



Thursday, 26th May 2022

WB boss warns over global recession

The head of the World Bank has warned that Russia's invasion of Ukraine could cause a global recession as the price of food, energy and fertiliser jump. David Malpass told a US business event on Wednesday that it is difficult to "see how we avoid a recession". He also said a series of coronavirus lockdowns in China are adding to concerns about a slowdown. (www.bbc.com 26/05/22)

IMF's Gopinath does not see a global sovereign debt crisis yet

While government debt levels are climbing around the world, with debt burdens in emerging markets rising rapidly, so far there is not evidence of a systemic debt crisis, but there are risks ahead, IMF First Deputy Managing Director Gita Gopinath said on Wednesday. " (www.reuters.com 25/05/22)

IMF calls for action on fragmenting global economy

The International Monetary Fund has called for policy-makers to act to halt the decline of globalisation while ending "complacency" over the downsides of economic integration. Senior officials at the fund warn Russia's invasion of Ukraine and the Covid-19 crisis are a "confluence of calamities" that have generated a "sharply increased risk of geoeconomic fragmentation". (www.centralbanking.com 25/05/22)

War in Ukraine raising eurozone stability risks, says ECB

The Russian invasion of Ukraine is increasing financial stability risks in the eurozone, the European Central Bank (ECB) has warned. The central bank's latest financial stability review points out the conflict is contributing to higher commodity and energy prices. This is boosting inflation, creating a more uncertain economic outlook for the region. (www.centralbanking.com 25/05/22)

Fed embraces 50-basis-point rate hikes in June, July to curb 'very high' inflation

All participants at the Fed's May 3-4 policy meeting backed a half-percentage-point rate increase to combat inflation they agreed had become a key threat to the economy's performance and was at risk of racing higher without action by the Fed, minutes of the session show. (www.reuters.com 25/05/22)

PBoC conducts reverse repos to boost liquidity

China's central bank Thursday conducted ¥10bn (\$1.5bn) of reverse repos to maintain liquidity in the banking system. The interest rate for the seven-day reverse repos was set at 2.1%, according to the People's Bank of China. The move aims to keep liquidity in the banking system reasonably stable, the central bank said. (www.xinhuanet.com 26/05/22)

UK energy bills to be cut by hundreds as part of £10bn support package

UK households are set to have hundreds of pounds knocked off energy bills this winter as part of a £10bn package to help people cope with soaring prices. The government is to scrap a plan to give people £200 off bills from Oct; which would be repaid over five years. The support is expected to be largely funded by a windfall tax on oil and gas firms that could raise £7bn. (www.bbc.com 26/05/22)

German economy logs modest growth as estimated in Q1

Germany's economy logged a modest growth in the first quarter as the expansion in investment was partially offset by the contraction in exports and household spending, detailed data from Destatis showed on Wednesday. GDP grew 0.2% sequentially in the first quarter, in contrast to the 0.3% decline seen a quarter ago. Although mild, the expansion helped the economy to avoid a technical recession. (www.rttnews.com 25/05/22)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2544	(1.2525)	1.2545	(1.2526)
+USD/EUR	1.0676	(1.0727)	1.0677	(1.0728)
*GHS/USD	7.1337	(7.1317)	7.1409	(7.1389)
*GHS/GBP	8.9486	(8.9325)	8.9582	(8.9421)
*GHS/EUR	7.6164	(7.6503)	7.6240	(7.6579)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 26/05/22 (Rates for 25/05/22 in brackets)

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French consumer confidence weakens unexpectedly

France's consumer confidence weakened unexpectedly in May, though less sharply than in the prior two months, survey results from the statistical office INSEE shows. The consumer sentiment index dropped marginally to 86 in May from a revised reading of 87.0 in April. Economists had expected the index to improve to 89. (www.rttnews.com 25/05/22)

Malaysia inflation rose in April

Malaysia's consumer price inflation increased marginally in April, data from the Department of Statistics showed on Wednesday. Consumer prices rose 2.3% yearly in April, following a 2.2% increase in March. This was in line with economists' expectations. Prices for food and non-alcoholic beverages grew 4.1% annually in April. (www.rttnews.com 25/05/22)

Spain PPI inflation eases in April

Spain's producer price inflation eased in April, after accelerating to a record high in March, data released by the statistical office INE shows. Producer prices rose 45.0% year-on-year in April, slower than the previous month's 47.0% surge, which was the fastest rate of increase since the series began in January 1976. (www.rttnews.com 25/05/22)

RBNZ tightening policy 'by more and sooner'

The Reserve Bank of New Zealand increased the benchmark official cash rate by 50 basis points to 2% on May 25, saying rates would need to rise "by more and sooner". The central bank acted in the face of the highest inflation since 1990, according to Stats NZ, the country's statistical agency. (www.centralbanking.com 25/05/22)

Poland jobless rate falls further

Poland's unemployment rate decreased for the second straight month in April, figures from the statistical office showed on Wednesday. The unemployment rate fell to 5.2% in April from 5.4% in March. Economists had forecast the rate to fall to 5.3%. In the corresponding month last year, the unemployment rate was 6.3%. (www.rttnews.com 25/05/22)

Oil climbs on tight supply, though EU ban on Russian supply still uncertain

Oil prices rose on Thursday, extending a cautious rally this week on signs of tight supply while the European Union (EU) wrangles with Hungary over plans to ban imports from Russia. Brent crude futures for July settlement gained 47 cents to \$114.50 a barrel at 0656 GMT. (www.reuters.com 26/05/22)

AfCFTA presents Africa with opportunity for growth, prosperity: Tanzanian president

The African Continental Free Trade Area (AfCFTA) presents Africa with the biggest opportunity for growth and prosperity, Tanzanian President Samia Suluhu Hassan said on Wednesday. Hassan made the remarks during a visit to the AfCFTA secretariat. (www.xinhuanet.com 26/05/22)

S. Africa's central bank flags inflation as major risk to domestic financial system

South Africa's central bank said on Wednesday the risk of a spillover of the Russia-Ukraine war could hurt the country's financial stability through rising food and fuel inflation, lower economic growth and high unemployment. South Africa's central bank last week increased its prime lending rate by 50 basis points to 4.75%. (www.reuters.com 25/05/22)

Tunisia to talk soon with IMF for \$4bn loan

The Tunisian government hopes to start official negotiations in coming weeks with the IMF for a \$4bn loan, its finance minister said, as the country suffers from its worst financial crisis. Tunisia is seeking the loan to avoid public financial bankruptcy, committing to unpopular reforms, including freezing wages and cutting energy and food subsidies. (www.reuters.com 25/05/22)

Gold exports push Ghana's trade surplus to \$1.3bn in April

New figures from the Bank of Ghana have shown that Ghana's total balance of trade recorded a surplus of US\$1.33bn in the first four months of this year. This, according to the Central Bank's Summary of Economic and Financial Data, is equivalent to 1.9% of GDP. (www.citibusinessnews.com 26/05/22)

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