



Thursday, 31st October 2024

Minority of central banks keep whole cash cycle in-house

Most central banks decentralise cash cycle management, but a handful of institutions are still in the practice of performing the functions in-house, the Currency Benchmarks 2024 find. The data shows that 34 out of 36 central banks outsource at least one cash cycle duty. Only two (5.6%) respondents, both from middle income jurisdictions, do not.

(www.centralbanking.com 30/10/24)

ECB inflation goal in sight, but fight not over, Lagarde says

Euro-area consumer-price growth is headed toward the ECB's 2% goal, but the fight hasn't yet been won, according to President Christine Lagarde. "The objective is in sight, but I am not going to tell you that inflation is under control," she said in an interview with Le Monde published today. (www.bloomberg.com 31/10/24)

ECB reviewing QE but 2% target 'not up for debate' – de Guindos

The ECB's upcoming strategy review will retain the bank's interpretation of price stability as "2% inflation over the medium term", Luis de Guindos told ANSA. Instead, the bank is reviewing how its previous strategy fits into a new political-economic context, the ECB vice-president said, including "new elements, such as the changed economic and inflation environment. (www.centralbanking.com 30/10/24)

ECB mustn't rush further interest-rate cuts, Schnabel says

The ECB shouldn't hurry to lower borrowing costs and go below the so-called neutral rate to stimulate the economy, according to Executive Board member Isabel Schnabel. While disinflation remains well on track, "the fight against inflation has not yet been won," she said. (www.bloomberg.com 30/10/24)

Europe's growth rebound hinges on savings puzzle

European families are sitting on an ever-growing pile of savings, confounding hopes that consumer largesse can boost the region's economy as it falls yet further behind that of the US. (www.reuters.com 31/10/24)

US GDP less than expected in Q3

A report released by the Commerce Department showed US economic growth unexpectedly slowed in the Q3. The Commerce Department said gross domestic product shot up by 2.8% in the Q3 after surging by 3.0% in the Q2. (www.rttnews.com 30/10/24)

UK's tax-and-spend budget crimps Bank of England rate cut bets

Higher inflation fuelled by Britain's new big-spending budget plans is likely to prevent the BoE from cutting interest rates over the next year by as much as investors had expected, further setting it apart from other central banks. (www.reuters.com 31/10/24)

UK's Reeves says she has more plans to boost slow growth

Britain's finance minister Rachel Reeves, whose first budget announcement yesterday was accompanied by tepid growth forecasts, said her Labour government had more plans to boost the economy, and she hoped to not have to hike taxes again. (www.reuters.com 31/10/24)

UK inflation to average 2.6% in 2025, OBR forecasts

The British inflation is set to average 2.6% in 2025, finance minister Rachel Reeves said in her budget speech, citing forecasts from the OBR. In March, at the time of the previous Conservative government's final budget, the OBR said it expected inflation of 1.5% next year. (www.reuters.com 30/10/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2998	(1.3005)	1.2999	(1.3006)
+USD/EUR	1.0858	(1.0809)	1.0859	(1.0810)
*GHS/USD	16.2419	(16.2067)	16.2581	(16.2229)
*GHS/GBP	21.1112	(21.0768)	21.1339	(21.0995)
*GHS/EUR	17.6367	(17.5187)	17.6543	(17.5362)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 31/10/24 (Rates for 30/10/24 in brackets)

* BOG INTERNAL TRANSACTION RATES: 31/10/24 (Rates for 30/10/24 in brackets)

UK Chancellor Rachel Reeves raises taxes by most since 1993 in first Labour budget

Britain's new finance minister Rachel Reeves announced the biggest tax increases in three decades in her first budget, as she accused the Conservatives of leaving public services broken when they lost July's election after 14 years in power. (www.reuters.com 30/10/24)

China economy picks up on stimulus push ahead of US election

China's economy showed signs of stabilizing after Beijing unleashed the boldest stimulus measures since the pandemic, although an upcoming US election injects uncertainty into the recovery. Factory activity unexpectedly expanded in October after five months of contraction, the National Bureau of Statistics said today. (www.bloomberg.com 31/10/24)

German inflation rises to 2.4% in October

German inflation rose more than expected in October, to 2.4%, preliminary data from the federal statistics office showed. Analysts polled by Reuters had expected a reading of 2.1% this month, after a year-on-year increase in consumer prices of 1.8% in Sept., based on data harmonised to compare with other EU countries. (www.reuters.com 30/10/24)

BOJ still on track for more rate hikes after standing pat

The BoJ kept its benchmark interest rate unchanged while sticking to its view that it's on track to achieve its inflation target, an outlook that points to the possibility of another rate hike in the coming months. (www.bloomberg.com 31/10/24)

Italy economy stagnates in Q3, in blow to Meloni government

Italian GDP stagnated in the third quarter compared with the previous three months, preliminary data showed, missing forecasts and casting a shadow over growth prospects in the euro zone's third largest economy. On a year-on-year basis, third quarter GDP was up 0.4%, national statistics bureau ISTAT said (www.reuters.com 30/10/24)

Stocks fall with chipmakers; gold hits record high

Global stock indexes edged lower yesterday as a disappointing forecast from Advanced Micro Devices weighed on chipmakers, while gold prices rose to a record high as uncertainty ahead of next week's US presidential election drove safe-haven demand. (www.reuters.com 30/10/24)

Oil prices rise on optimism over solid US fuel demand

Oil prices edged up on today, extending the previous day's rally, driven by optimism over US fuel demand following an unexpected drop in crude and gasoline inventories, while reports that OPEC+ may delay a planned output increase offered support. Brent crude futures gained 11 cents, or 0.15%, to \$72.66 a barrel by 0805 GMT. U.S. West Texas Intermediate crude futures climbed 13 cents, or 0.19%, to \$68.74 per barrel. (www.reuters.com 31/10/24)

Safe-haven gold on track for best month in seven

Gold prices climbed to a record high today, heading for their best month in seven on safe-haven demand ahead of the US presidential election on Nov. 5, while investors awaited an inflation report for clues to the Federal Reserve's rate path. Spot gold was flat at \$2,783.20 an ounce, as of 0741 GMT, after hitting a record high of \$2,790.15 earlier in the session. (www.reuters.com 31/10/24)

South Africa sees wider deficits, higher debt in budget review

South Africa's government forecast wider budget deficits and higher debt over the next three years, even as it anticipated better growth prospects due to improved electricity supply. (www.reuters.com 30/10/24)

Too early to discuss increasing Egypt's loan, IMF official says

The IMF \$8bn programme for Egypt is making progress, with the fund's top regional official stating that any discussions to further increase the overall programme size are premature (www.reuters.com 31/10/24)

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