Japan's machinery orders

Japan's core private-sector machinery orders dropped in May from a month earlier, the government said in a report on Wednesday.

Eurozone house prices rise at fastest rate in 11 years

Eurozone house prices rose at the fastest pace in 11 years during the first three months of 2018, a development that is likely to reinforce the European Central Bank's determination to end a key stimulus program in December.

House prices in the first quarter were 4.5 percent higher than in the same quarter a year earlier, the European Union's statistics agency said. That was the largest on-the-year increase since the first three months of 2007, well before the onset of the global financial crisis, when asset prices tumbled as the financial system seized up, WSJ wrote.

The rise in house prices came despite a surprise slowdown in economic growth during the quarter and will likely reassure ECB policy makers that they are right to view the slowdown as largely temporary, and of little lasting consequence. Higher house prices should support growth over the coming months as homeowners feel wealthier and therefore inclined to spend more.

ANGEL NAVARRETE/BLOOMBERG

The rise across the currency area as a whole was modest by international standards, with US prices up 6.4 percent on the year in April. The rise in mortgage lending across the eurozone also remained modest, increasing by just 3.1 percent over the 12 months through May.

However, some national real-estate markets recorded rates of growth that are rapid enough to worry regulators. Slovenia led the way with a 13.4 percent rise, while Slovakia, Portugal, Latvia and Ireland also recorded increases of more than 10 percent.

Ireland's central bank last week responded to the rapid rise in house prices by requiring banks to set aside extra capital. The regulator raised its countercyclical capital buffer to one percent of assets from zero, giving banks until July 2019 to comply. The tool is intended to slow lending during the good times and require banks to build up a cushion for the bad times in the hope that their lending will fall less sharply than in previous downturns.

France also raised its buffer in June, although its concerns are focused on lending to companies, while Slovakia made a similar move in 2017.

It was Ireland's second attempt to cool lending. In 2015, it imposed new limits on mortgage loans relative to the income of the borrower and the value of the property being purchased. In the Netherlands and Portugal, authorities have told banks to limit mortgages to 90 percent of the value of a house.

Similar actions by other national central banks may follow, since the ECB has pledged not to raise its key interest rate until the end of summer 2019. However, it doesn't expect to continue its purchases of government and other bonds under stimulus program known as quantitative easing into next year.

Other parts of the eurozone have taken more direct measures to cool house prices. In Berlin, the left-leaning local government has moved to rein in the residential real-estate market with a barrage of measures that critics say would have put East Germany's Communist former rulers to shame.

Among the four largest eurozone economies, the pickup in prices was led by Spain, which suffered one of the currency area's most dramatic property crashes during the crisis. House prices there were up 6.2 percent on the year. Italy was the main exception to the overall trend, with prices falling by 0.4 percent on the year.

In common with other developed regions, eurozone house prices fell after the financial crisis, but began to rise again from mid-2010. Unlike the US and elsewhere, eurozone house prices then fell once more in response to a government debt and banking crisis and only began to rise again in mid-2014.

The start of that rebound coincided with the first of a series of stimulus measures announced by the ECB that were designed to boost weak economic growth and very low inflation.

British exports remain at record high

International Trade Secretary Dr. Liam Fox welcomed new figures published in London that showed British exports remain at record high.

Latest trade figures of the Office for National Statistics (ONS) show demand for British goods and services is higher than ever with exports at record high of £620 billion pounds ($824 billion) in the year to May 2018, Xinhua reported.

The ONS data showed exports to the world rose by £30 billion ($40 billion) — an increase of 5.2 percent compared to the same time last year.

Trade Secretary Fox said: "There's a lot to be proud of with demand for UK goods and services being higher than ever before. The latest trade figures are further good news as overall exports rose and the trade deficit continued to narrow by £4 billion ($5.2 billion)."

Fox said Britain is seeing a shift with the country continuing to sell more than it buys.

Britain's service sector saw exports up 3.1 percent to a record high of £279 billion ($371), increasing the service surplus to £111 billion ($148 billion). Goods exports also rose strongly by 6.9 percent to £341 billion ($453 billion).

Published by birminghampost.co.uk

The Department for International Trade (DIT) said on an annual basis, exports continue to grow faster than imports for the tenth consecutive month.

Edwin Morgan, director of Policy at the Institute of Directors (IoD), said: "Whatever happens to the UK over the coming decades, we know that boosting international trade is a vital path towards future prosperity. Increasing exports should be a high priority for the whole of government, spearheaded by DIT.

"There is huge potential in this country to raise our game on trade. Two-thirds of IoD members already export, showing we can create the products and services the world wants, and if we could only slightly increase the proportion of firms overall who trade the gains could be enormous."

Suren Thiru, head of Economics at the British Chambers of Commerce (BCC), said: "The uptick in growth masks a number of key concerns. The persistent imbalances in the UK economy remain, so while there was solid growth in the services sector, industrial production and construction sectors are adding little to overall growth."

The widening in the UK's trade deficit for the second successive month is also a concern and means that trade is likely to have been a drag on GDP in the second quarter of the year. It's probable that the UK is past peak-trading conditions for exporters, with slowing global growth and the prospect of a trade war weighing on demand for UK goods and services.

Thiru said the current political and Brexit related uncertainty, as well as the failure to deal with longstanding issues such as weak productivity, are likely to weigh on economic activity over the near term.

Egypt inflation rate accelerates for first time in 11 months

Egypt's inflation accelerated for the first time in 11 months in June after the government slashed fuel and electricity subsidies to help reduce the budget deficit.

Inflation in urban parts of the country, the rate closely watched by the central bank, climbed to 14.4 percent from 11.4 percent in May, according to the state statistics agency. Prices rose 3.5 percent on the month, the most since January last year, Bloomberg reported.

The central bank kept its benchmark interest rate unchanged on June 28, saying government measures to shore up public finances were "expected to lead to one-off increases in the price level, which translate into temporary higher inflation rates".

Because the fuel cuts were enacted in early June, and electricity price increases didn't go into effect until July 1, the full impact on inflation should be mostly captured by July, Cairo-based investment bank Naeem Holding said in a research note.

Pharos Holding, in an emailed note, said it expects the central bank to hold interest rates until its November meeting, "when inflation numbers would have decelerated and any potential cuts at that time will be linked to global markets' developments".

SIMA DIAB/BLOOMBERG

Main Indices of TSE

Index	Value	Change	Percent
Total Index	109505.1	-1494.2	-1.36
Industry Index	99178.5	-1437.6	-1.44
Free Float Index	121204	-164	-0.13
First Market Index	80032.9	-1415.8	-1.76
Second Market Index	221196.6	-1350	-0.61

Overall Index details on 20180711

First	110999.3	Change end of year(%)	702.04%
High	110831.5	Historical highest	89500.6 (20140105)
Low	109505.1	Historical lowest	100 (1369/1/6)
Close	109505.1	Base Value	100 (1369/1/6)
Change	2522.5		

Industry Index details on 20180711

First	100616.1	Change end of year(%)	954.15%
Max Value	99178.5	Historical highest	75181.9 (20140105)
Max Value	98996.7	Historical lowest	1226.8 (1377/8/25)
Closing	99178.5	Base Value	
Closing	2306.2		

Free Float Index details on 20180711

First	121368	Change end of year(%)	
Max Value	101802	Historical highest	105040 (20140105)
Max Value	117386	Historical lowest	
Closing	121204	Base Value	
Closing	3826		

Main Board Index details on 20180711

First	81448.7	Change end of year(%)	895.67%
Max Value	81308.7	Historical highest	67441.4 (20140105)
Max Value	71686.6	Historical lowest	
Closing	80032.9	Base Value	4740.4 (1381/6/2)
Closing	2388.7		

Secondary Index details on 20180711

First	222546.6	Change end of year(%)	1317.58%
Max Value	222690.4	Historical highest	181353 (20170522)
Max Value	211894.2	Historical lowest	
Closing	221196.6	Base Value	4740.4 (1381/6/2)
Closing	2235.2		

Major Currencies

Currency	To USD	Currency	To USD
Turkish Lira	0.2114	Japanese 100 Yen	0.9003
Euro	1.1722	Chinese Yuan	0.1500
British Pound	1.3266	UAE Dirham	0.2722
Australian Dollar	0.7408	Kuwaiti Dinar	3.3001
Canadian Dollar	0.7606	Iraqi 100 Dinar	0.0840

Major Commodities

Crude Oil	$73.49	Silver	$16.03
Gold	$1252.60	Platinum	$846.90
Copper	$2.76	Wheat	$484.50