

Global Economic Outlook 2021

February 2021

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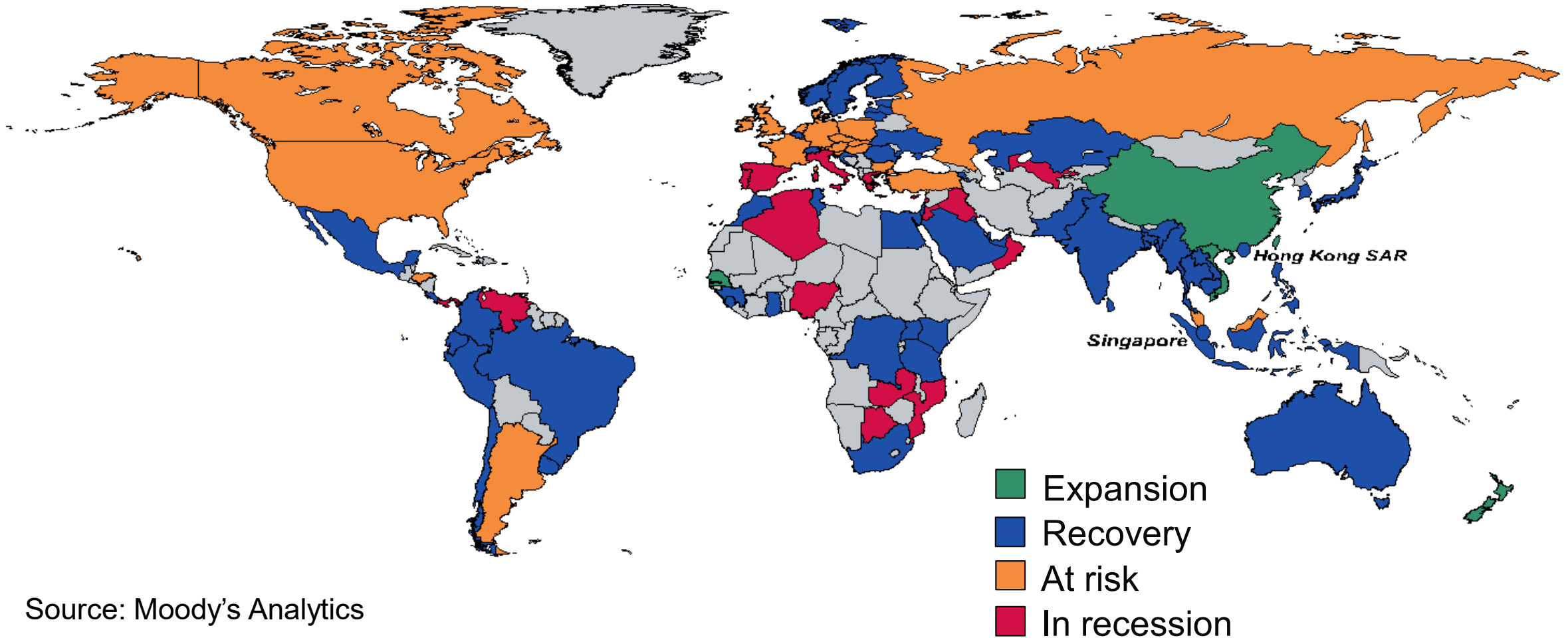
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Fragile Global Economy

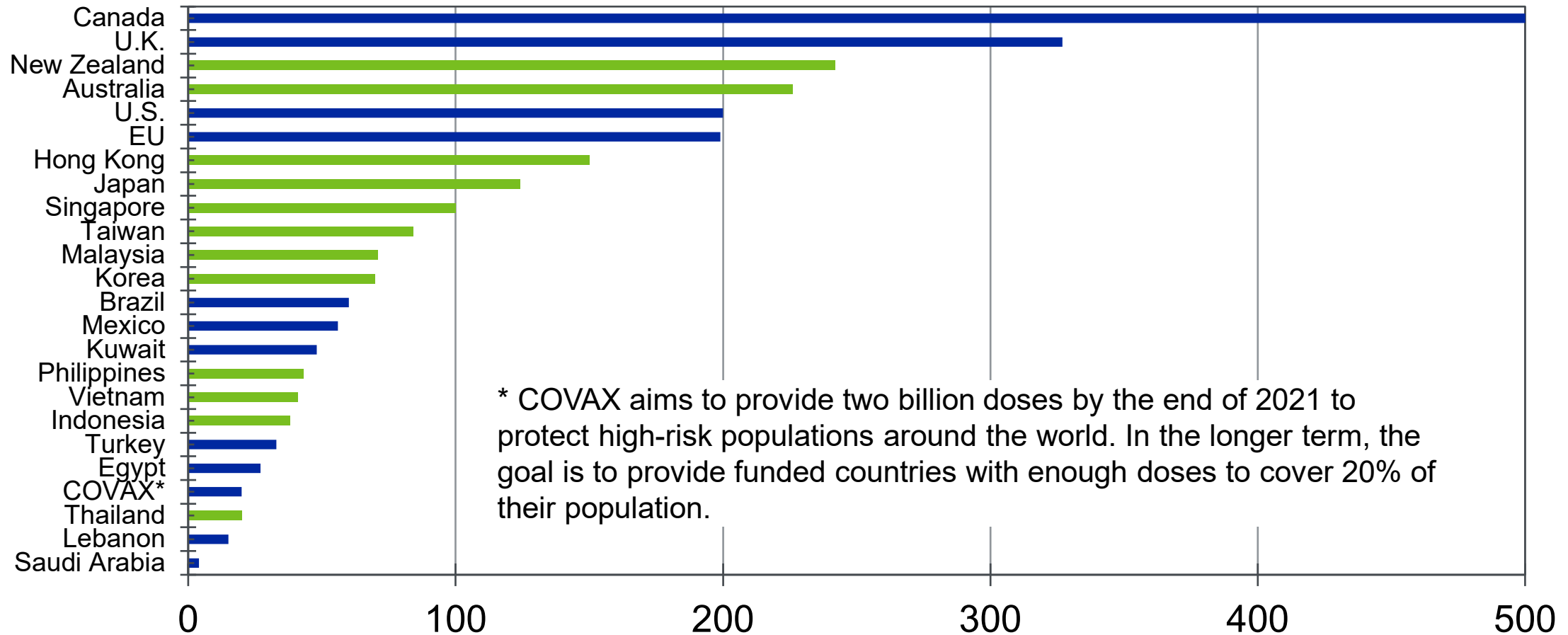
Global Business Cycle Status



Source: Moody's Analytics

Major APAC Countries are Securing Vaccines

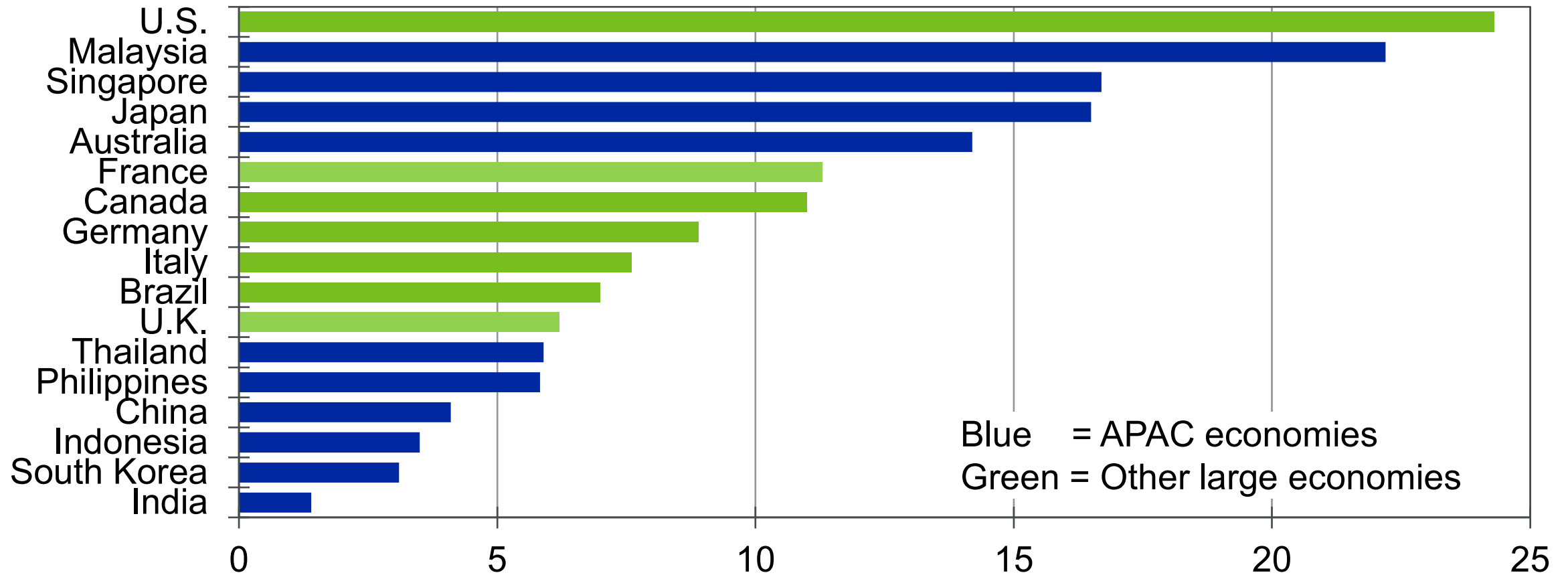
COVID-19 vaccine purchase agreements, % of population, February 8, 2021



Sources: Duke Global Health Innovation Center, Moody's Analytics

Aggressive Global Fiscal Policy Response

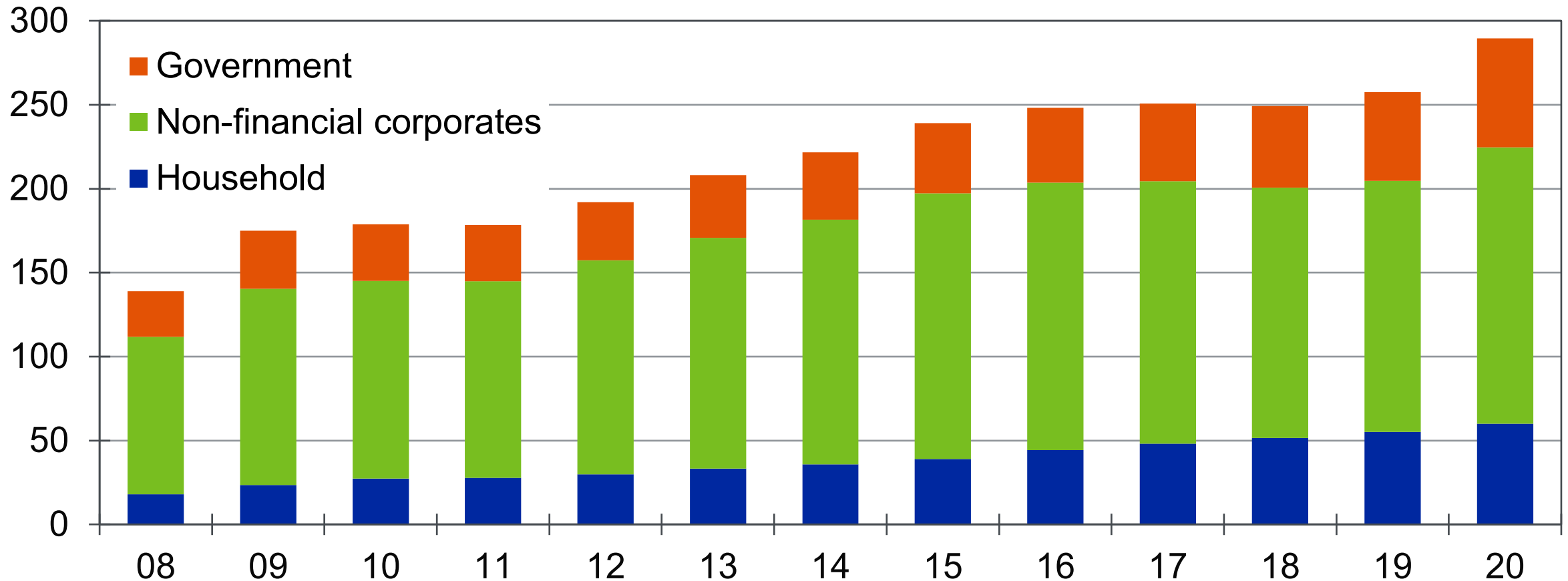
Fiscal support as of January 2021, % of 2019 GDP



Source: Moody's Analytics

China's Stimulus Debt Build-up

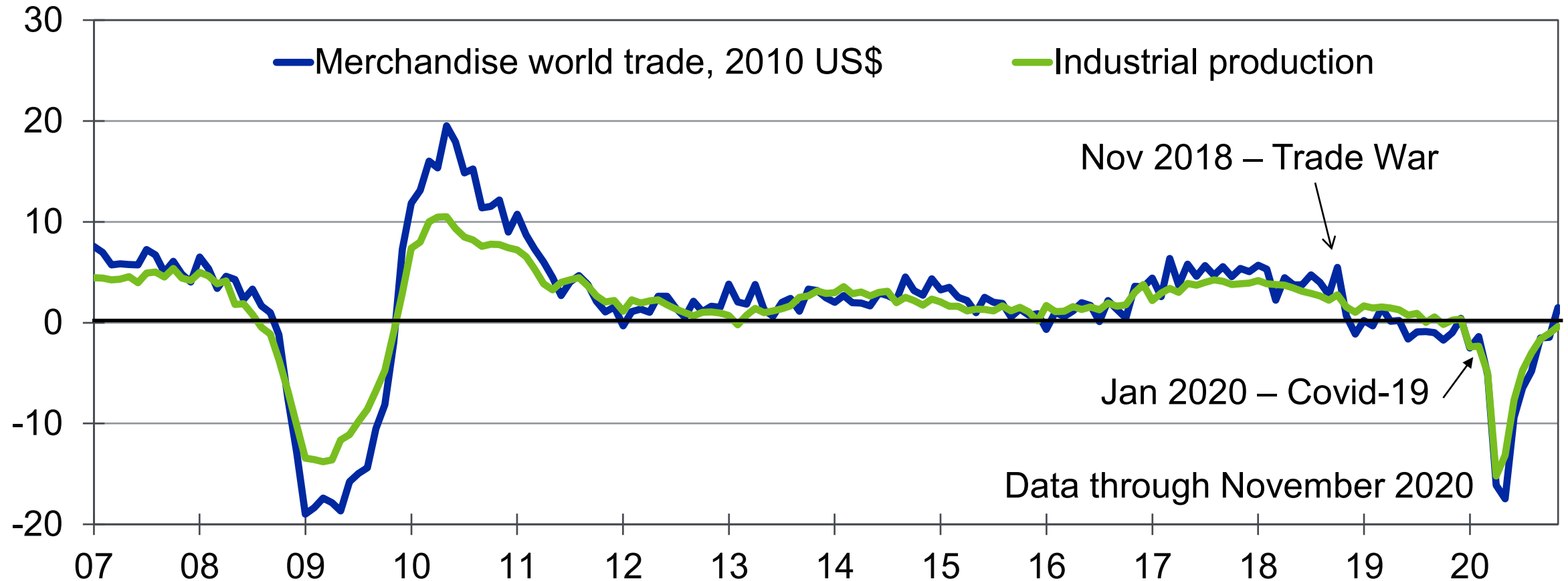
Debt to GDP ratio, year-ending, %



Sources: The Institute of International Finance, Moody's Analytics

Global Trade Rebounds Quickly

Global trade and industrial production, % change year ago

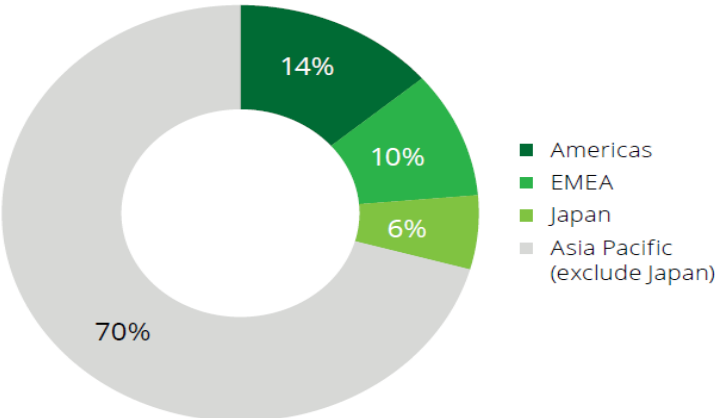


Sources: CPB World Trade Monitor, Moody's Analytics

The Semiconductor Opportunity

The current chip shortage is only the beginning of a secular rise in growth

Figure: Semiconductor sales by region (2018)



Year-end total equipment production forecast by region, bn of US dollars

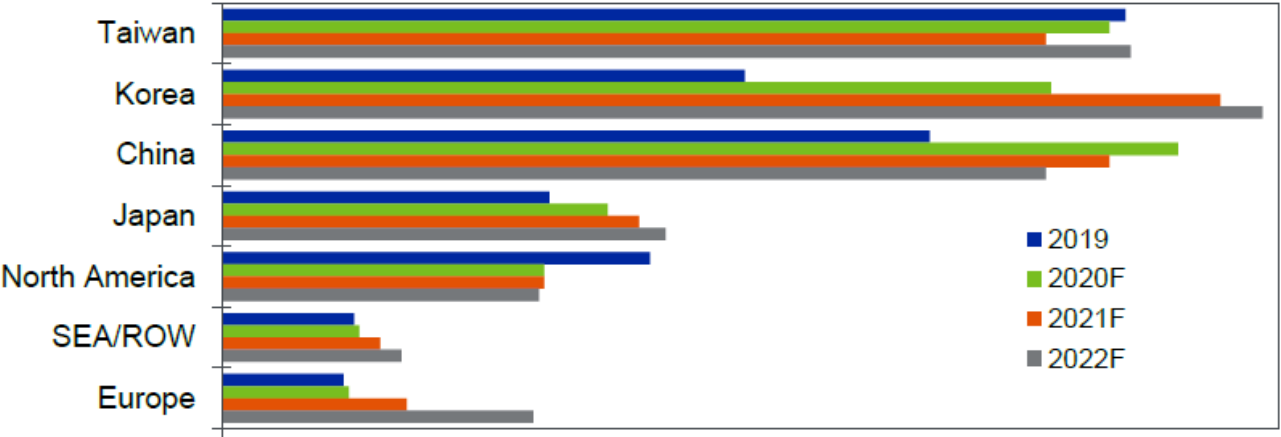
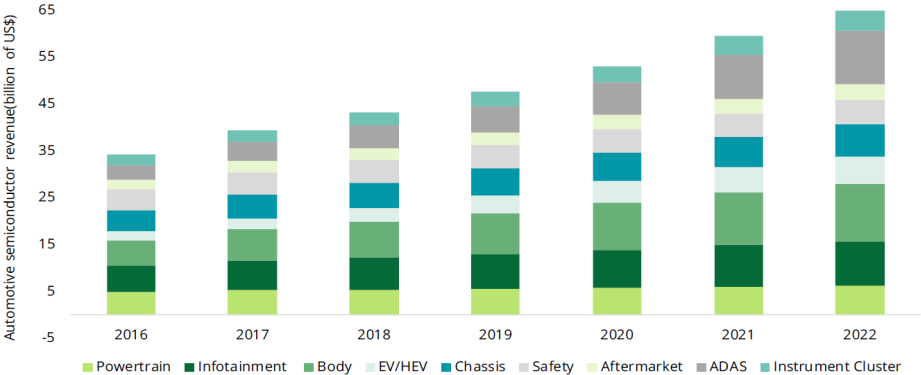
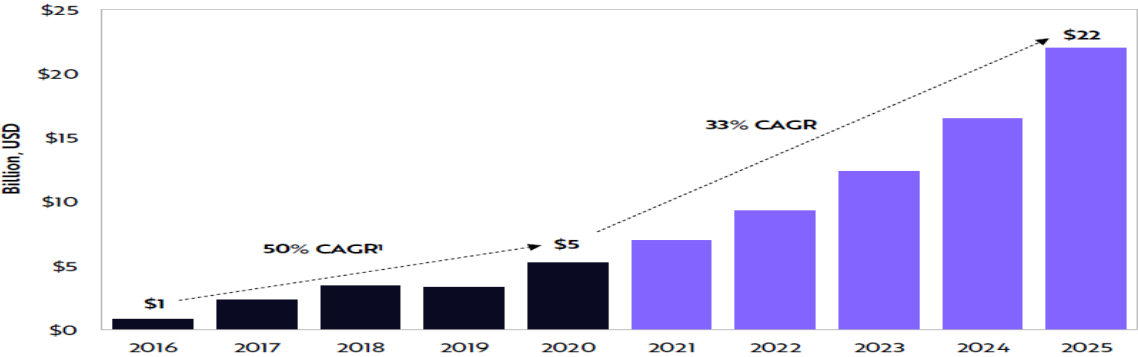


Figure: Automotive semiconductor revenue and unit production by region

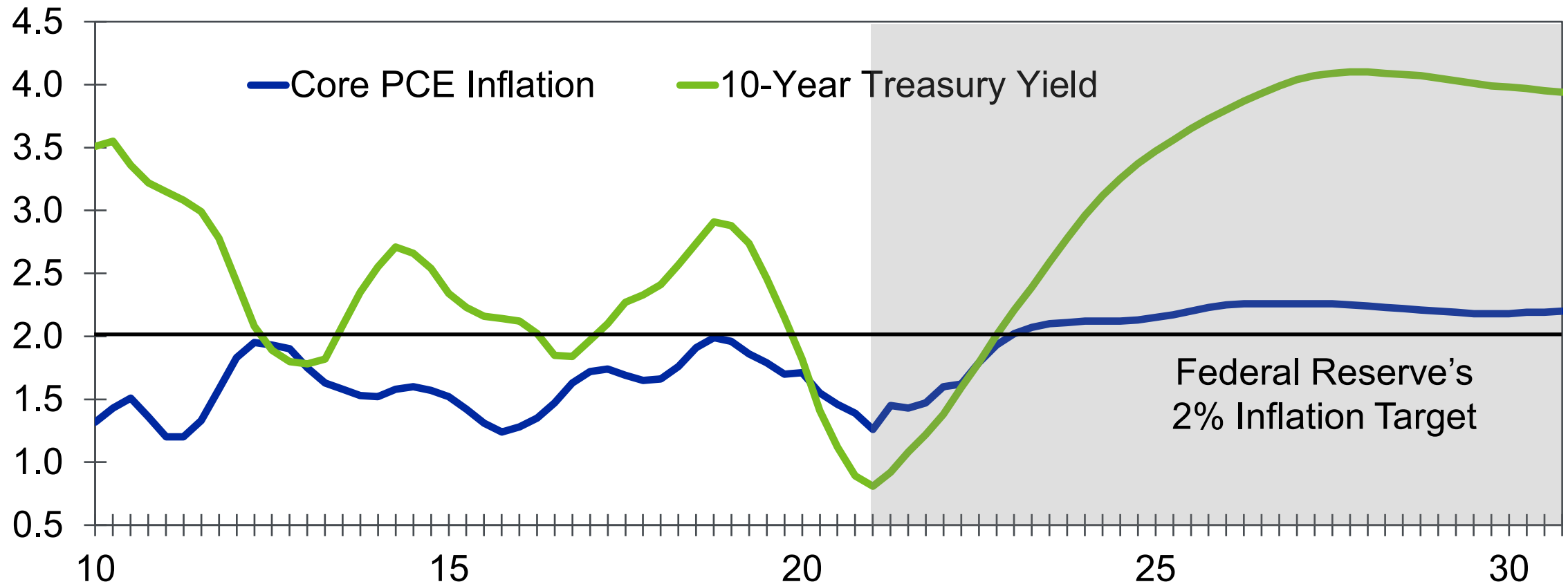


Total AI Chip Market



Inflation and Interest Rates May Surprise Post-Pandemic

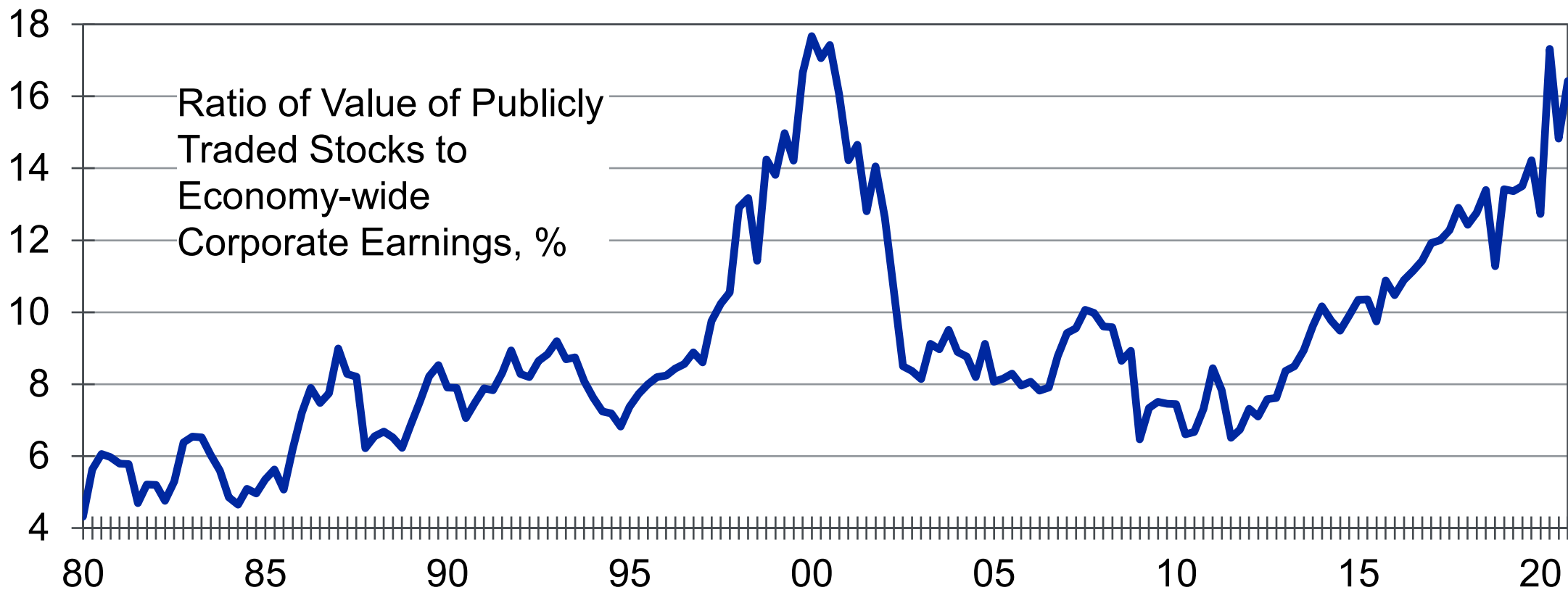
%, 4-quarter moving average



Sources: BLS, U.S. Treasury, Moody's Analytics

Asset Markets Look Pricey

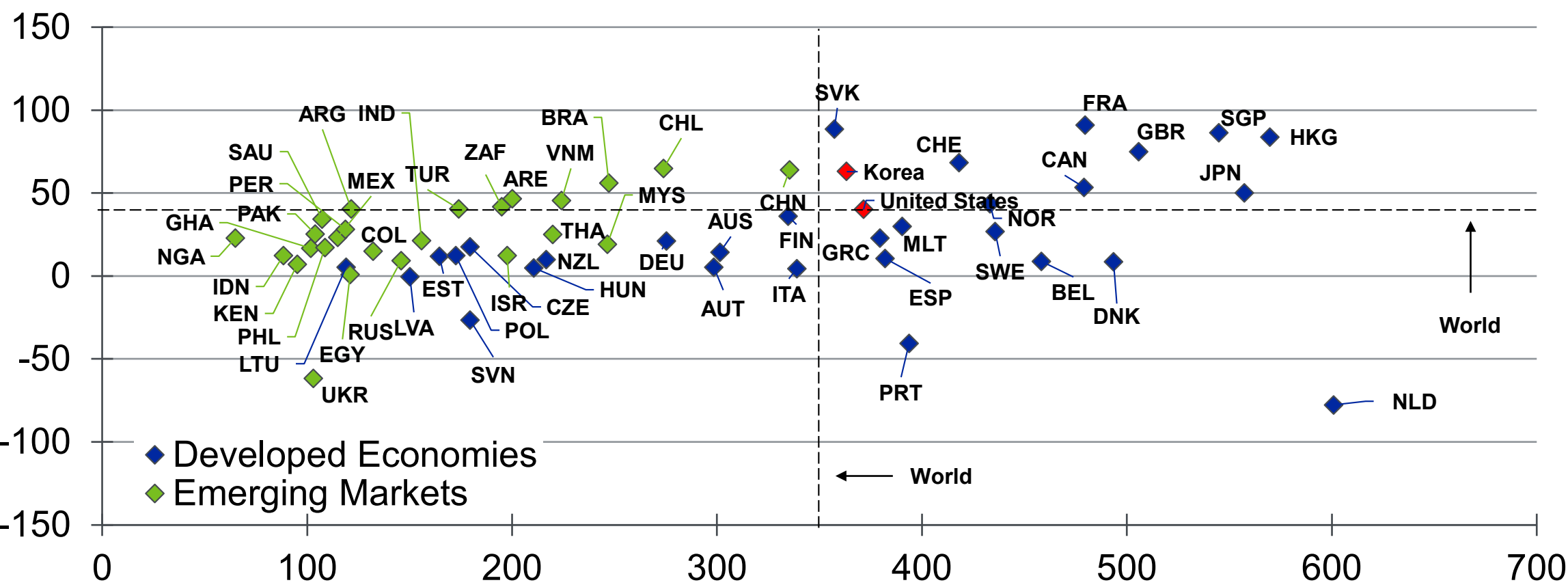
U.S. stock market price earnings multiple, %



Sources: SIX Financial, BEA, Moody's Analytics

Increasing Leverage is a Threat

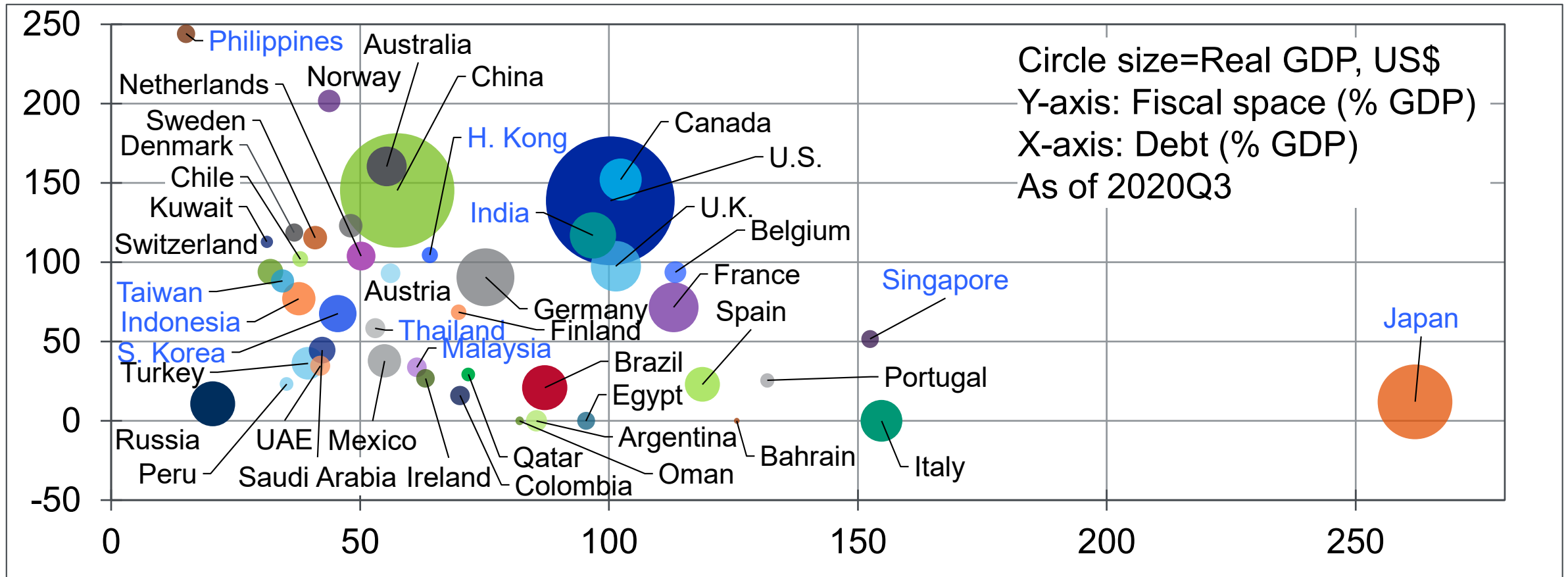
Debt-to-GDP ratio, % (x-axis), 5-yr change, ppts, (y-axis), 2020q4



Sources: IIF, Moody's Analytics

Who Has Fiscal Space?

Sovereign borrowing capacity given current yields



Source: Moody's Analytics

Uneven Economic Recovery

Quarter when real GDP (on a PPP-basis) increases above its pre-pandemic peak

Country	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1	2022Q2	2022Q3	2022Q4
China												
Vietnam												
Taiwan												
New Zealand												
S. Korea												
Australia												
Indoneisa												
World												
U.S.												
Hong Kong												
Japan												
India												
Singapore												
Malaysia												
Thailand												
Philippines												

Source: Moody's Analytics

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