

USA outlook report

Third quarter of 2024



Design and Layout

Marketing and Communication Department
Management Solutions

Photographs:

Photographic archive of Management Solutions
iStock

© Management Solutions, 2025

All rights reserved. Cannot be reproduced, distributed, publicly disclosed or transformed, whether totally or partially, free of charge or at no cost, in any way or by any means, without the express written authorization of Management Solutions.

The information contained in this publication is merely to be used as a guideline, is provided for general information purposes and is not intended to be used in lieu of consulting with our professionals. Management Solutions is not liable for any use that third parties may make of this information. The use of this material is not permitted without the express authorization of Management Solutions.

Index

The objective of USA's quarterly report is to provide a comprehensive and summarized overview of the main sectoral indicators of the country, classified by regulated industry, as well as the macroeconomic situation at the end of each quarter.

1. International overview	4
2. Macroeconomic view	7
3. Banking sector	8
4. Energy sector	9
5. Glossary of terms	10
6. Appendix	11

1. International overview

Global growth remains stable, driven by recovery in both advanced and emerging economies, with moderating inflation supporting real income growth. Labour market pressures continue to ease, while unemployment remains mostly stable, majorly at or near historical lows.

Macroeconomic outlook

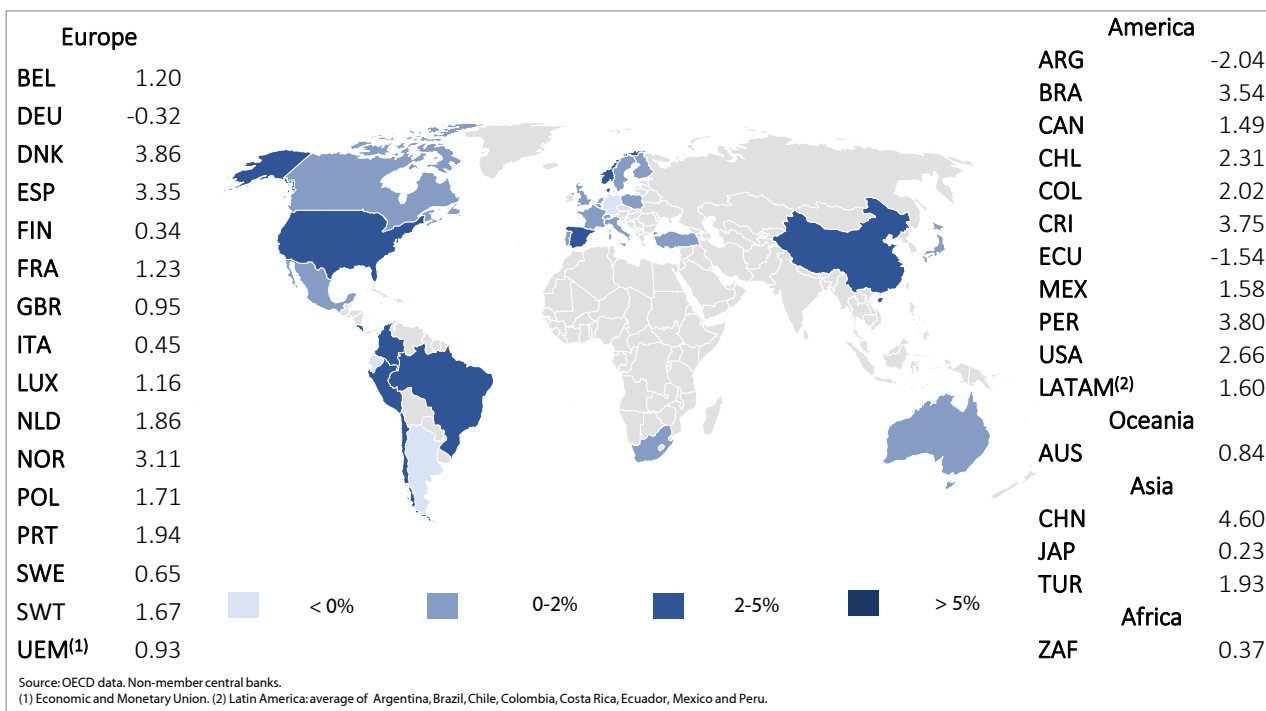
- ▶ In the third quarter, GDP in the eurozone grew by 0.93% year-on-year, continuing its upward trend. However, Germany continued its negative trend, recording negative growth of -0.32%. The average CPI in the eurozone continued to fall for another quarter, reflecting the effectiveness of the EU's current monetary policy. Only the Netherlands recorded an increase in its CPI compared to 3Q23. The average unemployment rate in the eurozone was 6.33%, down slightly from 6.40% in the previous quarter.
- ▶ In the third quarter of 2024, U.S. GDP grew by 2.66%, while Canada's year-over-year growth was 1.49%, still slightly up from the second quarter. Latin America's growth rate rose to 1.87%. Inflation in the U.S. decreased to 2.62% and in Canada to 2.04%. The average inflation rate in Latin America was 2.57%, excluding Argentina's high rate of 234.24%. Also in Latin America, the average unemployment rate was 5.88%, with a slowdown observed in Brazil (6.40%) and Peru (5.99%), both of which declined on a quarterly and annual basis. On the other hand, the unemployment rate increased in the United States and Canada, reaching 4.20% and 6.50%, respectively.
- ▶ In the Asia region, China recorded growth of 4.60% in the quarter, down from 4.90% in 3Q23. Japan recorded a GDP increase of 0.23% after two consecutive quarters of negative growth. Turkey's growth slowed down to 1.93%, continuing a downward trend since 1Q24 (6.70%). China's inflation rose to 0.48%, an increase both year-on-year and quarter-on-quarter. Turkey ended its upward trend, with inflation dropping by 18.18 p.p. quarter-on-quarter and by 2.11 p.p. Y-o-Y. Unemployment rates in China and Japan remained relatively stable compared to the previous quarter. In Turkey, however, the unemployment rate decreased by 0.53 p.p. compared to 3Q23.
- ▶ In the third quarter of 2024, South Africa's GDP growth rate increased by 0.87 p.p. compared to 3Q23, reaching a growth rate of 0.37%. Inflation continued to decline, falling by 0.78 p.p. year-on-year. The unemployment rate remained high at 32.10%. In Australia, GDP slowed down with a decline of 1.28 p.p. compared to 3Q23. The CPI continued its downward trend and stood at 2.81%, 2.56 p.p. lower than in 3Q23. Unemployment worsened significantly by 4.62 p.p. compared to 3Q23.
- ▶ According to the OECD, indicators point to a gradual moderation in the second half of the year after the strong growth in the first half. The services sector slowed down in July and August, but recovered in September. Similarly, retail trade grew by 5.1% in the first half of 2024, remained flat in July and August, and then picked up again in September. Industrial production followed a similar trend, showing robust growth in early 2024, but losing momentum in July and August.
- ▶ The IMF's growth projections show that emerging economies will remain stable, similar to advanced economies, which slowed in 2023. Global inflation is expected to decline, although disinflation will be faster in advanced economies than in developing ones.

Other indicators and key risks

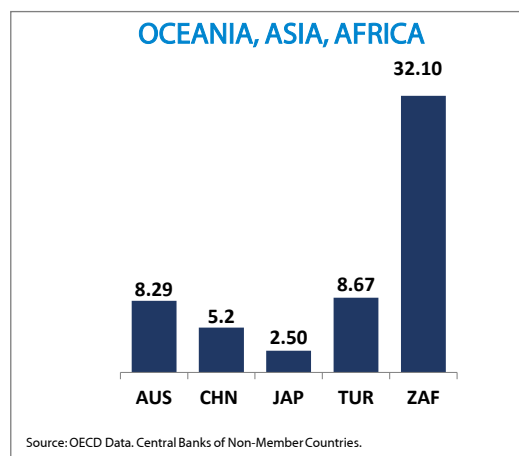
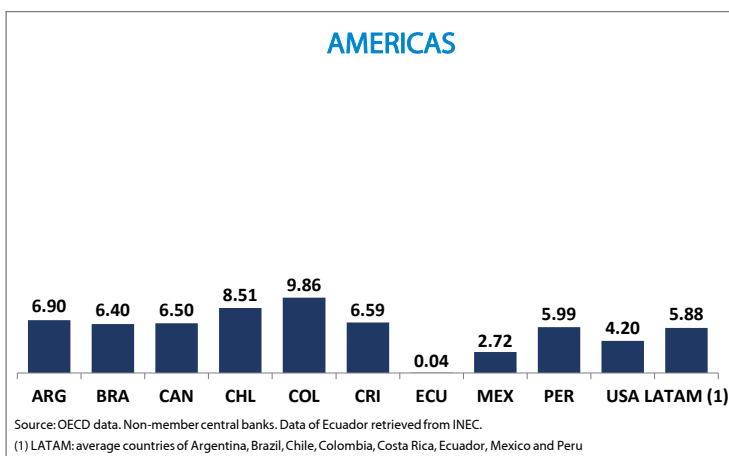
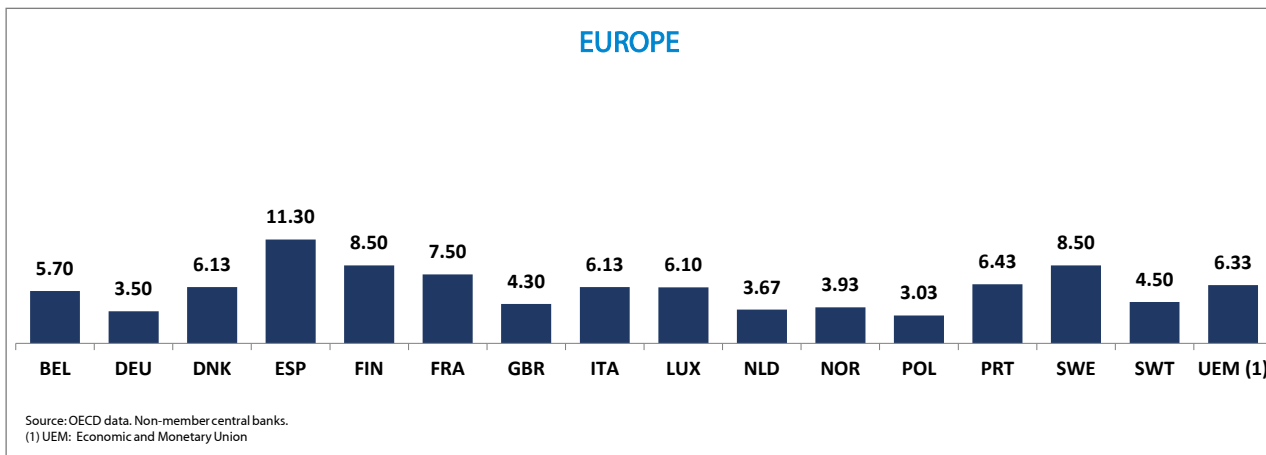
- ▶ The IMF highlights the importance of mitigating the disruption caused by exchange rate volatility. Differences in disinflation across countries lead to desynchronization of central bank policies, which may result in increased capital flows. The appreciation of the US dollar on the back of high-interest rate expectations could push up domestic prices in economies with higher import dependence and a larger share of dollar-denominated imports, potentially putting pressure on their financial sectors.
- ▶ OECD notes that global risks include geopolitical tensions, trade issues, and slower growth, but a recovery in real incomes could boost consumer confidence. Fiscal measures and structural reforms are crucial to ensuring sustainability and long-term growth.
- ▶ The OECD also warns that financial risks remain due to elevated debt levels, overvalued assets, and the deteriorating creditworthiness of some borrowers, particularly in the commercial real estate sector. In addition, the growing scope and interconnectedness of less regulated non-bank financial institutions increase the likelihood of adverse shocks spreading rapidly across different market segments.

(1) The average for Latam countries is based on macroeconomic data for Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico and Peru

GDP (% , year-on-year growth)

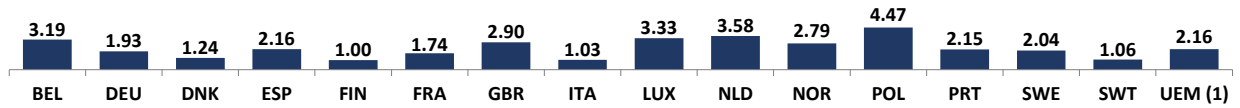


Unemployment rate (%)



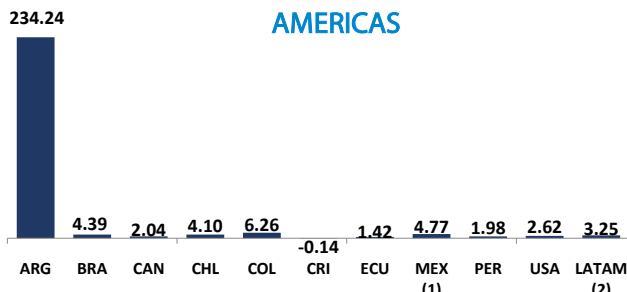
Inflation rate (%)

EUROPE



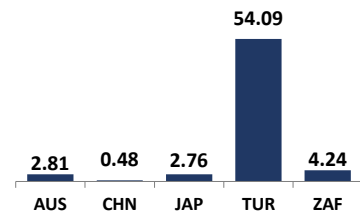
Source: OECD Data, Central Banks of Non-Member Countries.
(1) Monetary and Economic Union

AMERICAS



Source: OECD Data, Trading Economics, Central Banks of Non-Member Countries. Data of Ecuador retrieved from INEC.
(1) Data from 2Q24. 3Q24 data not available.
(2) LATAM: average of Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, and Peru

OCEANIA, ASIA, AFRICA



Source: OECD Data, Trading Economics, Central Banks of Non-Member Countries

Global Ratings and Exchange Rates

LONG-TERM RATES 3Q24

	MOODY'S	S&P	Fitch
EUROPE			
BEL	Aa3	AA	AA-
DEU	Aaa	AAA	AAA
DNK	Aaa	AAA	AAA
ESP	Baa1	A	A-
FIN	Aa1	AA+	AA+
FRA	Aa2	AA-	AA-
ITA	Baa3	BBB	BBB
LUX	Aaa	AAA	AAA
NLD	Aaa	AAA	AAA
NOR	Aaa	AAA	AAA
POL	A2	A-	A-
PRT	A3	A-	BBB+
GBR	Aa3	AA	AA-
SWE	Aaa	AAA	AAA
SWT	Aaa	AAA	AAA
AFRICA			
ZAF	Ba2	BB-	BB-
OCEANIA			
AUS	Aaa	AAA	AAA
ASIA			
CHN	A1	A+	A+
JAP	A1	A+	A
TUR	B1	BB- ▲	B
AMERICAS			
ARG	Ca	CCC	C
BRA	Ba1 ▲	BB	BB ▲
CAN	Aaa	AAA	AA+
CHL	A2	A	A-
COL	Baa2	BB+	BB+
CRI	Ba3 ▲	BB-	BB-
ECU	Caa3	B-	B-
MEX	Baa2	BBB	BBB-
PER	Baa1	BBB-	BBB
USA	Aaa	AA+	AAA

▲ Increased from 2Q24 ▼ Decreased from 2Q24

Source: Investing

EXCHANGE RATES 3Q24 (\$¹)

EUROPE	3Q23	4Q23	1Q24	2Q24	3Q24	2024
EUR	0.92	0.93	0.92	0.93	0.91	0.92
CHF	1.13	1.13	1.14	0.90	0.87	0.88
DKK	6.85	6.93	6.87	6.93	6.79	6.90
NOK	10.48	10.81	10.51	10.75	10.70	10.75
SEK	10.81	10.65	10.39	10.68	10.42	10.58
GBP	0.79	0.81	0.79	0.79	0.77	0.78
PLN	4.14	4.10	3.99	3.99	3.90	3.99
AMERICAS	3Q23	4Q23	1Q24	2Q24	3Q24	2024
ARG	334.66	443.71	833.91	885.25	940.59	913.54
BRL	4.89	4.96	4.95	5.21	5.55	5.36
CLP	839.20	895.36	945.96	933.72	903.11	943.76
COP	4,043.78	4,064.32	3,913.15	3,923.29	4,904.54	4,090.76
PER	3.66	3.77	3.74	3.73	3.47	3.76
MXN	17.06	17.54	16.97	17.23	18.93	18.30
AFRICA	3Q23	4Q23	1Q24	2Q24	3Q24	2024
ZAR	18.64	18.73	18.87	18.56	17.97	18.36
OCEANIA	3Q23	4Q23	1Q24	2Q24	3Q24	2024
AUS	1.53	1.54	1.52	1.52	1.49	1.51
ASIA	3Q23	4Q23	1Q24	2Q24	3Q24	2024
RMB	7.24	7.22	7.19	7.24	7.16	7.20
TRY	26.81	28.55	30.90	32.35	33.50	32.77

Source: Investing, OECD projections, December 2024.

(1) The base currency used is the U.S. dollar against each local currency quoted

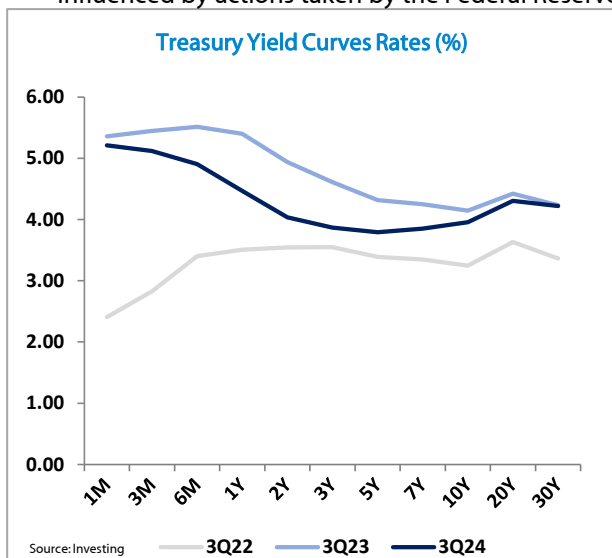
2. Macroeconomic view

The US economy shows signs of continued moderate growth, with GDP growth projected to reach 2.77% in 2024 and 2.38% in 2025. However, the continued rise in imports outpacing exports, along with a higher unemployment rate, could lower rates of consumer spending and reduce net exports.

Main Macroeconomic Indicators (%)									
ACTIVITY	3Q23	4Q23	1Q24	2Q24	3Q24	Var. p.p.2Q24	Var. p.p.3Q23	2024	2025
GDP	3.24	3.20	2.90	3.04	2.66	-0.38	-0.58	2.77	2.38
DOMESTIC DEMAND	2.98	3.06	3.01	3.34	3.08	-0.26	0.10	3.11	2.57
HOUSEHOLD CONSUMPTION	2.42	2.98	2.24	2.69	2.94	0.25	0.52	2.66	2.33
PUBLIC CONSUMPTION	3.56	2.86	2.10	2.45	2.50	0.05	-1.06	2.38	1.75
CAPITAL FORMATION	4.06	5.35	5.89	4.37	3.96	-0.41	-0.10	4.45	3.66
EXTERNAL DEMAND									
EXPORTS	0.16	1.97	1.95	3.48	4.46	0.98	4.30	3.19	2.41
IMPORTS	-1.01	1.18	2.91	5.64	7.25	1.61	8.26	5.62	3.87
INFLATION									
CPI	3.51	3.24	3.24	3.20	2.62	-0.58	-0.89	2.93	2.40
LABOUR MARKET									
UNEMPLOYMENT RATE	3.70	3.73	3.80	4.00	4.20	0.20	0.50	4.02	4.14
EMPLOYMENT ⁽¹⁾	1.57	1.59	0.93	0.23	0.06	-0.17	-1.51	0.27	0.94

(1) The employment variable represents the year-on-year change in employment growth. Source: International Labour Organization (ILO)
Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of November 26th, 2024. The series for the other quarters have also been updated to the database as of November 26th, 2024, to gain consistency. Projections OECD December 2024.

- ▶ This quarter's GDP growth of 2.66% is driven by domestic demand, with household consumption growing at a rate of 2.94% and public consumption growing by 2.50%. Capital formation, while positive at 3.96%, experienced a slight decrease from the previous quarter (-0.41 p.p.). Imports have significantly increased by 7.25%, a jump of 1.61 p.p. from last quarter and 8.26 p.p. from the third quarter last year. The increase in imports vastly outpaced export growth, with exports increasing by 4.46%. This widening trade deficit may negatively impact GDP.
- ▶ The CPI of 2.62% reflects a decrease in inflation of 0.58 p.p. and 0.89 p.p. compared to the previous quarter and the prior year's third quarter, respectively. This is mainly due to the falling gas prices, and it is closely approaching the Fed's long-term target of 2%.
- ▶ The labor market is showing a slower growth in employment, with an increase of only 0.06%. The unemployment rate increased to 4.20%, reflecting a change of 0.20 p.p. from the last quarter and 0.5 p.p. from the third quarter last year, suggesting the need for further analysis of the labor market's condition.
- ▶ The Treasury Yield Curve appears to be flattening, reversing a previous inversion. This shift is possibly influenced by actions taken by the Federal Reserve to decrease interest rates.



3. Banking sector

During 3Q24, total loans growth rates continued to decline compared to the same quarter of the previous year. However, deposits increased in the same comparison. The efficiency ratio worsened, whereas provisions growth rate was lower than in 3Q23. Regarding solvency, CET 1 and leverage ratio improved, but LCR worsened compared to 3Q23. The Federal Reserve decreased interest rates to 5.00% during the third quarter of 2024.

BANKING SECTOR CONTEXT 3Q24 (%)							
BUSINESS	3Q23	4Q23	1Q24	2Q24	3Q24	Var. p.p. 2Q24	Var. p.p. 3Q23
TOTAL LOANS ⁽¹⁾	2.67	1.68	1.57	1.93	2.19	0.26	-0.48
TOTAL DEPOSITS ⁽¹⁾	-4.16	-2.09	15.46	0.88	17.34	16.46	21.50
LTD RATIO	65.39	65.03	56.37	65.52	56.95	-8.57	-8.44
EFFICIENCY							
COST TO INCOME	55.52	40.56	59.12	58.26	57.86	-0.40	2.34
RISK							
PROVISIONS ⁽¹⁾	99.37	67.39	0.61	4.07	9.33	5.26	-90.04
NPL RATIO	0.82	0.86	0.91	0.91	0.95	0.04	0.13
SOLVENCY ⁽²⁾							
CET 1 ⁽²⁾	16.06	15.94	16.05	16.04	16.12	0.08	0.06
LEVERAGE RATIO	11.32	11.28	11.28	11.37	11.41	0.04	0.09
LCR	121.77	116.35	114.50	108.62	110.07	1.45	-11.70
FED INTEREST RATES							
INTEREST RATES	5.50	5.50	5.50	5.50	5.00	-0.50	-0.50

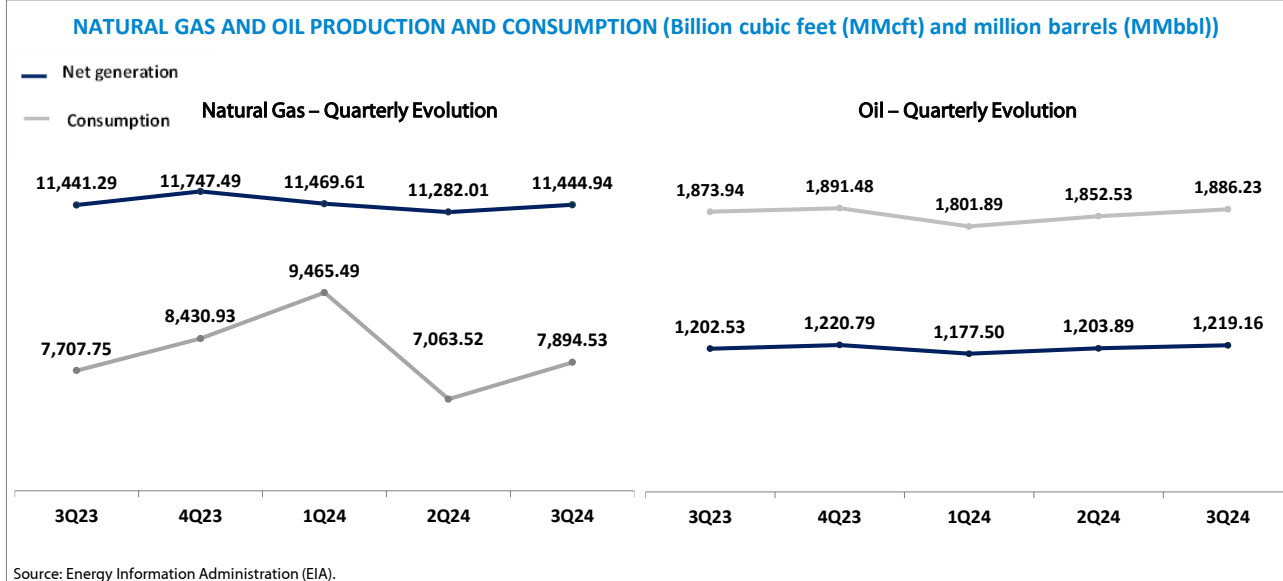
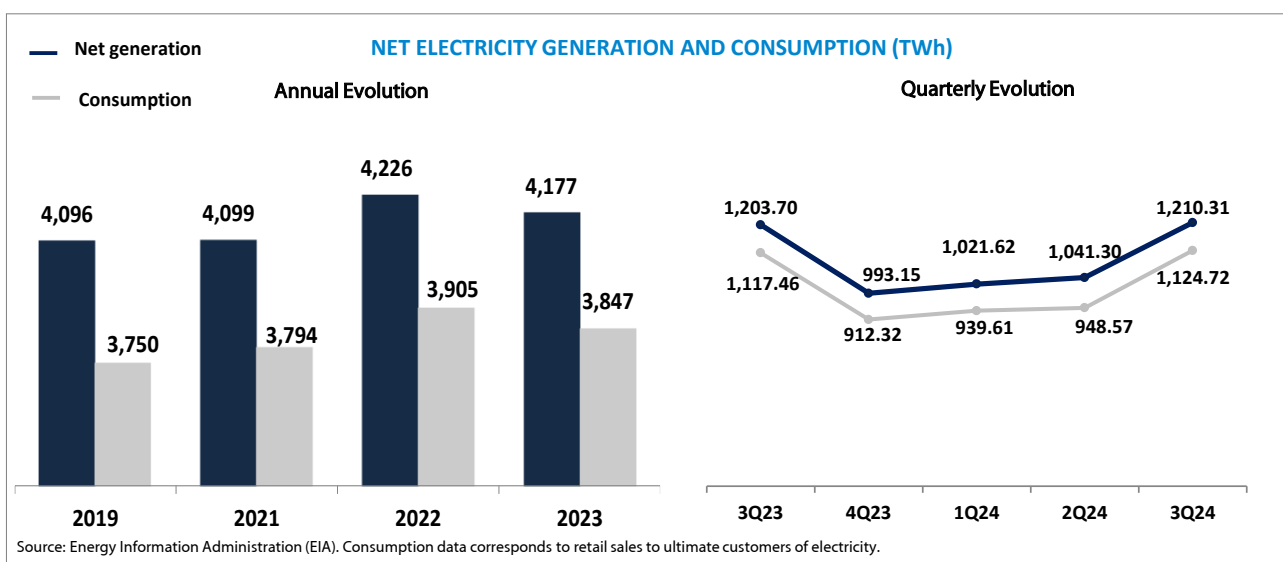
Sources: Federal Deposit Insurance Corporation (FDIC). FED interest rates: Investing
⁽¹⁾ The values for loans, deposits and provisions reflect their year-over-year growth rates
⁽²⁾ CET 1 ratio measured as fully-loaded and Leverage ratio as fully phased-in definition of Tier 1.

- ▶ During 3Q24, total loans growth rate increased by 0.26 p.p. compared to the previous quarter, and decreased by 0.48 p.p. in comparison to 3Q23. By contrast, y-o-y total deposits growth rate increased by 16.46 p.p. when compared to 2Q24, and increased by 21.50 p.p. compared to the same quarter of 2023. The LTD ratio decreased in comparison to 3Q23 by 8.44 p.p., reaching 56.95%.
- ▶ In terms of efficiency, the cost to income worsened compared with 3Q23 by 2.34 p.p., reaching 57.86% in the third quarter of 2024. However, compared to the previous quarter, the ratio in the third quarter improved by 0.40 p.p.
- ▶ During the third quarter of 2024, the year-on-year growth rate of provisions decreased by 90.04 p.p. in comparison to the same quarter last year. On the other hand, provisions improved by 5.26 p.p. when compared to 2Q24. For the US banking sector, non-performing loans reached 0.95% during 3Q24, worsening its results by 0.13 p.p. and by 0.04 p.p., compared to 3Q23 and the previous quarter, respectively.
- ▶ All solvency ratios improved quarterly. CET1 slightly increased by 0.06 p.p. compared to 3Q23, bringing the rate to 16.12%. The leverage ratio increased 0.09 p.p., and 0.04 p.p. when compared to 3Q23 and 2Q24, respectively, reaching 11.41% during the third quarter of 2024. LCR decreased year-on-year by 11.70 p.p. to a level of 110.07%, representing an increase of 1.45 p.p. compared to the previous quarter.
- ▶ In the third quarter of 2024, the decision of keeping the interest rates stable has concluded. The Federal Reserve reduced interest rates from 5.50% to 5.00% due to the economic slowdown and controlled inflation. The decision aimed to support economic growth and maintain price stability.

4. Energy sector

In the third quarter of 2024, the net electricity generation and consumption increased compared to 3Q23. In addition, natural gas consumption and natural gas production also increased. Furthermore, oil consumption and net generation elevated in comparison to the same quarter of the previous year.

- During the third quarter of 2024, net electricity generation reached 1,210.31 TWh. On a year-over-year basis, production slightly increased by 0.54% compared to 3Q23. In addition, compared to the previous quarter, production rose by 16.23%. Electricity consumption followed a similar trend to production, registering increases both compared to a year ago (0.65%) and the last quarter (18.57%).
- Domestic natural gas production slightly increased year-over-year by 0.03%. On the other hand, natural gas consumption increased by 2.42%, in the same period, reaching 7,894.53 MMcft.
- Oil consumption continued to exceed production levels at 1,886.23 MMbbl and 1,219.16 MMbbl, respectively. However, oil production showed a y-o-y growth of 1.38%, while oil consumption also increased, by 0.65%.



5. Glossary

- ▶ **BUSINESS VOLUME:** The business volume is the set of activities that generate income for a bank, formed by financing (loans) plus customer resources (deposits).
- ▶ **CET 1:** Common Equity Tier 1 capital is the highest quality of regulatory capital, as it absorbs losses immediately when they occur.
- ▶ **COVERAGE RATIO:** It is a ratio that describes the protection that financial entities have against the unpaid loans of their clients. It is represented as the total provisions that the entity has over the total doubtful loans.
- ▶ **CPI:** The consumer price index is an indicator that measures the variation of prices of a basket of goods and services in a specific location during a certain period of time.
- ▶ **EFFICIENCY RATIO:** It is a ratio that measures the productivity of an entity. It is the result of the quotient between operating expenses and gross margin. In other words, it relates the income obtained with the expenses necessary for its achievement. As a conclusion, an entity will be more efficient the lower its efficiency ratio.
- ▶ **GDP:** Gross Domestic Product (GDP) is an economic indicator that reflects the monetary value of all final goods and services produced by a territory in a certain period of time. It is used to measure the wealth generated by a country.
- ▶ **GM/ATAs:** Gross Margin / Average Total Assets. Gross margin is composed of the set of revenues generated by a financial entity in its activity.
- ▶ **LEVERAGE RATIO:** The Tier 1 leverage ratio measures a bank's core capital relative to its total assets. The numerator consists of the most stable and liquid capital, as well as the most effective at absorbing losses during a financial crisis or recession. The denominator is a bank's total exposures, which include its consolidated assets, derivative exposures and certain off-balance sheet exposures.
- ▶ **LCR (Liquidity Coverage Ratio):** this ratio measures a bank's liquidity. It is calculated as the institution total liquid assets divided by its short-term obligations.
- ▶ **LTD RATIO:** This ratio is used to evaluate a bank's liquidity by comparing the total loans of a bank with the total deposits during the same period.
- ▶ **NON-PERFORMING LOANS (NPL) RATIO:** The non-performing loan (NPL) ratio is an indicator used to measure the volume of operations that have been considered non-performing, in relation to the volume of loans and credits granted by said entity.
- ▶ **OE/ATAs:** Operating Expenses / Average Total Assets. Operating expenses are those that an entity incurs during the exercise of its activity.
- ▶ **OECD:** Organization for Economic Cooperation and Development.
- ▶ **p.p.:** percentage points.
- ▶ **ROA:** An indicator that measures the profitability of a company in relation to its total assets. It indicates the return that is being obtained for its assets. It is calculated as the quotient between profit and total assets. The profit used is that obtained before taxes and interests.
- ▶ **ROE:** Financial profitability is also known as return on equity, which relates the net profits obtained in a given investment operation with the own resources.

6. Appendix

MACROECONOMIC OVERVIEW

- ▶ Bureau of Labor Statistics (BLS):
<http://www.bls.gov>
- ▶ Bureau of Economic Analysis (BEA):
<http://www.bea.gov>
- ▶ Federal Deposit Insurance Corporation (FDIC):
<https://www.fdic.gov/>
- ▶ Federal Reserve USA:
<http://www.federalreserve.gov/>
- ▶ Organisation for Economic Co-operation and Development, (OECD):
<http://www.oecd.org/home/>
- ▶ US Department of Treasury
<https://home.treasury.gov/>

FINANCIAL SECTOR

- ▶ Federal Deposit Insurance Corporation:
<http://www.fdic.com>

ENERGY SECTOR

- ▶ Energy Information Administration (EIA):
<https://www.eia.gov/>

ACRONYMS

- | | | | | |
|-----------------|-----------------------|--------------------|----------------------|--------------------------------|
| ▶ DEU - Germany | ▶ LUX - Luxembourg | ▶ TUR - Turkey | ▶ ECU - Ecuador | ▶ ZAF - South Africa |
| ▶ BEL - Belgium | ▶ NLD - Netherlands | ▶ ARG - Argentina | ▶ MEX - Mexico | ▶ UEM- European Monetary Union |
| ▶ DIN - Denmark | ▶ NOR - Norway | ▶ BRA - Brazil | ▶ PER - Peru | |
| ▶ ESP - Spain | ▶ POL - Poland | ▶ CAN - Canada | ▶ USA- United States | |
| ▶ FIN - Finland | ▶ PRT - Portugal | ▶ CHL - Chile | ▶ AUS - Australia | |
| ▶ FRA - France | ▶ GBR- United Kingdom | ▶ COL - Colombia | ▶ CHN - China | |
| ▶ ITA - Italy | ▶ SUE - Sweden | ▶ CRI - Costa Rica | ▶ JAP - Japan | |



Our goal is to exceed client expectations, becoming their trusted partners

Management Solutions is an international consulting services firm focused on business, risk, finance, organization and process consulting, both in their functional components and in the implementation of related technologies.

With a multidisciplinary team (functional, mathematical, technical, etc.) of nearly 4,000 professionals, Management Solutions operates through 48 offices (21 in Europe, 22 in America, 3 in Asia, 1 in Africa & 1 in Oceania).

To meet these requirements, Management Solutions structures its activities by industry (Financial Institutions, Energy, Telecommunications, Consumer Products and Industry, Government and Construction), grouping together a wide range of areas of specialization, including Strategy, Sales and Marketing Management, Organization and Processes, Risk Management and Control, Management and Financial Reporting and New Technologies.

Patricia Pajuelo Gaviro

Partner at Management Solutions

Patricipa.pajuelo@msnorthamerica.com

Marta Hierro

Partner of Management Solutions

Marta.hierro@managementsolutions.com

Management Solutions

Tel. +(1) 212 626 6640

www.msnorthamerica.com

Management Solutions, Professional Consulting Services

Management Solutions is an international consulting firm whose core mission is to deliver business, risk, financial, organisation, technology and process-related advisory services.

For further information please visit www.managementsolutions.com

Follow us at: [in](#) [X](#) [f](#) [@](#) [v](#)

© Management Solutions. 2025

All rights reserved

www.managementsolutions.com

Madrid Barcelona Bilbao Coruña Málaga London Frankfurt Düsseldorf Wien Paris Amsterdam Copenhagen Oslo Stockholm Warszawa Wrocław Zürich
Milano Roma Bologna Lisboa Beijing Abu Dhabi Istanbul Johannesburg Sydney Toronto New York New Jersey Boston Pittsburgh Atlanta Birmingham Houston
Miami SJ de Puerto Rico San José Ciudad de México Monterrey Querétaro Medellín Bogotá Quito São Paulo Rio de Janeiro Lima Santiago de Chile Buenos Aires