

Issue: 385

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

Key Global and Regional Developments over the Past Week

- Reuters: US firms point to steady economy but see lower profit margins, Fed says
- Reuters: India's inflation on downward trend but need to be cautious, cenbank minutes show
- Bloomberg: Bank of Canada cuts 50 basis points to 'stick the landing'
- Bloomberg: Japan's inflation slows for first time since April ahead of BOJ

Special Analysis

- World Bank: Business Ready - Business Ready (B-READY) 2024

Developments in Financial and Commodity Markets in the Past Week

- Reuters: Oil slips 1% on large build in US crude stocks; market watches Middle East
- Euronews: Gold and silver prices surge to new records as haven demand mounts

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Key Global and Regional Developments over the Past Week

[Reuters: US firms point to steady economy but see lower profit margins, Fed says](#)

U.S. economic activity was little changed from September through early October and firms saw a slight uptick in hiring, continuing recent trends that have reinforced expectations the Federal Reserve will opt for a smaller 25-basis-point reduction in borrowing costs in two weeks. The U.S. central bank's latest temperature check on the health of the economy also showed that inflation pressures continued to moderate while input prices generally rose faster than selling prices, denting firms' profit margins.

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[Reuters: India's inflation on downward trend but need to be cautious, cenbank minutes show](#)

India cannot risk another bout of inflation and the monetary policy committee (MPC) must adopt a cautious approach to lowering interest rates, members of the rate-setting panel said in the minutes of the October meeting.

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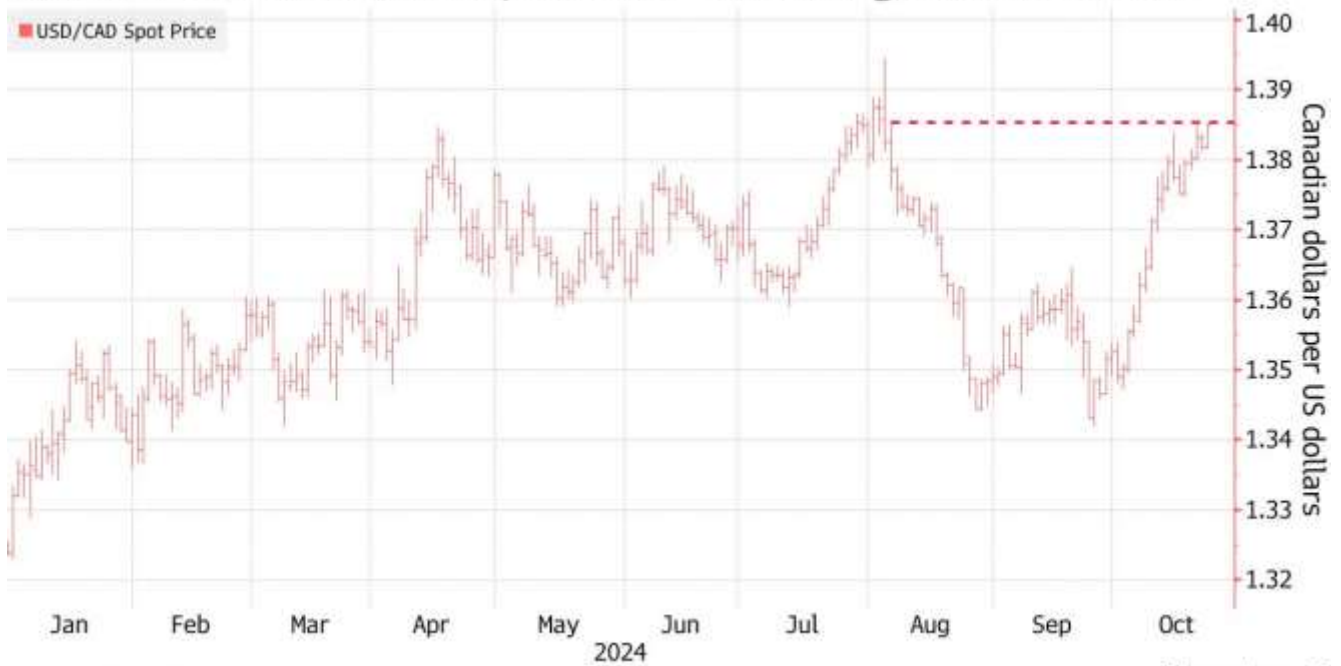
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[Bloomberg: Bank of Canada Cuts 50 Basis Points to ‘Stick the Landing’](#)

The Bank of Canada stepped up the pace of interest-rate cuts and signaled that the post-pandemic era of high inflation is over. Policymakers led by Governor Tiff Macklem lowered the benchmark overnight rate to 3.75% on Wednesday, the biggest reduction in borrowing costs since March 2020 during the early days of the pandemic. The jumbo cut – expected by markets and economists in a Bloomberg survey – aims to boost economic growth and keep inflation close to the 2% target.

Loonie Pushes Below C\$1.3850 Following BOC Decision



Source: Bloomberg

Bloomberg

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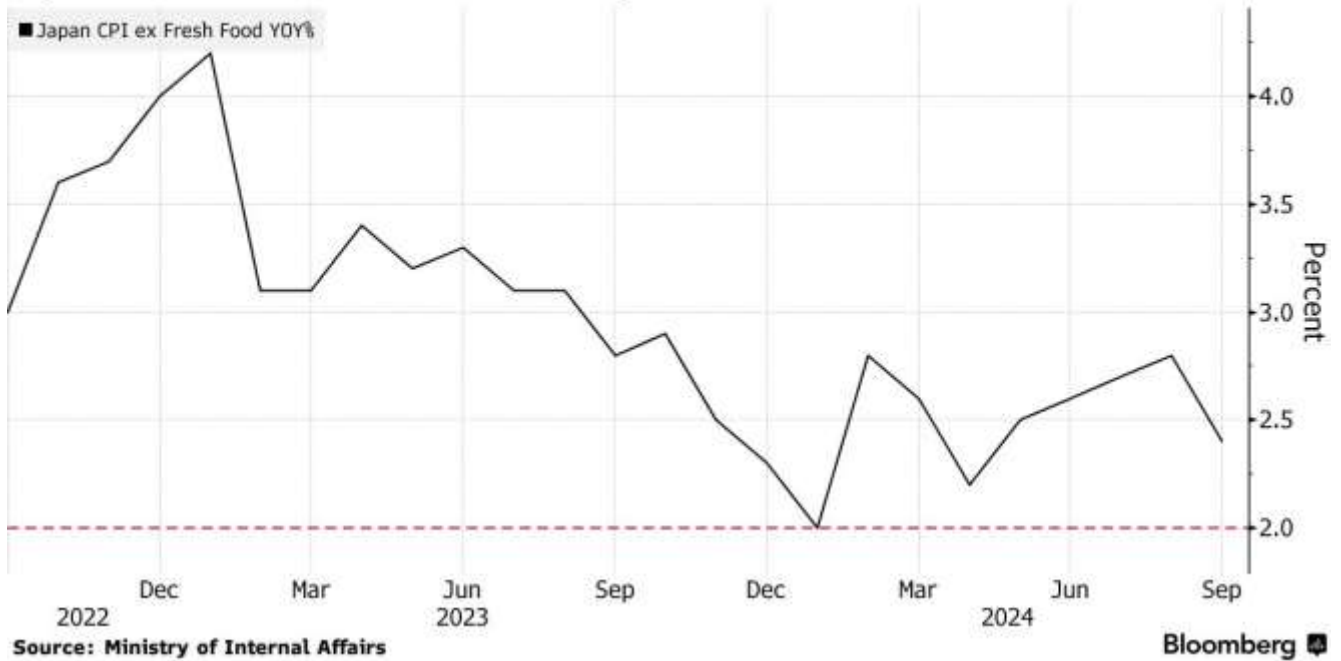
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[Bloomberg: Japan's inflation slows for first time since April ahead of BOJ](#)

Japan's key inflation gauge slowed in September for the first time in five months, ahead of a central bank meeting later this month where the board is widely expected to keep the interest rate unchanged.

Slowing Down Japan's core inflation decelerates in September



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Special Analysis

[World Bank: Business Ready - Business Ready \(B-READY\) 2024](#)

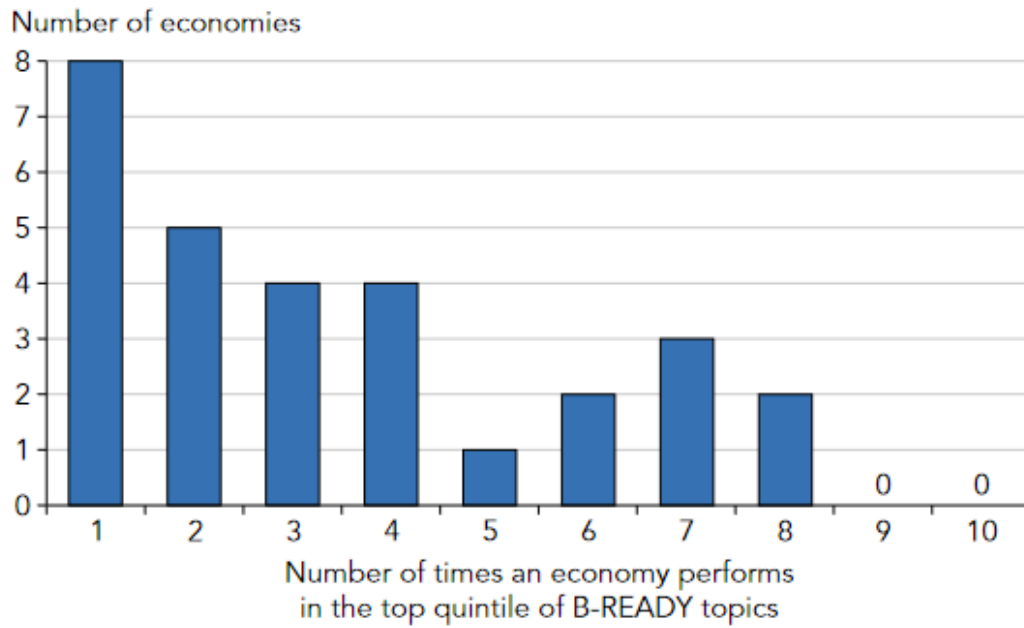
A vibrant private sector is central to efforts to end extreme poverty and boost shared prosperity on a livable planet. When it functions well, the private sector sparks innovation and entrepreneurship. It can unlock economic opportunities for people who need them the most. It can drive more efficient and sustainable use of natural resources. Today, the private sector generates about 90 percent of jobs, 75 percent of investment, more than 70 percent of output, and more than 80 percent of government revenues in developing economies. But it has been stalled since the global financial crisis of 2008–09. Private investment in these economies has slowed substantially. Per capita investment growth between 2023 and 2024 is expected to average only 3.7 percent, barely half the rate of the previous two decades.

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FIGURE ES.5 Strong performance is not confined to a small group of economies, but all have room for improvement

Distribution of economies in top quintiles



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Developments in Financial and Commodity Markets in the Past Week

[Reuters: Oil slips 1% on large build in US crude stocks; market watches Middle East](#)

Oil prices fell on Wednesday after data showed U.S. crude inventories rose by more than expected even as refining activity rebounded, though futures remained up about 2% this week as traders factored in continuing conflict in the Middle East. Brent crude futures settled at \$74.96, down \$1.08, or 1.42%. U.S. West Texas Intermediate crude futures settled down 97 cents, or 1.35%, to \$70.77.

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[Euronews: Gold and silver prices surge to new records as haven demand mounts](#)

Gold and silver surged amidst growing fears of escalating conflicts in the Middle East, uncertainties surrounding the US election, and central banks embarking on easing cycles. Analysts expect gold prices to keep rising. Precious metals, particularly gold and silver, surged to new record highs as demand for safe havens increased due to global economic uncertainties, the ongoing conflict in the Middle East, and a tight race in the US elections.

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