



23<sup>rd</sup> June 2022

## Rising rates pressuring countries' credit ratings, S&P Global warns

A growing group of countries are likely to see their credit ratings come under pressure as rising global interest rates hit already-stretched finances, one of the world's biggest rating agencies S&P Global has warned. A new report published by the firm's top analysts said, heavily-indebted Italy could be facing its highest debt bill as a percentage of its GDP since 2012. ([www.reuters.com](http://www.reuters.com) 22/06/22)

## Eurozone consumer confidence dips to near worst since pandemic

Euro-area consumer confidence approached its lowest level since the early months of the pandemic as soaring inflation weighs on purchasing power and households fret about the knock-on effects of Russia's war in Ukraine. A monthly gauge from the European Commission showed a reading of -23.6 in June down from -21.1 in May. ([www.bloomberg.com](http://www.bloomberg.com) 22/06/22)

## Fed 'strongly committed' to bringing inflation back down to 2%

On the heels of last week's significant interest rate increase, Fed Chair Jerome Powell appeared before the Senate Banking Committee on Wednesday to deliver his semi-annual monetary policy testimony. Powell began his remarks by highlighting the Fed's strong commitment to bringing inflation back to the central bank's longer-run goal of 2%. ([www.rttnews.com](http://www.rttnews.com) 22/06/22)

## PBoC adds liquidity via reverse repos

China's central bank on Thursday conducted ¥10bn (\$1.49bn) 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](http://www.xinhuanet.com) 23/06/22)

## UK inflation rises at fastest rate for 40 years as food costs jump

Prices are continuing to rise at their fastest rate for 40 years with food costs, particularly for bread, cereal and meat, climbing. UK inflation, the rate at which prices rise, edged up to 9.1% in the 12 months to May, from 9% in April, the Office for National Statistics (ONS) said. Fuel and energy prices are the biggest drivers of inflation. ([www.bbc.com](http://www.bbc.com) 22/06/22)

## Brexit: NI Protocol 'helps lessen impact on NI economy'

Northern Ireland will be the UK regional economy least impacted by Brexit, partially due to the NI Protocol, new analysis has suggested. Researchers at the London School of Economics and the Resolution Foundation used modelling to estimate the longer-run impacts of Brexit. The model assesses the impact of post-Brexit trade barriers with the EU. ([www.bbc.com](http://www.bbc.com) 22/06/22)

## Japan economy continues to improve

Members of the Bank of Japan's Monetary Policy Board said that the country's economy is headed in the right direction, minutes from the board's April 27 and 28 policy meeting revealed on Wednesday although the upside continues to be limited by lingering COVID-19 cases. Exports and industrial production continue to strengthen, although employment and overall income remain weak. ([www.rttnews.com](http://www.rttnews.com) 22/06/22)

## Singapore May core inflation rises 3.6%, just above forecast

Singapore's key consumer price gauge rose in May at its fastest pace in more than a decade, driven by higher inflation for food and utilities, official data shows. The core inflation rate the central bank's favoured price measure - rose to 3.6% in May on a year-on-year basis. A Reuters poll of economists had forecast a 3.5% increase. ([www.reuters.com](http://www.reuters.com) 23/06/22)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2307	(1.2275)	1.2308	(1.2276)
+USD/EUR	1.0595	(1.0554)	1.0595	(1.0554)
*GHS/USD	7.2024	(7.2024)	7.2146	(7.2096)
*GHS/GBP	8.8701	(8.8409)	8.8797	(8.8505)
*GHS/EUR	7.6361	(7.6012)	7.6437	(7.6094)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 23/06/22 (Rates for 22/06/22 in brackets)

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### **Turkey consumer confidence weakens**

Turkey's consumer confidence weakened in June, figures from the consumer tendency survey carried out by Turkstat and the central bank showed on Wednesday. The consumer confidence index fell to 63.4 in June from 67.6 in May. A score below 100 indicates that pessimists out-number optimists.

([www.rttnews.com](http://www.rttnews.com) 22/06/22)

### **RBI Deputy sees 'miles to go' despite progress on bank reforms**

Indian regulators still have "miles to go" in improving financial sector resilience, despite signs of progress, the Reserve Bank of India's Rajeshwar Rao said on June 16. The RBI Deputy Governor said, regulators are carrying out a major project to overhaul the "prudential norms" they apply to firms' investment portfolios. ([www.centralbanking.com](http://www.centralbanking.com) 22/06/22)

### **Denmark consumer confidence hits new record low**

Consumer confidence in Denmark weakened to a new record low in June, Statistics Denmark reported. The consumer confidence index fell to -24.8 in the month of June from -22.4 in May. The average for the past six months was -14.5. The indicators of Denmark's economic situation fell to a lower level than during the COVID-19 crisis ([www.rttnews.com](http://www.rttnews.com) 22/06/22)

### **Iceland meets high inflation with second 100bp hike**

Iceland's monetary policy committee raised the country's headline rate by 100 basis points on June 22, as inflation rose well above target. It warned it would probably raise rates higher "to ensure that inflation eases back to target within an acceptable time frame".

([www.centralbanking.com](http://www.centralbanking.com) 22/06/22)

### **Sweden jobless rate highest since Aug 2021**

Sweden's jobless rate increased to the highest level in nine months in May, figures from Statistics Sweden showed on Wednesday. The jobless rate rose to 8.5% in May from 8.2% in April and March. A similar higher rate of unemployment was seen in August last year.

([www.rttnews.com](http://www.rttnews.com) 22/06/22)

### **Oil prices plunge as recession worries mount**

Oil prices plunged on Wednesday as worries of economic recession intensified and the Biden administration pushed for US fuel cost cuts. Benchmark Brent crude futures fell \$4.99, or 4.3%, to \$109.69 a barrel, while WTI crude futures were down \$5.29, or 4.8%, at \$104.23. ([www.rttnews.com](http://www.rttnews.com) 22/06/22)

### **WB Pledges \$2.3bn to tackle Africa food insecurity**

The World Bank approved a \$2.3bn program to help countries in eastern and southern Africa increase their ability to deal with spreading food stress that's expected to affect about 66.4m people in the region by next month. The funding is meant to ease food-system shocks spurred by drought, conflicts, and disease outbreaks that have been exacerbated by Russia's invasion of Ukraine, ([www.bloomberg.com](http://www.bloomberg.com) 22/06/22)

### **SA: Inflation breaches upper limit of Reserve Bank target**

Consumer inflation for May hit 6.5%, which breaches the upper limit of the Reserve Bank's target range of 4% to 6%. Stats SA on Wednesday released the latest inflation data. This is the highest inflation rate since January 2017, when the inflation was 6.6%. ([www.news24.com](http://www.news24.com) 22/06/22)

### **Morocco: Rising inflation, slowing growth**

Morocco's central bank on Tuesday raised its inflation forecasts for 2022 and confirmed a slowdown in growth due to a surge in fuel prices and drought. Inflation should reach 5.3% for the whole of 2022, against 1.4% in 2021, according to the Moroccan central bank. ([www.africanews.com](http://www.africanews.com) 22/06/22)

### **Ghana: Economy grows by 3.3% in Quarter 1, 2022 – GSS**

Ghana's economy slowdown in growth in the first quarter of this year, compared to the same period last year, data from the Ghana Statistical Service has revealed. The economy recorded 3.3% GDP growth rate which was aided by some marginal expansion in the Services and Agriculture sectors. ([www.myjoyonline.com](http://www.myjoyonline.com) 22/06/22)

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