

May 2011

Impact of the Global Economy on Today's Business Cycle

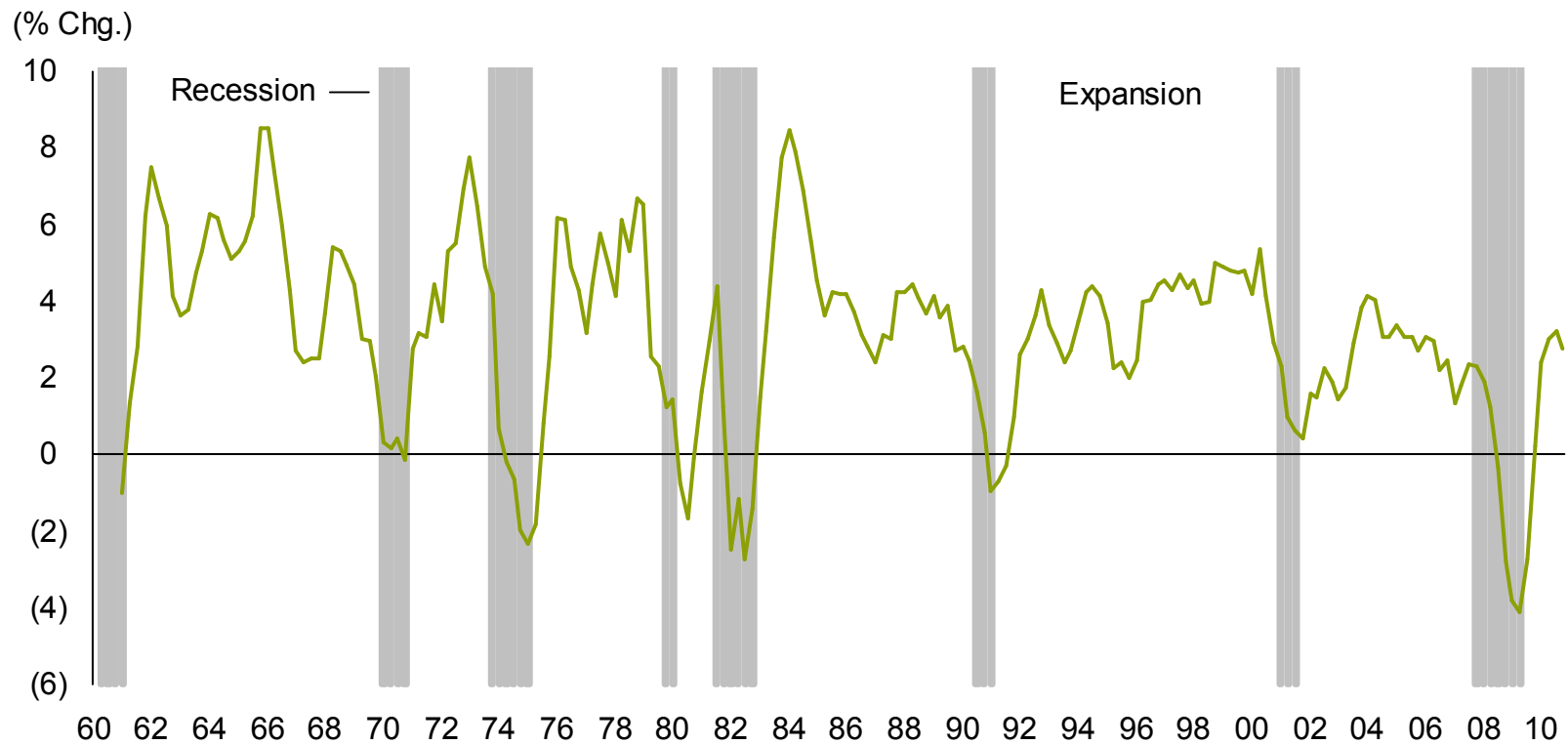
Joseph G. Carson Senior Vice President, Director—Global Economic Research



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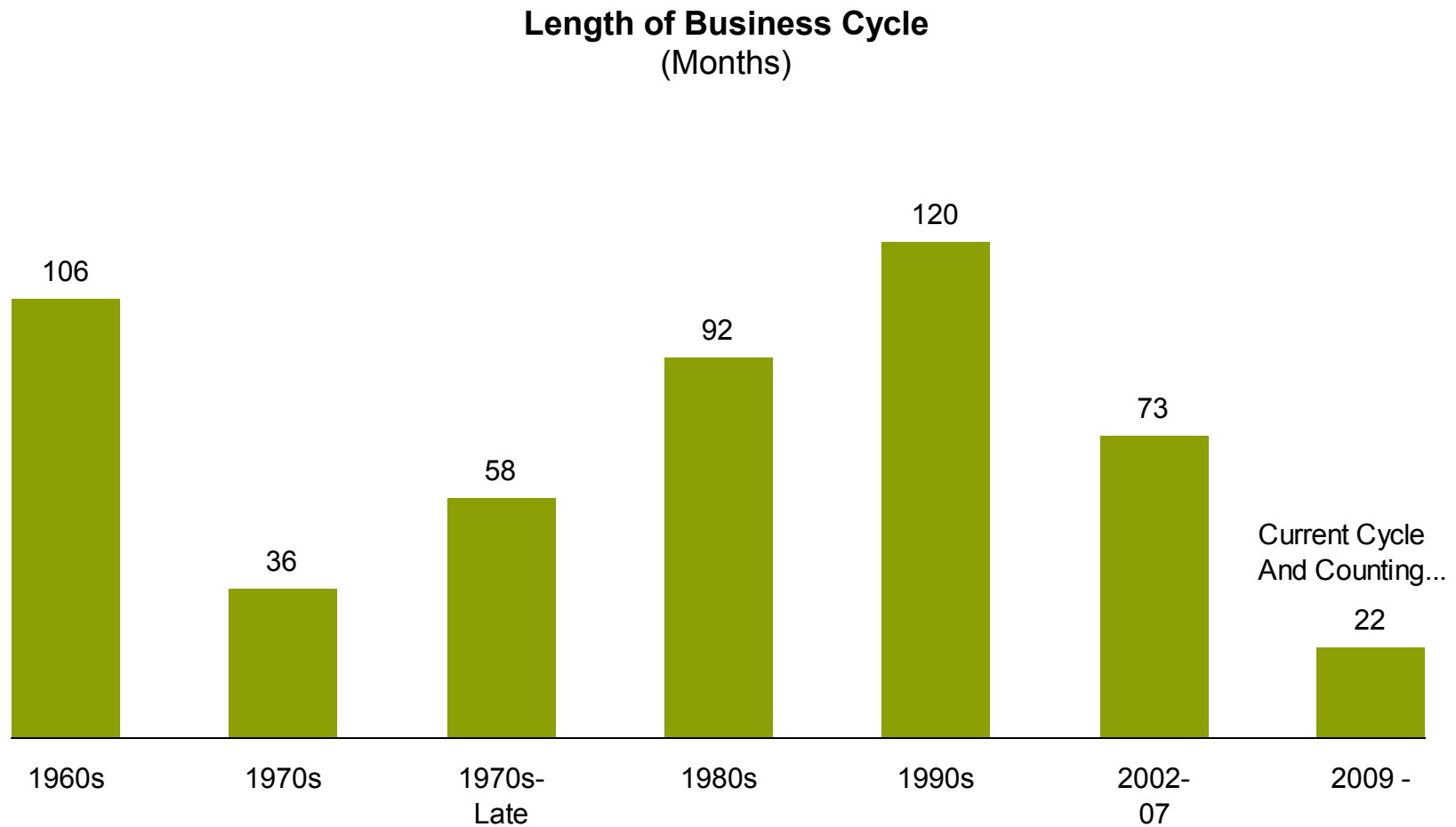
The Long and Short of Business Cycles

Real GDP Growth (Expansion and Recession)



Source: Bureau of Economic Analysis and Haver Analytics

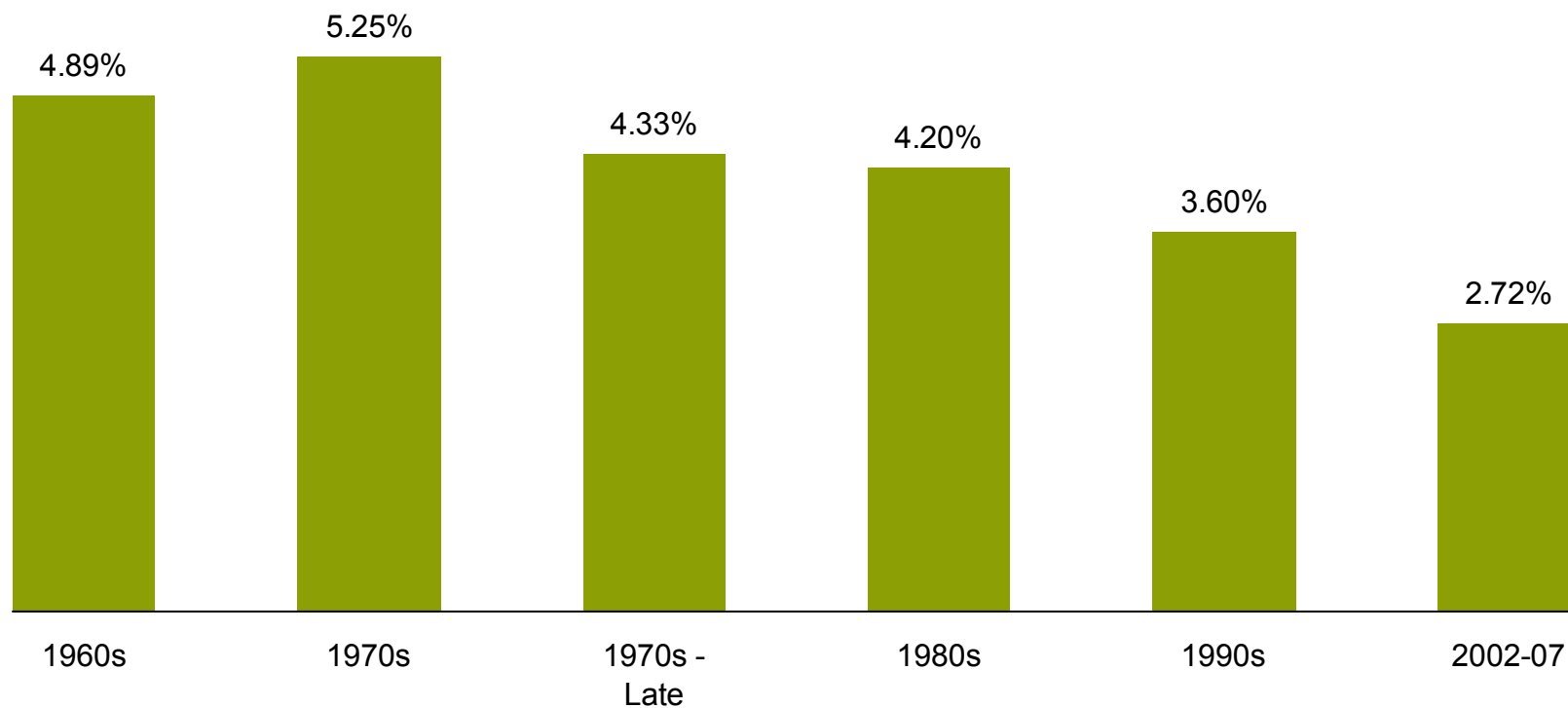
Business Cycles Differ in Terms of Duration



Source: Haver Analytics and AllianceBernstein

Business Cycles Differ In Terms of Speed

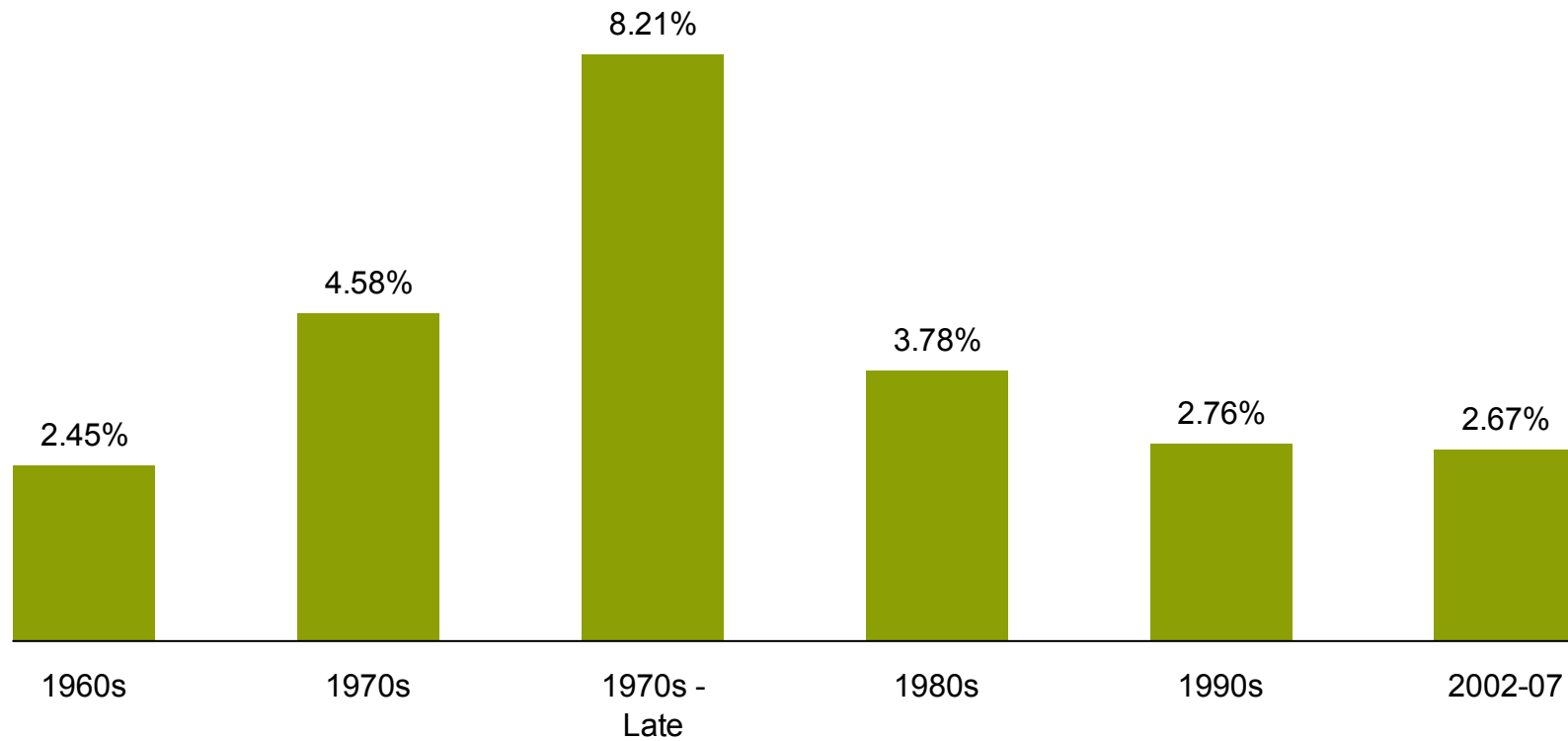
Real GDP Average Growth Rate



Source: Haver Analytics and AllianceBernstein

Business Cycles Differ In Terms of Inflation

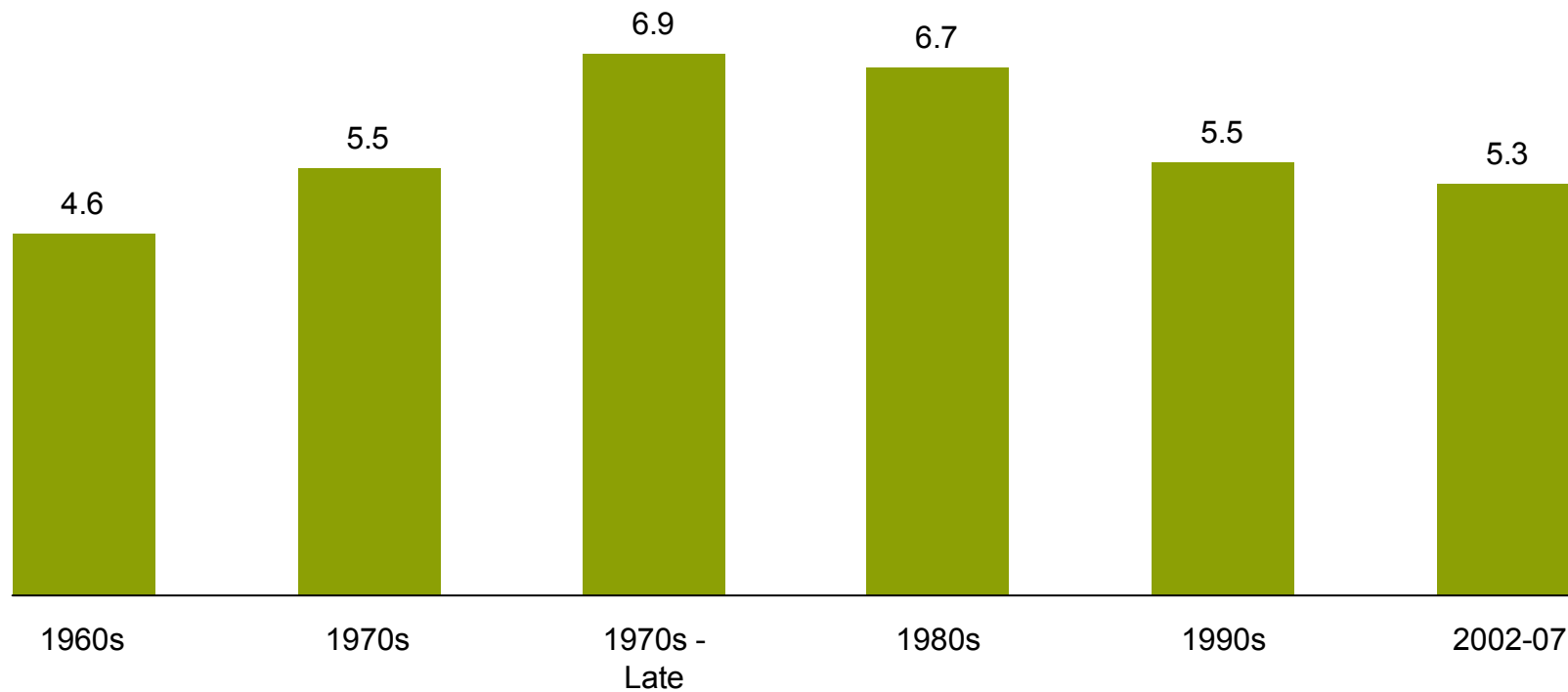
Average Consumer Price Inflation



Source: Haver Analytics and AllianceBernstein

Business Cycles Differ In Terms of Joblessness

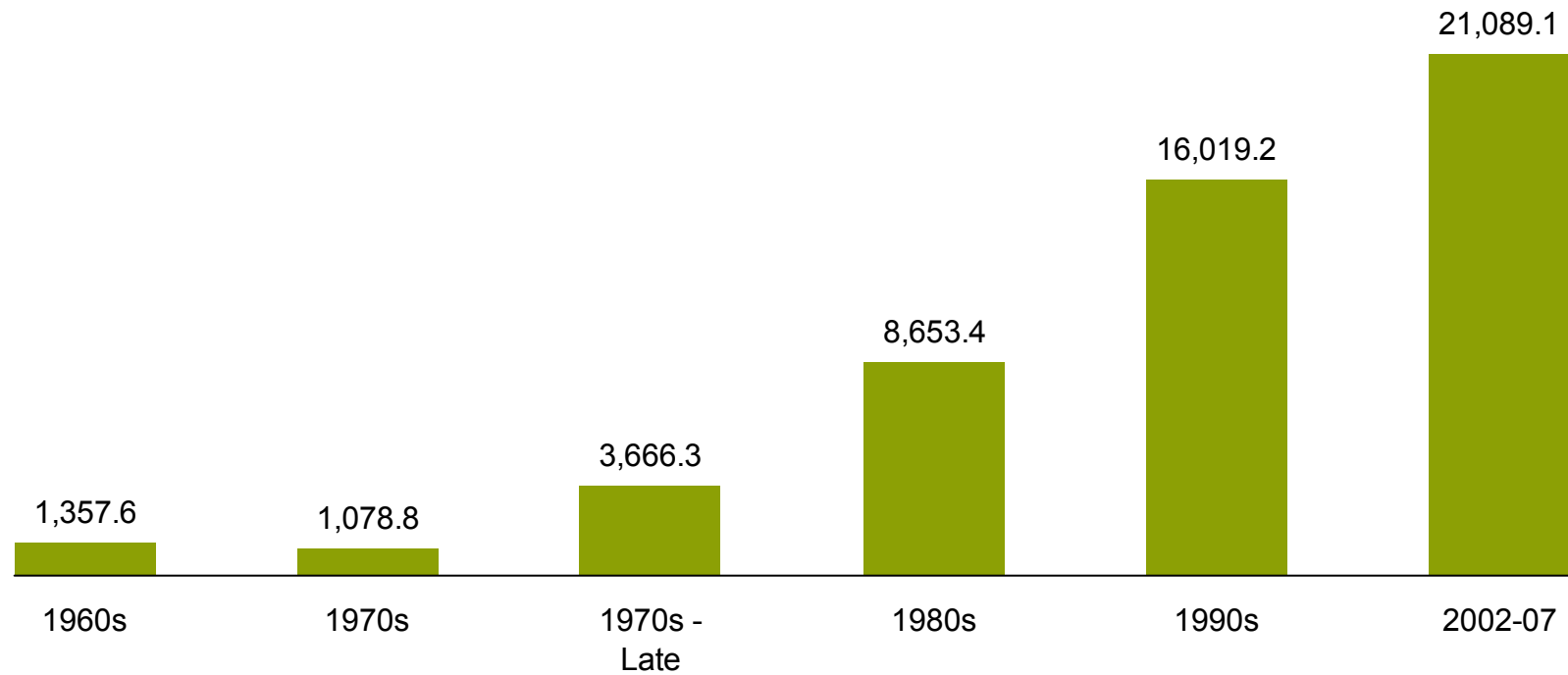
Average Rate of Unemployment (%)



Source: Haver Analytics and AllianceBernstein

Business Cycles Differ In Terms of Wealth Creation

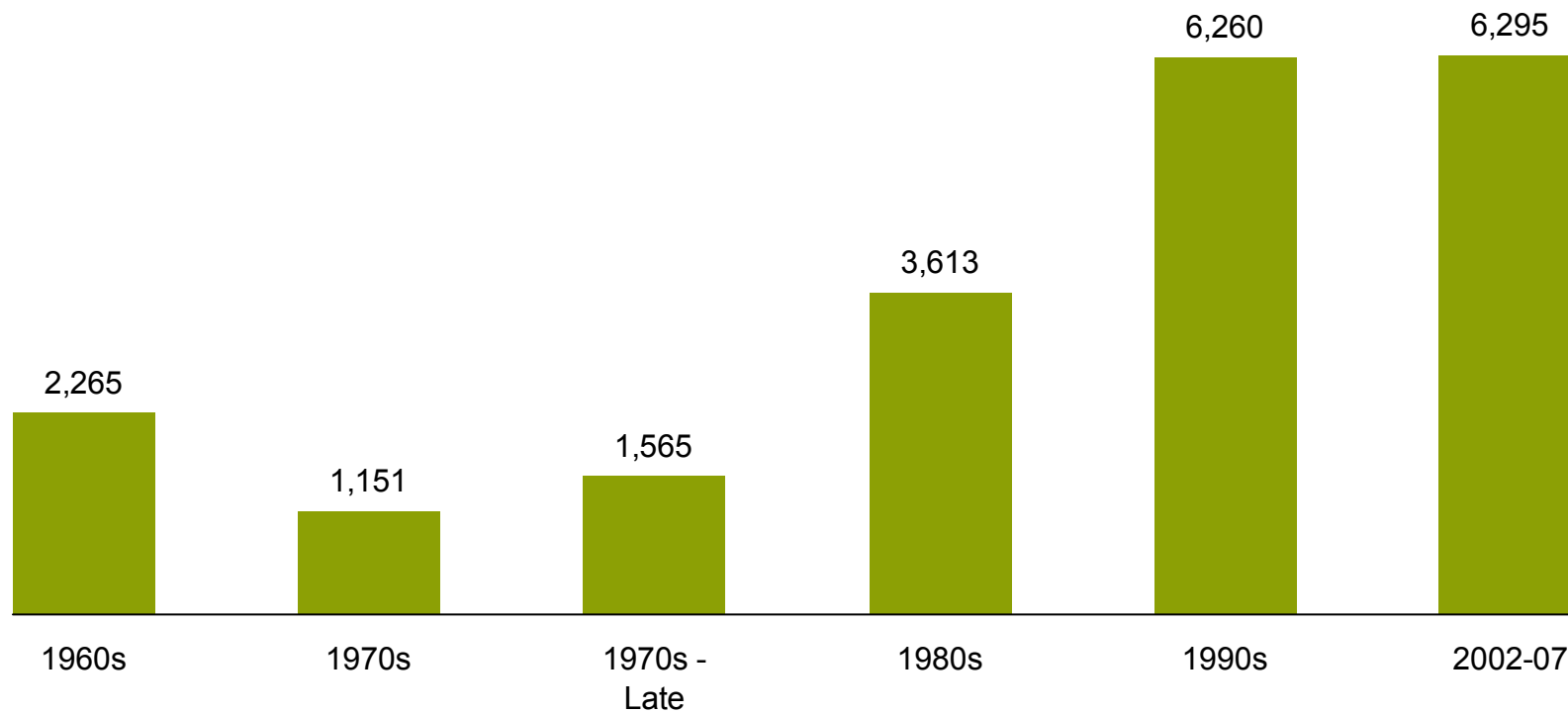
Household Net Worth
(Cumulative: \$Billions)



Source: Haver Analytics and AllianceBernstein

Business Cycles Differ In Terms of Wealth Creation

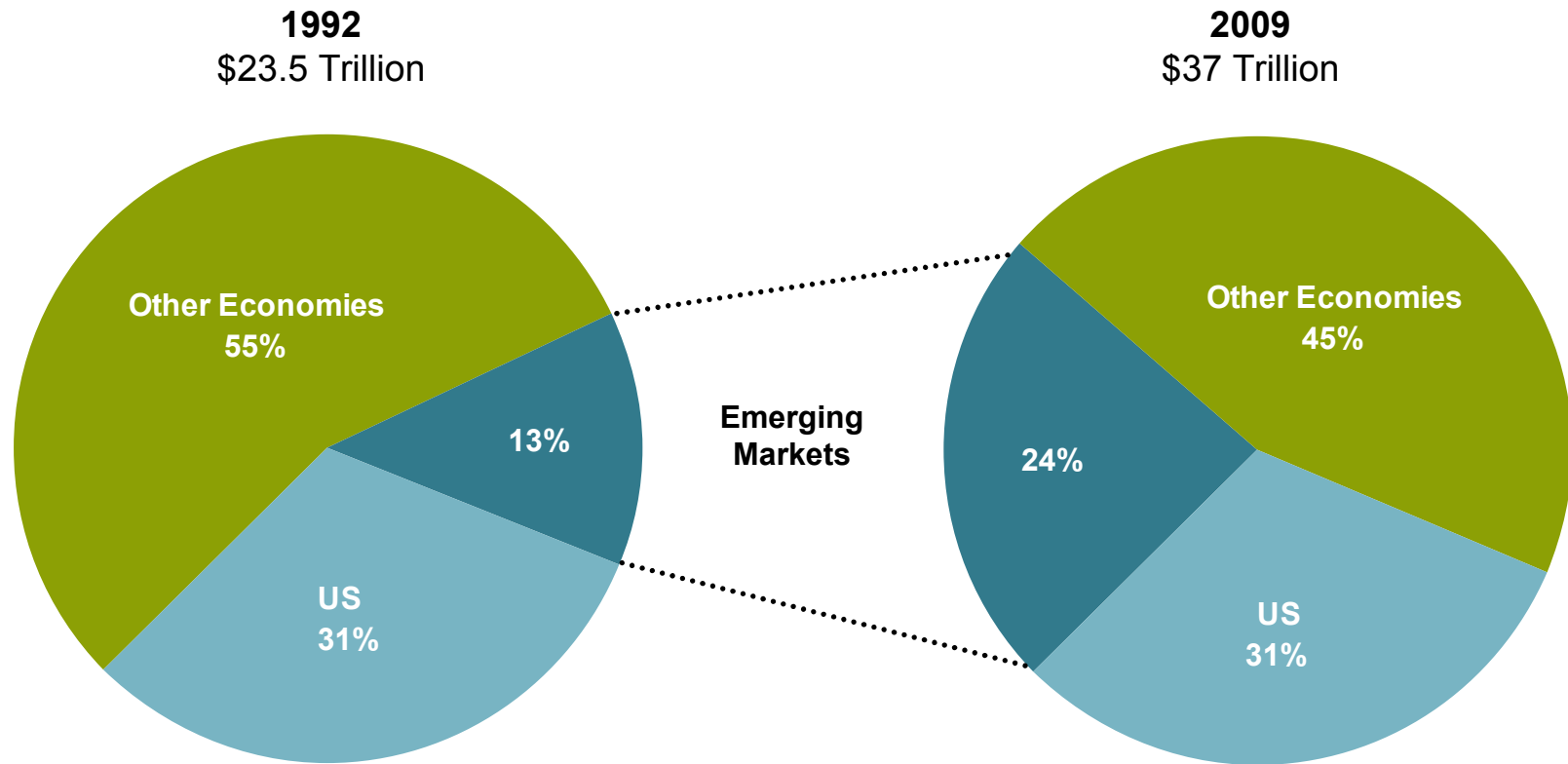
Real Household Net Worth
(Cumulative: \$2000 Billions)



Source: Haver Analytics and AllianceBernstein

Impact of Global Economy on Today's Business Cycle

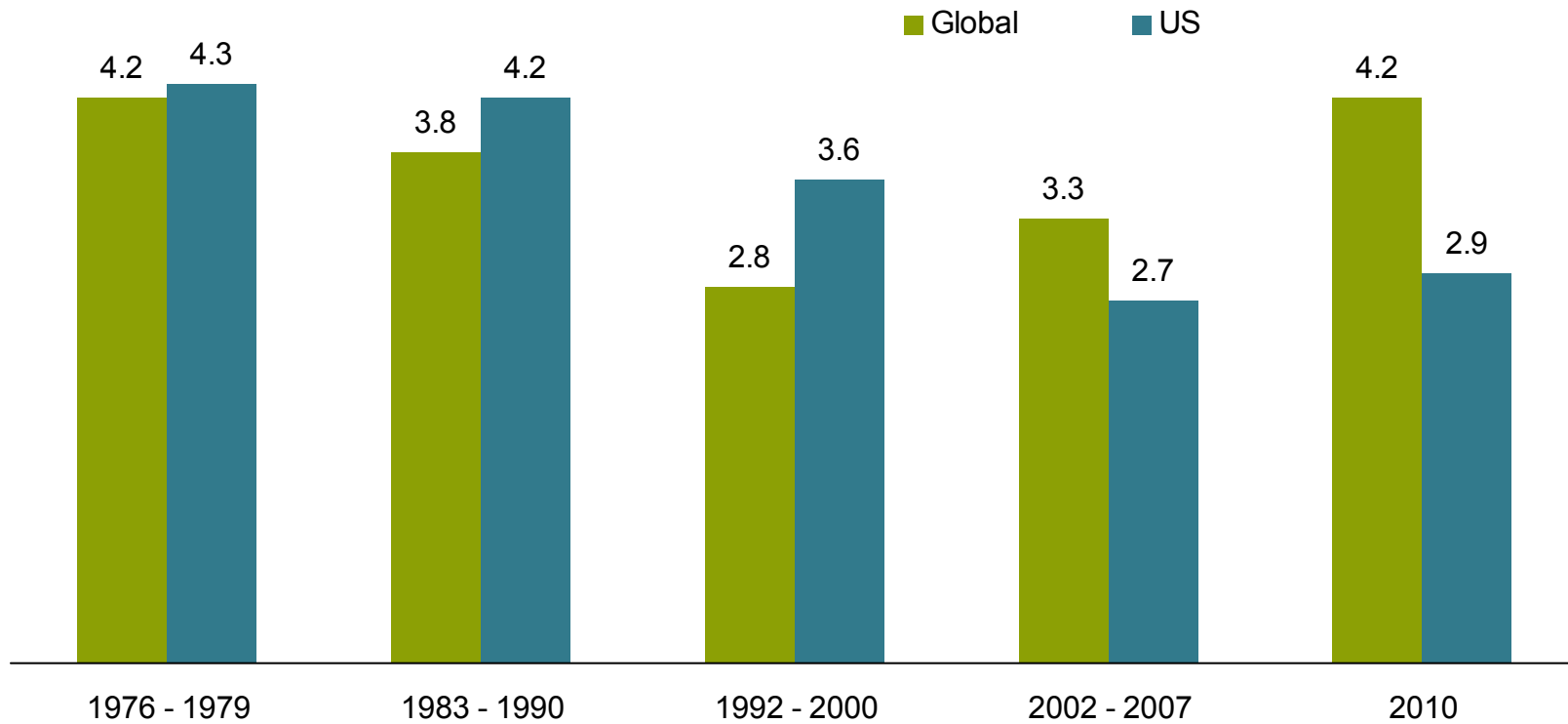
Real Global GDP



Source: International Monetary Fund and Haver Analytics

Impact of Global Business on Today's Business Cycle

Global & US Real GDP Growth

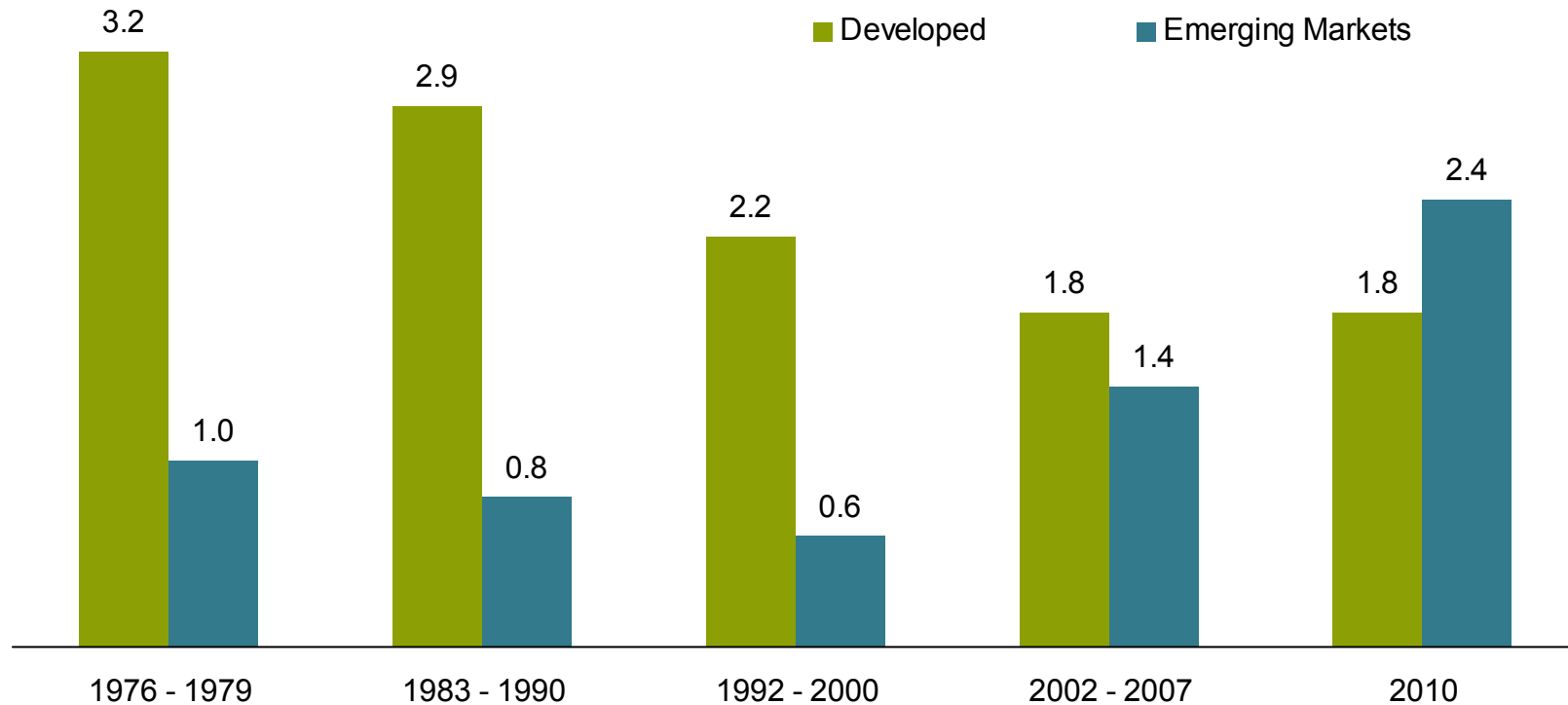


Source: World Bank, International Financial Statistics, Haver Analytics and AllianceBernstein

Impact of the Global Economy on Today's Business Cycle

Contribution to Global Real GDP Growth (Percentage Points)

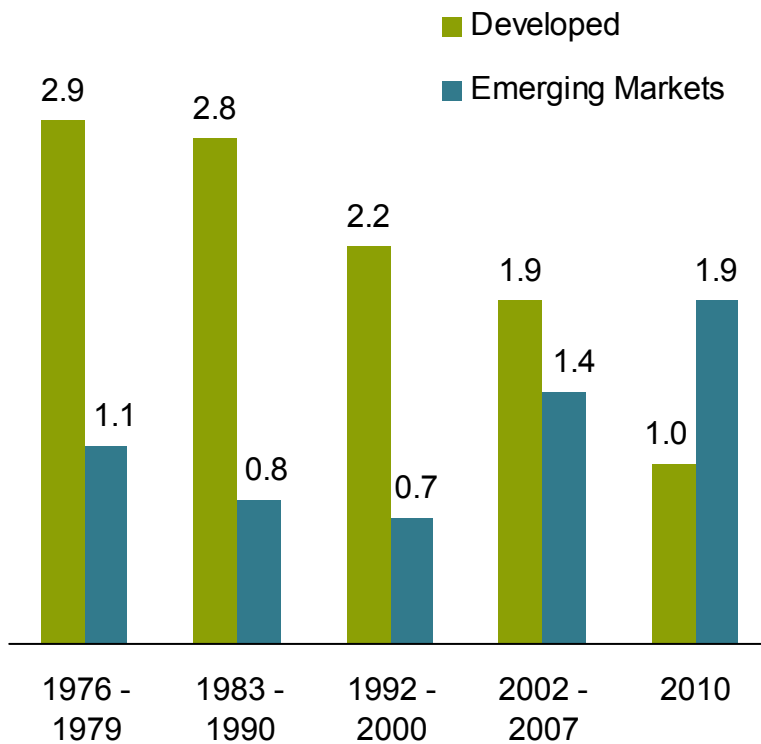
Developed vs Emerging Markets



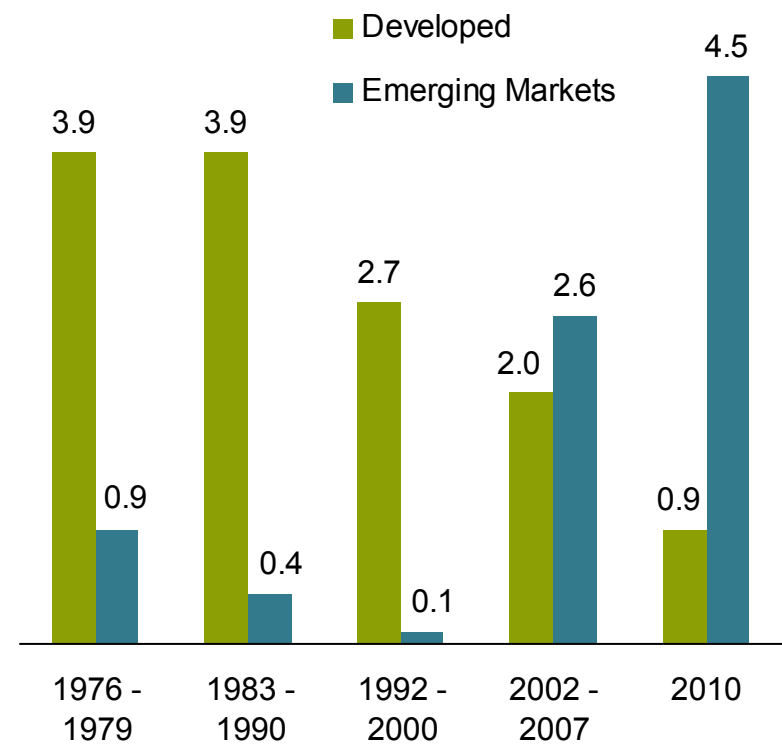
Source: World Bank, International Financial Statistics, Haver Analytics and AllianceBernstein

Impact of the Global Economy on Today's Business Cycle

Contribution to Global Real Consumption Growth



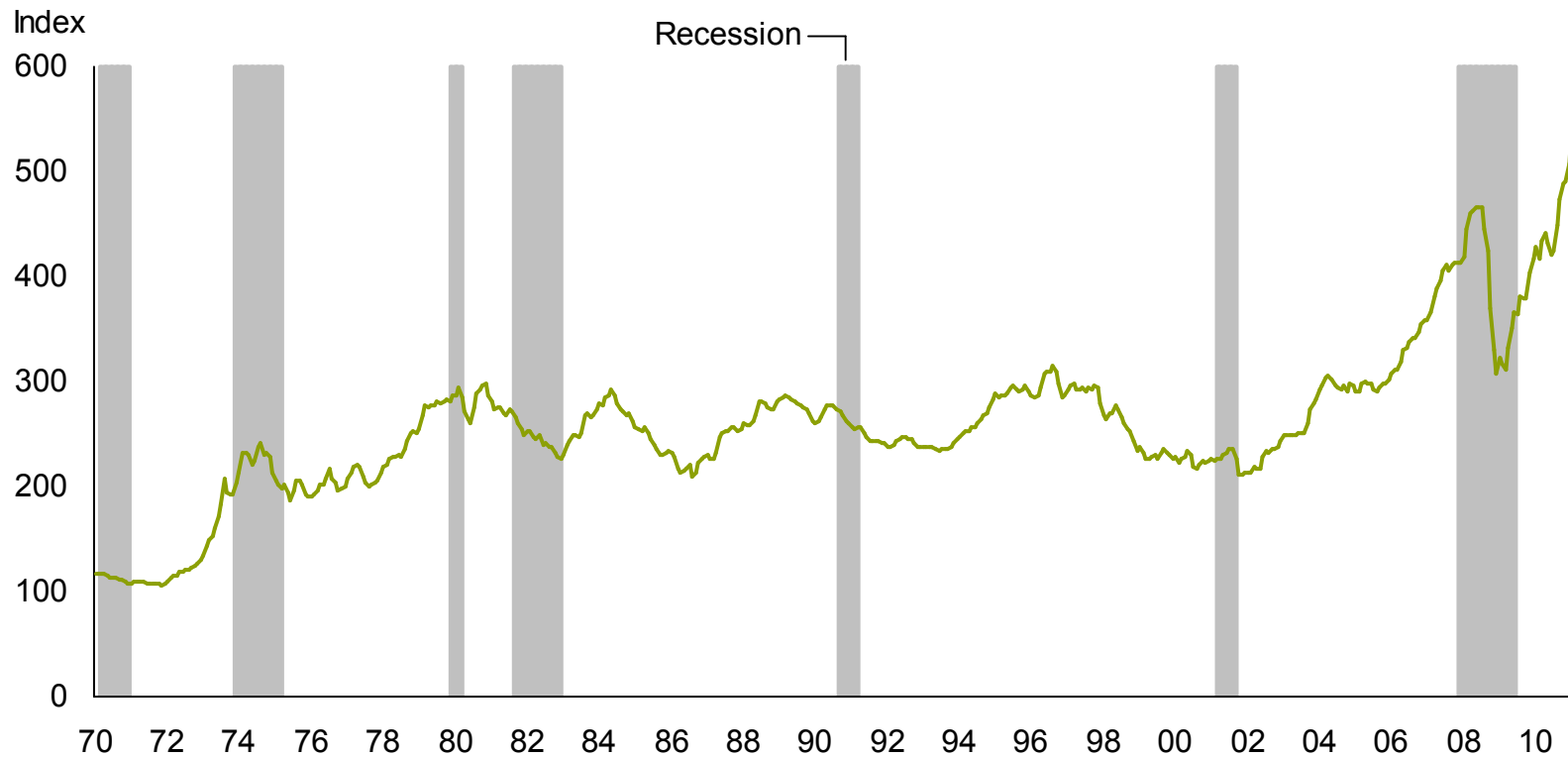
Contribution to Global Investment Growth



Source: World Bank, International Financial Statistics, Haver Analytics and AllianceBernstein

Changes in Global Economy Are Triggering More Commodity Inflation

CRB Spot Commodity Prices



Source: Commodity Research Bureau and Haver Analytics

Changes In Global Economy Has Changed the Mix of the US Cycle

Contribution to Real GDP

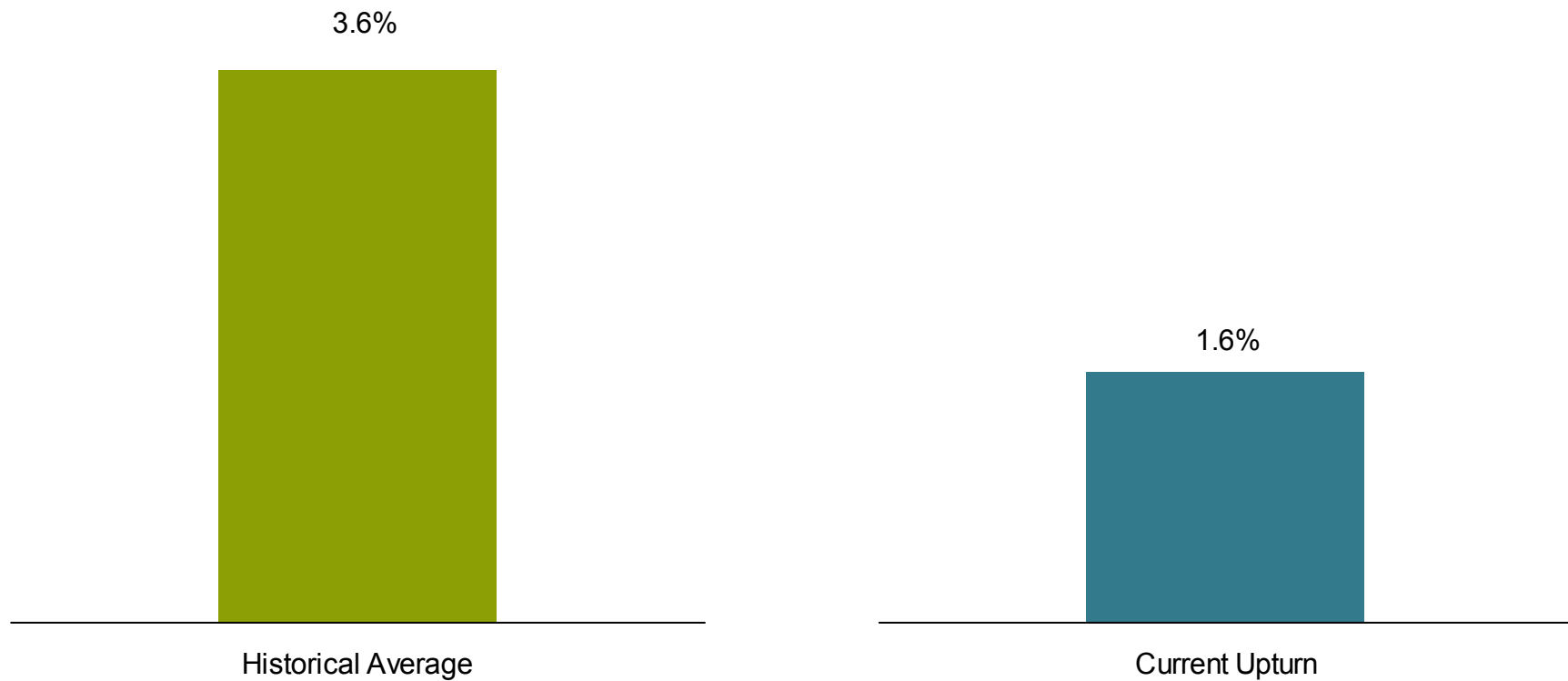
Investment and Exports



* Annualized change for six quarters from Q2 2009
Source: Bureau of Economic Analysis and Haver Analytics

Changing Dynamics of US Business Cycle

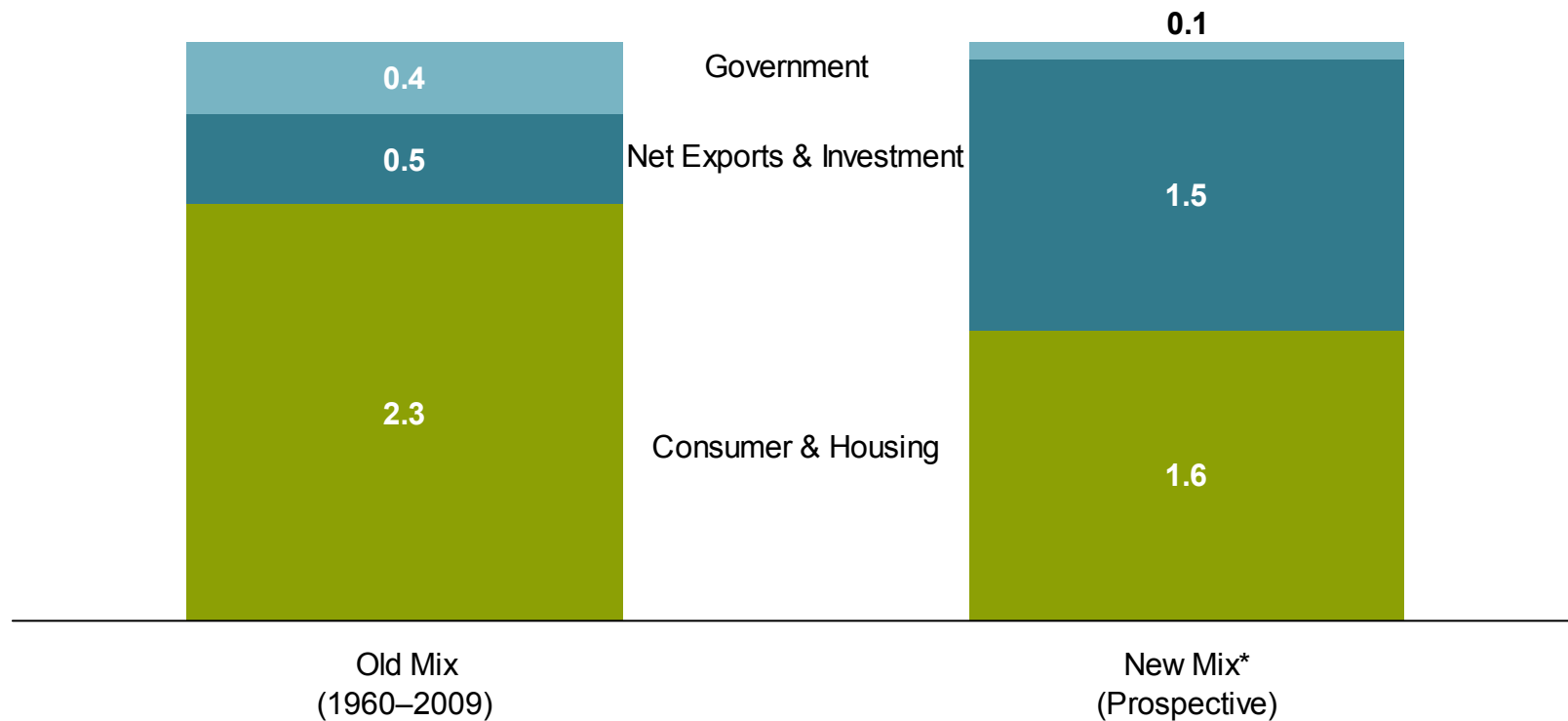
Contribution to Real GDP Personal Consumption and Housing



* Annualized change for six quarters from Q2 2009
Source: Bureau of Economic Analysis and Haver Analytics

How the Global Economy Is Changing US Business Cycle

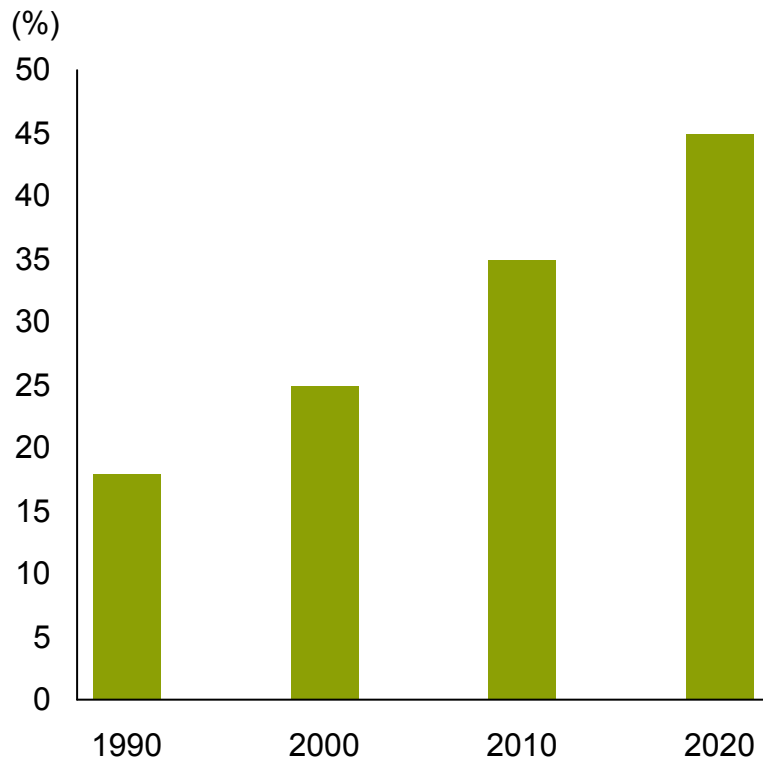
Real GDP Growth Contributions
(Percentage Points)



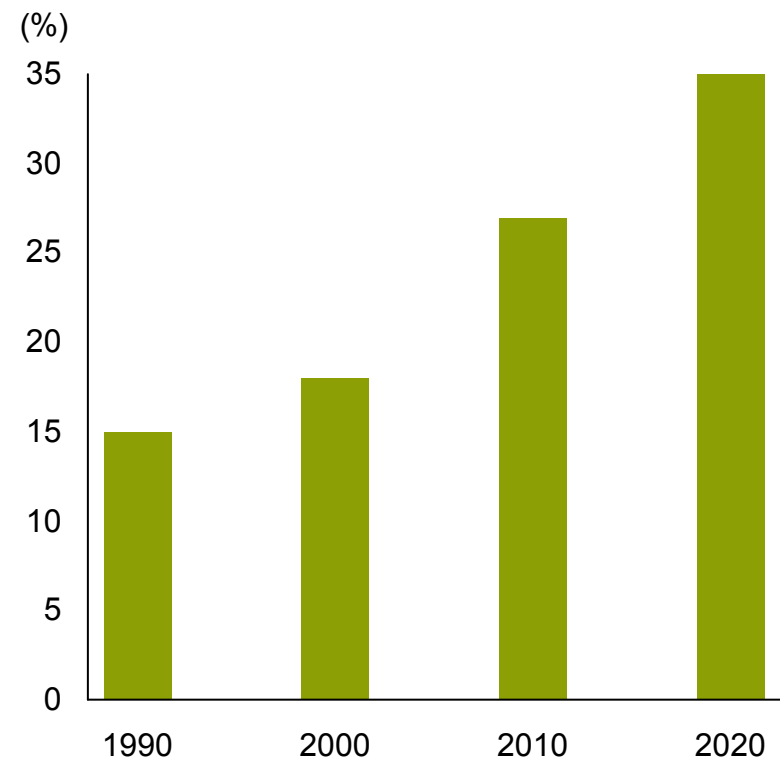
* Projected annual composition of GDO growth over next 10 years. Annual GDP growth estimated at 3.2%
Source: Bureau of Economic Analysis and AllianceBernstein

How the Global Economy is Changing the US Business Cycle

Percent of US Profits Coming From Overseas



Percent of Manufacturing Shipments Directed to Overseas Customers



Source: Bureau of Economic Analysis and Haver Analytics