



Tuesday 10th June 2025

ECB nearly or already at the end of easing cycle, Kazimir says

The ECB is nearly at the end of its cycle of interest-rate cuts, according to Governing Council member Peter Kazimir. “Looking ahead, I continue to see clear downside risks to growth, and there is also uncertainty about future price developments,” Kazimir, who is also Slovak central bank governor, said (www.bloomberg.com 09/06/25)

US corporate defaults to rise on higher-for-longer funding costs, says Deutsche Bank

The rate at which riskier US companies’ default will increase next year, Deutsche Bank said yesterday because of weakening economic growth or the pressure of higher interest payments. The investment bank sees default rates for US speculative grade companies also known as high yield or junk rising from their current 4.7% to 4.8% by the second half of 2026. (www.reuters.com 09/06/25)

Inflation expectations declined across all horizons, NY Fed says

Consumers’ expectations for future price pressures improved across all horizons in May, and households’ pessimism about the labor market somewhat eased, according to monthly survey data released yesterday by the Federal Reserve Bank of New York. The decline was most significant in projections for year-ahead price growth, which dropped to 3.2% from 3.6% in April. (www.bloomberg.com 09/06/25)

US treasuries win some respite as key 30-year auction looms

US Treasuries were trimming overnight gains, with modest weakness in longer dated debt as investors awaited a Thursday auction of 30-year securities that will offer a fresh test of demand for the beleaguered securities. An early rally that mirrored moves in European bonds lost steam ahead of the Wall Street open for equity trading. (www.bloomberg.com 09/06/25)

China's foreign trade maintains resilience despite headwinds

China's foreign trade demonstrated resilience in the first 5 months of 2025, with total trade value rising 2.5% year on year, driven by the country's efforts to optimize its trade structure and stabilize growth. The growth rate marked an increase of 0.1 percentage points compared to that registered in the first four months of 2025. (www.xinhuanet.com 09/06/25)

UK employment drops most since 2020 and wage growth cools

UK wages grew at the slowest pace for 7 months and employment plunged, as labor market continued to ease after Prime Minister Keir Starmer’s government ramped up the cost of hiring. Pay growth excluding bonuses eased to 5.2% in the 3 months through April, the least since Q3 of 2024. (www.bloomberg.com 10/06/25)

Japan to consider buying back some super-long government bonds, sources say

Japan is considering buying back some super-long government bonds issued in the past at low interest rates, 2 sources said, underscoring its focus on reining in any abrupt rises in bond yields. The move would come on top of an expected government plan to trim issuance of super-long bonds such as those with 20, 30 or 40-year maturities in the wake of sharp rises in their yields. (www.reuters.com 09/06/25)

BOJ's Ueda says inflation is still below target, weakening Yen

Bank of Japan Governor Kazuo Ueda said the central bank is still some distance from its inflation goal in comments that helped accelerate a weakening of the yen. While Ueda also talked down the possibility of any rate cut to boost the economy, the mention of a possible need to offer support for the economy likely gave the impression that the bank’s next move to raise rates will be more distant. (www.bloomberg.com 10/06/25)

EXCHANGE RATES OF SELECTED CURRENCIES

| CURRENCIES | BUYING | | SELLING | |
|------------|---------|-----------|---------|-----------|
| +USD/GBP | 1.3556 | (1.3588) | 1.3557 | (1.3589) |
| +USD/EUR | 1.1418 | (1.1446) | 1.1419 | (1.1447) |
| *GHS/USD | 10.2449 | (10.2449) | 10.2551 | (10.2551) |
| *GHS/GBP | 13.8880 | (13.9207) | 13.9029 | (13.9357) |
| *GHS/EUR | 11.6981 | (11.7277) | 11.7087 | (11.7383) |

+SOURCE: BOG INTERNAL TRANSACTION RATES: 10/06/25 (Rates for 09/06/25 in brackets)

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Banque de France governor declares victory over inflation

François Villeroy de Galhau has declared victory over inflation in France and the eurozone more broadly. "We have won the battle against inflation in Europe, and we had already won it in France some time ago," the Banque de France governor told TV France 2 on June 6. (www.centralbanking.com 09/06/25)

Russia's rates cut does not presage shift in stance

The Bank of Russia on June 6 decided to cut rates by 100 basis points to 20%. However, experts tell Central Banking that the cut, the bank's first since 2022 does not mark the beginning of the end of its ultra-tight monetary policy. (www.centralbanking.com 09/06/25)

Portugal trade gap widens in April

Portugal's foreign trade deficit increased in April from a year ago as exports fell amid an increase in imports, figures from Statistics Portugal said. The trade deficit rose to €3.02bn in April from €2.4bn in the same month last year. In nominal terms, exports declined 5.7% year-on-year in April, reversing a 0.1% increase a month ago. (www.rttnews.com 09/06/25)

Bank of Spain lowers 2025 economic growth forecast to 2.4% from 2.7%

Spain's central bank lowered its gross domestic product growth forecast for this year to 2.4% from a previous 2.7%, its Governor Jose Luis Escriva said today in a speech in a parliamentary committee. Escriva attributed the slowdown to lower growth in foreign markets due to the uncertainty associated with trade tensions. (www.reuters.com 09/06/25)

Pakistan sees gradual recovery with 2.7 pct GDP growth: economic survey

Pakistan's economy registered a gross domestic product (GDP) growth of 2.7% in the outgoing fiscal year, according to the Economic Survey 2024-25 unveiled by Finance Minister Muhammad Aurangzeb. Although the figure remained below the government's initial target of 3.6%, the minister stated that the growth was achieved despite a challenging global economic environment. (www.xinhuanet.com 09/06/25)

Oil up as market watches US-China trade talks

Oil prices climbed on Tuesday as investors awaited the outcome of US-China talks that could pave the way for easing trade tensions and improve fuel demand. Brent crude futures rose 28 cents, or 0.4%, to \$67.32 a barrel by 0330 GMT. U.S. West Texas Intermediate crude was up 23 cents, or 0.4%, at \$65.52. (www.reuters.com 10/06/25)

SA wins \$1.5bn WB infrastructure loan

The World Bank has approved a \$1.5bn loan to support structural reforms aimed at boosting South Africa's infrastructure. The Washington-based lender said in a statement the operation will address the nation's challenges of low growth and high unemployment by easing constraints in its energy and freight transport sectors. (www.bloomberg.com 09/06/25)

World Bank says 1.9m Tanzanians to benefit from new financing

An estimated 1.9m Tanzanians are expected to benefit from disaster preparedness and response capabilities under new financing from the World Bank, the global lender said. According to the statement, the \$300m credit includes \$100m in Development Policy Financing as budget support. (www.xinhuanet.com 09/06/25)

Ethiopia forecasts faster growth next fiscal year

Ethiopia's economy is forecast to grow slightly faster in the fiscal year that starts next month, while its budget deficit will increase marginally, its finance minister said today. The nation is implementing far-reaching economic reforms, backed by an IMF loan programme. (www.reuters.com 10/06/25)

Ghana: Total amount of money in circulation hits GH¢71bn in 2024 – BoG

The total amount of money in circulation increased significantly from GH¢44bn in 2023 to GH¢71bn by the end of Dec. 2024. This was captured in the 2024 Financial Statement of the Bank of Ghana released on June 5, 2025. The increase in 2024 is more than 60% compared to the total amount of money in circulation in 2023. (www.myjoyonline.com 10/06/25)

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