


 Friday, 4th October 2024

ECB's Centeno says inflation now is very close to 2%

Euro-area inflation is now very near to the European Central Bank's 2% target for consumer-price growth, according to Mario Centeno. "Inflation today is very close to 2%," he said at a conference in Spain on October 4. He highlighted that the European Central Bank has an inflation target for the medium term and that any current decisions are for "inflation in two years to be at 2%."

(www.bloomberg.com 04/10/24)

U.S. expected to report moderate September job growth

The U.S. economy likely maintained a moderate pace of job growth in September while the unemployment rate is expected to have held steady at 4.2%, which would further reduce the need for the Federal Reserve to deliver large interest rate cuts in its final two meetings of the year. (www.reuters.com 04/10/24)

The Fed can afford to loosen policy

By the middle of September, financial markets had worked themselves up into a lather as they anticipated the Fed's first rate cut of this policy cycle. It had been a long wait. That's partly because markets and the Fed had occasionally been wrong-footed by data surprises, such as the uptick in inflation in the first quarter of this year. (www.centralbanking.com 03/10/24)

Pension funds rethink hedging tactics after UK crisis

Two years after market chaos jeopardised Britain's £2tr (\$2.7tr) pensions industry, the hedging strategy that exacerbated the crisis is increasing in popularity, although providers say with less of the risk. In September 2022, Britain's then-prime minister Liz Truss' 'mini-budget' promising unfunded tax cuts spooked investors. (www.reuters.com 04/10/24)

China-focused hedge funds post explosive September returns

Some China-focused hedge funds are reporting explosive returns in September, thanks to a sharp rebound in Chinese stocks driven by Beijing's aggressive stimulus package. The surge in stocks, which fuelled a 25% record jump over five days last week in China's blue-chip CSI 300 Index (.CSI300), catapulted Asian equity hedge funds to top performers globally for the year so far.

(www.reuters.com 04/10/24)

Cloud and AI 'dramatically improving' data use at BoE

The Bank of England (BoE) has begun moving its data on to the cloud and adopting artificial intelligence tools as part of a push to make its tens of thousands of data series more user-friendly. James Benford, the bank's chief data officer, said on October 3, that work had progressed far enough for the BoE to start processing "a first batch of statistical returns" on the cloud. (www.centralbanking.com 03/10/24)

Japan's economy not ready for rate hike, says prime minister

Japan's new prime minister, Shigeru Ishiba, said on October 2 that the current environment was not suitable for an additional rate rise. His remarks, following his first meeting with the Governor of the Bank of Japan (BoJ), surprised many analysts. (www.centralbanking.com 03/10/24)

BOJ's rate hike plans face political curve ball

Bank of Japan Governor Kazuo Ueda's efforts to lift rock-bottom borrowing costs face fresh challenges as a yen rebound and the new political leadership's preference for loose monetary policy raise the hurdle for rate hikes.

(www.reuters.com 04/10/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3131	(1.3271)	1.3132	(1.3272)
+USD/EUR	1.1035	(1.1049)	1.1036	(1.1050)
*GHS/USD	15.7921	(15.8721)	15.8079	(15.8879)
*GHS/GBP	20.7366	(21.0638)	20.7589	(21.0865)
*GHS/EUR	17.4272	(17.5386)	17.4445	(17.5560)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 04/10/24 (Rates for 03/10/24 in brackets)

* BOG INTERNAL TRANSACTION RATES: 04/10/24 (Rates for 03/10/24 in brackets)

Most Czech central bankers wary of inflation risks, minutes show

Most Czech central bank board members saw some persistent inflationary pressures in the economy, which warranted a cautious pace of interest-rate cuts, according to minutes from the last policy meeting.

(www.bloomberg.com 04/10/24)

Philippine inflation to settle around 3.2% in 2024, finance minister says

The Philippines' inflation rate could settle around 3.2% this year, its Finance Minister said on October 4, giving room for the central bank to further cut rates. "This gives the BSP more room to be aggressive in its monetary policy easing to help the economy grow at a faster rate and support the government in increasing its revenue collections," says the Finance Minister. (www.reuters.com 04/10/24)

India service sector continues to expand in September

India service sector expanded at a solid pace in September but growth in total new business, exports and overall output grew at the slowest rates since late-2023, final data compiled by S&P Global showed on October 4.

(www.rttnews.com 04/10/24)

Austria expects deficit of 3.3% of GDP for 2024

Austria's Finance Ministry on Thursday [03/10] raised its forecast of this year's government deficit to 3.3% of gross domestic product (GDP), above the Maastricht criteria of 3%.

(www.xinhuanet.com 04/10/24)

Sri Lanka's new leader calls for tax relief in first IMF meeting

Sri Lanka's new president stuck to his campaign promises of reducing taxes and providing other relief to citizens in his first meeting with officials from the IMF since taking office. President Dissanayake said he remains committed to the overall objectives of the IMF's \$31bn loan program, but they should be achieved "through alternative means that relieves the burden of the people.

(www.bloomberg.com 04/10/24)

European shares rise as energy stocks shine on wider Middle East conflict

European shares inched higher on Friday[04/10], supported by regional energy stocks after crude oil prices climbed on concerns over a deeper conflict in the Middle East. The pan-European STOXX 600 (.STOXX), edged 0.2% higher. Still, the index is on track for its worst week since September 2, if losses hold. (www.reuters.com 04/10/24)

Middle East tensions drive oil prices

Oil prices are headed for their largest weekly rise in over a year on Friday[04/10], spurred by escalating Middle East tensions that have cast a pall over global markets ahead of the weekend. (www.reuters.com 04/10/24)

ECJ rules EU-Morocco trade deals invalid in Western Sahara

The European Court of Justice ruled on Friday[04/10] that the European Commission had breached the right of people in Western Sahara to self-determination by concluding trade deals with Morocco.

(www.reuters.com 04/10/24)

Kenya asks IMF to review corruption issues after Western push

Kenya's government has asked the International Monetary Fund to conduct an official assessment of corruption and governance issues, the IMF told Reuters, after a push by Western nations. Kenya has struggled with debt that has reached precarious levels in recent years, and its withdrawal of proposed tax hikes earlier this year following deadly protests complicated its efforts to unlock a \$600m disbursement from the IMF.

(www.reuters.com 04/10/24)

Nigeria's private sector gets boost from new orders in September

Nigerian private sector activity expanded for the second straight month in September as new orders rose, especially for chemical and pharmaceutical products, results of a central bank business survey showed.

(www.reuters.com 04/10/24)

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