



Monday 1st August 2022

Emerging markets hit by record streak of withdrawals by foreign investors

Foreign investors have pulled funds out of emerging markets for five straight months in the longest streak of withdrawals on record, highlighting how recession fears and rising interest rates are shaking developing economies. Outflows by international investors in EM stocks and domestic bonds reached \$10.5bn this month according to the Institute of International Finance.

(www.ft.com 31/07/22)

Europe's economy surprisingly grew last quarter, easing recession fears

Europe's economy grew unexpectedly in the second quarter of this year, allaying concerns that the continent may have slid into a recession. The EU's economy grew at a seasonally adjusted 4% last quarter when compared to the same quarter a year ago and 0.6% compared to the first quarter, according to the statistics office.

(www.cnn.com 30/07/22)

Eurozone GDP growth improved in Q2

The euro area logged a faster growth in the second quarter as France, Italy and Spain fared well despite deepening energy crisis and high inflation, while the German economy failed to gain momentum. GDP grew 0.7% on a quarterly basis, following the first quarter's 0.5% expansion, flash estimate from Eurostat revealed.

(www.rttnews.com 29/07/22)

US consumer sentiment rebounds slightly more than initially estimated

The University of Michigan released revised data showing consumer sentiment in the US rebounded by more than initially estimated in July. The report showed the consumer sentiment index for July was upwardly revised to 51.5 from the preliminary reading of 51.1. Economists expected the index to be unrevised.

(www.rttnews.com 29/07/22)

China issues over ¥4.02tr of local gov't bonds in H1

China's local governments have issued over ¥4.02tr (about \$596.11bn) worth of bonds in the first half of this year, the Ministry of Finance said. Of the total, the issuance of general bonds stood at ¥614.8bn, while the special bond issuance came in at nearly ¥3.41tr in the period, the data showed. The bonds were issued at an average issuance term of 14.1 years and an average interest rate of 3.08% in the Jan-June period.

(www.xinhuanet.com 31/07/22)

PBoC aims to raise \$150bn for property bailouts, reports say

China's central bank aims to mobilise up to ¥1tr (\$148bn) to bail out stalled property developments, the Financial Times reported. The Chinese authorities are confronting a growing crisis in the country's property market. Many homebuyers have stopped paying mortgages for unfinished flats over the past weeks in an escalating nationwide campaign.

(www.centralbanking.com 29/07/22)

UK businesses expect zero growth over next 3 months, survey shows

British businesses do not expect any growth over the next three months, as a surging cost of living squeezes consumer demand, a monthly survey shows. The Confederation of British Industry (CBI) said members reported above-average growth in the three months to the end of July, slightly faster than in the three months to June.

(www.reuters.com 31/07/22)

Germans feel the pinch as inflation bites

Inflation in Germany unexpectedly accelerated in July. The Harmonised Index of Consumer Prices, which is used to measure consumer price inflation in the euro area, went up by 8.5% over the same month last year, according to the Federal Statistical Office.

(www.xinhuanet.com 31/07/22)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2170	(1.2114)	1.2171	(1.2115)
+USD/EUR	1.0201	(1.0146)	1.0202	(1.0147)
*GHS/USD	7.6082	(7.5582)	7.6158	(7.5658)
*GHS/GBP	9.2592	(9.1560)	9.2692	(9.1659)
*GHS/EUR	7.7619	(7.6684)	7.7697	(7.6760)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 01/08/22 (Rates for 29/07/22 in brackets)

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Italy inflation eases; PPI rises sharply

Italy's consumer price inflation eased unexpectedly in July, though marginally, preliminary data from the statistical office shows. Producer prices continued to rise sharply in June, but the pace of expansion has slowed since May, separate official data revealed. CPI slowed to 7.9% in July from 8.0% in June. (www.rttnews.com 29/07/22)

India's factory growth hits 8-month high as easing price pressures lift demand

India's factory activity expanded at its quickest pace in eight months in July, driven by solid growth in new orders and output as demand continued to improve on the back of easing price pressures, a private survey showed. The survey results suggested the Indian economy has remained resilient, at least for now, despite concerns over faster interest rate hikes. (www.reuters.com 01/08/22)

Spain inflation highest since Sept. 1984

Spain's consumer price inflation accelerated more-than-expected in July to reach its highest level in nearly thirty-eight years, flash data from the statistical office INE revealed on Friday. The consumer price index climbed 10.8 percent year-on-year in July, faster than the 10.2% rise in the previous month. Economists had expected inflation to rise to 10.6%. (www.rttnews.com 29/07/22)

Austria inflation highest since March 1975

Austria's consumer price inflation rose to the highest level since March 1975, preliminary estimates from Statistics Austria showed on Friday. Consumer prices rose 9.2% yearly in July, following an 8.7% increase in June. (www.rttnews.com 29/07/22)

Argentina accelerates tightening with 800bp hike

The Central Bank of Argentina (BCRA) raised its benchmark Leliq rate by 800 basis points to 60% on July 28, its sharpest hike this year. The move was the largest in a series of sizeable rate hikes as the Argentine authorities try to implement a new IMF programme. (www.centralbanking.com 29/07/22)

Oil drops as weak China factory data fan demand concerns

Oil prices dropped on Monday, as weak manufacturing data from China and Japan for July weighed on the outlook for demand, while investors braced for this week's meeting of officials from OPEC and other top producers on supply adjustments. Brent crude futures were down \$1.19, or 1.1%, at \$102.78 a barrel at 0212 GMT. (www.reuters.com 01/08/22)

Kenya's inflation at 8.3% year-on-year in July

Kenya's consumer inflation rose to 8.3% year-on-year in July, up from 7.9% a month earlier, the statistics office said on Friday. On a monthly basis, inflation was 0.7% compared with 0.9% in June, the Kenya National Bureau of Statistics said in a statement. (www.reuters.com 29/07/22)

Zambia to cancel over \$2bn in loans to address debt woes

Zambia has engaged lenders to facilitate the formal cancellation of over \$2bn in undisbursed loans as part of measures to address its debt challenges, the Ministry of Finance has said. The Ministry said that it has taken measures to cancel some loan financed projects and to change the scope of a few critical projects. (www.reuters.com 30/07/22)

CBN says it is concerned about naira value

Nigeria's central bank is concerned about the value of the naira and is making deliberate efforts to avert a further downward slide in the currency, it said on Friday. The naira has fallen to successive record lows on the parallel market due to dollar scarcity since July 2021. (www.reuters.com 30/07/22)

Uganda's inflation rises to 7.9% in July

Uganda's inflation rate for the year ending July has risen to 7.9% from 6.8% in June 2022, the country's statistics agency said. Uganda Bureau of Statistics attributed the increase to rising food crop prices and transport fares. During the period, the energy fuel and utilities inflation increased to 17.2%, up from 14.2%. (www.xinhuanet.com 31/07/22)

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