



Thursday, July 12, 2018

## ECB unveils compromise solution for banks' soured loan problem

ECB supervisors will give euro zone banks extra time to set cash aside against their bad loans if their pile of soured debt is particularly high, the ECB said. Under the new and long-awaited guidelines, the ECB's Single Supervisory Mechanism will take "bank-specific supervisory expectations" for the provision of non-performing loans. ([www.centralbanking.com](http://www.centralbanking.com) 11/07/18)

## US says the 'reckoning' over China trade is too big for WTO

A "reckoning" over China's unfair trade policies is urgent and is too big for the World Trade Organization (WTO) to handle, US ambassador Dennis Shea told a WTO meeting. Washington has raised the stakes in its trade dispute with Beijing, threatening 10% tariffs. ([www.reuters.com](http://www.reuters.com) 11/07/18)

## US producer prices rise more than expected

Producer prices in the US increased by slightly more than expected in the month of June, according to a report released by the Labor Department. The Labor Department said its producer price index for final demand rose by 0.3% in June after climbing by 0.5% in May. ([www.rttnews.com](http://www.rttnews.com) 11/07/18)

## China vows to hit back over US proposal for fresh tariffs

China accused the United States of bullying and warned it would hit back after the Trump administration raised the stakes in their trade dispute, threatening 10% tariffs on \$200bn of Chinese goods in a move that rattled global markets. The Chinese foreign ministry said Washington's threats were "typical bullying" and described the dispute as a "fight between unilateralism and multilateralism". ([www.reuters.com](http://www.reuters.com) 11/07/18)

## UK seeks to strike trade deals for services in new brexit plan

The UK seeks to strike new trade deals for services around the world as part of a Brexit plan that will tie its goods to European Union rules in a bid to preserve open customs borders with the bloc. Prime Minister Theresa May's government will publish the plan in a so-called White Paper spanning more than 100 pages, detailing a "comprehensive" vision for future UK-EU ties. ([www.bloomberg.com](http://www.bloomberg.com) 11/07/18)

## Japan tertiary activity index rises for second month

Japan's tertiary activity index increased for the second straight month in May, though marginally. The tertiary activity index edged up 0.1% month-over-month in May, following a 1% rise in April. On a yearly basis, the tertiary activity index climbed 1.2% in May after a 1.3% rise in the prior month. ([www.rttnews.com](http://www.rttnews.com) 11/07/18)

## Germany inflation slows as estimated in June

Germany's consumer price inflation slowed as initially estimated in June. Consumer prices climbed 2.1% year-over-year in June, just below the 2.2% rise in May. The 2.2% inflation seen in May was the highest since Feb. 2017. The overall inflation in June was mainly driven by a 6.4% price hike in energy products. On a monthly basis, both consumer prices and harmonized prices edged up 0.1%, each in June. ([www.rttnews.com](http://www.rttnews.com) 12/07/18)

## BoC hikes interest rate amid rising inflation

The Bank of Canada (BoC) has raised their key interest rate despite concerns that trade tensions could hurt the global economy. The BoC increased its target for the overnight rate to 1 1/2 %. ([www.rttnews.com](http://www.rttnews.com) 11/07/18)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3217	(1.3250)	1.3247	(1.3281)
+USD/EUR	1.1705	(1.1696)	1.1725	(1.1771)
*GHS/USD	4.6804	(4.6025)	4.6850	(4.6071)
*GHS/GBP	6.1922	(6.1043)	6.2001	(6.0259)
*GHS/EUR	5.4837	(5.3887)	5.4878	(5.3937)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 12/07/18 (Rates for 11/07/18 in brackets)

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### **Poland keeps rates on hold**

Poland's central bank kept its key interest rate unchanged at a record low, in line with economists' expectations. The Monetary Policy Council of the National Bank of Poland decided to maintain the key reference rate at a record low 1.50%. The lombard rate was retained at 2.50% and the deposit rate at 0.50%. ([www.rttnews.com](http://www.rttnews.com) 11/07/18)

### **French inflation remains stable in June**

France's consumer price inflation held steady in June instead of an acceleration reported initially. Consumer prices climbed 2% year-over-year in June. ([www.rttnews.com](http://www.rttnews.com) 12/07/18)

### **Australia inflation expectations fall in July**

Australia's inflationary expectations declined in July. The expected inflation rate fell by 0.3% points to 3.9% in July from 4.2% in June. The weighted proportion of respondents expecting the inflation rate to fall within the 0-5% range decreased by 2.0% points to 65.0% the weighted mean of responses within this range dropped by 0.2% points to 2.3%. ([www.rttnews.com](http://www.rttnews.com) 12/07/18)

### **Romania inflation remains stable in June**

Romania's consumer price inflation held steady in June, after accelerating in the previous nine months. Consumer prices climbed 5.4% year-over-year in June, the same rate of increase as in May. The measure has been rising since Jan. last year. Prices of non-food products grew 7.8% annually in June and those of food products rose by 3.8%. ([www.rttnews.com](http://www.rttnews.com) 11/07/18)

### **Malaysia industrial production growth slows as expected**

Malaysia's industrial production growth eased in May, in line with expectations. Industrial production advanced 3.0% year-over-year in May, slower than the 4.6% rise in April. Among sectors, manufacturing output grew 4.1% annually in May and electricity production expanded by 2.6%. Meanwhile, mining output registered a decline of 0.5%. ([www.rttnews.com](http://www.rttnews.com) 12/07/18)

### **OPEC sees rival supplies growing most in five years in 2019**

OPEC expects supplies from its rivals to increase by the most in five years in 2019, with extra oil from the US alone sufficient to meet the growth in global demand. In its first detailed outlook for 2019, the Organization of Petroleum Exporting Countries indicated that the North American oil boom means OPEC members are already producing enough crude to cover what will be needed from them. ([www.bloomberg.com](http://www.bloomberg.com) 11/07/18)

### **South Africa's reserve bank to talk tough, but hold steady – poll**

South Africa's Reserve Bank will probably talk tough on taming rising consumer prices but choose to leave the repo rate unchanged next week to give the economy a chance to grow, a Reuters poll has found. All 25 economists surveyed in the past week said the Reserve Bank would keep rates unchanged at 6.50% on July 19. The bank last cut rates in March, by 25 basis points, when inflation was moderating. ([www.reuters.com](http://www.reuters.com) 12/07/18)

### **Nigeria's President Buhari says will soon sign up to African free-trade agreement**

Nigeria's President Muhammadu Buhari has said the country will sign up soon to a \$3tn African free-trade agreement. Nigeria is one of Africa's two largest economies, the other being South Africa. Buhari's government had refused to join a continental free-trade zone established in March, on the grounds that it wishes to defend its own businesses and industry. ([www.reuters.com](http://www.reuters.com) 12/07/18)

### **Zimbabwe clears debt with IMF but hurdles to financing remain**

Zimbabwe has finally settled its debt with the IMF. "Zimbabwe repaid its overdue obligations to the [Poverty Reduction Growth Trust] using its [special drawing rights] holdings on Oct 20, 2016," the fund announced in its latest review of outstanding obligations. The fund last reviewed the list of countries in arrears in 2012. ([www.centralbanking.com](http://www.centralbanking.com) 11/07/18)

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