

## GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(24 June 2019 – 29 June 2019)

Countries	Highlights
<b>US</b>  <b>U.S. consumer spending rises in May, inflation muted</b>	<p>U.S. consumer spending increased moderately in May and prices rose slightly, pointing to slowing economic growth and benign inflation pressures, which could give the Federal Reserve more ammunition to cut interest rates in July 2019. The Commerce Department said on Friday consumer spending, which accounts for more than two-thirds of U.S. economic activity, rose 0.4% as households boosted purchases of motor vehicles and spent more at restaurants and on hotel accommodation. Consumer prices as measured by the personal consumption expenditures (PCE) price index rose 0.2% last month as a rebound in food prices was tempered by moderate gains in the cost of other goods. The PCE price index increased 0.3% in April.</p> <p style="text-align: right;"><i>(Source: Reuters, 28 June 2019)</i></p>
<b>UK</b>  <b>Banks in Britain revive preparations for no-deal Brexit: EY</b>	<p>Banks in Britain are showing signs of restarting preparations for a no-deal Brexit after a lull in the shift of financial services jobs and capital from Britain to the European Union in the past few months. EY's Brexit Tracker of public announcements from 222 of the largest financial services firms in the three months ending May 31 found that the 7,000 planned job and a trillion pounds (USD1.27 trillion) in capital relocation to new EU hubs was little changed from the prior quarter. Banks, insurers and asset managers had prepared for a March 31 Brexit but departure was delayed to October 31. The prospect that Britain could leave the EU without a deal by the end of October has started to have an impact. Many firms have been reluctant to make the final decision to move to the EU until they absolutely have to, though investment banks have already moved nearly 1,000 jobs to Europe.</p> <p style="text-align: right;"><i>(Source: Reuters, 25 June 2019)</i></p>
<b>JAPAN</b>  <b>Japan May factory output surprisingly strong, but trade risks linger</b>	<p>The Japan's industrial output rose at the fastest pace in more than a year in May on the back of higher car production, suggesting that growth is holding up despite fears manufacturers remain pressured by the U.S.-China trade war. However, economists said the long-term outlook for Japan's factory output was less rosy, as the May increase likely stemmed from a rise in car production before a sales tax hike expected in October 2019. Industrial production jumped 2.3% from April, the fastest month-on-month pace since February 2018. May's median market forecast was 0.7%, after April saw a 0.6% rise. The May data showed that higher production of car parts and machines used to make flat panel displays helped offset a decline for airplane parts.</p> <p style="text-align: right;"><i>(Source: Reuters, 28 June 2019)</i></p>
<b>CHINA</b>  <b>China Trade Talks To Restart As U.S. Agrees To Hold Off On New Tariffs</b>	<p>The U.S. and China have agreed to restart trade talks and Washington will not level new tariffs on Chinese exports. Saturday's high-stakes meeting between Trump and Chinese President Xi Jinping was being closely watched in hopes that it would ease tension rather than plunge the world's two biggest economies into a deeper trade war. The dispute has already cost companies in both countries billions of dollars, disrupted global manufacturing and supply lines, and roiled markets.</p> <p style="text-align: right;"><i>(Source: Reuters, 29 June 2019)</i></p>