

China risks sharp slowdown in '08-govt researcher

BEIJING, June 10 08 (Reuters) - The Chinese economy is at risk of a sharp slowdown in 2008 and may need to accept above-target inflation to keep growth on track, a government researcher said on Tuesday.

Yu Bin, the head of macroeconomic research with the Development Research Centre, a think-tank that advises the cabinet, told a forum that China may have to shift its focus away from fighting inflation towards maintaining growth.

"Many have seen the risk of inflation, many have noticed the risk of over-heating, but not many people are seeing the risk of a deep slump in 2008 economic growth," Yu said.

Beijing has been battling to contain inflation which in April was 8.5 percent, just below 12-year highs.

But in May it eased to 7.7 percent, two sources told Reuters on Tuesday, and most economists expect it to fall further over the rest of 2008.

Yu said it was nearly impossible now to keep the full-year rise in the consumer price index (CPI) within the official target of 4.8 percent, but he said policy makers should be worrying instead about the risk of a sharp economic slowdown.

"Yes, we would be able to keep consumer inflation below 4.8 percent if we could push the growth rate to below 8 percent -- but the price will be too high," he told a forum at Tsinghua University.

"China has to keep a growth rate about 10 percent to meet the employment goal of creating 10 million jobs this year," he said.

He added that China's exports in the first four months, which rose 21.5 percent from a year earlier in dollar terms, were weakening in volume terms.

"Cargo handling in key ports like Ningbo, Qingdao and Dalian is dropping," said Yu.

At home a volatile stock market may make it more difficult for companies to raise capital and a cooling property market could limit business for upstream sectors like steel.

Rising raw materials and labour costs could also make investors even more cautious about embarking on new projects.

Keywords: CHINA ECONOMY/GDP

Bini Smaghi says 25 bps hike probably enough-report

MILAN, June 17 (Reuters) - A quarter of a percentage point rise in the European Central Bank's key rate should be able to bring euro area inflation back below 2 percent, ECB Executive Board member Lorenzo Bini Smaghi was reported as saying.

"In our view," Bini Smaghi said in an interview with Italian daily Il Sole 24 Ore published on Tuesday, "such a tightening, which I would call significant even if (it is) just 25 basis points, should be able to bring inflation back below the 2 percent target in the next 18-24 months."

The ECB has a target for the annual inflation rate in the euro area of just below 2 percent.

(Reporting by Valentina Za)

09:15

Effetti

Euro hurt, bunds boosted by Bini Smaghi comments

LONDON, June 17 (Reuters) - The euro trimmed gains versus the dollar, while bund futures rose on Tuesday after ECB Executive Board member Lorenzo Bini Smaghi said a quarter-point rate hike should be enough to bring inflation below ECB's 2 percent target.

The ECB has signalled it will likely raise rates next month, but markets have priced in further tightening later this year.

By 0705 GMT, the euro was at \$1.5502, still up 0.2 percent on the day, but half a cent below session highs.

December Euribor futures <FEIZ8>, a gauge of short-term euro zone interest rate expectations, extended gains by 2 basis points to 94.665, up 5.5 basis points on the day by 0707 GMT.

(Reporting by London Markets Team)

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Usa, occupati giugno -62.000, revisioni in calo mesi precedenti

WASHINGTON, 3 luglio 08 (Reuters) - Sono diminuiti leggermente meno delle attese gli occupati non agricoli negli Usa in giugno ma i dati sia di maggio sia di aprile sono stati rivisti drasticamente al ribasso. E' il sesto mese di fila che gli occupati sono in calo.

I dati, resi noti dal Dipartimento al Commercio Usa, lasciano il tasso di disoccupazione invariato al 5,5% rispetto a maggio, confermando il livello più alto da ottobre 2004.

In giugno gli occupati sono scesi di 62.000 unità, poco più delle attese di -60.000 unità. Il dato di maggio è stato rivisto a -62.000 unità rispetto alla precedente lettura di -48.000 unità, mentre quello di aprile è stato rivisto a -67.000 da -28.000 unità.

"I dati sono in linea con le attese e mostrano che il mercato del lavoro è ancora molto debole. Non si vedono drastici tagli dei posti di lavoro, ma chiaramente le imprese stanno tentando di tenere sotto controllo i costi" dice Gary Thayer di Wachovia Securities a St Louis. "Per ora la politica monetaria della Fed può restare ferma. Un rialzo dei tassi colpirebbe l'economia".

Effetti

Il mercato obbligazionario statunitense ha reagito al dato portandosi in territorio negativo dopo un iniziale rialzo, mentre gli indici di borsa sono saliti ai massimi di seduta. Il dollaro è salito contro l'euro.

I futures sui tassi Usa sono rimasti stabili dopo che sono diminuite le prospettive di un rialzo dei tassi tra ora e fine dell'anno.

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