



## Gas woes drag euro lower, dollar gains on recession worry

NEW YORK, July 26 (Reuters) - The dollar rose against a basket of major currencies on Tuesday, reversing course after three straight sessions of declines as recession fears grew and investors awaited a Federal Reserve policy statement, while energy supply concerns weighed on the euro.

European Union countries approved a weakened emergency plan to lessen gas demand on Tuesday, after striking compromise deals to limit the cuts for some countries, as they gird for further Russian.....

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## The U.S. housing market has gone cold

Low financing costs, excess savings, and a demand for more space during the pandemic fueled a frenzy in the housing market that sent home prices surging.

Homebuyers, however, are now confronting an increasingly unaffordable housing market that's



been plagued by shortages.

And with the Federal Reserve forcing financing costs higher in recent months, housing market activity has cooled off considerably.

"Housing is likely just at the beginning of recession," .....

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## Can China's economy avoid a Japan-style stagnation? Here's what economists think

BEIJING - Several economists expect that China will avoid a Japan-style stagnation - if the right policies take effect.

China's gross domestic product barely grew in the second quarter while Covid lockdowns stifled growth. Those restrictions have eased. But Covid controls remain an uncertain overhang while the country awaits a quarterly gathering of policymakers expected at the end of the month.

But even if Covid restrictions ease, China still has untapped growth potential for the next few years, the economists said.

For one, the country's income levels — and theoretically spending — have much room to grow.

China's per capita GDP in 2021 was less than a fifth of that in the United States, and adjusted net national income per capita was about one-seventh of that in the United States, according to World Bank data.

"Given the room for catch-up is still there, China's still going to maintain 4% to 5% growth in the next five to 10 years," said Larry Hu, chief China economist at Macquarie. He said there are uncertainties that could affect his estimates, including whether China can shift from relying on investment to consumption for growth.....

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