



Monday 5<sup>th</sup> December 2022

**Global central banks extend rate hike push in November**

The pace and scale of rate hikes delivered by central banks in November picked up speed again as policy makers around the globe battle decade high inflation. ([www.reuters.com](http://www.reuters.com) 05/12/22)

**Global inflation peaks near double-digits, but remains a problem**

Global inflation is showing signs of having peaked, although a likely slow retreat from multi-decade highs means it will remain a bugbear for central banks into 2023. Key inflation gauges released in the US and euro area, while factory-gate prices and inflation expectations among investors are also ebbing. ([www.bloomberg.com](http://www.bloomberg.com) 02/12/22)

**Global debt extends best run since pre-covid on china, fed bets**

Global credit extended its longest rally since before the pandemic as investors cheered further reopening moves from Covid restrictions in China and stuck with bets for the Federal Reserve to down-shift rate hikes. ([www.bloomberg.com](http://www.bloomberg.com) 05/12/22)

**ECB's Villeroy wants 50 basis-point hike to fight inflation**

The ECB should raise interest rates by 50 basis points this month to help tame surging consumer prices, said Governing Council member Francois Villeroy de Galhau, who added that inflation will peak during the first half of 2023. ([www.bloomberg.com](http://www.bloomberg.com) 04/12/22)

**German, French central bankers say inflation will return to goal**

ECB officials from the region's two biggest economies said they're determined to bring record inflation back to their 2% target. Bundesbank President and Bank of France Governor said the ECB's tightening push will tame price growth. ([www.bloomberg.com](http://www.bloomberg.com) 04/12/22)

**Fed could be pushed by overheated wages to higher peak rates**

Federal Reserve officials have enough worrisome inflation data to consider raising interest rates to a higher peak than investors expect and potentially follow the half-point hike they've signaled this month with the same again in February. ([www.bloomberg.com](http://www.bloomberg.com) 03/12/22)

**Fed's Evans sees slower rate hike pace, "slightly higher" peak rate**

The Federal Reserve will likely need to raise borrowing costs to a "slightly higher" peak than envisioned in forecasts from September, Chicago Federal Reserve Bank President Charles Evans said. ([www.reuters.com](http://www.reuters.com) 02/12/22)

**Gilts debacle exposes financial stability risks**

The BoE was forced to provide emergency support to the UK sovereign bond (gilts) market in September, following a misjudged 'mini-budget' promising tens of bns of pounds of unfunded tax cuts by the then government of Liz Truss. ([www.centralbanking.com](http://www.centralbanking.com) 05/12/22)

**UK economy to shrink in 2023, risks 'lost decade': CBI**

Britain's economy is on course to shrink 0.4% next year as inflation remains high and companies put investment on hold, with gloomy implications for longer-term growth, the Confederation of Business Industry forecast. ([www.reuters.com](http://www.reuters.com) 05/12/22)

**UK interest rate should peak below 4.5% to avoid deeper recession: boe official**

The BoE's benchmark interest rate should peak below 4.5% if the central bank wants to avoid deepening and prolonging a recession, Swati Dhingra, the newest member of the bank's monetary policy committee, said in an interview. ([www.bloomberg.com](http://www.bloomberg.com) 03/12/22)

**EXCHANGE RATES OF SELECTED CURRENCIES**

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2236	(1.1974)	1.2238	(1.1975)
+USD/EUR	1.0484	(1.0364)	1.0485	(1.0364)
*GHS/USD	13.0973	(13.0978)	13.1105	(13.1110)
*GHS/GBP	16.0259	(15.6834)	16.0446	(15.7004)
*GHS/EUR	13.7314	(13.5751)	13.7462	(13.5875)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 05/12/22 (Rates for 01/12/22 in brackets)

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### **China's central bank conducts reverse repos to boost liquidity**

China's central bank conducted 2bn 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](http://www.xinhuanet.com) 05/12/22)

### **Bank of Japan deputy governor warns risk of 'Japanification' not gone yet**

Even as cost-push factors boost inflation, global central banks must be vigilant to the risk of "Japanification", in which their economies face prolonged low inflation and stagnation, said BoJ Deputy Governor Masazumi Wakatabe. ([www.reuters.com](http://www.reuters.com) 04/12/22)

### **Australia set to raise rates as tightening cycle approaches end**

Australia is set to raise interest rates as it closes in on the end of its tightening cycle, while nearby New Zealand just delivered a record hike and is poised to move higher, underscoring different central bank outlooks at year's end. All-but one economist sees the Reserve Bank of Australia hiking by a quarter-percentage point to 3.1% with the exception forecasting a 15 basis-point move ([www.bloomberg.com](http://www.bloomberg.com) 04/12/22)

### **Turkey's inflation slows below 85% in first decline in over year**

Turkish inflation slowed for the first time in over a year and a half, though measures to revive the economy ahead of elections in 2023 may keep it elevated for some time. Consumer prices rose an annual 84.4% in November, down from 85.5% the previous month. ([www.bloomberg.com](http://www.bloomberg.com) 05/12/22)

### **IMF, Argentina reach funding agreement that could unlock \$6bn**

The IMF said it has reached an agreement with Argentine authorities on a third review under its Extended Fund Facility Arrangement, which could give the country access to \$6bn. The IMF said the staff-level agreement remained subject to approval by its executive board, expected to meet this month ([www.reuters.com](http://www.reuters.com) 03/12/22)

### **European shares seen tad higher on china reopening hopes**

European stocks may open on a steady note as more Chinese cities relaxed some anti-COVID measures and testing mandates over the weekend, helping improve investors' appetite for riskier assets. The pan-European STOXX 600 eased 0.2%. The German DAX rose 0.3%, France's CAC 40 index slid 0.2% and the UK's FTSE 100 finished marginally lower. ([www.rttnews.com](http://www.rttnews.com) 05/12/22)

### **Oil on track for a weekly gain on china optimism**

Oil prices fell but were on course for their biggest weekly gain in almost two months on signs of easing COVID-19 restrictions in China and the prospect of steady OPEC supply. Benchmark Brent crude futures slipped 0.1% to \$86.78 a barrel, while WTI crude futures were down 0.3% at \$80.98. ([www.rttnews.com](http://www.rttnews.com) 02/12/22)

### **Gold prices hold steady ahead of us jobs report**

Gold prices were little changed after three consecutive sessions of gains. Prices slipped from four-month highs as traders booked some profits ahead of the US monthly employment report for November. Spot gold slipped 0.1% to \$1,801.53 per ounce, while US gold futures were little changed at \$1,814.7. ([www.rttnews.com](http://www.rttnews.com) 02/12/22)

### **Namibia increases policy rate by 50bp**

The Bank of Namibia has raised its policy rate by 50 basis points to 6.75%, following a recent hike by South Africa's central bank. It announced its sixth rate increase of 2022 totalling 300bp of increases for the year at its last monetary policy meeting of the year. ([www.centralbanking.com](http://www.centralbanking.com) 02/12/22)

### **Ghana to swap cedi debt for new bonds in restructuring**

Ghana is asking local bondholders to accept losses on interest payments as it restructures its debt to qualify for a loan from the IMF. Ghana will replace existing local-currency debt with four new bonds maturing in 2027, 2029, 2032 and 2037. ([www.bloomberg.com](http://www.bloomberg.com) 04/12/22)

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