



Thursday, October 10, 2019

Central Banks are fast running out of room for further rate cuts

Global central banks have room to further cut interest rates before they begin to do more harm than good, although the Fed is unlikely to push its benchmark below zero, according to a survey of economists. The survey suggests the Fed and Bank of England, both of whom have signaled opposition to negative rates, would only reduce their benchmarks to zero from a range of 1.75% to 2% and 0.75% respectively. (www.bloomberg.com 09/10/19)

WB forecasts growth to ease across Europe, central Asia

The World Bank forecast economic growth across Europe and Central Asia to ease this year reflecting the slowdown in both Russia and Turkey. According to the latest World Bank Economic Update for Europe and Central Asia, growth in the emerging and developing countries of Europe and Asia is set to ease to a four-year low of 1.8% this year from 3.2% in 2018. (www.rttnews.com 09/10/19)

Powell repeats US economy is in a 'good place' despite risks

Fed Chairman Jerome Powell has reiterated that the economy is well positioned despite some risks and that it's the central bank's task to keep it that way. While "the economy faces some risks, overall, it is as I like to say in a good place. "Our job is to keep it there as long as possible." (www.bloomberg.com 09/10/19)

US-China trade talks to resume amid diplomatic tension

China and the US are set to resume trade talks in Washington against a backdrop of heightened diplomatic tension. The US will increase tariffs on \$250bn worth of Chinese goods from 25% to 30% next Tuesday. The latest diplomatic disagreement could complicate the talks. (www.bbc.com 10/10/19)

China's Sept CPI expected to remain stable: analysts

China's CPI, a main gauge of inflation, was expected to remain stable in Sept. Securities Daily reported Analysts from 10 institutions predicted the Sept. CPI would rise 2.8% year on year, the same as in Aug. Other types of food saw slower growth, said Hua Changchun, the chief economist with Guotai Junan Securities. Vegetable prices saw a year-on-year decrease of 9.3% in Sept. while fruit prices rose 11.1%. (www.xinhuanet.com 09/10/19)

Demand for UK houses weakest since 2013

Demand for new homes declined to a six-year low as prospective home buyers wait for political and economic certainty over Brexit, the Federation of Master Builders has reported. The annual survey of small and medium house builders said demand for new homes decreased by 8% from last year to its lowest level since 2013. (www.rttnews.com 09/10/19)

Eurozone puts pressure on Dutch, Germans to spend more

Germany and the Netherlands which run budget surpluses, should invest more to help boost economic growth at home and throughout the eurozone, officials said, echoing a call from the European Central Bank. Eurozone economic growth is slowing as Germany teeters on the brink of a recession. (www.reuters.com 09/10/19)

Japan overall bank lending gains 2.0% in Sept

Overall bank lending in Japan was up 2.0% on year in Sept., the Bank of Japan said, coming in at ¥539.350tn. That was in line with expectations and up from 2.1% in Aug. Excluding trusts, lending was up an annual 2.2% unchanged from the previous month and in line with forecasts. Lending from trusts rose 1.0% on year. (www.rttnews.com 09/10/19)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2215	(1.2211)	1.2216	(1.2215)
+USD/EUR	1.0975	(1.0953)	1.0979	(1.0956)
*GHS/USD	5.3173	(5.3175)	5.3227	(5.3229)
*GHS/GBP	6.4951	(6.4932)	6.5022	(6.5019)
*GHS/EUR	5.8367	(5.8251)	5.8420	(5.8302)

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

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Australia consumer sentiment weakest since mid-2015

Australia's consumer confidence weakened to the lowest level in more than four years in Oct. despite interest rate reductions, survey results from Westpac show. The Westpac-Melbourne Institute Index of Consumer Sentiment dropped to 92.8 in Oct. from 98.2 in Sept. This was the lowest score since July 2015. (www.rttnews.com 09/10/19)

Bank of Slovenia tightens norms for consumer loans

Bank of Slovenia has tightened the standards for consumer loans, citing risks linked to the particular category of lending. "Risks, linked to household lending, remain high despite our previous actions," the central bank of Slovenia said in a statement. (www.rttnews.com 09/10/19)

Philippine trade deficit narrows in Aug

The Philippine trade deficit narrowed in Aug. on a sharp fall in imports, data from the Philippine Statistics Authority shows. The visible trade deficit narrowed to \$2.41bn in Aug. from \$3.6bn last year. Economists had forecast a shortfall of \$3.6bn. Exports grew only 0.6% yearly. (www.rttnews.com 10/10/19)

Slovakia trade deficit widens in August

Slovakia's trade deficit increased in Aug. from a year ago, amid a fall in exports and imports, data from the Statistical Office of the Slovak Republic shows. The trade deficit rose to €212m in Aug. from €108m in the same month last year. In July, trade deficit was €232.5m. Exports declined 2.8% annually in Aug. (www.rttnews.com 09/10/19)

Croatia producer prices fall for second month

Croatia's producer prices fell for the second month in a row in Sept., figures from the Croatian Bureau of Statistics show. The PPI declined 0.4% year-on-year in Sept. following a 0.3% fall in Aug. In July, inflation was 0.3%. Prices for domestic market fell 0.3% annually in Sept. and those for foreign market decreased 0.7%. (www.rttnews.com 09/10/19)

Global stocks recover but disquiet over trade talks lingers

Global stocks recouped early losses as news reports raised hopes that the US and China would settle some economic disputes, but investors were kept on edge by an earlier report that trade talks due to begin soon could be cut short. US S&P500 mini futures ESc1 traded down 0.1%, with a big part of early losses cut. (www.reuters.com 09/10/19)

Africa may have 90% of the world's poor in next 10 years, World Bank says

Africa could be home to 90% of the world's poor by 2030 as governments across the continent have little fiscal space to invest in poverty-reduction programs and economic growth remains sluggish, the World Bank said. (www.bloomberg.com 09/10/19)

Surprise improvement in S. Africa business mood before budget

South African business confidence increased from the lowest level in more than three decades in Sept. and may continue to rise if the nation's upcoming medium-term budget sets the stage for an economic recovery. (www.bloomberg.com 09/10/19)

Nigeria demands \$62bn from oil majors for past profits

Nigeria is seeking to recover as much as \$62bn from international oil companies, using a 2018 Supreme Court ruling to increase its share of income from production-sharing contracts. The proposal comes as President Muhammadu Buhari tries to bolster revenue after a drop in the output and price of oil, Nigeria's main export. (www.bloomberg.com 09/10/19)

Tanzania gold export earnings up 25% in year to Aug -central bank

Tanzania's earnings from gold exports rose 25.1% in the year, buoyed by higher output of the precious metal, its central bank said. Gold exports fetched \$1.91bn in the year ending Aug. 31, up from \$1.53bn the previous year. Gold export rose by 25.1% driven by volume and accounted for more than half of non-traditional exports. (www.af.reuters.com 10/10/19)

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