



Monday, June 11, 2018

Bernanke says US economy faces a ‘Wile E. Coyote’ moment in 2020

US economic growth could face a challenging slowdown as the Trump Administration’s powerful fiscal stimulus fades after two years, according to former Federal Reserve Chairman Ben Bernanke. Bernanke said the \$1.5tr in personal and corporate tax cuts and a \$300bn increase in federal spending signed by President Donald Trump “makes the Fed’s job more difficult all around” because it’s coming at a time of very low US unemployment. (www.bloomberg.com 07/06/18)

US consumer credit climbed less than expected in April

A Federal Reserve report shows that consumer credit in the US rose by \$9.2bn in April after climbing by \$12.3bn in March. Economists had expected \$13.8bn. The increase was primarily due to growth in non-revolving credit such as student loans and car loans, which rose by \$7.0bn in April after climbing by \$13.4bn in March. (www.rttnews.com 07/06/18)

CBI cuts UK growth outlook

The Confederation of British Industry has cut its growth projections for the UK. It forecast GDP to grow 1.4% this year and 1.3% in 2019. In Dec., it projected 1.5% for 2018. It expects the global economy to grow by 3.8% in 2018 and 3.6% in 2019, following growth of 3.7% in 2017. (www.rttnews.com 08/06/18)

German industrial output fell in April

Germany's industrial production and shipments declined in April amid a rebound in imports. Data from Destatis shows that industrial output dropped 1% month-on-month in April, reversing a 1.7% rise in March. (www.rttnews.com 08/06/18)

China's inflation remains benign

With consumer price growth continuing to be mild and factory prices of industrial products slightly edging up in May, China's inflation remains benign. National Bureau of Statistics data shows that China's consumer price index, a main gauge of inflation, rose 1.8% year-on-year in May. Food prices rose by 0.1%, resulting in a growth of 0.01 percentage points in the price index. Non-food prices rose by 2.2%, generating a rise of 1.74 percentage points. (www.xinhuanet.com 09/06/18)

Japan Q1 GDP unrevised, -0.2% on quarter

Japan's GDP was down 0.2% on quarter in the first three months of 2018, the Cabinet Office has said. On a seasonally adjusted annualized basis, GDP was also unchanged at -0.6%, missing forecasts for -0.4%. In the fourth quarter of 2017, GDP was up 0.1% on quarter and 0.6% on year. (www.rttnews.com 08/06/18)

Australia trade surplus shrank in April

Australia's foreign trade surplus decreased in April, led by a fall in exports, data from the Australian Bureau of Statistics show. The seasonally adjusted trade surplus dropped to A\$977m in April from A\$1.73bn in March. Economists had expected the surplus to shrink to A\$1.0bn. Exports declined 2.0% month-over-month in April, while imports showed no variations. (www.rttnews.com 07/06/18)

S. Korean economy grows modestly

South Korea's economy kept a modest growth trend on robust exports though domestic demand gradually slowed down. Exports, which account for about half of the country’s economy, jumped 13.5% in May from a year earlier, after falling 1.5% in April. (www.xinhuanet.com 07/06/18)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3386	(1.3431)	1.3416	(1.3462)
+USD/EUR	1.1752	(1.1814)	1.1774	(1.1836)
*GHS/USD	4.4406	(4.4356)	4.4450	(4.4400)
*GHS/GBP	5.9500	(5.9632)	5.9576	(5.9714)
*GHS/EUR	5.2238	(5.2456)	5.2283	(5.2500)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 11/06/18 (Rates for 08/06/18 in brackets)

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IMF agrees to loan up to \$50bn for Argentina

The IMF has agreed to lend Argentina up to \$50bn (£37.2bn) as the country seeks to bolster its struggling economy. The three-year agreement must still be approved by the IMF board. Argentina, which has been plagued by economic problems for years, asked for assistance from the IMF on 8 May after its currency hit an all-time low. It will tackle its double digit inflation and public spending as part of the deal. (www.bbc.com 08/06/18)

Malta industrial production falls further

Malta's industrial production decreased for the fourth successive month in April, figures from the National Statistics Office show. Industrial production fell a working-day-adjusted 6.2% year-over-year in April, faster than a 4.8% drop in March. On a monthly basis, industrial production dropped a seasonally adjusted 1.4% from March, when it increased by 0.7%. (www.rttnews.com 06/06/18)

Gold prices tread water ahead of G7, US Fed meetings

Gold prices held steady on Friday as investors remained cautious ahead of a G7 meeting starting later in the day and other key events next week such as a US Federal Reserve policy meeting and a US-North Korea summit. Spot gold was steady at \$1,296.36 per ounce by 0415 GMT. It hit a one-week high of \$1,303.08 an ounce in the previous session and has risen about 0.3% for the week so far. (www.af.reuters.com 08/06/18)

Oil prices fall as US, Russia supplies grow

Oil prices fell on Monday, pulled down by rising Russian production and US drilling activity creeping to its highest in more than three years. Analysts expect surging US output to start offsetting efforts led by OPEC to withhold production. Brent crude futures, the international benchmark for oil prices, were at \$76.21 per barrel at 0504 GMT, down 25 cents, or 0.3%, from their last close. US West Texas Intermediate crude futures were down 21 cents, or 0.3%, at \$65.52 a barrel. (www.reuters.com 11/06/18)

Asia stocks shake off G7 jolt, US-North Korea summit awaited

Asia stocks shook off initial modest losses and edged up on Monday ahead of an historic US-North Korea summit that investors hope might pave the way to ending a nuclear stand-off on the Korean peninsula. Spreadbetters expected European stocks to follow their Asian peers higher, percent, Germany's DAX advancing 0.17% and France's CAC inching up 0.05%. (www.reuters.com 11/06/18)

South Africa's finance minister warns of challenges as rand tumbles

The South African government is concerned by the rand's plunge to its lowest this year and will step up a "defence mechanism", Finance Minister Nhlanhla Nene has said. The rand dropped to 13.2875 against the dollar on Friday, its weakest since Dec. 18, Thomson Reuters data show. The rand suffered last week when data showed the economy shrank by 2.2% in the first quarter of 2018, with the most significant falls in agriculture, manufacturing and mining. (www.af.reuters.com 10/06/18)

IMF forecast econ. rebound for Botswana

Botswana's economic growth is expected to rebound supported by higher diamond sales, the IMF has said. It said Botswana's GDP growth decelerated to 2.4% in 2017 owing to declines in copper and nickel production and lower activity in construction and trade, while the fiscal and external accounts were nearly balanced, inflation was about 3%, the exchange rate was stable, the financial sector remained sound and well capitalized, and public debt continued to be low at about 19% of GDP. (www.xinhuanet.com 08/06/18)

Egypt's annual urban consumer price inflation decreased to 11.4% in May

Egypt's annual urban consumer price inflation fell to 11.4% in May, down from 13.1% in April, a bigger fall than the IMF had predicted in Jan. The IMF expected inflation to fall to 12% by June and to single digits by 2019. It warned against a premature rate cut and urged the central bank to remain vigilant. (www.af.reuters.com 10/06/18)

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