



Tuesday, 26th September 2023

US government shutdown bad for country's credit, warns Moody's

A US government shutdown would harm the country's credit, rating agency Moody's said on Monday, a stern warning coming one month after Fitch downgraded the US. by one notch on the back of a debt ceiling crisis. US government services would be disrupted and hundreds of thousands of federal workers furloughed without pay if Congress fails to provide funding for the fiscal year starting Oct. 1. (www.reuters.com 25/09/23)

Fed's Kashkari sees another rate hike, then a hold

Minneapolis Federal Reserve Bank President Neel Kashkari said on Monday that given the surprising resilience of the US economy, the Fed probably needs to raise borrowing rates further and keep them high for some time to bring inflation back down to 2%. (www.reuters.com 26/09/23)

China's economy is set to avoid a Japanese-style deflation

Prices in China are recovering, according to an independent survey, providing more evidence that the worst may be over for the world's second-biggest economy and easing fears of a Japan-style deflation for now. The all-sector price index hit 50.9 in Sept. the highest level in 14 months, according to data company World Economics. (www.bloomberg.com 26/09/23)

German Ifo business confidence near one-year low

German business morale weakened for the fifth consecutive month in September to hit the lowest level in 11 months as companies were less satisfied with their current situation amid the subdued economic activity, survey results from the ifo Institute showed on Monday. The business climate index fell to 85.7 from 85.8 in the previous month. (www.rttnews.com 25/09/23)

SK consumer confidence weakens to 4-month low

South Korea's consumer sentiment weakened in September to the lowest level in four months, as households' current and future living conditions worsened, survey results from the Bank of Korea showed on Tuesday. The consumer confidence index fell to 99.7 in September from 103.1 in August. This was the lowest reading since May 2022, when it was 98.0. (www.rttnews.com 25/09/23)

Singapore inflation eases slightly to 4.0%, lowest in 19 months

Singapore's consumer price inflation (CPI) moderated further in August to the lowest level in more than one and-a-half years, due to declines in core and accommodation inflation, data published by the Monetary Authority of Singapore and the Ministry of Trade and Industry shows. (www.rttnews.com 25/09/23)

Hungary to align rates, ending emergency regime

Hungary's central bank will likely cut its key interest rate by a full percentage point for a fifth month, ending an emergency monetary regime imposed last year to arrest a slump in the forint. The Monetary Council will lower the overnight deposit rate to 13% when it meets on Tuesday, according to all nine forecasts in a Bloomberg survey. (www.bloomberg.com 26/09/23)

Czech economic sentiment weakens to 30-month low

The Czech economic confidence index decreased in September to the lowest level in two-and-a-half years, survey results from the Czech Statistical Office showed on Monday. The economic sentiment index dropped to 89.2 in September from 93.4 in the previous month. Further, this index was the lowest score since March 2021, when it was 88.7. (www.rttnews.com 25/09/23)

EXCHANGE RATES OF SELECTED CURRENCY

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2216	(1.2253)	1.2217	(1.2255)
+USD/EUR	1.0594	(1.0655)	1.0595	(1.0656)
*GHS/USD	11.0703	(11.0690)	11.0813	(11.0800)
*GHS/GBP	13.5234	(13.5628)	13.5381	(13.5786)
*GHS/EUR	11.7289	(11.7937)	11.7396	(11.8064)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 26/09/23 (Rates for 25/09/23 in brackets)

* BOG INTERNAL TRANSACTION RATES: 26/09/23 (Rates for 25/09/23 in brackets)

Indonesia launches country's first carbon trading exchange

Indonesia on Tuesday launched its first carbon exchange, as part of the south-east Asian country's commitment to cut its emissions by more than 30% by 2030. Indonesia Carbon Exchange, operated by the Indonesia Stock Exchange, debuted with 13 transactions covering more than 450,000 tonnes of carbon dioxide, financial regulator OJK said in a launch presentation. (www.ft.com 26/09/23)

Poland jobless rate steady at 5.0%

The unemployment rate in Poland remained stable for the second straight month in August, in line with expectations, figures from the statistical office shows. The rate came in at 5.0% in August, the same as in the previous two months. In the corresponding month last year, the unemployment rate was 5.2%. (www.rttnews.com 25/09/23)

Finland producer prices continue to fall sharply

Finland's producer prices continued their steep declining trend in August, largely led by lower prices of electricity, basic metals, chemicals, and chemical products, data from Statistics Finland show. The PPI fell 8.4% year-on-year in August, though slower than the 10.0% plunge in July. (www.rttnews.com 25/09/23)

Fitch cuts Bangladesh's outlook to negative as reserves decline

Bangladesh's sovereign rating outlook was cut by Fitch Ratings to negative from stable as declining reserves and a squeeze in dollar liquidity increased the South Asian nation's vulnerability to shocks. Fitch joins S&P Global Ratings in downgrading the outlook on Bangladesh. (www.bloomberg.com 26/09/23)

Sri Lanka to re-contract 30 to 40 suspended FDI projects as investor confidence grows

Sri Lanka will re-contract 30 to 40 foreign direct investment (FDI) contracts that were suspended due to the economic crisis as foreign investors have expressed their willingness to do so, state media reported on Tuesday. (www.xinhuanet.com 26/09/23)

Oil prices slip as high interest rate outlook outweighs tight supply

Oil prices fell on Tuesday amid concerns that fuel demand will be crimped by major central banks holding interest rates higher for longer, even with supply expected to be tight. Brent crude futures were down 38 cents at \$92.91 a barrel at 0400 GMT, while US West Texas Intermediate crude futures were trading 34 cents lower at \$89.34. (www.reuters.com 26/09/23)

Global share index slips as investors absorb 'higher-for-longer' rate outlook

A global index of stocks fell while Wall Street eked out a gain in Monday's choppy market as bond yields rose and investors continued to digest last week's central bank indications that interest rates would stay higher for longer. (www.reuters.com 25/09/23)

Asian currencies dip against dollar on US interest rates forecast

Asian currencies declined against the dollar on Tuesday as US central bankers suggested interest rates would stay higher for longer. The renminbi fell 0.2% to trade at Rmb7.311 per dollar while the won fell by the same margin to Won1340.94. On Monday, long-term US treasury yields rose to their highest in more than a decade. (www.ft.com 26/09/23)

Morocco seen holding rates as it grapples with \$12bn earthquake recovery bill

Morocco is expected to keep interest rates unchanged for the next quarter to help finance the hefty cost of recovery from the major earthquake that hit the country and after inflation fell to its lowest in almost a year and a half. (www.bloomberg.com 26/09/23)

Ghana sees positive outcomes from IMF program: official

Ghana has seen positive outcomes from the economic reform programs supported by the International Monetary Fund (IMF) after the first four months of implementation, the Governor of the Bank of Ghana said on Monday. Ghana's economy grew 3.2% in Q2, after recording a 3.3% growth in Q1. (www.xinhuanet.com 26/09/23)

DISCLAIMER: This information has been compiled by the Communications Office of Bank of Ghana for general reference purposes only. While every effort is made to ensure that the information is accurate, the Bank of Ghana does not guarantee nor does it accept any responsibility or liability for the accuracy or completeness of the content or for any loss which may arise from reliance on information contained in this document.