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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: China exports fall in August as US trade war bites
  - BBC: UK growth rebound eases recession fears
  - BBC: US jobs growth weaker than expected
  - Bloomberg: China Scraps Foreign Investment Limit in Stock, Bond Markets
- **Special Analysis: United Nations Economic Commission for Africa - African Governance Report V**
- **Recent Developments in Financial and Commodity Markets**
  - Bloomberg: Oil Extends Gains as New Saudi Minister Signals Cuts to Continue
  - Bloomberg: Europe Stocks Fall With U.S. Futures; Gold Drops: Markets Wrap
  - Reuters: Waning ECB stimulus bets push bond yields higher

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## Our Economy and The World

### The Weekly Report

## Key Global and Regional Developments over the Past Week

### **BBC: China exports fall in August as US trade war bites**

China's exports unexpectedly fell in August as shipments to the US slowed sharply, adding to worries about the effects of the two nations' trade war. China is expected to announce more support measures soon, to avert the risk of a sharp economic slowdown. These could include the first cuts in four years to some key lending rates. August exports from the world's second largest economy fell 1% from a year earlier, the biggest fall since June, when they fell 1.3%

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### **BBC: UK growth rebound eases recession fears**

The UK's economy grew faster than expected in July, easing fears that it could fall into recession. The economy grew 0.3% in July, the UK's official statistics body said, helped by the dominant services sector. Growth was flat over the three months to July, but this was an improvement on the 0.2% contraction seen in the April-to-June quarter.

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### **BBC: US jobs growth weaker than expected**

The US economy added 130,000 jobs last month, slowing more than expected, the latest official figures have shown. Economists polled by Reuters had expected an increase of 158,000. In July, the economy had created 159,000 new jobs. The unemployment rate was unchanged at 3.7%, while average hourly earnings growth rose 3.2% from last year. The US economy is feeling the strain of President Donald Trump's tariff war with China and a wider global slowdown.

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#### **Bloomberg: China Scraps Foreign Investment Limit in Stock, Bond Markets**

China removed one more hurdle for foreign investment into its capital markets almost 20 years after it first allowed access. Global funds no longer need approvals to purchase quotas to buy Chinese stocks and bonds, the State Administration of Foreign Exchange said in a statement on Tuesday. It removed the \$300 billion overall cap on overseas purchases of the assets, about two-thirds of which remain unused.

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## Special Analysis: United Nations Economic Commission for Africa - African Governance Report V

African Governance Report V examines efforts to improve the governance of Africa's abundant natural resources, with particular emphasis on strengthening natural resource governance institutions and frameworks for the enhancement of domestic revenue mobilization and engendering economic diversification and structural transformation on the continent.

Case studies from eight African countries (Botswana, Cameroon, Cote d'Ivoire, Egypt, Madagascar, Nigeria, Tanzania and Uganda) buttress the diversity in natural resource governance. Those countries represent different geographical regions with diverse political, economic, social and environmental contexts. Some countries are very dependent on extractive resources while others have relatively diversified sources of revenues. Some states have weak institutional capacities while others exerted improvements in terms of renewed state legitimacy and state capability. And most countries have similar challenges pertaining to the dynamics, policies and approaches for managing natural resource revenues.

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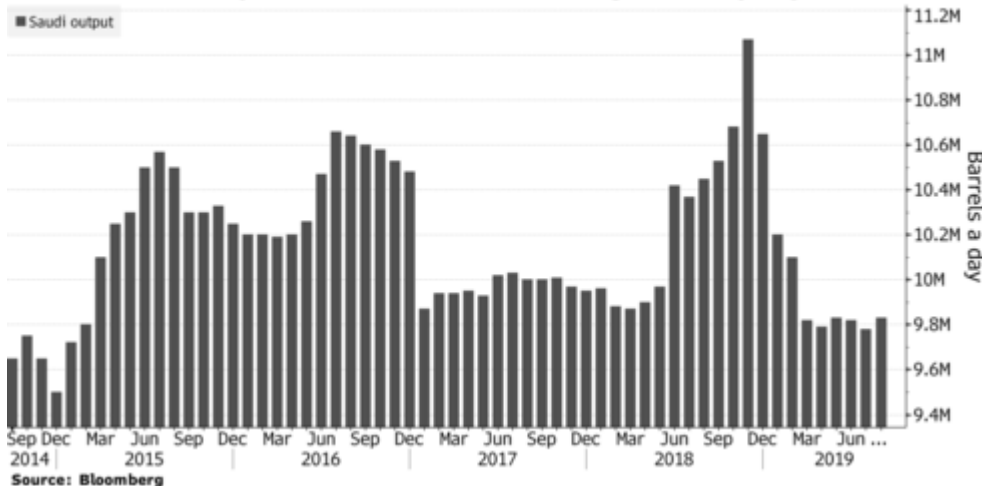
# Recent Developments in Financial and Commodity Markets

### Bloomberg: Oil Extends Gains as New Saudi Minister Signals Cuts to Continue

Oil extended gains from the highest level in almost six weeks as Saudi Arabia's new energy minister signaled his commitment to output cuts, while U.S. crude stockpiles are expected to continue their decline. Futures rose for a fifth day in New York after advancing 2.4% on Monday. Prince Abdulaziz bin Salman, appointed at the weekend after the dismissal of Khalid Al-Falih, said there won't be any radical change in the kingdom's oil policy.

#### No Radical Change

New Saudi minister plans no drastic shifts in the kingdom's oil policy



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### Bloomberg: Europe Stocks Fall With U.S. Futures; Gold Drops: Markets Wrap

European shares fell with U.S. equity futures while Asian stocks were mixed as investors marked time before key central bank meetings in the coming days. Treasuries edged higher with the dollar. The Stoxx Europe 600 Index dropped a second day, led by financial services and health-care shares.

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#### [Reuters: Waning ECB stimulus bets push bond yields higher](#)

Germany's 30-year benchmark bond yield briefly broke into positive territory for the first time in more than a month, while U.S. Treasury yields climbed to 18-day highs. Safe-haven assets have been caught up in the fixed income sell-off, with gold XAU= touching a one-month trough and Japan's yen plumbing a five-week low. But equities failed to make gains, as weak Chinese producer prices data dampened the mood.

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