



Wednesday, September 18, 2019

World Bank Chief Malpass sees steeper global growth slowdown

World Bank President David Malpass has said the global economy is poised to decelerate more than previously estimated, with the pile of negative-yielding debt indicating growth will be slower in the future. “The slowdown in global growth is broad based,” Malpass said. The nominal growth rate appears poised to slow to less than 3%, “a big letdown” from the about 6% pace in 2017 and 2018. (www.bloomberg.com 17/09/19)

Global growth will strengthen in 2020 – strategist

The US and global economy may slow in the very near term but should pick up again in 2020, said Kevin Gardiner, global investment strategist at Rothschild Private Wealth. The former Bank of England economist added that central banks should be cautious when responding to the slowdown in manufacturing. (www.centralbanking.com 17/09/19)

Draghi’s QE triumph hinged on ECB colleagues from tiny economies

Mario Draghi’s controversial push to restart bond purchases counted on the support of ECB policymakers who might never have expected to be so influential. The president cited the backing of a “significant majority” and “very broad consensus” for the decision. (www.bloomberg.com 17/09/19)

Why the Fed’s interest rate move matters

The Federal Reserve, the US central bank, is expected to cut its main interest rates at a meeting in Washington on Wednesday. If it does, the aim will be to stimulate the US economy and get inflation closer to the Fed’s target of 2%. But it will have ramifications far beyond US shores. One is that the US economy’s performance is important for the rest of us. (www.bbc.com 18/09/19)

US industrial production rebounded much more than expected in Aug

After unexpectedly reporting a modest drop in US industrial production in the previous month, the Fed has released a report showing industrial production rebounded by much more than anticipated in the month of Aug. The report said industrial production climbed by 0.6% in Aug. after edging down by a revised 0.1%. (www.rttnews.com 17/09/19)

China’s outbound investment up 2.7% in Jan-Aug

China’s non-financial outbound direct investment (ODI) maintained steady growth in the first eight months of the year, official data show. Non-financial ODI in 159 countries and regions amounted to ¥493.09bn (about \$70bn) in the period, up 2.7% year on year, the Ministry of Commerce has said. In the first eight months, Chinese companies added \$8.97bn of investment in 53 countries. (www.xinhuanet.com 17/09/19)

UK consumer spending logs steady decline

UK consumer spending continued to fall in Aug., Visa’s UK consumer spending index, compiled by IHS Markit show. Spending dropped 1.3% year-on-year in Aug., following a 1.2% fall in July. Expenditure has fallen in each of the past 11 months. On a monthly basis, household expenditure rose only 0.8%. (www.rttnews.com 18/09/19)

German economic sentiment improves sharply

Germany’s economic sentiment improved strongly and at a faster-than-expected pace in Sept. after a slump in Aug., survey data from the think tank ZEW show. The ZEW investor confidence index climbed to -22.5 from -44.1 in Aug. Economists had expected a -38 reading. The score was close to -21.1 logged in June. (www.rttnews.com 17/09/19)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2418	(1.2418)	1.2422	(1.2422)
+USD/EUR	1.0997	(1.0997)	1.0998	(1.0998)
*GHS/USD	5.3068	(5.3043)	5.3122	(5.3097)
*GHS/GBP	6.5900	(6.5869)	6.5988	(6.5957)
*GHS/EUR	5.8376	(5.8348)	5.8422	(5.8394)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 18/09/19 (Rates for 17/09/19 in brackets)

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BoJ doesn't expect market backlash if rate cut is necessary

Bank of Japan officials think lowering the negative interest rate if they chose to do so in the coming months, wouldn't backfire in financial markets because investors are aware of the possibility, according to people familiar with the matter. Officials see little need to rush into taking action. (www.bloomberg.com 17/09/19)

Hong Kong jobless rate steady in Aug

Hong Kong's jobless rate remained stable during the June to Aug. period, the Census and Statistics Department has said. The unemployment rate remained steady at 2.9% during the June to Aug. period, same as in the previous three months. The number of unemployed persons increased to 120,600 during the June to Aug. period from 118,500 previously. (www.rttnews.com 17/09/19)

Saudi central bank ready to inject liquidity

Saudi Arabia's central bank has said it's prepared to inject liquidity in the financial system if needed to help the economy cope with the aftermath of this week's major attacks on Aramco's oil facilities. With its stockpile of net foreign assets at over \$500bn, it gives the monetary authority the ability to intervene in the markets. (www.bloomberg.com 17/09/19)

SECO cuts Swiss growth forecast on slowing global economy, uncertainty

Switzerland's economic growth forecast for this year was slashed on Tuesday, as the country's exports and investment are being hurt by a slowing global economy and high uncertainty. The growth forecast for this year was cut to 0.8% from 1.2% predicted in June, the State Secretariat for Economic Affairs has said. The GDP growth projection for next year was retained at 1.7%. (www.rttnews.com 17/09/19)

Poland average gross wages rise as expected

Poland's average gross wages increased in Aug. as expected, data from Statistics Poland show. Average gross wages and salaries grew 6.8% year-on-year in Aug. On a monthly basis, average gross wages dropped 1.1%. (www.rttnews.com 18/09/19)

Prices of gold, silver rise on global turmoil

Gold and silver prices jumped more than 1% on Monday as investors fled to safe-haven assets after an attack on Saudi oil facilities raised concerns over global energy supply and ratcheted tensions in the Middle East. Spot gold jumped 1.27% to \$1,507.40 per ounce while US gold futures rose 0.83% to \$1,512.1. (www.myjoyonline.com 17/09/19)

S. Africa rate cut hopes fade as Saudi oil attack adds risks

The assault on Saudi Arabian oil facilities is already taking its toll on South Africa's rand and may put paid to any hopes of an interest-rate cut on Thursday. The spike in crude oil prices, together with the rand's slide since the attack, has prompted traders to lower odds on a rate reduction to about even, from close to three-in-four at the end of last week. (www.bloomberg.com 17/09/19)

South African consumer inflation quickens to 4.3% year-on-year in Aug

South Africa's headline consumer inflation rose to 4.3% year-on-year in Aug. from 4.0% in July, data from Statistics South Africa show. On a month-on-month basis, inflation rose 0.3%, after rising 0.4% in July. Core inflation – which excludes the prices of food, non-alcoholic beverages, petrol and energy – was at 4.3% year-on-year in Aug. versus a 4.2% increase in July. It hit 0.1% month-on-month from 0.4% in July. (www.af.reuters.com 18/09/19)

Nigeria's central bank moves monetary policy meeting forward to Sept. 19-20

Nigeria's central bank has rescheduled its monetary policy committee meeting, it said in a statement on Tuesday. The bank moved the meeting forward to Sept. 19 and 20 from Sept. 23-24. There was no reason for the change and a central bank spokesman told Reuters he did not know why the date had changed. Analysts expect Nigeria to begin easing rates from Sept. after inflation fell to almost a four-year low in Aug. but the price index remains outside the bank's single-digit target and recent currency weakness could mean it might want to hold fire. (www.af.reuters.com 18/09/19)

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