



Wednesday 30th November 2022

ECB must continue to monitor underlying inflation, Guindos says

The ECB must continue monitoring underlying inflation as it determines what dose of monetary-policy tightening is needed to tame record price gains, according to Luis de Guindos. (www.bloomberg.com 29/11/22)

ECB warns of losses as it pays price for decade of money printing

The ECB warned that it might make a loss as high inflation forces it to raise interest rates and foot the bill of a decade of aggressive money printing. Having raised interest rates to fight runaway prices, the ECB must make huge interest payments to commercial banks on some 5tr euros worth of deposits it created via massive bond purchases and cheap loans. (www.reuters.com 29/11/22)

De Cos says he can't anticipate how much ECB rates need to climb

It's unclear how far the ECB will need to go in hiking interest rates, Governing Council member Pablo Hernández de Cos said. (www.bloomberg.com 29/11/22)

Eurozone economic confidence strengthens for first time in 9 months

Eurozone economic confidence improved for the first time in nine months in November driven by the rebound in consumer sentiment, survey results published by the EC revealed. The economic sentiment index rose more-than-expected to 93.7 in November from 92.7 in October. (www.rttnews.com 29/11/22)

Fed to get some help in pausing as inflation gauge gap shrinks

The unusually wide gap between the two main US inflation gauges is poised to narrow in the months ahead, giving Federal Reserve officials cover to pause interest-rate increases in early 2023. (www.bloomberg.com 29/11/22)

BoE's Bailey sees no monetary reason for reserves shake-up

BoE Governor Andrew Bailey said there was no monetary policy reason to reduce or restructure the way the central bank pays interest on its reserves held by commercial banks. "In my view, there is not a monetary reason, a monetary policy reason that is, for varying that. (www.reuters.com 29/11/22)

BOE's Mann says UK inflation expectations drifting toward 4%

BoE policy maker Mann said inflation exceptions are becoming "increasingly embedded" in the prices that companies are setting and are drifting toward double the 2% target level. "Services pre-Covid were running at well below 2% inflation," Mann said. (www.bloomberg.com 29/11/22)

BOE governor Bailey says UK gilt market still not back to normal

BoE Governor said the UK government bond market is still suffering from shocks over the past few months and not able to absorb a massive sale of assets. "We've obviously had a period of severe ill-liquidity in the gilt market, and it's not back to normal at the moment," Bailey said. (www.bloomberg.com 29/11/22)

BoE sells 346 mln stg of gilts in first unwinding of emergency intervention

The BoE said it had sold 346.4m pounds of the long-dated and index-linked gilts it had bought earlier this year to help stabilise financial markets. (www.reuters.com 29/11/22)

China conducts central bank bills swap

The People's Bank of China (PBOC) conducted a central bank bills swap operation to improve the liquidity of perpetual bonds. The CBS, valued at 5bn yuan, is open to primary dealers for bidding at a fixed rate of 0.1%. (www.xinhuanet.com 30/11/22)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.1994	(1.2038)	1.1995	(1.2039)
+USD/EUR	1.0357	(1.0395)	1.0358	(1.0395)
*GHS/USD	13.0980	(13.0982)	13.1112	(13.1114)
*GHS/GBP	15.7098	(15.7677)	15.7268	(15.7848)
*GHS/EUR	13.5663	(13.6163)	13.5799	(13.6299)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 30/11/22 (Rates for 29/11/22 in brackets)

* BOG INTERNAL TRANSACTION RATES: 30/11/22 (Rates for 29/11/22 in brackets)

China's central bank conducts reverse repos to boost liquidity

China's central bank conducted 170bn yuan of reverse repos to maintain liquidity in the banking system. The interest rate for the seven-day reverse repos was set at 2%, according to the People's Bank of China. (www.xinhuanet.com 30/11/22)

RBA to review payment system capabilities after outage

The Reserve Bank of Australia says it will look into improving its payments system capabilities, after an outage in Oct. delayed hundreds of thousands of payments by around four hours, and in some cases up to more than five days. The outage, which lasted from 7pm on Oct. 12 into the early hours of Oct. 13, was triggered by a problematic software update. (www.centralbanking.com 29/11/22)

French inflation holds at record, defying European slowdown

French inflation unexpectedly remained at a record high in November, defying a slowdown in other parts of the euro zone and weakening calls for the ECB to slow the pace of interest rate increases. Consumer prices in the currency bloc's second-largest economy rose 7.1% from a year earlier statistics office Insee said. (www.bloomberg.com 30/11/22)

German inflation eases, boosting calls for slower ECB hikes

Germany followed Spain and Belgium in reporting slower inflation, offering ammunition to those who want the ECB to ease the pace of interest-rate increases. Consumer prices in Europe's largest economy rose 11.3% from a year earlier in November. (www.bloomberg.com 29/11/22)

Canada economy starts to sputter after 2.9% annualized gain

Canada's economy is gearing down rapidly after stronger-than-expected growth in Q3, potentially giving the central bank leeway to slow its interest rate increases. Preliminary data show GDP was flat in October, Statistics Canada reported. (www.bloomberg.com 29/11/22)

Bond Bulls Are \$2.8 Trillion Better Off This Month After Rebound

Global bonds rebounded in November, adding a record \$2.8tr in market value, as investors bet that central banks are getting a grip on inflation. But how long the party lasts is another matter. Government and investment-grade corporate debt securities have risen to a market value of \$59.2 tr from \$56.4tr at the end of October. (www.bloomberg.com 30/11/22)

Oil futures settle higher for 2nd straight day

Crude oil futures settled higher, extending gains from the previous session, amid hopes the Chinese government will consider relaxing its zero-Covid policy sometime soon. West Texas Intermediate Crude oil futures for January ended higher by \$0.96 or about 1.2% at \$78.20 a barrel. Brent crude futures were up \$0.68 or 0.82% at \$84.57 a barrel a little while ago. (www.rttnews.com 29/11/22)

Gold futures settle modestly higher

Gold prices climbed higher, as the dollar languished in the red for most of the session. Gold futures for February ended higher by \$8.40 or about 0.5% at \$1,763.70 an ounce. Silver futures for March ended up \$0.311 at \$21.436 an ounce, while Copper futures for March settled at \$3.6395 per pound, up \$0.0240 from the previous close. (www.rttnews.com 29/11/22)

Record power outages risk South Africa's financial stability, central bank warns

South Africa's central bank has raised concern about the threat an inadequate and unreliable power supply poses to financial stability as the country experiences record blackouts. Sustained load shedding, as the outages are called in South Africa. (www.bloomberg.com 29/11/22)

Ghana: Moody's cuts Ghana's junk-rated debt on risk of creditor losses

Moody's Investors Service downgraded Ghana into junk territory on the likelihood that private creditors will incur steep losses during the government's planned debt restructuring. The country's credit rating was slashed by two levels to Ca. (www.bloomberg.com 30/11/22)

DISCLAIMER: This information has been compiled by the Communications Office 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.