



Friday, November 12, 2021

Stuck behind the curve

The United Nations climate summit in Glasgow is coming to an end and so far, it hasn't proven to be a game changer. Under countries' current pledges, global warming will most likely rise well above 1.5 degrees Celsius above pre-industrial levels and unleash catastrophic sea level rises, floods and droughts. (www.reuters.com 12/11/21)

CBDC issuance should not be rushed, say central bank experts

Several central bank officials called for caution over introducing central bank digital currencies (CBDCs) at the Singapore Fintech Festival on Nov 11. Nick Ogden, founder and director of Payment Services firm RTGS.global, told a panel discussion, central banks should work faster to deliver a wholesale CBDC by next year. "I really think wholesale CBDCs should be done much quicker than is currently proposed," Ogden said. (www.centralbanking.com 11/11/21)

Higher-denomination banknotes have longer lifespans

Higher-denomination banknotes have longer lifespans, according to the Currency Benchmarks 2021. Central Banking asked institutions for the average lifespan of notes, by denomination. Lifespan was defined as the average amount of time a banknote circulated before having to be removed after being deemed unfit. (www.centralbanking.com 11/11/21)

BIS paper flags 'notable gaps' in CBDC research

Despite rapid progress on research into central bank digital currencies (CBDCs), more work is needed in some important areas, a Bank for International Settlements working paper says. Raphael Auer and co-authors identify cross-border CBDCs as an area where policy development is "marching beyond the research frontier". (www.centralbanking.com 11/11/21)

GDP-linked bonds unlikely to 'tame debt' – BdF paper

A working paper published by the Banque de France examines the idea of indexing sovereign debt to GDP. In Debt-stabilising properties of GDP-linked securities: a macro-finance perspective, Sarah Mouabbi, Jean-Paul Renne and Jean-Guillaume Sahuc note that some policy analysts have advocated such a policy. (www.centralbanking.com 11/11/21)

US records highest CPI inflation rise since 1990

The US Bureau of Labor Statistics reported the biggest increase since 1990 in year-on-year consumer price index (CPI) inflation on 9th Nov. CPI inflation reached a year-on-year rate of 6.2% in Oct. Prices rose by 0.9% in Oct. from the previous month, the BLS said. Sharply rising energy prices drove the overall index upwards. Energy prices overall rose year-on-year by 30% in Oct. 2021. (www.centralbanking.com 11/11/21)

New York Fed opens new research centre

The Federal Reserve Bank of New York has announced the opening of a new Center for Applied Macroeconomics and Econometrics. The new unit will focus on developing macroeconomic models and measures to support the analysis of monetary policy. Marco Del Negro, who leads monetary and macroeconomic studies as a Vice-President in the New York Fed's research and statistics group, will serve as the centre's inaugural director. (www.centralbanking.com 11/11/21)

German coalition parties can count on windfall tax revenues

The three parties working to form Germany's next governing coalition can count on windfall tax revenues to fund some of their election promises such as higher public investments in climate protection and digitalisation, official estimates showed. (www.reuters.com 11/11/21)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3390	(1.3484)	1.3391	(1.3485)
+USD/EUR	1.1463	(1.1521)	1.1463	(1.1522)
*GHS/USD	5.8995	(5.8995)	5.9055	(5.9055)
*GHS/GBP	7.8995	(7.9550)	7.9080	(7.9635)
*GHS/EUR	6.7621	(6.7979)	6.7688	(6.8047)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 12/11/21 (Rates for 11/11/21 in brackets)

* BOG INTERNAL TRANSACTION RATES: 12/11/21 (Rates for 11/11/21 in brackets)

Economy minister says Brazil's rising interest rates likely to slow recovery

Rising interest rates in Brazil are likely to slow a recovery from a coronavirus-driven downturn, Economy Minister Paulo Guedes said. Speaking at a banking event, Guedes said, Brazil could still potentially steam ahead and grow between 3.5% and 4% annually if the government can overcome obstacles to its economic reforms. (www.reuters.com 11/11/21)

Bank of Mexico hikes rate again as inflation spirals

The Bank of Mexico raised its benchmark interest rate by 25 basis points for the fourth straight policy meeting on Thursday, taking it to 5.00%, in a 4-to-1 vote by its governing board, as markets looked forward to more hikes down the pike. (www.reuters.com 11/11/21)

Yuan weakens against strong greenback, but fall limited by robust dollar selling

China's Yuan weakened against the greenback, which has strengthened on expectations of further US monetary tightening, but strong dollar selling by Chinese exporters limited the Yuan's fall. The Yuan opened at 6.3950 per dollar and was changing hands at 6.3960 at midday, 60 pips weaker than the previous late session close, despite the People's Bank of China setting a stronger midpoint rate at the open. (www.reuters.com 12/11/21)

Most JGB yields rise as US Treasury yields gain in Asian trading

Most Japanese government bond yields rose on Friday, taking cues from US Treasury yields in Asian trading hours, while investors held off making active bets amid the absence of domestic market-moving catalysts. (www.reuters.com 12/11/21)

Malaysian economy contracts more than expected in Q3

The Malaysian economy shrank more than expected in the third quarter as the strict containment measures weighed on private consumption and investment, data published by Bank Negara Malaysia revealed. (www.rttnews.com 12/11/21)

European shares seen up as inflation concerns fade

European stocks are likely to open higher on Friday as inflation worries faded to the background. The pan European Stoxx 600 advanced 0.3%. The German DAX edged up marginally, France's CAC 40 index inched up 0.2% and the UK's FTSE 100 added 0.6%. (www.rttnews.com 12/11/21)

Oil bounces around, settles up despite strong dollar, near \$83/barrel

Oil prices settled slightly higher, as the market grappled with a stronger US dollar along with concern over increasing US inflation, and after OPEC cut its 2021 oil demand forecast due to high prices. Brent crude futures settled up 23 cents at \$82.87 a barrel after falling during the session to \$81.66. US West Texas Intermediate (WTI) futures were up 25 cents to \$81.59, bouncing off the session low of \$80.20. (www.reuters.com 12/11/21)

Oil producers in Africa seek to develop petroleum value chains on the continent

Despite the global shift towards cleaner sources of fuel, the African continent representing the highest number of people without access to energy globally still requires fossil fuel development, if it is to meet its developmental goals. (www.norvanreport.com 11/12/21)

Gold nears 5-month peak as inflation worries boost appeal

Gold prices neared a five-month high touched in the previous session, after strong US Consumer price data prompted a rush into the precious metal seen as a hedge against inflation. (www.reuters.com 11/11/21)

The country's economic outlook rosier with growth projected to rebound to pre-pandemic levels in 2022

S. Africa's economic growth is now projected to rebound to pre-pandemic levels in late 2022, a year earlier than previously estimated in Feb, because of stronger-than-expected growth outcomes in the first half of 2021. (www.iol.co.za 12/11/21)

DISCLAIMER: This information has been compiled by the Secretary's Department of Bank of Ghana for general reference purposes only. While every effort is made to ensure that the information is accurate, the Bank of Ghana does not guarantee nor does it accept any responsibility or liability for the accuracy or completeness of the content or for any loss which may arise from reliance on information contained in this document.