

# GLOBAL ECONOMY UPDATE – 1QCY25



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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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# A one-stop guide to the key macro/financial indicators

- ❖ To offer investors a unique advantage, we present a comprehensive overview of the global economy, covering as many as 40 nations that collectively accounted for over 85% of the global GDP in CY23. This is the 16<sup>th</sup> update in the series with data up to 1QCY25.
- ❖ Our intent to work on this comprehensive and extremely detailed data-oriented presentation is to provide a one-stop shop to all our readers. Through this presentation, we hope to provide a broad perspective on the evolution of the global economy.
- ❖ We start with our analysis of the financial markets (equity, debt and currency) and have attempted to cover the most important macroeconomic indicators to offer our readers an idea of various themes. We discuss: a) consumption vs. investments, b) linkages between monetary variables and inflation, c) key trends in global debt, d) government finances, e) monetary economics, f) international trade developments, g) the global housing market condition, and h) the labor market situation in developed nations.
- ❖ This presentation is usually released towards the end of the first month of every quarter, covering all published data as of the recently concluded quarter.

\* All data updated as of 21<sup>st</sup> Jan'25





# We cover 40 nations in this presentation; ~85% of global GDP

## Advanced economies (AEs):

- ❖ Australia (AU)
- ❖ Canada (CA)
- ❖ Euro Area (EA) – 20\*
- ❖ Hong Kong (HK)
- ❖ Japan (JP)
- ❖ Singapore (SG)
- ❖ South Korea (SKr)
- ❖ Taiwan (TW)
- ❖ United States of America (US)
- ❖ United Kingdom (UK)

\*Austria (AT), Belgium (BE), Croatia (HR), Cyprus (CY), Estonia (EE), Finland (FI), France (FR), Germany (DE), Greece (GR), Ireland (IE), Italy (IT), Latvia (LV), Lithuania (LT), Luxembourg (LU), Malta (MT), The Netherlands (NL), Portugal (PT), Slovakia (SK), Slovenia (SI), and Spain (ES)

## Emerging and developing economies (E&DEs):

- ❖ Brazil (BR)
- ❖ China (CN)
- ❖ India (IN)
- ❖ Indonesia (ID)
- ❖ Malaysia (MY)
- ❖ Mexico (MX)
- ❖ Philippines (PH)
- ❖ Russia (RU)
- ❖ South Africa (SAf)
- ❖ Thailand (TH)
- ❖ Turkey (TR)





## 01 ➤ Highlights of 1QCY25 with key projections

## 02 ➤ Financial market trends:

- ❖ Global equity markets fell sharply in 1QCY25
- ❖ Bond yields fell in 1QCY25/Apr'25\*
- ❖ US Dollar weakened in 1QCY25, and further in Apr'25\*

GDP growth and its components

## 03 ➤

How much debt is too much?

## 04 ➤

CPI-inflation has come down sharply in Feb'25

## 05 ➤

06 ➤ Global fiscal deficit expanded in 4QCY24, and US' deficit narrowed in 1QCY25

07 ➤ Money supply measures remain constrained, but rate cuts have begun

08 ➤ Global external trade remains weak; India has world's 4<sup>th</sup> highest FX reserves

09 ➤ Home prices shows resilience in advanced economies

10 ➤ Labor market remains tight as the rise in unemployment rate is limited

\* All data updated as of 24<sup>th</sup> Apr'25





## Key Highlights of 1QCY25

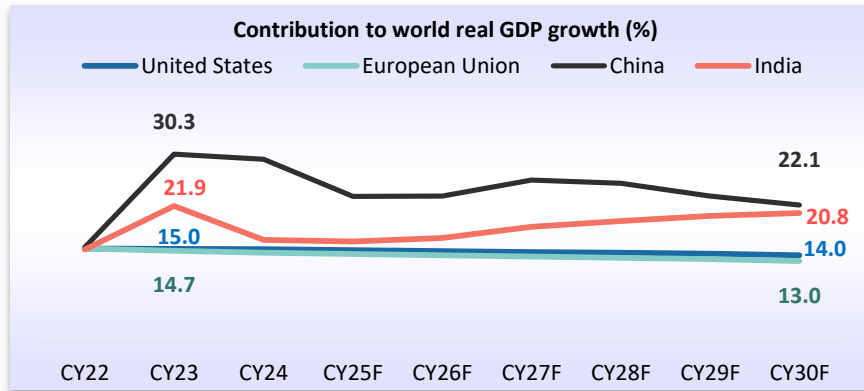
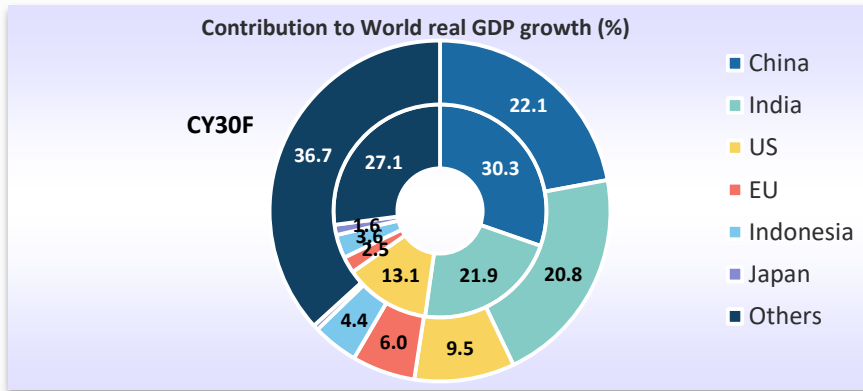
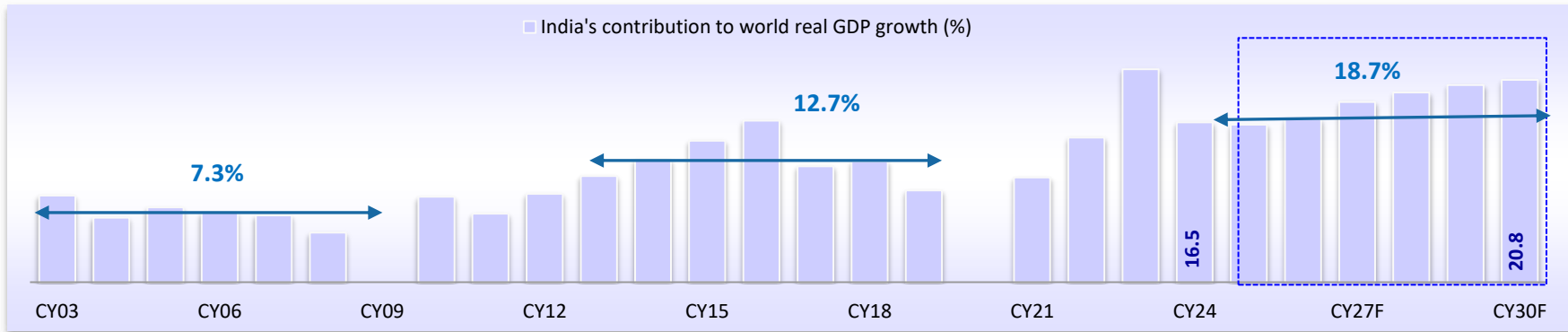
- ❖ Global equity markets saw heavy selloffs in 1QCY25, bond yields softened, and the US dollar (USD) weakened. US President Donald Trump's trade war and China's forceful response to unexpectedly high tariffs led to these movements, which continued in Apr'25 as well.
- ❖ World real GDP growth was at an 11-quarter high of 3.6% for in 4QCY24. Although India's growth weakened to 6.7% in CY24 from 8.8% in CY23, it was still the world's fastest-growing economy. Retail sales growth went up to a 14-month high of 4% in Feb'25, with 27-month-high growth (of 2.7%) in industrial production during the same month.
- ❖ Global inflation (excl. TR) eased sharply in Feb'25 to around 1.9% from an average of 2.3% in the previous four months. Even global core inflation (excl. TR) came down to 1.5% in Feb'25 from 1.8% in Jan'25. However, it remained higher than the average of 1.4% in the previous for months.
- ❖ Monetary stimulus is wearing off globally (shown by shrinking size of central banks' balance sheet); however, the global fiscal deficit likely narrowed to 4.2% of GDP in CY24, the lowest in last five years. Most central banks have already cut interest rates, starting 4QCY24.
- ❖ Lastly, the US housing and labor markets continue to show resilience, though China's real estate market remains in doldrums.





# India expected to contribute much more to world GDP growth

India's contribution to world real GDP growth rate stood at 21.9% in 2023/FY24, highest since 1980, and is expected to be around 20.8% by 2030/FY31



\*Excluding CY09 and CY20, when world GDP declined

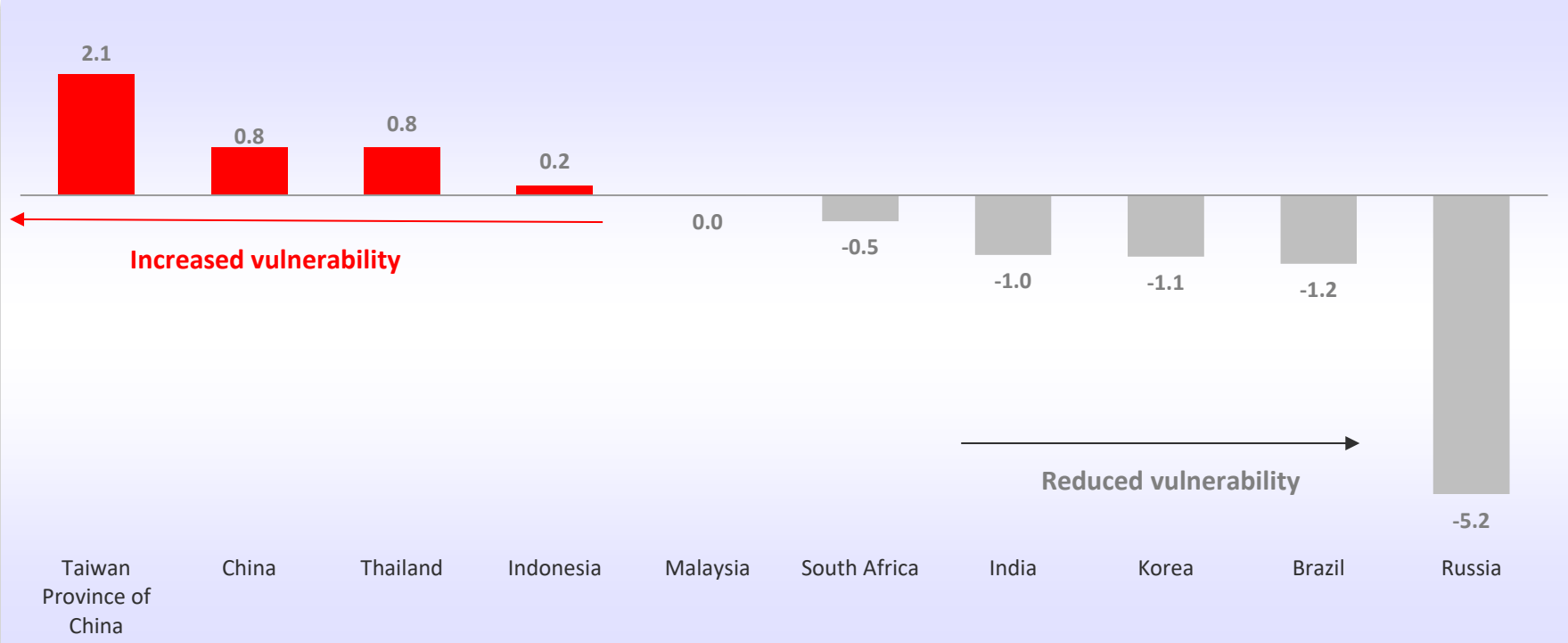
CY23 = FY24 for India

Source: IMF Oct'24  
WEO, MOFSL





# India's macro vulnerability expected to reduce in 2026-27

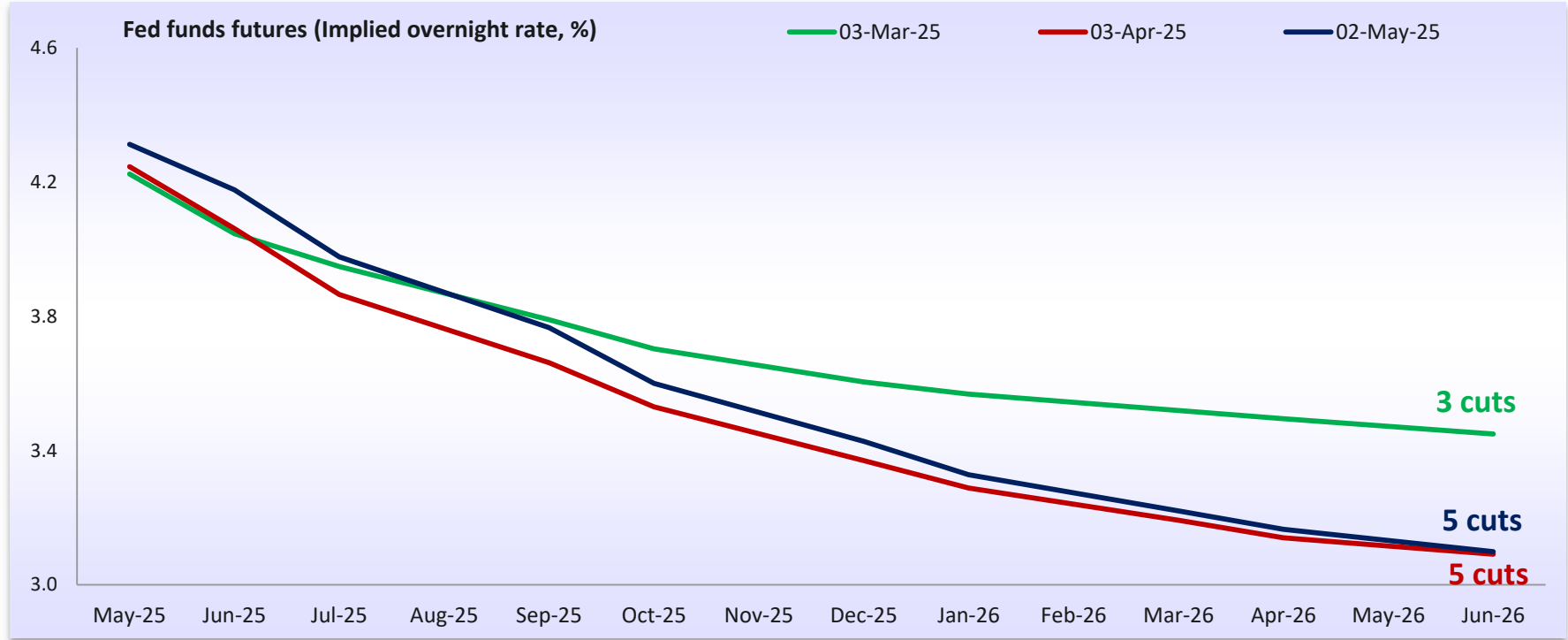


**Macro-Vulnerability Index (MVI) = Inflation + fiscal deficit + current account deficit (CAD); The higher the MVI, the higher the macro risk**  
Each data point represents the change in MVI during the next two years (CY26 and CY27) over the previous two years (CY24 and CY25)

Source: IMF, CEIC, various national sources, MOFSL



# US FED expected to deliver five rate cuts by Jun'26



Easing inflation, housing and labor market in the US economy seems to be giving comfort to the markets that the US Federal Reserve may ease sooner and faster in coming months, than what was projected a quarter ago

Source: Bloomberg, MOFSL



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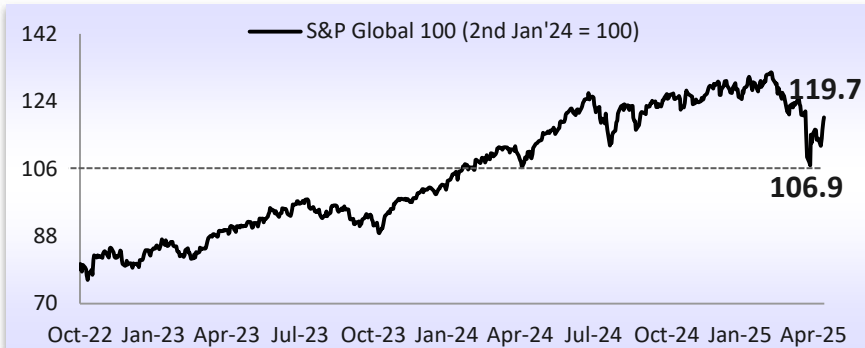
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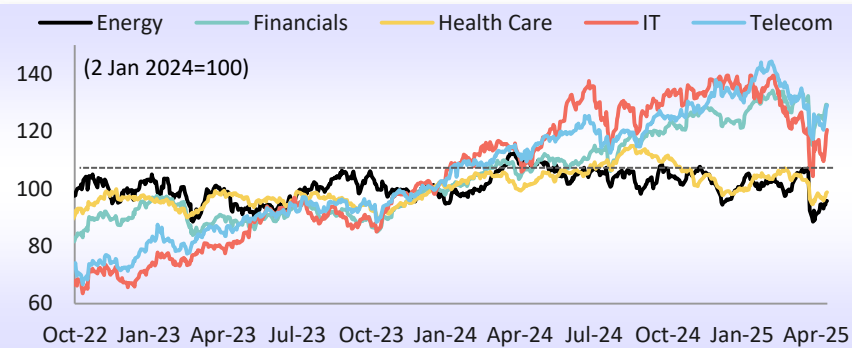


# Global equity markets down 5% in CY25\*, following 19% surge in CY24

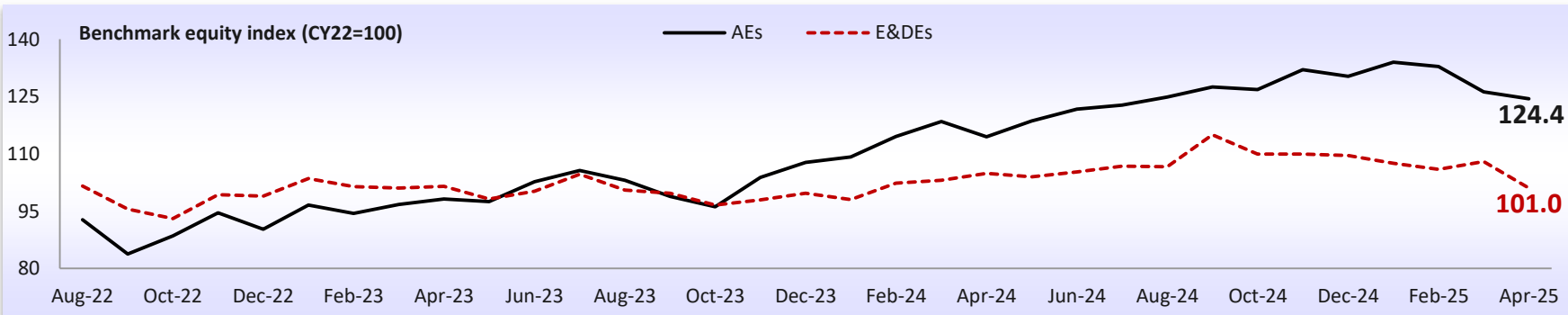
S&P Global 100 index fell 4.9% in 1QCY25...



...mainly led by IT and telecom sectors



AEs' equity markets (fell 4.5% YoY in CY25\*) declined at a slower pace than E&DEs' (fell 7.8% YoY) in CY25\*



Aggregate indices are weighted by market capitalization

\*All data as of 28<sup>th</sup> Apr'25

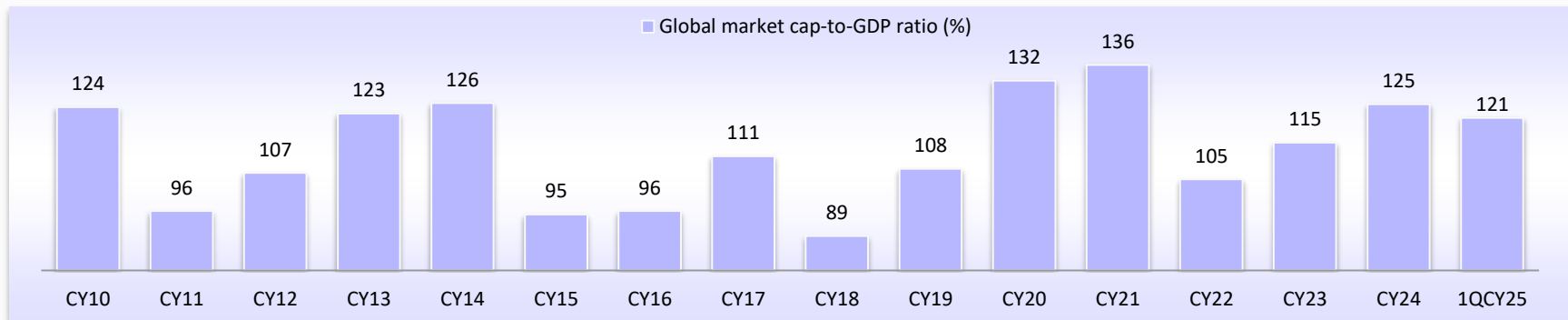
Source: Bloomberg, CEIC, MOFSL



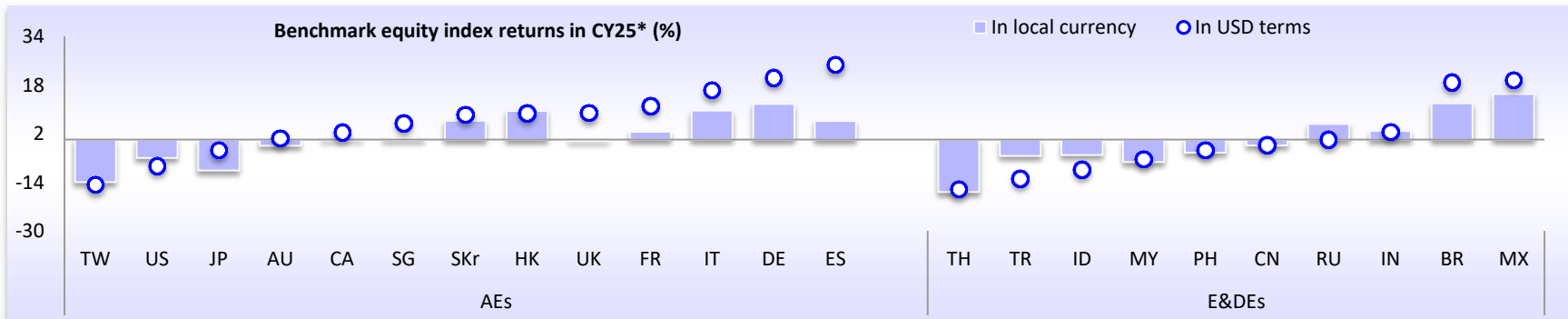


# Global mcap-to-GDP ratio fell to 121.5% in 1QCY25 from 125% in CY24

Global mcap-to-GDP ratio fell to 121.5% of GDP in CY24



AEs continue to perform better than many E&DEs in CY25\*



# Assuming 4% YoY growth in world nominal GDP in 1QCY25

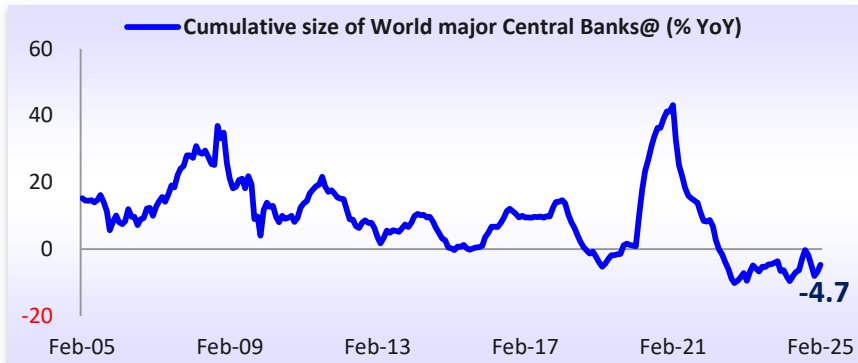
\* Point-to-point comparison (24<sup>th</sup> Apr'25 over 31<sup>st</sup> Dec'24); Source: Bloomberg, CEIC, MOFSL



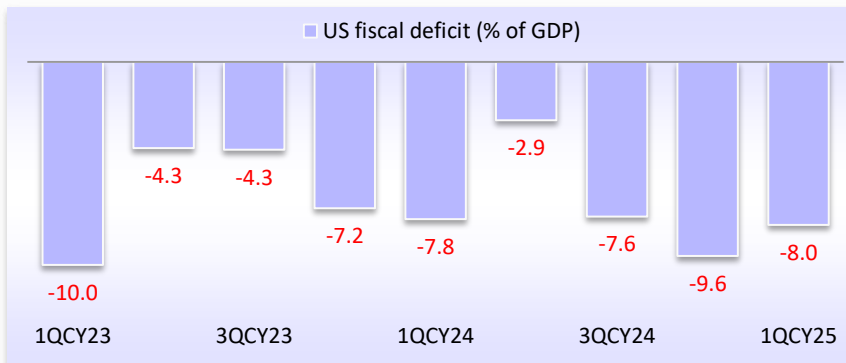
# Lower monetary support at least partly offset by fiscal spending



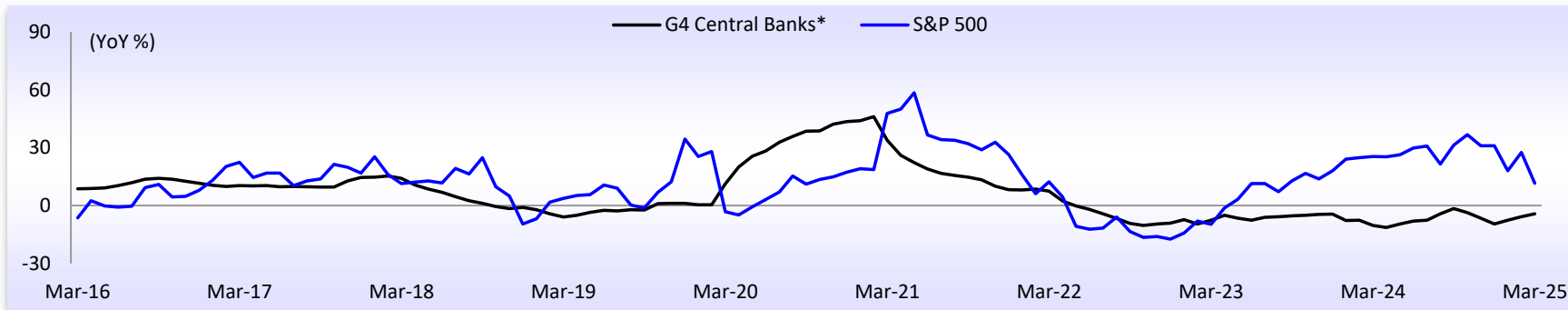
Combined balance sheet of central banks fell for the 34<sup>th</sup> month in Feb'25...



US fiscal deficit widened to 8% of GDP in 1QCY25 from 7.8% in 1QCY24



Growth in S&P500 index decelerated sharply in 1QCY25



\* G4 = US Fed, ECB, Bank of Japan and PBoC

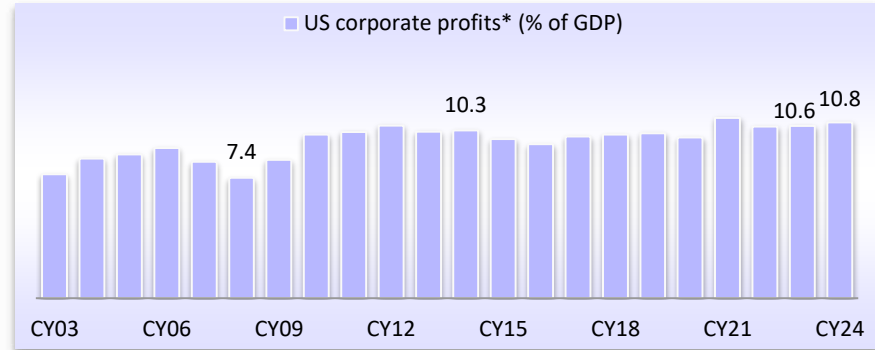
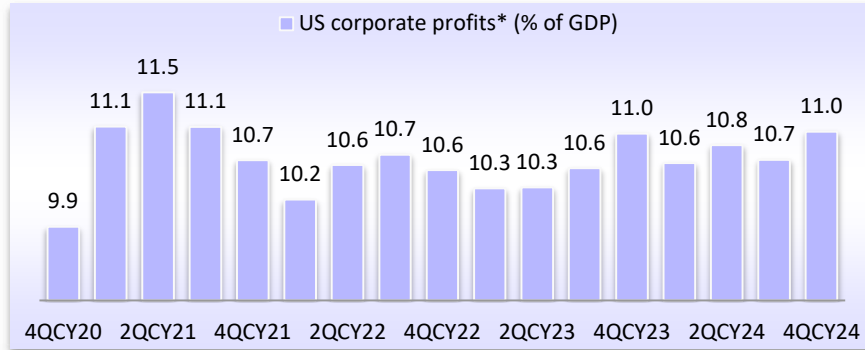
Source: Bloomberg, CEIC, MOFSL



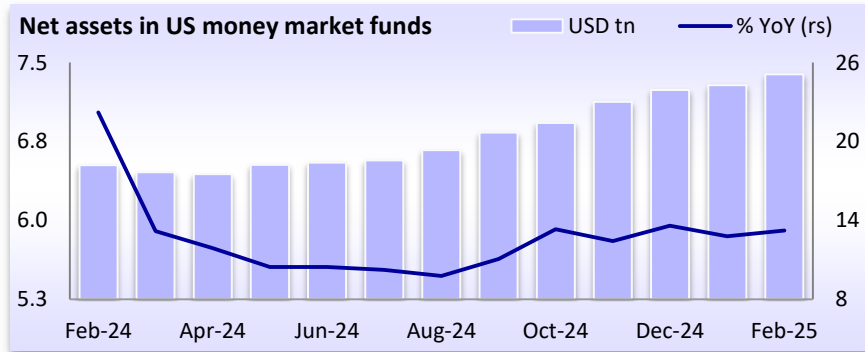
# US corporate profits increased slightly in CY24, MF flows decelerated



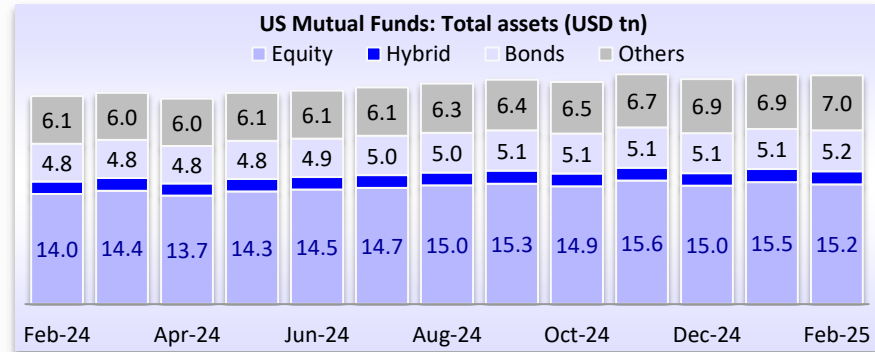
US corporate profits increased slightly to 10.8% of GDP in CY24 vs. 10.6% of GDP in CY23



US MMFs growth decelerated to 13.4% in CY24 (vs. an avg. of 16% in CY23)



...though they have been stable in mutual funds (MFs)



Corporate profits = Investments – household savings – government savings + current account balance – corporate depreciation + dividends

Source: US Bureau of Economic Analysis, CEIC, MOFSL



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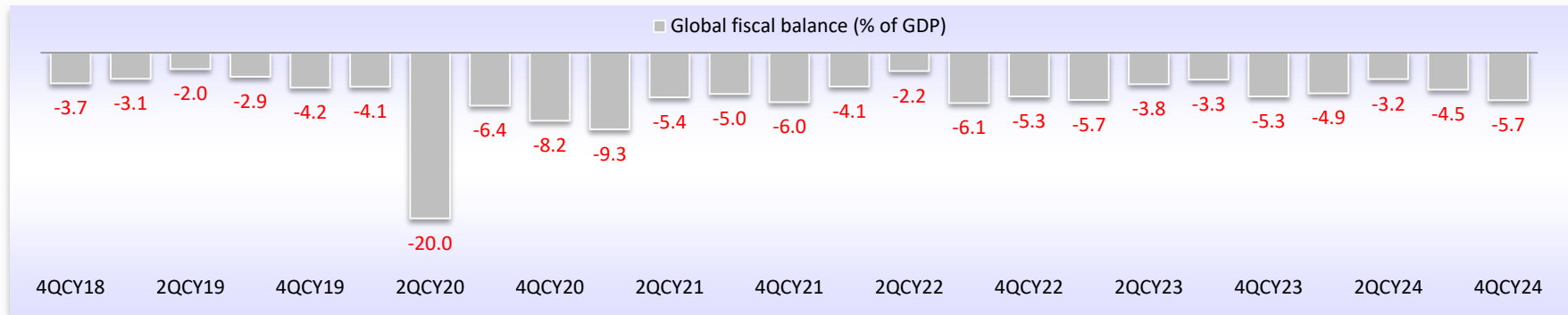
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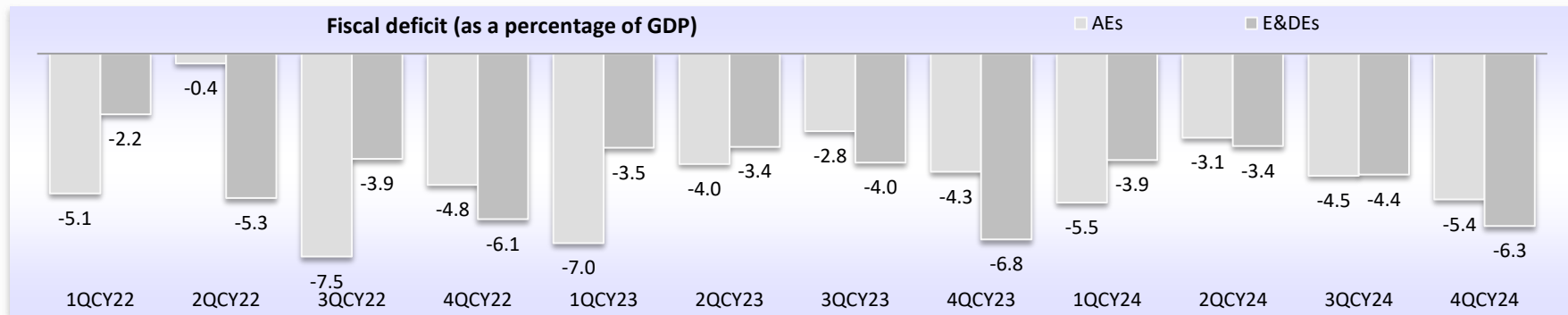


# Global fiscal deficit widened to 5.7% of GDP in 4QCY24...

Global fiscal deficit widened to 5.7% of GDP in 4QCY24 from 5.3% of GDP in 4QCY23, mainly led by increase in spending



Fiscal deficit in AEs increased to 5.4% of GDP in 4QCY24 vs. 4.3% in 4QCY23



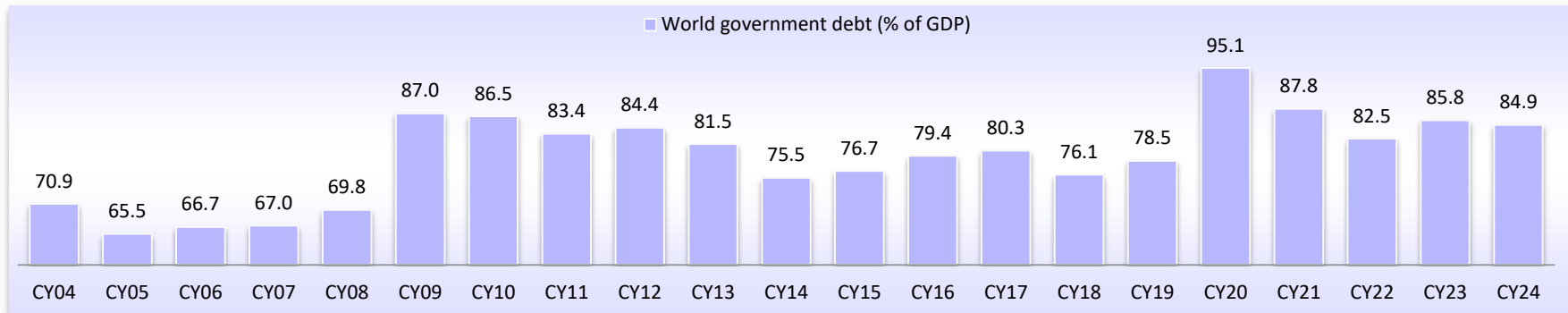
Source: CEIC, Various national sources, MOFSL



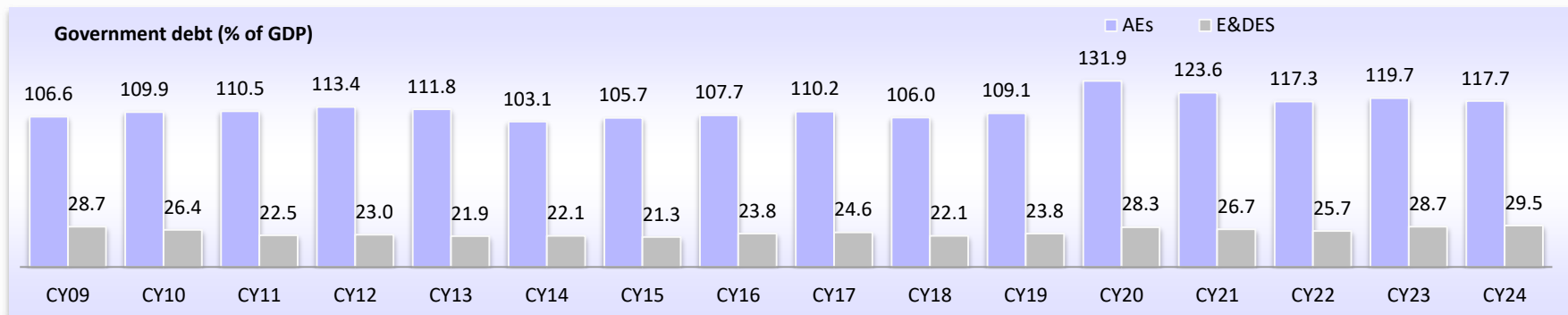
# ...and world government debt has come down



World government debt stood at 84.9% of GDP in CY24, lower than 85.8% in CY23



...led by decline in debt of AEs



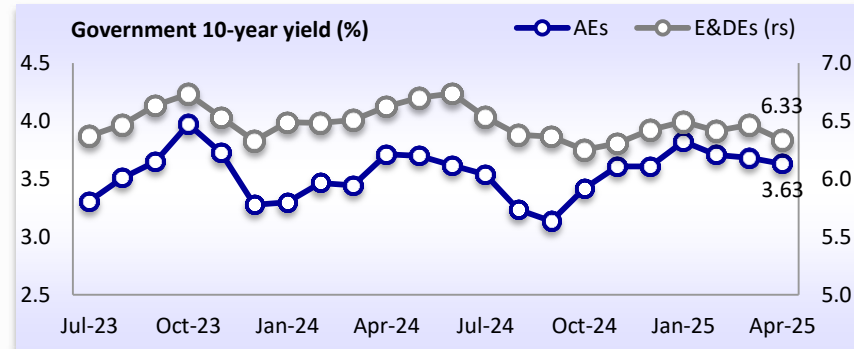
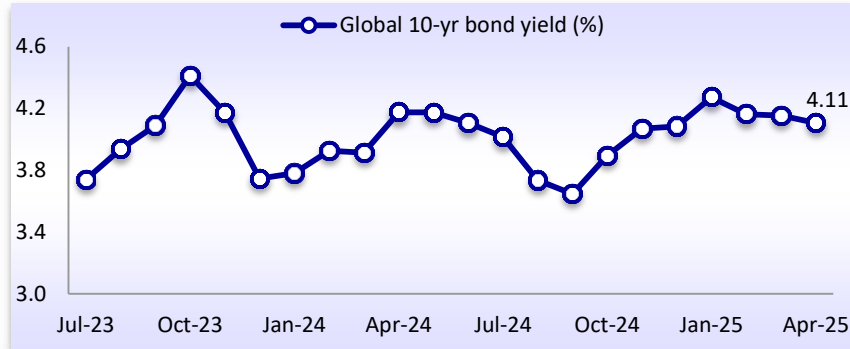
Source: CEIC, Various national sources, MOFSL



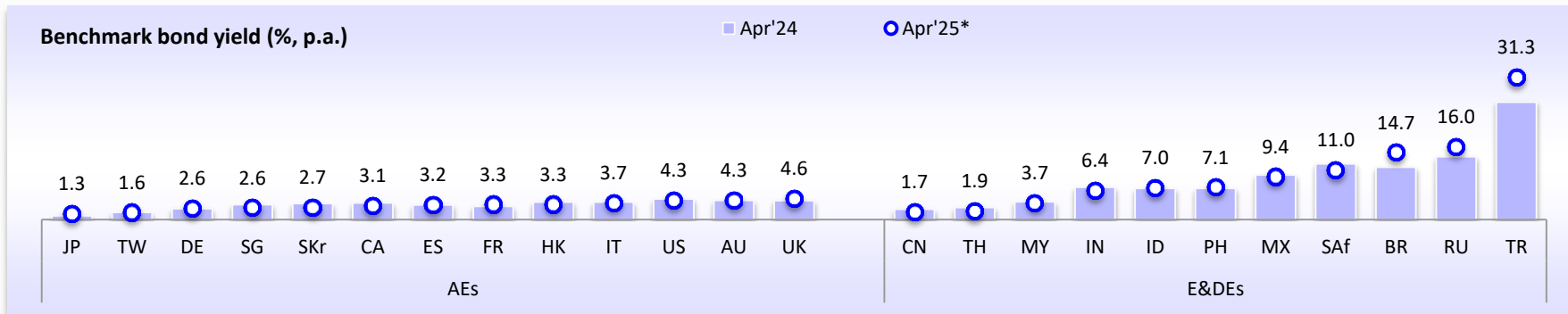


# Global bond yields at four-month low in Apr'25

Global 10-yr bond yield came down to four-month low of 4.11% in Apr'25, driven by both AEs and E&DEs



Bond yields in Apr'25 are lower vs. Apr'24 in 13 out of 24 economies



Aggregate indices are weighted by outstanding government debt

\* As of 24<sup>th</sup> Apr'25

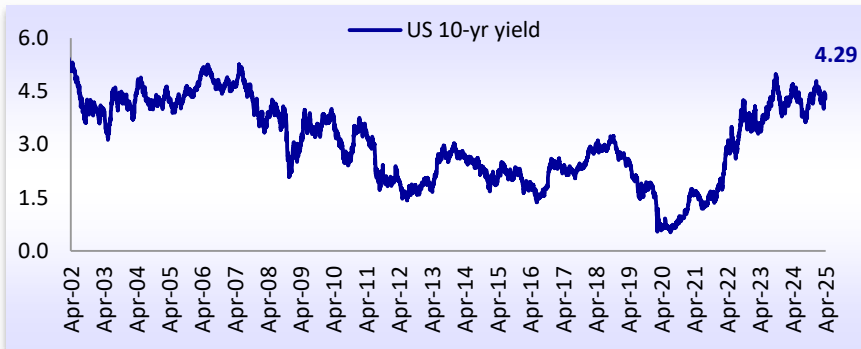
Source: Bloomberg, CEIC, MOFSL



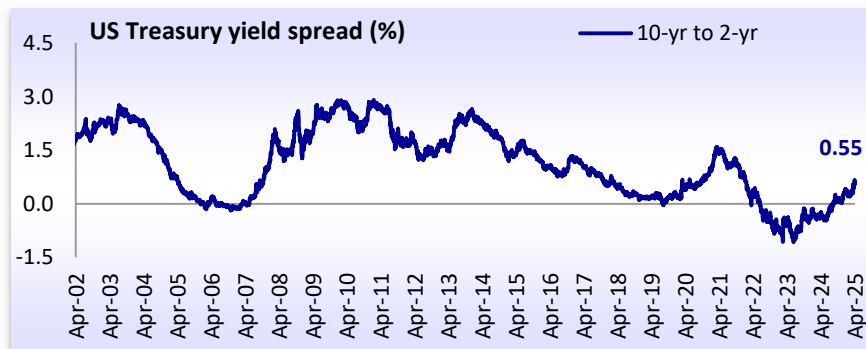


# US bond yields are now falling toward 4.3%

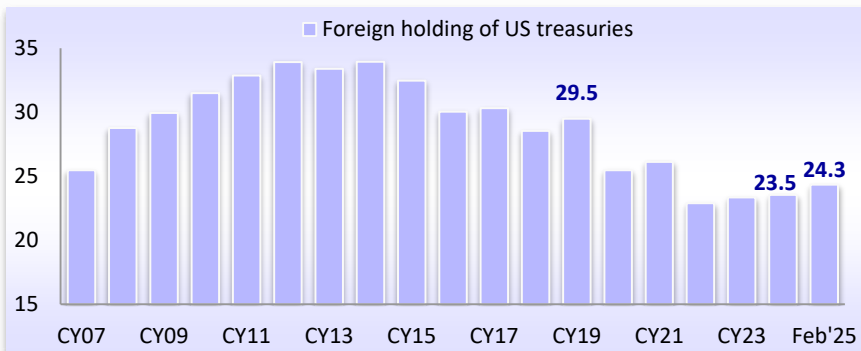
US 10-yr yield decreased to 4.3% in Apr'25 from 4.6% in Jan'25



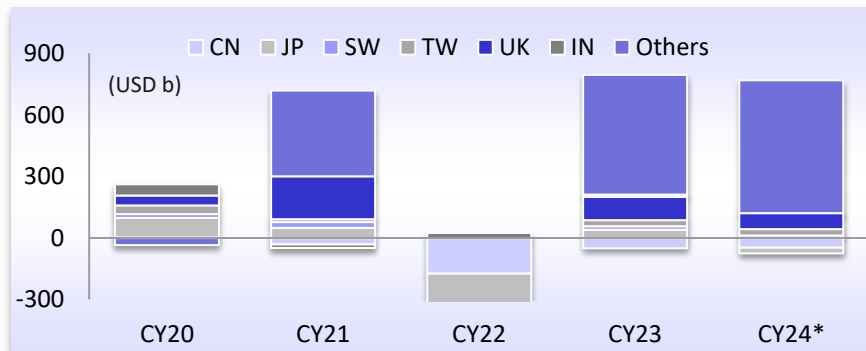
The 10-to-2-yr UST spread averaged +0.49pp in Apr'25 vs. 0.28pp in Feb-Mar'25



Foreigners' holding of US Treasuries has increased slightly in CY25\*...



...with all the nations as net buyers except SW



Daily data till 24<sup>th</sup> Apr'25

SW = Switzerland

\*Data as of Feb'25

Source: Bloomberg, CEIC, MOFSL



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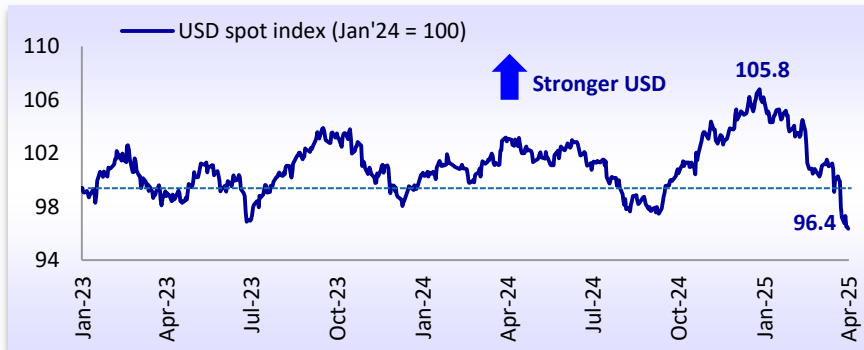
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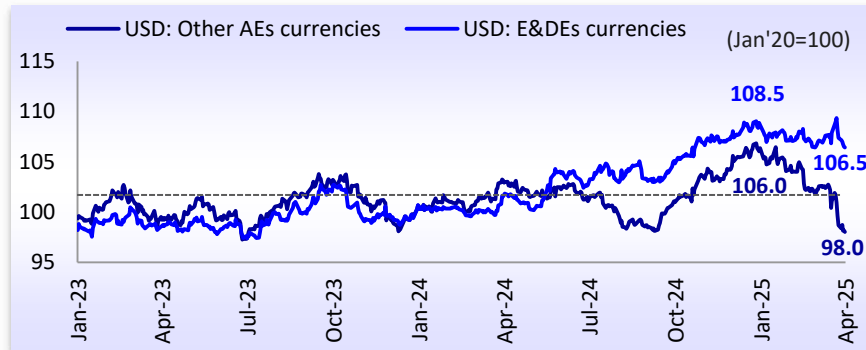


# USD has declined sharply in early-2025

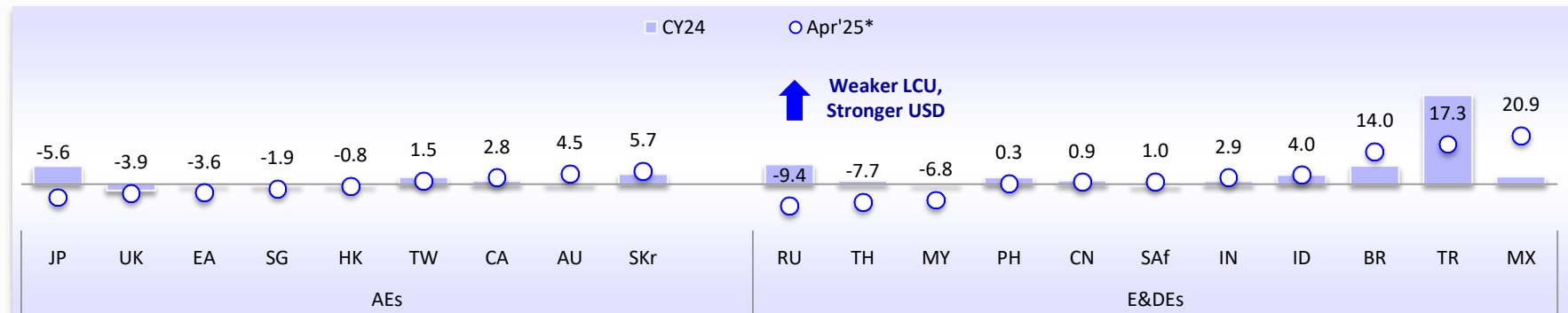
USD weakened in CY25^ (declined 8.5%)...



...with stronger currencies in both AEs and E&DEs



Barring eight nations (JP, UK, EA, SG, HK, RU, MY and TH), all other currencies have remained weaker against USD in CY25\*



^Daily data as of 18<sup>th</sup> Apr '25

Local currency unit (LCU)

\*Point-to-point comparison (24<sup>th</sup> Apr'24 over 30<sup>th</sup> Apr'24)

Source: Bloomberg, CEIC, MOFSL



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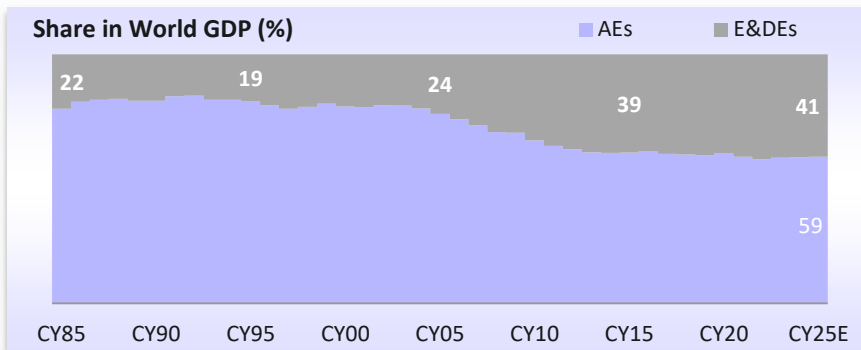
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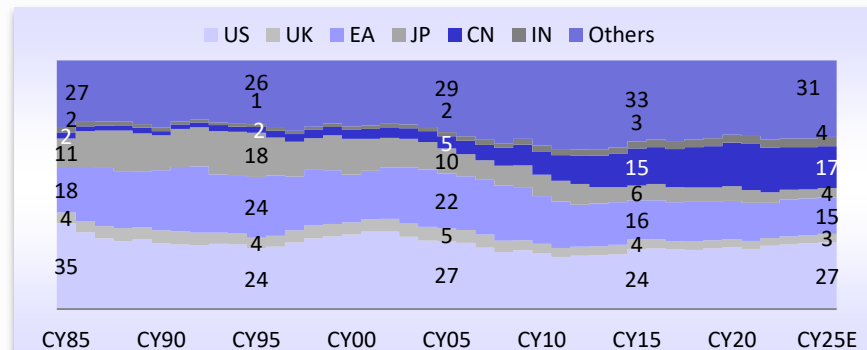
# Long-term trends in global GDP since the 1980s



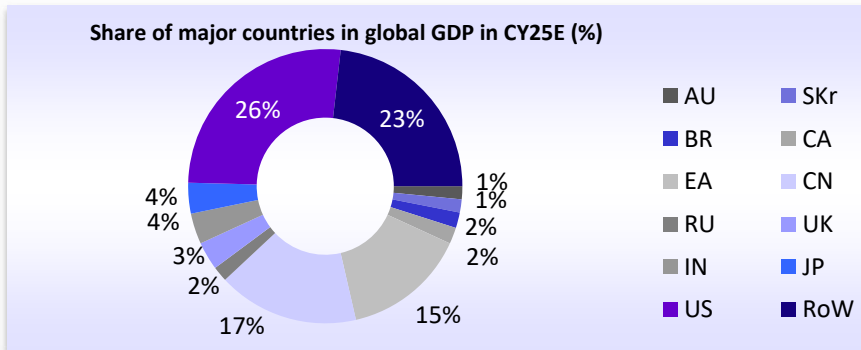
E&DEs now account for 41% of global GDP...



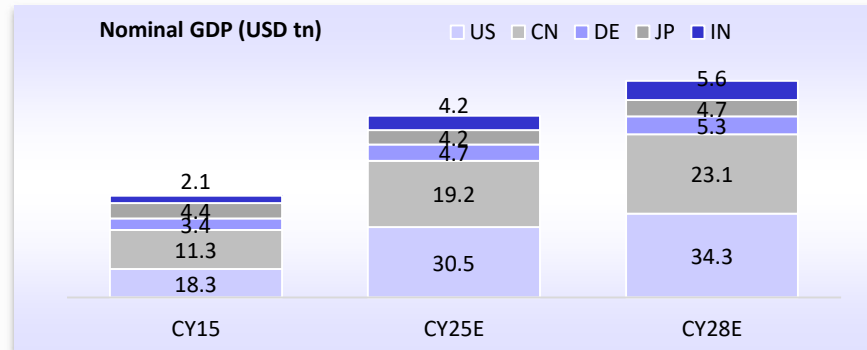
...with US/UK/IN gaining at the cost of CN



India likely to be the 4<sup>th</sup> largest economy in the world in CY25E...



...and expected to be 3<sup>rd</sup> largest economy by CY28E (FY29)



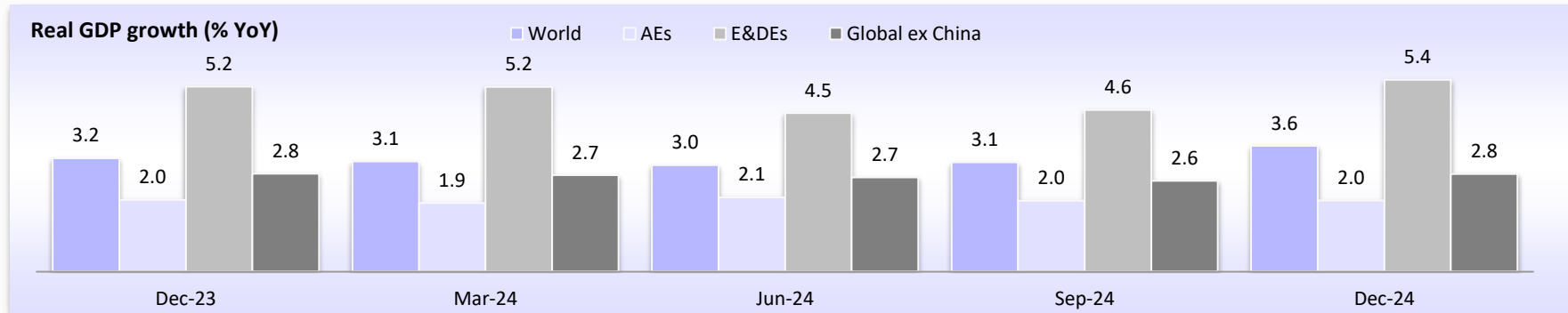
Source: IMF April 2025 World Economic Outlook Database, CEIC, Various national sources, MOFSL



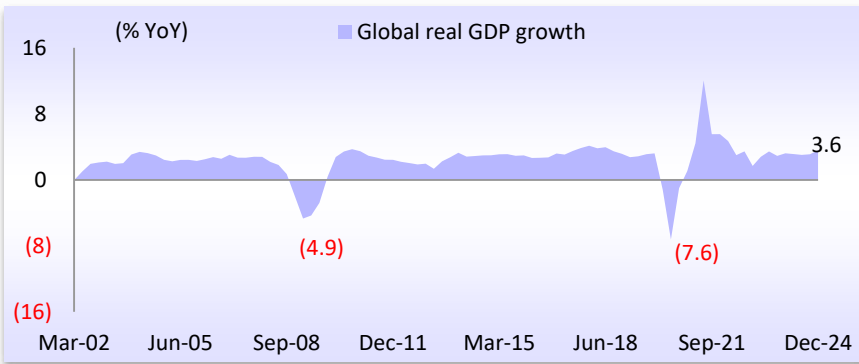


# Global real GDP growth at 11-quarter high in 4QCY24...

Global real GDP growth was 3.6% YoY in 4QCY24.....

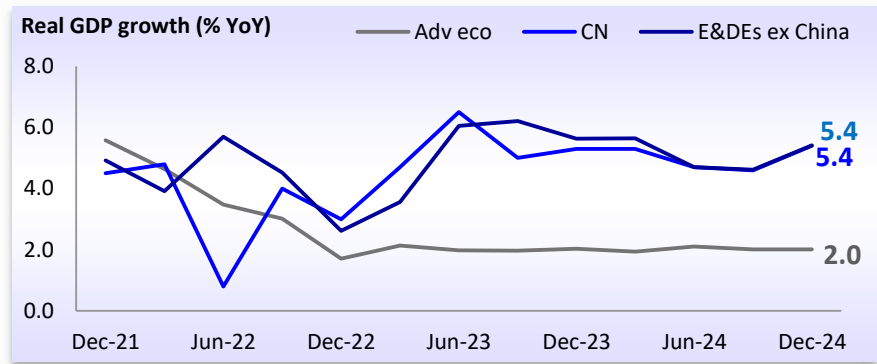


...which was highest in 11 quarters



Aggregate data is weighted by nominal GDP

Real GDP growth in E&DEs, excluding China, was at 5.4% YoY in 4QCY24



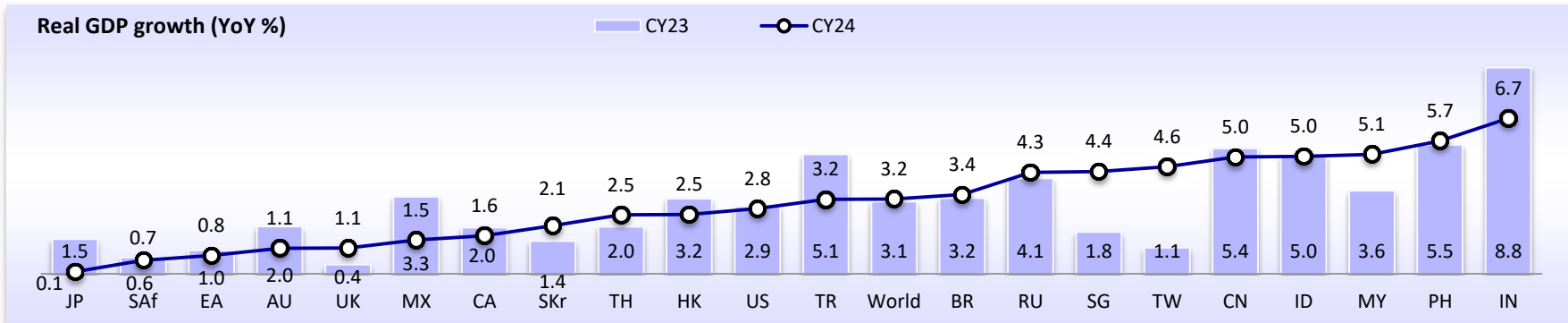
Source: CEIC, various national sources, MOFSL



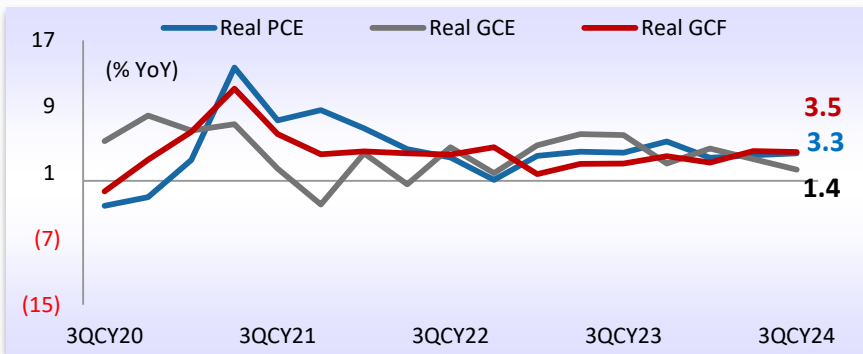
# ...with striking differences among nations



India's real GDP growth was the highest in CY23 and CY24

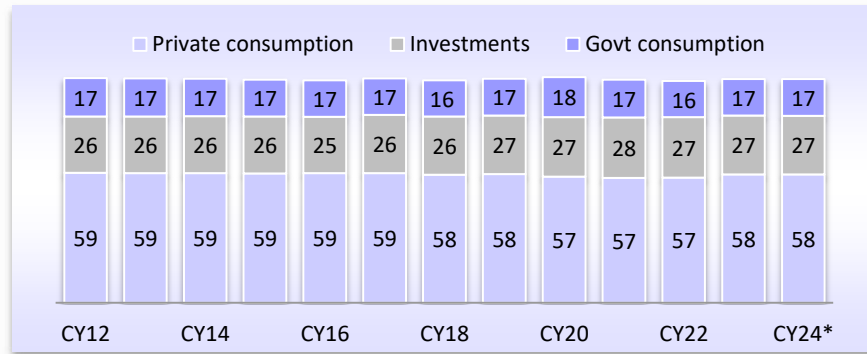


Global real PCE grew 3.3% in 3QCY24



Does not add up to 100% as there are 'discrepancies' as well

Share of private consumption stood at 58.4% of GDP in CY24\*



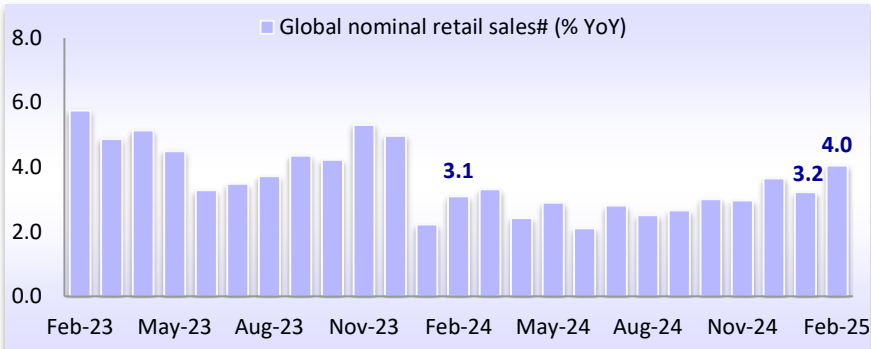
Source: CEIC, various national sources, MOFSL



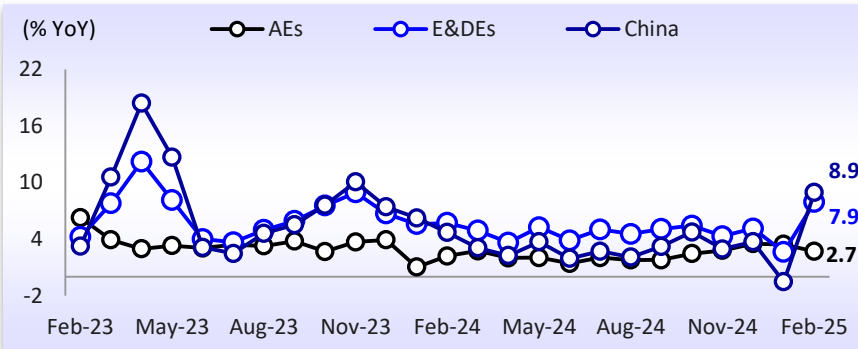


# Retail sales grew at a 14-month high in Feb'25

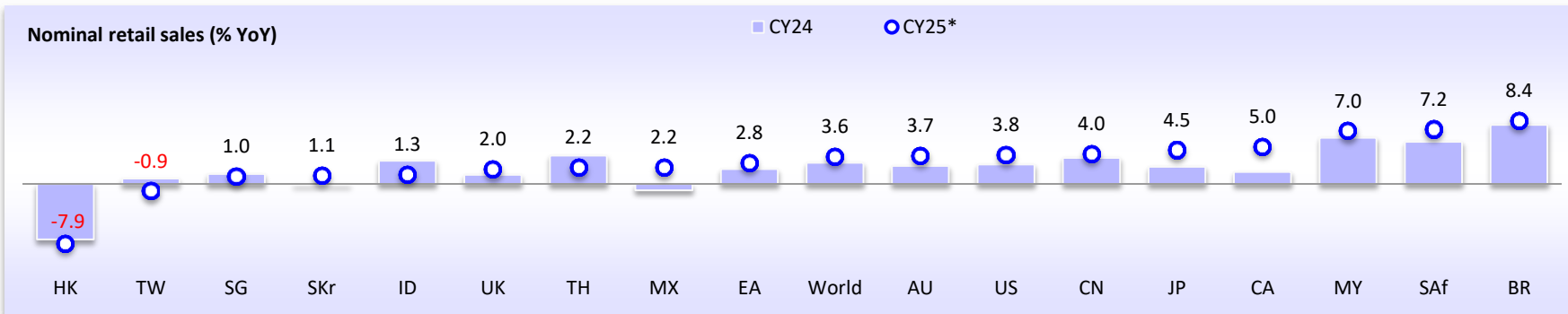
Nominal retail sales grew at a 14-month high of 4% in Feb'25



...led by faster growth in E&DEs



Only 6 out of 18 nations (HK, TW, SG, ID, TH and RU) witnessed lower retail sales growth in CY25\* vs. CY24



# Based on 37 nations (Data unavailable for IN/PH, TR not included and Aug'24 not available for CA/MX)

\* Jan-Feb'25

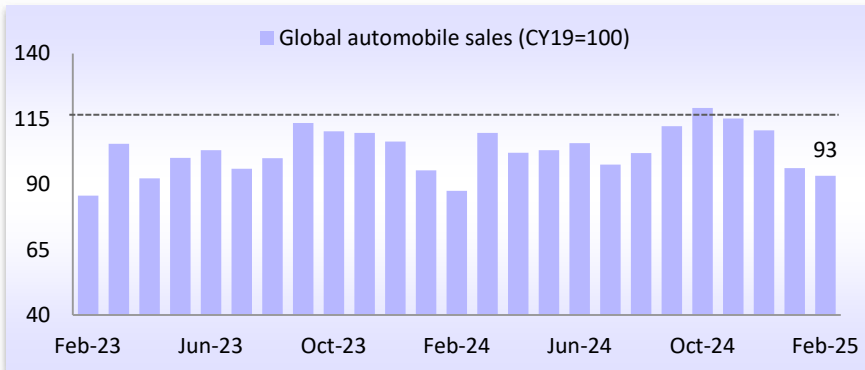
Source: CEIC, various national sources, MOFSL



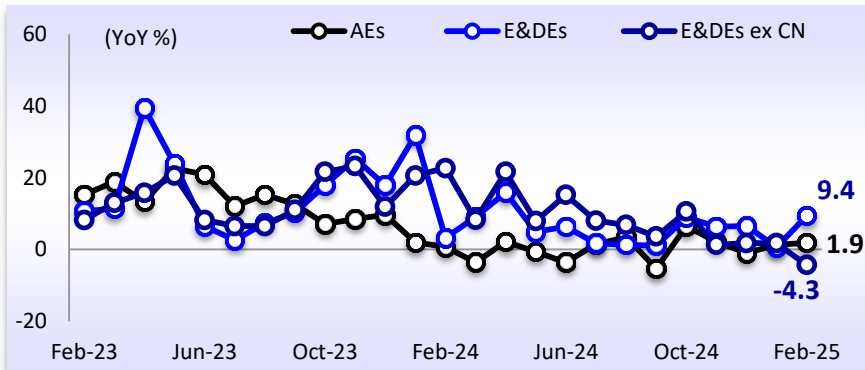
# Automobile sales 4-7% lower than the pre-pandemic level in Jan-Feb'25



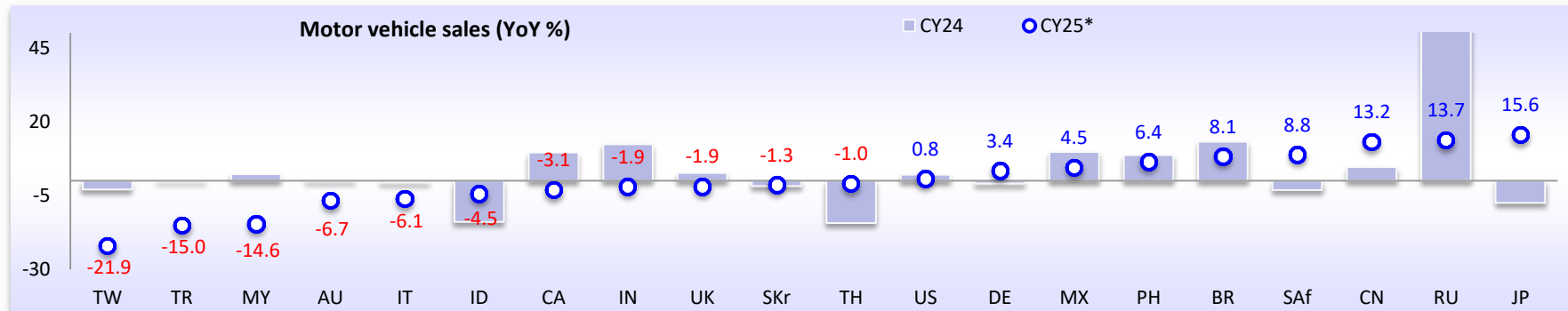
Global auto sales much lower than the pre-Covid level...



...on account of contraction in auto sales of in E&DEs ex. China



Automobile sales have increased at the fastest pace in JP in CY25\*, followed by RU and CN



\*Data from Jan-Feb'25

Source: CEIC, various national sources, MOFSL

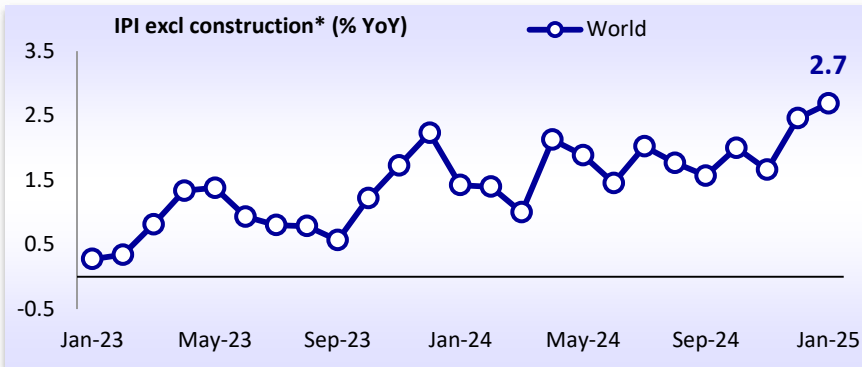
Data on motor vehicle (MV) sales for all except BR, IT and the UK (Passenger cars registered) and DE (MV production)



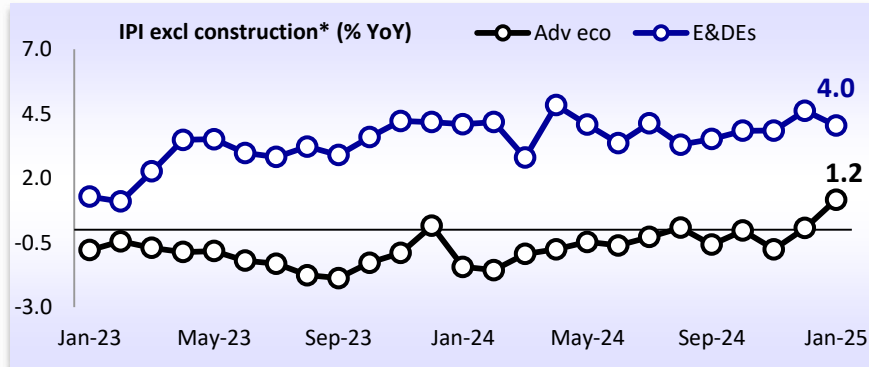
# World industrial production growth at 27-month high in Jan'25



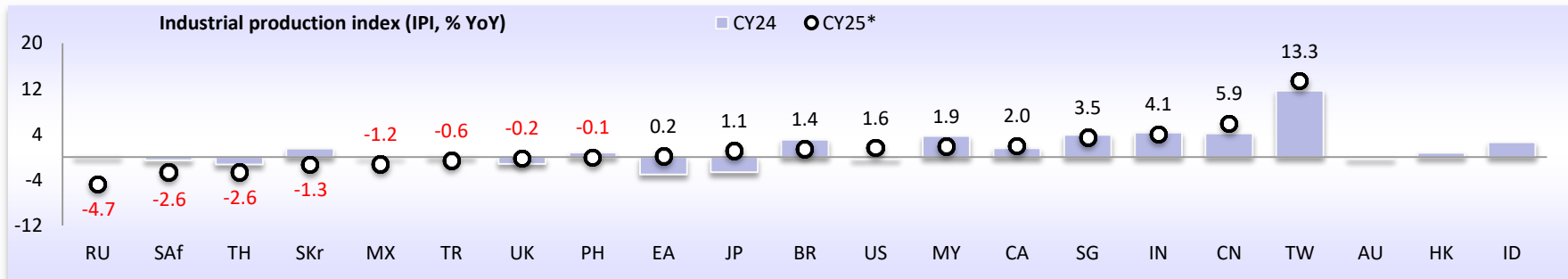
IIP growth at 27-month high of 2.7% YoY in Jan'25...



...led by advanced economies



Industrial production growth in CY25^ was the strongest in TW (13.3%), followed by CN (5.9%) and IN (4.1%)



\*IIP excl construction (production-weighted from CPB Netherlands)

\* Jan-Feb'25, AU, HK and ID data is till Dec'24 only

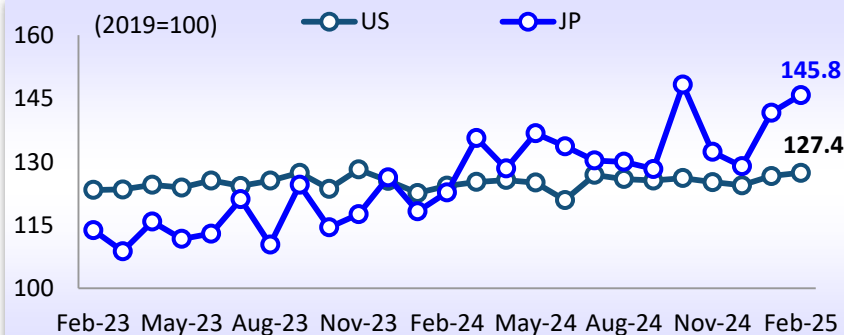
Source: CPB Netherlands, National Bureau of Economic Research (NBER), CEIC, MOFSL



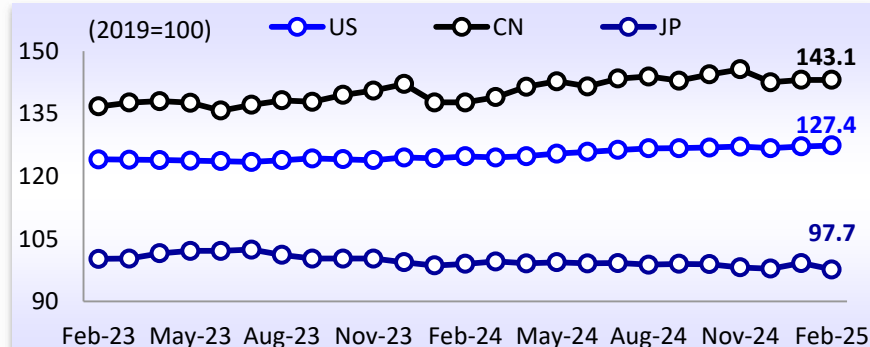
# Capacity utilization is above pre-COVID level in India



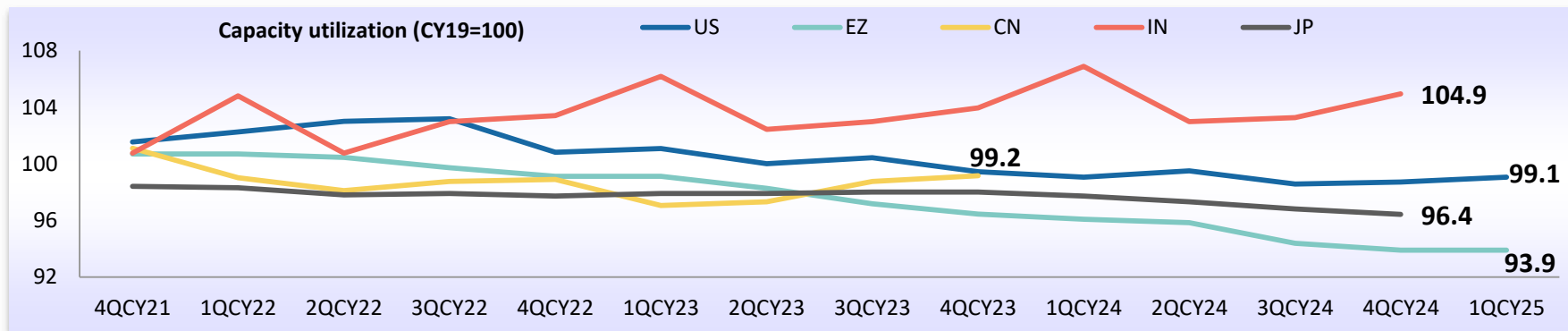
New manufacturing orders remained stable in the US but increased in Japan...



...and inventory levels have picked up slowly but gradually



Capacity utilization in India is higher than in CY19, compared to still-lower levels in other major economies





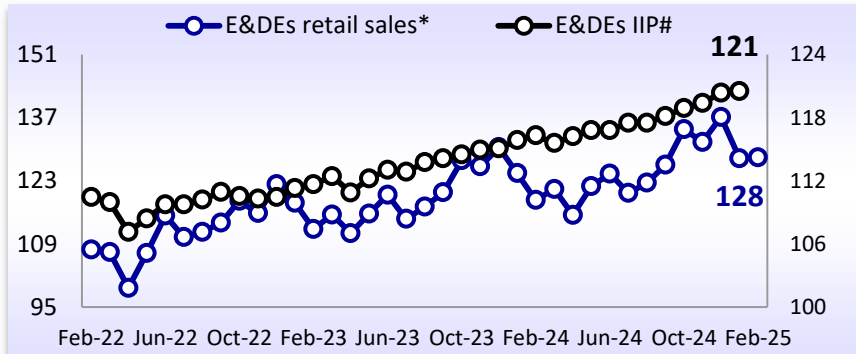
# Consumption vs. investment: Different growth drivers in AEs vs. E&DEs



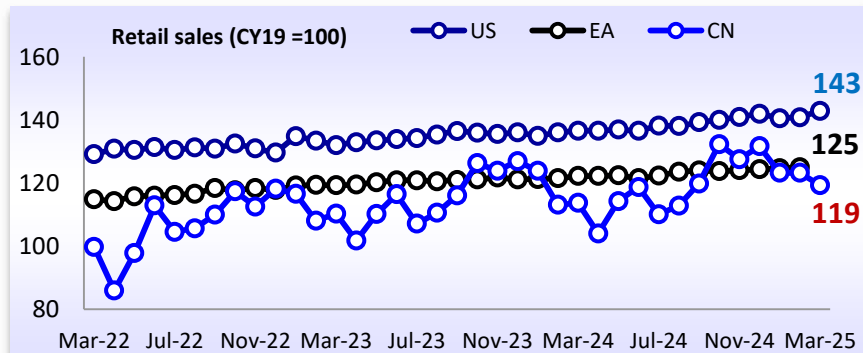
Retail sales saw stronger and stable recovery in AEs



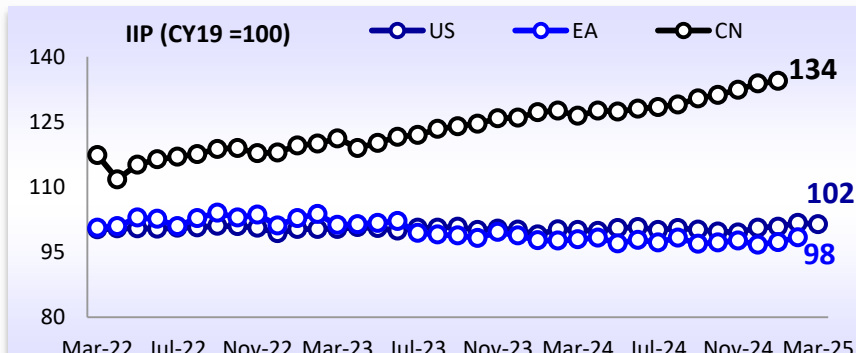
Retail sales increased strongly in E&DEs as well



Recovery was seen in retail sales in all large economies (except China)



In contrast, IIP was up in CN, but largely static since CY19 in US/EA



\*Based on a sample of 37 nations (CA/TR not included, IN not available)

# From the World Trade Monitor (CPB)



# AGENDA



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- ❖ Global equity markets fell sharply in 1QCY25
- ❖ Bond yields fell in 1QCY25/Apr'25\*
- ❖ US Dollar weakened in 1QCY25, and further in Apr'25\*

GDP growth and its components

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**How much debt is too much?**

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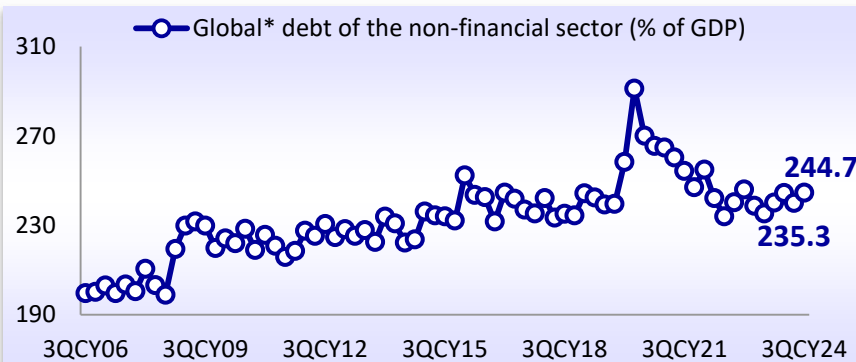
10 ➤ Labor market remains tight as the rise in unemployment rate is limited



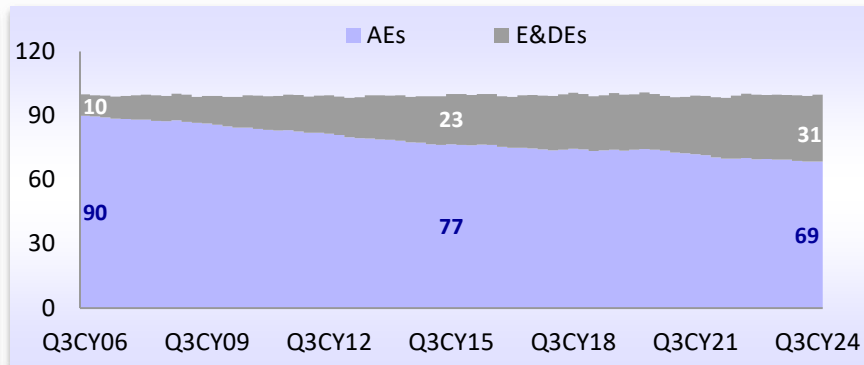
# Global debt-to-GDP ratio at 245% in 3QCY24, highest in 6 quarters...



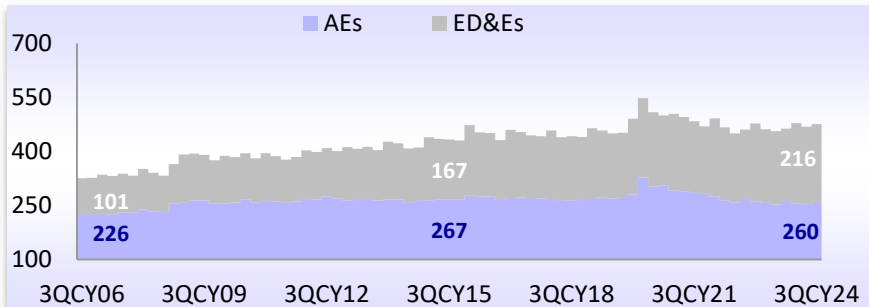
Global debt was at six-quarter high of 244.7% of GDP in 3QCY24...



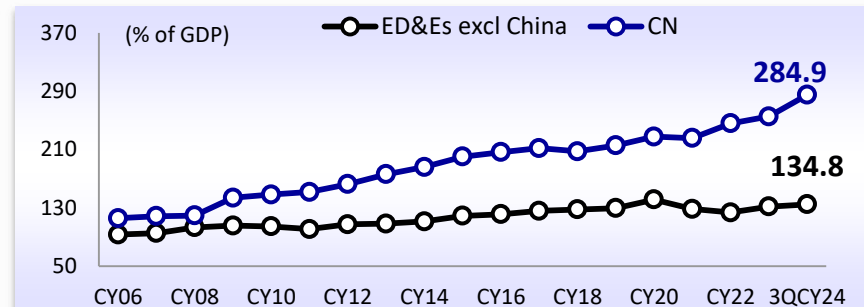
...and the share of AEs was 69% in 3QCY24, similar to that in 4QCY23



E&DEs debt-to-GDP ratio at 216% in 3QCY24 from 215% in 2QCY24...



...led by a slight increase in E&DEs (ex. China) debt to GDP ratio



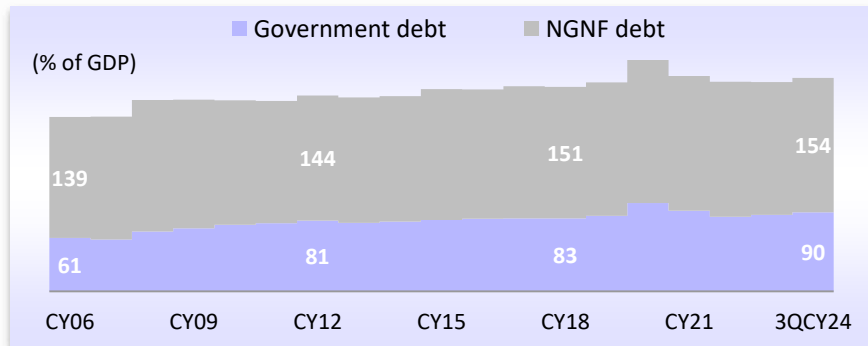
\*In addition to our sample of 38 nations (TW/PH excluded), this section includes 8 more nations (Czech Republic, Denmark, Sweden, Norway, SW, Hungary, Poland, and Argentina)  
Source: Bank for International Settlements (BIS), IMF CEIC, MOFSL



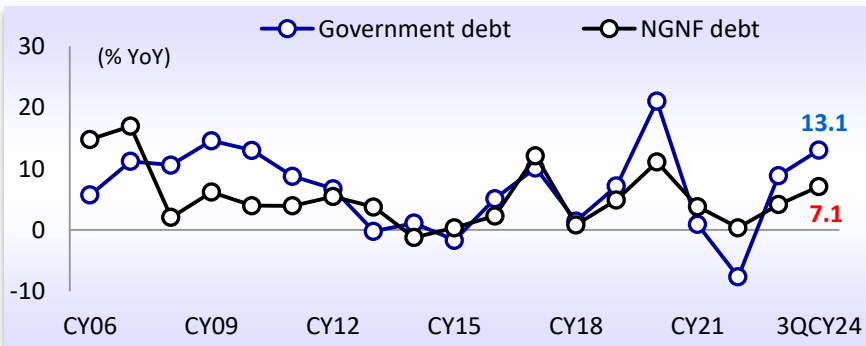
# ...led by broad-based increase in government as well as NGNF debt



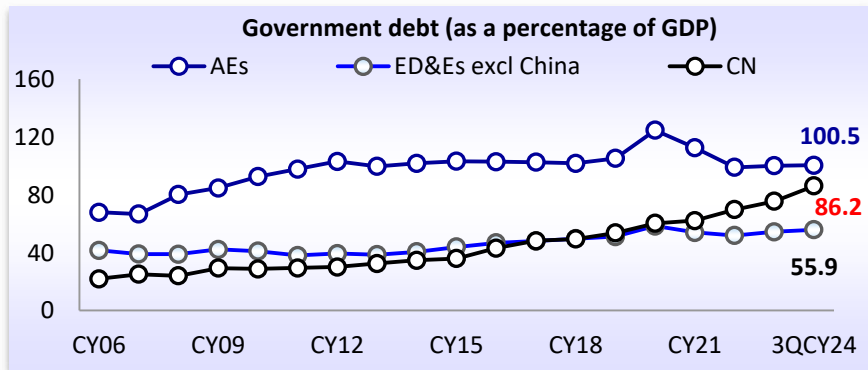
NGNF debt increased to 154.2% of GDP in 3QCY24 vs. 151.2% in 3QCY23...



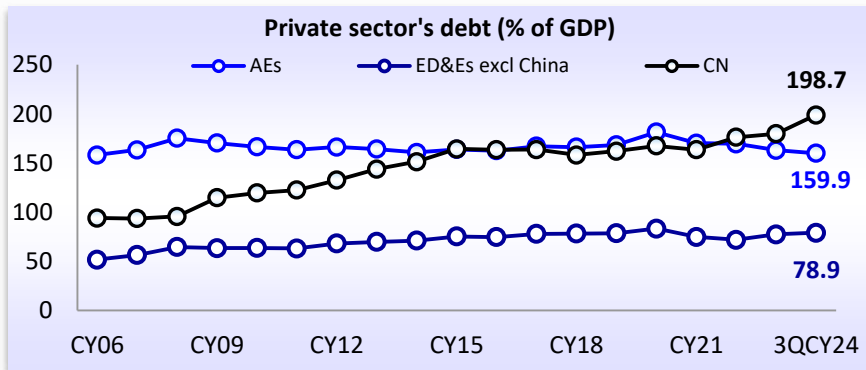
Govt. debt rose at a 14-month high of 13.1% YoY in 3QCY24 vs. 6.8% in 3QCY23



Government debt in AEs remained stable while it went up in E&DEs



AEs' private sector's debt accelerated in 3QCY24



Non-government non-financial (NGNF) = Private sector's debt

Source: BIS, CEIC, MOFSL



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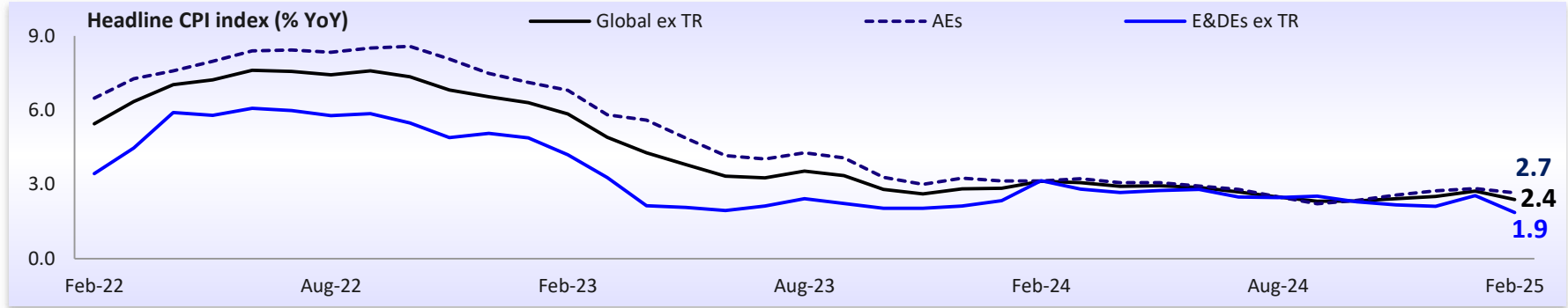
10 ➤ Labor market remains tight as the rise in unemployment rate is limited



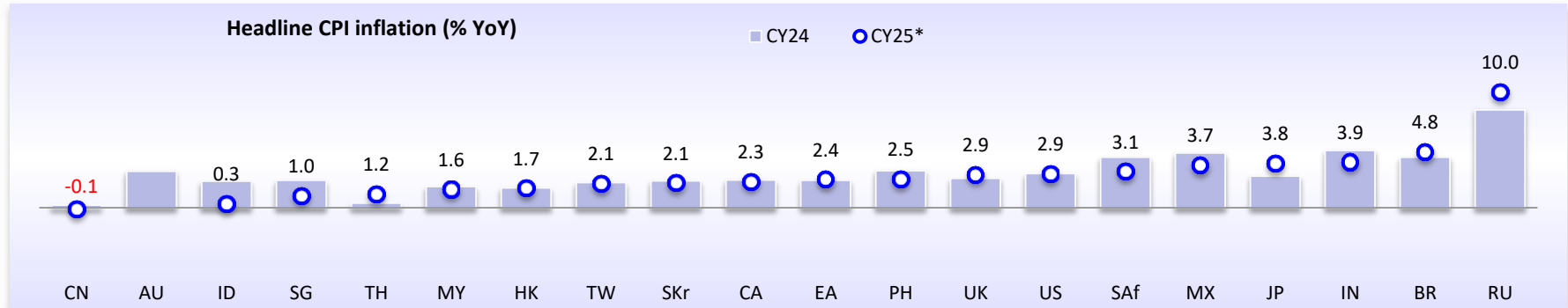
# Global CPI inflation (excl. TR) came down to 1.9% in Feb'25...



Headline retail inflation (excl. TR) came down to 1.9% in Feb'25 from 2.1% in Dec'24...



...and it is lower in CY25\* (vs CY24) in 14 out of 20 economies



Aggregate indices are weighted by nominal GDP, \* Jan-Feb'25

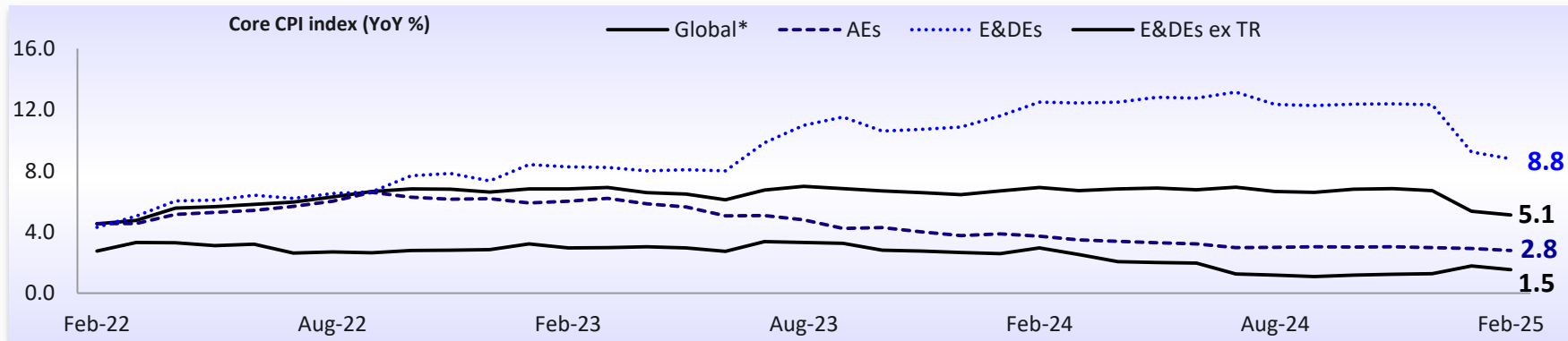
Source: CEIC, various national Sources, MOFSL



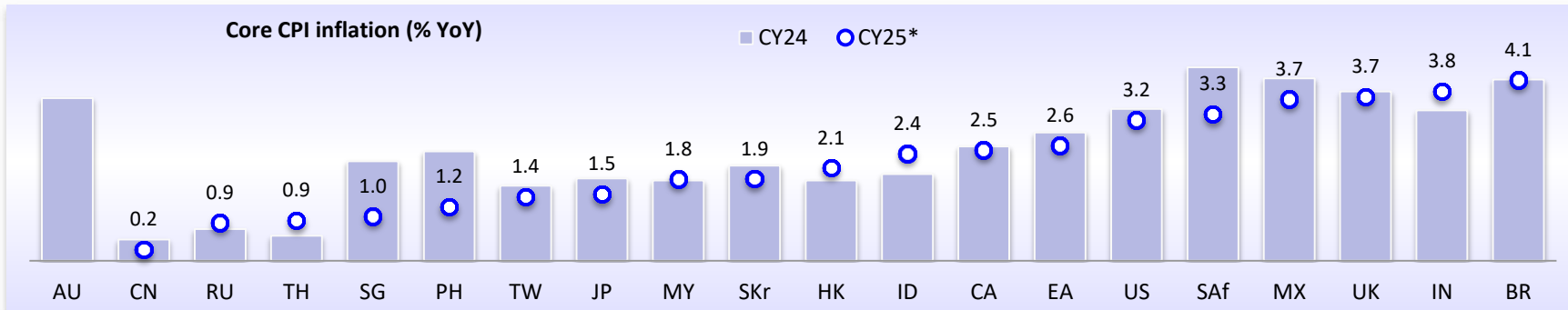
# ...and core inflation (excl. TR) has come down to 1.5% in Feb'25



Global core inflation (excl. TR) came down to 1.5% in Feb'25 from 1.8% in Jan'25



Core inflation was higher in CY25\* vs. CY24 in only 6 nations out of our sample of 20 nations



Aggregate indices are weighted by nominal GDP, \* Jan-Feb'25

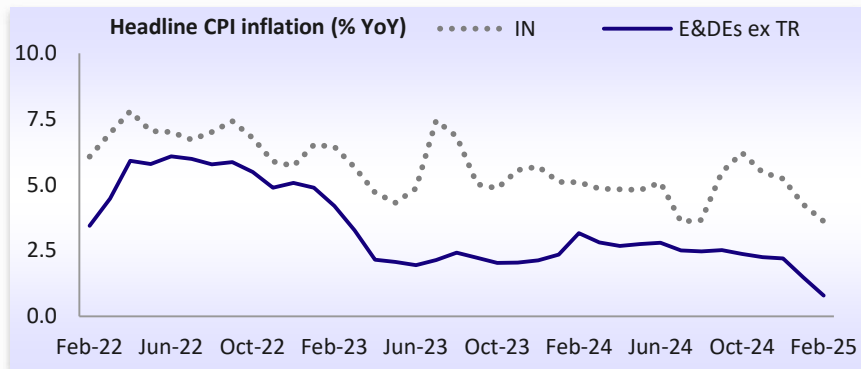
Source: CEIC, various national sources, MOFSL



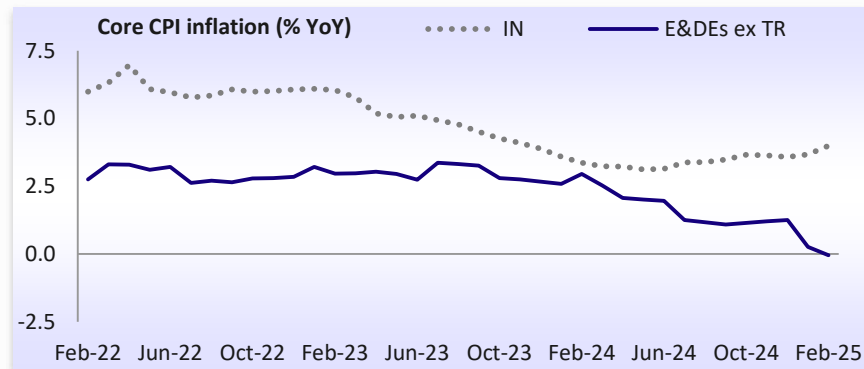
# IN has among the highest share of food + energy in CPI basket



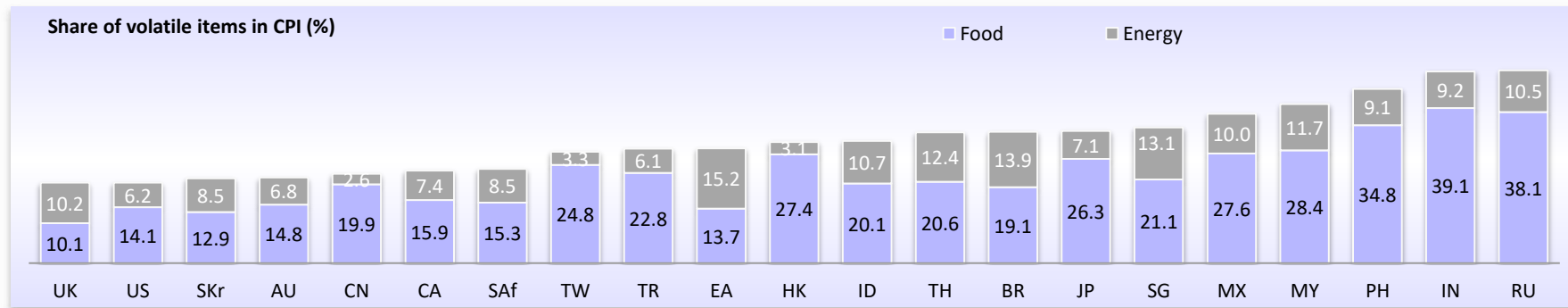
IN headline inflation remains above other E&DEs (excl. TR)...



...and the same is the case with core inflation



UK/US have the least share of food + energy in its CPI-basket, while IN/RU have the highest share



Aggregate indices are weighted by nominal GDP

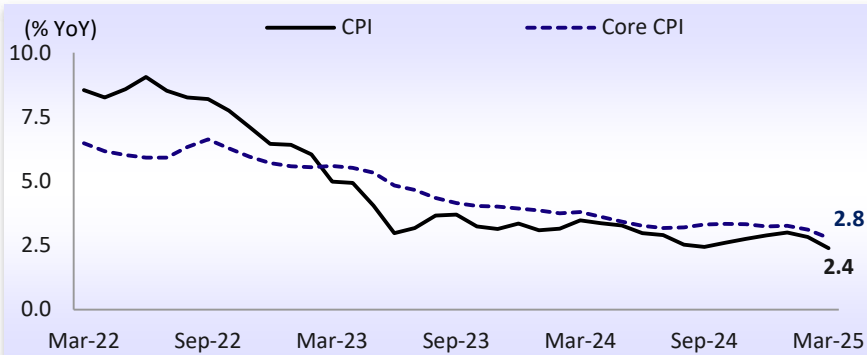
Source: CEIC, various national sources, MOFSL



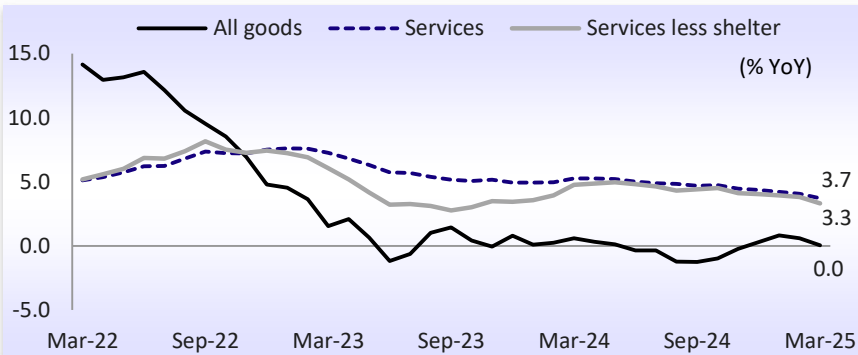
# Some details about US inflation



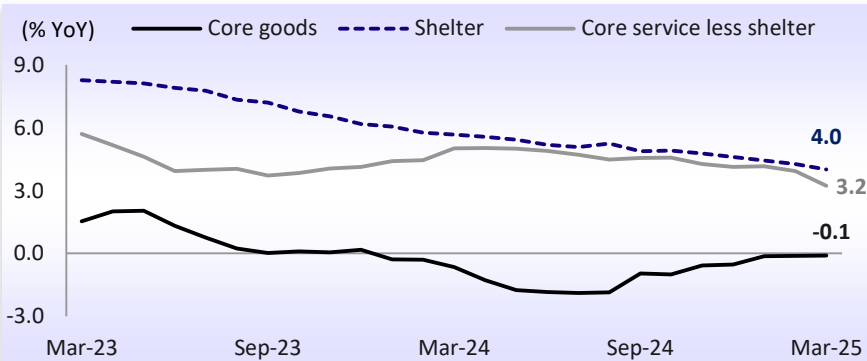
**US headline inflation came down to 49-month low of 2.4% in Mar'25**



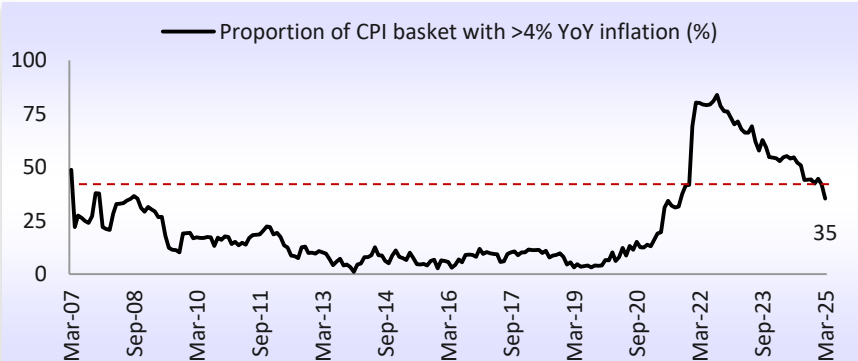
**Deceleration was broad-based**



**Inflation in core goods up; but core services inflation came down**



**Only 35% of CPI basket grew at >=4% YoY in Mar'25 (vs. 42% in Dec'24)**





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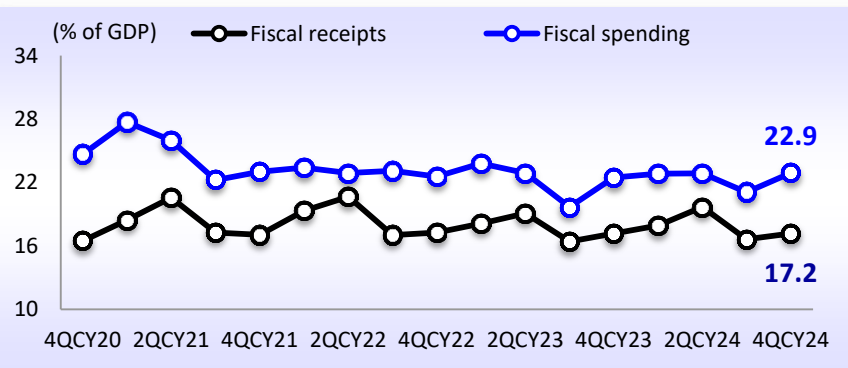
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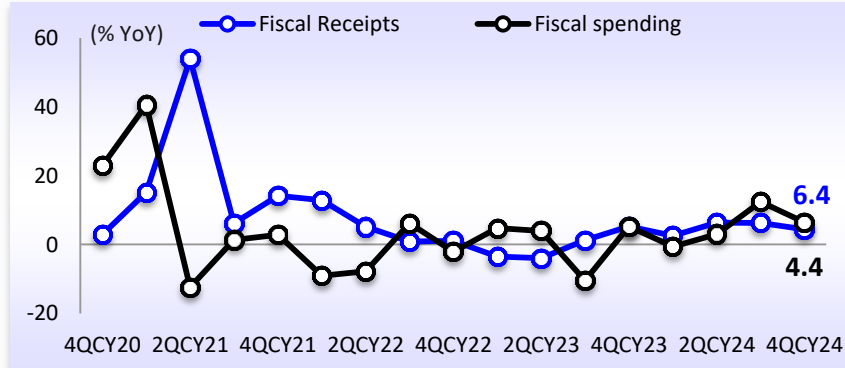
# Global fiscal deficit widened to 5.7% of GDP in 4QCY24...



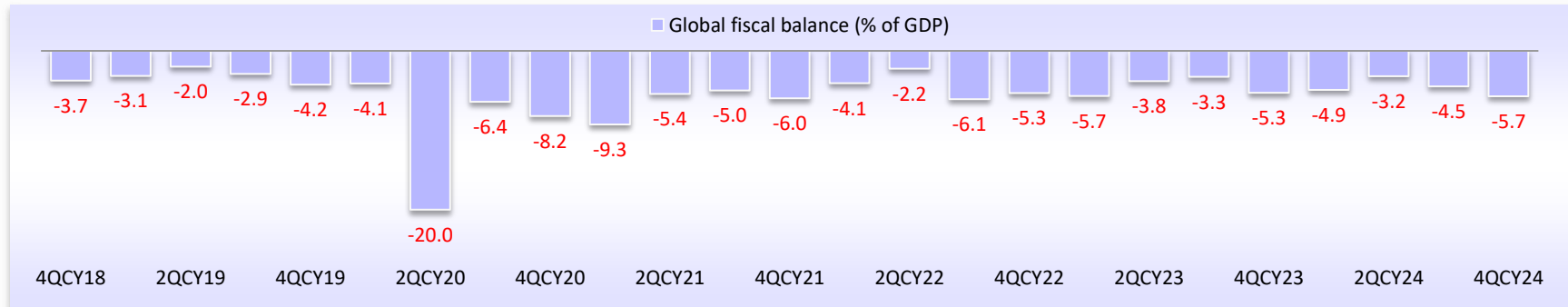
Global fiscal spending up to 22.9% of GDP in 4Q vs. 21.1% in 3QCY24



Global fiscal receipts grew 4.4% YoY in 4Q, lowest in 3 quarters



Global fiscal deficit widened to 5.7% of GDP in 4QCY24 from 5.3% of GDP in 4QCY23, mainly led by increase in spending



Aggregate indices are calculated using USD values

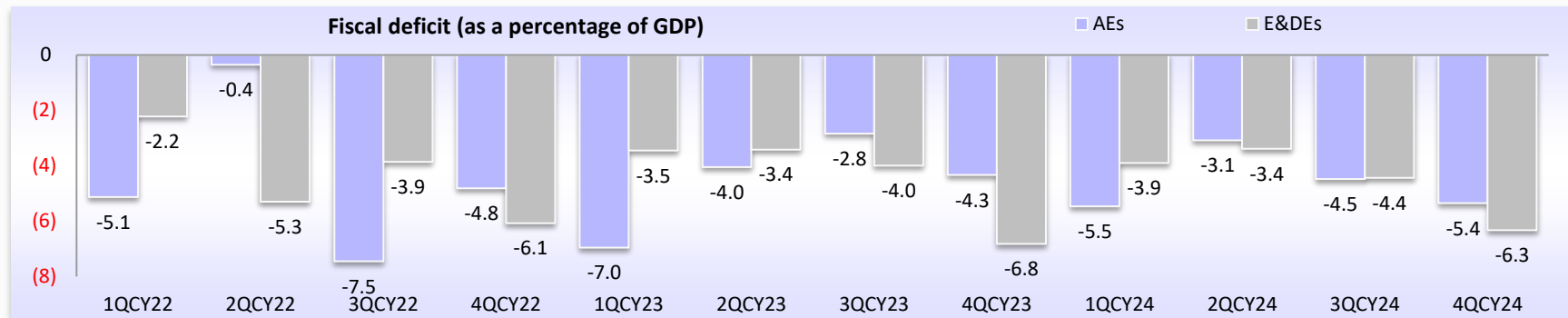
Source: CEIC, various national sources, MOFSL



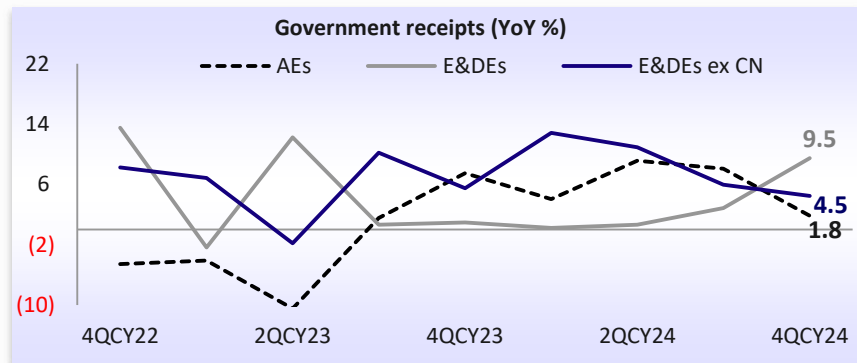
# ...led by an increase in spending



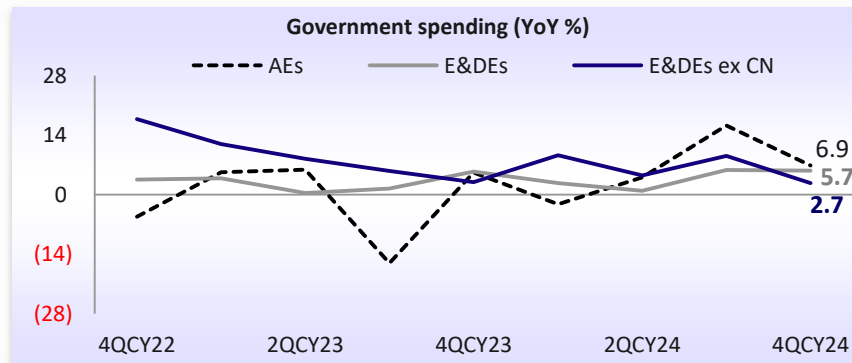
Fiscal deficit in AEs increased to 5.4% of GDP in 4QCY24 vs. 4.3% in 4QCY23



Fiscal receipts of AEs grew 1.8% YoY in 4QCY24, lowest in 5 quarters



...while their fiscal spending grew 6.9%



Aggregate indices are calculated using USD values

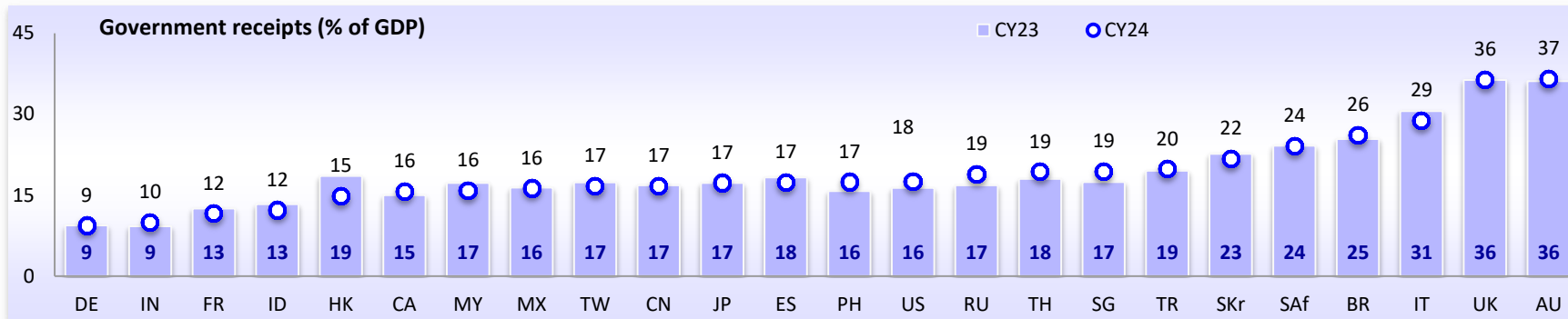
Source: CEIC, various national sources, MOFSL



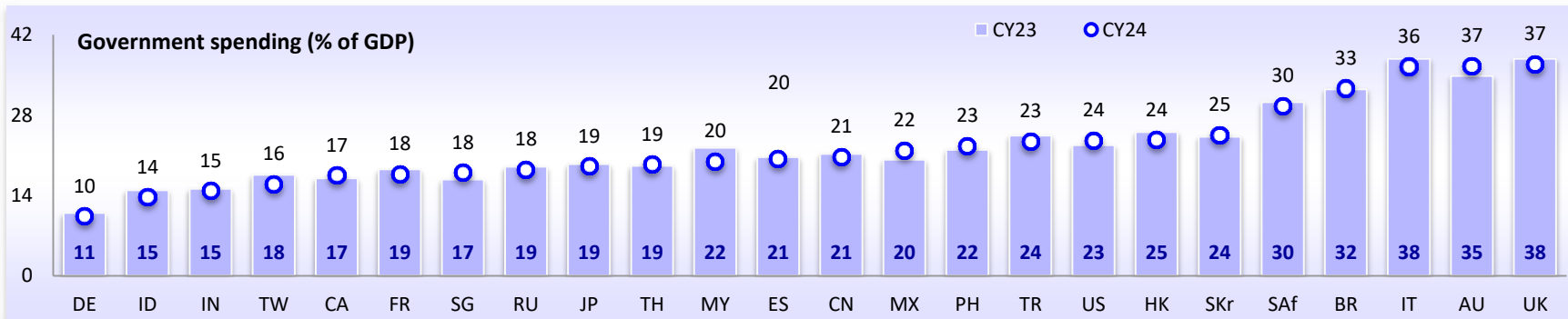
# IN government receipts second lowest in CY24 (vs. CY23)



India's government receipts were second lowest (after DE) at 10% of GDP in CY24 among major nations...



...due to which fiscal spending was also among the lowest in India



Data for central government only for most E&DEs

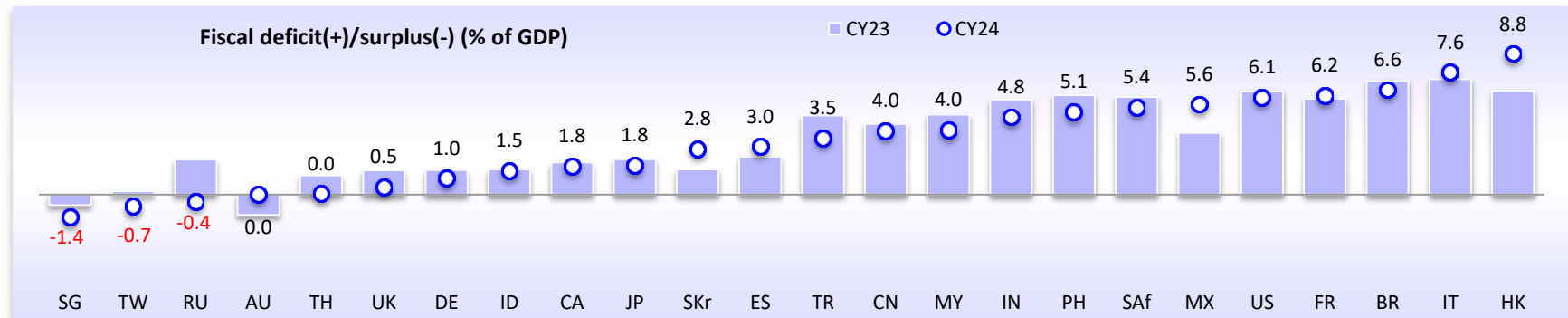
Source: CEIC, various national sources, MOFSL



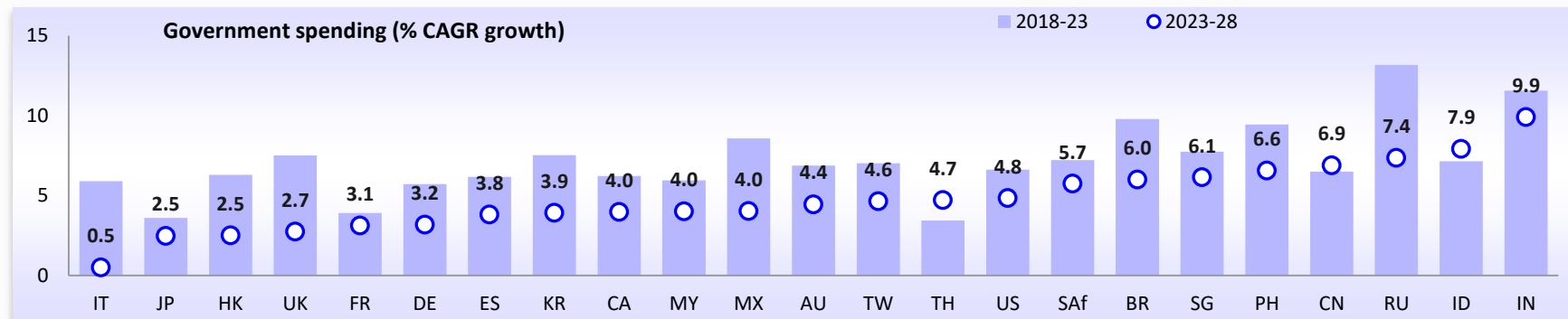
# Fiscal support to GDP growth would weaken in the post-Covid era



Only three nations –SG, TW and RU – posted fiscal surplus in CY24



20 out of 23 nations – except TH, CN and ID – likely to witness slower fiscal spending growth over the next five years vs. pre-Covid period



Pre-COVID = CY14-19, post-COVID = CY23-28 (based on IMF WEO Oct'24 Database)

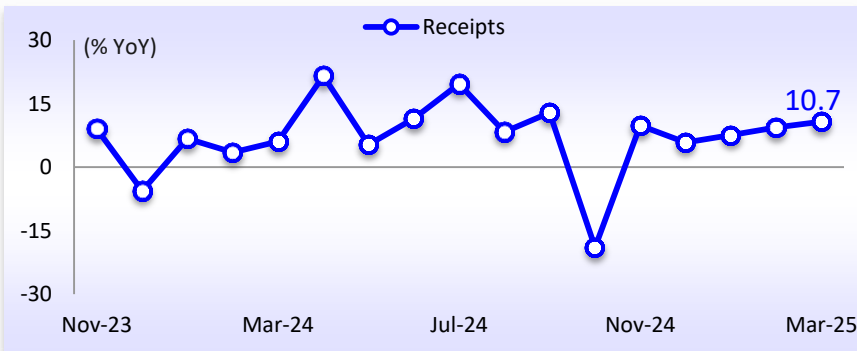
Source: CEIC, IMF, various national sources, MOFSL



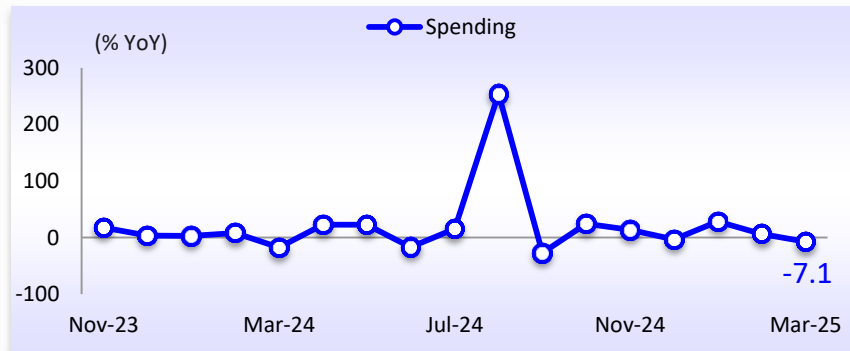
# Some details about US government finances



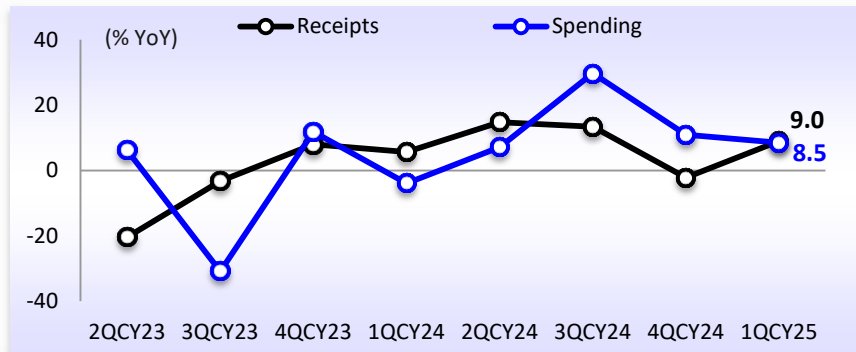
US government receipts grew 10.7% YoY in Mar'25, highest in 5 months...



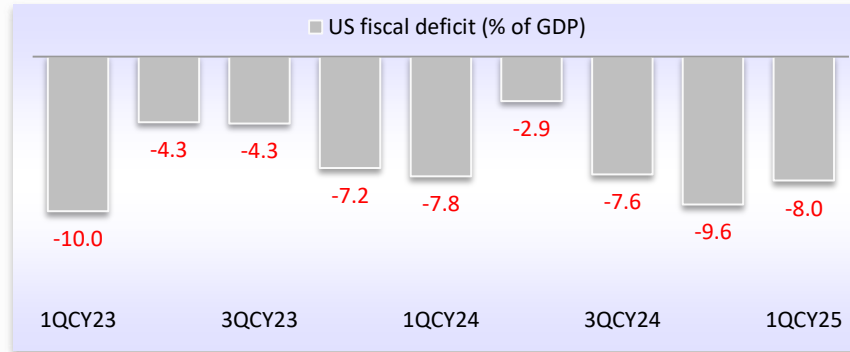
...while its spending contracted 7.1%, worst in 6 months



US fiscal receipts increased 9% YoY in 1QCY25 vs. -2.2% in 4QCY24...



...leading to narrowing of fiscal deficit# to 8% of GDP in 1QCY25



#Assuming 5% YoY growth in nominal GDP in 1QCY25

Source: CEIC, US Treasury department, CBO, , MOFSL



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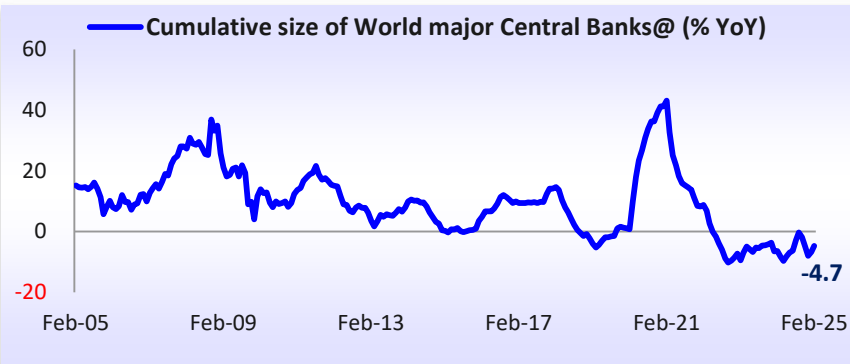
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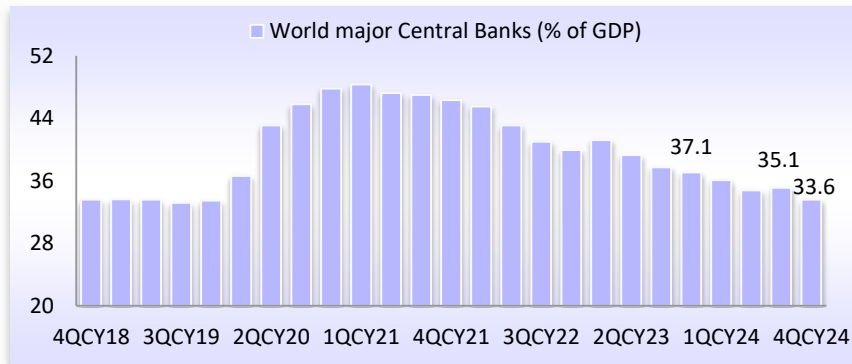


# Balance sheet of global central banks continued to decline in 4QCY24...

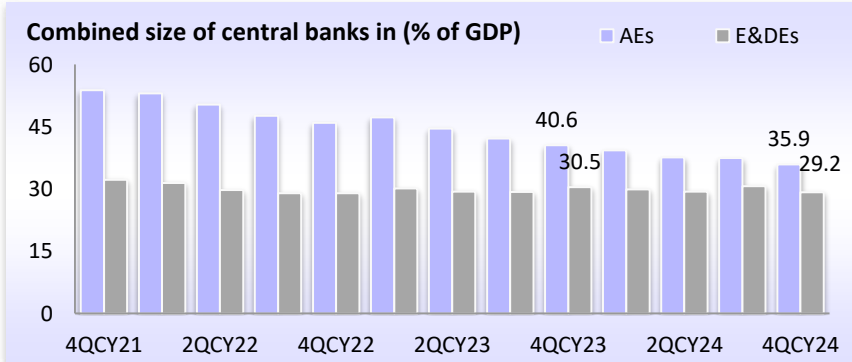
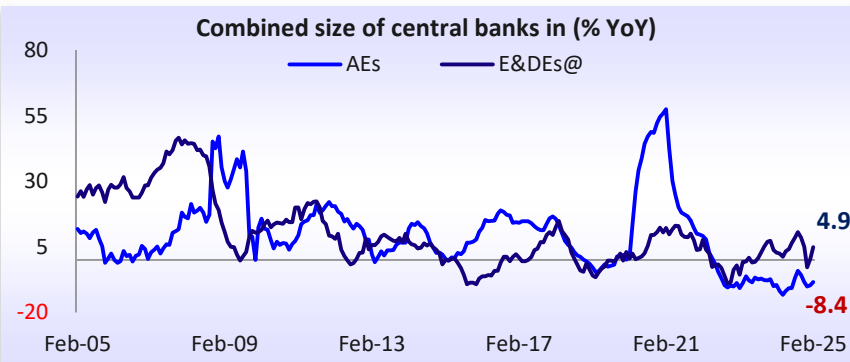
Combined balance sheet of central banks fell for the 34<sup>th</sup> month in Feb'25...



...and stood at 33.6% of GDP in 4QCY24, lowest in 20 quarters



The decline is more prominent in AEs than in E&DEs

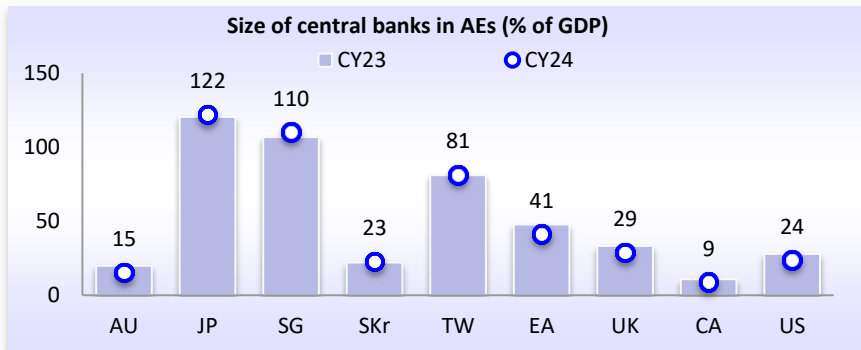




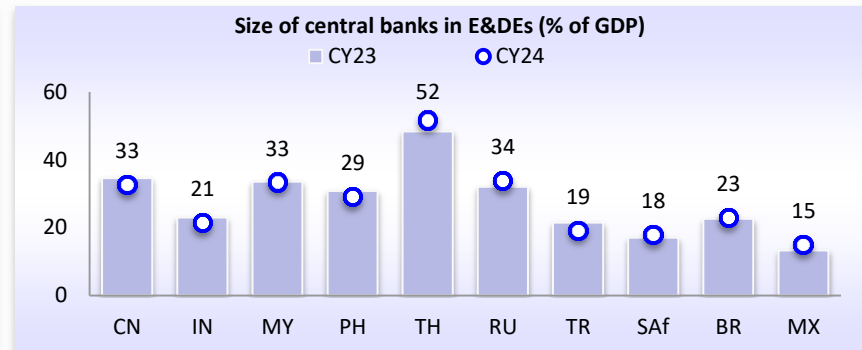
# ...with moderation among large major nations' central Banks



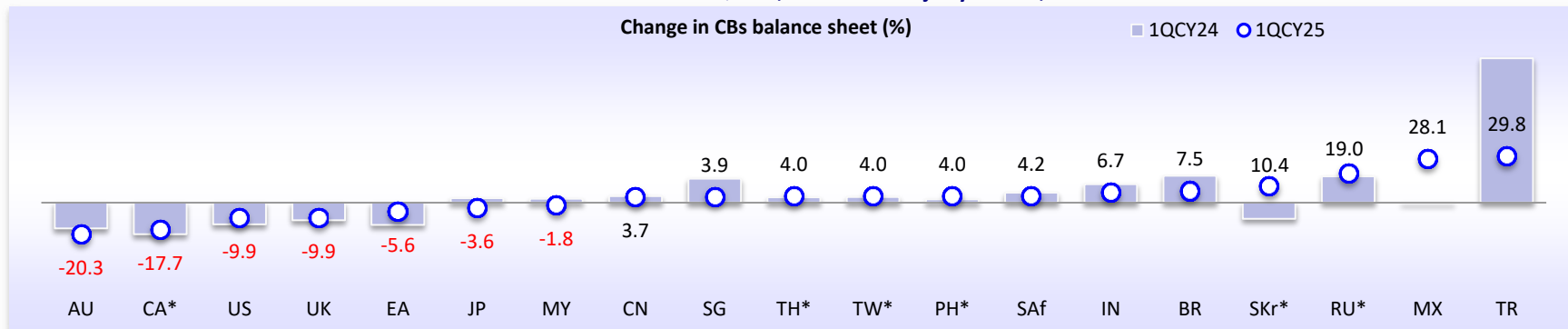
Balance sheets of JP and SG central banks expanded in CY24...



...and so did that of major E&DEs, except CN, IN, MY, PH and TR



Balance sheets of 7 out of 19 central banks continued to decline in 1QCY25; increased majorly for TR, MX and RU



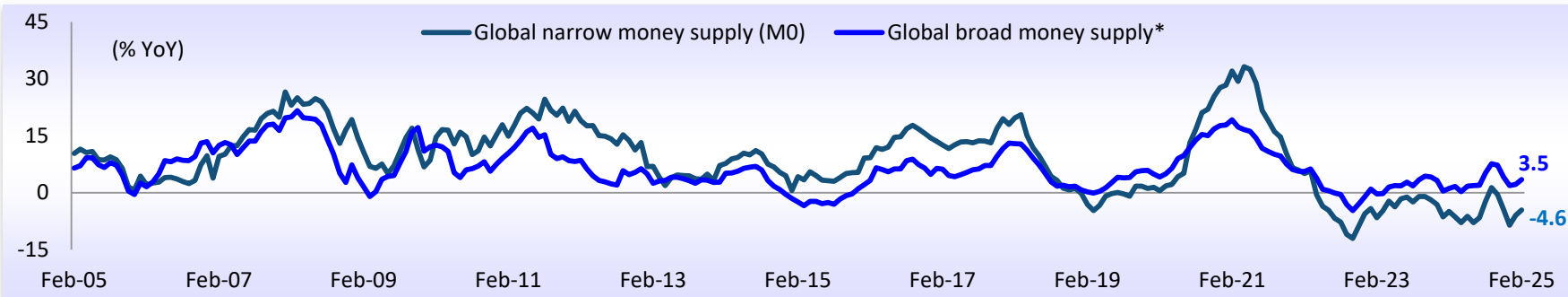
\*Data up to Feb'25, Aggregate indices are calculated using USD values (HK/ID excluded)



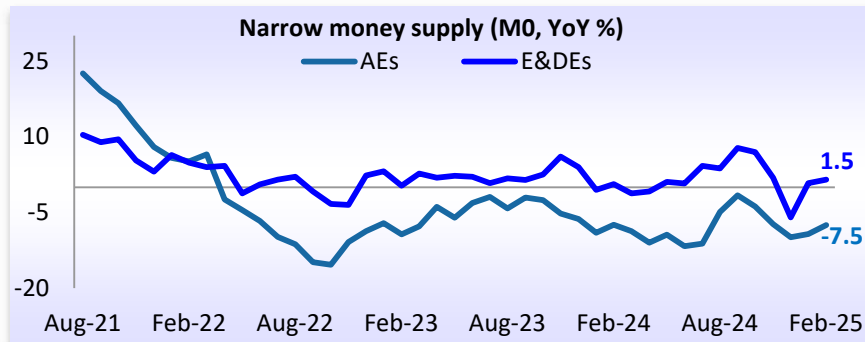
# Broad money supply grew 3.5% in Feb'25, M0 remained in contraction



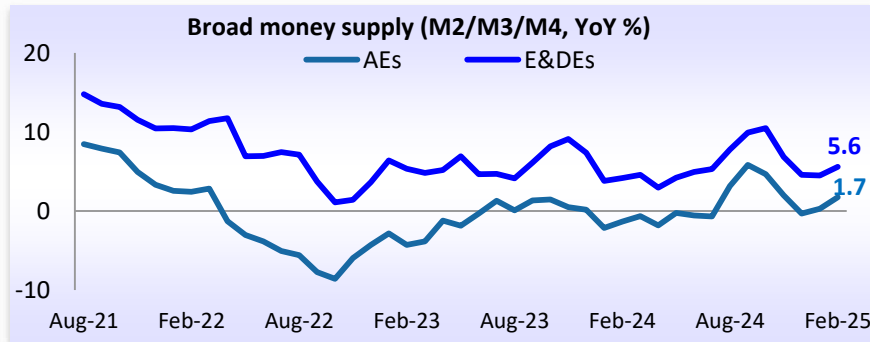
Global broad money supply\* grew 3.5% in Feb'25; however, narrow money supply (M0) declined 4.6%



M0 is contracting in AEs and remains muted in E&DEs...



...and the broad money supply grew in both AEs and E&DEs



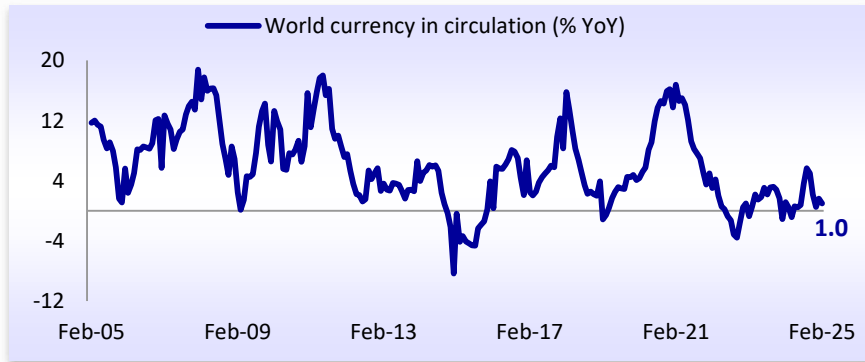
\*M2 (CN, RU, SKr, TW, TH, TR, US), M3 (AU, CA, EA, JP, MY, PH, Saf) and M4 (BR, IN, MX, SG, UK)  
Aggregate indices are calculated using USD values (HK/ID excluded)



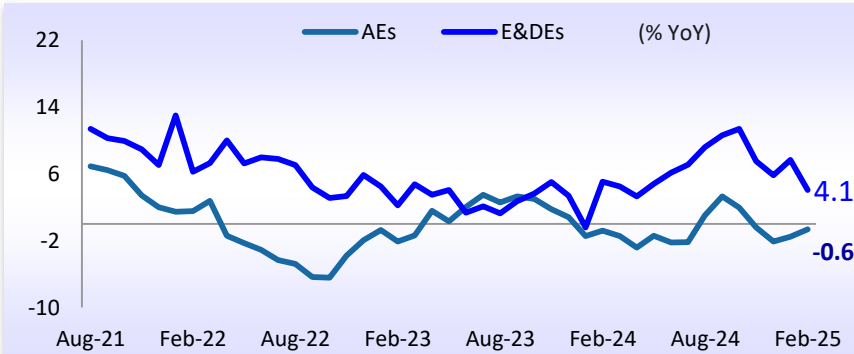


# Global currency in circulation at 8.9% of GDP in CY24

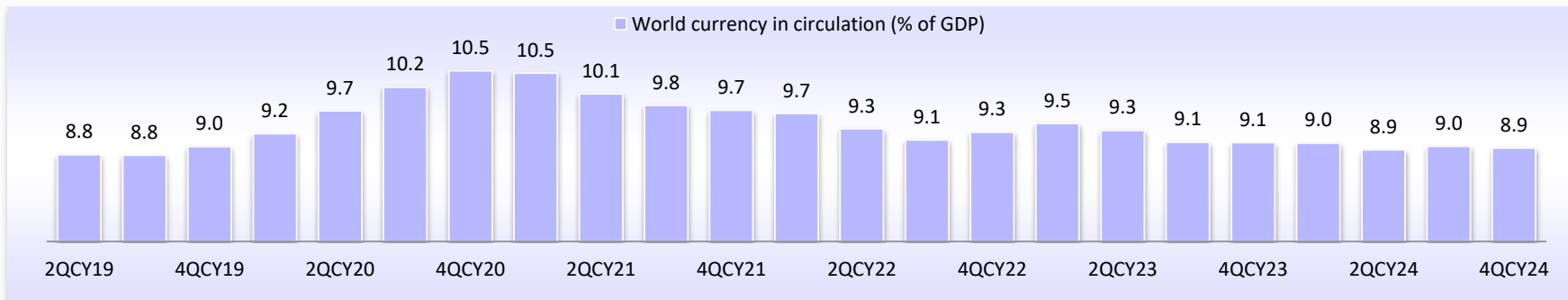
World CIC growth remained muted in Feb'25, up 1%



Deceleration in world CIC growth was broad-based



Global CIC-to-GDP ratio stood at 8.9% of GDP in 4QCY24 vs. 9.1% in 4QCY23



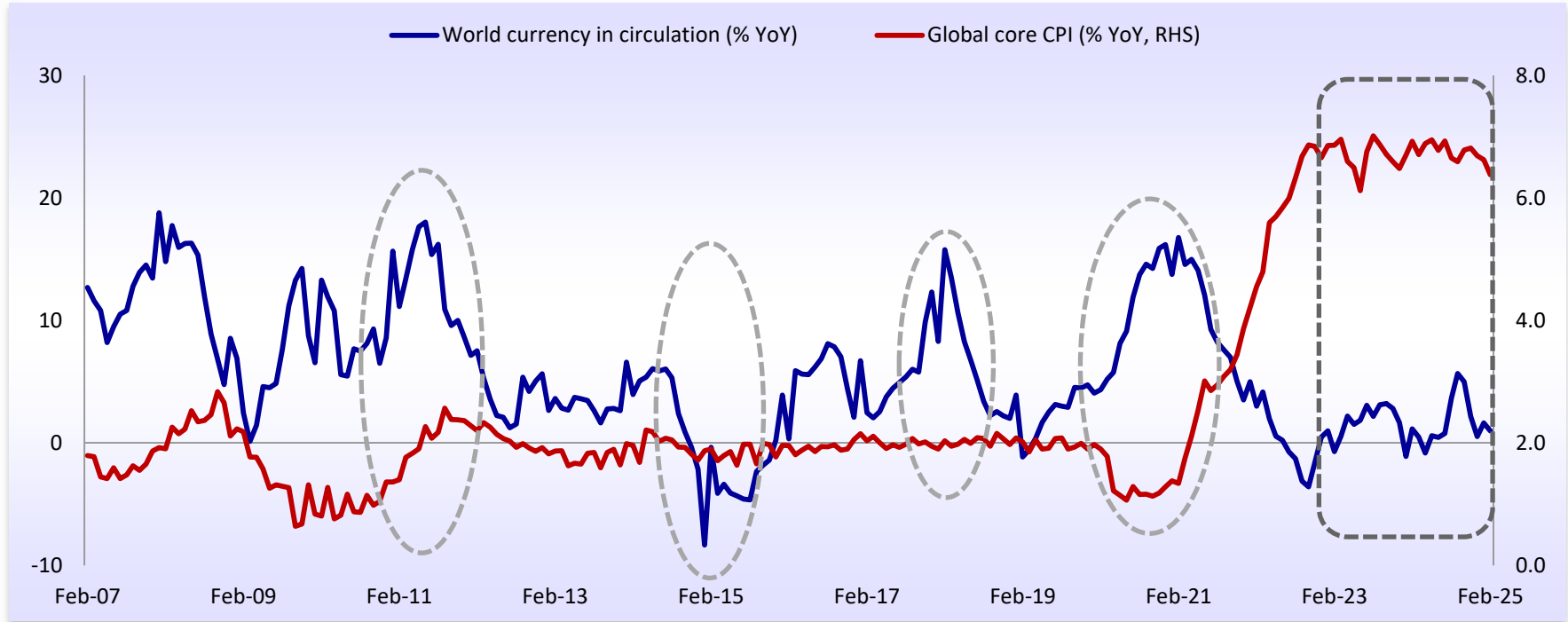
Aggregate indices are calculated using USD values (HK/ID excluded)



# Both global core inflation and CIC growth decelerated in Feb'25



Both global core inflation and CIC growth decelerated in Feb'25



Source: CEIC, various national sources, MOFSL



# Central Banks in wait-and-watch mode now...



	Current policy rate	Policy rate in CY22-end	Last move (when)	Headline inflation#		Current policy rate	Policy rate in CY22-end	Last move (when)	Headline inflation#
Brazil (BR)	14.25	13.75	Hike (Mar'25)	4.8 (4.1)	Australia (AU)	4.10	3.10	Pause (Apr'25)	3.2 (3.7)
China (CN)	3.10	3.65	Pause (Feb'25)	-0.1 (0.3)	Hong Kong (HK)	4.75	4.75	Pause (Mar'25)	1.7 (2.1)
India (IN)	6.00	6.25	Cut (Apr'25)	3.9 (3.8)	Japan (JP)	0.50	-0.10	Pause (May'25)	3.8 (1.5)
Indonesia (ID)	5.75	5.50	Pause (Apr'25)	0.3 (2.4)	Singapore (SG)	3.60	2.50	Pause (Apr'25)	1.0 (1.0)
Malaysia (MY)	3.00	2.75	Pause (Mar'25)	1.6 (1.8)	S Korea (SKr)	2.75	3.25	Pause (Apr'25)	2.1 (1.9)
Mexico (MX)	9.00	10.50	Cut (Mar'25)	3.7 (3.7)	Taiwan (TW)	2.00	1.75	Pause (Mar'25)	2.1 (1.4)
Philippines (PH)	5.50	5.50	Cut (Apr'25)	2.5 (1.2)	Euro Area (EA)	2.40	2.50	Cut (Apr'25)	2.4 (2.6)
Russia (RU)	21.00	7.50	Pause (Apr'25)	10.0 (0.9)	UK	4.50	3.50	Pause (Mar'25)	2.9 (3.7)
S Africa (SAf)	7.50	7.00	Pause (Mar'25)	3.1 (3.3)	Canada (CA)	2.75	4.25	Pause (Apr'25)	2.3 (2.5)
Thailand (TH)	1.75	1.25	Cut (Apr'25)	1.2 (0.9)	US	4.38	4.38	Pause (Mar'25)	2.9 (3.2)
Turkey (TR)	46.00	9.00	Hike (Apr'25)	40.6 (40.8)					

# Jan-Feb'25, except AU (Jan-Dec'24) (Figure in parenthesis is Core inflation)

Source: BIS, CEIC, MOFSL



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- ❖ US Dollar weakened in 1QCY25, and further in Apr'25\*

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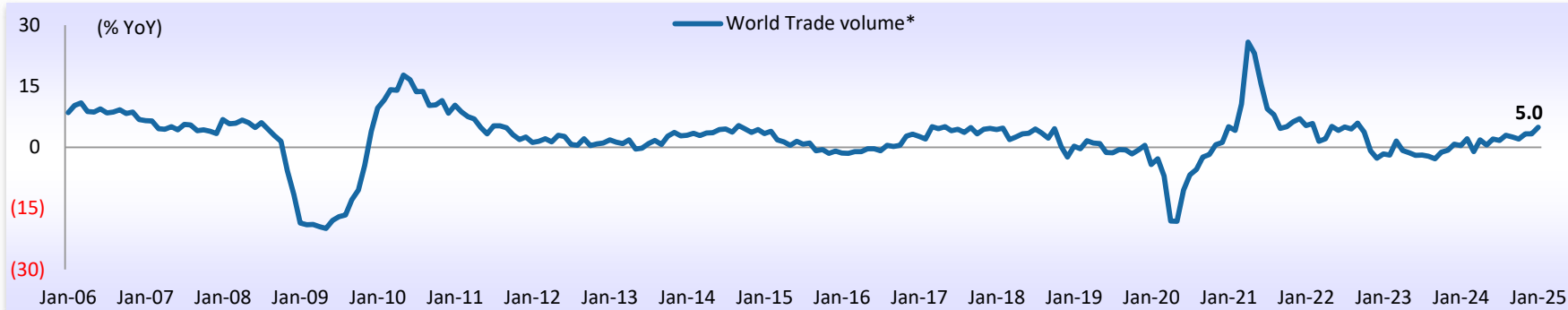
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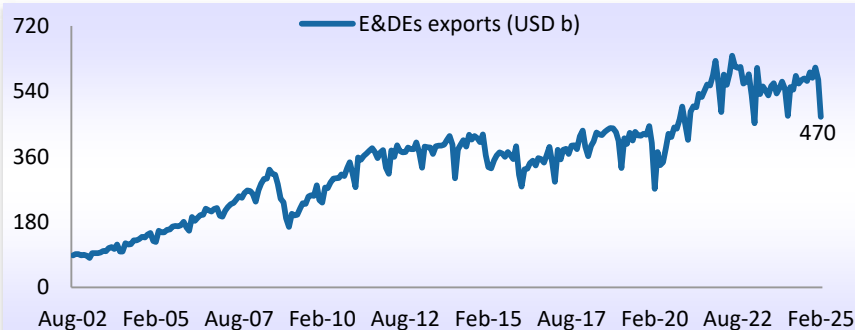


# Global trade growth at 28-month high in Jan'25

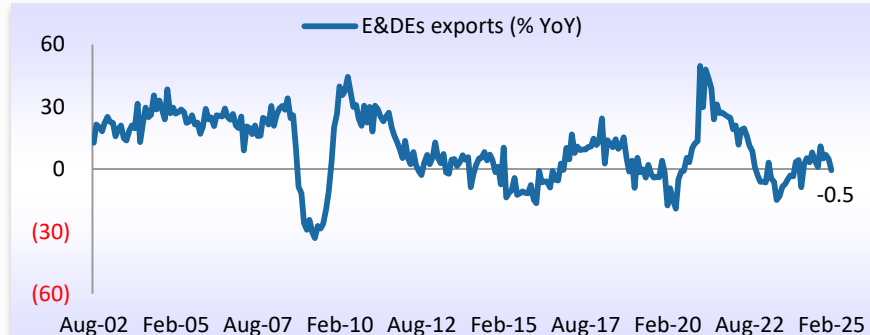
Global trade grew at a 28-month high pace of 5% in Jan'25 after growing at an average of 1.8% in CY24



E&DE exports averaged USD521b during Jan-Feb'25...



...and grew at an average of 2% in Jan-Feb25



\* From World Trade Monitor

E&DEs include our countries in sample

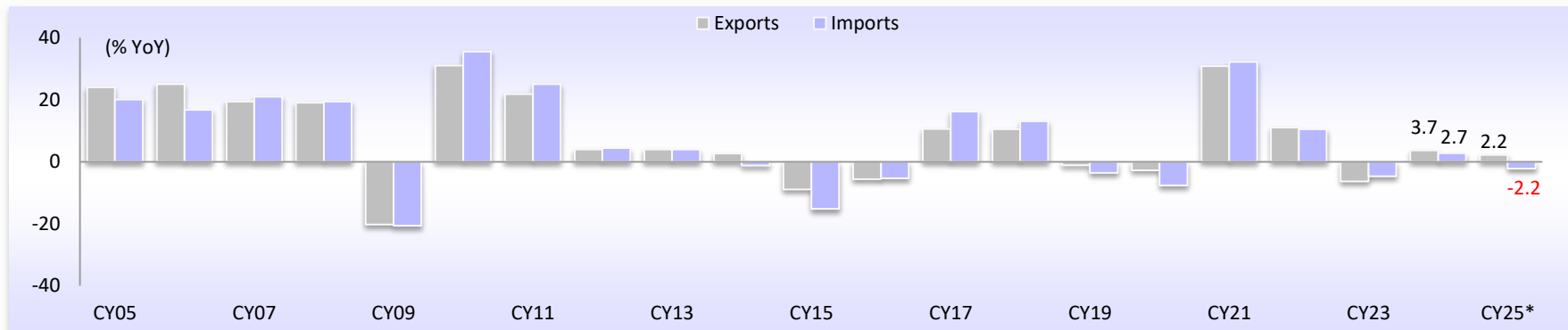
Source: CPB Netherlands, CEIC, MOFSL



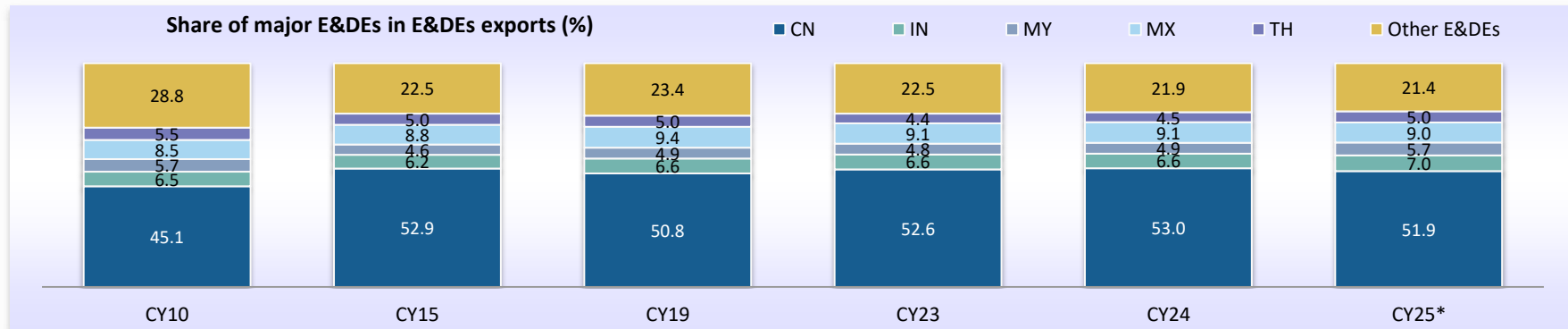
# E&DEs trade down in Jan-Feb'25



E&DE exports increased 2.2% in CY25\*, while imports declined



IN accounted for 7% of total E&DE exports in Jan-Feb'25, compared to 6.5%/6.2%/6.6% in CY10/CY15/CY24

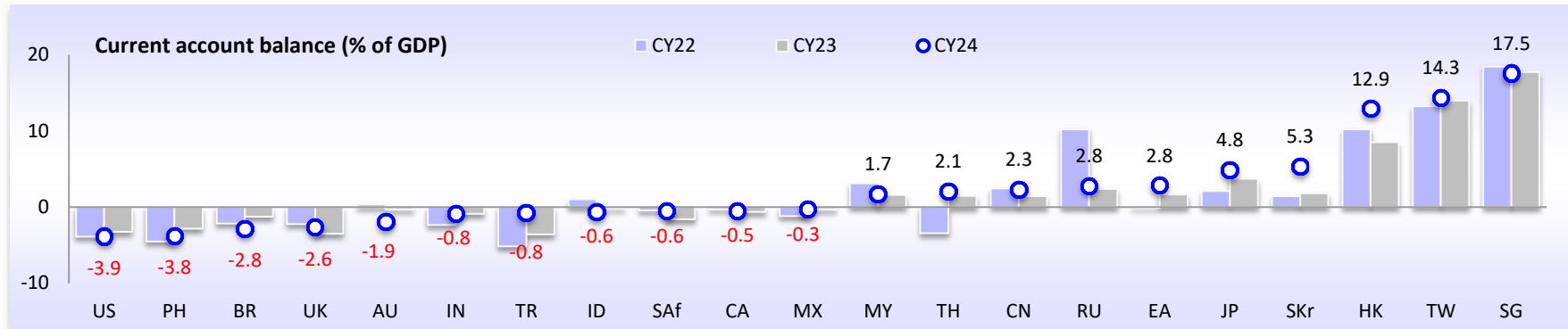




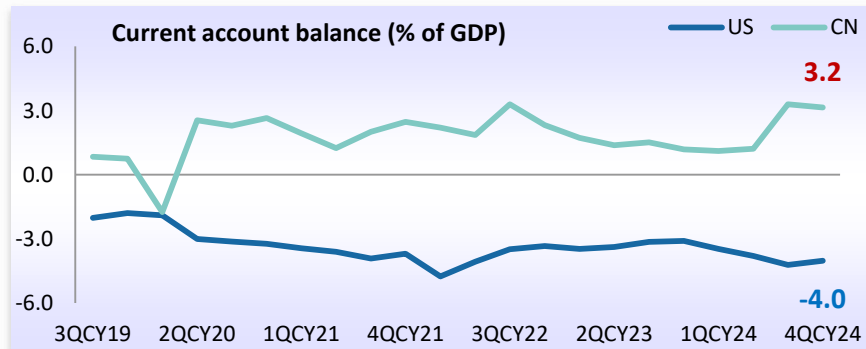


# Trends in current account/trade balance vary across countries

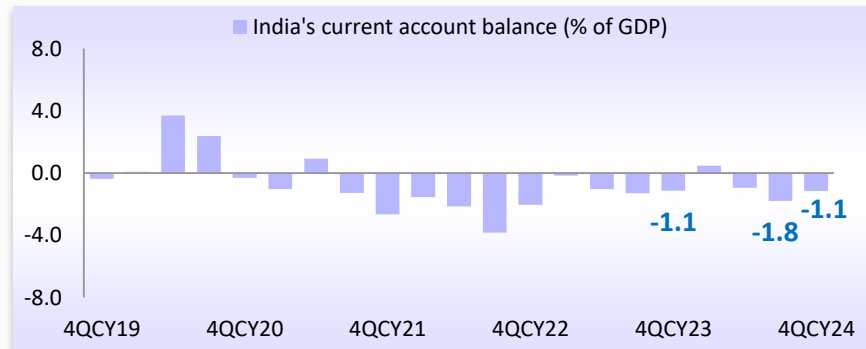
HK, SKr and TR's surpluses widened the most in CY24, while AU, BR and PH's CAD worsened the most



US' CAD improved QoQ in 4QCY24, with lower surplus in China...



India's CAB posted a deficit of 1.1% of GDP in 4QCY24 (vs. -1.8% in 3Q)



Aggregate indices are calculated using USD values

Source: CEIC, Various national sources, MOFSL



# India the world's fourth largest FX reserves holder



Forex reserves (USD bn, Mar'25)		Forex reserves (Dec'24)		Forex reserves (Dec'23)	
CN	3,534	CN	3,456	CN	3,450
JP	1,270	JP	1,231	JP	1,295
SW*	809	SW*	925	SW	864
IN	665	IN	640	IN	622
RU	647	RU	609	RU	599
TW	578	TW	577	TW	571
Saudi Arabia*	450	Saudi Arabia*	450	Saudi Arabia	437
HK	413	HK	421	HK	426
SKr	410	SKr	416	SKr	420
SG	381	SG	371	BR	355

SW= Switzerland

\* As of Jan'25

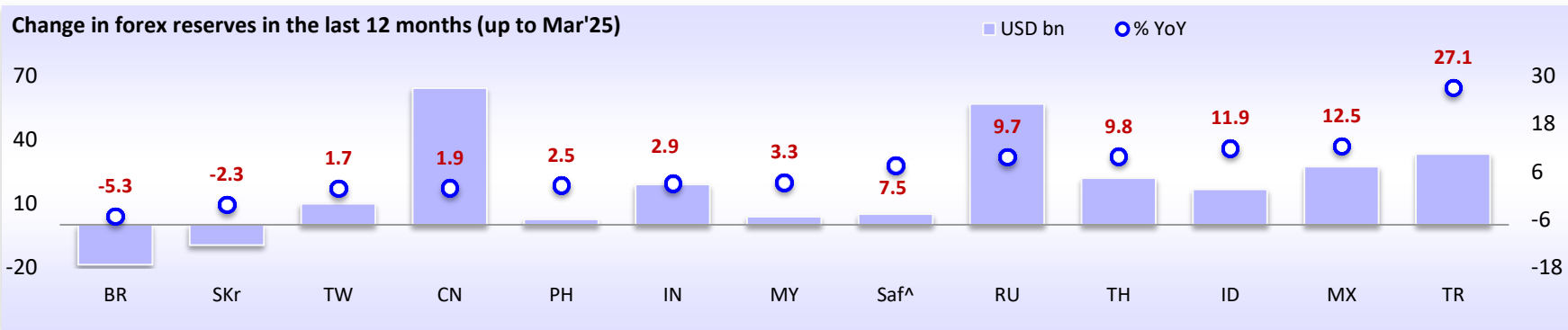
Source: IMF, CEIC, various national sources, MOFSL



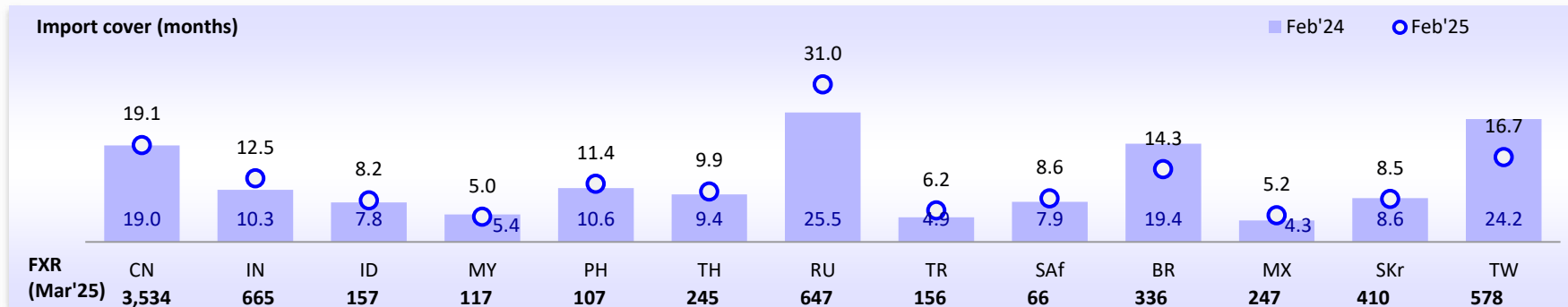
# Forex reserves have increased in all E&DEs, except BR and SKr



TR registered the fastest increase in forex reserves in Mar'25, followed by MX and ID...



...and the import cover has improved in all E&DEs except MY, BR, RU, SKr and TW



Source: CEIC, various national sources, MOFSL, ^Saf data is for Feb'25



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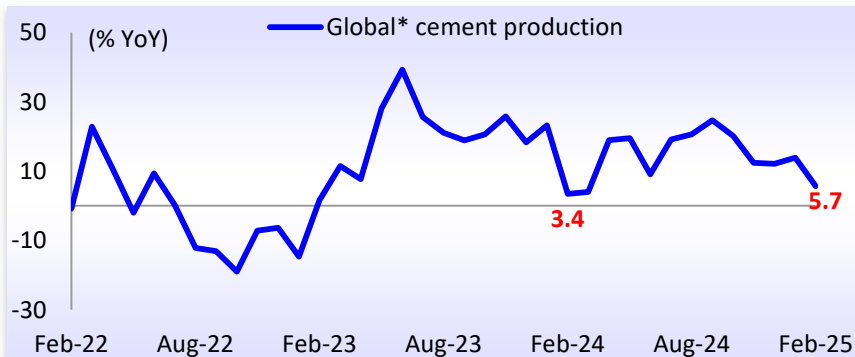
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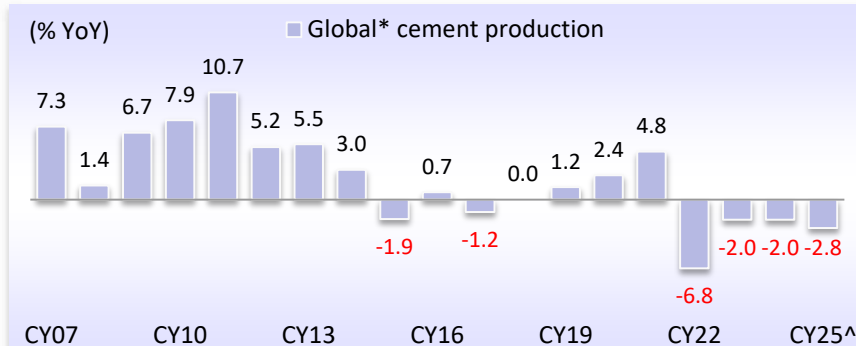
# Cement production continues to decline in CY25<sup>^</sup>



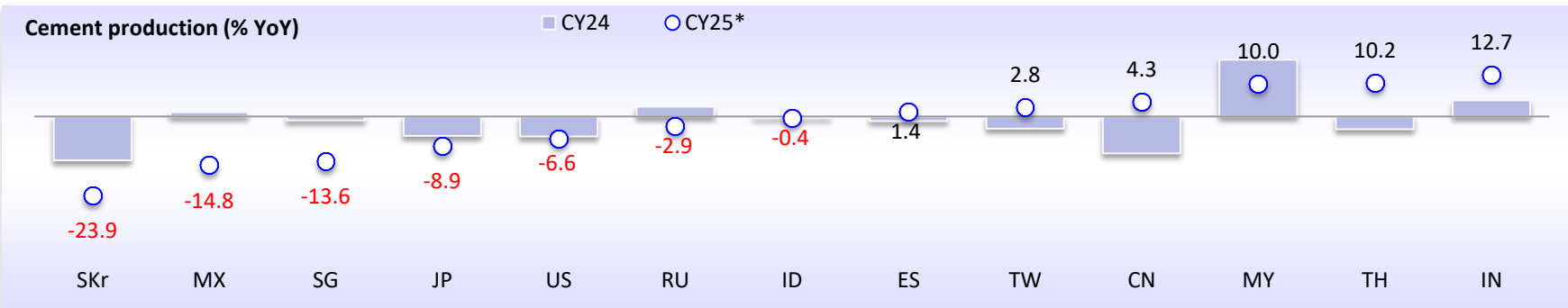
Global cement production slowed in Feb'25, slowest growth in 11 months



Global cement production contracted 2.8% in CY25<sup>^</sup>



Cement production continued to decline in 7 out of 14 nations in CY25<sup>^</sup>, remains strong in MY, TH and IN



<sup>^</sup>CY25 data available up to Feb'25, #TR data available up to Nov'24

Source: CEIC, USGS, various national sources, MOFSL

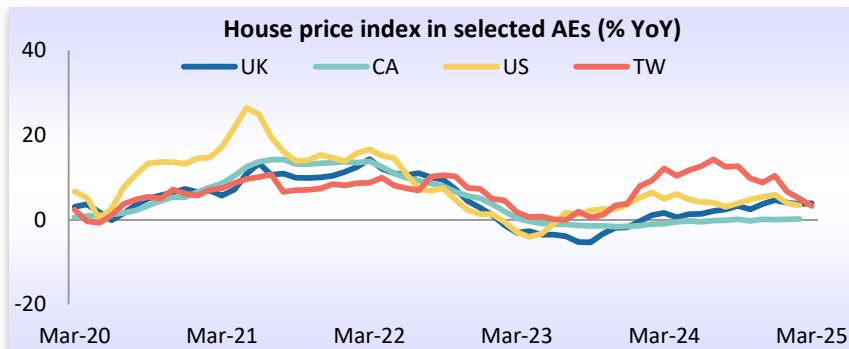
\*Based on 14 countries, accounting for ~73% of global cement production (CN, IN, ID, JP, MY, SG, SKr, TW, TH, ES, RU, TR, MX, and the US)



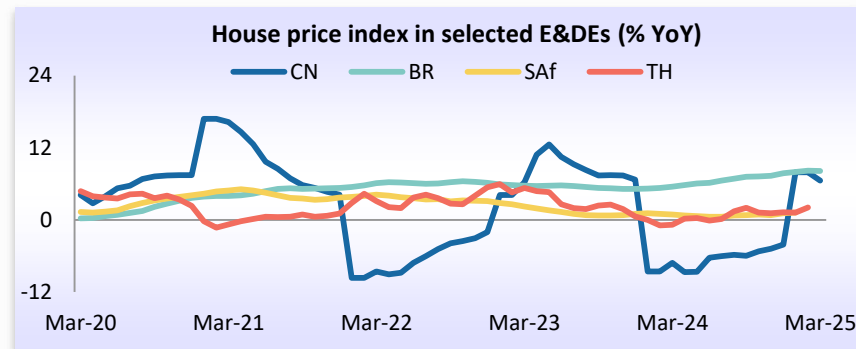
# China home prices increased in 1QCY25 after declining for a year



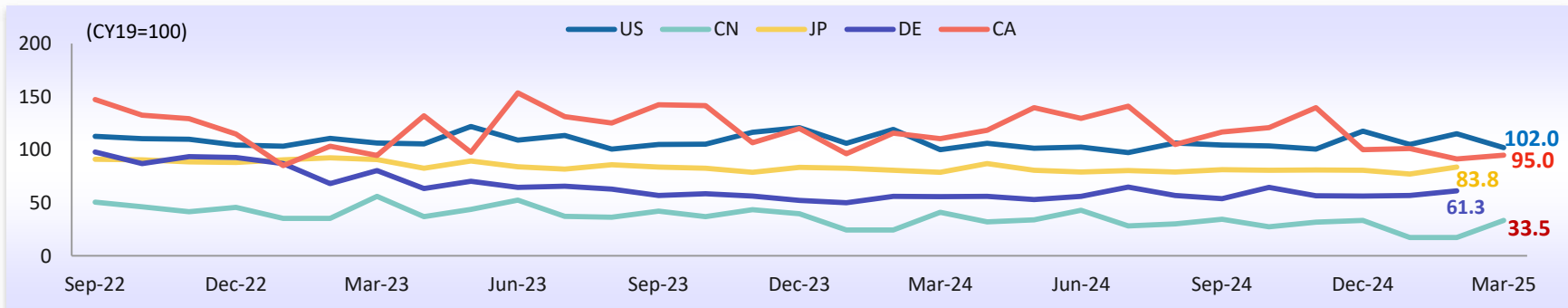
House prices grew decently in most AEs except HK and SK



House prices rose in China after declining for 12 straight months



US housing starts higher than the pre-Covid level, lower in other economies



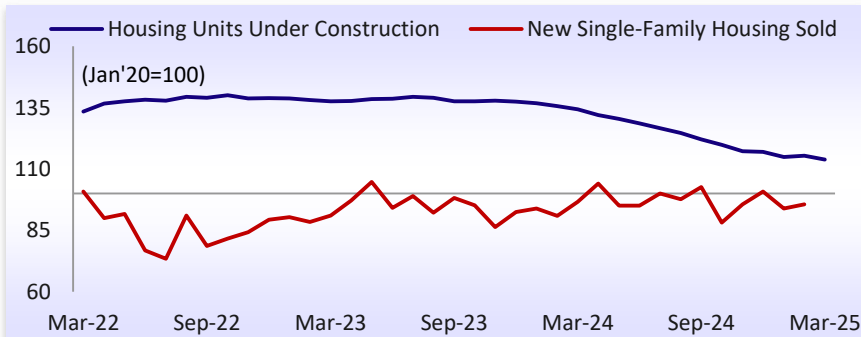
Source: CEIC, various national sources, BIS, MOFSL



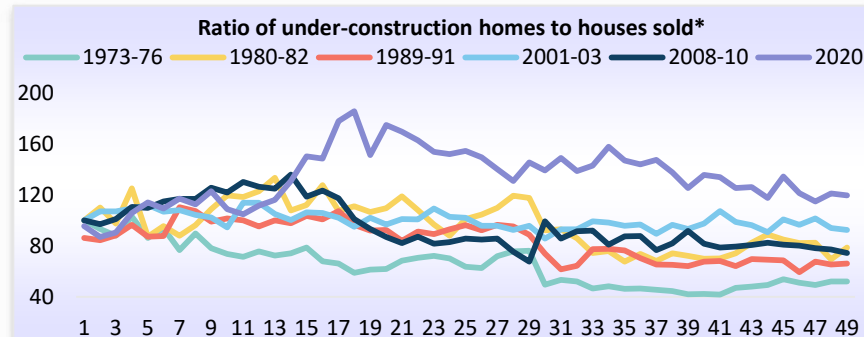
# Some details about US housing market



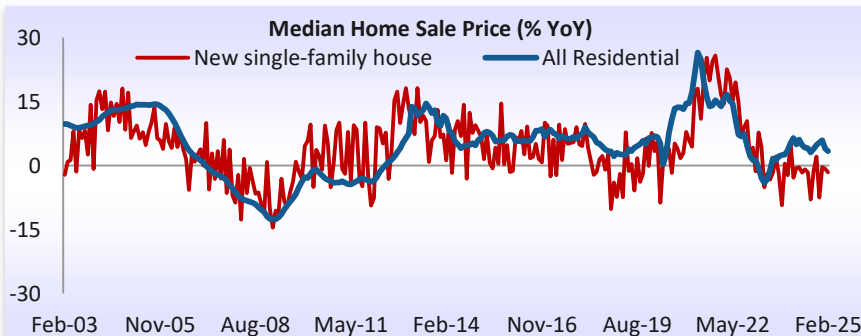
## No. of homes under construction continued to decline in CY25...



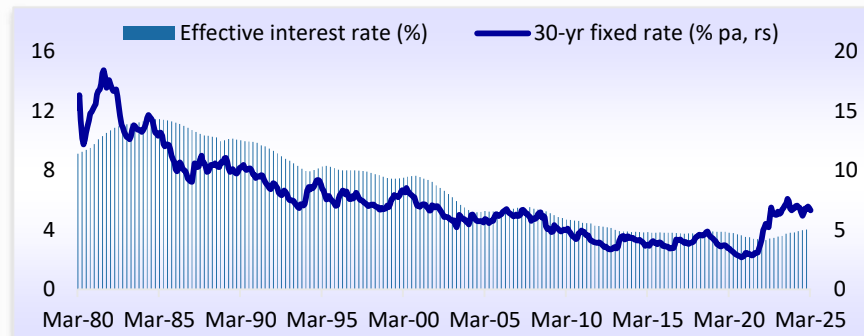
## ...with no pickup in housing sales too



## Prices of new single family houses continue to correct...



## ...but effective mortgage interest rate at almost 12-yr high in 4QCY24



\* Starting dates for recession from NBER (Nov'73, Jan'80, Jul'90, Mar'01, Dec'07, Feb'20)

Source: CEIC, MOFSL



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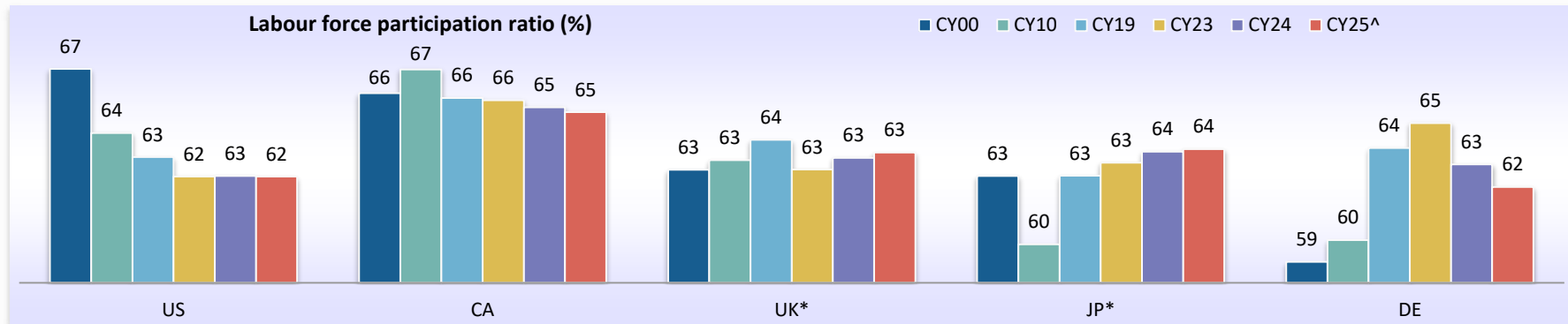
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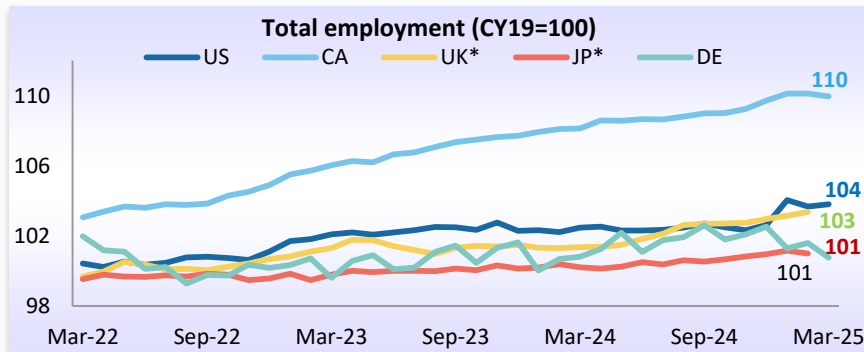


# Labor markets different across major AEs

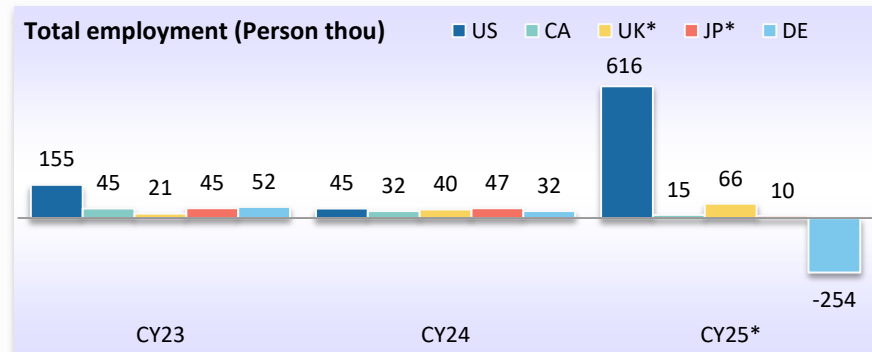
LFPR in CY25<sup>^</sup> is lower than in CY24 in Canada and Germany; higher in the UK and Japan



Employment in Mar'25 was 1-10% higher than CY19...



...with clear increase in all nations in CY25\* except DE



<sup>^</sup>CY25 data is up to Mar'25, \*UK and JP data up to Nov'24,

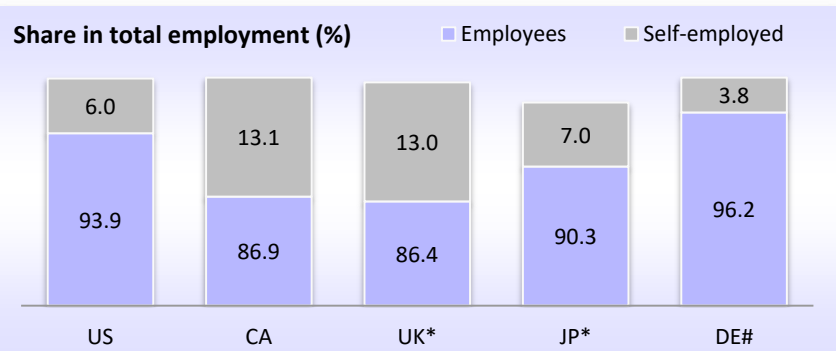
Source: CEIC, various national sources, MOFSL



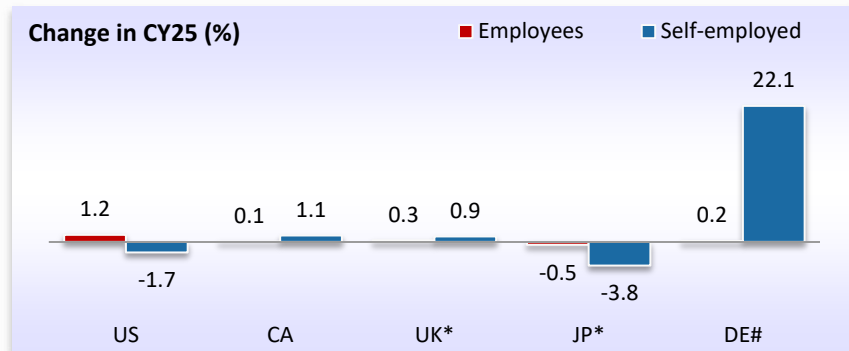


# Stagnant growth in regular employees across economies

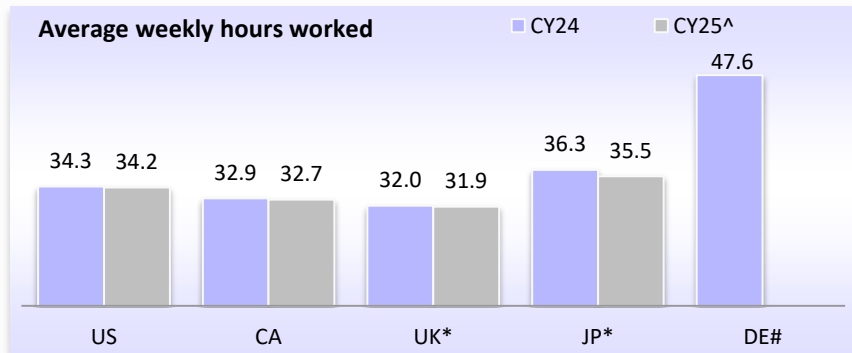
Regular employees account for 86-96% of the workforce in these AEs...



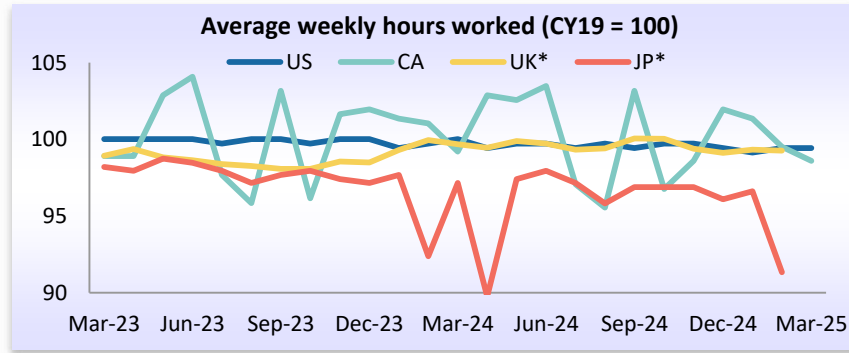
Growth in regular employees remains muted in CY25



Average weekly hours worked decreased in CY25^ in all nations (vs. CY24)



...and ~1% lower in all nations compared to CY19, except JP (9% lower)



#Data up to Dec'24; \*Data up to Feb'25; ^Data up to Mar'25;

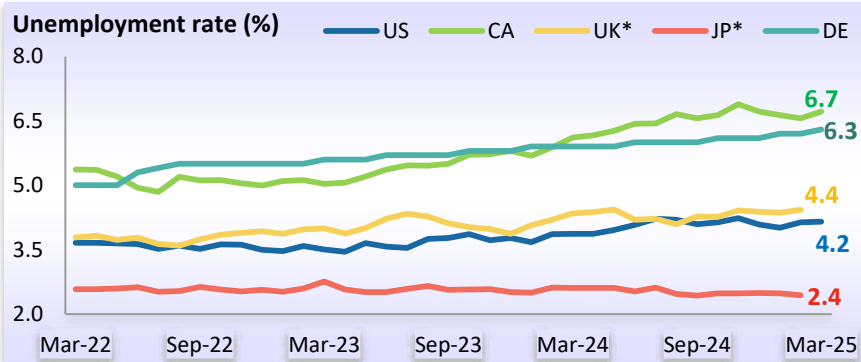
Source: CEIC, Various national sources, MOFSL



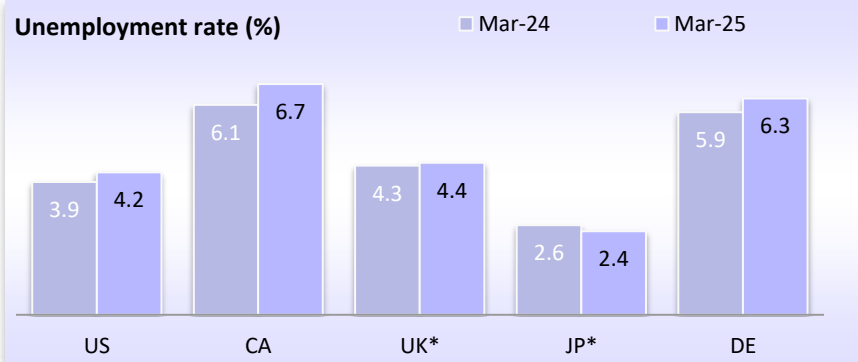


# Unemployment rate has started picking up but still remains low

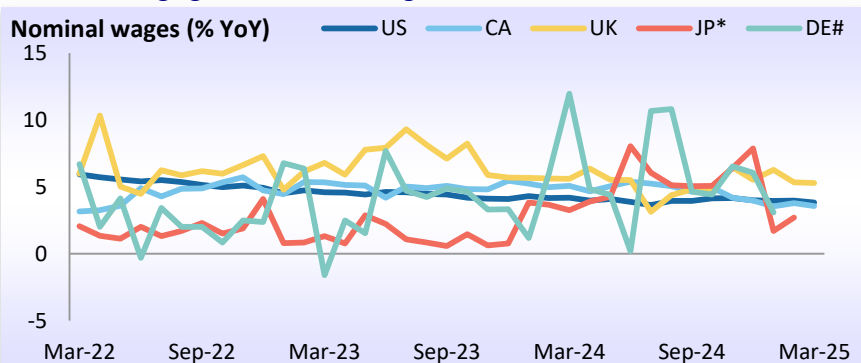
The unemployment rate has picked up in recent months...



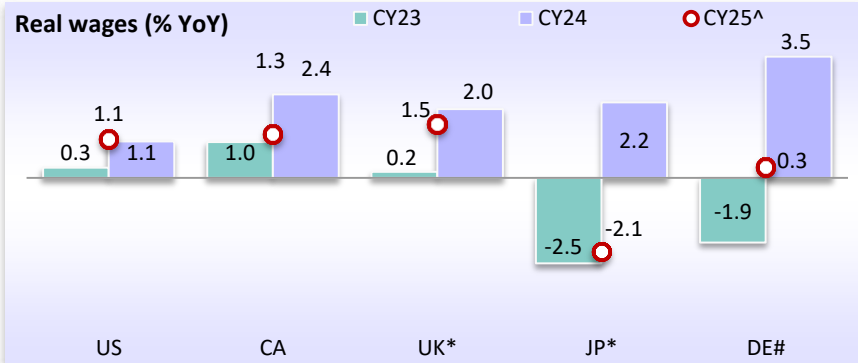
...but continues to remain very low in all nations (except CA and DE)



Nominal wage growth remains stagnant in all nations



...but real wages have increased in all economies (except JP)



^Data up to Mar'25, \*Data up to Feb'25, #Data up to Jan'25, @ Deflated by CPI in respective economies,

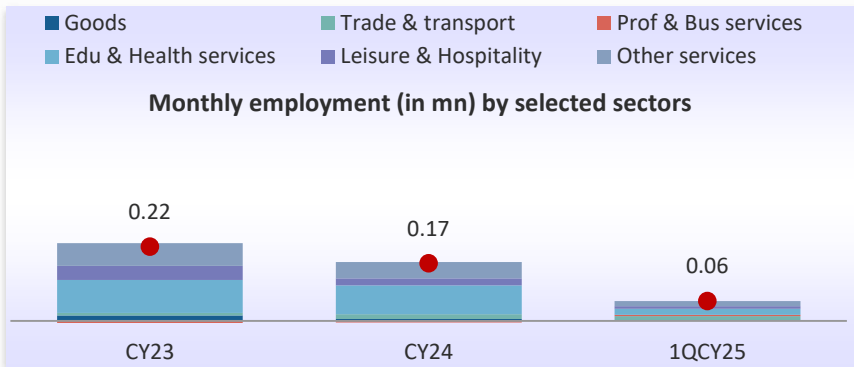
Source: CEIC, various national sources, MOFSL



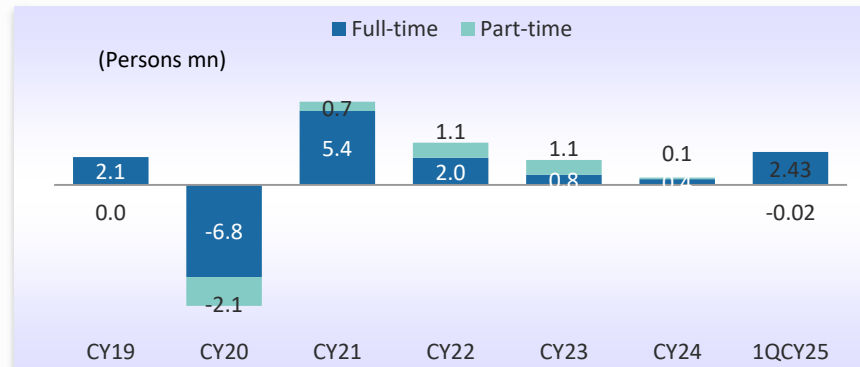
# Some details about US Labor market



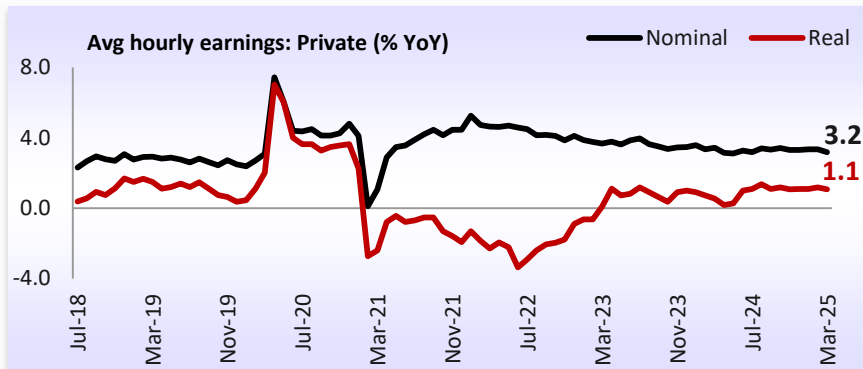
## Labor demand remains weak in 1QCY25...



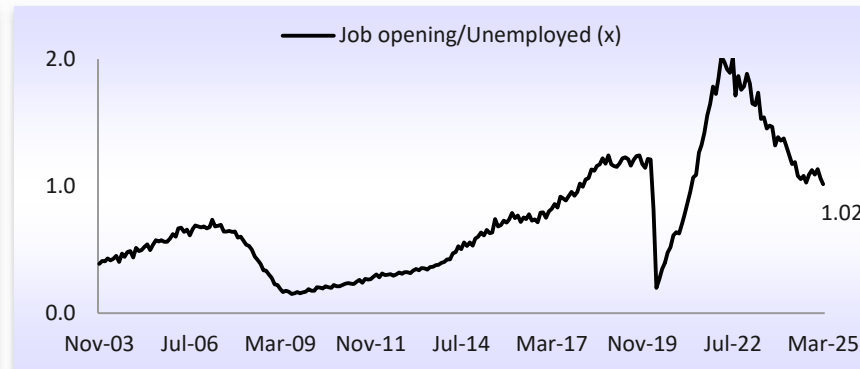
## ...however, full-time worker demand has gone up in 1QCY25



## Real earnings growth remained stable at 1.1% for last few months

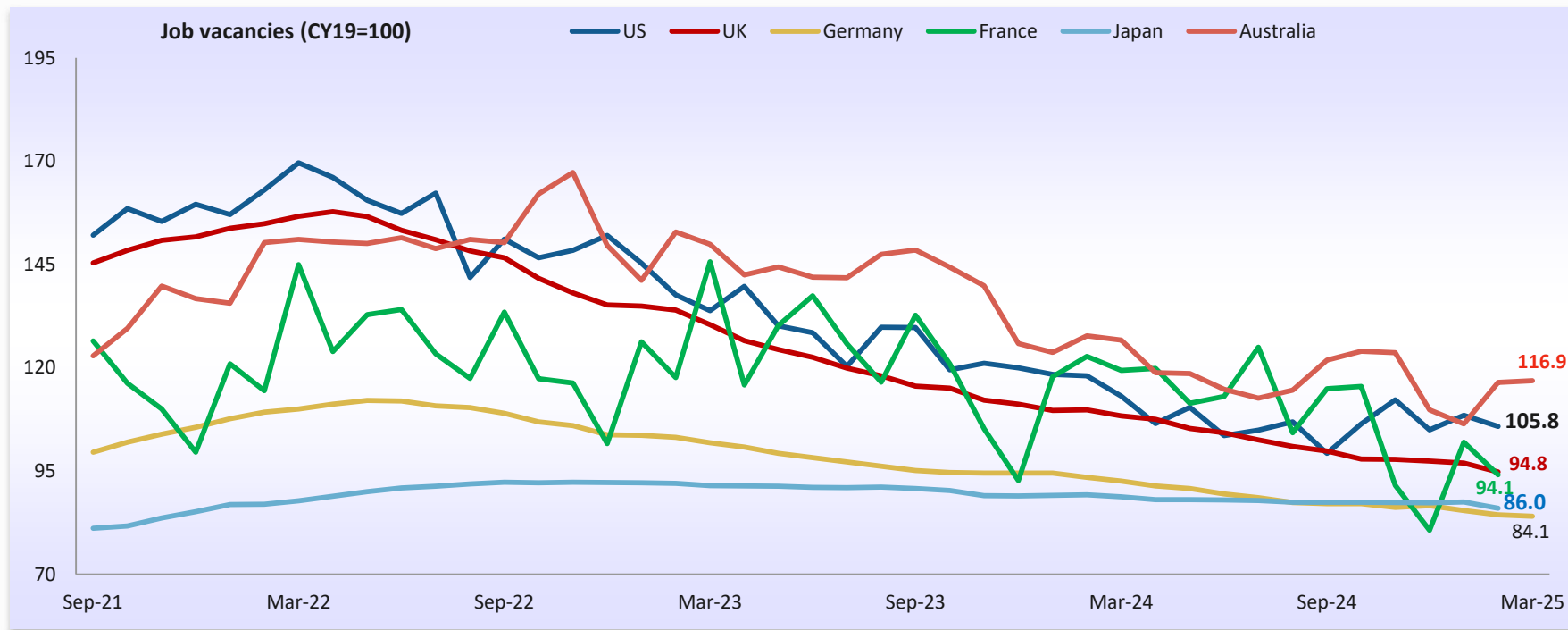


## Job openings improved in the last three months, but still remain weak





# Job vacancies declined in most nations, except AU



Source: CEIC, various national sources, MOFSL  
Job openings in the US; Job vacancies in the UK, FR and DE; Number of job offers in JP; and Job advertisements in newspapers and on the internet in AU



# NOTES



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Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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