



Friday 9<sup>th</sup> September 2022

## ECB lifts rates by unprecedented 75 bps to fight inflation

The European Central Bank raised its key interest rates by an unprecedented 75 basis points and signalled further hikes, prioritising the fight against inflation even as the bloc's economy is heading for a likely winter recession. ([www.reuters.com](http://www.reuters.com) 08/09/22)

## ECB officials leave open chance of another jumbo rate hike

ECB officials are prepared to deliver another jumbo interest-rate increase at their October meeting if the inflation outlook warrants an additional big step. A second consecutive hike of 75 basis points would match the Federal Reserve's recent aggression, underlining the tougher approach adopted by ECB officials of late as inflation in the 19-nation euro zone breaks record. ([www.bloomberg.com](http://www.bloomberg.com) 08/09/22)

## Fed inflation battle to spur greater economic harm than realized

The Federal Reserve's battle to bring inflation under control will likely cause more harm to the US and world economy than is currently appreciated, according to a pair of papers set for presentation. ([www.bloomberg.com](http://www.bloomberg.com) 08/09/22)

## Powell reiterates commitment to aggressively fighting inflation

Federal Reserve Chair Jerome Powell reiterated the central bank's commitment to aggressively fighting inflation during remarks at the Cato Institute's 40th Annual Monetary Conference. "We need to act now, forthrightly, strongly as we have been doing," Powell told the moderator during a Q&A session at the libertarian think-tank based in Washington, D.C. "And we have to keep at it until the job is done ." ([www.rttnews.com](http://www.rttnews.com) 08/09/22)

## BoE to act as lender of last resort to UK energy firms

The Bank of England will become a lender of last resort to UK energy firms, as part of the government's response to energy market volatility. Under the scheme, operated jointly with the UK Treasury, the BoE will offer short-term liquidity to energy firms. The scheme is designed to help suppliers cope with intense volatility in wholesale energy markets. ([www.centralbanking.com](http://www.centralbanking.com) 08/09/22)

## Bank of England proposes "more British style" of finance regulation

The Bank of England said it would move to a "more British style of regulation" for the country's huge financial services industry as it seeks to take advantage of Brexit. The BoE's Prudential Regulation Authority, published a discussion paper describing its proposals for policy-making now that Britain had left the European Union. ([www.reuters.com](http://www.reuters.com) 08/09/22)

## UK banks may write off £41bn in loans due to recession, credit suisse says

Britain's lenders will have to write off £31bn to £41bn of loans over the next three years as the country is hit by a recession, analysts at Credit Suisse Group AG predicted. ([www.bloomberg.com](http://www.bloomberg.com) 08/09/22)

## UK, BoE set up £40bn liquidity fund for energy traders

The UK Treasury is setting up a £40bn fund with the Bank of England to help energy companies access extra liquidity they need to deal with surging energy prices. The so-called Energy Markets Financing Scheme will provide stability for energy and financial markets, the economy and help cut costs for consumers, the government said in its energy plan announced by Prime Minister Liz Truss. ([www.bloomberg.com](http://www.bloomberg.com) 08/09/22)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.1483	(1.1466)	1.1484	(1.1468)
+USD/EUR	0.9949	(0.9950)	0.9950	(0.9951)
*GHS/USD	8.2424	(8.2424)	8.2506	(8.2506)
*GHS/GBP	9.4647	(9.4507)	9.4750	(9.4618)
*GHS/EUR	8.2010	(8.2016)	8.2092	(8.2105)

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

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### **China debt sees portfolio outflows despite nascent recovery for EM in August - IIF**

China debt markets lost \$7.7bn in August in a seventh straight month of portfolio outflows, data from the Institute of International Finance (IIF) showed, amid market jitters over the downturn gripping the world's second-largest economy. ([www.reuters.com](http://www.reuters.com) 08/09/22)

### **China's CPI up 2.5% in August**

China's consumer price index (CPI), a main gauge of inflation, rose 2.5% year on year in August, the National Bureau of Statistics (NBS) said on Friday. On a monthly basis, August's CPI remained stable, reversing the 0.5% rise in July to edge down 0.1%, thanks to efforts to contain COVID-19 and extreme weather impacts. ([www.xinhuanet.com](http://www.xinhuanet.com) 09/09/22)

### **Bank of Canada: inflationary pressures are becoming more broad-based**

Inflation in Canada is increasingly broad-based and risks becoming entrenched, a senior Bank of Canada official said, warning of "bumps along the way" in the fight against raging price increases. The Bank of Canada on Wednesday hiked its policy rate to 3.25%, a 14-year high, and warned more tightening would be required. ([www.reuters.com](http://www.reuters.com) 08/09/22)

### **French economy keeps growing despite fears of painful winter**

France's economy is set to grow by 0.3% in the third quarter, with business leaders expecting activity to pick up further in September despite concerns over energy deliveries and inflation, the Bank of France said. The central bank's monthly poll of 8,500 firms showed the supply difficulties that have held back growth and driven inflation eased further in August. ([www.bloomberg.com](http://www.bloomberg.com) 08/09/22)

### **India cenbank official: infrastructure spending can curb supply-side inflation**

An Indian central bank official said on Thursday that a focus on spending on infrastructure would help the country contain long-term, supply-side inflation. ([www.reuters.com](http://www.reuters.com) 08/09/22)

### **European shares seen higher at open**

European stocks look set to extend gains from the previous session on Friday as investors assess the inflation and monetary policy outlook. The pan European Stoxx 600 advanced half a percent. The German DAX finished marginally lower, while France's CAC 40 index and the UK's FTSE 100 both inched up around 0.3%. ([www.rttnews.com](http://www.rttnews.com) 09/09/22)

### **Oil futures settle higher despite jump in stockpiles**

Crude oil futures settled higher despite data showing a sharp increase in crude inventories in the US in the week ended September 2. West Texas Intermediate Crude oil futures for October ended higher by \$1.60 or nearly 2% at \$83.54 a barrel. Brent crude futures were up \$0.86 or 0.98% at \$88.86 a barrel. ([www.rttnews.com](http://www.rttnews.com) 08/09/22)

### **Gold holds steady as investors await powell's remarks**

Gold prices were flat to slightly higher on Thursday as traders react to Fed Vice Chair Lael Brainard's comments on bringing inflation down without going too far. Spot gold edged up 0.1% to \$1,719.79 per ounce, while US gold futures were up 0.2% at \$1,730.55. ([www.rttnews.com](http://www.rttnews.com) 08/09/22)

### **South Africa consumers remain bleak over rising inflation, rates**

South African consumer confidence remained in the doldrums in the third quarter, weighed down by rising inflationary pressures and lending costs. ([www.bloomberg.com](http://www.bloomberg.com) 08/09/22)

### **Egypt inflation quickens to 14.6%, fastest in almost four years**

Inflation in urban parts of Egypt accelerated to its fastest level since Nov. 2018 on the back of higher food costs. ([www.bloomberg.com](http://www.bloomberg.com) 08/09/22)

### **Bank of Uganda says weaker growth acceptable in inflation fight**

Uganda's central bank is determined to restore price stability even at the cost of economic growth. ([www.bloomberg.com](http://www.bloomberg.com) 08/09/22)

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