



المركز المصري للدراسات الاقتصادية  
The Egyptian Center for Economic Studies



## Our Economy and The World

The Weekly Report

Issue: 157 Date: 22<sup>nd</sup> September 2019

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

- **Key Global and Regional Developments over the Past Week**
  - Reuters: Saudi Aramco pursues IPO planning despite attack damage doubts
  - Reuters: U.S. manufacturing production rebounds in August
  - CNBC: Recession fears among fund managers rise to highest level in a decade
  - CNBC: China says 'vice ministerial' officials will be in Washington for trade talks
- **Special Analysis: FDI Intelligence – The Global FDI Report**
- **Recent Developments in Financial and Commodity Markets**
  - BBC: Oil prices soar after attacks on Saudi facilities
  - Bloomberg: U.S. Stocks Slip, Treasuries Advance as Oil Drops: Markets Wrap
  - CNBC: European stocks lower amid geopolitical uncertainty; Investors await Fed meeting

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## Key Global and Regional Developments over the Past Week

### [Reuters: Saudi Aramco pursues IPO planning despite attack damage doubts](#)

Saudi Aramco is pressing on this week with banker meetings about its planned listing, three sources said, although some investors and analysts doubt it can now meet its timeline after the weekend attacks on its oil facilities. Reuters has reported it could take months for Aramco, the world's biggest oil firm, to restore output after Saturday's attacks, which cut production by 5.7 million barrels per day, some 5% of world oil supply.

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### [Reuters: U.S. manufacturing production rebounds in August](#)

U.S. manufacturing output increased more than expected in August, boosted by a surge in machinery and primary metals production, but the outlook for factories remains weak against the backdrop of trade tensions and slowing global economies. The Federal Reserve said on Tuesday manufacturing production rose 0.5% last month after an unrevised 0.4% drop in July.

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### [CNBC: Recession fears among fund managers rise to highest level in a decade](#)

The risk of a global recession is at its highest since August 2009, according to a survey of fund managers, as slowing growth, trade and political uncertainty takes its toll on investor sentiment. Some 38% of investors polled in the Bank of America Merrill Lynch Fund Manager Survey for September, released Tuesday, expect a recession over the next year. That figure was 34% in its August survey, the highest response since October 2011.

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### [CNBC: China says 'vice ministerial' officials will be in Washington for trade talks](#)

Chinese officials are expected to be in Washington this week to hold consultations with the U.S. ahead of high-level trade talks in October. State-controlled broadcaster CCTV reported on Tuesday that Vice Minister of the Finance Ministry Liao Min lead a vice-ministerial delegation to discuss trade and economic issues, according to CNBC's translation.

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## Special Analysis: FDI Intelligence – The Global fDi Report

The underlying theme of The fDi Report 2019 – the annual assessment of crossborder investment based on the fDi Markets service from the Financial Times – is that greenfield foreign direct investment (FDI) rebounded globally to growth in 2018. The fDi Report 2019 reveals that greenfield capital investment increased by 42% to \$662.6bn, while the number of FDI projects increasing by 7% alongside a 25% increase in job creation.

Key FDI trends spotted include:

- China replaces the US as the highest ranked country for FDI by capital investment.
- Western Europe was the leading source region for FDI, accounting for 44% of all FDI globally.
- Capital investment into India grew by 120% to \$54.3bn.
- Capital investment from companies setting up headquarters operations in the UK has halved since 2015.
- Brazil and Argentina both had a resurgent year for FDI, increasing by 77% and 78%, respectively.

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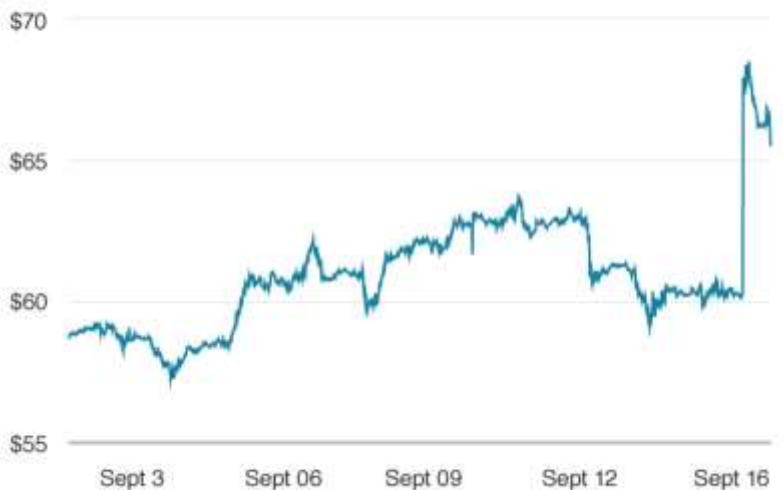
## Recent Developments in Financial and Commodity Markets

### BBC: Oil prices soar after attacks on Saudi facilities

Oil prices ended nearly 15% higher on Monday, with the Brent benchmark seeing its biggest jump in about 30 years. The rise came after two attacks on Saudi Arabian facilities on Saturday knocked out about 5% of global supply. Brent crude initially surged 20% at the start of trading, but eased back to end at \$69 a barrel, up 14.6%. US oil prices finished up 14.7%, the biggest jump since 2008. Prices fell back after President Donald Trump vowed to release US reserves.

### Oil price spikes

Brent crude oil price per barrel



Source: Bloomberg



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### Bloomberg: U.S. Stocks Slip, Treasuries Advance as Oil Drops: Markets Wrap

U.S. stocks edged lower with European shares while Treasuries churned higher as investors weighed the fallout from the attack on one of the world's biggest oil facilities and the record surge in crude prices that followed.

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#### **CNBC: European stocks lower amid geopolitical uncertainty; Investors await Fed meeting**

European stocks traded lower Tuesday afternoon as investors monitor the fallout from the weekend's Saudi oil attacks. The pan-European Stoxx 600 was down 0.5% by mid-afternoon, banks, basic resources and autos each shedding more than 2% while food and beverage and utilities stocks were the strongest performers, gaining 0.6%.

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