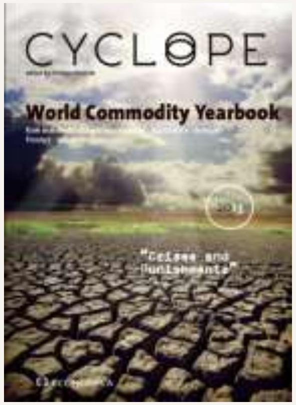
Crises and Punishments

world economy and commodity markets



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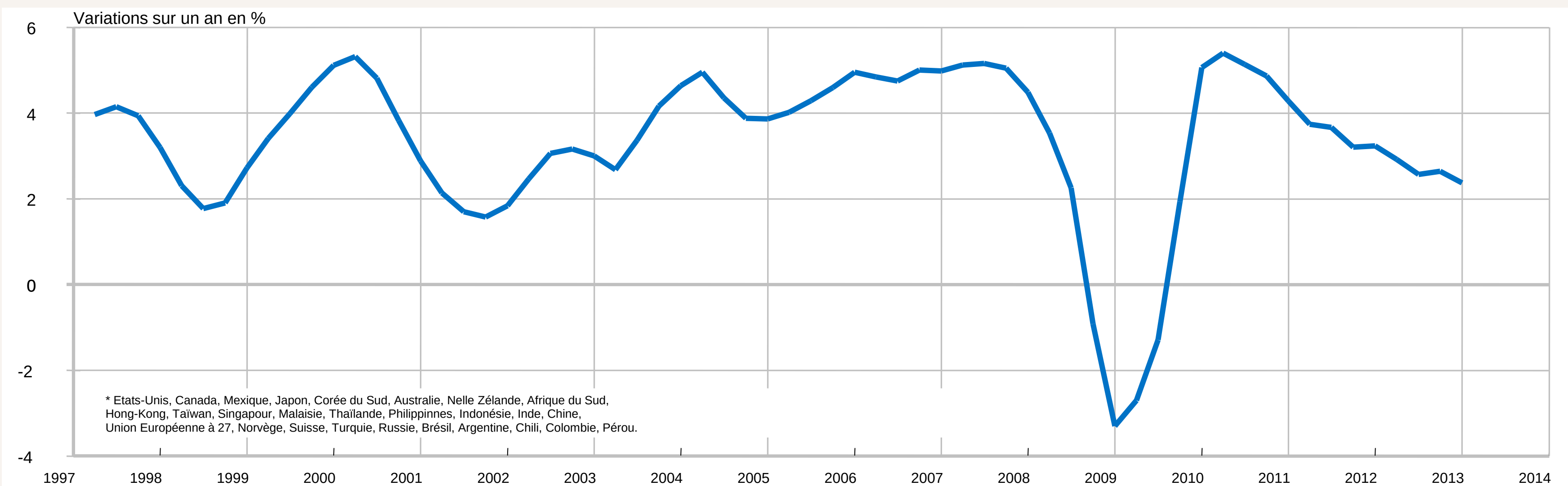
Cyclope
European leading research Institute on commodity markets

June 2013

We are still in the midst of the « 2008 crisis » with now a « double dip »

Croissance du PIB mondial * en volume



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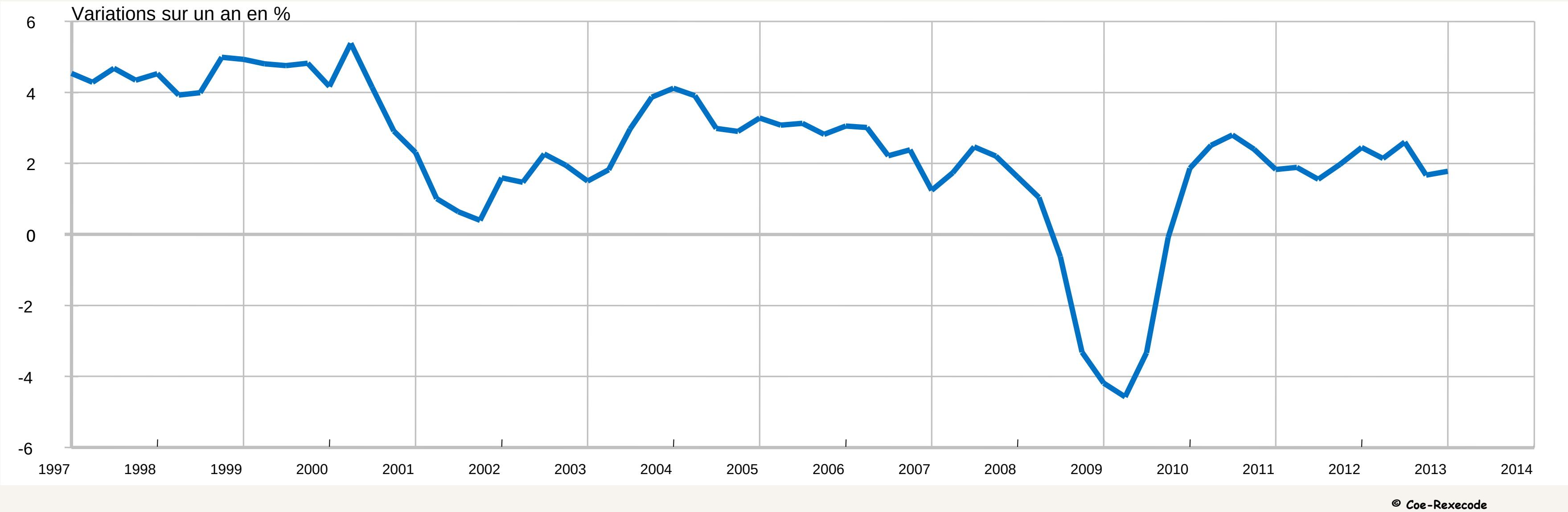
Among « old world » economies, United States are somehow in a better shape

Etats-Unis : croissance du PIB en volume



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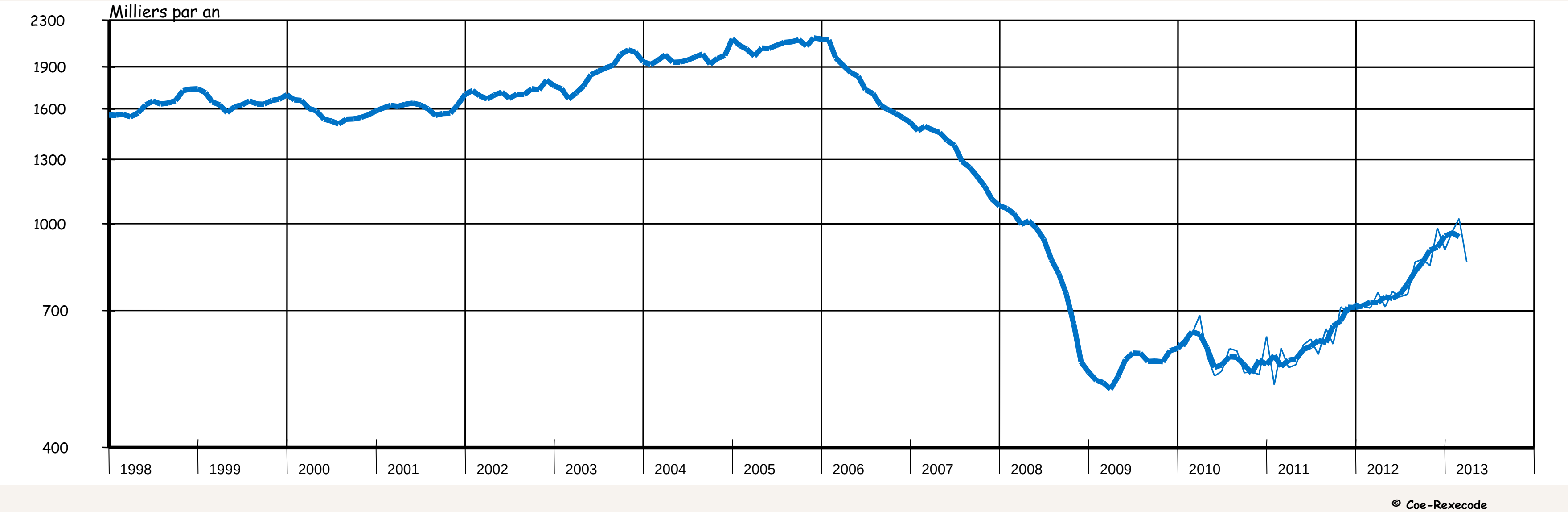
Housing is surging again

Etats-Unis : mises en chantier de logements



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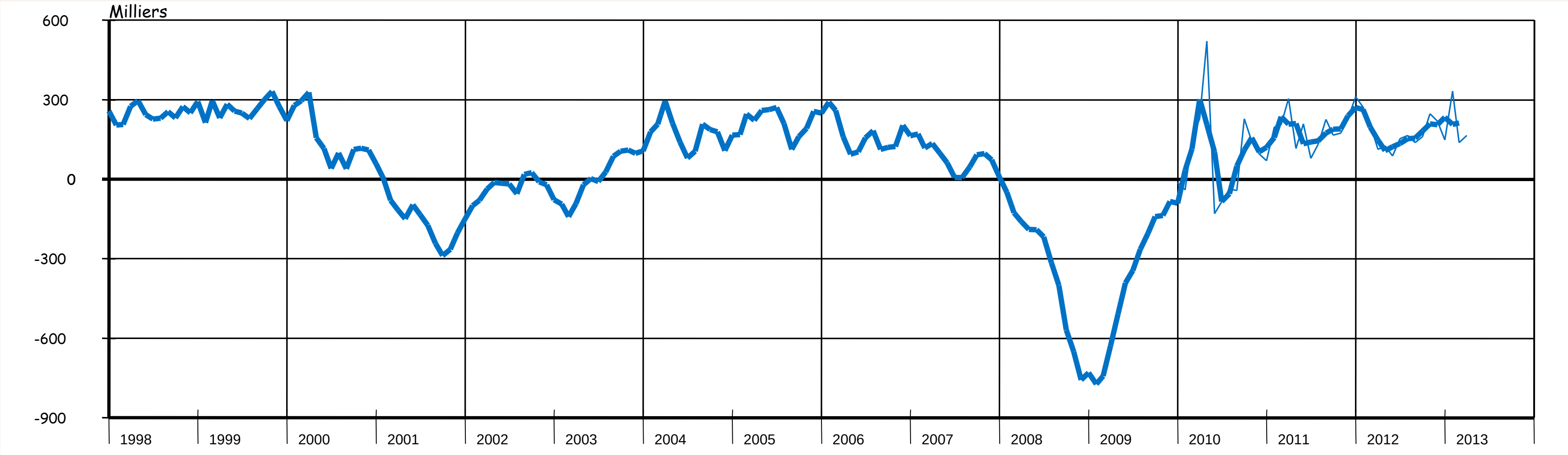
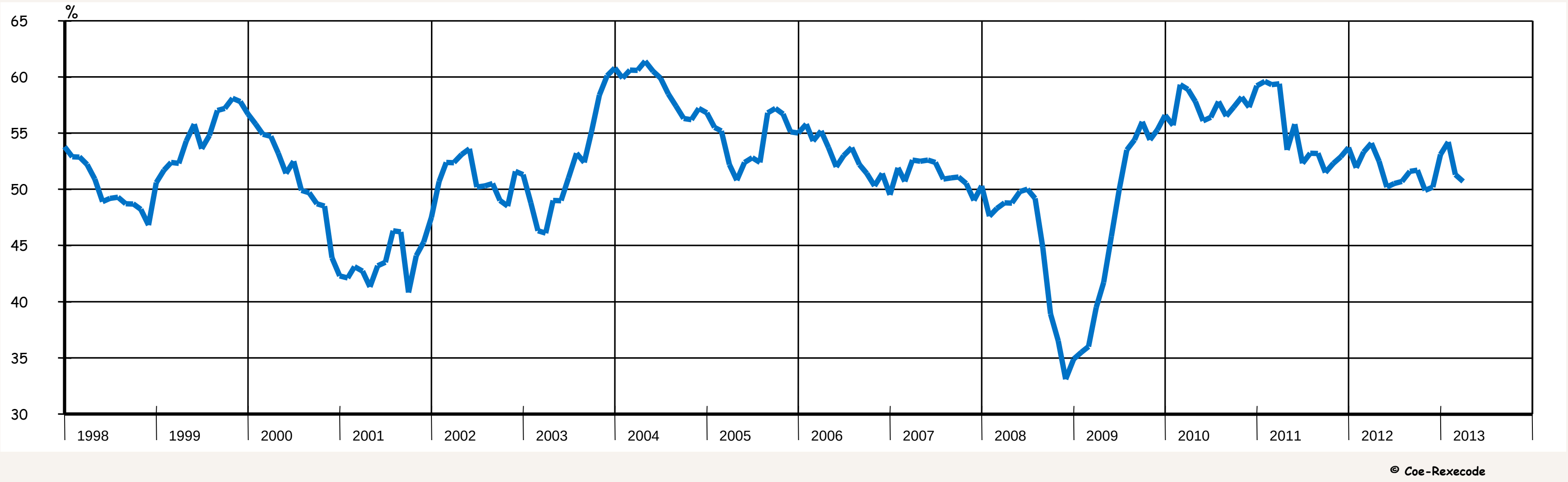
And the economy is creating jobs but …
not enough !

Etats-Unis : créations d'emplois
Salariés du secteur non agricole



Despite zero rates, quantitative easing, the energy revolution and public deficits, corporate mood remains moderate

Etats-Unis
Enquête auprès des directeurs d'achat - ISM manufacturier



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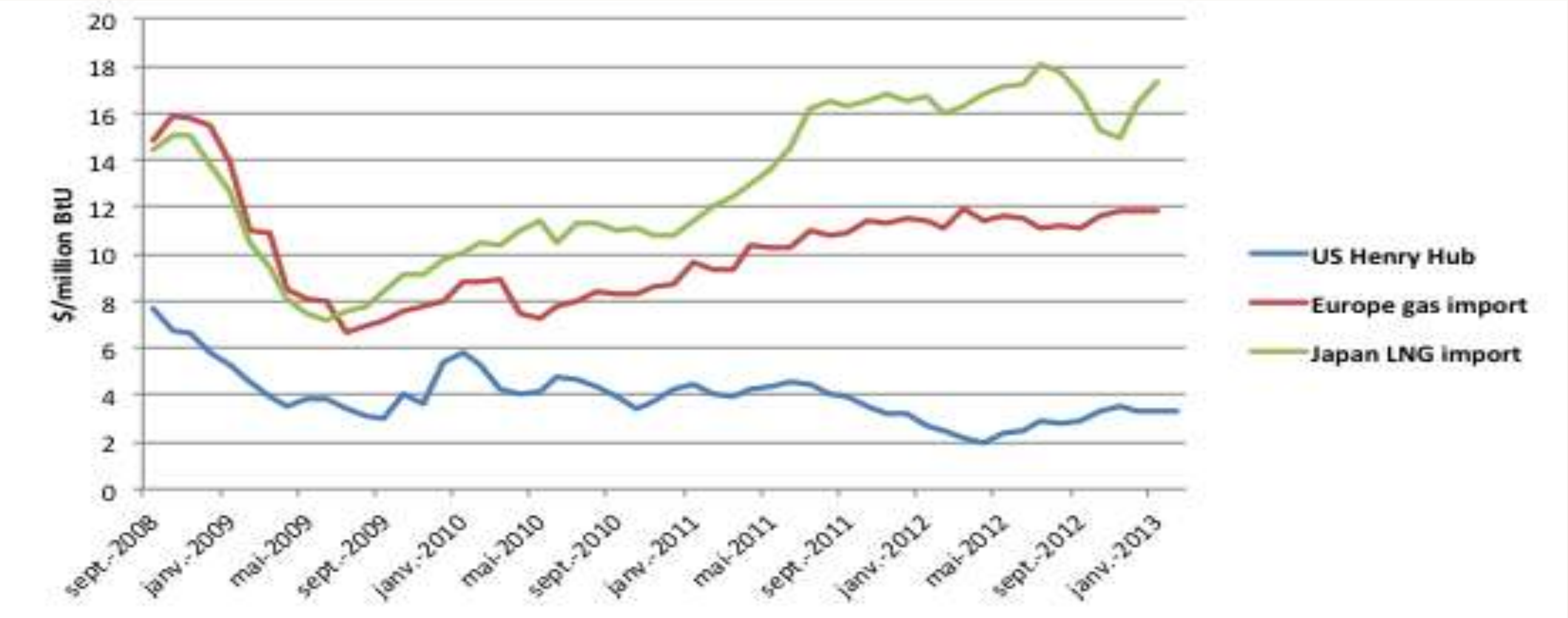
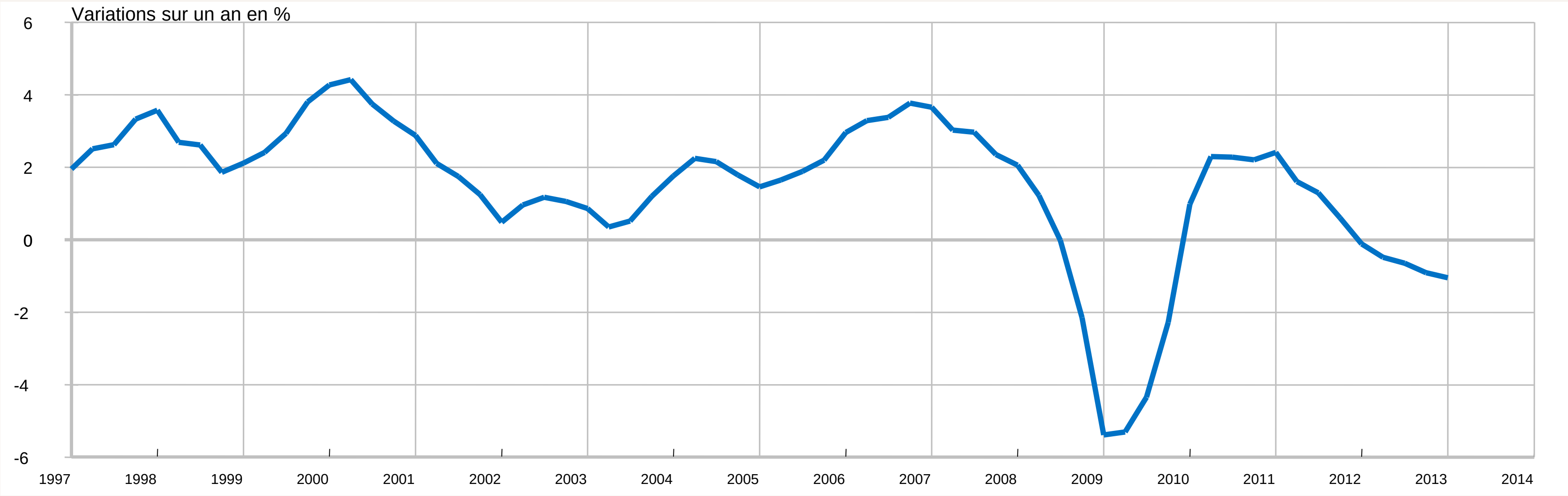
As far as energy is concerned, the US have a competitive advantage

Mais le gaz naturel illustre la révolution énergétique américaine
(Prix du gaz Naturel en $/million BtU)



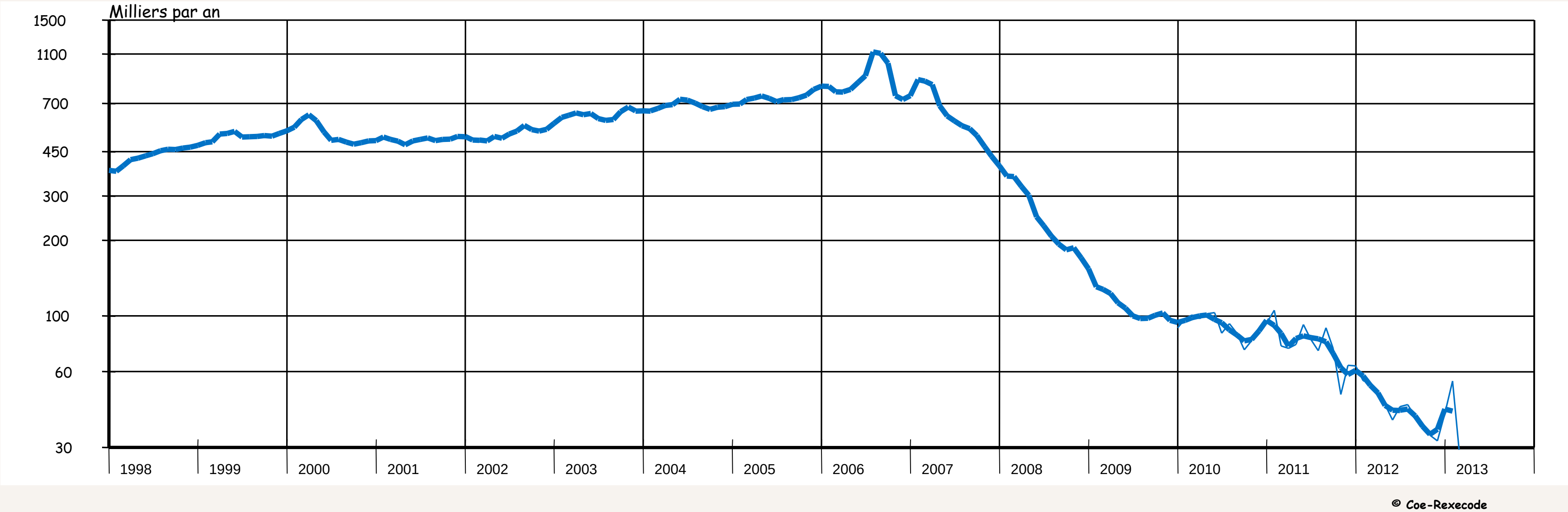
In Europe, no energy, some ideas and huge deficits

Zone euro : croissance du PIB en volume



The housing nightmare in Spain

Espagne : logements autorisés



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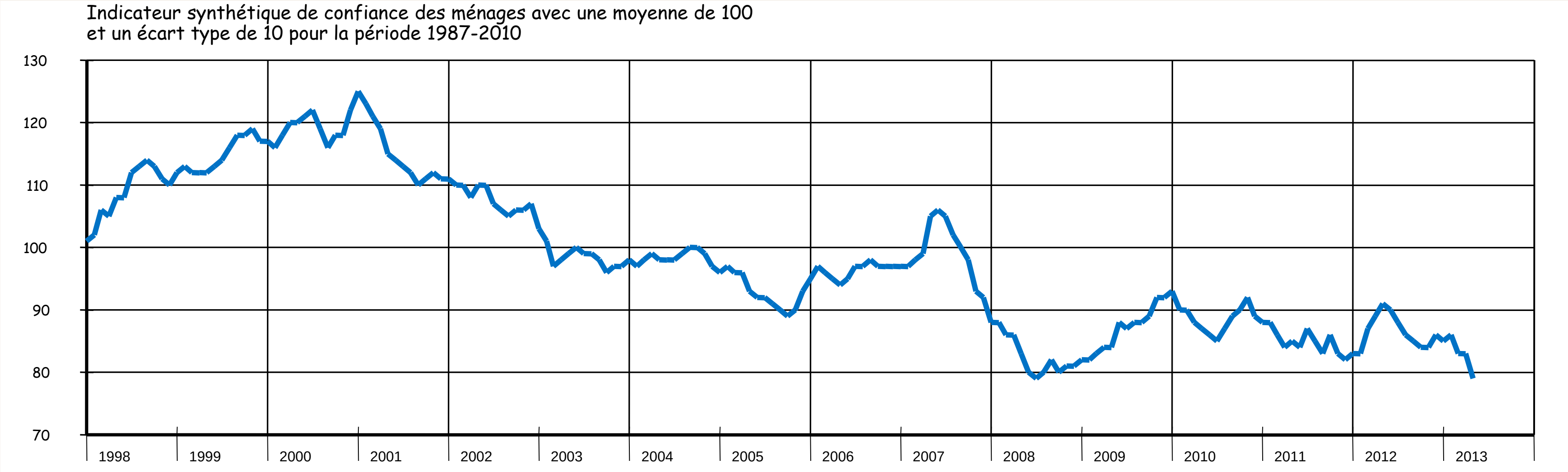
Moral crisis in France

France : indicateur synthétique de confiance des ménages



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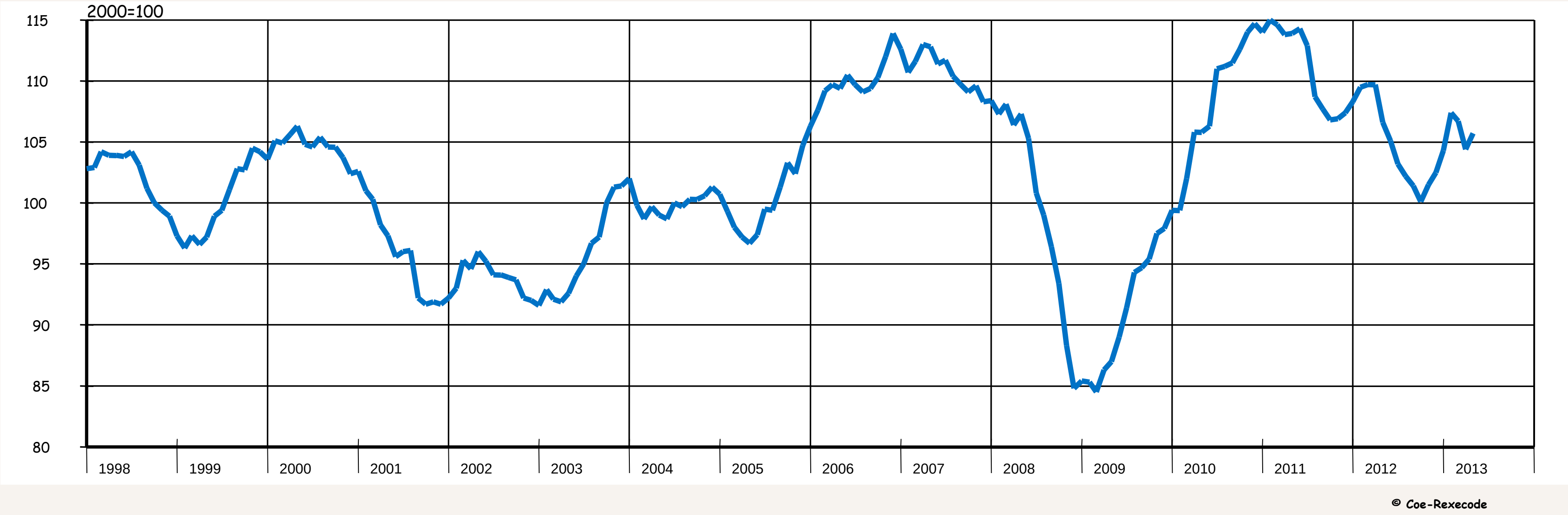
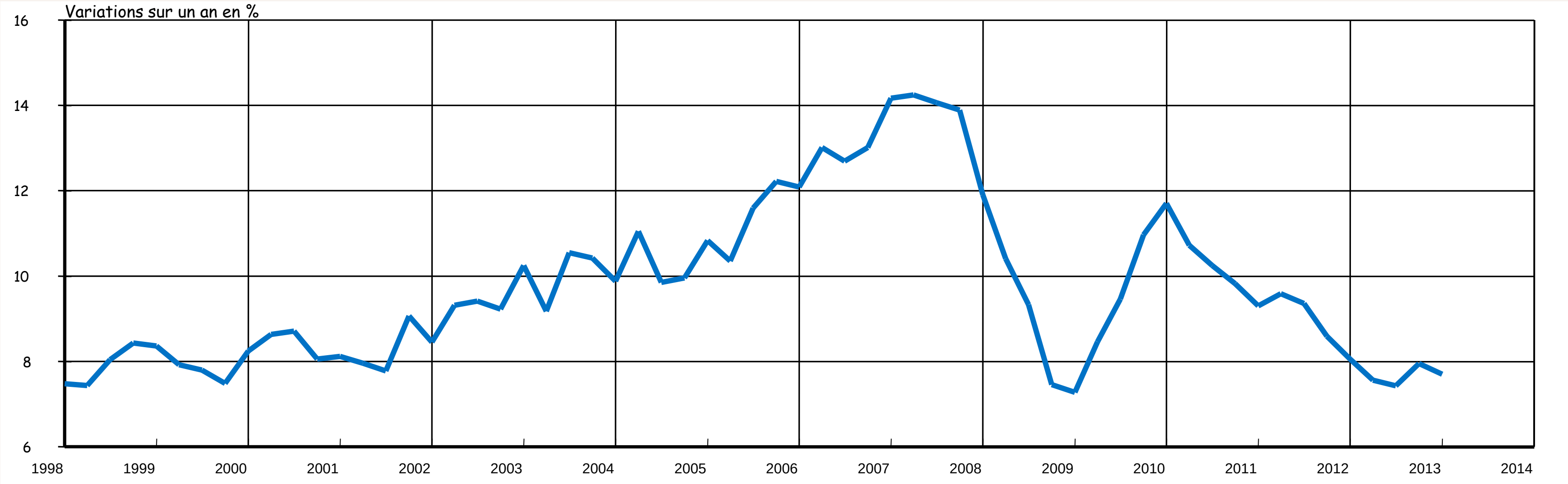
And even corporate Germany doubts

Allemagne : Enquêtes IFO – climat des affaires



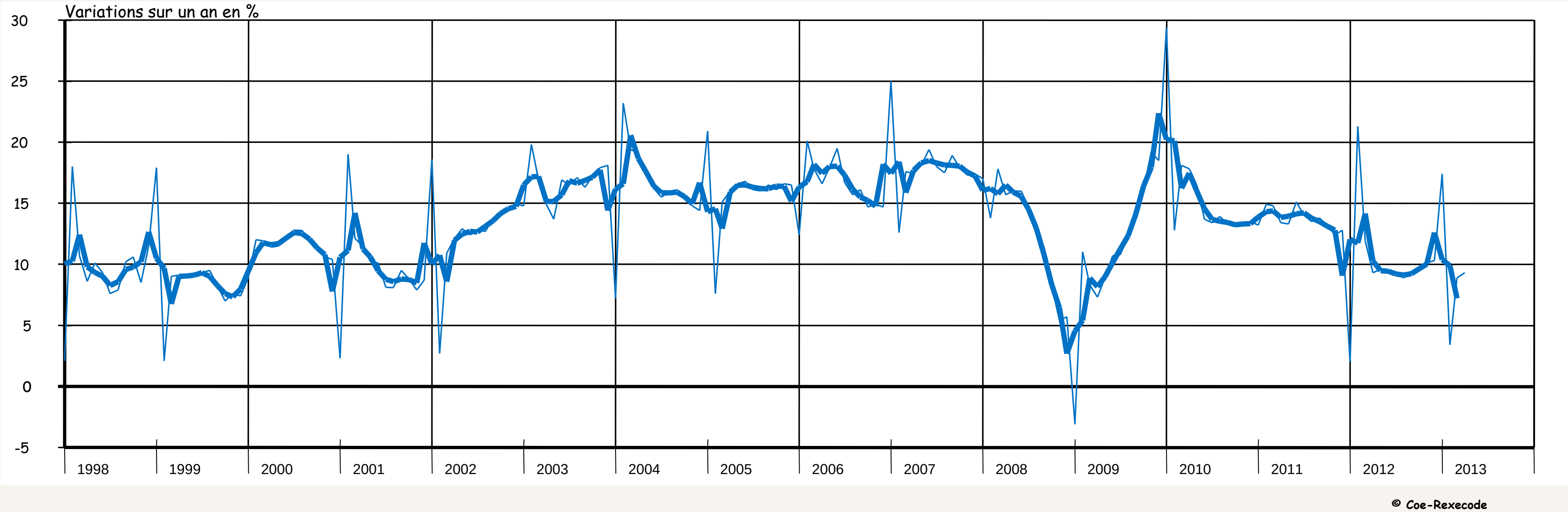
Among emerging countries China is our biggest interrogation

Chine : croissance du PIB en volume



And this is the main question affecting world commodity prices

Croissance de la production industrielle



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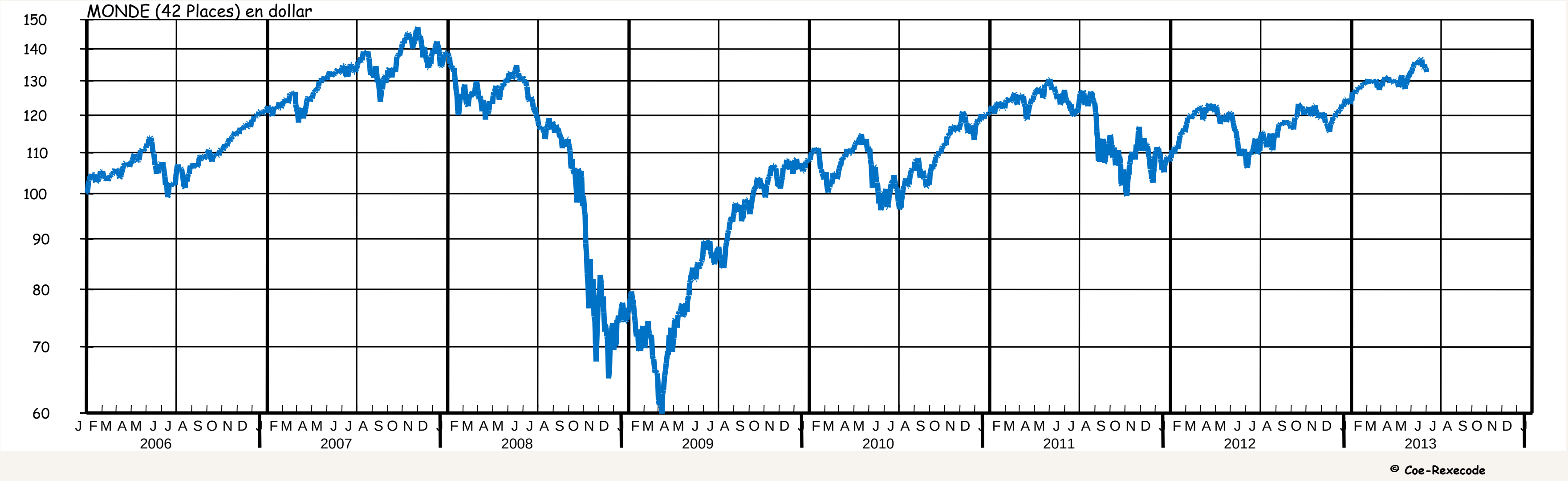
To sum up : Cyclope's view for 2013 / 2014

. World	2.5	→	3.5
. Advanced countries			
. US	1.5	→	2.5
. Euroland	- 0.5	→	0
. Germany	0.5	→	1
. France	- 0.5	→	- 0.5
. Japan	0	→	0.5
. Emerging countries			
. China	7.5	→	8.5 / 9
. India	5	→	6
. Brazil	1	→	3

Are equity markets mere fools ?

Indice boursier mondial

(base 100 au 31.12.2005)



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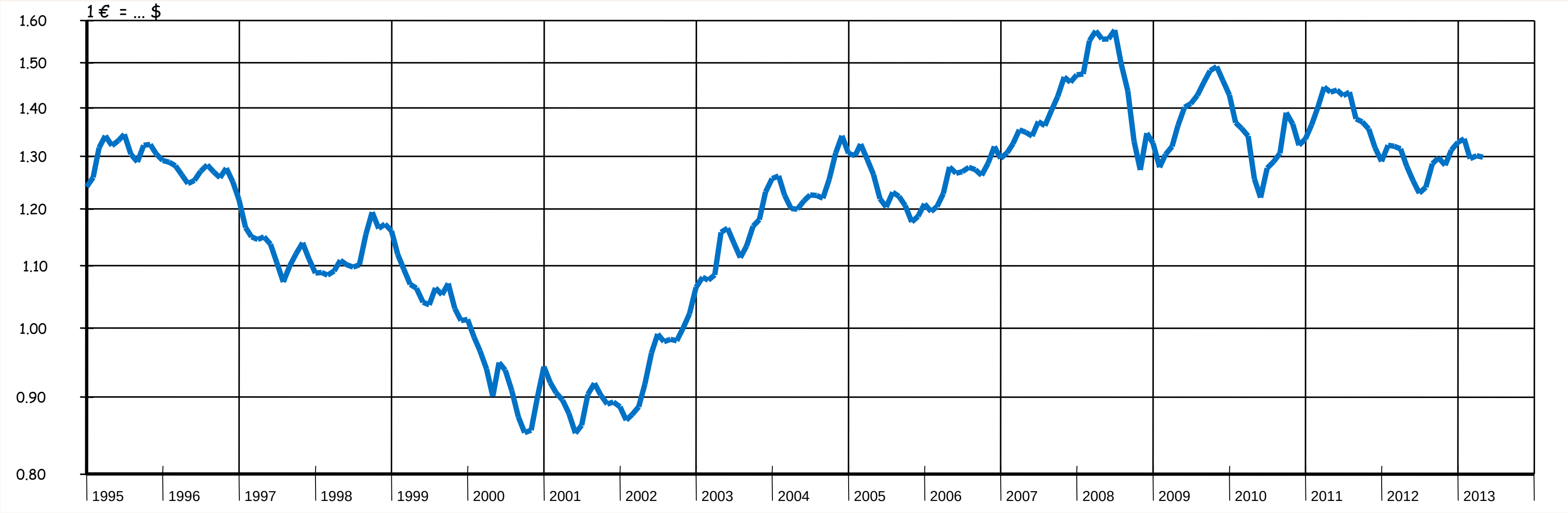
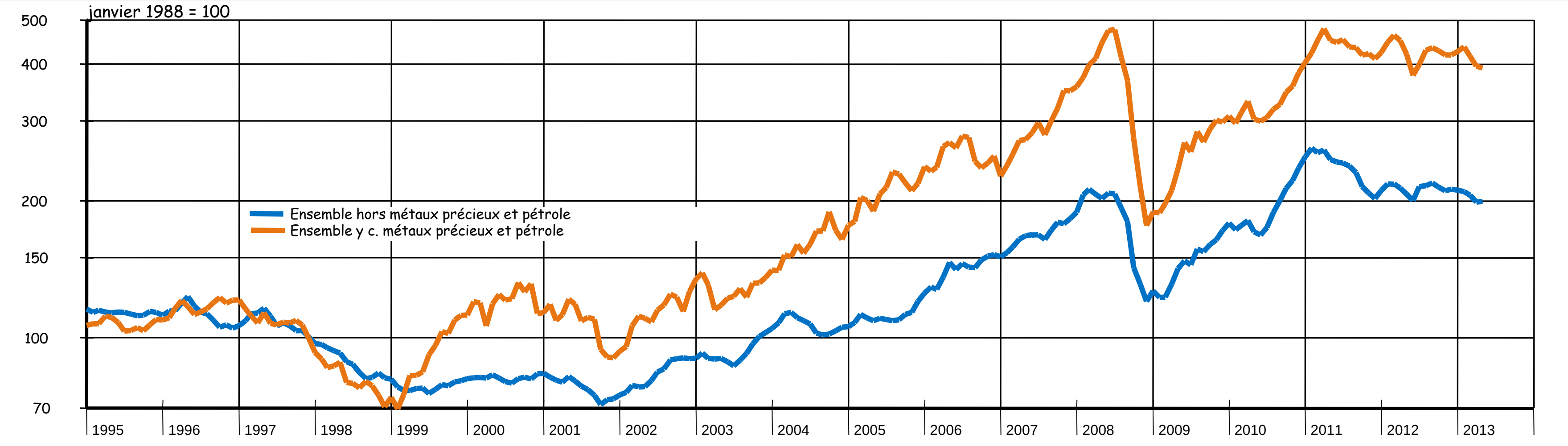
And where will the dollar go ?

Cours de l'euro (1euro = … dolar)



The other « crisis » is that of commodity markets

Indices globaux



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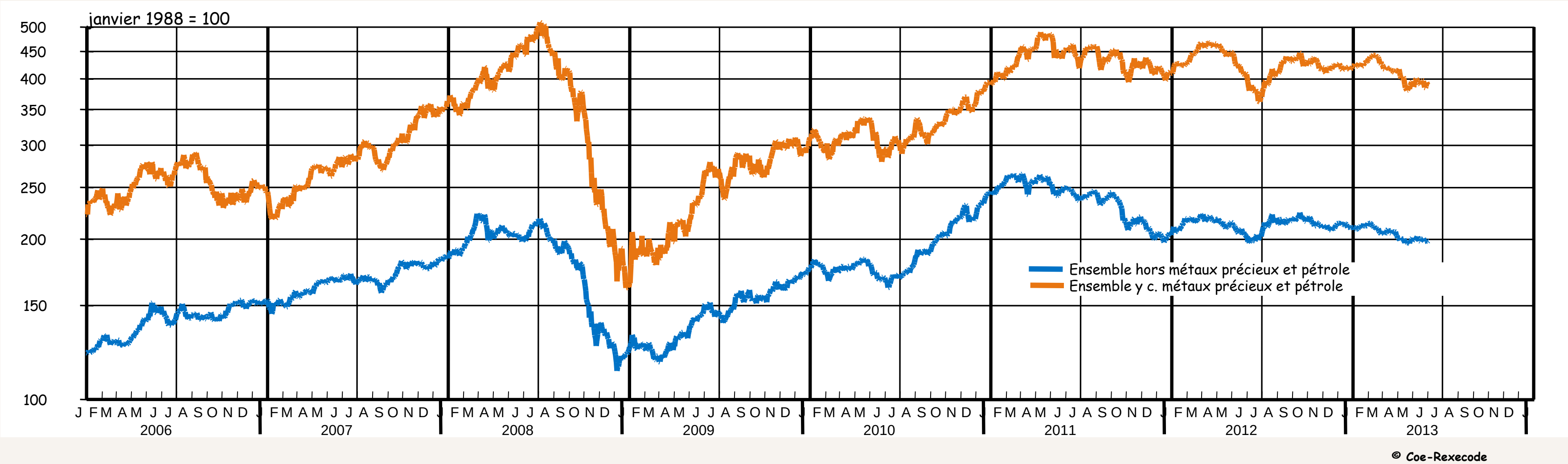
Which are staying at pretty high levels

Indices globaux



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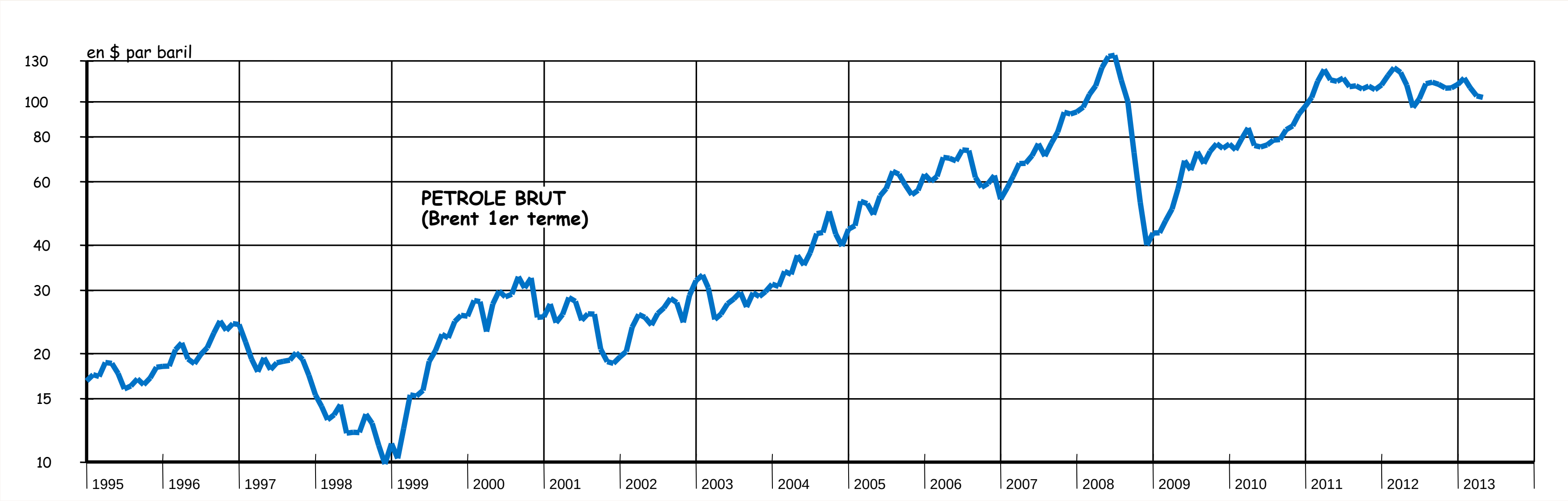
Crude oil is still above $ 100 per barrel

Pétrole brut



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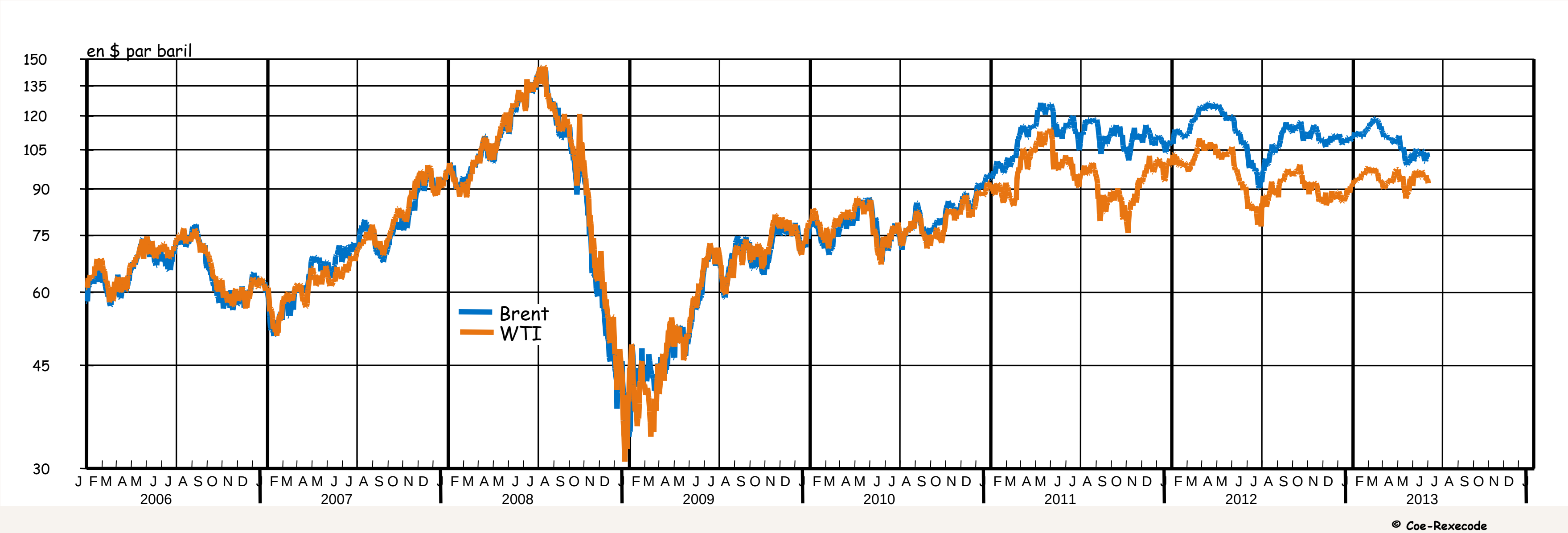
With different stories across the Atlantic

Pétrole brut



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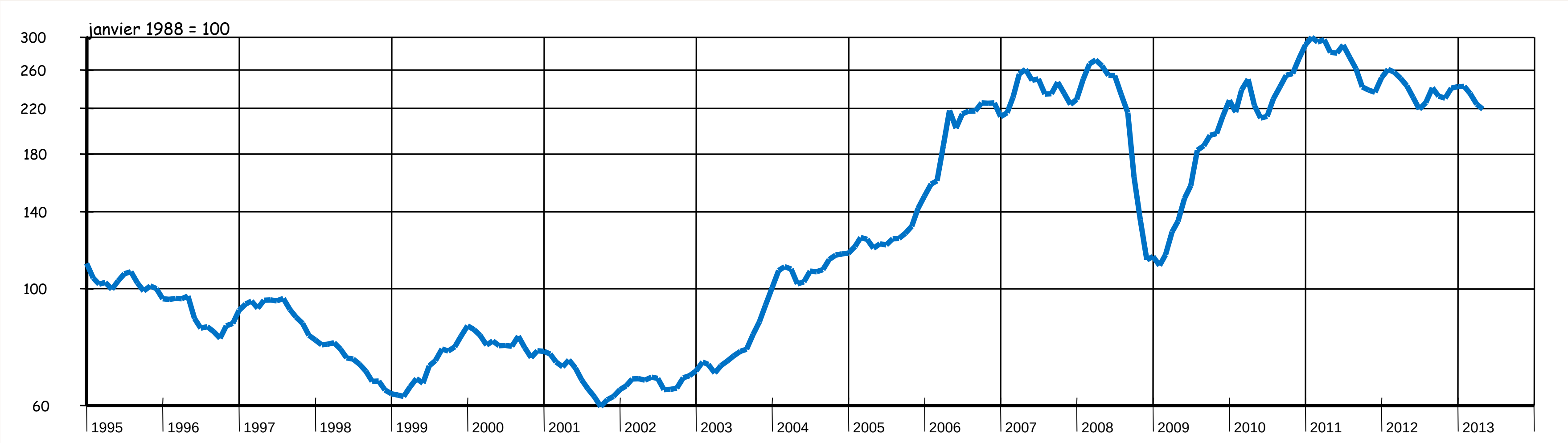
Non ferrous metals are more or less linked to China's future

Métaux communs



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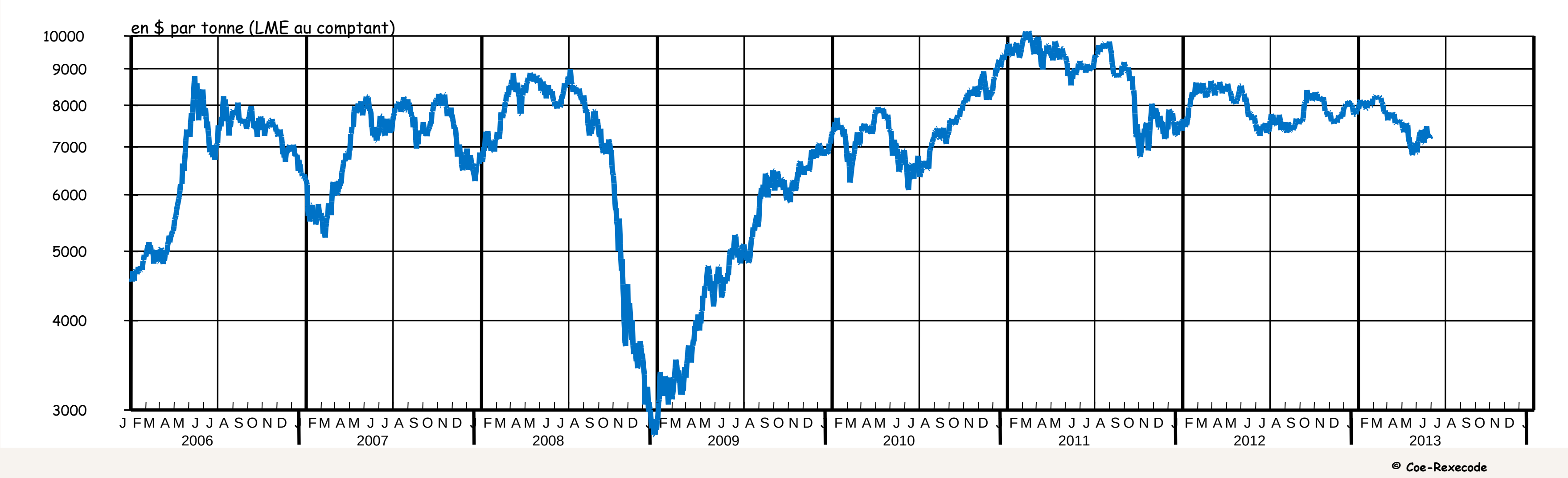
As it is the case for copper

Métaux communs : cuivre



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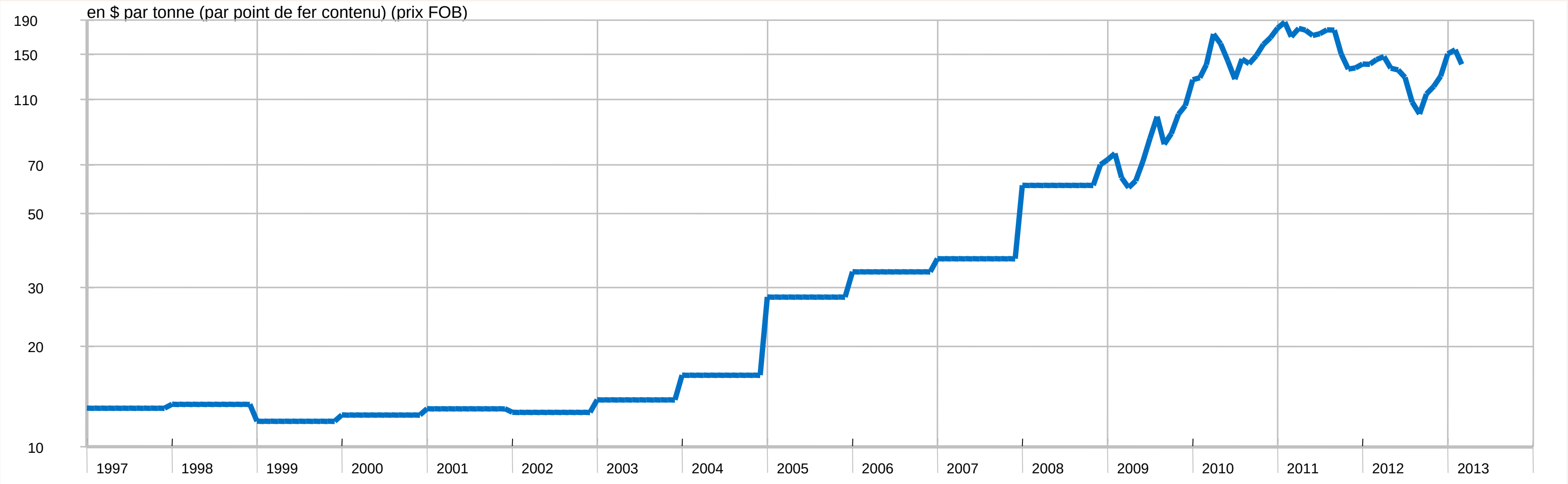
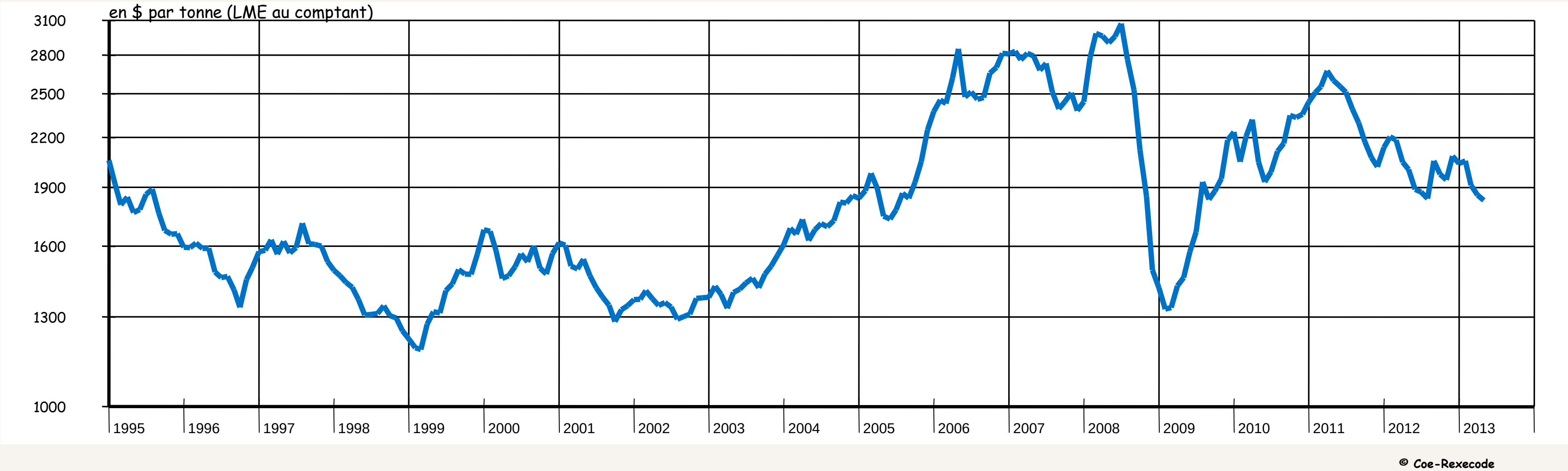
And even more for iron ore

Minerai de fer Brésil



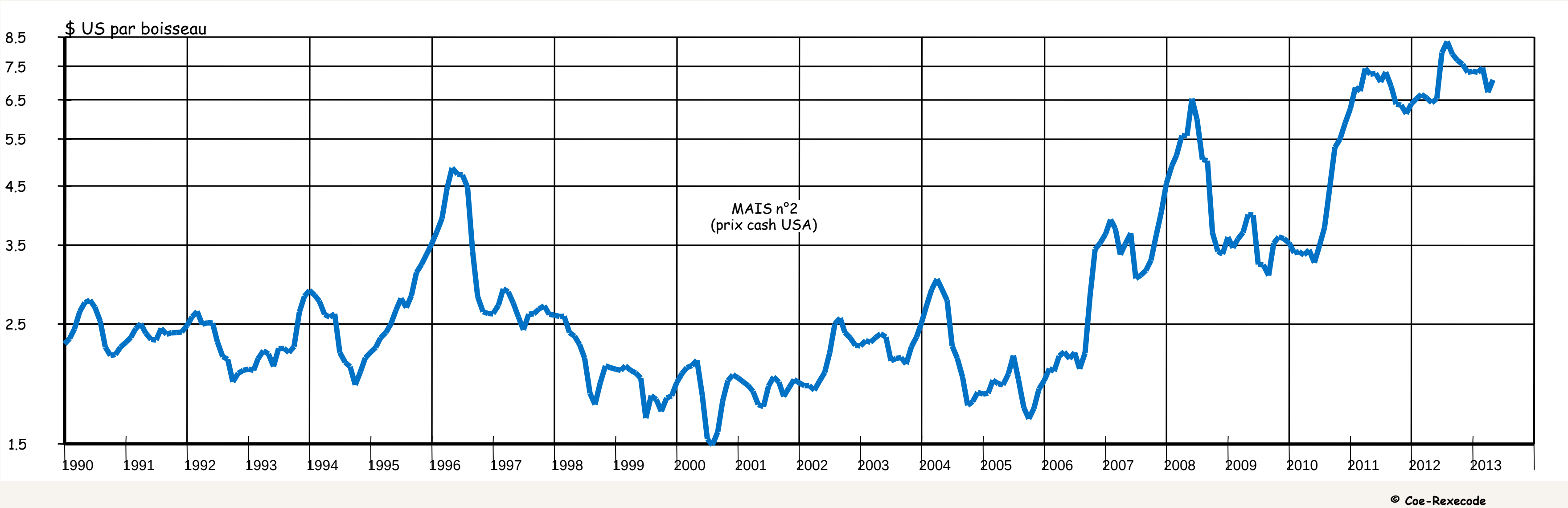
Aluminium is struggling behind

Métaux communs : aluminium



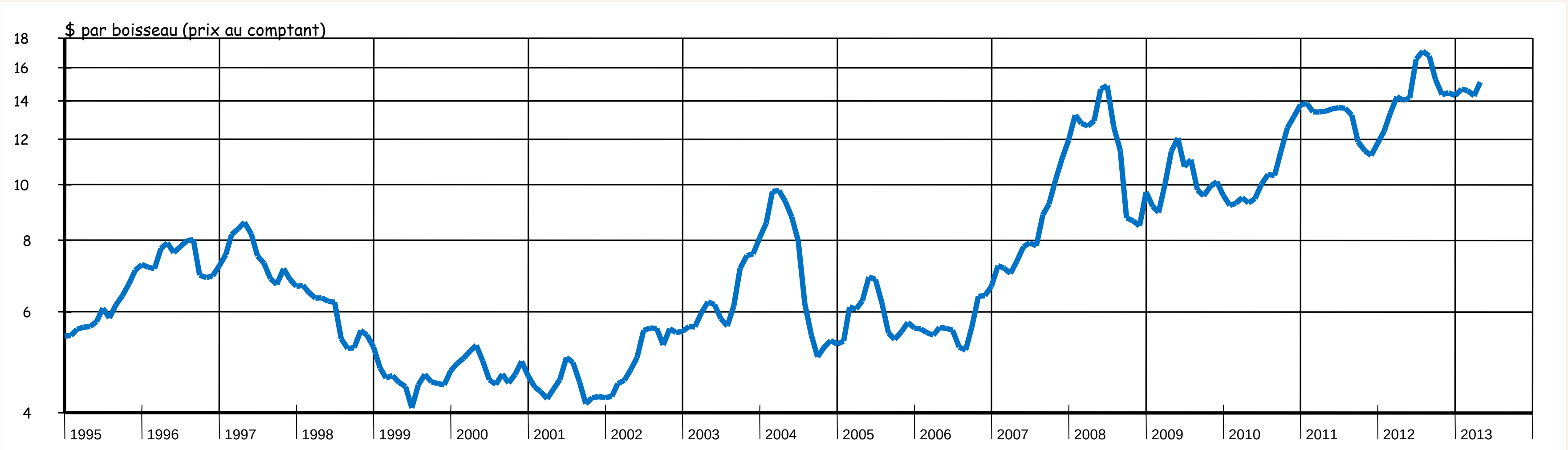
But grain markets have been the « stars » of 2012/2013, with corn

Maïs



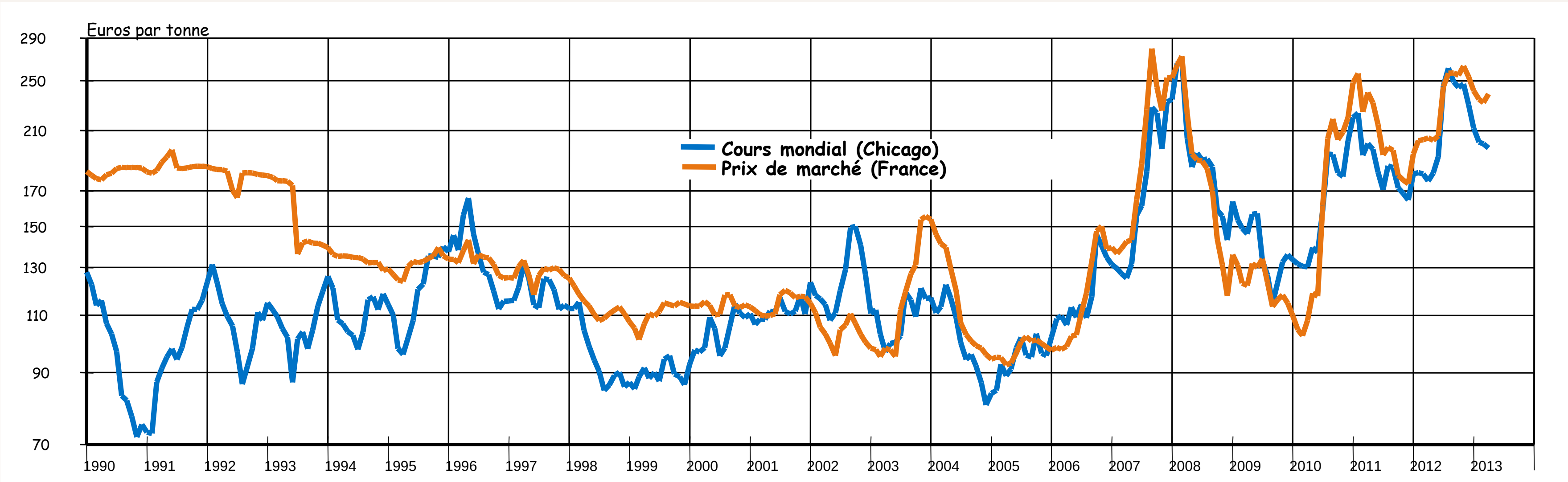
And soybeans thanks to the US drought

Fèves de soja



And wheat for Black sea reasons

Prix du blé tendre



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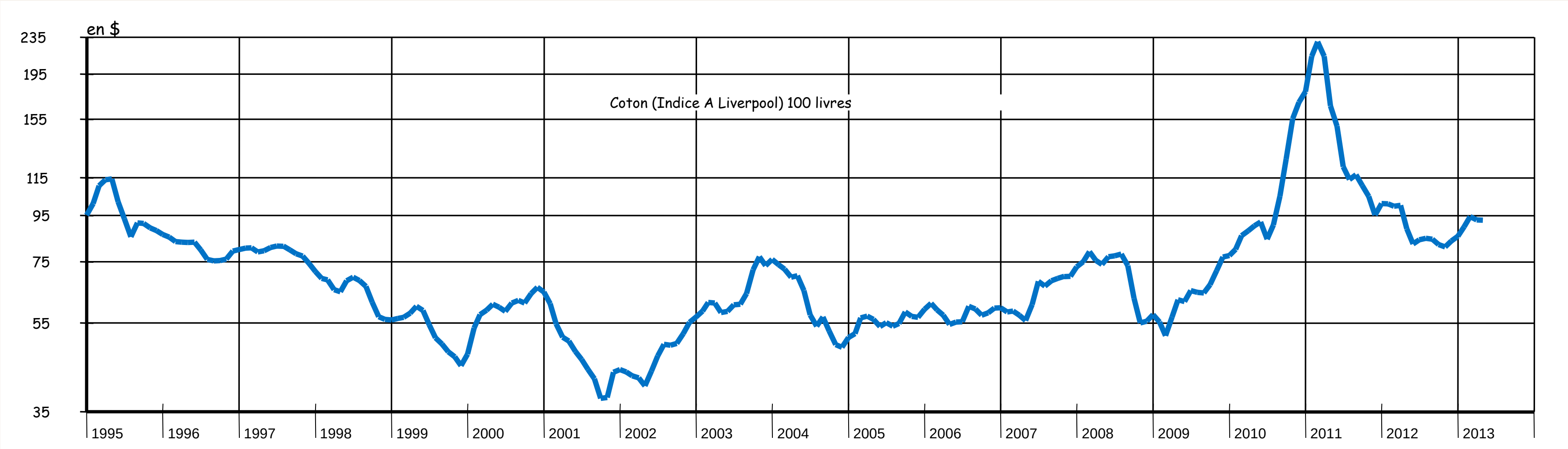
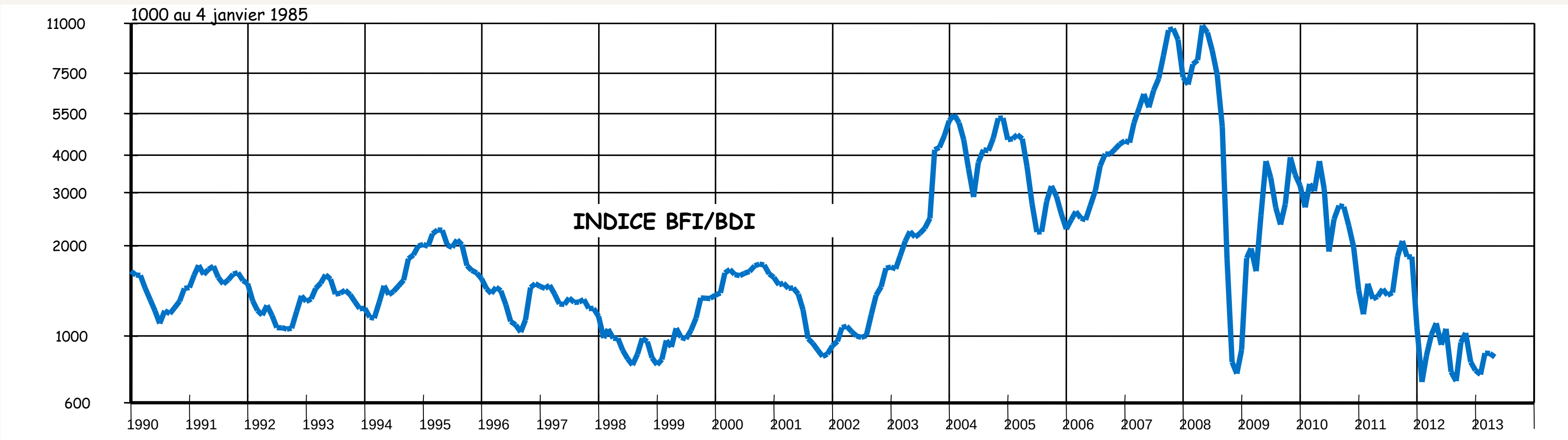
Cotton has suffered

Coton



But the worst has been for maritime freight

Frets maritimes (cargaisons sèches)



Crisis or Punishments ?

Crisis :

- the 2008 crisis is not over
- World commodity markets are still tight

Punishments :

- The failure of world and national governance
- monetary and financial desequilibria
- climate, health …, so many short comings

« *It's not over, folks !*