Iran, China Ink MoU in Textile Industry Sector

TEHRAN – Chair man of the Board of Directors of the Iran Textile Industries Association and the head of China International Textile Trade Promotion Council in Shanghai on Wednesday signed a memorandum of understanding (MoU) in the fields of textile industry and clothing.

The two sides expressed hope that relations between the two countries will expand further with developing investment and sharing the technical know-how and experience of industrialists.

The signing ceremony was attended by senior officials of the two countries including Director General of Clothing and Textile Industries Office of the Ministry of Trade Mohsen Gorji, members of the Board of Directors of China's Supreme Council of Textile and Clothing Industries and activists in the field of clothing and textile industry.

The ITMA is the world's largest international textile and garment technology exhibition which is held once every two years in Shanghai.

Iran's Exports to China Up 25%

China's Customs Office data showed Iran's export of products to China in October 2023 grew 25 percent compared to a month earlier.

According to the data, the total value of trade exchanges between Iran and China was $12.02 billion from January to October 2023, showing a 10 percent down compared to the same period last year.

The value of trade exchanges between Iran and China from January to October 2022 was $13.330 billion.

China exported $8.280 billion worth of products to Iran from January to October 2023, registering a nine percent hike compared to last year's corresponding period.

China had exported more than $7.610 billion worth of products to Iran from January to October 2022.

Iran exported $3.74 billion worth of products to China in the first 10 months of the current year (January to October 2023).

China imported over $5.720 billion worth of products from Iran from January to October 2022, China's Customs Office added.

Oman, Iran Sign Cooperation Agreement to Boost Trade Ties

TEHRAN – Officials from Iran and Sultanate of Oman signed a cooperation agreement for enhancing bilateral ties in the fields of trade and economy.

It was inked between the Arvand Free Zone Organization and the Iran-Oman Joint Chamber of Commerce following a visit by a high-ranking delegation of Iranian free zones to the Sultanate of Oman.

Vice President and Secretary of Free Industrial-Trade and Special Economic Zone Hojjatollah Abdolmaleki in his visit to Oman was accompanied by CEOs of Iran's free zones organizations.

He held talks with the chiefs of free zones, the trade minister, heads of chambers of commerce and economic activists of Oman.

Given the trade opportunities and commonalities that exist at the Arvand Free Zone, a cooperation agreement was inked between the Arvand Free Zone Organization and Iran-Oman Joint Chamber of Commerce in line with enhancing the level of trade exchanges between the two countries.

Under the agreement, the two sides emphasized developing cooperation in the field of export and also exchanging investors in the areas of exports, production and rebranding.

Tehran Hosts 9th Meeting of ECO RiskCom Regional Institute

TEHRAN – The 9th meeting of the working group of "ECO RiskCom" Regional Institute was held in Tehran on November 22 at the initiative taken by the Institute of Standards and Industrial Research of Iran (ISIRI).

The meeting was attended by representatives from countries including the Republic of Azerbaijan, Kazakhstan, Turkey, Tajikistan, Pakistan, Uzbekistan, Turkmenistan, and Iran and also senior officials of the Economic Cooperation Organization (ECO) to discuss mutual ties and issues of mutual interest.

At the meeting, Deputy Head of ISIRI for Standardization Affairs Parviz Darvish pointed to the significance and necessity of the full activation of the relevant institutes and their technical management, effective participation of countries in standardization, method of conformity assessment, qualification approval and metrology to facilitate and promote trade in the ECO region.

ECO RiskCom Institute was founded in 2009 by the Council of Ministers of the Economic Cooperation Organization (ECO) and its central secretariat is located in Iran.

The secretariat of the Standardization and Qualification Technical Management Office is located in Turkey while the Conformity Assessment Technical Management Office is in Iran.

TPOI: EAEU, Iran to Launch FTA in 2024

TEHRAN – The deputy head of the Trade Promotion Organization of Iran (TPOI) for international affairs Muhammad Ghannadzadeh has said a Free Trade Agreement (FTA) between Iran and the Eurasian Economic Union's (EAEU) member states will come into effect at the beginning of the next Iranian calendar year (March 2024)

Ghannadzadeh said that the Eurasian Economic Union is composed of five countries, namely Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan.

He pointed out that the EAEU's member states import $380 billion worth of products annually.

An interim contract under the Preferential Trade Agreement (PTA) was signed between Iran and EAEU's member states in 2016, he said, adding that Iran's exports to these countries registered an eighty percent growth in the first year after the implementation of the PTA.

Ghannadzadeh further pointed out that the talk between Iran and member states of the union on the FTA kicked off in 2020 and the final document of the FTA will be signed between Iran and the five member states of the union within the next one or two months.

Once the document is signed at the parliaments of the countries, it is predicted that the FTA will come into effect as of the next Iranian calendar year (March 21, 2024), the deputy TPOI added.

The treaty on the Eurasian Economic Union was signed on May 29, 2014 by the leaders of Belarus, Kazakhstan and Russia and came into force on January 1, 2015. It consists of 183 million people and a gross domestic product of over $2.4 trillion.

S&P 500 to See Small Gain in 2024 as U.S. Economic Risks Rise - Poll

NEW YORK (Reuters) - **The S&P 500 will end next year only about 3% higher than its current level, with a possible U.S. economic slowdown or recession among the biggest risks for the market in 2024, according to strategists in a Reuters poll released.**

The benchmark index will finish next year at 4,700, according to the median forecast of 33 strategists polled by Reuters during the last week and a half. That is 3.4% higher than Monday's close of 4,547.38.

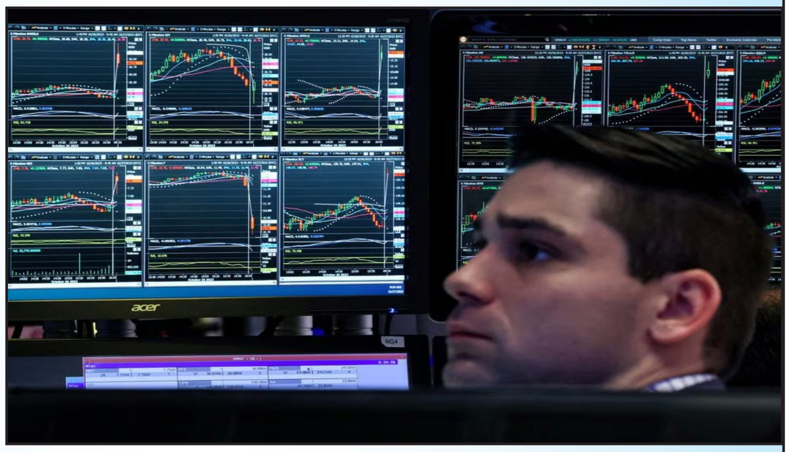
Nine of 13 strategists who also answered a question on whether U.S. stocks will hit a record high in the coming six months said yes, and most of them said they expect it to happen in the early part of 2024.

Wall Street stocks have rallied strongly in recent weeks, boosted by the view the Federal Reserve is done hiking interest rates and may begin to cut them at some point next year.

Investors cheered benign October inflation data last week as Americans paid less for gasoline. The S&P 500 is up about 18% for 2023 to date.

The Fed earlier in November held rates steady, but, since 2022, the U.S. central bank has hiked its policy rate 525 basis points in an effort to curb inflation.

Worries persist the economy could fall into a recession next year or at least slow.



"We see the economy weakening further into 2024, and, at some point the consumer will break," said Paul Christopher, head of global investment strategy at Wells Fargo Investment Institute.

But, he said the firm thinks the U.S. economy could quickly switch to recovery mode in the second half of the year. WFII sees the S&P 500 ending next year between 4,600 and 4,800.

Markets are anticipating inflation will decelerate and are currently pricing in a greater than 50% chance of a rate cut of at least 25 basis points by May, according to CME's FedWatch Tool.

Still, Goldman Sachs's economic team wrote in a recent note the Fed will hold off cutting rates until the fourth quarter of next year, with stronger-than-expected economic growth helping to forestall a recession.

Geopolitical problems are among other risks to the market heading into 2024, strategists said, with investors closely watching the war between Israel and Hamas in Gaza.

Ten of the 13 strategists who responded to a question on the U.S. corporate profit outlook said they expect earnings to grow in the next six months.

Overall S&P 500 earnings growth for 2023 is estimated at 2.3% after a weak first half of the year, according to LSEG data.

Analysts expect earnings to rise 11.2% in 2024 over the previous year.

But valuations have risen with recent market gains. The S&P 500 index's forward 12-month price-to-earnings ratio is now at 19.1, up from 17 at the end of 2022 and its long-term average of about 16, based on LSEG data.

Russia, Iran to Expedite Projects in North-South Corridor

TEHRAN – Iran's First Vice President Muhammad Mokhber says the Islamic Republic is taking "preliminary steps" to promptly begin construction work on joint railway projects with Russia as part of the International North-South Transport Corridor (INSTC).

"The preliminary steps and obtaining the necessary permits for the construction of the Rasht-Astara railway have been carried out by the Iranian side, and we hope that with the cooperation of the Russian side, the construction of this important railway line in the North-South corridor will begin as soon as possible," Mokhber said during a meeting with Russian presidential aide Igor Levitin.

Iran and Russia view the 162 km (100-mile) railway along the Caspian Sea shoreline as a crucial component of the INSTC, a corridor facilitating connectivity between India, Iran, Russia, Azerbaijan, and other nations through railways and sea routes.

Pointing to another major joint project, Mokhber said the design proposals and contracts for the Astara-Bandar Abbas railway have also been reviewed by both the Islamic Republic of Iran and Russia.

He said this railway project can play a significant role in increasing the volume of trade and transit exchanges along the North-South corridor.

"The commitments of the Iranian side in constructing the rail lines in this corridor have been fully observed and are being implemented. Both the private sector and governmental investors from both countries need to promptly engage in the construction of this corridor," the vice president stated.

Igor Levitin, in turn, said Russia will seriously pursue the construction of the North-South corridor in coordination with the Iranian side.

He said a working group was being established to examine "the roadmap for cooperation" between Iran and Russia in this regard.

Canada Fiscal Update Sees Higher Deficits, Debt

OTTAWA (Reuters) - **Canada's deficit spending will be much higher than forecast in March and its debt will come down more slowly, the finance ministry said in its mid-year fiscal update, as it pledged new measures to boost housing supply.**

With interest rates at a two-decade high and inflation still elevated, Prime Minister Justin Trudeau's Liberal government is under pressure to curb spending, which the central bank warned is stoking inflation.

While analysts said the spending on housing and on green-tech subsidies would ultimately be disinflationary, they expressed concern that the government was not showing enough restraint as debt servicing costs skyrocket.

The fiscal year 2024/25 and 2025/26 deficits will be much higher than had been forecast. The deficit is seen at C$38.4 billion in 2024/25 and C$38.3 billion in 2025/26, compared with March estimates of C$35.0 billion and C$26.8 billion respectively.

The federal debt-to-GDP ratio will rise for a second consecutive year in 2024/25 before it begins declining, a year later than had been previously forecast.

The finance ministry has said it targets a declining federal debt-to-GDP ratio in the medium term as a fiscal anchor. In the Fall Economic Statement (FES), the government pledged to ensure the ratio stayed on a downward track after 2024/25.

"The government recognizes it is constrained in how much it can spend, but it's spending up to that line all the time," said Randall Bartlett, senior director of Canadian economics at Desjardins Group. "To me, that doesn't speak to prudence."

On the growth side, the government uses a median of market forecasts from September, which do not project a recession, but they do see real GDP growth next year at just 0.4%, much lower than the March budget projection of 1.5%.

The Bank of Canada hiked rates to a 22-year high of 5.00% between March of last year and July of this year. It has since held them steady, but warned that they could go higher if inflation - at 3.1% in October - does not come down to its 2% target.