



Thursday, 24th October 2024

Governors differ on cross-border payments

Central bankers at the IMF and World Bank annual meeting on October 22 disagreed on whether fast cross-border payment links should be bilateral or multilateral. Andréa Maechler, deputy general manager at the Bank for International Settlements, said multilateral links should be prioritised because this would make negotiations simpler.

(www.centralbanking.com 23/10/24)

Rehn reiterates need for inquiry into demographics, inflation

Central bankers need to better understand demographics and the dynamics of underlying inflation, the governor of the Bank of Finland has said. Speaking at an event organised by the Peterson Institute for International Economics on October 22, Olli Rehn reiterated an earlier message that central banks should pay more attention to changes in population.

(www.centralbanking.com 23/10/24)

Three kinds of firm still vulnerable to 2023-style crisis – FSB

New analysis by the Financial Stability Board (FSB) says three kinds of financial firm are particularly exposed to the risks that caused turmoil in the banking sector in 2023. Last year, losses triggered by rising interest rates led to rapid deposit outflows that caused several banks to fail. (www.centralbanking.com 23/10/24)

ECB policymakers' views on what's ahead are diverging

Views among European Central Bank officials about where to take monetary policy are starting to diverge as the institution's 2% inflation target moves within close reach. While some of the more dovish officials are openly discussing the need for steeper interest-rate cuts, their hawkish colleagues are urging for caution. (www.bloomberg.com 24/10/24)

Behind-the-curve ECB should consider bigger cuts, Centeno says

The absence of a meaningful recovery and mounting risks to the economic outlook are a strong signal for the European Central Bank to consider steeper interest-rate cuts, Governing Council member Mario Centeno said.

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

ECB's Holzmann says quarter-point rate cut probable in December

The European Central Bank will most likely lower interest rates by another 25 basis points this year even as upside inflation risks linger, said Governing Council member Robert Holzmann. (www.bloomberg.com 24/10/24)

Bears circle China's yuan gearing for Trump win

China's currency is feeling the pressure from a possible return of Donald Trump as US president not just from speculators shorting the currency but also mainland exporters who have been hoarding dollars. The yuan has been weak since early 2023, bearing the brunt of China's anaemic economy and low yields. The heavily managed currency has spent the past 17 months on the weaker side of the 7-per-dollar level and fallen roughly 2%.

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

BOE's Bailey says UK inflation cooling faster than expected

Bank of England Governor Andrew Bailey said disinflation in the UK is happening faster than officials had anticipated, the latest hint that the central bank will continue cutting interest rates next month. Bailey said during an event on Wednesday [23/10] in Washington that inflation was lower than he had expected a year ago, highlighting a "good story" on second-round effects that threatened to keep price pressures elevated. (www.bloomberg.com 23/10/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2940	(1.2980)	1.2941	(1.2981)
+USD/EUR	1.0781	(1.0810)	1.0782	(1.0811)
*GHS/USD	16.1419	(15.9920)	16.1581	(16.0080)
*GHS/GBP	20.8877	(20.7576)	20.9102	(20.7800)
*GHS/EUR	17.4020	(17.2865)	17.4193	(17.3037)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 24/10/24 (Rates for 23/10/24 in brackets)

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Japan warns against 'one-sided' currency moves as yen slides

Japanese Finance Minister Katsunobu Kato issued a warning against currency speculation, expressing concern over "one-sided, rapid" moves in the currency market that have been driving down the yen's value. "It's important for currency rates to move stably. We are watching exchange-rate moves with heightened vigilance, including for any speculative moves," Kato told reporters after attending the first-day session of the Group of 20 finance leaders' gathering. (www.reuters.com 23/10/24)

BOJ chief says it is 'still taking time' to hit inflation goal

Bank of Japan Governor Kazuo Ueda said on Wednesday [23/10] it was "still taking time" to sustainably achieve its 2% inflation target, signaling that the central bank will tread carefully in pushing up the country's still near-zero interest rates. But he also warned of the cost of moving too slowly in raising rates, which could give speculators an excuse to trigger an unwelcome yen slide that pushes up import costs. (www.reuters.com 23/10/24)

Bank of Korea sees this year's economic growth below its forecast

South Korea's economic growth will likely be weaker than the central bank's latest forecast of 2.4%, a Bank of Korea official told a briefing on Thursday. Growth in IT exports is slowing, and there are many factors raising uncertainty over exports, the official said. (www.reuters.com 24/10/24)

India's inflation on downward trend but need to be cautious, cenbank minutes show

India cannot risk another bout of inflation, and the monetary policy committee (MPC) must adopt a cautious approach to lowering interest rates, members of the rate-setting panel said in the minutes of the October meeting. The MPC, which consists of three Reserve Bank of India (RBI) and three external members, had kept the repo rate unchanged at 6.50% for a tenth straight policy meeting while changing the policy stance to 'neutral'.

(www.reuters.com 23/10/24)

European shares rise as positive earnings boost sentiment

European shares inched up on Thursday, as traders eyed overall positive earnings and waited for a number of Purchasing Managers' Index (PMI) readings from across the region that could steer the European Central Bank's interest rate cut path. The pan-European STOXX 600 index (.STOXX), was up 0.3%, as of 0708 GMT, with travel and leisure stocks leading gains. (www.reuters.com 24/10/24)

Oil prices rise 1% as Mideast attacks heighten supply concerns

Oil prices climbed by around 1% on Thursday, reversing some of previous session's losses, as Middle East tensions kept the market on edge ahead of the US presidential election amid expectations of strong distillates demand in fourth quarter. Brent crude futures rose 77 cents, or 1%, to \$75.73 a barrel by 0655 GMT, while US West Texas Intermediate crude futures climbed 82 cents, or 1.2%, to \$71.59 as an exchange of heavy fire between Israel and Hezbollah heightened supply concerns.

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

Kenya fulfilled all targets in IMF review, central bank governor says

Kenya has fulfilled all targets mandated by the International Monetary Fund in a review of its loan programme, the country's central bank governor told Reuters on Wednesday [23/10], and expects to continue its engagement with the global lender after April. Kenya agreed to a four-year loan with the IMF in 2021, and has also signed up for climate change lending, taking its total loan access with the Fund to \$3.6bn. (www.reuters.com 23/10/24)

Global investors look past turmoil to boost Kenya asset bets

The worst political upheaval in years hasn't taken the shine off Kenya's top-performing currency and rallying bond and stock markets as investors focus on an improving economy and healthy capital inflows. The Kenyan High Court is reviewing a decision by lawmakers to impeach Vice President Rigathi Gachagua.

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

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