



Thursday, September 20, 2018

Eurozone current account surplus declines in July

The euro area current account surplus decreased in July largely due to a fall in visible trade surplus, the European Central Bank reports. The current account surplus fell to a seasonally adjusted €21bn in July from €24bn in June. The surplus on trade in goods decreased to €19bn from €23bn a month ago. Meanwhile, the services surplus rose to €12bn from €9bn. (www.rttnews.com 19/08/18)

Eurozone should take next steps to complete banking union: Germany's Scholz

German Finance Minister Olaf Scholz said that euro zone governments should agree on next steps for completing their banking union in order to make the single currency bloc resilient for the next crisis. "It would be a pity if we wouldn't have established the instruments necessary when it happens," Scholz said during a panel discussion. (www.reuters.com 19/09/18)

Eurozone construction output rises at slower pace

Eurozone construction output grew at a slower pace in July reflecting contraction in civil engineering, Eurostat reports. Construction output rose 0.3% month-on-month, slower than the 0.7% increase in June. On a yearly basis, production in construction advanced 2.6%, following June's 3% expansion. (www.rttnews.com 19/08/18)

US housing starts jump much more than expected in Aug.

A report released by the Commerce Department shows a sharp increase in new residential construction in the US in the month of Aug. although the report also shows a drop in building permits during the month. The Commerce Department said housing starts spiked by 9.2% to an annual rate of 1.282m in Aug. (www.rttnews.com 19/09/18)

Trump intends to nominate ex-Fed economist Liang for Fed board seat: White House

US President Donald Trump intends to nominate former Federal Reserve economist Nellie Liang to the US central bank's board of governors, the White House has said. Liang spent the bulk of her career as an economist at the Fed, and was tapped in the wake of the 2007 to 2009 recession to build out its fledgling office of financial stability. (www.reuters.com 19/09/18)

China boosts liquidity with open market operations

China's central bank has injected a liquidity of ¥70bn (about \$10.2bn) through open market operations. The People's Bank of China has said that it conducted the operation via seven-day reverse repos with an interest rate of 2.55% and 14-day reverse repos at 2.7%. Previous reverse repos worth ¥100bn have matured, meaning that the net market liquidity dropped by ¥30bn. (www.xinhuanet.com 20/09/18)

China to invest multi-billion dollars to develop digital economy

China will invest ¥100bn (about \$14.6bn) for developing the digital economy in the next five years. The investments will go to projects on big data, internet, cloud computing, smart cities and the digital Silk Road, according to an agreement signed by China Development Bank and the National Development and Reform Commission at the International Conference on Digital Economy. (www.xinhuanet.com 19/09/18)

UK inflation hits six-month high of 2.7%

Economists had expected a Consumer Prices Index rate of 2.4%. Wages are still rising more than inflation, with data last week showing wages, excluding bonuses, grew by 2.9% in the three months to July. (www.bbc.com 19/09/18)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3139	(1.3130)	1.3169	(1.3160)
+USD/EUR	1.1662	(1.1688)	1.1683	(1.1708)
*GHS/USD	4.7631	(4.7632)	4.7679	(4.7680)
*GHS/GBP	6.2644	(6.2603)	6.2726	(6.2685)
*GHS/EUR	5.5605	(5.5726)	5.5648	(5.5769)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 20/09/18 (Rates for 19/09/18 in brackets)

* BOG INTERNAL TRANSACTION RATES: 20/09/18 (Rates for 19/09/18 in brackets)

London house prices post biggest drop since 2009 in July

London house prices posted their biggest drop in almost a decade in July. Home prices fell 0.7% from a year earlier, the biggest decline since Sept. 2009, the Office for National Statistics has said. The average property in the capital cost £485,000 (\$640,000). (www.bloomberg.com 19/09/18)

Swiss central bank maintains expansionary monetary policy

The Swiss National Bank has maintained its expansionary monetary policy, as widely expected. The interest rate on sight deposits at the SNB was retained at -0.75% and the target range for the three-month Libor was kept unchanged between -1.25% and -0.25%. (www.rttnews.com 20/09/18)

Brazil maintains rate on balanced inflation outlook

Brazil's central bank has left its benchmark Selic interest rate steady at 6.50% along with a neutral policy stance, adding the balance of risks surrounding the inflation outlook were balanced. Brazil's inflation rate eased to 4.19% in Aug. from 4.48% in July and inflation expectations according to the Focus survey were around 4.1% for 2018 and 2019. (www.centralbanknews.info 19/09/18)

Italy July current account surplus rises

Italy's current account surplus for July grew from the same period last year, largely due to an improvement in the services surplus, figures from the Bank of Italy show. The current account surplus increased to €8.607bn from €7.864bn a year ago. Surplus in the services trade rose to €1.116bn from €773m in the same month last year. The visible trade surplus grew to €7.554bn from €7.132bn. (www.rttnews.com 19/08/18)

Argentine GDP in steepest fall since 2014

Argentina's economy shrank by 4.2% in the second quarter, its sharpest year-on-year slowdown since 2014. The decline was accompanied by a steep fall in exports, after a drought hurt the country's agricultural sector. (www.bbc.com 20/09/18)

Oil extends gains as shrinking US stockpiles signal tightness

Oil traded above \$71 a barrel on concerns over market tightness after US crude inventories fell for a fifth week at a time when American sanctions against Iran threaten to whittle global supplies. (www.bloomberg.com 20/09/18)

Johannesburg stock exchange looks to tighten listing rules

The Johannesburg Stock Exchange wants to increase the minimum capital amount required for a primary listing and is considering stricter rules on secondary listings as it seeks to improve corporate governance, following recent high-profile corporate scandals. (www.reuters.com 19/09/18)

Nigeria's central bank says reviewing information to resolve \$8.1bn MTN repatriation

Nigeria's central bank is reviewing information provided by MTN and four banks accused of helping the South African telecoms company to illegally repatriate \$8.1bn, with a view to reaching an equitable resolution, it said. MTN has denied any wrongdoing and the banks have said they are in talks with the regulator. (www.reuters.com 20/09/18)

Liberia loses \$104m in central bank cash, bans 15 from foreign travel

Fifteen Liberians, including the son of former president Ellen Johnson Sirleaf, are banned from leaving the country while the government investigates the whereabouts of \$104m in missing cash intended for the central bank, the government has said. The missing amount is the equivalent of nearly 5% of Liberia's GDP. (www.reuters.com 19/09/18)

Zambian Kwacha falls over size of country's debt, aid freeze

Zambia's kwacha has lost more than 1%, hit by investor worries about the size of nation's debt and an aid freeze by Britain and Finland over suspicion that social welfare funds may have been misused. The currency of Africa's No.2 copper producer fell as much as 1.6% to 11.1800 per dollar. (www.reuters.com 19/09/18)

DISCLAIMER: This information has been compiled by the Secretary's Department of Bank of Ghana for general reference purposes only. While every effort is made to ensure that the information is accurate, the Bank of Ghana does not guarantee nor does it accept any responsibility or liability for the accuracy or completeness of the content or for any loss which may arise from reliance on information contained in this document.