



المركز المصري للدراسات الاقتصادية

The Egyptian Center for Economic Studies



Our Economy and The World

The Weekly Report

Issue: 147 Date: 23th June 2019

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Key Global and Regional Developments over the Past Week

Bloomberg: German Investor Confidence Sinks as ECB Debates Stimulus Action

Investor confidence in Germany’s economic outlook worsened dramatically in June after the Bundesbank predicted the economy will shrink this quarter. An index measuring prospects for the next six months fell to -21.1 in June, a far worse reading than economists expected. The decline indicates increased pessimism after solid first-quarter growth, and comes as the European Central Bank debates if it needs to ease policy further.

Plunging Expectations

German investor confidence drops most in three years



Source: ZEW

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Bloomberg: Trump Trade Chief Faces Congress Grilling on Path to China Deal

President Donald Trump’s top trade envoy will be in the congressional hot seat for two days this week, giving lawmakers the chance to grill him about the prospects for a deal with China, as well as various punitive measures threatened by his boss.

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Bloomberg: Germany Helps Europe Car Market to First Gain in Nine Months

European car registrations edged higher in May, helped by a jump in German deliveries, to post the first increase in nine months. Sales climbed 0.04% to 1.44 million cars compared to a year ago, the European Automobile Manufacturers' Association said Tuesday. Sales in Germany, the biggest European auto market, surged 9.1% to counteract an ongoing pullback in the U.K., where uncertainty over Brexit continues to put off consumers from purchasing new vehicles. Spain also declined.

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Reuters: South Korea fires up on renewables, to close more coal plants

As renewable energy powers up in South Korea, coal-fired generation, long the bedrock of the country's electricity supply, is being tapped to give up room. Facing choking smog in its major cities and under pressure to meet emission reduction targets, the world's fourth-biggest coal importer is expected to accelerate targets for green energy in an updated 15-year energy plan later this year.

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BBC: Brexit uncertainty 'hitting UK business investment'

Brexit worries will see business investment contract faster this year and recover more slowly next year than was previously thought, a report says. The British Chambers of Commerce (BCC) says firms are putting resources into contingency plans, such as stockpiling, in a way that is "not sustainable". It says companies should be investing in measures aimed at economic growth.

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Special Analysis: World Bank Group: Global Economic Prospects - Heightened Tensions, Subdued Investment

Global growth has continued to soften this year. Subdued investment in emerging market and developing economies (EMDEs) is dampening potential growth prospects. Risks to the outlook remain firmly on the downside, including the possibility of escalating trade tensions. Another concern is rising debt, which may make it difficult for EMDEs to respond to adverse developments and to finance growth-enhancing investments. Reforms to boost private investment and productivity growth are needed, particularly in low-income countries, which face more significant challenges today than they did in the early 2000s.

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Recent Developments in Financial and Commodity Markets

Reuters: Oil prices fall 1% as economic worries outweigh tanker tensions

Oil prices fell more than 1% on Monday after more poor Chinese economic figures fanned fears of lower worldwide oil demand. Brent crude futures lost \$1.07 to settle at \$60.94 a barrel, a 1.73 percent loss. U.S. West Texas Intermediate (WTI) crude futures fell 58 cents to settle at \$51.93 a barrel, a 1.10 percent loss.

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CNBC: Gold rises on rate cut hopes ahead of US Fed meeting

Gold prices rose on Tuesday, having eased in the two previous sessions, supported by expectations of dovish statements from the U.S. Federal Reserve, which begins its two-day monetary policy meeting later in the day. Spot gold was up 0.5% at \$1,345.74 per ounce.

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