



Wednesday, April 11, 2018

IMF chief optimistic on global growth, but warns against trade protectionism

The IMF is optimistic on the outlook for global growth but warned darker clouds are looming due to fading fiscal stimulus and rising interest rates, its Managing Director Christine Lagarde has said. Lagarde said the top priorities for the global economy are to steer clear of protectionism, guard against financial risk and foster long-term growth. "History shows that import restrictions hurt everyone, especially poorer consumers," she said. (www.reuters.com 11/04/18)

Federal Reserve proposes new capital rules for Wall Street

The Fed has proposed new rules that could allow some large banks to reduce the amount of capital they must hold as a cushion against a future economic shock. The proposal may clear the way for some large banks to reduce their capital levels in the future but the largest firms on Wall Street are not likely to get such relief, the Fed said. The proposal is expected to reduce bank paperwork and also make it easier for regulators to monitor the health of banks, said Randal Quarles who is the top Fed official in charge of regulations. (www.reuters.com 10/04/18)

Brexit: 'Bonfire of rules' mean more costs than benefits, CBI says

Diverging from EU rules after Brexit will mean more costs than benefits for British business, a report by the CBI employers' group says. In a survey of 23 industry sectors, the vast majority preferred continued close alignment with EU regulations. Agriculture, shipping and tourism might benefit, but this was "vastly outweighed" by the impact on other sectors, it said. (www.bbc.com 11/04/18)

China March factory, consumer inflation slows in sign of ebbing economic growth

China's factory-gate inflation cooled to a 17-month low in March. The producer price index (PPI) rose 3.1% in March from a year earlier, below a 3.7% gain in Feb. On a month-on-month basis, the PPI fell 0.2% versus 0.1% decline in Feb. The consumer price index (CPI) rose 2.1% from a year earlier, slowing from Feb.'s gain of 2.9%. On a month-on-month basis, the CPI declined 1.1%, from a 1.2% rise in Feb. (www.reuters.com 11/04/18)

Japan's machinery orders rose in Feb. for a second consecutive month

Japan's core machinery orders rose in Feb. by 2.1% for a second consecutive month thanks to increased orders from manufacturers, a positive sign of corporate investment supporting economic growth. Core orders are a highly volatile data series regarded as a good indicator of capital spending in the next six to nine months. (www.reuters.com 11/04/18)

Argentina holds rate

Argentina's central bank has left its monetary policy rate at 27.25%. The headline inflation rate rose to 25.4% in Feb. from 25.0% in Jan. and 24.8% in Dec. The most recent survey of market expectations shows a rise in expected 2018 headline inflation to 20.3% from 19.9% and a rise in core inflation to 18.1% from 17.1%. (www.centralbanknews.info 10/04/18)

Azerbaijan cuts rate 200 bps for 2nd time

Azerbaijan's central bank has cut its benchmark refinancing rate by 200 basis points for the second time in a row. The inflation rate fell to 4.7% in Feb. from 5.5% in Jan., sharply down from 2017 highs of 14% in July and Aug. (www.centralbanknews.info 09/04/18)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.4156	(1.4115)	1.4188	(1.4145)
+USD/EUR	1.2341	(1.2304)	1.2362	(1.2325)
*GHS/USD	4.4034	(4.4031)	4.4078	(4.4075)
*GHS/GBP	6.2396	(6.2211)	6.2476	(6.2282)
*GHS/EUR	5.4395	(5.4229)	5.4436	(5.4267)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 11/04/18 (Rates for 10/04/18 in brackets)

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France manufacturing sentiment weakens in March

France manufacturing confidence deteriorated in March, survey data from Bank of France show. The manufacturing sentiment index fell to 103 in March from 105 in Feb. The score was forecast to remain unchanged at 105. (www.rttnews.com 11/04/18)

Iran sets single foreign exchange rate to rescue currency

Iran's currency, the rial, lost some 20% against the US dollar in two weeks as Iranians rushed to hedge against depreciation of their assets. The rial lost 8% against the dollar in one day this week. On Monday night the government stepped in, removing the discrepancy between the exchange rate used by traders – 60,000 rials to the dollar – and the official rate previously which is 37,000. The new single rate has been set at 42,000 rials to the dollar. (www.bbc.com 10/04/18)

Oil dips on rising US supplies

Oil prices on Wednesday eased away from 2014 highs reached the previous session as escalating Middle East tensions were offset by increasing inventories and production in the US. Brent crude futures rose to \$70.78 per barrel at 0154 GMT, down 26 cents, or 0.4%, from their last close. Brent surged more than 3% on Tuesday to hit its highest level since late 2014, at \$71.34 a barrel. US WTI crude futures were at \$65.38 a barrel, down 13 cents, or 0.2%. (www.reuters.com 11/04/18)

Cushing's oil market clout wanes

The volume of oil sitting in 300 steel tanks in a nine-square-mile radius in Cushing, Oklahoma has long been a key barometer for the health of US crude supply and the nation's benchmark for daily trading of billions of dollars in the commodity. But those tanks could soon drain to levels near effectively empty, even as US oil production soars past a new record of 10.4 million barrels per day. The price of oil in Cushing is used to value crude grades produced around the US and some oil imported from Canada, Mexico, and South America. (www.reuters.com 11/04/18)

Asian stocks pare gains on US-China trade tensions, Syria, but euro buoyant

Asian stocks rose modestly on Wednesday. Spreadbetters expected European stocks to open lower, with Britain's FTSE seen losing 0.3%, Germany's DAX slipping 0.4% and France's CAC shedding 0.4%. Wall Street also looked set for a softer start with S&P mini futures down 0.5%. MSCI's broadest index of Asia-Pacific shares outside Japan was 0.2% higher. Australian stocks fell 0.4% and Japan's Nikkei lost 0.4%. South Korea's KOSPI was 0.2% lower. (www.reuters.com 11/04/18)

South Africa's growth recovery at risk from lack of policy clarity: central bank

South Africa's recent economic growth turnaround is unlikely to last as 2017's boom fades and the outlook for reform remains murky, the central bank has said. The economy expanded by a surprising 1% in 2017 as agriculture recovered from a drought the year before, and the Treasury expects growth of 1.5% this year. (www.af.reuters.com 11/04/18)

Morocco GDP growth slows to 2.9% year-on-year in Q1

Morocco's economy grew 2.9% year-on-year in the first quarter of 2018, down from 3.8% in same period last year, after a drop in agricultural output, the country's High Planning Commission has said. The economy will grow by 3% in the second quarter, down from 4.2% in the same period last year because of lower agricultural output, the state agency said. (www.af.reuters.com 11/04/18)

Kenya's GDP growth to rebound to 5.5% in 2018: World Bank

Kenya's economy will grow 5.5% this year compared with an estimated 4.8% last year, thanks to better weather and less political risk after last year's presidential election, the World Bank said. The finance ministry expects growth to rebound to 5.8% this year but pressure to curb the government's fiscal deficit could cause it to scale back ambitious infrastructure projects, weighing economic output. (www.af.reuters.com 11/04/18)

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