

U.S. rate hike in sight

The improved U.S. labor-market situation should encourage the U.S. Federal Reserve Board (Fed) to raise official rates soon. But low inflation and worsening growth dynamics in the emerging markets should keep rate hikes at a gentle pace.

- The global economy remains on a moderate growth path.
- Lackluster growth in the emerging markets hampers global growth.
- Commodity-exporting countries suffer from low commodity prices.
- The United States continues to lead the developed economies' recovery.
- The first rate hike by the Fed is in sight.
- The economic environment limits the scope for better earnings to boost equities.
- International bond markets may suffer from rising U.S. rates.

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// Only a couple of years ago, the Eurozone was the global headache. This is no longer the case. Risks are now centered on the emerging markets. //

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