

# A snapshot of the world economy April 2024



## Will the Fed, ECB and BoE all cut interest rates in June?

The European Central Bank (ECB), US Federal Reserve (Fed) and Bank of England (BoE) held rates in March



However, following the latest round of their rate-setting meetings, financial markets now expect them all to cut in June

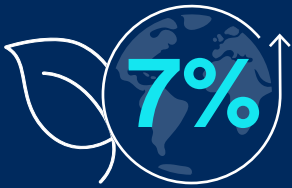


We've also adjusted our own forecasts, which now also assume all three central banks will cut at their mid-year meetings



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## How climate mitigation could be beneficial to the global economy



boost to global growth

Benefits from tackling global warming would offset the climate mitigation costs...

Projected GDP increase with orderly transition to net zero by 2050 vs. current climate action policies, according to the Network for Greening the Financial System

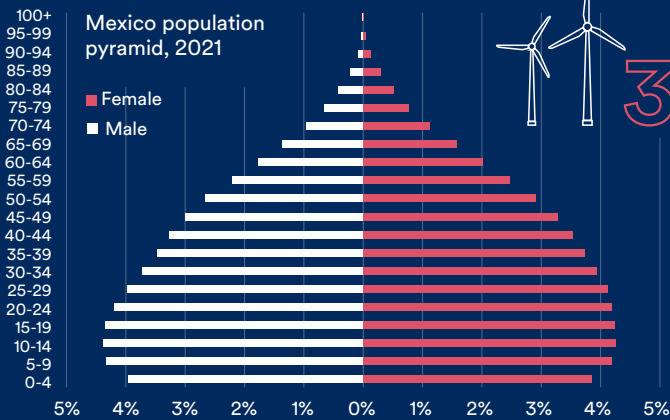


...by reducing the physical risks of climate change, and their impact on the global economy

However, inflationary pressures resulting from higher carbon prices to implement these changes could pose political challenges

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## Could Mexico be a potential beneficiary of the "3D Reset"?



3D

A new regime shaped by the 3Ds of deglobalisation, demographics, and decarbonisation, the "3D Reset", is influencing markets



There is a renewed focus on supply chain resilience: "just in time" has been replaced by "just in case" in response to deglobalisation trends

Additionally, the challenge of ageing populations in developed countries like the US adds to attractions of certain emerging markets with youthful populations



Source: Schroders, UN Department of Economic and Social affairs, 2021.

Source: Schroders as at April 2024.

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