



# اقتصادنا والعالم

## Our Economy and the World

**Issue: 352**

**Date: 4<sup>th</sup> February 2024**

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

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

- Bloomberg: US Increases Quarterly Debt Sale, Sees No More Boosts Coming
- Bloomberg: German Prices Ease More Than Expected, Feeding ECB Cut Hopes
- CNBC: Fed Chief Jerome Powell says a March rate cut is not likely
- CNBC: Euro zone economy narrowly skirts recession, stagnates in fourth quarter

### **Special Analysis**

- IMF: Moderating Inflation and Steady Growth Open Path to soft landing

### **Developments in Financial and Commodity Markets**

- Reuters: Wall St ends lower after Fed holds rates steady, rules out March rate cut
- Reuters: Oil prices climb on geopolitical tensions, positive economic data

---

#### **Disclaimer**

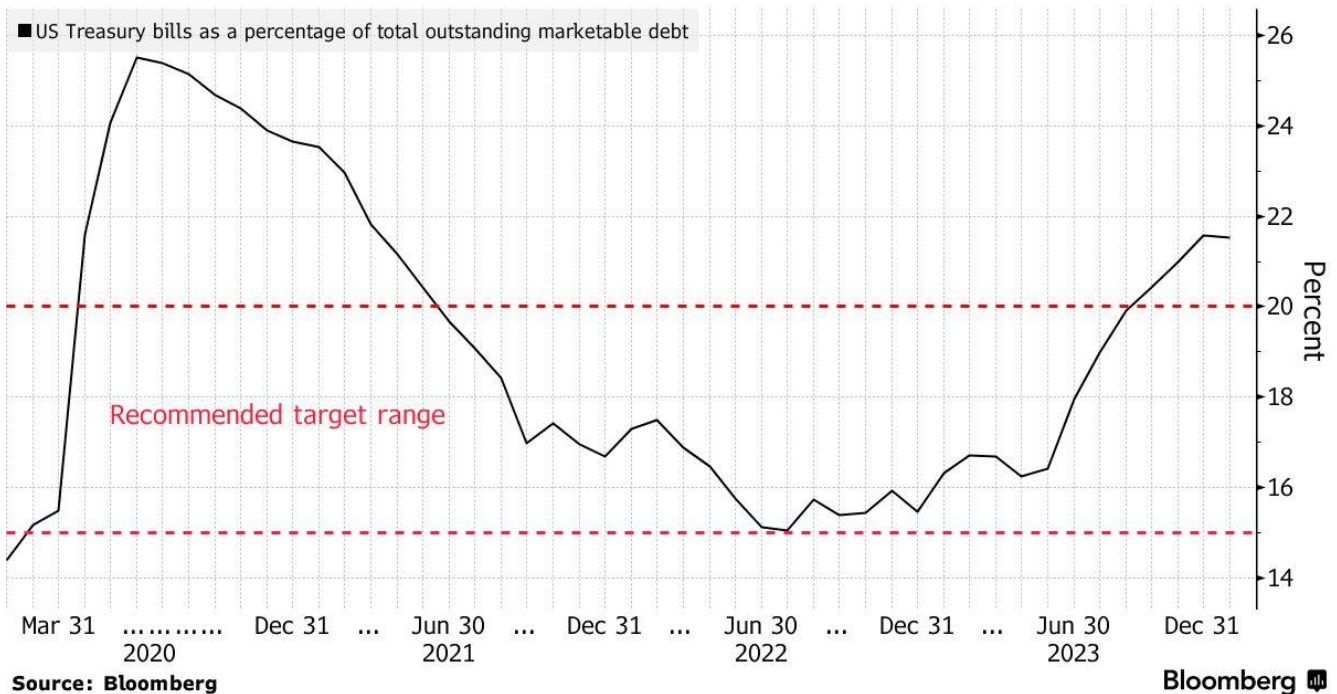
The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report.

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

#### [Bloomberg: US Increases Quarterly Debt Sale, Sees No More Boosts Coming](#)

The US Treasury boosted the size of its quarterly issuance of longer-term debt for a third straight time, and suggested that no more increases are likely until next year. The Treasury Department said in a statement Wednesday it will sell \$121 billion of longer-term securities at its so-called quarterly refunding auctions next week, which span 3-, 10- and 30-year Treasuries. That matches what most dealers expected, and mirrored the cadence of increases unveiled at the last refunding, in November.

#### T-Bills Have Climbed as a Share of US Debt



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

#### Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report.

# اقتصادنا والعالم

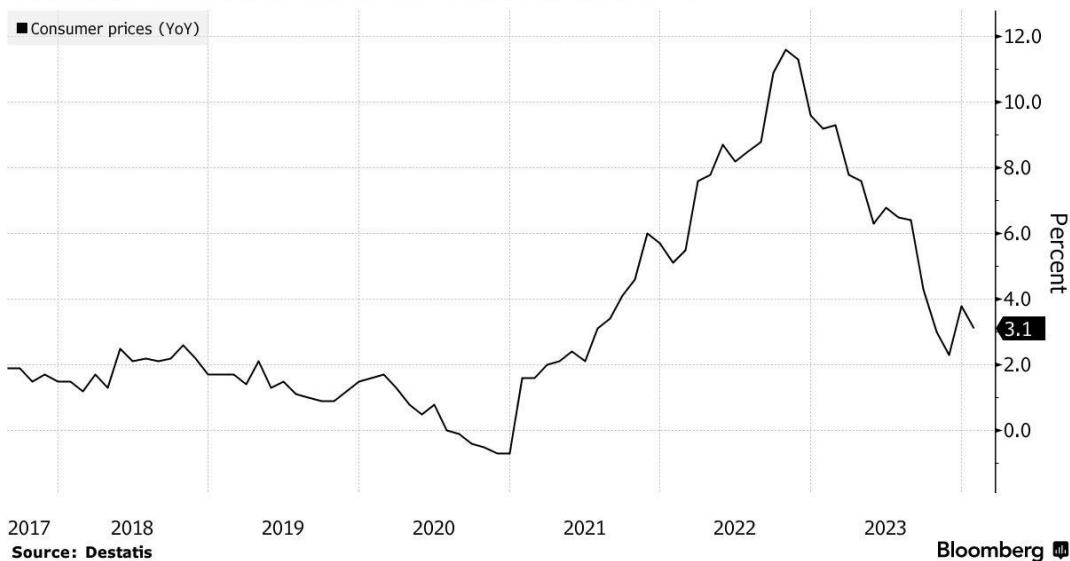
## Our Economy and the World

### [Bloomberg: German Prices Ease More Than Expected, Feeding ECB Cut Hopes](#)

German inflation slowed by more than expected at the start of 2024 – part of a broader retreat across the continent that will allow the European Central Bank to begin cutting interest rates in the coming months.

Consumer prices rose an annual 3.1% in January, the statistics office said Wednesday. That's down from December's 3.8% and below the 3.2% estimated by economists surveyed by Bloomberg.

#### German Inflation Resumes Its Slowdown



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

#### Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report.



### **CNBC: Fed Chief Jerome Powell says a March rate cut is not likely**

Fed Chairman Jerome Powell said Wednesday that the central bank would likely not be comfortable enough with the path of inflation by its next meeting in March to cut interest rates. The statement came in a news conference after the Fed's January meeting, where the central bank left its benchmark interest rate unchanged. Powell did say earlier in the news conference that rate cuts would likely begin at some point this year.

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

### **CNBC: Euro zone economy narrowly skirts recession, stagnates in fourth quarter**

The euro zone economy stabilized in the fourth quarter of 2023, flash figures published by the European Union's statistics agency showed Tuesday. The bloc narrowly avoided the shallow recession that was forecast in a Reuters poll of economists, following a 0.1% fall in gross domestic product in the third quarter. The euro zone's seasonally adjusted GDP was flat compared with the previous quarter and expanded by 0.1% versus the previous year. In a preliminary estimate, the euro area was seen posting 0.5% growth over the whole of 2023.

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

---

#### **Disclaimer**

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report.

# اقتصادنا والعالم

## Our Economy and the World

### Special Analysis

#### IMF: Moderating Inflation and Steady Growth Open Path to Soft Landing

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and than assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

#### **Disclaimer**

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report.



# اقتصادنا والعالم

## Our Economy and the World

WORLD ECONOMIC OUTLOOK UPDATE JANUARY 2024

# GROWTH PROJECTIONS

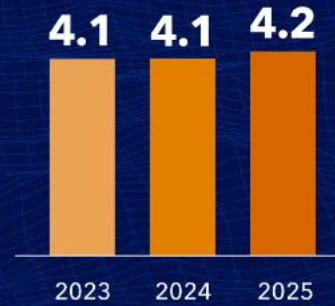
### GLOBAL ECONOMY



### ADVANCED ECONOMIES



### EMERGING MARKET & DEVELOPING ECONOMIES



INTERNATIONAL MONETARY FUND

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

#### Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report.

### Developments in Financial and Commodity Markets

#### [Reuters: Wall St ends lower after Fed holds rates steady, rules out March rate cut](#)

U.S. stocks tumbled on the last trading day in January after the Federal Reserve held interest rates steady while dashing hopes for interest rate cut as soon as March. The three major U.S. stock indexes were already weighed down by weakness in tech and tech-adjacent mega-cap stocks.

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

#### [Reuters: Oil prices climb on geopolitical tensions, positive economic data](#)

Oil prices rose on Tuesday as a higher global economic growth forecast and escalating tensions in the Middle East offset concerns around Chinese demand. March Brent crude futures , which expire on Wednesday, rose 47 cents to settle at \$82.87 a barrel. The more active April contract settled up 67 cents at \$82.50. U.S. West Texas Intermediate crude settled up \$1.04, or 1.35%, at \$77.82.

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

#### **Disclaimer**

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report.