

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(15 June 2020 – 19 June 2020)

Countries	Highlights
<p>US</p> <p>US labour market improvement stalling; second wave of layoffs seen</p>	<p>The number of Americans filing for unemployment benefits fell last week, but the pace of decline has stalled amid a second wave of layoffs as companies battle weak demand and fractured supply chains, supporting views that the economy faces a long and difficult recovery from the COVID-19 recession. The Labor Department's weekly jobless claims, the most timely data on the economy's health, sketched a picture of a distressed labour market even though employers hired a record 2.5 million workers in May as businesses reopened after shuttering in mid-March to slow the spread of COVID-19. At least 29 million people are collecting unemployment checks. Stubbornly high joblessness could stifle the nascent signs of economic recovery that had been flagged by a record jump in retail sales in May and a sharp rebound in permits for future home construction.</p> <p><i>(Source: Reuters, 18 June 2020)</i></p>
<p>UK</p> <p>UK consumer sentiment strongest since COVID lockdown began</p>	<p>British consumer sentiment recorded its biggest improvement in nearly four years this month as coronavirus lockdown restrictions eased, though it still remains far below its level at the start of this year, a survey showed. The GfK consumer confidence index, Britain's longest-running such survey, increased to its highest since March at -30, up from -36 in late May, which was the lowest reading since the depths of the financial crisis. The improvement matches other data showing some recovery since economic output collapsed by an unprecedented 20% in April, when many businesses suspended operations, shops closed to the public and workers were told to stay home were possible.</p> <p><i>(Source: Reuters, 19 June 2020)</i></p>
<p>JAPAN</p> <p>Japan's deflation gathers momentum as prices extend declines</p>	<p>Japan's core consumer prices fell for a second straight month in May, reinforcing deflation expectations and raising the challenge for policymakers battling to revive an economy reeling from the coronavirus pandemic. The data will likely complicate the Bank of Japan's job of restoring growth and inflation, with a raft of recent indicators suggesting the nation is in the grip of its worst post-war economic slump. Several BOJ board members warned that stronger monetary support and closer policy coordination with the government were needed to prevent Japan from returning to deflation. The nationwide core consumer price index (CPI), which includes oil but excludes volatile fresh food prices, fell 0.2% in May from a year earlier.</p> <p><i>(Source: Reuters, 19 June 2020)</i></p>
<p>CHINA</p> <p>China to step up monetary easing to support economy: cabinet</p>	<p>China will step up monetary easing and keep liquidity "reasonably ample", as it looks to support the economy and help small and medium-sized firms. The cabinet indicated that the government will keep liquidity ample by cutting the required reserved ratio (RRR), the amount of cash banks is required to hold - and re-lending, while guiding market interest rates lower. The government will ensure that China's issuance of new yuan-denominated loans and total social financing in 2020 exceed last year's total. China will also push financial institutions to sacrifice 1.5 trillion yuan (USD212 billion) in profit this year to support companies of all kinds by lowering lending rates and fees and deferring loan payments.</p> <p><i>(Source: Reuters, 17 June 2020)</i></p>