



Thursday, 30th November 2023

FSB warns of spillovers from ‘multifunction’ crypto firms

Firms combining many different crypto activities often suffer from poor governance and their failures could cause major spillovers, the Financial Stability Board (FSB) warns. Such firms display vulnerabilities such as leverage and liquidity mismatch that are familiar from the traditional financial sector, the FSB says. (www.centralbanking.com 29/11/23)

Eurozone economic confidence logs moderate rise

Eurozone economic confidence improved moderately in November, thanks to higher sentiment among consumers and construction managers, the European Commission says. The economic confidence index rose to 93.8 in November from 93.5 in October. The reading came in line with expectations. At -9.5, the industrial confidence index fell unexpectedly from -9.2 in the previous month. (www.rttnews.com 29/11/23)

US GDP jumps more than previously estimated in Q3

Revised data released by the Commerce Department showed the U.S. economy grew faster than previously estimated in the third quarter of 2023. The Commerce Department said the jump by real GDP in Q3 was upwardly revised to 5.2% from the previously reported 4.9%. (www.rttnews.com 29/11/23)

US consumer spending to slow in 2024 on higher household debt, Fitch says

U.S. consumer spending is expected to slow in 2024 as higher credit card rates and student loan payments increase household debt, Fitch Ratings has warned. Total debt service to income ratio of U.S. households is forecast to grow to 11.7% by 2025 from 9.9% in 2022, the rating agency said. (www.ft.com 30/11/23)

How hedge funds view the fate of king dollar

After making hay when a summer bond rout propelled the U.S. dollar to 10-month highs, hedge funds are now pondering what lies ahead for the greenback. The dollar, down 3.5% in November against a basket of other major currencies, is set for its worst monthly performance in a year as expectations of interest-rate cuts next year grow, toppling Treasury yields from multi-year highs. (www.reuters.com 30/11/23)

Chinese yuan strengthens to 7.1018 against USD Thursday

The central parity rate of the Chinese currency renminbi, or the yuan, strengthened 13 pips to 7.1018 against the U.S. dollar on Thursday, according to the China Foreign Exchange Trade System. In China's spot foreign exchange market, the yuan is allowed to rise or fall by 2% from the central parity rate each trading day. (www.xinhuanet.com 30/11/23)

German inflation falls to 2.3% in November

Germany’s headline inflation rose by 2.3% year on year in Nov. according to early estimates by the federal statistical office. Germany’s harmonised consumer price index increased by 3%. In the Eurozone as a whole, the CPI increased by 2.9%. Previously, lower energy prices are the key contributing factor to the acceleration in the disinflationary process. (www.centralbanking.com 29/11/23)

French economy contracts in Q3, inflation eases further

The French economy contracted by 0.1% in the third quarter of the year, while November inflation eased more than expected. The contribution of gross fixed capital formation, which indicates how much of the new value added in an economy is invested rather than consumed. (www.reuters.com 30/11/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2681	(1.2655)	1.2682	(1.2656)
+USD/EUR	1.0968	(1.0974)	1.0969	(1.0975)
*GHS/USD	11.6053	(11.5933)	11.6169	(11.6049)
*GHS/GBP	14.7167	(14.6713)	14.7326	(14.6872)
*GHS/EUR	12.7296	(12.7245)	12.7411	(12.7360)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 30/11/23 (Rates for 29/11/23 in brackets)

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Turkey's economy cools but growth doesn't crash after rate hikes

Turkey's economy cooled last quarter as the central bank moved to tighten monetary policy after May elections, a pivot that's turning around sentiment among investors without crashing growth. GDP expanded 0.3% from the second quarter in seasonally and working-day adjusted terms, down from a revised 3.3% in the previous three months.

(www.bloomberg.com 30/11/23)

Australia capital spending rises 0.6% in Q3

Total new capital expenditure in Australia was up a seasonally adjusted 0.6% on quarter in the third quarter of 2023, the Australian Bureau of Statistics said on Thursday - coming in at A\$39.907bn. That missed expectations for an increase of 1.0% following the 2.8% expansion in the previous three months.

(www.rttnews.com 29/11/23)

Italy's consumer confidence improves; business morale weakens

Italy's consumer confidence strengthened for the first time in five months, while business morale fell to the weakest level in just over two-and-a-half years, survey results from the statistical office Istat showed.

(www.rttnews.com 29/11/23)

BOJ policymaker rules out near-term policy shift, calls for caution

Bank of Japan board member Toyoaki Nakamura said the central bank must be cautious about phasing out its massive stimulus, playing down the chance of a near-term end to its negative interest rate policy.

(www.reuters.com 30/11/23)

Bank of Korea says rates will need to stay high as inflation persists

South Korea's central bank kept monetary policy unchanged at its final policy meeting of the year and signaled it may need to keep interest rates higher for longer to head off persistent inflation risks. The Bank of Korea held its key policy rate (KROCRTECI) at 3.50% at a policy review meeting in Seoul.

(www.reuters.com 30/11/23)

European markets seen cheering the fall in inflation

Major stock markets in Europe are seen opening on a strong note on Thursday as easing inflation in Germany and Spain as well as dovish comments from Fed officials boosted market sentiment. The pan-European Stoxx-50 rallied 0.52%. Switzerland's SMI also added 0.39%. (www.rttnews.com 30/11/23)

Crude oil sees another jump ahead of OPEC+ meeting

Following the surge seen in the previous session, the price of crude oil showed another strong move to the upside during trading. Crude for January delivery jumped \$1.45 or 1.9% to \$77.86 a barrel after spiking \$1.55 or 2.1% to \$76.41 a barrel during Tuesday's trading. (www.rttnews.com 29/11/23)

Nigeria plans to trim budget deficit to 3.9% of GDP next year

Nigeria plans to narrow its budget deficit to roughly 3.9% of GDP next year from about 6.1% this year, President Bola Tinubu said, as he projected lower borrowing costs and higher revenues. He embarked on Nigeria's boldest reforms in decades, removing a popular fuel subsidy in May and scrapping foreign exchange controls. (www.reuters.com 29/11/23)

CBN redeploys top officials, supports review of enabling Act, BOFIA

There are indications that the Central Bank of Nigeria (CBN) has discreetly redeployed top officials in the apex bank as part of moves to reinvigorate the institution. The Guardian reported that the CBN Governor, has taken ownership of 'housecleaning' and commenced a broad staff audit. (www.guardian.ng 30/11/23)

Uganda central bank cautions against currency 'bouquets'

The Bank of Uganda has asked the public to stop making decorative "bouquets" from its banknotes and coins, saying the practice makes it harder to distribute cash. Ugandans give the currency bouquets as gifts at weddings, birthdays or other occasions.

(www.centralbanking.com 29/11/23)

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