



Thursday, 5th December 2024

## Business leaders fear recession, labour shortages, World Economic forum says

Business leaders globally are worried about the risk of recession, labour shortages and rising inflation, despite some signs of improvement in economic conditions, a World Economic Forum survey reveals. Extreme weather events are an increasing concern, following a year of record temperatures, severe flooding and wildfires, including in major economies such as Brazil, Germany, Indonesia and the US, according to 11,000 business leaders from G20 countries. ([www.reuters.com](http://www.reuters.com) 05/12/24)

## BIS and World Bank find central banks split over retail CBDCs

A survey by economists from the World Bank and the Bank for International Settlements (BIS) finds central banks to be split over the merits of introducing fast payment systems (FPSs) and retail central bank digital currencies (CBDCs). The study, published on December 3, presents the results of interviews with 14 central banks. ([www.centralbanking.com](http://www.centralbanking.com) 04/12/24)

## Eurozone needs 'exceptional mechanism' to resolve banks – BdF

Most banks in the Eurozone area are stable and can be resolved, but resolving large, international lenders could cause headaches for the Euro system, research from the Banque de France has shown. The study, by Riad Benahmed and Manon Houarner, says small and medium-sized banks in the bloc are safe. ([www.centralbanking.com](http://www.centralbanking.com) 04/12/24)

## ECB's Lagarde says Eurozone outlook uncertain amid downside risks

Euro area medium term economic outlook is uncertain, and growth is set to remain weak in the short term while inflation is expected temporarily rise, European Central Bank President Christine Lagarde said on Wednesday [04/12]. ([www.rttnews.com](http://www.rttnews.com) 04/12/24)

## US economic activity shows modest growth: Fed Beige Book

US economic activity rose slightly in most districts, with three regions experiencing modest to moderate growth that helped offset flat or slightly declining activity in two others, the US Federal Reserve said in its Beige Book released on Wednesday [04/12]. Though growth in economic activity was generally small, expectations for growth rose moderately across most geographies and sectors, according to the Beige Book. ([www.xinhuanet.com](http://www.xinhuanet.com) 05/12/24)

## US service sector growth slows more than expected in November

A report released by the Institute for Supply Management (ISM) on Wednesday [04/12] showed US service sector growth slowed by more than anticipated in the month of November. The ISM said its services PMI fell to 52.1 in November from 56.0 in October. ([www.rttnews.com](http://www.rttnews.com) 04/12/24)

## BOJ's leading dove boosts Yen by not ruling out December hike

One of the Bank of Japan's most dovish board members didn't rule out the possibility of a rate hike this month, saying that it's important to analyze the data first. "I've said this before, but I'm not against rate hikes themselves," said Toyooki Nakamura in a press conference today. ([www.bloomberg.com](http://www.bloomberg.com) 05/12/24)

## French debt risk premium falls after government collapses

The risk premium investors demand to hold French debt rather than German Bunds dropped from its highest levels in over 12 years on Thursday [05/12] after the widely expected collapse of the French government. Far-right and left-wing lawmakers joined forces early this week to back a no-confidence motion against Prime Minister Michel Barnier. ([www.reuters.com](http://www.reuters.com) 05/12/24)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2705	(1.2661)	1.2706	(1.2662)
+USD/EUR	1.0526	(1.0513)	1.0527	(1.0514)
*GHS/USD	14.9125	(15.1074)	14.9275	(15.1226)
*GHS/GBP	18.9464	(19.1275)	18.9668	(19.1482)
*GHS/EUR	15.6984	(15.8853)	15.7127	(15.8998)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 05/12/24 (Rates for 04/12/24 in brackets)

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### **German economy expected to grow by only 0.1% next year, IW**

The German economy will grow by only 0.1% next year, following two consecutive years of contraction, according to the forecasts of the German Economic Institute IW, seen exclusively by Reuters. The stability in the service sector is just enough to compensate for the continued declines in the industrial and construction sectors, according to IW, an economic institute close to employers.

([www.reuters.com](http://www.reuters.com) 05/12/24)

### **Foreign funds flock back to Indian bonds on bets of dovish RBI**

Overseas investors are returning to India's sovereign bonds eligible for global index inclusion as local debt gains on bets the central bank will boost liquidity. In just four days this month, global funds have added ₹64.72bn (\$764m) of so-called Fully Accessible Route bonds, Clearing Corp. of India Ltd. data showed.

([www.bloomberg.com](http://www.bloomberg.com) 05/12/24)

### **Austrian economy remains in recession**

Austria's economy continued to contract in the third quarter and more than initially estimated, the latest estimate from the statistical office showed Wednesday [04/12]. GDP fell 0.6% sequentially in the Sept. quarter, slower than the 1.2% decline in the June quarter.

([www.rttnews.com](http://www.rttnews.com) 04/12/24)

### **Swedish core inflation accelerates to highest in six months**

Sweden's core inflation rate rose in November to its highest level in six months after the Riksbank decided to increase the pace of interest-rate cuts to support the ailing economy. A measure of annual price increases that strips out energy increased to 2.4% last month, Statistics Sweden has said.

([www.bloomberg.com](http://www.bloomberg.com) 05/12/24)

### **Swiss jobless rate rises to 2.6%**

Switzerland's unemployment rate increased marginally in November after remaining stable in the previous month, the State Secretariat for Economic Affairs, or SECO, said today. The unadjusted unemployment rate came in at 2.6%.

([www.rttnews.com](http://www.rttnews.com) 05/12/24)

### **Oil slightly firmer ahead of OPEC+ supply decision**

Oil prices were mostly stable on Thursday ahead of an OPEC+ meeting later in the day, with investors waiting to see what the producer group would do next on supply cuts while also monitoring geopolitical tension in the Middle East. Brent crude futures rose 5 cents, or 0.07%, to \$72.36 a barrel by 0730 GMT.

([www.reuters.com](http://www.reuters.com) 05/12/24)

### **Gold futures close higher as dollar remains weak**

Gold futures closed higher on Wednesday [04/12], gaining for a second straight session, as the dollar remained weak. Geopolitical tensions and political uncertainty in France also contributed to the increased demand for the safe-haven asset. The dollar index dropped to 106.09 after having climbed to 106.72 early in the New York session.

([www.rttnews.com](http://www.rttnews.com) 04/12/24)

### **West Africa central bank keeps policy rate at 3.50%**

West Africa's central bank, the BCEAO, kept its main lending rate unchanged at 3.50% in a decision announced on Wednesday [04/12]. Business leaders globally are worried about the risk of recession, labour shortages and rising inflation, despite some signs of improvement in economic conditions.

([www.reuters.com](http://www.reuters.com) 04/12/24)

### **Malawi lowers growth forecasts in mid-term budget review**

Malawi cut its growth forecasts for this year and next in a mid-term budget review on Wednesday [04/12], as southern Africa suffers its worst regional drought in decades. Finance Minister Simplex Chithyola Banda forecast real gross domestic product (GDP) growth of 1.8% in 2024, down from 2.3% projected at the start of this fiscal year.

([www.reuters.com](http://www.reuters.com) 04/12/24)

### **Kenyan shilling stable on remittance flows**

The Kenyan shilling was steady on Thursday, supported by dollar inflows from diaspora money transfers and tea exports, traders said. The shilling traded at 129.00/129.50 per dollar at 0657 GMT, the same as Wednesday's [04/12] closing rate.

([www.reuters.com](http://www.reuters.com) 05/12/24)