

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(11 November 2019 – 15 November 2019)

Countries	Highlights
<p>US</p> <p>U.S. retail sales rise modestly; factory output tumbles</p>	<p>US retail sales rebounded moderately in October although consumers did cut back on purchases of big-ticket household items like furniture and discretionary spending, which could temper expectations for a strong holiday shopping season. Consumer spending was slowing faster than economists had expected, and news that production at factories tumbled again in October, revived concerns about a downshift in the economy, which had receded after a recent raft of fairly upbeat data. The consumer is still spending, but not robustly enough to support other sectors, especially business investment. Retail sales gained 0.3% last month. But the increase in sales, which reversed September's unrevised 0.3% drop, reflected higher motor vehicle and gasoline prices.</p> <p style="text-align: right;"><i>(Source: Reuters, 15 November 2019)</i></p>
<p>UK</p> <p>UK shoppers buy less, adding to slowdown signs for economy</p>	<p>An unexpected fall in sales in October pushed retail growth over the last three months to its weakest since April 2018. A strong job market and solid consumer spending have helped keep Britain's economy afloat since the Brexit referendum in June 2016, as businesses have cut investment and manufacturers have suffered more recently from the US-China trade conflict. The data showed retail sales volumes unexpectedly fell by 0.1%, and annual sales growth held at 3.1%, bucking average forecasts for a pick-up to 3.7%. Measures that exclude spending on motor fuel which some economists think give a truer picture of underlying consumer demand were weaker still, and fell below all forecasts in Reuters' poll of economists. The only retailers to do well in October were department stores which benefited from sales promotions and an earlier introduction of Christmas lines. Baby products retailer Mothercare is set to close its British stores with the loss of at least 2,500 jobs under the weight of the pressures plaguing the retail sector, including online competition.</p> <p style="text-align: right;"><i>(Source: Reuters, 15 November 2019)</i></p>
<p>JAPAN</p> <p>Japan's economy decelerates sharply</p>	<p>Japan's economy slowed sharply in the third quarter as overall exports continued to fall amid trade tensions and a shopping splurge before a sales tax increase ran down stockpiles of goods. The deceleration comes as Prime Minister Shinzo Abe mulls the size of an economic stimulus package aimed at shielding Japan's economy from the global slowdown and the impact of the tax hike. GDP grew at an annualised pace of 0.2% in the three months through September from the previous quarter, stuttering from revised growth of 1.8% in the April-June period. Economists had forecast a 0.9% expansion. Stronger business investment combined with robust consumer spending before last month's tax hike helped prop up growth, though rush demand was weaker than expected.</p> <p style="text-align: right;"><i>(Source: Reuters, 15 November 2019)</i></p>
<p>CHINA</p> <p>China central bank injects 200 billion yuan to boost liquidity, keeps rate unchanged</p>	<p>China's central bank extended 200 billion yuan (\$28.60 billion) through its medium-term lending facility on Friday, the second time it has done so this month, while keeping the lending rate unchanged. The move to add long-term funds caught the market off guard as the central bank had already injected funds last week. Several traders said the cash injection was likely a response to tighter liquidity in the interbank market from late Thursday, which pushed up borrowing costs. Consumer price inflation is high, but the producer price index is still in a negative range. Companies' real borrowing costs remain high.</p> <p style="text-align: right;"><i>(Source: Reuters, 15 November 2019)</i></p>