EU should stick with Basel output floor – ECB's Enria
The Chair of the European Central Bank’s supervisory mechanism, Andrea Enria, has told European legislators there is no reason for the European Union to deviate from controversial rules set by international standard-setters. “The bulk of the proposals, which are on the table of international standards, are perfectly aligned with the analysis done by the European Banking Authority and the findings of our own analysis of internal models,” said Enria. (www.centralbanking.com 05/09/19)

US services sector growth accelerates; private payrolls jump
US services sector activity accelerated in Aug. and private employers boosted hiring, suggesting the economy continued to grow at a moderate pace despite trade tensions. The Institute for Supply Management said its non-manufacturing activity index increased to a reading of 56.4 in Aug. from 53.7 in July. (www.reuters.com 05/09/19)

US factory orders jump more than expected in July
New orders for US manufactured goods jumped more than expected in the month of July. Report said factory orders surged up by 1.4% in July after climbing by a downwardly revised 0.5% in June. (www.rttnews.com 05/09/19)

Fed's rate-cut debate focuses on 'robust' US consumer
Slowing global economies, the escalating trade war between Washington and Beijing and a warning sign of recession flashing in the US Treasury market have all fed expectations the Fed is poised to lower rates. But sentiment is much less well-defined within the Fed over whether to reduce borrowing costs for the second time this year. (www.reuters.com 04/09/19)

UK demand for staff rises at slowest pace since 2012
The UK labor market conditions softened in Aug. on Brexit uncertainty, the latest Report on Jobs from IHS Markit shows. Total demand for staff grew at the weakest pace since 2012 with softer rates of increase in both permanent and temporary vacancies. Meanwhile, the latest reduction in staff supply was the least marked for over two-and-a-half years. (www.rttnews.com 05/09/19)

Japan leading index steady in July
Japan's leading index remained unchanged in July, preliminary data from the Cabinet Office shows. The leading index, which measures the future economic activity, came in at 93.6 in July, unchanged from June. Economists had forecast a reading of 93.2. A similar lower reading was last seen in April 2011. (www.rttnews.com 05/09/19)

Merkel hopes China-US trade problems will be over soon
German Chancellor Angela Merkel has said at the start of a visit to Beijing on Friday that the China-US trade war affects the whole world and that she hopes it will be resolved soon. Germany’s firms have been caught in the crossfire of a US-China trade conflict, its economy contracted on weaker exports in the second quarter, and leading economists say it is facing a recession. (www.reuters.com 06/09/19)

Germany's industrial output falls unexpectedly
Germany's industrial production declined unexpectedly in July. Industrial production fell 0.6% in July from June, confounding expectations for an increase of 0.3%. Nonetheless, the pace of decline slowed from the 1.1% fall posted in June. On a yearly basis, industrial production was down 4.2% versus June's 4.7% decrease. (www.rttnews.com 06/09/19)

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**EXCHANGE RATES OF SELECTED CURRENCIES**

<table>
<thead>
<tr>
<th>CURRENCY</th>
<th>BUYING</th>
<th>SELLING</th>
</tr>
</thead>
<tbody>
<tr>
<td>+USD/GBP</td>
<td>1.2332</td>
<td>1.2350</td>
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<tr>
<td>+USD/EUR</td>
<td>(1.2186)</td>
<td>(1.2214)</td>
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<tr>
<td>*GHS/USD</td>
<td>1.1039</td>
<td>1.1058</td>
</tr>
<tr>
<td>*GHS/EUR</td>
<td>(1.1020)</td>
<td>(1.1041)</td>
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<tr>
<td>+GHS/GBP</td>
<td>5.2973</td>
<td>5.3027</td>
</tr>
<tr>
<td>*GHS/EUR</td>
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<td>(5.3027)</td>
</tr>
<tr>
<td>*GHS/GBP</td>
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<td>6.5419</td>
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<tr>
<td>*GHS/EUR</td>
<td>(6.4616)</td>
<td>(6.4704)</td>
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<tr>
<td>*GHS/GBP</td>
<td>5.8535</td>
<td>5.8578</td>
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<tr>
<td>*GHS/EUR</td>
<td>(5.8434)</td>
<td>(5.8486)</td>
</tr>
</tbody>
</table>

*BOG INTERNAL TRANSACTION RATES: 06/09/19 (Rates for 05/08/19 in brackets)

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**BANK OF GHANA NEWS BRIEF**

News Summaries from Foreign and Local Media

Friday, September 06, 2019

Vol.: 35  No: 5  Date: 06/09/19
Riksbank to continue hiking rates, but at slower pace
Sweden's central bank has left its key interest rate unchanged, as expected, and signaled that it will hike rates in future at a slower pace. The Executive Board of Riksbank decided to hold the repo rate unchanged at -0.25%. (www.rttnews.com 05/09/19)

Bank of Canada says economy able to weather shocks
The Bank of Canada indicated the country’s economy has recovered enough strength to better cope with potential negative shocks, and officials would be willing to defy any global easing if domestic conditions warranted. Deputy Governor Lawrence Schembri said policy makers began their deliberations this week by recognizing the economy had performed better than expected. (www.bloomberg.com 05/09/19)

RBI makes fresh bid to boost transmission mechanism
The Reserve Bank of India has made a fresh attempt to deal with the long-running problem of the pass-through of policy rates to the real economy, by mandating banks to link floating-rate loans to an “external benchmark”. “It has been observed that due to various reasons, the transmission of policy rate changes to the lending rate of banks under the current marginal cost of fund-based lending rate framework has not been satisfactory,” the RBI said in a statement. (www.centralbanking.com 05/09/19)

Argentina expects IMF cash after fulfilling demands, Macri says
Argentina expects the next tranche of its loan from the International Monetary Fund, as it has fulfilled all the lender’s requirements, President Mauricio Macri has said. (www.bloomberg.com 05/09/19)

G10 currencies to dance to dollar's tune, trade-war and Fed song: Reuters poll
Group of 10 currencies will be driven by the US-China trade war and actions by the US Federal Reserve in coming months, while economic developments in other parts of the world are likely to take second stage, a Reuters poll found. The greenback is expected to maintain its position of strength this year as investors continue to flock into dollar-denominated assets, which are currently outperforming, as trade uncertainty tends to favors them. (www.reuters.com 06/09/19)

S. Africa's net foreign reserves rise to $44.226bn in Aug
South Africa’s net foreign reserves rose to $44.226bn in Aug. from $43.906bn in July, the Reserve Bank has said. Gross reserves increased to $49.948bn at the end of Aug. from $49.360bn the previous month, central bank data shows. (www.af.reuters.com 06/09/19)

Nigeria uses tax credits for private firms to boost infrastructure
Nigeria is using a system of tax credits to encourage private companies to share the cost of infrastructure projects as part of a drive to diversify Africa’s biggest economy away from its reliance on oil sales, the country’s tax chief said. Tunde Fowler, executive chairman of the Federal Inland Revenue Service, said that more than 10 local companies had applied for the scheme to receive 50% of expenditure in tax credits. He also said Nigeria had a target to nearly double tax revenues this year from 2018 due to a surge of new payers. (www.af.reuters.com 05/09/19)

Liberian judge releases three central bank officials on bail
A Liberian judge has released three former central bank officials, including an ex-governor, from prison, while they await trial on charges of corruption. Judge Yussif Kaba allowed former central bank governor Milton Weeks, former operations director Richard Walker and former finance director Dorbor Hagba, to leave prison while awaiting trial. (www.centralbanking.com 05/09/19)

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