

The 2009 « indian summer » of world economy

CyclOpe
European leading
research Institute
on commodity markets

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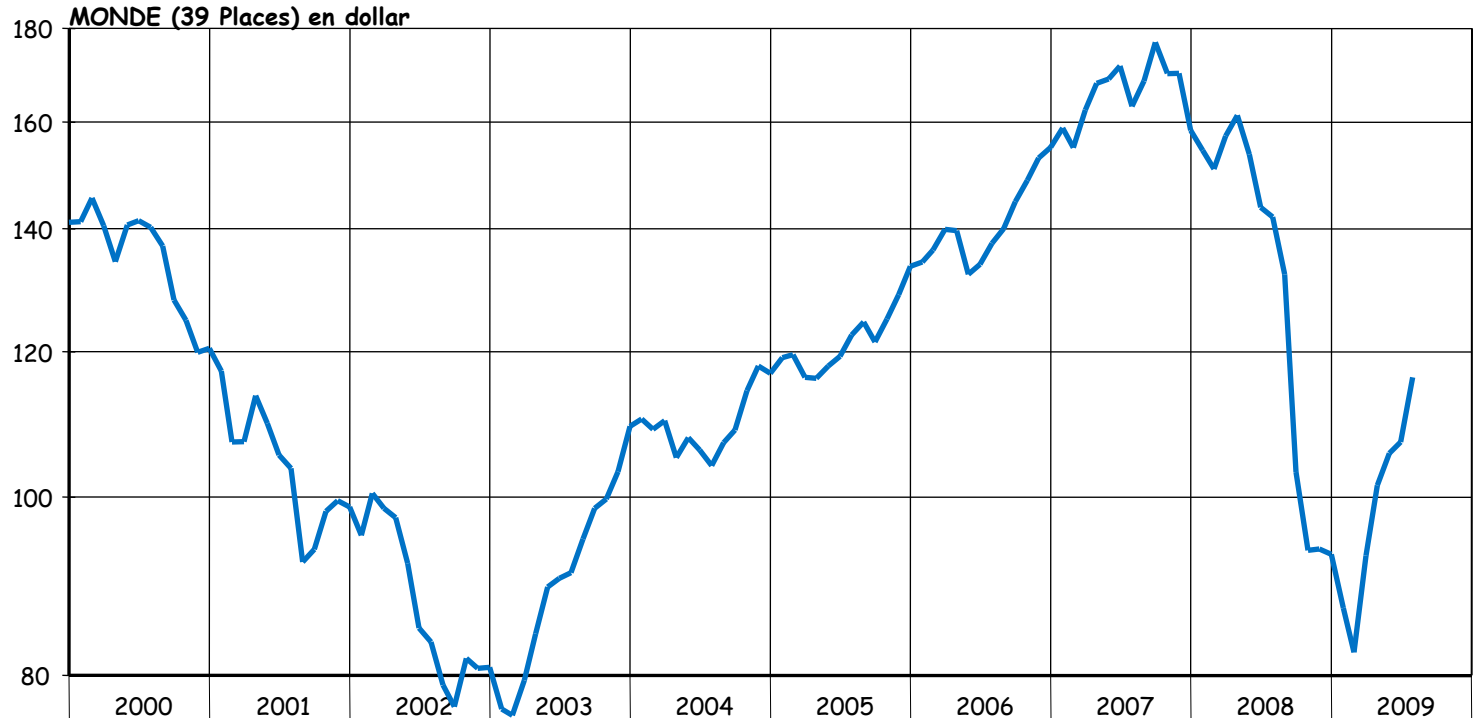
September 2009

Sun shines again

- . on equity markets**
- . on commodities**
- . for the real economy**
- . thanks to emerging countries**
- . and US out of recession**

Spring or Indian Summer ?

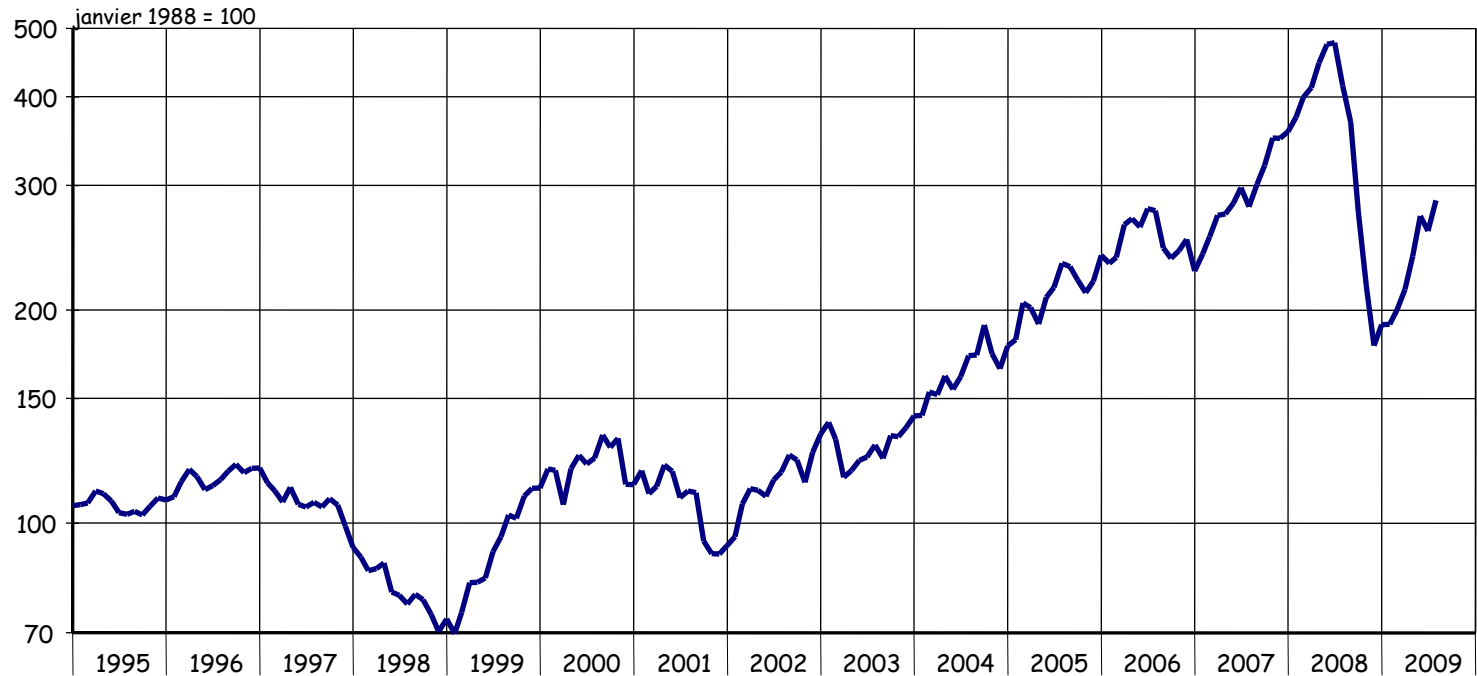
World equity markets are betting for the end of recession



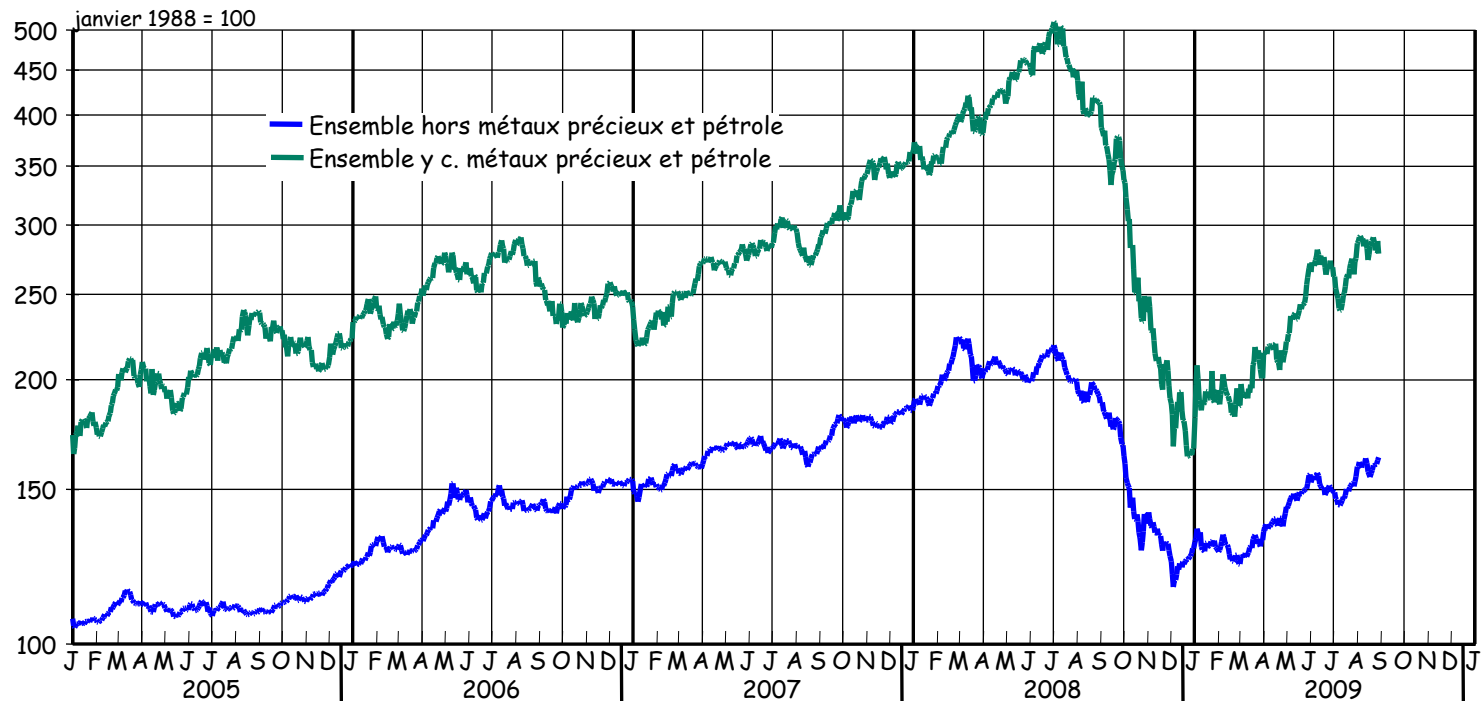
And it's especially true in Shanghai



Same story for commodities



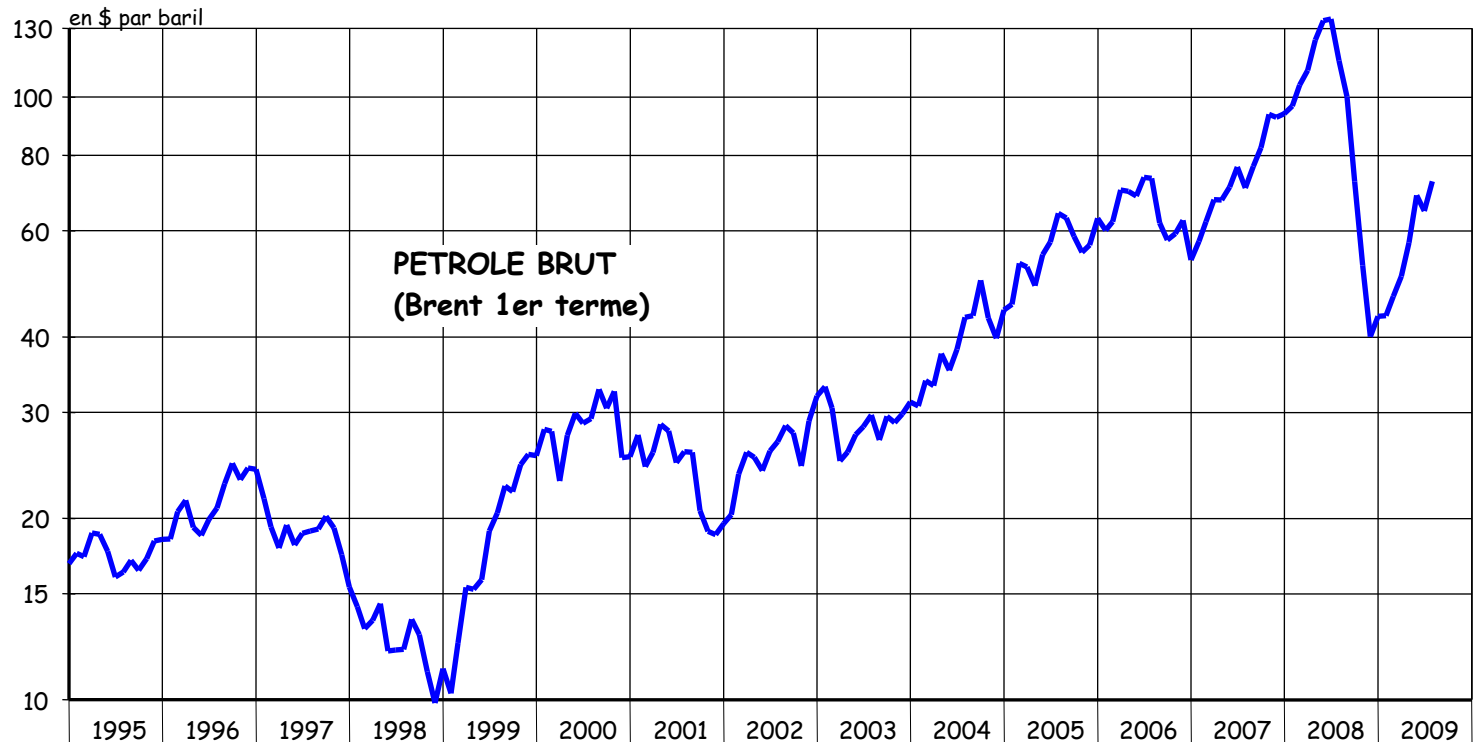
Back to their 2007 level



Thanks to a weakening US dollar



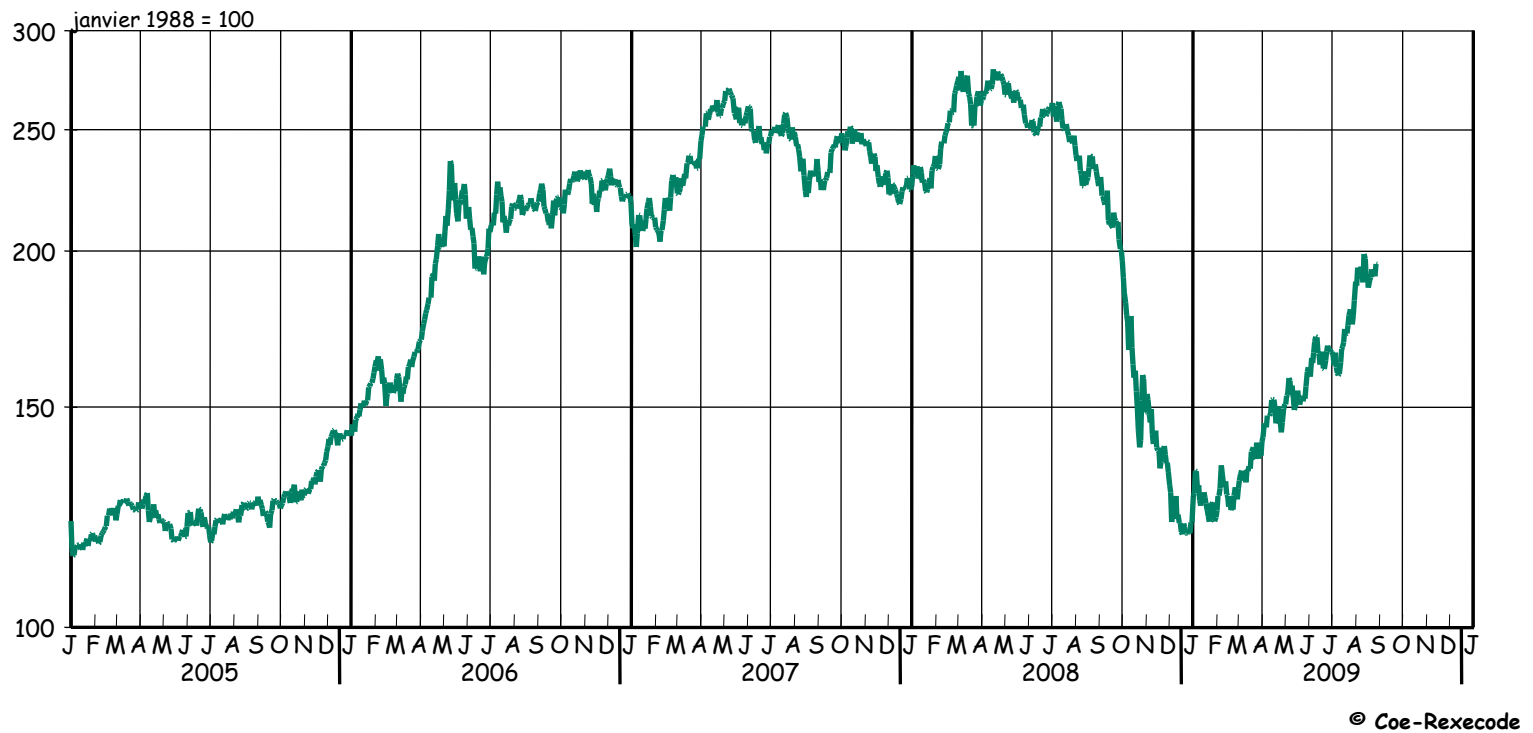
Oil back at \$ 72.5 a barrel (August average)



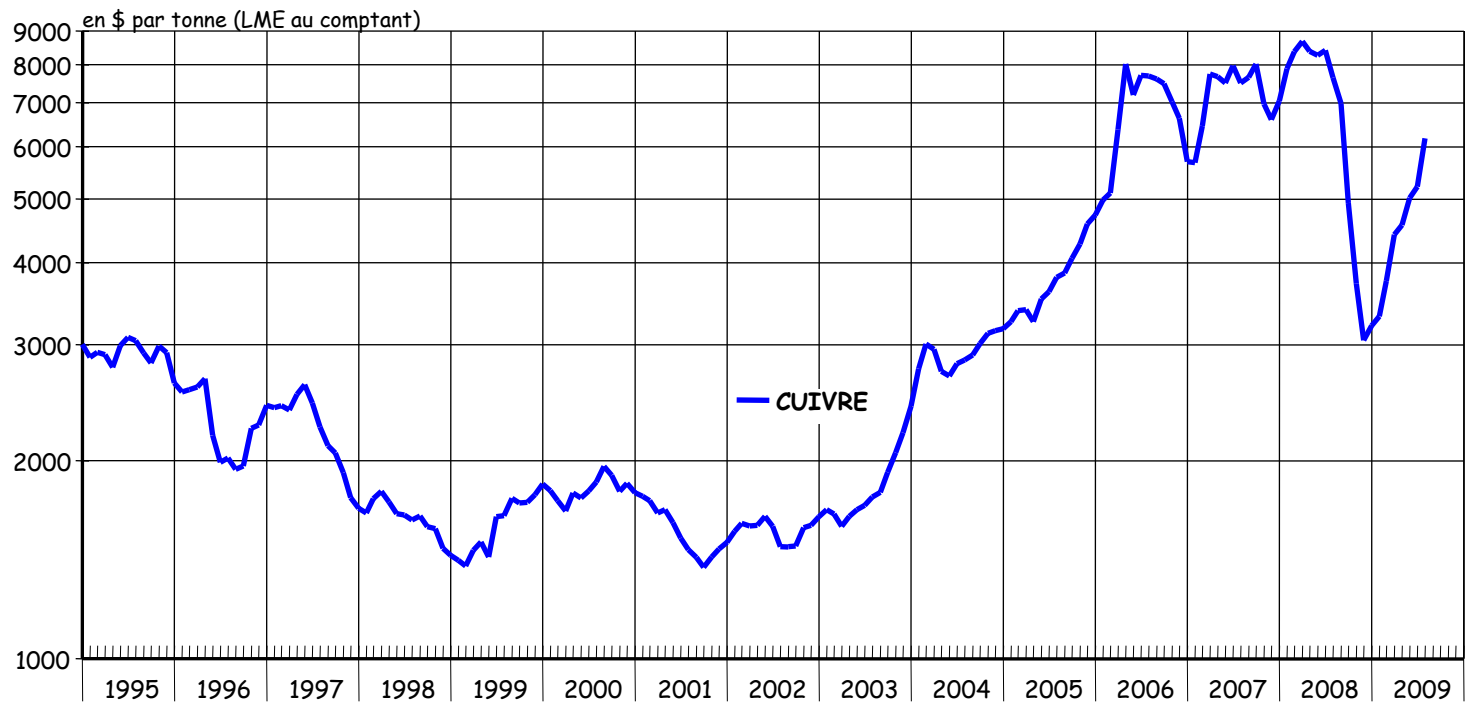
**Thanks to some discipline by OPEP, Nigerian problems
and... demand**



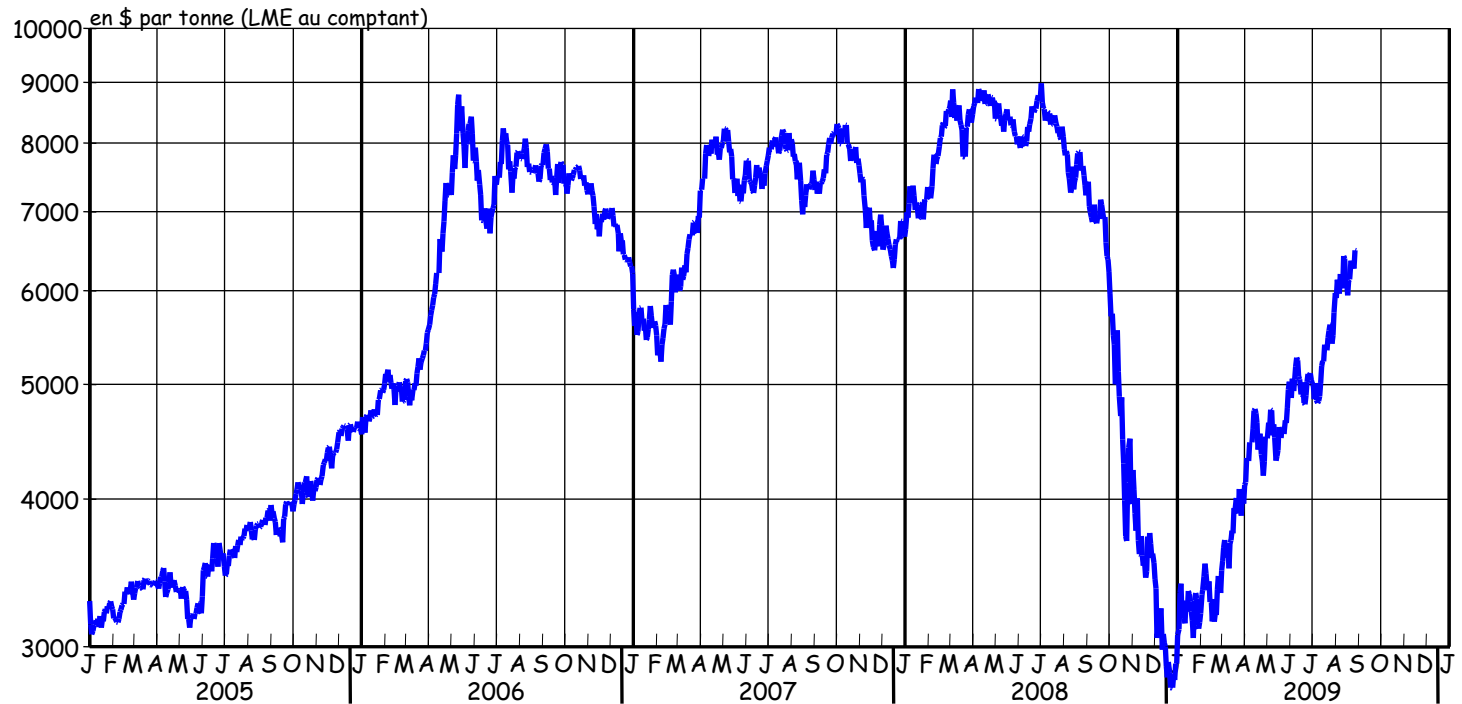
Non ferrous metals are up too



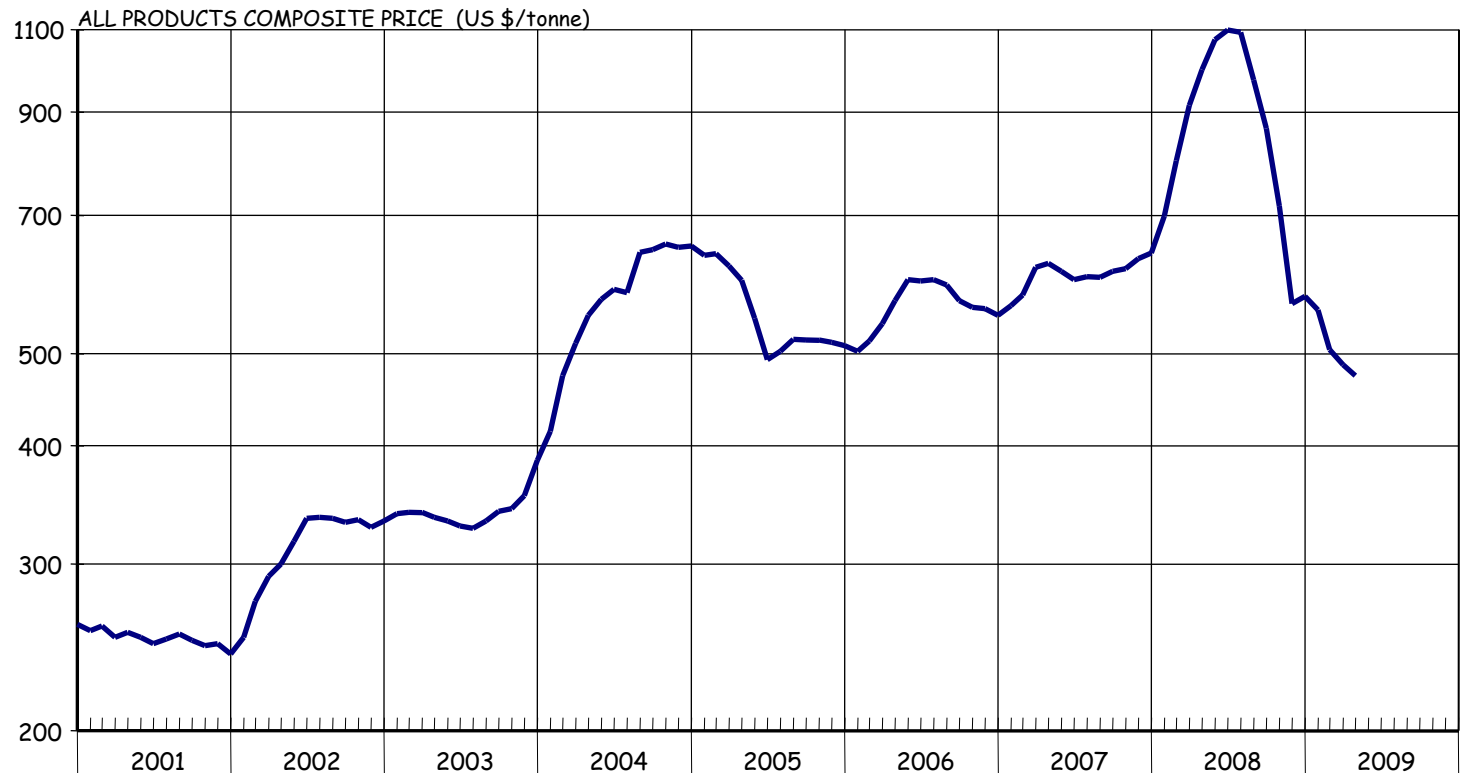
Like copper



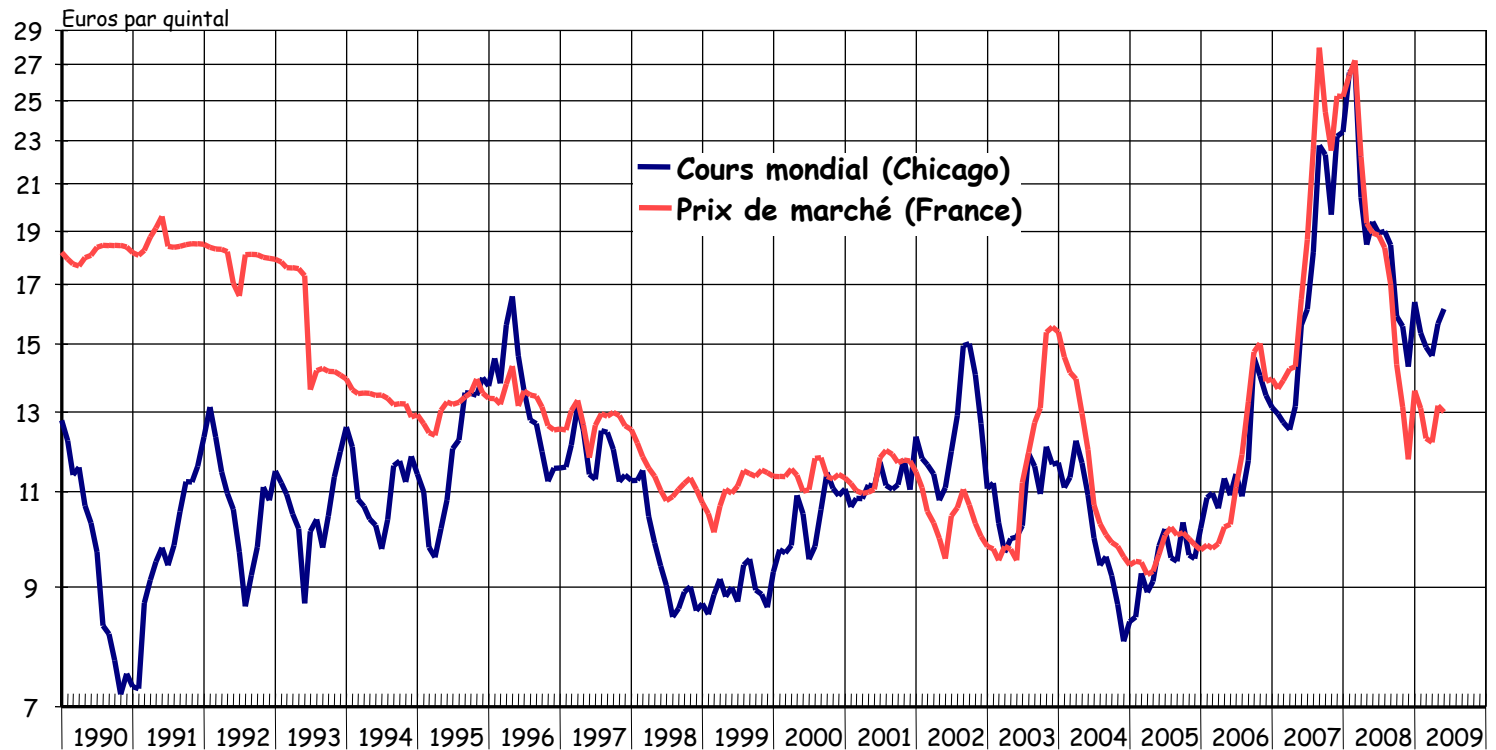
Thanks to China and some good news from USA



Steel prices are still low but with a better ratio of capacity utilisation



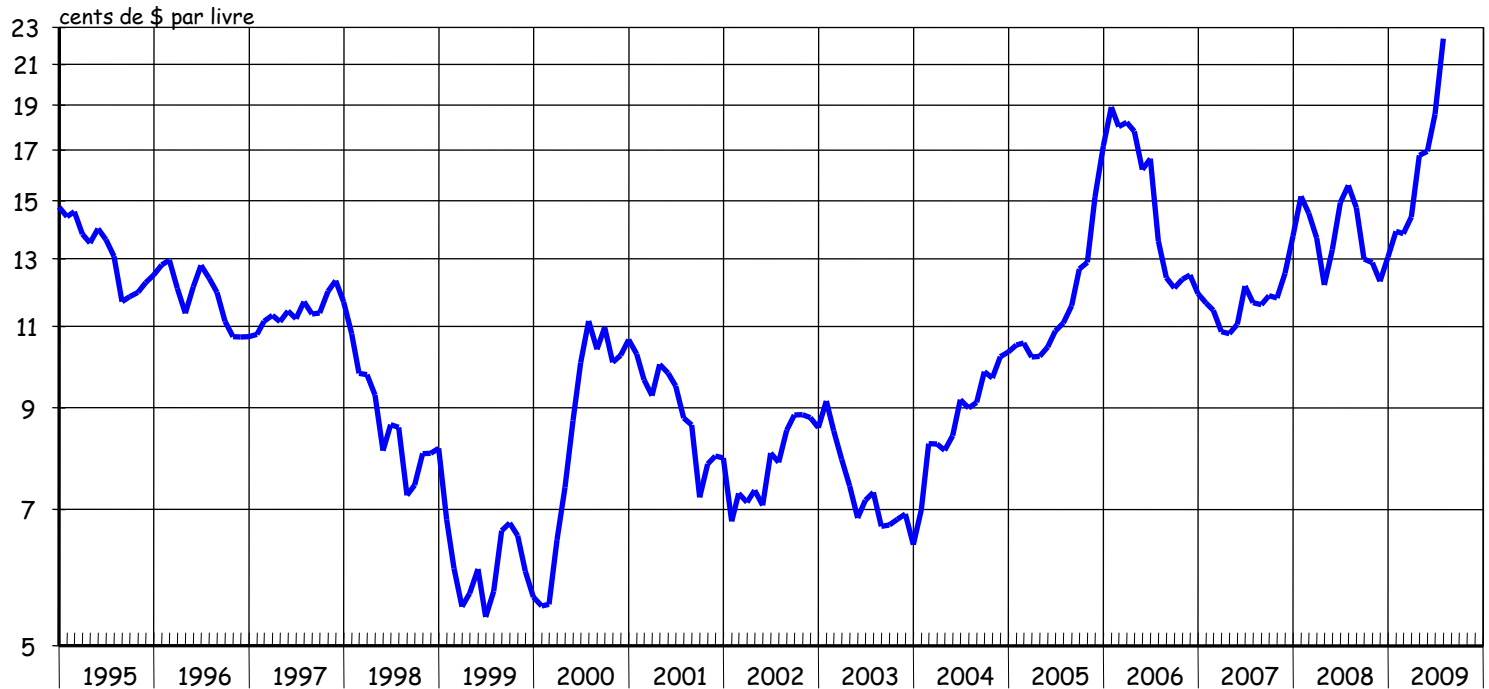
Wheat « suffers » from very good 2009 crop



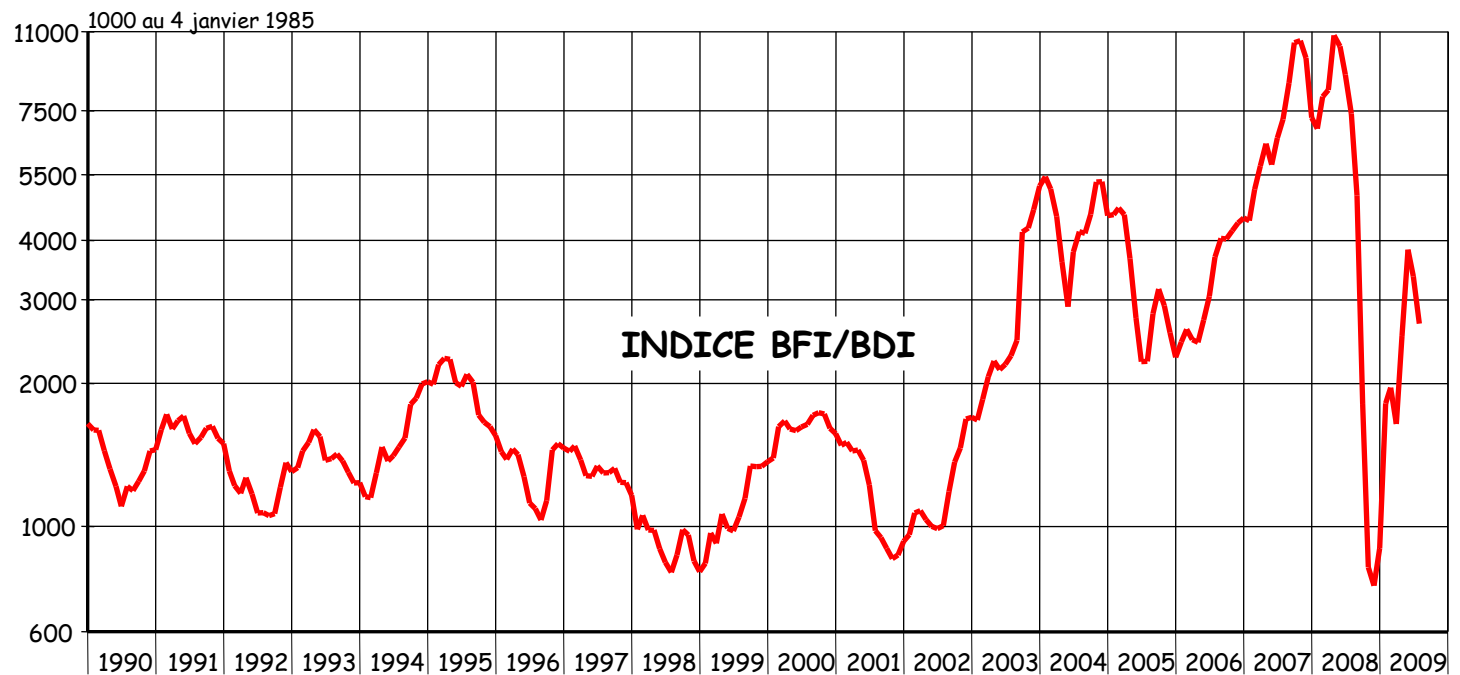
But soybeans benefit of Chinese demand



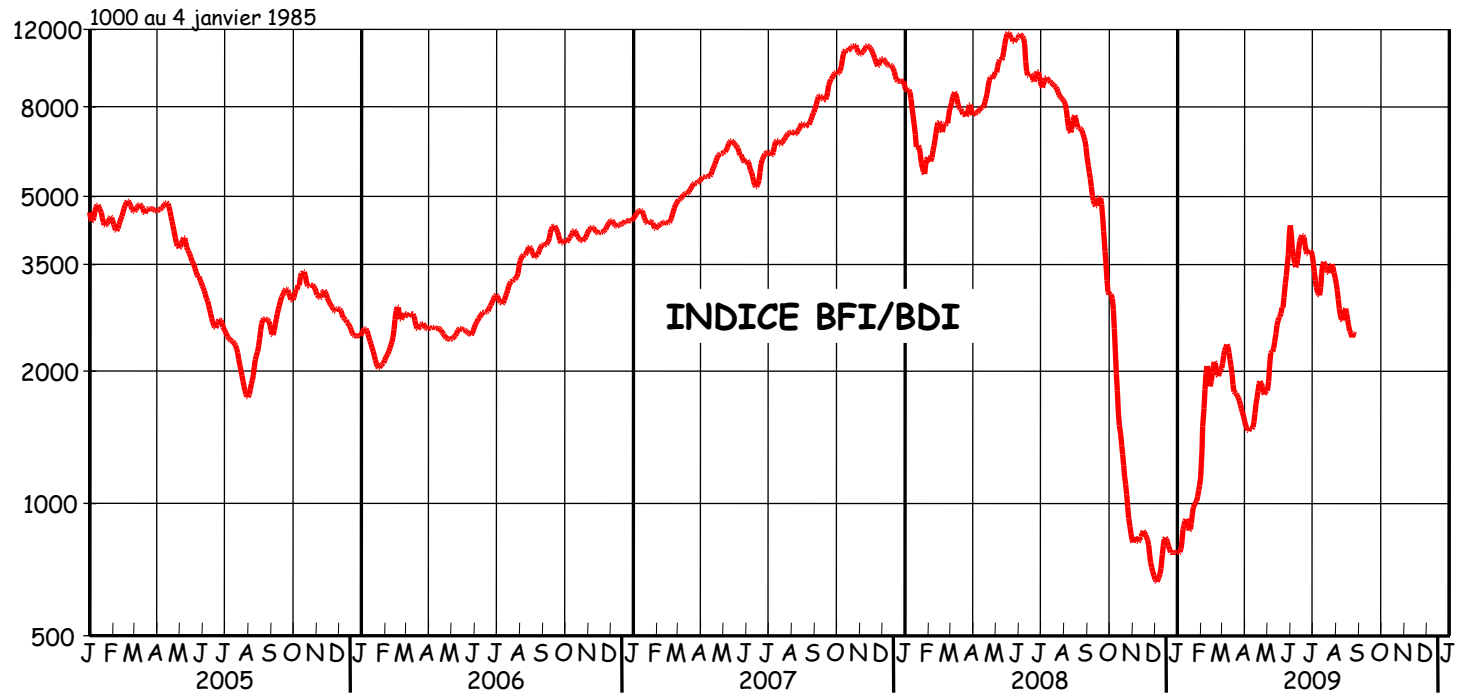
And sugar was the summer's star



Dry bulk rates have rebounded



Thanks to Chinese demand for Capesize



. World economy is right now out of recession

. thanks to some emerging countries

. China Q2 + 7.9 %

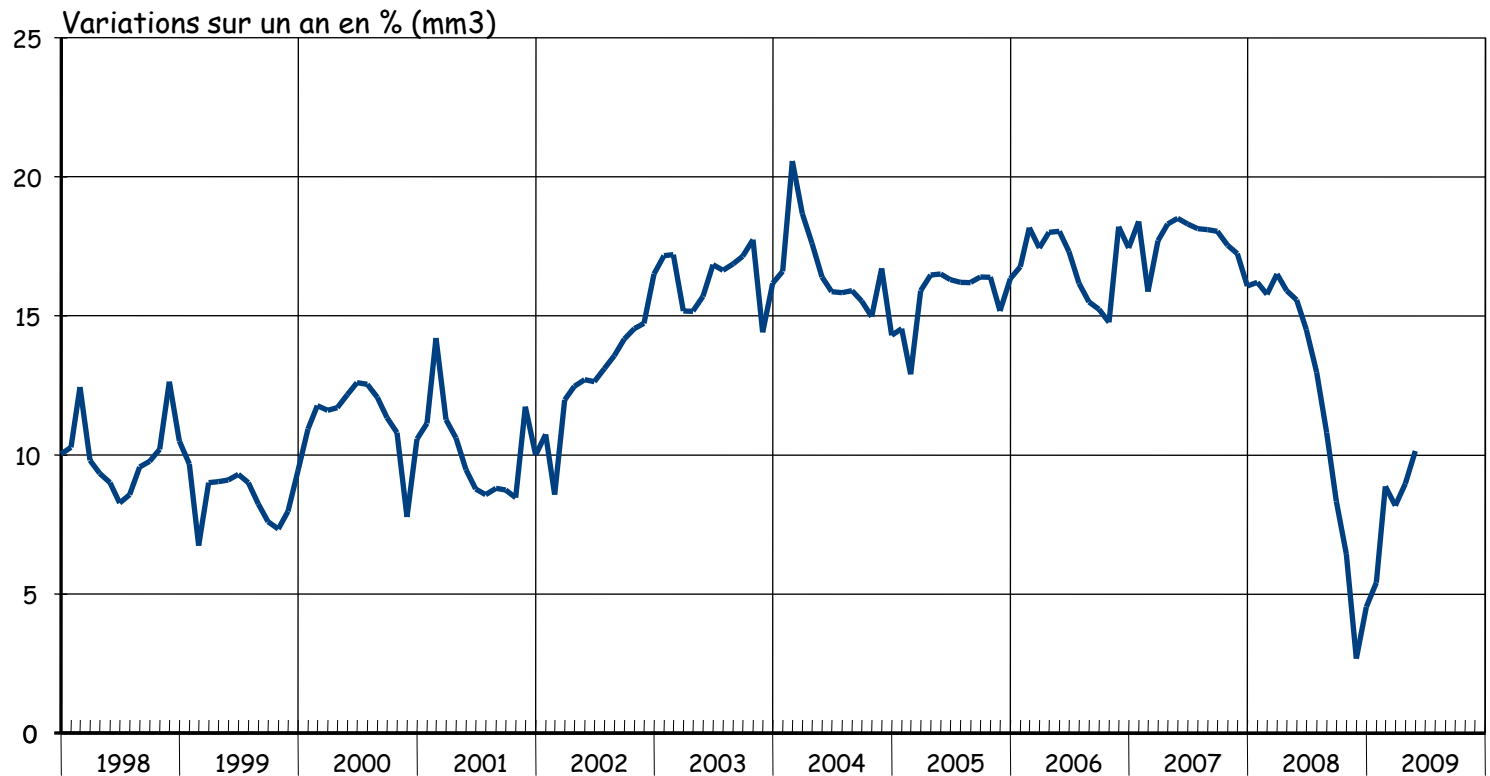
. India Q2 + 6,1 %

. but not all

. Russia Q2 -10,9 %

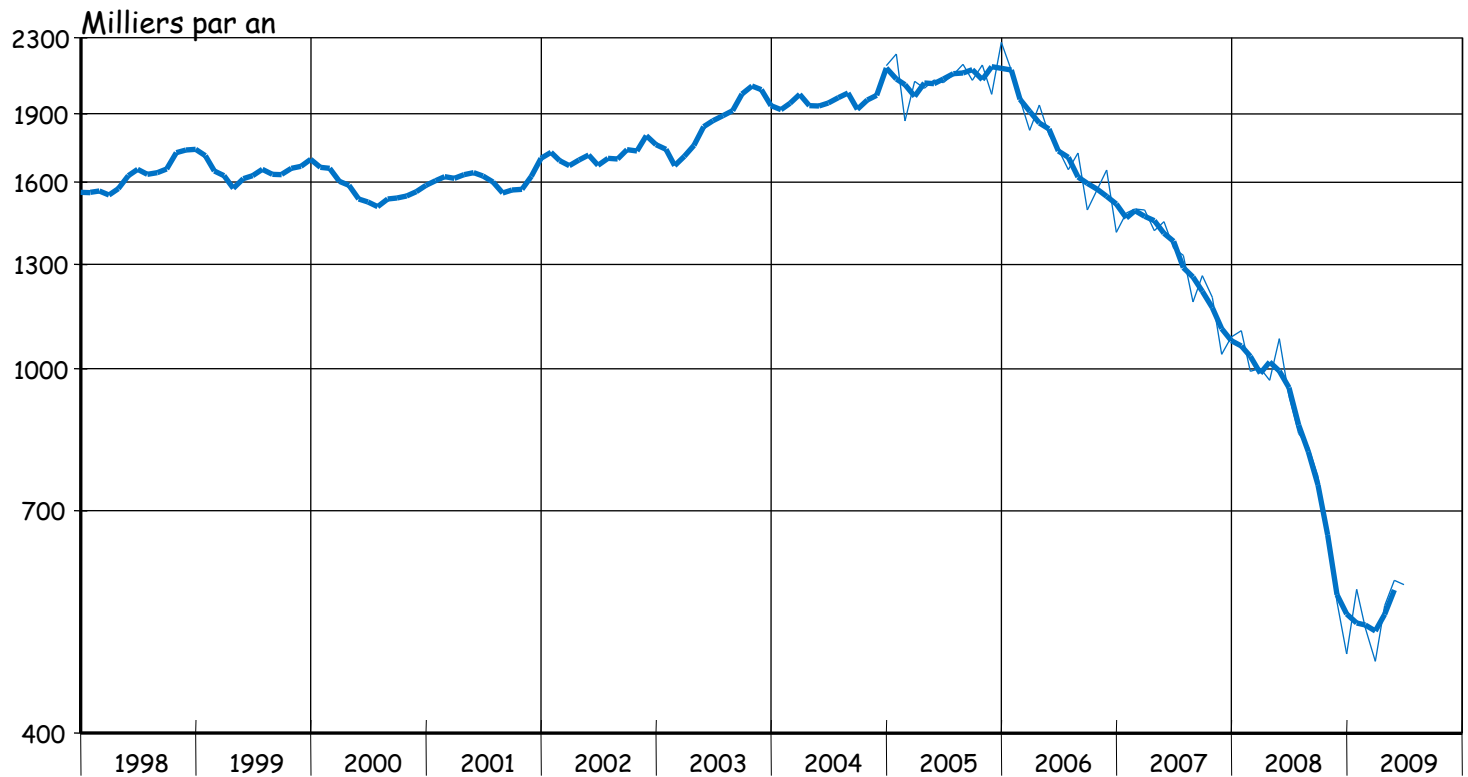
**Chinese industrial production is back on its 10 % a year path :
more than 50 millions tonnes of steel produced in July !**

China : Industrial Production



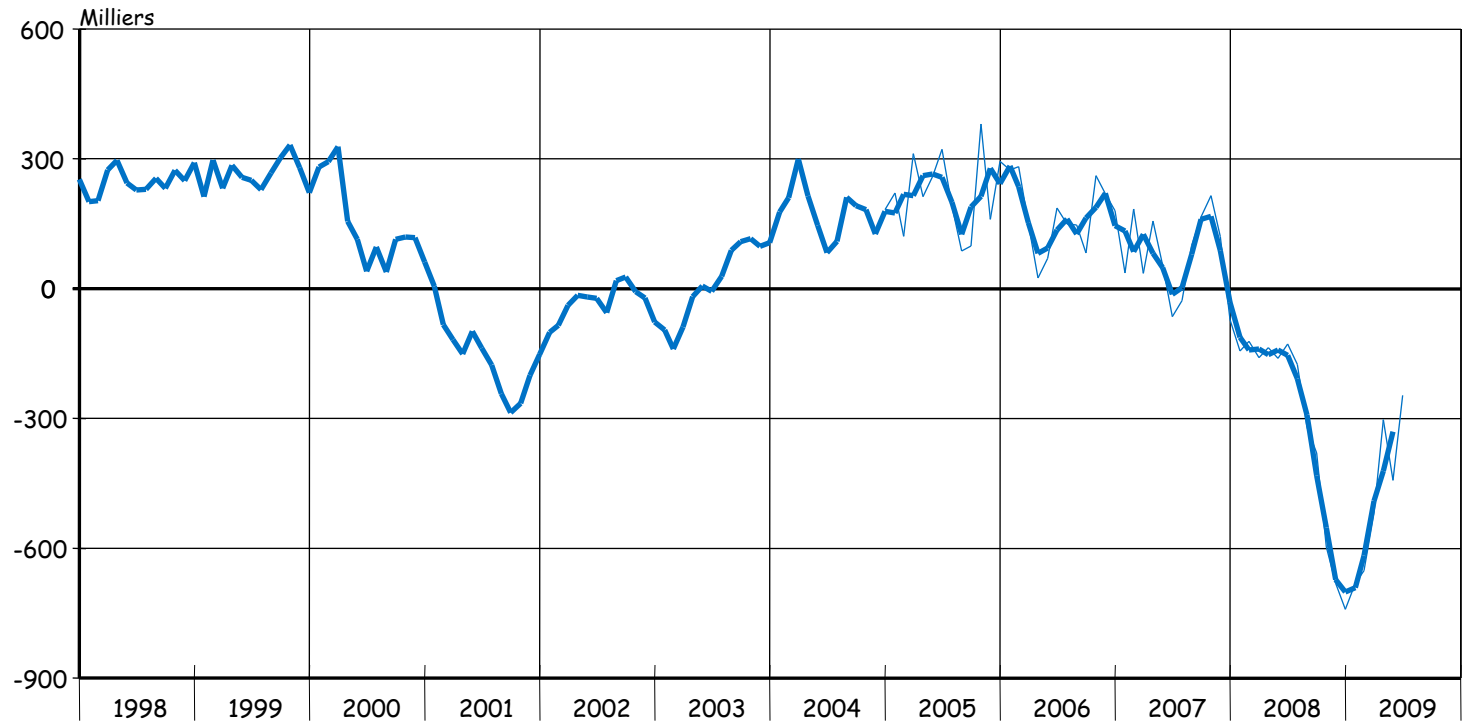
In the US, the worst of the real estate crisis seems over : prices are rising again

U.S. : Construction



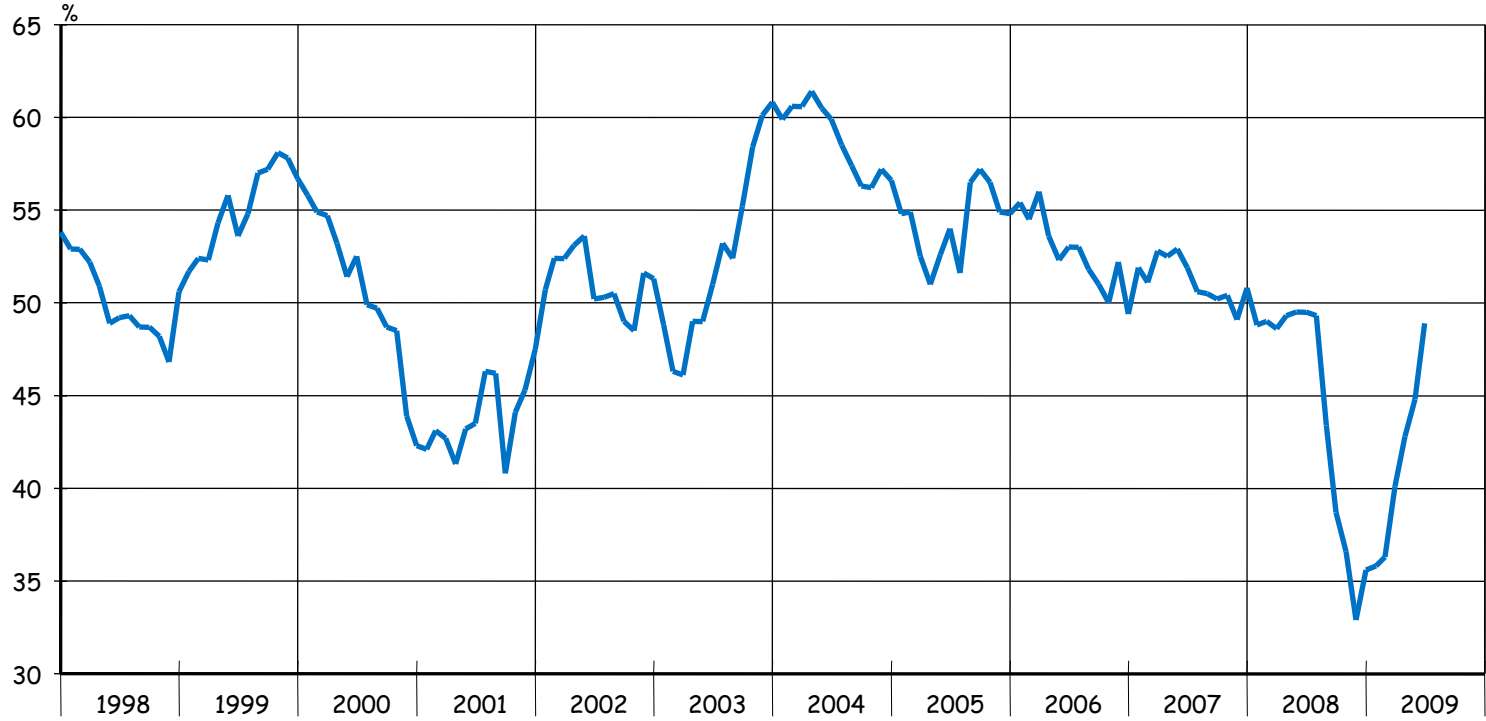
The economy loses less jobs

U.S. : Job creation Non agricultural sector



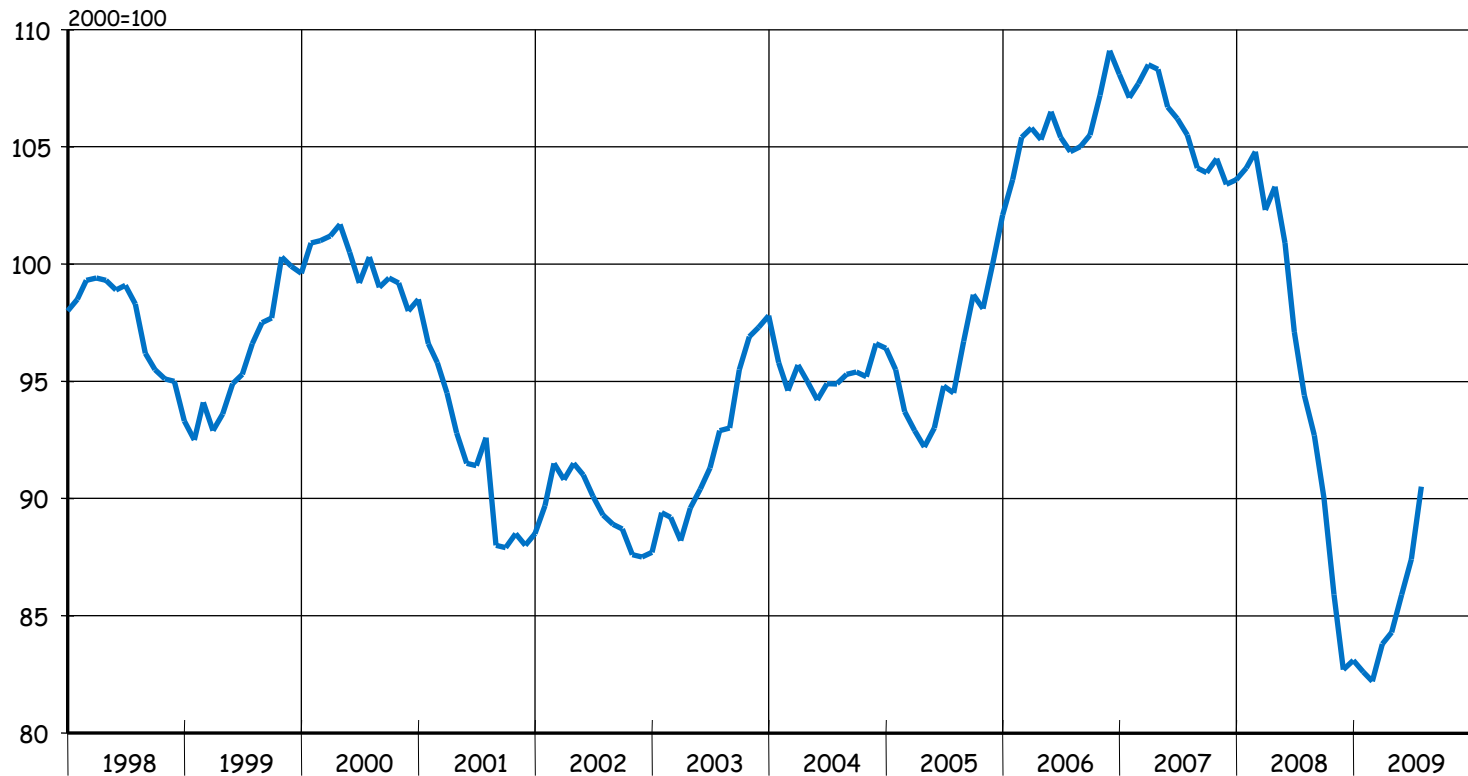
And the ISM index (52.9 on August 31) is back towards expansion

U.S. : ISM Manufacturing index



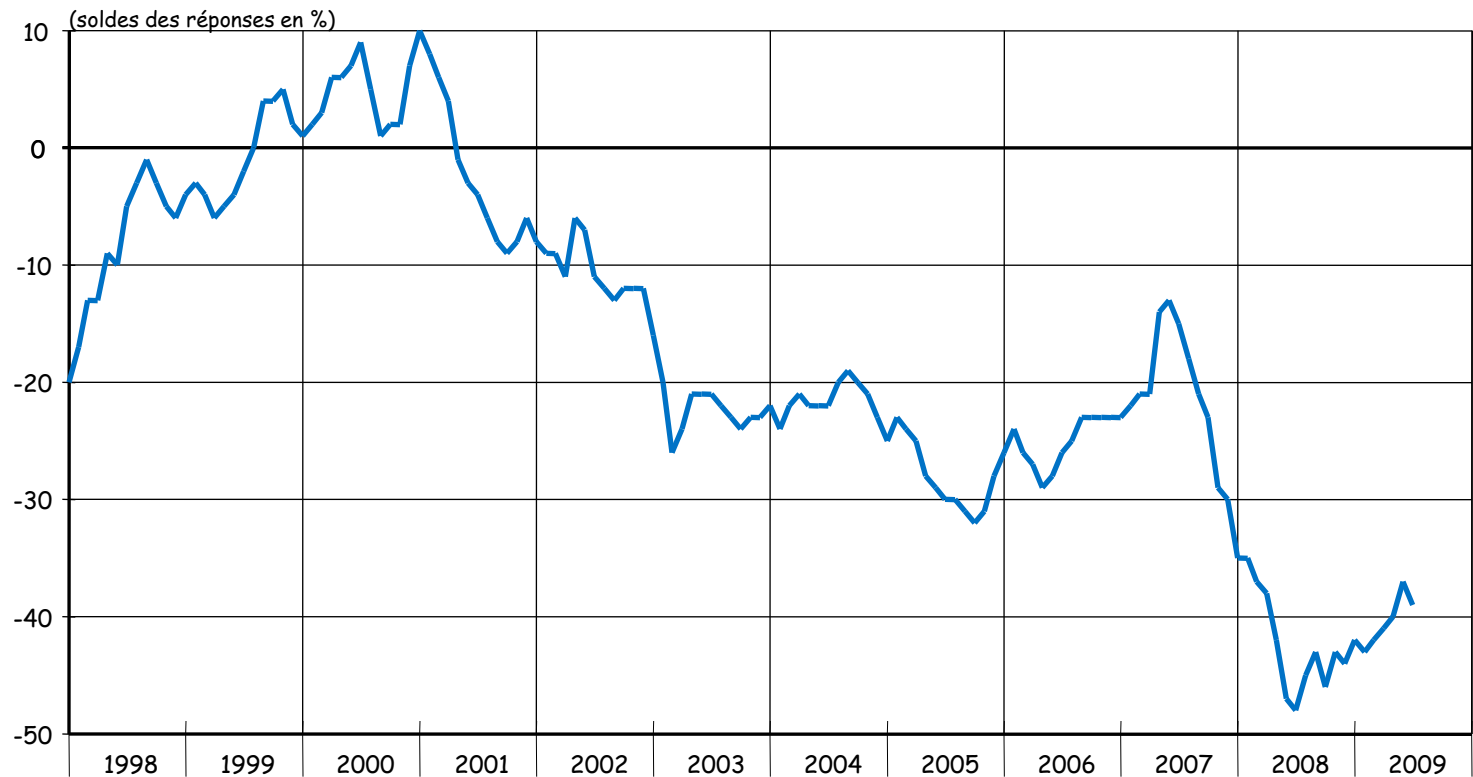
In Europe, German entrepreneurs are slightly more optimistic

Germany : IFO Survey – Business climate



And French house holds are more doubt ful

France : consumer confidence



GDP growth in the second quartet go :

| | | |
|------------------------|------------------------|---------------|
| . from the best | China | + 7.9 |
| | India | + 6.1 |
| . to average | Germany | + 1 |
| | France | + 1 |
| | Japan | + 0.9 |
| | United States | - 1 |
| . bad | United King dom | - 5.6 |
| | Italy | - 6 |
| . and the worst | Russia | - 10.9 |
| | Mexico | - 11 |
| | Estonia | - 15.1 |
| | Latvia | - 18.6 |
| | Lituania | - 22.4 |

What to expect :

. Spring

- . Growth in China and India**
- . US gets out of recession in Q3**
- . Oil at \$ 70 is a gift for producing countries**
- . The end of the financial crisis ?**

. Winter

- . Europe : so much unemployment**
- . Public deficits : who pays ?**
- . A weak dollar**
- . Transition economies in crisis**

A real Indian summer : world economy is out of recession but recovery will be a long and painful process.

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