**OIL DIPS**

29 years
The amount of time since oil prices last fell by at least 15%.

160%: The increase in US shale oil production since 2008, highlighting the strategic shift to energy independence.***

435,000 barrels*
The expected daily decline in oil demand in the first quarter of 2020, marking the first quarterly contraction in over 10 years.

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**STUDENT DEBT OVERLOAD**

$1.51 trillion
The estimated amount of total student loan debt in the US.²

45 million
The total number of student loan borrowers in the US.³

2nd
Student loan debt is the second highest debt category in the US after mortgage payment. It is higher than both credit card and auto loan debt.⁴

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**FED EXPECTATIONS**

1 rate cut
WHAT THE MARKET EXPECTS IN 2020.

2% target
The Fed is now willing to let inflation run above its 2% target rate, which it used as a cap for inflation until this year. This was signaled in a recent change in policy communication.⁵

January 31
The date the yield curve briefly re-involved, when the 10-year treasury yield fell below that of the three month.⁶

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**EUROZONE SLOWDOWN**

7 YEARS
Eurozone GDP growth fell from 0.3% in Q3 to 0.1% in Q4, marking its slowest GDP growth in nearly seven years.⁷

47.9
Eurozone Markit manufacturing Purchasing Managers Index (PMI)** improved to this level, which was the highest since April 2019.⁸⁹

2015:
The last time the German ZEW Survey of Economic Growth index reached its current level.¹⁰

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*Source: IEA: Monthly oil market report, February 13, 2020. **The Eurozone Markit manufacturing PMI measures the performance of the manufacturing sector and is derived from a survey of 3,000 manufacturing firms. National data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. ***Forbes: The US still imports a lot of oil, February 12, 2020.
Oil prices have declined sharply in 2020 as the coronavirus lowered growth expectations in China. A higher dollar has also added downward pressure along with lower oil demand expectations from international energy agencies, which started even before the coronavirus. Lower oil prices could weigh on energy producing economies and provide further downward pressure on global growth.

Bryan Besecker, market strategist, BNY Mellon Investment Management.

For illustrative purposes only.
Since 2003, student debt has risen 11.6% per year to $1.51 trillion and continues to weigh on economic activity particularly in the younger portion of the workforce. A growing student debt burden could limit the growth potential of the US over the longer-term.

Bryan Besecker, market strategist, BNY Mellon Investment Management.


For illustrative purposes only.

While the Fed has suggested they will keep rates on hold, the market still expects one rate cut in 2020 and the probability has increased as the coronavirus dampened growth and inflation expectations. A growing divergence of expectations between the market and Fed could be a risk to the outlook.

Bryan Besecker, market strategist, BNY Mellon Investment Management.


For illustrative purposes only.
Improving manufacturing data in the eurozone and overall sentiment towards Germany suggests the region's slowdown continues to bottom out.

Bryan Besecker, market strategist, BNY Mellon Investment Management.

For illustrative purposes only.*

*A PMI above 50 indicates expansion compared to the prior month and below 50 means contraction.*
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