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IMF staffers warn of looming sovereign debt crises

Governments and markets face sovereign debt crises unless they agree to extend bond maturities, three IMF staffers have said. The IMF has also started stressing qualitative over quantitative methods to assess its programmes. Due to the fiscal impact of the Covid-19 pandemic, debt crises are likely over the coming months, it has said. (www.centralbanking.com 18/09/20)

Advanced economy central banks use more custodians

Central banks in higher-income economies work with more banks on custody of parts of their reserve assets than their peers in low- and lower middle-income economies. Overall, high-income economies, as classified by the World Bank, work on average with 5.6 custodian banks, which progressively fall with the country's level of income. (www.centralbanking.com 21/09/20)

ECB wants to cut reporting burden for banks

The ECB wants to simplify reporting requirements for banks, it has said. The EU's banking industry spends around €4bn a year on reporting and lenders often complain that duplication, unnecessary detail and inefficient collection formats make this cost unacceptably high. (www.reuters.com 21/09/20)

US federal debt to reach nearly twice the economy's size in 2050: CBO

US federal debt is projected to reach nearly twice the size of the economy in 2050, driven by the massive fiscal response to the Covid-19-induced recession, the Congressional Budget Office says. "High and rising federal debt makes the economy more vulnerable to rising interest rates and, depending on how that debt is financed, rising inflation," the report said. (www.xinhuanet.com 22/09/20)

Chinese economy makes relatively swift recovery: ECB article

The Chinese economy made a relatively swift recovery after bottoming out in the first quarter of the year due to Covid-19, according to an article published by the European Central Bank. China's economic activity rose from a trough of around 20% of normal levels in Feb. 2020 to 90% in the span of just three months, ECB analysts said in the article. (www.xinhuanet.com 22/09/20)

China keeps benchmark rates on hold

China retained its benchmark rates for the fifth straight month as the economy continued to log robust recovery from the downturn caused by the coronavirus pandemic. The one-year loan prime rate was retained at 3.85% and the five-year loan prime rate was maintained at 4.65%. The one-year and five-year loan prime rates were last reduced in April. (www.rttnews.com 21/09/20)

Merkel urges quick agreement on EU budget, recovery plan

German Chancellor Angela Merkel and European Commission President Ursula von der Leyen have urged European lawmakers to quickly agree to the bloc's recovery package and the multi-year budget. Merkel and von der Leyen discussed the €750bn recovery plan and the related €1.1tr 2021-2027 budget with European Parliament President Davide Sassoli. (www.reuters.com 21/09/20)

Russia's central bank keeps rate on hold

Russia's central bank has left its key interest rate unchanged at a record low as widely expected, after cutting the rate by 200 basis points so far this year. The Board of Directors, led by Governor Elvira Nabiullina, on Friday decided to retain the benchmark rate to 4.25%. The bank had reduced the rate by 25 basis points in July and 100 basis points in June. (www.rttnews.com 18/09/20)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2955	(1.2951)	1.2956	(1.2952)
+USD/EUR	1.1858	(1.1826)	1.1859	(1.1827)
*GHS/USD	5.6972	(5.6967)	5.7029	(5.7023)
*GHS/GBP	7.3809	(7.3777)	7.3886	(7.3857)
*GHS/EUR	6.7558	(6.7370)	6.7618	(6.7437)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 22/09/20 (Rates for 18/09/20 in brackets)

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Carolyn Wilkins announces departure from the Bank of Canada

Carolyn Wilkins will not seek a second term as the Bank of Canada's senior Deputy Governor. The news comes less than four months after the appointment of Tiff Macklem as governor in succession to Stephen Poloz. Wilkins has been the Bank of Canada's senior Deputy Governor since May 2014. (www.centralbanking.com 18/09/20)

Italy current account surplus rose in July for first time since April

Italy's current account surplus increased for the first time in four months in July, mainly due to the strong performance of the goods balance and a recovering tourism surplus, preliminary figures from the Bank of Italy show. The current account surplus rose to €9.308bn from €8.744bn in the same month last year. (www.rttnews.com 18/09/20)

Australia central bank assessing various monetary policy options

Australia's central bank is assessing various monetary policy options including currency market intervention and negative rates to meet its inflation and employment goals, Deputy Governor Guy Debelle said on Tuesday. (www.reuters.com 22/09/20)

Iraqi prime minister changes central bank Governor

Iraq's prime minister has appointed a new central bank Governor after apparently dismissing his predecessor, as part of a major shake-up of the country's economic policymakers. Mustafa al-Kadhimi appointed Mustafa Ghaleb as Governor of the Central Bank of Iraq, several news agencies have reported. (www.centralbanking.com 21/09/20)

Finland jobless rate rose in Aug

Finland's jobless rate rose in Aug. figures from Statistics Finland showed. The jobless rate for the 15 to 74 age group rose to 7.7% in Aug. from 6.1% in the same month last year. The number of unemployed persons increased from 42,000 to 211,000 in Aug. from 170,000 in the last year. (www.rttnews.com 22/09/20)

Oil edges up as US storm eases, but recovery fears persist

Oil rose in early trade on Tuesday, paring sharp overnight losses, as the latest tropical storm in the Gulf of Mexico lost strength, but worries about fuel demand persisted with flare-ups around the globe in coronavirus cases. Brent crude futures rose 14 cents, or 0.3%, to \$41.58 a barrel at 0500 GMT. (www.reuters.com 22/09/20)

Money laundering claims knock banking shares in South Africa

South Africa's banking stocks took a hit on the JSE yesterday, falling on the International Consortium of Investigative Journalists' investigation that has implicated major international banks in possible money laundering and probable criminal activity. (www.iol.co.za 22/09/20)

Nigeria counts on gas to ease pangs of fuel subsidy cuts

Nigeria is counting on gas-powered vehicles to reduce reliance on gasoline and improve its climate credentials while easing the pangs of ending decades of an expensive fuel-subsidy regime. After a 60% loss of revenues due to the plunge in oil prices, President Buhari is insisting the decision cannot be reversed. (www.citinewsroom.com 19/09/20)

Angola negotiates \$6.2bn debt relief from creditors: IMF

Angola will receive \$6.2bn in debt relief over the next three years, thanks to agreements lined up with three of its major creditors, the IMF has said. Angola said it was close to striking debt agreements with a number of Chinese banks and government agencies. (www.reuters.com 21/09/20)

IMF reviews Ghana's growth forecast

The IMF has started the process to validate data to enable it to revise upwards its growth forecast for Ghana. This is after it has satisfied itself that the economy will grow stronger than initially projected, based on recent developments and provisional data. (www.graphic.com.gh 22/09/20)

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