



BANK OF GHANA NEWS BRIEF

News Summaries from Foreign and Local Media

Thursday, 22nd August 2024

Quantitative tightening goes global for the first time, in test for markets

After having sailed through uncharted waters repeatedly over the past two decades, the developed world's top central banks are entering a new stretch: For the first time, they're engaging in joint quantitative tightening. (www.bloomberg.com 22/08/24)

Euro rally risks being abruptly cut short by Jerome Powell

The euro's August gains have been relentless, taking it to a one year high against the dollar on Wednesday [21/08] but a cautious tone from Fed Chair Jerome Powell on Friday could turn that momentum around. There's about \$2.29tr of turnover each day in the euro-dollar currency pair around a third of all foreign-exchange volume globally. (www.bloomberg.com 22/08/24)

Euro-zone wage growth slows, boosts case for another ECB cut

A key gauge of euro-zone wages eased — reinforcing the case for the European Central Bank to continue lowering interest rates next month. Second-quarter negotiated pay rose 3.6% from a year ago, the ECB said Thursday. That's down from 4.7% in the previous three months and broadly in line with estimates from Bloomberg Economics. (www.rttnews.com 21/08/24)

Fed steaming toward September rate cut, minutes from meeting show

The Federal Reserve appears to be very much on track for an interest rate cut in September after a "vast majority" of officials said such an action was likely, according to the minutes of the U.S. central bank's July 30-31 meeting. The minutes, which were released even showed some policymakers would have been willing to reduce borrowing costs at last month's gathering. (www.reuters.com 22/08/24)

China's banking sector assets growing steadily: regulator

China's banks have seen steady asset expansion since the start of the year, an official with the country's financial regulator said on Wednesday [21/08]. The assets of financial institutions in China's banking sector grew 7% year on year to CYN423.8tr (about \$59.43tr) at the end of July, Xiao Yuanqi, deputy head of the National Financial Regulatory Administration said. (www.xinhuanet.com 21/08/24)

UK: Cost of public services drives up government borrowing

The rising cost of public services and benefits pushed government borrowing to higher levels than expected in July, official figures show. Borrowing, the difference between spending and tax income, hit £3.1bn last month, the highest level for July since 2021, the Office for National Statistics (ONS) said. (www.bbc.com 21/08/24)

Japan's Aug factory activity declines slow, PMI shows

Japan's factory activity shrank in August amid subdued demand although the pace of decline slowed, while the service sector expanded, showing upbeat conditions in some industries, a business survey showed on Thursday. (www.reuters.com 22/08/24)

India's economic activity slips slightly, flash PMIs show

India's economic activity slipped slightly in August as new order growth for the manufacturing sector slowed, a flash survey by HSBC Holdings Plc showed. The manufacturing purchasing managers' index dropped to a three-month low of 57.9 from 58.1 in July, while the services purchasing managers' index rose to 60.4 from 60.3 in the previous month. (www.bloomberg.com 22/08/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3072	(1.3033)	1.3074	(1.3034)
+USD/EUR	1.1143	(1.1113)	1.1144	(1.1114)
*GHS/USD	15.1224	(15.1236)	15.1376	(15.1388)
*GHS/GBP	19.7680	(19.7106)	19.7909	(19.7319)
*GHS/EUR	16.8526	(16.8079)	16.8691	(16.8246)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 22/08/24 (Rates for 21/08/24 in brackets)

* BOG INTERNAL TRANSACTION RATES: 22/08/24 (Rates for 21/08/24 in brackets)

Norway's economy ekes out a gain for third straight quarter

The Norwegian economy recorded a third consecutive quarter of expansion, as a recovery in purchasing power bolstered car purchases and a weak krone underpinned exports. Mainland gross domestic product, which excludes offshore energy industry and shipping, grew by 0.1% in the second quarter from the previous three months.

(www.bloomberg.com 22/08/24)

Bank of Korea opens door to rate cuts as growth risks trump inflation

South Korea's central bank kept interest rates unchanged on Thursday [22/08] but revived expectations for an imminent policy easing that some economists see happening as soon as October as growth concerns overshadow inflation worries. The Bank of Korea (BOK) held the benchmark interest rate.

(www.reuters.com 22/08/24)

Uruguay's financial analysts keep 2024 growth forecast at 3.30 percent

Uruguayan financial analysts maintained their economic growth forecast for 2024 at 3.30 %, a figure that has held steady since July, according to the results of an expectations survey published by the Central Bank of Uruguay. The country's economy grew 0.6 % in the first quarter of 2024, after expanding 0.4% last year.

(www.xinhuanet.com 21/08/24)

India's food inflation to drop in coming months, says government report

India's food inflation is likely to fall in the coming months thanks to good harvests after monsoon rains replenished water levels in reservoirs, according to a government report on Thursday. (www.reuters.com 22/08/24)

Bank of Thailand holds rates at 2.5%

Thailand's central bank on Aug 21 kept its policy rate unchanged for a fifth consecutive meeting against a backdrop of low inflation and improved economic growth. The monetary policy committee (MPC) voted 6–1 to keep the one-day repurchase rate at 2.5%.

(www.centralbanking.com 21/08/24)

European markets rise on mixed PMI data; Jackson Hole conference in focus

European shares rose on Thursday as investors sifted through a wave of economic data from major European economies, while anticipating the start of the Federal Reserve's Jackson Hole conference later in the day. The pan-European STOXX 600 index (.STOXX), rose 0.5% at 516.29 points. (www.reuters.com 22/08/24)

Oil prices slip for fifth session as demand worries pressure sentiment

Oil prices fell for a fifth session on Thursday as global demand concerns exerted pressure on the market despite a decline in US fuel inventories. Brent crude futures slipped 9 cents to \$75.96 a barrel, while US West Texas Intermediate crude futures fell 19 cents to trade at \$71.74 at 0433 GMT. (www.reuters.com 22/08/24)

Africa's lagging high-yielders to become top picks if Fed Eases

Investors are eyeing high-yield foreign currency bonds from Nigeria, Gabon, and Kenya ahead of an anticipated US Fed Reserve rate cut in Sept. seeing some of these debt securities as being mispriced and having scope to rally further. (www.bloomberg.com 22/08/24)

Uganda says it's exploring for oil in two new regions

Uganda is exploring for oil in two new regions where potential discoveries of crude could increase the country's proven reserves of 6.5bn barrels. Commercial quantities of crude oil were discovered in the Albertine Graben basin in Uganda's west near the border with the Democratic Republic of Congo nearly two decades ago. (www.reuters.com 21/08/24)

Ghana: Economy sees improvement in cumulative trade balance – Standard Bank

Economists at Standard Bank, the parent company of Stanbic Bank Ghana, have reported notable improvements in Ghana's balance of trade. In the June 2024 Flashnote of the Africa Markets Revealed (AMR) report, Standard Bank reported that the country's trade balance reached a surplus of \$1.81bn in June 2024.

(www.thebftonline.com 21/08/24)

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