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Most central banks co-ordinate monetary and financial stability tools

Financial stability policy is co-ordinated with monetary policy at four in five jurisdictions, data from the Financial Stability Benchmarks 2025 shows. Thirty-six (83.7%) of 43 central banks that addressed the question indicated that they co-ordinate both policy areas. The practice is not recognised in 16.3% of central banks. (www.centralbanking.com 04/08/25)

Eurozone investor sentiment weakens unexpectedly

Euro area investor confidence deteriorated unexpectedly in Aug. as the newly reached trade deal with the US deepened concerns about the current economic situation as well as the outlook, the behavioral research institute Sentix said. The Sentix investor sentiment index fell steeply to -3.7 in Aug. from 4.5 in July. The measure was expected to climb to 6.2. (www.rttnews.com 04/08/25)

Fed's Daly says time is nearing for rate cuts, may need more than two

Federal Reserve Bank President Mary Daly on Monday said that given mounting evidence that the U.S. job market is softening and no signs of persistent tariff-driven inflation, the time is nearing for interest rate cuts. "I was willing to wait another cycle, but I can't wait forever," Daly said. (www.reuters.com 04/08/25)

China's services activity growth hits 14-month high in July, S&P PMI shows

China's services activity expanded at its fastest pace in 14 months in July, fuelled by stronger demand, including a rise in new export orders, a private-sector survey showed today. The S&P Global China General Services PMI rose to 52.6 in July from 50.6 in June, marking the fastest pace since May last year. The 50-mark separates expansion from contraction. (www.reuters.com 05/08/25)

Some in BOJ saw scope to hike rates if trade friction eases, June minutes show

Some Bank of Japan policymakers saw scope to resume interest rate increases once trade friction caused by US tariffs eased, minutes of the bank's June meeting showed. At the June meeting, many members said the central bank must keep interest rates steady due to downside risks to the economy from US tariffs. (www.reuters.com 05/08/25)

Korea's inflation cools, boosting case for BOK to cut again

The pace of consumer inflation in South Korea slowed, giving the central bank added incentive to resume its rate-cut cycle as the trade-reliant economy braces for the impact from higher US tariffs. Consumer prices rose 2.1% in July from a year earlier, slowing from a 2.2% clip in June, the statistics office reported today. (www.bloomberg.com 05/08/25)

Australia household spending up modestly in June as services sputter

Australian household spending rose modestly in June as a rush for cars and electronics was offset by a slump in services, showing lower borrowing costs and higher real incomes are only slowly flowing into the broader economy. Data from the Australian Bureau of Statistics showed its monthly household spending indicator rose 0.5% in June, just half of the gain seen in May. (www.reuters.com 05/08/25)

Hong Kong resumes currency intervention spree amid low rates

Hong Kong's brief pause from defending its beleaguered currency proved to be short-lived, as the authorities were forced to buy local dollars for the third time in a week amid stock outflows and low local rates. The Hong Kong Monetary Authority, the city's de-facto central bank, bought HK\$6.429bn (\$819m) of the local currency today. (www.bloomberg.com 05/08/25)

EXCHANGE RATES OF SELECTED CURRENCIES

| CURRENCIES | BUYING | | SELLING | |
|------------|---------|-----------|---------|-----------|
| +USD/GBP | 1.3280 | (1.3243) | 1.3281 | (1.3245) |
| +USD/EUR | 1.1565 | (1.1539) | 1.1566 | (1.1540) |
| *GHS/USD | 10.5047 | (10.4948) | 10.5153 | (10.5053) |
| *GHS/GBP | 13.9503 | (13.8982) | 13.9653 | (13.9142) |
| *GHS/EUR | 12.1497 | (12.1107) | 12.1617 | (12.1225) |

+SOURCE: BOG INTERNAL TRANSACTION RATES: 05/08/25 (Rates for 04/08/25 in brackets)

* BOG INTERNAL TRANSACTION RATES: 05/08/25 (Rates for 04/08/25 in brackets)

Russian service sector contraction deepens in July

The Russian service sector activity deteriorated further in July amid a renewed decline in new orders, S&P Global said today. The services purchasing managers' index, or PMI, dropped to 48.6 in July from 49.2 in June. Any reading below 50 indicates contraction in the sector. (www.rttnews.com 05/08/25)

Indonesia GDP growth fastest in 2 years

Indonesia's economic growth accelerated the most in two years in the second quarter driven by household spending and investment, official data showed today. GDP expanded 5.12% year-on-year in Q2, following an annual growth of 4.87% seen in Q1. (www.rttnews.com 05/08/25)

Brazil to challenge U.S. tariffs at WTO, mulls relief package

Brazil is preparing to formally challenge the newly imposed US tariffs at the World Trade Organization while keeping the door open to negotiations, officials said. Brazil's Chamber of Foreign Trade approved a proposal on Monday [04/08] to begin a formal consultation with the WTO, the first step in a dispute settlement process. (www.xinhuanet.com 05/08/25)

Philippines sells \$3.65bn of bonds to individual investors

The Philippines sold ₱210bn (\$3.65bn) of treasury bonds to individual investors today, utilizing a key funding source to plug its budget gap. It accepted more than half of the ₱354bn bids in a retail bonds auction today, the Bureau of the Treasury has announced. (www.bloomberg.com 05/08/25)

Indonesian growth unexpectedly jumps 5.12%, defying weak lending

Indonesia's Q2 growth unexpectedly accelerated to the fastest pace in two years, with exports and investment helping an economy that's beset by weak loan growth and mass job losses in manufacturing. GDP in the three months through June rose 5.12% from a year ago, the nation's statistics office announced today. (www.bloomberg.com 05/08/25)

Oil little changed as OPEC+ output hikes counter Russia disruption concerns

Oil prices were little changed today as traders assessed rising supply by OPEC+ against worries of weaker demand and US President Donald Trump's new threats on India over its Russian oil purchases. Brent crude futures dipped 1 cent to \$68.75 a barrel by 0631 GMT. (www.reuters.com 05/08/25)

South Africa outlines support measures in response to US tariffs

South Africa on Monday [04/08] outlined support measures for local companies that will be hit by a 30% US tariff this week, including exemptions from some competition rules and financial support facilities. (www.reuters.com 04/08/25)

South Africa's central bank denies reducing inflation target

The South African Reserve Bank has denied reports that it has changed its official inflation target. When the Sarb's MPC announced on that it was lowering interest rates by a quarter point to 7%, it made a statement about inflation targeting. (www.centralbanking.com 04/08/25)

Nigeria's July oil output tops 1.8m bpd, regulator says

Nigeria's oil production surpassed 1.8m barrels per day last month, with current average output at 1.78m bpd, the head of the country's upstream regulator said on Monday [04/08]. Africa's largest oil producer relies on crude oil for nearly two-thirds of government revenue and over 80% of foreign currency earnings. (www.reuters.com 04/08/25)

Despite tariff reprieve, Lesotho says it is already hurting

A reprieve from a 50% US tariff on goods from Lesotho has come too late to prevent damage to the tiny African kingdom's textiles industry, which has been hit hard by several months of trade uncertainty. Lesotho's tariff rate was slashed up to 15% in last week's executive order by US President Donald Trump. (www.reuters.com 05/08/25)

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