Global stock markets advance. Global equity markets took up a positive note on Tuesday, as oil prices declined on the back of an apparent easing in Iranian-British tensions. Asian stocks rebounded from Monday’s sell-off, as Japanese and Hong Kong stocks recouped losses of the previous session. Japan’s benchmark Nikkei-225 index rose 1.3% or 215.64 points, led by banking, oil and other commodity stocks. Hong Kong’s Hang-Seng Index climbed 1% or 193 points, lifted by strong expectations ahead of an initial public offering from Chinese developer Country Garden. Stock indices across the region gained. Key European stock markets rallied for a second day. The U.K.’s benchmark FTSE-100 index increased 0.5%, France’s CAC-40 index rose 1% and Germany’s DAX index advanced 1.3% in afternoon trading. And U.S. stock markets opened higher as the falloff in oil tended to ease concerns about inflation [see Daily Chart at http://GEM or www.worldbank.org/gem].

Among emerging markets...in East Asia, Malaysia’s retail sales contracted 2.8% in February (y/y) as consumers had fewer days to shop during the Lunar New Year holiday which fell in that month this year. Singapore’s manufacturing output fared worse in March, according to surveys conducted by the Singapore Institute of Purchasing and Materials Management. The headline activity index fell 0.4 points from February to 51.1 in March.

In Central and Central Europe, Turkey’s producer price inflation picked-up to 10.9% in March (y/y) from 10.1% the previous month, as PPI in mining accelerated to 12.4%; that in agriculture advanced 4.4%, while electricity and gas prices rose a large 24.3%. Russia’s first quarter trade surplus declined to $28 billion, and is expected to ease further into 2007, falling below the $140 billion surplus for all of 2006. GDP growth is anticipated to slow to 6.2% in 2007, from 6.8% in 2006, as oil prices decline.

Bulgaria’s economy expanded 5.7% in the final quarter of 2006 (y/y), after record growth during the previous two quarters, as performance in exports-, services, industry and agriculture was somewhat disappointing. Romania’s trade deficit is
projected to widen through 2009 to reach 16.7% of GDP, up from 15.3% in 2006 and 16% in 2007 as entry into the EU and rising wages fuel imports, according to the National Forecasting Commission. Meanwhile, retail sales fell 4.8% in February (y/y), the first decline in at least three years, due in large measure to lower food sales (dropping 8.9%).

In Sub-Saharan Africa, Africa’s economic growth is expected to inch up to 5.8% in 2007 from an estimated 5.7% in 2006, according to a report from the UN Economic Commission for Africa (UNECA). The report notes that 28 countries experienced faster growth in 2006 relative to 2005, suggesting broad-based expansion on the continent.