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### **US-China first Phase Deal**

*United States and China signed an agreement where Beijing will purchase around \$200 billion dollar on American products and services within the next two years, with the exchange to reducing of some tariffs under a preliminary agreement signed by the two sides. Furthermore, Beijing committed to purchase energies products such as WTI Oil of a value equal or above \$52.4 billion dollars within the next two years from America, factor that caused the oil to rise 1% higher. According to Reuters, the trade deal resolves the long running dispute between the two biggest economies in the world that hit the global growth. The stocks markets traded high after the deal was signed in Washington but later fell amid concerns that the tranquility in the two countries trade relations would not last long, as many issues between them remain unresolved. The Chinese economy slowdown generated a lot of uncertainties in the whole world that might cause by lower demand on oil prices, if you take into consideration that China is the largest importer of Brent oil in the world. Statistical measure showed that if World's GDP decrease by 1% will cause lower demand which is around less than 690,000 barrels daily. The International Monetary Fund expected that the deal would ensure that China's gross domestic product expands by 6% in 2020. China and US recent deal looks that set to provide boost to US oil and gas producers who need to develop new export markets.*

### **New records on Wall Street**

*Everything seems to work in favor of stock market indices. Corporate profits are better than forecast, Chinese economy proves relatively resilient. Optimism has returned for good in international equity markets. Investors, who are now accustomed to operating in geopolitical and not just uncertainty conditions, see a series of horror scenarios in recent years being disproved, which opens their appetite for risk. The extremely relaxed monetary policy of the central banks helps the maximum in this direction, however they may eventually be frustrated as analysts warn. Until that happens, Wall Street futures show that the S&P 500 index yesterday reach above for the first time the 3,300-point barrier thanks to Alphabet (Google), which entered the 1 trillion strong corporate club and will climb to new historic highs today. Dow Jones reach 29303 and it's expected further increase to the upside that will hit 30000 as per analysts.*

### **Australians Economy after Bushfire – Continuing interest rate cuts**

*Businesses damaged by bushfires will be eligible for additional grants of up to \$50,000 in the latest pledge from the Morrison government's \$2bn disaster relief package and these firms Businesses will also be able to access concessional loans of up to \$500,000. This corresponds to small size companies in order to enforce the cash flow after the fire damages. All this bad news had a direct negative impact on Australia's economy resulting in a decline in consumer confidence along with the housing recession. Deloitte accused the Reserve Bank of Australia for its announcement in regards the reasons that driving recent rate cuts and warns the Reserve Bank that this poor consumer and business confidence "risks*

*becoming a self-fulfilling prophecy. Deloitte continued to predict that additional interest rate cuts would occur in 2020, however believe that Reserve Bank of Australia will not take the “big step” of quantitative easing, despite suggestions it could buy government bonds as a last resort if it runs out of levers to boost the economy when it drops the official interest rates to 0.25%. Aussie dollar shows weakness in regards where it was before a month earlier and has lost around 1740 points in a period of one month.*

