



# Global Economy and World Trade

Capital Link Greek Shipping Forum, Athens

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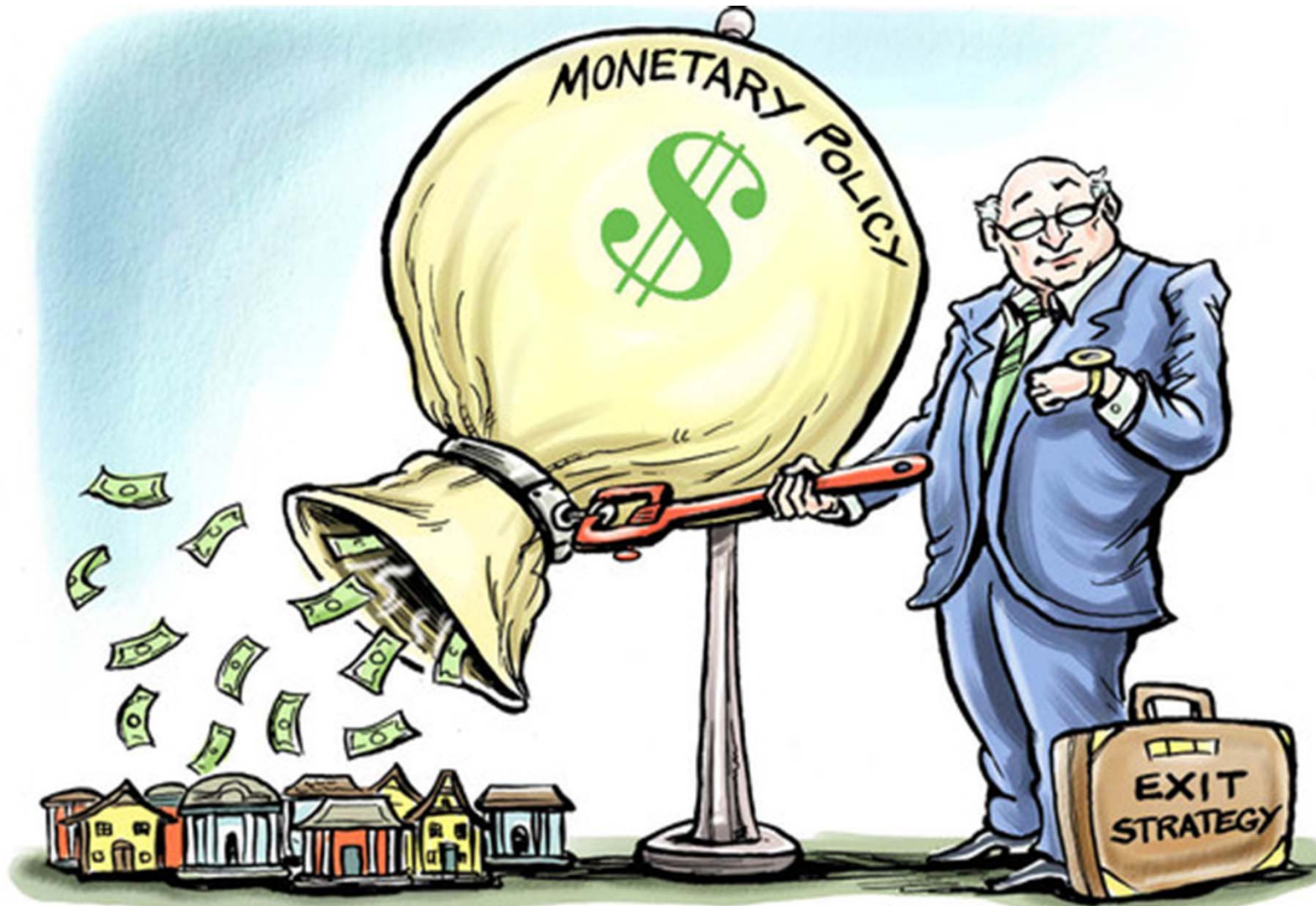
# Worries about the global economy continue



# The next leg of the euro crisis?

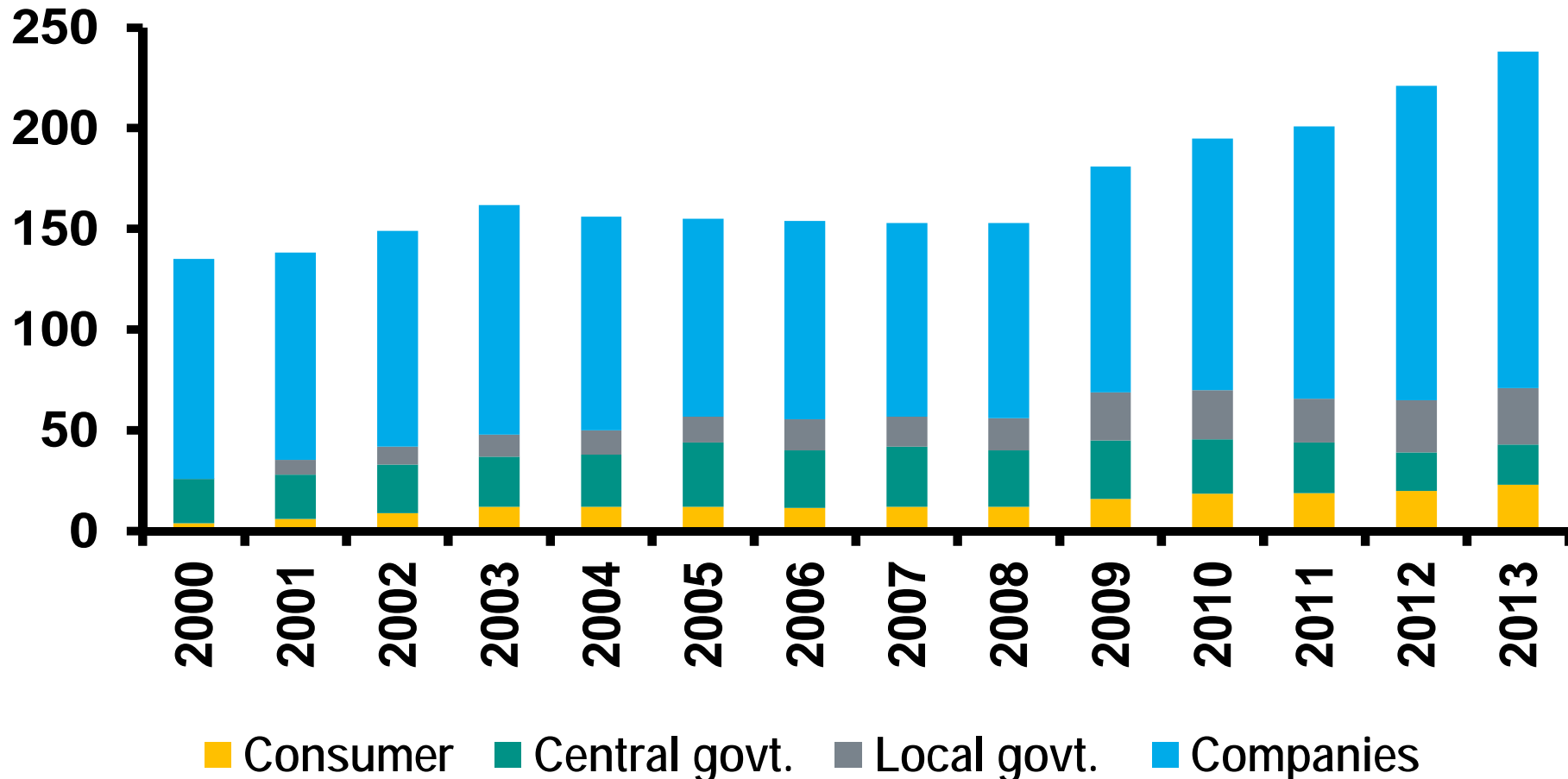


# The Fed's exit another old worry



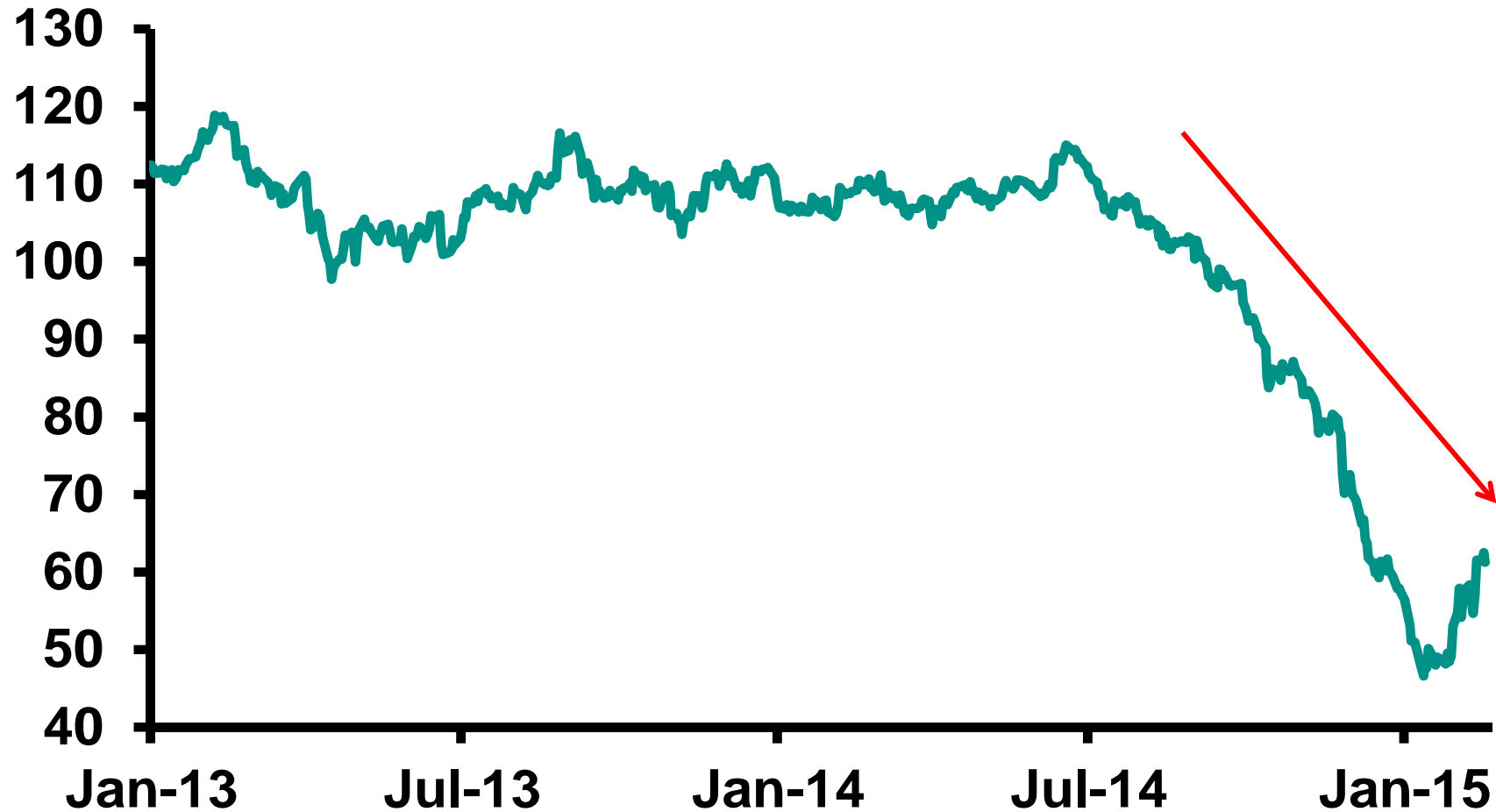
# Not forgetting the Chinese debt mountain

Total debt to GDP, %



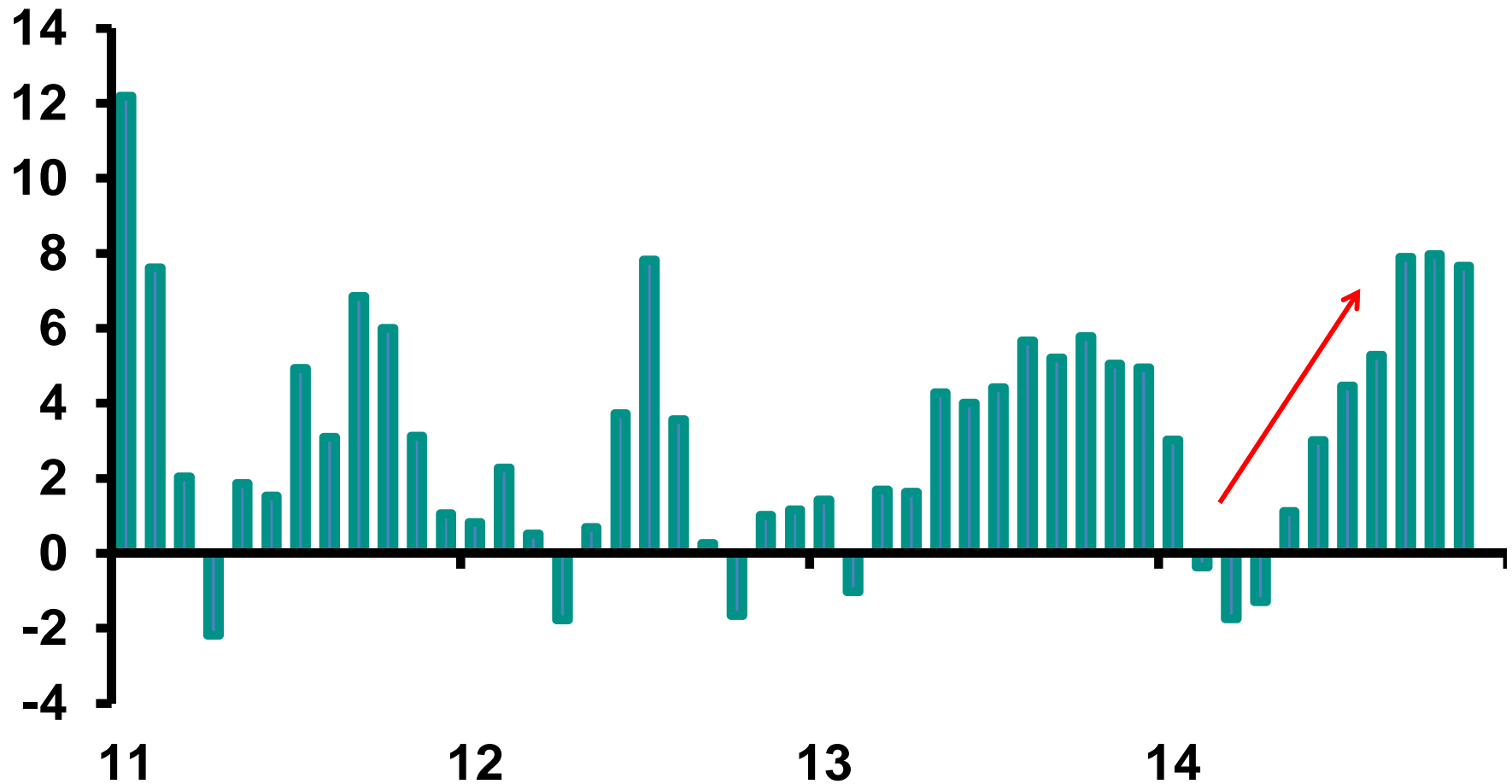
# Even the fall in oil prices is being read as bad news!

USD per barrel



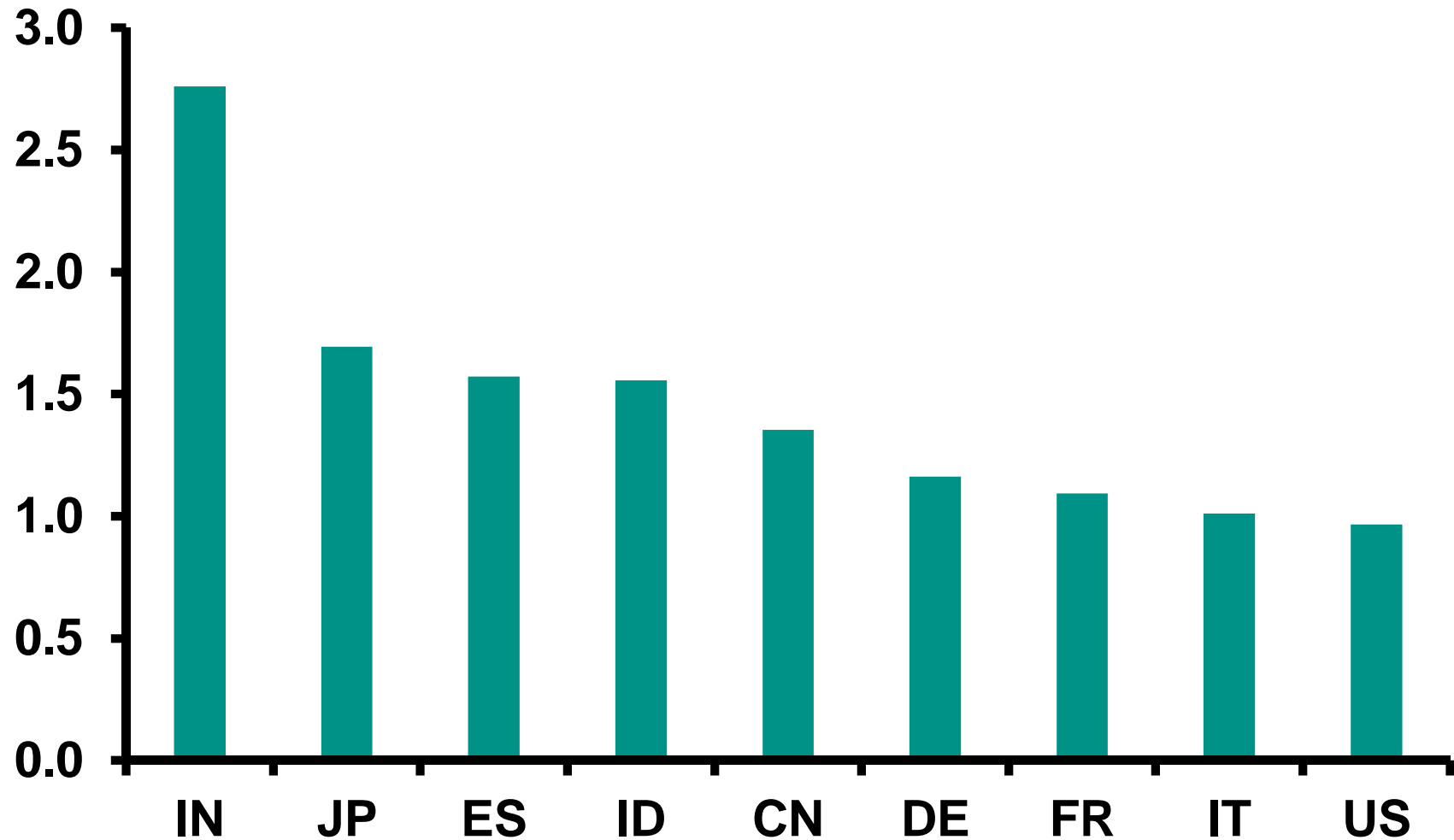
# Reality more encouraging!

World trade, %3mo3m ar



# The fall in oil prices is a big stimulus!

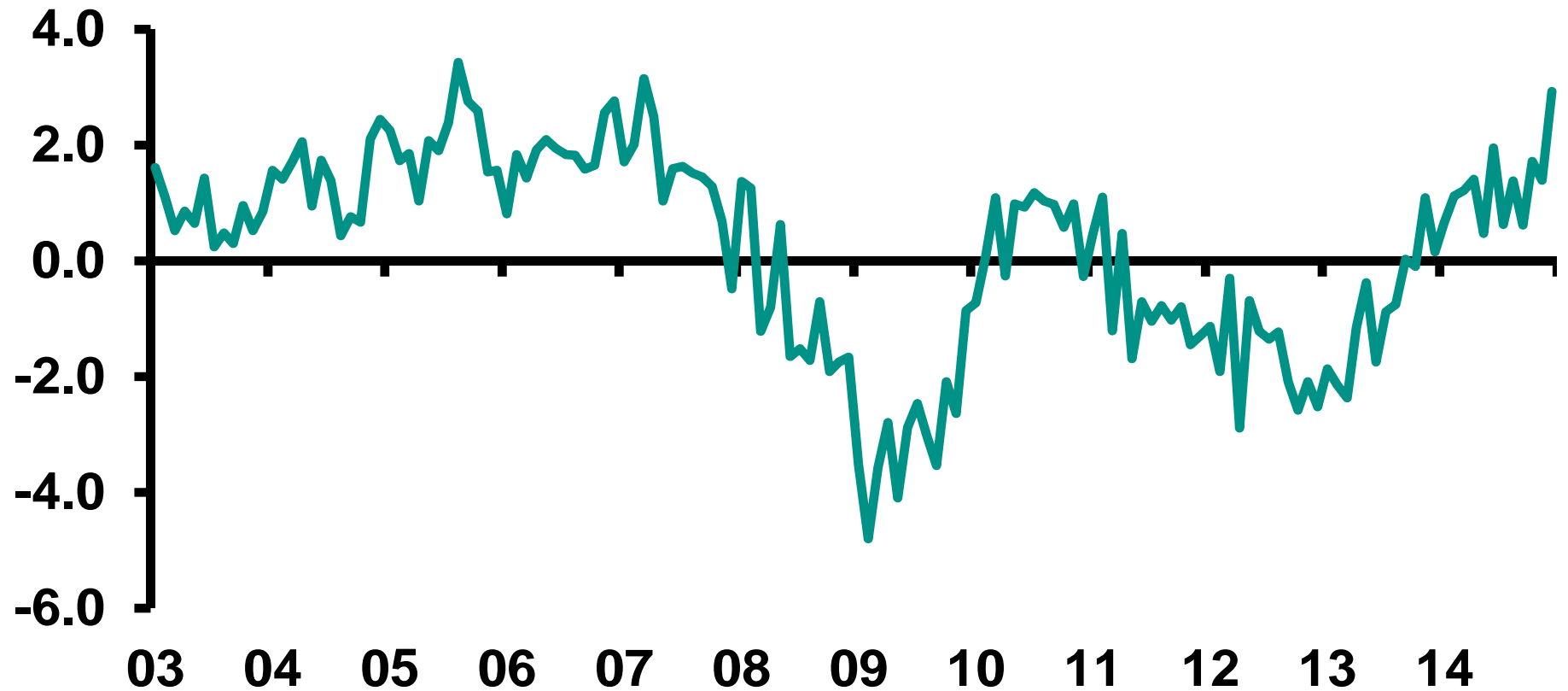
Gain from USD 50 drop in oil prices, % GDP





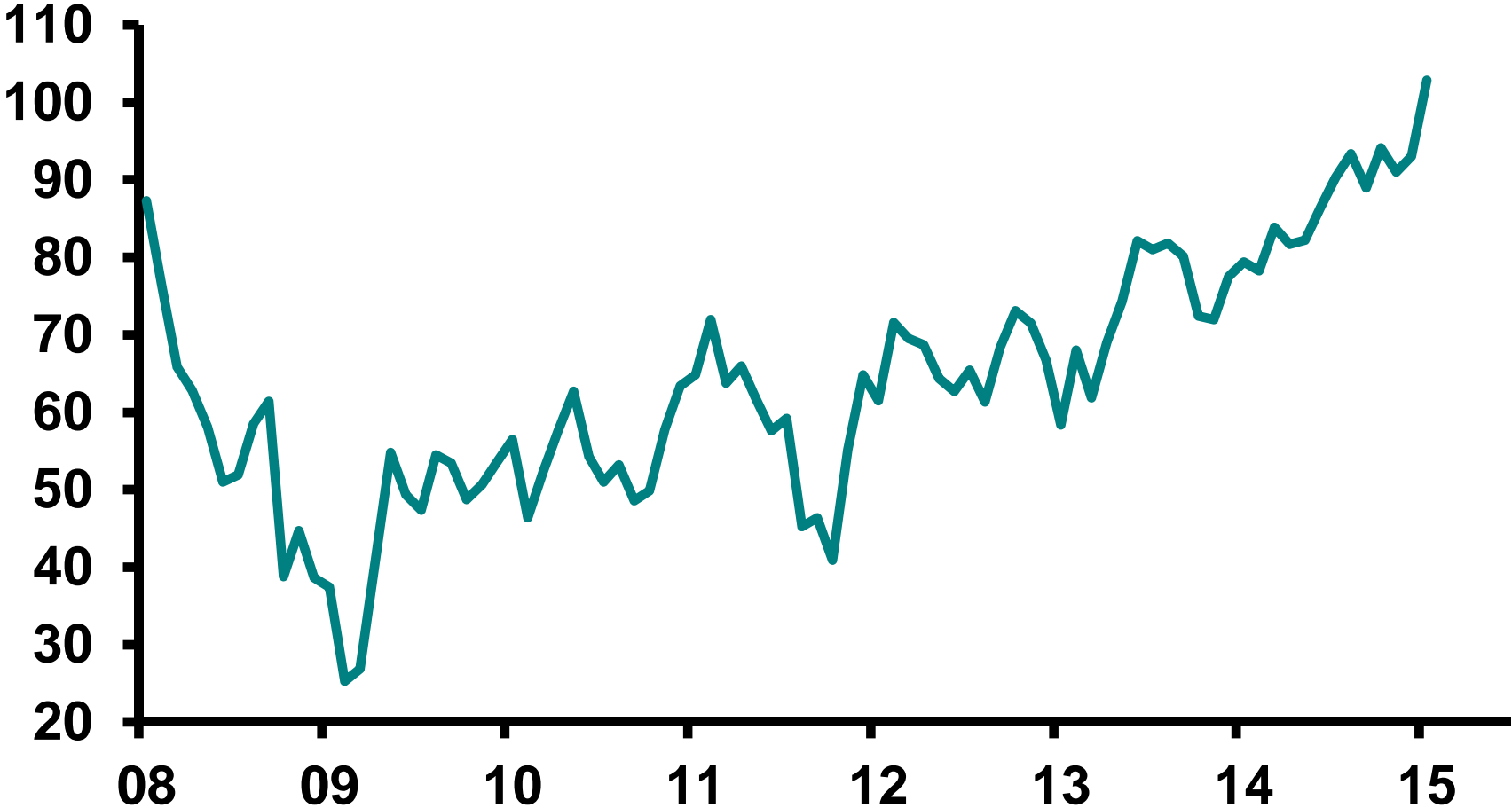
# Does this look like a deflationary spiral?

Eurozone retail sales, % yoy

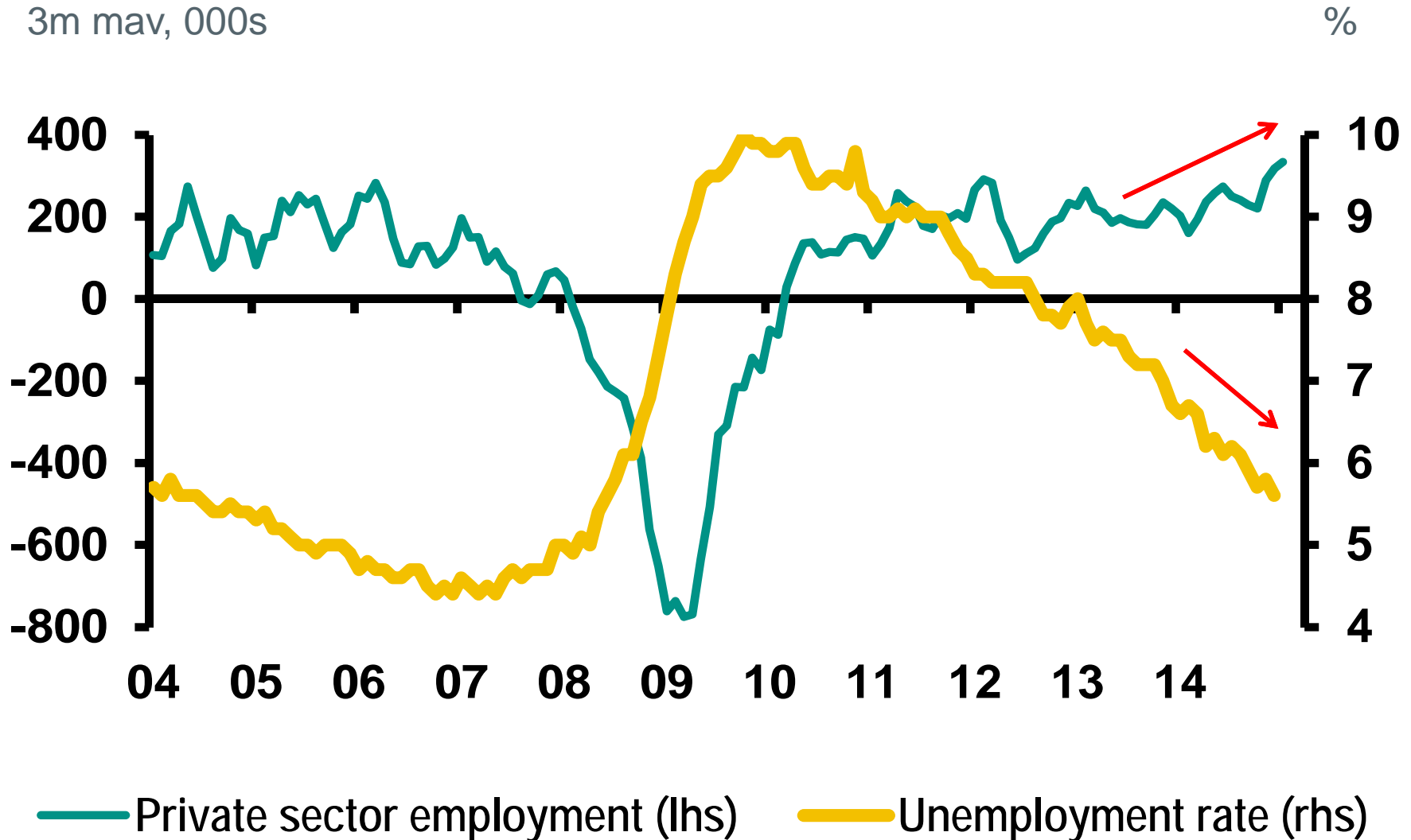


# Joe Sixpack is back!

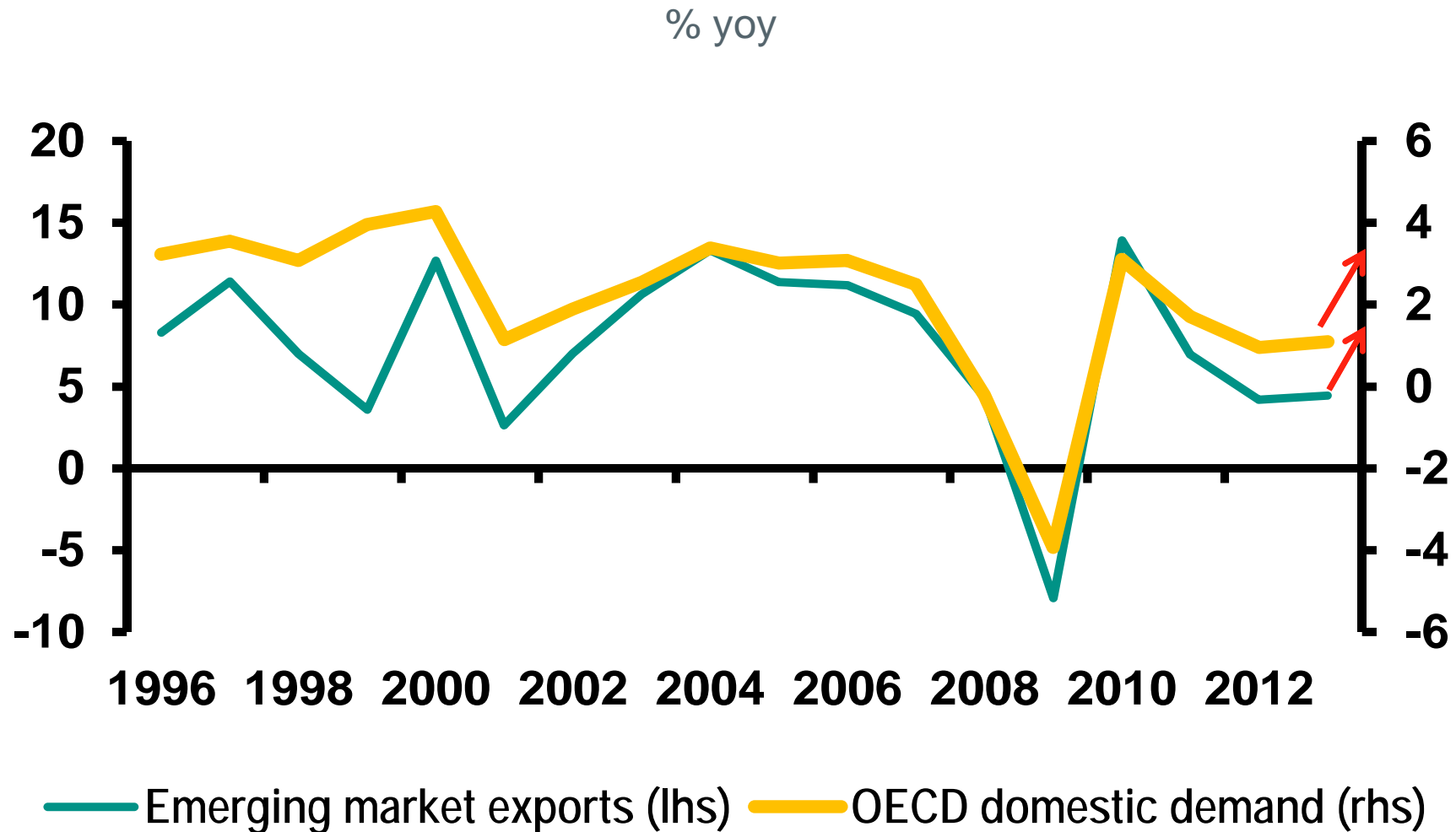
US consumer confidence, Index



# US labour market...we have lift off!

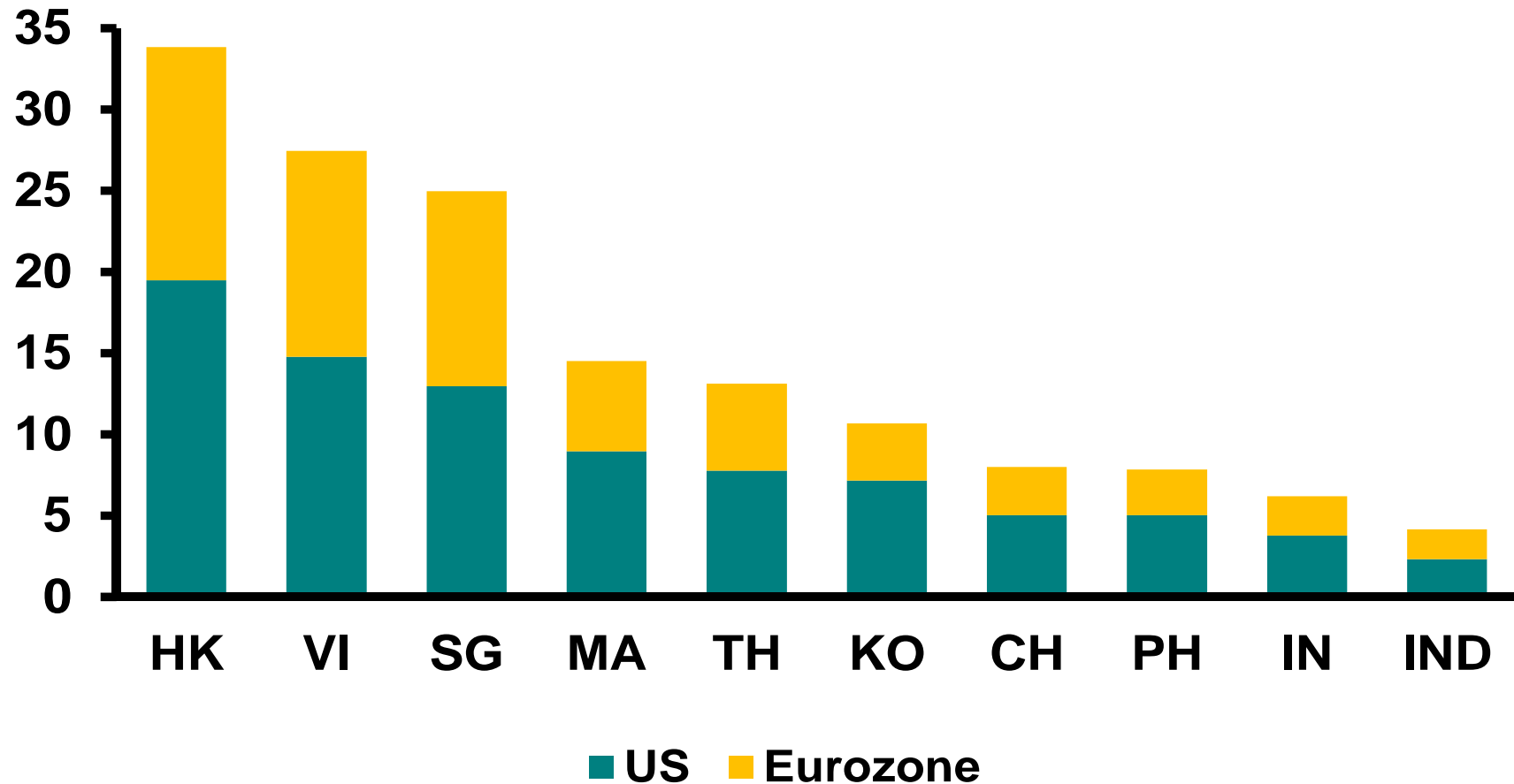


# Advanced economy demand will boost EM



# Asian economies will benefit

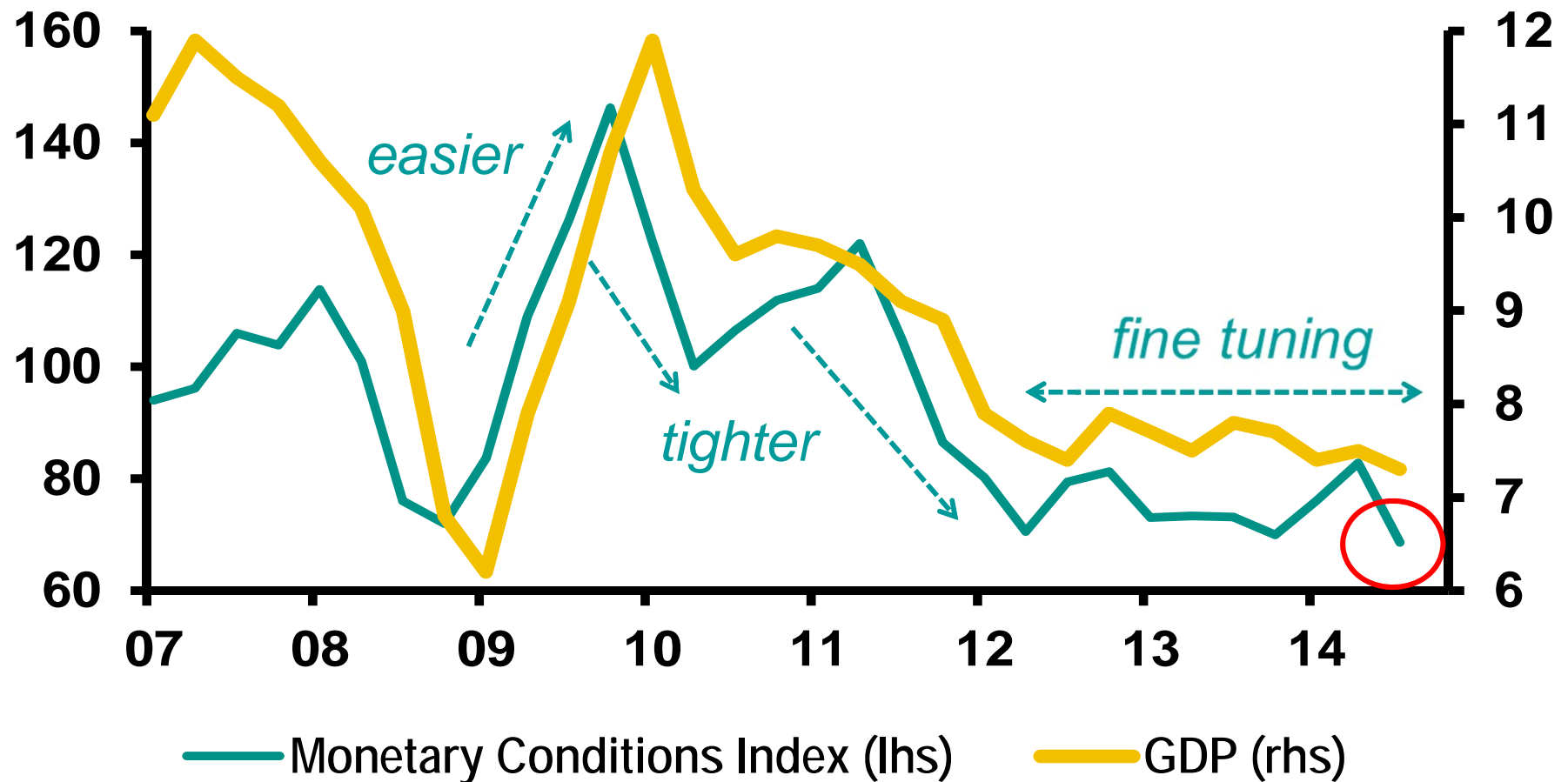
Export exposure to US and eurozone, % GDP



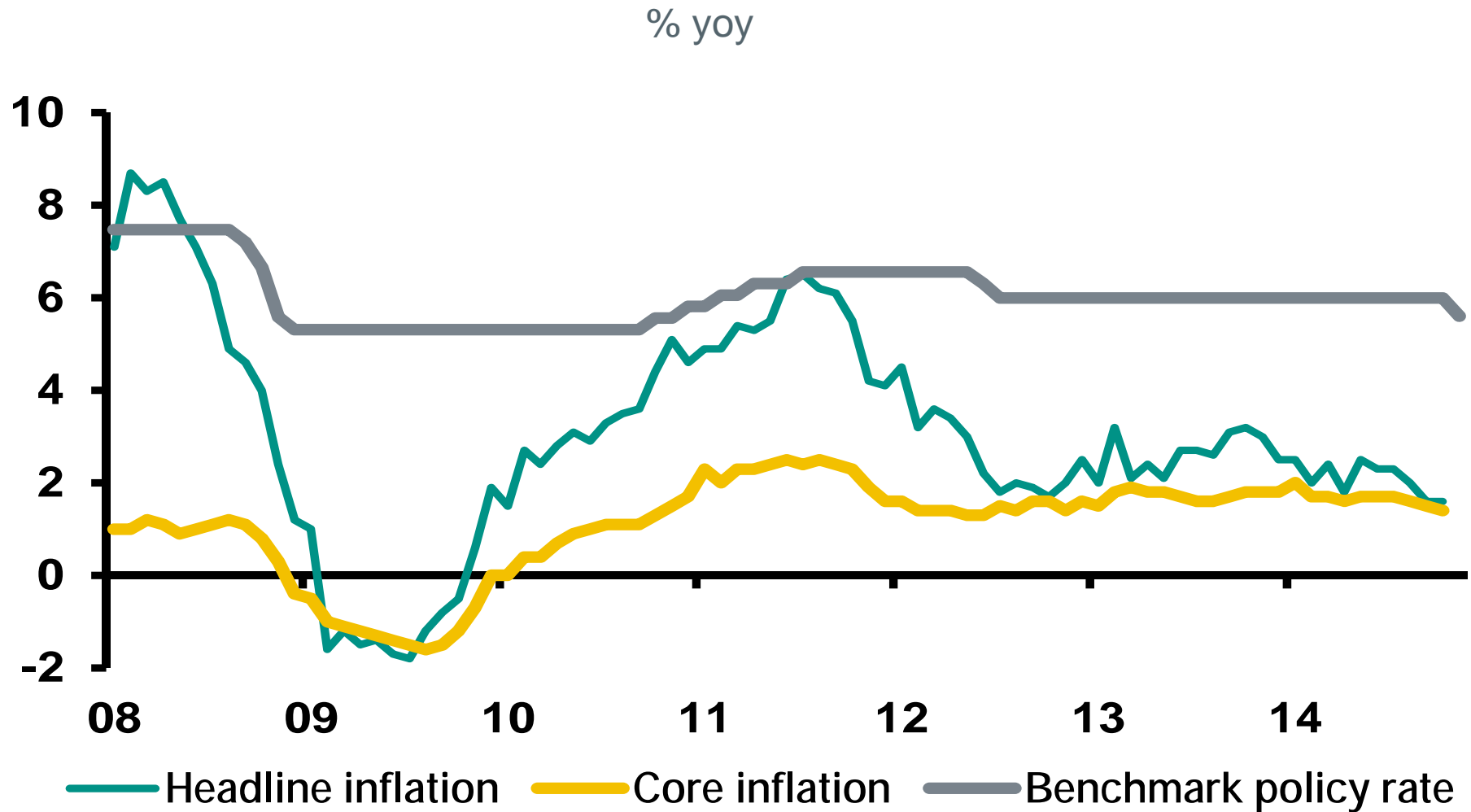
# China: gradual slowdown, but need to do more

Index

% yoy



# China: further easing ahead



# Asia: a second powerhouse?

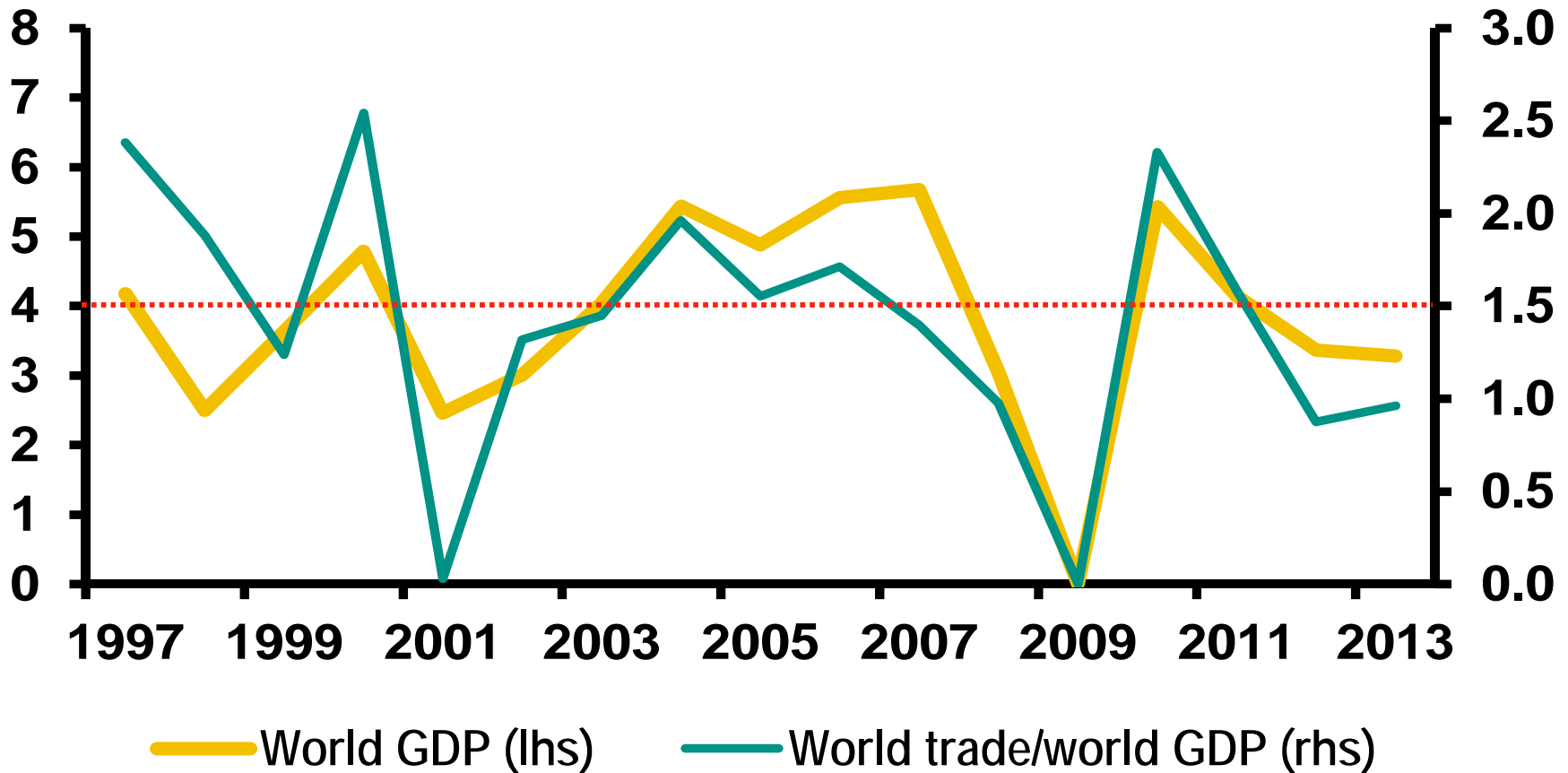




# World trade has a high 'beta' to world GDP

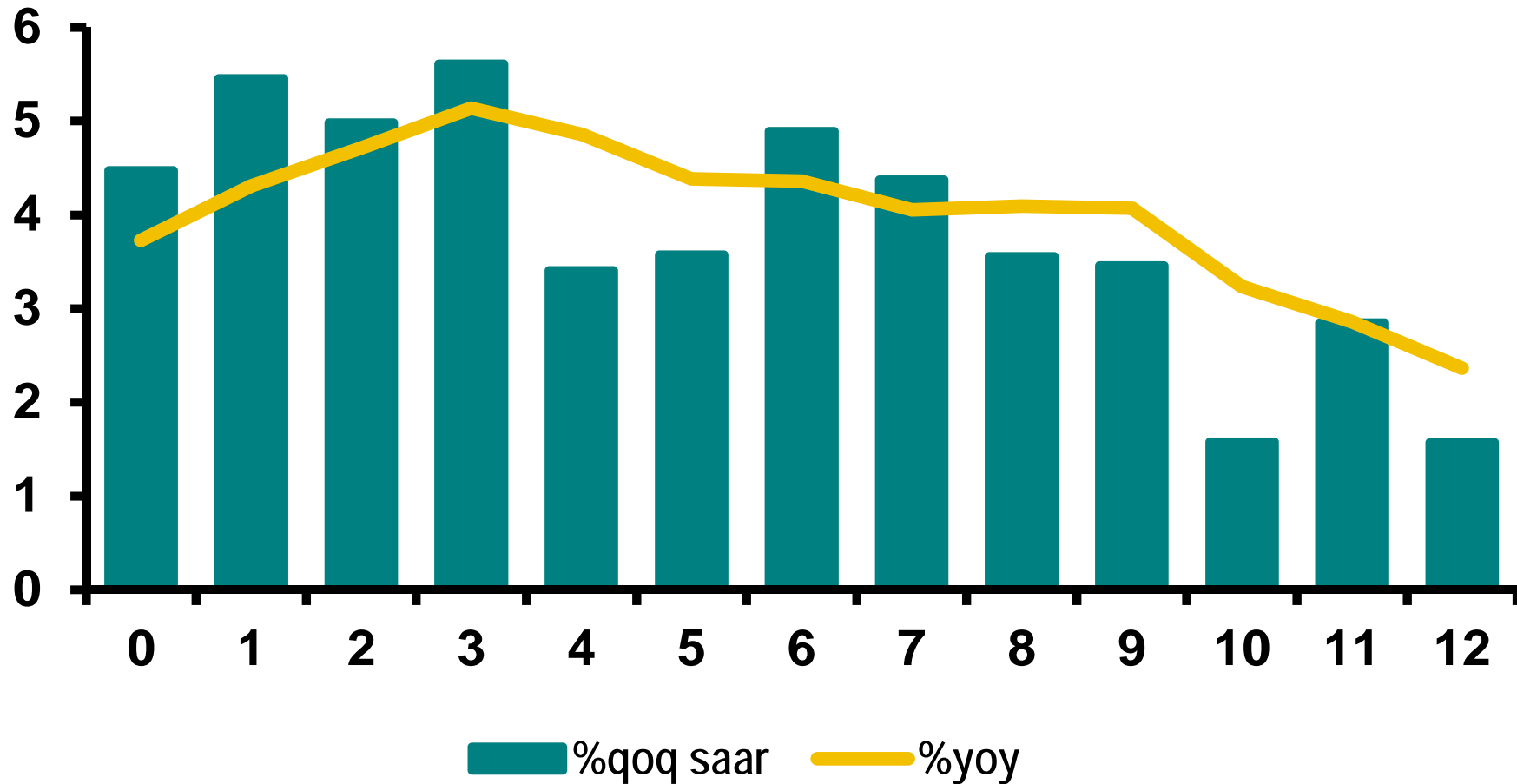
% yoy

ratio of % yoy growth rates



# US economic growth during tightening cycles

Quarters after rate hike expectations built



# The wave of global liquidity: its not over yet!!

*Mario and Haruhiko taking over from Janet....*



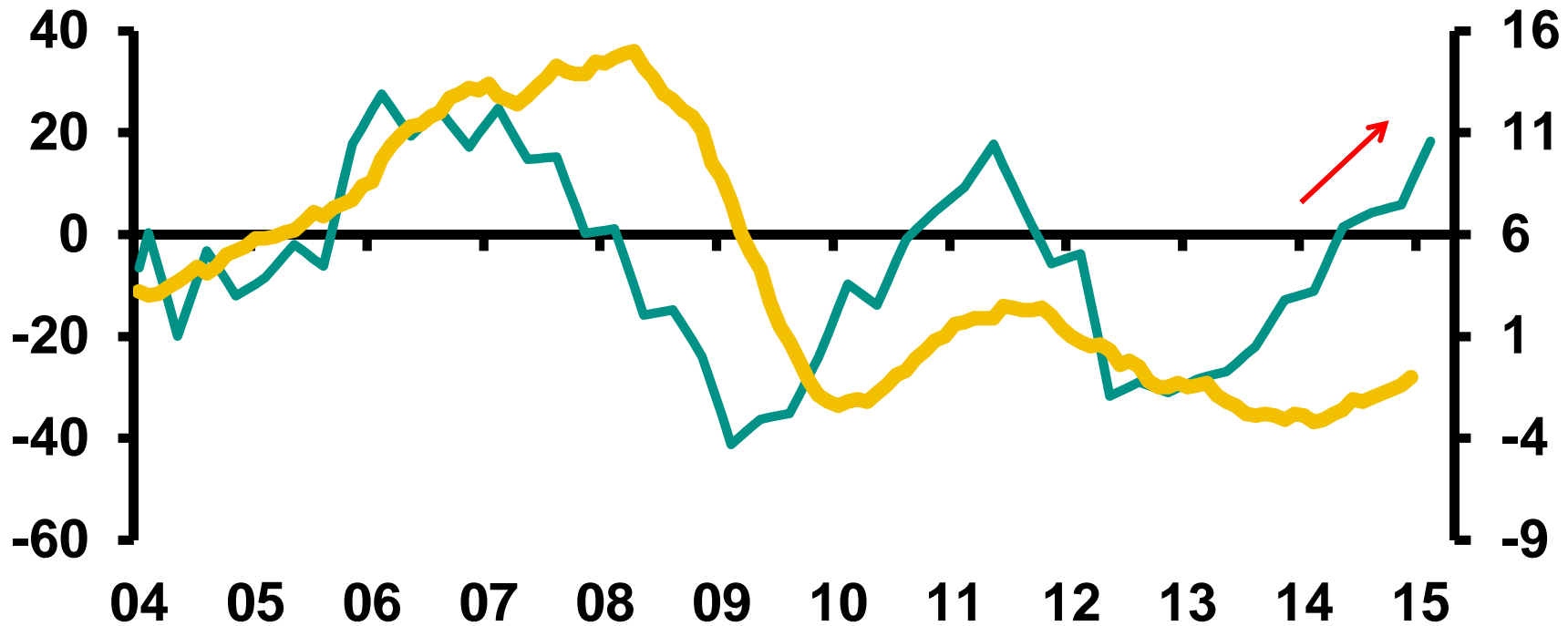
*Rebalancing via stronger dollar*



# Eurozone: signs of life in bank lending

Net change in demand

% yoy

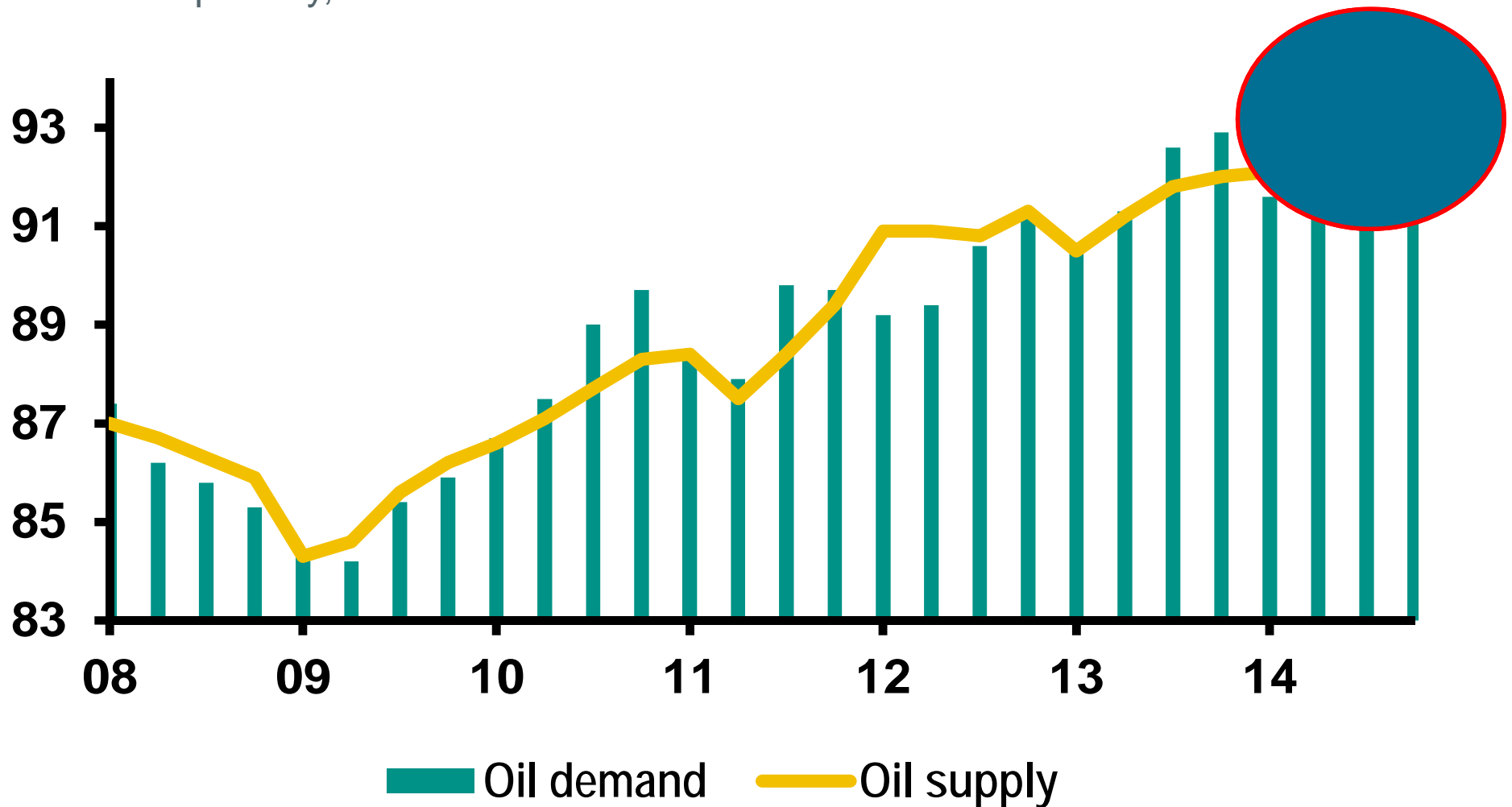


— Credit demand (lhs, positive is higher)

— Annual growth in loans to non-fin. Corporations (rhs)

# Collapse in oil prices reflects oversupply

Barrels of oil per day, mn



# Despite all the noise...Grexit is unlikely



**‘We did not  
even agree  
to  
disagree...’**

# The beginning of a beautiful friendship?



## Long-run deal

1. Less austerity
2. New reforms
3. Debt relief

# Our views in numbers

ABN AMRO forecasts for economy and financial markets

<b>Economic outlook</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Global GDP	3.2	3.7	3.9
US	2.4	3.8	3.0
Eurozone	0.9	1.6	2.2
China	7.4	7.0	7.0
<b>World trade</b>	<b>3.0</b>	<b>5.5</b>	<b>6.0</b>
<b>Rates and FX (end of year)</b>	<b>Spot</b>	<b>2015</b>	<b>2016</b>
USD 3-M Libor rate	0.26	1.40	3.00
US 10-Y Treasury yield	2.10	2.10	2.90
EUR/USD	1.14	1.05	0.95
Oil prices (Brent USD/barrel)	60	65	75



# Important information

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<https://insights.abnamro.nl/en>

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