



Friday, 15th September 2023

Debt levels are likely to start rising again, IMF warns

Global debt levels are returning to their pre-pandemic trend, threatening debt sustainability in some countries, the International Monetary Fund says. Data published as part of the IMF's global debt database shows total debt stood at 238% of GDP in 2022. The figure is nine percentage points higher than in 2019, though it has come down sharply from its 2020 peak of 258%. (www.centralbanking.com 14/09/23)

Global watchdog tackles 'vulnerabilities' in leveraged loans

Global securities regulators have proposed tightening, how the leveraged loan market operates to tackle "vulnerabilities" after a prolonged period of low interest rates led to deteriorating standards. Leveraged loans are loans extended to companies that already have high debt, and therefore are at a higher risk of default. (www.reuters.com 14/09/23)

Europe's central bank nearing end of hiking cycle

The European Central Bank (ECB) has lifted key interest rates by another 25 basis points and signaled that it is nearing the end of the rate hiking cycle. The central bank has reiterated with conviction that it is going all out to defend its credibility by bringing down inflation to its target level of 2% in a timely manner. (www.xinhuanet.com 15/09/23)

ECB raises interest rates to all-time high

The European Central Bank has raised interest rates to an all-time high in a bid to cool consumer prices, despite faltering growth in the Eurozone. The ECB's knife-edge decision to lift its deposit rate for the 10th consecutive time to 4%, made at a meeting of its governing council in Frankfurt on Thursday, came as officials cut their growth forecasts for the Eurozone economy. (www.ft.com 14/09/23)

US inflation expectations fall to lowest levels in over two years

US inflation expectations fell in early September to the lowest levels in more than two years as consumers grew more optimistic about the economic outlook. Consumers expect prices will climb at an annual rate of 3.1% over the next year, down from the 3.5% expected in Aug. according to the University of Michigan. (www.bloomberg.com 15/09/23)

US jobless claims inch up less than expected to 220,000

A report released by the Labor Department shows first-time claims for US unemployment benefits edged up by less than expected in the week ended Sept 9. The report said initial jobless claims crept up to 220,000, an increase of 3,000 from the previous week's revised level of 217,000. Economists had expected jobless claims to rise to 225,000 from the 216,000. (www.rttnews.com 14/09/23)

Chinese market remains attractive to foreign investment

China's commerce ministry spokesperson said on Thursday that the Chinese market remains attractive to foreign investment and refuted a claim that investment from the US and the EU to China plunged in recent years. Investment from the US and the EU reached ¥86bn (about \$12bn) in 2022, up 15.6% from 2018, spokesperson He Yadong told a regular press conference. (www.xinhuanet.com 14/09/23)

Public satisfaction with BoE's inflation strategy hits record low

Public satisfaction with how the Bank of England is tackling inflation fell to a record low as Britons expect prices to increase steeply in the year ahead, according to official data. In August, 40% of the UK population was dissatisfied with how the central bank was handling inflation. (www.ft.com 15/09/23)

EXCHANGE RATES OF SELECTED CURRENCY

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2418	(1.2498)	1.2420	(1.2499)
+USD/EUR	1.0653	(1.0745)	1.0653	(1.0746)
*GHS/USD	11.0606	(11.0503)	11.0716	(11.0613)
*GHS/GBP	13.7350	(13.8106)	13.7510	(13.8256)
*GHS/EUR	11.7826	(11.8740)	11.7943	(11.8858)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 15/09/23 (Rates for 14/09/23 in brackets)

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Malaysia's oil, gas production decline in Q2
The production of crude oil and condensate and natural gas in Malaysia declined in the second quarter of 2023, contracted by 3.3% and 3.7% respectively, official data showed on Friday. The production of crude oil and condensate in Malaysia dropped by 3.3% year-on-year, with a production value of 45.5m barrels in the second quarter of 2023. (www.xinhuanet.com 15/09/23)

Armenia and Georgia cut policy rates
The central banks of Armenia and Georgia have continued gradually loosening monetary policy. The National Bank of Georgia warned domestic inflationary pressures remained strong, while the Central Bank of Armenia forecast its currently negative inflation would rise gradually. Headline inflation in both countries has fallen sharply. (www.centralbanking.com 14/09/23)

DCB raises interest rates to mirror ECB hike
The Danish central bank hiked its benchmark interest rate, mirroring an increase from the European Central Bank earlier in the day, to protect the krone's peg to the euro. National banker raised its current account rate to 3.6% from 3.35%, it said in a statement on Thursday after ECB also had raised its benchmark by 25 basis points. (www.bloomberg.com 14/09/23)

Croatia adopts measures to control inflation
Croatia's government adopted on Thursday a set of new measures to help the citizens cope with inflation that has been persistently high since the end of last year. The package has capped the prices of 30 daily staples, including milk, flour, sugar, bread and sunflower oil. The new measure will be introduced on Oct. 1 (www.xinhuanet.com 14/09/23)

Finland economy grows 1.5%
Finland's gross domestic product rebounded in July largely on the back of strong growth in the primary sector, data from Statistics Finland shows. Output of the national economy rose a working-day-adjusted 1.5% year-on-year in July, in contrast to a 0.3 percent decrease in the prior month. (www.rttnews.com 15/09/23)

Oil prices head for 3rd consecutive weekly gain on supply worries
Oil prices headed for their third consecutive weekly gain as expectations for tight supply outweighed fears over an economic slowdown in China. Brent crude, the international benchmark, added 0.5% on Friday to trade at \$94.26 per barrel, while US marker West Texas Intermediate gained 0.7% to \$90.80. (www.ft.com 15/09/23)

Morocco insists IMF, World Bank meetings to proceed in October
Morocco insisted on Thursday that Marrakech will host IMF and WB annual meetings in Oct. despite the recent devastating earthquake, but the two institutions have not committed to the plan, three people familiar with their deliberations said. (www.reuters.com 15/09/23)

Tinubu's bold growth goals hinge on surge in Nigerian oil output
Nigeria, among Africa's largest producers of crude oil, will need to raise production by at least 300,000 to 400,000 barrels a day to meet President Bola Tinubu's aggressive target of achieving 6% economic growth from next year. That's according to Bank of America sub-Saharan Africa Economist Tatonga Rusike who said that restoring crude output to levels last achieved in 2014 could prove tough. (www.bloomberg.com 14/09/23)

Sudan's gold production declines amid war
Sudan's state mining services company said its gold production has dropped to two tons amid the ongoing clashes between the Sudanese Armed Forces (SAF) and the paramilitary Rapid Support Forces (RSF), compared to 18 tons in 2022. (www.xinhuanet.com 15/09/23)

Ghana: Addison is a competent professional of quiet courage – Ofori-Atta
The Minister of Finance, Ken Ofori-Atta has jumped to the defense of the Governor of the Bank of Ghana, Dr Addison, over criticisms after he posted a GH¢60.8bn loss in 2022. Mr Ofori-Atta said Dr Addison, has faced major economic hurdles since 2017 but managed to scale them fairly. (www.3news.com 14/09/23)

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