

# اقتصادنا والعالم

## Our Economy and the World

Issue: 323

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

- **Key Global and Regional Developments over the Past Week**

- **Bloomberg: Oil Demand Growth to Slow Sharply as Peak Nears, IEA Says**
- **Bloomberg: UK Economy Bounced Back in April with Gains for Retailers**
- **Bloomberg: Japan's Exports Weaken Further Amid Global Economic Slowdown**
- **Reuters: S&P raises Brazil outlook as Lula's economic plan wins plaudits**
- **CBS: The Federal Reserve is pausing rate hikes for the first time in 15 months**

- **Special Analysis**

- **World Bank: The Hidden Wealth of Nations: Groundwater's Critical Role in a Changing Climate**

- **Developments in Financial and Commodity Markets in the Past Week**

- **Reuters: Oil gains for the week as supply cuts balance demand concerns**
- **CNBC: Crypto prices stabilize after plunging on SEC crackdown jitters**

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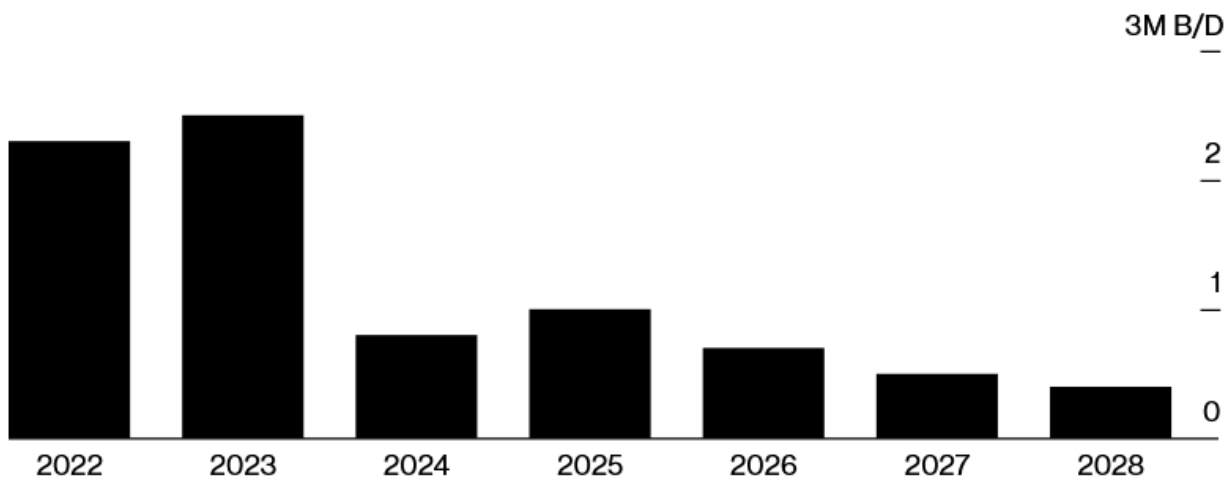
### Key Global and Regional Developments over the Past Week

#### [Bloomberg: Oil Demand Growth to Slow Sharply as Peak Nears, IEA Says](#)

Global oil demand growth will taper off over the next few years as high prices and Russia's invasion of Ukraine speed up the transition away from fossil fuels, the International Energy Agency said. Consumption in 2024 will grow at half the rate seen in the prior two years, and an ultimate limit for demand will arrive this decade as electric vehicles send the use of gasoline by cars into decline, the Paris-based IEA predicted in a medium-term outlook. With production capacity still growing, markets will remain "adequately supplied" through to 2028, it said.

#### **Oil Demand Nears Its Peak**

Growth to taper off in coming years, IEA says



Source: IEA

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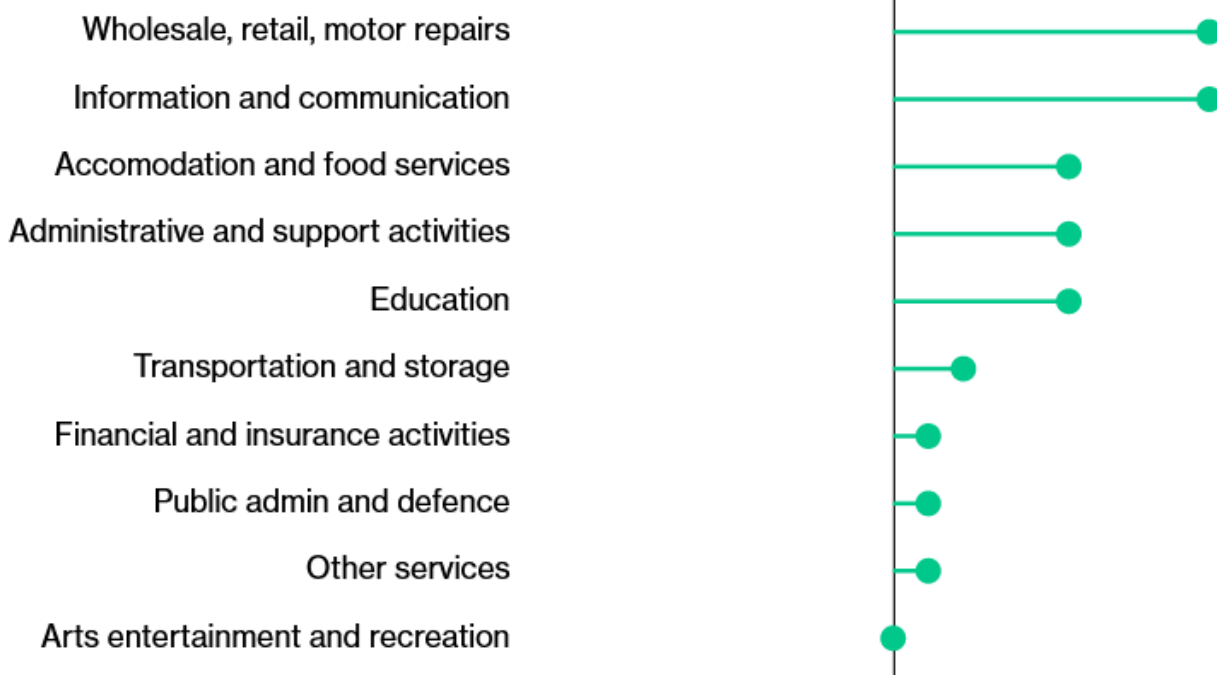
### [Bloomberg: UK Economy Bounced Back in April with Gains for Retailers](#)

The UK economy bounced back in April as strong growth in the retail and creative industries sectors offset a slowdown in construction and manufacturing.

Gross domestic product rose 0.2% after a 0.3% decline in March, when heavy rains and strikes kept consumers at home, the Office for National Statistics said Wednesday. The figures left the economy 0.3% bigger than before the coronavirus hit in 2020.

### **The Services Sector Drove an Economic Rebound in April**

#### ● Services contribution to GDP in April



Source: Office for National Statistics

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### [Bloomberg: Japan's Exports Weaken Further Amid Global Economic Slowdown](#)

Japan's exports expanded at the weakest pace in over two years amid a global economic slowdown, an outcome that adds to uncertainty over the country's growth outlook amid speculation Prime Minister Fumio Kishida may be considering an early election. The value of exports rose 0.6% from a year earlier in May, the slowest pace since February 2021, the finance ministry reported Thursday. That compared with analysts' expectation of a 1.2% decline, and though better than forecast still reflected the trend of weakening global trade. Declines in exports of mineral fuel, chip making machinery and semiconductor parts dragged on Japan's shipments abroad.

### Slowing Exports

**Japan's exports weakened further in May amid shrinking global demand**



Source: Ministry of Finance

Bloomberg

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### **Reuters: S&P raises Brazil outlook as Lula's economic plan wins plaudits**

S&P Global Ratings on Wednesday revised its outlook for Brazil to “positive” from “stable,” delivering a timely boost to leftist President Luiz Inacio Lula da Silva as he seeks to boost growth and dispel fears of economic mismanagement. In delivering its verdict, the ratings agency said Brazil’s improved fiscal and monetary policy outlooks could boost long-lagging growth levels. Its decision lifted Brazil’s real currency, which rose more than 1% against the dollar in its fourth consecutive positive session. The Bovespa stock index closed 2% higher at its highest level since October.

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### **CBS: The Federal Reserve is pausing rate hikes for the first time in 15 months**

The Federal Reserve is pausing on raising rates, marking the first break after 15 months of consecutive increases, a change that could offer a hint of relief for consumers who are grappling with pricier mortgages, credit cards and other loans after 10 consecutive rate hikes.

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### Special Analysis

#### [World Bank: The Hidden Wealth of Nations: Groundwater's Critical Role in a Changing Climate](#)

Groundwater is vital to economic activity and growth, food security, socioeconomic development, and adapting to the impacts of climate change. But the sustainability of this critical resource is at risk in many regions, partly because it is not valued appropriately and is taken for granted. In the context of global pressures on food systems and water supply, policymakers need to act now to ensure groundwater is managed responsibly across sectors depending on this resource.

Groundwater is our most important freshwater resource—particularly in times of drought. As climate change advances, policymakers need to understand better and manage this critical asset. A new World Bank report considers the economic value of groundwater, the costs of misusing it, and the opportunities to leverage it more effectively.

The report, titled [The Hidden Wealth of Nations: The Economics of Groundwater in Times of Climate Change](#), demonstrates how groundwater can safeguard food security while boosting economic growth and job creation. However, in most cases, this resource has been undervalued and overexploited, with insufficient regard for its long-term sustainability. This is partly due to a lack of systematic research into its economic importance.

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## Our Economy and the World

### Developments in Financial and Commodity Markets in the Past Week

#### [Reuters: Oil gains for the week as supply cuts balance demand concerns](#)

Oil rose on Friday and posted a weekly gain, as higher Chinese demand and OPEC+ supply cuts lifted prices, despite expected weakness in the global economy and the prospect for further interest rate hikes. Brent crude gained 94 cents to settle at \$76.61 a barrel. U.S. West Texas Intermediate (WTI) crude rose \$1.16 to \$71.78.

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#### [CNBC: Crypto prices stabilize after plunging on SEC crackdown jitters](#)

Crypto prices showed signs of stabilizing Monday after a sharp market sell-off last week sparked by lawsuits the U.S. Securities and Exchange Commission brought against Coinbase and Binance for securities violations. Cardano's ADA coin was unchanged Monday, according to Coin Metrics, after briefly tumbling as much as about 17% over the weekend. Meanwhile, Solana's SOL is still down 6% and Polygon's MATIC is down by more than 2%. At one point over the weekend they fell about 17% and 20%, respectively. Binance's BNB token was relatively stable over the weekend but lost more than 3% Monday.

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### Crypto prices in June 2023

Percent change as of June 8

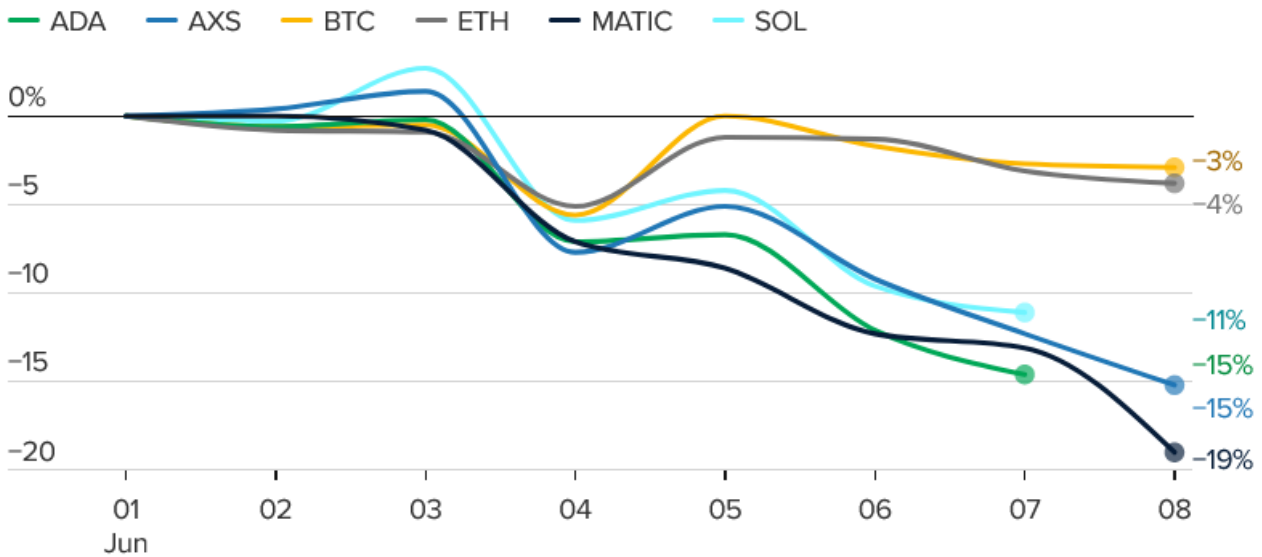


Chart: Gabriel Cortes / CNBC  
Source: CryptoQuant



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