

Thursday 28th July 2022**Eurozone needs macro-prudential tools for climate change, says ECB**

Eurozone countries need macro-prudential policies to address the financial risks of climate change, a joint report argues. Existing prudential approaches to financial risk struggle to cope with climate change, says the report from the European Central Bank and the European Systemic Risk Board.

(www.centralbanking.com 27/07/22)

Gas crisis raises recession risk for inflation-hit eurozone economy

The Eurozone is forecast to eke out growth fractionally above zero in the second quarter, but economists expect a deterioration in the bloc's economy over the next year as recession risks loom. Eurostat's first estimate of second-quarter GDP tomorrow, is expected to show an expansion of 0.1% from the previous quarter, according to a poll by Reuters.

(www.ft.com 28/07/22)

Eurozone M3 growth slows; Private sector credit growth improves

Eurozone money supply growth slowed slightly in June and credit to the private sector logged a faster growth, the European Central Bank said on Wednesday. The broad monetary aggregate M3 grew 5.7% annually in June, slightly slower than the revised 5.8% increase in May. M3 was forecast to grow 5.4%.

(www.rttnews.com 27/07/22)

US expected to dodge technical recession with weak second-quarter growth

The US is expected to report weak second-quarter growth on Thursday following a contraction in the first three months of the year, avoiding a so-called technical recession but still reflecting a slowdown in the economy. Economists found the median estimate for growth to be 0.5% on an annualised basis

(www.ft.com 28/07/22)

Fed's Jay Powell calls time on running commentary for rate rises

Since the Fed in March embarked on what has become the fastest pace of interest rate rises since 1981, it has provided painstaking detail about its future plans to tighten monetary policy. On Wednesday, that changed, with chair Jay Powell announcing the Fed would shy away from offering an official running commentary on its quest to stamp out soaring inflation.

(www.ft.com 28/07/22)

China's central bank adds liquidity via reverse repos

China's central bank on Thursday conducted ¥2bn (\$296.7m) 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 stable liquidity in the banking system, the central bank said.

(www.xinhuanet.com 28/07/22)

IMF: UK set for slowest growth of G7 countries in 2023

The UK is set for the slowest growth of the G7 richest economies next year, the IMF has warned. It is predicting UK growth will fall to just 0.5% in 2023, much lower than its forecast in April of 1.2%. The global economy has shrunk for the first time since 2020, the IMF said, hit by Ukraine war and Covid-19 pandemic.

(www.bbc.com 27/07/22)

German GfK consumer sentiment to hit fresh record low

Germany's consumer sentiment is set to hit a fresh low in August as fears of an impending recession and high inflation dampened economic and income expectations, survey results from the market research group GfK shows. The consumer confidence index fell to -30.6 in August from revised -27.7 in July.

(www.rttnews.com 27/07/22)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2048	(1.2029)	1.2049	(1.2031)
+USD/EUR	1.0136	(1.0120)	1.0136	(1.0120)
*GHS/USD	7.5262	(7.4963)	7.5338	(7.5038)
*GHS/GBP	9.0676	(9.0172)	9.0774	(9.0278)
*GHS/EUR	7.6282	(7.5858)	7.6358	(7.5940)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 28/07/22 (Rates for 27/07/22 in brackets)

* BOG INTERNAL TRANSACTION RATES: 28/07/22 (Rates for 27/07/22 in brackets)

French consumer confidence lowest since June 2013

France's consumer confidence weakened for the seventh successive month in July to reach its lowest level in just over nine years, monthly survey results from the statistical office Insee shows. The consumer confidence index dropped to 80.0 in July from 82.0 in June, in line with expectations.

(www.rttnews.com 27/07/22)

Italy consumer confidence lowest since May 2020

Italy's consumer confidence weakened more than expected in July to reach its lowest level in over two years, survey results from the statistical office Istat showed on Wednesday. The consumer confidence index fell to 94.8 in July from 98.3 in June. Economists had forecast the index to drop to 96.6.

(www.rttnews.com 27/07/22)

Hungarian central bank raises again amid EU dispute

The monetary policy committee of Hungary's central bank raised its policy rates for the second time this month on July 26. The Hungarian National Bank raised all four rates by 100 basis points, raising the base rate to 10.75%, its highest level since December 2008.

(www.centralbanking.com 27/07/22)

Bangladesh seeks IMF loan as rising import bills hit South Asia

Bangladesh has approached the IMF for a multibillion-dollar loan, making it the latest South Asian country to seek international assistance as rising food and fuel prices globally strain economies. The IMF said Bangladesh has contacted it for negotiations for a programme.

(www.ft.com 28/07/22)

Sweden trade surplus shrunk in June

Sweden's foreign trade surplus decreased notably in June from a year ago, as imports grew more rapidly than exports, preliminary figures from Statistics Sweden show. The trade surplus shrank to SEK 3.1bn in June from SEK 8.8bn the corresponding month last year. In May, there was a deficit of SEK 3.7bn.

(www.rttnews.com 27/07/22)

European stocks trim gains on some downbeat earnings

European shares came off session highs on Thursday, as a slew of downbeat earnings including from Santander took the shine off a global rally driven by easing worries about the future pace of US interest rate hikes. The Fed raised its main interest rate by 75 basis points as expected and reiterated inflation control as priority.

(www.reuters.com 28/07/22)

IMF says Egypt needs progress on fiscal and structural reform

The IMF said Egypt needs to make "decisive progress" on fiscal and structural reform as Cairo seeks a new round of support from the fund. In an evaluation of a \$5.2bn stand-by arrangement agreed with Egypt in 2020, the IMF noted "Egypt's remaining vulnerability from a high debt burden and gross financing requirements".

(www.reuters.com 28/07/22)

CBK maintains benchmark lending rate at 7.5% amid rising inflation

The Central Bank of Kenya has retained its benchmark lending rate at 7.5% amid rising inflation. CBK Governor Patrick Njoroge, who chaired the Monetary Policy Committee (MPC) meeting in Nairobi noted that international commodity prices have begun to moderate.

(www.xinhuanet.com 28/07/22)

US gives Ethiopia \$488bn in drought aid

The US announced \$488m in humanitarian assistance for Ethiopia to help the nation respond to a prolonged drought that's threatening the survival of 8.1m people. The funding will target about 7.4m people in need of immediate food assistance.

(www.bloomberg.com 27/07/22)

170 carats pink diamond discovered in Angola, largest in 300 years

A big pink diamond of 170 carats has been discovered in Angola and is claimed to be the largest such gemstone found in 300 years. Called the "Lulo Rose," the diamond was found at the Lulo alluvial diamond mine, the mine's owner, the Lucapa Diamond Company, announced on Wednesday on its website.

(www.africanews.com 27/07/22)

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