



ECES

المركز المصري للدراسات الاقتصادية

The Egyptian Center for Economic Studies



# Our Economy and The World

The Weekly Report

Issue: 254 Date: 5 December 2021

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

- **Key Global and Regional Developments over the Past Week**
  - Bloomberg: Turkish Lira Heads Lower After Erdogan Fires Finance Minister
  - Bloomberg: U.S. Manufacturing Gauge Reverses Decline in Broad-Based Gain
  - Bloomberg: EU Says Close to Guernsey Fishing License Deal With U.K.
  - Reuters: Factories Facing Supply Headaches as Omicron Risks Emerge
- **Special Analysis:**
  - McKinsey: The rise and rise of the global balance sheet: How productively are we using our wealth?
- **Developments in Financial and Commodity Markets over the Past Week**
  - Bloomberg: Oil Rally Fizzles as First U.S. Case of Omicron Rattles Markets
  - CNBC: Dow Finishes 460 Points Lower in Major Reversal Triggered by First U.S. Omicron Case

---

#### Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.



# Our Economy and The World

## The Weekly Report

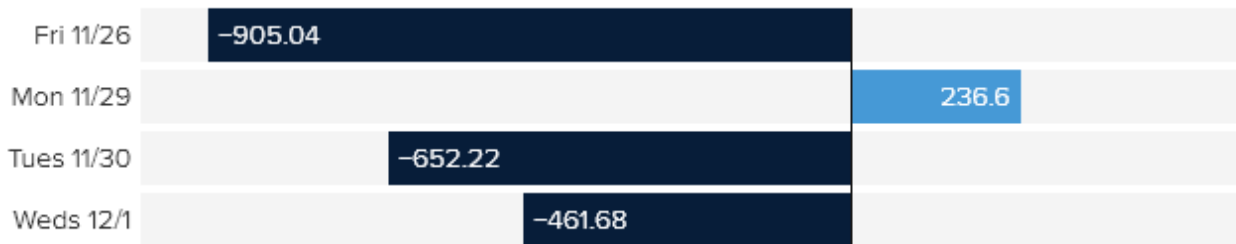
## Key Global and Regional Developments over the Past Week

### [Bloomberg: Turkish Lira Heads Lower After Erdogan Fires Finance Minister](#)

Turkey's lira weakened following news that the country's finance minister had been fired, although it remained within the range that it had traded at over the previous day. The currency was around 13.34 per dollar in early Asian trading Thursday, down 0.7% from the New York close. It weakened to 13.356 late in New York trading Wednesday shortly after the news that Treasury and Finance Minister Lutfi Elvan is leaving his post after being fired by President Recep Tayyip Erdogan.

### Omicron market volatility

Daily point change in the Dow Jones Industrial Average



Source: FactSet. As of market close on Dec. 1.



[\(Read Full Article\)](#)

### [Bloomberg: U.S. Manufacturing Gauge Reverses Decline in Broad-Based Gain](#)

A measure of U.S. manufacturing advanced in November as new orders accelerated and factories ramped up production and hiring. The Institute for Supply Management's gauge of factory activity increased to 61.1 -- in line with expectations -- from 60.8 a month earlier, according to data released Wednesday. Readings above 50 indicate manufacturing is expanding. The group's measure of factory production jumped to a seven-month high and new orders accelerated, underscoring how resilient consumer demand for goods and solid business investment have underpinned the manufacturing recovery.

#### Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.



# Our Economy and The World

## The Weekly Report

### Firmer Growth

U.S. manufacturing gauge climbs on strongest production, employment since April



Source: Institute for Supply Management

Bloomberg

[\(Read Full Article\)](#)

### [Bloomberg: EU Says Close to Guernsey Fishing License Deal With U.K.](#)

The European Union said it's close to reaching an agreement with the U.K. on post-Brexit fishing rights involving the island of Guernsey, one of the thorniest issues in the Anglo-French relationship. "Intensified talks have brought us close to concluding the licensing process for vessels seeking access to the waters of Guernsey, and we expect the licensing decisions to be announced soon," European Fisheries Commissioner Virginijus Sinkevicius told Bloomberg on Wednesday.

[\(Read Full Article\)](#)

### [Reuters: Factories facing supply headaches as Omicron risks emerge](#)

Global factory activity accelerated in November although crippling supply bottlenecks remained, putting a cap on output and driving up the cost of raw materials, according to surveys published on Wednesday. Towards the end of the month, the newly-detected Omicron coronavirus variant emerged as a fresh worry for policymakers, who are already trying to pilot recovering economies and tamp-down inflation.

[\(Read Full Article\)](#)

#### Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.



# Our Economy and The World

## The Weekly Report

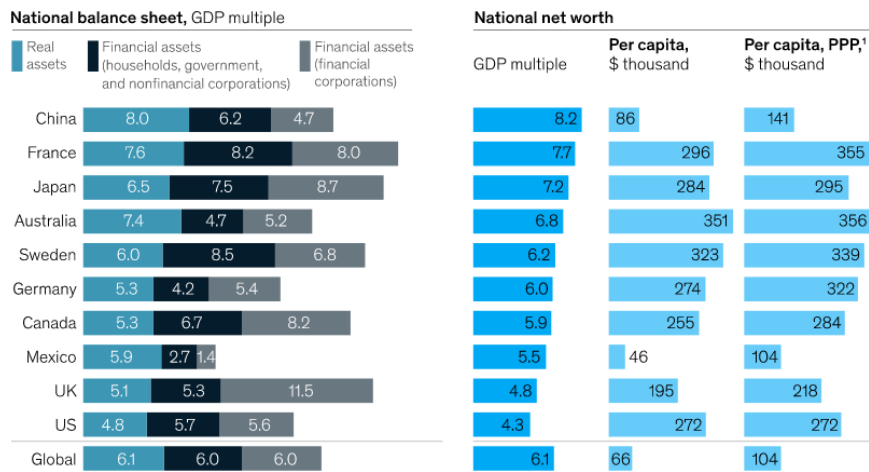
### Special Analysis

#### McKinsey: The rise and rise of the global balance sheet: How productively are we using our wealth?

We have borrowed a page from the corporate world—namely, the balance sheet—to take stock of the underlying health and resilience of the global economy as it begins to rebound from the COVID-19 pandemic. This view from the balance sheet complements more typical approaches based on GDP, capital investment levels, and other measures of economic flows that reflect changes in economic value. Our report, *The rise of the global balance sheet: How productively are we using our wealth?*, provides an in-depth look at the global economy after two decades of financial turbulence and more than ten years of heavy central bank intervention, punctuated by the pandemic.

**Total balance sheets and net worth vary widely by country.**

National balance sheets and net worth at market prices, 2020



Note: The global average is an extrapolation derived from a weighted average of 10 countries based on GDP. Figures may not sum to 100%, because of rounding.

<sup>1</sup>Purchasing power parity. Rates from World Bank; sample average redistributes GDP weights based on PPP GDP; global (extrapolated) view takes into account world PPP GDP multiplied by the net worth/GDP ratio of 6.1.

Source: CEIC; Federal Reserve Board; national statistics offices; OECD; World Bank; McKinsey Global Institute analysis

McKinsey  
& Company

[\(Read Full Report\)](#)

#### Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.



## Our Economy and The World

### The Weekly Report

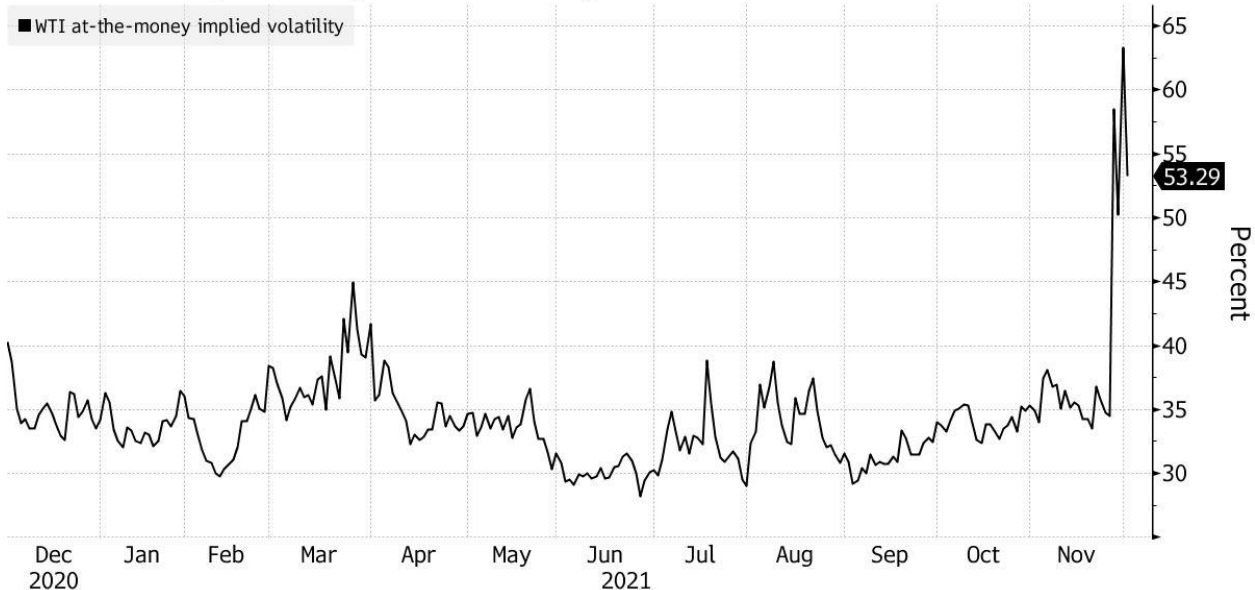
# Developments in Financial and Commodity Markets over the Past Week

### Bloomberg: Oil Rally Fizzles as First U.S. Case of Omicron Rattles Markets

Oil fell in another volatile session with the first identified U.S. case of omicron jolting markets ahead of OPEC's meeting with partners tomorrow to discuss output production. West Texas Intermediate closed down 1%, erasing earlier gains of as much as 5%. The omicron variant continued to worry investors with the first case detected in California and a doubling of South Africa's Covid-19 cases from Tuesday.

### Choppy Trading

Crude volatility has surged in recent days



Source: Nymex, Bloomberg

Bloomberg

[\(Read All Article\)](#)

### CNBC: Dow Finishes 460 Points Lower in Major Reversal Triggered by first U.S. Omicron Case

The major averages fell sharply, giving up solid gains, on Wednesday after the Centers for Disease Control and Prevention confirmed the first case of omicron in the U.S. The Dow Jones Industrial Average fell 461.68 points to 34,022.04, after being up more than 520 points at the high of the day. The S&P 500 lost nearly 1.2% to end at 4,513.04. The broad-market index closed

#### Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.



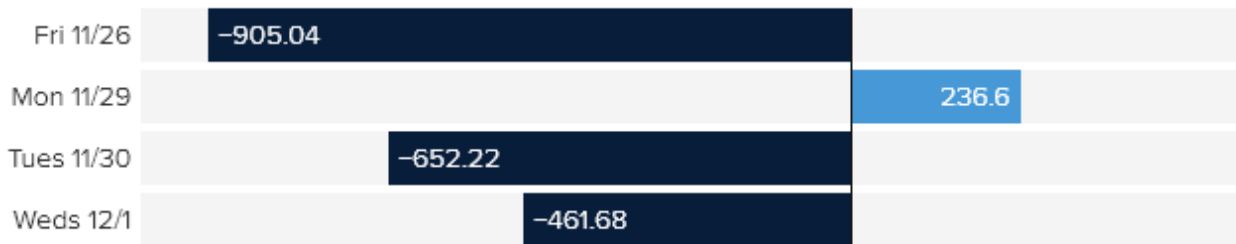
# Our Economy and The World

## The Weekly Report

below its 50-day moving average for the first time since Oct. 13. The Nasdaq Composite dropped 1.8% to 15,254.05 after rising as much as 1.8% earlier in the session

### Omicron market volatility

Daily point change in the Dow Jones Industrial Average



Source: FactSet. As of market close on Dec. 1.

[\(Read All Article\)](#)



#### Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.