

Bond Case Briefs

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Fitch Global Cross-Sector Mid-Year Outlook 2023.

Fitch Ratings' 2023 sector outlooks have shown positive momentum since the beginning of the year, reflecting stronger-than-expected economic growth in 1H23. The US labour market and consumption has held up despite monetary policy tightening and the March banking liquidity scare. The end to Zero-Covid resulted in a consumption-driven bounce in China in 1Q23 and several other large emerging markets have had substantive improvements to their 2023 macro outlook. Forecasts for the eurozone have also improved relative to our earlier expectations. A total of 20 sector outlooks were changed since they were first published in December. Of these, 17 were in a positive direction, with 15 changing to 'neutral' from 'deteriorating' and the remaining two to "improving" from 'neutral'. The trends in our sector outlooks have been rooted in updates to our economic base case. Our June Global Economic Outlook includes a 2023 global growth forecast of 2.4%, up from 1.4% at the beginning of the year. This includes a material increase in our China growth forecast to 5.6% from 4.1% as well as positive changes to our US and eurozone growth forecasts to 1.2% and 0.8%, from 0.2% for both at end-2022.

ACCESS REPORT

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