

# Global Economic Update | Review

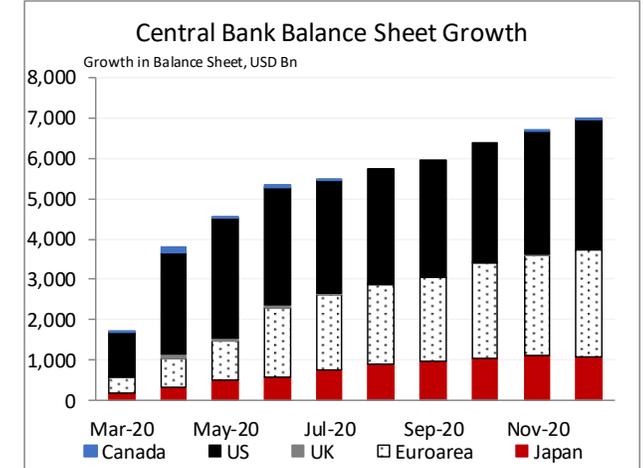
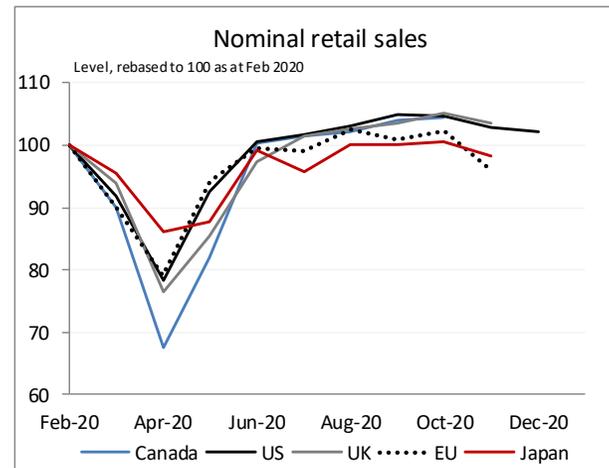
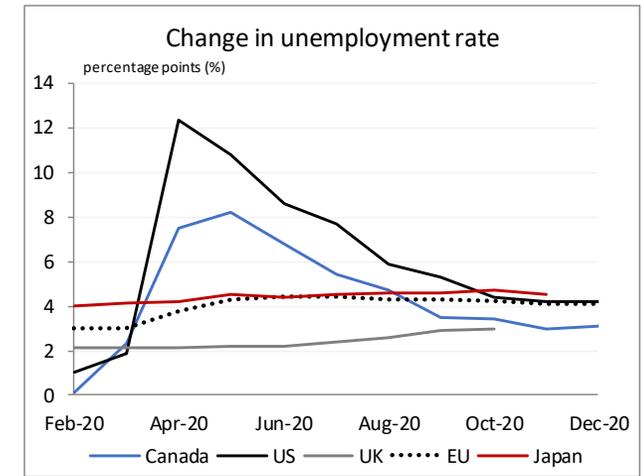
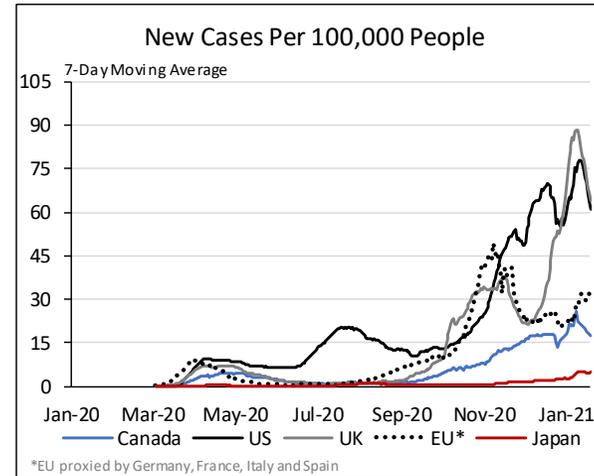
## Bumpy rebound as infection rates increase

After rebounding strongly in Q3, the pace of growth in many macro-economic indicators slowed into Q4.

Rising infection rates increased lockdowns and reduced mobility, further constraining activity.

Slack remains across most variables and uncertainty remains high, as seen via elevated savings rates.

Policy support remains and further monetary and fiscal support in some countries is considered.

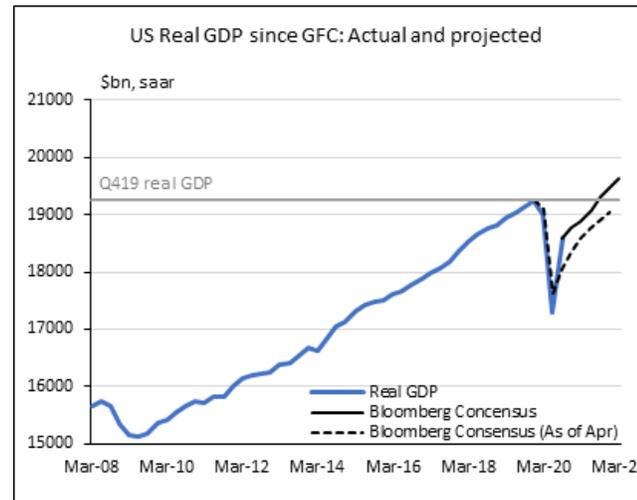


# US Economic Update | Outlook

## Vaccine deployment and fiscal support boosts recovery expectations

Expectations for growth over the coming 18 months have been revised up, due to:

- **Resilience.** The macroeconomy rebounded rapidly and robustly following the trough in activity;
- **Flexibility.** The ability of the economy to continue to function, despite reductions in mobility;
- **Containment.** Vaccine development and deployment;
- **Support.** Fiscal stimulus and continued easy monetary policy;
- **Uncertainty.** Lower virus uncertainty and a reduction in political uncertainty;
- **Optimism.** Vaccine roll-outs will allow economies to open up again.



FOMC: Summary of Economic Projections (December 2020)

	2020	2021	2022	Longer Run
<b>Change in real GDP</b>				
Jun	-7.6 to -5.5	4.5 to 6.0	3.0 to 4.5	1.7 to 2.0
Sep	-4.0 to -3.0	3.6 to 4.7	2.5 to 3.3	1.7 to 2.0
Dec	-2.5 to -2.2	3.7 to 5.0	3.0 to 3.5	1.7 to 2.0
<b>Unemployment rate</b>				
Jun	9.0 to 10.0	5.9 to 7.5	4.8 to 6.1	4.0 to 4.3
Sep	7.0 to 8.0	5.0 to 6.2	4.0 to 5.0	3.9 to 4.3
Dec	6.7 to 6.8	4.7 to 5.4	3.8 to 4.6	3.9 to 4.3
<b>PCE inflation</b>				
Jun	0.6 to 1.0	1.4 to 1.7	1.6 to 1.8	2.0
Sep	1.1 to 1.3	1.6 to 1.9	1.7 to 1.9	2.0
Dec	1.2	1.7 to 1.9	1.8 to 2.0	2.0