



November 2022

# MACRO INSIGHTS

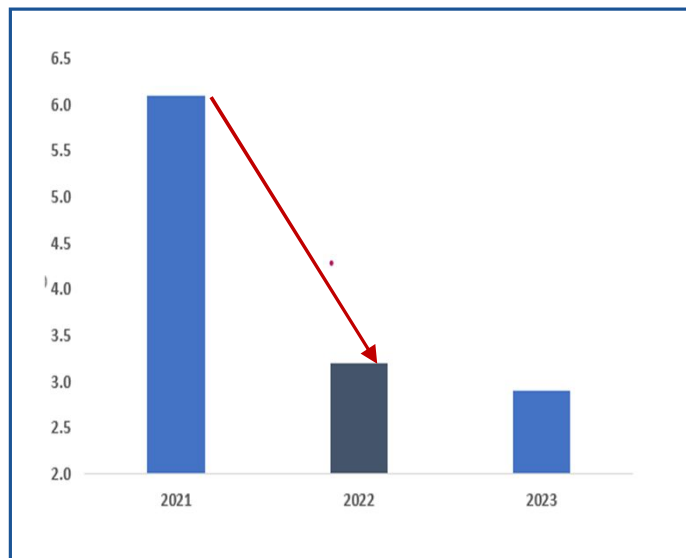
Gero Jung



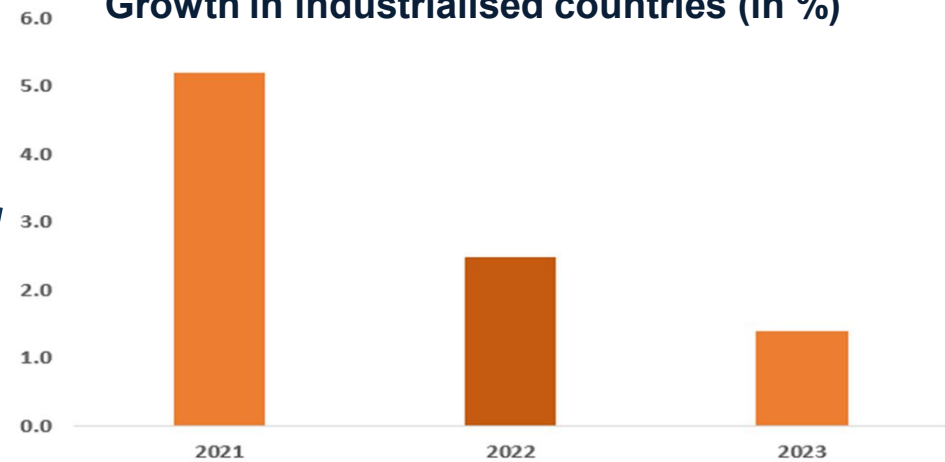
# WORLD ECONOMIC ACTIVITY COOLING DOWN

RISKS FOR GLOBAL GROWTH ARE TILTED TO THE DOWNSIDE

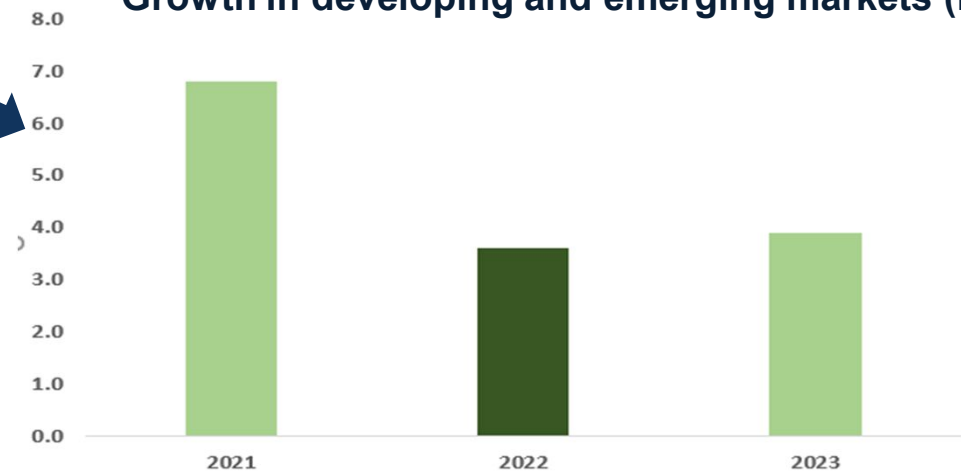
Global economic growth (in %)



Growth in industrialised countries (in %)



Growth in developing and emerging markets (in %)



Source(s): International Monetary Fund

# USA: ENVISAGED FED SCENARIO IS UNLIKELY

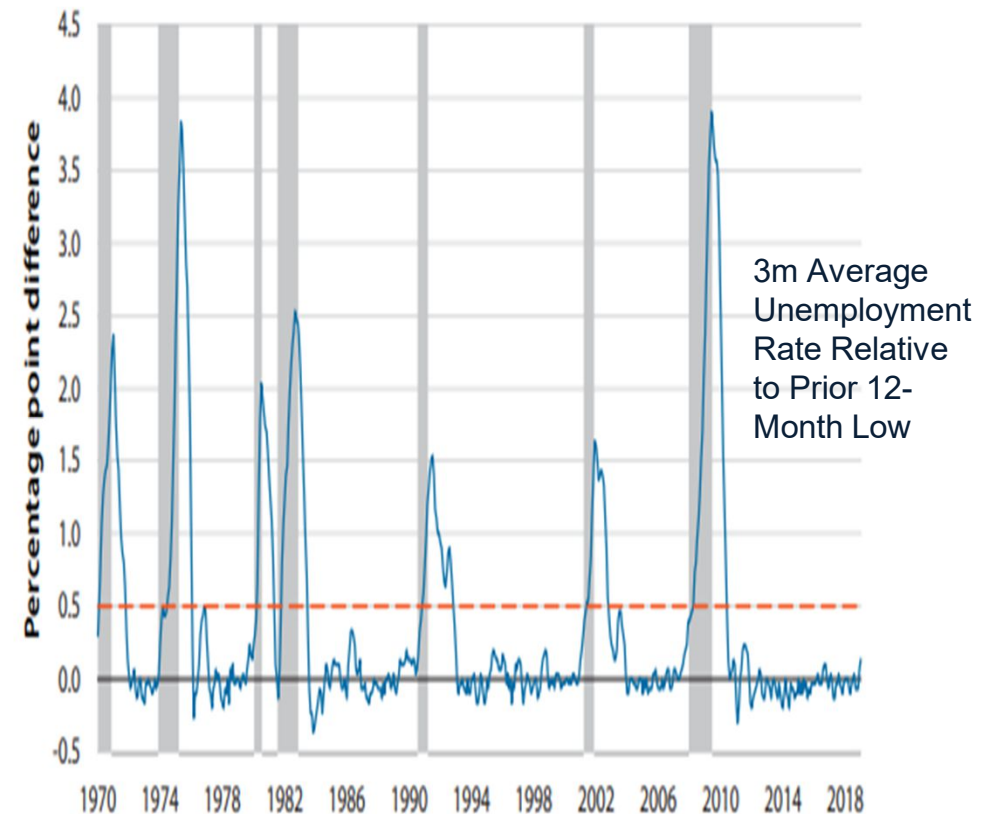
## WE EXPECT A SHALLOW RECESSION GOING FORWARD

Fed is predicting a 'soft landing' scenario

Percent

Variable	Median <sup>1</sup>				
	2022	2023	2024	2025	Longer run
Change in real GDP	0.2	1.2	1.7	1.8	1.8
June projection	1.7	1.7	1.9		1.8
Unemployment rate	3.8	4.4	4.4	4.3	4.0
June projection	3.7	3.9	4.1		4.0
PCE inflation	5.4	2.8	2.3	2.0	2.0
June projection	5.2	2.6	2.2		2.0
Core PCE inflation <sup>4</sup>	4.5	3.1	2.3	2.1	
June projection	4.3	2.7	2.3		
Memo: Projected appropriate policy path					
Federal funds rate	4.4	4.6	3.9	2.9	2.5
June projection	3.4	3.8	3.4		2.5

Can the unemployment rate do what it has never done in US history?

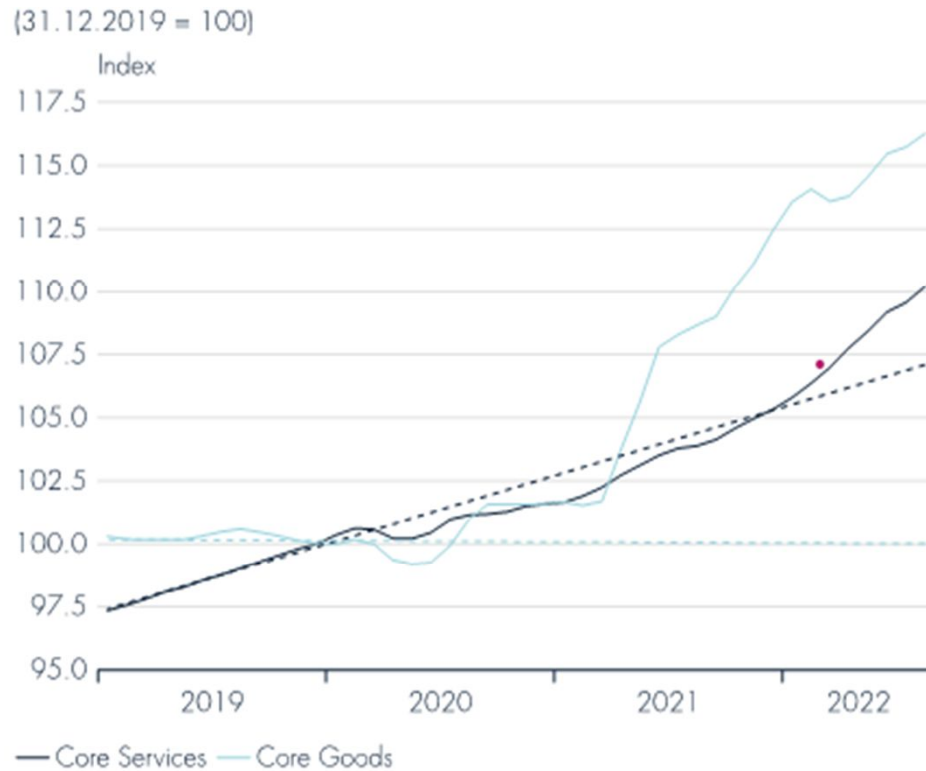


Source(s): FOMC; Sahm [Brookings Institute]

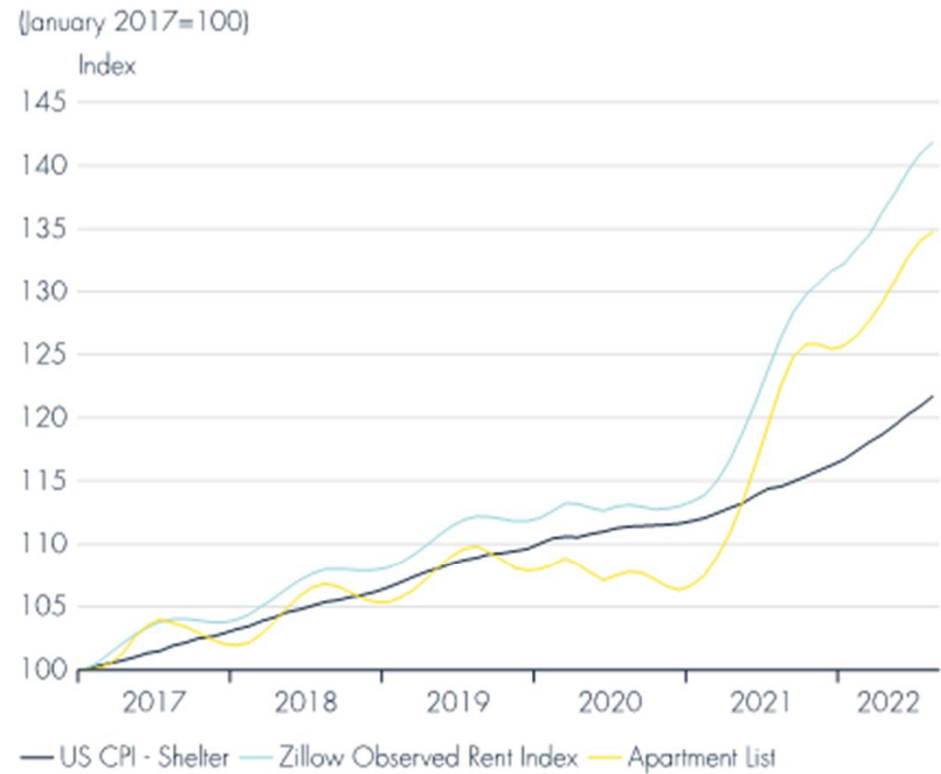
# USA: WE DO NOT EXPECT A FED PIVOT

## US PRICE PRESSURES ARE OF STRUCTURAL NATURE

### US core inflation – goods and services



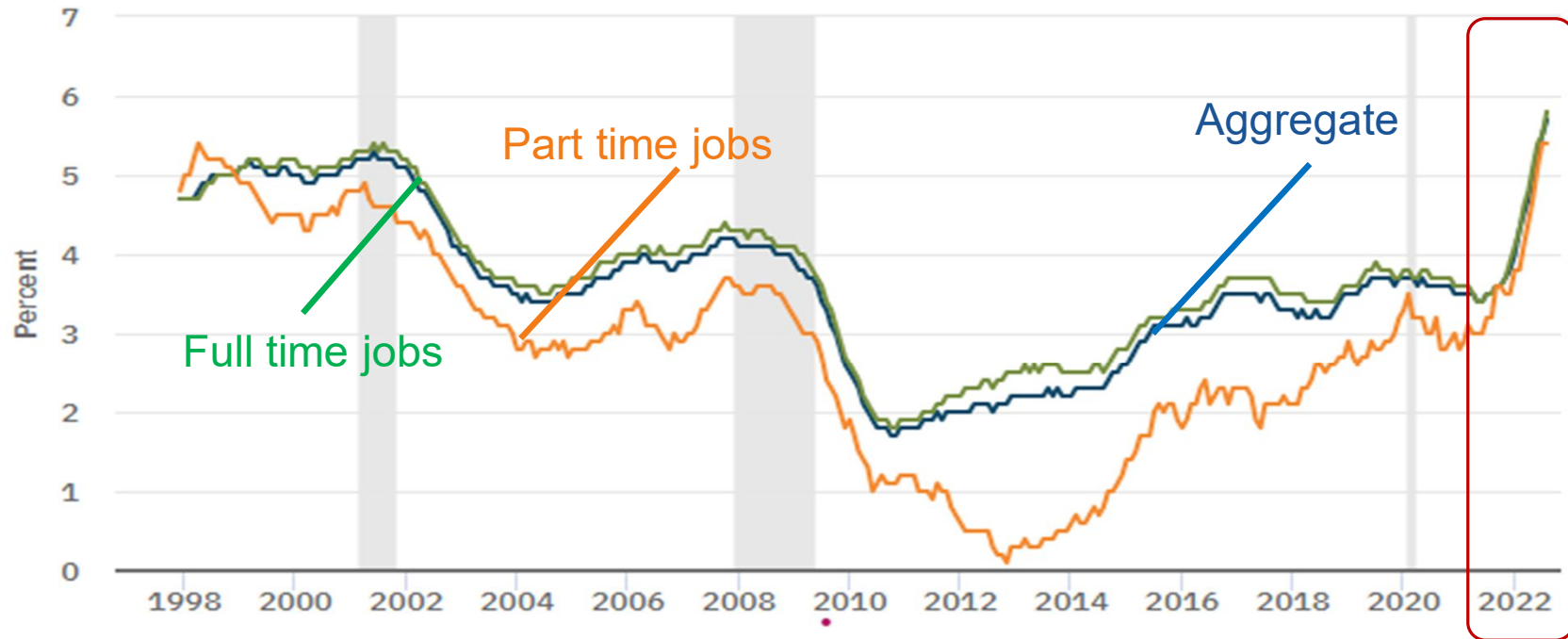
### US inflation – shelter



Source(s): Macrobond; BLS; Mirabaud AM

# USA: WAGE-PRICE SPIRAL IS A REAL RISK

## GROWTH IN WAGES REMAINS STRONG



Source(s): Atlanta Federal Reserve

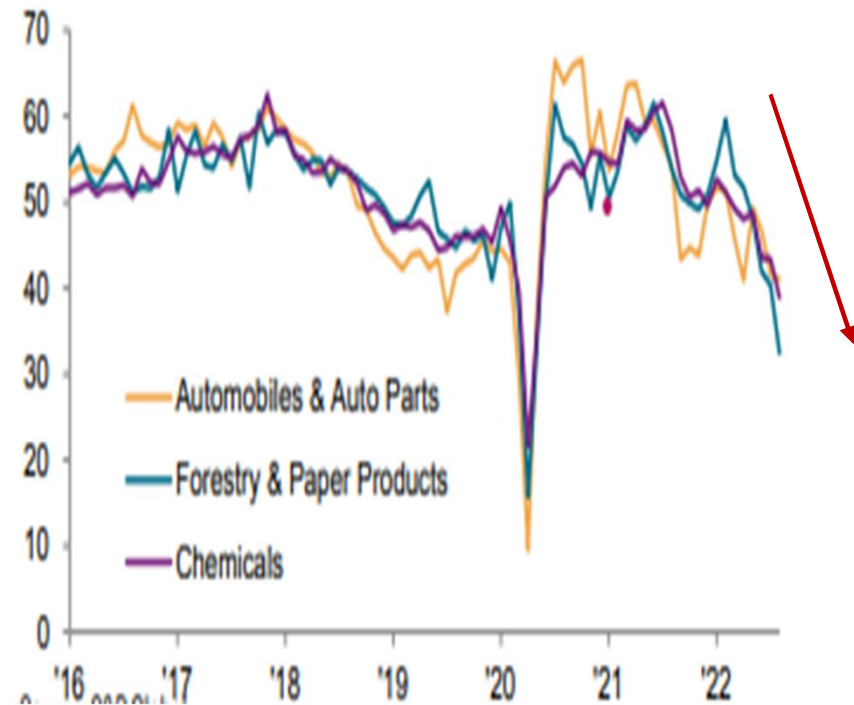
# EUROZONE: CONTRACTION IN Q4

Surveys suggest modest recession

PMI surveys signal contraction Q3...



... and a broad-based slowdown

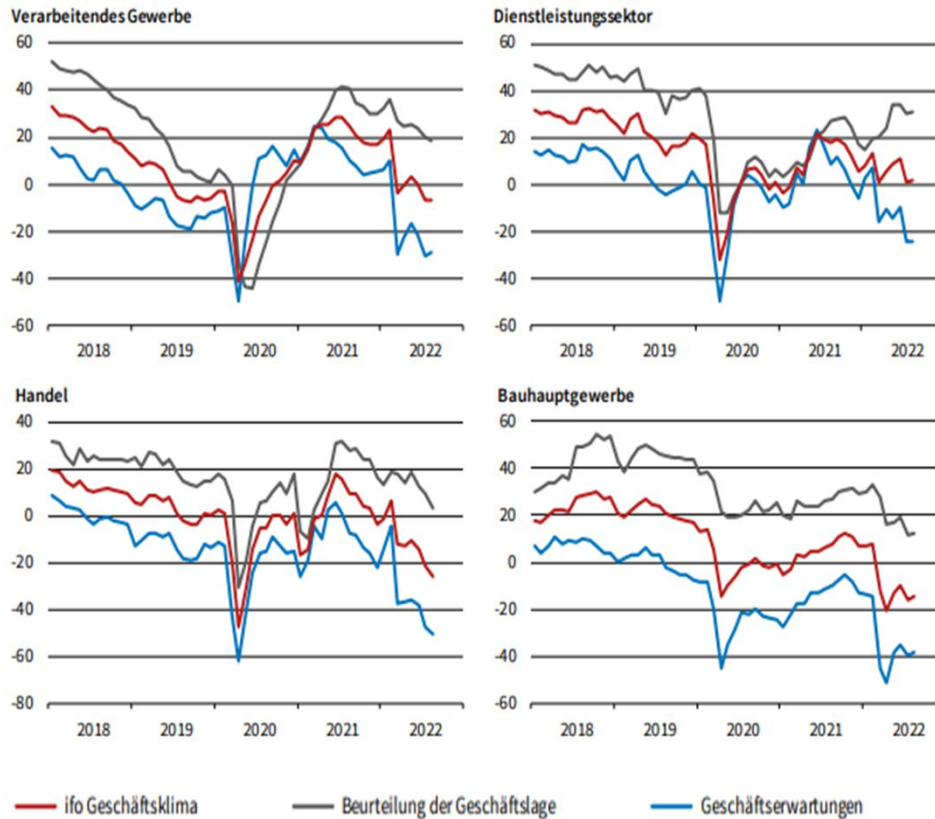


Source(s): PMI by S&P Global

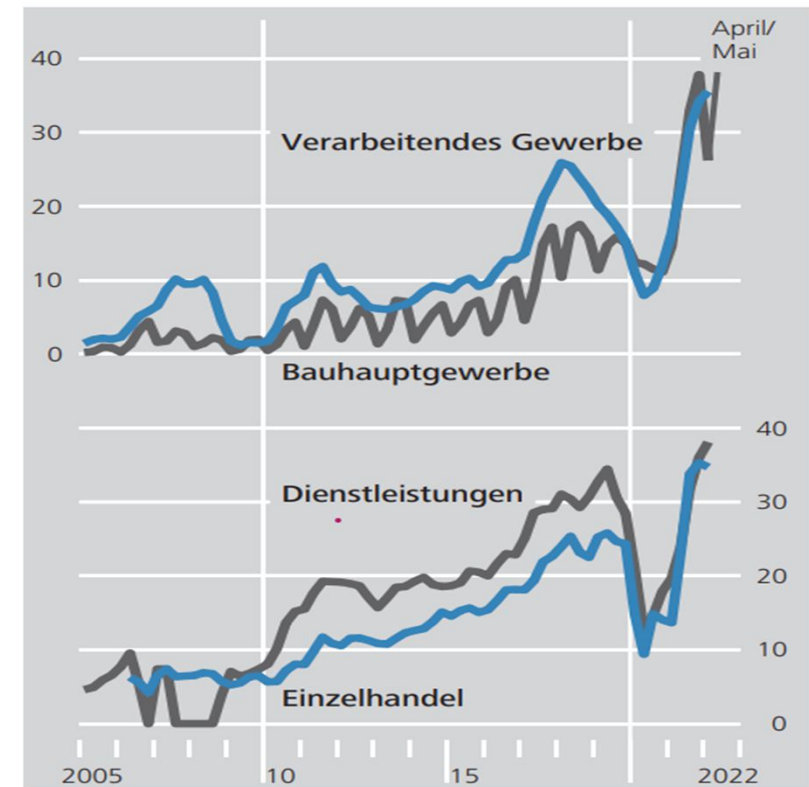
# GER – NO GROWTH LOCOMOTIVE

BUSINESS EXPECTATIONS SUGGEST NO LIGHT AT THE END OF THE TUNNEL

## German business climate remains weak



## Production issues due to labour shortage (% of companies, QT data)

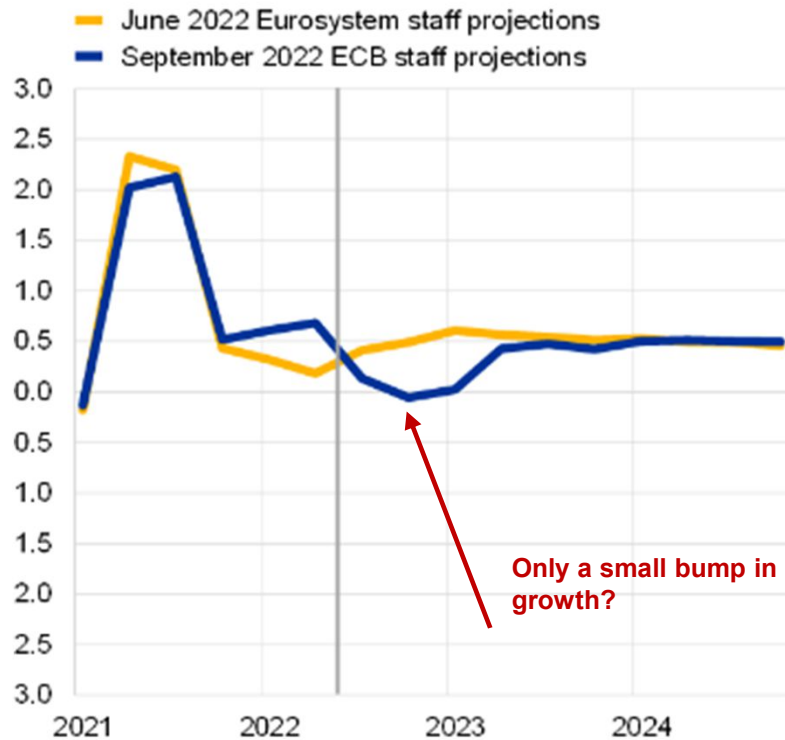


Source(s): IFO; Bundesbank

# ECB: NOT SO FAST...

WE DO NOT ANTICIPATE A VERY AGGRESSIVE ECB POLICY STANCE

## Current ECB forecasts for growth



## ECB forecasts are too optimistic

	September 2022					June 2022			
	2020	2021	2022	2023	2024	2021	2022	2023	2024
Real GDP	-6.2	5.2	3.1	0.9	1.9	5.4	2.8	2.1	2.1
Private consumption	-7.8	3.7	3.6	0.7	1.2	3.5	3.1	2.0	1.5
Government consumption	1.0	4.2	1.4	-1.3	1.0	3.9	0.6	-0.5	1.1
Gross fixed capital formation	-6.7	3.8	3.1	1.6	3.0	4.1	2.8	3.1	3.4
Exports <sup>1)</sup>	-9.3	10.5	6.1	3.8	3.9	11.3	3.9	4.2	3.7
Imports <sup>1)</sup>	-8.9	8.2	6.5	3.1	3.3	8.8	4.1	3.5	3.4
Employment	-1.5	1.3	2.0	0.2	0.2	1.1	1.9	0.5	0.4
Unemployment rate (percentage of labour force)	8.0	7.7	6.7	6.9	7.0	7.7	6.8	6.8	6.7
HICP	0.3	2.6	8.1	5.5	2.3	2.6	6.8	3.5	2.1
HICP excluding energy	1.0	1.5	4.9	4.0	2.4	1.5	4.1	3.2	2.4
HICP excluding energy and food	0.7	1.5	3.9	3.4	2.3	1.5	3.3	2.8	2.3
HICP excluding energy, food and changes in indirect taxes <sup>2)</sup>	0.8	1.3	3.8	3.4	2.3	1.3	3.3	2.8	2.3

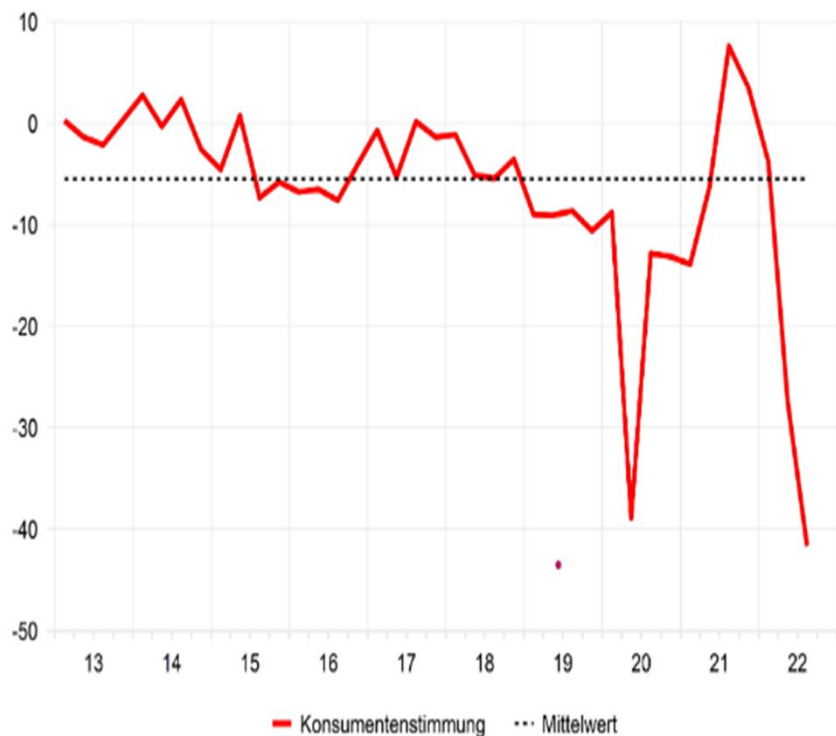
Source(s): ECB



# SWITZERLAND: GROWTH TO SLOW DOWN

## CONSUMER OPTIMISM REMAINS EXEPTIONALLY WEAK

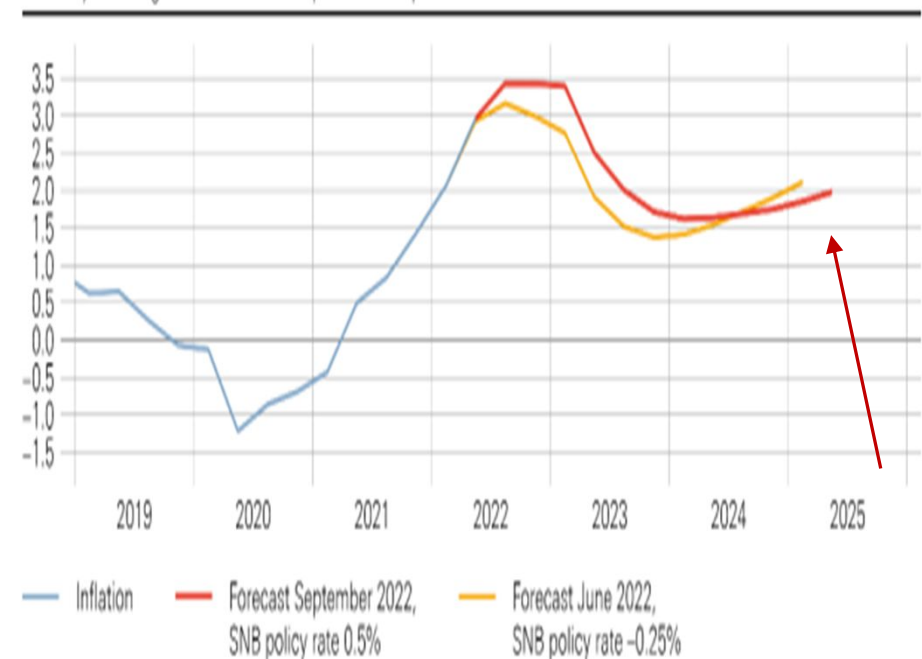
### Consumer confidence at historical lows



### SNB: ending negative interest rate policy

#### CONDITIONAL INFLATION FORECAST OF SEPTEMBER 2022

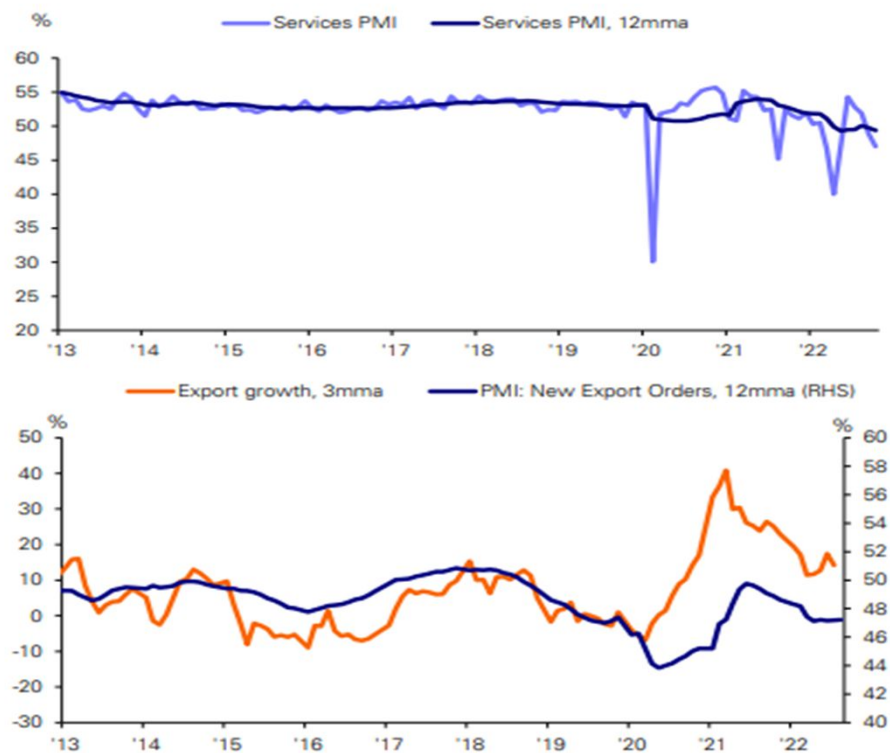
Year-on-year change in Swiss consumer price index in percent



# SHORT TERM OUTLOOK REMAINS SUBDUED

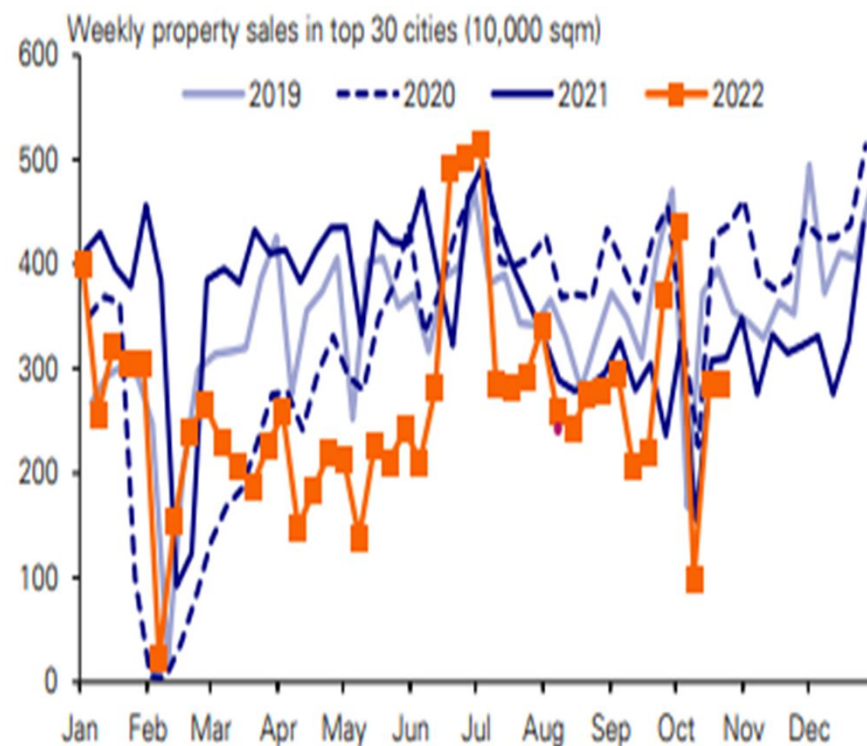
WITH RESTRICTIONS IMPACTING SERVICE SECTOR; REAL ESTATE ISSUES REMAIN SUBDUED

**Services sector continues to suffer; export orders to stay low**



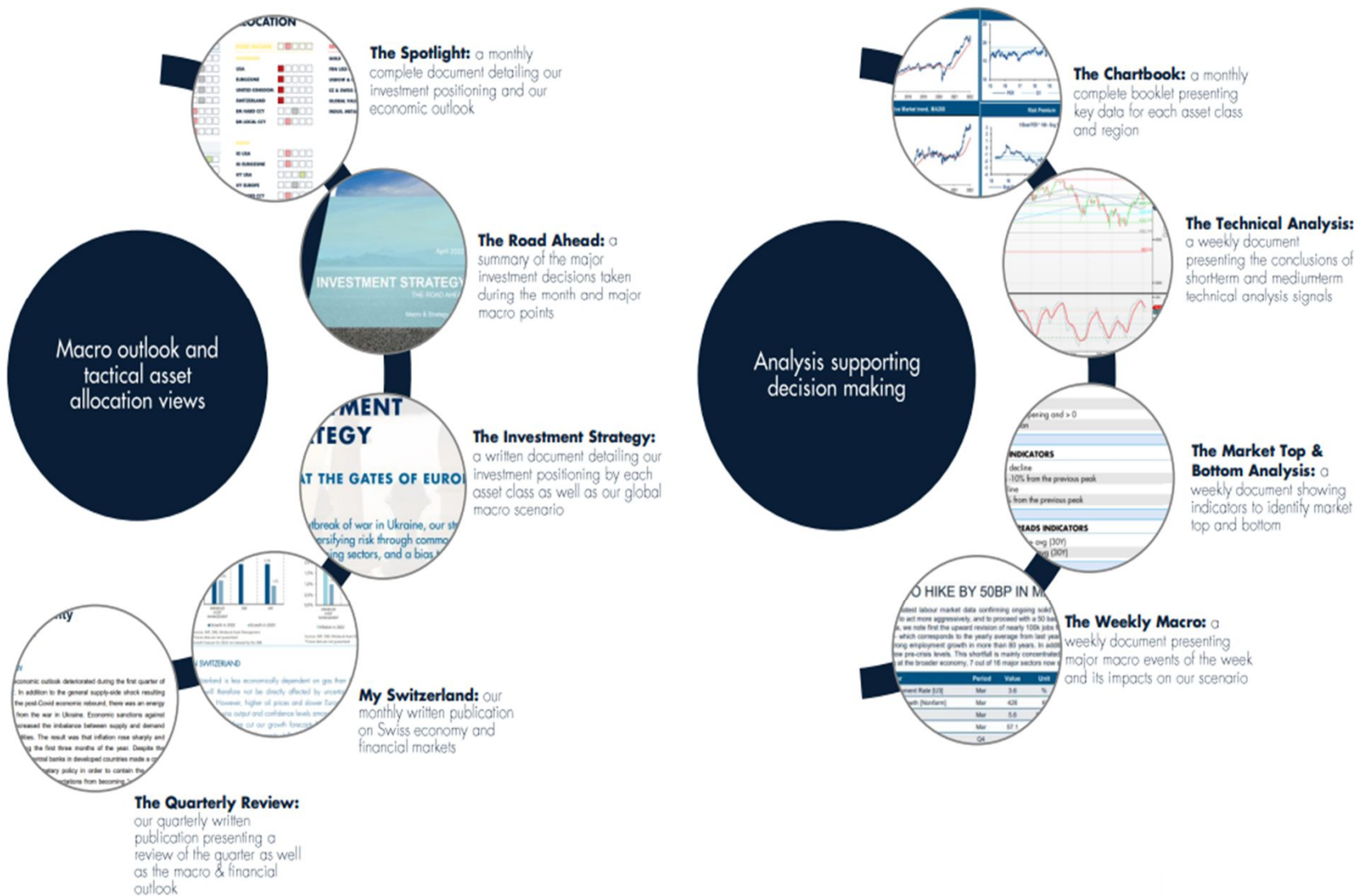
Source: DB

**Property sector remains a drag**



Source: DB

# STRATEGY TEAM : OUR PUBLICATION



Source: Mirabaud Asset Management

# DISCLAIMER

This presentation is for information purpose only and is not the result of an independent financial research. Information contained in this document has been obtained from sources considered reliable. However, no warranty, nor guarantee is given in relation with this presentation, in particular, with regard to its accuracy or completeness. Mirabaud & Cie SA has not undertaken any legal or tax analysis related to the information contained herein. Clients should seek their own independent advice on such matters. All documents and views expressed constitute judgment as of the date of writing and may change at anytime without notice and without obligation to update.

Any investment decision must be taken on the basis of a detailed and appropriate analysis; this presentation should not be considered as the relevant information to take an investment decision.

Where some funds are described in this presentation, any investor considering a direct investment in a fund shall rely on the prospectus only. Certain transactions and products described in this presentation might not be suitable for all investors due to the high risk characteristics or due to the ineligibility of some of them.

Past performance is not necessarily indicative of current or future results. Performance figures do not take into account any expenses related to transactions.

**ACCOUNTABLE** FOR GENERATIONS /