



Thursday, June 10, 2021

### Central bank profits under pressure

Profits aren't the main objectives of a central bank, but a dependence on government to recapitalize the bank can pose a risk to a central bank's independence. In turn, central bank independence exists in part to prevent reckless government financing. It is true that central banks can operate with negative equity: Israel, the Czech Republic and Chile are examples. ([www.centralbanking.com](http://www.centralbanking.com) 10/06/21)

### Central banks have a diversity problem

It is no secret central banks have a diversity problem. Over the past few months, several senior policy-makers have spoken out about the need to improve the representation of minorities and women at these institutions. But diversity is not limited to race and gender. One of the biggest concerns around not improving levels of diversity is that central banks will risk 'groupthink' a lack of diversity of thought that risks decisions being made without considering all members of society. ([www.centralbanking.com](http://www.centralbanking.com) 09/06/21)

### ECB to keep money taps wide open even as recovery takes hold

The European Central Bank is all but certain to maintain a generous flow of stimulus when policymakers meet on Thursday, fearing that higher borrowing costs could smother a still nascent recovery. Just emerging from a pandemic-induced double-dip recession, the 19-country euro zone economy has relied on unprecedented ECB stimulus to stay afloat. ([www.reuters.com](http://www.reuters.com) 09/06/21)

### ECB monetary policy announcement due

The monetary policy announcement is due from the European Central Bank on Thursday, headlining a light day for the European economic news. The main refi rate is expected to be retained at a record low zero percent. ([www.rttnews.com](http://www.rttnews.com) 10/06/21)

### Euro zone bond yields hover near six-week lows ahead of ECB meet

Euro zone government bond yields were trading near their lowest levels since April on Thursday ahead of a European Central Bank meeting where policymakers are expected to signal they will keep the stimulus taps flowing. While speculation has mounted this year on whether an expected global economic recovery could lead central banks worldwide to dial back on extraordinary monetary easing, ECB officials have played those prospects down recently. ([www.reuters.com](http://www.reuters.com) 10/06/21)

### UK pushes for financial services to be exempt from G7 global tax plan

British Finance Minister, Rishi Sunak is pushing for financial services firms to be exempt from a new global tax system which was agreed last week by the Group of Seven (G7) economies, sources familiar with the negotiations said. ([www.reuters.com](http://www.reuters.com) 09/06/21)

### Upbeat earnings lift UK stocks ahead of ECB meeting, US inflation data

A clutch of upbeat corporate earnings reports lifted UK stocks on Thursday, while investors turned to a European Central Bank policy meeting and US inflation data for cues on whether global central banks could start tightening monetary policy. ([www.reuters.com](http://www.reuters.com) 10/06/21)

### Before summit, EU urges US to "walk the talk" on trade disputes

The European Union hopes next week's summit with the US will help bring a rapid end to trade disputes and foster a transatlantic alliance to address global trade challenges, EU Trade Chief Valdis Dombrovskis said. Joe Biden will visit Brussels for the first time as US President after a rancorous four years in relations during the Trump administration. ([www.reuters.com](http://www.reuters.com) 09/06/21)

CURRENCY	BUYING		SELLING	
+USD/GBP	1.4122	(1.4146)	1.4123	(1.4147)
+USD/EUR	1.2183	(1.2187)	1.2184	(1.2188)
*GHS/USD	5.7483	(5.7483)	5.7541	(5.7541)
*GHS/GBP	8.1178	(8.1316)	8.1265	(8.1403)
*GHS/EUR	7.0035	(7.0058)	7.0104	(7.0127)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 10/06/21 (Rates for 09/06/21 in brackets)

\* BOG INTERNAL TRANSACTION RATES: 10/06/21 (Rates for 09/06/21 in brackets)

### **China's economy to maintain medium to high rate of growth - c.bank official**

China's economy will maintain a medium to high rate of growth for a relatively long period of time, the Deputy Governor of China's Central Bank said. But with significant room for growth in per-capita energy demand, the pressure to reduce carbon emissions will grow in the future, Liu Guiping said in a speech to a financial forum. ([www.reuters.com](http://www.reuters.com) 10/06/21)

### **China's top banking regulator warns of bad debt, local real estate bubbles**

China's top banking and insurance regulator said banks should guard against a rise in non-performing assets, as the country rolls back some of the relief measures implemented during the pandemic to help firms withstand the fallout. In 2020, the central bank encouraged financial institutions to lower rates for virus-stricken firms and extend payment deadlines, among other measures, to give borrowers some breathing space during the coronavirus crisis. ([www.reuters.com](http://www.reuters.com) 10/06/21)

### **IMF sees scope for unconventional monetary policy in Thailand**

Thailand should consider unconventional monetary policy as the Covid-19 pandemic continues to take a toll on its economy and the policy interest rate is at a historic low, the International Monetary Fund says. "Given the large output gap and fragile inflation expectations, many directors saw scope for further monetary easing, including unconventional monetary measures," the IMF says in a report on its latest Article IV consultation with Thailand. ([www.centralbanking.com](http://www.centralbanking.com) 09/06/21)

### **Philippine central bank to maintain accommodative measures to help recovery**

The Philippine central bank will continue to maintain accommodative monetary policy as long as necessary to further allow the economy to recover faster, its Governor Benjamin Diokno said. The central bank has kept interest rates steady at a record low for four consecutive meetings. ([www.reuters.com](http://www.reuters.com) 10/06/21)

### **European shares seen up before ECB meeting**

European stocks are likely to open higher on Thursday as investors await cues from US inflation data and the ECB policy meeting. The pan European Stoxx 600 ended flat with a positive bias. France's CAC 40 index rose 0.2%, while the German DAX dipped 0.4% and the UK's FTSE 100 lost 0.2%. ([www.rttnews.com](http://www.rttnews.com) 10/06/21)

### **Crude oil futures settle marginally lower**

Crude oil prices edged lower after data showed a jump in US gasoline stockpiles in the week ended June 4. West Intermediate crude oil futures for July ended down \$0.09 or about 0.1% at \$69.96 a barrel. Brent crude futures settled at \$72.22 a barrel today. The EIA data also showed crude stocks at the Cushing, Oklahoma storage hub edged up by 200,000 barrels to 45.7m barrels for the week. ([www.rttnews.com](http://www.rttnews.com) 09/06/21)

### **Rand trades flat overnight**

The rand shuffled backwards ahead of the release of S.Africa's GDP rate for the first quarter, with traders positioning for a poor data print, according to NKC Research. In a sigh of relief, the GDP figure came in better than expected at 4.6% quarter on quarter (beating estimates of 2.5% quarter on quarter) as eight industries managed to eke out positive growth. ([www.iol.co.za](http://www.iol.co.za) 09/06/21)

### **Rwanda dominates East Africa as the most profitable banking market for Kenyan lenders**

The Kenyan banking sector remained stable and agile in 2020 despite the COVID-19 pandemic. The year was characterised by restrictions on movement through lockdowns and curfew hours. The sector ramped up their online/mobile platforms to continue offering banking services amid the pandemic and at the same time ensured that the channels remained secure and available. Despite the effect of the COVID-19 pandemic, the sector's gross loans and advances increased by 7.2% from Ksh.2.7tr in Dec. 2019 to Ksh.2.9tr in Dec 2020. ([www.norvanreports.com](http://www.norvanreports.com) 09/06/21)

**DISCLAIMER:** This information has been compiled by the Secretary's Department of Bank of Ghana for general reference purposes only. While every effort is made to ensure that the information is accurate, the Bank of Ghana does not guarantee nor does it accept any responsibility or liability for the accuracy or completeness of the content or for any loss, which may arise from reliance on information contained in this document.