



Monday, September 6, 2021

European banks still booking profits in tax havens, says report

Top banks in Europe continue to use tax havens to book chunks of profits, a trend that has changed little since 2014 despite country-by-country disclosures becoming mandatory, the EU Tax Observatory has said in a report. The independent research body, co-financed by the EU, said disclosures from 36 major European banks showed they booked a total of €20bn (\$23.77bn) or about 14% of total profits, in tax havens, even though few were employed there. (www.reuters.com 06/09/21)

Eurozone retail sales fell in July

Eurozone retail sales dropped unexpectedly in July after rising for two straight months. Retail sales dropped 2.3% on a monthly basis in July, reversing a 1.8% rise in June. Sales were forecast to grow 0.1%. On a yearly basis, retail sales growth slowed to 3.1% in July from 5.4% in June. (www.rttnews.com 03/09/21)

Poor US jobs growth shows Covid Delta variant impact

The US economy added fewer jobs than expected in Aug. as employment rose by 235,000. The figure was well down on the 1.05m jobs created in July, adding to fears that the recovery from the pandemic may be running out of steam. Despite the disappointing hiring levels, the unemployment rate fell to 5.2% in Aug. from 5.4% in July. (www.bbc.co.uk 04/09/21)

Back-to-school may lift US retail shares after recent lull

Strong late-summer back-to-school sales could provide US retailers some needed momentum after many sector shares lagged the broader market in recent months. The S&P 500 retailing index, which includes Amazon.com Inc., is up just about 2% for the quarter so far, compared with a 6% gain in the S&P 500. (www.reuters.com 05/09/21)

Financial risks generally controllable in China: central bank report

Overall financial risks in China have decreased and are generally controllable as regulatory measures take hold, an annual report from the People's Bank of China shows. The report pointed out that the continued rapid expansion of the country's macro leverage ratio was curbed effectively, various high-risk institutions dealt with in an orderly manner, and risks related to shadow banking reduced. (www.xinhuanet.com 05/09/21)

China service sector signals renewed fall in activity

China's service sector signalled a renewed fall in business activity in Aug. as rising coronavirus infection at home and abroad weighed on operations and demand. The Caixin services Purchasing Managers' Index fell to 46.7 in Aug. from 54.9 in July. (www.rttnews.com 03/09/21)

UK service sector growth slowed in Aug

The UK service sector growth weakened in Aug. largely due to supply chain disruptions and the normalization of customer demand after the initial loosening of pandemic restrictions. The Chartered Institute of Procurement & Supply final services Purchasing Managers' Index dropped to 55.0 from 59.6 in the previous month. The flash reading was 55.5. (www.rttnews.com 03/09/21)

India services activity expanded in Aug

India's service sector expanded for the first time in four months in Aug., beating expectations for further contraction. The services Purchasing Managers' Index rose to 56.7 in Aug. from 45.4 in July. Economists had forecast 48.5. New orders increased in Aug., while new export orders declined further. Output was expected to improve over the next 12 months, with the level of positive sentiment increasing. (www.rttnews.com 03/09/21)

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3867	(1.3826)	1.3868	(1.3827)
+USD/EUR	1.1885	(1.1861)	1.1885	(1.1862)
*GHS/USD	5.8535	(5.8485)	5.8593	(5.8543)
*GHS/GBP	8.1170	(8.0861)	8.1257	(8.0948)
*GHS/EUR	6.9572	(6.9373)	6.9641	(6.9441)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 06/09/21 (Rates for 03/09/21 in brackets)

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Payments Canada launches new wholesale payments system

The body that runs Canada's payments infrastructure has announced the formal launch of a new interbank large-value payments system, called Lynx. Payments Canada said that Lynx succeeds the Large Value Transfer System, which served as Canada's wholesale payments system since 1999. The new system will handle large transfers in Canadian dollars between 16 major financial institutions in Canada. (www.centralbanking.com 03/09/21)

Riksbank Deputy's term to run until 2027

The governing board of Sweden's central bank has extended Deputy Governor Per Jansson's term for a further six years. The extension is effective from Jan. 1, 2022 and also applies to his membership of Sveriges Riksbank's executive board. This is the second time the board has extended Jansson's term as Deputy Governor. (www.centralbanking.com 03/09/21)

Colombian president's central bank appointment draws strong criticism

The President of Colombia, Iván Duque, appointed his former finance minister to the board of the central bank on Aug. 30. Alberto Carrasquilla left office in May after a tax reform package he proposed incited mass protests across the country, which continued after his resignation. Carrasquilla replaces Carolina Soto, who resigned on Aug. 27. (www.centralbanking.com 03/09/21)

Brazil delays integrating payments into 'open banking' project

The Central Bank of Brazil (CBB) delayed the third phase of its open banking initiative, which seeks to integrate payments systems after banks reported technical obstacles. The CBB's board announced the delay on Aug. 27, three days before the project had been due to start. It aims to implement the project in stages in 2021 and 2022. The central bank says the open banking initiative is designed to allow "sharing of data, products and services between regulated entities". (www.centralbanking.com 03/09/21)

Saudi Arabia lowers light crude prices to Asia; US, Europe prices steady

Saudi Arabia lowered its light crude oil prices to Asian customers in Oct. versus Sept., though it left prices to north-western Europe and the US steady. Oil giant Saudi Aramco lowered the price differential of light crude for delivery to the Far East in Oct. to a premium of \$1.7 per barrel versus the average of Oman and Dubai crudes, according to a company pricing document. The price differential in Sept. was a premium of \$3 dollars per barrel. (www.reuters.com 05/09/21)

Trade between China, Africa rises 40.5% in first seven months

Trade between China and Africa rose 40.5% year on year to \$139.1bn in the first seven months of the year, Chinese Vice Commerce Minister Qian Keming has said. China's imports from Africa climbed 46.3% year on year to \$59.3bn in the first seven months, with imports of rubber, cotton, coffee and other agricultural products doubling from the same period last year. China's direct investment in Africa reached \$2.07bn in the first seven months. (www.xinhuanet.com 03/09/21)

Egypt businesses boost buying amid global inflation worries

Egypt's non-oil private sector approached a growth tipping point, with increased purchasing, output and employment signalling that the Arab world's most populous nation is on track to economic recovery. The IHS Markit Purchasing Managers' Index edged up to 49.8 in Aug., its highest level since June. New orders grew for the second time in three months, rising to 50.4 from 48.7 the previous month. (www.bloomberg.com 05/09/21)

Zambia holds rates despite double-digit inflation

The Bank of Zambia's MPC left interest rates unchanged at 8.5% on Aug. 31, despite persistently high inflation. Year-on-year inflation declined marginally by 0.2% to 24.4% in Aug., remaining three times higher than the top of the central bank's target band of 6–8%. (www.centralbanking.com 03/09/21)

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