



Friday, 21<sup>st</sup> June 2024

## Euro zone government bond yields drop on weak PMI data

Euro zone government bond yields dropped after French and German economic survey data came in weaker than expected, supporting expectations for policy rate cuts. Weak demand dragged down France's business activity as the country heads into a snap parliamentary election, while an upturn in Germany slowed in June. ([www.reuters.com](http://www.reuters.com) 21/06/24)

## European Commission opens consultation on AI in finance

The European Commission (EC) opened a consultation on the use of artificial intelligence (AI) in financial services on June 18. Responses will inform the commission about the “concrete application and impact of AI in financial services”, it said. The move comes after the European Parliament and European Council passed the AI Act. ([www.centralbanking.com](http://www.centralbanking.com) 20/06/24)

## Treasuries give back ground following Tuesday's rebound

Treasuries moved to the downside during trading, giving background following the rebound seen during Tuesday's session. Bond prices climbed well off their worst levels after an early slump, but remained firmly in negative territory. ([www.rftnews.com](http://www.rftnews.com) 20/06/24)

## Dollar holds firm as Fed seen less dovish than peers

The dollar touched an eight-week high above 159 yen and traded at its highest in nearly five weeks against sterling, with the Federal Reserve's patient approach to cutting interest rates contrasting with more dovish stances elsewhere. ([www.reuters.com](http://www.reuters.com) 21/06/24)

## Cash is leaving China again, pressuring yuan

A sliding yuan and extensive outflows of cash from the mainland into Hong Kong show China's domestic investors are shelving expectations for any immediate recovery in their home markets and fleeing to the closest better-yielding assets. The yuan has dropped to seven-month lows this week, alongside a reversal in equity investment flows into China. ([www.reuters.com](http://www.reuters.com) 21/06/24)

## German trade focus could pivot from China to U.S.

Economy Minister Robert Habeck will underline Germany's resolve to pursue commercial links with China during a visit starting Friday [21/06] but trade experts say economic and political factors all increasingly favour the U.S.-German relationship. ([www.reuters.com](http://www.reuters.com) 21/06/24)

## Japan's inflation picks up, backing case for BoJ rate hike

Japan's inflation accelerated on the back of rising energy costs, a result that backs the case for the central bank to consider raising interest rates in coming months. Consumer prices excluding fresh food rose 2.5% in May from a year ago, quickening from 2.2% in April. ([www.bloomberg.com](http://www.bloomberg.com) 20/06/24)

## Japan's services activity shrinks first time in almost 2 years

Key measures of Japan's manufacturing and service activity weakened in June, with the services gauge registering a contraction for the first time in almost 2 years as companies faced strains from higher input costs. The au Jibun Bank purchasing managers' services index fell to 49.8 in June from 53.8 in May. ([www.bloomberg.com](http://www.bloomberg.com) 21/06/24)

### EXCHANGE RATES OF SELECTED CURRENCIES

| CURRENCIES | BUYING  |             | SELLING |           |
|------------|---------|-------------|---------|-----------|
| +USD/GBP   | 1.2664  | (1.2724)    | 1.2665  | (1.2726)  |
| +USD/EUR   | 1.0709  | (1.0749)    | 1.0710  | (1.0749)  |
| *GHS/USD   | 14.3995 | (14.3577)   | 14.4139 | (14.3721) |
| *GHS/GBP   | 18.2355 | (18.2688)   | 18.2552 | (18.2899) |
| *GHS/EUR   | 15.4199 | ((15.4323)) | 15.4365 | (15.4489) |

+SOURCE: BOG INTERNAL TRANSACTION RATES: 21/06/24 (Rates for 20/06/24 in brackets)

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### **BOJ Deputy Governor Uchida signals readiness to raise rates further**

Bank of Japan Deputy Governor Shinichi Uchida said the central bank will "adjust the degree of monetary support" if the economy and prices move in line with its forecasts, signalling readiness to raise interest rates further. "Japan's economy is recovering moderately, although there are some weak signs." ([www.reuters.com](http://www.reuters.com) 21/06/24)

### **Bank Indonesia holds policy rate despite rupiah weakness**

Bank Indonesia (BI) kept its policy rate unchanged for the second straight meeting, while pledging further intervention to stabilise the rupiah. The central bank kept its benchmark seven-day reverse repo rate at 6.25%. ([www.centralbanking.com](http://www.centralbanking.com) 20/06/24)

### **Swiss National Bank presses ahead as rate cutting front-runner**

The Swiss National Bank cut interest rates for the second time running, pointing to easing price pressures that allowed it to maintain its position as a front-runner in the global policy easing cycle now underway. The Swiss franc weakened against other currencies and stocks gained after the central bank cut its policy rate by 25 basis points to 1.25%, as expected. ([www.reuters.com](http://www.reuters.com) 20/06/24)

### **South Korea expands currency swap with pension fund as won tumbles**

South Korea's foreign exchange authorities said they agreed with the National Pension Service to expand a currency swap line to \$50 billion from the current \$35bn to defend the tumbling won against the dollar. ([www.reuters.com](http://www.reuters.com) 21/06/24)

### **Danish consumers less pessimistic in June**

Denmark's consumers remained less negative in June, figures from Statistics Denmark shows. The Consumer Confidence Index rose to -4.4 in June from -6.5 in the previous month. Further, this was the highest reading since February 2022, when it was -3.2. Four out of five sub-components strengthened at the end of the second quarter, the survey said. ([www.rttnews.com](http://www.rttnews.com) 20/06/24)

### **Europe's STOXX 600 falls as tech, banks drag**

European shares fell, as technology and bank stocks came under pressure, while Danish brewer Carlsberg Group slumped after British soft drinks maker Britvic rejected its \$3.9bn revised takeover proposal. The pan-European STOXX 600, was down 0.3%, as of 0814 GMT, with the technology sub-index (.SX8P), losing around 1% and euro zone banks (.SX7E), slipping 1.3%. ([www.reuters.com](http://www.reuters.com) 21/06/24)

### **Oil prices rise on U.S. crude draw; jobs data feeds rate cut hopes**

Oil futures climbed after the U.S. Energy Information Administration (EIA) reported a draw on crude oil and data showing a cooling jobs market that stoked hopes the Federal Reserve could cut interest rates soon. Brent crude futures settled at \$85.71 a barrel, up 64 cents or 0.75%. ([www.reuters.com](http://www.reuters.com) 20/06/24)

### **Oil exploration boom in Namibia**

Namibia has become an oil exploration hotspot after several discoveries in recent years along its coast. It has not yet produced any oil or gas, but oil majors such as TotalEnergies and Shell have made discoveries estimated at 2.6bn barrels, with production in the southern African country expected from about 2030. There have been discoveries in the Orange Basin and there are other prospective areas, including Luderitz, Kavango and Walvis basins. ([www.reuters.com](http://www.reuters.com) 20/06/24)

### **Uganda signs deal with UAE to build third international airport**

Uganda has signed a pact with a business association from the United Arab Emirates to build a new international airport, President Yoweri Museveni's office said on Friday [21/06]. The deal for the East African nation's third such airport expands the UAE's economic footprint beyond its interests in the renewable energy and oil and gas industries. The UAE's Sharjah Chamber of Commerce and Industry will build the airport just outside the Kidepo National Park. ([www.reuters.com](http://www.reuters.com) 21/06/24)

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