



Wednesday 27<sup>th</sup> July 2022

### WB appoints Gill as chief economist

The World Bank announced on July 21 that it had chosen Indermit Gill as its new chief economist, effective September 1. Gill will succeed Carmen Reinhart, who has been chief economist since June 2020. Reinhart left the position on July 1, to return to academic work at Harvard University. Gill will also be Senior Vice-President for development economics. ([www.centralbanking.com](http://www.centralbanking.com) 26/07/22)

### IMF slashes global growth forecast and raises inflation projections

The IMF has slashed its global growth forecasts and raised its projections for inflation, warning the risks to the economic outlook are “overwhelmingly tilted to the downside”. The fund now expects growth in GDP to slow to 3.2% in 2022, down 0.4 percentage points from its April estimate and roughly half the pace of last year’s expansion. ([www.ft.com](http://www.ft.com) 26/07/22)

### US consumer confidence deteriorates

A report released by the Conference Board on Tuesday showed consumer confidence in the US deteriorated by more than expected in July. The Board said its consumer confidence index slid to 95.7 in July from a downwardly revised 98.4 in June. Economists had expected the index to drop to 96.8 from the 98.7 originally reported for the previous month. ([www.rttnews.com](http://www.rttnews.com) 26/07/22)

### Fed set to implement second consecutive 0.75-point rate rise

The Fed is set to raise interest rates by 0.75 percentage points for the second time in a row on Wednesday. At the end of its two-day policy meeting, the Federal Open Market Committee is to lift its benchmark policy rate to a new target range of 2.25% to 2.50%, in line with officials’ estimates of the long-run “neutral” rate. ([www.ft.com](http://www.ft.com) 27/07/22)

### PBoC to set up property bailout fund, reports say

China’s central bank will establish a fund worth up to ¥300bn (\$44bn) to bail out property developers, according to unconfirmed news agency reports. The fund will initially have ¥80bn, largely from the People’s Bank of China, according to an official speaking anonymously to Reuters. ([www.centralbanking.com](http://www.centralbanking.com) 26/07/22)

### UK financial regulator delays consumer protection reforms

The UK’s top financial regulator on Wednesday delayed long-awaited measures to protect customers and stopped short of banning charges, such as exit fees, which campaigners argue are inherently unfair. The Financial Conduct Authority spent more than a year consulting with industry and consumer groups on proposals to improve customer services and make it easier to cancel unwanted financial products. ([www.ft.com](http://www.ft.com) 27/07/22)

### Deutsche Bank extends profit streak in Q2 but warns on economy

Deutsche Bank posted a better-than-expected 51 percent rise in the second-quarter profit as investment banking revenues rose, though the lender was less optimistic about the division's prospects for the full year and warned about the economic outlook. The results come amid a week of earnings reports by major lenders across Europe. ([www.reuters.com](http://www.reuters.com) 27/07/22)

### Japan Govt raises economic assessment

Japan's government raised its economic view citing improvements in private consumption and employment. In the latest monthly report, the cabinet office said the Japanese economy is picking up moderately. The government lifted its view on private spending, saying the consumption is picking up moderately. ([www.rttnews.com](http://www.rttnews.com) 26/07/22)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2029	(1.2038)	1.2031	(1.2039)
+USD/EUR	1.0120	(1.0211)	1.0120	(1.0212)
*GHS/USD	7.4963	(7.4963)	7.5038	(7.5038)
*GHS/GBP	9.0172	(9.0240)	9.0278	(9.0338)
*GHS/EUR	7.5858	(7.6552)	7.5940	(7.6629)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 27/07/22 (Rates for 26/07/22 in brackets)

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### **Australian inflation speeds to 21-year high, peak still to come**

Australian inflation sped to a 21-year high last quarter and is likely to accelerate even further as food and energy costs explode, stoking speculation interest rates will need to more than double to bring the outbreak under control. Wednesday's gloomy report comes just a day before Treasurer Jim Chalmers is due to update the previous government's budget forecasts. ([www.reuters.com](http://www.reuters.com) 27/07/22)

### **S.K inflation expectations hit 2-decade high**

The South Koreans' consumer inflation expectations hit their highest in at least 20 years while their confidence in economic prospects hit a near two-year low, a monthly central bank survey shows. In the Bank of Korea's July survey, the country expected inflation to average a median 4.7% in the next 12 months. ([www.reuters.com](http://www.reuters.com) 27/07/22)

### **Spain PPI eased slightly in June**

Spain's producer price inflation eased marginally in June, though it remained strong overall, data released by the statistical office shows. Producer prices logged a double-digit annual growth of 43.2% in June, following a 43.6% gain in May. Excluding energy, PPI edged down to 15.2% from 15.3% in the previous month. ([www.rttnews.com](http://www.rttnews.com) 26/07/22)

### **Finland jobless rate fell sharply in June**

Finland's jobless rate decreased sharply and employment increased in June, figures from Statistics Finland showed on Tuesday. The jobless rate fell to 6.8% in June from 7.9% in the previous month. A year ago, the rate was 7.6%. ([www.rttnews.com](http://www.rttnews.com) 26/07/22)

### **Paraguay makes 12th consecutive rate hike**

The Central Bank of Paraguay raised its benchmark rate by 25 basis points to 8% at its monetary policy meeting on July 22. The move is the twelfth consecutive increase, but marks a moderate softening of policy after four 50bp hikes between March and June. In total, the bank has raised the monetary policy rate by 725bp since last Aug. from a pandemic low of 0.75%. ([www.centralbanking.com](http://www.centralbanking.com) 26/07/22)

### **Oil extends gains as Russia slashes supplies**

Oil prices rose about 2 percent on Tuesday to extend overnight gains after Russia deepened supply cuts to Europe. Benchmark Brent crude futures jumped 1.8 percent to \$102.01 a barrel, while WTI crude futures were up 1.7% at \$98.36. European gas prices hit a five-month high after Russian energy giant Gazprom said that it will cut gas flows through Nord Stream 1 to 33 million cubic meters per day from July 27. ([www.rttnews.com](http://www.rttnews.com) 26/07/22)

### **Gold holds steady ahead of Fed meeting**

Gold prices held largely steady on Tuesday as investors braced for a busy week of earnings and economic data in the United States. Spot gold was marginally higher at \$1,720.60 per ounce, while U.S. gold futures were little changed with a negative bias at \$1,718.40. ([www.rttnews.com](http://www.rttnews.com) 26/07/22)

### **African countries face challenge of prohibitively expensive bond market fund raising**

The perfect storm of inflationary pressures, aggressive monetary tightening from central banks, combined with a deepening of the Russia/Ukraine crisis, has made capital raising via traditional bond markets particularly expensive for African countries whose governments have been forced to find innovative ways to raise capital. ([www.norvanreports.com](http://www.norvanreports.com) 27/07/22)

### **Kenya set for rate hike to curb prices on election eve**

Kenya is expected to increase interest rates on the eve of elections scheduled for Aug. 9 to curb stubborn inflation and a sell-off in the shilling. ([www.bloomberg.com](http://www.bloomberg.com) 27/07/22)

### **Gov't revises macroeconomic targets; GDP growth rate target reduced to 3.7%**

The government has revised this year's projected economic growth rate target of 5.8% to 3.7%. According to the Finance Minister, Ken Ofori-Atta, the reason behind the revision includes the heightened global pressures such as the Russia-Ukraine war which has caused the revenue measures to underperform. ([www.citibusinessnews.com](http://www.citibusinessnews.com) 27/07/22)

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