

Wednesday 7th May 2025**Eurozone private sector growth eases on weaker demand**

Euro area private sector growth weakened in April as soft demand conditions limited the speed of expansion and weighed on sentiment, results of the purchasing managers' survey by S&P Global showed on Tuesday [06/05]. The HCOB final composite output index fell to 50.4 in April from 50.9 in March, but the reading suggested growth for the fourth straight month. (www.rttnews.com 06/05/25)

ECB launches digital euro 'innovation platform'

The ECB has launched a platform to explore the payment functionalities and innovative use cases of the digital euro. In a statement on May 5, the bank said around 70 market participants merchants, fintech companies, start-ups, banks and other payment service providers had joined the venture. (www.centralbanking.com 06/05/25)

US trade deficit swells to record high amid rush to beat tariffs in March

The US trade deficit widened to a record high in March as businesses boosted imports of goods ahead of President Donald Trump's sweeping tariffs, which dragged gross domestic product into negative territory in the first quarter for the first time in three years. (www.reuters.com 06/05/25)

US banks modest use of risk transfers is credit positive, Moody's says

A very small proportion of US banks have issued a complex product that enabled them to shed risk from loan portfolios and the relatively modest use of the products was a credit positive, Moody's Ratings said in a report after surveying 69 rated U.S. banks. In deals known as credit risk transfers, banks effectively buy insurance from hedge funds and other investors against the risk of losses from loans. (www.reuters.com 06/05/25)

China to cut reserve requirement ratio by 0.5 percentage points from May 15

China's central bank announced today that it will cut the reserve requirement ratio (RRR) by 0.5 percentage points for financial institutions from May 15. Financial institutions that have already implemented a 5% RRR will be exempt from the upcoming reduction, and the RRR for auto financing and financial leasing companies will be cut by 5 percentage points, the People's Bank of China said. (www.xinhuanet.com 07/05/25)

UK service sector slips into contraction

The UK service sector contracted in April for the first time since Oct. 2023, reflecting renewed downturn in order books, final purchasing managers' data from S&P Global showed on Tuesday [06/05]. The services Purchasing Managers' Index declined to 49.0 in April from 52.5 a month ago. The reading was slightly above the initial estimate of 48.9. (www.rttnews.com 06/05/25)

UK market volatility adds to bets BoE will pause bond sales

Investors will seek clues over the future of the Bank of England's bond-selling program at its monetary policy meeting on Thursday, amid speculation that recent market turmoil may encourage officials to cease it later this year. Strategists at Bank of America Corp. and BNP Paribas SA are bullish on long-maturity gilts in a bet that the BOE could stop the bond sales from Oct. (www.bloomberg.com 07/05/25)

German factory orders rose ahead of Trump's tariff announcements

German factory orders rose more than predicted in March, signaling improvement in the run-up to the US tariff announcements that have clouded the outlook for Europe's largest economy. Demand increased 3.6% from Feb, beating the median 1.3% estimate in a Bloomberg survey. (www.bloomberg.com 07/05/25)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3366	(1.3277)	1.3368	(1.3278)
+USD/EUR	1.1342	(1.1307)	1.1343	(1.1308)
*GHS/USD	13.4433	(13.6432)	13.4567	(13.6568)
*GHS/GBP	17.9683	(18.1140)	17.9889	(18.1335)
*GHS/EUR	15.2493	(15.4280)	15.2643	(15.4420)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 07/05/25 (Rates for 06/05/25 in brackets)

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Japan's service sector activity rebounds in April, PMI shows

Japan's service sector activity returned to growth in April after stagnating the previous month, helped by improved orders, a stark contrast to continued weakness in manufacturing, a business survey shows today. The final Jibun Bank Japan Services purchasing managers' index rose to 52.4 in April from the neutral 50.0 level in March. (www.reuters.com 07/05/25)

Spain unemployment declines sharply

Spain's unemployment declined at a sharper-than-expected pace in April, data from the labor ministry showed on Tuesday [06/05]. The number of unemployed fell by 67,420 from the previous month compared to the expected increase of 6,500. On a yearly basis, unemployment decreased by 153,782 or 5.77%. (www.rttnews.com 06/05/25)

Taiwan says currency surge unrelated to trade talks with US

Taiwan's central bank has said the US has not put it under pressure to raise the exchange rate, after the local currency surged against the dollar over the past week. On May 5, the Central Bank of Taiwan said the US Treasury department had not asked for the currency to appreciate as parts of trade negotiations. (www.centralbanking.com 06/05/25)

Sweden core inflation surprises with smaller-than-expected gain

Sweden's underlying inflation accelerated less than expected last month, likely feeding expectations that the Riksbank will resume easing to aid the sluggish economy. A measure of annual price increases excluding energy edged up to 3.1% in April from 3.0% in the 3 months prior. (www.bloomberg.com 07/05/25)

Pakistan cuts rates to 11%

Pakistan's central bank cut its policy rate by 100 basis points to 11% on May 5 as inflation continues to fall. The State Bank of Pakistan said the sharp decline in inflation in March and April had enabled it to relax its monetary policy stance. Headline inflation fell to 0.3% last month, compared with 0.7% in March. (www.centralbanking.com 06/05/25)

Oil rises as market eyes US-China trade talks, lower US output

Oil prices rose on today, holding slightly above recent four-year lows, as investors focused on U.S.-China trade talks and signs of lower U.S. production. Brent crude futures climbed 73 cents a barrel, or 1.2%, to \$62.88 a barrel by 0650 GMT. (www.reuters.com 07/05/25)

Gold slips on US-China trade talk hopes; Fed policy on tap

Gold prices dropped today as optimism surrounding US-China trade talks weakened demand for safe-haven assets, ahead of the Fed's policy decision later in the day. Spot gold fell 1.2% to \$3,389.37 an ounce as of 0628 GMT. The metal had climbed nearly 3% on Tuesday [06/05]. U.S. gold futures lost 0.7% to \$3,398.10. (www.reuters.com 07/05/25)

Stocks rise in tepid cheer for US-China talks

U.S. stock futures bounced and the dollar rose today on news of an upcoming meeting between top U.S. and Chinese trade officials, though Asian markets were cautious about prospects for any tariff deal, ahead of a Federal Reserve rates decision. (www.reuters.com 07/05/25)

Nigeria approves \$652m China Exim Bank Road finance package

Nigeria has approved a \$652m China Exim Bank funding package for construction of a road to move goods from a seaport and petroleum refinery on the edge of its main city Lagos to its southern states, the public works minister said. The financing was approved by the federal executive council chaired by President Bola Tinubu on Monday [05/05], David Umahi said. (www.reuters.com 06/05/25)

Kenya's economy grew 5.1% year-on-year in Q4

Kenya's economy grew 5.1% year-on-year in the fourth quarter of 2024, compared to 6.1% in the same quarter of the previous year, the country's statistics office said on Tuesday [06/05]. The economy grew 4.7% in 2024, compared to growth of 5.7% in 2023, Kenya's National Bureau of Statistics said in a report. (www.reuters.com 06/05/25)

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