



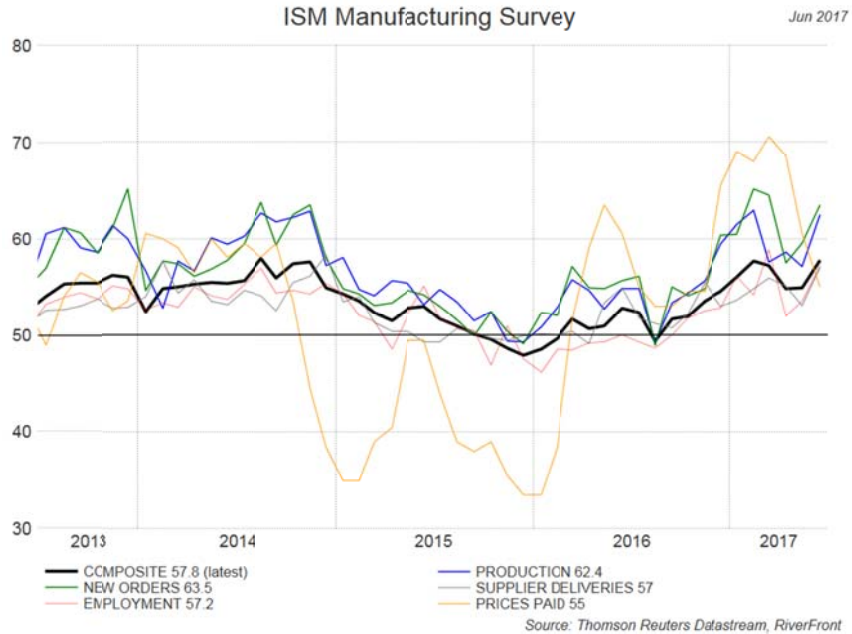
**Rod Smyth**  
CHIEF INVESTMENT STRATEGIST

*We believe the bull market in global stocks is simply reflecting a positive environment for global earnings growth; and the realization that while the world's leaders have some major ideological differences, they are united when it comes to the desire for economic growth.*

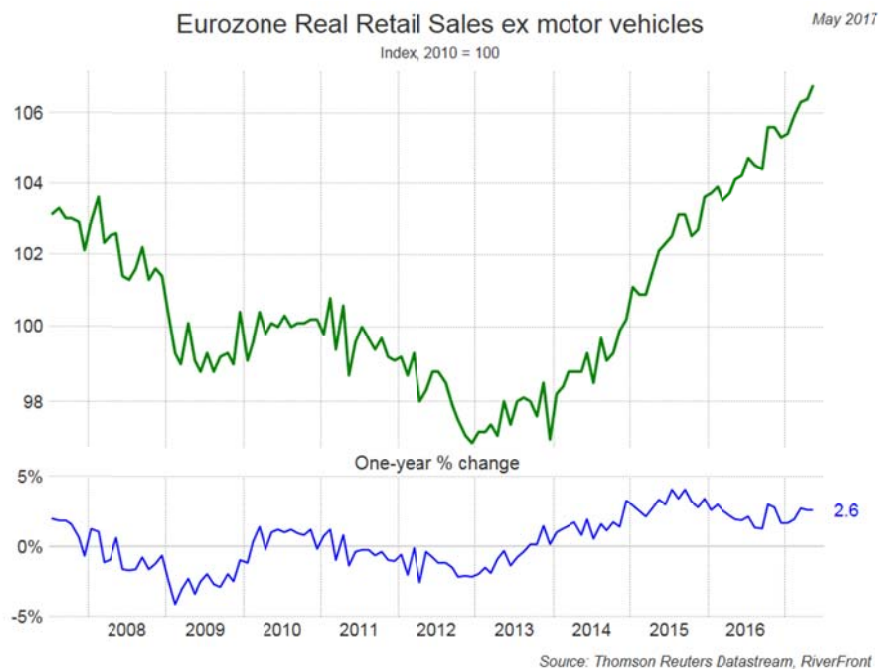
## The World in Pictures – Synchronized Global Growth

The G20 meeting in Hamburg this past weekend turned out to be something of a G19 +1. It is unprecedented in the post WW II era for the US to be so isolated from the rest of the world. Europe has just completed a trade deal with Japan and is happy to form deeper relations with China as its relationship with Russia remains terse. All that said, our charts show that synchronized global growth is clearly occurring:

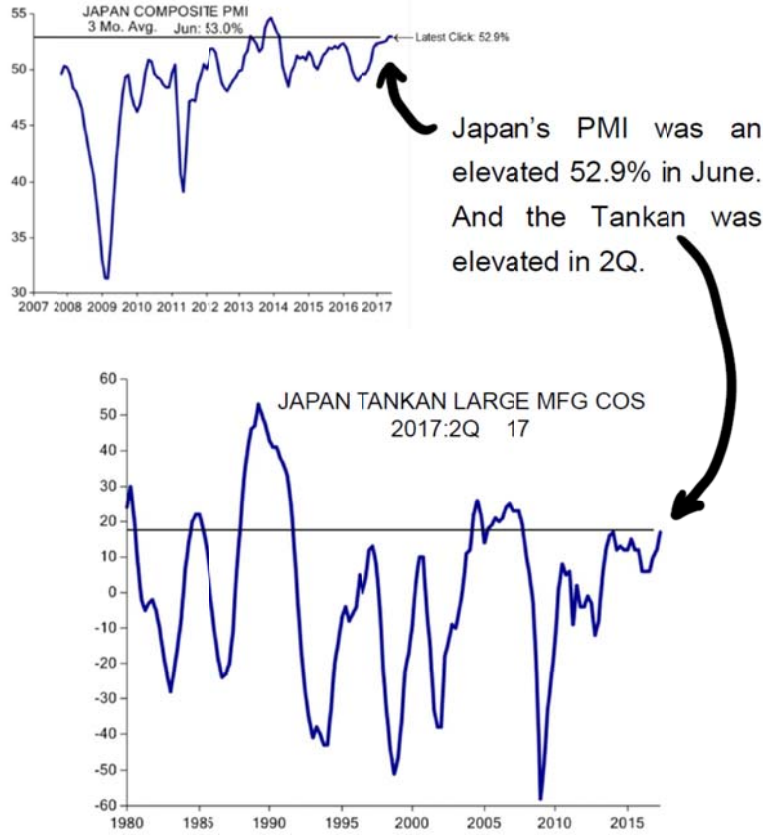
### US PURCHASING MANAGERS SURVEY INDEX HITS A 3-YEAR HIGH...



### ...EUROZONE RECOVERY SEEMS TO HAVE BECOME SELF-SUSTAINING AT A STEADY PACE AS RETAIL SALES SETTLE INTO A 2.5% GROWTH RATE ...



... EVEN JAPAN IS ENJOYING SOME OF ITS HIGHEST CORPORATE CONFIDENCE IN SEVERAL YEARS



Source: Evercore ISI. Past performance is no guarantee of future results.

... WHILE CHINA'S PURCHASING MANAGER SURVEYS HAVE IMPROVED OVER THE LAST YEAR



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*Technical analysis is based on the study of historical price movements and past trend patterns. There are no assurances that movements or trends can or will be duplicated in the future.*

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*In a rising interest rate environment, the value of fixed-income securities generally declines.*

*Purchasing Managers' Index (PMI) is an indicator of the economic health of the manufacturing sector. The PMI is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment.*

*In Japan, the Manufacturing Purchasing Managers' Index (PMI) measures the activity level of purchasing managers in the manufacturing sector. A reading above 50 indicates expansion in the sector; below 50 indicates contraction.*

*In China, the NBS Manufacturing Purchasing Manager Index measures the performance of the manufacturing sector and is derived from a survey of more large-scale, state-owned companies. The index is based on five individual indexes with the following weights: New Orders (30 percent), Output (25 percent), Employment (20 percent), Suppliers' Delivery Times (15 percent) and Stock of Items Purchased (10 percent), with the Delivery Times index inverted so that it moves in a comparable direction. A reading above 50 indicates an expansion of the manufacturing sector compared to the previous month; below 50 represents a contraction; while 50 indicates no change.*

*The Tankan Large Manufacturing Index rates the relative level of general business conditions in the manufacturing sector. On the index, a level above zero indicates improving conditions; below indicates worsening conditions.*

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(2017.14)