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High global debt is making rate hikes trickier, BIS's Borio says

The mountain of borrowings accumulated across global economies in recent years is proving a challenge to central bankers as they fight inflation, according to a BIS official. (www.bloomberg.com 05/12/22)

BIS warns of \$80tr of hidden FX swap debt

The BIS has warned that pension funds and other 'non-bank' financial firms now have more than \$80tr of hidden, off-balance sheet dollar debt in the form of FX swaps. Dubbed the central bank to the world's central banks. (www.reuters.com 05/12/22)

ECB's Lane confident inflation near peak, more hikes to come

ECB Chief Economist said consumer-price growth is near its zenith, while acknowledging that borrowing costs will be raised again. "It's probably too early to make that judgment" whether inflation is cresting, "but I would be reasonably confident in saying that it is likely we are close to peak inflation, Lane told. (www.bloomberg.com 06/12/22)

ECB's Villeroy calls on banks to remain cautious on buybacks

Bank of France Governor urged commercial banks to exercise caution on share buybacks raising the pressure on lenders as they prepare their shareholder-payout plans for 2022. (www.blomberg.com 05/12/22)

ECB's Villeroy says it's too early to discuss terminal rate

ECB Governing Council member Francois Villeroy de Galhau said it's too early to discuss where interest rates will peak, saying the monetary-tightening process should be carried out at the appropriate pace. "Financial institutions want an orderly increase," Villeroy told. (www.bloomberg.com 05/12/22)

Eurozone investor confidence highest in 6 months – Sentix

Euro area investor sentiment rose for a second month in a row to its highest level since June amid a strong improvement in both the assessment of the current situation and the outlook for the single currency bloc, survey data from the behavioral research institute Sentix showed. (www.rttnews.com 05/12/22)

US services gauge rises unexpectedly on business activity surge

Growth at US service providers unexpectedly faster in November as a measure of business activity jumped by the most since March 2021, suggesting the largest part of the economy remains resilient. (www.bloomberg.com 06/12/22)

UK faces recession and lost decade without growth plan, CBI says

The UK economy faces a decade of lost growth unless the government takes action on investment tax reliefs, the Northern Ireland protocol and the shrinking workforce, the Confederation of British Industry has warned. (www.bloomberg.com 05/12/22)

UK consumer spending fails to keep pace with inflation: surveys

British consumer spending ticked up last month at a rate that greatly lagged behind inflation, according to surveys that underscored the pressure on household budgets ahead of the Christmas holidays. (www.reuters.com 06/12/22)

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 06/12/22)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2211	(1.2236)	1.2213	(1.2238)
+USD/EUR	1.0534	(1.0484)	1.0536	(1.0485)
*GHS/USD	13.0968	(13.0973)	13.1100	(13.1105)
*GHS/GBP	15.9926	(16.0259)	16.0112	(16.0446)
*GHS/EUR	13.7974	(13.7314)	13.8123	(13.7462)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 06/12/22 (Rates for 05/12/22 in brackets)

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Chinese mainland, Macao renew currency swap deal

China's central bank said that it had renewed a currency swap deal with the monetary authority of the Macao Special Administrative Region. The deal will allow the two sides to swap a total of 30bn yuan for 34bn patacas and vice versa, said the PBOC. (www.xinhuanet.com 05/12/22)

Australia central bank raises rates to 10-year high, says more needed

Australia's central bank today raised interest rates to a 10-year high and stuck with its projection that more hikes are needed to cool inflation, a stance taken as slightly hawkish by markets that were looking for signs of a pause in the near term. (www.reuters.com 06/12/22)

Vietnam central bank raises cap on 2022 credit growth

Vietnam's central bank said it had raised its 14% cap on the local banking system's credit growth for this year by 1.5-2.0 percentage points. The move comes after the local property and financial markets have faced a credit crunch over the past weeks following increases in the central bank's policy rate. (www.reuters.com 05/12/22)

Hungary central bank chief sees 15%-18% inflation in 2023, urges end to price caps

Hungary's inflation could be between 15% and 18% next year, the National Bank of Hungary's governor said, sharply criticising the government's price caps imposed on fuels, basic foodstuffs and mortgages. (www.reuters.com 05/12/22)

Bank of Thailand governor calls for better inflation model

Bank of Thailand governor Sethaput Suthiwartnarueput attacked the Phillips curve, arguing that central banks need a better economic model to predict inflation and guide policy. A radically different economic and financial landscape has forced central banks to rethink their conceptual frameworks for policy-making Sethaput said at a conference. (www.centralbanking.com 05/12/22)

European stocks seen opening weak

European stock markets are likely to open negative tracking losses in Asian peers and overnight losses on Wall Street. The negative sentiment reverberated in the European markets too and by close of trading, France's CAC 40 shed 0.7%. Germany's DAX dropped 0.6% whereas the pan-European Stoxx 600 erased 0.4%. Switzerland's SMI edged down 0.03%. UK's FTSE 100 however gained 0.2%. (www.rttnews.com 06/12/22)

Oil futures settle sharply lower

Oil prices rose sharply earlier in the session, riding on the decision by OPEC+ to stick to their October plan to cut output by 2m barrels per day from November through 2023. WTI Crude futures for January ended lower by \$3.05 at \$76.93 a barrel after having climbed to \$82.72 a barrel earlier in the session. (www.rttnews.com 05/12/22)

Gold futures settle notably lower as dollar rises on strong economic data

Gold futures for February ended lower by \$28.30 or about 1.6% at \$1,781.30 an ounce. Silver futures for March ended down \$0.833 at \$22.417 an ounce, while Copper futures for March settled at \$3.7950 per pound, down \$0.0555 from the previous close. (www.rttnews.com 05/12/22)

Libyan parliament replaces rebel-held areas' central bank chief

Rebel-held areas in eastern Libya have a new central bank head, after the country's parliament dismissed the previous incumbent. Libya's parliament voted to dismiss Ali Al-Hibri as the Central Bank of Libya's deputy governor, with some members of parliament alleging that he was corrupt. (www.centralbanking.com 05/12/22)

Fintech revenues in Nigeria, others may hit \$30 billion by 2025

African fintech raised over \$1.3tr in 2021 alone, with the success being fuelled by trends, including increasing smartphone ownership, declining internet costs, expanded network coverage, and a young, fast-growing and urbanising population. (www.guardian.ng 06/12/22)

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