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Video | US Economics

US 2014 Outlook: Growth Pickup is Delayed, Not Derailed

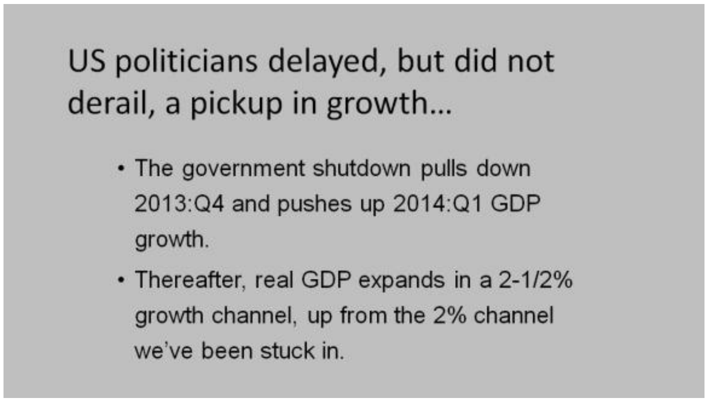
The government shutdown is a transitory drag that has delayed an inflection point in the recovery by one quarter. Final demand is strengthening as we move toward the New Year and the pieces remain in place for growth to shift into higher gear.

Watch the video

For important disclosures, refer to the Disclosures Section, located at the end of this report.

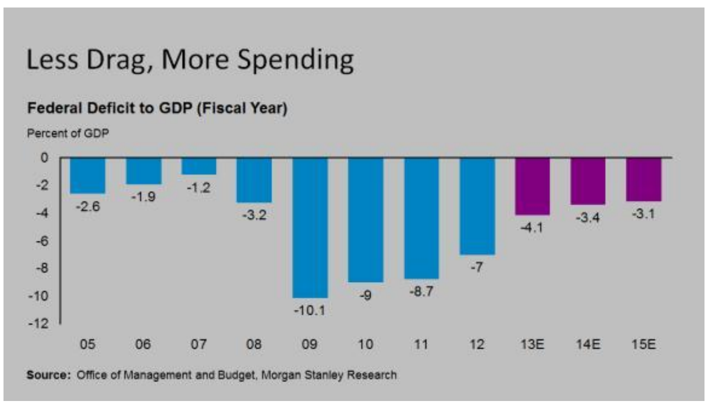
Key Exhibits

Exhibit 1: US politicians delayed, but did not derail, a pickup in growth...



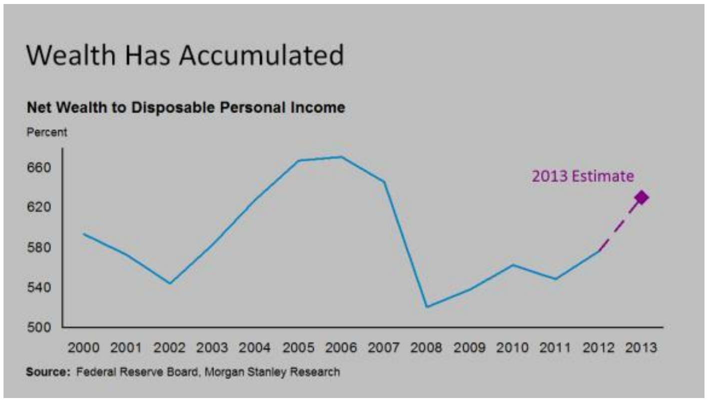
Source: Morgan Stanley Research

Exhibit 2: Less Drag, More Spending



Source: Morgan Stanley Research

Exhibit 3: Wealth Has Accumulated

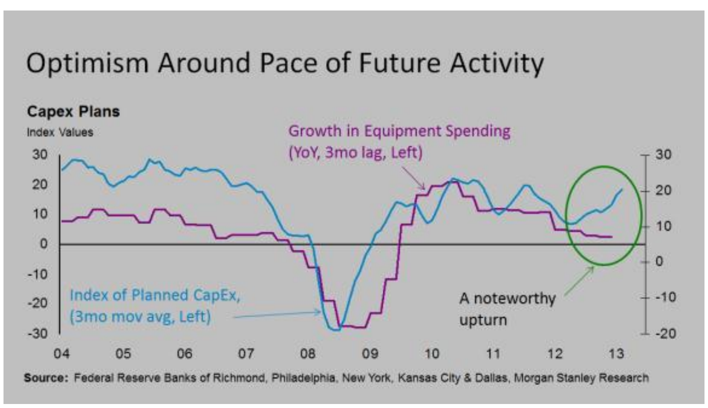


Source: Morgan Stanley Research

Exhibit 4: Four fundamentals support this inflection in aggregate demand…

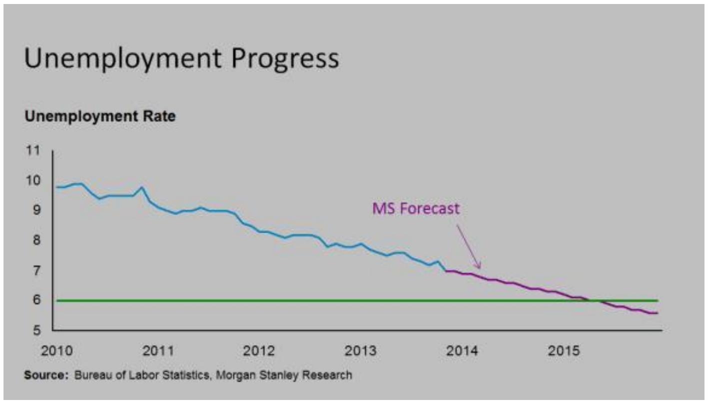
Source: Morgan Stanley Research

Exhibit 5: Optimism Around Pace of Future Activity



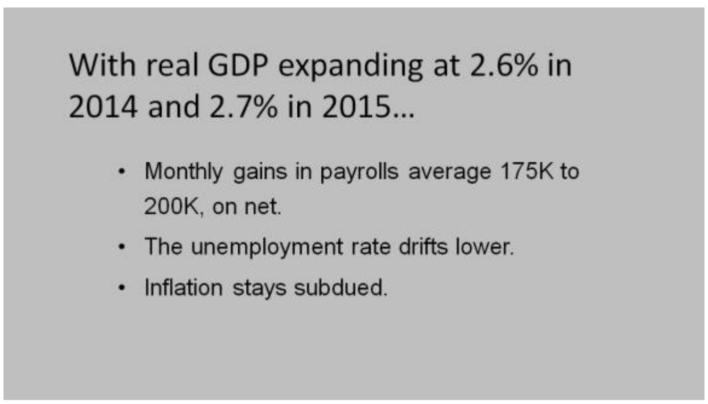
Source: Morgan Stanley Research

Exhibit 6: Unemployment Progress



Source: Morgan Stanley Research

Exhibit 7: With real GDP expanding at 2.6% in 2014 and 2.7% in 2015…



Source: Morgan Stanley Research

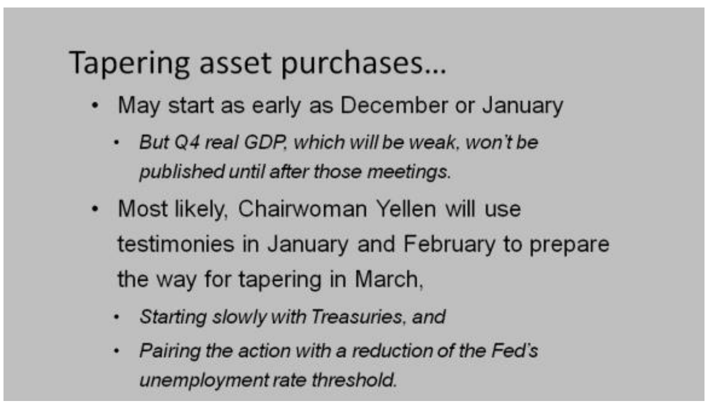
Exhibit 8: The Federal Reserve will keep policy accommodative…

Source: Morgan Stanley Research

Exhibit 9: The beginning of the end of QE--tapering asset purchases--

Source: Morgan Stanley Research

Exhibit 10: Tapering asset purchases…



Source: Morgan Stanley Research

Exhibit 11: Policy rates won't rise until 2016…

Source: Morgan Stanley Research

Related Research

US Economics: US 2014 Outlook: Growth Pickup is Delayed, not Derailed

2014 Outlook Slides

US Economics: Will Data Pressure the Fed to Act Sooner?

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