

**The 2018 Economic Slowdown: Still Blossoming In The New Year
... And A Word Or Two About TLTROs, Too!**

- Carl Weinberg, Chief International Economist



High Frequency Economics®

Daily Data Analysis and Assessment of the Global Economy

Daily Notes on the **Global Economy**

HFE Global Webinar — March 7, 2019

Carl B. Weinberg, Chief International Economist

TLTROs

The ECB's Stealth QE Weapon

**TLTROs Reduce The Supply Of Bonds
Available To The Public**

Without The ECB Having To Own The Securities

Risk Of Mass Paydowns Start In March 2020

Will Over-Reserved Banks Borrow More Reserves?



High Frequency Economics®

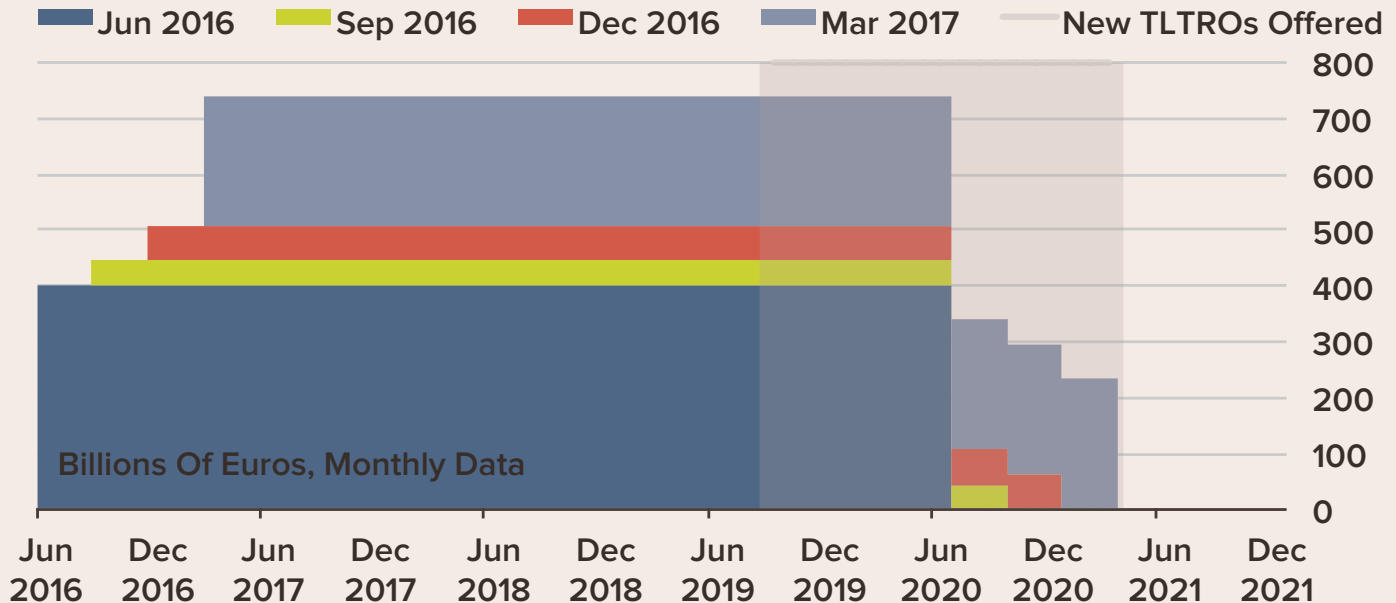
Daily Data Analysis and Assessment of the Global Economy

Daily Notes on the **Global Economy**

HFE Global Webinar — March 7, 2019

Carl B. Weinberg, Chief International Economist

Euro Zone: TLTROs Outstanding





High Frequency Economics®

Daily Data Analysis and Assessment of the Global Economy

Daily Notes on the **Global Economy**

HFE Global Webinar — March 7, 2019

Carl B. Weinberg, Chief International Economist

Advanced Economies Slow

**Industrial Output Declines
Retail Sales Do Not**

Employment Growth Is Not Too Bad

**All Signs Point To An
Inventory Correction**



High Frequency Economics®

Daily Data Analysis and Assessment of the Global Economy

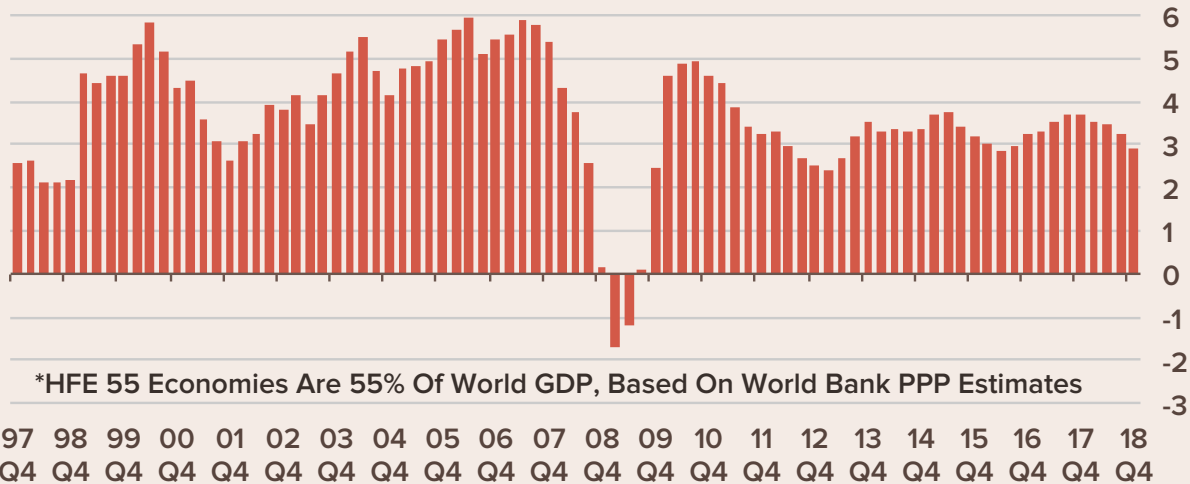
Daily Notes on the **Global Economy**

HFE Global Webinar — March 7, 2019

Carl B. Weinberg, Chief International Economist

HFE 55 Economies*: GDP, Percent Change Year Ago

Year-Over-Year GDP Growth Rate





High Frequency Economics®

Daily Data Analysis and Assessment of the Global Economy

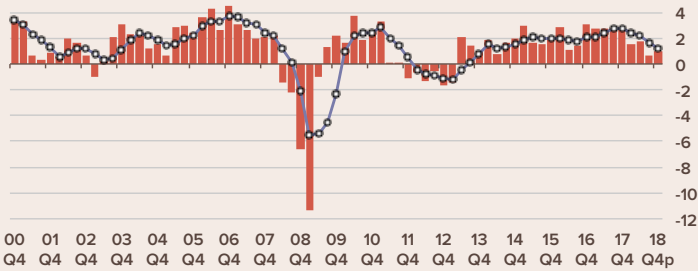
Daily Notes on the **Global Economy**

HFE Global Webinar — March 7, 2019

Carl B. Weinberg, Chief International Economist

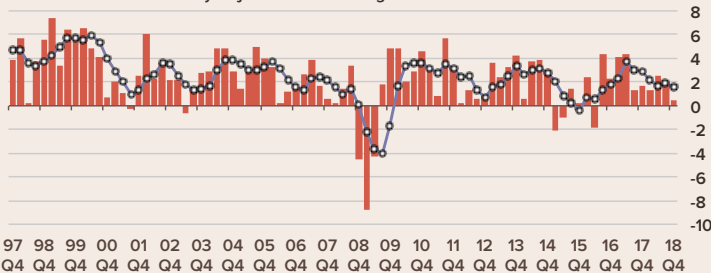
Euro Zone: GDP

Seasonally Adjusted Annual Rate (Bar) and Percent Change Year Ago (Line)
Calculated From Seasonally Adjusted Data Through 2018 Q4 Preliminary Estimate



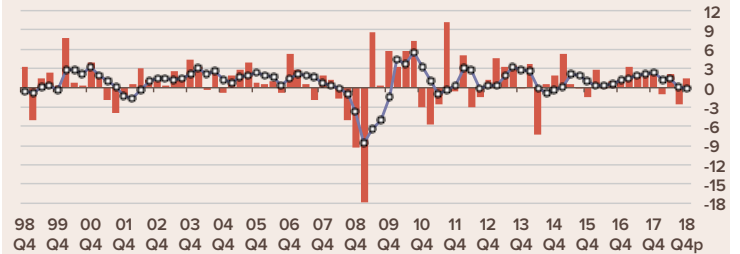
Canada: GDP

Seasonally Adjusted Annual Rate (Bar) and Percent Change Year Ago (Line)
Calculated From Seasonally Adjusted Data Through 2018 Q4



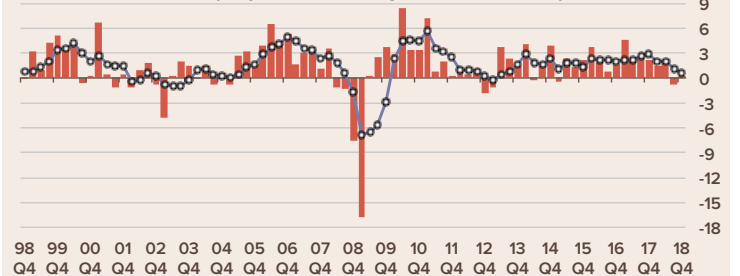
Japan: GDP

Seasonally Adjusted Annual Rate (Bar) and Percent Change Year Ago (Line)
Calculated From Seasonally Adjusted Data Through 2018 Q4 Preliminary Estimate



Germany: GDP

Seasonally Adjusted Annual Rate (Bar) and Percent Change Year Ago (Line)
Calculated From Seasonally Adjusted Data Through 2018 Q4 Preliminary Estimate





High Frequency Economics®

Daily Data Analysis and Assessment of the Global Economy

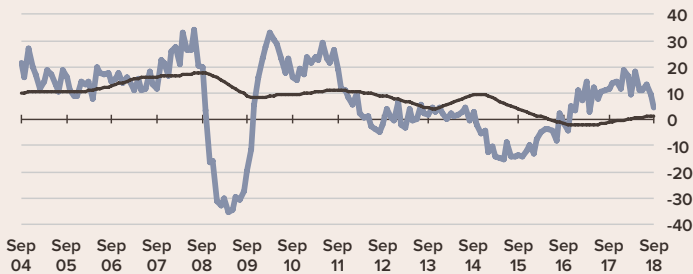
Daily Notes on the **Global Economy**

HFE Global Webinar — March 7, 2019

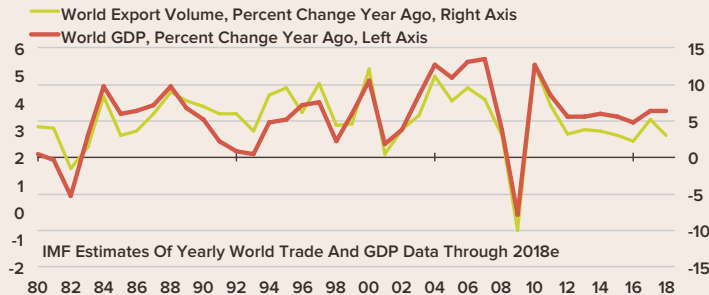
Carl B. Weinberg, Chief International Economist

IMF Measure Of World Trade Value

Global Exports In U.S. Dollars, Percent Change Year Ago, Black Line Is 5-Year Trend

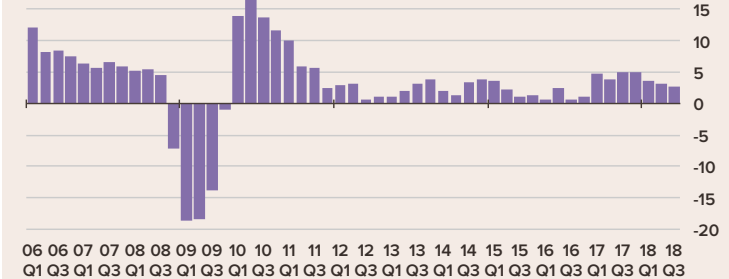


IMF Measure Of World Trade Volume Vs GDP Growth



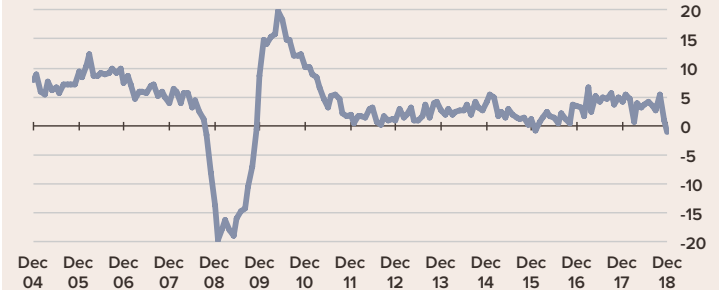
WTO Measure Of World Trade Volume

Percent Change Year Ago



CPB Measure Of World Trade Volume

Global Exports In U.S. Dollars, Percent Change Year Ago,





High Frequency Economics®

Daily Data Analysis and Assessment of the Global Economy

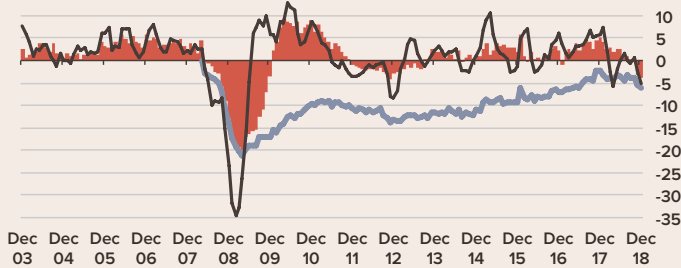
Daily Notes on the **Global Economy**

HFE Global Webinar — March 7, 2019

Carl B. Weinberg, Chief International Economist

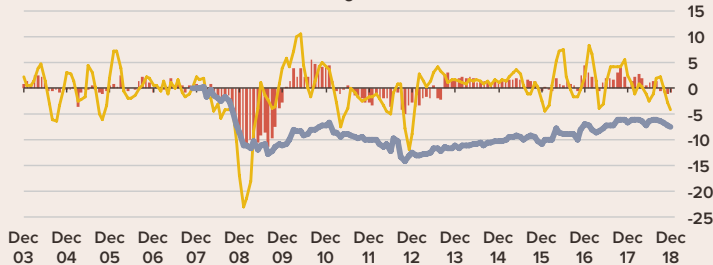
Euro Zone: Industrial Production, Percent Change Year Ago

Black Line Shows Annualized Percentage Change In Three-Month Moving Average
Blue Line Shows Percent Change Since April 2008 Peak



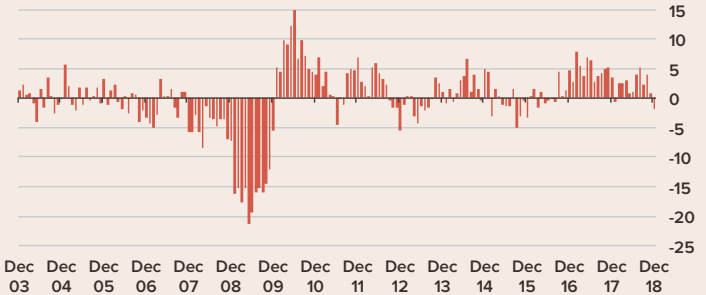
United Kingdom: Industrial Production

Bars Are Industrial Production, %cha, Blue Line Is Percent Change Since Peak
Yellow Line Is Annualized Three-Month Change In Production



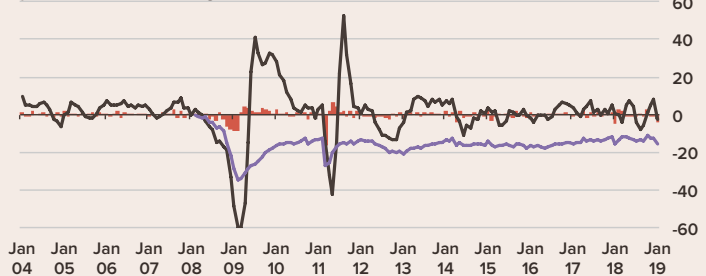
Canada: Manufacturing Output, Percent Change Year Ago

Volume Measure



Japan: Industrial Production, Percent Change Year Ago

Black Line Shows Annualized Percent Change In Three-Month Moving Average
Purple Line Is Percent Change Since Peak





High Frequency Economics®

Daily Data Analysis and Assessment of the Global Economy

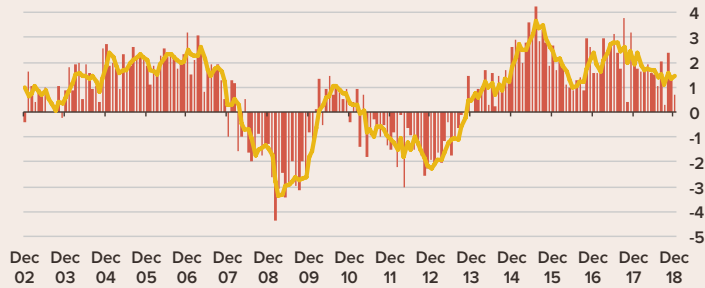
Daily Notes on the **Global Economy**

HFE Global Webinar — March 7, 2019

Carl B. Weinberg, Chief International Economist

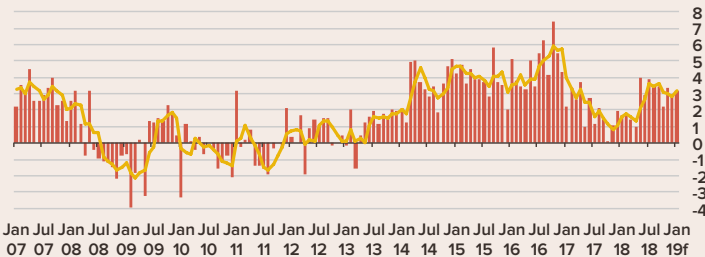
Euro Zone: Retail Sales Volume, Percent Change Year Ago

Line Shows Three-Month Moving Average Year-Over-Year



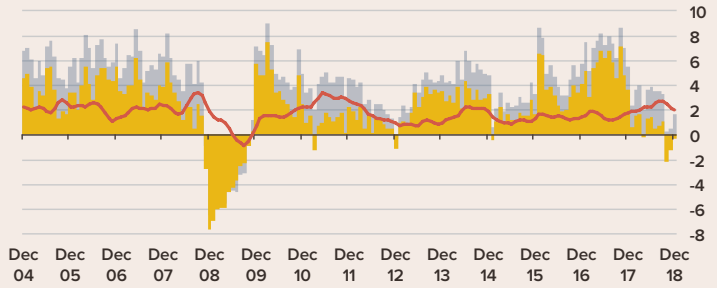
United Kingdom: Retail Sales, Percent Change Year Ago

Line Shows Three-Month Moving Average Year-Over-Year



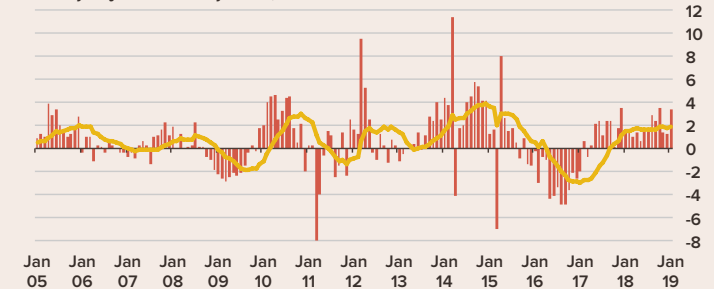
Canada: Retail Sales, Percent Change Year Ago

■ Nominal Retail Sales ■ Volume Of Retail Sales — Trend In Real Sales



Japan: Retail Sales, Percent Change Year Ago

Seasonally Adjusted Monthly Index, 2010 = 100





High Frequency Economics®

Daily Data Analysis and Assessment of the Global Economy

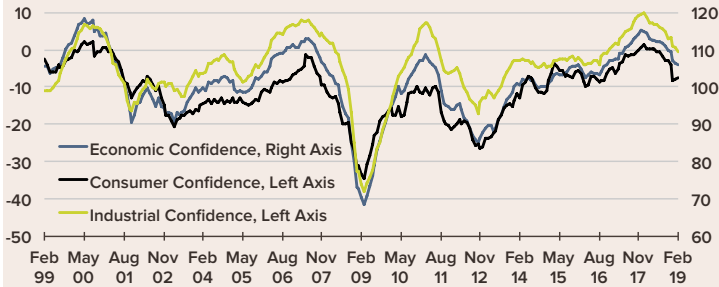
Daily Notes on the Global Economy

HFE Global Webinar — March 7, 2019

Carl B. Weinberg, Chief International Economist

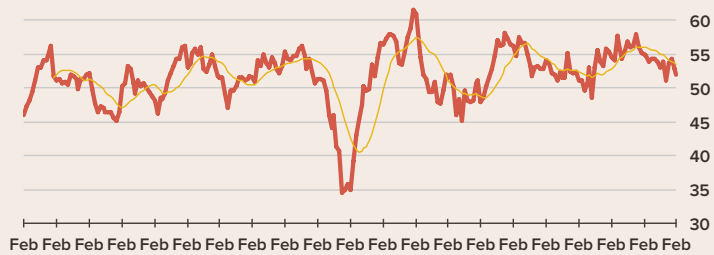
Euro Zone: Economic Confidence Indexes

Data Through Feb 19



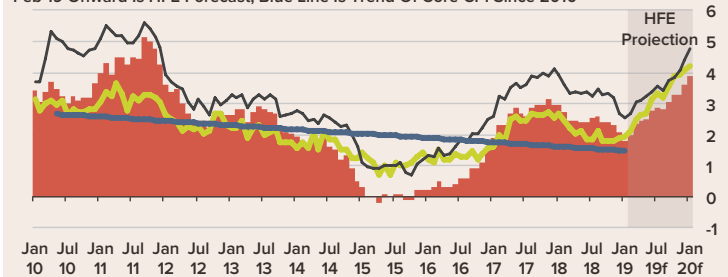
United Kingdom: CIPS Manufacturing Sector PMI

12-Month Moving Average Shown

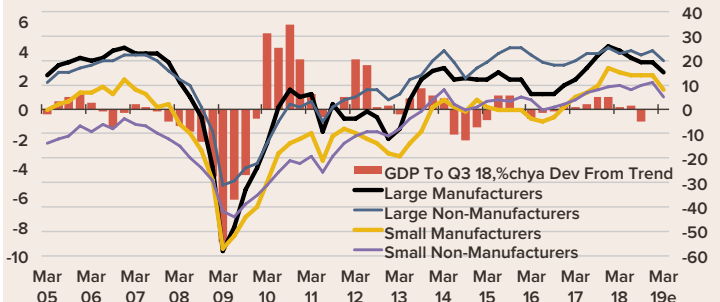


United Kingdom: CPI, Percent Change Year Ago (Hard Brexit)

Green Line Shows Core CPI, Black Line Shows RPI
Feb 19 Onward Is HFE Forecast, Blue Line Is Trend Of Core CPI Since 2010



Japan: Tankan Indexes And GDP Growth Trends





High Frequency Economics®

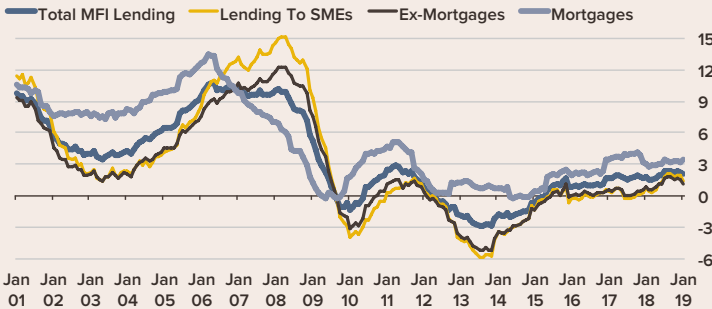
Daily Data Analysis and Assessment of the Global Economy

Daily Notes on the Global Economy

HFE Global Webinar — March 7, 2019

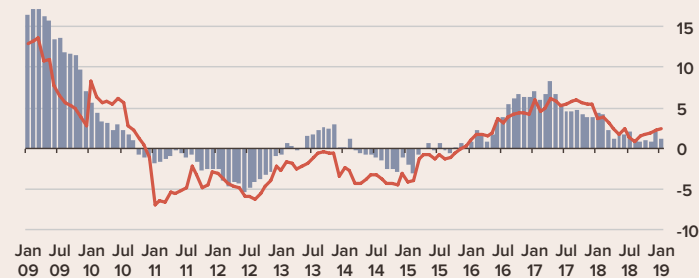
Carl B. Weinberg, Chief International Economist

Euro Zone: Bank Lending, Percent Change Year Ago

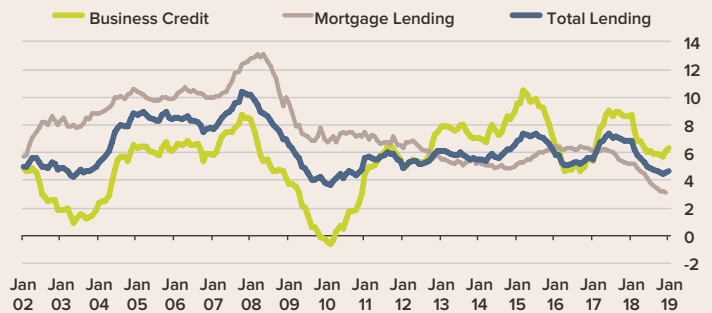


United Kingdom: Growth Of Broad Money And Credit

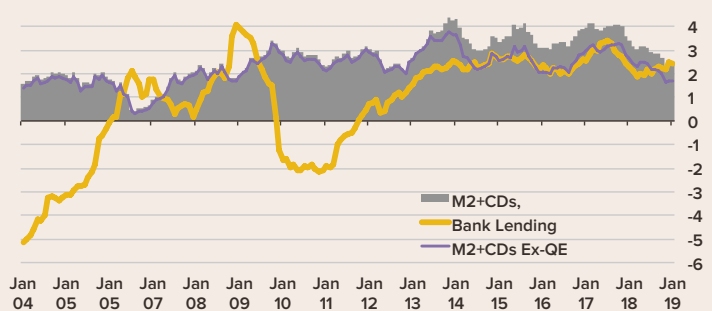
Bars Are M4, Red Line Shows M4 Lending, Percent Change Year Ago



Canada: Measures Of Credit, Percent Change Year Ago



Japan: Money And Credit, Percent Change Year Ago





High Frequency Economics®

Daily Data Analysis and Assessment of the Global Economy

Daily Notes on the **Global Economy**

HFE Global Webinar — March 7, 2019

Carl B. Weinberg, Chief International Economist

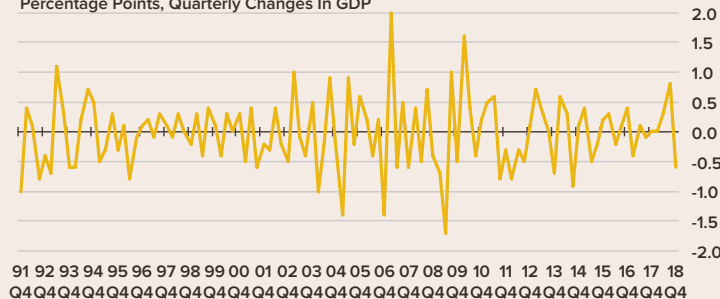
Japan: Inventory To Sales Ratio

Seasonally Adjusted Monthly Index, 2010 = 100, Trend Line Since 2010 Shown



Germany: Inventory Change Contribution To GDP Growth

Percentage Points, Quarterly Changes In GDP



Canada: Manufacturing Inventories-To-Sales Ratio

12-Month Trend Line shown



France: Change In Inventories Contribution To GDP Growth

Percent, Four-Quarter Moving Trend





High Frequency Economics®

Daily Data Analysis and Assessment of the Global Economy

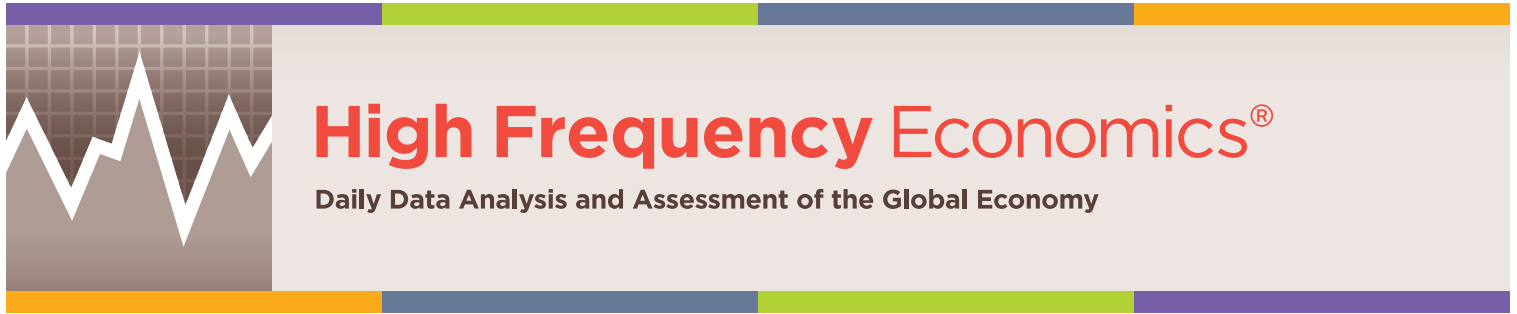
Daily Notes on the **Global Economy**

HFE Global Webinar — March 7, 2019

Carl B. Weinberg, Chief International Economist

Key Takeaways...

- **Slowdown Or Recession In Europe
Is An Inventory Correction... Brief And Shallow**
- **Bond Bump Looms In Europe For Spring 2020**
- **Inventory Correction Risk Huge In Canada And Japan**
- **Inflation Targets Will Not Be Met Worldwide 2019-20
Monetary Conditions To Remain Easy**
- **China Will Grow Slowly, But It Will Not Cra**



**The 2018 Economic Slowdown: Still Blossoming In The New Year
... And A Word Or Two About TLTROs, Too!**

- Carl Weinberg, Chief International Economist