



Friday, 30th August 2024

Eurozone inflation slumps to 3-year low, boosting rate-cut case

Euro-area inflation plunged to the lowest level since mid-2021, reinforcing arguments for another cut in interest rates by the European Central Bank in less than two weeks. Consumer prices rose 2.2% from a year ago in August, Eurostat said on August 30. That was significantly lower than July's 2.6% and matched the median estimate of analysts in a Bloomberg survey. (www.bloomberg.com 30/08/24)

US second-quarter economic growth revised higher on consumer spending

The US economy grew faster than initially thought in the second quarter amid strong consumer spending, while corporate profits rebounded, which should help to sustain the expansion. Gross domestic product increased at a 3.0% annualized rate last quarter, says the Commerce Department's Bureau of Economic Analysis. (www.reuters.com 29/08/24)

China's interest rate reform will be 'arduous, long' process

China's central bank wants to shift its policy framework to target the cost of credit rather than its size, but liquidity risks and uncooperative markets are making it difficult to transition the economy away from state-directed bank lending. (www.reuters.com 29/08/24)

UK house prices post surprise fall despite BOE rate reduction

UK house prices fell unexpectedly in August, a sign affordability remained stretched even after the Bank of England (BoE) eased borrowing costs, according to one of the top mortgage lenders. Nationwide Building Society said its index of house prices declined 0.2%, the first drop since April. Economists surveyed by Bloomberg had expected a 0.2% increase. (www.bloomberg.com 30/08/24)

BoE calls for wider research into operational resilience

Regulators need access to wider research into the systemic impact of operational risks after a string of incidents affected the UK financial system, Bank of England staff say. The analysis, published on August 27, tries to explain firms' operational vulnerabilities and how incidents are transmitted through the financial system. (www.centralbanking.com 29/08/24)

German import prices rise for second straight month

Germany's import prices increased for the second straight month in July, data from Destatis shows. Import prices grew 0.9% on a yearly basis in July, following a 0.7% rise in June, which was the first increase in 16 months. The increase largely reflects higher prices for consumer goods and agricultural products. (www.rttnews.com 30/08/24)

French inflation retreats to its lowest level in three years

French inflation eased to its lowest level since July 2021 bolstering the case for the European Central Bank to continue cutting interest rates after similar slowdowns in Germany and Spain. Consumer prices in the euro area's second-largest economy rose 2.2% from a year ago in August after a 2.7% increase in July, statistics agency Insee said on August 30. Economists surveyed by Bloomberg had forecast 2.1%. (www.bloomberg.com 30/08/24)

Core inflation in Japan's capital perks up, backs case for BOJ hikes

Core inflation in Japan's capital accelerated for a fourth straight month in August, data shows, tracking comfortably above the central bank's 2% target and backing market expectations of more interest rate hikes ahead. Tokyo core consumer price index, rose 2.4% in August from a year earlier. (www.reuters.com 30/08/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3190	(1.3179)	1.3191	(1.3180)
+USD/EUR	1.1087	(1.1107)	1.1088	(1.1108)
*GHS/USD	15.1643	(15.1504)	15.1795	(15.1656)
*GHS/GBP	20.0017	(19.9667)	20.0233	(19.9882)
*GHS/EUR	16.8297	(16.8297)	16.8464	(16.8464)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 30/08/24 (Rates for 29/08/24 in brackets)

* BOG INTERNAL TRANSACTION RATES: 30/08/24 (Rates for 29/08/24 in brackets)

Modi says India wants sustainable growth as economic risks rise

India is seeking “sustainable” growth to achieve the country’s economic goals, Prime Minister Narendra Modi said August 30, ahead of data that’s likely to show some moderation in activity in Asia’s third-largest economy.

(www.bloomberg.com 30/08/24)

Ukraine’s central bank cracks down on ‘money mules’

The National Bank of Ukraine (NBU) is introducing a transaction limit for card-to-card payments in a bid to fight money laundering. For six months from October 1, outgoing payments will be capped at 150,000 hryvnia (\$3,640). The move comes after an increase in “money muling”, whereby an individual allows criminals to make transfers to and from their bank account in exchange for a fee.

(www.centralbanking.com 29/08/24)

HKMA launches new measures to support struggling SMEs

The Hong Kong Monetary Authority (HKMA) is launching two sets of support measures for struggling businesses in the territory. The first, announced on August 26, involves allowing more banks to access data via a recently introduced functionality on the HKMA’s Commercial Data Interchange (CDI).

(www.centralbanking.com 29/08/24)

Hungary holds rates after June ‘turning point’

The Central Bank of Hungary paused its easing campaign on August 27 after 10 interest rate cuts. It left the corridor unchanged, with the key policy rate staying at 6.75%, after inflation rose to 4.1% in July. Its target rate of inflation is 3% in annual terms with a 1% tolerance band.

(www.centralbanking.com 29/08/24)

Dutch inflation eases slightly to 3.6%

Dutch inflation eased for the first time in four months in August, though marginally, the preliminary estimate from the Central Bureau of Statistics showed on Friday [30/08]. Consumer prices logged an annual increase of 3.6% in August, following July's 1-year high of 3.7%. (www.rttnews.com 30/08/24)

World stocks end turbulent month higher as US inflation data looms

Global stocks rose on August 30 and were set for a fourth straight month of gains despite a bout of heavy selling in early August, as bets on US rate cuts also put the dollar on track for its worst month since November.

(www.reuters.com 30/08/24)

Oil extends gains on supply concerns

Oil prices were slightly higher on August 30, after having risen nearly 2% in the New York trading session overnight, driven by positive US economic data, and concerns over potential supply disruptions in Libya and production cuts by Iraq. Benchmark Brent crude futures edged up 0.1% to \$78.93 a barrel, while WTI crude futures were up 0.2% at \$76.03.

(www.rttnews.com 30/08/24)

South Africa producer inflation falls to 4.2% y/y in July

South Africa's producer inflation fell to 4.2% year on year in July from 4.6% in June, statistics agency data showed on August 29. On a month-on-month basis, the Producer Price Index was at -0.2% in July versus -0.3% in June, Statistics South Africa said. (www.reuters.com 29/08/24)

South Africa getting to grips with economic reforms, central bank governor says

South Africa is getting to grips with reforms that could lift its economic potential, its central-bank governor said on August 29, adding that success tackling a longstanding power crisis could spur progress in other sectors. The central bank has repeatedly pointed to the need for structural reforms in areas such as energy and freight rail to boost South Africa's growth potential beyond the meagre 1% expected this year and next. (www.reuters.com 30/08/24)

Zimbabwe's forex rule stunts horticulture recovery, growers say

Zimbabwe's rule requiring exporters to exchange 25% of their dollar export earnings into local currency is hampering the horticulture sector's recovery, two decades after land seizures hit output, a growers' group said on Thursday [29/08]. (www.reuters.com 29/08/24)

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