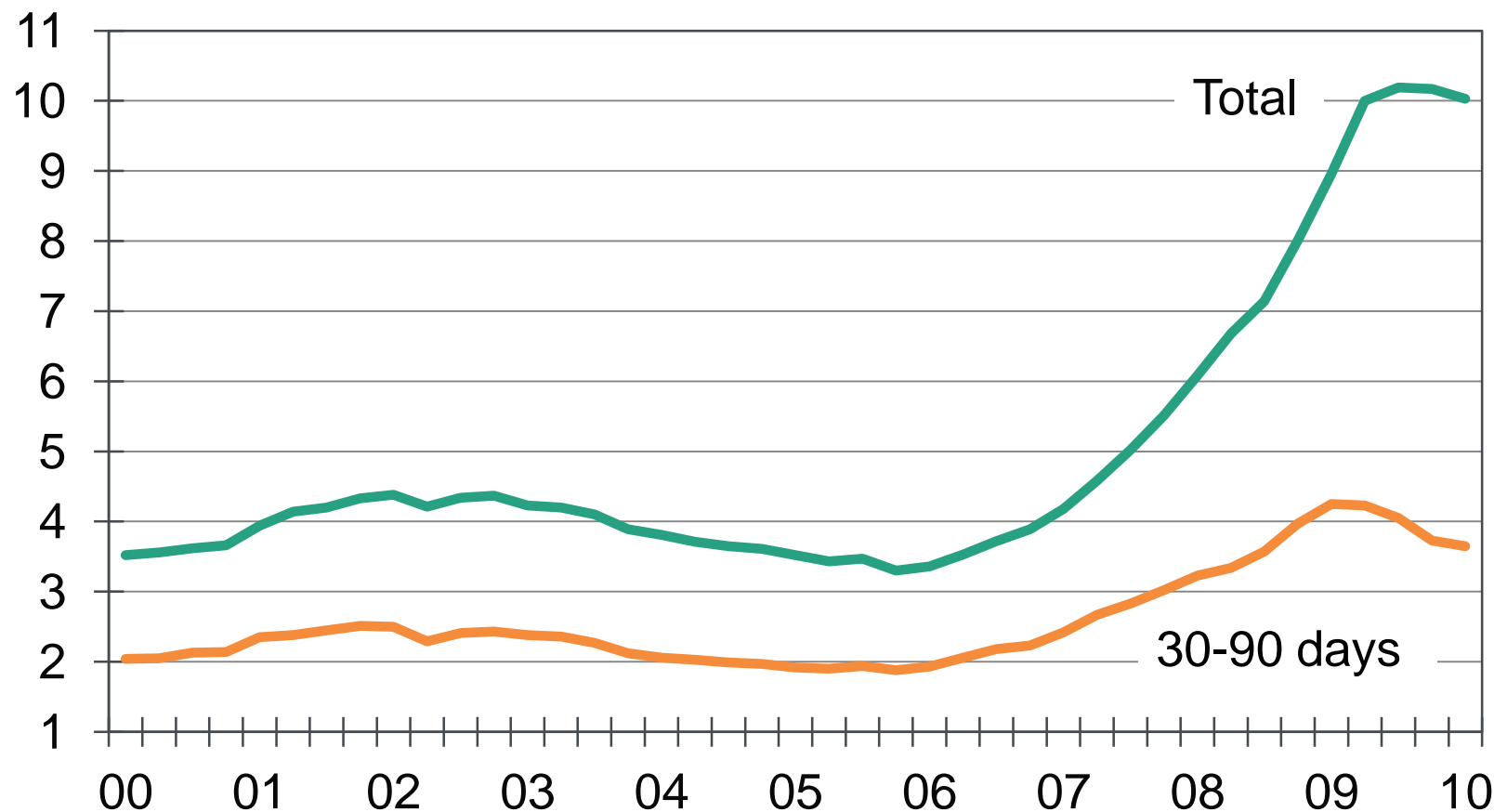


# **Global Macroeconomic Trends**

**MARK ZANDI, CHIEF ECONOMIST**

# The Credit Cycle Finally Turns for the Better...

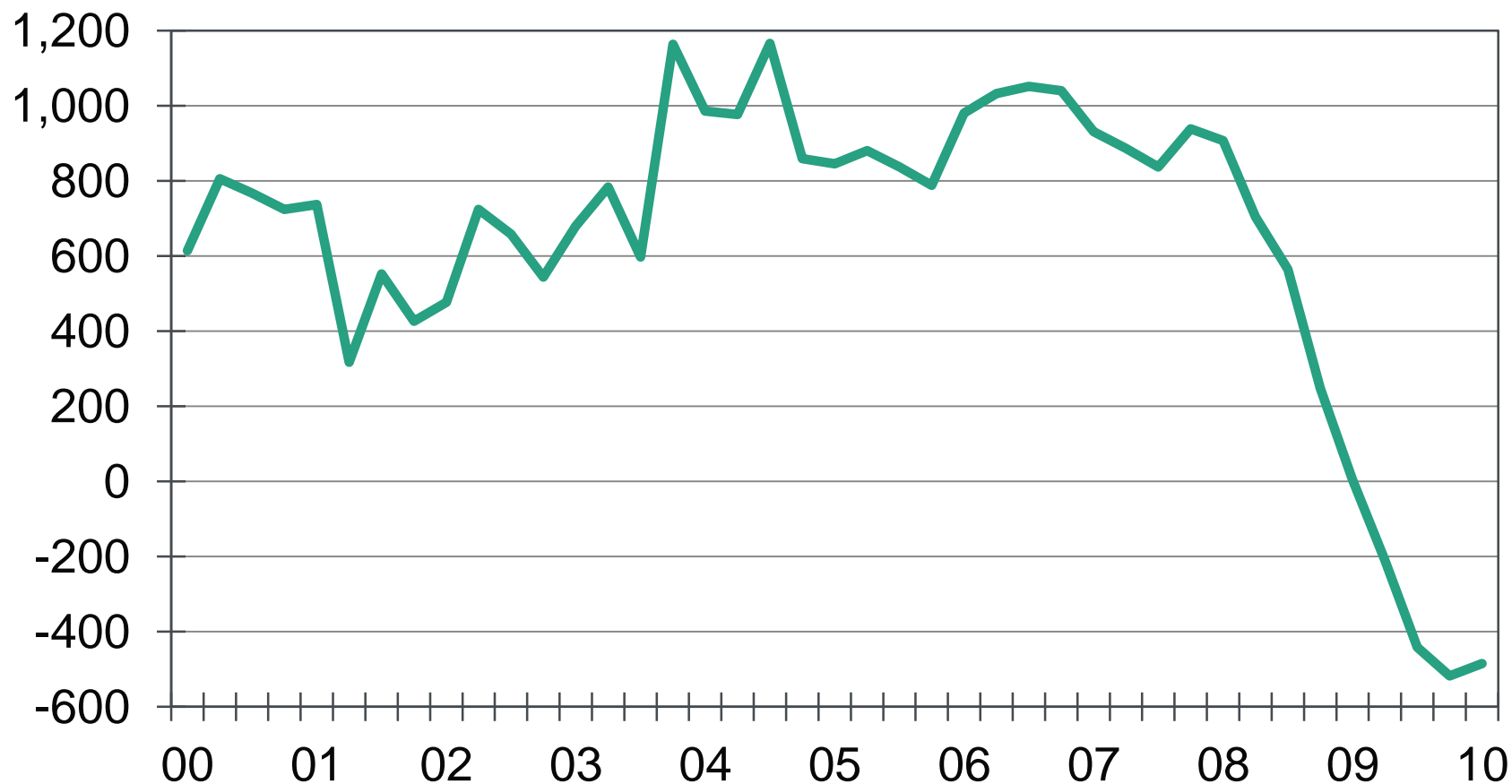
% of household debt in delinquency and default, % of \$



Sources: Equifax, Moody's Analytics

## ...As Households Deleverage

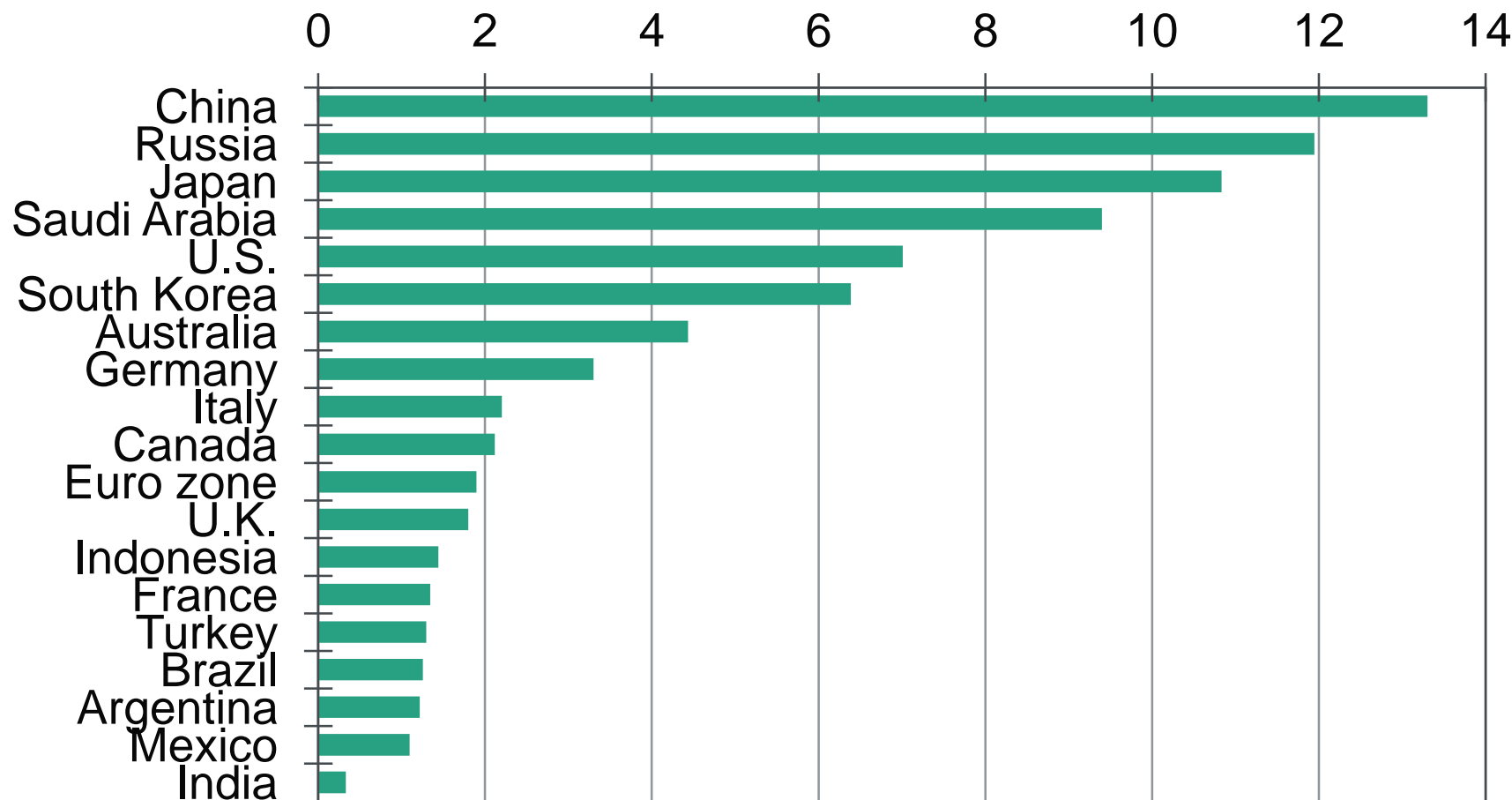
Yr-over-yr change in household debt outstanding, \$ bil



Sources: Equifax, Moody's Analytics

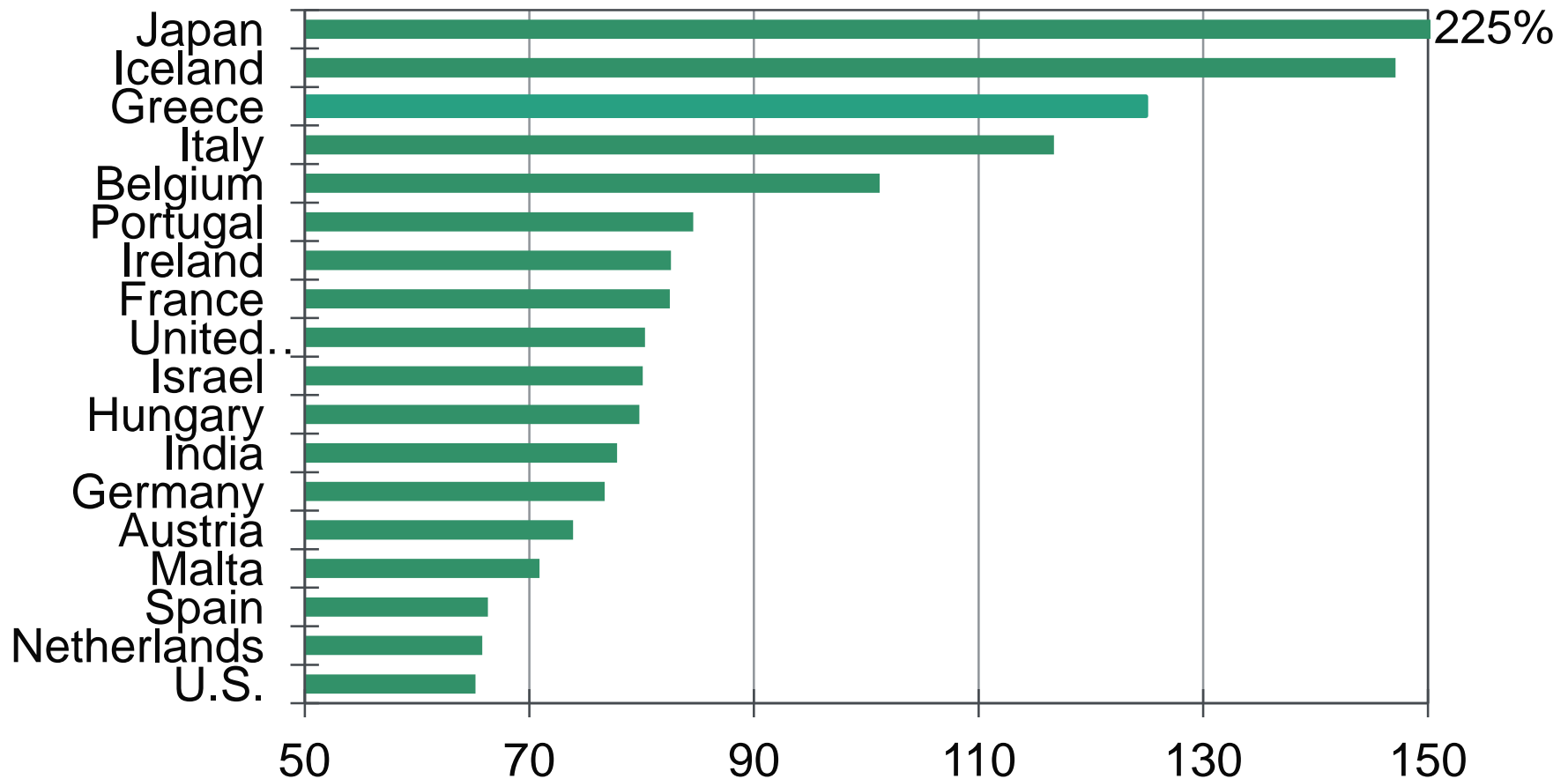
# A Hobson's Choice for Global Policymakers...

Fiscal stimulus as a % of 2008 GDP



## ...But There Is No Free Lunch...

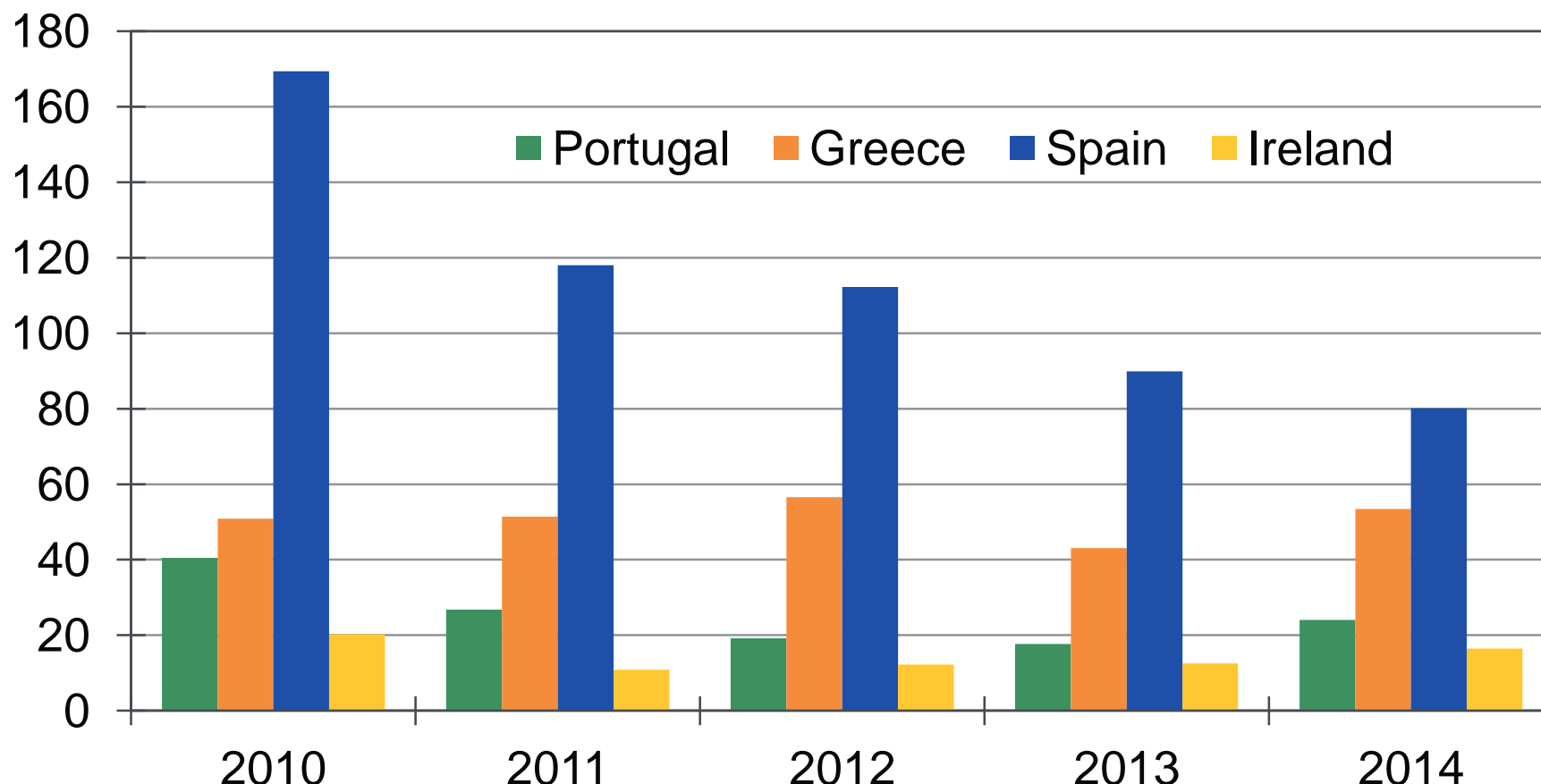
Government debt to GDP ratio, 2010



Sources: IMF, Moody's Analytics

## ...Particularly for These Sovereigns

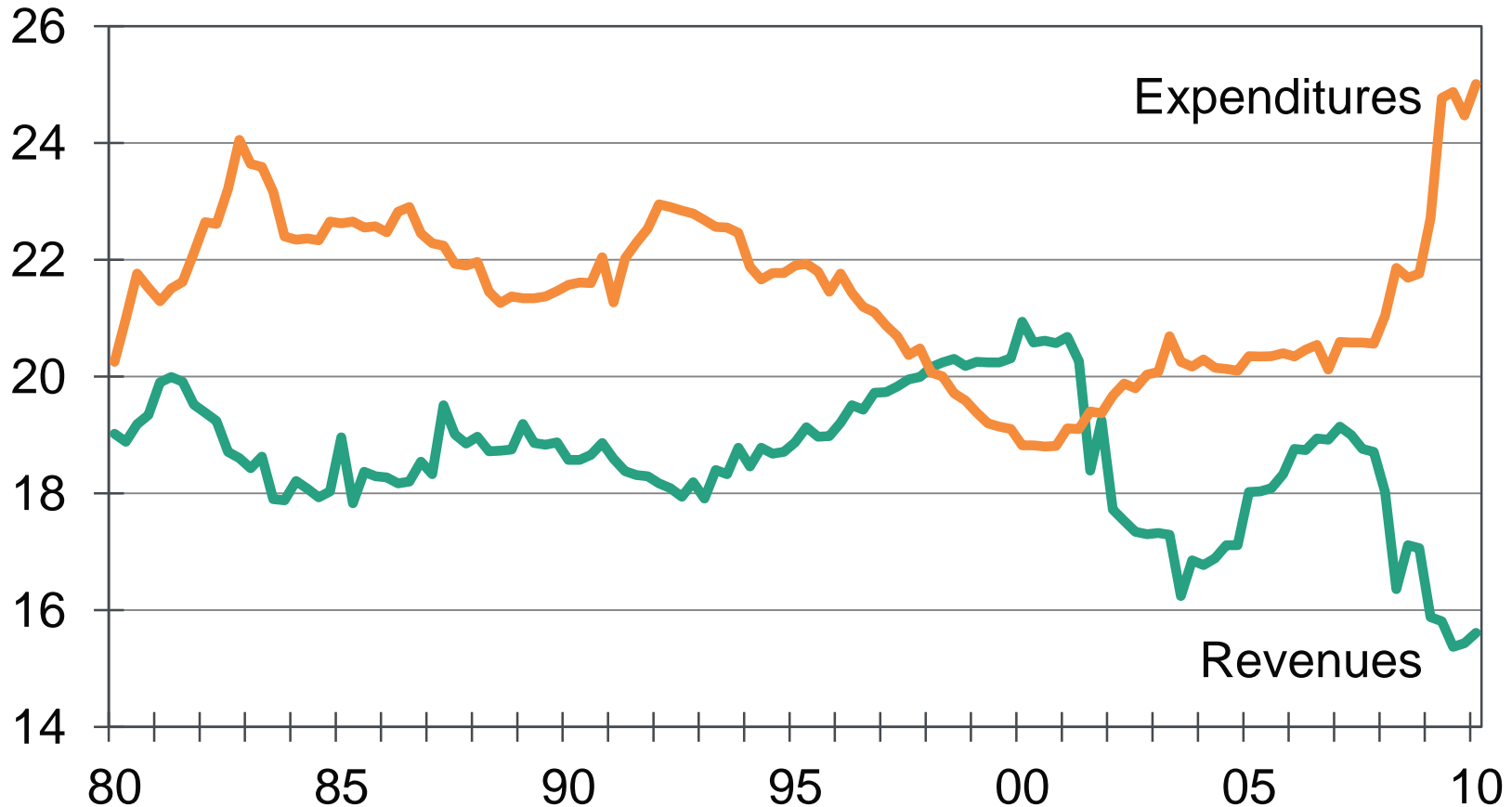
Maturing sovereign bond volume, US \$ bil



Source: Reuters

# Governments Have to Make Hard Choices...

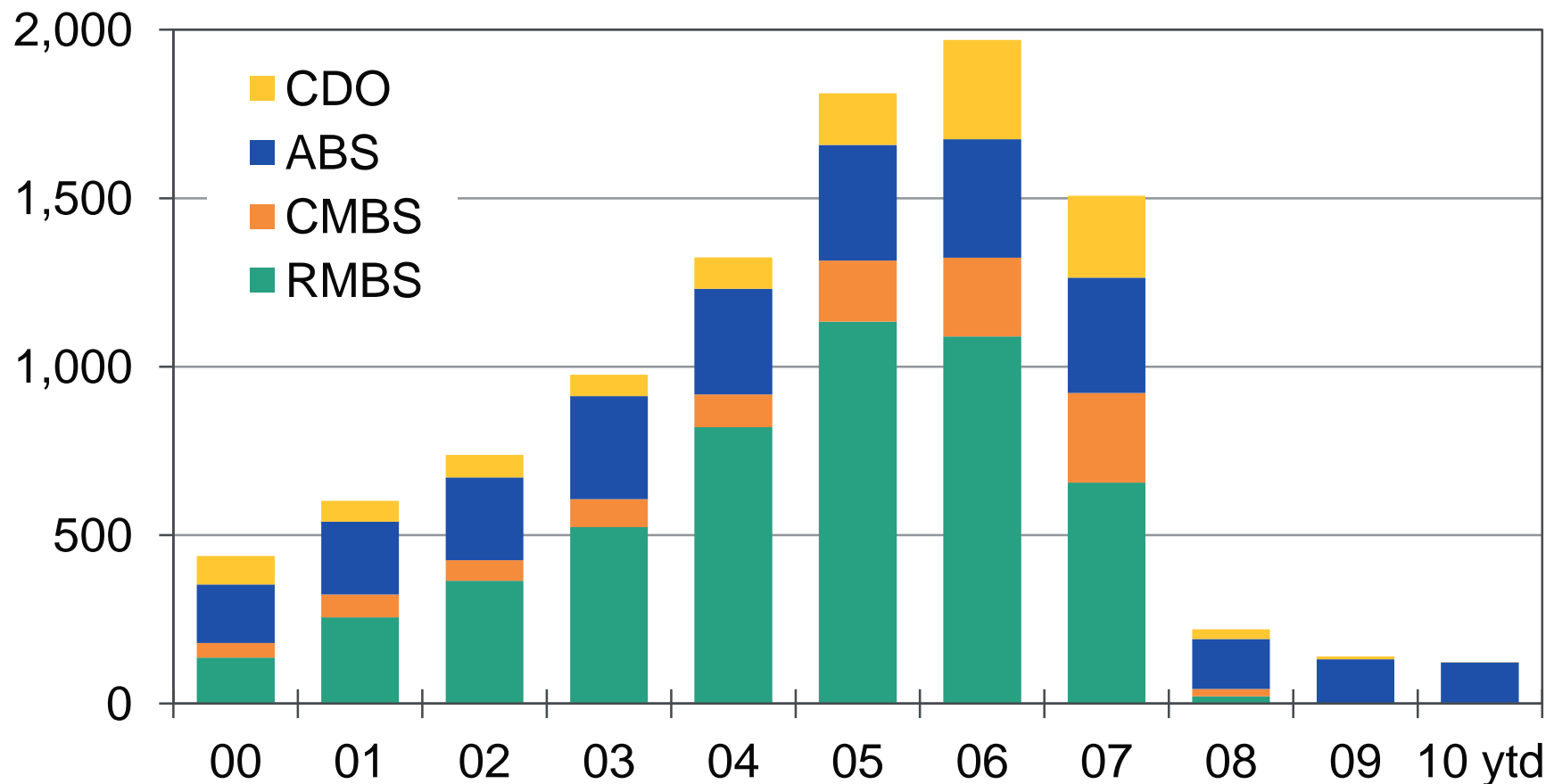
U.S. federal government spending and taxes as a share of GDP



Source: BEA

## ...To Fix Their Financial Systems

U.S. private label structured finance bond issuance, \$ bil



Source: Dealogic



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ANALYTICS

121 North Walnut Street  
Suite 500  
West Chester, PA 19380  
610.235.5299

[www.economy.com](http://www.economy.com)



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