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Global economy may avoid recession as inflation risks ease

The global economy could avert a recession as data points to a potential soft landing, J.P. Morgan analysts said, while adding that the Federal Reserve might have "over-reacted" with the 75-basis point rate hike in July.

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

Over 18% of central banks adopted new reserves assets last year

Over the last year 18.6% of central banks added a new asset class to their reserves portfolios, the Reserves Benchmarks 2022 find. The trend is especially strong among middle income central banks. Overall, 28.6% of participating central banks in this income bracket reported an increased diversification of their assets. (www.centralbanking.com 14/09/22)

Emerging markets central banks maintain lead in portfolio tranching

Emerging markets central banks remain the institutions most likely to structure their reserves portfolios into sub-portfolios, or tranches, focused on liquidity or investment objectives. (www.centralbanking.com 13/09/22)

Biden says it will take more time to lower inflation

US President Joe Biden said it will take more time to curb inflation even as Tuesday's consumer price data for August showed "more progress in bringing global inflation down in the US economy. (www.reuters.com 13/09/22)

US Inflation tops forecasts, cementing odds of big fed hike

US consumer prices were resurgent last month, dashing hopes of a nascent slowdown and likely assuring another historically large interest-rate hike from the Federal Reserve.

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

Fed's QT will be more complex this time, official says

Quantitative tightening is now well underway in the US, but there are differences to the last period of balance sheet run-off that complicate the outlook, according to Patricia Zobel. Zobel heads up the System Open Market Account, the team at the Federal Reserve Bank of New York tasked with market operations.

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

US consumer prices inch higher in August, annual growth slows less than expected

A highly anticipated report released by the Labor Department showed an unexpected uptick in US consumer prices in the month of August. The Labor Department said its consumer price index inched up by 0.1% in August after coming in unchanged in July.

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

Traders start to consider even bigger Fed rate hikes after hot CPI

Rates traders are now betting that the Federal Reserve will lift its benchmark rate by at least three-quarters of a percentage point next week, with some chatter that the increase might need to be even bigger than that, after consumer-price inflation data came in hotter than expected. (www.bloomberg.com 13/09/22)

US CPI inflation falls modestly

The US Bureau of Labor Statistics announced on September 13 that consumer price index (CPI) inflation was 8.3% in August, down from 8.5% in July. This is the second consecutive drop in year-on-year CPI inflation in the US, but the figure was higher than some forecasts. The core CPI reading, subtracting food and energy prices, rose to 6.3% in August, an increase from 5.9% in July.

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

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.1526	(1.1700)	1.1527	(1.1701)
+USD/EUR	0.9995	(1.0129)	0.9996	(1.0130)
*GHS/USD	8.2646	(8.2544)	8.2728	(8.2626)
*GHS/GBP	9.5257	(9.6579)	9.5361	(9.6681)
*GHS/EUR	8.2610	(8.3616)	8.2685	(8.3699)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 14/09/22 (Rates for 13/09/22 in brackets)

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Bank of England to raise rates by 50bps again to tame inflation

The Bank of England looks set to hike borrowing costs by another 50 basis points next week, although it may opt for an even bigger move, adding to the woes of indebted households already facing a cost of living crisis. (www.reuters.com 13/09/22)

UK inflation rate slips from 40-year high with drop in petrol prices

Britain's inflation eased from its highest rate in four decades after petrol declined, leaving the pace of price increases uncomfortably high for the Bank of England. The Consumer Prices Index rose 9.9% from a year ago last month, slower than the 10.1% pace in July, the Office for National Statistics said on Wednesday. (www.bloomberg.com 14/09/22)

China central bank to issue 5bn yuan of bills in Hong Kong

China's central bank plans to issue 5bn yuan worth of bills in Hong Kong on Sept. 20. These central bank bills will mature in six months, or 182 days, the People's Bank of China said on its website. The move aims to enrich yuan-investment products with high credit ratings in Hong Kong and improve the yield curve of the yuan in the region. (www.xinhuanet.com 14/09/22)

China sets yuan fix at strongest bias on record to lift currency

China extended its currency defense by setting its reference rate for the yuan with the strongest bias on record. The People's Bank of China set the fix at 6.9116 per dollar, 598 pips stronger than the average estimate in a Bloomberg survey of analysts and traders. (www.bloomberg.com 14/09/22)

German ZEW economic sentiment falls to lowest since 1992

German economic confidence weakened in September to the lowest since late 1992 as financial market experts were more concerned about the prospect of energy shortages in the winter and its subsequent impact on the economy. (www.rttnews.com 13/09/22)

European shares rise ahead of US CPI data

European stocks were broadly lower on Wednesday after Wall Street posted its biggest loss in 2 years overnight on worries the Fed is likely to raise US borrowing costs faster and further than previously expected. Meanwhile, Eurozone industrial production fell more than expected in July, raising worries about slowing growth. (www.rttnews.com 14/09/22)

Oil prices inch higher in choppy trade

Oil prices edged higher in choppy trade on Wednesday after ending lower the previous day to snap a three-session winning streak. Brent crude futures for November delivery rose 0.2% to \$93.32 in choppy trade, while WTI crude futures for October settlement were up 0.1% at \$87.41. (www.rttnews.com 14/09/22)

Gold prices mixed amid Fed rate hike bets

Gold prices traded mixed as traders leaned toward another 75-basis-point rate hike at next week's FOMC meeting. Spot gold edged up 0.1% to \$1,704.76 per ounce, while US gold futures were down 0.2% at \$1,714.75. The dollar index consolidated following Tuesday's impressive rally and the 2-year US Treasury yield scaled a new 15-year high. (www.rttnews.com 14/09/22)

Africa losing up to 15% of GDP growth to climate change - AfDB

Africa is losing 5% to 15% of its per capita economic growth due the effects of climate change and is facing a gaping climate finance shortfall, according to the African Development Bank. Africa has been hit hard by the fallout from climate change, which has aggravated droughts, flooding and cyclones across the continent in recent years. (www.reuters.com 13/09/22)

IMF postpones mission to Malawi for work on debt treatment

The IMF postponed a planned mission to Malawi to allow further discussions on the treatment of its debt, Finance Minister Sosten Gwengwe said. (www.bloomberg.com 13/09/22)

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