



Global Investment Research

2021 Global Economic Outlook

V(accine)-Shaped Recovery

November 9, 2020

Jan Hatzius

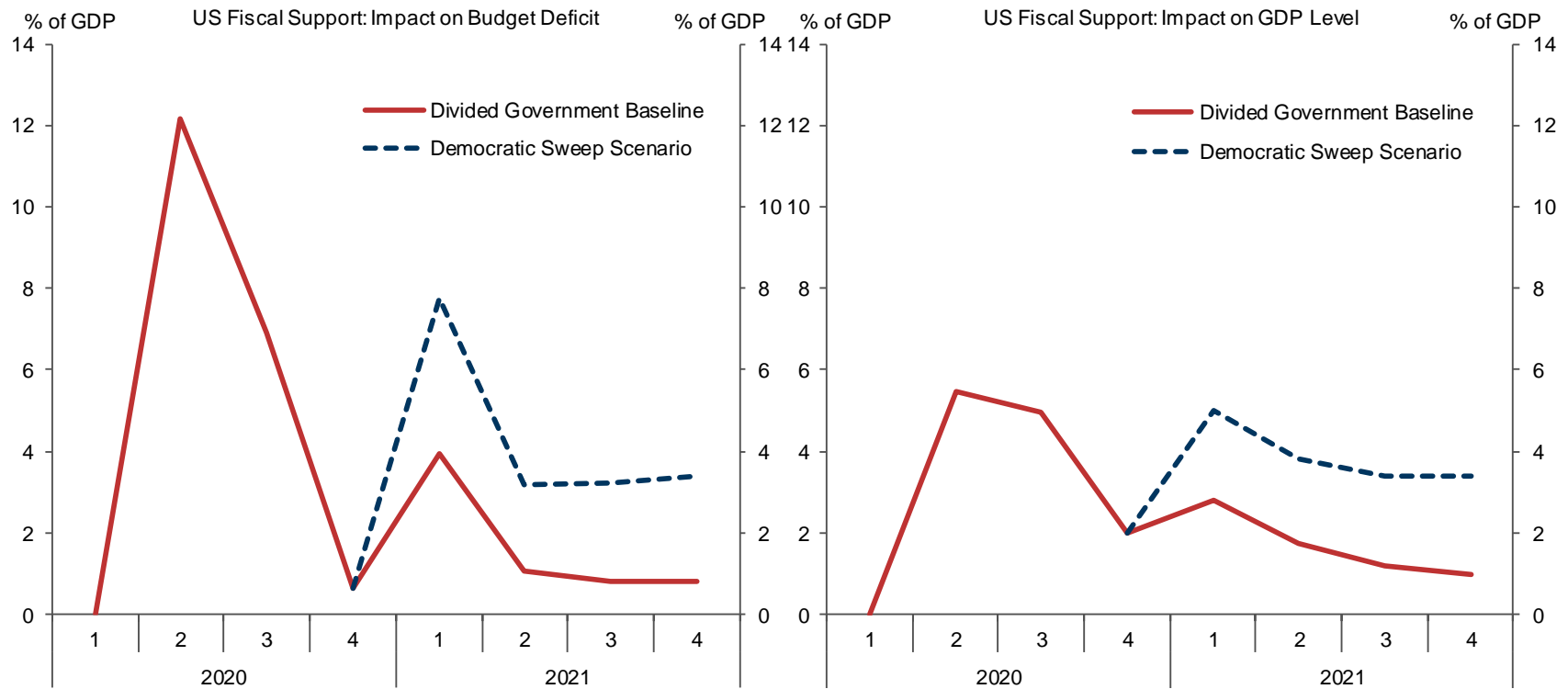
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Modest US Fiscal Stimulus Ahead



Note: discretionary policy includes additional unemployment insurance payouts, business support, household rebates, state and fiscal aid, and federal spending.

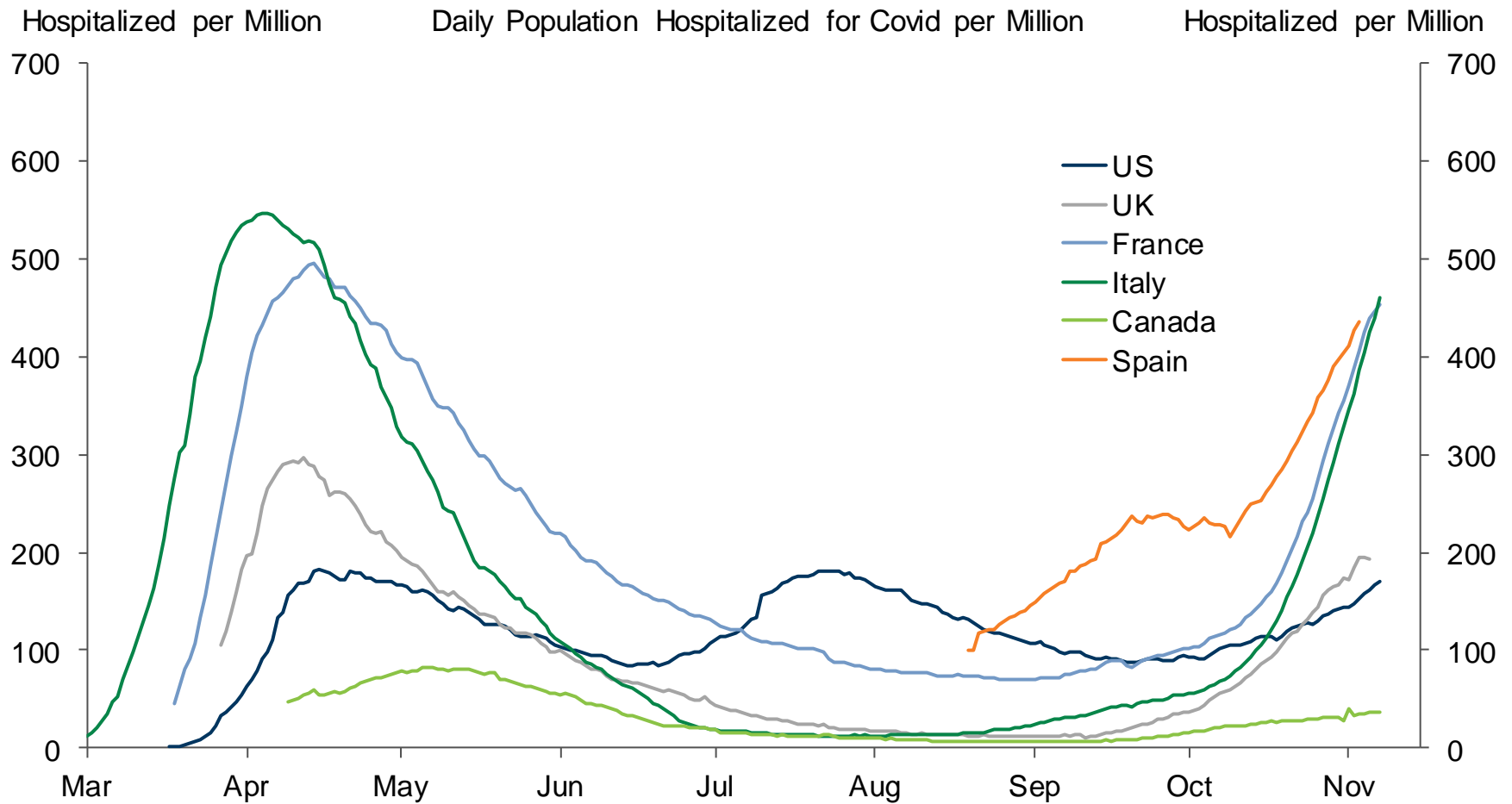
Source: Goldman Sachs Global Investment Research.

Well Above Consensus in 2021 and 2022

Real GDP Growth Percent Change yoy	2019	2020 (f)		2021 (f)		2022 (f)	
		GS	Consensus	GS	Consensus	GS	Consensus
US	2.2	-3.5	-3.9	5.3	3.8	3.8	2.8
Japan	0.7	-5.3	-5.6	3.3	2.5	2.0	1.5
Euro Area	1.3	-7.2	-7.7	5.3	5.2	4.3	2.6
Germany	0.6	-5.8	-5.8	3.7	4.4	4.2	2.7
France	1.5	-9.2	-9.5	7.0	6.6	4.7	2.7
Italy	0.3	-8.7	-9.8	6.0	5.5	3.6	2.6
Spain	2.0	-11.6	-12.0	7.1	6.4	6.4	4.3
UK	1.3	-10.5	-10.0	6.1	5.5	7.3	2.9
China	6.1	2.0	2.0	7.5	8.0	5.7	5.4
India	4.9	-8.9	-9.0	10.0	7.4	7.2	6.9
Russia	1.3	-4.0	-4.0	5.0	3.0	3.0	2.3
Brazil	1.1	-4.6	-5.2	4.0	3.5	2.9	2.5
World	3.0	-3.9	-4.0	6.0	5.2	4.6	3.7

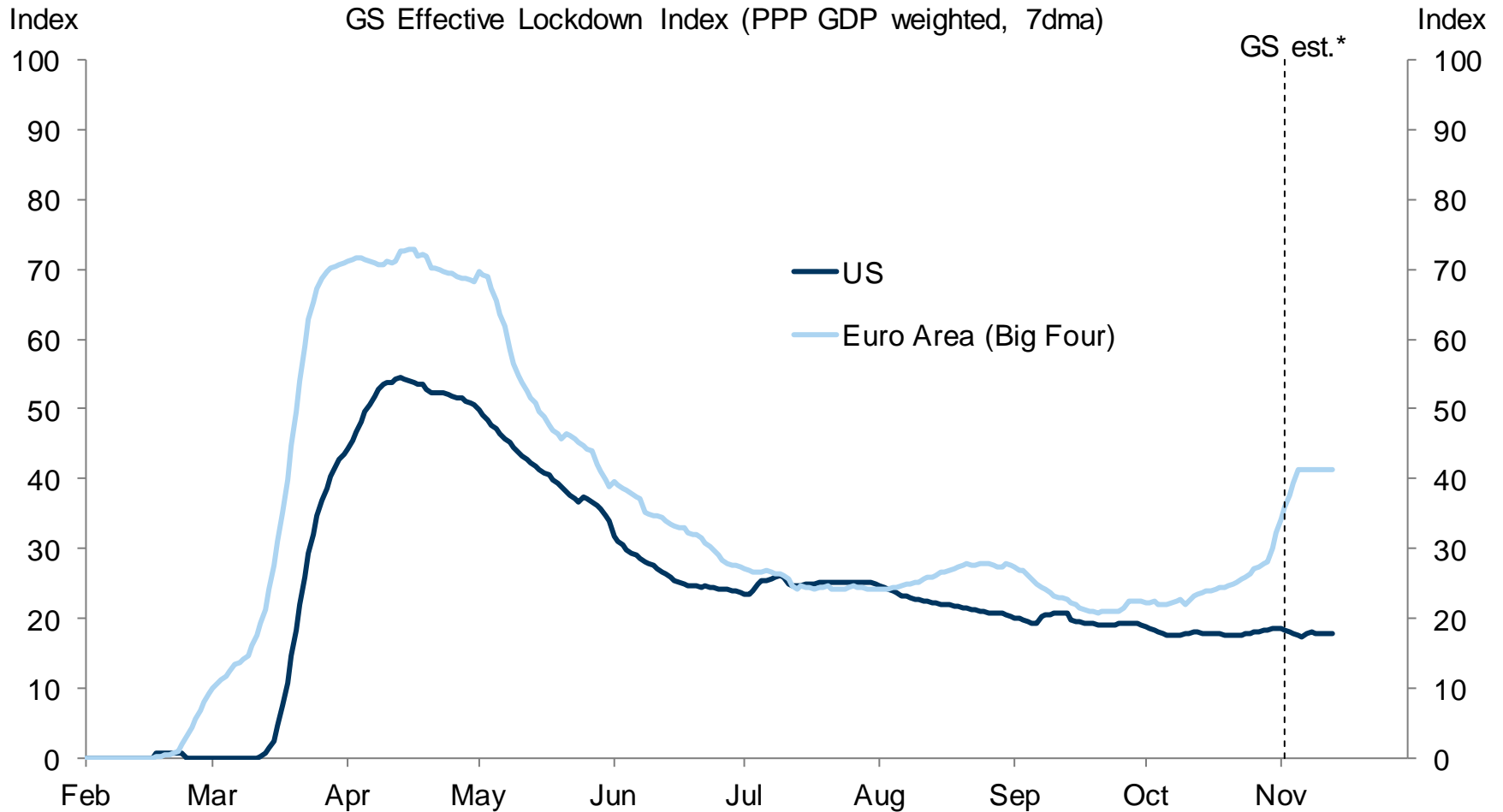
Note: All forecasts calculated on calendar year basis. IMF forecasts used for India 2022 consensus when quarters not available in Bloomberg.

Covid Hospitalizations Are Surging in Europe



Source: Covid Tracking Project, Santé Publique France, Presidenza del Consiglio dei Ministri Dipartimento della Protezione Civile, Esri Canada, Ministerio De Sanidad, United Kingdom National Health Service, Goldman Sachs Global Investment Research

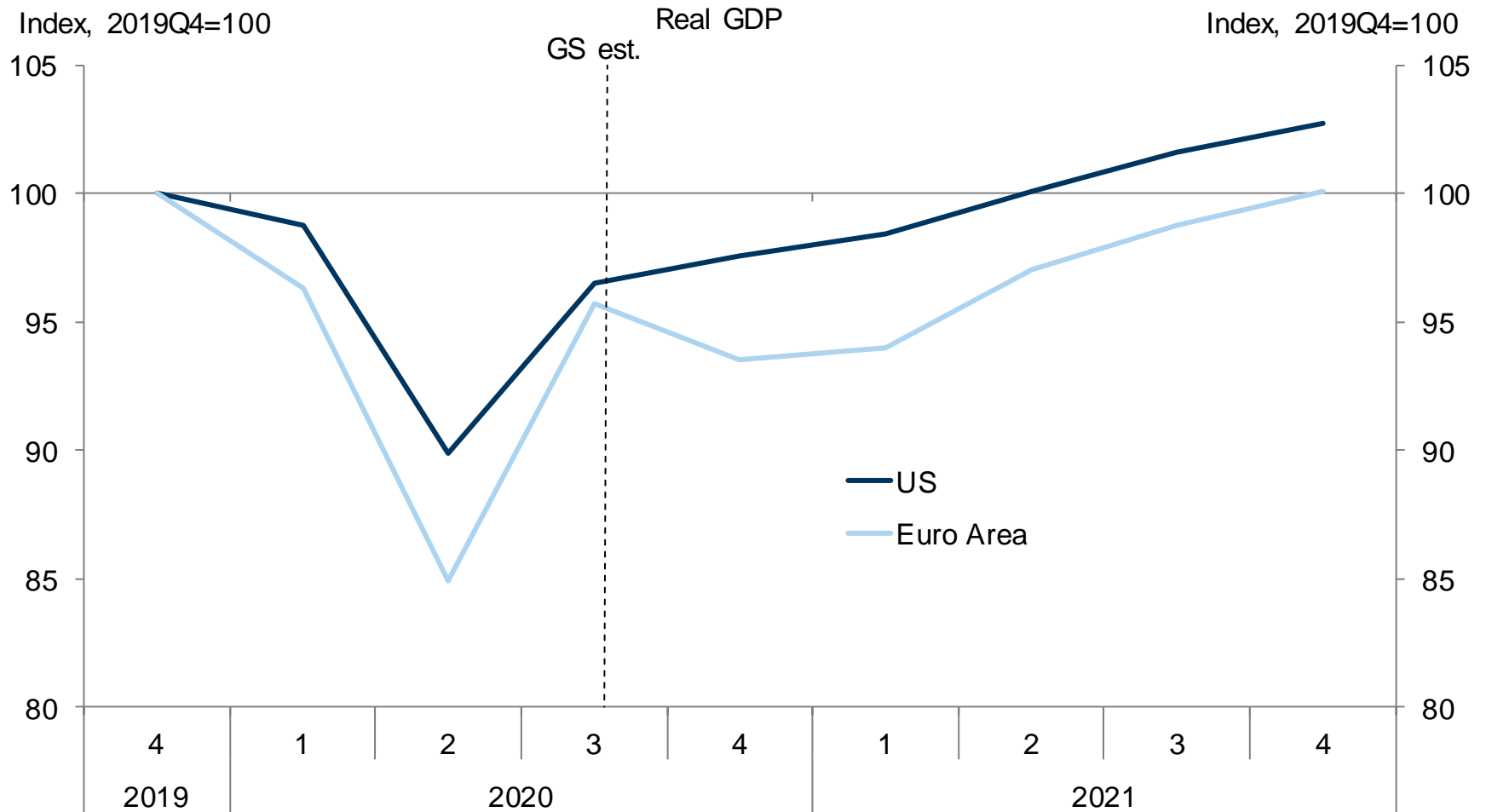
Another (Partial) Lockdown in Europe



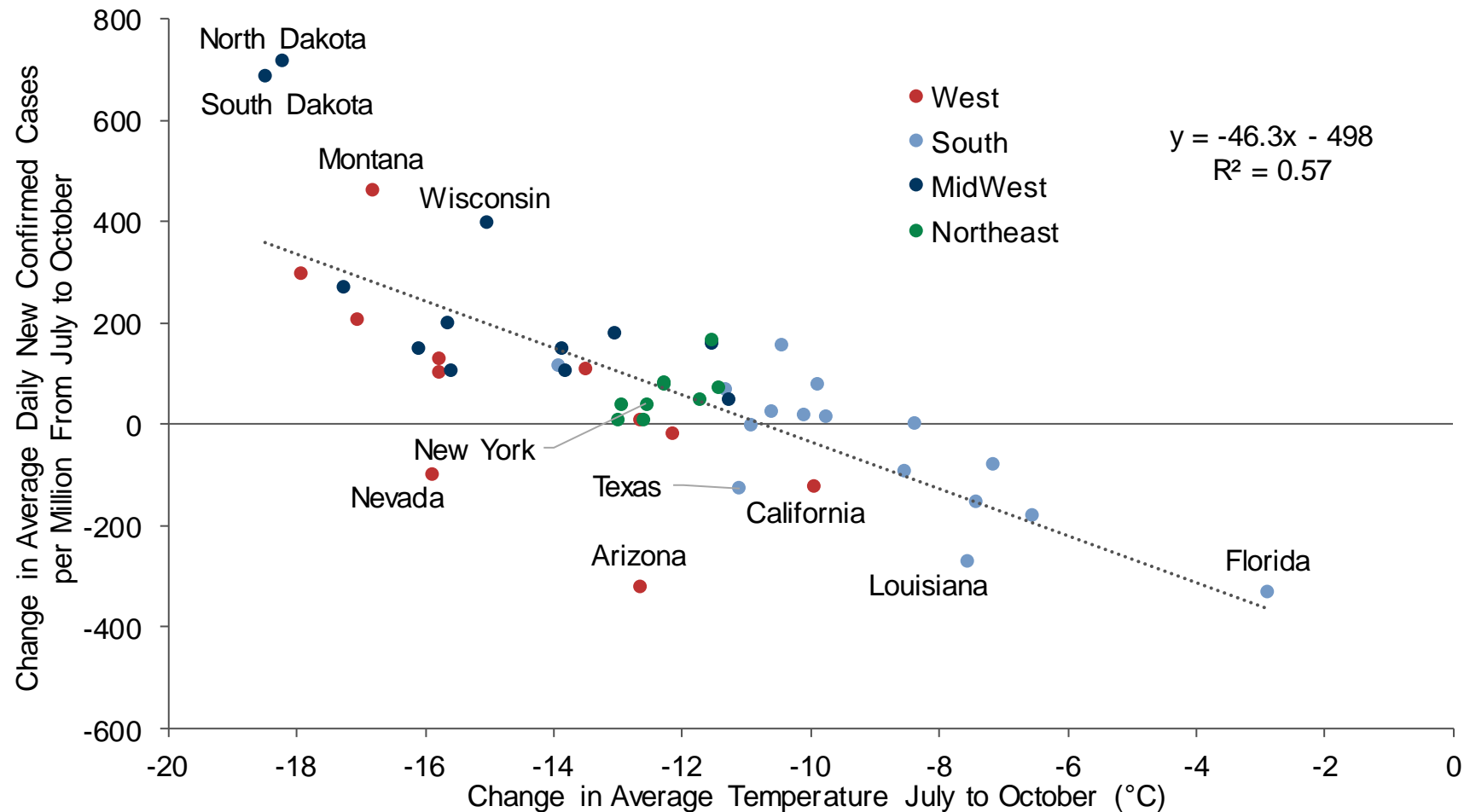
Note: We extend the Oxford policy stringency index forward by accounting for announced restrictions. We forecast the Google mobility component using its history and relationship with the policy component.

Source: University of Oxford, Google LLC "Google COVID-19 Community Mobility Reports", Goldman Sachs Global Investment Research.

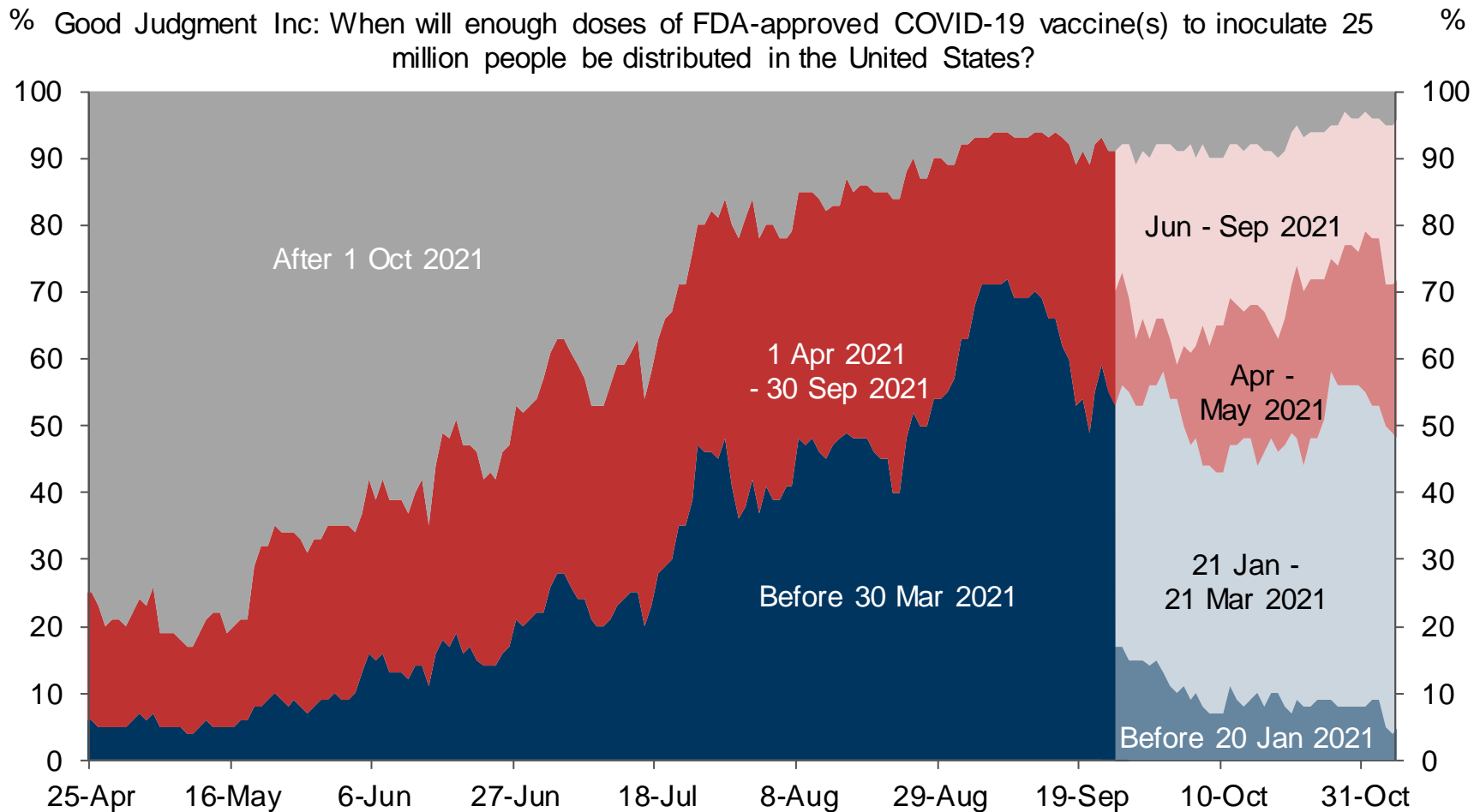
A Near-term GDP Setback, Especially in Europe



Strong Correlation Between Cases and Temperatures

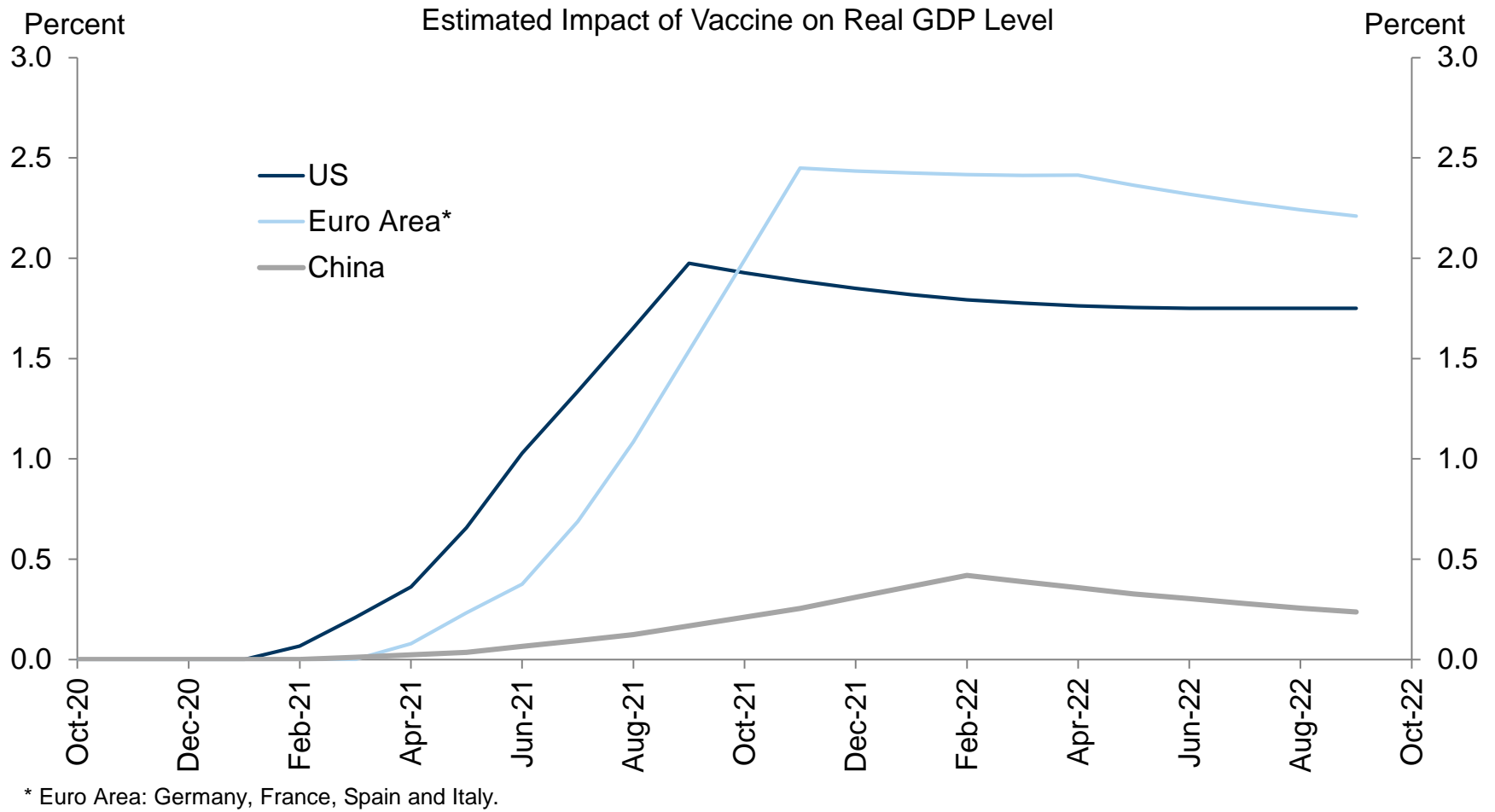


“Superforecasters” Still Expect a Vaccine Soon

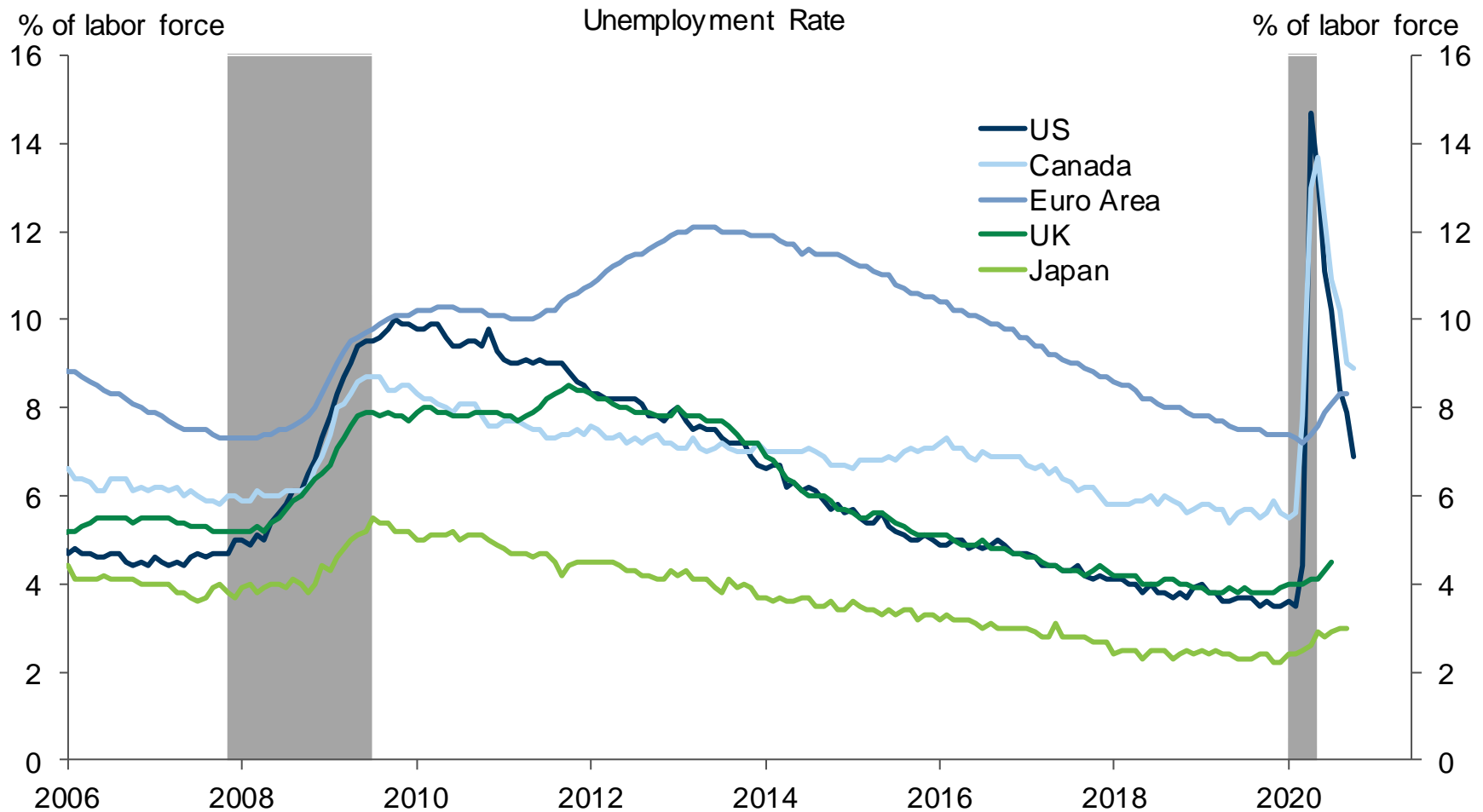


Source: Good Judgement Project, Goldman Sachs Global Investment Research.

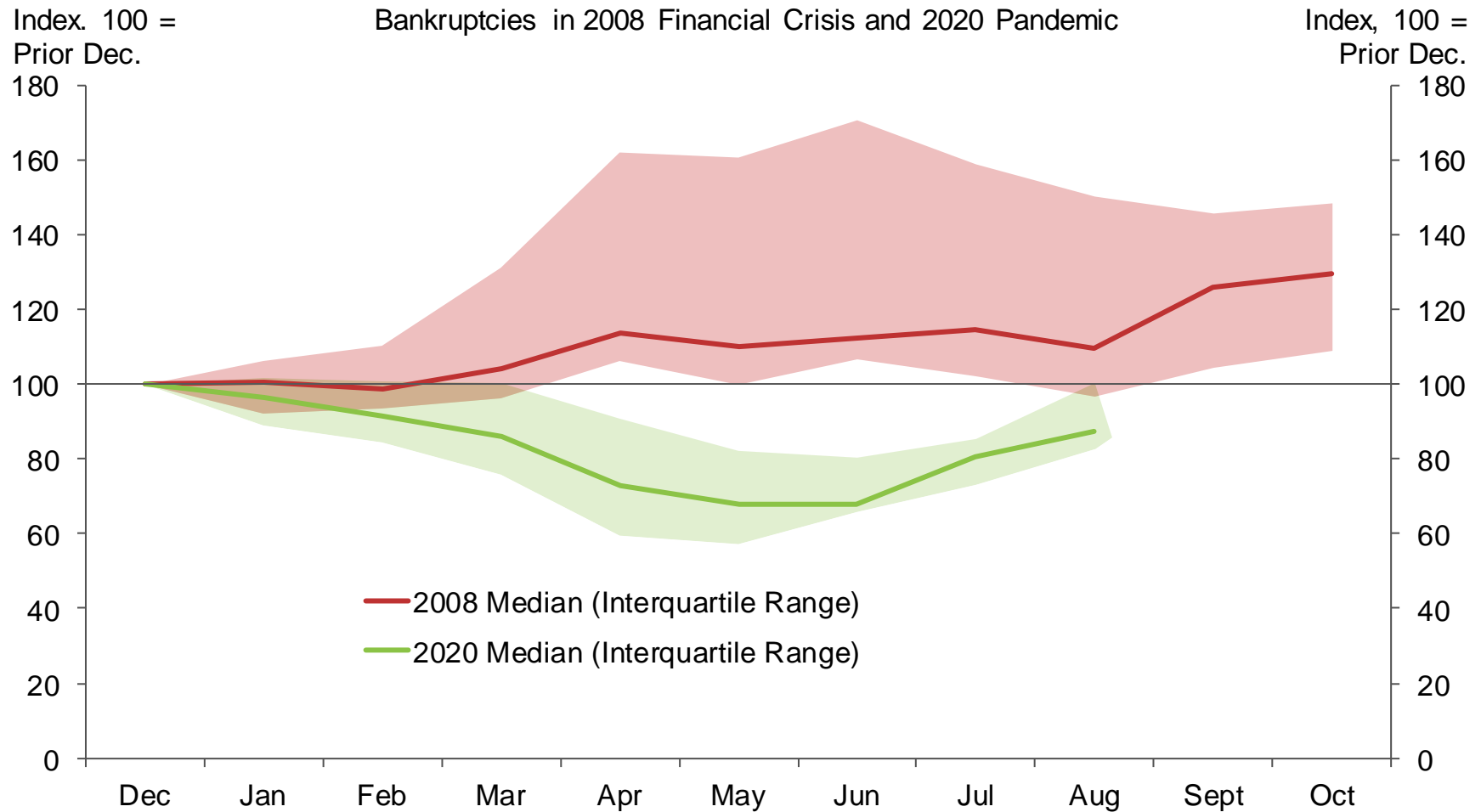
A Large Vaccine GDP Boost in the US and Europe



So Far, So Good in the Job Market Recovery

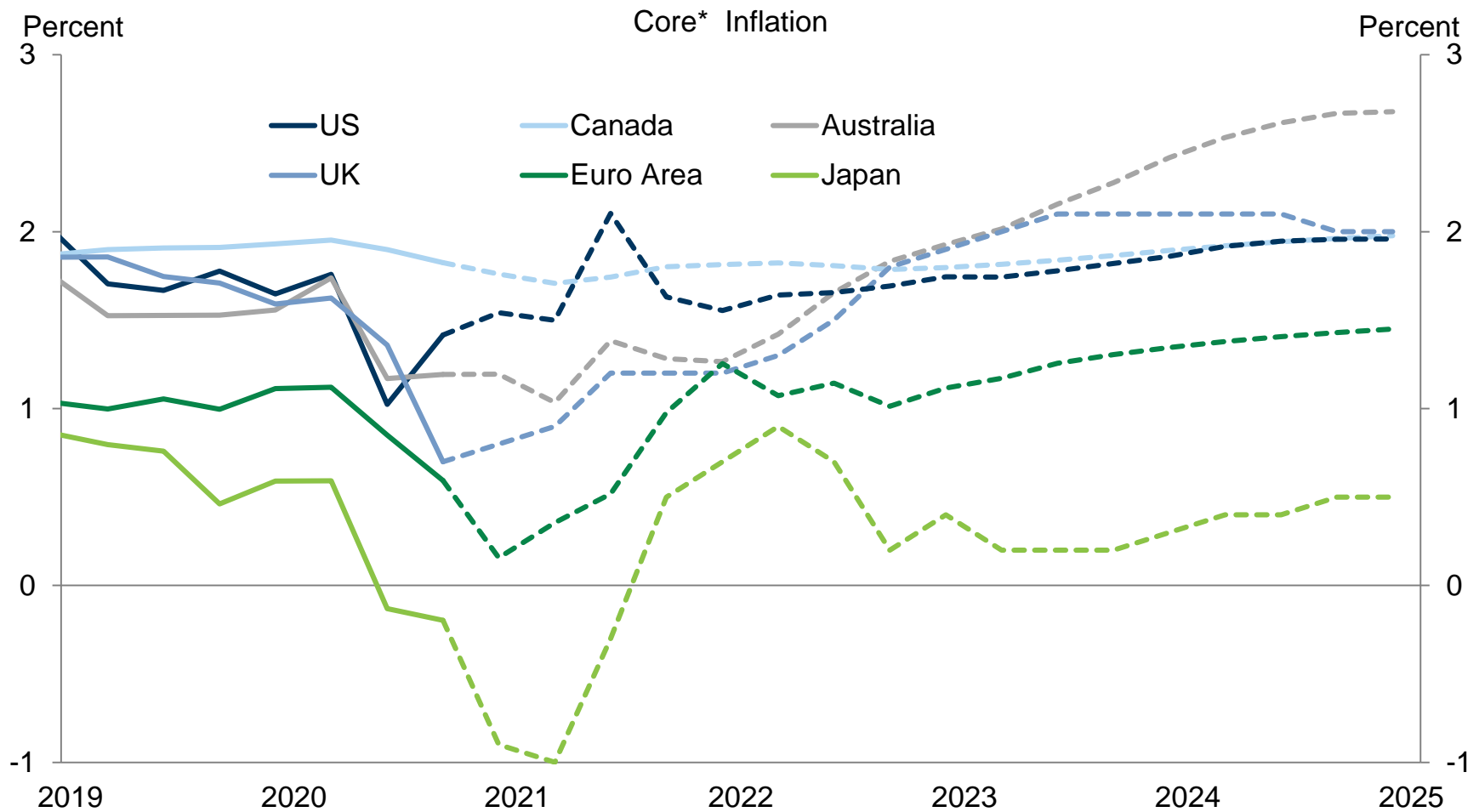


Bankruptcies Have Been Remarkably Low in 2020



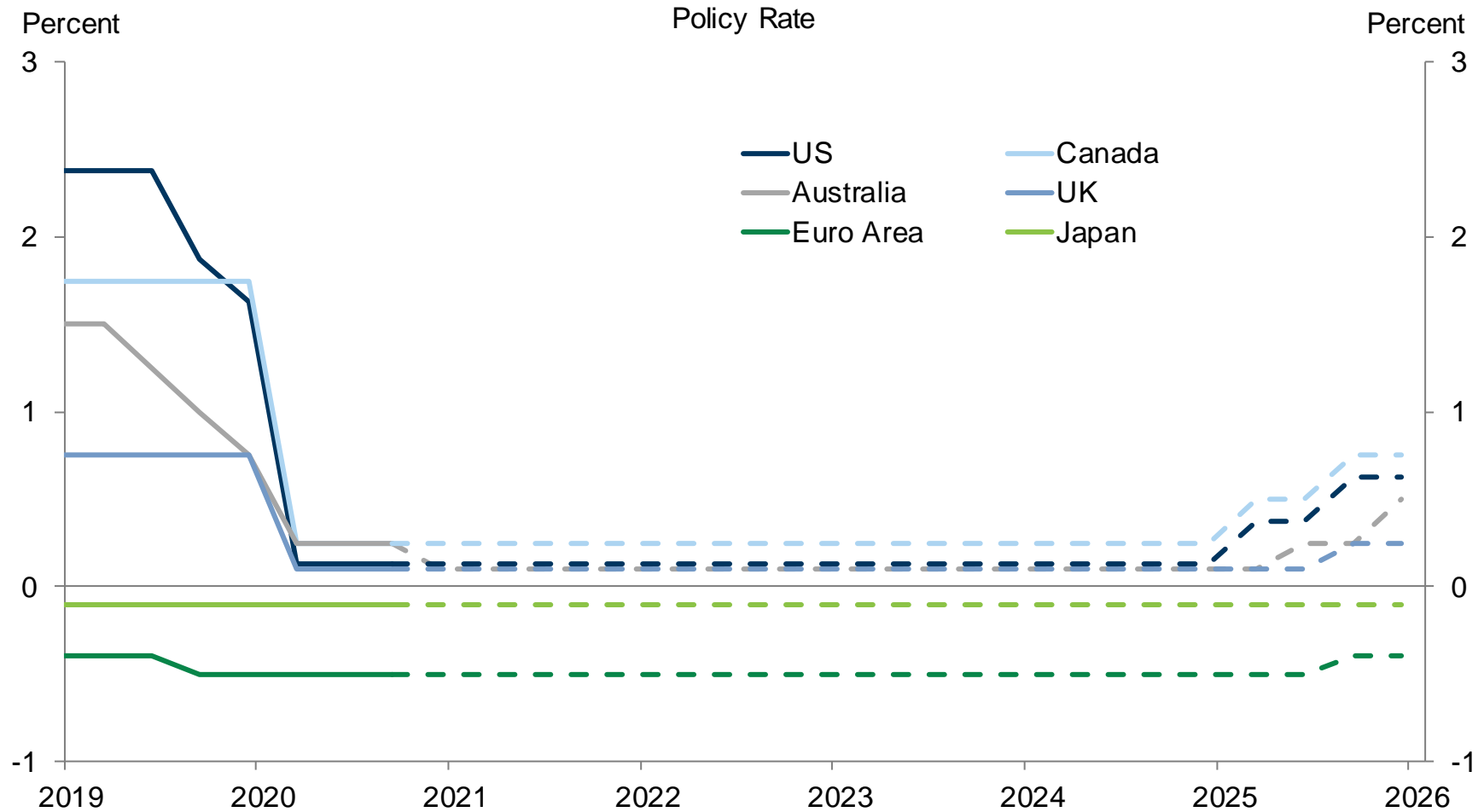
Source: Haver Analytics, Serasa Experian, Goldman Sachs Global Investment Research.

A Dead Cat Bounce in Core Inflation



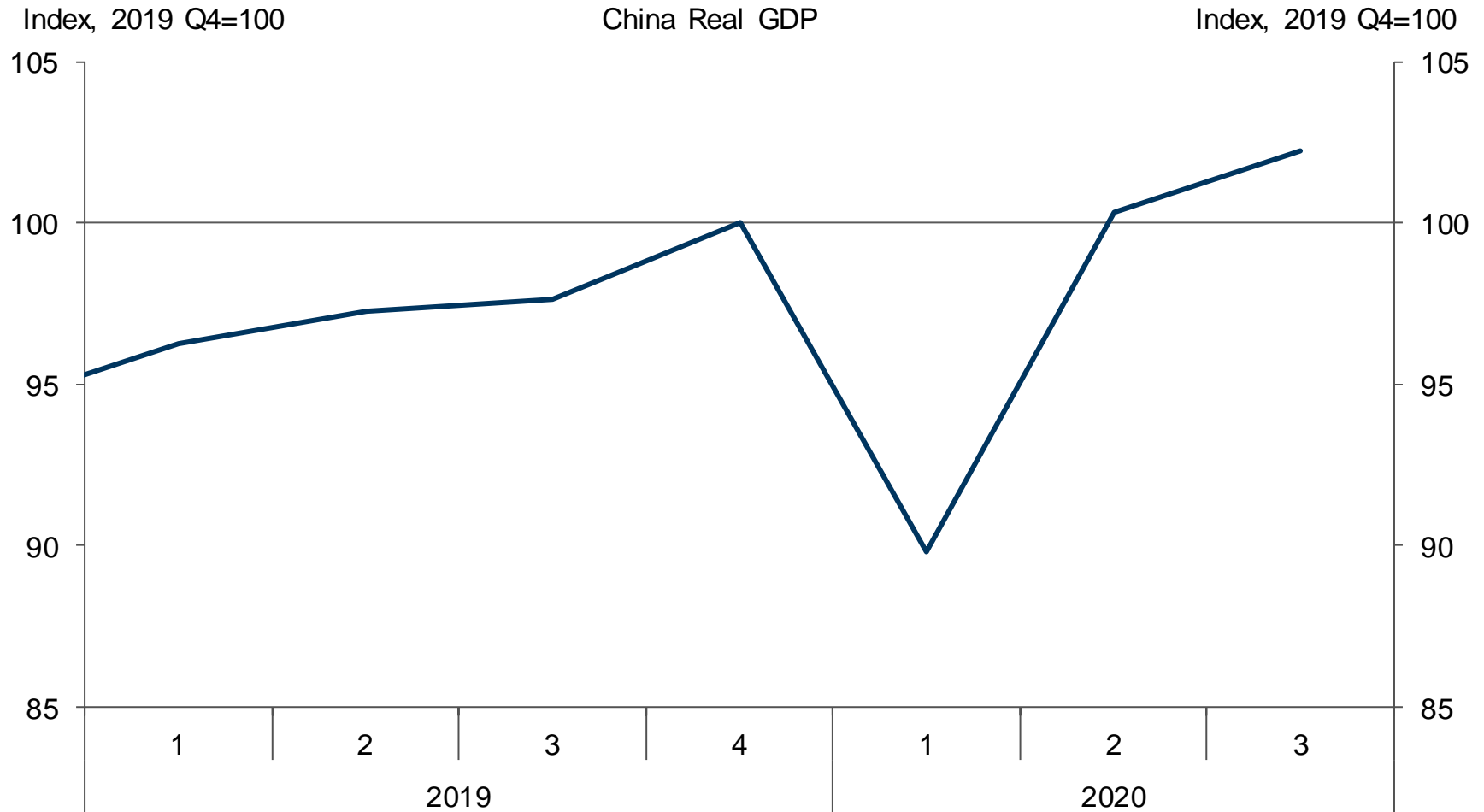
Source: Goldman Sachs Global Investment Research.

DM Policy Rates Locked on Hold for Years



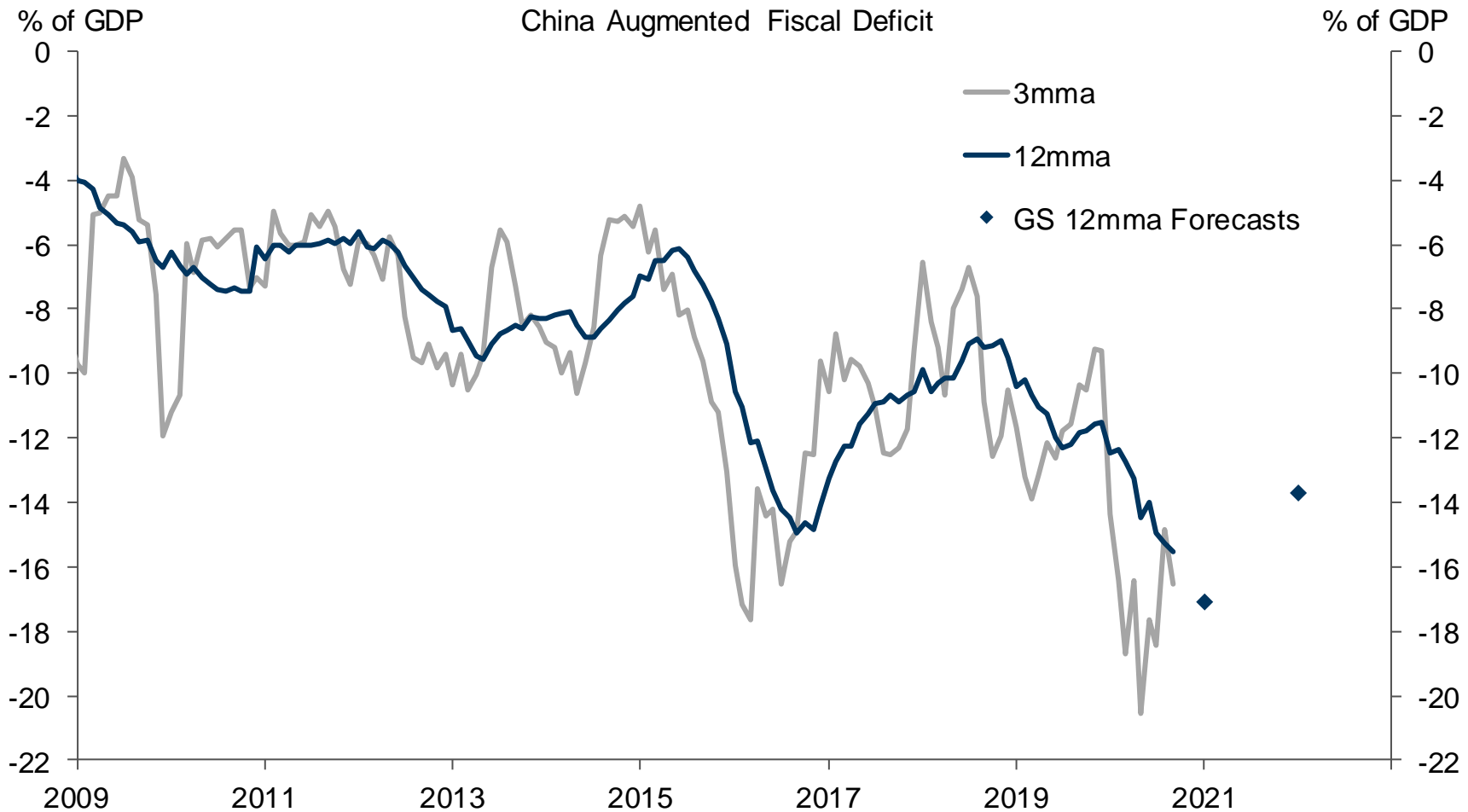
Source: Goldman Sachs Global Investment Research.

China GDP Has Fully Recovered from the Covid Hit



Source: Goldman Sachs Global Investment Research.

China Macro Policy Is Exceptionally Easy



Source: Goldman Sachs Global Investment Research.

Disclosure Appendix

November 9, 2020

Disclosure Appendix

Reg AC

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