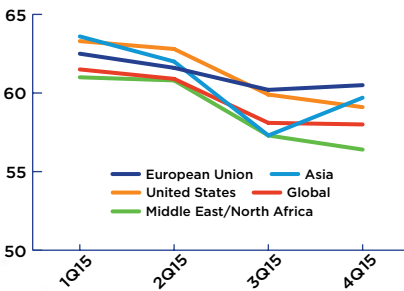
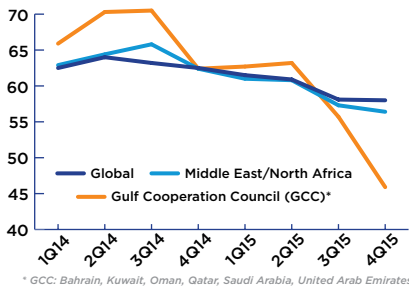


SPOTLIGHT

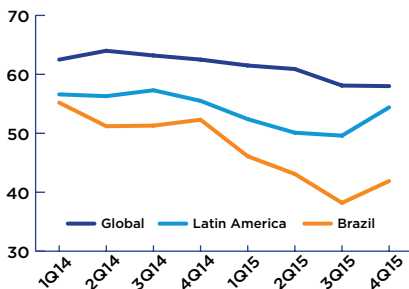
The effects of dropping oil prices and slow growth in China appear to have stabilized



Oil-exporting countries continue to feel the pinch of dropping oil prices



Business confidence in Latin America, specifically Brazil, rebounds in 4Q 2015



YPO and WPO Members:

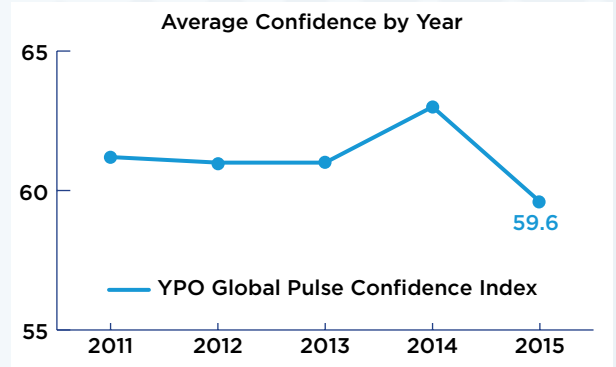
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2015: ECONOMIC SENTIMENT IMPACTED BY DROPPING OIL PRICES AND CHINA'S STRUGGLING ECONOMY

- The YPO Global Pulse Index in 2015 dropped 3.4 points from 63.0 in 2014 to 59.6 in 2015 due to the continued drop in oil prices, slow growth in China and falling commodity prices.



- In the **United States**, the YPO Global Pulse Index remained relatively steady moving from 59.9 in 3Q 2015 to 59.1 in 4Q 2015. This is the fourth consecutive quarterly small decline in confidence. However, at 59.1, U.S. confidence is fairly optimistic and consistent with moderate GDP growth predicted in 2016.
- Confidence in **Latin America** fell nearly 8 points in the past 18 months, before a small recovery in January 2016. This drop-off was largely the result of falling oil prices, which negatively affected growth in the oil-exporting countries of Latin America, like Brazil, Venezuela and Ecuador.
- Confidence in the EU is the highest of any other region around the globe and one of the few regions where confidence did not decline this quarter. The YPO Global Pulse Index for the **European Union** remained stable, rising a fraction of a point in 4Q 2015 to 60.5. YPO executives in Europe report that record low interest rates, the prospect of further easing by the European Central Bank, a sharp decline in the value of the euro, and the precipitous decline in oil prices will generate a fast pace of economic expansion in the upcoming year.
- Economic confidence in **Asia** rose 2.4 points in 4Q 2015 to 59.7 from 57.3 in 3Q 2015. The rebound in confidence in Asia in general, and China in particular, is at least partially attributable to the sharp drop in oil prices. The upswing in confidence this January was most pronounced in China, where sentiment jumped 10.0 points from 52.0 to 62.0. As a result, confidence in Asia, at 59.7, is once again slightly higher than the global index, which came in at 58.0.
- CEO confidence in the **Middle East and North Africa** fell more than 10 points in the past two years because of the decline in oil prices. Not all countries in the region are oil exporters, but confidence in those that are - like Saudi Arabia, the United Arab Emirates, Qatar and Oman - has been sufficient to drive overall weakened economic sentiment.
- Confidence amongst business leaders in **Africa** crashed in the final quarter of 2015, falling 3.3 points to 51.0, its lowest recorded level and below that of every other region in the world. The decline was primarily due to a huge drop in optimism within Nigeria as oil prices plummeted. Of the major African economies, only Kenya reported increased levels of confidence, climbing 6.2 points to 55.7.

YPO CONFIDENCE INDEX BY AREA

Arrows indicate directional change versus previous quarter

58.0 ↓	51.0 ↓	59.7 ↑	58.2 ↓	52.9 ↓	60.5 ↑	53.4 ↓	54.4 ↑	56.4 ↓	59.1 ↓
Global	Africa	Asia	Australasia	Canada	European Union	Europe Non-EU	Latin America	MENA	United States