

Monitor

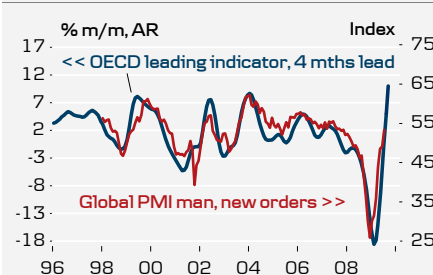
Global: Business Cycle Monitor

- After a small break in June, **Global PMI** had another strong increase in July. The global new orders index rose from 49.1 to 53.3, which is above the long-term average of 52.6. **OECD's leading indicators** also rose strongly to even higher levels, pointing to very strong growth and a further rise in PMI during Q3 and Q4.
- The **order-inventory balance** from PMI data also rose a bit further, painting a similar picture of very strong global growth in H2 09.
- In the **US** most leading indicators continued higher. The ISM new orders index made another move higher from 49.2 to 55.3 and the order-inventory balance rose further. The ISM model points to a further rise above 55 by year-end.
- In **Euroland** OECD's leading indicator, the PMI order-inventory balance, and ZEW all point to a significant rebound in H2 growth. In **Scandi** a sharp further rise in Swedish PMI stands out. Other countries and surveys also point to improvement, albeit at a slower pace.
- **Asia** continues to look strong. In particular, the sharp rebound in industrial production in Japan, Taiwan and South Korea is striking. **CEE** shows further a rise in PMI. **Russian** PMI increased strongly again in July.
- **Outlook:** We look for further improvement in PMI data in the coming months whereas some of the leading indicators that have risen the most are likely to level off soon from the very high levels. Global GDP growth looks set for a strong H2 recovery.

Key leading indicators to watch
• German factory orders: 6 Aug
• OECD leading indicators: 7 Aug
• German ZEW: 18 Aug
• German Ifo: 26 Aug
• Euro flash PMI: 21-24 Aug
• US ISM/Global PMI: 1 Sep

Other publications from Danske Markets on the global outlook:
<i>Research - US: auto sector to boost H2 growth, August 2009</i>
<i>Research - Global: historic inventory cycle to boost growth, July 2009</i>
<i>Global Scenarios, June 2009</i>
<i>Research - US: manufacturing recovery ahead, January 2009</i>

OECD leading indicator and global PMI



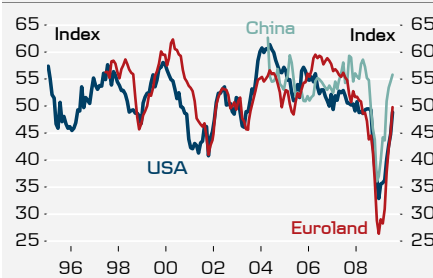
Source: Markit and Reuters Ecowin

G3 PMI vs G3 GDP growth



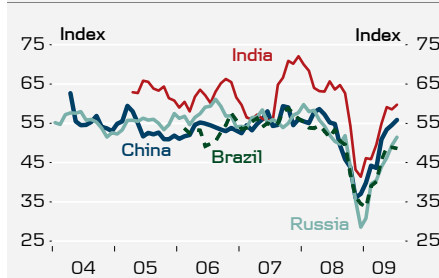
Source: Markit, Reuters Ecowin and DB calc.

PMI new orders - majors



Source: Markit and Reuters Ecowin

PMI new orders - BRIC



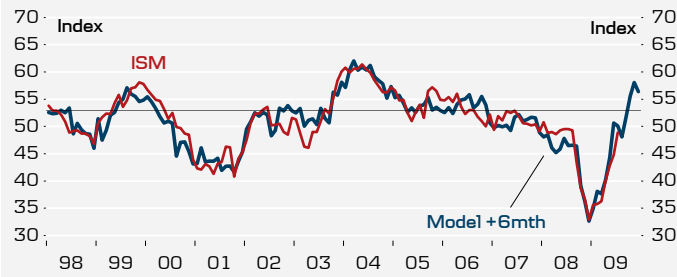
Source: Markit and Reuters Ecowin

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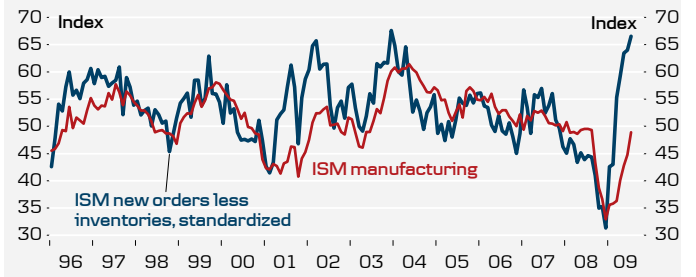
US

Danske Markets' ISM model



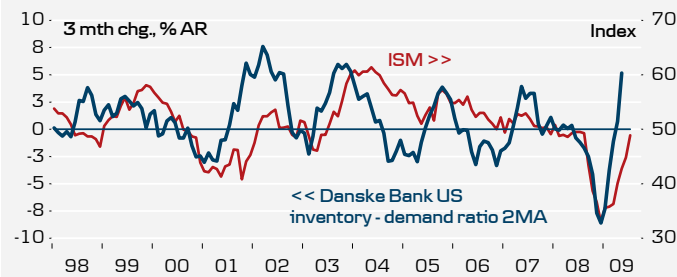
Source: Reuters Ecowin

Order-inventory balance vs. ISM



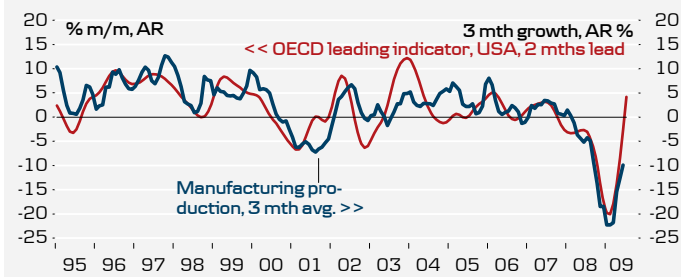
Source: Reuters Ecowin

Inventory demand ratio vs. ISM



Source: Reuters Ecowin

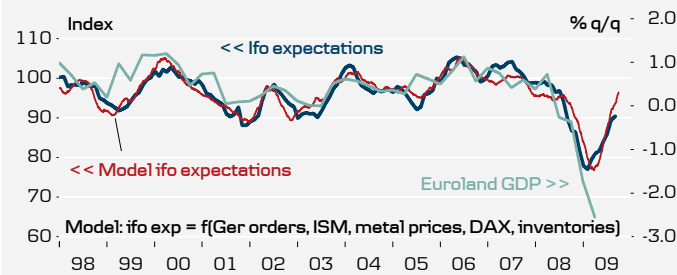
Leading indicator vs. manufacturing production



Source: Reuters Ecowin

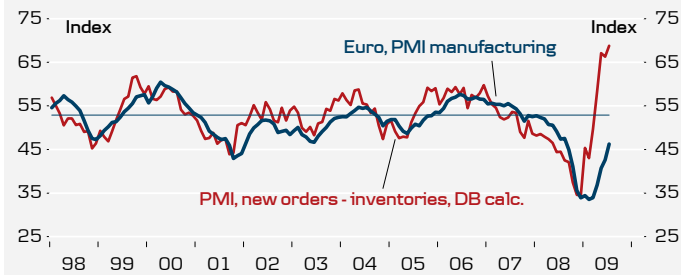
Eurozone

Eurozone: Ifo expectations vs. GDP



Source: Reuters Ecowin

PMI New orders vs. inventories balance



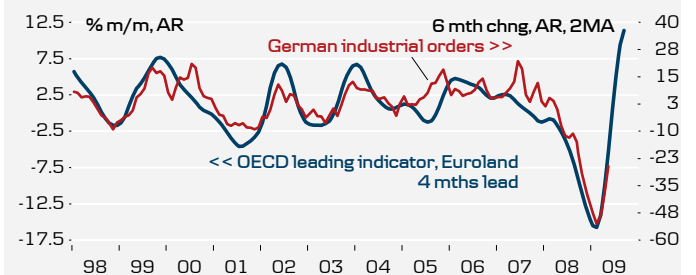
Source: Markit and Reuters Ecowin

Germany: ZEW vs. Ifo expectations



Source: Reuters Ecowin

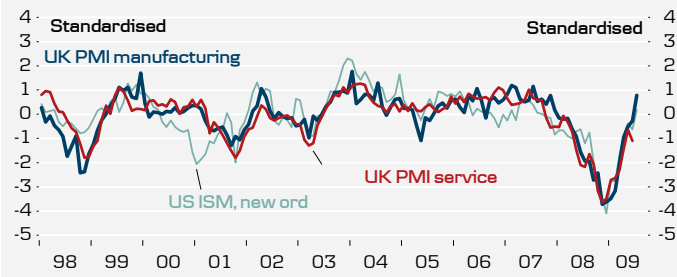
Germany: Industrial orders vs. OECD leading indicator



Source: Reuters Ecowin

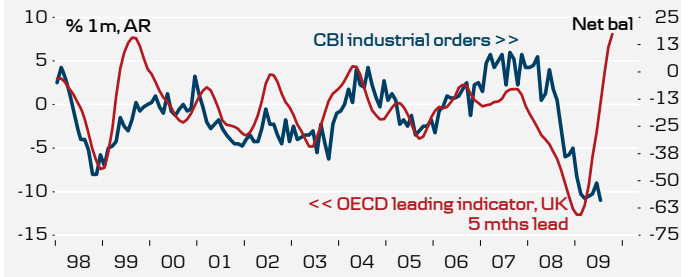
UK and Switzerland

UK: PMI on sectors



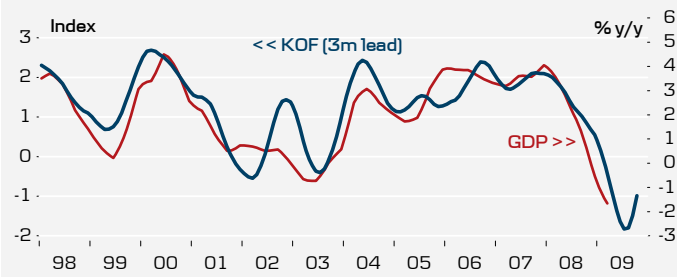
Source: Markit and Reuters Ecowin

UK: Industrial orders vs. leading indicators



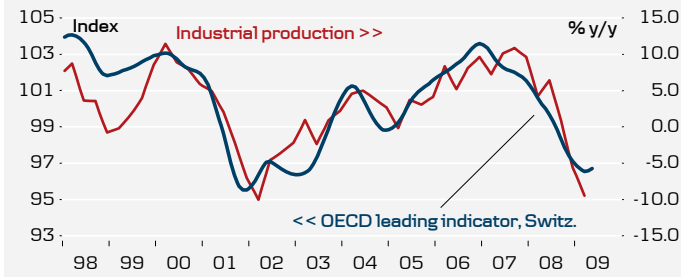
Source: Reuters Ecowin

Switzerland: KOF vs. GDP



Source: Reuters Ecowin

Switzerland: OECD leading indicator vs. industrial production



Source: Reuters Ecowin

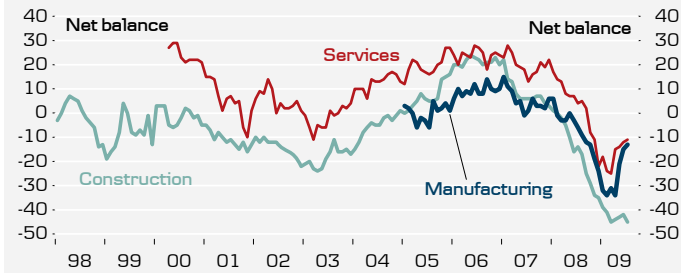
Scandinavia

Denmark: Manufacturing confidence vs. GDP



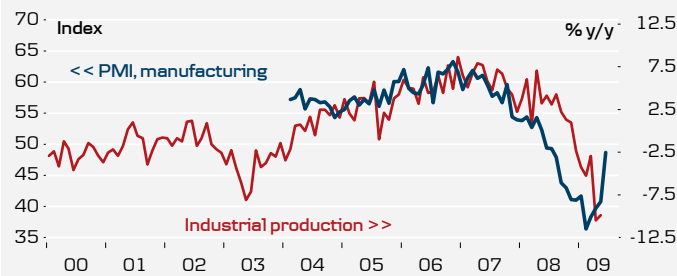
Source: Reuters Ecowin

Denmark: Confidence indicators



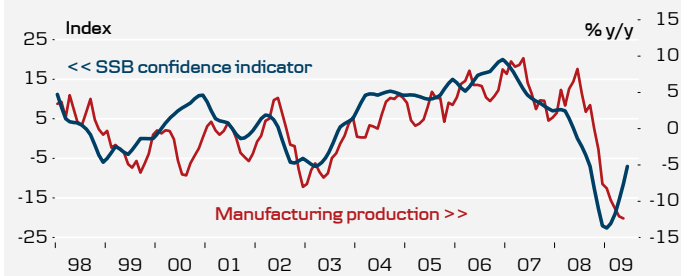
Source: Reuters Ecowin

Norway: PMI vs. industrial production



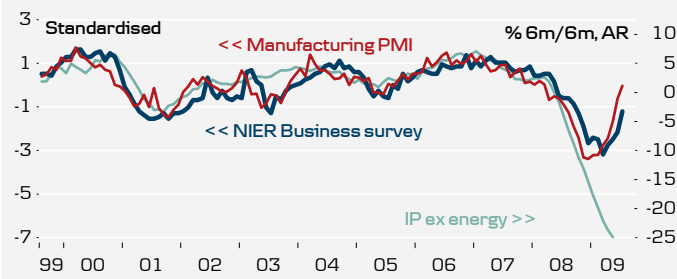
Source: Markit and Reuters Ecowin

Norway: Manufacturing production vs. confidence



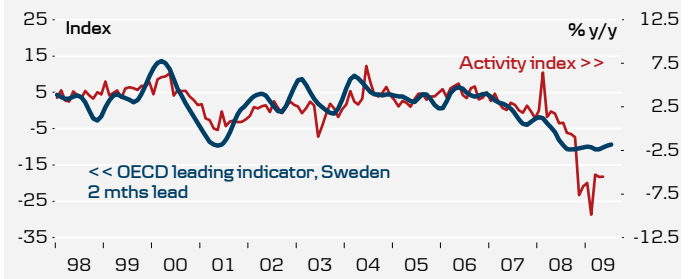
Source: Reuters Ecowin

Sweden: IP vs. business surveys



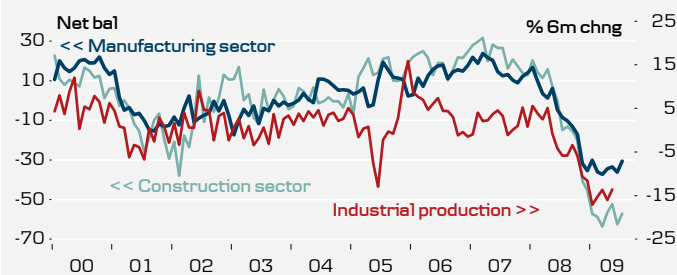
Source: Markit and Reuters Ecowin

Sweden: Leading indicator vs. activity index



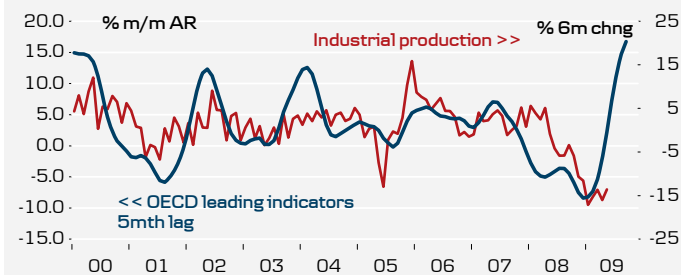
Source: Reuters Ecowin

Finland: Confidence indicators vs. industrial production



Source: Reuters Ecowin

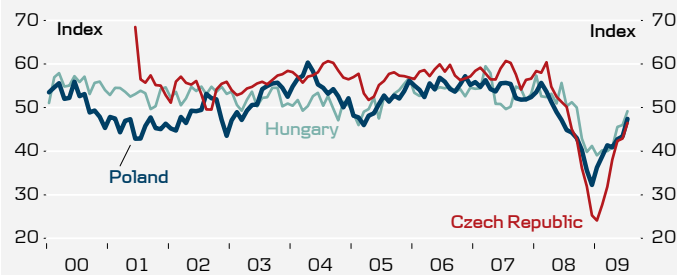
Finland: Leading indicators vs. industrial production



Source: Reuters Ecowin

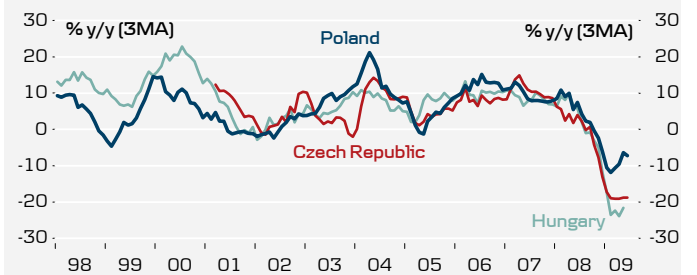
CEE/CIS

CEE: Manufacturing PMI orders



Source: Markit and Reuters Ecowin

CEE: Industrial production



Source: Reuters Ecowin

Russia: PMI vs. industrial production



Source: Markit and Reuters Ecowin

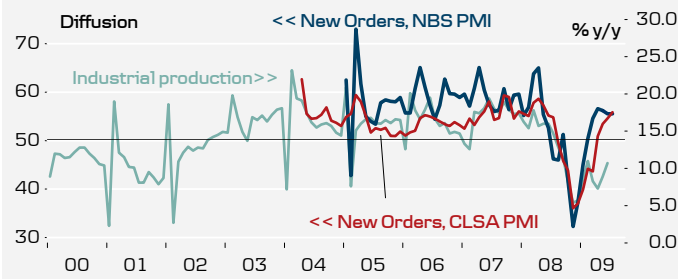
Ukraine: Industrial production



Source: Reuters Ecowin

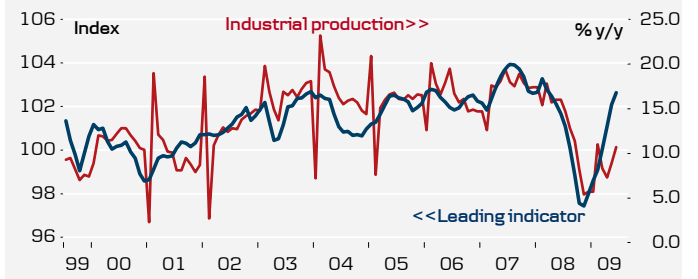
China

Industrial production vs. PMI



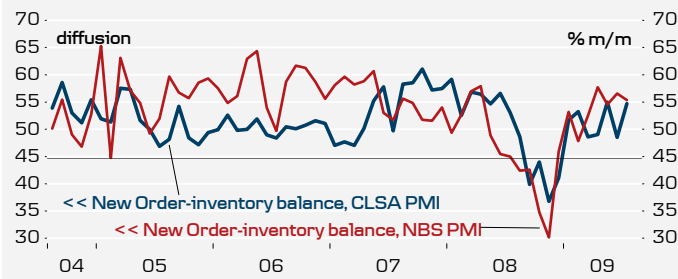
Source: Markit and Reuters Ecowin

Leading indicator vs. industrial production



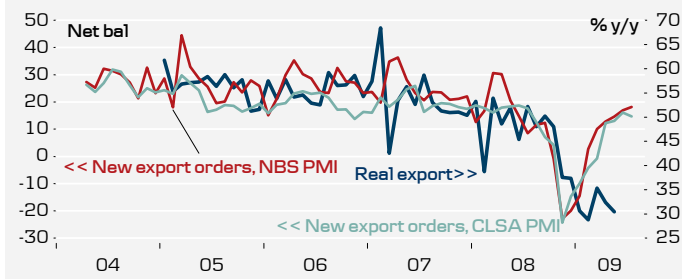
Source: Reuters Ecowin

Inventories



Source: Markit and Reuters Ecowin

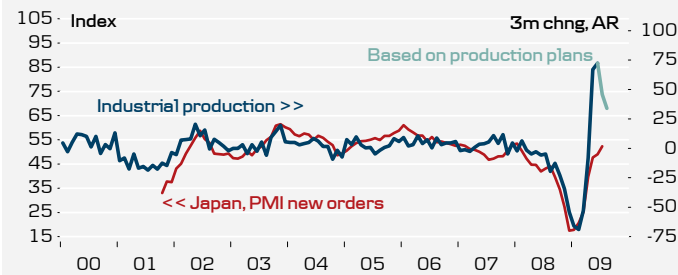
Industrial production and real export



Source: Markit and Reuters Ecowin

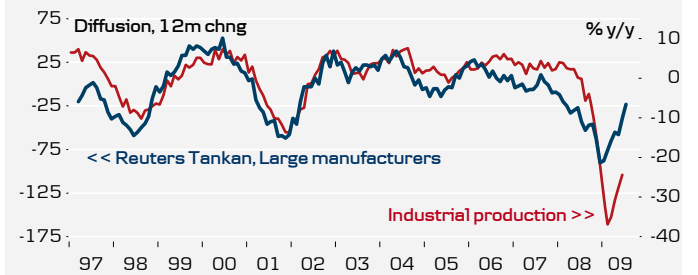
Japan

PMI vs. industrial production



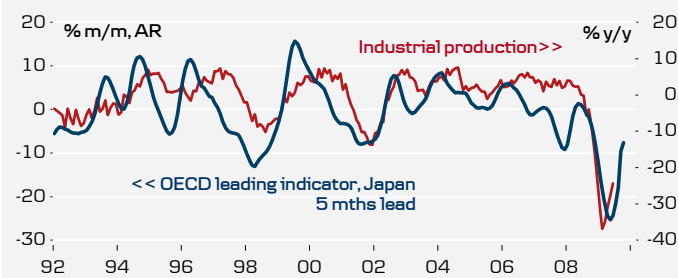
Source: Markit and Reuters Ecowin

Reuters Tankan vs. Industrial production



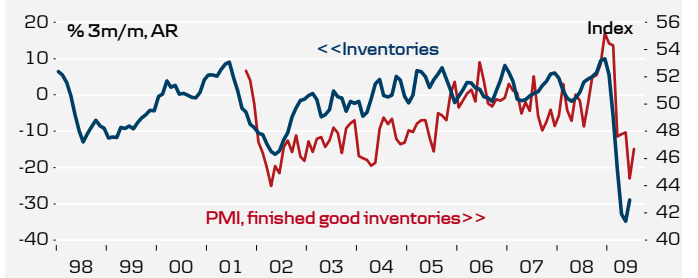
Source: Reuters Ecowin

OECD leading indicators vs. industrial production



Source: Reuters Ecowin

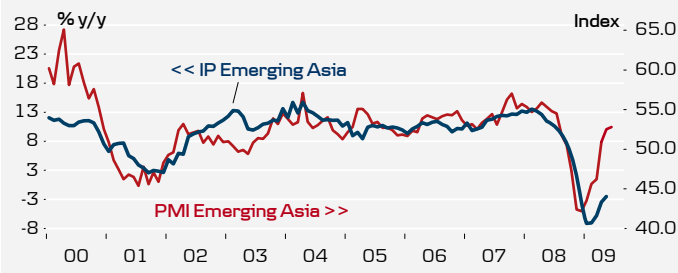
Inventories



Source: Reuters Ecowin

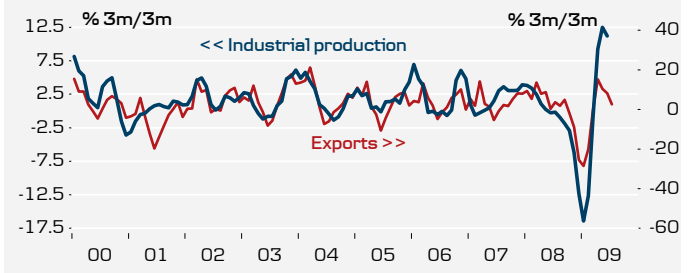
Other Asia

Asia: Industrial production



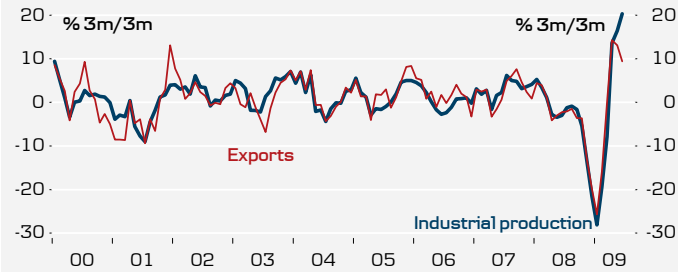
Source: Reuters Ecowin

South Korea: Industrial production vs. exports



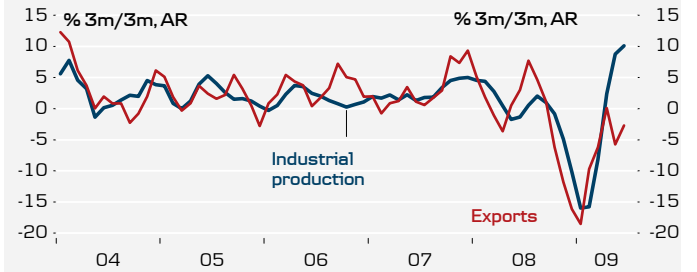
Source: Reuters Ecowin

Taiwan: Industrial production vs. exports



Source: Reuters Ecowin

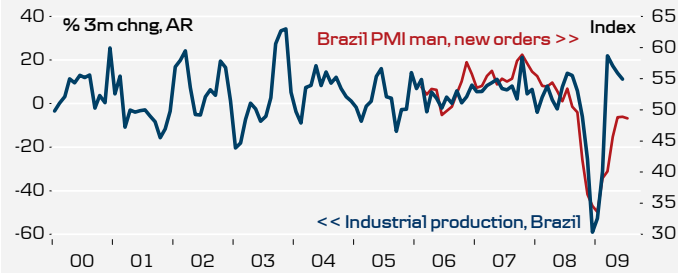
Thailand: Industrial production and exports



Source: Reuters Ecowin

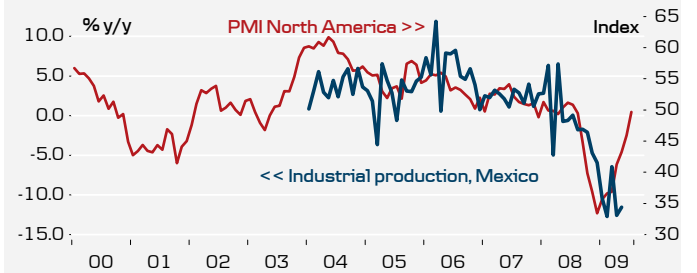
LATAM and Commodities

Brazil: Industrial production



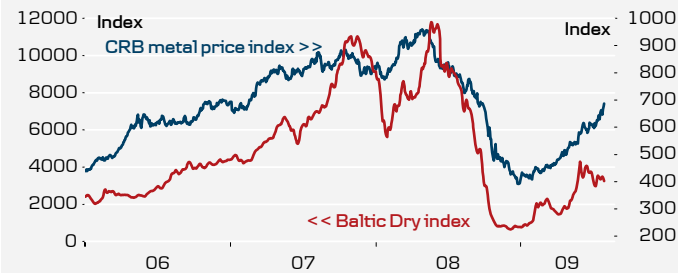
Source: Reuters Ecowin

Mexico: Industrial production vs. PMI



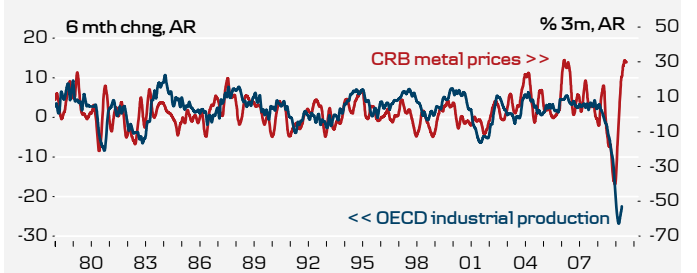
Source: Reuters Ecowin

Baltic Dry freight index and metal prices



Source: Reuters Ecowin

CRB metals vs. industrial production



Source: Reuters Ecowin

Disclosure

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