



Tuesday, November 23, 2021

## Emerging cenbank rate hikes will bolster local debt, weigh on stocks - BlackRock

Central banks in developing economies ramping up interest rates will be supportive for emerging market debt and provide a buffer against policy tightening by the US Federal Reserve, but could spell trouble for equities, BlackRock has said. ([www.reuters.com](http://www.reuters.com) 22/11/21)

## Credit Suisse chairman warns 'temporary inflation' talk too upbeat

The talking down of speeding inflation as a temporary phenomenon by many central banks poses risks of a more intense monetary adjustment at a later date than would otherwise be needed, Credit Suisse Chairman Antonio Horta-Osorio has said. ([www.reuters.com](http://www.reuters.com) 23/11/21)

## Deutsche Bundesbank prez Weidmann clashes with Lagarde on policy outlook

Jens Weidmann and Christine Lagarde gave markedly contrasting speeches on Nov 19, underscoring the divide on the ECB's governing council. Speaking at the European Banking Congress hours just after Lagarde, the Deutsche Bundesbank president said "We should not ignore the risk of too-high inflation." ([www.centralbanking.com](http://www.centralbanking.com) 22/11/21)

## ECB says banks are falling short on climate risk

The ECB told commercial banks in the Eurozone to step up their work on tackling climate risks on Nov 22. The supervisory arm of the ECB said all the banks it oversees need to accelerate their work on climate change. A report detailing the current status of "climate and environmental (C&E)" risk management in the banking sector concluded that "none of the institutions are close to fully aligning their practices with the supervisory expectations". ([www.centralbanking.com](http://www.centralbanking.com) 22/11/21)

## Biden bets Fed's Jerome Powell can usher in full US economic recovery

The US President has nominated Federal Reserve Chair Powell for a second four-year term, positioning the former investment banker to continue the most consequential revamp of monetary policy since the 1970s and finish guiding the economy out of the pandemic crisis. ([www.reuters.com](http://www.reuters.com) 23/11/21)

## Powell, Brainard nod to inflation threat in nomination remarks

Federal Reserve Chair Jerome Powell and Fed Governor Lael Brainard both noted the corrosive impact high inflation is having on the US economy and American families in what may be a signal that controlling the rapid pace of price increases is now the central bank's top priority. ([www.reuters.com](http://www.reuters.com) 22/11/21)

## Dollar hits new high on yen as Powell reappointment firms hawkish Fed bets

The dollar hit a new four-and-a-half-year top against the yen after Federal Reserve Chair Jerome Powell was re-nominated for a second term, reinforcing bets that US interest rates would rise next year and diverge from Japan's. ([www.reuters.com](http://www.reuters.com) 23/11/21)

## BoE's new RTGS system to be open 24/7 'if required'

Bank of England's new real-time gross settlement system will have the capability to operate continuously, the bank's executive directors, Victoria Cleland, has said. ([www.centralbanking.com](http://www.centralbanking.com) 22/11/21)

## Eurozone flash composite PMI data due

Flash composite Purchasing Managers' survey results from the eurozone and the UK are due, headlining a light day for the European economic news. At 3.15am ET, IHS Markit releases France flash composite PMI data for Nov. ([www.rttnews.com](http://www.rttnews.com) 23/11/21)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3409	(1.3461)	1.3410	(1.3463)
+USD/EUR	1.1256	(1.1315)	1.1257	(1.1316)
*GHS/USD	5.9083	(5.9083)	5.9143	(5.9143)
*GHS/GBP	7.9225	(7.9532)	7.9310	(7.9624)
*GHS/EUR	6.6503	(6.6856)	6.6574	(6.6927)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 23/11/21 (Rates for 22/11/21 in brackets)

\* BOG INTERNAL TRANSACTION RATES: 23/11/21 (Rates for 22/11/21 in brackets)

### **Asia stocks fall, dollar firm on US rate hike bets after Powell's renomination**

Asia stocks faltered on Tuesday, tracking a retreat on Wall Street as traders bolstered their bets on US rate hikes in 2022 after President Joe Biden picked Federal Reserve Chair Jerome Powell to lead the central bank for a second term. ([www.reuters.com](http://www.reuters.com) 23/11/21)

### **China's central bank injects liquidity into market**

China's central bank on Tuesday injected 50bn yuan (about \$7.82bn) into the financial system via reverse repos. The interest rate for the seven-day reverse repos was set at 2.2%. The move aims to keep the liquidity in the banking system reasonably stable, the central bank said. A reverse repo is a process in which the central bank purchases securities from commercial banks through bidding, with an agreement to sell them back in the future. ([www.xinhuanet.com](http://www.xinhuanet.com) 23/11/21)

### **Germany's economy is taking a breather but inflation isn't, Bundesbank warns**

The German economy is taking "a breather" as a lack of goods and labour as well as new restrictions designed to fight the coronavirus pandemic put an end to its recent boom, the country's central bank said on Monday. ([www.reuters.com](http://www.reuters.com) 22/11/21)

### **State Bank of Pakistan hikes interest rate by 150 basis points**

The State Bank of Pakistan sharply raised its policy rate at its latest meeting, as central bankers shifted their focus from supporting growth to combating inflation. It hiked the rate 150 basis points, taking it to 8.75%. Pakistan's turbulent headline consumer inflation further grew to 9.2% in Oct., after jumping to 9% in Sept. ([www.centralbanking.com](http://www.centralbanking.com) 22/11/21)

### **Singapore Oct core inflation up 1.5%, biggest jump in nearly 3 years**

Singapore's key price gauge rose by the fastest pace in nearly three years in Oct., mainly driven by higher services and food inflation. ([www.reuters.com](http://www.reuters.com) 23/11/21)

### **European shares seen lower amid rate-hike uncertainty**

European stocks are likely to open lower on Tuesday as inflation and rate-hike concerns dominate headlines. The pan European Stoxx 600 eased 0.1%. The German DAX dipped 0.3% and France's CAC 40 index slid 0.1% while the UK's FTSE 100 rose 0.4%. ([www.rttnews.com](http://www.rttnews.com) 23/11/21)

### **S. Africa: Rand under pressure, slumps to one-year low against the US dollar**

Global factors continued to put the rand on the back foot as the local currency began the week under serious pressure, slumping to a one-year low. The rand breached the R15.80 mark against the US dollar, its lowest since Nov. last year, pressured by a stronger dollar and concerns over new lockdown restrictions in Europe. ([www.iol.co.za](http://www.iol.co.za) 23/11/21)

### **CBN, payment system operators move to fast-track e-Naira usage**

The Central Bank of Nigeria (CBN), payment service providers and other players in financial technology met in Lagos, yesterday, to explore options for expanding the adoption of e-Naira. At the end of the deliberation, the parties resolved to work together to ensure a faster rate of adoption of the central bank digital currency. ([www.guardian.ng](http://www.guardian.ng) 23/11/21)

### **BoG increases policy rate to 14.5%; inflation risks, others cited as reasons**

The Monetary Policy Committee (MPC) of the Bank of Ghana has increased its Policy Rate – the rate at which it lends to commercial banks by 100 basis points (1%) to 14.5%, citing risks to inflation, exchange rate as well as fiscal and debt sustainability challenges. It's the first time since 2015 that the MPC has increased its key lending rate. This is expected to trigger an increase in the cost of borrowing, but may help stem the recent pressures on the cedi and the price of goods and services. "Headline inflation has risen consistently from a low of 7.5% in May 2021 to 11.0% in Oct., driven by both food and non-food price increases", the Bank said. ([www.myjoyonline.com](http://www.myjoyonline.com) 22/11/21)

**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.