



Thursday, 12th December 2024

BIS highlights market ‘uneasiness’ over bond issuance

Markets have been generally buoyant over the past quarter but there are signs of growing “uneasiness” over the scale of government borrowing, the Bank for International Settlements (BIS) has warned. “Investor optimism about the near-term outlook set the tone for financial markets during the review period,” the BIS says in its quarterly review. (www.centralbanking.com 11/12/24)

ECB set to aid waning economy with fourth rate cut

The European Central Bank is set to cut interest rates for the fourth time this year, loosening constraints on the region’s struggling economy as inflation nears 2%. All but one analyst polled predict another quarter-point reduction in the deposit rate to 3%. Only JPMorgan Chase sees a bigger, half-point move, arguing that recent data point to softer growth and inflation. (www.bloomberg.com 12/12/24)

U.S. consumer prices post largest rise in seven months; rents finally slowing

U.S. consumer prices increased in Nov.; by the most in 7 months, but the Fed was still expected to deliver a third consecutive interest rate cut next week to support a labour market that has been cooling. Progress in lowering inflation toward the U.S. central bank’s 2% target has virtually stalled. (www.reuters.com 12/12/24)

Treasuries volatility slumps near 3-year low as Fed bets align

Swings in the U.S. Treasury market have cooled off with the presidential election in the rearview mirror and as investors become more convinced that the Fed will cut interest rates. A closely watched measure of expected volatility in Treasuries fell to levels last seen in Feb. 2022 as easing inflation reinforced bets for a Fed rate cut next week. (www.bloomberg.com 12/12/24)

Bank Of Canada slashes interest rates by another 50 basis points

With inflation around 2%, the economy in excess supply, and recent indicators tilted towards softer than projected growth, the Bank of Canada announced its widely expected decision to slash interest rates by another half point. It said it decided to reduce its target for the overnight rate by 50 basis points to 3.25%, with the Bank Rate at 3.75% and the deposit rate at 3.25%. (www.rttnews.com 11/12/24)

France’s political impasse amplifies economic challenges

France’s economic outlook is deteriorating as government collapse and the scrapping of its 2025 budget add to months of political upheaval that has already hammered business confidence. As Emmanuel Macron aims to name a new prime minister likely later today the country is left reliant on untested emergency legislation and decrees that permit only vital spending and unchanged taxation from January. (www.bloomberg.com 12/12/24)

BOJ leaning toward keeping rates steady next week, sources say

The Bank of Japan is leaning toward keeping interest rates steady next week as policymakers prefer to spend more time scrutinising overseas risks and clues on next year’s wage outlook, said five sources familiar with its thinking. (www.reuters.com 12/12/24)

Majority have privacy concerns over CBDC – RBNZ survey

Most of New Zealand’s citizens worry that introducing a central bank digital currency (CBDC) will infringe on their privacy, a consultation by the country’s central bank has found. The Bank of New Zealand (RBNZ) began its consultation on “digital cash”, its version of a retail CBDC, in 2021. (www.centralbanking.com 11/12/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2745	(1.2755)	1.2746	(1.2756)
+USD/EUR	1.0492	(1.0511)	1.0493	(1.0512)
*GHS/USD	14.6727	(14.7426)	14.6873	(14.7574)
*GHS/GBP	18.7003	(18.8042)	18.7205	(18.8245)
*GHS/EUR	15.3963	(15.4984)	15.4103	(15.5126)

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

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ADB approves \$500m loan to Indonesia

The Asian Development Bank (ADB) has approved a \$500m loan to promote financial inclusion in Indonesia. In a statement on December 5, the ADB said the policy-based loan was aimed at expanding access to financial services for vulnerable groups. The organisation said the loan would be targeting women, young people and populations in rural areas. (www.centralbanking.com 11/12/24)

Singapore economic growth forecast upgraded: MAS survey

Singapore's economic growth outlook for this year was upwardly revised on stronger manufacturing and wholesale and retail trade activities, Gross domestic product is projected to grow 3.6% this year, which was revised up from 2.6% in the previous survey. The respondents forecast economic growth of 2.6% in 2025. (www.rttnews.com 11/12/24)

Dollar steady despite rate cut bets; Aussie bounces after jobs data

The U.S. dollar is trading in a narrow range today[12/12] even as investors ramped up bets that the Federal Reserve will cut interest rates next week, while the yen slid following fresh media reports that the Bank of Japan may stand pat. (www.reuters.com 12/12/24)

Vietnam sets 6% export growth target for 2025

The Vietnam's Ministry of Industry and Trade has set a target of 6% export growth in 2025 as global inflation has eased and international market demand recovers, Vietnam News has reported. The recovery of major markets such as the United States and the European Union will be an important driving force for Vietnam's exports. (www.xinhuanet.com 12/12/24)

Portugal inflation confirmed at 2.5%

Portugal's consumer price inflation increased slightly, as initially estimated in Nov.; data from Statistics Portugal shows. Consumer price inflation (CPI) rose to 2.5% in Nov.; from 2.3% in October. That was in line with the flash data published on Nov.; 29. (www.rttnews.com 12/12/24)

OPEC cuts global oil demand forecast for 2024, 2025 for fifth straight month

The Organization of the Petroleum Exporting Countries (OPEC) has trimmed its forecasts for global oil demand growth this year and next, marking the organization's downward revision for the fifth consecutive month. In its monthly oil market report for December. OPEC expected a global oil demand growth of 1.61m barrels per day for 2024, down about 210,000 bpd from the growth of 1.82m bpd projected last month. (www.xinhuanet.com 11/12/24)

Oil little changed as demand weakness offsets sanctions-driven supply risks

Oil prices were little changed in Asian trade today[12/12] as forecasts of weak demand and a higher-than-expected rise in U.S. gasoline and distillate inventories stemmed gains from an additional round of EU sanctions threatening Russian oil flows. (www.reuters.com 12/12/24)

South Africa inflation rises less than expected, helped by food

South Africa's inflation rate rose less than expected in November staying just below the central bank's target range, thanks to food inflation slowing to its lowest level in almost 14 years. Headline consumer inflation was 2.9% year on year in November, from 2.8% in October. (www.reuters.com 12/12/24)

South African rand sees tailwind from local inflation and retail data

The South African rand extended its gains against the dollar today[12/12], supported by subdued local consumer inflation and upbeat retail sales data. At 0742 GMT, the rand traded at 17.66 against the U.S. dollar, about 0.3% stronger than its previous close. (www.reuters.com 12/12/24)

Ghana's economy expands by 7.2% in Q3 of 2024

Ghana's economy grew by 7.2% in the third quarter of 2024, provisional figures released by the Ghana Statistical Service (GSS) has revealed. Compared to the second quarter of 2024, the economy grew by 6.9%. (www.myjoyonline.com 11/12/24)

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