



Macroeconomic Outlook

Presented by
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Chairman of the Board
Chief Executive Officer
Emeritus

Topics

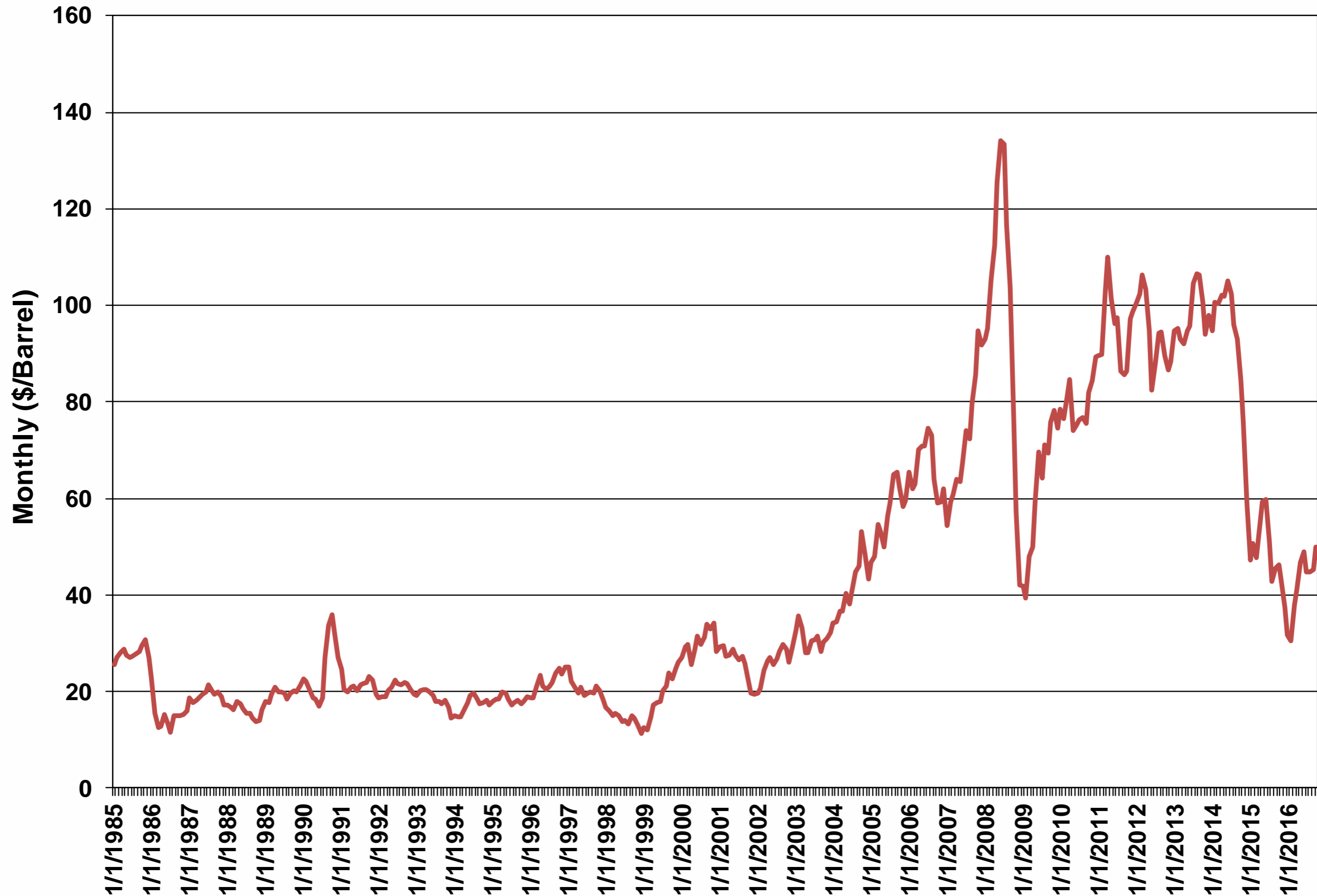
- ▶ Energy – Macro Implications
 - Inflation
 - Interest Rates
 - Exchange Rates
 - Central Banks
- ▶ Global Growth
 - US As The Centerpiece
 - Emerged Economies
 - Rest Of The World
- ▶ Risks



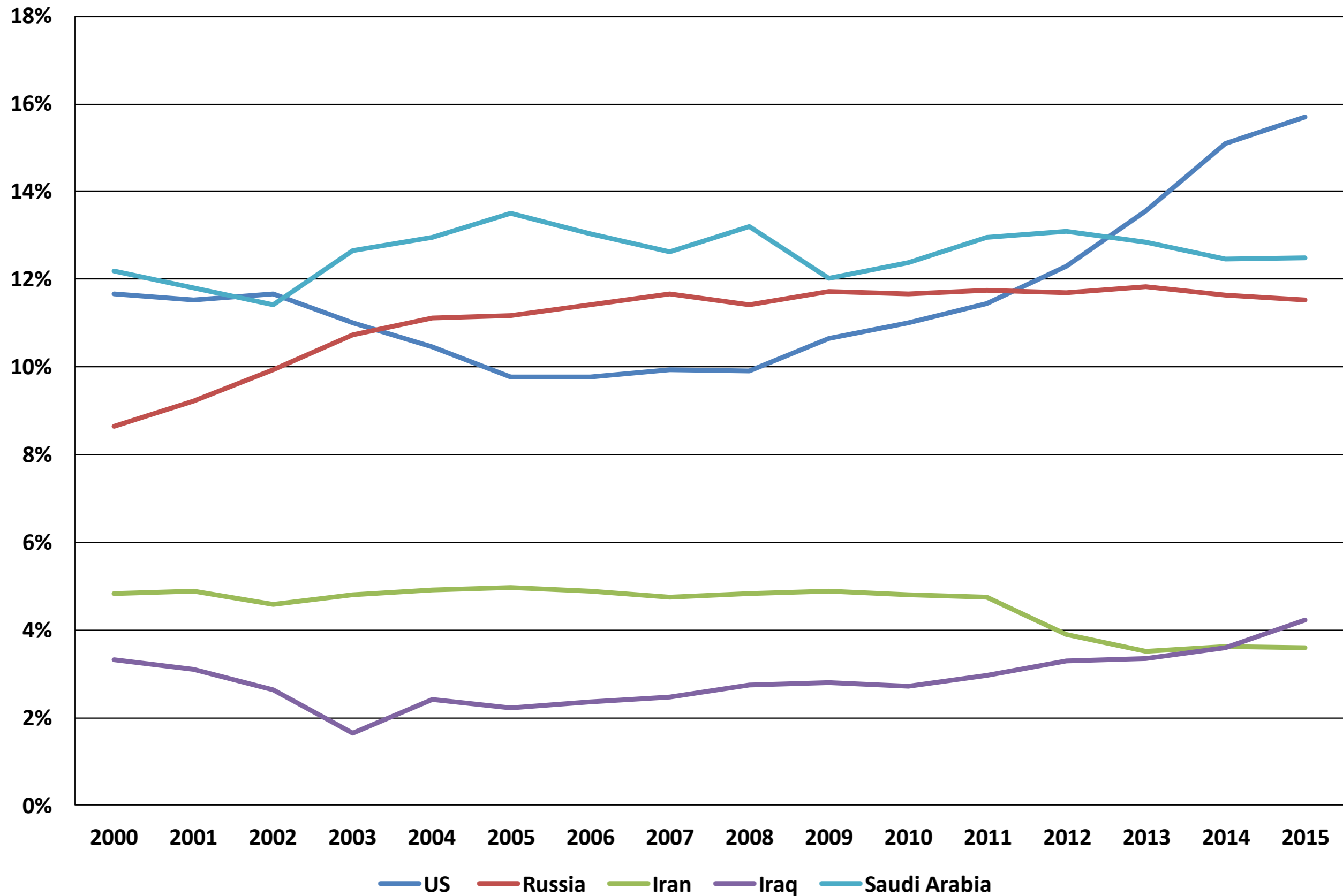
Energy Markets



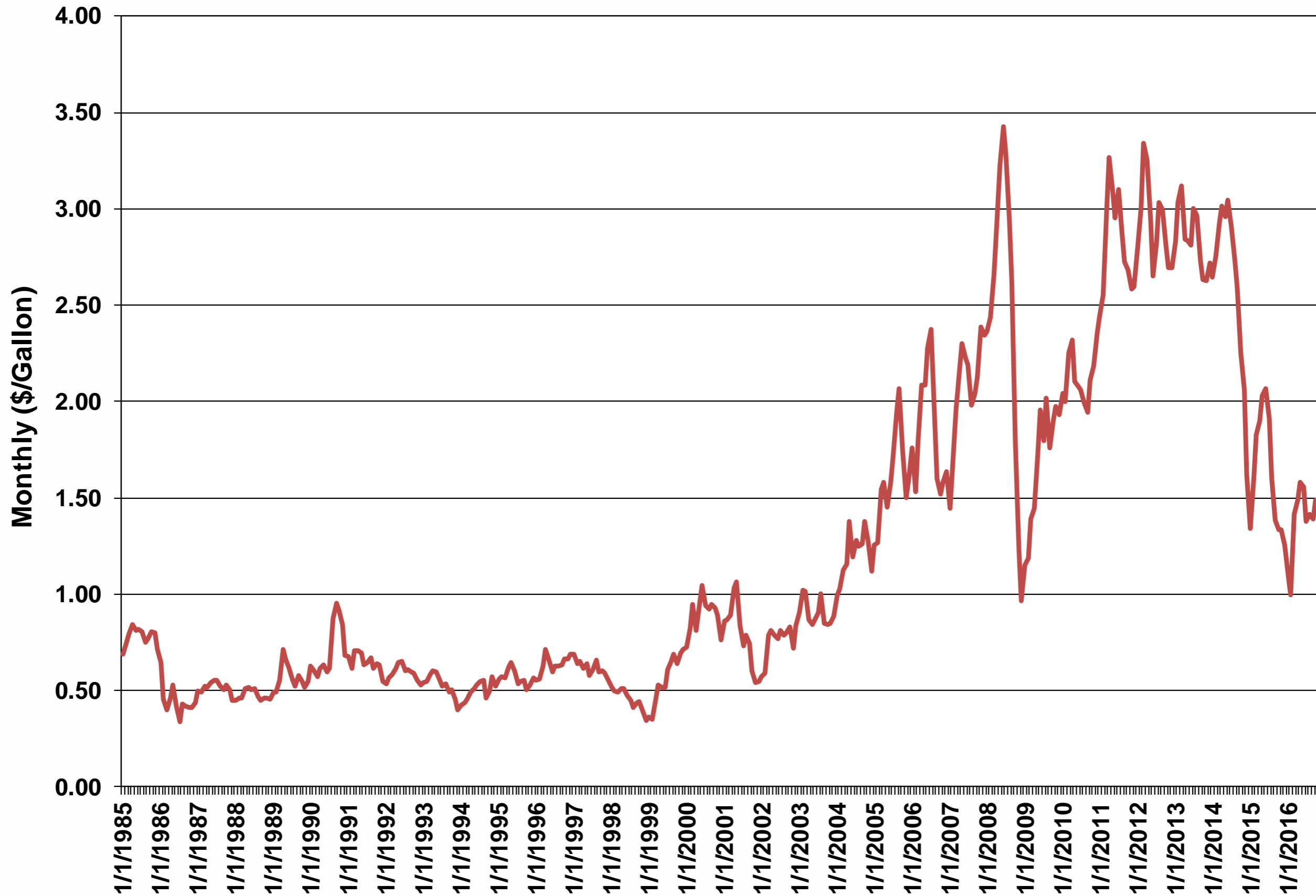
WTI Crude Oil Nearby Futures Prices



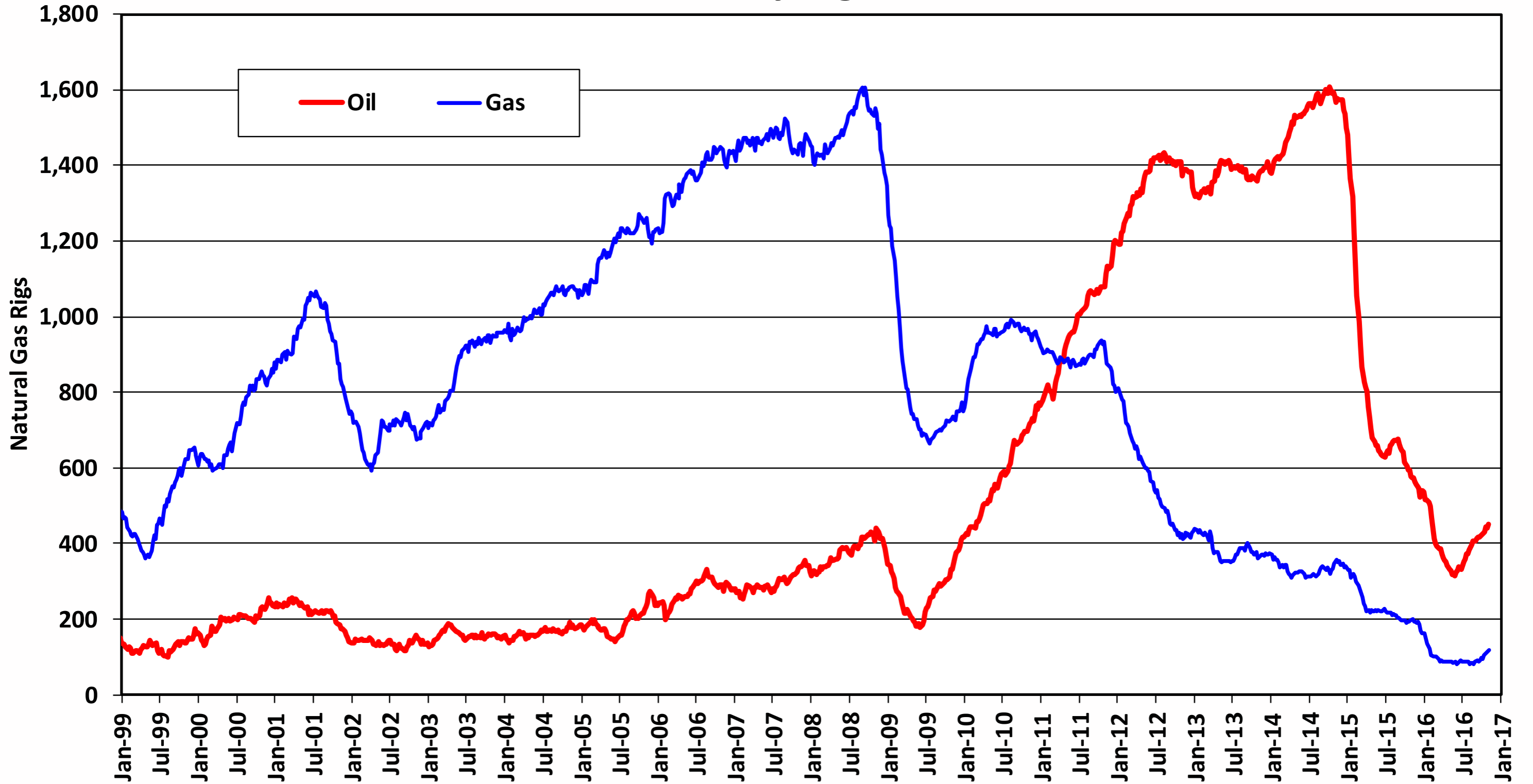
Major Producers Percentage of Crude Oil and Petroleum Products



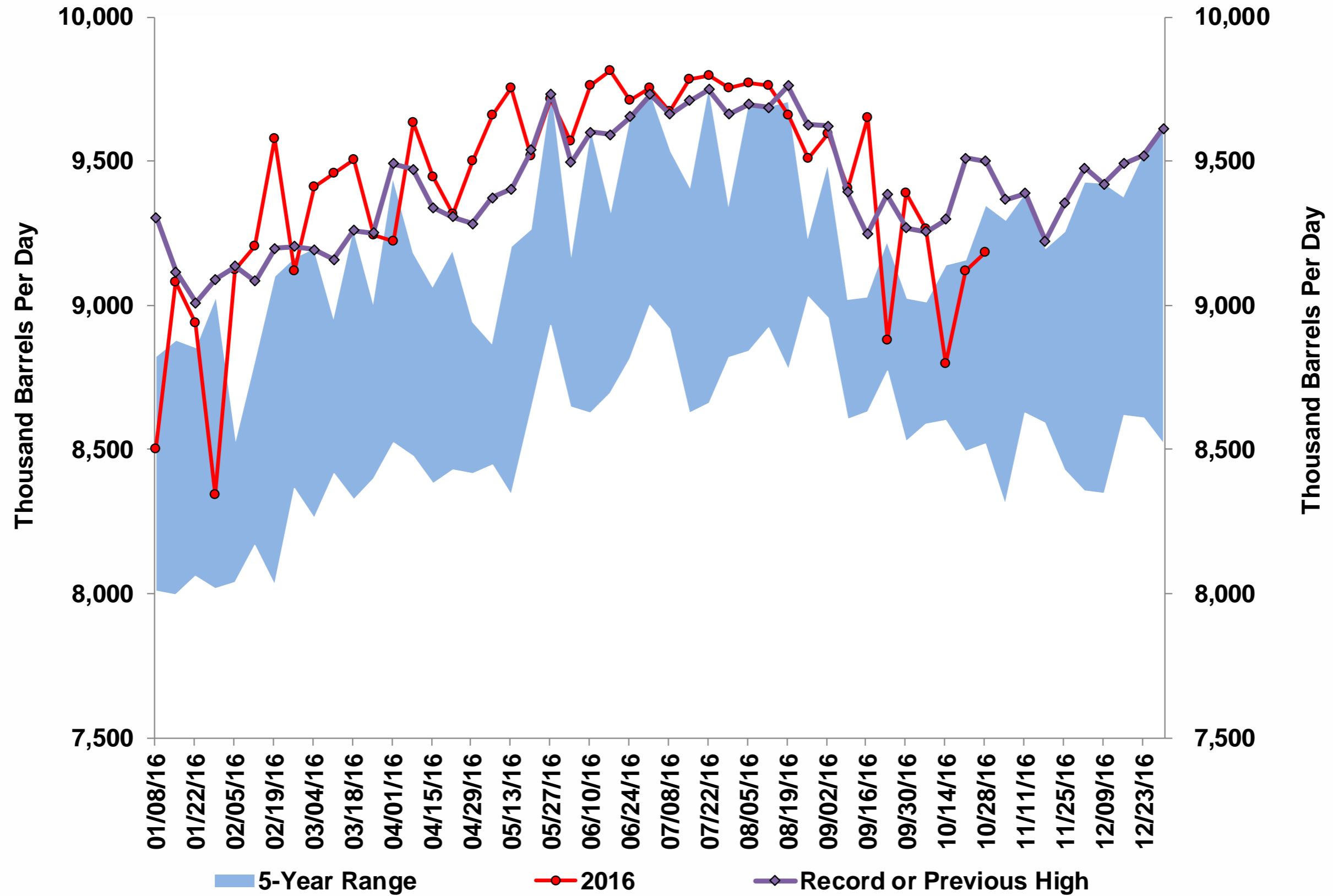
Gasoline (RBOB) Nearby Futures Prices



US Rotary Rig Counts

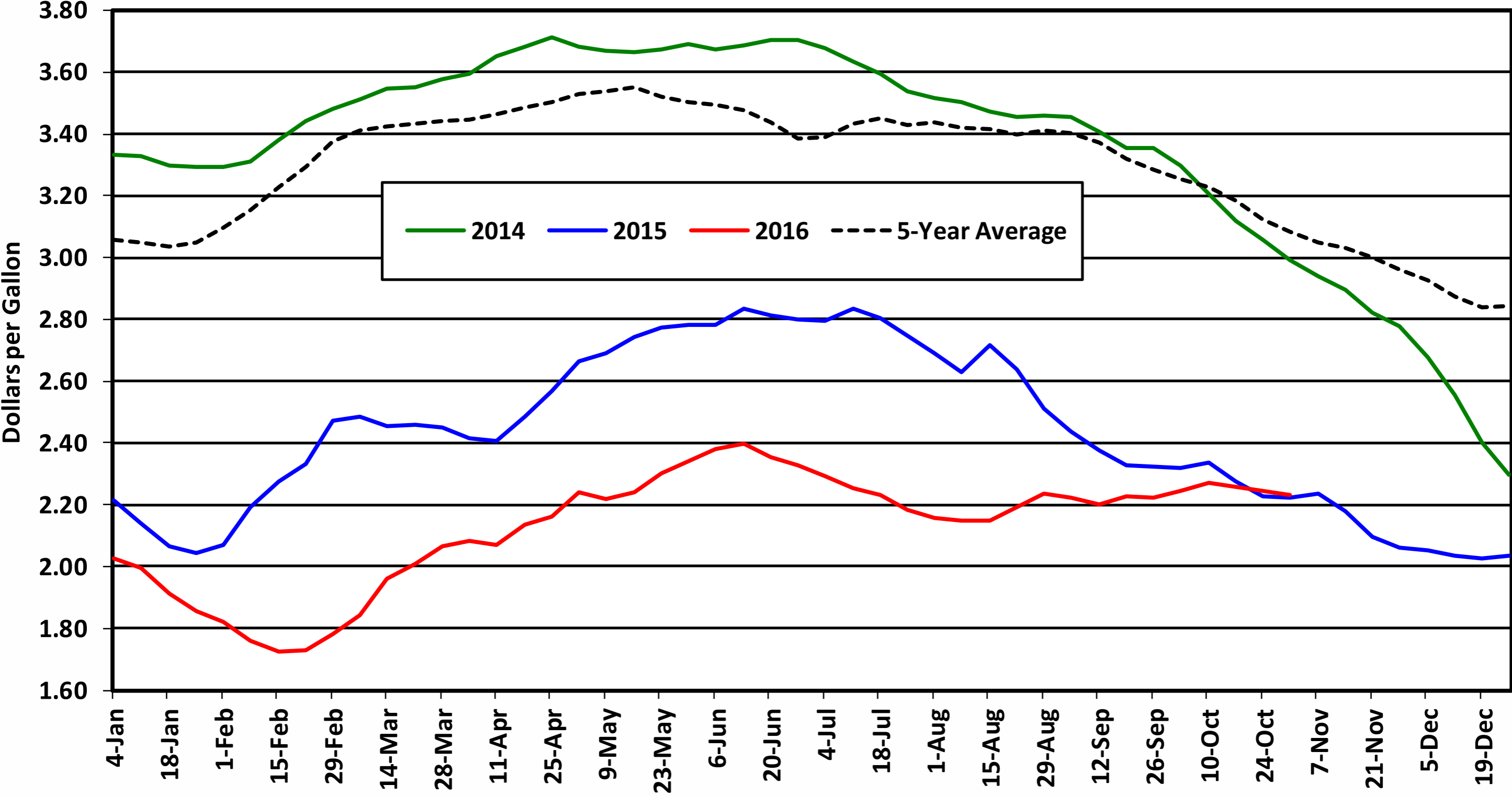


Gasoline Product Supplied



US Weekly Retail Gasoline Prices

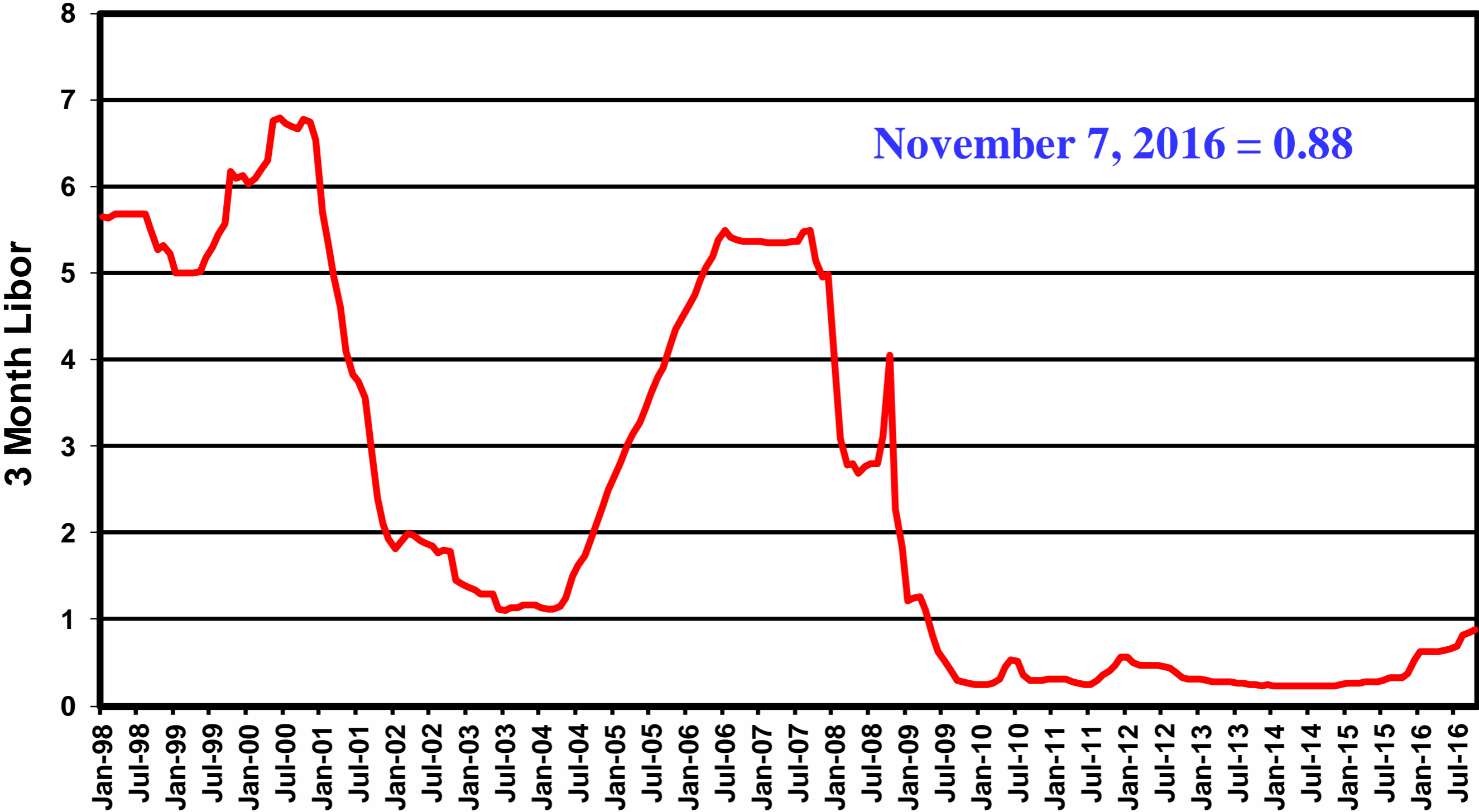
Source: DOE-EIA



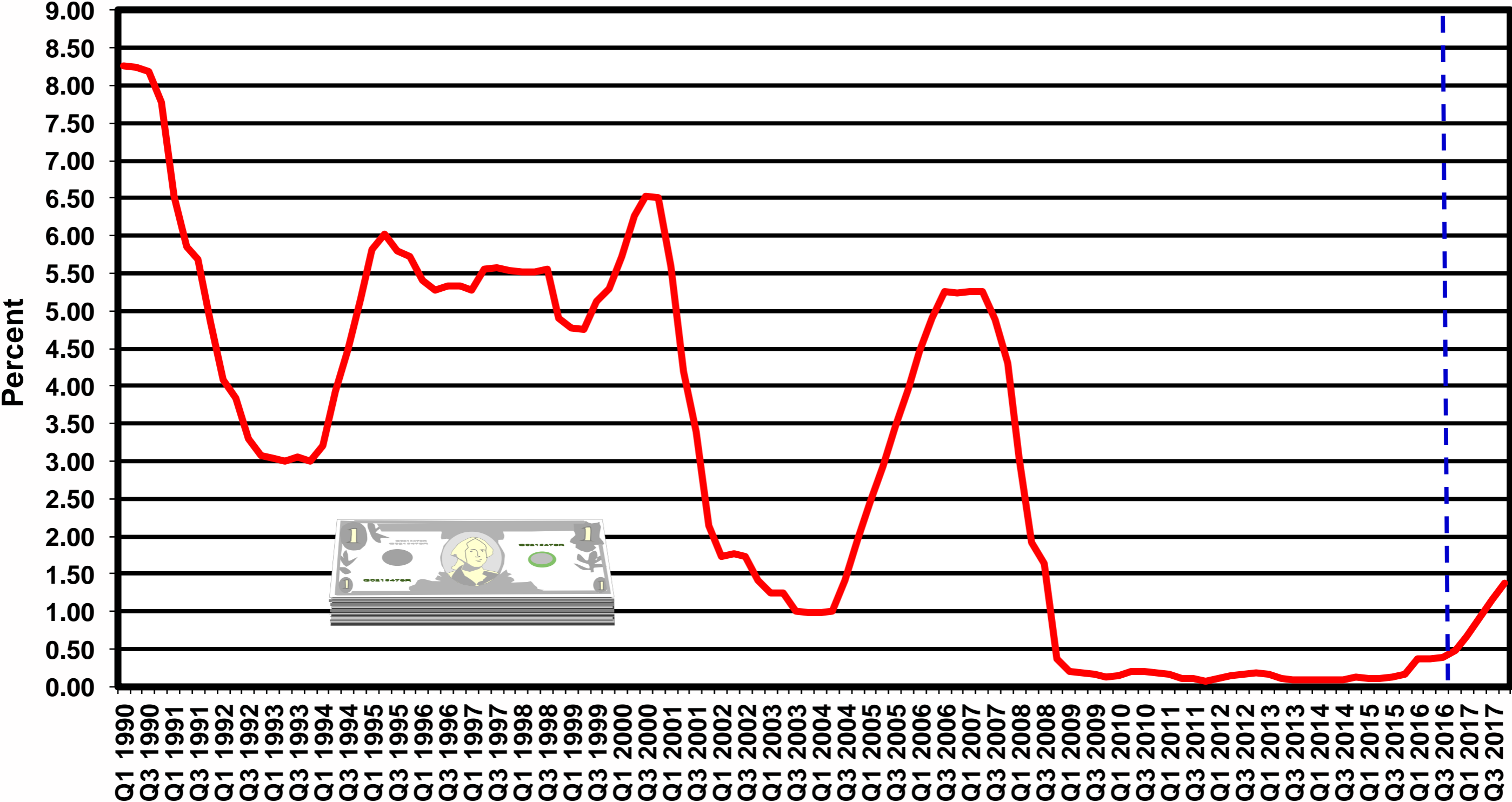
Interest Rates



London Interbank Offered Rate (Libor)



U.S. Federal Funds Rate

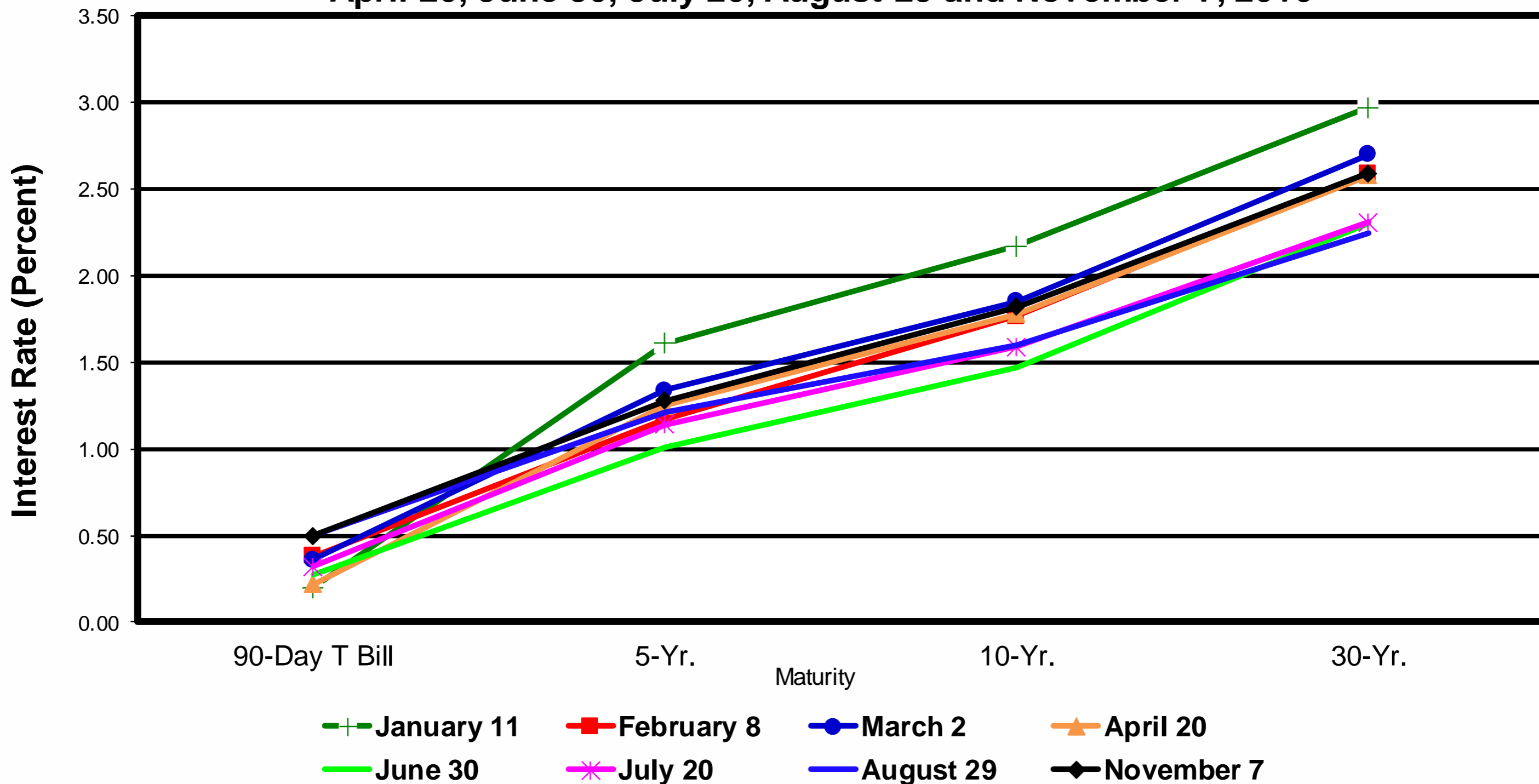


Source: FRB G.13 'Selected Interest Rates' Release



Yield Curve: 2016

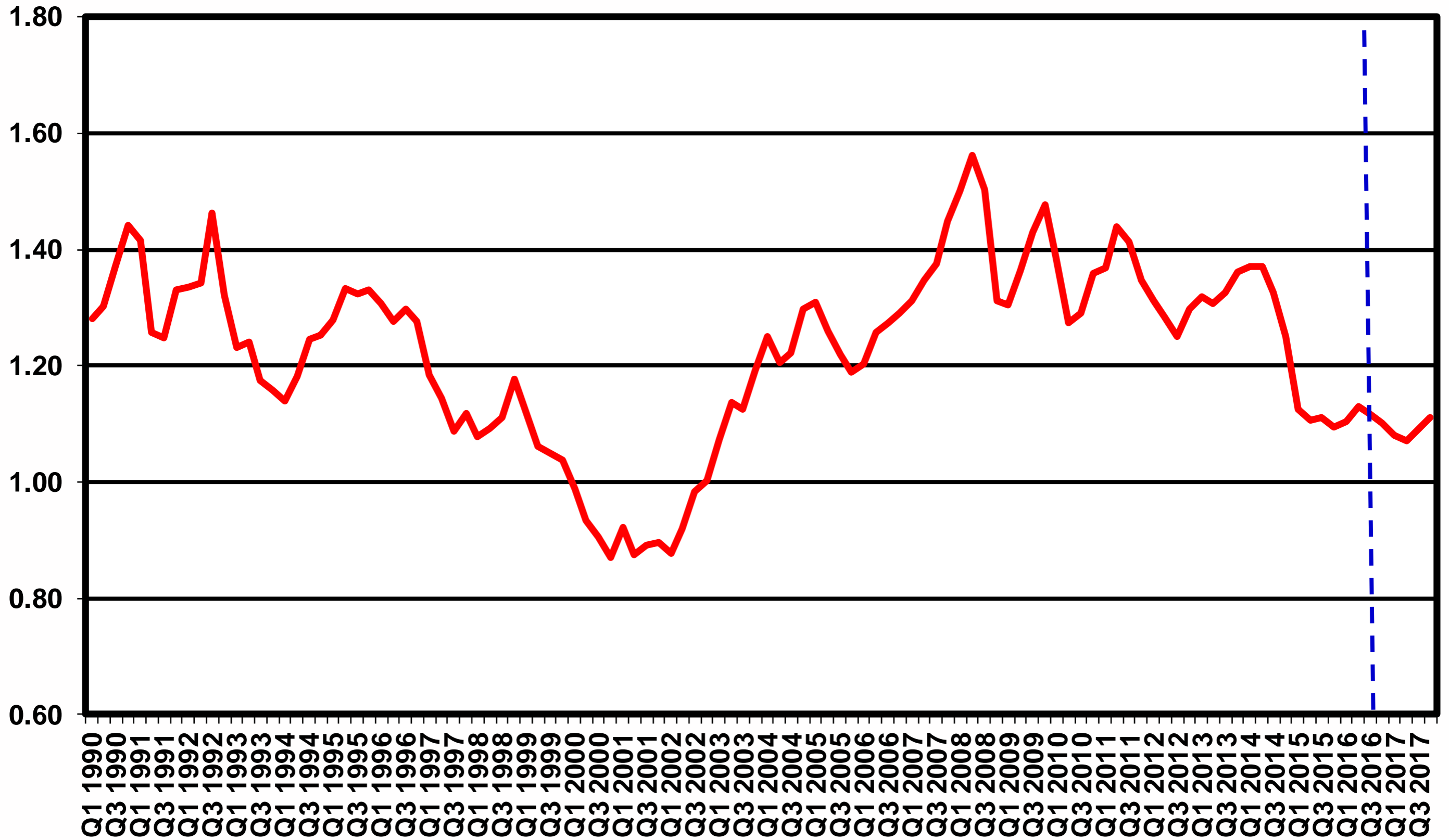
Rates as of January 11, February 8, March 2, April 20, June 30, July 20, August 29 and November 7, 2016



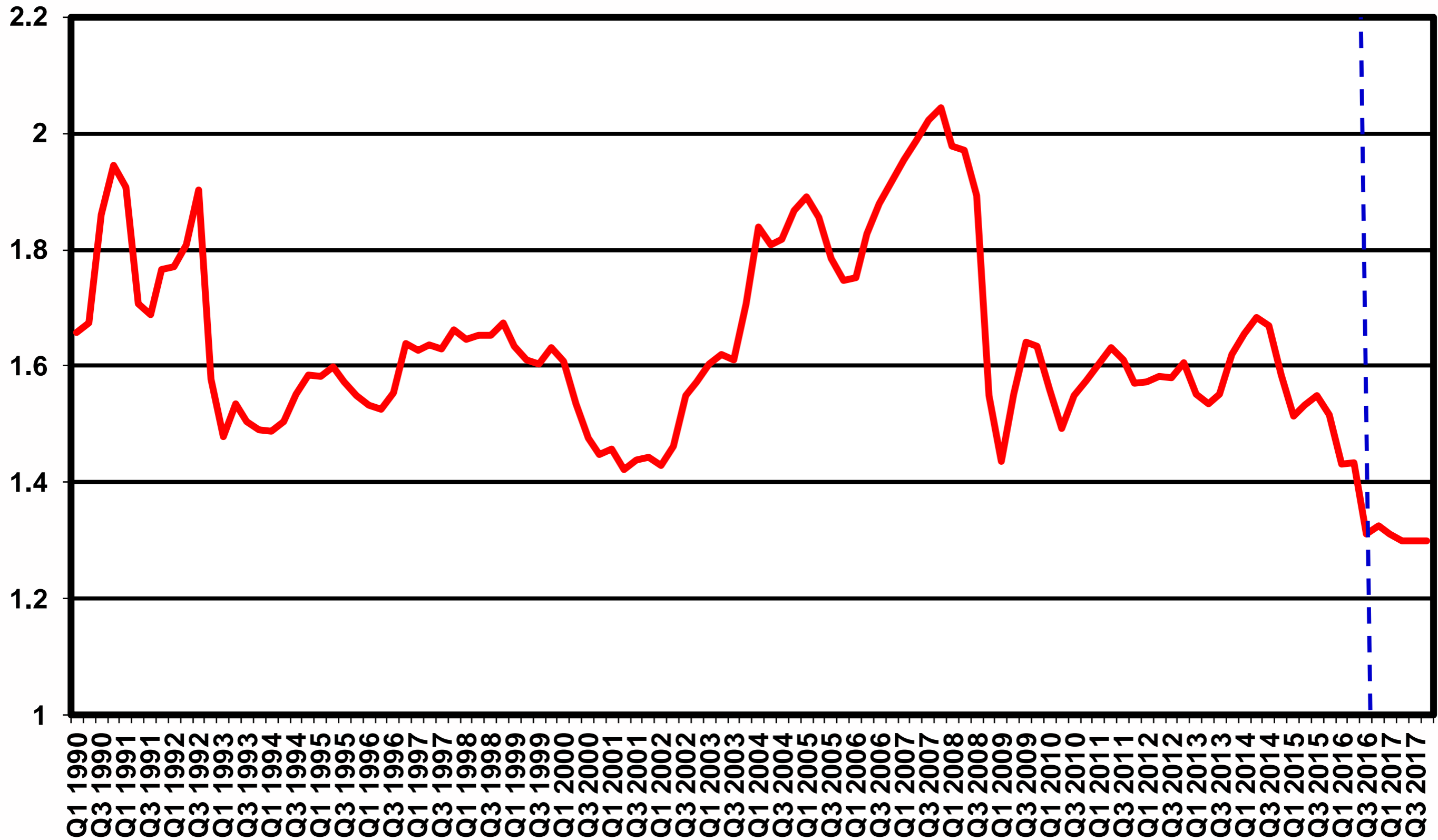
Exchange Rates



\$ / Euro



\$ / Sterling



U.S. Macroeconomic Indicators



World Macroeconomic Indicators

Indicator	2014	2015	2016	2017
Real Growth (% Chg.)				
World	2.9	2.9	2.6	3.1
OECD	2.0	2.2	1.7	2.2
Asia/NIC/Emerging *	6.3	6.0	6.0	5.8
Latin America	0.1	-0.9	-1.2	1.6
Eurozone	1.2	1.5	1.7	1.5
Country Specific				
United States	2.4	2.6	1.6	2.6
Canada	2.5	1.1	1.4	2.0
United Kingdom	3.1	2.2	1.8	1.4
Japan	0.0	0.6	0.6	1.3
China [Inflation Rate '15 1.3%]	7.3	6.9	6.8	6.4
India	6.6	7.2	7.4	7.6
Russia	0.7	-3.7	-0.5	1.0

* Note Asia/NIC: Korea, Taiwan, Hong Kong, Singapore;
Emerging: China, India, Indonesia, Malaysia, Thailand.



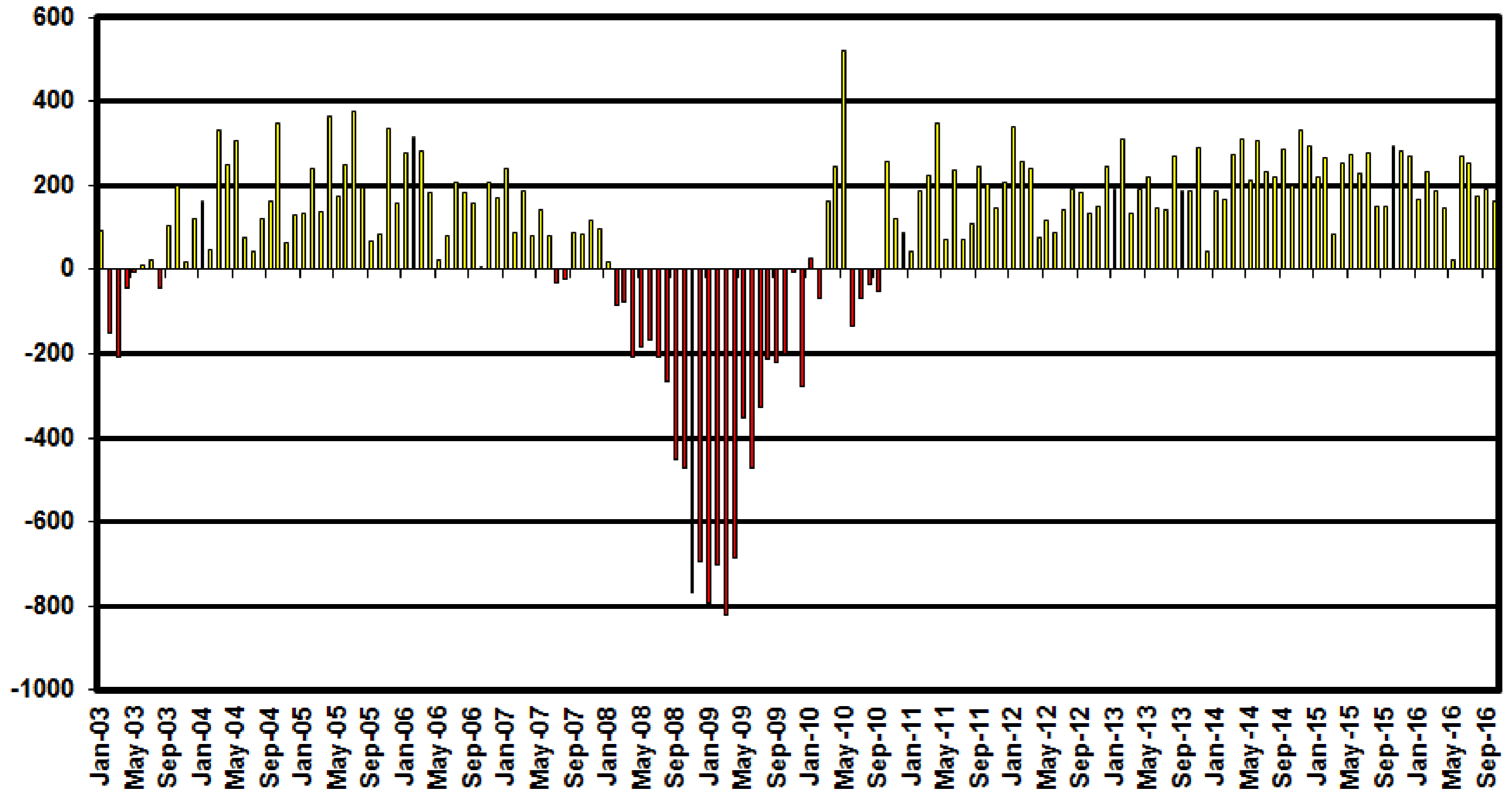
U.S. Macroeconomic Outlook

	2015	2016	2017	2018
Economy				
GDP (Ann. % Chg.)	2.6	1.6	2.6	2.9
Real Disposable Income (% Chg.)	3.5	2.5	2.1	2.2
Consumption (% Chg.)	3.2	2.6	2.6	2.7
Business Fixed Investment (% Chg.)	2.1	-0.4	4.0	5.0
Net Exports (Bil. \$)	-540	-542	-537	-557
Inventory Investment (Bil. \$)	84.0	17.8	38.2	49.5
Industrial Production (% Chg.)	0.3	-0.8	2.0	2.3
Fed. Budget Surplus (Bil. \$)	-579	-524	-604	-684

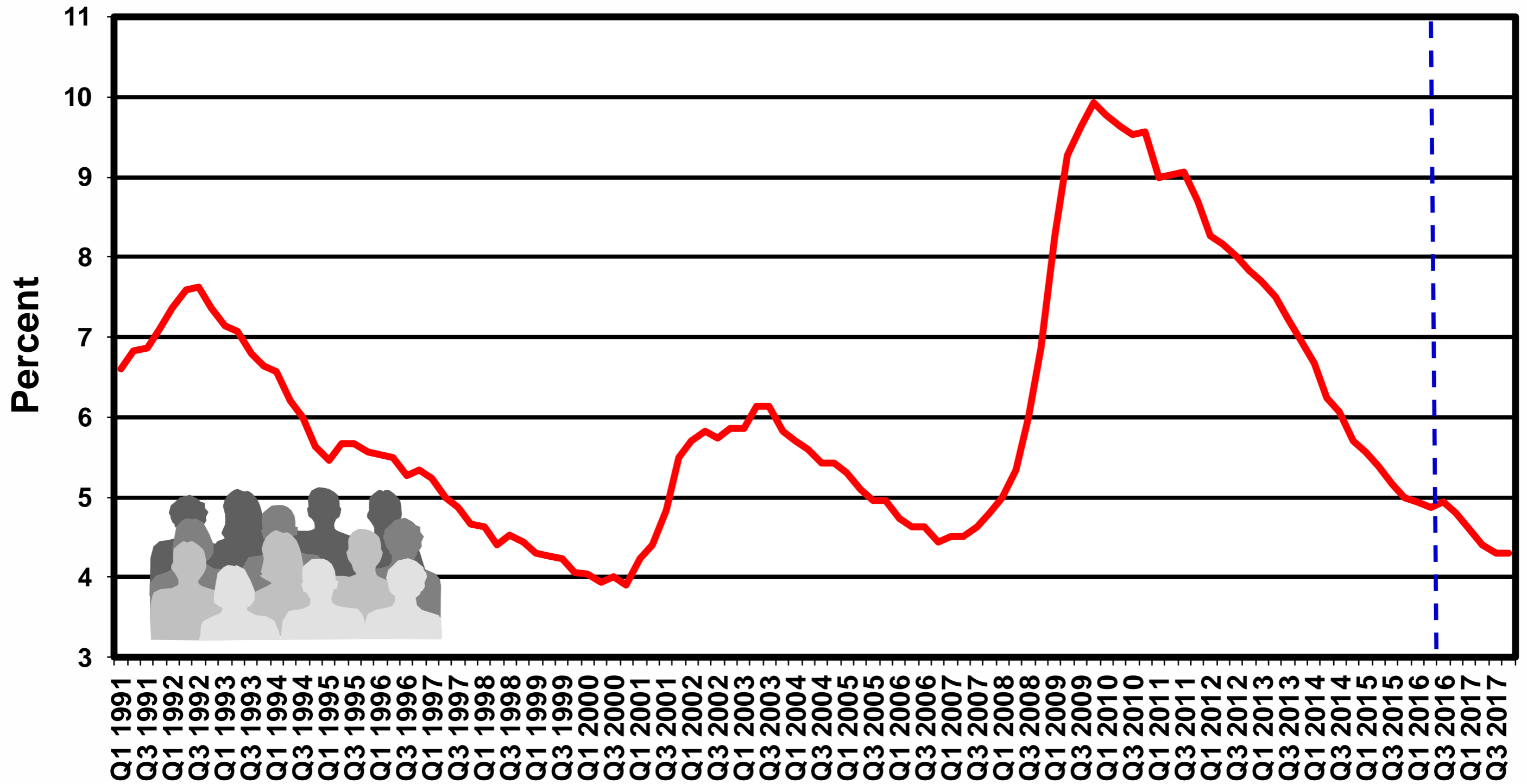


Monthly Change in US Non-Farm Payrolls (000)

January 2003 - October 2016



U.S. Unemployment Rate

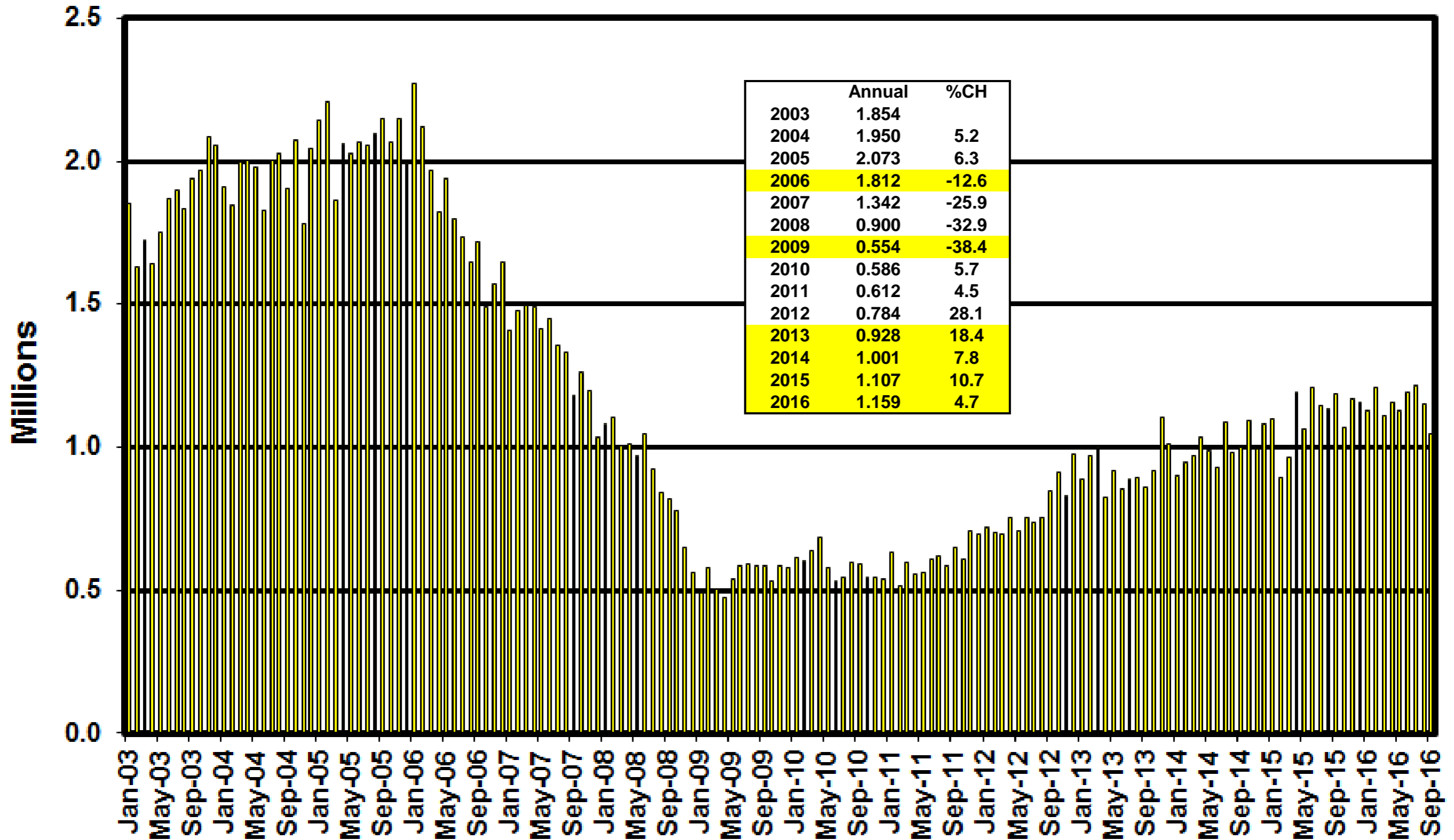


Source: BLS, Employment Situation



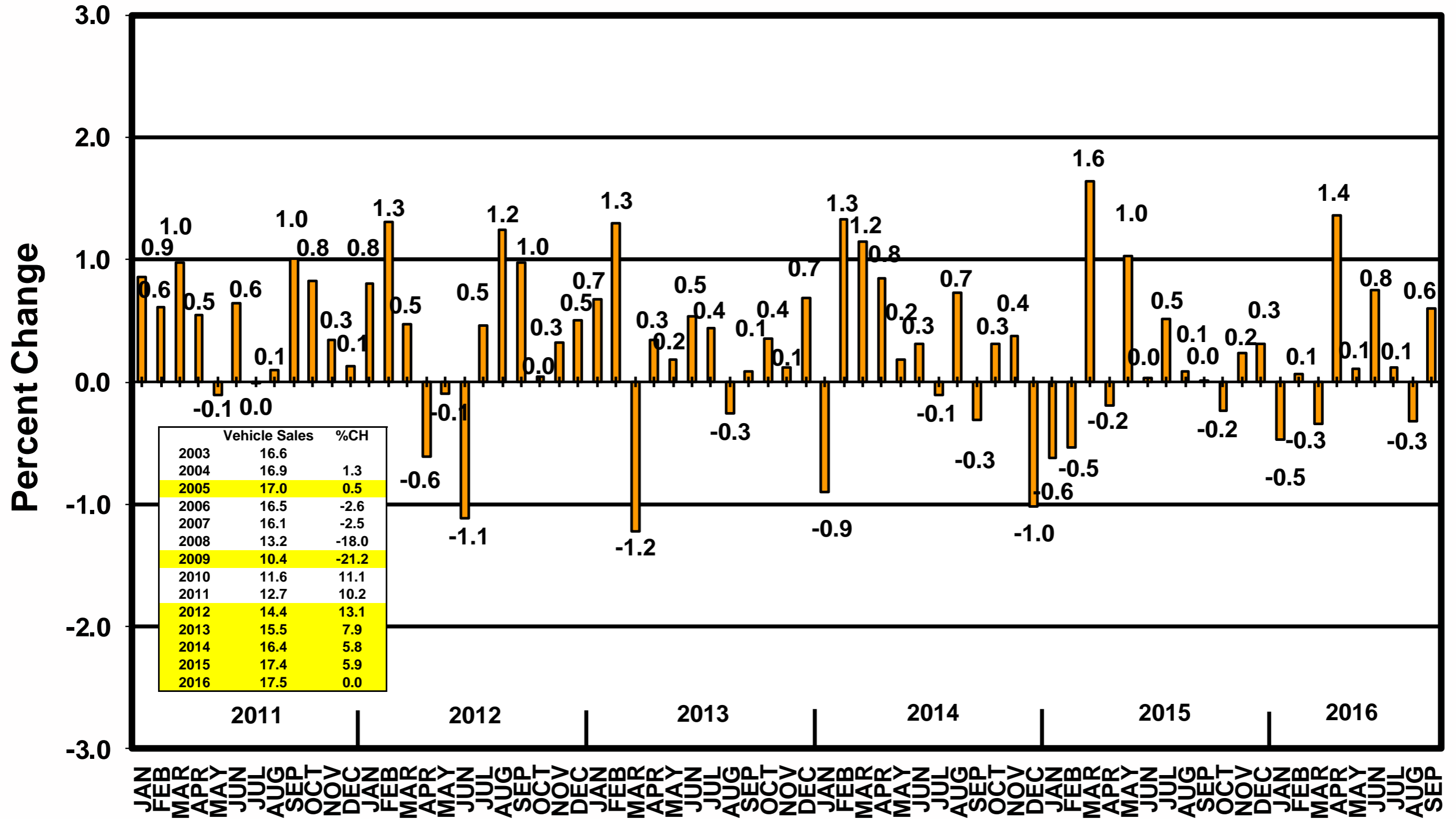
Housing Starts

January 2003 - September 2016



Retail Sales

January 2011 - September 2016



U.S. Macroeconomic Outlook

Indicator	2015	2016	2017	2018
Inflation				
GDP Price Defl. (% Chg.)	1.1	1.3	2.1	2.2
CPI-All Urban (% Chg.)	0.1	1.2	2.0	2.1
Hourly Compensation (% Chg.)	2.9	2.3	3.2	3.3
Employment				
Unemployment Rate (%)	5.3	4.9	4.4	4.2
Corporate Profits, After Tax (% Chg.)	-8.5	-0.1	5.5	5.2
Personal Savings Rate (%)	5.8	5.8	5.3	4.9

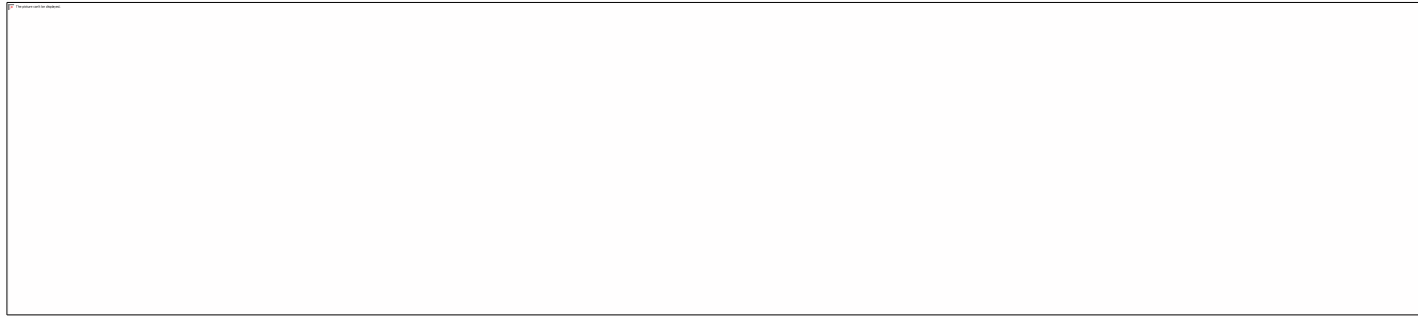


Risks





Questions?



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