



Wednesday, July 14, 2021

IMF executive board backs \$650bn SDR allocation

The International Monetary Fund is close to launching its largest-ever allocation of special drawing rights (SDR) after its executive board backed the move. Executive directors voted in favour of a “general” SDR allocation worth \$650bn, the IMF has said. The allocation will help boost the reserves of countries worldwide and could prove particularly beneficial to emerging market economies. (www.centralbanking.com 12/07/21)

CBDCs provide ‘clean slate’ for cross-border payments, says report

Central bank digital currencies (CBDCs) can enhance the efficiency of cross-border payments only if central banks work together, according to the G20. The IMF, World Bank and Bank for International Settlements’ Innovation Hubs have analysed what is needed to facilitate international CBDC payments. (www.centralbanking.com 13/07/21)

New inflation target set to bind ECB to ‘lower for longer’ strategy

The European Central Bank’s (ECB) new 2% symmetric inflation target binds the institution to a policy of prolonged monetary stimulus, say analysts. Observers point out that the higher inflation goal, with inflation expectations at just 1.4% in 2023, will require the ECB to keep the foot on the accelerator for years to come. (www.centralbanking.com 13/07/21)

ECB to taper pandemic buys after Sept., COVID-19 variants top risk

The European Central Bank will start tapering its pandemic-related asset purchases after its Sept. meeting and stop buying them by the end of March 2022, according to a Reuters poll which showed the top economic risk was new COVID-19 variants. ECB President Christine Lagarde said the bank would change its policy guidance in July. (www.reuters.com 13/07/21)

US CPI up most since 2008, topping all estimates

Prices paid by US consumers surged in June by the most since 2008, topping all forecasts and complicating the Fed’s debate over how soon to unwind ultra-easy monetary support for the economy. CPI jumped 0.9% in June and 5.4% from the same month last year, according to the Labor Department. Excluding the volatile food and energy components, the so-called core CPI rose 4.5% from June 2020. (www.bloomberg.com 13/07/21)

China exports growth exceeded expectations in June

China's exports grew more-than-expected in June despite the closure of major ports in southern China due to Covid-19 cases among port workers. In dollar terms, exports advanced 32.2% year-on-year in June, the General Administration of Customs has said. The annual rate was bigger than the economists' forecast of 23.1% and May's 27.9% increase. (www.rttnews.com 13/07/21)

PBOC keeps stability of monetary policy

The head of the monetary policy department of the Bank of China, Sun Guofeng has said China will stick to a normal monetary policy while keeping it stable and independent. The policy aims to improve support for the real economy and create a suitable monetary and financial environment for the country's high-quality development. (www.xinhuanet.com 13/07/21)

BoE scraps pandemic-era curbs on bank dividends

The Bank of England scrapped pandemic-era curbs on dividends from HSBC, Barclays and other top lenders with immediate effect, saying its stress test showed the sector is well capitalised to cope with the fallout from COVID on the economy. Bank of England Governor Andrew Bailey has said. (www.rttnews.com 12/07/21)

| CURRENCY | BUYING | | SELLING | |
|----------|--------|----------|---------|----------|
| +USD/GBP | 1.3832 | (1.3880) | 1.3834 | (1.3881) |
| +USD/EUR | 1.1811 | (1.1859) | 1.1812 | (1.1860) |
| *GHS/USD | 5.7781 | (5.7771) | 5.7839 | (5.7829) |
| *GHS/GBP | 7.9923 | (8.0186) | 8.0014 | (8.0272) |
| *GHS/EUR | 6.8246 | (6.8512) | 6.8318 | (6.8585) |

+SOURCE: BOG INTERNAL TRANSACTION RATES: 14/07/21 (Rates for 13/07/21 in brackets)
* BOG INTERNAL TRANSACTION RATES: 14/07/21 (Rates for 13/07/21 in brackets)

German inflation declined to 2.3% in June

Germany's inflation rate declined to 2.3% in June, after reaching 2.5% in May, the highest level in almost ten years, the Federal Statistical Office (Destatis) has said. Prices for energy products, such as heating oil and motor fuels, rose particularly strongly and were 9.4% higher than a year ago, according to Destatis. (www.xinhuanet.com 13/07/21)

France inflation accelerated in June

France's consumer price inflation accelerated slightly in June driven by the rebound in manufactured goods prices, the statistical office Insee has confirmed. It rose to 1.5% in June from 1.4% in May. The harmonized inflation which is for EU comparison, rose marginally to 1.9% from 1.8% in the previous month. (www.rttnews.com 13/07/21)

India inflation unexpectedly slowed in June

India's consumer price inflation slowed in June, defying expectations for further acceleration, the statistics ministry has said. CPI rose 6.26% year-on-year following a 6.30% increase in May. The consumer food price index climbed 5.15% annually following a 5.01% rise in the previous month. (www.rttnews.com 12/07/21)

Finland current account balance swung to surplus

Finland's current account balance swung to surplus in May, Statistics Finland has said. The current account balance registered a surplus of €254m in May versus a deficit of €617m in April. The balance of goods trade showed a surplus of €387m versus €135m in the previous month. (www.rttnews.com 13/07/21)

Czech inflation eased in June

The Czech consumer price inflation eased in June, data from the Czech Statistical Office showed on Tuesday. The CPI rose 2.8% year-on-year in June, after a 2.9% increase in May. Economists had expected a 2.7% rise. Prices for alcoholic beverages, tobacco grew by 6.7% yearly in June and transport cost gained 8.7%. (www.rttnews.com 13/07/21)

Higher oil income will boost Saudi saving not spending, IMF says

Saudi Arabia is likely to use surplus oil revenue to rebuild reserves, breaking with its historical practice of boosting spending when crude prices rise, according to the IMF. Crude prices around \$75 a barrel are only slightly lower than what Saudi Arabia needs to balance the budget, according to IMF estimates. (www.bloomberg.com 13/07/21)

African campaigners urge climate action to hasten green recovery

Sub-Saharan African countries should intensify action on climate change concurrently with COVID-19 containment in order to realize a speedy, inclusive and green recovery, Mithika Mwenda, executive director of Nairobi-based Pan African Climate Justice Alliance has said. (www.xinhuanet.com 14/07/21)

Mozambique central bank fines S. Africa's Standard Bank for fraudulent practices

The central bank of Mozambique has fined Africa's biggest lender, Standard Bank, \$4.6m for engaging in fraudulent activities. The central bank also fined two of Standard Bank's employees around \$223,000 and \$101,000 each. (www.cnbc africa.com 12/07/21)

Nigeria's economy to grow sustainably post-COVID

Nigeria's Minister of State for Petroleum Resources, Timipre Sylva says the assent of the Petroleum Industry Bill by President Muhammadu Buhari will see an end to the controversial petrol subsidies. This comes as Nigeria celebrates its 50-year membership of the oil producer club, OPEC. (www.cnbc africa.com 13/07/21)

Ghana gets extra US\$200m WB funding to fight coronavirus

The Country Director of World Bank stressed the preparedness of the World Bank to support Ghana in the fight against COVID-19. The World Bank is giving out a US\$200m loan facility to the government of Ghana and the Ministry of Health to help in the fight against the pandemic. (www.ghanaweb.com 13/07/21)

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.