



Monday, April 19, 2021

ECB debates the future after virus: Eco Week

Europe's late but accelerating vaccination push is allowing monetary officials to begin pondering an economic future free of the curse of the coronavirus. There's a spectrum of views on that outlook. Dutch central bank Governor Klaas Knot favours tapering crisis bond purchases as soon as the third quarter, while his French colleague, Francois Villeroy de Galhau, cites March as a possible end date. President Christine Lagarde reckons monetary support will be needed "well into the recovery." (www.bloomberg.com 17/04/21)

Fed's Waller says US economy 'ready to rip' but inflation will level off

The US economy is set to take off this year as more Americans get Covid-19 vaccinations and become comfortable engaging in a wider range of activities but any accompanying spike in inflation is likely to be temporary, the Fed's newest board member has said, echoing the view of most US central bankers. (www.reuters.com 16/04/21)

US consumer sentiment improves less than expected in April

After reporting a substantial rebound in US consumer sentiment in the previous month, the University of Michigan released a report showing sentiment continued to improve in April. There was a consumer sentiment index rise to 86.5 in April after soaring to 84.9 in March. (www.rttnews.com 16/04/21)

China's economy grew 18.3% in Q1 in post-Covid comeback

China's economy grew a record 18.3% in the first quarter (Q1) of 2021 compared to the same quarter last year. It's the biggest jump in GDP since China started keeping quarterly records in 1992. However, Friday's figures are below expectations, with a Reuters poll of economists predicting 19% growth. (www.bbc.com 16/04/21)

BoE tells firms to promote own 'RegTech' products

Britain's financial regulator has called for the regulatory technology industry to press their own case for the greater adoption of cost-saving ways to automate compliance and spot money laundering, rather than expecting it to do so. The City of London Corporation said that annual cost of compliance for Britain's top five banks could be cut by at least 0.05% or a combined £523m (\$720m), by the greater use of so-called RegTech. (www.reuters.com 16/04/21)

Italy's trade surplus decreased in Feb

The trade surplus fell to €4.754bn in Feb. from €5.975bn in the same period last year. In Jan. the trade surplus was €1.584bn. Exports declined 4.4% year-on-year in Feb., following an 8.5% fall in Jan. On an annual basis, imports fell 1.6% in Feb. following an 11.6% decrease in the preceding month. On a monthly basis, exports rose 0.3% and imports rose 1.4% in Feb. (www.rttnews.com 16/04/21)

Israel's economy grew at 6.5% annualized rate as car imports jump

Israel's economy grew at a 6.5% annualized rate in the fourth quarter, as investment in fixed assets and private consumption expanded, the Central Bureau of Statistics has said, raising its estimate from a prior 6.4%. The fast-paced rise in GDP is attributed to a sharp increase in car imports. (www.bloomberg.com 18/04/21)

Austria inflation rose in March

Austria's consumer price inflation increased in March, the Statistics Austria has said. The CPI rose 2.0% year-on-year in March, following a 1.2% increase in Feb. Prices for housing, water and energy increased 2.9% yearly in March. Prices of food and non-alcoholic beverages grew 1.2% and transport cost rose 3.6%. On a monthly basis, prices increased 1.1% in March. (www.rttnews.com 16/04/21)

| CURRENCY | BUYING | | SELLING | |
|----------|--------|----------|---------|----------|
| +USD/GBP | 1.3820 | (1.3789) | 1.3822 | (1.3790) |
| +USD/EUR | 1.1980 | (1.1973) | 1.1980 | (1.1973) |
| *GHS/USD | 5.7290 | (5.7285) | 5.7348 | (5.7343) |
| *GHS/GBP | 7.9175 | (7.8991) | 7.9266 | (7.9076) |
| *GHS/EUR | 6.8627 | (6.8586) | 6.8700 | (6.8654) |

+SOURCE: BOG INTERNAL TRANSACTION RATES: 19/04/21 (Rates for 16/04/21 in brackets)

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Turkish central bank holds rates despite rising inflation

The MPC of Turkey's central bank held rates in spite of rising inflation, in the first meeting since the country's president dismissed the previous Governor. The seven-member MPC kept the key one-week repo rate at 19%, despite citing a number of inflationary pressures. (www.centralbanking.com 16/04/21)

Kuwaiti central bank orders local national quota for bank managers

The Central Bank of Kuwait announced on April 14, 2021 that it would require financial institutions to ensure that 70% of their middle and upper management staff are Kuwaitis. Banks will have until the end of 2023 to comply with the new regulation. (www.centralbanking.com 16/04/21)

Venezuela cut off from share of IMF's \$650bn new reserves

The International Monetary Fund won't hand over \$5bn of special drawing rights to Venezuela to bolster its reserves as part of a massive injection of resources to member nations due to an ongoing dispute over whether Nicolas Maduro is the legitimate leader. (www.bloomberg.com 16/04/21)

Bank of Thailand unfazed by US currency watchlist inclusion

The Bank of Thailand has responded to the US decision to keep the nation on watch for currency manipulation by asserting that it has stepped into the market only to curb volatility in the baht. The country has a trade surplus of more than \$20bn with the US and a current account surplus in excess of 2% of GDP. (www.bloomberg.com 17/04/21)

Croatia consumer prices rise for second month

Croatia's consumer prices increased for the second straight month in March, the Croatian Bureau of Statistics has said. The CPI rose 1.2% year-on-year in March, following a 0.3% increase in Feb. Prices for alcoholic beverages and tobacco increased 10.3% yearly in March. (www.rttnews.com 16/04/21)

Global oil demand boosted by strong road fuel consumption

The monthly oil demand forecast for both April and May lies at 13.0m bpd, up to 13.5m bpd in June. Further ahead, oil demand is expected to average 14.0m bpd in both the third and fourth quarters this year. Total oil demand in the US is now forecast to 19.4m bpd in 2021, an 8% increase from 18.1m bpd in 2020. (www.ghanaweb.com 18/04/21)

Sub-Saharan Africa's economy to rebound this year as activity picks up

Sub-Saharan Africa is expected to rebound this year as the continent's economic drivers pick up momentum after activity was halted by Covid-19. The International Monetary Fund forecast growth for the region at 3.4% this year from an estimated contraction of 1.9%. (www.iol.co.za 16/04/21)

World Bank calls for growth-enhancing policies to re-align SA economy

The World Bank has urged South Africa to implement growth-enhancing policy interventions as the country's recovery from Covid-19 impact would be way less than that of its peers. The lender said South Africa needed "to avoid another lost decade" of economic growth. (www.iol.co.za 16/04/21)

Zimbabwe's Mnangagwa says 'fight still on' to fix broken economy

Zimbabwean President Emmerson Mnangagwa says the "fight is still on" to fix the broken economy, signalling out the financial industry for resisting the economic turnaround efforts. The International Monetary Fund expects 3.1% economic growth this year compared with an earlier forecast of 4.2% expansion. (www.news24.com 18/04/21)

Congo cuts rate 2nd time, inflation slows, franc stable

The Central Bank of Congo has cut its policy rate by another 500 basis points to 10.5%, according to a statement from the bank's Monetary Policy Committee on twitter by an advisor to the bank's Governor. (www.centralbanknews.info 16/04/21)

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