



Wednesday, November 24, 2021

Eurosystem approves new payments oversight framework

The European Central Bank's (ECB) governing council has approved a new oversight system for eurozone payments instruments and arrangements, including stablecoins, it announced on Nov. 22. The Eurosystem of eurozone central banks will now adopt the "payment instruments, schemes and arrangements", or 'Pisa', framework, the ECB said. (www.centralbanking.com 23/11/21)

Euro zone Nov growth surprisingly strong but outlook darkens –PMI

Euro zone business growth unexpectedly accelerated this month but another wave of coronavirus infections and new restrictions, alongside price pressures, are likely to put a dent in Dec.'s expansion, a survey showed. (www.reuters.com 24/11/21)

As US inflation hits 31-year high, banks assess risks and opportunities

Wall Street banks are planning for a sustained period of higher inflation, running internal health checks, monitoring whether clients in exposed sectors could pay back loans, devising hedging strategies and counseling caution when it comes to deals. (www.reuters.com 23/11/21)

The latest headache for the global supply chain

Ships in Chinese waters are disappearing from industry tracking systems, creating yet another headache for the global supply chain. China's growing isolation from the rest of the world along with a deepening mistrust of foreign influence may be to blame. Analysts say they started noticing the drop-off in shipping traffic toward the end of Oct., as China prepared to enact legislation governing data privacy. (www.edition.cnn.com 24/11/21)

China's central bank conducts 100bn Yuan of reverse repos

China's central bank has injected ¥100bn (about \$15.6bn) into the financial system via reverse repos. The interest rate for the seven-day reverse repos was set at 2.2%, according to the People's Bank of China. The move aims to keep the liquidity in the banking system reasonably stable. 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 24/11/21)

Chinese Yuan strengthens to 6.3903 against USD Wednesday

The central parity rate of the Chinese currency renminbi, or the Yuan, strengthened 26 pips to 6.3903 against the US dollar on Wednesday, according to the China Foreign Exchange Trade System. In China's spot foreign exchange market, the Yuan is allowed to rise or fall by 2% from the central parity rate each trading day. (www.xinhuanet.com 24/11/21)

BoE's Haskel says interest rates to rise if labor market stays tight

UK interest rates would have to be raised if the labor market stays tight, Bank of England Policymaker Jonathan Haskel has said. "Even though much of the current inflation is due to outside forces such as energy prices, but the labor market is tight and we have to be vigilant," the banker said. If the labor market stays tight, Bank Rate will have to rise, he said. (www.rttnews.com 23/11/21)

Japan manufacturing sector accelerates in Nov – Jibun

The manufacturing sector in Japan picked up steam in Nov., the latest survey from Jibun Bank has revealed with a manufacturing PMI score of 54.2. That's up from 53.2 in Oct. (www.reuters.com 24/11/21)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3354	(1.3409)	1.3355	(1.3410)
+USD/EUR	1.1248	(1.1256)	1.1249	(1.1257)
*GHS/USD	5.9088	(5.9083)	5.9148	(5.9143)
*GHS/GBP	7.8907	(7.9225)	7.8992	(7.9310)
*GHS/EUR	6.6465	(6.6503)	6.6530	(6.6574)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 24/11/21 (Rates for 23/11/21 in brackets)

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France private sector growth at 4-month high

France's private sector growth accelerated to a four-month high in Nov. driven by strong expansion in services, while manufacturing production registered back-to-back declines. The final composite output index advanced unexpectedly to 56.3 in Nov. from 54.7 in Oct. (www.rttnews.com 23/11/21)

German business activity picks up in Nov, as price pressures hit record high -PMI

Growth in Germany's private sector accelerated slightly in Nov., but persistent supply bottlenecks in manufacturing continued to weigh on factory output and pushed up inflationary pressures to unprecedented highs. (www.reuters.com 23/11/21)

Lira drops 3% near record low as Turkey stumbles into unknown

Turkey's lira tumbled anew on Wednesday towards a record low, gripped by worries over soaring inflation and other economic fallout, after a 15% crash a day earlier that was driven by President Tayyip Erdogan's defence of recent rate cuts. (www.reuters.com 24/11/21)

RBNZ prepares curbs on debt service

The Reserve Bank of New Zealand is considering two new macro-prudential tools, as it looks to toughen its stance on "debt serviceability". (www.centralbanking.com 23/11/21)

IMF renews Mexico's Flexible Credit Line

The International Monetary Fund has renewed the Flexible Credit Line it has been offering Mexico since 2009. On Nov. 19, the fund's executive board approved a new two-year programme that will make available \$50bn for Mexico in the event the country suffers balance of payments problems. (www.centralbanking.com 23/11/21)

Singapore's GDP growth to moderate next year after 2021 rebound

Singapore's economy is expected to grow about 7% in 2021, at the top of the official forecast range, and will expand at a slower pace next year as an uneven recovery continues across sectors, the government has said. (www.reuters.com 24/11/21)

European shares seen lower amid Covid surge

European stocks are seen opening flat to slightly lower on Wednesday as Covid-19 cases continue to climb in several European hot spots. The pan European Stoxx 600 fell 1.3%. The German DAX lost 1.1% and France's CAC 40 index dropped 0.9% while the UK's FTSE 100 inched up 0.2%. (www.rttnews.com 24/11/21)

Oil futures settle sharply higher

Crude oil futures settled sharply higher on Tuesday, rebounding strongly from earlier losses. Worries about the outlook for energy demand due to rising coronavirus cases in Europe, and concerns about excess supply in the market amid plans by the US to release oil from the Strategic Petroleum Reserve in coordination with China, India, Japan, South Korea and the UK. (www.rttnews.com 23/11/21)

South Africa: Rand trades on the back foot overnight

The rand slipped somewhat weaker as the dollar retained strength following the nomination of Jerome Powell for a second term at the helm of the Fed, and bullish bets on policy normalisation, according to Oxford Economics Africa. (www.iol.co.za 24/11/21)

Inflation still far above CBN's 9% target, says Emefiele

Governor of the Central Bank of Nigeria, Godwin Emefiele, has said inflation was still above the six to nine per cent target set by the monetary authority, saying cautious effort must be made to continue to tame it. This came as the MPC, retained the benchmark lending rate at 11.5%. (www.guardian.ng 24/11/21)

Nigeria's current account deficit drops to \$424m in Q2 2021

Nigeria recorded a current account deficit of \$424m in the second quarter of 2021, dropping to its lowest level in over two years. Although Nigeria's balance of payment continues to trail in the negative region, it dropped by 79.8% compared to a deficit of \$2.1bn in the previous quarter. (www.norvanreports.com 24/11/21)

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