

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(1 March 2021 – 5 March 2021)

Countries	Highlights
<p>US</p> <p>Dollar jumps as US jobs growth beats expectations</p>	<p>The dollar jumped on Friday after data showed jobs growth beat expectations in February, backing up the view of Federal Reserve officials who have said that a recent rise in US government bond yields is justified by an improving economic outlook. The jobs improvement came amid falling new COVID-19 cases, quickening vaccination rates and additional pandemic relief money from the government, putting the labour market recovery back on firmer footing and on course for further gains in the months ahead. Nonfarm payrolls surged by 379,000 jobs last month, after rising 166,000 in January. In December, payrolls fell for the first time in eight months. The dollar index jumped as high as 92.201, the highest since Nov. 25, before retracing back to 91.965, still up 0.36% on the day. The euro fell as low as USD1.1892, the lowest since Nov. 26, before bouncing back to USD1.1915, down 0.49% on the day.</p> <p><i>(Source: Reuters, 5 March 2021)</i></p>
<p>UK</p> <p>UK construction industry rebounds in February: PMI</p>	<p>Britain's construction industry perked up more than expected in February, helped by a return to growth in the commercial sector as businesses gave the green light to projects suspended earlier in the COVID-19 pandemic. The IHS Markit/CIPS UK Construction Purchasing Managers' Index rose to 53.3 from 49.2, moving above the 50 threshold for growth. The rebound was supported by the largest rise in commercial development activity since last September as the successful vaccine roll-out spurred contract awards on projects that had been delayed. Britain's housing market has boomed during the coronavirus pandemic, spurred by demand for more spacious properties and a tax break which finance minister Rishi Sunak extended for up to six months for some home-buyers.</p> <p><i>(Source: Reuters, 4 March 2021)</i></p>
<p>JAPAN</p> <p>Japan's service sector shrinks for 13th month as emergency weighs - PMI</p>	<p>Japan's services sector extended declines in February for a 13th straight month, as business activity was hit by curbs put in place to stop the spread of the coronavirus pandemic, leading to weak demand. The contraction hitting the services sector comes as a state of emergency for Tokyo and three surrounding prefectures put in place in part to take pressure off the nation's medical system is set to end on Sunday. The final au Jibun Bank Japan Services Purchasing Managers' Index (PMI) came in at a seasonally adjusted 46.3, staying below the 50 level that separates contraction from expansion for the 13th month. The survey result, which compared to the prior month's 46.1 and a preliminary 45.8 reading, was largely the result of a faster decline in new business and a continuing contraction in export business.</p> <p><i>(Source: Reuters, 3 March 2021)</i></p>
<p>CHINA</p> <p>China's factory activity growth slips to nine-month low: Caixin PMI</p>	<p>China's factory activity expanded at the slowest pace in nine months in February as weak overseas demand and coronavirus flare-ups weighed on output, adding pressure on the country's labour market. The slowdown in the manufacturing sector underscores the fragility of the ongoing economic recovery in China, although domestic COVID-19 cases have since been stamped out and analysts expect a strong rebound in full-year growth. February also saw the Lunar New Year holidays, when many workers return to their hometowns, although this year saw far fewer trips amid coronavirus fears. The Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) fell to 50.9 last month, the lowest level since last May.</p> <p><i>(Source: Reuters, 1 March 2021)</i></p>