



Tuesday, 20th May 2025

Eurozone inflation steady at 2.2%

Eurozone consumer prices logged a steady growth in April, final data from Eurostat shows. The harmonized index of consumer prices grew 2.2% on a yearly basis in April, the same pace of increase as seen in March. Eurostat confirmed the flash estimate published on May 2. Core inflation rose to 2.7% from 2.4% in the previous month. (www.rttnews.com 19/05/25)

Central bank body BIS flags potential for dollar scramble

The Bank for International Settlements has flagged a possible scramble for dollars could be triggered if whipsawed investors begin to unwind positions in the \$113tr FX swap market amid US volatility. The BIS recently estimated that funds and other non-bank financial firms had more than \$80tr in FX swaps - money borrowed in the US currency with the promise to pay it back at an agreed exchange rate at a later date. (www.reuters.com 19/05/25)

Bond investors detect trouble in US debt stripped of AAA rating

Even before talk of fresh unfunded tax cuts took center stage in the budget wrangling on Capitol Hill, US bond investors were making their views loud and clear: If the government keeps spending more than it takes in, there will be consequences. Moody's revealed it had run out of patience and was lowering its credit score on the world's biggest borrower below the top AAA level. (www.bloomberg.com 19/05/25)

Fed officials take cautious view on US markets amid downgrade

US Fed officials speaking on Monday [19/05] took on cautiously the ramifications of the latest downgrade of the US government's credit rating and unsettled market conditions as they continued to navigate a very uncertain economic environment. (www.reuters.com 20/05/25)

China cuts key rates to aid economy as trade war simmers

China cut benchmark lending rates for the first time since Oct., while major state banks lowered deposit rates as authorities work to ease monetary policy to help buffer the economy from the impact of the Sino-US trade war. The widely expected rate cuts are aimed at stimulating consumption and loan growth as the economy softens. (www.reuters.com 20/05/25)

Chinese economy shows strong resilience despite pressure

China's economy withstood pressure and maintained stable growth, continuing on a path of positive development amid internal challenges and increasing external shocks, an official of the National Bureau of Statistics said. NBS spokesperson Fu Linghui said at a press conference that the fundamentally positive outlook for China's economy has not changed. (www.xinhuanet.com 19/05/25)

Japan is sticking to demand for US to eliminate tariffs, trade envoy says

Japan's top trade negotiator, Ryosei Akazawa, said today there was no change to Tokyo's stance of demanding an elimination of US tariffs in bilateral trade negotiations. Tokyo will not rush into clinching a trade deal if doing so risked hurting the country's interests, he said. (www.reuters.com 20/05/25)

Bond weakness deepens in Japan as BOJ retreats from market

Japanese notes slumped after a government bond auction got the lowest demand since 2012, pointing to increasing concerns about investor support as the Bank of Japan dials back its huge debt holdings. The benchmark 10-year yield rose as far as 1.525%, the highest since late March, and 20-year bond yields surged about 15 basis points to the highest since 2000. (www.bloomberg.com 20/05/25)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3355	(1.3254)	1.3357	(1.3255)
+USD/EUR	1.1236	(1.1138)	1.1237	(1.1139)
*GHS/USD	12.2239	(12.3138)	12.2361	(12.3262)
*GHS/GBP	16.3250	(16.3208)	16.3438	(16.3383)
*GHS/EUR	13.7358	(13.7161)	13.7493	(13.7285)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 20/05/25 (Rates for 19/05/25 in brackets)

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Deutsche Bank makes a comeback to win top German IPO roles

Deutsche Bank AG is again getting top roles in Germany's biggest initial public offerings, marking a significant comeback in a business that it pared back about six years ago. The lender has been picked as global coordinators in at least eight German listings this year and next. (www.bloomberg.com 19/05/25)

Czech producer prices fall 1.3%

The Czech Republic's producer prices decreased for the third straight month in April, largely due to cheaper energy prices, figures from the Czech Statistical Office shows. The industrial producer price index dropped 1.3% yearly in April, following a 0.3% decrease in March. Prices were expected to fall 1.0%.

(www.rttnews.com 20/05/25)

Spain trade gap widens in March

Spain's foreign trade deficit increased notably in March from a year ago, as imports grew faster than exports, preliminary data from the Economy Ministry shows. The trade deficit rose to €5.48bn in March from €2.03bn in the corresponding month last year. In Feb., there was a shortfall of €3.42bn. Exports rose 8.5% annually in March. (www.rttnews.com 19/05/25)

Lao government modernizes tax system to support economic stability

The Lao government, in partnership with the Asian Development Bank, has launched a tax reform project aimed at boosting revenue collection and strengthening the country's economic resilience. The Domestic Resource Mobilization Modernization Project is designed to enhance the efficiency, transparency, and effectiveness of tax systems. (www.xinhuanet.com 19/05/25)

Romania opts to hold, citing domestic and global uncertainty

The National Bank of Romania has opted to hold rates, warning of "particularly elevated uncertainty" both at home and abroad. On May 16, the bank announced it was keeping its monetary policy rate at 6.5%, its lending facility rate at 7.5% and its deposit facility rate at 5.5%. (www.centralbanking.com 19/05/25)

Oil prices little changed as markets weigh impact of US-Iran talks, demand

Oil prices barely moved on today as traders weighed the impact on supply from a possible breakdown in US-Iran talks on Tehran's nuclear programme, strong front-month physical demand in Asia and a cautious outlook for China's macroeconomy. Brent futures dipped 6 cents to \$65.48 a barrel by 0305 GMT.

(www.reuters.com 20/05/25)

South African investors turn inward as tariffs roil markets

South Africans are turning to local investments as they navigate the storm generated by US President Trump's tariffs. Investors ploughed R48bn (\$2.7bn) into local investment funds in the first 3 months of the year, the biggest quarterly inflow since 2020, according to the Association for Savings and Investment South Africa. (www.bloomberg.com 19/05/25)

Egypt's central bank expected to cut rates by 175 bps

Egypt's central bank is expected to lower overnight interest rates by a median of 175 basis points extending a reduction begun in April as inflation remains relatively low, the bank has been working to reduce inflation, which has trended downwards from 38% in September 2023. (www.reuters.com 19/05/25)

Islamic development bank to lend Algeria \$3bn for projects over next 3 years

The President of the Islamic Development Bank said Algeria is expected to receive \$3bn in loans over the next 3 years to support the implementation of key development projects. President Muhammad Sulaiman Al Jasser said funding will be directed toward development projects. (www.reuters.com 19/05/25)

BoG to resume monetary easing in quarter 3, 2025

The Bank of Ghana will resume monetary easing in the third quarter of 2025, albeit at a cautious pace. According to Fitch Solutions, the policy rate will go down by 200 basis points to 26.00% by the end of 2025. This will be followed by a further 300 basis points to 23% in 2026. (www.myjoyonline.com 20/05/25)

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