



GLOBAL ECONOMIC CONDITIONS

Updated August 2018

Globalization & Monetary Policy Institute
Federal Reserve Bank of Dallas



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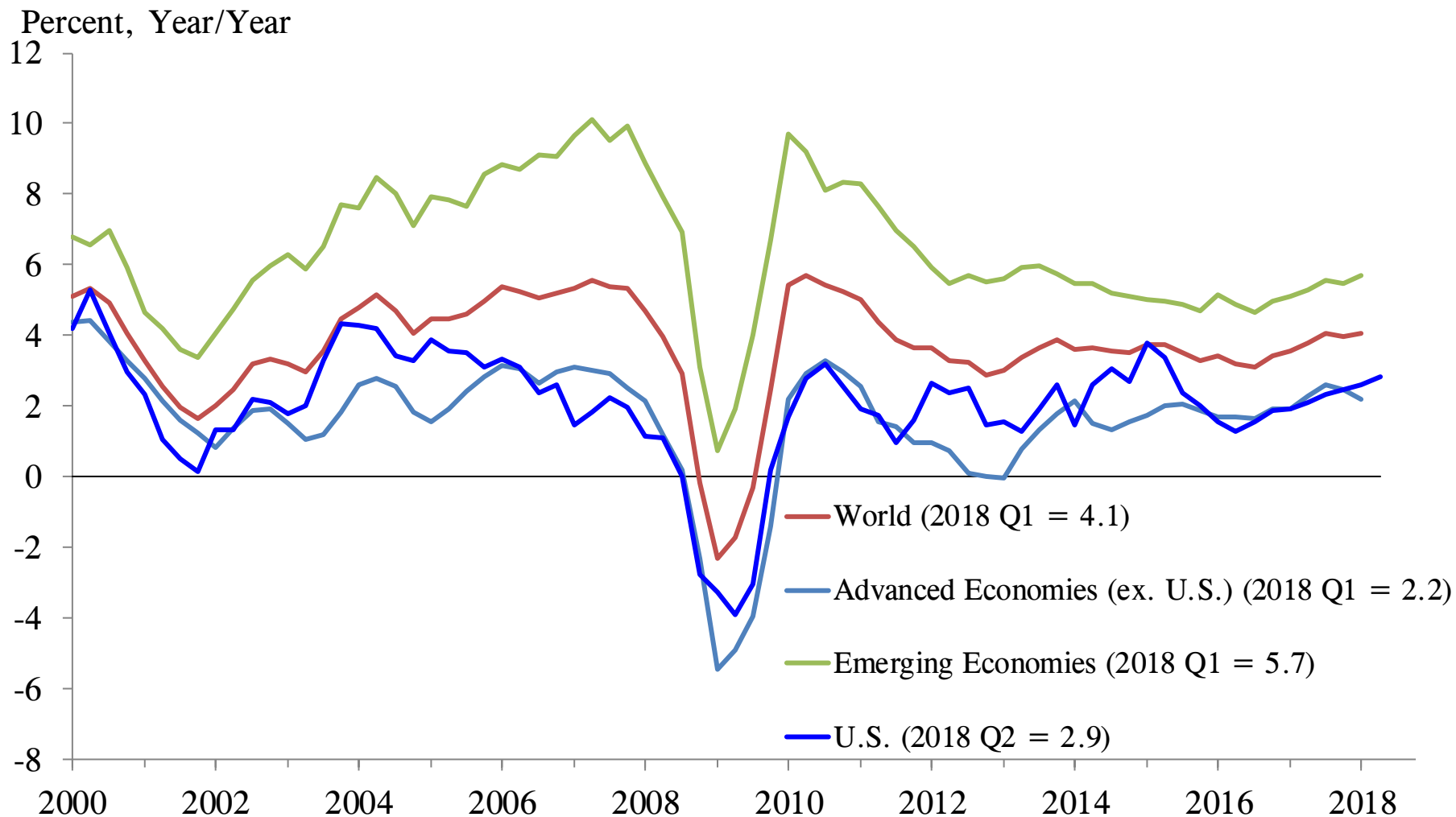


Indicators of Real Activity

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Chart 1. Global GDP Growth

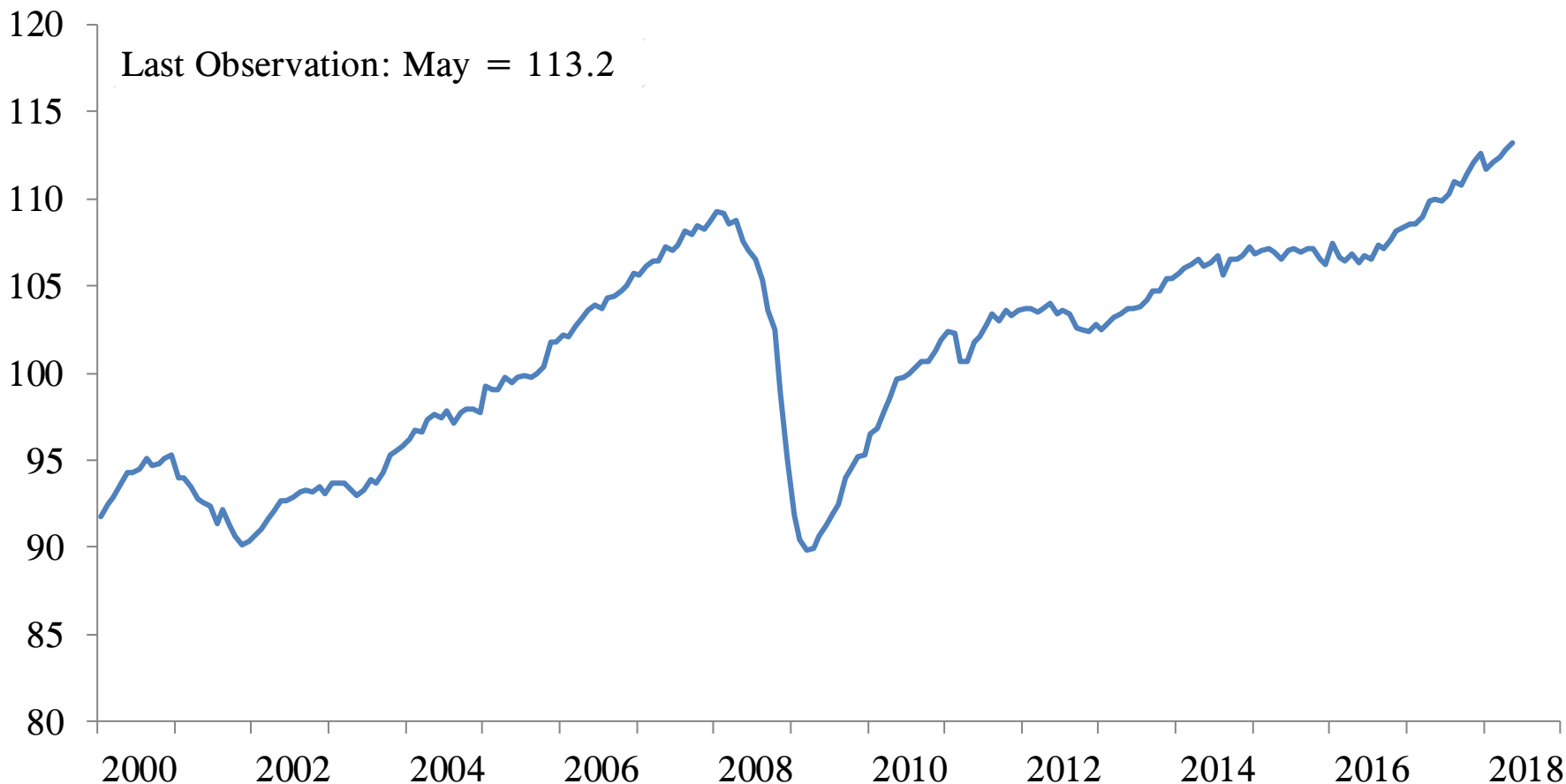


NOTE: The advanced economies (ex. U.S.) aggregate includes the Euro Area, Japan, the U.K., Canada, Australia, South Korea, Switzerland and Sweden. The emerging economies aggregate includes China, Brazil, Russia, India, Mexico, Indonesia, Turkey, Argentina, South Africa and Colombia. The world aggregate includes these countries, which make up approximately 80 percent of world GDP computed using purchasing power parity (PPP)-adjusted GDP weights.



Chart 2. OECD Industrial Production

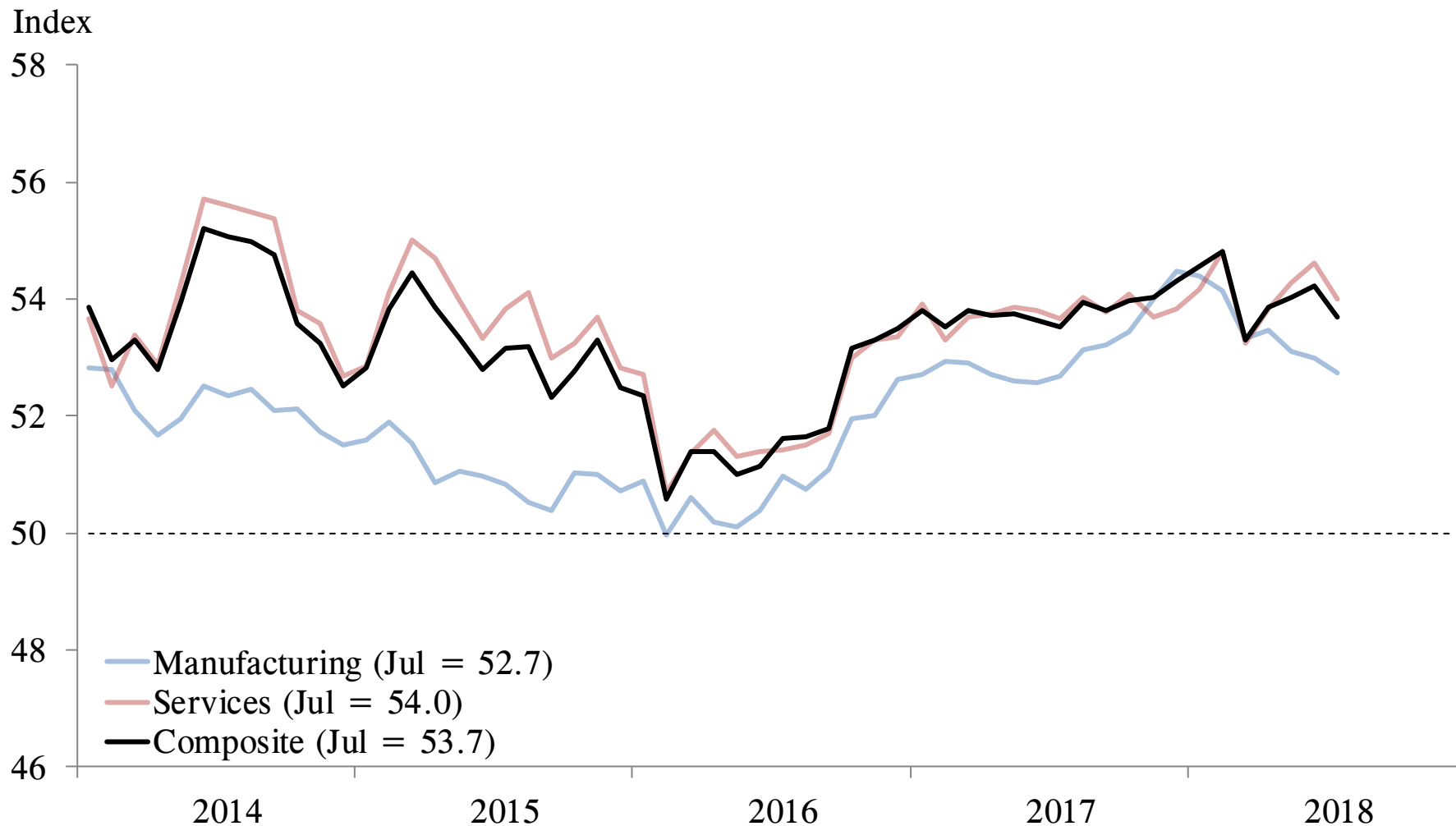
Index, 2005 = 100



NOTE: Countries included in the industrial production index are all members of the Organization for Economic Cooperation and Development, or OECD (Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, South Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States).



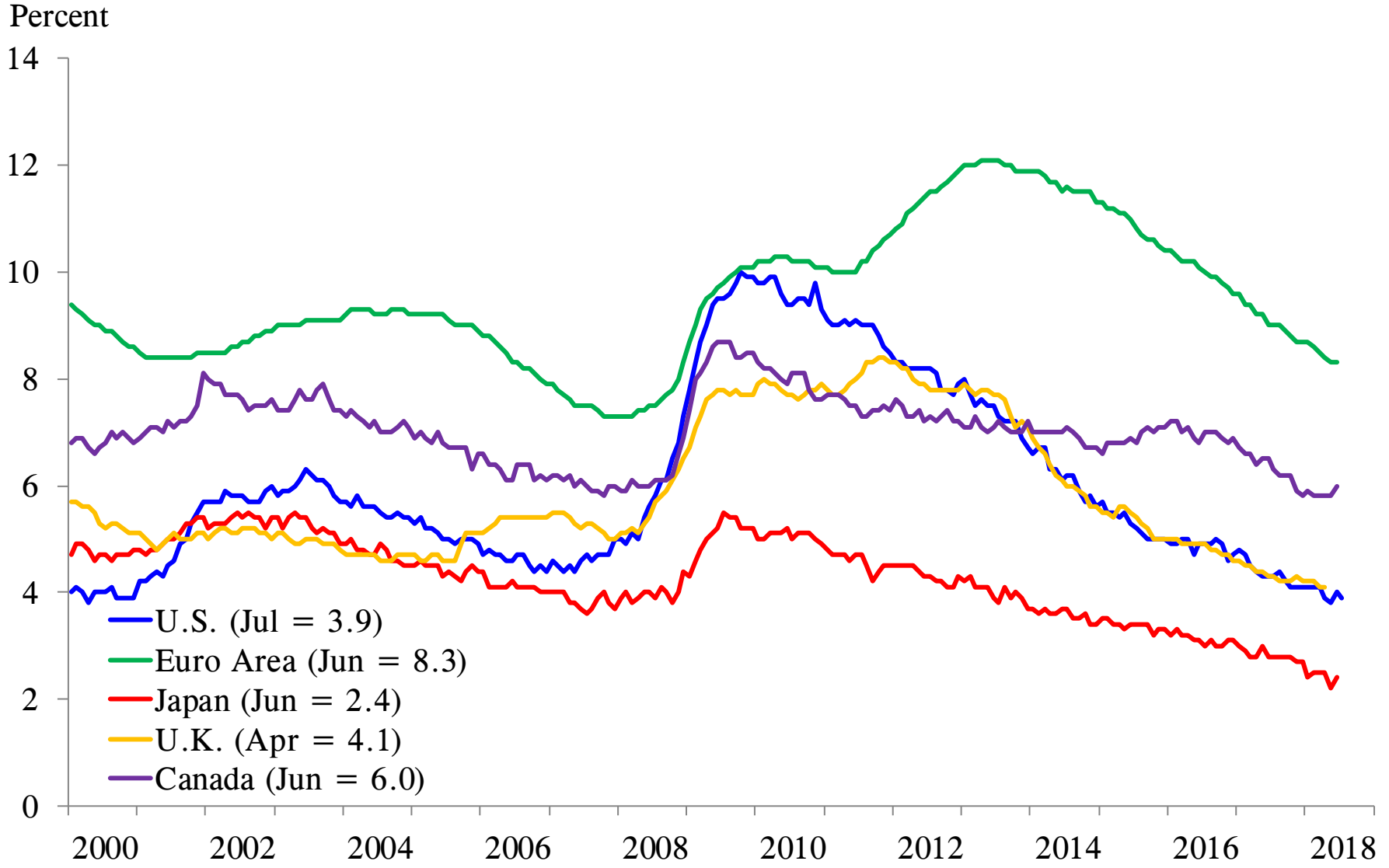
Chart 3. Global Purchasing Managers Index



NOTE: This index measures purchasing managers' perspectives of current business conditions. An index value greater than 50 indicates economic expansion from the previous month, while a value below 50 indicates contraction.



Chart 4. Unemployment in Major Advanced Economies



NOTE: The chart plots harmonized unemployment data for the U.K.

Sources: National Statistical Offices, EUROSTAT; Haver Analytics

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Chart 5. Unemployment in OECD Economies

Percent

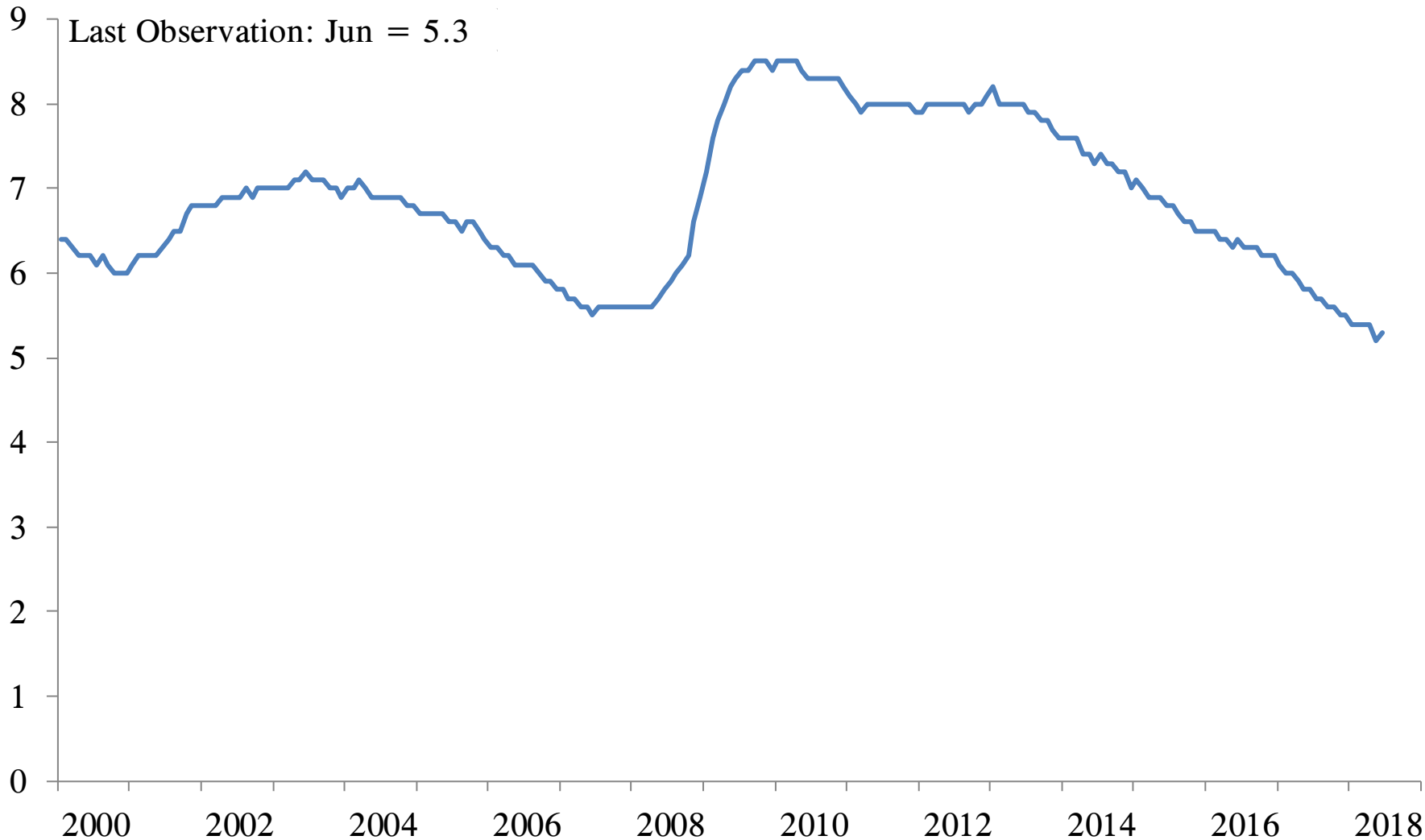
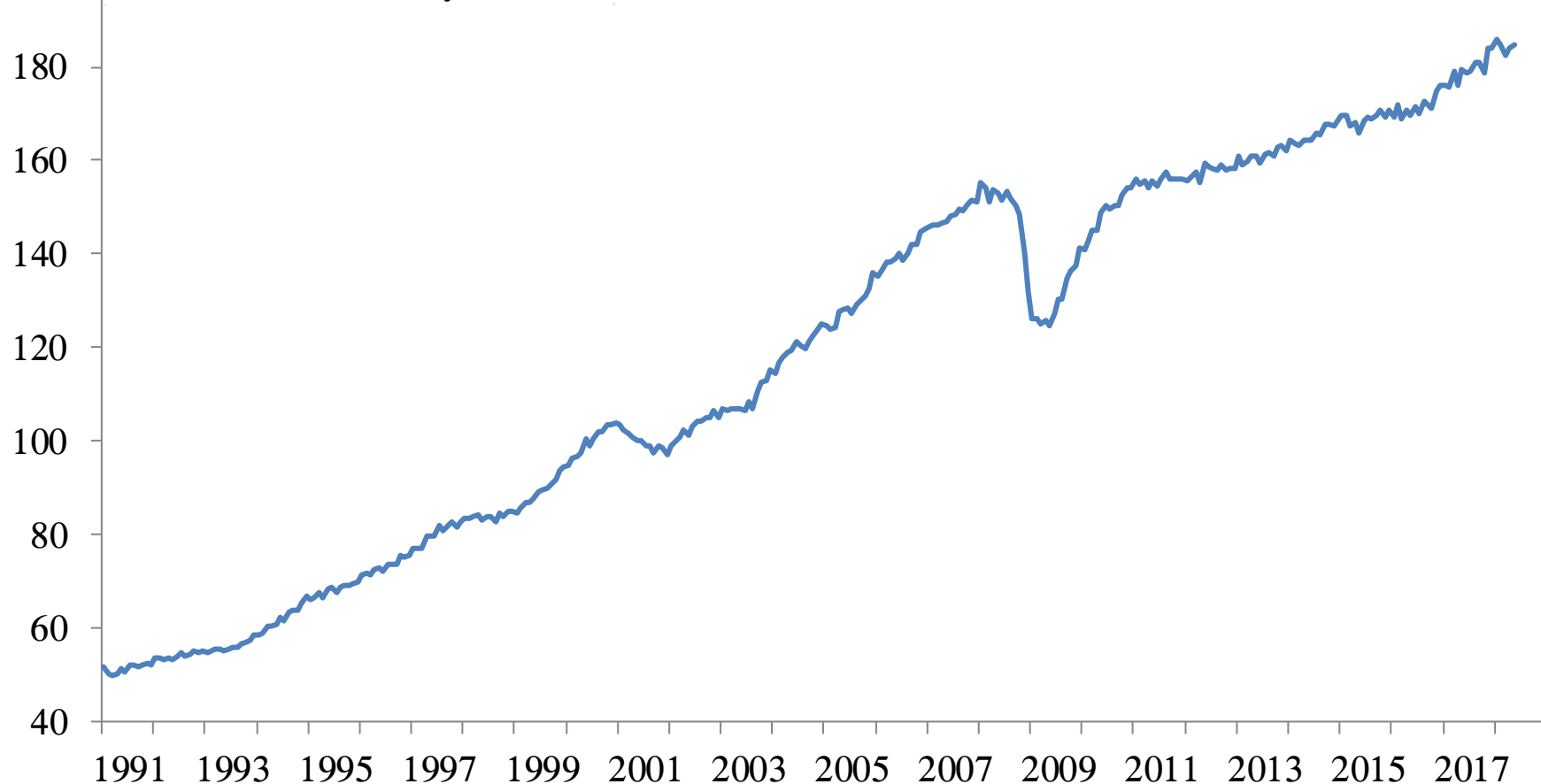




Chart 6. Volume of World Merchandise Trade

Index, 2000 = 100

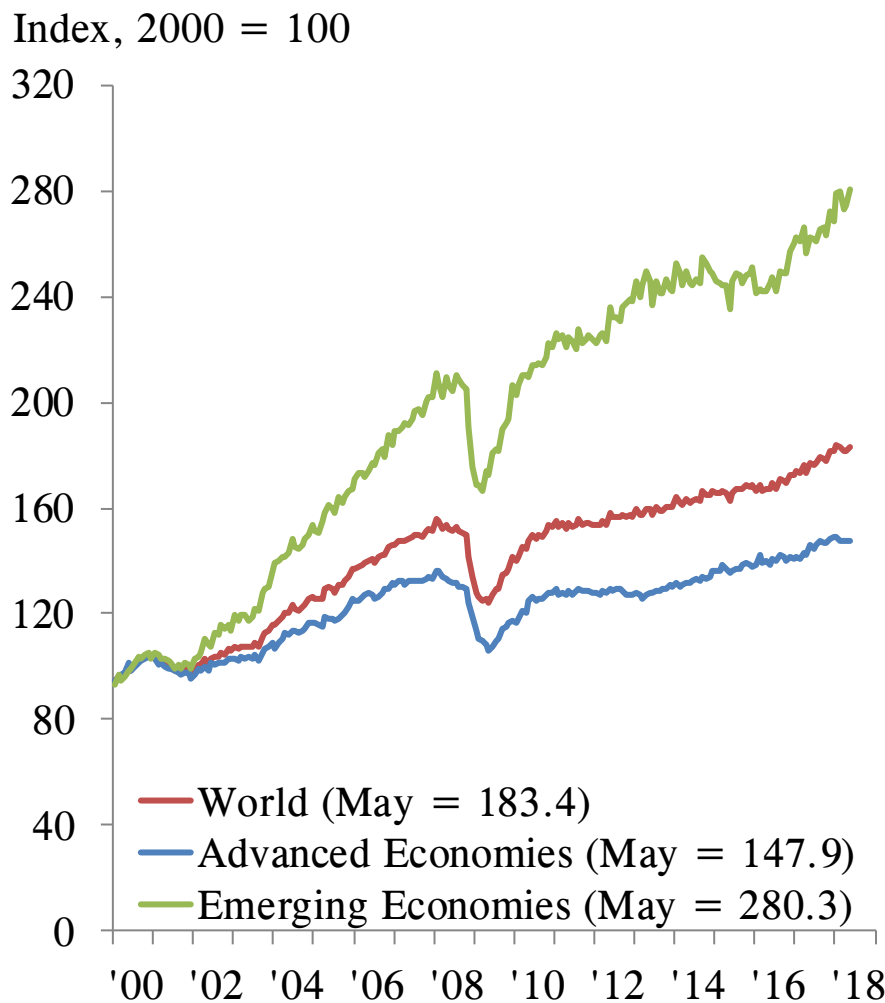
Last Observation: May = 184.6



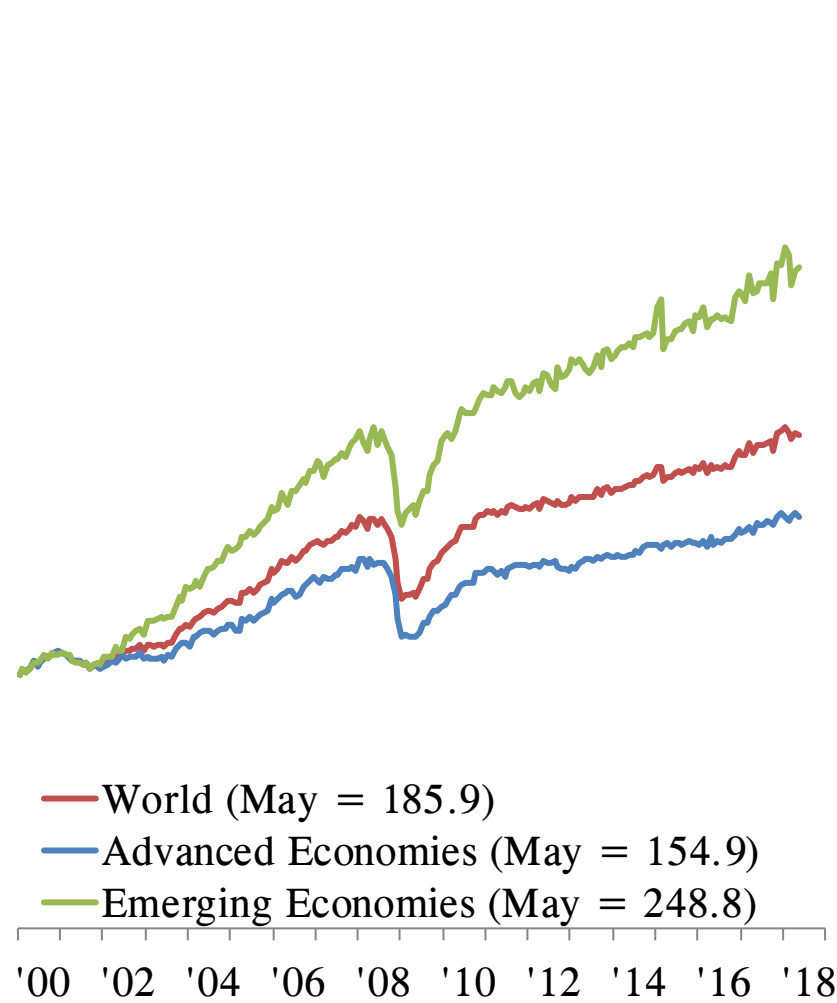
NOTE: This series includes data from 23 industrialized and 60 emerging market economies and covers approximately 97 percent of total world trade. Trade volume is calculated as the arithmetic average of world export volumes and world import volumes.

Chart 7. Volume of World Merchandise Trade

Imports



Exports

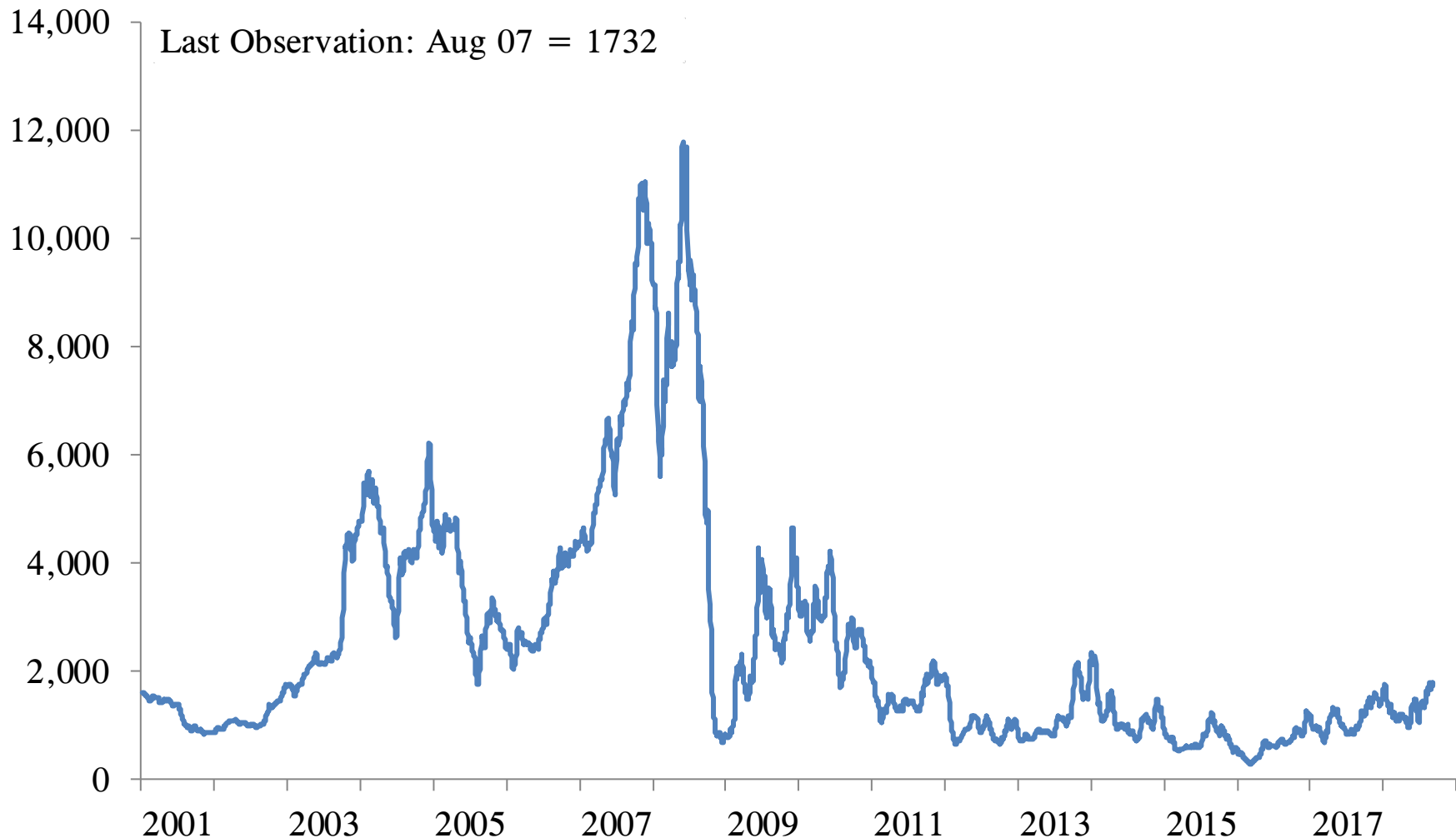


NOTE: Import and export series include data from 23 industrialized and 60 emerging market economies and cover approximately 97 percent of total world trade.



Chart 8. Baltic Dry Index

Index, 01/04/1985 = 1,000



NOTE: The Baltic Dry Index is a maritime shipping index that measures charter rates for shipping dry bulk commodities such as coal, grain and iron ore.

Sources: Baltic Exchange; Bloomberg

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Inflation Indicators

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Chart 9. Commodity Prices

Index, Jan. 2007 = 100

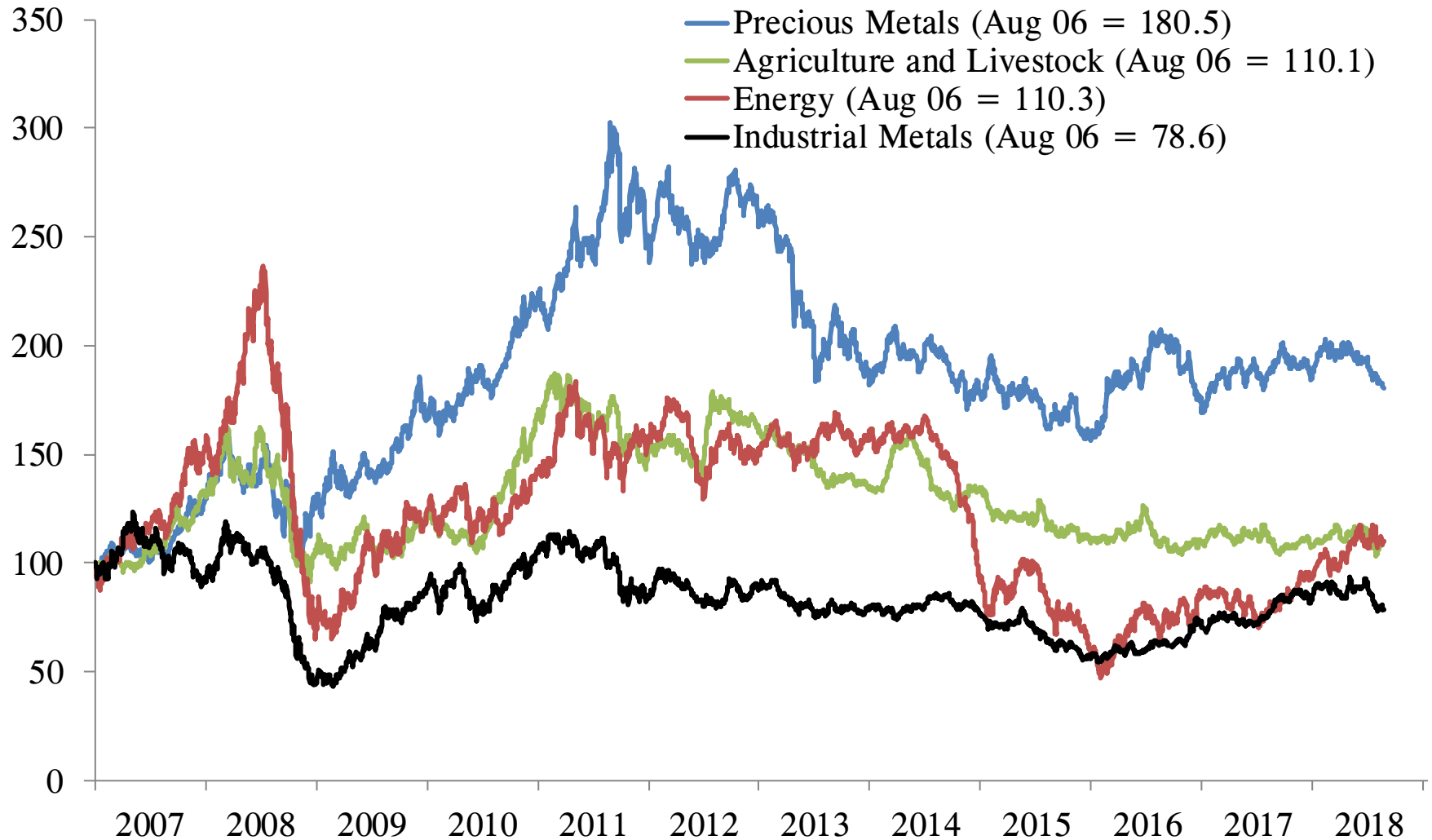
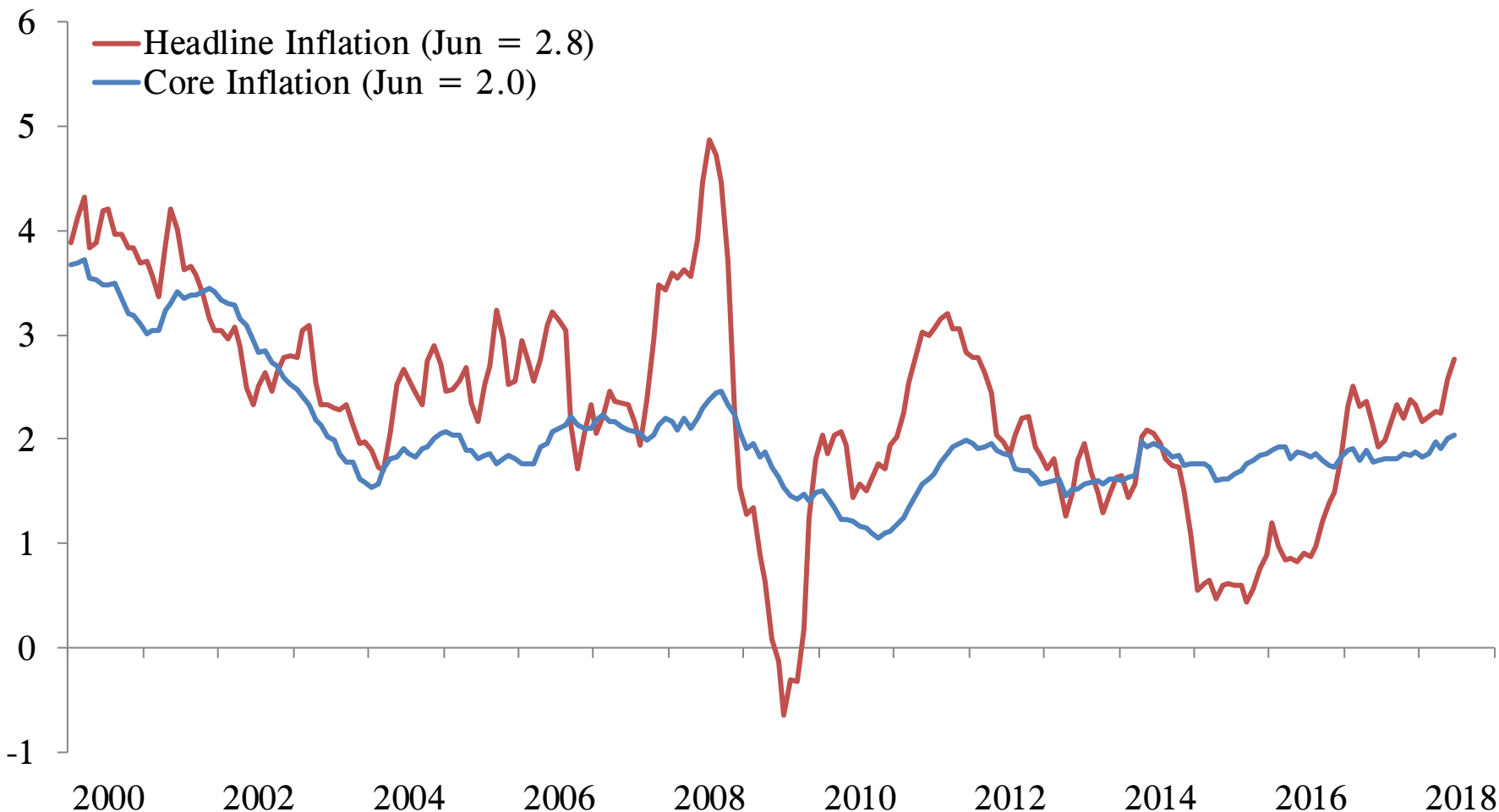




Chart 10. Inflation in OECD Economies (CPI)

Percent, Year/Year



NOTE: The headline consumer price index (CPI) is the broadest measure of price changes consumers face in their day-to-day living expenses. The core CPI excludes energy and food prices.



Chart 11. Global Inflation (Headline CPI)

Percent, Year/Year

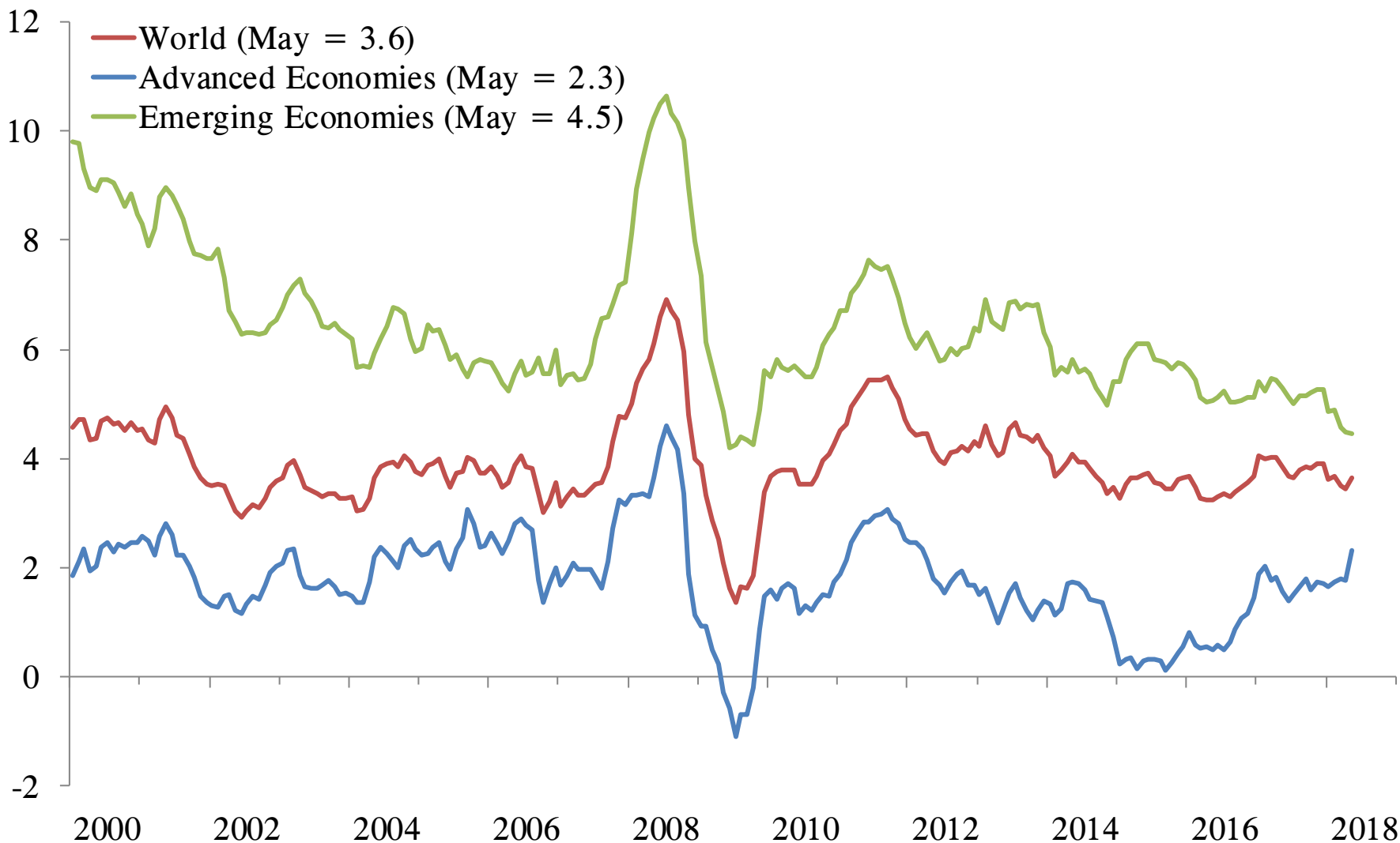


Chart 12. Inflation in Major Advanced Economies (Headline CPI)

Percent, Year/Year

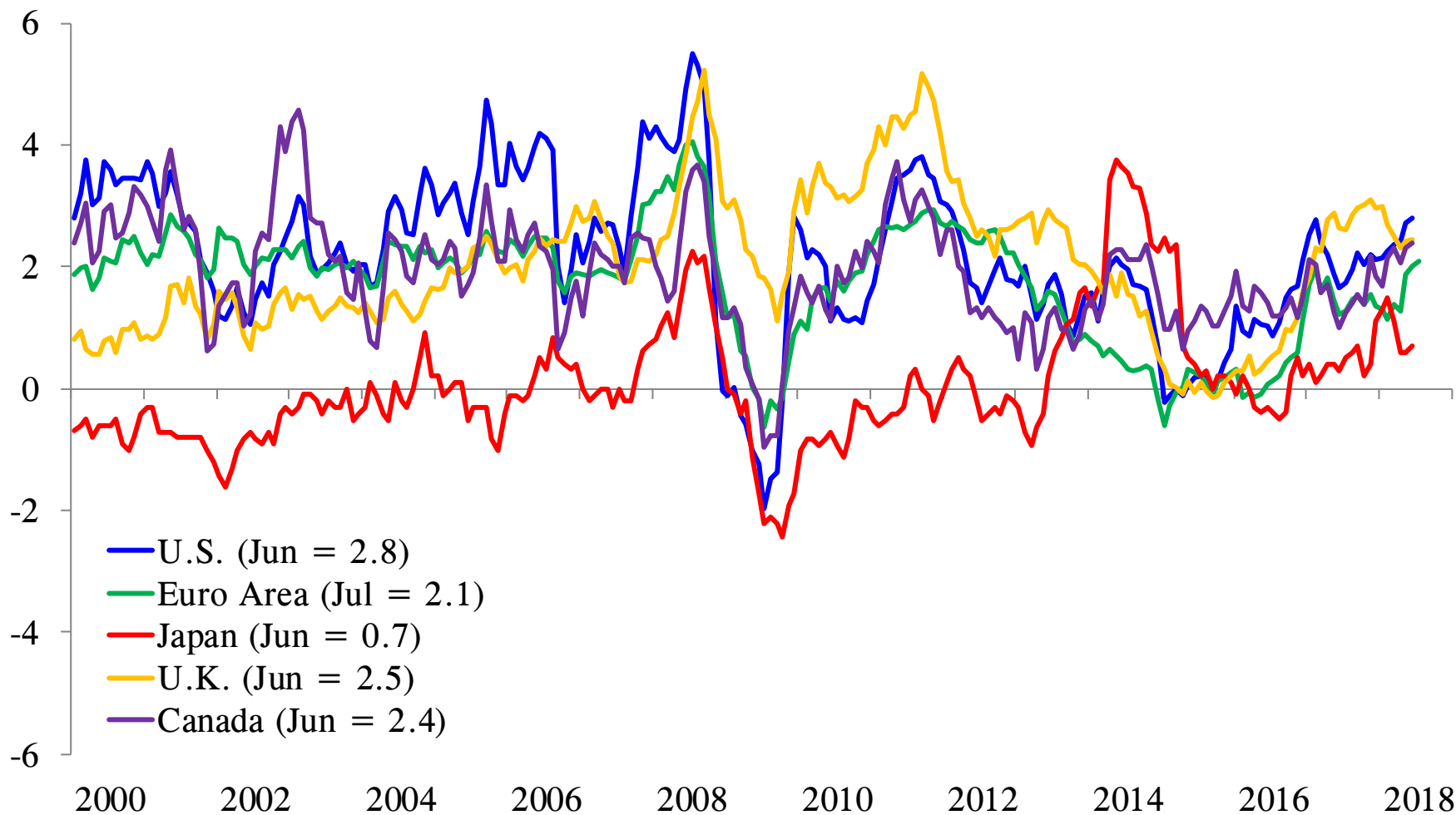
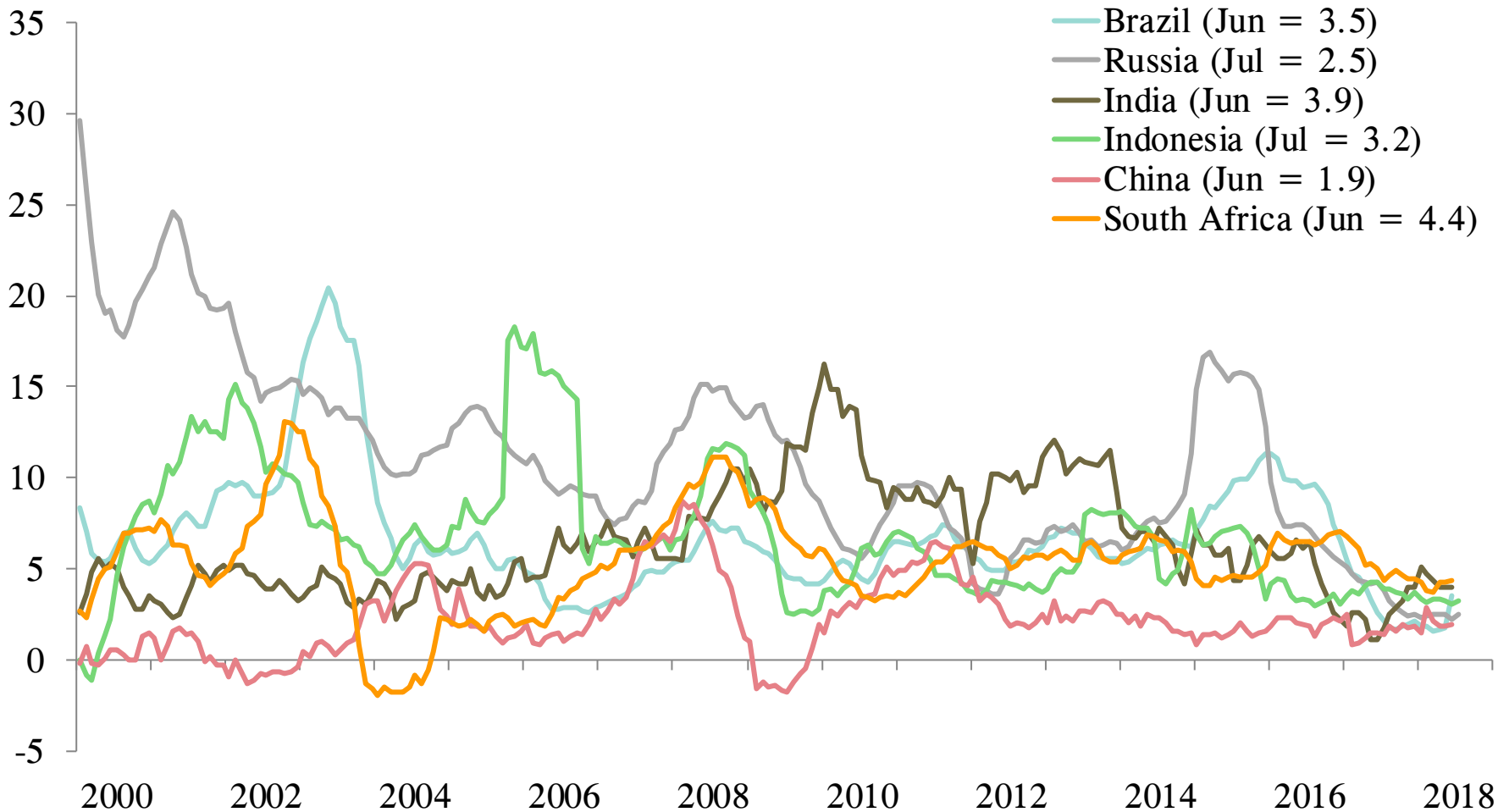




Chart 13. Inflation in Major Emerging Economies (Headline CPI)

Percent, Year/Year





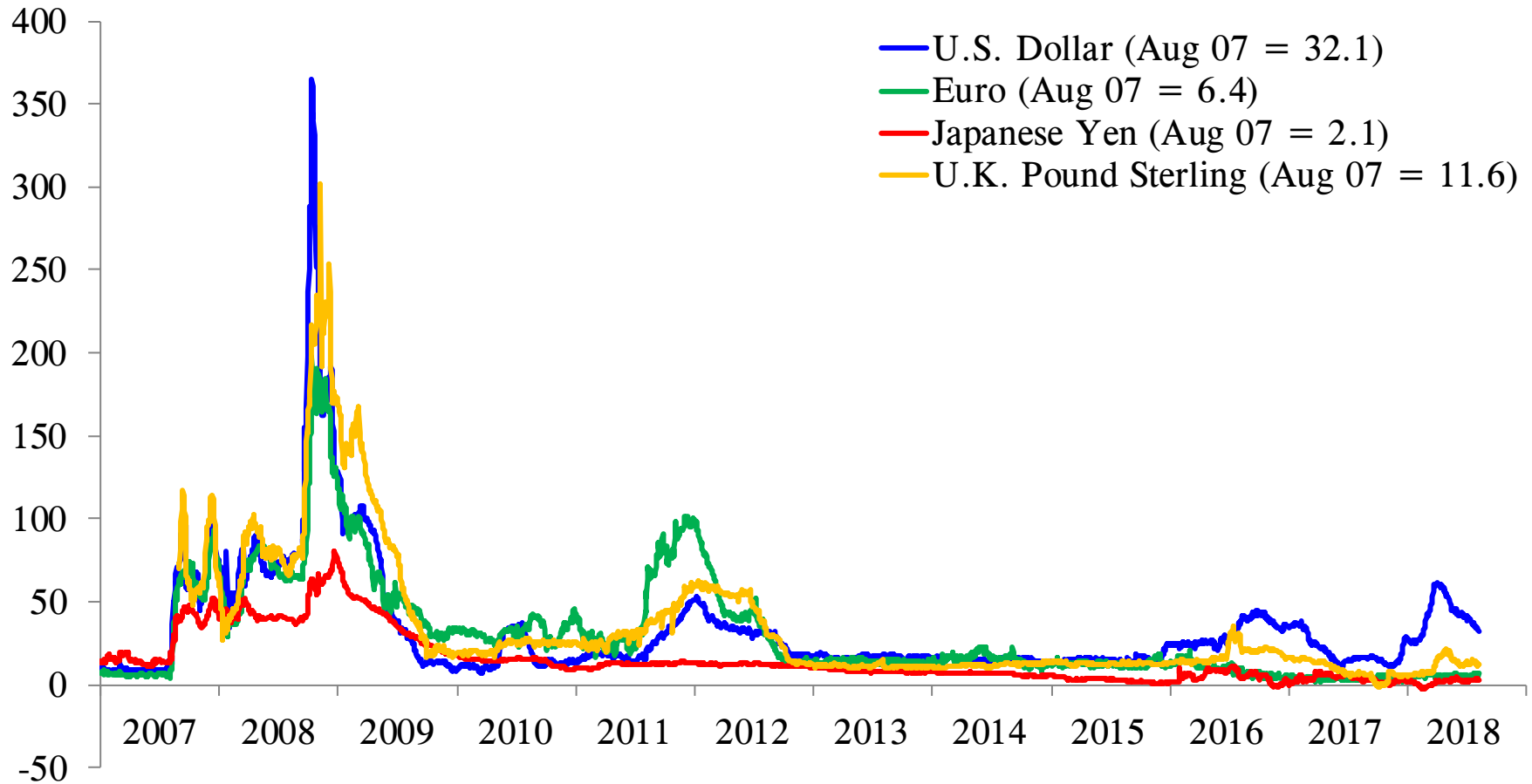
Money and Capital Markets

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Chart 14. Money Market Spreads

Basis Points



NOTE: The chart plots the spread, or difference, between 3-month interbank offered rates (Libor for the dollar, yen and pound sterling; Euribor for the euro) and the overnight index swap rate for each currency.



Chart 15. 10-Year Government Bond Yields in Major Advanced Economies

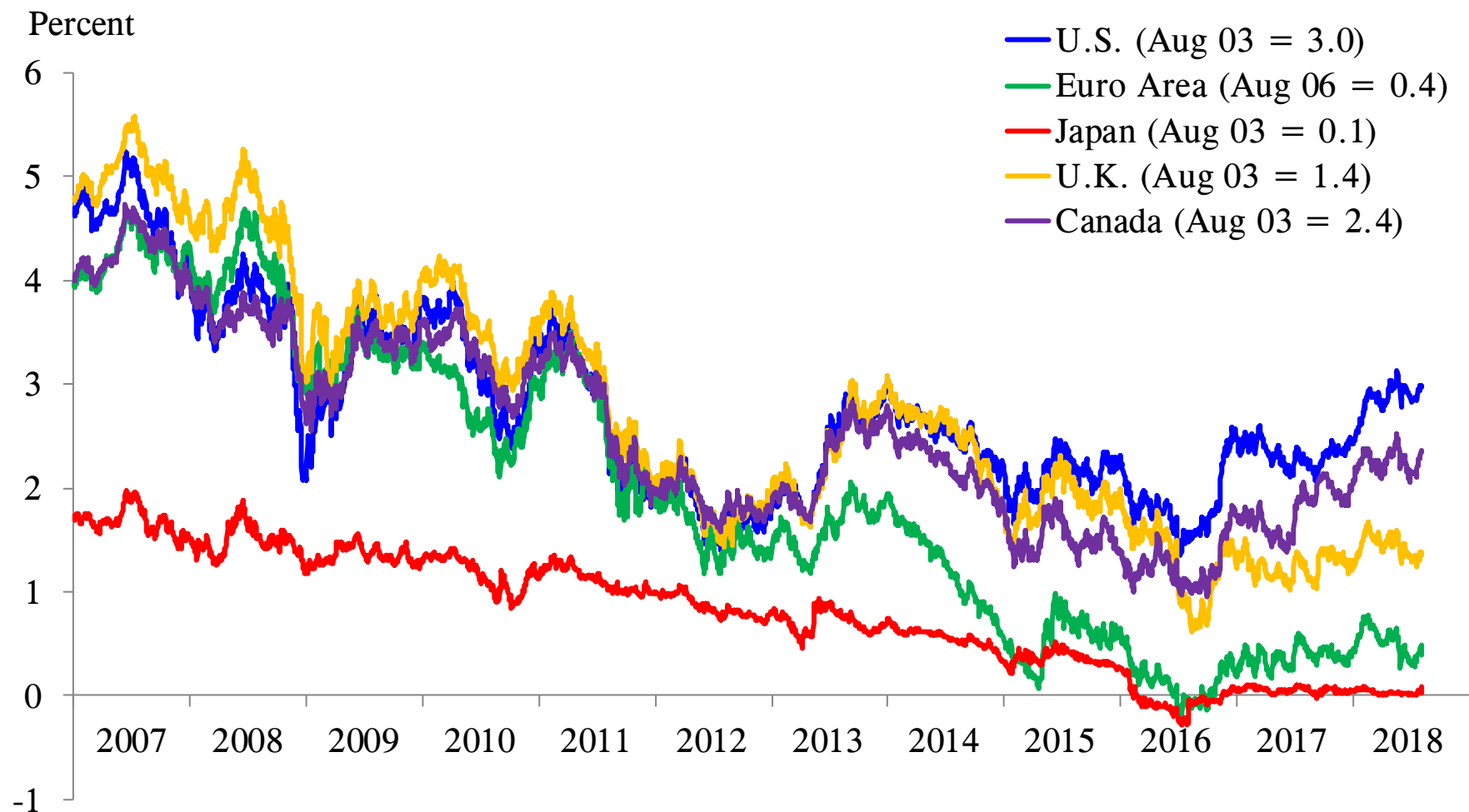
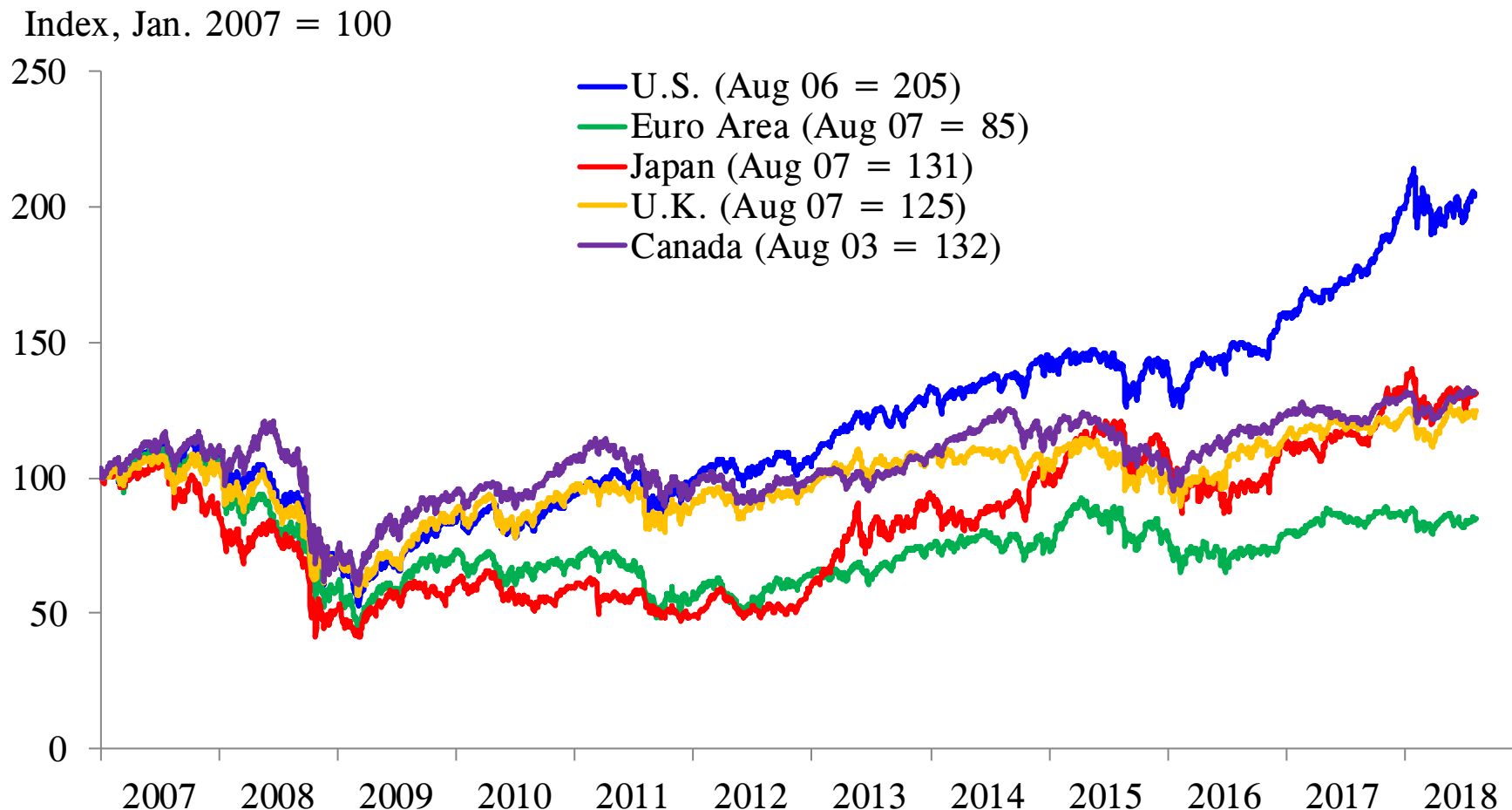
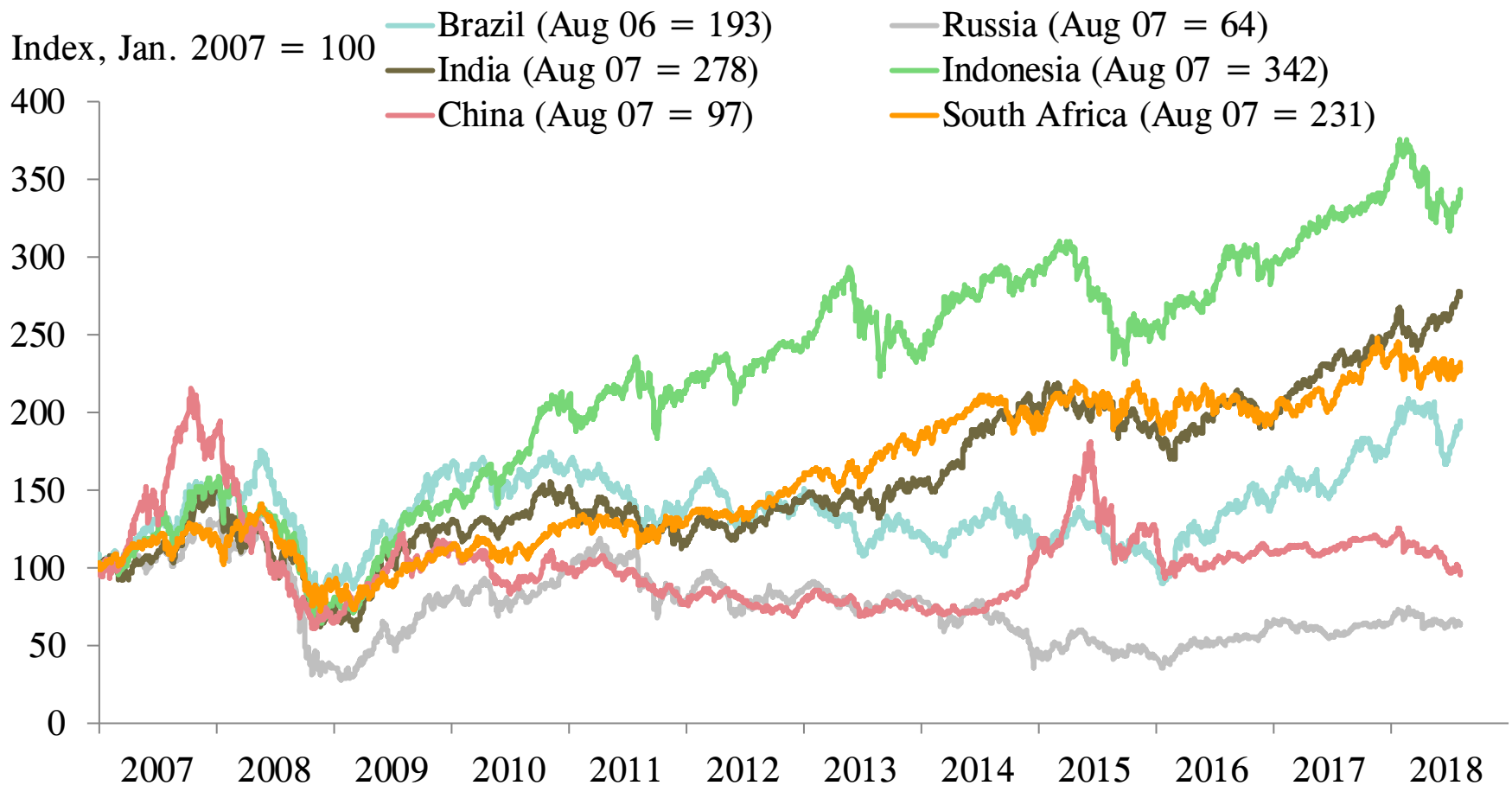


Chart 16. Stock Market Indexes in Major Advanced Economies



NOTE: Stock market indexes are the Dow Jones Industrial Average Index for the U.S., the EURO STOXX 50 Price Index for the Euro Area, the Nikkei 225 Average Index for Japan, the FTSE 100 Index for the U.K. and the S&P/TSX Composite Index for Canada.

Chart 17. Stock Market Indexes in Major Emerging Economies



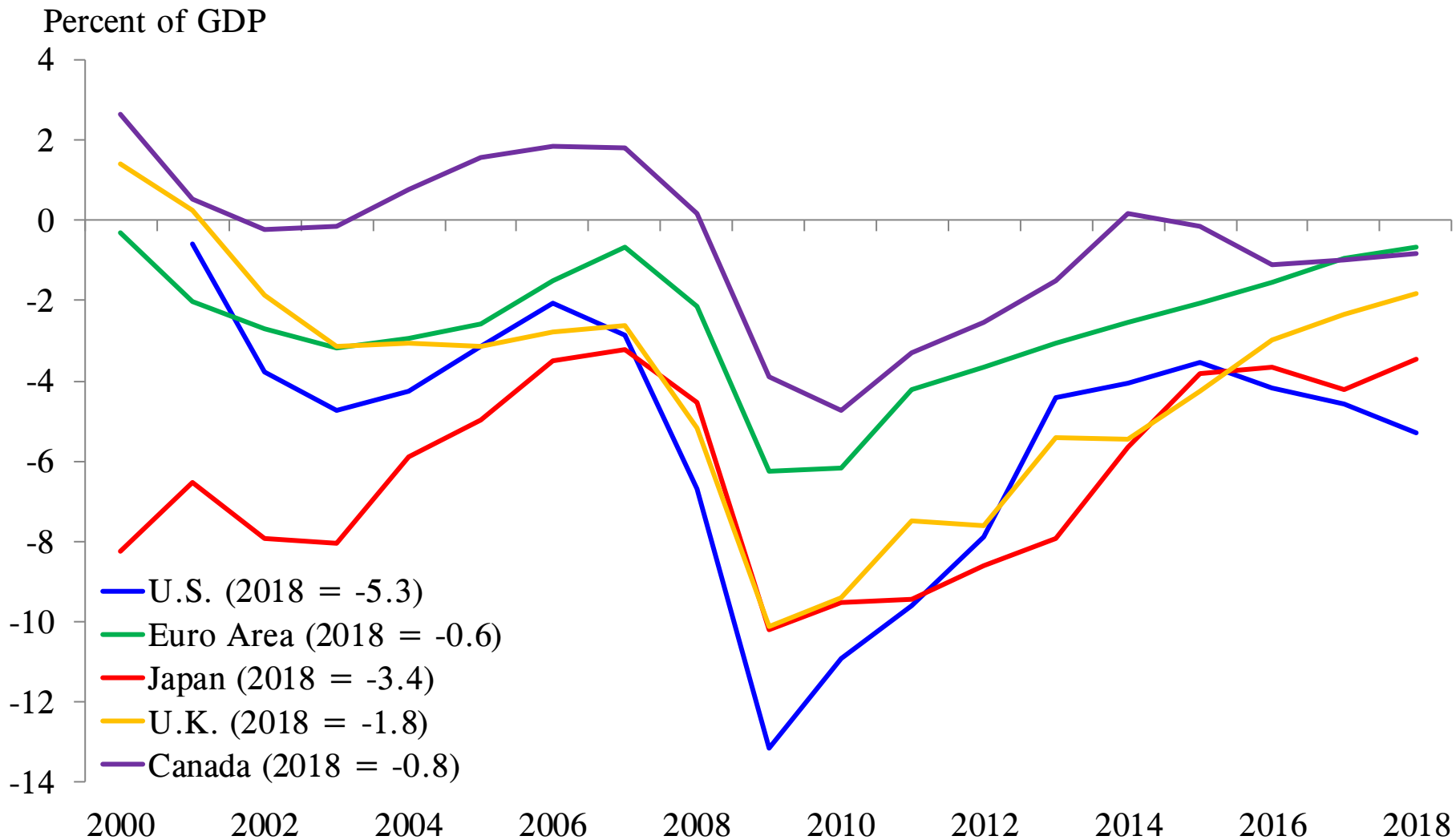
NOTE: Stock market indexes are the Bovespa Index for Brazil, the RTS Index for Russia, the Bombay SENSEX for India, the Jakarta Composite for Indonesia, the New Shanghai Stock Exchange Composite Index for China and the Johannesburg Stock Exchange Top 40 Index for South Africa.



Public Finances

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Chart 18. General Government Net Lending/Borrowing



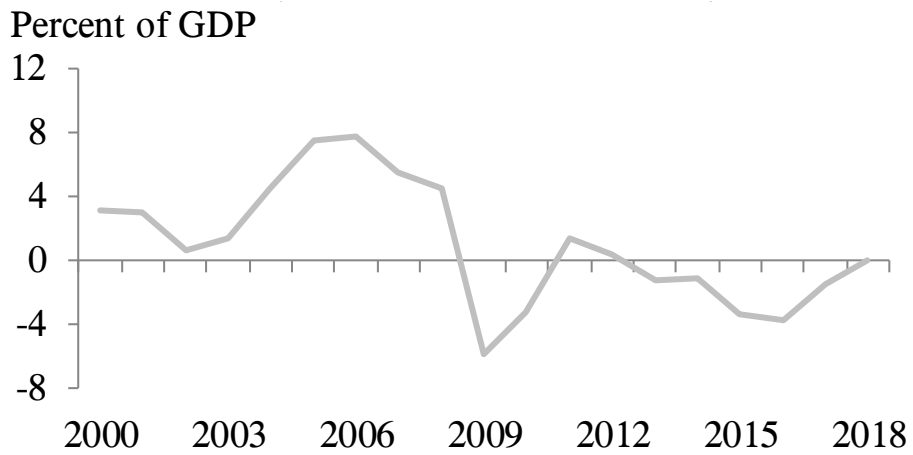
NOTES: Data for 2018 are estimates; Data for 2017 for Japan and Canada are also estimates.

Chart 19a. General Government Net Lending/Borrowing

Brazil (2018 = -8.3)



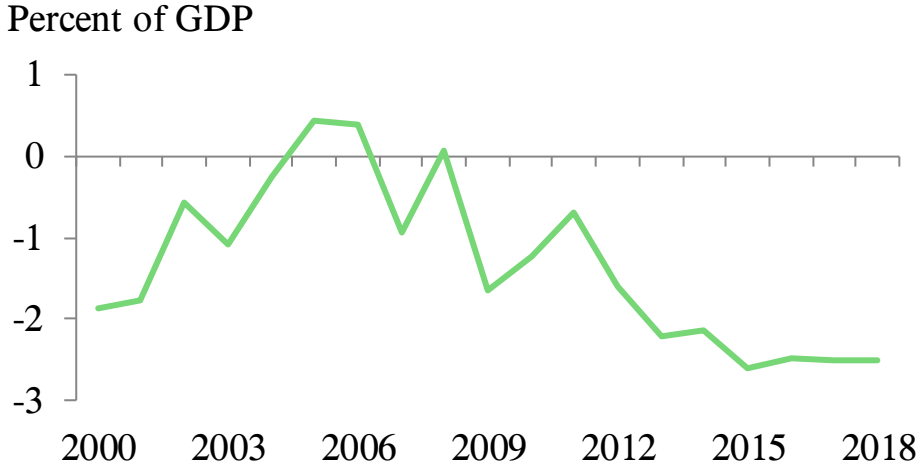
Russia (2018 = 0.0)



India (2018 = -6.5)



Indonesia (2018 = -2.5)

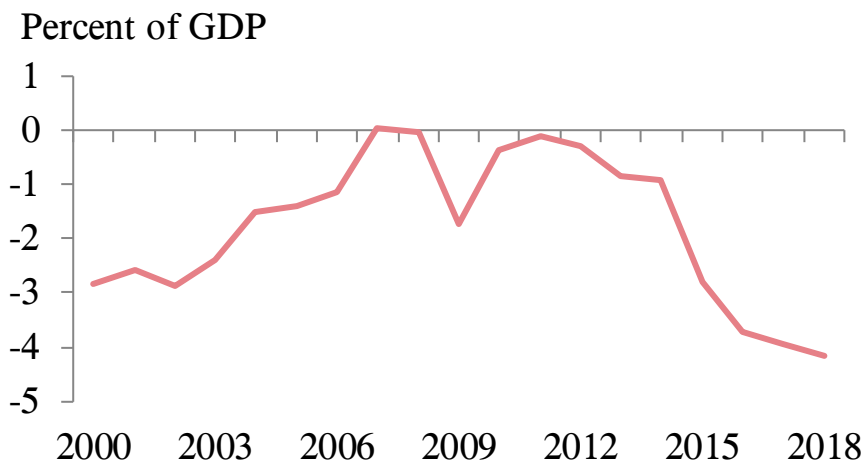


NOTES: Data for 2018 are estimates; Data point for 2017 for Indonesia is also an estimate.

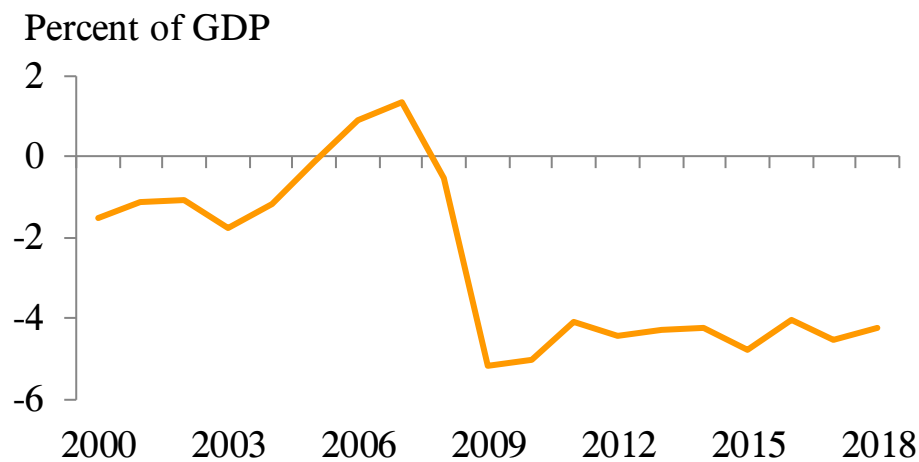
Sources: International Monetary Fund; Haver Analytics

Chart 19b. General Government Net Lending/Borrowing

China (2018 = -4.1)



South Africa (2018 = -4.2)

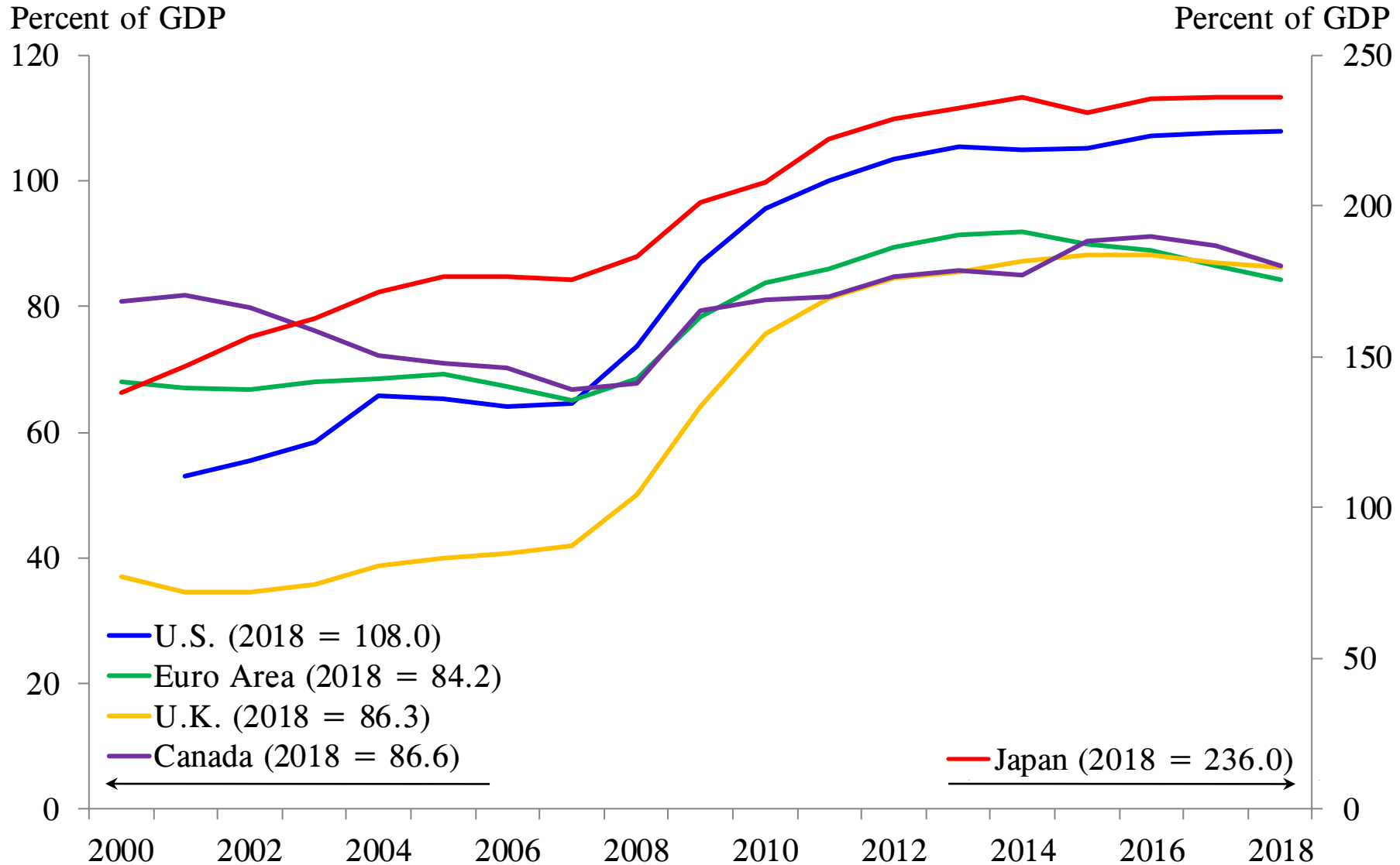


NOTE: Data for 2017 and 2018 are estimates.

Sources: International Monetary Fund; Haver Analytics



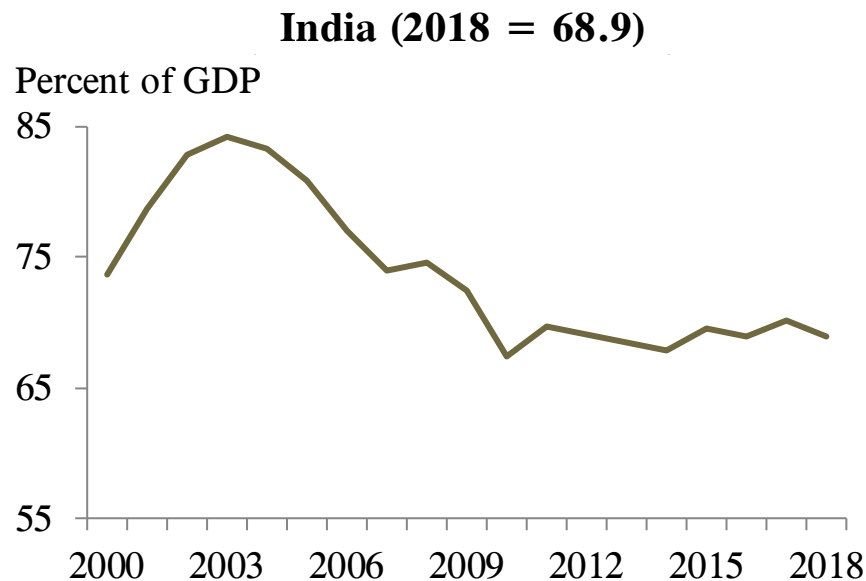
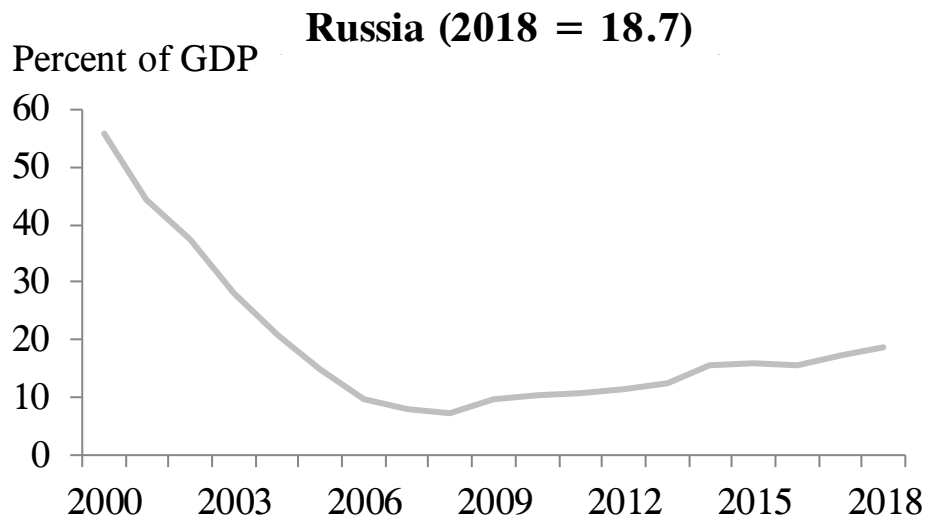
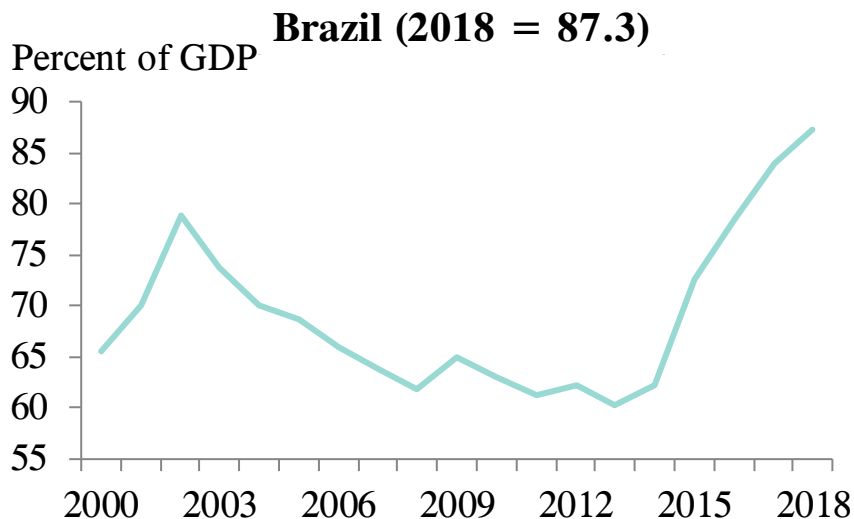
Chart 20. General Government Gross Debt



NOTES: Data for 2018 are estimates; Data for 2017 for Japan and Canada are also estimates.

Sources: International Monetary Fund; Haver Analytics

Chart 21a. General Government Gross Debt



NOTES: Data for 2018 are estimates; Data point for 2017 for Indonesia is also an estimate.

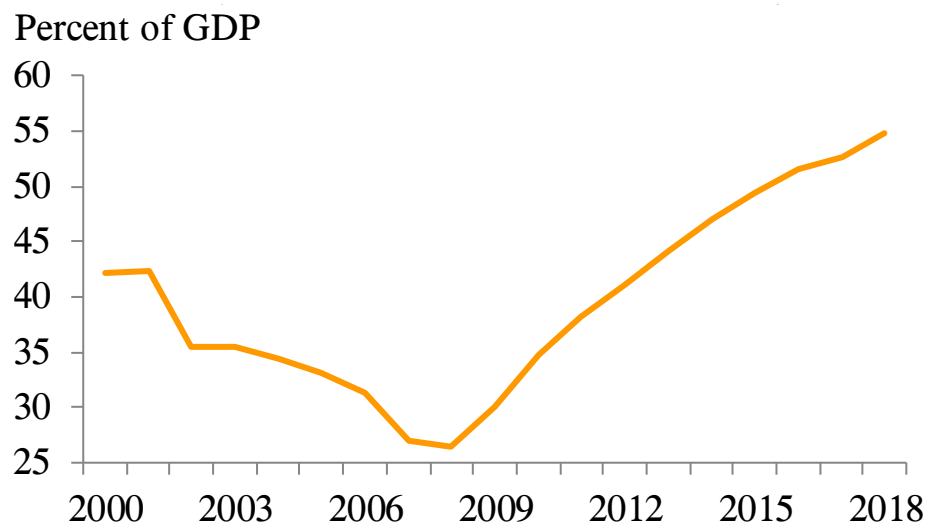
Sources: International Monetary Fund; Haver Analytics

Chart 21b. General Government Gross Debt

China (2018 = 51.2)



South Africa (2018 = 54.9)



NOTES: Data for 2018 are estimates; Data point for 2017 for South Africa is also an estimate.

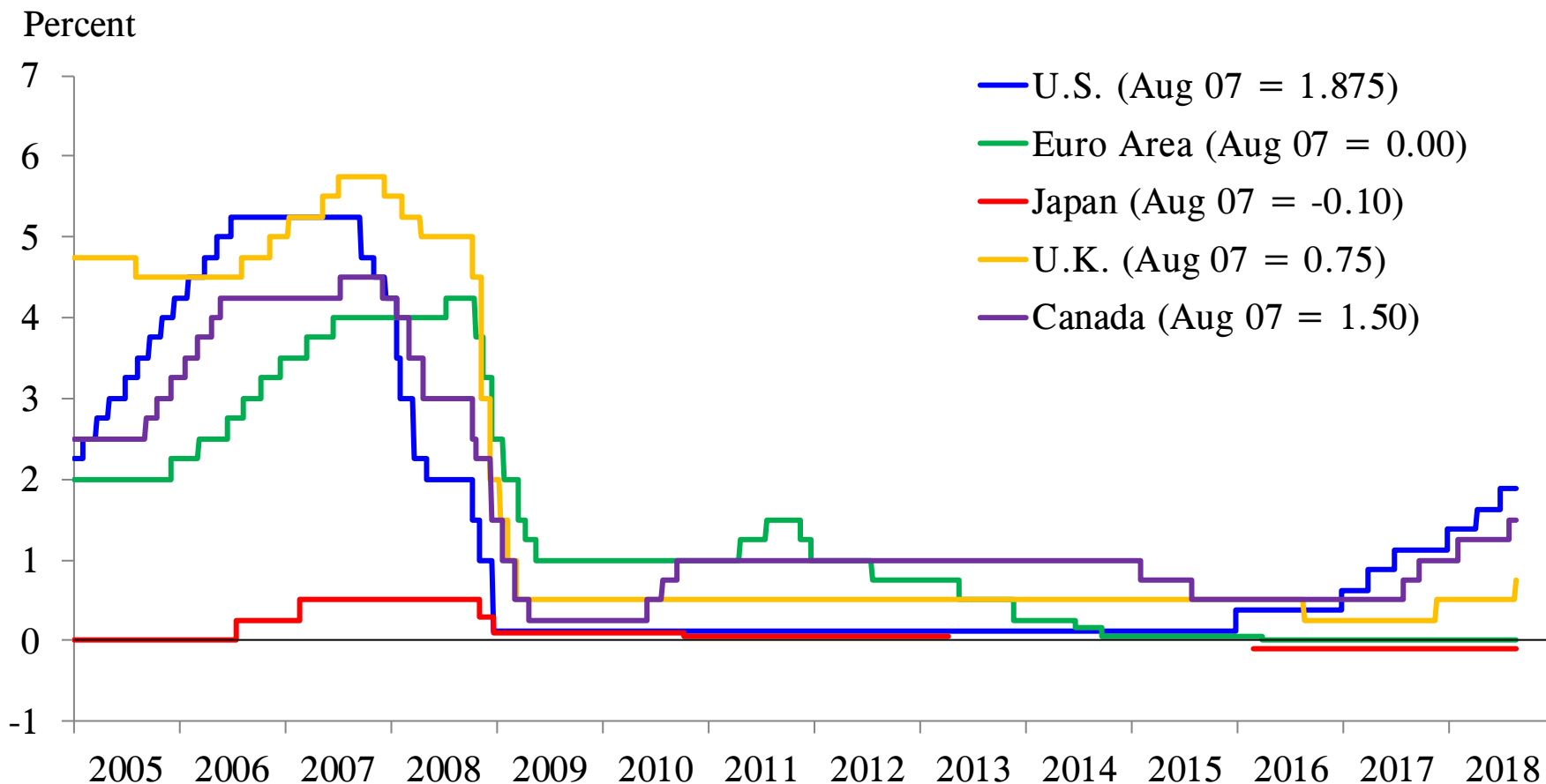
Sources: International Monetary Fund; Haver Analytics



Monetary Policy

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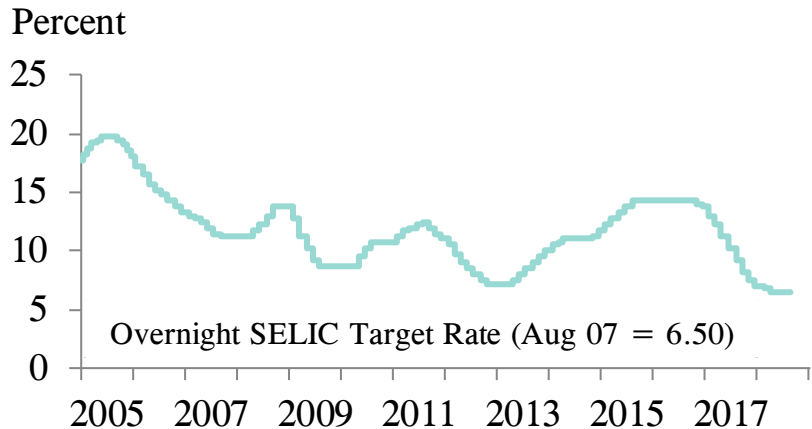
Chart 22. Central Bank Policy Rates in Major Advanced Economies



NOTES: The chart plots the federal funds rate for the U.S., the main refinancing operation rate for the Euro Area, the base rate for the U.K., the overnight target rate for Canada and the uncollateralized overnight call rate for Japan applied until April 3, 2013, before the main operating policy target changed to expanding the monetary base. On February 16, 2016, the Bank of Japan (BoJ) adopted negative interest rates applied to excess reserves that financial institutions hold at the BoJ. The Bank also introduced an interest rate target of around 0 percent for its 10-year government bond yields in September 2016.

Chart 23a. Central Bank Policy Rates in Major Emerging Economies

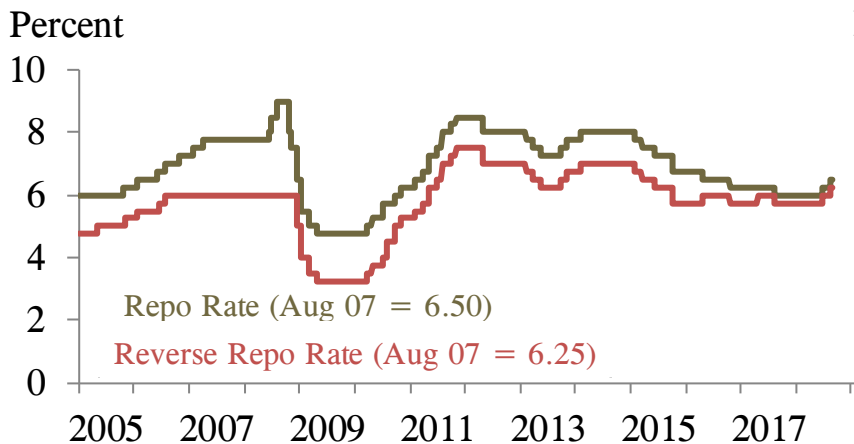
Brazil



Russia



India



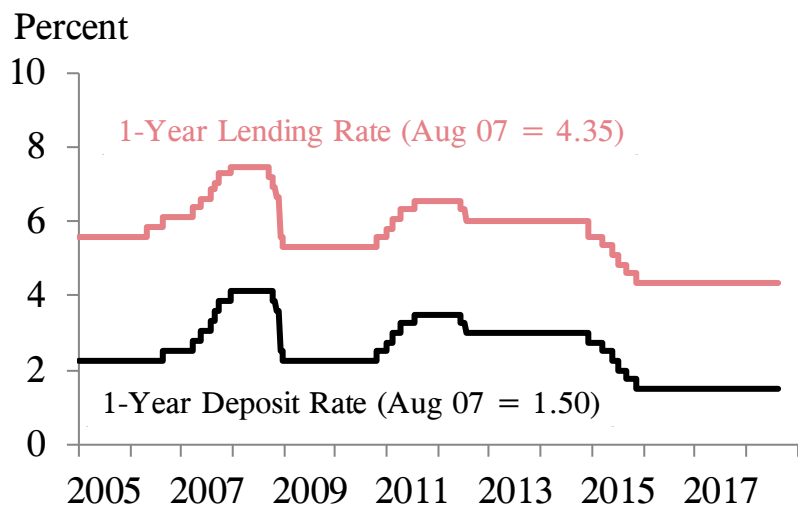
Indonesia



NOTE: The Reserve Bank of India utilizes the repo rate to inject liquidity into the monetary system and the reverse repo rate to remove liquidity. On August 19, 2016, the Bank of Indonesia changed its policy rate from the BI rate to the 7-day reverse repo rate.

Chart 23b. Central Bank Policy Rates in Major Emerging Economies

China



South Africa

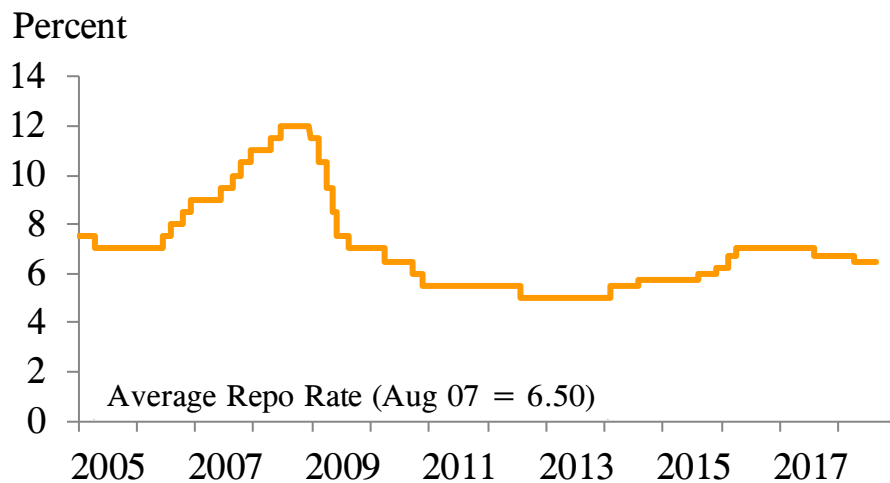
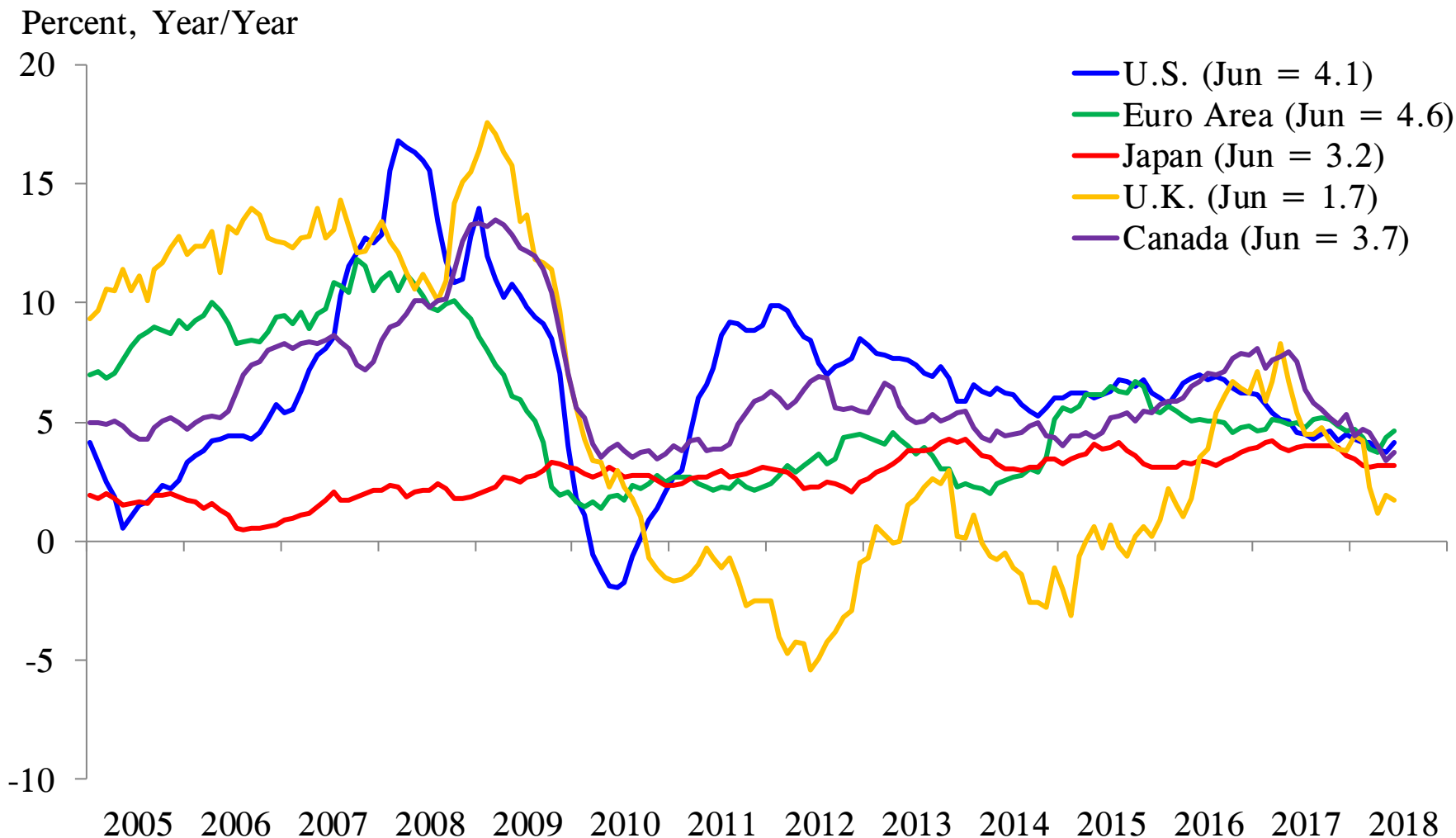
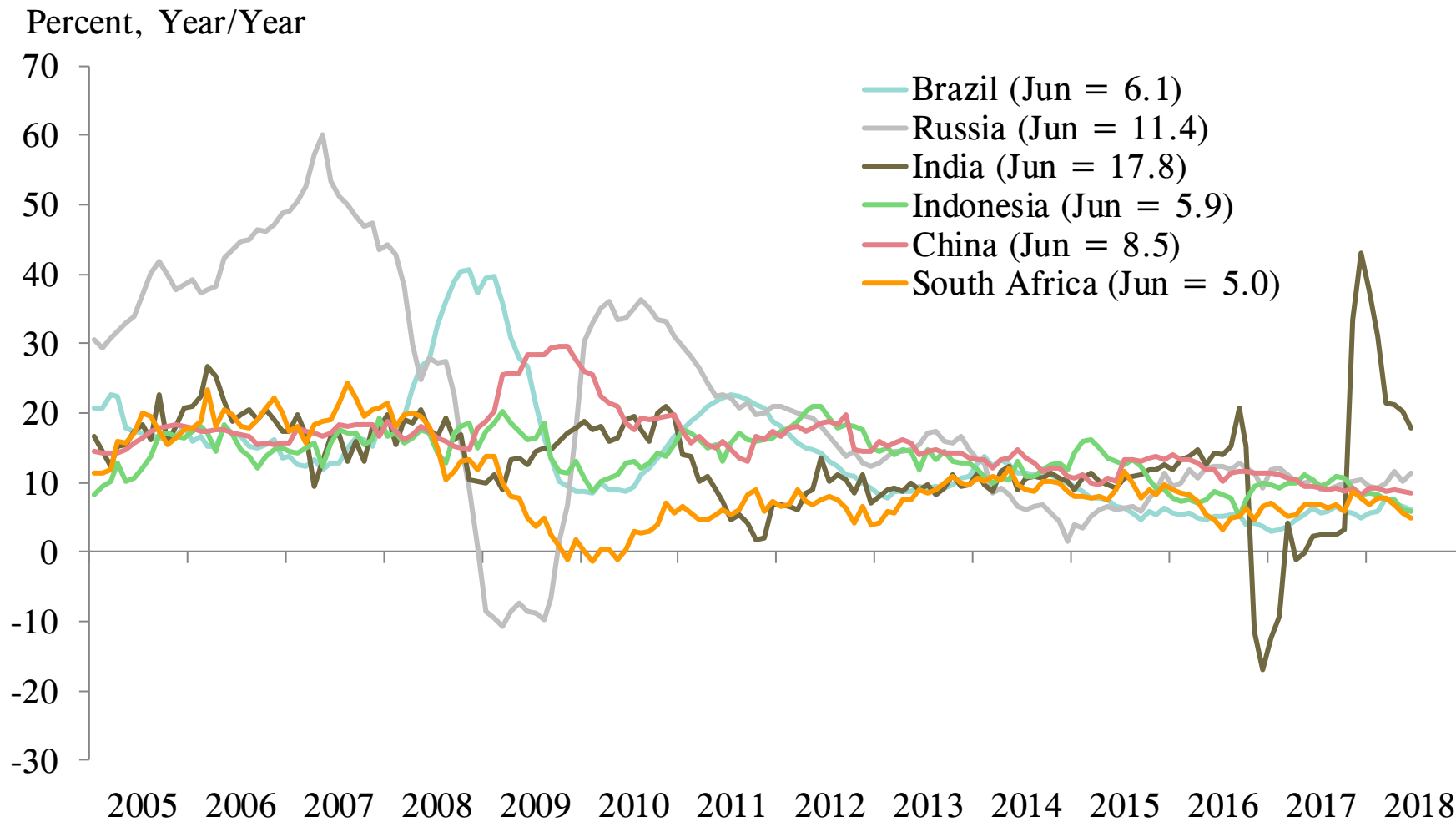


Chart 24. Money Supply Growth in Major Advanced Economies



NOTE: The chart plots MZM in the U.S, M2 in the Euro Area, Japan and Canada and M4 in the U.K.

Chart 25. Money Supply Growth in Major Emerging Economies



NOTE: The chart plots M2 for each country.

Sources: National Central Banks; Haver Analytics



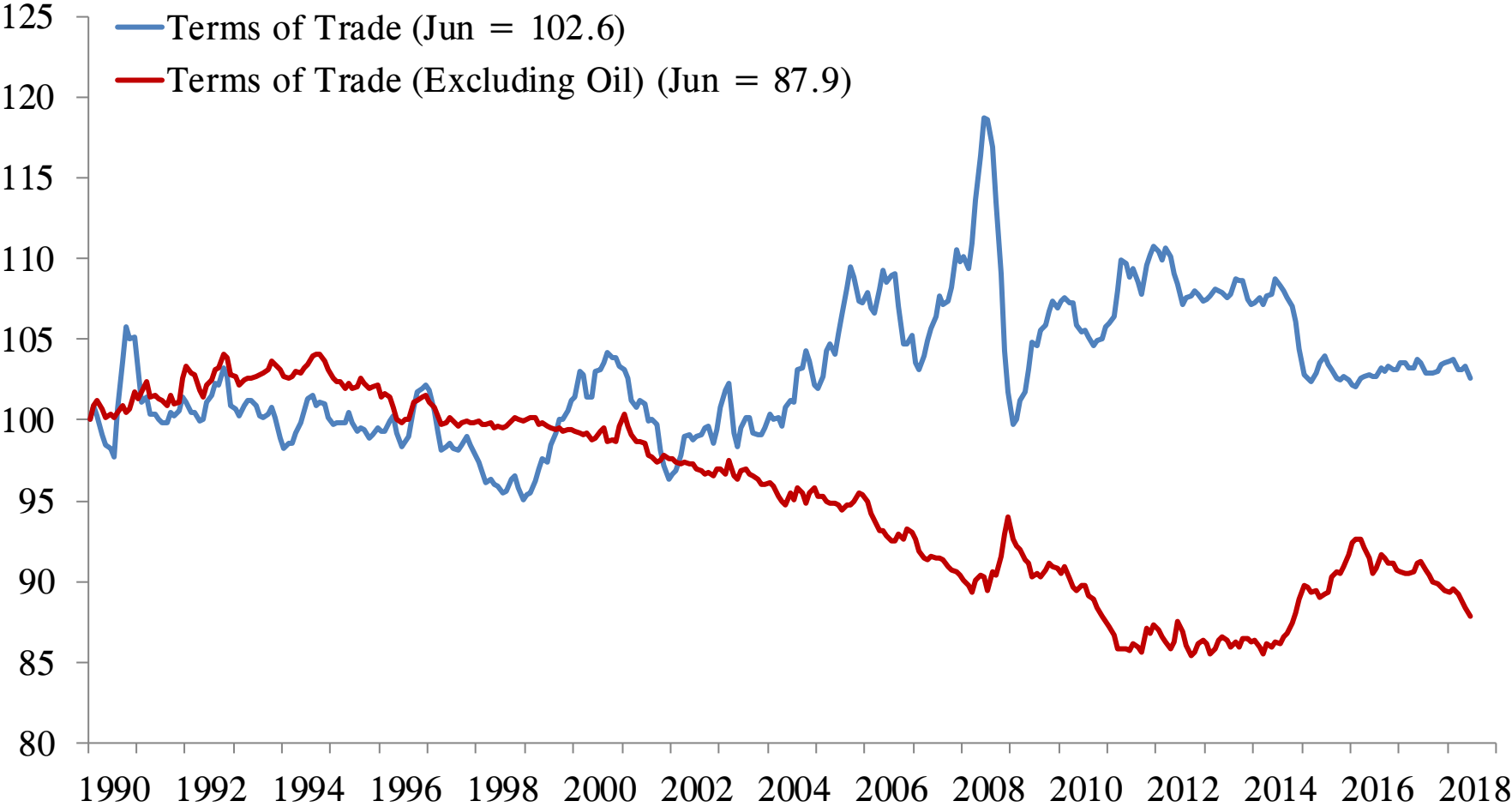
U.S. External Accounts

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Chart 26. U.S. Terms of Trade

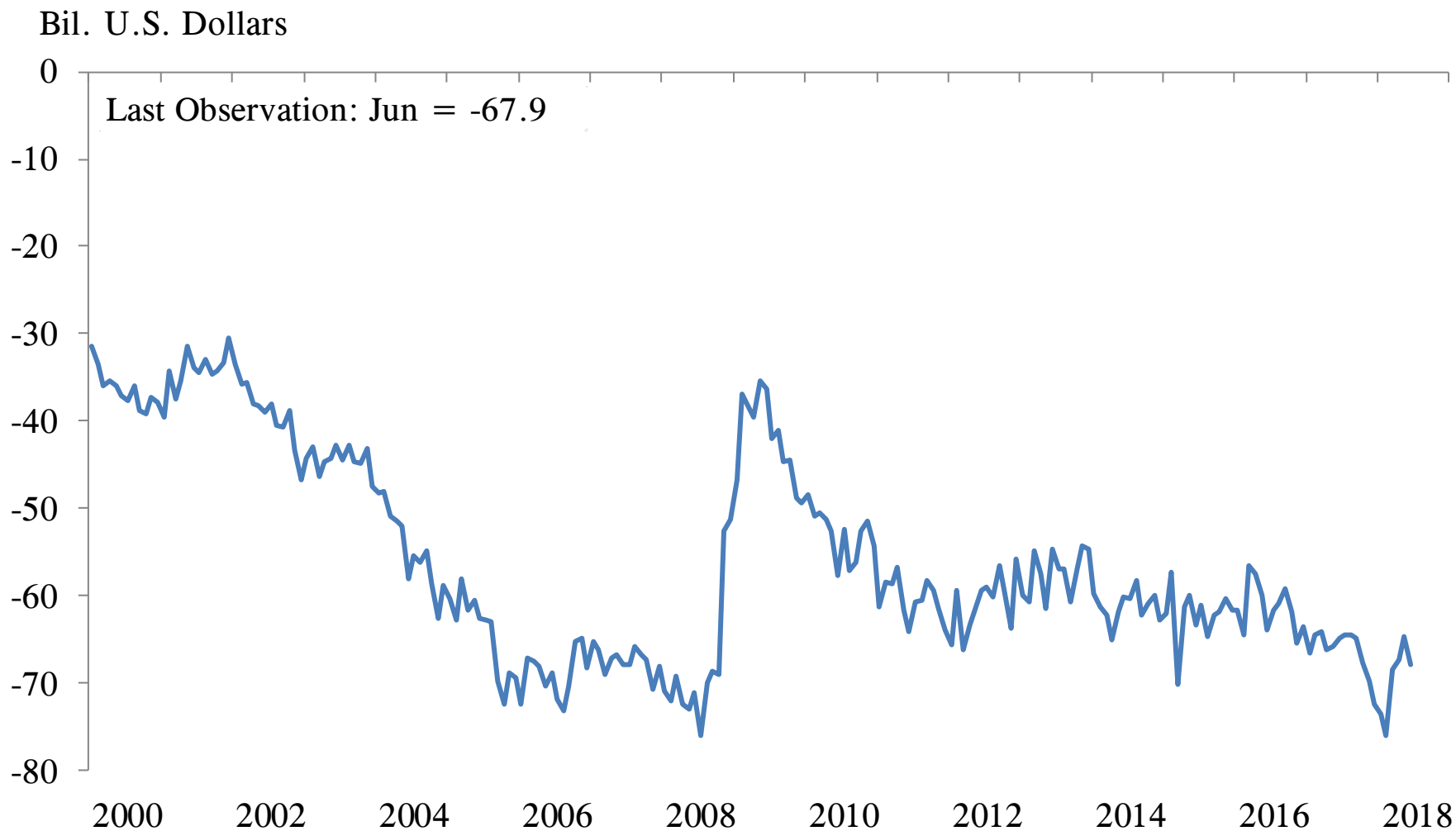
Index, Jan. 1990 = 100



NOTE: U.S. terms of trade are calculated as the import price index/export price index.



Chart 27. U.S. Nominal Trade Balance, Customs Value

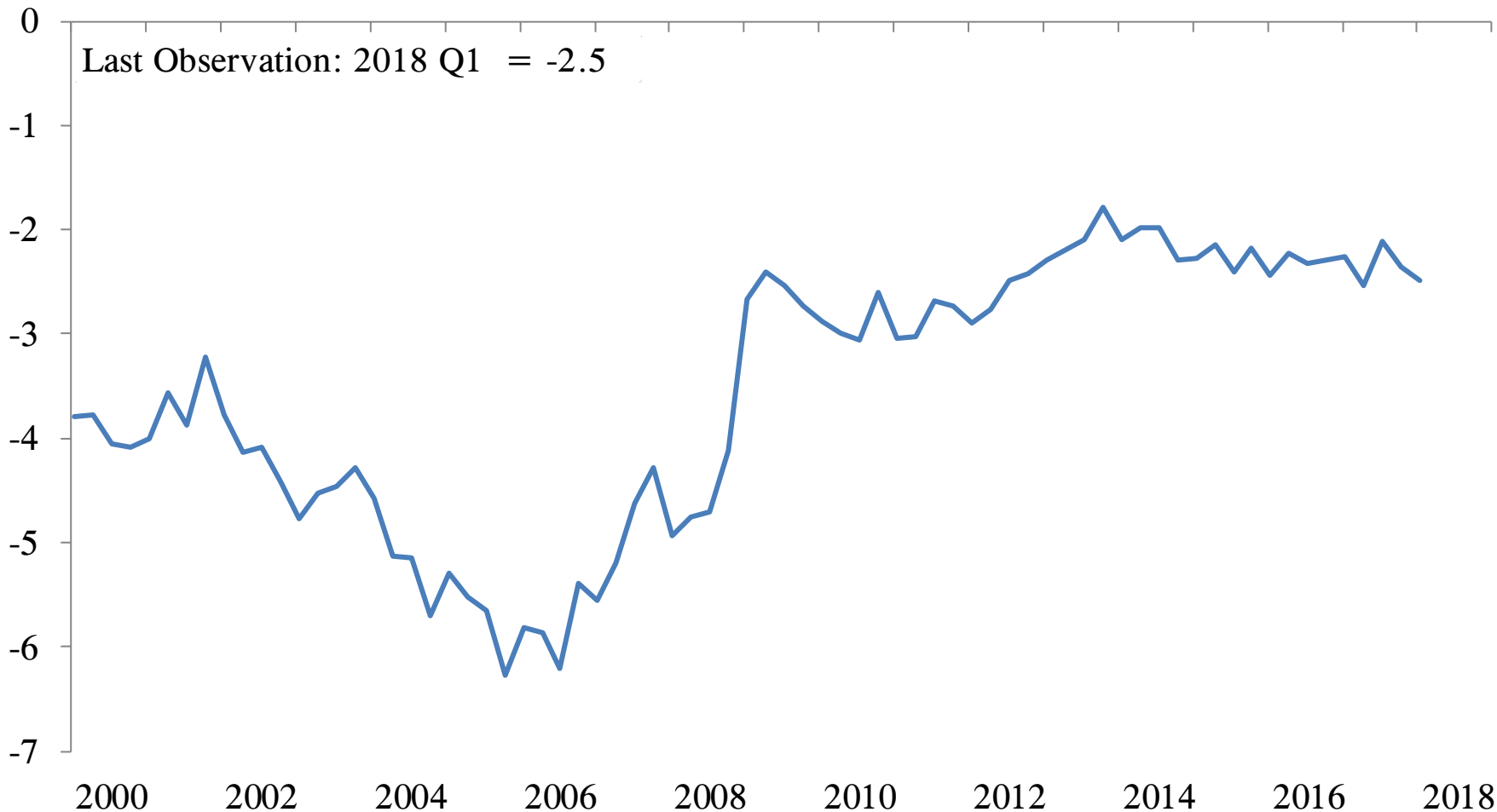


NOTE: The chart plots the nominal trade balance in goods.



Chart 28. U.S. Current Account Balance

Percent of GDP

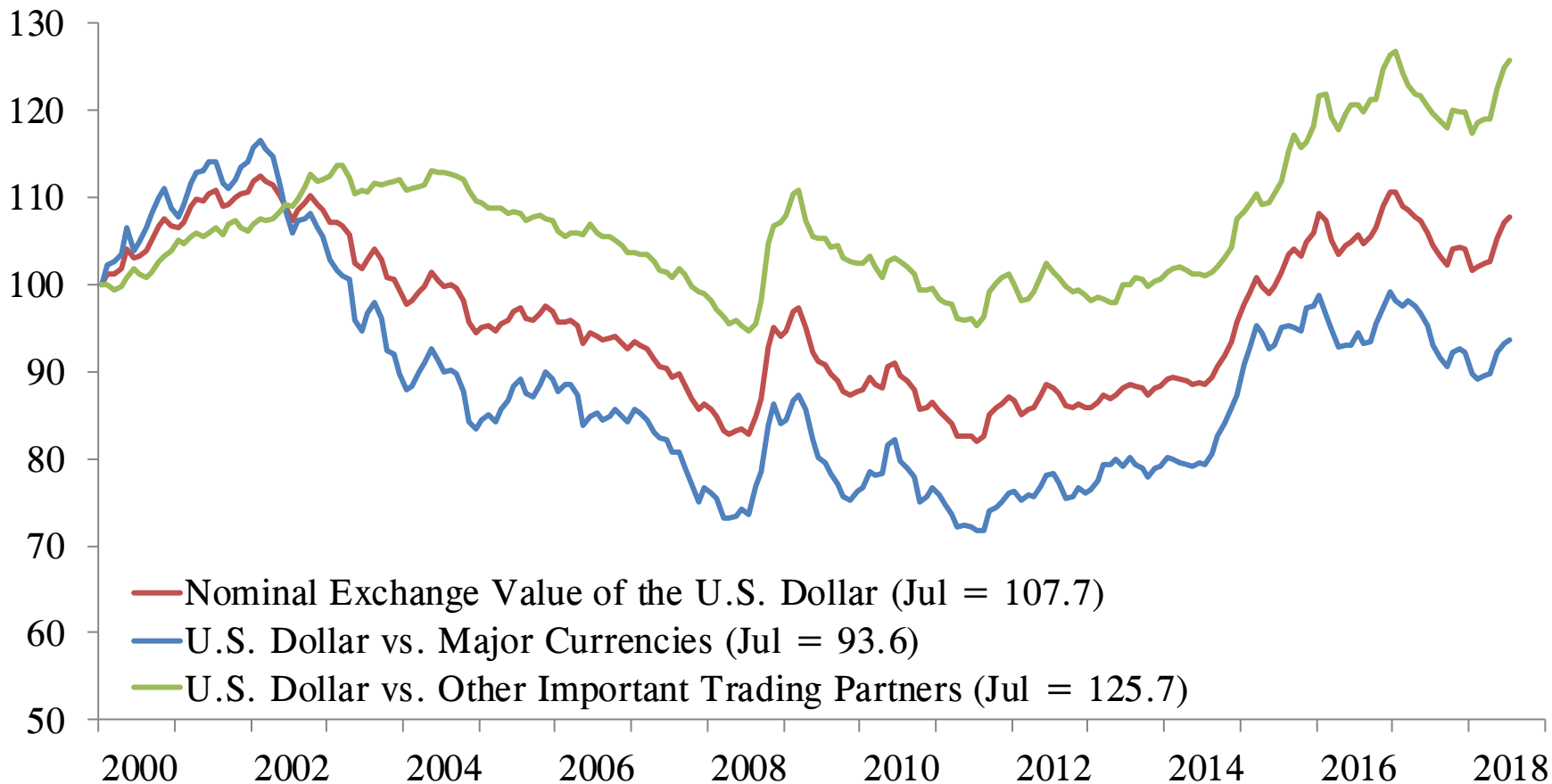


NOTE: All values are nominal.



Chart 29. Nominal Value of the U.S. Dollar

Index, Jan. 2000 = 100

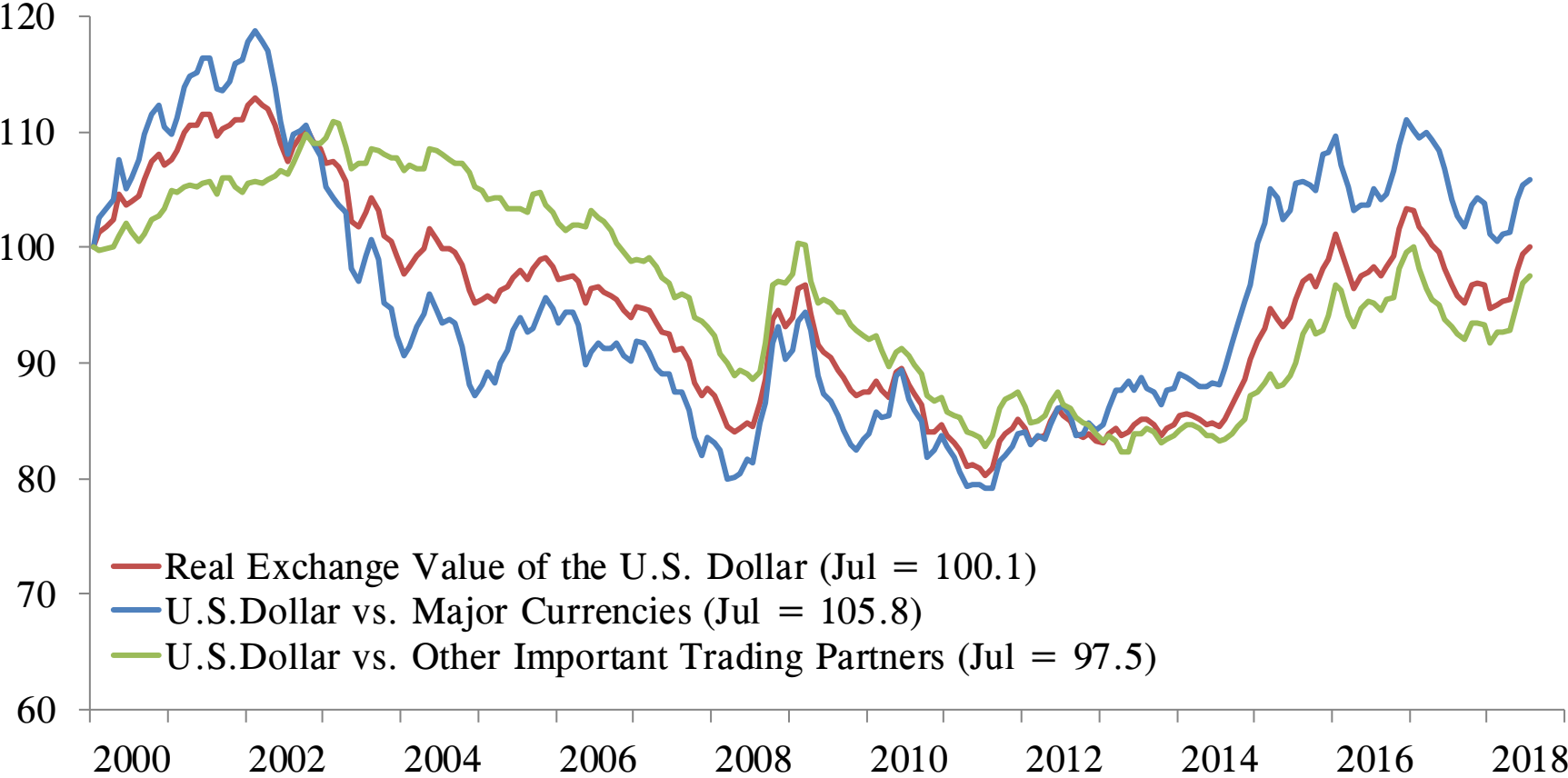


NOTE: Countries or regions whose currencies are included in the major currencies index are the Euro Area, Canada, Japan, United Kingdom, Switzerland, Australia and Sweden. Countries included in the other important trading partners index are Mexico, China, Taiwan, Korea, Singapore, Hong Kong, Malaysia, Brazil, Thailand, Philippines, Indonesia, India, Israel, Saudi Arabia, Russia, Argentina, Venezuela, Chile and Colombia. An increase in each index represents an appreciation of the U.S. dollar and a decrease represents a depreciation.



Chart 30. Real Value of the U.S. Dollar

Index, Jan. 2000 = 100



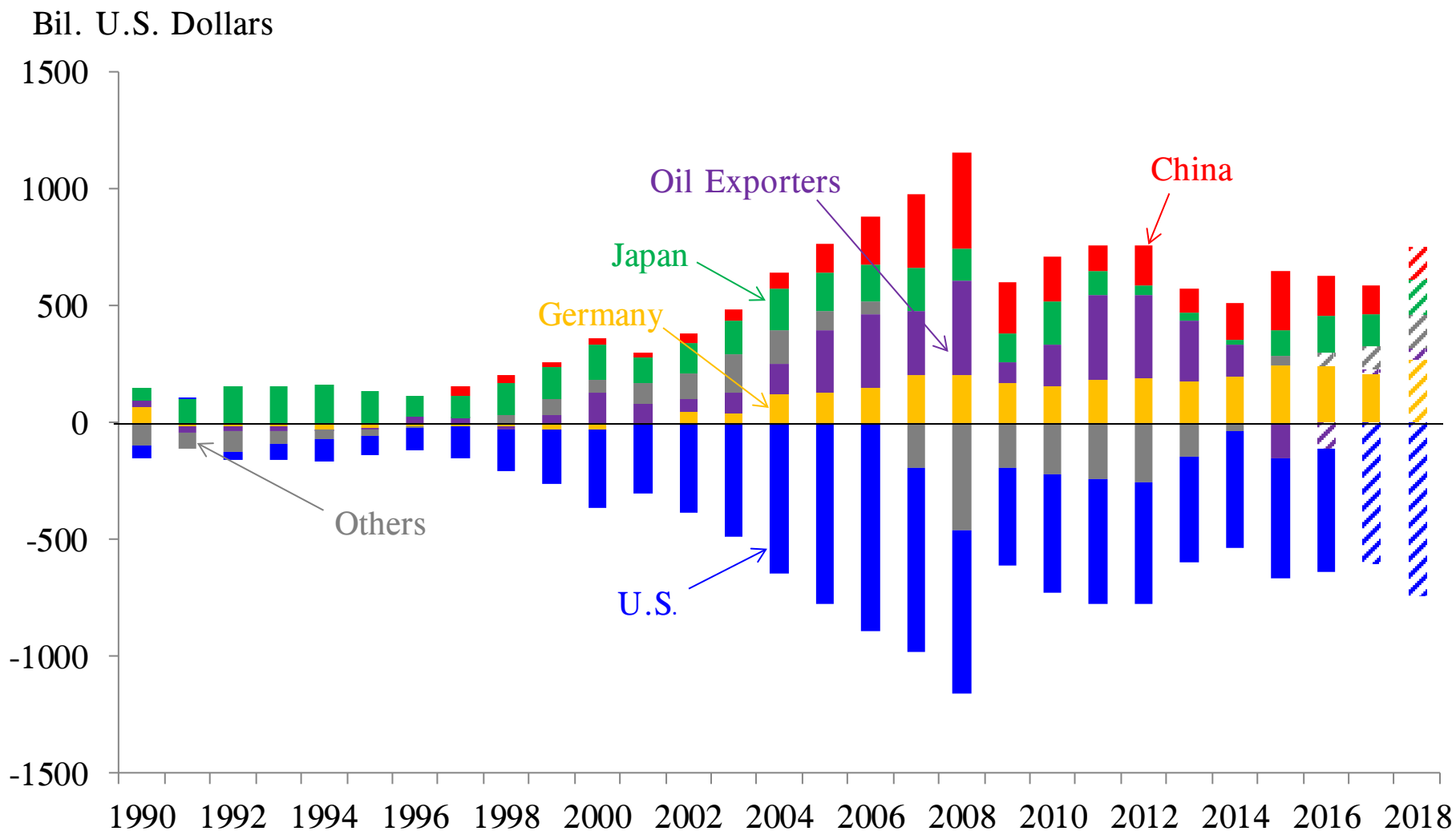
NOTE: Countries or regions whose currencies are included in the major currencies index are the Euro Area, Canada, Japan, United Kingdom, Switzerland, Australia and Sweden. Countries included in the other important trading partners index are Mexico, China, Taiwan, Korea, Singapore, Hong Kong, Malaysia, Brazil, Thailand, Philippines, Indonesia, India, Israel, Saudi Arabia, Russia, Argentina, Venezuela, Chile and Colombia. An increase in each index represents an appreciation of the U.S. dollar and a decrease represents a depreciation.



Current Analysis

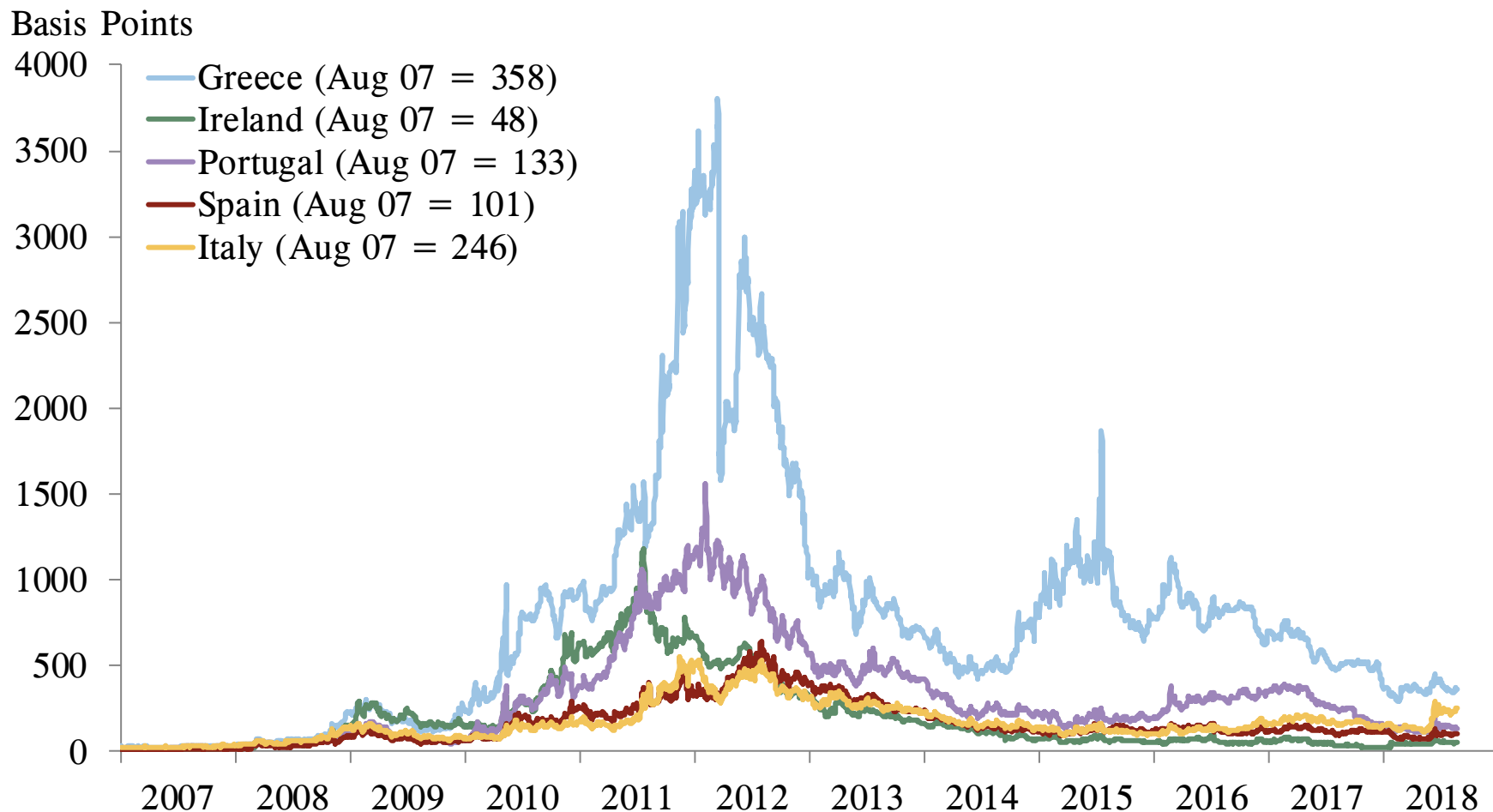
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Chart 31. Global Current Account Balances



NOTE: Oil exporting countries are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, United Arab Emirates and Venezuela. The remaining countries not already listed for which there is data comprise "Others". Striped columns denote forecasts.

Chart 32. Bond Spreads for Select Euro Area Economies

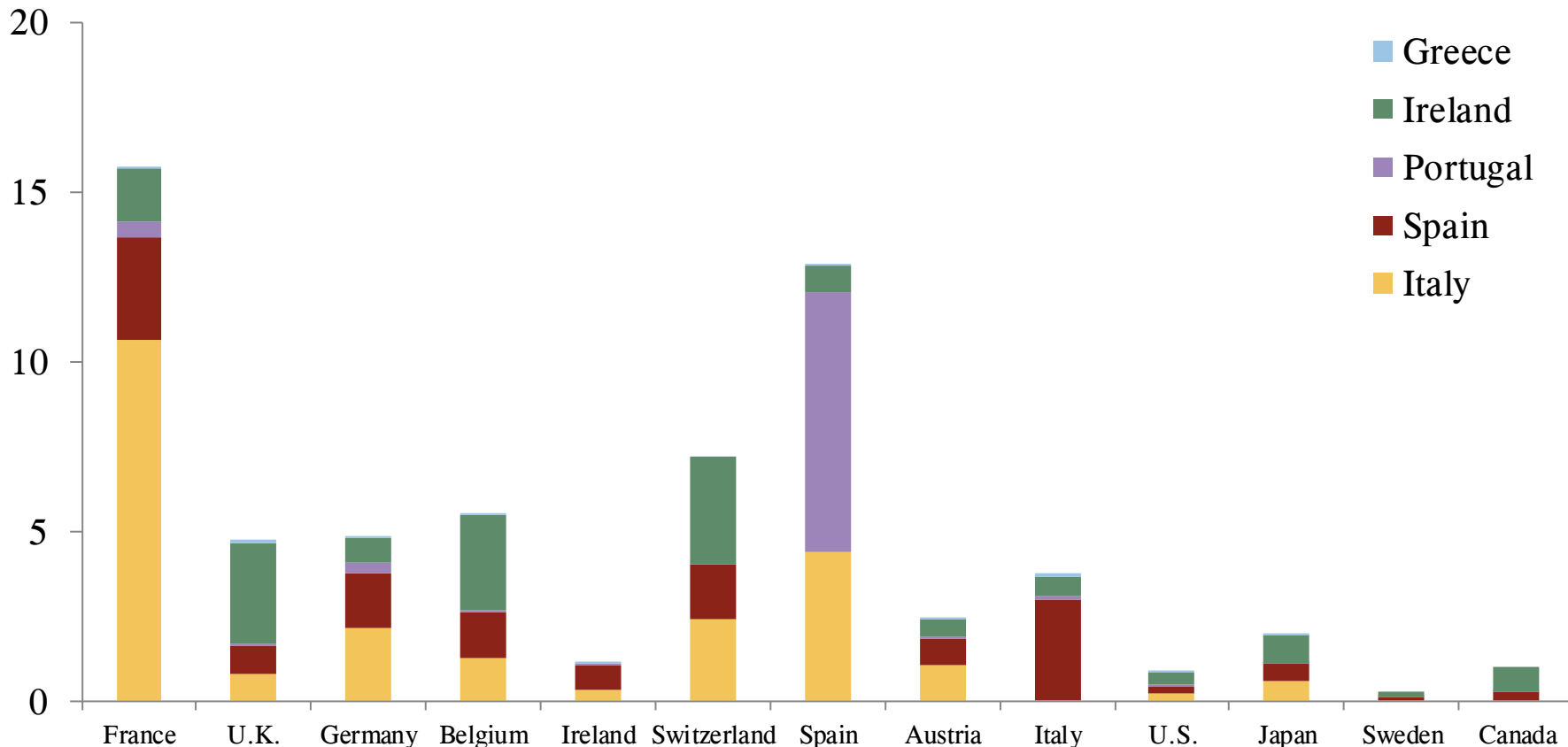


NOTE: The chart shows the spread, or difference, in interest rates between 10-year government bonds for various countries and German 10-year government bonds.

Chart 33. Select Economies' Banking Exposure to Peripheral Euro-Area Sovereign Debt

March 2018

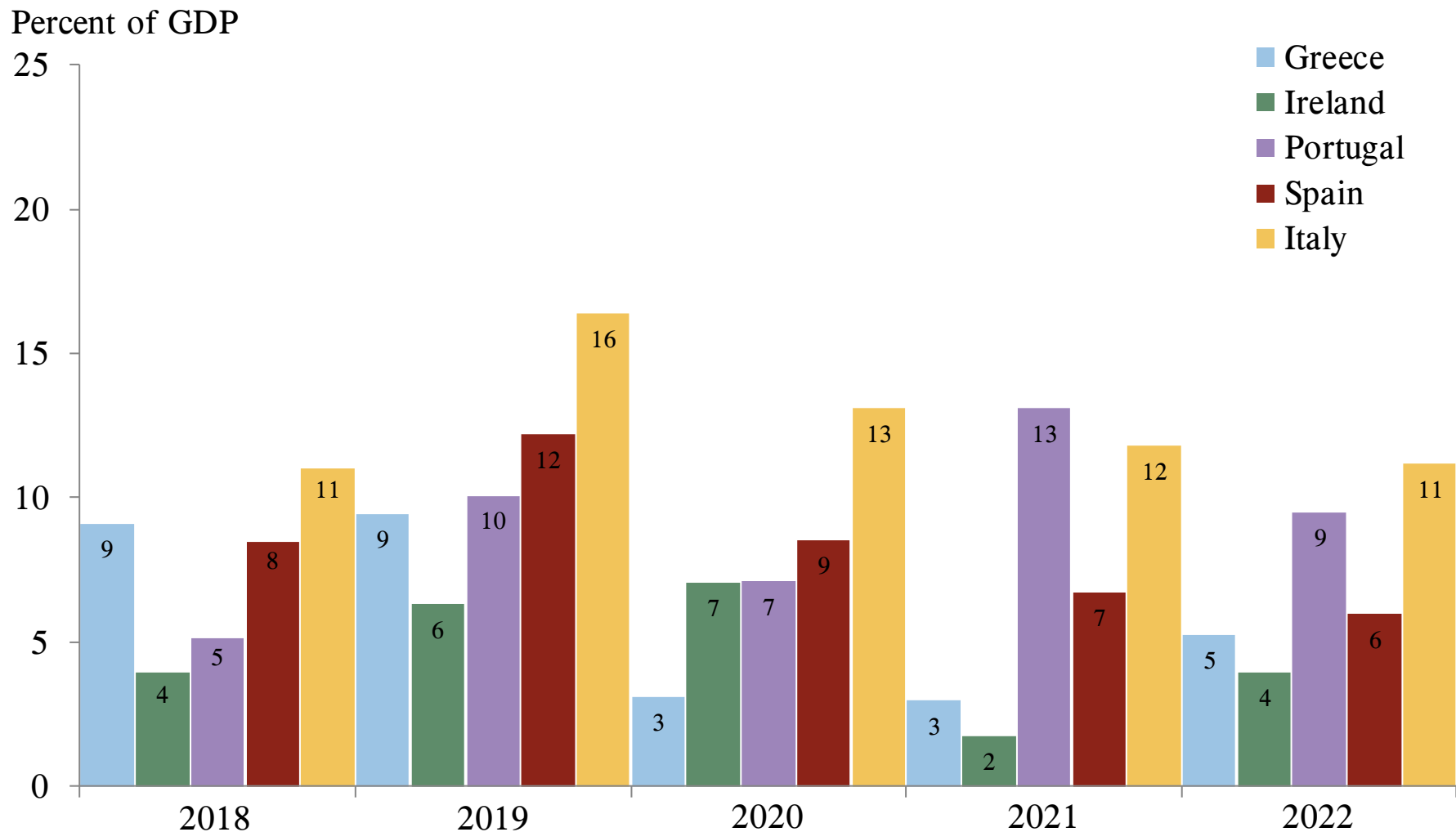
Percent of GDP



NOTES: The chart plots the claims that banks in each country have, as a share of its 2018 GDP, on sovereign debt in Greece, Ireland, Portugal, Spain and Italy. All GDP values are based on International Monetary Fund estimates. All values are nominal.



Chart 34. Sovereign Debt Repayment Schedule for Select Euro-Area Economies



NOTES: Repayment amounts include both principal and accrued interest. All GDP values are projections from the International Monetary Fund. All values are nominal.