



THE GLOBAL ECONOMY GEARS DOWN

**EVEN BEFORE BREXIT, GLOBAL
GROWTH WAS DECELERATING**



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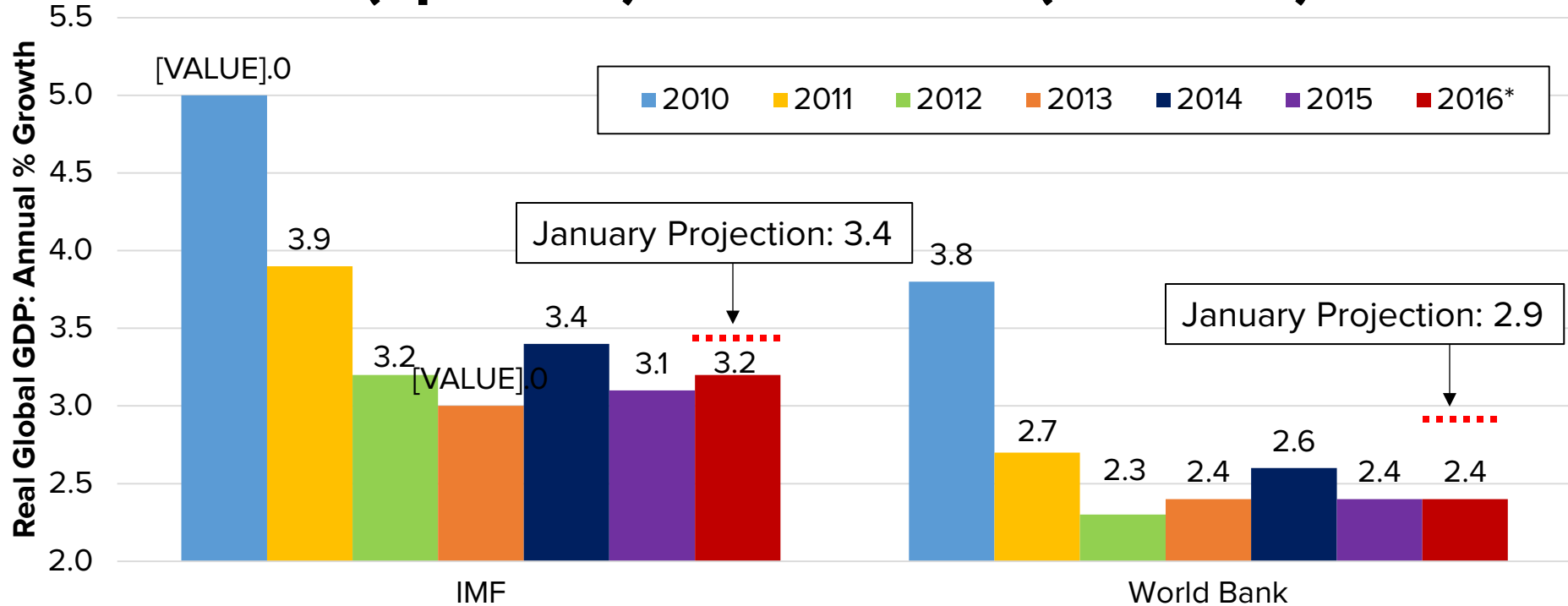
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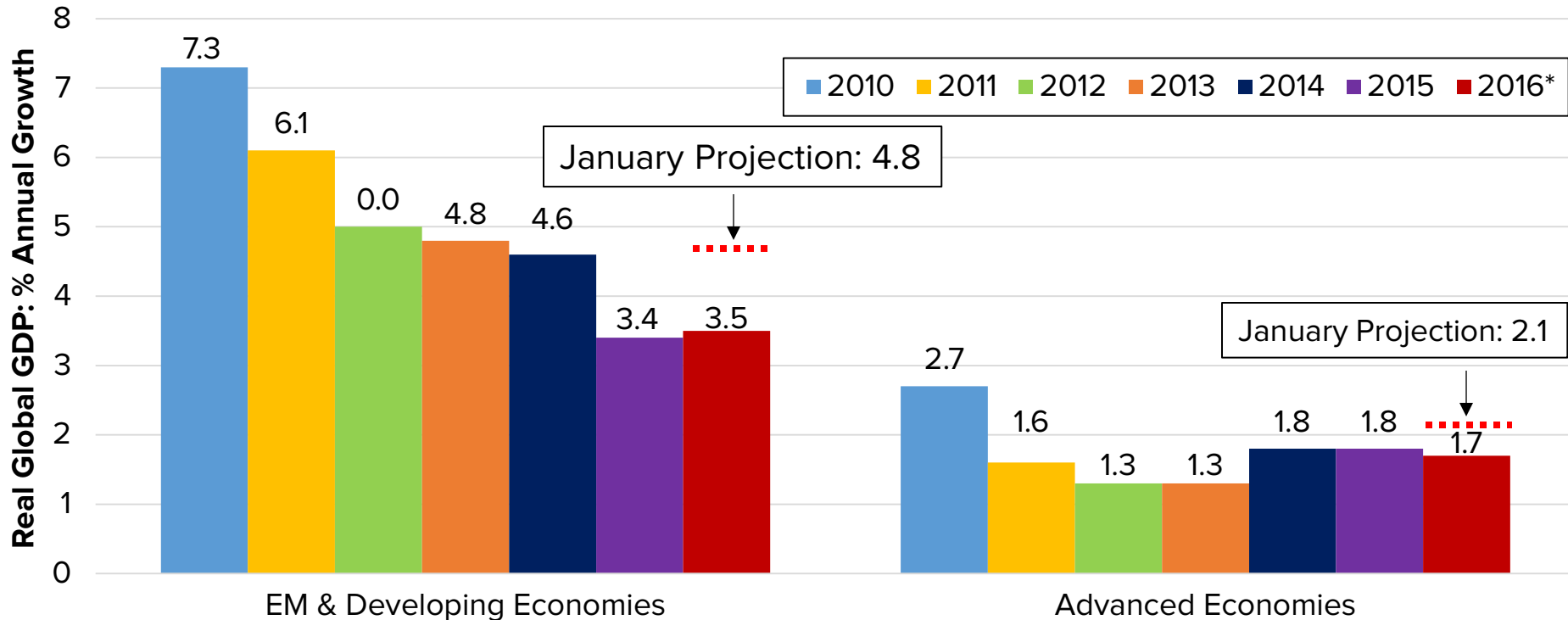
GLOBAL GROWTH DISAPPOINTS...

Real Global GDP Growth: History and 2016 Projection IMF (April 2016) and World Bank (June 2016)



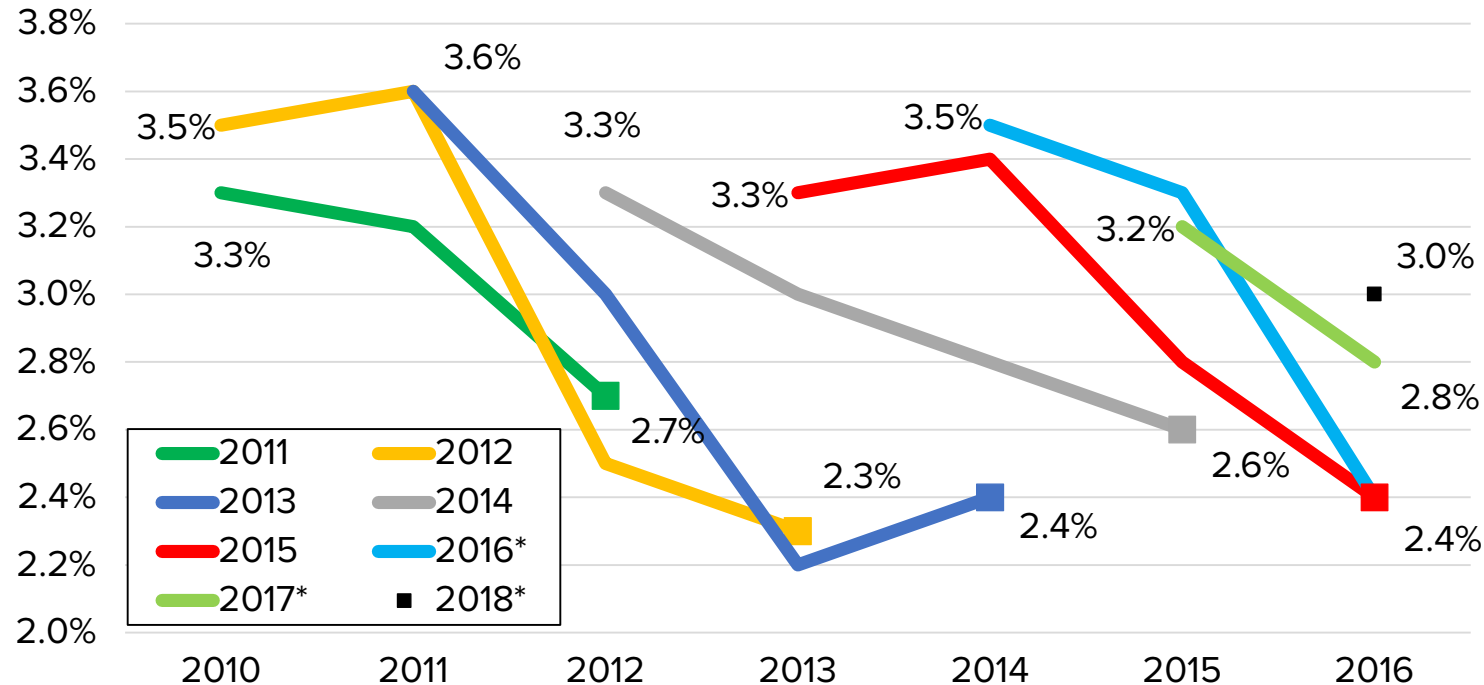
... ESPECIALLY IN THE DEVELOPING WORLD

World Bank History and Projections by Country Cluster



THE GLOBAL “FADING PROJECTIONS” GAME

YOY Change in Real Global GDP History of World Bank Projections for Selected Years



For the IMF and World Bank, robust growth is always a year or two away.

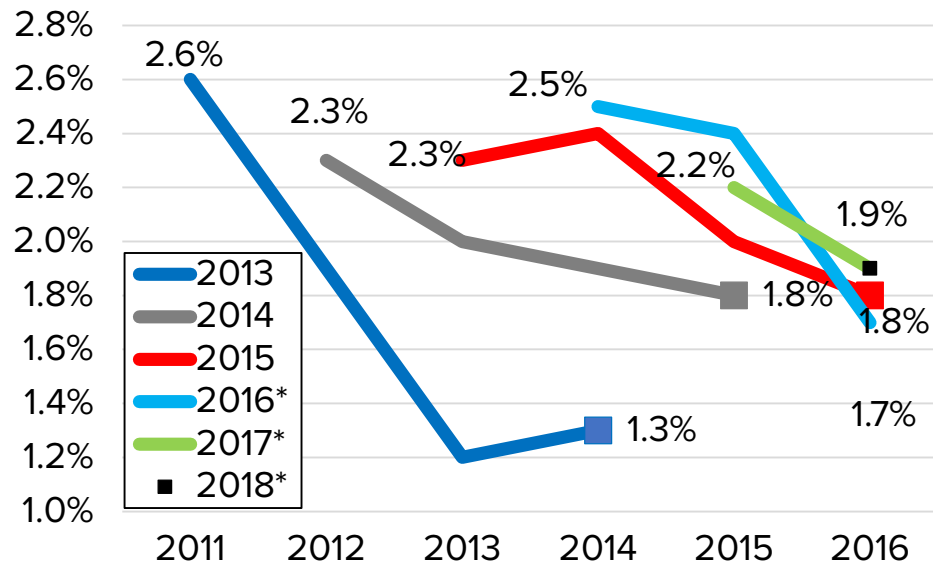
* Projections

Source: World Bank (2016)

“FADING PROJECTIONS” ARE STEEP IN EMDE’S

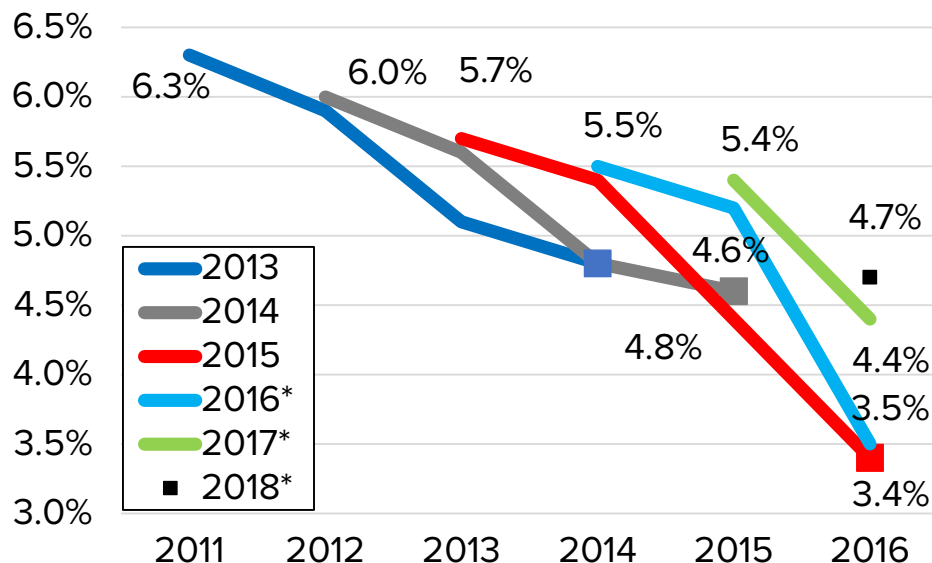
Advanced Economies:

History of Projections for Selected Years



EM & Developing Economies:

History of Projections for Selected Years

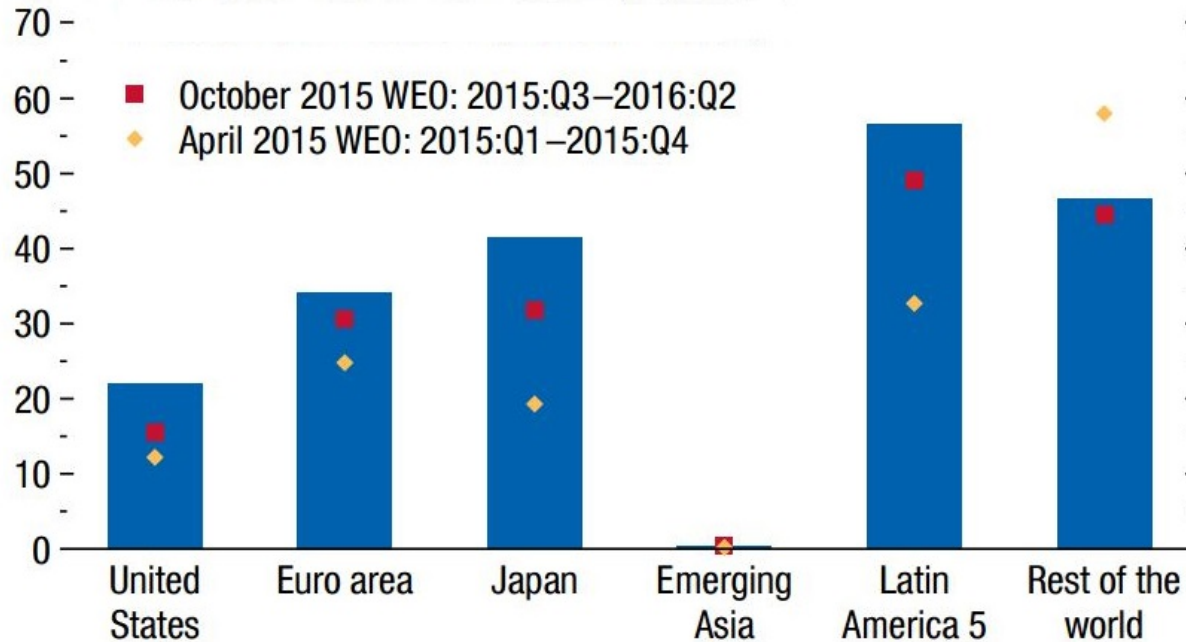


Source: World Bank (2016)

THE DISAPPOINTING GROWTH OF THE EMDE’S SEEMS TO COME AS A STUNNING SURPRISE EVERY YEAR.

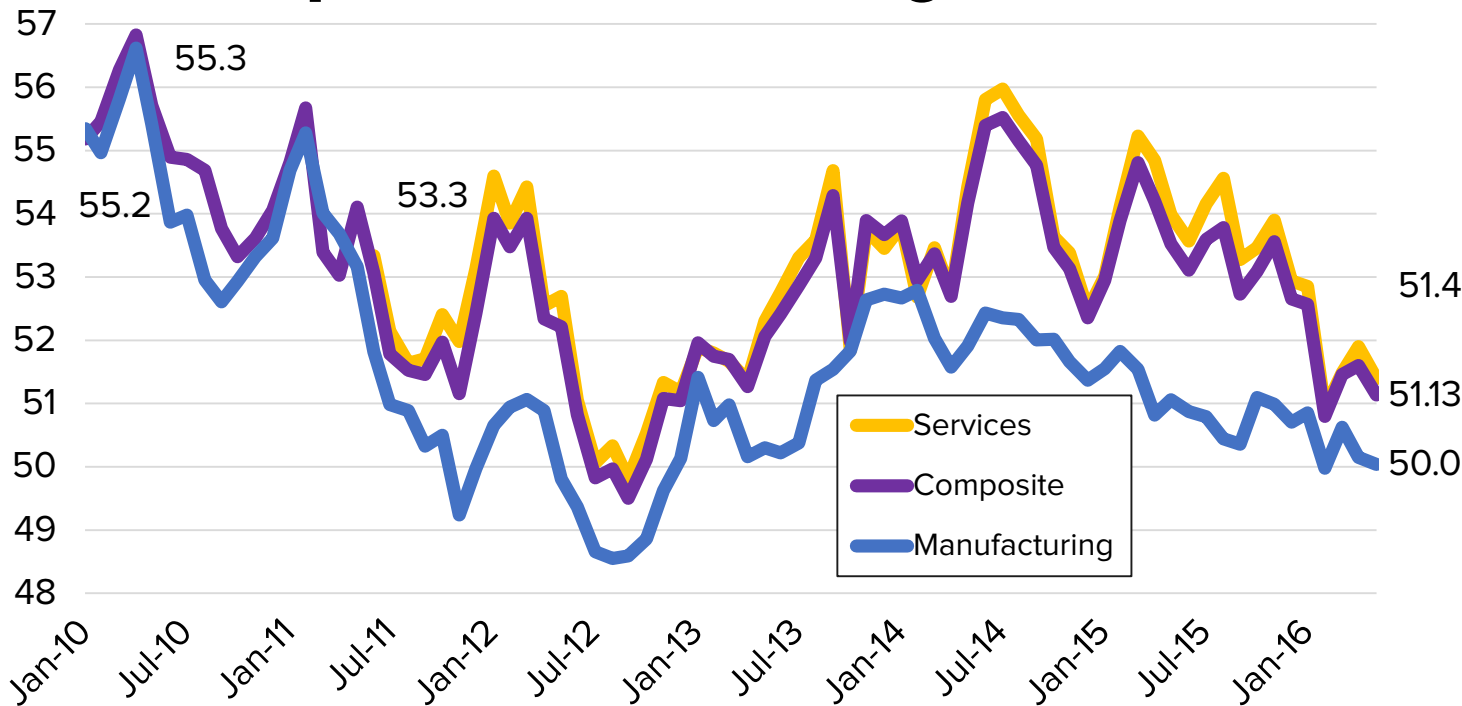
ODDS OF RECESSION: RISING IN MOST REGIONS

IMF Projected Year-Ahead Probability of Recession (2016 Q1-Q4)



WORLD PMI'S ARE CLOSING IN ON 50

Markit Global PMI's: Composite, Manufacturing, & Services

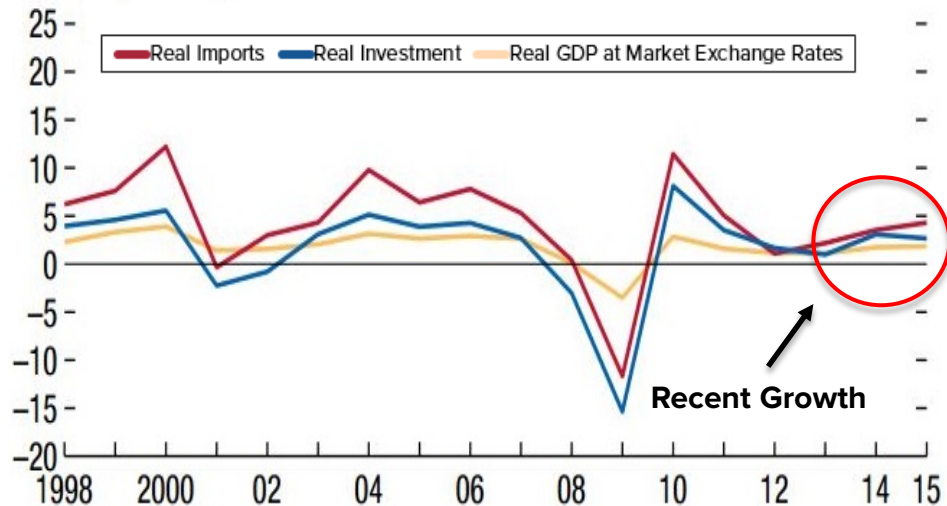


Source: FactSet (2016)

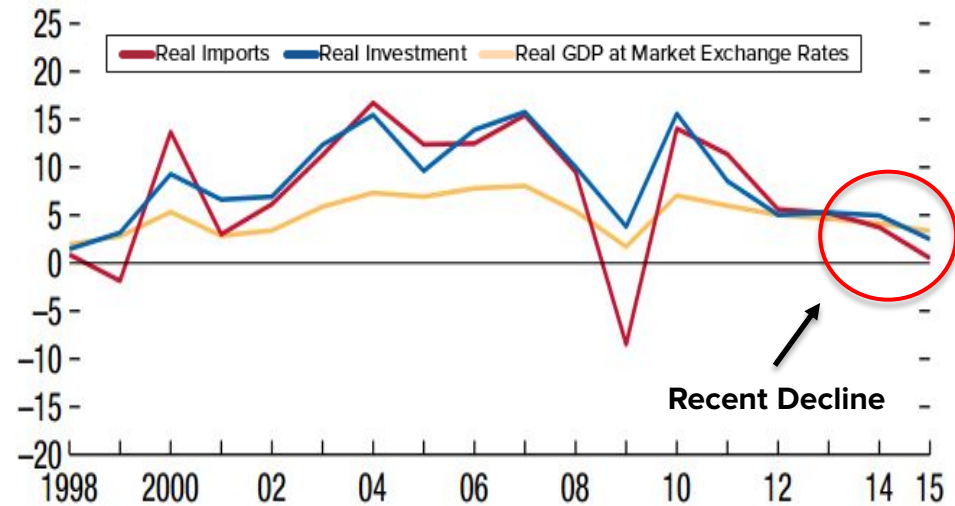
Thus far, the spring of 2014 and the summer of 2015 appear to be the twin peaks of global business activity during this expansion.

EMDE INVESTMENT AND TRADE SLOWDOWN

% Change in Global Investment and Trade: Advanced Economies



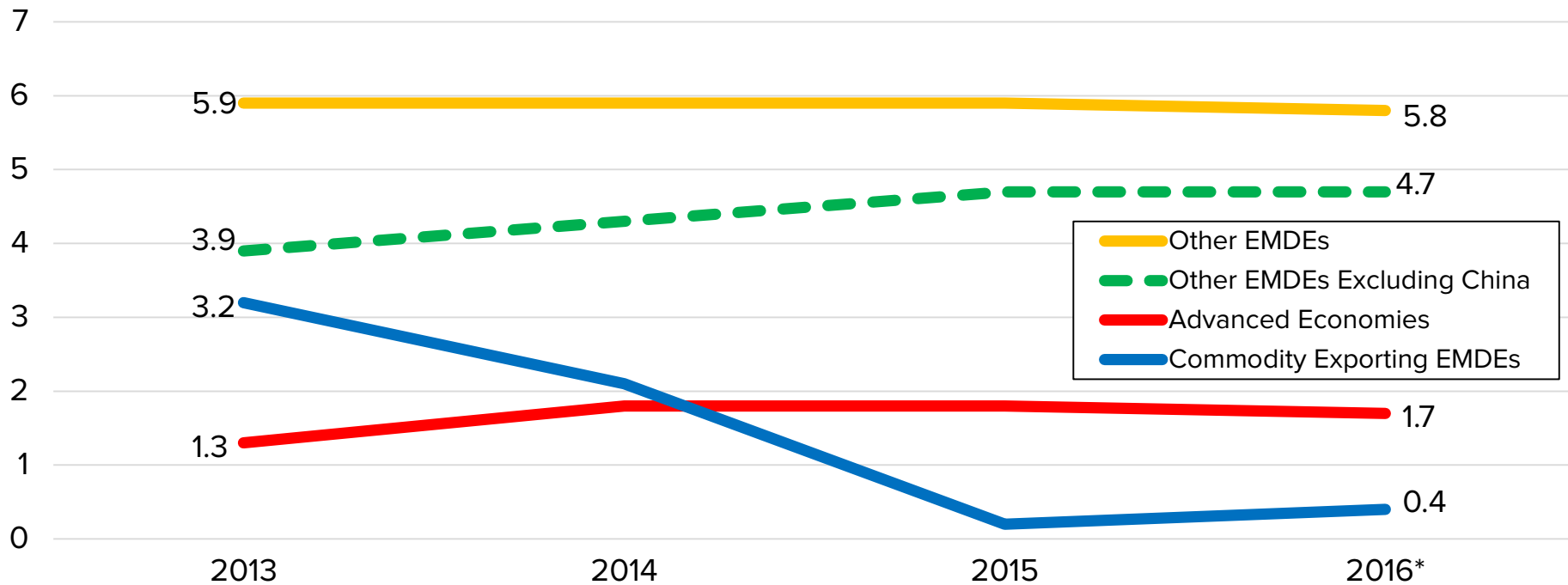
% Change in Global Investment and Trade: EMDEs



Source: IMF (2016)

COMMODITY-EXPORTING EMDE'S FALL THE MOST

Annual % Growth of Real GDP

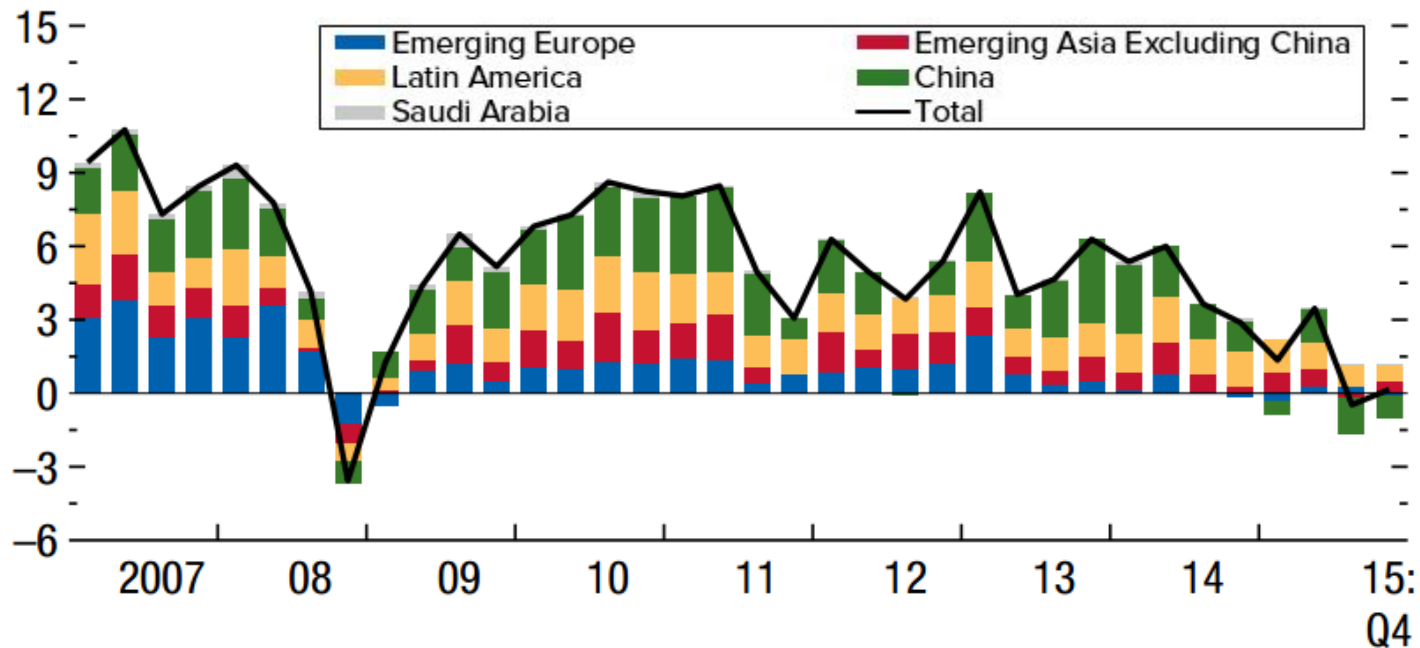


* Projections

Source: World Bank (2016)

EM CAPITAL INFLOWS SLOWING TO A HALT

Emerging Markets: Capital Inflows As Share of GDP



Source: IMF (2016)