المركز المصري للدراسات الاقتصادية
The Egyptian Center for Economic Studies

# Our Economy and The World

## The Weekly Report

Issue: 295 Date: 6th November 2022

**This week's issue of "Our Economy and the World" includes:**

# Key Global and Regional Developments over the Past Week

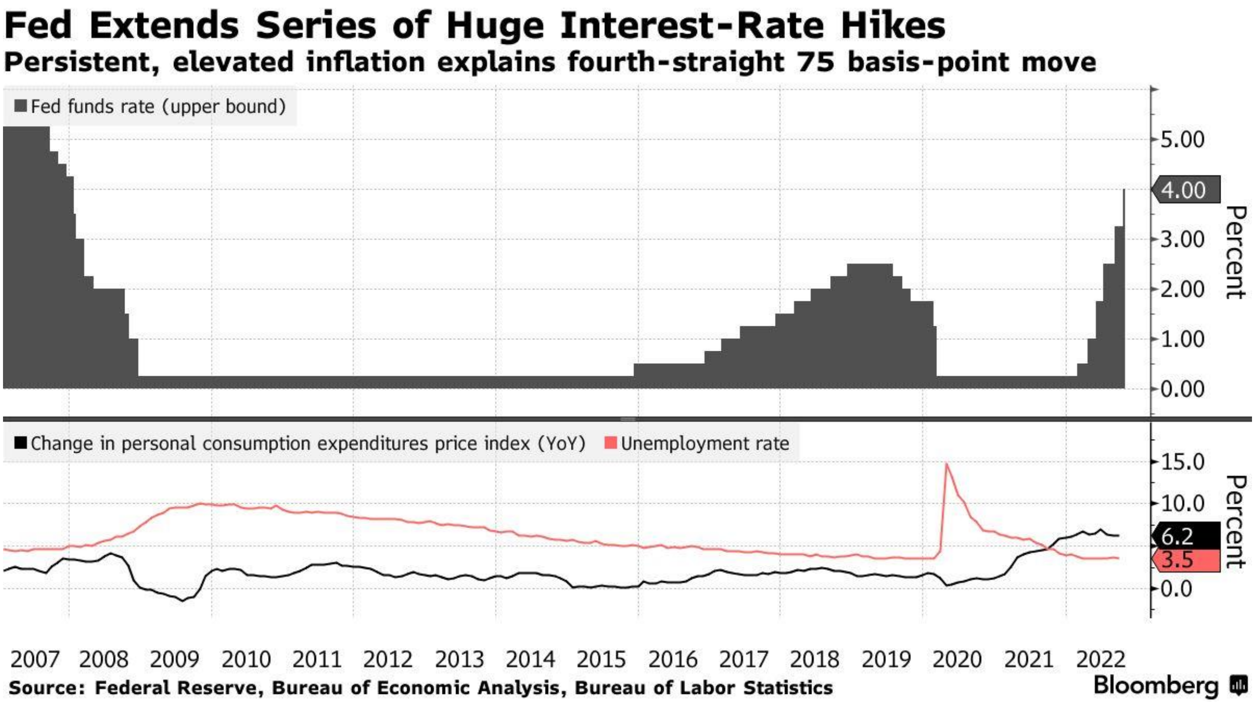
## Financial Times: Russia agrees to rejoin Ukraine grain exports deal

Grain shipments from Ukraine will resume on Wednesday after Russia agreed to rejoin a UN-backed initiative to allow exports via the Black Sea, ending a stand-off that threatened to reignite a global food crisis. Turkey's president Recep Tayyip Erdoğan said Sergei Shoigu, the Russian defense minister, had phoned his Turkish counterpart to say Moscow was back on.

(Read Full Article)

## Bloomberg: Powell sees higher peak for rates, path to slow tempo of hikes

Federal Reserve Chair Jerome Powell opened a new phase in his campaign to regain control of inflation, saying US interest rates will go higher than earlier projected, but the path may soon involve smaller hikes. Addressing reporters Wednesday after the Fed raised rates by 75 basis points for the fourth time in a row, Powell said "incoming data since our last meeting suggests that ultimate level of interest rates will be higher than previously expected." Powell said that it would be appropriate to slow the pace of increases "as soon as the next meeting or the one after that. No decision has been made," he said, while stressing that "we still have some ways" before rates were tight enough.




(Read Full Article)

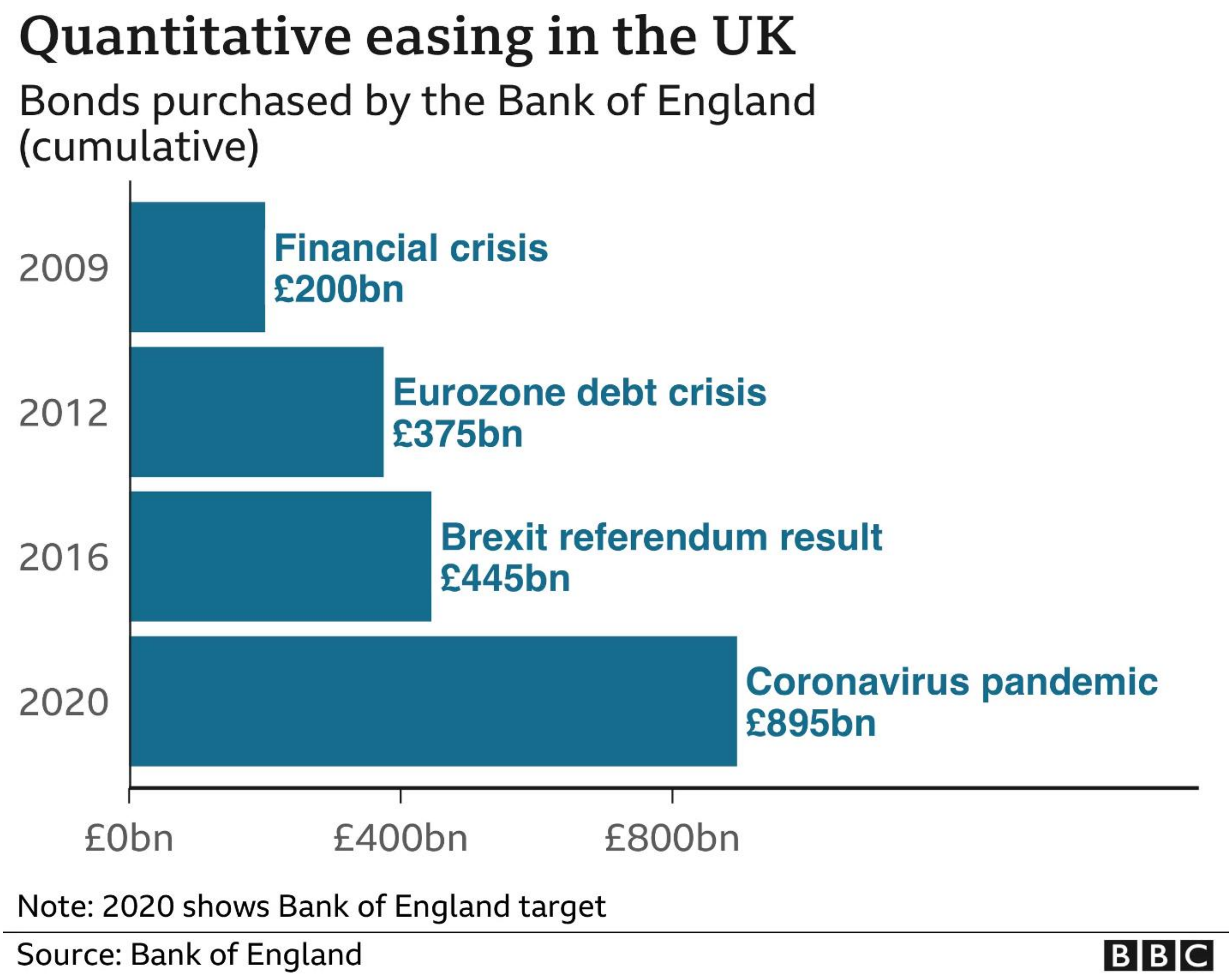
## Reuters: China vows commitment to growth as investors bet on easier COVID policy

Chinese policymakers pledged on Wednesday that growth was still a priority and they would press on with reforms, helping further boost stock markets buoyed by hopes that Beijing will ease off on its strict COVID-19 measures. The policymakers' comments came in an apparent bid to soothe fears that ideology could take precedence as Xi Jinping began a new leadership term and strict COVID curbs exact a growing toll on the world's second-largest economy. Even though case numbers are rising and disruptive lockdowns continue with no clear exit strategy in sight, investors latched on to hope that China may ease its strict COVID policy in the coming months.

(Read Full Article)

## BBC: Bank makes history as it reverses quantitative easing

In an historic milestone, the Bank of England has begun to unwind the key emergency support it brought in after the 2008 financial crisis. The bank sold off a tranche of government bonds on Tuesday, as it started to reverse the process known as "quantitative easing" or QE. QE has been credited with helping the UK through shocks such as Covid.




(Read Full Article)

## Reuters: Euro zone government bond yields tread water ahead of Fed

Euro zone government bond yields drifted higher on Wednesday ahead of the Federal Reserve's policy meeting, after U.S. employment data tempered expectations for the central bank to signal it may not raise interest rates as quickly. U.S. job openings unexpectedly rose in September, suggesting demand for labour remained strong, while a separate measure of private-sector employment showed more expansion in October than economists had previously forecast.

(Read Full Article)

# Special Analysis

## World Bank: World Bank Group Climate Change Action Plan 2021–2025 : Supporting Green, Resilient, and Inclusive Development

Our collective responses to climate change, poverty, and inequality are defining choices of our age. We must tackle them together to deliver on our twin goals of reducing poverty and boosting shared prosperity. The COVID-19 pandemic and economic crisis have been devastating, and as we support countries to respond to the ongoing crisis and build back, there is an urgent need to integrate climate and development strategies to deliver green, resilient, and inclusive development. There will be tradeoffs when implementing an ambitious climate agenda, including transition costs, but these can be reduced through a people-centered approach, effective fiscal and social policies, and policies supportive of attracting private sector investment. The cost of not addressing climate change is already immense and will only get more expensive. The World Bank Group (WBG) recognizes that globally, the poor, who are the least responsible for greenhouse gas (GHG) emissions, often suffer the most from climate change impacts.

WBG client countries and private sector clients have powerful reasons to fight climate change. Not only are many of them highly vulnerable to climate impacts, which threaten their ongoing development and the well-being of their people, but as the global economy moves toward a net-zero future, they need to stay competitive. A well-managed transition can ensure that climate action brings more and better jobs and reduces poverty. Accelerating economic transformation is the best way to boost employment sustainably. The WBG will work with both the public and private sectors to support the climate agenda.


(Read Full Report)

# Developments in Financial and Commodity Markets in the Past Week

## CNBC: Dow closes 500 points lower, Nasdaq sheds 3% as Fed Chair Powell signals intent to continue hiking rates

Stocks tumbled Wednesday after Federal Reserve Chair Jerome Powell said inflation was still too high and indicated that the central bank has more rate hiking ahead. The Dow Jones Industrial Average slid 505.44 points, or 1.55%, to settle at 32,147.76. The S&P 500 dropped 2.5% to close at 3,759.69, while the Nasdaq Composite dove 3.36% to finish at 10,524.80.


(Read Full Article)

## CNBC: European markets close lower as investors focus on the Fed's next move; Maersk down 6%

The pan-European Stoxx 600 index provisionally ended down 0.3%, with major bourses and most sectors in negative territory. Household goods fell 1.7% to lead losses, while health care stocks added 1.1%. The U.S. central bank is expected to hike interest rates by 75 basis points on Wednesday when its meeting concludes. Many on Wall Street are looking for a signal from the Federal Open Market Committee's statement or Chairman Jerome Powell's press conference that the U.S. central bank could pause its hikes or reduce their size in the coming months.


(Read Full Article)