



Thursday, January 13, 2022

### **Inflation-fighting rate hikes could increase rich-poor divide, IMF's Georgieva warns**

Central banks' interest rate hikes aimed at combating inflation could exacerbate a deepening, "dangerous divergence" between advanced and developing economies, International Monetary Fund Managing Director, Kristalina Georgieva has said. Inflation is not a universal phenomenon, Georgieva noted, but was a problem in a number of countries and especially the US. ([www.reuters.com](http://www.reuters.com) 12/01/22)

### **Eurozone inflation not as transitory as thought: ECB's de Guindos**

The euro zone's inflation spike is not as transitory as earlier thought but price growth is still likely to be under the European Central Bank's 2% target in 2023 and 2024, ECB Vice President Luis de Guindos said on Thursday. "Inflation is not going to be as transitory as forecast only some months ago," de Guindos said. ([www.reuters.com](http://www.reuters.com) 13/01/22)

### **ECB may 'normalize' before Fed**

if the major central banks around the globe are confident that the global economic crisis is over, and that policy should return to pre-pandemic levels, then the ECB will likely beat the Fed. The highest inflation rate in many decades is due to distortions and bottlenecks resulting from rapidly opening economies following serial COVID-19 lockdowns. ([www.reuters.com](http://www.reuters.com) 12/01/22)

### **ECB won't demand the impossible from banks but rules must stand, Enria says**

The European Central Bank won't demand "disproportionate efforts" from banks seeking to meet new global capital requirements but these should not be watered down either. "Key areas such as residential lending are easily prone to the build-up of risks and should by no means see the EU unilaterally impose less stringent rules." ([www.reuters.com](http://www.reuters.com) 12/01/22)

### **IMF's Georgieva sees US inflation declining in second quarter**

Inflation in the US is expected to decline in the second quarter of this year, International Monetary Fund Managing Director Kristalina Georgieva said on Wednesday. "This is subject to dealing with supply chain constraints, and what we are seeing are some promising signs that some progress is being made in that regard," Georgieva said in an interview with CNBC. ([www.reuters.com](http://www.reuters.com) 12/01/22)

### **Fed's Beige Book says economic growth constrained by supply chain issues, labour shortages**

With growth constrained by ongoing supply chain disruptions and labour shortages, the Federal Reserve's Beige Book said that, US economic activity expanded at a modest pace in the final weeks of 2021. The Beige Book, is a compilation of anecdotal evidence on economic conditions in each of the twelve Fed districts. ([www.rttnews.com](http://www.rttnews.com) 12/01/22)

### **Digital pound could hit financial stability and erode privacy, UK lawmakers warn**

A digital pound used by consumers could harm financial stability, raise the cost of credit, and erode privacy, though a version for wholesale use in the financial sector demands greater appraisal, British lawmakers said on Thursday. ([www.reuters.com](http://www.reuters.com) 12/01/22)

### **Bavaria premier demands action from ECB, German gov't to dampen inflation**

The premier of the German state of Bavaria has called on the European Central Bank to tighten monetary policy to counter rising inflation in Europe's biggest economy, according to an interview. "Inflation is rising overall and at the same time there are still zero interest rates for savers. It is a fact that there is creeping expropriation," Markus Soeder of the conservative Christian Social Union said. ([www.reuters.com](http://www.reuters.com) 12/01/22)

#### **EXCHANGE RATES OF SELECTED CURRENCIES**

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3693	(1.3590)	1.3694	(1.3591)
+USD/EUR	1.1425	(1.1336)	1.1426	(1.1336)
*GHS/USD	6.0032	(6.0034)	6.0092	(6.0094)
*GHS/GBP	8.2202	(8.1586)	8.2290	(8.1674)
*GHS/EUR	6.8593	(6.8057)	6.8661	(6.8124)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 13/01/22 (Rates for 12/01/22 in brackets)

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### **China growth seen slowing to 5.2% in 2022, modest policy easing expected**

China's economic growth is likely to slow to 5.2% in 2022, before steadying in 2023, a Reuters poll showed, as the central bank steadily ramps up policy easing to ward off a sharper downturn. The expected 2022 growth would be lower than the 5.5% analysts had forecast in a Reuters poll in October. ([www.reuters.com](http://www.reuters.com) 13/01/22)

### **China's cabinet says it will promote transformation of digital economy**

China's Cabinet issued a plan for the development of the country's digital economy, aiming to increase the sector's share of national GDP by pushing technologies like 6G and big data centers. The State Council set several targets for 2025, namely the increase of the digital economy's share of the national GDP. ([www.reuters.com](http://www.reuters.com) 12/01/22)

### **Germany asks banks to build buffers as property market heats up**

Germany asked its banks to set aside around €22bn (\$25bn) of extra capital by next year as the economy has largely recovered from the pandemic and a growing property bubble threatens the stability of the financial sector. ([www.reuters.com](http://www.reuters.com) 12/01/22)

### **Bahamas prepares to phase out cheque payments**

The Central Bank of the Bahamas has announced its intention to phase out cheque payments by 2024. The Bahamas became the first country to issue a central bank digital currency (CBDC) in late 2020, and now the country is looking to push the digital transition further. ([www.centralbanking.com](http://www.centralbanking.com) 12/01/22)

### **Norway's inflation reaches highest level since 2008**

Inflation in Norway rose sharply in Dec. to reach its highest level since Oct. 2008, according to official data released. Headline CPI inflation rose from 5.1% to 5.3%. The figures were boosted by higher energy prices, which rose year on year by 15.9%. The increase in the headline figure surprised most analysts. ([www.centralbanking.com](http://www.centralbanking.com) 12/01/22)

### **Oil holds near \$85/bbl on stronger demand prospects**

Oil prices eased, but remained near 2-month highs, with Brent crude trading near \$85 a barrel, buoyed by expectations that a strong economic recovery will boost demand, but rising US inventories and high inflation capped gains. Brent crude futures fell 11 cents, or 0.1%, to \$84.56 a barrel. US West Texas Intermediate (WTI) crude futures were down 27 cents to \$82.37 a barrel. ([www.reuters.com](http://www.reuters.com) 13/01/22)

### **Gold engulfed in inflationary Inferno**

Gold futures for Feb. settlement oscillated between \$1818.55 and \$1828.15 per troy ounce as the prospect of an immediate transition to a tight monetary policy regime. ([www.rttnews.com](http://www.rttnews.com) 13/01/22)

### **DRC central bank cuts benchmark rate by 100 basis points**

The Central Bank of Congo (BCC) cut its policy rate by 100 basis points to 7.5% on Dec. 30, continuing a series of large cuts since late 2020. ([www.centralbanking.com](http://www.centralbanking.com) 12/01/22)

### **Global economists predict stagflation for Nigeria**

Global economists have predicted a 12% inflation rate and an 8.2% economic growth rate for Nigeria in 2022, the third worst inflation rate out of over 32 countries surveyed by Bloomberg. Nigeria was third from bottom with an inflation rate target at the end of Q4 of 12.1% behind Turkey and Argentina with 21% and 46.7% respectively. In terms of GDP Growth rate, they projected 2.8%. ([www.norvanreports.com](http://www.norvanreports.com) 13/01/22)

### **Ghana: 2021 ends with inflation at 12.6%**

Inflation ended the year 2021 with a double digit rate, as Dec. 2021 inflation hit 12.6%. This is 0.4% higher than the Nov. 2021 rate of inflation. It's also higher than the Bank of Ghana's inflation target of 8+/-2% and most research institutions and analysts' estimates for 2021. According to the Ghana Statistical Service, the surge in inflation was driven by increase in non-food inflation rate. Housing, Water, Electricity, Gas and other Fuels with 11.7%. ([www.myjoyonline.com](http://www.myjoyonline.com) 12/01/22)

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