



# **GLOBAL ECONOMIC CONDITIONS**

Updated September 17, 2012

Globalization & Monetary Policy Institute  
Federal Reserve Bank of Dallas



# Table of Contents

## 1. Indicators of Real Activity

Chart 1. OECD Industrial Production

Chart 2. Global Purchasing Managers Index

Chart 3. Unemployment in Major Advanced Economies

Chart 4. Unemployment in OECD Economies

Chart 5. Volume of World Merchandise Trade

Chart 6. Volume of World Merchandise Trade

Chart 7. Baltic Dry Index

## 2. Inflation Indicators

Chart 8. Commodity Prices

Chart 9. Inflation in OECD Economies (CPI)

Chart 10. Global Inflation (Headline CPI)

Chart 11. Inflation in Major Advanced Economies (Headline CPI)

Chart 12. Inflation in Major Emerging Economies (Headline CPI)

## 3. Money and Capital Markets

Chart 13. Money Market Spreads

Chart 14. 10-Year Government Bond Yields in Major Advanced Economies

Chart 15. Stock Market Indexes in Major Advanced Economies

Chart 16. Stock Market Indexes in Major Emerging Economies

## 4. Public Finances

Chart 17. General Government Net Lending/Borrowing in Major Advanced Economies

Chart 18. General Government Net Lending/Borrowing in Major Emerging Economies

Chart 19. General Government Gross Debt in Major Advanced Economies

Chart 20. General Government Gross Debt in Major Emerging Economies

## 5. Monetary Policy

Chart 21. Central Bank Policy Rates in Major Advanced Economies

Chart 22. Central Bank Policy Rates in Major Emerging Economies

Chart 23. Money Supply Growth in Major Advanced Economies

Chart 24. Money Supply Growth in Major Emerging Economies

## 6. U.S. External Accounts

Chart 25. U.S. Terms of Trade

Chart 26. U.S. Nominal Trade Balance, Customs Value

Chart 27. U.S. Current Account Balance

Chart 28. Nominal Value of the U.S. Dollar

Chart 29. Real Value of the U.S. Dollar

## 7. Current Analysis

Chart 30. Global Current Account Balances

Chart 31. Bond Spreads for Select Euro Area Economies

Chart 32. Credit Default Swaps for Select Euro Area Economies

Chart 33. Select Economies' Banking Exposure to Peripheral Euro-Area Sovereign Debt

Chart 34. Sovereign Debt Repayment Schedule for Select Euro-Area Economies



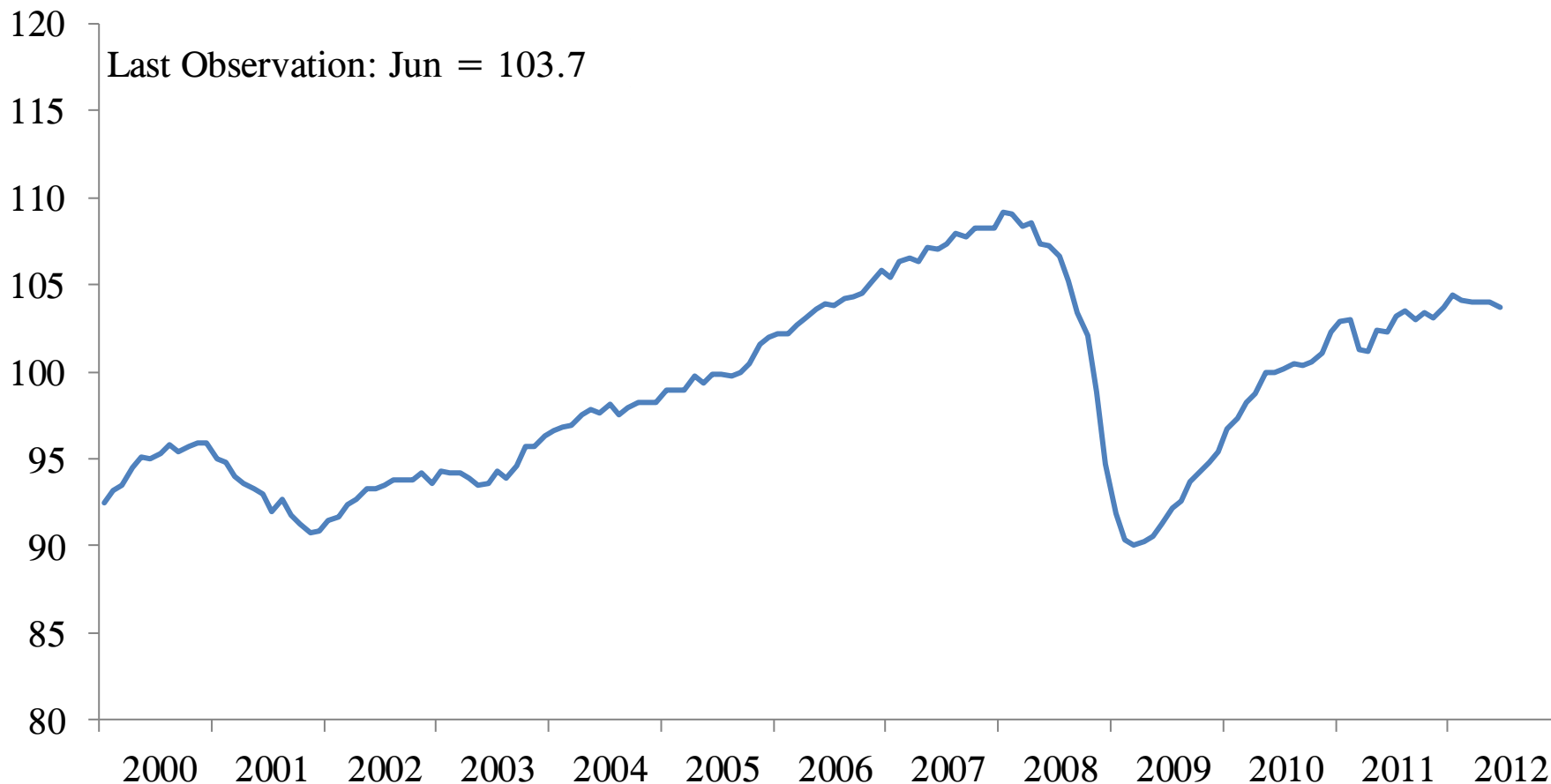
# Indicators of Real Activity

Globalization & Monetary Policy Institute  
Federal Reserve Bank of Dallas



# Chart 1. OECD Industrial Production

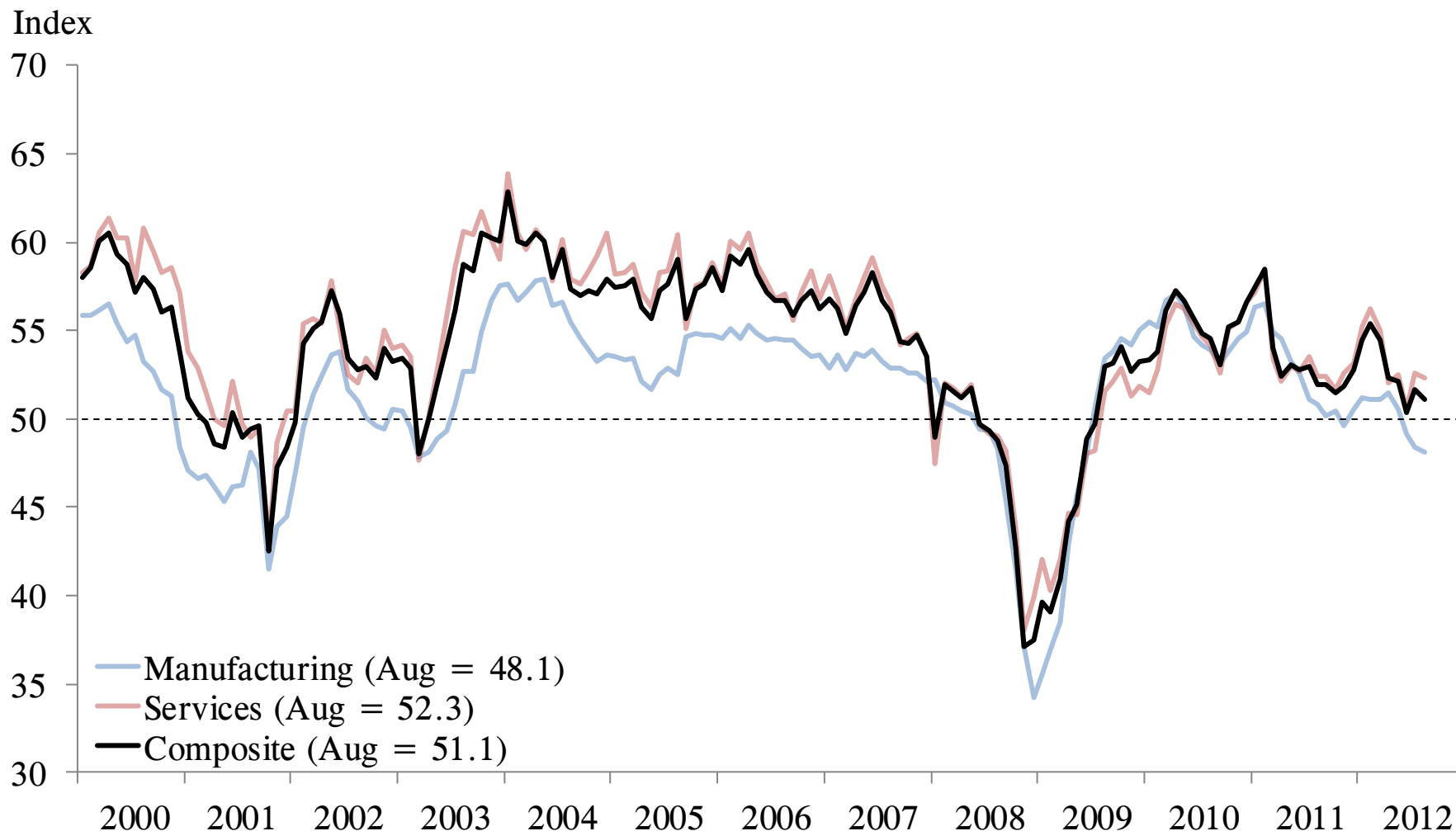
Index, 2005 = 100



NOTE: Countries included in the industrial production index are all members of the Organization for Economic Cooperation and Development, or OECD (Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, South Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States).



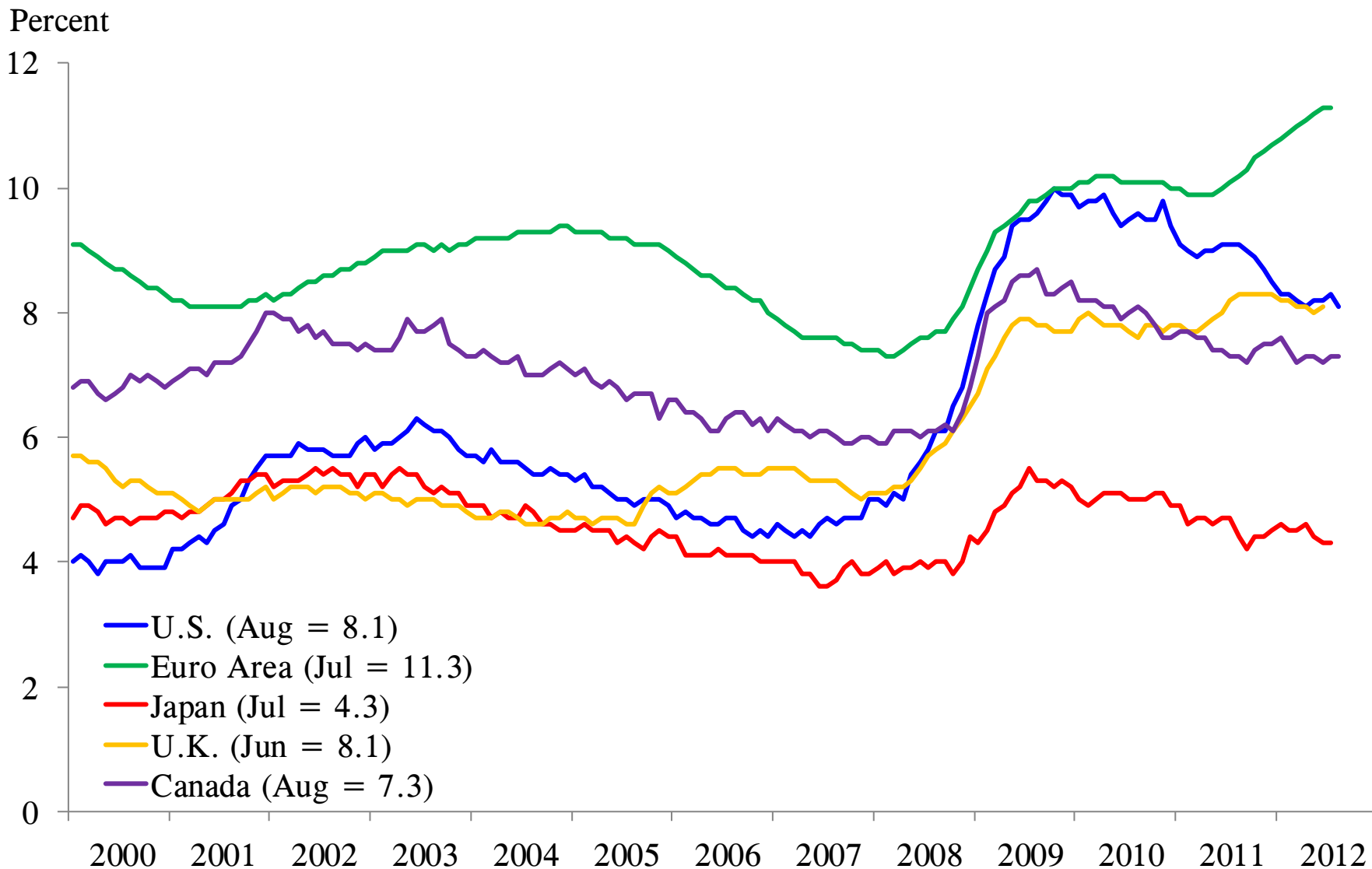
## Chart 2. Global Purchasing Managers Index



NOTE: This index measures purchasing managers' perspectives of current business conditions. An index value greater than 50 indicates economic expansion from the previous month, while a value below 50 indicates contraction.



# Chart 3. Unemployment in Major Advanced Economies



NOTE: The chart plots harmonized unemployment data for the U.K.

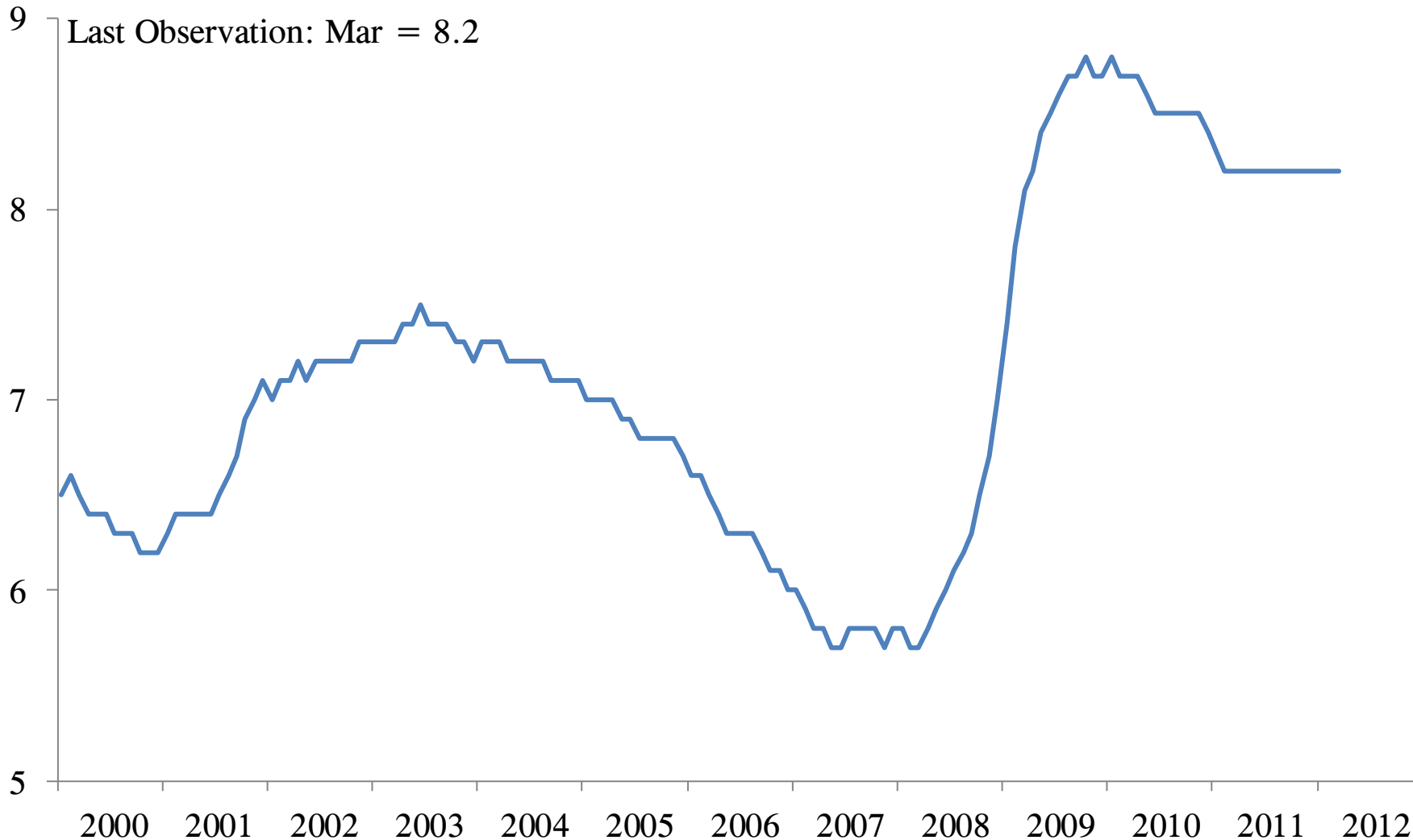
Sources: National Statistical Offices, EUROSTAT; HAVER Analytics

Globalization & Monetary Policy Institute  
Federal Reserve Bank of Dallas



## Chart 4. Unemployment in OECD Economies

Percent

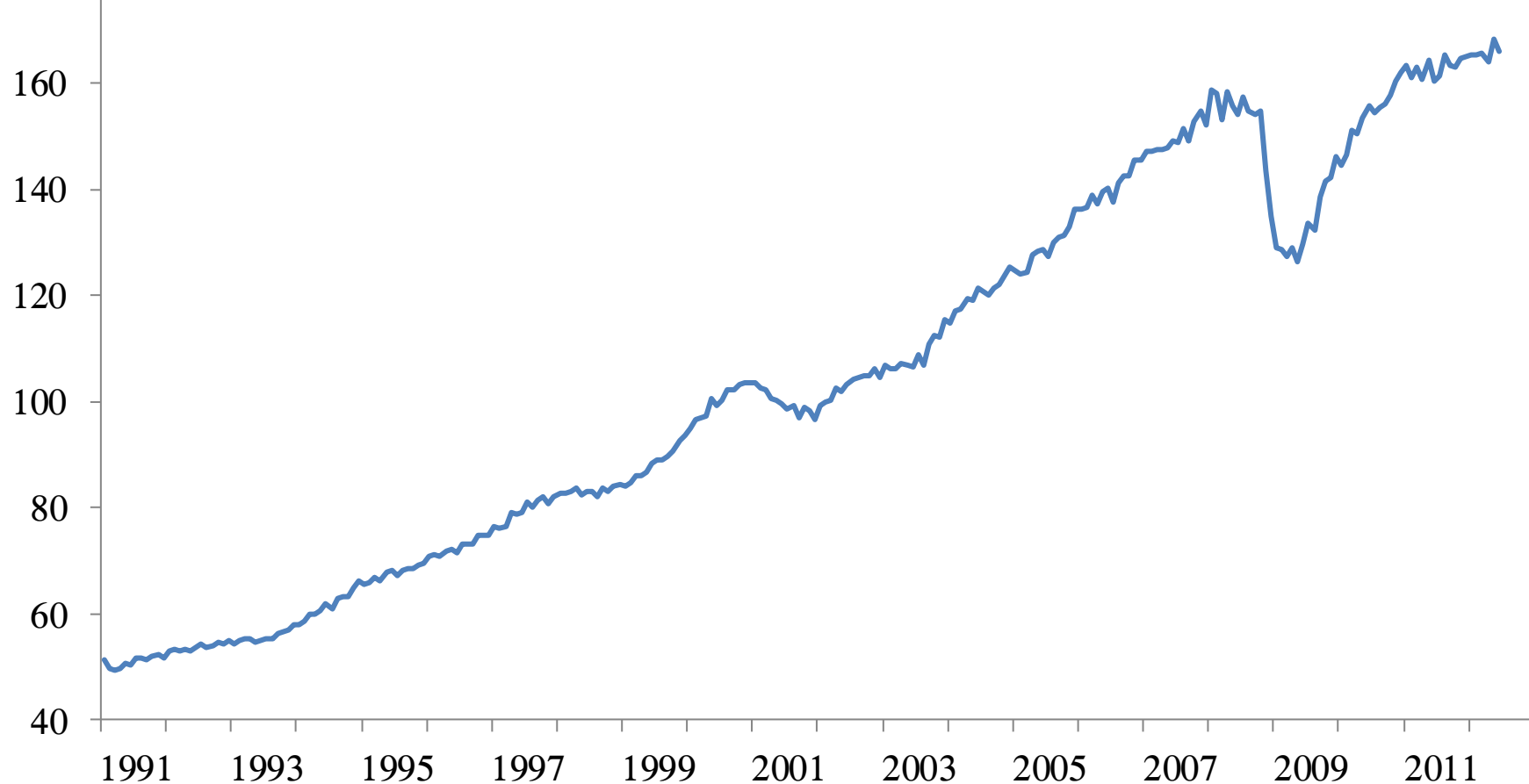




## Chart 5. Volume of World Merchandise Trade

Index, 2000 = 100

Last Observation: Jun = 165.9



NOTE: This series includes data from 23 industrialized and 60 emerging market economies and covers approximately 97 percent of total world trade. Trade volume is calculated as the arithmetic average of world export volumes and world import volumes.



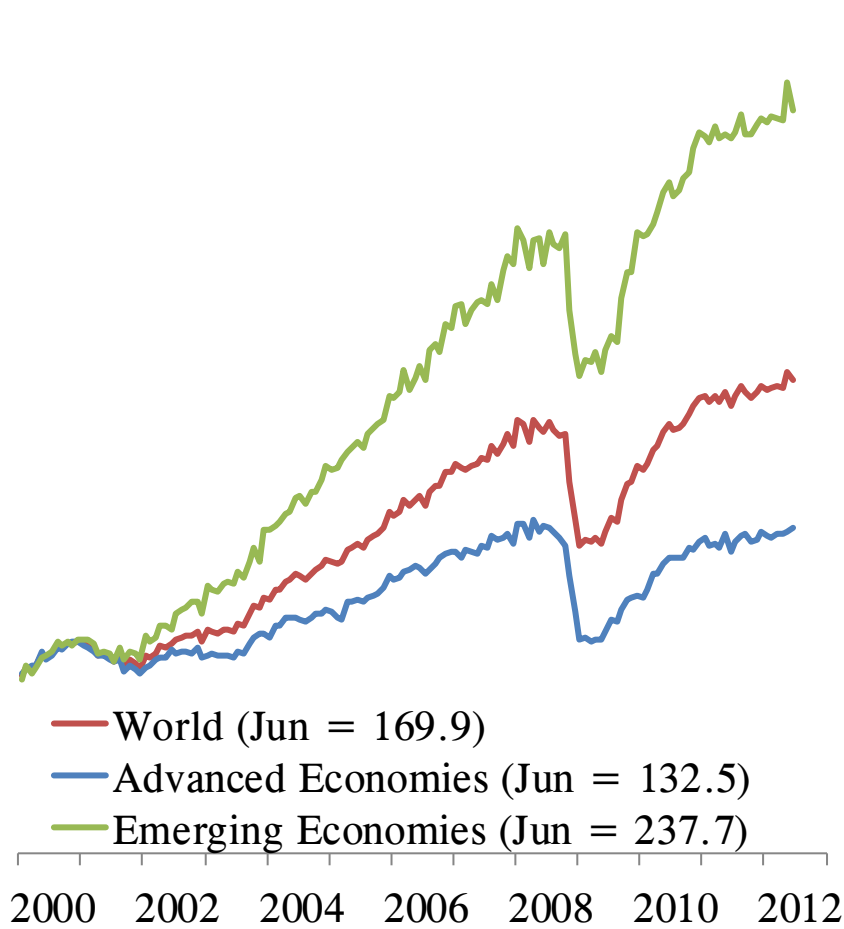
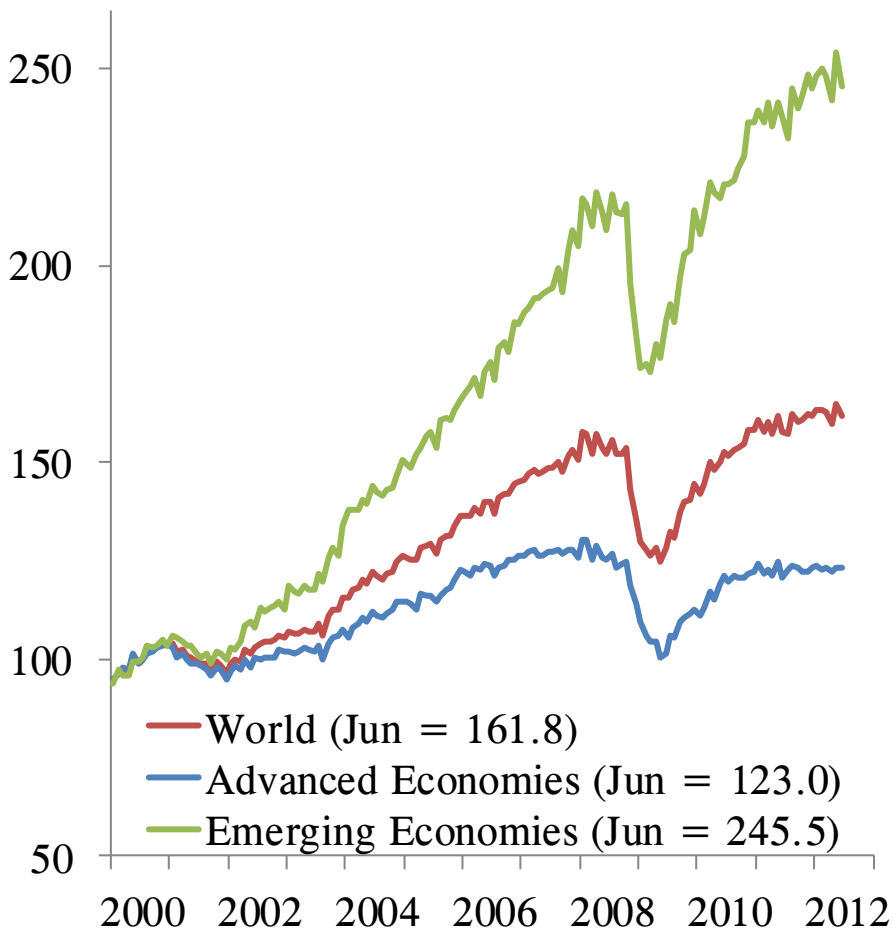


# Chart 6. Volume of World Merchandise Trade

## Imports

## Exports

Index, 2000 = 100

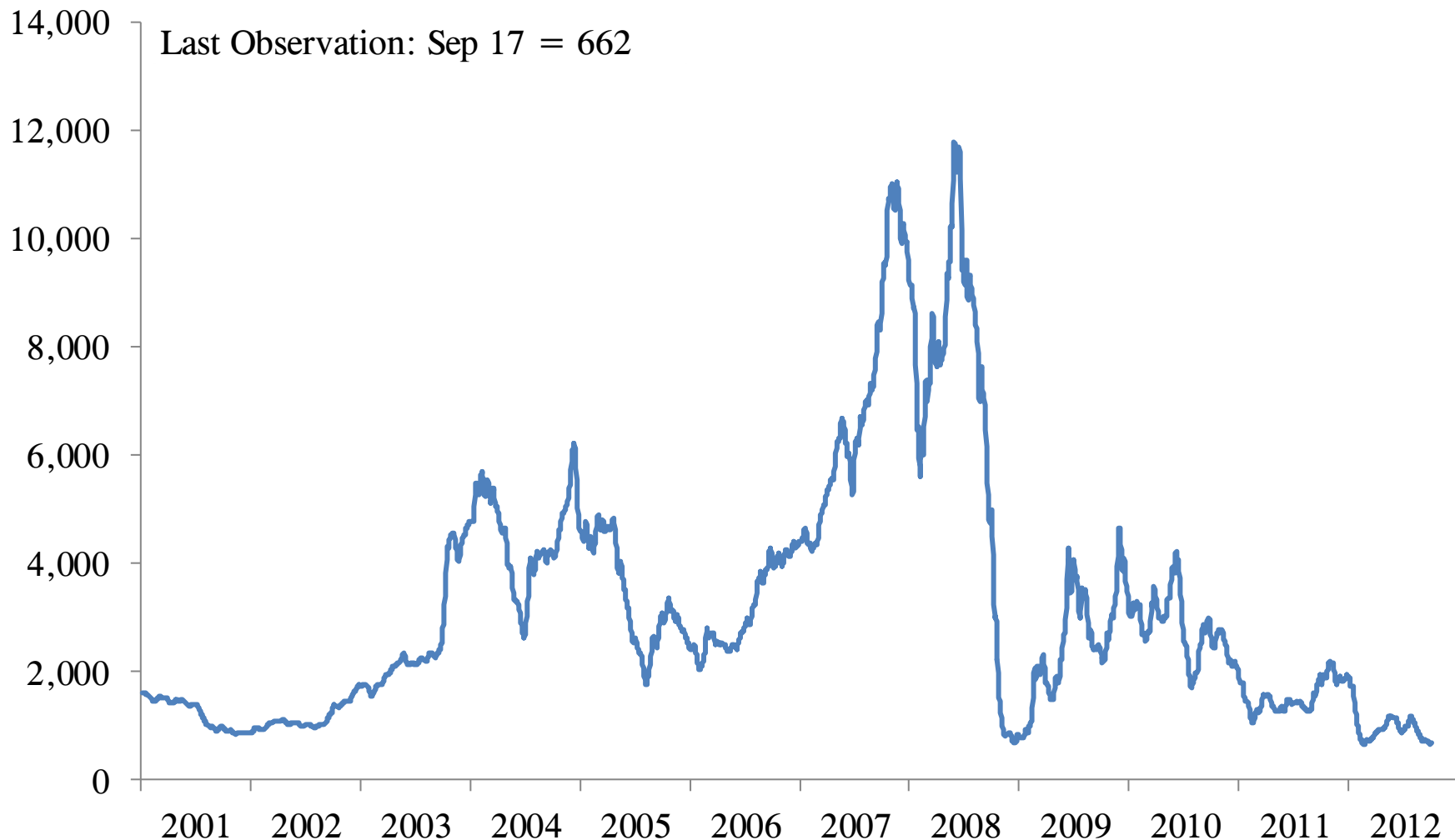


NOTE: Import and export series include data from 23 industrialized and 60 emerging market economies and cover approximately 97 percent of total world trade.



# Chart 7. Baltic Dry Index

Index, 01/04/1985 = 1,000



NOTE: The Baltic Dry Index is a maritime shipping index that measures charter rates for shipping dry bulk commodities such as coal, grain and iron ore.

Sources: Baltic Exchange; Bloomberg

Globalization & Monetary Policy Institute  
Federal Reserve Bank of Dallas



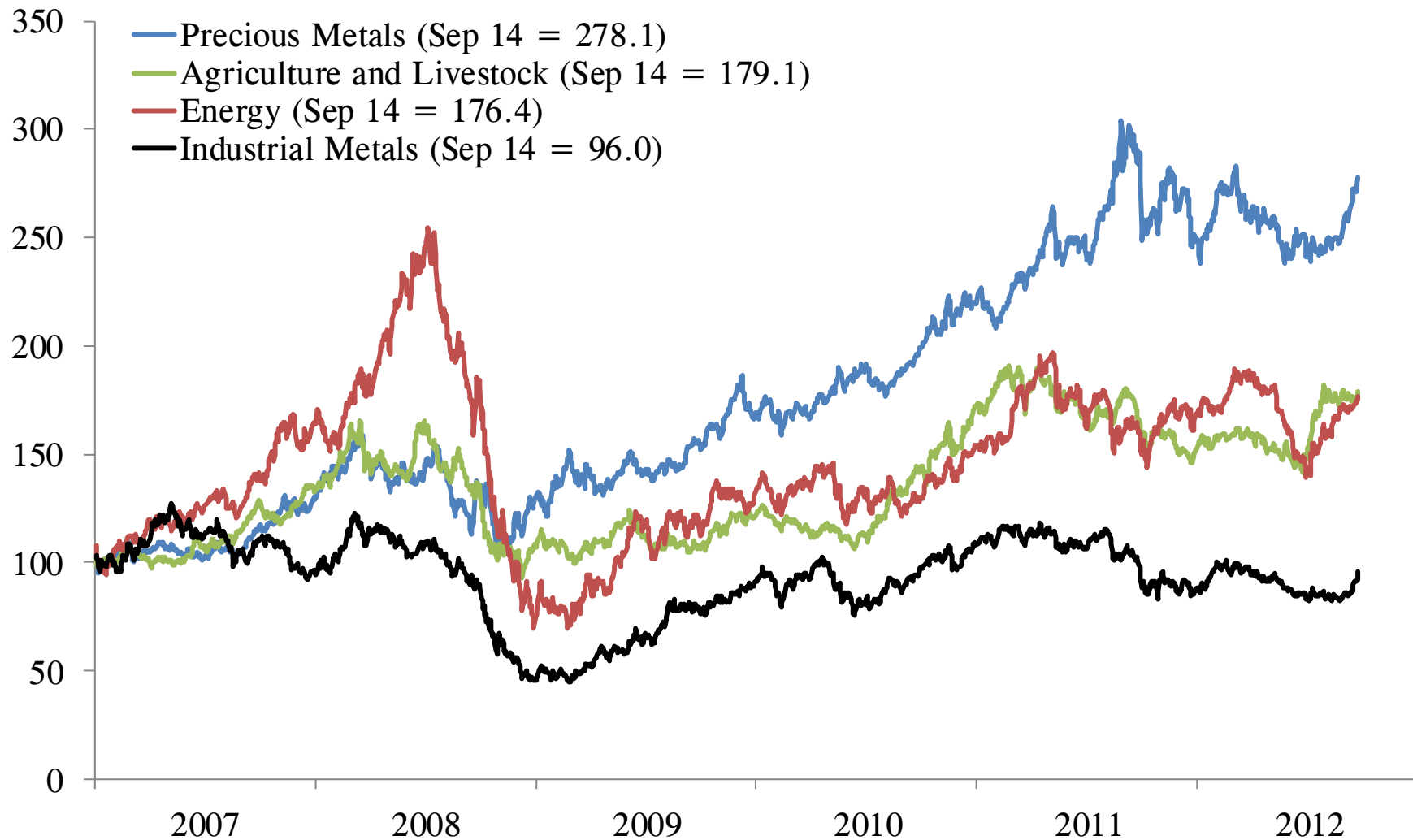
# **Inflation Indicators**

Globalization & Monetary Policy Institute  
Federal Reserve Bank of Dallas



## Chart 8. Commodity Prices

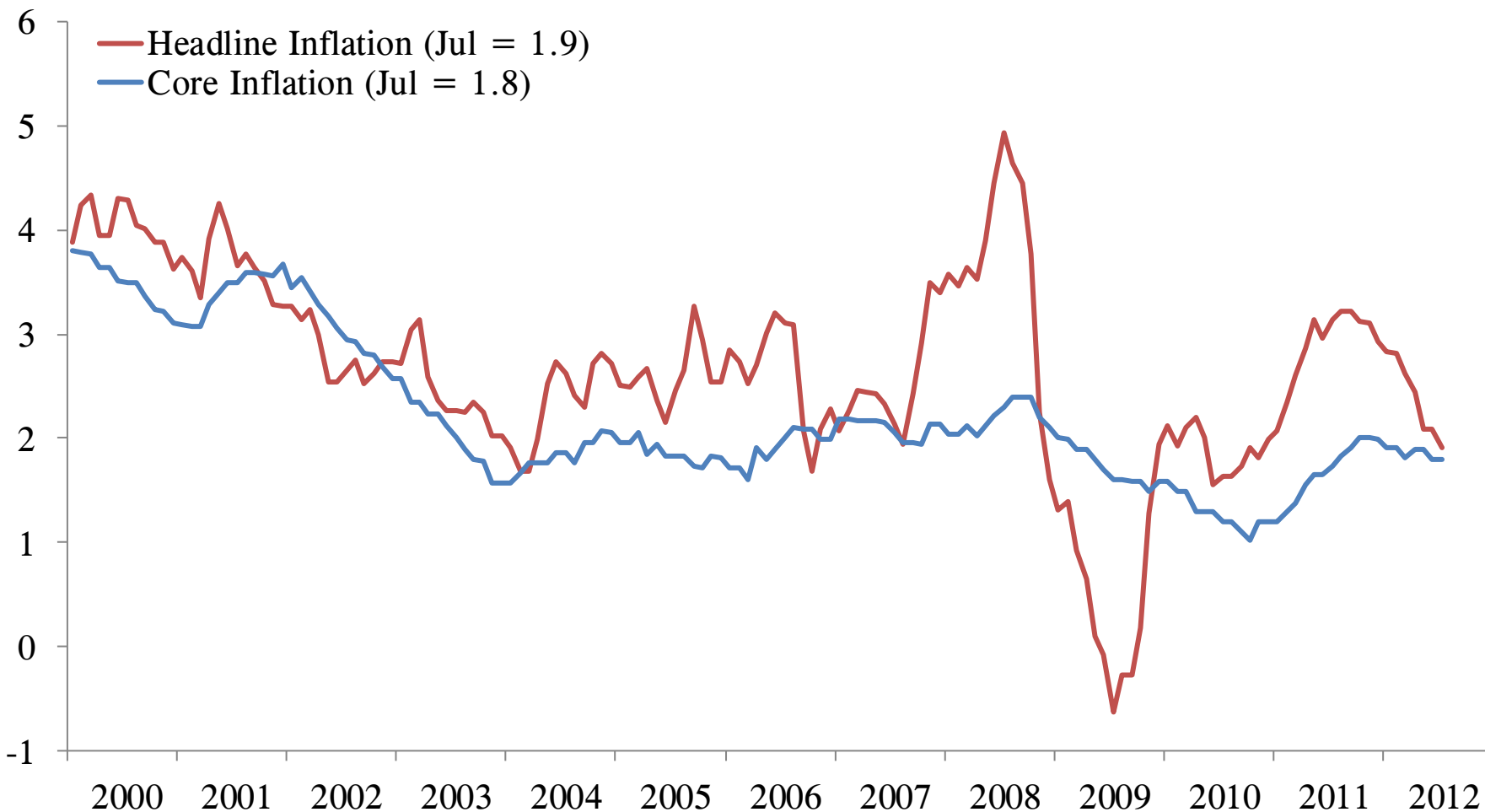
Index, Jan. 2007 = 100





## Chart 9. Inflation in OECD Economies (CPI)

Percent, Year/Year

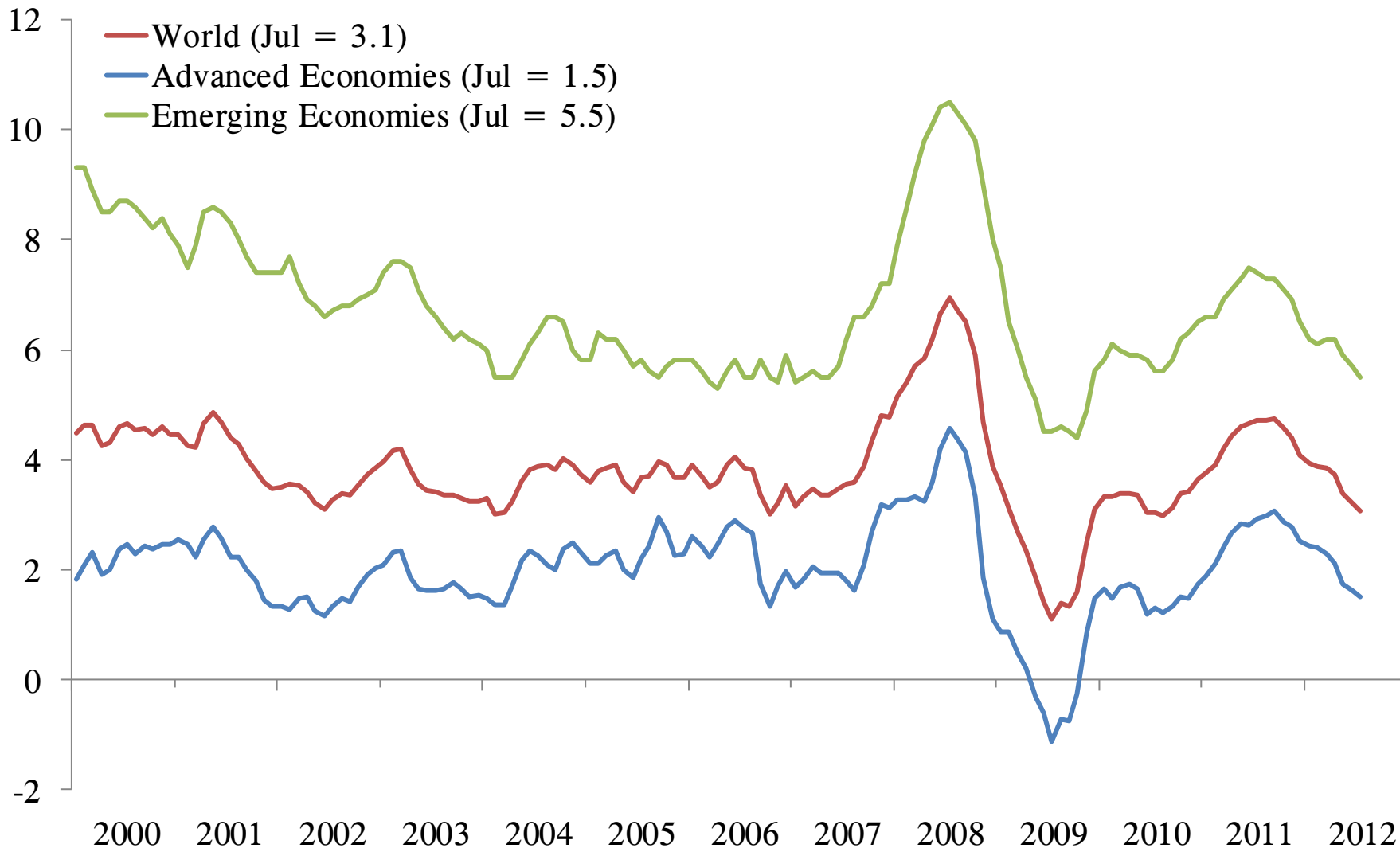


NOTE: The headline consumer price index (CPI) is the broadest measure of price changes consumers face in their day-to-day living expenses. The core CPI excludes energy and food prices.



# Chart 10. Global Inflation (Headline CPI)

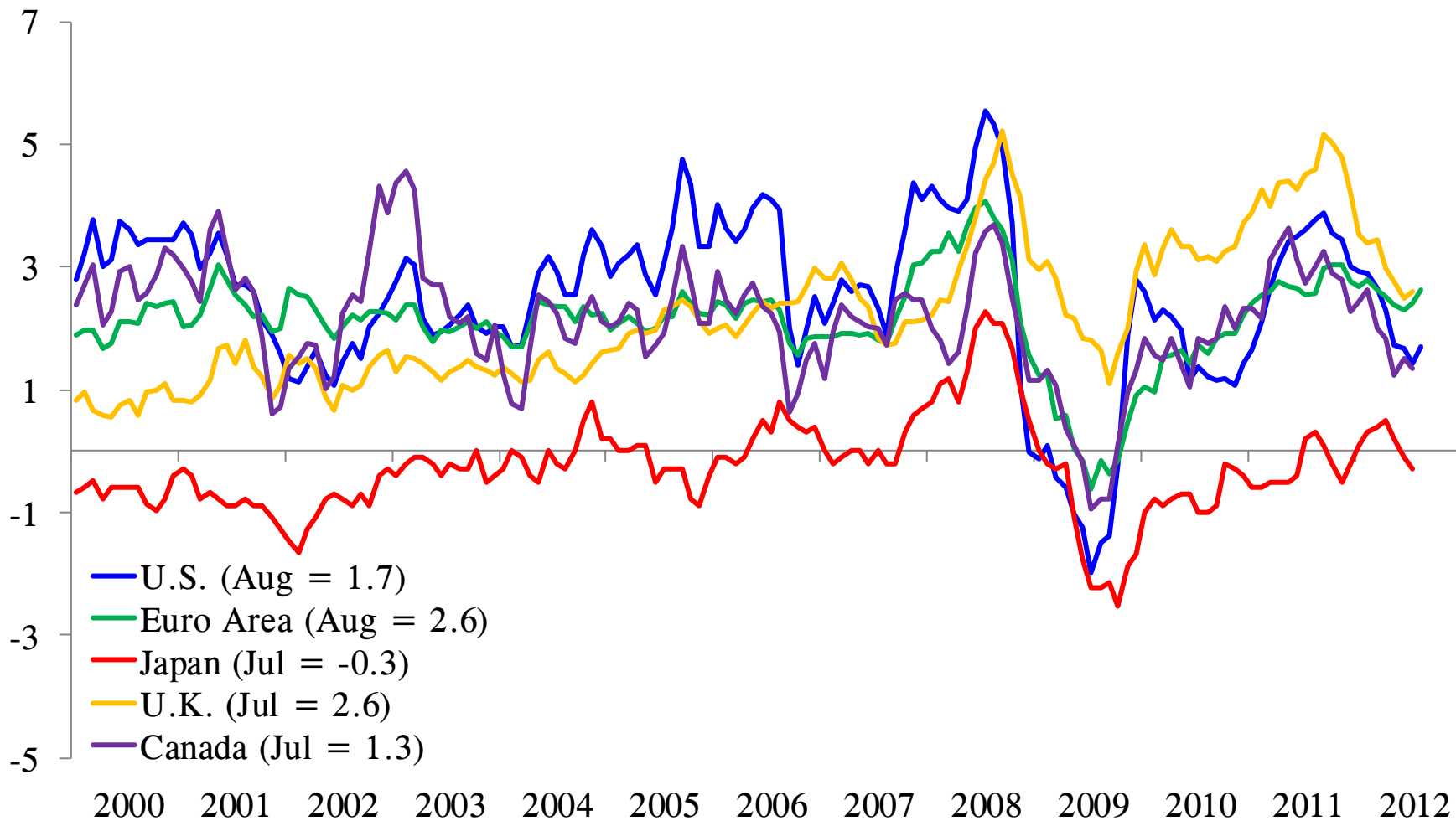
Percent, Year/Year





# Chart 11. Inflation in Major Advanced Economies (Headline CPI)

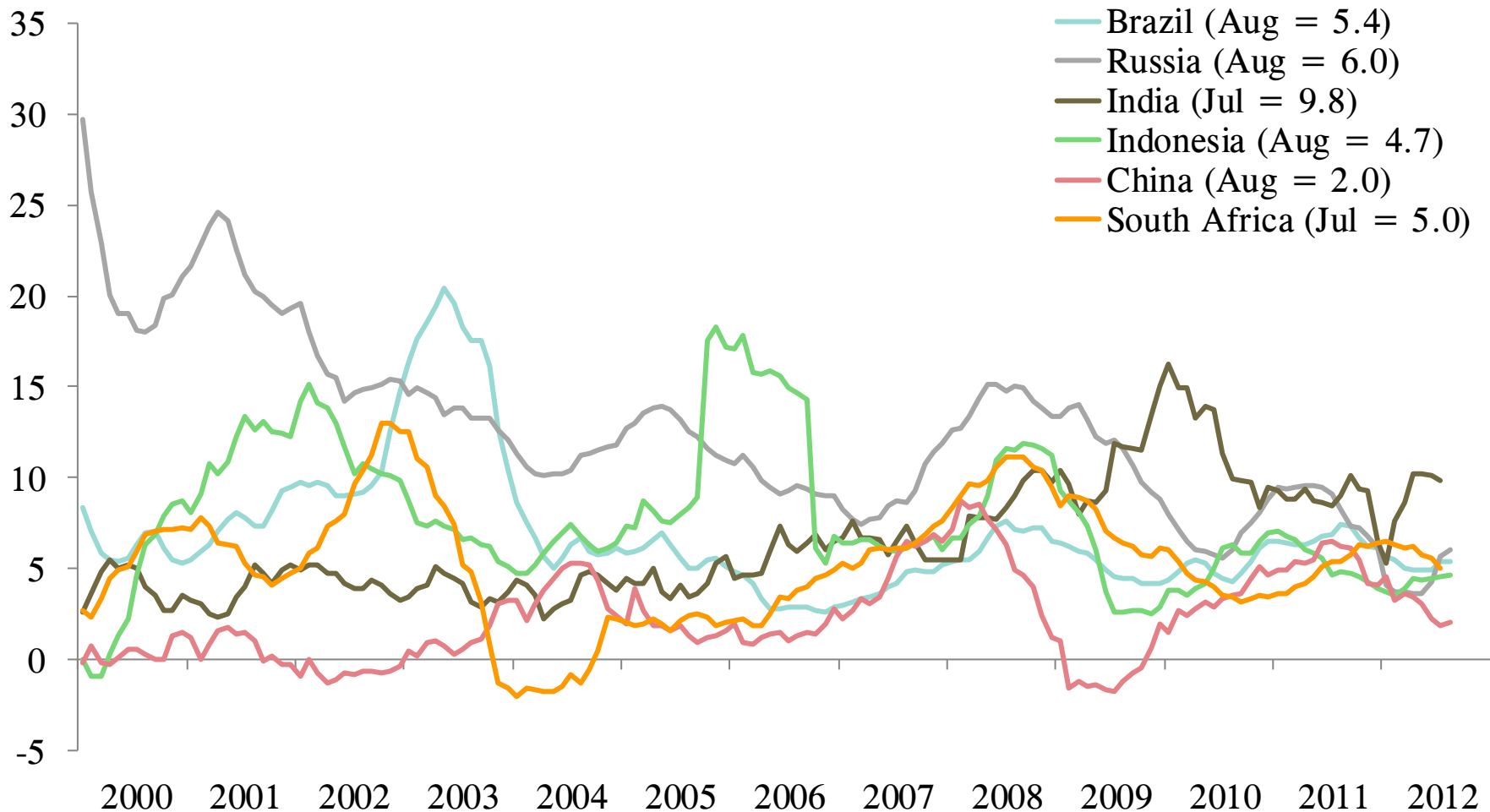
Percent, Year/Year





## Chart 12. Inflation in Major Emerging Economies (Headline CPI)

Percent, Year/Year





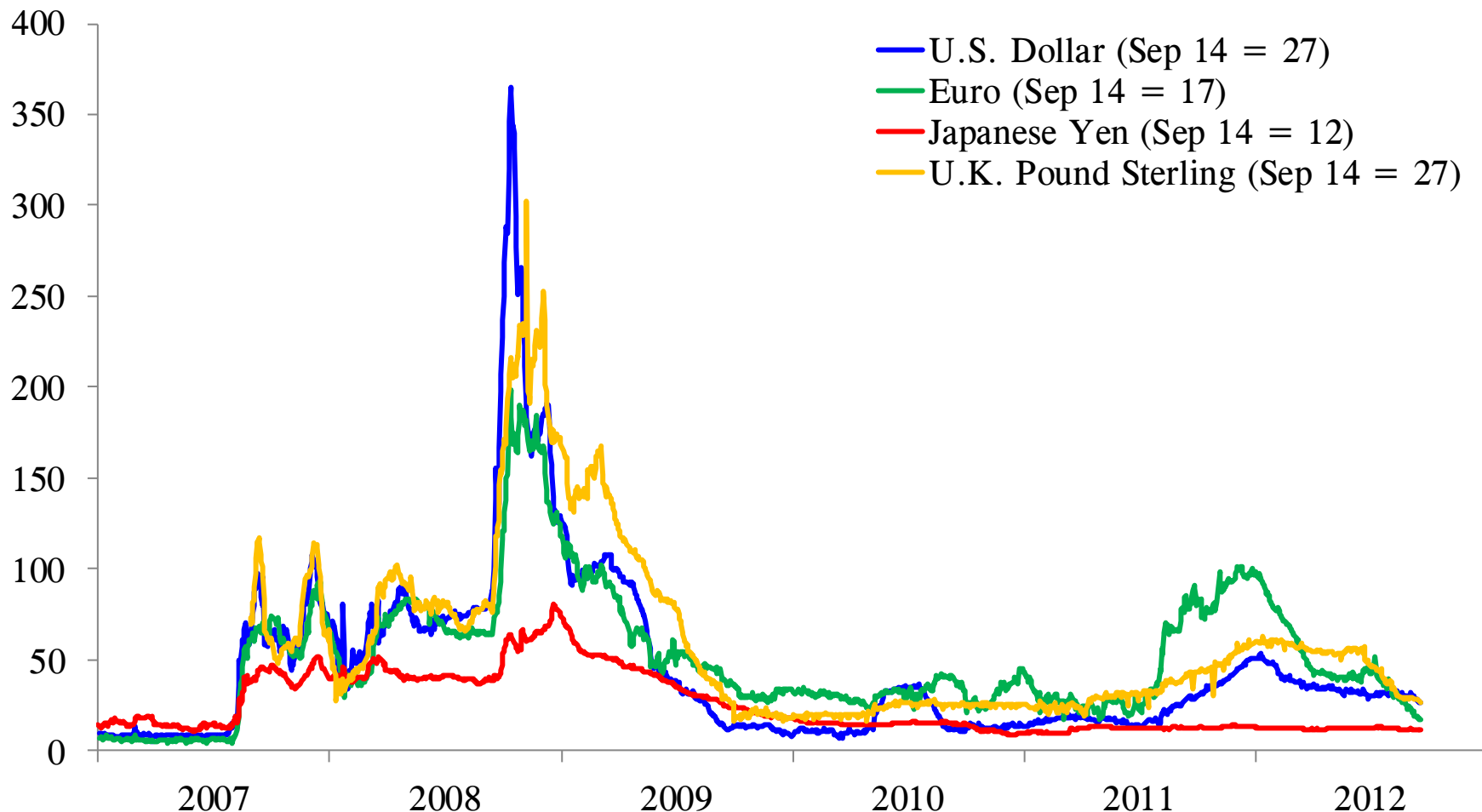


# Money and Capital Markets

Globalization & Monetary Policy Institute  
Federal Reserve Bank of Dallas

# Chart 13. Money Market Spreads

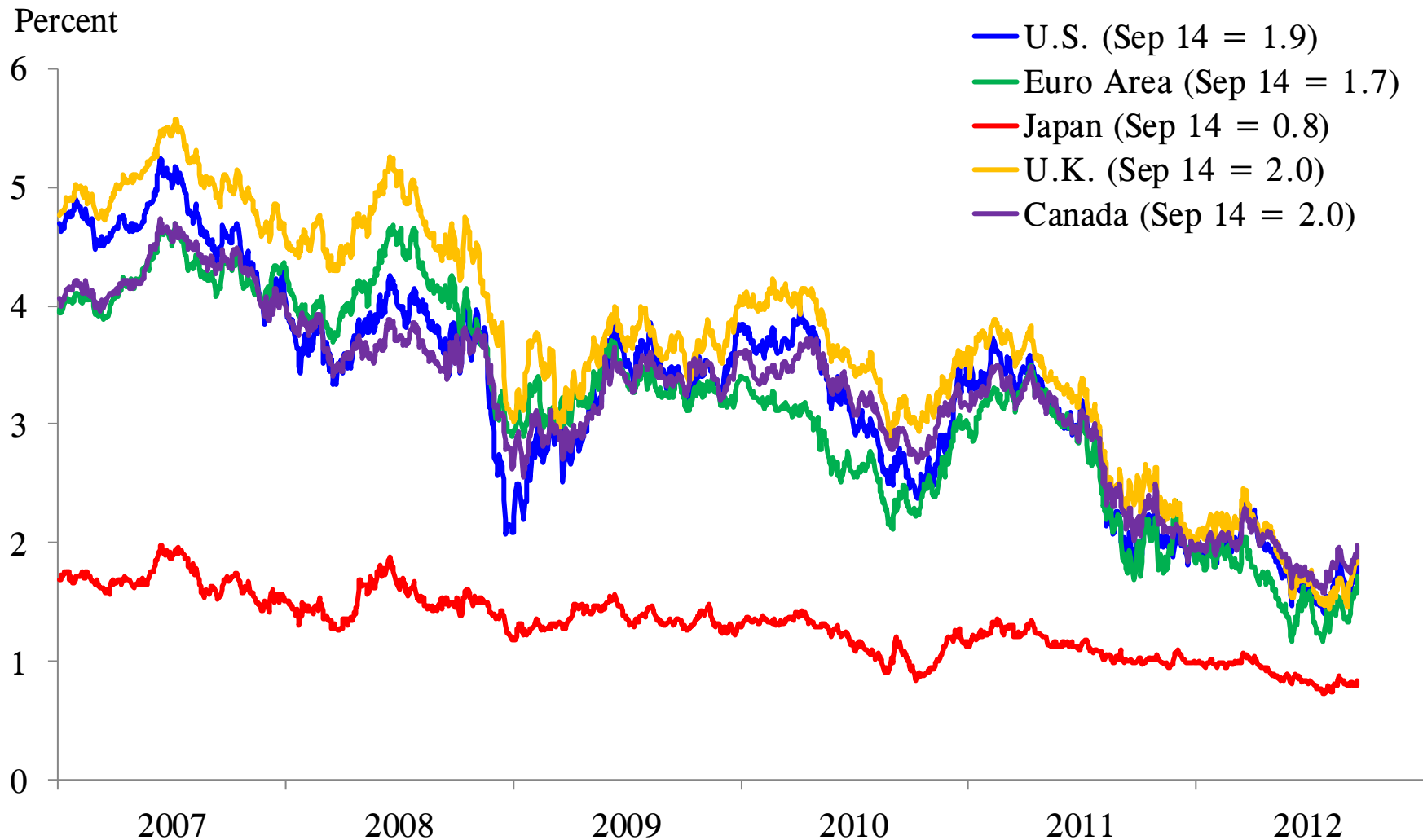
Basis Points



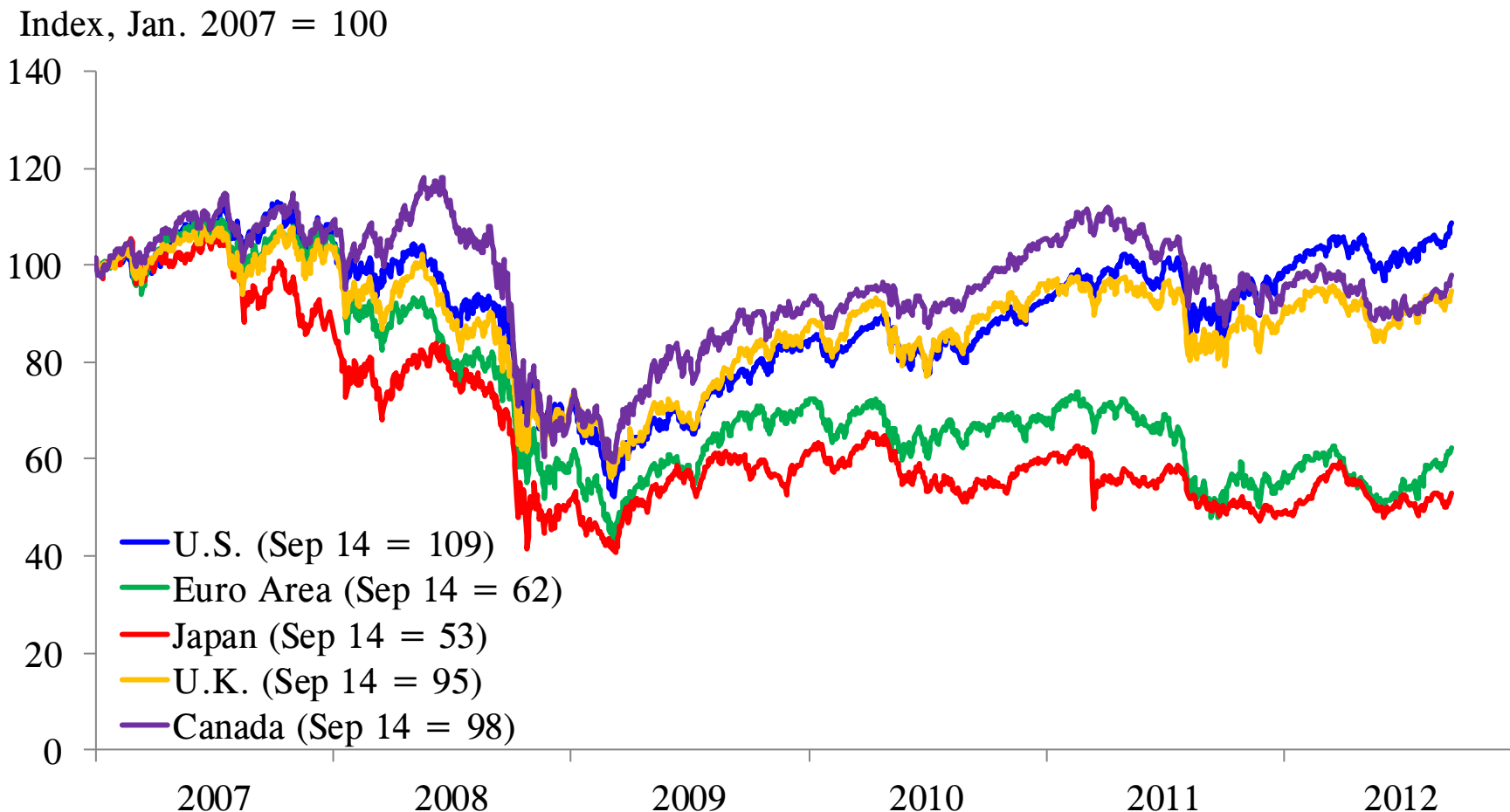
NOTE: The chart plots the spread, or difference, between 3-month interbank offered rates (Libor for the dollar, yen and pound sterling; Euribor for the euro) and the overnight index swap rate for each currency.



## Chart 14. 10-Year Government Bond Yields in Major Advanced Economies



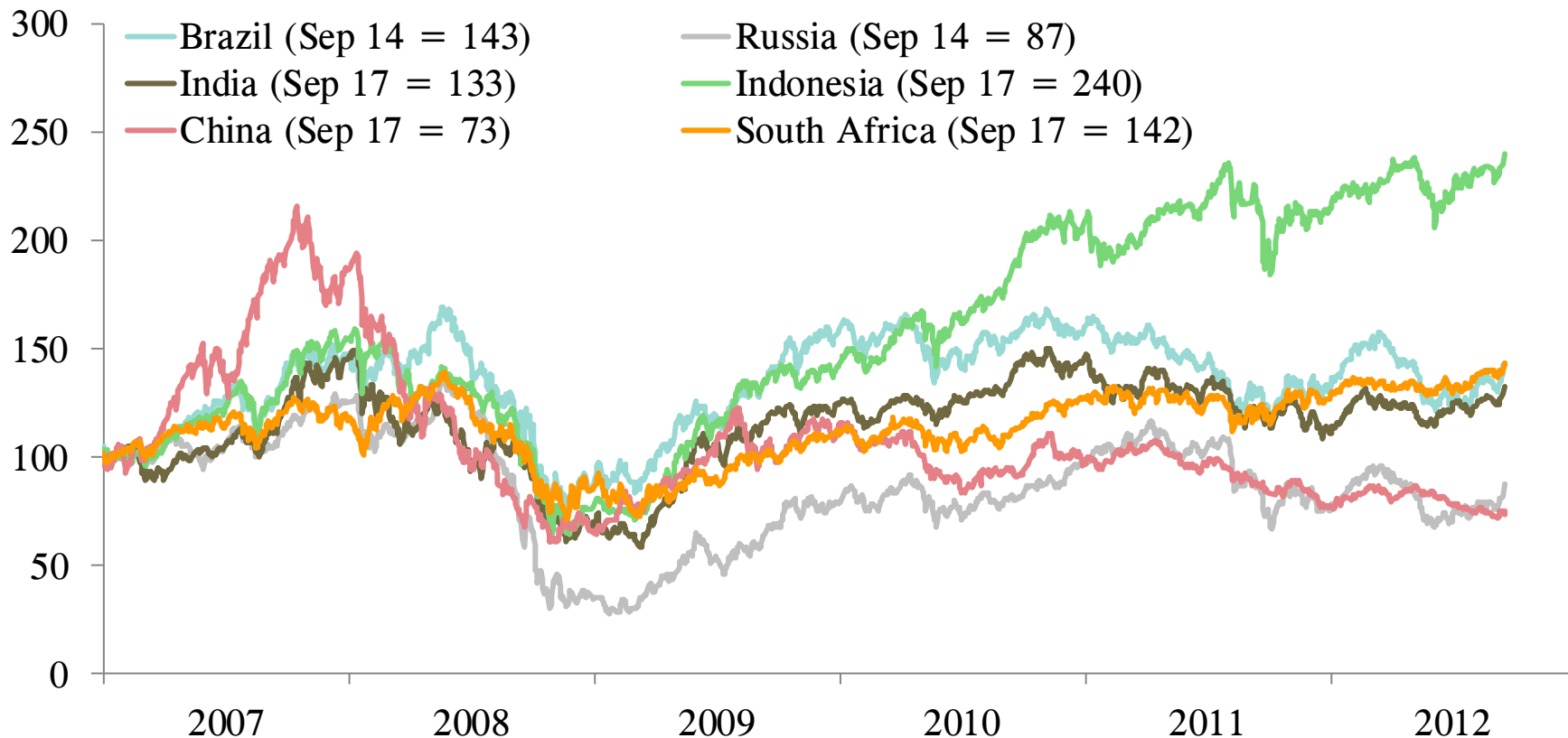
# Chart 15. Stock Market Indexes in Major Advanced Economies



NOTE: Stock market indexes are the Dow Jones Industrial Average Index for the U.S., the EURO STOXX 50 Price Index for the Euro Area, the Nikkei 225 Average Index for Japan, the FTSE 100 Index for the U.K. and the S&P/TSX Composite Index for Canada.

# Chart 16. Stock Market Indexes in Major Emerging Economies

Index, Jan. 2007 = 100



NOTE: Stock market indexes are the Bovespa Index for Brazil, the RTS Index for Russia, the Bombay SENSEX for India, the Jakarta Composite for Indonesia, the New Shanghai Stock Exchange Composite Index for China and the Johannesburg Stock Exchange Top 40 Index for South Africa.

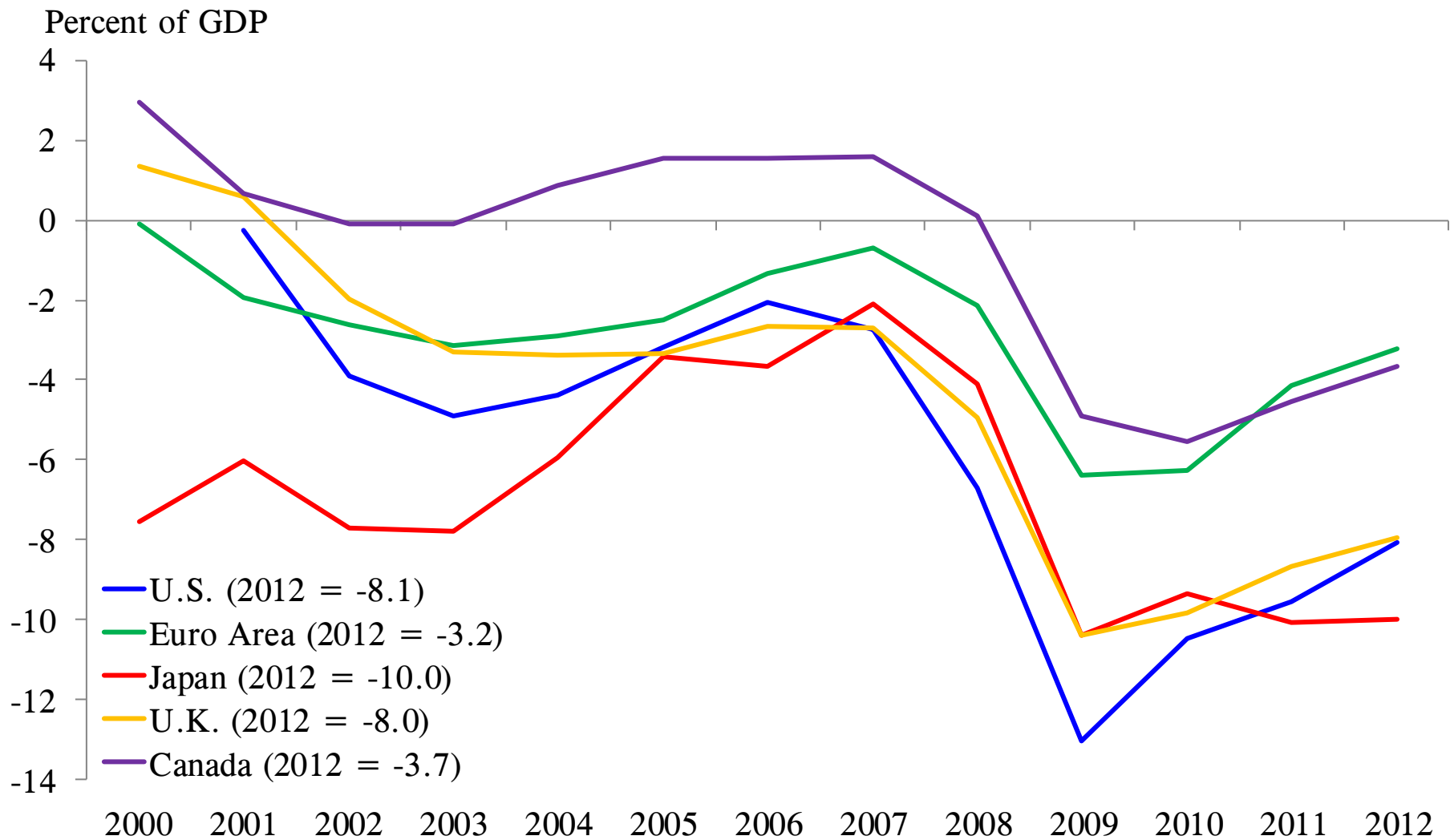


# Public Finances

Globalization & Monetary Policy Institute  
Federal Reserve Bank of Dallas



# Chart 17. General Government Net Lending/Borrowing



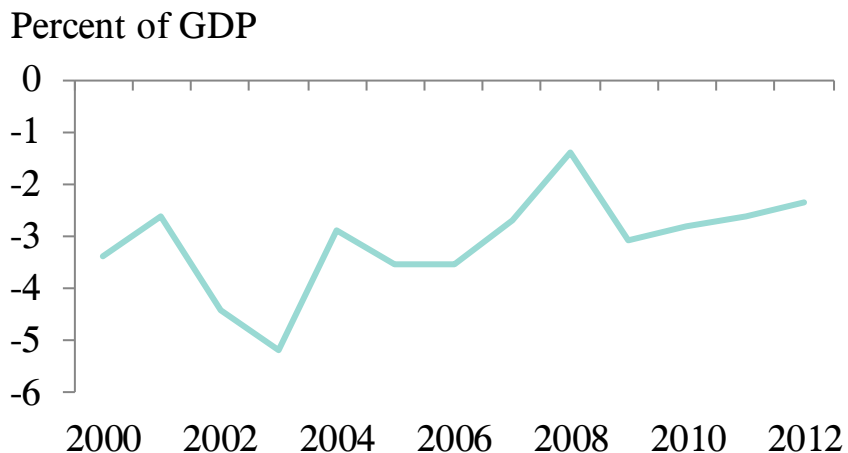
NOTE: Data for 2011 and 2012 are estimates.

Sources: International Monetary Fund; HAVER Analytics

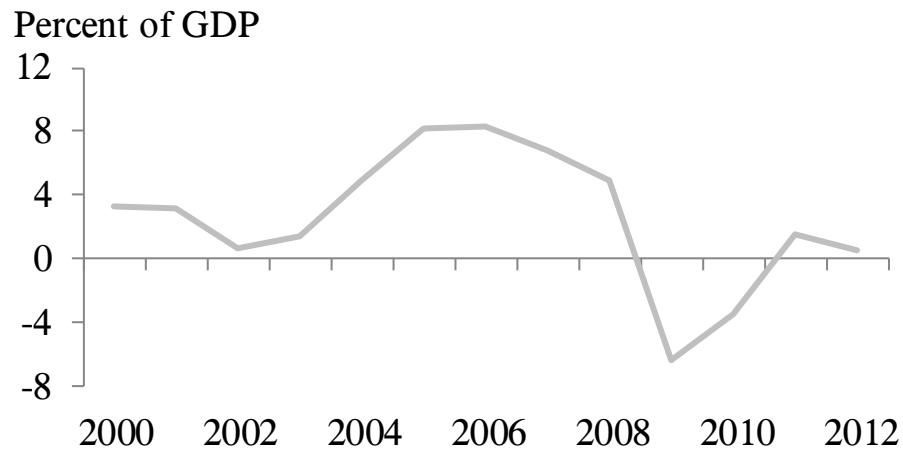
Globalization & Monetary Policy Institute  
Federal Reserve Bank of Dallas

# Chart 18a. General Government Net Lending/Borrowing

**Brazil (2012 = -2.3)**



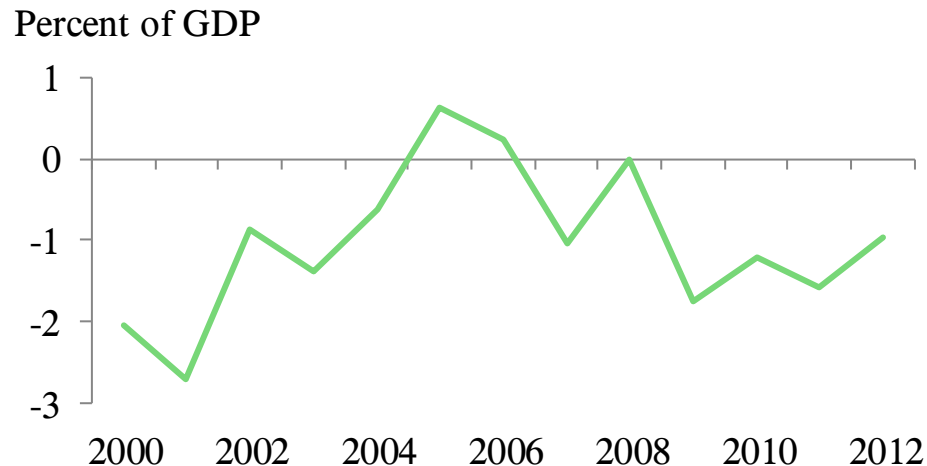
**Russia (2012 = 0.6)**



**India (2012 = -8.3)**



**Indonesia (2012 = -1.0)**



NOTE: Data for 2011 and 2012 are estimates.

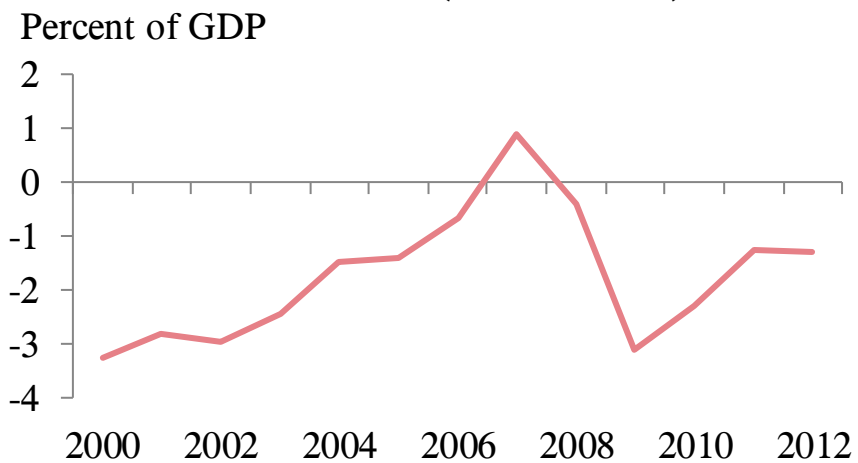
Sources: International Monetary Fund; HAVER Analytics



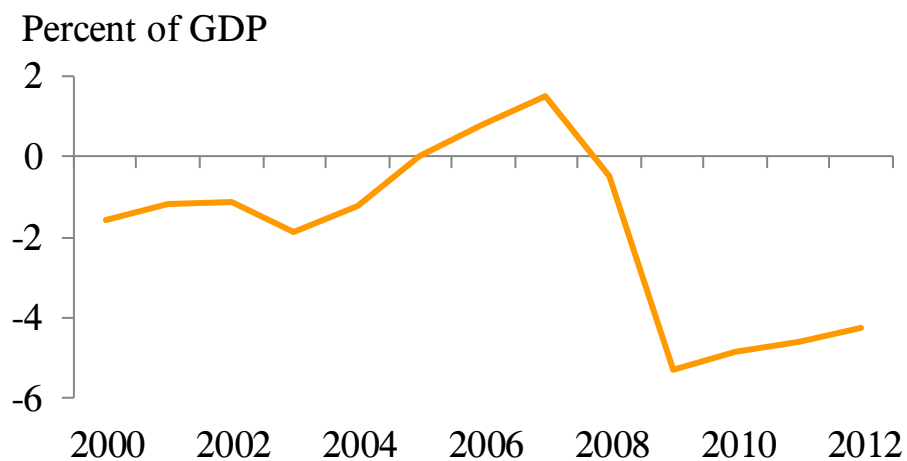


# Chart 18b. General Government Net Lending/Borrowing

### China (2012 = -1.3)



### South Africa (2012 = -4.3)

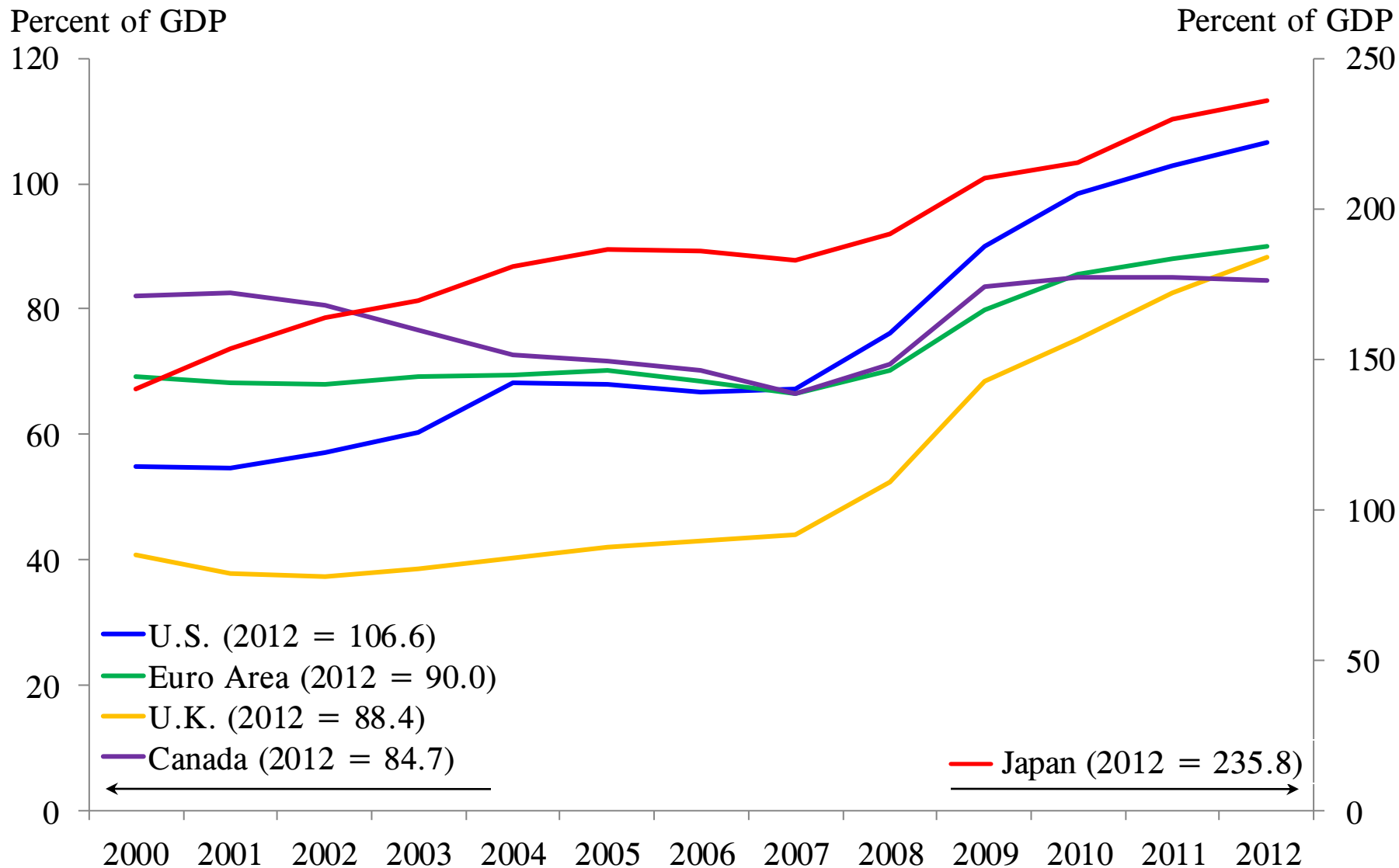


NOTE: Data for 2011 and 2012 are estimates.

Sources: International Monetary Fund; HAVER Analytics



# Chart 19. General Government Gross Debt



NOTE: Data for 2011 and 2012 are estimates.

Sources: International Monetary Fund; HAVER Analytics

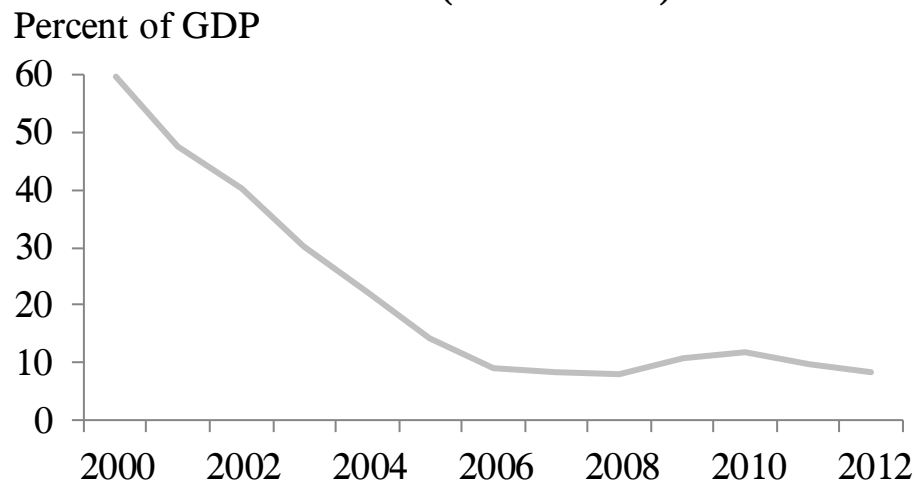
Globalization & Monetary Policy Institute  
Federal Reserve Bank of Dallas

# Chart 20a. General Government Gross Debt

## Brazil (2012 = 65.1)



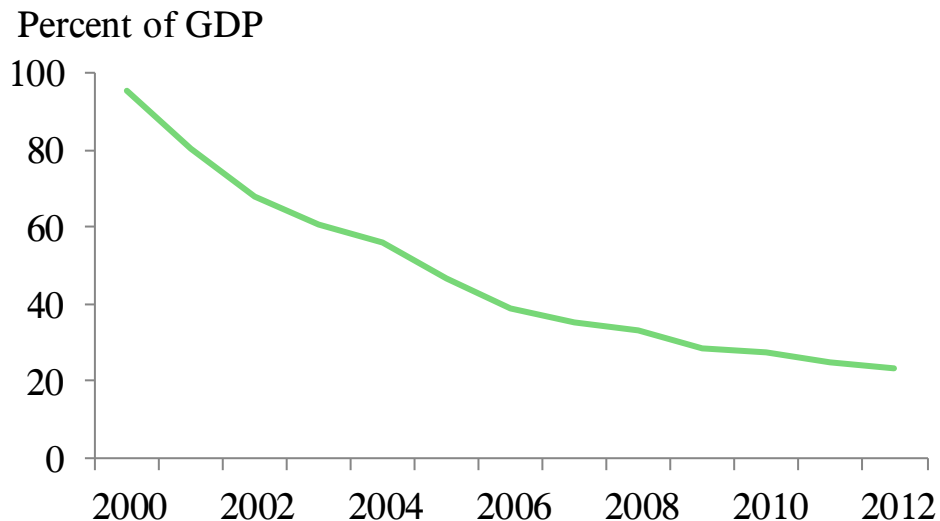
## Russia (2012 = 8.4)



## India (2012 = 67.6)



## Indonesia (2012 = 23.2)



NOTE: Data for 2011 and 2012 are estimates.

Sources: International Monetary Fund; HAVER Analytics

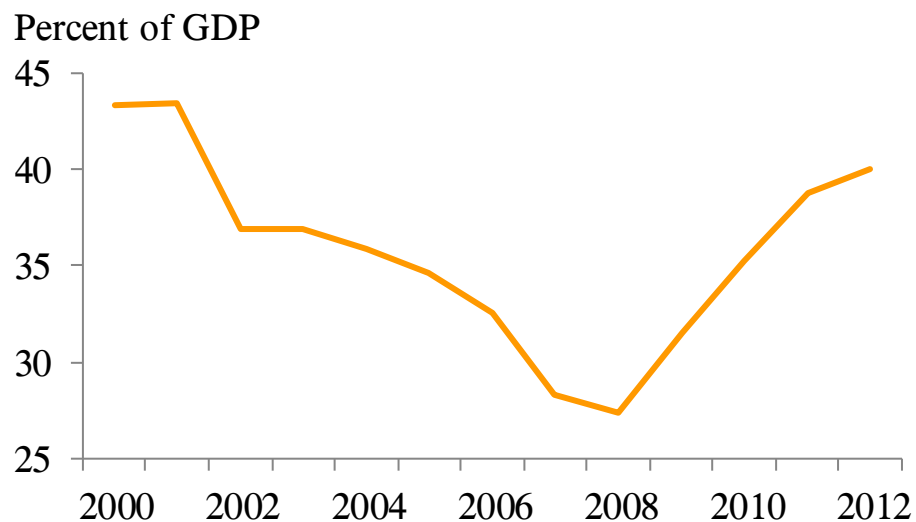


## Chart 20b. General Government Gross Debt

### China (2012 = 22.0)



### South Africa (2012 = 40.0)



NOTE: Data for 2011 and 2012 are estimates.

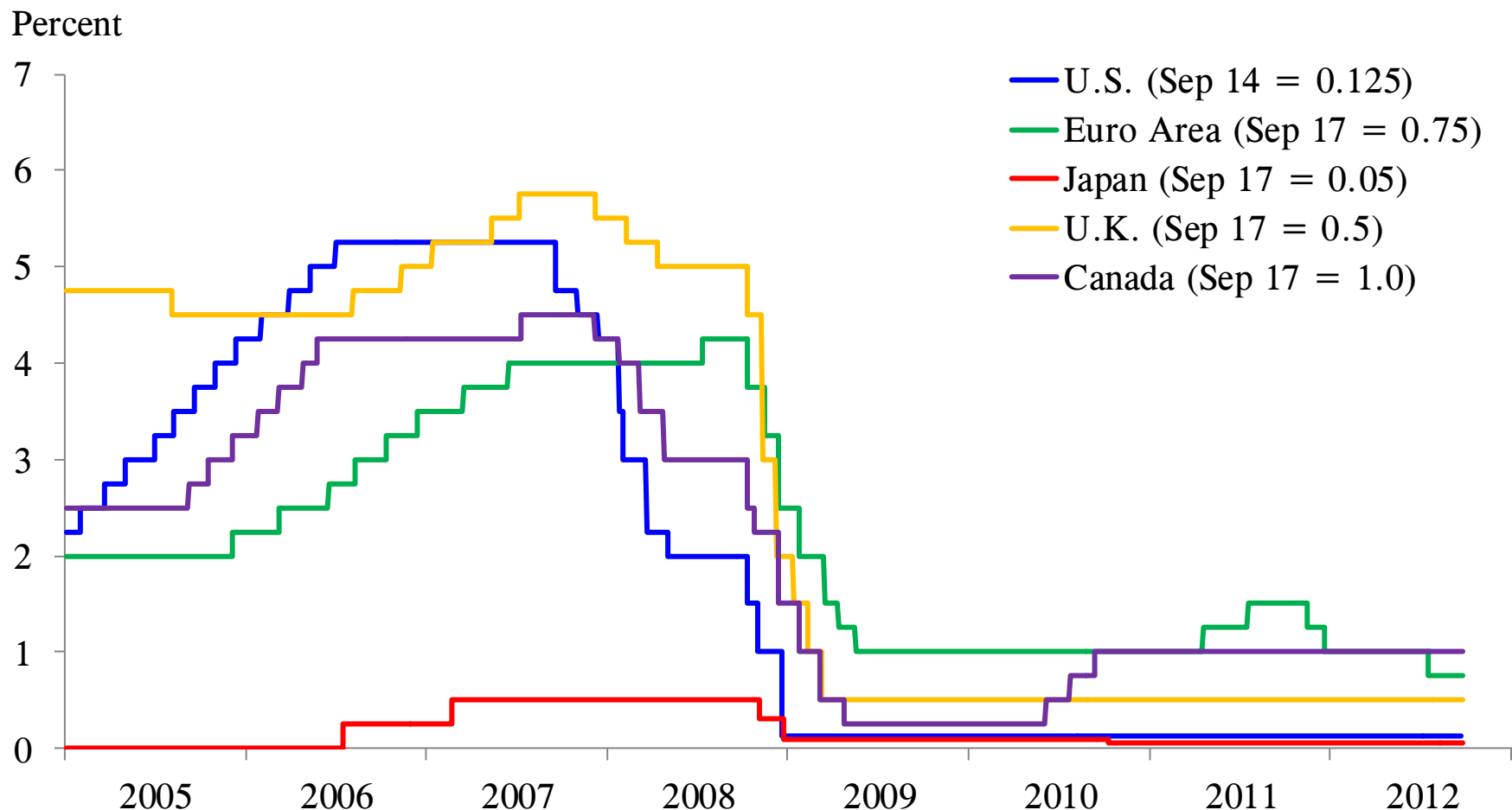
Sources: International Monetary Fund; HAVER Analytics



# Monetary Policy

Globalization & Monetary Policy Institute  
Federal Reserve Bank of Dallas

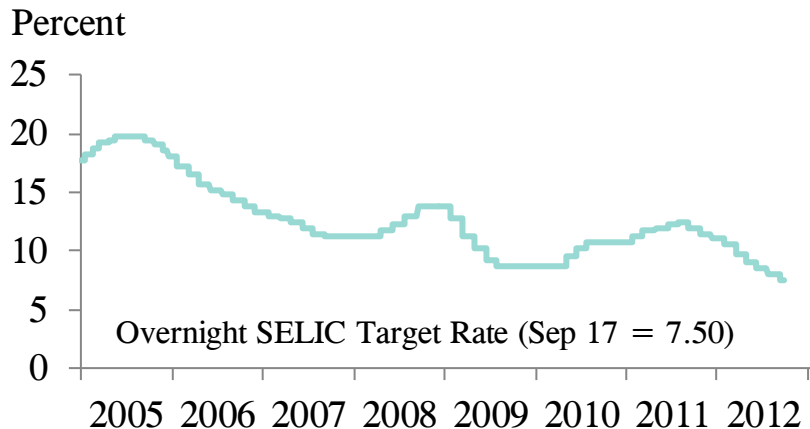
## Chart 21. Central Bank Policy Rates in Major Advanced Economies



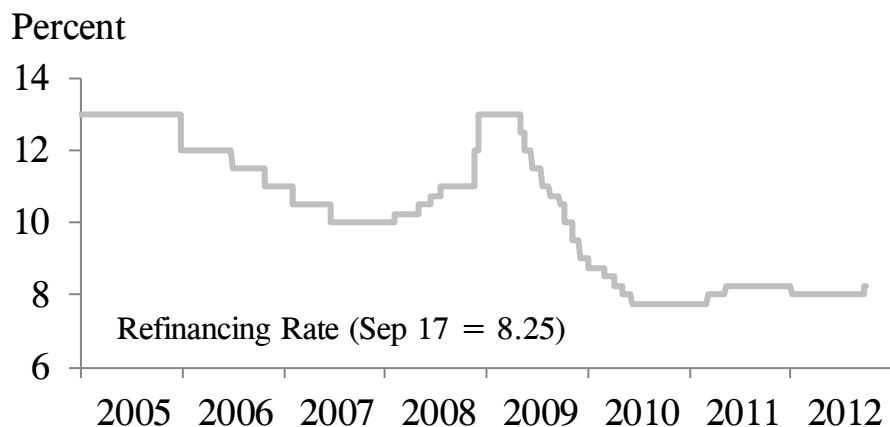
NOTE: The chart plots the federal funds target rate for the U.S, the main refinancing operation rate for the Euro Area, the uncollateralized overnight call rate for Japan, the base rate for the U.K. and the target rate for Canada. Policy rates have been reported as ranges in the U.S. since Dec. 16, 2008 and in Japan since Oct. 5, 2010. The chart plots average rates for these countries.

# Chart 22a. Central Bank Policy Rates in Major Emerging Economies

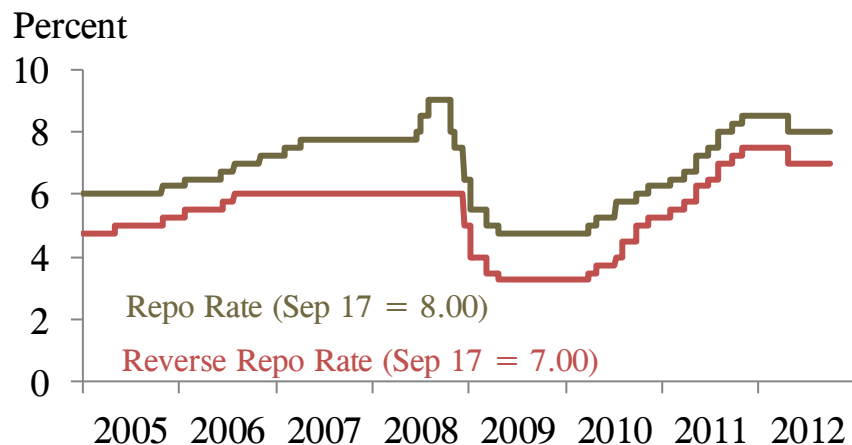
## Brazil



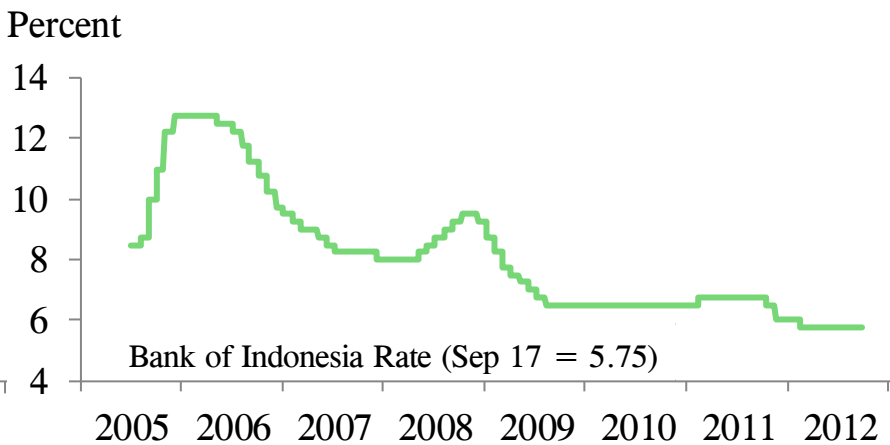
## Russia



## India



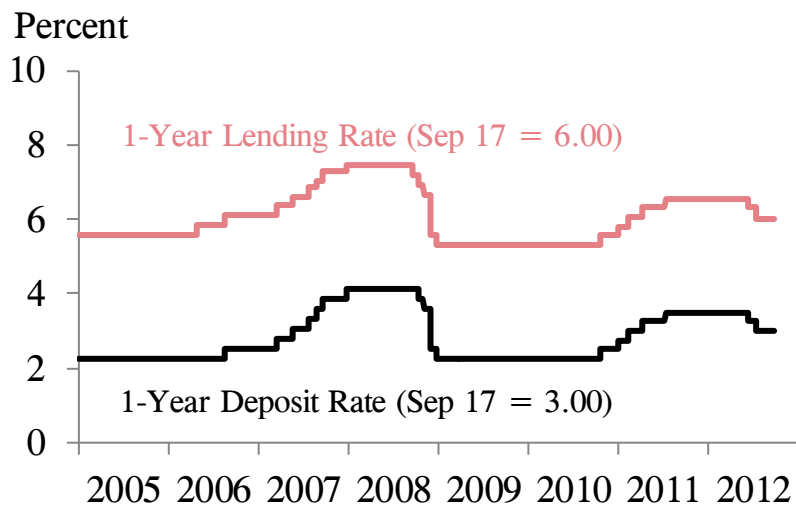
## Indonesia



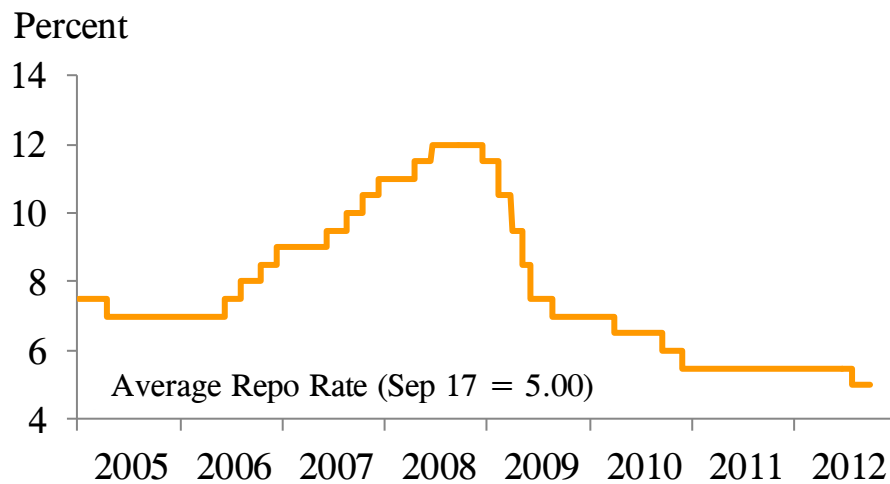
NOTE: The Reserve Bank of India utilizes the repo rate to inject liquidity into the monetary system and the reverse repo rate to remove liquidity.

# Chart 22b. Central Bank Policy Rates in Major Emerging Economies

## China

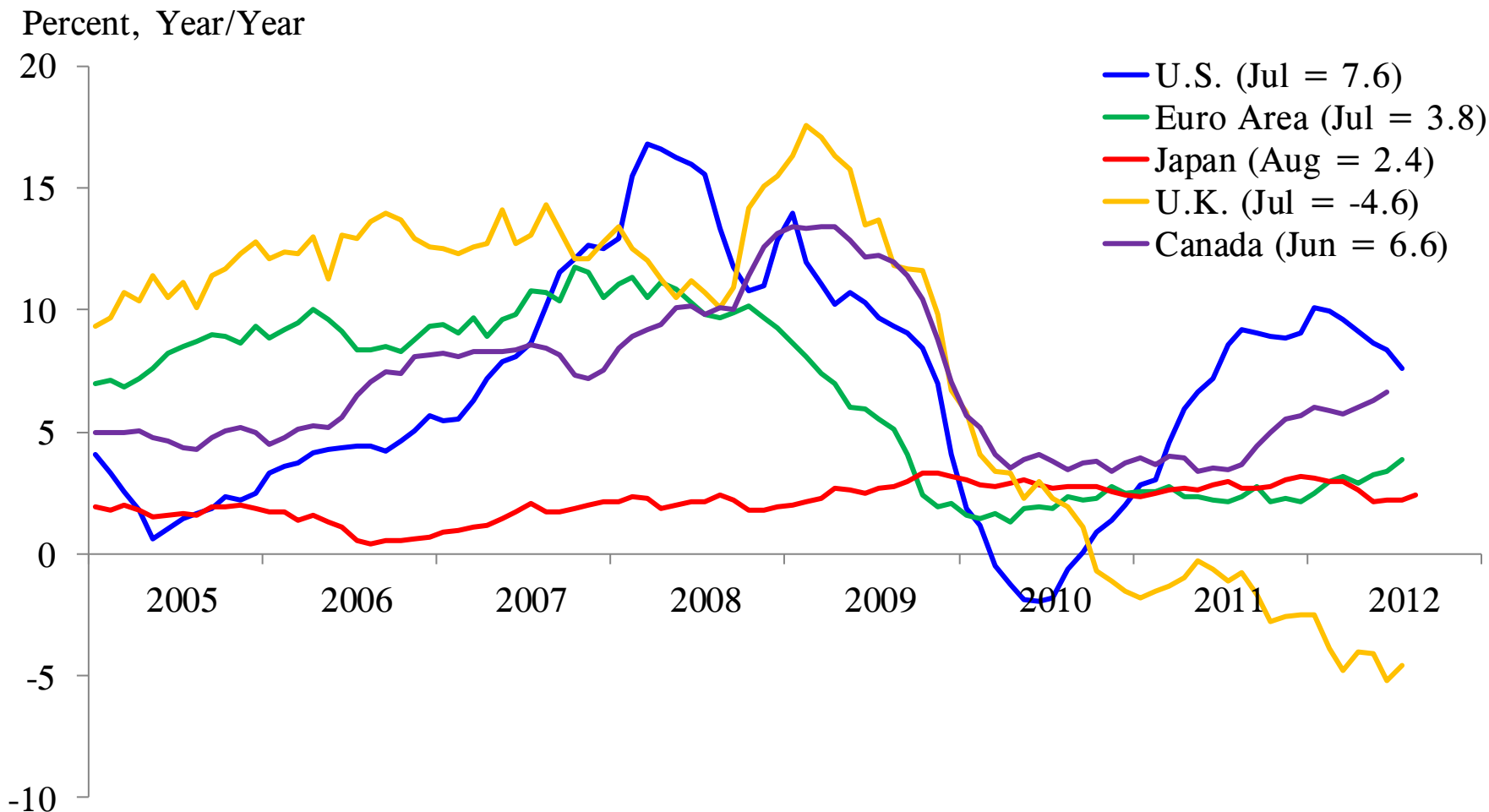


## South Africa





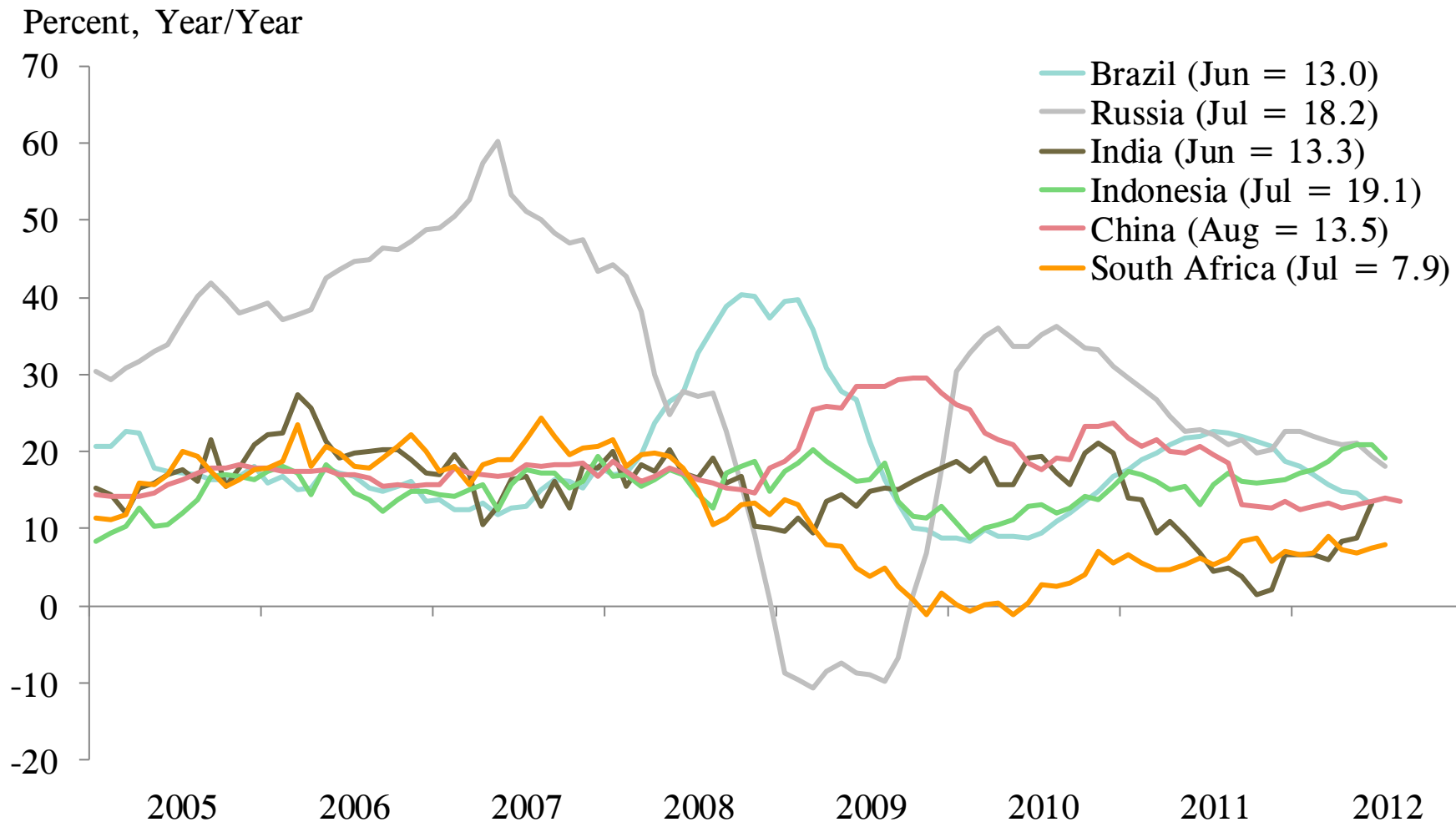
# Chart 23. Money Supply Growth in Major Advanced Economies



NOTE: The chart plots MZM in the U.S, M2 in the Euro Area, Japan and Canada and M4 in the U.K.



## Chart 24. Money Supply Growth in Major Emerging Economies



NOTE: The chart plots M2 for each country.

Sources: National Central Banks; HAVER Analytics

Globalization & Monetary Policy Institute  
Federal Reserve Bank of Dallas



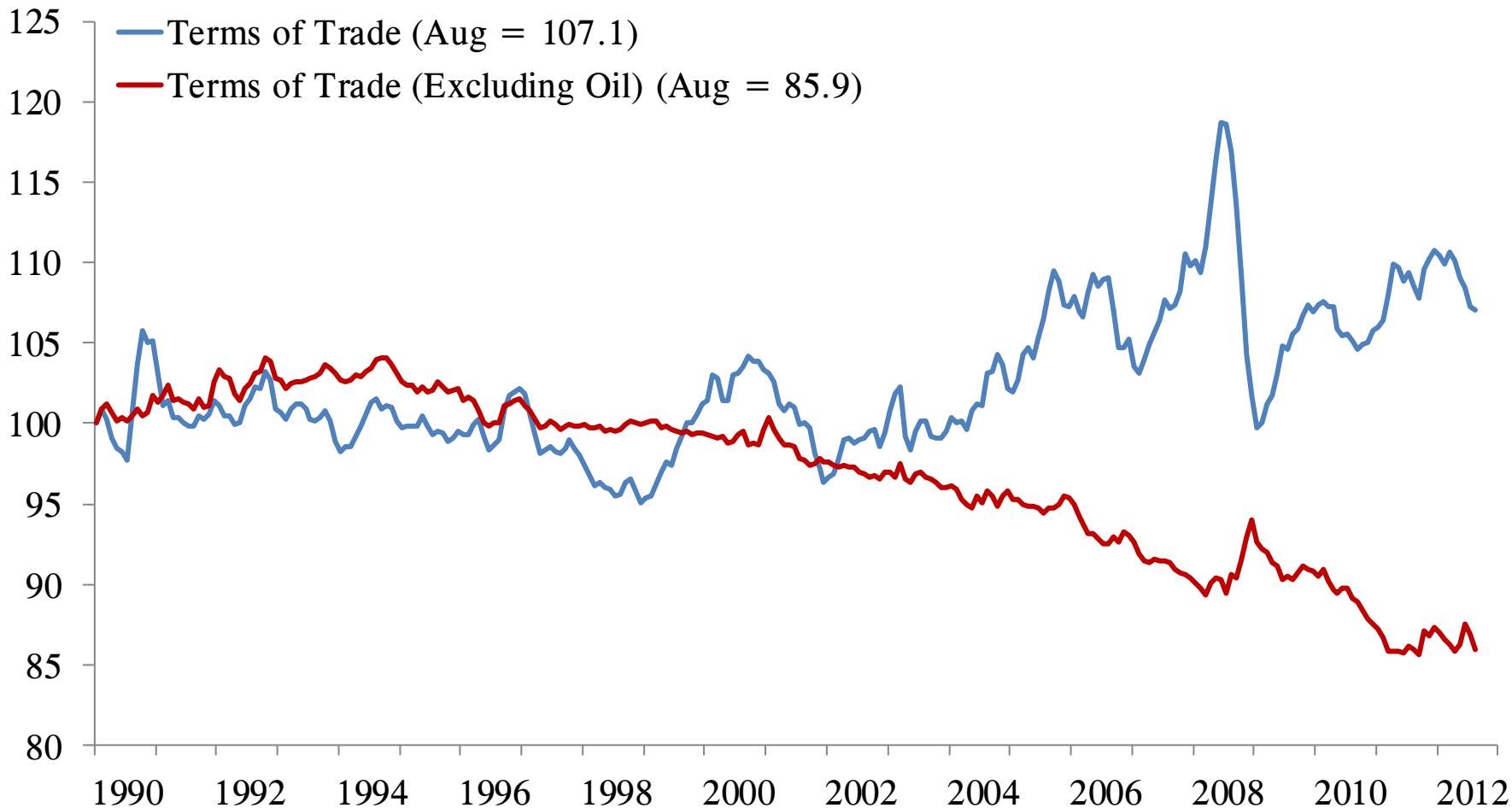
# **U.S. External Accounts**

Globalization & Monetary Policy Institute  
Federal Reserve Bank of Dallas



## Chart 25. U.S. Terms of Trade

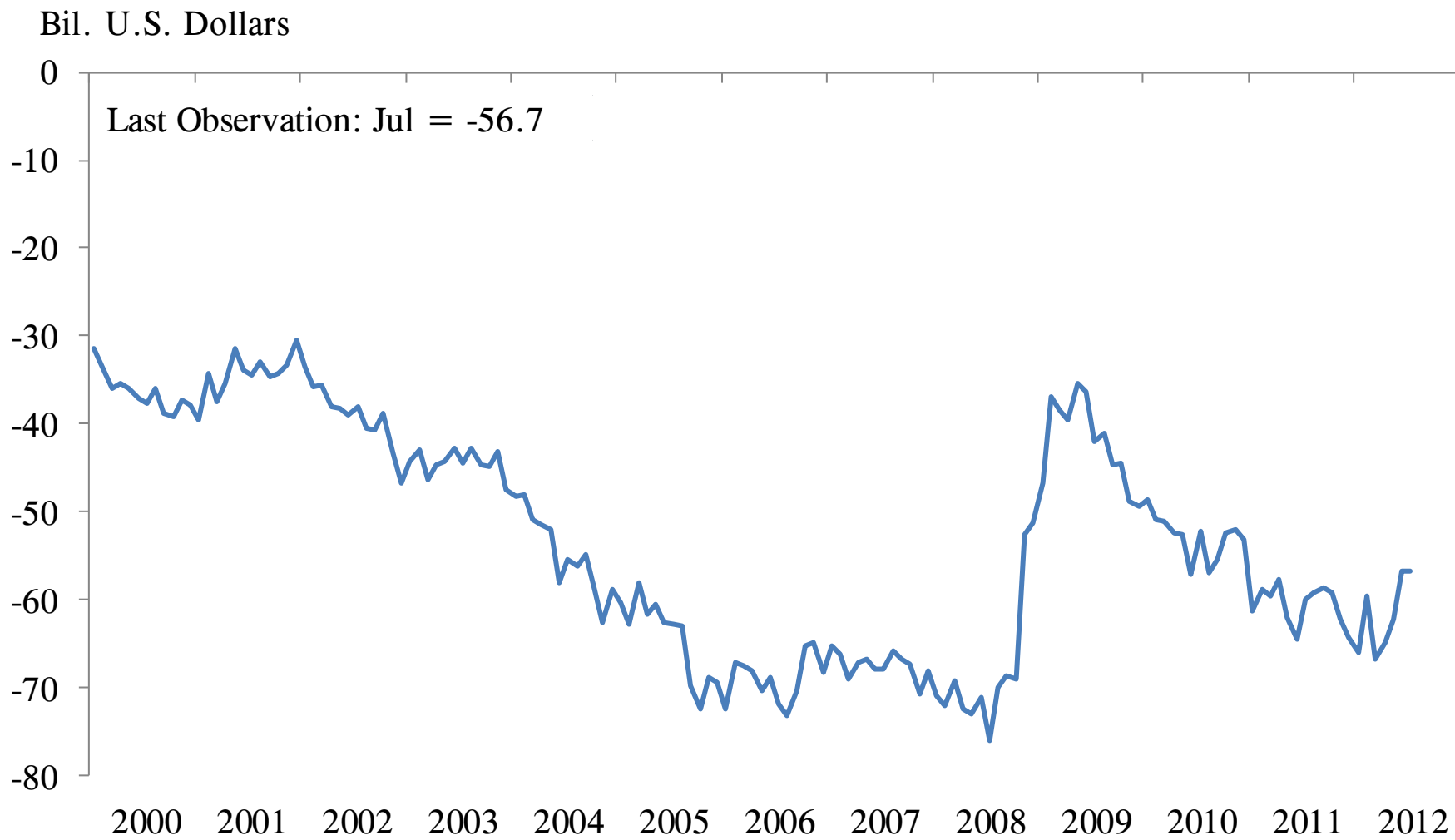
Index, Jan. 1990 = 100



NOTE: U.S. terms of trade are calculated as the import price index/export price index.



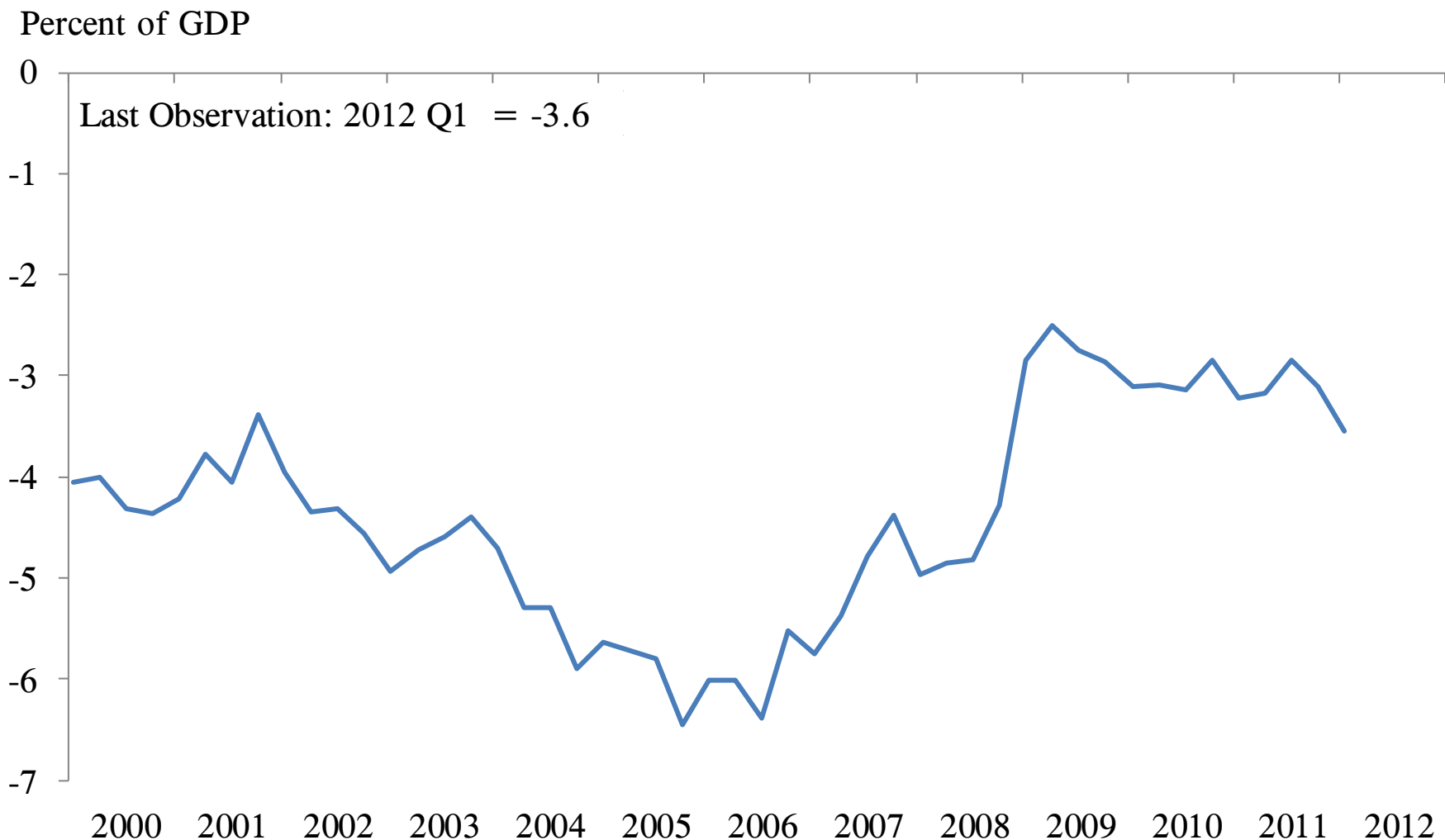
# Chart 26. U.S. Nominal Trade Balance, Customs Value



NOTE: The charts plots the nominal trade balance in goods.



## Chart 27. U.S. Current Account Balance

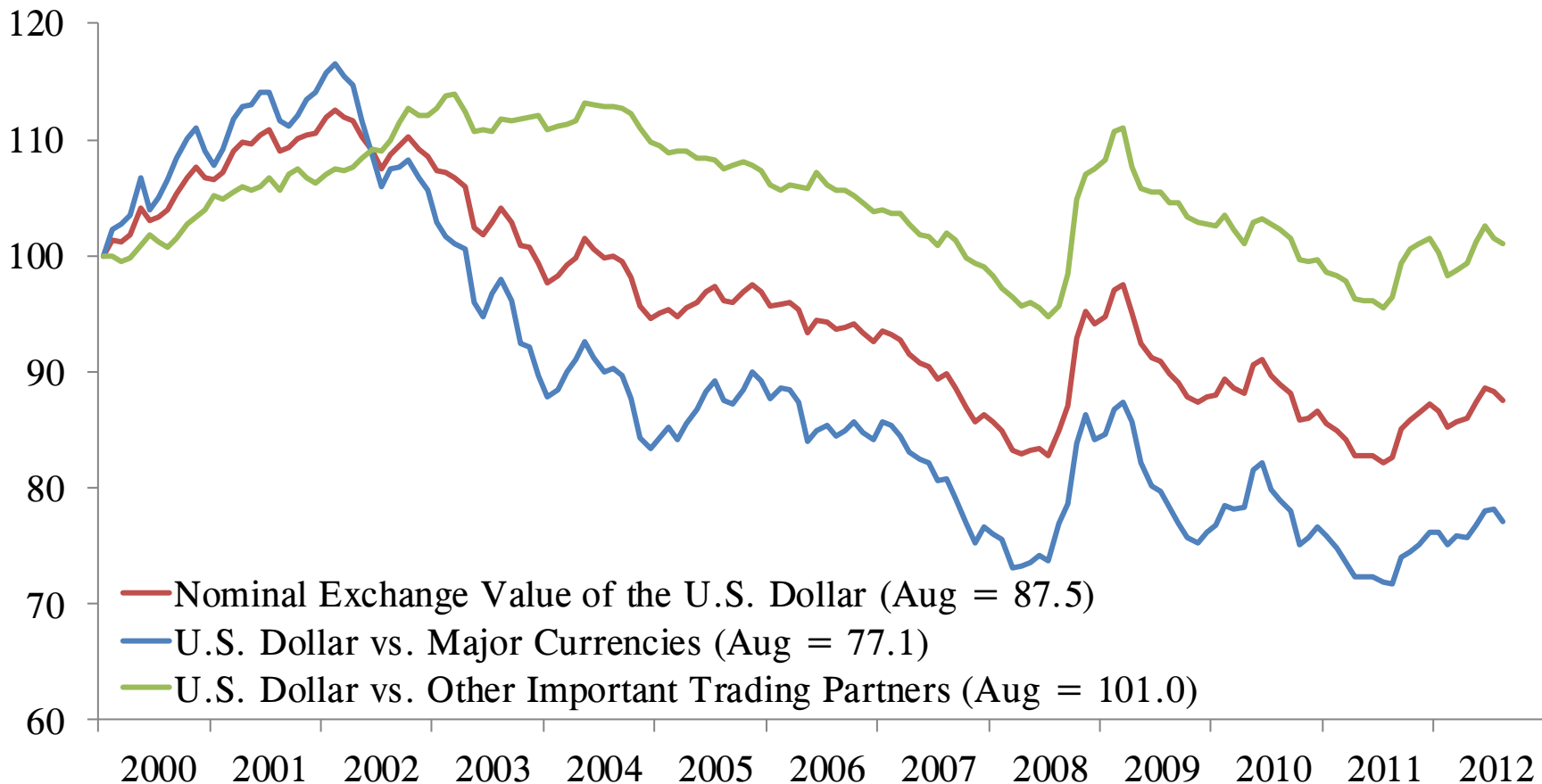


NOTE: All values are nominal.



## Chart 28. Nominal Value of the U.S. Dollar

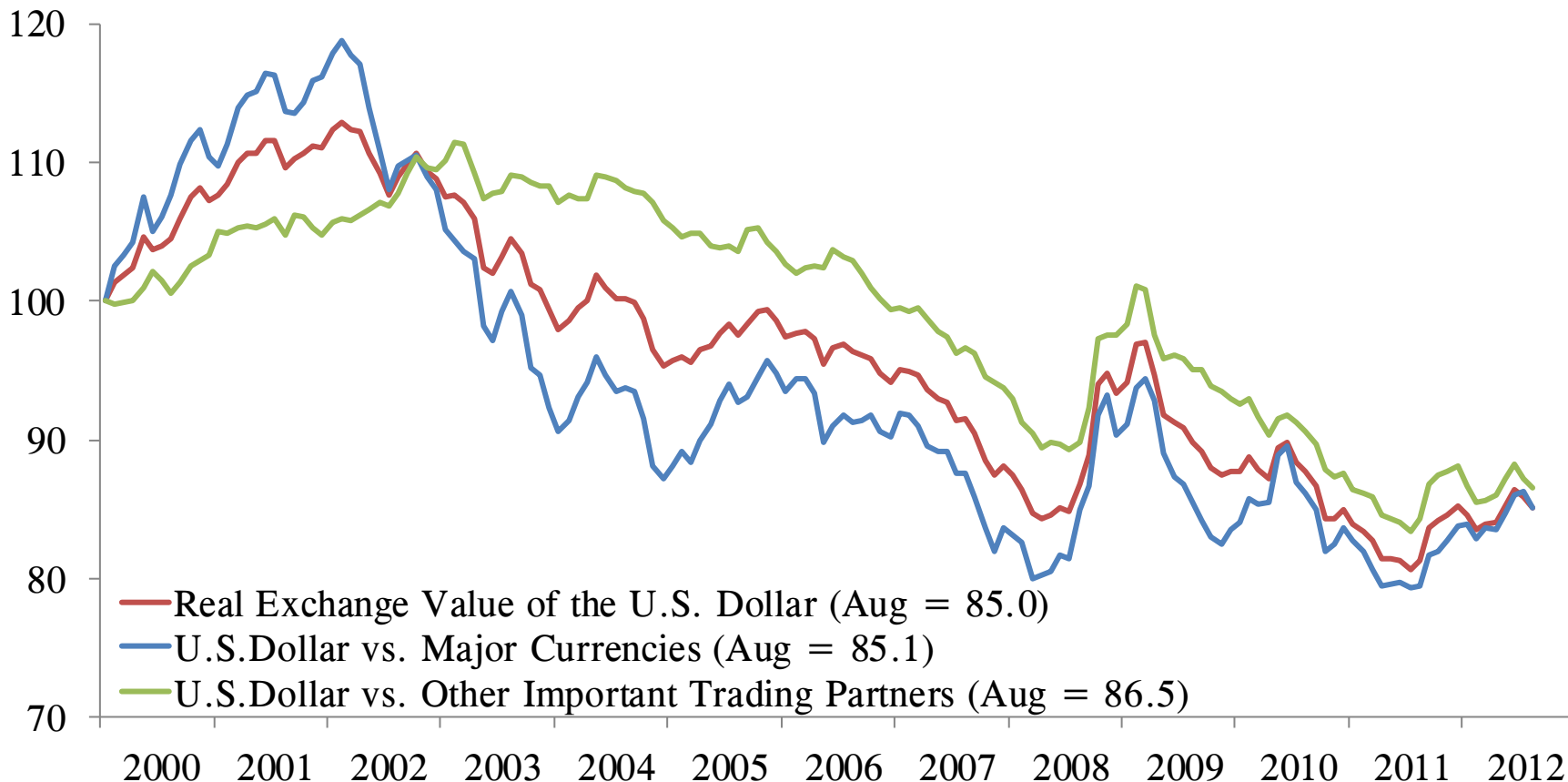
Index, Jan. 2000 = 100



NOTE: Countries or regions whose currencies are included in the major currencies index are the Euro Area, Canada, Japan, United Kingdom, Switzerland, Australia and Sweden. Countries included in the other important trading partners index are Mexico, China, Taiwan, Korea, Singapore, Hong Kong, Malaysia, Brazil, Thailand, Philippines, Indonesia, India, Israel, Saudi Arabia, Russia, Argentina, Venezuela, Chile and Colombia. An increase in each index represents an appreciation of the U.S. dollar and a decrease represents a depreciation.

# Chart 29. Real Value of the U.S. Dollar

Index, Jan. 2000 = 100



NOTE: Countries or regions whose currencies are included in the major currencies index are the Euro Area, Canada, Japan, United Kingdom, Switzerland, Australia and Sweden. Countries included in the other important trading partners index are Mexico, China, Taiwan, Korea, Singapore, Hong Kong, Malaysia, Brazil, Thailand, Philippines, Indonesia, India, Israel, Saudi Arabia, Russia, Argentina, Venezuela, Chile and Colombia. An increase in each index represents an appreciation of the U.S. dollar and a decrease represents a depreciation.



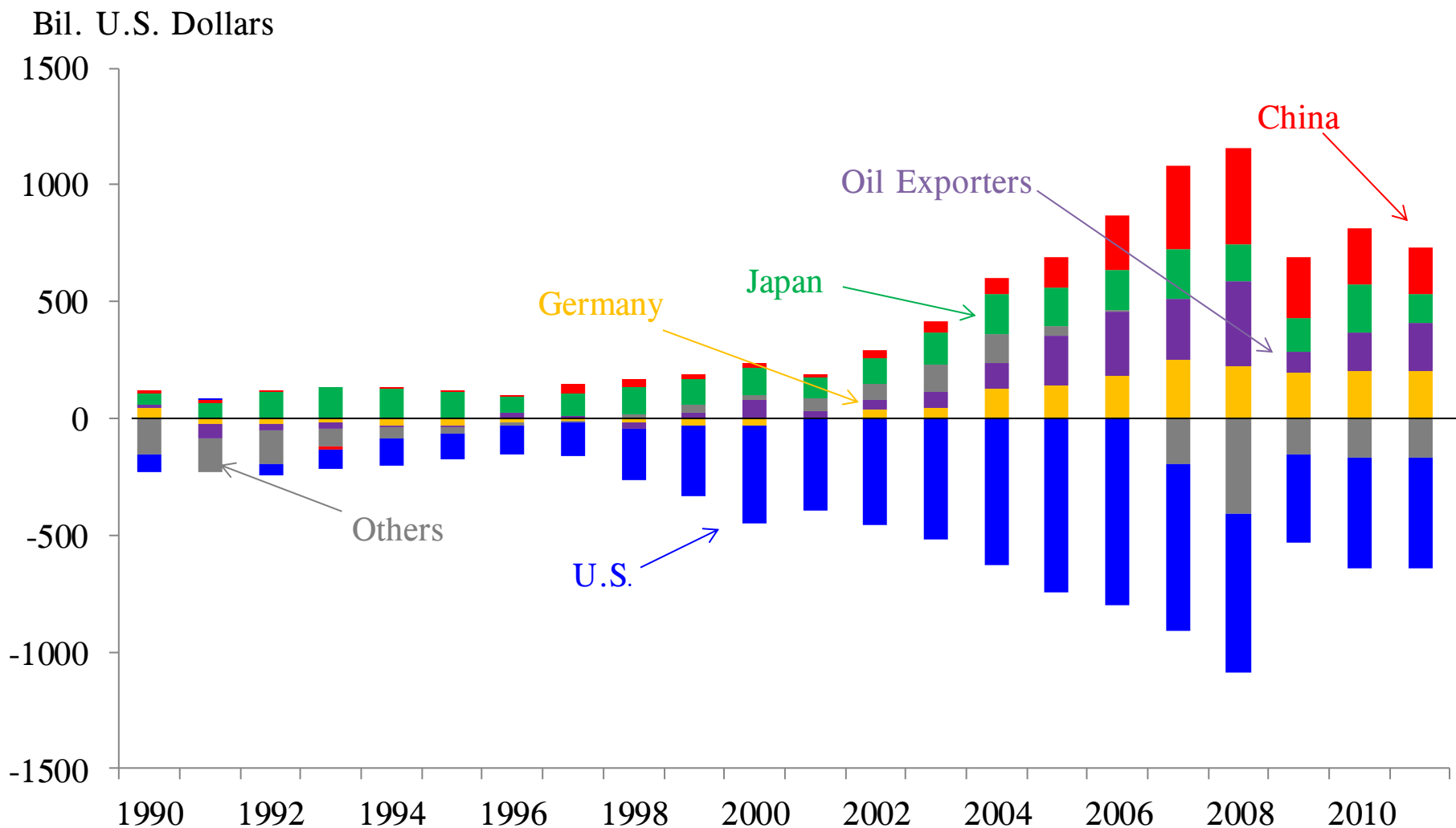


# Current Analysis

Globalization & Monetary Policy Institute  
Federal Reserve Bank of Dallas

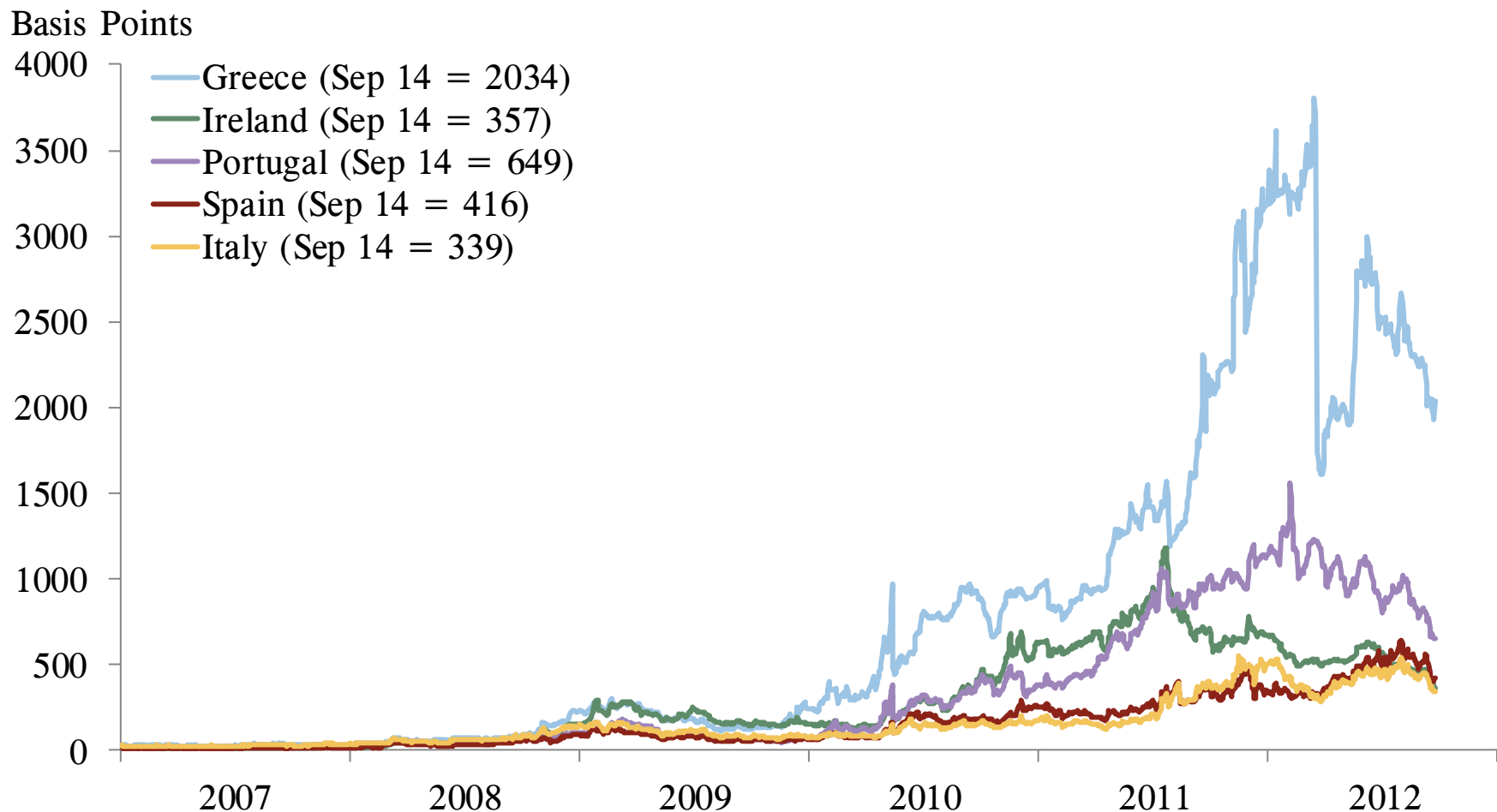


# Chart 30. Global Current Account Balances



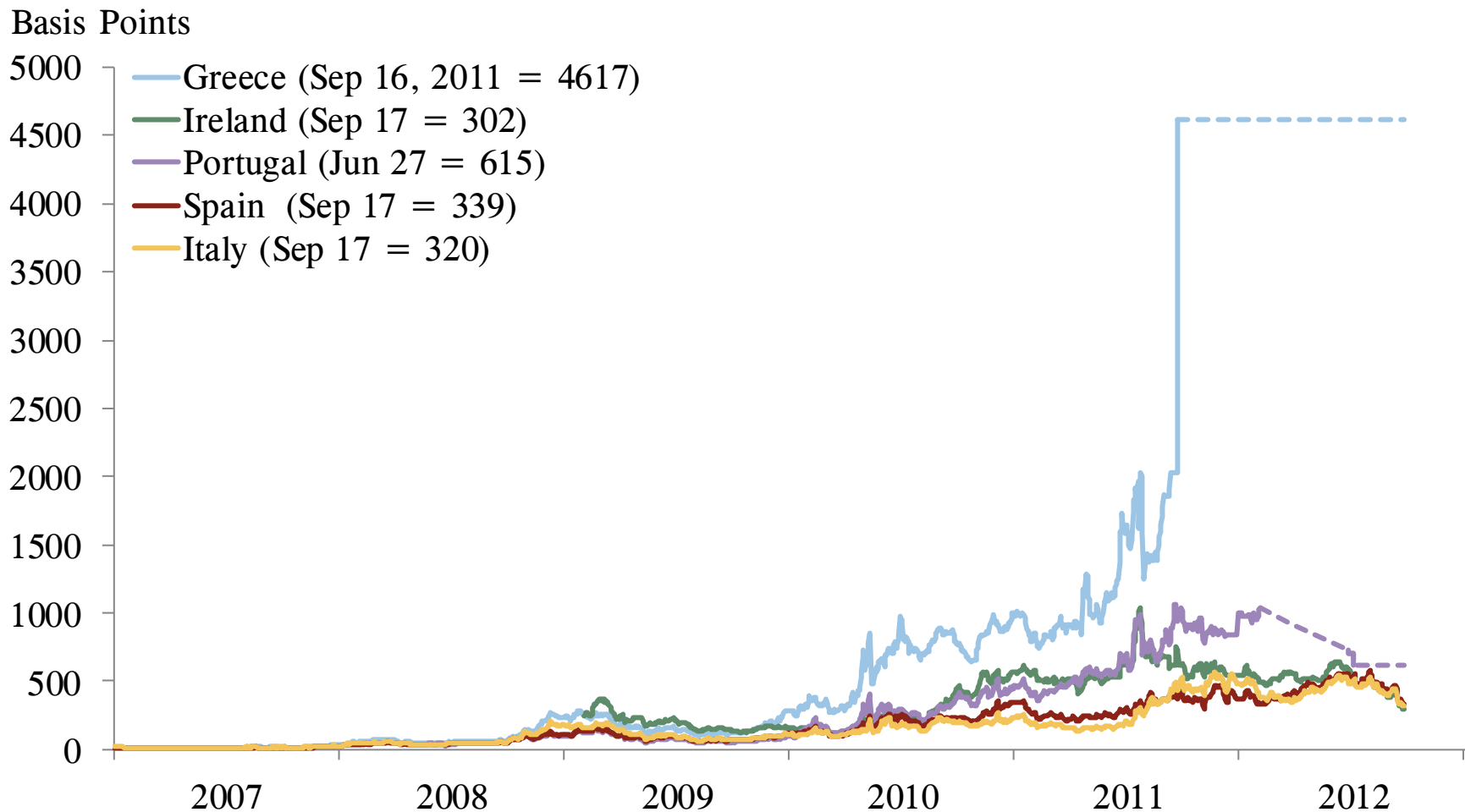
NOTE: Oil exporting countries are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, United Arab Emirates and Venezuela. The remaining 162 United Nations members comprise "Others".

# Chart 31. Bond Spreads for Select Euro Area Economies



NOTE: The chart shows the spread, or difference, in interest rates between 10-year government bonds for various countries and German 10-year government bonds.

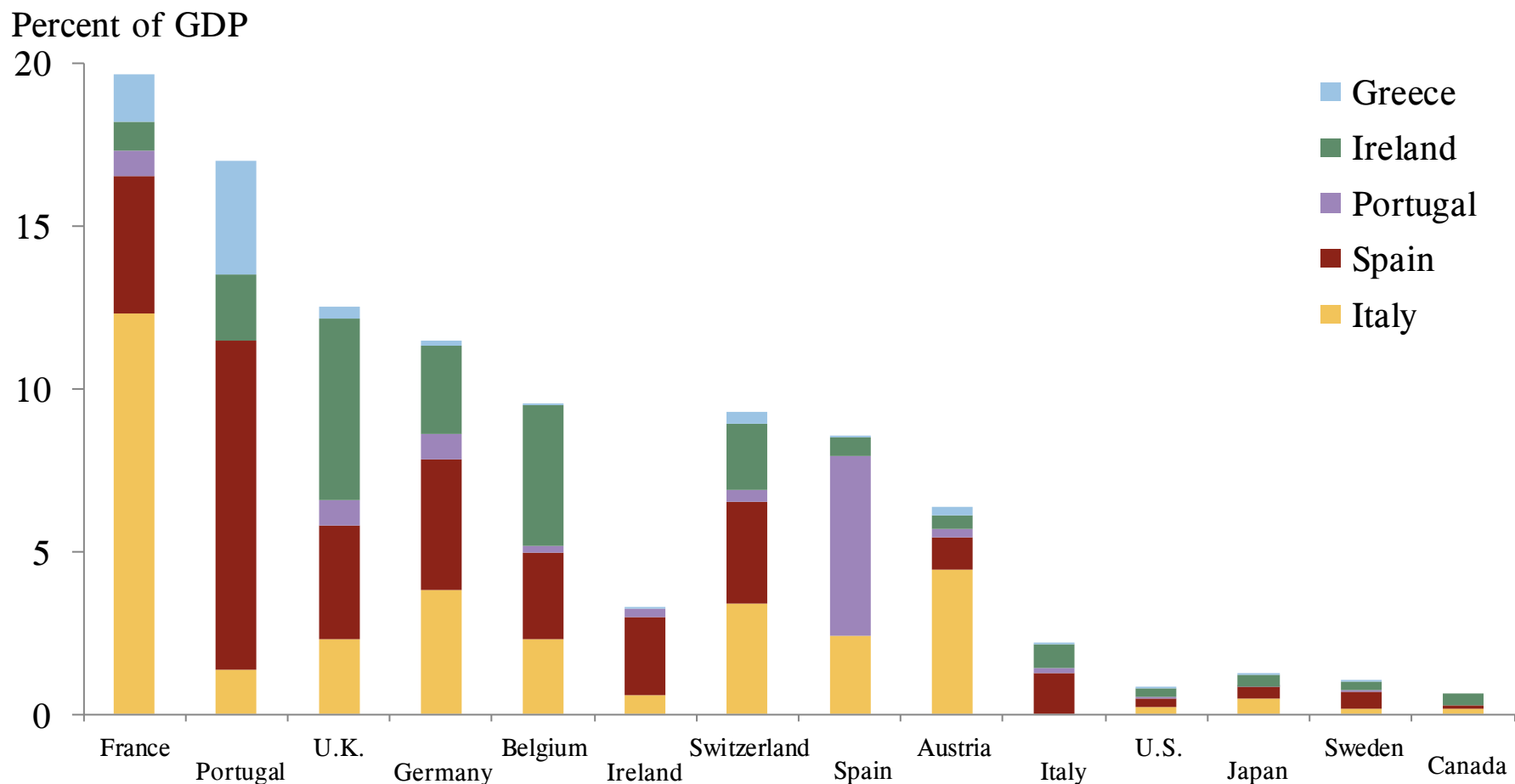
# Chart 32. 10-Year Credit Default Swap Spreads for Select Euro Area Economies



NOTES: A credit default swap (CDS) is a credit derivative contract in which the buyer of the CDS makes a series of payments, or spreads, to the seller in exchange for a payoff if an underlying credit instrument (often a bond) experiences a credit event or default. Dashed lines represent periods in which CDS on a country's 10-year sovereign bond are not reported as spreads due to sufficient financial distress.

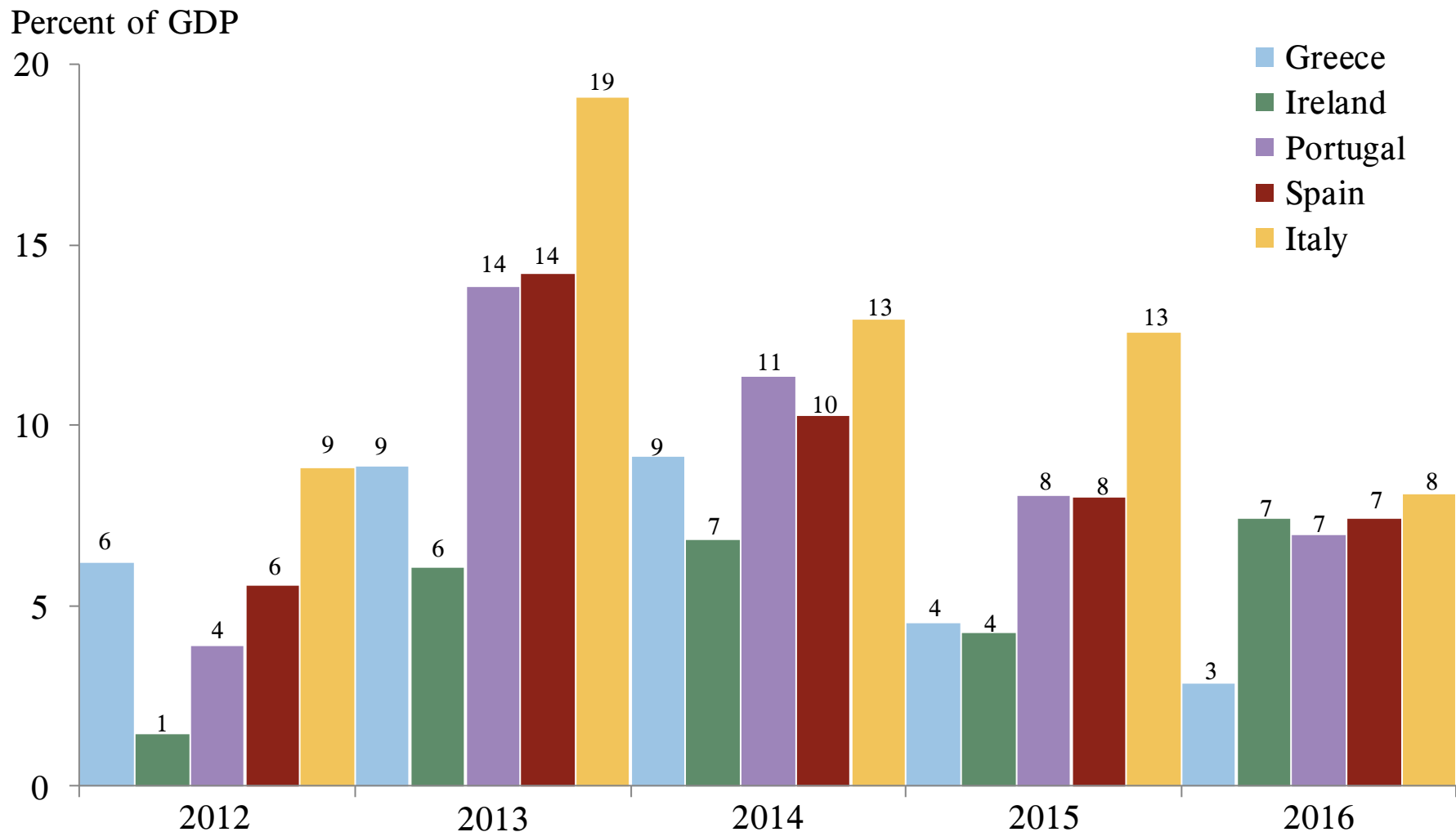
# Chart 33. Select Economies' Banking Exposure to Peripheral Euro-Area Sovereign Debt

March 2012



NOTES: The chart plots the claims that banks in each country have, as a share of its 2011 GDP, on sovereign debt in Greece, Ireland, Portugal, Spain and Italy. All GDP values are based on International Monetary Fund estimates. All values are nominal.

# Chart 34. Sovereign Debt Repayment Schedule for Select Euro-Area Economies



NOTES: Repayment amounts include both principal and accrued interest. All GDP values are projections from the International Monetary Fund. All values are nominal.