



Friday, September 13, 2019

Eurozone gets fresh help to bolster flagging growth

The European Central Bank (ECB) has unveiled fresh stimulus measures to bolster the Eurozone, including cutting a key interest rate. The deposit facility rate, paid by banks on reserves parked at the ECB, was already negative, but has now been cut from minus 0.4% to minus 0.5%. The ECB also said it was re-starting quantitative easing. It will buy €20bn of debt a month from 1 Nov. The Eurozone's main interest rate has remained unchanged at zero. (www.bbc.com 12/09/19)

Eurozone industry output drops by more than expected in July

Eurozone production fell for a second month and by more than expected in July, showing industry in the single currency bloc entering the third quarter in a negative tone. Industrial production in the eurozone area fell by 0.4% in July from June and by 2.0% year-on-year. (www.reuters.com 12/09/19)

US-China trade war risks driving Fed policy, not Trump's carping: economists

The US-China trade war will worsen or at best stay the same over the coming year, according to economists in a Reuters poll who expect the Federal Reserve to cut interest rates next week for the second meeting in a row. The median probability of a US recession in the next two years held at a high of 45% and the chance of one in the next 12 months held at 30%. (www.reuters.com 12/09/19)

US weekly jobless claims drop much more than expected to 204,000

First-time claims for US unemployment benefits dropped by more than expected in the week ended Sept. 7th, according to a report by the Labor Department. The report said initial jobless claims fell to 204,000, a decrease of 15,000 from the previous week's revised level of 219,000. (www.rttnews.com 12/09/19)

Stable growth of foreign trade reflects China's strong economic resilience

Continuing the steady growth momentum, China's foreign trade of goods exceeded ¥20tn (about \$2.8tn) from Jan. to Aug., up 3.6% year on year, according to the latest figures by China's General Administration of Customs. In the first eight months, the bilateral trade volume between China and the European Union (EU) rose 9.7% from a year earlier to ¥3.15tn, as EU continued to be China's largest trading partner. (www.xinhuanet.com 12/09/19)

Ifo cuts Germany's growth projections

The Ifo Institute has downgraded Germany's growth projections for 2019 and 2020. The think tank forecast the economy to slip into a recession in the third quarter of 2019. In its Autumn Forecast, Ifo said the largest Eurozone economy will grow only 0.5% this year, instead of 0.6% estimated earlier. (www.rttnews.com 12/09/19)

Japan Aug. exports seen in sharpest fall in three years, core inflation to dip

Japan's exports likely contracted at the fastest pace in more than three years in Aug., a Reuters' poll shows and indicating increasing pressure on shipments as the economy is being hit by the US-China trade war and slower global growth. Exports in Aug. are forecast to have slumped 10.9% from a year earlier which would be the biggest shrinkage since 14.0% in July 2016. (www.reuters.com 13/09/19)

Turkey launches second major rate cut

The Central Bank of the Republic of Turkey made its second consecutive rate cut, a bigger move than many investors had expected. The central bank slashed 325 basis points off its main rate, the one-week repo, bringing it to 16.5%. The consensus forecast among economists polled by *Reuters* had been for a 250bp cut. (www.centralbanking.com 12/09/19)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2342	(1.2331)	1.2346	(1.2333)
+USD/EUR	1.1063	(1.0991)	1.1067	(1.0995)
*GHS/USD	5.3043	(5.3013)	5.3097	(5.3067)
*GHS/GBP	6.5466	(6.5371)	6.5553	(6.5447)
*GHS/EUR	5.8693	(5.8284)	5.8739	(5.8325)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 13/09/19 (Rates for 12/09/19 in brackets)

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Argentina announces new round of currency controls amid economic crisis

Argentina's central bank announced currency controls in an effort to tame speculation and stem a spiralling debt crisis in Latin America's third largest economy. The new measure requires anyone purchasing foreign currency to present a sworn oath promising to wait at least five days before using it to purchase bonds. (www.reuters.com 12/09/19)

Malaysia maintains rate but sees further downside risks

Malaysia's central bank left its benchmark Overnight Policy Rate steady at 3.0% and while it confirmed its forecast for growth this year it was also more downbeat, saying the projection was "subject to further downside risks from worsening trade tensions, in the global and domestic environment." (www.centralbanknews.info 12/09/19)

Colombia appoints new policy board member

Roberto Steiner has been appointed to the board of the Central Bank of Colombia by the country's president, Iván Duque. The central bank welcomed the appointment and said Steiner is a "prominent" economist, based at the University of the Andes in Bogota. (www.centralbanking.com 12/09/19)

India's industrial output growth exceeds expectations

India's industrial production grew more than expected in July, data from statistics ministry shows. Industrial output advanced 4.3% on a yearly basis in July, following a 1.17% rise a month ago. Annual growth was largely driven by a 6.6% rise in electricity output. Mining output grew 3.4% and manufacturing rose 2.8%. (www.rttnews.com 12/09/19)

Swiss National Bank stays mum on policy after ECB eases further

The Swiss National Bank declined to comment about the possible implications for its own monetary policy after the European Central Bank on Thursday decided to lower its deposit rate and restart its bond buying program. (www.reuters.com 12/09/19)

Oil prices fall after OPEC talks, ECB rate cut

Oil prices fell on Thursday after a meeting of the OPEC alliance yielded no decision on deepening supply cuts but focused instead on bringing Nigerian and Iraqi output down to their agreed quotas. Brent crude futures LCOc1 were down \$1.20 cents at \$59.61 a barrel by 1237 GMT. US West Texas Intermediate futures CLc1 fell 96 cents to \$54.79. (www.reuters.com 12/09/19)

S. Africa's rand firms as global monetary easing takes spotlight

South Africa's rand inched up against the dollar in early trade on Friday, as global monetary easing and hints of progress in the US-China trade dispute buoyed risk appetite. At 0610 GMT, the rand was 0.05% firmer at 14.5925 per dollar, from its Thursday close of 14.6000. (www.af.reuters.com 13/09/19)

Nigeria plans VAT increase in push to raise non-oil revenues

Nigeria plans to increase value-added tax on goods, Zainab Ahmed, the finance minister has said. Africa's biggest oil exporter seeks to reduce its reliance on crude sales. The government proposes raising VAT next year to 7.2% - up from 5%. (www.af.reuters.com 12/09/19)

Namibia's annual inflation slowed in Aug

The annual inflation rate slowed to 3.7% in Aug. 2019 from 4.4% registered during the same period last year, according to Namibia Statistics Agency. The decrease resulted mainly from downturn registered in transport, housing, water, electricity, gas and other fuels, health, alcoholic beverages and tobacco. (www.af.reuters.com 12/09/19)

Somaliland seeks investors

Somaliland is seeking investors to boost trade and ultimately the local economy. The semi-desert territory on the Coast of the Gulf of Aden, declared its independence from Somalia in 1991. The World Bank pegs its Gross Domestic Product at \$1.9bn. As at 2017, the population of Somaliland was 3.5m. (www.africanews.com 12/09/19)

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