



Friday 9<sup>th</sup> December 2022

### Recession, central bank worries drag markets

Fears of a looming recession, the lingering anxiety surrounding the inflation data releases as well as the Fed review kept global market sentiment subdued. The producer price inflation, the CPI release scheduled for Tuesday. ([www.rttnews.com](http://www.rttnews.com) 08/12/22)

### 'The worst is yet to come': the curse of high inflation

Globally, people are experiencing inflation at levels not seen for decades as prices surge for essentials like food, heating, transport and accommodation. And though a peak could be in sight, the effects may yet get worse. ([www.reuters.com](http://www.reuters.com) 08/12/22)

### Two more ECB rate hikes seen before QT goes live early next year

The ECB will raise interest rates twice more in its struggle with unprecedented inflation, including a smaller half-point hike next week, economists predict. Borrowing costs will be lifted by the same amount, meaning the deposit rate will peak at 2.5%. ([www.bloomberg.com](http://www.bloomberg.com) 09/12/22)

### ECB seen getting €333 bn cheap-loan repayments this month, echoing November

The ECB will receive a similar repayment of long-term loans from banks this month as it did in November, according to a survey of economists. ([www.bloomberg.com](http://www.bloomberg.com) 08/12/22)

### The federal reserve is deflating financial bubbles, without a crash

The Federal Reserve hasn't had much success so far in wrestling down sky-high inflation, but its monetary tightening campaign is having a major impact in deflating asset bubbles that swelled during the pandemic. Most importantly and surprisingly all this is occurring without upending the financial system. ([www.bloomberg.com](http://www.bloomberg.com) 08/12/22)

### US heading into shallow recession, no respite from rate hikes yet

The US economy is heading into a short and shallow recession over the coming year, according to economists polled by Reuters who unanimously expected the US Federal Reserve to go for a smaller 50 basis point interest rate hike. ([www.reuters.com](http://www.reuters.com) 09/12/22)

### Continuing US jobless claims rise to highest since February

Recurring applications for US unemployment benefits rose to the highest since early February, suggesting that Americans who are losing their job are having trouble finding a new one as the labor market shows tentative signs of cooling. ([www.bloomberg.com](http://www.bloomberg.com) 08/12/22)

### UK government tells BoE to focus more on global competitiveness

Britain's government said that it plans to change the law to require the Bank of England's Prudential Regulation Authority (PRA) to focus more on the financial sector's global competitiveness, as part of wider-ranging reforms. ([www.reuters.com](http://www.reuters.com) 09/12/22)

### UK sets out financial regulation reforms, including review of accountability rules

Britain's finance ministry on Friday set out plans to overhaul the financial sector including a review of rules to make bankers accountable for their decisions and easing capital requirements on smaller lenders. ([www.reuters.com](http://www.reuters.com) 09/12/22)

### UK job placements fall further on candidate shortage, economic uncertainty

Labor shortage and economic uncertainty once again dragged permanent job placements in the UK, and rising inflation coupled with competition for workers continued to send the starting salaries higher a survey report by S&P Global showed. ([www.rttnews.com](http://www.rttnews.com) 08/12/22)

#### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2208	(1.2208)	1.2210	(1.2210)
+USD/EUR	1.0513	(1.0513)	1.0514	(1.0514)
*GHS/USD	12.8886	(12.8936)	12.9014	(12.9065)
*GHS/GBP	15.7343	(15.7404)	15.7527	(15.7588)
*GHS/EUR	13.5512	(13.5565)	13.5659	(13.5711)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 09/12/22 (Rates for 08/12/22 in brackets)

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### **China inflation climbs 1.6% on year in November**

Consumer prices in China were up 1.6% on year in November, the National Bureau of Statistics said. That was in line with expectations and down from 2.1% in October. On a monthly basis, consumer prices fell 0.2% again matching forecasts following the 0.1% increase in the previous month. ([www.rttnews.com](http://www.rttnews.com) 08/12/22)

### **China's economy will pick up pace following new COVID rules**

China's economic growth will keep picking up pace with the implementation of the newly-announced anti-COVID adjustment measures, state media CCTV quoted Premier Li Keqiang as saying. ([www.reuters.com](http://www.reuters.com) 08/12/22)

### **Turkey's central bank tells lenders to avoid early forex buying**

Turkey's central bank told commercial banks to avoid foreign currency transactions in the early hours of the day when there isn't demand from clients, according to an official document seen by Bloomberg. The banks have been carrying out the transactions for their own balance sheets and this has triggered market volatility, the document said. ([www.bloomberg.com](http://www.bloomberg.com) 08/12/22)

### **New BOJ leaders should rethink policy, fiscal impact, Nakao says**

The BOJ should review its policy with gradual adjustments in mind once the new leadership team is formed next spring, according to Takehiko Nakao. After a decade of ultra-loose monetary policy, there's been a build up of side effects including damage to the nation's fiscal discipline, less active banks, and a much cheaper yen that may warrant a deeper look, he said. ([www.bloomberg.com](http://www.bloomberg.com) 09/12/22)

### **Serbia delivers another rate hike despite slowing growth**

Serbia raised its borrowing costs to the highest level in more than seven years in its campaign to tame surging inflation, turning aside concerns for now over a sharp slowdown in economic growth. ([www.bloomberg.com](http://www.bloomberg.com) 08/12/22)

### **European shares set to follow Asian peers higher ahead of us inflation data**

European stocks may open on a positive note Friday, as investors await US producer price inflation data as well as the latest readings on inflation expectations for additional clues on the path of US. rate hikes. The pan European STOXX 600 dropped 0.2%. The German DAX ended flat with a positive bias, while France's CAC 40 index and the UK.'s FTSE 100 both slipped around 0.2%. ([www.rttnews.com](http://www.rttnews.com) 09/12/22)

### **Crude oil shows notable downturn after early surge**

After moving higher in early trading, the price of crude oil showed a downturn over the course of the trading day. Crude for January delivery slid \$0.55 a barrel after surging to a high of \$75.44 a barrel. With the downturn on the day, the price of crude oil extended a recent sell-off, falling to its lowest levels in eleven months. ([www.rttnews.com](http://www.rttnews.com) 08/12/22)

### **Gold shows modest move to the upside amid lower dollar**

Gold prices moved modestly higher during trading, extending the recovery from the steep drop seen. After climbing \$15.60 to \$1,798 an ounce in the previous session, gold for February delivery inched up \$3.50 to \$1,801.50 an ounce. The uptick by the price of gold comes amid a decrease by the value of the US dollar. ([www.rttnews.com](http://www.rttnews.com) 08/12/22)

### **South African consumer confidence rebounds on upbeat outlook for employment**

SA consumer confidence recovered to its strongest level in two years in the fourth quarter as households anticipated better employment prospects and an improvement in their finances. ([www.bloomberg.com](http://www.bloomberg.com) 08/12/22)

### **IMF to assess Zambia in spring, urges debt deal with creditors**

The IMF urged default-stricken Zambia to strike a debt restructuring deal with its international creditors as soon as possible and will make a formal assessment of its predicament. ([www.reuters.com](http://www.reuters.com) 08/12/22)

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