



Thursday, September 19, 2019

## **Eurozone inflation stable in Aug**

Eurozone inflation was stable in Aug. at its lowest level in nearly three years, the latest data from the Eurostat show, confirming preliminary estimates released on Aug. 30. Headline inflation was 1% in Aug. – the same as in July. The rate was the lowest since Nov., 2016. Price growth remained below the ECB's target of "below, but close to 2%." ([www.rttnews.com](http://www.rttnews.com) 18/09/19)

## **ECB's Villeroy: monetary policy not omnipotent**

Central bank policy is effective in the face of the current economic slowdown, but cannot alone solve problems created by politicians, ECB policymaker Francois Villeroy de Galhau has said. Villeroy, who is also head of France's central bank, said that protectionist tensions from the US and uncertainties over Britain's departure from the EU were undermining business confidence. ([www.reuters.com](http://www.reuters.com) 18/09/19)

## **Low profits at eurozone banks a concern for supervisors: Enria**

Thin profits at eurozone banks are a worry for supervisors because, coupled with depressed stock market prices, they can make it hard for lenders to boost capital, the ECB's Supervisory Board head Andrea Enria said after a meeting with the Association of Italian Banks in Rome. ([www.reuters.com](http://www.reuters.com) 18/09/19)

## **US Fed cuts interest rates**

The US Fed has cut interest rates for the second time since 2008, amid concerns about slowing global growth and trade wars. As expected, it lowered the target range for its key interest rate by 25 basis points to between 1.75% and 2%. President Trump reacted by attacking the Fed chairman for lacking "guts". ([www.bbc.com](http://www.bbc.com) 18/09/19)

## **Fed injects liquidity into markets as key rate busts through cap**

US money markets showed some signs of calm as the Fed injected another \$75bn of liquidity and key rates pulled back from troubling levels. Although the US money market interest rate remained elevated for a third straight day after spiking to a record of 10%, it came back down to 2.8% early Wednesday. ([www.bloomberg.com](http://www.bloomberg.com) 18/09/19)

## **China central bank drains no liquidity from market**

China's central bank on Wednesday did not drain liquidity from the market as its reverse repos operation hedged the maturity amount. The People's Bank of China conducted ¥30bn (\$4.24bn) of seven-day reverse repos, a liquidity injecting process in which it purchases securities from commercial banks through bidding with an agreement to sell them back in future. ([www.xinhuanet.com](http://www.xinhuanet.com) 18/09/19)

## **Bank of England set to stand pat on rates**

Bank of England is set to hold its key interest rate steady at the final policy session ahead of the Brexit scheduled on Oct. 31. Policymakers are likely to retain the interest rate at 0.75% and quantitative easing at £435bn. Rates are expected to remain at 0.75% throughout 2019 and 2020. ([www.rttnews.com](http://www.rttnews.com) 18/09/19)

## **UK inflation at 32-month low**

UK consumer price inflation eased to a 32-month low in Aug. as computer games and clothing turned cheaper, data from the Office for National Statistics show. Consumer price inflation eased to 1.7% from 2.1% in the month of July. The rate was forecast to ease moderately to 1.9%. This was the lowest rate since Dec. 2016 and well below the central bank's 2% target. ([www.rttnews.com](http://www.rttnews.com) 18/09/19)

### **EXCHANGE RATES OF SELECTED CURRENCIES**

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2481	(1.2418)	1.2485	(1.2422)
+USD/EUR	1.1056	(1.0997)	1.1060	(1.0998)
*GHS/USD	5.3068	(5.3068)	5.3122	(5.3122)
*GHS/GBP	6.6235	(6.5900)	6.6322	(6.5988)
*GHS/EUR	5.8688	(5.8376)	5.8739	(5.8422)

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

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### **Italy trade surplus rose in July**

Italy's trade surplus rose in July as exports and imports increased, data from the statistical office Istat show. The trade surplus rose to €7.63bn in July from €5.65bn in the same period last year. In June, surplus was €5.70bn. Exports grew 6.2% year-on-year in July, after a 3.5% fall in June. ([www.rttnews.com](http://www.rttnews.com) 18/09/19)

### **Austria inflation rose in Aug**

Austria's consumer price inflation rose marginally in Aug., figures from Statistics Austria show. The CPI rose 1.5% year-on-year in Aug. following a 1.4% increase in July. Restaurants and hotel prices grew by 3.1% annually in Aug. and prices of apartment, water and energy increased 3.0%. ([www.rttnews.com](http://www.rttnews.com) 18/09/19)

### **Denmark set for slower growth ahead due to global slowdown**

Denmark's economic growth is set to ease in the coming two years due to the impact from a slowing global economy, the country's central bank has said. The economic growth forecast for 2020 was slashed to 1.5% from 1.7% predicted in March, the National bank said in a report. ([www.rttnews.com](http://www.rttnews.com) 18/09/19)

### **Brazil's benchmark interest rate down to 5.5%**

The Monetary Policy Committee (Copom) of Brazil's Central Bank cut the benchmark interest rate, Selic, from 6% to 5.5%. The Copom approved a second cut of 50 basis points in the rate following the first cut in July. The Selic rate has accumulated a decrease of one percentage point this year and hit a record low as the markets expected. ([www.xinhuanet.com](http://www.xinhuanet.com) 19/09/19)

### **NZ economic growth slows to more than five-year low**

New Zealand's economy grew at the slowest pace in more than five years in the second quarter, giving the central bank scope to cut interest rates again. Slowing growth justifies the Reserve Bank's decision in Aug. to slash the cash rate to 1% as the global slowdown impact inflation. ([www.bloomberg.com](http://www.bloomberg.com) 18/09/19)

### **Oil prices edge up after turbulent week as Saudi Arabia reassures on output**

Oil prices edged higher in Asian trade on Thursday after days of turbulence with markets soothed by Saudi Arabia's pledge to restore full production by end-Sept. Brent crude futures rose 24 cents to \$63.84 a barrel by 0634 GMT while US West Texas Intermediate crude was up 21 cents to \$58.32 a barrel. ([www.reuters.com](http://www.reuters.com) 18/09/19)

### **Africa already converted into IMF's gospel, Kenyan central banker says**

Africa has embraced sound economic policies and even the political class has started to appreciate the importance of such policies with some economies on the continent recording some of the fastest economic growth rates in recent years. ([www.af.reuters.com](http://www.af.reuters.com) 18/09/19)

### **S. African consumer inflation quickens to 4.3% year-on-year in Aug**

South Africa's headline consumer inflation quickened 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 the previous month. ([www.af.reuters.com](http://www.af.reuters.com) 18/09/19)

### **Malawi economy to grow 4.5% in 2019 – IMF**

Malawi's economy is likely to expand by 4.5% this year, boosted by improved agricultural production and the rebuilding of infrastructure damaged by Cyclone Idai, the IMF has said. The growth projection is down slightly from the Fund's March forecast of a 5% expansion to GDP. Earlier in Sept. the finance ministry said growth would advance 5%, up from 4% growth in 2018. ([www.af.reuters.com](http://www.af.reuters.com) 18/09/19)

### **Ghana GDP expands at slowest pace in a year in second quarter**

Ghana's economic growth slowed more than projected in the second quarter as the construction sector contracted. GDP in West Africa's second-biggest economy expanded 5.7% from a year earlier, compared with 6.7% in the three months through March. ([www.bloomberg.com](http://www.bloomberg.com) 18/09/19)

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