



Friday, September 14, 2018

### ECB holds rate, QE unchanged

The European Central Bank has left its interest rates unchanged and maintained the forward guidance on monetary stimulus for a second policy session in a row, after the Governing Council's June decision to halve the monthly asset purchases after Sept., and to eventually end them in Dec. The main refi rate is currently at a record low zero percent and the deposit rate at -0.40%. The marginal lending facility rate is 0.25%. ([www.rttnews.com](http://www.rttnews.com) 13/09/18)

### ECB lowers growth forecasts as it confirms plan to end easy money

The European Central Bank (ECB) has lowered its forecasts for Europe's economic growth this year and next, but said it would press ahead with a carefully telegraphed plan to phase out easy money. The decision underscores the delicate task facing the world's number two central bank. The ECB has started to pivot away from years of ultralow interest rates. ([www.wsj.com](http://www.wsj.com) 13/09/18)

### More US rate hikes as CPI disappoints

US short-term interest rates futures pared their earlier fall on Thursday as domestic consumer prices rose less than forecast in Aug., reducing traders' view that inflation is accelerating but not their outlook for two more rate increases in 2018. The US central bank could increase short-term rates to 2.25-2.50%. ([www.reuters.com](http://www.reuters.com) 13/09/18)

### US weekly jobless claims drop to near 49-year low

The number of Americans filing for unemployment benefits unexpectedly fell last week, hitting its lowest level in nearly 49 years and pointing to robust labor market conditions. Initial claims for state unemployment benefits slipped 1,000 to a seasonally adjusted 204,000 for the week ended Sept. 8, the lowest level since Dec. 1969. ([www.reuters.com](http://www.reuters.com) 13/09/18)

### China's central bank injects funds into market

China's central bank has injected funds of ¥120bn (about \$17.5bn) through OMO to ease liquidity pressure. The People's Bank of China conducted ¥100bn 7-day reverse repos at an interest rate of 2.55% and ¥20bn of 14-day reverse repos at an interest rate of 2.7%. ([www.xinhuanet.com](http://www.xinhuanet.com) 13/09/18)

### FDI into Chinese mainland sees steady growth in Jan.-Aug.

Foreign direct investment (FDI) into the Chinese mainland saw steady growth in the first eight months of 2018, official data shows. FDI inflow rose 2.3% year on year to ¥560.4bn during the eight-month period. In dollar terms, FDI inflow grew 6.1% to \$86.5bn during the period. ([www.xinhuanet.com](http://www.xinhuanet.com) 13/09/18)

### BoE stands pat on rates, QE

Bank of England policymakers have unanimously decided to maintain the monetary policy stance, after resorting to a quarter-point rate hike in Aug. The Monetary Policy Committee, led by Governor Mark Carney, voted 9-0 to keep the key rate unchanged at 0.75%. The committee also unanimously decided to maintain the quantitative easing through asset purchases at £435bn. ([www.rttnews.com](http://www.rttnews.com) 13/09/18)

### Japan's industrial output falls more than estimate

Japan's industrial production declined more than estimated in July, final data from the Ministry of Economy, Trade and Industry shows. Industrial output fell 0.2% on month in July instead of 0.1% drop estimated initially. The decline in exports was revised to 2% from 1.9%. At the same time, stock dropped 0.2% as initially estimated, while the stock rate rose 0.4%, in line with preliminary estimate. On a yearly basis, production grew 2.2% in July. ([www.rttnews.com](http://www.rttnews.com) 14/09/18)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3082	(1.3007)	1.3112	(1.3038)
+USD/EUR	1.1666	(1.1617)	1.1687	(1.1639)
*GHS/USD	4.7572	(4.7572)	4.7618	(4.7618)
*GHS/GBP	6.2296	(6.1939)	6.2375	(6.2022)
*GHS/EUR	5.5552	(5.5317)	5.5597	(5.5367)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 14/09/18 (Rates for 13/09/18 in brackets)

\* BOG INTERNAL TRANSACTION RATES: 14/09/18 (Rates for 13/09/18 in brackets)

### **German inflation holds steady at 2% in Aug.**

Price inflation in Germany held steady last month, official figures by the Federal Statistical Office shows. According to the Wiesbaden-based government agency, consumer prices were 2% higher in Aug. compared to the same period last year. On a monthly basis, prices were up by 0.1% in Aug. compared to July. Overall, prices in the broader category of consumer goods rose by 2.7% on average compared to Aug. 2017. ([www.xinhuanet.com](http://www.xinhuanet.com) 13/09/18)

### **Turkish central bank raises rates sharply, boosts lira**

Turkey's central bank has raised its benchmark rate by 625 basis points, the biggest such increase in President Tayyip Erdogan's 15-year rule, boosting the lira and easing investor concern over his influence on monetary policy. The bank's Monetary Policy Committee raised the one-week repo rate to 24%, meaning it has increased interest rates by 11.25 percentage points since late April in an attempt to put a floor under the tumbling currency. ([www.reuters.com](http://www.reuters.com) 13/09/18)

### **Sweden inflation unexpectedly slows in Aug.**

Sweden's consumer price inflation slowed for the first time in four month in Aug., defying expectations for a modest increase. The consumer price index rose 2% year-on-year following 2.1% gain each in both June and July. Economists had forecast 2.2% inflation for Aug. On a month-on-month basis, the CPI declined 0.2% after a 0.5% increase in July. The fall was the first since Jan. ([www.rttnews.com](http://www.rttnews.com) 14/09/18)

### **Bulgaria inflation holds steady in Aug.**

Bulgaria's consumer price inflation remained stable in Aug., after accelerating in the previous three months, figures from the National Statistical Institute show. Inflation came in at 3.5% in Aug., the same rate as in July. Consumer prices have been rising since Dec. 2016. ([www.rttnews.com](http://www.rttnews.com) 13/09/18)

### **Oil slips as economic concerns counter tighter supply**

Oil prices fell on Thursday, slipping back from four-month highs as investors focused on the risk that emerging market crises and trade disputes could dent demand. Benchmark Brent crude oil was down 70 cents a barrel at \$79.04 by 0830 GMT. ([www.reuters.com](http://www.reuters.com) 13/09/18)

### **Moody's sees little chance of South Africa downgrade**

Moody's said there was little chance it would strip South Africa of its investment grade credit rating this year, giving some respite to President Cyril Ramaphosa after the economy moved into recession. But the agency, the last of the top three ratings firms to have Pretoria's long-term foreign-currency debt at investment grade said it was critical that the country keeps its finances tight if it wanted to keep that rating in the longer term. ([www.reuters.com](http://www.reuters.com) 13/09/18)

### **Kenya says IMF stand-by arrangement over, still engaging with the fund**

Kenya's stand-by loan deal with the International Monetary Fund has expired but the country will continue to talk to the Fund about what funding facilities it can access in future, Finance Minister Henry Rotich has said. Kenya had secured a six-month extension in March of the \$989.8m arrangement, agreed in 2016 to help cushion the economy in case of unforeseen external shocks that could upset the balance of payments. It included a stand-by credit facility of \$494.9m that expired in March. ([www.reuters.com](http://www.reuters.com) 13/09/18)

### **Ghana agrees with Ivory Coast to announce bean prices at start of cocoa season**

Ghana and Ivory Coast have agreed to coordinate the announcement of bean prices with the opening of cocoa season, part of a bid by the world's top producers to harmonise operations and boost producer profits, industry regulator Cocobod has said. The two countries, which account for more than 40% of global cocoa supply, will jointly conduct a study to determine the floor price of cocoa, the regulator said. ([www.reuters.com](http://www.reuters.com) 13/09/18)

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