



Monday, June 7, 2021

Governance Benchmarks 2021 report – The frameworks that rule central banks

Central banks are public institutions that have important responsibilities and wield considerable power. As a result, they must have robust frameworks to ensure that they act in the public interest. In many countries, central banks traditionally have had limited or no independence in policy matters from the government of the day. But this has changed and it has rapidly become the norm for central banks to take monetary policy actions independently of their country's government.

(www.centralbanking.com 07/06/21)

Don't mention the T word: Five questions for the ECB

The European Central Bank will review the pace of emergency bond buys that it jacked up in March to prevent a rise in borrowing costs hurting a recovery. Dovish rhetoric from policymakers suggests no hurry to slow the pace of buying under the €1.85tr (\$2.24tr) Pandemic Emergency Purchase Programme (PEPP). Yet, with the economy on a sounder footing, inflation picking up and other central banks taking tentative steps to slow stimulus, pressure to taper is building.

(www.reuters.com 07/06/21)

ECB policy paper says unconventional policy worked

A research paper published by the European Central Bank attempts to quantify the impact of its unconventional monetary policy on Eurozone inflation, growth and unemployment. The leading author of the paper is Massimo Rostagno, the ECB's Director General of monetary policy. The paper is likely to have an important influence on ECB governing council members' discussions during the strategic review of its monetary policy framework.

(www.centralbanking.com 04/06/21)

Powell, Lagarde and Yi call for urgent action on climate change

The central bankers of the world's three largest economies called on politicians to increase their efforts to "green" finance at a conference on June 4. Federal Reserve Chairman Jay Powell, People's Bank of China Governor Yi Gang and European Central Bank President Christine Lagarde all spoke on the virtual panel at the Green Swan conference organised by the Bank for International Settlements.

(www.centralbanking.com 04/06/21)

Take Five: US inflation, China trade and the ECB

A critical view into inflation comes with Thursday's May US consumer price index. It is shaping up as one of the most watched numbers for some time after consumer prices jumped by the most in nearly 12 years in April and a debate rages over whether a pick-up in price pressures is fleeting or more sustained.

(www.reuters.com 07/06/21)

Biden calls for nations to boost their economies

The deal struck on tax understandably grabbed most of the attention at the G7 Finance Ministers' meeting, ahead of this week's Leaders' Summit in Cornwall. This should transform the international tax treatment of multinationals, tax havens and low tax jurisdictions.

(www.bbc.com 07/06/21)

Euro zone bond yields stick near lows as ECB meeting looms

Euro zone government yields were steady near one-month lows, with a looming European Central Bank meeting pushing investors to the sideline for now. Borrowing costs across the bloc fell on Friday after a closely-watched US jobs report fell short of expectations, calming worries that a roaring economy could lead the Federal Reserve to taper its stimulus soon.

(www.reuters.com 07/06/21)

CURRENCY	BUYING		SELLING	
+USD/GBP	1.4168	(1.4113)	1.4169	(1.4114)
+USD/EUR	1.2167	(1.2138)	1.2168	(1.2139)
*GHS/USD	5.7441	(5.7441)	5.7499	(5.7499)
*GHS/GBP	8.1383	(8.1067)	8.1470	(8.1154)
*GHS/EUR	6.9892	(6.9723)	6.9961	(6.9792)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 07/06/21 (Rates for 04/06/21 in brackets)

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China's May trade with United States, EU, other key economies

China's imports grew at their fastest pace in 10 years in May, fuelled by surging demand for raw materials, although export growth slowed more than expected, weighed by disruptions caused by COVID-19 cases at the country's major southern ports. China's exports in dollar terms grew 27.9% in May from a year earlier, slower than the 32.3% growth reported in April and missing analysts' forecast of 32.1%. (www.reuters.com 07/06/21)

German industrial orders fall unexpectedly in April

German industrial orders dropped unexpectedly in April on falling domestic demand, data showed on Monday, suggesting that manufacturers in Europe's largest economy are still feeling the effects of lockdowns to contain the coronavirus pandemic. (www.reuters.com 07/06/21)

China's three-child policy unlikely to boost birthrate - Moody's

A new Chinese policy allowing couples to have up to three children could support fertility but was unlikely to dramatically change its birthrate, rating agency Moody's Investors Service said on Monday. China announced on May 31 that married couples may have up to three children in a major shift from a limit of two after recent data showed a dramatic decline in births in the world's most populous country. (www.reuters.com 07/06/21)

Japan to pledge fiscal reform in economic blueprint

Japan will highlight the need for fiscal reform even as it keeps up stimulus to combat the blow to its economy from the coronavirus pandemic, a draft of its economic and fiscal blueprint reviewed by Reuters showed. The government will also unveil plans to promote green and digital investment by drawing in private demand, as part of efforts to revitalise the world's third largest economy, according to the draft of this year's blueprint. (www.reuters.com 07/06/21)

European shares set for lackluster start after Yellen's comments

European stocks are seen opening flat to slightly lower on Monday as investors assess comments by US Treasury Secretary, Janet Yellen on higher interest rates and await key US inflation data due later in the week for directional cues. The pan European Stoxx 600 edged up 0.4%. The German DAX also rose about 0.4% while France's CAC 40 index and the UK's FTSE 100 both edged up around 0.1%. (www.rttnews.com 06/06/21)

A gateway to economic prosperity for Africa's youth

After settling back home in Cameroon for almost a year, one of the biggest preoccupations I've heard youths have on their minds is whether they will have access to quality jobs and economic opportunities that allow them to reach their full potential, and more importantly to be able re-invest in themselves, families and communities. (www.norvanreports.com 07/06/21)

SA's economic growth is now expected to slow in the first quarter

S.Africa's economic growth is expected to have slowed in the first quarter of 2021 as lockdown restrictions and power supply challenges continued to plague activity. Statistics South Africa (StatsSA) will tomorrow release the results of the GDP for the first quarter of 2021. (www.iol.co.za 07/06/21)

Ghana owes a total of \$10.2bn on the International Capital Market

Ghana's total debt stock as announced by Dr. Ernest Addison at the 100th MPC press briefing on May 31 2021, currently stands at GH¢304.6bn representing 70.1 % of GDP. Of the total debt stock, domestic debt is GH¢163.6bn \$28.1bn (37.7 % of GDP), while the external debt is GH¢141.0bn \$24.5bn (32.5% of GDP). Of the country's external debt stock, a perusal of BoG's Quarterly Statistical Bulletin for March 2021 indicates that a total of some GH¢58.9bn (\$10.2bn) is owed by country on the international capital market. (www.norvanreports.com 07/06/21)

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