



Tuesday, May 04, 2021

Central banks were net gold buyers in Q1

Central banks remained net gold buyers in the first quarter of 2021, according to data published by the World Gold Council (WGC) on April 29. Overall, central bank reserve managers boosted their holdings by 95.5 tonnes, the WGC said. This is down 23% from the 124.1 tonnes net purchases by central banks recorded in the first quarter of 2020. (www.centralbanking.com 30/04/21)

Eurozone suffers double-dip recession as pandemic impact continues

The eurozone's economy is back into recession as the impact of Covid-19 continues to hit activity. Europe's economies have reversed by a renewed surge in infections. The eurozone shrank by 0.6% in the Jan-to-March period, the second consecutive contraction, which is a widely-used definition of a recession. (www.bbc.com 02/05/21)

ECB's Weidmann says government finances mustn't delay tightening

ECB policymaker Jens Weidmann has said officials must be prepared to tighten monetary policy when needed to curb inflation even if that increases the strain on heavily indebted governments. "We central bankers must clearly say that we will rein in monetary policy again when the price outlook demands it," the Bundesbank president has said. (www.bloomberg.com 30/04/21)

US economy accelerates as recovery continues

The US economy continued to recover in the first three months of the year as businesses reopened and the government spent heavily on Covid relief for citizens. The economy grew at an annualised rate of 6.4% in the quarter, up from 4.3% in the final three months of 2020. The US economy is rebounding faster than expected after contracting sharply in 2020. (www.bbc.com 01/05/21)

Fed's key rate slips closer to zero, raising prospect of tweaks

The key benchmark that the Fed targets to control monetary policy dropped for the first time this month. The effective Fed funds rate, which the central bank is currently aiming to keep within a range of 0% to 0.25%, slipped by one basis point to 0.06%. It was the first drop to that level since a brief dip at the end of last quarter. (www.bloomberg.com 30/04/21)

PBOC mulls policy tools to support carbon emission cuts

China's central bank is devising structural monetary policy tools that can provide direct support to the real economy in the pursuit of cutting carbon emissions. The policy tools will provide eligible financial institutions with low-cost funds. The country's outstanding amount of green loans came in at ¥11.95tr (\$1.85tr) by the end of 2020. (www.xinhuanet.com 03/05/21)

French inflation at 14-month high

France's inflation rose to a 14-month high in April on higher energy and services prices, the statistical office Insee has said. It said household consumption declined sharply in March due to the significant fall in manufactured goods purchases. Consumer price inflation rose to 1.3% in April, as expected, from 1.1% in March. This was the highest since Feb. 2020, when the rate was 1.4%. (www.rttnews.com 30/04/21)

Italy slips into recession in Q1

Italy's economy re-entered a recession in the first quarter, the statistical office has said. GDP fell 0.4% quarter-on-quarter, but slower than the 1.8% decrease seen in the fourth quarter. With the second consecutive contraction after a sharp growth in the third quarter of 2020, the economy slipped into a technical recession amid the restrictions related to Covid-19. (www.rttnews.com 30/04/21)

| CURRENCY | BUYING | | SELLING | |
|----------|--------|----------|---------|----------|
| +USD/GBP | 1.3820 | (1.3952) | 1.3821 | (1.3953) |
| +USD/EUR | 1.2029 | (1.2117) | 1.2030 | (1.2117) |
| *GHS/USD | 5.7293 | (5.7283) | 5.7351 | (5.7341) |
| *GHS/GBP | 7.9179 | (7.9922) | 7.9264 | (8.0007) |
| *GHS/EUR | 6.8924 | (6.9413) | 6.8992 | (6.9481) |

+SOURCE: BOG INTERNAL TRANSACTION RATES: 04/05/21 (Rates for 30/04/21 in brackets)

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India's credit growth may dip further after touching record low

Indian bank credit growth hit a record low in fiscal 2020-21 and is expected to languish near those levels this year as a massive surge of Covid-19 infections risks denting India's economic recovery and forces lenders to turn cautious again. Credit growth touched a record low of 5.6% in the financial year 2021. (www.reuters.com 30/04/21)

Australia central bank to keep stimulus even as economy roars

Australia's central bank will maintain its highly supportive policy settings despite surging growth. Reserve Bank of Australia Governor Philip Lowe is set to keep interest rates and the three-year yield target unchanged at 0.10% while maintaining the current pace of longer-dated bond purchases under the quantitative easing programme. (www.bloomberg.com 02/05/21)

S. Korea's exports increase by most in 10 years in April

South Korea's exports last month rose the most in 10 years, boosted by an increase in the number of working days from a year earlier and reflecting a recovery from the effects of Covid-19. Overseas shipments increased 41.1% from a year earlier, the trade ministry has said. (www.bloomberg.com 01/05/21)

Austria economy unexpectedly grew in Q1

Austria's economy grew in the first quarter of this year, driven by growth in construction and industry that offset the slump in the services sector due to the Covid-19 pandemic. GDP grew 0.2% from the previous quarter, when output fell 2.7%. (www.rttnews.com 30/04/21)

Czech economy shrank in Q1

The Czech Republic's economic output shrank in the first three months of this year, following growth in the previous two quarters, amid a resurgence in Covid-19. GDP decreased 0.3% quarter-on-quarter after a 0.6% increase in the fourth quarter of 2020, the statistical office has said. (www.rttnews.com 30/04/21)

Oil dips but US, Europe demand growth optimism keep prices supported

Oil prices dipped on Tuesday, reversing gains earlier in the session after more US states eased lockdowns and the EU sought to attract travellers, helping to offset concerns over fuel demand in India as Covid-19 cases soar. Brent crude futures fell 7 cents to \$67.49 a barrel at 0619 GMT, after climbing 1.2% on Monday. (www.reuters.com 04/05/21)

SA: PPI leaps to an almost two-year high driven by hikes in food and fuel

Food products, beverages and tobacco products have gone up by 6.8% year-on-year in South Africa. Stats SA said this was the largest annual rise in headline PPI since June 2019, when the rate was 5.8%. Coke, petroleum, chemical, etc rose by 4.2% while metals, machinery and computing equipment increased by 5.2%. (www.iol.co.za 30/04/21)

S. A's rand slips as dollar regains footing

South Africa's rand weakened early on Tuesday, as the dollar rebounded from a fall in the previous session triggered by weaker-than-expected US economic data. At 0630 GMT, the rand traded at 14.4525 against the dollar, 0.35% weaker than its previous close. (www.reuters.com 04/05/21)

Nigerian central bank sacks board of third-largest lender

Nigeria's central bank dismissed the board of First Bank of Nigeria, the country's third-largest commercial bank, saying senior managers had seriously damaged the lender's finances. Central Bank of Nigeria governor Godwin Emefiele has said. (www.centralbanking.com 30/04/21)

Ghana's economy ranked 8th biggest in Africa

Ghana's economy has ranked 73rd in the world in terms of GDP for the year 2019 making it the 8th largest economy in Africa. The 2020 figures are not expected for another year. According to the World Bank, Ghana's economy stood at about US\$67bn in size in 2019. (www.ghanaweb.com 03/05/21)

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