

News

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Moody's Analytics launches new model of the global economy and collaborative forecasting platform

Moody's Analytics economists to use the model for new research series investigating linkages between global trade flows, migration, financial markets, commodity prices, and foreign investment.

NEW YORK, June 28, 2018 – Moody's Analytics, a leading financial intelligence firm, is pleased to announce the launch of its new [Global Macroeconomic Model](#). The model forecasts more than 10,000 globally inter-linked economic and financial time series that collectively account for 95% of global economic activity. The model is delivered through the [Scenario Studio](#) web-based platform, a Moody's Analytics innovation that enables real-time interactive collaboration on economic scenarios or forecasts among multiple concurrent users.

Financial institutions, governments, and corporate clients can use the Global Macroeconomic Model to determine the impact of domestic and foreign economic shocks. The model accounts for trade flows, financial market conditions, migration, commodity prices and foreign investment. It captures the complexity of the global economy, and demonstrates that the economic impacts of government policy changes and geopolitical events are much larger and reverberate more broadly across the globe and for longer than is commonly thought.

"The global economy continues to become more integrated through trade, migration and investment," said Mark Zandi, Moody's Analytics Chief Economist. "With the global business and credit cycle maturing, the Global Macroeconomic Model provides a critical tool for assessing the impact of changing economic and monetary policy and geopolitical events, and for developing scenarios of future economic conditions."

The model and web-based platform allow users to create multiple scenarios simultaneously. Forecasts obtained through the model are fully documented and transparent, supported by rigorous governance processes that stand up to regulatory and audit scrutiny. Advanced technology in the Scenario Studio platform helps clients generate scenarios required for regulatory compliance and accounting standards such as CCAR, ICAAP, IFRS9, and CECL.

"The Global Macroeconomic Model balances economic theory and empirical analysis," added Marisa DiNatale, Global Head of Forecasting at Moody's Analytics. "As demands on economists and risk managers increase, their tools have to keep pace with the increasing complexity of global economics and regulatory requirements. We are pleased to bring to market a powerful tool to help clients meet that need."

This is the same global model and platform used by the Moody's Analytics economics forecasting team, which is recognized for its national and sub-national forecasting and scenario analyses. Our economists are using the model to produce a series of research papers that investigate the global consequences of some of today's most pressing and difficult economic questions, such as the escalating trade tensions between the U.S. and its trading partners, the cross-border consequences of Brexit and the recent political instability in Italy, swings in energy prices, and the potential break-up of the North American Free Trade Agreement.

In a paper published today, "[In No Good Hands: The Venezuela Crisis and Consequences for South America](#)", Moody's Analytics Economists, including Marisa DiNatale, use the Global Macroeconomic Model to assess the economic consequences for Venezuela and the rest of South America if Venezuela's President Maduro serves out his new presidential term or if he is removed from office.

Other topics that the research series will cover include:

- Risks to China's economy and the consequences for Southeast Asia. [View First Paper](#)
- US and trade: globalization and its discontents. [View First Paper](#)
- Climate Change: preparing for the economic fallout
- (Dis)unity in Europe
- Consumers: the engine of global growth?
- The Productivity Puzzle

Visit the Moody's Analytics "[Global Economic View](#)" microsite for our latest research on these global themes.

To learn more about the Moody's Analytics Global Model methodology and research, join our upcoming [webinar](#), where economists, including Mark Zandi, will describe the capabilities of the global model and forecast governance processes, and highlight scenarios based on recent Moody's Analytics research.

About Moody's Analytics

Moody's Analytics provides financial intelligence and analytical tools supporting our clients' growth, efficiency and risk management objectives. The combination of our unparalleled expertise in risk, expansive information resources, and innovative application of technology helps today's business leaders confidently navigate an evolving marketplace. We are recognized for our industry-leading solutions, comprising research, data, software and professional services, assembled to deliver a seamless customer experience. Thousands of organizations worldwide have made us their trusted partner because of our uncompromising commitment to quality, client service, and integrity.

Moody's Analytics is a subsidiary of Moody's Corporation (NYSE: MCO). MCO reported revenue of \$4.2 billion in 2017, employs approximately 11,900 people worldwide and maintains a presence in 41 countries. Further information about Moody's Analytics is available at www.moodyanalytics.com.

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