

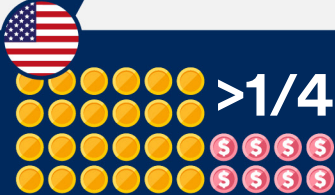
Schroders Recession Dashboard: what is it telling us?

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Recession warning in the US on the Schroders Recession Dashboard

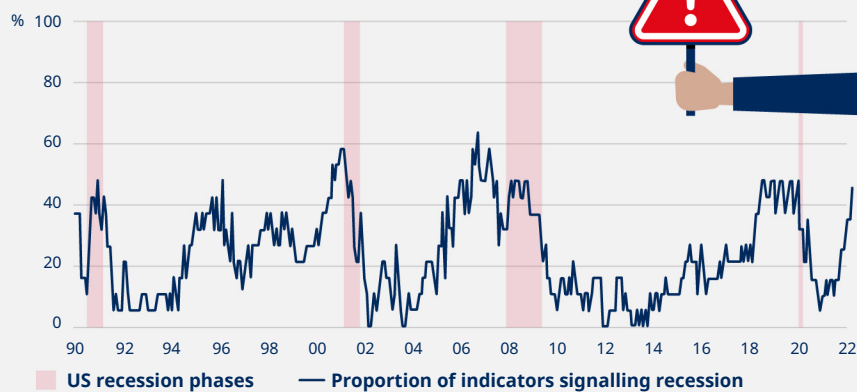


US economy is often the biggest swing factor in determining the outlook for the world economy



>1/4 US accounts for over a quarter of all output and is still the globe's largest economy

Recession risks have climbed for the US economy



Note: US recession phases defined by the National Bureau of Economics Research (NBER). Source: Schroders Economics Group, 29 April 2022.

Deforestation: what could be the market impact of new EU ban?

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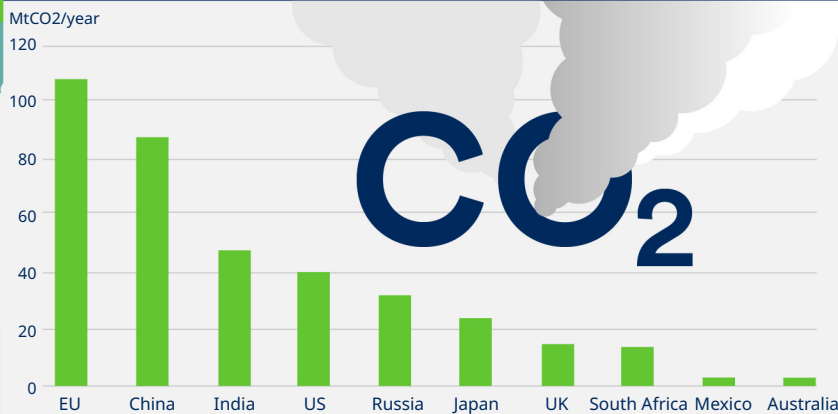
The EU "imports" carbon dioxide (CO2) emissions

Tropical forests are cleared to raise cattle and cultivate crops destined for the bloc

New laws aim to foster more sustainable consumption habits and curb deforestation

1/3 "Natural climate solutions" could deliver more than one-third of the greenhouse gas emission savings to meet climate change targets

Annual imported deforestation emissions, 2005-2018



Note: Imported deforestation emissions are defined as changes to carbon stocks due to forest loss and the impact of the subsequent land use. Source: Pendrill et al. 2020, Schroders Economics Group, April 2022.

Which emerging markets are most at risk of defaulting on their overseas debts?

As the US Federal Reserve raises interest rates at home...

...it is becoming more difficult for some countries to borrow money on international markets



- Sri Lanka and Tunisia in negotiations with the International Monetary Fund to secure financial support
- Possible that others may be forced to follow suit

192.6%

Sri Lanka's short term external debt as a percentage of foreign exchange reserves

Note: Short term external debt is defined as all debt servicing, public and private, denominated in both foreign and local currency owed to foreign investors in the next 12 months. Source: World Bank Quarterly External Debt Tables, Refinitiv, Schroders Economics Group, as at 04 April 2022.

Source: Schroders as at May 2022.

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