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In a fracturing world, central banks still stuck together

The last time major central banks shifted gears together it was a cooperative move to keep the financial crisis of a decade ago from becoming a full-bore, worldwide depression. It's a situation that has created deep internal divisions at the ECB. The Bank of Japan and the US Fed officials debate how to confront a global slowdown with limited room to cut interest rates. (www.reuters.com 11/09/19)

The ECB is preparing to inflict more pain on banks

The ECB screws again on financial institutions by diving even deeper into negative interest rates. While its strategy is to boost growth and inflation by lowering borrowing costs for companies and households, squeezing banks too much could hamper their ability to supply the credit that fuels the economy. (www.bloomberg.com 11/09/19)

ECB resistance to Draghi's final push augurs warning for Lagarde

Christine Lagarde may get a sense of things to come under her presidency of the ECB, as her forerunner in the role encounters resistance to the final stimulus push of his tenure. Policymakers sceptical of the need for quantitative easing appear to be emboldened by Mario Draghi's impending exit. (www.bloomberg.com 10/09/19)

Draghi to end ECB tenure with a bang or buzz

ECB President Mario Draghi is widely expected to announce a fresh round of stimulus measures to rev up the euro area economy – a final push before the expiry of his term at the end of Oct. He hands over the reins to the outgoing IMF Managing Director Christine Lagarde on Oct 31. (www.rttnews.com 10/09/19)

Fed Reserve proposes new capital rule for insurance firms

The Fed has proposed a new risk-based capital requirement for insurance holding companies. The framework which it calls the “building block approach”, determines the company's enterprise-wide capital requirements by aggregating subsidiary requirements. The new framework would apply to eight depository institutions that are “significantly engaged in insurance activities”, the Fed says. (www.centralbanking.com 10/09/19)

China to introduce measures to ease negative impact of trade war

China will introduce important measures to ease the negative impact of the trade war with the United States, Hu Xijin, the editor in chief of the Global Times newspaper has said without citing a source. “The measures will benefit some companies from both China and the US,” he tweeted. (www.reuters.com 11/09/19)

China sees flat inflation growth in Aug

China's consumer price index (CPI), a main gauge of inflation, rose 2.8% year on year in Aug., the National Bureau of Statistics (NBS) has said. The growth rate was unchanged from that in July. Food prices grew 10% year on year last month, up from 9.1% in July, while non-food prices gained 1.1%, 0.2 percentage points lower than that of July. (www.xinhuanet.com 10/09/19)

UK labour market remains strong but signs of stress appear

The UK economy continued to create jobs over the summer and wages jumped, despite the escalating turmoil over Brexit. The number of workers rose by 31,000 in the three months through July, shifting the jobless rate to 3.8% – the lowest since the 1970s, the Office for National Statistics has stated. (www.bloomberg.com 10/09/19)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2354	(1.2347)	1.2355	(1.2372)
+USD/EUR	1.1044	(1.1049)	1.1046	(1.1067)
*GHS/USD	5.3013	(5.3003)	5.3067	(5.3056)
*GHS/GBP	6.5493	(6.5506)	6.5564	(6.5577)
*GHS/EUR	5.8565	(5.8624)	5.8602	(5.8656)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 11/09/19 (Rates for 10/09/19 in brackets)

* BOG INTERNAL TRANSACTION RATES: 11/09/19 (Rates for 10/09/19 in brackets)

French industrial output up 0.3% in July, undershooting forecasts

French industrial output edged 0.3% higher in July, confounding the expectations of some economists who forecast a summer heat wave might support a stronger rebound. The weaker-than-expected French data follows a fall in German industrial output in July that added to signs that struggling manufacturers could tip Europe's largest economy into a recession. (www.reuters.com 10/09/19)

RBI weighs plan to boost securitisation market

The Reserve Bank of India is seeking feedback on plans that could boost the Indian securitisation market with the goal of helping firms to manage risks around housing loans and thereby support home ownership. (www.centralbanking.com 10/09/19)

Indonesia retail sales grew further in July

Indonesia's retail sales increased in July after a slump in the previous month is estimated to have grown at a faster rate in Aug. survey data from Bank Indonesia show. Retail sales grew 2.4% year-on-year in July after a 1.8% slump in June. In May, sales rose 7.7%. (www.rttnews.com 10/09/19)

Wage boom plan won't budge Poland on rates

Not even a surge in inflation and government plan to hike wages will steer Poland's central bank away from a promise to keep borrowing costs unchanged for another year. The opposing forces of price growth at home and the global economic slowdown have already triggered debate in the Monetary Policy Council over the future direction of interest rates. (www.bloomberg.com 11/09/19)

Australian consumer mood sours, bets rise on steeper rate cuts

Australian consumers turned gloomier in Sept. as concerns about their personal finances eclipsed signs of a modest recovery in the housing market, underlining why markets are betting on more rate cuts to support a flagging economy. (www.reuters.com 11/09/19)

Oil gains after sharp draw in US inventories

Oil prices rose on Wednesday after a reported drop in US crude stocks, reversing the previous session's losses sparked by the departure of US President Trump's hawkish adviser on national security. Brent crude futures gained 48 cents to \$62.86 a barrel by 0808 GMT while West Texas Intermediate futures were up 44 cents, or \$57.84 a barrel. (www.reuters.com 11/09/19)

S. Africa's investment-grade rating depends on pace of reforms – Moody's

Ratings firm Moody's said on Tuesday fiscal risks and political constraints to economic reform in South Africa were reflected in its current credit rating one notch above speculative grade but that maintaining the level depended on how quickly President Cyril Ramaphosa's government can implement promised reforms. (www.af.reuters.com 10/09/19)

S. Africa's manufacturing down 1.1% y/y in July

South Africa's manufacturing output was down 1.1% year-on-year in July after falling by a revised 3.6% in June, the statistics agency has said. On a month-on-month basis factory production was up by 0.4% in July, Statistics South Africa said. (www.af.reuters.com 10/09/19)

Egypt's Aug inflation rate fell to 7.5% y/y, lowest in years

Egypt's annual urban consumer price inflation rate decreased to 7.5% in Aug. – the lowest rate in years and seen by analysts as opening the way for further rate cuts by the central bank. Egypt is approaching the end of an IMF-backed economic reform programme that during 2017 saw inflation rise to a high of 33%. (www.af.reuters.com 10/09/19)

Ghana strengthens capacity to avoid repeat of banking clean-up

The Bank of Ghana is strengthening its capacity to regulate lenders and avoid a repeat of a sector clean-up which cost the West African nation more than GH¢14bn (\$2.5bn). (www.bloomberg.com 10/09/19)

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