



22nd June 2022

IMF chief economist says geopolitics is undermining dollar dominance

Geopolitical developments since Russia’s invasion of Ukraine in February could be threatening the dominance of the dollar in the global financial system, the IMF’s Pierre-Olivier Gourinchas has warned. The IMF chief economist noted all countries are “plugged into the dollar financial system”, which is one reason sanctions imposed by the US on the Bank of Russia proved potent.

(www.centralbanking.com 21/06/22)

Eurozone current account deficit widened in April

The euro area current account deficit increased notably in April, largely due to the shortfalls in primary and secondary income, the European Central Bank said on Tuesday. The current account deficit widened to a seasonally adjusted €6bn from €2bn in March. The deficit on goods trade narrowed to €3bn from €4bn in the previous month.

(www.rttnews.com 21/06/22)

US existing home sales show another steep drop in May

The National Association of Realtors released a report on Tuesday, showing another steep drop in US existing home sales in the month of May. NAR said, existing home sales plunged by 3.4% to an annual rate of 5.41m in May after slumping by 2.6% to a revised rate of 5.60m in April.

(www.rttnews.com 21/06/22)

UK energy price cap set to peak at over £3,000 in 2023

UK energy prices are set to rise more than 50% from current levels, as natural gas supplies continue to face disruption following Russia’s invasion of Ukraine. The UK’s default price cap is set to peak at £3,003 in the first quarter of 2023, according to Cornwall Insight Ltd., putting more pressure on households already struggling with a cost of living crisis.

(www.bloomberg.com 21/06/22)

BoE’s Mann says UK needs to respond to higher rates abroad

The UK’s exposure to global financial spillovers means rate-setters need to respond to tighter policy overseas, the Bank of England’s Catherine Mann said on June 20. The monetary policy committee member said the UK is “particularly exposed” to these spillovers, but she noted the BoE had tended to raise rates only “modestly” in response to this “global factor”.

(www.centralbanking.com 21/06/22)

Germany risks recession as Russian gas crisis deepens

Germany faces certain recession if already faltering Russian gas supplies completely stop, an industry body warned on Tuesday, as Italy said it would consider offering financial backing to help companies refill gas storage to avoid a deeper crisis in winter. The EU relied on Russia for as much as 40% of its gas needs before the war - rising to 55% for Germany.

(www.reuters.com 21/06/22)

Australia leading index growth slows in May

Australia’s leading index growth slowed in May due to the deterioration in consumer sentiment, data released by Westpac shows. Nonetheless, the index signaled above trend growth for this year. The six-month annualized growth rate in the Westpac-Melbourne Institute Leading Index fell to 0.58% in May from 1.09% in April.

(www.rttnews.com 22/06/22)

HK inflation eases unexpectedly in May

Hong Kong’s consumer price inflation eased unexpectedly in May, though marginally, data released by the Census and Statistics Department shows. Consumer prices climbed 1.2% year-over-year in May, following a 1.3% increase in April. Meanwhile, economists had expected inflation to accelerate to 1.6%. Moreover, the latest inflation was the lowest in four months.

(www.rttnews.com 21/06/22)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2275	(1.2242)	1.2276	(1.2244)
+USD/EUR	1.0554	(1.0528)	1.0554	(1.0529)
*GHS/USD	7.2024	(7.2024)	7.2096	(7.2096)
*GHS/GBP	8.8409	(8.8172)	8.8505	(8.8274)
*GHS/EUR	7.6012	(7.5827)	7.6094	(7.5909)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 22/06/22 (Rates for 21/06/22 in brackets)

* BOG INTERNAL TRANSACTION RATES: 22/06/22 (Rates for 21/06/22 in brackets)

Hungary raises supplemental rate as currency hits record low

Hungary's central bank raised a supplemental interest rate on June 16, acting outside its recent monetary policy framework, as the country's currency hit record lows. The Central Bank of Hungary (MNB) raised the one-week deposit rate by 50 basis points to 7.25%, one day after the US Federal Reserve's 75bp hike. (www.centralbanking.com 21/06/22)

Finland unemployment rate fell in May

Finland's jobless rate declined notably and the employment rate increased in May, figures from Statistics Finland show. The unemployment rate trend for the 15 to 74 age group dropped to 6.1% in the month of May from 8.0% in the same month last year. In April, the unemployment rate was 6.2%. (www.rttnews.com 21/06/22)

Latvia PPI inflation accelerates further

Latvia's producer price inflation accelerated for the third straight month in May, figures from the Central Statistical Bureau show. The PPI surged 31.5% year-on-year in May, faster than the 29.3% spike in April. Prices have been rising since Jan. 2021. Prices for electricity, gas, steam and air conditioning supply grew the most, by 75.1% annually in May. (www.rttnews.com 21/06/22)

NZ has NZ\$263m trade surplus

New Zealand posted a merchandise trade surplus of NZ\$263m in May, Statistics New Zealand says. That follows the downwardly revised NZ\$440m surplus in April. Exports were worth NZ\$6.95bn last month, accelerating from the downwardly revised NZ\$6.16bn in the previous month (originally NZ\$631m). (www.rttnews.com 21/06/22)

Swiss exports rose in May

Switzerland's exports grew for the first time in three months in May, data from the Federal Customs Administration showed on Tuesday. Exports climbed by a real 2.4% month-on-month in May, reversing a 0.2% fall in the month of April. Imports rose sharply by 7.1% from April, when they fell by 4.2%. (www.rttnews.com 21/06/22)

Oil slumps by more than \$5 as Biden expected to cut US fuel cost

Oil prices tumbled by more than \$6 a barrel on Wednesday amid a push by US President Joe Biden to cut fuel costs for drivers in the latest episode to aggravate relations between the White House and the US oil industry. Brent crude futures were down \$5.10, or 4.5%, to \$109.55 a barrel. (www.reuters.com 22/06/22)

African airlines to lose \$700m in 2022 due to inflation, others – IATA

African airlines are expected to lose about \$700m in 2022, as their demand is expected to reach 72% of pre-COVID level. This was disclosed by the International Air Transport Association (IATA) via its economic outlook. (www.norvanreports.com 21/06/22)

Egypt and Saudi Arabia sign 14 deals

Egypt and Saudi Arabia have signed 14 agreements valued at \$7.7bn during a visit to Cairo by Saudi Arabia's de facto ruler Crown Prince Mohammed bin Salman, Egypt's General Authority for Investment and Free Zones has said. (www.reuters.com 21/06/22)

Nigeria's sovereign fund to pivot to asset management, CEO says

Nigeria's Sovereign Investment Authority (NSIA) is seeking to take over underperforming government assets, including a power plant, as it transitions into an asset management firm, CEO Uche Orji said on Monday. (www.reuters.com 21/06/22)

Burundi sees jump in 2022/23 spending, 8% of GDP deficit

Burundi plans to raise overall spending 39.5% to FBu1.39tr (\$689.91m) for the 2022/2023 budget and expects a deficit of 8% of GDP, Finance Minister Domitien Ndiokubwayo said on Tuesday. (www.reuters.com 21/06/22)

Cape Verde declares economic emergency

The Cape Verdean government has declared a social and economic emergency in the archipelago, which is driven by the effects of Ukraine war after those of Covid-19 and the drought. Inflation has reached 8%, according to data. (www.africanews.com 21/06/22)

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