



BANK OF GHANA NEWS BRIEF

News Summaries from Foreign and Local Media

Friday, 23rd August 2024

With Fed pivot in hand, Powell may opt for broad-brush approach at Jackson Hole

US economic data is giving the Fed the green light to cut interest rates, financial markets are aligned for the first move, and the central bank all but gave the game away on Wednesday [21/08] when a readout of its July meeting showed a "vast majority" of policymakers agreed the policy easing likely would begin next month. (www.reuters.com 23/08/24)

US weekly jobless claims rebound modestly to 232,000

After reporting decreases by first-time claims for US unemployment benefits over the 2 previous weeks, the Labor Department released a report showing a modest rebound by initial jobless claims in the week ended August 17th. The report said initial jobless claims rose to 232,000. (www.rttnews.com 22/08/24)

China bond trading collapses amid PBOC crackdown on record rally

China's attempts to cool a record bond rally have stalled a drop in yields, but at the cost of a collapse in trading activity to an extent that may create more headaches for policymakers. Trading in the most active 10-year government bond has steadily decreased over the last two weeks. (www.bloomberg.com 23/08/24)

UK: Plan to hike windfall tax sparks energy jobs warning

Firms across the UK's oil and gas supply chain have expressed "grave concern" about government plans to hike windfall taxes and eliminate investment incentives to an industry that supports 200,000 jobs. In an open letter to HM Treasury, seen by the BBC, 42 companies have warned that official plans threaten £200bn of investment in all forms of domestic energy, including renewables. (www.bbc.com 22/08/24)

Japan's core inflation picks up, but demand-driven growth below 2%

Japan's core inflation accelerated for a third straight month in July, data showed on Friday, but a slowdown in demand-driven price growth could complicate the central bank's decision on further interest hikes in coming months. (www.reuters.com 23/08/24)

BOJ's Ueda signals readiness to raise rates if growth, inflation on track

Bank of Japan Governor Kazuo Ueda on Friday reaffirmed his resolve to raise interest rates if inflation stayed on course to sustainably hit the 2% target, suggesting recent market volatility would not derail its long-term rate hike plan. But Ueda warned that markets remained jittery and may affect the BOJ's inflation forecasts, a sign that yen and stock price moves will be key to determining the next rate hike timing. (www.reuters.com 23/08/24)

Australia Treasurer amends RBA reforms after opposition objections

Australia Treasurer Jim Chalmers said he was prepared to amend some proposed reforms of the Reserve Bank of Australia after objections from the opposition coalition led by the Liberal Party, including the splitting of the RBA board into two, one to set monetary policy and a second focusing on operations. (www.reuters.com 23/08/24)

Bank of Israel governor calls on PM to make financial adjustments

The Bank of Israel governor has called on prime minister Benjamin Netanyahu to make "permanent adjustments" to the public finances ahead of the 2025 state budget. Amir Yaron said fiscal policy would need to be changed to generate growth and bring the debt-to-GDP ratio down to a sustainable level. (www.centralbanking.com 22/08/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3096	(1.3072)	1.3097	(1.3074)
+USD/EUR	1.1113	(1.1143)	1.1114	(1.1144)
*GHS/USD	15.1239	(15.1224)	15.1391	(15.1376)
*GHS/GBP	19.8063	(19.7680)	19.8276	(19.7909)
*GHS/EUR	16.8106	(16.8526)	16.8259	(16.8691)

*SOURCE: BOG INTERNAL TRANSACTION RATES: 23/08/24 (Rates for 22/08/24 in brackets)

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RBNZ opens consultation on more standards for deposit-takers

The Reserve Bank of New Zealand (RBNZ) has opened a consultation on whether it should apply additional standards to deposit-taking institutions. In a news release issued on August 21, the RBNZ said the proposed measures would form part of the minimum standards with which deposit-takers would have to comply. (www.centralbanking.com 22/08/24)

Sweden jobless rate falls to 7.7%, lowest in 7 months

The Swedish unemployment rate decreased in July to the lowest level in seven months, figures from Statistics Sweden showed on Friday [23/08]. The unadjusted jobless rate dropped to 7.7% in July from 9.4% in the previous month. (www.rttnews.com 23/08/24)

Singapore core inflation slows for second straight month in July

Singapore's core inflation slowed more than expected in July, opening the room for the island's central bank to consider loosening monetary policy settings later this year. Core prices, which exclude private transport and accommodation costs, rose 2.5% from a year ago, according to the Department of Statistics Singapore. (www.bloomberg.com 23/08/24)

India to appoint new MPC members ahead of crucial rate meeting

India's government will appoint new external members to the central bank's monetary policy committee by October at the latest, people familiar with the matter said, shortly before a crucial meeting in which the MPC will face pressure to cut interest rates. (www.bloomberg.com 23/08/24)

India plans to test demand for green bonds again in second half

India is going to test markets again with a plan to sell around 120bn rupees (\$1.4bn) of green debt in the second half of the fiscal year, according to people familiar with the matter. This comes after they sold only a seventh of 120bn rupees of notes on offer in the six months to September. (www.bloomberg.com 23/08/24)

Europe shares tepid on last-minute jitters ahead of Powell's speech

European shares were largely flat on Friday, navigating through mildly turbulent trading, as investors were cautious ahead of Federal Reserve Chair Jerome Powell's eagerly-awaited speech later in the day. The pan-European STOXX 600 index (.STOXX), rose 0.1% to 516.37 at 0820 GMT. (www.reuters.com 23/08/24)

African governments looking to COP summit for higher climate financing share

African countries want to use this year's U.N. COP meetings to secure a much bigger share of global climate financing, their representatives said at a meeting in Kenya on Thursday [22/08], to help deal with the increased threats from climate change. (www.reuters.com 22/08/24)

Trade, FDI, respectful engagement strengthen China-Africa partnership for development

China has become a key partner of Africa's development through significant trade relations and foreign direct investments all marked by respectful engagement, according to Turkish experts. (www.xinhuanet.com 22/08/24)

Kenyan banks eschew government debt in favor of private lending

Kenyan banks are cutting back their investment in government securities even with TB returns lingering at record highs. During the first half ended in June, Standard Chartered Bank Kenya Ltd. slashed its holdings of government debt by 10%. Equity Group Holdings Plc, the nation's biggest lender by value, cut its stock by 5% between January and June. (www.bloomberg.com 23/08/24)

Ghana to start Eurobond exchange next week to wrap up debt revamp

Ghana will kick off a debt exchange program next week to wrap up its dollar bonds revamp. The process of inviting investors to swap their existing securities for new ones will last 10 working days, Minister of State at the Ministry of Finance Abena Osei Asare said in an interview Thursday [22/08]. (www.bloomberg.com 22/08/24)

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