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Monetary Policy

• **China:** Foreign-exchange reserves hit the lowest since March 2011. Value of FX reserves decreased by USD 69.09 billion and now amounts to USD 3.052 trillion. Rate of reduction was significantly higher than economists' expectations. The rapid pace of decrease is caused by People's Bank of China policy, which through selling dollars wants to strengthen weak Chinese yuan. Economists evaluate that such an approach won't bring expected effect but only will result in most likely imposed higher import duty by president-elect Donald Trump.

Paulina Krupa

„Callendar page”



6th December 1926

That day **Angus Maddison** was born (died: 24 April 2010). He was a British economist specialising in quantitative macroeconomic history, including the measurement and analysis of economic growth and development. Maddison was a pioneer in the field of the construction of national accounts, where a country's accounts are calculated back in periods of several decades all the way to the year 1. To this end he combined modern research techniques with his own extensive knowledge of economic history and in particular countries' performances in the field of GDP per capita. His work resulted in a deep new understanding of the reasons why some countries have become rich whereas others have remained poor.

Karolina Szczepanek

Currency Market

Exchange rates (12/08/2016) :

■ EUR/USD	- 1.0620 \$	-0.36%
■ USD/GBP	0.7946 £	+0.07%
■ USD/CHF	1.0166 Fr.	+0.58%
■ USD/JPY	- 113.997 ¥	-0.16%

Rate of return: 7 days

• The ECB announced the extension of the QE. Starting from April the ECB will spend 60 billion EUR monthly for purchase of assets (about EUR 20 billion less than at present). After the announcement of the ECB, EUR / USD rate raised from 1.08 to 1.0872. However, a few minutes later, it returned to around 1.08 USD, and continued to decline towards 1.06 USD. The reason for such a fluctuation may be the fact that the additional EUR 60 billion for 9 months (540 billions) is more than the expected EUR 80 billion for 6 months (480 billions). Thus, in fact the amount of money in the financial market will be next year, higher than expected.

Aleksandra Duda

GDP

• **Unexpected growth of GDP in Japan:** In the III quarter economic growth achieved 0,3 %, quarterly. This is the third quarterly growth of GDP this year. The similar situation last time occurred in 2013. Change of GDP is caused by the 2% growth of export, with the import decrease. The consumption increased insignificantly by 0,1 %.

Aleksandra Kossakowska

Labor Market

• **South Africa's unemployment rate hits record high in Q3 2016 in eight years.** The unemployment rate rose from 26.6 % (Q2) to 27.1%, according to Statistics South Africa. The number of people without jobs rose by 239,000 (to 5.9 million). The government plans to reduce the unemployment rate to 6% by 2030, which will be possible only when the economy will expand at 7.2% pace yearly from 2018, according to World Bank.

Joanna Klimek

Retail Sales

• **PepsiCo wants to expand offering in beverages of health and wellness.** The corporation acquired KeVita – a North American leader in fermented probiotic and kombucha beverages. All of their products are certified organic, non-GMO, gluten-free and vegan. A purchase sum is undisclosed.

Alexander van den Akker

Consumer moods

• **Bank Indonesia Consumer Survey reflected a growth in the Consumer Confidence Index (CCI) level by a 6.8 point.** With a 116.8 CCI both of its components, Current Economic Condition Index (CECI) and Consumer Expectation Index (CEI), resulted in gaining of 7.2 points and 6.4 points respectively. Main cause of the increases reported by households in 10 cities was a high job availability. In addition, the business expectation index and income expectation index noted 7.9 points and 1.6 points growth respectively.

Wiktoria Warych