



Wednesday, 2nd July 2025

Eurozone inflation hits ECB target

Euro area inflation rose slightly to hit the European Central Bank's 2% target in June on slower fall in energy prices and the rise in services inflation, Eurostat data shows. Annual inflation climbed to 2.0% in June from 1.9% in May. The rate reached the inflation target and matched economists' expectations. Meanwhile, core inflation that excludes prices of energy and food held steady at 2.3% in June, as expected.

(www.rttnews.com 01/07/25)

ECB wonders whether the Euro rally will turn from blessing to curse

European Central Bank officials are starting to fret that a rapid appreciation of the euro could derail efforts to anchor inflation at 2%. The single currency is up about 14% against the dollar this year as confidence in the US dwindles helping curb price gains that now precisely match the ECB's goal.

(www.bloomberg.com 01/07/25)

ECB's Guindos says Euro gain past \$1.20 would be complicated

European Central Bank Vice President Luis de Guindos said an advance in the euro beyond \$1.20 could prove tricky for policymakers but current levels aren't cause for concern. In rare remarks by an ECB official on the common currency's exchange rate, Guindos told Bloomberg TV that the speed of the euro's ascent is more worrying than its current level.

(www.bloomberg.com 01/07/25)

US manufacturing activity contracted in June for a fourth month

US factory activity contracted in June for a fourth consecutive month as orders and employment shrank at a faster pace, extending the malaise in manufacturing. The Institute for Supply Management's manufacturing index edged up 0.5-point last month to 49, according to data. Readings below 50 indicate contraction. (www.bloomberg.com 01/07/25)

Powell reiterates Fed will wait for more data before cutting rates

US Fed Chair Jerome Powell has reiterated the Fed's plans to "wait and learn more" about the impact of tariffs on inflation before lowering interest rates, again setting aside President Trump's demands for immediate and deep rate cuts. "As long as the US economy is in solid shape, we think the prudent thing to do is to wait and learn more and see what those effects might be." Powell said. (www.reuters.com 01/07/25)

BOE's Bailey says low UK debt making high rates less effective

Bank of England Governor Andrew Bailey said high interest rates are having less of an impact on inflation because of Britain's low levels of debt among both businesses and consumers. "The level of household and corporate debt in the UK economy is actually lower than we would have expected it to be," Bailey told a panel at the ECB's Forum in Sintra, Portugal, on Tuesday [01/07]. (www.bloomberg.com 01/07/25)

German unemployment climbs less than expected in June

Joblessness in Germany rose in June but at a slower than expected pace, figures revealed on July 1, as activity in the biggest economy in the euro area remains sluggish. The seasonally adjusted number of unemployed rose by 11,000 from the previous month, the Federal Employment Agency said.

(www.rttnews.com 01/07/25)

BOJ's Ueda still needs more information to decide next rate hike

Bank of Japan Governor Kazuo Ueda ramped up his message that he is going to wait for additional data to make a judgment on the next monetary policy decision, signaling that he's in no rush to raise borrowing costs. "We need some more inflation to determine," Ueda said at the European Central Bank's annual forum in Sintra, Portugal. (www.bloomberg.com 01/07/25)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3721	(1.3700)	1.3722	(1.3701)
+USD/EUR	1.1762	(1.1749)	1.1763	(1.1750)
*GHS/USD	10.3285	(10.3048)	10.3389	(10.3152)
*GHS/GBP	14.1718	(14.1176)	14.1870	(14.1328)
*GHS/EUR	12.1490	(12.1078)	12.1610	(12.1197)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 02/07/25 (Rates for 01/07/25 in brackets)

* BOG INTERNAL TRANSACTION RATES: 02/07/25 (Rates for 01/07/25 in brackets)

Russian factory activity contracts in June

Russia's manufacturing sector logged a renewed downturn in June amid falls in output and new orders, survey results from S&P Global showed on Tuesday [01/07]. The manufacturing purchasing managers' index, or PMI, dropped to 47.5 in June from 50.2 in May. Any reading below 50 indicates contraction. (www.rttnews.com 01/07/25)

South Korea's consumer prices rise 2.2% in June

South Korea's consumer price inflation rose above 2% due to higher prices for food and oil products, statistical office data showed today. CPI gained 2.2% in June from a year earlier, after going up 1.9% in the previous month, according to Statistics Korea. (www.xinhuanet.com 02/07/25)

IMF disburses additional \$500m to Ukraine

The IMF has praised efforts by the National Bank of Ukraine (NBU) to tackle inflation after announcing the disbursement of around \$0.5bn in budgetary support to the country. The IMF on June 30 completed its eighth review of Ukraine's extended fund facility (EFF). (www.centralbanking.com 01/07/25)

Dollar wallows near 3-1/2-year low as Fed easing, Trump bill in focus

The US dollar hunkered near its lowest since February 2022 against major peers today, as traders considered dovish hints from Fed Chair Jerome Powell, along with the potential impact of President Trump's spending bill, and looming tariff deadlines. The euro was down 0.3% at \$1.1774, but close to its highest since September 2021. (www.reuters.com 02/07/25)

Austria inflation climbs to 13-month high

Austria's consumer price inflation increased in June to the highest level in just over a year, a flash estimate from Statistics Austria showed on Tuesday[01/07]. The consumer price index climbed 3.3% year-on-year in June, faster than the 3.0% increase in May. This was the highest inflation rate since May 2024. Moreover, the inflation rate is well above the European Central Bank's stability target of 2.0%. (www.rttnews.com 01/07/25)

Oil prices little changed as expectations for OPEC+ increase weigh

Oil futures were little changed today as markets weighed expectations from more supply from major producers next month, a softer US dollar and a mixed bag of economic and market indicators from the US, the world's largest oil consumer. Brent crude was up 2 cents at \$67.13 a barrel at 0345 GMT. (www.reuters.com 02/07/25)

World Bank praises Cote d'Ivoire for effective use of development funding

The World Bank is satisfied with the management of its project portfolio in Cote d'Ivoire, which totals \$5bn, Ousmane Diagana, the bank's regional vice president for Western and Central Africa, said on Monday[30/06] in Abidjan. (www.xinhuanet.com 01/07/25)

World Bank reclassifies Cape Verde as upper-middle-income country

The World Bank has reclassified Cape Verde from a lower-middle-income country to an upper-middle-income country, reflecting an increase in per capita income, the institution said. It added, the reclassification reflects a 16.8% increase in the country's gross national income (GNI) per capita between 2023 and 2024. (www.xinhuanet.com 02/07/25)

Ethiopia holds policy rate as inflation persists

Ethiopia's central bank announced on June 30 that it was keeping its policy rate at 15% to tame inflation. Headline inflation remained at 14.4% in May – unchanged from April, but still up on the 13.6% recorded in March. (www.centralbanking.com 01/07/25)

Ghana: Parliament approves \$360m World Bank facility

Parliament has approved a \$360m financing agreement between the Government of Ghana and the International Development Association (IDA) of the World Bank under the Second Resilient Recovery Development Policy Financing initiative. The facility is intended to support government efforts in improving livelihoods and accelerating economic growth. (www.norvanreport.com 02/07/25)

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