



Wednesday, 11<sup>th</sup> December 2024

## Government debt glut could rock markets in 2025, BIS says

The threat of soaring government debt supply destabilising financial markets has intensified, the world's top central banking advisory body said, as it urged policymakers to act swiftly to prevent economic damage. Claudio Borio, head of the Bank for International Settlements' (BIS) monetary and economic department, said he was on alert for a government debt glut causing bond market ructions that could spill over into other assets. ([www.reuters.com](http://www.reuters.com) 10/12/24)

## U.S. small business sentiment nears 3-1/2-year high in November

U.S. small-business confidence surged to the highest level in nearly 3-1/2 years in November amid post-election euphoria. The National Federation of Independent Business (NFIB) said on Tuesday [10/12] its Small Business Optimism Index jumped 8.0 points to 101.7 last month, the highest level since June 2021. ([www.reuters.com](http://www.reuters.com) 10/12/24)

## Federal Reserve to cut rates by 25 bps on December 18, pause in January: Reuters poll

The U.S. Fed will cut interest rates by 25 basis points on December 18, according to 90% of economists polled by Reuters, with most expecting a pause in late January amid concerns about rising inflation risks. President-elect Donald Trump's proposed policies, from import tariffs to tax cuts, are expected to be inflationary. ([www.reuters.com](http://www.reuters.com) 10/12/24)

## Biden hails economic record, warns against Republican return to 'trickle-down economics'

U.S. President Joe Biden touted his administration's economic record and warned against a reprise of Republican "trickle-down economics" during Trump's second term in what could be his final speech on the economy. ([www.reuters.com](http://www.reuters.com) 10/12/24)

## China shifts to 'moderately loose' monetary policy stance

The Chinese authorities have eased their monetary policy stance for the first time in 14 years, saying they will adopt one that is "moderately loose" next year. The official news agency Xinhua on December 9 summarised the conclusions of a meeting of the 24-member Politburo the Chinese Communist party's top decision-making body, led by President Xi Jinping. ([www.centralbanking.com](http://www.centralbanking.com) 10/12/24)

## Bank of England set to stay in central bank slow lane and keep rates on hold

The Bank of England looks set to keep interest rates on hold next week as it moves more slowly to cut borrowing costs than central banks in Europe and the U.S. The BoE remains on alert about price pressures in Britain's jobs market that have subsided. The new government's tax and spending plans adds to the uncertain outlook for inflation. ([www.reuters.com](http://www.reuters.com) 11/12/24)

## BoE's non-bank liquidity facility to open for applications in 2025

The Bank of England will begin receiving applications for its new emergency liquidity facility for non-banks next year, deputy governor Dave Ramsden has said. He added the BoE was finalising "a few remaining design details" of the contingent non-bank financial institutions repurchase facility (CNRF). ([www.centralbanking.com](http://www.centralbanking.com) 10/12/24)

## Japan's producer inflation tops estimates during rate hike bets

Inflation in Japan's corporate goods prices accelerated to the fastest pace in 16 months, an outcome that points to growing inflationary pressure in the economy and supports the central bank's normalization of policy. The measure of input prices for Japanese firms rose 3.7% in November from a year earlier. ([www.bloomberg.com](http://www.bloomberg.com) 11/12/24)

### EXCHANGE RATES OF SELECTED CURRENCIES

| CURRENCIES | BUYING  |           | SELLING |           |
|------------|---------|-----------|---------|-----------|
| +USD/GBP   | 1.2755  | (1.2785)  | 1.2756  | (1.2786)  |
| +USD/EUR   | 1.0511  | (1.0578)  | 1.0512  | (1.0578)  |
| *GHS/USD   | 14.7426 | (14.7926) | 14.7574 | (14.8074) |
| *GHS/GBP   | 18.8042 | (18.9123) | 18.8245 | (18.9327) |
| *GHS/EUR   | 15.4984 | (15.6481) | 15.5126 | (15.6637) |

+SOURCE: BOG INTERNAL TRANSACTION RATES: 11/12/24 (Rates for 10/12/24 in brackets)

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### **ADB increases Vietnam's economic growth projections**

The Asian Development Bank (ADB) has raised its 2024 and 2025 growth forecasts for Vietnam to 6.4% and 6.6% from previous predictions of 6.0% and 6.2%, driven by stronger trade activities and ongoing fiscal stimulus measures, according to the bank's latest edition of Asian Development Outlook. ([www.xinhuanet.com](http://www.xinhuanet.com) 11/12/24)

### **Reserve Bank of Australia holds policy rate again**

The Australian central bank's board on Dec.; 10 held its policy rate for its ninth consecutive meeting, but toned down its hawkish stance. The Reserve Bank of Australia board has decided to leave the cash rate target at 4.35% a level that unchanged since November 2023. ([www.centralbanking.com](http://www.centralbanking.com) 11/12/24)

### **World Bank sees Myanmar economy shrinking as civil war rages on**

The World Bank expects Myanmar's economy to contract in the current fiscal year, as elevated inflation, a slumping currency, and electricity and labour shortages further pressure a war-torn nation. Myanmar's GDP in the fiscal year ending March 2025 is expected to shrink by 1% from a previous 1% growth forecast. ([www.bloomberg.com](http://www.bloomberg.com) 11/12/24)

### **Inflation in Brazil rises by 4.29% in 2024**

Inflation in Brazil slowed to 0.39% in Nov.; down from 0.56% in Oct.; but has accumulated a 4.29% increase so far in 2024, the Brazilian Institute of Geography and Statistics (IBGE) reported on Tuesday [10/12]. According to the report, year-on-year inflation was 4.87% for the 12 months ending in Nov.; an increase of 0.11 percentage points compared to Nov.; 2023. ([www.xinhuanet.com](http://www.xinhuanet.com) 11/12/24)

### **Romania inflation rises to 5.1%**

Romania's consumer price inflation (CPI) increased further in Nov.; to the highest level in three months, data from the National Institute of Statistics shows. Inflation based on the consumer price index, or CPI, rose 5.1% year-on-year in Nov.; following a 4.7% increase in October. ([www.rttnews.com](http://www.rttnews.com) 11/12/24)

### **Global shares fall, dollar climbs ahead of inflation report**

Global equities retreated and the dollar rose on Tuesday[11/12] as investors awaited fresh inflation data and further economic news later in the week. Gold prices hit a two-week high, boosted by rising geopolitical tensions and expectations of a third U.S. rate cut by the Fed next week. Traders awaited U.S. inflation data due today and a meeting by the European Central Bank on Thursday. ([www.reuters.com](http://www.reuters.com) 10/12/24)

### **Oil up on China's monetary policy shift**

Oil prices rose on Wednesday[11/12], with market participants expecting demand to rise in China, the world's largest crude importer, after Beijing announced it would relax monetary policy to try to stimulate economic growth. ([www.reuters.com](http://www.reuters.com) 11/12/24)

### **G-20 negotiators back South Africa's push to tackle continent's debt**

Negotiators for the world's largest economies reached broad consensus to back South Africa's G-20 priorities, including addressing the worryingly high debt of African nations. The negotiators known as sherpas concluded the second day of meetings Tuesday [10/12] that marked the start of South Africa's Group of 20 presidency. ([www.bloomberg.com](http://www.bloomberg.com) 11/12/24)

### **IMF to send graft audit mission team to Kenya early 2025**

An International Monetary Fund mission will be in Kenya early 2025 to begin an in-depth assessment of how corruption is sapping the nation's public finances, according to the lender's deputy managing director. ([www.bloomberg.com](http://www.bloomberg.com) 11/12/24)

### **South Sudan's president fires central bank governor**

South Sudan's president Salva Kiir has dismissed James Alic Garang as governor of the central bank and appointed his immediate predecessor, Johnny Ohisa Damian, to take over. The decision, which was announced on Dec.; 9 on state television, is the 7th dismissal of a Bank of South Sudan governor since January 2017. ([www.centralbanking.com](http://www.centralbanking.com) 10/12/24)

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