



Thursday, 23rd November 2023

Eurozone banks show “early signs of stress”, ECB warns

Eurozone banks are facing “early signs of stress” including higher default rates and payment arrears, the European Central Bank (ECB) said on Nov. 22. More broadly, the ECB’s financial stability review warned an adverse macroeconomic environment and geopolitical risks threaten financial markets’ stability. (www.centralbanking.com 22/11/23)

US consumers worry inflation will pick up again, UMich survey finds

U.S. consumers' inflation expectations rose for a second straight month in Nov. despite growing signs that price increases are in fact slowing, according to a survey released on Wednesday that may create some worry for Fed policymakers. American households see inflation accelerating to 4.5% over the next year, up from 4.2% in Oct. and from 3.2% in Sept. (www.reuters.com 22/11/23)

Smaller US banks face unequal real estate risk, paper says

Smaller U.S. banks are more exposed than larger ones to “looming” real estate risks, research published by the Federal Reserve Bank of St Louis says. Banks with smaller levels of asset holding are most associated with commercial real estate risk, say Miguel Faria e Castro and Samuel Jordan-Wood. (www.centralbanking.com 22/11/23)

Chinese premier Li Qiang becomes CFC head

China’s authorities have named premier Li Qiang as the head of the Central Financial Commission (CFC). The CFC is one of the two new Communist party-led bodies set up in March to oversee China’s financial sector. The authorities will also appoint former People’s Bank of China (PBoC) Deputy Governor Zhu Hexin as the foreign exchange regulator’s head. (www.centralbanking.com 22/11/23)

UK economy growth forecasts slashed for next two years

The UK economy will grow much more slowly than expected in the next two years as inflation takes longer to fall, the government's forecaster says. Living standards are also not expected to return to pre-pandemic levels until 2027-28, the Office for Budget Responsibility (OBR) said. It comes as the chancellor announced tax cuts and a rise in benefits in his Autumn Statement. (www.bbc.com 22/11/23)

Hunt’s tax cuts to squeeze UK public services beyond the election

Chancellor of the Exchequer Jeremy Hunt will redouble the squeeze on Britain’s crumbling public services to pay for £21bn (\$26.2bn) of tax cuts designed to boost growth and revive the Conservative Party’s electoral fortunes. Government departments face a further £19bn of cuts after the election expected next year. (www.bloomberg.com 22/11/23)

Germany shelves 2024 budget talks as crisis deepens

German Chancellor Olaf Scholz's coalition on Wednesday indefinitely postponed talks on next year's budget as it struggled to find a way out of a crisis caused by a court ruling that blew a €60bn (\$65bn) hole in its finances. The delay to the talks underscored the challenge facing the government after the constitutional court blocked the transfer of unused pandemic funds. (www.reuters.com 22/11/23)

Japan govt. downgrades economic view

Japan's government downgraded its economic assessment for the first time since Jan. citing the weakness in business investment. "The Japanese economy is recovering at a moderate pace, although it recently appears to be pausing in part," the Cabinet Office said. For 6 straight months until Oct. the government had said the economy is recovering at a moderate pace. (www.rttnews.com 22/11/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2460	(1.2534)	1.2461	(1.2535)
+USD/EUR	1.0870	(1.0934)	1.0871	(1.0935)
*GHS/USD	11.5687	(11.5600)	11.5803	(11.5716)
*GHS/GBP	14.4146	(14.4893)	14.4302	(14.5050)
*GHS/EUR	12.5760	(12.6412)	12.5885	(12.6526)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 23/11/23 (Rates for 22/11/23 in brackets)

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BoC says rates may now be at peak, excess demand now gone: Reuters

Bank of Canada Governor Tiff Macklem on Wednesday said interest rates might be at their peak, given that excess demand has vanished and weak growth is expected to persist for many months. The Bank of Canada (BoC) - seeking to control soaring inflation - hiked rates 10 times between March of last year and July 2023, pushing them up to a 22-year high of 5.00%. (www.reuters.com 22/11/23)

RBI's Das warns banks to avoid 'exuberance' as credit surges

Reserve Bank of India (RBI) Governor Shaktikanta Das has warned banks and other financial firms to avoid "exuberance", amid surging credit growth. In remarks on Nov. 22, Das told banks and non-bank financial companies (NBFCs) to "take due care". (www.centralbanking.com 22/11/23)

Singapore core inflation quickens for first time in nine months

Singapore's core inflation accelerated in Oct. for the first time since Jan. supporting the central bank's expectation of near-term upside risk as services and utility costs rose. The core measure, which excludes housing and private transportation costs, quickened to 3.3% from a year ago. (www.bloomberg.com 23/11/23)

Dutch consumers less pessimistic in Nov.

Dutch consumers remained less negative in Nov. due to better economic perceptions and a stronger willingness to purchase, the Central Bureau of Statistics has said. The CPI rose to -33 in Nov. from -38 in Oct. However, the indicator in Nov. was well below the 20-year average of -10 points. (www.rttnews.com 22/11/23)

Denmark consumer confidence negative

Danish consumers expressed a pessimistic approach in November, despite their confidence having improved slightly from Oct. figures from Statistics Denmark showed on Wednesday. The consumer confidence index rose to -10.3 in Nov. from -11.2 in the previous month. (www.rttnews.com 22/11/23)

Oil down more than 1% as uncertainty swirls over delayed OPEC+ meeting

Oil prices fell by more than 1% on Thursday, extending losses from the previous session, after OPEC+ postponed a ministerial meeting, leading to speculation that producers might cut output less than earlier anticipated. Brent futures were down \$1.02 at \$80.94 a barrel by 0625 GMT, after falling as much as 4% on Wednesday. (www.reuters.com 23/11/23)

SA's October inflation rises near top of central bank target

South African inflation quickened more than expected in Oct. approaching the upper end of the central bank's preferred range driven by steep rises in food, transport, and health costs. Headline consumer inflation rose to 5.9% year-on-year in Oct. from 5.4% in Sept. (www.reuters.com 22/11/23)

Nigeria lawmakers approve mid-term fiscal plan for next three years

Nigeria's Senate passed the medium-term expenditure framework for 2024-2026 on Wednesday, setting out government's fiscal plan for the next 3 years. Parliamentarians passed the framework on Tuesday. (www.reuters.com 22/11/23)

Malawi needs almost \$1bn debt relief by 2027 - IMF

Malawi needs almost \$1bn in debt relief from its creditors by 2027, the IMF said on Wednesday, as it battles severe medicine, fuel and fertiliser shortages due to chronic foreign currency shortages. The landlocked southern African country needs \$887m in debt relief from 2023 to 2027. (www.reuters.com 22/11/23)

Ghana: PPI falls to 9.6%

The Producer Price Index (PPI) for Oct. 2023 fell to 9.6%, data from the Ghana Statistical Service has revealed. This represents a 15.5 percentage point decrease relative to the rate recorded in Sept. 2023 (25.1%). However, the month-on-month change in the PPI between Sept 2023 and Oct 2023 was 1.1%. (www.myjoyonline.com 22/11/23)

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