

# Chart of the Day



We send today's "chart of the day" from the beginning of two weeks of client meetings across Australia, New Zealand and South East Asia (Singapore, Indonesia). While economies in this region are generally not experiencing the strength of the global slowdown underway in Europe, the UK, the US and China, the contagion of a decelerating global economy is evident. **As the red arrows in the table below demonstrate, nearly every major global economy is decelerating into 2023.**

Barring unforeseen new developments, **Q1 2023** may prove to be the low point for the global economy. **As the Northern Hemisphere approaches the winter months, three converging forces will be approaching peak impact at the same time: (i) global central bank policy tightening; (ii) the energy crisis; and (iii) inflation.**

Our base case view is therefore that Europe, the UK, and possibly the US and global economy, will be in recession. And while reasonably strong balance sheets and government policy response may ensure a milder recession for some, **there does not appear to be an obvious catalyst for a strong global recovery in the 2H 2023.** Most notably, with its traditional policy levers less impactful, and policy makers more reticent to use them, **China is less likely to play the counter-cyclical role for the global economy that it has in prior decades.**

**As the red arrows in the table below demonstrate, nearly every major global economy is decelerating into 2023**

## GDP Growth Forecasts y/y

Region / country	2022	2023	
<b>North America</b>			
Canada	3.2%	1.0%	↓
Mexico	1.8%	1.7%	↓
US	1.7%	1.0%	↓
<b>Eurozone</b>			
Ireland	5.2%	1.3%	↓
Netherlands	4.6%	1.1%	↓
Spain	4.5%	2.0%	↓
Italy	3.5%	1.0%	↓
France	2.7%	0.9%	↓
Finland	2.2%	0.5%	↓
Germany	1.5%	0.2%	↓
<b>Other Europe</b>			
Poland	5.4%	0.3%	↓
Turkey	3.9%	1.2%	↓
UK	3.6%	0.3%	↓
Denmark	3.5%	1.1%	↓
Switzerland	2.5%	0.9%	↓
Czech Republic	2.5%	0.2%	↓
Sweden	2.4%	1.5%	↓
Norway	2.2%	2.0%	↓
Russia	<b>(-6.4%)</b>	<b>(-3.9%)</b>	↑
<b>APAC</b>			
Vietnam	7.7%	6.3%	↓
India	7.0%	4.4%	↓
Philippines	6.2%	4.5%	↓
Indonesia	5.8%	5.0%	↓
Australia	3.8%	2.4%	↓
Singapore	3.6%	1.5%	↓
China	3.2%	5.1%	↑
South Korea	2.7%	1.6%	↓
New Zealand	2.2%	3.4%	↑
Japan	1.6%	1.8%	↑
<b>LatAm</b>			
Colombia	6.9%	<b>(-1.4%)</b>	↓
Argentina	3.9%	0.2%	↓
Brazil	2.0%	0.4%	↓
Chile	1.9%	<b>(-2.2%)</b>	↓
<b>MENA</b>			
Saudi Arabia	7.6%	3.4%	↓
UAE	7.0%	5.4%	↓
Sub-Saharan Africa	3.3%	3.2%	↓
South Africa	2.0%	1.3%	↓

Source: (1) Oxford Economics. Data as of September 7, 2022.

## Global Corporate & Investment Banking Capital Markets Strategy Team



**Tom Joyce**  
Managing Director  
Tom.Joyce@mufgsecurities.com  
(212) 405-7472



**Hailey Orr**  
Director  
Hailey.Orr@mufgsecurities.com  
(212) 405-7429



**Stephanie Kendal**  
Associate  
Stephanie.Kendal@mufgsecurities.com  
(212) 405-7443

**"Macro stability isn't everything, but without it, you have nothing."**