



Wednesday, July 21, 2021

## **IMF urges countries to shift from economic rescue to reforms**

The IMF has called on countries to pivot from saving their economies from collapse to reviving growth-oriented policy reforms to boost their recovery prospects and make them more sustainable. IMF First Deputy Managing Director Geoffrey Okamoto said that Covid-19 delayed and reversed some pro-growth reforms and restoring these can help make up for output lost. ([www.reuters.com](http://www.reuters.com) 20/07/21)

## **IMF mulls SDR reallocation ‘trust’**

The International Monetary Fund (IMF) is considering establishing a ‘Resilience and Sustainability Trust’ that would allow its special drawing rights (SDRs) to be redistributed to poor nations. The fund’s head of communications said the trust would be a possible mechanism for countries with excess SDRs to channel them to countries in need of resources. ([www.centralbanking.com](http://www.centralbanking.com) 19/07/21)

## **Eurozone current account surplus declined in May**

The euro area current account surplus declined in May, data from the European Central Bank showed on Tuesday. The current account surplus dropped to a seasonally adjusted €12bn in May from €22bn in April. In the same period last year, the surplus totalled €6bn. ([www.rttnews.com](http://www.rttnews.com) 20/07/21)

## **US economy expected to slow in Q3 amid supply constraints, inflation worries**

After reaching its peak in the second quarter of the year, US economic growth is expected to start slowing in the third quarter amid supply constraints and inflation worries. "The economy may well have moved past peak US growth and peak inflation," Ethan Harris, head of global economics research at Bank of America Merrill Lynch Global Research, has said. ([www.xinhuanet.com](http://www.xinhuanet.com) 20/07/21)

## **Biden says inflation temporary; Fed should do what it deems necessary for recovery**

US President Joe Biden has said an increase in prices was expected to be temporary but his administration understood that unchecked inflation over the longer term would pose a "real challenge" to the economy. Biden said he told Fed Board Chair Jerome Powell recently that the Fed was independent and should take whatever steps it deems necessary to support a strong recovery. ([www.reuters.com](http://www.reuters.com) 19/07/21)

## **China's loan prime rates remain unchanged**

China's one-year loan prime rate (LPR), a market-based benchmark lending rate, was 3.85% on Tuesday, same as the previous month. The over-five-year LPR, on which many lenders base their mortgage rates, also remained unchanged from the previous reading of 4.65%, the National Interbank Funding Centre has said. ([www.xinhuanet.com](http://www.xinhuanet.com) 20/07/21)

## **BoE's Haskel says monetary policy tightening is not right option**

Bank of England Policymaker Jonathan Haskel has said the tightening of monetary policy is not the right choice for the foreseeable future. "In the immediate term, the risk of a pre-emptive monetary tightening curtailing the recovery continues to outweigh the risk of a temporary period of above-target inflation," he said. ([www.rttnews.com](http://www.rttnews.com) 19/07/21)

## **Japan overall inflation climbed 0.2% on year in June**

Overall consumer prices in Japan were up 0.2% on year in June, the Ministry of Internal Affairs and Communications has said. That was in line with expectations following a 0.1% decline in May. Core consumer prices, which exclude volatile food prices, also gained an annual 0.2%. That too matched estimates following the 0.1% increase in the previous month. ([www.rttnews.com](http://www.rttnews.com) 19/07/21)

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3670	(1.3786)	1.3671	(1.3787)
+USD/EUR	1.1805	(1.1812)	1.1806	(1.1812)
*GHS/USD	5.7934	(5.7936)	5.7992	(5.7994)
*GHS/GBP	7.9196	(7.9871)	7.9281	(7.9956)
*GHS/EUR	6.8390	(6.8435)	6.8458	(6.8503)

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

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### **Turkey consumer confidence weakens**

Turkey's consumer confidence weakened in July, Turkish Statistical Institute has said. The CPI fell to 79.5 in July from 81.7 in June. The survey was carried out in cooperation with the Turkish Statistical Institute and the Central Bank of Turkey. The assessment of the financial situation of households fell to 57.9 in July from 61.0 in the previous month. ([www.rttnews.com](http://www.rttnews.com) 19/07/21)

### **Australian central bank's policy optimism tested by lockdowns**

Australia's central bank was counting on the economy to keep surprising with its strength when trimming stimulus earlier this month. It has decided that from Sept. it would reduce the amount of bonds it was buying every week to A\$4bn (\$2.94bn) from the current pace of A\$5bn. ([www.reuters.com](http://www.reuters.com) 20/07/21)

### **HK jobless rate fell in June**

Hong Kong's unemployment rate declined in June, the labour force statistics from the Census and Statistics Department show. The jobless rate fell to a seasonally adjusted 5.5% in the three months to June from 6.0% in the three months to May. The underemployment rate decreased to 2.5% from 2.8% in the preceding period. ([www.rttnews.com](http://www.rttnews.com) 20/07/21)

### **Swiss exports growth slowed in Q2**

Switzerland's exports grew at a softer pace in the second quarter, the Federal Customs Administration has said. Exports increased 1.0% sequentially in the second quarter, after a 5.0% rise in the first quarter. Imports grew 1.2% in the second quarter, after a 1.7% rise in the previous quarter. ([www.rttnews.com](http://www.rttnews.com) 20/07/21)

### **Belarus raises interest rates 75 basis points**

The Belarusian central bank has increased its policy rate to 9.25%, citing rising global commodity prices and higher domestic inflation expectations. This is the second time the Bank of Belarus has raised rates this year. The IMF expects inflation in Belarus to reach 6.9% this year up from 5.5% in 2020. ([www.centralbanking.com](http://www.centralbanking.com) 19/07/21)

### **Oil producing nations agree deal**

Oil producing nations have agreed to increase their output, with the aim of reducing prices and easing pressure on the world economy. OPEC partners such as Russia will boost supply from Aug. after prices climbed to two-and-half-year highs during the pandemic. The price of Brent crude oil is up 43% this year to almost \$74 a barrel. ([www.bbc.com](http://www.bbc.com) 19/07/21)

### **13 African heads call for economic recovery**

Thirteen African Heads of State and Governments concluded a day's meeting in Abidjan on Thursday with a strong resolution to accelerate economic recovery from the shocks of Covid-19, scale-up investments in human capital, and increase their job creation efforts. ([www.dailyguidenetwork.com](http://www.dailyguidenetwork.com) 19/07/21)

### **AfCFTA: Re-double economic integration resolve – Mene**

The Secretary-General of the African Continental Free Trade Area (AfCFTA) Secretariat Wamkele Mene has called on African leaders to re-double their resolve to forge ahead with economic integration of the continent. He said much work remains ahead in the implementation of the AfCFTA. ([www.classfmonline.com](http://www.classfmonline.com) 19/07/21)

### **Economists not expecting South African Reserve Bank to raise interest rates**

The South African Reserve Bank is expected to keep interest rates unchanged at 3.5% this week as consumers continue struggling with rising fuel and electricity prices. Inflation was forecast to moderate to around 4.9% in June from 5.2% in May, above the bank's 3-6% target range. ([www.iol.co.za](http://www.iol.co.za) 19/07/21)

### **Ghana: Economic outlook promising but uncertainty hangs on – IMF**

The IMF is warning that the Ghanaian economy is still facing some significant uncertainty in the coming months despite the economic outlook promising. According to the fund, its assessment is based on the new Covid-19 wave, rising debt stock and large financing needs of government. ([www.myjoyonline.com](http://www.myjoyonline.com) 21/07/21)

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