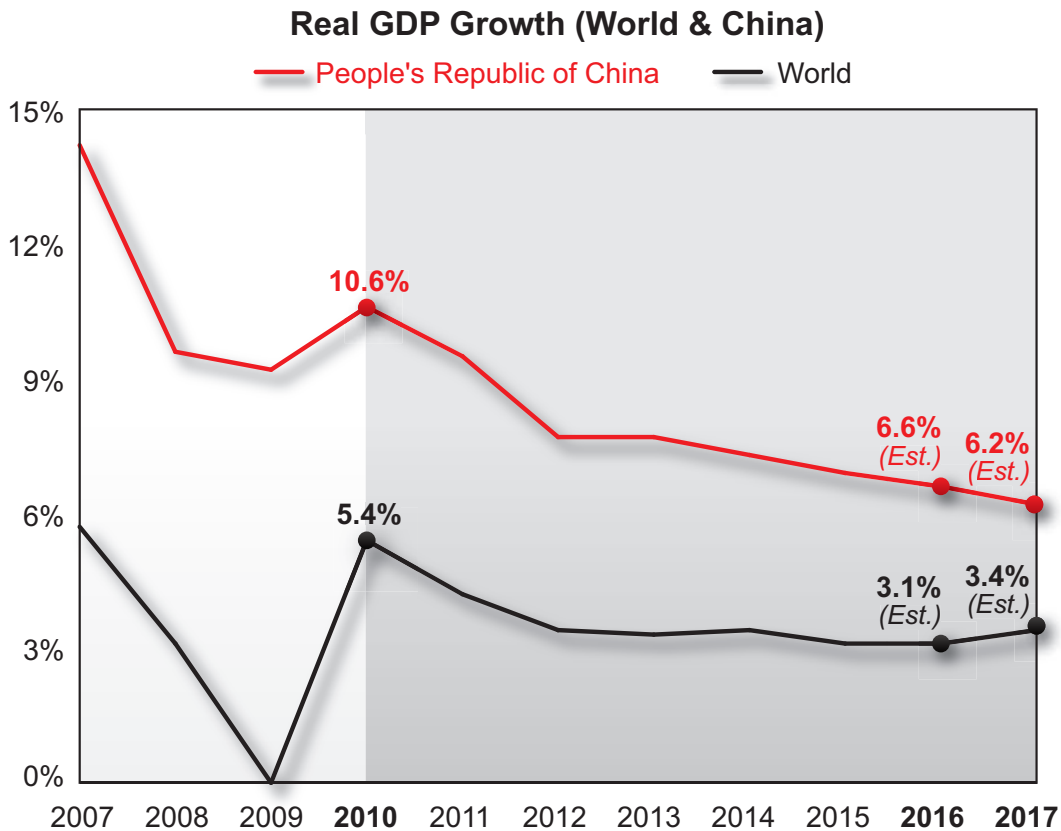


# What The Slowdown In Global Growth Looks Like



Source: International Monetary Fund (IMF), World Economic Outlook (October 2015 & July 2016)

## View from the Observation Deck

1. On 9/21/16, the Federal Reserve announced that it chose to leave its benchmark lending rate unchanged, though it indicated an increase is still likely by year-end, followed by two more hikes in 2017, according to Bloomberg.
2. There are two more Federal Open Market Committee (FOMC) meetings scheduled for 2016 (November 1-2 & December 13-14).
3. Since the next meeting in November is only six days before the presidential election, it is more likely that the Fed would opt to raise the federal funds rate in December, one-year after its 25 basis point hike on 12/16/15, in our opinion.
4. While Fed monetary policy tends to garner a great deal of attention at home and abroad, the Fed has noted after previous FOMC meetings this year that it is concerned about slowing global economic growth.
5. As indicated in the chart, 2010 marked a turning point in global economic growth, right after a bit of a snapback following the U.S. recession from 12/07 through 6/09 (National Bureau of Economic Research).
6. China's decision in 2012 to slow its pace of growth from double-digits to around the 7.5% level had a big influence on global growth, in our opinion. China supplanted Japan as the second-largest economy in the world in 2010, according to The New York Times.
7. While global growth has in fact slowed since 2010, the IMF's growth rate estimates stay above the 3.0% level through 2017 (see chart).

This chart is for illustrative purposes only and not indicative of any actual investment.