



Tuesday, 28th January 2025

World Bank president cautions against hasty reaction to Trump policies

Policymakers around the globe should not react in haste to announcements by US President Donald Trump's administration, and be prepared to argue their case, World Bank President Ajay Banga told Reuters.

(www.reuters.com 27/01/25)

Lagarde laments looming pressure on central bank independence

Christine Lagarde has said the consensus about the need for central bank independence was "coming under pressure". In a pre-recorded speech played at the Hungarian central bank's Lámfalussy conference, the ECB president said that although legally enshrined independence had "never been more prevalent than it is today", central banks' actual independence was "being called into question."

(www.centralbanking.com 27/01/25)

Trump says 'no' to CBDCs

US president Donald Trump issued an executive order on January 23, prohibiting the creation of a central bank digital currency and taking measures to promote dollar-backed stablecoins worldwide to preserve the dominance of the greenback.

(www.centralbanking.com 27/01/25)

China's economy stumbles in sign rebound hinges on more stimulus

China's economic activity unexpectedly faltered to start the year, breaking the momentum of a recovery sparked by stimulus measures and underlining the need for Beijing to do more to prevent another slowdown. Factory activity shrank in January after three months of expansion, with the manufacturing purchasing managers' index falling to 49.1, the lowest since August. The non-manufacturing gauge for construction and services dropped to 50.2.

(www.bloomberg.com 27/01/25)

PBOC injects record liquidity using its new tool, delays RRR cut

China's central bank injected a record amount of cash into the financial system via a new tool in January, delaying more high-profile policy easing as it prioritizes stabilizing the yuan. The Bank of China conducted CN¥1.7tr of so-called outright reverse repurchase agreements using 3- and 6-month contracts to keep liquidity ample.

(www.bloomberg.com 27/01/25)

UK private sector expects activity to decline: CBI

UK private sector firms forecast another sharp fall in activity over the next 3 months, latest Growth Indicator from the Confederation of British Industry shows. The pessimism was widespread across the private sector. In the service sector, a net 20% of respondents forecast a fall in activity and a 19% of manufacturers expect a decline in output over 3 months to April.

(www.rttnews.com 27/01/25)

German business confidence up in January

German business confidence improved slightly in Jan., on more positive assessment about the current situation but the overall low level continues to signal that the economy remains on weak footing. The ifo business climate index rose more-than-expected to 85.1 in Jan., from 84.7 in the previous month.

(www.rttnews.com 27/01/25)

BOJ to raise rates again by July, eventually eye hike to 1.5%, says ex-policymaker

The Bank of Japan will likely raise interest rates again around June or July and seek to hike its policy rate to at least 1.5% in the next 2 years, former BOJ board member Makoto Sakurai said. Broadening wage hikes, prospects of sustained price rises and Japan's solid economic growth give the central bank scope to continue raising interest rates steadily, said Sakurai.

(www.reuters.com 28/01/25)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2478	(1.2483)	1.2479	(1.2484)
+USD/EUR	1.0504	(1.0510)	1.0505	(1.0510)
*GHS/USD	15.1924	(15.0925)	15.2076	(15.1076)
*GHS/GBP	18.9571	(18.8399)	18.9776	(18.8603)
*GHS/EUR	15.9598	(15.8625)	15.9757	(15.8783)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 28/01/25 (Rates for 27/01/25 in brackets)

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India to inject \$18bn cash to plug yawning liquidity gap

The Reserve Bank of India Monday [27/01] evening said it will infuse \$18 billion to address the worst cash crunch in over a decade. Ample banking system liquidity is seen as a necessary condition for smooth transmission of rate cuts when easing starts. It also brings down borrowing costs in the economy through lower bond yields. (www.bloomberg.com 28/01/25)

Australia business conditions improve in December, survey shows

A measure of Australian business activity rebounded in December, as Christmas demand helped the down-beaten retail sector, a survey shows, though confidence remained poor as firms faced rising costs. The survey from National Australia Bank (NAB) showed its index of business conditions rose 3 points to +6 in December, retracing some of November's 5-point drop. (www.reuters.com 28/01/25)

Currency market rocked by tariff, DeepSeek concerns

The dollar firmed against major currencies on Tuesday on new U.S. tariff threats, giving traders little time to catch their breath after Monday's big risk-off moves sparked by the emergence of a low-cost Chinese artificial intelligence model. (www.reuters.com 27/01/25)

Hong Kong trade gap narrows sharply in December

Hong Kong's foreign trade deficit decreased notably in December from a year ago as export growth accelerated amid a decline in imports, data from the Census and Statistics Department shows. The trade gap declined to HK\$34.5bn in December from HK\$59.9bn in the same month last year. (www.rttnews.com 27/01/25)

Sweden trade surplus grows in December

Sweden's foreign trade surplus decreased notably in December from a year ago as imports fell faster than exports, figures from Statistics Sweden shows. The trade surplus rose to SEK 6.2bn in December from SEK 1.3bn in the corresponding month last year. In November the trade balance showed a surplus of SEK 7.5bn. (www.rttnews.com 27/01/25)

Oil prices hover near two-week low; weak China data adds to demand concerns

Oil prices ticked up but hovered near a two-week low on Tuesday[28/01] after weak economic data from China and warming weather forecasts elsewhere soured the demand outlook. Brent crude oil futures rose by 42 cents, or 0.54%, to \$77.5 per barrel by 0430 GMT. US West Texas Intermediate crude futures were up 34 cents to \$73.51. (www.reuters.com 28/01/25)

Mozambique cuts rates to aid economy hit by post-election unrest

Mozambique's central bank extended its longest easing cycle since 2017 to boost an economy shaken by post-election unrest, while reducing the ratio of reserves that lenders must place with it on deposit. The Banco de Moçambique reduced its so-called Mimo rate to 12.25% from 12.75%, Governor Rogerio Zandamela said. (www.bloomberg.com 27/01/25)

Rwanda's dollar bond slips after M23 enters Congo's Goma

Prices of Rwanda's dollar bond fell after M23 rebels backed by the country entered the largest city in the east of neighbouring Democratic Republic of Congo, in a sharp escalation of a long running conflict. (www.reuters.com 27/01/25)

Gabon dollar bonds slide after fitch downgrade deeper into Junk

Gabon's dollar bonds fell for the first day in 10 after Fitch Ratings downgraded the country deeper into junk. The extra yield investors demand to own the country's dollar debt rather than Treasuries widened 36 basis points to 735 on Monday[27/01], according to JPMorgan Chase & Co. data. (www.bloomberg.com 27/01/25)

Ghana extends rate pause amid elevated inflation pressures

Ghana's central bank kept the key interest rate unchanged for a second time in a row to fight inflation, while forecasting price pressures will ease as the nation's new government tightens public finances. The monetary policy committee held the rate at 27%, Governor Ernest Addison said at a press briefing in Accra on Monday [27/01]. (www.bloomberg.com 27/01/25)

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