

اقتصادنا والعالم

Our Economy and the World

Issue: 357

Date: 10th March 2013

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

Key Global and Regional Developments over the Past Week

- Reuters: China's exports top forecasts as global demand returns
- CNBC: Powell Reiterates Fed Needs More Confidence on Inflation to Cut
- Reuters: China approves plan aimed at spurring investment and spending
- Bloomberg: Japan's Wage Gains Beat Consensus in Runup to March BOJ Meeting

Eye on Egypt

- Moharram & Partners: State of the Economy

Special Analysis

- OECD: OECD Economic Outlook, Interim Report February 2024: Strengthening the Foundations for Growth

Developments in Financial and Commodity Markets in the Past Week

- Reuters: Oil prices up 1% on small build in US crude stocks, Fed rate cut remarks
- CNBC: European markets close higher as investors digest UK budget statement

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

Key Global and Regional Developments over the Past Week

Reuters: China's exports top forecasts as global demand returns

China's export and import growth in the January-February period beat forecasts, suggesting global trade is turning a corner in an encouraging signal for policymakers as they try to shore up a stuttering economic recovery. China's improved export data joins those of South Korea and Germany, and Taiwan, who all saw their shipments top expectations over the first two months of the year, with the Asian economies benefiting from a surge in demand for semiconductors.

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

CNBC: Powell Reiterates Fed Needs More Confidence on Inflation to Cut

Federal Reserve Chair Jerome Powell reiterated to lawmakers that the US central bank is in no rush to cut interest rates until policymakers are convinced they have won their battle over inflation. In testimony before a House panel Wednesday, the Fed chief said it will likely be appropriate to begin lower borrowing costs "at some point this year," but made clear officials are not ready yet.

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

Reuters: China approves plan aimed at spurring investment and spending

China's cabinet on Friday approved a plan aimed at promoting large-scale equipment upgrades and sales of consumer goods, state media reported. The plan, outlined at a recent Communist Party meeting, is one of a series of steps China is taking to boost the economy which has been recovering weakly since the COVID-19 pandemic. The government will launch a new drive to promote the replacement of old consumer goods with new ones, the cabinet said.

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.

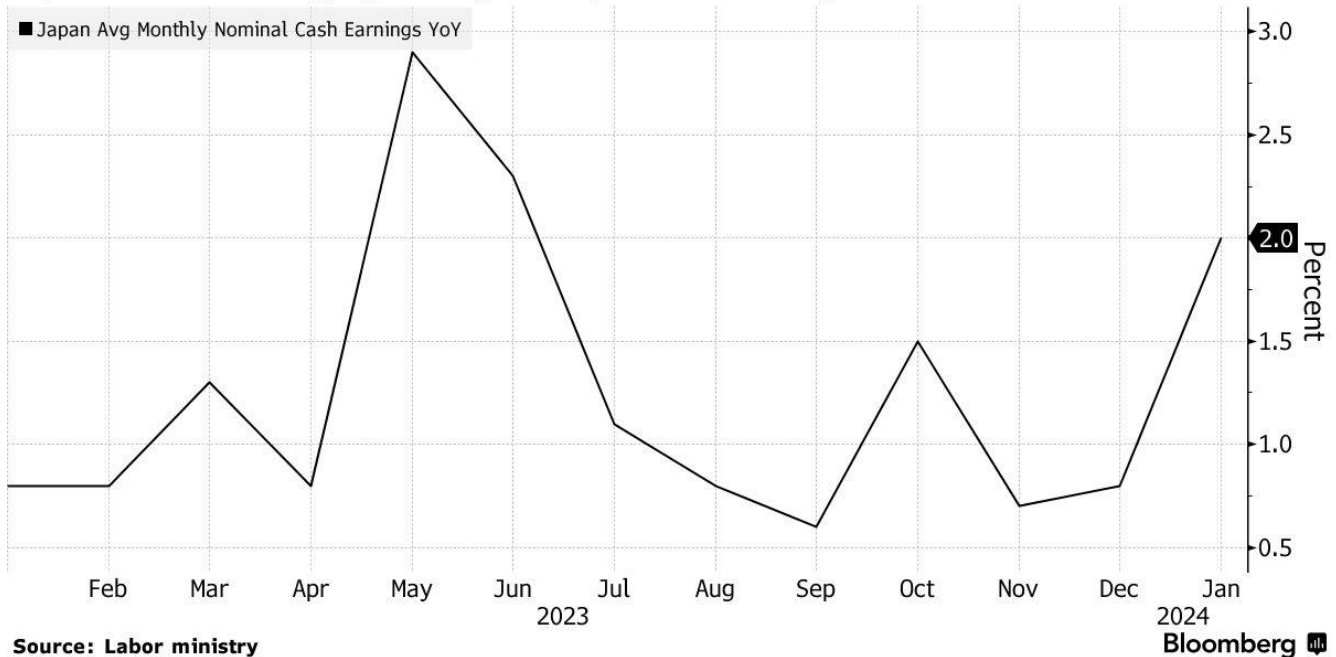
[\(Read Full Article\)](#)

Bloomberg: Japan's Wage Gains Beat Consensus in Runup to March BOJ Meeting

Japanese wage growth accelerated to the fastest clip since June, bolstering the case for the Bank of Japan to end its negative interest rate in the near term. Nominal cash earnings for workers rose 2% in January from the previous year, accelerating from a revised 0.8% increase in December, the labor ministry said Thursday. The result outpaced economists' consensus estimate of 1.2% growth.

Encouraging Sign

Japan's nominal wage growth picks up more than expected



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

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

Eye on Egypt

Moharram & Partners: State of the Economy

Swings in expectations have been fuelling two-way volatility in the market prices of so-called inflation hedges since October 2023 and February 2024 was not an exception. After all, the projected inflow of \$24 billion before the end of FY23/24 has reduced the probability of default on sovereign Eurobonds from close to 35% back in October 2023 to 10% at present. Extreme fear of a full-fledged currency crash has been transformed into extreme fear of excessive nominal and real EGP appreciation.



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

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.

Special Analysis

OECD: OECD Economic Outlook, Interim Report February 2024: Strengthening the Foundations for Growth

- Global growth proved resilient in 2023, with inflation declining more quickly than anticipated. Outcomes diverged across countries, with strong growth in the United States and many emerging-market economies offset by a slowdown in most European countries.
- Recent indicators point to some moderation of growth, with the effects of tighter financial conditions continuing to appear in credit and housing markets, and global trade remaining subdued. Attacks on ships in the Red Sea have raised shipping costs sharply and lengthened delivery times, disrupting production schedules and raising price pressures.
- Global GDP growth is projected to ease to 2.9% in 2024, from 3.1% in 2023, before recovering to 3.0% in 2025 as financial conditions ease.
- Annual GDP growth in the United States is projected to remain supported by household spending and strong labour market conditions, but moderate to 2.1% in 2024 and 1.7% in 2025. Euro area GDP growth is projected to be 0.6% in 2024 and 1.3% in 2025, with activity held back by tight credit conditions in the near term before picking up as real incomes strengthen. Growth in China is expected to ease to 4.7% in 2024 and 4.2% in 2025, despite additional policy stimulus, reflecting subdued consumer demand, high debt and the weak property market.
- Inflation is projected to be back to target in most G20 countries by the end of 2025. Headline inflation in the G20 economies is projected to drop from 6.6% in 2024 to 3.8% in 2025, with core inflation in the G20 advanced economies easing to 2.5% in 2024 and 2.1% in 2025.
- However, it is too soon to be sure that underlying price pressures are fully contained. Labour market conditions have become better balanced, but unit labour cost growth generally remains above rates compatible with medium-term inflation objectives.

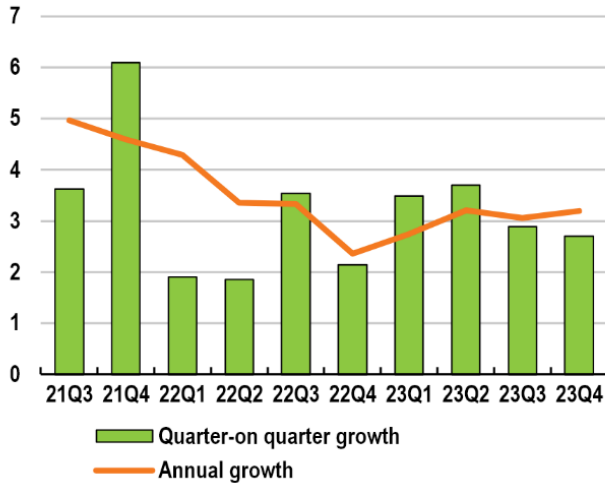
Disclaimer

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.

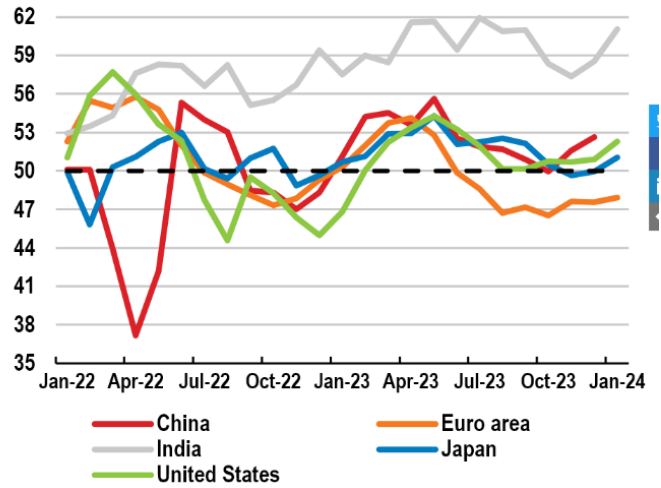
اقتصادنا والعالم

Our Economy and the World

A. Global GDP growth
Per cent



B. Composite output PMI



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

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.

اقتصادنا والعالم

Our Economy and the World

Developments in Financial and Commodity Markets in the Past Week

[Reuters: Oil prices up 1% on small build in US crude stocks, Fed rate cut remarks](#)

Oil prices edged up about 1% on Wednesday on a smaller-than-expected build in U.S. crude inventories, a big withdrawal from distillate and gasoline stocks and remarks by the U.S. Federal Reserve chief that he still expects interest rate cuts this year. Lower interest rates could increase oil demand by boosting economic growth.

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

[CNBC: European markets close higher as investors digest UK budget statement](#)

The pan-European Stoxx 600 provisionally closed 0.4% higher, with most sectors and major bourses in positive territory. Technology stocks climbed 1.35%, with the sector also powering gains stateside, while media stocs fell 0.5%. The U.K. budget was presented by British Finance Minister Jeremy Hunt, and contained announcements on the abolition of non-domiciled tax status as well as a reduction in National Insurance.

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

Europe Stoxx 600 (.STOXX:STOXX)

EUR
Last | 4:50 PM GMT
498.21 +1.94 (0.39%)
5 Day



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

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.