



Monday 26<sup>th</sup> September 2022

### **Euro zone inflation becoming increasingly broad, ECB's de Guindos says**

Euro zone inflation is becoming increasingly broad while growth is weakening as the bloc is struggling with the fallout from Russia's war in Ukraine, ECB Vice President Luis de Guindos said. ([www.reuters.com](http://www.reuters.com) 26/09/22)

### **ECB's newest Governor warns of danger from inflation 'disease'**

The ECB's newest policy maker has plenty to say on the danger of consumer prices running out of control during a war. Croatian National Bank Governor can remember only too well how his country suffered inflation of 1,500% during the 1990s. ([www.bloomberg.com](http://www.bloomberg.com) 26/09/22)

### **Euro-area inflation fast nearing 10% will test Lagarde and the ECB**

Euro-area inflation probably hit another record last month, just short of 10%, keeping the heat on the ECB as it considers how aggressively to raise interest rates. All economists predict a new all-time high for consumer-price increases. ([www.bloomberg.com](http://www.bloomberg.com) 25/09/22)

### **Fed's Bostic says US could have a 'relatively orderly' slowdown**

Federal Reserve Bank of Atlanta President Raphael Bostic said the strong US job market suggests the economy could slow down in "a relatively orderly way" as the central bank bears down on inflation by raising interest rates. ([www.bloomberg.com](http://www.bloomberg.com) 25/09/22)

### **US is inflating its debt away after unprecedented spending binge**

For all the attention that soaring inflation has gotten this year, one of its most surprising direct offshoots has gone largely unnoticed: US government debt is shrinking rapidly. Not in dollars-and-cents terms. No, that's growing day by day, minute by minute. ([www.bloomberg.com](http://www.bloomberg.com) 23/09/22)

### **UK rout to push BOE to full-point hike, Bloomberg economics says**

The market rout that followed the UK's fiscal event last week will prompt the Bank of England to raise interest rates by 100 basis points, potentially at an emergency meeting, according to Bloomberg Economics. ([www.bloomberg.com](http://www.bloomberg.com) 26/09/22)

### **Traders turbocharge bets on BOE rate hikes after sterling freefall**

UK bonds plummeted after traders ramped up bets on the pace and size of interest-rate hikes by the Bank of England due to fears over the new UK government's fiscal policies. ([www.bloomberg.com](http://www.bloomberg.com) 26/09/22)

### **UK's Kwarteng says he is focused on growth, not market moves**

British Finance Minister Kwasi Kwarteng said that he was focused on boosting longer-term growth, not on short-term market moves, when challenged over the sharp fall in sterling and bond prices following his first fiscal statement. Kwarteng scrapped the country's top rate of income tax and cancelled a planned rise in corporate taxes. ([www.reuters.com](http://www.reuters.com) 25/09/22)

### **Pound crashes to all-time low with UK markets 'under siege'**

The pound plunged almost 5% to an all-time low and gilts crashed after the UK government vowed to press on with more tax cuts, stoking fears that new fiscal policies will send inflation and debt soaring. ([www.reuters.com](http://www.reuters.com) 25/09/22)

### **China to raise reserve requirement for forward forex trading to 20%**

China's central bank announced that it will elevate the foreign exchange risk reserve ratio for forward forex trading from zero to 20%, starting Wednesday. The People's Bank of China slashed the rate from 20% to zero in October 2020. ([www.xinhuanet.com](http://www.xinhuanet.com) 26/09/22)

#### **EXCHANGE RATES OF SELECTED CURRENCIES**

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.0914	(1.1252)	1.0917	(1.1254)
+USD/EUR	0.9717	(0.9816)	0.9718	(0.9817)
*GHS/USD	9.5366	(9.2367)	9.5462	(9.2459)
*GHS/GBP	10.4083	(10.3931)	10.4216	(10.4054)
*GHS/EUR	9.2666	(9.0675)	9.2776	(9.0766)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 26/09/22 (Rates for 23/09/22 in brackets)

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### **China steps up yuan support as currency nears weakest since 2008**

China made it more expensive to bet against the yuan in the derivatives market, ramping up support for the currency as it slides toward the weakest level since the 2008 financial crisis. The People's Bank of China on Monday said it will impose a risk reserve requirement of 20% on banks' foreign-exchange forward sales to clients. ([www.bloomberg.com](http://www.bloomberg.com) 26/09/22)

### **China's central bank adds liquidity via reverse repos**

China's central bank conducted a total of ¥135bn of reverse repos to maintain liquidity in the banking system. The amount included ¥42bn of seven-day reverse repos at an interest rate of 2%, and ¥93bn of 14-day reverse repos at an interest rate of 2.15%. ([www.xinhuanet.com](http://www.xinhuanet.com) 26/09/22)

### **China's non-cash payments maintain steady growth in Q2**

Non-cash payments handled by Chinese banks continued stable expansion in the second quarter of the year, with electronic payments sustaining growth momentum, a central bank report said. Non-cash payments via bank cards, electronic payment vehicles, commercial papers, credit transfers and other settlements, hit ¥1,165.73 tr. ([www.xinhuanet.com](http://www.xinhuanet.com) 24/09/22)

### **Australia central bank's digital currency pilot likely next year**

The Reserve Bank of Australia is working to identify business models and uses for a central bank digital currency, or eAUD, and is likely to conduct a pilot early next year. The project, which began in July, will help "further understanding of some of the technological, legal and regulatory considerations associated with a CBDC. ([www.bloomberg.com](http://www.bloomberg.com) 26/09/22)

### **India cenbank likely sells dollars as rupee hits fresh record low**

The Indian rupee sank to a new record low, following the pound's tumble and fears over more aggressive monetary tightening, with traders saying the Reserve Bank of India likely sold dollars to contain the decline. ([www.reuters.com](http://www.reuters.com) 26/09/22)

### **European shares set to fall; FTSE may outperform as pound hits record low**

European markets are seen opening broadly lower on Monday though UK stocks may see some benefit from a weakening pound, which plunged to a record low against the dollar on recession fears. The pan European Stoxx 600 plunged 2.3%. The German DAX and the UK's FTSE 100 both fell around 2% while France's CAC 40 index plummeted 2.3%. ([www.rttnews.com](http://www.rttnews.com) 26/09/22)

### **Oil prices fall for a second day on concerns for expected recession**

Oil prices fell for a second day on fears of lower fuel demand from an expected global recession sparked by rising worldwide interest rates and as a surging US dollar limits the ability of non-dollar consumers to purchase crude. Brent crude futures for November settlement slipped \$1.35, or 1.57%, to \$84.80 a barrel at 0640 GMT. ([www.reuters.com](http://www.reuters.com) 26/09/22)

### **Gold futures settle sharply lower as dollar, bond yields soar**

Gold prices fell as the dollar soared to a new two-decade high, extending recent gains following an aggressive rate hike by the Federal Reserve and the Fed Chair Powell's comments that signaled further sharp increases in rate in the coming months. The Federal Reserve has signaled a longer tightening cycle to get inflation back under control. ([www.rttnews.com](http://www.rttnews.com) 23/09/22)

### **Tanzania central bank to reduce liquidity to tackle inflation**

Tanzania's central bank will reduce liquidity in the economy in September and October to slow rising inflation in the east African country, a statement from the bank's monetary policy committee (MPC) published on Saturday said. ([www.reuters.com](http://www.reuters.com) 24/09/22)

### **IMF team heads to Ghana on Monday to discuss loan programme request**

The IMF confirmed on Sunday that a staff team will visit Ghana this week to continue discussions with the authorities on policies and reforms that could be supported by an IMF lending arrangement. ([www.reuters.com](http://www.reuters.com) 25/09/22)

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