

Global Economic Issues that Matter!

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ARMADA

There are two kinds of forecasters:
those who don't know, and those
who don't know they don't know.

John Kenneth Galbraith

quintony

2024

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Just Keep an Eye on Potential (And Ongoing) Black Swan Events

- **Significant:**

- Middle East Tension and closing of Red Sea
- Ukraine Conflict and challenges in the Black Sea
- North Korea / South Korea exchanges heating up
- Panama Canal drought
- Polar vortex and US energy grid
- Baltics (Russia vs. Finland, Estonia, and others)

- **Fringe:**

- Venezuela vs. Guyana and control of the oil/gold rich Esequibo region.
- Ecuador gang violence out of control
- Tension on the US southern border and disruptions in freight flows

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Top Ten Economies

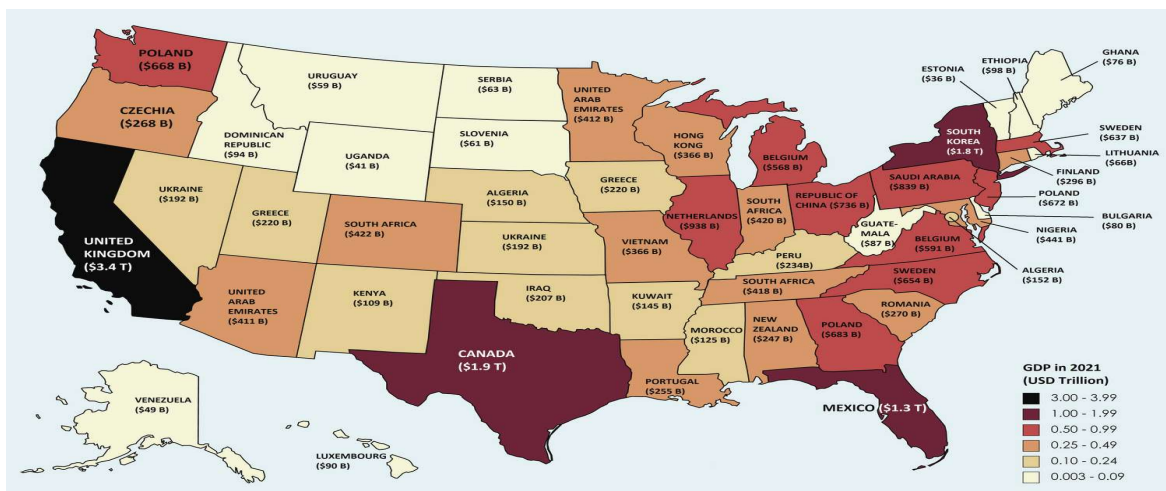


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States Compared to National GDP



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Slowing Growth in Europe



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Global Growth Slowing Overall

| BertelsmannStiftung

Estimated change of real GDP in 2024, compared to 2023, in percent

	IMF (October 2023)	EU Commission (November 2023)	OECD (November 2023)
World	+ 2.9	no data	+ 2.7
United States	+ 1.5	+ 1.4	+ 1.5
Euro area	+ 1.2	+ 1.2	+ 0.9
France	+ 1.3	+1.2	+ 0.8
Germany	+ 0.9	+0.8	+ 0.6
Italy	+ 0.7	+ 0.9	+ 0.7
Spain	+ 1.7	+ 1.7	+ 1.4
China	+ 4.2	no data	+ 4.7
Japan	+ 1.0	+ 0.8	+ 1.0

Source: International Monetary Fund, EU Commission and OECD.

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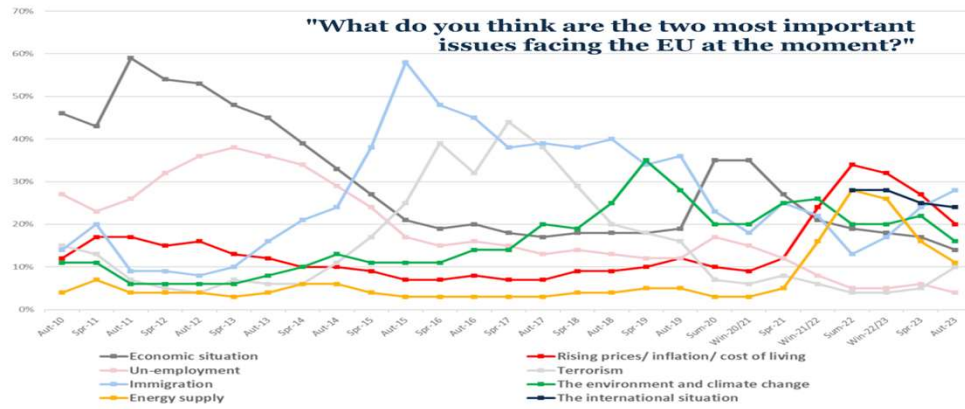
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Top Issues: Immigration and Economy

What the population sees as key issues in the European Union.

Survey among EU population 15 years and older
Data: European Union, Eurobarometer (Oct/Nov 2023).



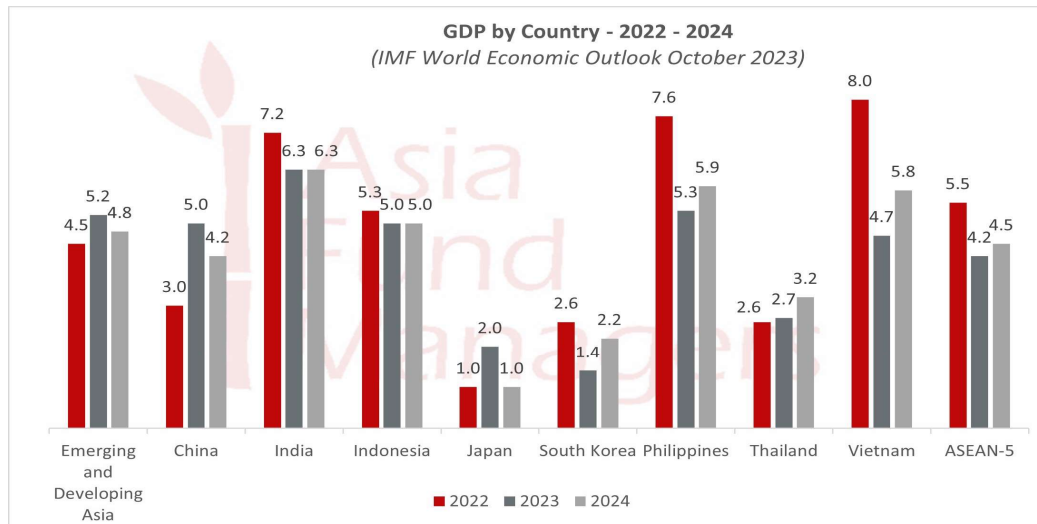
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India Ascending – China Descending

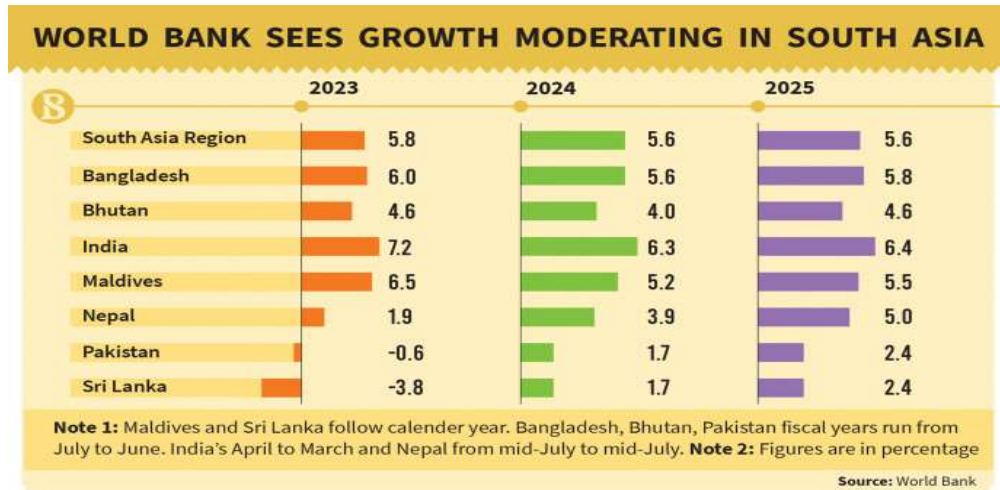


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South Asian Slowdown?



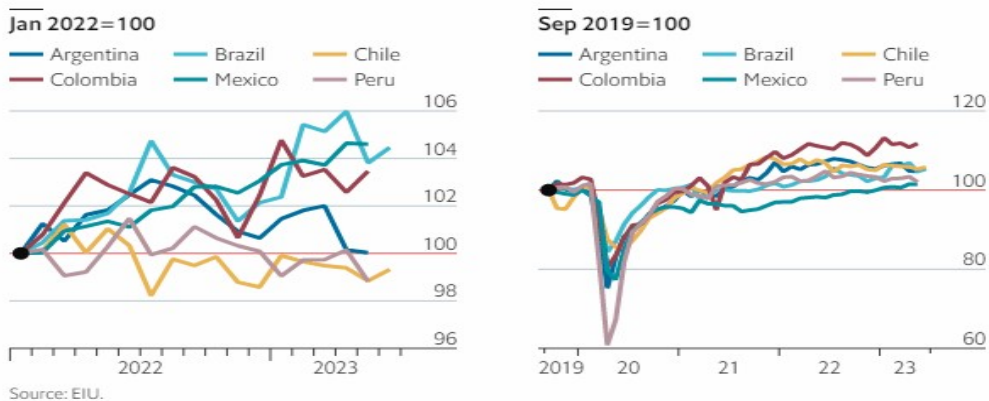
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Mixed in Latin America

Economic performance in Latin America has been mixed so far in 2023
(monthly economic activity index)



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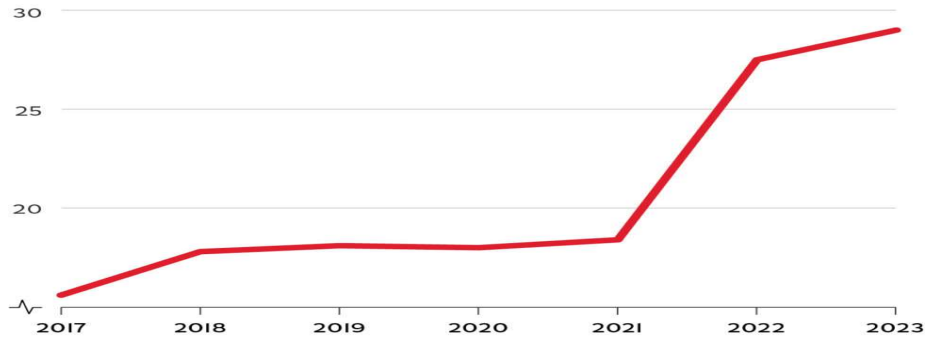
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Mexico Surging

FDI in Mexico soars

FOREIGN DIRECT INVESTMENT (BILLIONS USD), FIRST SEMESTER



NOTE: 2022 FDI INCLUDES \$6.8 BILLION FROM RESTRUCTURING OF AEROMÉXICO AND MERGER OF TELEVISIÓN AND UNIVISIÓN. 2023 FIGURES ARE PRELIMINARY.
SOURCE: SECRETARÍA DE ECONOMÍA DE MÉXICO (AUGUST 2023)



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Mexican Growth at China's Expense

Chart 4: US importing more from Mexico than China for first time since 2003

China and Mexico as % of US imports (12-month moving average)



Source: BofA Global Investment Strategy, Bloomberg

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Mexico Makes History – Xochitl Galvez or Claudia Scheinbaum



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Headwind BLUF: Global Manufacturing Highlights

- 20 countries had manufacturing sectors in contraction in Dec
- Europe still in recession.
- Asia is reeling from lack of demand in NA and Europe
- India is booming – because of shifting sourcing patterns
- Canada and the US in contraction, Mexico stronger
- From a global economy perspective, its not great news. One of the reasons why some inventories on raw materials are tight, but prices continue to fall

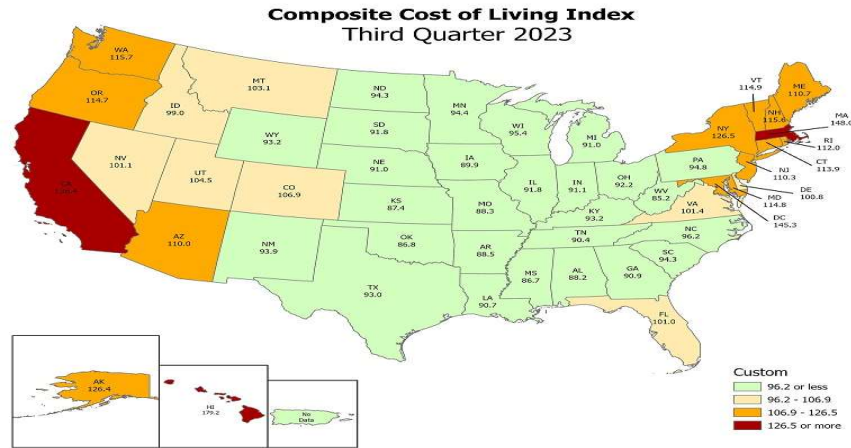
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Country	Current Month	Manufacturing			M/M Change	Services			M/M Change
		Latest Month	Prior Month	PMI		Latest Month	Prior Month	PMI	
Global PMI	Dec	49.0	49.3	-0.3		Dec	51.6	50.6	1.0
Eurozone PMI	Dec	44.4	44.2	0.2		Dec	47.6	47.6	0.0
US	Dec	47.9	49.4	-1.5		Dec	51.4	50.8	0.6
China	Dec	50.8	50.7	0.1		Dec	52.9	51.5	1.4
Canada	Dec	45.4	47.7	-2.3		Dec	44.6	44.5	0.1
Mexico	Dec	52.0	52.5	-0.5					
Japan	Dec	47.7	48.3	-0.6		Dec	52.0	50.8	1.2
Germany	Dec	43.3	42.6	0.7		Dec	49.3	49.6	-0.3
South Korea	Dec	49.9	50.0	-0.1					
UK	Dec	46.2	47.2	-1.0		Dec	53.4	50.9	2.5
France	Dec	42.1	42.9	-0.8		Dec	45.7	45.4	0.3
India	Dec	54.9	56.0	-1.1		Dec	59.0	56.9	2.1
Italy	Dec	45.3	44.4	0.9		Dec	49.8	49.5	0.3
Taiwan	Dec	47.1	48.3	-1.2					
Brazil	Dec	48.4	49.4	-1.0		Dec	50.5	51.2	-0.7
Spain	Dec	46.2	46.3	-0.1		Dec	51.5	51.0	0.5
Russia	Dec	54.6	53.8	0.8		Dec	56.2	52.2	4.0
Netherlands	Dec	44.8	44.9	-0.1					
Ireland	Dec	48.9	50.0	-1.1		Dec	53.2	54.2	-1.0
Greece	Dec	51.3	50.9	0.4					
Poland	Dec	47.4	48.7	-1.3					
ASEAN	Dec	49.7	50.0	-0.3					
Vietnam	Dec	48.9	47.3	1.6					
Philippines	Dec	51.5	52.7	-1.2					
Australia	Dec	47.6	47.7	-0.1		Dec	47.1	46.0	1.1
Switzerland	Dec	43.0	42.1	0.9					
Hong Kong	Dec	51.3	50.1	1.2					
Singapore	Dec	50.5	50.3	0.2					
Indonesia	Dec	52.2	51.7	0.5					
Thailand	Dec	45.1	47.6	-2.5					

Sources: S&P Global, Caixin, JP Morgan, Jibun Bank, Nevi, BME, CIPS

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Cost of Living

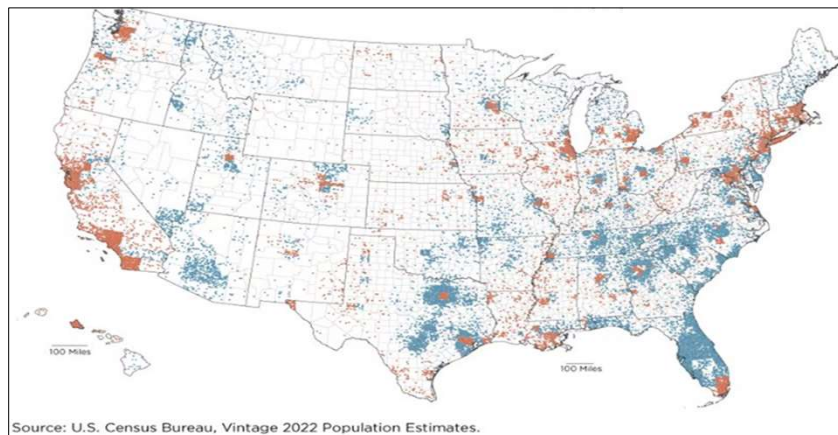


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National Population Shifts



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For More Enlightenment

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Aren't You Excited? Proof that I am
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for a month

The Watch – \$44 monthly but free
trial for TWO months

