



Wednesday, October 7 2020

### **IMF to make small upward revision to 2020 global growth forecast**

The IMF will make a “small upward revision” to its 2020 global growth forecast next week, while warning that the rebound from the recession will be long and bumpy. The IMF estimates that the second and third quarters were “somewhat better” than expected in June when it forecast gross domestic product would shrink 4.9% this year, its Managing Director Kristalina Georgieva has said. ([www.bloomberg.com](http://www.bloomberg.com) 06/10/20)

### **World risks economic scarring if support is removed too soon: IMF's Georgieva**

Countries across the world risk facing massive bankruptcies and economic scarring if fiscal and monetary support deployed to support their economies through the current crisis is removed too soon, International Monetary Fund (IMF) Managing Director Kristalina Georgieva has said. ([www.reuters.com](http://www.reuters.com) 06/10/20)

### **Eurozone bank profitability collapsed in the second quarter, ECB says**

Profitability among the eurozone’s biggest banks collapsed in the second quarter even as lenders still managed to keep their stock of non-performing loans down, the ECB has said. Return on equity in the first half of the year, during the height of the coronavirus pandemic, was 0.01%, well down from 6.01% a year earlier. ([www.reuters.com](http://www.reuters.com) 06/10/20)

### **WTO warns of downside risks from second wave of coronavirus infections**

Global trade volume is likely to fall less than earlier estimated this year, and the expected rebound next year will not return it to pre-crisis levels, the World Trade Organization has said. The volume of world merchandise trade is set to decline 9.2% this year which is much less than 12.9% slump predicted in April. ([www.rttnews.com](http://www.rttnews.com) 06/10/20)

### **Fed’s new framework splits opinion**

The introduction of the US Fed’s new monetary policy framework has split opinion among former Federal Reserve officials and economists about whether the benefits of the monetary policy framework outweigh the costs. Some argue flexible average inflation targeting will provide greater clarity about the central bank’s reaction function and will help to rebalance expectations after years of downward inflationary bias. ([www.centralbanking.com](http://www.centralbanking.com) 05/10/20)

### **China's foreign debt sees stable growth in H1**

China had a steady rise in outstanding foreign debt in the first half of this year (H1) amid government measures to facilitate cross-border financing. The country's outstanding foreign debt stood at \$2.13tr by the end of H1, up \$75.1bn from the end of 2019, an increase of 3.7%, the State Administration of Foreign Exchange has said. ([www.xinhuanet.com](http://www.xinhuanet.com) 06/10/20)

### **BoE's Haskel keeps door open to negative rates, sees risks to growth**

Bank of England rate-setter Jonathan Haskel has said he saw downside risks to the economy and also some possible benefits from cutting interest rates below zero, though it was too soon to reach a firm conclusion on this. The bank cut interest rates to a record-low 0.1% in March. ([www.reuters.com](http://www.reuters.com) 05/10/20)

### **Germany's Scholz expects quick recovery in most parts of the economy**

German Finance Minister Olaf Scholz has said he expected Europe’s largest economy to recover quickly from the coronavirus crisis, though some sectors were likely to rebound faster than others. “My view is that most parts of the economy will recover quite quickly and we already see this in the figures today,” Scholz said. ([www.reuters.com](http://www.reuters.com) 06/10/20)

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

CURRENCY	BUYING		SELLING	
+USD/GBP	1.2956	(1.2967)	1.2957	(1.2968)
+USD/EUR	1.1783	(1.1785)	1.1784	(1.1785)
*GHS/USD	5.6998	(5.7000)	5.7056	(5.7058)
*GHS/GBP	7.3847	(7.3913)	7.3927	(7.3992)
*GHS/EUR	6.7164	(6.7175)	6.7231	(6.7241)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 07/10/20 (Rates for 06/10/20 in brackets)

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### **Consumer sentiment in Canada stalls; 51% say economy will weaken**

Canadian consumer confidence recorded its smallest monthly gain since the start of the pandemic, another sign that the swift economic recovery of summer is petering out. The Canadian Confidence Index ended in Sept. at 53.1. ([www.bloomberg.com](http://www.bloomberg.com) 05/10/20)

### **India to announce delayed policy decision on Oct. 9**

India's central bank will announce the results of its delayed monetary policy review on Friday, Oct. 9 after the government appointed three new external members to the Monetary Policy Committee. On Sept. 28, the bank rescheduled its policy meeting that was planned to conclude on Oct. 1 to a future date. ([www.centralbanknews.info](http://www.centralbanknews.info) 06/10/20)

### **IMF revises down Brazil's 2020 GDP; shrinks forecast from 9.1 to 5.8%**

The International Monetary Fund (IMF) has lifted its economic forecast for Brazil while warning the country still faces "exceptionally high and multifaceted" risks. "The economy is projected to shrink by 5.8% in 2020 followed by a partial recovery to 2.8% in 2021," the IMF said. ([www.xinhuanet.com](http://www.xinhuanet.com) 06/10/20)

### **HK private sector PMI climbed to 47.7 in Sept. – IHS Markit**

The private sector in Hong Kong continued to contract in Sept. albeit at a slower pace, the latest survey from IHS Markit showed with a PMI score of 47.7. That's up from 44.0, although it remains beneath the boom-or-bust line of 50 that separates expansion from contraction. ([www.rttnews.com](http://www.rttnews.com) 06/10/20)

### **Indonesia consumer confidence weakened in Sept**

Indonesia's consumer confidence weakened in the month of Sept. after improving in the previous few months, Bank of Indonesia data show. The consumer confidence index fell to 83.4 from 86.9 in Aug. Expectations on current economic situation and conditions for buying durable goods also weakened. ([www.rttnews.com](http://www.rttnews.com) 06/10/20)

### **Oil prices fall on US stimulus impasse, rising US crude stockpiles**

Oil prices fell on Wednesday after US President Donald Trump dashed hopes for a fourth stimulus package to boost the coronavirus-hit economy. Brent crude futures fell 30 cents, or 0.7%, to \$42.35 a barrel. ([www.reuters.com](http://www.reuters.com) 07/10/20)

### **South Africa's central bank shifts to 'wait and see' strategy after Covid-19 response**

South Africa's central bank has shifted to a "wait and see" strategy as it expects the benchmark interest rate to remain low after aggressive monetary policy easing in the first half of the year to counter the economic damage wrought by the coronavirus pandemic. ([www.bloomberg.com](http://www.bloomberg.com) 06/10/20)

### **Libya's central bank calls for resumption of oil output, exports**

Libyan central bank Governor Sadiq Al-Kabir has called for an immediate resumption of oil operations to shore up the economy amid an unprecedented decline in monetary reserves. Shutting down the country's oil operations repeatedly from 2013-2020 has generated about \$180bn in losses, Al-Kabir said. ([www.bloomberg.com](http://www.bloomberg.com) 07/10/20)

### **Tanzania's central bank says economy on track amid Covid-19 pandemic**

Tanzania's economy continued to perform satisfactorily despite spill over effects from the global economy due to Covid-19, the central bank says. The Monetary Policy Committee's assessment of the performance and outlook of the economy showed it will grow at 5.5% in 2020. ([www.xinhuanet.com](http://www.xinhuanet.com) 07/10/20)

### **BoG commits US\$525m to FX forward market**

The Bank of Ghana has committed at least US\$525m in its forex forward auctions introduced last year as part of reforms to bring stability to the local currency. Bids submitted last year amounted to US\$1.32bn out of which the bank accepted US\$525m which represents about 73% of the total targeted amount for the year. ([www.ghanaweb.com](http://www.ghanaweb.com) 07/10/20)

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