The US job growth slows

CHART: Putin's Xi meeting

WASHINGTON: After two days of talks in a bid to reconcile differences, US President Donald Trump and China's President Xi Jinping have agreed to "pause" tariffs for now in hopes of reaching a "comprehensive" trade deal before a March 1 deadline.

"I can tell you we will pause the tariffs," Trump said in a joint statement yesterday after meeting with his Chinese counterpart in Florida. "We agree to resume talks and make a deal."

Trudeau promises quick action on Danes

OTTAWA: Canada's Prime Minister Justin Trudeau has said he will act "quickly and decisively" to prevent more job losses after a union representing workers at a new Danish automotive plant threatened to strike.

"Our job is to protect the jobs of people here in Canada," Trudeau told reporters yesterday. "We will respect the rights of workers to strike, but we will also work with them to try to help ensure a quick return to the plant."
Toyota speeds up electric vehicle schedule as demand heats up

Toyota Motor Corp. said at the end of last month’s annual global press conference that it will start producing electric vehicles sooner than planned. The company cited a surge in demand for electric vehicles, particularly in Europe and China, as the main reason for changing its plans.

The change illustrates the broad trend toward electric vehicles, which is transforming the auto industry as governments around the world push to cut emissions and companies compete to develop new technologies and business models.


table tensions and high-tech rifts between the US and China are heating up, setting the stage for a new phase of competition between the world’s two leading economies.

Activity in both economies has been muted amid uncertainty about the outcome of trade talks between the US and China, and many companies are bracing for a prolonged period of uncertainty.

The US is expected to raise tariffs on Chinese goods from 10% to 25% on Friday, which will likely add to the uncertainty and boost the demand for electric vehicles.

Some analysts predict that electric vehicles could account for as much as 10% of new car sales in the US by 2025, up from less than 1% today.

The US electric vehicle market is expected to grow at a compound annual growth rate of 26% between 2019 and 2025, according to a report by GlobalData.

In China, the electric vehicle market is expected to grow at a compound annual growth rate of 59% between 2019 and 2025, according to another report by GlobalData.

The shift toward electric vehicles is part of a broader trend toward sustainability and reducing carbon emissions, which is being driven by both government policies and public pressure.

Many governments around the world have set targets for reducing greenhouse gas emissions, and electric vehicles are seen as a key way to achieve those targets.

There is also growing public concern about climate change and the need to reduce carbon emissions, which has led to increased demand for electric vehicles.

The US government has set a goal of having 5 million electric vehicles on the road by 2030, and China has a goal of having 10 million electric vehicles on the road by 2025.

Automakers are investing heavily in electric vehicles, with companies like Tesla, Volkswagen, and General Motors announcing ambitious plans to increase their production of electric vehicles.

This shift is expected to have significant implications for the oil and gas industry, which is a major contributor to greenhouse gas emissions.

The oil and gas industry is expected to see a decline in demand for fossil fuels as the world switches to cleaner energy sources.

The shift is also expected to have implications for the broader economy, with some analysts predicting that it could lead to new jobs and investment in the electric vehicle industry.

However, there are also concerns about the impact of electric vehicles on the environment, with some critics arguing that the production of electric vehicles is still too heavily reliant on fossil fuels.

The move to electric vehicles is also expected to have implications for the global economy, with some analysts predicting that it could lead to a shift in economic power from developed countries to developing countries.

Overall, the shift toward electric vehicles is seen as a major trend that is expected to have significant implications for the global economy in the coming years.
China has tools to handle trade war: Central bank chief

**China grows in peaks put more rate cuts on radar**

A marked slowdown in Asia’s third-largest economy growth concerns to the top of the Reserve Bank of India’s agenda, suggesting more policy easing will follow its third-interest cut in four months. Governor Shaktikanta Das and his colleagues are now under pressure to speed up the money spigot focused on investing in consumption after the government raised the national minimum wage last year. The current low of 2020 has been higher level of inflation, keeping it out of the red.

But on Wednesday, the government said it had drawn up a plan to ease its earlier growth in the first quarter, amid growing concerns about the impact of the coronavirus pandemic on global growth.

China’s move to head off any instability in the financial system is seen by analysts as the best option for Beijing to avoid any systemic risk amid a slowing economy and an escalating trade war.
Stock markets rally on hopes of US rate cuts

Stock markets rallied yesterday on expectations that trade war fears are easing and that US interest rates will fall this year. Prior to the release of surprisingly weak US monthly job figures, markets had welcomed reports that the United States could delay its plan to hit Moster with tariffs. There have been banking on the chance of US interest rate cuts and trimmed European Central Bank support for the eurozone.

Yesterday, London’s FTSE 100 closed 1.60% up at 7511.64 points, France’s CAC 40 closed 0.61% higher at 5284.30 points, Germany’s DAX 30 closed 0.95% higher at 12394.60 points, Spain’s IBEX 35 ended up 0.75% at 9662.30 points and Italy’s FTSE MIB ended up 1.21% at 25780.30 points.

The US nonfarm payrolls figures data were “viewed even more keenly than usual with speculation that the Federal Reserve are set to begin cutting interest rates” said Delivering the latest ICBC trading group.

The data showed that US job creation slowed sharply in May as hiring dried up in major industries, and that wage growth had improved. US employers added only 75,000 net new positions last month, far fewer than the 180,000 jobs that had been created in with household construction.

Neil Wilson at Markets.com noted that the numbers “provides much-needed salve” for investors and that “is not enough to expect the Fed to move so quickly”.

US stocks had bounced higher on Thursday after S&P Dow Jones Indices reported that Washington could push back plans to impose tariffs on European goods, including Airbus, Boeing and Airbus in so far good news for the US trade war.

Avoiding solutions for global economic activity, especially because of the US-China trade war, central banks have taken measures in order to take off potential pressure.

On Thursday, the European Central Bank declined to cut interest rates just yet, but interest rates for the eurozone will likely wind to zero this year.

“We now expect them to remain at that trough levels at least through the first half of 2020,” an ECB statement said.

That along with news the EU would give highly incentivized conditions to companies operating in the eurozone has increased concerns about growth and inflation.

Information continued herein is believed to be reliable and has been obtained from sources believed to be reliable. The accuracy and completeness cannot be guaranteed. This publication is for information purposes only and it cannot be used as an offer or solicitation for a purchase or sale of any of the financial instruments mentioned. Gulf Times and Doha Bank assume no liability for any actions taken based on this data.
China stock exchanges step up vigilance on companies

The Shanghai and Shenzhen stock exchanges stepped up scrutiny of listed companies in the first five months of this year, up 23% from the year-earlier period and 62% more than the 2017 tally, according to data compiled by Bloomberg.

The increased scrutiny has helped regulators root out a total of at least 1,149 queries to listed companies in the first five months of this year, up 22% from the year-earlier period and 62% more than the 2017 tally, according to data compiled by Bloomberg.

The number of regulator queries on corporate disclosures has risen as the nation further opens up its capital markets, for whom corporate governance standards have been a major challenge. Corporate governance concerns have been a sore spot. Yi Huiman, chairman of China's securities watchdog, said in late January that listed companies should not to release fake information or harm the interests of shareholders.

The number of regulator queries on corporate disclosures has risen as the nation further opens up its capital markets, for whom corporate governance standards have been a major challenge. The questions mainly focused on corporate control, corporate governance, and the reliability of financial statements, according to Cimi Leung, risk associate fear.

People stood in front of a sculpture of birds at the entrance to the Shenzhen Stock Exchange building in China. The Shanghai and Shenzhen stock exchanges sent out a total of at least 1,149 queries to listed companies in the first five months of this year, up 22% from the year-earlier period and 62% more than the 2017 tally, according to data compiled by Bloomberg.

China's largest listed drug-makers, including the likes of Tahoe Group Co, Group Co and Dr Peng Telecom & Media Group Co, have grown in the past few weeks to be snatched away at the last second, he added. The increased scrutiny has helped regulators originate.

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**Bond markets wave recession flags as future inflation evaporates**

**Bloomberg**

3 June 2019

Economists now believe a recession is likely in the coming years, yet long-term bond yields have fallen to 15-year lows. The challenge for central banks is to find a way to stimulate the economy without sparking inflation.

Michael Calvey, chief investment officer at Centaurus Capital, says “It would be nice to reduce uncertainty.” He points to the US Federal Reserve’s rate cuts this year as an example of how easing has been effective.

**Michael Calvey**

The International Monetary Fund, which manages more than US$6 trillion in assets, said on Thursday that it expects global growth to slow to 3.5% this year, the lowest level since 2009 — the months leading up to the global financial crisis. The International Monetary Fund also downgraded its growth forecast for the global economy to 3.3% from 3.5% last week.

In a strong sign that markets are bracing for a rate cut, most of the US government bonds are trading below the target range for the Federal Reserve, with 10-year yields below 2%. The 30-year yield is at its lowest since 2007.

In the US, the 10-year Treasury yield has fallen to 2.11%, the lowest level since 2006, while the 30-year yield has dropped to 2.94%. The 2-year yield is at 1.95%, the lowest level since 2016.

In Europe, the 10-year German bund yield has fallen to -0.15%, the lowest level since 2016.

In Japan, the 10-year yield has fallen to -0.5%, the lowest level since 2016.

In China, the 10-year yield has fallen to 3.45%, the lowest level since 2016.

In India, the 10-year yield has fallen to 6%, the lowest level since 2016.

In Brazil, the 10-year yield has fallen to 4.5%, the lowest level since 2016.

In Australia, the 10-year yield has fallen to 1.25%, the lowest level since 2016.

In New Zealand, the 10-year yield has fallen to 1.5%, the lowest level since 2016.

In South Africa, the 10-year yield has fallen to 10.5%, the lowest level since 2016.

In Russia, the 10-year yield has fallen to 7.5%, the lowest level since 2016.

In India, the 10-year yield has fallen to 7.5%, the lowest level since 2016.

In China, the 10-year yield has fallen to 8%, the lowest level since 2016.

In Japan, the 10-year yield has fallen to 0.1%, the lowest level since 2016.

In Australia, the 10-year yield has fallen to 2%, the lowest level since 2016.

In Brazil, the 10-year yield has fallen to 2.5%, the lowest level since 2016.

In India, the 10-year yield has fallen to 3%, the lowest level since 2016.

In China, the 10-year yield has fallen to 3.5%, the lowest level since 2016.

In Japan, the 10-year yield has fallen to 0.5%, the lowest level since 2016.

In Australia, the 10-year yield has fallen to 1%, the lowest level since 2016.

In Brazil, the 10-year yield has fallen to 1.5%, the lowest level since 2016.

In India, the 10-year yield has fallen to 2%, the lowest level since 2016.

In China, the 10-year yield has fallen to 2.5%, the lowest level since 2016.

In Japan, the 10-year yield has fallen to 1%, the lowest level since 2016.

In Australia, the 10-year yield has fallen to 0.5%, the lowest level since 2016.

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EU Commission The European Union (EU) has decided by a narrow 516-150 vote to table a draft law that could allow 1.8% of the national budget, or $11bn, to be redirected to support EU job creation and adaptation efforts in the aftermath of the coronavirus crisis.

The decision comes as the EU faces a growing risk of joblessness, with many countries struggling to get their economies back on track after months of lockdowns. The EU has estimated that 15 million jobs could be lost in the region.

The draft law, which still needs to be approved by the European Parliament and the Council of the EU, would allow member states to use single or multi-year budget lines to finance projects aimed at reducing unemployment and improving job opportunities.

EU digital commissioner Thierry Breton, who presented the proposal, said it was aimed at helping countries “to fill the gaps in their national budgets and to ensure a smooth transition from state aid to EU funding.”

The measure has been welcomed by many governments, which have been struggling to find ways to support their economies during the pandemic.

However, some member states, particularly those with large debt burdens, have expressed concerns about the cost of the proposal. They have said that it could add to their already high debt levels and make it more difficult to meet their fiscal targets.

The EU has estimated that the proposal could cost up to €600 billion ($660 billion) over the next five years, but has argued that the investment would be necessary to prevent long-term joblessness and social unrest.

The proposal has also been met with mixed reactions from businesses, with some calling it a welcome step towards supporting the economy, while others have expressed concerns about the potential for bureaucracy and red tape.