

The future of global macro and markets leadership

Will the US be overtaken?

June 2024

Will the US remain the global economic outperformer? Will China or Europe ever catch up? Will US equities continue to provide higher returns?

Our annual Spotlight project provides a unique, cohesive and coherent framework for understanding whether the drivers of US economic growth and financial markets outperformance will sustain or whether competitors like China and the euro-zone will catch up. Explore the insight and data below.



Get your sample copy of the report "The drivers of US macro and markets leadership"

Find out what's been driving US economic and markets dominance since long before the pandemic and to learn what lies ahead for the global economy.

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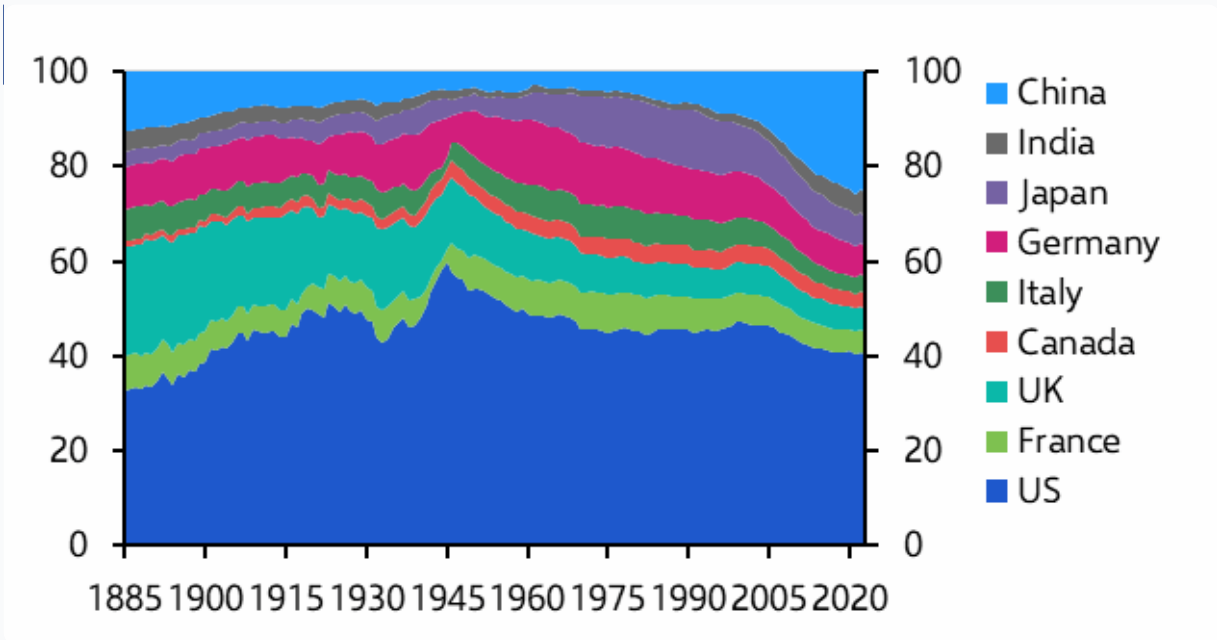
For Capital Economics clients:
The future of global macro and markets leadership



CE SPOTLIGHT

Spotlight: Executive Summary: The future of global macro and markets leadership

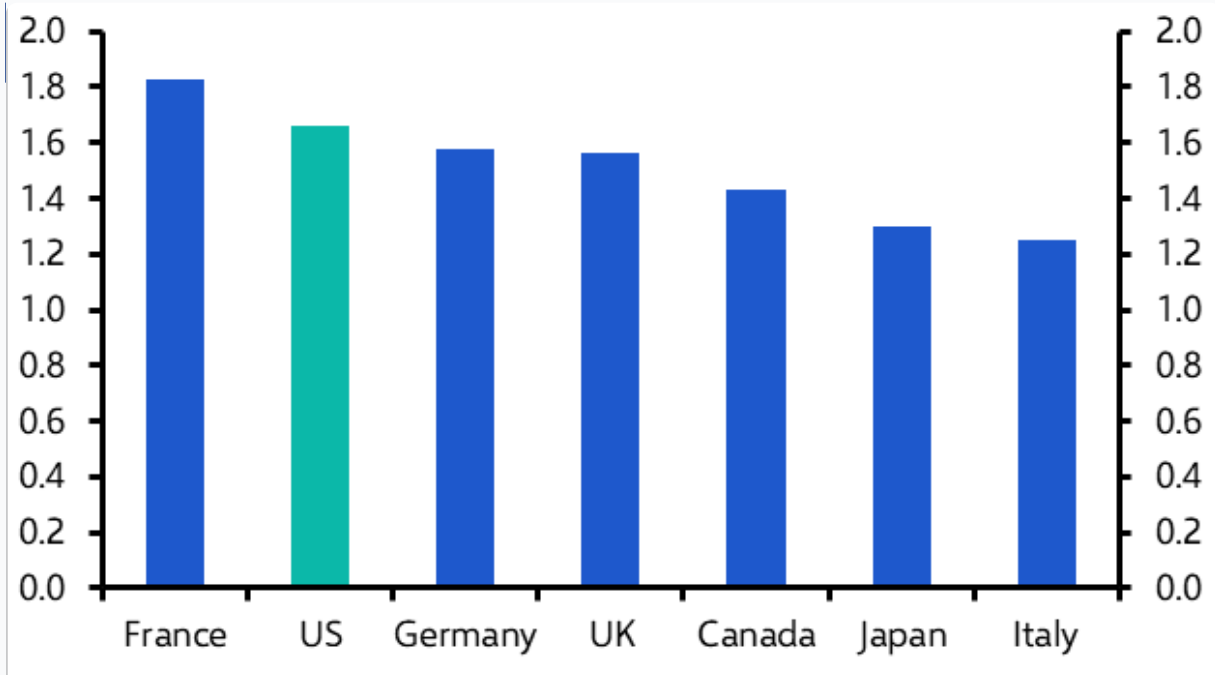
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Spotlight: Chapter 1 - How has the US outperformed?

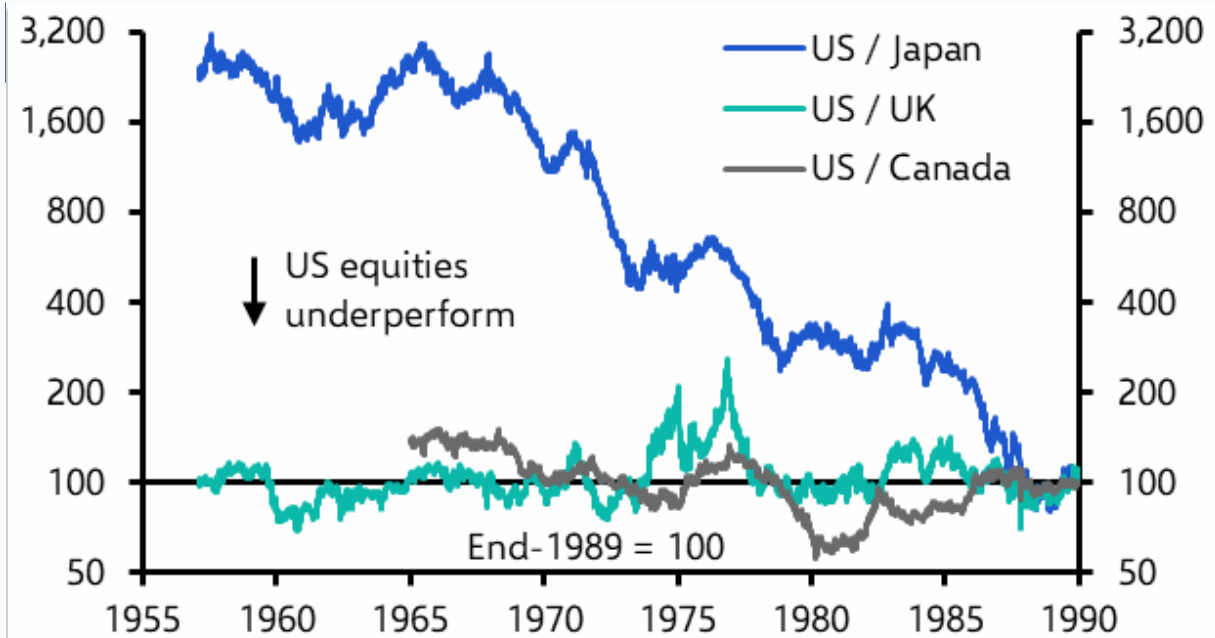
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Spotlight: Chapter 2 - Will the US retain its economic lead and who might challenge it?

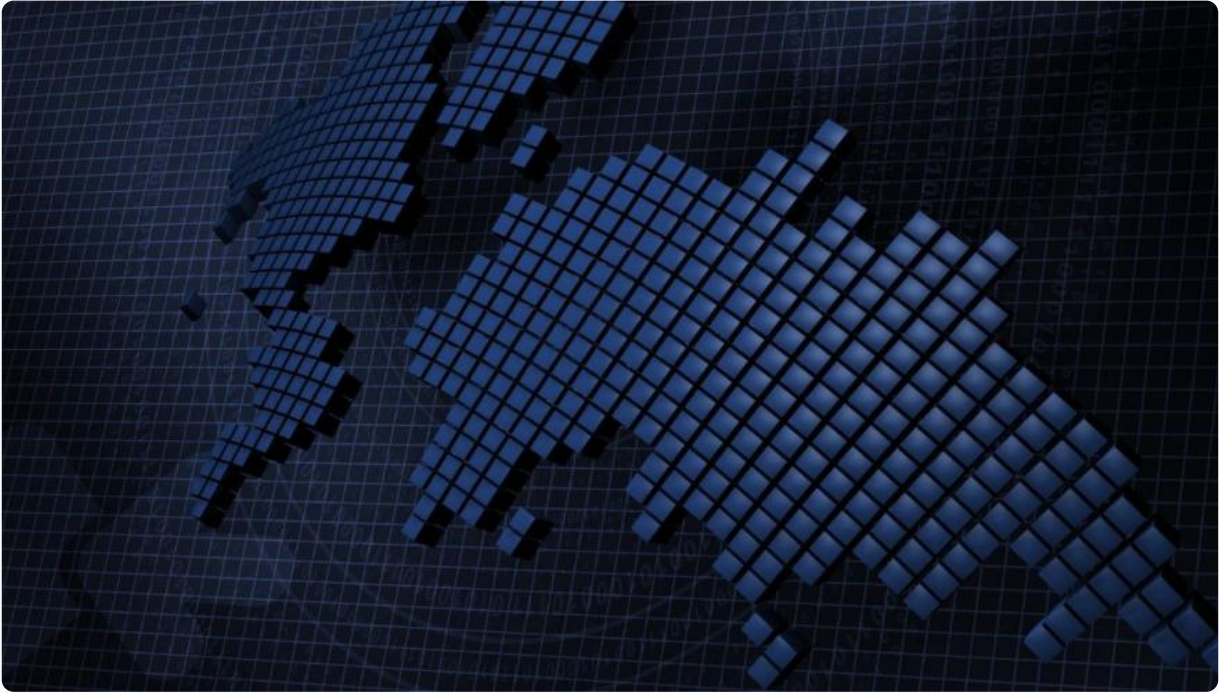
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Spotlight: Chapter 3 - Can the US stock market keep outshining the rest?

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Spotlight: The future of global macro and markets leadership -Full PDF

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The future of global macro and markets leadership

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1. How has the US outperformed?
The US is the only economy to dominate across GDP, innovation and financial market size/depth.

The World's Top 5

A Venn diagram with three overlapping circles labeled 'GDP', 'Stock Market Capitalization', and 'Innovation'. The US flag is in the center where all three circles overlap. Other flags (Germany, China, India, Japan, UK, France, Brazil, Canada, Indonesia, Italy) are placed in the various intersections of the circles.

2. Will the US retain its economic lead?
While there are many threats to this position, we expect it to sustain its economic lead in future.

World Rankings by Nominal GDP at \$ Market Exchange Rates

2024		2040	
1	US	US	1
2	China	China	2
3	Germany	India	3
4	Japan	Japan	4
5	India	Germany	5
6	UK	UK	6
7	France	France	7
8	Brazil	Canada	8
9	Italy	Indonesia	9
10	Canada	Brazil	10
17	Indonesia	Italy	15

Legend: DM (blue dot), EM (pink dot)

3. Can the US stock market keep outshining the rest?
Nonetheless, there are good reasons why the stock market will not outperform indefinitely.

Realised And Projected Average Annual Returns (US\$, %)

A bar chart comparing 'USA' (blue) and 'Rest Of The World*' (teal) returns. The y-axis is percentage from 0 to 20. The x-axis has four periods: 'Since End-2009', 'Now to End-2025', 'End-2025 to End-2033', and 'End-2033 to End-2050'. A vertical dashed line is at the end of the 'Now to End-2025' period.

1 Click to read more about how has the US outperformed?

- ▷ Economic
- ▷ Technological
- ▷ Financial

2 Click to read if the US will retain its economic lead?

- ▷ Historic Strengths
- ▷ Potential Threats
- ▷ Challengers
- ▷ CE View

3 Click to read if equities will still outperform?

- ▷ Recent Performance
- ▷ Outlook

Source: Refinitiv, WPI, Capital Economics

CE SPOTLIGHT

Spotlight: Interactive Data Dashboard

Watch on demand our exclusive online drop-in

US outperformance and the future of macro and markets leadership

Watch a recording of our online event to hear our team discussing the key findings of our in-depth report, pinpointing the risks and opportunities in a global economy and financial market system where ongoing US supremacy is in question.

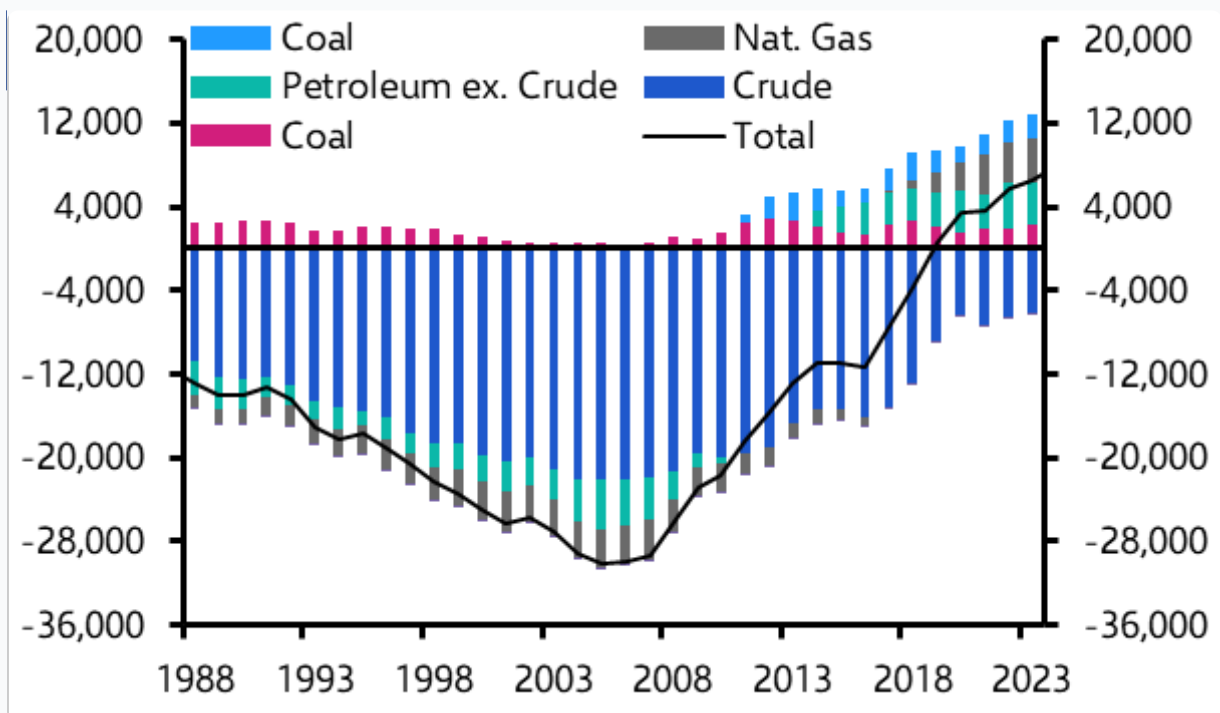
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Chief Global Economist Jennifer McKeown introduces this year's Spotlight project on the sustainability of US economic growth and financial markets outperformance and who will lead the global economy through mid-century.

[Watch "Spotlight 2024: The future of..." on YouTube](#)

Listen to this special podcast episode where our senior economists spoke about the drivers of US outperformance, the potential challenges to its dominance, and what happens to relative returns when the US stock market bubble bursts.

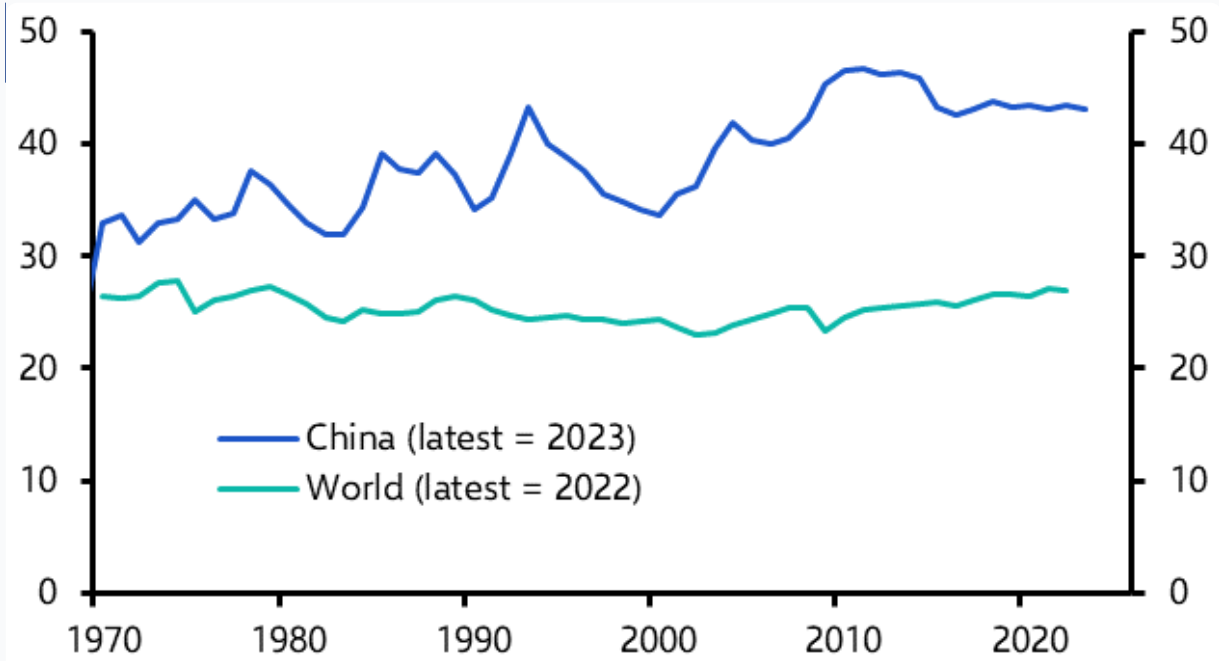
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Still unbalanced, still unsustainable

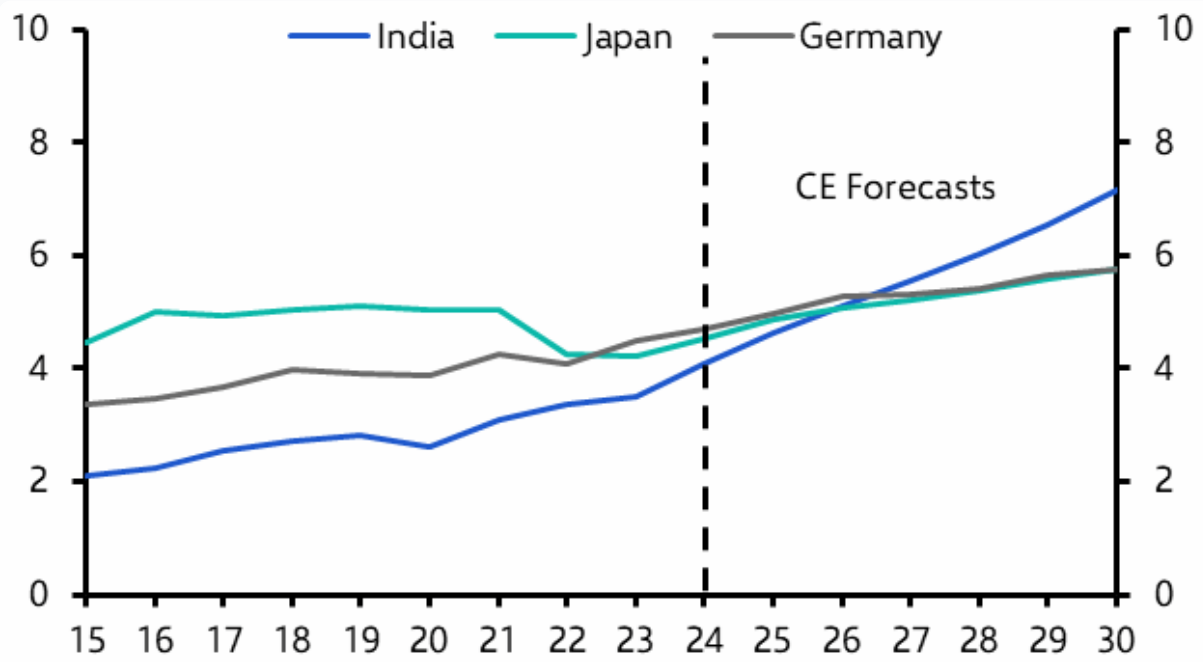
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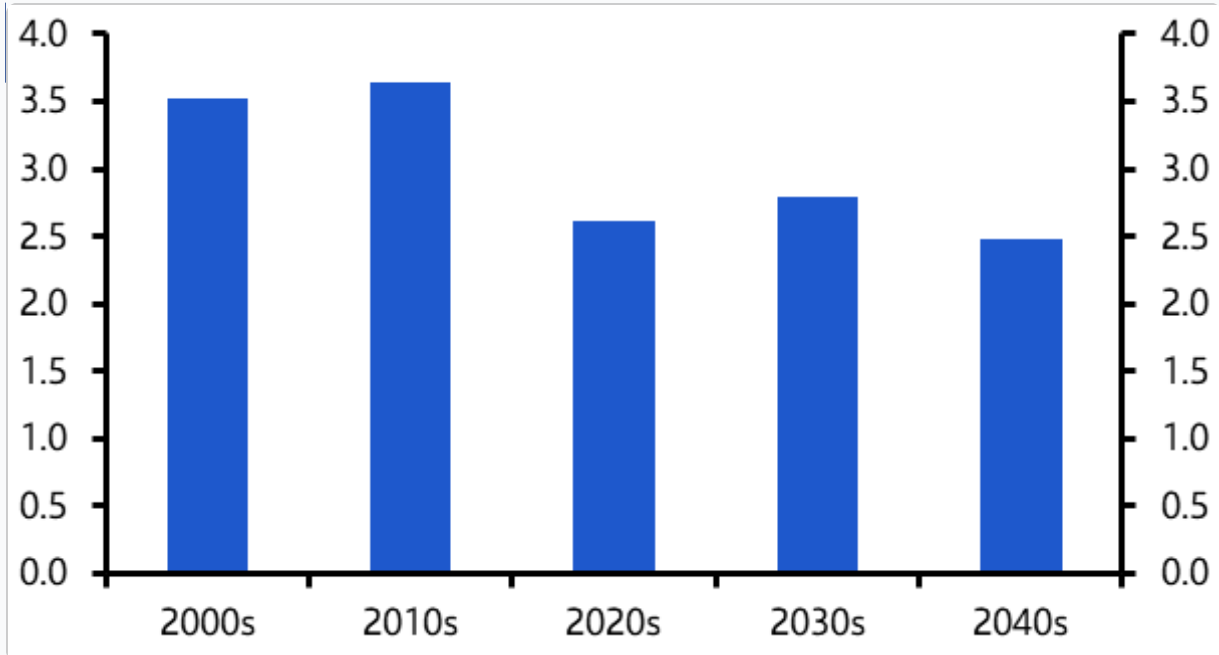
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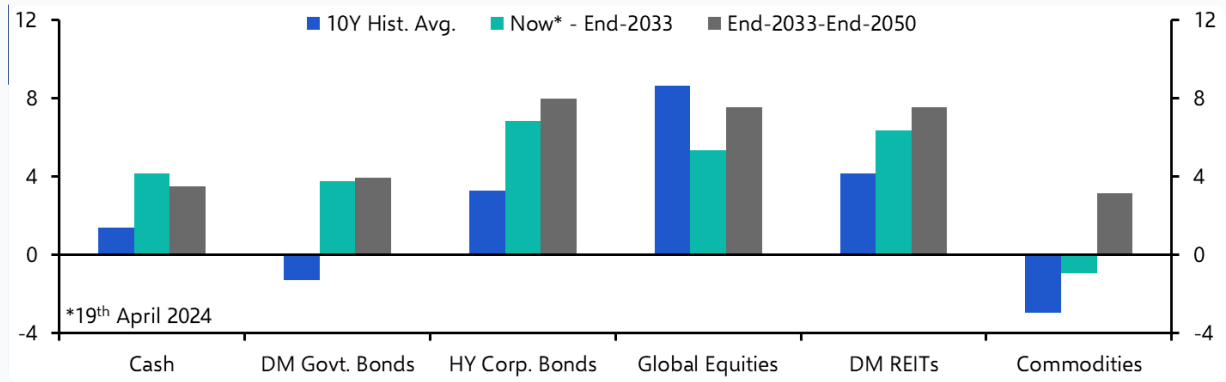
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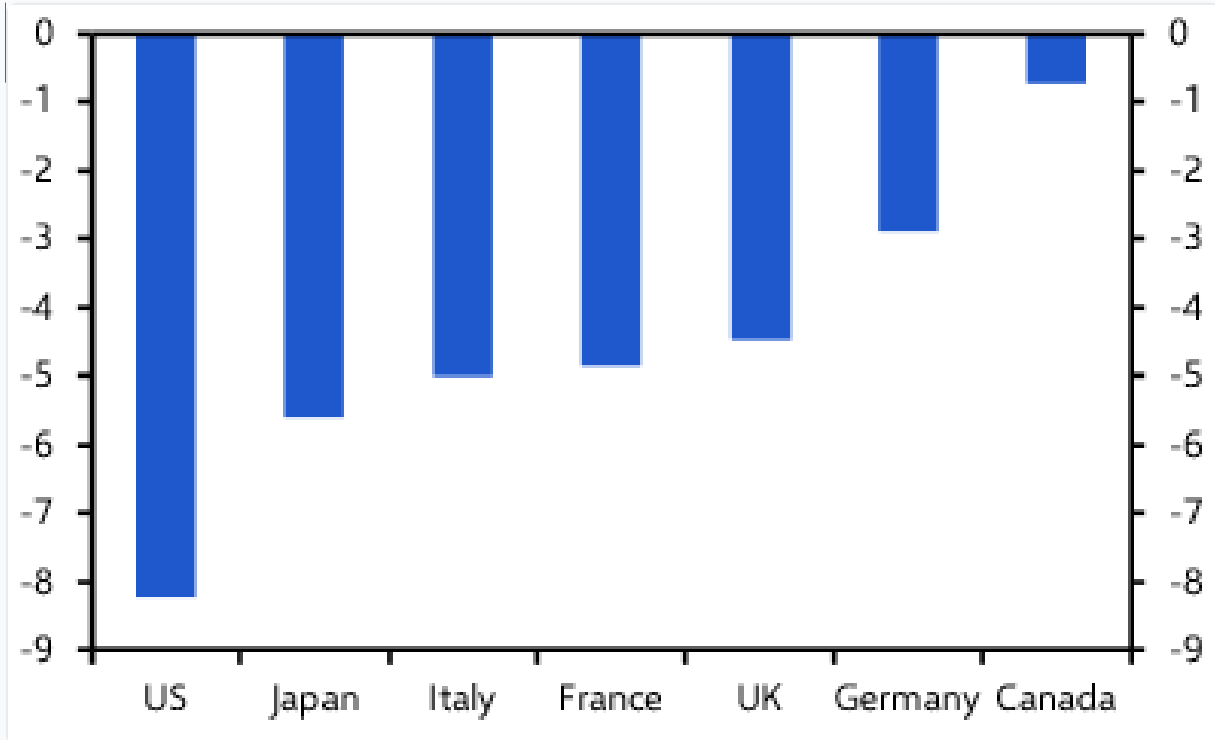
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