



Thursday, 20th February 2025

Top ECB policymakers outline opposing policy arguments

The European Central Bank's top policymakers outlined the contours of a looming policy debate, taking opposing views on inflation risks and on how much the bank is still holding back the economy. The ECB has cut interest rates five times since last June and policymakers are increasingly vocal in their debate about just how much farther rates must come down when inflation is still a bit too high but economic growth is barely above zero.

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

ECB's Stournaras says key rate could fall to around 2% in 2025

The European Central Bank's key interest rate "could fall to around 2% in the course of 2025," Governing Council member Yannis Stournaras said. (www.bloomberg.com 20/02/25)

European results-day share volatility emboldens longer-term investors

Unusually high volatility in the shares of European companies around their earnings days has prompted a growing number of typically cautious longer-term investors to jump on big price swings. Volatility in European shares on results days has reached a near-record high, Bank of America data shows, with the fourth-quarter earnings season only around half complete. (www.reuters.com 19/02/25)

ECB board members express regret over QE stimulus

European Central Bank board members have said they now have a clearer picture about the impact of past quantitative easing (QE). Piero Cipollone argued that the bank would have to strike a careful balance between rate cuts while it proceeded with quantitative tightening (QT), as the two instruments had opposing effects on inflation. (www.centralbanking.com 19/02/25)

'Stagflation' fears haunt US markets despite Trump's pro-growth agenda

Stubborn inflation and President Donald Trump's hard-line trade policies have rekindled fears of stagflation, a worrying mix of sluggish growth and relentless inflation that haunted the US in the 1970s, even as markets remain upbeat on his pro-growth agenda.

(www.reuters.com 20/02/25)

Fed governors differ on best way to deal with Trump uncertainty

In speeches on February 17, 2 members of the US Fed board of governors had differing views about how uncertainty over President Trump's policies should inform monetary policy. Addressing an audience in Sydney, Australia, Christopher Waller said monetary policy could not be "put on hold" amid uncertainty over the administration's policies and their impact on the economy. (www.centralbanking.com 19/02/25)

China issues action plan to stabilize foreign investment in 2025

China on Wednesday [19/02] issued an action plan to stabilize foreign investment in 2025 which was approved by a recent State Council executive meeting. The action plan was devised by the Ministry of Commerce and the National Development and Reform Commission, according to the General Office of the State Council. (www.xinhuanet.com 20/02/25)

Yen advances past 150 per Dollar as BOJ rate-hike bets ramp up

The yen hit its strongest level against the dollar since December, outperforming other major currencies amid growing speculation the Bank of Japan will hike rates sooner rather than later. Japan's currency climbed as much as 1% to 149.95 against the dollar, a level it hasn't touched since December 9, before paring gains. (www.bloomberg.com 20/02/25)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2578	(1.2603)	1.2579	(1.2604)
+USD/EUR	1.0412	(1.0448)	1.0412	(1.0448)
*GHS/USD	15.5422	(15.4923)	15.5578	(15.5078)
*GHS/GBP	19.5490	(19.5249)	19.5701	(19.5460)
*GHS/EUR	16.1830	(16.1884)	16.1978	(16.2032)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 20/02/25 (Rates for 19/02/25 in brackets)

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Chinese investment slump prompts new effort to woo foreign firms

China is renewing its efforts to attract foreign businesses, pledging more engagement and unveiling an action plan to ease restrictions after inbound investment tumbled last year to its lowest in over three decades.

(www.bloomberg.com 20/02/25)

BOJ chief Ueda meets PM Ishiba, eyes attending next week's G20

Bank of Japan Governor Kazuo Ueda said on Thursday he met Prime Minister Shigeru Ishiba for a regular exchange of views on the economy and financial markets. Ueda also said he would likely attend the G7 and G20 finance leaders' meeting to be held next week in Cape Town, South Africa. (www.reuters.com 20/02/25)

Indonesia's current account deficit deepens in 2024, seen wider in 2025

Indonesia's current account deficit widened in 2024 as its merchandise trade surplus shrank amid weaker global demand, the central bank said on Thursday, and analysts pointed to a worsening outlook for global trade this year. Southeast Asia's largest economy reported a current account deficit of \$8.9 billion for the year, equivalent to 0.6% of GDP, within the central bank's outlook range of 0.1% to 0.9%.

(www.reuters.com 20/02/25)

Mexico's central bank cuts 2025 economic growth forecast

The Bank of Mexico (Banxico) lowered its 2025 economic growth forecast to 0.6% from 1.2% in its fourth-quarter 2024 inflation report released Wednesday [19/02], citing uncertainty over policies under the new US administration.

(www.xinhuanet.com 20/02/25)

Swiss trade surplus falls amid weaker exports

Switzerland's foreign trade surplus decreased in January from a month earlier as exports fell faster than imports, data from the Federal Customs Administration shows. The trade surplus declined to CHF 4.0bn in January from CHF 4.4bn in December. In real terms, exports dropped 3.9% monthly, reversing a 5.4% rebound in December (www.rttnews.com 19/02/25)

Oil little changed on US crude inventory build

Oil prices were little changed on Thursday after rising to a near one-week high in the previous session, as an industry report showing a buildup in US crude stockpiles pressured the market. Brent futures were down 15 cents at \$75.89 a barrel by 0916 GMT. US West Texas Intermediate crude dropped 34 cents to \$71.91.

(www.reuters.com 20/02/25)

Gold and yen bask in the limelight

A bevy of tariff headlines this week along with geopolitical worries has left investors wary and weary, taking stocks lower in Asian hours, gold to a record peak and the yen to its highest in over two months as sentiment remains fragile. European stocks are poised to tread with caution on Thursday, futures indicate, after the pan-European STOXX 600 index (.STOXX), dropped nearly 1% in the previous session, its biggest daily drop in two months. (www.reuters.com 20/02/25)

South Africa budget under added scrutiny given Trump Aid tensions

South Africa's finance minister is under pressure to chart an economic course that navigates the hazards unleashed by Donald Trump's trade war. As Enoch Godongwana delivered his annual budget speech on Wednesday [19/02], investors urged him to expedite reforms needed to revive flagging economic growth. (www.bloomberg.com 19/02/25)

Nigeria Central Bank seen pausing aggressive rate-hike campaign

Nigeria's central bank will probably hold interest rates steady later on Thursday, pausing an aggressive tightening cycle after inflation slowed sharply following a revision to how the data is calculated. (www.bloomberg.com 20/02/25)

Kenya tourism sector earnings to rise to 650bn in 2025, minister

Kenya tourism sector earnings are expected to jump to KES650bn (\$5b) this year from KES452.2bn last year, Tourism Minister Rebecca Miano said on Wednesday. Miano said the 2024 earnings were up 20%.

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

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