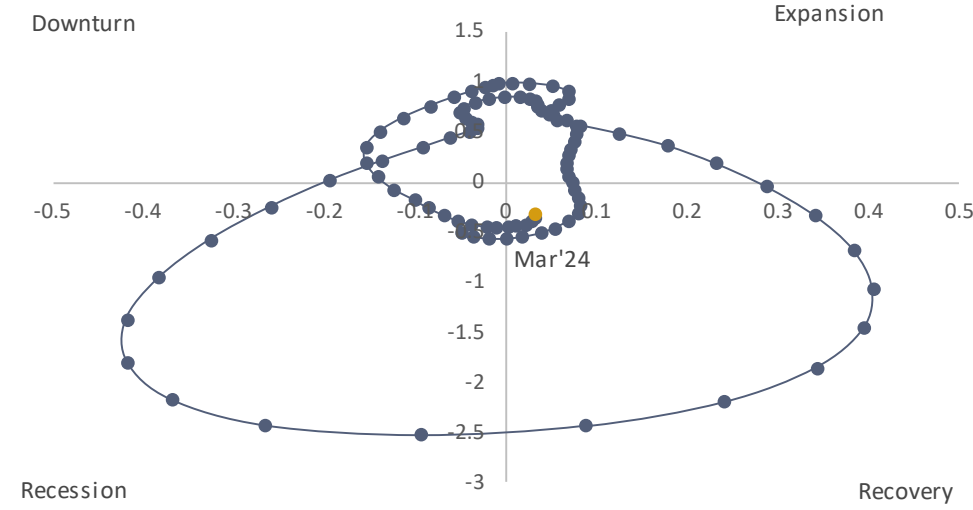


# Global Trade | World Trade Tracer shows signs of recovery with Emerging Markets already in expansion

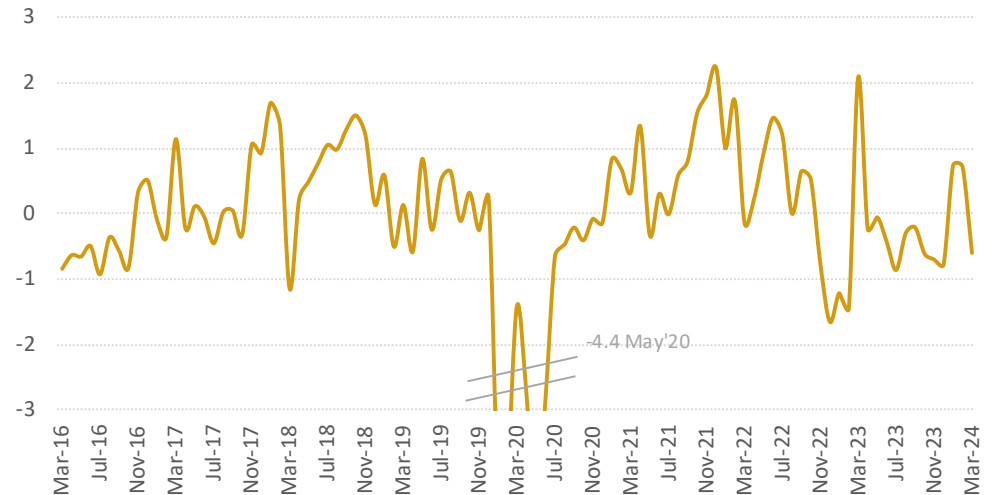
World Trade



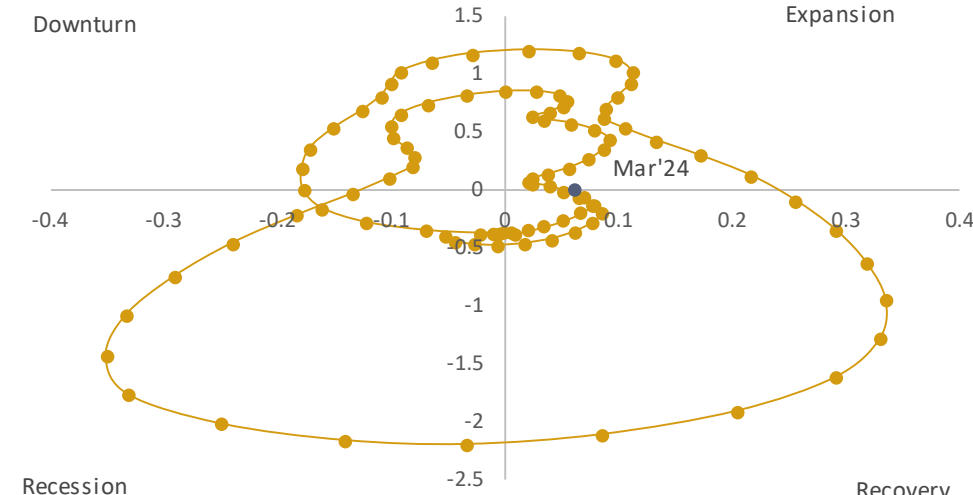
World Trade Tracer



World Exports IEM

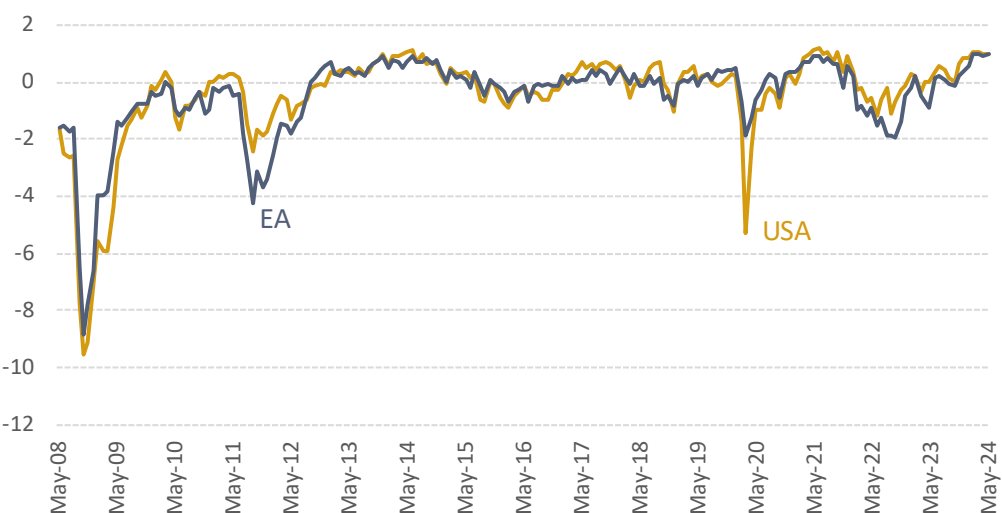


World Exports Tracer IEM

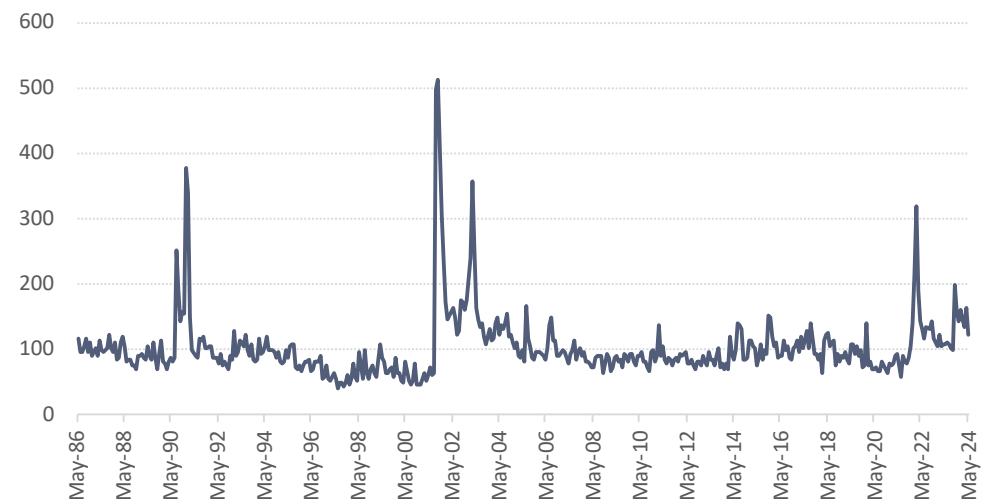


# Global Trends | Supply-side indices indicate no major cost-push inflationary pressures

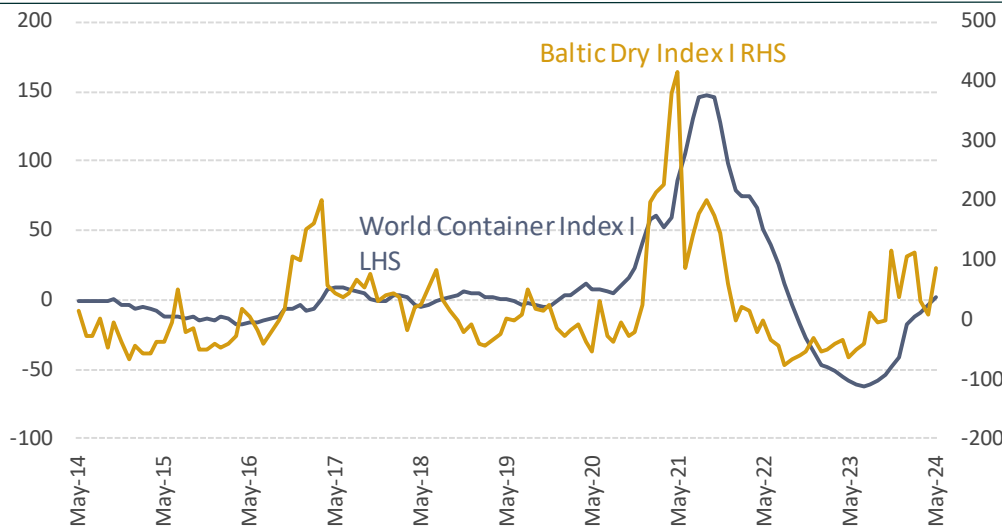
Bloomberg Financial Conditions Indices



Global Geopolitical Risk Index (Caldara & Iacoviello)



World Container and Baltic Dry Indices

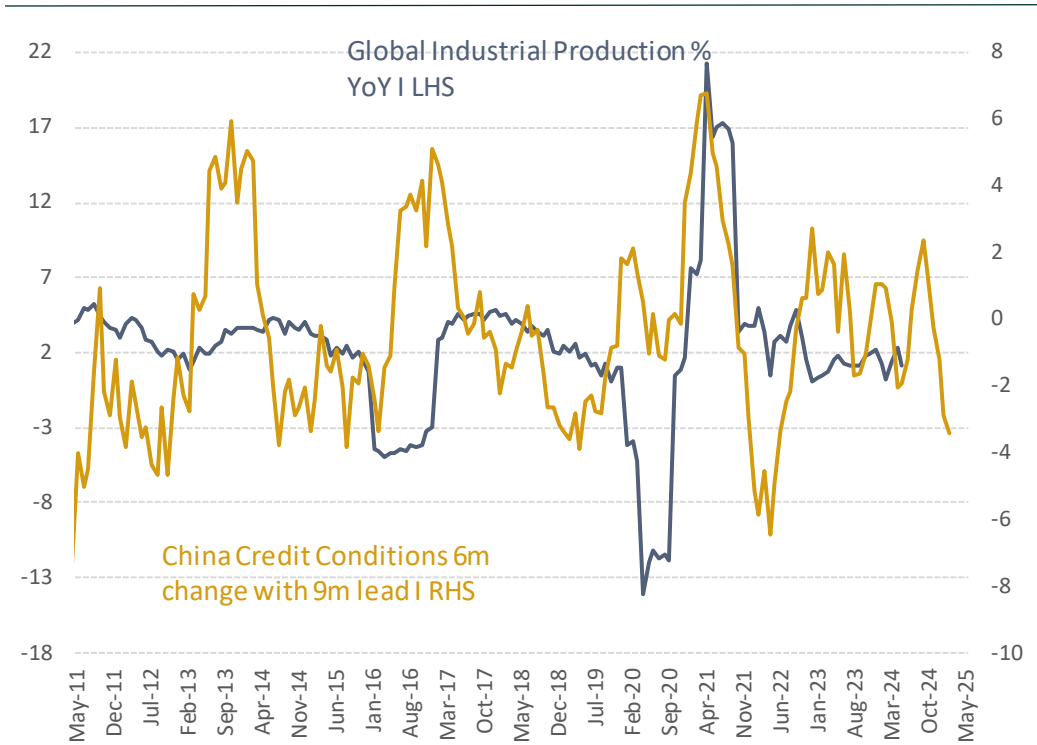


NY Fed | Global Supply Chain Pressure

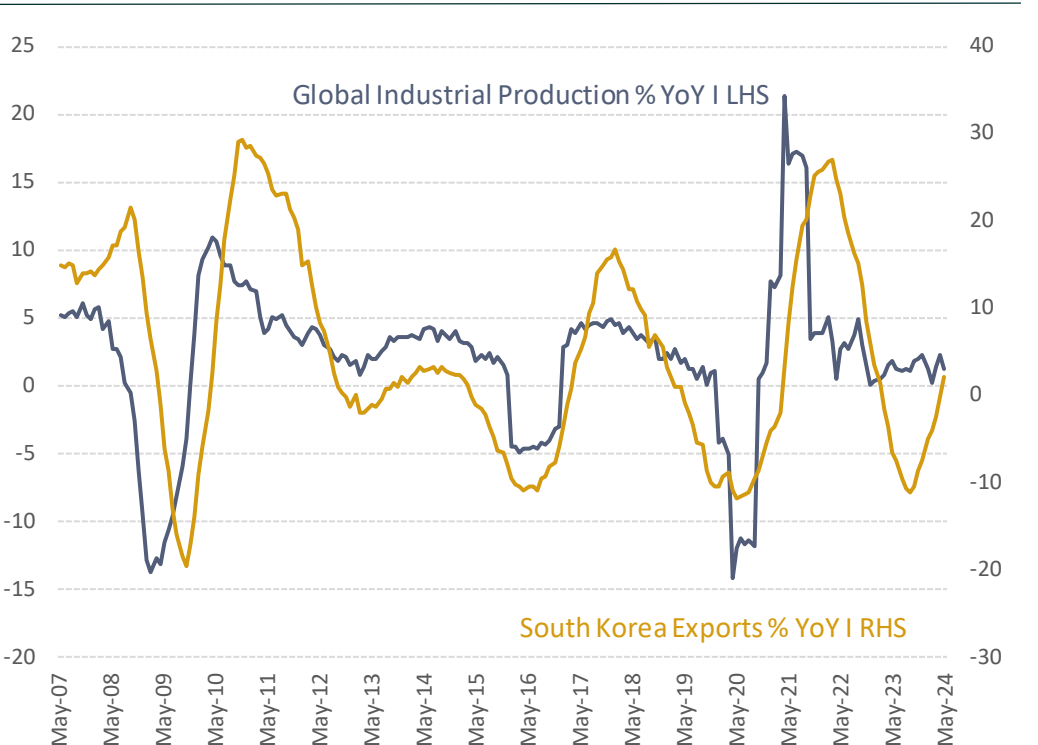


# Global Trends | China's credit conditions a potential source of worry though South Korea's exports point to higher global industrial production / growth outlook

China Credit Impulse (9m lead) & Global industrial production

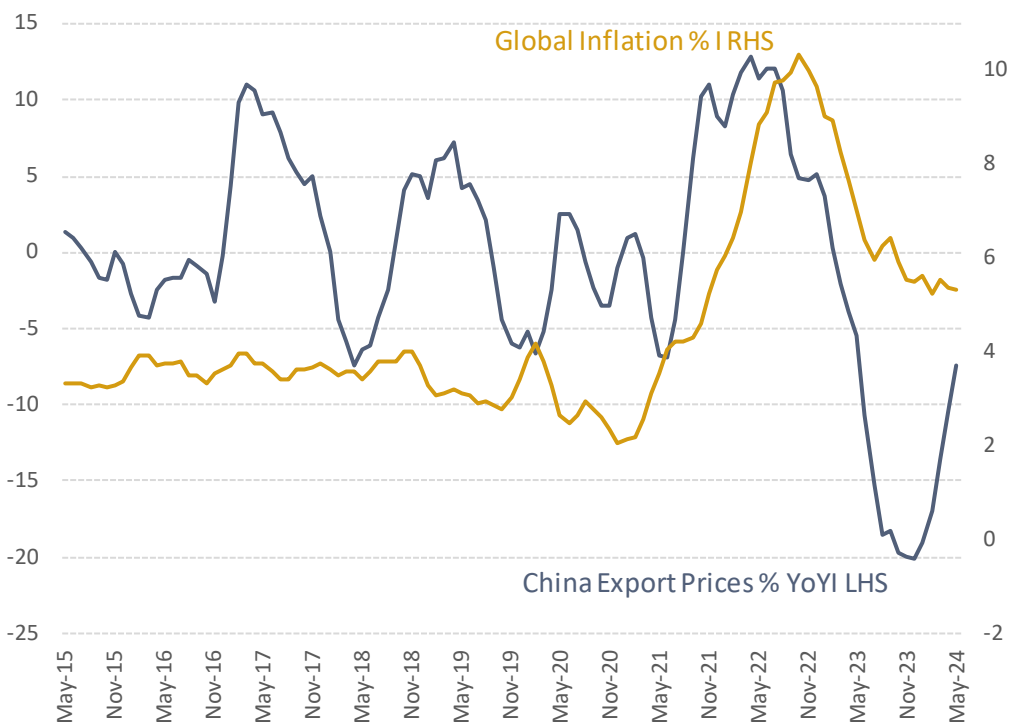


South Korean Exports & Global Industrial Production

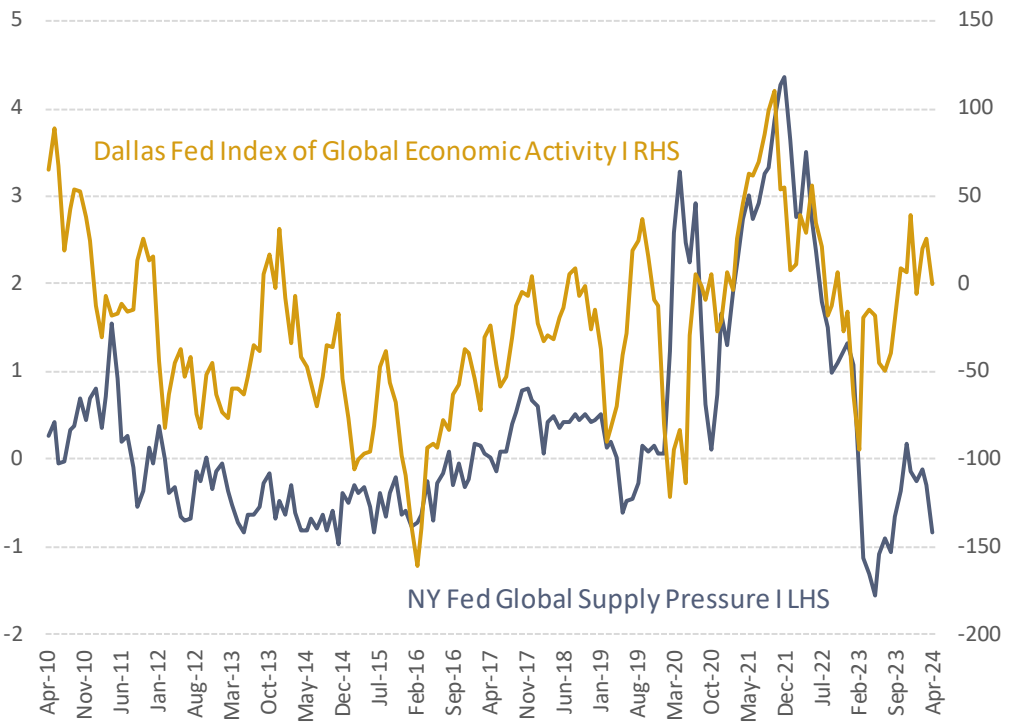


# Global Trends | China has been exporting deflation to the world

China Export Prices & Global Inflation

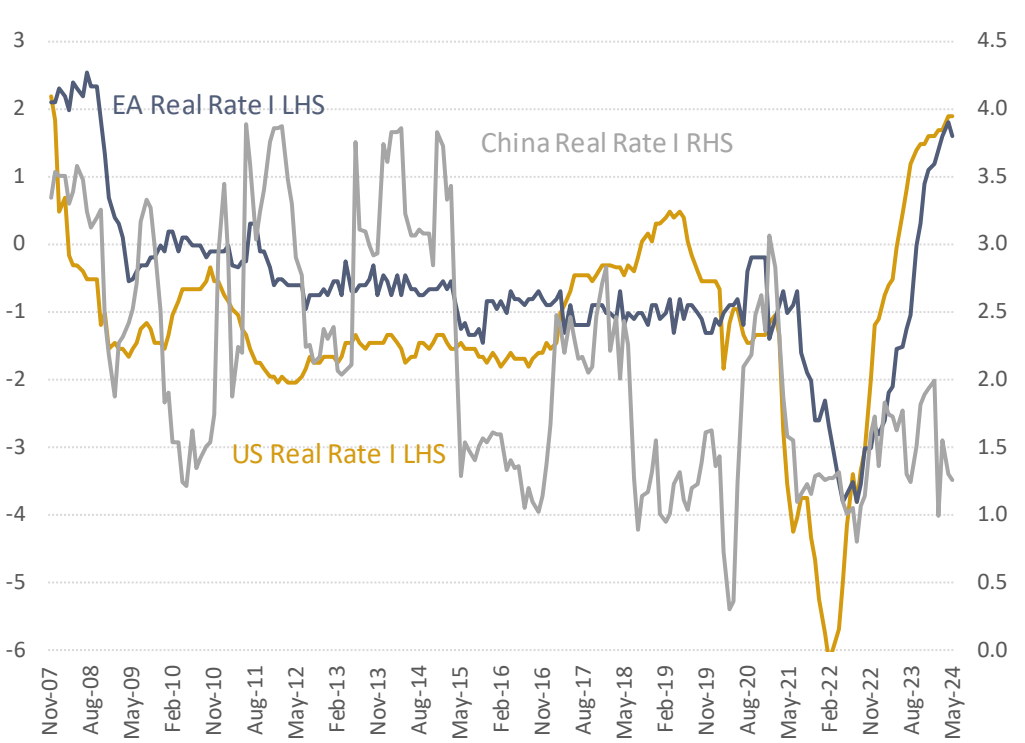


Global Economic Activity vs Global Supply Pressure

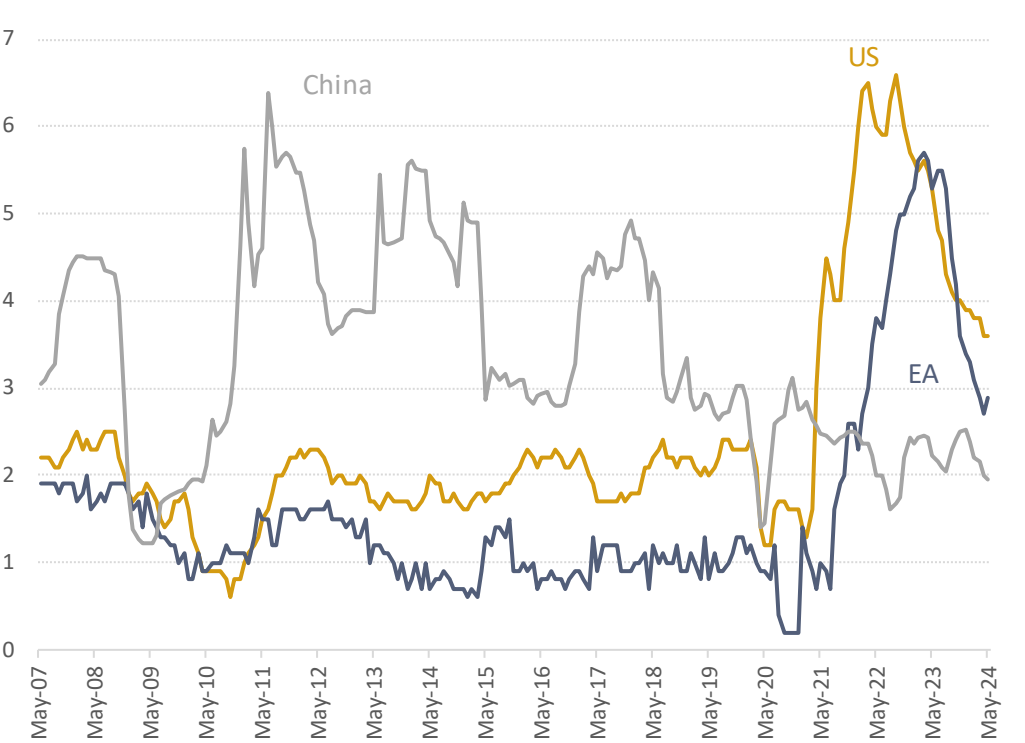


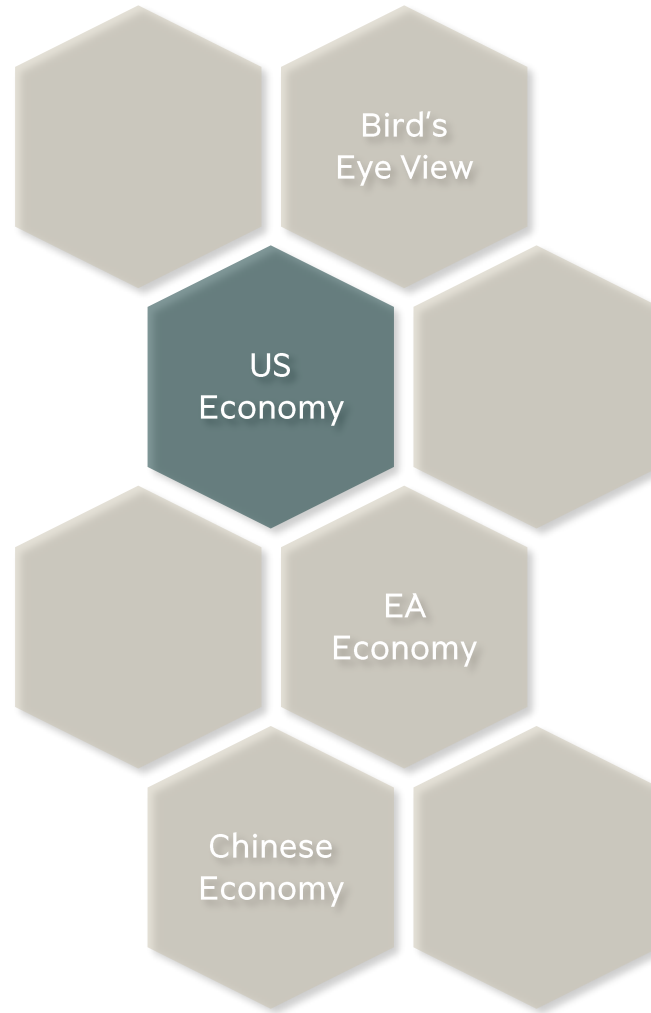
# Global Trends | Global Real Policy Rates are rising, Chinese inflation well below US & EA

Global Real Policy Rates US, EA, CHINA – Core CPI



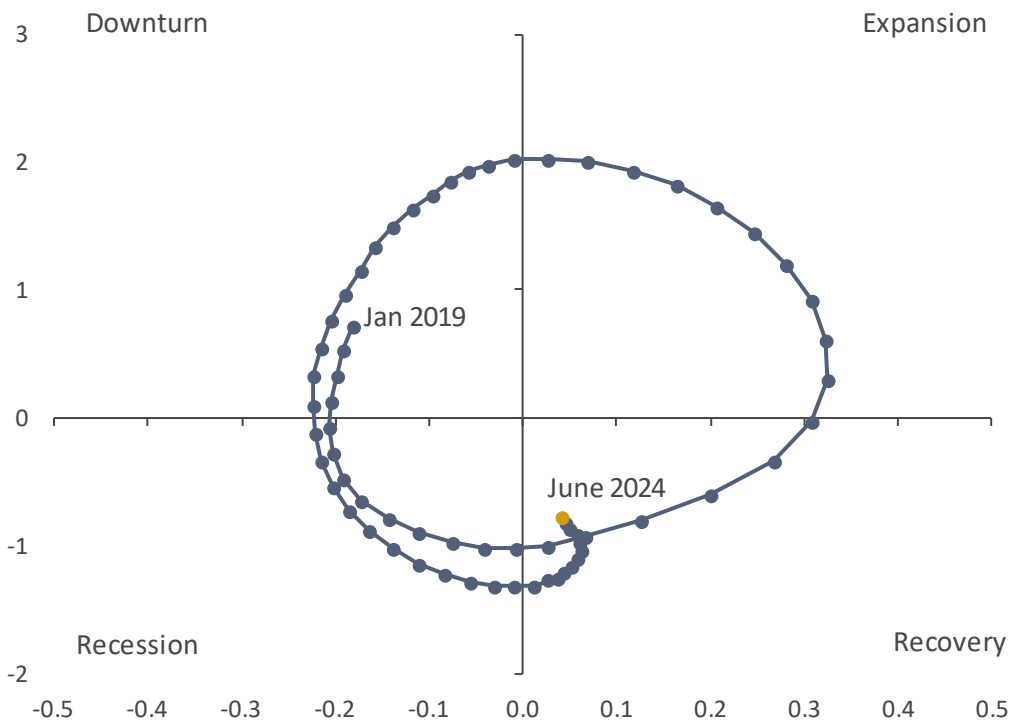
US, EA, China Core Inflation



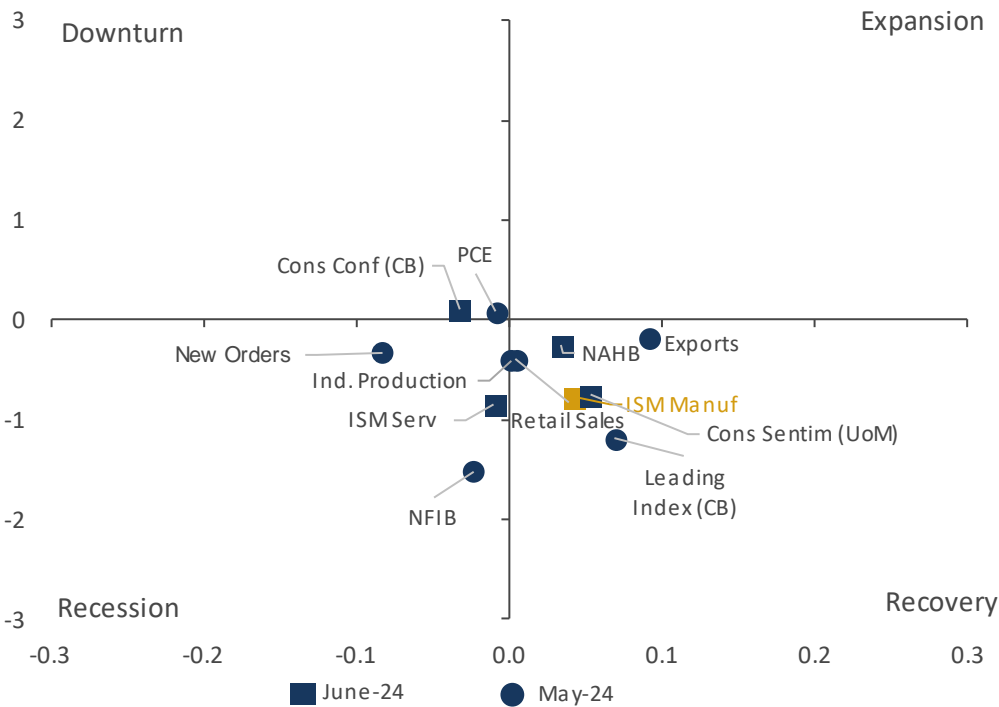


# US Business Cycle | Mixed signals for major US economic variables

US Business Cycle | Based on ISM Manufacturing Indicator

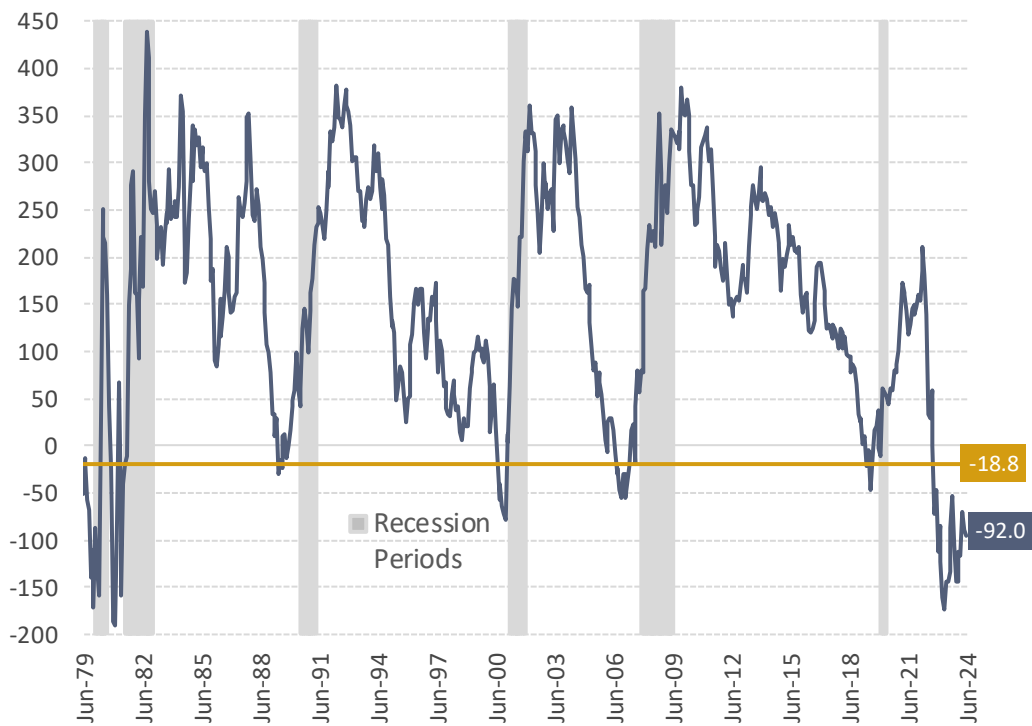


US Business Cycle | Based on Major US Economic Variables

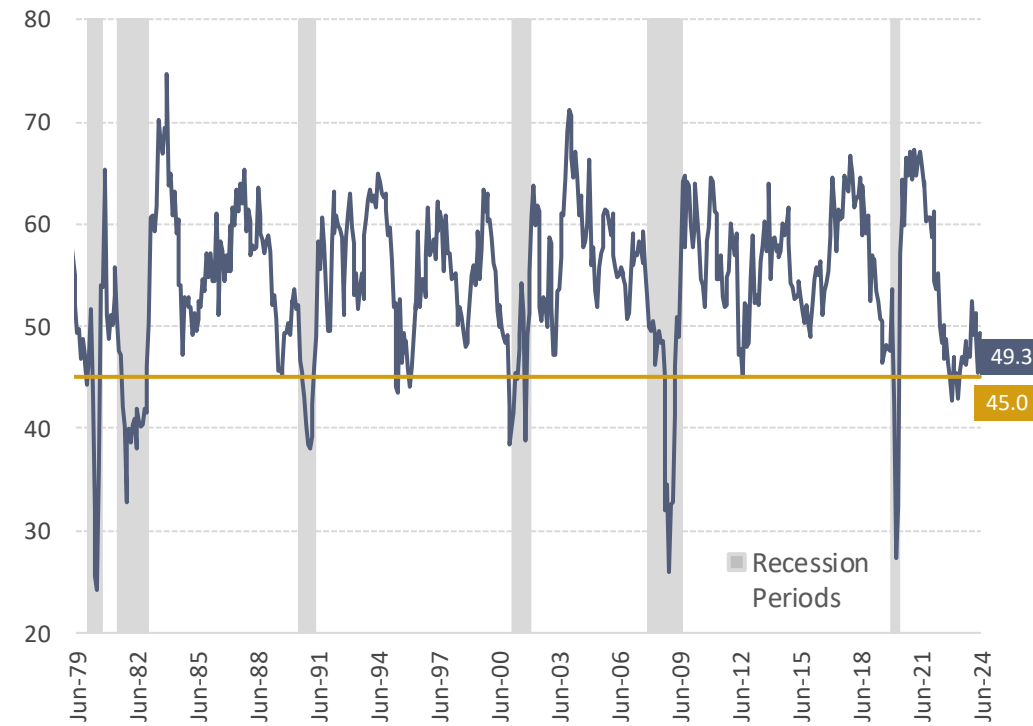


# US Recession Indicators | A recession episode, in the next 12 & 3 months respectively, is still likely based on the 10YR3M spread and the ISM Manufacturing New Order Index

10 Year and 3M US Treasury Yields Spread



ISM Manufacturing New Order Index



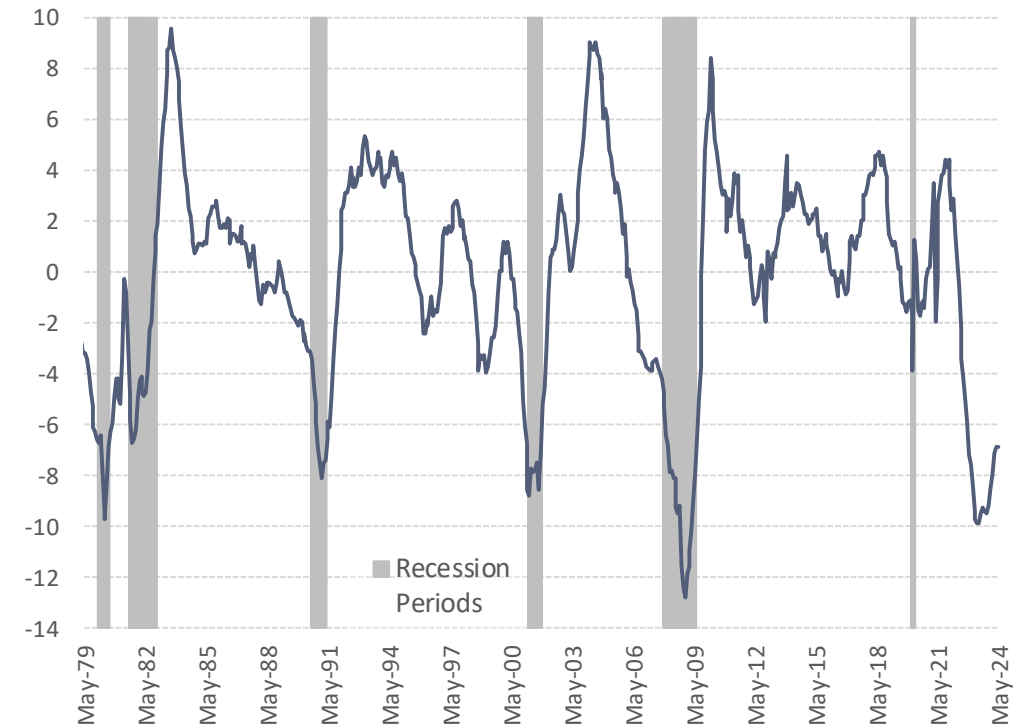


# Conference Board Survey | Consumers still quite worried about inflation, work prospects and personal income

Difference between Consumer Expectations and Current Situation Indicators

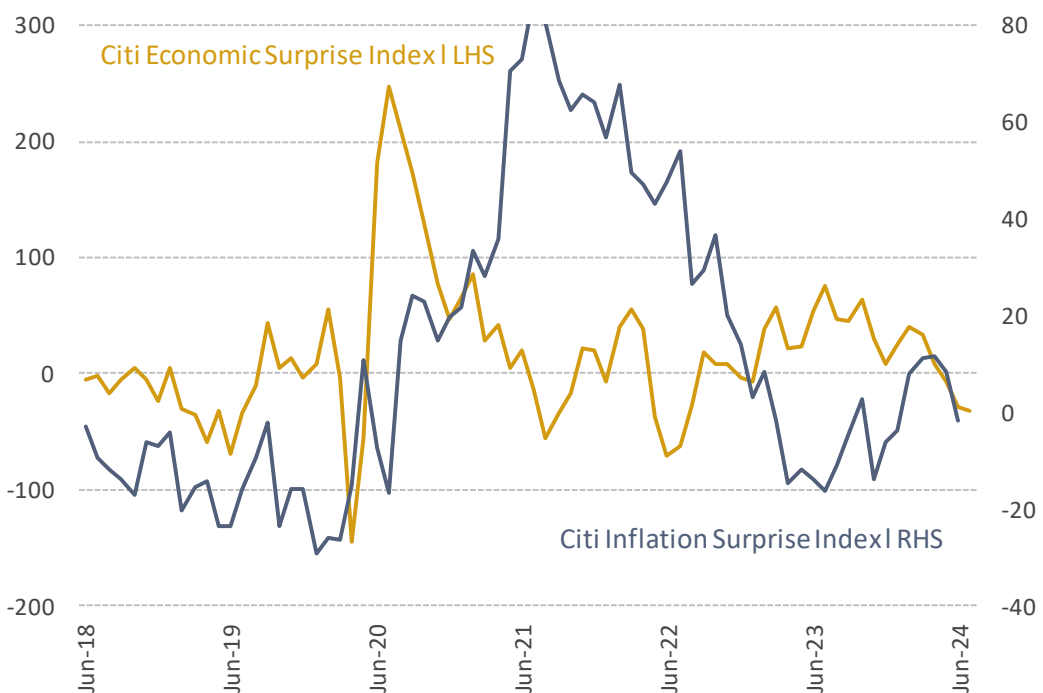


Difference between Leading & Coincident Indicators

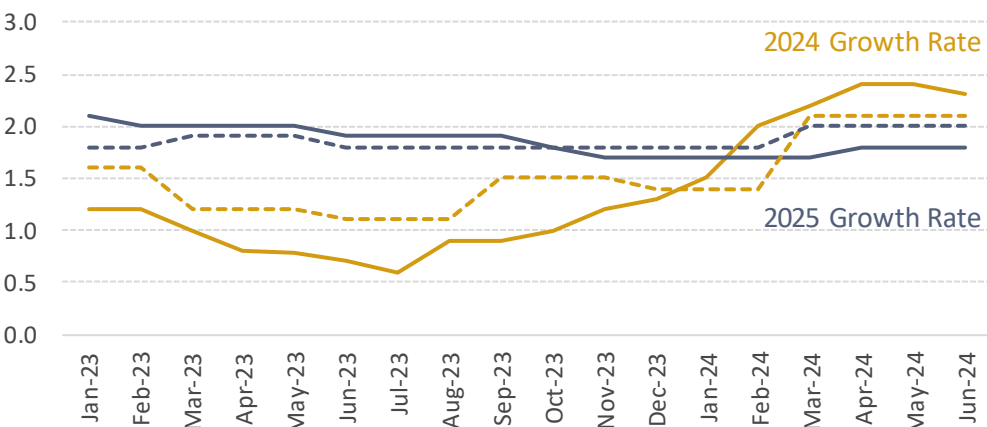


# US Macro Expectations | Recent Economic Surprises have turned negative

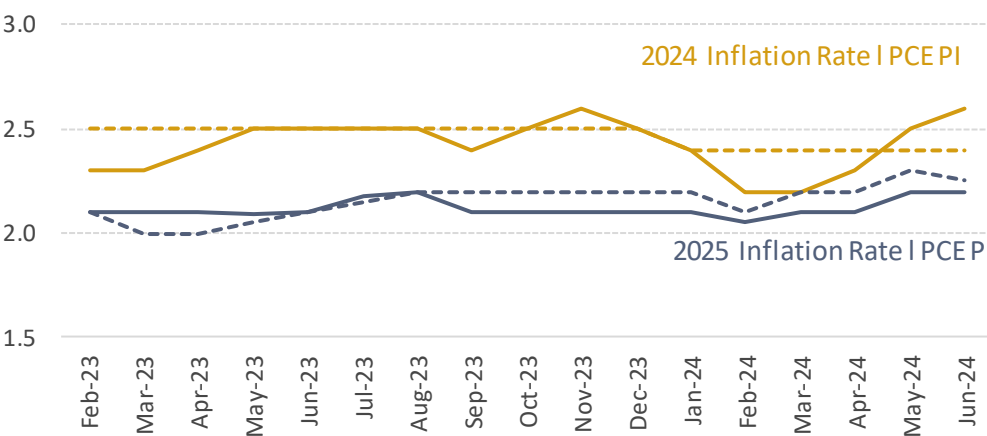
Economic & Inflation Surprises



Growth Rate Expectations\*

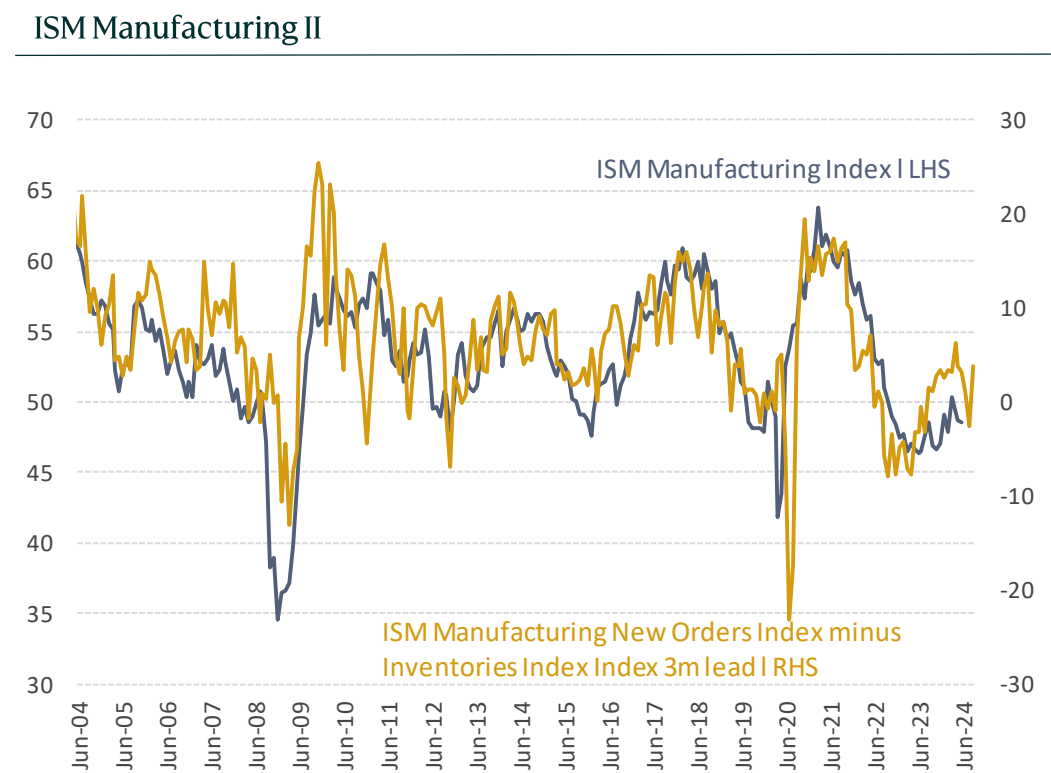
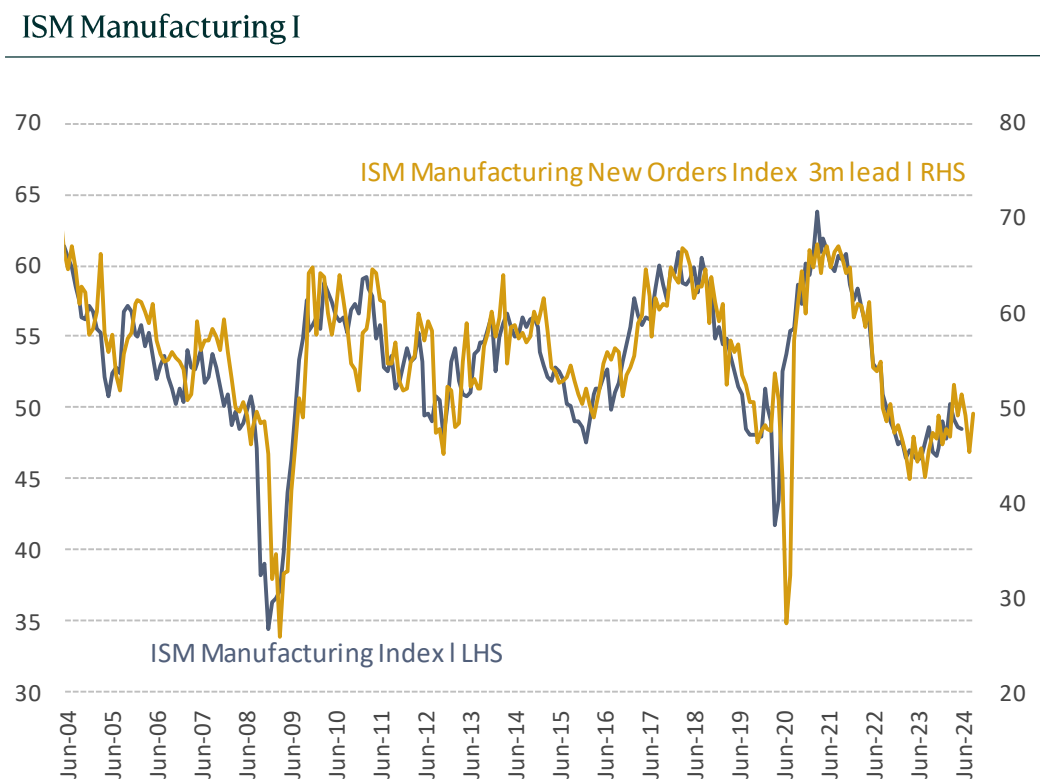


Inflation Rate Expectations\*



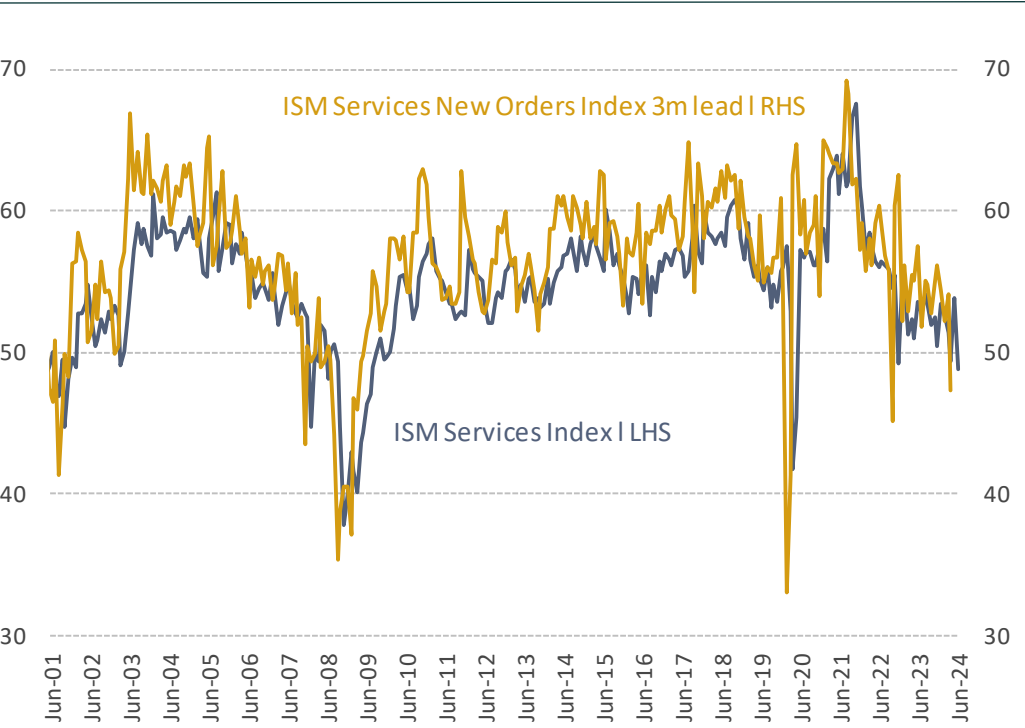
\*Solid line: Consensus; Dotted line: Fed projections

US Leading Indicators | ISM Manufacturing surprised negatively in April, May & June, ISM New Orders <50 despite uptick

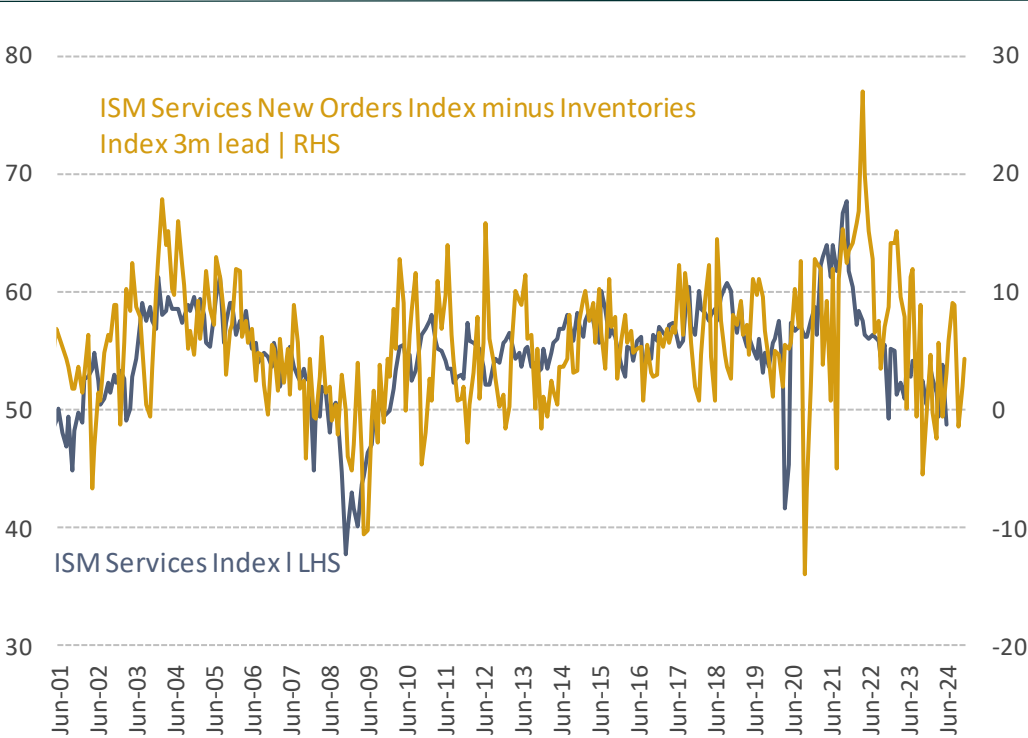


# US Leading Indicators | ISM Services Index fell back into contractionary territory in June

ISM Services & New Orders Indices

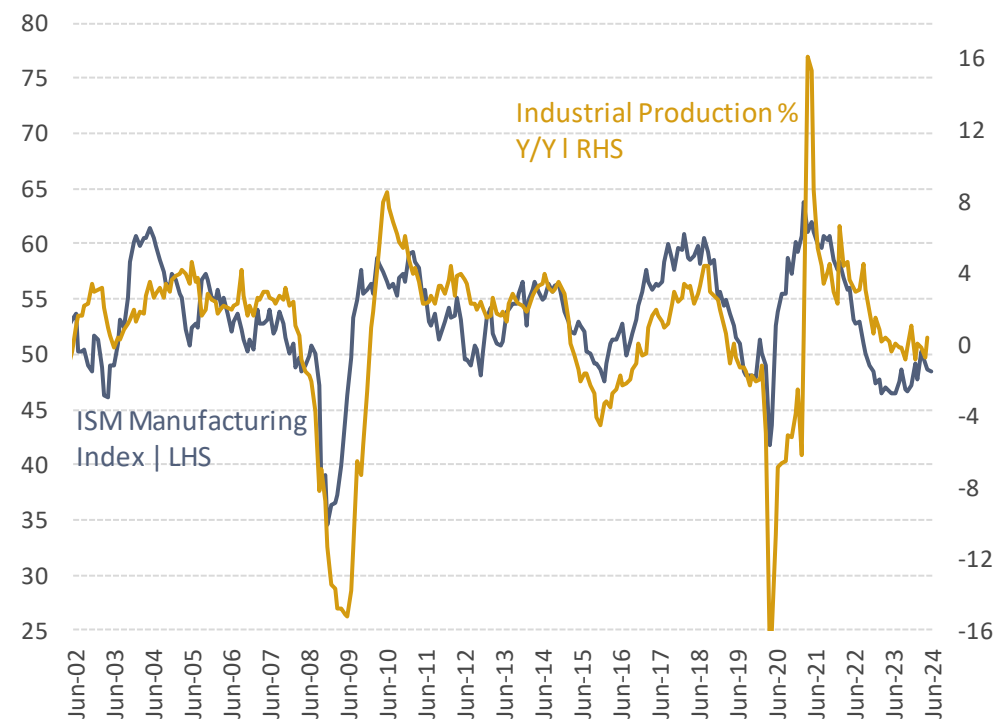


ISM Services & New Orders Index Minus Inventories Index

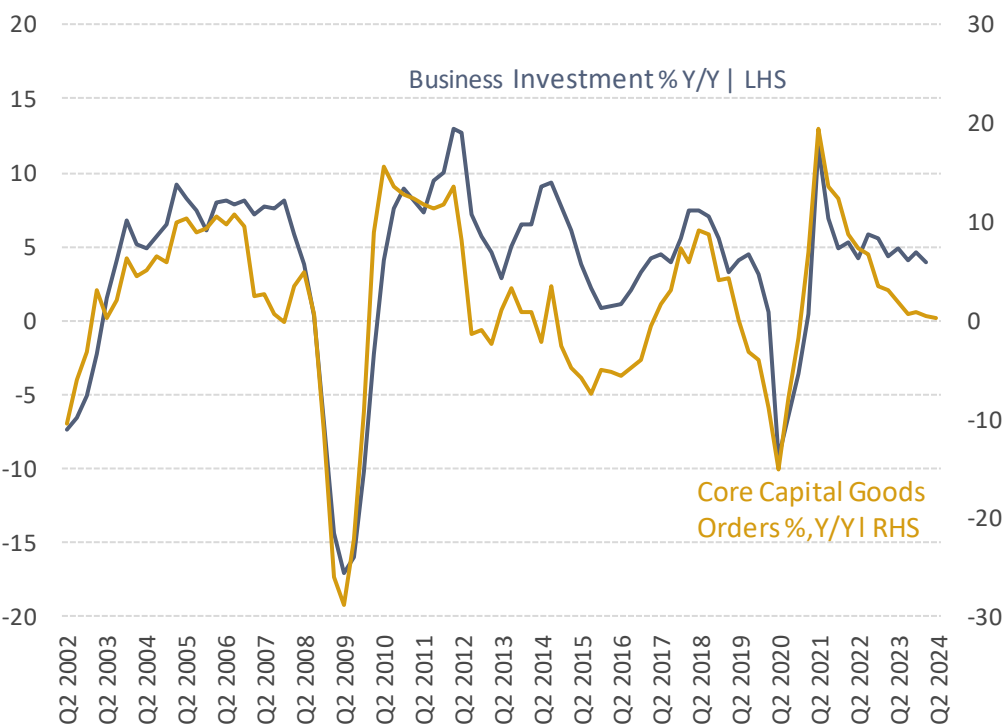


# US | Industrial Production is weak and Core Capital Goods Orders point to lower Business Investment ahead

Industrial Production YoY & ISM Manufacturing

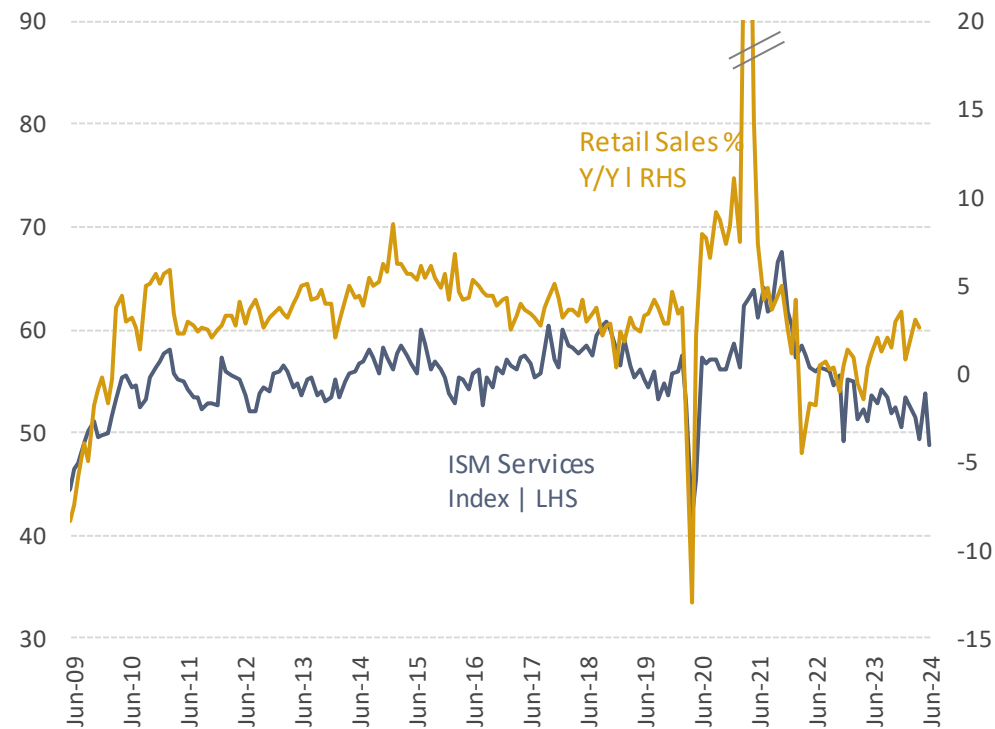


Core Capital Goods Orders & Business Investment

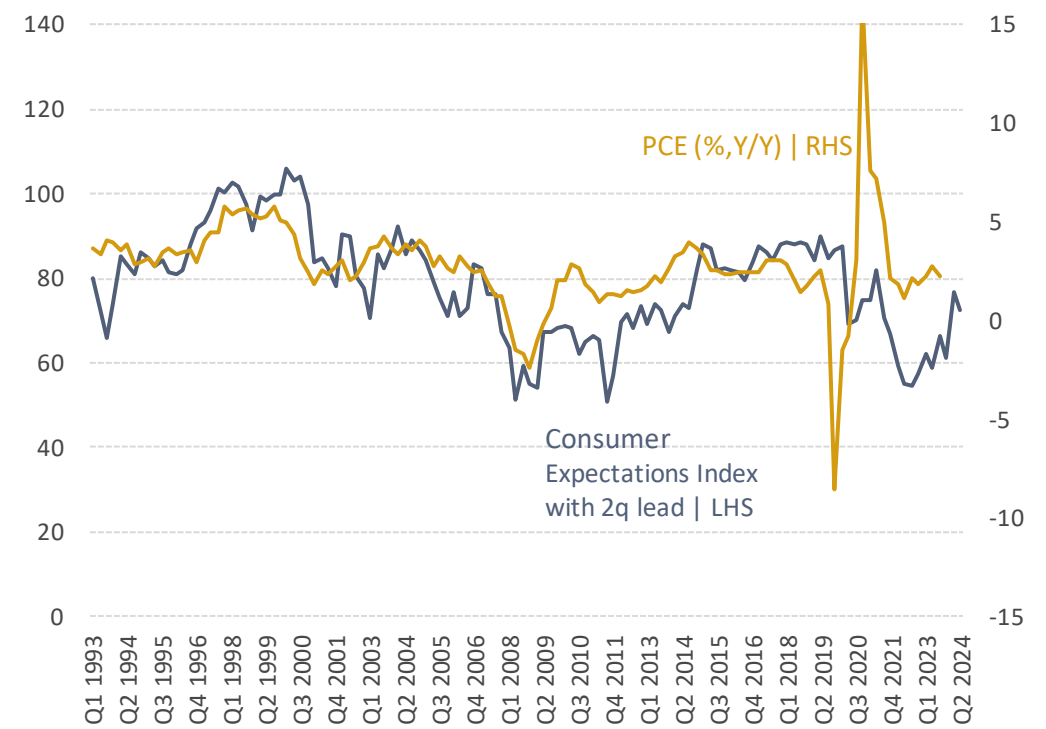


# US | The US consumer is the main “growth driver” so far, Consumer expectations have been rising (though from low levels)

Retail Sales YoY & ISM Services

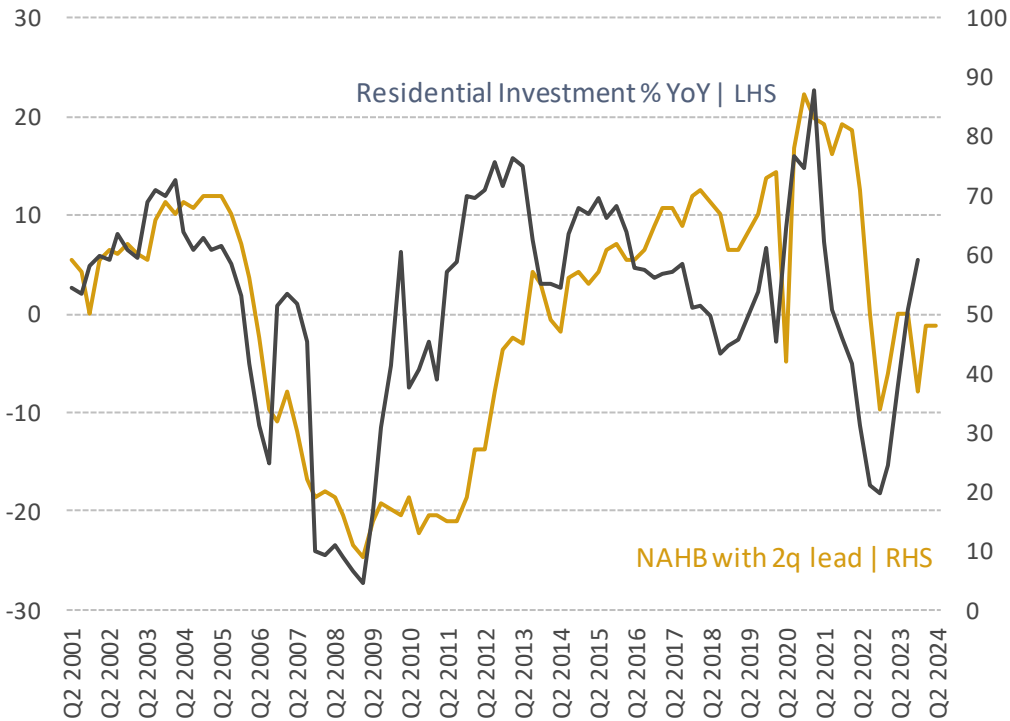


PCE & Consumer Expectations Index

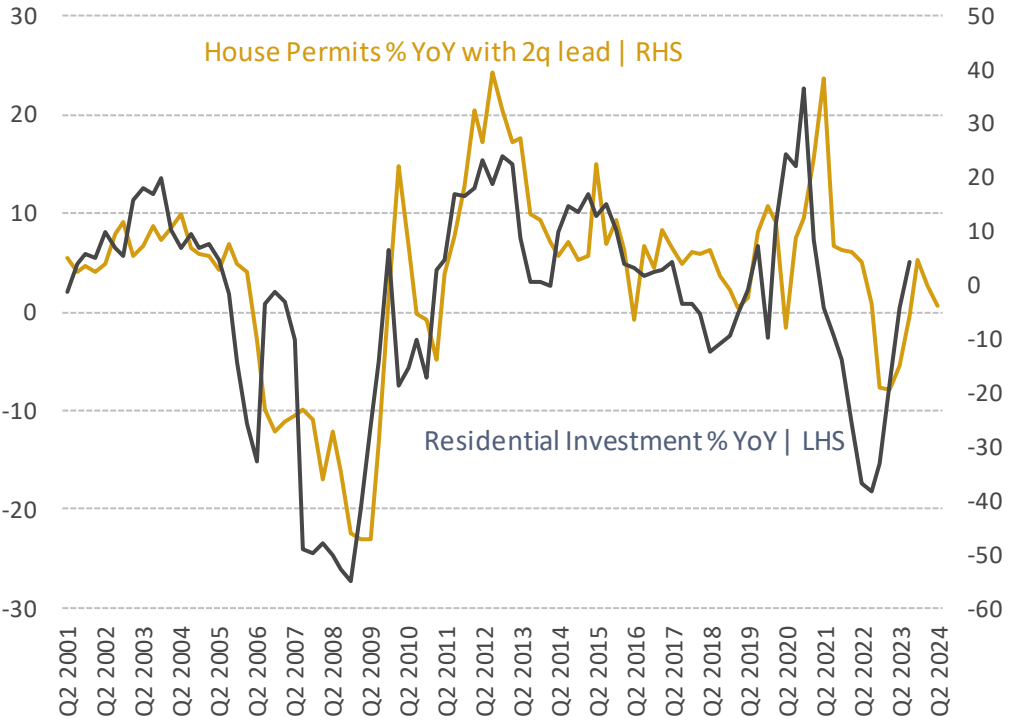


# Housing Market | NAHB & House Permits point to lower growth in Residential Investments

Residential Investment & NAHB Index

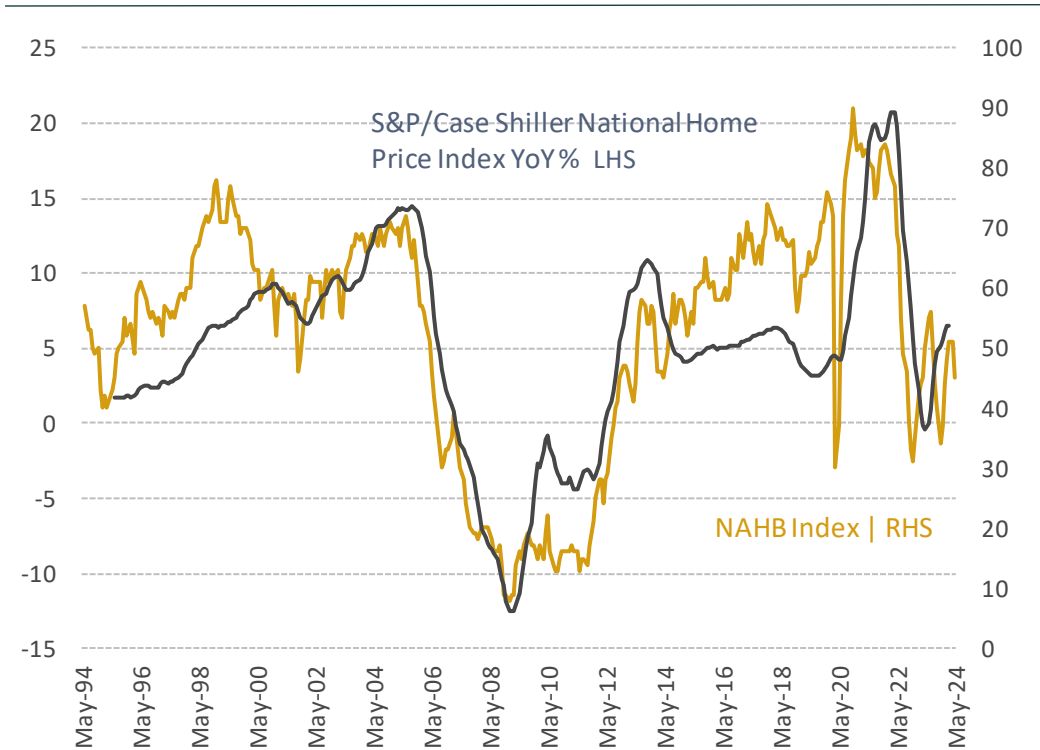


Residential Investment & House Permits

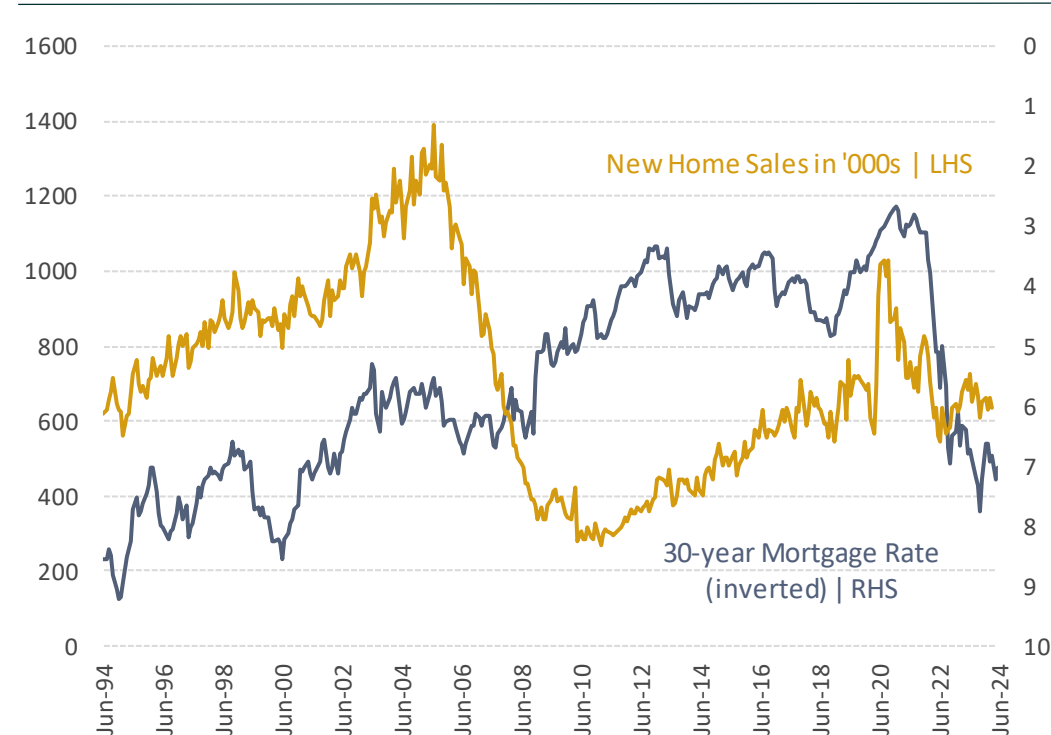


# Housing Market | A prolonged shortage of houses is boosting home prices but confidence among homebuilders declined as 30-year mortgage rates stubbornly stay above 7%

NAHB Index & S&P/Case Shiller Home YoY %



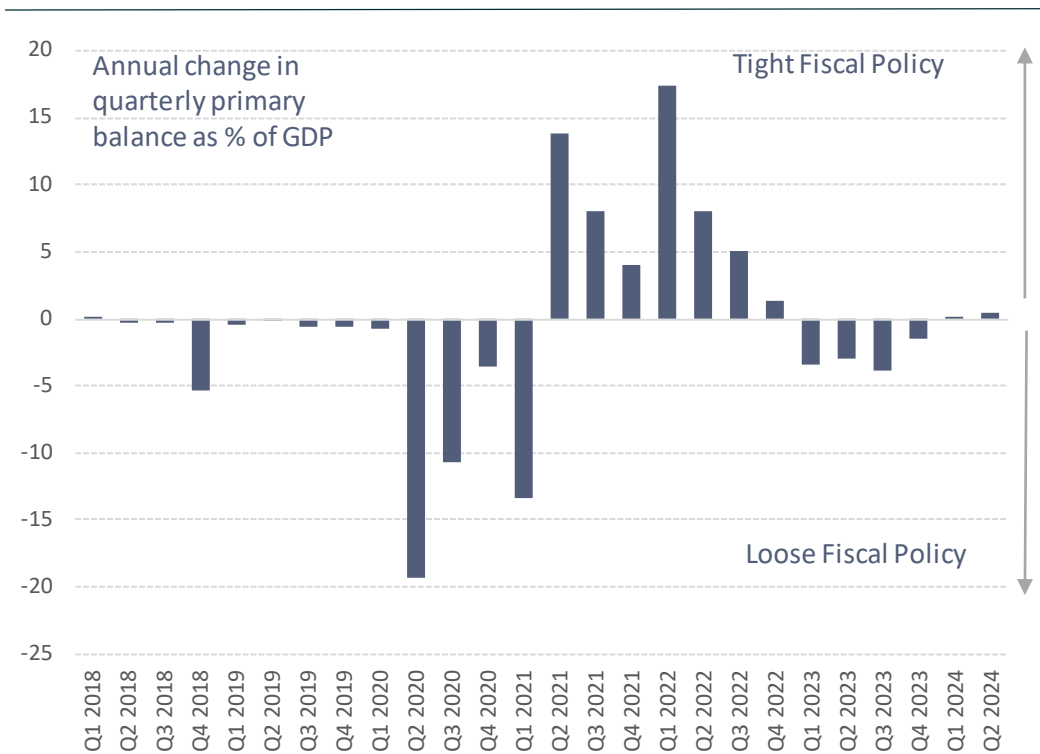
US new home sales and mortgage rates



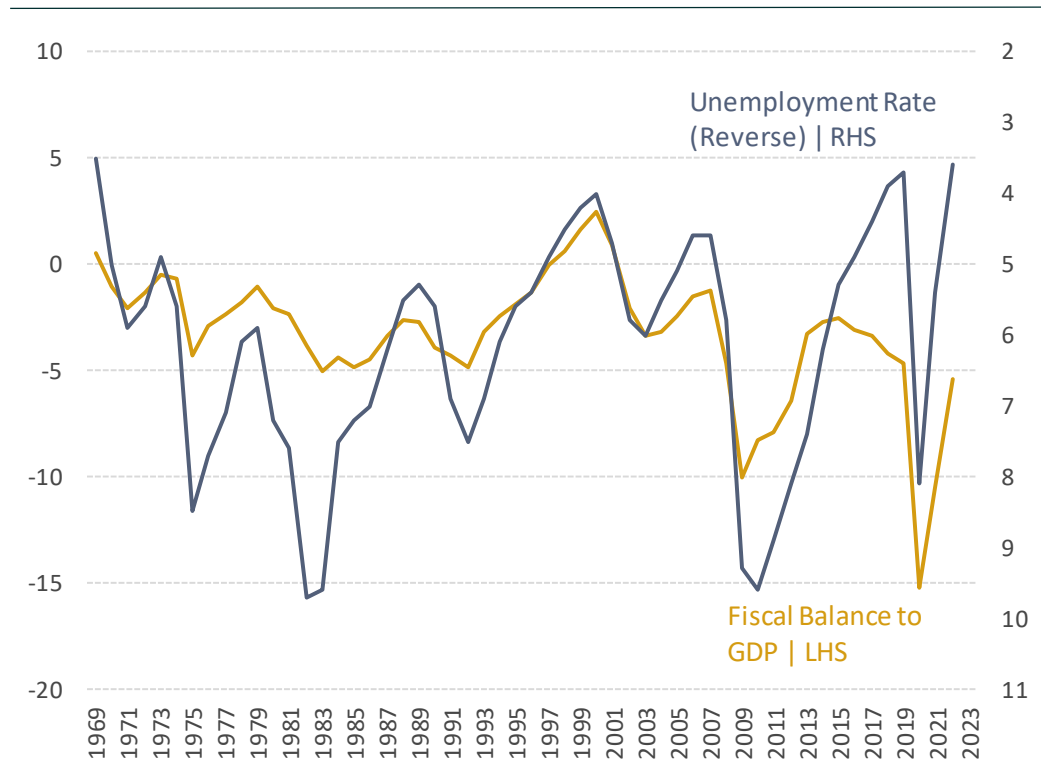


# Fiscal Policy | Still too loose vs unemployment

Fiscal Thrust

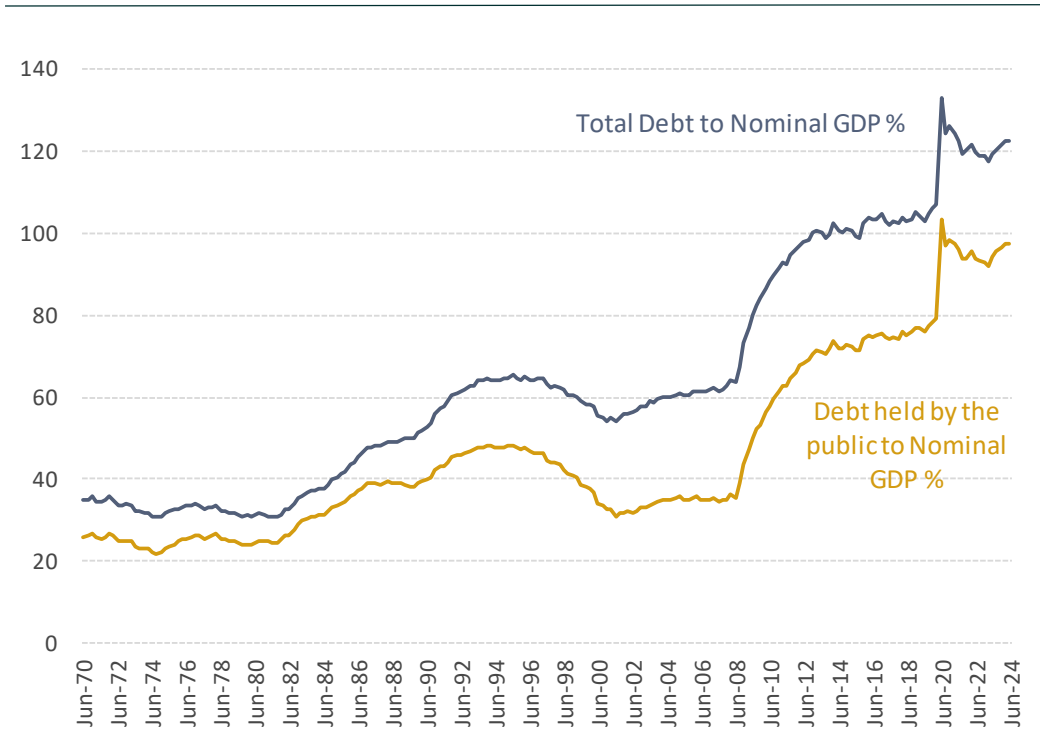


Fiscal Policy vs Unemployment

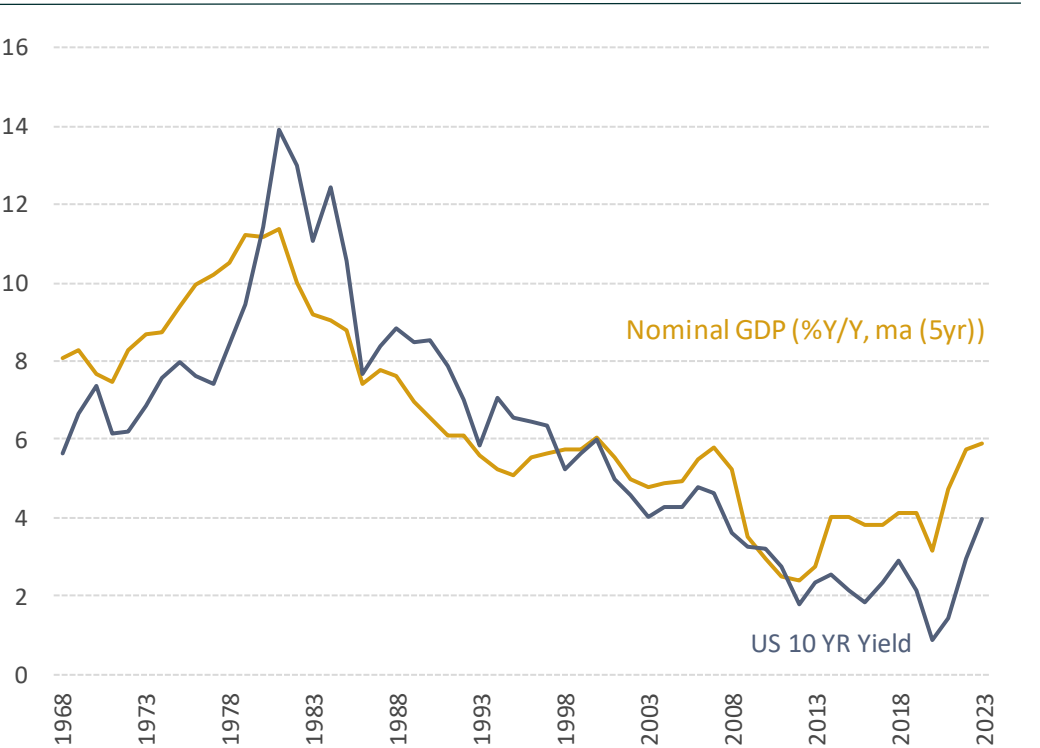


# Fiscal Policy | The nominal growth rate is likely to remain at higher levels than the long-term cost of public financing

Debt / Nominal GDP (quarterly)

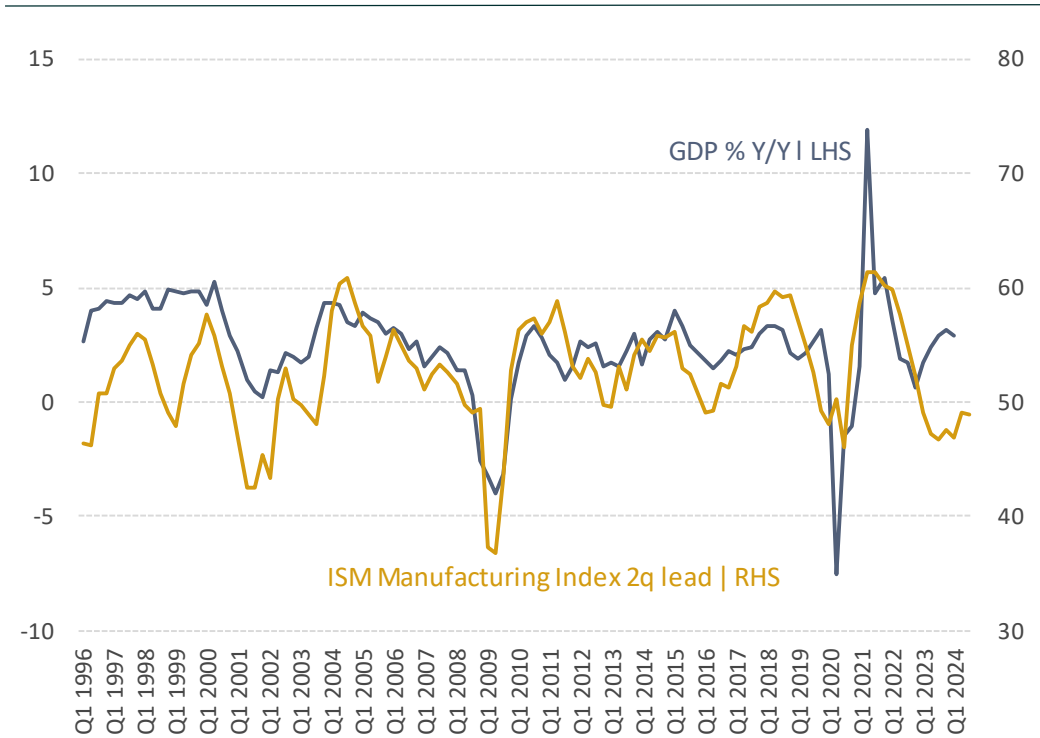


Fiscal Policy Sustainability

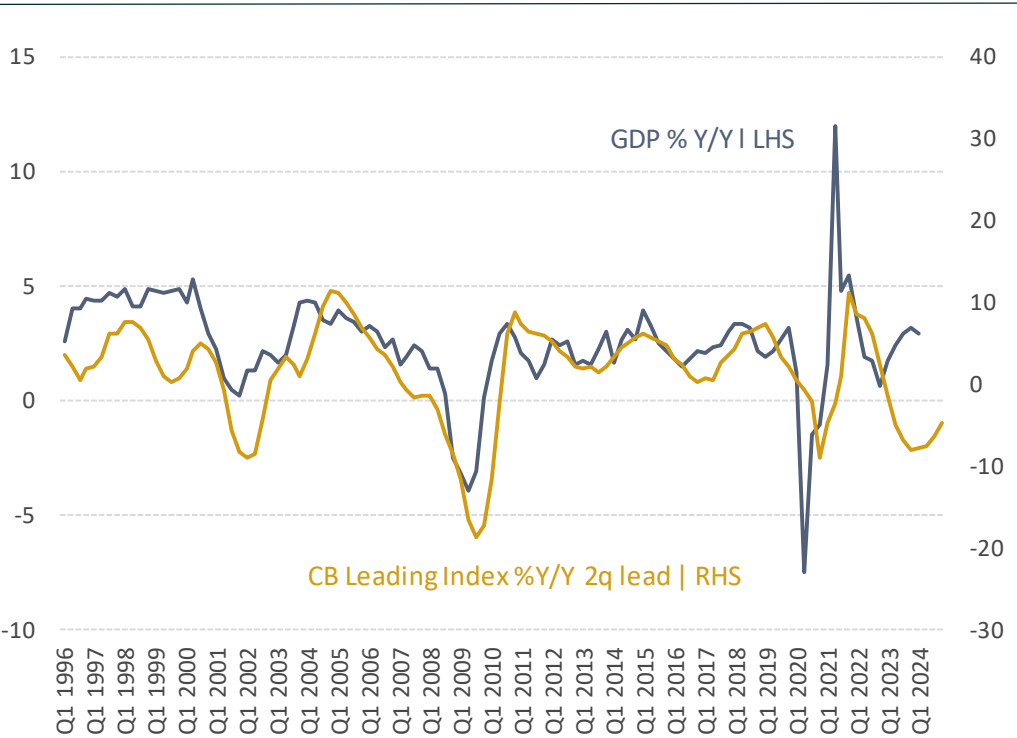


# US GDP Outlook | Leading indicators have improved pointing to a less sharp deceleration in real GDP

GDP & ISM Manufacturing Indicator

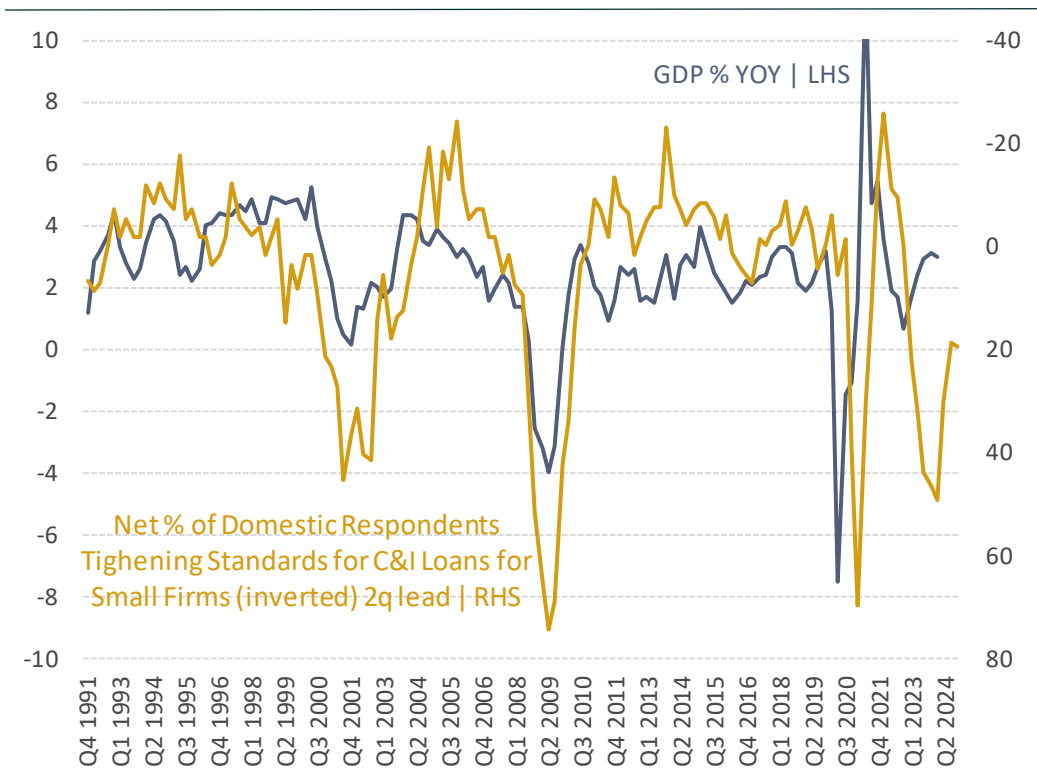


GDP & CB Leading Indicator

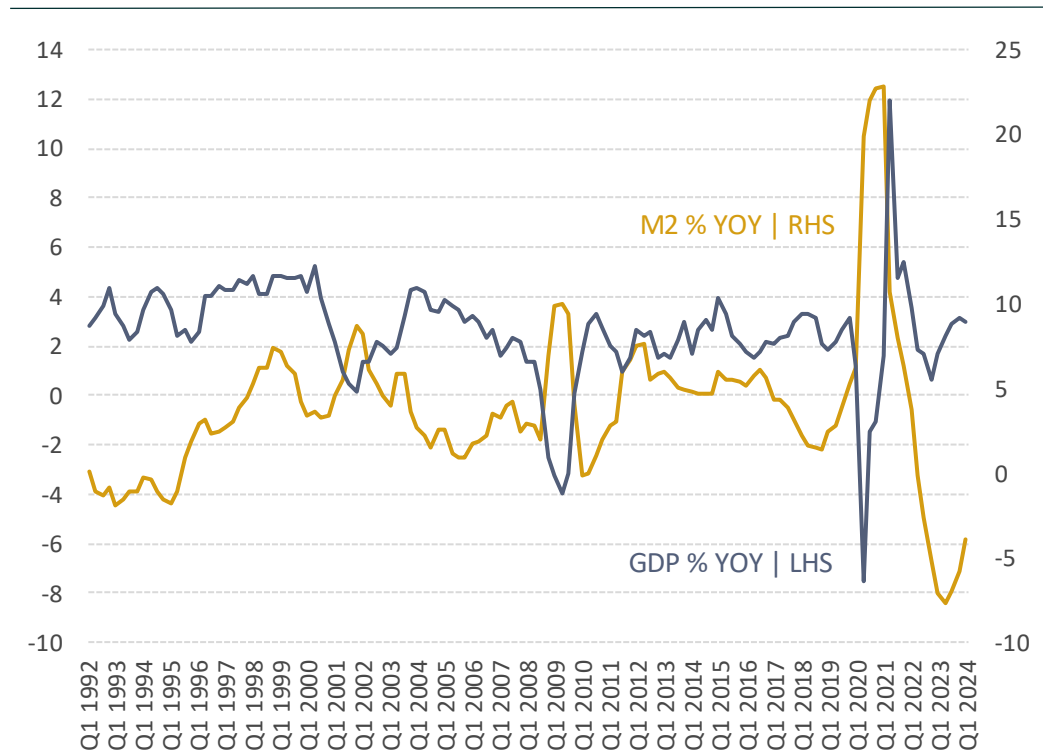


# US GDP Outlook | Tightening of Lending Standards & reduction in M2 still point to lower GDP (but less than before)

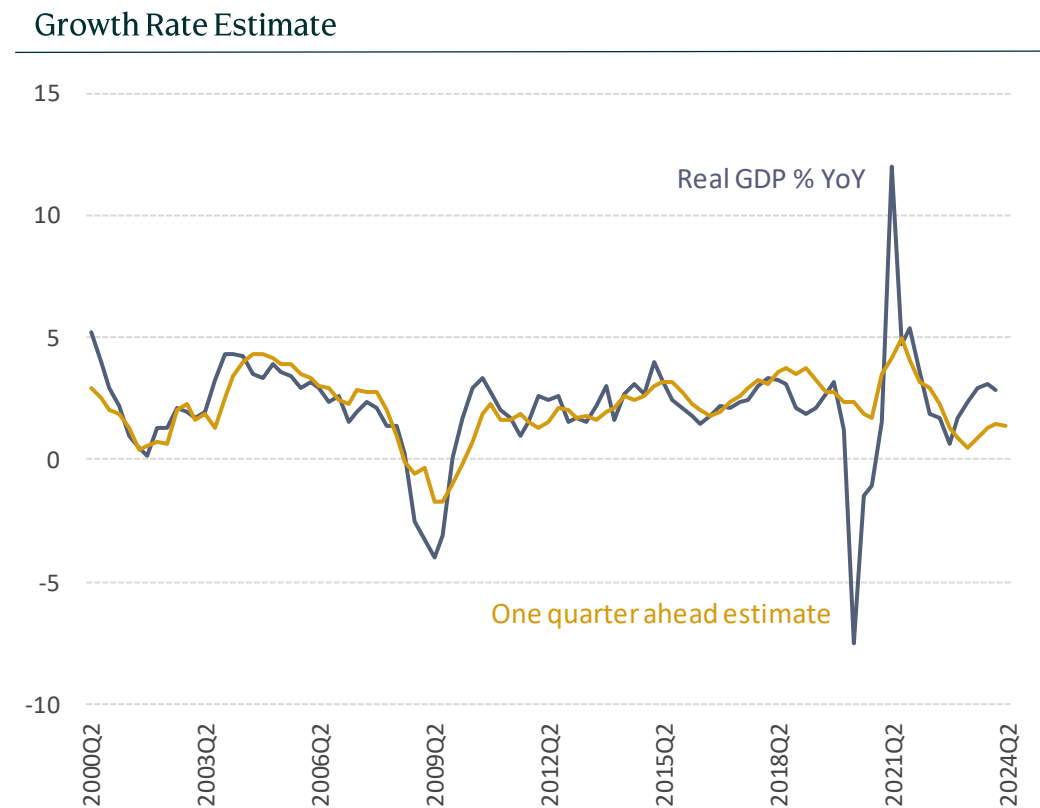
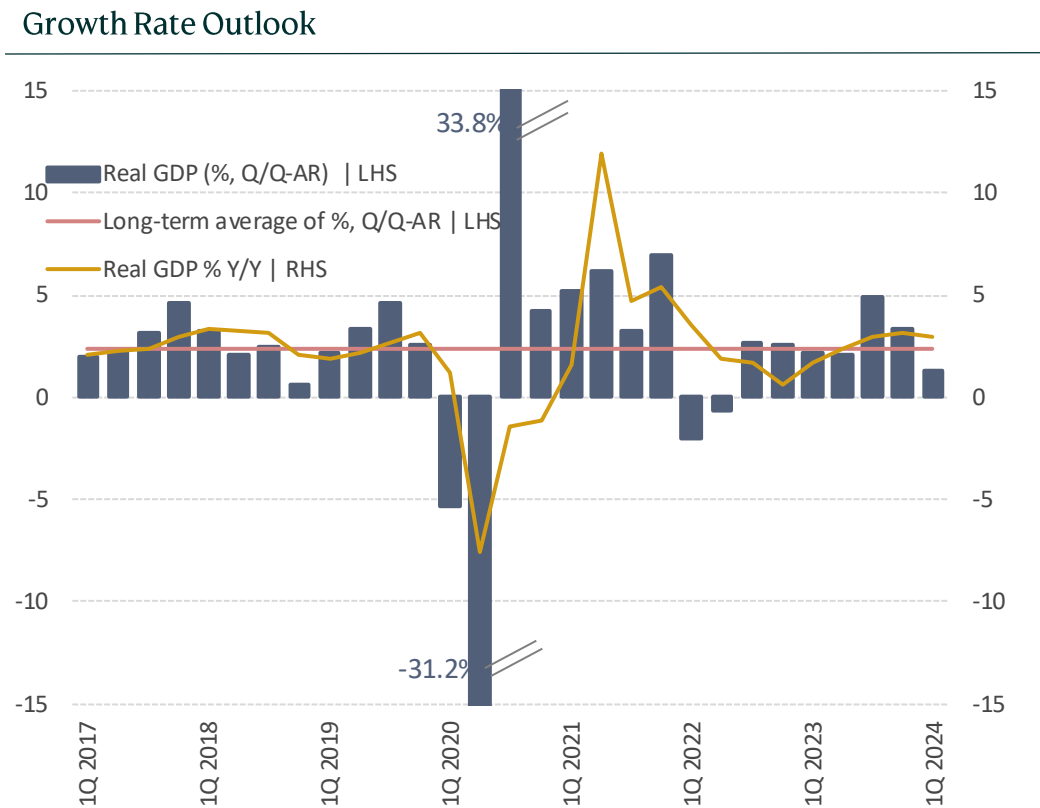
Senior Loan Officer Opinion Survey on Bank Lending Practices



M2 growth vs GDP

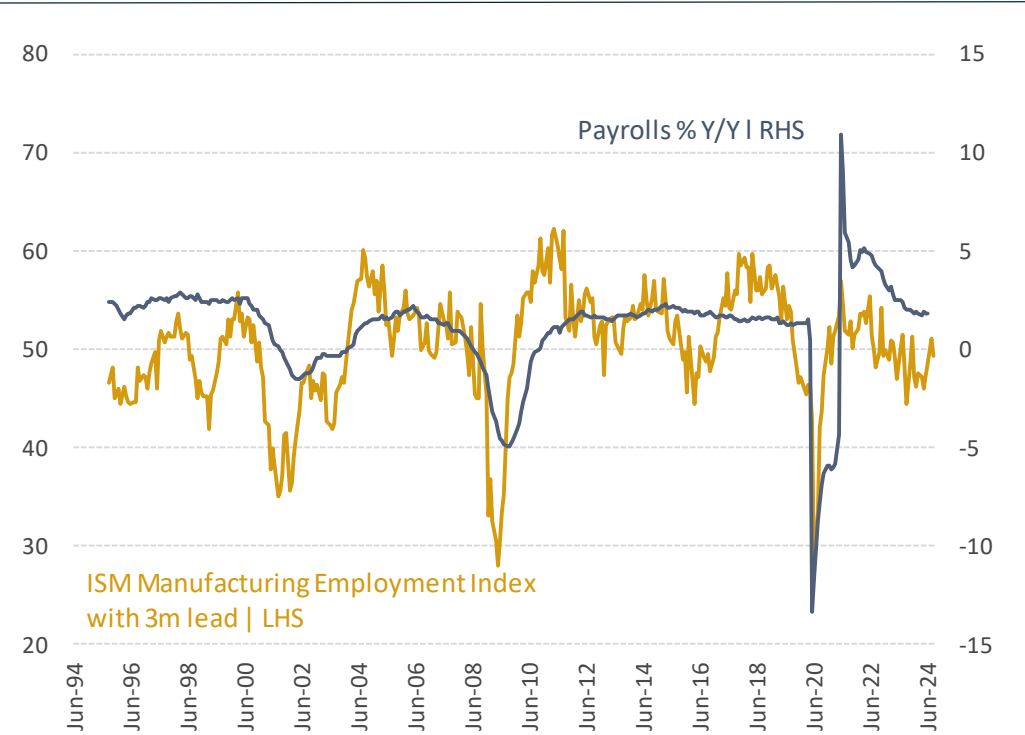


# US GDP Outlook | Growth rate was 2.5% in 2023, 2024 growth is expected near 2% (up from 1% to 1.5% at start of year)

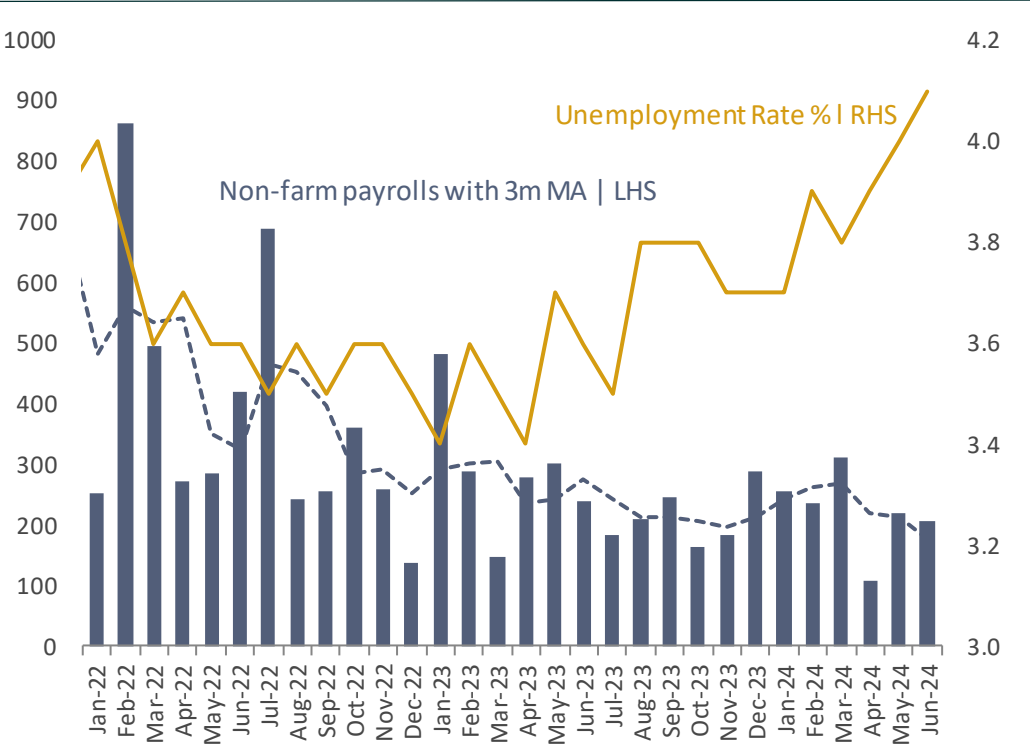


# US Labor Market | Unemployment jump suggestive of a cooler but still resilient labor market

Employment & Leading Manufacturing Indicator

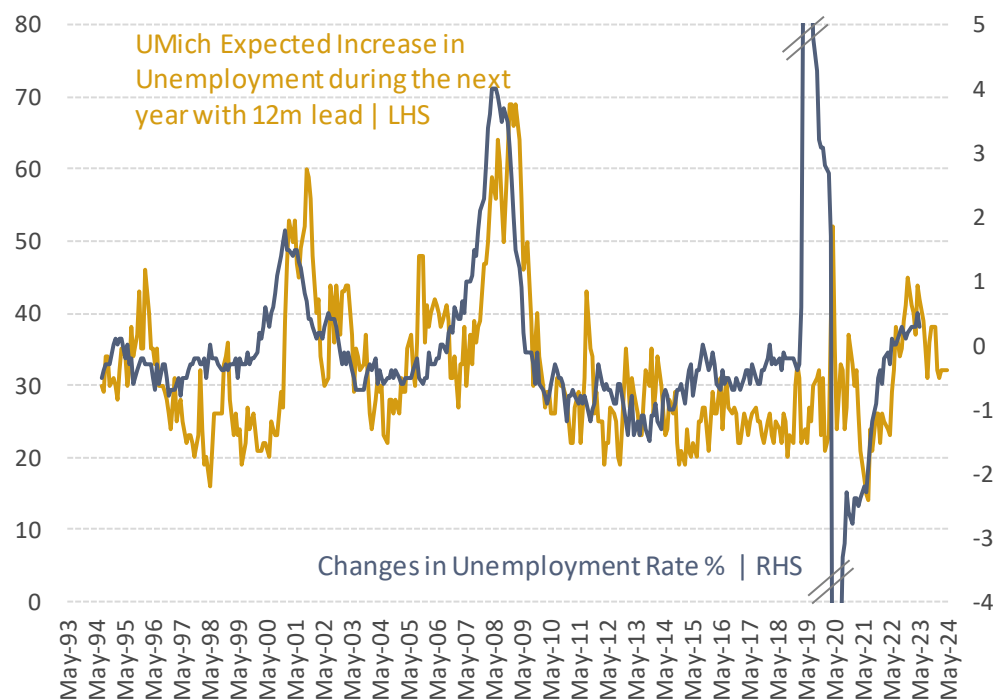


Nonfarm payrolls & Unemployment

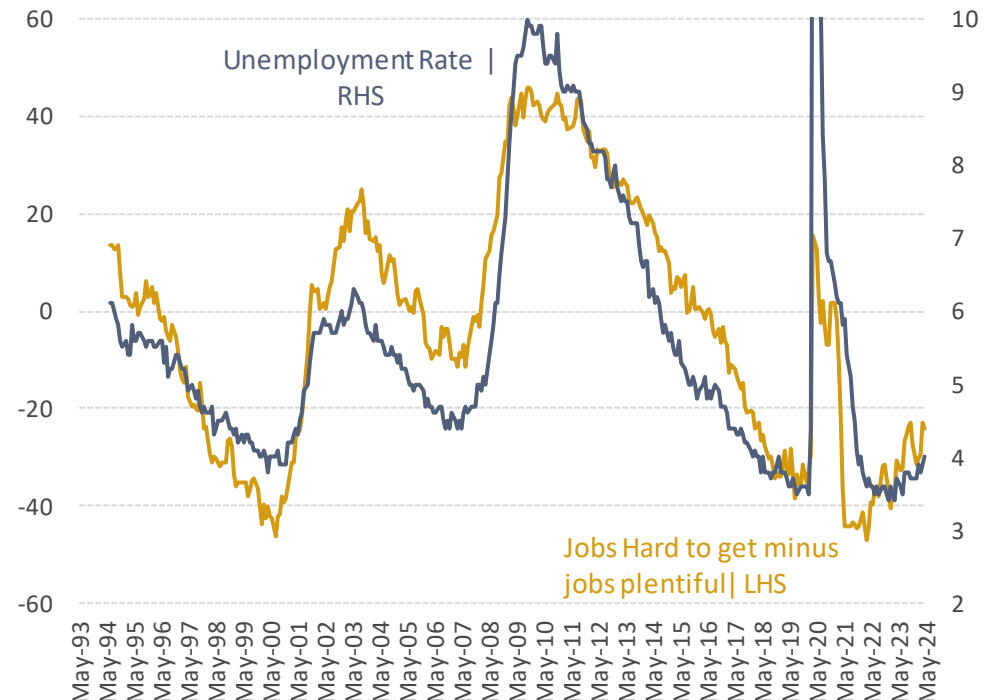


# US Labor Market | Expectations over labor markets fell markedly in April but stabilized in May

Unemployment Rate & UoM Exp Increase in Unemployment 1yr ahead

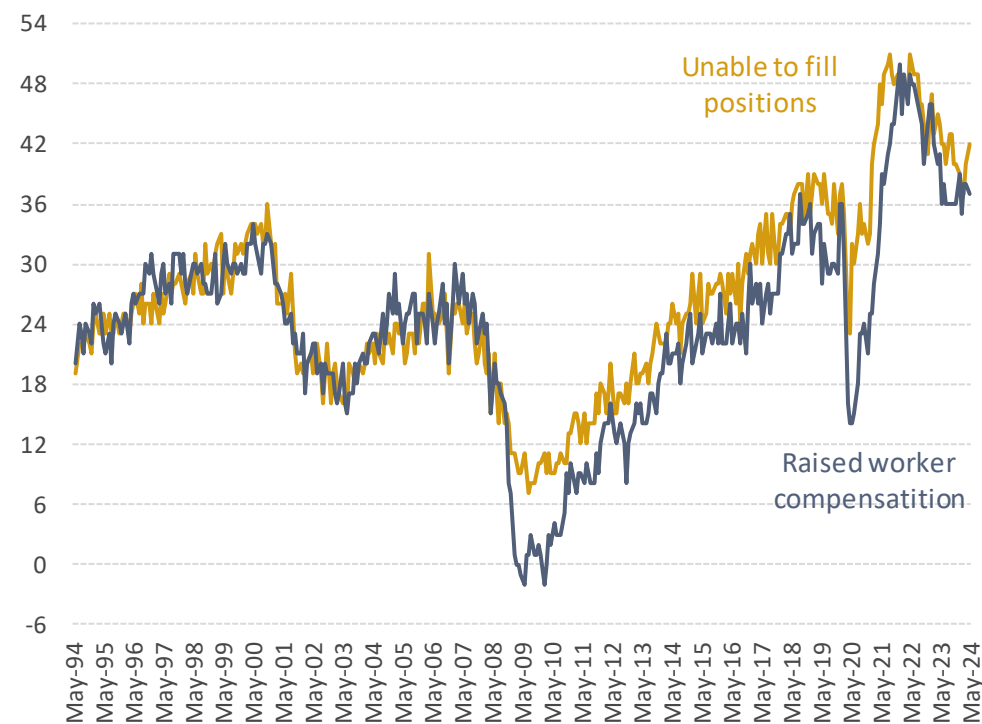


Conference Board Labor market differential & Unemployment Rate

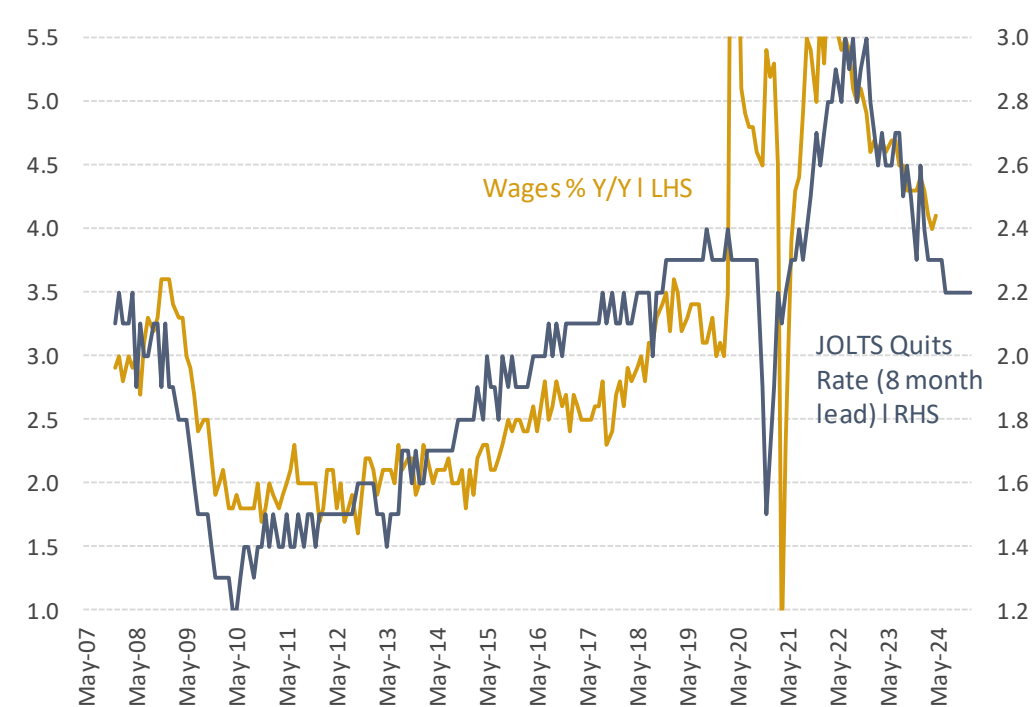


# US Labor Market | JOLTS Quits Rate positive for wage deceleration

US NFIB small business survey



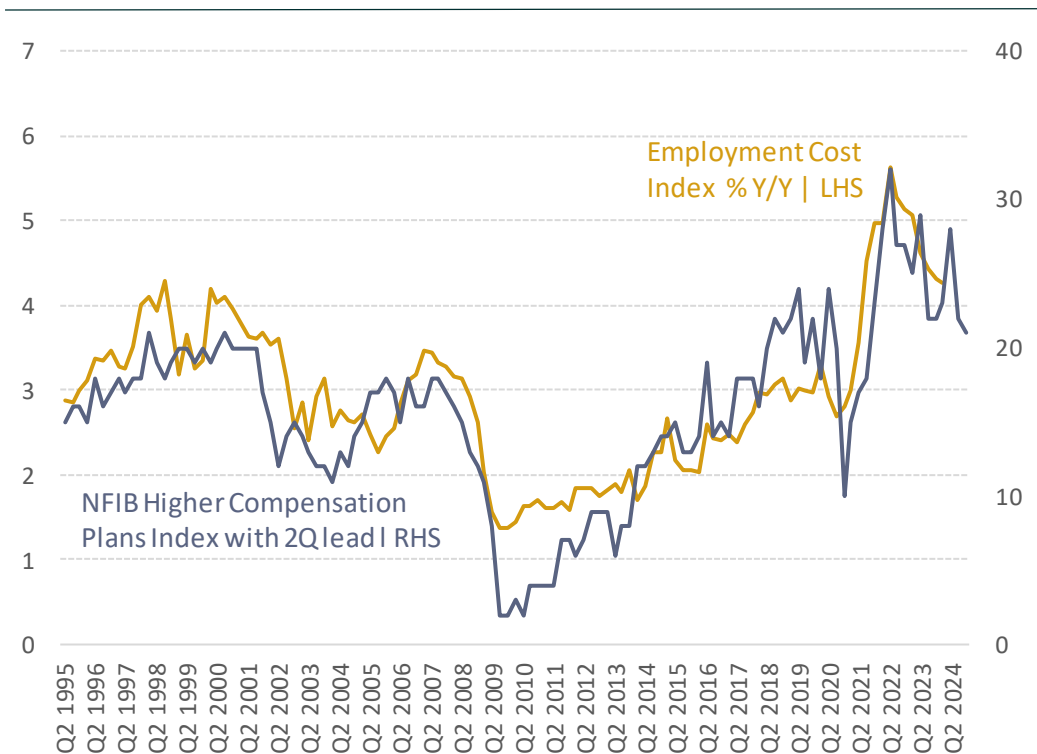
Wages & Quits Rate



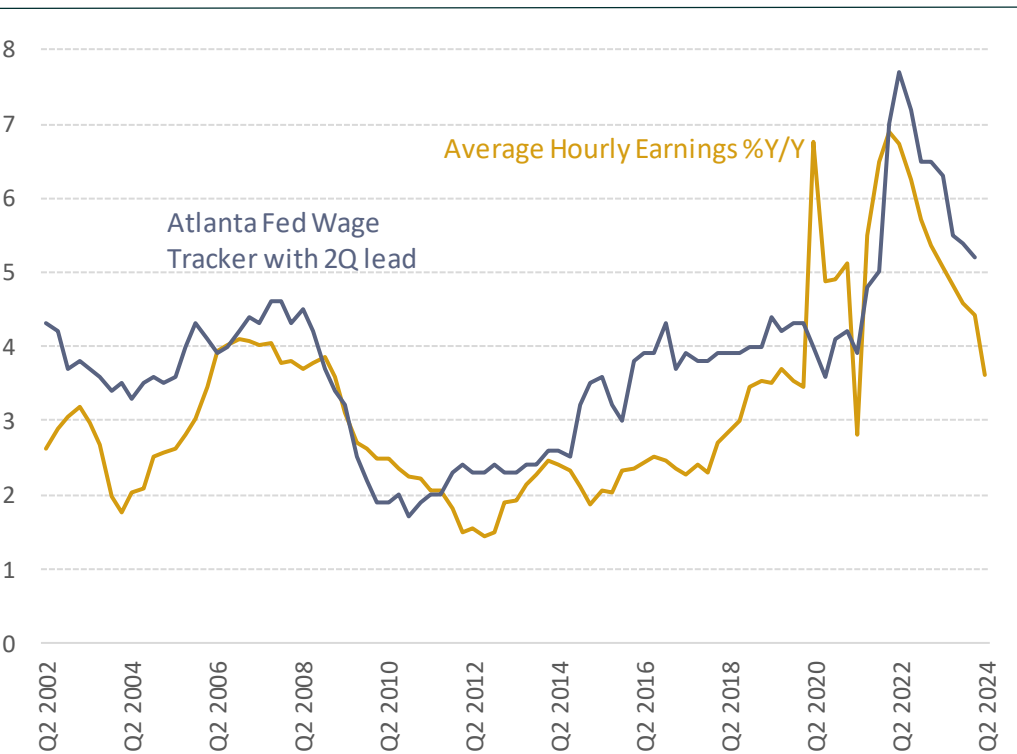


# US Wage Tracker | Wage growth rates show signs of gradual deceleration

Wages & Leading Indicator

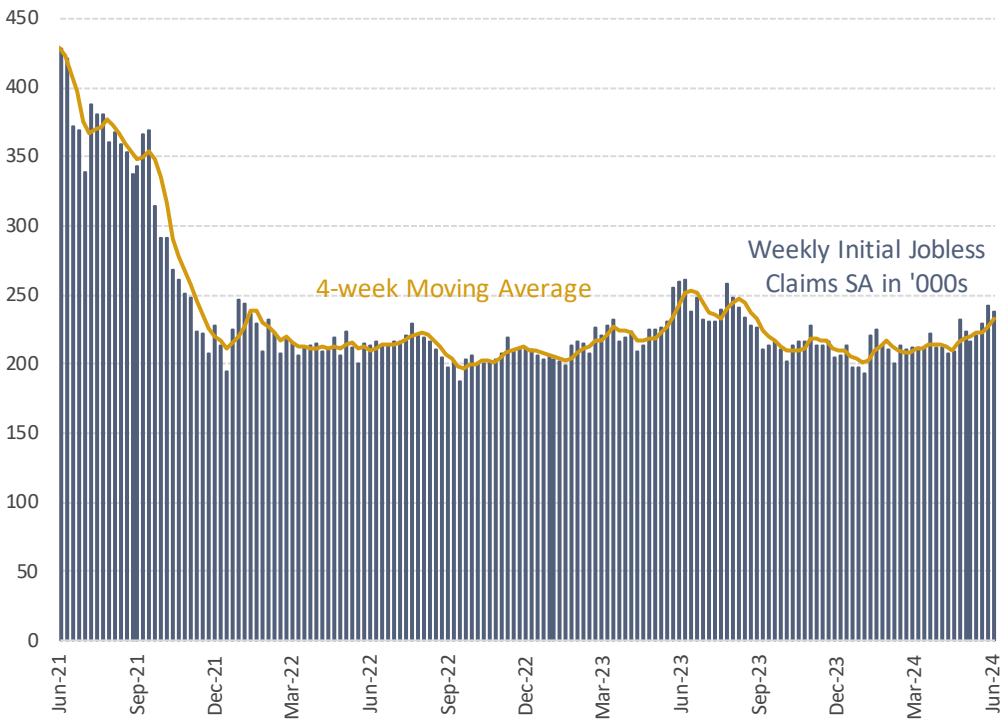


Wages & Leading Indicator

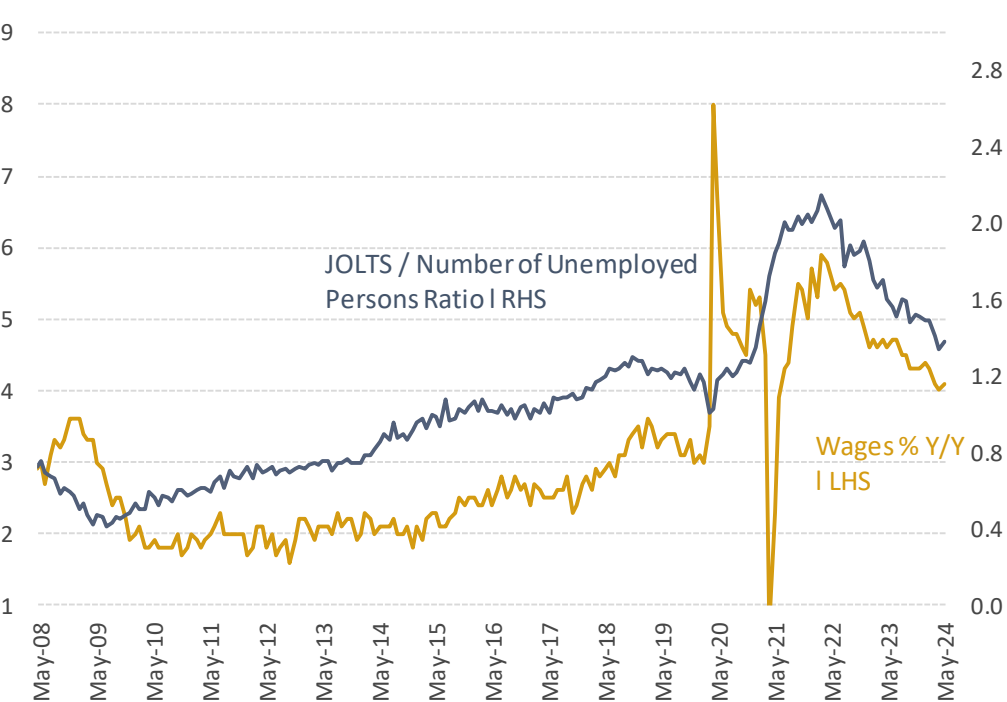


# US Labour Market | Labour market is softening, approaching levels of pre-covid era

Weekly Initial Jobless Claims

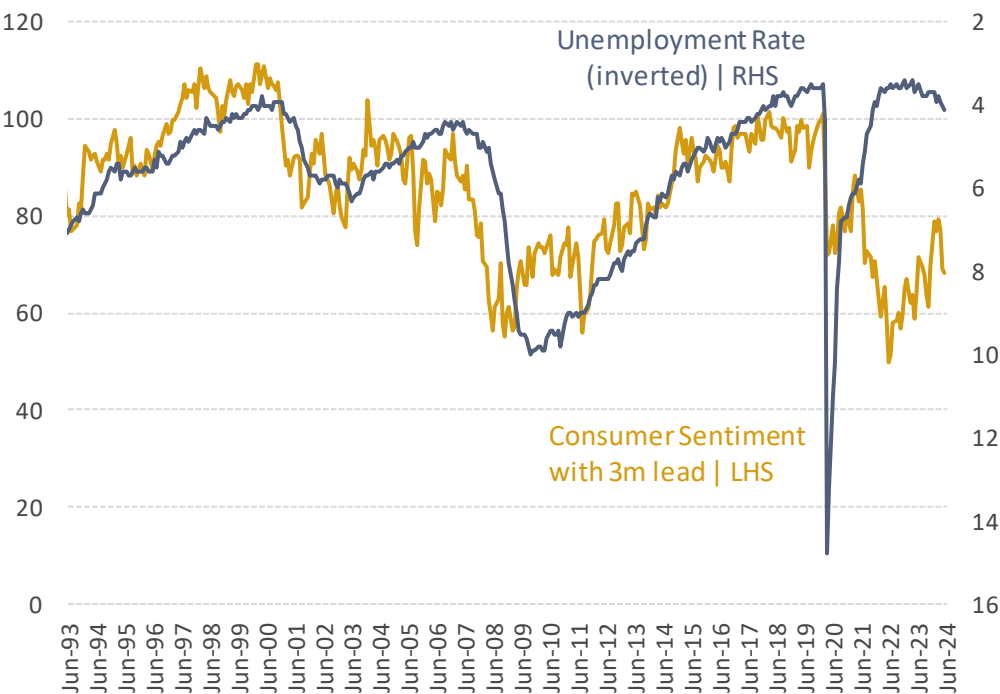


Demand & Supply in Labour Market

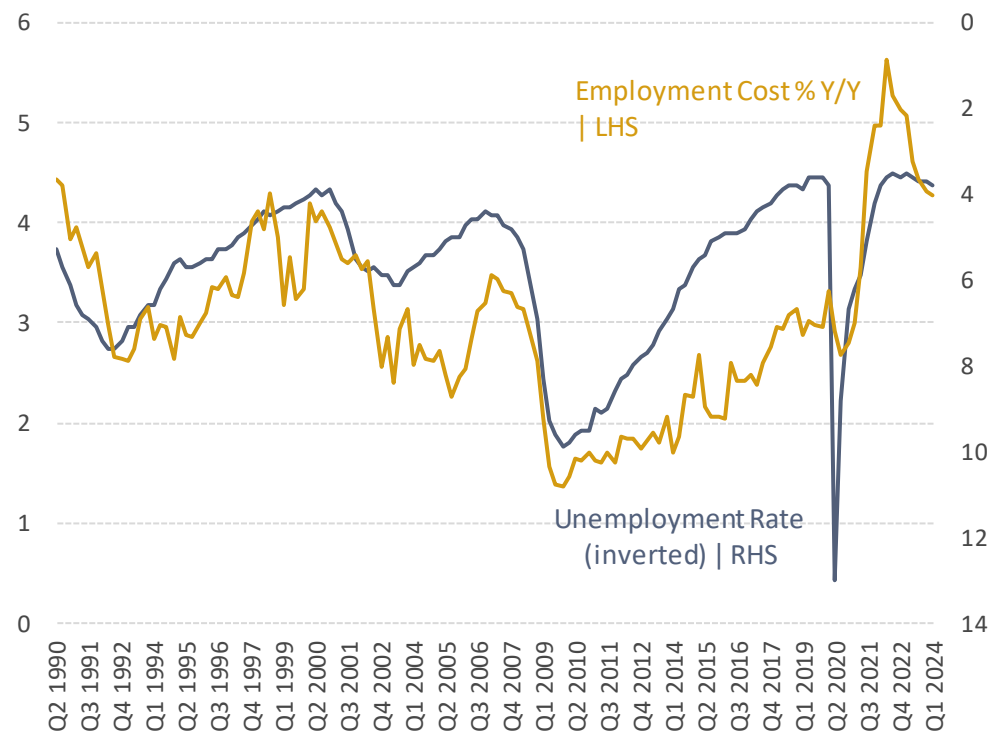


# US Labour Market | Unemployment remains low with employment costs coming down slowly

Consumer Sentiment & Unemployment Rate

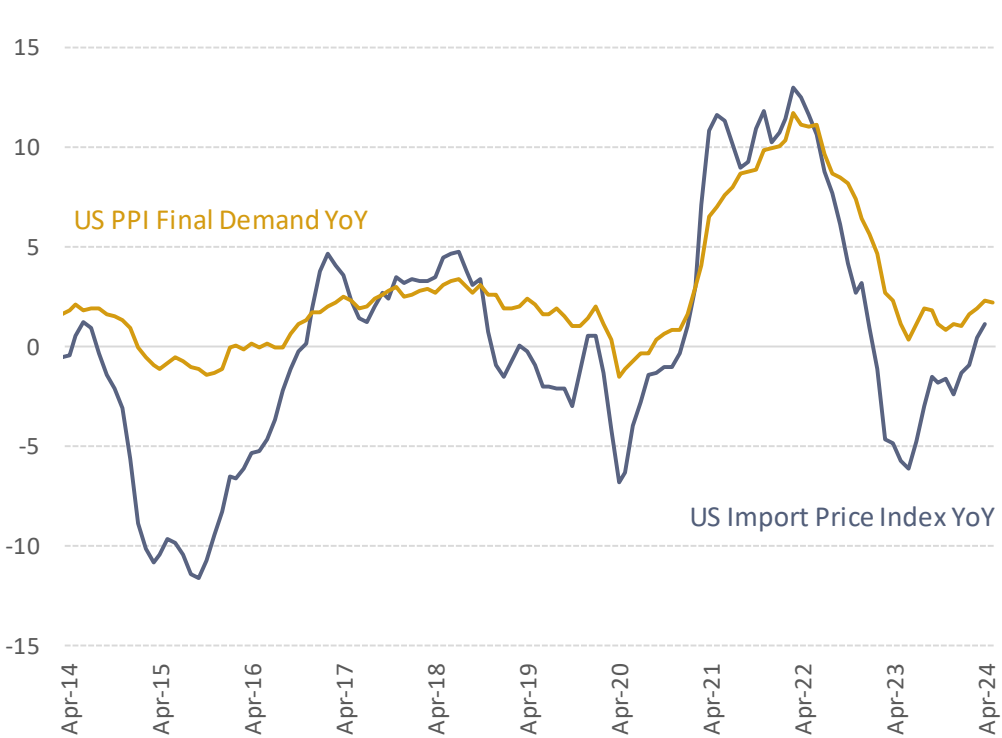


Compensation per Employee & Unemployment Rate

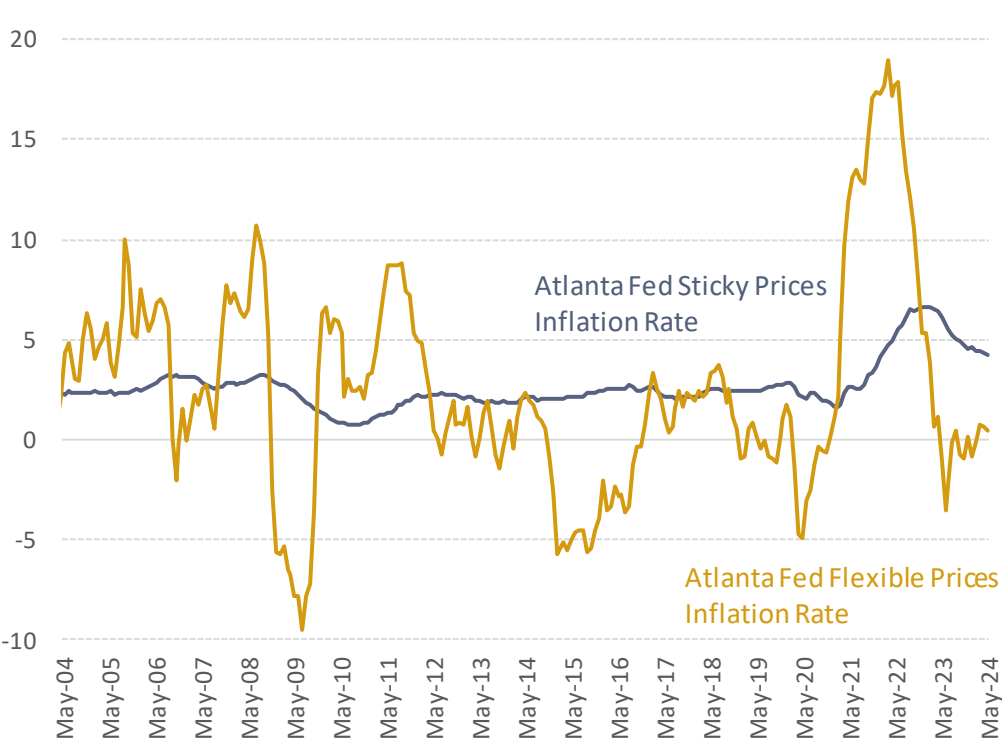


# US Alternative Inflation Metrics | Inflation pressures have been limited to the sticky prices segment; Recent increases in US Import prices a concern

Producers Price Index and Import prices

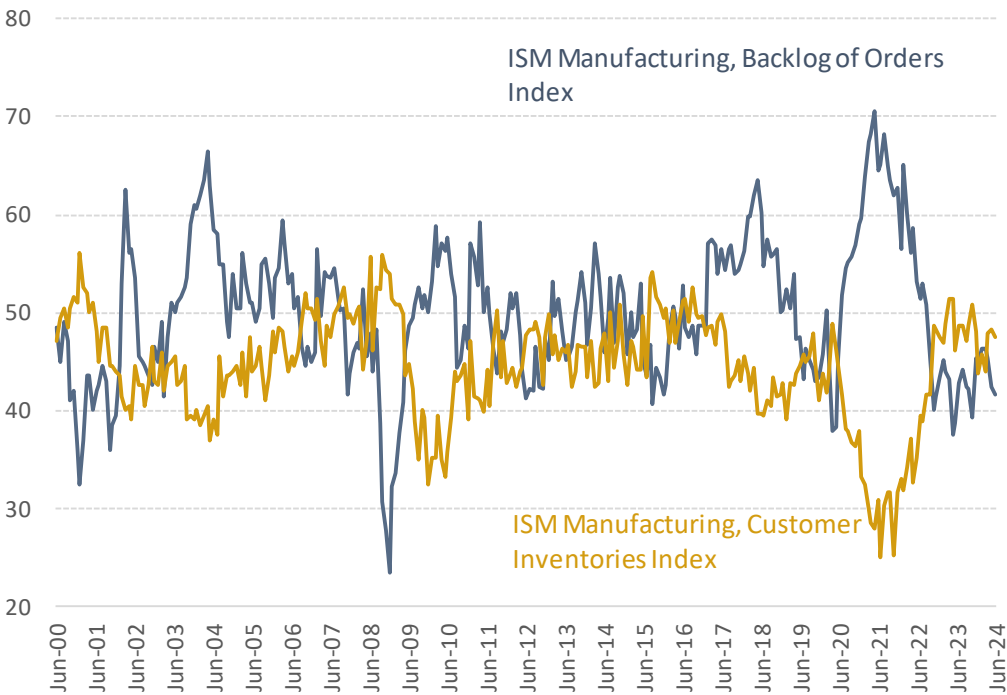


Sticky & Flexible Prices

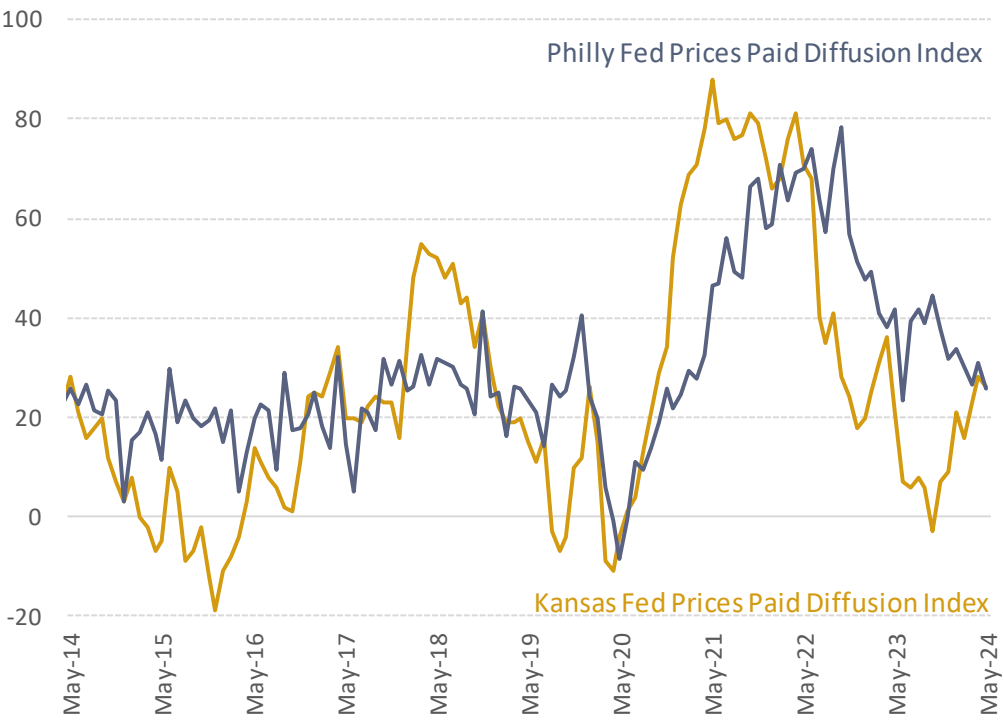


# US Supply & Demand Gap | Customer inventories above backlog of orders; price pressures from regional surveys mixed

Backlog of Orders & Customer Inventories Relation

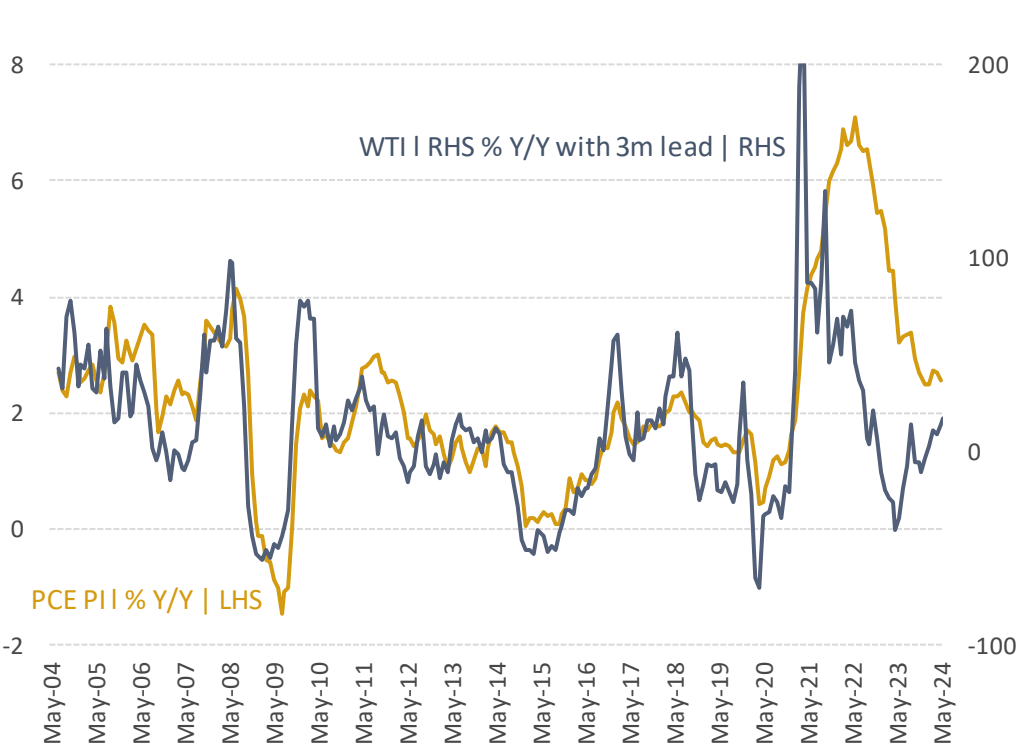


Leading Prices Indicators

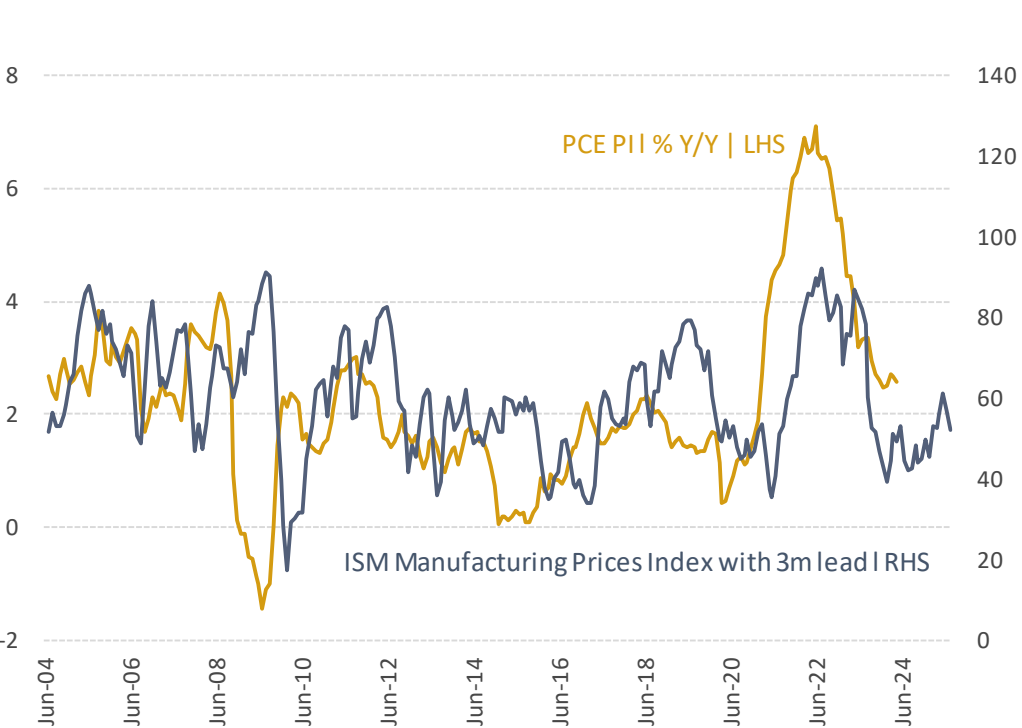


# US Inflation & Energy Prices | Leading price indicators point to inflation bumps ahead

Inflation Rates & Energy Prices

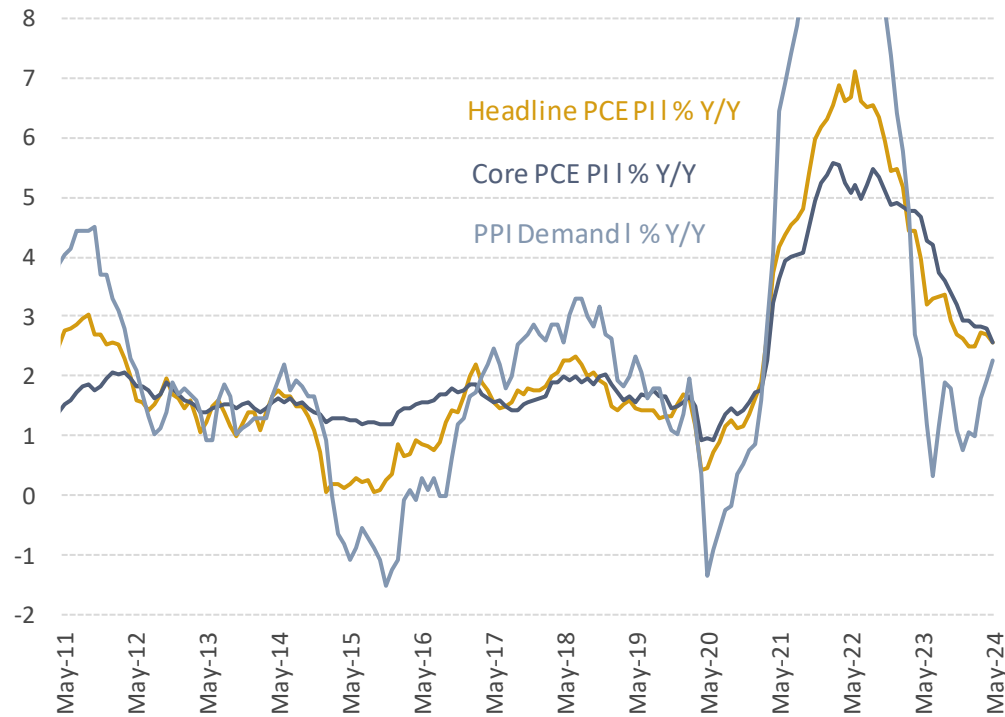


Inflation Rate & Leading Prices Indicator

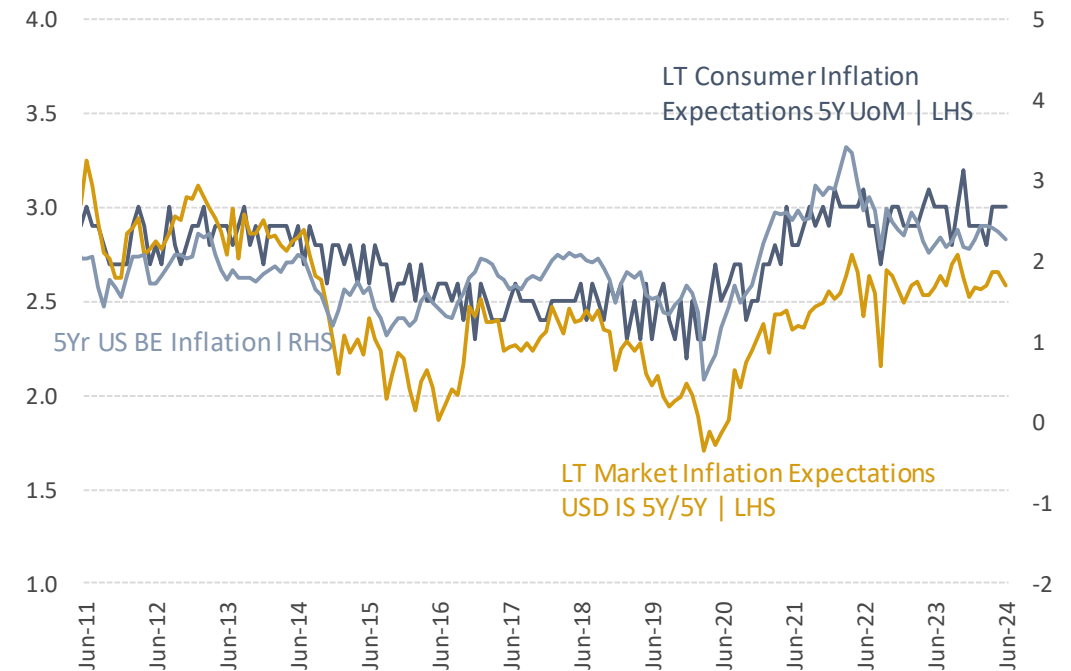


# US Headline & Core Inflation | Inflation rate has peaked but remains elevated, long-term expectations below 3%

## Inflation Rates

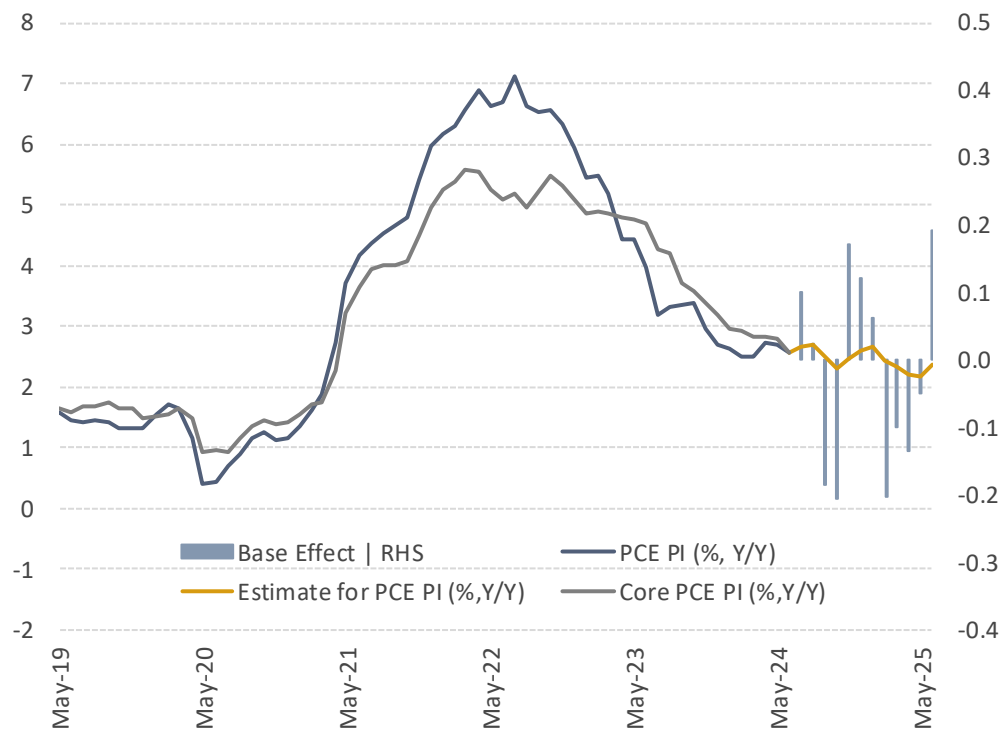


## Long-Term Inflation Expectations

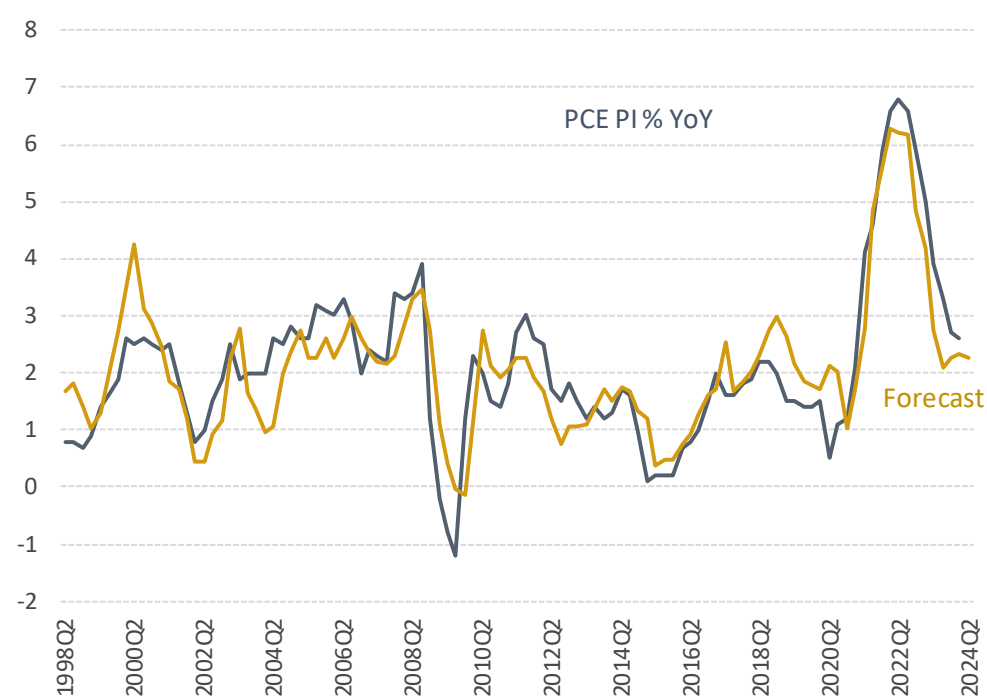


# US Inflation Outlook | Gradual deceleration in inflation rate is expected to continue

Inflation Rate Forecast – Statistical Model



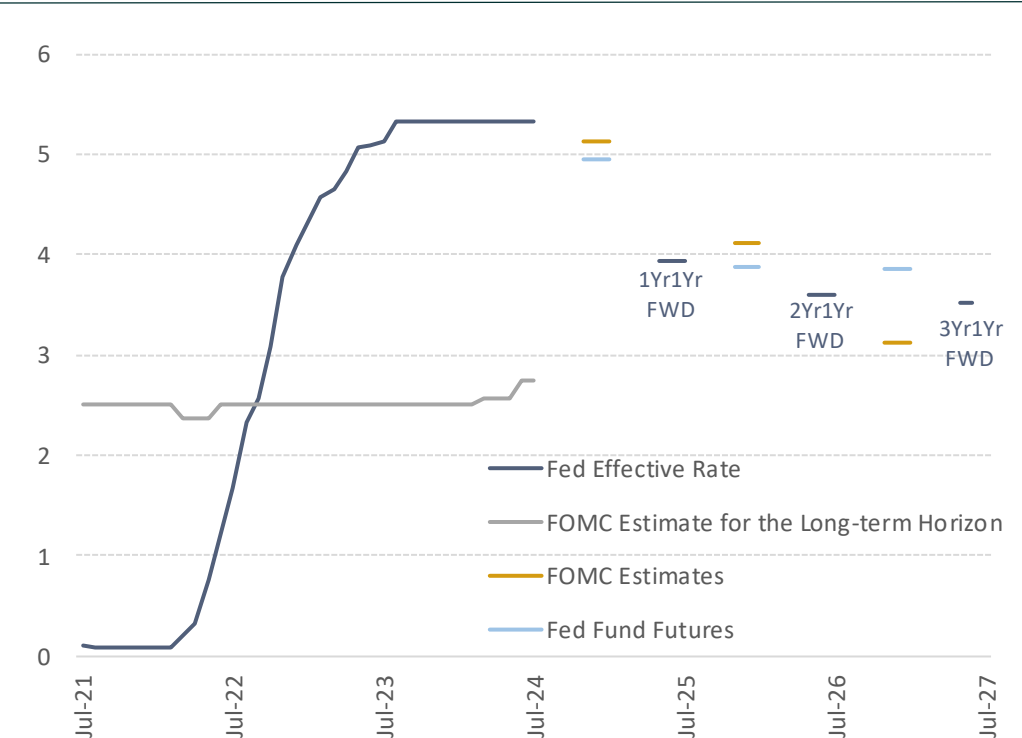
Inflation Rate Forecast | Macro Model



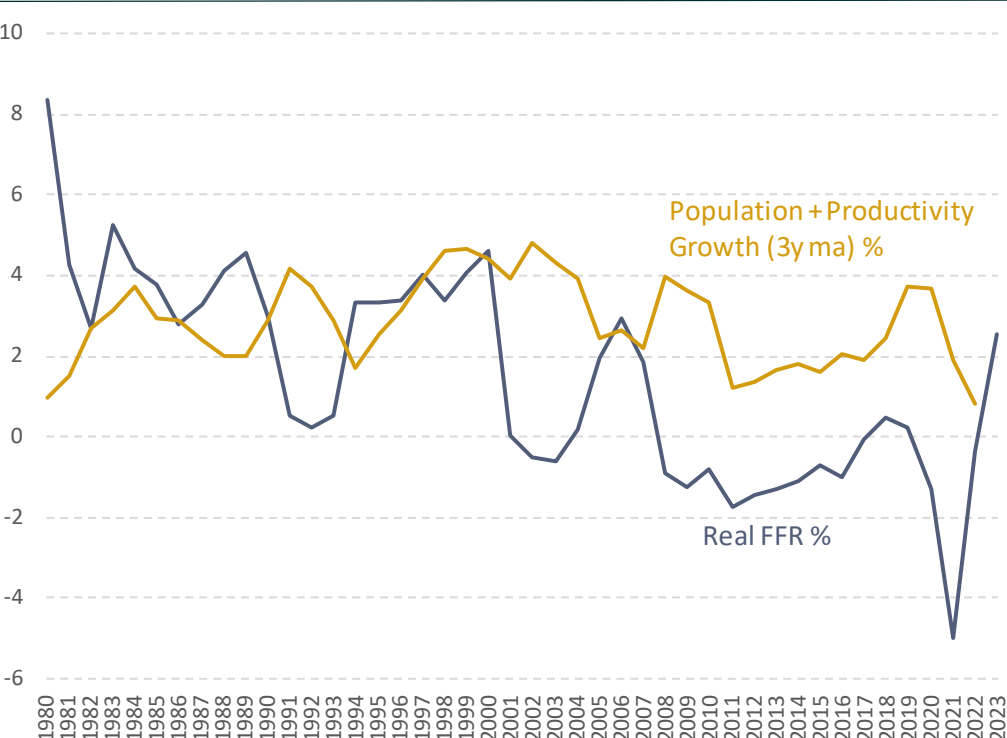


# US Interest Rates | Forward rates remain well above FOMC's long-term target

Interest Rates | Fed Effective Rate

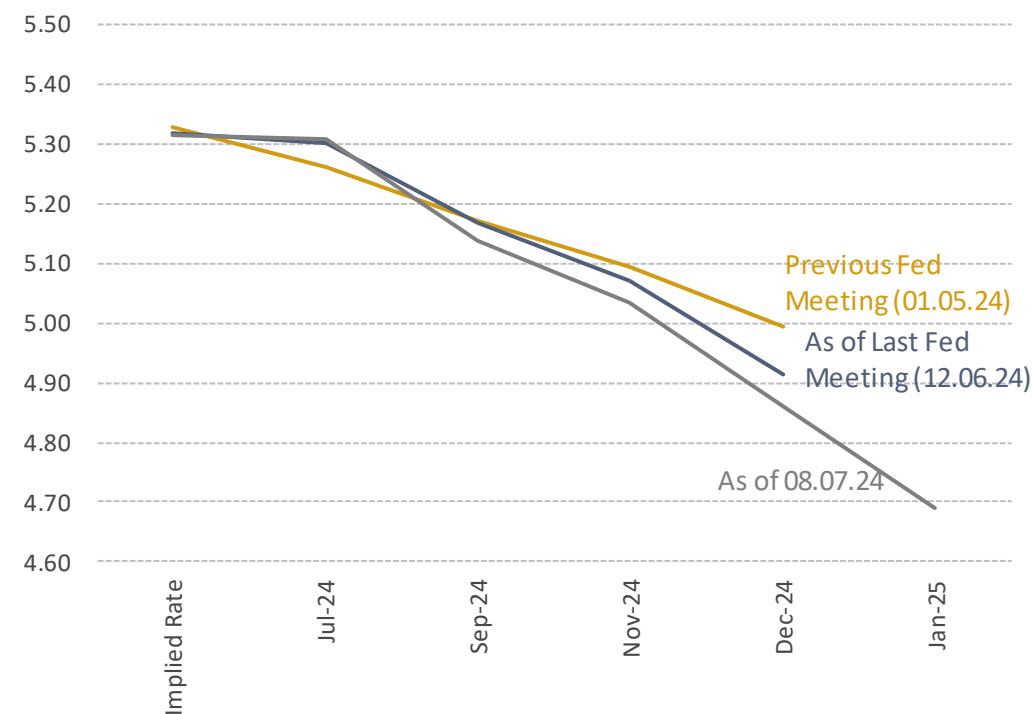


Real FFR (FFR – Core PCE) & Population + Productivity growth (3y ma)

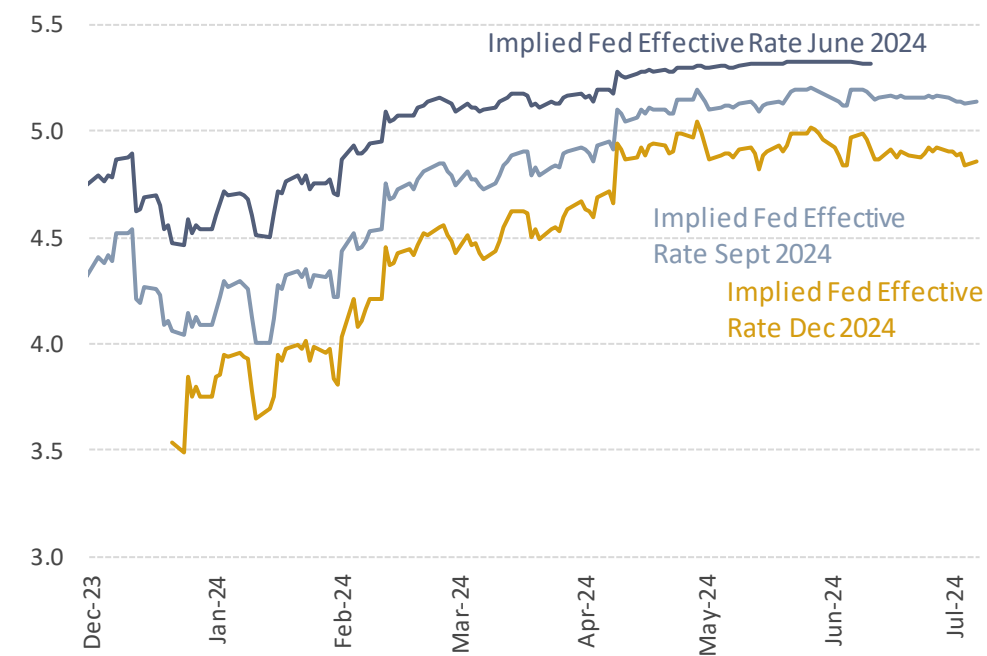


# US Interest Rates | Implied Fed Effective Rates kept rising during Q2 2024

Implied Overnight Rate based on Overnight Index Swaps

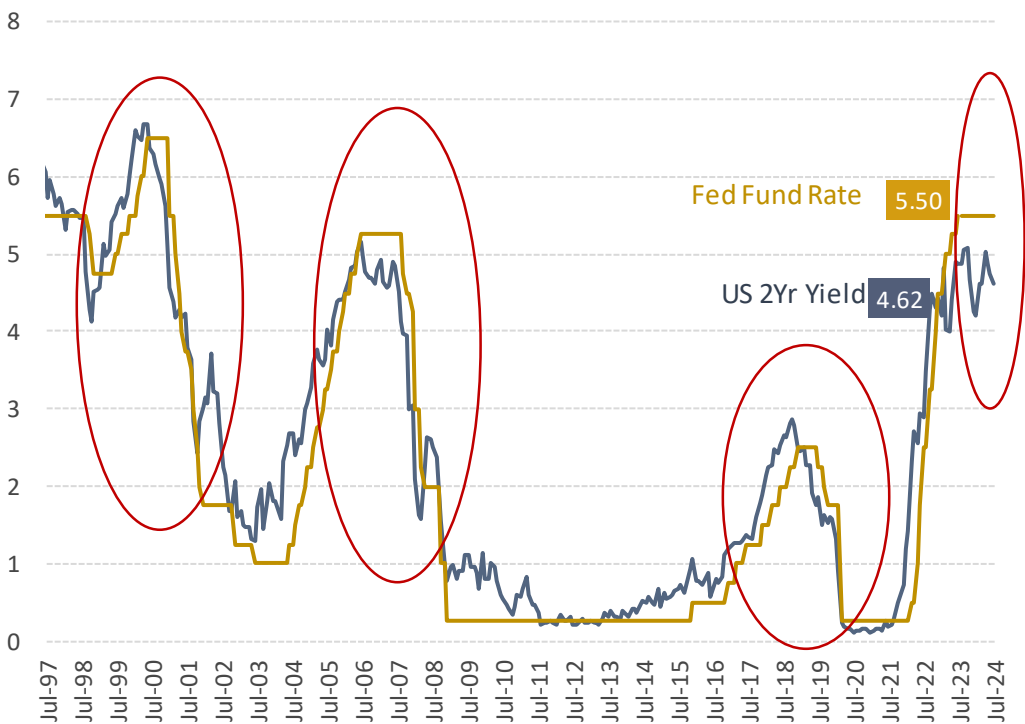


Interest Rates | Implied Fed Effective Rate



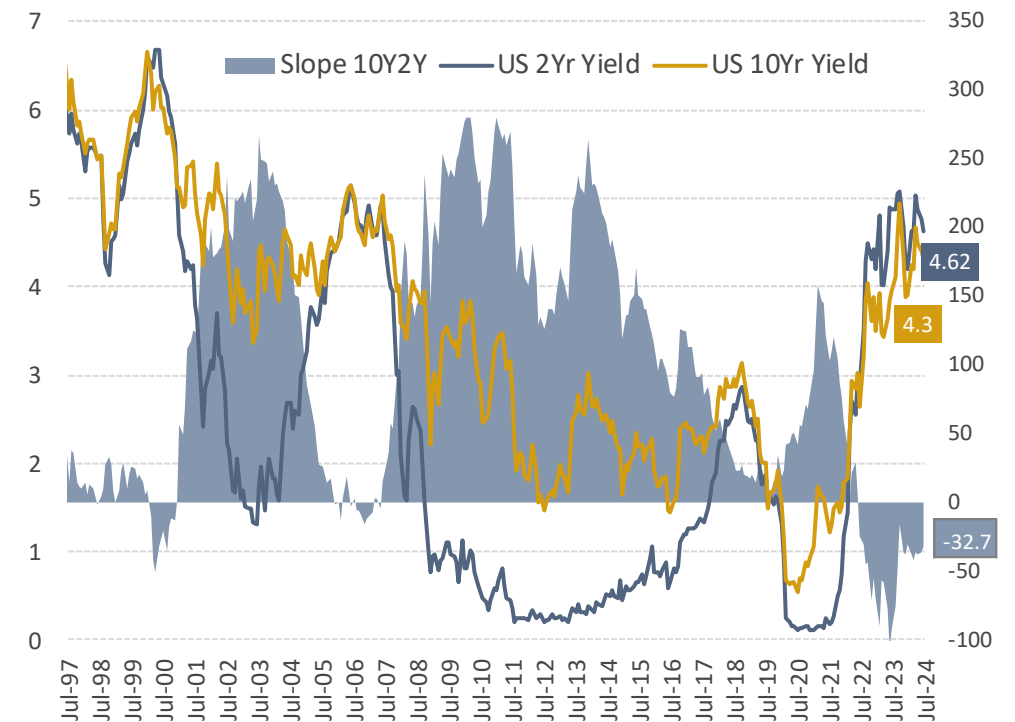
# US | According to history whenever the 2 year rate crosses below FFR, monetary policy has peaked

Fed Fund Rate & US Treasury Yield



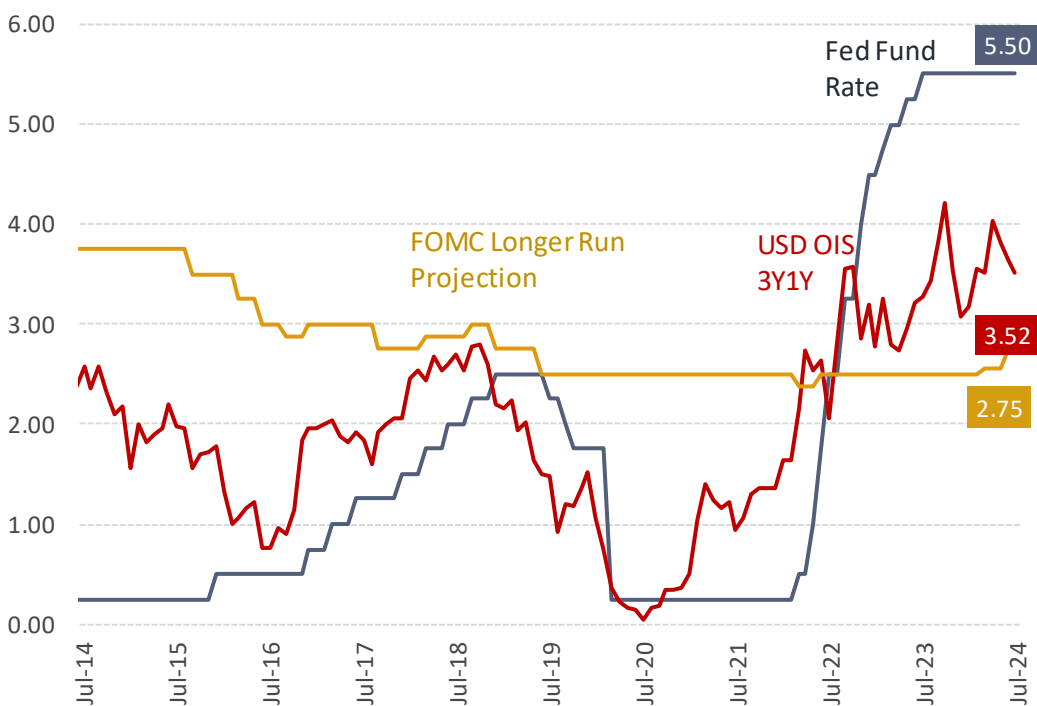
Note: Monthly data apart from the last observation which shows the latest available daily value

US Yield Curve



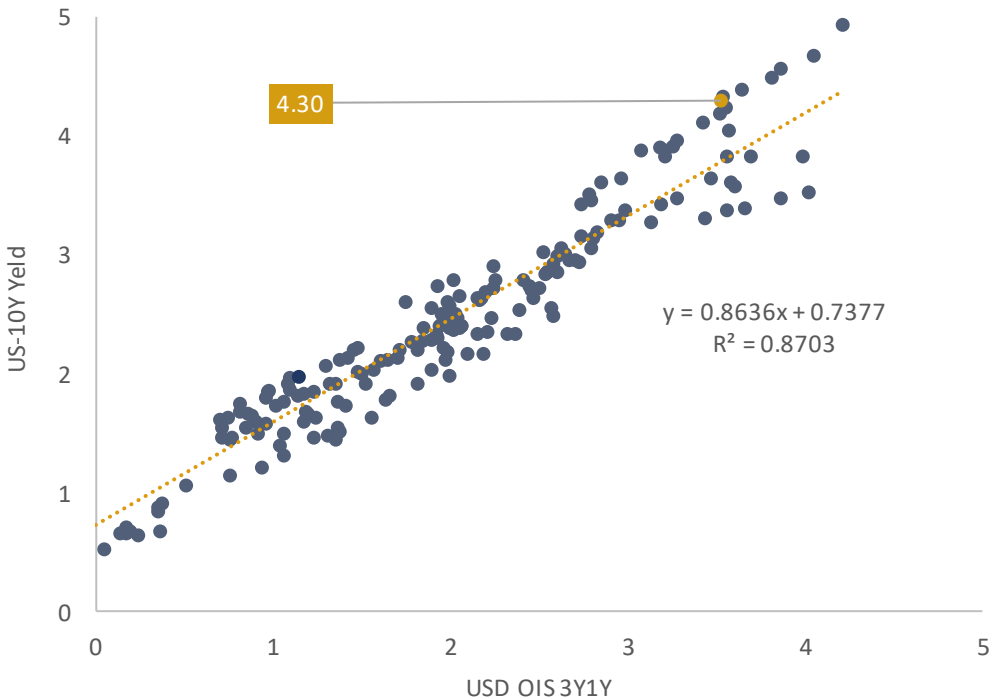
# US Long-Term Rates | Even if short-term rates 4 years in the future remain above target (2.75%), 10 year rates still look too high

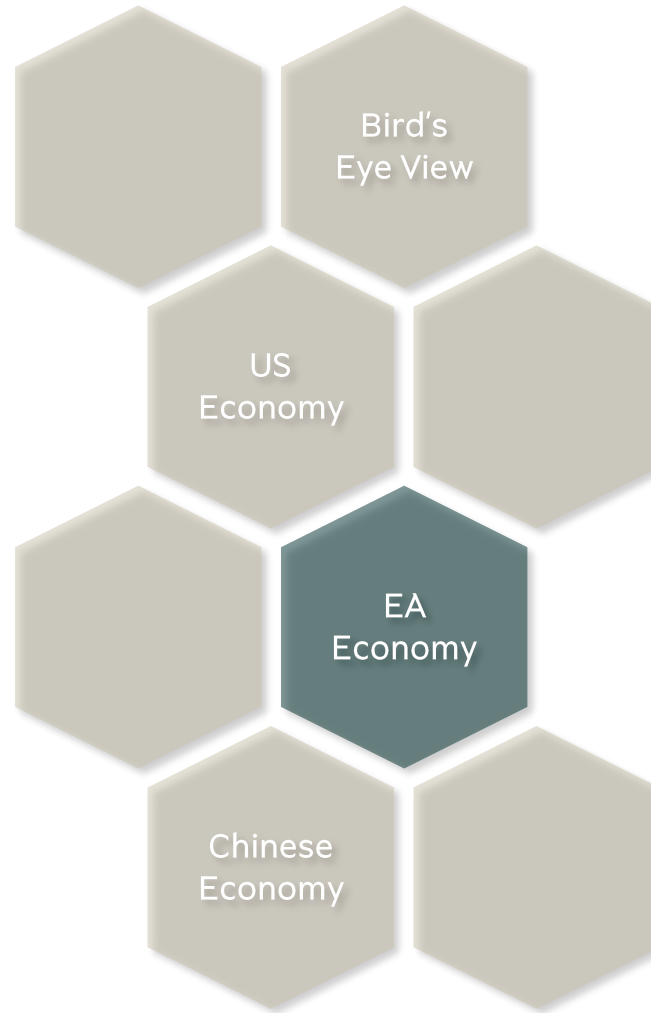
LT Interest Rate Expectations



Note: Monthly data apart from the last observation which shows the latest available daily value

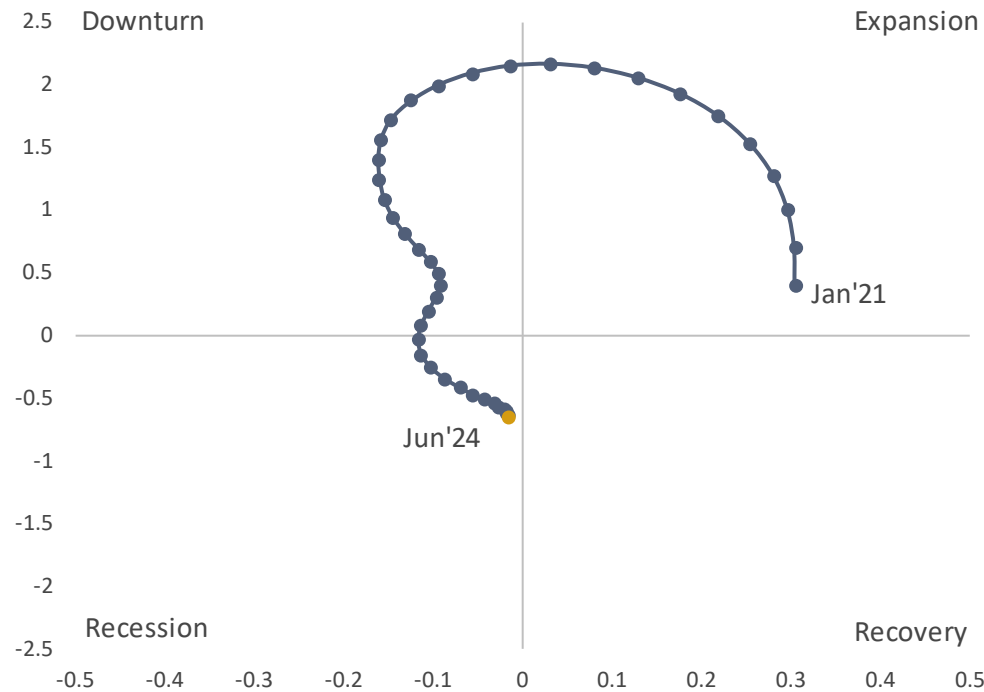
US Yield vs Medium-Term Interest Rate Expectations



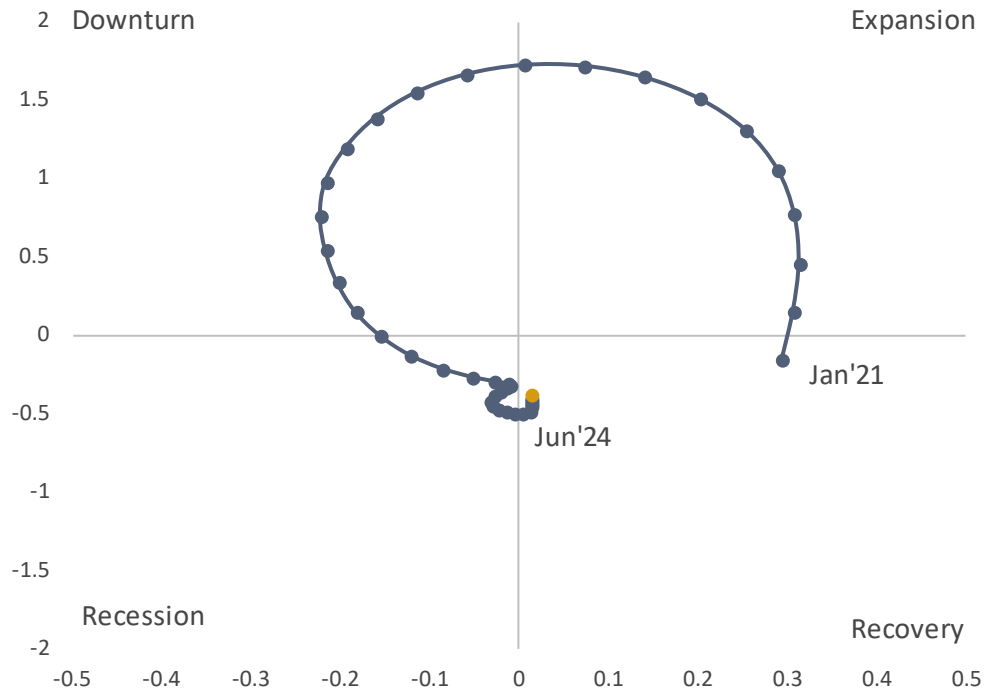


# EA Business Cycle Watch | Economic Sentiment shifts to recovery providing green shoots

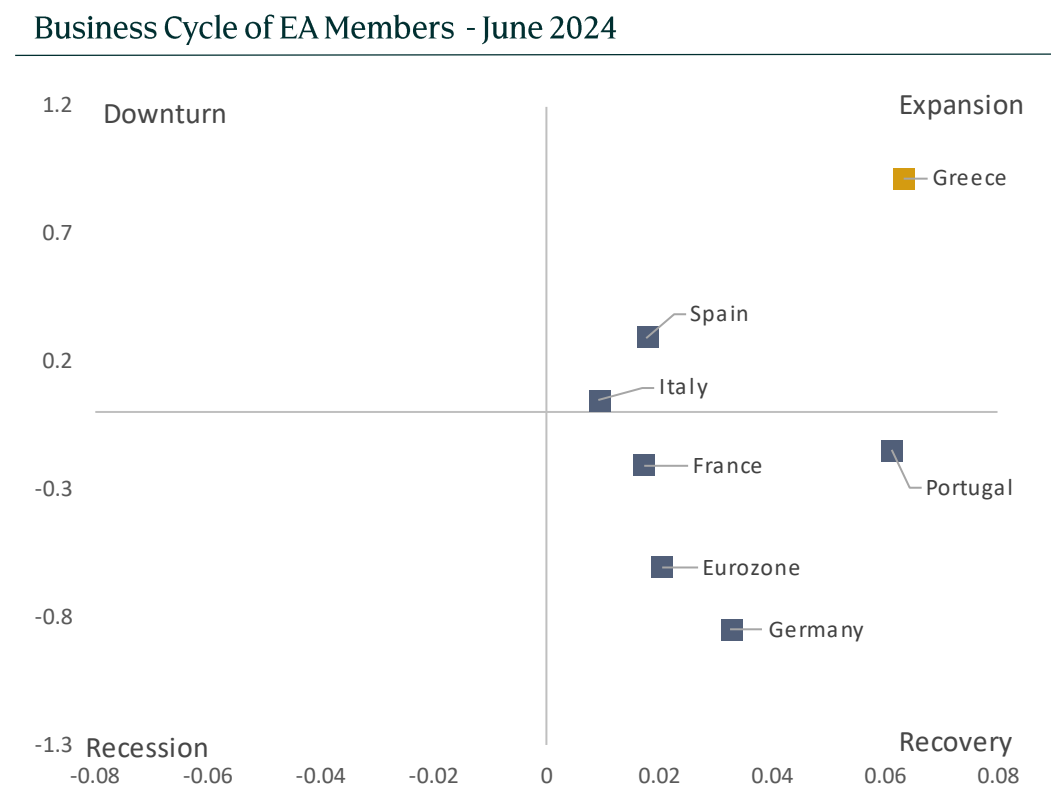
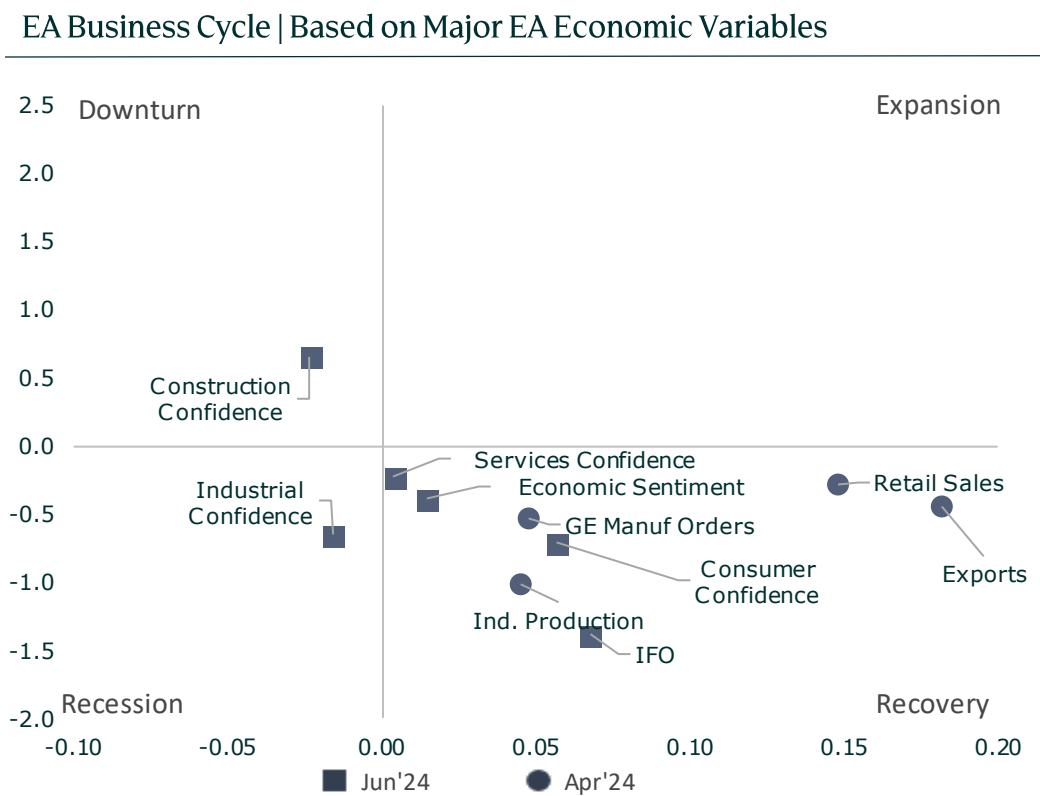
EA Business Cycle I Based on Manufacturing Confidence Indicator



EA Business Cycle I Based on Economic Sentiment Indicator

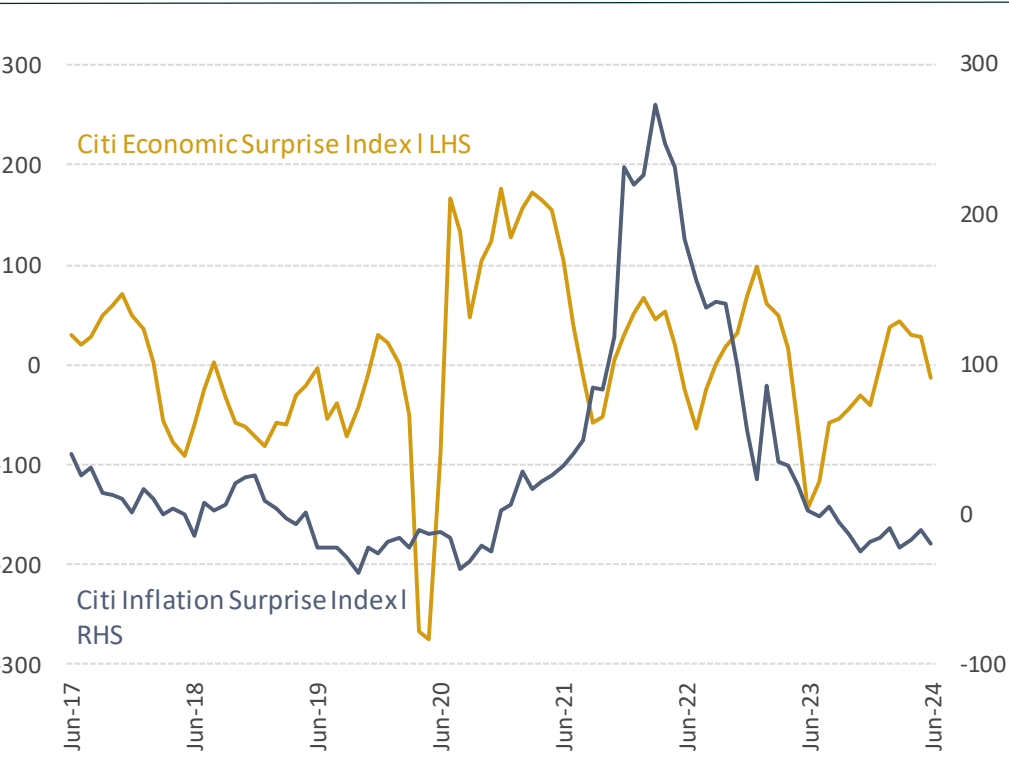


# EA Business Cycle | Most EA economic variables stand between recession and recovery, whilst a steady recovery is signaled on a country level

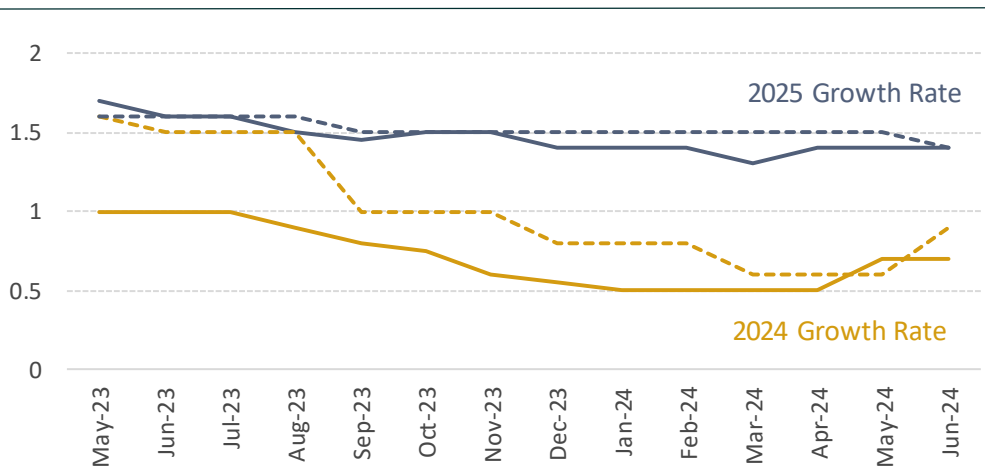


# EA Macro Expectations | Economic surprises overall positive. Worries about inflation eased

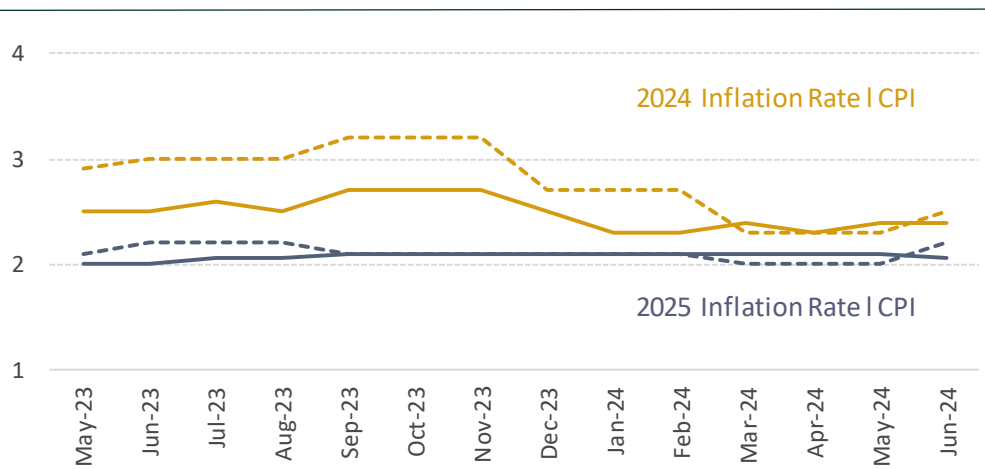
Economic & Inflation Surprises



Growth Rate Expectations\*



Inflation Rate Expectations\*

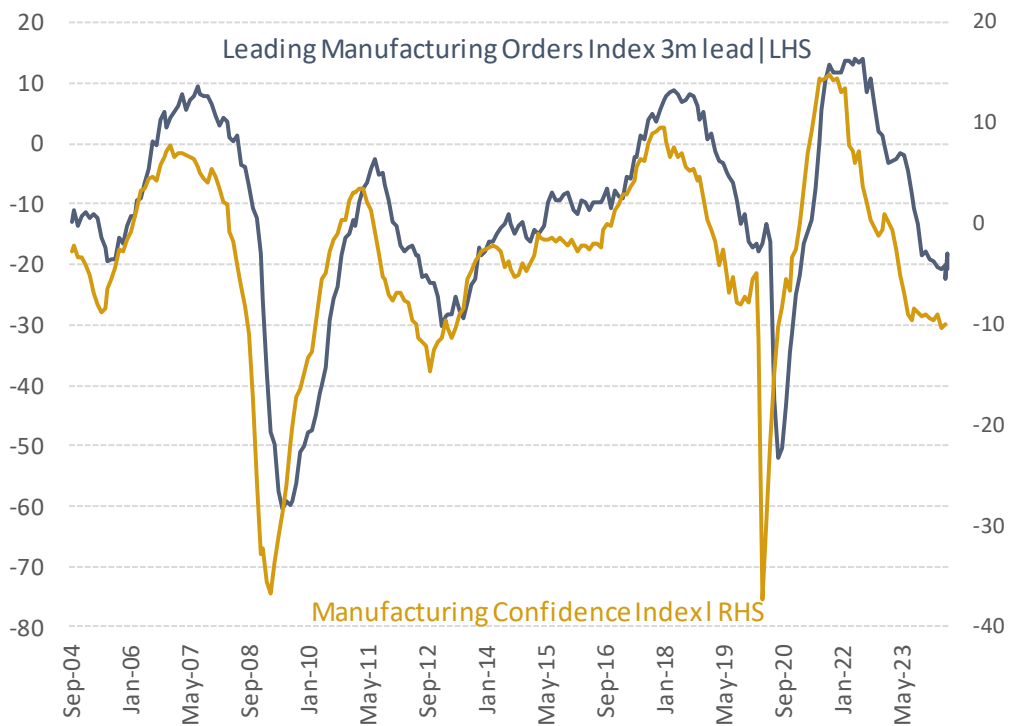


\*Solid line: Consensus; Dotted line: ECB projections

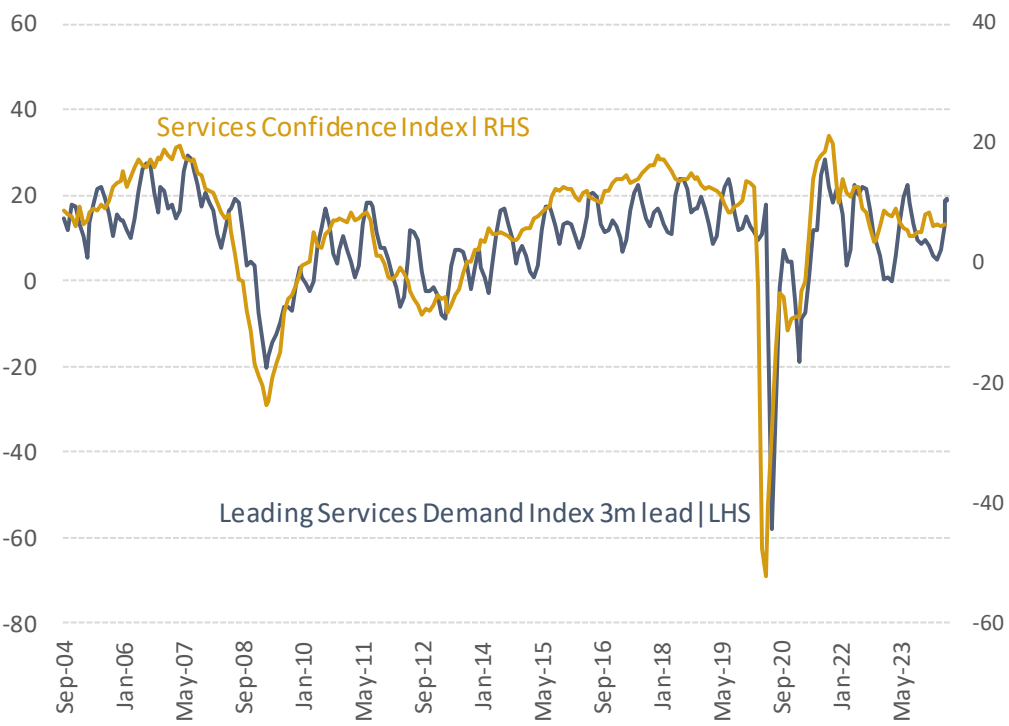


# EA Leading Indicators | Manufacturing indicators in downturn. Services Sector ticks up

Manufacturing Confidence Index & Leading Manufacturing Orders

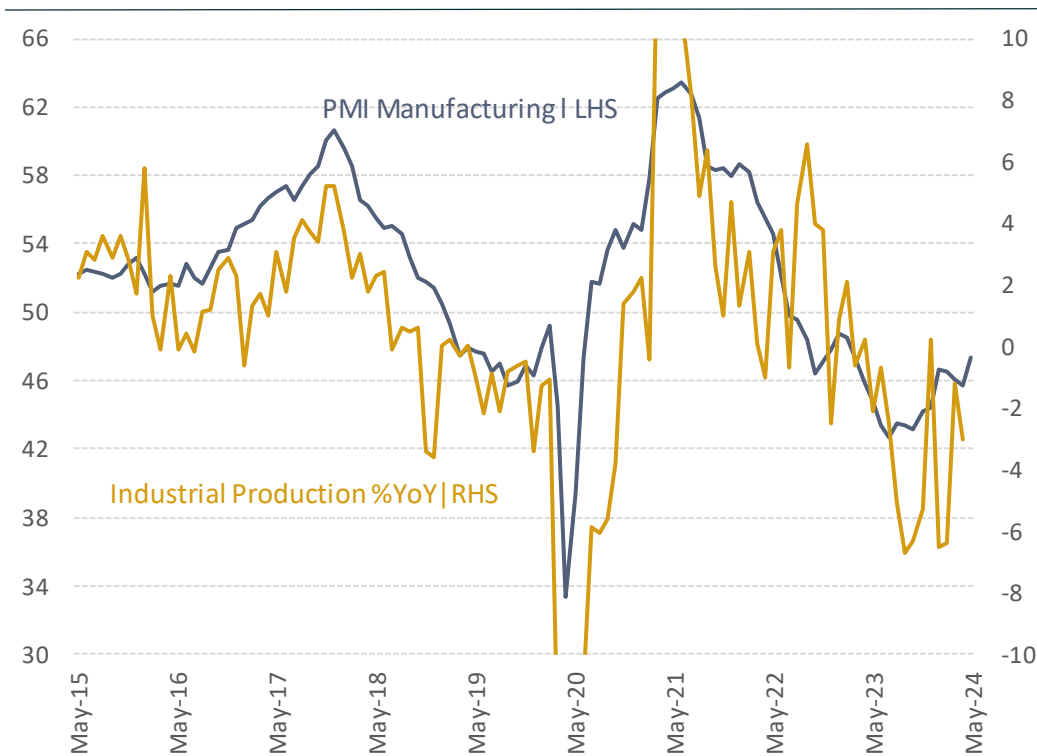


Services Confidence Index & Leading Services Demand Index

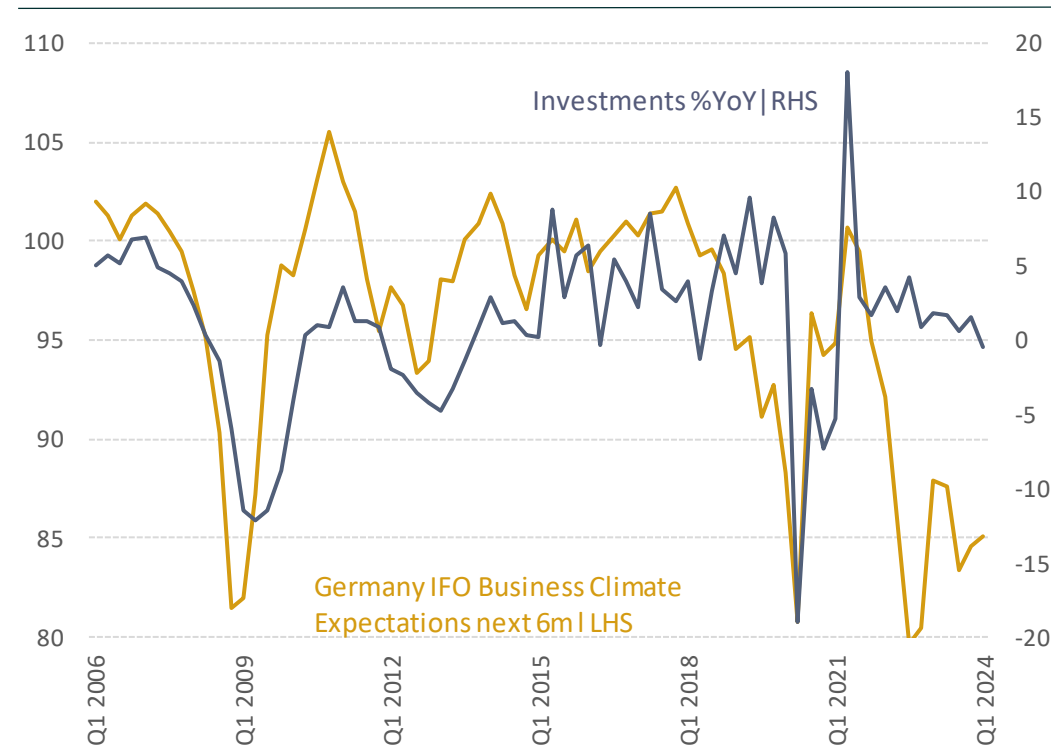


# EA Business Conditions | Manufacturing still vulnerable. Business investment remains marginally flat

Industrial Production YoY vs PMI Manufacturing

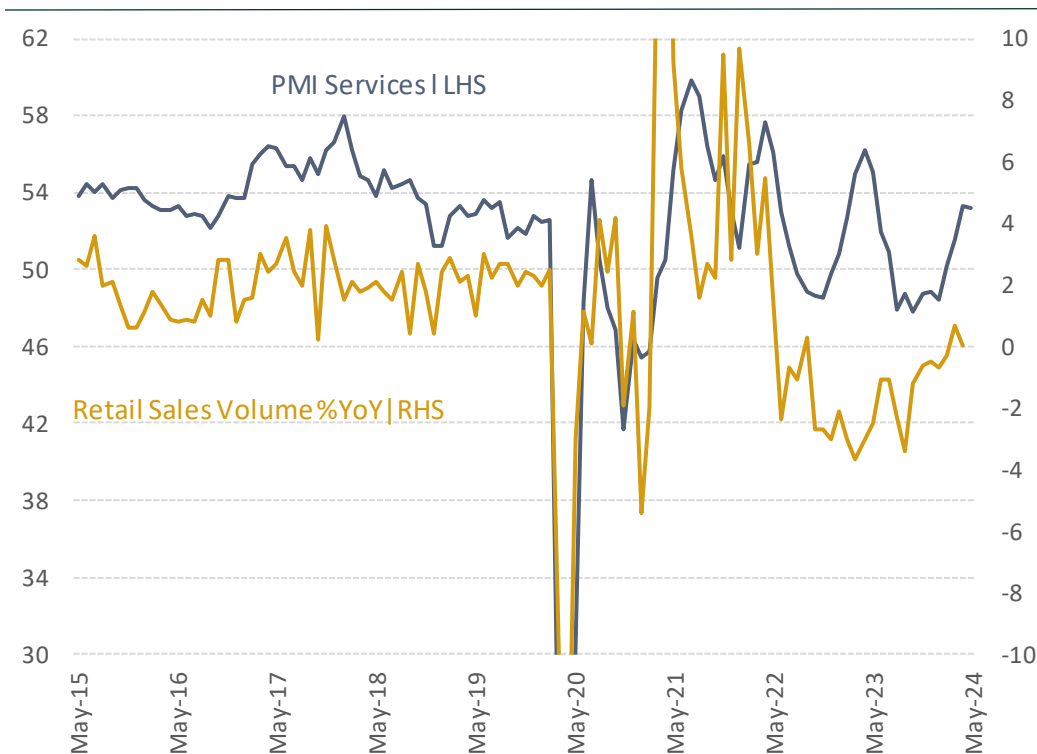


IFO Expectations & Business Investment

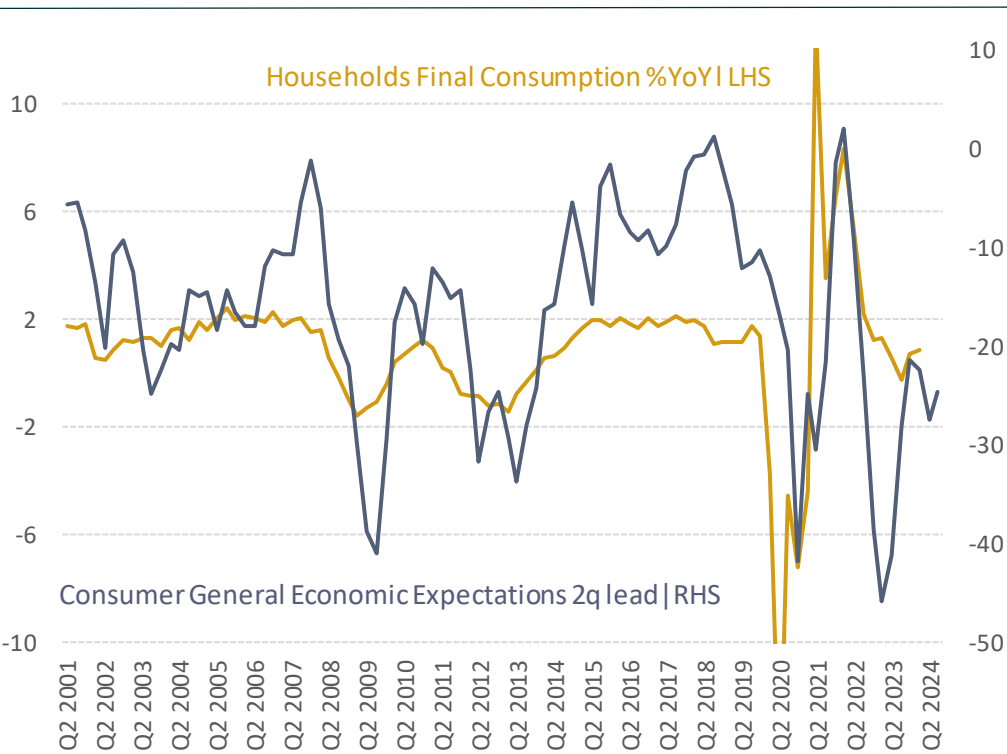


# EA Business Conditions | Retail spending still at low levels but improving, a possible tailwind to EA growth

Retail Sales Volume YoY vs PMI Services

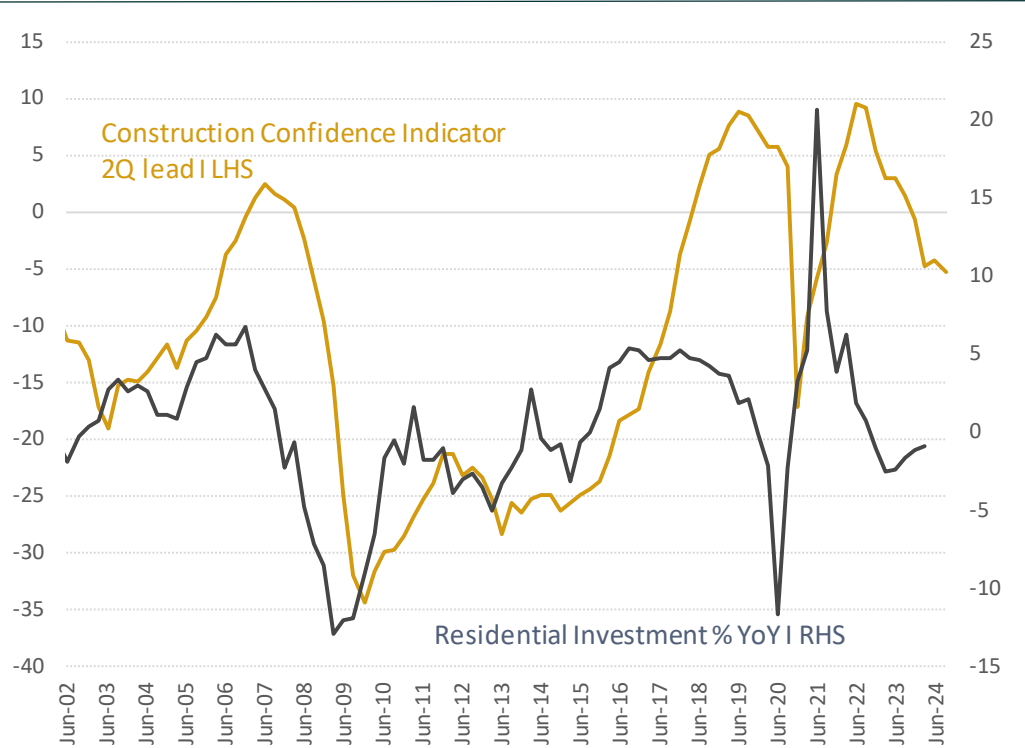


Final Consumption & Consumer Expectations Index

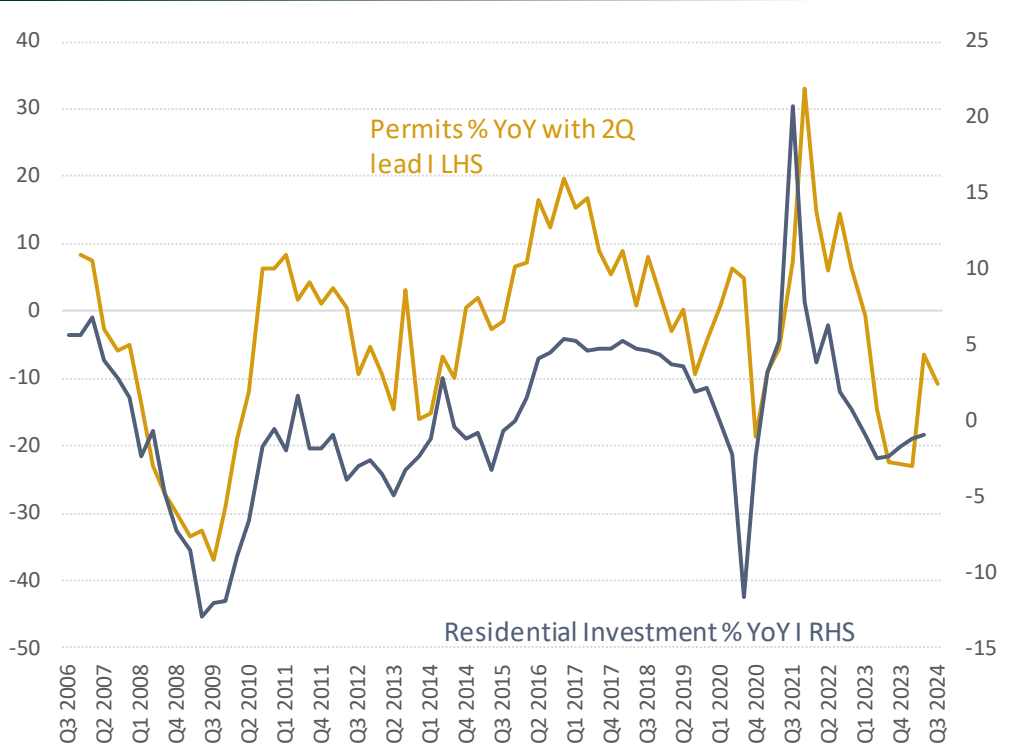


# EA Construction | Residential activity is negatively impacting growth with Construction Confidence on a downward trend

Residential Investment & Construction Confidence

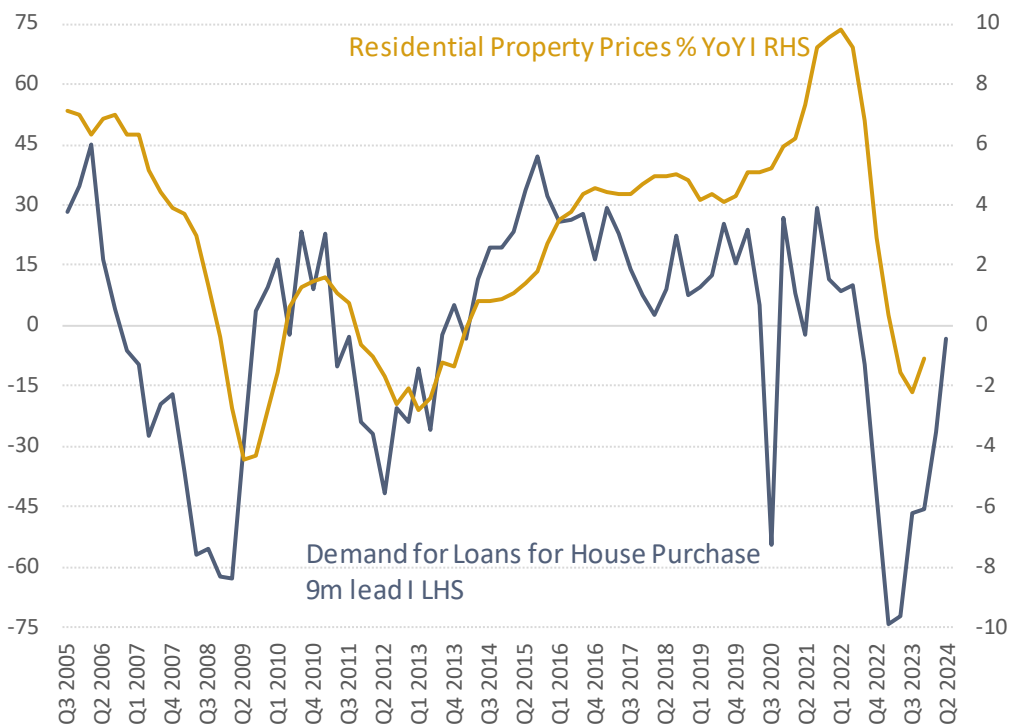


Residential Investment & House Permits

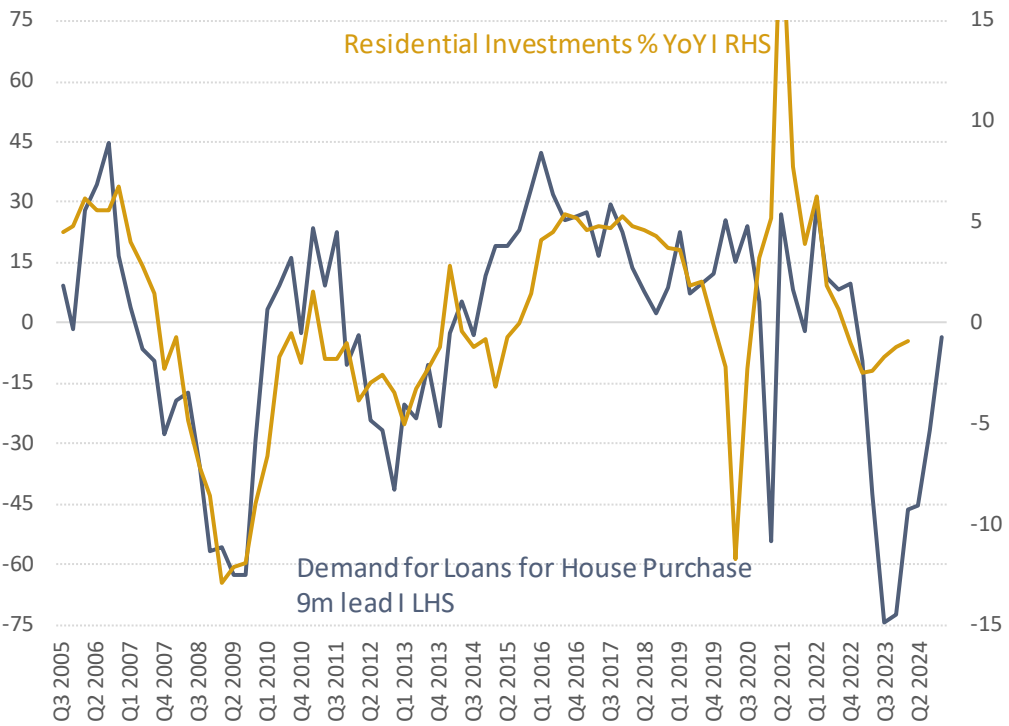


# EA Construction | A pick up in investments and housing loans is expected in the coming months

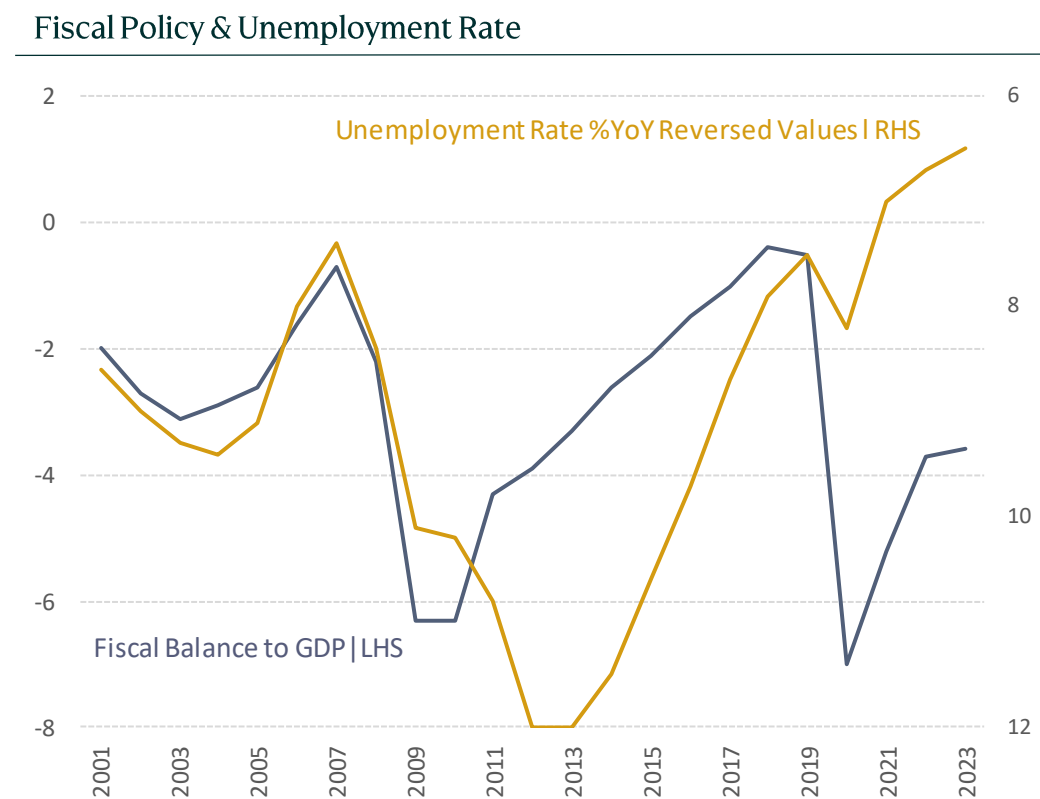
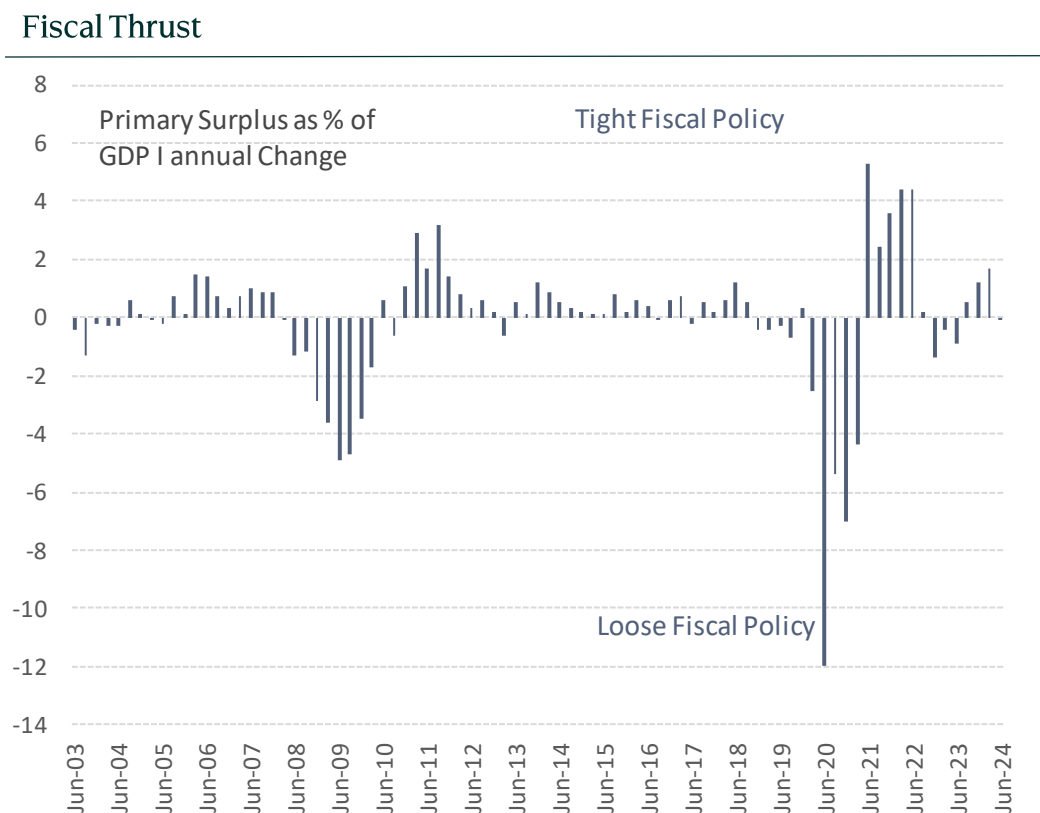
Residential Property Prices & Demand for loans (9m lead)



Residential Investments & Demand for loans (9m lead)

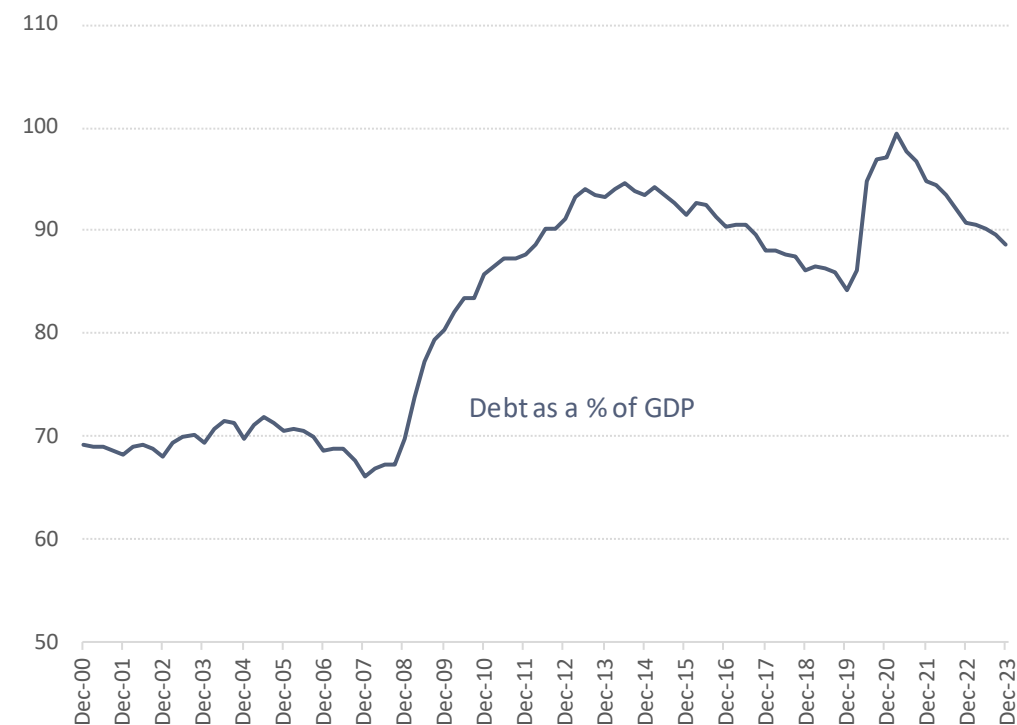


# EA Fiscal Policy | Fiscal Deficit improvement with Unemployment Rate moderating

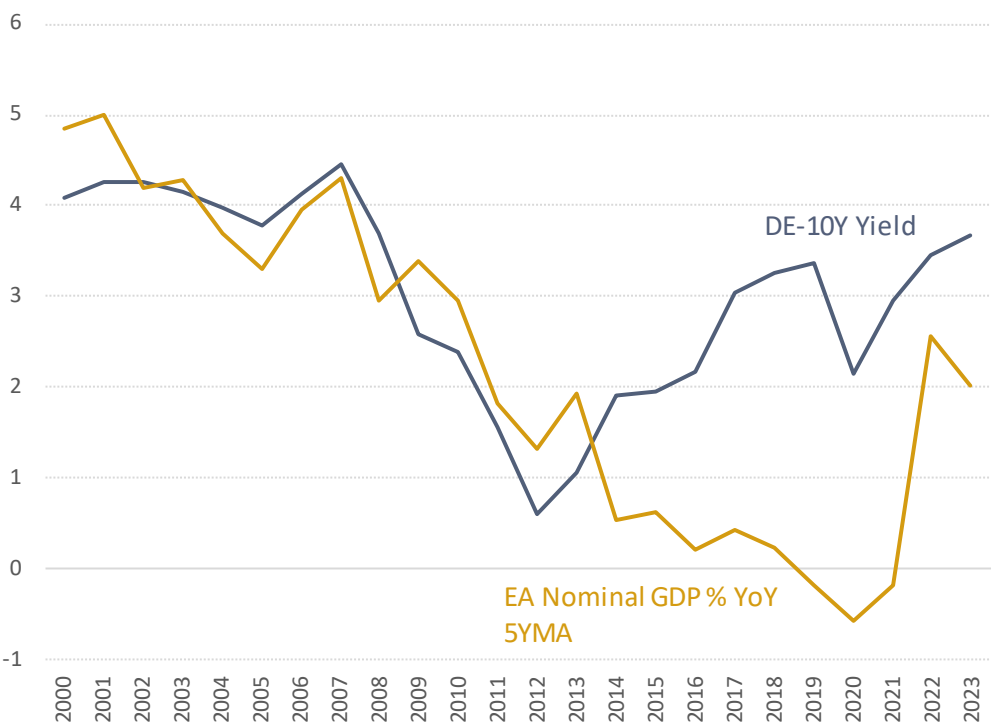


# EA Fiscal Policy | Debt levels have moderated after the pandemic

Debt / GDP

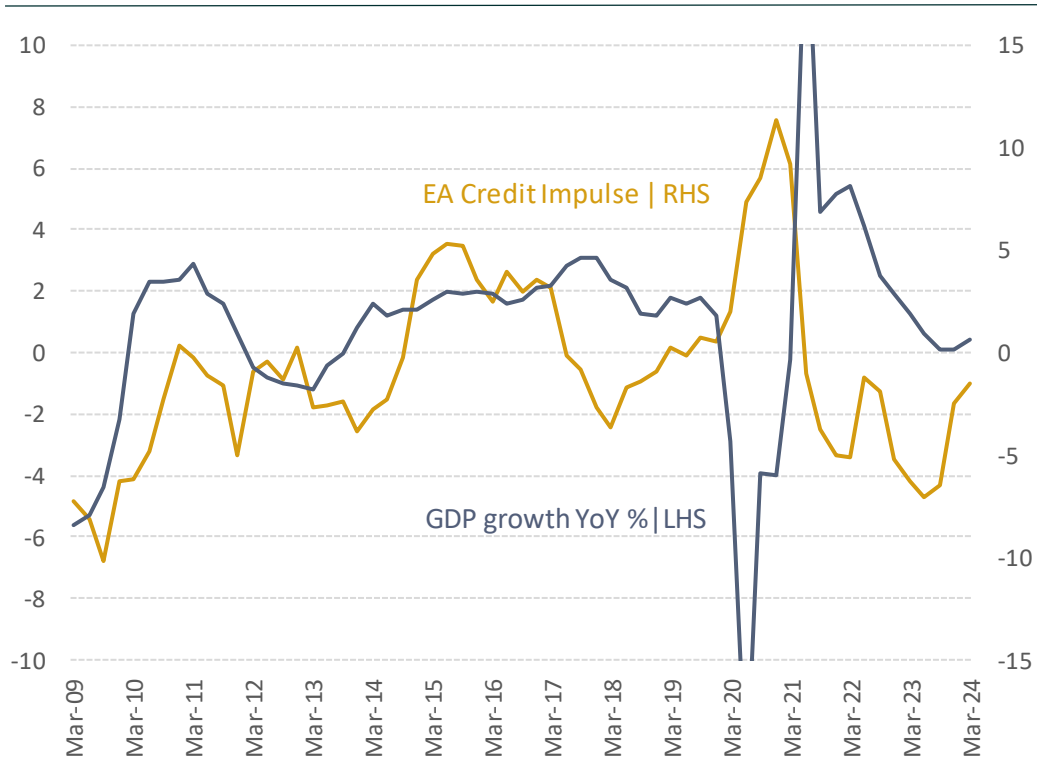


Fiscal Policy Sustainability

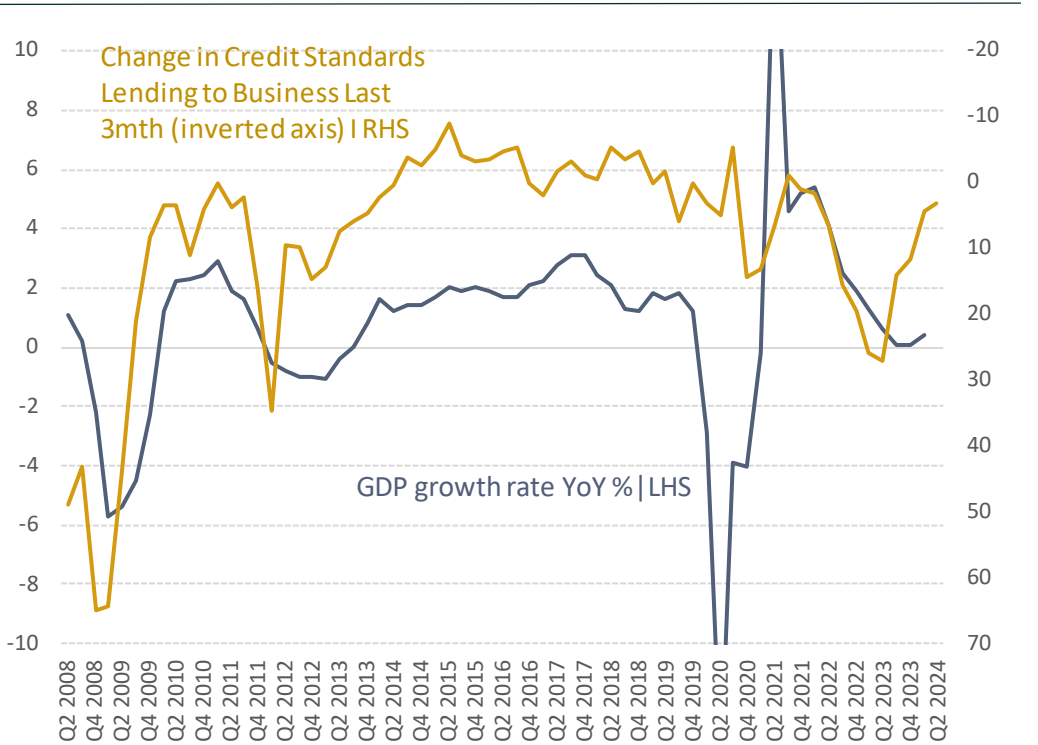


# EA GDP Outlook | Credit impulse and bank lending standards provide a glimmer of hope for GDP growth in 2024

EA Credit Impulse & GDP growth rate

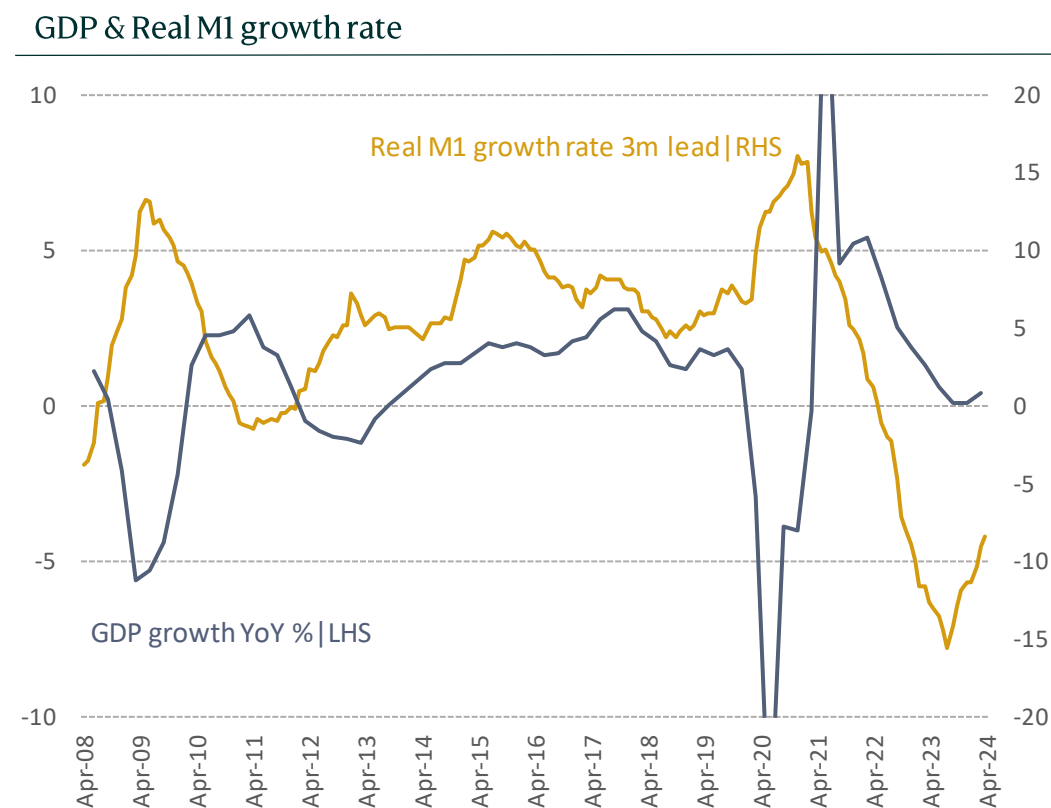
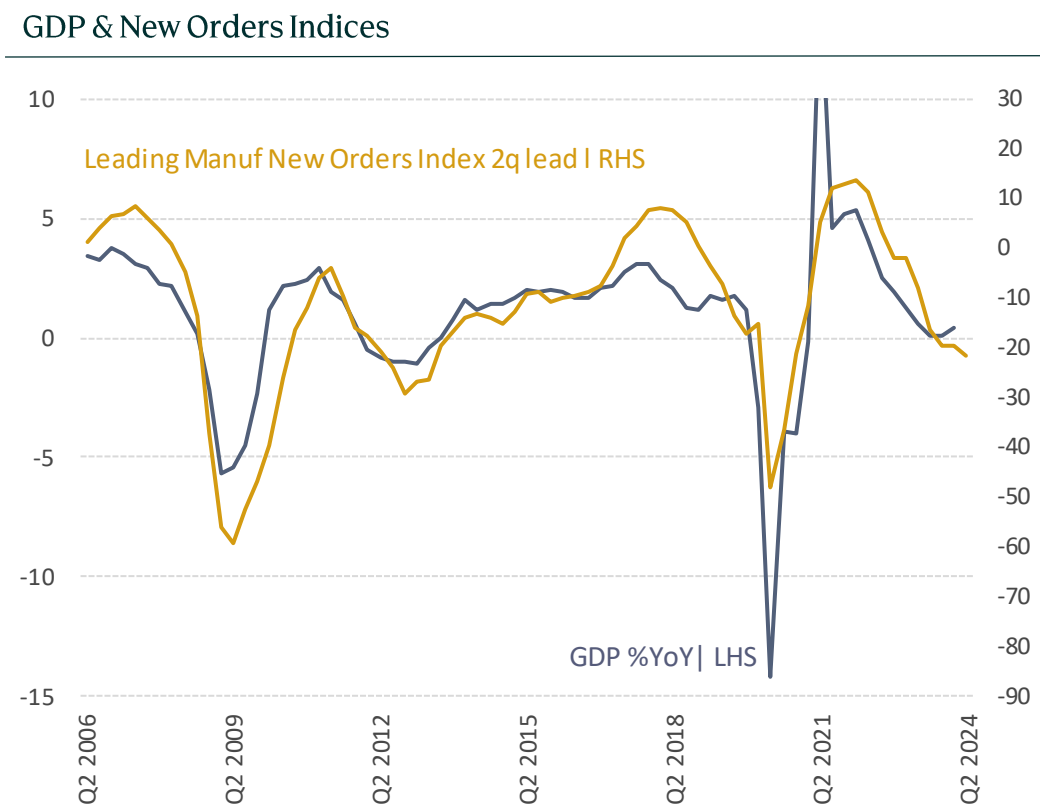


GDP YoY vs Bank Lending Standards



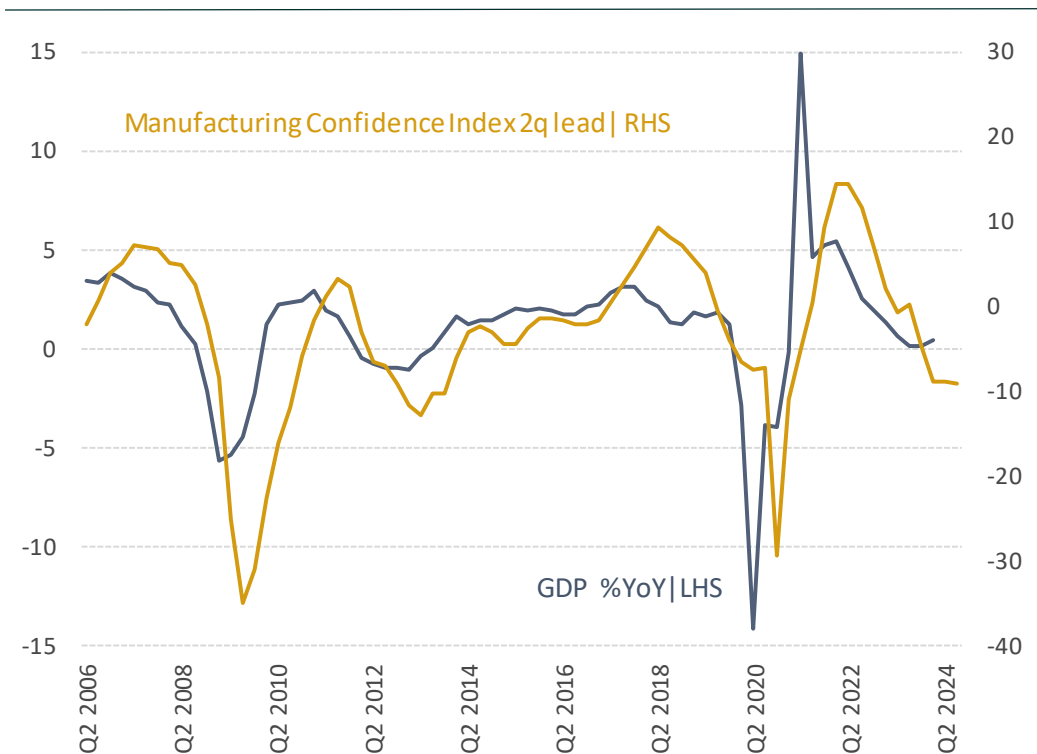


# EA | Manufacturing New Orders still on a downtrend; Real M1 improvement somewhat reduces concerns about the economic outlook

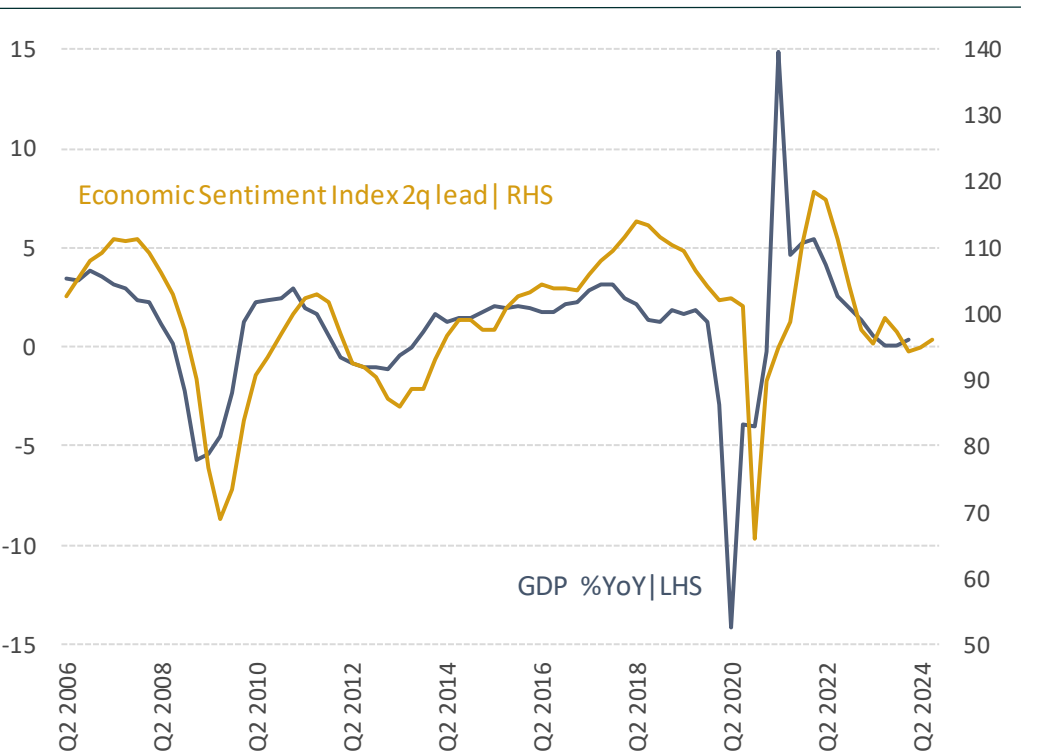


# EA GDP Outlook | Leading indicators imply stabilisation at low levels

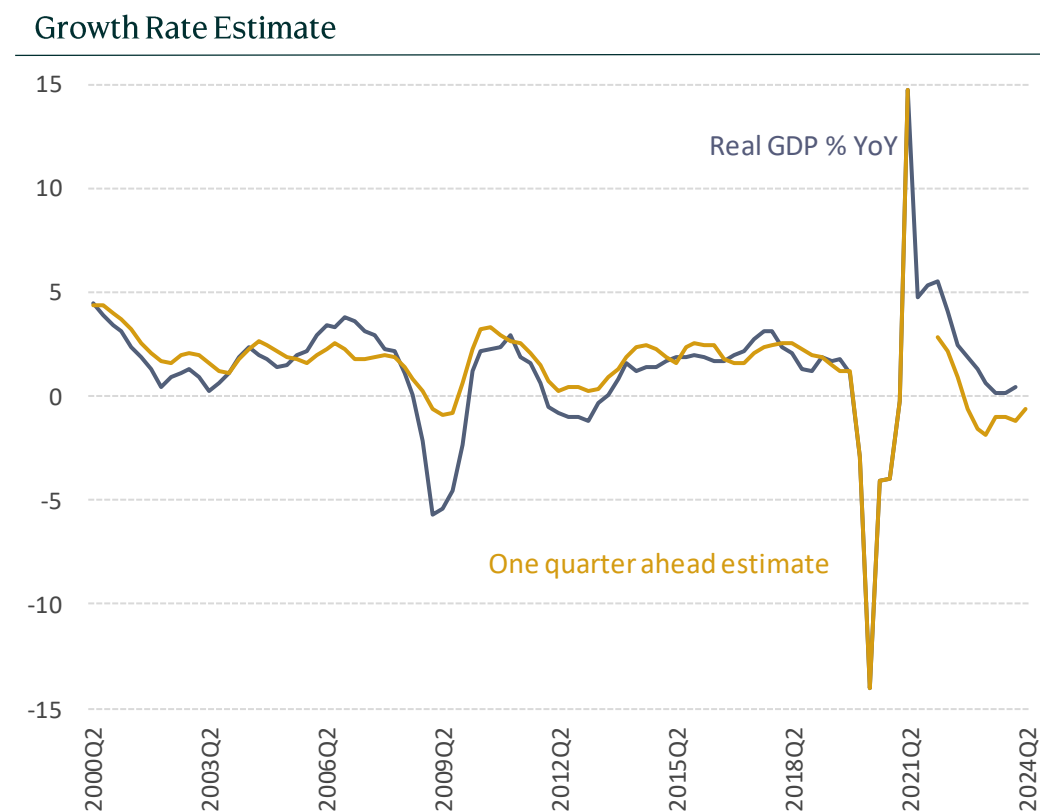
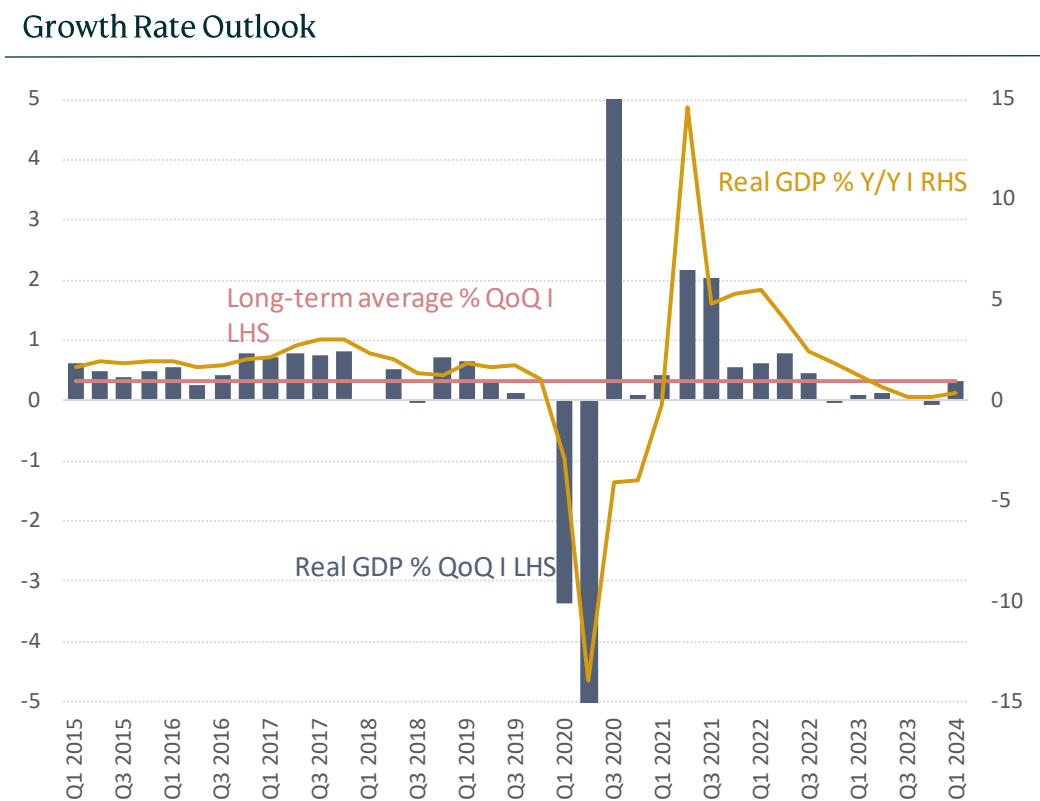
GDP & Manufacturing Confidence Index



GDP & Economic Sentiment Index

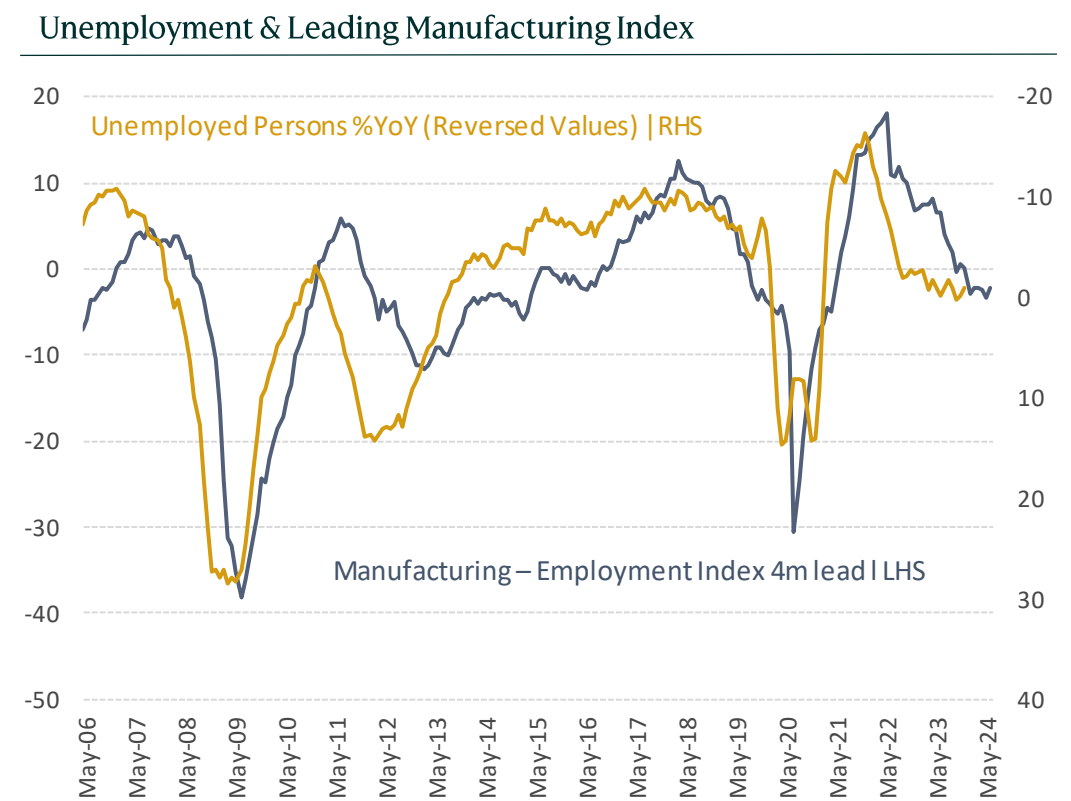
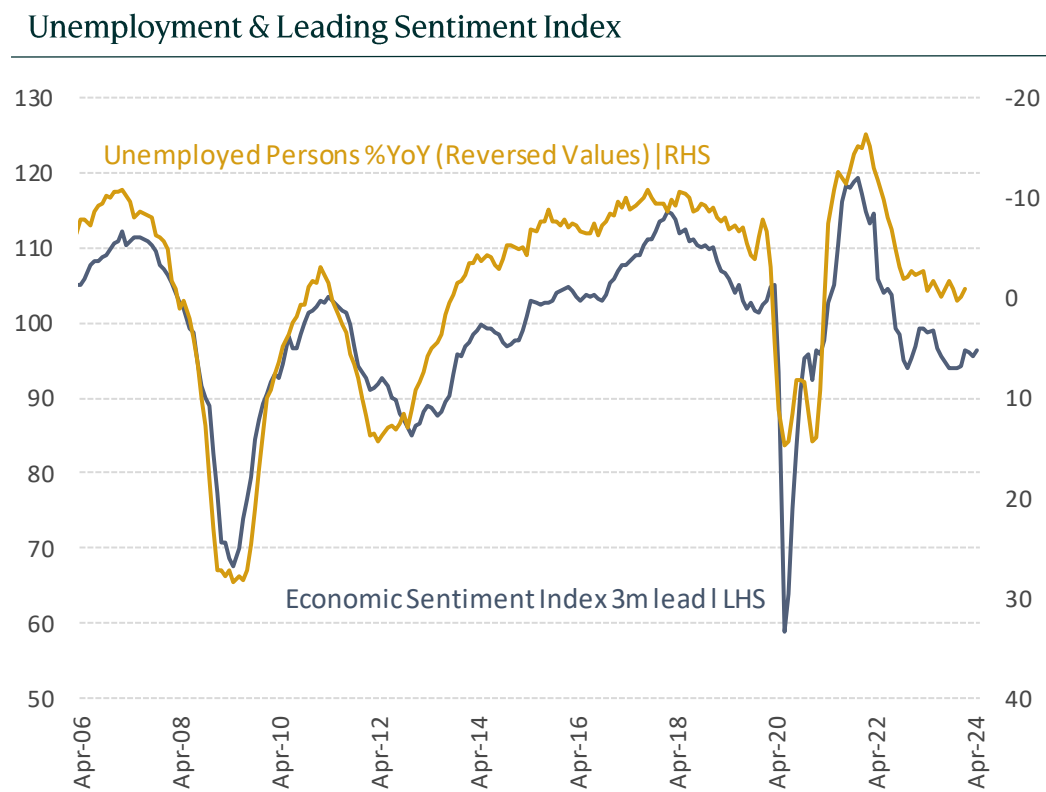


# EA GDP Outlook | EA economy is growing faster than anticipated



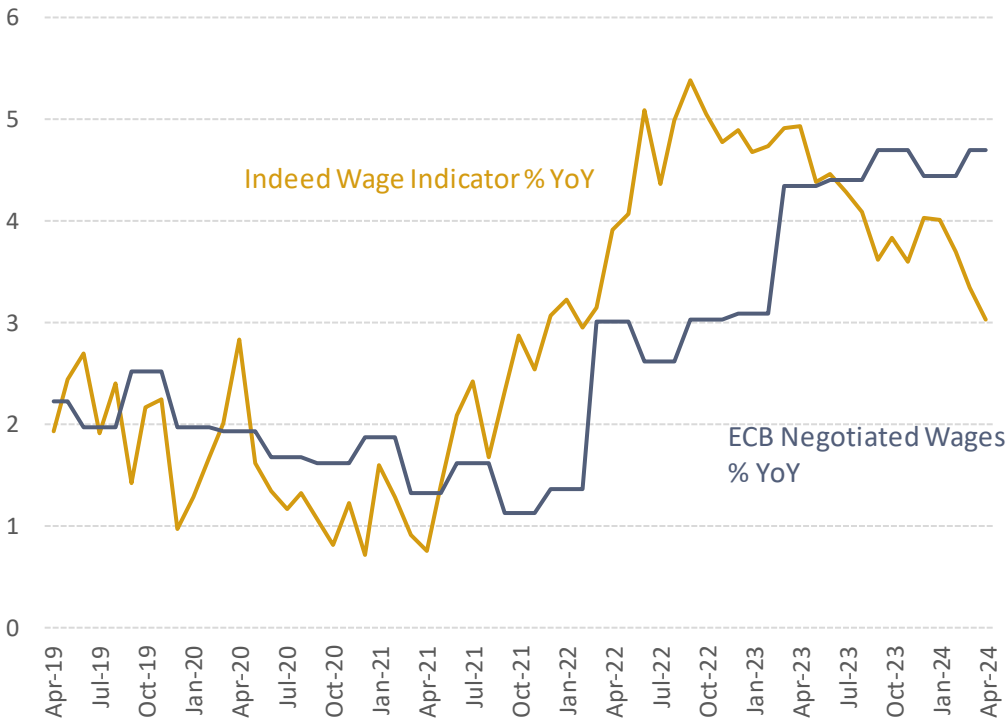
Note: Covid-19 period (Q4 2019 - Q2 2021) is excluded from the estimation

# EA Labour Market | Labour market is still in good shape. Leading indicators imply stabilization going forward

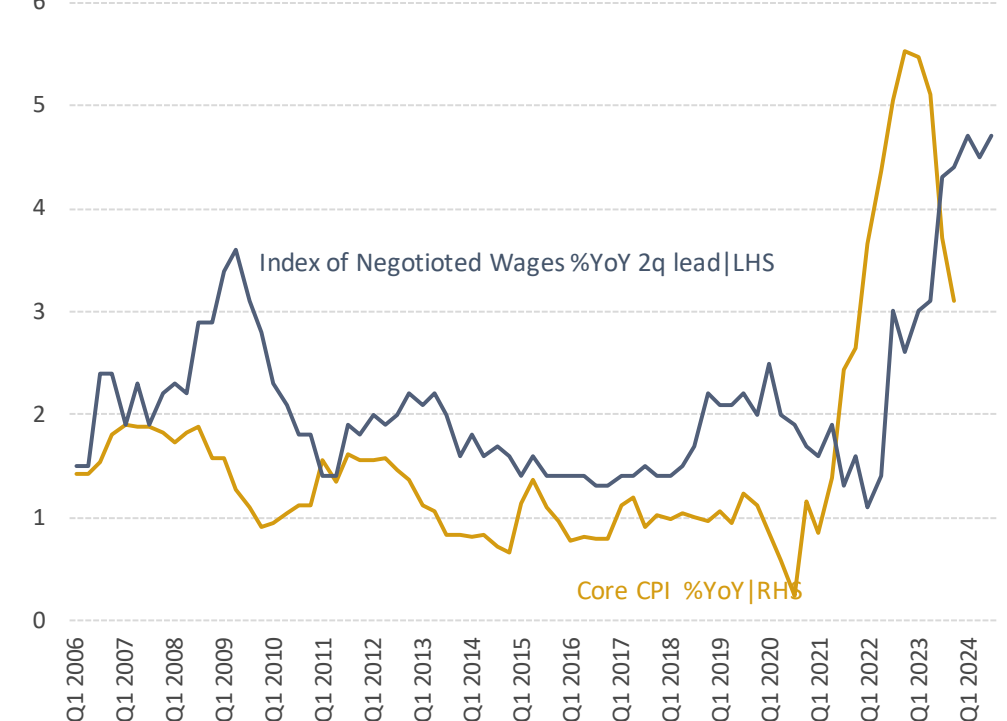


# EA Wage Tracker | As “headline grabbing” wage increases, real wage growth turned positive

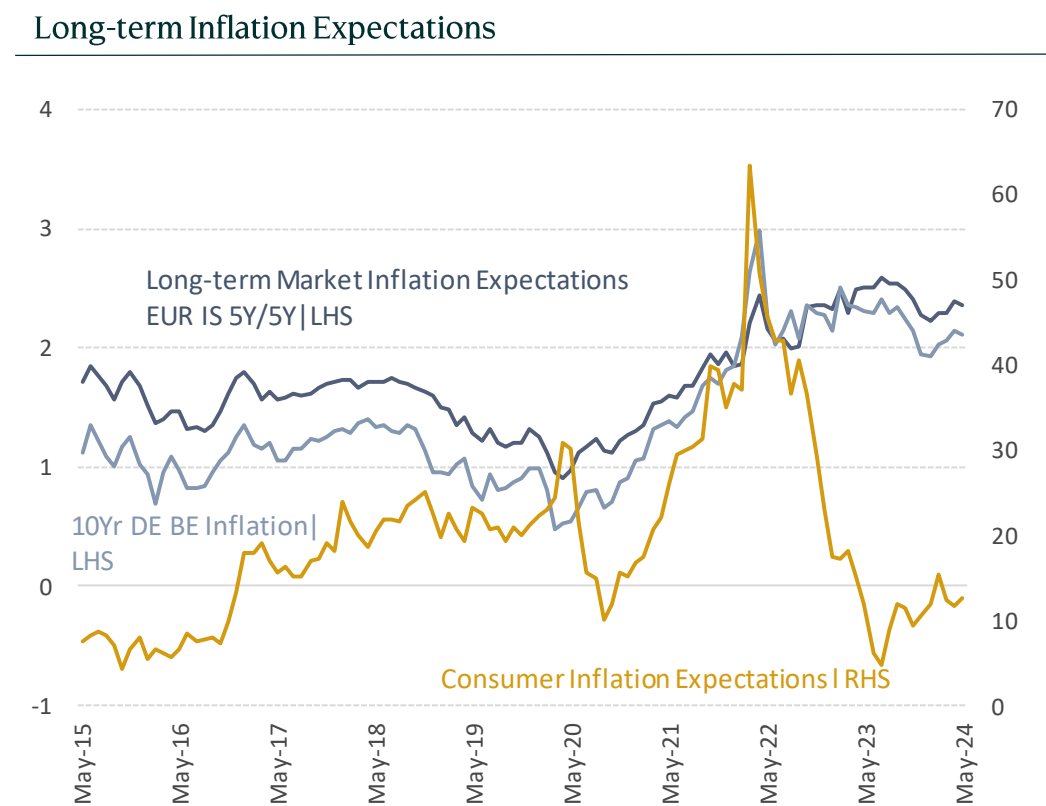
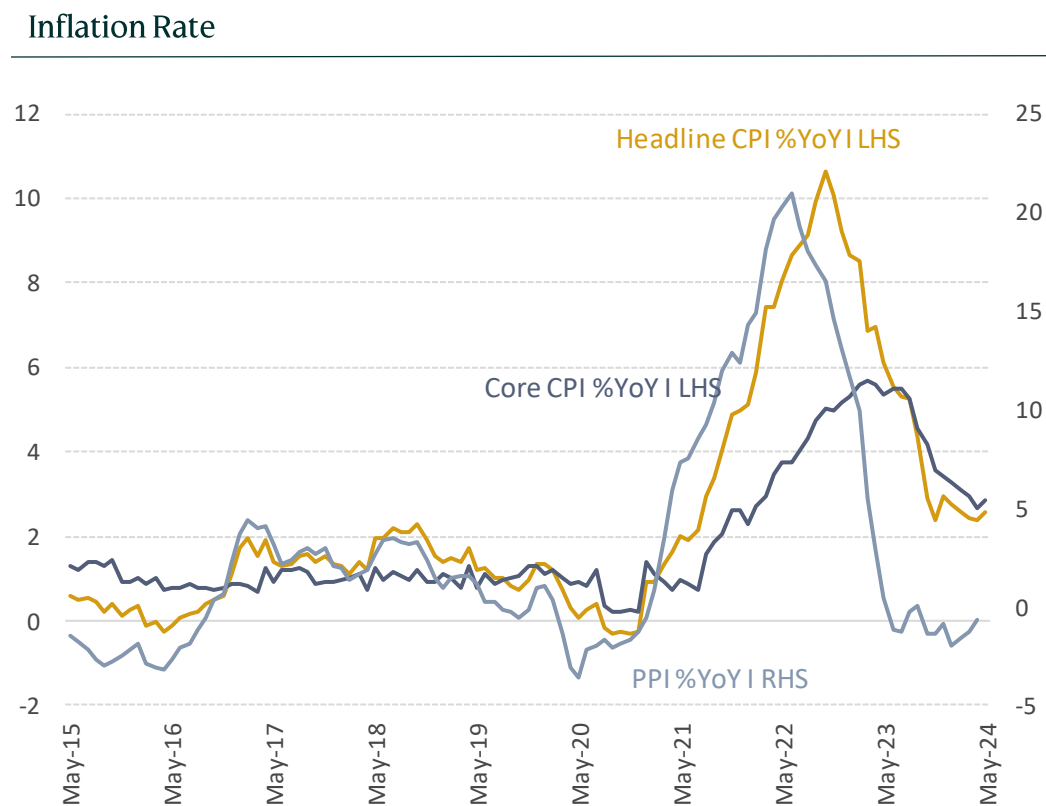
Labour Market



Core Inflation & Wages

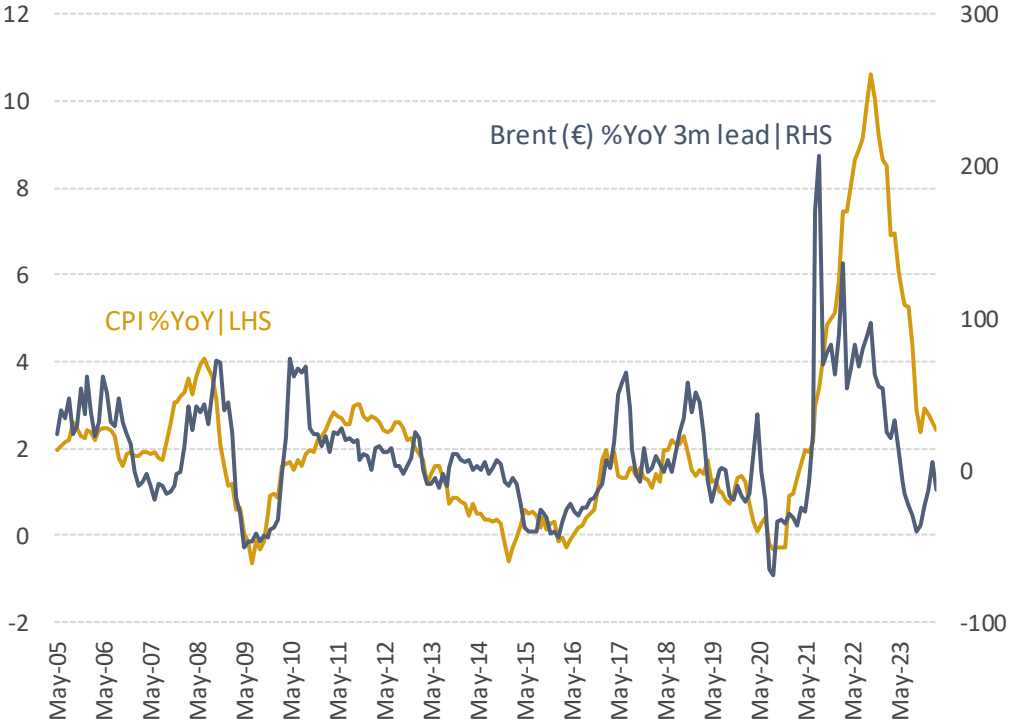


# EA Inflation Pressures | Headline CPI still above the 2% threshold, Core CPI is a laggard

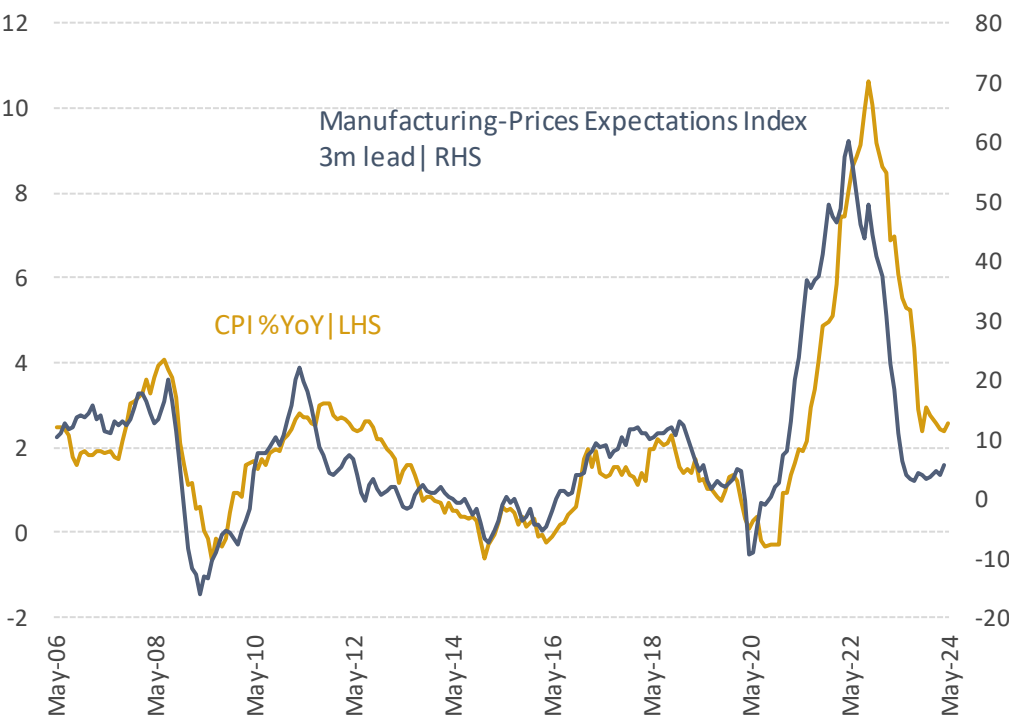


# EA Inflation & Energy Prices | Cost-push inflation drivers need to be monitored following recent pickup

Inflation Rate & Oil Prices

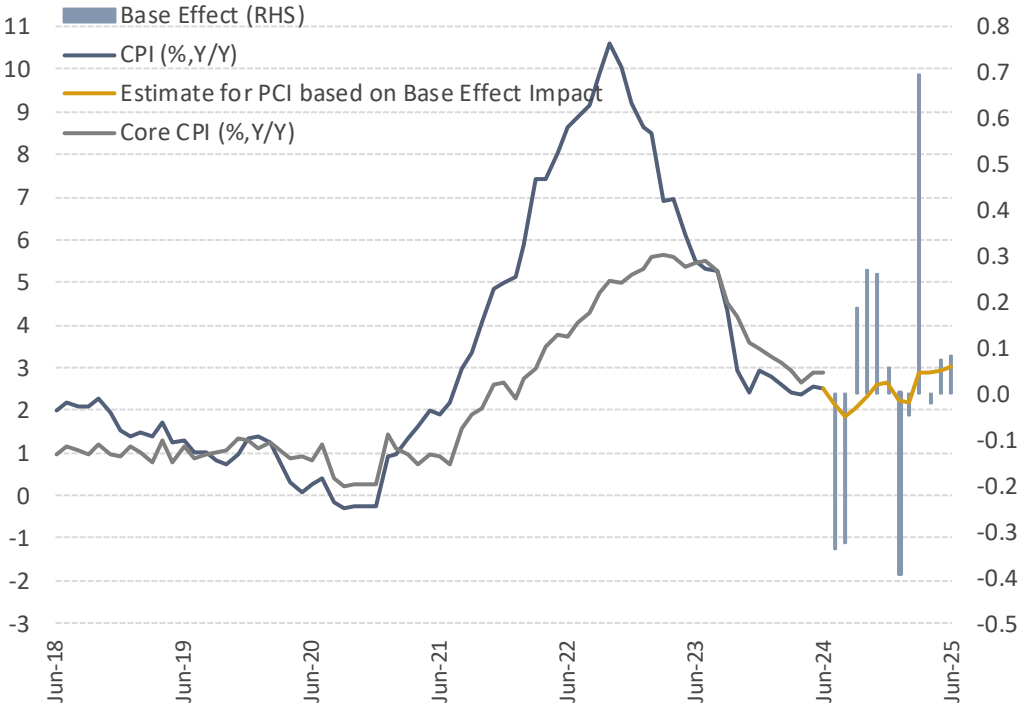


Inflation Rate & Leading Manufacturing Prices Index

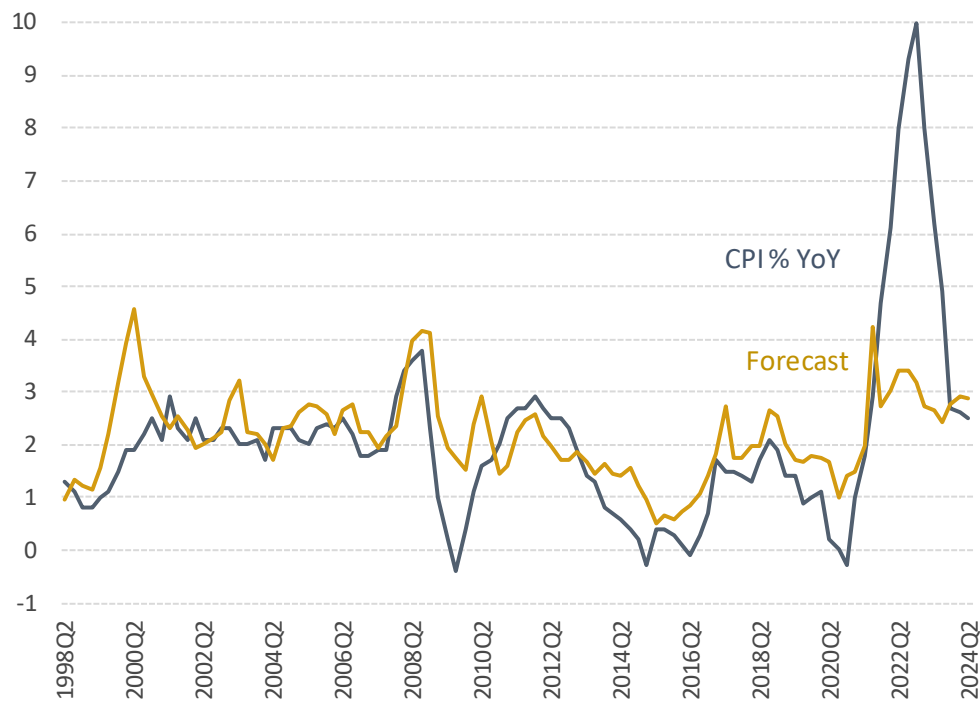


# EA Inflation Outlook | After a “long-separation” period, actual and model-implied inflation seem to reconnect

Inflation Rate Forecast I Statistical Model



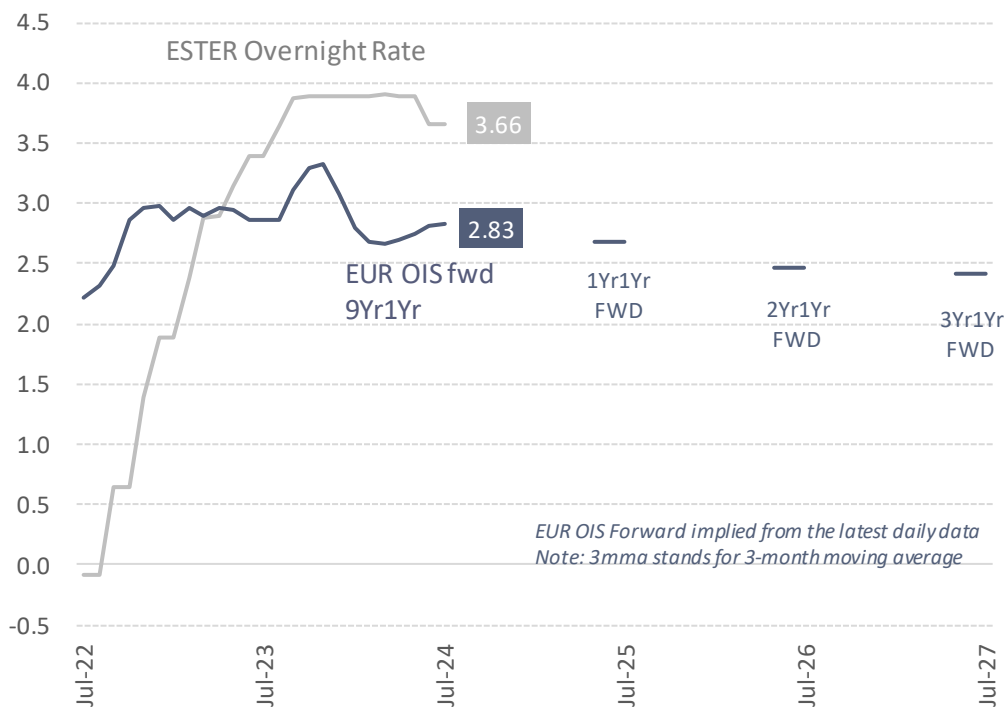
Inflation Rate Forecast I Macro Model



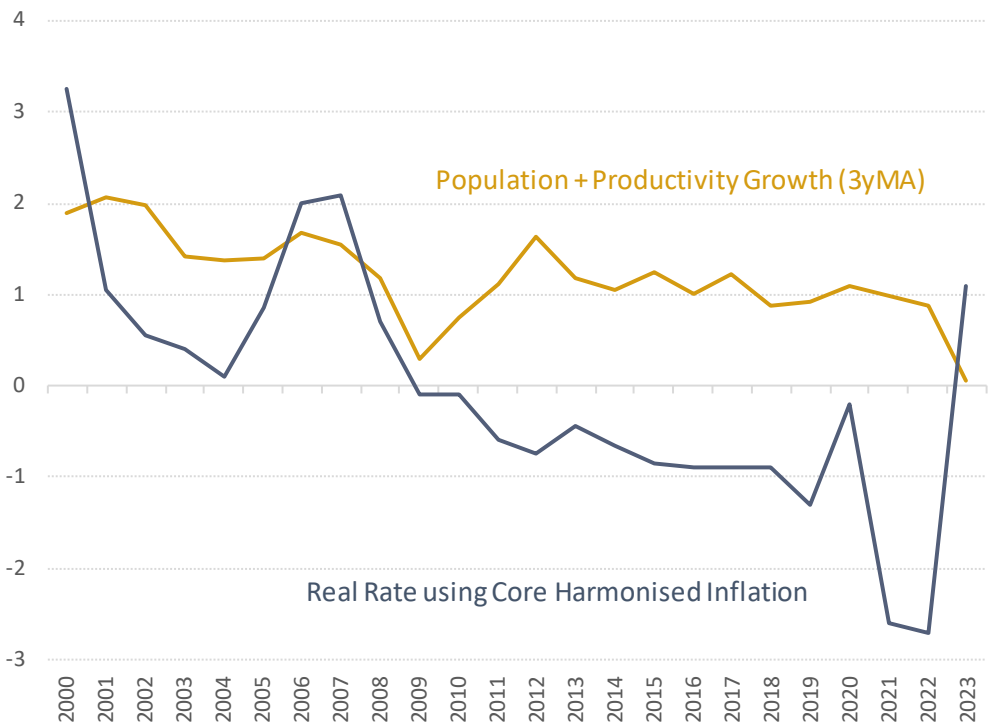


# EA Short-Term Rates | The “higher for longer” paradigm is being questioned

Interest rates | Market Expectations

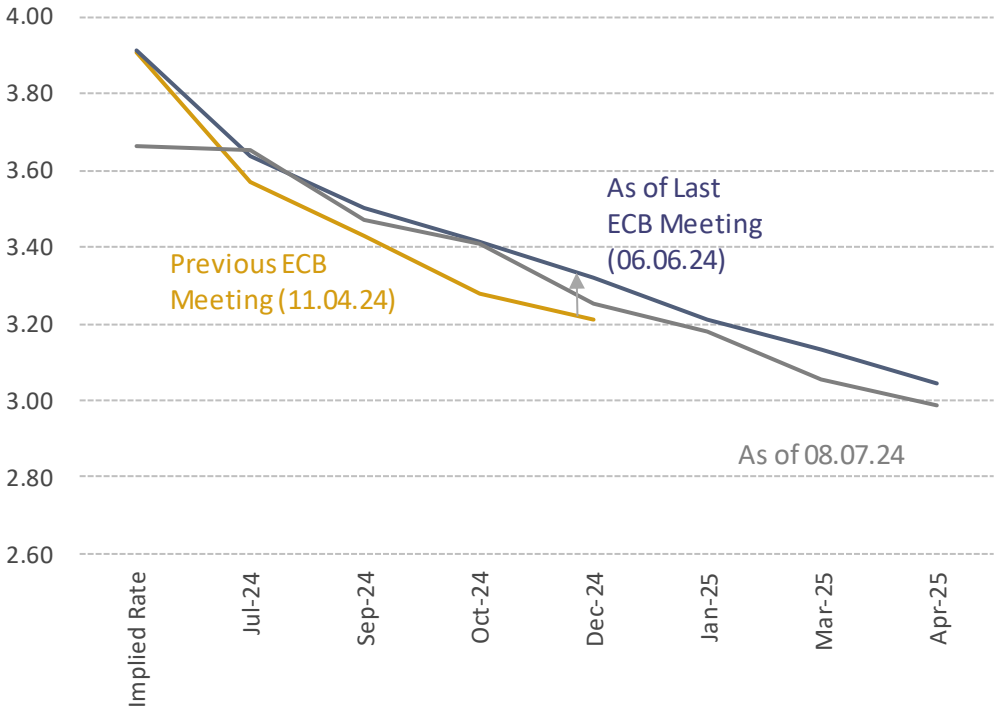


Real Depo Rate (Depo - Core CPI) & Population + Productivity growth (3y ma)

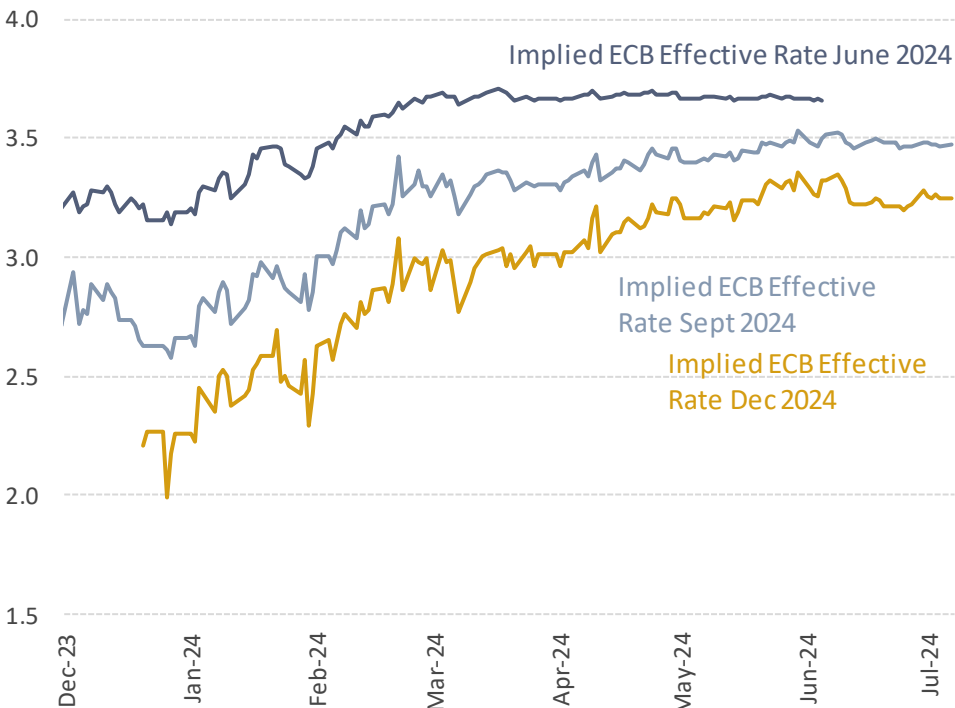


# EA Short-Term Rates | The “higher for longer” paradigm is being questioned

Implied Overnight Rate based on Overnight Index Swaps

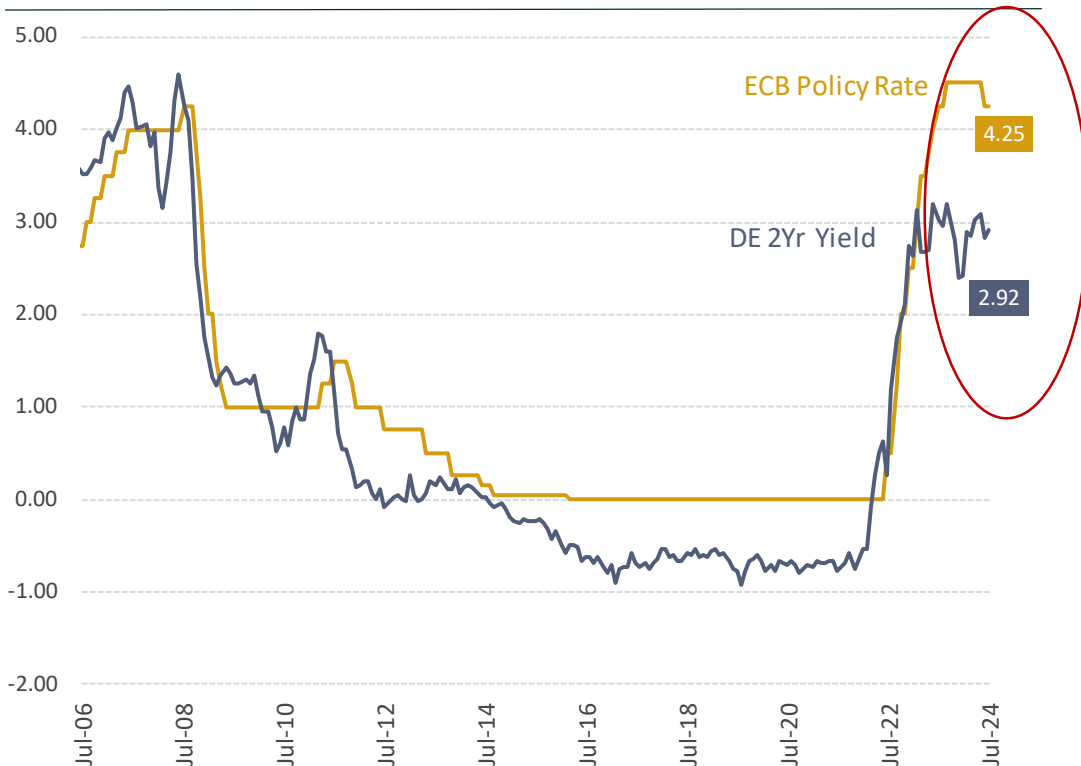


Interest Rates | Implied ECB Effective Rate

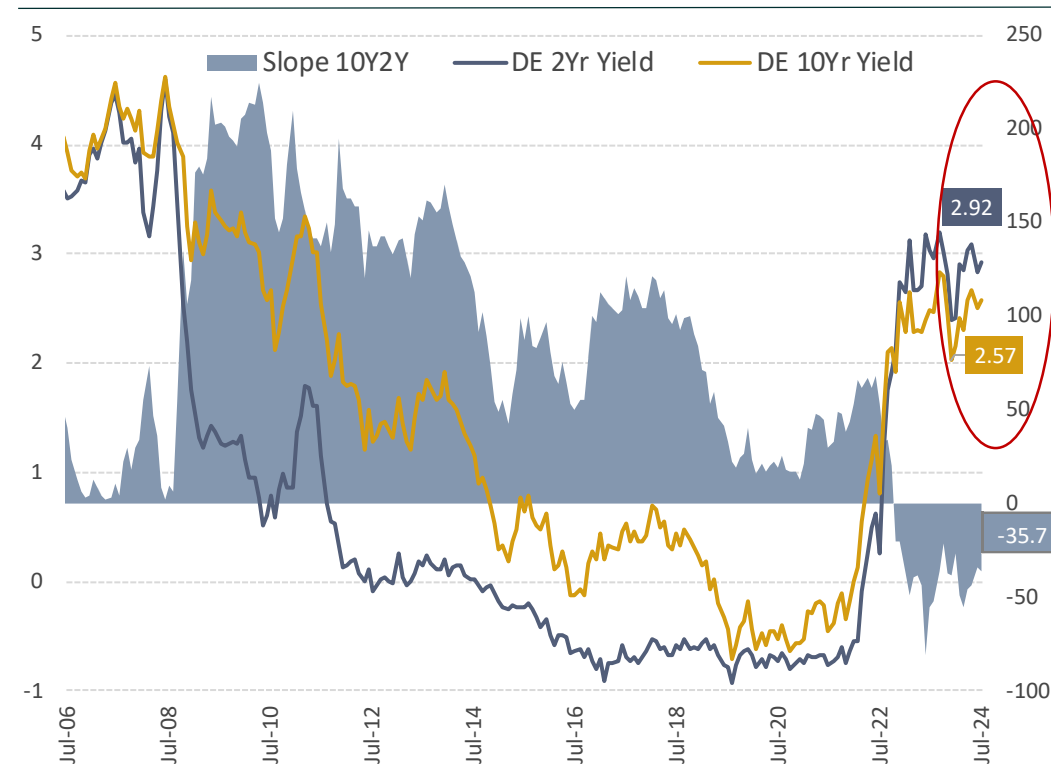


# EA Rates | German yield curve narrowed its inversion. Fears of recession subside.

ECB Policy Rate vs German 2Yr Yield

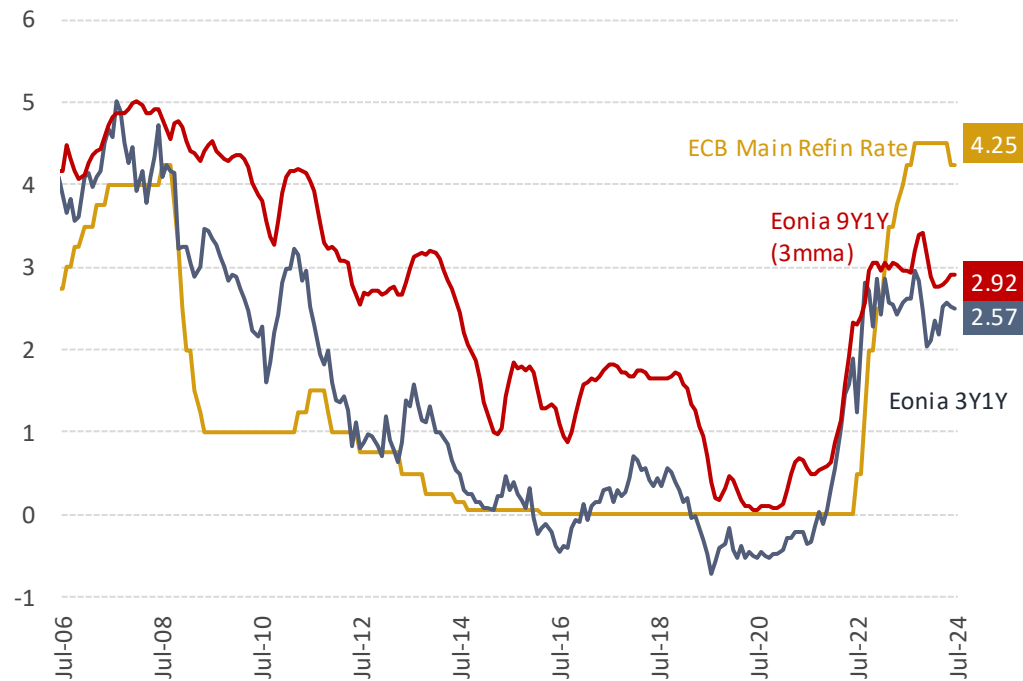


German Yield Curve

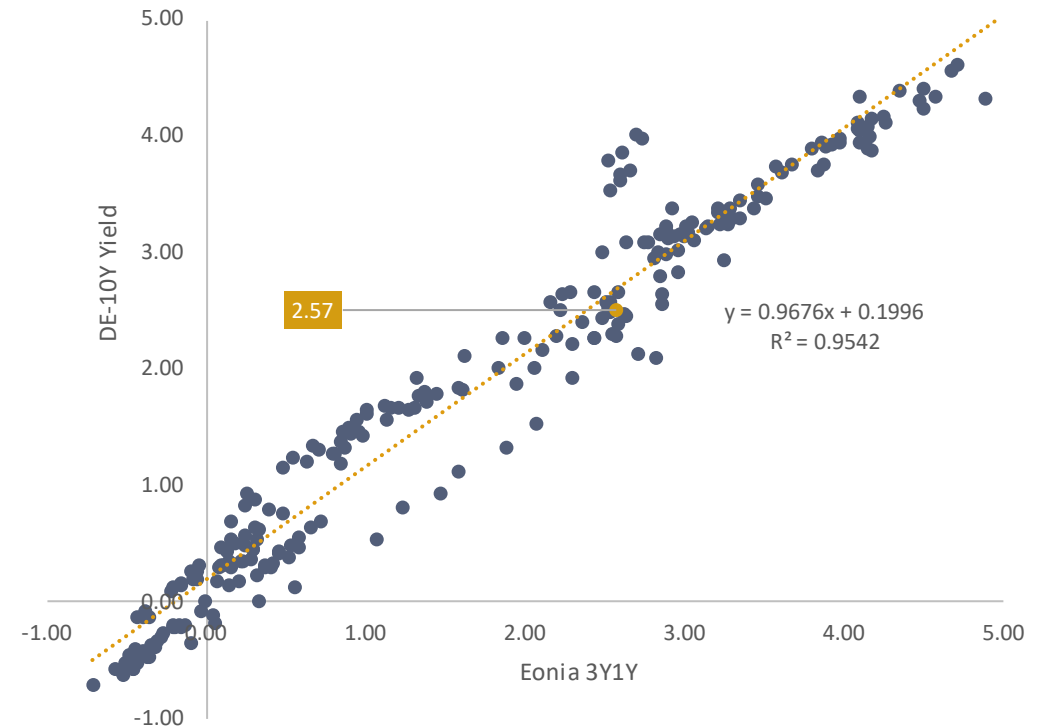


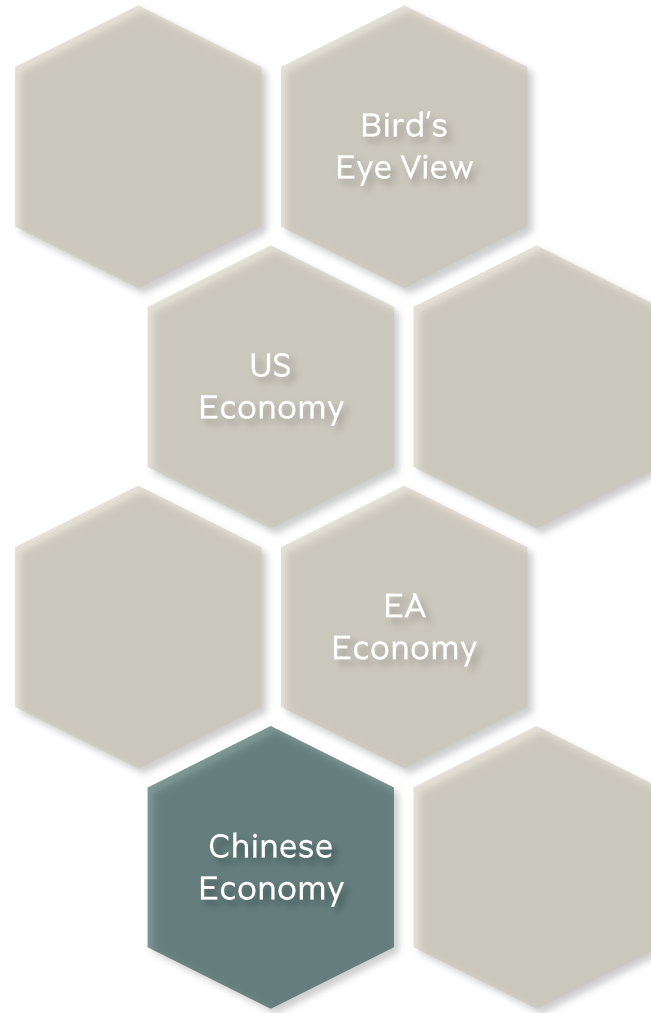
# EA Long-Term Rates | Given the current level of short-term rates, long-term bonds seem “fairly” priced

## Long-term Interest Rate Expectations



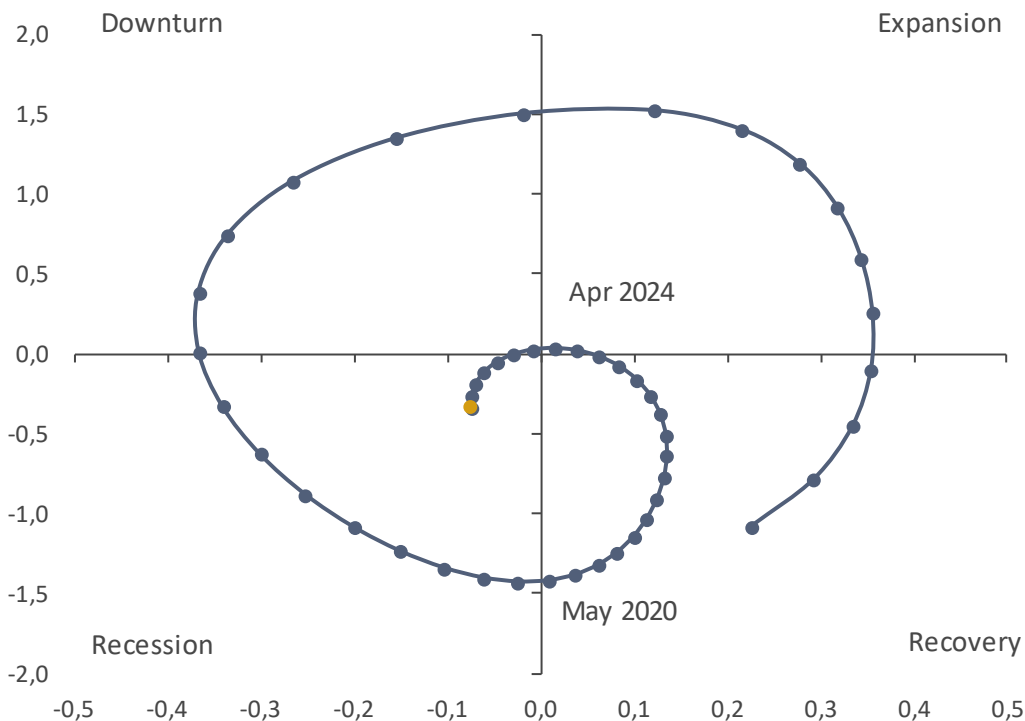
## DE Yield vs Medium-term Interest Rate Expectations





# Chinese Business Cycle | Mixed picture from economic variables

CN Business Cycle | Based on China OECD Leading Indicator

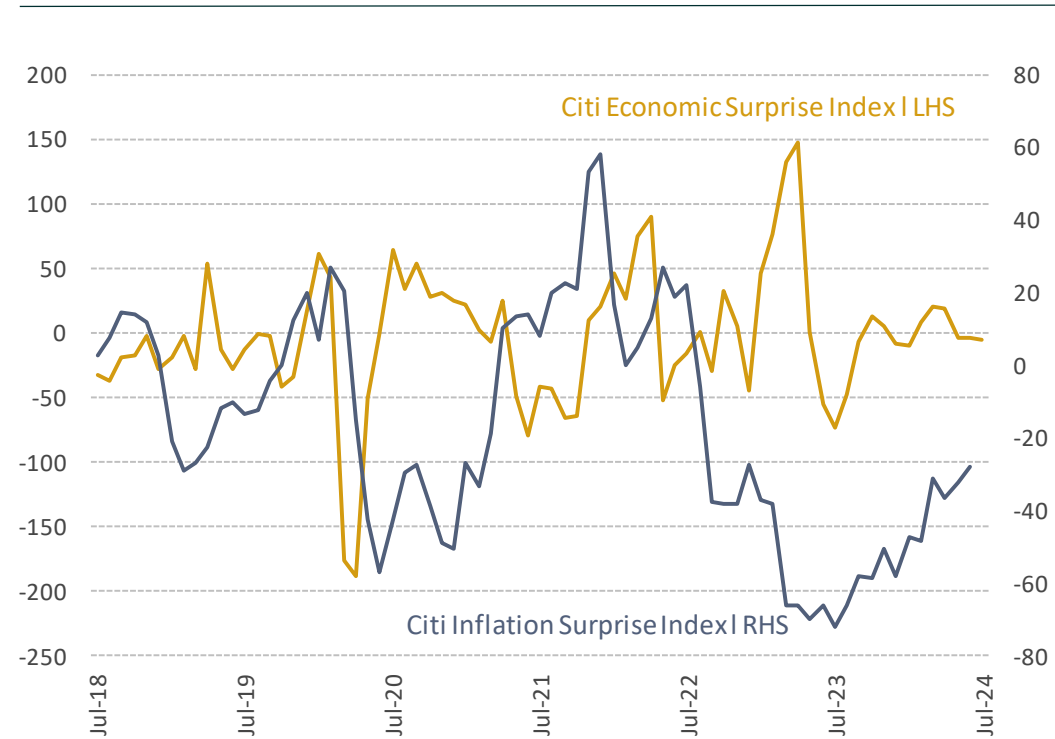


CN Business Cycle | Based on Major CH Economic Variables

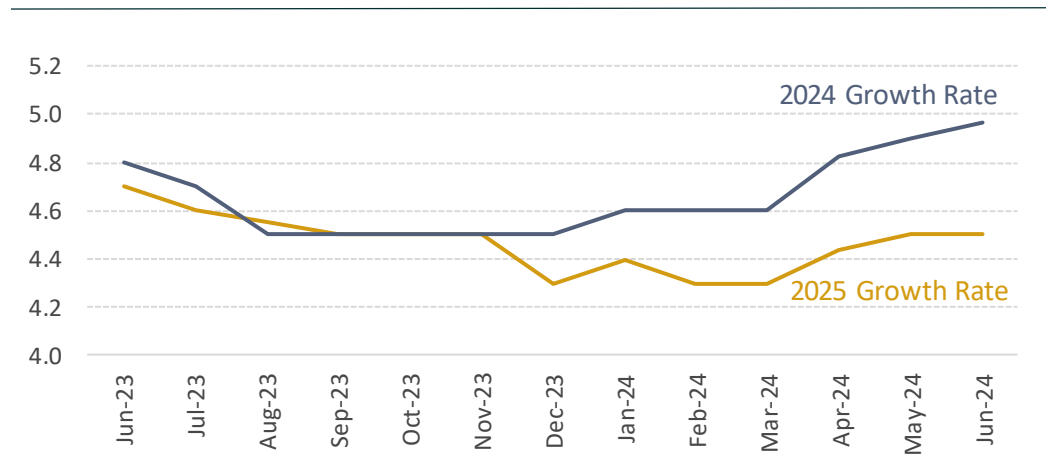


# Chinese Macro Expectations | Sub 5% growth expectations for 2024

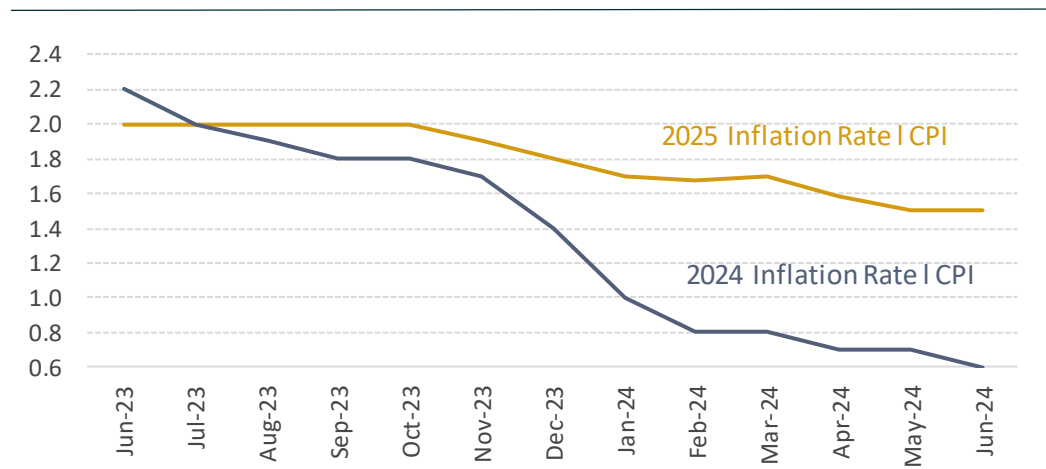
Economic & Inflation Surprises



Growth Rate Expectations (Consensus)

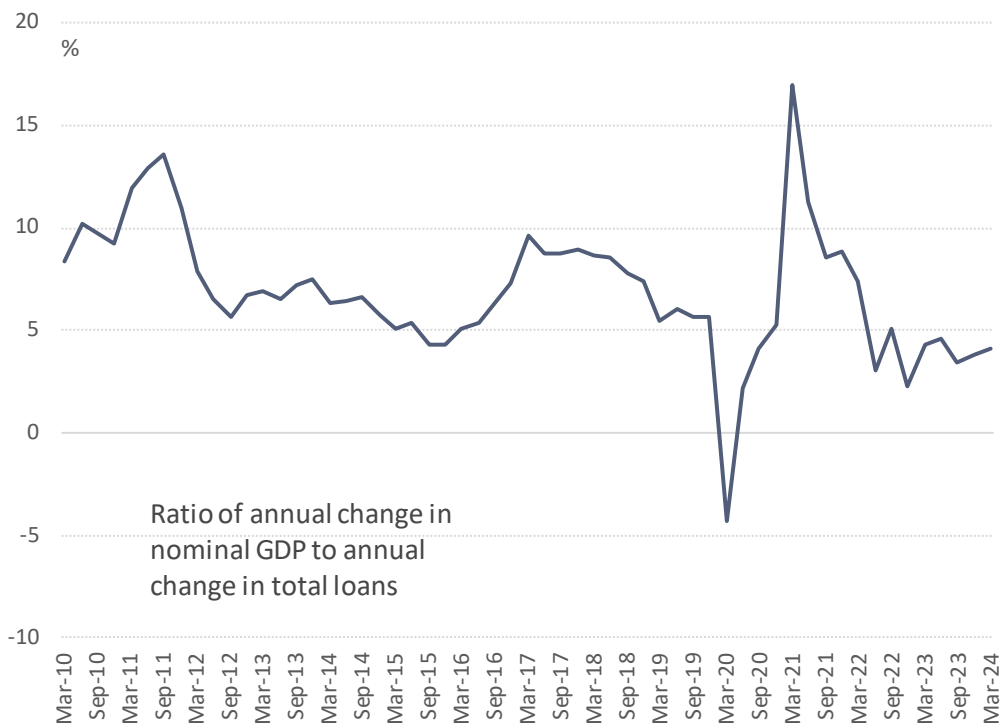


Inflation Rate Expectations (Consensus)

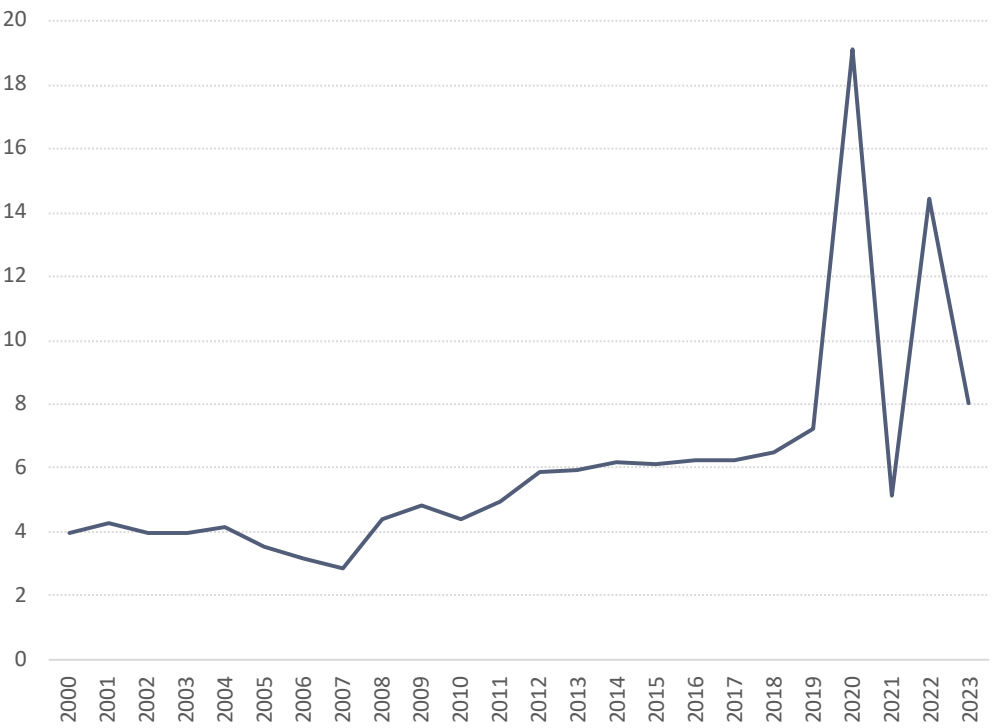


# Chinese Investment Capacity | Investments approach the post-pandemic era

China credit-efficiency ratio



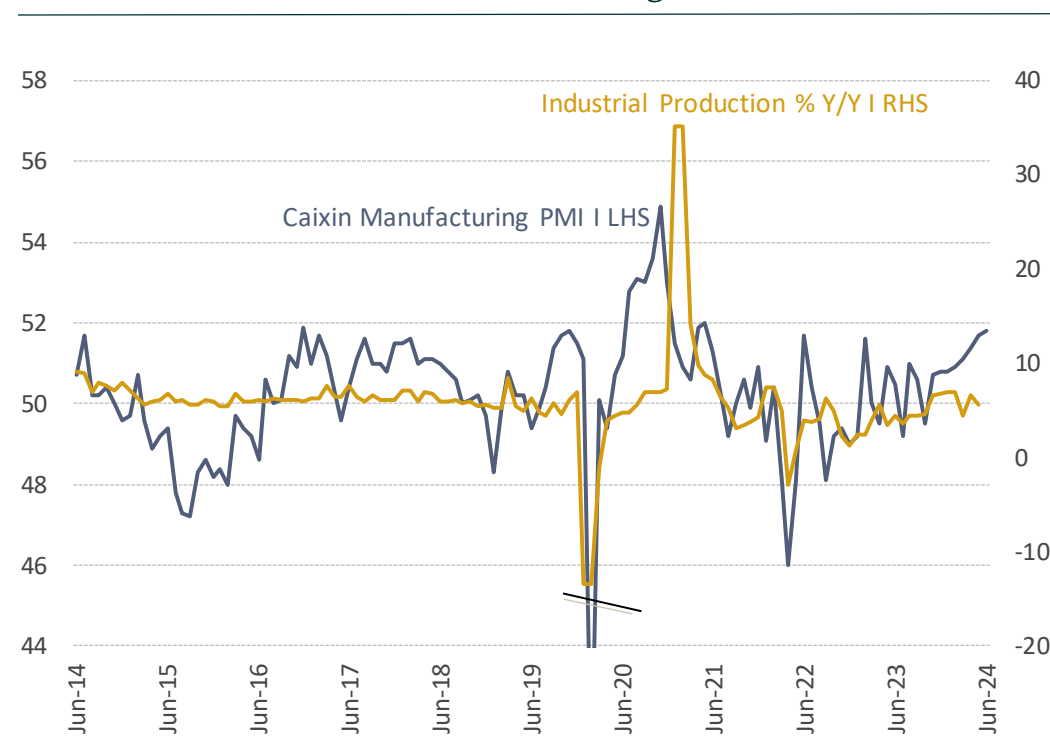
China Incremental Capital Output Ratio



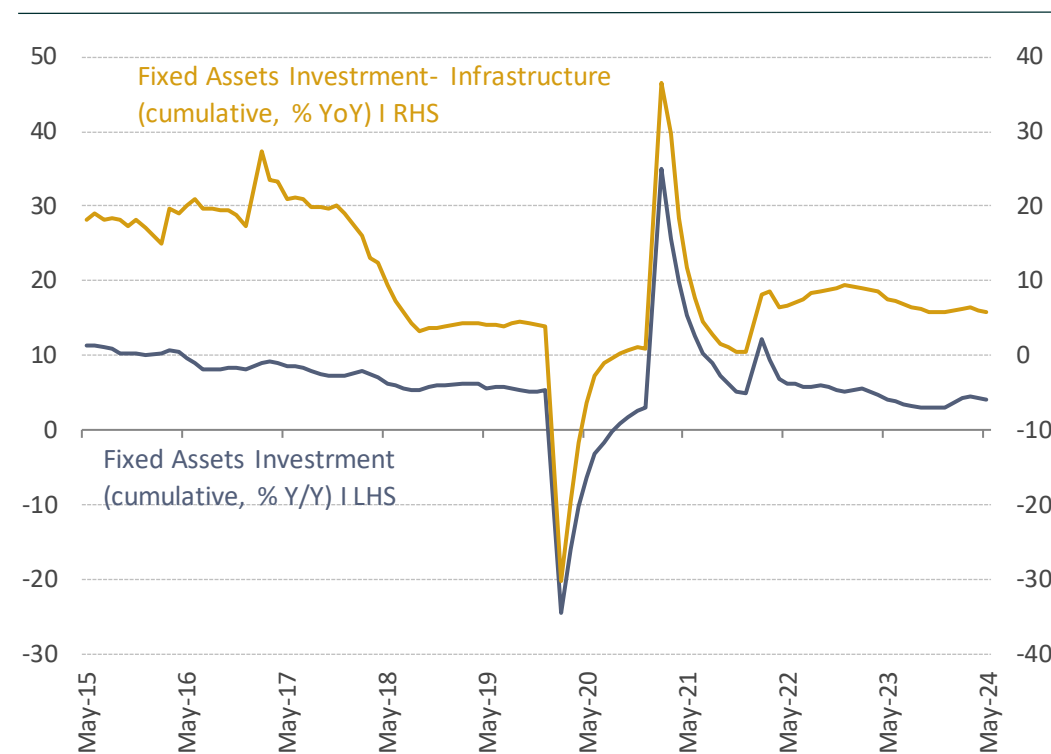


# CN | Caixin Manufacturing above 50, fixed asset investments trending down

Industrial Production & Caixin Manufacturing

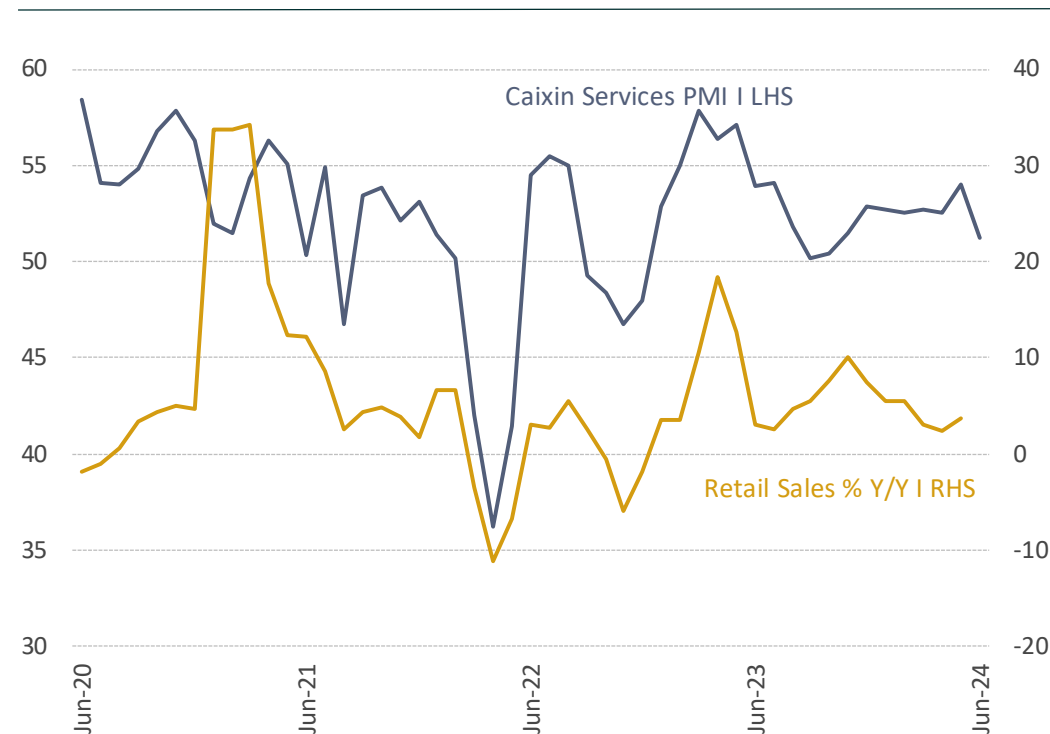


Fixed Assets Investment

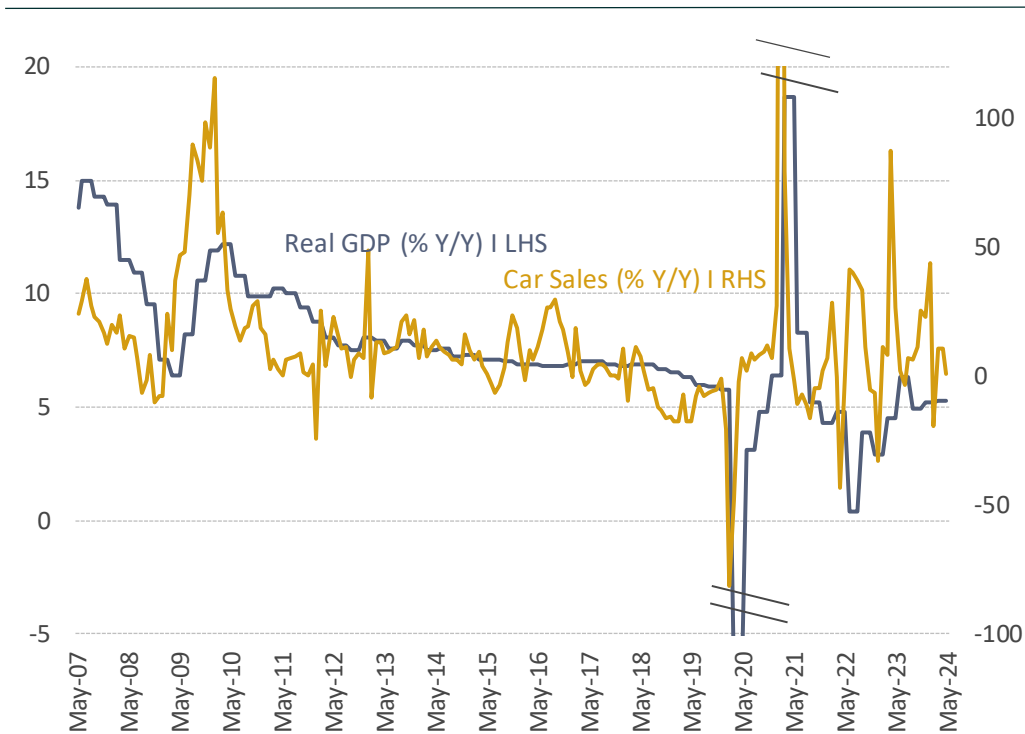


# CN | Retail Sales keep surprising to the downside. Negative movement from Caixin Services PMI in June

Retail Sales & Caixin Services PMI

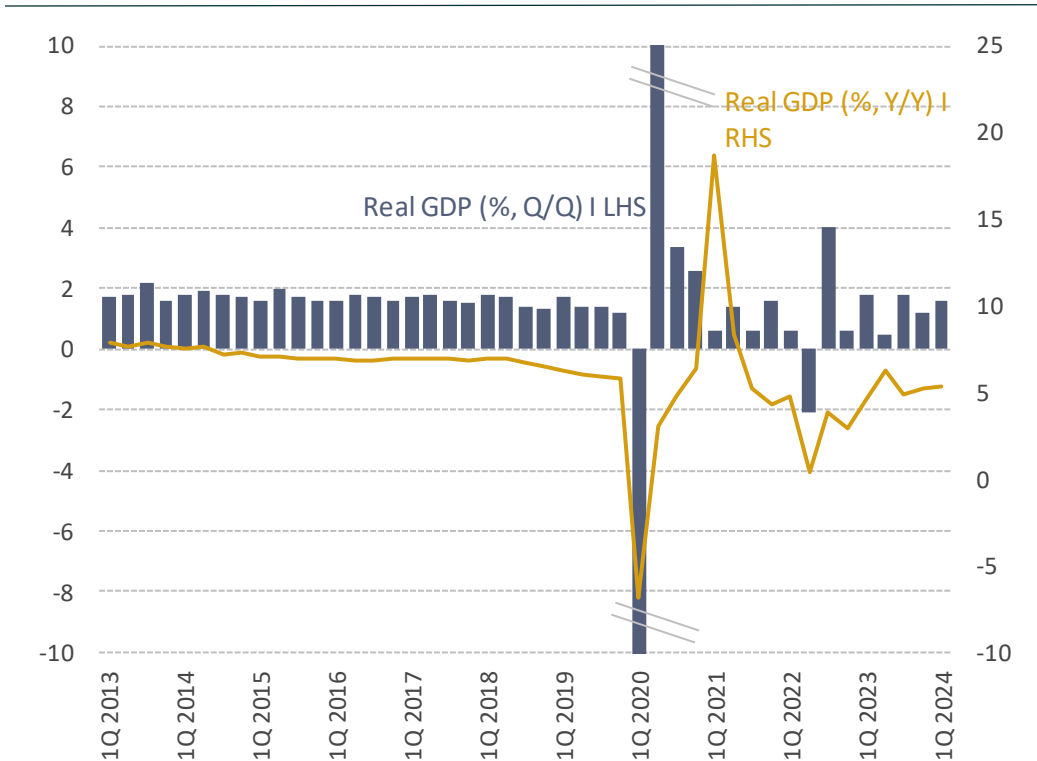


Real GDP & Car Sales

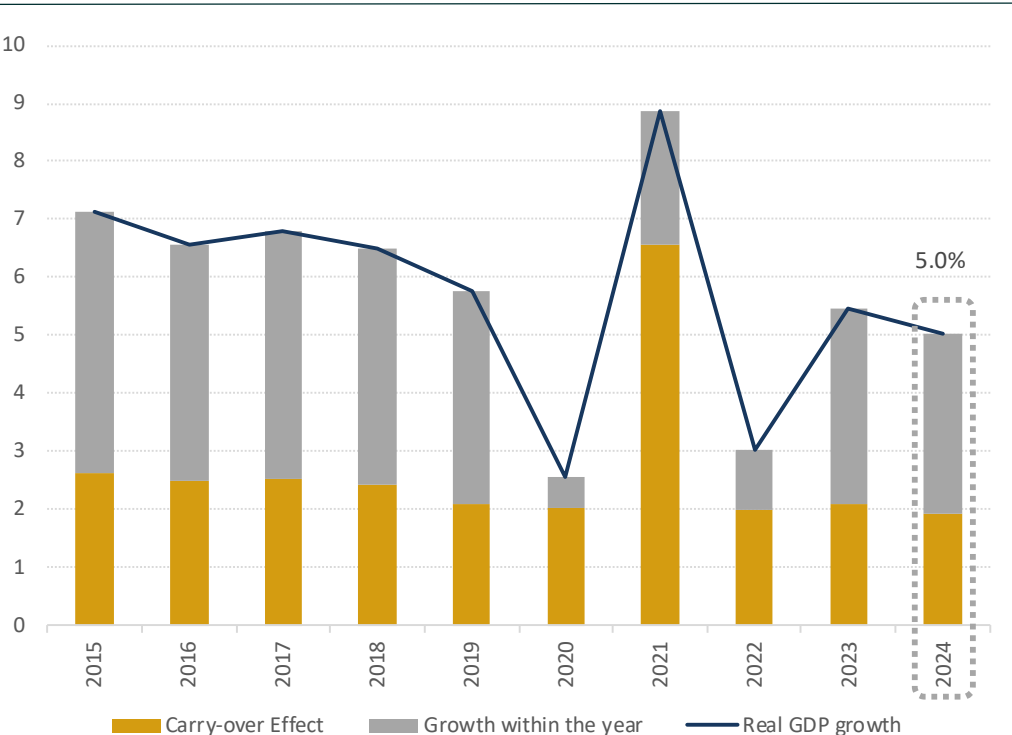


# CN GDP Outlook | The official target of 5% for 2023 was achieved but lower growth is expected for 2024

GDP Growth Rate

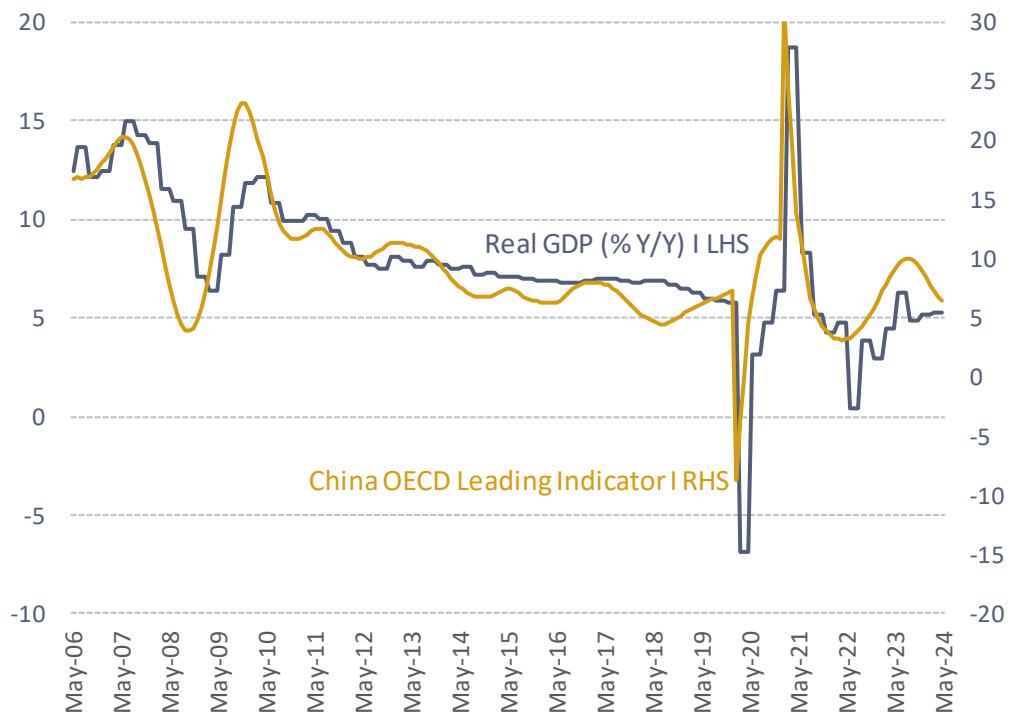


Carry Over Effect

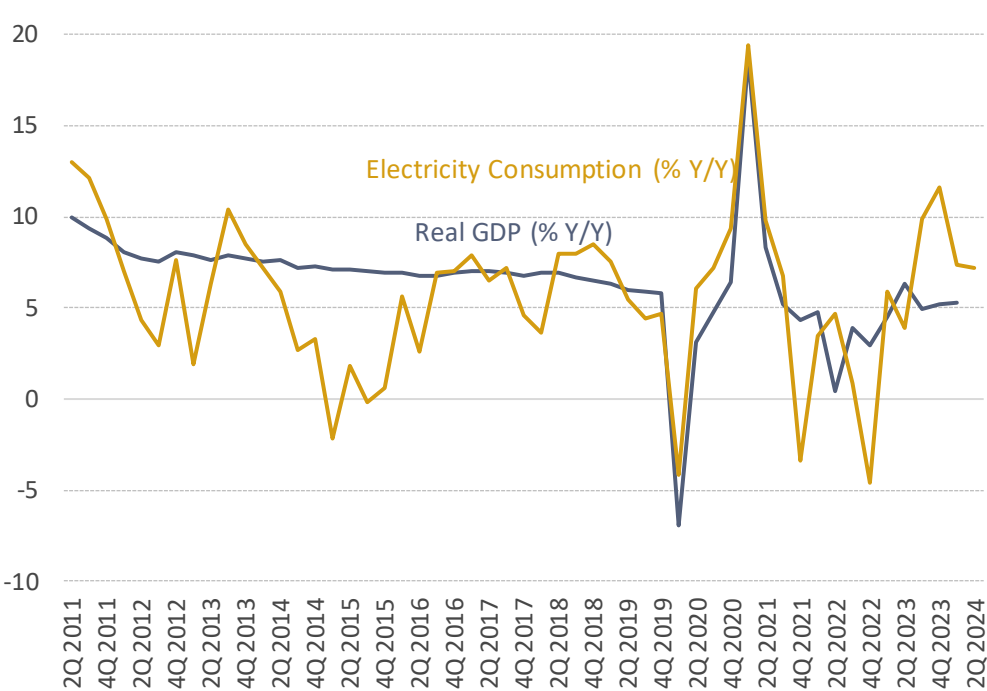


# CN GDP | OECD's Leading Indicator points to lower GDP growth, similarly Electricity Consumption Data

Real GDP vs China OECD Leading Indicator

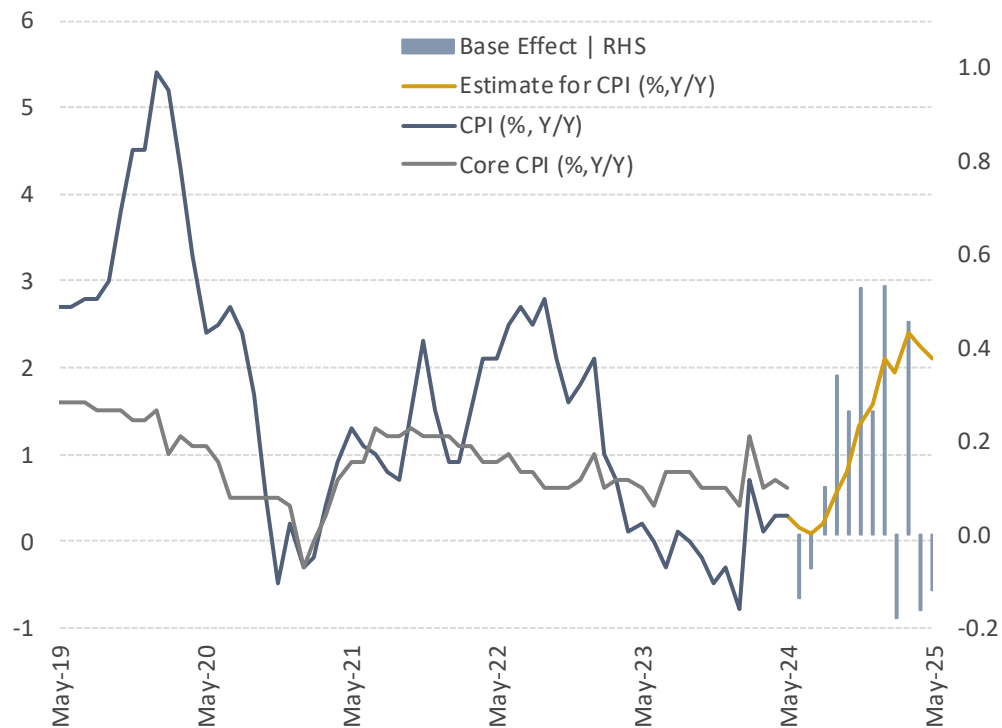


Real GDP & Electricity Consumption

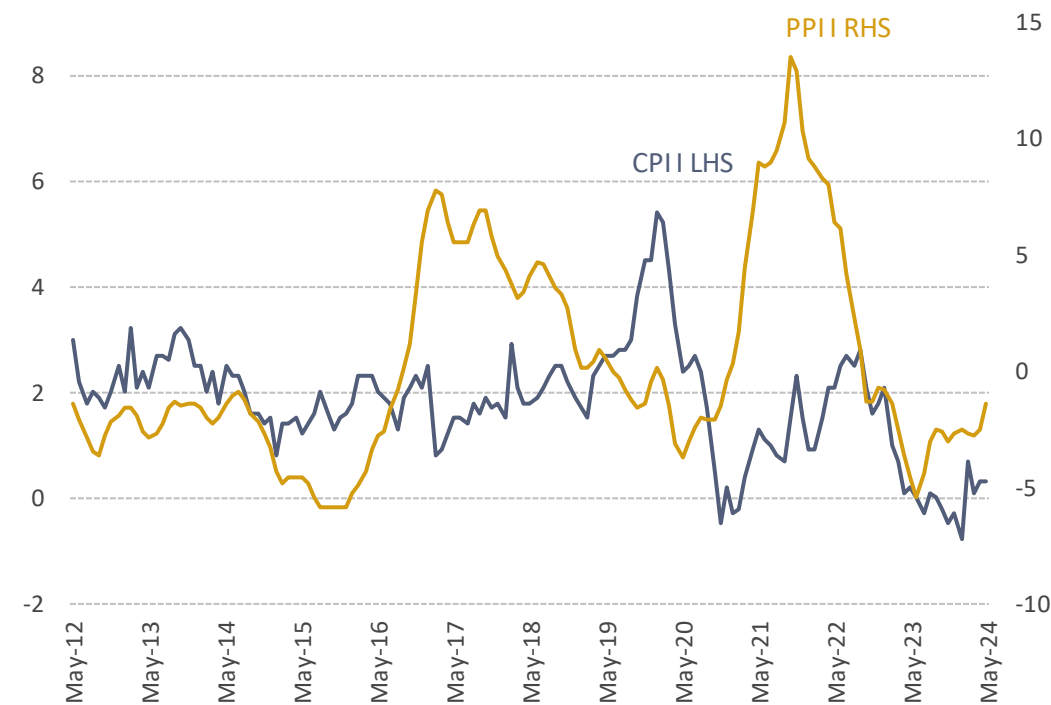


# CN Inflation Outlook | Disinflation fears are receding

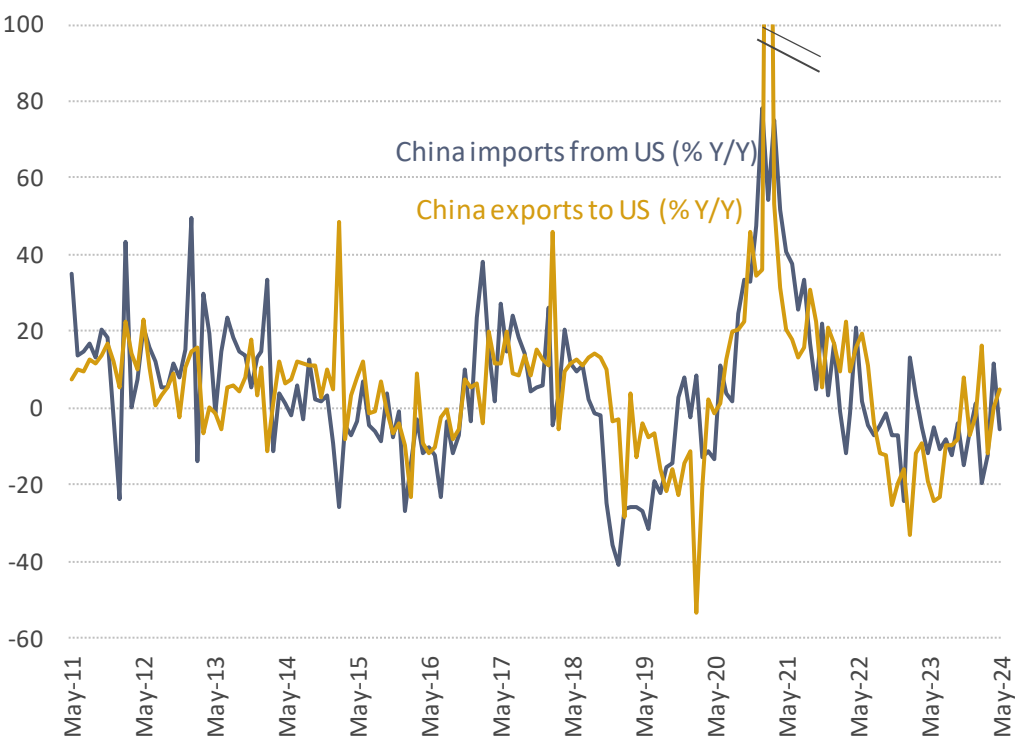
Inflation Rate Forecast – Statistical Model



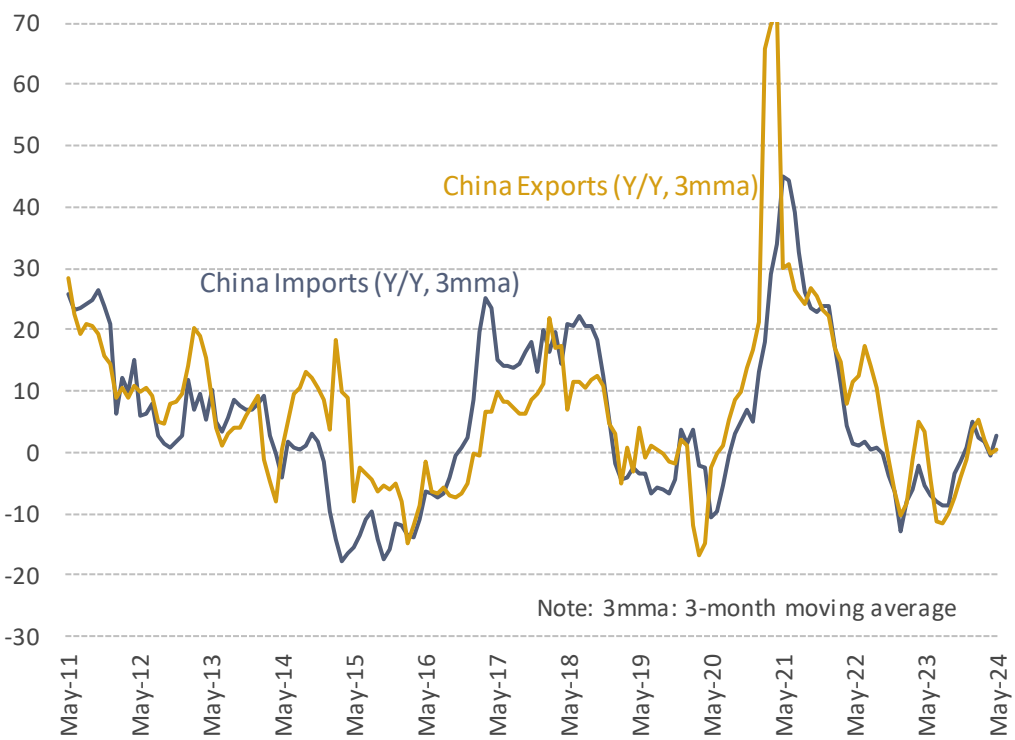
CPI & PPI



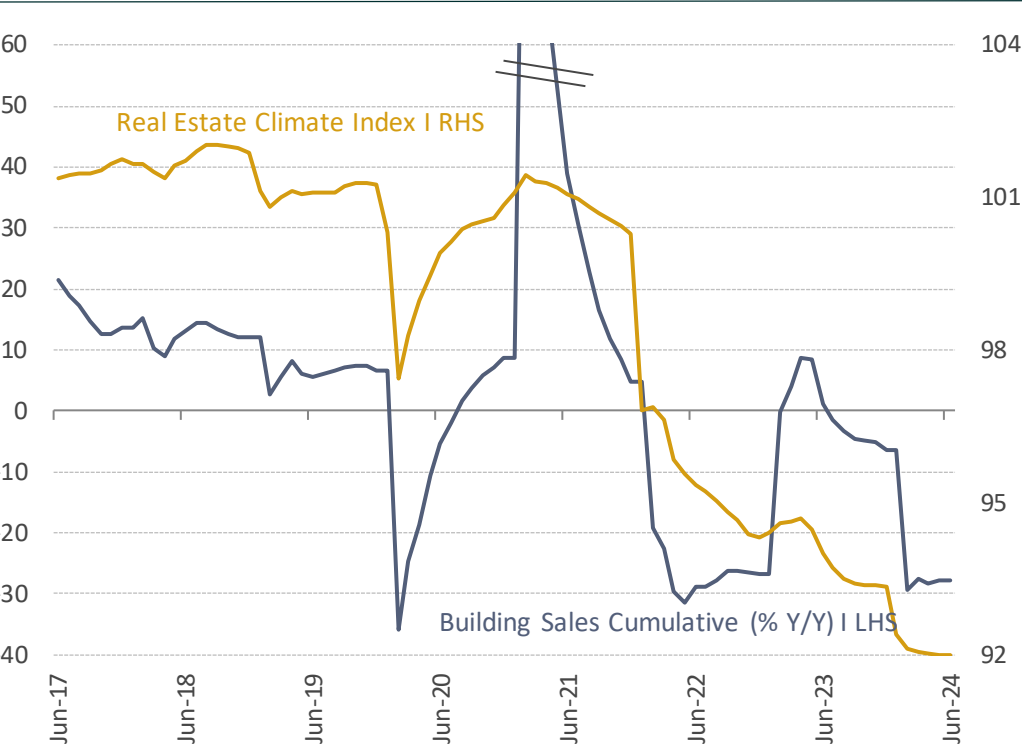
Trade US – China



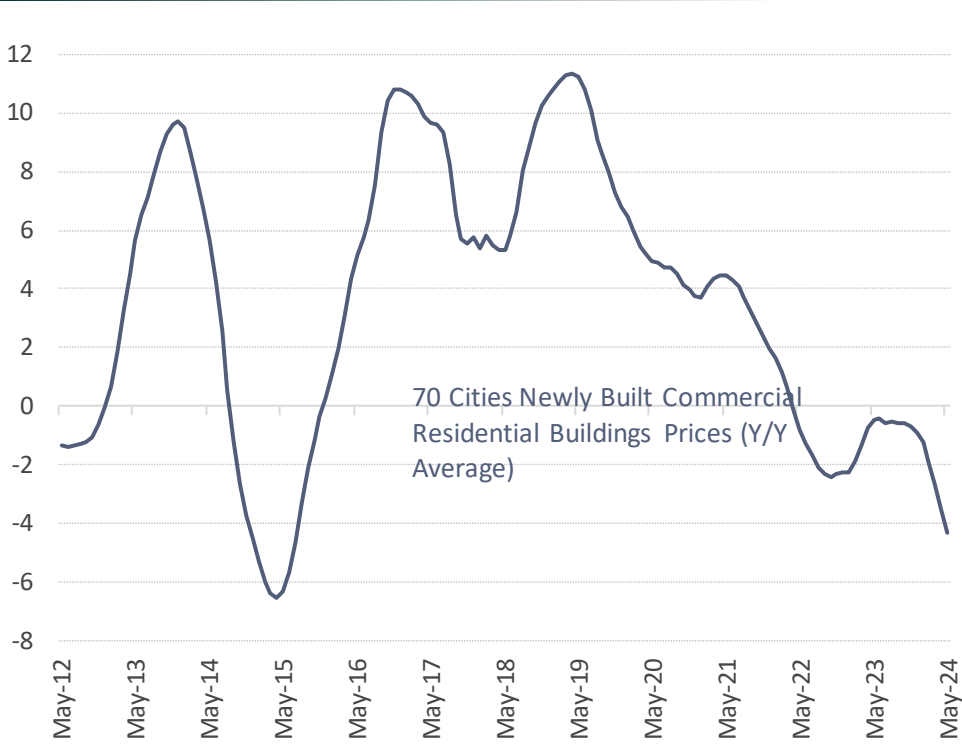
Imports / Exports



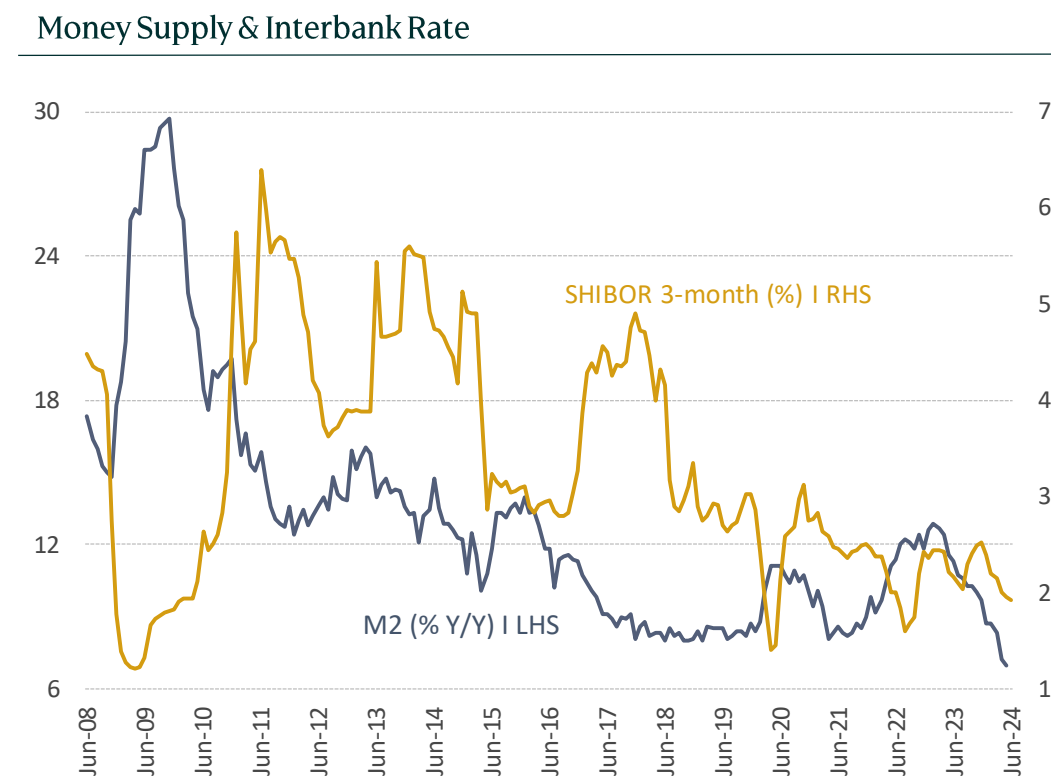
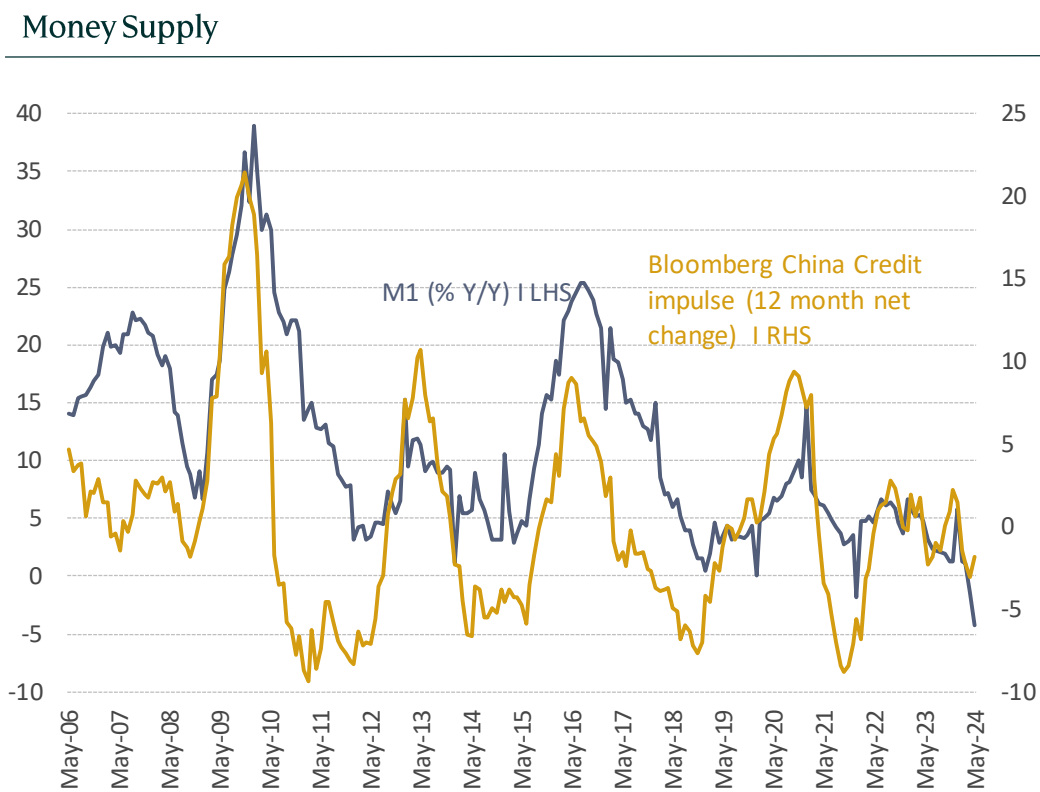
Real Estate Climate & Building Sales



Newly Residential Buildings Prices

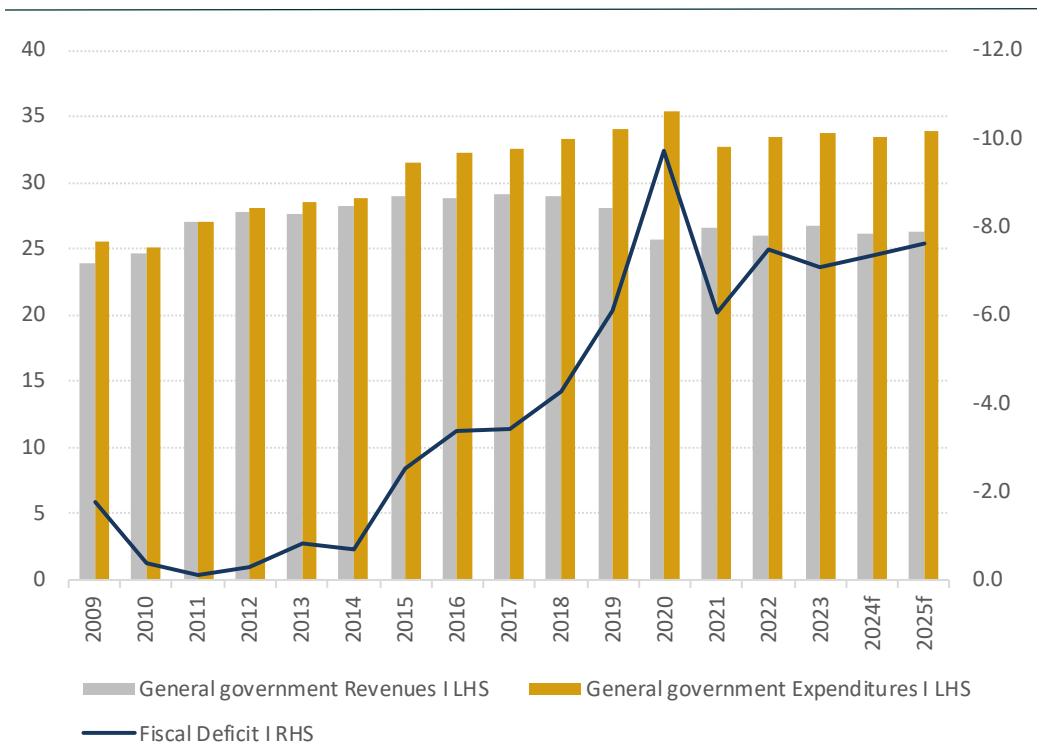


# CN Money Supply | M1, M2 and total financing are a drag to GDP ahead

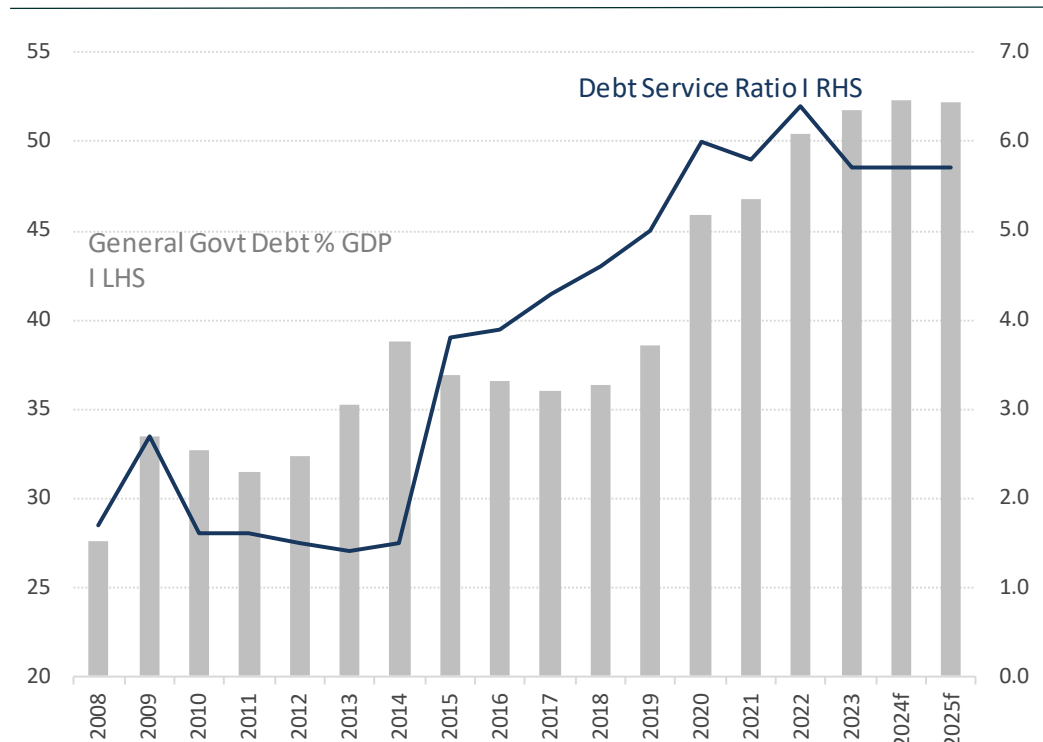




Government Balance



General Government Debt & Debt Service Ratio



Debt Service Ratio = (Interest + Current-year repayment of principal) / Current-account receipts

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