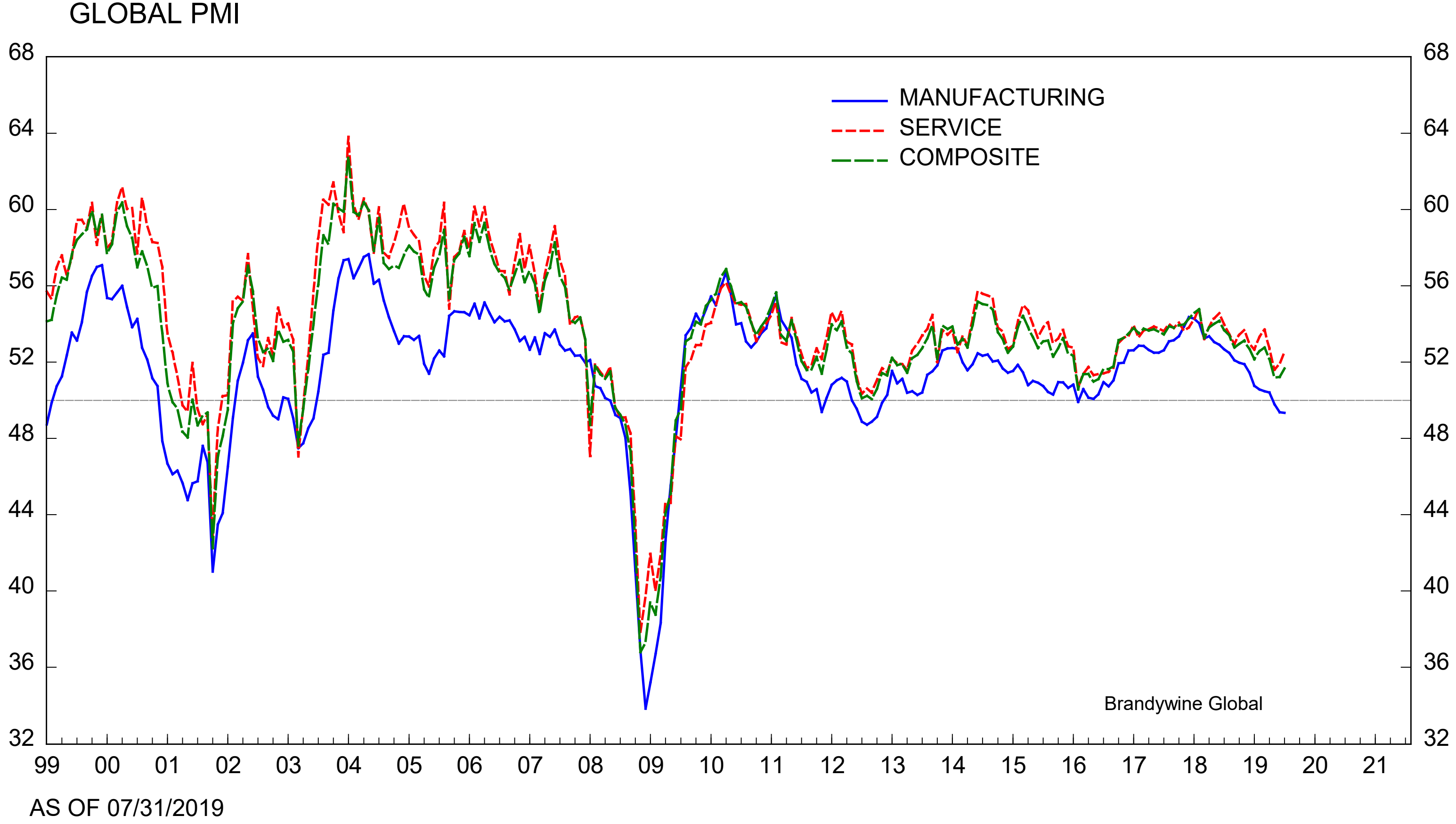
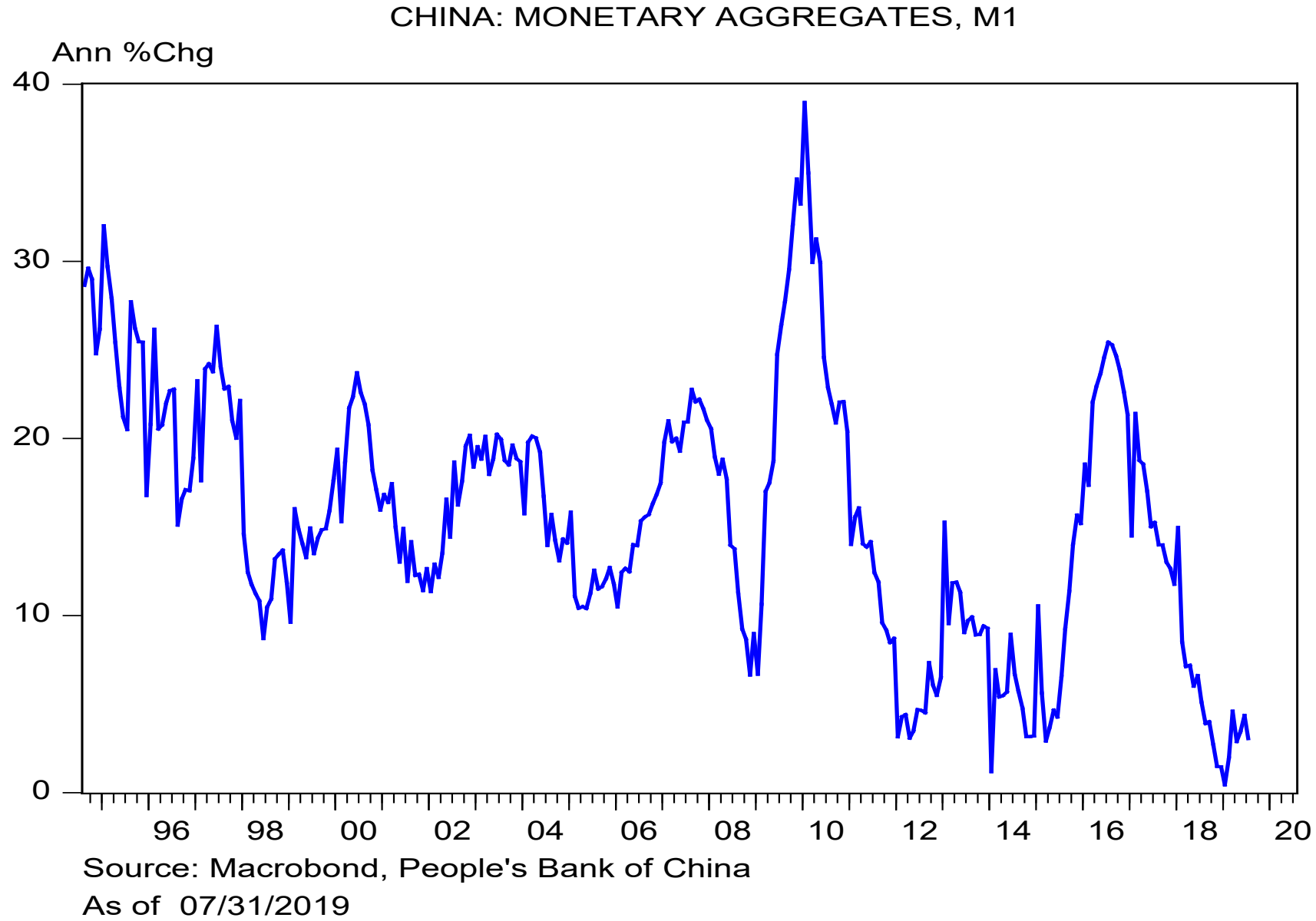
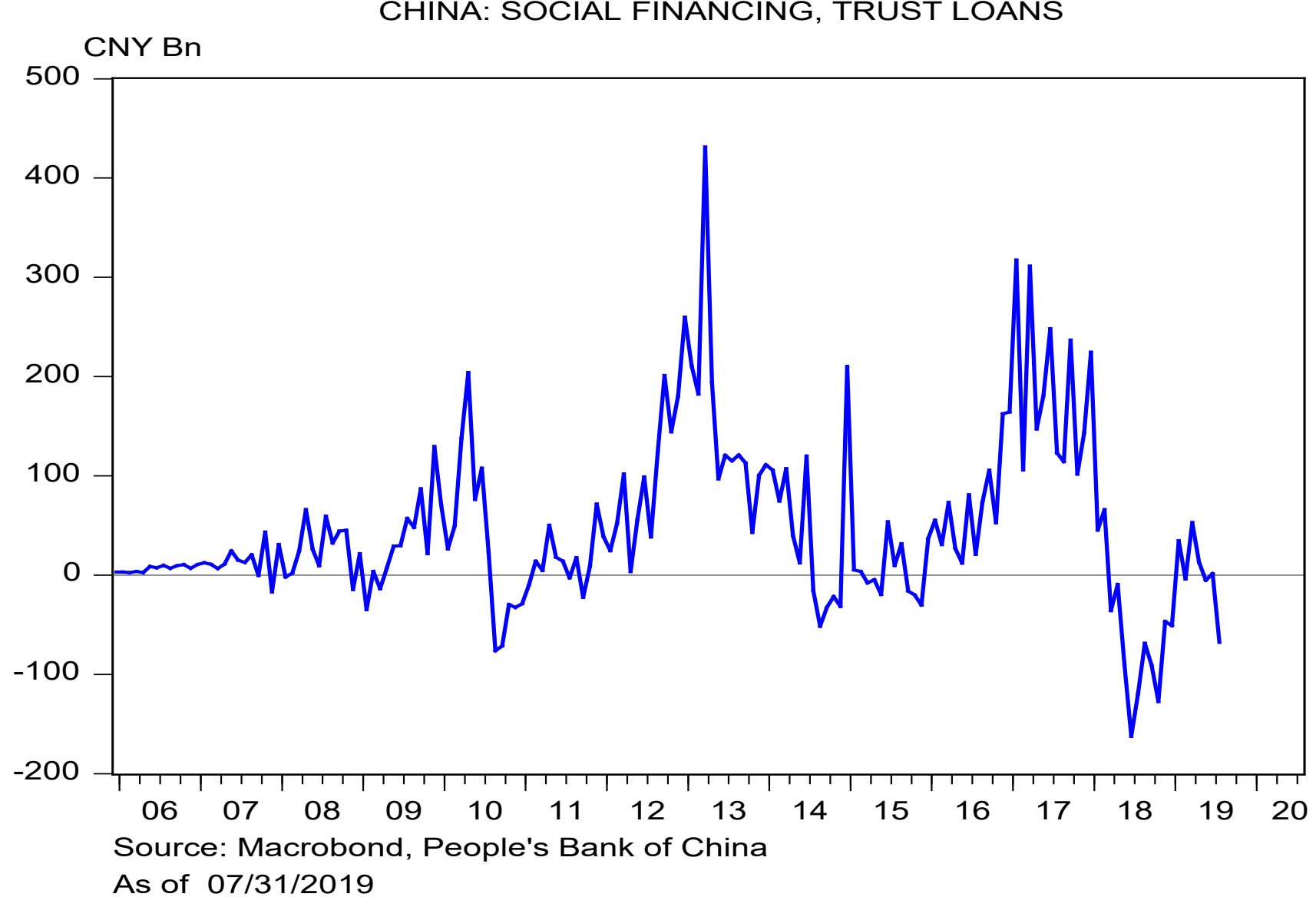
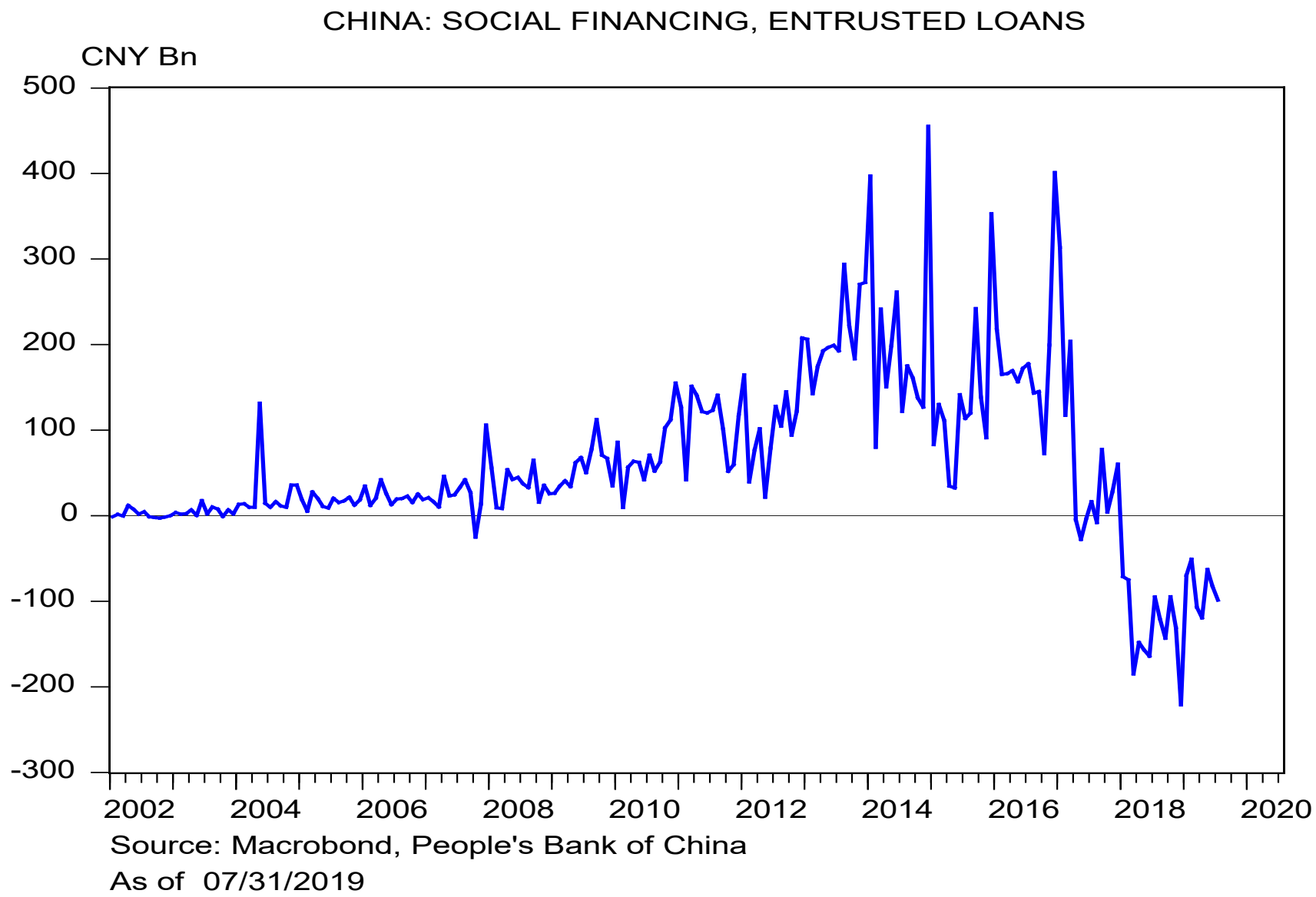


A prolonged slump in global growth since early 2018...



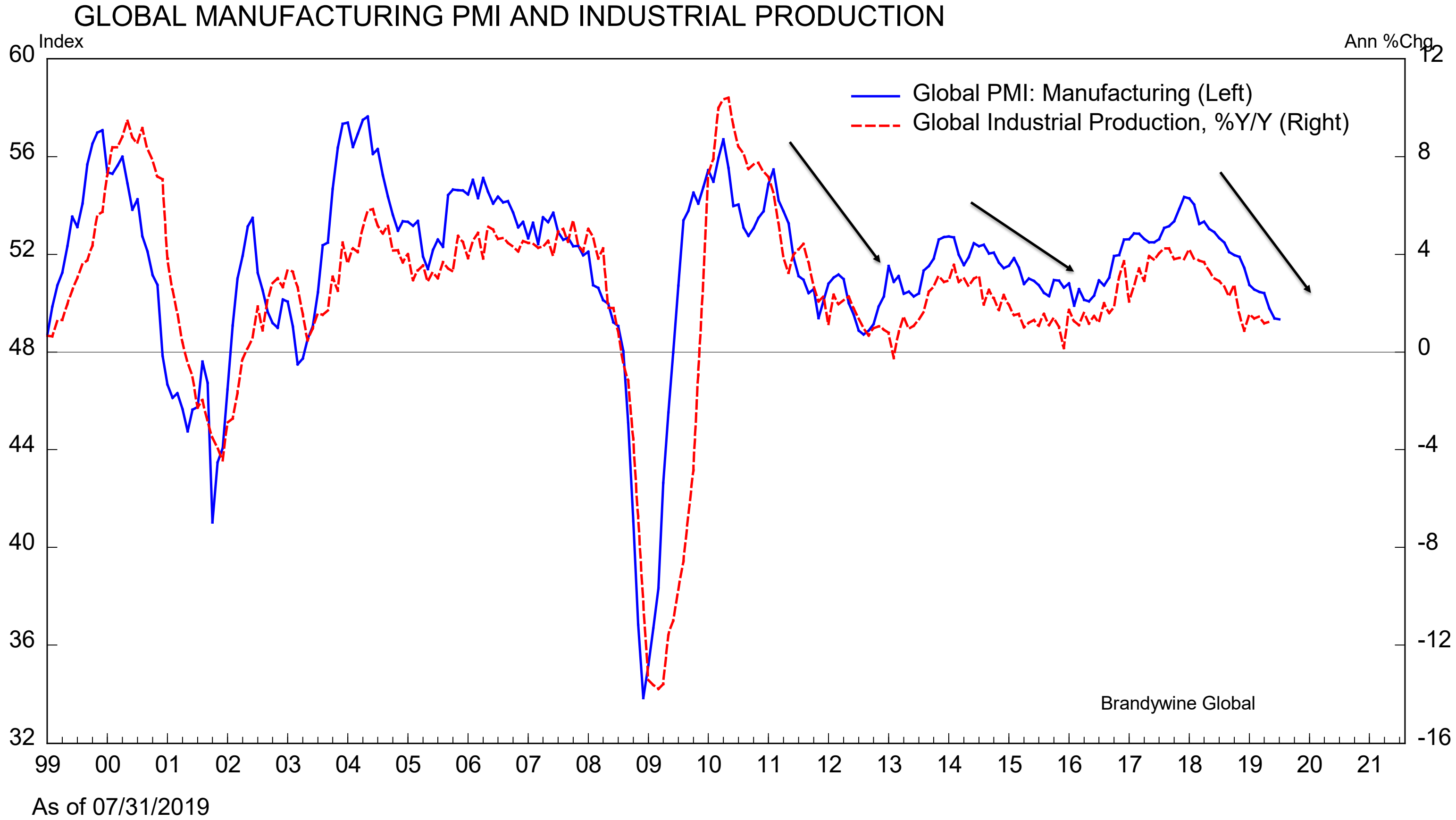
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China shadow bank lending crushed, M1 barely stabilizing....



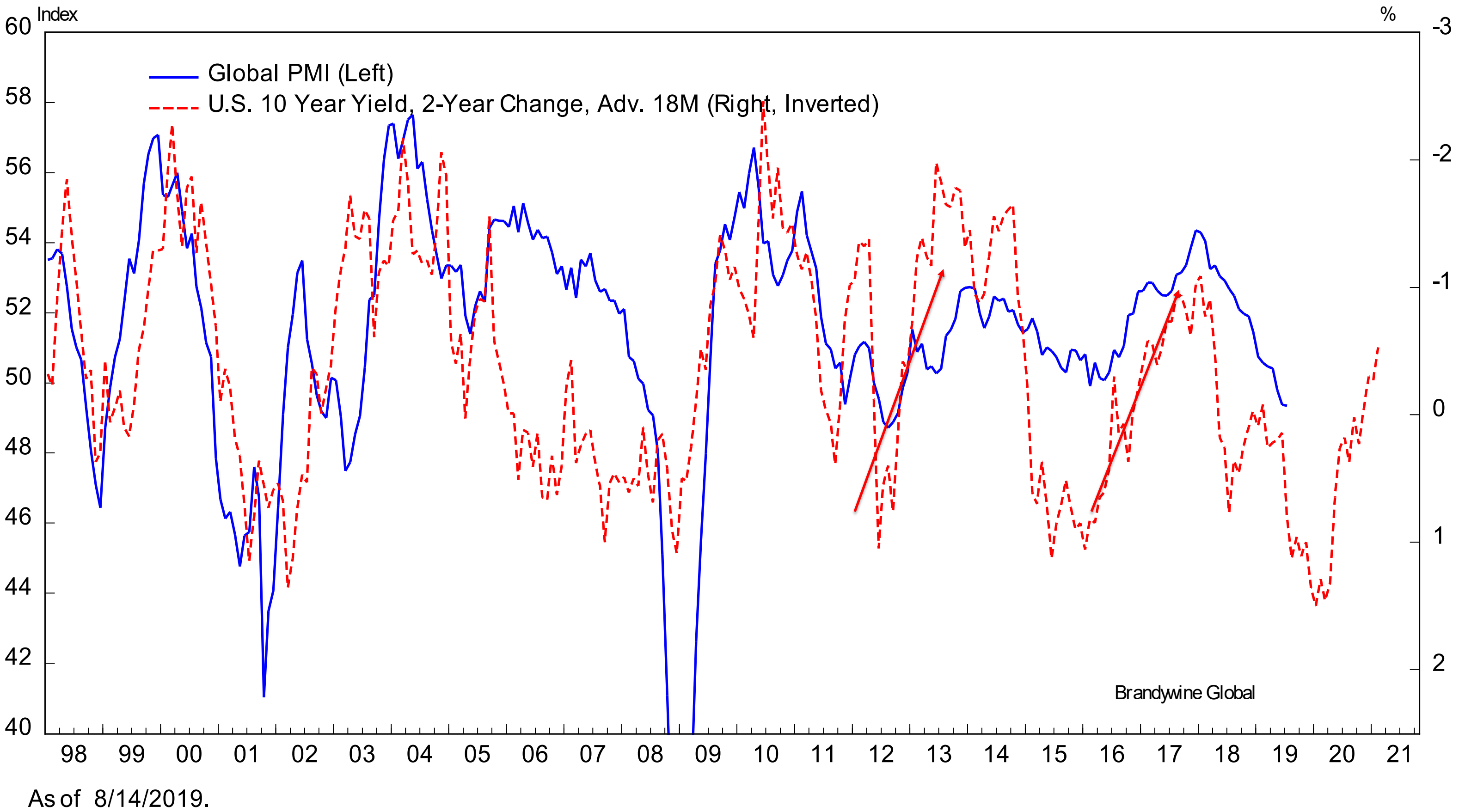
Data has been obtained by Macrobond (© 2019, Macrobond) which Brandywine Global believes to be accurate and reliable. Charts created by Brandywine Global. Please refer to Appendix 1 for important disclosure information.

This is the 3rd post-GFC global slowdown...



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Bond rally helped stabilize the first two post-GFC growth slumps...

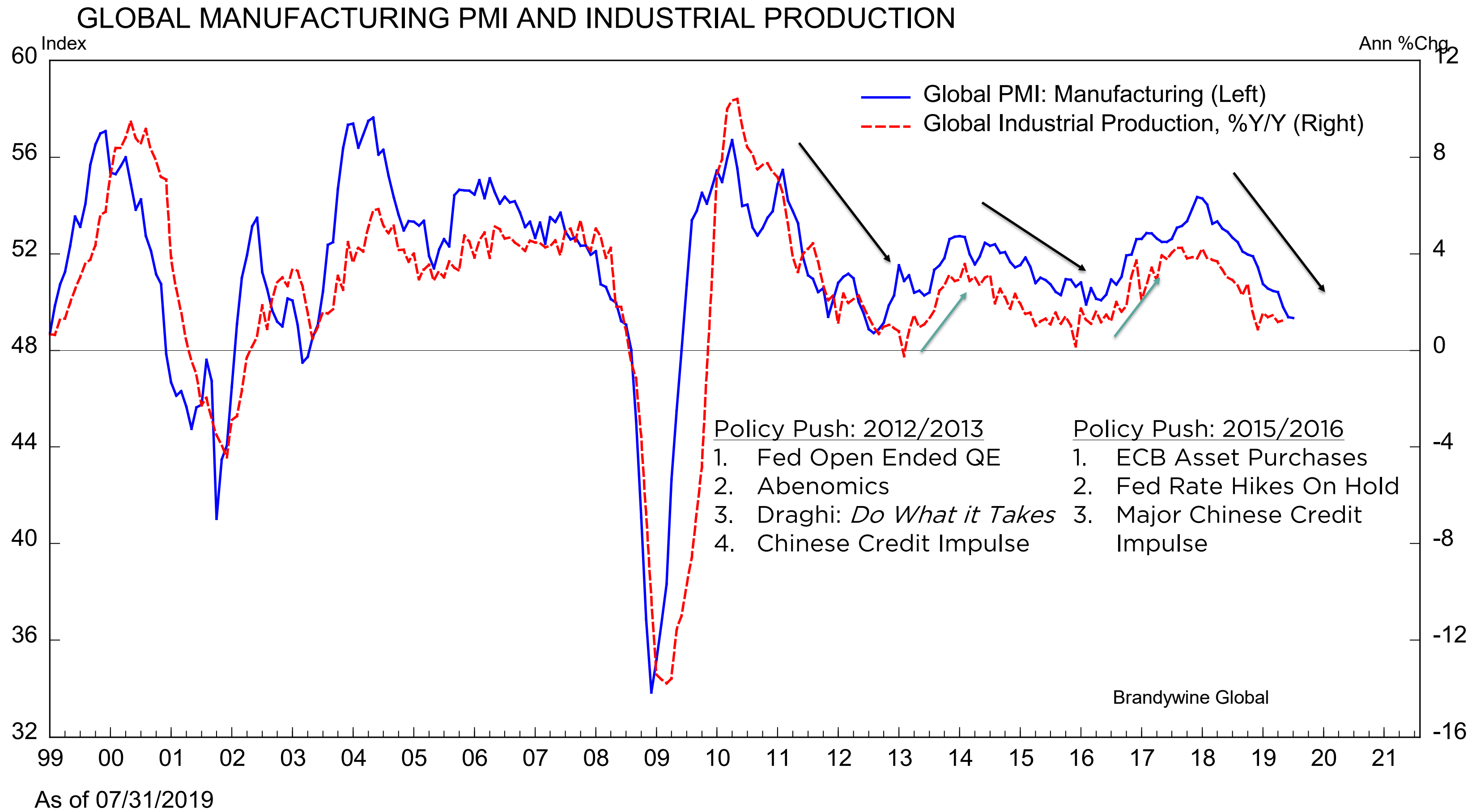


As of 8/14/2019.

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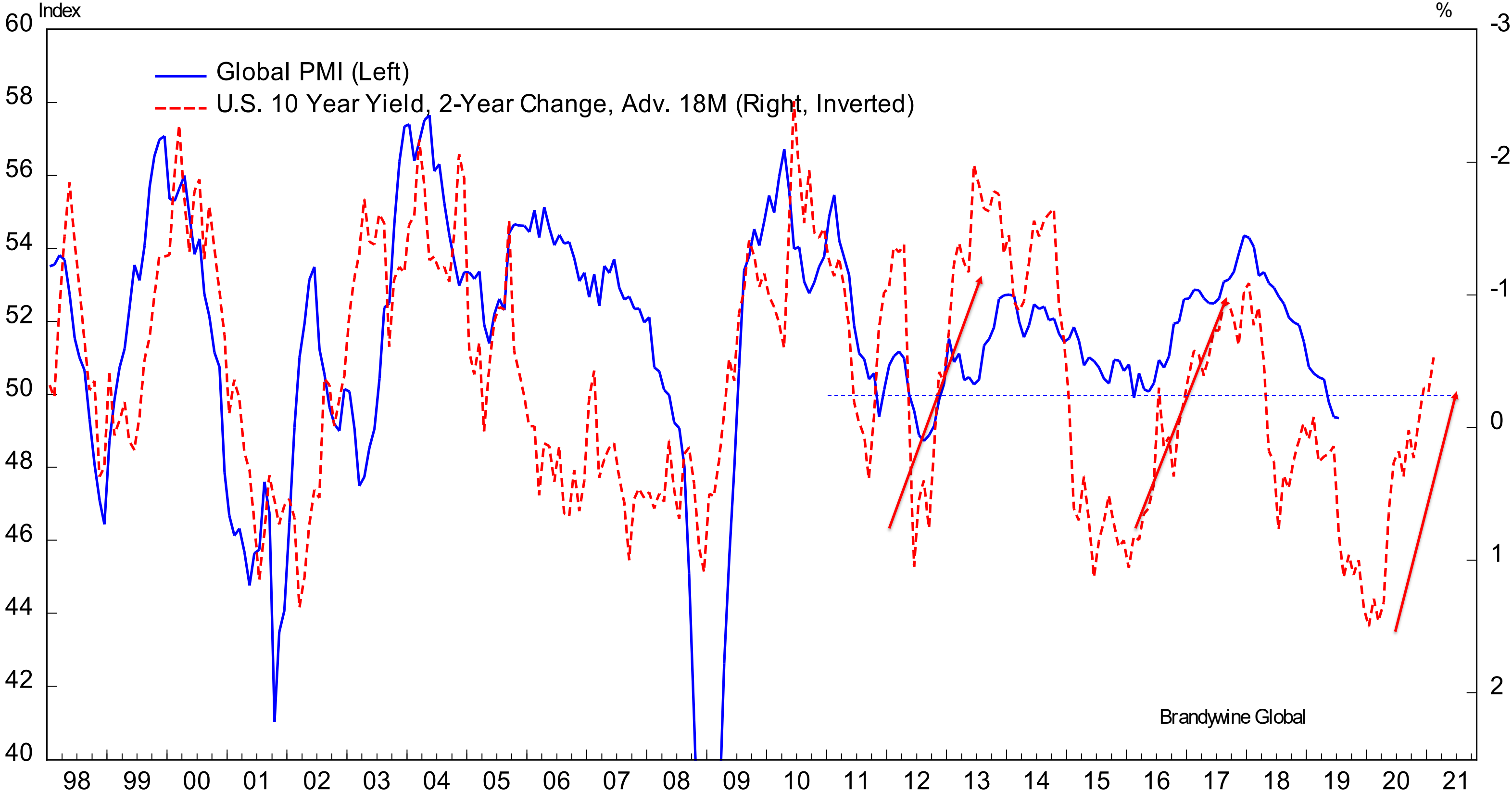
Data has been obtained by Macrobond (© 2019, Macrobond) which Brandywine Global believes to be accurate and reliable. Charts created by Brandywine Global. Please refer to Appendix 1 for important disclosure information.

Significant policy action also taken to stabilize previous slowdowns...



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Reflation pulse from current drop in bond yields is still weak...

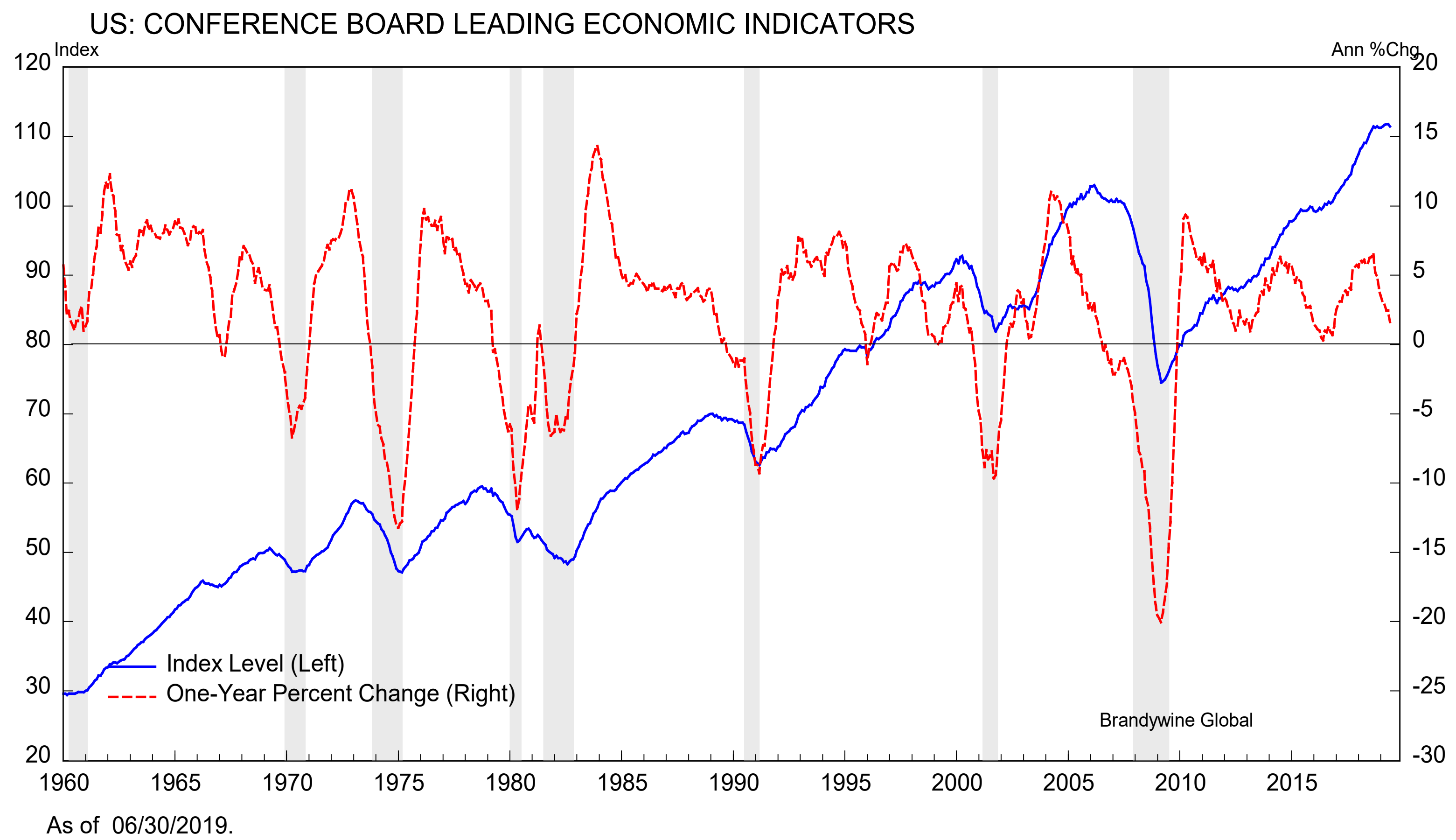


As of 8/14/2019.

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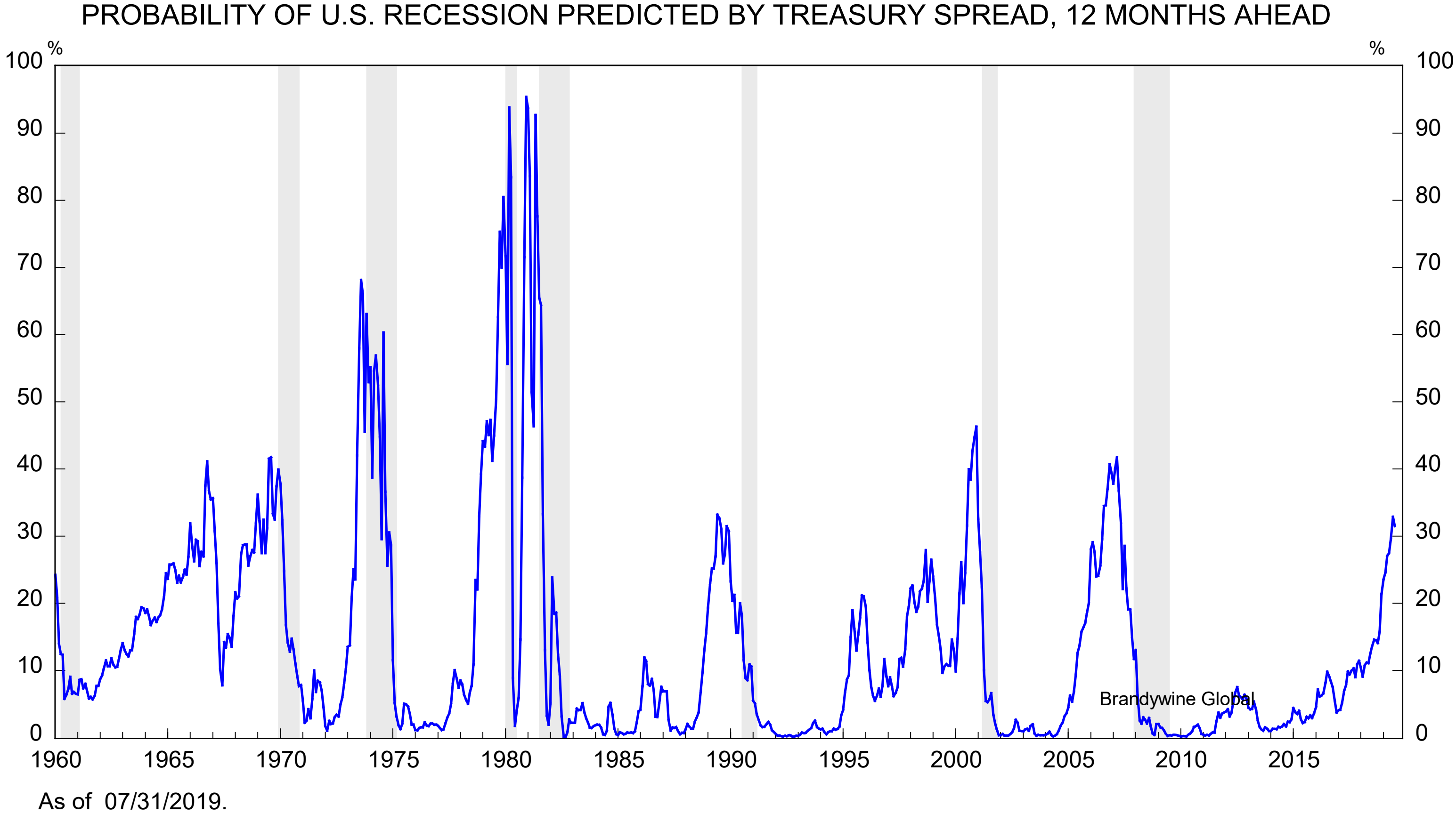
Data has been obtained by Macrobond (© 2019, Macrobond) which Brandywine Global believes to be accurate and reliable. Charts created by Brandywine Global. Please refer to Appendix 1 for important disclosure information.

The U.S. leading economic indicator has flattened out...



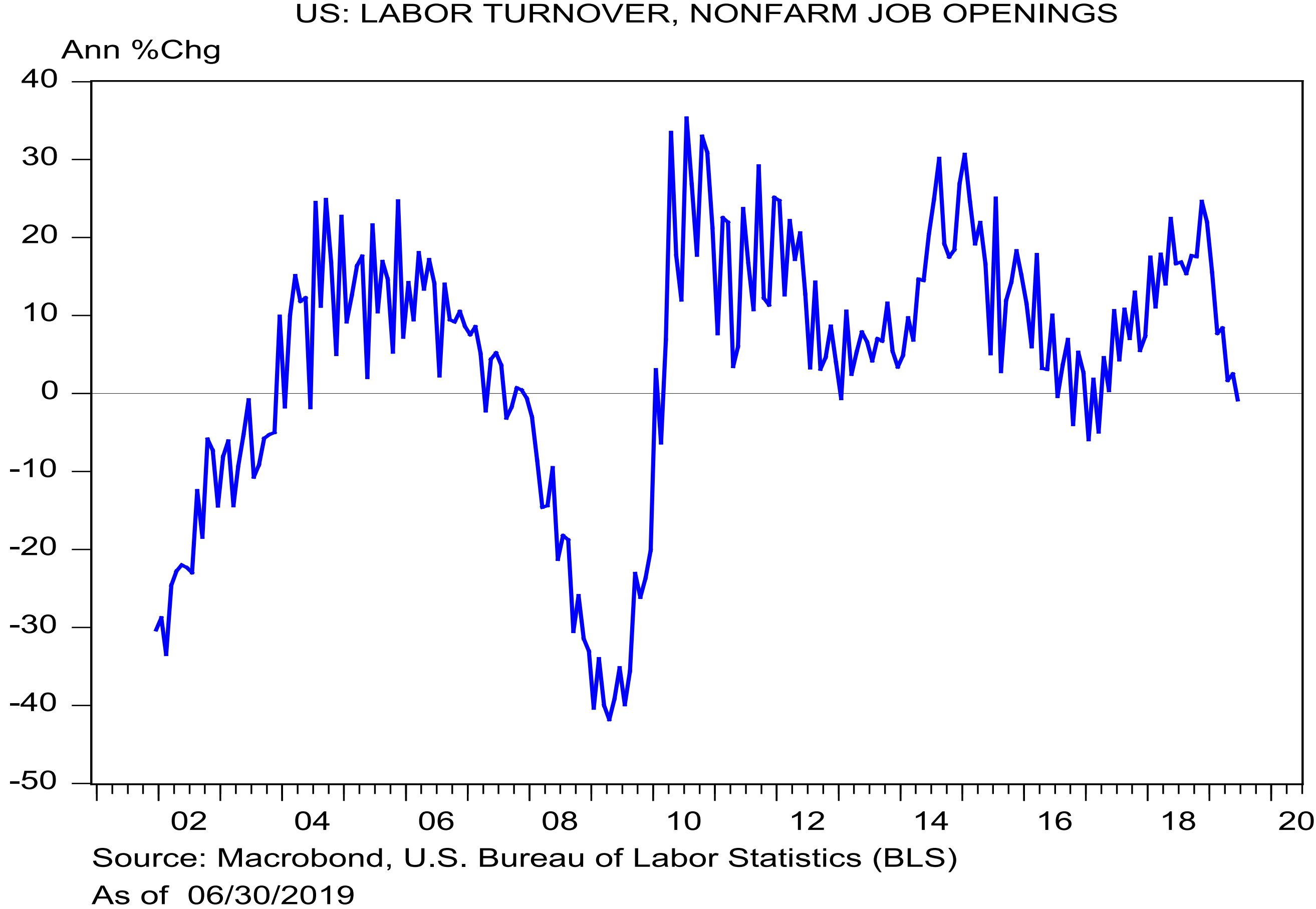
Source: Bloomberg (© 2019, Bloomberg Finance LP) which Brandywine Global believes to be accurate and reliable. Please refer to Appendix 1 for important disclosure information.

Yield curve says Fed behind the curve and needs to catch up...



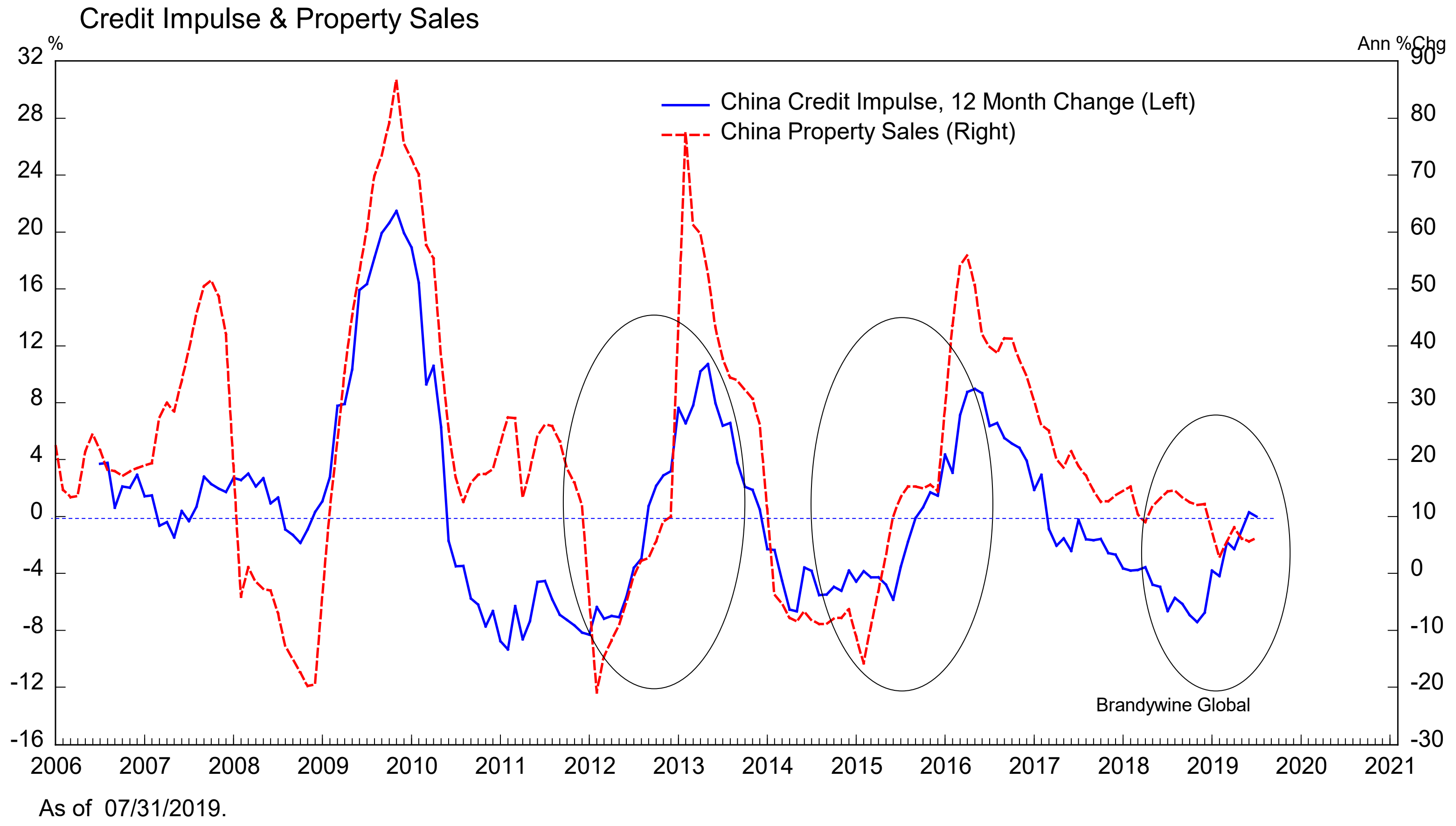
Data has been obtained by Macrobond (© 2019, Macrobond) which Brandywine Global believes to be accurate and reliable. Charts created by Brandywine Global. Please refer to Appendix 1 for important disclosure information.

It may take labor market weakness to force the Fed's hand...



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Despite all the measures taken, China's credit impulse still puny...







As of 07/31/2019.




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No trade war rapprochement, only escalation...





 **Donald J. Trump**  @realDonaldTrump · Aug 1 

...during the talks the U.S. will start, on September 1st, putting a small additional Tariff of 10% on the remaining 300 Billion Dollars of goods and products coming from China into our Country. This does not include the 250 Billion Dollars already Tariffed at 25%...

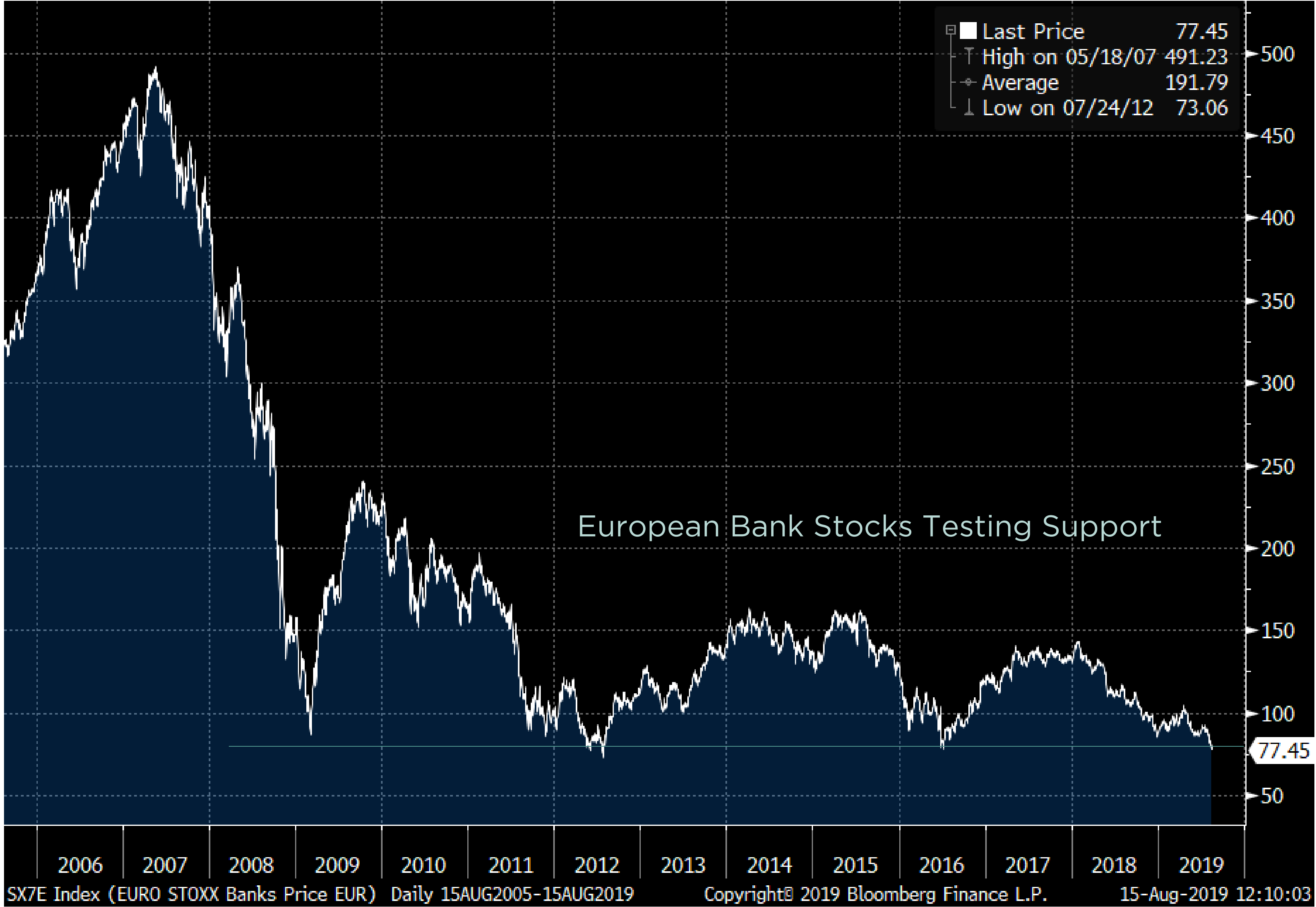
 5.3K  14.7K  70.6K 

 **Donald J. Trump**  @realDonaldTrump · Aug 5 

China dropped the price of their currency to an almost a historic low. It's called "currency manipulation." Are you listening Federal Reserve? This is a major violation which will greatly weaken China over time!

 13.7K  22.5K  87.8K 

Fork in the Road: European bank stocks giving up support...



Source: Bloomberg (© 2019, Bloomberg Finance LP) which Brandywine Global believes to be accurate and reliable. Please refer to Appendix 1 for important disclosure information.

...Copper back to when it was in 2016



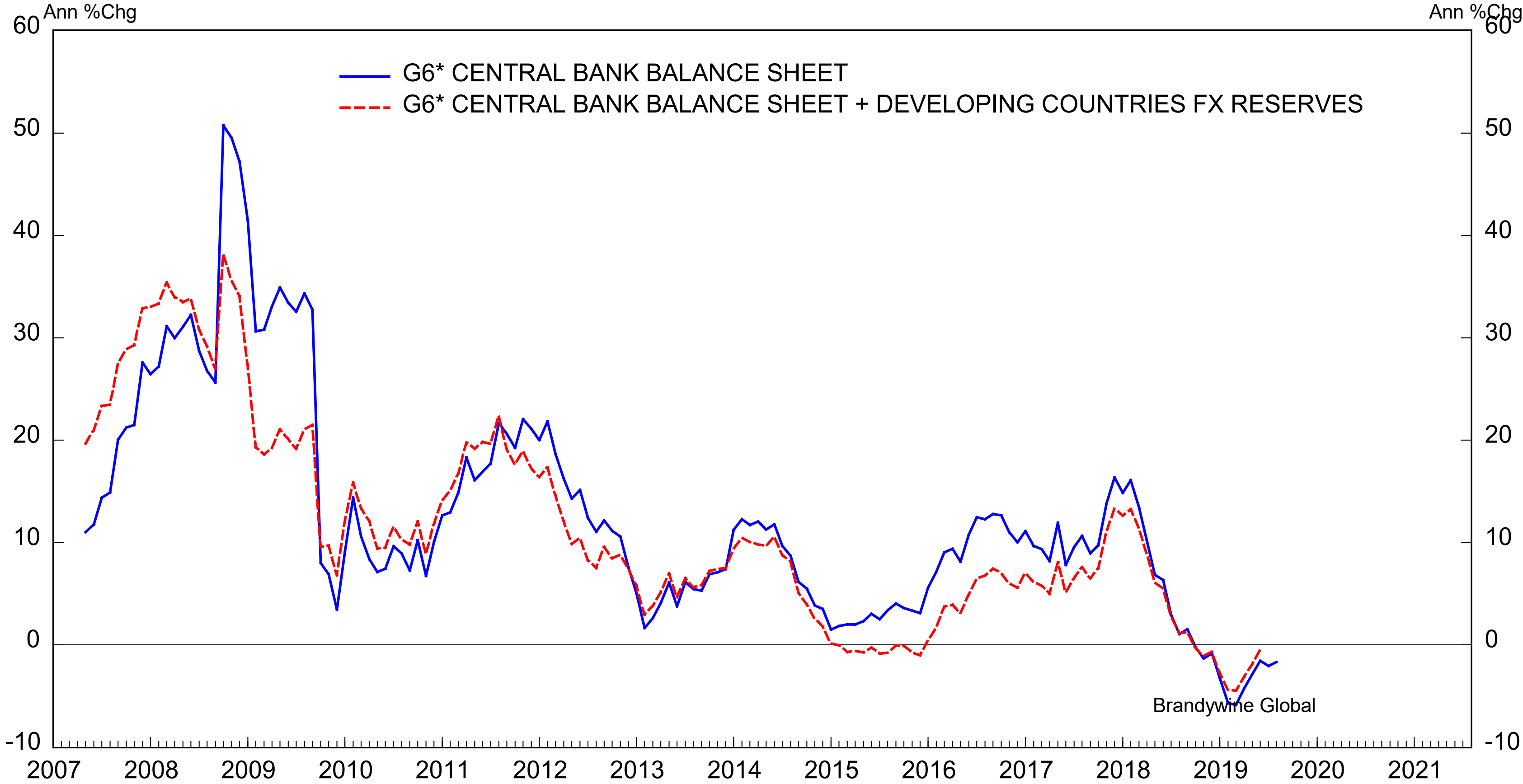
Source: Bloomberg (© 2019, Bloomberg Finance LP) which Brandywine Global believes to be accurate and reliable. Please refer to Appendix 1 for important disclosure information.

...and U.S. breakeven inflation rates breaking lower



Source: Bloomberg (© 2019, Bloomberg Finance LP) which Brandywine Global believes to be accurate and reliable. Please refer to Appendix 1 for important disclosure information.

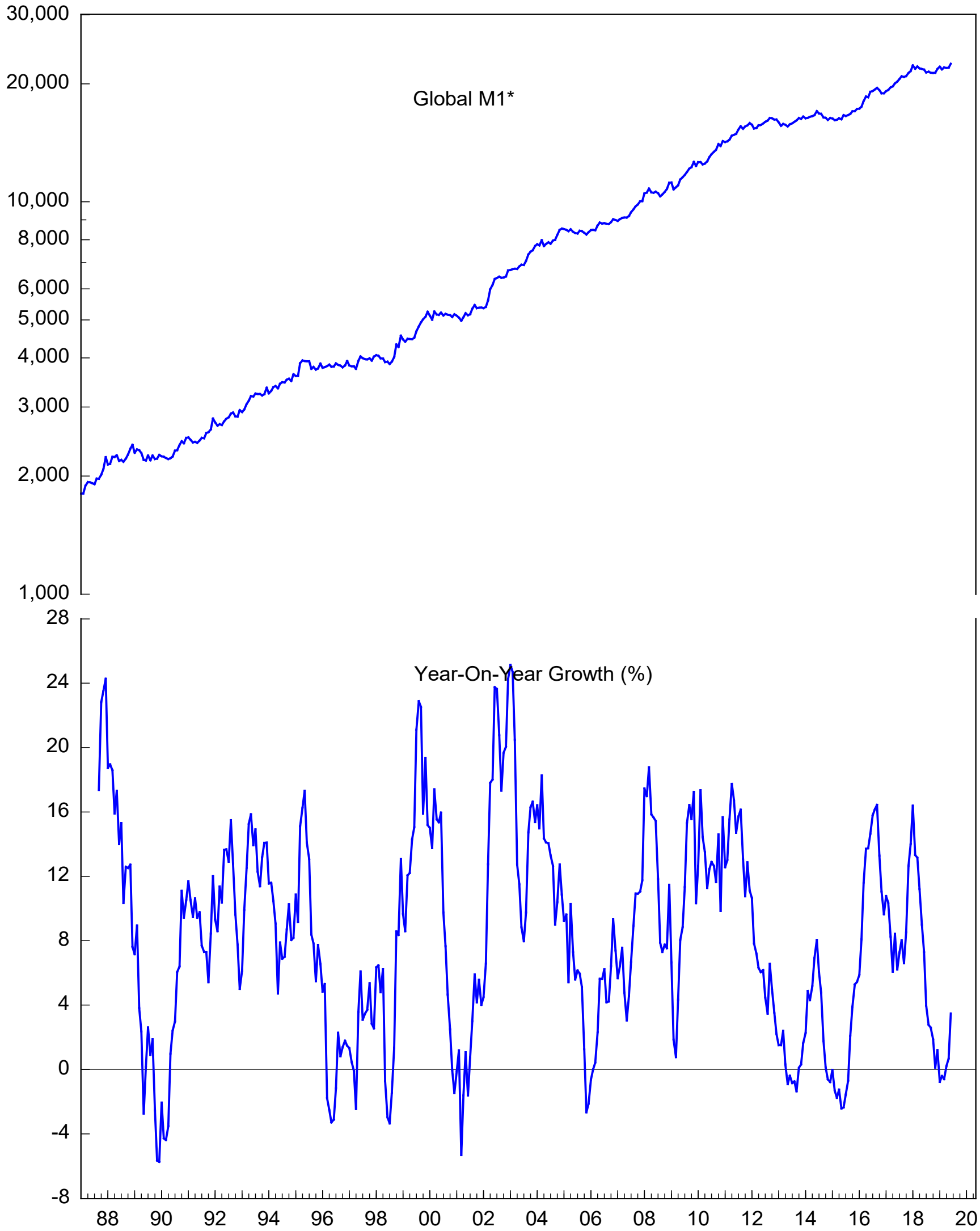
Central bank balance sheets stop shrinking, start growing again.



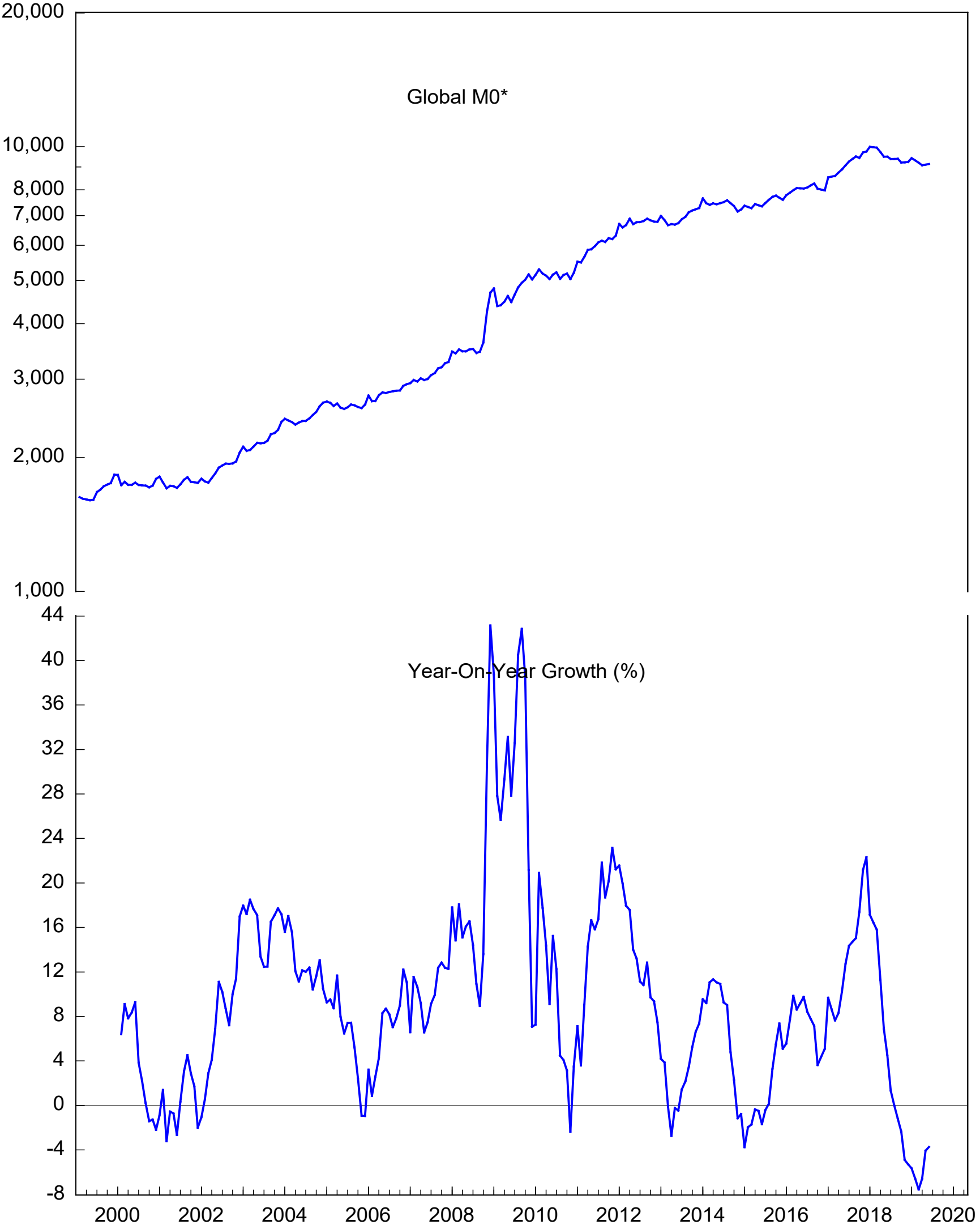
* INCLUDING US, UK, ECB, JAPAN, CHINA, AND SWITZERLAND
As of 8/7/2019.

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USD global money supply growth inflecting higher.



* In USD dollar terms; includes: U.S., Euro Area, Japan, U.K., Canada and China.
As of 06/30/2019.



* In USD dollar terms; includes: U.S., Euro Area, Japan, U.K., Canada and China.
As of 06/30/2019.