



Wednesday, 19th February 2025

ECB's Panetta says economic weakness is worse than expected

The euro zone's bout of economic sluggishness is lasting longer than anticipated, European Central Bank Governing Council member Fabio Panetta said, warning that the so far resilient jobs market may be cracking. The weakness is "more persistent than we expected," with a long-awaited consumption-led recovery failing to materialize, the Italian central-bank chief said.

(www.bloomberg.com 19/02/25)

Europe should avoid 'excesses' in bank regulation, Panetta says

European lenders could lose out to international competitors if regulators don't look into whether the industry is overly burdened by rules, according to Italian central-bank Governor Fabio Panetta. "We need to avoid excesses in regulation," Panetta said.

(www.bloomberg.com 19/02/25)

Fed study suggests fewer fake dollar bills are in circulation

The number of counterfeit dollar bills in circulation has drastically fallen over the past 20 years, research by the US Federal Reserve Board has found. The study by Ruth Judson, senior economic project manager at the Fed's global financial flows division, puts the number of fake notes at around one in 80,000.

(www.centralbanking.com 18/02/25)

Fed policy should stay restrictive until there's more inflation progress

San Francisco Federal Reserve Bank President Mary Daly said that while there is no reason to be discouraged about bumpy and sometimes imperceptible progress toward 2% inflation, the US central bank should keep short-term borrowing costs where they are until the progress is more visible.

(www.reuters.com 18/02/25)

Foreign holdings of US Treasuries fall in December

Foreign holdings of US Treasuries fell in December, as the two largest foreign holders of the government debt, Japan and China, both cut their portfolios, data from the Treasury Department showed. Holdings of US Treasuries fell to \$8.513tr in December from \$8.633tr in November. Holdings had reached \$8.679tr in September. (www.reuters.com 18/02/25)

Hedge funds tailor win-win bets on China

Global hedge funds keen to navigate US-China trade tensions are amassing Chinese stock bets in the hopes of making huge profits if Beijing forms a pact with Donald Trump, or if the rest of the world and China unite against the US president. As lower-risk bets, they shouldn't be too hard hit either way, several fund managers and investment professionals say.

(www.reuters.com 19/02/25)

In balancing risks and rewards, China set to leave lending rates unchanged in February

China is expected to leave its benchmark lending rates unchanged on Thursday[20/02], as authorities walk a fine line between prioritising financial stability and providing more stimulus at a time when Beijing is facing fresh trade tensions. The central bank has adopted a cautious approach in recent cash injection. (www.reuters.com 19/02/25)

UK inflation jumps more than expected in January, testing the BoE's outlook

British inflation sped up by more than expected to hit a 10-month high of 3.0% in January and is likely to rise further soon, testing the Bank of England's confidence that price pressures will ease over the longer term. The BoE and economists polled by Reuters had expected inflation to rise by less, to 2.8%, after December's reading of 2.5%.

(www.reuters.com 19/02/25)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2603	(1.2609)	1.2604	(1.2610)
+USD/EUR	1.0448	(1.0480)	1.0448	(1.0481)
*GHS/USD	15.4923	(15.4923)	15.5078	(15.5078)
*GHS/GBP	19.5249	(19.5342)	19.5460	(19.5553)
*GHS/EUR	16.1884	(16.2365)	16.2032	(16.2514)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 19/02/25 (Rates for 18/02/25 in brackets)

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Investors give nod to more German bonds to fund defense, growth

As fears over Europe's anemic growth and defenses swirl, investors have a clear message for Germany ahead of its election: There's room to borrow more. It's an unusual stance in an era where governments globally are under scrutiny from so-called bond vigilantes for excessive spending and vast budget deficits. (www.bloomberg.com 19/02/25)

NZ central bank cuts rates 50bps, flags steeper easing cycle to revive frail economy

New Zealand's central bank cut its benchmark rate by 50 basis points to 3.75% on Wednesday and flagged further reductions in borrowing costs amid moderating inflation as policymakers sought to revive a struggling economy. (www.reuters.com 19/02/25)

BOJ policymaker calls for more rate hikes, warns of inflation risk

The Bank of Japan must raise interest rates more as keeping them at current low levels could cause excessive risk-taking and push up inflation too much, its board member Hajime Takata said, cementing expectations of further hikes in borrowing costs. (www.reuters.com 19/02/25)

Hong Kong stock rally triggers cash squeeze among banks

Surging demand for Hong Kong equities sapped interbank liquidity in the city, prompting local banks to borrow the largest amount of overnight cash from authorities in more than five years on Tuesday [18/02]. The Hong Kong Monetary Authority, the city's de-facto central bank loaned out HK\$5.5bn (\$707m) through its so-called discount window. (www.bloomberg.com 19/02/25)

Indonesia's rate pause provides support for Rupiah, analysts say

The Indonesian rupiah may get some relief after the central bank kept its interest rate unchanged, though local stocks are likely to resume their decline amid concerns over slowing economic growth, analysts said. (www.bloomberg.com 19/02/25)

European shares flat at the open

European shares were largely flat on Wednesday[19/02] as gains in miner Antofagasta after a rating upgrade were countered by losses in real estate stocks. The pan-European STOXX 600 index held its ground at 557.21 points after closing at a record high in the previous session. (www.reuters.com 19/02/25)

Oil gains on US, Russia supply worries; market seeks Ukraine talks clarity

Oil prices edged up on Wednesday[19/02] amid worries of oil supply disruptions in the US and Russia, and as markets awaited clarity on the Ukraine peace talks. Brent crude futures were up 41 cents, or 0.5%, at \$76.25 a barrel at 0720 GMT, and possibly set for a third day of gains. (www.reuters.com 19/02/25)

South African rand steady ahead of national budget

South Africa's rand was little changed early on Wednesday[19/02], ahead of the 2025 national budget speech to be delivered by the Finance Minister. At 0712 GMT, the rand traded at 18.4050 against the dollar, near its previous close. Investors are keenly awaiting the budget speech at 1200 GMT by South Africa's Finance Minister Enoch Godongwana for clues on the coalition government's fiscal priorities. (www.reuters.com 19/02/25)

South Africa treasury plans measures to offset VAT hike, BD says

South Africa's National Treasury will use a series of measures to offset the impact on the poor from a planned increase in value-added tax, Business Day reported, without citing anyone. (www.bloomberg.com 19/02/25)

Zambia suspends export tax on precious stones and metals

Zambia has suspended a 15% export tax on precious stones and metals in a bid to enhance competitiveness on the global market and draw investment, the Finance Ministry said. The southern African country, the world's second largest emerald producer after Colombia, reintroduced the tax in January 2025. (www.reuters.com 19/02/25)

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