



المركز المصري للدراسات الاقتصادية
The Egyptian Center for Economic Studies



Our Economy and The World

The Weekly Report

Issue: 257 Date: 9 January 2022

This week's issue of "Our Economy and the World" includes:

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 - CNBC: OPEC+ agrees oil output hike from February as omicron Covid cases soar
 - Bloomberg: China's manufacturing expands while employment remains weak
 - Blomberg: British consumers took on the most debt since July 2020 in the runup to Christmas, with a surge in borrowing on credit cards.
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 - Bloomberg: China stocks suffer worst start since 2019 on profit taking
 - Financial Times: China coal futures rise after Indonesia export ban

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Key Global and Regional Developments over the Past Week

[CNBC: OPEC+ agrees oil output hike from February as omicron Covid cases soar](#)

An influential group of some of the world's largest oil producers agreed on Tuesday to stick to its planned increase in oil production from February as energy investors weigh the potential impact of soaring omicron Covid cases. OPEC and its non-OPEC allies, known collectively as OPEC+, decided to raise its output target by 400,000 barrels per day from next month. The move had been broadly expected given U.S. pressure to boost supply and no major new Covid restrictions.

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[Bloomberg: China's manufacturing expands while employment remains weak](#)

China's factory activity expanded in December as production and sales picked up, though employment remained weak, a private gauge showed Tuesday. The Caixin Manufacturing Purchasing Managers' Index rose to 50.9 last month from November's 49.9, Caixin and IHS Markit said in a statement. Economists had expected a marginal improvement to 50, the dividing line between expansion and contraction. Output rose at the fastest pace in the past year, supported by improved market conditions and stronger customer demand, while inflation eased, according to the statement. Employment fell for the fifth month in a row, with the sub-index dropping to 48.7, the weakest since February last year.

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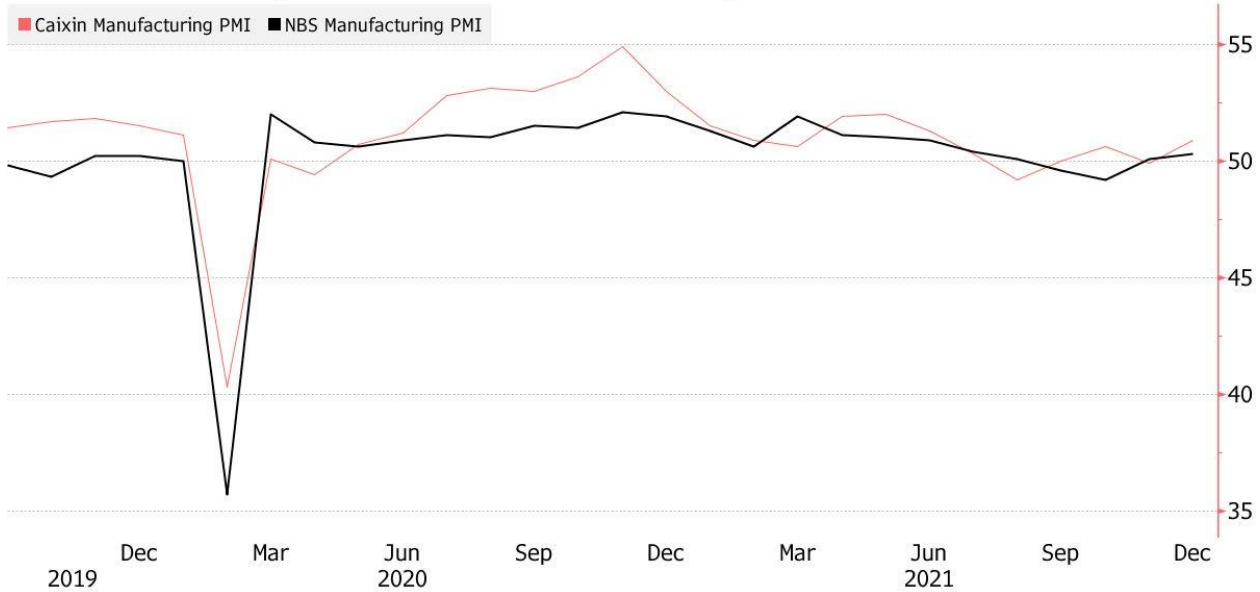


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Slight Pickup

China's PMI surveys show business conditions improved



Source: Caixin and IHS Markit; National Bureau of Statistics

Bloomberg 

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[Blomberg: British consumers took on the most debt since July 2020 in the runup to Christmas, with a surge in borrowing on credit cards.](#)

British consumers took on the most debt since July 2020 in the runup to Christmas, with a surge in borrowing on credit cards. Consumers added 1.2 billion pounds (\$1.6 billion) to their unsecured debts in November, up from 828 million pounds in the previous month, Bank of England data published on Tuesday show. Economists had expected a gain of about 800 million pounds.

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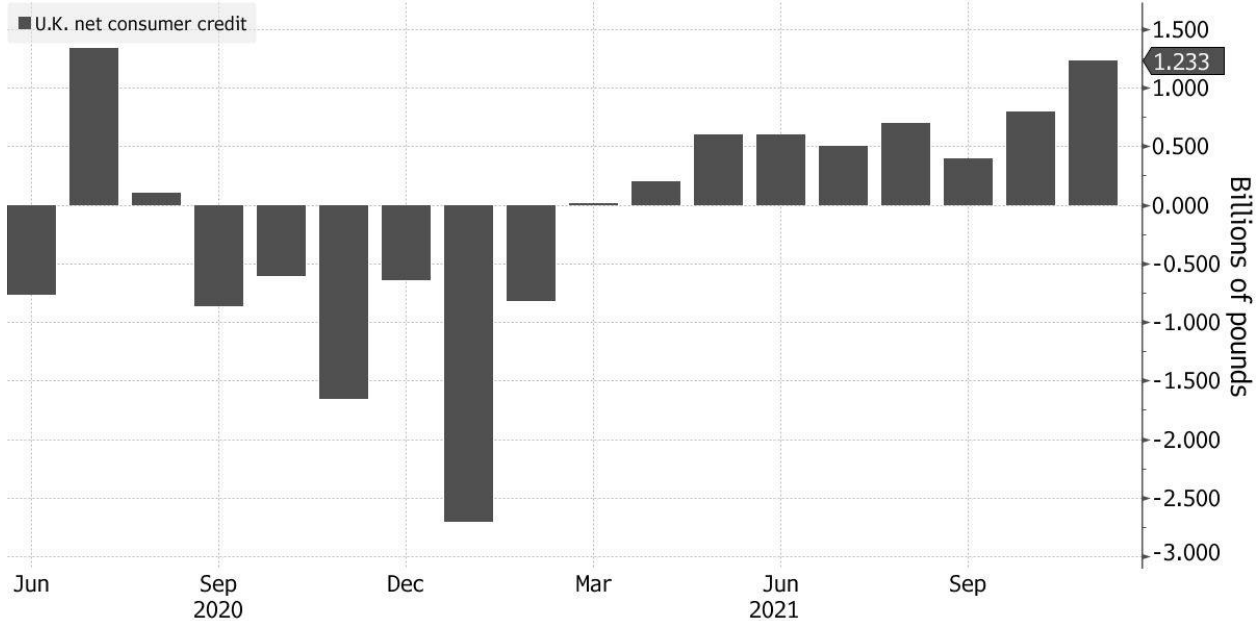
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Borrowing Spree



Source: Bank of England

Bloomberg

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[Reuters: U.S. manufacturing catches breath; supply logjam starting to break up](#)

U.S. manufacturing activity slowed in December amid a cooling in demand for goods, but supply constraints are starting to ease and a measure of prices paid for inputs by factories fell by the most in a decade. The Institute for Supply Management (ISM) survey on Tuesday also suggested some improvement in labor supply, with a gauge of factory employment rising to an eight-month high. Still, Timothy Fiore, chair of the ISM manufacturing business survey committee, noted that "shortages of critical lowest-tier materials, high commodity prices and difficulties in transporting products continue to plague reliable consumption."

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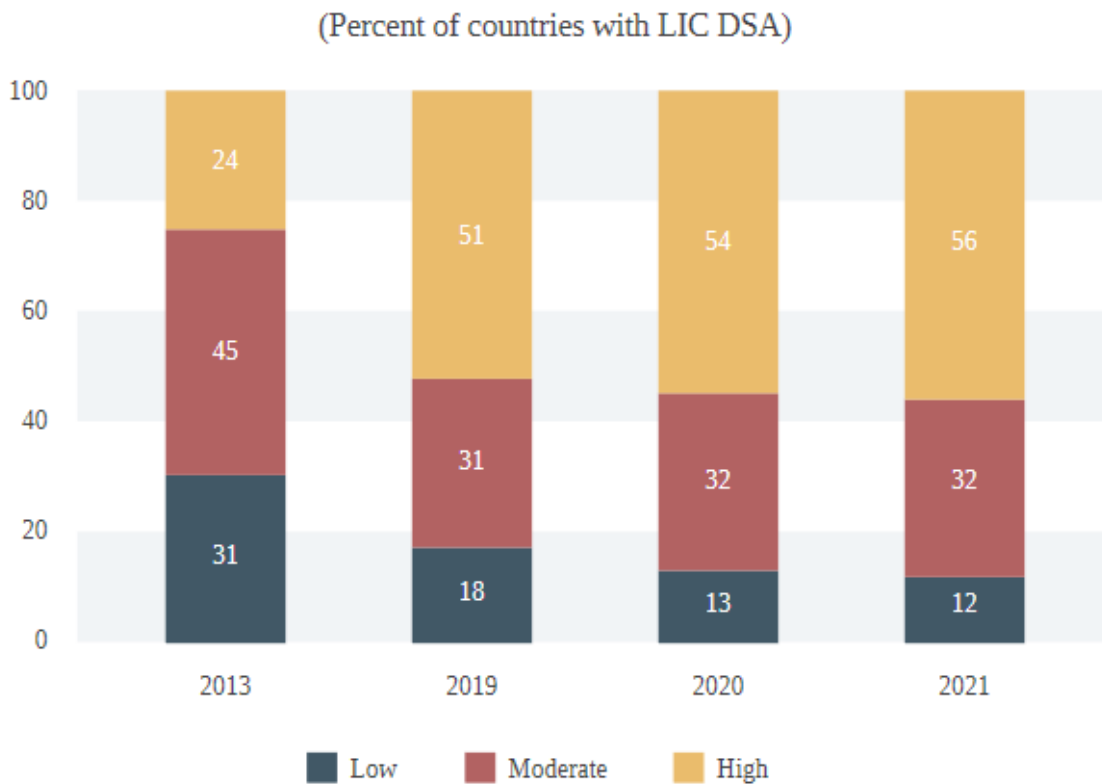
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Special Analysis

World Bank: Debt Transparency in Developing Economies

Global debt surveillance today depends on a patchwork of databases with different standards and definitions, resulting in large gaps in debt information for many low-income developing countries, a new World Bank Group analysis found. Debt Transparency in Developing Countries provides a detailed look at debt reporting in low-income developing countries (LIDCs)—many of which are facing record-high debt levels exacerbated by COVID-19—to inform stakeholders in sound and transparent debt management. Drawing from new databases and surveys, the report found that nearly 40 percent of LIDCs have never published debt data on their websites, or they have not updated their data in the last two years.

Figure 1.1b: Risk of External Debt Distress



Source: Joint Bank-Fund LIC DSF database, June 2021.

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Recent Developments in Financial and Commodity Markets

Bloomberg: China stocks suffer worst start since 2019 on profit taking

Chinese shares had their worst start to the new year since 2019, as investors took profit on some of their most successful bets in 2021. The benchmark CSI 300 index closed down 0.5% Tuesday, marking its weakest opening session in three years and led by declines in renewable energy and healthcare firms. Among the top losers, drugmaker Asymchem Laboratories Tianjin Co. fell by the 10% daily trading limit while Trina Solar Co. slumped 8.5%.

Profit Taking

Traders rushed to take profit on the first day of 2022 trading for Chinese equities



Source: Bloomberg

Bloomberg

<https://www.bloomberg.com/news/articles/2022-01-04/china-stocks-see-rocky-start-to-year-as-renewable-shares-dumped>

Financial Times: China coal futures rise after Indonesia export ban

Chinese coal futures rose on Tuesday ahead of a review of an export ban announced last week by Indonesia, one of the world's largest exporters of the fossil fuel, stoking fears of knock-on effects for the global economy. The most active contract traded on the Zhengzhou Commodity

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Exchange rose as much as 8 percent on Tuesday compared with its Friday closing price, with several other contracts also up more than 6 percent at midday.

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