



Friday, October 11, 2019

World risks ‘global liquidity crunch’, former BIS officials warn

The world economy is at risk of a “global liquidity crunch” if “urgent action” is not taken by policymakers, economists Philip Turner and André Icard have warned. The former senior Bank for International Settlements officials highlight factors that on their own may not be especially troubling but combined, could lead to a major financial crisis. (www.centralbanking.com 10/10/19)

Eurozone banks should consider mergers to tackle profits drop: Centeno

European banks continue to face profitability risks and should consider mergers when necessary, the head of the Euro group of eurozone finance ministers Mario Centeno has said. “The profitability outlook of banks remains a key concern. Further changes to business models should be encouraged. Where needed, consolidation should also play a part,” Centeno said. (www.reuters.com 10/10/19)

ECB members agreed on need to act

ECB policymakers agreed on the need to act amid weakening economic outlook in response to the continued shortfall of inflation and a clear majority of members supported the proposed measures, minutes of the Sept. 11-12 Governing Council meeting show. (www.rttnews.com 10/10/19)

Trump optimistic about US-China trade talks

US President Donald Trump sounded an optimistic note at the end of the first day of US-China trade talks in Washington DC. “We had a very, very good negotiation with China,” Mr Trump told reporters after the talks wrapped up. Mr Trump will meet directly with Vice Premier Liu He at the White House on Friday. (www.bbc.com 11/10/19)

US weekly jobless claims drop to 210,000

A report released by the Labor Department showed a modest decrease in first time claims for US unemployment benefits in the week ended Oct. 5th. The report said initial jobless claims dropped to 210,000, a decrease of 10,000 from the previous week's revised level of 220,000. Economists had expected jobless claims to come in unchanged compared to 219,000 originally reported for the previous week. (www.rttnews.com 10/10/19)

China's central bank drains ¥30bn from market

China's central bank drained ¥30bn (\$4.24bn) from the financial system on Friday. The bank did not conduct any operation of reverse repos, a liquidity-injecting process in which the central bank purchases securities from commercial banks through bidding with an agreement to sell them back in the future. (www.xinhuanet.com 11/10/19)

China's Sept exports fell 3%, imports to shrink for fifth month: Reuters poll

China's exports likely fell at a slightly faster pace in Sept. as softening global demand and US tariffs bit more deeply, while imports shrank for a fifth straight month, suggesting pressure on the economy is increasing. US collected 15% tariffs on more than \$125bn in Chinese imports. (www.reuters.com 11/10/19)

UK GDP expands on services growth

The UK economy expanded in the three months to Aug. for a second consecutive time, suggesting that it is on course to avoid a recession ahead of Brexit. Rolling three-month GDP growth increased to 0.3% from 0.1% in three months to July, data published by the Office for National Statistics show. This was also faster than an expected 0.1% rise. (www.rttnews.com 10/10/19)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2303	(1.2215)	1.2307	(1.2216)
+USD/EUR	1.1007	(1.0975)	1.1008	(1.0979)
*GHS/USD	5.3171	(5.3173)	5.3225	(5.3227)
*GHS/GBP	6.5417	(6.4951)	6.5504	(6.5022)
*GHS/EUR	5.8528	(5.8367)	5.8574	(5.8420)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 11/10/19 (Rates for 10/10/19 in brackets)

* BOG INTERNAL TRANSACTION RATES: 11/10/19 (Rates for 10/10/19 in brackets)

Carney says new £20 note is ‘most secure yet’

Bank of England has unveiled a design for its new £20 banknote with Governor Mark Carney describing it as “our most secure note yet”. The polymer note will include combinations of security features never previously used on a UK banknote, the BoE says, including two windows and two colours of foil. (www.centralbanking.com 10/10/19)

Germany's inflation slows as estimated

Germany's CPI slowed as initially estimated in Sept. to the lowest since early 2018, final data from Destatis show. CPI slowed to 1.2% in Sept. from 1.4% in Aug. This was the lowest rate since Feb 2018, when the rate was 1.1%. Energy prices were down 1.1% in Sept. while food prices advanced 1.3%. Excluding energy, inflation was 1.4%. (www.rttnews.com 11/10/19)

Italy industrial production recovered in Aug

Italy's industrial production rose for the first time in three months in Aug., the statistical office has said. On a seasonally adjusted basis, industrial production rose 0.3% in Aug. after a 0.8% decline in July. In June, production had fallen 0.3%. (www.rttnews.com 10/10/19)

Singapore's central bank set to join global policy easing tide

Singapore's central bank will probably ease monetary policy for the first time in more than three years as a global slowdown continues to weigh on the export-reliant economy. Economists surveyed predict that the Monetary Authority of Singapore will reduce the slope of its currency band by 50 basis points. (www.bloomberg.com 11/10/19)

Vietnam to post econ growth of 6.6% in ‘19

Vietnam's GDP expansion is projected to slow from 7.1% in 2018 to 6.6% in 2019, due to slower export and agricultural growth, according to the World Bank's latest report in East Asia. Vietnam's medium-term outlook remains broadly positive despite persistent downside risks. (www.xinhuanet.com 11/10/19)

Oil prices jump 2% on supply concerns

Oil prices jumped by 2% on Friday after Iranian news agencies said a state-owned oil tanker was struck by two missiles in the Red Sea near Saudi Arabia. International benchmark Brent crude futures rose as much as 2.3% to \$60.46 a barrel and were at \$60.13 per barrel, up \$1.02 by 0648 GMT. (www.reuters.com 11/10/19)

WB: Algeria's 2019 GDP growth at 1.3%

The World Bank has said it is expected that Algeria's economy will grow by 1.3% this year, down from 1.5% in 2018 and lower than the government's official forecast of 2.6%. This is due to “political uncertainty”. (www.af.reuters.com 10/10/19)

WB: Egypt econ growing 5.8% in 2019/20

The World Bank has forecast that Egypt's economy would grow by 5.8% this fiscal year, marginally lower than the government's target of 5.9% but in line with the bank's expectation six months ago. It inched up its growth estimate for Egypt's GDP in the last fiscal year to 5.6% from 5.5%. (www.af.reuters.com 10/10/19)

Ghana's macro economy favourable – IMF

An IMF team which is in Ghana for Article 4 Consultations has given Ghana's economy a clean bill of health, saying the economy remains favourable. The team on Wednesday met with the Finance Committee of Parliament. The Chairman of the Finance Committee said the projected GDP growth for 2019 is 7%, a reduction from the original 8.8%. (www.myjoyonline.com 10/10/19)

Ivory Coast, Ghana to ‘re-examine’ cocoa industry's sustainability schemes

Ivory Coast and Ghana say they would re-examine the cocoa industry's sustainability schemes as chocolate makers have been slow to pay the two nations a living income differential (LID) for their beans. The countries which together produce more than 60% of the world's cocoa, introduced the \$400 LID in July on all cocoa sales for the 2020/21 season, in a bid to ease pervasive farmer poverty. (www.myjoyonline.com 11/10/19)

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