



Friday, April 16, 2021

## FinTech & IT Benchmarks 2021 report – detailing the evolution of technology

As central bank employees around the world went to work from home during the pandemic, points of vulnerability across their IT systems multiplied. At the same time, cyber hackers took the opportunity to ramp up attacks on financial institutions, while restrictions on cash usage and bottlenecks in circulation pushed some jurisdictions to greater dependence on FinTech. ([www.centralbanking.com](http://www.centralbanking.com) 15/04/21)

## Covid-19 support may have created “zombie firms” – BIS economists

Looser monetary policy introduced as a response to the Covid-19 pandemic may be keeping “zombie firms” alive, two BIS economists have warned. Speaking on a BIS podcast on April 13, economists Boris Hoffman and Ryan Banerjee said low interest rates mean unprofitable firms can tap cheap credit, which helps them to avoid bankruptcies. ([www.centralbanking.com](http://www.centralbanking.com) 15/04/21)

## MMT rests on ‘untested statements’ – Richmond Fed paper

A working paper published by the Richmond Fed has rejected key features of “modern monetary theory”. Michael Krause, Thomas Lubik and Karl Rhodes argue that MMT “provides only an untested set of statements about the consequences of monetary policy”. Their paper, *MMT and government finance: you can’t always get what you want*, says the theory’s advocates believe that “government can print money indefinitely and without constraints”. ([www.centralbanking.com](http://www.centralbanking.com) 15/04/21)

## Eurozone inflation rises as estimated

Eurozone consumer prices rose as initially estimated in March, final data from Eurostat shows. Inflation accelerated to 1.3% in March from 0.9% in Feb. ([www.rttnews.com](http://www.rttnews.com) 16/04/21)

## E-euro starts to take shape: Mike Dolan

The promised digital euro started to take shape this week and signals from Frankfurt may offer some relief to nervy commercial banks worried about being sidelined by the latest disrupter. With the “hands off” pandemic accelerating the demise of physical cash, and private-sector crypto and stable coins threatening to invade the space, the pledge last year of a digital euro within five years came before the ECB knew what exactly it would be or how it would function. ([www.reuters.com](http://www.reuters.com) 16/04/21)

## UK population grew 0.5% by mid-2020

Britain’s population grew by 0.5% to 67.1m by the middle of 2020, up from 66.8m in mid-2019, the Office for National Statistics has said. The ONS said the provisional population growth estimate was “marking one of the smallest increases seen in the context of historical trends”. ([www.reuters.com](http://www.reuters.com) 16/04/21)

## UK's Frost says positive momentum in EU talks, difficult issues remain

Talks between Britain and the EU on post-Brexit trade to Northern Ireland have seen some positive momentum but difficult issues remain, UK negotiator David Frost told his EU counterpart. Frost said that the intensive discussions between the Co-Chairs of the Specialised Committee on the Protocol on Ireland/Northern Ireland in recent weeks had begun. ([www.reuters.com](http://www.reuters.com) 16/04/21)

## Eurozone trade surplus declines in Feb

The euro area trade surplus declined in Feb. as exports decreased amid rising imports, Eurostat has reported. The trade surplus rose to a seasonally adjusted €18.4bn in Feb. from €28.7bn in Jan. Exports decreased 2.5% month-on-month, while imports were up 3.4% in Feb. On a yearly basis, exports and imports dropped 5.5% and 2.7%, respectively ([www.rttnews.com](http://www.rttnews.com) 16/04/21)

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3789	(1.3798)	1.3790	(1.3799)
+USD/EUR	1.1973	(1.1975)	1.1973	(1.1975)
*GHS/USD	5.7285	(5.7285)	5.7343	(5.7343)
*GHS/GBP	7.8991	(7.9042)	7.9076	(7.9127)
*GHS/EUR	6.8586	(6.8601)	6.8654	(6.8669)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 16/04/21 (Rates for 15/04/21 in brackets)

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### **China's GDP hits record growth**

China's economic recovery quickened sharply in the first quarter from last year's deep coronavirus slump, propelled by stronger demand at home and abroad and continued government support for smaller firms. However, the brisk expansion, heavily skewed by the plunge in activity a year earlier, is expected to moderate later this year as the government turns its attention to reining in financial risks in overheating parts of the economy. ([www.reuters.com](http://www.reuters.com) 15/04/21)

### **PBoC to more than double scope of stress tests**

The People's Bank of China says it will more than double the number of banks it stress-tests this year. An article in China Finance by Ji Wei says the PBoC will include 4,024 banks within its 2021 stress-testing exercise, compared with 1,550 institutions in 2020. Ji writes that expanding the scope of the exercise would help the PBoC identify "high-risk institutions, high-risk areas and system risks". ([www.centralbanking.com](http://www.centralbanking.com) 15/04/21)

### **BOJ's Kuroda signals room to debate monetary policy role in climate change**

Bank of Japan Governor Haruhiko Kuroda has said he hopes to deepen debate with global policymakers on what role monetary policy can play in addressing climate change. "There are many factors we need to take into account, such as how this will affect distribution of resources," Kuroda told parliament, when asked by a lawmaker how the BOJ can help address climate change through monetary tools. ([www.reuters.com](http://www.reuters.com) 16/04/21)

### **Taiwan dollar weakens over fears of US action**

The Taiwanese dollar has depreciated sharply over the past month, partly on fears the US Department of the Treasury could label the country a currency manipulator. Since March 4, Taiwan's currency has depreciated by approximately 2.6% against its US counterpart, reaching 28.45 to the dollar. ([www.centralbanking.com](http://www.centralbanking.com) 15/04/21)

### **European stocks rise as Daimler earnings lift automakers**

European stocks hit a record high on Friday after strong US and China data spurred optimism about a speedy global recovery, while automakers got a boost following Daimler's better-than-expected profit. The pan-European STOXX 600 index rose 0.1% by 0706 GMT, on course for its seventh straight week of gains. The German DAX also gained 0.1%, while UK's FTSE 100 was up 0.4%. ([www.reuters.com](http://www.reuters.com) 16/04/21)

### **Oil futures settle higher for 4<sup>th</sup> straight session**

Oil futures settled higher, extending gains to a fourth straight session, continuing to ride on the recent upward revision in the global oil demand forecast by the International Energy Agency. West Texas Intermediate crude oil futures for May ended higher by \$0.31 or about 0.5% at \$63.46 a barrel, a near 4-week high. WTI crude futures climbed almost 5% in the previous session. ([www.rttnews.com](http://www.rttnews.com) 15/04/21)

### **Covid-19 pushing 30m Africans into poverty – IMF**

The International Monetary Fund (IMF) has warned that more than 30m people in sub-Saharan Africa are being pushed into poverty by the economic impact of the coronavirus pandemic. It has called on wealthier nations to help African countries get better access to vaccines. The IMF estimates that some African countries aiming to vaccinate 60% of their populations will need to increase their health spending by 50%. ([www.bbc.com](http://www.bbc.com) 15/04/21)

### **World Bank calls for growth-enhancing policies to re-align SA economy**

The World Bank has urged S. Africa to implement growth-enhancing policy interventions as the country's recovery from the Covid-19 impact would be way less than that of its peers. In an exclusive webinar with the Inclusive Society Institute, the lender said S. Africa needs "to avoid another lost decade" of economic growth. ([www.iol.co.za](http://www.iol.co.za) 16/04/21)

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