



Tuesday, April 27, 2021

## Macro-prudential tools can boost long-run growth – BoE paper

Macro-prudential policies can support long-run growth, according to a theoretical framework laid out in a Bank of England working paper. Dario Bonciani, David Gauthier and Derrick Kanngiesser look to fill what they see as a gap in the literature. Previous research, they say, has not yet addressed the long-term benefits of macro-prudential policy in a dynamic stochastic general equilibrium model.

([www.centralbanking.com](http://www.centralbanking.com) 26/04/21)

## Navigating the hazards of inequalities

Widening wealth and income inequalities have become a communications hazard for central banks, as a result of mistiming between them and governments' actions to support economies struggling with the Covid-19 pandemic.

([www.centralbanking.com](http://www.centralbanking.com) 26/04/21)

## Central banks halt longer-term dollar liquidity auctions

From July 1, several of the world's largest central banks will discontinue dollar liquidity auctions at the 84-day maturity. In a joint statement published on April 23, the Bank of England, European Central Bank, Bank of Japan and Swiss National Bank said "sustained improvements" in US dollar funding conditions meant some of the measures introduced to stabilise markets during the height of the Covid-19 pandemic could be removed.

([www.centralbanking.com](http://www.centralbanking.com) 26/04/21)

## ECB's Panetta: we must maintain stimulus until inflation hits 2%

The European Central Bank should not dial back its aggressive stimulus measures until the euro zone economy achieves its growth potential and inflation is back at 2%, ECB Board Member Fabio Panetta said.

([www.reuters.com](http://www.reuters.com) 26/04/21)

## EU will use trade deal tools against Britain if needed - EU's von der Leyen

The trade agreement between Britain and the EU will give each side tools to ensure compliance with that accord and the Brexit divorce deal between the two, European Commission President Ursula von der Leyen said on Tuesday. "Let me be clear: we do not want to have to use these tools. But we will not hesitate to use them if necessary," she told the European Parliament.

([www.reuters.com](http://www.reuters.com) 27/04/21)

## EU sues AstraZeneca over delays in COVID-19 vaccine deliveries

The European Union on Monday said, it is filing a lawsuit against drug maker AstraZeneca over a breach of its Covid-19 vaccine supply contract. "Our priority is to ensure Covid-19 vaccine deliveries take place to protect the health of EU," the EU's Commissioner for Health, Stella Kyriakides, said via Twitter.

([www.rttnews.com](http://www.rttnews.com) 26/04/21)

## Bank of England says review of banker bonus cap not a priority

Reviewing the cap on banker bonuses is not a priority for the Bank of England as it decides whether to keep rules inherited from the EU, a senior BoE official said. The EU rules limits bonuses to no more than twice a banker's fixed pay, and were introduced following taxpayer bailouts of banks in the 2008 global financial crisis.

([www.reuters.com](http://www.reuters.com) 26/04/21)

## US bank appetite for Treasuries unfazed after Fed ends regulatory relief

US banks' demand for Treasury securities has not dimmed, contrary to expectations, since the Federal Reserve expire a waiver to a capital adequacy regulation granted early in the pandemic, even as firms seek to raise more capital via debt issuance instead. That should prevent spikes in US Treasury yields and keep them in a narrow range this year.

([www.reuters.com](http://www.reuters.com) 26/04/21)

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3901	(1.3848)	1.3902	(1.3849)
+USD/EUR	1.2085	(1.2069)	1.2086	(1.2070)
*GHS/USD	5.7278	(5.7280)	5.7336	(5.7338)
*GHS/GBP	7.9623	(7.9322)	7.9708	(7.9407)
*GHS/EUR	6.9225	(6.9132)	6.9293	(6.9200)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 27/04/21 (Rates for 26/04/21 in brackets)

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### **German, French ministers back US on 21% minimum corporate tax rate**

The Finance Ministers of France and Germany support the idea of a 21% minimum corporate tax rate, as suggested by the US government, they said in a joint interview in Zeit Online on Tuesday. "I, personally, have nothing against the US proposal," Germany's Olaf Scholz was quoted as saying. ([www.reuters.com](http://www.reuters.com) 27/04/21)

### **Yuan flat before Fed outcome, wary on Huarong developments**

China's yuan was largely steady against the dollar on Tuesday as most investors were reluctant to make any bets before the outcome of the US Federal Reserve's policy meeting due later this week. While the Fed is not expected to alter policy at its two-day meeting which ends on Wednesday, the focus will be on comments from Chairman Jerome Powell as he's likely to face questions over whether improving conditions warrant a withdrawal of monetary easing. ([www.reuters.com](http://www.reuters.com) 27/04/21)

### **BOJ signals prolonged easing, cuts price outlook as new COVID pain hits**

Japan's Central Bank maintained its massive stimulus on Tuesday and projected inflation missing its 2% target for years to come, as fresh curbs to combat a spike in COVID-19 cases overshadow the boost to growth from solid global demand. ([www.reuters.com](http://www.reuters.com) 27/04/21)

### **Turkey's banks shy away from Erdogan's 'crazy' canal – sources**

Some of Turkey's biggest banks are reluctant to finance President Tayyip Erdogan's planned Istanbul canal due to environmental concerns and the investment risks hanging over the massive construction project, four senior bankers told Reuters. ([www.reuters.com](http://www.reuters.com) 27/04/21)

### **Italy's business confidence data due**

Business and consumer confidence data from Italy is due on Tuesday, headlining a light day for the European economic news. At 3.30 am ET, Sweden's central bank is set to announce its interest rate decision. The bank is expected to hold its key rate at zero percent. ([www.rttnews.com](http://www.rttnews.com) 27/04/21)

### **European stocks weighed down by UBS' Archegos hit, BP surges**

European stocks were little changed on Tuesday following earnings from blue-chip companies such as HSBC and BP, while UBS became the latest bank to disclose a hit from dealing with US investment firm Archegos. The pan-European STOXX 600 index slipped 0.01% by 0707 GMT, with gains in oil & gas stocks offsetting losses in financial services firms. ([www.reuters.com](http://www.reuters.com) 27/04/21)

### **Crude oil futures settle lower on demand worries**

Crude oil prices drifted lower amid continuous worries about outlook for energy demand due to rising coronavirus cases in India. However, the downside was limited on reports the Organization of the Petroleum Exporting Countries (OPEC) and its allies are likely to delay their plans to any significantly increase crude output for now. West Texas Intermediate Crude oil futures for June ended lower by \$0.23 or about 0.4% at \$61.91 a barrel. ([www.rttnews.com](http://www.rttnews.com) 26/04/21)

### **S. Africa: Rand edges higher in thin trade**

The rand edged higher in thin trade ahead of a national holiday, with traders unlikely to take many big bets ahead of some key data due later in the week. At 0630 GMT, the rand was 0.12% firmer at 14.2700 per dollar, not far-off its close at 14.2875 in New York. The rand has made solid gains in April, outperforming its emerging market peers, with gains of around 3% year-to-date against the US dollar. ([www.iol.co.za](http://www.iol.co.za) 26/04/21)

### **FG, World Bank at loggerhead as Nigeria spends \$1.5b on electricity subsidy**

The Special Adviser to the President on Infrastructure, Ahmad Rufai Zakari, yesterday, faulted a report by the World Bank saying the Federal Government spends, at least, \$1.5bn to meet the shortfall in the country's electricity sector. The Presidential Aide said the survey conducted by the World Bank, which also claimed that 78 per cent of power consumers in Nigeria get less than 12 hours of daily supply of electricity was baseless. ([www.guardian.ng](http://www.guardian.ng) 27/04/21)

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