



Thursday 8th December 2022

ECB staff union ‘not happy’ with pay hike below record inflation

Staff representatives at ECB are disappointed that a planned pay rise doesn’t make up for inflation that’s currently five times the official 2% target. The ECB’s trade union wants to amend a 4.07% salary increase set to take effect in 2023. (www.bloomberg.com 07/12/22)

ECB’s Kazimir says 10% inflation is no reason to slow rate hikes

ECB Governing Council member Peter Kazimir signaled support for a third straight 75 basis-point interest-rate increase next week even after inflation in the currency bloc cooled for the first time in 1 1/2 years. (www.bloomberg.com 07/12/22)

Eurozone Q3 GDP growth revised up to 0.3% on household spending, investment

The euro area economy posted a better-than-initially estimated growth in Q3 on household spending and investment, but the revision little changes the bleak outlook for a recession in the coming quarters. (www.rttnews.com 07/12/22)

Europe needs €500bn in cash after losing top bond buyer

As winter approaches, governments across Europe have been frantically drafting aid programs to protect their citizens from the surge in energy costs triggered by Vladimir Putin’s invasion of Ukraine. (www.bloomberg.com 08/12/22)

US Q3 productivity raised; labor costs still running high

US worker productivity rebounded at a bit faster pace than initially thought in Q3, though the trend remained weak, keeping labor costs elevated. Economists said the report pointed to inflation staying high and the Federal Reserve continuing to raise interest rates (www.reuters.com 07/12/22)

US consumer borrowing rises \$27.1 bn in slight pickup

US consumer borrowing accelerated in October from a month earlier, reflecting an increase in credit-card balances and steady growth in non-revolving lending. Total credit increased \$27.1bn from the prior month after rising almost \$26bn in Sept., Federal Reserve figures showed. (www.bloomberg.com 07/12/22)

Bank of England to add 50 bps to Bank Rate on Dec. 15; peak at 4.25% in Q2

The Bank of England will add another 50 basis points to Bank Rate next week and take borrowing costs to 3.50%, despite the economy falling into recession, as it battles inflation running at more than five times its target. (www.reuters.com 08/12/22)

New King Charles Coins Enter UK Circulation

The first coins bearing the official effigy of the King will appear in circulation in post offices around the UK. The King's portrait will first appear on a 50p, with the reverse, or "tails" side of the coin, commemorating the life and legacy of Queen Elizabeth II. (www.bloomberg.com 08/12/22)

London is no longer Europe’s financial center because of Brexit, Euronext boss says

The boss of Europe’s largest exchange group took a swipe at the UK capital, saying Brexit means it is no longer Europe’s dominant financial center. (www.bloomberg.com 07/12/22)

China's reported gold reserves rise for first time since 2019

China's central bank said it had added 32 tonnes of gold worth \$1.8bn to its reserves, an increase since September 2019. The additions bring China's reported holdings at the end of November to 1,980 tonnes, worth \$112 bn (www.reuters.com 07/12/22)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2208	(1.2244)	1.2210	(1.2246)
+USD/EUR	1.0513	(1.0512)	1.0514	(1.0513)
*GHS/USD	12.8936	(13.0769)	12.9065	(13.0899)
*GHS/GBP	15.7404	(16.0113)	15.7588	(16.0299)
*GHS/EUR	13.5565	(13.7471)	13.5711	(13.7608)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 08/12/22 (Rates for 07/12/22 in brackets)

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China's economy is in for a bumpy ride as covid zero comes to an end

Three years after the first case of Covid-19 was reported in Wuhan, Chinese policymakers must now grapple with how to live with the virus while keeping the economy growing fast enough to stave off public anger. (www.bloomberg.com 08/12/22)

Bank of Canada hikes rate to 4.25%, signals potential pause

The Bank of Canada raised interest rates aggressively for a sixth straight time, while opening the door to pausing its hiking cycle. Policymakers led by Governor Tiff Macklem increased the benchmark overnight lending rate by 50 basis points to 4.25%. (www.bloomberg.com 07/12/22)

Ukraine set to hold rates as growth in focus

Ukraine's central bank is likely to leave the cost of borrowing unchanged at the final monetary policy meeting this year even as a series of Russian missile attacks have imperiled forecasts for economic growth. Policy makers have repeatedly said they won't lower the key rate currently at 25% until 2024. (www.blomberg.com 08/12/22)

Poland keeps interest rates unchanged as focus shifts to economic slowdown

Poland's central bank left interest rates unchanged for a third meeting after inflation unexpectedly eased as policy makers turn their focus to slowing economic growth. The decision to leave the benchmark at 6.75% was expected by all 30 economists, reinforcing the sense that the cycle of increases that hoisted the borrowing costs to the highest level in a decade is over. (www.bloomberg.com 07/12/22)

India cenbank says digital currency transactions to stay largely anonymous

Transactions via central bank digital currencies (CBDCs) would remain anonymous "to a certain degree", a top official at the Reserve Bank of India (RBI) said on Wednesday, adding that technology and legal provisions can be explored to ensure that anonymity (www.reuters.com 07/12/22)

European shares likely to see tepid start as recession fears weigh

European stocks are seen opening flat to slightly lower as recession worries mount. The US dollar extended overnight losses, tracking falling US Treasury yields on expectations that the Federal Reserve will step down the pace of its rate hikes to 50 bps next week. The pan European STOXX 600 gave up 0.6%. The German DAX declined 0.6%, while France's CAC 40 index and the UK's FTSE 100 both dipped around 0.4%. (www.rttnews.com 08/12/22)

Oil futures settle sharply lower

Crude oil prices fell sharply, weighed down by data showing a sharp increase in gasoline inventories in the week ended. WTI Crude futures for January ended lower by \$2.24 or about 3% at \$72.01 a barrel, losing for the fourth consecutive session. Brent crude futures settled at \$77.11 a barrel, down \$2.18 from the previous close. (www.rttnews.com 07/12/22)

Gold futures settle notably higher

Gold futures settled higher, gaining for a second straight session, with the dollar drifting lower as traders looked ahead to the Federal Reserve's monetary policy announcement. Gold futures for February ended higher by \$15.60 at \$1,798.00 an ounce. Silver futures for March ended up \$0.587 at \$22.922 an ounce, while Copper futures for March settled at \$3.8605 per pound from the previous close. (www.rttnews.com 07/12/22)

World Bank sees poverty in Kenya resuming pre-pandemic decline

Poverty levels in Kenya should resume their pre-coronavirus pandemic decline as the nation's economy continues to rebound, according to the World Bank. (www.bloomberg.com 08/12/22)

Egypt inflation hits near-five-year high after pound devalued

Annual inflation in urban parts of Egypt accelerated at its fastest pace in almost five years after a dramatic currency devaluation piled more pressure on consumers in the Middle East's most populous country. (www.bloomberg.com 08/12/22)

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