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IMF lays out role for investment funds to green economy

Investment funds can play a role in boosting the transition to a greener global economy, says the IMF. This is especially the case for funds with a sustainability focus, say authors Fabio Natalucci Felix Suntheim, and Jérôme Vandebussche. They calculate the transition to net-zero greenhouse gas emissions requires additional investment of \$20tr over the next 20 years. Delivering the funding requires unprecedented changes for both governments and companies. (www.centralbanking.com 05/10/21)

IMF board to interview Georgieva on data-rigging claims on Wednesday

The IMF's executive board will interview Managing Director Kristalina Georgieva as it reviews claims she pressured World Bank staff to alter data to favour China in her previous role, sources familiar with the plans have said. (www.reuters.com 05/10/21)

Pandemic is top stability concern for benchmark respondents

Central banks that responded to the Financial Stability Benchmarks 2021 were asked what they saw as the greatest threat to financial stability. The top concerns were about the effects of the Covid-19 pandemic, followed by cyber crime and housing prices. (www.centralbanking.com 05/10/21)

SSM reduced large Eurozone banks' risk-taking – ECB paper

Supranational supervision reduced risk-taking by the Eurozone's largest banks due to organizational efficiency, a paper published by the ECB argues. In *Banks' Risk-Taking Within a Banking Union*, Matteo Farnè and Angelos Vouldis examine changes in the credit risk of the Eurozone's 270 largest banks from 2014 to 2019. (www.centralbanking.com 05/10/21)

ECB's Villeroy sees medium-term risk of undershooting inflation target

A current surge in inflation is largely temporary and over the medium term there is still a risk the ECB will miss its 2% target, Bank of France head and ECB governing council member Francois Villeroy de Galhau have said. "We are vigilant, as I've said, about how long supply-chain difficulties last and we won't pretend to know today what inflation will be to the decimal in 2023," said Villeroy, during a meeting with French lawmakers. (www.reuters.com 05/10/21)

Fed chief has Biden's confidence, but no decision on renomination

US President Joe Biden said he has confidence in Federal Reserve Chair Jerome Powell, after an influential senator in his party's progressive wing stepped up her critique of the central bank chief and raised questions about his leadership. Powell "poses a danger to our economy and that's why I oppose him for renomination," Senator Elizabeth Warren told CNBC, citing what she sees as his overly lax approach to bank oversight as well as his handling of possible investment trading improprieties by fellow Fed policymakers. (www.reuters.com 05/10/21)

UK: Will the government's economic plan work?

The UK is facing two supply shocks right now. One is a global supply shock as the world's economy sluggishly wakes up from lockdown. It shows itself in backed up cargo ships from China in California's seas, unable to offload their cargo; in thousands of cars left without microchips; in rising natural gas prices. On top of that there is a UK-specific supply shock. This comes from fewer European workers and the imposition of non tariff barriers on trade with the rest of Europe. (www.bbc.com 06/10/21)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3631	(1.3601)	1.3632	(1.3602)
+USD/EUR	1.1603	(1.1616)	1.1603	(1.1617)
*GHS/USD	5.8644	(5.8644)	5.8702	(5.8702)
*GHS/GBP	7.9937	(7.9761)	8.0023	(7.9847)
*GHS/EUR	6.8043	(6.8120)	6.8110	(6.8187)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 06/10/21 (Rates for 05/10/21 in brackets)

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World Bank ups Russia's 2021 GDP forecast but warns of sanctions impact

Russia's economic recovery will be stronger than expected this year but US sanctions, a poor vaccination rate and the central bank's monetary tightening will all weigh on the growth outlook, the World Bank has said. Russia's economic rebound will outpace its neighbour Belarus, hit by Western sanctions amid a political crisis, but will be less pronounced than in other former Soviet republics such as Armenia, Georgia and Uzbekistan. (www.reuters.com 05/10/21)

PBoC Governor: China does not need QE

People's Bank of China Governor Yi Gang forcefully restated his view that it should not carry out a quantitative easing programme. Yi's paper was published in the Sept. issue of the Journal of Financial Research, which is owned by the PBoC. Yi said a quantitative easing programme was something that a central bank should use when it had little choice. But China's economy had a potential annual GDP growth rate of between 5% and 6%. (www.centralbanking.com 05/10/21)

BSP calls for criminalisation of 'extreme' coin hoarding

The Central Bank of the Philippines (BSP) has called on politicians to ban the hoarding of "extremely large" volumes of coins. "Coin hoarding results in the inefficient circulation of coins and prevents their primary use as [a] medium of exchange," said the BSP in a statement published on Oct. 3. Hoarding can also result in inefficient transactions and a shortage of coins, ultimately disrupting the financial system, said the central bank. (www.centralbanking.com 05/10/21)

Indonesia, Philippine hit early 2021 highs on Wall Street rebound

Shares in Indonesia and the Philippines hit multi-month peaks on Wednesday, leading other Asian emerging markets higher as a rebound in global sentiment helped offset broader worries about elevated inflation and the Federal Reserve's tapering timeline. (www.reuters.com 06/10/21)

European shares seen opening lower as bond yields climb

European stocks may open lower as Treasury yields extended an advance amid worries over inflation and higher interest rates. The Dow gained 0.9%, the Nasdaq Composite rallied 1.3% and the S&P 500 added 1.1%. The pan European Stoxx 600 advanced 1.2%. The German DAX gained 1.1%, France's CAC 40 index surged 1.5% and the UK's FTSE 100 rose 0.9%. (www.rttnews.com 06/10/21)

Oil futures settle sharply higher again

Crude oil prices climbed higher, extending recent gains following OPEC+ deciding to stick to their plan of gradually raising crude production. West Texas Intermediate crude oil futures for Nov. ended higher by \$1.31 or about 1.7% at \$78.93 a barrel, a fresh 7-year high. (www.rttnews.com 05/10/21)

Gold falls as rising dollar

Gold prices extended losses hurt by a jump in the dollar and US Treasury yields ahead of US non-farm payrolls data. Spot gold fell 0.5% to \$1,750.51 per ounce by 0723 GMT, while US gold futures were 0.7% lower at \$1,749.40. The dollar rose towards its 2021 highs, denting gold's appeal for those holding other currencies, and the benchmark US 10-year Treasury yield hit its highest level since June. (www.reuters.com 06/10/21)

Nigeria: Inflation, insecurity, forex top issues OPS wants FG to address

Members of the organised private sector (OPS) of the Nigerian economy have urged the Federal Government to address lingering macro-economic issues to ensure that the private sector, especially manufacturers, contribute meaningfully to the economy. OPS said the quality of the business environment remains a source of concern to investors, especially in the real sector. Weak infrastructure, policy environment, and institutions continue to have adverse effects on the efficiency, productivity, and competitiveness of many enterprises in the economy. (www.guardian.ng 06/10/21)

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