



Friday 23rd September 2022

Central banks unleash 350 basis points more of rate hikes in inflation fight

Major central banks have stepped up their fight against runaway inflation, unleashing another 350 basis points of hikes in a pivotal week in which policymakers are determined to show they mean business. The Federal Reserve raised US interest rates by three-quarters of a percentage point for the third consecutive month. (www.reuters.com 22/09/22)

Central bank rate hikes are far from over

This week's blitz of interest rate hikes is unlikely to mark the end of a campaign by central banks to crush inflation even as they run the mounting risk of driving their economies into recession. Many policy makers lifted their benchmark borrowing costs during a three-day window that made clear their chief worry is the strongest run of inflation. (www.bloomberg.com 22/09/22)

Powell signals recession may be price to pay for crushing inflation

Federal Reserve officials gave their clearest signal yet that they're willing to tolerate a recession as the necessary trade-off for regaining control of inflation. Policy makers, criticized for being too late to realize the scale of the US inflation problem. (www.bloomberg.com 22/09/22)

US leading economic index extends decline to six straight months in August

Potentially signaling a recession, the Conference Board released a report on Thursday showing its index of leading US economic indicators declined for the sixth consecutive month in August. The Conference Board said its leading economic index fell by 0.3% in August after sliding by a revised 0.5% in July. (www.rttnews.com 22/09/22)

BOE raises rates by a half-point as push begins for bigger moves

The BoE delivered a second consecutive half-point interest-rate hike in its battle to bring down inflation, as three officials pushed for the institution to join its global peers in moving at an even quicker pace. The move to 2.25% was backed by five of the 9-member Monetary Policy Committee(MPC), including Governor Andrew Bailey, while one voted for a smaller move. (www.bloomberg.com 22/09/22)

Former BOE policy maker Martin Weale says Truss's tax-cutting plan will 'end in tears'

Former BoE policy maker Martin Weale said the UK government's radical tax cutting plan to boost growth will "end in tears" with a run on the pound. Weale, previously served on the UK central bank's Monetary Policy Committee and as Director of the influential National Institute for Economics & Social Research. (www.bloomberg.com 22/09/22)

UK's Kwarteng expects Bank of England to keep acting forcefully

New British finance minister, Kwasi Kwarteng said on Thursday that he expects the Bank of England to take the forceful action necessary to contain inflation, in a letter to the central bank's Governor, Andrew Bailey. (www.reuters.com 22/09/22)

We want Bank of England to redouble focus on tackling inflation

The British government wants the Bank of England to redouble its focus on tackling inflation, levelling up Minister Simon Clarke told LBC Radio on Friday. Asked if the central bank had been 'asleep at the wheel' last year on inflation, he said: "No, I don't believe they were". (www.reuters.com 23/09/22)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.1252	(1.1409)	1.1254	(1.1410)
+USD/EUR	0.9816	(0.9991)	0.9817	(0.9992)
*GHS/USD	9.2367	(9.0355)	9.2459	(9.0445)
*GHS/GBP	10.3931	(10.3086)	10.4054	(10.3198)
*GHS/EUR	9.0675	(9.0268)	9.0766	(9.0366)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 23/09/22 (Rates for 22/09/22 in brackets)

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China drip feeds liquidity before quarter-end amid yuan slide

China took small steps to boost short-term liquidity before quarter-end as it seeks to support its Covid-battered economy, without spurring further yuan weakness. The People's Bank of China injected ¥92bn into the banking system via reverse repos this week.

(www.bloomberg.com 23/09/22)

China's 2023 growth outlook at risk under uncertain covid policy

Economists are becoming increasingly pessimistic about China's economic outlook for next year, expecting any rebound to be bumpy under Beijing's Covid Zero strategy and disruptions likely when the country eventually reopens. Nomura Holdings Inc. slashed its 2023 gross domestic product growth forecast for China to 4.3% from 5.1%.

(www.bloomberg.com 23/09/22)

China to make greater efforts to bolster economic recovery and growth

At a State Council Executive Meeting, Premier Li Keqiang heard a report on the ninth round of State Council's accountability inspection. He urged efforts for policy implementation to bolster the recovery and growth of the economy. The meeting noted the recent ninth round of accountability inspection. (www.xinhuanet.com 22/09/22)

German economic momentum slows further amid deeper energy crisis

Germany's economic slump deepened as demand for goods and services deteriorated rapidly on the back of surging energy costs and an increasingly uncertain outlook. A gauge of private-sector activity by S&P Global fell in September to the lowest level since May 2020 as inflationary pressure intensified. (www.bloomberg.com 23/09/22)

Spain Q2 quarterly GDP growth revised to 1.5% from 1.1%

Spanish GDP grew faster in the second quarter than originally estimated, compared with the prior quarter, reflecting a healthy Easter rebound from the winter months and a more robust export rise. (www.reuters.com 23/09/22)

European shares seen little changed after Thursday's sell-off

European stocks are seen opening little changed on Friday after steep losses in the previous session. The pan European Stoxx 600 fell 1.8%. The German DAX lost 1.8 percent, France's CAC 40 index tumbled 1.9 percent and the UK's FTSE 100 declined 1.1%.

(www.rttnews.com 23/09/22)

Oil futures settle higher on supply concerns

Crude oil prices settled higher on concerns about tight supplies amid geopolitical tensions. West Texas Intermediate Crude oil futures for November ended higher by \$0.55 or about 0.7% at \$83.49 a barrel, coming off a high of \$86.00 a barrel. Brent crude futures were up \$0.55 or 0.61% at \$90.38 a barrel.

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

Gold subdued with central bank meetings firmly in focus

Gold prices held near 29-month lows after the US Federal Reserve and Swiss National Bank both hiked their key policy rates by 75 basis points, hurting demand for the non-yielding precious metal. Spot gold dipped 0.4% to \$1,666.99 per ounce while US gold futures were marginally lower at \$1,674.85.

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

South Africa central bank raises key rate by 75 basis points

South Africa's central bank raised interest rates by three-quarters of a percentage point for a second straight meeting, fully unwinding its extraordinary pandemic-era stimulus measures. The monetary policy committee raised the repurchase rate to 6.25% from 5.5%, Governor Lesetja Kganyago said.

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

IMF says gold coins a missed chance to build Zimbabwe reserves

The gold coins that have been in circulation in Zimbabwe for almost three months are a missed chance to build the nation's gold reserves, according to the IMF. The sale of gold coins has contributed to withdrawing Zimbabwe dollar liquidity from the market.

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

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