GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(9 November 2020 – 13 November 2020)

Countries	Highlights
US **US consumer sentiment ebbs; producer prices maintain steady rise**	US consumer sentiment fell unexpectedly in early November as households worried about their finances, the resurgent COVID-19 pandemic and the depleted fiscal stimulus, dimming the economy's outlook as the curtain started to close on a challenging year. The survey from the University of Michigan showed Democrat Joe Biden's victory in the Nov. 3 presidential election was weighing on expectations among Republicans, with a slight gain among Democrats. The University of Michigan's consumer sentiment index dropped to 77 early this month from a final reading of 81.8 in October. The survey's measure of current conditions was steady. Its gauge of expectations fell to 71.3 from 79.2. *(Source: Reuters, 13 November 2020)*
UK **UK's lagging economy lost more speed in September, worse ahead**	Britain's economy grew by a slower than expected 1.1% in September from August, lagging other rich nations as it struggled to recover from the shock of the pandemic even before the latest COVID-19 lockdown. Between July and September, GDP grew by a quarterly record of 15.5%. But that failed to make up for its nearly 20% lockdown slump between April and June. The economy is being propped up by more than 200 billion pounds of emergency spending and tax cuts ordered by finance minister and the Bank of England's almost 900 billion pound bond-buying programme. Britain's initial lockdown lasted longer than in other countries and hammered services firms which make up 80% of the economy. GDP remained almost 10% smaller than at the end of 2019, twice as big as the falls in Italy, Germany and France and nearly three times the size of the US drop. *(Source: Reuters, 12 November 2020)*
JAPAN **Japan's machinery orders fall, clouding outlook for capital spending recovery**	Japan's core machinery orders fell for the first time in three months in September and at faster than expected pace, denting hopes that a quick pick up in business spending could help the economy stage a brisk recovery from its COVID-19 crisis. The decrease in core orders underscored corporate Japan's reluctance to commit to more capital investment as a resurgence in coronavirus infections darkened the outlook for global demand. Core machinery orders, a highly volatile data series regarded as an indicator of capital spending in the coming six to nine months, lost 4.4% in September after a 0.2% rise in the previous month. Core orders were dragged down by lower spending on electrical measuring instruments and information services e.g. communication networks. *(Source: Reuters, 12 November 2020)*
CHINA **China Oct bank loans fall more than expected but broader credit growth quickens**	China's new bank loans fell more than expected in October to the lowest in a year, but the drop was likely seasonal and policymakers are expected to maintain solid support for the economy as the global pandemic rages on. Authorities have stepped up support for smaller companies after a record coronavirus-induced slump early in the year. Lenders issued 689.8 billion yuan (USD104.22 billion) in new yuan loans last month, down from 1.9 trillion yuan in September and well short of analysts' expectations for 800 billion yuan. Bank lending in China tends to slow late in the year as lenders have used up most of their annual quotas. Annual growth of outstanding total social financing (TSF), a broad measure of credit and liquidity, quickened to 13.7% in October from 13.5% in the preceding month - a tailwind from policy stimulus that analysts believe could underpin the economic recovery in coming months. *(Source: Nasdaq, 11 November 2020)*

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