



Friday, June 11, 2021

## Global recovery is ‘double edged’ for EMEs – Carstens

The global economic recovery is proving more beneficial for advanced economies than for emerging market economies (EMEs) says Agustín Carstens. The Bank for International Settlements General Manager noted, the majority of vaccines had flowed to advanced economies, giving them an easier road to recovery. By contrast, EMEs were in many cases having to deal with surging cases of Covid-19 at a time when “policy space” was limited. ([www.centralbanking.com](http://www.centralbanking.com) 10/06/21)

## How derivatives can add value to modern reserve management

In 2021, with investors desperate for positive returns, it is even more difficult for central banks, by definition conservative investors, to find new investments opportunities that would improve their yields without deviating much from their core principles of safety, liquidity and return. Increasingly, they have explored uncharted territories and pushed the boundaries by adopting new instruments or entering new markets instruments and markets that central banks would have shied away from a decade ago.

([www.centralbanking.com](http://www.centralbanking.com) 10/06/21)

## ECB maintains high rate of bond purchases

The European Central Bank’s governing council maintained its elevated rate of bond purchases unchanged at its monetary policy meeting. Despite higher inflation and improved economic forecasts, the ECB’s policy statement says the governing council decided “to confirm its very accommodative monetary policy stance”. The ECB expects to maintain asset purchases under the Pandemic Emergency Purchase Programme (PEPP) at the elevated level it has implemented since March. ([www.centralbanking.com](http://www.centralbanking.com) 10/06/21)

## As EU preps debut recovery bond, a reality check for “safe asset” hopes

As the European Union readies bond sales for its pioneering Covid-19 recovery fund, the scale and duration of the borrowing programme may disappoint those who had visualised the year 2020’s deal for pooled debt as Europe’s Hamiltonian moment. ([www.reuters.com](http://www.reuters.com) 11/06/21)

## UK recovery quickens in April as economy posts record annual jump

Britain's recovery from the COVID-19 pandemic sped up in April as lockdown measures eased, and output was a record 27.6% higher than a year earlier when the virus was rampant. ([www.reuters.com](http://www.reuters.com) 11/06/21)

## UK GDP rises most since July 2020

The UK economy grew at the fastest pace since July 2020 as government restrictions affecting economic activity continued to ease in April, data from the Office for Statistics showed on Friday. GDP rose 2.3% month-on-month in April, faster than the 2.1% expansion seen in March. The rate was forecast to improve to 2.2%. The service sector grew 3.4% in April, with consumer-facing services re-opening in line with the easing of coronavirus restrictions and more pupils returning to onsite lessons.

([www.rttnews.com](http://www.rttnews.com) 11/06/21)

## German economy set for post-pandemic bounce in growth and prices, Bundesbank says

German output is rebounding from its pandemic-induced slump and inflation could rise faster than currently expected, potentially affecting behaviour in the economy, the German central bank said on Friday. ([www.reuters.com](http://www.reuters.com) 11/06/21)

CURRENCY	BUYING		SELLING	
+USD/GBP	1.4146	(1.4122)	1.4147	(1.4123)
+USD/EUR	1.2171	(1.2183)	1.2172	(1.2184)
*GHS/USD	5.7488	(5.7483)	5.7546	(5.7541)
*GHS/GBP	8.1323	(8.1178)	8.1410	(8.1265)
*GHS/EUR	6.9973	(7.0035)	7.0042	(7.0104)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 11/06/21 (Rates for 10/06/21 in brackets)

\* BOG INTERNAL TRANSACTION RATES: 11/06/21 (Rates for 10/06/21 in brackets)

### **Mexican President names finance minister to head central bank**

Mexican President Andrés Manuel López Obrador nominated his Finance Minister and long-time ally Arturo Herrera Gutiérrez as the next Central Bank Governor. Lopez Obrador announced on May 21 that, he would not renominate incumbent Governor Alejandro Díaz de León, with whom he has clashed on several occasions.

([www.centralbanking.com](http://www.centralbanking.com) 10/06/21)

### **China may not be a member of the G7, but it's dominating the agenda**

China may not be a part of the Group of Seven, the informal club made up of the world's largest and wealthiest democracies, but its presence will likely loom large over the grouping's first face-to-face summit in almost two years. China, and the ideological challenges posed by its rise, is set to be among the most pressing topics facing leaders of the G7 when they gather in England.

([www.edition.cnn.com](http://www.edition.cnn.com) 11/06/21)

### **China's central bank conducts ¥10bn of reverse repos**

China's central bank conducted ¥10bn (about \$1.57bn) of reverse repos to maintain reasonably ample liquidity in the banking system. The interest rate for the seven-day reverse repos was set at 2.2%, according to a statement on the website of the People's Bank of China.

([www.xinhuanet.com](http://www.xinhuanet.com) 11/06/21)

### **Indonesia's rupiah leads Asian FX higher as US inflation concerns ease**

Indonesia's rupiah led gains across Asia's risk-sensitive currencies after US inflation data was enough to convince investors that the rise in prices may be temporary. South Korea's won and Thailand's baht gained around 0.5% as the dollar nursed small losses following the report. Traders in Asia had been cautious all week as they watched for any signal in the data that may prompt the Federal Reserve to discuss early tapering of its massive stimulus.

([www.reuters.com](http://www.reuters.com) 10/06/21)

### **European shares seen up as yields dip after US inflation data**

European stocks are seen opening higher on Friday as benchmark US 10-year Treasury yields dropped to a three-month low amid expectations that a spike in US inflation will not push the Federal Reserve to change its dovish stance. The pan European Stoxx 600 ended flat with a positive bias. The German DAX slipped 0.1% and France's CAC 40 index dipped 0.3% while the UK's FTSE 100 inched up 0.1%. ([www.rttnews.com](http://www.rttnews.com) 11/06/21)

### **Oil futures settle modestly higher**

Crude oil futures ended modestly higher on Thursday as prices recovered sharply from the day's lows, amid optimism energy demand will pick up gradually. West Texas Intermediate Crude oil futures for July ended up by \$0.33 or about 0.5% at \$70.29 a barrel, rallying from a low of \$68.68 a barrel. Brent crude futures were up \$0.25 or 0.35% at \$72.47 a barrel. ([www.rttnews.com](http://www.rttnews.com) 10/06/21)

### **9 in 10 African countries set to miss urgent COVID-19 vaccination goal**

As COVID-19 cases in Africa rise for the third week running and vaccines are increasingly scarce, 47 of Africa's 54 countries nearly 90% are set to miss the Sept. target of vaccinating 10% of their people unless Africa receives 225m more doses. The new global targets were announced recently at the World Health Assembly, the world's highest health policy-setting body, and at today's pace, only seven African countries are set to meet them. ([www.norvanreports.com](http://www.norvanreports.com) 11/06/21)

### **Getting back to growth**

Producing and consuming more goods and services for the same amount of work sounds too good to be true. In fact, it's entirely possible. Higher productivity is one of the key ingredients to higher economic growth and incomes. It's all about how workers become more productive. For many of us, the COVID-19 pandemic has changed the way we work and spend. ([www.norvanreports.com](http://www.norvanreports.com) 11/06/21)

**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.