



TOP GLOBAL MACRO TRENDS AND RISKS - 2016

1. Nine out of the world's ten largest economies are forecast to accelerate growth in 2016
2. The only exception is China. We believe that China will maintain a decent growth rate of 6.5% over the next several years
3. The world as a whole is forecast to grow unspectacularly at a rate of below 4%
4. US and UK are expected to be the growth leaders among the largest developed countries in 2015, with the US taking over the leadership in 2016 and 2017
5. We disagree with the IMF assumption that Brent crude oil price will reach \$60 per barrel only in 2019
6. We think that OPEC under the leadership of Saudi Arabia will cut oil production in 2016 and oil prices will jump
7. As a result, commodity exporters are likely to grow faster than forecasted, while commodity importers might grow slower
8. Risk: China's growth falls below 6% and the country "hard" lands impacting the world's economy
9. Risk: UK leaves the European Union opening a large deficit in the EU's budget
10. Risk: Something goes very wrong in Syria, where US, Russia, Iran, and Syrian faction troops are fighting in close proximity

AUTHOR: VITALY VEKSLER, CFA PHONE: 617-817-2163 EMAIL: VVEKSLER@BBISTRATEGIES.COM