

# اقتصادنا والعالم

## Our Economy and the World

Issue: 370

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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: Fed says it's not ready to cut rates until 'greater confidence' inflation is moving to 2% goal
- CNBC: Euro zone inflation eases to 2.5% as core print misses estimate
- Reuters: Rupee to trade in narrowest range in about 30 years on RBI's actions: Reuters poll
- Reuters: Japan's service activity slips for first time in 2 years, PMI shows

### Special Analysis

- World Bank: World Economic Prospects

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

- Reuters: Gold hits near 2-week high as soft US data lifts Fed rate-cut bets
- Bloomberg: Asian shares head for gains after new S&P 500 peak: Markets Wrap

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## Our Economy and the World

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

#### [CNBC: Fed says it's not ready to cut rates until 'greater confidence' inflation is moving to 2% goal](#)

Federal Reserve officials at their June meeting indicated that inflation is moving in the right direction but not quickly enough for them to lower interest rates, minutes released Wednesday showed. “Participants affirmed that additional favorable data were required to give them greater confidence that inflation was moving sustainably toward 2 percent,” the meeting summary said.

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#### [CNBC: Euro zone inflation eases to 2.5% as core print misses estimate](#)

Headline inflation in the euro area dipped to 2.5% in June, the European Union’s statistics agency said Tuesday, while the closely watched core and services prints held steady. The headline figure was in line with the expectations of economists polled by Reuters. Inflation had nudged up from 2.4% in April to 2.6% in May.

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### [Reuters: Rupee to trade in narrowest range in about 30 years on RBI's actions: Reuters poll](#)

The currency's implied volatility, hovering at its lowest level in nearly two decades, is expected to hold ground at least until the year-end, the July 1-3 Reuters poll of 40 foreign exchange strategists found. Median forecasts showed the rupee would trade at 83.41 per dollar by end-September, and by end-2024 the currency would touch 83.20, around the level it was trading on Wednesday. The rupee was forecast to gain 0.6% to 83.00 per dollar in a year.

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### [Reuters: Japan's service activity slips for first time in 2 years, PMI shows](#)

Japanese service activity contracted for the first time in nearly two years in June as domestic demand cooled, a private sector survey showed on Wednesday, although business confidence and hiring indicators remained upbeat. The service sector has been propelling economic growth in Japan, offsetting feeble manufacturing performance.

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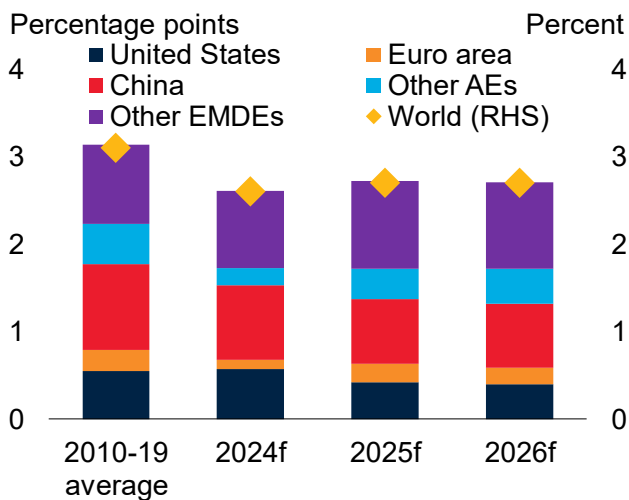
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### Special Analysis

#### World Bank: Global Economic Prospects

Despite an improvement in near-term prospects, the global outlook remains subdued by historical standards. In 2024-25, growth is set to underperform its 2010s average in nearly 60 percent of economies, comprising over 80 percent of the global population. Downside risks predominate, including geopolitical tensions, trade fragmentation, higher-for-longer interest rates, and climate-related disasters. Global cooperation is needed to safeguard trade, support green and digital transitions, deliver debt relief, and improve food security. In EMDEs, public investment can boost productivity and catalyze private investment, promoting long-run growth. Comprehensive fiscal reforms are essential to address ongoing fiscal challenges in small states, including those arising from heightened exposure to external shocks.



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

#### [Reuters: Gold hits near 2-week high as soft US data lifts Fed rate-cut bets](#)

Gold prices rose more than 1% to a near two-week high on Wednesday, driven by increased bets for a September interest rate cut by the Federal Reserve after recent U.S. data suggested that the labor market was softening. Spot gold was up 1.2% at \$2,357.06 per ounce by 02:08 a.m. ET (1808 GMT). U.S. gold futures settled 1.5% higher to \$2369.40.

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

#### [Bloomberg: Asian shares head for gains after new S&P 500 peak: Markets Wrap](#)

Stocks in Asia were set to advance Thursday after US shares touched a fresh peak as economic data supported the case for Federal Reserve rate cuts. Equity futures for Japan, Australia and Hong Kong all drifted higher. The S&P rose 0.5% and the Nasdaq climbed 0.9% to both set new highs Wednesday in a shortened session ahead of a US holiday. Contracts for US stocks were steady in early Asian trading.

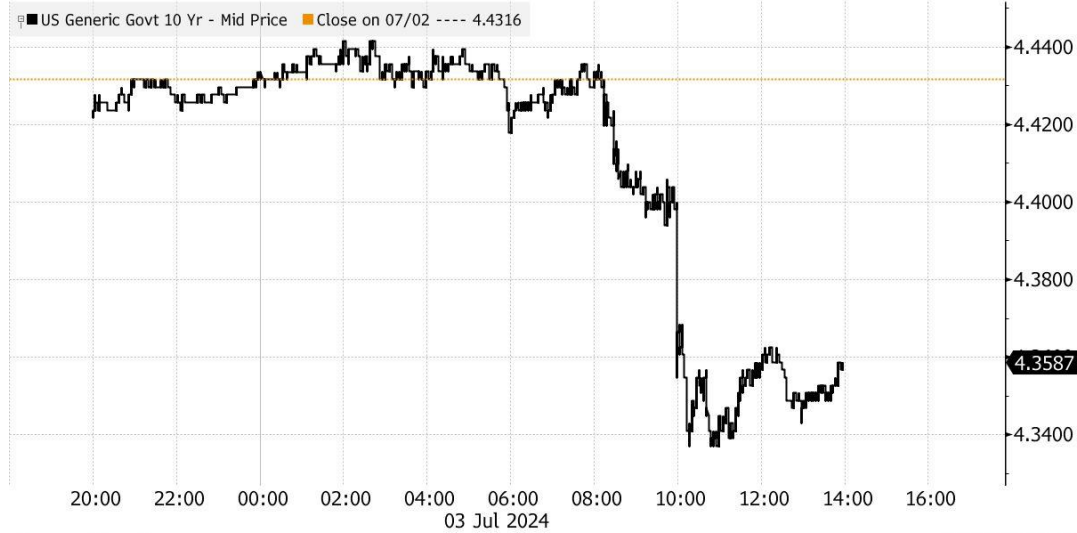
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### Treasury Yields Sink After Weak Data



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