



Thursday, 5<sup>th</sup> June 2025

## Global bond auctions show weaker trend as fiscal pressures grow

A spate of poorly received longer-dated sovereign bond auctions worldwide has raised questions about the willingness of investors to fund the spending plans of governments from the US to Japan. Japan's 30-year bond sale today was the third in as many weeks to show signs of a cold shoulder from buyers, with one measure of demand the weakest since 2023.

([www.bloomberg.com](http://www.bloomberg.com) 05/06/25)

## Trade war is tougher threat than COVID for emerging market cenbanks, IMF says

The shock from trade war brings differential effects for central banks in emerging markets, in contrast with the COVID pandemic, when they could quickly ease monetary policy, the IMF Gita Gopinath said. The Fund's first deputy managing director said the impact of tariffs on developing economies and global markets would make the task of their central bankers harder. ([www.reuters.com](http://www.reuters.com) 05/06/25).

## ECB to cut rates again while bets build for summer pause

The European Central Bank is almost certain to cut interest rates again today and keep all options on the table for subsequent meetings, even as the case grows for a summer pause in its year-long easing cycle. The ECB has cut rates seven times in 13 months as inflation eased from post-pandemic highs, seeking to prop up a struggling Euro zone economy.

([www.reuters.com](http://www.reuters.com) 05/06/25).

## US economic activity declines as tariffs pressure prices, Fed says

US economic activity has declined, and higher tariff rates have put upward pressure on costs and prices in the weeks since Fed policymakers last met to set interest rates, the US central bank said in its latest snapshot of the nation's economy. ([www.reuters.com](http://www.reuters.com) 05/06/25)

## US services sector contracts in May; businesses face higher prices

The US services sector contracted for the first time in nearly a year in May while businesses paid higher prices for inputs, a reminder that the economy remains in danger of experiencing a period of very slow growth and high inflation.

([www.reuters.com](http://www.reuters.com) 05/06/25).

## China Economic Roundtable - China's economy on steady upward trajectory amid external challenges: official

Building on a positive start in the first quarter of 2025, China's economy is continuing to make steady progress, said Ding Lin, an official with the National Development and Reform Commission. Speaking on the latest episode of China Economic Roundtable, an all-media talk show hosted by Xinhua News Agency, Ding noted that despite a complex external environment, China's economy has remained resilient. ([www.xinhuanet.com](http://www.xinhuanet.com) 05/06/25)

## German factory orders rose even after US tariff announcement

German factory orders kept rising after President Donald Trump's announcement of US reciprocal tariffs, defying expectations for a setback. Demand increased 0.6% in April from the previous month, while economists had predicted a 1.5% decline in a Bloomberg survey. Without large-scale orders, they were still 0.3% higher, the statistics office said today. ([www.bloomberg.com](http://www.bloomberg.com) 05/06/25)

## Bank of Canada holds at 2.75%, says 'could be a need' for future cut

The Bank of Canada held interest rates steady for a second consecutive meeting, but officials said there may be a need to cut borrowing costs if the economy weakens and inflation remains contained as US tariffs make an impact. Officials led by Governor Tiff Macklem kept the policy rate at 2.75% on Wednesday, [04/06].

([www.bloomberg.com](http://www.bloomberg.com) 04/06/25)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3564	(1.3523)	1.3566	(1.3524)
+USD/EUR	1.1423	(1.1380)	1.1423	(1.1380)
*GHS/USD	10.2249	(10.2449)	10.2351	(10.2551)
*GHS/GBP	13.8690	(13.8541)	13.8850	(13.8690)
*GHS/EUR	11.6812	(11.6598)	11.6926	(11.6703)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 05/06/25 (Rates for 04/06/25 in brackets)

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### **South Korea GDP shrinks 0.2% in Q1**

South Korea's GDP contracted a seasonally adjusted 0.2% on quarter in the first quarter of 2025, the Bank of Korea said today. That was in line with expectations and unchanged from the previous three months. On an annualized basis, GDP was flat - beating forecasts for a drop of 0.1% and down from 1.2% in the three months prior. ([www.rttnews.com](http://www.rttnews.com) 04/05/25)

### **Saudi Arabia wants more super-size OPEC+ hikes**

Saudi Arabia wants OPEC+ to continue with accelerated oil supply hikes in the coming months as it puts greater importance on regaining lost market share, according to officials. The kingdom wants the group to add at least 411,000 barrels a day in August and September. ([www.bloomberg.com](http://www.bloomberg.com) 04/06/25)

### **Dollar feeble on soft economic data, trade uncertainties**

The dollar drifted in muted trading today after weak US economic data revived fears of slow growth and high inflation, while the euro was steady ahead of an expected interest rate cut from the European Central Bank. The soft data, which showed US services sector contracted for the first time in nearly a year in May and an easing labour market. ([www.reuters.com](http://www.reuters.com) 05/06/25).

### **Sri Lanka secures \$650m in FDI during Q1 2025**

Sri Lanka has received \$650m in foreign direct investment during Q1 of 2025, Minister of Industry and Entrepreneurship Development Sunil Handunnetti said. He said the investments were directed toward 64 projects, representing a significant increase compared to previous years. ([www.xinhuanet.com](http://www.xinhuanet.com) 05/06/25)

### **Palestine launches zero interest-rate loan scheme**

The Palestine Monetary Authority (PMA) announced on June 2 that it had launched an interest-free financing scheme worth \$10 million to support small enterprises. The authority said the scheme aimed to provide funding to businesses from the most disadvantaged areas of the Palestinian territories. ([www.centralbanking.com](http://www.centralbanking.com) 04/06/25)

### **Oil slips on US stockpile build, Saudi Arabia price cuts**

Oil edged lower on Thursday [05/06] after a build in US gasoline and diesel inventories and cuts to Saudi Arabia's July prices for Asian crude buyers, with global economic uncertainty weighing on prices as well. Brent crude futures fell 1 cent to \$64.85 a barrel at 0630 GMT. ([www.reuters.com](http://www.reuters.com) 05/06/25).

### **S&P says South Africa needs faster growth to secure rating upgrade**

South Africa needs faster economic growth and credible fiscal consolidation to secure its first credit rating upgrade in two decades, a senior S&P Global Ratings official said. At its most recent review of South Africa last month, S&P affirmed the sub-investment grade 'BB-/B' foreign currency rating and maintained a "positive" outlook. ([www.reuters.com](http://www.reuters.com) 04/06/25)

### **Egypt's net foreign assets retreat in April after March jump**

Egypt's net foreign assets (NFAs) fell by \$1.5bn in April, data showed on Wednesday [04/06], retreating from March, when the approval of the fourth review of the country's IMF programme sparked a jump. NFAs slid to the equivalent of \$13.54bn, from \$15.08bn at the end of March. ([www.reuters.com](http://www.reuters.com) 04/06/25)

### **World Bank to restart Uganda lending after halt over LGBTQ law**

The World Bank has agreed to restart lending Uganda after it suspended loans to the country following its enactment of an anti-LGBTQ law in 2023. "The World Bank worked with the government and other stakeholders to introduce, implement, and test measures that prevent discrimination in World Bank-funded projects. ([www.bloomberg.com](http://www.bloomberg.com) 04/06/25)

### **Ghana: Inflation for May 2025 drops sharply to 18.4%**

Inflation for the month of May 2025 has dropped significantly to 18.4% year-on-year from the 21.2% recorded in April this year. The Ghana Statistical Service has attributed the sharp drop to reduction in transportation fares and decline in non-food inflation. ([www.myjoyonline.com](http://www.myjoyonline.com) 04/06/25)

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