



Thursday, October 03, 2019

## Global manufacturing shrinks for a fifth month on export slump

Global manufacturing shrank for a fifth straight month in Sept. as new export orders extended their longest streak of contractions since 2002, signs that intensifying global growth headwinds aren't poised to let up any time soon. The JPMorgan Global Manufacturing Index edged up to 49.7 from 49.5, with gauges of employment and new orders each contracting for a fifth straight month. ([www.bloomberg.com](http://www.bloomberg.com) 01/10/19)

## Global bond investors are betting against central banks' aggressive tactics

Global bond investors are betting against increasingly aggressive tactics taken by central banks in the chase for economic growth, by turning to strategies that profit when inflation fails to pick up. In the options market, trades that make money if inflation drops below 1% and even below 0% have increased. ([www.bloomberg.com](http://www.bloomberg.com) 01/10/19)

## Fed can now keep rates on hold, official

US monetary policy is at the right level to lift inflation to target, a regional Fed president has said, hinting that no further cuts are needed in the next meeting. The Fed has reduced rates by 50 basis points over its last two monetary policy meetings in Sept. and July. The target range for the federal funds rate is currently 1.75-2%. ([www.centralbanking.com](http://www.centralbanking.com) 02/10/19)

## US set to impose tariffs on \$7.5bn of EU exports in Airbus row

The US has been given the go-ahead to impose tariffs on \$7.5bn (£6.1bn) of goods it imports from the EU. It is the latest chapter in a 15-year battle between the US and the EU over illegal subsidies for planemakers Airbus and Boeing. The WTO ruling means tariffs on EU goods from 18 Oct. ([www.bbc.com](http://www.bbc.com) 02/10/19)

## China's inflation rate to edge down in Sept

China's CPI, a main gauge of inflation, was expected to record slightly slower growth in Sept., according to a research report from the Bank of Communications' financial research center. The CPI was likely to rise 2.7% year on year in Sept. compared with a 2.8% increase registered in Aug., the report shows. These factors would lead to higher food prices month on month. ([www.xinhuanet.com](http://www.xinhuanet.com) 03/10/19)

## UK construction sector logs severe downturn

Germany seems so wedded to its balanced budget policy that it will only deploy fiscal stimulus when it's already too late. But officials in Chancellor Angela Merkel's government have already drawn up a raft of options. Some may never see the light of day but others are already being rolled out, people with knowledge of the plans have said. ([www.bloomberg.com](http://www.bloomberg.com) 02/10/19)

## Japan corporate inflation expectations remain stable

Japanese firms' inflation expectations held steady in the third quarter, the Tankan summary of "Inflation Outlook of Enterprises" from Bank of Japan show. Companies expect annual inflation of 0.9% in the year ahead, same as the previous outlook. The three-year ahead inflation is seen at 1%, the same rate as estimated in June. ([www.rttnews.com](http://www.rttnews.com) 02/10/19)

## Australia cuts rates to record low 0.75% as global risks mount

Australia's central bank was dragged further into the global easing tide as it cut interest rates for the third time this year, even as it risks refueling excesses that Governor Lowe warned against just weeks ago. The bank reduced the cash rate by 25 basis points to a record-low 0.75%. ([www.bloomberg.com](http://www.bloomberg.com) 01/10/19)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2309	(1.2316)	1.2313	(1.2320)
+USD/EUR	1.0949	(1.0936)	1.0953	(1.0937)
*GHS/USD	5.3129	(5.3129)	5.3183	(5.3183)
*GHS/GBP	6.5397	(6.5434)	6.5484	(6.5521)
*GHS/EUR	5.8188	(5.8112)	5.8234	(5.8158)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 03/10/19 (Rates for 02/09/19 in brackets)

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### **Bank of Korea warns of worsening financial stability as exports fall**

The Korean central bank has raised the alarm about escalating risks to the financial system from a rise in household and corporate debt, coupled with falling exports and protracted trade tensions. The country's benchmark financial stability index rose to 8.3 at the end of Aug., surpassing 8.0 for the first time since early 2016. ([www.centralbanking.com](http://www.centralbanking.com) 02/10/19)

### **Hong Kong retail sales fell for seventh month in Aug**

Hong Kong's retail sales declined for the seventh straight month in Aug., provisional figures from the Census and Statistics Department show. The volume of retail sales dropped by 25.3% year-on-year in Aug. following a drop of 13.1% in July. ([www.rttnews.com](http://www.rttnews.com) 02/10/19)

### **UAE private sector growth falls to nine-year low: PMI**

Growth in the UAE's non-oil private sector slowed to a nine-year low in Sept. amid record low new orders reflecting soft demand, a survey shows. The UAE, which has the most diversified economy in the region, raised its expectations for economic growth in 2019 to 2.4% last month. ([www.reuters.com](http://www.reuters.com) 03/10/19)

### **Iceland cuts rates 4th time on fear growth could weaken rapidly**

Iceland's central bank has cut its interest rates for the fourth time, saying the economy could weaken more rapidly than it expects due to the uncertain outlook for the global economy. The CBI cut the rate on its benchmark 7-day deposits by another 25 basis points to 3.25%. ([www.centralbanknews.info](http://www.centralbanknews.info) 02/10/19)

### **Albanian central bank introduces first polymer notes**

Albania's central bank introduced two new series of banknotes on Sept. 30, including its first series of polymer notes. The Bank of Albania held an official ceremony to mark the issuing of banknotes for 200 Albanian lek (\$1.79) and 5,000 Albanian lek (\$44.68). ([www.centralbanknews.info](http://www.centralbanknews.info) 01/10/19)

### **Oil steadies in rebound after jitters over economic outlook, US inventories**

Oil futures rebounded, reversing losses earlier in the day, as fears over the worsening global economic outlook gave way to modest hopes for progress in resolving the US-China trade war. Brent crude oil futures edged 10 cents higher, or 0.2%, to \$57.79 a barrel by 0209 GMT, after tumbling 2% in the previous session. ([www.reuters.com](http://www.reuters.com) 03/10/19)

### **S. Africa's private sector contracts again in Sept - PMI**

South African private sector activity remained in contraction for a fifth consecutive month in Sept. as new orders and output fell while sentiment was subdued, a survey shows. IHS Markit's Purchasing Managers' Index fell to 49.2 in Sept. from 49.7 in Aug. ([www.af.reuters.com](http://www.af.reuters.com) 03/10/19)

### **S. African miner harmony gets new \$400m credit facility – bank**

South Africa's largest gold miner Harmony Gold has refinanced and increased its existing \$350m loan and revolving credit facility, raising it to \$400m, lead arranger Absa Bank Limited has said. Absa said the syndication of term loan and revolving credit facility was oversubscribed. ([www.reuters.com](http://www.reuters.com) 02/10/19)

### **Egypt's economy is improving but its people don't feel it**

Egypt's finance minister is presiding over the Middle East's fastest-growing economy, earning accolades from investors and international finance institutions. He's got one big problem: improved macroeconomic indicators are failing to translate into higher incomes and living standards for the Egyptian people. ([www.bloomberg.com](http://www.bloomberg.com) 03/10/19)

### **Kenya finds \$71m in suspect cash as it retires old notes – cenbank**

A Kenyan anti-corruption drive uncovered the equivalent of tens of millions of dollars in unexplained wealth when it retired old banknotes. Governor Patrick Njoroge said notes worth 7.4bn shillings (\$71.29m) were not exchanged. ([www.reuters.com](http://www.reuters.com) 02/10/19)

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