

Taking Stock

U.S. nonfarm job growth slowed in March; service PMI fell. U.S. non-farm payrolls expanded by 98,000 in March, well below market expectation (Figure 1). February's non-farm payrolls were revised down to 219,000 from 235,000. The labor force participation rate remained unchanged at 63 percent. The unemployment rate fell from 4.7 percent in February to 4.5 percent in March, its lowest level since May 2007. Average hourly earnings rose 2.7 percent (y/y), compared with 2.8 percent in February. Separately, the U.S. Institute for Supply Management (ISM) service purchasing managers' index (PMI) fell from 57.6 in February to 52.6 in March, pointing to a slowdown in the pace of growth in the service sector (a reading above 50 indicates expansion). The fall in the service PMI was partly attributed to uncertainty over future government policies.

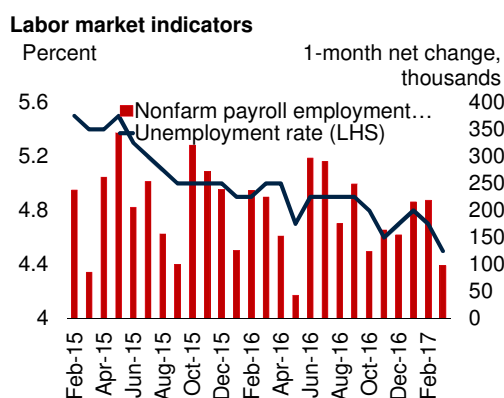
Euro Area unemployment fell to an eight-year low in February; composite PMI hit a six-year high in March. Unemployment in the Euro Area fell by 140,000 in February, pushing the unemployment rate down from 9.6 percent in January to 9.5 percent in February—the lowest since May 2009—with marked variations among member countries (Figure 2). Meanwhile, the final reading of the Euro Area's composite PMI for March came in at 56.4, slightly below the flash estimate of 56.7, but still the highest reading since 2011, driven by higher employment and new orders.

Japan wage growth remained sluggish in February; service PMI strengthened to a 19-month high in March. Labor cash earnings growth in Japan edged up from 0.3 percent (y/y) in January to 0.4 percent (y/y) in February. Real cash earnings growth—which takes inflation into account—came in at zero percent, raising doubts about the ability of the Japanese economy to hit the Bank of Japan's 2 percent inflation target. Meanwhile, Japan's service PMI rose from 51.3 in February to 52.9 in March—the highest since August 2015—suggesting that demand for services continued to firm.

The Caixin China composite PMI pointed to a slowdown in Chinese business activity in March. The Caixin China composite PMI—an independent gauge of China's private sector activity—fell from 52.6 in February to 52.2 in March, its weakest reading since September 2016. The fall in the Caixin composite PMI reflected softer growth in new orders, with service providers registering the slowest increase in new business. Employment expanded at a modest pace at service companies but continued to decline in manufacturing firms.

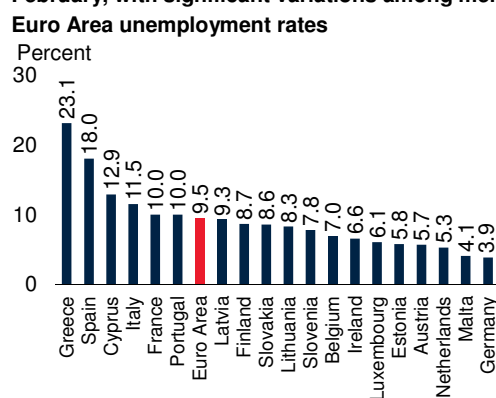
South Africa's sovereign credit rating was downgraded to "junk" status. S&P Global Ratings and Fitch downgraded South Africa's foreign exchange sovereign credit rating to sub-investment level, amid heightened political risk. Fitch also cut the rating on local currency debt to sub-investment grade. The rating downgrades reflected concerns that a cabinet reshuffle, which saw the ousting of the respected Finance Minister, will result in a change in the direction of economic policy.

Figure 1 U.S. non-farm job growth slowed in March.



Source: U.S. Department of Commerce.

Figure 2 The Euro Area unemployment rate was 9.5 percent in February, with significant variations among member countries.



Source: Dealogic, World Bank staff estimates.

Major Data Releases

(Percent change y-o-y)

Recent releases: Fri, 31 March - Thu, 6 April 2017							Upcoming releases: Fri, 7 April - Thu, 13 April 2017				
Country	Date	Indicator	Period	Actual	Forecast	Previous	Country	Date	Indicator	Period	Previous
Indonesia	4/3/17	CPI	MAR	3.6%	4 %	3.8%	Denmark	4/10/17	CPI	MAR	1.0 %
Turkey	4/3/17	CPI	MAR	11.3%		10.1%	Hungary	4/11/17	CPI	MAR	2.9 %
South Korea	4/3/17	CPI	MAR	2.2 %	1.8 %	1.9 %	UK	4/11/17	CPI	MAR	2.3 %
Philippines	4/4/17	CPI	MAR	3.4 %	3.1 %	3.3 %	Poland	4/11/17	CPI	MAR	2.2 %
Thailand	4/4/17	CPI	MAR	0.8 %	1.5 %	1.4 %	China	4/11/17	CPI	MAR	0.8 %
Netherlands	4/6/17	CPI	MAR	1.1 %		1.8 %	Germany	4/13/17	CPI	MAR	2.2 %

Activity and Inflation

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

	2015	2016	2016				2016										2017	
			Q1	Q2	Q3	Q4	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Industrial Production, sa¹																		
World	1.9	2.0	1.8	2.2	2.7	5.2	1.3	1.5	1.7	1.9	1.6	2.2	1.9	2.0	3.3	3.6	3.0	-
Advanced Economies	0.2	0.1	0.3	0.2	1.7	4.0	-1.1	-0.2	-0.4	-0.3	-0.5	0.5	0.2	0.2	1.9	2.5	1.2	-
Emerging Market and Developing Economies	3.6	3.9	3.2	4.2	3.7	6.4	3.7	3.2	3.7	4.0	3.6	3.9	3.5	3.8	4.6	4.7	4.9	-
Commodity-exporting EMDE	0.2	1.2	0.7	1.5	2.4	4.4	-0.4	-0.7	0.6	1.7	2.1	1.3	0.9	1.3	2.1	3.3	3.0	-
Other EMDE	5.1	4.9	4.2	5.2	4.1	7.2	5.4	4.8	5.0	4.9	4.2	4.9	4.5	4.7	5.6	5.2	5.6	5.6
East Asia and Pacific	5.8	5.9	4.9	7.0	5.5	6.0	6.3	5.6	6.0	6.2	6.1	6.3	5.5	5.6	5.9	6.0	6.1	6.3
East Asia excl. China	3.5	4.8	4.8	6.1	3.9	2.8	3.3	2.9	6.0	7.0	7.0	6.1	2.3	2.6	4.3	6.3	4.3	-
Europe and Central Asia	1.5	2.0	1.2	1.8	-2.9	9.2	1.6	2.7	2.6	2.1	0.2	1.8	0.5	1.5	2.6	2.6	4.2	0.9
Latin America and Caribbean	-3.1	-2.9	-3.2	0.0	0.6	-0.9	-4.1	-4.7	-3.9	-2.3	-2.1	-2.8	-2.0	-2.7	-0.9	1.1	0.1	-
Middle East and North Africa	2.8	-	3.2	-3.4	8.4	-	2.7	2.0	2.4	2.9	3.7	3.1	4.3	6.5	-	-	-	-
South Asia	4.1	1.1	3.3	3.8	0.0	0.3	2.0	-0.4	1.5	1.0	-0.5	0.7	0.4	-0.5	5.6	0.6	3.1	-
Sub-Saharan Africa	0.1	0.9	0.2	8.0	-6.1	-3.0	-1.3	2.5	4.1	4.3	1.5	0.0	-0.1	-1.0	0.6	-0.7	1.2	-
Inflation, sa²																		
World	1.4	1.3	1.4	1.6	1.4	1.6	1.3	1.7	1.7	1.6	1.6	1.4	1.4	1.5	1.6	1.8	2.3	2.4
Advanced Economies	0.1	0.4	0.3	0.2	0.4	0.8	0.1	0.2	0.1	0.4	0.4	0.4	0.5	0.6	0.7	1.1	1.5	1.8
Emerging Market and Developing Economies	2.3	2.3	2.6	2.9	2.8	2.5	2.6	3.1	2.8	2.6	2.9	2.8	2.9	2.5	2.4	2.7	2.9	3.4
Commodity-exporting EMDE	3.8	3.5	3.9	3.6	3.4	3.3	4.3	4.0	3.5	3.8	3.7	3.3	3.1	2.9	3.0	3.2	3.5	3.8
Other EMDE	1.0	1.1	1.0	1.8	1.6	1.7	0.9	1.8	1.7	1.5	1.8	1.5	1.4	1.5	1.6	1.7	2.5	3.2
East Asia and Pacific	1.0	1.6	1.1	1.8	2.4	2.4	1.4	1.9	1.8	1.9	2.0	1.9	2.4	2.3	2.4	2.4	3.0	3.5
Europe and Central Asia	1.7	0.4	0.5	0.1	0.3	0.8	0.2	0.1	0.1	0.6	0.3	0.3	0.6	0.7	1.4	2.2	2.4	
Latin America and Caribbean	2.7	2.4	2.7	3.5	3.0	3.1	2.5	3.6	3.4	3.3	2.9	3.2	3.1	2.9	3.2	3.2	2.9	3.4
Middle East and North Africa	1.9	2.2	2.5	2.3	2.3	1.9	2.6	2.4	2.2	2.4	2.3	2.1	2.5	1.9	2.0	1.8	2.2	2.6
South Asia	4.5	4.9	3.8	5.3	5.3	3.9	4.0	4.6	5.2	5.6	5.7	5.2	5.0	4.2	3.7	3.7	3.7	4.2
Sub-Saharan Africa	3.7	5.3	5.2	5.2	5.7	5.9	4.7	5.3	4.8	5.6	5.5	5.9	5.9	5.7	6.2	6.7	6.9	6.7

¹ Industrial production is total production (may exclude construction). When data are unavailable, "industrial production, manufacturing" and "industrial production, manufacturing, non-durable manufacturing, petroleum and coal products, crude petroleum products" are used as proxies

² Median inflation rate for each grouping.

Trade and Finance

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

	2015	2016	2016				2016										2017	
			Q1	Q2	Q3	Q4	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Exports, Nominal, US\$, sa																		
World	-11.5	-3.0	-12.0	13.8	0.1	7.3	-3.9	-2.7	-3.0	-4.1	-6.7	2.9	-0.7	-3.3	4.9	4.0	10.4	-
Advanced Economies	-11.3	-0.8	-5.1	15.3	0.2	3.9	-3.7	-0.1	-0.5	-2.4	-5.3	5.6	1.5	-1.8	6.1	5.7	9.3	-
Emerging Market and Developing Economies	-12.0	-6.4	-22.3	11.1	0.1	14.0	-4.3	-7.1	-7.2	-6.9	-8.9	-1.6	-4.4	-5.6	2.9	1.6	12.6	6.4
Commodity-exporting EMDE	-24.3	-8.6	-24.5	16.5	2.2	26.8	-15.8	-13.1	-10.9	-12.8	-14.5	-1.5	-1.6	-5.6	7.8	8.1	26.6	-
Other EMDE	-3.7	-4.6	-19.9	9.2	-0.6	9.7	3.7	-3.2	-4.5	-3.1	-5.6	-1.0	-4.9	-4.9	1.8	-0.4	8.0	2.5
East Asia and Pacific	-3.5	-6.1	-23.7	9.8	-0.7	10.4	5.0	-4.9	-6.1	-5.4	-6.9	-1.7	-6.8	-5.8	1.8	-2.1	9.4	3.1
Europe and Central Asia	-20.7	-6.2	-19.7	19.2	-0.6	18.8	-13.2	-8.0	-10.6	-4.2	-8.6	0.6	-1.3	-3.9	6.1	7.2	21.6	-
Latin America and Caribbean	-11.9	-2.4	-5.5	5.9	7.7	14.9	-9.4	-5.5	-2.0	-8.1	-7.6	2.6	2.8	-4.5	10.3	11.0	14.5	11.8
Middle East and North Africa	-27.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
South Asia	-4.8	1.7	6.3	4.3	-18.3	32.7	-0.2	1.2	-0.3	5.1	-4.0	5.8	-3.2	10.8	3.4	0.2	2.4	-
Sub-Saharan Africa	-27.6	-	-37.9	-	-	-	-	-21.4	-13.1	-	-	-	-	-	-	-	-	-
Imports, Nominal, US\$, sa																		
World	-12.6	-4.1	-12.9	9.3	-0.9	6.9	-7.5	-6.0	-2.4	-5.3	-9.6	1.8	-1.9	-4.1	2.9	1.9	11.3	-
Advanced Economies	-12.5	-3.4	-8.8	7.9	-2.4	1.8	-6.6	-4.0	-1.9	-4.6	-8.1	1.7	-1.9	-5.0	2.3	1.1	9.3	-
Emerging Market and Developing Economies	-12.7	-5.1	-20.2	12.2	2.2	17.7	-9.1	-9.5	-3.3	-6.3	-12.1	2.0	-2.0	-2.3	4.3	3.7	15.3	23.2
Commodity-exporting EMDE	-14.9	-8.9	-18.4	0.7	1.1	15.0	-13.8	-13.8	-9.1	-8.4	-15.4	-1.1	-6.3	-7.1	1.7	2.2	15.1	-
Other EMDE	-11.5	-3.5	-21.4	16.4	2.6	18.6	-6.5	-7.7	-0.6	-5.7	-11.2	3.5	-0.3	-0.5	5.1	3.5	15.5	25.4
East Asia and Pacific	-13.1	-3.8	-24.8	18.8	5.9	21.5	-5.6	-8.4	0.5	-6.7	-10.9	5.7	-0.3	-0.7	6.0	5.2	17.2	34.3
Europe and Central Asia	-20.8	-1.3	1.6	12.5	-2.9	6.8	-3.7	-3.6	-0.7	0.3	-9.6	8.9	1.5	0.8	5.9	6.3	20.9	-
Latin America and Caribbean	-9.8	-7.4	-15.6	4.7	4.1	4.1	-14.7	-9.7	-6.2	-8.8	-15.5	1.6	-3.3	-8.5	1.5	3.8	11.2	4.4
Middle East and North Africa	-6.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
South Asia	-13.2	-5.4	-26.2	4.1	11.5	50.6	-18.1	-17.9	-8.5	-5.9	-13.8	-9.1	1.1	7.9	10.2	2.2	14.8	23.1
Sub-Saharan Africa	-7.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International Reserves, US\$¹																		
World	-5.9	-1.1	0.7	0.8	0.4	-3.3	1.0	0.7	-0.7	0.8	0.3	-0.1	0.2	-1.1	-1.7	-0.6	0.7	0.2
Advanced Economies	0.6	4.4	3.7	1.7	1.4	-2.5	1.5	1.0	-0.6	1.4	0.5	0.1	0.9	-0.7	-1.5	-0.2	1.5	0.1
Emerging Market and Developing Economies	-9.9	-4.8	-1.2	0.2	-0.2	-3.9	0.8	0.5	-0.8	0.5	0.2	-0.2	-0.2	-1.4	-1.8	-0.9	0.1	0.3
Commodity-exporting EMDE	-11.1	-	-1.0	-0.7	-0.2	-	0.6	0.3	-0.9	0.0	0.4	-0.5	-0.1	-1.7	-1.1	-	-	-
Other EMDE	-9.1	-5.7	-1.2	0.7	-0.3	-4.5	0.9	0.7	-0.8	0.7	0.1	-0.1	-0.2	-1.2	-2.1	-1.2	0.0	0.3
East Asia and Pacific	-11.3	-7.3	-1.8	0.3	-0.7	-4.9	0.7	0.5	-1.0	0.9	0.0	-0.3	-0.4	-1.3	-2.4	-1.2	-0.1	0.4
Europe and Central Asia	-6.3	4.4	4.1	2.7	1.2	-3.9	1.6	1.5	-0.2	1.4	0.5	0.5	0.3	-0.8	-1.7	-1.4	2.1	0.7
Latin America and Caribbean	-5.3	1.1	0.1	0.7	1.6	-0.9	0.7	0.8	-0.2	0.1	1.6	0.0	-0.1	-0.6	-0.6	0.1	0.5	0.4
Middle East and North Africa	-17.1	-	-3.6	-2.6	-2.0	-	-0.1	-0.5	-0.8	-1.3	-0.7	-0.8	-0.5	-2.6	-	-	-	-
South Asia	11.6	3.5	1.0	2.0	3.3	-2.8	2.3	1.9	-0.8	0.8	1.4	0.6	1.4	-1.0	-0.9	-0.9	-0.1	0.5
Sub-Saharan Africa	-12.0	-	-2.0	-1.9	-	-	0.9	0.4	-1.7	-	-	-	-	-	-	-	-	-

¹ Total reserves excluding gold are used as proxies when total reserves data are unavailable.

Financial Markets

	2016												2017			MRV ¹			
	2015	2016	Q1	Q2	Q3	Q4	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		Jan	Feb	Mar
Interest rates and LIBOR (percent)																			
U.S. Fed Funds Effective	0.13	0.40	0.37	0.37	0.39	0.45	0.37	0.36	0.38	0.39	0.40	0.40	0.41	0.41	0.55	0.66	0.66	0.79	0.91
ECB repo	0.05	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	0.32	0.74	0.62	0.64	0.79	0.92	0.63	0.65	0.65	0.70	0.81	0.85	0.88	0.91	0.98	1.03	1.04	1.13	1.16
EURIBOR 3-months	-0.02	-0.26	-0.19	-0.26	-0.30	-0.31	-0.25	-0.26	-0.27	-0.29	-0.30	-0.30	-0.31	-0.31	-0.32	-0.33	-0.33	-0.33	-0.33
US 10-yr Treasury yield	2.12	1.84	1.92	1.75	1.56	2.12	1.79	1.80	1.64	1.48	1.56	1.63	1.74	2.12	2.50	2.44	2.42	2.47	2.36
German Bund, 10 yr	0.54	0.14	0.32	0.12	-0.07	0.18	0.17	0.16	0.01	-0.09	-0.07	-0.05	0.03	0.22	0.30	0.34	0.32	0.39	0.26
Spreads (basis points)																			
JP Morgan Emerging Markets	415	410	478	419	372	369	421	418	418	387	367	361	357	380	370	354	338	329	332
Asia	224	221	264	227	197	197	224	223	233	210	190	191	192	201	198	185	173	166	171
Europe	348	302	339	305	282	283	308	305	303	290	282	273	274	294	282	272	258	253	248
Latin America & Caribbean	540	537	645	551	477	475	559	552	541	496	473	463	453	491	481	463	442	431	435
Middle East	456	517	555	538	508	467	539	530	545	540	492	493	487	475	438	416	396	377	345
Africa	415	518	626	548	461	436	546	552	546	494	448	440	441	444	422	401	387	380	395
Stock Indices (end of period)																			
Global (MSCI)	399	424	395	399	418	424	403	403	399	414	417	418	413	413	424	433	445	449	448
Advanced Economies (\$ Index)	1663	1761	1638	1653	1726	1761	1671	1675	1653	1713	1720	1726	1697	1712	1761	1792	1839	1854	1847
United States (S&P 500)	2044	2258	2051	2099	2168	2258	2065	2097	2099	2170	2171	2168	2139	2199	2258	2279	2364	2363	2357
Europe (S&P Euro 350)	1474	1475	1352	1339	1388	1475	1379	1399	1339	1376	1390	1388	1377	1388	1475	1463	1501	1547	1543
Japan (Nikkei 225)	18817	19302	16555	15576	16450	19302	16407	17235	15576	16556	16887	16450	17050	18604	19302	19035	19342	18909	18597
Emerging Market and Developing Economies (MSCI)	794	861	821	834	903	861	840	807	834	879	894	903	908	863	861	909	936	958	963
EM Asia	404	419	404	407	448	419	405	400	407	431	442	448	444	426	419	443	459	474	476
EM Europe	244	295	272	265	273	295	288	268	265	264	269	273	274	273	295	302	296	301	308
EM Europe & Middle East	211	248	230	225	233	248	243	225	225	227	232	233	232	230	248	253	249	252	257
EM Latin America & Caribbean	1830	2341	2121	2269	2381	2341	2292	2038	2269	2359	2402	2381	2608	2330	2341	2516	2600	2611	2639
Exchange Rates (LCU / USD)																			
Advanced Economies																			
Euro Area	0.90	0.90	0.91	0.89	0.90	0.93	0.88	0.89	0.89	0.90	0.89	0.89	0.91	0.93	0.95	0.94	0.94	0.94	0.94
Japan	121.00	108.80	115.23	107.96	102.36	109.63	109.57	108.97	105.34	104.09	101.31	101.69	103.72	108.90	116.28	115.03	112.96	112.91	110.42
Emerging and Developing Economies																			
Brazil	3.33	3.49	3.91	3.51	3.25	3.28	3.56	3.54	3.42	3.28	3.21	3.25	3.18	3.33	3.35	3.20	3.10	3.13	3.12
China	6.29	6.65	6.54	6.53	6.67	6.84	6.48	6.53	6.59	6.68	6.65	6.67	6.74	6.85	6.92	6.89	6.87	6.90	6.90
Egypt	7.70	10.12	8.04	8.87	8.87	14.71	8.87	8.86	8.87	8.87	8.87	8.88	9.25	16.34	18.56	18.68	17.01	17.76	18.06
India	64.14	67.19	67.50	66.91	66.94	67.39	66.49	66.93	67.29	67.18	66.91	66.74	66.73	67.60	67.86	68.06	67.01	65.83	64.88
Russia	61.34	67.06	74.84	65.84	64.61	62.95	66.54	65.96	65.01	64.43	64.93	64.48	62.57	64.25	62.03	59.76	58.42	57.83	56.44
South Africa	12.77	14.71	15.83	15.01	14.07	13.92	14.62	15.36	15.05	14.40	13.79	14.01	13.92	13.96	13.88	13.60	13.17	12.95	13.79
Memo: U.S. nominal effective rate (index)	114.7	119.7	120.3	117.5	118.4	122.5	116.5	117.8	118.2	118.9	117.8	118.6	119.7	122.9	124.9	124.8	123.0	122.5	121.8

¹ MRV = Most Recent Value.

Commodity Prices

	2016												2017			MRV ¹			
	2015	2016	Q1	Q2	Q3	Q4	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		Jan	Feb	Mar
Energy ²	65	55	43	56	57	64	51	57	59	57	58	58	64	59	68	69	69	65	65
Non-energy ²	82	80	76	81	82	83	80	81	83	82	82	81	81	83	84	85	87	85	85
Agriculture ²	89	89	85	91	91	90	88	91	94	92	91	90	90	90	89	91	91	89	89
Metals and minerals ²	68	64	59	62	64	71	63	61	61	64	65	64	65	73	75	76	79	79	75
Memo items:																			
Crude oil, average (\$/bbl)	51	43	33	45	45	49	41	46	48	44	45	45	49	45	53	54	54	51	52
Gold (\$/toz)	1161	1249	1181	1260	1334	1221	1242	1261	1276	1337	1340	1327	1267	1238	1157	1192	1234	1231	1231
Baltic Dry Index	711	676	363	613	736	994	608	623	608	707	675	826	870	1080	1031	913	760	1142	1223

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

¹ MRV = Most Recent Value.

² Indexes, 2010 = 100.