



Friday, September 20, 2019

Global growth to hit 11-year low on rising trade tension, high uncertainty: OECD

The OECD has predicted further slowdown in the global economy this year and in 2020, citing escalating trade tension and high policy uncertainty. The OECD, which groups 36 of the world's leading economies, has revised down its global growth forecast for 2019 and 2020 to 2.9% and 3% respectively. (www.xinhuanet.com 20/09/19)

Eurozone current account surplus increased in July

The eurozone's current account surplus increased in July to €21bn from €18bn in June, ECB data show. In the same month last year, the surplus was €22bn. In July, surpluses recorded for goods, primary income and services, were partly offset by a deficit for secondary income. (www.rttnews.com 19/09/19)

ECB very close to crossing into fiscal policy, has safeguards: Coeure

The ECB has come close to trespassing into fiscal policy with some of its bond-buying programmes since the start of the financial crisis but it has put safeguards in place to ensure it doesn't cross that line, ECB board member Benoit Coeure has said. (www.reuters.com 19/09/19)

Fed triggers further global easing

The day after the US Fed changes its policy rate is typically marked by a flurry of action at central banks worldwide. Sept. 19 may have been even busier than usual. There's been a rate cut of 25 basis points in Indonesia and 50bp in Brazil. Argentina took fresh measures in the hope of staving off inflation, while Norges Bank bucked the global trend by hiking its main rate. The Swiss National Bank kept rates. (www.centralbanking.com 19/09/19)

US Fed's M2 money stock moves above \$15tr

Data released by the US Fed showed that its M2 money stock increased in the week ending Sept. 9. M2, the broad money, supply rose to \$15.0112tr from the previous week's \$14.9989tr, while M1 increased from \$3.8725tr to \$3.8909tr in the same period. The Fed lowered interest rates by 25 basis points. (www.xinhuanet.com 20/09/19)

China's new benchmark LPR down 5 bps to 4.20%

China's Loan Prime Rate, the country's new benchmark interest rate, was lowered by 5 basis points to 4.20% and is now 11 points lower than in Aug. when it was introduced. On Aug. 17, the People's Bank of China reformed its system for setting LPR in an effort to improve the transmission of its monetary policy, lower the cost of financing. (www.centralbanknews.info 19/09/19)

Kuroda inches toward Oct easing but BOJ holds fire

The Bank of Japan reluctantly tiptoed closer toward ramping up its stimulus, setting up a Halloween policy meeting as a possible moment for action, while stopping short of guaranteeing it would pull the trigger. (www.bloomberg.com 19/09/19)

Canadian inflation fell to 1.9% in Aug on lower gas prices

Canada's annual inflation rate fell slightly to 1.9% in Aug. on lower gasoline prices, Statistics Canada has said in its first major data release since Canadian politicians formally hit the campaign trail. Analysts in a Reuters poll had forecast an inflation rate of 2.0%. Canada's annual inflation rate in July was 2.0%. (www.reuters.com 18/09/19)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2479	(1.2418)	1.2483	(1.2422)
+USD/EUR	1.1051	(1.1056)	1.1052	(1.0998)
*GHS/USD	5.3093	(5.3068)	5.3147	(5.3122)
*GHS/GBP	6.6255	(6.6235)	6.6343	(6.5988)
*GHS/EUR	5.8685	(5.8688)	5.8736	(5.8422)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 20/09/19 (Rates for 19/09/19 in brackets)

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India's central bank chief sees room for rate cut

India's central bank Governor Shaktikanta Das says there's room for interest rate cuts to spur economic growth given stable and below-target inflation. Das said a surge in oil prices after the supply disruption at a Saudi Arabian crude facility will likely be contained and won't pose a major challenge to monetary policy or inflation. (www.bloomberg.com 20/09/19)

Indonesia cuts rates for the third time in three months

The central bank of Indonesia slashed its benchmark rate for the third time in three months on Sept. 19, as the major South-east Asian economy has been under pressure from global slowdown and trade tensions. Bank Indonesia cut the 7-day reverse repo rate by 25 basis points. (www.centralbanking.com 19/09/19)

Argentina sharply raises key rate floor to tackle rising inflation

The Central Bank of Argentina tightened its monetary policy framework on Sept 18 in a bid to tame rising inflation resulting from an increasingly weak peso. The MPC unanimously decided to increase the lower limit for its benchmark interest rate from 58% to 78% for the rest of Sept. (www.centralbanking.com 19/09/19)

Turkey's big banks consider launching AMC for bad debt – sources

Turkey's top banks have discussed creating an asset management company in which to transfer their higher-quality NPLs, as a possible solution to the country's bad debt problem, said two people familiar with the talks. (www.af.reuters.com 19/09/19)

S. Korea's foreign currency deposit grew in Aug on strong USD

South Korea's foreign currency deposit grew last month as the strong US dollar drove higher demand for the dollar deposit, central bank data show. Deposit denominated in foreign currencies reached \$70.97bn as of end-Aug., up \$1.3bn from a month earlier, Bank of Korea has said. (www.xinhuanet.com 18/09/19)

Economic stimulus lifts shares, oil edges up on Mideast tensions

Asian share prices rose on Friday as economic stimulus around the world helped ease fears over slowing growth, while crude oil prices climbed on concerns that last weekend's attacks on Saudi Arabia's oil facilities still pose supply risks. But pan-European Euro Stoxx 50 futures were down 0.1% in early Friday trade. (www.reuters.com 19/09/19)

S. Africa holds key rate in unanimous decision

South Africa's central bank has left its main interest rate on hold at 6.5% as expected, saying it would like to see inflation expectations anchored closer to the midpoint of its target range. The South African Reserve Bank left its 2019 economic growth forecast unchanged at 0.6%. (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 18/09/19)

Somalia GDP to grow 2.9% in 2019 vs 2.8% last year: IMF

Somalia's economy is forecast to grow 2.9% this year from 2.8% last year but security risks and vulnerability to climate shocks could cloud the outlook. Economic growth is expected to remain stable at 2.9% in 2019. Inflation to increase temporarily to 4.0% in 2019", the IMF said. (www.af.reuters.com 19/09/19)

Ghana's debt stock hits GH¢205.5bn

The country's total debt stock has hit GH¢205bn ending July this year. This was contained in the Bank of Ghana's summary of financial and economic data released on Sept. 19. This was released after the Monetary Policy Committee met this week to review the health of the economy and to take a decision that is likely to influence the cost of credit in the country. (www.myjoyonline.com 19/09/19)

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