



**WEEK ENDING**

**27 JUNE 2025**

**HIGHLIGHTS**

**South Africa**

1. The NWU Policy Uncertainty Index (PUI) eased to 75,9 in the second quarter from a record 78,6 in the first quarter.
2. The FNB/BER Consumer Confidence Index (CCI) rose to -10 in the second quarter from -20 in the first quarter and -6 in the fourth quarter.
3. The Afrimat Construction Index (ACI) fell by 2,6% y/y in the first quarter after rising by 2,5% y/y in the fourth quarter.
4. The upward phase of the business cycle entered its 61st month in June
5. Portfolio investment saw an outflow of R53,7bn in the first quarter after an inflow of R33,4bn in the fourth quarter.
6. South Africa attracted R11,7bn in the first quarter compared with R7,5bn in the fourth quarter
7. Net redemptions of rand-denominated debt securities in the European and Japanese bond markets were only R0,5bn in the first five months of 2025 compared with R5,2bn in 2024 and R6,9bn in 2023.
8. The number of working days lost due to industrial action fell to 5 000 in the first quarter 2025 from 37 000 in the first quarter 2024.
9. The average wage settlement rate in collective bargaining agreements eased to 5,7% y/y in the first quarter 2025 from 6,2% in 2024 and 6,3% in 2023.
10. The household debt to disposable income ratio rose to 62,7% in the first quarter from 62,2% in the fourth quarter.
11. The national saving rate (gross saving as a percentage of nominal GDP) rose to 13,3% in the first quarter from 12,8% in the fourth quarter.
12. The ratio of industrial and commercial inventories to GDP eased to 5,5% in the first quarter from 5,7% in the fourth quarter.
13. The import penetration ratio, which measures imports as a ratio of Gross Domestic Expenditure, rose to 24,2% in the first quarter from 23,6% in the fourth quarter and 23,4% in the third quarter.
14. The number of formal non-farm jobs fell by 0,9% y/y in the first quarter after a 0,8% y/y drop in the fourth quarter
15. Producer inflation eased to 0,1% y/y in May after being steady at 0,5% y/y in April and March.
16. The number of liquidations rose by 12,8% y/y in May to 141 after falling by 14,8% y/y in April to 109, an 8,0% y/y decline in March to 127, rising by 1,4% y/y in February to 140 and a 2,8% y/y drop in January to 106.
17. The number of tourists grew by 23,8% y/y in May after jumping by 17,9% in April, rising by 7,9% y/y in March, a 5,3% y/y increase in February, a 4,3% y/y increase in January and a 5,1% gain in 2024.
18. Income from tourist accommodation grew by 14,8% y/y in April after rising by 5,7% y/y in March.
19. Real sales of the food and beverage industry rose by 4,3% y/y in April after a 1,3% y/y gain in March.
20. The payload transported by rail rose by 7,8% y/y in April after a 4,2% y/y increase in March and a 6,9% y/y gain in February.
21. Total capital expenditure on new assets increased by 40,7% y/y in the first quarter.
22. The real BankservAfrica Take-home Pay Index (BTPI) rose by 5,8% y/y in May after a 10,6% y/y increase in April and an 8,2% y/y gain in March.
23. The composite leading business cycle indicator fell by 0,3% m/m in April after a revised 0,8% (1,1%) m/m gain in March.
24. The composite coincident business cycle indicator fell by 0,6% y/y in March after a 1,4% y/y drop in February
25. The fifth maize crop estimate raised the 2025 crop to 14,783 million tons (Mt) from 14,644 Mt in the fourth estimate and 14,664 Mt in the third estimate.
26. Eskom's Energy Availability Factor (EAF) rose to 61,71% in week 25 from 60,54% in week 24
27. The Open Cycle Gas Turbine (OCGT) load factor increased to 11,37% in the period (1 April to 26 June 2025) from 6,21% during the same period last year.
28. The 153 MW/ 612 MWh Red Sands battery energy storage system (BESS) project in the Northern Cape has advanced to commercial close.

**Rest of Africa**

29. The 17th United States-Africa Business Summit concluded in Luanda, Angola.
30. Consumer inflation in Kenya was steady at 3,8% y/y in June and May from 4,1% y/y in April, 3,6% y/y in March and 3,5% y/y in February.
31. Zambia bought a 26% stake in Angola's Lobito Oil Refinery.
32. Consumer inflation in Zambia eased to 14,1% y/y in June from 15,3% y/y in May after being steady at 16,5% y/y in April and March.
33. Consumer inflation in Zimbabwe rose to 92,5% y/y in June from 92,1% y/y in May and 85,7% y/y in April.

**International**

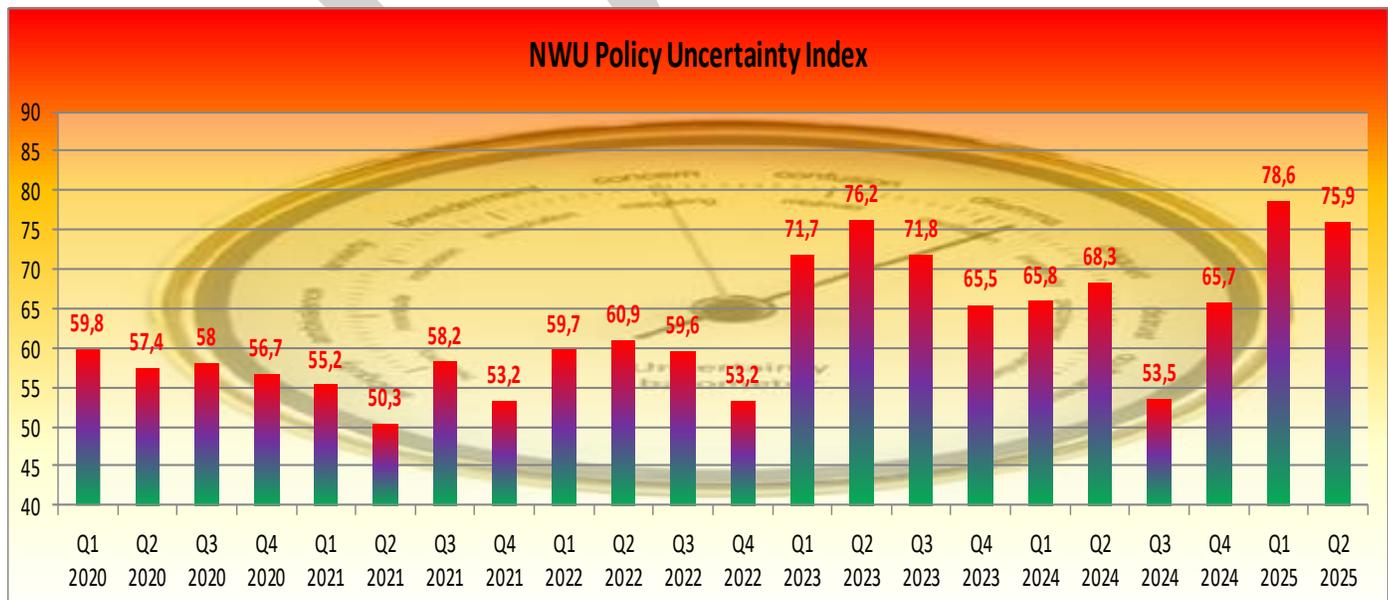
34. NATO leaders agreed to raise their defence spending to 5% of GDP by 2035
35. The central bank of Mexico cut its benchmark lending rate by 50 basis points to 8,0%.

## WEEKLY ECONOMIC BRIEFING

36. Passenger car registrations in the European Union (EU) grew by 1,6% y/y in May after a 1,3% y/y gain in April and a 0,2% y/y drop in March.
37. Argentina's economy expanded by 5,8% y/y in the March quarter after a 2,6% y/y gain in the fourth quarter.
38. Paraguay's economy expanded by 5,9% y/y in the first quarter after a 3,6% y/y gain in the fourth quarter.
39. Nearly one in five workers in the US was an immigrant in 2024.
40. The US current account deficit widened to \$450,2bn in the first quarter from \$312,0bn in the fourth quarter.
41. The US trade deficit in goods widened to \$96,6bn in May from \$87,0bn in April, a record \$162,3bn in March and \$137,9bn in February.
42. The number of Americans filing new claims for unemployment benefit fell by 10 000 w/w to 236 000 in the week ending 21 June.
43. US pending home sales rose by 1,8% m/m in May after a 6,3% m/m drop in April and a 5,5% m/m gain in March.
44. The S&P CoreLogic Case-Shiller 20-City US Home Price Index rose by 3,4% y/y in April after a 4,1% y/y increase in March, a 4,5% y/y rise in February and a 4,7% y/y gain in January.
45. The US personal consumption expenditure (PCE) price index rose to 2,3% y/y in May from 2,2% y/y in April, 2,3% y/y in March after being steady at 2,5% y/y in February and January from 2,6% y/y in December and 2,4% y/y in November.
46. US personal income fell by 0,4% m/m in May after a revised 0,7% (0,8%) m/m gain in April.
47. US personal spending fell by 0,1% m/m in May after a 0,2% m/m gain in April.
48. US durable goods orders soared by 16,4% m/m in May after falling by 6,6% m/m in April and a 7,6% m/m surge in March.
49. US sales of new single-family homes plunged by 13,7% m/m in May to a seasonally adjusted annualised rate of 623 000 units.
50. US existing home sales rose by 0,8% m/m in May to a seasonally adjusted annualised rate of 4,03 million units.
51. Consumer inflation in Canada was steady at 1,7% y/y in May and April.
52. Brazil's unemployment rate eased to 6,2% in the three months ended May from 6,8% in the three months ended February.
53. Japan's unemployment rate was steady at 2,5% in May, April and March from 2,4% in February, 2,5% in January and 2,4% in December.
54. The German IFO Business Climate Index rose to 88,4 in June from 87,5 in May and 86,9 in April.
55. Germany's GfK Consumer Climate Indicator eased to -20,3 heading into July from -20,0 in June, -20,8 in May and -24,3 in April.
56. Total energy demand rose by 2% in 2024 to 592 exajoules (EJ).
57. A record 740 GW of renewable energy capacity was added worldwide in 2024.

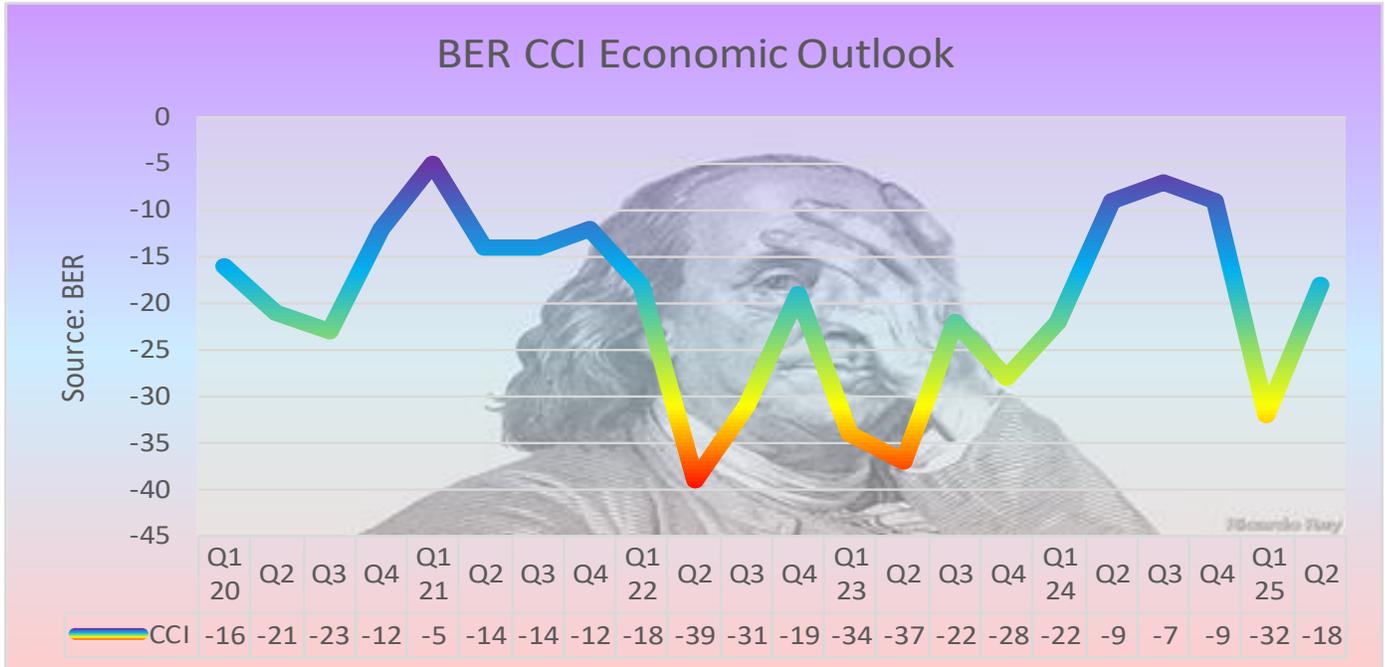
### South Africa

1. **The NWU Policy Uncertainty Index (PUI) eased to 75,9 in the second quarter from a record 78,6 in the first quarter.** The more muted outlook on future global economic prospects arises from a convergence of geopolitical risks, elevated economic uncertainty and unpredictability consequent on 'Trumpanomics' and tariffs, and a resultant tangible repricing of risks in financial markets.



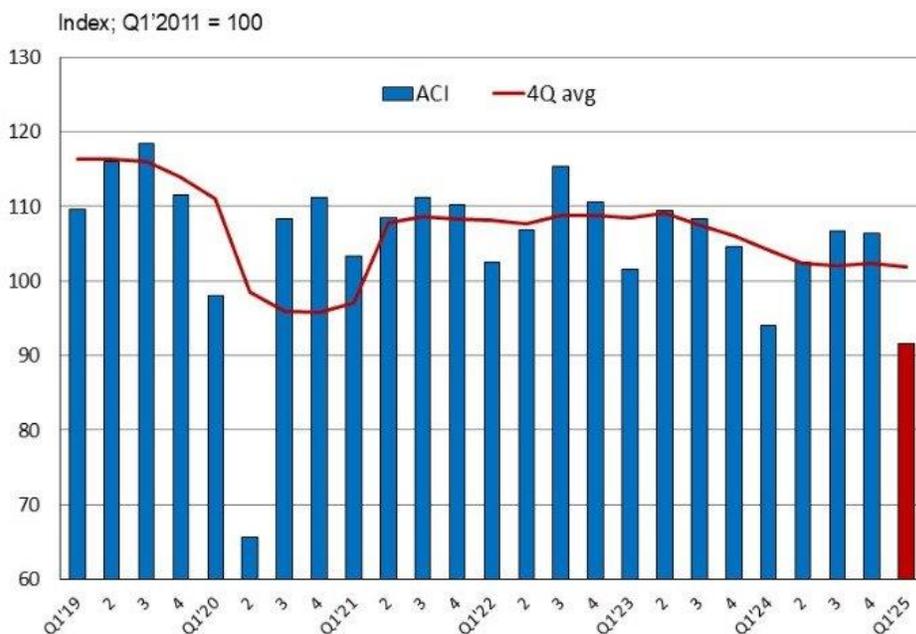
2. **The FNB/BER Consumer Confidence Index (CCI) rose to -10 in the second quarter from -20 in the first quarter and -6 in the fourth quarter.** While the index is still well below the historical average of -1, the latest reading suggests a modest easing in consumer pessimism. All three sub-indices of the CCI recovered some lost ground during the second quarter, with the economic outlook sub-index rebounding from -32 to -18, supported by the cancellation of planned VAT rate hikes and the resolution of the Government of National Unity's budget impasse. The household finances sub-index improved from -1 to 9, while the sub-index measuring the appropriateness of the present time to buy durable goods rebounded from -28 to -21.

# WEEKLY ECONOMIC BRIEFING



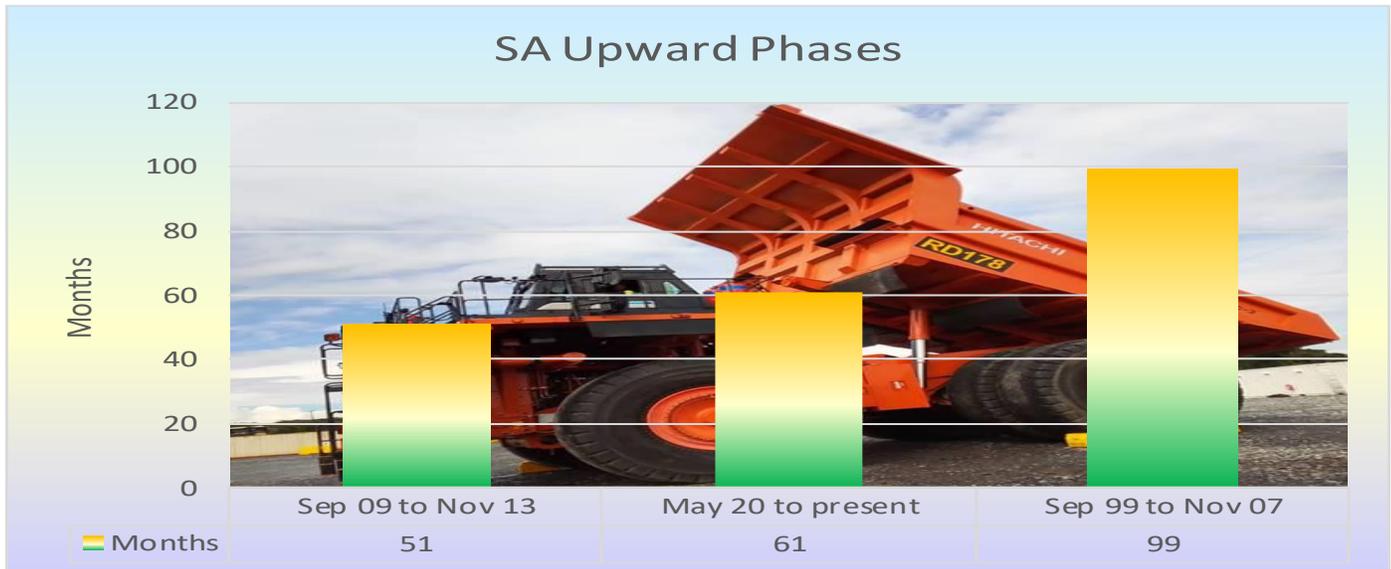
3. **The Afrimat Construction Index (ACI) fell by 2,6% y/y in the first quarter after rising by 2,5% y/y in the fourth quarter.** The ACI is a composite index of the level of activity within the building and construction sectors. Economist Dr Roelof Botha said the marginal declines in the prime overdraft rate since September last year have not been sufficient to exert a meaningful positive impact on the ACI, with the construction sector having been hamstrung since the high interest rates started to "bite into the pockets of prospective home-owners and property developers", as witnessed by the decline in the real value of building plans passed by the metros and larger municipalities. In addition, parts of the country experienced above-average rainfall in the first quarter of this year, severely impacting construction activity and production in several provinces.

## Afrimat Construction Index (ACI) – 1st quarter 2025

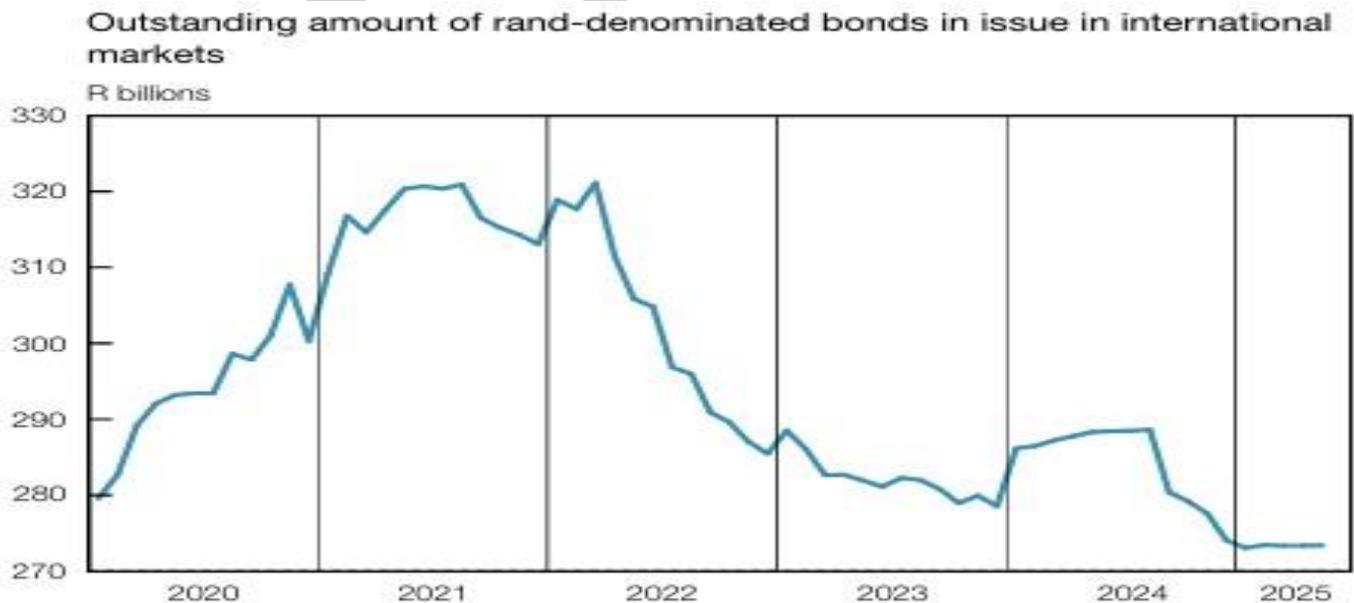


## WEEKLY ECONOMIC BRIEFING

4. **The upward phase of the business cycle entered its 61st month in June.** This makes it the second longest upward phase, but I saw no media or government report on this achievement.



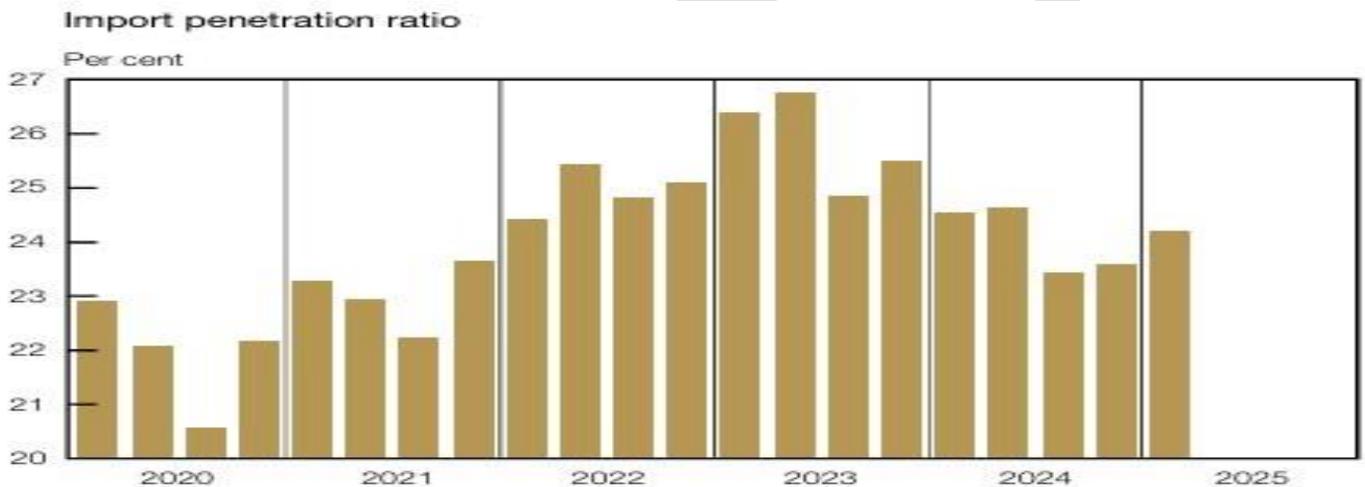
5. **Portfolio investment saw an outflow of R53,7bn in the first quarter after an inflow of R33,4bn in the fourth quarter.** This was mainly due to non-residents' net disposal of domestic equity securities and the redemption of an international bond by a public corporation. Non-residents disposed of equity securities to the value of R47,9bn in the first quarter from a disposal of R19,7bn in the fourth quarter, while they disposed of debt securities of R5,8bn in the first quarter after acquiring R53,1bn in the fourth quarter.
6. **South Africa attracted R11,7bn in the first quarter compared with R7,5bn in the fourth quarter.** The increase was driven by non-resident parent companies boosting equity stakes in their domestic subsidiaries.
7. **Net redemptions of rand-denominated debt securities in the European and Japanese bond markets were only R0,5bn in the first five months of 2025 compared with R5,2bn in 2024 and R6,9bn in 2023.** Consequently, the total outstanding amount of rand-denominated bonds in issue in these markets decreased marginally further to R273bn at the end of May 2025 from a recent high of R289bn in August 2024.



8. **The number of working days lost due to industrial action fell to 5 000 in the first quarter 2025 from 37 000 in the first quarter 2024.** This compared with a total of 116 000 in 2024 and 4,9 million in 2023. The 2023 total was boosted by the nationwide public sector strike in March 2023 and the prolonged municipal worker strike in July of that year.

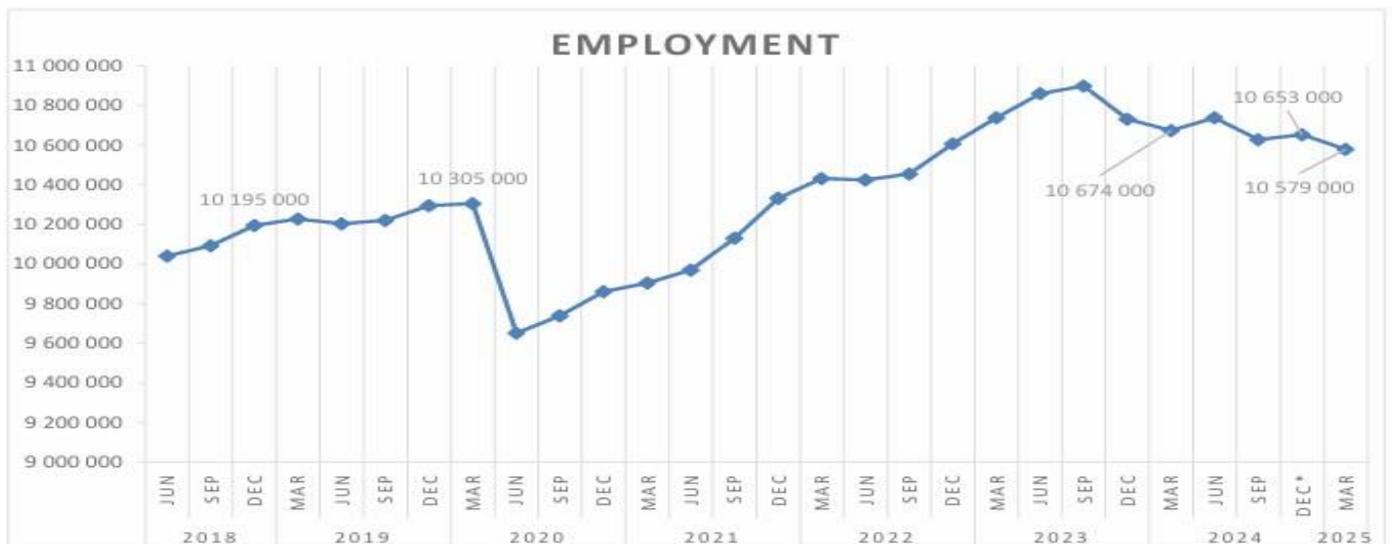
# WEEKLY ECONOMIC BRIEFING

9. **The average wage settlement rate in collective bargaining agreements eased to 5,7% y/y in the first quarter 2025 from 6,2% in 2024 and 6,3% in 2023.** This compares with the annual average of 6,0% for 2022.
10. **The household debt to disposable income ratio rose to 62,7% in the first quarter from 62,2% in the fourth quarter.** The second quarter 2020 ratio of 75,2% was the highest since the first quarter 2009. The household debt service to disposable income ratio eased to 8,9% in the first quarter from 9,0% in the fourth quarter.
11. **The national saving rate (gross saving as a percentage of nominal GDP) rose to 13,3% in the first quarter from 12,8% in the fourth quarter.** The saving rate of general government deteriorated in the first quarter, while that of corporate business enterprises increased and households remained unchanged. Consequently, the share of total gross capital formation financed through foreign capital (the foreign financing ratio) eased from 3,9% in the fourth quarter to 3,4% in the first quarter.
12. **The ratio of industrial and commercial inventories to GDP eased to 5,5% in the first quarter from 5,7% in the fourth quarter.** The annual average was 5,9% in 2024 from 6,1% in 2023. This is well below the 7,6% average in 2019 and 14,2% in 2007. The replenishment of inventories is why I expect above consensus GDP growth in 2025.
13. **The import penetration ratio, which measures imports as a ratio of Gross Domestic Expenditure, rose to 24,2% in the first quarter from 23,6% in the fourth quarter and 23,4% in the third quarter.** I did not see any media coverage of this indicator. For 2024 as a whole, the volume of merchandise imports fell by 7,6%, resulting in an import penetration ratio of 24,0% in 2024 compared with 25,8% in 2023.



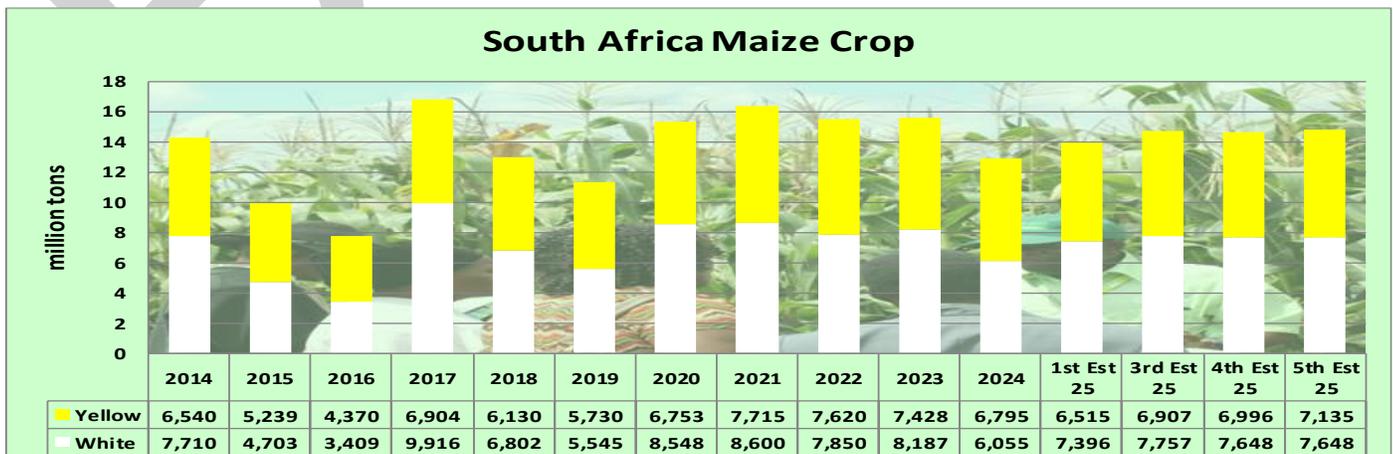
14. **The number of formal non-farm jobs fell by 0,9% y/y in the first quarter after a 0,8% y/y drop in the fourth quarter.** Formal sector employment has been on a downward trend since the third quarter 2023.

Figure A – Employment in the non-agricultural formal sector, June 2018 – March 2025



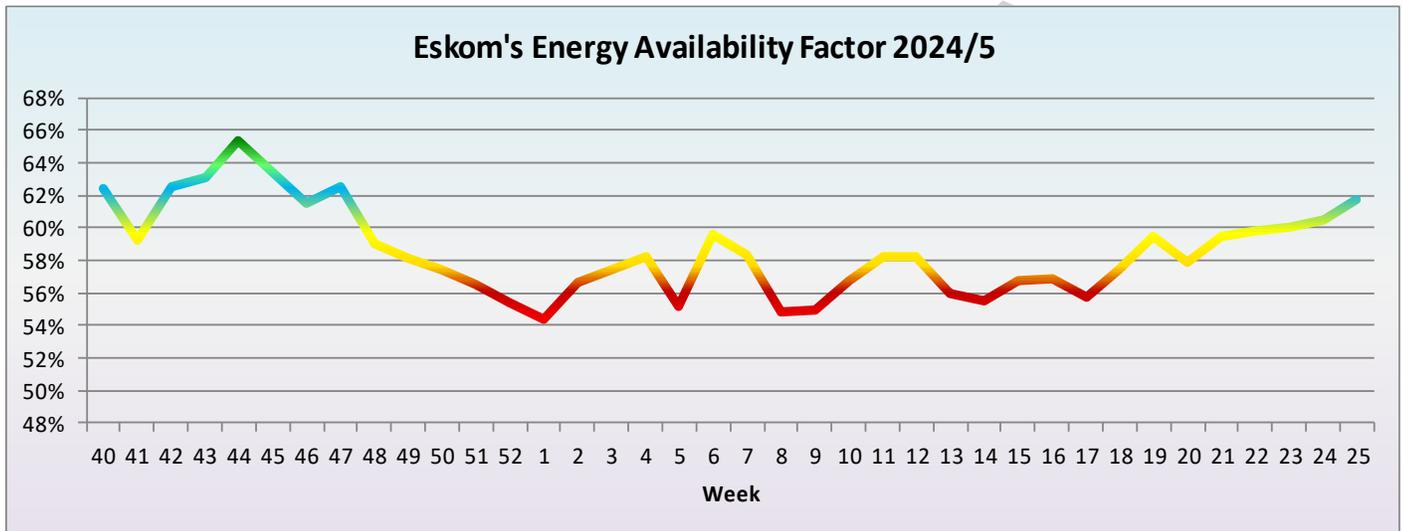
# WEEKLY ECONOMIC BRIEFING

15. **Producer inflation eased to 0,1% y/y in May after being steady at 0,5% y/y in April and March.** The average annual rate eased to 3,1% in 2024 from 6,7% in 2023. 2024 saw two months (October and November) when deflation was recorded.
16. **The number of liquidations rose by 12,8% y/y in May to 141 after falling by 14,8% y/y in April to 109, an 8,0% y/y decline in March to 127, rising by 1,4% y/y in February to 140 and a 2,8% y/y drop in January to 106.** The number of liquidations eased to 1 551 in 2024 from 1 657 in 2023, 1 907 in 2022 and a recent peak of 2 042 in 2019.
17. **The number of tourists grew by 23,8% y/y in May after jumping by 17,9% in April, rising by 7,9% y/y in March, a 5,3% y/y increase in February, a 4,3% y/y increase in January and a 5,1% gain in 2024.** The number of overseas tourists however only edged up by 3,4% y/y in May after rising by 10,9% y/y in April, a 0,9% y/y drop in March, rising by 3,0% y/y in February, jumping by 7,8% y/y in January and rising by 3,7% in 2024.
18. **Income from tourist accommodation grew by 14,8% y/y in April after rising by 5,7% y/y in March.** Stay units sold jumped by 4,5% y/y in April after falling by 1,6% y/y in March, while the average income per stay unit rose by 9,9% y/y in April after a 7,5% y/y gain in March.
19. **Real sales of the food and beverage industry rose by 4,3% y/y in April after a 1,3% y/y gain in March.** I expect a 3% rise in 2025.
20. **The payload transported by rail rose by 7,8% y/y in April after a 4,2% y/y increase in March and a 6,9% y/y gain in February.** The payload transported by road declined by 8,3% y/y in April after falling by 5,4% y/y in March and a 6,5%y/y drop in February. The last time road had a positive y/y change was in May 2023. The rail share of total payload rose to 16,9% in 2024 from 15,7% in 2023. Transnet aims to get a 30% share.
21. **Total capital expenditure on new assets increased by 40,7% y/y in the first quarter.** The largest y/y increase in capital expenditure was recorded for construction works (+241,9%), followed by 'other' assets (+230,0%), vehicles and other transport equipment (+30,4%), computer and IT equipment (+6,7%) and computer software (+1,2%). Decreases were recorded for buildings and improvements (-8,8%) and plant, machinery and equipment (-7,0%). The largest contributor to total capital expenditure on new assets in the quarter ended March 2025 was plant, machinery and equipment (contributing 38,8%), followed by construction works (27,5%), 'other' assets (14,3%), vehicles and other transport equipment (10,9%), buildings and improvements (3,5%), computer and IT equipment (3,3%) and computer software (1,7%).
22. **The real BankservAfrica Take-home Pay Index (BTPI) rose by 5,8% y/y in May after a 10,6% y/y increase in April and an 8,2% y/y gain in March.** The strong rise should support consumer spending.
23. **The composite leading business cycle indicator fell by 0,3% m/m in April after a revised 0,8% (1,1%) m/m gain in March.** Seven out of the ten component indicators declined, with the largest drags from the real M1 money supply (six-month smoothed growth rate) and the volume of domestic orders in the manufacturing sector. The only encouraging factors were increases in the number of approved residential building plans and new passenger car sales.
24. **The composite coincident business cycle indicator fell by 0,6% y/y in March after a 1,4% y/y drop in February.** I was expecting this indicator to show y/y increases, so we will have to wait until the next release.
25. **The fifth maize crop estimate raised the 2025 crop to 14,783 million tons (Mt) from 14,644 Mt in the fourth estimate and 14,664 Mt in the third estimate.** The first estimate was 13,911 Mt.



## WEEKLY ECONOMIC BRIEFING

26. **Eskom's Energy Availability Factor (EAF) rose to 61,71% in week 25 from 60,54% in week 24.** I saw no media coverage of this important indicator. Unplanned outages eased to 30,25% in week 25 from 30,75% in week 24, and 27,78% in week 12. Planned maintenance slipped to 7,72% in week 25 from 8,22% in week 24 and a 2024 high of 19,63% in week 52 and a 2023-high of 19,07% in week 52 and only 5,06% in week 30 of 2022. The EAF rose to 59,79% in 2024 from 54,69% in 2023, 58,0% in 2022, 61,79% in 2021, 64,96% in 2020, 66,93% in 2019, 71,84% in 2018 and 78,61% in 2016. Planned maintenance outages rose to 13,25% in 2024 from 10,9% in 2023, 10,62% in 2022 from 10,81% in 2021, 11,32% in 2020 and 9,94% in 2019, while unplanned outages eased to 26,36% in 2024 from 33,08% in 2023, 29,86% in 2022, 24,49% in 2021 20,88% in 2020 and 21,57% in 2019.



27. **The Open Cycle Gas Turbine (OCGT) load factor increased to 11,37% in the period (1 April to 26 June 2025) from 6,21% during the same period last year.** Eskom said the increased usage was due to the delay in returning units to service.
28. **The 153 MW/ 612 MWh Red Sands battery energy storage system (BESS) project in the Northern Cape has advanced to commercial close.** The project is being developed by Globeleq in partnership with African Rainbow Energy, and was selected as a preferred bidder in 2024 under South Africa's inaugural BESS bidding round. It is the last of the five projects selected during the bid window to achieve commercial close, with the other four under construction.

### Rest of Africa

29. **The 17th United States-Africa Business Summit concluded in Luanda, Angola.** Investment agreements worth some \$2bn were inked at the summit.
30. **Consumer inflation in Kenya was steady at 3,8% y/y in June and May from 4,1% y/y in April, 3,6% y/y in March and 3,5% y/y in February.** Inflation remained below the 5% midpoint of the central bank's target range for the 12<sup>th</sup> consecutive month. Price growth rose for food and non-alcoholic beverages (6,6% vs 6,3% in May vs 7,1% in April), while easing for housing and utilities (0,2% vs 0,8%).
31. **Zambia bought a 26% stake in Angola's Lobito Oil Refinery.** This was a strategic shift from being a fuel importer to an equity partner in regional energy production.
32. **Consumer inflation in Zambia eased to 14,1% y/y in June from 15,3% y/y in May after being steady at 16,5% y/y in April and March.** Food inflation decelerated for the fourth month to 16,7% from May's 17,9% and April's 18,7%, as favourable rainfall helped bring down maize meal and vegetable prices. Non-food inflation also eased, falling to 10,3% from 11,6% and 13,4%.
33. **Consumer inflation in Zimbabwe rose to 92,5% y/y in June from 92,1% y/y in May and 85,7% y/y in April.** Food inflation rose to 118,65% y/y in June from 118,3% y/y in May and 102,9% y/y in April.

### International

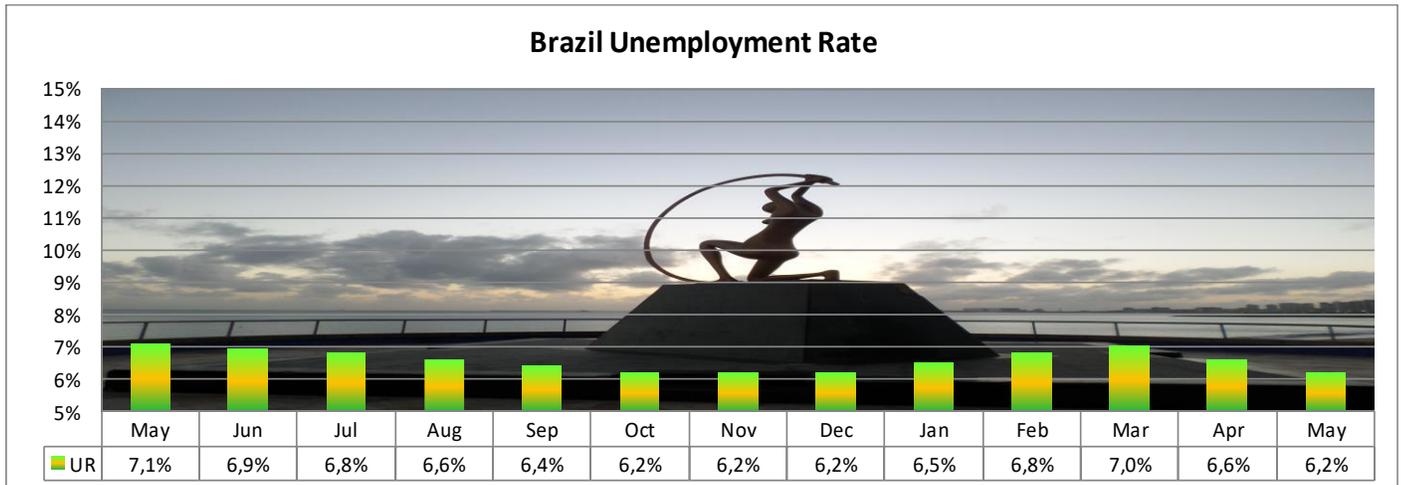
34. **NATO leaders agreed to raise their defence spending to 5% of GDP by 2035.** The 32 leaders endorsed a final summit statement saying: 'Allies commit to invest 5% of GDP annually on core defence requirements as well as defence- and security-related spending by 2035 to ensure our individual and collective obligations.'

## WEEKLY ECONOMIC BRIEFING

- 35. The central bank of Mexico cut its benchmark lending rate by 50 basis points to 8,0%.** The central bank remains cautious amid elevated global uncertainty—ranging from trade tensions to geopolitical conflicts—that could reignite inflation via peso depreciation or deepen the economic slowdown. While progress toward the 3% inflation target is on track, with forecasts pointing to convergence by the third quarter of 2026, members underscored the importance of a flexible policy framework to manage inflation expectations and preserve financial stability, particularly given the peso's recent appreciation.
- 36. Passenger car registrations in the European Union (EU) grew by 1,6% y/y in May after a 1,3% y/y gain in April and a 0,2% y/y drop in March.** In the battery electric vehicle (BEV) segment, registrations soared by 25% to 142 766 units, driven notably by a significant increase in Germany (44,9%). In the first five months of 2025, overall car registrations dropped by 0,6% y/y to 4,567 million units.
- 37. Argentina's economy expanded by 5,8% y/y in the March quarter after a 2,6% y/y gain in the fourth quarter.** The growth was led by agriculture (3,7% vs 1,6% in Q4) as the effects of last year's historic drought eased, alongside robust gains in construction (6,1% vs -12,4%), manufacturing (5,1% vs 0,7%), wholesale and retail trade (7,3% vs 2,5%), transportation (2,6% vs 2,0%) and financial intermediation (27,2% vs 8,4%).
- 38. Paraguay's economy expanded by 5,9% y/y in the first quarter after a 3,6% y/y gain in the fourth quarter.** Growth was driven by strong performance in services (6,0% vs 4,8% in Q4), a rebound in utilities (8,3% vs -7,9%), continued expansion in construction (12,9% vs 13,6%), and manufacturing (6,6% vs 3,1%). Output in livestock, forestry, fishing, and mining surged 10,8% from 2,7%. Agriculture remained a drag, though its contraction eased (-3,4% vs -4,3%).
- 39. Nearly one in five workers in the US was an immigrant in 2024.** This is according to census data. That marked a record high in data going back decades, up from less than 10% in 1994.
- 40. The US current account deficit widened to \$450,2bn in the first quarter from \$312,0bn in the fourth quarter.** The goods deficit rose to \$466,0bn from \$328,9bn. The services surplus narrowed to \$75,4bn from \$78,0bn.
- 41. The US trade deficit in goods widened to \$96,6bn in May from \$87,0bn in April, a record \$162,3bn in March and \$137,9bn in February.** Exports fell by 5,2% m/m to \$179,235bn after a 3,4% m/m gain in April. Imports were steady at \$275,822bn after a record 19,8% m/m plunge in April.
- 42. The number of Americans filing new claims for unemployment benefit fell by 10 000 w/w to 236 000 in the week ending 21 June.** Increasing continuing claims underscore the slowing hiring pace for firms as the number of people continuing to claim unemployment aid, rose by 37 000 to 1,97 million for the week ending 14 June. That is the most since November 2021.
- 43. US pending home sales rose by 1,8% m/m in May after a 6,3% m/m drop in April and a 5,5% m/m gain in March.** According to NAR Chief Economist Lawrence Yun, "Consistent job gains and rising wages are modestly helping the housing market. Hourly wages are increasing faster than home prices. However, mortgage rate fluctuations are the primary driver of home buying decisions and impact housing affordability more than wage gains."
- 44. The S&P CoreLogic Case-Shiller 20-City US Home Price Index rose by 3,4% y/y in April after a 4,1% y/y increase in March, a 4,5% y/y rise in February and a 4,7% y/y gain in January.** The slower increase took place despite other data reflecting lower mortgage rates and recent gauges of low housing supply, potentially reflecting lower purchasing power for homebuyers.
- 45. The US personal consumption expenditure (PCE) price index rose to 2,3% y/y in May from 2,2% y/y in April, 2,3% y/y in March after being steady at 2,5% y/y in February and January from 2,6% y/y in December and 2,4% y/y in November.** The core PCE inflation rose to 2,7% y/y in May from 2,6% y/y in April, 2,7% y/y in March, 2,8% y/y in February, 2,7% y/y in January, 2,9% y/y in December and 2,8% y/y in November.
- 46. US personal income fell by 0,4% m/m in May after a revised 0,7% (0,8%) m/m gain in April.** This was the first decline since September 2021, prompted by a 2,2% drop in personal current transfer receipts and a 2,3% decrease in proprietors' income with inventory valuation and capital consumption adjustments.
- 47. US personal spending fell by 0,1% m/m in May after a 0,2% m/m gain in April.** This was the first contraction since January, suggesting that tariffs and economic uncertainty may have hampered consumer's appetite. Spending fell sharply for goods (-0,1% vs 0,2% in April), amid a sharp decline in durable goods (-1,8% vs 0,4%) and a softer drop for non-durable goods (-0,2% vs 0,0%). Spending on services also rose at a softer pace (0,1% vs 0,2%).
- 48. US durable goods orders soared by 16,4% m/m in May after falling by 6,6% m/m in April and a 7,6% m/m surge in March.** This was the sharpest increase since July 2014. Transportation equipment led the increase, soaring 48,3%, primarily non-defence aircraft and parts (+230,8%). Excluding transportation, new orders rose by only 0,5% m/m in May.
- 49. US sales of new single-family homes plunged by 13,7% m/m in May to a seasonally adjusted annualised rate of 623 000 units.** The result was sharply below expectations that sales would be just under 700 000 units to reflect the sharpest decline since June 2022, as higher mortgage rates and uncertain economic conditions drove households to wait before buying homes.

## WEEKLY ECONOMIC BRIEFING

- 50. US existing home sales rose by 0,8% m/m in May to a seasonally adjusted annualised rate of 4,03 million units.** Sales were higher in the Northeast (4,2%), Midwest (2,1%), and South (1,7%), offsetting the drop in the West (-5,4%).
- 51. Consumer inflation in Canada was steady at 1,7% y/y in May and April.** The inflation rate remained below the Bank of Canada's 2% target for the second straight month, holding the decline from the previous month after the removal of the federal consumer carbon tax.
- 52. Brazil's unemployment rate eased to 6,2% in the three months ended May from 6,8% in the three months ended February.** This was below market expectations of 6,4%. The number of people in employment rose by 1,2% to 103,9 million.



- 53. Japan's unemployment rate was steady at 2,5% in May, April and March from 2,4% in February, 2,5% in January and 2,4% in December.** The number of unemployed fell by 40 000 to a three-month low of 1,72 million, while employment rose by 33 000 to a record high of 68,37 million.
- 54. The German IFO Business Climate Index rose to 88,4 in June from 87,5 in May and 86,9 in April.** Companies felt that their current situation was improving, while the expectations Index also increased.
- 55. Germany's GfK Consumer Climate Indicator eased to -20,3 heading into July from -20,0 in June, -20,8 in May and -24,3 in April.** Sentiment remains under pressure from ongoing US trade unpredictability, financial market volatility, and domestic stagnation.
- 56. Total energy demand rose by 2% in 2024 to 592 exajoules (EJ).** This is according to the latest 'Statistical Review of World Energy'. Produced for the second time by the Energy Institute, in collaboration with Kearney and KPMG, the review marked its seventy-fourth edition, having been produced until 2023 by energy group BP. Energy Institute CEO Dr Nick Wayth said that, for the first time since 2006, all energy sources reached record production levels, including coal, hydro, oil, gas, nuclear and renewables. In 2024, electricity demand grew by 4%, which the report described as an indicator that the world's energy system continued to electrify. Over the past decade China had nearly doubled its electricity supply, adding 405 TWh more than Europe's entire 2024 electricity generation, and last year, excluding hydro, China was responsible for nearly 60% of total global renewable power supply additions. Nevertheless, coal continued to dominate China's electricity sector, generating 58% of its output in 2024, while the country accounted for around a third of global emissions.
- 57. A record 740 GW of renewable energy capacity was added worldwide in 2024.** Despite the record increase, this was still not enough to meet a global goal to triple renewable capacity by 2030, a report by the Paris-based think tank REN21 showed. Solar photovoltaic accounted for 81% of new renewable power capacity in 2024 as rooftop solar increased in developing countries and technology costs continued to fall. Solar PV is the only renewables technology on track to deliver its contribution to the global tripling capacity target.