



THE GREAT RECESSION: THE EMERGING RECOVERY

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CURRENT STATE OF THE WORLD ECONOMY

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- China/India/Rest of ASEAN
- Japan
- Western Europe (PIIGS)
 - Portugal
 - Ireland
 - Italy
 - Greece
 - Spain
- Russia/Eastern Europe
- United States
- Canada

FORCES SHAPING RECOVERY

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- De-leveraging/ financial restructuring
- Employment vs Productivity
- Monetary Policy
- Fiscal Policy
- Oil/ other resources

RECOVERY REALITIES

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- World NOT decoupled
- Bloated Central Bank Balance Sheets
- Budget Deficits (Structural)
- Structural Rigidities

AS RECOVERY MATURES

- Reducing Central Bank Balance Sheets
- Fiscal Expansion to Contraction
- Interest Rates
- Inflation
- Currency Adjustments:
 - U.S. Dollar
 - Cdn. Dollar

OPTIMISTIC OR PESSIMISTIC OUTLOOK?

Last year it was a question of confidence;
this year more a question of policy