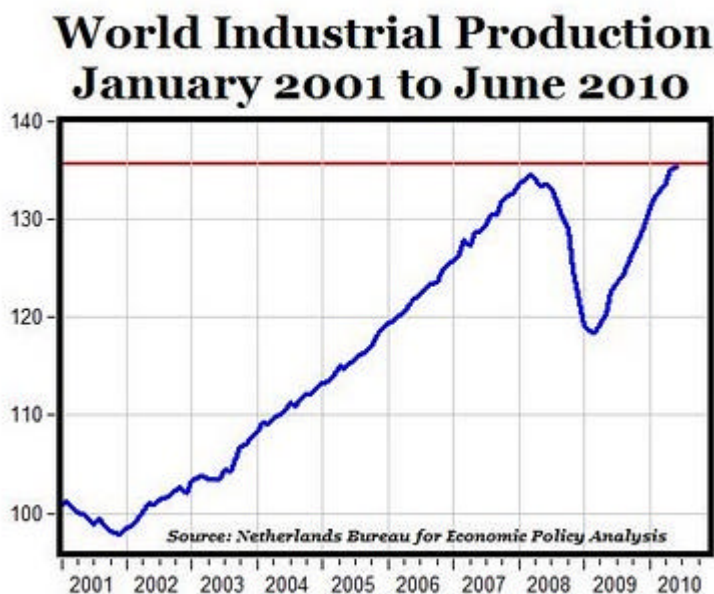


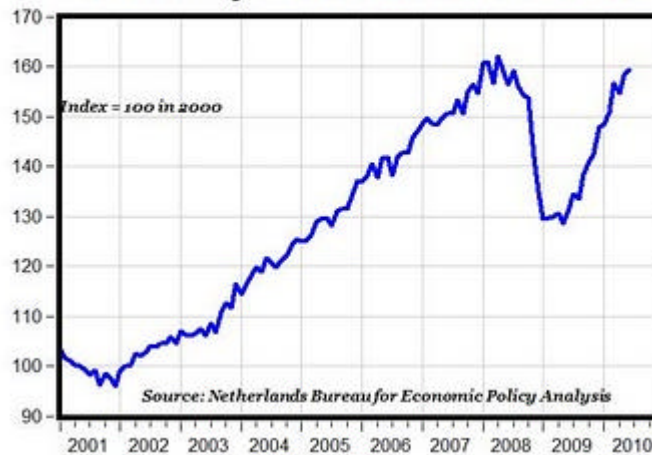
## Global Output Reaches All-Time High in June; World Economy in New Cycle of Economic Growth



According to the [Netherlands Bureau for Economic Policy Analysis](#), world industrial production increased in June for the 15th straight month after declining in 11 out of 12 months between April 2008 and March 2009 (see chart above). Compared to last June, world output has improved by 10.4% year-over-year, and June was the sixth consecutive month of double-digit percentage increase over the same month in 2009. For the last two months, world production levels (135.1 in May and 135.3 in June) have been above the previous peak of 134.4 reached in March 2008, suggesting that there has been a complete recovery in world output from the global recession in 2008 and 2009.

The same group also reported that the volume of merchandise world trade continued to show signs of improvements in June, following gains in 7 out of the previous 8 months (see chart below). On a year-over-year basis, June's increase of 21.5% in merchandise world trade was the sixth straight double-digit percentage increase, and overall world trade in June (index = 159.3) is just 1.72% below the March 2008 peak of 162.1. The world trade volume in June was at the highest level in 26 months, since April 2008.

## Merchandise World Trade Volume January 2001 to June 2010



**Bottom Line:** Based on the ongoing improvements in global production and world trade, especially the fact that global industrial production is now at an all-time historical high, I think we can safely say that that the world economy has made a complete recovery from the global slowdown in 2008 and 2009, and we're now in a new period of economic growth and expansion.

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21 September 2010