

Global News for a World Economy!

JUNE - 2009

Effects of the US\$ around the world (and at home)

A sinking dollar puts pressure on bonds. Declining bonds drive interest rates higher. Rising interest rates mean rising mortgage rates. Higher mortgage rates put pressure on the purchase of new homes. Housing represents collateral for almost everything in the US economy.

Emerging-market currencies gained as international investors fled the dollar on concern record debt sales by the U.S. government to finance a mounting budget deficit will sap demand for American financial assets.

The dollar got some recent support when Japanese Finance Minister [Kaoru Yosano](#) said his country's confidence in U.S. Treasury securities is "unshakeable," signaling the second- biggest foreign holder of the securities will keep buying them.

China is the largest U.S. creditor, holding \$767.9 billion of U.S. debt as of March, according to Treasury Department figures. Japan is second with \$686.7 billion. Brazil holds \$126.6 billion, while Russia has \$138.4 billion.

Nations such as China are also dependent on the U.S. as a market for their exports, so they seek to suppress the value of their currencies with purchases of dollars. China's exports to the U.S. last year rose to \$337.7 billion from \$321.4 billion in 2007.

China/South America

[China's Manufacturing Expands to Highest Level in a Year](#)

In April, China's manufacturing activity expanded to its highest level for a year, in an indication that the nation's economy might be showing signs of recovery.

[Brazil and China will work towards using their own currencies](#) in trade transactions rather than the US dollar, according to Brazil's central bank and aides to Luiz Inácio Lula da Silva, Brazil's president. The move follows recent Chinese challenges to the status of the dollar as the world's leading international currency.



www.component-supply.com

Visit Our Website!

COMPONENT SUPPLY
5548 Shepherdsville Rd
Louisville, Ky 40228
502.969.3716
502.969.3718 Fax

WHO WE ARE

Component Supply specializes in utilizing our offshore factories relationships and their representatives to provide cost effective sourcing coupled with the assurance that your specifications and standards are met.

WHAT WE DO

Specializing In

- [CASTINGS](#)
- [FASTENERS](#)
- [SCREW](#)
- [MACHINE/CNC](#)
- [STAMPING](#)
- [TUBING](#)
- [WIRE](#)
- [FORMS/SPRINGS](#)

Global News for a World Economy!

JUNE - 2009

Brazil: Exports to China

Mr Zhou recently proposed replacing the US dollar as the world's leading currency with a new international reserve currency, possibly in the form of special drawing rights (SDRs), a unit of account used by the International Monetary Fund.

In September, Brazil and Argentina signed an agreement

under which importers and exporters in the two countries may make and receive payments in pesos and reals, although they may also continue to use the US dollar if they prefer.

China, Peru Sign Free Trade Agreement

China and Peru have signed a free trade agreement (FTA), which both sides termed as 'a new landmark' in bilateral relations. This is China's second trade pact with a Latin American country; the other being Chile, signed in November 2005.

Trade in Chinese Currency Unlikely

Plans by China and Brazil to use local currencies for some trade deals has some worried that the U.S. dollar's days are numbered, but experts say the move is mostly political and faces significant hurdles.

Europe

Britain to Build the World's Largest Wind Farm

The \$3 billion project will provide electricity for one-quarter of London households and should be completed by 2012, reports *BusinessWeek*.

Maersk Rerouting Some Vessels Due to Piracy

Denmark's Maersk Lines is rerouting some vessels around the Cape of Good Hope to avoid Somali pirates. Meanwhile, officials at the Suez Canal are beginning to worry about the impact on revenue.

EU Calls for Shorter Work Week to Create Jobs

EU leaders are proposing a shorter working week and extra state-funded retraining programs as the global recession threatens millions of jobs

The pound ended recently at its strongest since December, shrugging off a warning over the UK's soaring public debt from Standard & Poor's, a rating agency.



www.component-supply.com

Visit Our Website!

COMPONENT SUPPLY
5548 Shepherdsville Rd
Louisville, Ky 40228
502.969.3716
502.969.3718 Fax

WHO WE ARE

Component Supply specializes in utilizing our offshore factories relationships and their representatives to provide cost effective sourcing coupled with the assurance that your specifications and standards are met.

WHAT WE DO

Specializing In

- [CASTINGS](#)
- [FASTENERS](#)
- [SCREW MACHINE/CNC](#)
- [STAMPING](#)
- [TUBING](#)
- [WIRE FORMS/SPRINGS](#)

Improve Your Bottomline With Lower Cost Components!

Global News for a World Economy!

JUNE - 2009

Poland's Economic Growth Second-Fastest in EU

Poland posted the European Union's second-fastest economic growth for the first quarter, while simultaneously avoiding the recession.

After Trying 16 Years, is Russia Ready for the WTO?

Russia has been negotiating to join the WTO for 16 years. Recently, the U.S. Trade Representative said the country could boost its chances for membership if it drops its ban on U.S. pork imports.

U.S.A.

COSCO Starts Savannah Service

Savannah is now a port of call for China Ocean Shipping Group Co. (COSCO), with the first vessel having arrived on May 10.

World's Best Supply Chain? Apple

The latest ranking by AMR Research of the best supply chain amongst Fortune Global 500 companies puts Apple on top.

Delta to Quit All-Cargo Business

Delta Air Lines will exit the all-cargo business at the end of 2009 with the grounding of its remaining Northwest Airlines' B747 200 freighters due to "age and inefficiency ."

By Jonathan Wheatley in São Paulo

Published: May 18 2009 18:24 | Last updated: May 18 2009 23:31

Has Trucking Hit the Bottom?

Truck freight may be showing the first signs of a turnaround after 39 months of depressed freight volumes including sharp declines since last October, reports Fleet Owner.



www.component-supply.com

Visit Our Website!

COMPONENT SUPPLY
5548 Shepherdsville Rd
Louisville, Ky 40228
502.969.3716
502.969.3718 Fax

WHO WE ARE

Component Supply specializes in utilizing our offshore factories relationships and their representatives to provide cost effective sourcing coupled with the assurance that your specifications and standards are met.

WHAT WE DO

Specializing In

- [CASTINGS](#)
- [FASTENERS](#)
- [SCREW MACHINE/CNC](#)
- [STAMPING](#)
- [TUBING](#)
- [WIRE FORMS/SPRINGS](#)

Improve Your Bottomline With Lower Cost Components!