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**FINANSE
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Monetary Policy

• **China:** The strongest growth in foreign exchange reserves in China for 3 years. Slight weakening of the dollar and retreat of outflow of Chinese capital caused China's foreign reserves at USD 3.03 trillion in early May. In the last month, the value of Chinese foreign exchange reserves increased by USD 20.45 billion. This is a huge change compared to previous years, because the previous two years were marked by a decline in the value of the reserves of the Middle Kingdom. As Zhao Yang, the chief economist of Nomura Holdings for China, points out, stronger capital controls are effective because they have reduced the outflow and helped improve the moods around the yuan. However, Beijing does not want to keep tighter control in the medium term, because it harms the economy. Despite constant fluctuations in foreign exchange reserves, China remains the largest holder of foreign exchange assets in the world.

Paulina Krupa

Labor Market

• According to Statistics Canada unemployment fell. Last month it reached 6.5% which is the best result since the financial crisis began in 2008. Contrary to optimistic statement about unemployment, total number of employees decreased as well as the number of full-time employees working in favor of part-time employees.

Kamil Rybak

Currency Market

Exchange rates [05/12/2017] :

■ EUR/USD	1.0876 \$	-1.09%
■ USD/GBP	0.7782 £	+1.03%
■ USD/CHF	1.0081 Fr.	+2.15%
■ USD/JPY	113.860 ¥	+1.22%

Rate of return: 7 days

• **GBP weakens again.** GBP, which has strengthened against USD in recent weeks, is losing to USD 0.26% today. Depreciation of British currency was influenced by UK foreign trade balance data. Industrial production was also below market expectations, which increased by 1.4% yoy (vs. 2.1% expected). In addition to this, decision of Bank of England about maintaining interest rates unchanged has also weakened GBP.

Aleksandra Duda

GDP

• **Economic growth in Ethiopia is one of the highest in the world.** According to the Global Economic Prospects report, Ethiopia's GDP growth in 2016 amounted to 8.4%. Experts forecast that Ethiopia's economic growth will amount to 8.9% in 2017. The change in GDP growth results from an increase in foreign and government investments.

Aleksandra Kossakowska

Retail Sales

• **India is now one of the world's fastest growing chocolate confectionery markets.** According to Mintel agency sales of chocolate in Indian retail markets grew by 13% between 2015 and 2016, followed by Poland which saw sales growth of 2%. Those were the only two markets with growth of chocolate's sales in 2016. Overall annual growth rate from 2016 to 2020 for the sales is expected to amount to 20,6% in India.

Alexander van den Akker

Consumer moods

• **Indonesian Consumer Confidence Index increasing.** The indicator measures consumers' expectations about current income and job availability compared to the situation six months ago and expected in next six months. In April the index level grew by 2.2 percentage points to 123.7 points compared to March. It was the highest note since year 2000, caused by a rise in business activity.

Wiktoria Warych