

# [Analyze one week of world economy](https://assignbuster.com/analyze-one-week-of-world-economy-essay-samples/)

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One Week Of World Economy This paper seeks to determine the direction of the world economy during the second week of February, 9th Feb ’15 to 13th Feb ’15.
The jobless data showed a worsening position in the United States as total claims stood at 304k for the week ending 7th Feb, compared to wide market consensus of 285k (up from 279 during the previous period). A dip in the customer sentiment was also witnessed with a decelerating trend being witnessed in the retail sales figures, down 0. 8% compared to the market view of a 0. 4% decline. On the contrary, sales showed some respite with the decline being lower as compared to last period’s dip of 0. 9%.
Moving on to Japan, machinery exports showed an uptick of 11. 4% YoY and 8. 3% Mom in December, way ahead of market expectations of a 5. 9% and 2. 4% growth respectively. Also to be noticed is the fact that these figures were much better from those reported during the previous period. Moreover, the Yen strengthened during the second week of February, with the yen opening against the dollar at 119. 4, and closing at 118. 7.
The Chinese economy portrayed a rosy picture, and showed that the Central Bank of the country is good at managing the affairs of the country. Consumer Price Index or inflation figures for the month of January showed China was able to keep its prices well in control with inflation clocking in at 0. 8% YoY, compared to 1. 5% during the previous year. Although MoM inflation remained the same as during the last period at 0. 3%, it was still better than broad market expectations of 0. 3% (" Economic Calender").
As far as the European Union is concerned, a rough view of the region can be made up by looking at the performance indicators of a few nations within the Union. Germany posted trade surplus for December (with figures being released on 9th Feb) of 21. 8bn Euros, amidst market expectations of 18. 3bn Euros. The betterment was witnessed on back of 3. 4% increase in exports, while imports went down by 0. 8%, this widening the balance and resulting in a trade surplus. Though 4Q GDP growth for Germany came in at 1. 6% compared to expectations of 1. 00%, a deceleration of 0. 4% YoY portrayed a worrying picture for the economy.
On the other hand, UK’s economy did not perform up to the mark, with industrial production growing not as strong as expected (0. 7% vs 0. 5%). The BRC Retail Sales Monitor also portrayed signs of worries as sales for January went down 0. 2% YoY, amist market expectations of a 5% YoY growth.
On an overall basis, the world economy does not seem to be in a very healthy position. With the US jobless claims going up and retail sales going down, it seems that customers lack the purchasing power to be able to afford goods. Japanese economy however did portray a healthy trend with industrial exports going up, as well as the Yen extending against the Dollar in the forex market. Similarly, Chinese economy also performed healthily during the said period. However, signs of restraint were witnessed across the EU with deflation being reported in various EU countries, alongside a dip being witnessed in industrial production.
Work Cited
" Economic Calender." FX Street. 19 Feb. 2015. Web. 19 Feb. 2015. .