



Monday, September 16, 2019

## Draghi's divided ECB leaves markets hoping for government action

Mario Draghi is leaving the European Central Bank with a final stimulus package that has divided colleagues and drawn doubts over its economic effectiveness, putting governments under renewed pressure to step up with fiscal policy. ([www.bloomberg.com](http://www.bloomberg.com) 13/09/19)

## Fed policy is reinforcing overvalued equities, Shiller warns

The Federal Reserve's July rate cut has added to the divergence of US equity prices from their underlying earnings, US economist Robert Shiller says. The Nobel Prize-winner says the near decade-long bull market has been driven by the idea, or the "economic narrative", that low interest rates will persist. ([www.centralbanking.com](http://www.centralbanking.com) 13/09/19)

## US budget deficit widens 18.8% - Treasury Dept

The US federal budget deficit exceeded \$1tr in the first 11 months of the fiscal year 2019, up by 18.8% from the same period the previous year, the Treasury Department has said. The 11-month deficit, from Oct last year to Aug. was \$1.067tr, the highest level since 2012, according to data from the monthly Treasury statement. ([www.xinhuanet.com](http://www.xinhuanet.com) 13/09/19)

## Eurozone bailout chief backs Greek plan for early IMF repayment in Oct

The head of the eurozone's bailout fund, Klaus Regling, has said he supported a Greek plan for the early repayment of part of the expensive loans the country got from the IMF during the sovereign debt crisis. At an informal meeting of eurozone finance ministers in Helsinki on Friday, the Greek Finance Minister presented his plan to repay earlier about €3bn of IMF loans which carry 5.1% interest rate. ([www.reuters.com](http://www.reuters.com) 13/09/19)

## China's industrial output growth fell to 17-1/2 year low

The slowdown in China's economy deepened in Aug., with industrial production growing at its weakest pace in 17-1/2 years amid rising US trade pressure and softening domestic demand. Retail sales and investment gauges also worsened, data show, reinforcing views that China is likely to cut some of its key interest rates this week for the first time in over three years to prevent a sharper slump in activity. ([www.reuters.com](http://www.reuters.com) 16/09/19)

## China financial institutions' total assets up 8.4%

The total assets of China's financial institutions were ¥308.96tr (about \$43.61tr) at the end of June, data from the central bank show. This represents a year-on-year increase of 8.4%, according to the central bank. Total assets of lenders, brokerages and insurers reached ¥281.58tr, ¥7.88tr and ¥19.5tr respectively. ([www.xinhuanet.com](http://www.xinhuanet.com) 13/09/19)

## UK employers cut growth forecasts

The British Chamber of Commerce has cut its forecast for economic growth this year and 2020, blaming a slower global economy. It cut its economic growth forecast for this year to 1.2% from its June forecast of 1.3% and lowered the figure for 2020 to 0.8% from 1.0%. ([www.reuters.com](http://www.reuters.com) 16/09/19)

## Taiwan central bank seen leaving rates steady as export view perks up: Reuters poll

Taiwan's central bank is expected to leave its policy rate steady for the thirteenth consecutive quarter, analysts showed amid signs the export outlook may be slowly improving despite the escalating US-China trade war. Economists said they expected the central bank to keep the benchmark discount rate at 1.375%. ([www.reuters.com](http://www.reuters.com) 16/09/19)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2454	(1.2342)	1.2455	(1.2346)
+USD/EUR	1.1077	(1.1063)	1.1078	(1.1067)
*GHS/USD	5.3043	(5.3043)	5.3097	(5.3097)
*GHS/GBP	6.6060	(6.5466)	6.6132	(6.5553)
*GHS/EUR	5.8773	(5.8693)	5.8805	(5.8739)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 16/09/19 (Rates for 13/09/19 in brackets)

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### **Ireland's GDP growth eased in Q2**

Ireland's economy logged a weaker growth in the second quarter, the Central Statistics Office has said. GDP expanded 0.7% sequentially, slower than a 2.7% increase in the first quarter. The slowdown was driven by household consumption. Meanwhile, capital formation that accounts for 58% of domestic demand contributed significantly to the growth. ([www.rttnews.com](http://www.rttnews.com) 13/09/19)

### **Finland's economic growth slowed in July**

Finland's economic growth slowed in July, data from Statistics Finland revealed. Output of the national economy grew 1.7% year-on-year in July, slower than a revised 2.5% increase logged in June. Output fell 0.8% on a monthly basis in July. ([www.rttnews.com](http://www.rttnews.com) 13/09/19)

### **Azerbaijan cuts rate 10<sup>th</sup> time; inflation decides future**

The Central Bank of the Republic of Azerbaijan has cut its discount rate by 25 basis points to 8.0% and has now cut it by 7 percentage points since last Feb. It is the bank's sixth rate cut this year, with the rate cut 175 points. ([www.centralbanknews.info](http://www.centralbanknews.info) 13/09/19)

### **Vietnam cuts key rates first time since July 2017**

Vietnam's central bank has lowered its key interest rates by 25 basis points for the first time in over two years to support economic growth at a time of a "less favourable" state of the world economy in which many central banks, including the US Federal Reserve and the European Central Bank, have lowered their interest rates. ([www.centralbanknews.info](http://www.centralbanknews.info) 15/09/19)

### **Papua New Guinea upgrades payment system**

The Bank of Papua New Guinea (BPNG) plans to onboard smaller domestic banks and deposit-taking institutions, as well as international payment networks such as Visa and MasterCard, in the next phases of its new nationwide payment system. The payments overhaul is aimed at improving efficiency as well as financial inclusion. ([www.centralbanknews.info](http://www.centralbanknews.info) 13/09/19)

### **Oil prices soar after attacks on Saudi facilities**

Oil prices surged by nearly 20% after two attacks on Saudi Arabian facilities on Saturday knocked out more than 5% of the world's supply. Brent crude, the international benchmark used by oil traders, jumped to \$71.95 a barrel at one point. US oil prices also spiked, but both trimmed gains as President Donald Trump authorised the release of US reserves. ([www.bbc.com](http://www.bbc.com) 16/09/19)

### **S. Africa likely to miss 1.5% growth target – finance minister**

South Africa's economic growth is unlikely to reach the treasury's target of 1.5% in 2019 because conditions have changed and the country is facing increasing headwinds, Finance Minister Tito Mboweni has said. ([www.africanews.com](http://www.africanews.com) 14/09/19)

### **Zimbabwe raises benchmark rate to 70%**

Zimbabwe's central bank has raised its key interest rate to 70% from 50% to stabilize a plummeting currency and surging inflation. The step comes in the same week as the appointment of a Monetary Policy Committee and was announced by John Mangudya, the Governor of the Reserve Bank of Zimbabwe. ([www.bloomberg.com](http://www.bloomberg.com) 13/09/19)

### **Egypt's economy to grow by 8% annually by 2022-PM**

Egypt expects its economy to grow by an annual rate of 8% by 2022 as the government improves the investment climate, Prime Minister Mostafa Madbouly has said. "The Egyptian government expects growth to gradually pick up to 8% by 2022," he told a meeting of Arab central bank governors. ([www.af.reuters.com](http://www.af.reuters.com) 15/09/19)

### **World Bank lifts aid embargo, approves \$450m loan for Tanzania**

The World Bank has approved a \$450m loan to Tanzania, the bank has said, signalling the release of the first tranche of funds to the East African nation that were frozen last year because of concern over government policies. ([www.af.reuters.com](http://www.af.reuters.com) 13/09/19)

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