

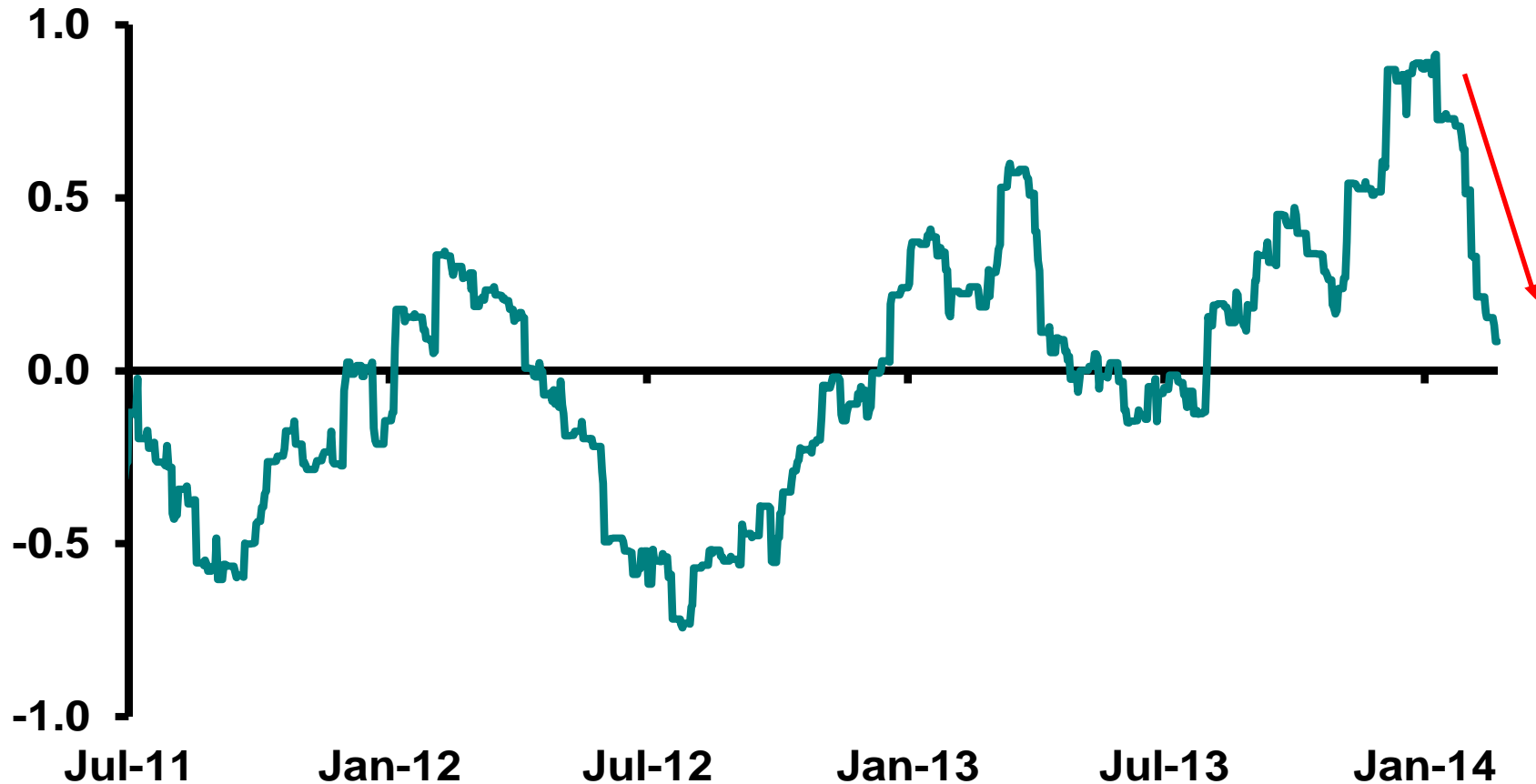
The Outlook for the Global Economy and World Trade

Capital Link Greek Shipping Forum 2014

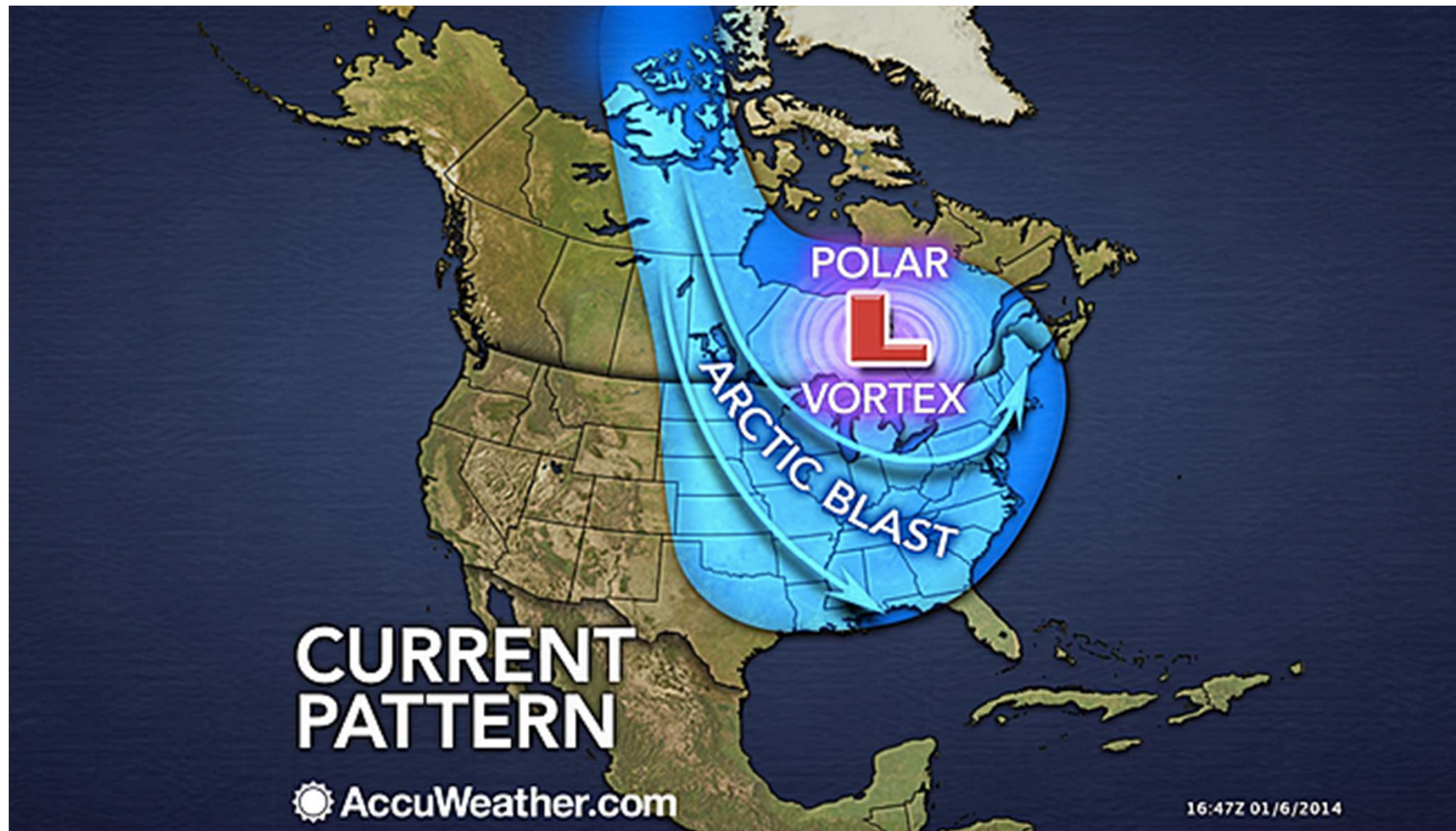
Nick Kounis
Head Macro Research
Athens 24 February

A string of disappointing US data recently

ABN AMRO US Economic Surprise Index

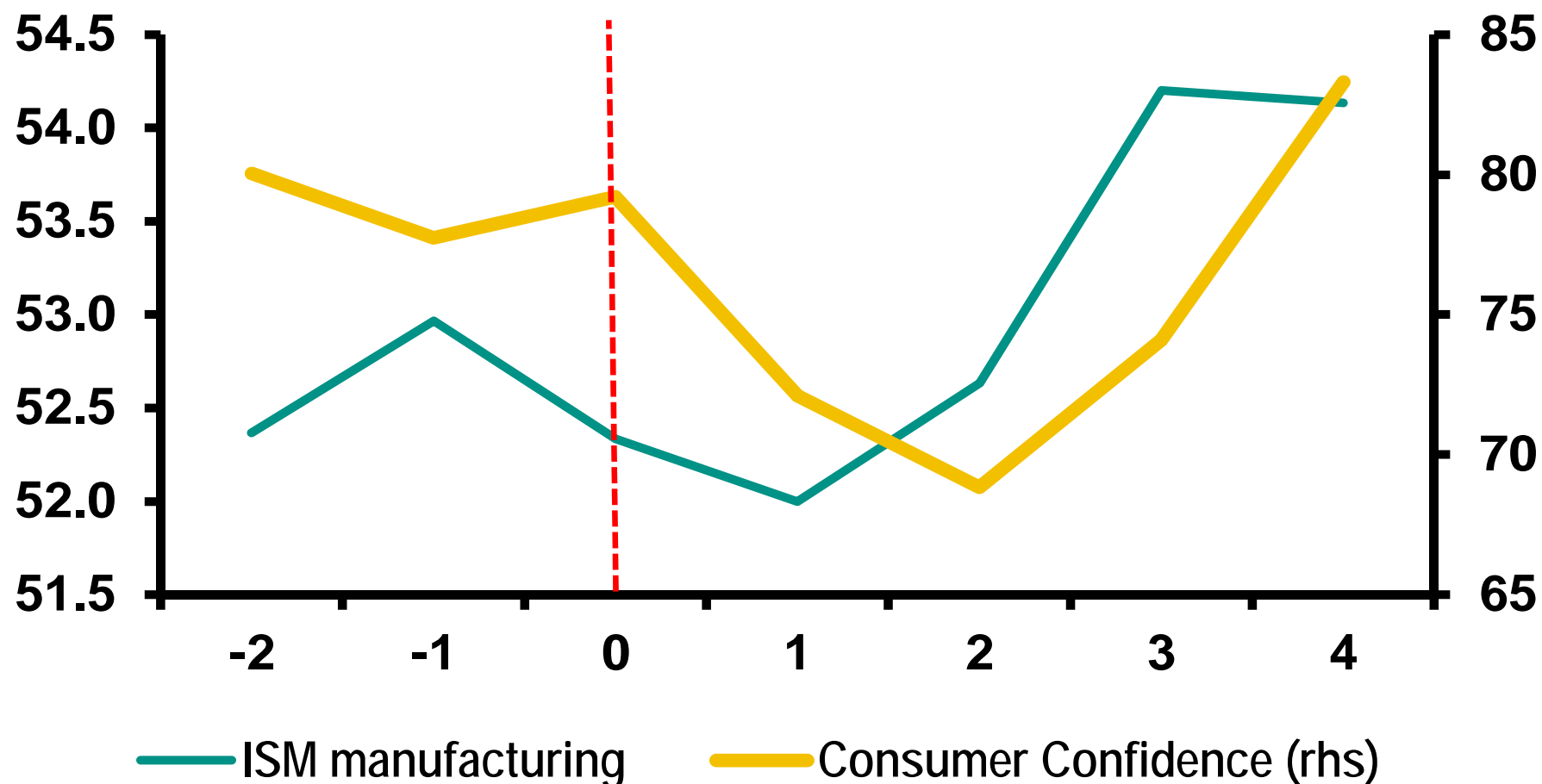


Extreme weather most likely to blame



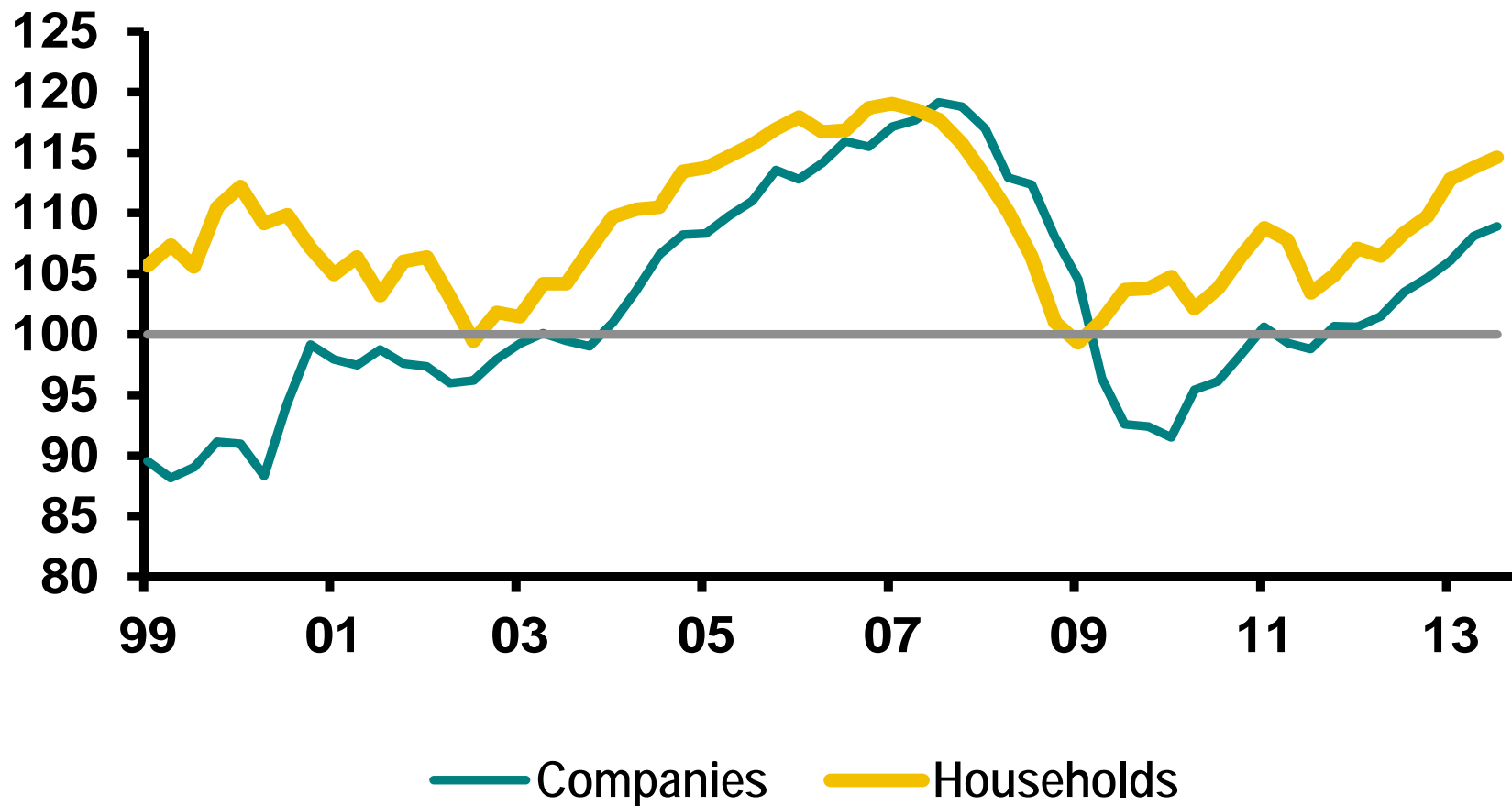
Impact of weather usually temporary

Average during hurricanes (Andrew, Katrina & Sandy), 0 = month of impact



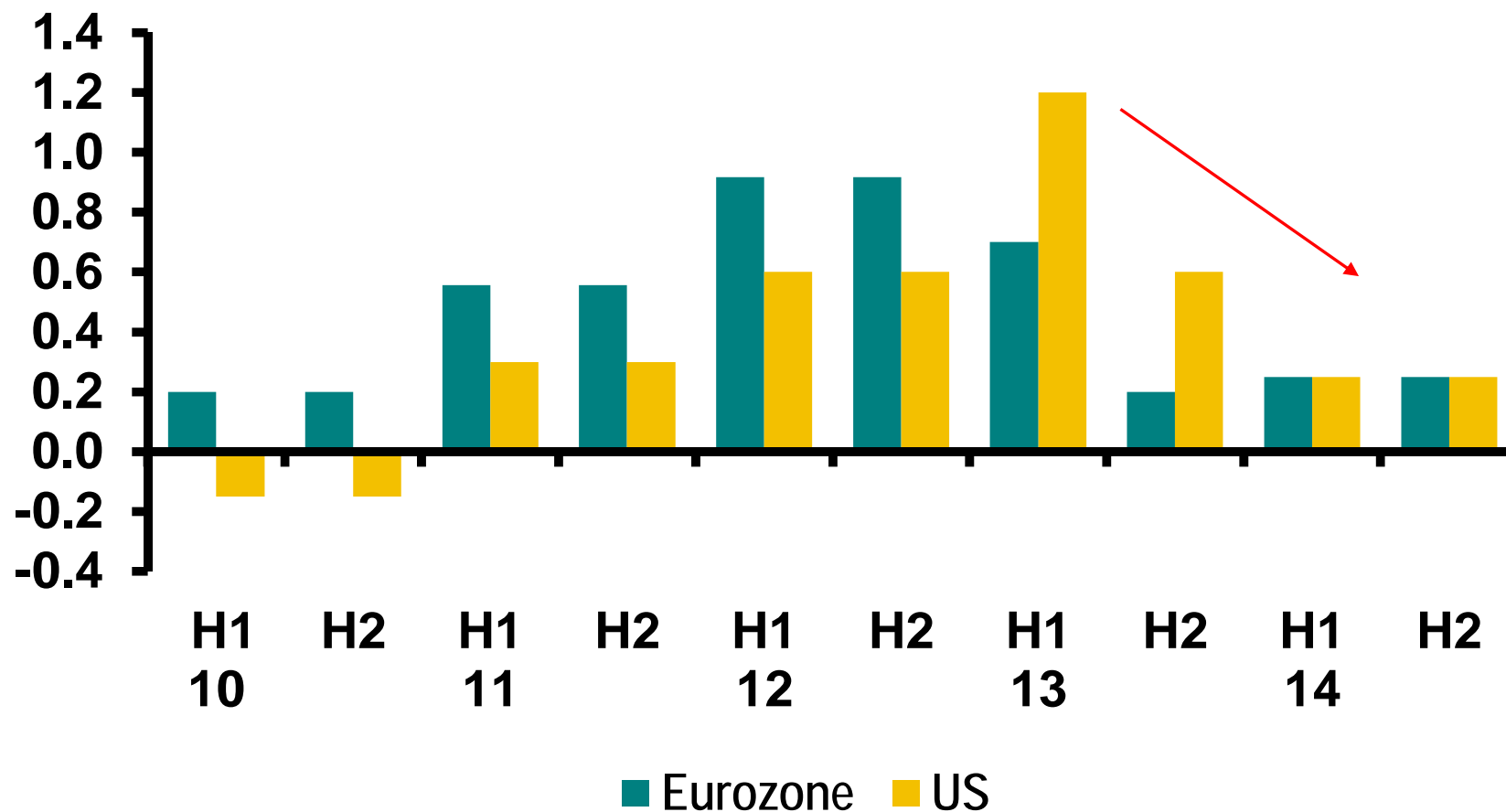
DM private sector balance sheets back in health

US assets minus liabilities % GDP, 100 = long-term average



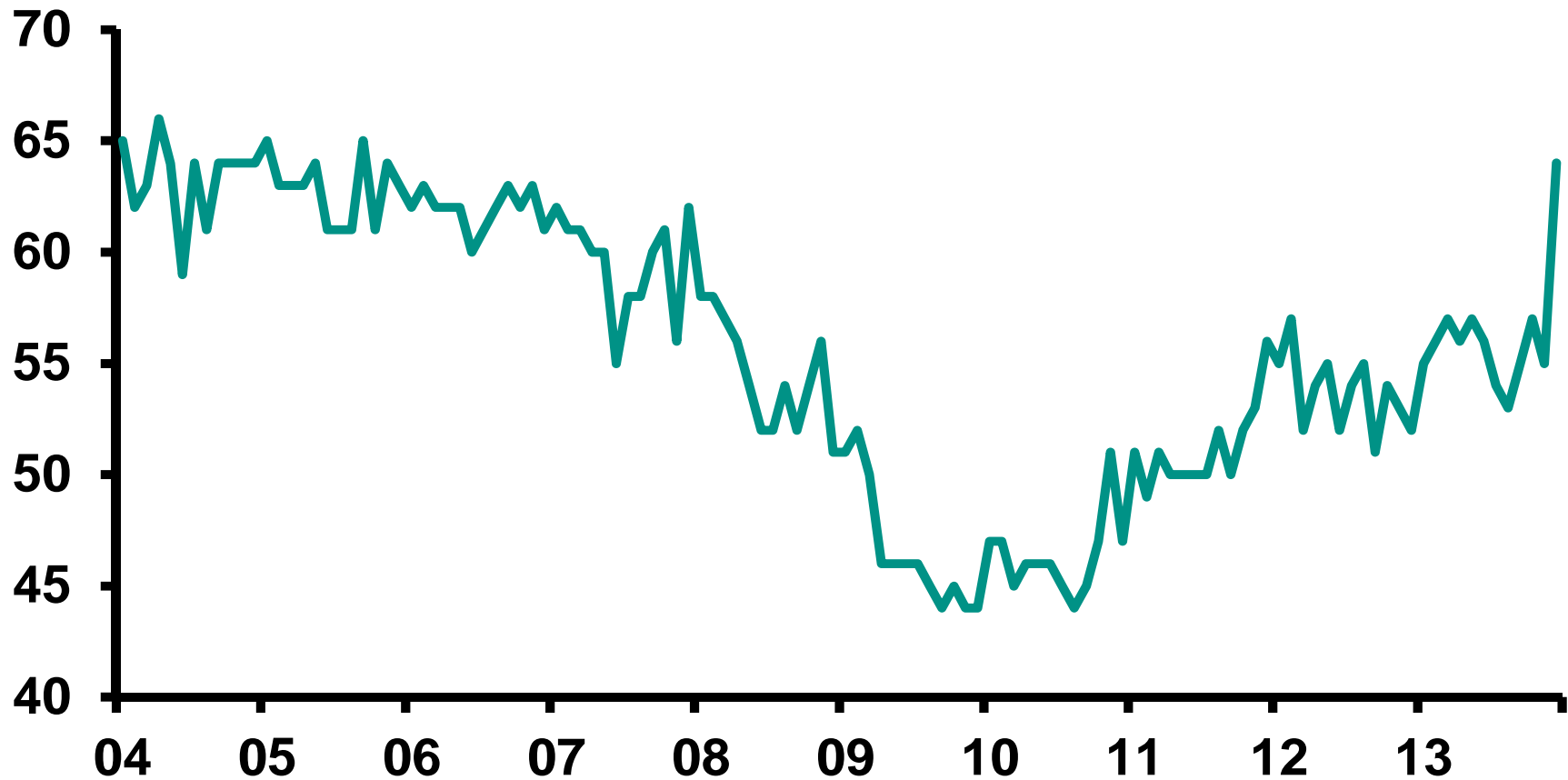
DM fiscal consolidation is fading fast

Budget cuts, % GDP



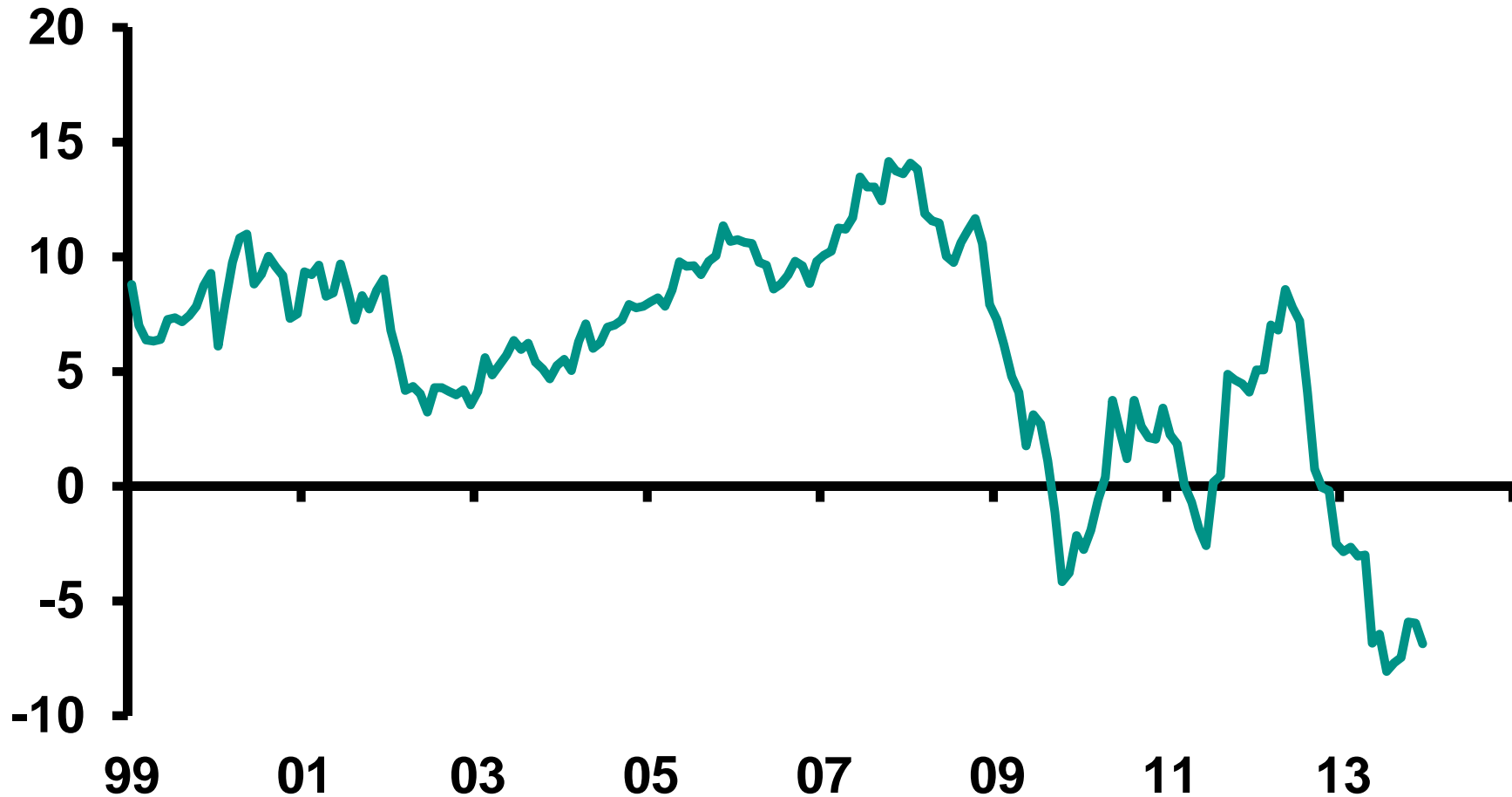
Advanced economy capex lift - US

NFIB small business actual capital expenditures, %



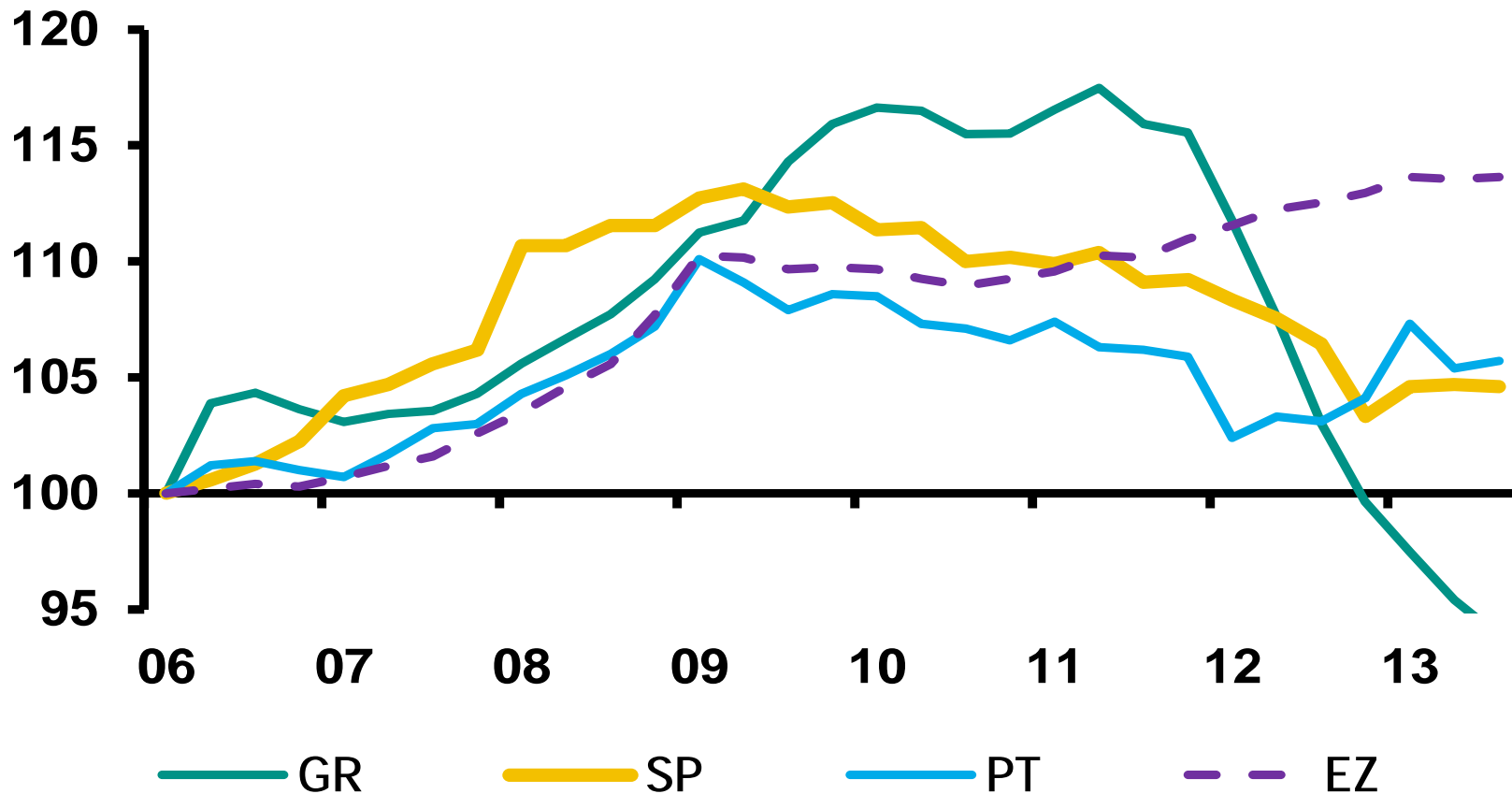
Eurozone bank deleveraging

Financial institution assets, % yoy



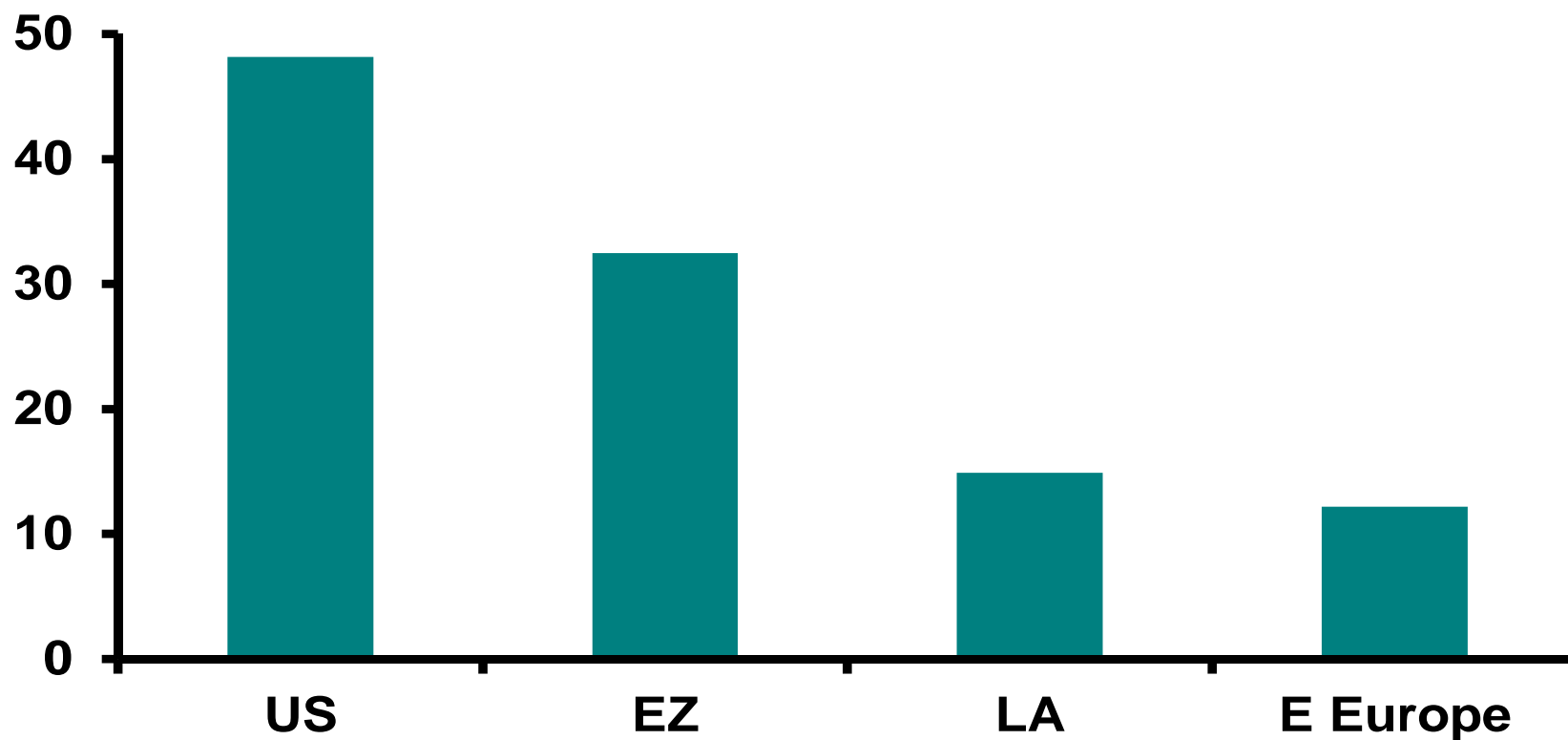
Competitiveness adjustment in the eurozone

Unit labour cost index, 2006 = 100



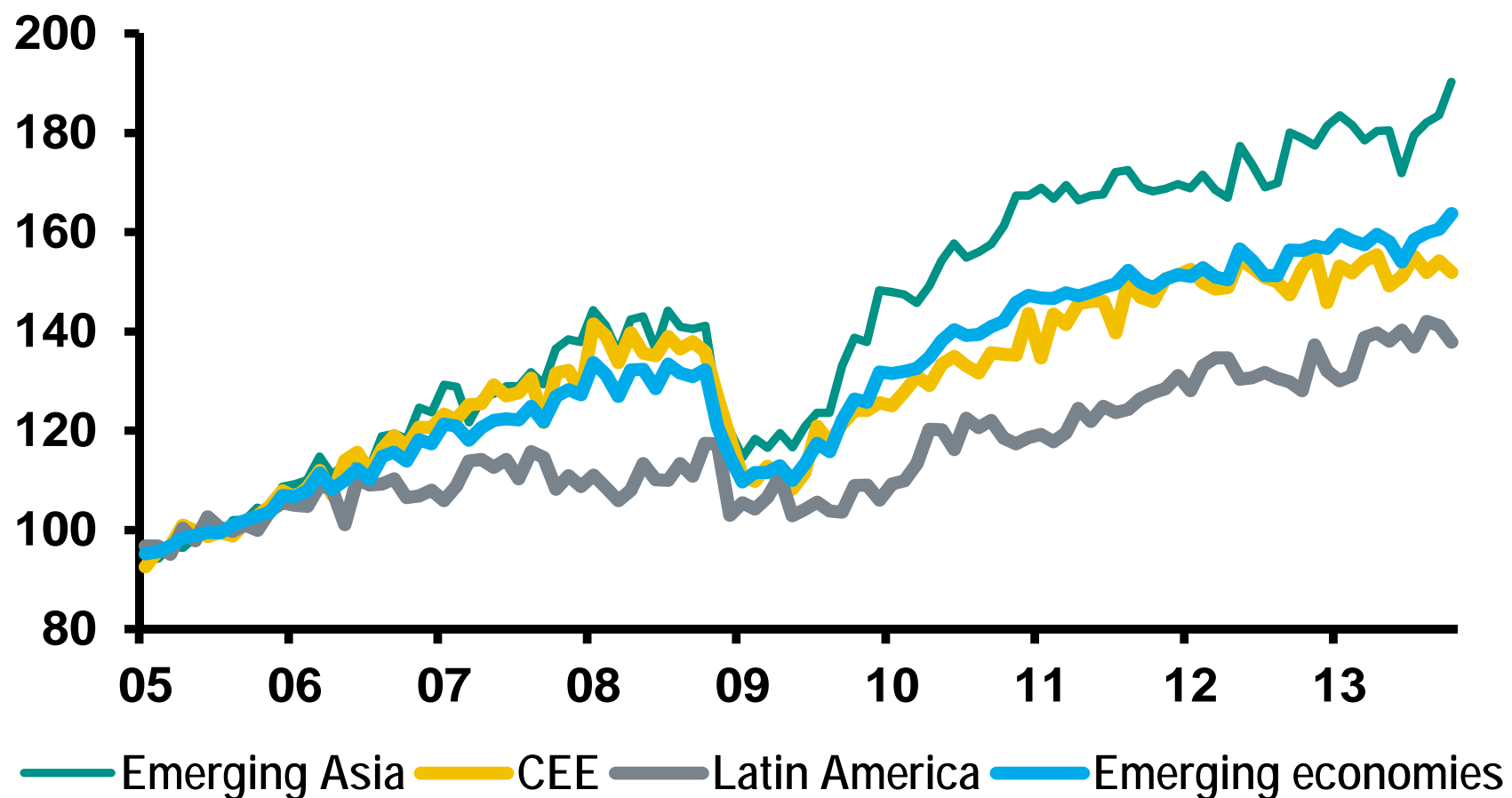
Advanced economy demand will boost EM

% Asian exports to major destinations



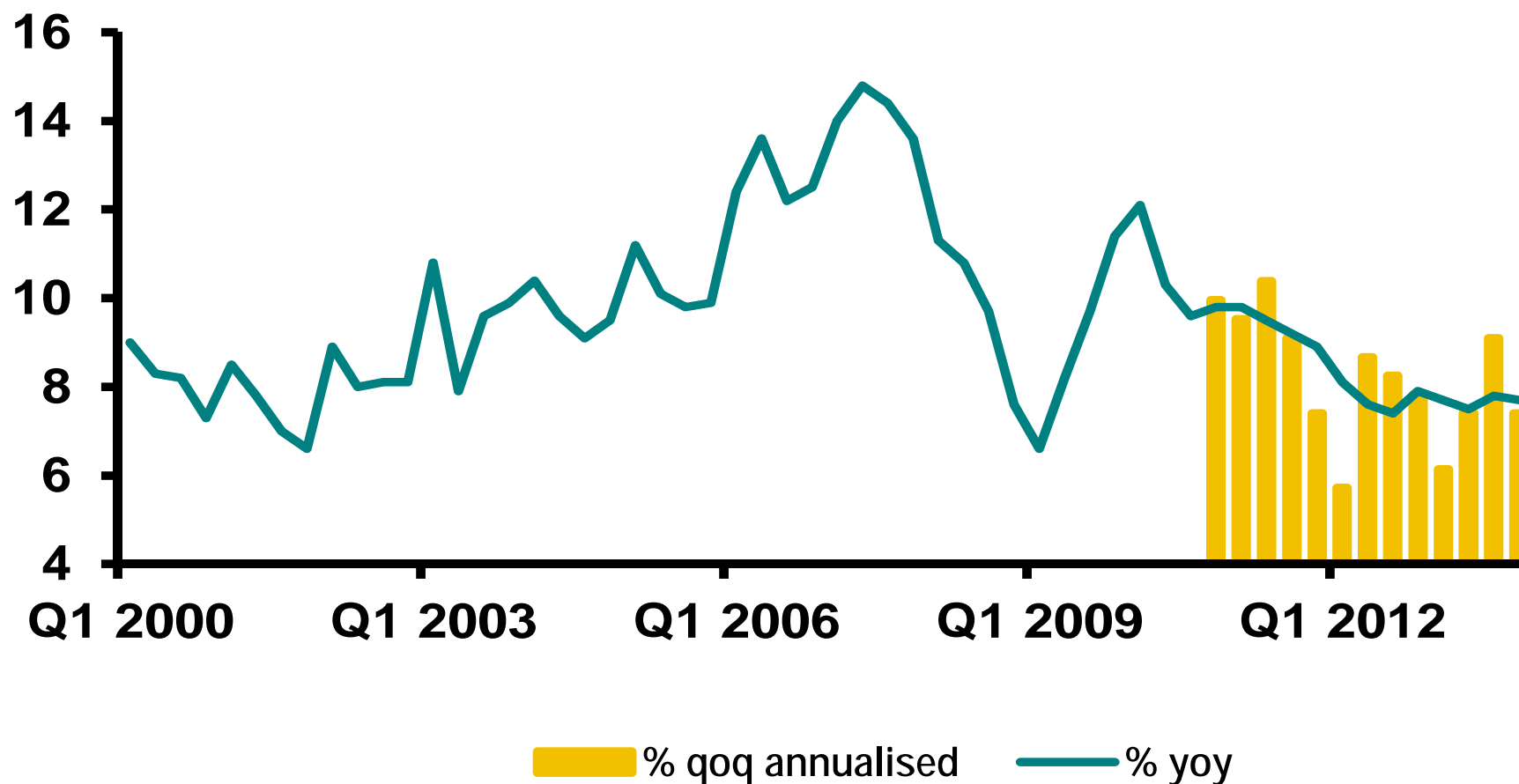
EM exports starting to move higher

Index



China's economy settling at a new growth trend

GDP, %



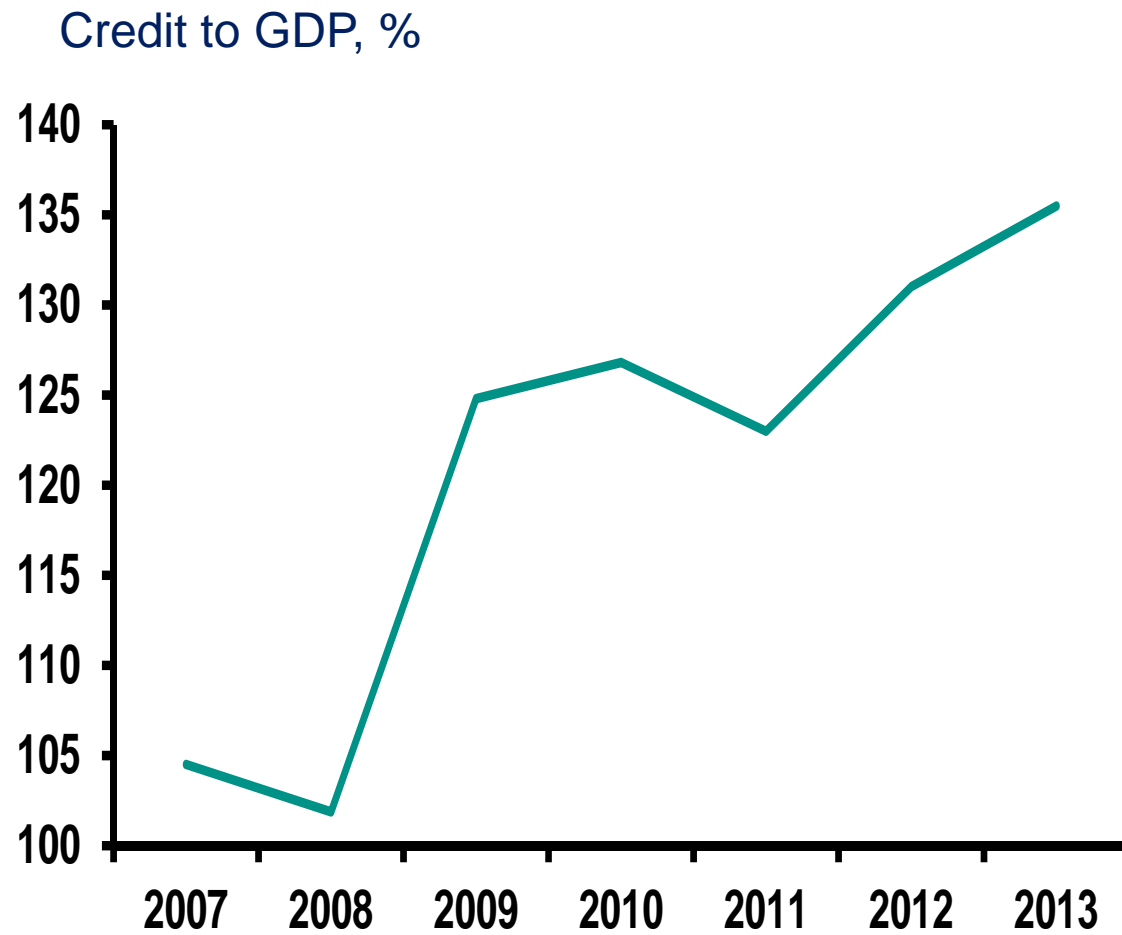
China's great transformation from this...



...to this



Risks from excessive leverage in China



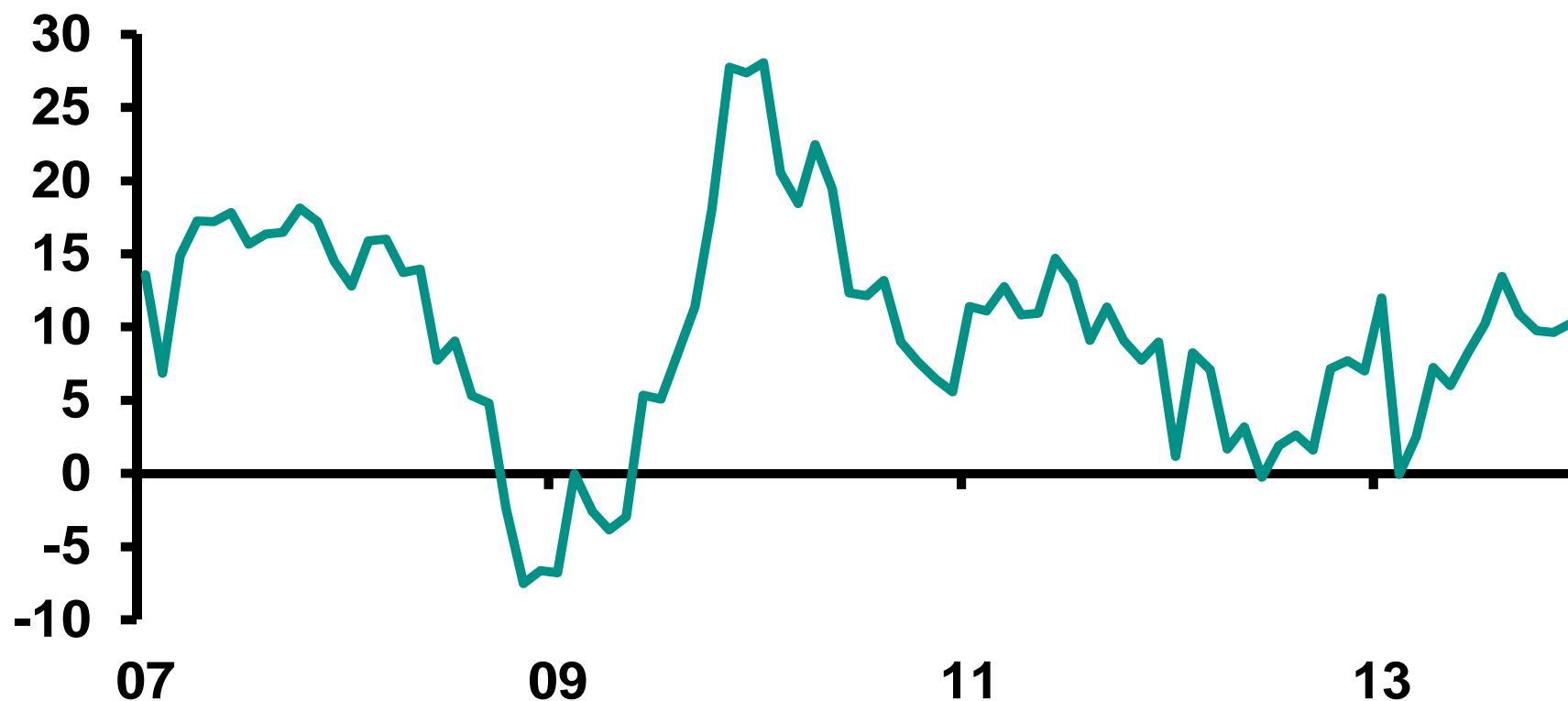
China attempting to manage 'orderly deleveraging'

Total aggregate financing, 3M mav. % yoy



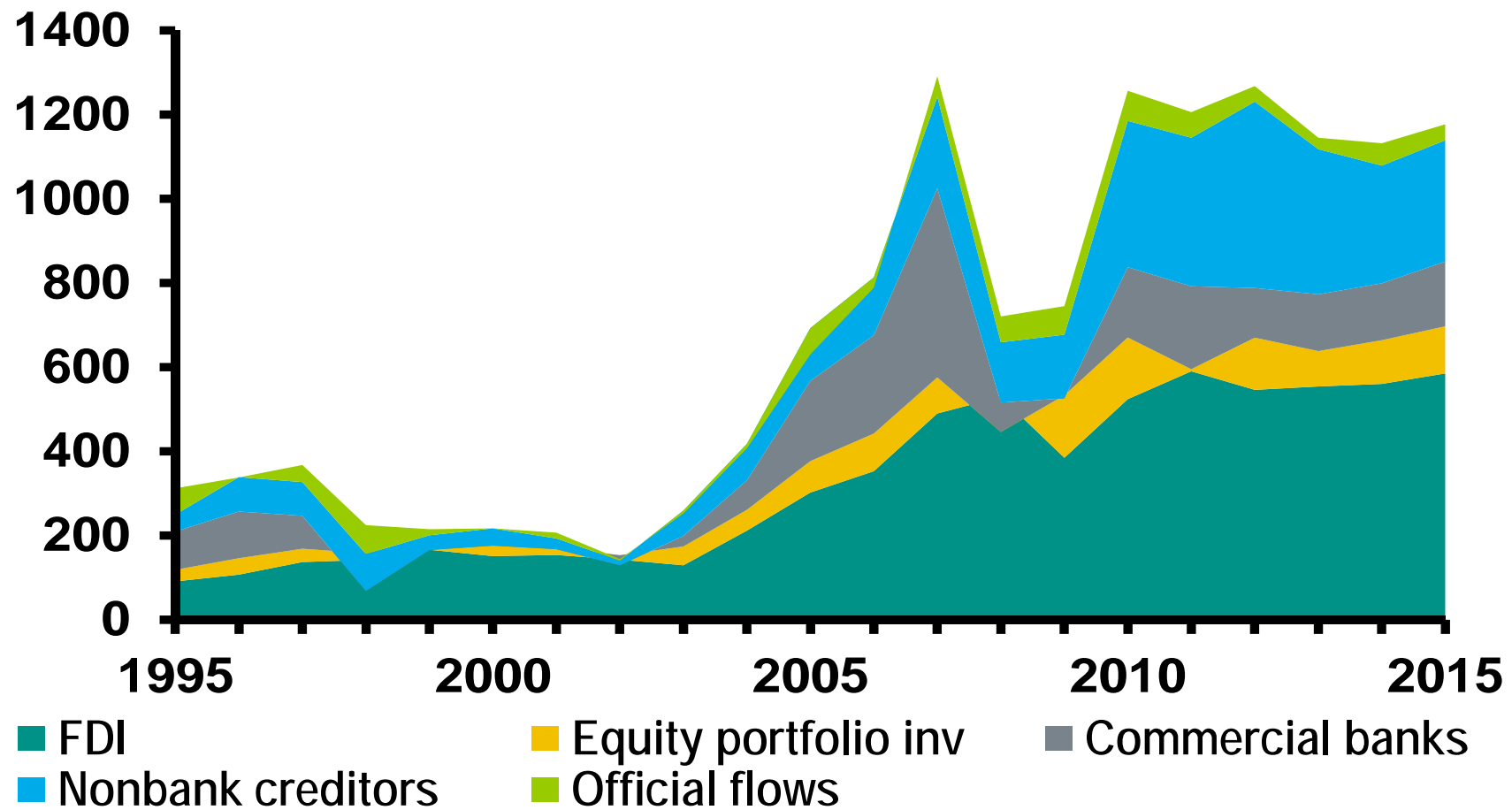
China: key indicators point to resilience

Electricity production, % yoy



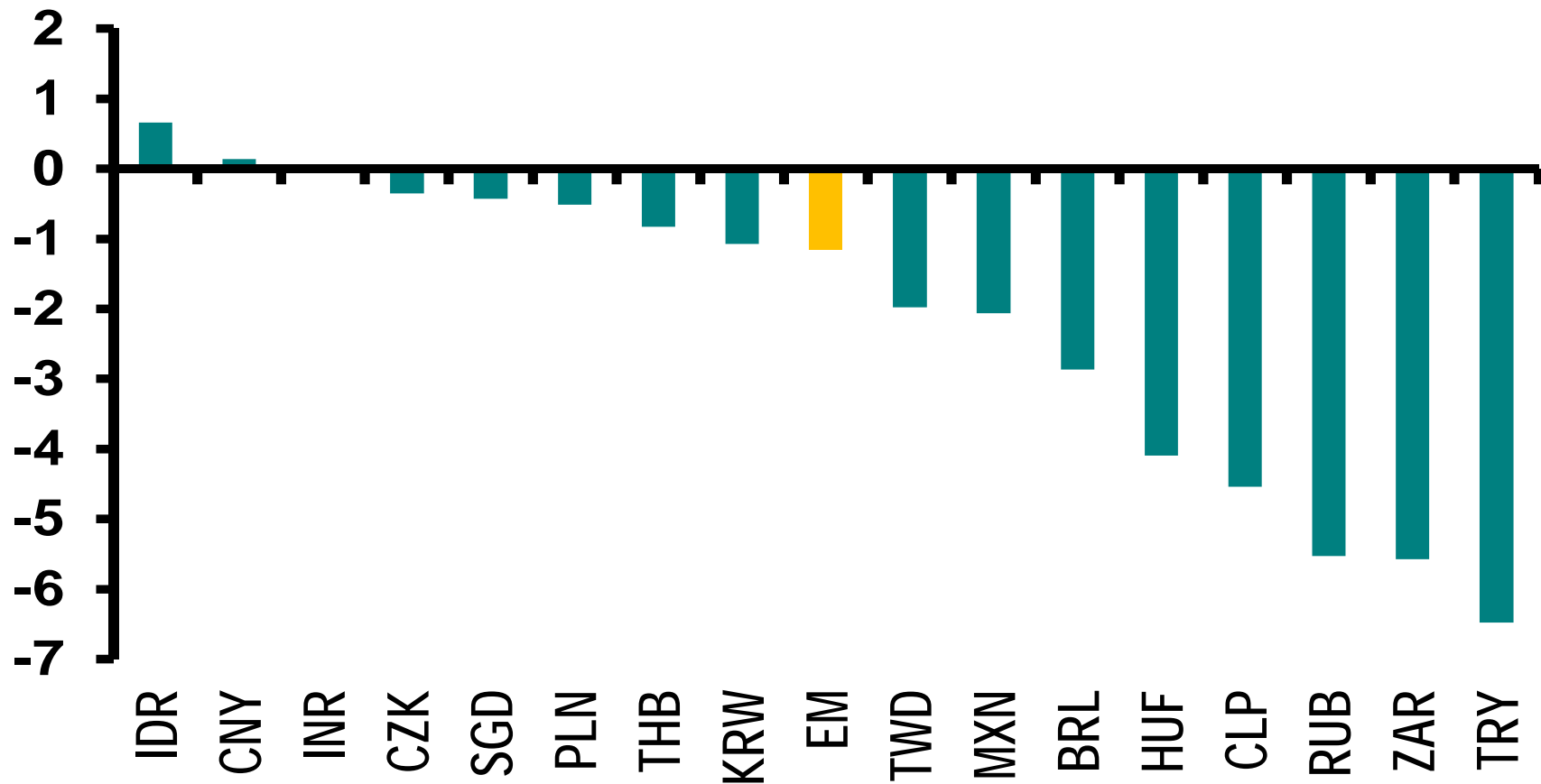
Risk: large capital inflows to EM last few years

\$ bn

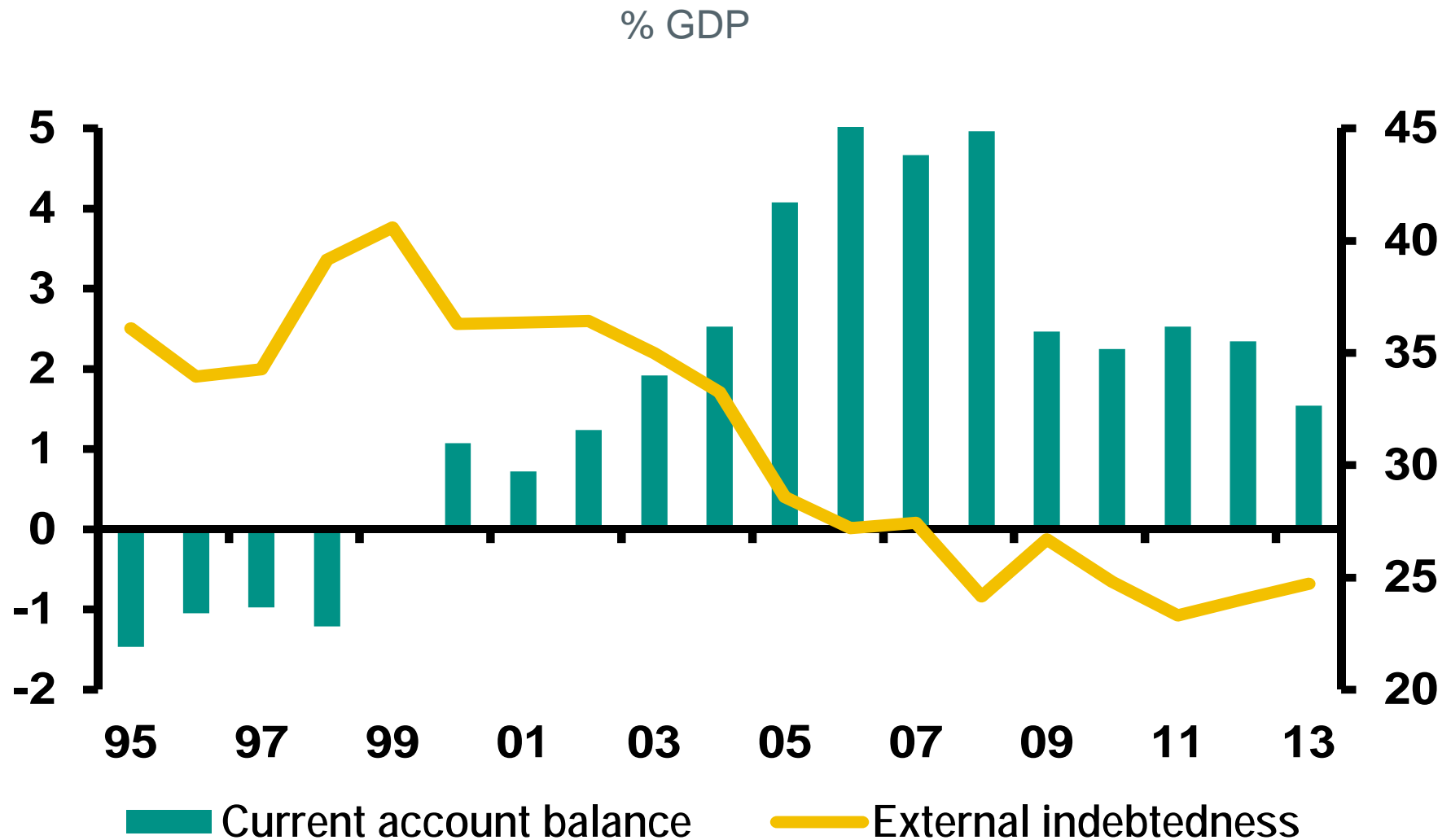


EM currency weakness concentrated

Spot performance since December FOMC, %

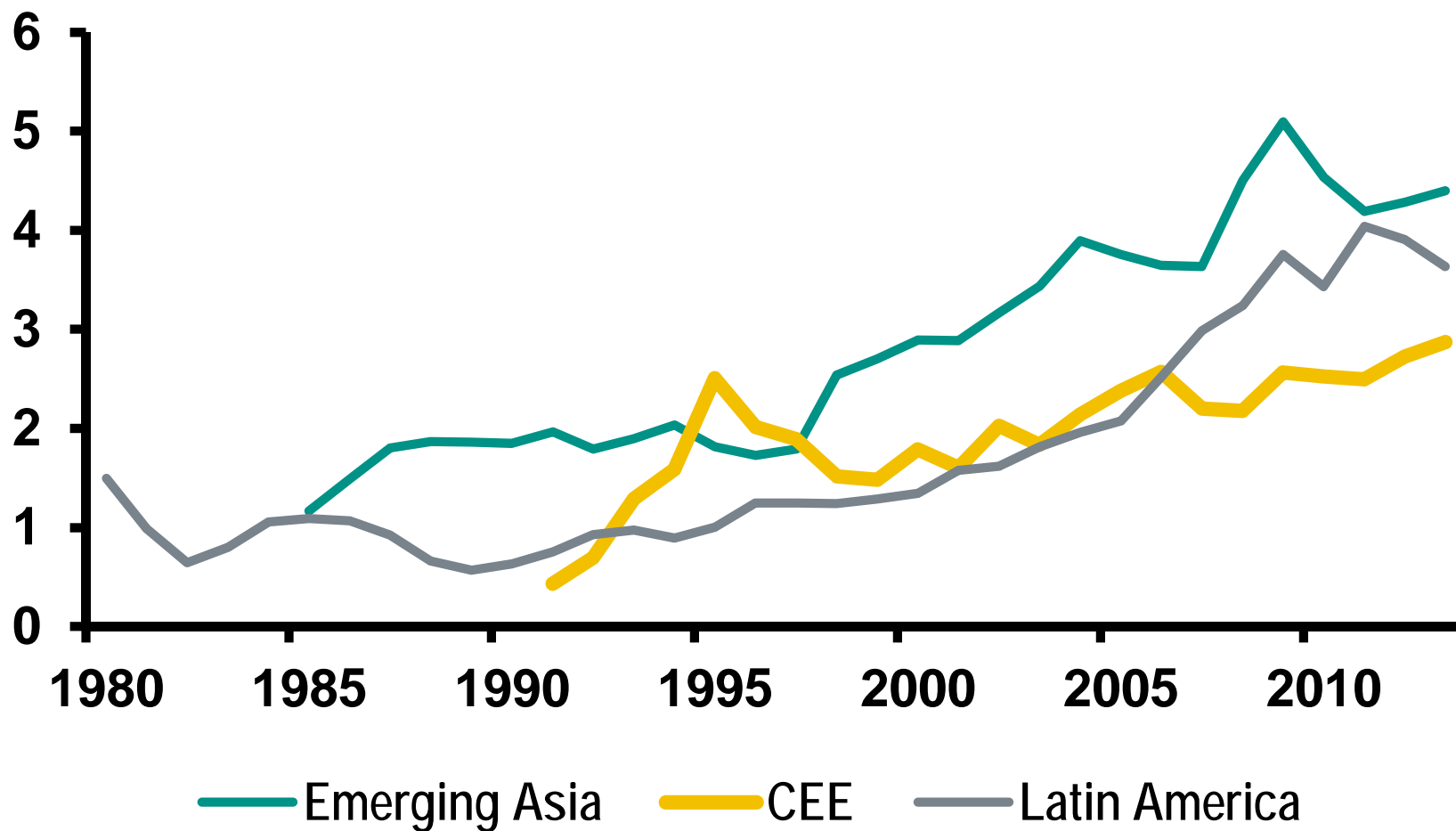


Positive EM fundamentals: external balance



Positive EM fundamentals: FX reserves

FX reserves to short-term external debt



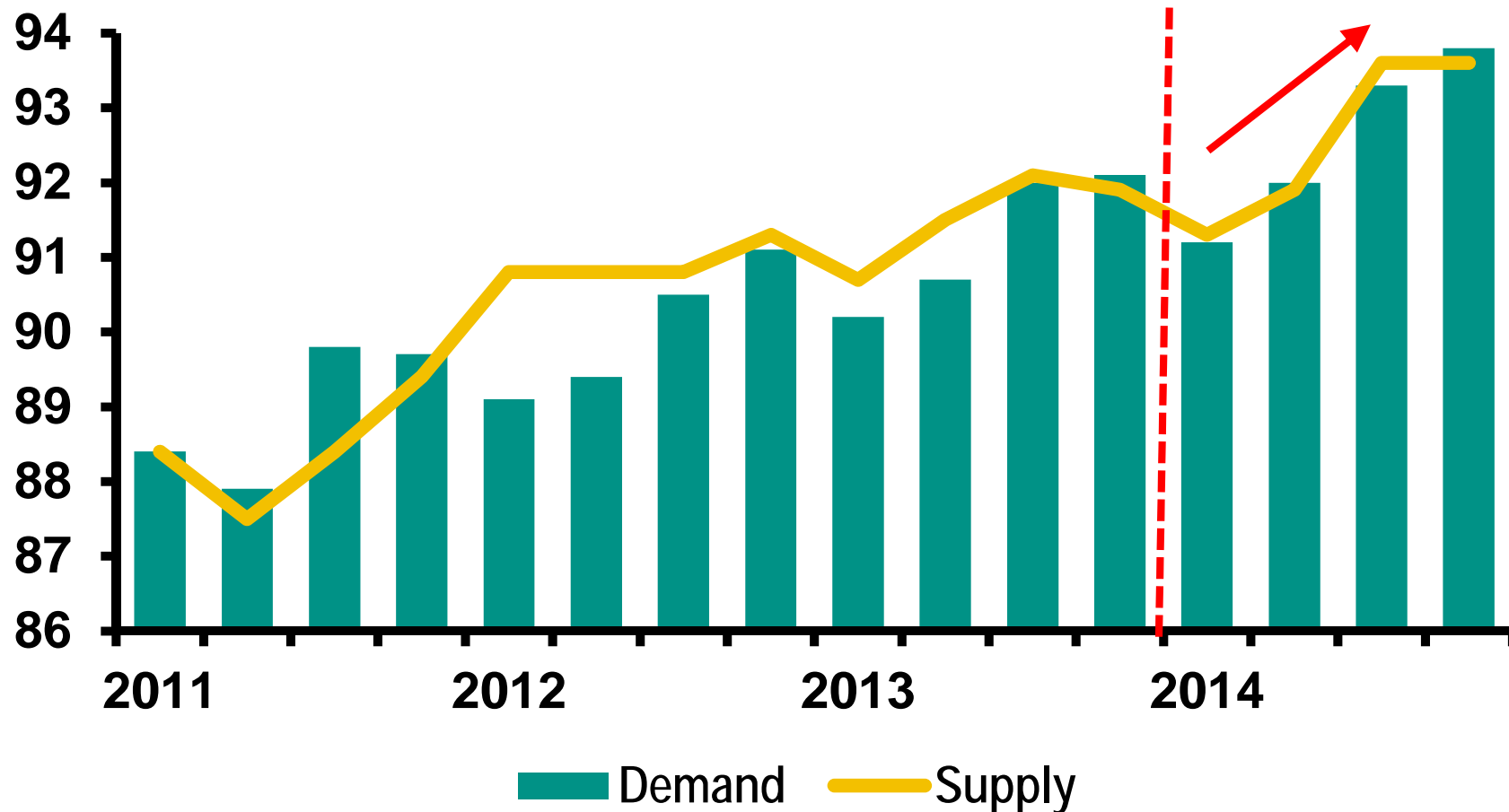
Our views in numbers – economy and markets

Economic outlook	2013	2014	2015
Global GDP	2.8	3.7	3.8
US	1.9	3.5	3.8
Eurozone	-0.4	1.3	1.8
China	7.7	7.5	7.0
World trade	2.5	6.0	6.0

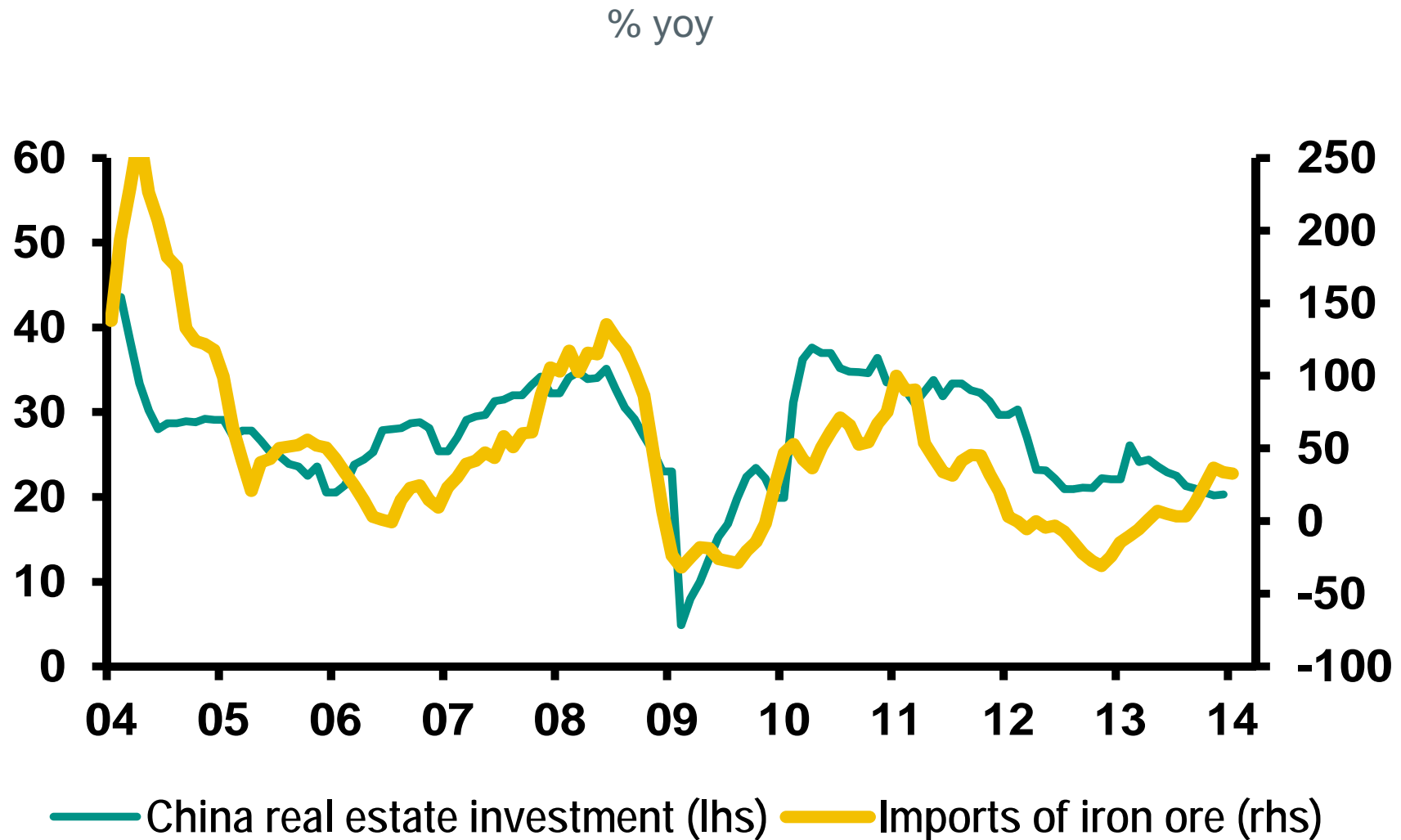
Rates and FX	Spot	2014	2015
USD 3-M Libor rate	0.24	0.30	1.70
US 10-Y Treasury yield	2.75	3.50	4.10
EUR/USD	1.37	1.20	1.15

Oil: rise in demand this year, but also supply

Million barrels of oil per day



Iron ore: structurally slower demand growth



Our views in numbers - commodities

Metals (USD/tonne)	Spot	3M	2014	2015
Steel (HRC)	579	570	560	540
Iron Ore	125	130	128	115
Coking Coal	126	133	135	130
Energy (\$)	Spot	3M	2014	2015
Brent oil	110	105	100	95
WTI	103	100	95	90
Natural Gas	5.9	4.00	4.25	4.75

Important information

Please go to <https://insights.abnamro.nl/en> for all our economics and markets research

The views and opinions expressed in this document may be subject to change at any given time. Individuals are advised to seek professional guidance prior to making any investments.

This material is provided to you for information purposes only and should not be construed as an advice nor as an invitation or offer to buy or sell securities or other financial instruments. Before investing in any product of ABN AMRO Bank N.V., you should obtain information on various financial and other risks and any possible restrictions that you and your investments activities may encounter under applicable laws and regulations. If, after reading the presentation, you consider investing in a product, you are advised to discuss such an investment with your relationship manager or personal advisor and check whether this product – considering the risks involved- is appropriate within your investment activities. The value of your investments may fluctuate. Past performance is no guarantee for future returns. ABN AMRO Bank N.V. has taken all reasonable care to ensure that the information contained in this document is correct but does not accept liability for any misprints. ABN AMRO Bank N.V. reserves the right to make amendments to this material.