



Thursday, September 12, 2019

ECB expected to cut rates and restart QE to boost inflation

The European Central Bank (ECB) is expected to deliver a new stimulus package in a bid to boost inflation at its policy meeting on Sept. 12. President Mario Draghi is likely to announce a rate cut and the resumption of net asset purchases, analysts tell *Central Banking*. This decision may very well be Draghi's last meaningful policy announcement in his eventful eight-year term. (www.centralbanking.com 11/09/19)

Law could help central banks fight the next recession

Countercyclical legal and regulatory policy should be used to boost aggregate demand during a recession, discussion panellists at the Brookings Institution have proposed. Policymakers need to utilise all tools to fight the next recession as there is a "very good chance" that fiscal and monetary policy will be constrained, Fed economist Claudia Sahm has said. (www.centralbanking.com 11/09/19)

Trump ups pressure on Fed, seeking rates of zero 'or less'

President Donald Trump urged the Federal Reserve to lower interest rates to a level typically reserved for recessions or periods of persistently weak growth, suggesting that such a setting could allow the government to refinance Treasury debt at a lower cost. (www.bloomberg.com 11/09/19)

Trump delays tariff hikes on Chinese goods ahead of talks

US President Donald Trump will delay a tariff hike on \$250bn of Chinese goods as a "gesture of good will". Mr Trump said a 5% increase to duties scheduled for 1 Oct. will be postponed for two weeks. Tariff rates on all Chinese goods include raising a 25% tax on \$250bn of Chinese imports to 30%. (www.bbc.com 12/09/19)

China scraps some US tariffs ahead of trade talks

China has released a list of 16 US imports that will be exempted from tariffs in the ongoing trade war between the world's two largest economies. They include anti-cancer drugs and animal feed. With more than 5,000 products on it, the list of goods that are still subject to extra taxes is much longer. (www.bbc.com 11/09/19)

As trade war pinches China, it opens doors wide for foreign money

As the Sino-US trade war drags on, Beijing is throwing its door wide open to foreign investors as concerns grow over declining exports, capital flight and persistent yuan weakness. In the latest of a slew of measures to woo overseas capital, China scrapped the limits on two key inbound investment schemes, even though two-thirds of existing quotas under the scheme remained unused. (www.reuters.com 11/09/19)

Germany inflation eased as estimated in Aug

Germany's inflation eased as estimated in Aug., data from Destatis show. Consumer prices climbed 1.4% year-on-year in Aug. slower than a 1.7% increase in July. The statistical office confirmed the preliminary estimate on Aug. 29. On a monthly basis, consumer prices dropped 0.2% as previously estimated in Aug., largely reflecting weak energy prices. (www.rttnews.com 12/09/19)

France inflation slowed in Aug

France consumer prices increased at a slower than estimated pace in Aug., final data from the statistical office show. Consumer prices grew 1% year-on-year in Aug., slower than 1.1% rise in July. On a monthly basis, consumer prices gained 0.5%, after a 0.2% fall in July. (www.rttnews.com 12/09/19)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2331	(1.2354)	1.2333	(1.2355)
+USD/EUR	1.0991	(1.1044)	1.0995	(1.1046)
*GHS/USD	5.3013	(5.3013)	5.3067	(5.3067)
*GHS/GBP	6.5371	(6.5493)	6.5447	(6.5564)
*GHS/EUR	5.8284	(5.8565)	5.8325	(5.8602)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 12/09/19 (Rates for 11/09/19 in brackets)

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Japan producer prices slipped 0.3% on month in Aug

Producer prices in Japan were down 0.3% on month in Aug., shy of expectations for a drop of 0.2% following a flat reading in July, the Bank of Japan has said. On a yearly basis, producer prices sank 0.9% again missing estimates for a fall of 0.8% after 0.6% decline previously. (www.rttnews.com 11/09/19)

Malaysia's July industrial output up 1.2%

Malaysia's industrial production index (IPI) rose 1.2% year-on-year in July, government data show. Malaysian Statistics Department said in a statement that the growth was driven by the increase in the index of manufacturing and electricity which grew 4% and 2%, respectively. (www.xinhuanet.com 11/09/19)

S. Korea's employment growth hit 29-month high in Aug

South Korea's employment growth hit a 29-month high last month on the government's efforts to create jobs amid the aging population and low birthrate, statistical office data show. The number of those employed totalled 27,358,000 in Aug., up 452,000 from a year earlier, according to Statistics Korea. (www.xinhuanet.com 11/09/19)

Poland central bank holds key rate steady

Poland's central bank maintained its key interest rate at a record low on Wednesday, as widely expected. The Monetary Policy Council decided to keep the key reference rate unchanged at a record low 1.50%, the National Bank of Poland said in a statement. (www.rttnews.com 11/09/19)

Armenia cuts rate 25 bps, to keep easy policy stance

Armenia's central bank has lowered its refinancing rate by 25 basis points to 5.50%, reiterating that it expects to maintain a stimulative monetary policy stance in the medium term to achieve its inflation target due to the deflationary impact from the external sector, where economic growth and inflation is slowing. (www.centralbanknews.info 11/09/19)

OPEC cuts 2020 oil demand forecast, urges effort to avert new glut

OPEC on Wednesday cut its forecast for growth in world oil demand in 2020 due to an economic slowdown, an outlook the producer group said highlighted the need for ongoing efforts to prevent a new glut of crude. OPEC, in the report, lowered its forecast for world economic growth in 2020 to 3.1% from 3.2%. (www.reuters.com 11/09/19)

S. Africa to hold rates on Sept. 19, awaiting ratings review: Reuters poll

The South African Reserve Bank will keep its repo rate unchanged on Sept. 19 despite a benign inflation outlook, a Reuters poll found, and any further rate cuts will likely hinge on a potentially game-changing credit rating review in Nov. (www.reuters.com 12/09/19)

World Bank endorses Somalia's steady economic recovery

The World Bank has backed Somalia's economy to grow above expectations for the next three-to-five years, if the country can sustain its current economic reform momentum. Somalia has been in turmoil since 1991. (www.africanews.com 11/09/19)

Zambia central bank opposes bid to remove oversight of public debt

Zambia's central bank said on Wednesday it opposed government moves to remove lawmakers' oversight over acquiring more public debt. The government proposed constitutional changes in Aug. to remove lawmakers' right to approve new government loans and the ratification of international treaties – triggering an outcry from rights and opposition groups. (www.af.reuters.com 11/09/19)

Zimbabwe sets up Monetary Policy Committee to boost confidence

Zimbabwe has set up a Monetary Policy Committee (MPC) at its central bank as part of reforms to remove economic distortions and boost confidence in policymaking, the finance ministry has said. The nine-member MPC includes central bank Governor John Mangudya. (www.af.reuters.com 11/09/19)

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