

# اقتصادنا والعالم

## Our Economy and the World

**Issue: 353**

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

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

- CNBC: Red Sea tensions risk significantly higher inflation, OECD warns
- Financial Times: UK jobs market slows in sign inflation pressures are easing
- Financial Times: Lower borrowing costs risk 'flare-up' of inflation, warns ECB policymaker
- Reuters: Euro zone economy showing some signs of recovery -PMI

### **Special Analysis**

- IMF: Global Economy Approaches Soft Landing, but Risks Remain

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

- Bloomberg: US Stocks Hit New High; Asia Heads for Mixed Open: Markets Wrap
- Reuters: Asia LNG imports are robust, but record supply keeps spot prices muted

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

#### [CNBC: Red Sea tensions risk significantly higher inflation, OECD warns](#)

Elevated shipping costs as a result of ongoing tensions in the Red Sea could impede the global fight against inflation, the Organisation for Economic Co-operation and Development said Monday. The Paris-based group estimates that the recent 100% rise in seaborne freight rates could increase import price inflation across its 38 member countries by nearly 5 percentage points if they persist. That could add 0.4 percentage points to overall price rises after a year, the OECD said in its latest economic outlook.

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#### [Financial Times: UK jobs market slows in sign inflation pressures are easing](#)

The UK jobs market slowed and growth in starting salaries slipped to a three-year low in January, according to a closely watched survey that could bolster the Bank of England's confidence that inflationary pressures are easing. The monthly report, published on Thursday by KPMG and the Recruitment & Employment Confederation, showed hiring activity was slower than usual for January, with an index of permanent placements falling to 43.4 from 45.6 the previous month and vacancies falling.

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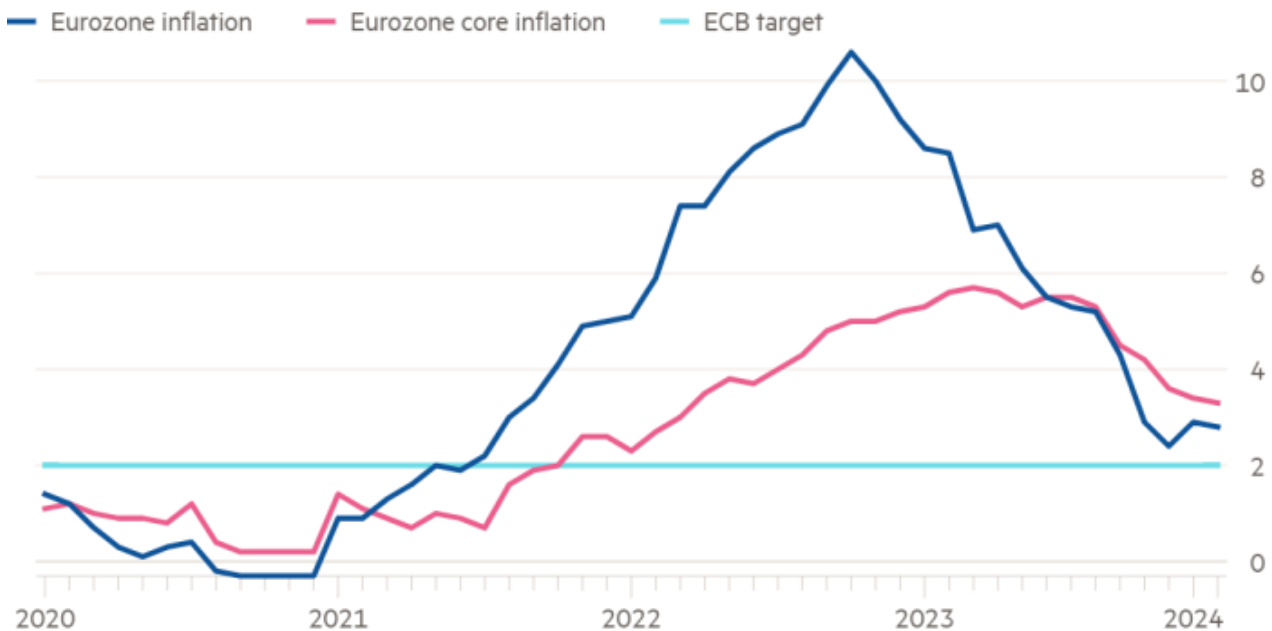
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### Financial Times: Lower borrowing costs risk 'flare-up' of inflation, warns ECB policymaker

Lower borrowing costs could reinvigorate the eurozone's stagnant economy and cause inflation to "flare up again", a senior European Central Bank official has warned. Isabel Schnabel, the most hawkish member of the ECB's six-person executive board, told the Financial Times that the sharp decline in eurozone inflation reflected the "quick wins of deflation" as supply shocks faded. But she argued that in the battle to bring inflation down to 2 percent, the "last mile remains a concern".

#### Eurozone inflation is falling towards the ECB's target

Harmonised index of consumer prices (annual % change)



Core inflation excludes energy, food, alcohol and tobacco prices

Source: Eurostat

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### [Reuters: Euro zone economy showing some signs of recovery -PMI](#)

The euro zone economy showed tentative signs of recovery at the start of the year, according to a survey which showed rising inflationary pressures, bolstering the European Central Bank's case for keeping interest rates at record highs. HCOB's composite PMI for the bloc, compiled by S&P Global and seen as a good guide of overall economic health, rose to 47.9 in January from December's 47.6, matching a preliminary estimate.

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### Special Analysis

## IMF: Global Economy Approaches Soft Landing, but Risks Remain

The clouds are beginning to part. The global economy begins the final descent toward a soft landing, with inflation declining steadily and growth holding up. But the pace of expansion remains slow, and turbulence may lie ahead. Global activity proved resilient in the second half of last year, as demand and supply factors supported major economies. On the demand side, stronger private and government spending sustained activity, despite tight monetary conditions. On the supply side, increased labor force participation, mended supply chains and cheaper energy and commodity prices helped, despite renewed geopolitical uncertainties. This resilience will carry over. Global growth under our baseline forecast will steady at 3.1 percent this year, a 0.2 percentage point upgrade from our October projections, before edging up to 3.2 percent next year.

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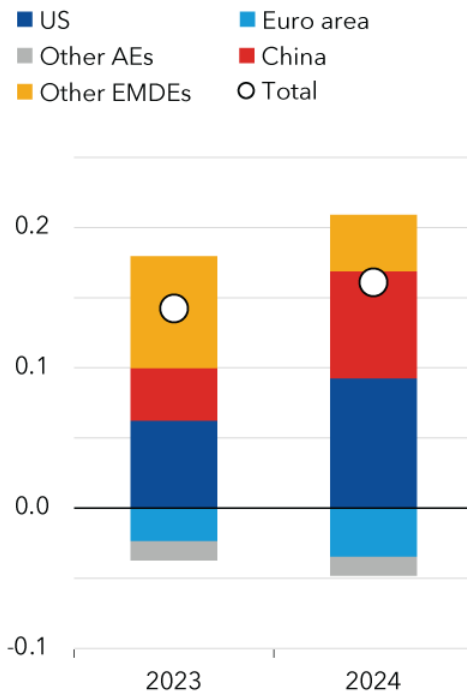
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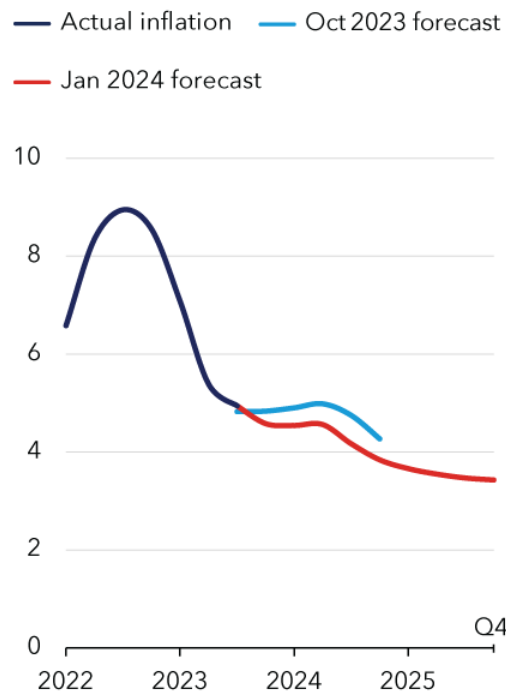
## Growth and inflation

Forecasts for growth have been revised upwards, while inflation has been marked down and is continuing its downward trend.

**World real GDP growth revisions**  
 (vs. Oct 2023 WEO; percentage points)



**Headline inflation**  
 (percent; quarterly; y/y)



Sources: IMF, World Economic Outlook; and IMF staff calculations.  
 Note: Headline inflation excludes Argentina.



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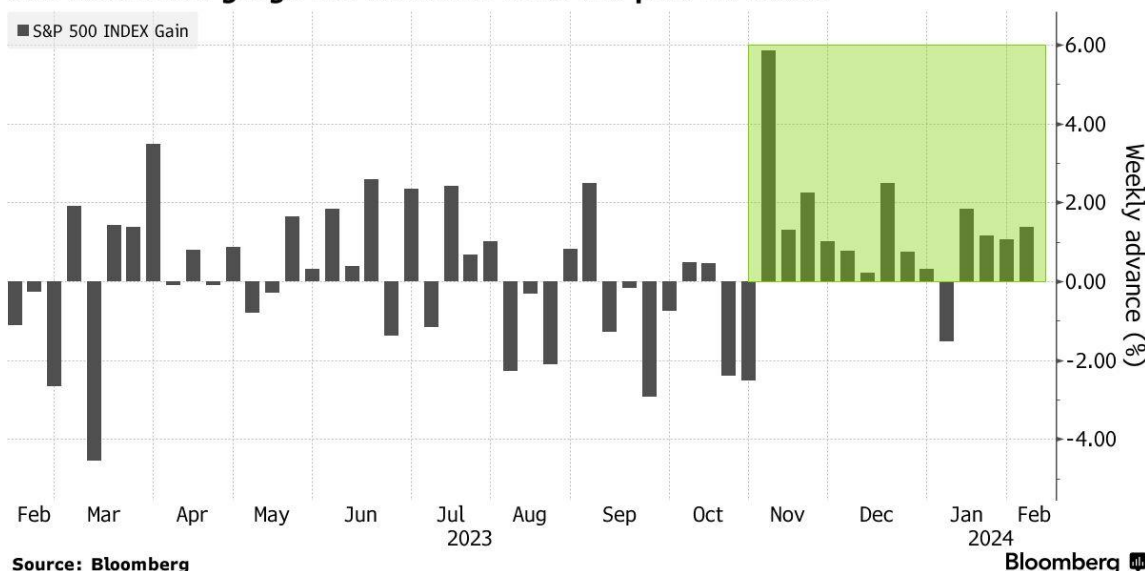
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**Developments in Financial and Commodity Markets in the Past Week**

**Bloomberg: US Stocks Hit New High; Asia Heads for Mixed Open: Markets Wrap**

Asian stocks were poised for a mixed open on Thursday even as the S&P 500 closed at a fresh record within striking distance of 5,000. Australian stocks edged higher in early trading, while futures pointed to Japan equities rising and Hong Kong shares opening lower. The S&P 500 rose 0.8% on Wednesday and the Nasdaq 100 climbed 1% as traders bet that a solid economy will continue fueling corporate profits.

**S&P 500 Has Been on a Win Streak**  
The benchmark gauge has advanced 13 of the past 14 weeks



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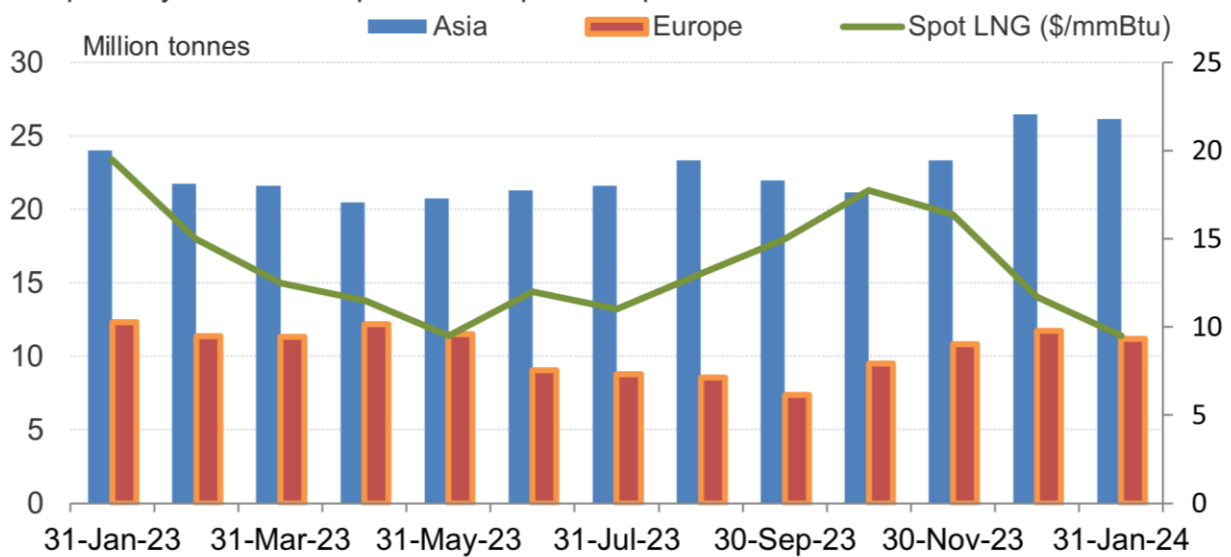
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**Reuters: Asia LNG imports are robust, but record supply keeps spot prices muted**

The spot price of liquefied natural gas (LNG) is continuing to meander at low levels amid ample supply from major exporters and signs that winter demand is easing in the top-importing regions of Asia and Europe. The spot price for LNG delivered to north Asia ended at \$9.60 per million British thermal units (mmBtu) in the week to Feb. 2, up slightly from the seven-month low of \$9.50 the previous week.

**ASIA, EUROPE LNG IMPORTS**

LNG imports by Asia vs Europe vs Asia spot LNG price



Source: Kpler, LSEG Reuters graphic/Clyde Russell 05/02/24



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