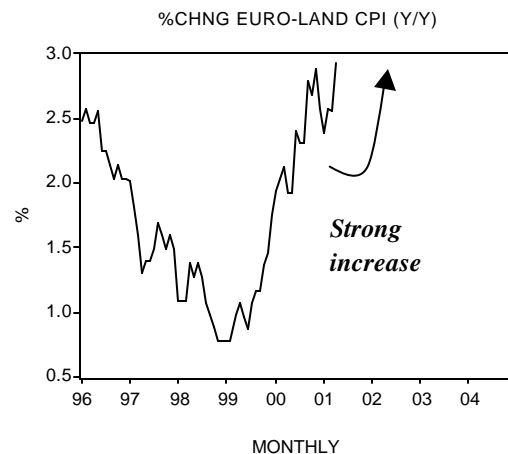
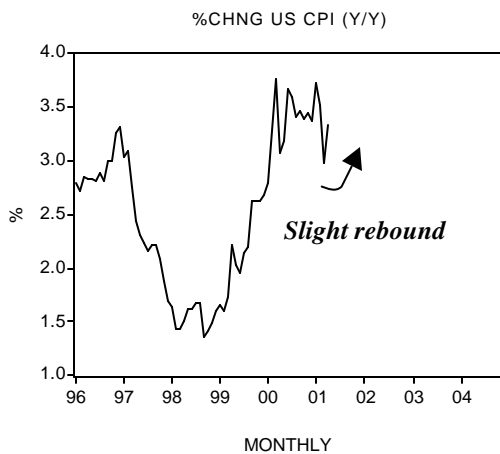


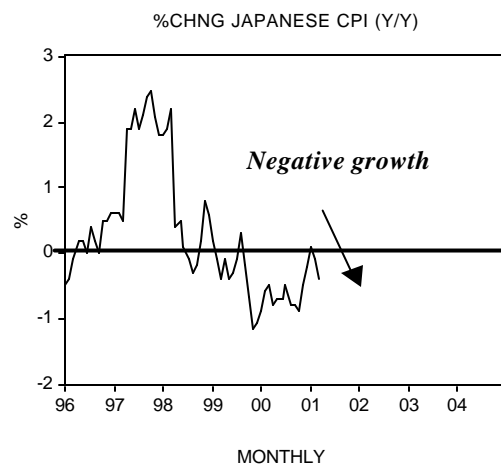
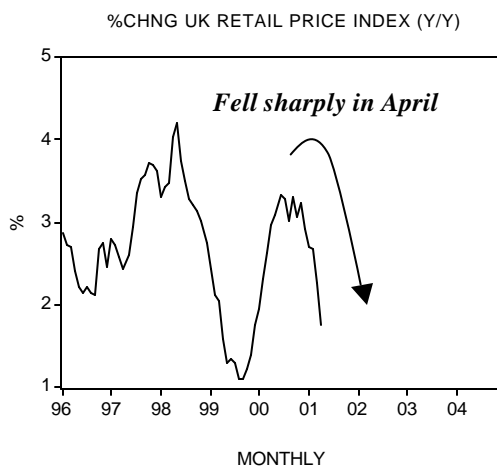
Focus on the key economic indicators of major economies

The momentum of price inflation accelerates in the US and Euro-land

Year-on-year the rate of increase in the US CPI jumped to **3.3%** in April from **3%** in March (see chart). During the same period the Euro-land CPI climbed to **2.9%** from **2.6%** (see chart).

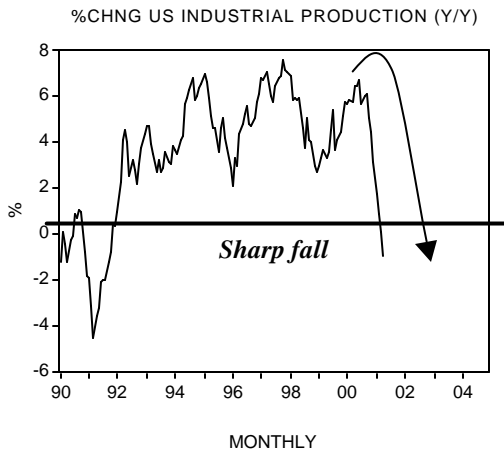


In contrast the rate of inflation continued to fall in the UK and Japan. Year-on-year the rate of increase in the UK retail price index fell to **1.8%** in April from **2.3%** in March (see chart). In Japan the CPI fell year-on-year by **-0.4%** in March after a fall of **-0.1%** in February (see chart).

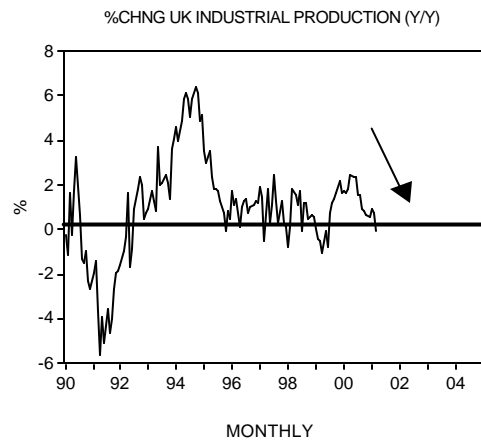
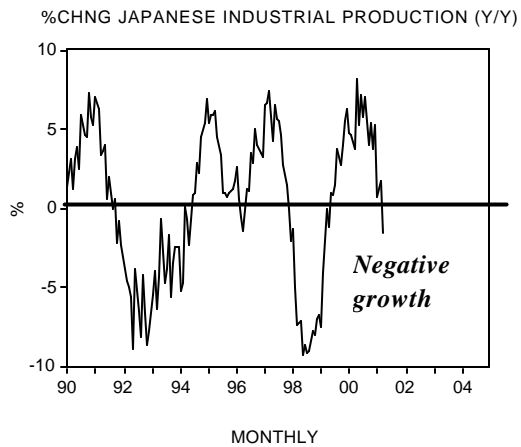


Manufacturing activity of major economies displays softening

Year-on-year US industrial production fell by **1%** in April after rising by **0.1%** in March (see chart). The yearly rate of growth in German industrial production fell to **1.4%** in March from **4.8%** in February (see chart).

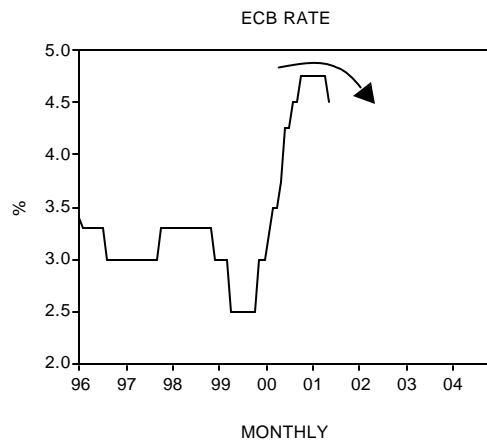
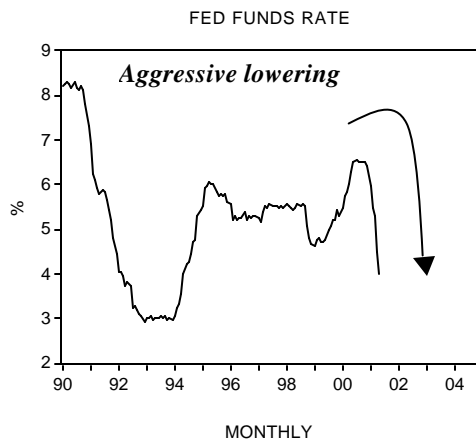


Year-on-year Japanese industrial production fell by **1.5%** in March (see chart) while the UK's industrial production fell by **0.1%** during the same period (see chart).

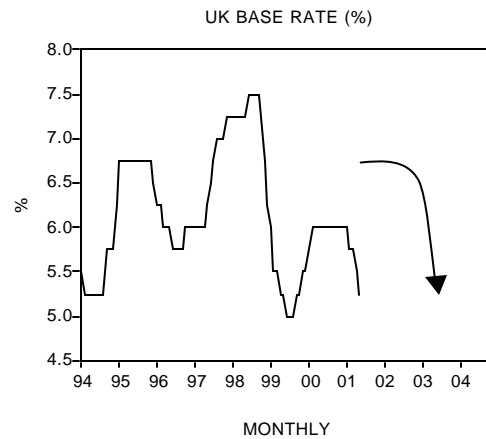
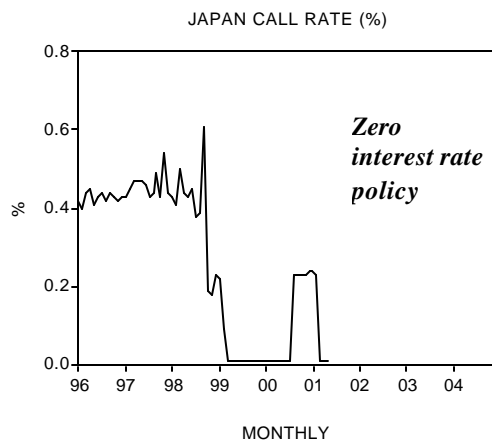


Central Banks of major economies continued to ease their interest rate stance

So far in May the US Fed has lowered its target for the federal funds rate to **4%** from **4.5%** (see chart) while the European Central Bank (ECB) has lowered its lending rate by **0.25%** to **4.5%** (see chart).

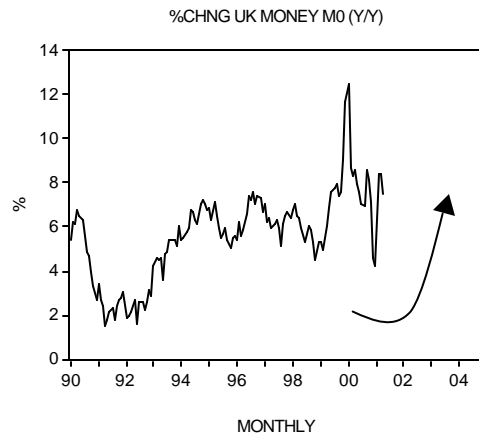
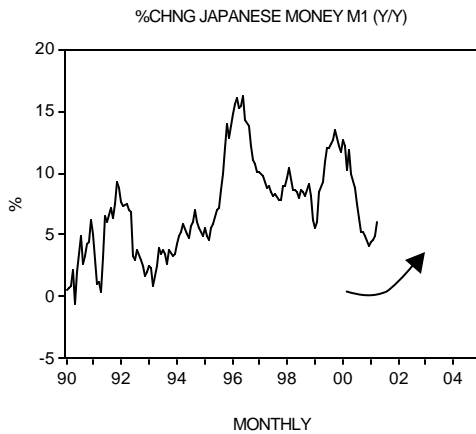


In Japan the BOJ has continued with its almost zero interest rate policy (see chart). In the UK, the Bank of England lowered its lending rate to **5.25%** from **5.5%** in April and **6%** in January (see chart).

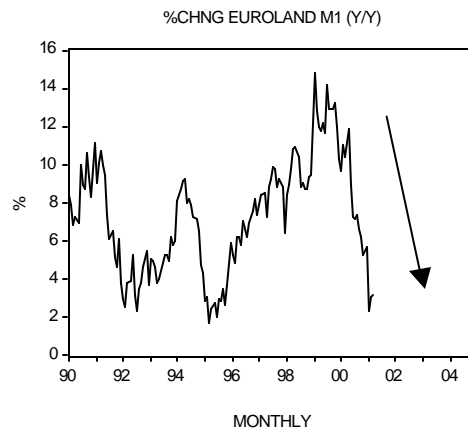
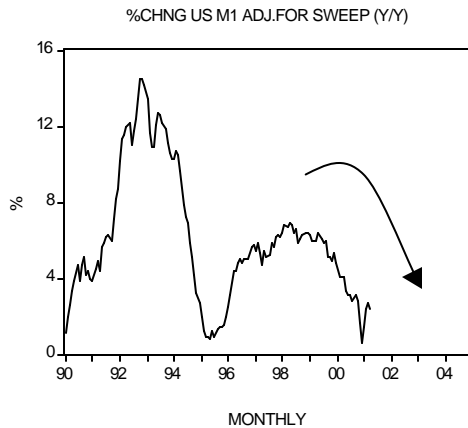


Divergent trends in the money supply rate of growth

Year-on-year the rate of growth in Japanese money M1 jumped to **6%** in April from **4.8%** in March (see chart). In the UK the yearly rate of growth of money M0 stood at the relatively high figure of **7.5%** in April (see chart).



The growth momentum of both US money M1 (see chart) and Euro-land money M1 (see chart) display a visible softening.



Thought for today

If you can't explain what you're doing in simple English, you're probably doing something wrong.

Alfred Kazan