Eurozone manufacturing contracts most since 2012
The euro area manufacturing sector contracted the most since the end of 2012 in July but at a slower than initially estimated pace. The manufacturing Purchasing Managers' Index fell to 46.5 in July from 47.6 in June. The score signalled the sharpest deterioration in operating conditions since Dec. 2012. (www.rtnews.com 01/08/19)

US weekly jobless claims show modest rebound to 215,000
With the more closely watched monthly jobs report looming, the Labor Department has released a report showing first-time claims for US unemployment benefits rebounded in the week ended July 27th. The report said initial jobless claims climbed to 215,000, an increase of 8,000 from the previous week's revised level of 207,000. (www.rtnews.com 01/08/19)

Trump escalates trade war with China
US President Donald Trump has said he will impose a fresh 10% tariff on another $300bn (£247bn) of Chinese goods, in a sharp escalation of a trade war between the two countries. It came after the latest round of bilateral talks showed little sign of a breakthrough. The new tariffs, due to take effect on 1st Sept., effectively tax all Chinese imports to the US. (www.bbc.com 02/08/19)

China pledges countermeasures as Trump escalates trade war again
Beijing has pledged to respond if the US insists on adding extra tariffs to the remainder of Chinese imports, after President Donald Trump's abrupt escalation of the trade war. “If the US is going to implement the additional tariffs, China will have to take necessary countermeasures,” Foreign Ministry spokeswoman Hua Chunying said. (www.bloomberg.com 01/08/19)

Mark Carney warns of instant shock from no-deal Brexit
A no-deal Brexit would result in an instant shock to the UK economy, the Governor of the Bank of England, Mark Carney, has warned. Items such as petrol and food would become more expensive if the UK leaves the EU without an agreement, he said. He predicted the value of the pound would fall in response to what he described as a "real economic shock". (www.bbc.com 02/08/19)

Bank of England cuts UK growth forecast
Bank of England has cut its forecasts for UK growth over the next two years. It also warned that a no-deal Brexit would hit the economy and trigger a further drop in the value of the pound. The Bank left interest rates unchanged at 0.75% against a backdrop of weaker global growth and ongoing trade tensions between the US and China. (www.bbc.com 01/08/19)

Japan monetary base +3.7% on year in July
The monetary base in Japan was up 3.7% on year in July, coming in at ¥516.014tr. That's down from a 4% gain in June. Banknotes in circulation rose 2.8% on year, while coins in circulation gained an annual 2.3%. Current account balances advanced 3.9% on year, including a 3.5% jump in reserve balances. (www.rtnews.com 01/08/19)

Swiss inflation eases more than expected
Switzerland's consumer price inflation eased more than expected in July. Consumer prices climbed 0.3% year-on-year, following a 0.6% rise in June. Inflation was forecast to slow moderately to 0.5%. On a monthly basis, consumer prices fell 0.5% in July after staying flat a month ago. Prices were expected to drop 0.4%. The monthly decline was largely driven by falling prices of clothing and footwear, cost of holiday packages and air transport. (www.rtnews.com 02/08/19)

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*SOURCE: BOG INTERNAL TRANSACTION RATES: 02/08/19 (Rates for 01/08/19 in brackets)
* BOG INTERNAL TRANSACTION RATES: 02/08/19 (Rates for 01/08/19 in brackets)
Czech central bank holds rate unchanged for second time
The Czech National Bank has left its key interest rate unchanged for a second policy session in a row, as expected, after raising it by a quarter-point in May. Led by Governor Jiri Rusnok, it decided unanimously to keep the two-week repo rate at 2%. The discount rate was maintained at 1% and the Lombard rate at 3%. (www.rtnnews.com 01/08/19)

Malaysia exports declined in June
Malaysia’s exports declined unexpectedly in June, while imports fell at a faster-than-expected rate. Exports declined 3.1% year-on-year to MYR 76.2bn in May. Economists had expected a 1.9% rise. Imports dropped 9.2% to MYR 65.9bn. Economists had forecast an annual fall of 1.3%. On a monthly basis, exports fell by a seasonally adjusted 6.5% in June and imports declined 9.5%. (www.rtnnews.com 02/08/19)

Hungary retail sales growth rose in June
Hungary’s retail sales growth rose in June after slowing in May. Retail sales rose 5.2% year-on-year in June, after a 2.6% increase in May. In April, sales were 7.2%. Sales of non-food retail shops grew 8.7% annually in June. (www.rtnnews.com 02/08/19)

Slovakia retail sales fell for a second month in June
Slovakia’s retail sales declined for the second month in a row in June, figures from the Statistical Office of the Slovak Republic show. Retail sales fell 0.4% year-on-year in June, following a 2.7% decline in May. In April, sales rose 1.8%. (www.rtnnews.com 02/08/19)

Royal Bank of Scotland declines as gloom about Brexit deepens
Royal Bank of Scotland Group Plc slid as the state-controlled lender indicated that it is unlikely to reach key profitability targets, including return on tangible equity of more than 12% and a cost-to-income ratio of less than 50%, next year, given the political and economic uncertainty around Brexit. (www.bloomberg.com 02/08/19)

OPEC production slides again as US squeeze on Iran continues
OPEC’s output, already at the lowest since 2014, slid again last month as US sanctions took a further toll on exports from Iran. Iran has been pumping the least crude since the mid-1980s as the US imposes penalties on any country or company that deals with Tehran, part of President Donald Trump’s campaign to pressure the country over its nuclear programme. (www.bloomberg.com 01/08/19)

S. African factory sentiment at three-year high
The jump to a three-year high in a gauge measuring sentiment in South Africa’s manufacturing industry may not be sustainable. Absa Group Ltd.’s Purchasing Managers’ Index, compiled by the Bureau for Economic Research, increased to 52.1 from 46.2 in June. (www.bloomberg.com 01/08/19)

S. Africa’s rand gains as dollar surge slows
South Africa’s rand gained early on Friday after three straight sessions of falls, as the dollar’s recent rally was halted by resurfacing trade tensions between the US and China. At 0620 GMT the rand was 0.31% firmer at 14.6150 per dollar from a close of 14.6600 overnight. (www.af.reuters.com 02/08/19)

Nigeria central bank intervening to prop up naira, trader says
The Nigerian central bank has been intervening in the currency market over the past two weeks to keep the naira stable as foreign investors took profits after yields fell on the local debt market. The naira was quoted at 362.80 to the dollar on the currency market for investors, weaker than the level around 361 level where it has traded for much of this year. (www.af.reuters.com 01/08/19)

Zimbabwe T-Bill auction oversubscribed after seven-year hiatus
Zimbabwe’s central bank has said its first Treasury Bill auction in seven years, aimed at raising $3.25m, was oversubscribed more than four times as the government started open market borrowing to enhance transparency on its domestic debt. (www.af.reuters.com 01/08/19)

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