



DECPG Daily Economics and Financial Market Commentary April 13, 2012

Allen Dennis, Eung Ju Kim, Sanket Mohapatra, Mick Riordan

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US consumer sentiments dips but remains near four-year high. A preliminary release of the Thomson Reuters/University of Michigan index of US consumer sentiment suggest that US consumer sentiment dipped slightly in April, with the Index falling to 75.7 from 76.2 the previous month [see **Chart at <http://prospects> or <http://www.worldbank.org/prospects>**]. Notwithstanding the fall, the index remains hovering around a four –year high buoyed on by an improving labor market situation, higher stock prices and improving credit conditions. Nonetheless, higher gas prices and weak income growth remain a check on sentiments. US Consumer prices rose 0.3% (m/m) in March, and annual inflation eased from 2.9% to 2.7%.

Among Emerging Markets...In East Asia and Pacific, *China's* GDP growth decelerated to 8.1% in the first quarter of 2012, its slowest pace in almost three years, from 8.9% in the fourth quarter of 2011, as export growth weakened significantly and construction activity slowed from the government's efforts to curb property prices.

In Latin America and Caribbean, *Brazil's* retail sales declined 0.5% in February from the previous month, the first monthly decline in six months, signaling a slower-than-expected recovery despite interest rate cuts to stimulate demand. However, sales were up 9.6% on a year-on-year (y/y) basis.

In South Asia, *India's* trade deficit increased 55% to \$185 billion for the fiscal year ending in March 2012, according to provisional data from the Commerce Ministry, as a surge in imports stemming mainly from higher international crude oil and gold prices outstripped exports that have suffered due to weak demand in Europe and the US.

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