



Wednesday, June 9, 2021

## Global economy on track for strong but uneven growth as Covid-19 still weighs – World Bank

The global economy is expected to expand 5.6% in 2021, the fastest post-recession pace in 80 years, largely on strong rebounds from a few major economies. However, many emerging market and developing economies continue to struggle with the COVID-19 pandemic and its aftermath, the World Bank says in its June 2021 *Global Economic Prospects*. ([www.norvanreports.com](http://www.norvanreports.com) 09/06/21)

## Policy-makers debate central banks’ role in tackling climate change

Despite increasing activity on green finance, there is still disagreement about how active central banks should be in the context of supervision and climate-related risks. Speaking at the Bank for International Settlements’ Green Swan event last week, Arminio Fraga, Former President of the Central Bank of Brazil, said in many jurisdictions central banks and finance ministries were “getting a little too close”. ([www.centralbanking.com](http://www.centralbanking.com) 08/06/21)

## ECB poised to clarify tapering of PEPP purchases

The European Central Bank is set to clarify its medium-term plans for its main asset purchase after its policy meeting on June 10. Analysts agree the central bank considers recent higher inflation a temporary phenomenon. ([www.centralbanking.com](http://www.centralbanking.com) 08/06/21)

## Eurozone ‘high-yield’ firms face bond market squeeze – ECB paper

The European Central Bank should consider changing its conditions for buying bonds issued by firms affected by the pandemic, one of its economists suggests. “In The Covid pandemic in the market: infected, immune and cured bonds”, Andrea Zaghini examines the cost conditions of Eurozone bonds when they were issued. ([www.centralbanking.com](http://www.centralbanking.com) 08/06/21)

## Bank of England's Haldane sees "pretty punchy pressures on prices"

Bank of England Chief Economist, Andy Haldane said on Wednesday, there were already "some pretty punchy pressures on prices" and the central bank might need to turn off the tap of its huge monetary stimulus. "If both pay, and costs are picking up, inflation on the high street isn't very far behind. And that's something, you know, people like me are paid to keep a close eye on and we are," Haldane said in an interview with LBC radio. ([www.reuters.com](http://www.reuters.com) 09/06/21)

## Inflation warnings are mostly 'just in case': Mike Dolan

As grandees of the investment world fall over themselves to warn of long-absent inflation up ahead, financial markets appear ever calmer about the risks of that new regime unfolding. Is the post-pandemic inflation scare over already? Thursday will likely see the US record the highest consumer price inflation rate in 13 years - just shy of 5% and the fastest rate since 1993 if food and energy prices are cut out. ([www.reuters.com](http://www.reuters.com) 09/06/21)

## Germany to extend aid for companies hit by COVID-19

Germany plans to extend economic aid for companies hit by the coronavirus pandemic until the end of Sept., a government source has said. The aid, which companies can claim if they can prove their revenues have collapsed due to the crisis, had been due to expire at the end of June. ([www.reuters.com](http://www.reuters.com) 09/06/21)

## Job openings in the US soar to record 9.3 m

Job openings in the US soared by nearly a million in April, setting a record for the most openings and the highest overall number since the Bureau of Labour Statistics started tracking the data in Dec. 2000. At 9.3m new positions, it was far more than the 8.3m economists polled by Refinitiv had predicted. ([www.edition.cnn.com](http://www.edition.cnn.com) 08/06/21)

CURRENCY	BUYING		SELLING	
+USD/GBP	1.4146	(1.4173)	1.4147	(1.4174)
+USD/EUR	1.2187	(1.2196)	1.2188	(1.2197)
*GHS/USD	5.7483	(5.7473)	5.7541	(5.7531)
*GHS/GBP	8.1316	(8.1457)	8.1403	(8.1544)
*GHS/EUR	7.0058	(7.0095)	7.0127	(7.0164)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 09/06/21 (Rates for 08/06/21 in brackets)

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### **China money market nervous as authorities keep cash on drip feed**

China's central bank made a minimal cash injection into the banking system on Wednesday as it has done for more than three months, raising concern among traders that short-term money rates could spike ahead of any surge in cash demand.

([www.reuters.com](http://www.reuters.com) 09/06/21)

### **China C.bank issues green finance assessment plan for financial institutions**

China's central bank issued a green finance assessment plan for financial institutions and said the results from such assessments will be included in its policy and prudent management tools. The plan, with quantitative targets such as the proportion of green finance business to overall business and year-on-year growth of such business, will take effect from July, the People's Bank of China said in a statement.

([www.reuters.com](http://www.reuters.com) 09/06/21)

### **China to reform bank deposit rates pricing regime, set new ceilings-sources**

China plans to reform the way banks calculate deposit rates, setting new ceilings of up to 75 basis points above the benchmark rate for some lenders, sources said. Authorities plan to allow banks to set upper limits on deposit rates by adding basis points to the benchmark rate, a shift from the current practice of multiplying the benchmark rate, the sources said.

([www.reuters.com](http://www.reuters.com) 09/06/21)

### **JGB yields decline tracking US Treasuries, in afterglow of 30-year tender**

Japanese government bond yields fell on Wednesday, led by the longest-dated securities, as bonds continued to be bought following Tuesday's smooth 30-year debt auction and declines in US Treasury yields overnight. The 30-year JGB yield fell 1.5 basis points to 0.665%, with the 20-year yield also declining 1.5 basis points to 0.430%. "Yesterday's 30-year auction was on the strong side compared to what the market had been expecting, and that came as a relief to investors so they continue to buy back bonds today,"

([www.reuters.com](http://www.reuters.com) 09/06/21)

### **European shares linger near record levels, airlines rise**

European stocks held steady near all-time highs, with investors holding off on taking big bets ahead of a policy decision from the European Central Bank and US inflation reading later this week. The pan-European STOXX 600 index was flat in early trading, just short of a record high of 455.66 hit in the previous session. ([www.reuters.com](http://www.reuters.com) 09/06/21)

### **World Bank revises SA's growth outlook 0.2% upwards for this year**

The World Bank has revised S. Africa's 2021 growth outlook upwards by 0.2 percentage points as the continuing commodity supercycle is expected to benefit from the strong growth and demand in China. In its June Global Economic Prospects report released yesterday, the World Bank said South Africa's GDP would rise from a forecasted 3.3% to 3.5%.

([www.iol.co.za.com](http://www.iol.co.za.com) 09/06/21)

### **Africa's COVID-19 vaccination drive suffers setback as Nigeria gets \$900m health grant**

The African COVID-19 Vaccine Development and Access Strategy of the African Union (AU), yesterday, admitted that its target of vaccinating at least 60% of the continent's population (about 750m people) or the entire adult populace by end of 2022 had suffered a setback, as only less than 2% of Africans had received the jabs.

([www.guardian.ng](http://www.guardian.ng) 09/06/21)

### **World Bank cautions Ghana over acute fiscal pressures**

The World Bank Group has cautioned Ghana over the possibility of facing acute (severe) fiscal pressures. According to the Bretton Wood institution, the acute fiscal pressures could be caused by high debt burdens and a sudden rise in sovereign borrowing costs. The World Bank's assertion contained in its *June 2021 Global Economic Prospects Report*, comes on the back of wider budget deficit and a spike in government debt which has heightened the risk of Ghana falling into debt distress. ([www.norvanreports.com](http://www.norvanreports.com) 09/06/21)

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