

A look at economic developments around the globe

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A look at economic developments and stock market activity around the world Monday:

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WASHINGTON — President Barack Obama, opening two days of high-level talks with China, said the discussions could lay the groundwork for a new era of "sustained cooperation, not confrontation" in a relationship likely to shape the 21st century.

Obama said that Washington and Beijing needed to forge closer ties to address a host of challenges from lifting the global economy out of a deep recession to nuclear proliferation and global climate change.

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LONDON — Consumer confidence around the world improved in the second quarter, suggesting that the public is embracing the idea of a global economic recovery.

The Nielsen Global Consumer Confidence Index rose to 82 in June, an increase of 5 points from March, spurred by renewed consumer optimism and stock market gains in emerging markets and key Asian countries.

In the survey of 14,029 consumers in 28 countries, 71 percent of respondents thought their country was in recession, down from a high of 77 percent when the survey ran in March.

Separately, the British Treasury chief, Alistair Darling, will call on banks to reduce the costs of loans to small businesses when he meets with banking executives.

Darling is expected to tell executives from banks including Barclays PLC and the bailed out Royal Bank of Scotland PLC that they must do more to improve lending in return for massive taxpayer support.

In markets, the FTSE 100 index of leading British shares closed up for the eleventh day running, matching its best-ever winning streak. It ended 0.2 percent higher at 4,586.13 and was just shy of its 2009 high. Elsewhere in Europe, France's CAC-40 index closed up 0.2 percent at 3,372.36 while Germany's DAX ended 0.4 percent higher at 5,251.55.

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BERLIN — German consumer confidence continues to rise despite the recession, helped chiefly by lower prices and a stable job market, said the GfK research group. Its forward-looking consumer climate index for August rose to 3.5 points, up from a revised 3 points for July.

BEIJING — The first company to list on China's main stock exchange in 11 months soared more than 300 percent in its trading debut, reflecting renewed market activity following a sharp decline last year.

Sichuan Expressway Co. surged 323.6 percent to 15.25 yuan (\$2.22) per share on the Shanghai Stock Exchange before falling back to end the day at 10.90 yuan (\$1.59) — still a 203 percent gain over the price that shares were sold for in its initial public offering.

The company was the first to start trading in Shanghai since regulators ended a ban on IPOs in June.

Shanghai's main index climbed 1.9 percent as Asian markets climbed. Tokyo's Nikkei 225 stock average added 144.11 points, or 1.5 percent, to 10,088.66, and Hong Kong's Hang Seng rose 268.83, or 1.4 percent, to 20,251.62. South Korea's KOSPI gained 1.4 percent and Australia's stock measure was up by 1.2 percent.

JOHANNESBURG — A new report says Africa has been "gravely affected" by the global economic downturn and that its growth rate will halve this year due to collapsing commodity prices and a decline in donor funding.

The 2009 African Economic Outlook, a report by the Paris-based Organization for Economic Co-operation and Development, finds that after a decade of economic growth above 5 percent, the continent can expect only 2.8 percent in 2009.

The independent international organization's report covers 47 African countries and anticipates growth rebounding to 4.5 per cent in 2010.

BUDAPEST, Hungary — The National Bank of Hungary cut its key interest rate to 8.5 percent from 9.5 percent, surprising analysts who had been expecting a smaller rate reduction.

The base rate cut will take effect Tuesday, the central bank said, adding that the move was justified by improving risk factors for Eastern Europe and Hungary, as well as an improving external trade balance caused mainly by lower consumption.
