



Tuesday, January 19, 2021

IMF chief sees 'high degree of uncertainty' in global outlook

The IMF head has said the global economic outlook remained highly uncertain given the Covid-19 pandemic, and a growing divergence between rich and poor countries, which required the IMF to find more resources. Georgieva said the IMF had rapidly increased concessional financing to emerging market and developing economies, including through donation of some \$20bn in existing SDRs. (www.reuters.com 18/01/21)

Eurozone mulls how to prevent Covid-19 driving its economies apart

Eurozone finance ministers were discussing how to design and coordinate economic plans to recover from the Covid-19 crisis, while the European Commission said the pandemic was exacerbating economic imbalances within the bloc, and pushing highly indebted countries deeper into debt. (www.reuters.com 18/01/21)

ECB's latest stimulus expected to have little impact on eurozone economy – Reuters poll

The European Central Bank's new policy package will have little effect on the eurozone's coronavirus-ravaged economy. The economy shrank 2.5% last quarter after expanding 12.5% in the third quarter and was expected to grow 0.6% this quarter, nearly half the 1.1% predicted a month ago. (www.reuters.com 18/01/21)

Promoting fintech might reduce inequality – BIS's Pereira da Silva

Inequality can harm monetary policy transmission, but promoting fintech may be one way to reduce this impact, Luiz Awazu Pereira da Silva said on Jan. 13. The Bank for International Settlements' deputy general manager said recent research had found that high concentrations of income impair policy transmission. (www.centralbanking.com 15/01/21)

China's growth beats estimate as economy powers out of Covid-19

China's economy went back to pre-pandemic growth rates in the fourth quarter as its industrial engines fired up to meet surging demand for exports, pushing the full-year growth beyond estimates and propelling its global advance. GDP climbed 6.5% in the final quarter from a year ago, pushing growth to 2.3% for the year. (www.bloomberg.com 18/01/21)

China's 2020 job market remained stable despite virus disruption

China's job market remained generally stable in 2020 due to stepped-up efforts to ensure employment as the country steadily emerged from the virus-induced economic slump. In 2020, the unemployment rate in urban areas stood at 5.6%, below the government's annual target of around 6%, the Bureau of Statistics said. (www.xinhuanet.com 18/01/21)

German economy at risk of 'sizeable setback' if curbs extended: Bundesbank

The German economy is managing to stay afloat but could suffer a "sizeable setback" if Covid-19 curbs are extended, the Bundesbank has said. Germany has taken increasingly tight measures, such as closing some schools and shops, to curtail movement and gatherings since autumn as it battles a second wave of infections. (www.reuters.com 18/01/21)

BOJ's policy review may make ETF buying more flexible: Reuters poll

Bank of Japan will likely focus on measures to make its purchases of risky assets, such as exchange-traded funds, more flexible as the economy comes under growing strain from a spike in Covid-19 infections, a Reuters poll found. Economic activity could stall and the BOJ may have to look at more effective ways to achieve its 2% inflation target. (www.reuters.com 19/01/21)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3573	(1.3696)	1.3574	(1.3597)
+USD/EUR	1.2075	(1.2090)	1.2076	(1.2090)
*GHS/USD	5.7574	(5.7576)	5.7632	(5.7634)
*GHS/GBP	7.8145	(7.8281)	7.8229	(7.8365)
*GHS/EUR	6.9524	(6.9614)	6.9587	(6.9676)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 19/01/21 (Rates for 18/01/21 in brackets)

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Canada's economic recovery falters amid renewed Covid-19 restrictions

Canada's economy will hit a major roadblock during the first quarter of 2021 before gaining momentum in the next quarter. GDP would reach its pre-pandemic growth levels within a year. Economic activity had recovered partially from a record drop of 7.5% in the first quarter and 38.1% in the second quarter. (www.reuters.com 18/01/21)

Turkey rally runs out of steam as Erdogan sows policy doubts

The wheels are coming off the lira's best start to a year since 2012 after President Recep Tayyip Erdogan rekindled doubts over the direction of Turkey's monetary policy. The currency had appreciated more than 1% against the dollar this year adding to a 14% rally in the last two months of 2020. (www.bloomberg.com 18/01/21)

HK finance chief expects jobless rate to top 16-year high

Hong Kong's unemployment rate for the three months ended Dec. is likely to exceed the highest level in 16 years because of the impact of tightened coronavirus restrictions, Financial Secretary Paul Chan has said. Unemployment stood at a high of 6.4% for the three months ended Oct., matching a high from Jan. 2005. (www.bloomberg.com 18/01/21)

Brazil economic activity slowed down in Nov as government handouts waned

Brazil's economic activity slowed in Nov. as the government pared back emergency cash handouts to informal workers amid the Covid-19 crisis. The economic activity index, which is a proxy for GDP, rose 0.59% compared to the previous month, the central bank has reported. (www.bloomberg.com 18/01/21)

Bulgaria's inflation at 4-year low

Bulgaria's consumer price inflation slowed to a four-year low in Dec., the National Statistical Institute has reported. Consumer prices rose 0.1% annually, following a 0.4% rise in Nov. A similar slower rate was last seen in Dec. 2016. (www.rttnews.com 18/01/21)

Oil prices rise as optimism over economy outweighs fuel demand concerns

Oil prices climbed on Tuesday as optimism that government stimulus will buoy global economic growth and oil demand trumped concerns that renewed Covid-19 lockdowns globally could cool fuel consumption. Brent crude futures for March gained 55 cents, to \$55.30 a barrel by 0737 GMT after slipping 35 cents previously. (www.reuters.com 19/01/21)

African central bankers out of policy space to fight recessions

African central bankers meeting in two weeks amid a resurgent coronavirus may find they've used up most of their interest-rate ammunition to lift their economies out of recessions. Monetary Policy Committees have limited room to provide stimulus after easing when lockdowns shuttered output in 2020. (www.bloomberg.com 19/01/21)

Nigeria: Inflation spikes despite harvest and land border re-opening

Nigeria's headline inflation for Dec. 2020 came in at 15.75%, much higher than analyst expectations and 0.86% above the Nov. figure of 14.89%. It is almost 7% above the upper limit of the CBN's inflation target range (6-9%), bringing the average inflation in 2020 to 13.21%, up from 11.39% in 2019. (www.news24.com 18/01/21)

Zimbabwe banks shut 17% of branches as virus drives digitization

Zimbabwean banks have closed about 17% of their branches as a rise in the number of coronavirus infections spurred lenders to shut their doors for the time being and accelerate a digitization drive. (www.bloomberg.com 18/01/21)

BoG to 'arrest' cedi's depreciation with US\$775m injection

As part of measures to ensure the economy has a stable local currency for the year and especially in the first quarter when demand for forex is high, Bank of Ghana plans to inject US\$775m through its FX forward auction programme to achieve this objective. (www.ghanaweb.com 18/01/21)

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