

Business Acutities



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WORLD ECONOMIC OUTLOOK

World Economic Outlook Update,
July 2018

Global growth is projected to reach 3.9 percent in 2018 and 2019, in line with the forecast of the April 2018 World Economic Outlook (WEO), but the expansion is becoming less even, and risks to the outlook are mounting. The rate of expansion appears to have peaked in some major economies and growth has become less synchronized. In the United States, near-term momentum is strengthening in line with the April WEO forecast, and the US dollar has appreciated by around 5 percent in recent weeks. Growth projections have been revised down for the euro area, Japan, and the United Kingdom, reflecting negative surprises to activity in early 2018. Among

emerging market and developing economies, growth prospects are also becoming more uneven, amid rising oil prices, higher yields in the United States, escalating trade tensions, and market pressures on the currencies of some economies with weaker fundamentals



Global Growth Forecast

Global growth for 2018 and 2019 is projected at 3.9 percent, as forecast in the April 2018 WEO. While headline numbers suggest a broadly unchanged global outlook relative to the April WEO, underlying revisions point to differing prospects across economies. The baseline forecast

assumes gradually tightening but still favorable financial conditions, with localized pressures based on differences in fundamentals. Monetary policy normalization in advanced economies is assumed to proceed in a well-communicated, steady manner.



Domestic demand growth (notably investment, which has been an important part of the global recovery) is expected to continue at a strong pace, even as overall output growth slows in some cases where it has been above trend for several quarters. In the baseline forecast, the direct contractionary effects of recently announced and anticipated trade measures are expected to be small, as

these measures affect only a very small share of global trade so far. The baseline forecast also assumes limited spillovers to market sentiment, even if escalating trade tensions are an important downside risk.

Risks Tilted to the Downside

While the baseline forecast for global growth is roughly unchanged, the balance of risks has shifted to the downside in the near term and, as in the April 2018 WEO, remains skewed to the downside in the medium term. Downside risks, on the other hand, have become more salient, most notably the possibilities of escalating and sustained trade actions, and of tighter global financial conditions.



Policy Priorities

While the baseline forecast for the global economy points to continued, if less even expansion in 2018–19, the potential for disappointments has increased. Against this backdrop, there is an even greater urgency to advance policies and reforms that extend the current expansion and strengthen resilience to reduce the possibility of a disruptive unwinding. Moreover, medium-term per capita growth projections remain below past averages in many economies. Without comprehensive measures to raise potential output and ensure the benefits are shared by all, disenchantment with existing economic arrangements could well fuel further support for growth-detracting inward-looking policies. Multilateral cooperation within an open, rule-based trade system has a

vital role to play in preserving the global expansion and strengthening medium-term prospects. Given the diversity of cyclical positions, structural constraints, and available policy space, policy priorities differ across countries.

EDUCATION

News from July 9, 2018

Board of Education meeting

Posted July 13, 2018

Highlights of the meeting include:

Board approves preparation of plans for summer 2019 projects- The Board approved the preparation of bid specifications and plans as the first



step in the process for a recommended slate of Health Life Safety, critical infrastructure and other Master Facilities Plan (MFP) projects for summer 2019. From replacement of water piping and parking lot paving to updating a school's Learning Resource



Center and a host of projects in between, the estimated \$7 million on the proposed summer 2019 slate will focus on all schools, except Roosevelt and Jefferson.

New Special Education Committee created - The Board formally created a committee for Special Education; it had previously designated Board members Larry Ryles and Fred

Sanchez as representatives. The Board discussed setting a specific scope of work for this committee, and noted a potential overlap with efforts launched this spring with the creation of a Parents and Teachers Talking Together (PT3) group focused on the special education program. The Board concluded that discussing the membership of the committee would follow from this focus; as with the newly formed SRO Committee, the membership is expected to be limited with a wider involvement of stakeholders as resources. The Board continues to invite community members to submit suggested names for members or as resources as soon as possible. (See news item below.) Because of the limited past experience in utilizing Board committees, a representative of the Illinois Association of School Boards (IASB)

will be invited to an upcoming meeting to review how Board committees can be used most effectively. Both the SRO and Special Education committees will operate under the Illinois Open Meetings Act; agendas will be posted in advance, the meetings will be public, and minutes will be prepared.



Administrative raises approved for 2018-19 - The Board approved a not to exceed amount of \$73,573 for raises to be distributed among a group of 17 administrators eligible this year. The amount represents an average

increase in alignment with the average Park Ridge Education Association (PREA) teacher raise. The Board previously approved increases for exempt staff, similarly aligning them with 2018-19 raises provided to teachers, teacher assistants, or a hybrid of the two.

SCIENCE AND TECHNOLOGY

July 2018 Current Events: Science & Technology News

The world is a very busy place, and it's hard to stay on top of everything. Infoplease has got you covered. Here are the science and technology news events you need to know so far for July 2018:

Facebook Bug with Blocking, EU Copyright Law Rejected, Twitter Car Attempt Suspends 70 Million

Accounts, Flying, Uber to Monitor Drivers in Real Time, Prime Day Crashes Website, Amazon Alexa Responds to Sign Language, New Drug for Recurring Malaria, Thousands Download 3D Gun Designs

Facebook Bug with Blocking

Facebook



On July 2, Facebook announced a temporary bug that affected some users. The bug caused blocked pages to become unblocked. The company has stated that the problem is being fixed and those affected will be notified. (BBC)

EU Copyright Law Rejected

EU Copyright

On July 5, Parliament rejected the controversial copyright law proposed in the EU earlier last month. (BBC)

Twitter Suspends 70 Million Accounts

Twitter

On July 6, it was announced that Twitter has suspended over 70 million accounts in two months. The accounts were suspended in effort to diminish the amount of misinformation. (Reuters)



SHARE MARKET

Stock Market Updates for July, 2018

27th July, 2018

Markets had witnessed a euphoric rally albeit a fractured one making everyone envy about not owning large cap stocks. Typically,



this is called the 5th wave in terms of Elliott Wave theory when there is large divergence in the breath of the market. Factually only 54% of the total stocks are trading above their 200 DMAs, which is the second lowest in a decade post the 2008 top when 52% of the total stocks traded above their 200 DMAs. This further confirms the 5th

wave theory. Many stocks did not participate in the rally and lagged the broader market; whether these laggards will move up eventually is a big question. But by the time the 5th wave ends, majority of laggards would have again gone south. One should therefore trade in laggards with stops as this seems to be the most sensible strategy in the current situation.



Events of the Week:

Hindalco's acquisition of Aleris at about \$2.6 billion was the talk of the town this week might look rosy at first glance, but when looked closely, such high debt levels in a commodity-type business is always risky. Similar large ticket acquisitions such as Tata Steel

acquiring Bhushan Steel and UPL acquiring Arysta LifeScience are all highly risky investments. Investors should maintain caution and not forget the similar hype during the Sunpharma - Ranbaxy acquisition, what happened to them post-merger is indeed history.

Technical Outlook:

Nifty 50 has broken all resistances and is in new price territory. The movement should last



unless it reverses; if Nifty50 falls back below 11100 then it shall be a major reversal for the entire market. But till such time, bulls should remain long and buy on decline. Nifty IT index has lost its upward velocity and is therefore beginning to enter a

corrective phase. Traders should focus on stock specific movements. For buy positions stop below 11100 should be placed as a matter of capital protection.

Expectations for the Week

The third bi-monthly monetary policy may do nothing to change the mood of the markets next week. This time around, interest rates are expected to remain the same given that inflation is under control and US interest rates are range-bound. The buoyancy in the market is expected for some more time aided by encouraging corporate numbers which will justify high valuations. At this euphoric stage



, investors must avoid sectors such as IT, FMCG, commodity type cyclicals and private sector banks for sometime as they are trading at high valuations. While one must choose to enter realty, pharma, PSU Banks, cement, aviation and OMCs for a medium-term investment horizon. Nifty50 closed the week at new highs of 11278 up by 2.43%

INDIAN ECONOMY

SHREYA NANDI JUL 24, 2018 05:46 PM IST

High oil prices, weakening rupee and a widening current account



deficit are three known unknowns that

could apply brakes on the broader economy's growth. Shreya Nandi Money control News Households are spending more. Goods are moving out of shop shelves with greater rapidity. Companies are borrowing more than 12 months ago.

After several months of rough and



tumble when it had almost fallen off the cliff, the Indian economy appears poised to move into a faster lane, swiftly recovering from the twin policy shocks of demonetization and goods and services tax (GST). Automobile show rooms have been reporting brisk activity, implying

greater spending ability and growing income levels.

In June, passenger vehicle (PV) sales grew at its fastest pace in a decade, with domestic sales of 2,73,759 units, up 37.5 percent over last year, latest data released by Society for Indian Automobile Manufacturers (SIAM), an association of automobile companies, showed.

Most auto brands reported similar pattern in sales, implying the



trend was more broad-based and industry-wide.

India's largest car maker, Maruti Suzuki, reported a 36 percent jump in sales in June at 1,44,981 units.

Tata Motors sold 56,773 vehicles last month, up 54 percent, year-on-year.