



Wednesday, 8th January 2025

Fed's Barr to resign early from regulatory job to avoid legal fight with Trump

Michael Barr, the Federal Reserve's top regulatory cop, said he will step down on February 28, in a surprise move that will avert a potentially messy legal fight with President-elect Donald Trump who is now free to replace him with his choice. (www.reuters.com 06/01/25)

Eurozone inflation on track for ECB rate cuts this year

Eurozone inflation data arrived as expected and will do little to change the rationale at the European Central Bank as it prepares for its next meeting at the end of January. Following the ECB's shift away from restrictive policy at the final meeting of last year, we maintain our expectations of back-to-back quarter-point rate cuts this month and at the next meeting in March. (www.ft.com 08/01/25)

Euro zone investor morale falls in January to lowest in more than a year

Investor morale in the euro zone fell in January to its lowest in more than a year, a survey showed on Monday[06/01], with Germany remaining a continued drag on the bloc. The Sentix index for the euro zone dropped to -17.7 in January from -17.5 in December. (www.reuters.com 06/01/25)

Euro zone consumers raise inflation expectations in November, ECB poll shows

Euro zone households increased their inflation expectations in November, a European Central Bank poll showed suggesting years of high inflation were still weighing on households' psychology. The ECB has been steadily cutting interest rates after bringing down price growth to just above its 2% target but some of the latest indicators including German inflation data on Monday[06/01], suggest the battle might not be over just yet. (www.reuters.com 07/01/25)

EU financial services markets fragmentation works as tariff, Albuquerque says

European Union's financial industry faces burdens equivalent to a 110% tariff because of the fragmentation of the bloc's markets for financial services, EU Commissioner for Financial Services Maria Luis Albuquerque said on Tuesday[07/01]. (www.reuters.com 07/01/25)

China's currency hits 16-month low on Trump tariff fears

China's currency has weakened to a 16-month low following strong US economic data overnight and as the potential for sharp tariff increases from the incoming Trump administration fuels concern over growth prospects for the world's second largest economy. The onshore renminbi fell 0.1% to Rmb7.33 against the dollar on Wednesday[07/01]. (www.ft.com 08/01/25)

China to subsidise rice cookers and microwaves to boost consumption

China has expanded a programme to subsidise consumers who trade in old appliances such as air conditioners and washing machines as policymakers strive to counter weak consumption in the world's second-largest economy. The policy initiative, was launched last year to encourage purchases of cars and home appliances. (www.ft.com 08/01/25)

UK long-term borrowing costs hit highest level since 1998

The UK's long-term borrowing costs have hit their highest level since 1998, as a bond sell-off threatens to wipe out the "headroom" chancellor Rachel Reeves has under her recently overhauled fiscal rules. The yield on the 30-year gilt touched 5.25% on Tuesday [08/01]. (www.ft.com 08/01/25)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2504	(1.2391)	1.2505	(1.2392)
+USD/EUR	1.0380	(1.0282)	1.0381	(1.0282)
*GHS/USD	14.6927	(14.7426)	14.7074	(14.7574)
*GHS/GBP	18.3717	(18.2676)	18.3915	(18.2873)
*GHS/EUR	15.2525	(15.1586)	15.2678	(15.1737)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 08/01/25 (Rates for 06/02/25 in brackets)

* BOG INTERNAL TRANSACTION RATES: 08/01/25 (Rates for 06/02/25 in brackets)

Japan and Philippines renew swap agreement

The Bank of Japan, acting on behalf of the country's Finance Ministry, and the Central Bank of the Philippines (BSP) renewed their bilateral swap arrangement on January 1. The arrangement allows both central banks to swap their local currencies for dollars. It also allows the BSP to swap pesos for yen.

(www.centralbanking.com 08/01/25)

German retail sales grow more than forecast

German retail sales grew more than expected in November as consumers brought forward their Christmas shopping to take advantage of special promotions during Black Friday, data from Destatis showed. Retailers achieved 2.5% more sales than in November 2023.

(www.rttnews.com 08/01/25)

Argentina secures \$1 billion repo deal to boost reserves

The Central Bank of Argentina (BCRA) has bolstered its dollar reserves by securing repurchase agreements worth \$1 billion with "five leading international banks". On January 3, the central bank announced in a statement that the agreements would be in place for two years and four months.

(www.centralbanking.com 08/01/25)

Finland trade surplus shrinks sharply in November

Finland's trade surplus decreased markedly in November from a year ago amid a slump in exports, preliminary figures from the Finnish Customs showed. The trade surplus declined EUR 45.0 million in November from EUR 1.6 billion in the same month last year.

(www.rttnews.com 08/01/25)

Swedish inflation eases to 0.8%, lowest in 4 years

Sweden's consumer price inflation slowed more than expected in December to the lowest level in four years, flash data from Statistics Sweden showed. The consumer price index, or CPI, climbed 0.8% year-on-year in December, slower than the 1.6% stable rise in November. The expected inflation rate was 1.0%.

(www.rttnews.com 08/01/25)

European shares inch higher as healthcare, financials rise

European shares advanced slightly on Wednesday[08/01], led by heavyweight healthcare and financial stocks, while focus remained on the global monetary policy trend in the New Year. The pan-European STOXX 600 added 0.2% as of 0821 GMT, hovering near its highest level in three weeks.

(www.reuters.com 08/01/25)

Gold flat to slightly higher as Fed minutes loom

Gold prices were flat to slightly higher on Wednesday[08/01] and the dollar was rising after strong U.S. economic data firmed expectations that the Federal Reserve will take a cautious approach to cutting interest rates in 2025. Spot gold edged up by 0.2% to \$2,654.47 in European trade amid persisting U.S.-China trade tensions. (www.rttnews.com 08/01/25)

Oil extends gains after inventory draw

Oil prices traded higher on Wednesday[08/01], extending a bounce from the prior session as industry data pointed to a drop in US crude oil inventories for the week ending January 3. Benchmark Brent crude futures jumped 0.9% to \$77.77 a barrel in European trade while WTI crude futures were up 1.3% at \$75.22.

(www.rttnews.com 08/01/25)

Bank of Uganda to make rate decisions quarterly

The Bank of Uganda announced on Monday[06/01] that it would lower the frequency of its monetary policy meetings to four times a year. The meetings previously took place once every two months

(www.centralbanking.com 07/01/25)

Ghana releases draft open banking directive

The Bank of Ghana has released a draft open banking directive for its regulated financial institutions. Open banking allows banks and consumers to share financial data with third-party financial service providers. Its proponents argue that sharing data securely increases transparency, competition and efficiency, and encourages the development of new services.

(www.centralbanking.com 08/01/25)

DISCLAIMER: This information has been compiled by the Communications Department of Bank of Ghana for general reference purposes only. While every effort is made to ensure that the information is accurate, the Bank of Ghana does not guarantee nor does it accept any responsibility or liability for the accuracy or completeness of the content or for any loss which may arise from reliance on information contained in this document.