

# اقتصادنا والعالم

## Our Economy and the World

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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 third-quarter economic growth unrevised at 2.8%
- Reuters: China Oct industrial profits narrow decline, but headwinds loom
- Bloomberg: ECB's Schnabel sees only limited room for further rate cuts
- CNBC: UK economy surprises with September contraction, grows just 0.1% in the third quarter

### **Special Analysis**

- World Bank: The Development, Climate, and Nature Crisis

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

- Reuters: Oil steady after surprise rise in US gasoline stocks
- Reuters: French blue-chips lead European stocks lower on budget angst

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## Our Economy and the World

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

#### [Reuters: US third-quarter economic growth unrevised at 2.8%](#)

The U.S. economy grew at a solid clip in the third quarter, the government confirmed on Wednesday, amid robust consumer spending. Gross domestic product increased at an unrevised 2.8% annualized rate, the Commerce Department's Bureau of Economic Analysis said in its second estimate of third-quarter GDP.

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#### [Reuters: China Oct industrial profits narrow decline, but headwinds loom](#)

China's industrial profits fell again in October but less sharply than the previous month as deflation pressures dragged while demand remained soft in the crisis-hit \$19 trillion economy. Fresh headwinds from additional U.S. tariffs could also threaten China's industrial sector next year, reducing export earnings. The sprawling sector, which includes mining, processing and manufacturing companies, has struggled to stay profitable in the face of feeble domestic demand hit by a years-long property crisis, unemployment and rising trade tensions.

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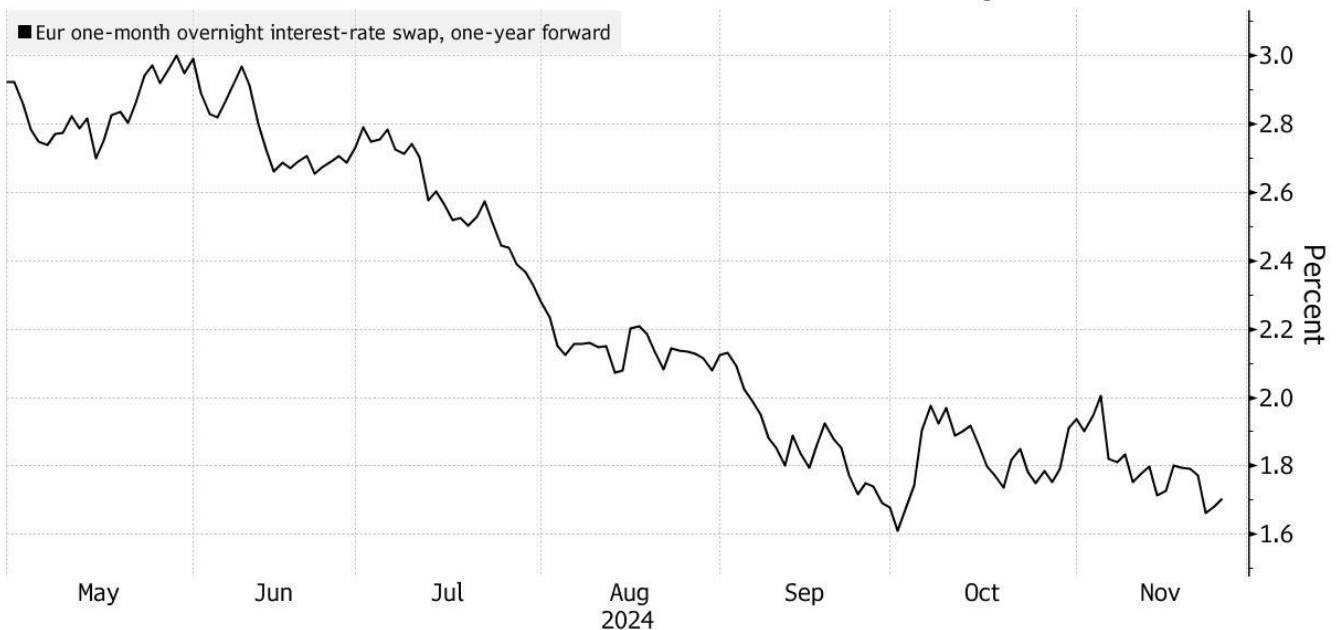
## Our Economy and the World

### Bloomberg: ECB's Schnabel sees only limited room for further rate cuts

The European Central Bank needs to be wary of cutting interest rates too far as borrowing costs are already near a level that no longer restrains the economy and going lower could backfire, according to Executive Board member Isabel Schnabel. Officials can continue to loosen monetary policy, but should do so only gradually to avoid taking rates below the so-called neutral threshold, Schnabel said in an interview. Easing too much could squander valuable policy space, the hawkish policymaker warned.

### Terminal Target

Traders bet the ECB will lower interest rates to about 1.75% by the end of 2025



Source: Bloomberg

Bloomberg 

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## Our Economy and the World

### [CNBC: UK economy surprises with September contraction, grows just 0.1% in the third quarter](#)

The U.K. economy showed a surprise contraction in September and only marginal growth in the third quarter following a strong rebound at the start of the year, initial figures showed Friday. Gross domestic product fell by 0.1% in September, following growth of just 0.2% the previous month, according to the Office for National Statistics. Economists polled by Reuters had expected growth of 0.2% for September.

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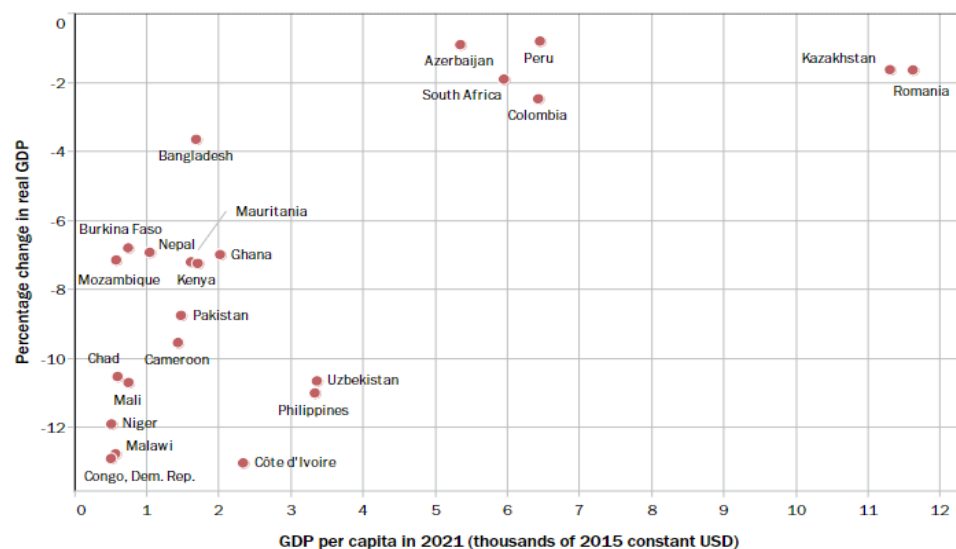
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### Special Analysis

#### World Bank: The Development, Climate, and Nature Crisis

The world is facing a triple crisis—in development, climate, and nature—and climate action is off track. Poor governance, limited access to finance, and political economy barriers are slowing down progress. Countries are not reducing emissions or building resilience fast enough, which is putting development achievements at risk. But beyond these grim headlines, there are increasingly clear opportunities to achieve development and climate double wins and there is a better understanding of the challenges that can turn these opportunities into trade-offs. That’s what the World Bank’s Country Climate and Development Reports (CCDRs) intend to capture: identifying opportunities for each country and priorities for investments and reforms.

**FIGURE 3: Estimated impacts on GDP in pessimistic climate scenarios, by 2050**



Notes: GDP = gross domestic product; GDP impacts are derived from the World Bank’s Macro-Fiscal Model (MFM), the Mitigation, Adaptation, and New Technologies Applied General Equilibrium (MANAGE) model, and, in the case of the Democratic Republic of Congo, the Long-Term Growth Model (LTGM). Pessimistic scenarios either represent a subset of climate runs that represent some dry/hot conditions or the average change in climate from a level of global emissions consistent with a radiative forcing of 7.0–8.5 Watts per square meter by 2100. In the latter case, the change in climate is also possible with lower emission levels and higher climate sensitivity or positive feedback from the carbon cycle.

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## Our Economy and the World

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

#### **Reuters: Oil steady after surprise rise in US gasoline stocks**

Oil prices were little changed on Wednesday, pressured by a large surprise build in U.S. gasoline stocks and worries about U.S. interest rate cuts next year, but prices drew support from concerns about supply eased after a ceasefire deal between Israel and Hezbollah. Brent crude futures settled 2 cents higher at \$72.83 a barrel. U.S. West Texas Intermediate crude slipped 5 cents to \$68.72.

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#### **Reuters: French blue-chips lead European stocks lower on budget angst**

French stocks hit a more than three-month low on Wednesday as investors fretted about the fragile government's ability to push through its budget, while continued worries over potential U.S. tariffs kept European automobile stocks under pressure. The pan-European STOXX 600 (STOXX) closed 0.2% lower.

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