

Global Outlook: Europe Revisited

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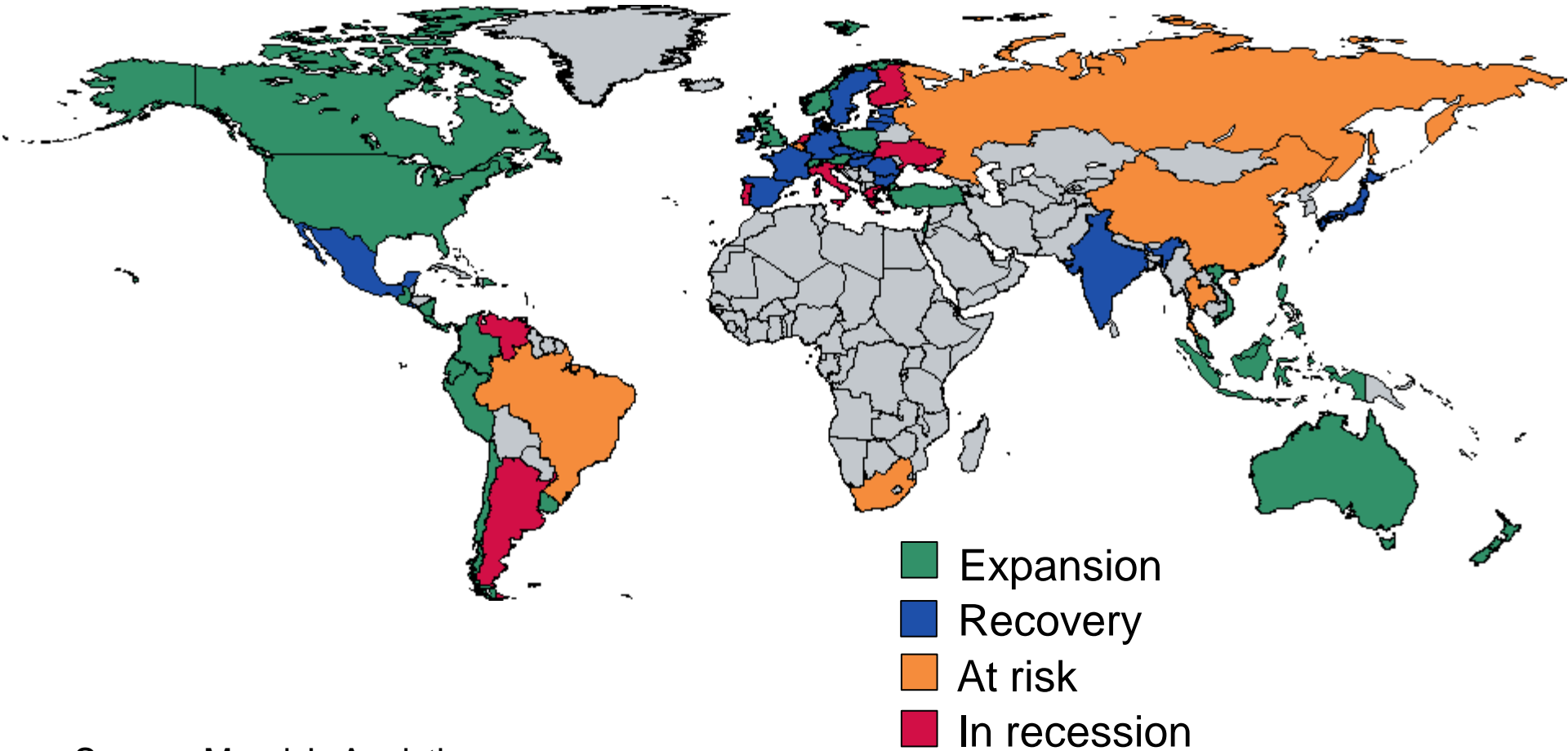
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Global Business Cycle Status

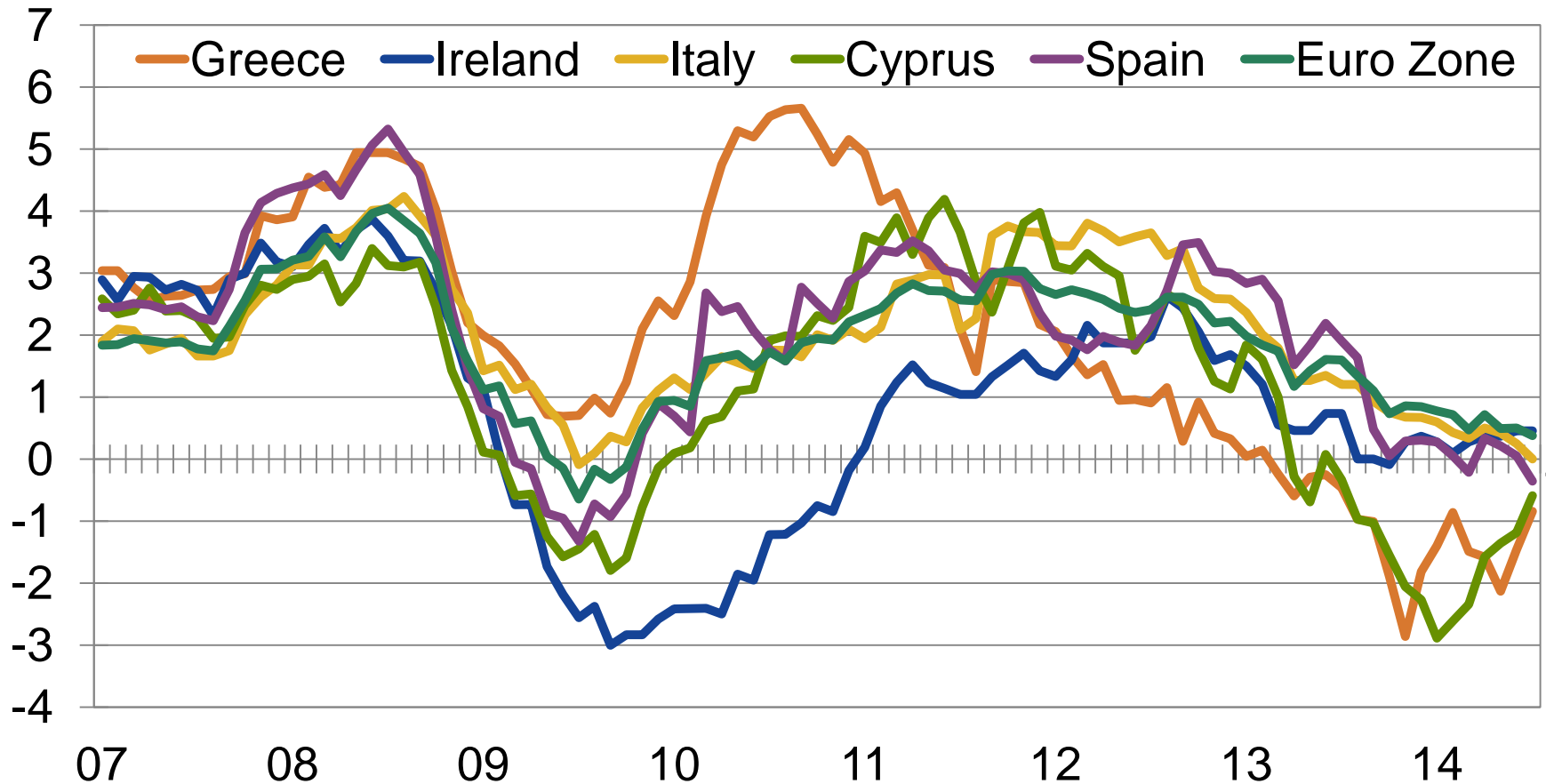
September 2014



Source: Moody's Analytics

Deflation Remains Major Risk in the Euro Zone

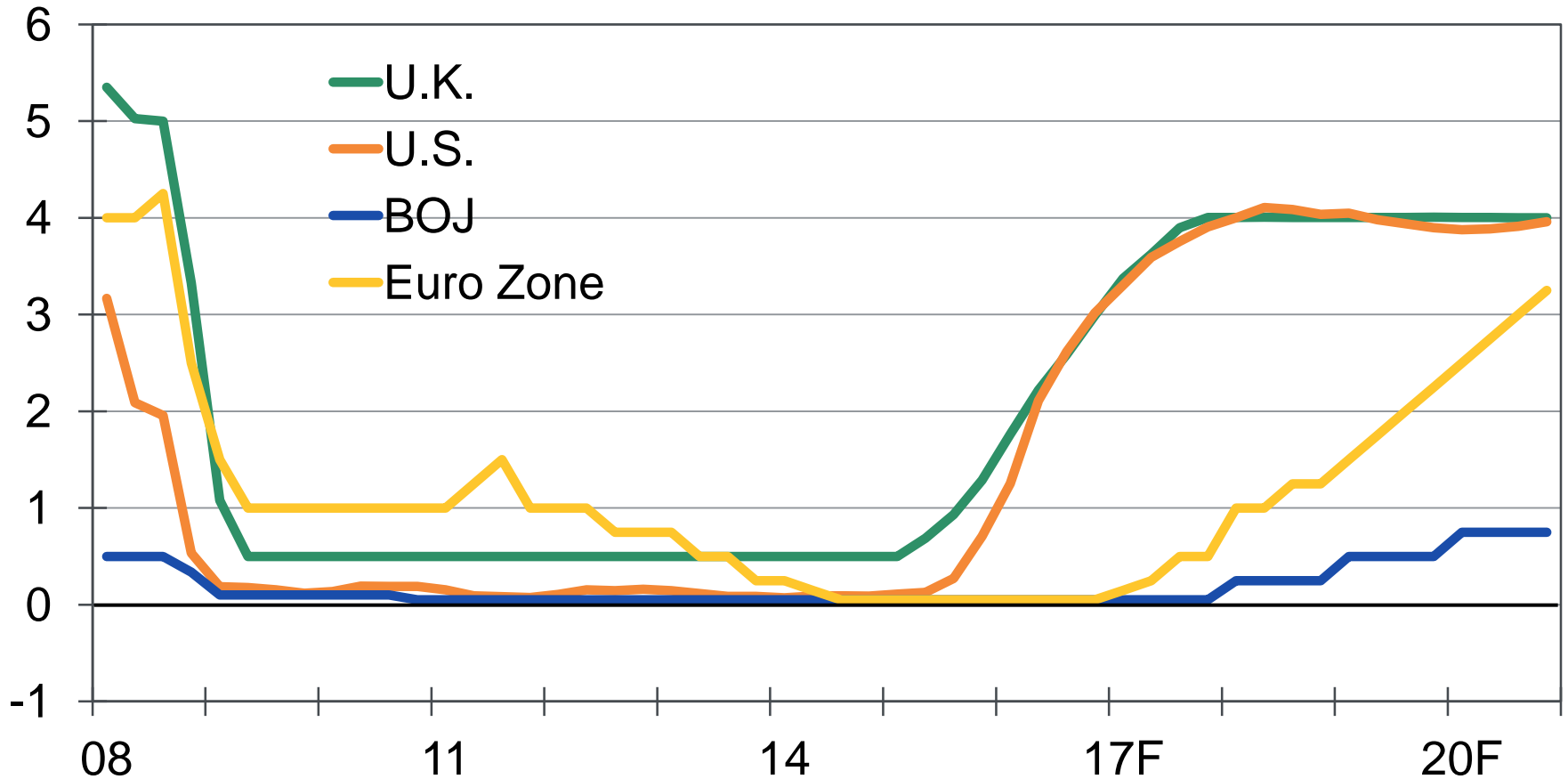
Year-over-year % change



Source: Eurostat, Moody's Analytics

Monetary Policy Varies Across the Globe

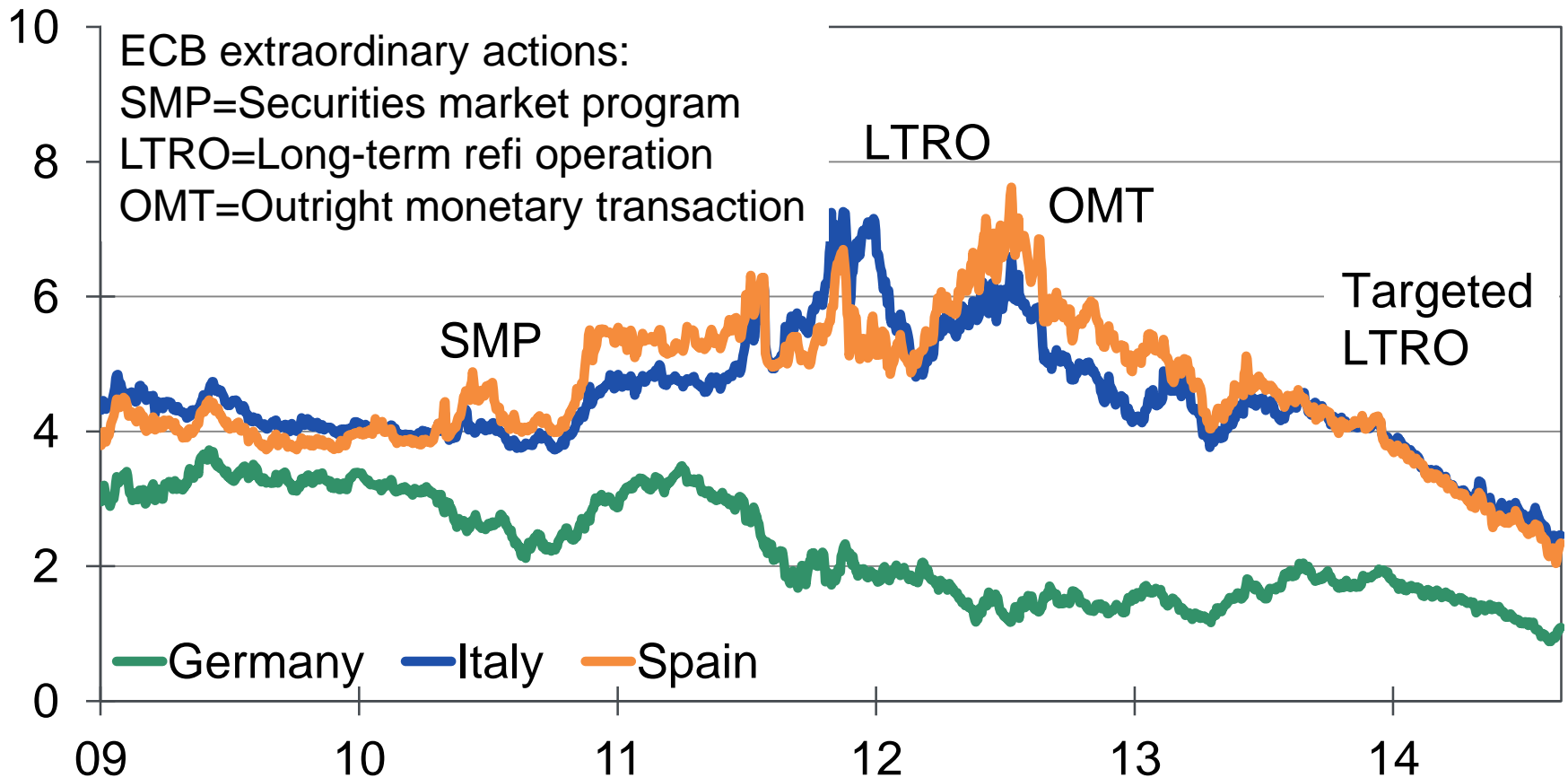
Main policy rate, %



Sources: BoE, FRB, ECB, Moody's Analytics

Sovereign Borrowing Costs Continue to Fall

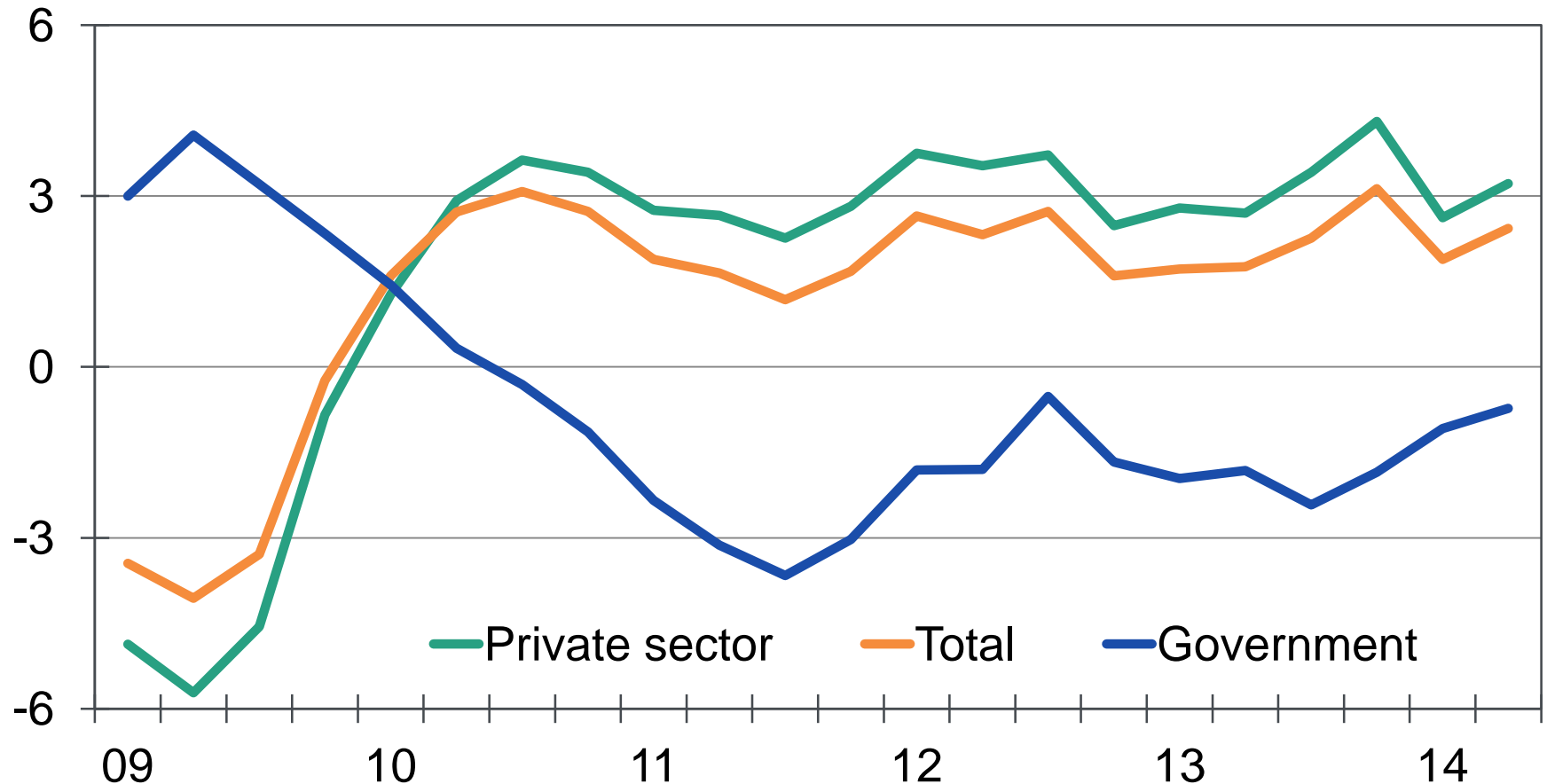
10-yr sovereign yields, %



Sources: Bloomberg, Moody's Analytics

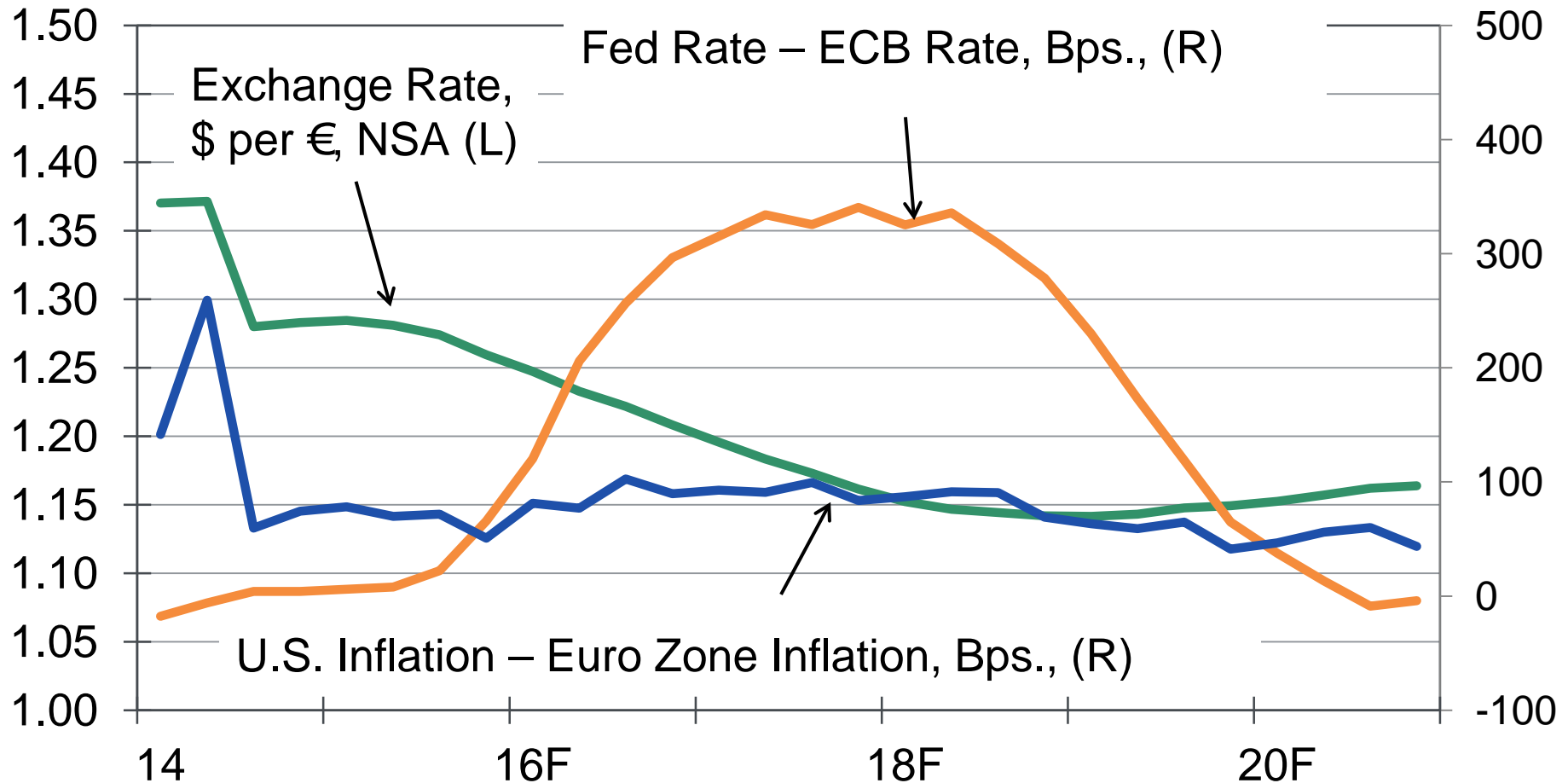
The U.S. Government Will No Longer Be A Drag

% change yr ago



Sources: BEA, Moody's Analytics

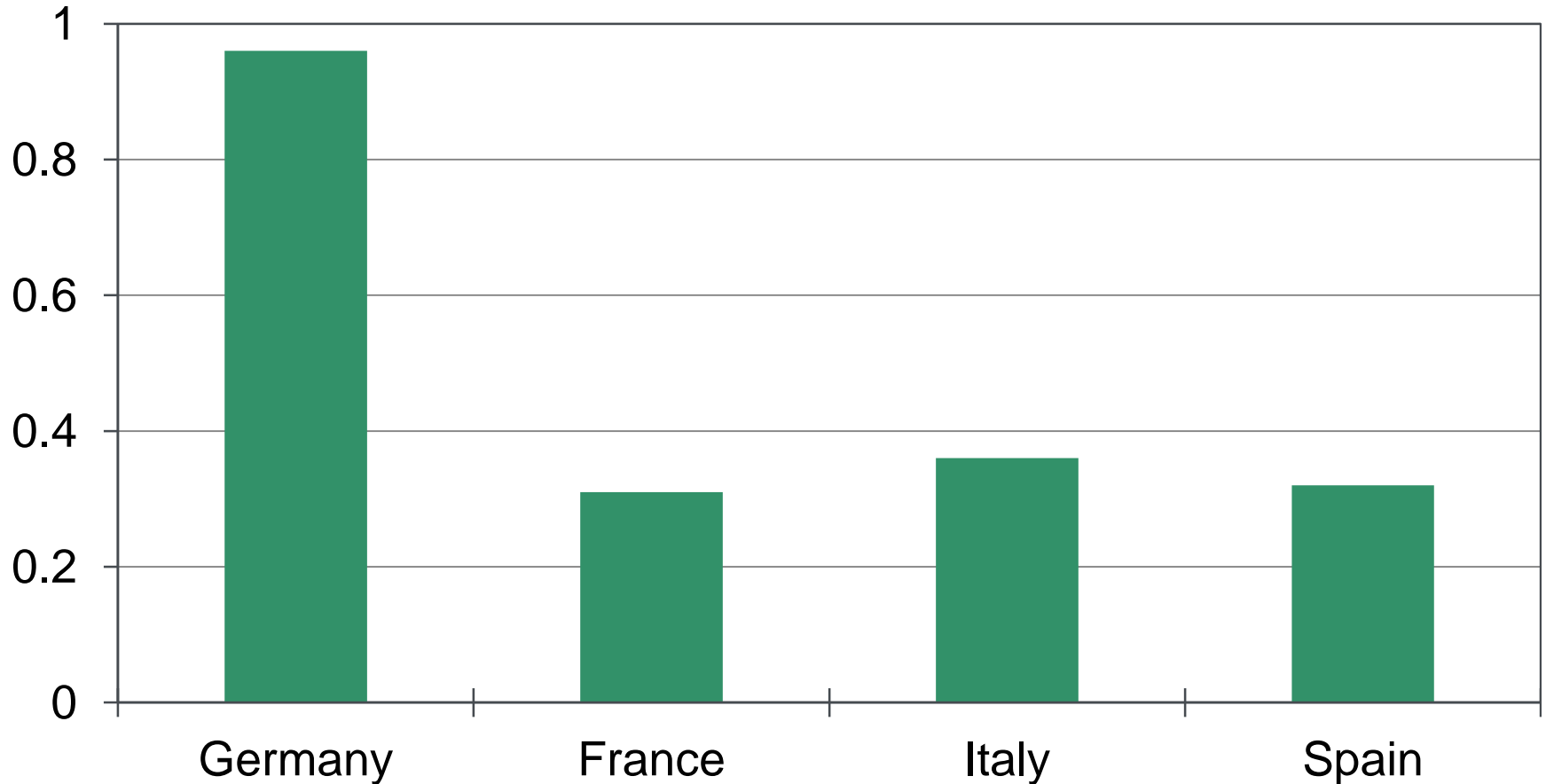
Euro Falls Against the Dollar



Sources: Eurostat, Moody's Analytics

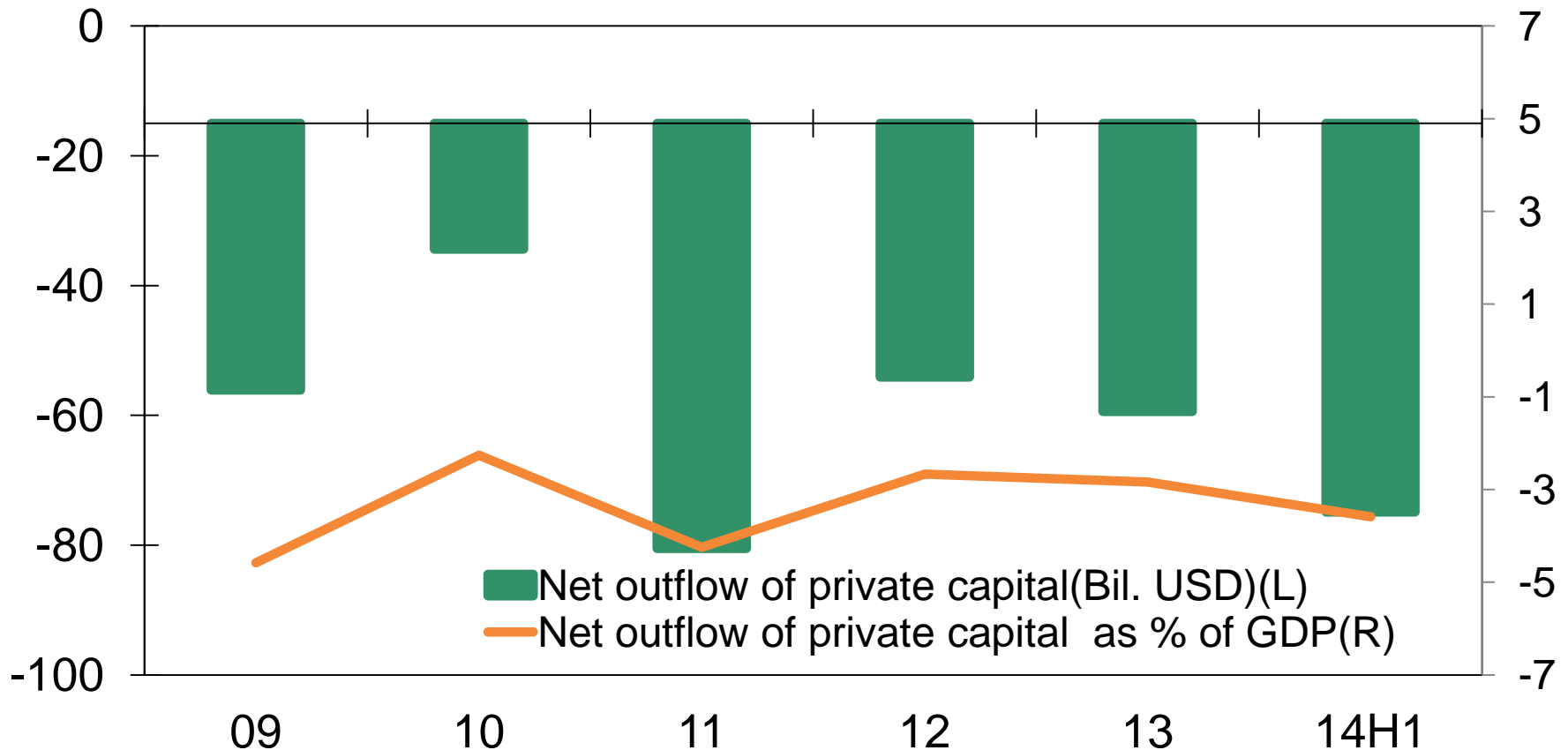
Elimination of Exports to Russia Reduces GDP

Real GDP decline under alternative assumptions in 2014, pts.



Source: Moody's Analytics

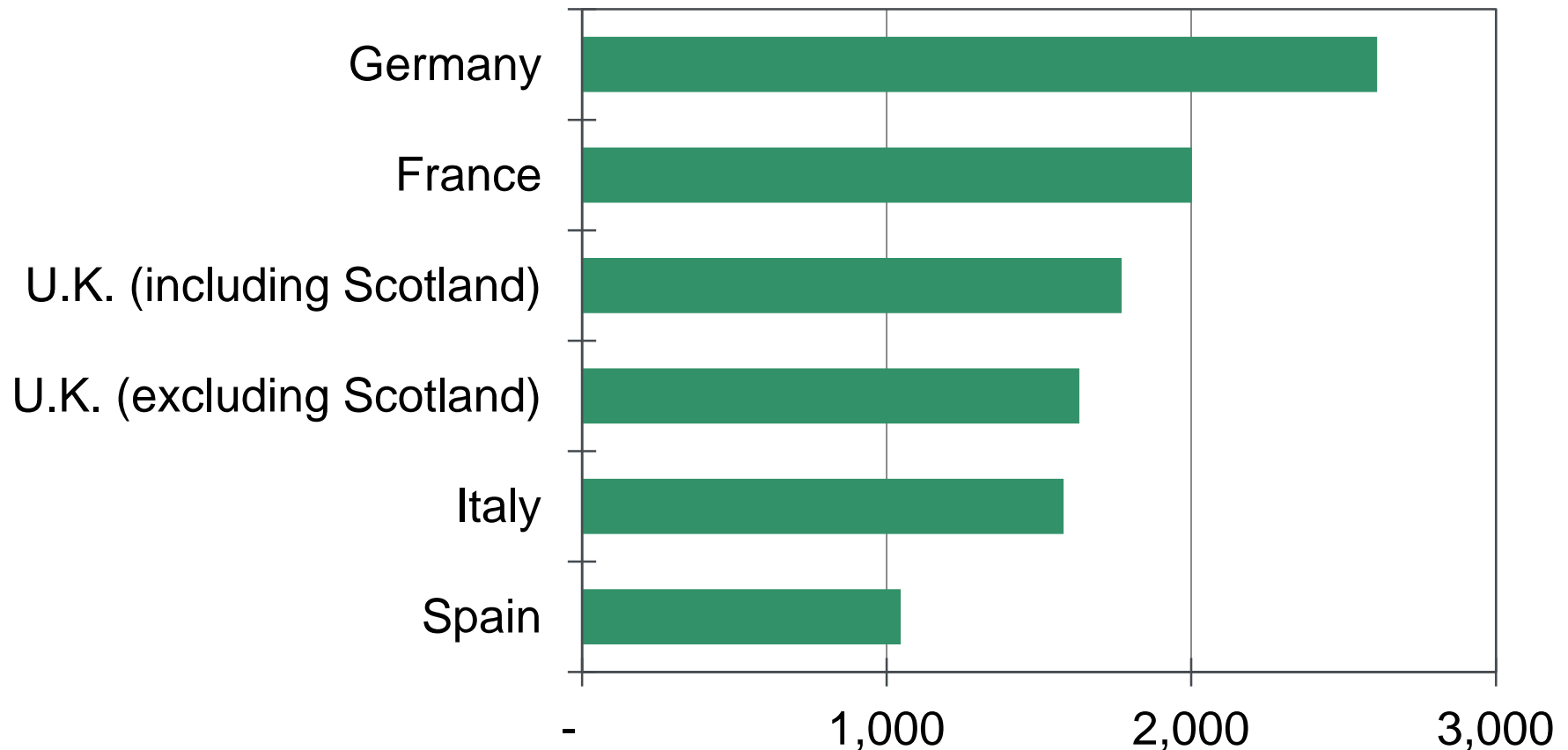
Capital Outflow Intensifies in Russia



Sources: Central Bank of Russia, Moody's Analytics

U.K. Still in Europe's top three if Scotland Exits

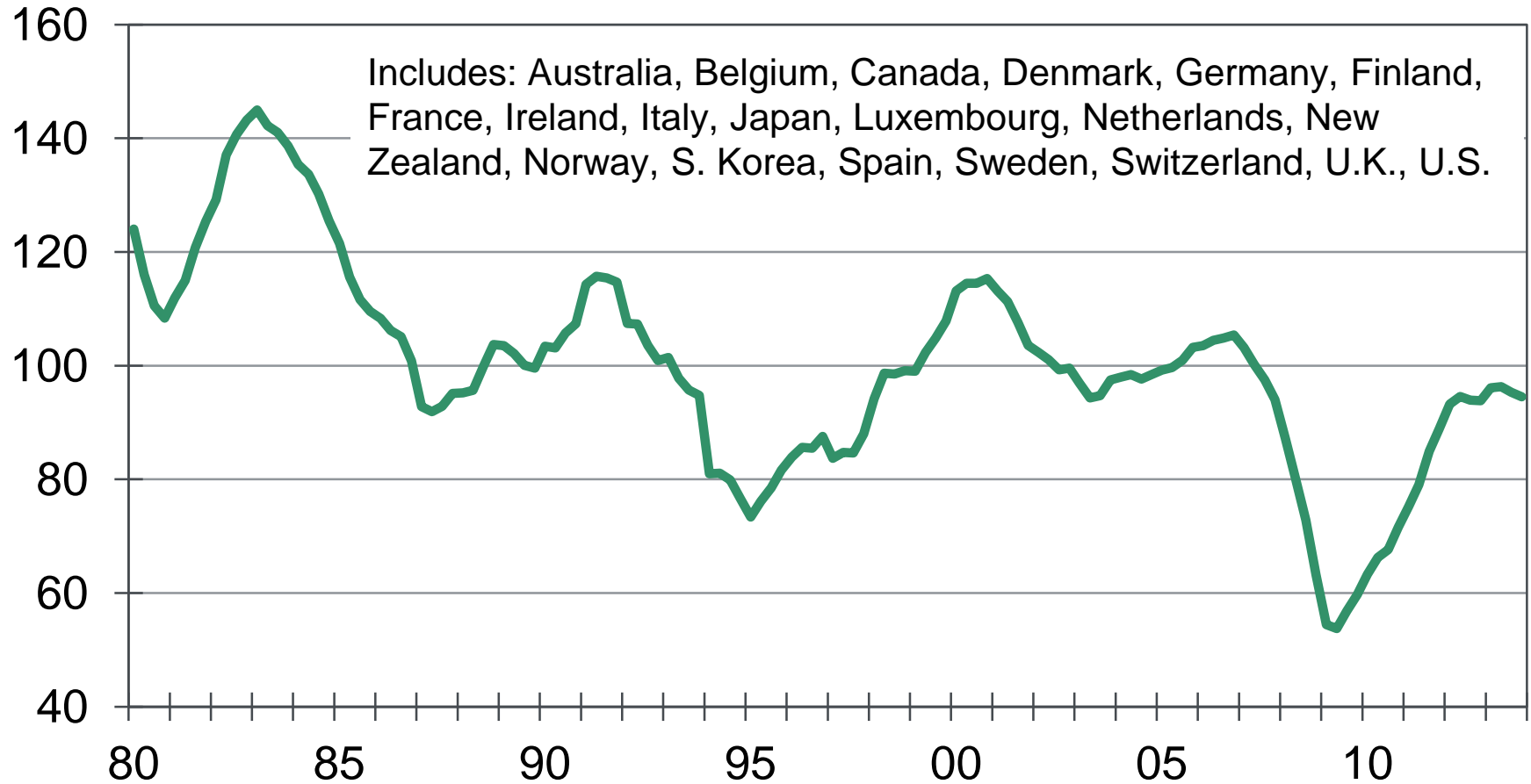
GDP in 2011, € bil



Sources: Eurostat, Moody's Analytics

Global House Price Trends Diverging Again

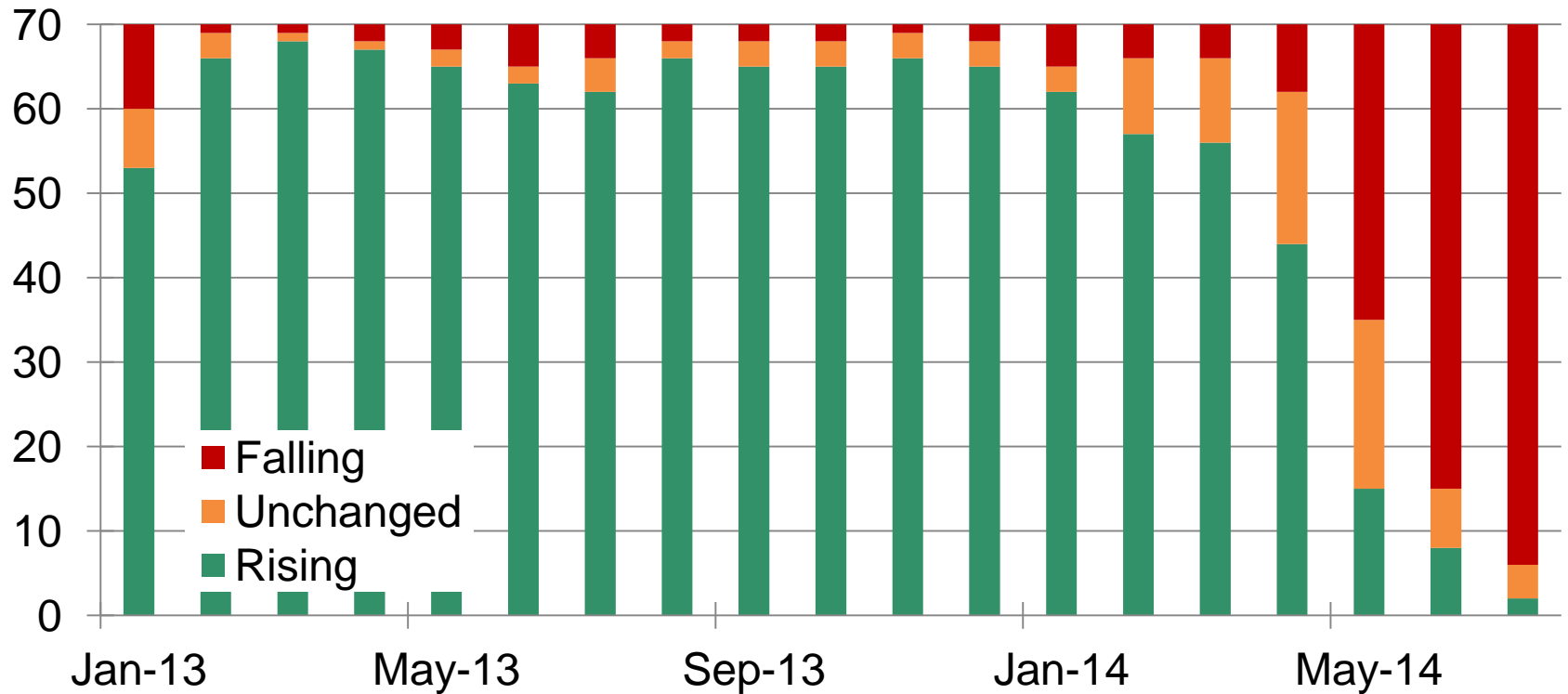
Variance of 5-yr house price change, period avg=100



Sources: National statistical offices, Dallas Fed, Moody's Analytics

Property Prices Falling in Most Chinese Cities

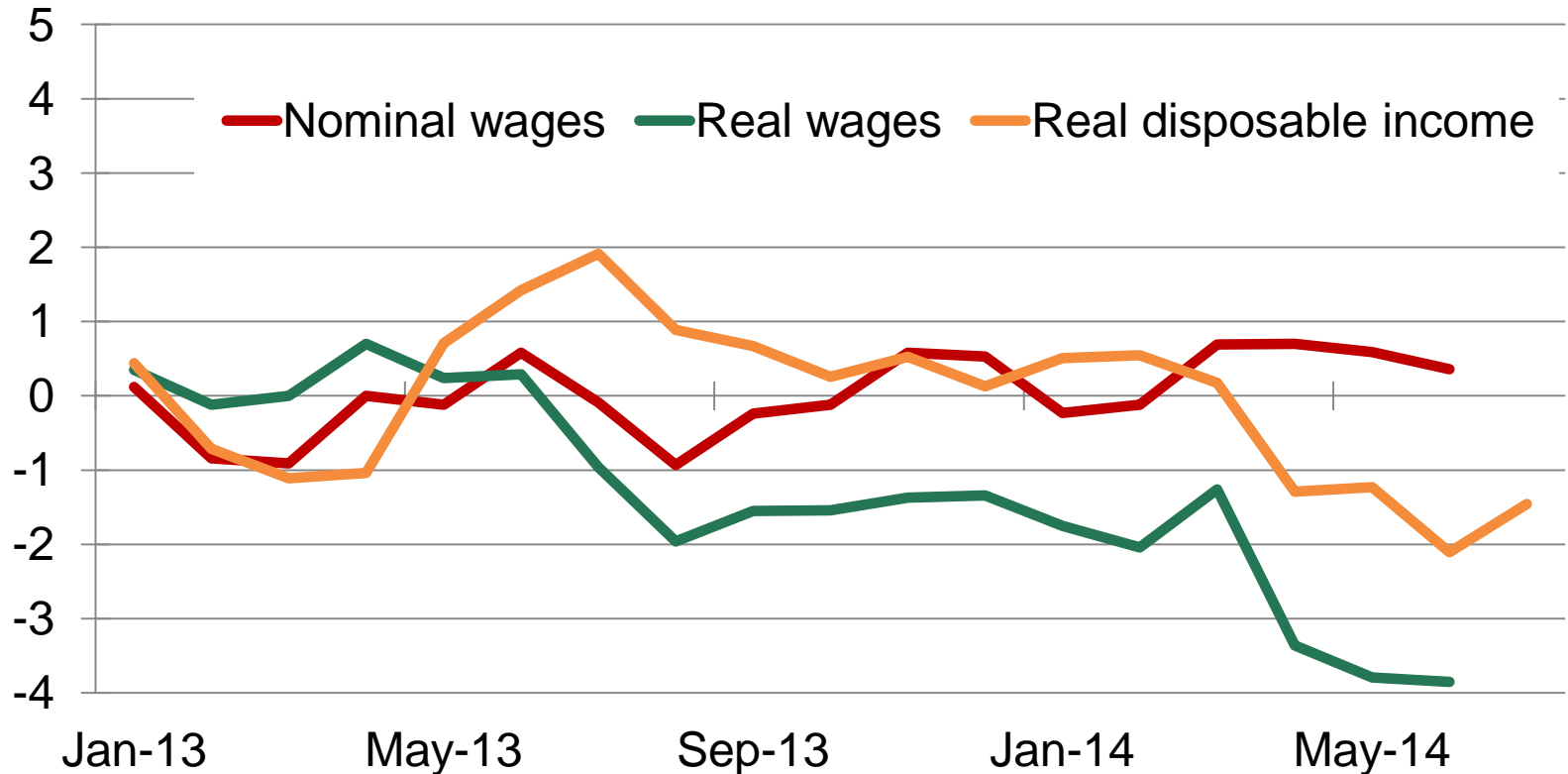
New apartment price change in 70 major cities



Sources: Bloomberg, Moody's Analytics

Real Wages Are Falling in Japan

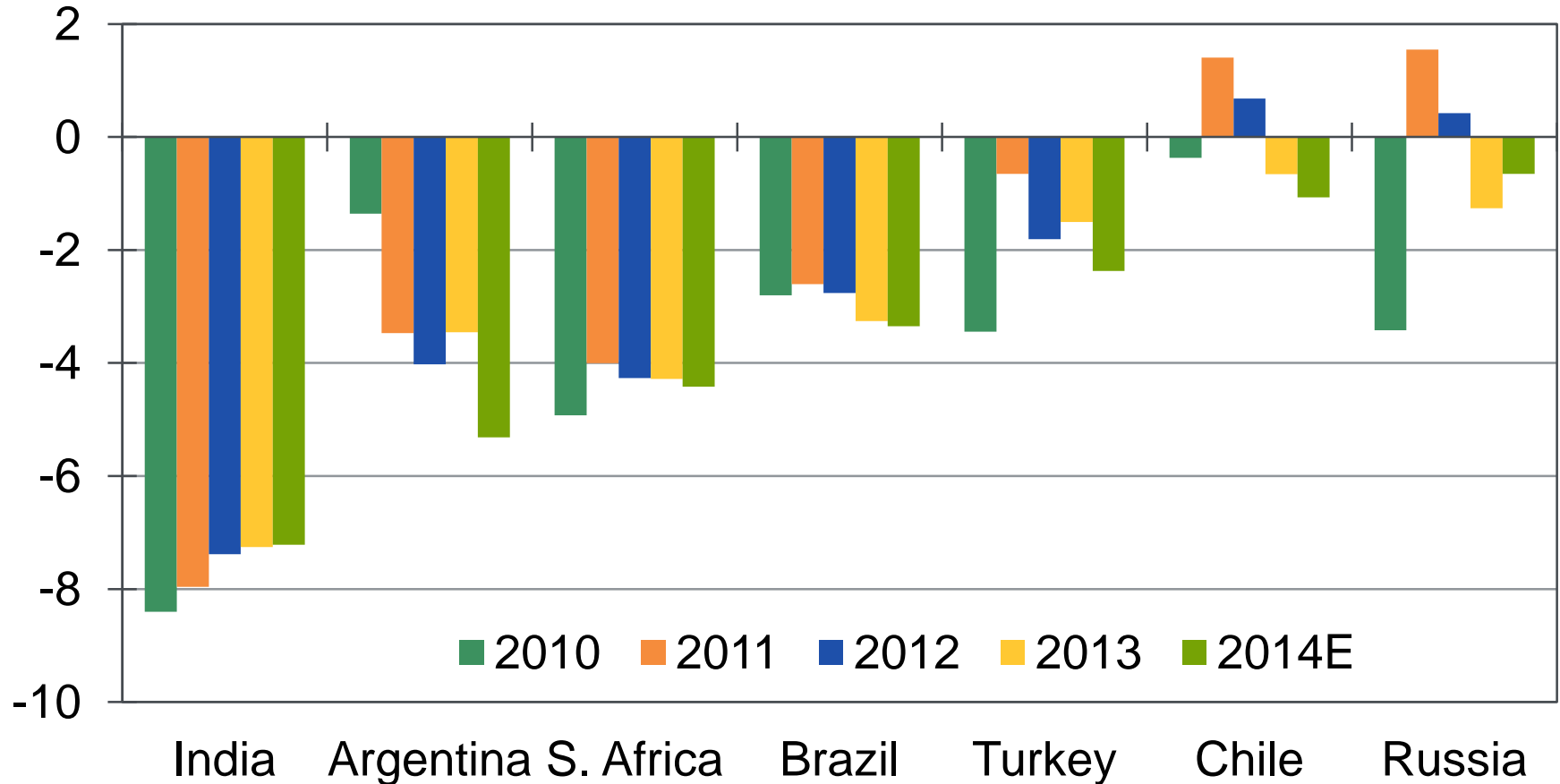
Wage measures, % chg year ago



Sources: Ministry of Health, Labour and Welfare, Statistics Japan, Moody's Analytics

Fiscal Consolidation Needed in EM

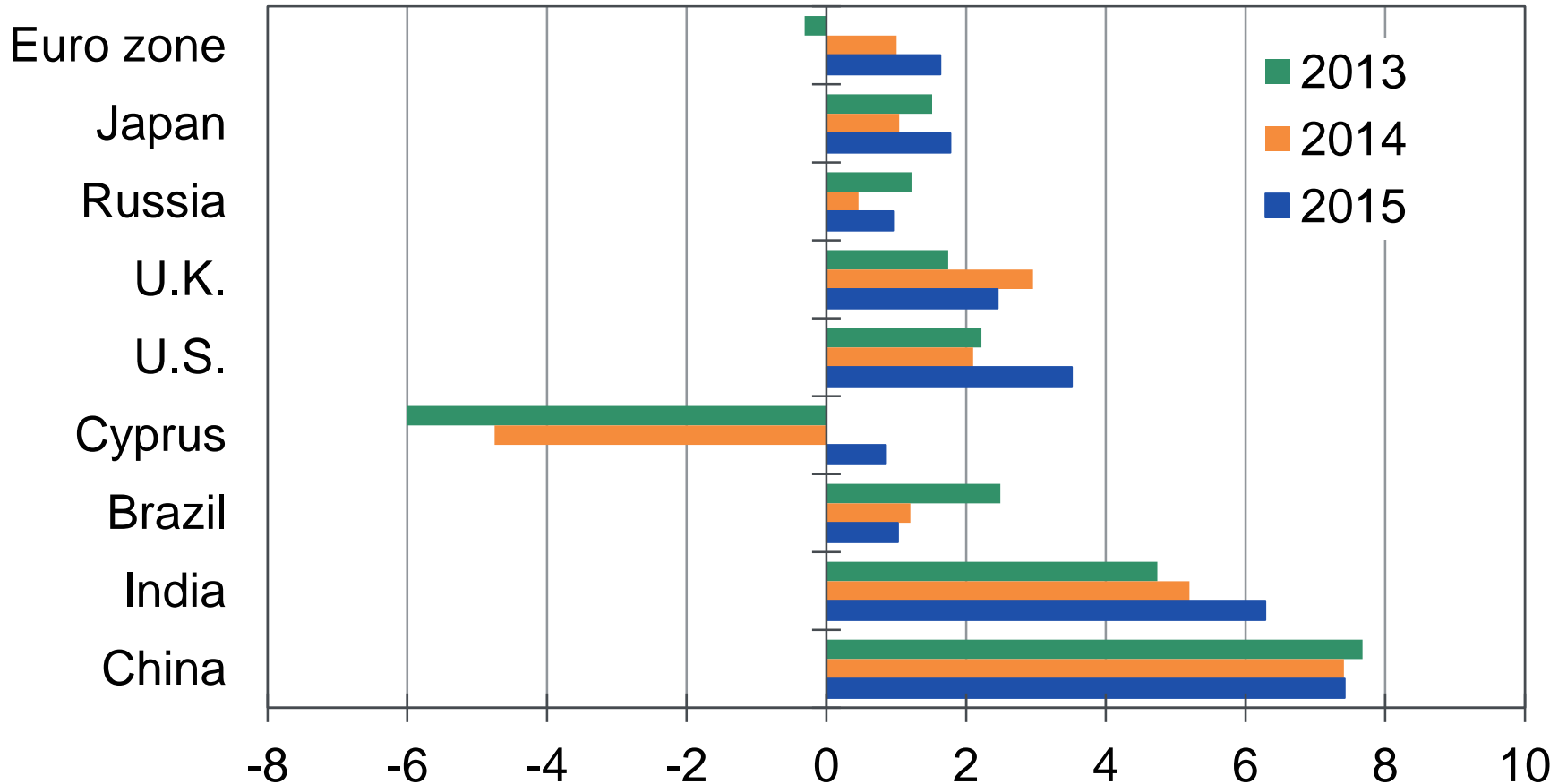
Fiscal balance, % of GDP



Sources: IMF, Moody's Analytics

Weaker Growth Ahead

Real GDP, % change yr ago



Source: National statistical agencies, Moody's Analytics forecast

Moody's Analytics

Petr Zemcik

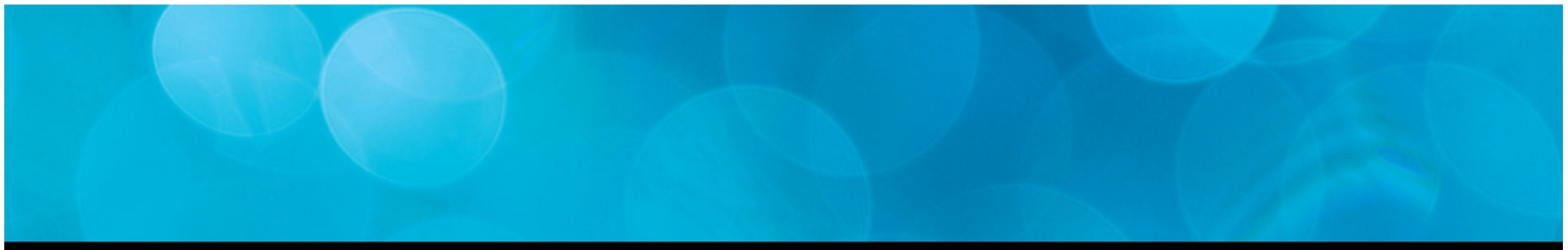
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