



Thursday, July 08, 2021

Inflation, Covid-19 and debt top central bank worries – UBS survey

Inflation has emerged as one of the top concerns for global central bank reserve managers, Covid-19 crisis and soaring debt levels. Fears about inflation and uncontrolled rises in long-term yields, a risk not flagged by participants at all in last year's Annual Reserve Manager Survey, were raised by 57% of respondents this year as a main risk to the global economy. (www.reuters.com 07/07/21)

EU lifts eurozone growth outlook

The European Commission has upgraded the economic projections citing the improving health situation and the ensuing continued easing of virus containment measures. The euro area economy is forecast to grow 4.8% in 2021, instead of 4.3% projected previously. Likewise, the outlook for 2022 was raised to 4.5% from 4.4%. (www.rttnews.com 06/07/21)

ECB likely to shy away from AIT in new monetary policy framework

The European Central Bank is expected to shy away from adopting average inflation targeting (AIT) for its new monetary policy framework. This could be the final step in the institution's strategy review, according to people with knowledge of the matter. The ECB may unveil the results of the exercise as soon as the end of this week. (www.centralbanking.com 06/07/21)

US service sector growth slowed from record pace in June

After reporting record US service sector growth in the previous month, the Institute for Supply Management said the pace of growth in the sector slowed more than expected in the month of June. The ISM said its services PMI slid to 60.1 in June from 64.0 in May, although a reading above 50 still indicates growth in the sector. (www.rttnews.com 06/07/21)

BoE asks staff to come in once a week

The Bank of England is asking staff to come in to the office from Sept. starting with a minimum of once a week. From 19 July, it is expected to be up to employers to determine whether their staff should be in the office. Currently people who can work from home are being asked to continue to do so. Since the pandemic, 5% of the Bank of England's 4,000 staff have been coming into the office. (www.bbc.com 06/07/21)

UK: House prices dip as stamp duty holiday ends

House prices dipped 0.5% in June as the stamp duty holiday began to be phased out, according to the Halifax. Prices rose 8.8% over the year, leaving average prices still more than £21,000 higher, following a broadly unprecedented period of gains. The lender said it was "important to put such a moderate decrease in context." (www.bbc.com 06/07/21)

German ZEW economic confidence at 6-month low

German economic confidence weakened to a six-month low in July, survey data from the ZEW-Leibniz Centre for European Economic Research show. The ZEW Indicator of Economic Sentiment declined sharply to 63.3 in July from 79.8 in the previous month. This was the lowest score since last Jan. when the score was 61.8 and also below economists' forecast of 75.2. (www.rttnews.com 06/07/21)

Japan expected to deliver at least \$180bn in new stimulus

Japanese Prime Minister Yoshihide Suga is likely to unveil another economic stimulus package worth at least \$180bn within the next few months. Economists said the announcement would come before national elections that must be held by early fall. The median forecast was for a package of between ¥20tr and ¥30tr. (www.bloomberg.com 06/07/21)

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3779	(1.3802)	1.3780	(1.3803)
+USD/EUR	1.1794	(1.1824)	1.1794	(1.1825)
*GHS/USD	5.7621	(5.7611)	5.7679	(5.7669)
*GHS/GBP	7.9396	(7.9515)	7.9481	(7.9600)
*GHS/EUR	6.7959	(6.8125)	6.8026	(6.8192)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 08/07/21 (Rates for 07/07/21 in brackets)

* BOG INTERNAL TRANSACTION RATES: 08/07/21 (Rates for 07/07/21 in brackets)

Italy's economy to grow 5% this year, central bank predicts

The positive impact of Italy's vaccination campaign on the evolution of the coronavirus pandemic would also boost the country's economic recovery, enabling the eurozone's third largest economy to grow about five percent this year, the Governor of Italy's central bank said on Tuesday. (www.xinhuanet.com 07/07/21)

SK has \$10.76bn current account surplus

South Korea had a current account surplus of \$10.76bn in May, up from \$1.91bn in April. The goods account surplus increased to \$6.37bn, compared to \$2.61bn in May 2020. The services account deficit decreased to \$0.56bn, from \$0.65bn in May last year, owing to an improvement in the transport account. (www.rttnews.com 06/07/21)

Spain industrial production slowed in May

Spain's industrial output rose at a softer pace in May, the statistical office INE has said. Industrial production rose 26.0% year-on-year in May, after 48.2% growth in April. Economists had forecast output to climb 22.1%. On an unadjusted basis, industrial output grew 28.2%, after a 50.2% increase a month ago. (www.rttnews.com 06/07/21)

Taiwan jobless rate rose in May

Taiwan's jobless rate increased in May, the Directorate General of Budget, Accounting and Statistics has said. The jobless rate rose to a seasonally adjusted 4.15% in May from 3.71% in April. On an unadjusted basis, the jobless rate grew to 4.11 in May from 3.64% in the prior month. (www.rttnews.com 06/07/21)

Suriname central bank signs deal to end monetary financing

The Central Bank of Suriname on July 2 signed an agreement with the finance ministry to end monetary financing of the country's budget deficit. The deal is meant to help the country secure a \$690m International Monetary Fund loan, as part of measures to tackle a debt load far exceeding the GDP. (www.centralbanking.com 06/07/21)

Oil drops with stronger dollar and OPEC-fueled uncertainty

Oil fell for a third straight session as the dollar rose and investors awaited further signals from the OPEC+ alliance on its production policy after a dispute upended talks. Futures slipped 1.6% in New York on Wednesday. The US dollar advanced to a three-month high before paring gains. (www.bloomberg.com 07/07/21)

SARB celebrates 100 years

The South African Reserve Bank, which celebrated its 100th anniversary on June 30, was born of crisis and weathered many more in the 10 decades that followed. South Africa went through several changes of monetary regime, economic crashes and political upheavals before arriving at its modern incarnation. (www.centralbanking.com 07/07/21)

Ethiopia in negotiations to restructure \$1bn more of debt

Ethiopia plans to restructure an additional \$1bn of debt as the government seeks to free up funds to support its economic recovery. Restructuring of the debt will provide a grace period of as long as six years and extend the maturity by 10 years, the Finance Ministry said in a report on its website. (www.bloomberg.com 07/07/21)

DRC's president appoints IMF official as first female Governor

Malangu Kabedi-Mbuyi has become the Democratic Republic of Congo's first-ever female central bank Governor. She has had a long career with the International Monetary Fund and was appointed to replace Deogratias Mutombo by the DRC's president, Félix Tshisekedi. (www.centralbanking.com 06/07/21)

Ghana: Parliament approves US\$200m WB loan to fight pandemic

Ghana's Parliament has approved a US\$200m loan request by government to assist it to fight the Covid-19 pandemic. Ghana will spend US\$137.15m to procure Covid-19 vaccines intended to inoculate 7.6m people. Ghana has projected to vaccinate 20m of its population by the end of 2021. (www.ghanaweb.com 07/07/21)

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.