



Thursday, May 17, 2018

Eurozone annual inflation down to 1.2%

Eurozone annual inflation rate was 1.2% in April, down from 1.3% in March. The inflation rate was well below the European Central Bank's 2% target and the slowdown was mainly due to an incline of service inflation which dipped to 1.0% from 1.5% in the previous month. The core inflation, which excludes volatile food and energy prices fell by 0.3 percentage points to 0.7%. (www.xinhuanet.com 16/05/18)

US factory production shows broad-based gain outside autos

US factory production regained its footing in April to push capacity utilization to the highest since 2015, Federal Reserve data showed. Several categories posted increases of more than 1%, including machinery; computer and electronic products; electrical equipment and appliances; and aerospace and miscellaneous transportation. (www.bloomberg.com 16/05/18)

Brexit is tightening UK job market

The UK jobs surge over the past year has been driven by British nationals, with the number of European Union citizens in work falling for the first time since 2010. The loss was entirely due to a record 91,000 drop in employment among people from the eight eastern countries including Poland, Hungary and Slovakia. (www.bloomberg.com 16/05/18)

BoE official 'sorry' he compared economy to menopause

Bank of England Deputy Governor Ben Broadbent was forced to apologize after describing the UK economy as "menopausal," putting the central bank in a new communications controversy. The remarks in an interview with the Daily Telegraph sparked complaints about sexism and ageism. (www.bloomberg.com 16/05/18)

Japan plans retaliatory tariffs against US: NHK

Japan is considering slapping tariffs on US exports worth \$409m in retaliation against steel and aluminum import tariffs imposed by President Donald Trump, public broadcaster NHK has said. The government is preparing to notify the World Trade Organization of the plan, a necessary procedure under global trade rules. (www.reuters.com 17/05/18)

Germany's inflation steady at 1.6%

Germany's consumer price inflation held steady in April, as previously estimated. Consumer prices climbed 1.6% year-on-year in April, the same rate of increase as seen in March and in line with the estimate released on April 30. On a month-on-month basis, the consumer price index remained unchanged in April, after rising 0.4% in March. (www.rttnews.com 16/05/18)

Italy industrial orders rise in March

Italy's industrial orders increased in March after falling in the previous two months. Industrial orders climbed a seasonally adjusted 0.5% month-over-month in March, reversing a 0.8% fall in Feb. Domestic demand rose 1.5% over the month, while export orders slid by 0.8%. On a yearly basis, growth in orders eased to 2.6% in March from 2.8% in the preceding month. (www.rttnews.com 16/05/18)

Turkey retail sales growth eases further

Turkey's retail sales growth eased for the second straight month in March, figures from the Turkish Statistical Institute showed. The volume of retail sales climbed a calendar-adjusted 7.4% year-over-year in March, slower than the 8.3% rise in Feb. On a monthly basis, retail sales rebounded a seasonally and calendar-adjusted 0.5% from Feb., when it dropped by 0.8%. (www.rttnews.com 17/05/18)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3468	(1.3478)	1.3499	(1.3508)
+USD/EUR	1.1776	(1.1846)	1.1799	(1.1868)
*GHS/USD	4.4120	(4.4116)	4.4164	(4.4160)
*GHS/GBP	5.9478	(5.9517)	5.9560	(5.9594)
*GHS/EUR	5.2010	(5.2313)	5.2058	(5.2358)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 17/05/18 (Rates for 16/05/18 in brackets)

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Iceland central bank holds key rate as expected

Iceland's central bank maintained its key interest rates as policymakers viewed that a tight monetary stance is still needed in order to contain rapid demand growth. The Monetary Policy Committee of the Central Bank of Iceland has decided, to hold the seven-day term deposits rate at 4.25%. The bank had lowered the rate by a quarter point in Oct. 2017. (www.rttnews.com 16/05/18)

Dutch jobless rate remains stable in April

Dutch unemployment rate held steady in April after falling in the previous two months, figures from the Central Bureau of Statistics showed. The seasonally adjusted jobless rate came in at 3.9% in April, the same rate as in March. In the corresponding month last year, the unemployment rate was 5.1%. (www.rttnews.com 17/05/18)

Austria inflation eases slightly in April

Austria's consumer price inflation eased marginally in April. Consumer prices climbed 1.8% year-over-year in April, just below the 1.9% rise in March. Month-on-month, consumer prices edged up 0.2% in April. Inflation, based on the harmonized index of consumer prices, slowed to 1.9% in April from 2% in March. (www.rttnews.com 16/05/18)

Brazilian economy contracts in Q1

The Brazilian economy contracted by 0.13% in the first quarter of the year, according to the central bank's Index of Economic Activity (IBC-Br) released. While the drop was of 0.13% based on the last quarter of 2017, numbers still showed a 0.86% growth year-on-year. (www.xinhuanet.com 16/05/18)

Croatia inflation accelerates for second month

Croatia's consumer price inflation accelerated for the second straight month in April, though slightly. Inflation rose to 1.3% in April from 1.1% in March. Consumer prices have been rising since Dec. 2016. On a monthly basis, consumer prices climbed 0.7% from March. (www.rttnews.com 16/05/18)

OPEC sees oil rally towards \$80 as short-term spike, not supply-driven

OPEC sees oil's rally towards \$80 a barrel as a short-term spike driven by geopolitics rather than any supply shortage, four OPEC delegates said, a sign the group is not rushing yet to rethink its supply-cutting agreement. The view of top exporter Saudi Arabia is that any brief, speculator-driven jump in oil prices is not sufficient grounds for producers to boost output. (www.reuters.com 16/05/18)

Tunisia's central bank holds key rate unchanged at 5.75%

Tunisia's central bank has said it kept its key interest rate unchanged at 5.75%. In March, the central bank raised the rate to 5.75% from 5% to tackle the inflation that had hit record levels. The international Monetary Fund said last month that anchoring inflation expectations through additional rate increases would be crucial if price pressures did not moderate quickly. (www.reuters.com 16/05/18)

Zambian central bank maintains key lending rate

Zambia's central bank has maintained its key lending rate at 9.75% due to a fragile economic growth evidenced by subdued credit growth to private enterprises. The Bank of Zambia (BoZ) said it decided to maintain the monetary policy rate as it felt it was appropriate to do so and that this was in line with the projections indicating that inflation will remain within the 6-8% target range. (www.xinhuanet.com 16/05/18)

Tanzania's central bank approves merger of two state-owned banks

Tanzania's central bank has said it has approved the merger of two small state banks, Twiga Bancorp and TPB Bank PLC, as part of a plan to improve financial stability and reduce the number of state-run lenders. The decision is part of a drive to counteract a spike in bad loans since 2015 that has hit bank profits and stifled private sector lending, in turn undermining economic growth. (www.reuters.com 16/05/18)

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