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**3rd Quarter 2017**

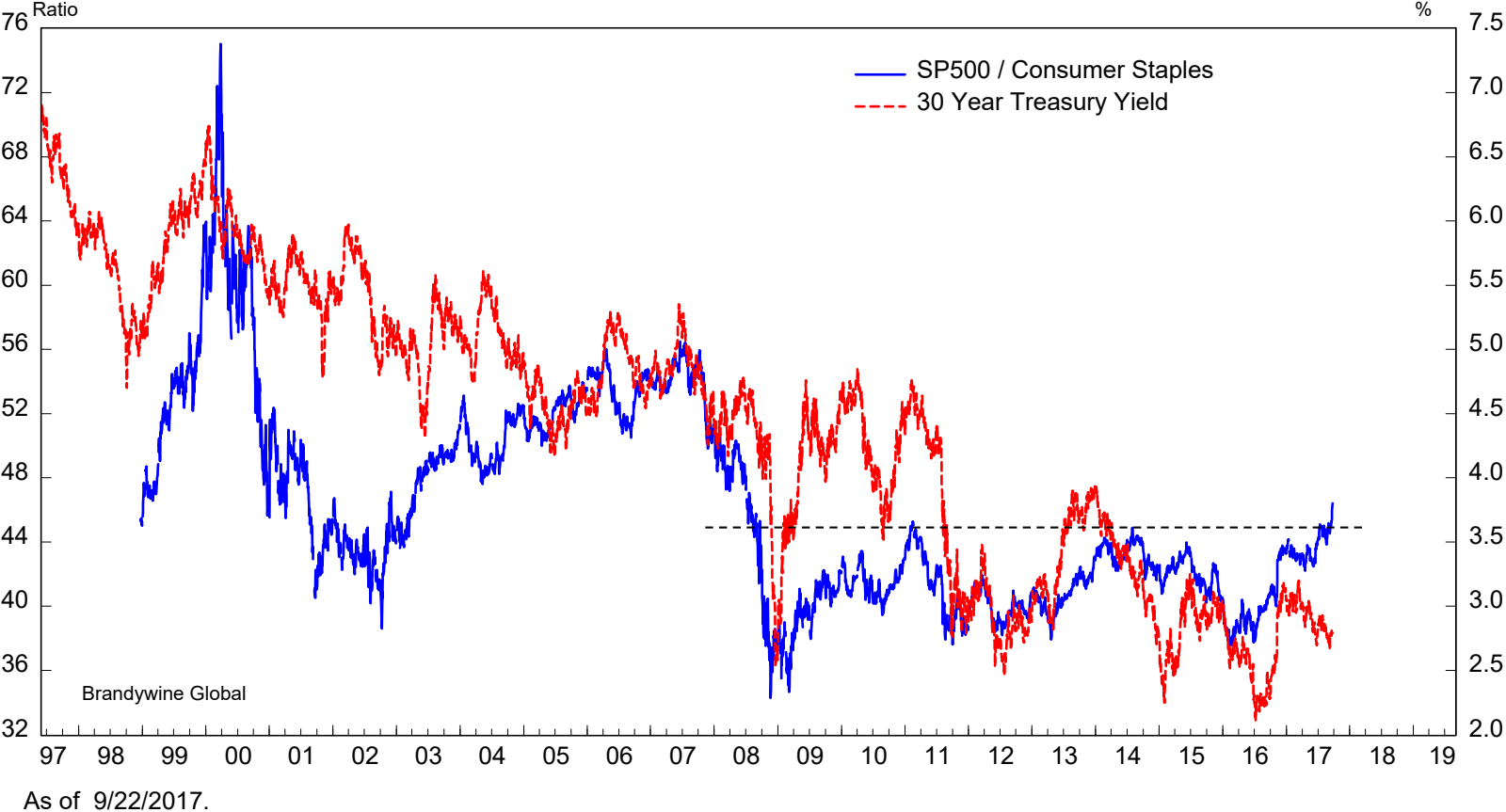
**Global Macro Webcast**

**Presented by**

**Francis A. Scotland**

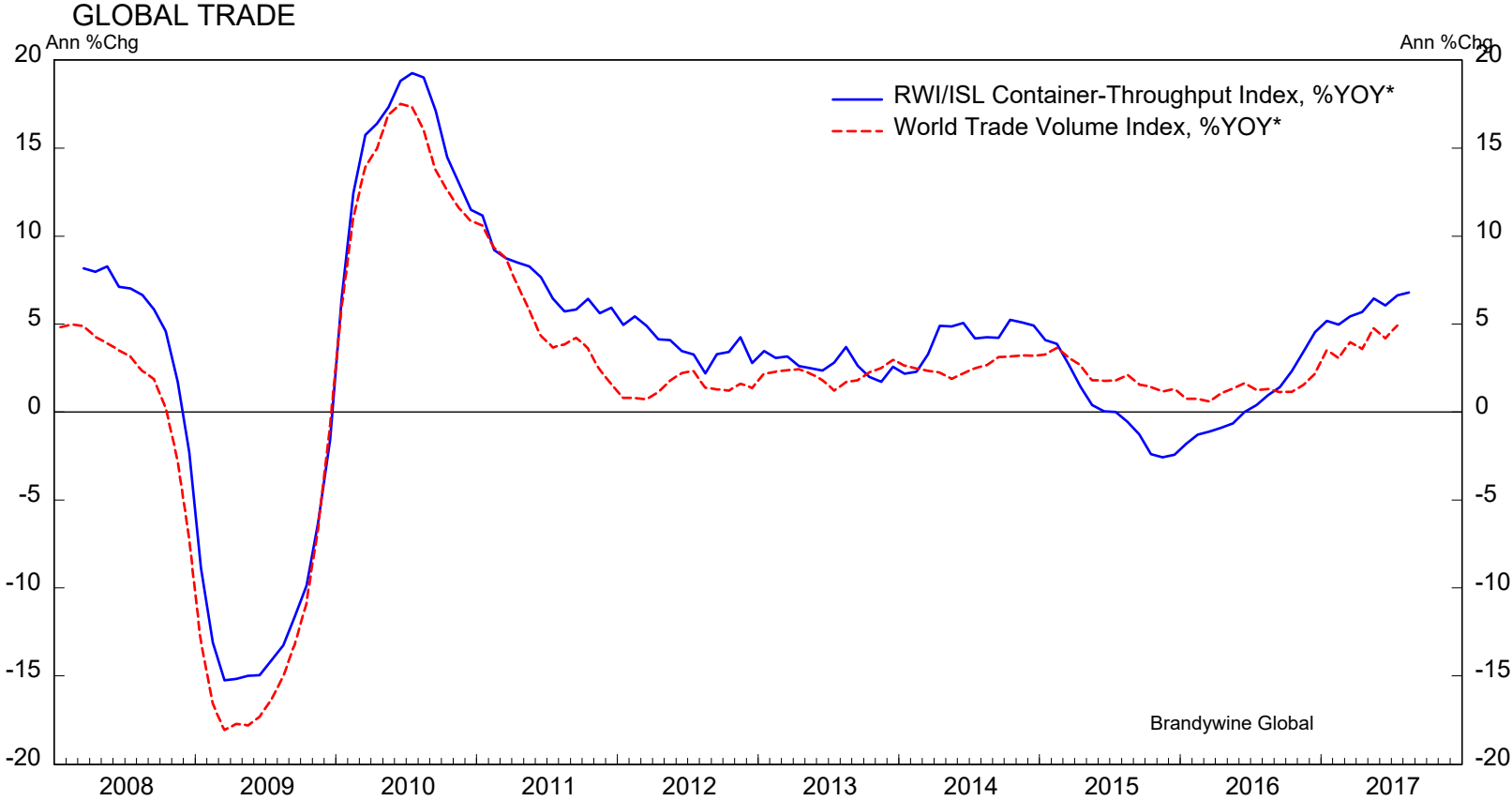
**Director of Global Macro Research**

# Our View: World Economy Breaking out of Post-2008 Stagnation



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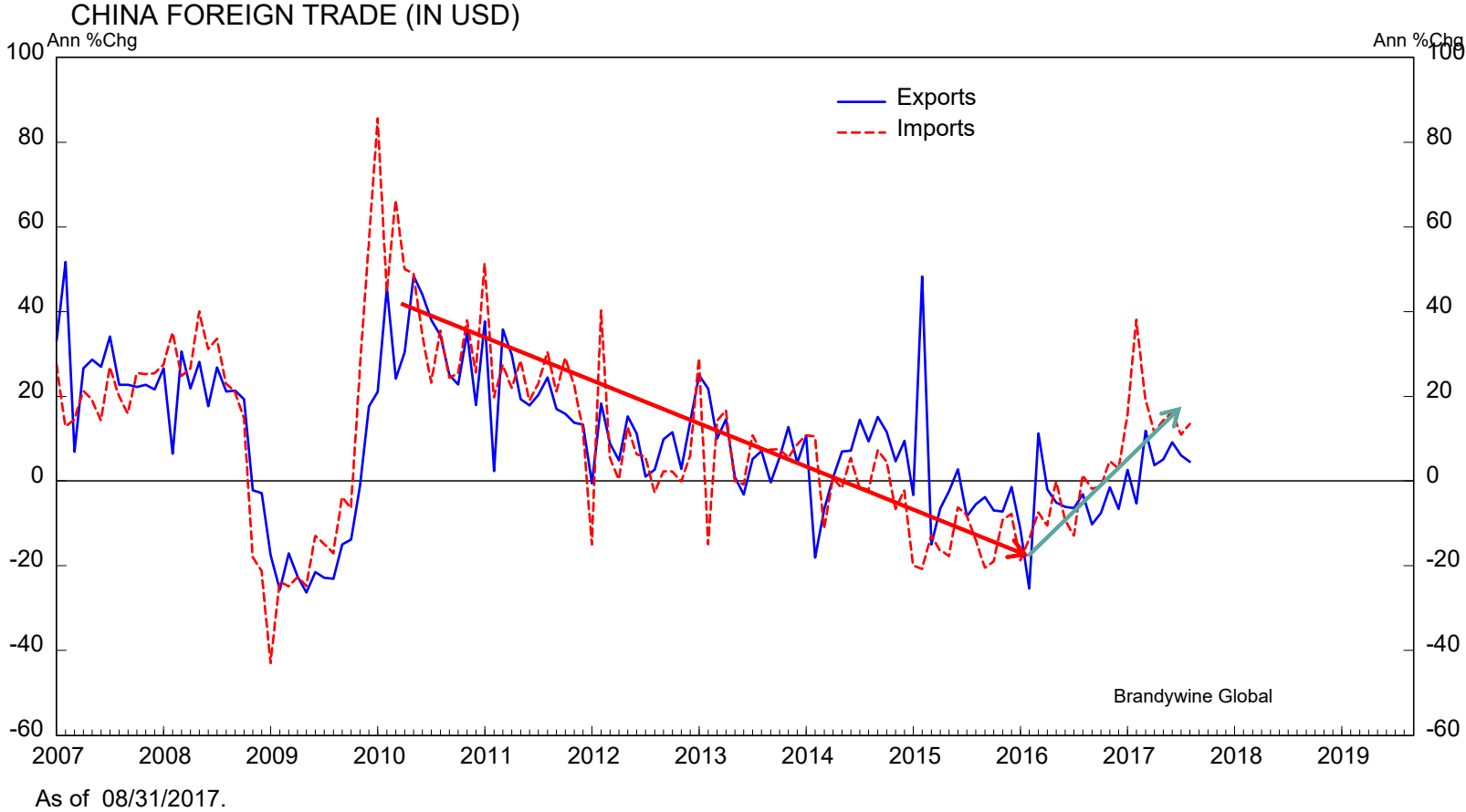
# Global Trade Breaking Out?



\* 3-Month Moving Average  
As of 08/31/2017.

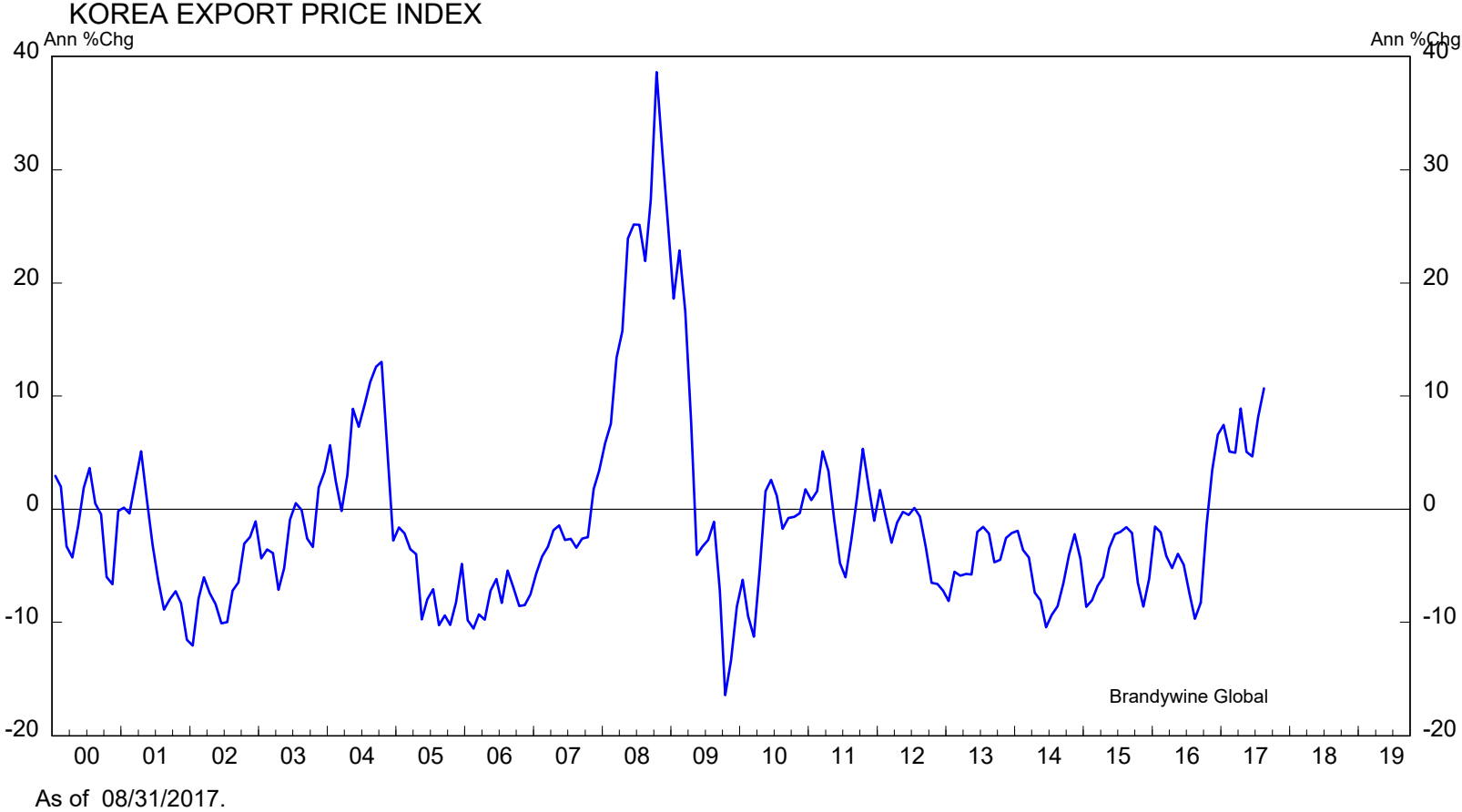
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# Major Trend Change



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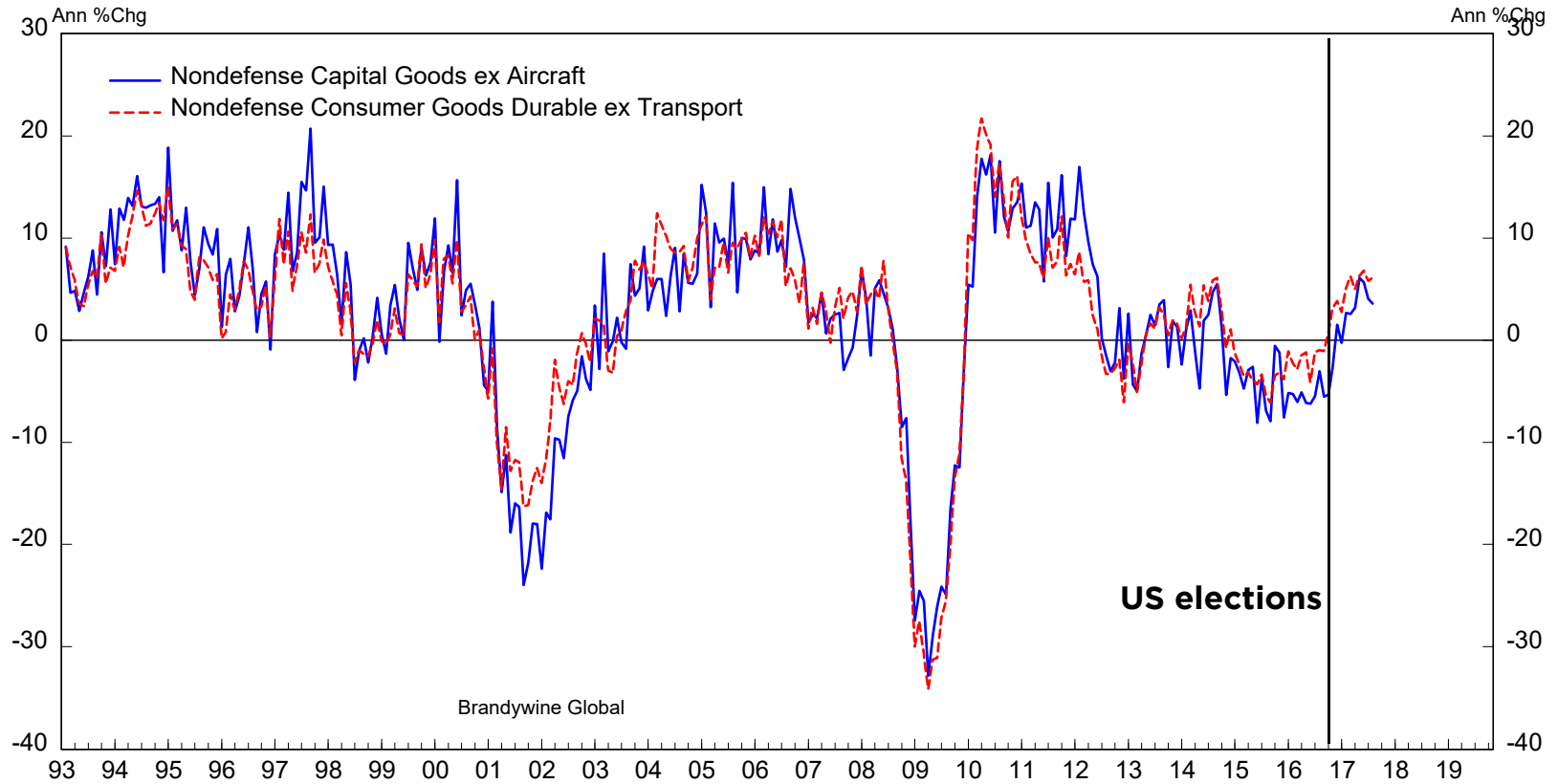
# Korean Export Prices: Something Different



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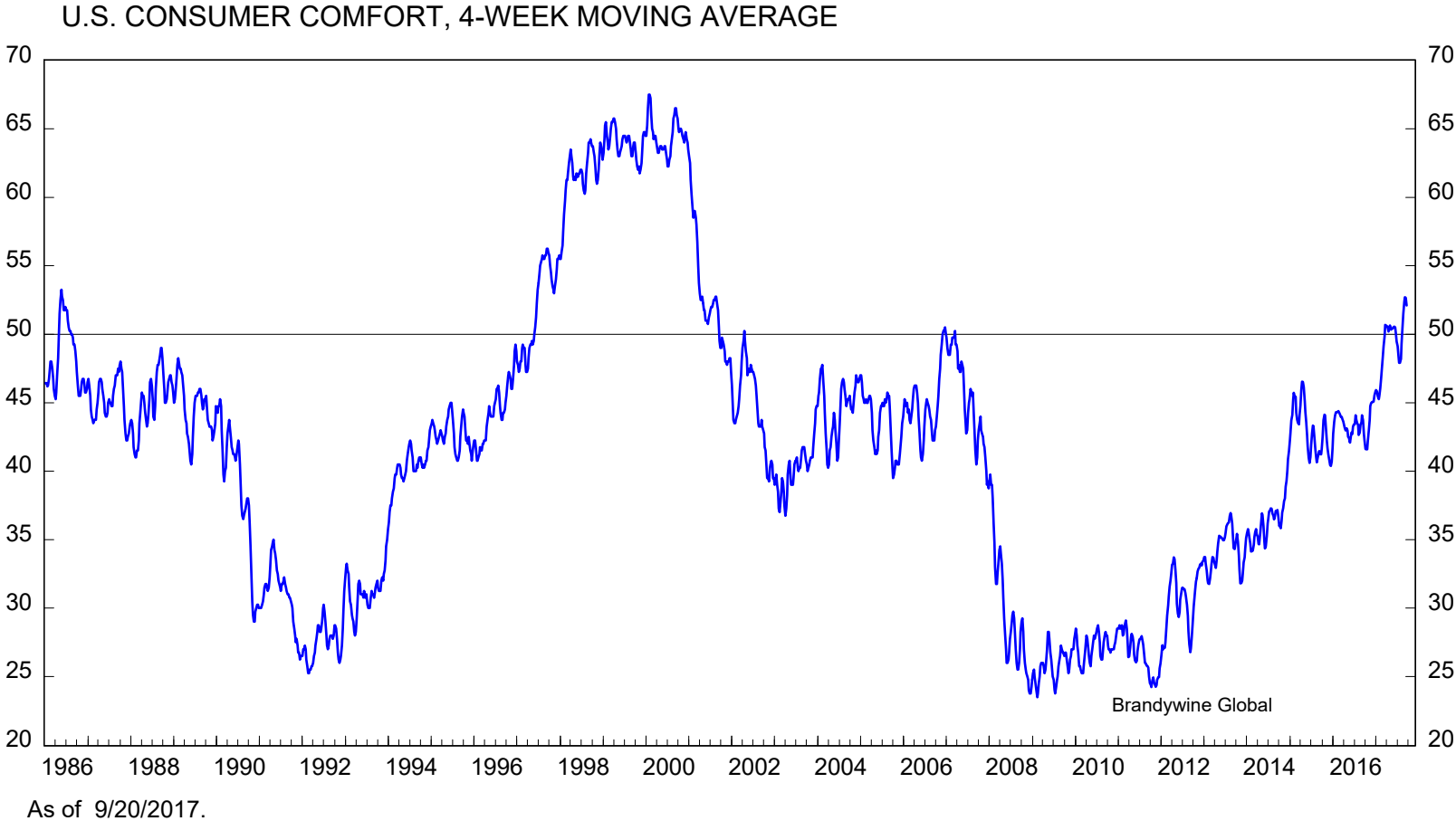
# Capex on the Rebound

## U.S. MANUFACTURING DURABLE GOODS NEW ORDERS



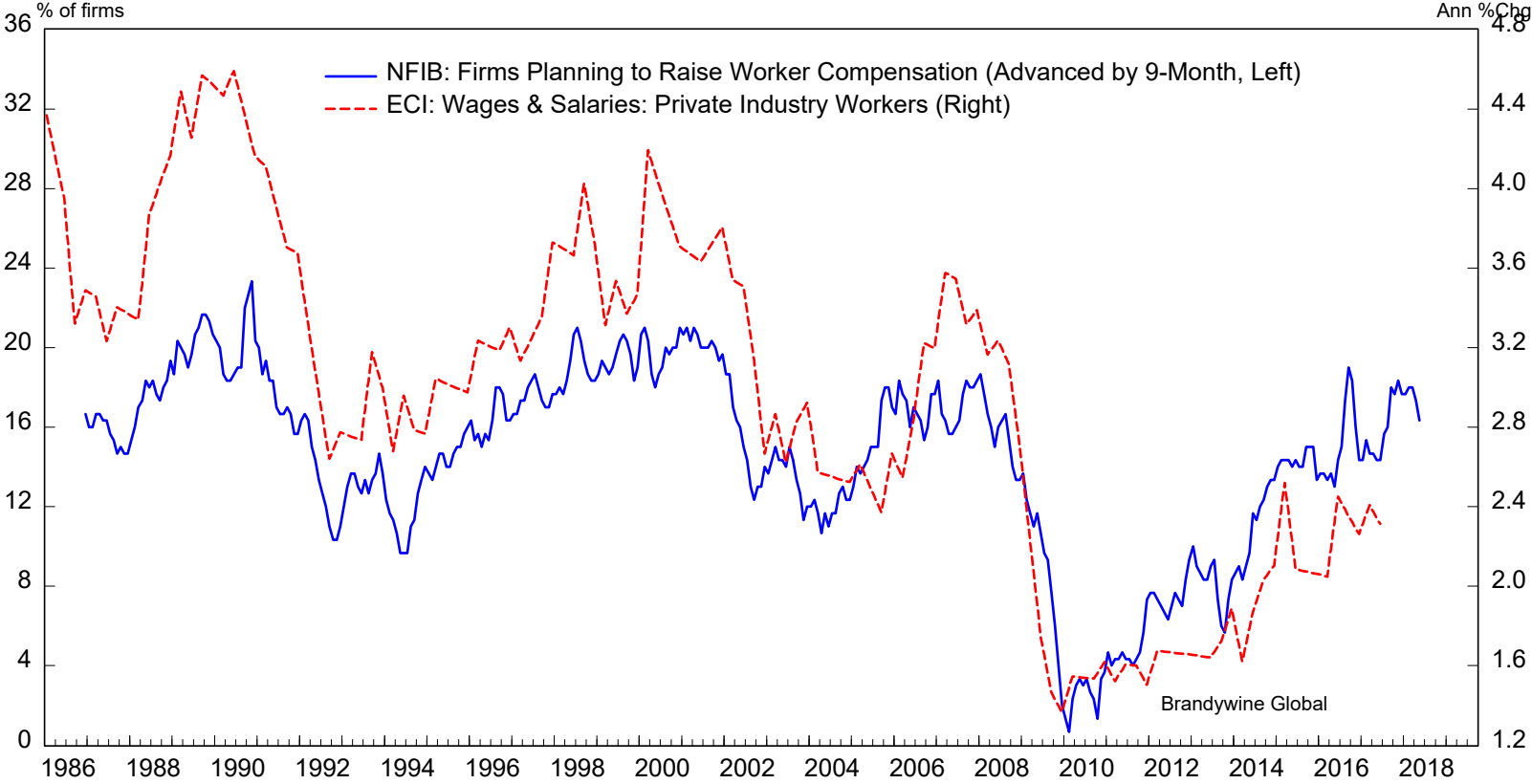
As of 08/31/2017.

# U.S. Consumer Comfort Has Already Broken Out



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# Employment Income on the Rise

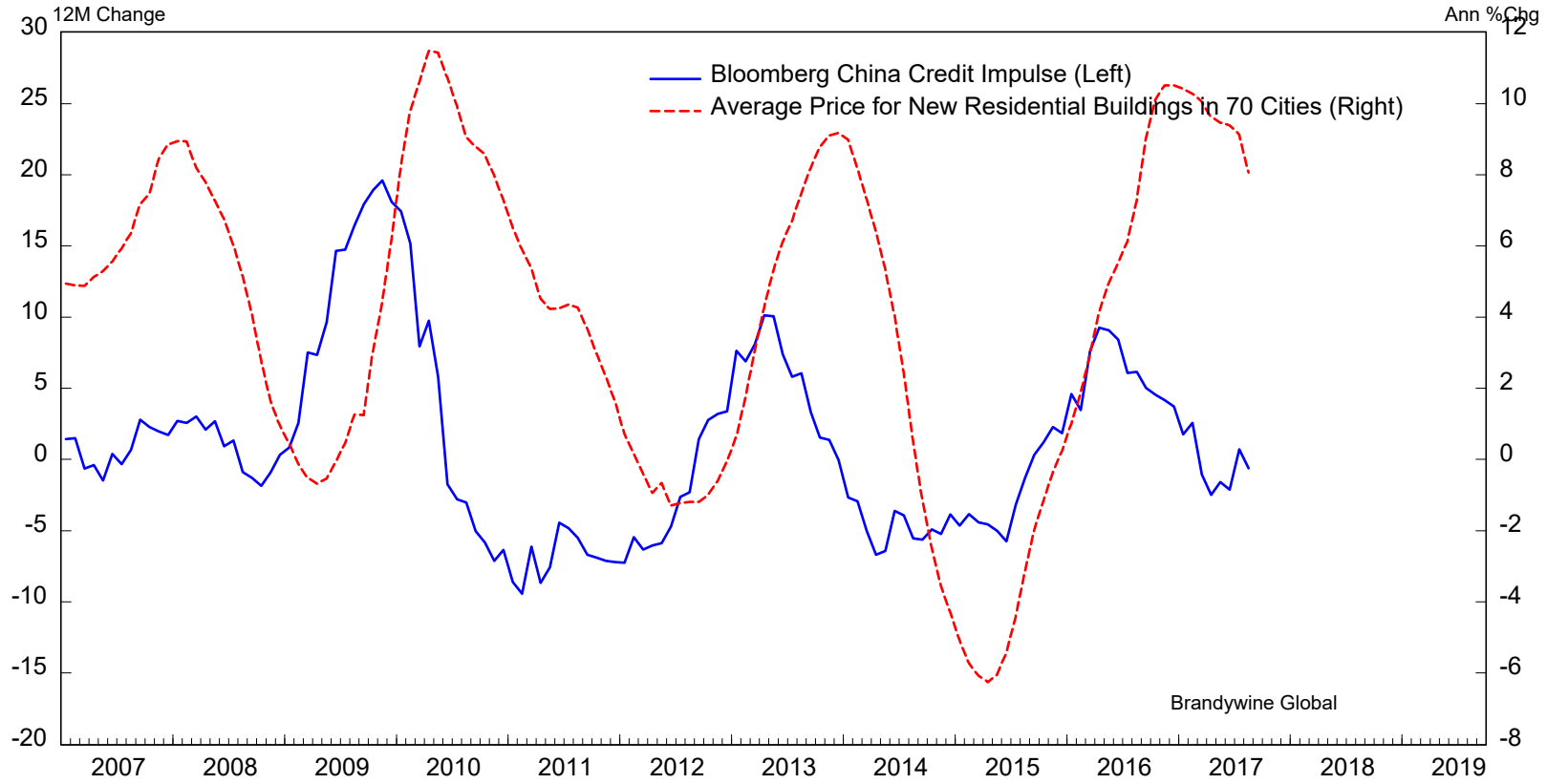


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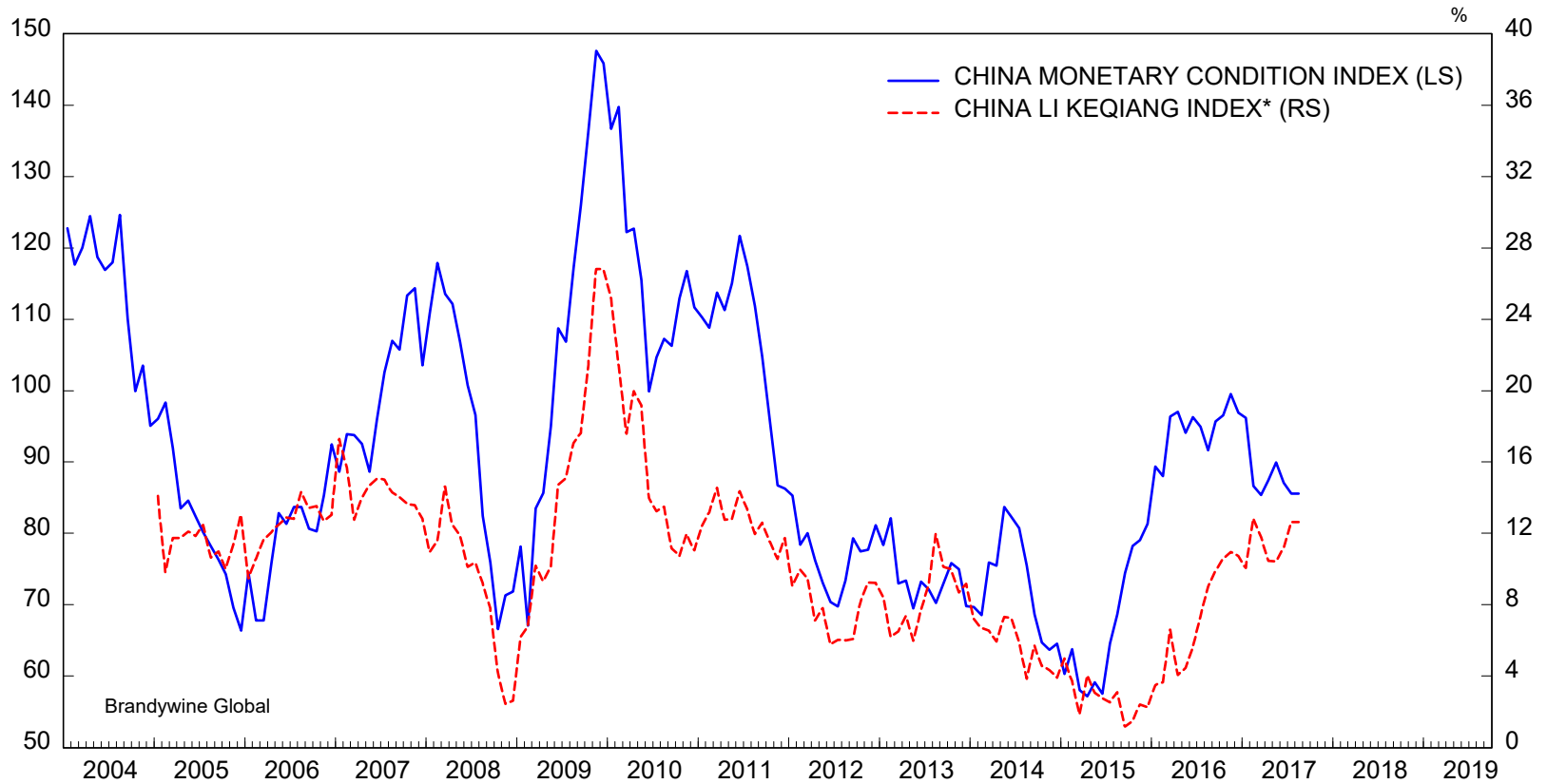
# A Reduced Chinese Credit Impulse Has Affected House Price Inflation



As of 08/31/2017.

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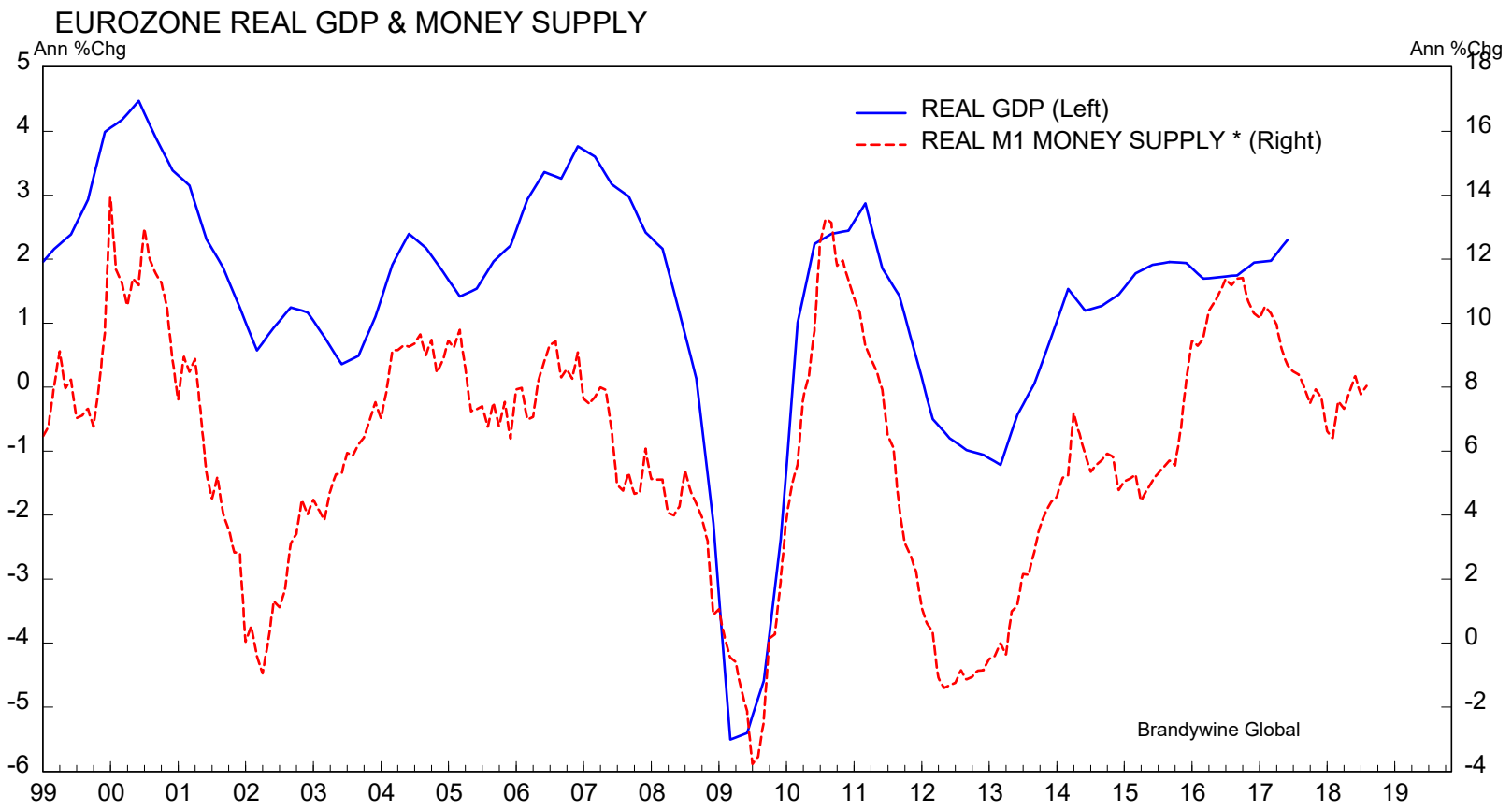
# But Overall Monetary Conditions in China Still Support Profits and Economic Growth



\* Weighted average of annual growth rates in outstanding bank loans, electricity production, and rail freight volume. As of 08/31/2017.

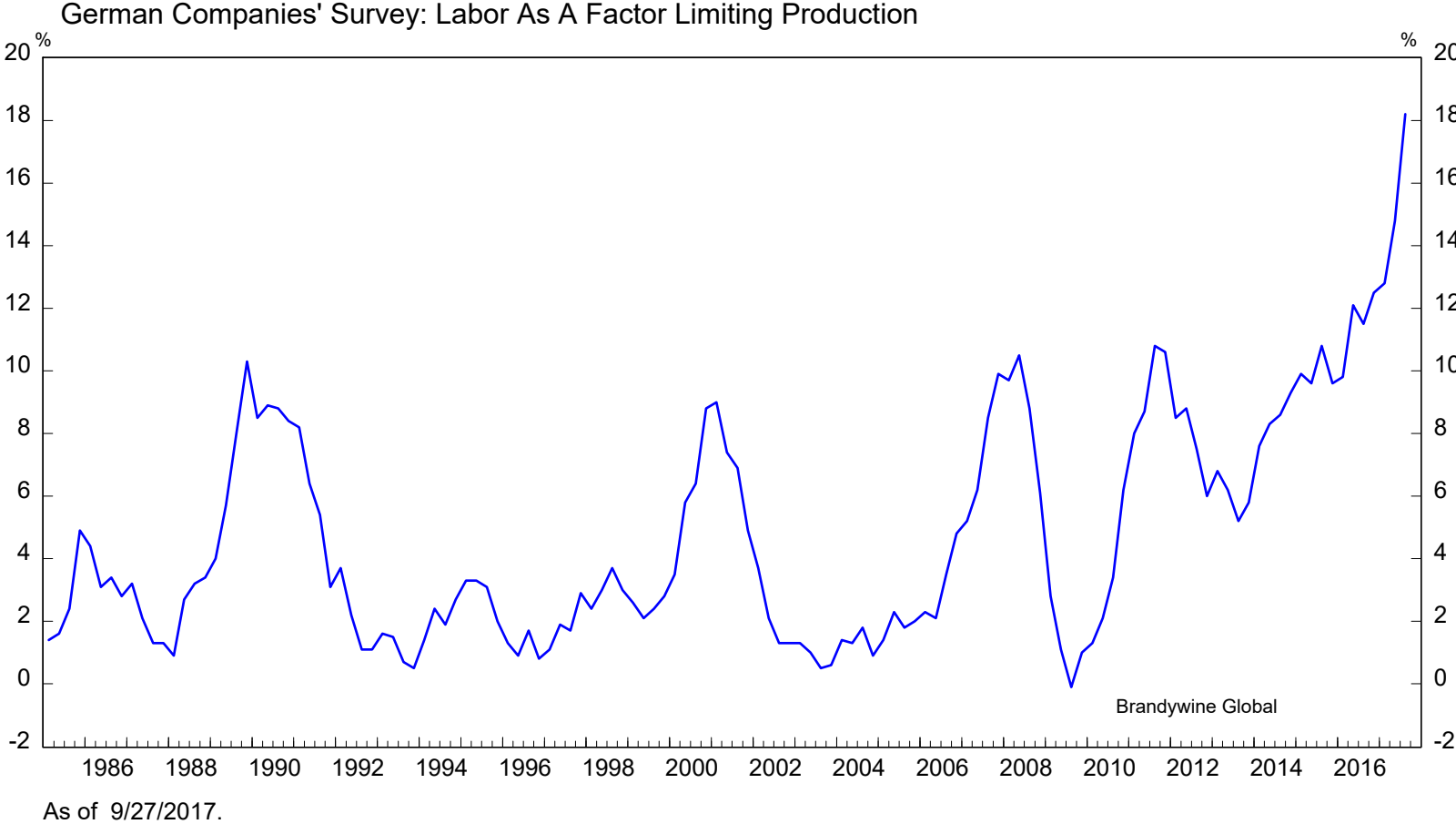
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# European Growth Story Still Positive



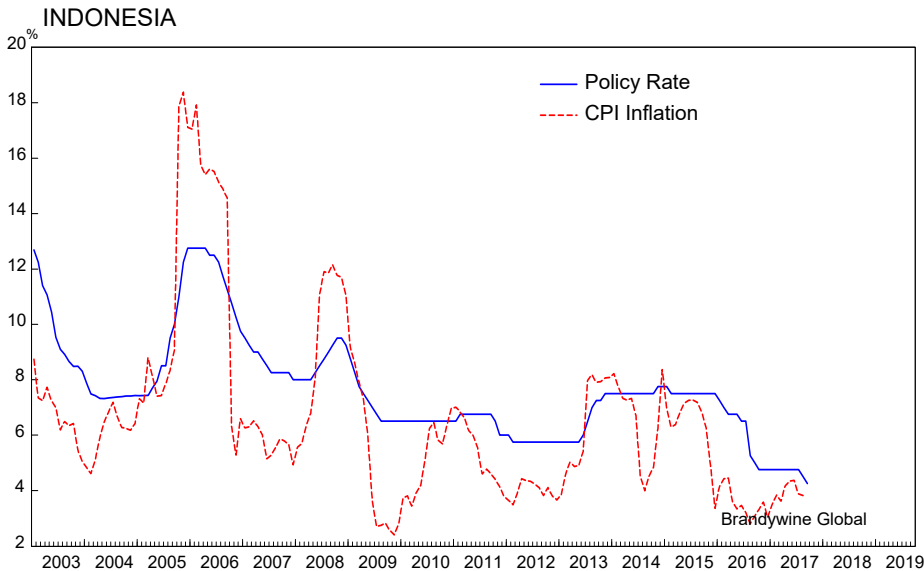
\*Deflated by CPI, shown advanced by 12 months.  
As of 08/31/2017.

# Unprecedented Tightness in German Labor Market

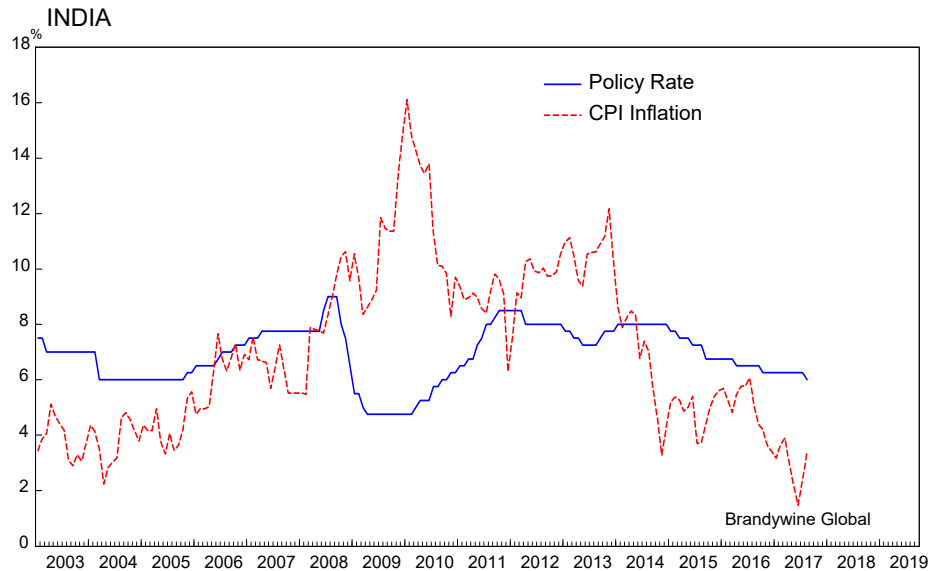


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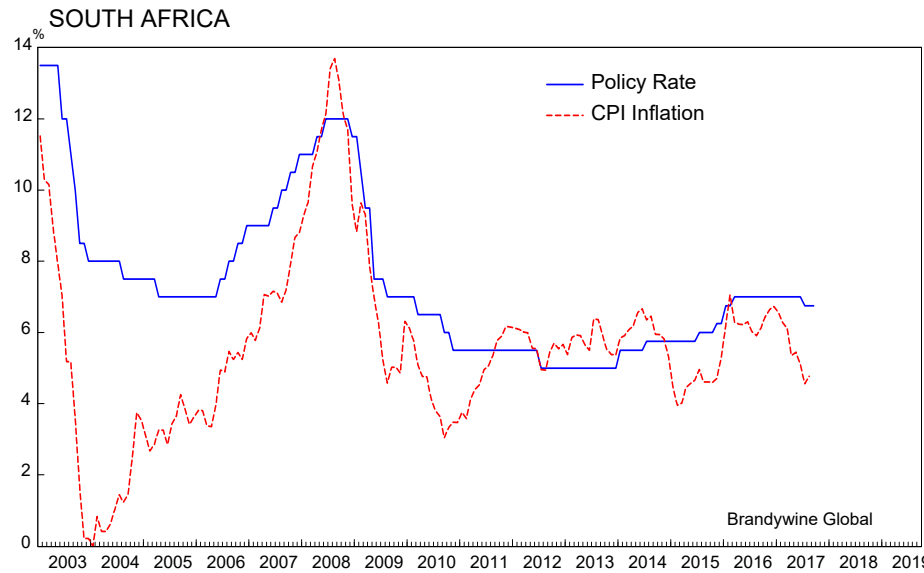
# EM Central Banks Still Behind the Inflation Curve; More Reflation to Come, Better Growth



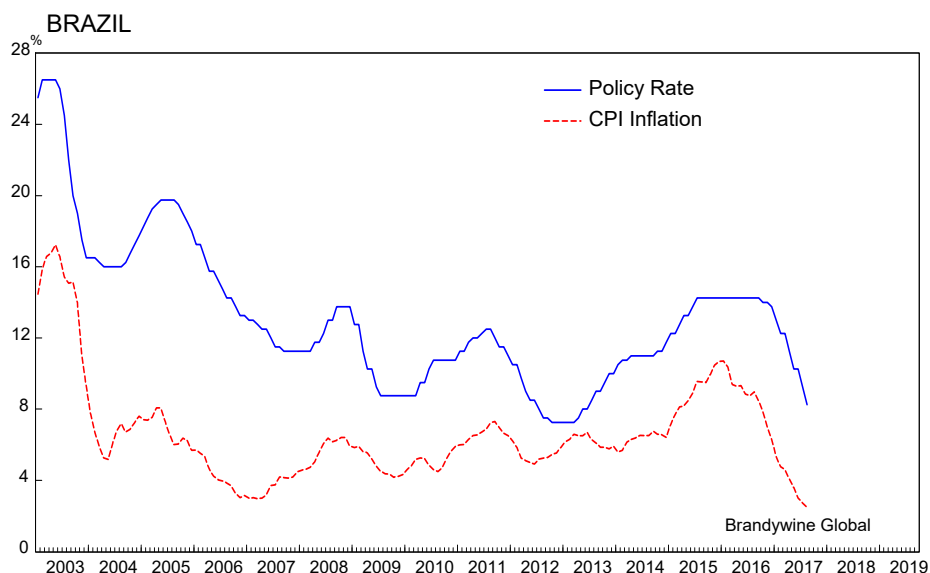
As of 9/26/2017.



As of 08/31/2017.



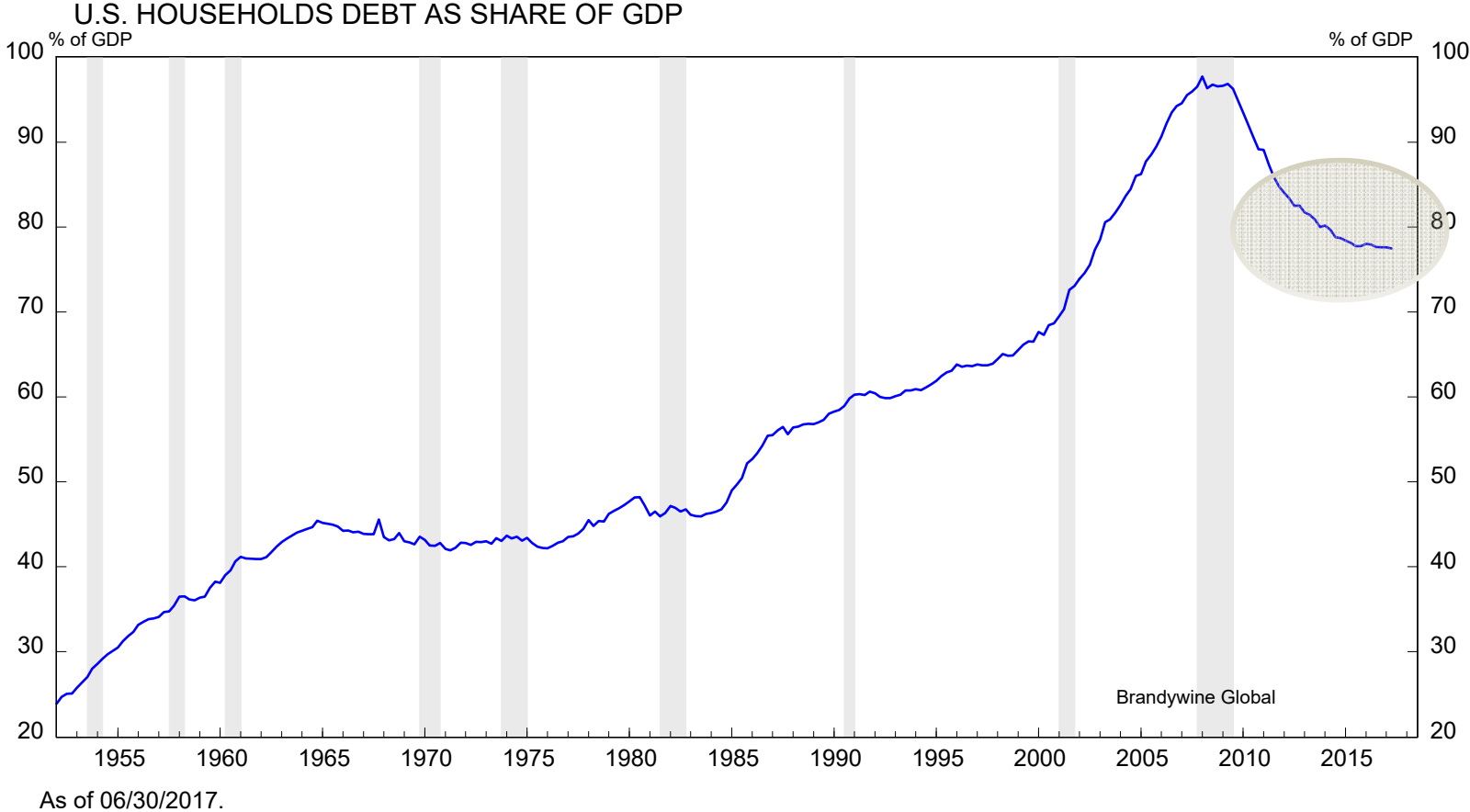
As of 9/26/2017.



As of 08/31/2017.

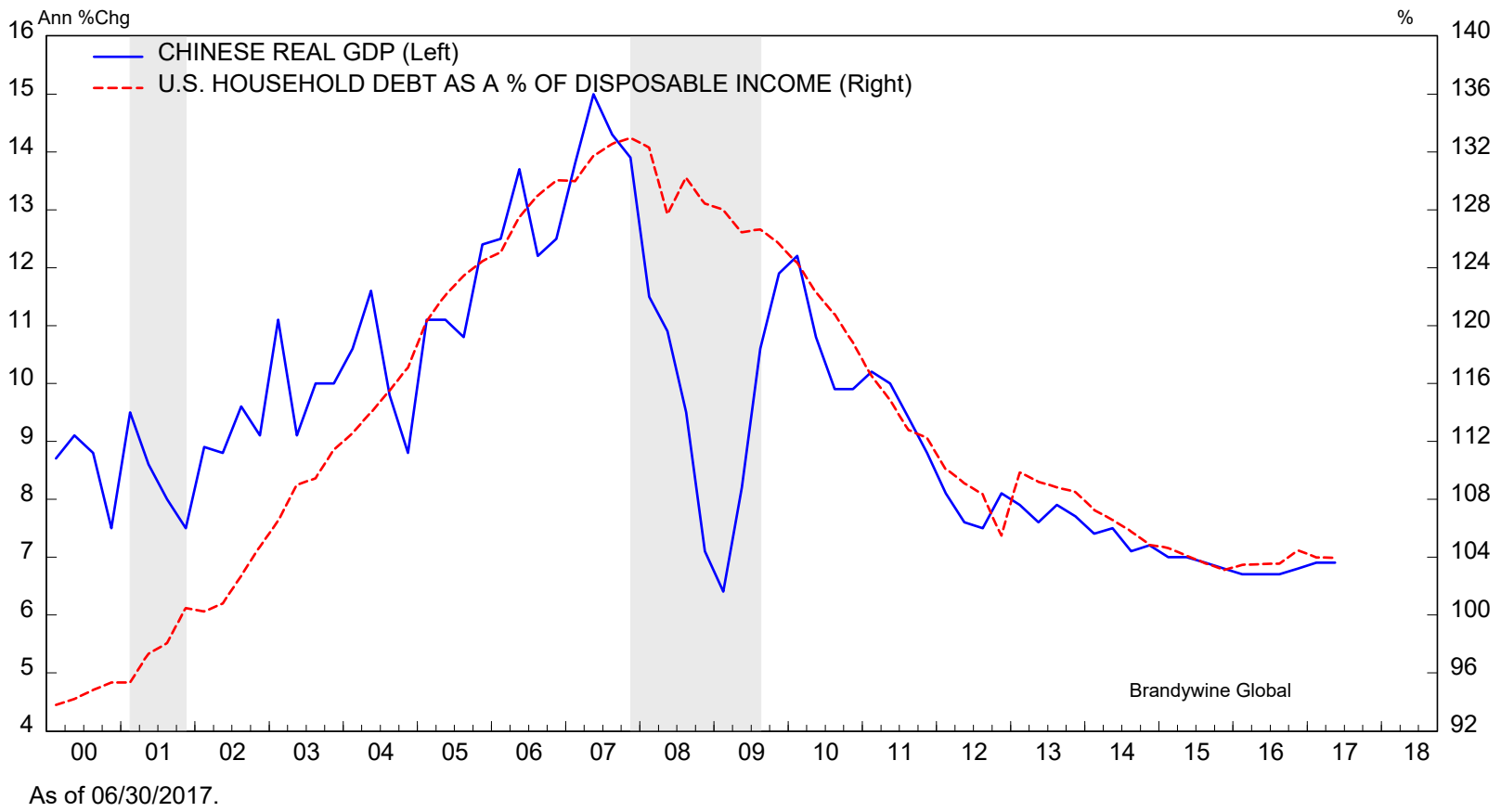
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# The Structural Story: Deleveraging from the Debt Super-Cycle on Hold



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# A Corresponding Bottom in Chinese Economic Growth



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# Appendix 1 – Important Disclosure Information

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