WORLD RECESSION REPORT

5/5/2015

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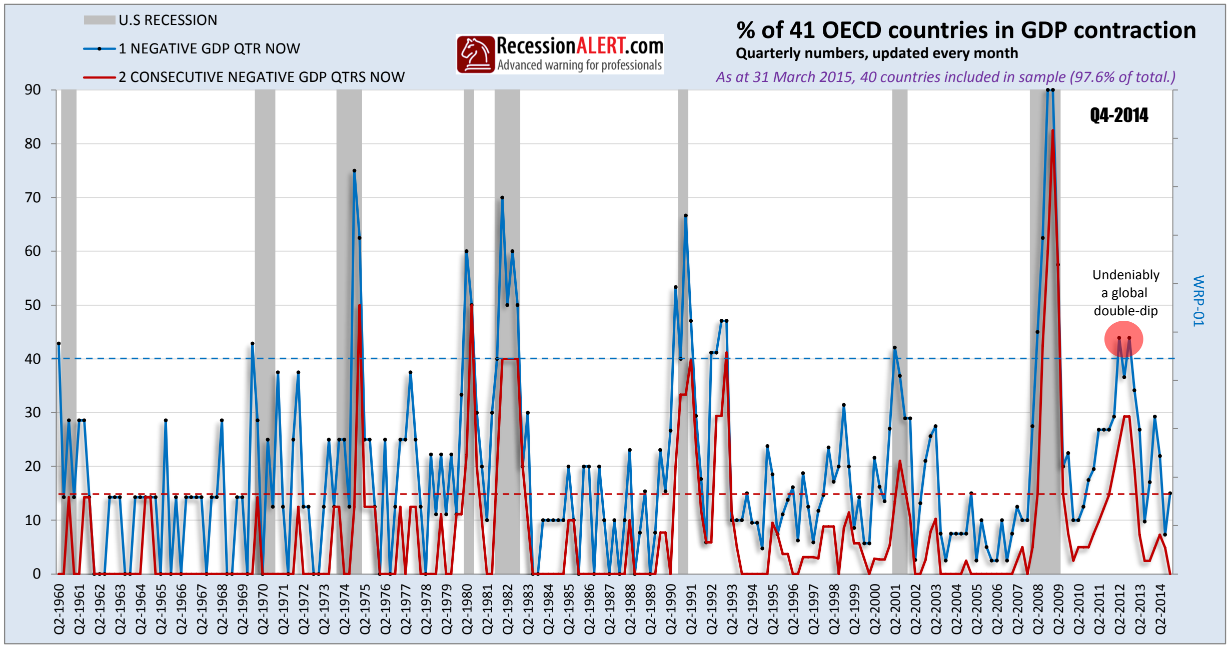
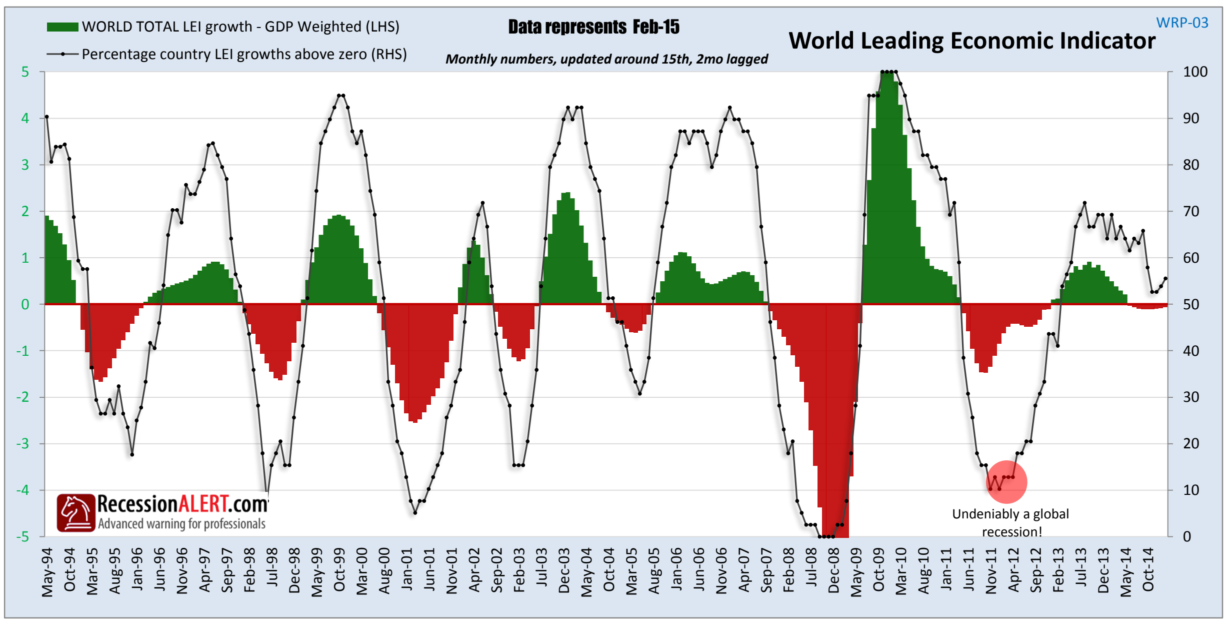


The 41 countries in this report represent about 97% of the worlds' global GDP in US$ (non PPP-based)

RecessionALERT.com	Q4-2014		WRP-02	World Real-GDP q-on-q %ch	
Australia	2.5	Expansion	Poland	0.8	Expansion
Austria	0.6	Recession	Portugal	0.3	Expansion
Belgium	0.8	Expansion	Slovak Republic	0.1	Expansion
Canada	2.8	Expansion	Slovenia	0.1	Expansion
Chile	0.4	Expansion	Spain	2.2	Expansion
Czech Republic	0.3	Expansion	Sweden	0.8	Expansion
Denmark	0.5	Expansion	Switzerland	1.0	Expansion
Estonia	0.0	Expansion	Turkey	1.3	Expansion
Finland	0.4	Recession	United Kingdom	3.9	Expansion
France	4.1	Expansion	United States	25.1	Expansion
Germany	5.4	Expansion	Argentina	0.8	Expansion
Greece	0.4	Recession	Brazil	3.9	Expansion
Hungary	0.2	Expansion	China	13.2	Expansion
Iceland	0.0	Expansion	India	3.1	Expansion
Ireland	0.3	Expansion	Indonesia	1.4	Expansion
Israel	0.4	Expansion	Russian Federation	3.1	Expansion
Italy	3.2	Expansion	South Africa	0.6	Expansion
Japan	9.6	Expansion	**OECD Europe**	**25.8**	Expansion
Korea	1.8	Expansion	**G7**	**54.2**	Expansion
Luxembourg	0.1	...	**NAFTA**	**29.8**	Expansion
Mexico	1.9	Expansion	**G20**	**87.9**	Expansion
Netherlands	1.2	Expansion	**All GDP-weighted**	**100**	Expansion
New Zealand	0.3	Expansion	**All Averaged**	**100**	Expansion
Norway	0.8	Expansion	**BRIC Averaged**	**19.1**	Expansion

"…" =latest data pending | Recession* =2 consecutive negative GDP qtrs | Numbers =% of "world" GDP.



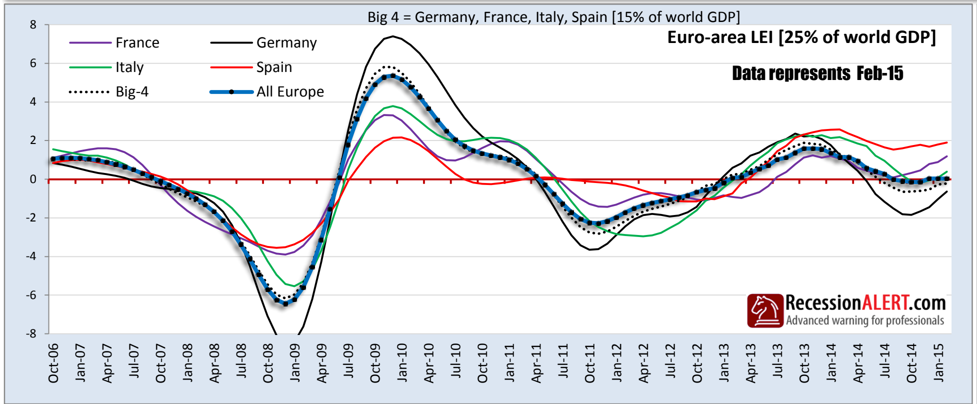
RecessionALERT.com WRP-04	Data represents Feb-15		World Composite Leading Growth		
Australia	▲	Expansion	Poland	▼	Contraction
Austria	▼	Contraction	Portugal	▲	Expansion
Belgium	▲	Contraction	Slovak Republic	▲	Expansion
Canada	▼	Contraction	Slovenia	▼	Expansion
Chile	▲	Expansion	Spain	▲	Expansion
Czech Republic	▼	Expansion	Sweden	▲	Expansion
Denmark	▲	Expansion	Switzerland	▼	Contraction
Estonia	▼	Expansion	Turkey	▼	Contraction
Finland	▲	Expansion	United Kingdom	▼	Contraction
France	▲	Expansion	United States	▼	Contraction
Germany	▲	Contraction	Brazil	▼	Contraction
Greece	▼	Expansion	China	▼	Contraction
Hungary	▼	Expansion	India	▲	Expansion
Ireland	▲	Expansion	Indonesia	▼	Contraction
Israel	▼	Contraction	Russian Federatior	▼	Contraction
Italy	▲	Expansion	South Africa	▼	Expansion
Japan	▲	Contraction	**OECD - Europe**	▼	Expansion
Korea	▲	Expansion	**4 Big European**	▲	Contraction
Luxembourg	▲	...	**G7**	▲	Contraction
Mexico	▲	Expansion	**NAFTA**	▼	Contraction
Netherlands	▲	Contraction	**All GDP-weighted**	▲	Contraction
New Zealand	▲	...	**Major 5 Asia**	▲	Expansion
Norway	▲	...	**BRICS - Averaged**	▼	Contraction

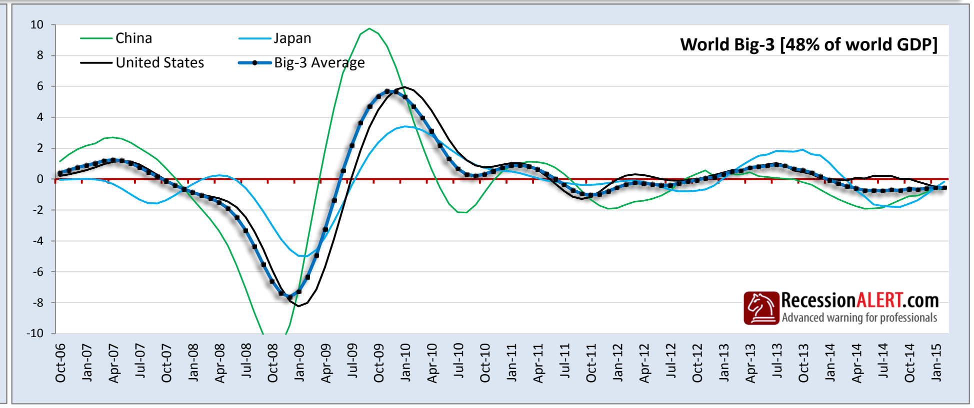
Implies future growth | Contraction=LEI growth < 0 | Expansion=LEI growth > 0 | ▲▼ = Trending up / down

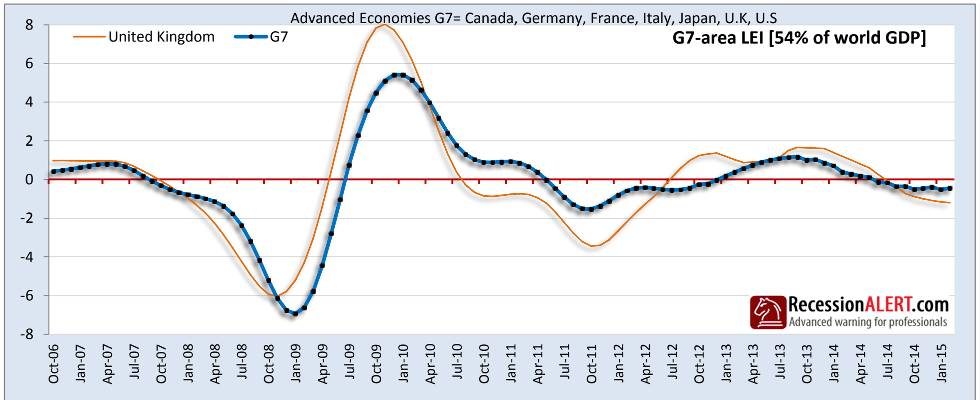
WORLD RECESSION REPORT

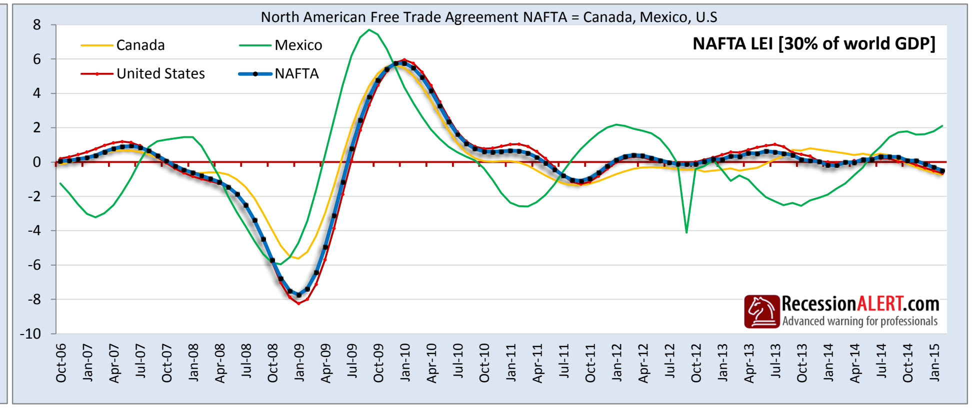
5/5/2015

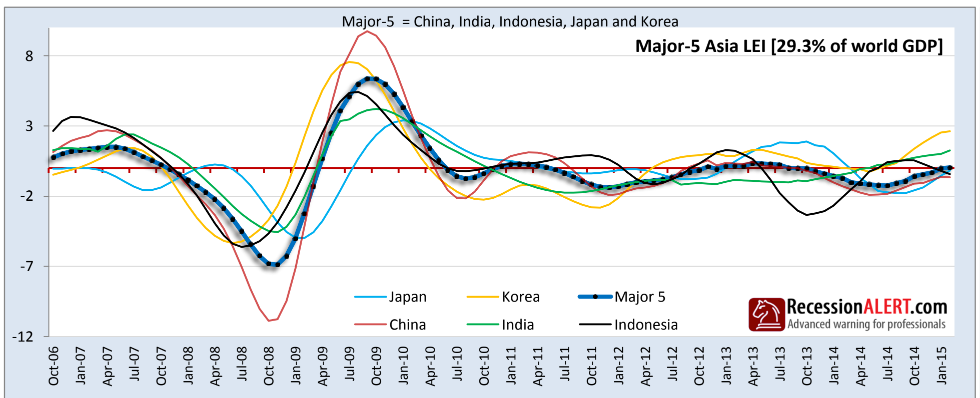
LEADING ECONOMIC INDICES FROM WORLDS' MAJOR TRADING BLOCS. Here we look at GDP weighted LEI's for the major trading blocs around the world,taken from the OECD databank.

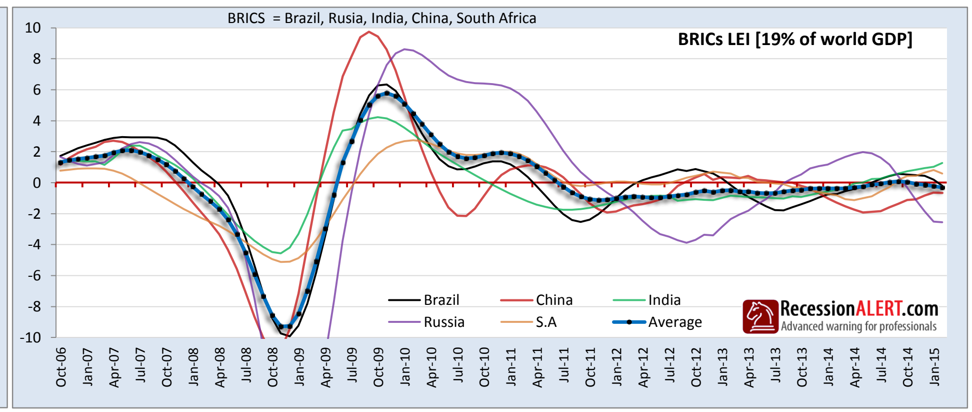












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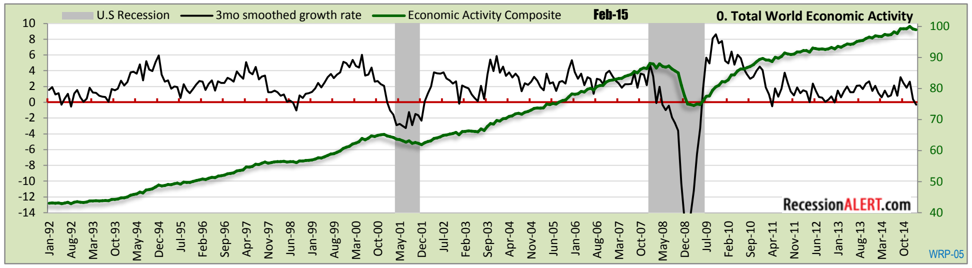
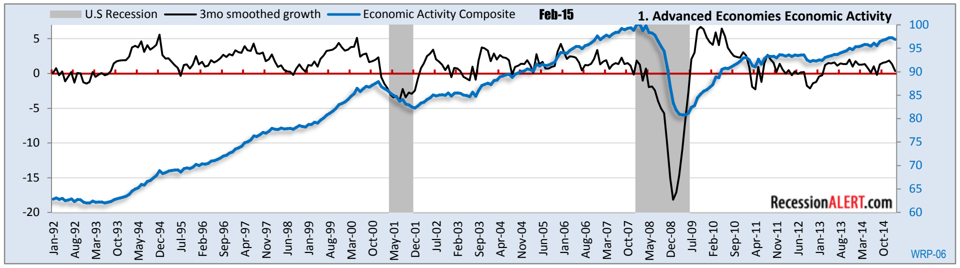
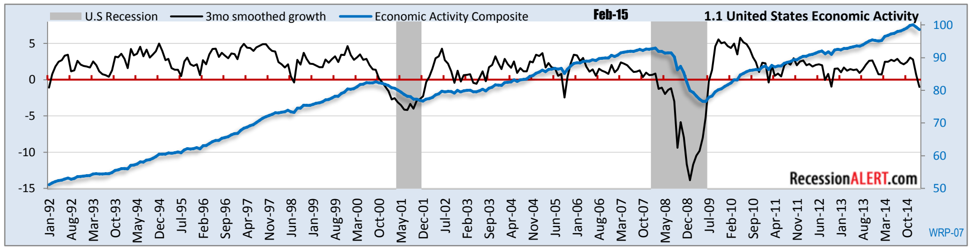
WORLD RECESSION REPORT

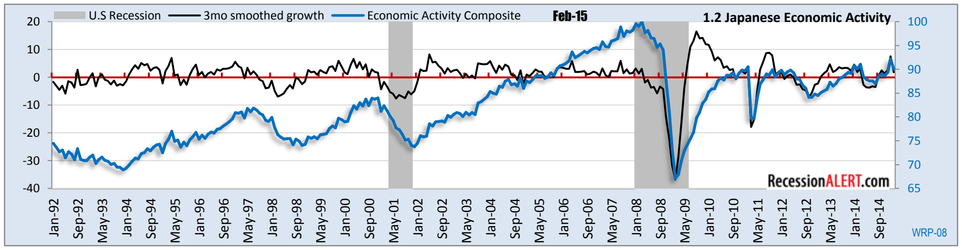
5/5/2015

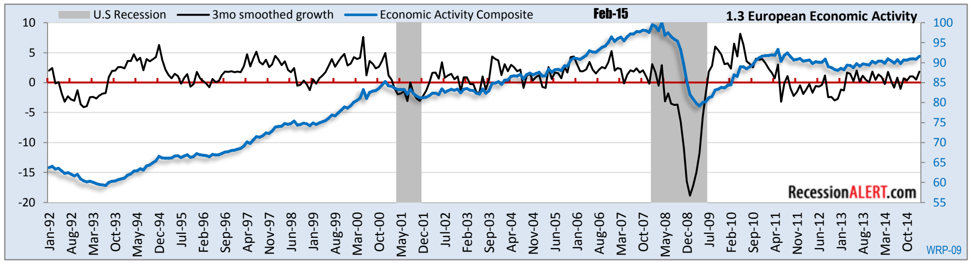
WORLD COMPOSITE ECONOMIC ACTIVITY INDICES : We create broad-based monthly economic activity indices for various regions across the globe by using equal weighted composites of each regions ' **World Trade Volume** (average of total imports & exports) and **Industrial Production Output.** Detailed charts for each of these two components per region is available on the two pages following this one. Data is from CPB World Trade Database of 23 OECD countries and 60emerging economies representing around 97% of total world trade value. Three month smoothed growth rates of the composite are used to signal contractions in a timely manner. When the growth rate is below zero there is a high degree of certainty that the regions in question is in economic recession. We only show U.S recession shading as this reportis predominantly aimed at those interested in probabilities of U.S economic contraction. ***Note :*** index levels not comparable to each other accross regions/bloc's although growth rates are. Updated around 25th.

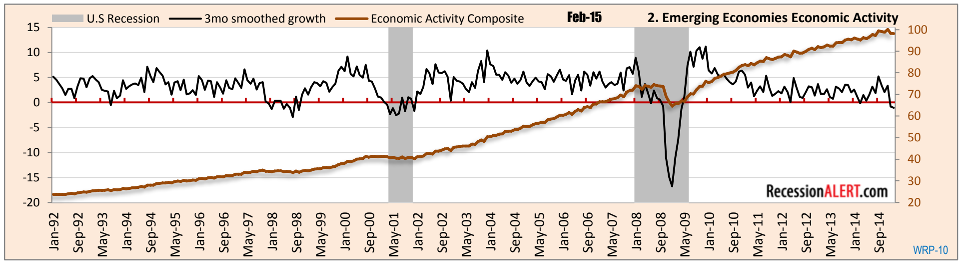


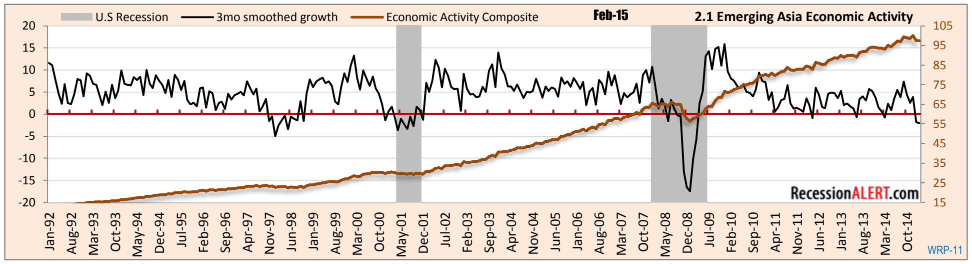


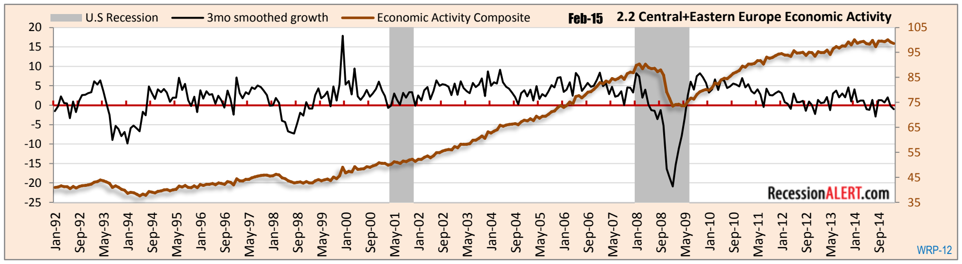


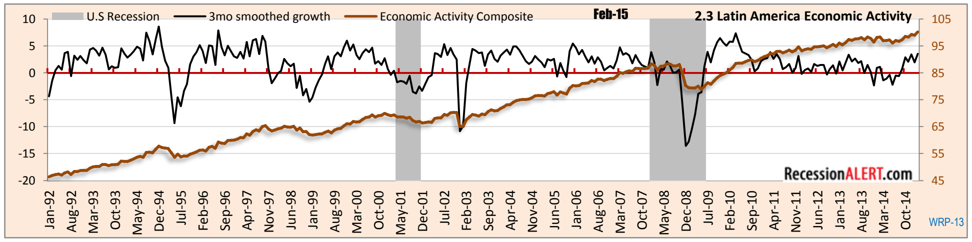


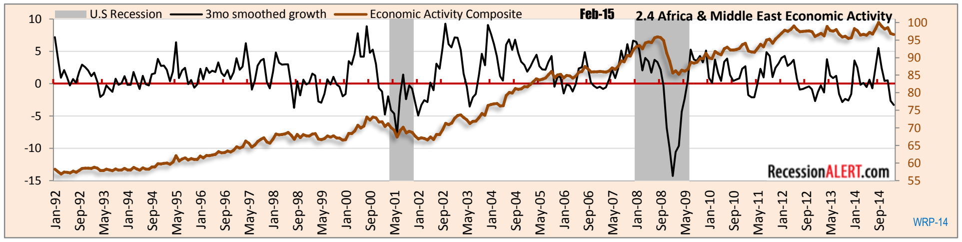






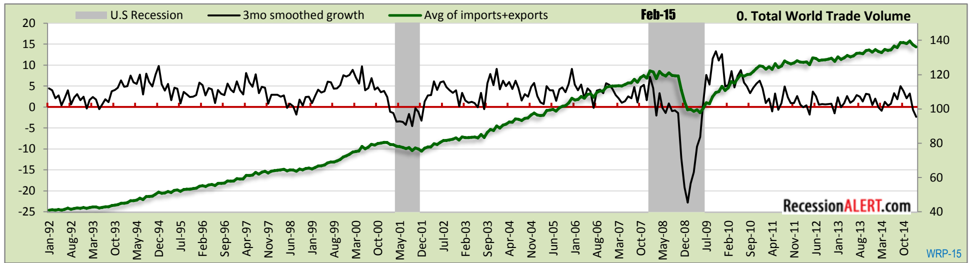


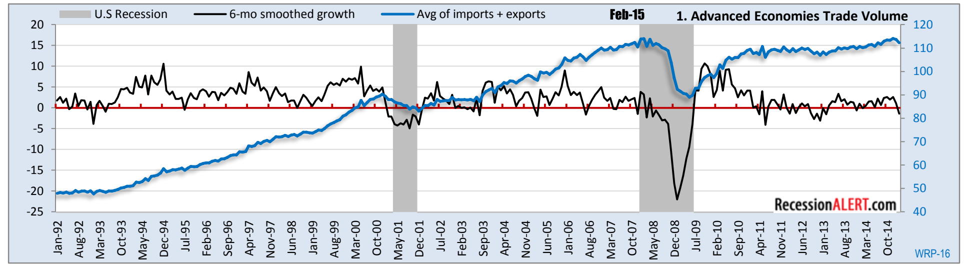


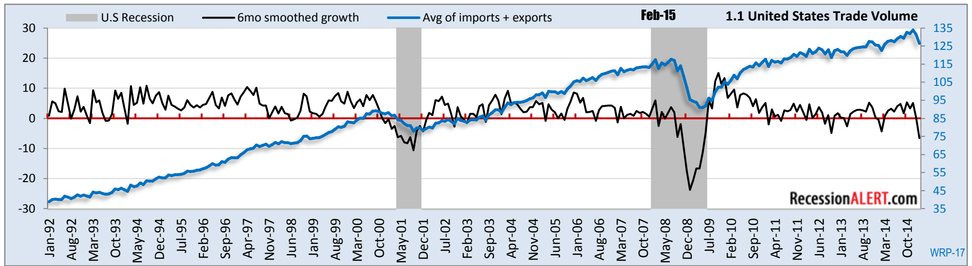


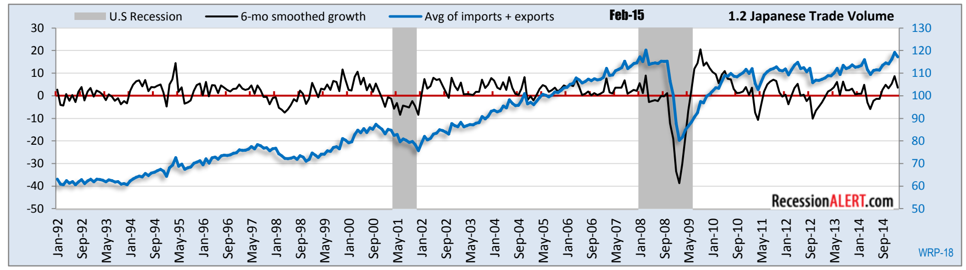
WORLD RECESSION REPORT
5/5/2015

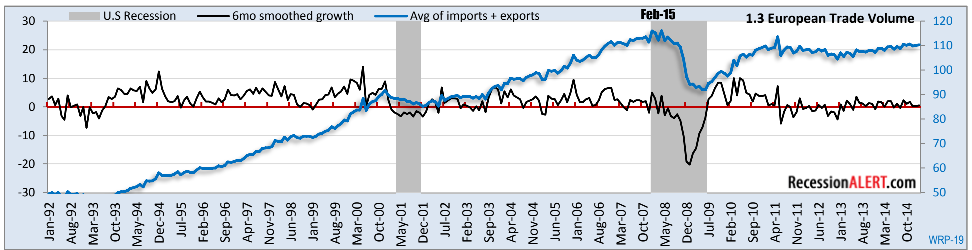
WORLD TRADE VOLUME is defined as average of imports and exports taken from CPB World Trade Database to give an idea of broad economic activity for a region. Data is updated monthly on 22nd from international trade statistics as opposed to national accounts data and contains foreign trade value series of 23 OECD countries and 60 emerging economies. Those 60 emerging economies cover approximately 90% of foreign trade of all emerging economies. With the almost 85 countries in the database, coverage of total world trade value is around 97%. The monthly frequency of data and very low level of revisions is highly advantageous. We show various regional bloc's trade volu me coupled with 6-month smoothed growth rates. Although we only show US recession shading, it is safe to conclude that when the growth rate dr ops below zero for at least 2 consecutive months that the region in question is experiencing a very high probability of a growth recession. ***Note :*** index levels not comparable to each other accross regions/bloc's.

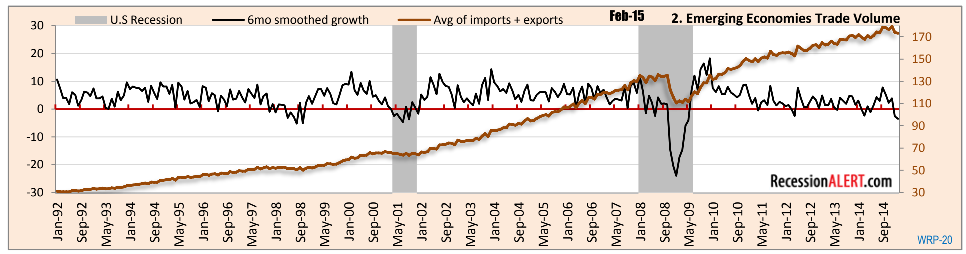


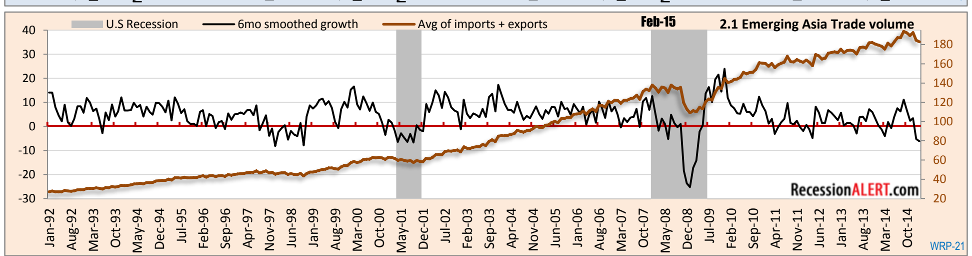


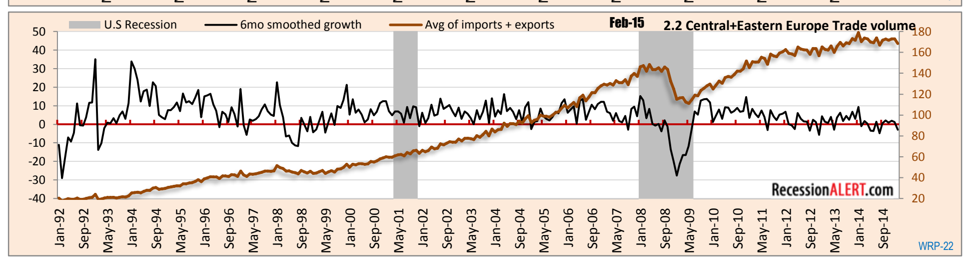


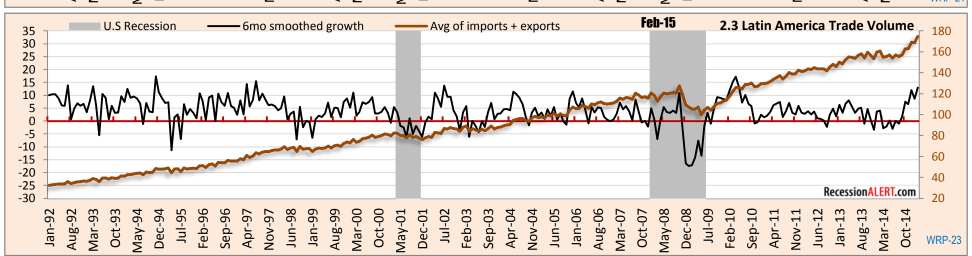


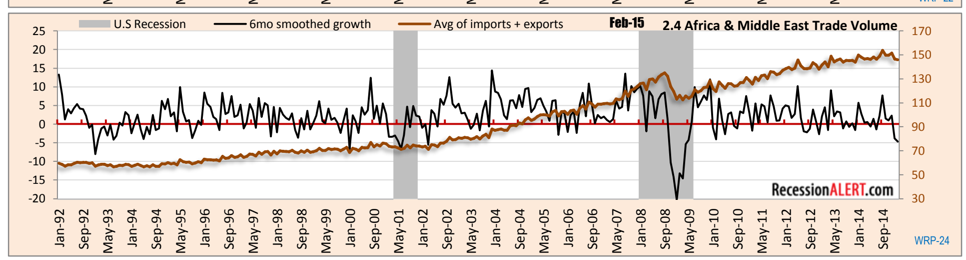












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WORLD RECESSION REPORT
5/5/2015

WORLD INDUSTRIAL PRODUCTION : This uses production-weighted (not GDP-weighted) Industrial Production figures from the World Trade database to compile total industrial production for various regions as depicted in the charts below. Many business cycle co-incident indices are referenced against industrial production in their creation and thus even though industrial production is not representative of all of a regions ' economy, it is highly correlated from a business cycle perspective. We use a shorter 3-month smoothed growth rate to assess more timely industrial production growth trends. When the growth metric is below zero we can assume the industrial production of the region is in decline and it is highly likely the economy of the region in question is undergoing a recessionary phase. We only show U.S recession shading as this report is predominantly focussed at assessing U.S recession risk. ***Note : Industrial Production** index levels not comparable to each other accross regions/bloc's.Updated around 25th each month.*