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Monetary Policy Benchmarks 2021 report – seeking a strong anchor

Monetary policy has long been the domain of central banks. Many policy frameworks have been in place for decades, and they tend to be backed by extensive research and well-established operational routines. But the field is also undergoing a steady process of change, driven by the evolution of economic theory and a certain amount of trial and error as central banks implement policy. (www.centralbanking.com 16/09/21)

Eurozone yields near two-month highs on report about ECB's inflation view

Eurozone government bond yields hovered near two-month highs after a report suggested that the European Central Bank expects to hit its inflation target by 2025, and even a subsequent partial denial did not reverse the move. (www.reuters.com 17/09/21)

PBoC widens offshore bond trading for Chinese investors

China will open a long-awaited channel for domestic institutional investors to trade foreign bonds, China and Hong Kong's central banks announced on Sept 15. The new facility will allow Chinese firms qualified as primary dealers to trade foreign bonds via Hong Kong. (www.centralbanking.com 16/09/21)

China seen holding benchmark rate in Sept, some expect more liquidity support

China is set to leave its benchmark lending rate steady for the 17th month at its Sept. fixing next Wednesday, a Reuters survey shows, but market participants expect more targeted liquidity measures as the economy grapples with the Delta variant. Nineteen traders and analysts, or 95% of 20 participants, in a snap poll predicted no change in either the one-year Loan Prime Rate or the five-year tenor after. (www.reuters.com 17/09/21)

Bring out the central bank heavies

Several central banking big-hitters meet in coming days, with the US Federal Reserve's Sept. 21-22 meeting topping the must-watch list. The timing of the Fed's US tapering plans remains the key question and recent data suggests caution may be warranted: the US economy created the fewest jobs in seven months in Aug. (www.reuters.com 17/09/21)

OECD urges RBA to review policy framework

The OECD has urged the Australian central bank to conduct a review of its policy framework. In an economic survey of Australia, the OECD said the Reserve Bank of Australia should "undertake a review into the monetary policy framework that is broad in scope, transparent and involves consultation with a wide variety of relevant stakeholders". (www.centralbanking.com 17/09/21)

Turkey raises banks' gold and FX reserve levels

The Central Bank of the Republic of Turkey has announced a sharp rise in the reserve ratios for foreign currency and precious metals for the country's banks. It raised the reserve ratios for both types of asset by 200 basis points, with effect from Sept 17. The central bank has previously raised reserve requirements in an attempt to reduce inflation and strengthen the Turkish lira without directly raising policy rates. (www.centralbanking.com 16/09/21)

Indonesia central bank seen holding rates steady as economy gradually reopens

Indonesia's central bank is expected to keep its key interest rate steady next week as the economy gradually reopens after a devastating Covid-19 wave, while a record high trade surplus should provide underlying support to the local currency. (www.rttnews.com 17/09/21)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3771	(1.3830)	1.3772	(1.3831)
+USD/EUR	1.1762	(1.1816)	1.1763	(1.1816)
*GHS/USD	5.8545	(5.8543)	5.8603	(5.8601)
*GHS/GBP	8.0622	(8.0965)	8.0708	(8.1051)
*GHS/EUR	6.8861	(6.9177)	6.8934	(6.9245)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 17/09/21 (Rates for 16/09/21 in brackets)

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IMF chief called out over pressure to favor China while at World Bank

World Bank leaders, including then-Chief Executive Kristalina Georgieva, applied "undue pressure" on staff to boost China's ranking in the bank's "Doing Business 2018" report, an independent investigation released Thursday shows. The report raises concerns about China's influence at the World Bank, and the judgment of Georgieva, now managing director of the IMF, and then-World Bank President Jim Yong Kim. (www.devdiscourse.com 17/09/21)

Shop sales in the UK fall for fourth month as more dine out

Retail sales in the UK fell for the fourth month in a row in Aug., but people spent more time eating and drinking in bars and restaurants. Sales fell by 0.9% in Aug., the Office for National Statistics (ONS) said, following a 2.8% fall in July. Food store sales fell by 1.2%. (www.bbc.com 17/09/21)

Thailand and Malaysia invite banks to operate across borders

Bank Negara Malaysia and the Bank of Thailand have opened the door for their banks to operate across the two jurisdictions, joining an initiative launched by the Association of Southeast Asian Nations (Asean). Banks are invited to indicate their interest in the Qualified Asean Bank status which, once approved, would allow them to operate with greater flexibility across borders. (www.centralbanking.com 16/09/21)

EU endorses Malta's pandemic recovery plan

European Commission President Ursula von der Leyen has endorsed Malta's recovery and resilience plan, which will see the EU disbursing €316.4m (\$372m) in grants under a Recovery and Resilience Facility. She praised the Maltese government's plan to use a large chunk of the recovery funds to finance green initiatives in line with the EU's digital strategy. (www.xinhuanet.com 16/09/21)

European shares seen flat to higher at open

European stocks may open flat to slightly higher as investors ponder the prospects for early policy normalization by the Federal Reserve ahead of next week's FOMC meeting. The pan European Stoxx 600 gained 0.4%. The German DAX and the UK's FTSE 100 both edged up 0.2% while France's CAC 40 index rose 0.6%. (www.reuters.com 17/09/21)

Oil futures settle flat

Crude oil futures settled flat, giving up early gains, on concerns over China's decision to release some crude oil from its strategic petroleum reserve. WTI crude oil futures for Oct. settled at \$72.61 a barrel, unchanged from the previous close. The contract dropped to a low of \$71.53 a barrel around mid-morning before regaining lost ground. Brent crude futures were up \$0.25 at \$75.70 a little while ago. (www.reuters.com 16/09/21)

S. Africa's rand firms, but heads for weekly loss

S. Africa's rand firmed early on Friday, but was on track for weekly losses as the US dollar rose and weak domestic economic data weighed on sentiment. At 0610 GMT, the rand traded at 14.5700 against the dollar, 0.17% firmer than its previous close. However, the currency was set to make weekly losses of more than 2%. (www.reuters.com 17/09/21)

Nigeria to hold investor calls ahead of \$3bn Eurobond sale

Nigeria has asked its Eurobond managers to arrange calls with global and local investors this week and next ahead of a planned issuance, the government's debt office has said. A global investor call was due to take place on Friday at 1245 GMT, a notice seen by Reuters showed. Another call will follow next Monday, Nigeria's Debt Management Office said. Nigeria's finance minister said last month that the country would launch its planned Eurobond issue on Oct. 11 and would hold roadshows in Lagos and New York. (www.reuters.com 16/09/21)

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