



BANK OF GHANA NEWS BRIEF

News Summaries from Foreign and Local Media

Wednesday, 4th September 2024

Central banks 'buying more gold'

Central banks accumulated more than twice as much gold in July as they did in June, according to the World Gold Council (WGC). Net purchases hit 37 tonnes in July, up from 12 tonnes in June – a 206% increase. Based on data gathered from the International Monetary Fund (IMF) and other sources, the WGC said this was the highest monthly total since the 45 tonnes recorded in January.

(www.centralbanking.com 03/09/24)

ECB policy risks becoming too restrictive, Cipollone says

The European Central Bank shouldn't keep interest rates too high for too long as this could damage the economy, according to Executive Board member Piero Cipollone. Commenting in an interview with Le Monde published on the ECB website, he said that "there is a real risk that our stance could become too restrictive."

(www.bloomberg.com 04/09/24)

Fed policymakers agree on need for rate cuts, but their reasons vary

As recently as two and a half months ago, most U.S. central bankers didn't see an interest rate cut in the cards at their Sept. 17-18 meeting. By the end of last month, when Fed Chair Jerome Powell said it was time to start lowering borrowing costs, nearly all of his colleagues thought so too.

(www.reuters.com 03/09/24)

China's services activity expansion slows in August, Caixin PMI shows

Growth in China's services sector activity slowed in the month of August despite the summer travel peak, prompting some firms to cut staff amid concerns about rising costs, a private-sector survey showed today. The Caixin/S&P Global services purchasing managers' index (PMI) slipped to 51.6 in August from 52.1 in July.

(www.reuters.com 04/09/24)

Interpreting the PBoC's slew of policy reforms

The People's Bank of China (PBoC) made a series of significant policy moves over the past few months, as policymakers sought to revive China's slowing economy, weighed down by a prolonged property crisis, weak demand and hefty local debt burdens. These included unveiling a package of housing stimulus measures in May and cutting a suite of interest rates in July.

(www.centralbanking.com 03/09/24)

French Finance Ministry's deficit warning adds to Macron's political headache

France could see its budget deficit spiral unexpectedly higher this year and next if extra savings are not found, the Finance Ministry warned in a letter to lawmakers, as the euro zone's second-biggest economy lurches deeper into political crisis.

(www.reuters.com 03/09/24)

Russia services growth quickens in August

The Russian service sector activity expanded at the fastest pace in seven months in August amid a further improvement in demand conditions, survey results from S&P Global showed on Wednesday[04/09]. The services purchasing managers' index, or PMI, climbed to 52.3 in August from 51.1 in July. Greater activity was commonly linked to stronger client demand and an associated upturn in new business, the survey said.

(www.rttnews.com 04/09/24).

Australia GDP expands 0.2% in Q2

Australia's gross domestic product expanded a seasonally adjusted 0.2% on quarter in the second quarter of 2024, the Australian Bureau of Statistics said on Wednesday[04/09] - in line with expectations and accelerating from 0.1% in the previous quarter. On a yearly basis, GDP added 1.0% - again matching forecasts and slowing from 1.1% in the three months prior.

(www.rttnews.com 03/09/24)

EXCHANGE RATES OF SELECTED CURRENCIES

| CURRENCIES | BUYING | | SELLING | |
|------------|---------|-----------|---------|-----------|
| +USD/GBP | 1.3106 | (1.3145) | 1.3107 | (1.3146) |
| +USD/EUR | 1.1043 | (1.1070) | 1.1044 | (1.1071) |
| *GHS/USD | 15.2400 | (15.2226) | 15.2552 | (15.2378) |
| *GHS/GBP | 19.9735 | (20.0101) | 19.9950 | (20.0316) |
| *GHS/EUR | 16.8311 | (16.8520) | 16.8478 | (16.8687) |

+SOURCE: BOG INTERNAL TRANSACTION RATES: 04/09/24 (Rates for 03/09/24 in brackets)

* BOG INTERNAL TRANSACTION RATES: 04/09/24 (Rates for 03/09/24 in brackets)

Turkey's annual inflation drops by nearly 10 points

Annual inflation in Turkey dropped to 51.97% in August, the lowest level since July 2023, according to data published by the Turkish Statistical Institute (Turkstat). This is the second consecutive fall of almost 10 percentage points. Annual inflation previously fell from 71.6% in June to 61.78% in July.

(www.centralbanking.com 03/09/24)

India services growth improves to 5-month high

India's service sector growth picked up pace in August, underpinned by productivity gains and positive demand trends, the latest survey data from S&P Global showed on Wednesday [04/09]. The seasonally adjusted HSBC services purchasing managers' index rose to 60.9 in August from 60.3 in July.

(www.rttnews.com 03/09/24)

Hong Kong private sector PMI falls to 49.4 - S&P Global

The private sector in Hong Kong continued to contract in August, and at a faster pace, the latest survey from S&P Global revealed on Wednesday [04/09] with a PMI score of 49.4. That's down from 49.5 in July and it moves further beneath the boom-or-bust line of 50 that separates expansion from contraction.

(www.rttnews.com 03/09/24)

Poland to keep interest rates steady amid increased pressure on easing

Poland will likely hold borrowing costs unchanged on Wednesday[04/09] despite growing pressure from the government and central bank peers to begin monetary easing. The rate-setting Monetary Policy Council is set to leave the benchmark rate at 5.75% on Wednesday. (www.bloomberg.com 04/09/24)

Irish budget plans could add pressure to economy, watchdog says

The Irish government is adding "needless" pressure to the economy by breaching its own spending rule in its upcoming budget in October and risks having to reverse promises later, the state's fiscal watchdog warned.

(www.bloomberg.com 04/09/24)

European shares slump on risk-off mood after U.S. selloff

European stocks hit a two-week low on Wednesday[04/09], as global markets were rattled by concerns of an imminent slowdown in the United States and weakness in the Chinese economy. The pan-European STOXX 600 index (.STOXX), fell 1%, with all major European markets down between 0.7% and 1%.

(www.reuters.com 04/09/24)

Oil extends drop on easing Libyan dispute, demand concerns

Oil prices fell on Wednesday[04/09], extending a plunge of more than 4% the previous day, on expectations that a political dispute halting Libyan exports could be resolved and concerns over lower global demand growth. Brent crude futures for November fell 37 cents, or 0.5%, to \$73.38 by 0330 GMT after the previous session's fall of 4.9%. (www.reuters.com 04/09/24)

AfDB president praises Saudi Arabia for billions of dollars of investment in Africa

Akinwumi Adesina, the president of the African Development Bank Group (AfDB), has praised Saudi Arabia for its generous "support, dedication and friendliness" to Africa where it is supporting a host of projects touching virtually all aspects of people's everyday life on the continent. (www.asaaseradio.com 03/09/24)

South Africa business activity rises in August, PMI shows

South African private sector activity rose in August as firms received higher volumes of new orders for the first time since April 2023, a survey showed on Wednesday [04/09]. The S&P Global South Africa Purchasing Managers' Index rose to 50.5 in August from 49.3 in July, the first time it has been above the 50-point mark. (www.reuters.com 04/09/24)

Libya factions agree to appoint central bank governor in bid to ease crisis

Libya's two legislative bodies agreed on Tuesday [03/05] to appoint jointly a central bank governor, potentially defusing a battle for control of the country's oil revenue that has slashed production. (www.reuters.com 04/09/24)

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