January 2021

Global Macro Views

The Global Macro Forum

BNY MELLON | INVESTMENT MANAGEMENT

MELLON

World

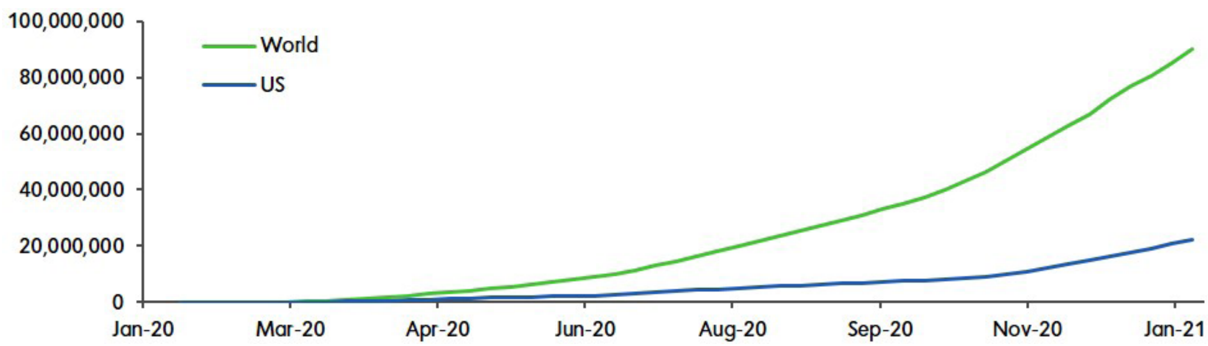
	2019	2020	2021	BoR	2022	BoR
Real GDP	2.6%	-1.9%	2.6%	—	1.6%	—
Inflation	2.6%	1.4%	1.5%	—	1.3%	—

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "▲" represents a positive view, "▼" represents a negative view and "—" indicates a neutral view.

Central to the economic outlook at Mellon is that the global economy heals over the next few years from the crushing shock of the COVID-19 pandemic as the world attains a semblance of herd immunity. For now, the virus continues to spread rapidly across the US, and Europe enters the year with a return to lock-downs. Still, the end of the pandemic is in sight as multiple vaccines are rolling out across the globe. Having done a more effective job of containing the virus, Asian economies are being pulled higher by the strong performance of the Chinese economy. Ample liquidity from the major central banks and fiscal stimulus from most governments should bridge the economic disruptions, but most economies will not retain the level of real GDP of early 2020 until next year and beyond. The shock is regressive, hitting poorer households and nations without sufficient precautionary buffers harder. As a result, some will suffer strains on their balance sheets.

Cumulative Confirmed COVID-19 Cases

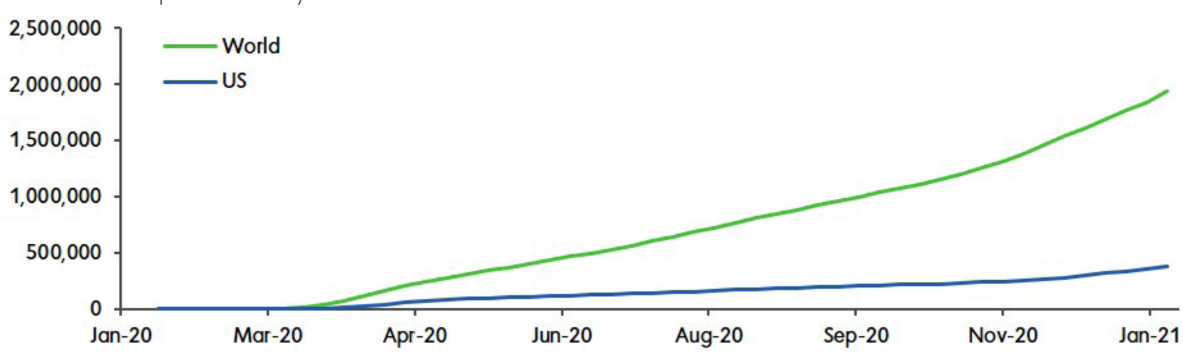
Number of People - Weekly



Source: Bloomberg, accessed 1/12/21.

COVID-19 Deaths

Number of People - Weekly



Source: Bloomberg, accessed 1/12/21.

Developed Markets

United States

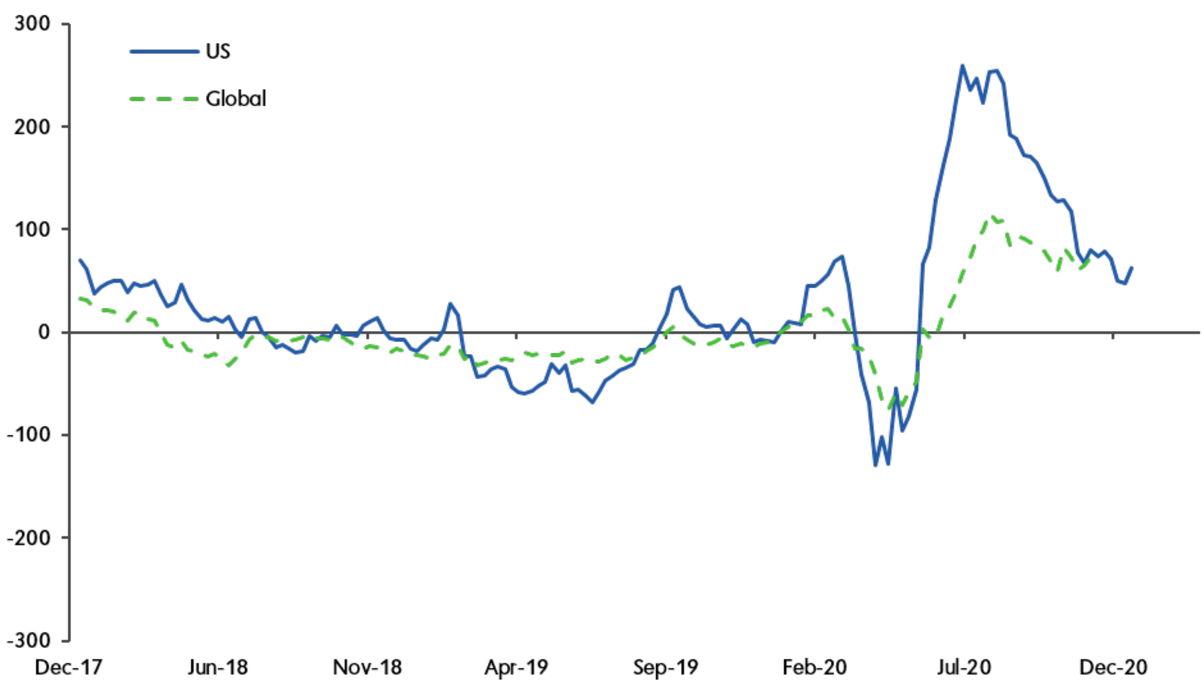
	2019	2020	2021	BoR	2022	BoR
Real GDP	2.3%	-3.1%	3.4%	—	2.5%	—
Inflation	1.8%	1.1%	2.2%	—	2.6%	—

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "⮝" represents a positive view, "⮟" represents a negative view and "—" indicates a neutral view.

In the US, economic activity remains heavily distorted by the ongoing spread of COVID-19 and a patchwork of local and regional mitigation efforts. The recently passed fiscal stimulus will provide considerable support to national disposable income and should prevent consumption from dropping dramatically in the early months of 2021. This stimulus, combined with ongoing monetary policy support, should build a "bridge" to the second quarter when rising vaccination rates should see the economy reopen organically. We expect a strong rebound starting this spring to drive 2021 growth well above potential. The level of national GDP is likely to remain somewhat below its pre-COVID peak until next year. With inflation low and few signs of underlying pressure on wages, the Federal Reserve (Fed) will almost surely maintain its current accommodative stance for the foreseeable future.

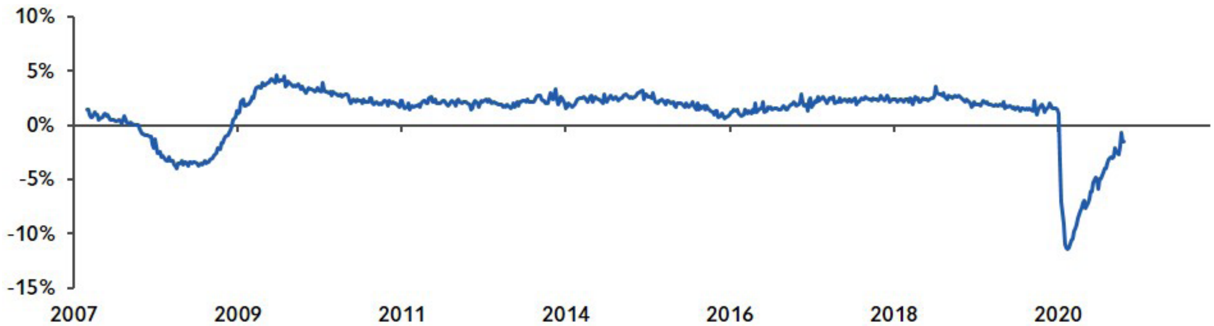
Citi Economic Surprise Indexes

Neutral = 0



Source: Citi, accessed via Bloomberg on 1/12/21.

Weekly US Economic Activity
Predicting GDP Growth Four Quarters Ahead



Source: Federal Reserve Bank of New York, accessed via Bloomberg on 1/12/21.

The Fed cannot keep policy as accommodative as currently forever, inclining us to believe that Treasury yields will rise over time. The Fed will fight this by underscoring its support for activity and tolerance of some inflation overshooting. The shift in communications framework and adoption of outcome-based guidance for its policy rate and asset purchases were part of this commitment. As a result, we expect longer-term yields to drift higher without major strains. Having been traumatized by the taper tantrum, this generation of central bankers will fight the last war hard, perhaps at the cost of permitting inflation ultimately to rise significantly.

Western Europe

Euro Area

	2019	2020	2021	BoR	2022	BoR
Real GDP	1.1%	-9.0%	4.0%	⮟	2.0%	⮟
Inflation	1.2%	0.4%	0.9%	—	1.1%	—

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "⮝" represents a positive view, "⮟" represents a negative view and "—" indicates a neutral view.

United Kingdom

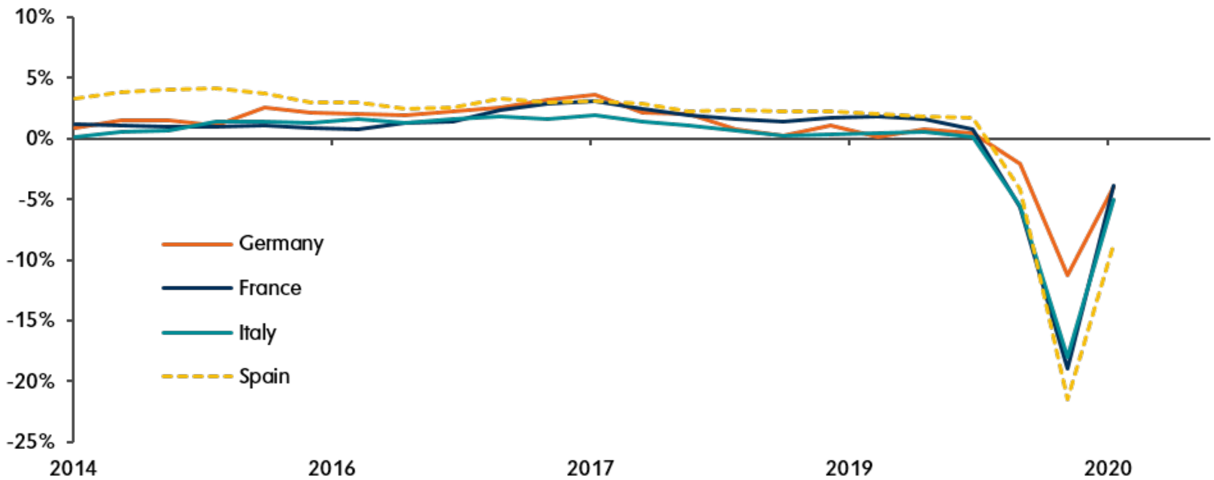
	2019	2020	2021	BoR	2022	BoR
Real GDP	1.2%	-10.0%	4.0%	⮟	2.0%	⮟
Inflation	1.9%	0.8%	1.3%	—	1.6%	—

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "⮝" represents a positive view, "⮟" represents a negative view and "—" indicates a neutral view.

The near-term outlook is poor on the back of strict lockdowns across the continent. These measures will help reduce the impact on stretched hospital systems at the cost of hobbling first-quarter economic performance. While the details are different and the magnitude more pronounced, Europe is likely to follow an economic trajectory similar to that of the US. Given the generous wage-replacement programs in place, a vigorous rebound in consumer spending should drive growth in the spring and early summer. Unfortunately, even this strong rebound is unlikely to see aggregate economic activity exceed its pre-COVID peak before 2022. With the terms of UK/European Union divorce largely finalized, the coming months will see growing pains on both sides of the Channel as UK and European businesses adjust to the "new normal." The medium-term impact of Brexit is difficult to determine but the proximate costs of dismantling established trading relationships will be significant.

Real GDP

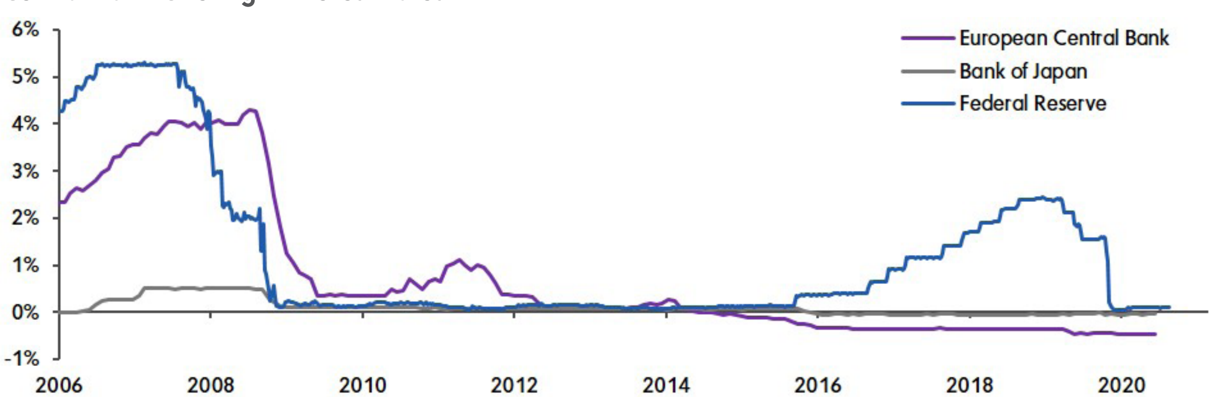
Four-Quarter Change



Source: Eurostat, accessed via Fred on 1/12/21.

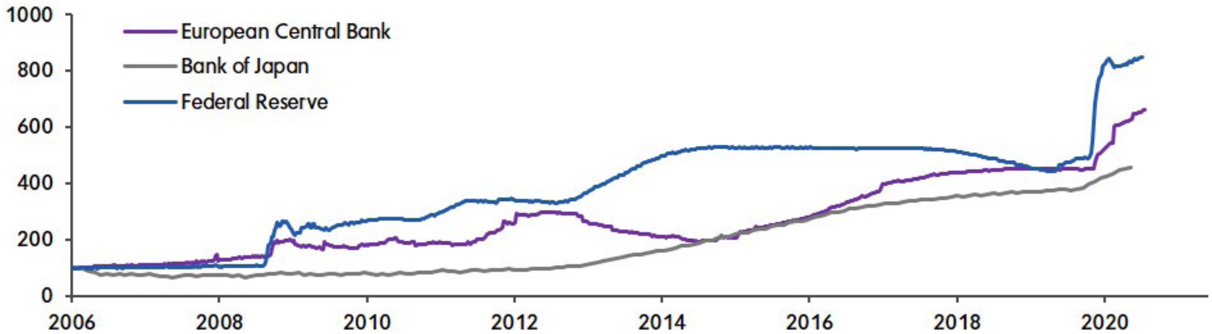
At its most recent meeting, the European Central Bank (ECB) extended and expanded the Pandemic Emergency Purchase Program (PEPP) more than had been expected by the market, with an additional EUR 500 billion in quantitative easing (QE) purchases lasting until March 2022. This would suggest a similar pace of QE buying in 2021 to that seen in the second half of 2020, although with the options to front-load the pace in periods of heavy supply (such as January 2021). However, despite the dovish package and forecast revisions, ECB President Lagarde delivered a hawkish message. Specifically, Lagarde suggested that the PEPP package might not be used in full, raising doubts that the ECB was committed to using the PEPP for the longer term to boost inflation, rather than as a short-term crisis measure. On the fiscal side, the EU Recovery Fund has been fully agreed and will begin implementation in 2021.

Central Bank Overnight Interest Rates



Source: FRED, accessed on 1/12/21.

Central Bank Assets
January 2006, Index = 100



Source: FRED, accessed on 1/12/21.

The UK is following a similar recovery path to the Euro Area, although its policy response has been somewhat different. Whilst the fiscal stimulus has been larger, monetary policy accommodation may end more quickly. The recent Brexit deal is focused on a zero tariff, zero quota free trade agreement for goods—the thinnest of trade deals available—and services are largely absent. Talks on financial services will resume in March 2021 so there will be a gap in regulatory equivalence (although firms had been preparing for this). While this is largely what had been expected, given the continued impact of lockdown measures we have lowered 2021 GDP for the UK. Brexit would likely continue to see further pressures on the structure of the UK, particularly the calls for a united Ireland and Scottish independence.

Japan

	2019	2020	2021	BoR	2022	BoR
Real GDP	0.8%	-5.2%	2.1%	⮟	1.9%	—
Inflation	0.8%	-0.2%	-0.2%	⮟	0.3%	—

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "⮝" represents a positive view, "⮟" represents a negative view and "—" indicates a neutral view.

A worsening third wave of coronavirus infections in Japan has resulted in Prime Minister Suga calling a second State of Emergency (SOE). The first SOE occurred last spring, lasted a month and a half, and applied nationally. This SOE is narrower in scope, shorter in duration (30 days), and only applies to the Greater Tokyo metropolitan area. Therefore, we expect a smaller, but still material, stalling of the recovery as 2021 gets underway. We expect that first quarter real GDP will contract and set a weak base for growth this year. However, growth is still set to rebound slightly more than 2 percent in 2021 as consumption resumes later in the year and the manufacturing and export sectors recover. Downside risks surround this forecast, as consumption could struggle with negative impacts on confidence due to the jump in coronavirus cases.

Inflationary pressures are very subdued and we expect slight deflation in 2021. Core inflation should very gradually lift in 2022, but still remain far off the Bank of Japan's (BoJ) 2 percent inflation target. The BoJ will remain highly accommodative, but is undergoing a policy review which will conclude in March when they will publish their findings. We expect this policy review to leave yield curve control and QE programs largely unchanged and in place, but provide some tweaks around programs like ETF purchases where the central bank is starting to own a more significant share of the market.

Australia

	2019	2020	2021	BoR	2022	BoR
Real GDP	1.6%	-3.0%	2.3%	⮟	2.5%	—
Inflation	1.5%	0.4%	1.1%	—	1.4%	—

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "⮝" represents a positive view, "⮟" represents a negative view and "—" indicates a neutral view.

The Australian economy exceeded expectations in 2020, contracting by only 3 percent, a shallow downturn relative to some of its peers but the first one in three decades. Australia has been able to keep COVID-19 effectively under control, avoiding the need for a new round of restrictions at the start of 2021. Fiscal policy support was strong and is likely to continue ahead, a positive for confidence and growth. That said, the pandemic has done lasting damage to Australia, exacerbating structural imbalances around household debt and causing trade tensions with its largest trading partner, China. Australia's large tourism and education sector was hit particularly hard, and it will continue to struggle as international borders likely will not begin to reopen on a large scale until the latter part of 2021 at the earliest. The outlook for a vaccine is a positive, but the timeline and effective rollout remain uncertain—a faster rollout could represent an upside risk to our forecasts.

The Reserve Bank of Australia (RBA) was busy in 2020. It delivered a comprehensive easing package in March, and followed up with a micro rate cut and "proper" quantitative easing program in November. We believe the RBA will keep forward guidance dovish as core inflation is likely to remain well off of targets given that slack in the economy will take time to be re-absorbed. Fiscal policy is in the driver's seat at this stage of the recovery, but the RBA will not shy away from adding to easing via QE if more support is required. We expect rates to remain low in Australia for a long time to come.

Emerging Markets

Asia

In Asia, economic activity continues to rebound smartly as the region reaps the rewards of a well-executed COVID response. Strong Chinese growth has driven the recovery in local trading partners, leading to general outperformance of Asian economies. Looking forward, while economic momentum has begun to wane with the Chinese credit impulse peaking and the yuan strengthening, we expect growth to remain robust over the coming months. Thus far, China's growth recovery momentum is very strong, driven by production and exports. Credit and fiscal channels as well as fixed investment have all been contributing positively as well. This strength, however will depend on a smooth transition to internal consumption as a driver of activity. Meanwhile, China is trying to shift away from the lending to the property sector to restraining property developers and building activity that's been an increasing share of the overall economy. Inflation in China and the surrounding region remains well-contained with few, if any, signs of sustainable upward pressure on prices. These inflation dynamics, combined with weakening (although still strong) leading indicators of activity suggest that there is limited scope for further policy normalization from the People's Bank of China.

China

	2019	2020	2021	BoR	2022	BoR
Real GDP	6.1%	2.3%	8.4%	—	5.4%	—
Inflation	2.9%	2.4%	1.6%	—	2.1%	—

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "⮝" represents a positive view, "⮟" represents a negative view and "—" indicates a neutral view.

The activity rebound has remained robust on a strong credit and fiscal impulse. Moreover, China has captured market share in medical and electronics products on account of global demand shifts brought on by the pandemic. Meanwhile, effective health policies are limiting pervasive, countrywide resurgences of COVID-19. These trends, alongside a wider vaccine rollout, should broaden the economic recovery, sustain a firmer trend in corporate profits, household consumption, and labor markets—which have mostly lagged the export- and production-led recovery thus far. On account of low base effects, we expect strong growth outturn during the first half of 2021 and a more gradual pace in the second half.

Inflation, however, will take more time to recover and business confidence could remain fragile. This is because labor incomes may have weakened structurally as services have yet to fully normalize. Moreover, the appreciating renminbi (CNY) will likely weigh on industrial profits and upstream inflation. Policy stimulus will fade as the fiscal impulse wanes, and credit flows to the property and fintech sectors are also set to slow. The authorities will have to strike a balance between shoring up business confidence while also trying to improve credit efficiency and the onshore competitive landscape by reallocating credit toward strategic sectors and curbing market dominance (of private firms) in key areas. In this emerging backdrop, the pace of policy normalization is likely to remain gradual as the financial position of smaller companies and private firms is still weak.

China will celebrate the 100th anniversary of the Communist Party on July 1, and the authorities have become more proactive in their efforts to deepen domestic markets and hedge against a potential worsening of economic ties and geopolitical disputes with key trading partners. Moreover, President Xi may seek to extend his tenure beyond the usual two terms during the National People's Congress meetings in March. In this context, the 'Dual Circulation' framework will assume increasing importance as the authorities reallocate resources toward the technology sector with a view to ensuring its medium-term self-sufficiency in critical areas; they will also broaden the use of the digital renminbi (RMB) to stimulate consumption in a targeted fashion. But in view of elevated restrictions in trade and investment vis-à-vis key trading partners, we remain doubtful of any near-term tech breakthroughs; and in the absence of far reaching structural reform to boost consumption, trend growth and its bias are tilted lower.

South Korea

	2019	2020	2021	BoR	2022	BoR
Real GDP	1.9%	-1.5%	3.5%	—	2.2%	⮟
Inflation	0.5%	0.5%	1.2%	⮝	1.4%	—

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "⮝" represents a positive view, "⮟" represents a negative view and "—" indicates a neutral view.

Korea has struggled with a winter pickup in COVID-19 cases which is weighing on consumption, restraining inflation and slowing imports. However, exports remain a bright spot—with sales of semiconductors, tech products and automobiles on the rise. On account of adequate testing, tracing and treatment, and expected vaccinations, we are not too downbeat on the macro outlook through the coming year. What's more, the government has unveiled several multi-year spending packages—as it tries to shore up social safety nets and boost wages and private consumption—which are expected to keep the government deficit elevated around 5-6 percent of GDP for a number of years. This should ensure that the fiscal impulse does not fade quickly in the outlook period. As such, we expect inflation to pick up to above 1 percent (year over year) in 2021 and 2022, though it will remain below the Bank of Korea's 2 percent target. Monetary authorities are likely to stay on an extended hold in policy and use macro-prudential measures to contain property price run ups and further pressure on household indebtedness.

India

	2019	2020	2021	BoR	2022	BoR
Real GDP	5.1%	-7.0%	9.0%	—	6.0%	—
Inflation	3.3%	6.5%	5.5%	⮝	4.5%	⮝

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "⮝" represents a positive view, "⮟" represents a negative view and "—" indicates a neutral view.

India has broken the link between virus proliferation and mobility much earlier than anticipated and more successfully than many countries. A near 80 percent drop in daily new cases and a bigger drop in active cases has coincided with improving mobility. India's death toll (scaled by population) has been contained below emerging market averages and an order of magnitude below that of developed economies. These trends are lowering household risk aversion and speeding up a sequential economic recovery. As a result, we are lowering the estimates of the 2020 contraction and raising the growth forecast for 2021, respectively, by a percentage point. By 2022, growth should revert to a 6% trend and inflation should remain within the Reserve Bank's 3 to 6 percent target range—after an overshoot in 2020 on account of higher food costs. The current account should slip into a slightly wider deficit in 2021 than we had earlier projected, but remain comfortable at -0.5 percent of GDP. Capital flows should pick up more substantially on the quicker recovery and a gradual uptick in structural reform and state asset sales.

Latin America

With a weaker health infrastructure and a greater reliance on the informal sector, the economies of Latin America initially struggled significantly from the pandemic. However, a strong rebound in the second half of last year offers positive carryover to support activity in 2021. The rebound has not been even, especially for service sectors. Unemployment rates are still very high as labor-intensive sectors remain depressed. The core dilemma of extending fiscal stimulus is that many national balance sheets do not afford the room. In the second quarter, the materialization of vaccine plans should allow faster reopenings of these economies.

Brazil

	2019	2020	2021	BoR	2022	BoR
Real GDP	1.0%	-4.5%	3.0%	▲	2.0%	—
Inflation	3.7%	3.2%	5.0%	▲	3.5%	—

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "▲" represents a positive view, "▼" represents a negative view and "—" indicates a neutral view.

The Brazilian economy has rebounded faster than anticipated after the government deployed a large fiscal stimulus (equivalent to 8.6 percent of GDP) and the central bank held ultra-loose monetary conditions. GDP expanded 7.7 percent quarter-over-quarter through September 30 (not annualized), after contracting 9.6 percent in the previous quarter. The reopening of the economy in June, the rebound in commodity prices and a more dynamic external demand supported the recovery of industrial activities. Since then, industrial production has shown a steady recovery, and by November it was 2.6 percent above pre-pandemic levels. However, the recovery has been uneven and services have lagged the rebound, especially in sectors like hospitality, recreational and transportation. Services remain approximately 5 percent below pre-pandemic levels. In our view, GDP growth rate slowed down to 2 percent sequentially in the fourth quarter, and we expect a contraction of 0.5 percent in the first quarter of 2021 due a reduction in the emergency aid and the decision from some regional governments to roll back the reopening of activities due to a second wave of COVID-19 cases. The roll out of the vaccine will be crucial for growth recovery in 2021 and 2022. Brazil has an ambitious plan to vaccinate 44 percent of the population in the first half of 2021 and the rest in second half. We recently increased our GDP projection to -4.5 percent year-on-year in 2020 from -5.4 percent due to a stronger rebound in in the second half of 2020. We expect economic activity to rebound 3.0 percent year-over–year in 2021 due to monetary stimulus, the reopening of the economy, a supportive global backdrop and a high carryover effect.

Inflation pressures intensified in the fourth quarter of 2020 due to an acceleration in food prices. Headline inflation rebounded from 1.9 percent year-over-year in August to 4.2 percent in December. The central bank sees the inflation pick up as transitory as the large output gap will offset inflationary pressures. We project inflation to speed up above 5 percent in the first half of 2021 due to an unfavorable base effect, but to drop in the second half to levels below the 3.75 percent target. However, after a 25 percent currency depreciation, currency pass-through represents an important upside risk to our inflation view. On monetary policy implications, we think the Central Bank of Brazil will likely keep its Selic policy rate on hold at 2 percent during the first half of 2021, but they will likely hike rates in the second part of the year to 3.5 percent.

On the fiscal side, the window of opportunity to approve fiscal reforms is narrowing as next year Brazil will have general elections. Any frustration on the progress of the reformist agenda will likely have negative implications on Brazilian assets, and will represent a downside risk to our inflation and growth projections. We estimate a fiscal deficit of 15 percent in 2020 and a reduction to 7 percent in 2021 due to the end of COVID-19. Debt-to-GDP will balloon above 90 percent from 75 percent a year ago.

Mexico

	2019	2020	2021	BoR	2022	BoR
Real GDP	-0.1%	-9.0%	3.5%	▲	2.0%	▲
Inflation	3.6%	3.4%	3.3%	▲	3.5%	—

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "▲" represents a positive view, "▼" represents a negative view and "—" indicates a neutral view.

The Mexican economy rebounded 12.1 percent quarter-over-quarter through September 30 after it plunged 17.1 percent in the previous quarter. This expansion broke the sequential contraction since the first quarter of 2019. The economic rebound has been led by industrial production, but in particular by those sub-sectors which are fully integrated to the global supply chains. Services have been gradually rebounding, but they remain well below pre-pandemic levels. On a year-over-year basis, GDP fell 8.7 percent in the third quarter.

We think economic activity slowed down in the fourth quarter to 2.5 percent (quarter-over-quarter) due to a second wave of COVID-19 cases that has pushed authorities to implement new lockdowns. We expect GDP growth to fall 9.0 percent in 2020 from zero growth in 2019 due to the pandemic, a small fiscal stimulus and rapid job destruction. We project a 3.5 percent rebound in 2021 supported by the roll out of the vaccine, which will push the reopening of those sectors hardest hit by the pandemic, fiscal stimulus in the US that will increase the demand for Mexican exports, and wage remittances. Mexico plans to vaccinate 90 percent of the population throughout 2021. The main downside risk to economic activity will continue to be private investment, which may likely remain depressed due to the deterioration in business confidence. The government's austerity policy will continue in 2021.

Inflation pressures have eased recently as supply shocks that pushed inflation above 4 percent in the third quarter of 2020 have vanished. Average inflation in 2020 fell to 3.4 percent from 3.6 percent from the prior year due to economic contraction. We expect average inflation to fall to 3.3 percent in 2021. The Central Bank of Mexico (Banxico) cut its policy rate 3 percentage points, to 4.25 percent, in its latest cycle. The Board has been on hold in the last two meetings, but we expect Banxico to resume rate cuts in the first quarter of 2021. We see two more quarter-point cuts this year to 3.75 percent.

Net exports have contributed to mitigate the contraction in consumption and investment due to the faster recovery in global demand relative to domestic demand. We expect a current account surplus of 1.4 percent of GDP in 2020, up from the 0.2 percent deficit in 2019. We expect a balanced current account in 2021 due to the rebound on imports. The mix of higher net exports and remittances have offset capital outflows from the government debt market.

Non-oil revenues have surprised on the upside due to government efforts to improve tax collection. Government expenditure has been contained due to austerity policies amid the pandemic. We expect a fiscal deficit of 3.2 percent in 2020 and 3.5 percent in 2021, and see the debt-to-GDP ratio to jump to 53 percent in 2020 from 45 percent in 2019.

Russia, Turkey, South Africa, CEEMEA

Russia

	2019	2020	2021	BoR	2022	BoR
Real GDP	1.2%	-4.0%	3.0%	⮟	1.5%	⮟
Inflation	4.2%	3.5%	3.5%	—	3.3%	—

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "⮝" represents a positive view, "⮟" represents a negative view and "—" indicates a neutral view.

Turkey

	2019	2020	2021	BoR	2022	BoR
Real GDP	0.5%	0.0%	3.5%	⮟	4.0%	⮟
Inflation	15.0%	12.0%	11.0%	—	11.0%	—

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "⮝" represents a positive view, "⮟" represents a negative view and "—" indicates a neutral view.

South Africa

	2019	2020	2021	BoR	2022	BoR
Real GDP	0.4%	-7.0%	3.0%	⮟	1.5%	⮟
Inflation	4.1%	3.5%	3.5%	—	3.5%	—

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "⮝" represents a positive view, "⮟" represents a negative view and "—" indicates a neutral view.

Poland

	2019	2020	2021	BoR	2022	BoR
Real GDP	4.2%	-3.5%	4.5%	⮟	4.0%	⮟
Inflation	2.2%	3.0%	2.2%	—	2.5%	—

Source: Firm analysis as of January 11, 2021. 2021 and 2022 are forecasts. BoR (Balance of Risks): Indicates bias relative to our forecasts as new information becomes available. "⮝" represents a positive view, "⮟" represents a negative view and "—" indicates a neutral view.

Many jurisdictions in emerging EMEA have seen second waves of the pandemic in late 2020 resulting in further economic damage. However the economic impact of second lockdowns have been less severe. In Central and Eastern Europe (CEE), Czech growth has held up better than expected, despite being a very open economy due to sizeable fiscal stimulus. Hungary's open economy has fared worse given less fiscal space. Poland has done a lot more fiscal and monetary stimulus than was expected, supporting domestic demand. On the bright side, the political impasse in Romania has passed with a new pro-EU, pro-reform and fiscally conservative government elected. Elsewhere, Russia and Turkey have been relatively resilient, but South Africa continues to have both growth and fiscal woes.

The Global Macro Forum

Vincent Reinhart
Managing Director, Chief Economist & Macro Strategist

Vincent is Mellon's Chief Economist and Macro Strategist. In this role, he is responsible for developing views on the global economy and making relative value recommendations across global bond markets, currencies and sectors.

Previously, Vincent served as the Chief US Economist and a managing director at Morgan Stanley. For the prior four years, he was a resident scholar at the American Enterprise Institute (AEI). Vincent also worked in several roles at the Federal Reserve over 24 years, including Director of the Division of Monetary Affairs and Secretary and Economist of the Federal Open Market Committee (FOMC). His responsibilities at the Federal Reserve included directing research and analysis of monetary policy strategies and the conduct of policy through open market operations, discount window lending and reserve requirements. Prior to these roles, he was the principal liaison with the domestic desk at the Federal Reserve Bank of New York and was responsible for preparing a document outlining policy alternatives for each FOMC meeting. He was Deputy Director in the Division of International Finance and Associate Economist of the FOMC and spent five years at the Federal Reserve Bank of New York in both the domestic and international research departments.

His academic publications primarily concern the conduct of policy and issues related to the monetary transmission mechanism as well as an analysis of alternative auction techniques and Treasury debt management. After an undergraduate training at Fordham University, he received graduate degrees in economics at Columbia University.

Rowena Geraghty
Sovereign Analyst

Rowena is a sovereign analyst at Mellon Investments (UK) Limited, an affiliated entity, and an associated person of the firm.

Rowena contributes to the bond and currency strategy for the Global and Emerging Market portfolios through her fundamental credit and market analysis. She is responsible for research and analysis of economies across EMEA. Rowena joined the firm in 2013. Previously, she worked at Fitch ratings agency and the financial regulator, the Financial Services Authority (a predecessor organization to the UK's current regulator, the Financial Conduct Authority).

Rowena has a BSc and MSc in Economics from the University of London. Rowena has been in the investment industry since 2010.

Alejandro Martinez Cruz
Emerging Market Economist

Alejandro is an emerging market economist with a particular focus on Latin American countries. He provides macro views, insights and trade recommendations based on his analysis of economic, statistical and socioeconomic data, which inform the investment decisions of the Emerging Market Debt team.

Prior to joining the firm, Alejandro held several senior roles at HSBC, including a Mexico rates and foreign exchange analyst, senior LatAm strategist and the Head of Latin American Fixed Income Research. In the latter role he led fixed income research efforts for Argentina, Brazil, Chile, Colombia, Mexico, Peru, Ecuador, Dominican Republic and Costa Rica. Previously, he was an economist for Citigroup, and a currency and local rates market analyst at the Bank of Mexico. Alejandro has been in the investment industry since 1998.

Alejandro earned a degree in economics from Instituto Tecnológico y de Estudios Superiores de Monterrey and a masters in economics from the University of Rochester.

Aninda Sankar Mitra
Vice President, Senior Sovereign Analyst

Aninda is senior sovereign analyst of BNY Mellon Investment Management Singapore Pte. Ltd and provides non-discretionary research or discretionary investment management services to the firm as a subadvisor. He is responsible for Asia ex-Japan sovereign debt research. Aninda joined in March 2014 from Fitch Ratings Credit Wire Service where he served as senior director Asia Pacific. Aninda was previously Head of Southeast Asia Economics at ANZ Bank and Senior Sovereign Analyst at Moody's in Singapore and New York.

Aninda holds a MA Economics from University of North Carolina and a BS Economics (Magna Cum Laude) from Bridgewater College. Aninda has over 22 years of experience as a sovereign analyst and economist focused on Asia.

Nicholas Tocchio
Sovereign Analyst

Nick is a sovereign analyst contributing to interest rate and currency strategy for global portfolios. He is responsible for fundamental credit and market analysis for Australia, Canada and New Zealand. Nick joined the firm in 2013 and holds a BA in Economics from Hamilton College. He has been in the investment industry since 2013.

Disclosure

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