



FMPI confirms record policy stimulus behind Europe's strong cyclical upturn

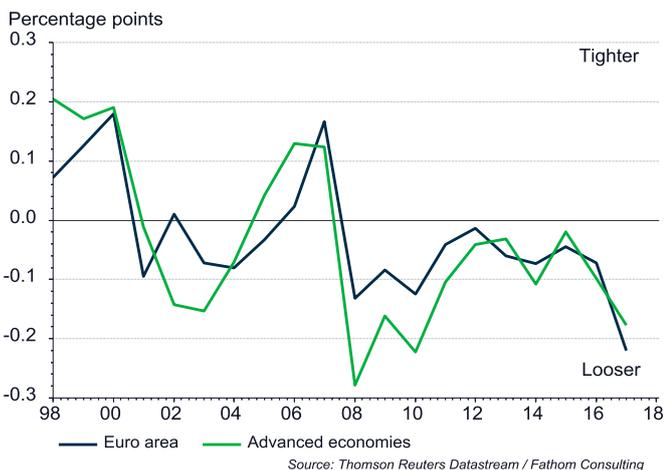
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- The Fathom Macroeconomic Policy Indicator (FMPI) weights together measures of both the monetary and fiscal stance to summarise, in a single statistic, the degree of macroeconomic stimulus in any given country
- As our chart shows, although the overall stance of policy has been at least moderately loose across the major economies since the crisis hit in 2008, it became substantially more stimulative last year. Much of this reflected an easing of monetary policy as headline inflation rose against largely unchanged nominal rates of interest
- The degree of stimulus across the euro area economies last year was the greatest in at least 20 years. That perhaps explains why the single currency bloc is enjoying such a strong cyclical upturn
- How long will the recovery last, in Europe and elsewhere? That is one of the main questions we shall address in our forthcoming *Global and Economic and Markets Outlook* for 2018 Q1

Fathom Macroeconomic Policy Indicator





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