



Monday, July 19, 2021

Global corporate tax deal faces tough battle in US Congress

While financial leaders of the G20 major economies have endorsed a deal to overhaul international corporate tax rules, questions remain over the ability of the Biden administration to persuade a deeply divided US Congress to ratify the deal, experts have said. "After many years of discussions and building on the progress made last year, we have achieved a historic agreement on a more stable and fairer international tax architecture," G20 finance ministers have said. (www.xinhuanet.com 17/07/21)

Eurozone inflation slowed in June

Eurozone inflation fell below 2% in June, as initially estimated, data from Eurostat show. Inflation eased to 1.9% in June from 2% in May. The annual rate came in line with the flash estimate released on June 30. The inflation rate had exceeded the European Central Bank's target of "below but close to" 2% in May for the first time since 2018. (www.rttnews.com 16/07/21)

ECB Split on stimulus guidance

European Central Bank (ECB) policymakers are split over changes to their language on monetary stimulus in draft documents being circulated before next week's Governing Council meeting, according to officials familiar with the matter. The ECB will adjust its guidance on key tools including interest rates on July 22 after it concluded a strategy review this month. (www.bloomberg.com 16/07/21)

US consumer sentiment slumped in July

Consumer sentiment in the US has unexpectedly seen a significant deterioration in the month of July, according to preliminary data released by the University of Michigan on Friday. The report showed the consumer sentiment index slumped to 80.8 in July from 85.5 in June. (www.rttnews.com 16/07/21)

Chinese banking sector's assets up 9.2%

Onshore assets of China's banking sector continued to expand in the first half of the year while the industry's non-performing ratio saw a slight decrease as the economic recovery firmed up. By the end of June, the total assets of the sector reached ¥328.8tr (about \$50.8tr), up 9.2% from a year earlier, said the China Banking and Insurance Regulatory Commission. Lenders' outstanding non-performing loans came at ¥3.5tr, with the bad loan ratio at 1.86%. (www.xinhuanet.com 17/07/21)

UK job vacancies climbed past pre-pandemic levels

Job vacancies in the UK surpassed pre-pandemic levels in the three months to June, data show. The National Statistics Office said there were 862,000 jobs on offer between April and June, 77,500 higher than the first three months of 2020. The rise was driven by vacancies in hospitality and retailing. The number of people on payrolls also grew in June, showing the biggest rise since the start of the pandemic. (www.bbc.com 16/07/21)

BOJ keeps policy rate; cuts growth outlook

The Bank of Japan decided to keep its monetary stimulus unchanged and unveiled a preliminary outline for the new programme to support efforts on climate change. The board, governed by Haruhiko Kuroda, voted 8-1 to hold the interest rate at -0.1% on current accounts that financial institutions maintain at the central bank. (www.rttnews.com 16/07/21)

Italy trade surplus declined in May

Italy's trade surplus declined in May from April due a fall in exports, data from statistical office Istat show. The trade surplus decreased to a seasonally adjusted €4.76bn in May from €5.5bn in the previous month. Exports dropped 2% on month in May, reversing a 3.4% rise in April. (www.rttnews.com 16/07/21)

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3786	(1.3859)	1.3787	(1.3860)
+USD/EUR	1.1812	(1.1818)	1.1812	(1.1890)
*GHS/USD	5.7936	(5.7791)	5.7994	(5.7849)
*GHS/GBP	7.9871	(8.0093)	7.9956	(8.0179)
*GHS/EUR	6.8435	(6.8303)	6.8503	(6.8371)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 19/07/21 (Rates for 16/07/21 in brackets)

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Australia's economy to stall in second half on outbreak

Australia's economy is set to stagnate in the second half of the year as shutdowns in its two largest cities following an outbreak of a highly contagious coronavirus variant combines with a general deceleration. Paul Bloxham, chief economist for Australia says he expects GDP to drop 0.3% in the current quarter and rise 0.3% in the final three months. (www.bloomberg.com 16/07/21)

Austria CPI steady at 2.8%

Austria's consumer prices increased at a steady pace in June, the Statistics Austria has said. The CPI remained unchanged at 2.8% in June. Inflation based on the harmonized index of consumer prices slowed to 2.8% in June from 3% in May. On a monthly basis, consumer prices gained 0.5%. (www.rttnews.com 16/07/21)

Malta HICP inflation steady at 0.2%

Malta's harmonized annual inflation was unchanged in June as the upward impact of education costs was offset by the downward effect of the restaurants and hotel component. The harmonized index of consumer prices (HICP) rose 0.2% year-on-year in June, same as in May, the statistical office has said. (www.rttnews.com 16/07/21)

Croatia's economy expands in 2nd quarter

Croatia's economy may expand about 18% in the second quarter fuelled by growing tourism revenue that helped reverse a steep contraction in the same period last year. The central bank last week raised this year's growth forecast to 6.8% from the earlier prediction of 5.9% growth. (www.bloomberg.com 18/07/21)

Cyprus HICP inflation accelerated sharply in June

Cyprus' harmonized inflation accelerated strongly in June to its highest level in over eight-and-a-half years, preliminary figures from the statistical office showed on Friday. Inflation, based on the harmonized index of consumer prices (HICP) rose to 2.2% from 1.5% in May. (www.rttnews.com 16/07/21)

OPEC sees world oil demand reaching pre-pandemic level in 2022

OPEC has forecast that world oil demand would rise in 2022 to reach a level similar to before the pandemic, led by growth in the US, China and India. OPEC said in a report that oil demand next year would rise by 3.4% to 99.86m barrels per day and would average more than 100m bpd in the second half of 2022. (www.asaaseradio.com 16/07/21)

African countries call for US\$100bn for WB development fund

The World Bank has said that leaders of 23 African countries have called for the largest-ever US\$100bn replenishment of the International Development Association, the global lender's fund for the world's poorest countries. This sets previous financing package at US\$82bn to cover the 2021-2023 fiscal years. (www.asaaseradio.com 16/07/21)

Libya's banking system at risk of collapse, UN warns

Libya's banking system "will likely collapse" if the country's two parallel central bank branches do not unify, the UN special envoy to the country has warned. Oil-rich Libya descended into chaos after the NATO-backed overthrow of leader Muammar Gaddafi in 2011. (www.asaaseradio.com 16/07/21)

Kenyan Governor asks for powers over digital lenders

Kenya's central bank Governor Patrick Njoroge has called for regulatory powers over mobile money firms, warning politicians they were contributing to "ballooning" household debt. (www.centralbanking.com 16/07/21)

DRC's president changes central bank board under IMF pressure, report says

The Democratic Republic of the Congo's president Félix Tshisekedi, has changed the central bank's administrative board under pressure from the IMF, according to a report. The IMF objected after the president named two officials from his cabinet to the board. (www.centralbanking.com 16/07/21)

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