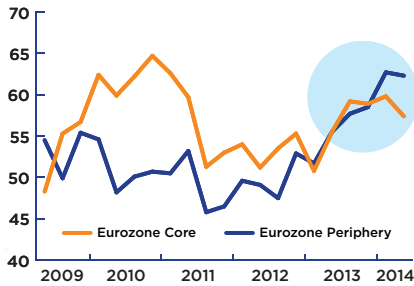
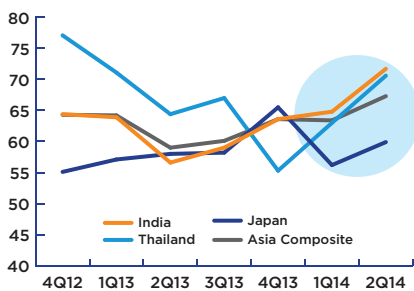


## SPOTLIGHT

Economic optimism in the eurozone periphery (Greece, Ireland, Italy, Portugal, Spain) recovers on the heels of austerity measures



Business confidence in Asia on the upswing



Employment confidence in the United States continues its ascent; 45% of U.S. CEOs surveyed intend to increase headcounts over the next 12 months



### YPO and WPO Members:

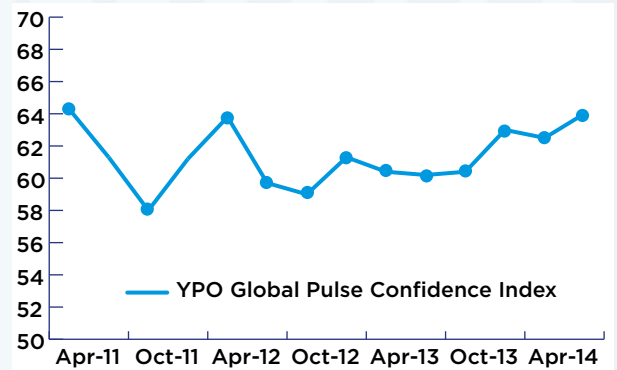
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## BUSINESS CONFIDENCE HIGHEST IN THREE YEARS

- In a context of continued low interest rates and stimulus programs in key markets around the world, CEO confidence lifted to 64.0 in the second quarter of 2014, marking its highest level in more than three years and its third rise in the past 12 months. Rosier outlooks in every region except Latin America contributed to the increase.



- For the first time since October 2011, **Asia** is the world's most optimistic region with a confidence index level of 67.3. Narendra Modi's election in India, tempered violence in Thailand and approval of Prime Minister Abe's "third arrow" of reforms in Japan served as a backdrop to the uplift in sentiment. Confidence in **China** remained largely unchanged at a lofty level. Asia as a region is the world's most bullish on fixed investment for the first time in more than two years.
- Business sentiment in the **United States** rose 1.1 points to 64.8, its second-highest level in the five-year history of the survey, on the back of strong second-quarter economic data and a faster pace of job creation. Hiring confidence in the United States is the highest in the world.
- After surging 3.0 points in January, optimism in the **European Union** has held steady, inching up a third of a point in July to 62.5, its highest level in the history of the survey. In the first quarter of 2014, less than two years after bailouts of Greece and Spain and the financial shock in Cyprus, the debt-laden eurozone periphery economies as a group became significantly more optimistic than the core economies for the first time in five years, a phenomenon that continued into the second quarter.
- Economic optimism in **Canada** surged 4.4 points to 66.6, a record for this series that ranks it as the world's second-most optimistic region after Asia.
- Confidence in **Brazil** sank 4.0 points to 51.2 amidst uncertainty surrounding the upcoming general elections in October. Meanwhile, sentiment in neighboring **Argentina** fell to 59.2 on the back of uncertainty around a possible sovereign-debt default (since materialized). The **Latin American** regional composite index stands at 56.3, the lowest in the world.
- Elsewhere, the confidence index for **Africa** remained largely unchanged in the second quarter, edging up one-tenth of a point to 61.9. Sentiment in **Australasia** (Australia plus New Zealand) rose 1.7 points to 61.6, slightly higher than its five-year average level. The **Middle East and North Africa** (MENA) index rose 1.5 points to 64.4 - higher than last quarter but lower than six months ago - mostly on the back of increased optimism in Saudi Arabia and United Arab Emirates, which have the highest weightings in the index.

## YPO CONFIDENCE INDEX BY AREA

Arrows indicate directional change versus previous quarter

64.0 ↑	61.9 ↑	67.3 ↑	61.6 ↑	66.6 ↑	62.5 ↑	58.9 ↑	56.3 ↓	64.4 ↑	64.8 ↑
Global	Africa	Asia	Australia	Canada	European Union	Europe Non-EU	Latin America	MENA	United States