Enclosed are select charts from Torsten’s June Economic Chart Book discussing:

- The impact from escalating trade tensions with China
- The impact from new tariffs on Mexican goods
- Risks to US Economic Data

Link to Torsten Slok’s full June Economic Chart Book can be found here.
Chinese retaliation relatively modest

Tariff rate, applied weighted mean, all products

Source: World Bank, Justin Weidner, DB Global Research
Trade between US and China has been declining

Source: Census, Haver Analytics, DB Global Research
China is the biggest import trading partner in most swing states.
Downtrend in semiconductor sales is worrying

American semiconductor sales and ISM manufacturing

Index

Source: SIA, Bloomberg Finance LP, ISM, Haver Analytics, DB Global Research
US-Mexico trade is all about the auto industry

*Source: Census Bureau, DB Global Research*
China not the only reason European data deteriorated

Source: ISM, Markit, Haver Analytics, DB Global Research
Capex slowing down

Manufacturers' new orders

Source: Census Bureau, Haver Analytics, DB Global Research
Global wage momentum slowing in recent months

Source: ONS, BLS, FSO, Eurostat, Haver Analytics, DB Global Research

For Euro area: Wages & Salaries: Industry Excl Construction

Source: ONS, BLS, FSO, Eurostat, Haver Analytics, DB Global Research
The market is expecting Fed cuts for the first time in a decade

Fed funds futures at different points in time

Market is now bearish on the economic outlook

Source: FRB, Bloomberg Finance LP, Haver Analytics, DB Global Research
The market is pricing a 87% probability of a Fed cut in September

Source: Bloomberg Finance LP, DB Global Research

Probability of a rate cut in September 2019

Source: Bloomberg Finance LP, DB Global Research
Torsten Slok, Ph.D.

- Chief Economist, Managing Director
- Deutsche Bank Securities, Inc.

- Torsten Slok joined Deutsche Bank Securities in the fall of 2005.
- Mr. Slok’s Economics team has been top-ranked by Institutional Investor in fixed income and equities since 2010. Slok currently serves as a member of the Economic Club of New York.
- Prior to joining the firm, Mr. Slok worked at the OECD in Paris in the Money and Finance Division and the Structural Policy Analysis Division. Before joining the OECD he worked for four years at the IMF in the Division responsible for writing the World Economic Outlook and the Division responsible for China, Hong Kong, and Mongolia.
- Mr. Slok studied at University of Copenhagen and Princeton University. He has published numerous journal articles and reviews on economics and policy analysis, including in Journal of International Economics, Journal of International Money and Finance, and The Econometric Journal.
Appendix 1
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