



Monday, September 30, 2019

Global third-quarter M&A sinks to three-year low amid US-China trade war fears

Global mergers and acquisitions plunged 16% year-on-year to \$729bn in the third quarter, according to Refinitiv data. Concerns that the trade war between the US and China has plunged global economic growth to its lowest levels in a decade has weighed on deal making even as debt financing for acquisitions remained cheap and equity markets stayed robust. (www.reuters.com 30/09/19)

Euro-area inflation set to remain subdued in Sept

Euro-area inflation appears well and truly stuck at a low level, a frustration for ECB policymakers who've just unveiled another round of stimulus. Apart from an Easter-related bump in April, the core rate remains stuck around 1%. (www.bloomberg.com 30/09/19)

Eurocoin indicator falls further in Sept

The indicator reflecting the current economic situation in the euro area fell for the second time in Sept., data from Bank of Italy and the Centre for Economic Policy Research show. The Eurocoin indicator dropped to 0.16 from 0.18 in Aug. In July, the reading was 0.21. The indicator continues to be held back by the persistent weakness in business confidence. (www.rttnews.com 27/09/19)

US and Japan agree initial trade deal focusing on agriculture

The US and Japan have agreed an initial trade deal that will eliminate or lower tariffs on certain products traded between them. Duties on some agricultural goods will be removed or lowered, while digital products will also benefit. US President Donald Trump said the world's first and third largest economies achieved a "tremendous" deal. (www.af.reuters.com 26/09/19)

Weak US business investment, tepid profits cast shadow on economy

US business investment contracted more sharply than previously estimated in the second quarter and corporate profit growth was tepid, casting a shadow on an economy that is being stalked by financial market fears of a recession. Fed Chair Jerome Powell said "weakness in global growth and trade policy uncertainty have weighed on the economy and pose ongoing risks." (www.reuters.com 26/09/19)

US imports of consumer, capital goods jump amid tariff threat

US imports of consumer and capital goods jumped in Aug. by the most this year, suggesting American companies scrambled to beat another round of tariffs on Chinese merchandise. Other import categories declined, and the overall merchandise-trade deficit widened by less than forecast to \$72.8bn. (www.bloomberg.com 26/09/19)

China's central bank skips reverse repos 2nd day

China's central bank has skipped reverse repos for a second day in a row, citing abundant liquidity on the market due to increased fiscal expenditures near the end of the quarter, with ¥20bn (about \$2.8bn) of reverse repos maturing Monday. (www.xinhuanet.com 30/09/19)

Brexit uncertainty 'could lead to interest rate cut'

The BoE may need to cut interest rates should the Brexit uncertainty persist, one of its policymakers, Michael Saunders, has said. Even if the UK avoids a no-deal Brexit, rates may still need to be cut, he said. Interest rates have been on hold at 0.75% since Aug. 2018, when they were raised from 0.5% and the UK economy performing below its potential. (www.xinhuanet.com 29/09/19)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2311	(1.2333)	1.2312	(1.2335)
+USD/EUR	1.0946	(1.0947)	1.0947	(1.0948)
*GHS/USD	5.3134	(5.3137)	5.3188	(5.3191)
*GHS/GBP	6.5414	(6.5534)	6.5485	(6.5611)
*GHS/EUR	5.8177	(5.8180)	5.8214	(5.8222)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 30/09/19 (Rates for 27/09/19 in brackets)

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BoE finds room for improvement in cyber-attack exercise

The Bank of England says regulators and firms participating in a simulated cyber-attack have shown some improvement, but need to do more to improve elements of their responses. The bank said there was room to improve co-ordination, the recovery of services and communications. (www.centralbanking.com 27/09/19)

Germany unemployment rate remains stable

Germany's unemployment rate remained unchanged in Aug., figures from Destatis show. The jobless rate came in at a seasonally adjusted 3.1% in Aug., the same rate as seen in July. On an unadjusted basis, the unemployment rate rose slightly to 3.2% from 3.1% earlier. (www.rttnews.com 30/09/19)

S. Korea's corporate bond issuance posted double-digit fall in Aug

South Korea's corporate bond issuance posted a double-digit fall last month amid the continued economic slowdown, financial watchdog data show. Corporate bond sale amounted to 14.05tr won (\$11.7bn) in Aug., down 15% from a month earlier. (www.xinhuanet.com 30/09/19)

IMF warns Ukraine to protect central bank independence

The IMF has stressed that Ukraine's new government must protect the independence of the country's central bank in return for a new loan. The National Bank of Ukraine Governor, Yakiv Smolii, posted a picture on social media network Twitter of himself meeting the IMF staff team. (www.centralbanking.com 27/09/19)

Sweden PPI lowest in 3 years

Sweden's PPI slowed to the lowest level in three years, figures from Statistics Sweden show. The PPI climbed 1.4% year-on-year in Aug. following a 2.0% rise in July. The latest inflation was the lowest since Sept. 2016, when prices fell 0.1%. Export prices rose 1.4% annually in Aug. while import prices fell 0.2%. (www.rttnews.com 26/09/19)

Oil prices climb as positive China factory data eases demand concerns

Oil prices edged up on Monday after China's factories unexpectedly ramped up production in Sept., easing concerns about demand at the world's largest crude importer amid an ongoing trade war with the US. Brent crude futures rose 9 cents to \$62 a barrel by 0300 GMT. (www.reuters.com 30/09/19)

S. Africa boosts prices at fuel pump after Saudi attack

South Africa raised prices on gasoline and diesel prices for Oct., blaming the attack on Saudi Arabia's crude oil infrastructure for the increase. "Had it not been for the stronger rand during this period, the impact of the attacks on Saudi facilities on prices would have been more severe." (www.bloomberg.com 29/09/19)

Egypt's EGX30 share index climbs 3.8% in early trade

Egypt's EGX30 share index climbed by as much as 3.8% after the central bank cut key interest rates for the second month in a row and an anti-government protest failed to gather momentum. The central bank cut interest rates by 100 basis points, with overnight deposit rates lowered to 13.25% and lending rates easing to 14.25%. (www.af.reuters.com 29/09/19)

Kenya central allows merger of lenders NIC and CBA Group

Kenya's central bank has approved a merger of Commercial Bank of Africa and NIC Group, making it the second major merger in the sector this year. The two banks first announced the deal in Jan. in which the current NIC Group shareholders own 47% of the merged entity and CBA shareholders 53%. (www.af.reuters.com 29/09/19)

Zambia's finance minister unveils 2020 budget

Zambia's Finance Minister Bwalya Ng'andu has unveiled the 2020 national budget which he said will focus on stimulating the domestic economy. The 106.0bn Zambian Kwacha (about \$8.15bn) budget represents about 32.4% of GDP. (www.xinhuanet.com 28/09/19)

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