



Friday, June 04, 2021

Eurozone private sector growth accelerates more than estimated

The euro area private sector growth improved more than initially estimated in May driven by the resurgence in the services economy amid easing of the Covid-19 related restrictions. The final composite output index rose to 57.1 in May from 53.8 in April. The flash reading was 56.9. Not only did May mark a third successive month of expansion but the best recorded since Feb. 2018, Markit said. (www.rttnews.com 03/06/21)

EU common debt to boost euro's international role – ECB

The European Commission's first-ever common debt issuance will boost the international role of the euro, says the ECB. The ECB stressed how its response to the pandemic through asset purchases, liquidity support for the banking sector and swap lines with neighbouring central banks underpinned the currency's global profile. (www.centralbanking.com 02/06/21)

US jobless claims dip slightly more than expected to 385,000

A day ahead of the release of the more closely watched monthly jobs report, the Labor Department released a report showing a modest decrease in first-time claims for US unemployment benefits in the week ended May 29th. The report showed initial jobless claims dipped to 385,000, a decrease of 20,000 from the previous week's 405,000. (www.rttnews.com 03/06/21)

Fed adopts single interest rate for reserves

The US Fed has said that it would impose a single interest rate for reserve accounts, eliminating a distinct payment for excess reserves. The new unified rate, the interest rate on reserve balances, is set to come into force on July 29. (www.centralbanking.com 03/06/21)

China's service trade rose 3.3% in first four months

China's service trade rose 3.3% to ¥1.56tr (\$245.21bn) in the first four months, the Ministry of Commerce has said. Of the total, service exports reached ¥746.21bn, up 23.2% year on year, and service imports stood at ¥818.24bn, down 10% year on year. Compared with the same period in 2019 or the pre-pandemic level, however, service trade dropped 10.3%, with service exports up 20.5%. (www.xinhuanet.com 03/06/21)

UK service sector growth gains further momentum

The UK service sector gained further momentum in May on higher spending in response to looser pandemic restrictions, final data from IHS Markit show. The Chartered Institute of Procurement & Supply services Purchasing Managers' Index rose to 62.9 in May from 61.0 in April. The score was above the 50.0 neutral level for the third month in a row and signalled the fastest growth for 24 years. (www.rttnews.com 03/06/21)

India's central bank holds key rates

India's central bank has kept its key interest rates unchanged and to continue with its accommodative stance. At the end of three-day rate setting meeting, the MPC of the Bank of India unanimously voted to hold the benchmark policy rate at 4.00% as expected. The reverse repo rate was retained at 3.35%. (www.rttnews.com 04/06/21)

Australia's trade surplus increased in April

Australia's trade surplus increased notably in April as exports increased amid falling imports, the Australian Bureau of Statistics has reported. The trade surplus increased to A\$8.02bn from A\$5.79bn in March. This was above economists' forecast of A\$7.9bn. (www.rttnews.com 04/06/21)

CURRENCY	BUYING		SELLING	
+USD/GBP	1.4113	(1.4179)	1.4114	(1.4180)
+USD/EUR	1.2138	(1.2217)	1.2139	(1.2218)
*GHS/USD	5.7441	(5.7443)	5.7499	(5.7501)
*GHS/GBP	8.1067	(8.1449)	8.1154	(8.1536)
*GHS/EUR	6.9723	(7.0178)	6.9792	(7.0247)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 04/06/21 (Rates for 03/06/21 in brackets)

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Bank of Russia eyes another key-rate hike at meeting next week

The Bank of Russia will consider raising its key rate by 25 or 50 basis points, or possibly keeping it unchanged, at next week's meeting. Governor Elvira Nabiullina said on Thursday that options under consideration on June 11 will include leaving the rate unchanged as well as increasing it. (www.bloomberg.com 03/06/21)

Turkey CPI slowed in May

Turkey's consumer price inflation (CPI) eased and producer prices increased in May, figures from the Turkish Statistical Institute show. The CPI rose 16.59% year-on-year in May, following a 17.14% increase in April. Economists had expected a growth of 17.25%. (www.rttnews.com 03/06/21)

Ireland services growth strongest since March 2016

Ireland's service sector expanded at the strongest rate since March 2016, data from IHS Markit show. The AIB Ireland services Purchasing Managers' Index rose to 62.1 in May from 57.7 in April. Any reading above 50 indicates growth in the sector. The number of businesses increased at the sharpest rate since Feb. 2017. (www.rttnews.com 03/06/21)

Philippine inflation steady at 4.5% in May

Philippine consumer prices increased at a steady pace in May, data from the Philippine Statistics Authority has said. The CPI remained at 4.5% in May, in line with economists' expectation. In the same period last year, inflation was 2.1%. Rising cost of utilities and other fuels contributed to higher inflation. (www.rttnews.com 04/06/21)

IMF warns Marshall Islands on digital projects

The IMF has counselled the Marshall Islands to halt two digital initiatives, saying these posed "financial stability and integrity risks". The Pacific-Island nation and former US territory passed legislation for a digital currency, the sov, in 2018, during the presidency of Hilda Heine. (www.centralbanking.com 02/06/21)

Oil rises towards \$72 on demand prospects

Oil rose towards \$72 a barrel on Friday, trading close to a two-year high as OPEC+ supply discipline and recovering demand countered concerns about patchy Covid-19 vaccination rollout around the globe. Brent crude rose 33 cents to \$71.64 a barrel by 0812 GMT. (www.reuters.com 04/06/21)

S&P Global warns on SA's rising debt burden and interest payments

S&P global ratings agency yesterday warned about South Africa's rising debt burden and substantial interest payments as risks to the country's fiscal outlook. South Africa's gross loan debt is forecast to increase from R3.95tr in the current fiscal year to R5.2tr in 2023/24. (www.iol.co.za 04/06/21)

Uganda's econ grows by 3.3% in 2020/21

Uganda's economy is on a recovery trend after facing the negative impacts of Covid-19, a top official of the country's statistics agency has said. Chris Mukiza, executive director of Uganda Bureau of Statistics said estimates show that in nominal terms, the size of the economy increased to 148.278tr shillings this financial year. (www.xinhuanet.com 04/06/21)

DRC promises central bank reforms

The Democratic Republic of the Congo and the IMF have completed a preliminary agreement for a \$1.5bn loan, the IMF announced on May 28. As part of the loan package, the DRC will pledge to reform the central bank's board and end central bank financing of the government. (www.centralbanking.com 02/06/21)

MoMo transactions outstrip cheques by GH¢232bn in just four months

More consumers are ditching the use of cheque for banking transactions as mobile money transactions far outstripped that of cheque transactions by GH¢232bn in the first four months of this year, data from the Bank of Ghana show. The value of mobile money transactions in Jan., Feb., March and April were estimated at GH¢67.1bn, GH¢67.9bn, GH¢82.3bn and GH¢83.8bn respectively. (www.myjoyonline.com 04/06/21)

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