



Tuesday 13th September 2022

IMF paper offers ‘fear-based theory’ of economy

The ebb and flow of fear about the possibility of economic crisis can help explain aggregate fluctuations in the economy, research published by the IMF finds.

(www.centralbanking.com 12/09/22)

ECB raises rates on government deposits to ease transition

The European Central Bank’s governing council said it was raising interest rates on government deposits to “prevent an abrupt outflow” of funds. Eurozone governments’ deposits at the ECB have been at a very high level since the onset of the Covid-19 pandemic. (www.centralbanking.com 12/09/22)

ECB ramps up scrutiny of banks’ response to energy crisis

The ECB is intensifying discussions with bank executives over their readiness for a potential surge in company defaults and a drying-up of energy-market liquidity, amid the worsening stand-off over Russian gas supplies.

(www.bloomberg.com 09/09/22)

US inflation expectations dropped in August, New York Fed says

Consumer expectations for US inflation over the coming years declined sharply in the latest survey by the Federal Reserve Bank of New York, providing policy makers with good news as they battle to curb price pressures.

(www.bloomberg.com 12/09/22)

Pace of US consumer price growth expected to have eased in August

The pace of US consumer price growth is expected to have eased in August due to a fall in energy costs that offset increases in services and other spending categories. The consumer price index is set to have decelerated for the second month (www.ft.com 13/09/22)

Bank of England to suspend market operations on September 19

The Bank of England said on Monday that it would suspend its CHAPS interbank payment services and sterling money market operations on Sept. 19, the day of Queen Elizabeth's funeral, in line with its normal practice for public holidays. (www.reuters.com 12/09/22)

Surging prices hit UK economic growth, raise recession risk

Britain's economy grew by less than expected in July, raising the risk that it is already in a recession, with the sharp climb in energy tariffs hurting demand for electricity and a leap in the cost of materials hitting the construction sector. (www.reuters.com 12/09/22)

UK jobless rate hits 48-year low as people quit labour market

Britain’s unemployment rate fell to its lowest since 1974 at 3.6% in the 3 months to July, as more people left the labour market, this is according to official data released on Tuesday.

(www.reuters.com 13/09/22)

Britain still planning fiscal event this month

Britain's government still plans to make a fiscal statement this month to explain how an unprecedented package of support for energy bills will be funded, but no date has been set and it will not be held in recess, Prime Minister Liz Truss's spokesman says.

(www.reuters.com 12/09/22)

China's central bank adds liquidity via reverse repos

China's central bank on Tuesday conducted 2bn yuan of reverse repos to maintain liquidity in the banking system. The interest rate for the seven-day reverse repos was set at 2% according to the People's Bank of China. The move aims to keep stable liquidity in the banking system (www.xinhuanet.com 13/09/22)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.1700	(1.1597)	1.1701	(1.1599)
+USD/EUR	1.0129	(1.0055)	1.0130	(1.0056)
*GHS/USD	8.2544	(8.2524)	8.2626	(8.2606)
*GHS/GBP	9.6576	(9.5703)	9.6681	(9.5815)
*GHS/EUR	8.3616	(8.2974)	8.3699	(8.3065)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 13/09/22 (Rates for 12/09/22 in brackets)

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China's debt relief a meagre 1% of what Africa actually owes – Study says

China's latest round of debt forgiveness, which will see it cancel interest-free loans to 17 African countries, will cover a tiny portion of its lending to the continent, according to a report from Boston University Global Development Policy Center. Africa's largest bilateral creditor announced the waivers at a meeting in August.

(www.norvanreports.com 13/09/22)

German inflation rises as estimated in August

Germany's consumer price inflation accelerated as initially estimated in August, latest figures from Destatis showed on Tuesday. The consumer price index rose 7.9% year-on-year in August, faster than the 7.5% increase in July. (www.rttnews.com 13/09/22)

Bank of Canada critic becomes leader of the opposition

Central bank critic Pierre Poilievre was elected head of the Conservative Party of Canada on September 10, becoming the leader of the opposition. Poilievre said in May that he would "replace" Bank of Canada Governor Tiff Macklem, accusing him of being an "ATM" for the government of Prime Minister Justin Trudeau. (www.centralbanking.com 12/09/22)

Earliest BoJ shift may come in mid-2023, ex-board member says

The Bank of Japan could start normalizing policy as soon as the middle of next year, according to a recent former board member known for his strong support for aggressive monetary easing. (www.bloomberg.com 13/09/22)

Portugal inflation eases more than estimated

Portugal's consumer price inflation (CPI) eased more than initially estimated in August, latest data from Statistics Portugal showed. CPI slowed to 8.9% in August from 9.1% in July. The latest figure was revised from a 9.0% rise estimated initially on August 31. (www.rttnews.com 12/09/22)

European shares seen tad lower as investors await US inflation data

European stocks may open flat to slightly lower as investors react to a number of claims and counterclaims being made on the Ukraine-Russia conflict and await the US inflation report for August later in the day that might show some signs of softening. The pan European Stoxx 600 rallied 1.8%. The German DAX surged 2.4%, France's CAC 40 index added 2% and the U.K.'s FTSE 100 advanced 1.7%. (www.rttnews.com 13/09/22)

Oil futures settle higher on supply concerns

Crude oil prices surged higher amid rising speculation about the impact of Ukraine's offensive around Kharkiv on supply of Russian oil. West Texas Intermediate Crude oil futures for October ended higher by \$0.99 or about 1.1% at \$87.78 a barrel.

(www.rttnews.com 12/09/22)

Gold holds near September high as dollar's retreat stretches

Gold held near its highest level this month, as the dollar continued its retreat on more hawkish rhetoric from the European Central Bank and expectations that inflation may have peaked in the US. Bullion closed up 0.5% on Monday, after earlier hitting \$1,735.14 an ounce, the highest since Aug. 30, on the greenback's slide. (www.bloomberg.com 13/09/22)

South African rand firms as dollar weakens before US inflation data

South Africa's rand strengthened on Monday, as the dollar weakened ahead of key US inflation data due on Tuesday that might give clues on how aggressively the Federal Reserve may hike interest rates at its Sept. 21 policy meeting. (www.reuters.com 12/09/22)

S.Africa: S&P says greylisting impact on SA's banking sector will be 'muted'

Credit rating agency S&P Global Ratings has warned that grey listing by the Financial Action Task Force could (FATA) raise gov't borrowing costs.

(www.news24.com 12/09/22)

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