

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(6 January 2020 – 10 January 2020)

Countries	Highlights
<p>US</p> <p>US employment growth slows; labour market tightening</p>	<p>US job growth slowed in December after surging in the prior month, but the pace of hiring is enough to keep the longest economic expansion in history on track despite a deepening downturn in a manufacturing sector stung by trade disputes. The Labour Department's closely watched monthly employment report on Friday also showed the jobless rate holding near a 50-year low of 3.5%. The labour market has continued to churn out jobs at a healthy clip, despite anecdotal evidence of worker shortages, which economists had feared would significantly restrain hiring. But with the labour market tightening further, economists believe the long-awaited slowdown in job growth will happen this year.</p> <p><i>(Source: Reuters, 10 January 2020)</i></p>
<p>EU</p> <p>Euro zone economic sentiment edges up on Italy, Spain optimism</p>	<p>Euro zone economic mood improved in December, driven up by optimism in Italy and Spain, as growing confidence in services more than offset worsening sentiment among consumers and at factories, European Commission data showed. The Commission's monthly survey showed economic sentiment in the 19 countries sharing the euro rose to 101.5 points in December from 101.2 in November, a second consecutive monthly rise. The improved sentiment was driven by higher confidence in services, the biggest economic sector in the bloc, and in construction. Sentiment in industry slightly fell despite factory managers expecting their selling prices to rise. The mood among consumers worsened markedly, as households predicted worsening economic conditions.</p> <p><i>(Source: Reuters, 8 January 2020)</i></p>
<p>JAPAN</p> <p>Japan household spending falls again in November, gloom may persist</p>	<p>Japanese household spending fell for a second straight month in November suggesting that a higher sales tax may weigh on private consumption for some time. The world's third-largest economy is struggling to regain momentum after households tightened their belts following the sales tax hike in October and as slower global demand hit exports. Weak consumption will add to the risk that economic growth could stall in the final quarter of 2019 or even contract. Household spending fell 2.0% in November from a year earlier, worse than a median forecast for a 1.7% decline. Although some companies started passing on rising costs to households, many are still reluctant to do so for fear of losing customers as higher prices could dent consumer. Data showed spending on items such as durable goods, including air conditioners, remained weak, but picked up on items such as foods and personal computers.</p> <p><i>(Source: Reuters, 10 January 2020)</i></p>
<p>CHINA</p> <p>China's December consumer inflation still high, not seen hindering PBOC easing</p>	<p>China's consumer inflation steadied while factory-gate prices fell at a slower pace in December, giving Beijing room to stay the course on monetary easing as economic growth cools. Some investors have worried that consumer inflation, hovering near eight-year highs, could make China's central bank more cautious about further stimulus. China's consumer prices in December rose 4.5% from a year earlier, National Bureau of Statistics (NBS) data showed on Thursday, unchanged from November's pace, but lower than analysts' forecast of 4.7%. The gains were again fuelled by a surge in pork prices as African swine fever ravaged the country's hog herds. However, core inflation which excludes food and energy prices stayed largely subdued.</p> <p><i>(Source: Reuters, 9 January 2020)</i></p>