

# GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(16 August 2021 – 20 August 2021)

Countries	Highlights
<p><b>US</b></p> <p><b>US leading indicator points to further economic recovery in July</b></p>	<p>A gauge of future US economic activity increased in July, suggesting the economy continued to expand from the recession caused by the coronavirus pandemic even in the face of a resurgence in cases fuelled by the Delta variant. The Conference Board said its index of leading economic indicators (LEI) rose 0.9% last month to 116.0. Even though the US economy is forecast to grow this year at its fastest pace since the 1980s, there are signs the recovery could be cooling off. Supply-chain bottlenecks continue to slow manufacturing growth, and consumer sentiment plummeted in early August to a decade-low as Americans gave faltering outlooks on everything from personal finances to inflation and employment.</p> <p><i>(Source: Reuters, 19 August 2021)</i></p>
<p><b>UK</b></p> <p><b>UK shoppers cannot keep hot pace of buying going, stoking fears of slowing economic recovery</b></p>	<p>UK retail sales fell unexpectedly at the sharpest pace since the economy was in lockdown in January, signalling a sharp recovery may be losing momentum. The volume of goods sold in shops and online dropped 2.5% last month after a 0.2% gain in June, which was revised down from a previous estimate. With the UK's recovery lagging behind that of other major economies, the return of holidays, social events including weddings and the general easing of restrictions last month hasn't turbocharged consumer spending in the way many hoped it might have. Fuel sales fell for the first time since February, partly due to wet weather that cut the volume of traffic on roads. Food sales also declined as the lifting of restrictions on hospitality boosted spending in bars and restaurants and normalised after a surge during European champion soccer games in June. Other non-food stores including chemists, toy stores and sports equipment shops reported a 10.1% drop in sales, the first since February.</p> <p><i>(Source: Bloomberg, 20 August 2021)</i></p>
<p><b>JAPAN</b></p> <p><b>Japan's economy rebounds in Q2</b></p>	<p>Japan's economy rebounded more than expected in the second quarter after slumping in the first three months of this year, data showed, a sign consumption and capital expenditure were recovering from the coronavirus pandemic's initial hit. But many analysts expect growth to remain modest in the current quarter as state of emergency curbs reimposed to combat a spike in infections weigh on household spending. Japan economy grew an annualised 1.3% in April-June after a revised 3.7% slump in the first quarter, preliminary GDP data showed beating a median market forecast for a 0.7% gain. Still, the rebound was much weaker than that of other advanced economies including the United States, which marked a 6.5% annualised expansion in the second quarter, highlighting the fallout from Tokyo's struggle in containing the pandemic.</p> <p><i>(Source: The Star, 17 August 2021)</i></p>
<p><b>CHINA</b></p> <p><b>China leaves benchmark interest rate unchanged, as expected</b></p>	<p>China left its benchmark interest rate unchanged on Friday for the 16<sup>th</sup> consecutive month but that did little to dampen expectations authorities will boost stimulus to counter a slowdown in the world's second-largest economy. The PBOC also injected billions of yuan through medium-term lending facility loans into the financial system earlier this week, which many market participants interpreted as an effort to prop up activity, although the cost of such borrowing was left unchanged for a 16th straight month.</p> <p><i>(Source: Reuters, 20 August 2021)</i></p>