



# Economic & Market Outlook 2018

Il Giro del Mondo (Economico) in 12 Mesi

**Adolfo Laurenti**

Global Economist,

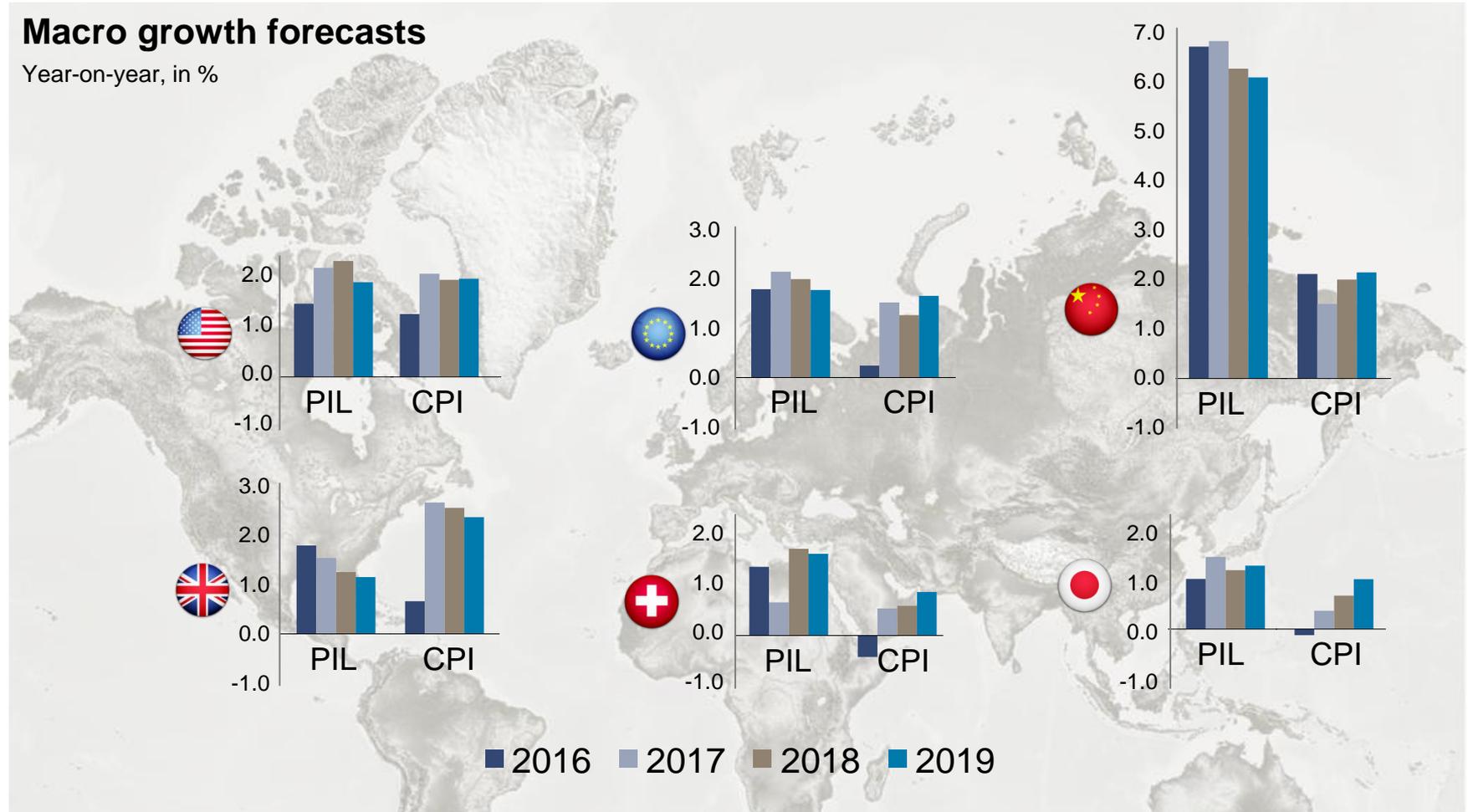
Bank J. Safra Sarasin

Roma, 13 Dicembre 2017

# Scenario 2018: crescita ai massimi ciclici e stabilizzazione dei tassi di inflazione

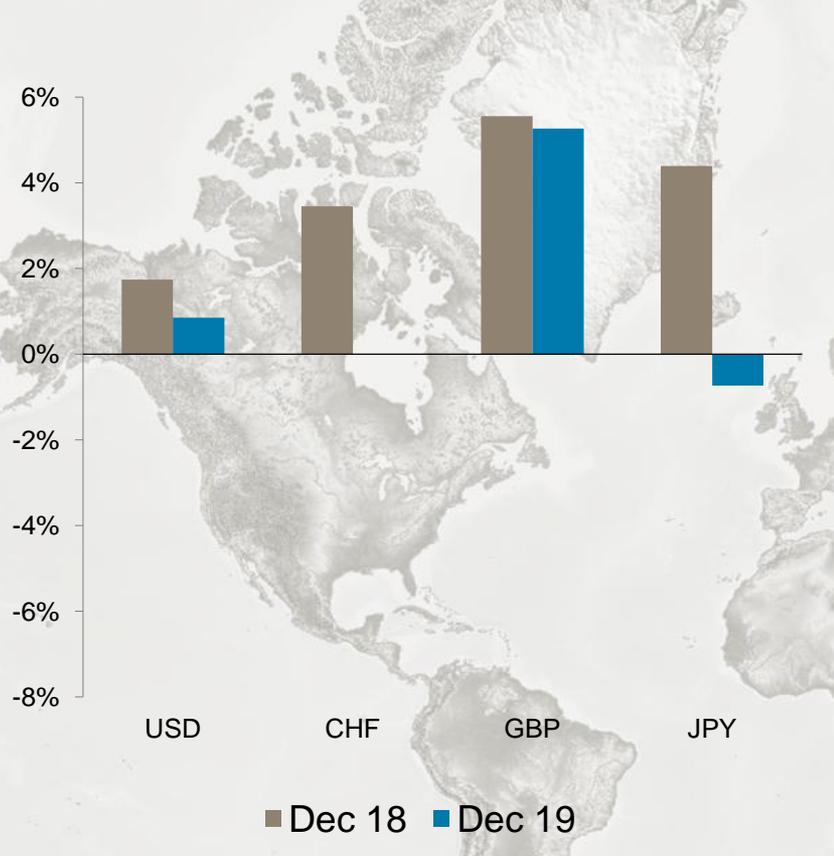
## Macro growth forecasts

Year-on-year, in %

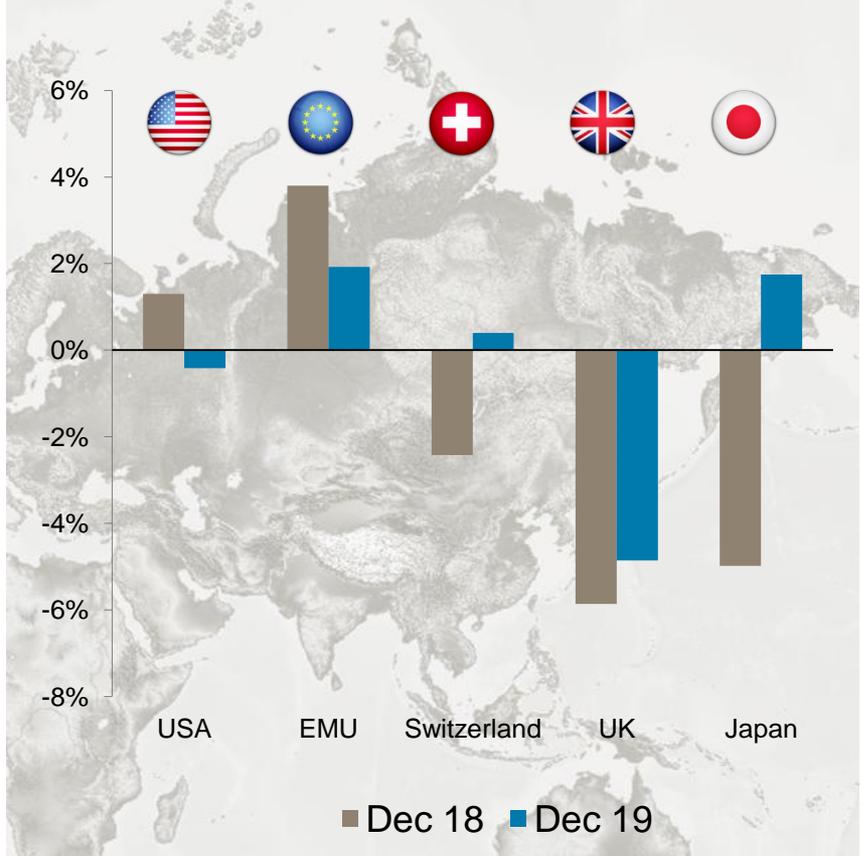


# Scenario 2018: un euro più forte

## EUR vs. altre valute (in % yoy)



## Trade-weighted exchange rates (in % yoy)



# Mese per mese, i temi del 2018



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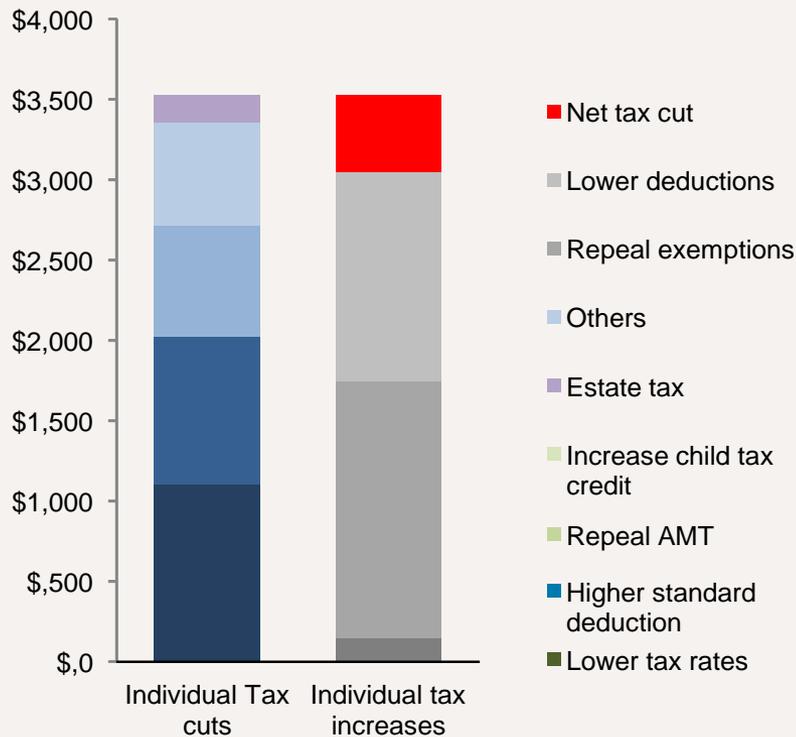




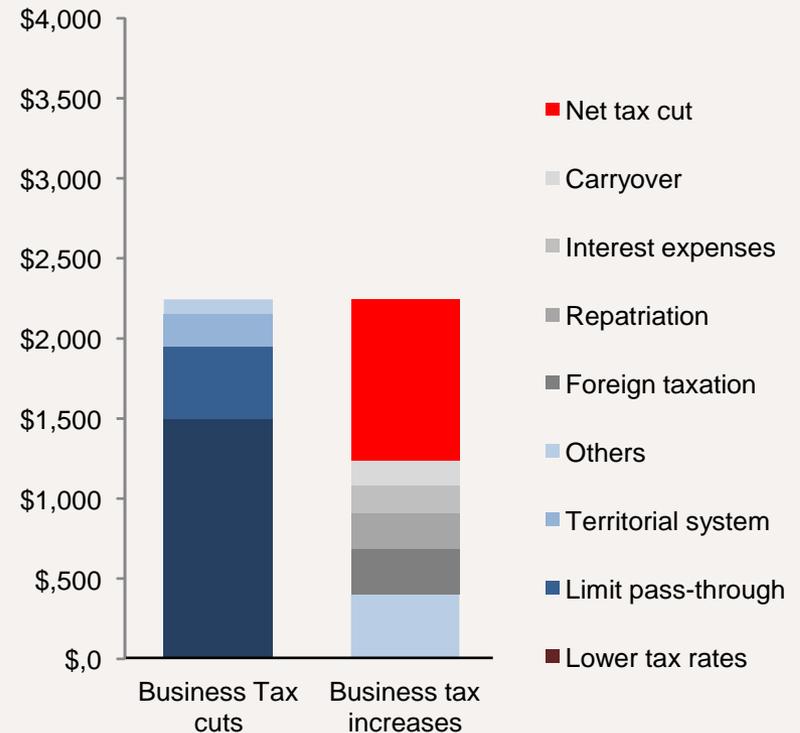
# USA: una riforma fiscale con luci ed ombre



## Individual tax cuts: USD 483 bn



## Corporate tax cuts: USD 1,005 bn



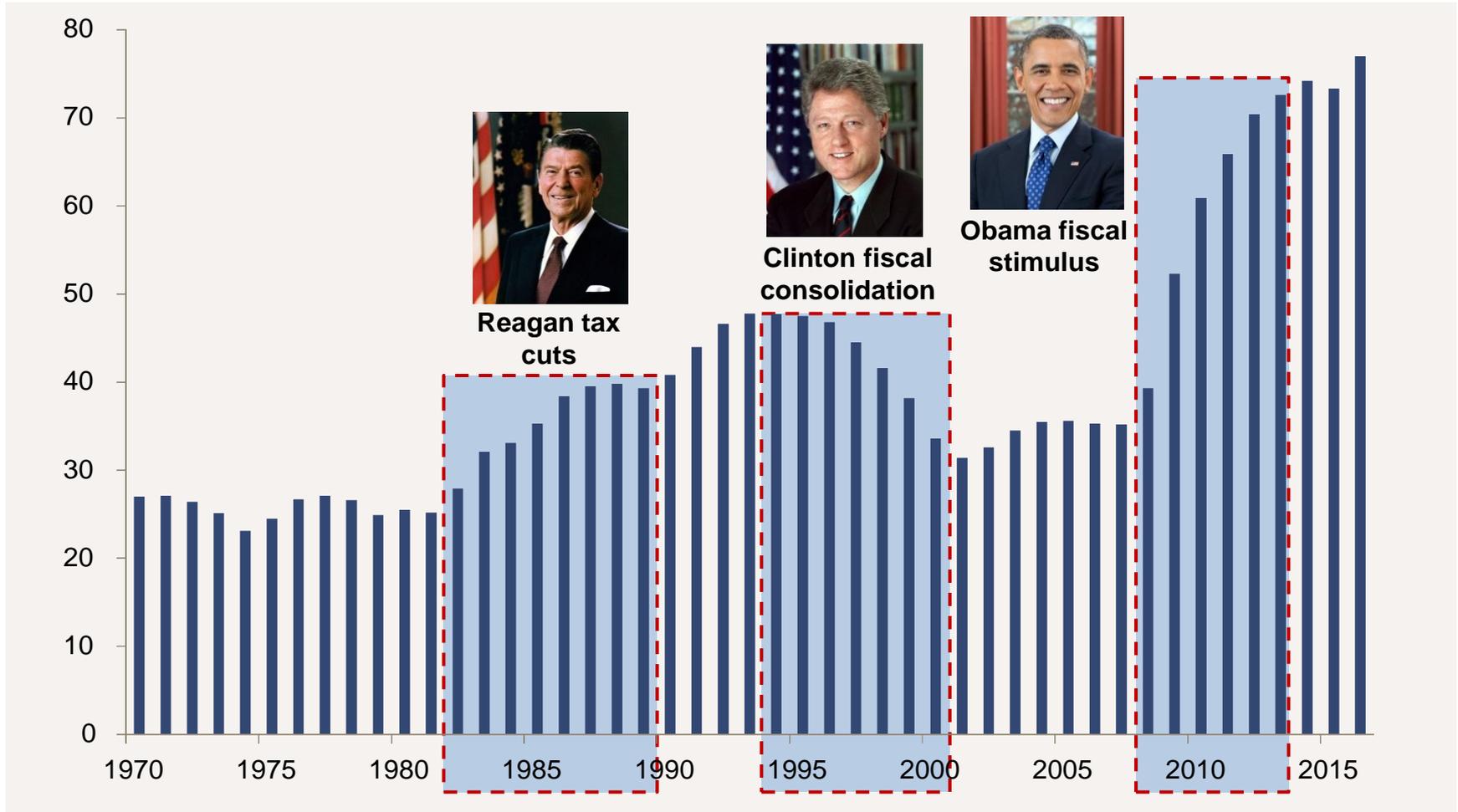


# USA: dopo i tagli alle tasse, allarme per il debito



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Source: Congressional Budget Office, J. Safra Sarasin, 29/11/2017.



# Eurozona: inflazione ai minimi nel primo trimestre, poi il recupero

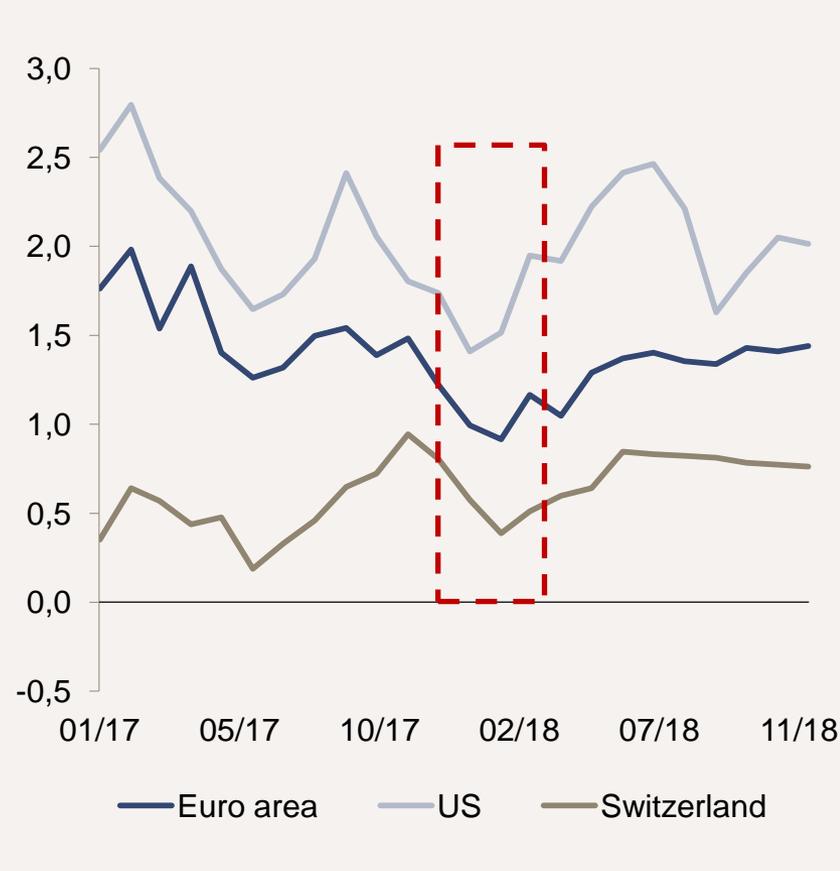


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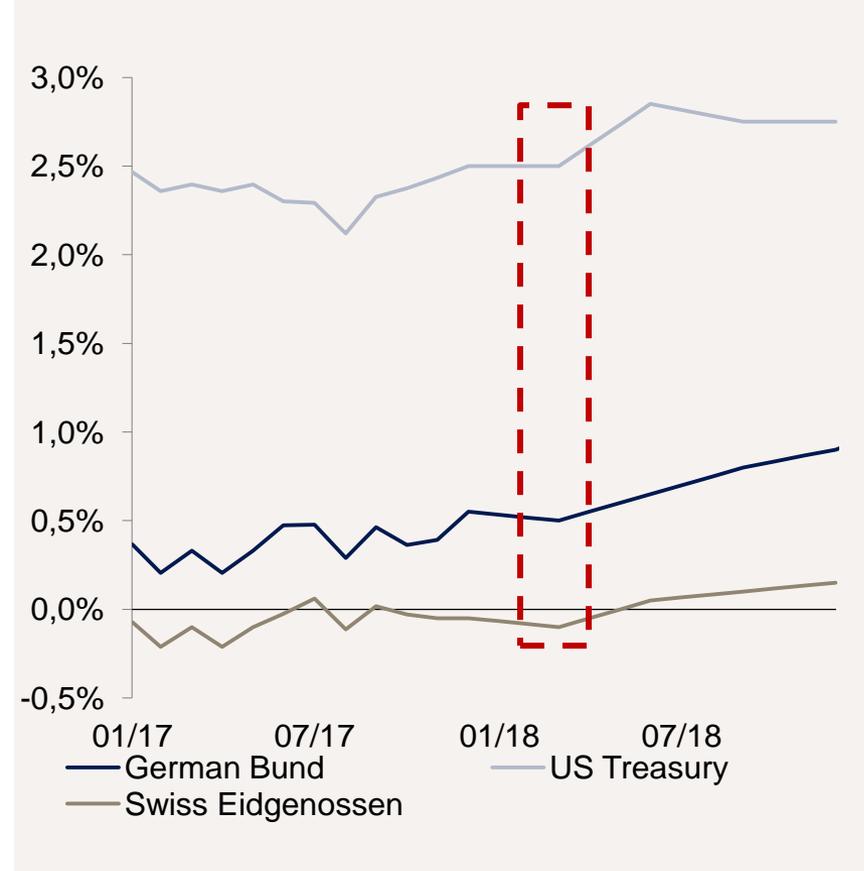


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## Inflation rates are falling until February



## Bund yields to through in February





# Fed: un uomo nuovo al comando

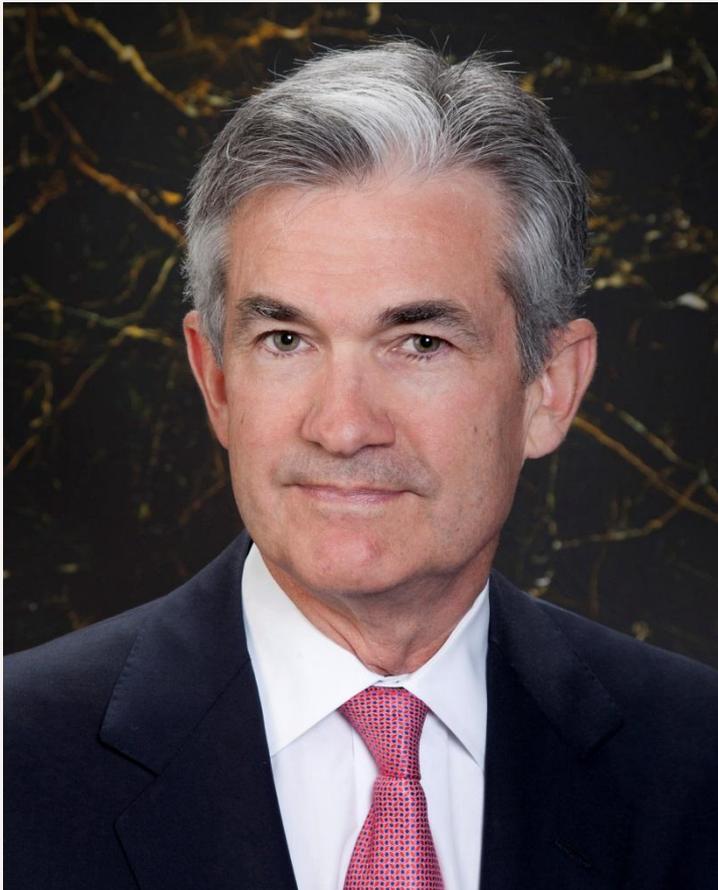


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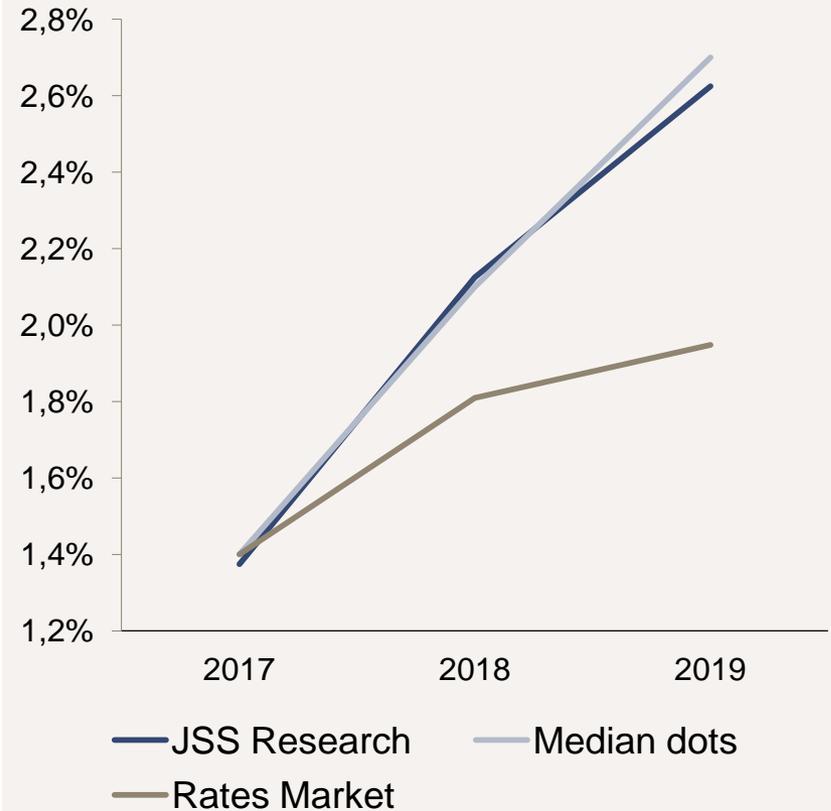


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## Getting used to a new face



## Our Fed-forecast vs. market & dots

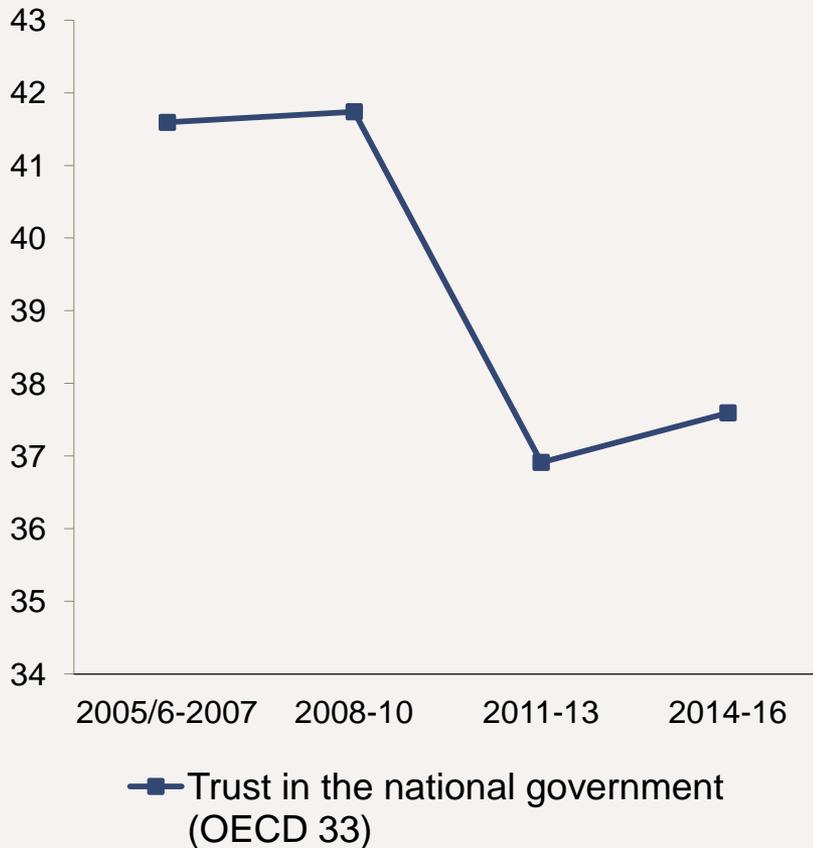




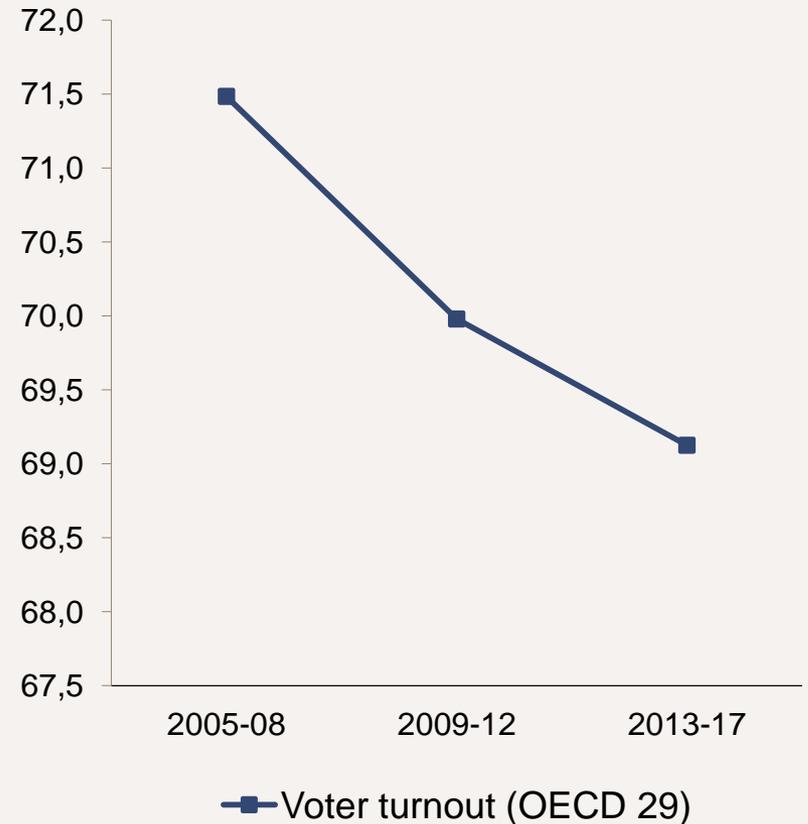
# Frammentazione politica e populismo alla vigilia delle elezioni



## Declining trust in national governments



## Lower voter turn-out in OECD countries





# Is May the End of Theresa May?



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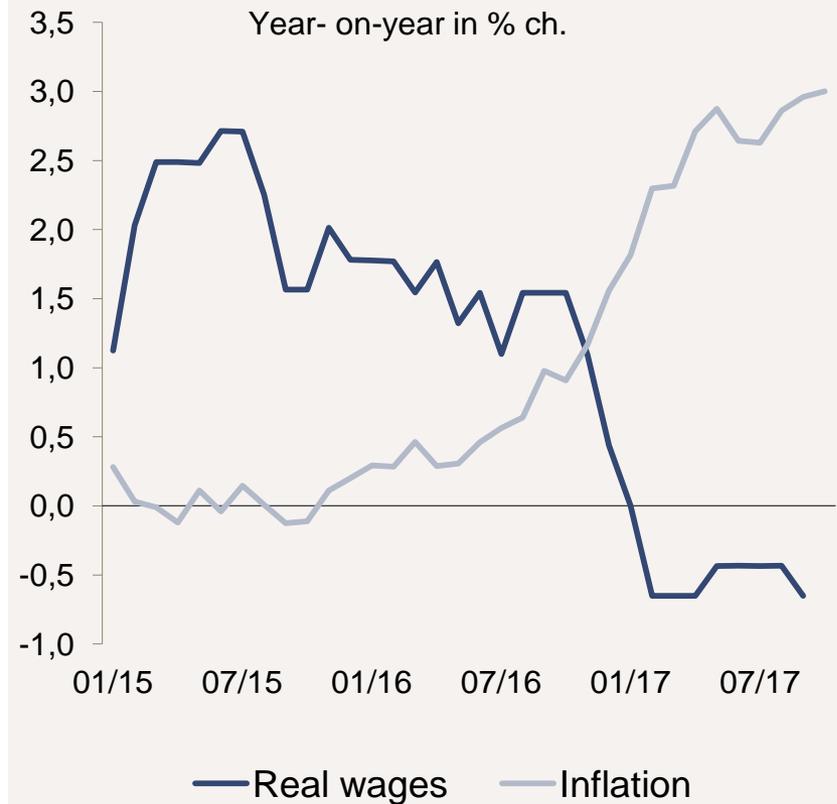


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## New elections possible



## Real wages decline with higher inflation





# I mondiali di calcio 2018



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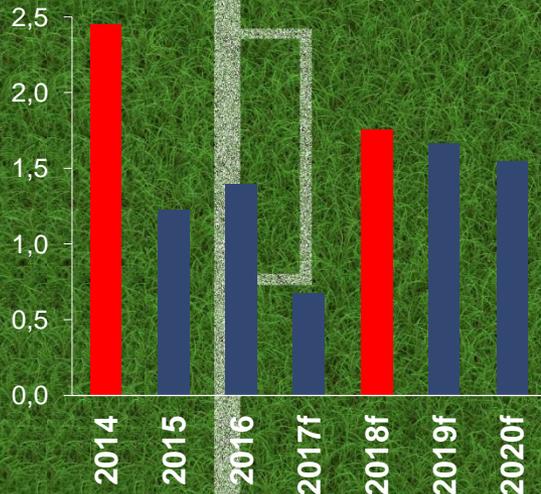


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## Switzerland



Swiss GDP in % yoy



## Italy





# I mondiali di calcio 2018: paesi emergenti, potenze regionali



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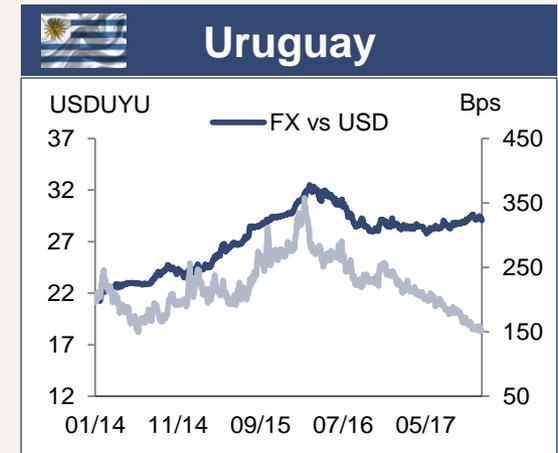
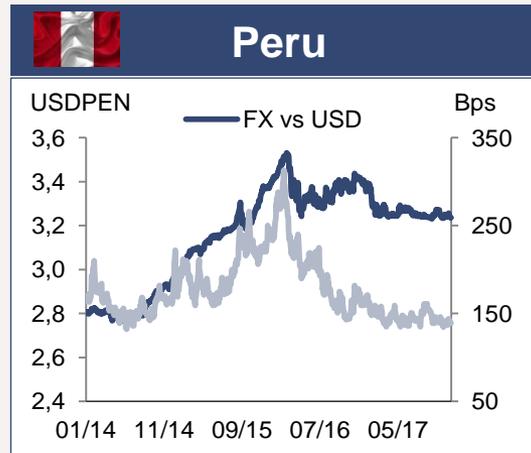
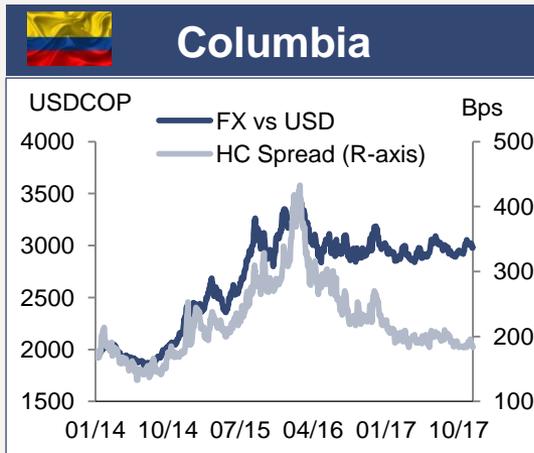
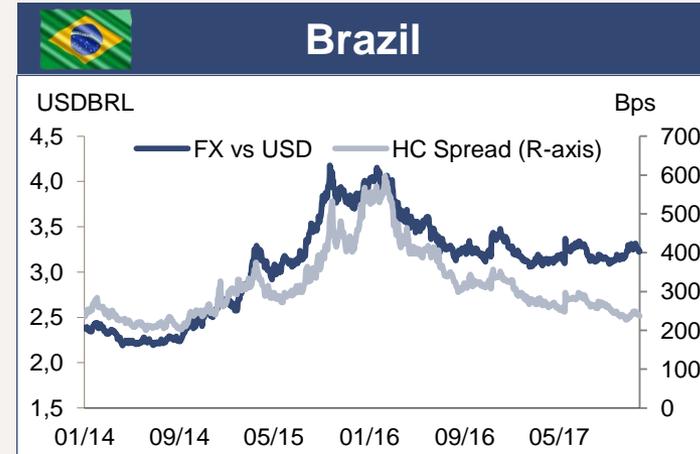
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Replace Peru Uruguay with Senegal, Nigeria



# Mondiali 2018 – attenzione all'America Latina



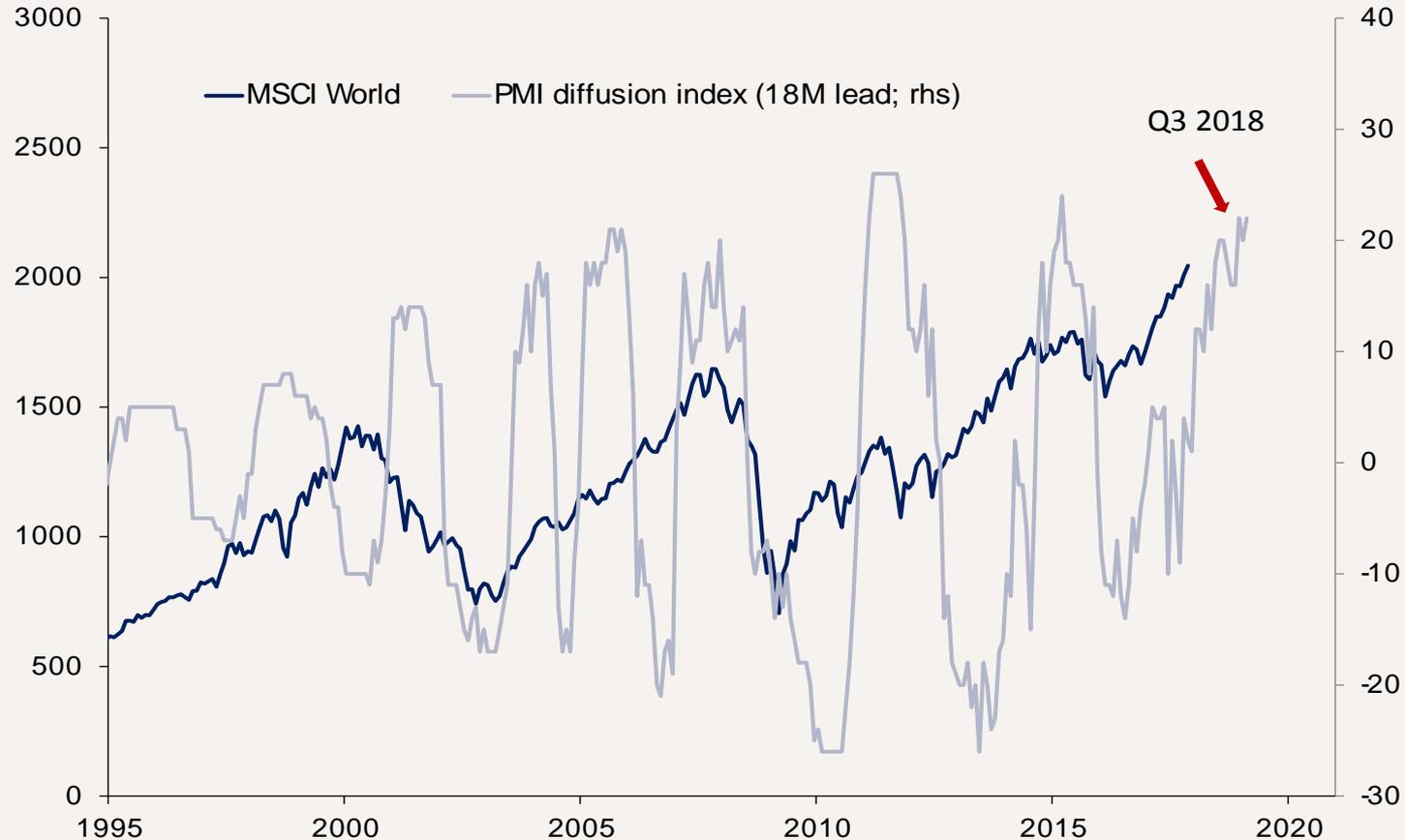
Source: Datastream, J. Safra Sarasin, 28/11/2017. Past Performance is no indicator or guarantee for current or future performance.



# Il boom del mercato azionario: “If it cannot last, it won’t”



## The cycle is supportive until Q3 2018 but not forever





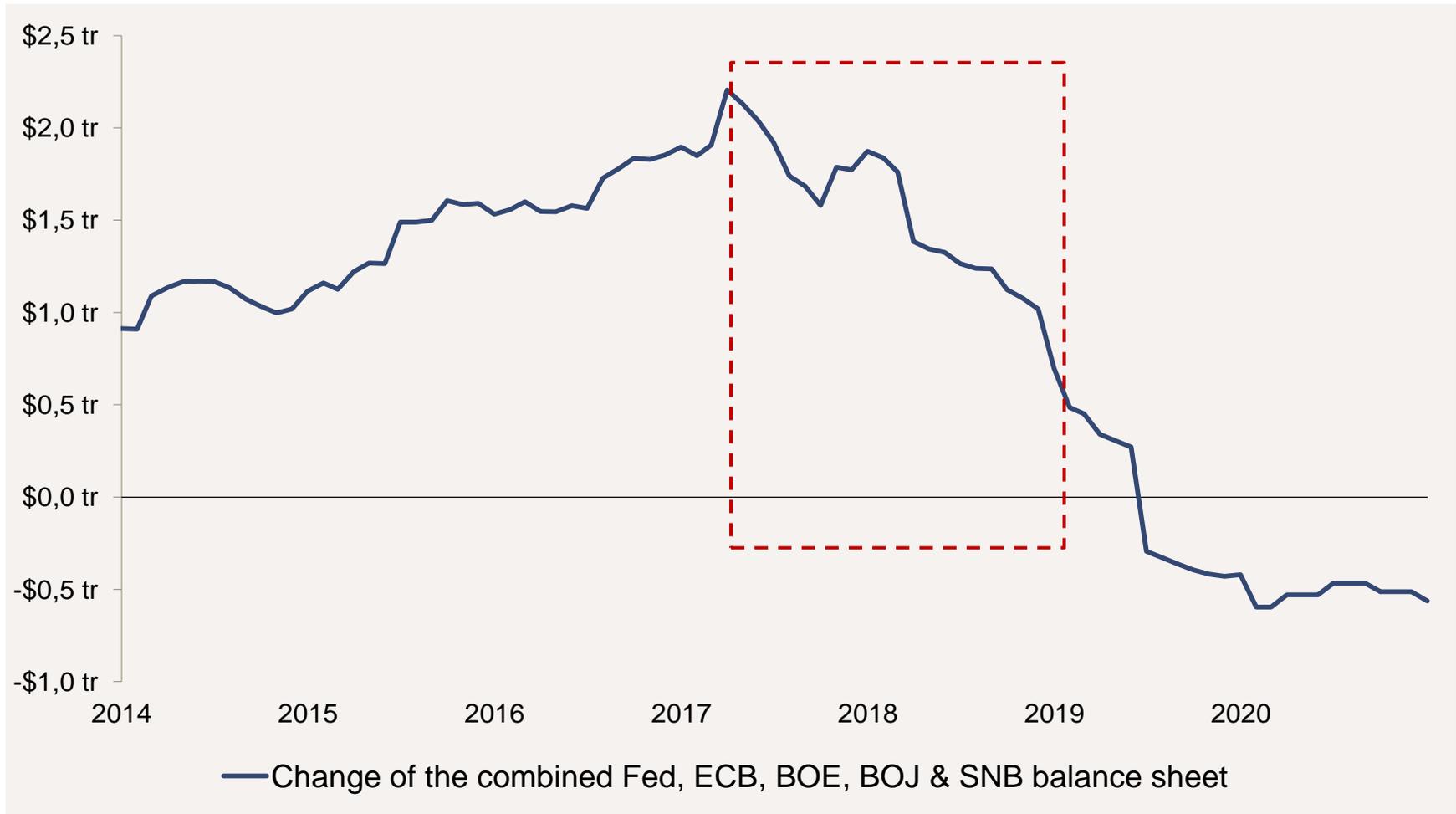
# Balance Sheets delle banche centrali: drastica riduzione dell'offerta di liquidità



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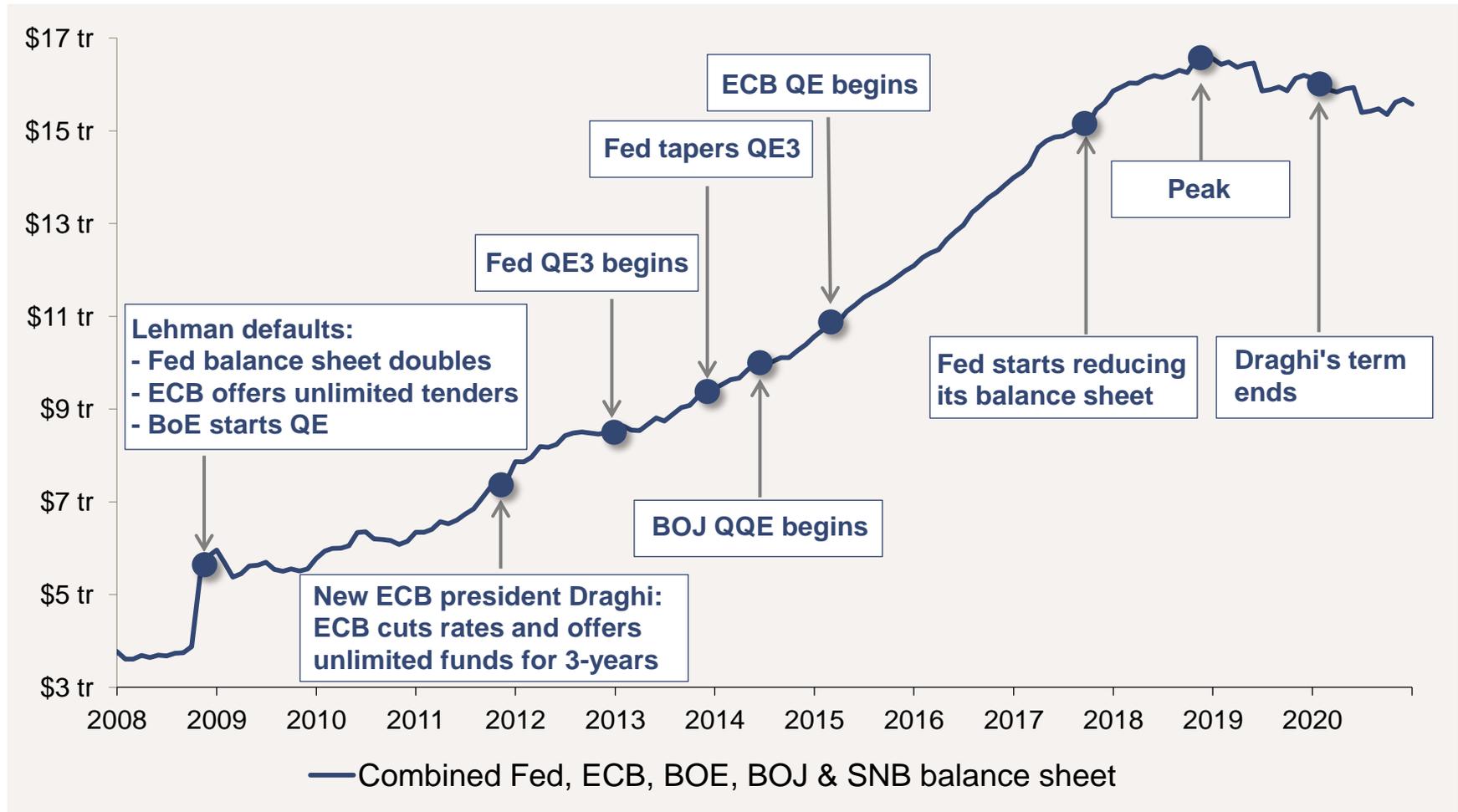
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Source: Bloomberg, Bank of England, J. Safra Sarasin, 30.10.2017.



# Dopo dieci anni di misure straordinarie, un ritorno alla normalità monetaria





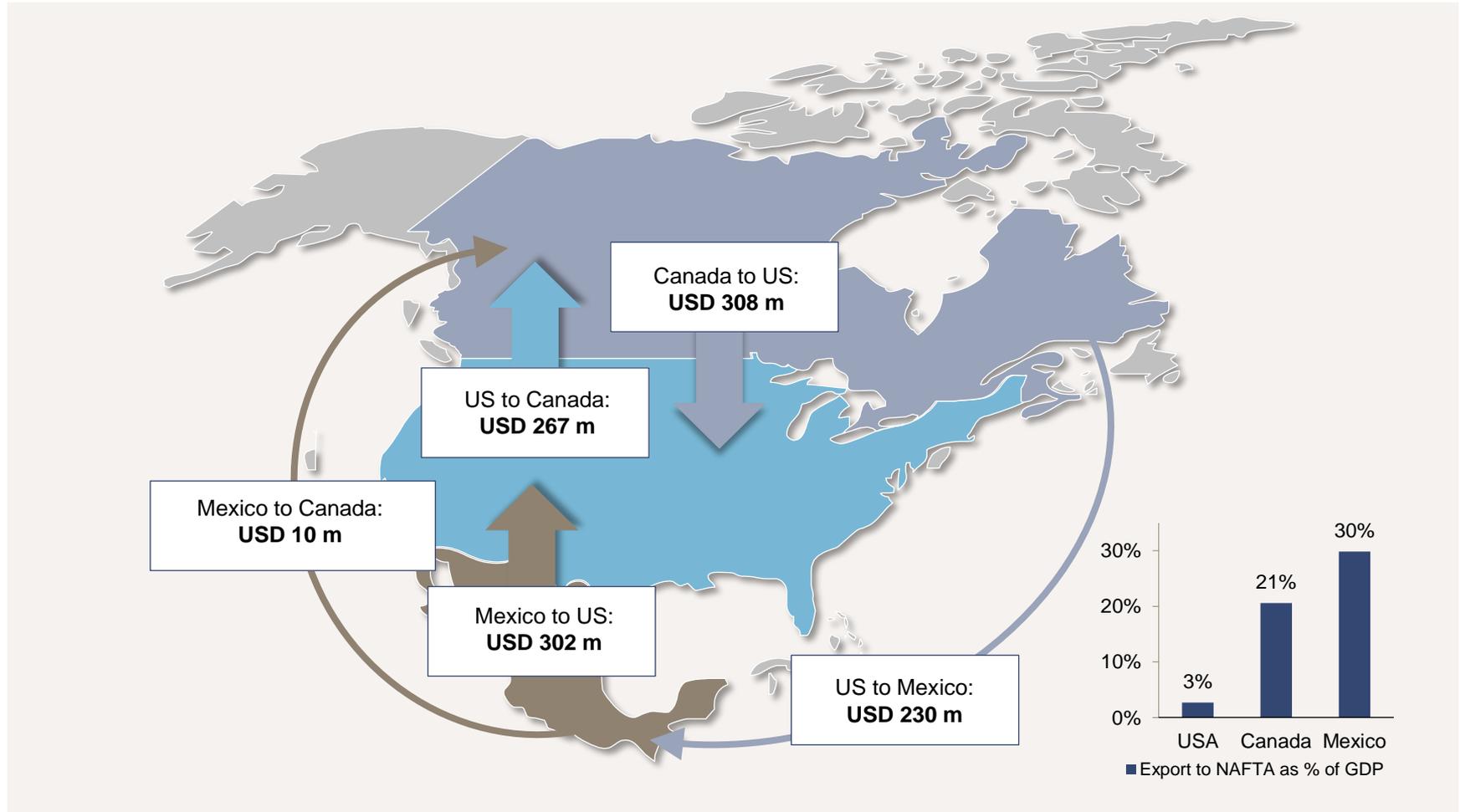
# Elezioni di mid-term: rischio politico per gli accordi NAFTA



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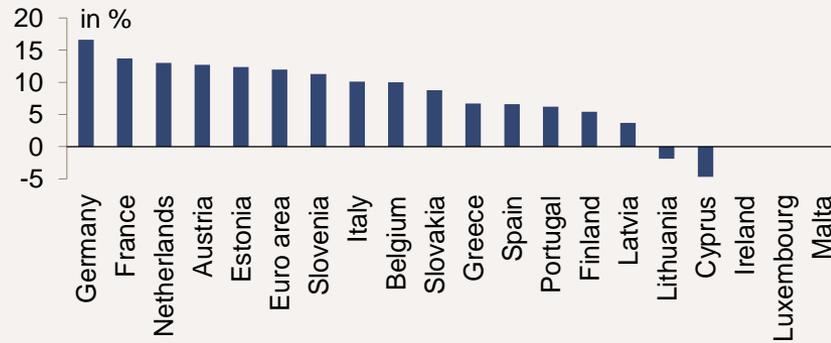




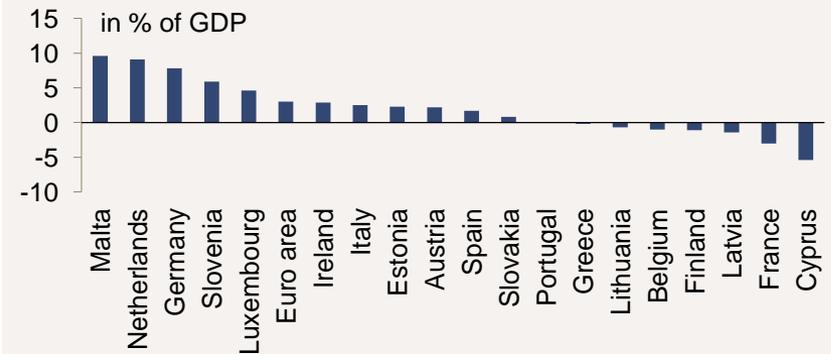
# L'eterno dibattito: l'Europa tra unione politica e spinte sovranistiche



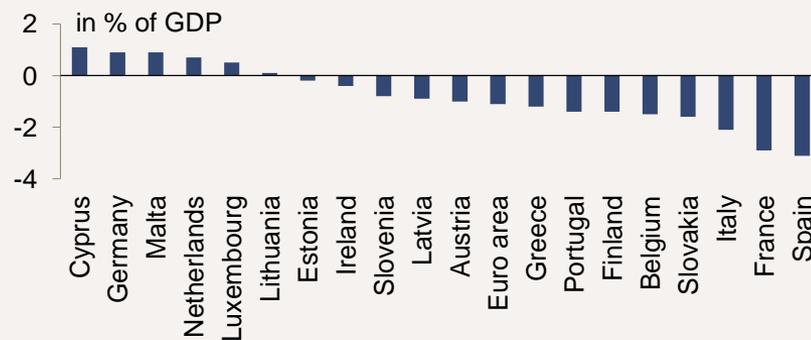
## Household saving rates



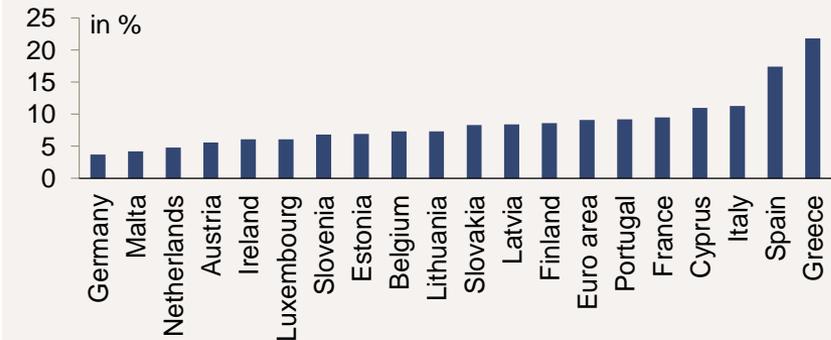
## Current account balance



## Net lending of general government



## Unemployment rate





# Il fenomeno crypto-currencies: un rischio per la stabilità finanziaria?



**Price explosion of Bitcoin reflects speculation that it could become part of mainstream financial system**

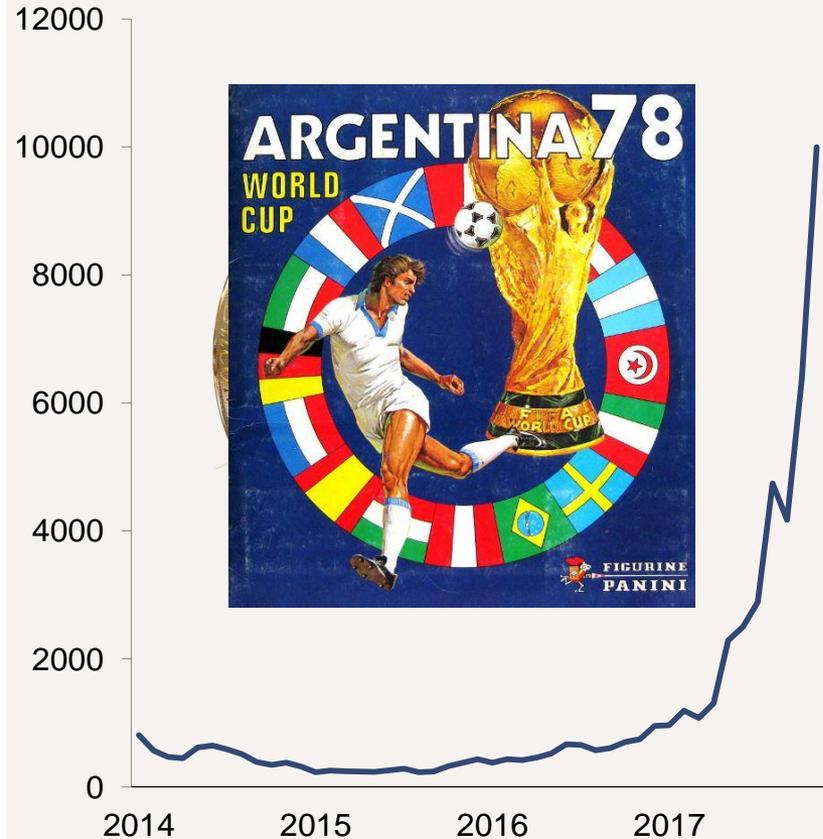
## Functions of Money

- Store of value
- Medium of exchange
- Unit of account

## Other characteristics

- Built on trust
- Decentralized vs. centralized web applications
- No lender of last resort
- Fixed supply does not allow macroeconomic management

## Bitcoins in USD Panini stickers



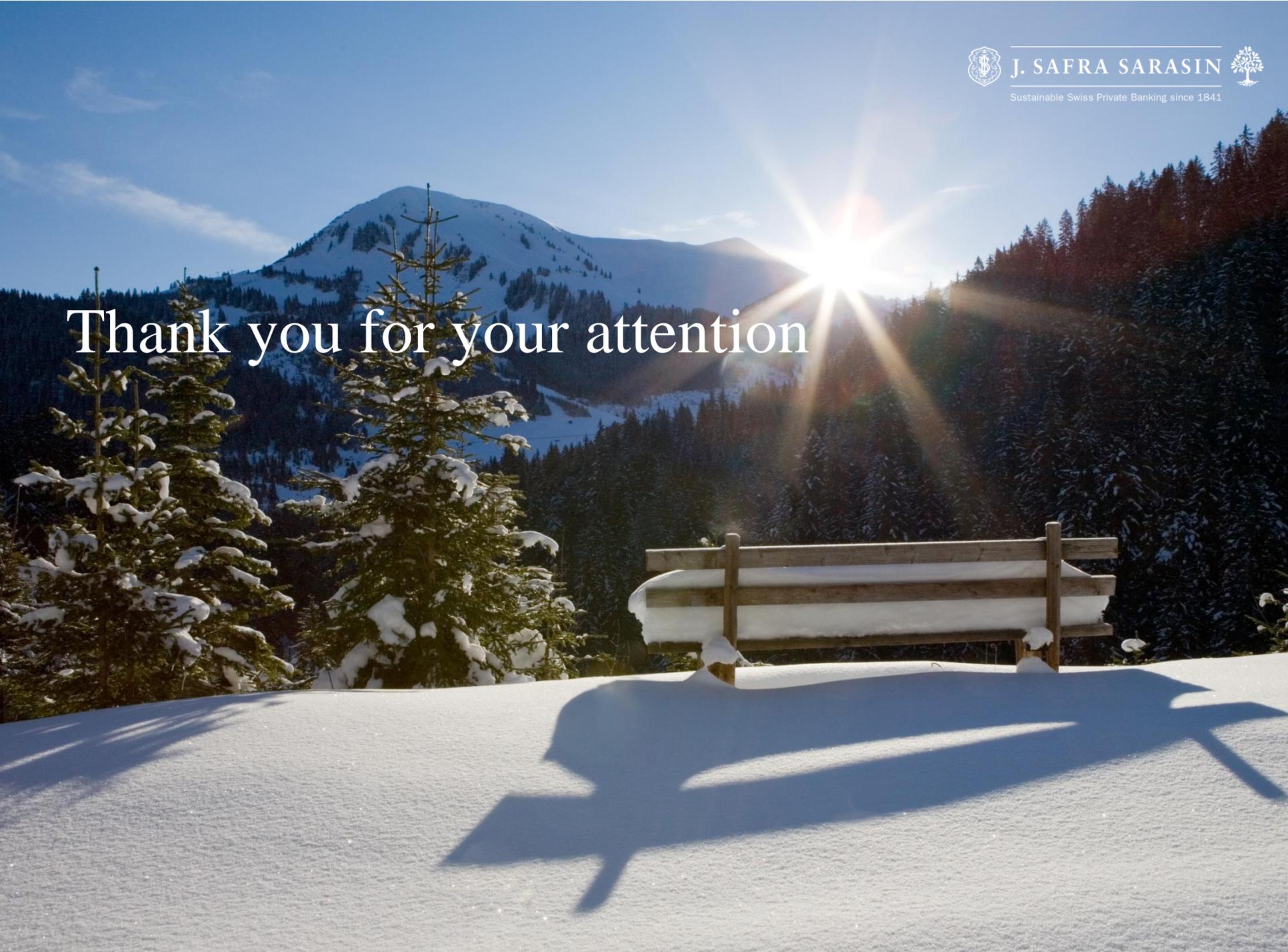


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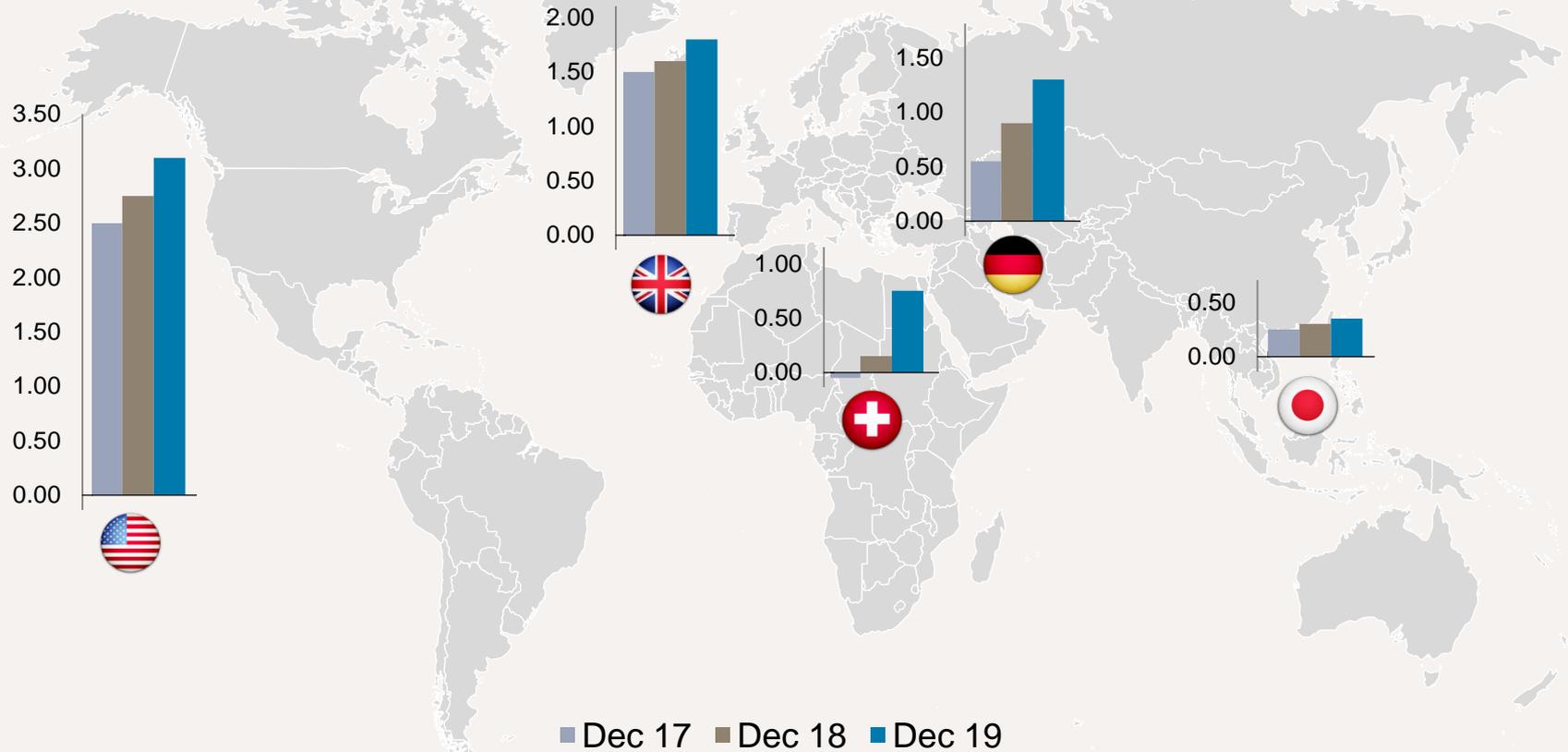


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# Bond Yields to Increase Globally at Measured Pace

## Bond Yields (10-years benchmark)

Yield-to-Maturity, in %



Source: Datastream, J. Safra Sarasin, 28/11/2017, Past Performance is no indicator or guarantee for current or future performance.