



Wednesday, 6th December 2023

Inflation across OECD countries falls to lowest level in two years

Inflation in the world's rich economies dropped to its lowest rate in 2 years in Oct. adding to evidence of easing cost pressures in many countries. The annual pace of consumer price growth in the OECD group of developed nations fell to 5.6%, down from 6.2% in Sept. and the lowest level since Oct. 2021. (www.ft.com 05/12/23)

Eurozone yields drop, equities rally pauses

Germany's 10-year government bond yield dropped to its lowest in six months on Tuesday and world shares edged off four-month highs as traders upped bets on European Central Bank rate cuts early in 2024 and grappled with the Fed's outlook. The 10-year Bund yield dropped as much as 7 basis points to 2.28%, its lowest since June 2. (www.reuters.com 05/12/23)

ECB's Schnabel does not rule out rate cut before mid-2024

Isabel Schnabel does not rule out a rate cut in the first half of 2024, stressing the European Central Bank (ECB) should remain open to reacting to incoming economic data. The ECB's executive board member in charge of market operations highlighted that eurozone inflation has declined faster in Oct. and Nov. (www.centralbanking.com 05/12/23)

Yellen says economists 'eating their words' after predicting high US unemployment

US Treasury Secretary Janet Yellen said on Tuesday that economists who predicted that high US unemployment would be needed to tame inflation are "eating their words" as the economy experiences little weakness in the labour market and consumer demand with prices moderating. "We're not seeing the usual signs of a weakening labour market that would make you fear a recession," Yellen said (www.reuters.com 06/12/23)

Economists see Fed keeping rates at 22-year high until at least July

The US central bank will hold off on interest rate cuts until at least July 2024 and deliver less relief than financial markets expect, according to leading academic economists polled by the Financial Times. While most of those surveyed thought the rate-raising phase of the Fed's historic monetary tightening campaign was now over, two-thirds of respondents thought the Fed would only begin to cut its benchmark rate by the third quarter of 2024 or later. (www.ft.com 06/12/23)

Moody's cuts China credit outlook, citing lower growth, property risks

Ratings agency Moody's cut its outlook on China's credit ratings to negative from stable on Tuesday, in the latest sign of mounting global concern over the impact of surging local government debt and a deepening property crisis on the world's second-largest economy. (www.reuters.com 05/12/23)

German factory orders unexpectedly dropped in October

German factory orders unexpectedly fell in Oct, highlighting how manufacturing in Europe's largest economy remains stuck in a rut. Wednesday's data shows a 3.7% decrease in demand defying analysts who had predicted a 0.2% gain. Sept's advance, however, was revised up to 0.7%. (www.bloomberg.com 06/12/23)

BoC finds widespread public hostility to CBDC

A Bank of Canada (BoC) report based on three years of public consultations with Canadians concerning digital currency, has found widespread opposition to the idea among the general public. The BoC proposed a model where it creates both the central bank digital currency (CBDC) and the associated payment network. (www.centralbanking.com 05/12/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2644	(1.2622)	1.2646	(1.2623)
+USD/EUR	1.0835	(1.0818)	1.0836	(1.0819)
*GHS/USD	11.6188	(11.6188)	11.6304	(11.6304)
*GHS/GBP	14.6908	(14.6652)	14.7078	(14.6811)
*GHS/EUR	12.5885	(12.5709)	12.6020	(12.5823)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 06/12/23 (Rates for 05/11/23 in brackets)

* BOG INTERNAL TRANSACTION RATES: 06/12/23 (Rates for 05/11/23 in brackets)

Australia's economic growth slows to 0.2% in September quarter

Australia's economic growth slowed in the Sept quarter amid restrained consumer spending, data shows. Gross domestic product rose just 0.2% from the prior quarter, the Australian Bureau of Statistics said. Analysts polled by Reuters had expected an increase of 0.4%. (www.ft.com 06/12/23)

Brazil's economy stutters as investment plummets

Economic growth in Brazil slowed sharply in the third quarter, with a big fall in fixed investment suggesting headwinds to come, according to data. Annual GDP growth was 2% in the three months to Sept. 30, down from 3.4% in the previous quarter, the government statistics agency said. (www.ft.com 05/12/23)

Central banks of Korea and Italy boost co-operation on payment systems

The Bank of Korea and the Bank of Italy signed an MoU on Dec 4 to strengthen their collaboration on information technology and payment systems. Under the agreement, the 2 central banks will share their knowledge on the real-time gross settlement system. (www.centralbanking.com 05/12/23)

Growth in UAE's non-oil sector eases in Nov-PMI

Growth in non-oil business activity in the United Arab Emirates eased in Nov. from multi-year highs seen the previous month as new order growth slowed and business confidence weakened. The seasonally adjusted S&P Global UAE Purchasing Managers' Index retreated to 57.0 in Nov from 57.7 in Oct. (www.reuters.com 06/12/23)

Ukraine gets \$37.4bn in external financing in January-November

Ukraine received \$37.4bn in external financing in the January-November period this year, the government press service reported Tuesday. About \$11bn were given to Ukraine as grants in the period, with the US, Germany, Spain, Finland and Ireland being the largest donors. (www.xinhuanet.com 06/12/23)

Oil drops as markets mull OPEC+ cuts' efficacy, China demand concerns

Oil prices continued to fall on Wednesday, as investors weighed the effectiveness of an extension in OPEC+ cuts in tightening supply against a worsening demand outlook in China. Brent crude futures fell 63 cents, or 0.82%, to \$76.57 a barrel by 1211 GMT. U.S. WTI crude futures fell by 58 cents, or 0.8%, to \$71.74 a barrel. (www.reuters.com 06/12/23)

WB Pursues electricity for 100m Africans by 2030

The World Bank plans to allocate \$5bn to bring electricity to 100m people in Africa by the end of the decade, according to the organization's president, Ajay Banga. Banga highlighted that ambition Wednesday as an example of how he plans to wield funds from the bank's International Development Association. (www.bloomberg.com 06/12/23)

South Africa's economy contracts amid rolling blackouts and logjams

South Africa's economy contracted in the third quarter as weak demand, rolling blackouts and a port and rail crisis in the flow of goods hit activity. Real GDP fell by 0.7% compared with the same period last year, South Africa's statistics agency said. (www.ft.com 05/12/23)

Kenya surprises with biggest rate hike in more than a decade

Kenya's central bank unexpectedly raised its benchmark interest rate for the second time since Governor Kamau Thugge took office in June, citing the need to support the country's battered shilling. The monetary policy committee increased the rate by 200 basis points to 12.5%. (www.bloomberg.com 05/12/23)

Ghana: Economy shrank by 5% — Report

Investment firm C-nergy Ghana says even though the economy has doubled in nominal cedi terms since 2017 to 2023, in dollar terms, the economy shrank by 5%. "In cedi terms, nominal GDP has grown at a compounded rate of 19% year-on-year between 2017 and 2022. (www.graphic.com.gh 05/12/23)

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.