



Tuesday 2<sup>nd</sup> August 2022

### Global manufacturing struggles with shrinking demand

Today's flurry of purchasing manager indices from S&P Global and others highlight the struggle of manufacturers as they face slowing demand and a looming economic downturn. In the eurozone, activity shrank in all the big economies in July, according to S&P Global. Surging inflation hit demand, bringing the bloc's average PMI score to a 25-month low of 49.8 from 52.1 the previous month. ([www.ft.com](http://www.ft.com) 01/08/22)

### Eurozone unemployment rate remained stable in June

The euro area unemployment rate remained unchanged at a record low in June, data released by Eurostat showed on Monday. The jobless rate came in at seasonally adjusted 6.6% in June, the same rate as seen in May and in line with expectations. The number of people out of work decreased 1.957m from last year to 10.925m. ([www.rttnews.com](http://www.rttnews.com) 01/08/22)

### Euro area to get back half what it's spending on war fallout – ECB

Eurozone countries are spending more than they will get back to cushion the economic hit from the Ukraine war via fuel subsidies and other support measures, the European Central Bank said on Tuesday, telling governments to use their cash more efficiently. ([www.reuters.com](http://www.reuters.com) 02/08/22)

### China manufacturing sector expands

China's manufacturing sector expanded in July following the easing of covid-19 containment measures, but the pace of growth softened, survey results from S&P Global showed on Monday. The Caixin factory Purchasing Managers' Index slipped to 50.4 in July from 51.7 in June. Nonetheless, a score above 50.0 indicates expansion in the sector. ([www.rttnews.com](http://www.rttnews.com) 01/08/22)

### PBoC adds liquidity via reverse repos

China's central bank on Tuesday conducted ¥2bn (about \$296.46m) of reverse repos to maintain liquidity in the banking system. The interest rate for the 7-day reverse repos was set at 2.1%, according to the People's Bank of China. The move is to keep stable liquidity in the banking system. ([www.xinhuanet.com](http://www.xinhuanet.com) 02/08/22)

### BoE considers biggest rate rise for more than 25 years

Bank of England policymakers will be under pressure to step up the pace of monetary tightening when they meet this week, following the lead set by the European Central Bank and US Fed. BoE Governor, Andrew Bailey has made it clear that while a 0.5 percentagepoint increase in interest rates is "not locked in", it will be "among the choices on the table" when the monetary policy committee makes its policy decision on Thursday. ([www.ft.com](http://www.ft.com) 01/08/22)

### German retail sales fall by largest rate on record

German retail sales fell at the largest annual rate since records began in 1994, highlighting the scale of the economic challenges facing the eurozone's largest economy. Retail sales volumes dropped 8.8% in June compared with the same month last year, data from Destatis, the German office for national statistics, showed on Monday. ([www.ft.com](http://www.ft.com) 01/08/22)

### Italy jobless rate at 26-month low

Italy's unemployment rate decreased as expected in June to reach its lowest level in more than two years, preliminary figures from the statistical office Istat show. The jobless rate dropped to 8.1% in June from 8.2% in May. That was in line with economists' expectations. Further, this was the lowest unemployment rate since April 2020, when it was 7.5%. ([www.rttnews.com](http://www.rttnews.com) 01/08/22)

#### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2264	(1.2170)	1.2266	(1.2171)
+USD/EUR	1.0264	(1.0201)	1.0265	(1.0202)
*GHS/USD	7.6102	(7.6082)	7.6178	(7.6158)
*GHS/GBP	9.3331	(9.2592)	9.3440	(9.2692)
*GHS/EUR	7.8115	(7.7619)	7.8199	(7.7697)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 02/08/22 (Rates for 01/08/22 in brackets)  
\* BOG INTERNAL TRANSACTION RATES: 02/08/22 (Rates for 01/08/22 in brackets)

### **Turkey manufacturing sector contracts sharply in July**

Turkey's manufacturing activity deteriorated at the sharpest pace in more than two years in July, due to slowdowns in output and new orders amid weak demand conditions, survey results from S&P Global showed on Monday. The headline Istanbul Chamber of Industry Turkey manufacturing Purchasing Managers' Index dropped to 46.9 in July from 48.1 in June. ([www.rttnews.com](http://www.rttnews.com) 01/08/22)

### **ACB lifts rate by 50 bps**

Australia's central bank raised its key interest rates again by 50 basis points in order to bring inflation back to the 2-3% target range. The policy board of the Reserve Bank of Australia, headed by Governor Philip Lowe, decided to lift the cash rate target by 50 basis points to 1.85 percent. This was the fourth consecutive rate hike. ([www.rttnews.com](http://www.rttnews.com) 01/08/22)

### **HK economy contracts unexpectedly in Q2**

Hong Kong's economy contracted unexpectedly in the second quarter on weak exports and investment, the advance estimates from the Census and Statistics Department has showed. Gross domestic product contracted 1.4% from last year, following a 3.9% fall in the first quarter. Economists had forecast an annual expansion of 0.6%. ([www.rttnews.com](http://www.rttnews.com) 01/08/22)

### **SK inflation rises 6.3% on year in July**

Consumer prices in South Korea were up 6.3% on year in July, Statistics Korea said on Tuesday in line with expectations and accelerating from 6.0% in June. On a monthly basis, inflation rose 0.5% exceeding forecasts for 0.4% but slowing from 0.6% in the previous month. ([www.rttnews.com](http://www.rttnews.com) 01/08/22)

### **Indonesia inflation increases in July**

Indonesia's consumer prices rose at a faster than expected rate in July, the statistics bureau showed. The CPI increased 4.94% year-on-year in July, following a 4.35% rise in June. Economists had expected inflation to accelerate to 4.82%. Core inflation was 2.86% in July, while economists had forecast 2.85%. ([www.rttnews.com](http://www.rttnews.com) 01/08/22)

### **Oil outshines stocks and dollar in 2022**

Oil prices are proving resilient to global economic recession fears and have outperformed major equity indices and the US dollar so far this year as Western sanctions on Russia further limit supplies to an already tight market. The two major crude futures contracts are up about 30% so far this year, while the All Country World Index (ACWI) is down about 15%. ([www.reuters.com](http://www.reuters.com) 01/08/22)

### **AWTN signs BII as East Africa partner**

The Africa World Trade Network and BlueLine International Incorporation have signed an agreement in Tanzania, Dar es Salaam to jointly promote trade and investment across Africa. This follows the recent launch of AWTN in Accra, Ghana, where it detailed its initiative of accelerating critical investments for Africa's industrialisation and trade. ([www.asaaseradio.com](http://www.asaaseradio.com) 01/08/22)

### **Kenyan Governor denies shortage of small-denomination notes**

The Governor of the Central Bank of Kenya denied on July 28 that the country was facing a shortage of small-denomination banknotes. Patrick Njoroge was responding to an allegation made the day before by the interior secretary, who claimed politicians were cornering the supply to bribe voters. ([www.centralbanking.com](http://www.centralbanking.com) 01/08/22)

### **RBZ to release more gold coins to meet demand**

The Reserve Bank of Zimbabwe (RBZ) will this week release another 2,000 gold coins into the market, following a successful launch last week during which all the 1,500 coins released were sold out. ([www.xinhuanet.com](http://www.xinhuanet.com) 02/08/22)

### **Ghana: Gov't raises GHS 1,083m on domestic debt market**

Government, on the fixed income market raised a total of GHS 1,083m from the issuance of the 91 and 182 days treasury bills at increased yields of 26.71% and 28.06% respectively. Compared to the previous week, yields reflected increments of 0.38% and 0.20% for the 91 and 182 days treasury bills. ([www.norvanreports.com](http://www.norvanreports.com) 02/08/22)

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