



### Overview

- Growth stumbled in many countries in 18Q1. The deceleration was most noticeable in advanced economies, but emerging market and developing economies (EMDEs) were also affected.
- The rise in the U.S. dollar has been accompanied by financial market pressure on a few emerging markets, but the stress remains contained at present.
- Oil prices rose amid heightened geopolitical concerns.

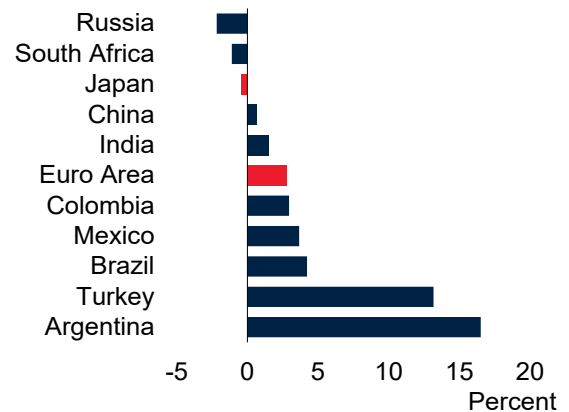
### Chart of the Month

- The U.S. dollar strengthened substantially against a broad range of economies this month, reflecting strong incoming macroeconomic data for the United States.
- Some EMDEs have been particularly affected by the sell-off in currencies.
- Countries perceived as having greater vulnerabilities have seen the largest depreciations despite increases in central bank policy rates.

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### Global currency depreciation against the U.S. dollar



Source: Bloomberg  
Note: A positive number denotes depreciation. Percent change in the exchange rate (local currency per U.S. dollar) between May 1 and May 25, 2018.

### Special Focus: Drivers of the rise in oil prices

- Oil prices have more than doubled since their trough in 2016, reflecting strong global demand and production restraint, as well as, more recently, geopolitical factors such as sanctions on Iran and Venezuela.
- The outlook for oil prices in 2018 is uncertain, and depends on the reach of the sanctions on Iran, the prospects for production in Venezuela, and a possible supply response from OPEC. By 2019 the removal of capacity constraints should facilitate increases in U.S. shale oil production, which is likely to weigh on prices.

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[www.worldbank.org/en/research/brief/economic-monitoring](http://www.worldbank.org/en/research/brief/economic-monitoring)



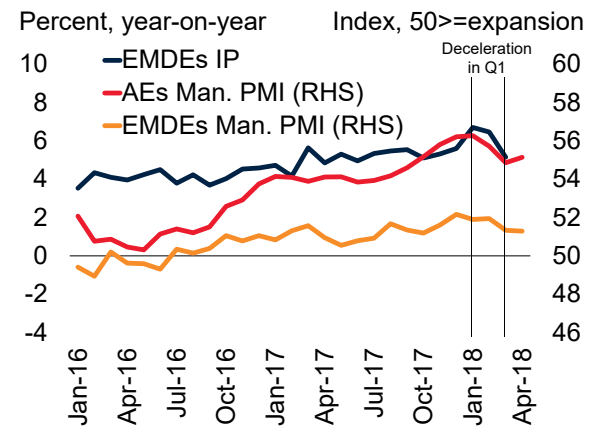
## Monthly Highlights

**Global economy: growth weakens in 18Q1.** Global activity eased in 18Q1, especially in advanced economies. Growth in the United States and the Euro Area decelerated, while it contracted in Japan for the first time since 2015. GDP data for most emerging market and developing economies (EMDE) have not yet been released, but recent indicators of sentiment and industrial activity suggest these economies may also have slowed, though not to the same extent as advanced economies (Figure 1.A). Early data for 18Q2—such as the global composite PMI, which continued to signal expansion at 53.8 in April—point to a stabilization in growth rates at above-potential levels. Inflation remains generally stable in both advanced economies and EMDEs.

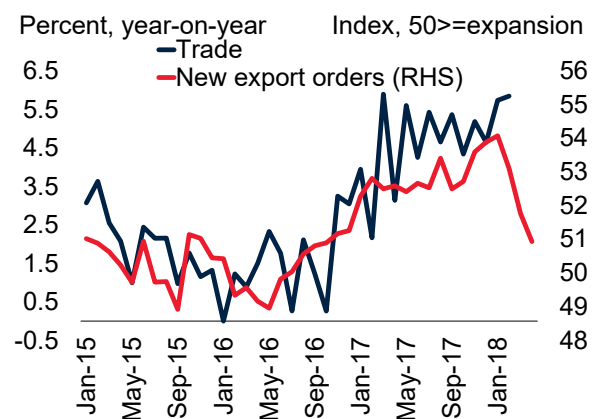
**Global goods trade: deceleration in new export orders.** Global trade rose 5.9 percent in February (y/y), with EMDE import volume growth strengthening from 6.7 percent (y/y) in January to 7.8 percent in February. However, global new manufacturing export orders fell for the third straight month in April, pointing to a softening in trade growth (Figure 1.B). U.S. trade policy is evolving on multiple fronts—NAFTA negotiations are ongoing, several countries’ 30-day exemptions to steel and aluminum tariffs expire on June 1<sup>st</sup>, and bilateral U.S.-China discussions are ongoing, with China recently agreeing to cut import duties on passenger cars while the United States may roll back sanctions on ZTE, a Chinese telecommunications company. In March, an indicator of U.S. trade policy uncertainty based on news articles rose to its highest level since 1995.

**United States: rising activity and inflation.** Recent forecasts expect a pickup in U.S. growth in 18Q2 following a deceleration in 18Q1 (Figure 1.C). Incoming indicators are consistent with a rebound in activity: March real retail sales rose 1 percent (m/m), while in April the purchasing managers’ index (PMI) rose 0.8 points to 54.9, unemployment fell to 3.9 percent, and industrial production rose 0.7 percent (m/m). Headline PCE inflation rose to 2 percent in March—the Federal Reserve’s inflation target—partly due to increasing house prices. Signs pointing to a further acceleration in inflation remain limited—wages and inflation expectations remain stable, while productivity and unit labor costs have been climbing in tandem, with both rising just over 1 percent (y/y) in 18Q1. In its latest announcement, the Federal Reserve kept policy rates unchanged.

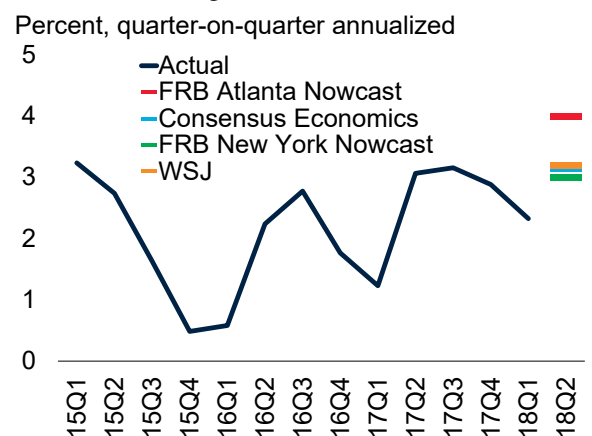
**FIGURE 1.A Global industrial production growth and manufacturing PMI**



**FIGURE 1.B Global trade growth and new export orders**



**FIGURE 1.C U.S. growth forecasts for 18Q2**



Sources: Consensus Economics, CPB World Trade Monitor, Federal Reserve Bank of Atlanta, Federal Reserve Bank of New York, Haver Analytics, Wall Street Journal, World Bank.  
A. Values for PMI above 50 indicate expansion. Last observation is March 2018 for global industrial production and April 2018 for global manufacturing PMI.  
B. Last observation is February 2018 for global trade growth and April 2018 for new export orders.



**Euro Area: slowing activity in Germany and France.** After five consecutive quarters of strong growth, activity in the Euro Area decelerated significantly in 18Q1 to 1.6 percent, down from 2.7 percent a quarter earlier. Germany and France experienced the most marked slowdown, which was exacerbated by bad weather and an unusually severe flu season (Figure 2.A). Unemployment in the Euro Area averaged 8.5 percent for the quarter, down from 8.7 percent in 17Q4. Recent high-frequency data have edged up, but only modestly—in March, industrial production rose only 0.5 percent (m/m) after three months of contraction, and retail sales rose by 0.1 percent. Similarly, the Euro Area composite PMI stabilized at 55.1 in April after declining sharply in February and March. Headline inflation fell 0.1 percentage point to 1.3 percent in April (y/y), while core inflation dropped 0.3 percentage point to 0.8 percent.

**Japan: first contraction since 2015.** Japan’s economy shrank by 0.6 percent (q/q saar) in 18Q1, while the pace of expansion in 2017Q4 was revised down from 1.6 to 0.6 percent. The first contraction in nine quarters reflected a drag from inventories and residential investment, as well as weak consumption partly reflecting bad weather (Figure 2.B). Recent indicators for 18Q2 are mixed: the manufacturing PMI rebounded to 53.1 in April after two months of decline, while consumer confidence fell to an 8-month low. Core inflation (excluding food and energy) rose 0.1 percent (y/y) in April, down 0.2 percentage point from the previous month.

**China: continued resilience.** Following stable growth of 6.8 percent (y/y) in 18Q1, high-frequency indicators point to continued robust activity in China in 18Q2. The Caixin composite PMI rose to 52.3 in April from 51.8 in March, with gains in the manufacturing and, particularly, the services indexes. Consumer price inflation fell to 1.6 percent (y/y) in April 2018, mainly due to a sharp slowdown in food inflation and a stronger renminbi. China recorded a current account deficit in 18Q1 for the first time since 2001Q2, as import growth outpaced exports (Figure 2.C).

**Major commodity-exporting EMDEs: some softness.** The pace of improvement in commodity-exporting EMDEs appears to be moderating, but rising oil prices will provide a boost to the terms of trade of oil exporters (Figure 3.A). In *Brazil*, industrial production slowed in March, extending a string of weak data since the beginning of the year. Although the composite PMI is still

FIGURE 2.A GDP growth in select Euro Area countries

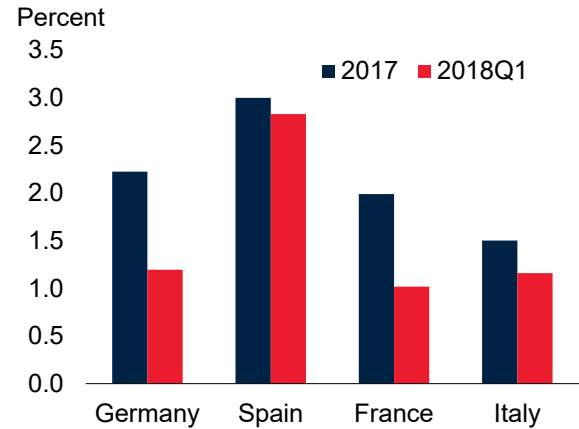


FIGURE 2.B Contribution to Japanese growth

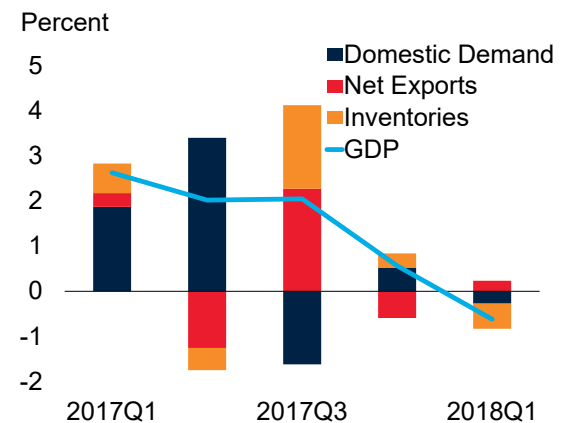
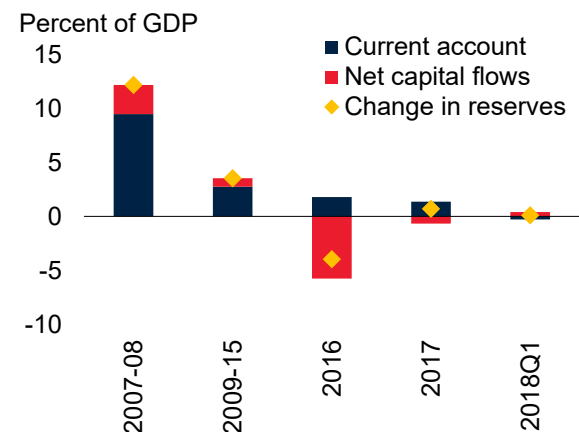


FIGURE 2.C China’s current account



Sources: Haver Analytics, Institute of International Finance, World Bank. A. Data for 2017 are annual growth. Data for 2018 Q1 are quarter-on-quarter annualized growth.

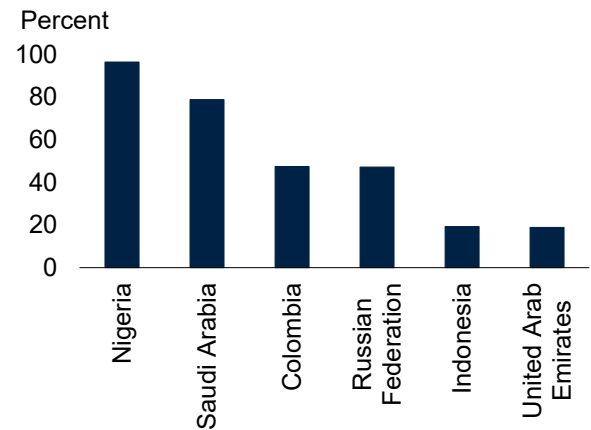


expansionary, it moderated for a third consecutive month in April, while inflation was lower than expected at 2.8 percent (y/y). In *Russia*, activity expanded by 1.3 percent in 17Q4 (y/y) while, at 54.9, the April PMI signaled continued expansion. In *Indonesia*, 18Q1 GDP expanded 4.5 percent (q/q saar), down from 5.4 percent in 17Q4, as investment growth slowed. In *Nigeria*, the manufacturing PMI rose marginally to 56.9 in April—it has held steady above 55 since September. In *South Africa*, mining production contracted 2.5 percent (y/y) in 18Q1, while manufacturing production fell 1.7 percent. In *Saudi Arabia*, the composite PMI has fallen sharply in recent months, from 57.3 in December to 51.4 in April. The central bank of *Argentina* increased its policy rate to 40 percent in response to a severe decline of the peso, which has fallen 17 percent since the start of the month, and the authorities are in discussions with the IMF about a possible lending program. The recent imposition of sanctions by the United States on *Venezuela* may restrict access to finance for the state-owned oil company.

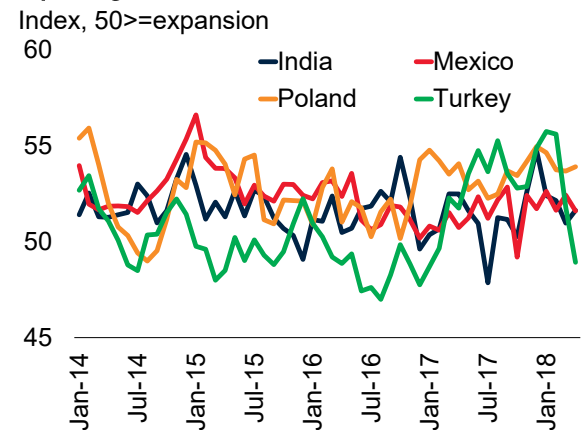
**Major commodity-importing EMDEs: weakness in Turkey, mixed data elsewhere.** In *Turkey*, the lira has depreciated by 13 percent since May 1. While industrial production and retail sales data earlier in the year were robust, more recent indicators point to weakness, such as a sharp decline in the manufacturing PMI from 56 in February to 49 in March (Figure 3.B). Inflation accelerated to 10.9 percent in April, well above the central bank target of 5 percent. In *India*, industrial production and the composite PMI remained solid going into 18Q2, while headline inflation moderated for the fourth consecutive month, reaching 4.3 percent (y/y) in March. In *Thailand*, growth was 4.8 percent in 18Q1, the strongest pace in five years, due to strong exports and investment. In *Mexico*, 18Q1 growth was stronger than expected at 1.3 percent (y/y), supported by strength in services and the primary sector. Recent data for *Poland* have been mixed, with rising consumption indicators and subdued industrial production. In *Egypt*, the composite PMI rose above 50 in April for only the second time since 2015Q4, while inflation remained stable at 13 percent (y/y).

**Global financial markets: stronger U.S. dollar.** Market expectations of higher U.S. growth have pushed up the dollar and Treasury yields. The rise in the dollar has been especially marked relative to a few EMDE currencies and the euro. U.S. debt issuance has risen to finance fiscal stimulus, pushing 2-year yields above 2.5 percent, while 10-year yields have reached 3.1 percent,

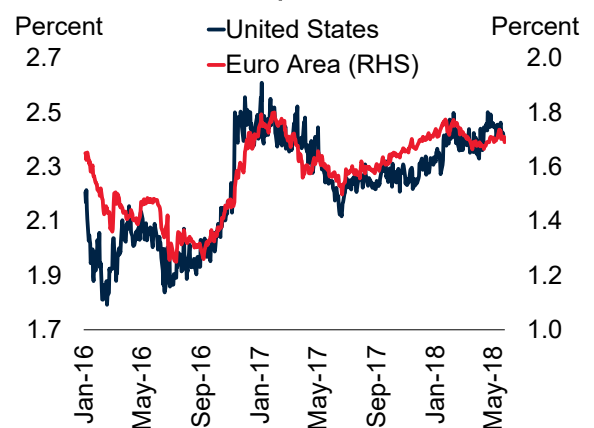
**FIGURE 3.A Oil as a share of total goods exports**



**FIGURE 3.B PMIs in selected commodity-importing EMDEs**



**FIGURE 3.C Inflation expectations**



Sources: Bloomberg, Haver Analytics, International Monetary Fund, World Bank.  
A. Data as of 2017.  
B. Values for PMI above 50 indicate expansion. Last observation is April 2018.  
C. 5-year, 5-year forward inflation expectation rate. Last observation is May 25, 2018.



their highest level in seven years. In contrast, inflation expectations have stabilized in major advanced economies following a sustained rise at the beginning of the year (Figure 3.C). Equity markets have been generally stable in the United States and Asia, and have been returning to their peaks from earlier in the year in Europe.

**EMDE financial markets: pressures on a few countries.** Increases in the U.S. dollar, U.S. yields, and oil prices have put pressure on EMDE financial markets. Aggregate EMDE bond spreads jumped about 40 basis points in mid-May to their highest level in 16 months before declining slightly more recently. Some EMDE currencies have fallen sharply against the U.S. dollar—notably the Argentine peso and the Turkish lira. Foreign inflows to EMDE bond and equity funds have tapered off, posting net outflows for three consecutive weeks (Figure 4.A). Central banks in some affected countries have raised rates sharply in an attempt to stem outflows—Argentina’s central bank hiked its policy rate to 40 percent, while in Turkey the policy rate was lifted 300 basis points on May 23<sup>rd</sup> to 16.5 percent. Thus far, the pressure on EMDE assets has been concentrated in a few countries, without a generalized repricing on the scale of the taper tantrum of May 2013.

**Commodity markets: sharply higher oil prices.** Oil prices rose in the first half of May amid heightened geopolitical concerns (Figure 4.B; Special Focus). The price of Brent oil reached \$80 per barrel as the U.S. administration confirmed its intention to withdraw from the nuclear accord with Iran and announced sanctions on Venezuela. Estimates on how much Iranian oil exports will decline range from 0.3 to 1 million barrels per day, depending on the response of the accord’s other signatories. Base metals prices were generally stable in May, after gaining 3 percent in April. Aluminum and nickel stayed below their April peak following the watering-down of sanctions on a key Russian aluminum producer, but their prices remain elevated compared to the first quarter of 2018 (Figure 4.C). Agricultural prices gained momentum in April and early May due to weather concerns in South America and lower plantings in the Northern Hemisphere, which are expected to cause some tightness in the global wheat and maize markets.

FIGURE 4.A Capital flows to EMDE funds

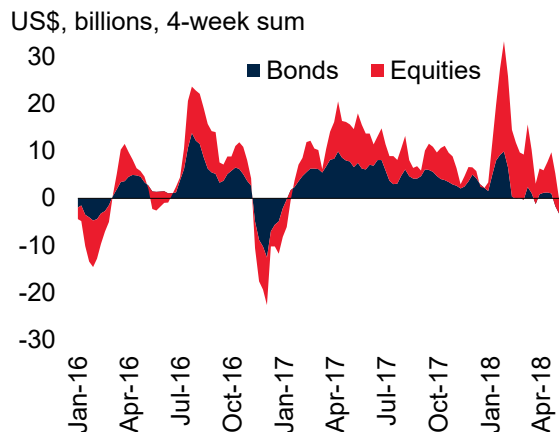


FIGURE 4.B Crude oil prices

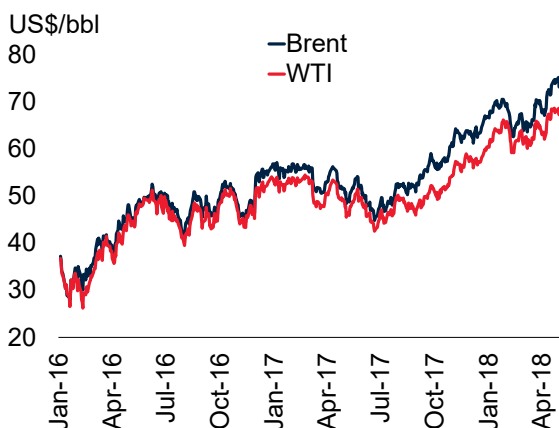
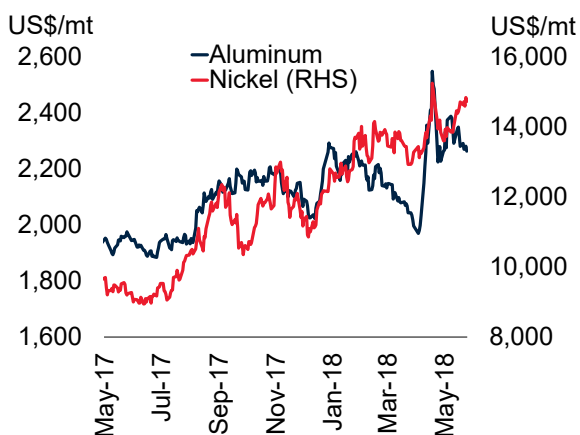


FIGURE 4.C Metals prices



Sources: Bloomberg, Haver Analytics, J.P. Morgan, World Bank.  
A. Net flows into EMDE bond and equity funds. Last observation is May 23, 2018.  
B. Last observation is May 25, 2018.  
C. MT stands for metric ton. Last observation is May 25, 2018.



## Special Focus: Drivers of the rise in oil prices

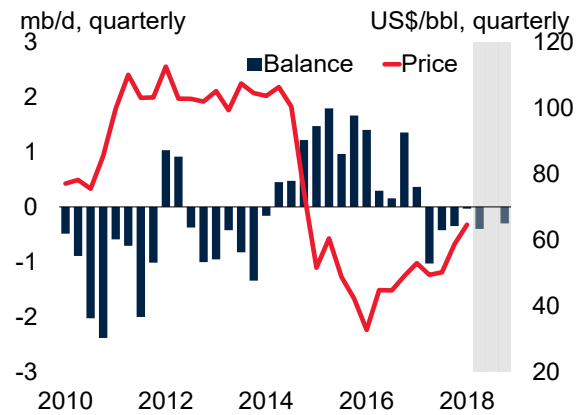
Oil prices have more than doubled since their trough in the first quarter of 2016. The price of Brent (the international market) reached US\$80/bbl and WTI (the U.S. domestic barometer) rose to US\$72/bbl in May. Several factors have contributed to the rise in oil prices, and have led to an inventory drawdown (Figure 5.A). These factors include robust demand, which had a significant role in the latter half of 2017 and early 2018; production constraints among some Organization of Petroleum Exporting Countries and non-OPEC countries; and geopolitical tensions, which have played a particularly prominent role in recent weeks ([April 2018 Commodity Markets Outlook](#)).

Global demand for crude oil has been strong, with an increase of 1.6 million barrels per day (mb/d) in 18Q1 relative to a year earlier (Figure 5.B). Oil consumption growth has been broad-based across regions, supported by the synchronized global recovery that gained momentum in 2017. While consumption is expected to remain strong this year, the International Energy Agency has revised down its forecast for growth in the second half of 2018 by 0.3 mb/d due to the negative impact of higher prices on demand.

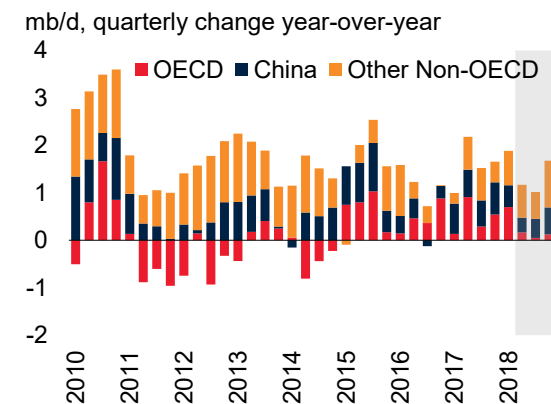
Net global supply of crude oil has been relatively flat in recent months (Figure 5.C). Planned production cuts by some OPEC and non-OPEC countries have constrained oil supply, with actual production cuts much higher than the agreed cuts. Venezuela accounts for much of the excess reduction in supply, with production falling to a record low of 1.4 mb/d in April, almost 1 mb/d lower than in 2016. However, the size of the cuts by these countries has been broadly matched by rising output elsewhere, notably the United States. A rebound in shale oil production helped raise U.S. oil output to 10.3 mb/d in April 2018, a record high, and making the U.S. the world's second largest crude oil producer after Russia.

In addition to these fundamentals, rising geopolitical concerns have led to higher oil prices. The price of Brent topped \$80/bbl following the announcement by the U.S. administration of its intention to withdraw from the Joint Comprehensive Plan of Action (JCPOA) and reimpose sanctions on Iran (there is a six-month period before sanctions are fully enforced). In 2012, when sanctions were last imposed, Iranian oil production fell by around 1mb/d (Figure 6.A). The impact of sanctions this time may be

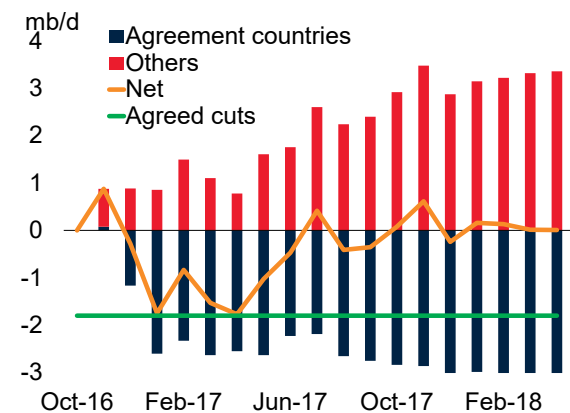
**FIGURE 5.A World oil balance and oil price**



**FIGURE 5.B World oil demand growth**



**FIGURE 5.C Cumulative change in oil production since September 2016**



Sources: International Energy Agency, OPEC World Bank.  
A. B. Shaded area indicates IEA forecasts.  
C. Agreement countries includes OPEC members (excluding Libya and Nigeria), Azerbaijan, Bahrain, Brunei, Kazakhstan, Malaysia, Mexico, Oman, Russia, Sudan and South Sudan. Others includes all other oil-producing countries.

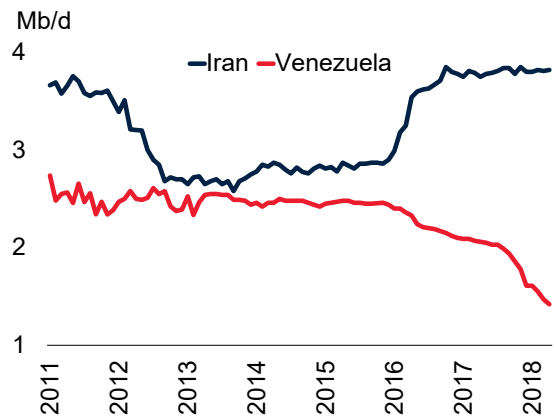


smaller if the United States acts unilaterally while the other members of the JCPOA seek solutions to continue the deal. Other countries may choose to maintain or increase their imports of Iranian oil—under the previous sanctions, Asia became the largest buyer of Iranian oil. Another source of upside risk to prices is Venezuela, where the International Energy Association expects the rapid fall in production to continue. The recent imposition of additional sanctions by the United States may exacerbate this decline. The combined effects of these two events could materially tighten supply by the end of the year, although weaker demand arising from higher prices may offset this somewhat.

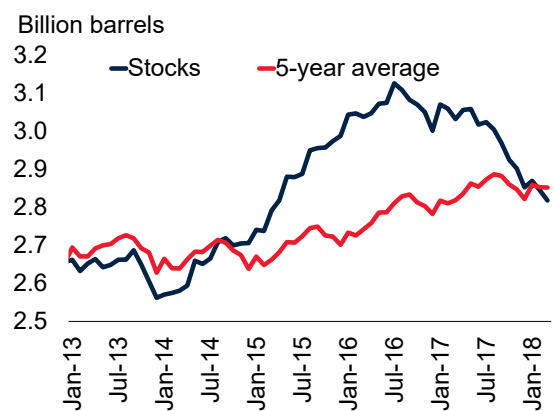
The impact of declining production in Venezuela and potential disruption to production in Iran may also be offset by increased supply elsewhere. For the countries participating in the OPEC and non-OPEC production cuts, the unanticipated decline in production in Venezuela has resulted in a much greater reduction in supply than planned, and helped them achieve the original target for the cuts—a reduction in oil inventories below their five-year average—sooner than expected (Figure 6.B). While the production cuts were expected to last until end-2018, it is possible they will now be eased before then. It has been reported that Saudi Arabia and Russia are considering relaxing the production cap by up to 1mb/d, given the recent developments. Any firm decision is likely to be announced by OPEC in conjunction with non-OPEC producers at its June 22 meeting, although the news itself led to a fall in oil prices of about \$5/bbl.

Higher oil prices could also lead to further increases in U.S. shale oil production. However, due to the surge in production seen already (U.S. production has risen 1.2mb/d relative to last year), capacity constraints are mounting, limiting production increases in the short-term. In particular, a lack of pipeline capacity has resulted in the WTI Midland price (the price of oil produced in the Permian basin, the largest shale-producing area) trading at a considerable discount to WTI Cushing, the U.S. benchmark, with the discount reaching a low of \$12/bbl in early May (Figure 6.C). New pipelines will help ease these constraints, but are not expected to come onstream until the second half of 2019.

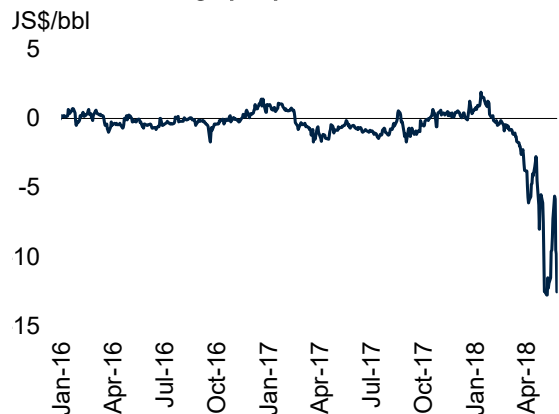
**FIGURE 6.A Crude oil production**



**FIGURE 6.B OECD total oil stocks**



**FIGURE 6.C Price difference between WTI Midland and WTI Cushing spot price**



Sources: Bloomberg, International Energy Agency, World Bank.  
A. Last observation is April 2018.  
B. Red line shows 5-year moving average of OECD oil inventories. Last observation is March 2018.  
C. Last observation is May 25, 2018.



## Recent Prospects Group Publications

[Global Economic Prospects—June 2018 \(forthcoming\)](#)

[Commodity Markets Outlook - April 2018: Oil Exporters: Policies and Challenges](#)

[Global Economic Prospects - January 2018: Broad-Based Upturn, but for How Long?](#)

[Global Economic Prospects - June 2017: A Fragile Recovery](#)

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[Agriculture, aid and economic growth in Africa](#)

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[Inflation, liquidity and innovation](#)

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[The Changing Wealth of Nations 2018: Building a Sustainable Future](#)

[Doing Business 2018: Reforming to Create Jobs](#)

[World Development Report 2018: LEARNING to Realize Education’s Promise](#)

## TABLE A: Major Data Releases

(Percent change, y/y)

Recent releases: April 25, 2018 - May, 24 2018						
Country	Date	Indicator	Period	Actual	Forecast	Previous
France	4/27/18	GDP	Q1	2.1%		2.6%
UK	4/27/18	GDP	Q1	1.2%		1.4 %
United States	4/27/18	GDP	Q1	2.9 %		2.6 %
Slovenia	4/30/18	CPI	APR	1.5 %		1.2 %
South Korea	5/1/18	CPI	APR	1.4 %		1.4 %
Indonesia	5/7/18	GDP	Q1	5.1%	5 %	5.2%
Norway	5/9/18	CPI	APR	2.4 %		2.2 %
Mexico	5/9/18	CPI	APR	4.5%		5.0%
China	5/9/18	CPI	APR	1.8 %		2.1 %
Denmark	5/11/18	CPI	APR	0.8 %		0.5 %
Finland	5/14/18	CPI	APR	0.8 %		0.8%
Czech Republic	5/15/18	GDP	Q1	4.5 %		5.5 %
Japan	5/15/18	GDP	Q1	1.0%		1.8%
Portugal	5/15/18	GDP	Q1	2.1 %	2.1 %	2.4 %
Austria	5/16/18	CPI	APR	1.8 %		1.9 %
Italy	5/16/18	CPI	APR	0.5 %		0.8 %
Malaysia	5/17/18	GDP	Q1	5.4 %		5.9 %
Canada	5/18/18	CPI	APR	2.2 %	2.3 %	2.3 %
Thailand	5/20/18	GDP	Q1	4.8 %		4.0 %
Mexico	5/23/18	GDP	Q1	1.3 %		1.5 %
Germany	5/24/18	GDP	Q1	1.6%		2.3 %

(Percent change y/y)

Upcoming releases: May 25, 2018 - June 24, 2018				
Country	Date	Indicator	Period	Previous
Sweden	5/30/18	GDP	Q1	3.3 %
Poland	5/30/18	GDP	Q1	5.1 %
Brazil	5/30/18	GDP	Q1	2.1 %
United States	5/30/18	GDP	Q2	2.9 %
Spain	5/31/18	GDP	Q1	3.1 %
South Korea	5/31/18	GDP	Q1	2.8 %
Italy	6/1/18	GDP	Q1	1.6 %
Australia	6/5/18	GDP	Q1	2.4 %
South Africa	6/5/18	GDP	Q1	1.5 %
Switzerland	6/6/18	CPI	MAY	0.8 %
Ireland	6/7/18	CPI	MAY	-0.4 %
Mexico	6/7/18	CPI	MAY	4.55 %
Brazil	6/8/18	CPI	MAY	2.76 %
China	6/8/18	CPI	MAY	1.8 %
Denmark	6/11/18	CPI	MAY	0.8 %
Norway	6/11/18	CPI	MAY	2.4 %
Turkey	6/11/18	GDP	Q1	7.4 %
New Zealand	6/20/18	GDP	Q1	2.9 %
Japan	6/21/18	CPI	MAY	0.6 %
Canada	6/22/18	CPI	MAY	2.2 %
Netherland	6/22/18	GDP	Q1	2.9 %





## 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				2017							2018				
			Q1	Q2	Q3	Q4	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Industrial production, sa<sup>1</sup></b>																		
<b>World</b>	2.0	4.0	3.4	4.9	3.6	5.6	3.7	4.4	3.9	4.2	4.3	4.2	4.1	4.4	4.6	4.6	4.7	4.2
Advanced economies	0.0	2.8	1.6	4.3	2.3	5.4	2.6	3.4	2.9	3.1	3.1	3.0	3.1	3.5	3.5	2.6	3.0	3.2
Emerging market and developing economies	4.1	5.2	5.2	5.6	4.8	5.7	4.8	5.3	5.0	5.3	5.5	5.5	5.1	5.3	5.6	6.7	6.5	5.2
Commodity-exporting EMDEs	0.1	2.3	1.9	4.6	3.2	0.5	2.0	3.4	1.3	2.5	3.2	3.2	3.1	2.1	2.4	4.1	3.1	2.7
Other EMDEs	5.3	6.0	6.2	5.9	5.3	7.2	5.6	5.8	6.0	6.1	6.1	6.2	5.7	6.2	6.5	7.4	7.4	5.8
East Asia and Pacific	5.9	6.2	6.8	6.3	4.7	5.4	6.2	6.3	6.5	6.0	5.9	6.5	5.8	5.7	5.8	7.4	7.2	5.7
East Asia excl. China	4.7	4.1	4.1	1.5	7.6	0.3	4.3	5.0	0.6	3.3	4.8	5.7	3.2	3.4	3.4	8.8	7.4	3.7
Europe and Central Asia	2.7	5.4	3.4	10.0	4.3	6.0	4.6	6.5	5.3	6.8	6.9	7.0	5.9	5.1	6.6	8.0	7.0	5.2
Latin America and Caribbean	-2.2	0.7	1.3	-0.3	3.3	2.7	-0.9	0.3	0.6	1.2	1.4	0.7	1.6	1.5	2.0	1.5	1.9	3.0
Middle East and North Africa	-1.1	5.4	6.0	-3.0	28.3	0.4	1.6	5.9	2.8	15.8	7.7	2.2	6.1	7.1	8.7	2.2	2.6	4.0
South Asia	5.3	4.7	4.3	2.3	6.9	13.5	4.6	4.0	0.1	4.0	6.5	4.7	3.7	8.8	7.6	8.1	7.3	4.6
Sub-Saharan Africa	1.0	-0.2	-4.3	2.9	4.2	7.6	-0.5	-1.8	-2.9	-0.7	1.2	-0.8	1.7	2.4	3.3	1.8	1.1	2.5
<b>Inflation, sa<sup>2</sup></b>																		
<b>World</b>	1.5	2.1	2.6	2.1	2.2	2.3	2.3	2.1	1.9	2.2	2.2	2.2	2.3	2.2	2.1	2.1	2.2	2.3
Advanced economies	0.3	1.4	1.6	1.4	1.4	1.4	1.9	1.4	1.2	1.4	1.4	1.5	1.4	1.5	1.5	1.5	1.4	1.4
Emerging market and developing economies	2.7	3.2	3.4	3.2	3.0	2.9	3.5	3.1	2.7	2.7	3.2	3.2	3.0	2.9	2.9	2.9	2.9	2.7
Commodity-exporting EMDEs	3.5	3.5	3.5	3.5	3.3	2.8	3.8	3.5	3.0	3.0	3.3	3.2	3.0	2.7	2.8	2.9	2.9	2.6
Other EMDEs	1.1	2.9	3.0	2.9	2.9	3.1	3.2	2.9	2.3	2.5	2.8	3.2	3.1	3.2	3.0	3.7	3.3	3.6
East Asia and Pacific	2.1	2.9	3.0	2.8	2.2	2.7	3.2	2.6	2.3	2.3	2.6	2.5	2.8	2.6	2.6	2.3	2.5	1.9
Europe and Central Asia	0.4	2.4	2.4	2.3	2.7	2.8	2.6	2.3	2.2	2.5	2.7	2.8	2.6	2.8	2.8	2.5	2.7	2.5
Latin America and Caribbean	2.4	2.8	2.9	2.4	3.2	3.9	2.9	2.9	1.8	2.8	3.2	3.7	3.5	4.1	3.5	3.3	3.1	2.9
Middle East and North Africa	2.1	1.6	2.6	1.5	1.1	2.2	1.7	1.9	1.0	1.2	1.1	1.6	2.1	1.7	2.3	2.9	3.0	2.7
South Asia	4.4	3.8	4.3	4.5	3.6	3.8	4.7	5.0	4.0	3.6	3.7	3.5	3.7	4.0	5.2	5.1	4.4	4.3
Sub-Saharan Africa	5.3	5.1	6.3	5.3	4.8	4.4	5.3	5.4	5.4	5.4	4.8	5.1	4.9	3.3	3.2	3.1	3.1	3.0

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				2017							2018				
			Q1	Q2	Q3	Q4	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Exports, nominal, US\$, sa</b>																		
<b>World</b>	-3.0	10.2	17.2	3.5	13.3	15.6	3.8	11.1	7.5	10.2	10.9	11.0	12.2	13.0	11.6	17.2	17.2	9.3
Advanced economies	-0.8	9.5	17.5	1.7	17.4	12.4	1.2	10.3	6.5	9.9	10.8	10.9	11.8	12.9	11.4	17.9	12.5	11.1
Emerging market and developing economies	-6.5	11.5	16.7	6.9	6.3	21.7	8.5	12.7	9.5	10.8	11.2	11.1	13.1	13.2	11.8	16.0	26.3	6.0
Commodity-exporting EMDEs	-8.9	17.2	34.1	-8.7	17.5	24.6	13.1	19.3	10.0	17.2	16.7	16.3	20.5	13.9	13.1	20.7	15.1	12.8
Other EMDEs	-4.6	9.3	10.2	14.1	2.1	20.4	6.8	10.2	9.3	8.5	9.0	9.1	10.3	12.9	11.3	14.3	30.8	3.4
East Asia and Pacific	-6.1	9.7	10.6	15.7	1.3	18.2	8.7	11.0	8.9	10.3	8.0	9.8	10.0	12.8	10.9	14.2	33.6	1.1
Europe and Central Asia	-6.0	16.4	32.7	-1.8	16.4	32.7	5.4	19.8	11.1	11.3	20.3	16.6	22.2	19.5	15.9	26.5	21.0	16.0
Latin America and Caribbean	-2.3	11.9	21.6	0.2	6.7	17.2	9.7	11.7	12.7	10.7	11.4	10.5	16.0	9.3	8.4	12.1	12.3	11.0
Middle East and North Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
South Asia	0.6	5.5	12.2	-7.8	8.7	26.4	6.3	-1.8	-3.4	11.7	9.8	4.6	4.1	12.1	11.4	7.0	9.0	9.5
Sub-Saharan Africa	-13.6	14.6	45.8	-12.5	11.0	26.9	4.5	10.7	11.7	13.6	16.4	8.6	17.3	14.3	15.9	-	-	-
<b>Imports, nominal, US\$, sa</b>																		
<b>World</b>	-5.3	12.1	22.2	14.1	0.6	32.9	-6.3	25.6	7.2	21.5	16.0	5.7	18.1	13.1	19.5	16.3	21.4	8.9
Advanced economies	-3.3	9.0	18.6	5.3	13.4	19.5	1.7	10.2	5.2	10.5	8.8	9.0	14.5	14.0	13.8	18.6	15.2	11.7
Emerging market and developing economies	-6.4	13.8	24.2	19.1	-5.7	40.6	-10.2	34.4	8.4	27.8	20.4	3.8	20.1	12.7	22.7	15.1	24.8	7.5
Commodity-exporting EMDEs	-7.3	13.2	20.2	26.6	-10.2	47.6	-15.3	39.4	7.2	31.4	22.3	-0.3	21.2	11.3	25.9	10.2	29.3	-
Other EMDEs	-3.0	16.0	38.4	-3.0	11.5	19.1	11.2	17.2	12.4	15.7	14.2	17.5	16.6	17.7	12.4	32.4	11.3	12.2
East Asia and Pacific	-3.6	17.4	49.0	-10.6	12.9	17.5	12.9	17.6	13.4	15.8	13.9	19.0	17.8	18.6	9.7	37.7	9.2	11.9
Europe and Central Asia	-1.2	18.3	38.6	14.4	19.8	17.8	8.1	23.0	13.7	26.8	17.0	20.0	21.1	23.4	22.4	29.6	21.2	16.6
Latin America and Caribbean	-7.4	8.2	24.2	-8.1	10.4	18.5	-1.3	12.1	6.2	7.6	9.3	4.7	16.3	9.0	6.9	13.6	10.8	4.4
Middle East and North Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
South Asia	-5.4	22.3	33.8	10.9	-9.3	35.8	41.3	30.3	13.1	20.5	21.0	18.5	10.9	18.8	19.0	24.3	11.8	8.6
Sub-Saharan Africa	-13.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>International reserves, US\$<sup>1</sup></b>																		
<b>World</b>	-2.0	7.2	1.7	2.1	1.7	1.1	0.7	0.8	0.5	0.8	0.6	0.3	0.0	0.5	0.7	1.3	-0.5	0.5
Advanced economies	3.2	9.9	3.4	2.9	1.7	1.1	1.2	1.1	0.5	0.9	0.5	0.3	-0.3	0.7	0.8	1.2	-0.5	0.5
Emerging market and developing economies	-5.2	5.3	0.5	1.5	1.7	1.2	0.4	0.7	0.4	0.7	0.6	0.4	0.2	0.4	0.6	1.3	-0.5	0.5
Commodity-exporting EMDEs	-4.5	-	0.5	0.5	0.8	-	0.1	0.2	0.2	0.3	0.2	0.1	0.5	-	-	-	-	-
Other EMDEs	-5.7	5.9	0.5	2.0	2.2	1.1	0.5	0.9	0.6	0.9	0.8	0.5	0.1	0.4	0.7	1.4	-0.7	0.3
East Asia and Pacific	-7.3	5.3	0.5	1.7	2.1	1.1	0.8	0.8	0.1	1.0	0.6	0.5	0.0	0.4	0.7	1.0	-0.9	0.4
Europe and Central Asia	3.4	10.2	2.9	3.2	3.1	0.9	-0.2	1.3	2.0	1.1	1.6	0.3	0.2	1.0	-0.3	3.6	0.2	0.6
Latin America and Caribbean	1.4	2.7	0.5	1.7	1.0	-1.0	0.8	0.2	0.8	0.6	0.3	-0.1	0.5	-0.4	-0.7	0.8	0.1	0.4
Middle East and North Africa	-10.7	-	-2.0	-1.7	-	-	-1.2	-0.2	-0.3	-1.0	-0.2	-	-	-	-	-	-	-
South Asia	3.6	11.8	2.1	4.5	2.5	2.2	0.7	2.0	1.7	1.1	1.3	0.1	-0.1	0.2	2.1	2.4	-0.2	0.3
Sub-Saharan Africa	-4.7	-	3.2	0.7	0.4	-	3.5	-1.2	-1.6	2.4	-1.7	0.0	0.8	-	-	-	-	-

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			2018			2017					2018				MRV <sup>1</sup>		
		2017	Q2	Q3	Q4	Q1	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb		Mar	Apr
<b>Interest rates and LIBOR (percent)</b>																			
U.S. federal funds effective	0.39	0.97	0.92	1.13	1.17	1.40	0.88	1.01	1.13	1.13	1.13	1.13	1.13	1.27	1.38	1.38	1.45	1.63	1.63
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	1.20	1.32	1.47	1.93	1.19	1.26	1.31	1.31	1.32	1.36	1.43	1.61	1.73	1.87	2.18	2.35	2.32
EURIBOR 3-months	-0.26	-0.33	-0.33	-0.33	-0.33	-0.33	-0.33	-0.33	-0.33	-0.33	-0.33	-0.33	-0.33	-0.33	-0.33	-0.33	-0.33	-0.33	-0.32
U.S. 10-year Treasury yield	1.84	2.33	2.26	2.24	2.37	2.76	2.30	2.19	2.32	2.21	2.20	2.36	2.35	2.41	2.58	2.86	2.84	2.87	2.98
German Bund, 10 year	0.11	0.37	0.31	0.46	0.38	0.57	0.37	0.29	0.54	0.42	0.41	0.43	0.37	0.36	0.50	0.67	0.54	0.48	0.49
<b>Spreads (basis points)</b>																			
JP Morgan emerging markets	410	325	325	322	313	309	320	325	327	325	314	306	320	312	299	309	319	322	348
Asia	221	164	169	161	151	157	167	166	163	163	157	148	153	151	146	156	168	171	186
Europe	302	243	242	234	233	221	237	240	243	234	224	226	244	229	212	217	234	246	276
Latin America and the Caribbean	537	429	427	428	416	418	420	430	435	435	416	407	422	419	410	420	423	422	452
Middle East	517	385	362	383	400	367	353	382	382	382	384	381	421	398	359	366	374	385	415
Africa	518	376	386	380	350	320	376	383	394	378	367	360	359	332	305	317	337	342	370
<b>Stock indexes (end of period)</b>																			
Global (MSCI)	424	508	465	487	508	500	464	465	478	478	487	497	505	508	502	517	500	510	515
Advanced economies (\$ index)	1761	2086	1916	2001	2086	2042	1912	1916	1961	1960	2001	2037	2077	2086	2053	2113	2042	2087	2118
United States (S&P 500)	2258	2668	2423	2519	2668	2590	2421	2423	2470	2472	2519	2575	2648	2668	2631	2711	2590	2648	2725
Europe (S&P Euro 350)	1475	1558	1534	1571	1558	1493	1576	1534	1526	1512	1571	1600	1563	1558	1518	1522	1493	1556	1576
Japan (Nikkei 225)	19302	22530	20033	20356	22530	21203	19836	20033	19974	19720	20356	22198	22730	22530	21650	21794	21203	22488	22451
Emerging market and developing economies (MSCI)	861	1139	1011	1082	1139	1167	1005	1011	1066	1088	1082	1119	1121	1139	1158	1202	1167	1164	1135
EM Asia	419	577	512	543	577	589	505	512	538	544	543	571	572	577	584	603	589	587	585
EM Europe	295	341	304	331	341	350	308	304	315	336	331	330	330	341	354	370	350	335	319
EM Europe and Middle East	248	275	251	268	275	280	255	251	261	274	268	268	265	275	285	295	280	271	259
EM Latin America & Caribbean	2341	2811	2544	2917	2811	3008	2532	2544	2752	2873	2917	2809	2719	2811	2945	3095	3008	2988	2681
<b>Exchange rates (LCU / USD)</b>																			
Advanced economies																			
Euro Area	0.90	0.89	0.91	0.85	0.85	0.81	0.91	0.89	0.87	0.85	0.84	0.85	0.85	0.84	0.82	0.81	0.81	0.81	0.85
Japan	108.80	112.11	111.10	110.96	112.75	107.94	112.36	110.91	112.31	109.78	110.80	112.93	112.81	112.51	109.83	107.96	106.02	107.62	109.24
Emerging market and developing economies																			
Brazil	3.49	3.19	3.21	3.16	3.24	3.24	3.20	3.30	3.20	3.15	3.13	3.19	3.26	3.28	3.19	3.25	3.28	3.41	3.65
China	6.65	6.76	6.86	6.67	6.61	6.35	6.88	6.81	6.77	6.67	6.57	6.62	6.62	6.59	6.41	6.32	6.32	6.30	6.38
Egypt	10.12	17.85	18.10	17.77	17.71	17.68	18.10	18.11	17.92	17.75	17.65	17.64	17.68	17.81	17.74	17.67	17.63	17.68	17.94
India	67.19	65.11	64.48	64.29	64.71	64.40	64.46	64.45	64.44	63.97	64.46	65.07	64.85	64.20	63.72	64.44	65.06	65.69	68.35
Russia	67.06	58.31	57.17	58.93	58.47	56.96	56.88	58.10	59.72	59.42	57.66	57.76	58.97	58.70	56.93	56.81	57.15	61.01	61.56
South Africa	14.71	13.31	13.21	13.19	13.62	11.93	13.25	12.91	13.15	13.25	13.17	13.71	14.06	13.11	12.15	11.82	11.84	12.10	12.43
Memo: U.S. nominal effective rate (index)	119.7	119.6	120.7	116.6	117.5	114.1	121.0	119.4	117.9	116.5	115.5	117.5	117.7	117.4	114.7	113.7	113.9	113.9	117.5

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

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

## TABLE E: Commodity Prices

	2016	2017			2018			2017					2018				MRV <sup>1</sup>		
		2017	Q2	Q3	Q4	Q1	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb		Mar	Apr
Energy <sup>2</sup>	55	68	64	65	75	82	64	60	62	65	68	71	76	78	85	81	81	88	88
Non-energy <sup>2</sup>	80	84	82	84	85	88	83	82	83	84	85	85	85	85	87	88	88	90	90
Agriculture <sup>2</sup>	88	87	87	86	86	89	88	87	88	85	86	86	86	85	88	89	90	92	92
Metals and minerals <sup>2</sup>	64	79	74	81	84	88	73	72	76	83	84	84	84	85	89	89	85	87	87
<b>Memo items:</b>																			
Crude oil, average (\$/bbl)	43	53	50	50	59	64	50	46	48	50	53	55	60	61	66	63	64	69	73
Gold (\$/toz)	1249	1258	1258	1278	1275	1329	1246	1260	1237	1283	1314	1280	1282	1264	1331	1331	1325	1335	1305
Baltic Dry Index	676	1152	1023	1138	1509	1171	979	861	906	1144	1363	1484	1455	1589	1234	1130	1149	1126	1077

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.