



المركز المصري للدراسات الاقتصادية
The Egyptian Center for Economic Studies



Our Economy and The World

The Weekly Report

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Key Global and Regional Developments over the Past Week

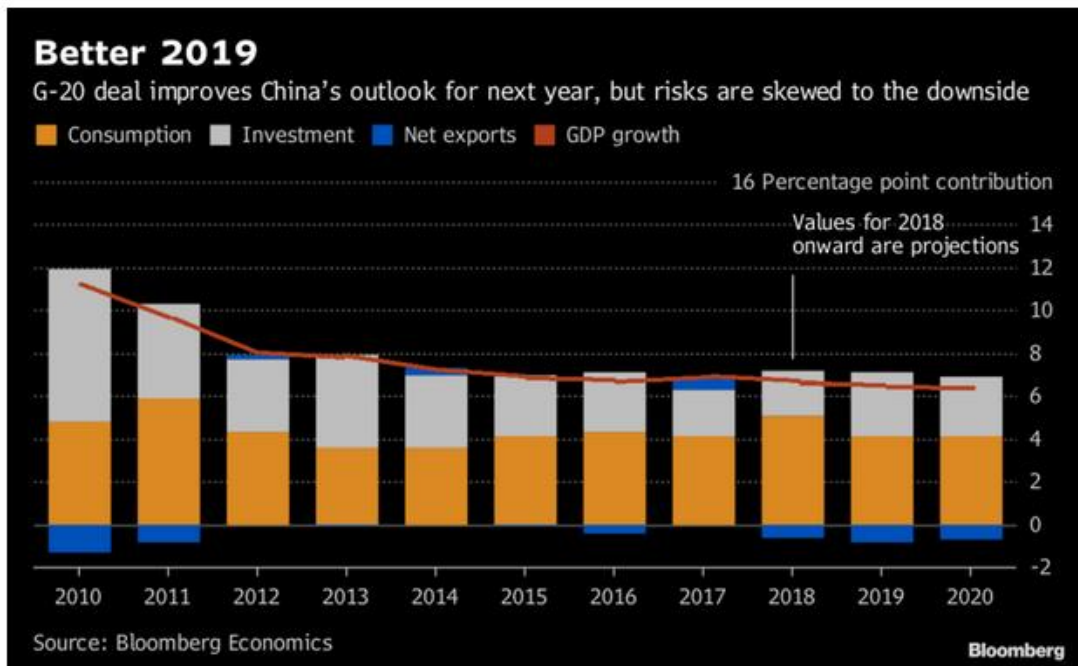
Reuters: U.S. expects immediate action from China on trade commitments

The United States expects China to take immediate action to cut tariffs on U.S. car imports and end intellectual property theft and forced technology transfers as the two countries move toward a broader trade deal, a White House official said on Monday. President Donald Trump and Chinese President Xi Jinping on Saturday agreed to a ceasefire in a trade war that has seen the flow of hundreds of billions of dollars worth of goods between the world’s two largest economies disrupted by tariffs.

[Read the full article](#)

Bloomberg: G-20 deal improves China’s 2019 outlook, risks tilt down

An agreement between President Donald Trump and his counterpart Xi Jinping to dial down the trade dispute offers a number of reasons to be somewhat more optimistic on China’s growth.



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Bloomberg: Brits are being more cautious with how much they spend

U.K. consumer spending growth slowed in November as concerns about Brexit prompted households to become more cautious with their cash. Spending grew 3.3 percent in November, the weakest pace since extreme cold weather dubbed the “Beast from the East” kept shoppers away from stores in March, according to a report by Barclaycard published Tuesday. The proportion of U.K. adults who said they remain confident in their household finances slumped to the lowest level since the payment provider started collecting the data in 2015.

[Read the full article](#)

Bloomberg: ECB shouldn't wait too long to normalize policy, weidmann says

The European Central Bank shouldn't waste any time in normalizing monetary policy if the economic situation in the euro area allows for it, according to Bundesbank President Jens Weidmann. Speaking in Frankfurt on Monday, Weidmann warned that maintaining very loose monetary conditions carries risks and could lead to excesses in the financial system. The end of net asset purchases -- which economists expect to be announced at the ECB's Dec. 13 meeting - is only the first step on a long road of paring back stimulus, he said.

[Read the full article](#)

Bloomberg: Fed's Clarida says risk has tilted toward too-low inflation

The Federal Reserve's No. 2 official made clear in a discussion about inflation Monday that he remains more concerned about falling short of the central bank's 2 percent objective than running above it. “In recent decades, the asymmetry has been toward disinflation forces,” Vice Chairman Richard Clarida said in an interview with Bloomberg Television. Asked about the price impacts of globalization, he said that “we are in a world where central banks, including the Fed, are focused on keeping inflation away from disinflation.”

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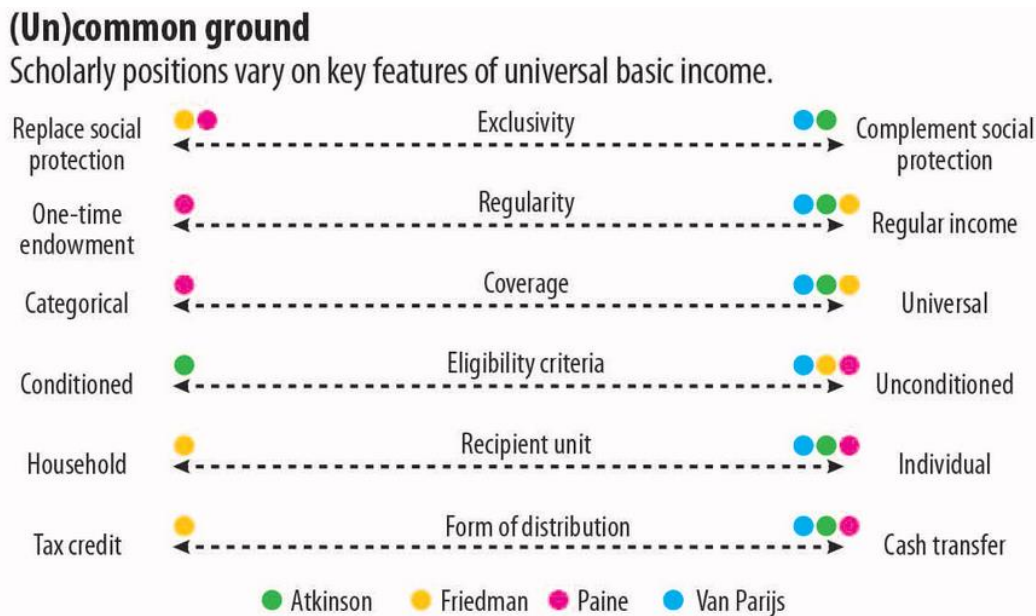
Special Analysis: IMF – What is Universal Basic Income? Finance & Development, December 2018

Maura Francese and Delphine Prady

Many governments pay pensions to elderly people, or unemployment benefits to those who lose their jobs, or child benefits to families. Cash transfers to households are common in most countries. What is a universal basic income, and how is it different from these programs?

Universal basic income is an income support mechanism typically intended to reach all (or a very large portion of the population) with no (or minimal) conditions.

Discussions around universal basic income can be heated, both in a scholarly context and in public discourse, and there is no established common understanding. Very different income-support programs are often labeled "universal basic income," even when they have little in common or do not aim at the same goal.



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Recent Developments in Financial and Commodity Markets

Reuters: Oil prices advance 1 percent on expectations of OPEC-led output cuts

Oil prices rose by more than 1 percent on Tuesday, extending bigger gains from the previous day amid expected OPEC-led supply cuts and a mandated reduction in Canadian output. U.S. West Texas Intermediate (WTI) crude futures CLc1 were at \$53.53 per barrel at 0742 GMT, up 58 cents, or 1.1 percent, from their last close. International Brent crude oil futures LCOc1 were up 70 cents, or 1.1 percent, at \$62.39 per barrel. Both crude benchmarks climbed by around 4 percent the previous session after Washington and Beijing agreed a truce in their trade disputes and said they would negotiate for 90 days before taking any further action.

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Reuters: Dollar weakens as U.S. bonds yields fall, 3-5 year curve inverts

The dollar weakened in Asia on Tuesday as U.S. Treasury yields fell to three-month lows, with investors fretting over a possible pause in the Federal Reserve's rate-hike cycle and portents of recession seen in a yield curve inversion. The U.S. 10-year Treasury yield fell to 2.94 percent on Tuesday, its lowest level since mid-September. The difference in yield between the U.S. 2-year and 10-year tightened to its smallest since July 2007. "Falling U.S. yields are a negative for the dollar, especially versus the major currencies," said Rodrigo Catril, senior currency strategist at NAB.

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