



# Quarterly Economic Outlook

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April 2024



- 1. The resilient US trajectory poised for a managed deceleration, while the EUZ may witness a slight resurgence,** linked to positive real income effects. Persistent uncertainties, in the context of elections, and potential downside risks could dampen spendings, necessitating a cautious approach. EM are poised for a moderate rebound, driven primarily by domestic demand.
- 2. Headline inflation will trend closer to target levels by mid-2024,** supported by ongoing labor market adjustments. Nevertheless, inflationary pressures persist notably within the services sector with risks tilted to the upside in 2025.
- 3. ECB/Fed/BoE will engineer gradual monetary policy easing starting June 2024.** Majority of major EM are poised to initiate a prudent easing cycle. The main question remains the level and pace of tightening. Uncertainty and inflationary bias validate a slow easing pace in 2024 and 2025. A faster acceleration assumes a quicker disinflation trend.

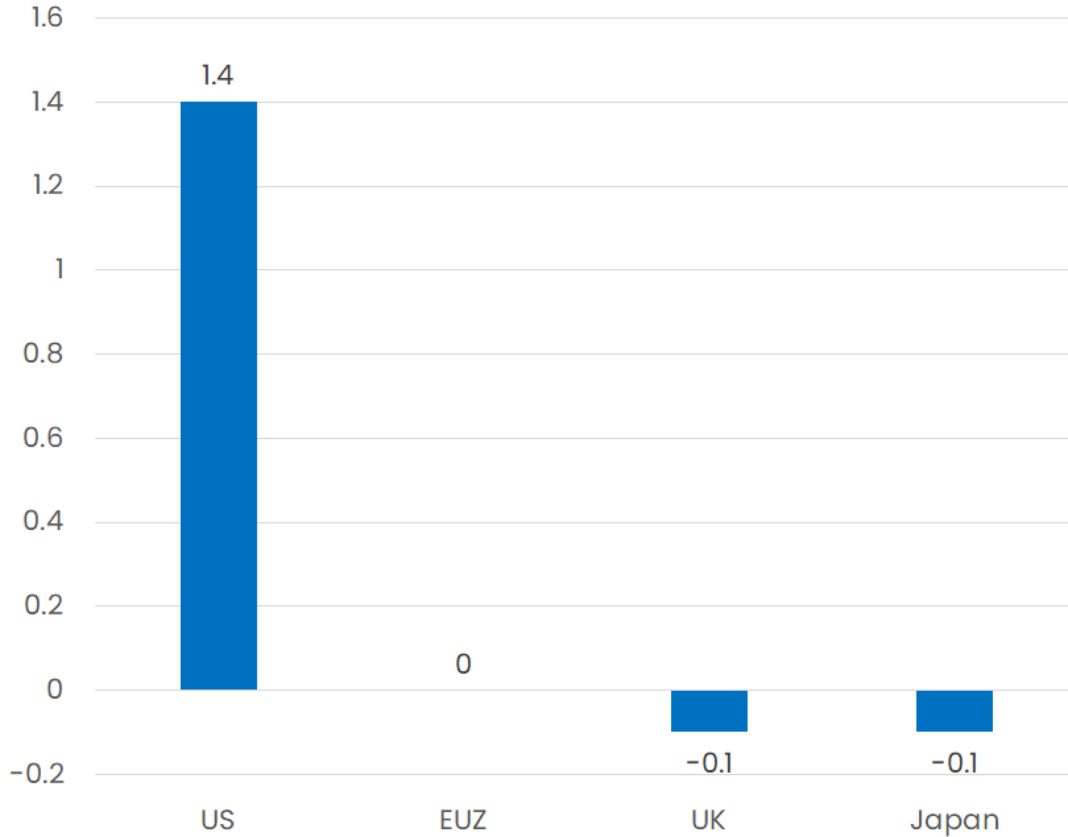


## 2024/2025 Scenario key messages

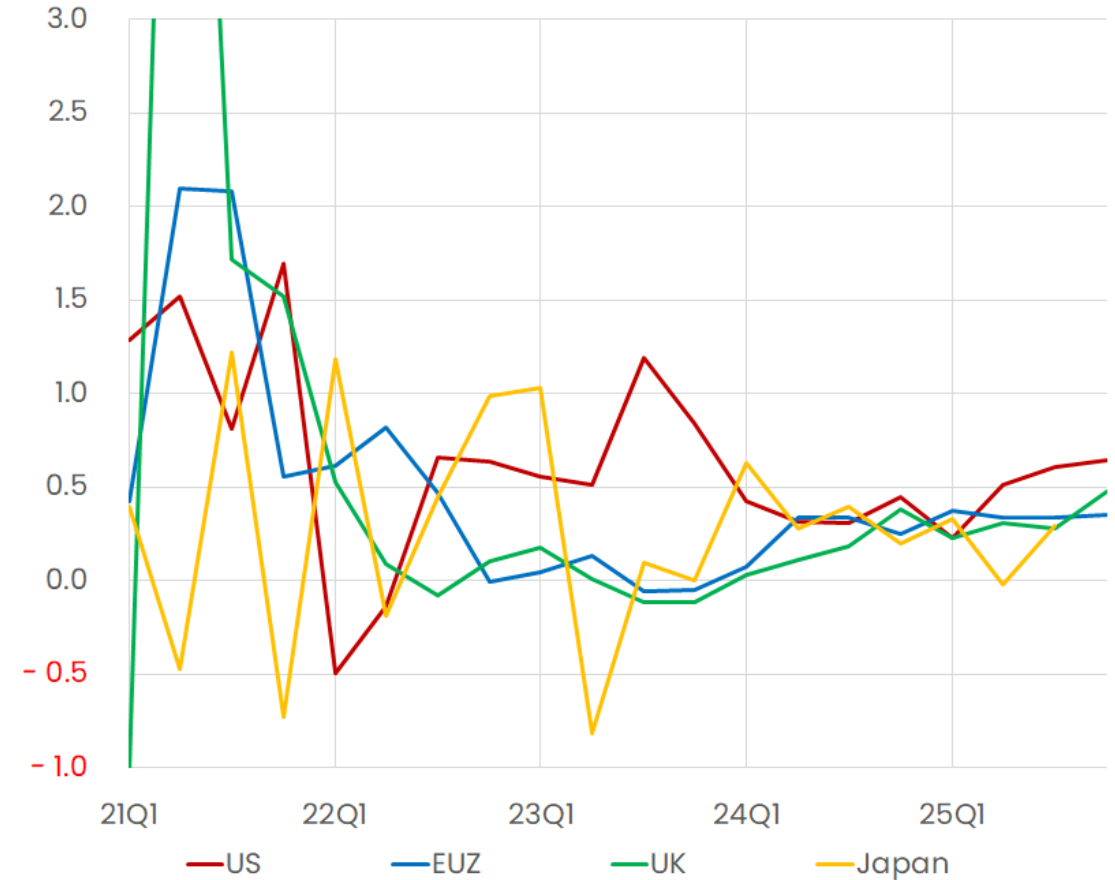
4. **Projections suggest a potential slight decline in long-term interest rates for the years 2024/2025**, with the possibility of stock markets maintaining their upward trajectory.
5. While the “back to pre-covid normal 2025 scenario” remains central, **attention is drawn to the substantial risks either from financial risks or geopolitical issues**. The concentration of particular sectors, regions, and companies is recognized as amplifying the susceptibility of market trends.

# 2024 as a transition year with US overperformance and mature economies' cycle resynchronisation

**Acquis de croissance 2024**  
In %



**GDP Growth Evolution**  
Q/Q, in %



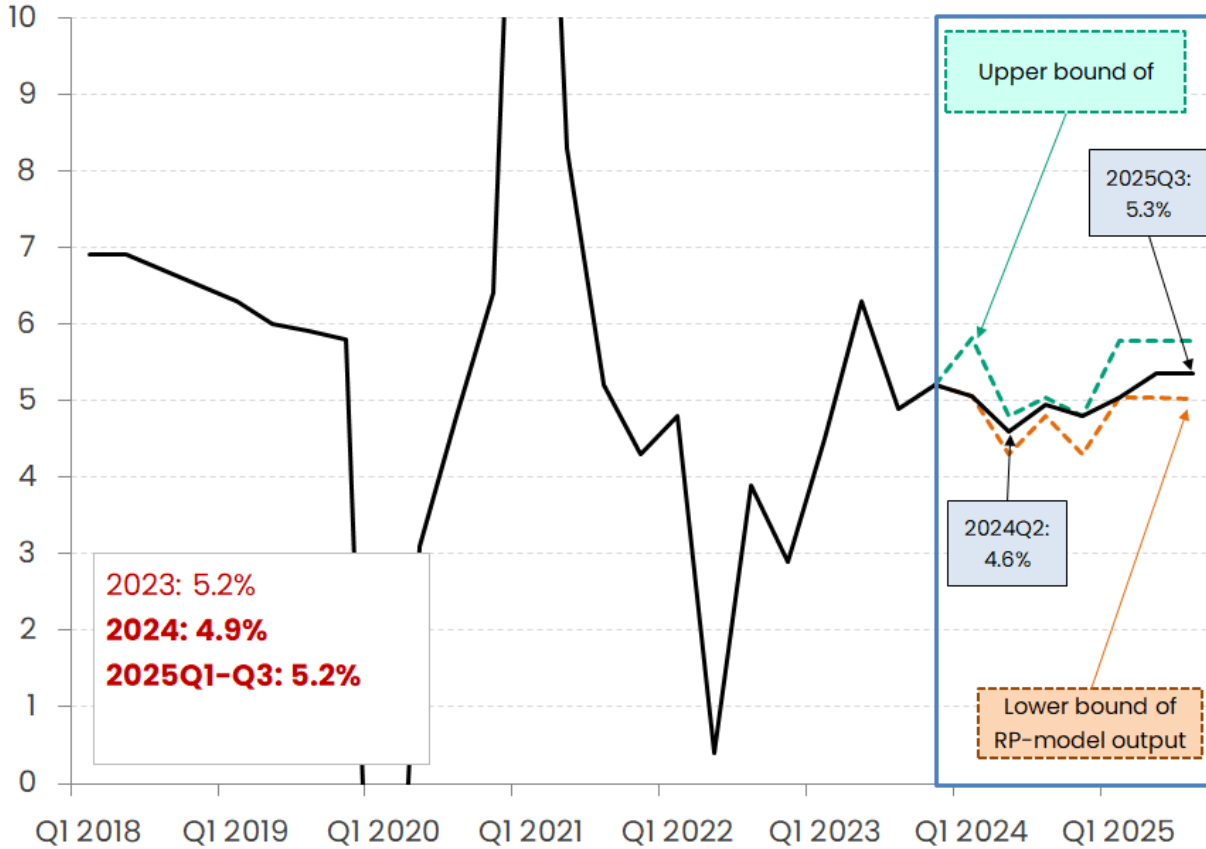
Sources: TAC ECONOMICS Datalab



# China Outlook: Steady economic growth ahead with visible improvement for shorter-term horizons

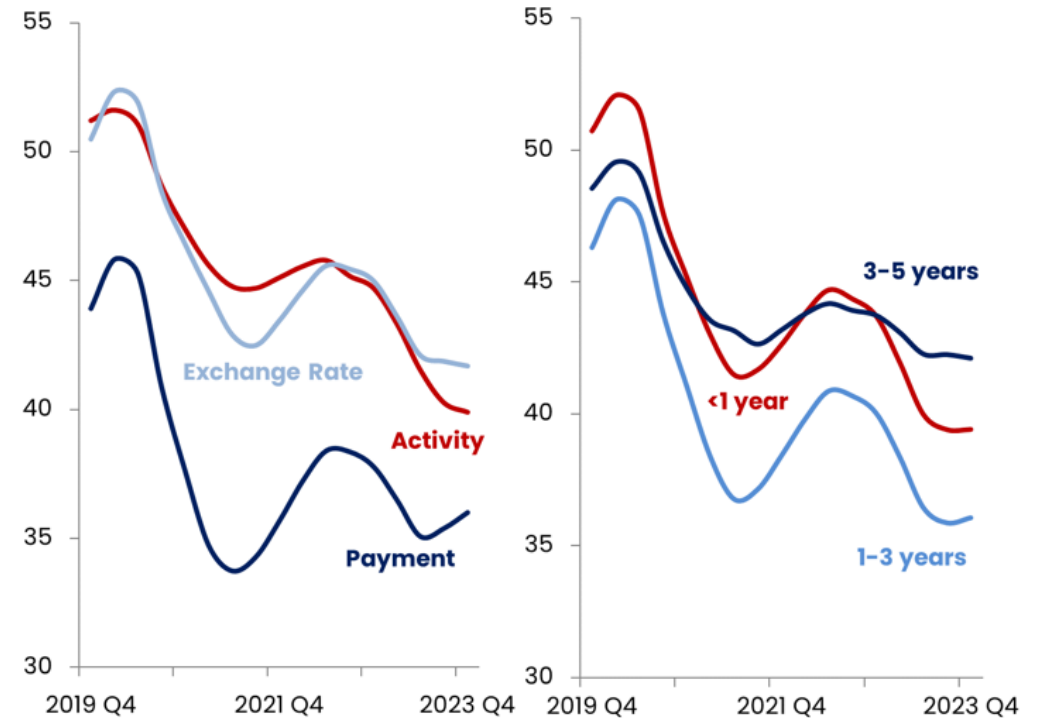
### China GDP Growth TAC ECONOMICS Projections

Y/Y, in %



### Economic & Financial Risk Rating by type and horizon

From 0 (lowest risk) to 100 (highest risk)



Sources: TAC ECONOMICS Datalab

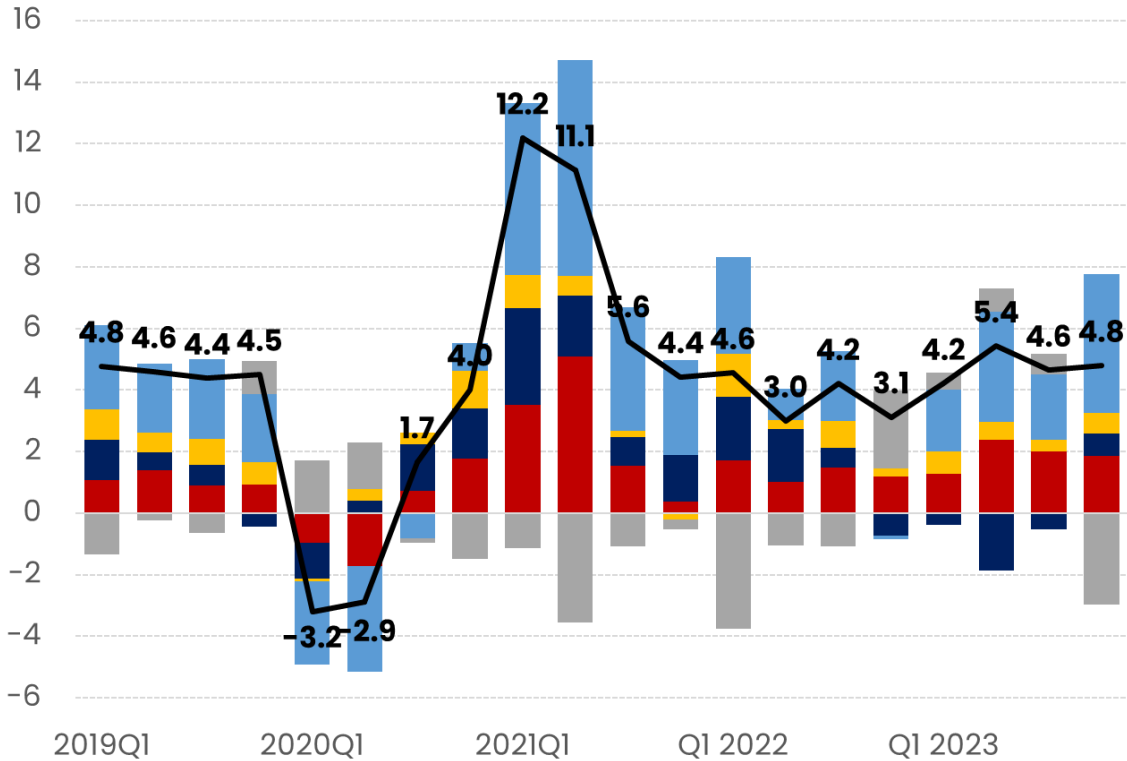


# Global EM Outlook: Continuous strength, though stabilizing at current speed rather than accelerating.

## EM GDP Growth by component

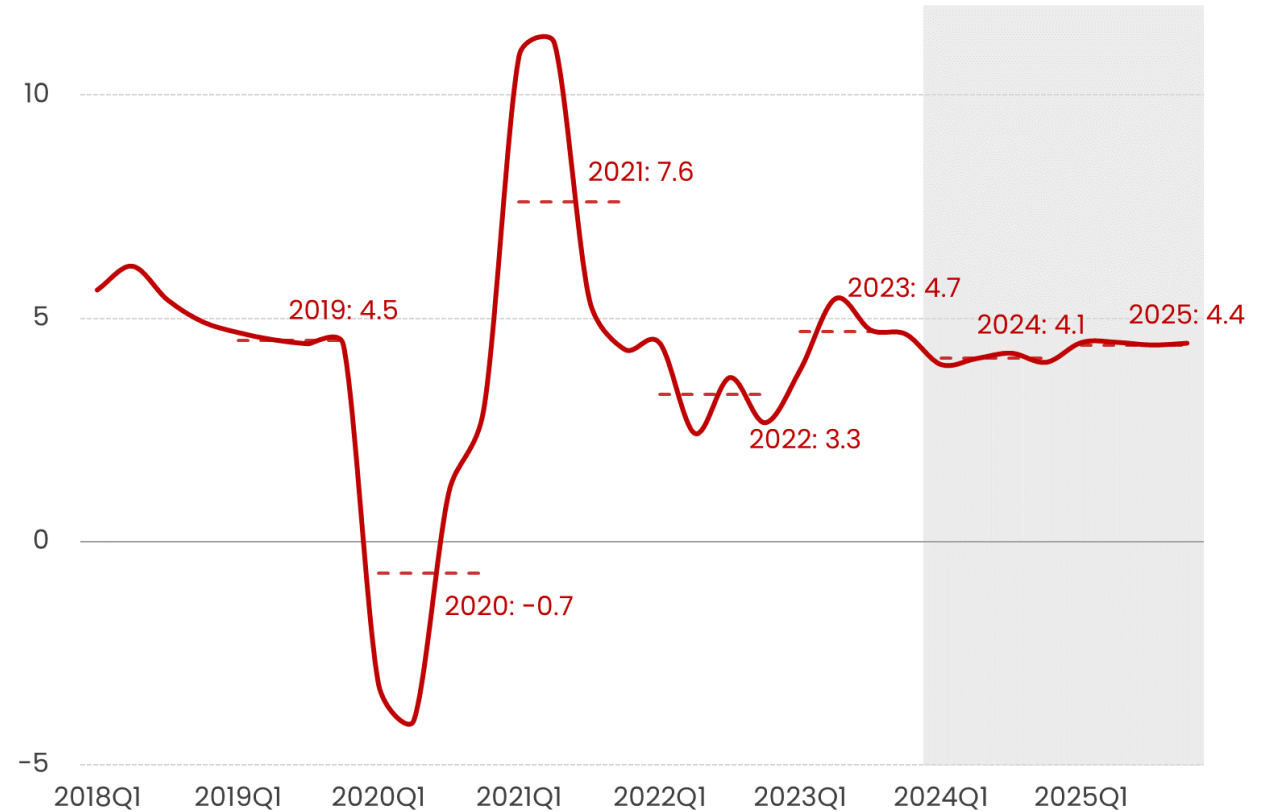
% y/y for 9 Key EM weighted by GDP (Russia excluded)

- Investment
- Government Consumption
- Inventories
- Net Exports
- Private Consumption
- GDP



## EM GDP Growth projections

% y/y, average for 10 Key EM weighted by GDP



Sources: TAC ECONOMICS Datalab



# TAC ECONOMICS GDP Growth Outlook

## TAC ECONOMICS Real GDP Growth Projections

In %, Consensus in grey

	2023	2024	2025
<b>US</b>	2.5	2.6 2.2	1.8 1.6
<b>EUZ</b>	0.5	0.6 0.5	1.5 1.3
<b>UK</b>	0.2	0.4 0.2	1.2 1.1
<b>Japan</b>	1.9	0.7 0.6	1.3 1.1
<b>China</b>	5.2	4.9 4.7	5.2 4.4
<b>10 key EM</b>	4.7	4.1	4.4

Sources: TAC ECONOMICS Datalab, Consensus

# Any question?

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