

## The 2009 « indian summer » of world economy

**CyclOpe**  
European leading  
research Institute  
on commodity markets

[www.cercle-cyclope.com](http://www.cercle-cyclope.com)

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**September 2009**  
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**September 2009**

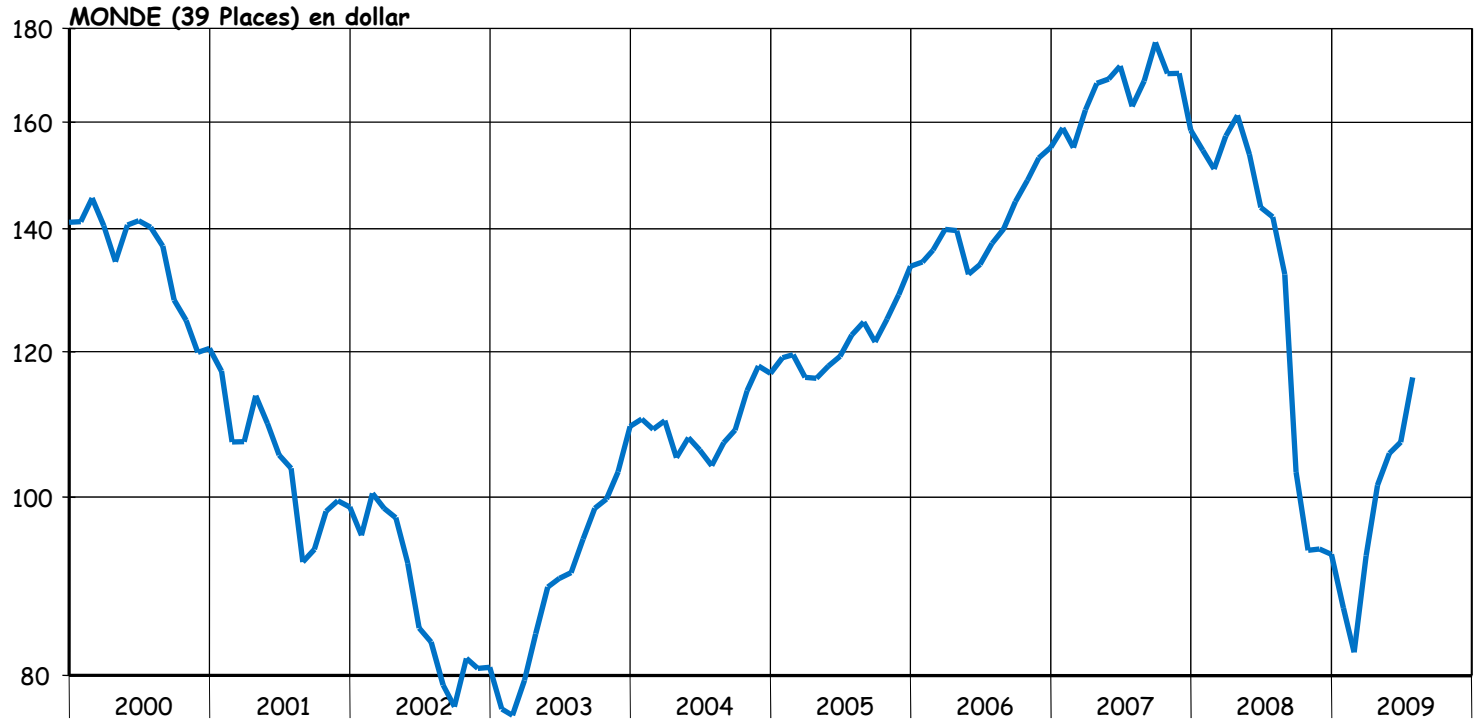
**Sun shines again**

- . on equity markets**
- . on commodities**
- . for the real economy**
- . thanks to emerging countries**
- . and US out of recession**

**Spring or Indian Summer ?**

## World equity markets are betting for the end of recession

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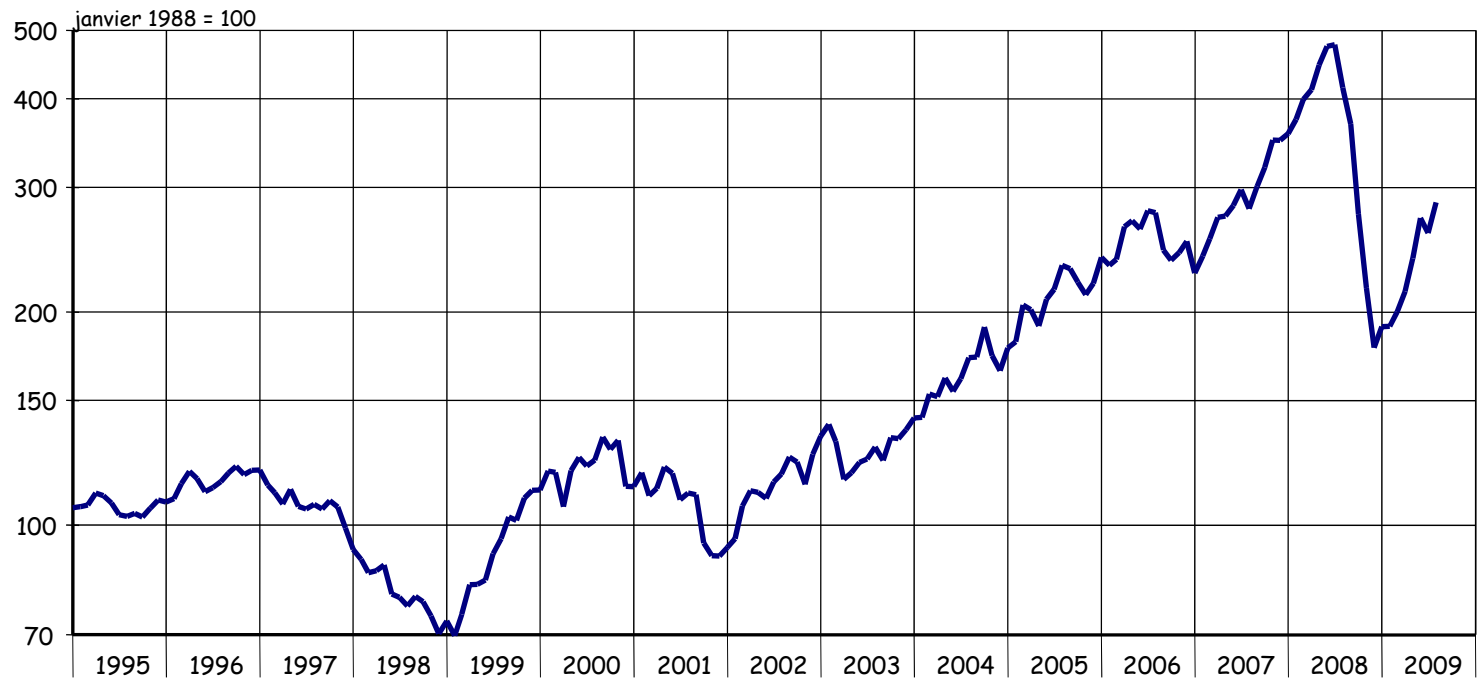


## And it's especially true in Shanghai

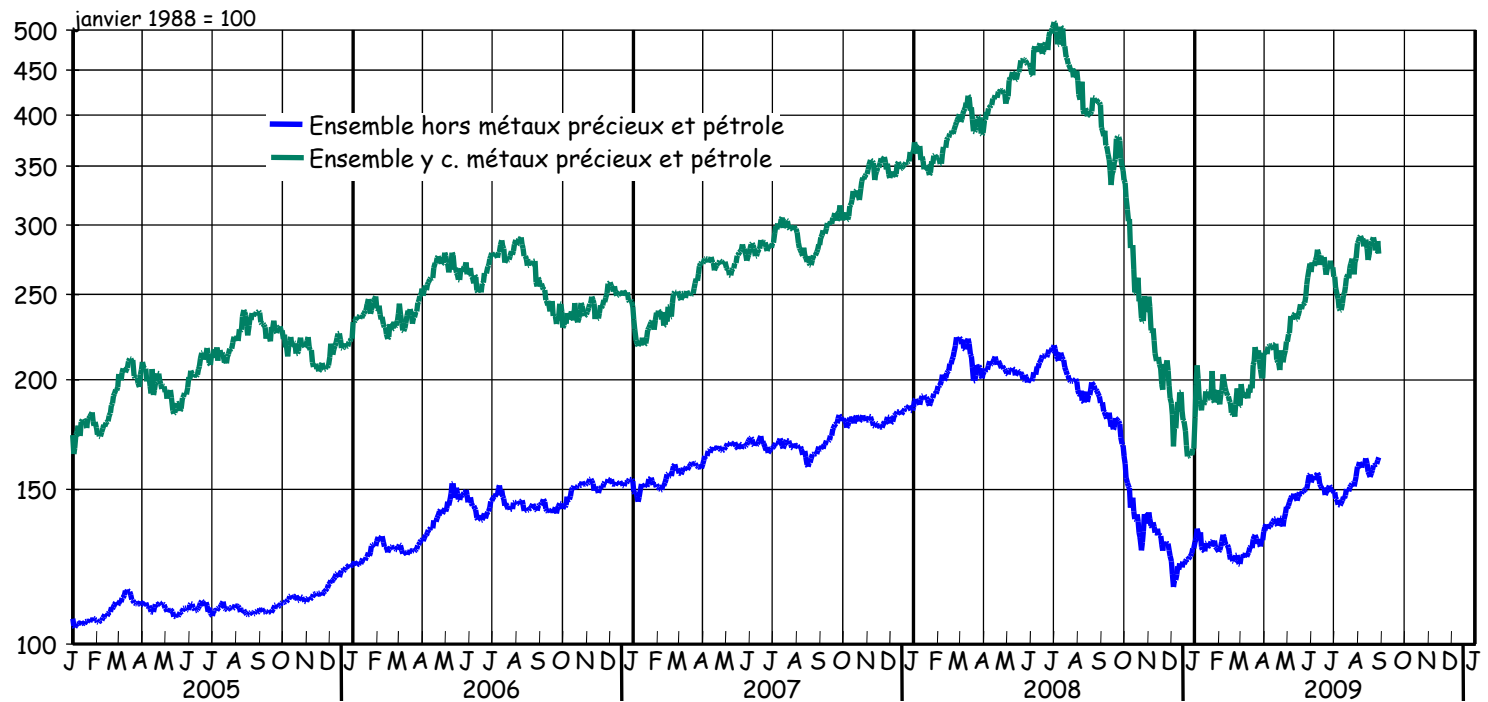


## Same story for commodities

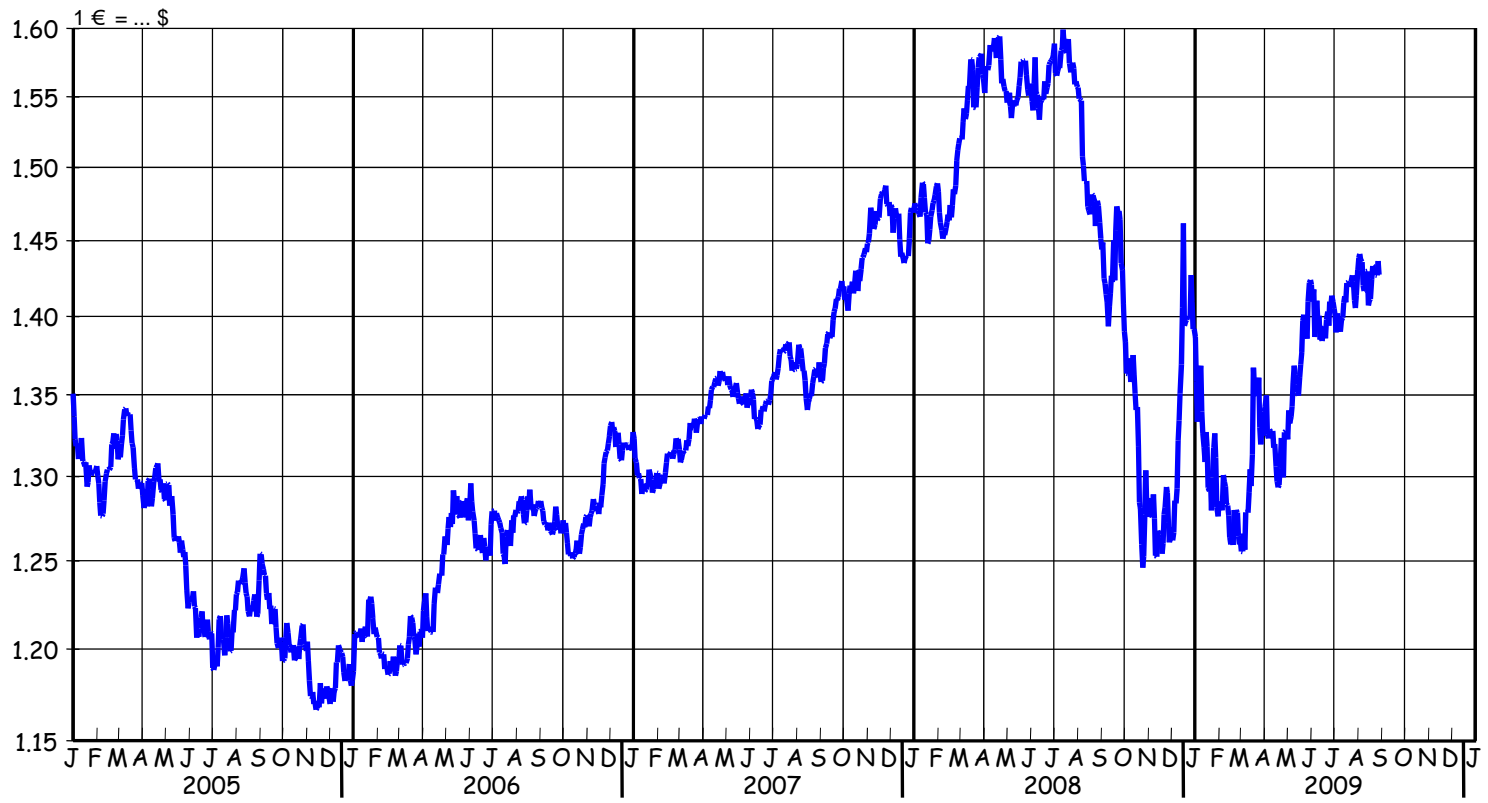
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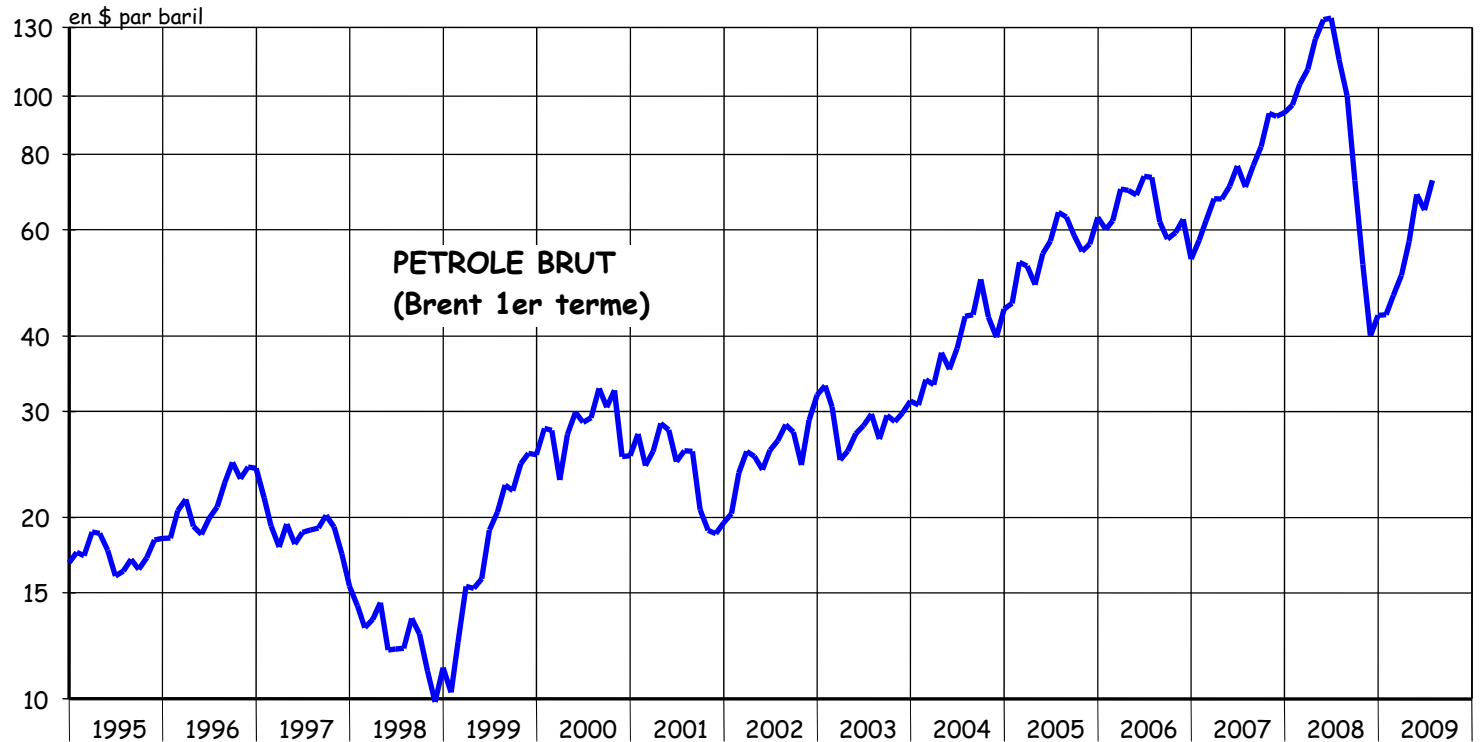
## Back to their 2007 level



## Thanks to a weakening US dollar



## Oil back at \$ 72.5 a barrel (August average)

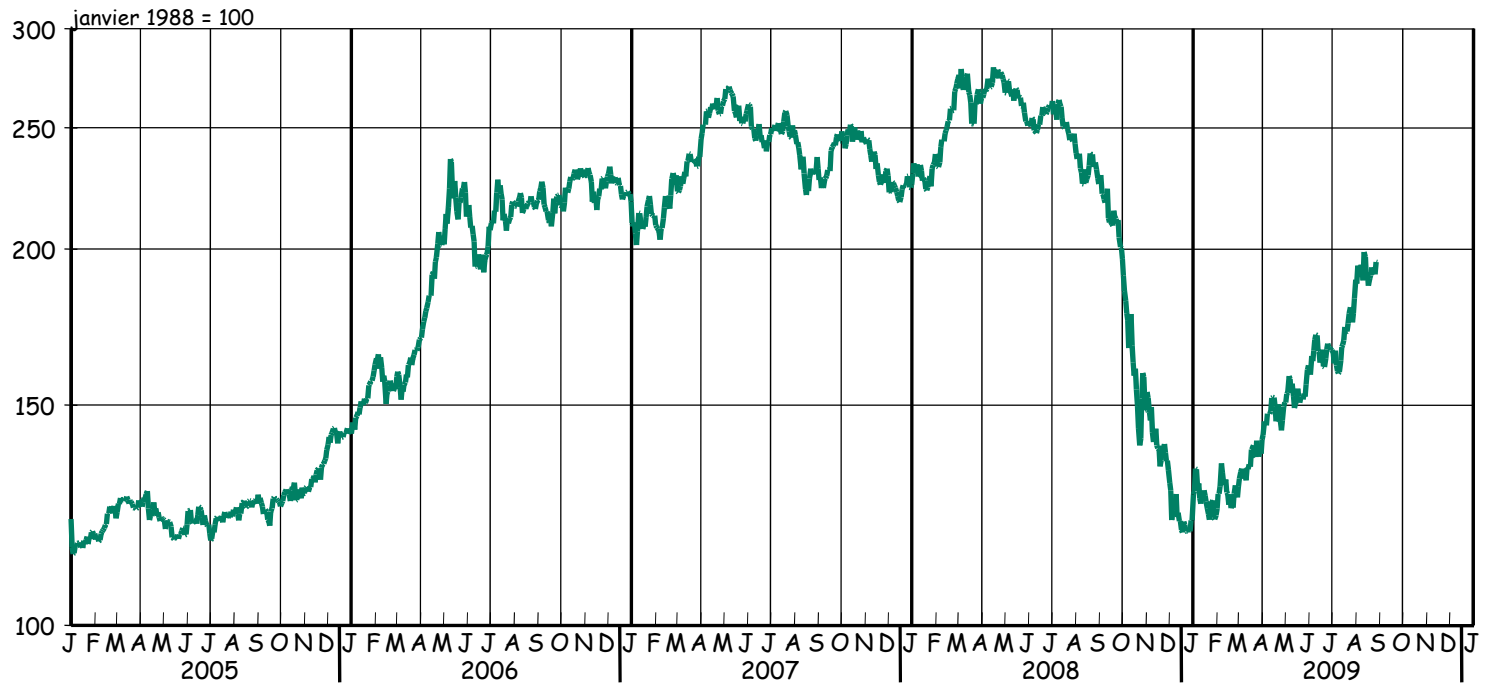




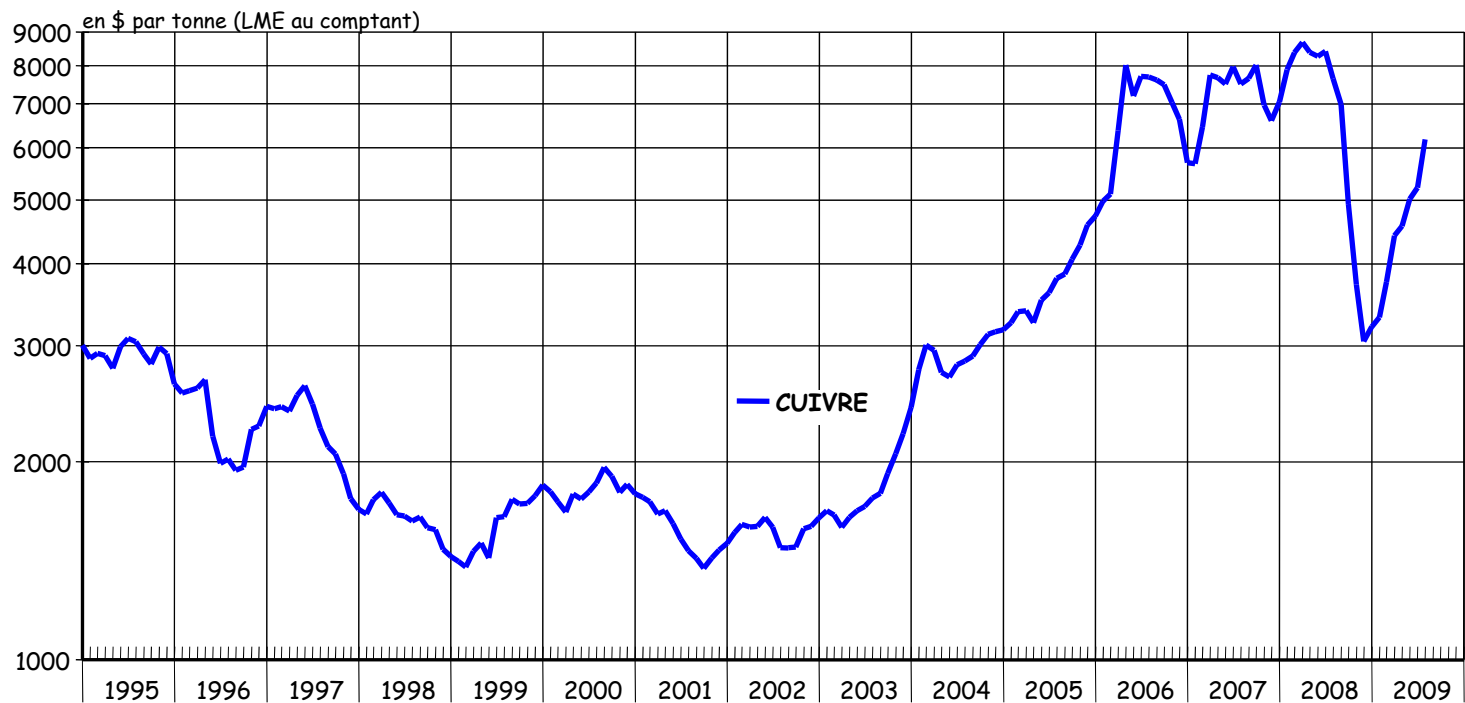
## Thanks to some discipline by OPEP, Nigerian problems and... demand



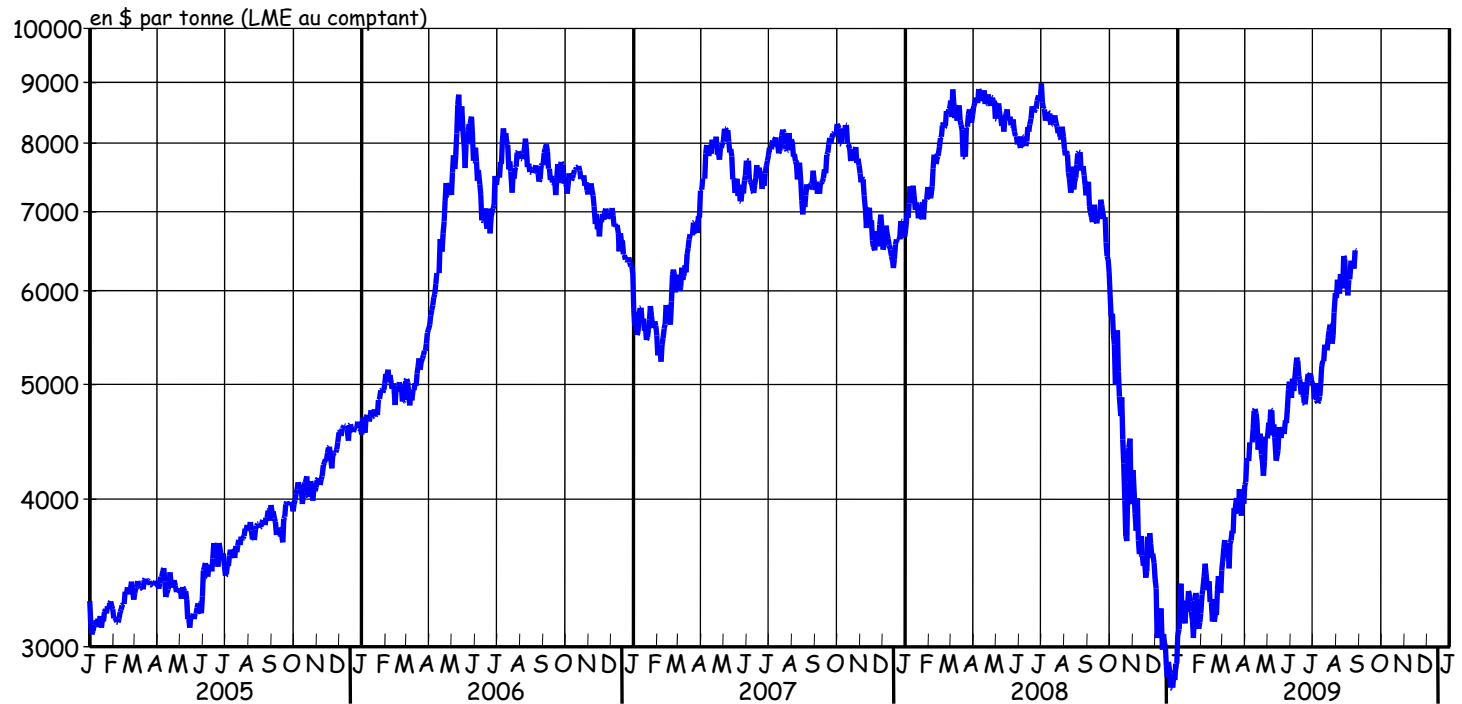
## Non ferrous metals are up too



## Like copper



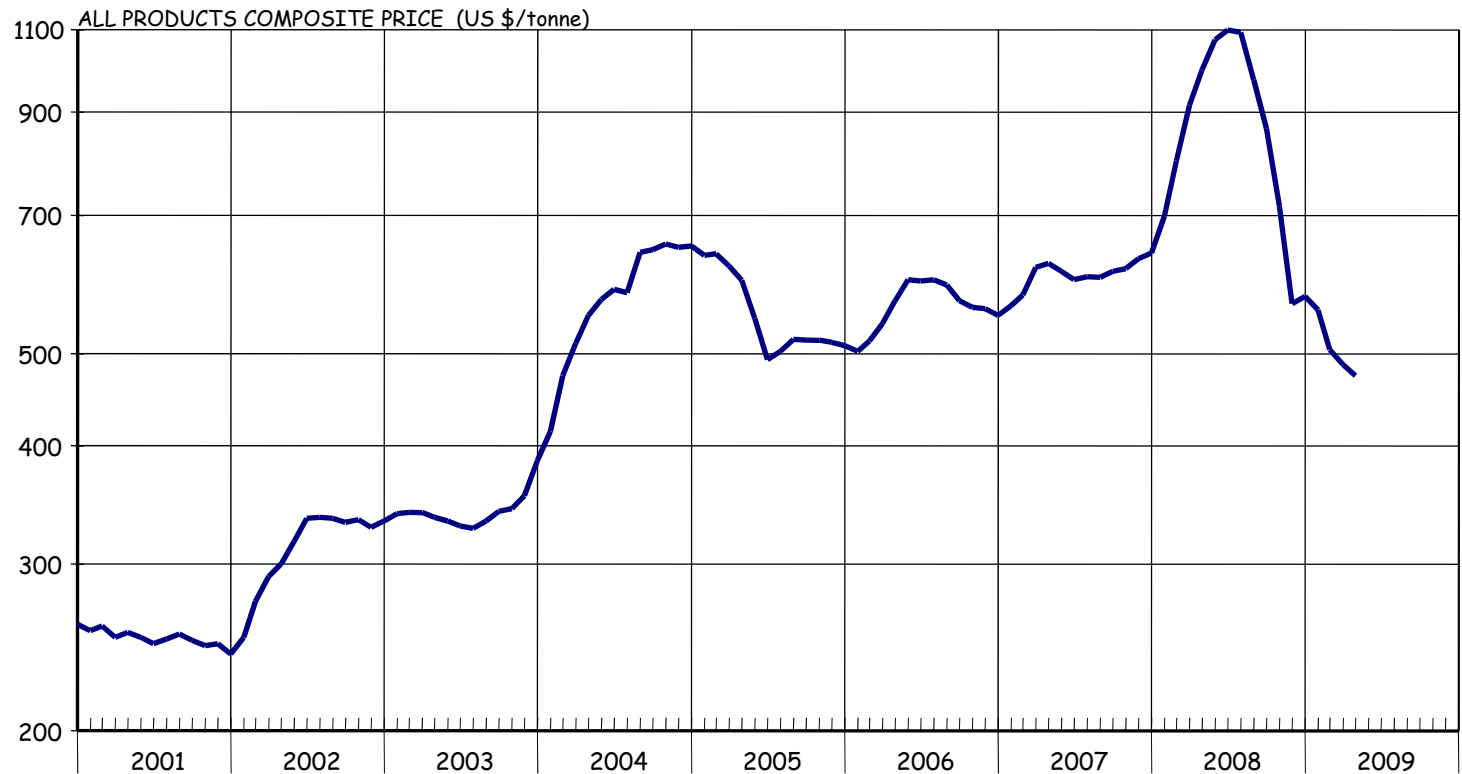
## Thanks to China and some good news from USA



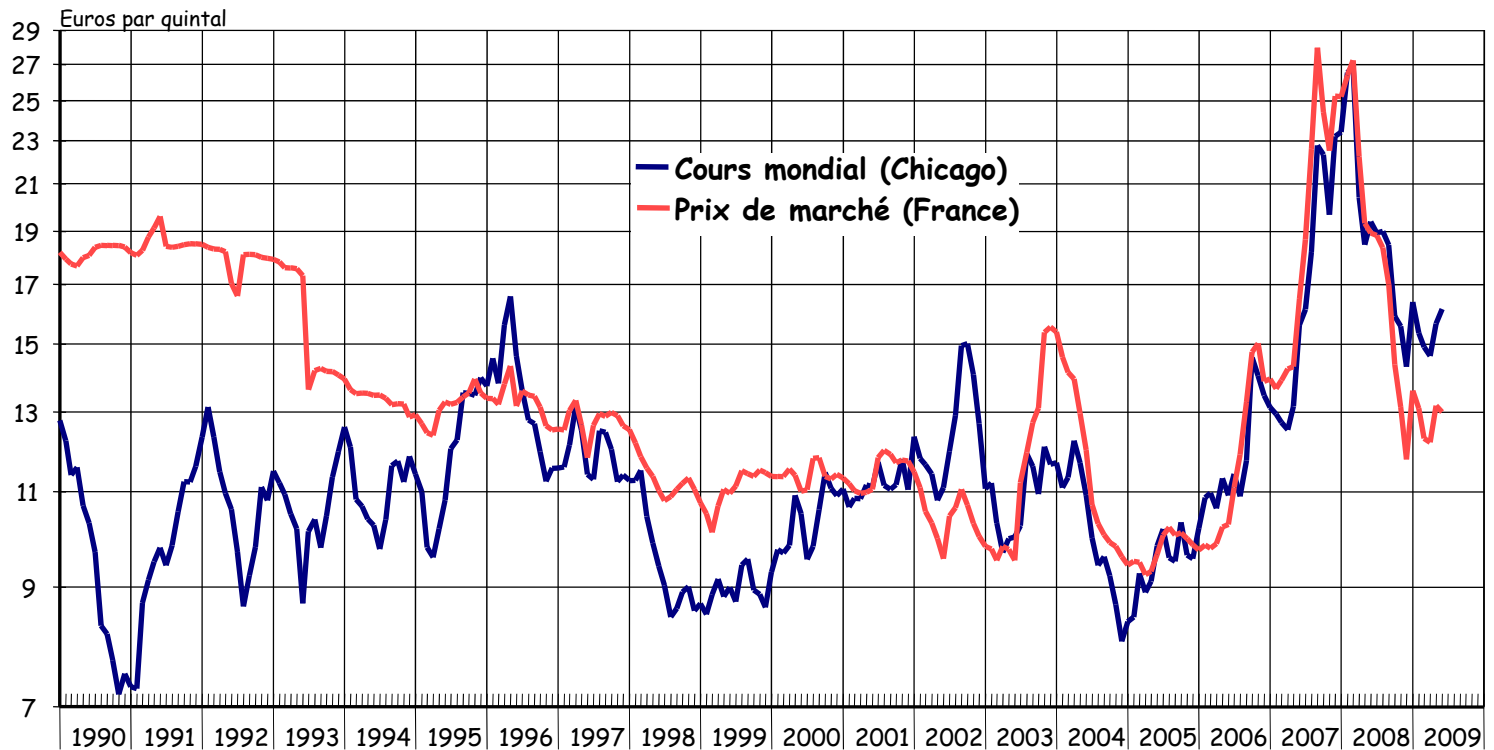
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**Steel prices are still low but with a better ratio of capacity utilisation**

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## Wheat « suffers » from very good 2009 crop



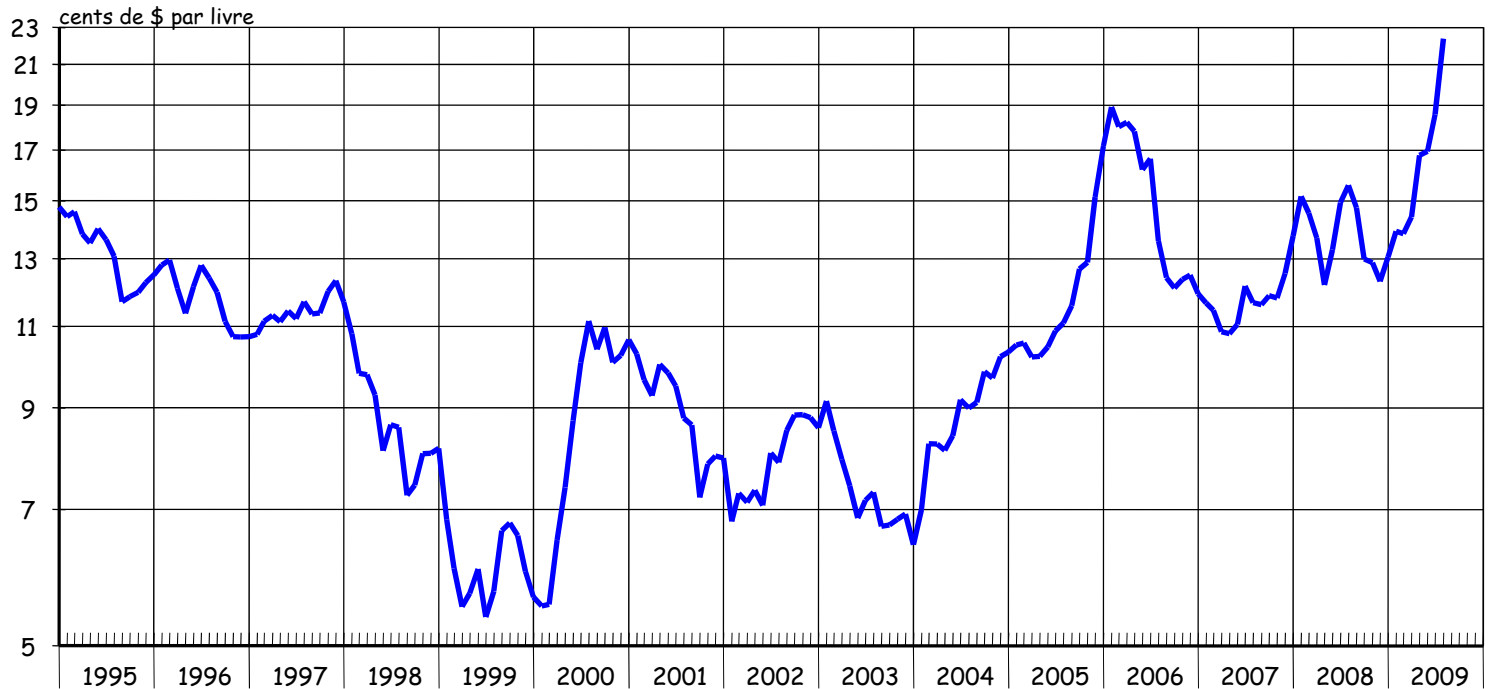
## But soybeans benefit of Chinese demand

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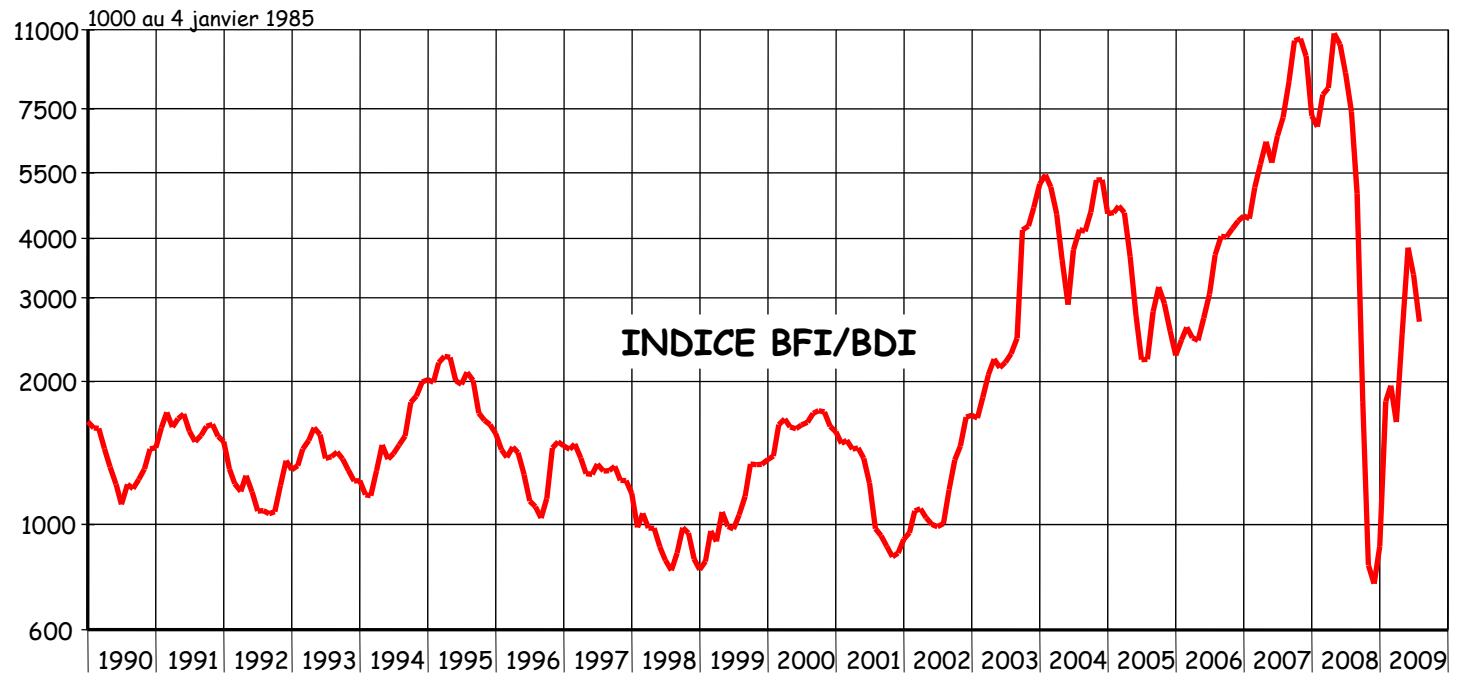
## And sugar was the summer's star

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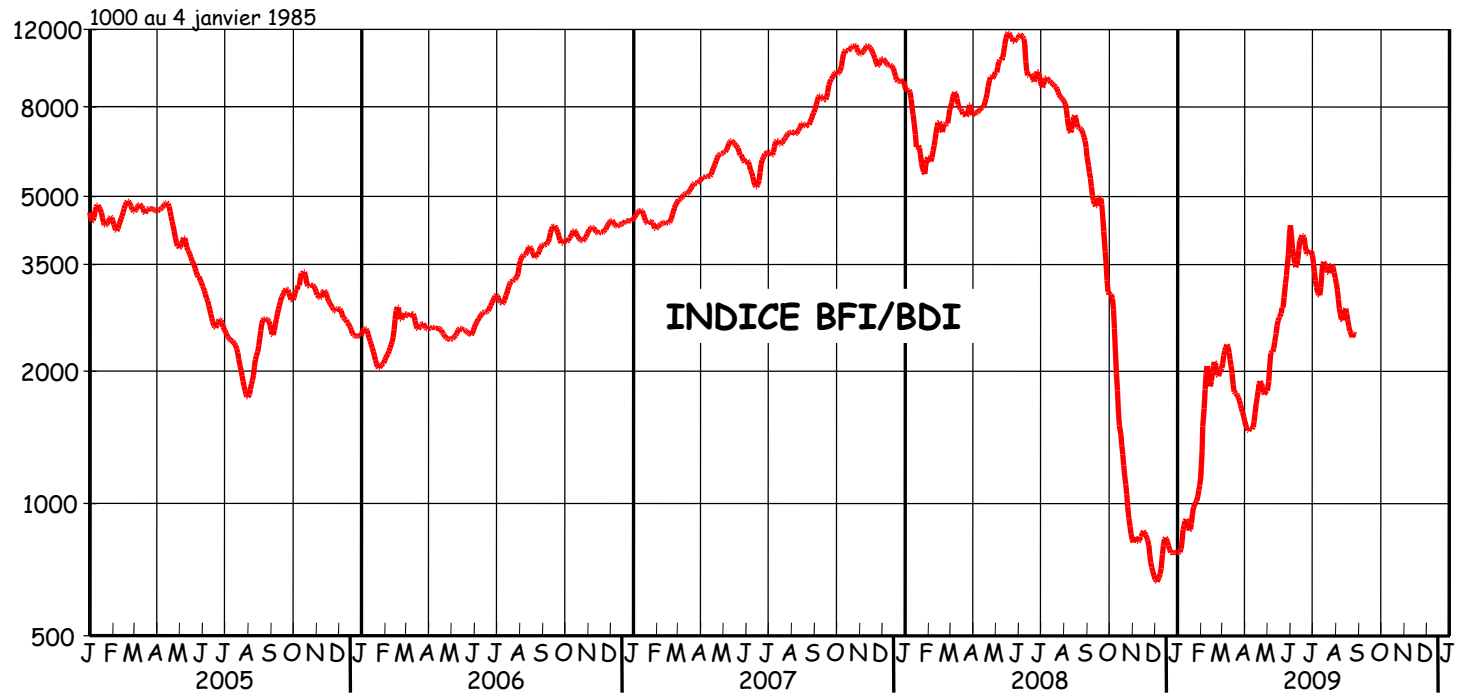




## Dry bulk rates have rebounded



## Thanks to Chinese demand for Capesize



**. World economy is right now out of recession**

**. thanks to some emerging countries**

**. China                      Q2 + 7.9 %**

**. India                        Q2 + 6,1 %**

**. but not all**

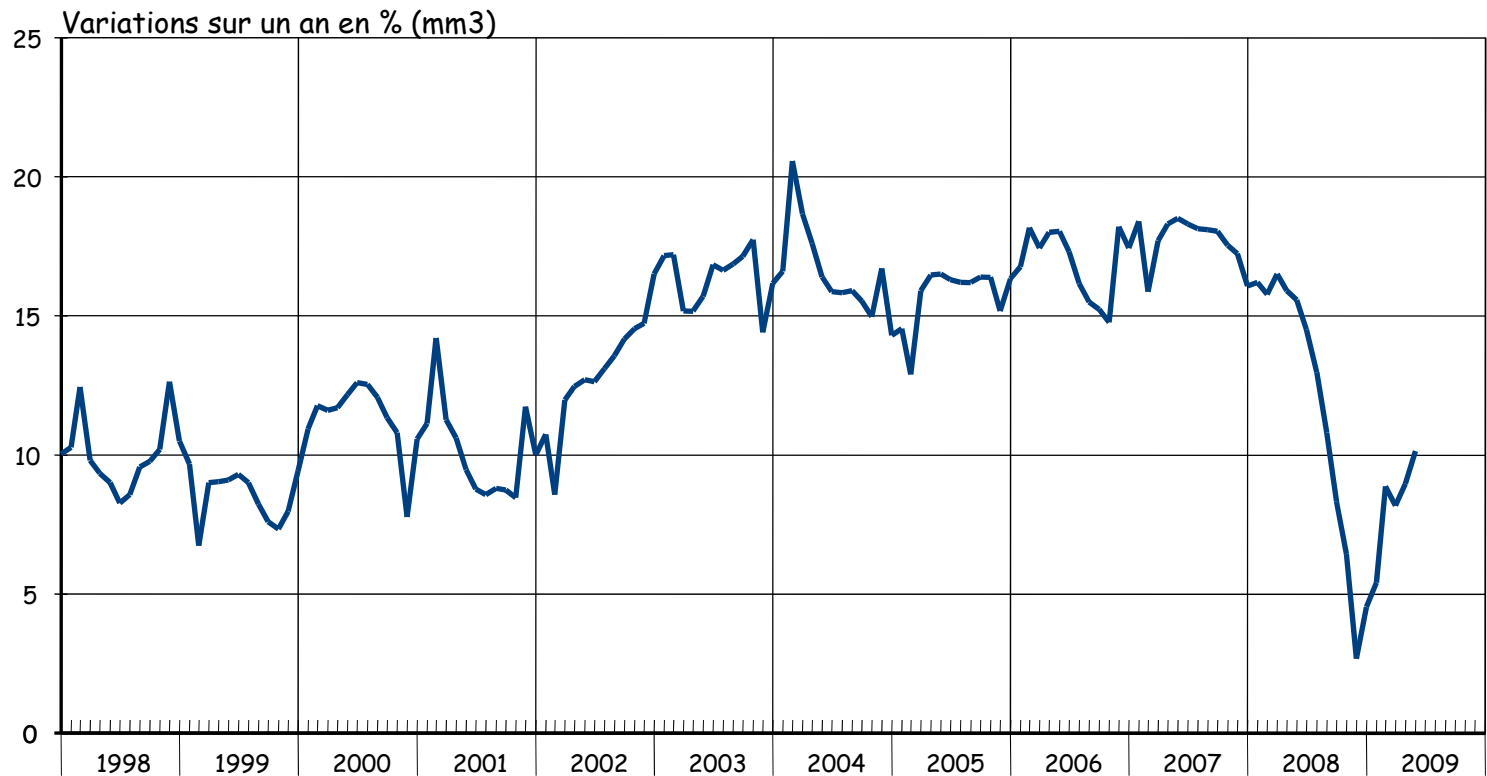
**. Russia                      Q2 -10,9 %**

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**Chinese industrial production is back on its 10 % a year path :  
more than 50 millions tonnes of steel produced in July !**

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## China : Industrial Production

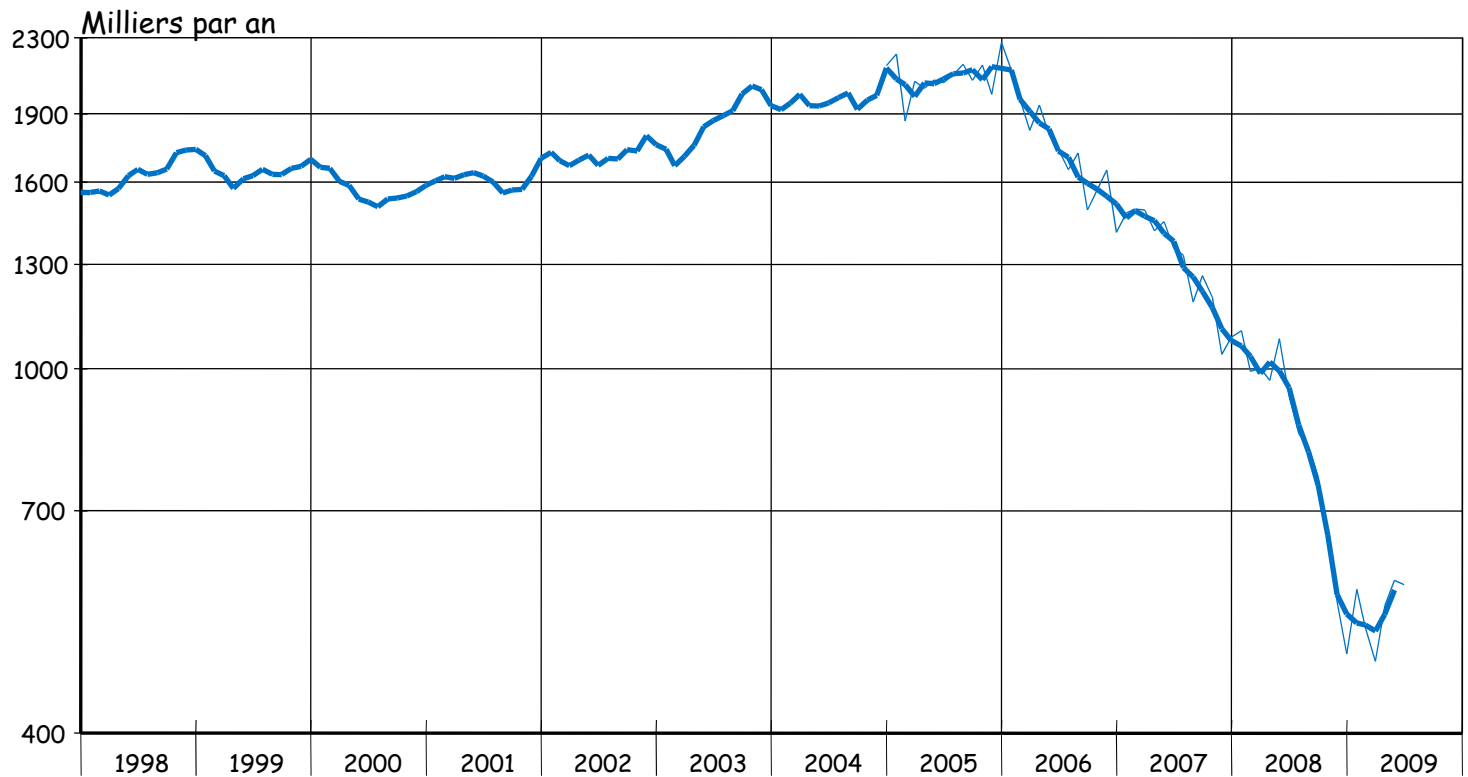


# CyclOpe

**In the US, the worst of the real estate crisis seems over : prices are rising again**

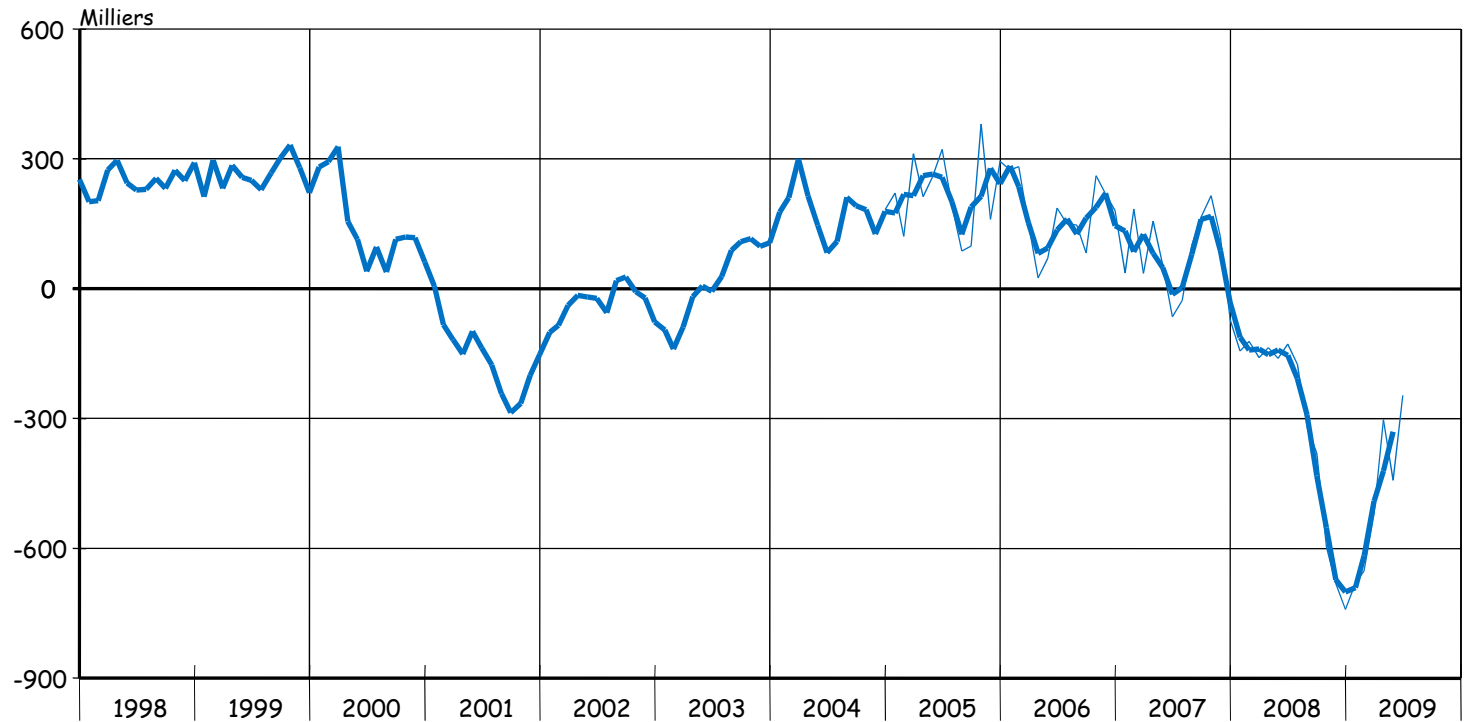
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## U.S. : Construction



## The economy loses less jobs

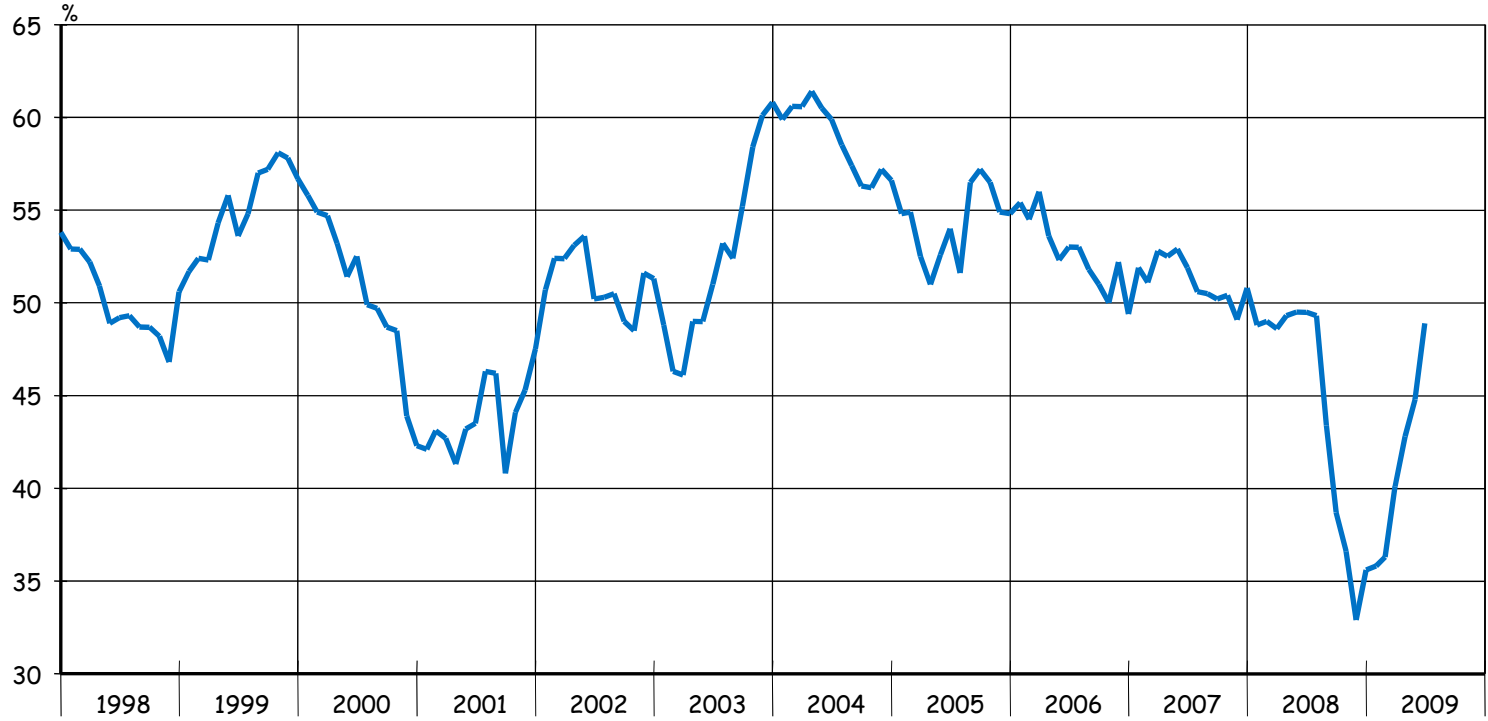
### U.S. : Job creation Non agricultural sector



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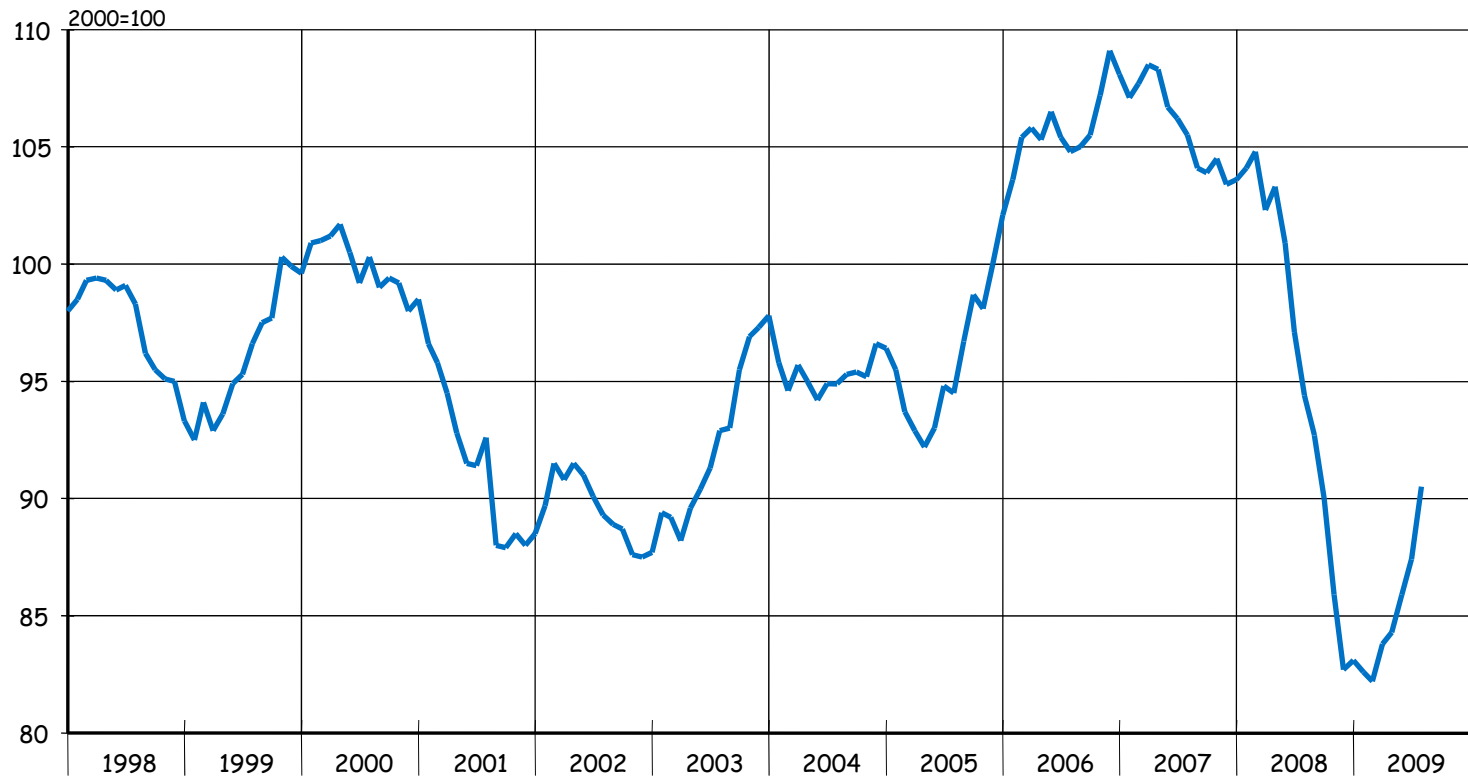
**And the ISM index (52.9 on August 31) is back towards expansion**

**U.S. : ISM Manufacturing index**



## In Europe, German entrepreneurs are slightly more optimistic

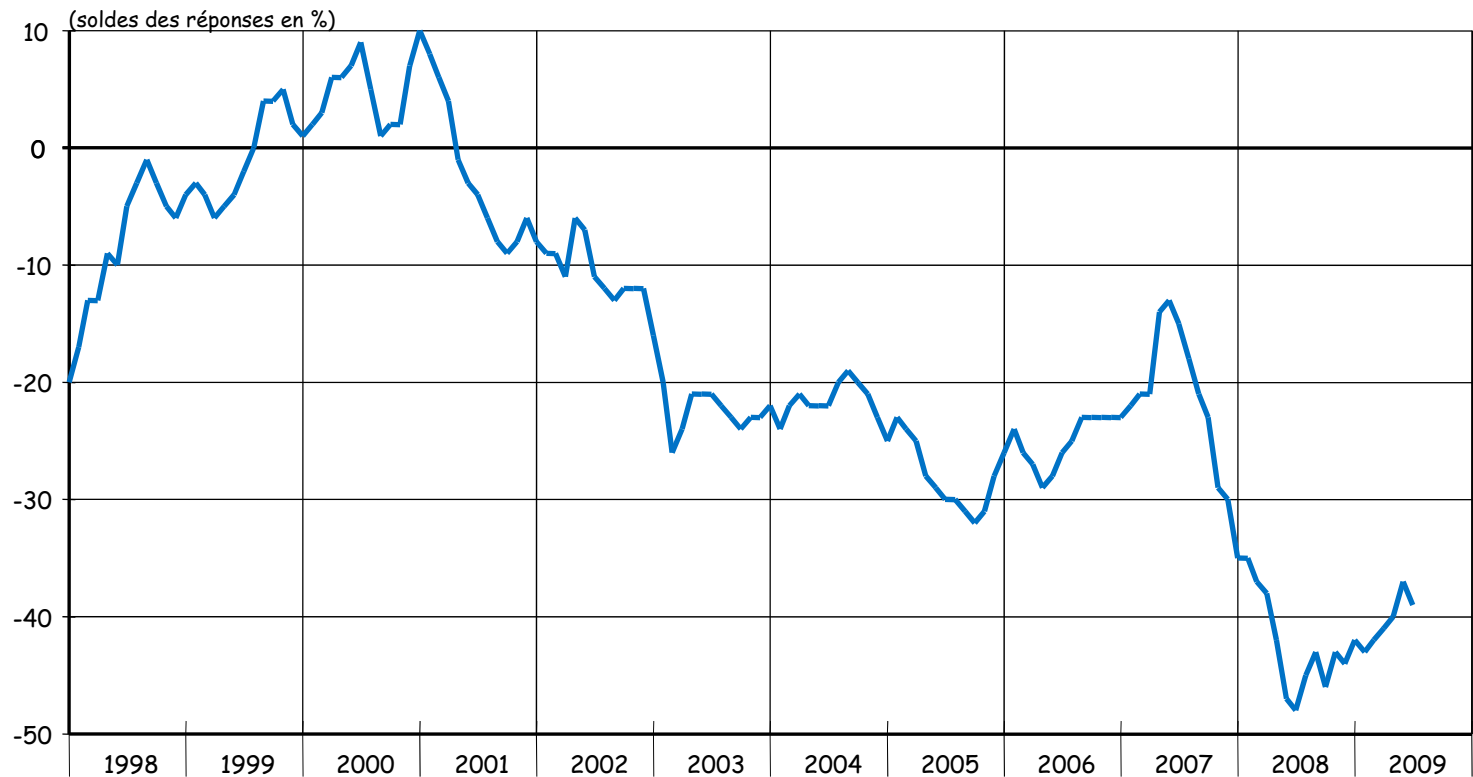
Germany : IFO Survey – Business climate





## And French house holds are more doubt ful

France : consumer confidence



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## GDP growth in the second quarter :

. from the best	<b>China</b>	<b>+ 7.9</b>
	<b>India</b>	<b>+ 6.1</b>
. to average	<b>Germany</b>	<b>+ 1</b>
	<b>France</b>	<b>+ 1</b>
	<b>Japan</b>	<b>+ 0.9</b>
	<b>United States</b>	<b>- 1</b>
. bad	<b>United King dom</b>	<b>- 5.6</b>
	<b>Italy</b>	<b>- 6</b>
. and the worst	<b>Russia</b>	<b>- 10.9</b>
	<b>Mexico</b>	<b>- 11</b>
	<b>Estonia</b>	<b>- 15.1</b>
	<b>Latvia</b>	<b>- 18.6</b>
	<b>Lituania</b>	<b>- 22.4</b>

## What to expect :

### . Spring

- . Growth in China and India
- . US gets out of recession in Q3
- . Oil at \$ 70 is a gift for producing countries
- . The end of the financial crisis ?

### . Winter

- . Europe : so much unemployment
- . Public deficits : who pays ?
- . A weak dollar
- . Transition economies in crisis

**A real Indian summer : world economy is out of recession but recovery will be a long and painful process.**