



# BANK OF GHANA NEWS BRIEF

News Summaries from Foreign and Local Media

Monday, 26<sup>th</sup> August 2024

## Darkening global outlook, central bank pivots signal more turbulence

Growing signs of lackluster growth and risks emerging to the job market overshadowed a gathering of global policymakers at the U.S. Federal Reserve's annual Jackson Hole conference, highlighting the changing trajectory of monetary policy as US and European central banks eye cutting interest rates. ([www.reuters.com](http://www.reuters.com) 26/08/24)

## As US rate cuts near, economic 'soft-landing' odds could dictate stock performance

With interest rate cuts virtually locked in, investors are ramping up their focus on economic data over the next few months as they game out whether the “soft landing” narrative that has helped drive U.S. stocks in 2024 can continue. Federal Reserve Chair Jerome Powell said the “time has come” to begin lowering interest rates.

([www.reuters.com](http://www.reuters.com) 26/08/24)

## Fed's shift to job market risks is done; now policy has to catch up

In 2022, when the Federal Reserve's focus shifted to combating inflation, it had to ratchet up interest rates fast to get monetary policy caught up with fast-rising prices. Two years later, the focus has changed again - this time to protecting the job market, as outlined in Chair Jerome Powell's speech Friday [23/08] at the Fed's annual Jackson Hole conference.

([www.reuters.com](http://www.reuters.com) 23/08/24)

## China central bank rolls over maturing loans, injects cash

China's central bank rolled over maturing medium-term loans and injected cash through its liquidity instruments on Monday, underlining market expectations for further easing as the economy struggles to gain traction. ([www.reuters.com](http://www.reuters.com) 26/08/24)

## China's fiscal revenue down 2.6% in Jan-July

China's fiscal revenue dipped 2.6% year on year in the first seven months of this year, official data showed Monday [26/08]. The pace of decrease eased from a decline of 2.8% registered in the first half of the year 2024, according to the Ministry of Finance.

([www.xinhuanet.com](http://www.xinhuanet.com) 26/08/24)

## PBOC holds policy rate steady after warning on bond rally

China's central bank left a key interest rate unchanged, keeping a lid on a bond frenzy as it stays patient in supporting the economy. The Bank kept the rate on its one-year policy loans, or the medium-term lending facility, at 2.3%, after a slashing the rate by 20 basis points in July. ([www.bloomberg.com](http://www.bloomberg.com) 26/08/24)

## Bailey highlights key challenges to central banking orthodoxy

The Bank of England governor on August 23 said central banks have had to recalibrate how they deal with threats to financial stability in the “Covid-Ukraine era”. In a speech to the Jackson Hole Economic Symposium, Andrew Bailey outlined what he feels are the key challenges to central banking “orthodoxy” following recent shock events such as the pandemic and Russia's invasion of Ukraine.

([www.centralbanking.com](http://www.centralbanking.com) 23/08/24)

## BOJ shows how action matters more than hawkish signs

For academics and policymakers gathered at the United States Federal Reserve's annual Jackson Hole economic conference to debate how central banks can affect market perceptions on the course of monetary policy, the Bank of Japan might appear to have gotten it right in July when it raised rates for a second time.

([www.reuters.com](http://www.reuters.com) 25/08/24)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3194	(1.3096)	1.3195	(1.3097)
+USD/EUR	1.1175	(1.1113)	1.1176	(1.1114)
*GHS/USD	15.1239	(15.1239)	15.1391	(15.1391)
*GHS/GBP	19.9545	(19.8063)	19.9760	(19.8276)
*GHS/EUR	16.9034	(16.8106)	16.9188	(16.8259)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 26/08/24 (Rates for 23/08/24 in brackets)

\* BOG INTERNAL TRANSACTION RATES: 26/08/24 (Rates for 23/08/24 in brackets)

### **After battle with yuan bears, China is now keen to avoid sharp currency gains**

Having spent all year trying to put a floor under the tumbling yuan, China's central bank is suddenly faced with the opposite problem and is turning to subtle ways to stop the currency from appreciating sharply. The usually restrained yuan has strengthened 1.3% against the dollar in August, recouping nearly all its losses in the first half of the year.

([www.reuters.com](http://www.reuters.com) 25/08/24)

### **Muted German business confidence points to sluggish economy**

Germany's business outlook held at its lowest level since February — highlighting the gloom once again engulfing Europe's biggest economy after an early-year rebound fizzled out. The Ifo institute's expectations gauge dipped to 86.8 in August from a revised 87 the previous month, beating the 85.8 seen by analysts in a Bloomberg poll.

([www.bloomberg.com](http://www.bloomberg.com) 26/08/24)

### **Israel economy suffers as war-focused Netanyahu stalls on budget**

With domestic and international attention focused on Israel's war in Gaza and escalating tensions with Hezbollah, Prime Minister Benjamin Netanyahu's administration has stalled discussions on next year's budget — set to be the most challenging and crucial in decades. ([www.bloomberg.com](http://www.bloomberg.com) 26/08/24)

### **India should retain headline inflation as target, external rate panel members say**

Headline inflation impacts Indians directly and should be retained as the target for monetary policy rather than switching to core inflation, external members of the central bank's rate panel told Reuters. ([www.reuters.com](http://www.reuters.com) 26/08/24)

### **India's growth likely slowed to 6.9% last quarter as government spending lagged**

India's economic growth likely moderated and grew at its slowest pace in a year in the April-June quarter due to lower government spending amid a national election that concluded in June. Growth in Asia's third-largest economy had been well above 7% during previous quarters.

([www.reuters.com](http://www.reuters.com) 26/08/24)

### **European shares muted ahead of data-heavy week; tech stocks slide**

European shares were flat on Monday ahead of a raft of key economic data set to unfold through the week, while the technology sector kept gains in check. The pan-European STOXX 600 index (. STOXX), was flat at 518.22, as of 0830 GMT. ([www.reuters.com](http://www.reuters.com) 26/08/24)

### **Oil up 1% on Mideast escalation fears, US rate cut expectations**

Oil prices rose 1% on Monday on renewed concerns that an escalating Gaza conflict could disrupt regional oil supplies, extending gains from Friday when the prospect of U.S. interest rate cuts lifted the global economic and fuel demand outlook. Brent crude futures climbed 79 cents, or 1%, to \$79.81 a barrel by 0910 GMT, while U.S. crude futures were at \$75.63 a barrel, up 80 cents, or 1.07%.

([www.reuters.com](http://www.reuters.com) 26/08/24)

### **South African rand slips at start of data-filled week**

South Africa's rand weakened early on Monday, ahead of a slew of local economic data releases this week, which could give hints on the health of the local economy.

([www.reuters.com](http://www.reuters.com) 26/08/24)

### **Ivory Coast increases support for cocoa exporters, say sources**

Ivory Coast's government will increase its support for small local cocoa exporters to help them more than double their annual purchasing volumes, two government sources said. Ivorian exporters, which have been struggling to secure financing from local banks due to financial difficulties, have to compete with financially secure international players.

([www.reuters.com](http://www.reuters.com) 23/08/24)

### **Ghana's Cocobod to ask traders to pre-finance bean purchases in new funding model**

Ghana's cocoa marketing board, Cocobod, is fine-tuning a new funding model for bean purchases that will require global traders to deposit at least 60% of the value of their forward contracts at the start of the season, two sources told Reuters. ([www.reuters.com](http://www.reuters.com) 23/08/24)