



# BANK OF GHANA NEWS BRIEF

News Summaries from Foreign and Local Media

Thursday, 13<sup>th</sup> June 2024

## Central bankers warn of U.S. election risks

The sizes of central bank balance sheets will not return to pre-pandemic levels, a former Governor of a major Asian central bank said at the Central Banking Summer Meetings on June 12. The ex-governor said the U.S. presidential elections could lead to trade tariffs and a disruption to global supply chains.

([www.centralbanking.com](http://www.centralbanking.com) 12/06/24)

## Banks need to get more granular on risk

Banks are in the business of managing risk. To do so, they should have the fullest picture possible of where the potential pitfalls lie in their operations. Yet in recent remarks, Elizabeth McCaul of the Supervisory Board of the European Central Bank highlighted weaknesses in data aggregation and risk reporting by banks. She said that many banks had not paid enough attention to this topic.

([www.ft.com](http://www.ft.com) 13/06/24)

## European CLO issuance hits record rate as investors chase yields

Investment vehicles that scoop up risky loans are being launched at a record rate in Europe this year, in response to demand from investors hunting for yields. More than €22.7bn of so-called collateralised loan obligations have been issued in the first 5 months of 2024, according to Bank of America data.

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DATA.

([www.ft.com](http://www.ft.com) 13/06/24)

## Vasle says more 2024 ECB cuts probable in baseline scenario

More Euro-area interest-rate reductions are likely if the European Central Bank's expectations for a further slowdown in inflation materialize, according to Governing Council member Bostjan Vasle. "If the baseline scenario is realized and the data are favourable, then we can probably expect further rate cuts already this year, and then also next year," the Slovenian central bank chief told Finance newspaper.

([www.bloomberg.com](http://www.bloomberg.com) 13/06/24)

## U.S. consumer prices unexpectedly flat in May, annual growth slows to 3.3%

With a steep drop in gasoline prices partly offsetting a continued increase in shelter prices, the Labour Department released a report showing U.S. consumer prices were unexpectedly flat in the month of May. The Labour Department said its consumer price index came in unchanged in May after rising by 0.3% in April.

([www.rttnews.com](http://www.rttnews.com) 12/06/24)

## Fed leaves interest rates unchanged, forecasts just one rate cut this year

While announcing its widely expected decision to leave interest rates unchanged on Wednesday [12/06], the Fed also revealed officials now expect only one interest rate cut this year. In support of its goals of maximum employment and inflation at the rate of 2% over the longer run, the Fed said it decided to maintain the target range for the federal funds rate at 5.25 to 5.50%.

([www.rttnews.com](http://www.rttnews.com) 12/06/24)

## China's rising CPI points to domestic demand recovery

China's consumer prices gained for the fourth straight month in May in the latest sign of a steady domestic demand recovery, official data showed Wednesday [12/06]. The consumer price index (CPI), a main gauge of inflation, was up 0.3% year on year last month, said the National Bureau of Statistics (NBS).

([www.xinhuanet.com](http://www.xinhuanet.com) 12/06/24)

## Japan large manufacturers' sentiment improves in Q2

Sentiment among Japanese large manufacturers improved in the second quarter, though it still remained in negative territory, quarterly survey results from the Ministry of Finance showed on Thursday [13/06]. The business survey index of large manufacturers rose to -1.0 in the second quarter from -6.7 in the preceding period.

([www.rttnews.com](http://www.rttnews.com) 12/06/24)

## EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2841	(1.2722)	1.2842	(1.2723)
+USD/EUR	1.0841	(1.0734)	1.0841	(1.0735)
*GHS/USD	14.2659	(14.2409)	14.2801	(14.2551)
*GHS/GBP	18.3188	(18.1172)	18.3386	(18.1368)
*GHS/EUR	15.4654	(15.2875)	15.4808	(15.3027)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 13/06/24 (Rates for 12/06/24 in brackets)

\* BOG INTERNAL TRANSACTION RATES: 13/06/24 (Rates for 12/06/24 in brackets)

### **Australia jobless rate falls to 4.0%**

Australia's unemployment rate dropped in May and employment increased notably, suggesting that the labour market is relatively tight, official data reveals. The jobless rate fell to 4.0% in May, as expected, from 4.1% in April, the Australian Bureau of Statistics said. The number of people out of work decreased by 9,200 in May, reversing an increase of 33,000 in April. ([www.rttnews.com](http://www.rttnews.com) 13/06/24)

### **Financial statement revisions can predict bank instability – research**

Researchers from the Bank of Brazil have used machine learning to scan pre-publication revisions to banks' financial statements to detect financial risk. "Pre-publication revisions contain private information about future bank risk," the researchers said. ([www.centralbanking.com](http://www.centralbanking.com) 12/06/24)

### **Thailand leaves policy rate steady at 2.50%**

Thailand's central bank decided to keep the interest rate unchanged for the fourth straight meeting as the inflation rate returned to the target range, despite the rising pressure from the government to cut rates to support economic growth. The Monetary Policy Committee of the Bank of Thailand voted 6-1 to hold the policy rate at 2.50%. ([www.rttnews.com](http://www.rttnews.com) 12/06/24)

### **Ukraine eyes rate cut as blackouts dent growth**

Ukraine's central bank is poised to make a third straight cut to borrowing costs as policymakers weigh the impact on economic growth of Russian strikes against the energy sector. The National Bank of Ukraine will lower the key rate by half a percentage point to 13% on Thursday [13/06]. ([www.bloomberg.com](http://www.bloomberg.com) 13/06/24)

### **Serbia set for rate cut after taming inflation**

Serbia will probably cut borrowing costs for the first time in more than three years after inflation slowed and the European Central Bank led the way toward monetary easing. The National Bank of Serbia is expected to reduce its benchmark one-week repurchase rate by 25 basis points to 6.25%, according to 11 out of 17 analysts surveyed. ([www.bloomberg.com](http://www.bloomberg.com) 13/06/24)

### **Oil slips on U.S. growth worries, ample crude supply**

Oil prices fell in early trade on Thursday, as investors digested that the U.S. Fed had likely pushed back an interest rate cut possibly to December while ample U.S. crude and fuel stocks also weighed on the market. Brent crude futures lost 37 cents, or 0.5%, to \$82.23 a barrel, as of 0655 GMT. ([www.reuters.com](http://www.reuters.com) 13/06/24)

### **Stocks, gold bounce after cooler U.S. inflation; Fed imminent**

Global shares rallied, while the dollar sank and gold surged on Wednesday [12/06], after data showed U.S. consumer inflation was a lot milder than expected in May, increasing the chances of a markets-friendly interest rate cut as soon as September. ([www.reuters.com](http://www.reuters.com) 12/06/24)

### **African states should end fixed exchange rates, IMF official says**

Fixed exchange rate regimes in sub-Saharan Africa reflect a "fear of floating", a senior International Monetary Fund (IMF) official said on June 7. Relying on a fixed exchange rate limits policy flexibility and contains risks of sudden adjustments, says the IMF's African Department Head Abebe Aemro Selassie. ([www.centralbanking.com](http://www.centralbanking.com) 12/06/24)

### **Tax increases, higher spending plans on East Africa budget card**

East African finance ministers will need to strike a balance between burdening their already heavily indebted nations with more loans and boosting their economies pounded by heavy rains and flooding when they present their spending plans on Thursday [13/06]. ([www.bloomberg.com](http://www.bloomberg.com) 13/06/24)

### **Nigeria's President says economic reforms will continue despite hardships**

Nigeria's President Bola Tinubu has said economic reforms would continue despite increasing hardships that have fuelled public anger and promised to send an executive bill to parliament soon to set a new minimum wage. Tinubu removed a decades-old petrol subsidy that kept prices artificially low and devalued the currency, sending inflation soaring to 33.69% in April. ([www.reuters.com](http://www.reuters.com) 12/06/24)

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