



Friday 16<sup>th</sup> September 2022

### World Bank chief economist worried about 'generalized stagflation' in global economy

World Bank chief economist Indermit Gill on Thursday said he was concerned about "generalized stagflation," a period of low growth and high inflation, in the global economy, noting that the bank had downgraded forecasts for three-quarters of all countries. ([www.reuters.com](http://www.reuters.com) 15/09/22)

### World Bank sees rising risk of global recession in 2023

The world may be edging toward a global recession as central banks across the world simultaneously hike interest rates to combat persistent inflation, the World Bank says. The world's three largest economies, the United States, China, and the euro area have been slowing sharply. ([www.reuters.com](http://www.reuters.com) 15/09/22)

### More central banks engage in gold lending and swaps

The number of central banks active in gold lending and swaps increased slightly last year, the Reserves Benchmarks 2022 reveal. Overall, 12 (27.27%) of the 44 participating central banks said they are active in these activities. ([www.centralbanking.com](http://www.centralbanking.com) 15/09/22)

### More reserve managers use ETFs

More central banks are using exchange-traded funds (ETFs) to diversify their reserves in pursuit of safety, liquidity and returns. ([www.centralbanking.com](http://www.centralbanking.com) 15/09/22)

### ECB jumbo hike isn't feeding through to market rates fast enough

A shortage of high-quality assets in the euro area is keeping a lid on short-term borrowing costs, a development that could endanger the ECB's effort to tighten financial conditions. ([www.bloomberg.com](http://www.bloomberg.com) 16/09/22)

### ECB must take determined steps to root out high inflation, de Guindos says

The ECB must prioritize the fight against inflation over growth concerns and needs determined policy steps to stop high price growth from getting entrenched, ECB Vice President Luis de Guindos said. ([www.reuters.com](http://www.reuters.com) 15/09/22)

### ECB's Makhlouf says raising rates is 'absolutely necessary'

It's "absolutely necessary" for the ECB to raise interest rates, Governing Council member Gabriel Makhlouf said. "A pivot to further tighten monetary policy has been necessary, as history has taught us that these issues will only be exacerbated if we delay action." ([www.bloomberg.com](http://www.bloomberg.com) 15/09/22)

### US import prices slid in August, offering some inflation relief

US import prices fell for a second straight month in August, offering one source of relief from inflationary pressures, with a strengthening dollar helping to cut the cost of products made abroad. Prices of imported goods dropped 1% in August. ([www.bloomberg.com](http://www.bloomberg.com) 15/09/22)

### Bank of England and new UK government risk policy clash

Britain's new Finance Minister Kwasi Kwarteng will test their ability to jointly manage the economy next week, with the BoE set to raise interest rates to fight inflation. ([www.reuters.com](http://www.reuters.com) 15/09/22)

### UK public inflation expectations at record high for coming year - BoE

The British public's expectations for inflation over the coming year rose to a record high last month, although longer-term expectations eased from previous multi-year highs. ([www.reuters.com](http://www.reuters.com) 15/09/22)

#### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.1490	(1.1562)	1.1491	(1.1563)
+USD/EUR	0.9996	(0.9989)	0.9997	(0.9990)
*GHS/USD	8.2756	(8.2656)	8.2838	(8.2738)
*GHS/GBP	9.5086	(9.5566)	9.5190	(9.5670)
*GHS/EUR	8.2727	(8.2570)	8.2810	(8.2645)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 16/09/22 (Rates for 15/09/22 in brackets)

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### **Bank of England says it never supported banker bonus cap, amid calls to scrap it**

The BoE never supported a cap on bankers' bonuses and thinks there are more effective ways to ensure banks account properly for risks, a spokesperson for the central bank said. ([www.reuters.com](http://www.reuters.com) 15/09/22)

### **UK to hold emergency budget on Sept. 23 - reports**

Britain's new Finance Minister, Kwasi Kwarteng, will deliver an emergency mini-budget on Sept. 23 to lay out further support to help ease a cost-of-living crisis in the country, the Guardian and other media outlets reported. ([www.reuters.com](http://www.reuters.com) 15/09/22)

### **China's economy shows signs of recovery as stimulus ramps up**

China's economy showed signs of recovery in August as Beijing rolled out stimulus measures to counter a slowdown, although a property market slump and Covid outbreaks continue to weigh on the outlook. ([www.bloomberg.com](http://www.bloomberg.com) 16/09/22)

### **Chinese economy's export pillar shows cracks from global slowdown**

China's exporters, the last reliable pillar of the world's second-largest economy as it struggled with the pandemic, weak consumption and a property crisis are warning of hard times ahead as softer overseas markets force them to shed workers. ([www.reuters.com](http://www.reuters.com) 15/09/22)

### **Bank of France's gloomy outlook casts doubt on Macron's plans**

France's central bank slashed next year's economic-growth forecast and raised its inflation outlook, painting a much bleaker picture of the outlook than President Emmanuel Macron's government. ([www.bloomberg.com](http://www.bloomberg.com) 15/09/22)

### **Australia's central bank says closer to normalising rates, hints at 2.5-3.5% range**

Australia's top central banker on Friday said interest rates are closer to normalisation after a successive run of outsized hikes, although he warned rates are still low, hinting a range of 2.5%-3.5%. ([www.reuters.com](http://www.reuters.com) 16/09/22)

### **European stocks seen opening on a weak note**

European stock markets are expected to open on a negative note on Friday amidst a negative sentiment worldwide driven by fears the Fed would be willing for a fierce combat against inflation. The pan-European Stoxx 600 shed 0.65%. Germany's DAX dropped 0.55% whereas Switzerland's SMI edged down 0.07%. UK's FTSE 100 had however edged up 0.07%. ([www.rttnews.com](http://www.rttnews.com) 16/09/22)

### **Oil futures settle sharply lower on demand concerns**

Oil prices fell sharply amid concerns about outlook for energy demand, and on reports about a tentative deal between rail road union and its workers to avert a potentially disastrous rail strike in the US. West Texas Intermediate Crude oil futures for October ended lower by \$3.38 or about 3.8% at \$85.10 a barrel. ([www.rttnews.com](http://www.rttnews.com) 15/09/22)

### **Gold hits two-week low on Fed concerns**

Gold prices slipped to hit two-week lows as the dollar held near recent peaks, diminishing the precious metal's safe-haven appeal. Spot gold dipped 0.4% to \$1,690.51 per ounce, while US gold futures were down 0.6% at \$1,699.40. ([www.rttnews.com](http://www.rttnews.com) 15/09/22)

### **West Africa central bank orders second rate rise of 2022**

The Central Bank of West African States (BCEAO) announced a 25-basis point increase in its policy rates on September 14. The move brings the open market operations rate to 2.5% and the repo rate to 4.5%. It was only the second time the BCEAO monetary policy committee has raised rates since 2016, following a 25bp hike in June. ([www.centralbanking.com](http://www.centralbanking.com) 15/09/22)

### **Nigerian inflation at 19-year high points to rate hike**

Nigeria's inflation rate hit a fresh 17-year high in August, placing renewed pressure on the central bank to increase interest rates. Annual inflation quickened to 20.5% in Africa's biggest economy, compared with 19.6% in July. ([www.bloomberg.com](http://www.bloomberg.com) 15/09/22)

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