



Wednesday, June 02, 2021

Eurozone inflation accelerated to 2% in May; jobless rate falls

Eurozone consumer price inflation rose for a third straight month and at a faster than expected pace in May, while the jobless rate eased in April, preliminary data from Eurostat show. The flash CPI rose to 2.0% from 1.6% in April. Economists had forecast 1.9%. Core inflation, which excludes prices of energy, fresh food, alcohol and tobacco, rose to 0.9% from 0.7% in April. (www.rttnews.com 01/06/21)

EU to raise \$100bn in bonds this year to finance stimulus

The European Union plans to raise around \$100bn in long-term bonds and “tens of billions” in short-term bills this year, as the 27-nation bloc launches a landmark stimulus programme financed by jointly-backed debt. The first syndicated bond issuance is expected later in June, the EU’s executive arm said in a statement. (www.bloomberg.com 01/06/21)

Fed rate veering closer to zero adds fuel to debate over tweaks

The key benchmark that the Fed targets to control monetary policy slipped closer to zero, raising the possibility that the central bank might need to tinker with the tools it uses to control it. The effective fed funds rate, which the bank is currently aiming to keep within a range of 0% to 0.25%, slipped by one basis point to 0.05% on May 28, the lowest since April. (www.bloomberg.com 01/06/21)

China's central bank emphasizes supply chain finance development

China will promote the standardized development of supply chain finance, effectively broaden the financing channels for micro, small and medium-sized enterprises and ensure more funds flow to the real economy, according to the People's Bank of China. (www.xinhuanet.com 01/06/21)

UK manufacturing up in May

The UK manufacturing sector expanded at a record pace in May on stronger production growth and record gains in new orders, despite a surge in inflationary pressures. The purchasing managers' index for the manufacturing sector climbed to 65.6 from 60.9 in April, survey data from CIPS and IHS Markit show. Economists had forecast 66.1. A PMI reading above 50 signals growth in the manufacturing sector. (www.rttnews.com 01/06/21)

Germany unemployment down in April

Germany's unemployment rate dropped marginally in April, labour force survey results from Destatis showed on Tuesday. The jobless rate fell marginally to an adjusted 4.4% in April from 4.5% in March. On an unadjusted basis, the unemployment rate was unchanged at 4.6% in April. The number of unemployed decreased 29,000 or 1.4% on month to 2.01m. (www.rttnews.com 01/06/21)

France deploys AI in €3bn plan to save small businesses

The French government will use algorithms and artificial intelligence to identify small firms at risk of collapse in the wake of the Covid pandemic, and provide as much as €3bn (\$3.7bn) to protect them. Finance Minister Bruno Le Maire presented the new measures on Tuesday as part of a plan that also includes an extension of crisis lending facilities to the end of 202. (www.bloomberg.com 01/06/21)

Italy jobless rate rose in April

Italy's jobless rate rose in April, the statistical office has said. The jobless rate increased to 10.7% in April from 10.4% in March. Economists had expected a rate of 10.1%. In the same month last year, the unemployment rate was 7.4%. The employment rate rose to 56.9% in April from 56.8% in the previous month. (www.rttnews.com 01/06/21)

CURRENCY	BUYING		SELLING	
+USD/GBP	1.4170	(1.4210)	1.4171	(1.4211)
+USD/EUR	1.2249	(1.2226)	1.2250	(1.2227)
*GHS/USD	5.7443	(5.7444)	5.7501	(5.7502)
*GHS/GBP	8.1397	(8.1628)	8.1484	(8.1716)
*GHS/EUR	7.0364	(7.0230)	7.0433	(7.0305)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 02/06/21 (Rates for 01/06/21 in brackets)

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Australia's economy booms to pre-pandemic levels

Australia's economy raced ahead last quarter as consumers and businesses spent with abandon, lifting output back above where it was last year when pandemic lockdowns tipped the country into its first recession in three decades. The economy expanded by a real 1.8% in the three months to March. (www.reuters.com 02/06/21)

S. Korea's inflation hits 9-year high as commodity prices jump

South Korea's consumer inflation rose to more than nine-year high in May, reinforcing calls for gradual monetary tightening, though the increase was mainly due to a low base effect and rises in oil and agricultural prices. Consumer prices rose 2.6% in May from a year earlier, government data showed. (www.reuters.com 02/06/21)

Spain factory PMI highest since 1998

Spain's manufacturing sector expanded at the fastest pace in 23 years in May, led by solid growth in output and new orders, survey results from IHS Markit show. The headline IHS Markit Spain Manufacturing purchasing managers' index climbed to 59.4 from 57.7 in April. The latest reading was the highest since May 1998. (www.rttnews.com 01/06/21)

Taiwan manufacturing down in May

Taiwan's manufacturing sector expanded at a softer pace in May, figures by IHS Markit revealed. The manufacturing Purchasing Managers' Index rose to 62.0 in May from 62.4 in April. A score above 50 signals expansion. New orders and output increased at the fastest rate for over a decade in May. (www.rttnews.com 01/06/21)

Kyrgyzstan holds rate, reduces 'excess' liquidity

Kyrgyzstan's central bank, which has already raised its rate twice this year, left its key interest steady but said it was taking "active measures" to reduce excess liquidity in the banking system to limit inflationary pressures. (www.centralbanknews.org 01/06/21)

Oil adds to gains on OPEC+ supply discipline, demand prospects

Oil prices rose on Wednesday after OPEC and its allies stuck to their plan to cautiously bring back oil supply to the markets in June and July while expecting a robust recovery in demand in the US and China, the world's two biggest oil consumers. US WTI crude futures rose 7 cents to \$67.79 as of 0500 GMT. (www.reuters.com 02/06/21)

Africa monetary policy tighter than it seems, Standard Bank says

Central banks in several African nations are likely to overlook quickening inflation and keep interest rates on hold at least until the third quarter of next year as higher money-market yields suggest price-growth expectations remain anchored, according to the head of Africa research at the continent's biggest bank. (www.bloomberg.com 02/06/21)

S.A. growth in private sector credit falls

The South African Reserve Bank has said growth in private sector credit fell more than expected last month amid the downturn in the corporate sector. Private sector credit slid by 1.76% year-on-year in April following a 1.52% drop in March, missing expectations of a 0.9% decline. (www.iol.co.za 01/06/21)

IMF offers bailout to second African nation in less than a week

The International Monetary Fund staff agreed to provide a \$1bn facility to Uganda, the lender's second bailout to an African nation in four days, to help the continent's economies mitigate the impact of the coronavirus pandemic. (www.bloomberg.com 02/06/21)

Business leaders optimistic about Kenya's economic recovery: survey

Kenya's business leaders were optimistic that the country's economy would bounce back in the next 12 months boosted by Covid-19 recovery measures, according to a survey released by the country's central bank in its latest Monetary Policy Committee CEOs Survey. (www.xinhuanet.com 01/06/21)

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