



Friday, 13<sup>th</sup> December 2024

## Global cenbank liquidity - from market headwind to tailwind?

One of the many curiosities of 2024 has been how global stocks have surged so strongly even as central banks have drained liquidity from the system. Global growth is forecast to moderate, partly due to the heightened uncertainty surrounding U.S. trade policy and key economies like China, Europe and Canada are expected to loosen monetary policy significantly. ([www.reuters.com](http://www.reuters.com) 13/12/24)

## Global rate cuts put dollar in driver's seat

The rash of rate cuts over the past few days, with outsized 50 bp moves in Switzerland and Canada and a 25bp easing by the European Central Bank, has helped to turbocharge the U.S. dollar, which jumped 1% on the Euro, 1.6% on the Swiss franc and 1.8% on the Japanese yen. The dollar also drew energy from higher Treasury yields as investors scaled back expectations for aggressive U.S. policy easing next year. ([www.reuters.com](http://www.reuters.com) 13/12/24)

## ECB cuts rates by 25bp

The European Central Bank has cut rates by 25 basis points. The new rates, which the ECB announced on December 12, will be 3.15% on the main refinancing operations, 3% on the lending facility and 3.4% for the marginal lending facility. The rates will come into force from Dec., 13. ([www.centralbanking.com](http://www.centralbanking.com) 12/12/24)

## ECB prepared for quarter-point rate cuts at next two meetings

European Central Bank policymakers expect to cut interest rates by another quarter point in January and probably also in March as inflation stabilizes at the 2% target and economic growth remains sluggish, according to officials familiar with their thinking. A gradual approach to lowering borrowing costs is the most appropriate path forward provided the economy develops in line with current expectations. ([www.bloomberg.com](http://www.bloomberg.com) 13/12/24)

## U.S. weekly jobless claims unexpectedly extend rebound

First-time claims for U.S. unemployment benefits unexpectedly increased in the week ended December 7, according to the Labor Department. The report said initial jobless claims climbed to 242,000, an increase of 17,000 from the previous week's revised level of 225,000. ([www.rttnews.com](http://www.rttnews.com) 12/12/24)

## UK economy unexpectedly shrinks at start of fourth quarter

Britain's economy contracted for a second straight month in October as consumers braced for a painful budget, extending a disappointing run of growth figures under Prime Minister Keir Starmer's new Labour government. Gross domestic product (GDP) slipped 0.1% following a 0.1% contraction the previous month, the Office for National Statistics said today[13/12]. ([www.bloomberg.com](http://www.bloomberg.com) 13/12/24)

## BOJ to skip rate hike in December, majority of economists say

The Bank of Japan will hold interest rates at 0.25% at its December policy meeting as it assesses overseas risks and next year's wage outlook, a majority of economists said in a shift from a survey last month. In the prior Reuters poll, a slim majority had expected the central bank to raise rates by the end of the year. ([www.reuters.com](http://www.reuters.com) 13/12/24)

## BOJ's rate hike plans clouded by small firms' wage woes

Japan's small firms are spending far more of their profits on wages than their bigger counterparts and could struggle to keep hiking pay, casting doubt on whether wage gains could broaden enough for the central bank to keep raising interest rates. Next year's wage prospects are crucial for sustaining a consumption-led recovery a prerequisite for further rate hikes by the Bank of Japan (BOJ). ([www.reuters.com](http://www.reuters.com) 13/12/24)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2713	(1.2745)	1.2714	(1.2746)
+USD/EUR	1.0513	(1.0492)	1.0514	(1.0493)
*GHS/USD	14.7226	(14.6727)	14.7374	(14.6873)
*GHS/GBP	18.7169	(18.7003)	18.7371	(18.7205)
*GHS/EUR	15.4787	(15.3963)	15.4942	(15.4103)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 13/12/24 (Rates for 12/12/24 in brackets)

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### **French inflation unrevised at 1.3%**

French consumer price inflation increased slightly as initially estimated in November, final data from the statistical office INSEE shows. The consumer price index logged an increase of 1.3% annually in November slightly up from 1.2% in October. The inflation rate came in line with the flash data published on November 29. Similarly, EU-harmonized inflation rose to 1.7% from 1.6%, as estimated. ([www.rttnews.com](http://www.rttnews.com) 13/12/24)

### **Italy jobless rate falls to 6.1% in Q3**

Italy's unemployment rate declined further in the 3 months ended September, data published by the statistical office Istat reveals. The seasonally adjusted jobless rate dropped to 6.1% in the third quarter from 6.7% in the previous quarter. In the corresponding period last year, the jobless rate was 7.7%. ([www.rttnews.com](http://www.rttnews.com) 12/12/24)

### **Turkey current account surplus shrinks in October**

Turkey's current account surplus decreased at the start of the final quarter, data published by the Central Bank of the Republic of Turkey reveals. The current account surplus decreased to \$1.88bn from \$3.01bn in Sept. The deficit on trade in goods totaled \$3.54bn, up from the \$3.12bn shortfall a month ago, as imports grew faster than exports. ([www.rttnews.com](http://www.rttnews.com) 12/12/24)

### **India consumer price inflation eases; industrial output growth improves**

India's inflation eased more than expected in November from a 14-month high in the previous month amid a slowdown in food prices, while industrial production expanded at a slightly faster pace in Oct., separate reports from the National Statistical Office showed on Thursday [12/12]. ([www.rttnews.com](http://www.rttnews.com) 12/12/24)

### **Sweden inflation unrevised At 1.6%**

Sweden's consumer price inflation held steady as initially estimated in Nov., the latest data from Statistics Sweden showed on Thursday [12/12]. The consumer price index, or CPI, climbed 1.6% year-on-year in Nov., the same as in the previous two months. That was in line with the flash data published on Dec., 5. ([www.rttnews.com](http://www.rttnews.com) 12/12/24)

### **Global equities retreat after ECB cuts rates; gold, oil fall**

Global stocks were down and major Wall Street indexes fell on Thursday[12/12] after the European Central Bank cut interest rates for a fourth time this year, as gold prices slid from a five-week high. European stocks finished lower in choppy trading after the European Central Bank cut interest rates and kept the door open to further easing in 2025 in the face of a struggling economy and heightened political risks. ([www.reuters.com](http://www.reuters.com) 12/12/24)

### **Oil stabilises on course for first weekly gain in three**

Oil prices stabilised today[13/12], heading for their first weekly rise since the end of Nov., as additional sanctions on Iran and Russia ratcheted up supply worries, while a surplus outlook weighed on markets. Brent crude futures edged up 7 cents to \$73.48 a barrel by 0434 GMT. ([www.reuters.com](http://www.reuters.com) 13/12/24)

### **AfDB leads \$1.2bn financing syndication for Tanzania's SGR project**

The African Development Bank (AfDB) said that it has signed a coordination letter with Deutsche Bank and Societe Generale to establish a syndication strategy to mobilize up to \$1.2bn for Tanzania's standard gauge railway (SGR) project. ([www.rttnews.com](http://www.rttnews.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, 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](http://www.reuters.com) 12/12/24)

### **IMF open to Ghana funding rework if reforms aren't derailed**

The IMF is open to renegotiating Ghana's \$3bn financing program with the incoming administration provided accompanying reforms aren't jeopardized. "IMF-supported programs are developed collaboratively with each country's authorities," a spokesperson for the Washington-based lender responded to emailed questions. ([www.norvanreports.com](http://www.norvanreports.com) 13/12/24)