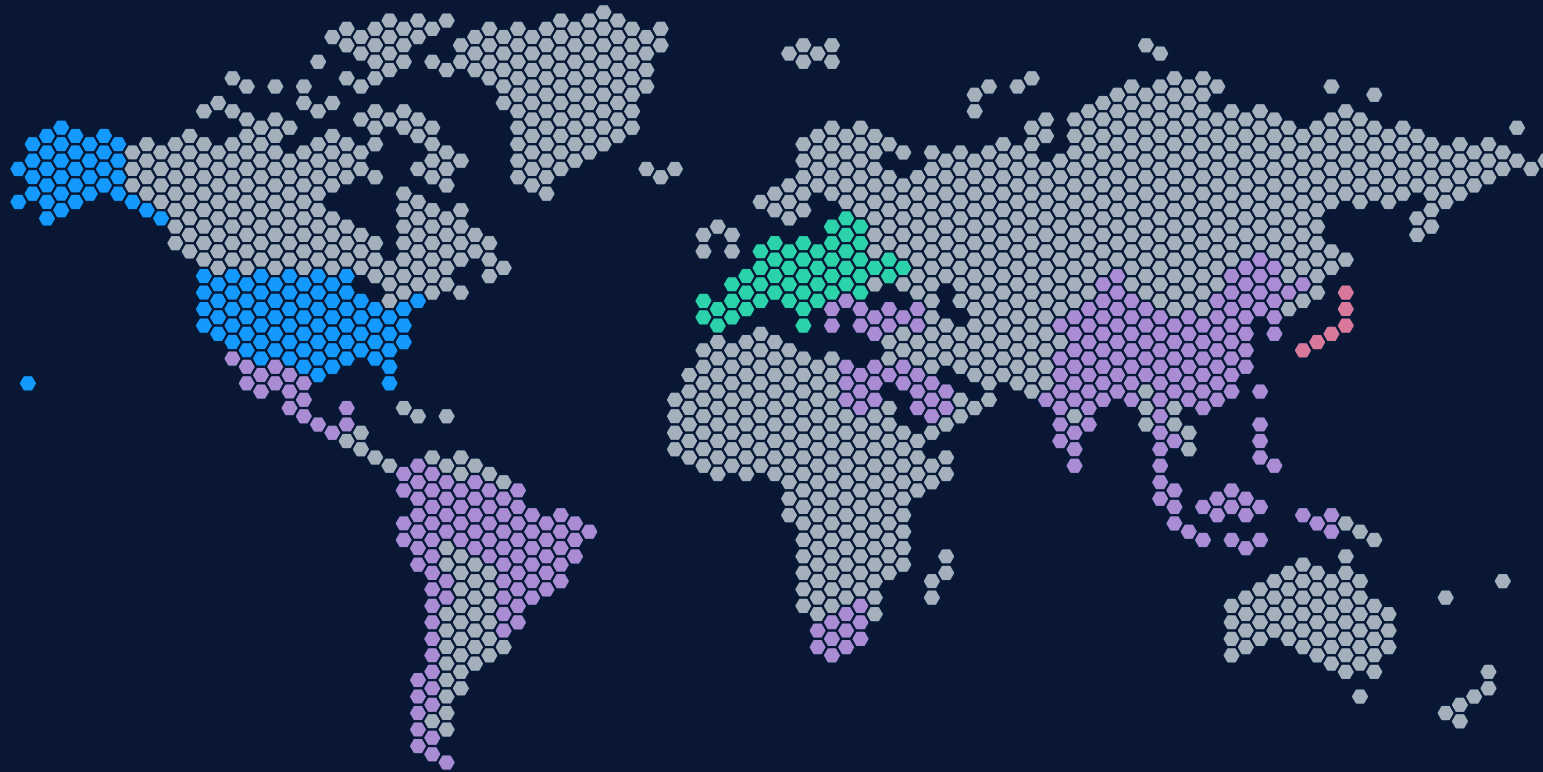


# Global macro and monetary policy guide 2024

As of May 31, 2024.



## U.S.

## Eurozone

## Emerging Markets

## China

## Japan

### Growth



Outperformance of the U.S. economy versus developed markets to taper.

Economy faces medium-term challenges from tighter fiscal impulse.

Improving global picture is expected to support emerging markets (EM) economic growth.

Policy is modestly supportive, constrained by subdued credit impulse.

Growth expected to pick up, driven by increases in real (inflation-adjusted) incomes.

### Inflation



Inflation unlikely to fall to target, with services proving sticky.

Inflation should gradually come down to target, with the risk being services.

After a rapid fall, the disinflation trend is starting to meet some resistance in EM.

Difficult to see much upward inflationary pressure without a credit cycle.

Core inflation expected to remain well below target, with yen posing upside risks.

### Monetary policy



Maximum two cuts this year; resilient data to keep rates higher for longer.

ECB became first major developed market central bank to start cutting rates in June.

EM central banks to slow cuts due to currency weakness concerns.

Incremental easing to continue through balance sheet instead of rate cutting.

Window to deliver further hikes is narrowing amid weakening inflation momentum.