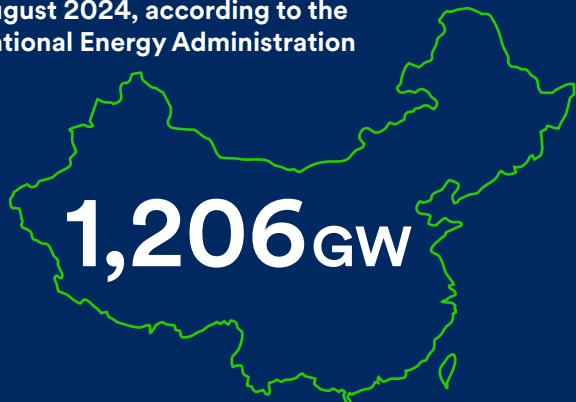


A snapshot of the world economy **October 2024**

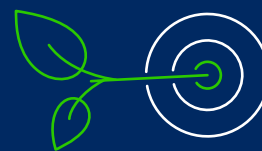


China hits its 2030 clean energy goal early

Chinese clean energy capacity in August 2024, according to the National Energy Administration



In 2020 China set a target to reach 1,200 gigawatts (GW) of renewables power by 2030...



...which was more than double the renewables capacity of the country at that time

The early achievement of this goal highlights the energy sector transformation of the world's largest emitter of greenhouse gases



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Why we believe China's housing market may not yet have found a bottom

Length of average house price corrections in major economies according to analysis of Bank for International Settlements data



Based on past experience, house price corrections in major economies result in peak-to-trough nominal price falls of almost 30% over six years

The current housing correction in China began in mid 2021 and has seen new home prices fall about 6% and second-hand home prices decline approximately 13%



Although we await to assess the impact of the recently announced stimulus measures, this data suggests the correction may have some way to go yet

Is the US Federal Reserve playing with fire?

The reduction in US interest rates at September meeting of US Federal Reserve's rate-setting committee



A large initial reduction in US rates is typically a cause for concern, as we saw in January 2001 and September 2007 when 0.5 percentage points cuts were a precursor to US recessions...

...and again in March 2020 at the start of the global pandemic

If an aggressive rate-cutting cycle comes to pass, and the US economy remains resilient we fear US interest rates could end up too loose and re-ignite the dying inflationary embers

Source: Schroders as at October 2024.

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