

# GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(18 November 2019 – 22 November 2019)

Countries	Highlights
<p><b>US</b></p> <p><b>Lower mortgage rates boost U.S. housing starts, building permits</b></p>	<p>US homebuilding rebounded in October and permits for future home construction jumped to a more than 12-year high, pointing to strength in the housing market amid lower mortgage rates. An increase in home completions and the stock of homes under construction, which could help to ease a supply squeeze that has plagued the housing market. Though housing accounts for a fraction of gross domestic product, it has a bigger economic footprint. The surge in housing activity at the start of the fourth quarter suggested some support for the economy, which is slowing amid cooling consumer spending and persistent weakness in business investment and manufacturing.</p> <p><i>(Source: Reuters, 19 November 2019)</i></p>
<p><b>UK</b></p> <p><b>UK home prices to lag inflation on Brexit uncertainty: Reuters poll</b></p>	<p>Annual home price rises in Britain won't keep pace with already-low inflation until 2021, a Reuters poll found, and will fall in the capital London this year as uncertainty around the country's departure from the European Union continues to deter buyers. Britons voted in a June 2016 referendum to leave the EU but there is still no clarity about how, when or even if the two sides will finally part ways. That uncertainty is likely to continue even if Britain leaves by Jan. 31 as is currently scheduled as there is another tight deadline by the end of 2020 for both parties to hammer out a new trade deal, though many doubt that target can be met. Prices in London, for decades a magnet for foreign investors and speculators, will fall 1.5% this year and only hold steady in 2020. But highlighting the ambiguity, forecasts for this year ranged from -3.0% to no change. For 2020, the range was even wider, from -2.0% to +5.0%.</p> <p><i>(Source: Reuters, 19 November 2019)</i></p>
<p><b>JAPAN</b></p> <p><b>Japan's consumer inflation stagnant despite tax hike boost</b></p>	<p>Japan's annual core consumer inflation ticked up only marginally in October despite the boost from a sales tax hike during the month, suggesting weak household sentiment is keeping companies from passing on the higher costs. The nationwide core consumer price index (CPI), which includes oil costs but excludes volatile fresh food prices, rose 0.4% in October from a year earlier. That matched a median market forecast and followed a 0.3% increase in September. The boost from the tax increase was offset partly by the introduction of free child-care, which is aimed at easing the pain on households from the higher levy. While rising labour and raw material costs pushed up the price of dining out, electricity bills pushed down CPI for the first time in nearly three years due to falling fuel costs.</p> <p><i>(Source: Reuters, 22 November 2019)</i></p>
<p><b>CHINA</b></p> <p><b>China central bank injects 200 billion yuan to boost liquidity, keeps rate unchanged</b></p>	<p>China will revise its 2018 GDP estimate in the next few days to reflect an increase in the number of businesses and assets recorded in the last census. While the revisions typically have no immediate bearing on policy, some analysts see other implications for longer-term economic targets if past estimates are revised higher. The details of the revision would be made public "in a few days" but declined to say if they would lead to higher or lower output or GDP growth rate for 2018. The world's second-largest economy grew to 90.03 trillion yuan (\$12.81 trillion) in 2018, according to preliminary revisions this year. The 6.6% growth was the slowest in almost three decades but was in line with Beijing's target of around 6.5%.</p> <p><i>(Source: Reuters, 20 November 2019)</i></p>