



Monday, May 10, 2021

Euro zone bond yields head back up after post-payrolls swings

Euro zone bond yields rose on Monday as investors returned their focus to a brighter economic outlook and its implications for central bank policy following large swings following Friday's US non-farm payrolls data. Rising crude oil prices after a major cyber attack forced the shutdown of critical fuel supply pipelines in the US added to upward pressure on bond yields by boosting inflation expectations. (www.reuters.com 10/05/21)

BoE's Nelson warns against 'rigid' approach to op risk

Some firms might prefer clearer rules on operational risk, but regulators should retain flexibility, the Bank of England's Lyndon Nelson said on May 5. The Deputy Chief of the Prudential Regulation Authority said "outcome or principles-based regulation" allows firms to choose the most "economic, efficient and effective way" to meet requirements. But some firms fear the lack of clarity could lead to them incurring the "unjustified wrath" of regulators, he added. (www.centralbanking.com 07/05/21)

US has long way to go to recover from pandemic - Commerce Secretary

Many Americans are still struggling to return to work after the coronavirus pandemic and last week's lower-than-expected job numbers were a reflection of that, Commerce Secretary Gina Raimondo said on Sunday. "I think we have a long way to go to recover from the pandemic," Raimondo said on CBS' "Face the Nation" program. "There are so many Americans still struggling" and 8 m fewer jobs than there were before the pandemic, she said. (www.reuters.com 09/05/21)

Bank of Canada to become default payments regulator

The Bank of Canada will regulate all payments services companies not already regulated by other agencies, under draft legislation introduced by the Canadian Federal Government. The retail payments activities act is part of the government's federal budget for 2021. Chrystia Freeland, the Finance Minister, introduced the budget on April 19. It is at the second reading stage in Canada's House of Commons, and will need to pass a third reading, and pass the Senate, before becoming law. (www.centralbanking.com 07/05/21)

Finance Minister Le Maire sees French economy back to pre-COVID levels by H1 2022

The French economy will return to its pre-COVID-19 levels of economic activity by the first half of 2022, said French Finance Minister Bruno Le Maire on Monday, who also reaffirmed his target of 5% economic growth for France in 2021. "Economic growth is back in the first quarter, I think we will have a strong growth in 2021," Le Maire told France Info radio. (www.reuters.com 10/05/21)

Low inflation to keep Israel rates 'accommodative' - Central Bank Chief

Israel's economy is recovering quickly from the COVID crisis but interest rate increases are some way off given inflation is expected to stay well contained, Bank of Israel Governor Amir Yaron said. Yaron said policymakers have once again begun to focus on inflation after the consumer price index turned positive in March for the first time in a year at an annual rate of 0.2%. The rate is projected to enter the official 1-3% annual target range soon. (www.reuters.com 10/05/21)

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3990	(1.3879)	1.3991	(1.3880)
+USD/EUR	1.2148	(1.2055)	1.2148	(1.2056)
*GHS/USD	5.7287	(5.7289)	5.7345	(5.7347)
*GHS/GBP	8.0145	(7.9512)	8.0231	(7.9597)
*GHS/EUR	6.9594	(6.9063)	6.9663	(6.9131)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 10/05/21 (Rates for 07/05/21 in brackets)

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China's central bank conducts ¥10bn of reverse repos

China's Central Bank Monday conducted ¥10bn (about \$1.6bn) of reverse repos to maintain reasonably ample liquidity in the banking system. The interest rate for the seven-day reverse repos was set at 2.2%, according to a statement on the website of the People's Bank of China.

(www.xinhuanet.com 10/05/21)

Yuan jumps to 3-1/2-mth high, market gauges c.bank tolerance

China's yuan jumped to a 3-1/2-month high against the dollar on Monday, underpinned by broad dollar weakness, as investors continued to assess the implications for monetary policy of a disappointing US employment report.

(www.reuters.com 10/05/21)

10-year JGBs flat after moderate BOJ bond buying, Treasury yield rebound

Benchmark 10-year Japanese government bonds (JGBs) were flat on Monday after moderate buying at the Bank of Japan's bond purchase operations, while the sentiment was weak as a fall in the US Treasury yields was limited despite disappointing US jobs data. The benchmark 10-year Treasury yield, which fell to two-months low on Friday following data showing slow growth in the US job market, rebounded on the same day as investors remained confident the economy was on the road to a strong recovery.

(www.reuters.com 10/05/21)

Japan's Q1 GDP likely slipped back into decline as new COVID curbs hit

Japan's economy likely shrank in the first quarter as the hit to consumption from coronavirus curbs offset the boost from robust global demand, a Reuters poll showed, highlighting the country's slow recovery from a pandemic-induced slump. An extension of state of emergency restrictions and slow vaccine rollouts are expected to keep growth feeble in April-June, analysts say, reinforcing views that Japan will lag other major economies in emerging from the doldrums.

(www.reuters.com 10/05/21)

European stocks hit fresh record high as miners rally

European stocks extended a record-setting rally on Monday as optimism about the reopening of economies and easy monetary policy lifted cyclical sectors, including mining and financials. The pan-European STOXX 600 index rose 0.1% to hit a fresh all-time high in early trading, with miners rallying 2.2% on the back of strong metal prices.

(www.reuters.com 10/05/21)

Oil futures settle modestly higher

Crude oil prices moved higher, but gains were just modest due to lingering worries about the outlook for energy demand amid a continued surge in coronavirus cases in Asia and the possibility of another shutdown in some countries. West Texas Intermediate Crude oil futures for June ended up by \$0.19 or about 0.3% at \$64.90 a barrel. WTI crude futures gained about 2.1% in the week. Brent crude futures were up \$0.08 or 0.12% at \$68.17 a barrel a little while ago.

(www.rttnews.com 07/05/21)

Rand rallies to 16-month high as Moody's skips SA credit rating review

The rand rallied to a 16-month high after rating agency Moody's skipped its review of S.Africa's credit rating and after a weak jobs report in the US prompted a sell-off of the dollar. The rand gained strongly on Friday, climbing 0.15% to R14.08 to the dollar, its highest level against the greenback since January last year, as it returned to pre-pandemic levels. By 5pm on Friday, the rand was up 15 cents at R14.08 to the dollar, compared with the previous day's close.

(www.iol.co.za.com 10/05/21)

Ghana.GOV built to block state revenue leakages

Ghana Government's maiden fully-integrated payments processing and settlements platform, Ghana.GOV, was built by three leading Ghanaian FinTech companies, Hubtel, ExpressPay and IT Consortium, to ensure efficiency in government services and revenue collection. (www.norvanreports.com 09/05/21)

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