



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:

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 - CNBC: US economy grew at a moderate 2.1% annual rate in the third quarter
 - Reuters: Trump Sees No Deadline for China Deal as Trade Risks Roar Back
 - BBC News: US threatens tax on champagne and French cheese
 - Bloomberg: Rebound in India Services Offers Glimmer of Hope for Economy
 - Bloomberg: Australia Keeps Rates on Hold at Record-Low 0.75%
- **Special Analysis: Bank of international settlements Spread the Word: International Spillovers from Central Bank Communication**
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 - Reuters: Stocks jolted by Trump's threat of longer, broader trade war
 - CNBC: Oil rises before OPEC+ meet, lifted by drop in US crude stocks

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Key Global and Regional Developments over the Past Week

[CNBC: US economy grew at a moderate 2.1% annual rate in the third quarter](#)

The U.S. economy grew at a moderate 2.1% rate over the summer, slightly faster than first estimated. But many economists say they think growth is slowing sharply in the current quarter. The Commerce Department says the July-September growth rate in the gross domestic product, the economy's total output of goods and services slightly exceeded its initial estimate of a 1.9% rate.

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[Reuters: Trump Sees No Deadline for China Deal as Trade Risks Roar Back](#)

President Donald Trump signaled he would be willing to wait for another year before striking a trade agreement with China, casting doubt on the likelihood of a phase-one accord within weeks between Washington and Beijing. "I have no deadline," he told reporters Tuesday in London when asked if he wanted an agreement by year end. He said later in a meeting with Canadian Prime Minister Justin Trudeau that he won't sign a deal unless it's a "good deal."

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[BBC News: US threatens tax on champagne and French cheese](#)

The Trump administration is threatening to slap import taxes on \$2.4bn worth of French goods, including cheese, champagne, make-up and handbags. The planned tariffs come in response to a new French digital services tax that would affect companies including Google, Amazon and Facebook.

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[Bloomberg: Rebound in India Services Offers Glimmer of Hope for Economy](#)

India's dominant services sector rebounded last month, providing some cautious optimism the economy may be turning the corner. The IHS Markit India Services Purchasing Managers' Index

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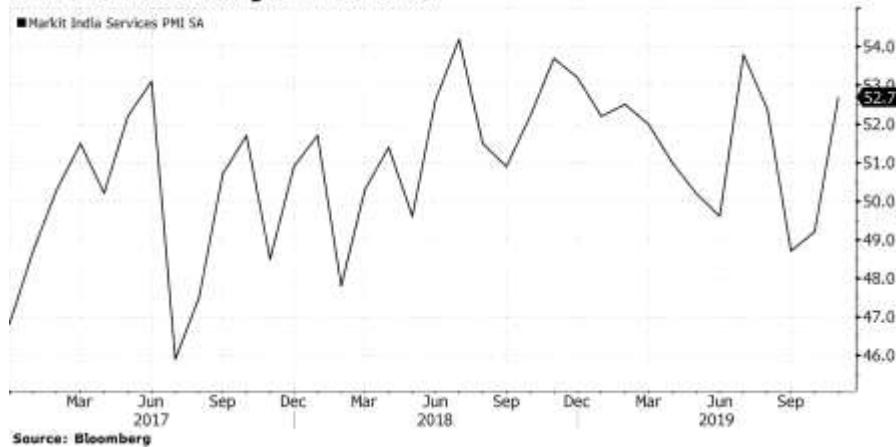
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rose to a four-month high of 52.7 in November, the first time in three months that the reading has been above 50 to mark an expansion in output. The improvement was driven by higher orders and strengthening business confidence. The index is still below its long-run average of 54.2.

Expansion Atlas

India's services sector grew in November



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[Bloomberg: Australia Keeps Rates on Hold at Record-Low 0.75%](#)

Australia's central bank kept interest rates unchanged as three cuts since June inject new life into the property market and raise the prospect of improved household spending and home-building. Reserve Bank Governor Philip Lowe kept the cash rate at 0.75% Tuesday, in line with expectations of economists and money markets. He's conserving his remaining conventional ammunition -- estimated at two more rate cuts -- to monitor the impact of earlier easing and recent government tax rebates.

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Special Analysis: Bank of international settlements Spread the Word: International Spillovers from Central Bank Communication

Since the 1990s, central banks have made policy announcements both more frequently and with more ambitious aims. Now regarded as a policy tool in its own right, central bank communications are closely watched by financial markets. In this paper, we construct a novel data set comprising the English versions of central bankers' speeches from 23 countries over the 2002-17 period, as sourced from the speech archive of the Bank for International Settlements. The sentiment of each speech is analysed using dictionary-based methods. We then assess how central banks affect each other's communication across borders, as well as critical macroeconomic and policy variables.

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Recent Developments in Financial and Commodity Markets

Reuters: Stocks jolted by Trump's threat of longer, broader trade war

Asian shares extended losses on Wednesday after U.S. President Donald Trump said a trade deal with China might have to wait until after the 2020 presidential election, dashing hopes for a quick preliminary agreement. Fresh U.S. tariffs on Argentina and Brazil as well as threatened duties on French goods also darkened the mood, as a trade war that investors had hoped was easing a week ago now looks like ramping up.

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CNBC: Oil rises before OPEC+ meet, lifted by drop in US crude stocks

Oil prices rose on Wednesday ahead of a meeting of OPEC and its allies to discuss whether to extend production curbs to support the market, while industry data showing that U.S. crude stockpiles fell more than expected helped to lift prices.

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