



Wednesday, 22nd January 2025

ECB not behind curve and will cut gradually, Lagarde tells CNBC

The European Central Bank isn't lowering interest rates too slowly and will maintain its measured approach to easing monetary policy, President Christine Lagarde told CNBC. "We do not see ourselves behind the curve," Lagarde said Wednesday[22/01] in an interview in Davos, where she's attending the World Economic Forum. (www.bloomberg.com 22/01/25)

EU should talk to us before retaliating on tariffs, Kukies says

German Finance Minister Joerg Kukies suggested the European Union might be in a better position if it talks with the US about potential trade tariffs instead of immediately imposing countermeasures. "I would say let's talk before we think about retaliation," Kukies said. (www.bloomberg.com 22/01/25)

European Commission in 'listening mode' on potential FRTB changes

The European Commission is considering relief measures to adjust new trading book capital rules, according to six sources, but European Union banks disagree over whether a further delay to implementation is also desirable. "The Commission seems to be in listening mode," says a senior risk modeller at a European bank. (www.centralbanking.com 22/01/25)

EU backs global engagement against Trump's isolationism

As President Donald Trump launched his opening salvo against multilateralism, Europeans rushed to defend international cooperation from climate to health. Commission President Ursula von der Leyen used a speech in Davos to warn of a "new era of harsh geostrategic competition" — a possible reference to Trump's return — while pledging to deepen cooperation with the US and China. (www.bloomberg.com 22/01/25)

ECB's Stournaras says rates should come close to 2% by end-2025

The European Central Bank should continue to gradually cut interest rates, aiming to bring them to near 2% by year-end, Governing Council member Yannis Stournaras told Greece's Naftemporiki newspaper. (www.bloomberg.com 22/01/25)

Trump delivers fresh tariff threats against EU and China

US President Donald Trump vowed to hit the European Union with tariffs and said his administration was discussing a 10% punitive duty on Chinese imports because fentanyl is being sent from China to the US via Mexico and Canada. Trump voiced his latest tariff threats in remarks to reporters at the White House a day after taking office without immediately imposing tariffs as he had promised during his campaign. (www.reuters.com 22/01/25)

After two years of smooth sailing, Fed ready to navigate rocky bond market, Trump uncertainty

After two years of progress on inflation and surprisingly persistent economic growth, the Federal Reserve next week meets with one eye on new Trump administration policies and another on a bond market that has ratcheted up borrowing costs even as US central bankers have been cutting interest rates. (www.reuters.com 21/01/25)

UK borrowing jumps in December as debt interest climbs

Britain ran a bigger-than-expected budget deficit in December swelled by debt interest costs and a one-off purchase of military homes, according to official data that underlined the fiscal pressure faced by finance minister Rachel Reeves. Public sector net borrowing was £17.8bn in Dec., more than £10bn higher than a year earlier. (www.reuters.com 22/01/25)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2276	(1.2292)	1.2277	(1.2294)
+USD/EUR	1.0385	(1.0398)	1.0386	(1.0399)
*GHS/USD	15.0121	(14.9925)	15.0271	(15.0075)
*GHS/GBP	18.4288	(18.4288)	18.4488	(18.4502)
*GHS/EUR	15.5912	(15.5899)	15.6055	(15.6054)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 22/01/25 (Rates for 21/01/25 in brackets)

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China's economy meets official growth target, but many feel worse off

China's economy grew 5% last year, matching the government's target, but in a lopsided fashion, with many people complaining of worsening living standards as Beijing struggles to transfer its industrial and export gains to consumers. (www.reuters.com 21/01/25)

Canada's annual inflation rate drops to 1.8% in December on sales tax relief

Canada's annual inflation rate slowed in December data showed, helped by a sales tax break which kicked off in the middle of the month and brought down prices of alcohol, restaurant foods and children's clothing. The annual inflation rate dropped to 1.8%, Statistics Canada said, slightly lower than expected and a tick below the prior month's 1.9%.

(www.reuters.com 21/01/25)

Malaysia keeps rate unchanged on steady growth, inflation

Malaysia kept its benchmark interest rate unchanged, a move widely expected as officials bet, they can sustain growth momentum and keep inflation under control this year. Bank Negara Malaysia left the overnight policy rate at 3% in its first meeting for 2025.

(www.bloomberg.com 22/01/25)

South Korea consumer confidence improves in January

South Korea's consumer sentiment increased for the first time in three months in January, survey results from the Bank of Korea shows. The consumer confidence index rose to 91.2 in Jan., from 88.2 in Dec. The consumer confidence survey was conducted between Jan., 7 and 14 among 2,500 households.

(www.rttnews.com 22/01/25)

New Zealand inflation climbs 2.2% on year in Q4

Consumer prices in New Zealand were up 2.2% on year in the Q4 of 2024, Statistics New Zealand said. That was unchanged from the previous quarter but was higher than expectations for 2.1%. On a seasonally adjusted quarterly basis, inflation rose 0.5% - in line with forecasts and slowing from 0.6% in Q3.

(www.rttnews.com 21/01/25)

Stocks get tech boost, tariff uncertainty weighs on dollar

Global stocks rose on as a flurry of new policies from US President Donald Trump combined with robust corporate earnings to bolster investor optimism, while tariff uncertainty kept the dollar near two-week lows.

(www.reuters.com 22/01/25)

Oil futures settle sharply lower

Oil prices tumbled on Tuesday[21/01], weighed down by US President Donald Trump's plans to boost oil and gas production in the US. West Texas Intermediate Crude oil futures for February closed \$1.99 or about 2.56% at \$75.89 a barrel. Brent crude futures settled at \$79.29 a barrel, down \$0.86 or about 1.07% from previous close. (www.rttnews.com 21/01/25)

Gold futures settle modestly higher as dollar weakens

Gold futures settled higher on January 21, as the dollar shed ground amid bets the Federal Reserve will announce a few rate cuts this year. Investors also assessed the possible consequences of US President Donald Trump's policies in his second term. The dollar index dropped to 107.93, losing about 1.3%. Gold futures for January closed \$10.70 or about 0.39% at \$2,755.00 an ounce, the highest settlement in nearly four months.

(www.rttnews.com 21/01/25)

South Africa inflation rises less than expected in December

South Africa's headline consumer inflation rose less than expected in December to 3.0% year on year from 2.9% in November, data from the statistics agency shows. In month-on-month terms, inflation was at 0.1% in December, versus 0.0% in November.

(www.reuters.com 22/01/25)

Bank of Ghana's MPC begins 122nd meeting to address economic challenges

The MPC of BoG will commence its 122nd meeting today[22/01], to assess the economy and outline measures to ensure macroeconomic stability. The three-day meeting, which is the first for the year, will conclude with a policy announcement on Monday, January 27, 2025.

(www.norvanreports.com 22/01/25)