

Country Code	ISO	WFO	Subject Code	Country	Subject	Denominator	Subject Notes	Units	Scale
1992	BA	BA	NY	Germany	Gross domestic product	constant prices	Expressed in billions of national currency	176	NYGDP
1992	BE	BE	NY	Belgium	Gross domestic product	constant prices	Expressed in billions of national currency	176	BEYDGP
1992	BR	BR	NY	Brazil	Gross domestic product	constant prices	Expressed in billions of national currency	176	BRNYGDP
1992	CA	CA	NY	Canada	Gross domestic product	constant prices	Expressed in billions of national currency	176	CANYGDP
1992	CH	CH	NY	Switzerland	Gross domestic product	constant prices	Expressed in billions of national currency	176	CHNYGDP
1992	CL	CL	NY	Chile	Gross domestic product	constant prices	Expressed in billions of national currency	176	CLNYGDP
1992	CO	CO	NY	Colombia	Gross domestic product	constant prices	Expressed in billions of national currency	176	CONYGDP
1992	CZ	CZ	NY	Czechia	Gross domestic product	constant prices	Expressed in billions of national currency	176	CZNYGDP
1992	DK	DK	NY	Denmark	Gross domestic product	constant prices	Expressed in billions of national currency	176	DKNYGDP
1992	EE	EE	NY	Estonia	Gross domestic product	constant prices	Expressed in billions of national currency	176	EENYGDP
1992	EG	EG	NY	Egypt	Gross domestic product	constant prices	Expressed in billions of national currency	176	EGNYGDP
1992	ES	ES	NY	Spain	Gross domestic product	constant prices	Expressed in billions of national currency	176	ESNYGDP
1992	FI	FI	NY	Finland	Gross domestic product	constant prices	Expressed in billions of national currency	176	FINYGDP
1992	FR	FR	NY	France	Gross domestic product	constant prices	Expressed in billions of national currency	176	FRNYGDP
1992	GB	GB	NY	United Kingdom	Gross domestic product	constant prices	Expressed in billions of national currency	176	GBNYGDP
1992	GR	GR	NY	Greece	Gross domestic product	constant prices	Expressed in billions of national currency	176	GRNYGDP
1992	GT	GT	NY	Guatemala	Gross domestic product	constant prices	Expressed in billions of national currency	176	GTNYGDP
1992	HK	HK	NY	Hong Kong	Gross domestic product	constant prices	Expressed in billions of national currency	176	HKNYGDP
1992	HN	HN	NY	Honduras	Gross domestic product	constant prices	Expressed in billions of national currency	176	HNNYGDP
1992	IE	IE	NY	Ireland	Gross domestic product	constant prices	Expressed in billions of national currency	176	IENYGDP
1992	IL	IL	NY	Israel	Gross domestic product	constant prices	Expressed in billions of national currency	176	ILNYGDP
1992	IN	IN	NY	India	Gross domestic product	constant prices	Expressed in billions of national currency	176	INNYGDP
1992	IS	IS	NY	Iceland	Gross domestic product	constant prices	Expressed in billions of national currency	176	ISNYGDP
1992	IT	IT	NY	Italy	Gross domestic product	constant prices	Expressed in billions of national currency	176	ITNYGDP
1992	JP	JP	NY	Japan	Gross domestic product	constant prices	Expressed in billions of national currency	176	JPNYGDP
1992	KE	KE	NY	Kenya	Gross domestic product	constant prices	Expressed in billions of national currency	176	KENYGDP
1992	KR	KR	NY	South Korea	Gross domestic product	constant prices	Expressed in billions of national currency	176	KRNYGDP
1992	KW	KW	NY	Kuwait	Gross domestic product	constant prices	Expressed in billions of national currency	176	KWNYGDP
1992	LA	LA	NY	Laos	Gross domestic product	constant prices	Expressed in billions of national currency	176	LANYGDP
1992	LU	LU	NY	Luxembourg	Gross domestic product	constant prices	Expressed in billions of national currency	176	LUNYGDP
1992	LV	LV	NY	Latvia	Gross domestic product	constant prices	Expressed in billions of national currency	176	LVNYGDP
1992	LY	LY	NY	Libya	Gross domestic product	constant prices	Expressed in billions of national currency	176	LYNYGDP
1992	MA	MA	NY	Morocco	Gross domestic product	constant prices	Expressed in billions of national currency	176	MANYGDP
1992	MC	MC	NY	Monaco	Gross domestic product	constant prices	Expressed in billions of national currency	176	MCNYGDP
1992	MD	MD	NY	Moldova	Gross domestic product	constant prices	Expressed in billions of national currency	176	MDNYGDP
1992	ME	ME	NY	Montenegro	Gross domestic product	constant prices	Expressed in billions of national currency	176	MENYGDP
1992	MK	MK	NY	Macedonia	Gross domestic product	constant prices	Expressed in billions of national currency	176	MKNYGDP
1992	ML	ML	NY	Mali	Gross domestic product	constant prices	Expressed in billions of national currency	176	MLNYGDP
1992	MM	MM	NY	Myanmar	Gross domestic product	constant prices	Expressed in billions of national currency	176	MMNYGDP
1992	MN	MN	NY	Mongolia	Gross domestic product	constant prices	Expressed in billions of national currency	176	MNNYGDP
1992	MO	MO	NY	Macao	Gross domestic product	constant prices	Expressed in billions of national currency	176	MONYGDP
1992	MP	MP	NY	Northern Mariana Islands	Gross domestic product	constant prices	Expressed in billions of national currency	176	MPNYGDP
1992	MR	MR	NY	Morocco	Gross domestic product	constant prices	Expressed in billions of national currency	176	MRNYGDP
1992	MT	MT	NY	Malta	Gross domestic product	constant prices	Expressed in billions of national currency	176	MTNYGDP
1992	MU	MU	NY	Mauritius	Gross domestic product	constant prices	Expressed in billions of national currency	176	MUNYGDP
1992	MV	MV	NY	Maldives	Gross domestic product	constant prices	Expressed in billions of national currency	176	MVNYGDP
1992	MW	MW	NY	Malawi	Gross domestic product	constant prices	Expressed in billions of national currency	176	MWNYGDP
1992	MX	MX	NY	Mexico	Gross domestic product	constant prices	Expressed in billions of national currency	176	MXNYGDP
1992	MY	MY	NY	Malaysia	Gross domestic product	constant prices	Expressed in billions of national currency	176	MYNYGDP
1992	NB	NB	NY	New Brunswick	Gross domestic product	constant prices	Expressed in billions of national currency	176	NBNYGDP
1992	NC	NC	NY	North Carolina	Gross domestic product	constant prices	Expressed in billions of national currency	176	NCNYGDP
1992	ND	ND	NY	North Dakota	Gross domestic product	constant prices	Expressed in billions of national currency	176	NDNYGDP
1992	NE	NE	NY	Niger	Gross domestic product	constant prices	Expressed in billions of national currency	176	NENYGDP
1992	NG	NG	NY	Nigeria	Gross domestic product	constant prices	Expressed in billions of national currency	176	NGNYGDP
1992	NL	NL	NY	Netherlands	Gross domestic product	constant prices	Expressed in billions of national currency	176	NLNYGDP
1992	NO	NO	NY	Norway	Gross domestic product	constant prices	Expressed in billions of national currency	176	NONYGDP
1992	NZ	NZ	NY	New Zealand	Gross domestic product	constant prices	Expressed in billions of national currency	176	NZNYGDP
1992	OM	OM	NY	Oman	Gross domestic product	constant prices	Expressed in billions of national currency	176	OMNYGDP
1992	PA	PA	NY	Panama	Gross domestic product	constant prices	Expressed in billions of national currency	176	PANYGDP
1992	PE	PE	NY	Peru	Gross domestic product	constant prices	Expressed in billions of national currency	176	PENYGDP
1992	PG	PG	NY	Papua New Guinea	Gross domestic product	constant prices	Expressed in billions of national currency	176	PGNYGDP
1992	PH	PH	NY	Philippines	Gross domestic product	constant prices	Expressed in billions of national currency	176	PHNYGDP
1992	PK	PK	NY	Pakistan	Gross domestic product	constant prices	Expressed in billions of national currency	176	PKNYGDP
1992	PL	PL	NY	Poland	Gross domestic product	constant prices	Expressed in billions of national currency	176	PLNYGDP
1992	PT	PT	NY	Portugal	Gross domestic product	constant prices	Expressed in billions of national currency	176	PTNYGDP
1992	PY	PY	NY	Paraguay	Gross domestic product	constant prices	Expressed in billions of national currency	176	PYNYGDP
1992	QA	QA	NY	Qatar	Gross domestic product	constant prices	Expressed in billions of national currency	176	QANYGDP
1992	RO	RO	NY	Romania	Gross domestic product	constant prices	Expressed in billions of national currency	176	RONYGDP
1992	RU	RU	NY	Russia	Gross domestic product	constant prices	Expressed in billions of national currency	176	RUNYGDP
1992	SA	SA	NY	Saudi Arabia	Gross domestic product	constant prices	Expressed in billions of national currency	176	SANYGDP
1992	SB	SB	NY	Solomon Islands	Gross domestic product	constant prices	Expressed in billions of national currency	176	SBNYGDP
1992	SC	SC	NY	Seychelles	Gross domestic product	constant prices	Expressed in billions of national currency	176	SCNYGDP
1992	SD	SD	NY	Sudan	Gross domestic product	constant prices	Expressed in billions of national currency	176	SDNYGDP
1992	SE	SE	NY	Sweden	Gross domestic product	constant prices	Expressed in billions of national currency	176	SENYGDP
1992	SI	SI	NY	Slovenia	Gross domestic product	constant prices	Expressed in billions of national currency	176	SINYGDP
1992	SJ	SJ	NY	Finland (Åland Islands)	Gross domestic product	constant prices	Expressed in billions of national currency	176	SJNYGDP
1992	SK	SK	NY	Slovakia	Gross domestic product	constant prices	Expressed in billions of national currency	176	SKNYGDP
1992	SL	SL	NY	Sierra Leone	Gross domestic product	constant prices	Expressed in billions of national currency	176	SLNYGDP
1992	SN	SN	NY	Senegal	Gross domestic product	constant prices	Expressed in billions of national currency	176	SNNYGDP
1992	SR	SR	NY	Suriname	Gross domestic product	constant prices	Expressed in billions of national currency	176	SRNYGDP
1992	SS	SS	NY	South Sudan	Gross domestic product	constant prices	Expressed in billions of national currency	176	SSNYGDP
1992	ST	ST	NY	São Tomé and Príncipe	Gross domestic product	constant prices	Expressed in billions of national currency	176	STNYGDP
1992	SV	SV	NY	El Salvador	Gross domestic product	constant prices	Expressed in billions of national currency	176	SVNYGDP
1992	TD	TD	NY	Chad	Gross domestic product	constant prices	Expressed in billions of national currency	176	TDNYGDP
1992	TE	TE	NY	Turkey	Gross domestic product	constant prices	Expressed in billions of national currency	176	TENYGDP
1992	TG	TG	NY	Togo	Gross domestic product	constant prices	Expressed in billions of national currency	176	TGNYGDP
1992	TH	TH	NY	Thailand	Gross domestic product	constant prices	Expressed in billions of national currency	176	THNYGDP
1992	TJ	TJ	NY	Tajikistan	Gross domestic product	constant prices	Expressed in billions of national currency	176	TJNYGDP
1992	TK	TK	NY	Turkmenistan	Gross domestic product	constant prices	Expressed in billions of national currency	176	TKNYGDP
1992	TL	TL	NY	Turkey	Gross domestic product	constant prices	Expressed in billions of national currency	176	TLNYGDP
1992	TM	TM	NY	Timor-Leste	Gross domestic product	constant prices	Expressed in billions of national currency	176	TMNYGDP
1992	TN	TN	NY	Tunisia	Gross domestic product	constant prices	Expressed in billions of national currency	176	TNNYGDP
1992	TO	TO	NY	Tonga	Gross domestic product	constant prices	Expressed in billions of national currency	176	TONYGDP
1992	TR	TR	NY	Turkey	Gross domestic product	constant prices	Expressed in billions of national currency	176	TRNYGDP
1992	TT	TT	NY	Trinidad and Tobago	Gross domestic product	constant prices	Expressed in billions of national currency	176	TTNYGDP
1992	TU	TU	NY	Turkmenistan	Gross domestic product	constant prices	Expressed in billions of national currency	176	TUNYGDP
1992	TZ	TZ	NY	Tanzania	Gross domestic product	constant prices	Expressed in billions of national currency	176	TZNYGDP
1992	UA	UA	NY	Ukraine	Gross domestic product	constant prices	Expressed in billions of national currency	176	UANYGDP
1992	UG	UG	NY	Uganda	Gross domestic product	constant prices	Expressed in billions of national currency	176	UGNYGDP
1992	US	US	NY	United States	Gross domestic product	constant prices	Expressed in billions of national currency	176	USNYGDP
1992	UY	UY	NY	Uruguay	Gross domestic product	constant prices	Expressed in billions of national currency	176	UYNYGDP
1992	UZ	UZ	NY	Uzbekistan	Gross domestic product	constant prices	Expressed in billions of national currency	176	UZNYGDP
1992	VC	VC	NY	St. Vincent and the Grenadines	Gross domestic product	constant prices	Expressed in billions of national currency	176	VCNYGDP
1992	VE	VE	NY	Venezuela	Gross domestic product	constant prices	Expressed in billions of national currency	176	VENYGDP
1992	VG	VG	NY	Virgin Islands (British)	Gross domestic product	constant prices	Expressed in billions of national currency	176	VGNYGDP
1992	VI	VI	NY	Virgin Islands (U.S.)	Gross domestic product	constant prices	Expressed in billions of national currency	176	VINYGDP
1992	VN	VN	NY	Vietnam	Gross domestic product	constant prices	Expressed in billions of national currency	176	VNNYGDP
1992	VU	VU	NY	Vanuatu	Gross domestic product	constant prices	Expressed in billions of national currency	176	VUNYGDP
1992	WF	WF	NY	Wallis and Futuna	Gross domestic product	constant prices	Expressed in billions of national currency	176	WFNYGDP
1992	WS	WS	NY	Samoa	Gross domestic product	constant prices	Expressed in billions of national currency	176	WSNYGDP
1992	YE	YE	NY	Yemen	Gross domestic product	constant prices	Expressed in billions of national currency	176	YENYGDP
1992	ZA	ZA	NY	South Africa	Gross domestic product	constant prices	Expressed in billions of national currency	176	ZANYGDP
1992	ZM	ZM	NY	Zambia	Gross domestic product	constant prices	Expressed in billions of national currency	176	ZMNYGDP
1992	ZW	ZW	NY	Zimbabwe	Gross domestic product	constant prices	Expressed in billions of national currency	176	ZWNYGDP

Next: A Growth Pause

Lars J. Pedersen

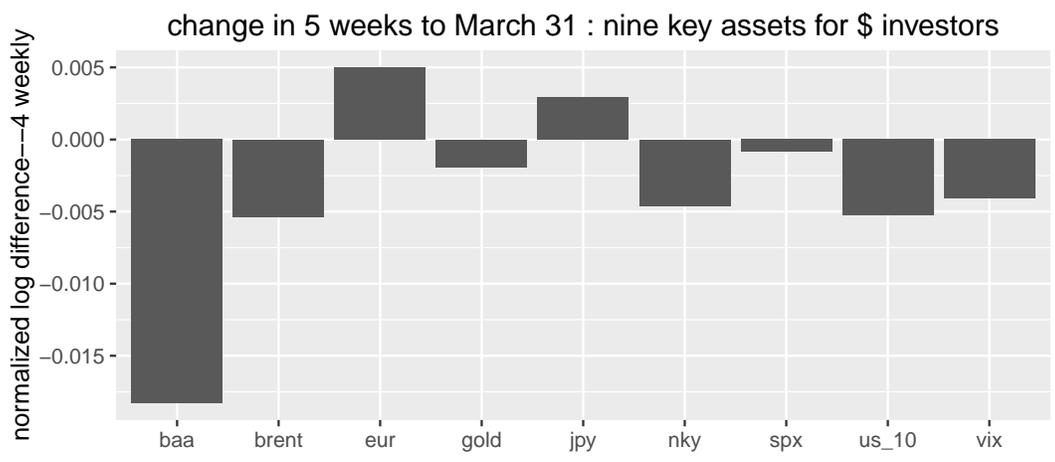
3 April 2017

lars23jacob@gmail.com

- Trumpist contradictions
- Measuring the inventory lift
- Europe does well despite Brexit
- Rising financial strains in China

After the US raised rates investors marked down riskier corporate bond values sharply. US equity gains paused.

The euro and yen rose slightly against the dollar as investors avoided US bonds and stocks. European equities were up strongly as an alternative with less rate hike risk.



While the Fed got on with normalizing interest rates, the striking inability of the Trump-Republican combination to pass a health care bill illustrates the risk in assuming too much from this administration.

An awkward combination of populists and libertarians in US governance causes contradictions. The difficulty is amplified by the absence of room for deficit spending to paper over differences at a time of high public debt, which is completely different from when Reagan came into office. So, much

less policy innovation now looks likely than a few weeks ago.

Forceful policy, overheating growth, a spike in inflation, and a sharp rise in rates centered in the US seem to be fading as possibilities. A more gradual and widening recovery looks instead more likely, with gradually widening participation in Europe and Japan.

With reduced macro risk, investors moved their funds between emerging markets. Mexico gained and South Africa lost in a big way.

Measuring the inventory lift. After a solid couple of quarters, and probably a good first quarter as well if payrolls are any indication, US growth could slow. For the moment, a temporary inventory boost is concealing weaker underlying demand. Car sales have plateaued at a high level sustained only by riskier credit and bigger incentives. Mortgage costs may rise by nearly 30% with higher rates, impeding construction. Finally, investment spending that might be subject to radically new tax treatment is almost certainly going to wait for some clarity by year-end at best.

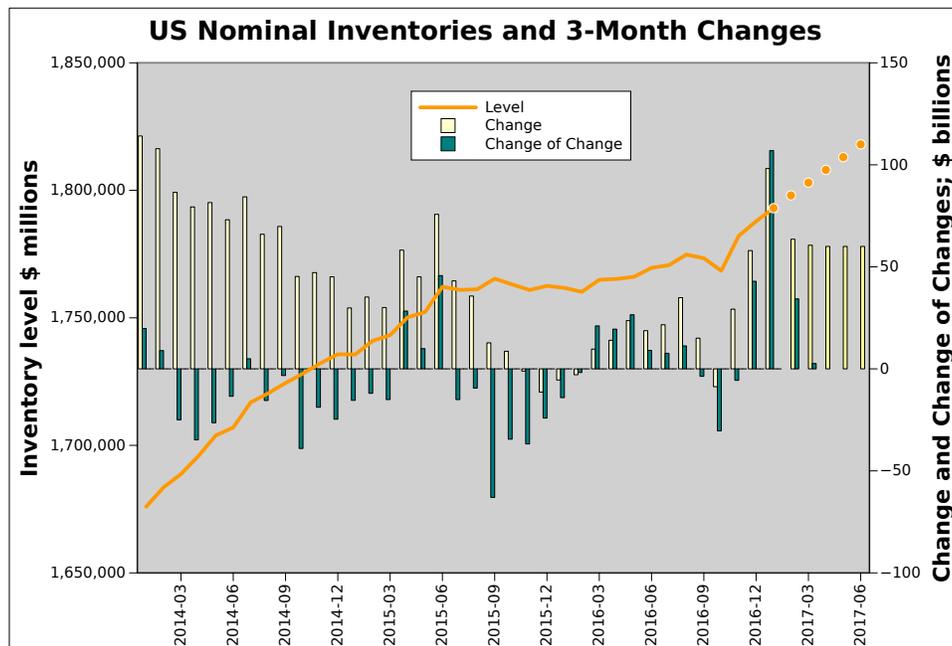
Inventory adjustments like we are in now can create temporary surges in business, sometimes big ones. Normally inventories rise gently as specialization steadily promotes the holding of work in progress. Since 2015, however, a long period of inventory stagnation in the US began that fortunately did not develop into a full recession. (See orange level and forecast dots in chart below.)

By mid-2016, rising inventories were needed again for a steady if sluggish economy. That extra demand for inventory in turn required extra production and we were off to the races. The

change in non-commodity inventory change over three months went from zero to nearly \$100 billion (measured like GDP over three months at an annual rate—green bars in chart below.) That event alone, if it is recorded in one quarter will boost GDP by 2.5%, or if it falls over two quarters by 1.25% in each. It is no small thing.

Looking ahead, an optimistic return to steady inventory building means a new *steady* demand for products. That is, for *no further change in production* going to inventory build. So we are almost certainly going to see a pause in recorded US output growth sometime in the middle of the year, falling back from rates around 3% to around 2%.

Despite the transient character of the growth jolt, the Federal Reserve still quickened its pace of raising rates. Publicly, the Fed points to full employment, inflation creeping higher, and signs of a global recovery as reasons to ease off radical monetary ease. Presumably the unstated idea is also that having taken housing values back to their previous bubble high, and equities even higher, further fuel for higher asset valuations is no longer necessary.



Europe does well despite Brexit. Business continues to boom in Europe, despite every political obstacle. All surveys point to a solid first quarter after a strong end of year as global export volumes, including from Europe, popped in December. In line with the US inventory cycle, a broad process of restarting world manufacturing activity got well underway at the turn of the year, with orders placed and goods placed on board ship at a quickening rate into December. Imports, as goods came off ships picked up a little later. (See chart below.) Goods in transit and works in progress are booming all over the world trading system.

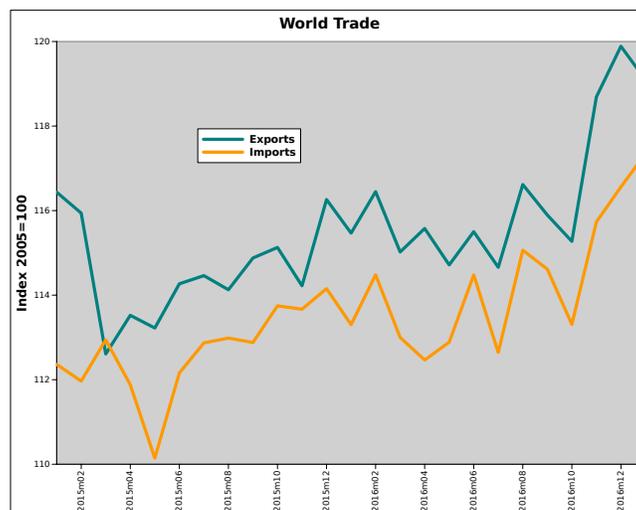
In this boom, the UK finds its coming departure from the European Union has had little immediate impact. One reason might be that the customs union will remain in place until 2019, enabling current producers to do well under a pre-emptively discounted pound. But new capacity will come on reluctantly with Brexit uncertainty, to drag down growth ahead. In the meantime, the deep pre-emptive drop in sterling is causing enough inflation to begin to imperil consumer spending.

Meanwhile, the hefty bond buying program of the ECB continues. Unintended consequences keep popping up, due the great size of this buying in relatively thin markets. One consequence is remarkably low bond and negative yields as investors encounter bond shortages. Another is the way in which the ECB's bond buying is digging deeper into portfolios

across the EU and abroad for each successive wave of fresh buying. The ECB argues that these bonds are held at custodians that are concentrated in certain countries, and that the sellers often concentrate sales proceeds in countries where they have historical banking links. In either case, the result tends to push up bank clearing balances in the Target2 system. So the rising Target2 imbalances we see are *not* the signal of renewed fears of currency union break-up and are not necessarily about banks losing confidence in each other as in 2011.

Meanwhile, European policy must consider how US protectionist threats could matter. Clearly, a deliberate effort to push down the euro via quantitative ease has achieved something: a huge German current account surplus only partly followed by Italy and others. Because the problem of Europe is the long drift up in peripheral wage costs, a euro weak enough to allow Italian companies to breath also serves to super-charge the trading conditions for German companies.

But this indirect avenue of policy support for Italy has now reached a political breaking point with the risk of US protectionist action, leading Draghi to used some unusually tough words about political failure to cut costs and liberalize labor markets in Southern Europe. Despite its awkward results, this ECB will be reluctant to ease off quantitative ease before 2018 or 2019 when the weaker nations of Europe get to economic lift-off.



Rising financial strains in China. Commodity prices, industrial production, and renewed waves of killing smog in Beijing all tell the same story—growth is back. China's leaders know it and have decided to get on with the deferred closures of excess heavy industry via direct orders, measuring local administrators by pollution emissions, allowing the pace of bankruptcies to quicken, and tightening mortgage credit terms in first tier cities.

As the broader world trade cycle restarted, China seems to have captured a surprisingly low share of the export gains. Higher wages and the high value of the CNY may have increased pressure on existing exporters, many of whom are complaining of high costs. Instead, China's inventory cycle was more narrowly focused on domestic construction and cars, leading to big swings in the heavy industry supply chain.

China's ultimate objective will be to bring down heavy industrial activity while fostering new higher value jobs. New opportunities for business call for new, innovative, credit backing. China's already over-banking system has certainly responded to the call. Credit default swaps were sold by local governments seeking to guarantee credit for local heavy industry a little longer. Bond repurchase deals were used to pyramid bond portfolio risk. A dairy company was revealed to have cornered its own shares by borrowing against shares already held to buy more. Lastly, negotiable bank certificates of deposit have emerged as a form of funding for highly leveraged smaller banks.

It may be time to create at least the facsimile

of a credit crunch to slow down these excesses. Administrators hope they can do so without triggering a credit panic and depend on massive foreign exchange reserves held outside the system to stand as an independent guarantee of their ability to do so. Seemingly, foreign reserves falling any further below \$3.0 trillion threaten that guarantee, because controls on outgoing direct investment were suddenly imposed last year to stop a developing reserve drain.

All this is complicated by the arrival of the protectionist Mr. Trump. Further weakness in China's currency could tilt the US toward a protectionist position that would certainly derail China's complicated recovery. But if currency weakness is now politically off the table, then episodes of capital outflow from China's overstocked domestic credit markets can be met with only by reserve loss or higher interest rates. Between them, the balance is shifting toward higher rates.

As Chinese overnight rates start to move up, stresses are showing up in all the areas touched by financial innovation. In December, some repo lenders to bond investors panicked, creating a local bond market mini-crash. Then in January, the PBOC created a mini-crunch in the HIBOR market (Hong Kong-based CNY credit) to penalize short-sellers of CNY. In February and March, month-end in the money market saw erratic trading, as the some smaller banks dependent on wholesale funding fell into doubt. We can only hope the PBOC retains enough credibility to deal with these and other consequences of its long-postponed mini-crunch.

Recent stronger world growth may be a sugar high from a brief inventory event. Underlying US demand is clearly weakening, as we wait for investment to kick in. So we risk a real pause in growth in the US and abroad around mid-year that could disrupt investor views.

Increasingly, the worst case for equities could be one where US rates continue to normalize at a moment when growth slips to a slower pace. QE driven asset values may hold up better in Europe and Japan.

After all that plays out, my best bet would be a slow and widening, more uniform, global expansion. It will depend upon an investment cycle kicking in despite unique political risks in Europe and, increasingly, in the US. And on Chinese success in controlling their unique controlled credit crunch process.