

Macro Outlook: Fundamentals Versus Geopolitical Uncertainty

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28 February 2024

Macro outlook 2024 in a nutshell

Positive

- Lower inflation rates
- Interest rate cuts
- Robust labor markets

Negative

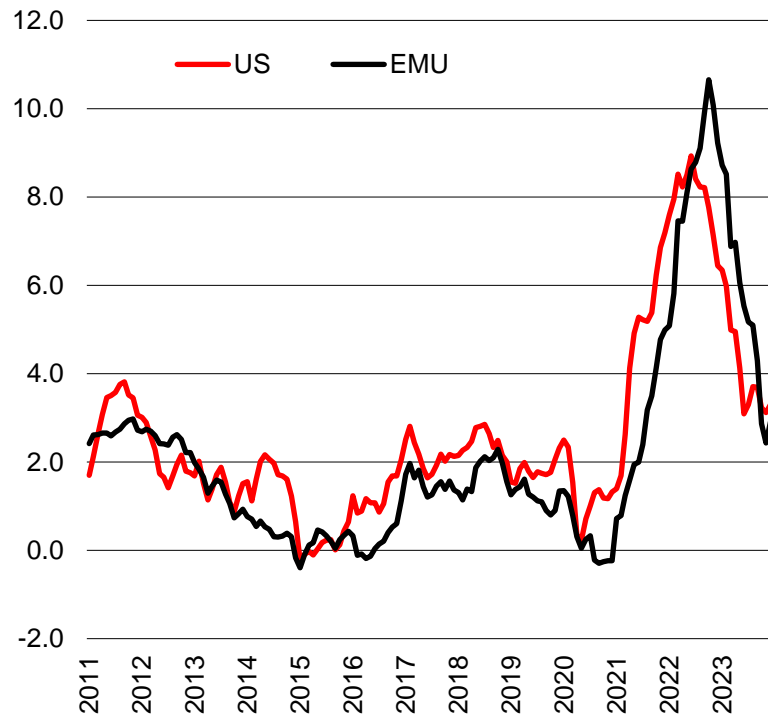
- Lagging effects from rate hikes in 2022/23
- Sluggish Chinese economy
- Geopolitical risks and uncertainty

Global economy: getting better but strong recovery unlikely



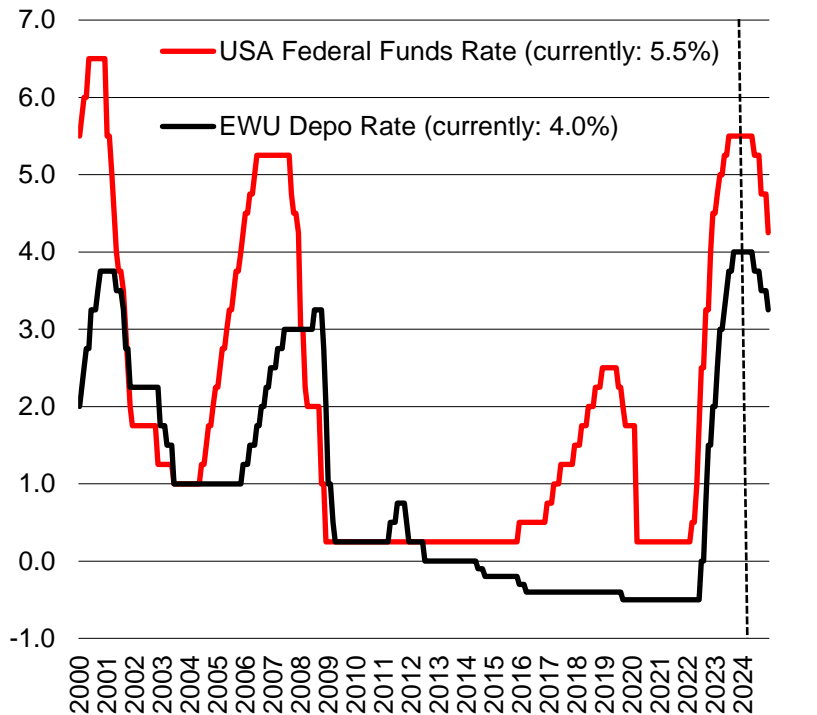
Rate cuts by Fed & ECB only a question of time

Consumer prices, in %



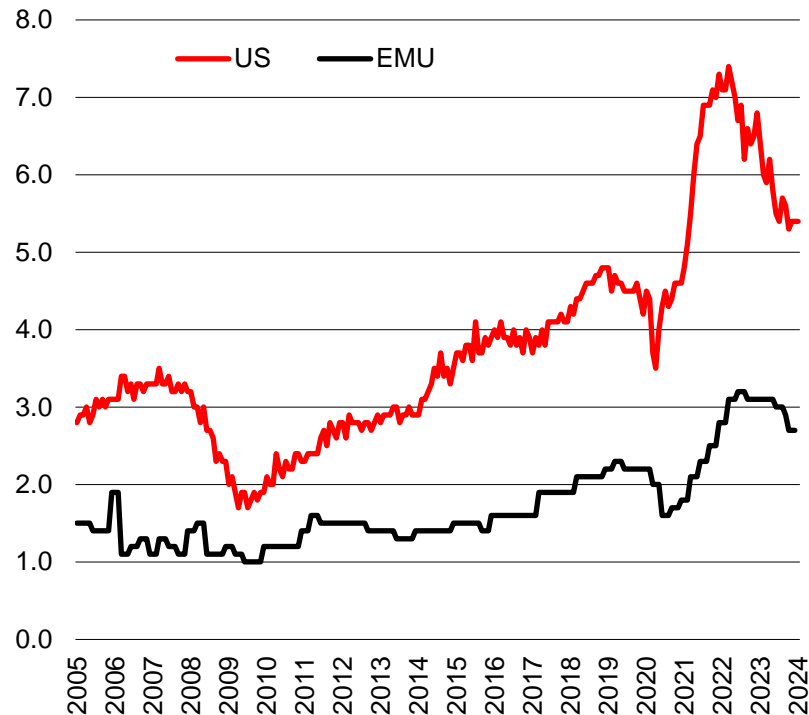
Source: Bloomberg, UniCredit Research

Key rates, in %



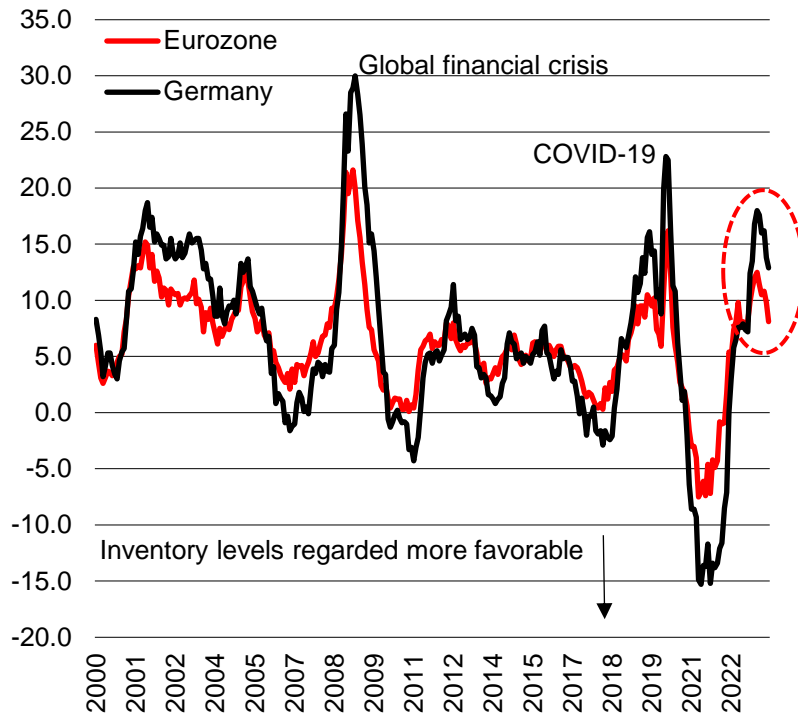
US and Europe: robust labor market, signs of life in manufacturing

Vacancy rate, in %



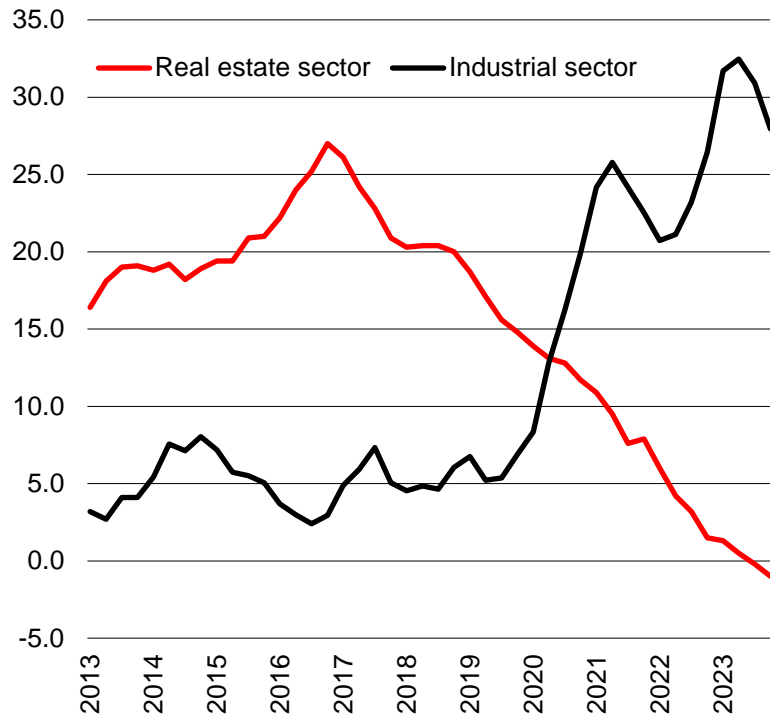
Source: Bloomberg, UniCredit Research

Inventory of finished goods in manufacturing (index)

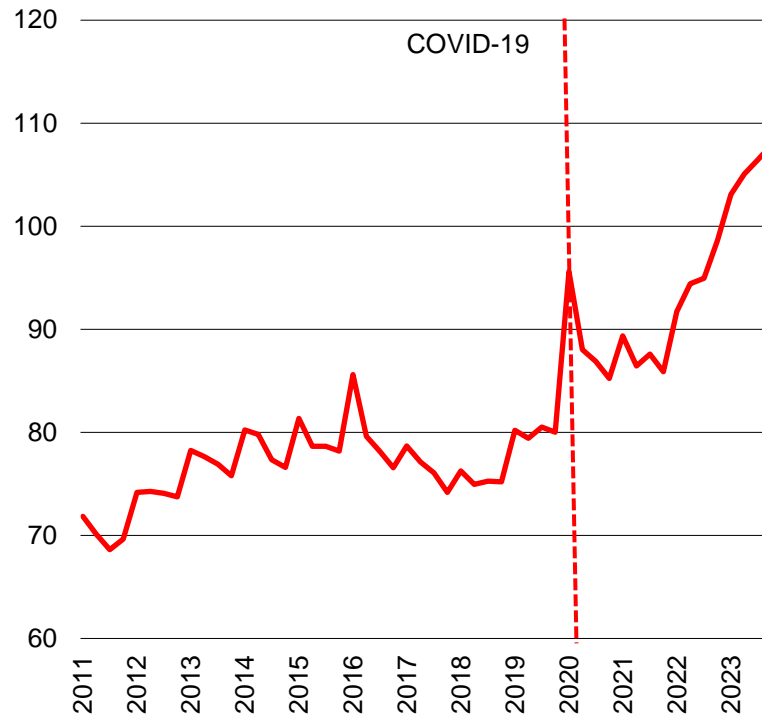


Chinese economy: declining real estate, weak consumer spending

Loans, in % yoy



Household bank deposits, in % of GDP



Source: Bloomberg, UniCredit Research



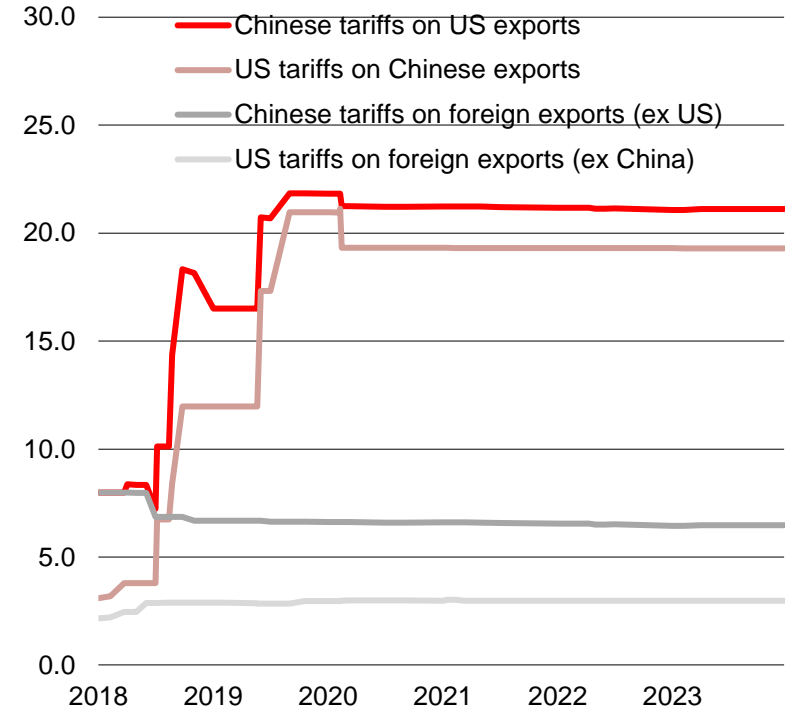
US elections: focus on Inflation Reduction Act and tariffs

Construction spending of manufacturers, in US dollar bn



Source: Bloomberg, Peterson Institute, UniCredit Research

Tariffs, in %



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This report was completed and first published on 4 March 2024 at 14:42.

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