

GLOBAL ECONOMIC OUTLOOK MARCH 7, 2018

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AGENDA

- **Short Term Economic Outlook for the U.S., EU, and China**
- **Key Drivers of Long Term Economic Growth**
 - Productivity
 - Capital Formation
 - Technological Change
- **Other actors affecting the Long Term**
 - Central Bank Policy
 - Political Uncertainty
- **Concluding thoughts**

SHORT TERM ECONOMIC OUTLOOK

- **U.S. GDP growth accelerating from 2.6% in 2017 to 2.8% 2018.**
- **EU GDP growth slowing from 2.5% in 2017 to 2.3% in 2018.**
- **China GDP growth slowing from 6.9% in 2017 to 6.6% in 2018.**
- **All good numbers**

DRIVERS OF LONG TERM ECONOMIC GROWTH

- **Labor Productivity**
 - Improving in the U.S. and China
 - Flat in the EU
- **Capital Formation**
 - Similar outlook as Labor Productivity for the U.S. and China
 - Improving in the EU
- **Technological change**
 - Hardest of the three to forecast, but the most important.

ADDITIONAL IMPACTS ON THE LONG TERM

- **Central Bank Policy**
 - Cautious tightening in all the geographies
 - Should not be disruptive
- **Political Uncertainty**
 - The largest single risk to a generally positive outlook for economic growth

THANK YOU

QUESTIONS?

