



Thursday 8th September 2022

ECB monetary policy announcement due

The European Central Bank is widely expected to raise its benchmark rates on Thursday, given the record high inflation and the tightening stance of its global peers. At 1.45am ET, Swiss unemployment data is due. The jobless rate is forecast to remain unchanged at seasonally adjusted 2.2% in August. (www.rttnews.com 08/09/22)

ECB expected to deliver first-ever 75bp rate hike

The ECB is expected by most analysts to deliver its first-ever 75 basis point interest rate increase on September 8. Inflation reached a new record high of 9.1% in August, way over the 2% target. Energy prices remained the main factor boosting prices in the region. (www.centralbanking.com 07/09/22)

A forceful ECB rate rise may fail to curb market tensions

On the ECB rate-setting Governing Council sit six Executive Board members and the 19 Governors of the eurozone’s national central banks. I would wager that most of them have read George Orwell’s allegorical fable Animal Farm and its famous line: “All animals are equal but some animals are more equal than others.” (www.ft.com 07/09/22)

Fed's beige book says US economic activity unchanged, prices remain elevated

Economic activity in the US has been essentially unchanged since early July, according to the Federal Reserve's Beige Book. The Beige Book, a compilation of anecdotal evidence on economic conditions in each of the twelve Fed districts, noted five districts reported slight to modest growth in activity and five others reported slight to modest softening. (www.rttnews.com 07/09/22)

BoE policy-makers debate more aggressive tightening

Bank of England policy-makers are struggling to decide between caution in raising rates and acting harder and faster, as models point one way and risks the other. Members of the MPC appeared before the UK Parliament’s Treasury Committee on Sept; 7 to justify their thinking on policy. (www.centralbanking.com 07/09/22)

Interest rate rises likely despite energy bill freeze says Bank of England

The Bank of England’s chief economist says plans by Liz Truss for a freeze in energy bills for households and businesses was likely to force the central bank to raise interest rates despite bringing down the rate of inflation in the months ahead. (www.ft.com 07/09/22)

UK's finance minister: borrowing to be higher in the short term

Britain's new finance minister, Kwasi Kwarteng told bankers and investors that the gov’t would need to borrow more than planned to support households and businesses through the energy crisis. (www.reuters.com 07/09/22)

Bailey says BoE's inflation regime not failed

Bank of England Governor Andrew Bailey said the current high inflation does not suggest that its operational framework has failed. At the Treasury Select Committee, He said the current inflation rate indicates that its inflation regime has to do its work and respond to a much bigger shock. (www.rttnews.com 07/09/22)

China sets yuan fix at strongest bias on record as losses mount

China sent its most powerful signal yet on its discomfort with the yuan’s weakness by setting its reference rate for the currency with the strongest bias on record. (www.bloomberg.com 07/09/22)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.1466	(1.1549)	1.1468	(1.1550)
+USD/EUR	0.9950	(0.9927)	0.9951	(0.9927)
*GHS/USD	8.2424	(8.2374)	8.2506	(8.2456)
*GHS/GBP	9.4507	(9.5133)	9.4618	(9.5237)
*GHS/EUR	8.2016	(8.1772)	8.2105	(8.1854)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 08/09/22 (Rates for 07/09/22 in brackets)

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China's foreign currency reserves at 3.0549tr US dollars

China's foreign exchange reserves totaled 3.0549tr US dollars at the end of August, down 49.2bn US dollars from July, data from the State Administration of Foreign Exchange showed. "Cross-border capital flows were rational and orderly, and supply and demand in the domestic foreign exchange market remained generally balanced," said Wang. (www.xinhuanet.com 07/09/22)

China exports growth eases sharply in August

China's exports growth eased sharply in August reflecting weak global demand amid power shortages and heat waves dampening production, figures published by the General Administration of Customs. Exports increased by less-than-expected 7.1% on a yearly basis in August. (www.rttnews.com 07/09/22)

New Deputy Governors in China, Sweden and Argentina

The Chinese government appointed Zhang, Deputy Governor of the People's Bank of China on Sept. 6. Zhang was serving as President of the Agricultural Bank of China, a state-owned bank that is among China's largest. (www.centralbanking.com 07/09/22)

Ukraine to hold rate at highest level since 2015

Ukraine's central bank is likely to keep borrowing costs unchanged for a second consecutive meeting as policy makers bet an out-sized increase in June will be enough to tame price growth. (www.bloomberg.com 08/09/22)

Malaysia hikes key rate, says not on pre-set tightening path

Malaysia's central bank raised borrowing costs for the third time this year to fight price pressures, while signaling future tightening is not a given, as it seeks to support growth and tame inflation. Bank Negara Malaysia hiked the overnight policy rate by 25 basis points to 2.50%, a move seen by all but one of the 19 economists. (www.bloomberg.com 08/09/22)

European shares seen up ahead of ECB meeting

European stocks are seen opening higher on Thursday after Wall Street clawed back from a three-week long sell-off overnight amid easing inflation and rate hike concerns. The pan European Stoxx 600 dropped 0.6%. The German DAX rose 0.4% and France's CAC 40 finished marginally higher while the UK's FTSE 100 shed 0.9%. (www.rttnews.com 08/09/22)

Oil futures fall sharply, settle at nearly 8-month low on demand worries

Crude oil prices fell sharply, pushing the most active crude futures contract to their lowest settlement in nearly eight months. West Texas Intermediate Crude oil futures for October ended lower by \$4.94 or about 5.7% at \$81.94 a barrel, the lowest settlement since January 11. (www.rttnews.com 07/09/22)

Gold futures settle at 1-week high as dollar retreats

Gold prices climbed higher, as the dollar retreated after rising to a fresh 20-year high and treasury yields fell from a near three-month high reached in the previous session. Gold futures for December ended higher by \$14.90 or about 0.9% at \$1,727.80 an ounce. (www.rttnews.com 07/09/22)

Egypt net foreign reserves mostly unchanged as IMF deal in focus

Egypt's net international reserves saw a slight decline in August, as authorities strive to secure IMF assistance and more investments from Gulf allies. The figure was \$33.142bn last month versus \$33.143bn in July. (www.bloomberg.com 07/09/22)

Nigeria: Banks attract \$15.8b foreign capital flow in five years

From 2017 till the end of last year, Nigeria's banking sector received a total of \$15.83bn in foreign capital, a telling reflection of the sector's attraction to the international market. The figure represents 23% of the total capital importation into the country in the five-year period. (www.guardian.ng 07/09/22)

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