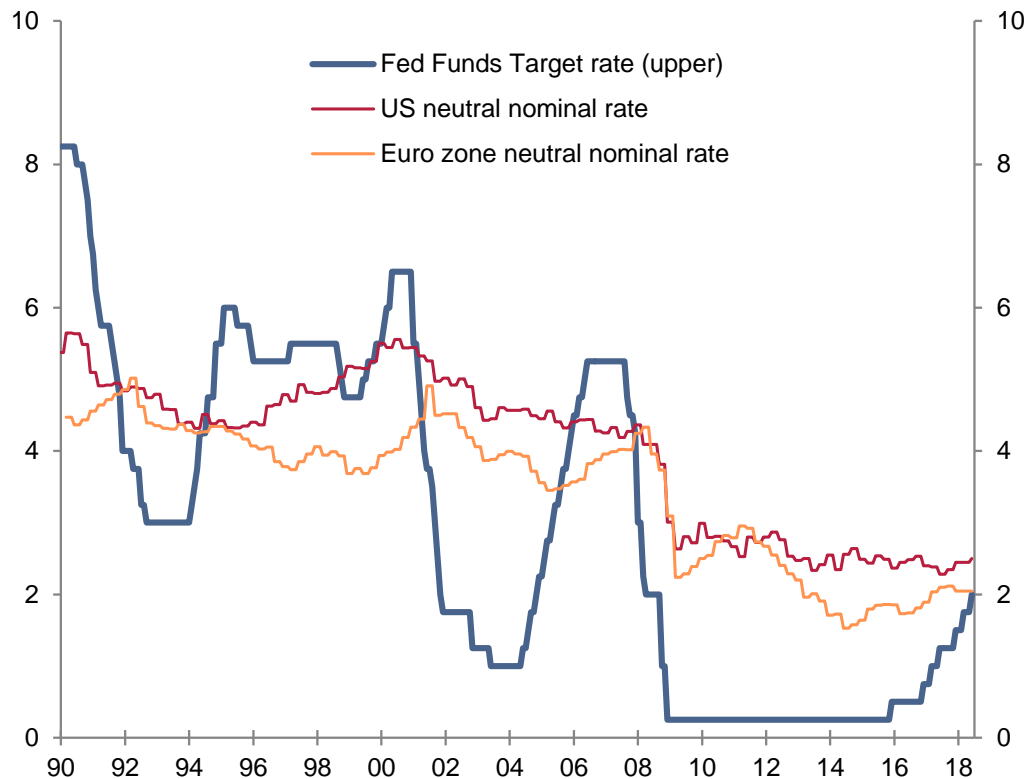


America First... for the Fed too!

Fed monetary policy turns restrictive for European partners, remains expansionary for the US*



*An official rate below the neutral nominal rate boosts growth above trend and inflation (expansionary policy). Above this rate, growth and inflation are slowed (restrictive policy).

- External factors have no influence on Fed's decision
- The **Fed increased its official rate to 1.75% - 2%** despite concerns for Emerging Markets' stability
- The US central bank is likely to opt for **one or two more hikes in 2018** and two hikes in 2019
- This **tightening of US monetary policy may bring financial stress to emerging markets beyond Argentina and Turkey**