



### Overview

- Global growth is moderating amid tightening financial conditions and weakening trade and industrial activity.
- Global equity prices continued to decline in November, but recent currency and capital outflow pressures have moderated in emerging market and developing economies (EMDEs).
- Commodity prices dropped in November driven by a combination of rising supply and weakening demand prospects.
- The recovery in EMDE commodity exporters has softened, while activity indicators in EMDEs affected by recent financial stress have deteriorated.

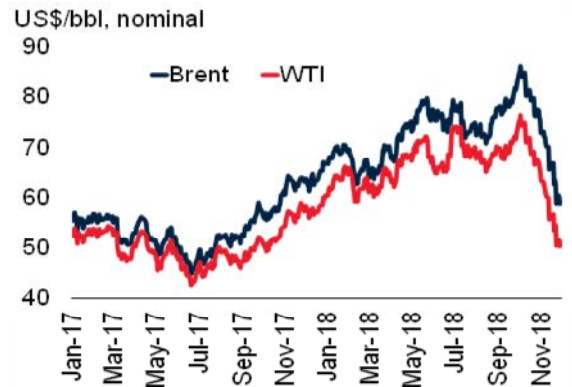
### Chart of the Month

- Brent crude oil price fell from \$86/bbl in early October to \$59/bbl by end-November, the sharpest two-month decline since January 2015. The West Texas Intermediate dropped to \$51/bbl, its lowest level since October 2017.
- Supply fears that pushed oil prices up during the summer eased after the United States announced waivers to its sanctions on Iran for some countries, and following higher-than-expected output in the United States and Saudi Arabia.
- OPEC and non-OPEC producers are expected to discuss possible production cuts at a meeting on December 6th.

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### Crude oil prices, nominal



Source: Bloomberg.  
Note: Last observation is November 29, 2018.

### Special Focus: The Implications of Tariffs for Commodity Markets

- Growing trade tensions since the start of 2018, including the imposition of tariffs by some large economies, have had a material impact on commodity markets.
- Tariffs have resulted in trade diversion and widening price differentials of commodities among countries, but impacts have varied depending on whether tariffs were commodity-specific or imposed on a broad range of products.



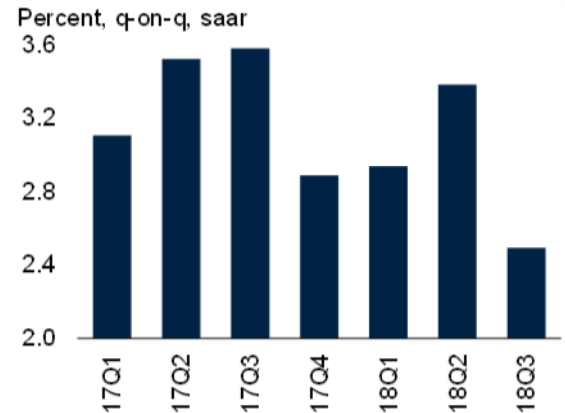
## Monthly Highlights

**Global growth: moderating.** Global growth slowed in 18Q3, to an estimated 2.5 percent (q/q saar) from 3.4 percent in 18Q2 (Figure 1A). The deceleration in global manufacturing activity was particularly pronounced, with industrial production growth moderating to 1.8 percent (q/q saar) in 18Q3, less than half its pace at the start of the year. Survey data suggest weakening momentum in 18Q4, with the global manufacturing PMI dropping in October to its lowest level in almost two years (Figure 1B). Global inflation continued to trend up gradually, with price pressures intensified in some EMDEs facing large currency depreciations, prompting their central banks to tighten monetary policy. However, the recent decline in oil prices may interrupt that upward trend, at least in the near term.

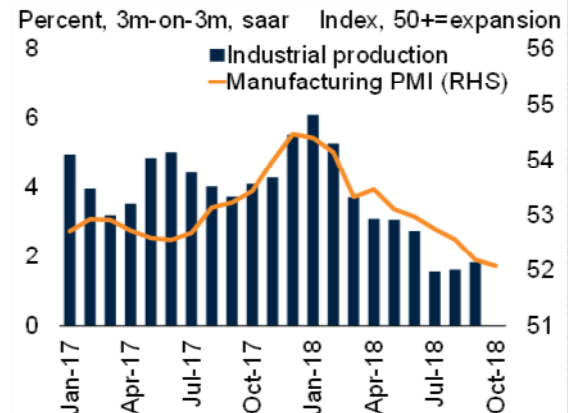
**Global trade: softening momentum.** Following a marked deceleration in 18Q2, global goods trade temporarily recovered in 18Q3. However, incoming data point to renewed weakness into 18Q4, with stagnant container shipping, declining air freight, and decelerating goods trade volumes in September, and a drop in global export orders in October to their lowest level in two and a half years (Figure 1C). Trade tensions between the *United States* and *China* continued to weigh on confidence and financial market sentiment. However, trade policy uncertainty diminished somewhat after the announcement of the new United States-Mexico-Canada Agreement in October, and the negotiation of a draft withdrawal treaty between the *United Kingdom* and the *European Union* in November. The latter still requires approval by the UK House of Commons, the European Council, and European Parliament.

**Global financing conditions: equity market rout.** Borrowing costs in advanced economies have been creeping up this year, as inflation moves closer to central bank targets and monetary policy accommodation continues to be withdrawn. U.S. long-term yields remained slightly above 3 percent in November. Long-term yields in other advanced economies are markedly lower, with rising interest rate differential with the *United States* contributing to a significant appreciation of the U.S. dollar since April 2018. Persistently low bond yields in the *Euro Area* and *Japan* reflect continued negative interest rate policies as well as disappointing growth outcomes. Italian bond yields have been high and volatile in recent months as European authorities and the Italian government sparred over its 2019 budget. Global equity prices have experienced marked declines in October and November,

**FIGURE 1.A Global growth**



**FIGURE 1.B Global industrial production and manufacturing PMI**



**FIGURE 1.C Global container shipping and new export orders**



Sources: Haver Analytics, Institute of Shipping Economics and Logistics, World Bank.

A. Aggregate growth rates calculated using constant 2010 U.S. dollar GDP weights.

B. Figure shows Purchasing Managers' Index (PMI) for manufacturing. PMI Readings above 50 indicate expansion in economic activity; readings below 50 indicate contraction. Last observation is October 2018 for manufacturing PMI and September 2018 for industrial production.

C. Container shipping based on international merchandise trade of 99 ports, which account for roughly 60 percent of worldwide container handling. Last observation is October 2018 for new export orders and is September 2018 for container shipping.



mainly reflecting concerns about softening growth prospects, rising borrowing costs, and heightened trade tensions (Figure 2A). The correction also reflected stretched valuations in some advanced economies and lower-than-expected earnings, particularly in technology stocks.

**EMDE financing conditions: renewed pressure.** Many EMDEs have been under financial pressure in recent months, fueled by a combination of U.S. dollar strength, higher borrowing costs, and concerns about softening growth prospects. International bond issuances were subdued in October and November, down about 35 percent from a year ago, while international syndicated bank loans and equity issuances also reached a two-and-a-half year low (Figure 2B). EMDE bond spreads widened by 64 basis points since the start of October, and 119 basis points since the start of the year. EMDE equity prices also fell, particularly in countries with external vulnerabilities. While recent financial market developments suggest some stabilization in the demand for EMDE assets, cumulated outflows from bond and equity funds since April still largely surpass those following the Taper Tantrum in 2013 (Figure 2C).

**Commodity markets: sharp decline in oil prices.** Crude oil prices fell sharply in November, after the United States announced that it would provide temporary waivers to its sanctions on Iranian oil exports to eight countries, including China and India. In addition, production increases in Saudi Arabia, Russia, and the United States have more than offset declines in Iran and Venezuela (Figure 3A). Expectations for global oil demand in 2019 have also been revised down slightly on fears of slowing global growth. After a modest increase in October, the price of most base metals declined in November, led by nickel, which fell 8 percent. Most agricultural prices also weakened in November, following upward revisions to the current season’s supply outlook for key crops.

**United States: robust growth, rising wages.** Growth remained robust in 18Q3 at 3.5 percent (q/q saar), supported by strong consumption and government expenditures (Figure 3B). However, private fixed investment contracted for the first time since 2015, as the contribution from capital spending in the oil and gas sector turned negative. Exports also contracted, following a one-off increase in 18Q2 from farmers shipping their soybean crop prior to China’s imposition of new tariffs in July. The economy added 250,000 jobs in October, with most of the gains coming from new entrants to the labor market. The unemployment rate was unchanged at 3.7 percent, but growth in average hourly earnings

FIGURE 2.A Global and EMDE equity markets

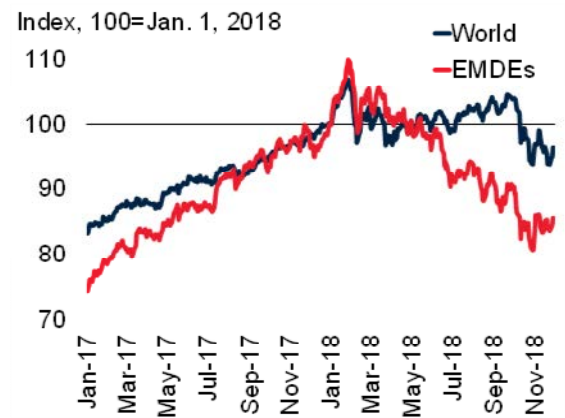


FIGURE 2.B EMDE gross capital inflows

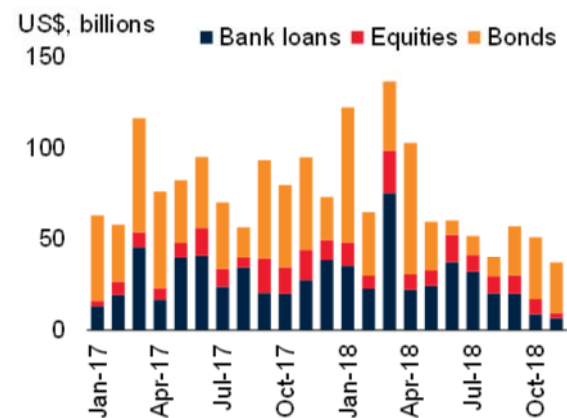
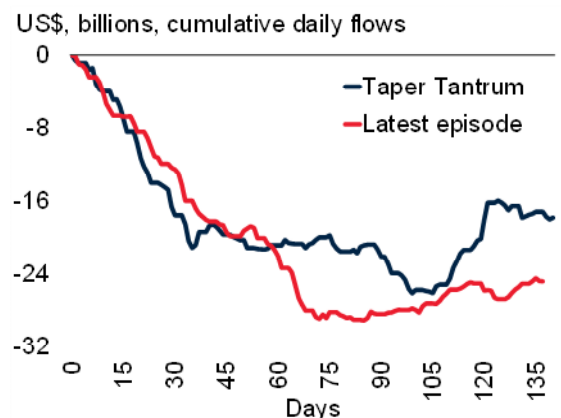


FIGURE 2.C Cumulated outflows from EMDE flows



Sources: Bloomberg, Dealogic, Institute of International Finance, World Bank. A. Figure shows MSCI Global and Emerging Markets Indexes. Last observation is November 29, 2018. B. Last observation is November 2018, which is estimated. C. Cumulative flows to major EMDEs, excluding China. The start dates for the stress episodes are: Taper Tantrum: May 23, 2013; Latest episode: April 15, 2018. Last observation is November 28, 2018.



accelerated to 3.2 percent (y/y), its strongest pace since 2009. Incoming data suggest slower growth in 18Q4, as consumer spending moderates.

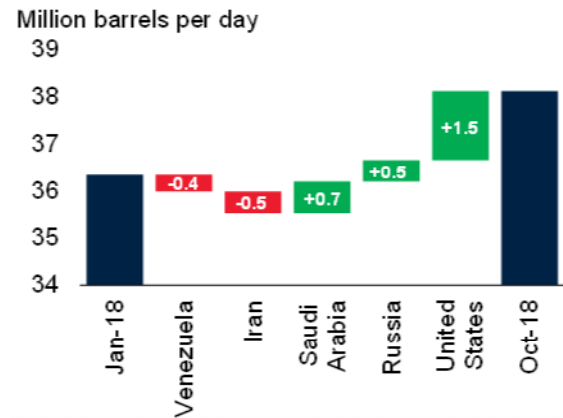
**Euro Area: weakening momentum.** GDP grew by a tepid 0.7 percent in 18Q3 (q/q saar), with solid growth in Spain and France offset by stagnation in Italy and contraction in Germany. Incoming data confirm the weakening momentum, with economic sentiment continuing to fall and the composite PMI reaching a 47-month low in November (Figure 3C). Unemployment remained at 8.1 percent in September for the third straight month. Core inflation remains low, at 1.1 percent in October, but the European Central Bank reaffirmed its intention to stop adding to its balance sheet by end-2018.

**Japan: volatile activity.** GDP declined 1.2 percent (q/q saar) in 18Q3 due to severe flooding in western Japan and an earthquake in the north. Activity has been volatile—it grew at a 3-percent pace in 18Q2 after contracting 1.1 percent in 18Q1. However, the unemployment rate fell in September to 2.3 percent, one of the lowest readings since the early 1990s. Core inflation (excluding food and energy) remained at 0.4 percent in October, unchanged from the previous month. The monetary policy stance remains highly accommodative.

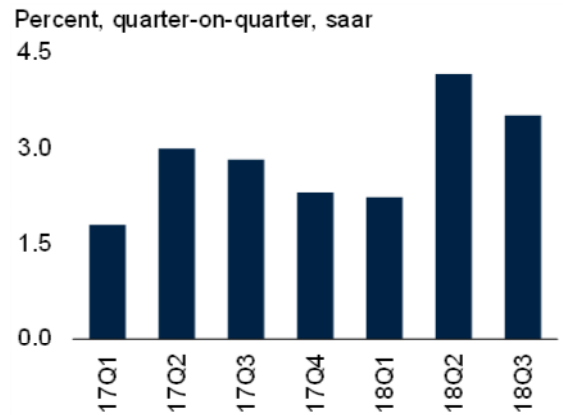
**China: calibrated policy interventions.** Growth moderated to 6.5 percent (y/y) in 18Q3, and recent indicators continue to point to some softening in activity at the start of 18Q4. Both the official and Caixin composite PMIs declined in October, and growth in retail sales and broad credit has also slowed. However, fixed asset investment growth accelerated in October, supported by higher infrastructure spending. China's stock markets have been volatile in November, following a significant decline in October that reflected concerns over slowing growth and trade tensions (Figure 4A). So far, policy easing has been measured and carefully calibrated amid financial stability concerns.

**Other commodity-importing EMDEs: mixed.** Growth appears to have moderated in a number of commodity importers, particularly among those facing more intense currency and financial market pressures (Figure 4B). In *Turkey*, the manufacturing PMI remained firmly contractionary at 44.3 in October, and consumer and business confidence slipped to their lowest levels since January 2009, before recovering somewhat in November. Private-sector credit continued to contract in November and the share of past-due loans rose, suggesting growing fragilities in the banking sector. Inflation rose to 25.2 percent (y/y) in October, well above the

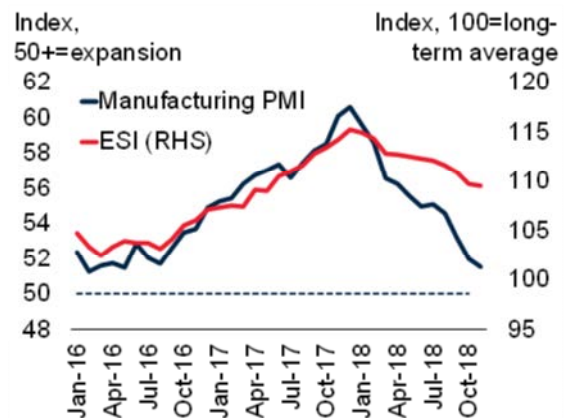
**FIGURE 3.A Change in oil supply in major oil-producing countries**



**FIGURE 3.B U.S. growth**



**FIGURE 3.C Euro Area manufacturing PMI and economic sentiment**



Sources: European Commission, Haver Analytics, International Energy Agency, World Bank.

A. Change in oil production of five major oil-producing countries from January 2018 to October 2018. Blue bars indicate total oil production in January and October. Red bars indicate a decline in a country's production over the period, and green bars indicate an increase in production.

C. ESI = Economic Sentiment Indicator. PMI Readings above 50 indicate expansion in economic activity; readings below 50 indicate contraction. Last observation is November 2018.



central bank's target of 5 percent, reflecting the impact of sharp depreciation earlier in the year. In *Thailand*, growth slowed to 3.3 percent (y/y) in 18Q3 reflecting a negative contribution from net exports, and the manufacturing PMI deteriorated in October. In *India*, industrial production growth edged down to 4.5 percent (y/y) in September, from 4.7 percent in the previous month, although the manufacturing PMI rose to 53.1 in October. In *Mexico*, growth picked up to 3.4 percent (q/q saar) in 18Q3, reflecting improvements across the primary, industrial, and services sectors. However, the manufacturing PMI fell in October and overall business confidence declined to a 21-month low, driven by rising policy uncertainty. Headline inflation has been rising since mid-year, prompting the central bank to increase the policy interest rate in November. In *Poland*, GDP grew by a robust 7.0 percent (q/q saar) in 18Q3, while inflation eased to 1.8 percent (y/y) in October. However, a continued decline in the manufacturing PMI in October suggest that growth may slow in 18Q4.

**Commodity-exporting EMDEs: stalling recovery.** While activity was mixed across commodity-exporting EMDEs in 18Q3, key economies experiencing a notable slowdown in manufacturing. In *Brazil*, industrial production growth contracted for a third straight month in September, falling by 1.8 percent (m/m sa), while retail sales shrank 1.3 percent and have declined for three of the last five months; however, consumer confidence picked up in November. In *Russia*, 18Q3 growth softened to 1.3 percent (y/y), down from 1.9 percent in 18Q2. In *South Africa*, mining production continued to fall in September while the manufacturing PMI declined to a nine-year low of 42.4 in October. In *Indonesia*, GDP growth moderated to 5.2 percent (y/y) in 18Q3, with net exports contributing negatively. The central bank increased the policy interest rate for the fifth time this year in November, to 6 percent, to ward off financial market pressures. In *Malaysia*, growth slowed to 4.4 percent (y/y) in 18Q3, reflecting a negative contribution from net exports, offsetting a pickup in domestic demand. Industrial production contracted for the second consecutive month in September, while the manufacturing PMI dropped sharply to 49.2 in October. In *Nigeria* and *Saudi Arabia*, survey data point to stable manufacturing activity. Earlier currency pressures have forced many central banks to hike policy interest rates since June, including *Argentina*, *Indonesia*, *Russia*, and most recently, *South Africa* (Figure 4C).

FIGURE 4.A China's stock-market index

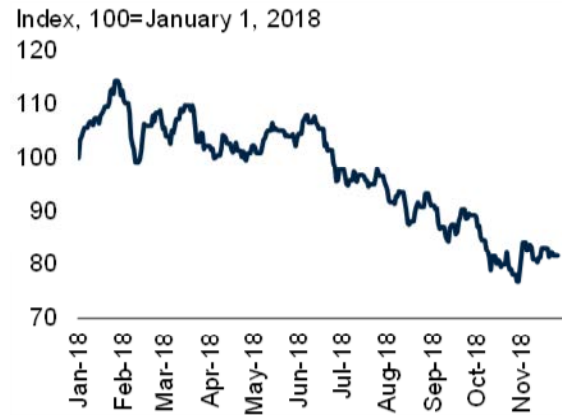


FIGURE 4.B Manufacturing PMI in commodity-importing EMDEs, by currency depreciation size

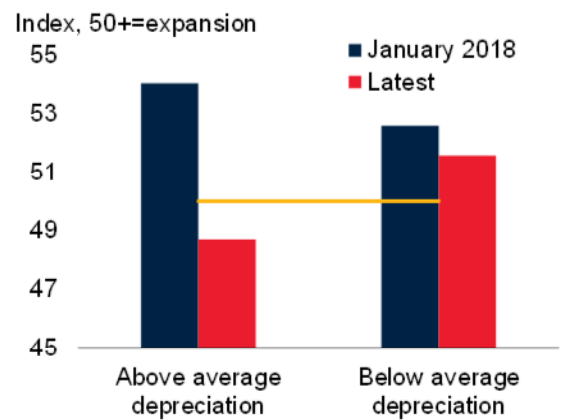
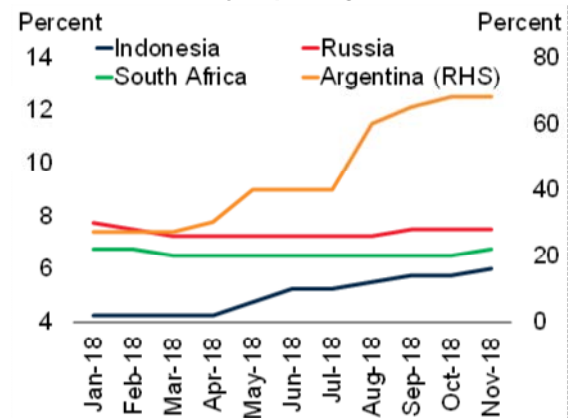


FIGURE 4.C Monetary policy interest rates in selected commodity-exporting EMDEs



Sources: Bloomberg, Haver Analytics, World Bank.  
 A. Figures shows MSCI China Index. Last observation is November 26, 2018.  
 B. Figures shows Purchasing Managers' Index (PMI) for manufacturing. PMI Readings above 50 indicate expansion in economic activity; readings below 50 indicate contraction. Sample includes India, Mexico, Poland, Philippines, Thailand, Turkey, and Vietnam. Last observation is October 2018.  
 C. Last observation is November 2018.



## Special Focus: The Implications of Tariffs for Commodity Markets

Commodity markets have been affected by several macroeconomic developments this year, including softening growth prospects in EMDEs, an appreciation of the U.S. dollar, renegotiations of trade agreements, increased sanctions, and growing trade tensions between major countries. A key development was the imposition of import tariffs by the United States and retaliatory actions by affected countries on a wide range of products, including commodities. For example, the United States has imposed tariffs on steel and aluminum imports, while China has imposed tariffs on imports of U.S. soybeans and other food products. The impact of tariffs on commodity markets has depended on whether they are commodity-specific or broad-based tariffs.

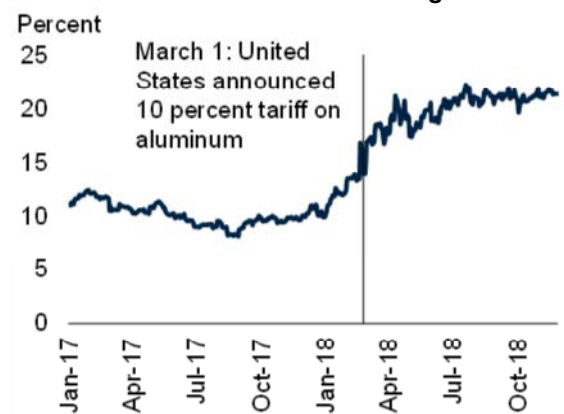
**The impact of commodity-specific tariffs.** There are a variety of ways in which commodity-specific tariffs affect commodity markets. They can increase domestic prices of the affected commodity relative to global prices, which can depress trade of the commodity and lead to trade diversion. They can also result in changes in the production of the affected commodity, as well as of substitute commodities. These effects can vary depending on whether tariffs are applied to imports from one country (e.g., Chinese imports of soybeans from the United States) or to many countries (e.g., U.S. imports of steel and aluminum). They also depend on the relative importance of the affected countries in the global supply and demand of the commodity, and on the relative price and income elasticities of demand of the affected commodity.

**Impact of U.S. tariffs on imports of aluminum and steel.** Tariffs applied to imports of a commodity from all countries can have global and long-lasting effects, with little scope for trade diversion. After the United States announced tariffs on imports of steel and aluminum in March, the prices of these metals in the United States relative to other countries increased sharply, reflecting the higher cost of foreign supply to U.S. buyers. U.S. steel prices are currently around 25 percent higher than steel prices in the United Kingdom relative to early 2018, and the price differential of U.S. aluminum relative to the London Metal Exchange benchmark is up 11 percentage points (Figures 5.A and B). While this may help encourage domestic production, the additional cost to consumers could lead to an overall welfare loss for the United States.

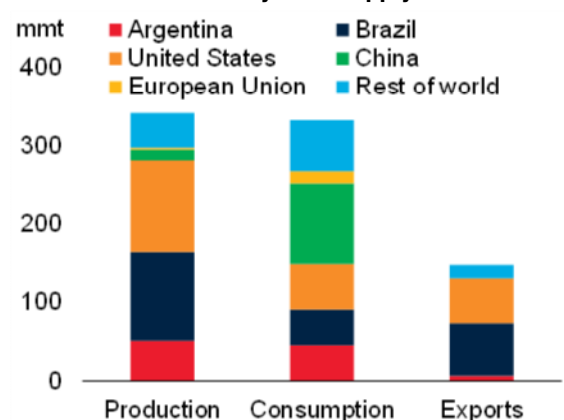
**FIGURE 5.A Steel prices in the United States and the United Kingdom**



**FIGURE 5.B Aluminum price differential between the United States and the United Kingdom**



**FIGURE 5.C Global soybean supply and demand**



Sources: Bloomberg, U.S. Department of Agriculture, World Bank.  
A. Prices shown are the benchmark U.K. London Metals Exchange price, and the U.S. domestic price. Last observation is November 26, 2018.  
B. U.S.-LME price differential shows the difference between the price for aluminum quoted on the London Metal Exchange relative to the price quoted on the New York Mercantile Exchange. Last observation is November 26, 2018.  
C. Production, consumption, and exports of soybean oilseed. October 11, 2018 update. Data show averages of 2015-18.

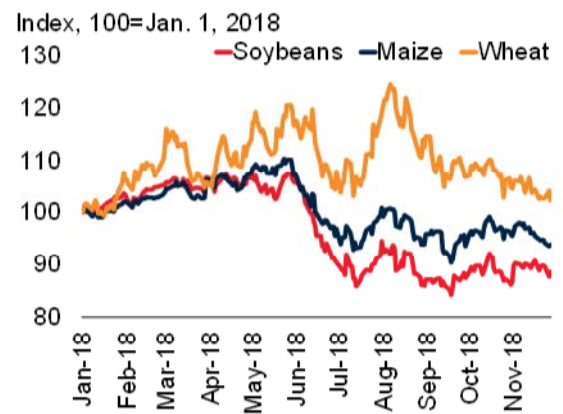


**Impact of China tariffs on imports of U.S. soybeans.** In contrast to the impact of a tariff on a single commodity from many countries, China’s imposition of tariffs of 25 percent on imports of U.S. soybeans has contributed to substantial changes in both prices and trade flows. China is the largest consumer of soybeans in the world, the majority of which are imported (Figure 5.C). Historically, these have been imported mostly from Brazil and the United States (each providing just over 40 percent). Since the announcement of tariffs, U.S. soybean prices have fallen substantially, as China has sought other suppliers (Figure 6.A). As a result, prices of soybeans in Brazil have risen. In turn, countries that typically purchase soybeans from Brazil, such as the European Union, have increased their imports from the United States, with EU imports of U.S. soybeans increasing by more than 280 percent in July 2018 relative to the previous year.

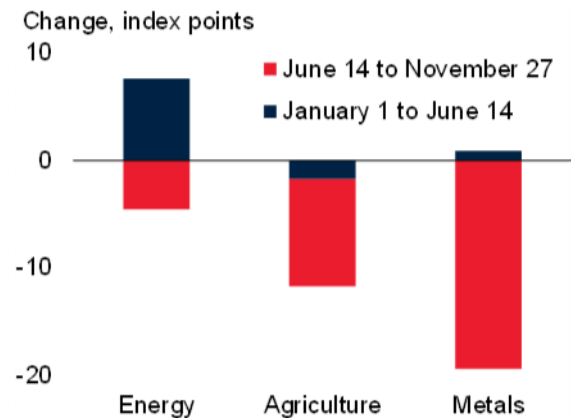
**The impact of broad-based tariffs.** Growing trade tensions between major economies can raise concerns about global growth, trade, and investment prospects, and hence worsen the outlook for demand for a range of commodities. Tariffs may depress bilateral trade, disrupt global supply chains, and increase demand for substitutes from other countries. These channels of transmission were visible following the announcement of wide-ranging tariffs on \$34 billion of China’s exports to the United States in June 2018, which coincided with the beginning of a broad-based decline in many industrial commodity prices. Metals prices have fallen 19 percent since June and agricultural prices by 10 percent (Figure 6.B). Industrial metals are particularly responsive to concerns about trade tensions given their many uses in the manufacture of tradable goods, with several metals experiencing a fall in prices of more than 20 percent (Figure 6.C).

**Downside risk: broadening of tariffs.** A continued rise in tariffs across a wide range of imports could have substantial consequences for a broader range of commodity prices. Any setbacks to activity in the United States or China would result in negative spillovers for the rest of the world through trade, confidence, financial, and commodity-market channels. A faster-than-expected slowdown in China would be particularly important for metals prices, as China accounts for around half of global consumption of metals. Even the threat of substantial shifts in trade policies could have negative repercussions for many commodity markets.

**FIGURE 6.A U.S. agricultural prices**



**FIGURE 6.B Change in commodity prices, 2018**



**FIGURE 6.C Metals price indexes, nominal**



Sources: Bloomberg, U.S. Department of Agriculture, World Bank.  
A. Last observation is November 26, 2018.  
B. Cumulative change for periods January 1 to June 14 and June 15 to November 27. June 15 indicates the date on which the United States announced tariffs on \$34 billion of Chinese goods.  
C. Indexes are based on nominal U.S. dollars. Last observation is November 26, 2018.



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## TABLE A: Major Data Releases

(Percent change, y/y)

Recent releases: October 29, 2018 - November 28, 2018						
Country	Date	Indicator	Period	Actual	Forecast	Previous
Belgium	10/29/18	GDP	Q3	1.7 %		1.4 %
Italy	10/30/18	GDP	Q3	0.8 %	1 %	1.2 %
Mexico	10/30/18	GDP	Q3	2.6 %		2.6 %
Australia	10/30/18	CPI	Q3	1.9 %		2.1 %
Indonesia	11/4/18	GDP	Q3	5.2%		5.2%
Turkey	11/5/18	CPI	OCT	25.2 %		24.5 %
Germany	11/7/18	IP	SEP	0.8 %		0.2 %
Brazil	11/7/18	CPI	OCT	4.6 %		4.5 %
Mexico	11/8/18	CPI	OCT	4.9 %		4.8 %
Japan	11/13/18	GDP	Q3	-1.2 %		3.0 %
Germany	11/14/18	GDP	Q3	1.1 %	1.4 %	2.0 %
Netherlands	11/14/18	GDP	Q3	2.4 %		3.1 %
Portugal	11/14/18	GDP	Q3	2.1 %		2.3 %
United Kingdom	11/14/18	CPI	OCT	2.4 %	2.4 %	2.4 %
Euro Area	11/14/18	GDP	Q3	1.7 %		2.2 %
Euro Area	11/16/18	CPI	OCT	2.2 %	2.2 %	2.1 %
Thailand	11/19/18	GDP	Q3	3.3 %		4.6 %
South Africa	11/21/18	CPI	OCT	5.1 %		4.9 %
Germany	11/23/18	GDP	Q3	1.1 %		2.0 %
Mexico	11/23/18	GDP	Q3	2.5 %		2.6 %
United States	11/28/18	GDP	Q3	3.0 %		2.9 %

(Percent change y/y)

Upcoming releases: November 29, 2018 - December 28, 2018				
Country	Date	Indicator	Period	Previous
France	11/29/18	GDP	Q3	2.3 %
Germany	11/29/18	CPI	NOV	2.5 %
Italy	11/30/18	GDP	Q3	1.2 %
Brazil	11/30/18	GDP	Q3	1.0 %
Indonesia	12/3/18	CPI	NOV	3.2 %
South Korea	12/3/18	CPI	NOV	2.0 %
Turkey	12/3/18	CPI	NOV	25.2 %
South Africa	12/4/18	GDP	Q3	0.4 %
Australia	12/4/18	GDP	Q3	3.4 %
Euro Area	12/7/18	GDP	Q4	1.7 %
France	12/7/18	IP	OCT	-1.1 %
Mexico	12/7/18	CPI	NOV	4.9 %
China	12/7/18	CPI	NOV	2.5 %
Turkey	12/10/18	GDP	Q3	5.5 %
India	12/12/18	IP	OCT	4.5 %
United States	12/12/18	CPI	NOV	2.5 %
Euro Area	12/17/18	CPI	NOV	2.2 %
Canada	12/19/18	CPI	NOV	2.4 %
United Kingdom	12/21/18	GDP	Q3	1.2 %
United States	12/21/18	GDP	Q3	2.9 %
Spain	12/28/18	GDP	Q3	2.5 %





**TABLE B: Activity and Inflation**

(Percent change y/y, except quarterly data on industrial production, which are percent change q/q, annualized)

	2016	2017	2017		2018				2018									
			Q4	Q1	Q2	Q3	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Industrial production, sa <sup>1</sup></b>																		
<b>World</b>	2.1	4.0	5.5	3.7	2.7	1.8	4.1	4.4	4.6	4.6	4.7	4.2	4.4	3.9	3.5	3.7	3.4	3.2
Advanced economies	0.0	2.8	5.3	-0.3	3.1	0.7	3.1	3.5	3.6	2.7	3.0	3.2	2.5	2.7	2.5	2.1	2.4	2.0
Emerging market and developing economies	4.2	5.3	5.7	7.8	2.5	2.9	5.1	5.4	5.5	6.6	6.4	5.3	6.3	5.1	4.6	5.3	4.5	4.4
Commodity-exporting EMDEs	0.5	2.6	1.2	5.2	-2.6	4.9	3.0	2.5	2.2	3.8	3.2	3.2	4.9	0.8	0.2	2.6	2.1	1.6
Other EMDEs	5.3	6.0	7.0	8.5	3.7	2.5	5.7	6.2	6.5	7.3	7.3	5.9	6.6	6.2	5.8	6.0	5.1	5.1
East Asia and Pacific	5.9	6.1	5.5	9.9	3.8	3.0	5.8	5.7	5.8	7.2	7.0	5.7	7.0	6.4	4.8	5.7	5.6	5.2
East Asia excl. China	4.6	3.7	0.1	14.3	-8.2	5.6	2.7	3.0	2.9	7.5	6.0	3.7	7.3	3.7	-2.4	3.7	2.4	1.8
Europe and Central Asia	3.4	5.9	6.0	6.8	1.6	2.4	6.0	5.7	6.4	7.8	7.5	5.9	5.8	5.3	4.3	5.7	3.7	3.1
Latin America and Caribbean	-2.2	0.8	2.8	2.8	-1.5	3.3	1.7	1.6	2.1	1.5	1.8	2.9	4.4	-1.3	2.9	2.2	1.9	1.4
Middle East and North Africa	-1.1	5.9	2.9	-8.8	3.9	8.5	6.1	7.2	8.7	2.1	2.7	4.5	2.0	1.4	5.1	3.5	-4.2	5.1
South Asia	5.3	4.7	12.1	4.8	-2.1	2.1	3.7	8.9	7.6	8.1	7.3	5.5	5.6	4.5	6.3	5.7	2.1	4.6
Sub-Saharan Africa	1.2	0.1	7.0	-7.4	-0.2	7.5	2.1	2.0	3.0	1.4	0.7	0.9	-1.5	1.3	1.6	2.0	1.1	1.6
<b>Inflation, sa <sup>2</sup></b>																		
<b>World</b>	1.4	2.2	2.3	2.2	2.3	2.5	2.3	2.4	2.3	2.2	2.3	2.3	2.3	2.1	2.4	2.4	2.4	2.4
Advanced economies	0.3	1.4	1.4	1.3	1.8	2.1	1.4	1.5	1.5	1.5	1.4	1.3	1.5	1.8	2.1	2.1	2.1	2.2
Emerging market and developing economies	2.6	3.1	2.8	2.9	2.7	3.0	3.0	3.0	3.0	2.9	2.9	2.7	2.6	2.8	2.8	3.0	3.0	3.1
Commodity-exporting EMDEs	3.4	3.3	2.8	2.9	2.7	2.9	3.2	3.0	3.1	2.9	2.9	2.7	2.5	2.7	2.5	2.5	2.6	2.9
Other EMDEs	1.3	2.9	2.8	2.9	2.9	3.4	2.8	2.9	3.0	2.9	3.1	2.8	2.8	2.8	3.0	3.4	3.4	3.6
East Asia and Pacific	2.0	2.3	2.5	2.5	3.2	3.6	2.7	2.6	2.5	2.6	2.7	2.5	2.6	3.0	3.0	3.2	3.2	3.0
Europe and Central Asia	0.4	2.4	2.8	2.7	2.2	2.8	2.6	2.8	2.8	2.5	2.7	2.5	2.3	2.1	2.3	2.4	3.0	2.4
Latin America and Caribbean	2.4	2.6	2.5	2.6	2.4	3.2	2.3	2.5	2.6	2.6	2.5	2.7	2.7	2.1	2.5	2.6	3.1	3.3
Middle East and North Africa	2.1	1.6	2.2	2.8	2.7	2.2	2.1	1.7	1.9	2.9	2.9	2.6	2.6	2.8	2.8	2.7	3.3	2.1
South Asia	4.4	3.8	3.7	4.2	4.4	4.7	3.6	3.8	4.3	4.4	4.1	3.7	4.1	4.1	4.5	4.5	4.6	5.2
Sub-Saharan Africa	5.2	5.5	4.5	3.8	3.4	3.1	5.1	4.5	4.7	4.4	3.7	3.7	3.5	3.3	3.3	3.1	2.9	3.3

Sources: Haver Analytics, IMF International Financial Statistics, World Bank.

<sup>1</sup> Industrial production is total production (may exclude construction). When data are unavailable, "industrial production, manufacturing" is used as a proxy.

<sup>2</sup> Median inflation rate for each grouping.

**TABLE C: Trade and Finance**

(Percent change y/y, except quarterly trade data, which are percent change q/q, annualized, and international reserves data, which are percent change over the previous period)

	2016	2017	2017		2018				2018									
			Q4	Q1	Q2	Q3	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Exports, nominal, US\$, sa</b>																		
<b>World</b>	-2.9	10.4	14.3	14.3	24.5	-3.5	12.8	13.7	12.0	17.4	17.4	9.8	16.7	10.8	10.1	12.0	6.9	4.3
Advanced economies	-0.9	9.7	11.4	11.4	22.9	-4.8	12.4	13.7	12.0	18.3	13.0	11.9	17.2	9.5	9.4	10.4	5.1	1.1
Emerging market and developing economies	-6.2	11.7	19.8	19.8	27.4	-0.7	13.4	13.6	11.9	15.9	25.6	6.2	16.0	13.2	11.4	15.1	10.3	10.5
Commodity-exporting EMDEs	-8.2	17.5	24.3	24.3	30.8	-0.7	20.7	15.5	13.6	20.4	15.3	12.9	23.8	15.5	16.5	23.4	13.5	8.7
Other EMDEs	-4.5	9.5	17.9	17.9	26.1	-1.0	10.6	12.8	11.3	14.0	30.0	3.6	12.8	12.2	9.3	11.9	9.0	11.2
East Asia and Pacific	-6.1	9.9	15.3	15.3	27.9	0.1	10.3	12.9	10.8	13.9	33.0	0.9	12.1	11.8	10.3	12.4	9.0	11.3
Europe and Central Asia	-6.1	16.5	29.5	29.5	38.2	-0.9	22.3	19.5	16.2	26.4	20.8	14.9	27.5	19.9	14.0	23.6	13.4	11.3
Latin America and Caribbean	-2.5	11.9	14.8	14.8	21.0	-6.1	15.8	9.3	8.7	12.0	11.7	10.4	13.8	7.0	6.4	12.6	9.6	5.8
Middle East and North Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
South Asia	0.6	5.6	24.9	24.9	6.0	6.2	4.0	12.2	11.6	7.3	10.1	5.4	8.9	20.1	4.8	14.3	13.1	14.6
Sub-Saharan Africa	-8.4	14.8	21.9	21.9	27.0	-7.2	15.6	14.4	9.8	12.2	16.3	10.9	18.2	14.2	17.1	-	-	-
<b>Imports, nominal, US\$, sa</b>																		
<b>World</b>	-5.3	12.2	31.8	31.8	16.5	5.2	18.3	13.2	19.5	16.3	21.3	9.1	25.2	4.4	10.1	12.6	2.2	24.7
Advanced economies	-3.4	9.1	17.8	17.8	22.7	-3.3	14.7	14.1	13.9	18.7	15.3	12.1	18.6	10.0	9.2	11.9	6.8	3.7
Emerging market and developing economies	-6.4	13.9	40.0	40.0	13.3	9.9	20.2	12.8	22.6	15.0	24.6	7.4	28.8	1.7	10.6	12.9	-0.3	37.4
Commodity-exporting EMDEs	-7.3	13.2	48.2	48.2	4.0	16.8	21.2	11.3	25.8	10.0	29.1	6.0	32.3	-2.1	10.2	11.5	-4.0	47.9
Other EMDEs	-3.0	16.4	15.5	15.5	50.0	-9.6	17.0	18.1	12.5	32.5	11.2	12.2	17.9	17.0	11.7	18.0	12.3	8.7
East Asia and Pacific	-3.7	17.5	12.7	12.7	67.5	-12.6	18.3	18.7	9.6	37.8	9.3	12.0	22.0	20.9	11.7	21.3	16.7	12.0
Europe and Central Asia	-1.2	18.7	17.0	17.0	38.4	-20.2	21.5	23.8	23.4	30.3	21.9	17.5	19.1	9.9	7.6	6.2	-1.3	-2.2
Latin America and Caribbean	-7.3	8.3	17.0	17.0	24.7	6.0	16.4	9.1	6.8	13.9	14.3	4.2	21.3	12.7	9.6	23.4	13.9	6.4
Middle East and North Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
South Asia	-5.4	22.7	33.6	33.6	22.7	10.5	11.2	20.6	19.1	24.4	11.8	7.9	4.3	16.0	20.7	23.6	20.0	8.3
Sub-Saharan Africa	-12.6	4.7	29.1	29.1	-	-	9.2	4.3	15.2	-	-	-	-	-	-	-	-	-
<b>International reserves, US\$<sup>1</sup></b>																		
<b>World</b>	-2.0	7.2	1.2	1.2	1.4	-1.2	0.0	0.5	0.7	1.4	-0.5	0.5	-0.5	-0.5	-0.2	0.0	-0.1	-0.5
Advanced economies	3.2	10.0	1.1	1.1	1.3	-0.8	-0.3	0.7	0.8	1.3	-0.5	0.5	-1.0	-0.2	0.4	-0.1	0.1	0.0
Emerging market and developing economies	-5.2	5.3	1.3	1.3	1.4	-1.5	0.2	0.4	0.6	1.4	-0.5	0.5	-0.2	-0.7	-0.6	0.0	-0.3	-0.8
Commodity-exporting EMDEs	-4.4	3.5	1.2	1.2	2.1	-0.5	0.6	0.4	0.2	1.4	-0.3	1.0	0.7	-0.4	-0.8	-0.2	0.2	-
Other EMDEs	-5.7	6.1	1.3	1.3	1.1	-2.0	0.1	0.4	0.8	1.5	-0.6	0.3	-0.6	-0.8	-0.6	0.2	-0.5	-0.8
East Asia and Pacific	-7.3	5.6	1.3	1.3	0.6	-1.4	0.0	0.4	0.9	1.1	-0.8	0.4	-0.5	-0.5	-0.3	0.1	-0.2	-0.8
Europe and Central Asia	3.4	10.2	0.9	0.9	4.3	-3.3	0.2	1.0	-0.3	3.5	0.2	0.6	-0.5	-1.2	-1.6	0.9	-1.1	-0.8
Latin America and Caribbean	1.4	2.1	-0.9	-0.9	1.8	-2.0	0.5	-0.4	-0.9	1.5	0.0	0.3	-0.3	-0.4	-1.4	0.4	-0.2	-1.1
Middle East and North Africa	-10.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
South Asia	3.6	11.8	2.3	2.3	2.5	-3.8	-0.1	0.2	2.1	2.4	-0.2	0.3	-0.2	-2.4	-1.2	-0.7	-0.7	-0.8
Sub-Saharan Africa	-2.9	10.4	6.3	6.3	8.5	1.0	1.3	3.3	1.5	1.7	0.9	5.7	1.1	2.1	-2.0	-0.2	-3.3	-

Sources: Haver Analytics, IMF International Financial Statistics, World Bank.

<sup>1</sup>Total reserves excluding gold are used as proxies when total reserves data are unavailable.



## TABLE D: Financial Markets

(Percent change y/y, except quarterly trade data, which are percent change q/q, annualized, and international reserves data, which are percent change over the previous period)

	2016	2017	2017		2018		2017						2018						MRV <sup>1</sup>
			Q4	Q1	Q2	Q3	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	
<b>Interest rates and LIBOR (percent)</b>																			
U.S. federal funds effective	0.39	0.97	1.17	1.40	1.67	1.88	1.13	1.27	1.38	1.38	1.45	1.63	1.63	1.77	1.88	1.88	1.90	2.13	2.13
ECB repo	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US\$ LIBOR 3-months	0.74	1.26	1.47	1.93	2.34	2.34	1.43	1.61	1.73	1.87	2.18	2.35	2.34	2.33	2.34	2.32	2.35	2.46	2.71
EURIBOR 3-months	-0.26	-0.33	-0.33	-0.33	-0.33	-0.32	-0.33	-0.33	-0.33	-0.33	-0.33	-0.33	-0.33	-0.32	-0.32	-0.32	-0.32	-0.32	-0.32
U.S. 10-year Treasury yield	1.84	2.33	2.37	2.76	2.92	2.92	2.35	2.41	2.58	2.86	2.84	2.87	2.97	2.91	2.89	2.89	3.00	3.16	3.06
German Bund, 10 year	0.11	0.37	0.38	0.57	0.42	0.28	0.37	0.36	0.50	0.67	0.54	0.48	0.46	0.33	0.25	0.26	0.35	0.37	0.34
<b>Spreads (basis points)</b>																			
JP Morgan emerging markets	410	325	313	309	351	378	320	312	299	309	319	322	353	377	366	383	386	377	430
Asia	221	164	151	157	185	189	153	151	146	156	168	171	186	197	193	185	189	190	212
Europe	302	243	233	221	275	313	244	229	212	217	234	246	277	301	291	329	318	299	345
Latin America and the Caribbean	537	429	416	418	455	487	422	419	410	420	423	422	459	486	471	493	498	492	557
Middle East	517	385	400	367	429	464	421	398	359	366	374	385	432	472	451	464	478	453	532
Africa	518	376	350	320	385	440	359	332	305	317	337	342	379	436	420	445	455	445	531
<b>Stock indexes (end of period)</b>																			
Global (MSCI)	424	508	508	500	505	524	505	508	502	517	500	510	509	505	520	524	524	484	481
Advanced economies (\$ index)	1761	2086	2086	2042	2089	2184	2077	2086	2053	2113	2042	2087	2093	2089	2153	2179	2184	2019	1999
United States (S&P 500)	2258	2668	2668	2590	2718	2923	2648	2668	2631	2711	2590	2648	2729	2718	2816	2902	2923	2712	2679
Europe (S&P Euro 350)	1475	1558	1558	1493	1533	1548	1563	1558	1518	1522	1493	1556	1545	1533	1581	1547	1548	1454	1452
Japan (Nikkei 225)	19302	22530	22530	21203	22305	24021	22730	22530	21650	21794	21203	22488	22095	22305	22554	22788	24021	21920	21952
Emerging market and developing economies (MSCI)	861	1139	1139	1167	1070	1048	1121	1139	1158	1202	1167	1164	1121	1070	1087	1055	1048	954	977
EM Asia	419	577	577	589	552	537	572	577	584	603	589	587	582	552	553	546	537	476	494
EM Europe	295	341	341	350	312	313	330	341	354	370	350	335	316	312	319	294	313	293	292
EM Europe and Middle East	248	275	275	280	253	259	265	275	285	295	280	271	257	253	263	246	259	247	247
EM Latin America & Caribbean	2341	2811	2811	3008	2477	2577	2719	2811	2945	3095	3008	2988	2561	2477	2702	2466	2577	2684	2495
<b>Exchange rates (LCU / USD)</b>																			
<b>Advanced economies</b>																			
Euro Area	0.90	0.89	0.85	0.81	0.84	0.86	0.85	0.84	0.82	0.81	0.81	0.81	0.85	0.86	0.86	0.87	0.86	0.87	0.88
Japan	108.80	112.11	112.75	107.94	109.16	111.52	112.81	112.51	109.83	107.96	106.02	107.62	109.72	110.13	111.45	111.03	112.09	112.76	113.57
<b>Emerging market and developing economies</b>																			
Brazil	3.49	3.19	3.24	3.24	3.61	3.95	3.26	3.28	3.19	3.25	3.28	3.41	3.64	3.79	3.82	3.93	4.10	3.76	3.93
China	6.65	6.76	6.61	6.35	6.38	6.81	6.62	6.59	6.41	6.32	6.32	6.30	6.37	6.47	6.72	6.85	6.86	6.93	6.94
Egypt	10.12	17.85	17.71	17.68	17.80	17.90	17.68	17.81	17.74	17.67	17.63	17.68	17.83	17.88	17.90	17.88	17.92	17.92	17.95
India	67.19	65.11	64.71	64.40	66.99	70.19	64.85	64.20	63.72	64.44	65.06	65.69	67.49	67.79	68.74	69.62	72.22	73.59	70.87
Russia	67.06	58.31	58.47	56.96	62.03	65.64	58.97	58.70	56.93	56.81	57.15	61.01	62.28	62.81	62.83	66.48	67.60	65.86	67.16
South Africa	14.71	13.31	13.62	11.93	12.65	14.09	14.06	13.11	12.15	11.82	11.84	12.10	12.52	13.33	13.39	14.13	14.75	14.54	13.91
Memo: U.S. nominal effective rate (index)	119.7	119.6	117.5	114.1	116.6	120.4	117.7	117.4	114.7	113.7	113.9	113.9	117.0	118.9	119.6	120.6	120.9	121.7	123.7

Sources: Bloomberg, J.P. Morgan, and World Bank.

<sup>1</sup> MRV = most recent value.

## TABLE E: Commodity Prices

	2016	2017	2017		2018		2017						2018						MRV <sup>1</sup>
			Q4	Q1	Q2	Q3	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	
Energy <sup>2</sup>	55	68	75	82	90	93	77	78	85	81	81	86	92	91	92	90	96	97	97
Non-energy <sup>2</sup>	79	84	84	88	89	83	85	84	87	88	88	90	90	88	84	83	81	82	82
Agriculture <sup>2</sup>	87	87	85	88	91	85	85	85	87	88	90	92	92	89	86	85	83	83	83
Metals and minerals <sup>2</sup>	64	79	84	88	88	80	84	85	89	89	85	87	88	88	81	79	79	81	78
<b>Memo items:</b>																			
Crude oil, average (\$/bbl)	43	53	59	64	71	73	60	61	66	63	64	69	73	72	73	71	75	77	57
Gold (\$/toz)	1249	1258	1275	1329	1307	1213	1282	1264	1331	1331	1325	1335	1303	1282	1238	1202	1198	1215	1215
Baltic Dry Index	676	1152	1509	1171	1256	1602	1455	1589	1234	1130	1149	1126	1289	1352	1649	1710	1447	1545	1093

Sources: World Bank, World Bank Commodities Price Data (The Pink Sheet), Bloomberg.

<sup>1</sup> MRV = most recent value.

<sup>2</sup> Indexes, 2010 = 100.