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Highlights: The Belt and Road Initiative has become not only one of the hottest topics in China, but also has been attracting worldwide attention. The momentum represents China’s power status in the global economic landscape and the concern of overseas markets for China’s economic trend.

Research and Training Institute

Boao Forum for Asia

博鳌亚洲论坛研究院

【Weekly Review】

Commerzbank's economist: Interpretation of OBOR by overseas markets

The Belt and Road Initiative has become not only one of the hottest topics in China, but also has been attracting worldwide attention. The momentum represents China's power status in the global economic landscape and the concern of overseas markets for China's economic trend.

China: Six stabilizlings to lift confidence, form strong domestic market

China's economy has been maintained stable operation with changes in 2018, and will face a challenge to seek progress in six stabilizings in 2019.

The Political Bureau of the CPC Central Committee convened a meeting on Dec.14 to study economic work for 2019.

China will continue to fight the three tough battles next year, adhering to approved plan, focusing on major problems and fighting the battle in key areas.

The meeting encouraged advancing high-quality development of the manufacturing sector, integrating the advanced manufacturing and modern service industries, forming a strong domestic market, and enhancing the overall level of the national economy.

China: Outbound direct investment tops $10 billion over first 11 months of 2018

China's outbound direct investment exceeded $10 billion over the first 11 months of the year, roughly unchanged from the same period last year, the Ministry of Commerce said on December 14.

Investment in the "Belt and Road Initiative" countries totaled $12.96 billion over the January-November period, up 4.8 percent from a year earlier, the ministry said.

Japan: Cabinet Office revises down Q3 GDP growth

Japan’s economy shrank at an annual rate of 2.5 percent in July-September due to weaker corporate investment following a string of natural disasters this summer.

The revised data released by the government Cabinet Office shows seasonally adjusted gross domestic product in real term dipped 0.6 percent in the third quarter from the previous quarter.

Japan: Plans special organization to regulate IT giants

Japanese government has confirmed to establish a special organization for monitoring the IT giants using personal information and big data.

The government will recruit a panel of IT experts to provide better protection of Japanese consumers and firms.

Ahead of the organization, Japan’s Fair Trade Commission is set to launch a comprehensive survey in January 2019 to check the business practices of certain IT giants. Japan plans tighter regulations to oversight data monopoly and to improve a fair competition market.

South Korea: Approve a 496.6 trillion won government budget

At the National Assembly plenary session, South Korea's parliament approved a government budget for 2019 totaling 469.6 trillion won, down by 90 billion won from the government's initial proposal.

According to the budgetary allocation, 161 trillion won was set aside for healthcare, welfare and employment, 76.6 trillion won was allocated to the sector of general and local administration, 70.6 trillion won was allocated to education, 46.7 trillion won was allocated to defense sector and 20.5 trillion was allocated to research and development sector.

Hong Kong: Regain top spot for IPOs with nearly HK$300 billion

Hong Kong witnessed its most active year in history with a record-breaking 133 initial public offerings (IPOs) for the Main Board as end of November, according to KPMG analysis.

The IPO fundraising reached HK$ 289.8 billion in January-November of 2018, more than double the amount raised in the same period of 2017.

Hong Kong is expected to regain its position as the top destination for IPOs with estimated fundraising of around HK$300 billion, according to KPMG analysis.

About 240 companies are expected to list in Hong Kong this year, and new economy companies are set to retain the listing momentum.

U.S.: Budget deficit hits record for November

The U.S. posted its widest November budget deficit on record, two months after the Trump Administration said the federal budget deficit rose to the highest level in six years as government spending climbed.

The federal budget deficit surged to a record for the month of November of $204.9 billion, higher than the estimated $199 billion and a deficit of $100.5 billion in the previous month.

In the monthly budget report, the Treasury Department said the deficit for November soared 47.4 percent from $139 billion for November of 2017.

World Bank: East Asia needs to adapt its development model to sustain its historic transformation

East Asia's remarkably successful development model – a combination of outward-oriented growth, human capital development, and sound economic governance – needs to be adjusted to effectively address emerging external and internal challenges, and to sustain its historic transformation, a new World Bank report A Resurgent East Asia, Navigating a Changing World says.

The report delineates how policy makers across developing East Asia can address the challenges in the coming decade, and identifies a combination of both new and familiar policy priorities in five key areas.

Goldman Sachs: Weaker US dollar could come sooner

Zach Pandl, Goldman's co-head of global currency and emerging-market strategy, says the prediction for a weaker dollar could come sooner rather than later.

Analysts see a weaker dollar in 2019, as zesty U.S. growth converges with a more subdued global growth rate.

Survey: Nearly half of U.S. CFOs predict recession coming in 2019

Nearly half (48.6 percent) of U.S. CFOs believe that the nation's economy will be in recession by the end of 2019, and 82 percent believe that a recession will have begun by the end of 2020, according to the CFO Global Business Outlook released by the Duke University.

The Duke survey, taken on December 7, and featuring CFOs from 212 US companies, signaled finance chiefs are pessimistic about corporate earnings. CFOs are calling for 4.5 percent earnings growth over the next 12 months, down from nearly 13 percent as of September.

Fitch: US economic growth expected to rise to 2.0 percent in 2020

The flattening yield curve isn’t necessarily an indicator of an imminent recession, but an indicator that the current economic cycle is in its late stages, Ratings agency Fitch says in its latest report.

Some short - and long - term Treasury yields has dropped below zero.

Fitch predicts that the curve is not likely to invert between the 2- and 10-year Treasury yields.

Fitch is forecasting a year-end 2018 10-year Treasury yield of 3.1 percent, suggesting a sharp recovery from recent levels of around 2.85 percent.

The Federal Funds rate is expected to increase to 2.5 percent by the end of this year.

Fitch also predicted the Fed Funds rate and the 10-year Treasury yield will rise in tandem throughout 2019.