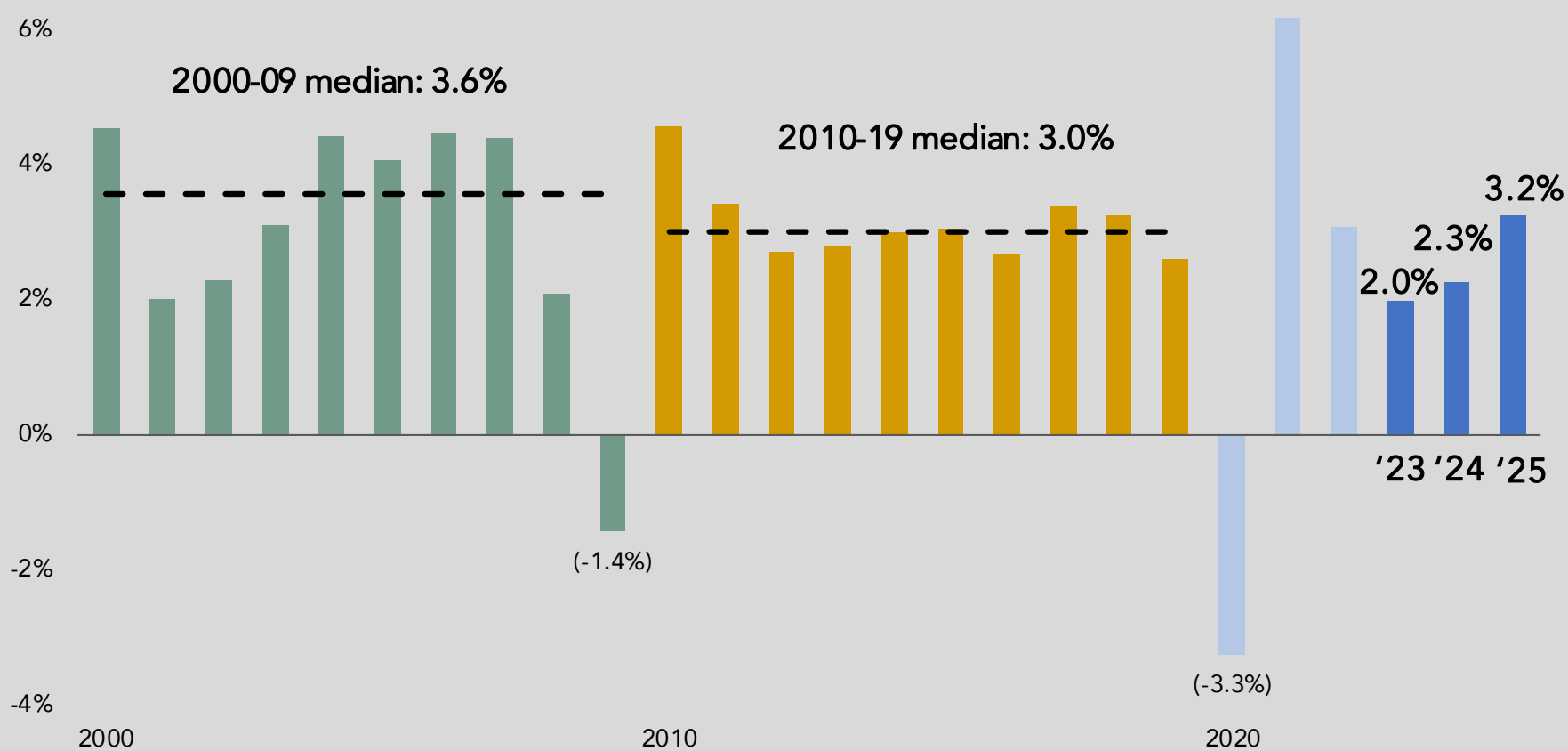


# Chart of the Day



In the new macro supercycle, global growth may be closer to the 3% range than the 3.5 - 4% range during peak China and EM growth of earlier years.

## Global GDP growth, y/y



By historical standards, the post-COVID global recovery is unlikely to be strong due to a confluence of pre-existing headwinds, many of which accelerated during COVID.

## Headwinds Driving Structurally Lower Global Growth

- Smaller global growth engines** (lower US & China growth)
- Structurally lower growth in China** (pivot to CCP and state, debt & demographics, low productivity)
- Aging demographics** (US, China, Europe, UK, Japan)
- Smaller fiscal and monetary policy toolkit** (excessive post GFC & COVID stimulus)
- Structurally higher inflation** (labor & housing shortages, deglobalization, energy transition, tight commodity markets)
- COVID's long shadow, scars** (small business, lower income demographics)
- Smaller EM more vulnerable** (COVID damage, high debt burdens, commodity risk)
- New era of higher geopolitical friction** (US-China rivalry, multi-polar conflict)

Source: (1) Oxford Economics. Bloomberg. 2023-25 forecast is Oxford Economics as of April 26, 2023.

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**“Macro stability isn’t everything, but without it, you have nothing.”**