



Friday, July 06, 2018

European Parliament advises regulators not to ban cryptocurrencies

The European Parliament has advised policymakers and regulators not to ignore cryptocurrencies or attempt to ban them. It should be treated by regulators as any other financial instrument, proportionally to their market importance, complexity, and associated risks, a recent report published by the legislative arm of the European Union says. (www.rttnews.com 05/07/18)

US and China fire first shots in trade war

US tariffs on \$34bn (£25.7bn) of Chinese goods have come into effect, signalling the start of a trade war between the world's two largest economies. The 25% levy came into effect at midnight Washington time. China has retaliated by imposing a similar 25% tariff on 545 US products, also worth a total of \$34bn. (www.bbc.com 06/07/18)

US job growth seen strong in June, wages picking up

US employers likely maintained a brisk pace of hiring in June while increasing wages for workers, which would reinforce expectations of robust economic growth in the second quarter. Nonfarm payrolls probably increased by 195,000 jobs last month, adding to 223,000 positions generated in the month of May. (www.reuters.com 06/07/18)

China's central bank adviser says US tariffs seen cutting GDP growth by 0.2% points

A China central bank adviser has said the planned US import tariffs on \$50bn worth of Chinese goods will cut China's growth by 0.2% points but its overall impact will be limited, the Xinhua news agency has reported. China will consider measures to help sectors that are hardest-hit by the trade war with the US. (www.reuters.com 06/07/18)

Stronger UK growth shows need for higher rate, Carney says

The UK economy is showing signs of rebounding from a sluggish first quarter of the year, supporting the view that it will require higher interest rates, Bank of England Governor Mark Carney has said. "Domestically, the incoming data have given me greater confidence that the softness of UK activity in the first quarter was largely due to the weather, not the economic climate," Carney said. (www.bloomberg.com 05/07/18)

UK house price growth slowed in June

UK house prices increased at a slower pace in June. House prices grew only 0.3% on month in June, following May's 1.7% increase. Prices were expected to gain 0.2%. In three months to June, house prices advanced 1.8% annually, slower than a 1.9% rise seen in three months to May. (www.rttnews.com 06/07/18)

Japan leading index climbed in May

Japan's leading index increased more than expected in May to the highest level in six months. The leading index, which measures the future economic activity, climbed to 106.9 in May from 106.2 in April. The index was forecast to rise to 106.6. Moreover, this was the highest reading since Nov. last year, when it marked 107.4. (www.rttnews.com 06/07/18)

French trade deficit widened in May

France's foreign trade gap widened in May as exports fell faster than imports. The trade deficit rose to €6bn in May from €5.21bn in the previous month. Exports fell 2% month-over-month in May, reversing a 2.9% increase a month ago. The deficit on goods trade increased to €4.9bn from €3.9bn. The balance of services showed a surplus of €1bn. (www.rttnews.com 06/07/18)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3211	(1.3199)	1.3241	(1.3231)
+USD/EUR	1.1687	(1.1629)	1.1709	(1.1652)
*GHS/USD	4.5269	(4.5243)	4.5314	(4.5287)
*GHS/GBP	5.9864	(5.9775)	5.9941	(5.9860)
*GHS/EUR	5.2958	(5.2665)	5.3003	(5.2717)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 06/07/18 (Rates for 05/07/18 in brackets)

* BOG INTERNAL TRANSACTION RATES: 06/07/18 (Rates for 05/07/18 in brackets)

Swiss inflation rose marginally in June

Switzerland's inflation continued to rise in June. Inflation rose to 1.1% in June from 1% in May. The rate came in line with expectations. Consumer prices remained flat on a monthly basis in June after climbing 0.4% a month ago. Prices were expected to gain 0.1%. The Swiss National Bank last month lifted its inflation forecast for this year to 0.9% from 0.6%, citing a marked rise in oil prices. (www.rttnews.com 05/07/18)

S. Korea's current account surplus hits 8-month high

Albania's central bank has left its key interests rate at 1% a month after cutting it, saying "expectations for the future remain positive," as the current monetary policy stance is keeping financing costs low. Albania's inflation rate was steady at 2.1% in May and April, in the lower band of the central bank's target of 3%, plus/minus 1 percentage point. (www.centralbanknews.info 04/07/18)

Norway industrial production fell in May

Norway's industrial production declined for a second straight month in May. Industrial production fell a calendar-adjusted 1.6% year-over-year in May, following a 1.9% drop in April. Among sectors, output of extraction and related services contracted notably by 7.0% annually in May. (www.rttnews.com 06/07/18)

Denmark industrial production declined in May

Denmark's industrial production decreased in May after recovering in April. Industrial production dropped a seasonally adjusted 1.5% month-over-month in May, reversing a 1.5% rise in April. (www.rttnews.com 06/07/18)

Taiwan inflation eased more than expected in June

Taiwan's consumer price inflation eased at a faster-than-expected pace in June. Consumer prices climbed 1.31% year-over-year in June, slower than a 1.64% rise in the month of May. Economists had expected the country's inflation rate to moderate to 1.54%. (www.rttnews.com 05/07/18)

Oil markets volatile as trade conflict between US and China escalates

Oil prices seesawed in nervous trading as the US slapped a raft of tariffs on Chinese goods in an escalating trade war between the world's two biggest economies. Oil prices initially fell on Friday, along with Asian stock markets. US West Texas Intermediate crude futures were up 16 cents, or 0.2%, from their last settlement at \$73.10 per barrel. Brent crude futures were down 7 cents, or 0.1%, at \$77.32. (www.reuters.com 06/07/18)

China leads rebound by Asia shares as US tariffs kick in

Asian stocks bounced back from 9-month lows in volatile trade on Friday after Washington slapped tariffs on Chinese imports, a move many investors fear could be the start of a full-scale trade war between the world's two largest economies. "The China-US relationship is such a large component of global trade that we really have a global impact and that has implications that are difficult to foresee," said Frederic Neumann, co-head of Asia economic research at HSBC in Hong Kong. (www.reuters.com 06/07/18)

South Africa's net foreign reserves fell to \$42.4bn in June

South Africa's net foreign reserves fell to \$42.447bn in June from \$42.872bn in May, the Reserve Bank has said. Gross reserves also fell to \$50.582bn from \$51.146bn, the central bank's data show. The forward position, which represents the central bank's unsettled or swaps transactions declined to \$1.809bn from \$1.918bn in the previous month. (www.af.reuters.com 06/07/18)

Tunisian inflation rose to 7.8% in June

Tunisia's annual inflation rate rose to 7.8% in June from 7.7% in May – the highest level since 1990. Tunisia's central bank last month raised its key interest rate by 100 basis points to 6.75%, the second hike in three months, to tackle inflation. Inflation is expected to reach about 9% by the end of this year for the first time. (www.reuters.com 05/07/18)

DISCLAIMER: This information has been compiled by the Secretary's Department of Bank of Ghana for general reference purposes only. While every effort is made to ensure that the information is accurate, the Bank of Ghana does not guarantee nor does it accept any responsibility or liability for the accuracy or completeness of the content or for any loss which may arise from reliance on information contained in this document.