



# Charts of the Week

A HAVER ANALYTICS publication

<https://haverproducts.com/charts-of-the-week/>

Written by [Andy Cates](#)

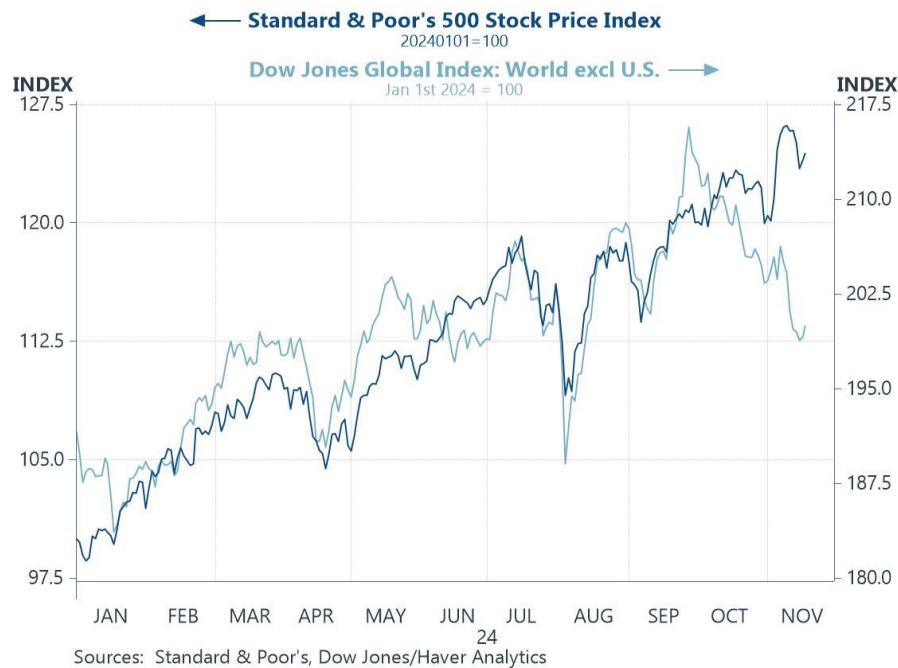
## Policy Conflict

The potential policy implications of a new US administration have been driving financial markets over the past two weeks. Global investors have responded with a more optimistic take on the outlook for the US economy but with more pessimistic views about the rest of the world (chart 1). A potential easing of US fiscal policy (e.g. via tax cuts) has also triggered a re-evaluation of Fed policy, causing US yields and the value of the dollar to climb (chart 2). The reverberations for the rest of the world will, in part, be felt via this impact on the US dollar. But trade channels will also be significant not least for economies with large US exposures (chart 3) and/or those that have been heavily reliant on US import demand to fuel economic growth (chart 4). Energy policies have also been under the spotlight over the past few days thanks to the UN Climate Change Conference (COP29) in Azerbaijan. And potential shifts in US energy policy under a new administration could certainly intensify global tensions surrounding the energy transition. For Europe more specifically, such a shift could complicate its transition strategies and sow the seeds for further economic underperformance compared with the US in the period ahead (charts 5 and 6).

## Global equity markets

There has been a sharp divergence between the performance of US equity markets in recent weeks compared with broader global equity markets (excluding the US). A US-led surge, visible in the S&P 500 index, reflects investor confidence in a more market-friendly domestic policy shift under a new Trump administration, including anticipated tax cuts and deregulation. In contrast, the Dow Jones global ex-US index has declined sharply, as the prospect of renewed trade tensions and unilateral US energy policies have raised concerns about the outlook for the rest of the world (see chart 1).

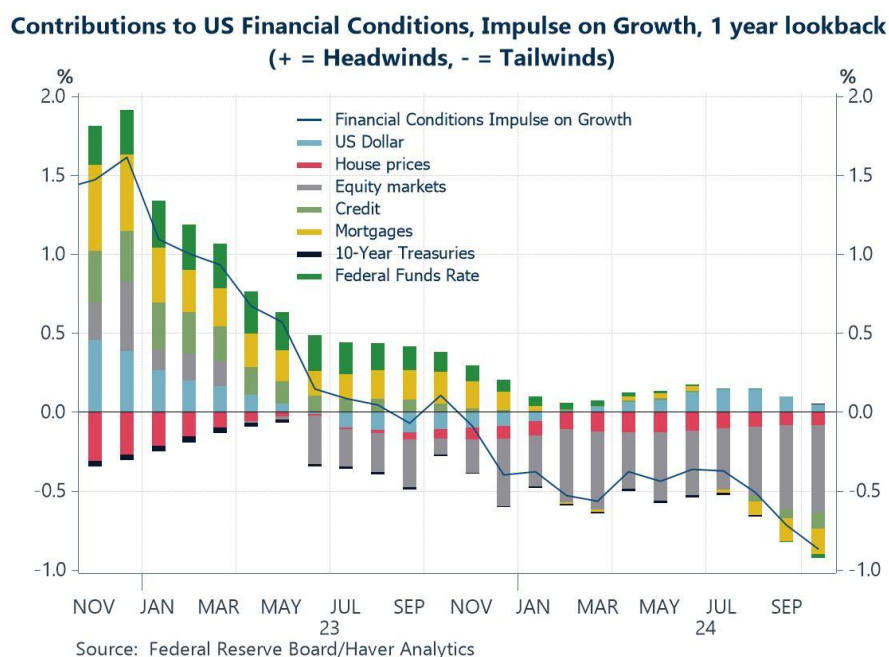
Chart 1: US versus non-US global equity markets



## US financial conditions

A strong performance from the equity market over the past several months has, more generally, served to loosen financial conditions in the US economy. This can be seen in chart 2 below showing the Fed's calculations for the impulse to US growth from aggregate financial conditions together with the contributions from the underlying components. That decomposition specifically shows that since the beginning of this year, there were some modest headwinds to future growth stemming from changes in short- and long-term interest rates as well as from an appreciating US dollar. But higher house prices and firmer equity prices have been more significant tailwinds to GDP growth, offsetting the tightening from elsewhere.

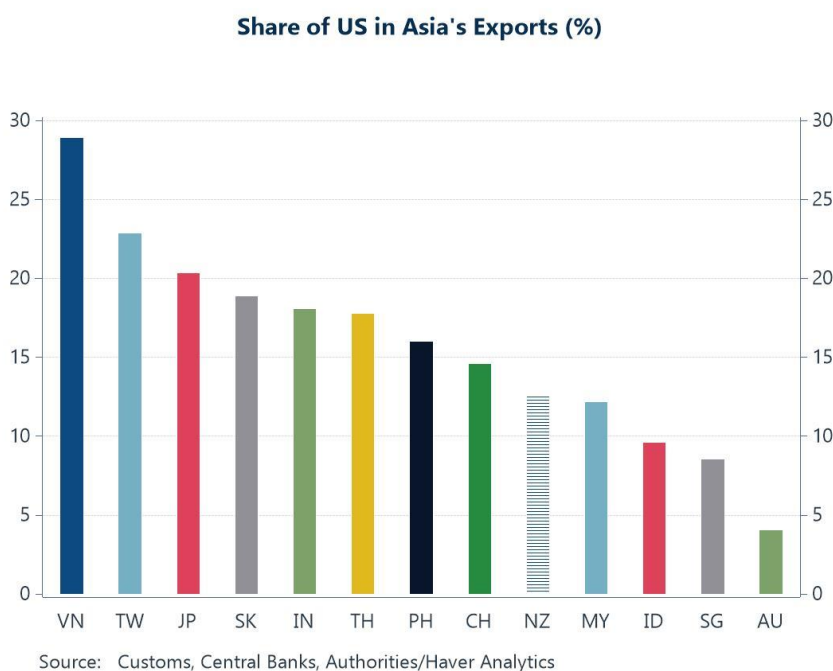
Chart 2: The Impulse to growth from US financial conditions



# Asia's trade exposure to the US

How important is the US economy as an export destination for economies in the Asian time zone? Chart 3 below provides some context. The data suggest that Vietnam leads the pack, with nearly 30% of its exports destined for the US, and reflecting its role as a manufacturing hub for goods such as electronics, textiles, and furniture. Taiwan, Japan and South Korea follow closely, driven by their strong integration into US-supply chains, and especially in semiconductors and high-tech components. In contrast, Australia and Indonesia chalk up some of the lowest shares, due to their relatively heavy reliance on commodity exports to China.

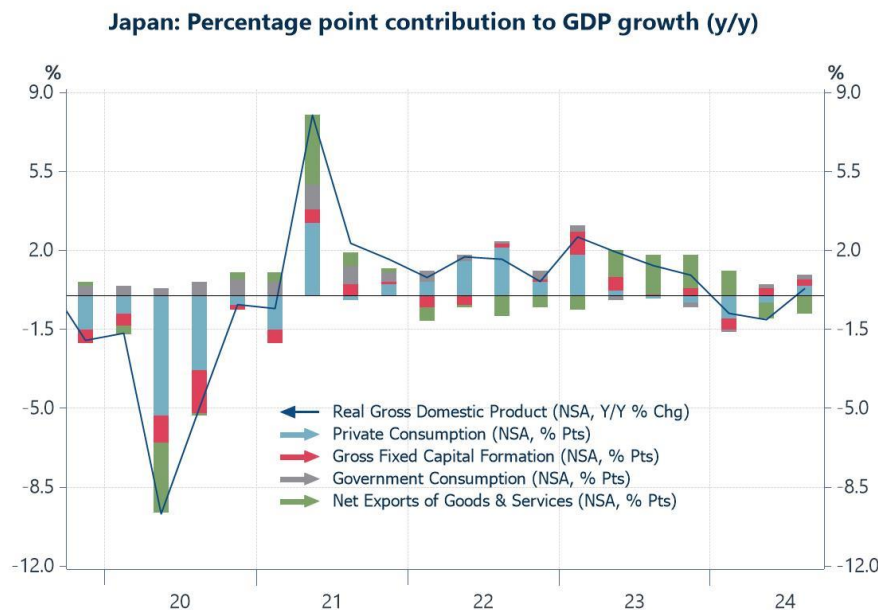
Chart 3: The share of the US in Asia's exports



## Japan's economy

Japan's economic dependence on global growth fluctuations is underscored by the significant role net exports have played in driving the economy. As chart 4 below indicates, domestic demand—and particularly consumption and fixed investment—has been sluggish in recent years, leaving net trade to shoulder the burden in sustaining economic growth. That said, private consumption showed signs of improvement in the Q2 and Q3 of 2024, while net trade weighed on the overall pace of growth during the same period. However, this rebound in consumption may prove fleeting, as real wage growth has recently lost momentum. And as previously discussed, export growth and capital investment could face additional headwinds in an increasingly uncertain and protectionist global environment, posing further challenges to Japan's fragile recovery..

Chart 4: Contributions to Japan's GDP growth

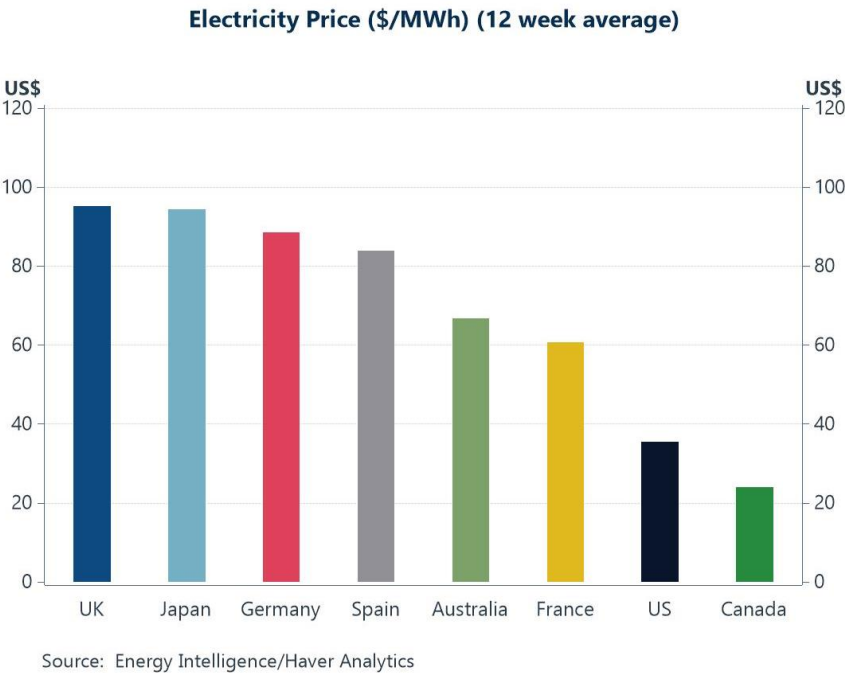


Source: Cabinet Office of Japan/Haver Analytics

## Global electricity prices

Energy policy has been a key focal point over the past few days owing to the UN Climate Change Conference (COP29) in Azerbaijan. And likely shifts in US policies toward climate change and the energy transition may generate some political and economic instability in the months ahead. To elaborate on this, chart 5 below shows current levels of electricity prices measured in US dollars per KW/h. The UK, Japan, and Germany top the list with prices exceeding \$90/MWh, reflecting a combination of factors, including a high reliance on imported energy. Canada and the US, in the meantime, enjoy the lowest prices, below \$40/MWh, due to the former's abundant hydroelectric resources, and the latter's low reliance on global energy markets. Against that backdrop, it is no coincidence that Canada and the US have seen a relatively robust growth rate over the past few months. Germany, the UK and Japan, in the meantime, have experienced a relatively weak pace of growth. To be sure there are other reasons for this growth disparity. But energy prices have been important.

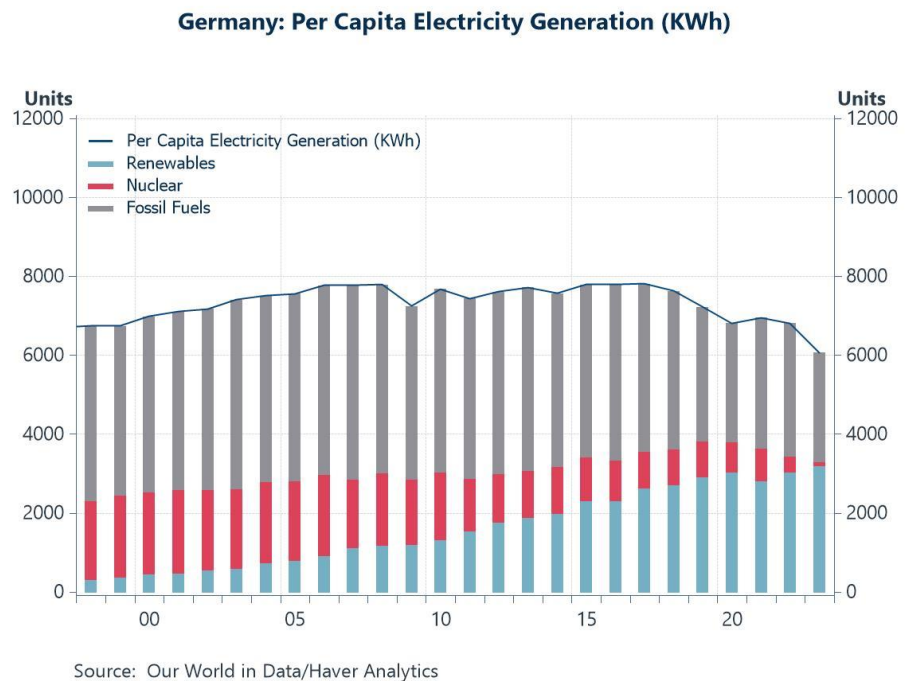
Chart 5: Electricity prices in a selection of major developed economies



## Germany’s energy mix

Germany's economic challenges, particularly the role of its energy sector, warrant closer scrutiny. Chart 6 below highlights the evolution of Germany's per capita electricity generation mix, showcasing a significant shift over the past two decades away from fossil fuels toward renewable energy. However, total per capita electricity generation has declined in recent years, underscoring the difficulties from replacing conventional energy sources with renewables. Critics argue that the rapid rollout of renewable energy, without adequate investment in grid and storage infrastructure, has created inefficiencies and escalated costs. These energy challenges have likely compounded broader economic instability and potentially raise questions about the sustainability and strategic execution of Germany's energy transition.

Chart 6: Germany’s per capita electricity generation



# About the author



Haver Analytics is pleased to bring [Andy Cates's](#) commentaries on the state of the global economy to its clients.

Andy has more than 25 years of experience forecasting the global economic outlook and in assessing the implications for policy settings and financial markets. He has held various senior positions in London in a number of Investment Banks including as

Head of Developed Markets Economics at Nomura and as Chief Eurozone Economist at RBS. These followed a spell of 21 years as Senior International Economist at UBS, 5 of which were spent in Singapore. Prior to his time in financial services Andy was a UK economist at HM Treasury in London holding positions in the domestic forecasting and macroeconomic modelling units.

He has a BA in Economics from the University of York and an MSc in Economics and Econometrics from the University of Southampton.

## Data featured in this commentary:

Chart 1: US versus non-US global equity markets

Series 1: `index(S111SP5@INTDAILY,20240101=100)`

S111SP5@INTDAILY [Standard & Poor's 500 Stock Price Index (1941-43=100)]

Series 2: `index(S001DJX@INTDAILY,20040101=100)`

S001DJX@INTDAILY [Dow Jones Global Index: World excl U.S. (Dec-31-91=100)]

Chart 2: The Impulse to growth from US financial conditions

Series 1: `FCIL@SURVEYS`

FCIL@SURVEYS [Financial Conditions Impulse on Growth: One-Year Lookback (%)]

Series 2: `FCIL7@SURVEYS`

FCIL7@SURVEYS [FCI-G: One-Year Lookback: Nominal Broad Dollar Index(%)]

Series 3: `FCIL6@SURVEYS`

FCIL6@SURVEYS [FCI-G: One-Year Lookback: Zillow House Price Index(%)]

Series 4: `FCIL5@SURVEYS`

FCIL5@SURVEYS [FCI-G: One-Year Lookback: Dow Jones Stock Market Index(%)]

Series 5: `FCIL4@SURVEYS`

FCIL4@SURVEYS [FCI-G: One-Year Lookback: BBB Effective Yield(%)]

Series 6: `FCIL3@SURVEYS`

FCIL3@SURVEYS [FCI-G: One-Year Lookback: 30-Year Fixed Mortgage Rate(%)]

Series 7: `FCIL2@SURVEYS`

FCIL2@SURVEYS [FCI-G: One-Year Lookback: 10-Year Treasury Yield(%)]

Series 8: `FCIL1@SURVEYS`

FCIL1@SURVEYS [FCI-G: One-Year Lookback: Federal Funds Rate(%)]

Chart 3: The share of the US in Asia's exports

Series 1: `(movt(N582IXUS@EMERGEPR,12) % movt(N582IX@EMERGEPR,12))`

N582IXUS@EMERGEPR [Vietnam: Exports to the U.S (NSA, Thous.US\$)]

N582IX@EMERGEPR [Vietnam: Exports (NSA, Mil.US\$)]

Series 2: `(movt(N528ITUS@EMERGEPR,12) % movt(N528IXTD@EMERGEPR,12))`

N528ITUS@EMERGEPR [Taiwan: Exports to the U.S. (NSA, Thous.US\$)]

N528IXTD@EMERGEPR [Taiwan: Merchandise Exports, including Re-exports (NSA, Mil.US\$)]

Series 3: `(movt(VEAUS@JAPAN,12) % movt(VEATTL@JAPAN,12))`

VEAUS@JAPAN [Japan: Exports to United States (NSA, Bil.Yen)]

VEATTL@JAPAN [Japan: Exports of Goods: Value (NSA, Bil.Yen)]

Series 4: `(movt(N542ITUS@EMERGEPR,12) % movt(N542ITC@EMERGEPR,12))`

N542ITUS@EMERGEPR [South Korea: Exports to the United States (NSA, Thous.US\$)]

N542ITC@EMERGEPR [South Korea: Exports (NSA, Thous.US\$)]

Series 5: `(movt(N534ITUS@EMERGEPR,12) % movt(N534IXD@EMERGEPR,12))`

N534ITUS@EMERGEPR [India: Exports To United States Of America (NSA, Mil.US\$)]

N534IXD@EMERGEPR [India: Merchandise Exports, f.o.b. (NSA, Mil.US\$)]

Series 6: `(movt(N578IYUS@EMERGEPR,12) % movt(N578IXD@EMERGEPR,12))`

N578IYUS@EMERGEPR [Thailand: Exports to the United States (NSA, Mil.US\$)]

N578IXD@EMERGEPR [Thailand: Merchandise Goods Exports (NSA, Mil.US\$)]



Series 7: (movt(N566ITU2@EMERGEPR,12) % movt(N566IXD@EMERGEPR,12))  
 N566ITU2@EMERGEPR [Philippines: Exports to US Including Alaska & Hawaii (NSA, Thous.US\$)]  
 N566IXD@EMERGEPR [Philippines: Merchandise Exports, fob (NSA, Mil.US\$)]

Series 8: (movt(N924IXUS@EMERGEPR,12) % movt(N924IXT@EMERGEPR,12))  
 N924IXUS@EMERGEPR [China: Exports to the U.S. (NSA, Mil.US\$)]  
 N924IXT@EMERGEPR [China: Exports (NSA, Mil.US\$)]

Series 9: (movt(NZNIXUS@ANZ,12) % movt(NZNIX@ANZ,12))  
 NZNIXUS@ANZ [New Zealand: Merchandise Exports: U.S. (Mil.NZ\$)]  
 NZNIX@ANZ [New Zealand: Merchandise Exports, fob (NSA, Mil.NZ\$)]

Series 10: (movt(N548ITUS@EMERGEPR,12) % movt(N548IX@EMERGEPR,12))  
 N548ITUS@EMERGEPR [Malaysia: Exports to United States (NSA, Mil.Ringgits)]  
 N548IX@EMERGEPR [Malaysia: Merchandise Exports, fob (NSA, Mil.Ringgit)]

Series 11: (movt(N536ITUS@EMERGEPR,12) % movt(N536IXFB@EMERGEPR,12))  
 N536ITUS@EMERGEPR [Indonesia: Exports to United States of America (NSA, Thous.US\$)]  
 N536IXFB@EMERGEPR [Indonesia: Exports of Goods, fob (NSA, Thous.US\$)]

Series 12: (movt(N576IXUS@EMERGEPR,12) % movt(N576IX@EMERGEPR,12))  
 N576IXUS@EMERGEPR [Singapore: Exports to the U.S. (NSA, Mil.S\$)]  
 N576IX@EMERGEPR [Singapore: Merchandise Exports, fob (NSA, Mil.S\$)]

Series 13: (movt(AUNITUS@ANZ,12) % movt(AUNIX@ANZ,12))  
 AUNITUS@ANZ [Australia: FOB Exports: United States of America (NSA, Mil.A\$)]  
 AUNIX@ANZ [Australia: Exports of Goods, fob (NSA, Mil.A\$)]

#### Chart 4: Contributions to Japan's GDP growth

##### Series 1: JNNPGPC@JAPAN

JNNPGPC@JAPAN [Japan: Real Gross Domestic Product (NSA, Y/Y % Chg)]

##### Series 2: JNNCCT@JAPAN

JNNCCT@JAPAN [Japan: Contributions to Chgs in Real GDP: Private Consumption (NSA, % Pts)]

##### Series 3: JNNFCT@JAPAN

JNNFCT@JAPAN [Japan: Contrib to Chgs in Real GDP: Gross Fixed Capital Formation (NSA, % Pts)]

##### Series 4: JNNCGCT@JAPAN

JNNCGCT@JAPAN [Japan: Contributions to Chgs in Real GDP: Government Consumption (NSA, % Pts)]

##### Series 5: JNNXNCT@JAPAN

JNNXNCT@JAPAN [Japan: Contrib to Chgs in Real GDP: Net Exports of Goods & Services (NSA, % Pts)]

#### Chart 5: Electricity prices in a selection of major developed economies

##### Series 1: movv(GBALAC@NED,12)

GBALAC@NED [United Kingdom [APX]: Electricity Price (\$/MWh)]

##### Series 2: movv(JPALAC@NED,12)

JPALAC@NED [Japan [JPEX]: Electricity Price (\$/MWh)]

##### Series 3: movv(DEALAC@NED,12)

DEALAC@NED [Germany [EEX]: Electricity Price (\$/MWh)]

##### Series 4: movv(ESALAC@NED,12)

ESALAC@NED [Spain [Omel]: Electricity Price (\$/MWh)]

##### Series 5: movv(AUALAC@NED,12)

AUALAC@NED [Australia [NSW]: Electricity Price (\$/MWh)]

##### Series 6: movv(FRALAC@NED,12)

FRALAC@NED [France [Powernext]: Electricity Price (\$/MWh)]

##### Series 7: movv(U3ALAC@NED,12)

U3ALAC@NED [United States New England: Electricity Price (\$/MWh)]

##### Series 8: movv(CAALAC@NED,12)

CAALAC@NED [Canada [Ontario]: Electricity Price (\$/MWh)]

#### Chart 6: Germany's per capita electricity generation

##### Series 1: OJDEDU@ENERGY

OJDEDU@ENERGY [Germany: Per Capita Electricity Generation (KWh)]

##### Series 2: OJDEDZ@ENERGY

OJDEDZ@ENERGY [Germany: Per Capita Renewables Electricity Generation (KWh)]

##### Series 3: OJDECS@ENERGY

OJDECS@ENERGY [Germany: Per Capita Nuclear Electricity Generation (KWh)]

##### Series 4: OJDEBE@ENERGY

OJDEBE@ENERGY [Germany: Per Capita Fossil Fuel Electricity Generation (KWh)]

For more info on our data products please email [sales@haver.com](mailto:sales@haver.com)

