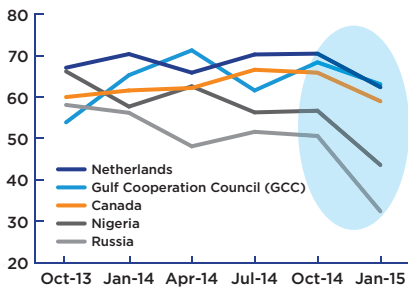
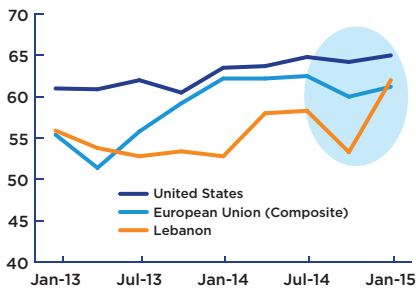


SPOTLIGHT

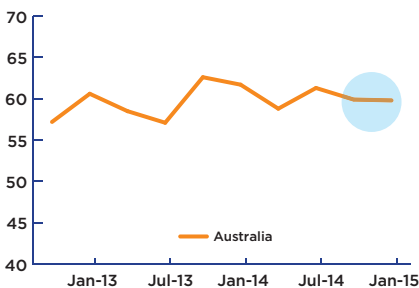
Confidence slumped in hydrocarbon-exporting countries...



...but confidence improved for those who benefit from lower oil prices



Oil prices affect each side of Australia's "two-speed economy" differently, resulting in unchanged confidence levels



YPO and WPO Members:

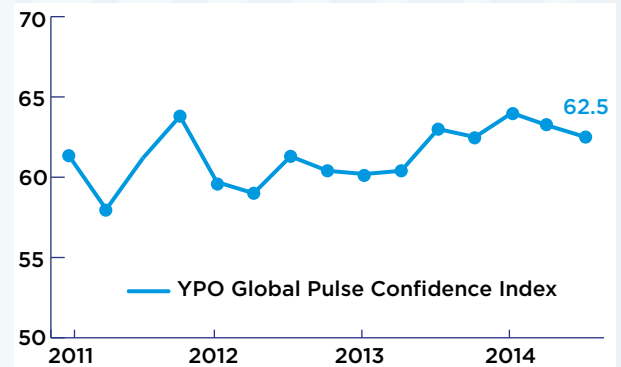
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WHO'S WORRIED ABOUT THE OIL GLUT?

As YPO and WPO members shared their perspectives through the January 2015 YPO Global Pulse survey, crude oil prices fell below US\$50 per barrel for the first time in nearly six years. Confidence increases in net oil-importing economies largely compensated for the weakened optimism in oil exporters, leaving the YPO Global Pulse Confidence Index only 0.7 point off its October 2014 reading at a still-optimistic 62.5.



- **Canada's** confidence index plummeted nearly 7.0 points to 59.0, below the global reading. It was the biggest mover over the fourth quarter of 2014.
- By contrast, the **United States** moved up to the top spot as the world's most optimistic region for the second time in the 5.5-year history of the survey. Its index landed at 65.0, within an eyelash of its historic high. With two-thirds of its GDP tied to consumer spending, the United States is a primary beneficiary of lower oil prices.
- The **Middle East and North Africa** region is still the second-most optimistic region in the world, even after a drop in its index of 3.4 points, to 62.4. Weakened confidence in most countries across the region was partially offset by increases in Lebanon -which benefits from lower crude prices - and Saudi Arabia, where the government has committed to funding sweeping development projects despite the drop in oil revenues.
- Confidence in **Asia** declined 3.3 points to 62.2, landing below the global reading for the first time in more than a year. The continued tapering of growth in China has had ripple effects throughout the region.
- Lower oil prices and a weaker euro provided fresh optimism in the **European Union**, whose index rose 1.2 points to 61.2, recovering some of the points lost in the previous quarter. **Non-EU Europe**, however, is the world's least optimistic region with an index reading of 54.3, dragged down by Russia and Ukraine, where confidence levels plunged to the dismal 30s.
- Elsewhere, the confidence index for **Africa** dipped 2.6 points to 59.3, placing it below the global reading for the fourth consecutive quarter. Sentiment in **Australasia** (Australia plus New Zealand composite) was unchanged at 60.1; Australia by itself was virtually unchanged at 59.8. **Latin America** slumped 1.8 points to 55.5, its lowest level since July 2013.

YPO CONFIDENCE INDEX BY AREA

Arrows indicate directional change versus previous quarter

62.5 ↓	59.3 ↓	62.2 ↓	60.1 ↔	59.0 ↓	61.2 ↑	54.3 ↓	55.5 ↓	62.4 ↓	65.0 ↑
Global	Africa	Asia	Australasia	Canada	European Union	Europe Non-EU	Latin America	MENA	United States