



Tuesday, 29th September 2020

Central banks must collaborate to tackle payment ‘shortcomings’, says Cœuré

Central banks need to work together to tackle “shortcomings” in the global payments system, the head of the Bank for International Settlements Innovation Hub Benoît Cœuré has said. He said low-income and vulnerable groups still face barriers to payments, and costs remain high in the “retail segment”. (www.centralbanking.com 28/09/20)

Lagarde's peace at risk as ECB splits over virus response

ECB policymakers are increasingly divided over how to steer the economy through a second wave of Covid-19, threatening President Christine Lagarde’s hard-won peace, conversations with eight ECB insiders show. (www.reuters.com 28/09/20)

ECB taking further steps to address gender imbalance

Fresh measures taken by the ECB to tackle gender imbalances will also contribute to better policies, a top official says. “Creating a culture in which diverse points of view and a wide range of skills are valued is essential not just to redress the persistent gender imbalance in the profession, but also to protect against institutional groupthink, thus safeguarding the quality of the ECB’s monetary policy decisions,” Isabel Schnabel said. (www.centralbanking.com 28/09/20)

Eurozone economic confidence data due

Economic confidence from the euro area and mortgage approvals data from the UK are due on Tuesday, headlining a busy day for the European economic news. At 2.45 am ET, the statistical office Insee publishes France's monthly consumer confidence survey data for Sept. The consumer sentiment index is forecast to fall marginally to 93.0 from 94 in Aug. (www.rttnews.com 29/09/20)

EU and Britain far apart as key week of Brexit talks begins

The EU and Britain say a post-Brexit deal was still some way off and differences persisted on Monday over putting in place their earlier divorce deal as they began a decisive week of talks in Brussels. Britain left the EU last Jan. and is locked in negotiations on a new trade deal from 2021, as well as on implementing the divorce, as set out in the Withdrawal Agreement. (www.reuters.com 28/09/20)

BoE welcomes temporary deal on post-Brexit clearing

Bank of England has welcomed a decision by the European Securities and Markets Authority (ESMA) to grant temporary recognition to UK central counterparties. ESMA said on Sept 28 that LME Clear, Ice Clear and LCH would be allowed to continue operating in the EU after the UK completes its transition away from the EU at the end of this year. (www.centralbanking.com 28/09/20)

The \$4tr US government annual budget relies on individual taxpayers

The US government’s over \$4tr annual budget, the world’s largest, relies heavily on individual wage earners whose taxes and retirement benefits are deducted from every paycheck, leaning particularly on the top 20% of income earners. Corporations pay just a fraction of what individuals do into the federal spending pool. (www.reuters.com 28/09/20)

Fed will calibrate NSFR to avoid hurting repo

The US Federal Reserve will seek to calibrate a key Basel liquidity ratio to avoid putting pressure on US Treasury cash and repo markets, the Vice-Chair for Supervision Randal Quarles has indicated. (www.centralbanking.com 28/09/20)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2848	(1.2699)	1.2849	(1.2700)
+USD/EUR	1.1656	(1.1619)	1.1657	(1.1620)
*GHS/USD	5.6990	(5.6991)	5.7048	(5.7049)
*GHS/GBP	7.3221	(7.2373)	7.3300	(7.2452)
*GHS/EUR	6.6432	(6.6222)	6.6498	(6.6281)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 29/09/20 (Rates for 28/09/20 in brackets)

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Pandemic to keep Asia's growth at lowest since 1967, warns World Bank

The coronavirus pandemic is expected to lead to the slowest growth in more than 50 years in East Asia and the Pacific as well as China, while up to 38m people are set to be pushed back into poverty, the World Bank said in an economic update. (www.reuters.com 29/09/20)

Lower public spending holding back Middle East and Central Asia

Countries in the Middle East and Central Asia lag behind their peers in other regions in part due to a lack of public spending, says a paper published by the International Monetary Fund on Sept 28. Socioeconomic outcomes are poorer partly as a result of political conflicts destabilizing numerous jurisdictions. (www.centralbanking.com 28/09/20)

China needs a raft of reforms to make new economic strategy work

China will need a plethora of reforms if it is to make a new economic strategy that relies mainly on domestic consumption work, advisers to the Chinese cabinet have said. (www.reuters.com 29/09/20)

China's progress in economic resumption

China's success in controlling Covid-19 means the economy is in a steady revival mode. The following facts and figures indicate how the country is forging ahead in resuming work and production: Profits of China's major industrial firms maintained steady recovery in Aug. as the production and operations of enterprises further improved, data show. (www.xinhuanet.com 28/09/20)

S. Korea's business sentiment worsens in Sept

Sentiment among South Korean businesses over the economic situation worsened this month on the Covid-19 resurgence in the country, central bank data show. The business sentiment index stood at 64 in Sept., down two points from the previous month, according to the Bank of Korea. (www.xinhuanet.com 29/09/20)

Shares slip as US presidential debate looms

European shares slipped as investors awaited the first US presidential debate and eyed progress of a fiscal stimulus package in Washington. The broader Euro STOXX 600 fell 0.4%, eroding hefty gains from a day earlier. (www.reuters.com 29/09/20)

Crude oil futures settle higher

Crude oil prices rose and the most active futures contract ended notably higher, despite lingering worries about outlook for fuel demand amid re-imposition of mobility curbs in some countries due to a surge in coronavirus cases. West Texas Intermediate Crude oil futures for Nov. ended up \$0.35 or about 0.9% at \$40.60 a barrel, after hitting a high of \$40.79 earlier in the day. (www.rtnnews.com 28/09/20)

Africa 'lost \$836bn through illegal transfers'

Africa lost \$836bn (£650bn) in illegal movement of money out of the continent in the 15 years to 2015, a new report by the UN Agency for Trade and Development estimates. (www.bbc.com 28/09/20)

New West Africa currency 'delayed for five years'

A plan to launch a new currency to replace the CFA franc used by several countries in West Africa may not happen for at least five years. Ivory Coast President Alassane Ouattara has said Covid-19 has derailed the project to introduce the eco currency this year. Last Dec., the eight countries which use the CFA franc, all former French colonies plus Guinea-Bissau, said they would reduce their economic ties to France, while there has been a parallel move to create a single currency for West Africa. (www.thebusiness24online.net 28/09/20)

Bank of Ghana's Policy Rate kept at 14.5%

Bank of Ghana's MPC has kept its key lending rate unchanged at 14.5%. It left the rate at which it lends to commercial banks same for the second time this year. Speaking at a News Conference, Governor of the Central Bank, Dr. Ernest Addison, said the move was influenced by some threats to inflation and economic growth. (www.myjoyonline.com 28/09/20)

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