



Thursday, 22nd May 2025

ECB says tariff shocks 'continue to reverberate'

Trade tensions have cast an inevitable shadow over the European Central Bank's latest Financial Stability Review, which warns of an increasingly uncertain outlook for the eurozone's economy and money markets. ECB vice-president Luis de Guindos said that the expected tariff rates had eased somewhat since US president Donald Trump's 'liberation day' announcement on April 2.

(www.centralbanking.com 21/05/25)

Case growing for summer pause in ECB easing cycle

The European Central Bank is expected to cut interest rates once again in June, but the case is growing for a pause beyond that as the economy is holding up better than feared and an inflation challenge is starting to creep up on the horizon. The ECB has been easing policy quickly for the past year as runaway consumer inflation is now largely tamed, and focus has shifted to anaemic economic growth.

(www.reuters.com 22/05/25)

US, Japan finance chiefs agree current dollar-yen reflects fundamentals

US Treasury Secretary Scott Bessent and Japanese Finance Minister Katsunobu Kato agreed on Wednesday [21/05] that the dollar-yen exchange rate currently reflects fundamentals, the US Treasury Department said, a rare and explicit statement on the market situation.

(www.reuters.com 22/05/25)

China to intensify financing support for small, micro firms

China will further step up financing support for small and micro enterprises by increasing financing supply, lowering financing costs, and enhancing the precision of supportive measures, according to a guideline issued Wednesday[21/05] by eight departments.

(www.xinhuanet.com 21/05/25)

UK public sector net borrowing highest since 2021

UK public sector net borrowing in April was the highest in any month since April 2021, the Office for National Statistics said. Public sector net borrowing rose by £1.0bn to £20.2bn in April. This was the highest borrowing since April 2021 and was also above economists' forecast of £18.0bn..

(www.rttnews.com 21/05/25)

German business activity contracts in May amid services slump, PMI shows

Business activity in Germany fell in May, marking the first contraction this year, as a sharp downturn in the service sector overshadowed modest growth in manufacturing, a survey showed today. The HCOB German flash composite Purchasing Managers' Index, compiled by S&P Global, dropped to 48.6 in May from 50.1, below the 50.0 threshold that separates growth from contraction.

(www.reuters.com 22/05/25)

Japan's real wages fall for 3rd straight year in fiscal 2024

Japan's monthly average real wages fell 0.5 percent in fiscal 2024, marking the third consecutive yearly decrease, government data shows today. The decline of inflation-adjusted wages was slower than the 2.2% fall in fiscal 2023, which was the biggest since fiscal 2014, according to the Ministry of Health, Labour and Welfare.

(www.xinhuanet.com 22/05/25)

Japan private sector falls into contraction

Japan's private sector activity fell back into contraction territory in May due to a steeper fall in manufacturing output alongside a weaker growth in the services sector, flash survey results from S&P Global showed today. The au Jibun Bank composite output index dropped to 49.8 in May from 51.2 in the previous month. A score below 50.0 indicates contraction.

(www.rttnews.com 22/05/25)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3367	(1.3367)	1.3368	(1.3368)
+USD/EUR	1.1254	(1.1254)	1.1255	(1.1255)
*GHS/USD	11.8441	(12.0940)	11.8559	(12.1061)
*GHS/GBP	15.8320	(16.1660)	15.8490	(16.1834)
*GHS/EUR	13.3311	(13.6123)	13.3432	(13.6247)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 22/05/25 (Rates for 21/05/25 in brackets)

* BOG INTERNAL TRANSACTION RATES: 22/05/25 (Rates for 21/05/25 in brackets)

French manufacturing sentiment weakens in May

France's manufacturing confidence weakened in May on deteriorating global orders and personal production expectations, survey data from the statistical office INSEE shows today. The manufacturing sentiment index dropped to 97 in May from 100 in April. The score was forecast to improve to 99.

(www.rttnews.com 22/05/25)

Dollar swoons on fiscal worries, bitcoin extends record rally

US fiscal concerns and a tepid auction of Treasury bonds pushed the dollar to a two-week low versus the yen today, while the US Congress moved closer to passing President Donald Trump's bill for massive cuts in taxes and spending. (www.reuters.com 22/05/25)

India economic activity retains momentum in May, flash PMIs show

India's economic activity improved in May despite uncertainty over tariffs, led by a pickup in the services sector and steady showing by the manufacturing segment, survey by HSBC Holdings Plc showed. Manufacturing purchasing managers' index was up at 58.3 from 58.2 in April, while services purchasing managers' index climbed to 61.2 from 58.7 last month. (www.bloomberg.com 22/05/25)

Singapore GDP climbs 3.9% on year in Q1

Singapore's gross domestic product expanded 3.9% on year in Q1 of 2025, the Ministry of Trade and Industry said today. That beat expectations for a gain of 3.8% after rising 5.0% in the three months prior. On a seasonally adjusted quarterly basis, GDP contracted 0.6%. (www.rttnews.com 21/05/25)

Argentina's economy grows 6.1% in Q1

Argentina's economy expanded 6.1% in the Q1 of 2025, the national statistics agency INDEC said. In March, economic activity rose 5.6% year-on-year but declined 1.8% from February marking the first monthly contraction since April 2024. Key sectors driving year-on-year growth in March included financial intermediation, construction, trade and net taxes. (www.xinhuanet.com 22/05/25)

Oil drops as OPEC+ raises specter of yet another big output hike

Oil declined as OPEC+ members discussed the possibility of another super-sized production increase, raising the prospects of additional output just as demand faces headwinds from the US-led trade war. Brent slumped below \$64 a barrel, after shedding about 1% over the previous two sessions.

(www.bloomberg.com 22/05/25)

South African finance minister re-tables 2025 budget with no VAT hike

South African Finance Minister Enoch Godongwana re-tabled the 2025 Budget before the parliament today, excluding the contentious VAT increase and prioritizing social spending and economic growth while aiming to rein in public debt. (www.xinhuanet.com 22/05/25)

Egypt's central bank expects inflation to halve from 2024 levels

The Central Bank of Egypt expects inflation to average around 14–15% this year, down from 28.3% in 2024. The bank made the forecast in its monetary policy report, published on May 19, which covers developments since Q3 of 2021. (www.centralbanking.com 21/05/25)

Uganda signs \$800m financing deal with Islamic Development Bank

Uganda has signed a \$800mn financing agreement with the Islamic Development Bank to support projects, including a planned railway, that aim to boost the country's trade, its finance ministry said. The railway will connect to neighbouring Kenya's Standard Gauge Railway. (www.reuters.com 22/05/25)

Cameroon greenlights \$347m in external borrowing to cover treasury gaps

Cameroon's finance minister has been authorised to raise up to 200bn CFA francs (\$348m) from international financial markets to shore up government cash flows for fiscal year 2025. Kelly Mua Kingsly, Head of Finance Operations of the State at Cameroon's Ministry of Finance said government would consider using several market instruments, but most likely syndicated loans.

(www.reuters.com 22/05/25)

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