U.S. economy could slip from top spot in 2020 and keep slipping, analysts say

Shawn Langlois

America’s days as the world’s most powerful economy are numbered, and when that torch is finally passed, it’ll be tough to get back, according to a recent report.

Read: China’s trade surplus with U.S. hits record in 2018

In our call of the day, Standard Chartered predicts that China’s GDP will overtake the U.S. next year. What’s more, within another decade, India is pegged to push the U.S. even further down the list:
“The global middle class is at a tipping point,” writes Standard Chartered researcher Madhur Jha in the report. “By 2020, a majority of the world population will be classified as middle class. Asia will lead the increase in middle-class populations even as middle classes stagnate in the West.”

While the shake-up has been a long time coming, the hand-off could actually take place under Trump’s watch. Can’t wait for the tweet.

Speaking of Trump tweets, here’s what the president was doing Sunday night:

But back to the call...

The Visual Capitalist followed up with a graphic for some added color on how the reshaping of the status quo will look over the next dozen years:
China’s GDP growth will moderate to 5.0% by 2030, reflecting a natural slowdown given the economy’s size.

Asia’s slice of the global GDP pie

2010 20% 2017 28% 2030P 35%

India’s GDP growth rate is expected to accelerate to 7.8%, fueled in part by rapid urbanization.

World’s fastest growing cities, by annual pop. growth

Rajkot 8.3% Agra 8.6%
Surat 9.1% Hyderabad 8.5%
Trivandrum 8.3% Bengaluru 8.5%

Countries’ share of world GDP should eventually converge with their share of global population as the divide between advanced and developing economies continues to close.

Egypt is projected to leap from 21st to 7th place by 2030. During this time, the country’s population is expected to reach 128 million, an increase of over 30%.
“With the divide between emerging and developed economies closing at a seemingly faster rate than ever before,” says Visual Capitalist’s Jeff Desjardins in a blog post, “this should be seen as an interesting opportunity for all investors taking a long-term view.”

Meanwhile, with the U.S. government still on pause, the fate of Brexit hanging in the balance and volatility dogging global markets, investors have to be feeling pretty edgy heading into the week. That mood is reflected in markets early.

**The market**

European markets are weaker leading up to U.K. Parliament’s vote on PM Theresa May’s Brexit deal on Tuesday. Traders have doubts she’ll be able to get enough votes to push forward her plan to exit from the EU before a March 29 deadline, which itself could be pushed back. May warned Sunday that lawmakers could undermine the public’s faith in democracy if they reject her divorce deal.

The FTSE 100 **UKX, -0.14%** fell amid the uncertainty, while the rest of Europe **SXXP, +0.61%** also came under pressure.

The Dow Jones Industrial Average **DJIA, +0.75%** , S&P 500 **SPX, +0.85%** and Nasdaq Composite **COMP, +1.29%** are all trading lower. Crude **CLH9, +0.79%** is also in the red, while gold **GCH9, +1.75%** is managing
another uptick.

Japan’s Nikkei NIK, +0.97% is closed for a holiday, but other Asia markets AOW, +1.31% couldn’t shake the selling.

See more in Market Snapshot

The chart

About a year ago, this visualization of inflation was hailed as “one of the most important charts of the century.” Now, Mark Perry, economics professor at the University of Michigan, has updated it to show not much has changed:
The buzz

PG&E PCG, -15.63% shares are tanking after the California utility said it plans to file for bankruptcy around Jan. 29. Furthermore, CEO Geisha
Williams stepped down Sunday. The stock has tumbled in recent months as company grapples with tens of billions of dollars in potential liabilities from the devastating wildfires its equipment has caused in recent years.

It’s an M&A Monday. Goldcorp GG, +3.05% is soaring on news rival Newmont Mining NEM, +3.05% will buy it in an all-share deal valued at $10 billion. Gannett GCI, +1.45% is in rally mode after the publisher of USA Today said it got a buyout bid from hedge fund MNG Enterprises.

Earnings news kicked off with Citi’s C, +2.09% mixed results. The stock is up more than 3% in early trades.

Megyn Kelly is officially out at NBC and, according to CNN, she’s taking her entire $69 million contract — about $30 million had yet to be paid — with her as she leaves behind a trail of controversies, including her defense of blackface.

She’s not quite Donald Trump, but Alexandria Ocasio-Cortez is kicking up the kind of social-media buzz most “influencers” can only dream of. In fact, the newly elected congresswoman has generated more social interactions over the past month than the top five news sites combined, according to this chart from Axios:

The quote

“We talked about a huge investment in electric vehicles. We have 16 models that are in design and development. We have a pretty big surprise coming next year” — Ford Motor CEO Jim Hackett, talking to CNBC on Sunday ahead of the big Detroit Auto Show this week. Ford $F, +3.02% could use some positive surprises, considering how woeful it’s stock has been performing these days.

The stat
$950 million — That’s how much Bill Gross currently manages in the Janus Henderson Global Unconstrained Bond fund, according to the Financial Times. Not bad, unless you put it in perspective. As recently as 2014, Gross was managing more than $300 billion before he moved from Pimco to Janus. His performance isn’t helping matters. The fund lost 3.9% last year vs. a 1.2% decline for its peer group, according to Morningstar.

The economy

How much we get this week in terms of economic releases depends on whether the government gets back to work. So don’t hold your breath. Regardless, there’s nothing of note for Monday, but we are scheduled to get a look at retail sales and housing starts later this week, pending the madness in Washington. We’ll see.

Read: Government shutdown poses threat of agricultural data shock

Random reads
Apparently, it’s not OK to **drink wine from a Pringles can** while driving around an electric cart in a Walmart **WMT, -1.44%** parking lot.

For those of you worried that Anthony Scaramucci might drift away from the spotlight, fret not! CBS **CBS, +0.39%** has your back.

Car thief **steals $42 million** in cash and stuff from a car in the Hamptons.

Golf is suffering... and so are the people who **own homes on the course**.

Move over, Kylie Jenner, there’s a new Instagram sensation — an **egg**.

And the beginning of the end of “Game of Thrones” is **almost here**. Here’s a sneak-peak of what we’ll see on April 14:

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