

GLOBAL ECONOMIC FORECASTS WITH ALTERNATIVE SCENARIOS

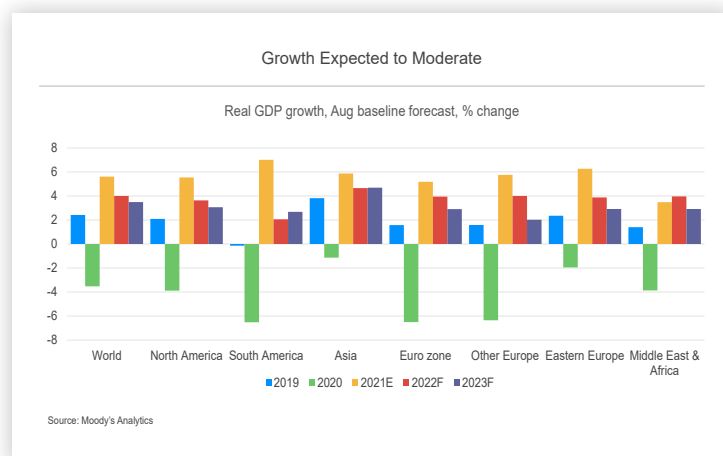
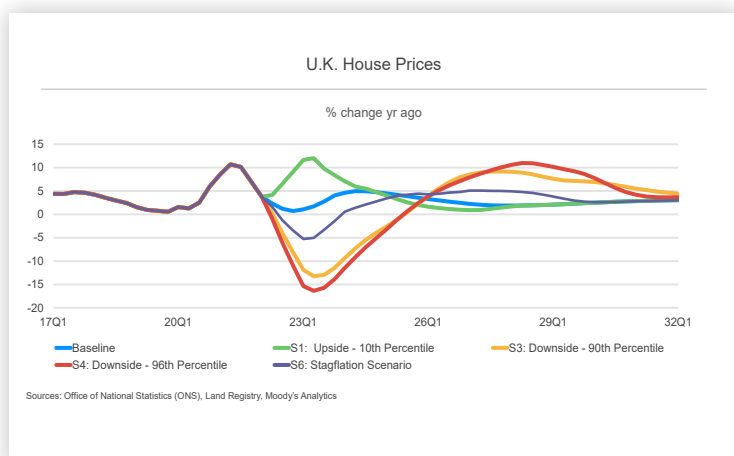
Prepare for a range of outcomes by evaluating the impact of shocks and differing economic assumptions



Moody's Analytics Global Economic Forecasts with Alternative Scenarios are the foundation of stress-testing, regulatory compliance and what-if analysis. Our scenarios enable firms across industries to test the impact of shocks and differing economic assumptions on their businesses and portfolios. Scenarios are produced and maintained by our team of global economists using our fully specified and validated Global Macroeconomic Forecast Model.

STANDARD ALTERNATIVE SCENARIOS

Moody's Analytics produces forecasts for more than 110 countries/jurisdictions. These forecasts and alternative scenarios are updated monthly or quarterly depending on the geography, reflecting the latest economic data, conditions and expectations. Our standard alternative scenarios include probabilistic scenarios reflecting the distribution of possible economic outcomes, along with narrative scenarios derived from a set of assumptions about possible paths of the economy.



OUR METHODOLOGY

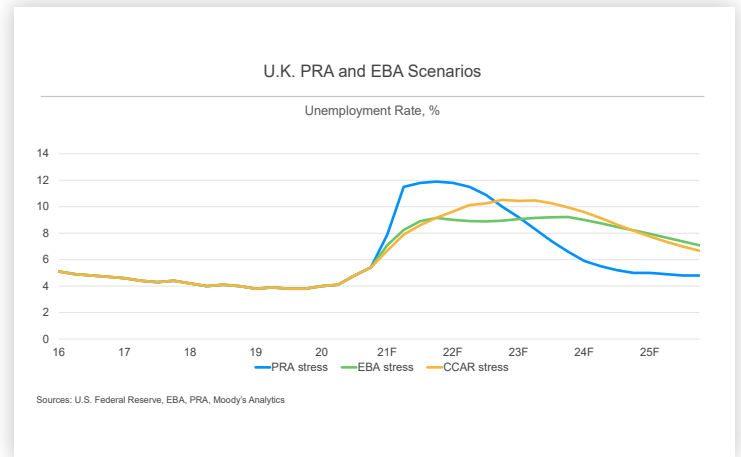
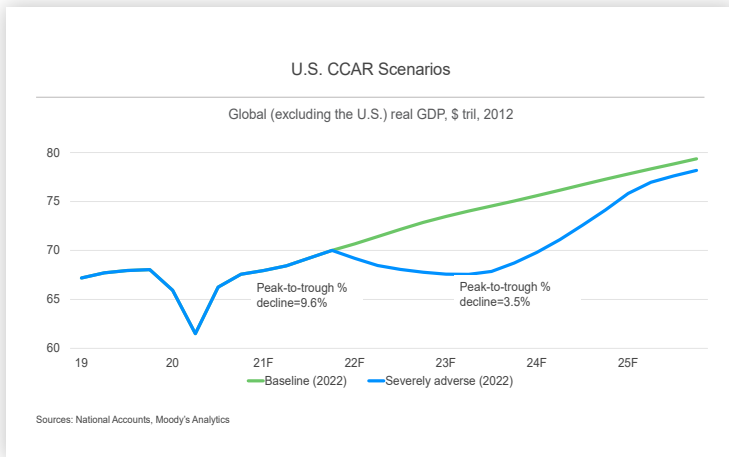
Our scenario-driven approach to forecasting begins with our baseline forecast. We define this as the most likely outcome based on current conditions and our view of where the economy is headed. We then develop the basic outlines of our alternative scenarios by running multiple simulations to create a probability distribution of economic outcomes. The percentiles refer to the position of a given scenario in a distribution of possible economic outcomes. The baseline is positioned at the 50th percentile. For each alternative scenario, we provide an economic narrative explaining what would cause the change in the outlook relative to the baseline. That story changes over time as underlying economic conditions change.

AN EXTENSIVE SET OF STANDARD SCENARIOS REFLECTING A RANGE OF POSSIBLE ECONOMIC OUTCOMES

- BL Baseline Forecast
- S0 Alternative Scenario Upside - 4th Percentile
- S1 Alternative Scenario Upside - 10th Percentile
- S2 Alternative Scenario Downside - 75th Percentile
- S3 Alternative Scenario Downside - 90th Percentile
- S4 Alternative Scenario Downside - 96th Percentile
- CS Alternative Scenario Constant Severity - Downside - 99th Percentile (U.S. only)
- S5 Below-Trend Long-Term Growth Scenario
- S6 Stagflation Scenario
- S7 Next-Cycle Recession Scenario
- S8 Low Oil Price Scenario
- CF Consensus Forecast
- One-time, event-driven thematic scenarios such as Russia-Ukraine, Sovereign Debt Crisis, and Brexit

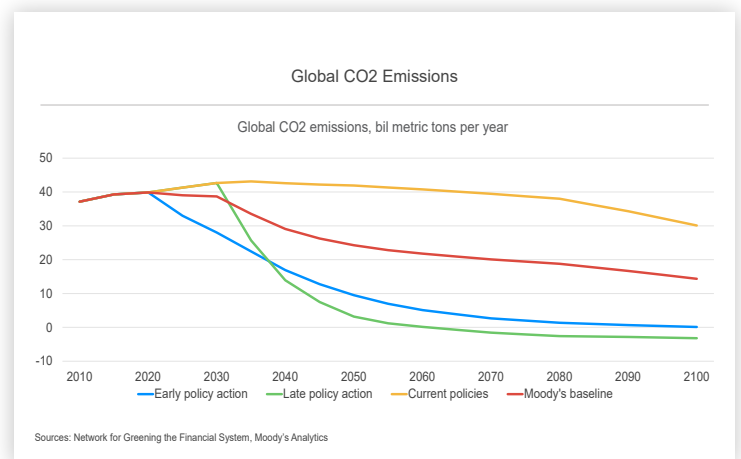
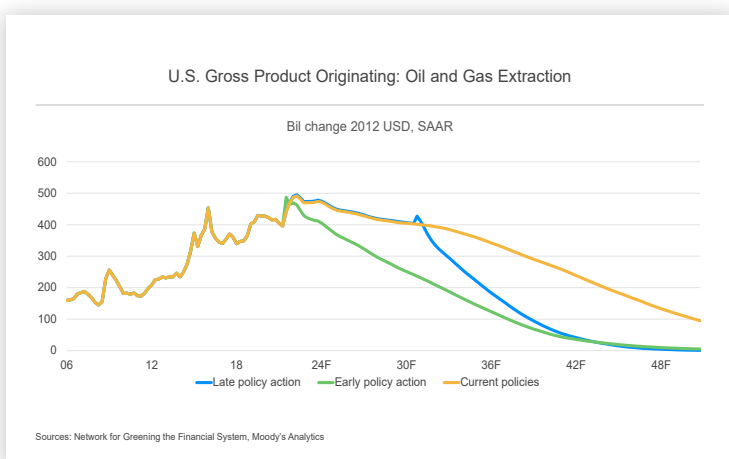
SUPERVISORY SCENARIOS

We provide fully expanded scenarios covering all the variables in our forecast databases based on projections provided by the Bank of England (BoE), European Banking Authority (EBA), European Central Bank (ECB), and U.S. Federal Reserve, and other scenarios proposed by regulatory authorities.



CLIMATE RISK SCENARIOS

Using the Moody's Analytics Global Macroeconomic Model, we have produced a set of climate risk scenarios consistent with the guidance of the Network for Greening the Financial System (NGFS). Moody's Analytics Climate Risk Scenarios provide four alternative pathways forecasting the physical and transition risks to the economy for more than 70 countries and 18,000 macroeconomic variables with a 100-year horizon. The expansive scope of climate-related macroeconomic data allows organizations to analyze business impacts and stress their portfolios for the risks posed by climate change.



CUSTOM SCENARIOS

We develop idiosyncratic scenarios customized to clients' unique assumptions, business models and geographic footprint, leveraging our best-in-class modeling and analytical expertise. Clients can also use our Scenario Studio platform to develop custom scenarios based on our Global Macroeconomic Forecast Model.

BENEFITS

Accuracy and Consistency

Analyze with confidence using scenarios produced, vetted and maintained by our international team of experienced economists and data specialists.

Timeliness

Account for the most recent data and conditions with our monthly updated scenarios.

Depth

Take advantage of scenarios that include a comprehensive set of economic variables.

Transparency

Fully understand the assumptions for each scenario with written scenario narratives, model methodology, and complete access to our economists.

KEY FEATURES

- Extensive geographic coverage for forecasts and scenarios, including:

COUNTRIES/JURISDICTIONS

Algeria	Cambodia	Estonia	Ireland	Macao	Palestine	Slovak Republic	Ukraine
Argentina	Canada	Finland	Israel	Madagascar	Panama	Slovenia	United Kingdom
Armenia	Chile	France	Italy	Malaysia	Paraguay	South Africa	Uruguay
Australia	China	Gambia	Jamaica	Malta	Peru	South Korea	Uzbekistan
Austria	Colombia	Germany	Japan	Mauritius	Philippines	Spain	Venezuela
Bahamas	Costa Rica	Ghana	Jordan	Mexico	Poland	Sri Lanka	Vietnam
Bahrain	Croatia	Greece	Kazakhstan	Morocco	Portugal	Sweden	Zambia
Bangladesh	Cyprus	Guatemala	Kenya	Mozambique	Qatar	Switzerland	
Belgium	Czech Republic	Guinea	Kuwait	Myanmar	Romania	Taiwan	
Bermuda	D.R. Congo	Honduras	Kyrgyzstan	Netherlands	Russia	Tanzania	
Bolivia	Denmark	Hong Kong	Laos	New Zealand	Saudi Arabia	Thailand	
Botswana	Dominican Republic	Hungary	Latvia	Nigeria	Senegal	Tunisia	
Brazil	Ecuador	India	Lebanon	Norway	Seychelles	Turkey	
Brunei	Egypt	Indonesia	Lithuania	Oman	Sierra Leone	UAE	
Bulgaria	El Salvador	Iraq	Luxembourg	Pakistan	Singapore	Uganda	

AGGREGATES

ASEAN	Developing Asia	Europe (Excl. UK)	North America	Western Europe
ASEAN 5	Eastern Europe	European Union	Oceania	World
Asia-Pacific	Emerging Markets	GCC	OECD	World (Excl. US)
Asia-Pacific (Excl. Japan)	Euro Zone	G7	South America	
Developed Asia	Europe	Latin America	WAEMU	

- Coverage of 12,000+ variables, including national accounts (output) - real and nominal in local currency and U.S. dollars, current accounts, demographics, employment, foreign trade, government, income, industrial production, interest and exchange rates, labor force survey, prices, real estate, and retail sales.
- Multiple delivery options complimentary with your subscription. Download or automate delivery through our Data Buffet platform, access directly within Excel using our Add-in, or retrieve programmatically via our API.
- Fully documented model methodology and validation reports as well as narratives for our baseline forecast and scenarios. Clients also have access to economists and Data and Client Support teams for assistance.
- Forecasts and standard alternative scenarios have a 30-year horizon, and are updated monthly or quarterly depending on geography.

APPLICATIONS

Stress-Testing

Run comprehensive, transparent and consistent stress tests on portfolios, translating scenarios into stressed conditions for credit, market, liquidity and operational risk.

Business Planning

Understand the impact of potential economic outcomes on the performance of businesses and portfolios.

Risk Management

Mitigate risk by proactively assessing losses and capital levels under various scenarios.

Regulatory Compliance & Accounting Standards

Leverage fully documented scenarios from a trusted source for CECL, IFRS 9, CCAR and other compliance applications.

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