



Tuesday, 5th December 2023

Eurozone investor confidence highest since May - Sentix

Euro area investor sentiment rose for a second straight month in December, raising expectations for an economic turnaround at the start of the next year, survey data from the behavioral research institute Sentix showed Monday. The Sentix investor confidence index climbed to -16.8 from -18.6 in November. Economists had forecast a reading of -15.0. The score was the highest since May this year. (www.rttnews.com 04/12/23)

Fed, with rates at a peak, now looks at a hold and an eventual pivot lower

US Fed officials appear on track to end the year with interest rate hikes as a thing of the past but with a coming challenge over when and how to signal a turn to rate cuts that investors, politicians and the public may demand before the central bank is ready. A watched gauge of underlying inflation remains at 3.5% year-on-year, significantly above the Fed's 2% target. (www.reuters.com 04/12/23)

China services expand at fastest pace in 3 months, private survey shows

China's services sector expanded at a quicker pace in November, as demand strengthened in Asia's largest economy. The Caixin services purchasing managers' index, a closely watched private survey of activity in the sector, came in at 51.5, well ahead of analyst expectations and above the 50-point mark, indicating expansion. (www.ft.com 05/12/23)

MPs cool on UK CBDC prospects

A House of Commons committee has cast doubt on the value of a UK central bank digital currency, saying any advantages are "unclear". In a report published on Dec. 2, the Treasury select committee said a UK CBDC could have "some potential benefits to the UK economy". (www.centralbanking.com 04/12/23)

German exports fall unexpectedly

Germany's exports and imports declined unexpectedly in Oct. amid the weaker trade activity within Europe, preliminary figures from the statistical office Destatis shows. Exports decreased for a second month in a row, down a calendar and seasonally adjusted 0.2% month-on-month, while economists were looking for a 1.1% gain. In Sept. shipments fell 2.5%. (www.rttnews.com 04/12/23)

As Japan emerges from deflation, banks get wake-up call on interest rate swing

After decades of deflation, Japan's economy looks poised to finally turn a corner. Lenders in the world's third-largest economy are now giving crash courses to younger staff to help clients navigate higher interest rates as many of these employees have no expertise in dealing with the vagaries of a traditional inflation environment. (www.reuters.com 05/12/23)

Australia trade drags on Q3 growth, government spending a boost

Australia's current account slid into deficit in the Sept. quarter as prices for some commodity exports fell and locals spent more money abroad, leaving trade as a drag on the economy overall. Australia's current account fell to a deficit of A\$158m (\$104.49m) in the third quarter, down from a surplus of A\$7.8bn in the second quarter. (www.reuters.com 05/12/23)

Australia's central bank holds rates steady until at least February

Australia's central bank held interest rates steady on Tuesday as expected, buying it more time to assess the state of the economy and decide whether to tighten further next year even as the US and Europe are seen as almost certain to ease. Wrapping up its Dec. policy meeting, the Reserve Bank of Australia (RBA) kept rates at a 12-year high of 4.35%. (www.reuters.com 05/12/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2622	(1.2634)	1.2623	(1.2635)
+USD/EUR	1.0818	(1.0907)	1.0819	(1.0908)
*GHS/USD	11.6188	(11.6148)	11.6304	(11.6264)
*GHS/GBP	14.6652	(14.6741)	14.6811	(14.6900)
*GHS/EUR	12.5709	(12.6698)	12.5823	(12.6813)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 05/12/23 (Rates for 04/11/23 in brackets)

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Spain unemployment falls in November

Spain's unemployment decreased unexpectedly in Nov. the labour ministry revealed. The number of unemployed dropped by 24,573 people, or 0.89%, from the previous month. Meanwhile, it was expected to increase by 28,100. The ministry said it was the second most pronounced drop in unemployment in Nov. excluding the exceptional nature of the pandemic period. (www.rttnews.com 04/12/23)

Argentine central bank delays payments regulation

The Central Bank of Argentina (BCRA) has postponed a controversial payments regulation that had angered a major online payments firm. In Sept. the BCRA announced that Argentine consumers would no longer be able to fund accounts, including digital wallets, through its Debin instant payments system. (www.centralbanking.com 04/12/23)

SK's inflation slows in relief for Central Bank

South Korea's consumer inflation cooled more than expected in Nov. offering central bank authorities latitude to moderate their hawkish policy tilt going into next year. Consumer prices rose 3.3% from a year earlier, decelerating from 3.8% growth in Oct. (www.bloomberg.com 05/12/23)

Vietnam government to probe central bank's credit management

The Vietnamese government has ordered an investigation into the central bank's management of credit growth, saying it was growing too slowly. Deputy prime minister Le Minh Khai ordered the Government Inspectorate to examine the central bank's management of credit growth in 2022 and 2023. (www.centralbanking.com 04/12/23)

Portugal industrial output falls 0.9% in Oct

Portugal's industrial production declined for the eighth straight month in Oct. though at a weaker rate, Statistics Portugal states. Industrial production dropped 0.9% year-on-year in Oct. much slower than the 6.3% decrease in Sept. (www.rttnews.com 04/12/23)

Asian stocks slide as focus turns to US jobs

Asian stocks slipped to three-week lows and Hong Kong's unloved Hang Seng index slumped to a one-year trough on Tuesday while bonds and the dollar steadied as investors tempered expectations for cuts to US interest rates and waited on US jobs data. The Australian dollar fell 0.6% after the central bank left interest rates on hold, as expected, and emphasised that the future direction rates would depend on data. (www.reuters.com 05/12/23)

Oil prices little changed amid OPEC+ cut doubts, Mid-East tension

Oil prices were little changed on Tuesday amid uncertainty over voluntary output cuts by OPEC+, continued tension in the Middle East and weak economic data from the U.S. Brent crude futures ticked down 1 cent to \$78.02 a barrel by 0402 GMT, while U.S. West Texas Intermediate crude futures were up 5 cents at \$73.09 a barrel. (www.reuters.com 05/12/23)

AfCFTA presents opportunity for Africa to pursue climate policies: UNECA

The African Continental Free Trade Area (AfCFTA) agreement has presented an opportunity for African countries to pursue climate policies, a senior United Nations Economic Commission for Africa (UNECA) official has said. (www.xinhuanet.com 05/12/23)

Kenya to hold rates after surprise dip in inflation: Day Guide

Kenya's central bank is likely to leave its benchmark rate unchanged for the third time in a row after a surprise easing in inflation last month. Economists forecast the monetary policy committee will maintain borrowing costs at 10.5% at its meeting on Tuesday. (www.bloomberg.com 05/12/23)

Zimbabwe's central bank urges incentives on diaspora remittances

The Reserve Bank of Zimbabwe (RBZ) has called on the Zimbabwean government to offer fiscal and non-fiscal incentives to diaspora investments, given their huge contribution to the country's total foreign currency inflows. (www.xinhuanet.com 05/12/23)

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