



Tuesday, September 17, 2019

EU budget plans foiled as Germany pushes for less spending

The European Union may need to scale down plans to boost growth and mitigate the social impact of a slowdown if it fails to quickly agree on a long-term budget, European officials said as Germany pushes to restrict spending. The EU administration is funded with a seven-year budget. The size and targets are often subject to prolonged haggling among its member states. (www.reuters.com 16/09/19)

Lane stresses broad consensus on ECB policy

Most members of the European Central Bank (ECB) governing council have agreed that lower inflation and growth warranted new measures at the latest policy meeting, ECB chief economist Philip Lane has said. He said he is convinced the new stimulus announced on Sept. 12 will have a significant effect, boosting investment and consumption in the eurozone. (www.centralbanking.com 16/09/19)

ECB has \$51bn fund questioning future of inflation hedging

The European Central Bank's latest round of easing sent a signal to institutional investors that their inflation hedges may be growing more pointless by the day. In the northernmost corner of the eurozone, a \$51bn pension fund says ECB President Mario Draghi isn't giving his industry much hope that things will improve. (www.bloomberg.com 17/09/19)

The Fed is poised to deliver another rate cut

The US Federal Reserve looks set to follow the ECB and cut rates next week by perhaps a quarter of a percentage point. Fed Chairman Jerome Powell has made clear that he doesn't think a US recession is likely, but he has acknowledged that economic headwinds are intensifying. (www.cnn.com 15/09/19)

Trade talks seen as unlikely to mend US-China divide

US and Chinese officials will restart trade talks at the end of this week but any agreement the world's largest economies carve out is expected to be a superficial fix. The trade war has hardened into a political and ideological battle that runs far deeper than tariffs, trade experts, executives, and officials in both countries say. (www.reuters.com 17/09/19)

Chinese economy retained growth momentum in Aug

China's economic performance remained stable in Aug. with signs of intrinsic strength and buzzing vitality abounding. China's job market remained stable in the first eight months of the year, with the surveyed urban unemployment rate dropping 0.1 percentage points to 5.2% last month and a total of 9.84m new urban jobs created during the Jan.-Aug. period. (www.xinhuanet.com 16/09/19)

BOJ expected to hold fire this week after Fed, ECB decisions

Bank of Japan leaves monetary policy unchanged this week as easing trade tensions and calmer financial markets relieve some of the pressure to act. About three quarters of 48 economists surveyed said the bank will leave policy unchanged at the end of a two-day meeting, hours after the Fed's forecast to cut rates. (www.bloomberg.com 16/09/19)

India wholesale price inflation steady in Aug

India's wholesale price inflation was stable in Aug., data from the Ministry of Commerce & Industry show. The wholesale price index rose 1.08% annually in Aug., the same rate as seen in July. Economists had expected a 1% increase. The build-up inflation rate grew 1.25% in Aug. (www.rttnews.com 16/09/19)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2418	(1.2454)	1.2422	(1.2455)
+USD/EUR	1.0997	(1.1077)	1.0998	(1.1078)
*GHS/USD	5.3043	(5.3043)	5.3097	(5.3097)
*GHS/GBP	6.5869	(6.6060)	6.5957	(6.6132)
*GHS/EUR	5.8348	(5.8773)	5.8394	(5.8805)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 17/09/19 (Rates for 16/09/19 in brackets)

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Italy inflation steady in Aug.

Italy's consumer price inflation remained stable in Aug., final data from the statistical office Istat show. The consumer price index rose 0.4% year-on-year in Aug., the same rate as seen in July. The flash estimate was 0.5% rise. Core inflation, excluding prices of energy and fresh food, was also steady at 0.5% in Aug. (www.rttnews.com 16/09/19)

Australia's cenbank eyes unemployment, housing for further rate cuts

Australia's central bank will assess global and domestic developments including the state of the country's labour market before cutting interest rates further. Minutes of the Reserve Bank of Australia's Sept. 3 meeting showed it would consider further rate cuts if necessary to support growth and achieve its 2% to 3% inflation target. (www.reuters.com 17/09/19)

Israel's current account surplus in Q2 up 106% year on year: report

Israel's current account surplus jumped to \$4.21bn in the second quarter (Q2) of 2019, up 106% year on year, according to a balance of payments report released. The report published by the state's Central Bureau of Statistics shows that in the first quarter of 2019, the current account surplus was \$2.77bn. (www.xinhuanet.com 16/09/19)

Pakistan maintains rate, current stance to lower inflation

Pakistan's central bank has left its policy rate steady after nine rate hikes since Jan. 2018, saying the current policy stance was appropriate to bring inflation down to its target range of 5 to 7% over the next two years. (www.centralbanknews.info 16/09/19)

Czech producer price inflation steady in Aug.

Czech producer price inflation remained stable in Aug., figures from the Czech Statistical Office show. The producer price index rose 2.1% year-on-year in Aug., the same rate as seen in July. Economists had expected the rate to ease to 1.9%. (www.rttnews.com 16/09/19)

Oil trims gains, but Middle East risks keep stocks on back foot

Oil shed some of its massive gains on Tuesday as the US flagged the possible release of crude reserves, but the threat of military action over the attacks on Saudi oil facilities kept prices elevated and stocks under pressure. While equity market losses have not been large, shaky investor confidence continued to support safe-haven assets. (www.reuters.com 17/09/19)

S. African rand weaker as risk appetite ebbs

South Africa's rand weakened in early trade on Monday as an attack on Saudi Arabia's oil facilities dented risk appetite, while investors braced for monetary policy decisions from major central bank meetings due this week. At 0635 GMT, the rand traded 0.53% weaker at 14.6575 per dollar. (www.af.reuters.com 16/09/19)

Namibia struggling with unemployment

Namibia is struggling to cope with unemployment among the youth because most of them are not educated and lack the basic skills needed by industries, a senior official has said. Minister of Labour Erkki Nghimtina said Namibia needs to find ways of decisively dealing with unemployment through growing the economy and adopting a fourth generation economy. (www.xinhuanet.com 16/09/19)

Nigerian stocks rise to more than one-month high

Nigerian stocks extended gains on Monday, rising to a more than one-month high as investors snapped up shares in the relatively liquid banking sector and heavy weight Dangote Cement gained. The main stock index was up 0.7% at 27,965 points, a level last seen in July although the market is still down 12% in the year to date. (www.af.reuters.com 16/09/19)

Kenyan shilling stable against the dollar

The Kenyan shilling was stable against the dollar on Monday with inflows from offshore investors buying government debt with commercial banks quoting the shilling at 103.65/85 per dollar, compared with 103.70/90 at Friday's close. (www.af.reuters.com 16/09/19)

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