



Monday, 20th November 2023

Global rate-hike marathon may keep going in Nordics

Central banks in the U.S, Eurozone and the UK are done raising interest rates for now, but their peers across Europe’s north aren’t so sure. On Thursday, Sweden’s Riksbank could deliver yet another quarter-point salvo, taking its key rate to 4.25% to fight inflation or not, depending on who you listen to.

(www.bloomberg.com 18/11/23)

Eurozone current account surplus remains unchanged

The euro area current account surplus remained stable in Sept. the European Central Bank has said. The current account surplus totaled €31bn, unchanged from Aug. The surplus on goods trade decreased to €31bn from €36bn a month ago, while the surplus on services trade held steady at €8bn. Primary income showed a positive balance of €5bn after staying nil. (www.rttnews.com 17/11/23)

Eurozone inflation unrevised at 2.9%, lowest in 27 months

Eurozone inflation eased further in Oct. to the lowest level in more than two years amid cheaper energy costs along with a slowdown in food prices, final data from Eurostat shows. Harmonized inflation stood at 2.9% in Oct. well below the 4.9% rise seen in Sept. The statistical office confirmed the flash estimate published on Oct. 31. (www.rttnews.com 17/11/23)

Lagarde calls for stronger EU securities and markets authority

European Central Bank President Christine Lagarde called for a stronger securities and markets authority as a step to complete the European capital markets union. Lagarde said on Nov. 17 the Capital Markets Union (CMU) is essential to respond to the challenges presented by deglobalisation, ageing of the population and climate change.

(www.centralbanking.com 17/11/23)

China pauses rate cuts as focus shifts to credit stability

China may be done with rate cuts for now as policymakers turn to other means to support the economy and stabilize credit growth headed into 2024. The nation’s commercial lenders maintained their benchmark lending rates including the 5-year loan prime rate used as a reference for mortgages on Monday.

(www.bloomberg.com 20/11/23)

Investors bet on earlier interest rate cuts in Eurozone and UK

Investors have brought forward the date at which they expect the European Central Bank and Bank of England to begin cutting interest rates after a flurry of data suggesting the Eurozone and the UK are headed for a period of near stagnation. Along with the U.S. Fed, both central banks opted to leave rates unchanged at their latest policy meetings.

(www.ft.com 18/11/23)

Jeremy Hunt considering cuts to inheritance tax

The chancellor is considering cutting inheritance and business taxes in next week's Autumn Statement, the BBC has been told. It is thought Jeremy Hunt's decision will depend on the latest predictions from the UK's main economic forecaster. A Treasury source said no final decisions had been made, but Mr Hunt refused to rule it out in a BBC interview.

(www.bbc.com 18/11/23)

Japan's back-to-back wage bonanza would open door for BOJ exit

Japan's big employers are set to follow this year's bumper pay hikes with another round in 2024, expected to help lift household spending and give the central bank the conditions it needs to finally roll back massive monetary stimulus. Early indications from businesses, unions and economists set the stage for this year's pay hikes. (www.reuters.com 20/11/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2417	(1.2447)	1.2419	(1.2448)
+USD/EUR	1.0875	(1.0881)	1.0876	(1.0882)
*GHS/USD	11.5552	(11.5472)	11.5668	(11.5588)
*GHS/GBP	14.3481	(14.3728)	14.3648	(14.3884)
*GHS/EUR	12.5662	(12.5659)	12.5797	(12.5772)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 20/11/23 (Rates for 17/11/23 in brackets)

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Italy welcomes Moody's raising credit outlook from negative to stable

Italian authorities welcomed Moody's latest assessment, which maintained the country's credit ratings at Baa3, but upgraded the outlook from negative to stable. In a social media comment, Economy Minister Giancarlo Giorgetti said he was "satisfied with the result." Moody's Baa3 rating is the lowest level of investment grade.

(www.xinhuanet.com 19/11/23)

Malaysian trade surplus shrinks in Oct.

The Malaysian trade surplus decreased in Oct. as exports fell faster than imports, data from the statistical office showed on Monday. The trade surplus shrank to RM12.9bn in Oct. from RM18.5bn in the same month last year. In Sept. the trade surplus was RM24.37bn.

(www.rttnews.com 20/11/23)

Spain trade deficit narrows in Sept.

Spain's foreign trade deficit decreased notably at the end of the third quarter, as imports fell faster than exports, the Economy Ministry has said. The trade deficit dropped to €3.83bn in Sept. from €6.98bn in the corresponding month last year. In August, the shortfall was €4.43bn. (www.rttnews.com 17/11/23)

IMF renews Mexico's flexible credit line

The International Monetary Fund renewed its flexible credit line (FCL) agreement with Mexico on Nov. 15. The new two-year arrangement provides Mexico with a reserve credit line of approximately \$35bn. The IMF granted Mexico an FCL facility in 2009, and the 2023–25 agreement is the tenth since then.

(www.centralbanking.com 17/11/23)

Thailand economic growth slows last quarter, boosts stimulus case

Thailand's economic growth unexpectedly slowed in the third quarter, supporting the case for the new government to proceed with its planned \$14bn cash handout program. GDP in the 3 months through Sept. rose 1.5% from a year earlier, the National Economic and Social Development Council said on Monday.

(www.bloomberg.com 20/11/23)

Oil extends gains as OPEC+ to mull deeper cuts

Oil futures nudged higher on Monday, extending gains on expectations of OPEC+ deepening supply cuts to shore up prices, which have fallen for four weeks on easing concern of Middle East supply disruption amid the Israel-Hamas conflict. Brent crude futures climbed 57 cents, or 0.7%, to \$81.18 a barrel by 0400 GMT. (www.reuters.com 20/11/23)

Key African economies are set to deviate from global rates path

In what will be a marathon month for interest-rate decisions in Africa, its biggest economies are set to keep interest rates higher for longer. Those with acute currency weakness and brisk inflation such as Nigeria and Angola are poised to raise rates.

(www.bloomberg.com 20/11/23)

SA rand climbs with CPI, rate decision due this week

South Africa's rand strengthened in early trading on Monday, with investors looking ahead to inflation figures and an interest rate decision due later in the week. At 0701 GMT, the rand traded at 18.3050 against the dollar, about 0.2% stronger than its previous close.

(www.reuters.com 20/11/23)

Nigerian central bank warns against cash panic

The Central Bank of Nigeria has warned consumers against making panic withdrawals of cash and reversed its previous governor's decision to replace banknotes. The CBN said on Nov. 14 that it would no longer withdraw notes worth N1,000, N500 and N200.

(www.centralbanking.com 17/11/23)

BoG borrows GHS 981m at 30% interest cost

Bank of Ghana has raised GHS981m through the issuance of its own bills known as BoG bills with a maturity period of 56 days. The auction, which took place on Nov. 15, 2023, saw the central bank selling short-term securities on the primary market to regulate money supply and manage liquidity in the banking system. (www.norvanreports.com 20/11/23)

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