



Thursday, 17th October 2024

ECB to cut, markets want clues on next move

The European Central Bank is expected to make its first back-to-back rate cut in 13 years today. With that in the price, the policy outlook will be traders' focus and it will need to sound pretty dovish to drive the Euro lower still. The common currency is already down 2.4% for Oct. and rates markets are pricing more cuts in Europe next year than in the US even though U.S. rates sit above 4.75% and European rates are at 3.5%. (www.reuters.com 17/10/24)

ECB 'did not approve' production of €8,000 note

The European Central Bank (ECB) has told Central Banking that a collectible €8,000 (\$8,729) bank note does not qualify as legal tender. Treasurium, a company based in Georgia, is issuing 5,000 of the notes to commemorate winemaking in the country, which it says goes back 8,000 years. (www.centralbanking.com 16/10/24)

ECB to step up pace with back-to-back rate cuts

ECB is set to lower interest rates for a second straight meeting, quickening the speed of cutting after data showed that the rapid retreat in inflation is being accompanied by a deteriorating economy. A poll by Bloomberg predicts that the deposit rate will be decreased by another quarter-point on to 3.25%. (www.bloomberg.com 17/10/24)

Cleveland Fed warns sticky rent gains may pressure overall inflation

Rent inflation will continue to put pressure on consumers for some time to come, the Federal Reserve Bank of Cleveland said in a report, opens new tab on Wednesday [16/10], in a finding that may point to ongoing challenges for the Fed to get overall inflation back to 2%. (www.reuters.com 16/10/24)

China's economy likely grew at weakest pace in 6 quarters

China's economy likely grew at its weakest pace in six quarters, prompting Beijing to roll out a swath of stimulus measures in late Sept. to draw a line under the slowdown. Data set to show the economy expanded 4.5% in the third quarter from a year ago, according to economists surveyed by Bloomberg. (www.bloomberg.com 17/10/24)

UK to raise capital gains tax rate on share sales, Times reports

Britain will increase the rate of capital gains tax payable on sales of shares and other assets in an Oct. 30 budget statement, the Times newspaper reported on Wednesday [16/10], saying the increase for share sales was likely to be several percentage points. The report, which did not cite named sources, also said capital gains tax rates levied on the sale of second homes would not rise. (www.reuters.com 16/10/24)

Germany grapples with economic slowdown as recession persists

Germany, once seen as the economic powerhouse of Europe, is grappling with a second consecutive year of economic contraction, raising concerns about its future growth prospects. The German government's latest autumn forecast predicts a 0.2% decline in GDP for 2024, following a similar downturn in 2023. (www.xinhuanet.com 17/10/24)

Japan's exports fall for first time in 10 months on China, US slowdown

Japan's exports fell for the first time in 10 months in the month of Sept. Data shows a worry for policymakers as any prolonged weakness in global demand may complicate the central bank's path to exit years of ultra-easy monetary policy. Soft demand in China and slowing US growth weighed on exports. (www.reuters.com 17/10/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3004	(1.3082)	1.3005	(1.3083)
+USD/EUR	1.0868	(1.0899)	1.0869	(1.0899)
*GHS/USD	15.9220	(15.8921)	15.9380	(15.9080)
*GHS/GBP	20.7050	(20.7900)	20.7273	(20.8124)
*GHS/EUR	17.3047	(17.3207)	17.3218	(17.3379)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 17/10/24 (Rates for 16/10/24 in brackets)

* BOG INTERNAL TRANSACTION RATES: 17/10/24 (Rates for 16/10/24 in brackets)

Australia jobless rate falls to 4.1% in Sept.

The unemployment rate in Australia came in at a seasonally adjusted 4.1% in Sept. the Australian Bureau of Statistics said today. That was below estimates for 4.2% which would have been unchanged from the Aug. reading. The Australian economy added 64,100 jobs last month, blowing away forecasts for an increase of 25,200 jobs following the addition of 47,500 jobs in Aug. (www.rttnews.com 16/10/24)

Italy inflation confirmed at 9-month low

Consumer price inflation in Italy eased to the lowest level in nine months amid lower energy costs, as initially estimated in Sept. the latest data from the statistical office showed on Wednesday [16/10]. Consumer price inflation slowed to 0.7% in Sept. from 1.1% in Aug. 30. (www.rttnews.com 16/10/24)

Afghanistan faces continued deflation – World Bank report

The World Bank has reported continued deflation in Afghanistan, with Aug. marking the 16th consecutive month in which prices fell. The latest edition of the institution's monthly Afghanistan Economic report monitor showed headline inflation had fallen to -6.7% over the 12 months to Aug. down from -6.6% for the year to July. (www.centralbanking.com 16/10/24)

Bangladesh July-August trade deficit shrinks amid political uncertainty

Bangladesh's trade deficit narrowed about 10% to \$2.75bn in the first two months of the current 2024-25 fiscal year starting from July 2024 and ending in June 2025, official statistics showed recently. According to the bank of Bangladesh, the country exported \$7.16bn worth of goods while imported items worth \$9.91bn in the July-Aug. period of the current fiscal year. (www.xinhuanet.com 16/10/24)

Swiss trade surplus shrinks in Q3

Switzerland's foreign trade surplus decreased in the third quarter as exports fell faster than imports, data from the Federal Customs Administration shows. The trade surplus dropped to CHF 11.3bn in the third quarter from CHF 12.6b in the second quarter. (www.rttnews.com 17/10/24)

European stocks gain, euro weak ahead of ECB, 'Trump trade' lifts dollar

The euro was pinned at an 11-week low on Thursday ahead of an expected rate cut by the ECB, while European shares inched up, balancing gains on Wall Street with declines in Asia, where a housing policy briefing in China underwhelmed. The ECB is expected to make its first back-to-back rate cut in 13 years, and with markets pricing another cut in December. (www.reuters.com 17/10/24)

Oil prices flat as investors await US inventory data

Oil prices were broadly flat on Thursday as investors waited on developments in the Middle East, the release of official U.S. oil inventory data and details on China's stimulus plans. Brent crude futures were up 11 cents to \$74.33 a barrel at 1114 GMT, while U.S. West Texas Intermediate crude futures were at \$70.47. (www.reuters.com 17/10/24)

Egypt's surprise inflation climb may push back rate cuts to 2025

Egypt looks set to wait until next year to make its first interest-rate cut since 2020 as it grapples with an unexpected quickening in inflation and fears of a wider conflict in the Middle East. Economists in a Bloomberg survey see the central bank leaving the benchmark deposit rate at an all-time high of 27.25%. (www.bloomberg.com 17/10/24)

Kenya in talks for a \$1.5bn commercial loan with UAE, finance minister says

Kenya is in discussions with the United Arab Emirates for a \$1.5bn commercial loan with an 8.25% interest rate and a seven-year tenor, Finance Minister John Mbadi said on Wednesday [16/10]. (www.reuters.com 16/10/24)

Namibia central bank cuts key rate again to help growth

Namibia's central bank cut its main interest rate for the second meeting in a row, saying inflation had fallen surprisingly quickly and that the economy needed more support. Its Monetary Policy Committee unanimously decided to cut the repo rate opens new tab by 25 basis points to 7.25%. (www.reuters.com 16/10/24)