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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: U.S.-India trade deal at 'very advanced stage,' Indian petroleum minister tells CNBC
- Reuters: India, EU reach landmark trade deal, tariffs to be slashed on most goods
- Reuters: Fed leaves rates unchanged, sees 'somewhat elevated' inflation and stabilizing job market
- Bloomberg: Japan's Katayama Says Will Cooperate With US on FX If Needed

## **Special Analysis**

- World Bank: Global Economy is Resilient, but Vulnerable Countries Lag

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

- Bloomberg: Gold Climbs to Record Above \$5,500 on Bets for Dovish Fed Chair
- Reuters: Nasdaq ends slightly up, S&P 500 flat as Fed brings little surprise

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## Key Global and Regional Developments over the Past Week

### [CNBC: U.S.-India trade deal at 'very advanced stage,' Indian petroleum minister tells CNBC](#)

A much-anticipated trade deal between India and the U.S. is at “a very advanced stage,” India’s Minister of Petroleum and Natural Gas Hardeep Singh Puri told CNBC Tuesday. “I would try and look at the positive side, I’m not a soothsayer, I don’t know when trade deals will get signed, how long it takes ... but I think one [everybody] needs to chill a bit,” he told CNBC’s Amitoj Singh, as India and the EU announced a landmark trade deal.

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### [Reuters: India, EU reach landmark trade deal, tariffs to be slashed on most goods](#)

India and the European Union struck a long-delayed deal on Tuesday that will slash tariffs on most goods, aiming to boost two-way trade and reduce reliance on the United States amid growing global trade tensions. The deal is expected to double EU exports to India by 2032 by eliminating or reducing tariffs in 96.6% of traded goods by value, and will lead to savings of 4 billion euros (\$4.75 billion) in duties for European companies, the EU said.

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### [Reuters: Fed leaves rates unchanged, sees 'somewhat elevated' inflation and stabilizing job market](#)

The Federal Reserve held interest rates steady on Wednesday amid what U.S. central bank chief Jerome Powell described as a solid economy and diminished risks to both inflation and employment, an outlook that could signal a lengthy wait before any further reductions in borrowing costs.

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### [Bloomberg: Japan's Katayama Says Will Cooperate with US on FX If Needed](#)

Japan's Finance Minister said the government will coordinate with the US on currency responses when necessary, as market participants grow increasingly wary of possible coordinated action between Washington and Tokyo.

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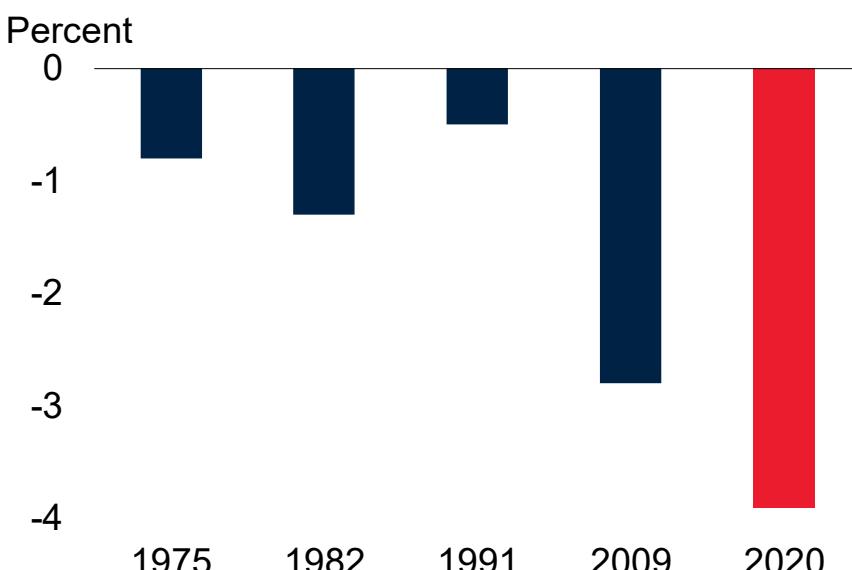
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## Special Analysis

### [World Bank: Global Economy is Resilient, but Vulnerable Countries Lag](#)

The global economy has shown notable resilience to heightened trade tensions and policy uncertainty. Last year's faster-than-expected pace of growth capped a recovery from the 2020 recession unmatched in six decades, even if vulnerable emerging market and developing economies are lagging behind. This year, global growth is projected to edge down, in part as firms scale back inventory accumulation and tariff effects intensify. Growth could falter further if trade tensions escalate or financial market sentiment deteriorates. Global action to improve the trade environment, ease financing constraints, and mitigate climate risks, together with domestic reforms to diversify trade, strengthen macroeconomic policy frameworks, and remove structural bottlenecks, will be essential to catalyze private investment, sustain growth, and foster robust job creation.



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

### [Bloomberg: Gold Climbs to Record Above \\$5,500 on Bets for Dovish Fed Chair](#)

Gold surged to an all-time high above \$5,500 an ounce, extending a breakneck rally fueled by US dollar weakness and expectations the next Federal Reserve chair will pursue further monetary easing. Bullion surged as much as 3.2% in early trading on Thursday, building on a 4.6% gain in the previous session – its biggest one-day gain since the height of the Covid-19 pandemic in March 2020. The precious metal has surged this year on heightened geopolitical tensions and a flight from sovereign currencies and bonds.

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### [Reuters: Nasdaq ends slightly up, S&P 500 flat as Fed brings little surprise](#)

The Nasdaq rose slightly with a boost from chip stocks while the S&P 500 closed virtually unchanged on Wednesday as investor reactions were muted after the Federal Reserve kept interest rates unchanged as expected and gave little indication when borrowing costs might fall again.

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