



BANK OF GHANA NEWS BRIEF

News Summaries from Foreign and Local Media

Thursday, 5th September 2024

U.S. economy is slowing, but still has momentum, former official says

The U.S. economy is slowing but it still has some momentum, former Treasury Secretary Robert Rubin said on Thursday [05/09]. The U.S. Federal Reserve is about doing the right thing, Rubin told the Bund Summit in Shanghai, adding that former President Donald Trump poses multiple risks to the economy.

(www.reuters.com 05/09/24)

Ex-Treasury Chief Rubin sees 'danger' of U.S. overreach on China

U.S. politicians should be careful not to go too far with trade restrictions and tariffs on China while trying to safeguard national security, according to former Treasury Secretary Robert Rubin. Tariffs should be limited and made difficult to apply to ensure they are used cautiously, Rubin said via a video link at the Bund Summit in Shanghai.

(www.bloomberg.com 05/09/24)

China sees room to lower reserve requirement ratio, PBOC official says

China still sees some room to lower the amount of cash banks must hold as reserves, a central bank official said, adding that the lender will continue to implement policies to support the economic recovery. "The reserve requirement ratio (RRR) cut at the beginning of this year is still showing its effect," said Zou Lan, head of the People's Bank of China's (PBOC) monetary policy department.

(www.reuters.com 05/09/24)

UK: State pension to rise by over £400 next year

The Treasury expects the new full state pension to be boosted above inflation by more than £400 a year in cash terms. The internal working calculations seen by the BBC reflect the near certainty that the state pension will be increased by average earnings figures released next week.

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

German factory orders unexpectedly expand in July

Germany's factory orders grew unexpectedly in July largely due to the surge in demand for transport equipment, official data revealed Thursday[05/09]. Incoming new orders advanced 2.9% monthly in July following June's revised 4.6% expansion, Destatis reported. Orders were forecast to fall 1.6%.

(www.rttnews.com 05/09/24)

Japan inflation-adjusted wages rise for two straight months in July

Japan's inflation-adjusted wages rose for two consecutive months in July thanks to a bump in summertime bonuses, government data shows. Real wages in the world's fourth-largest economy grew 0.4% in July, rising at a slower pace than June's 1.1% growth when it turned positive for the first time in 27 months, the Labour Ministry says.

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

Australia central bank governor reiterates rate cuts are premature

Australia's top central banker reiterated that it was premature to contemplate near-term rate cuts as inflation remained too high, sticking to a hawkish stance even as data showed the economy was struggling to motor on. Bank of Australia (RBA) Governor Michele Bullock said bringing inflation down to the target band of 2-3% remains the central bank's highest priority.

(www.reuters.com 05/09/24)

Bank of Canada cuts rate by 25 bps, says bigger cuts possible

The Bank of Canada trimmed its key policy rate by 25 basis points to 4.25% as forecast and Governor Tiff Macklem, citing weak growth, said a larger cut could be in order if the economy needs a boost. The bank had held its rate at a two-decade high of 5% for a year until June when it started the easing cycle.

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

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3147	(1.3106)	1.3148	(1.3107)
+USD/EUR	1.1079	(1.1043)	1.1080	(1.1044)
*GHS/USD	15.2719	(15.2400)	15.2871	(15.2552)
*GHS/GBP	20.0779	(19.9735)	20.0995	(19.9950)
*GHS/EUR	16.9205	(16.8311)	16.9373	(16.8478)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 05/09/24 (Rates for 04/09/24 in brackets)

* BOG INTERNAL TRANSACTION RATES: 05/09/24 (Rates for 04/09/24 in brackets)

Turkey cuts GDP forecast in bid to balance growth, inflation

Turkey trimmed its forecast for gross domestic product in 2025 but remained more optimistic than economists, underlining the tension between government efforts to curb inflation while sustaining growth. The government's medium-term program revised down its expectation for economic growth next year to 4% from 4.5%. (www.bloomberg.com 05/09/24)

Brazil's public debt linked to interest rates and FX to surpass half of total debt in 2024

Brazil's government expects public debt linked to interest and foreign exchange rates to surpass half of the total debt this year, a level last seen in October 2006, the Treasury indicated in a revision of its annual financing plan. Known as LFTs, the bonds tied to the country's benchmark interest rate, Selic, typically reduce predictability in debt management. (www.reuters.com 04/09/24)

Foreign investors struggle to keep up with India's rise

India's stock market rally is ramping up its index weighting and creating a dilemma for global fund managers as their relative exposure shrinks while the market grows or buy in at increasingly eye-watering prices. Most find the latter uncomfortably risky and are seeking alternatives, some driving money into India's smaller companies, while others are looking elsewhere at other emerging markets. (www.reuters.com 05/09/24)

India's GDP to expand 7.2% in FY25 despite lower Q1 growth, says cenbank chief

Despite the moderation seen in India's first quarter GDP, the South Asian economy is likely to achieve full year growth of 7.2% as projected, the Reserve Bank of India Governor Shaktikanta Das said today. (www.reuters.com 05/09/24)

Bank of Thailand to name new chair by October

The head of the committee charged with selecting a new chair of Thailand's central bank has said an appointment will be made by early October. (www.centralbanking.com 04/09/24)

European shares subdued on jitters ahead of U.S. labor data

European stocks were flat on Thursday[05/09] as gains in utilities were offset by losses in miners, while investors awaited more economic data from the euro zone and the United States to gauge the outlook for global interest rates. The pan-European STOXX 600 index (.STOXX), was flat, with miners (.SXPP), down as prices of most metals fell on dim demand outlook following the recent weak economic data globally, including in top consumer China. (www.reuters.com 05/09/24)

Oil prices edge up as OPEC+ may delay supply hike, U.S. stockpiles fall

Oil prices edged up after plunging to multi-month lows previously as major producers may delay an output increase planned for next month and U.S. inventories fell, though the gains were limited by persistent demand concerns. (www.reuters.com 05/09/24)

UN chief warns Africa's inadequate access to debt relief is recipe for social unrest

African countries' inadequate access to debt relief and scarce resources is a recipe for social unrest, United Nations Secretary-General Antonio Guterres said on Thursday[05/09], proposing fresh reforms to the international financial architecture. (www.reuters.com 05/09/24)

Debt woes and funding needs in focus as China hosts African leaders

A China-Africa summit in Beijing this week takes place as a continent slowly emerging from a series of defaults seeks to define its future cooperation with the Asian nation that partly fuelled its debt binge and now faces its own economic headwinds. (www.reuters.com 04/09/24)

IMF says South Africa needs ambitious fiscal consolidation

The IMF said South Africa needed to pursue ambitious fiscal consolidation to restore the sustainability of its public finances. The statement follows an IMF visit to South Africa in early July to conduct a "post-financing assessment" after its \$4.3bn loan to the country in 2020 to help it fight the impact of the COVID-19 pandemic. (www.reuters.com 04/09/24)

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