



Wednesday, 13th September 2023

Assets of world’s top pension funds fall for first time in 5 years

Total assets at the world’s 300 largest pension funds declined for the first time since 2018, as elevated inflation and higher interest rates disrupted stock and bond markets. Their assets totalled \$20.6tn at the end of 2022, a 12.9% decline after 8.9% growth in 2021, according to WTW’s Thinking Ahead Institute. (www.ft.com 12/09/23)

WTO in survival mode pushes back on splintering global trade

Fragmentation of the global economy into separate blocs would be “extremely costly” and make the world a less stable place, the World Trade Organization said in a report published on Tuesday. The report notes that geopolitical tensions among major economies are beginning to affect trade flows. (www.bloomberg.com 12/09/23)

Central banks’ average imports coverage ratio falls further

Central banks’ average import coverage ratio narrowed further by 3.5% year on year, data from the Reserve Benchmarks 2023 showed. The average import coverage ratio this year is 6.7 months. Last year, it stood at 6.9 months. In line with data from previous years, the highest average coverage ratio is recorded among upper-middle income central banks. (www.centralbanking.com 13/09/23)

Fabio Panetta to chair CPMI

The Bank for International Settlements (BIS) said Fabio Panetta will take over as chair of its Committee on Payments and Market Infrastructures (CPMI), as part of a changeover in leadership. The incoming Bank of Italy Governor has overseen work on the digital euro, as part of his current duties as executive board member at the European Central Bank. (www.centralbanking.com 12/09/23)

The ECB’s rate rise dilemma

This week’s European Central Bank meeting is set to be one of the most fiercely debated in months. For more than a year there has been a broad consensus among the eurozone’s monetary policymakers that interest rates need to go higher to tame inflation. Rates have been pushed up by 4.25 percentage points since July 2022. (www.ft.com 12/09/23)

Fed to leave rates unchanged on Sept. 20; cut unlikely before Q2 2024

The Fed will leave its benchmark overnight interest rate unchanged at the end of its Sept. 19-20 policy meeting and probably wait until the April-June period of 2024 or later before cutting it, according to economists. Fed Chair Jerome Powell underscored the "higher-for-longer" mantra for rates in a speech at the annual Jackson Hole central banking symposium in August. (www.reuters.com 12/09/23)

UK economy contracts as wet weather and strikes hit activity

The UK economy contracted more than expected in July as unusually wet weather and strikes hit spending and activity. Gross domestic output dropped by 0.5% between June and July, reversing an expansion the previous month, data published by the Office for National Statistics showed on Wednesday. (www.ft.com 13/09/23)

German ZEW economic confidence improves moderately

Germany's economic sentiment unexpectedly improved in Sept. as interest rates peaked in the euro area and the US, but financial market experts' assessment of the current situation turned more pessimistic, ZEW-Leibniz Centre for European Economic Research says. The ZEW Indicator of Economic Sentiment rose to a 3-month high of -11.4 in Sept. from -12.3 in Aug. (www.rttnews.com 12/09/23)

EXCHANGE RATES OF SELECTED CURRENCY

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2472	(1.2513)	1.2473	(1.2515)
+USD/EUR	1.0726	(1.3075)	1.0726	(1.0749)
*GHS/USD	11.0503	(11.0476)	11.0613	(11.0586)
*GHS/GBP	13.7819	(13.8238)	13.7968	(13.8399)
*GHS/EUR	11.8534	(11.8721)	11.8641	(11.8848)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 13/09/23 (Rates for 12/09/23 in brackets)

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Japan producer prices rise 0.3% on month in August

Producer prices in Japan were up 0.3% on month in Aug. the Bank of Japan said. That beat forecasts for an increase of 0.1%, which would have been unchanged from the July reading. On a yearly basis, producer prices climbed 3.2% in line with expectations and down from the downwardly revised 3.4% increase in the previous month (originally 3.6%). (www.rttnews.com 12/09/23)

India inflation eases more than expected

India's consumer price inflation eased more than expected in August, data published by the National Statistical Office showed on Monday. Underpinned by robust growth in mining and electricity, industrial production growth accelerated more-than-expected in July. The consumer price index posted an annual increase of 6.83% in August. (www.rttnews.com 12/09/23)

Spain inflation accelerates for second month

Spain's consumer prices inflation climbed for the second month in a row in August, while core price growth slowed slightly, data from the statistical office INE shows. The CPI rose 2.6% year-on-year in Aug. following a 2.3% rise in July. Core inflation, which excludes the volatile prices of fresh food and energy, eased to 6.1% from 6.2%. (www.rttnews.com 12/09/23)

Portugal inflation unrevised at 3.7%

Portugal's consumer price inflation accelerated, as initially estimated in August, the latest data from Statistics Portugal showed on Tuesday. Consumer price inflation rose to 3.7% in August from 3.1% in the previous month. That was in line with the flash data published on Sept 12. (www.rttnews.com 12/09/23)

SK jobless rate falls to 2.4%

South Korea's unemployment rate decreased in Aug. data from Statistics Korea shows. The unemployment rate dropped to a seasonally adjusted 2.4% in Aug. from 2.8% in July. In the corresponding month last year, unemployment rate was 2.6%. On an unadjusted basis, the jobless rate also declined to 2.0% in Aug. from 2.7%. (www.rttnews.com 13/09/23)

Oil near 10-month peak on supply tightness, US inflation data awaits

Oil rose on Wednesday, firming its ground near a 10-month peak reached during trading a day earlier, as the market balanced supply concerns over Libya output and OPEC+ cuts with global macroeconomic headwinds. Benchmark Brent futures edged higher by 8 cents, or 0.1%, to \$92.14 a barrel by 0630 GMT. (www.reuters.com 13/09/23)

US stocks fall as oil price hits highest level this year

US stocks declined and oil prices hit 2023 highs, stirring investors' concerns about mounting price pressures a day before the release of the closely watched US inflation report. Wall Street's benchmark S&P 500 slipped 0.6%, as declines for Apple and other big tech stocks outweighed an advance for oil and gas companies. (www.ft.com 12/09/23)

G20 accepts AU as new member to boost representation for developing countries

The Group of 20 (G20) members agreed Saturday to accept the African Union (AU) as a new member to give a greater voice and more representation to developing countries. The agreement was reached at the inaugural session of the two-day G20 summit held in New Delhi during the weekend. (www.xinhuanet.com 12/09/23)

Nigeria asks banks to reserve forex gains amid currency risks

Nigeria's central bank instructed the nation's lenders to divert windfall currency revaluation gains into buffers against future losses, following the devaluation of the naira earlier this year. (www.bloomberg.com 12/09/23)

BoG incorporates limited AQR to assess health of banks' loan

BoG has incorporated a limited Asset Quality Review in its supervisory programme for 2023. This is being conducted to assess the health of banks' loan and investment portfolios to determine whether their asset classifications are in line with the required classification norms. (www.myjoyonline.com 13/09/23)

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