



Wednesday, 15<sup>th</sup> June 2022

## Payments oversight more difficult in poorer nations

Central banks from lower income countries are more likely to report their payments oversight teams are under-resourced. Central Banking received responses from 38 participants in the Payments Benchmarks 2022 on whether they felt they had enough resources to fulfil their payments oversight mandate. Most (63%) said they do. ([www.centralbanking.com](http://www.centralbanking.com) 14/06/22)

## For central bankers, tighter financial conditions may be an ally

Slumping stocks and surging bond yields are rapidly crimping global financial conditions, yet given their effect on dampening economic growth and eventually inflation, the moves might be welcomed by the Federal Reserve and other central banks. ([www.reuters.com](http://www.reuters.com) 15/06/22)

## High income countries have larger share of staff devoted to payments

Central banks of high income countries appear to be employing more full-time equivalent (FTE) staff in their payments department, as a share of their total workforce. Their peers in upper-middle income, lower-middle income and low income countries all have smaller proportions devoted to payments on average, the Payments Benchmarks 2022 show. ([www.centralbanking.com](http://www.centralbanking.com) 15/06/22)

## ECB paper argues for existence of ‘liquidity coverage channel’

Central banks’ credit operations can affect monetary policy via a “liquidity coverage ratio”, a working paper published by the European Central Bank argues. In Liquidity coverage ratios and monetary policy credit in the time of corona, Viktoriya Gocheva, Yvo Mudde and Jens Tapking analyse data from 1,602 Eurozone banks. ([www.centralbanking.com](http://www.centralbanking.com) 14/06/22)

## ECB to discuss market rout in unscheduled meeting

The European Central Bank's policy-setting Governing Council will hold a rare, unscheduled meeting on Wednesday to discuss the turmoil in bond markets, underscoring official concern around a blowout in borrowing costs for some euro zone nations. ([www.reuters.com](http://www.reuters.com) 15/06/22)

## US rate markets price in aggressive 75-bps hike on Wednesday

Investors have dramatically raised their bets that the US Federal Reserve will raise interest rates by 75 basis points (bps) rather than 50 bps on Wednesday, a swing in expectations that has fuelled a violent selloff across world markets. ([www.reuters.com](http://www.reuters.com) 15/06/22)

## How it came to this: The Fed and White House's slow inflation awakening

President Joe Biden's top officials and Federal Reserve Chair Jerome Powell were quick to dismiss the first embers of inflation in the spring of 2021 in a single word: Transitory. ([www.reuters.com](http://www.reuters.com) 15/06/22)

## Weak pound and forceful Fed pressure Bank of England to act big

With Britain's currency sinking and the US Federal Reserve poised to raise borrowing costs aggressively; Bank of England policymakers may suddenly feel pressured to announce an outsized interest rate hike of their own this week. ([www.reuters.com](http://www.reuters.com) 15/06/22)

## China's economic recovery gains traction in May

China's economy has gradually overcome the negative impact of the epidemic, with main indicators showing marginal improvement in May, Fu Linghui, spokesperson for the National Bureau of Statistics, said Wednesday. ([www.xinhuanet.com](http://www.xinhuanet.com) 15/06/22)

### EXCHANGE RATES OF SELECTED CURRENCIES

| CURRENCIES | BUYING |          | SELLING |          |
|------------|--------|----------|---------|----------|
| +USD/GBP   | 1.2022 | (1.2161) | 1.2023  | (1.2162) |
| +USD/EUR   | 1.0419 | (1.0428) | 1.0420  | (1.0429) |
| *GHS/USD   | 7.1974 | (7.1964) | 7.2046  | (7.2036) |
| *GHS/GBP   | 8.6527 | (8.7515) | 8.6621  | (8.7610) |
| *GHS/EUR   | 7.4993 | (7.5050) | 7.5068  | (7.5124) |

+SOURCE: BOG INTERNAL TRANSACTION RATES: 15/06/22 (Rates for 14/06/22 in brackets)

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### **Yen at risk of declining vs. dollar into Q4 or later, economists say**

The yen is at risk of weakening further against the dollar for at least the rest of 2022, more than two-thirds of economists polled by Reuters said, underscoring the consequences of the Bank of Japan being the lone major central bank clinging to easy policy. ([www.reuters.com](http://www.reuters.com) 15/06/22)

### **Turkish cenbank's new bond rules entrench state's role in market**

The Turkish central bank's new requirement for banks to hold bonds against foreign exchange deposits has pushed yields sharply lower and, according to analysts, positioned the state as the dominant player in the debt market. ([www.reuters.com](http://www.reuters.com) 14/06/22)

### **Top S.Korean economic, finance officials to meet Thursday**

South Korea's top economic and finance officials plan to meet to discuss the economy and financial market situation, the Finance Ministry said. ([www.reuters.com](http://www.reuters.com) 15/06/22)

### **Japan Govt hopes BOJ takes 'necessary' action on yen, inflation**

Japan's government hopes the central bank will take "necessary measures appropriately" in light of the yen's recent sharp falls and rising cost of living, Chief Cabinet Secretary Hirokazu Matsuno said on Wednesday. ([www.reuters.com](http://www.reuters.com) 15/06/22)

### **Swiss cut economic growth forecasts, citing war and inflation**

The Swiss economy is expected to expand by 2.6% in 2022, the gov't said, becoming the latest region to downgrade its growth estimates due to the war in Ukraine. ([www.reuters.com](http://www.reuters.com) 15/06/22)

### **India looks to rains, not just rates, to cool hot inflation**

As India faces a crippling surge in food and fuel prices, its policymakers will be counting mostly on this year's monsoon rains, not just interest rate hikes, to take inflationary pressure off the country's households and businesses. ([www.reuters.com](http://www.reuters.com) 15/06/22)

### **European shares seen tad higher at open**

European stocks look set to open a tad higher despite rising headwinds to growth. The pan European Stoxx 600 gave up 1.3%. The German DAX dropped 0.9%, France's CAC 40 index fell 1.2% and the UK's FTSE 100 eased 0.3%. ([www.rttnews.com](http://www.rttnews.com) 15/06/22)

### **Oil futures pare early gains, settle sharply lower**

Oil futures pared early gains and drifted lower on reports of a likely proposal to impose a federal surtax on certain oil companies to curb rising inflation. West Texas Intermediate Crude oil futures for July ended lower by \$2.00 or about 1.7% at \$118.93 a barrel, after having climbed to \$123.66 a barrel earlier in the session. Brent crude futures were down \$2.22 or 1.81% at \$120.03 a barrel a little while ago. Brent crude futures had climbed to \$125.16 a barrel earlier in the day. ([www.rttnews.com](http://www.rttnews.com) 14/06/22)

### **Gold futures settle lower as dollar extends rally ahead of fed policy**

Gold prices fell on Tuesday, pushing the most active gold futures contract to a more than 4-week low, as the dollar and Treasury yields continued to climb higher ahead of the Federal Reserve's monetary policy announcement, due on Wednesday. The yield on US 10-year Treasury note surged to about 3.45%. The dollar index surged to a fresh two-decade high at 105.46 today. ([www.rttnews.com](http://www.rttnews.com) 14/06/22)

### **Oil price rally upsets Nigeria's finances**

Crude oil rally does not look to slow anytime soon as Brent crude sold \$123 on average a barrel on Tuesday and market conditions are forcing analysts to predict that the trend may slip into 2023, a development that does not bode well for Nigeria's finances. Normally, crude rally should be a windfall to a country with Africa's biggest reserves, especially as its crude grades like Bonny Light, which sold for \$126 a barrel, are highly sought after, but the biggest measure of Nigeria's failed economic policies is that neither a rally nor a slump is enough to nurse its economy on life support back to life. ([www.norvanreport.com](http://www.norvanreport.com) 15/06/22)

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