



Monday, 20th January 2025

Inflation that's stubbornly sticky is biggest threat to global economy, Hildebrand Says

The biggest threat to the world economy in the next year is the prospect that inflation turns out to be persistent, former Swiss central bank chief Philipp Hildebrand said. The combination of aging societies, technological change and fragmented geopolitics is likely to stoke consumer prices, auguring tough trade-offs for finance officials. (www.bloomberg.com 20/01/25)

ECB can cut rates, but caution needed, Schnabel tells Finanztip

The European Central Bank likely has room to continue lowering borrowing costs as inflation converges toward 2%, but must proceed carefully, Executive Board member Isabel Schnabel told Finanztip. "We currently see no major risks that could prevent us from reaching our 2% target," she said in an interview with Finanztip's Youtube channel published on Sunday [19/01]. (www.bloomberg.com 19/01/25)

ECB rate cut in January no foregone conclusion: Holzmann

A January rate cut by the European Central Bank is (ECB) "not a foregone conclusion for me at all," Governing Council member Robert Holzmann said in an interview, repeating earlier remarks on the likely vote at next week's meeting. (www.bloomberg.com 20/01/25)

China leaves benchmark lending rates unchanged

China left benchmark lending rates unchanged for a third consecutive month, as expected, as a weakening yuan has limited Beijing's monetary policy easing efforts. At the monthly fixing on Monday, the one-year loan prime rate (LPR) was kept at 3.1%, while the five-year LPR was unchanged at 3.6%. (www.reuters.com 20/01/25)

UK mortgage borrowers £500 worse off than before Reeves budget

The cost of the UK's most popular mortgages has risen to the highest level since August as the turbulence that's gripped the government debt market feeds through into the cost of borrowing for home buyers. Five-year fixed rate mortgages hit 5.3% Friday [17/01], the highest in five months, data compiled by Moneyfacts show. That's squeezing borrowers and threatens to stall a market recovery that started to take hold as the Bank of England began cutting rates last summer. (www.bloomberg.com 19/01/25)

UK braces for 'all scenarios' ahead of Trump's action on tariffs

Prime Minister Keir Starmer is preparing for all eventualities as the US presidency changes hands on Monday with the incoming administration of Donald Trump threatening to slap tariffs on trade with the rest of the world. (www.bloomberg.com 20/01/25)

Bank of England delays Basel III implementation until 2027

The Bank of England (BoE) has said it will delay the implementation of Basel III by one year until January 2027. The bank's Prudential Regulation Authority (PRA) said on January 17 that more time was needed so "greater clarity" could emerge about the plans for Basel III's implementation in the US. (www.centralbanking.com 17/01/25)

Bank of Japan poised to raise rates to highest in 17 years

The Bank of Japan is expected to raise interest rates on Friday [17/01] barring any market shocks when US President-elect Donald Trump takes office, a move that would lift short-term borrowing costs to levels unseen since the 2008 global financial crisis. (www.reuters.com 20/01/25)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2197	(1.2237)	1.2198	(1.2238)
+USD/EUR	1.0299	(1.0304)	1.0299	(1.0305)
*GHS/USD	14.9425	(14.9125)	14.9575	(14.9275)
*GHS/GBP	18.2254	(18.2485)	18.2451	(18.2682)
*GHS/EUR	15.3905	(15.3684)	15.4045	(15.3825)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 20/01/25 (Rates for 17/01/25 in brackets)

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Bank of Korea downgrades 2025 GDP forecast

South Korea's central bank said on Monday its economic growth projection for 2025 was estimated between 1.6% and 1.7%, lower than the 1.9% it forecast in November. The cut of around 0.2 percentage points is due to political uncertainty triggered by President Yoon Suk Yeol's short-lived December 3 martial law attempt and weakening domestic demand amid frail economic sentiment, the Bank of Korea said in a blog post. (www.reuters.com 20/01/25)

South Korea braces for Trump's policies with biggest-ever export finance support

South Korea pledged on Monday a record amount of financing support for exporters to mitigate any negative impact from changes in US trade policies as Donald Trump was poised to be sworn in for his second presidency. (www.reuters.com 20/01/25)

US Dollar slips in thin trading hours Before Trump's inauguration

The dollar inched lower against most major currencies as traders trimmed widely favored bullish positions on the greenback just hours ahead of Donald Trump's second inauguration as the US President. A Bloomberg gauge of the dollar declined as much as 0.3% on Monday. (www.bloomberg.com 20/01/25)

Vietnam plans tax breaks, fee cuts to lure overseas investors

Vietnam's authorities are planning a series of reforms to lure more overseas investors to the stock market to ensure Southeast Asia's fastest-growing economy has enough capital inflows. Measures being considered include tax breaks and incentives for fund management companies to encourage overseas investors to play a role in the market. (www.bloomberg.com 20/01/25)

Taiwan fourth-quarter economic growth seen slowing to 2%

Economic growth in trade-dependent Taiwan was expected to have slowed in the fourth quarter coming off a higher base, though exports were robust on AI demand, a Reuters poll showed. (www.reuters.com 20/01/25)

European shares steady, with Trump's inauguration in the spotlight

European shares edged up to a near three-month high on Monday, supported by banks and travel stocks, as investors braced for Donald Trump to be sworn in as US president. The pan-European STOXX 600 (. STOXX) was up 0.1% as of 0952 GMT, after adding more than 2% over the last week. (www.reuters.com 20/01/25)

Oil slips as investors eye Trump move on Russian export curbs

Oil prices fell on Monday as expectations of US President-elect Donald Trump relaxing curbs on Russia's energy sector in exchange for a deal to end the Ukraine war offset concern of supply disruption from harsher sanctions. Brent crude futures dropped 28 cents, or 0.35%, to \$80.51 a barrel by 0739 GMT after closing 0.62% in the previous session. (www.reuters.com 20/01/25)

Ugandan shilling firms on healthy FX flows

The Ugandan shilling firmed against the dollar on Monday, underpinned by healthy hard currency inflows from charities and commodity exporters, traders said. At 0920 GMT commercial banks quoted the shilling at 3,668/3,678, compared to Friday's closing of 3,680/3,690. (www.reuters.com 20/01/25)

Kenyan shilling unchanged against dollar, LSEG data shows

Kenya's shilling was unchanged against the US dollar on Monday, data from the London Stock Exchange Group showed. At 0935 GMT, the shilling traded at 129.25/129.75 per dollar, the same level as at the close of trading on Friday. (www.reuters.com 20/01/25)

Mozambique weighs restructuring public debt after vote unrest

Mozambique is considering restructuring its public debt after the government lost about MZM42 bn (\$658m) of revenues in post-election unrest, the new finance minister said. "This work is ongoing," said Carla Louveira, who was appointed finance chief by President Daniel Chapo days after his inauguration last week. (www.norvanreports.com 20/01/25)