



Monday 8th August 2022

World food prices drop again after Ukraine grain pact

World food prices fell sharply in July, partly thanks to a deal between Ukraine and Russia lifting a sea blockade that had stopped Ukrainian grain shipments, a UN agency said on Friday. Food prices soared to a record high in March after Russia invaded Ukraine, raising fears that the conflict between two of the world's breadbaskets would spark hunger in countries relying on their exports.

(www.news24.com 07/08/22)

ECB uses bond reinvestments to support Italy and Spain

The European Central Bank used reinvestments from maturing sovereign bonds to support countries under stress in June and July. Data released on Aug. 2 show that during these months, the central bank rebalanced €26.8bn (\$27.24bn) of securities bought both through the Asset Purchase Programme, and especially the Pandemic Emergency Purchase Programme. (www.centralbanking.com 05/08/22)

Big US job gains give Fed 'a lot more work to do' on taming inflation

The Fed will face more urgency in its fight to cool down the US economy with steep interest rate increases after the latest batch of labour market data showed an unexpected acceleration in jobs gains and strong wage growth. (www.ft.com 05/08/22)

US jobs growth jumps in July despite slowdown fears

US employers added more than 500,000 jobs in July and the unemployment rate dropped, defying fears that the labor market is heading for a slowdown. The jobless rate fell to 3.5% from 3.6% in June, as restaurants, bars and other firms continued to add workers. The US central bank is raising interest rates to rein in surging prices. (www.bbc.com 06/08/22)

China's foreign trade of goods up 10.4% in first 7 months

China's foreign trade of goods jumped 10.4% year on year to ¥23.6tr (about \$3.5tr) during the first seven months of the year, official data showed on Sunday. Exports rose 14.7% year on year to ¥13.37tr, while imports increased 5.3% from a year ago to ¥10.23tr, according to the General Administration of Customs (GAC). (www.xinhuanet.com 07/08/22)

PBoC adds liquidity via reverse repos

China's central bank on Monday conducted ¥2bn (about \$295.44m) 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 Bank of China. The move aims to keep stable liquidity in the banking system. A reverse repo is a process in which the central bank purchases securities from commercial banks through bidding, with an agreement to sell them back in the future. (www.xinhuanet.com 08/08/22)

UK households get £280m bill as energy suppliers collapse

The UK's largest electricity distribution business said a hit of £280m from energy companies failing will be passed on to customers. UK Power Networks Limited has received claims under the so-called supplier of last resort scheme - a regulatory plan that ensures domestic supply isn't interrupted when suppliers fail. (www.bloomberg.com 07/08/22)

Germany industrial production rises

Germany industrial output grew unexpectedly in June underpinned by higher production of capital and consumer goods, data released by Destatis reveals. Industrial production grew 0.4% from May, reversing a drop of 0.1%. Output was forecast to fall 0.3%. Excluding energy and construction, industrial output was up 0.7%. (www.rttnews.com 05/08/22)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2042	(1.2110)	1.2043	(1.2111)
+USD/EUR	1.0154	(1.0133)	1.0155	(1.0133)
*GHS/USD	7.9961	(7.6432)	8.0041	(7.6508)
*GHS/GBP	9.6289	(9.2559)	9.6393	(9.2659)
*GHS/EUR	8.1202	(7.7449)	8.1283	(7.7526)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 08/08/22 (Rates for 05/08/22 in brackets)
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Japan has ‘once-in-lifetime’ chance to end deflation, says departing BoJ official

Japan needs bolder monetary and fiscal stimulus to seize “a once-in-a-lifetime opportunity” from inflationary pressures to end its war on deflation, according to a former Bank of Japan board member. The BoJ has come under market pressure recently to reassess its ultra-easy monetary policy as central banks globally race to raise interest rates to tame increasing food and commodity prices. (www.ft.com 07/08/22)

French trade deficit widens in June

France's foreign trade deficit widened markedly in June from a year ago, as imports grew more rapidly than exports, data from the customs office showed on Friday. The trade deficit increased to €13.06bn in June from €5.79bn in the corresponding month last year. In May, there was a shortfall of €12.90bn (www.rttnews.com 05/08/22)

RBI raises rates to tackle ‘uncomfortably high’ inflation

The Reserve Bank of India has raised its main rate by 50 basis points as it looks to ensure “uncomfortably high” inflation rate does not become entrenched. The bank’s monetary policy committee voted unanimously for the hike, taking the rate to 5.4%. (www.centralbanking.com 05/08/22)

Czech central bank halts tightening

The Czech National Bank ended a cycle of rate rises on Aug 4, holding its benchmark rate steady for the first time since its May 2021 policy meeting. The two-week repo rate will remain at 7%. The bank’s seven-member board split on the decision, with two members favouring a further 100 basis point increase in the repo rate. (www.centralbanking.com 05/08/22)

Finland trade deficit widened in June

Finland's trade deficit widened in June with imports rising faster than exports, preliminary figures from the Finnish Customs showed on Friday. The trade deficit increased to €600m in June from €285m in the same month last year. In May, the trade deficit was €1.24bn. (www.rttnews.com 05/08/22)

Oil bounces as China, US data ease recession concerns

Oil prices edged up from multi-month lows on Monday as investors' appetite improved following data on US jobs and Chinese exports that eased recession concerns. Brent crude futures had risen 22 cents, or 0.2%, to \$95.14 a barrel by 0439 GMT. US West Texas Intermediate crude was at \$89.18 a barrel, up 17 cents, or 0.2%. (www.reuters.com 08/08/22)

SA's net reserves dip to \$53.737bn in July

South Africa's net reserves dipped to \$53.737bn in July from \$53.813bn in June, the Reserve Bank said. Gross reserves rose to \$59.510bn in July from \$58.923bn in June. The forward position, which represents the central bank's unsettled or swap transactions, dropped to \$1.606bn from \$2.383bn. (www.reuters.com 06/08/22)

Zambia sees IMF board meeting at end-August to approve loan programme

Zambia's Finance Minister Situmbeko Musokotwane said the IMF's executive board was expected to meet at the end of the month to approve a lending plan. The country reached a staff-level agreement with the IMF on a \$1.4bn three-year extended credit facility in December, conditional upon its ability to reduce debt to levels the fund deems sustainable. (www.reuters.com 05/08/22)

Ethiopia annual inflation slowed slightly to 33.5% in July

Ethiopia's inflation slowed slightly to 33.5% year on year in July from 34.0% in June, helped by a drop-in food inflation, data from the statistics office shows. July food inflation fell to 35.5% in annual terms from 38.1% in June, whereas non-food inflation picked up to 30.4% from 28.4%. (www.reuters.com 05/08/22)

Tanzania reduce liquidity, tackle inflation

Tanzania will reduce liquidity over the rest of 2022 in order to tackle a surge of inflation, the central bank's MPC said. "The MPC approved the Bank of Tanzania to reduce the speed of expanding liquidity in the remainder of 2022 to tame inflationary pressures”, an MPC statement said. (www.reuters.com 06/08/22)

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