

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(2 March 2020 – 6 March 2020)

| Countries | Highlights |
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| <p>US</p> <p>Fed cuts rates to blunt coronavirus impact, markets drop</p> | <p>The US Federal Reserve cut interest rates on Tuesday in a bid to shield the world's largest economy from the impact of the coronavirus, but the emergency move failed to comfort US financial markets roiled by worries about a deeper, lasting slowdown. Fed Chair Jerome Powell reiterated his view that the US economy remains strong, but said the spread of the virus had caused a material change in the US central bank's outlook for growth. "The virus and the measures that are being taken to contain it will surely weigh on economic activity, both here and abroad, for some time," Powell said. Fed decided to cut rates by a half percentage point to a target range of 1.00% to 1.25%. Powell acknowledged the outlook is uncertain and the situation "fluid."</p> <p>(Source: Reuters, 3 March 2020)</p> |
| <p>Euro zone</p> <p>Euro zone businesses stepped up pace in February but trouble brewing: PMI</p> | <p>Euro zone businesses largely withstood the impact of the coronavirus in February, growing at their fastest pace in six months, though a survey on Wednesday painted a gloomier outlook, with falling export demand and disruptions to supply chains. IHS Markit's Composite Purchasing Managers' Index for the euro zone, the first key gauge of February's economic health published, nudged up to 51.6 from January's 51.3. The euro zone economy showed resilience to disruptions arising from the coronavirus outbreak in February, but dig deeper into the data and there are signs that problems lie ahead. Exports of both goods and services are now falling at an increased rate due to virus-related downturns in demand, and increasingly widespread delivery delays threaten future production.</p> <p>(Source: Reuters, 4 March 2020)</p> |
| <p>JAPAN</p> <p>Japan's households tighten wallets as coronavirus empties streets</p> | <p>Japanese homes extended their frugal spell for a fourth straight month in January as an earlier sales tax hike and a warmer winter kept wallets shut, adding to headaches for firms as they struggle with the growing hit to business from the coronavirus. The world's third-largest economy is trying to cushion the blow to output and exports from the global health crisis, which threatens to tip it into its first recession in nearly five years. Household spending fell 3.9% in January from a year earlier, largely in line with a median forecast for a 4.0% decline. That marked the longest stretch of contraction since a five-month run to June 2018. The gloomy data suggests households were tightening their purse strings even before the coronavirus forced many retail outlets to close their doors in February and March as shoppers stayed at home.</p> <p>(Source: Reuters, 6 March 2020)</p> |
| <p>CHINA</p> <p>China's jobseekers cast uneasy eye on opportunities in virus-hit economy</p> | <p>China's job market is showing signs of recovery as firms resume operations and an easing of measures to contain a coronavirus allow hundreds of millions of people to leave their hometowns for big cities in search of work. 21 of mainland China's 31 regions have lowered emergency response levels on the flu-like epidemic, allowing greater movement of people and goods and a recovery in business activity. Data from China's transport ministry showed three consecutive days this week of declining passenger flows nationwide, suggesting worker movement has peaked after the extended Lunar New Year holiday. A survey by major recruitment website Zhaopin, showed the number of job postings in China rose 21.4%, and applications increased 35.1%, last week from the prior week.</p> <p>(Source: Reuters, 5 March 2020)</p> |