


 Wednesday, 2nd October 2024

Risk management ‘key’ to monetary policy – IMF’s Kammer

Risk management is a critical part of dealing with the array of “economic challenges” that central banks are facing when formulating monetary policy, the head of the International Monetary Fund’s European department said on October 1. At an event hosted by the National Bank of North Macedonia, Alfred Kammer said risk management was “key” to dealing with lower growth, higher inflation and increased levels of volatility.

(www.centralbanking.com 02/10/24)

Euro zone inflation dips below 2%, strengthening rate cut case

Euro zone inflation dipped below 2% for the first time since mid-2021 in September, reinforcing an already solid case for a European Central Bank rate cut this month as a three-year battle to tame runaway price growth nears its end. Inflation in the 20 countries sharing the euro currency eased to 1.8% in September from 2.2% in August. (www.reuters.com 01/10/24)

ECB’s Kazaks leans toward October cut but warns markets

The European Central Bank is likely to lower borrowing costs at this month’s meeting and beyond, but some investors and economists’ easing expectations appear exaggerated, according to Governing Council member Martins Kazaks. (www.bloomberg.com 02/10/24)

Shared EU debt not ‘essential’ for competitiveness boost – Draghi

Mario Draghi has said that the issuance of shared European debt is not an “essential ingredient” when it comes to reigniting the EU’s competitiveness. A former Governor of the European Central Bank (ECB) said this at an event hosted by Belgian thinktank Bruegel on September 30.

(www.centralbanking.com 01/10/24)

No signs of U.S. labor market deterioration as job openings rebound

U.S. job openings unexpectedly increased in August after two straight monthly decreases, but hiring was soft and consistent with a slowing labor market that keeps the Federal Reserve on track to cut interest rates again in November. The Labor Department’s Job Openings and Labor Turnover Survey, or JOLTS report, on Tuesday [01/10] also showed layoffs declining. (www.reuters.com 01/10/24)

Fed liquidity tools see demand ease amid new repo market anxieties

Inflows into Federal Reserve liquidity tools eased on the first day of the new quarter, although some in markets now worry there are signs of building money market pressures that could cause the Fed to rethink its balance sheet drawdown plans. The Fed reported inflows into its reverse repo facility ticked down to \$375.2bn from \$465.6bn on Monday [30/10].

(www.reuters.com 01/10/24)

IMF ‘too polite’ on China policies, financing assurances, U.S. Treasury official says

The International Monetary Fund (IMF) is “too polite” when it comes to criticizing China’s economic policies and should more fully disclose financing assurances given by China and some other countries to support IMF loan programs, a senior U.S. Treasury official says.

(www.reuters.com 01/10/24)

Japan monetary base slips 0.1% on year in September

The monetary base in Japan was down 0.1% on year in September, the Bank of Japan said, coming in at ¥669.446tr. That follows the 0.6% gain in Aug. Banknotes in circulation were down an annual; 1.1% while current account balances rose 0.2% including a 3.0% jump in reserve balances. (www.rttnews.com 01/10/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3280	(1.3406)	1.3281	(1.3407)
+USD/EUR	1.1064	(1.1146)	1.1065	(1.1147)
*GHS/USD	15.8321	(15.7921)	15.8479	(15.8079)
*GHS/GBP	21.0250	(21.1709)	21.0476	(21.1937)
*GHS/EUR	17.5179	(17.6028)	17.5353	(17.6188)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 02/10/24 (Rates for 01/10/24 in brackets)

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Ueda hints at dovishness after new prime minister urges caution

Bank of Japan Governor Kazuo Ueda sent dovish signals regarding the policy outlook in his first speech since incoming Prime Minister Shigeru Ishiba and a close ally urged monetary authorities to use caution when pondering rate hikes.

(www.bloomberg.com 02/10/24)

Austrian inflation slows to 1.8%, lowest in 43 months

Austria's consumer price inflation (CPI) eased in September to the lowest level in just over three-and-a-half years amid cheaper fuel costs, a flash estimate from Statistics Austria showed on Tuesday [01/10]. The CPI climbed 1.8% year-on-year in July, slower than the 2.3% increase in August. (www.rttnews.com 01/10/24)

South Korea inflation cools more than expected as rate cut talk grows

South Korea's consumer inflation cooled more than forecast in September and below the central bank's target for the first time since early 2021, amid growing expectations of an imminent policy easing. The consumer price index (CPI) rose 1.6% in September from a year earlier, after a rise of 2.0% in August.

(www.reuters.com 02/10/24)

Dollar holds gains as war widens in Middle East, rallies against yen

The dollar held on to its biggest gains in a week on Wednesday[02/10] after an Iranian missile attack on Israel drove the buying of safe haven assets as investors fretted about the widening of conflict in the Middle East. It also jumped against the yen as Japanese officials, including new Prime Minister Shigeru Ishiba, talked down the chances of another Bank of Japan rate hike. (www.reuters.com 02/10/24)

Jamaica and Dominican Republic announce 25bp cuts

Two Caribbean central banks announced identical rate cuts on September 30. The Bank of Jamaica reduced its policy rate by 25 basis points to 6.5%. The central bank noted in a statement that annual headline inflation stood at 6.5% in August. (www.centralbanking.com 01/10/24)

Stocks stable, oil rises as wary investors eye Middle East hostilities

Stocks held firm on Wednesday[02/10] and safe haven assets such as government bonds and the dollar gained ground, as investors held back from panic selling amid escalating Middle East hostilities that also pushed oil prices nearly 3% higher. Europe's benchmark STOXX index (.STOXX), edged down just 0.1% and MSCI's broadest index of Asia-Pacific shares (.MIAP00000PUS), climbed 1.38%.

(www.reuters.com 02/10/24)

Oil prices jump more than \$1 as Middle East tensions escalate

Oil prices jumped by over a dollar today[02/10] due to rising concerns Middle East tensions could escalate, potentially disrupting crude output from the region, following Iran's biggest ever military blow against Israel. Brent futures leapt \$1, or 1.36%, to \$74.56 a barrel.

(www.reuters.com 02/10/24)

Libya's parliament approves central bank compromise deal

The United Nations Support Mission in Libya (UNSMIL) said on September 30 that the country's parliament had unanimously endorsed a compromise agreement that would allow a new central bank governor to be appointed. (www.centralbanking.com 01/10/24)

Uganda's exports to China will boost foreign exchange earnings

Two protocols signed between Uganda and China last month that allow the East African country to export dried chilies and wild aquatic products will contribute to the country's foreign exchange earnings, a senior official said Tuesday [01/10]. (www.xinhuanet.com 02/10/24)

Fitch Forecasts a 5.5% expansion of GDP in 2024

Ghana's economic prospects are increasingly promising, with Fitch Solutions forecasting growth to accelerate from 2.9% in 2023 to a three-year high of 5.5% in 2024. The optimism is underscored by recent data from the Ghana Statistical Service revealing a robust 6.9% year-on-year expansion in Q2 of 2024.

(www.norvanreports.com 01/10/24)

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