



Friday, November 26, 2021

Currency Benchmarks 2021 report – ensuring confidence in the cash cycle

Most central banks are responsible for the production and issuance of their jurisdiction’s banknotes, and oversee many of the payments systems banks and members of the public use every day. Globally, while cash continues to place a key role in many economies, in many regions there has been a gradual decline in transactional cash usage, along with a shift towards other payment methods. (www.centralbanking.com 25/11/21)

ECB policymakers must keep sufficient options for future beyond Dec

Staff projections in Dec. may not resolve all uncertainties around the medium-term outlook and policymakers must keep sufficient options for future monetary policy actions, the minutes of the latest European Central Bank meeting showed. (www.rttnews.com 25/11/21)

Building the single EU securities market

The European Union's executive body published draft laws to build a deeper single market in securities for aiding recovery from COVID-19, raising funds for 'green' projects and building 'autonomy' in financial services after Brexit. (www.reuters.com 25/11/21)

Money markets scale back ECB rate hike bets on coronavirus variant worries

Euro zone money markets scaled back bets on a rate hike from the European Central Bank next year as news of a new coronavirus variant spreading across South Africa cast a shadow over the short-term economic outlook. (www.reuters.com 26/11/21)

BoE paper links inequality to credit crises

Rapid credit growth before a financial crisis generates a larger rise in inequality when the economy enters a downturn, research published by the Bank of England finds. (www.centralbanking.com 25/11/21)

Japan PM Kishida urges companies to raise wages by 3% or more

Japanese Prime Minister Fumio Kishida urged companies whose earnings have recovered to pre-pandemic levels to raise wages by 3% or more at their labour talks next spring, aiming to achieve a virtuous cycle of growth and wealth distribution. (www.reuters.com 26/11/21)

Germany import price inflation strongest since 1980

Germany's import price inflation accelerated to the highest since early 1980 due to second oil price crisis. Import prices grew 21.7% yearly in Oct., following 17.7% in Sept. Economists had forecast an annual growth of 19.6%. This was the highest annual rate seen since Jan. 1980. On a month-on-month basis, import prices rose 3.8%, following a 1.3% rise in the previous month. Prices were forecast to grow 2.0%. (www.rttnews.com 26/11/21)

Swedish central bank announces end to net asset purchases

Sweden’s central bank announced it will not raise interest rates until 2024, in new forward guidance provided in its latest monetary policy statement. Sveriges Riksbank’s executive board held the repo rate at 0%, despite a rise in inflation in Oct. The consumer price index with a fixed interest rate, rose year-on-year to 3.1% last month, above the Riksbank’s target level of 2%. (www.centralbanking.com 25/11/21)

Mexican president nominates first female governor

The president of Mexico has picked Victoria Rodriguez, undersecretary of finance in his government, as his new candidate to become central bank governor. Andrés Manuel López Obrador named Rodriguez as his choice on Nov. 24, the day after withdrawing his nomination for former finance minister Arturo Herrera. (www.centralbanking.com 25/11/21)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3316	(1.3340)	1.3317	(1.3341)
+USD/EUR	1.1212	(1.1206)	1.1213	(1.1207)
*GHS/USD	5.9092	(5.9087)	5.9152	(5.9147)
*GHS/GBP	7.8687	(7.8823)	7.8772	(7.8907)
*GHS/EUR	6.6263	(6.6215)	6.6329	(6.6281)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 25/11/21 (Rates for 26/11/21 in brackets)

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Indian GDP likely boosted in July-Sept as lockdowns lifted

India's economic recovery likely strengthened in the previous quarter, boosted by services activity that recovered after pandemic-related mobility restrictions were eased, a Reuters poll of economists found. (www.reuters.com 26/11/21)

Norway retail sales growth slows in Oct

Norway's retail sales increased at a softer pace in Oct. Retail sales gained 0.1% month-on-month in Oct., after a 0.4% rise in Sept. Sales not in stores rose 8.5% monthly in Oct. On a year-on-year basis, retail sales fell 3.3% in Oct., following a 2.8% decrease in the prior month. (www.rttnews.com 26/11/21)

Lithuania retail sales growth eases in Oct

Lithuania's retail sales increased at a softer pace in Oct. Retail sales, excluding VAT, increased a working-day adjusted 8.9% year-on-year in Oct., after a 11.3% rise in Sept. Sales of non-food stores surged 10.4% annually in Oct. and those in specialized stores accelerated 33.7%. On a month-on-month basis, retail sales declined a seasonally adjusted 0.1% in Oct. (www.rttnews.com 26/11/21)

Dominican Republic's central bank raises interest rates

The Central Bank of the Dominican Republic (BCRD) has increased its benchmark rate by 50 basis points to 3.5%, its first rise since July 2018. The monetary board also increased the BCRD's liquidity expansion facility rate and overnight deposit rate by 50bp, to 4% and 3% respectively. According to its latest data, year-on-year core inflation reached 6.31% in Oct. (www.centralbanking.com 25/11/21)

Lebanese president orders central bank to comply with audit

The independent firm commissioned to conduct a forensic audit of Lebanon's central bank has still not received the information it needs, the country's president has said. Lebanese president Michel Aoun announced he had ordered Central Bank of Lebanon governor Riad Salameh and finance minister Youssef Khalil to hand the data over. (www.centralbanking.com 25/11/21)

European shares may see deep cuts on virus worries

European stocks are seen opening sharply lower amid worries that new variants of the coronavirus could derail the growth rebound seen in Europe. The pan European Stoxx 600 rose 0.4%. The German DAX and the UK's FTSE 100 both gained around 0.3%, while France's CAC 40 index added half a percent. (www.rttnews.com 26/11/21)

Oil prices slip after small crude inventory build

Oil prices fell slightly after data showed a modest increase in US crude stockpiles in the week ended Nov 19. Benchmark Brent crude futures dropped 0.4% to \$81.92 a barrel, while WTI crude futures were down 0.4 % at \$78.05. (www.rttnews.com 25/11/21)

South African rand takes a hit on fears of new Covid variant with many mutations

The South African rand fell sharply against the dollar after a new variant with many mutations was detected in the country. The currency fell to as low as 16.2391 against the greenback during Asia trading hours and was last trading about 1.6% weaker at 16.2215 per dollar. (www.norvanreports.com 26/11/21)

Nigeria: FG, World Bank to support states' implementation of stimulus programme

The Federal Government has reiterated its commitment to support states and the Federal Capital Territory implement the Nigeria COVID-19 Action, Recovery and Economic Stimulus (NG-CARES) programme. The government said the move is in order to urgently cushion the effects of the COVID-19 pandemic on poor and vulnerable households in Nigeria. (www.guardian.ng 26/11/21)

IMF predicts strong economic rebound in Liberia, approves funds

Economic growth in Liberia will rebound sharply this year and in 2022 following contractions last year due to the pandemic, the International Monetary Fund has said, as it approved financing for the West African nation. (www.reuters.com 25/11/21)

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