



Thursday, 24<sup>th</sup> September 2020

### **Eurozone economic recovery in danger as services slide**

Eurozone business growth ground to a halt this month, throwing the economic recovery into question as fresh restrictions to quell resurgence in coronavirus infections slammed the services industry into reverse, a survey shows. IHS Markit's flash Purchasing Managers' Index sank to 50.1 in Sept. from Aug.'s 51.9, only just above the 50 mark separating growth from contraction. ([www.reuters.com](http://www.reuters.com) 23/09/20)

### **Eurozone private sector stagnates in Sept**

The euro area private sector has stagnated this month as rebound faltered, flash survey data from IHS Markit show. The composite output index declined to 50.1 in Sept. from 51.9 in Aug. Economists had forecast the reading to drop to 51.7. Manufacturing output growth has accelerated the fastest since Feb. 2018. ([www.rttnews.com](http://www.rttnews.com) 23/09/20)

### **ECB to accept green bonds as collateral**

The European Central Bank will accept bonds with coupon structures linked to sustainability criteria such as green bonds as collateral for Eurosystem operations. The ECB is also open to making purchases of sustainable assets in its monetary policy facilities, including the Asset Purchase Programme and the Pandemic Emergency Purchase Programme. ([www.centralbanking.com](http://www.centralbanking.com) 22/09/20)

### **Fed's Mester says more stimulus**

The US economy has rebounded more strongly than expected since businesses began to re-open a few months ago, but the recovery is not broad-based or sustainable, Cleveland Fed Reserve Bank President Loretta Mester has said. Monetary policy will need to remain accommodative for the next several years and more fiscal stimulus is needed to support the economy, she said. ([www.reuters.com](http://www.reuters.com) 23/09/20)

### **Fed presses ahead with financial inclusion reforms despite disagreement**

The Fed has launched a fresh attempt at reforming regulations designed to boost financial inclusion, despite on-going disagreement among regulators and lawmakers. The Fed's "advance notice of proposed rulemaking" seeks to update regulations under the 1977 Community Reinvestment Act rules that were last reformed 25 years ago. ([www.centralbanking.com](http://www.centralbanking.com) 22/09/20)

### **UK private sector recovery loses momentum in Sept**

The UK's private sector growth eased in Sept. due to the persistent disruptions to business operations caused by Covid-19, flash survey data from IHS Markit show. The IHS Markit/Chartered Institute of Procurement & Supply composite output index fell to 55.7 in Sept. from 59.1 in the previous month. ([www.rttnews.com](http://www.rttnews.com) 23/09/20)

### **German private sector expands in Sept**

Driven by a sharp rise in manufacturing output, Germany's private sector continued to expand in Sept. albeit at a slower pace, survey results from IHS Markit show. The composite output index dropped to 53.7 in Sept. from 54.4 in Aug. The expected reading was 54.1. Nonetheless, a score above 50 indicates expansion. ([www.rttnews.com](http://www.rttnews.com) 23/09/20)

### **BOJ will continue experiments for issuing CBDCs: Kuroda**

Bank of Japan (BOJ) will work closely with overseas central banks in conducting experiments on issuing its own digital currency in the future, BOJ Governor Haruhiko Kuroda said. "The BOJ does not have any plan to issue central bank digital currencies (CBDC) now," he said in an online meeting with business leaders in Osaka. ([www.reuters.com](http://www.reuters.com) 23/09/20)

### **EXCHANGE RATES OF SELECTED CURRENCIES**

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2761	(1.2732)	1.2763	(1.2733)
+USD/EUR	1.1674	(1.1712)	1.1675	(1.1713)
*GHS/USD	5.6981	(5.6972)	5.7039	(5.7029)
*GHS/GBP	7.2714	(7.2536)	7.2798	(7.2614)
*GHS/EUR	6.6521	(6.6731)	6.6586	(6.6790)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 24/09/20 (Rates for 23/09/20 in brackets)

\* BOG INTERNAL TRANSACTION RATES: 24/09/20 (Rates for 23/09/20 in brackets)

### **France private sector shrinks in Sept**

The French private sector contracted in Sept. due to the renewed disruption related to the Covid-19 pandemic, survey results from IHS Markit showed on Wednesday. The flash composite output index declined to 48.5 from 51.6 in Aug. The score was expected to rise to 51.9. ([www.rttnews.com](http://www.rttnews.com) 23/09/20)

### **Spain's GDP falls less than estimated in Q2**

Spain's economy contracted sharply in the second quarter (Q2) due to the Covid-19 pandemic but the pace of decline was less than initially estimated, revised data from the statistical office INE showed on Wednesday. GDP fell 17.8% on quarter, much larger than a 5.2% decrease posted in the first quarter. ([www.rttnews.com](http://www.rttnews.com) 23/09/20)

### **Malaysia consumer prices fell in Aug**

Malaysia's consumer prices fell in Aug., data from the Department of Statistics showed on Wednesday. Consumer prices declined 1.4% year-on-year in Aug. following a 1.3% decrease in July. Economists had expected a 1.2% decrease. The annual fall was largely driven by a decline in transportation cost. ([www.rttnews.com](http://www.rttnews.com) 23/09/20)

### **Ukrainian Governor defends key banking reform**

Ukraine's central bank Governor has told the country's highest court that the country's deposit guarantee fund must stay independent. Kyrylo Shevchenko's evidence before Ukraine's constitutional court is his first intervention since he was appointed in what several observers call a vital policy debate. ([www.centralbanking.com](http://www.centralbanking.com) 22/09/20)

### **Sweden keeps monetary stance, sees slow recovery**

Sweden's central bank has left its key interest rate steady and confirmed it will continue to purchase assets and offer liquidity as it expects the economic recovery from the Covid-19 pandemic to be "long and fraught with uncertainty" despite a faster than expected improvement in recent months. ([www.centralbanknews.info](http://www.centralbanknews.info) 22/09/20)

### **Oil edges up to \$42, eyeing Libya and US inventories**

Oil edged up to around \$42 a barrel on Wednesday after US fuel inventories fell, although rising crude supply and growing numbers of coronavirus cases that raise concern of stalling demand capped gains. Brent crude was up 23 cents to \$41.95 at 1035 GMT, reversing an earlier drop. ([www.reuters.com](http://www.reuters.com) 23/09/20)

### **Rate cuts won't cure SA's skills shortage, Kganyago says**

South Africa's central bank Governor Lesetja Kganyago has stated that additional interest-rate cuts won't resolve the real problems holding back the country's economy. "No amount of quantitative easing or the reduction of interest rates would produce the kind of skills this economy needs," he said. ([www.bloomberg.com](http://www.bloomberg.com) 23/09/20)

### **Nigeria's Buhari to send long-awaited oil reform bill to Senate – Sources**

Nigerian President Muhammadu Buhari has signed a long-awaited oil-reform bill and it will be formally presented in the Senate as early as next week, four sources familiar with the matter have told Reuters. The legislation has been in the works for the past 20 years. ([www.reuters.com](http://www.reuters.com) 23/09/20)

### **Kenya to launch \$92m credit scheme to boost post-Covid-19 recovery**

Kenya is set to launch a Ksh10bn (about \$92m) micro, small and medium enterprises credit guarantee scheme in Oct. to boost post Covid-19 economic recovery, the acting director-general, budget, fiscal and economic affairs has said. ([www.xinhuanet.com](http://www.xinhuanet.com) 23/09/20)

### **Algerian president appoints fifth Governor since 2016**

Algeria's president has appointed Rosthom Fadli as the country's central bank Governor, making him the fifth Governor since 2016. Since 2014, Algeria has had six finance ministers, one of whom served twice, and two of whom have been former central bank Governors. ([www.centralbanking.com](http://www.centralbanking.com) 22/09/20)

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