



Brandywine **GLOBAL**

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**First Quarter 2019**

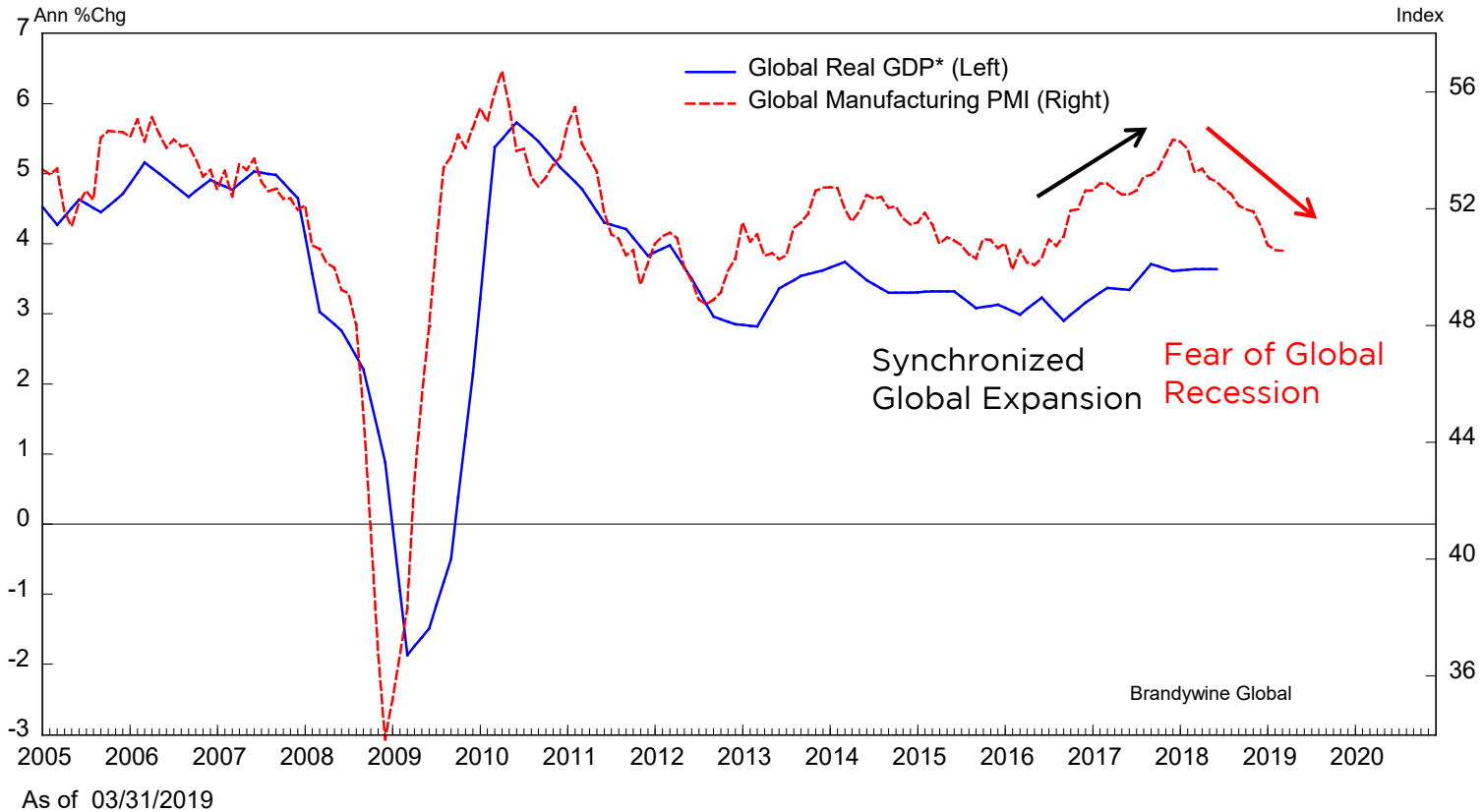
**Global Macro Outlook**

**Presented by**

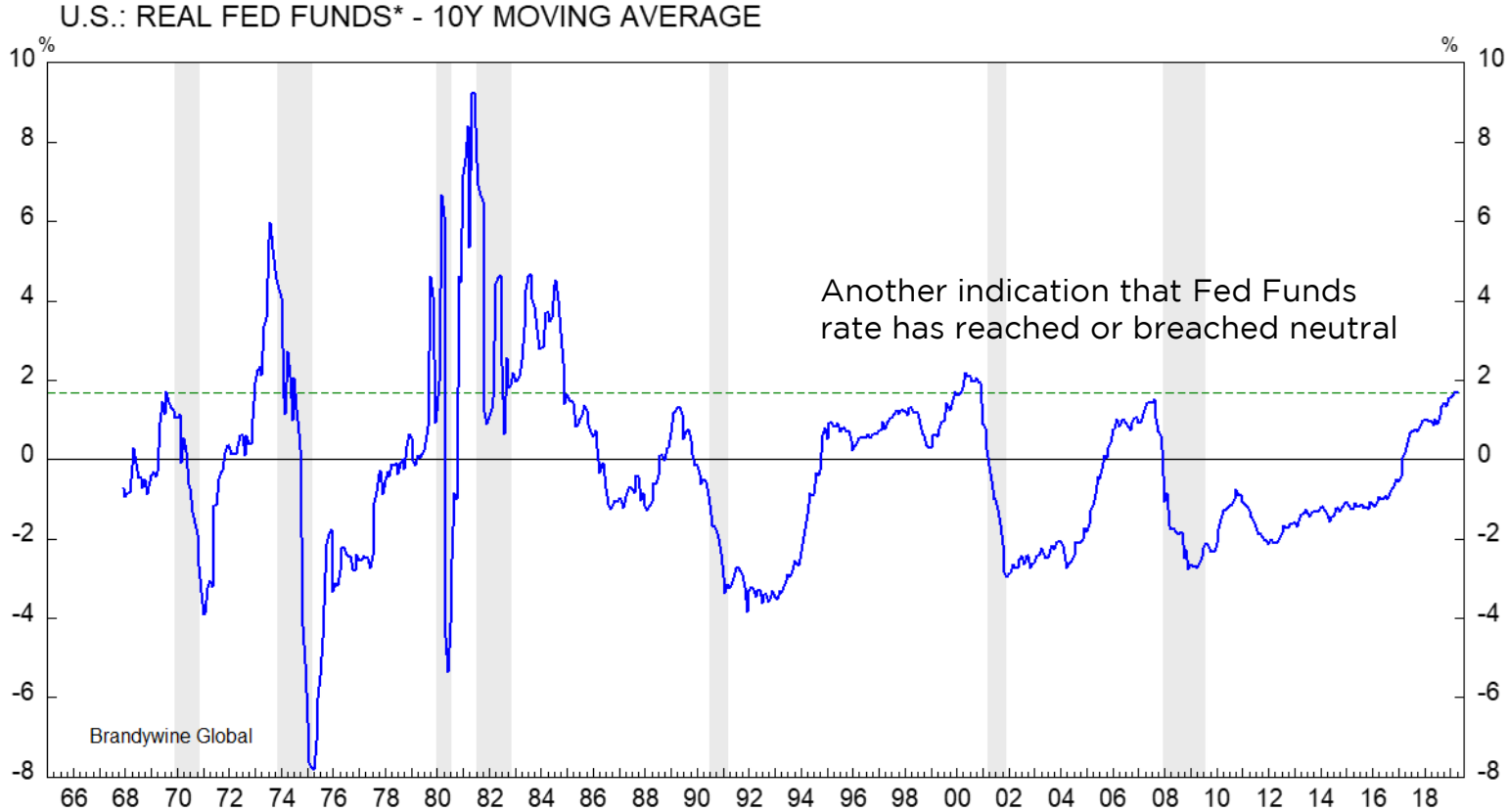
**Francis Scotland**

**Director of Global Macro Research**

# A Major Reversal in Investor Sentiment Last Year Based on the 2018 Global Slowdown

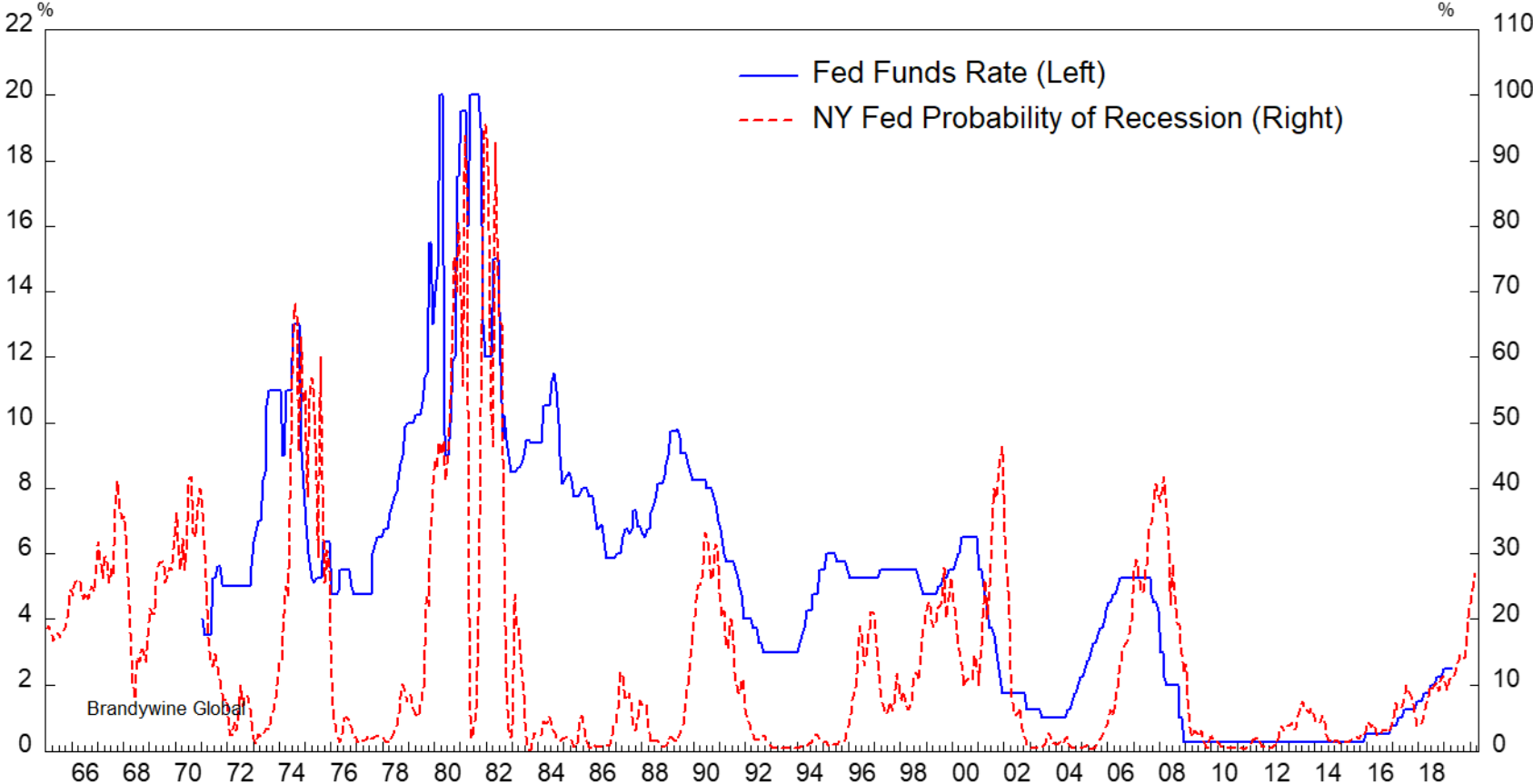


# Fed Normalization: Too Far Too Fast



As of 4/10/2019.  
\*Using Core CPI

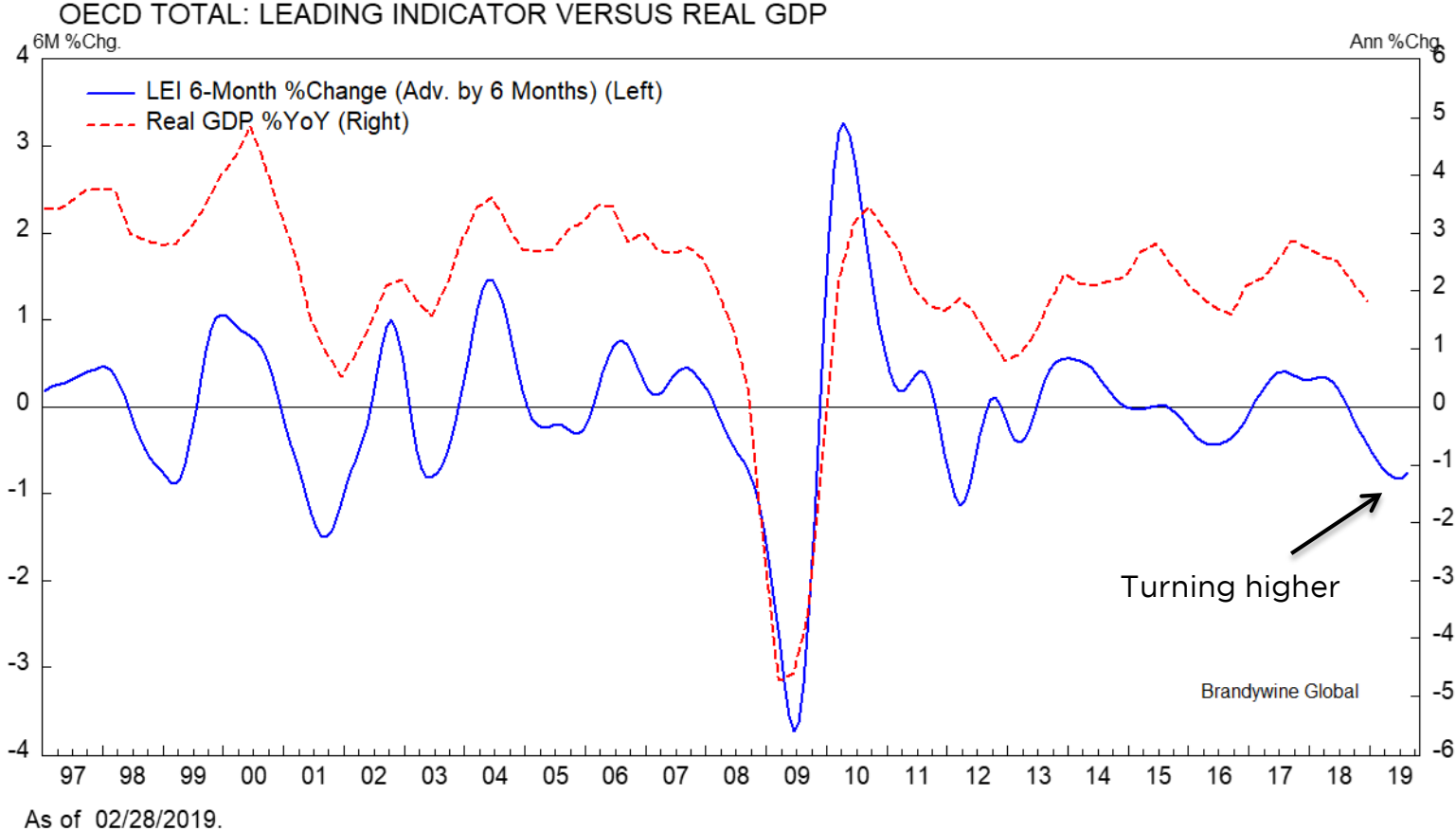
# NY Fed's Probability of Recession Index Usually Reverses Lower When the Fed Cuts Rates



As of 4/16/2019.

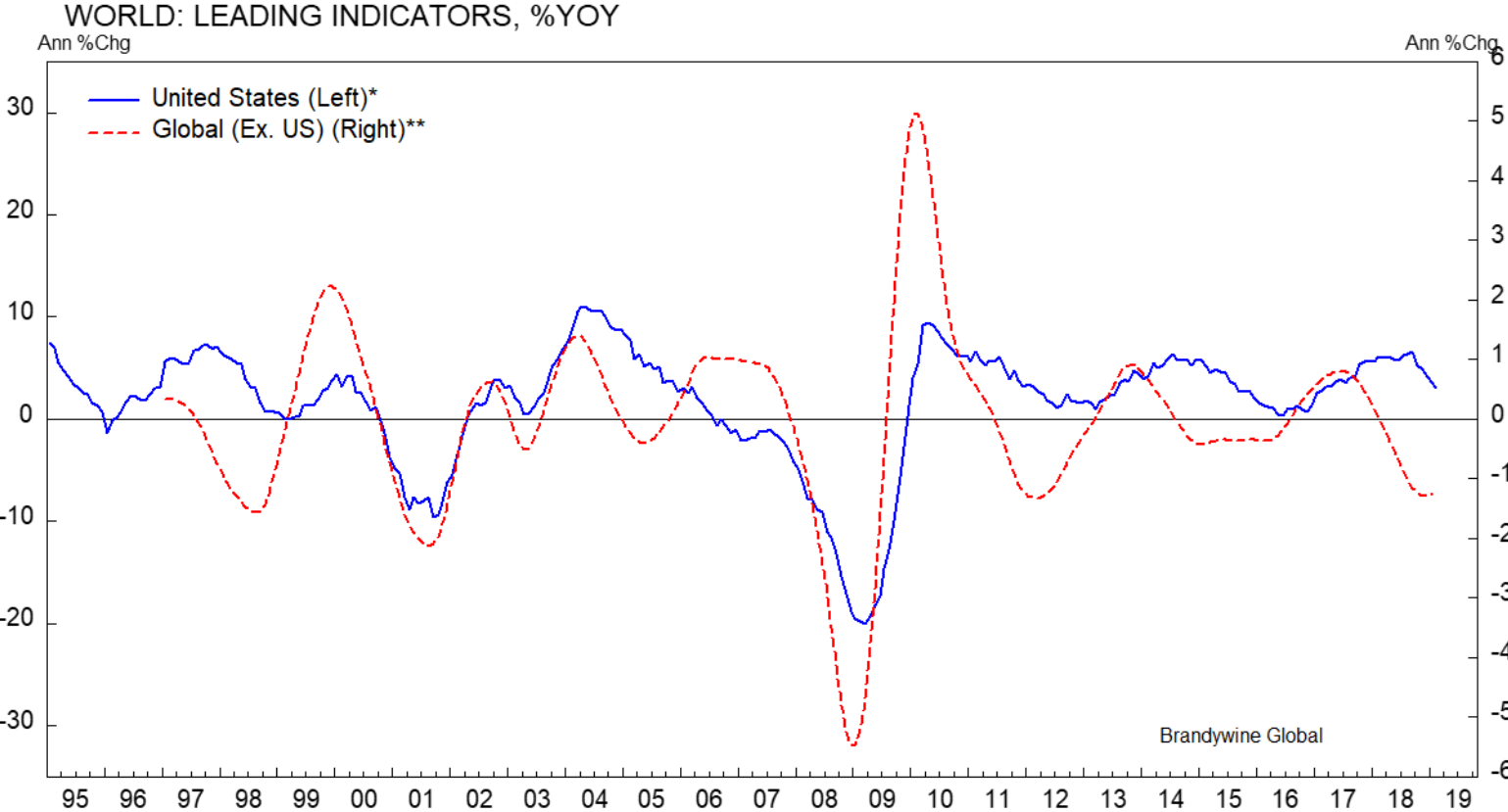
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# Growth Rate in LEI Predicts Mid-Year Global Stabilization



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# Growth Outside of U.S. Inflecting Higher as U.S. Mean Reverts to Trend



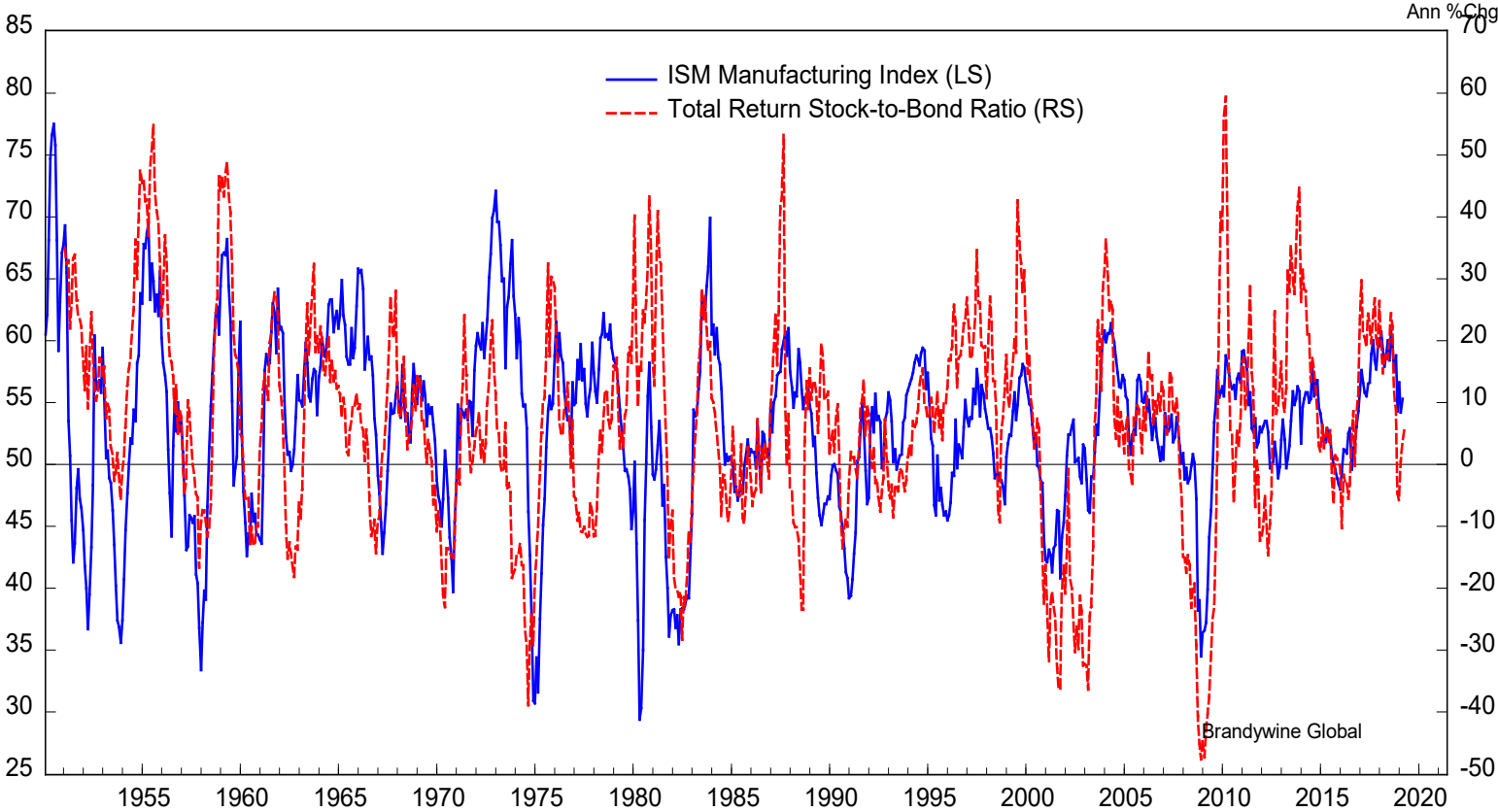
As of 02/28/2019.

\*Source: The Conference Board

\*\*Source: OECD

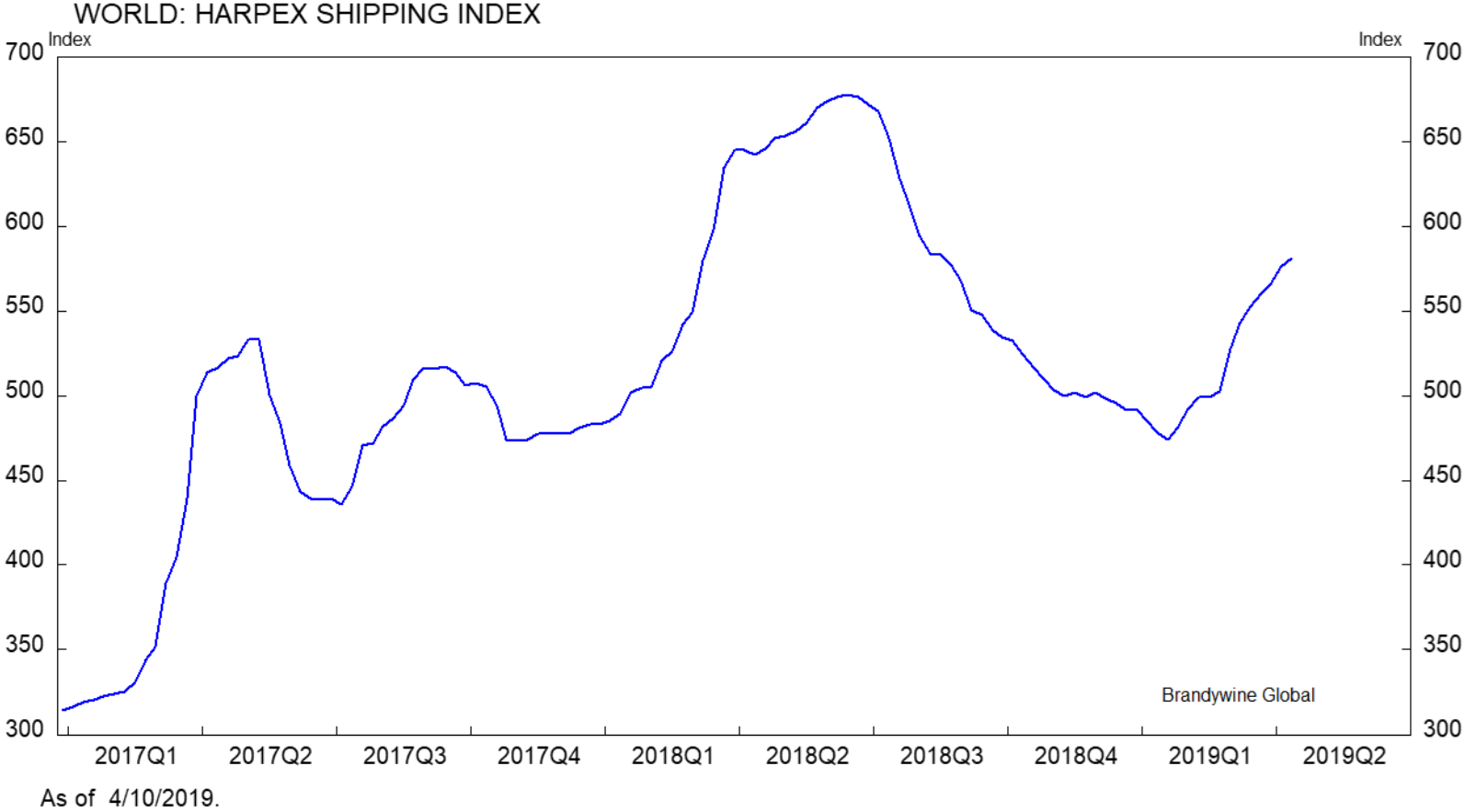
# Sustained Rebound in the U.S. Stock-to-Bond Ratio a Positive Sign for Growth

### ISM INDEX & STOCK-TO-BOND RATIO



As of 03/31/2019.

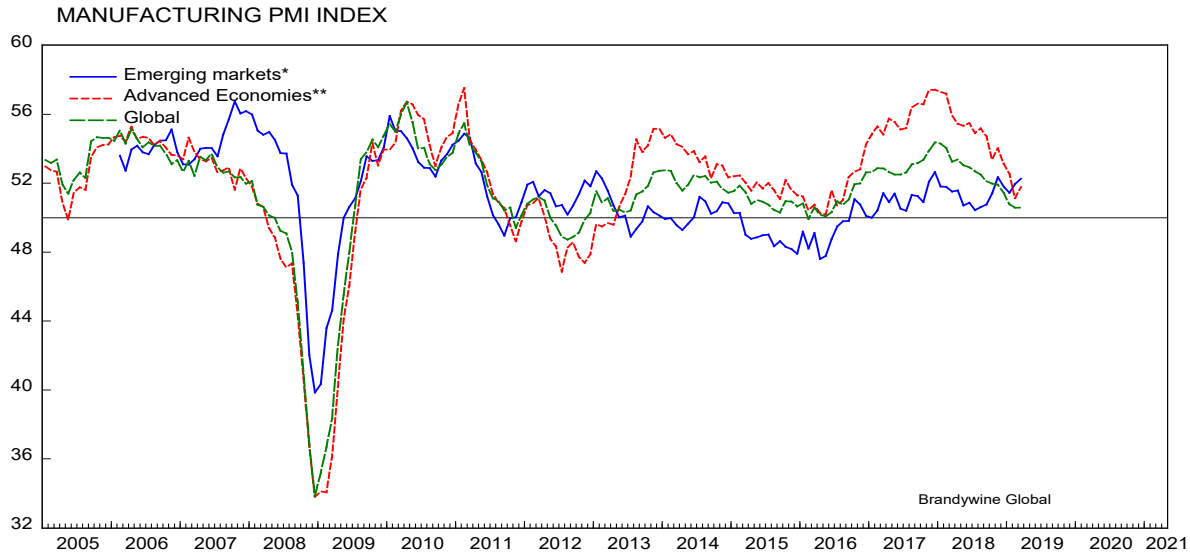
# Global Trade Volumes May Have Bottomed in January



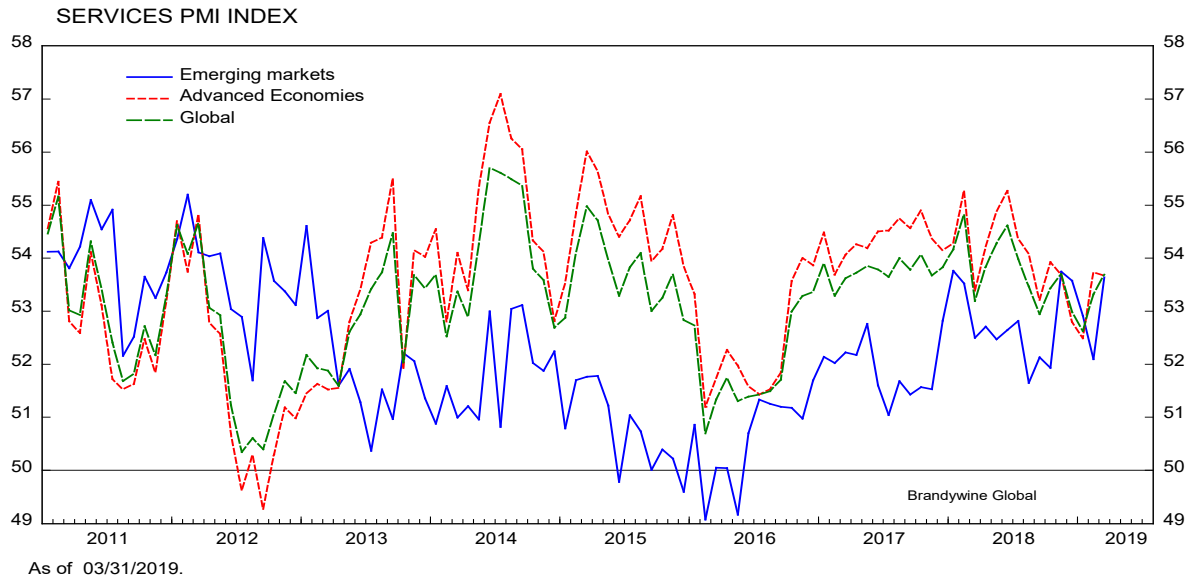
Data has been obtained by Macrobond (© 2019, Macrobond ) which Brandywine Global believes to be accurate and reliable. Charts created by Brandywine Global. Please refer to Appendix 1 for important disclosure information.



# Relative Strength in the Developing Portion of the Global Economy



\* Equally weighted average of China, India, Brazil, and Russia.  
 \*\* Equally weighted average of U.S., U.K., Eurozone, and Japan  
 As of 03/31/2019.



# Appendix 1 – Important Disclosure Information

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