



المركز المصري للدراسات الاقتصادية  
The Egyptian Center for Economic Studies



## Our Economy and The World

The Weekly Report

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

- Key Global and Regional Developments over the Past Week
  - BBC: Trump says US and China to resume trade talks
  - BBC: Government to ask Queen to suspend Parliament
  - Bloomberg: Saudi Sovereign Wealth Fund Finalizes Terms on \$10 Billion Loan
  - Voice of America: Decrying Crisis, France's Macron Urges New Economic Order
- Special Analysis: Harvard University – Atlas for Economic Complexity : India Slowing, China Resilient in Harvard's new global growth Projections
- Recent Developments in Financial and Commodity Markets
  - Bloomberg: Stocks Mixed Under Cloud of Trade Feud; Oil Gains: Markets Wrap
  - Reuters: U.S. yield curve inverts further, 30-year yields hit new record low

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## Our Economy and The World

### The Weekly Report

# Key Global and Regional Developments over the Past Week

#### **[BBC: Trump says US and China to resume trade talks](#)**

President Donald Trump has said the US and China will "very shortly" resume trade talks after a weekend of escalating tension with Beijing. "China called last night... said let's get back to the table. So we'll be getting back to the table," he said. On Friday Mr Trump sharply hiked tariffs on billions of dollars of Chinese imports in retaliation for fresh duties from Beijing.

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#### **[BBC: Government to ask Queen to suspend Parliament](#)**

The Queen will be asked by the government to suspend Parliament just days after MPs return to work in September - and only a few weeks before the Brexit deadline. BBC political editor Laura Kuenssberg says it will make way for Boris Johnson's new administration to hold a Queen's Speech - laying out the government's plans - on 14 October.

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

#### **[Bloomberg: Saudi Sovereign Wealth Fund Finalizes Terms on \\$10 Billion Loan](#)**

Saudi Arabia's sovereign wealth fund finalized the terms of a \$10 billion loan it's seeking to raise from a group of banks, according to people familiar with the matter. The Public Investment Fund will pay 30 basis points over the London Interbank Offered Rate for the bridge loan -- less than half the rate of its first borrowing, the people said, asking not to be identified because the information is private. The financing will have a one-year tenor with an option to extend by an additional 12 months, they said.

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

#### **[Voice of America: Decrying Crisis, France's Macron Urges New Economic Order](#)**

French President Emmanuel Macron is calling for a new global economic order, decrying an "unprecedented crisis" in the market economy. Amid uncertainty over U.S. trade policies, Macron said the market economy has become too finance-driven, creating inequalities "that are shaking up our political order." He called for a global "rethink," but did not offer details.

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# Special Analysis: Harvard University – Atlas for Economic Complexity : India Slowing, China Resilient in Harvard’s new global growth Projections

Countries that have diversified their production into more complex sectors, like Vietnam and China, are those who will experience the fastest growth in the coming decade. That is the conclusion of the researchers at the Growth Lab at Harvard’s Center for International Development (CID) who presented new growth projections using the latest 2017 trade data. Uganda, Egypt, Myanmar, China, and Vietnam top the list of the fastest-growing economies to 2027, all expected to grow by at least six percent annually. The growth projections are based on the single measure of Economic Complexity, which captures the diversity and sophistication of the productive capabilities embedded in the exports of each country.

China and India – two economies that have seesawed atop the list of fastest-growing G20 economies in recent years, while contributing half of all global growth – are on different paths. Growth Lab researchers predict a significant slowdown of growth in India to 5.5 percent annually for the coming decade; by contrast, China is expected to grow at 6.1 percent

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# Recent Developments in Financial and Commodity Markets

### **Bloomberg: Stocks Mixed Under Cloud of Trade Feud; Oil Gains: Markets Wrap**

U.S. index futures gained, stocks in Europe slipped and shares in Asia were mixed Wednesday as investors awaited new developments in the increasingly unpredictable Sino-American trade war. Treasuries and the dollar were steady. Technology companies and insurers led a decline on the the Stoxx Europe 600 index, while contracts on all three major U.S. stock indexes climbed. Benchmarks nudged higher in Sydney and Seoul, were little changed in Tokyo, and slipped in Shanghai and Hong Kong. The 10-year Treasury yield stayed below 1.50%, near a three-year low.

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### **Reuters: U.S. yield curve inverts further, 30-year yields hit new record low**

A key part of the U.S. yield curve, a closely-followed recession indicator, inverted further on Wednesday while 30-year Treasury yields fell to a few record low on growing concern about the fallout from a bitter global trade conflict. The premium on two-year Treasury yields over 10-year yields US2US10=TWEB was at 6.2 basis points, a level not seen since 2007, according to Tradeweb data.

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