



Thursday, 10th October 2024

IMF surcharges saga could threaten its credibility

Ukraine, besieged by war, pays the IMF hundreds of millions of dollars a year in extra borrowing surcharges in addition to its regular debt payments. The IMF levies those surcharges on countries whose debts with the fund exceed certain thresholds. Twenty-two countries now pay surcharges and the count keeps growing. (www.ft.com 09/10/24)

Fiscal upside, economic downside to EU deficit procedure – study

The EU's excessive deficit procedure (EDP) improved the fiscal stance of member states in the years leading up to the pandemic, according to a study by the Croatian National Bank but sometimes led to excessive fiscal tightening. The paper finds that, over 10 quarters, being in the EDP improved a country's cyclically adjusted primary balance by 1.69 percentage points on average.

(www.centralbanking.com 09/10/24)

Federal Reserve officials were divided over September's big rate cut

Federal Reserve officials were at odds over the U.S. central bank's decision to lower interest rates by a half-point last month, according to a record of the meeting. Minutes from the September meeting indicated support for a gradual pace of rate cuts in future.

(www.ft.com 10/10/24)

Donald Trump pledges to end double taxation for expat Americans

Donald Trump has said he will end "double taxation" for millions of Americans living overseas if he wins the U.S. presidential election next month. "I support ending the Double Taxation of overseas Americans! Let's put America First, together", He said in a statement. (www.ft.com 09/10/24)

China steps up checks of wealth management products after \$149bn outflow

China has asked its financial institutions to beef up monitoring of the nation's wealth management products, people familiar with the matter said, after investors pulled some \$149bn to chase a rally in stocks. Regulators recently ordered lenders, fund houses and fund distributors to monitor changes in the scale of WMPs daily. (www.bloomberg.com 10/10/24)

UK: Budget plan to spend billions more won't stop tax rises

Rachel Reeves is planning to change borrowing rules to free up billions of pounds more in spending for big projects in the upcoming Budget. The chancellor has committed to a self-imposed rule to see debt – the total amount the government owes – falling as a share of the economy in five years' time. (www.bbc.com 09/10/24)

UK: Major overhaul of workers' rights to be outlined

Millions of people are set to get stronger protections from unfair dismissal from their first day in a job under a planned overhaul of workers' rights. Workers will also be able to get statutory sick pay from the first day they are ill and claim unpaid parental leave from day one, under measures being announced in the Employment Rights Bill. (www.bbc.com 10/10/24)

BOJ may not be as dovish as Ueda's cautious rhetoric suggests

Japan's improving economic conditions and receding U.S. recession worries are likely to bring prospects of a December or January interest rate hike back into view, even as a new government complicates the politics around monetary policy. New Prime Minister Shigeru Ishiba have cast doubts over when the central bank would next tighten policy

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

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3073	(1.3091)	1.3074	(1.3092)
+USD/EUR	1.0945	(1.0966)	1.0946	(1.0967)
*GHS/USD	15.8921	(15.8221)	15.9080	(15.8379)
*GHS/GBP	20.7757	(20.7127)	20.7981	(20.7350)
*GHS/EUR	17.3957	(17.3517)	17.4115	(17.3689)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 10/10/24 (Rates for 09/10/24 in brackets)

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Sell Yen is ‘most popular trade’ as investors brace for CPI

“Sell Japan’s currency” is becoming an ever-more popular rallying cry as investors prepare for monthly U.S. inflation data that threaten to roil financial markets. The country’s biggest banks are almost unanimous in saying the yen is set to keep weakening as traders trim bets on Fed interest-rate cuts, bolstering the dollar and Treasury yields. (www.bloomberg.com 10/10/24)

India’s inflation expectations easing, Central Bank survey shows

Inflation expectations among Indian households eased in the latest central bank quarterly survey, giving policymakers further reason to consider interest rate cuts. Households see current inflation moderating by 10 basis points, and by 20 basis points in the next 3 months. (www.bloomberg.com 09/10/24)

Dollar edges down against yen after uptick in U.S. inflation

The U.S. dollar edged lower against the yen on Thursday after data showed a higher-than-expected rise in U.S. inflation in September even though prices were on a downward trend, allowing the Federal Reserve to keep cutting interest rates. (www.reuters.com 10/10/24)

Malaysia's unemployment rate falls to 3.2% in August

Malaysia's unemployment rate fell to 3.2% in August from 3.3% in the previous month, registering 558,500 unemployed persons, official data shows. The Department of Statistics Malaysia (DOSM) said in a statement that Malaysia's labour market in August continued to expand following the encouraging economic growth. (www.xinhuanet.com 10/10/24)

Chile's inflation edges up in September

Chile's Consumer Price Index edged up 0.1% in September falling slightly short of market expectations and bringing the year-to-date increase to 3.5%, the National Statistics Institute said. In the 12 months ending in September, the annual inflation rate eased to 4.1%, marking the first decline since March. (www.xinhuanet.com 09/10/24)

Oil prices rise on U.S. storm, fears of Israel-Iran conflict

Oil prices rose on Thursday [10/10] underpinned by a spike in fuel demand as a major storm barreled into Florida and concerns about potential supply disruptions in the Middle East amid heightened tensions between Israel and major oil producer Iran. Brent crude futures rose 24 cents, or 0.3%, to \$76.82 a barrel. (www.reuters.com 10/10/24)

Gold extends losses for sixth day

Gold prices were subdued on Wednesday [10/10], after having suffered their biggest daily loss since late August in the previous session. Spot gold dipped 0.2% to \$2,615.61 per ounce, extending losses for a sixth straight session as fading hopes for a 50-bps rate cut strengthened the dollar's appeal. (www.rttnews.com 09/10/24)

G-7 loan boost for Africa’s small businesses launches debut deal

A Group of Seven push to spur small business lending in Africa has announced its first deal, with the UK’s British International Investment providing a \$25m facility to a bank in Sierra Leone. The initiative, called the Africa Resilience Investment Accelerator, or ARIA, aims to unlock commercial lending for small businesses in fragile African nations. (www.bloomberg.com 09/10/24)

Egypt's headline inflation inches up to 26.4% in September

Egypt's annual urban consumer price inflation climbed for a second month in Sept.; rising to 26.4% from 26.2% in Aug.; data from the country's statistics agency CAPMAS showed on Wednesday [09/10]. Month-on-month, prices rose by 2.1%. (www.reuters.com 09/10/24)

WB endorses new partnership framework to support Zambia's economic growth

The World Bank has approved a new 5-year partnership framework to support Zambia in achieving sustainable private-sector-led economic growth. The framework is also expected to help the Zambia enhance climate resilience and improve the well-being of its people. (www.xinhuanet.com 09/10/24)

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