

A snapshot of the world economy **March 2024**

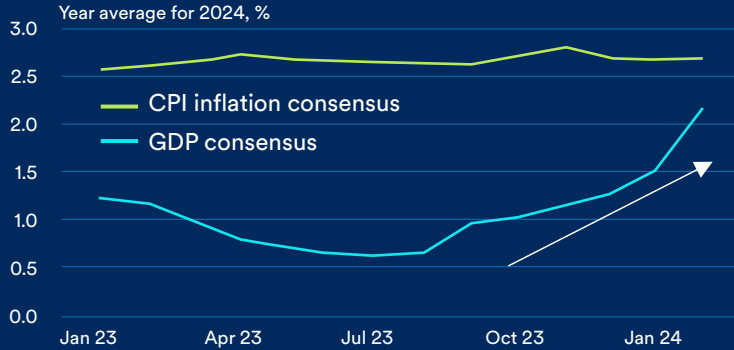


Will the US economy keep growing steadily as inflation moderates in 2024?



US growth forecasts shifted higher, averting a predicted recession or “hard landing”

– we now expect a “no landing” scenario



Moderating inflation should allow for interest rates to be cut from June...



...although we’ve not ruled out a stronger-than-expected jobs market resulting in a “consumer boom” scenario and delaying cuts

View at a glance: Schroders’ latest GDP growth forecasts



Could bad news for China’s economy be good news for Chinese equities?

“Core” inflation in China, which strips out volatile food and energy prices, has been trending down since 2017/18



The threat of deflation (falling prices) is arguably as corrosive to business and consumer confidence as high inflation



Inflation trends may eventually prompt the government to stimulate economic activity, which would also likely benefit equities

Source: Schroders as at March 2024.

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