



Friday 12th August 2022

IMF Official: Monetary policy ‘increasingly synchronised’

Monetary policy around the world has tended to move in step, since the start of the Covid-19 pandemic, IMF officials have said in a blog post. “The monetary policy cycle is now increasingly synchronised around the world,” the head and deputy head of the monetary and capital markets department wrote in the blog. (www.centralbanking.com 11/08/22)

Fed officials say more rate hikes needed, despite slowing inflation

Slowing US inflation may have opened the door for the Federal Reserve to temper the pace of coming interest rate hikes, but policymakers left no doubt they will continue to tighten monetary policy until price pressures are broken. (www.reuters.com 11/08/22)

Dollar remains under pressure as traders reassess rate hike bets

The dollar was slightly lower following a 1% loss the previous day when data showed US inflation was not as hot as anticipated in July, prompting traders to dial back future rate hike expectations by the Federal Reserve. (www.reuters.com 11/08/22)

UK economy rides out Jubilee disruption, but recession still looms

Britain's economy contracted by less than feared in June, when public holidays had been expected to exert a big drag, although sectors most exposed to a worsening cost of living crisis, like retail and restaurants, struggled. (www.reuters.com 12/08/22)

China poised to partially renew medium-term policy loans, keeping rate steady

China's central bank is widely expected to partially roll over maturing medium-term policy loans, while keeping borrowing costs unchanged for the seventh month in a row. (www.reuters.com 12/08/22)

PBoC vows not to flood economy with liquidity

China’s central bank says it will not flood the economy with massive amounts of liquidity, as the world’s second-largest economy treads carefully to keep inflation in check while trying to boost growth. “In the next stage, [the PBoC] will maintain stable monetary policy, and continue to avoid ‘pumping a large amount of liquidity’ or printing excessive money,” the central bank says in its second-quarter monetary policy report on Aug 10. (www.centralbanking.com 11/08/22)

China's central bank adds liquidity via reverse repos

China's central bank on Friday conducted 2bn yuan (about 296.68m US dollars) 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 12/08/22)

Chinese yuan weakens to 6.7413 against USD Friday

The central parity rate of the Chinese currency renminbi, or the yuan, weakened 89 pips to 6.7413 against the US dollar on Friday, according to the China Foreign Exchange Trade System. In China's spot foreign exchange market, the yuan is allowed to rise or fall by 2% from the central parity rate each trading day. (www.xinhuanet.com 12/08/22)

Inflation a growing concern for Germans, poll shows

40% of Germans, more than ever before, expect to be worse off in a year's time, an opinion poll published on Friday showed, highlighting households' concerns about high inflation in Europe's largest economy. (www.reuters.com 12/08/22)

EXCHANGE RATES OF SELECTED CURRENCIES

| CURRENCIES | BUYING | | SELLING | |
|------------|--------|----------|---------|----------|
| +USD/GBP | 1.2221 | (1.2238) | 1.2222 | (1.2239) |
| +USD/EUR | 1.0331 | (1.0317) | 1.0331 | (1.0318) |
| *GHS/USD | 8.0281 | (8.0261) | 8.0361 | (8.0341) |
| *GHS/GBP | 9.8111 | (9.8223) | 9.8217 | (9.8330) |
| *GHS/EUR | 8.2941 | (8.2812) | 8.3024 | (8.2895) |

+SOURCE: BOG INTERNAL TRANSACTION RATES: 12/08/22 (Rates for 11/08/22 in brackets)

* BOG INTERNAL TRANSACTION RATES: 12/08/22 (Rates for 11/08/22 in brackets)

Russian state depository files lawsuit to overturn EU sanctions

Russia's National Settlement Depository has filed a lawsuit at the European Court of Justice in Luxembourg to overturn European Union sanctions imposed on it, the NSD said on Friday. (www.reuters.com 12/08/22)

Japan July core CPI seen rising 2.4%, near 8-year-high - Reuters poll

Japan's core consumer price index (CPI) for July likely rose 2.4% from a year earlier, accelerating to the fastest pace in nearly eight years and topping the central bank's 2% inflation target for a fourth month, a Reuters poll showed. (www.reuters.com 12/08/22)

Bank of Canada's 'soft landing' scenario hits the rocks in bond market

Canada's inverted yield curve is signalling the Bank of Canada may raise interest rates to a level that triggers a recession, placing the central bank in a tough spot as it aims to tame high inflation and engineer a "soft landing" for the economy. (www.reuters.com 11/08/22)

Malaysia's economy jumps in Q2 but slower growth expected

Malaysia's economy grew at its fastest annual pace in a year in the second quarter, boosted by expansion in domestic demand and resilient exports, but a slowdown in global growth is expected to pose a risk to the outlook for the rest of 2022. (www.reuters.com 12/08/22)

Indonesia c. bank: rate hike not first choice at this juncture

An interest rate hike will not be Bank Indonesia's first choice at this juncture, the Central Bank's Deputy Governor told the Reuters Global Markets Forum, even as the country's headline inflation rate rose to a 7-year high. (www.reuters.com 12/08/22)

Argentina hikes interest rate again as inflation hits 20-year high

Argentina's central bank raised its benchmark interest rate by 950 basis points, as the country struggles to keep a lid on spiraling inflation that rose to a 20-year high of 71%, according to new data. (www.reuters.com 11/08/22)

European shares eke out gains at open as healthcare stocks rebound

European shares eked out gains on Friday at the open after Sanofi and GSK led a rebound in healthcare stocks, with the main STOXX 600 index set for weekly gains. Sanofi rose 1.6% and GSK (GSK.L) added 3.0% after a heavy selloff in the previous session on growing worries about US litigation, focused on a heartburn drug that contained a probable carcinogen. (www.reuters.com 12/08/22)

Oil futures settle sharply higher on optimism about energy demand

Crude oil prices rose sharply, extending gains from the previous session, amid rising hopes about energy demand after the International Energy Agency (IEA) lifted its demand outlook. West Texas Intermediate Crude futures ended higher by \$2.41 or about 2.6% at \$94.34 a barrel. Brent crude futures settled at \$99.60 a barrel, gaining \$2.20 or about 2.3%. (www.rttnews.com 11/08/22)

Africa getting just 12% of financing needed to adapt to climate change -report

Africa is getting just 12% of the finance it needs to manage the impact of climate change, a report said, raising pressure on rich nations to do more in the run up to global climate talks in November. (www.reuters.com 12/08/22)

Egypt to ration electricity to boost gas exports

Egypt's cabinet has approved a plan to ration electricity to save natural gas that it will instead divert to the export market to generate foreign currency. (www.reuters.com 11/08/22)

Nigeria: Food, fuel, others gulp \$14.5bn amid dollar scarcity

Amid lingering dollar scarcity, the amount of foreign exchange used by Nigeria for food, fuel and other imports jumped by 45% in the first half of this year compared to the same period last year. The country spent \$14.5 bn on imports in the six-month period, up from \$10.04 billion in H1 2021, according to the Central Bank of Nigeria's (CBN) data. (www.norvanreports.com 12/08/22)

DISCLAIMER: This information has been compiled by the Communications Office of Bank of Ghana for general reference purposes only. While every effort is made to ensure that the information is accurate, the Bank of Ghana does not guarantee nor does it accept any responsibility or liability for the accuracy or completeness of the content or for any loss which may arise from reliance on information contained in this document.