



PRESS RELEASE

20 June 2016

THE EDMOND DE ROTHSCHILD GROUP EXPECTS GLOBAL GROWTH TO STEADY AT A DISAPPOINTING PACE

In the first edition of its new publication, "Macroeconomic Forecasts", the Economic Research Department of the Edmond de Rothschild group **expects global growth to steady at a disappointing pace**. The deteriorating outlook is reflected in low interest rates. Central banks still have ammunition left but the consequences of negative interest rates remain uncertain as the policy is unprecedented, notes Mathilde Lemoine, the Group Chief Economist.

"As long as governments fail to implement economic policies designed to enhance productivity, central banks have no choice but to keep taking the process of financing growth with debt a step further," Lemoine observes in her introduction.

In the **US** fixed-asset investment and foreign trade will continue to drag down overall GDP growth. However, this will be counterbalanced by the momentum of private consumption and increased public spending.

Japan in contrast will see persistent drag on expansion from weak personal expenditure, which will probably force the Bank of Japan to ease its monetary policy further.

The **Euro Zone** has finally put paid to its "Great Recession", thanks to public spending and an upturn in the real-estate market. These will remain the main growth drivers but the upturn in commodity prices and slightly slower momentum in job creation could weigh on consumer spending.

Switzerland is in a more comfortable position. GDP growth is set to gain pace, fuelled by strong private consumption. Deflation, though set to continue on into 2017, is not a source of concern since it does not stem from weak demand.

Emerging countries, finally, will go on being hurt by declining productivity and overcapacity but growth rates could start to pick up again by the end of 2016. In these regions, implementing structural reforms seems the prerequisite for getting their economies back on track.

The Economic Research department of the Edmond de Rothschild group is proud to unveil *Macroeconomic Forecasts*, **a publication intended for the Group's clients that covers all the world's major economies and offers scenarios in a two-year horizon**. Reflecting the Group's ambition to produce independent, world-class economic

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research, it will appear semi-annually. This publication is intended for Group clients and can be obtained from the Communication Department at communication@bper.ch.

Macroeconomic Forecasts presents the research and forecasts of the Economic Research Department, headed since January this year by Mathilde Lemoine, the new Group Chief Economist. Ms Lemoine, who holds a PhD in Economics and specialises in international, monetary, employment and growth issues, joined the Edmond de Rothschild group to impart her sharp insights into macroeconomic developments and thus strengthen the Group's "thought leadership" in market strategies in the current context of heavy volatility.



About the Edmond de Rothschild Group

The Edmond de Rothschild Group is an independent, family-controlled financial group focused on Asset Management and Private Banking. The Group was established in 1953 and since 1997 has been presided over by Baron Benjamin de Rothschild. The Group's Swiss hub is spearheaded by Edmond de Rothschild (Suisse) SA, a publicly traded Swiss company. At 31 December 2015 the Group had CHF 163 billion of

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assets under management and 2,800 employees spread across 33 offices, branches and subsidiaries throughout the world. In addition to its core businesses of Asset Management and Private Banking, the Group is also active in Corporate Finance, Private Equity and Investment Fund Administration.

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