



Wednesday, September 15, 2021

Global debt is fast approaching record \$300tr - IIF

Global debt rose to a new record high of nearly \$300tr in the second quarter, but the debt-to-GDP ratio declined for the first time since the start of the pandemic as economic growth rebounded, the Institute of International Finance (IIF) said. Total debt levels, which include government, household and corporate and bank debt, rose \$4.8tr to \$296tr at the end of June, after a slight decline in the first quarter, to stand \$36tr above pre-pandemic levels. (www.reuters.com 14/09/21)

UK inflation soars to 9-year high on rebound from restaurant discount scheme

British inflation hit a more than nine-year high last month after the biggest monthly jump in the annual rate in at least 24 years, largely due to a one-off boost reflecting the "Eat Out to Help Out" scheme that pushed down restaurant meal prices last year. (www.reuters.com 15/09/21)

Euro zone bond yields rise, tracking US Treasuries

Euro zone government bond yields edged higher on Wednesday, tracking a move in US Treasuries after falling the day before on weaker-than-expected US inflation data. CPI numbers suggested the Federal Reserve might be more dovish at next week's policy meeting. (www.reuters.com 15/09/21)

Democrats' tax plan would cut bills for most Americans - congressional estimate

US tax code changes sought by Democrats in the House of Representatives to help fund \$3.5tr in domestic investments would cut annual tax bills for Americans earning less than \$200,000 a year through 2025, a congressional estimate showed on Tuesday. (www.reuters.com 15/09/21)

US median income dropped in 2020 and poverty rose, Census data shows

The median US household income decreased in 2020 and the poverty rate rose, according to a government survey released on Tuesday that helps to quantify how much Americans' finances were affected after the coronavirus pandemic severely disrupted the US economy. (www.reuters.com 14/09/21)

US consumer prices slow further in August; inflation likely peaked

Underlying US consumer prices increased at their slowest pace in six months in Aug; as used motor vehicle prices tumbled, suggesting that inflation had probably peaked, though it could remain high for a while amid persistent supply constraints. The broad slowdown in price pressures reported by the Labor Department on Tuesday aligns with Federal Reserve Chair Jerome Powell's long-held belief that high inflation is transitory. (www.reuters.com 14/09/21)

Dollar drifts after soft inflation, Chinese data weighs on Asian currencies

The dollar held recent ranges against peers on Wednesday after softer-than-expected US inflation figures tempered immediate expectations about Federal Reserve tapering while disappointing Chinese data weighed on the Yuan and Aussie. (www.reuters.com 15/09/21)

IFO institute sees German inflation slowing to 2-2.5% in 2022

German inflation is expected to slow to 2% to 2.5% in 2022 from an estimated 3% this year, the IFO economic institute said. "One-off effects will disappear at the start of 2022 as the year-earlier value-added tax cut ends and energy prices reach pre-crisis levels," IFO Chief Economist Timo Wollmershaeuser said in a statement. (www.reuters.com 15/09/21)

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3848	(1.3842)	1.3849	(1.3843)
+USD/EUR	1.1825	(1.1808)	1.1825	(1.1809)
*GHS/USD	5.8538	(5.8532)	5.8596	(5.8590)
*GHS/GBP	8.1063	(8.1020)	8.1150	(8.1107)
*GHS/EUR	6.9220	(6.9118)	6.9288	(6.9186)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 15/09/21 (Rates for 14/09/21 in brackets)

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China Evergrande's liquidity crisis deepens on report of interest payment miss

China's major banks have been notified by the housing authority that Evergrande Group won't be able to pay loan interest due Sept. 20, Bloomberg reported, underlining the broadening impact of a liquidity crisis at the property developer. Ministry of Housing and Urban-Rural Development (MOHURD) held a meeting with the banks this week, the report said, citing sources familiar with the matter. It added that Evergrande is still discussing with banks the possibility of extending payments and rolling over some loans.

(www.reuters.com 15/09/21)

China's Yuan weakens on COVID-19 outbreaks in Fujian, disappointing data

The Yuan eased against the dollar on Wednesday, as outbreaks of coronavirus Delta variant infections raised concerns over China's economic recovery. The southeastern province of Fujian reported its fifth straight day of new local COVID-19 infections, though they were confined to three coastal cities where a total of 152 cases had been reported between Sept. 10-14. (www.reuters.com 15/09/21)

JGBs gain after benign US inflation data, BOJ purchase

Japanese government bond prices gained on Wednesday, supported by benign US inflation readings and strong results of the Bank of Japan's purchase in medium-term bonds. In the 12 months through Aug, the US core CPI increased 4%, slowing further from 4.5% increase in June, reducing expectations the Federal Reserve will rush to taper its bond buying. (www.reuters.com 15/09/21)

S.Korea jobless rate hits record low as jobs for public sector, part-timers grow

South Korea's Aug unemployment rate fell to the lowest on record, suggesting the economic recovery from the COVID-19 pandemic was on track, though a breakdown of data showed labour conditions in the key manufacturing sector remained weak. The rate stood at 3.3% in July. (www.reuters.com 15/09/21)

European shares seen up despite growth concerns

European stocks may open higher on Wednesday as investors weigh growth worries against optimism about the rollout of coronavirus vaccines and central bank support. The pan European Stoxx 600 ended almost unchanged. The German DAX inched up 0.1%, while France's CAC 40 index eased 0.4% and the UK's FTSE 100 dipped half a percent. (www.rttnews.com 15/09/21)

Crude futures settle slightly higher

Crude oil futures pared early gains and settled just slightly higher on Tuesday after data from the Labor Department showed US consumer prices increased by slightly less than expected in the month of Aug; and traders weighed the impact of tropical storm Nicholas. Crude oil futures settled at \$70.46 a barrel, up a penny from the previous close after climbing to a high of \$71.22 a barrel earlier in the day. (www.rttnews.com 14/09/21)

SA falls down in ranking of Economic Freedom of the World Report

The free market Foundation (FMF) has urged the government to relax its labour policies in a bid to ease trade, boost economic activity and create much-needed employment. This comes as S.Africa slipped down the rankings of the Economic Freedom of the World: 2021 Annual Report, falling into 84th position out of 165 countries. The report measures economic freedom levels of personal choice, ability to enter markets, security of privately owned property, rule of law by analysing the policies and institutions of 165 countries and territories. (www.iol.co.za 15/09/21)

Nigeria's August inflation eases ahead of cenbank rate decision

Nigeria's annual inflation eased in Aug; for a fifth straight month to 17.01% after the pace of food price growth witnessed a drop, figures from the statistics office showed on Wednesday, ahead of a central bank rate-setting meeting this week. (www.reuters.com 15/09/21)

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