



Tuesday 20th September 2022

Global economy faces four key risks, warns Singapore MAS chief

The global economy faces not one, but four key uncertainties including a downturn next year, according to Singapore central bank chief Ravi Menon, in a signal that policy makers will be in firefighting mode for longer. (www.bloomberg.com 20/09/22)

BIS backs "forceful" rate hikes despite rising recession risk

The world's central bank umbrella body, the Bank for International Settlements (BIS), has urged major economies to forge ahead with forceful interest rate hikes despite the growing threat of recessions and currency market volatility. (www.reuters.com 19/09/22)

Markets starting to reflect 'tenacious' inflation, says BIS

Markets swung back and forth several times in the past 3-months as investors struggled to digest news on the outlook for inflation, the Bank for International Settlements says. Initially, markets viewed tighter policy from the US Federal Reserve as a sign inflation would fall. (www.centralbanking.com 19/09/22)

ECB's De Cos backs more gradual hikes to safeguard economy

The pace and magnitude of monetary tightening by the ECB will depend on its capacity to keep a lid on inflation expectations and reduce the spread of price increases, says De Cos. (www.bloomberg.com 19/09/22)

ECB Guindos says growth slowdown isn't enough to ease inflation

The ECB will need to continue fighting inflation as the economic slowdown in the euro zone is not enough to curb consumer prices, according to Luis de Guindos. (www.bloomberg.com 19/09/22)

ECB to avoid climate laggards' long-term bonds in historic tilt

The ECB will limit purchases of longer-term debt issued by companies that rank poorly under a new scoring system created to screen out polluters and tackle climate change. The maturity limit will cut the "longer-term exposure of the Eurosystem to transition risks. (www.bloomberg.com 19/09/22)

US needs tighter policy, former senior Fed adviser says

Fed chair Jay Powell and his colleagues have made clear that they're going to base their decision-making first and foremost on the demonstrated record of inflation and in that light, the most recent move has been distinctly discouraging. (www.centralbanking.com 19/09/22)

Bank of England weighs biggest interest-rate rise in 33 years

The Bank of England this week will consider whether to push through the biggest interest-rate increase in 33 years to respond to surging inflation and weakening confidence in British assets. (www.bloomberg.com 19/09/22)

Markets anticipate two three-quarter point BOE hikes by year-end

Traders are rapidly dialling up rate-hike wagers for the UK, betting the BoE will deliver two outsized increases by the end of the year to quell rampant inflation stoked by surging energy prices. (www.bloomberg.com 20/09/22)

China maintains loan prime rates

China left its main lending rates unchanged on Tuesday, as widely expected, after lowering the rates last month. The People's Bank of China retained its five-year loan prime rate, or LPR, the benchmark for mortgage rates, at 4.30%. (www.rttnews.com 20/09/22)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.1402	(1.1409)	1.1404	(1.1411)
+USD/EUR	1.0005	(1.0008)	1.0006	(1.0009)
*GHS/USD	9.0055	(8.2856)	9.0145	(8.2938)
*GHS/GBP	10.2681	(9.4530)	10.2801	(9.4641)
*GHS/EUR	9.0102	(8.2921)	9.0200	(8.3011)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 20/09/22 (Rates for 19/09/22 in brackets)

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China lowers 14-day reverse repo rate

China's central bank conducted a reverse repo operation at a lower rate in order to improve liquidity in the financial system. The People's Bank of China injected CNY 10bn via 14-day reverse repos at an interest rate of 2.15% (www.rttnews.com 19/09/22)

German economy to shrink all winter as gas taps are turned off, Bundesbank says

The German economy is contracting already and will likely get worse over the winter months as gas consumption is cut, the country's central bank said. With Russia, which had supplied about 40% of the European Union's gas before the Ukraine conflict, shutting the pipeline taking that fuels to Germany. (www.reuters.com 19/09/22)

Swedish C. Bank surprises with full percentage point rate hike

Sweden's central bank hiked interest rates by a full percentage point to 1.75% on Tuesday in surprise move and warned that more was to come as it sought to get to grips with surging inflation. (www.reuters.com 20/09/22)

Norway to hike rates by 50 basis points this week

Norway's central bank is expected to raise its benchmark interest rate again this week and signal a continued rise in the cost of borrowing in the fourth quarter to combat inflation. (www.reuters.com 19/09/22)

Portugal PPI inflation eases further

Portugal's producer price inflation slowed for the second straight month in August, though it remained strong overall, figures from Statistics Portugal showed. The producer price index climbed 22.4% year-on-year in August, slower than the 24.6% rise in July. (www.rttnews.com 19/09/22)

BOJ seen sticking to ultra-low rates, defy global rate hike rush

The Bank of Japan is set to maintain ultra-low interest rates and its dovish policy guidance on Thursday, a decision that comes hours after its US counterpart's expected big rate hike. (www.reuters.com 20/09/22)

European shares seen tad higher as Fed meeting gets underway

European stocks are likely to open higher on Tuesday as investors keep a close eye on the US Federal Open Market Committee (FOMC) meeting that gets underway later today. The pan European Stoxx 600 ended flat with a negative bias. The German DAX edged up half a percent, France's CAC 40 index dipped 0.3% and the UK's FTSE 100 declined 0.6%. (www.rttnews.com 20/09/22)

Oil futures recover from early weakness, settle moderately higher

Oil prices rebounded after falling sharply and ended on a firm note amid concerns about supplies. West Texas Intermediate Crude oil futures for October ended higher by \$0.62 or about 0.7% at \$85.73 a barrel, rallying from a low of \$82.10 a barrel. Brent crude futures for November settled at \$92.01 a barrel, gaining \$0.66 or about 0.73%. (www.rttnews.com 19/09/22)

Gold futures settle lower as markets await rate decisions

Gold futures settled lower amid rising speculation the Federal Reserve will announce another sharp hike in interest rates on Wednesday to fight inflation. The Bank of England meets on Thursday, with markets split on whether the central bank will raise rates by 50 or 75 basis points ahead of a mini budget to be unveiled. (www.rttnews.com 19/09/22)

IMF says Zimbabwe's tight monetary policy is right direction

The IMF said policy interventions of the last few months by authorities in Zimbabwe were in the right direction and have helped stop the currency's free-fall, even as the Washington-based lender kept its growth forecast this year at 3.5%. (www.bloomberg.com 20/09/22)

Nigeria's public debt stock hits N42trn

The Debt Management Office (DMO) said Nigeria's total public debt stock, which was N41.60tr in March rose to N42.84tr by June. A statement on DMO's website said, the total debt represents the domestic and external debt stocks. (www.guardian.ng.com 20/09/22)

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