



# BANK OF GHANA NEWS BRIEF

News Summaries from Foreign and Local Media

Thursday, 29<sup>th</sup> August 2024

## Triggers of August market 'flare-up' still in place, BIS warns

A postmortem of the August 5 market shock by economists at the Bank for International Settlements (BIS) finds that many triggers of the "flare up" still pose threats to stability. The analysis highlights how risk-taking worldwide is still high and says some of the positions unwound during the shock were quickly rebuilt. ([www.centralbanking.com](http://www.centralbanking.com) 28/08/24)

## ECB's Lane says wage growth set to ease significantly next year

Pay growth for workers in the euro zone, a key driver of inflation will slow sharply in 2025 and 2026, according to European Central Bank Chief Economist Lane. Lane's comments come just 2 weeks before officials must decide whether inflation is retreating sufficiently to allow a second reduction in interest rates. ([www.bloomberg.com](http://www.bloomberg.com) 29/08/24)

## Chinese regional banks investment revenues surge even as lending falters

Several Chinese regional banks have reported a jump in their investment income in the first half of the year, even as their primary lending businesses faltered, as the flailing economy and slow monetary transmission forces banks into bond trading. ([www.reuters.com](http://www.reuters.com) 29/08/24)

## Bond markets face a reckoning after stellar summer run

Government bond markets, which have enjoyed a summer of solid price gains, now face a reckoning with their bets for speedy central bank policy rate cuts and slowing inflation, not to mention a tight US presidential election. Benchmark 10-year US Treasury yields are set to end in August down nearly 30 bps, their biggest monthly drop this year. ([www.reuters.com](http://www.reuters.com) 29/08/24)

## Fed's Bostic: it is 'time to move' on rate cuts, but wants to be sure

Federal Reserve Bank of Atlanta President Raphael Bostic said that with inflation down farther and the unemployment rate up more than he anticipated, it may be "time to move" on rate cuts, but he wants to be sure before pulling that trigger. Bostic said he will want to see confirmation from the monthly jobs report and two inflation reports due before the Fed's September meeting that the economic trends are continuing. ([www.reuters.com](http://www.reuters.com) 28/08/24)

## As it reins in wasteful investment, China frets over growth

China's local governments have fallen behind on their debt issuance plans as scrutiny mounts over potentially wasteful infrastructure investment, fuelling talk that such funds could be used in other areas to stimulate growth back towards target. ([www.reuters.com](http://www.reuters.com) 29/08/24)

## South Korea's Yoon says to 'manage' policy loan rates if housing market heats up

South Korean President Yoon Suk Yeol said on Thursday[29/08] there was a need to "manage" policy loan rates should expectations about lower borrowing costs lead to further price increases in the already hot housing market. "It won't matter if it (home buying) is real demand, but if speculative demand stemming from asset management purposes boost home prices we will manage policy interest rates. ([www.reuters.com](http://www.reuters.com) 28/08/24)

## Turkey's stock market losses were biggest in the world in August

In a month that saw global stocks roar back to almost all-time highs, Turkey stands out for its dismal performance as the combination of high interest rates and inflation erodes corporate profits. ([www.bloomberg.com](http://www.bloomberg.com) 29/08/24)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3179	(1.3234)	1.3180	(1.3235)
+USD/EUR	1.1107	(1.1165)	1.1108	(1.1165)
*GHS/USD	15.1504	(15.1279)	15.1656	(15.1431)
*GHS/GBP	19.9667	(20.0203)	19.9882	(20.0419)
*GHS/EUR	16.8297	(16.8905)	16.8464	(16.9058)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 29/08/24 (Rates for 28/08/24 in brackets)

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### **Inflation down in six German states, pointing to national decline**

Inflation fell in six important German states in August due to lower energy prices, preliminary data showed, suggesting Germany's national inflation rate could decline noticeably this month. In Saxony, the inflation rate fell in August to 2.6% from 3.1% in the previous month, in Brandenburg it fell to 1.7% from 2.6%, in Baden-Wuerttemberg it fell to 1.5% from 2.1%, in Hesse it fell to 1.5% from 1.8% and in Bavaria it fell to 2.1% in August from 2.5% in July. ([www.reuters.com](http://www.reuters.com) 29/08/24)

### **Japan raises view of economy for first time in 15 months**

The Japanese government upgraded its monthly economic assessment for the first time in 15 months, citing signs of a recovery in consumption. The Cabinet Office said in its August report that the economy is recovering at a moderate pace. ([www.bloomberg.com](http://www.bloomberg.com) 29/08/24)

### **Spanish inflation at one-year low with ECB set to cut rates**

Spanish inflation eased to its lowest level in a year a retreat that's likely to be mirrored across the euro zone, allowing the European Central Bank to continue lowering interest rates. Consumer prices advanced 2.4% from a year ago, according to data by the national statistics agency. ([www.bloomberg.com](http://www.bloomberg.com) 29/08/24)

### **New Zealand business confidence hits 10-year high, boosting Kiwi**

New Zealand business confidence surged to a 10-year high in August after the central bank began cutting interest rates, according to an ANZ Bank survey. The kiwi jumped. ([www.bloomberg.com](http://www.bloomberg.com) 29/08/24)

### **Swedish economy contracts less than expected, helped by exports**

Sweden's output contracted less than indicated by an initial estimate in the second quarter as the Nordic country's economy is set to see a recovery buoyed by interest-rate cuts and fiscal stimulus. GDP shrank by 0.3% from the first three months of the year. ([www.bloomberg.com](http://www.bloomberg.com) 29/08/24)

### **Oil edges up as Libyan supply woes offset lower-than-expected US stock draw**

Oil prices edged up on Thursday[29/08] after two sessions of losses, as supply concerns over Libya returned to focus, while a smaller-than-expected draw in US crude inventories sapped demand expectations. Brent crude futures climbed 15 cents, or 0.19%, \$78.80 a barrel by 0605 GMT. ([www.reuters.com](http://www.reuters.com) 29/08/24)

### **China's lending to Africa rises for first time in seven years, study shows**

Chinese lenders approved loans worth \$4.61bn to Africa last year, marking the first annual increase since 2016, an independent study showed on Thursday[29/08]. Africa secured more than \$10bn in loans a year from China between 2012-2018. ([www.reuters.com](http://www.reuters.com) 29/08/24)

### **South African rand slips ahead of domestic data releases**

The South African rand weakened on Wednesday[28/08] ahead of economic data releases towards the end of the week. The rand was at 17.7925 against the dollar by 1533 GMT, about 0.44% weaker than its previous close. The dollar index showing its performance against a basket of currencies was last up about 0.36%. ([www.reuters.com](http://www.reuters.com) 28/08/24)

### **Libya's oil blockade widens as factions vie to control central bank**

Libya's oil blockade widened on Wednesday [28/09] with eastern leaders demanding that western authorities back down over the replacement of the central bank governor, a key position in a state in which control over oil revenue is the biggest prize for all factions. ([www.reuters.com](http://www.reuters.com) 28/08/24)

### **Zambian inflation hits 32-month high as food prices soar**

Zambia's annual inflation rate rose to a 32-month high in August as an El Niño-induced drought continued to wreak havoc on food prices. Consumer prices increased 15.5%, compared with 15.4% in July, Statistician-General Goodson Sinyenga told reporters in Kabwe. ([www.bloomberg.com](http://www.bloomberg.com) 29/08/24)

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