

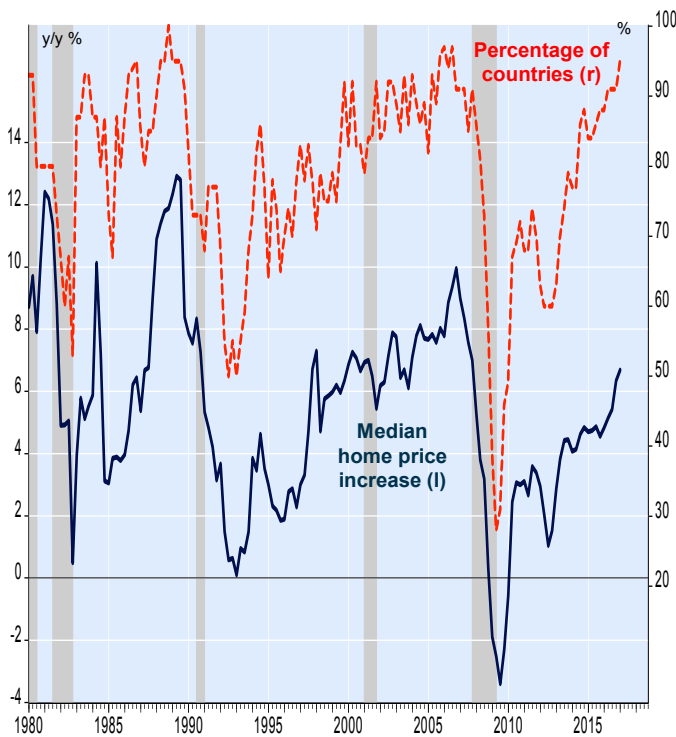
World Watch

Since the great recession, the global economy has faced several headwinds: The 2011-2012 turmoil in U.S. public finances, the debt crisis in some Eurozone economies, the 2014 oil shock and the deceleration of the Chinese economy. Over that period, Japan experienced no less than 3-episodes of 2 consecutive quarters of negative growth (the technical definition of a recession). This year, for the first-time in the current cycle, the stars are better aligned for broad-based economic momentum among regions. As today's Hot Chart shows, the proportion of economies experiencing year-on-year home price appreciation stands at 95%, the best diffusion since 2006 with median house prices rising at a robust 6.7%. This positive wealth effect, combined with improved labor markets (employment is at a record high in the matured OECD economies) and low energy bills have propelled global consumer confidence to its highest level in a decade. This environment continues to argue for above-potential global growth in the coming quarters.

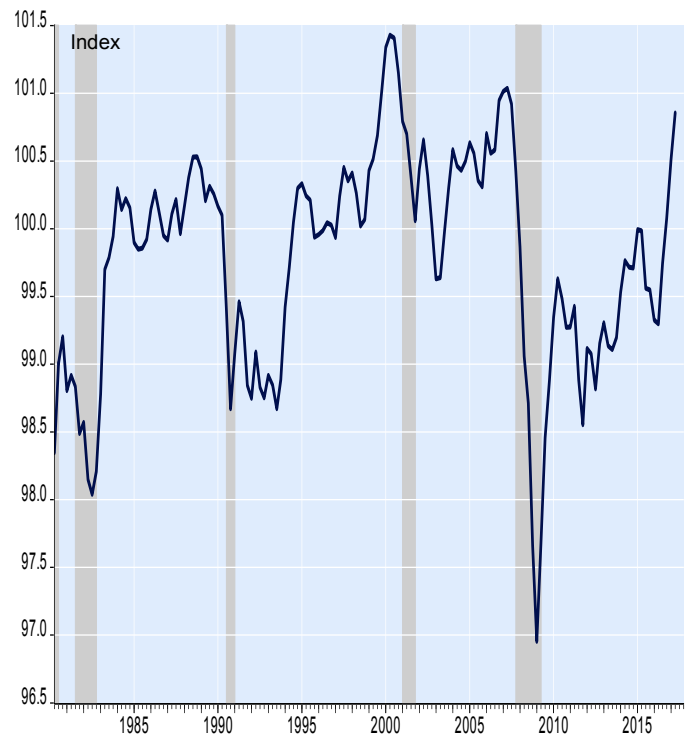
Matthieu Arseneau

World: Consumer optimism at the highest in a decade

Percentage of countries experiencing rising home prices and the median increase (43 countries)



Consumer confidence index in OECD countries and major non-member economies



NBF Economics and Strategy (data via Datastream and OECD)

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