

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(4 January 2021 – 8 January 2021)

| Countries | Highlights |
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| <p>US</p> <p>US labour market recovery faltering; layoffs hit record in 2020</p> | <p>The number of Americans filing first-time claims for jobless benefits unexpectedly dipped last week while staying extremely high, with the labour market recovery appearing to stall as a raging COVID-19 pandemic threatens to overwhelm the country. Layoffs announced by US companies surged 18.9% in December. Though services industry activity accelerated last month, employment fell. The reports followed on the heels of news on Wednesday that private companies shed workers in December, heightening the risk that the economy lost jobs last month for the first time since April. Still, the economy is unlikely to slide back into recession after the government approved additional pandemic relief in late December, with more fiscal stimulus likely.</p> <p style="text-align: right;"><i>(Source: Reuters, 7 January 2021)</i></p> |
| <p>EU</p> <p>UK housing market boom slowed ahead of tougher 2021: Halifax</p> | <p>Th British house prices rose 6.0% in December, the slowest annual rate in four months, and there is likely to be more downward pressure later in 2021 after a surge last year, mortgage lender Halifax said on Friday. House prices were 6% higher in December than a year previously, Halifax said, following a 7.6% rise in November that was the largest in four-and-a-half years. In December alone, prices rose 0.2%, the smallest month-on-month rise for six months. Britain's housing market boomed after the first COVID-19 lockdown as buyers sought bigger houses with gardens. Earlier this week the Bank of England said mortgage approvals in November topped 100,000 for the first time since 2007. Halifax said this activity ought to support house prices in the near term at least until the end of March when a temporary cut to property purchase tax expires and the "Help to Buy" government subsidy for new-build houses is scaled back.</p> <p style="text-align: right;"><i>(Source: Reuters, 8 January 2020)</i></p> |
| <p>JAPAN</p> <p>Japan household spending posts surprise gain in Nov, rises for 2nd month</p> | <p>Japan's household spending unexpectedly rose for a second straight month in November, as consumer sentiment showed further signs of recovery from the damage inflicted by the coronavirus pandemic. A one-month state of emergency for the Tokyo area approved by the government on Thursday is likely to hurt the recovery in domestic demand, with some analysts expecting the economy to fall into contraction in the first quarter of this year. Household spending rose 1.1% in November compared to the same month a year earlier, official data showed, beating a median forecast for a 1.5% decline. That marked the second month of expansion following a 1.9% gain in October. Household spending slipped 1.8% in November from the previous month, with demand for services such as travel tours being hurt by a resurgence in COVID-19 infections.</p> <p style="text-align: right;"><i>(Source: Nasdaq, 7 January 2021)</i></p> |
| <p>CHINA</p> <p>China central bank reduces leeway for firms to borrow abroad</p> | <p>China's central bank said it had tightened the way it assesses cross-border financing risks to make it harder for domestic firms to raise funds in overseas markets. The People's Bank of China (PBOC) lowered a parameter on cross-border corporate financing under its macro-prudential assessments to 1 from 1.25. That reversed a move in March when the central bank eased conditions allowing domestic coronavirus-hit firms to conduct overseas funding more easily. China has seen a steady rebound from the coronavirus crisis, with manufacturing activity sustaining its recovery to pre-pandemic levels. The string of upbeat data has led economists to forecast some winding down in 2021 of China's easing measures introduced since the start of the pandemic.</p> <p style="text-align: right;"><i>(Source: Reuters, 7 January 2021)</i></p> |