



Wednesday, 10 September 2025

### IMF model links banks' liquidity and capital adequacy rules

A closer look at banks' business models from the International Monetary Fund promises an improvement to traditional macroeconomic models. Published on August 22, Shalva Mkhatrshvili's paper develops a novel model. He says that banks create money while "facing solvency, liquidity and maturity risks" and while being subject to "regulatory and demand constraints". ([www.centralbanking.com](http://www.centralbanking.com) 09/09/25)

### Europe could escape the bond 'doom loop'. The US, not so much

Long-term bond yields spiked globally last week, stoking fears about the ability of governments to finance their deficits. Sensible fiscal policies in Europe may stop this "doom loop" in 2026, but there is little reason to believe the US will be so lucky. Long-term government bond yields have been climbing steadily on both sides of the Atlantic in recent years. ([www.reuters.com](http://www.reuters.com) 09/09/25)

### ECB push to simplify bank rules prompts fears of capital demands

German proposals to radically streamline the capital stacks of banks have become the most contentious issue in the ECB's push to simplify the rulebook, with worries they could lead to new capital demands for some lenders and reduce harmonization across the Eurozone. ([www.bloomberg.com](http://www.bloomberg.com) 09/09/25)

### Hedge funds ride August highs to keep returns positive

Hedge fund returns were buoyed in August as stock markets raced to fresh highs, particularly in the US and Asia, and shares in health care and technology industries rallied, bank reports and sources familiar with the funds suggested. World stocks rose to record highs last month and climbed over 3.5%. ([www.reuters.com](http://www.reuters.com) 09/09/25)

### Trump floats new tariffs on China, India to squeeze Russia

President Donald Trump told European officials he's willing to impose sweeping new tariffs on India and China to push President Vladimir Putin to the negotiating table with Ukraine but only if EU nations do so as well. Trump made the call into a meeting with senior US and EU officials in Washington, according to people familiar with the discussion who asked not to be identified discussing private deliberations. ([www.bloomberg.com](http://www.bloomberg.com) 09/09/25)

### Fed seen on track for three rate cuts this year, starting next week

The Fed will likely resume cutting short-term rates next week and continue for the rest of the year to shore up a labour market that may have begun cooling well before Trump began imposing sharply higher tariffs, traders bet on Tuesday [09/09]. ([www.reuters.com](http://www.reuters.com) 09/09/25)

### China factory deflation eases but not enough to call turnaround

China's factory deflation eased for the first time in six months even as consumer prices slipped below zero again, leaving open the question of whether the government will make a lasting difference with its campaign to ease overcapacity across the economy. The PPI decreased 2.9% in Aug., from a year earlier, the National Bureau of Statistics said. ([www.bloomberg.com](http://www.bloomberg.com) 09/09/25)

### Starmer increases oversight of UK economic policy with new board

UK Prime Minister Keir Starmer has strengthened his oversight of Britain's economic policy by forming a new board of key figures from 10 Downing Street and the Treasury, tasked with boosting economic growth and maintaining relations with business ahead of a crunch budget in autumn. ([www.bloomberg.com](http://www.bloomberg.com) 09/09/25)

#### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3532	(1.3546)	1.3533	(1.3547)
+USD/EUR	1.1725	(1.1750)	1.1725	(1.1751)
*GHS/USD	12.0940	(12.0440)	12.1061	(12.0560)
*GHS/GBP	16.3655	(16.3148)	16.3831	(16.3323)
*GHS/EUR	14.1803	(14.1535)	14.1943	(14.1633)

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

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### **Canada set to cut rates, given soft labour market – economists**

The Bank of Canada is likely to cut rates at its meeting on Sept., 17 due to the country's worsening labour market, experts tell Central Banking. On Sept., 5, Statistics Canada released figures showing that employment had fallen by 66,000 in Aug., and said a decline in part-time work was largely responsible. ([www.centralbanking.com](http://www.centralbanking.com) 09/09/25)

### **Italy's lower bond yields reap €13bn windfall for Meloni**

Italian officials preparing the government's budget are assuming as much as €13bn (\$15.3bn) in extra fiscal space because of lower borrowing costs, according to people familiar with the matter. That sum is the total of €5bn saved this year and a projected €8bn for 2026, said the people, who declined to be identified because the calculations are confidential. ([www.bloomberg.com](http://www.bloomberg.com) 09/09/25)

### **Australia consumer confidence weakens in September**

Australian consumer confidence declined notably in Sept., and remained in a 'cautiously pessimistic' territory, survey results from Westpac showed on Tuesday [09/09]. The Westpac-Melbourne Institute Consumer Sentiment Index declined 3.1% to 95.4 in Sept., from 98.5 in Aug. ([www.rttnews.com](http://www.rttnews.com) 09/09/25)

### **Portugal trade gap widens on weaker exports**

Portugal's foreign trade deficit increased in July from a year ago as exports plunged amid an increase in imports, figures from Statistics Portugal showed on Tuesday[09/09]. The trade deficit rose to €3.3bn in July from € 2.2bn in the same month last year. ([www.rttnews.com](http://www.rttnews.com) 09/09/25)

### **Mongolia's inflation rises to 8.8% in August**

Mongolia's inflation rate, as measured by the consumer price index, rose to 8.8% in August, the National Statistics Office (NSO) said today. The figure marks a 2.6 percentage point increase compared with the same month in 2024, and a 1.6 percentage point rise from July. ([www.xinhuanet.com](http://www.xinhuanet.com) 10/09/25)

### **Oil prices rise after Israeli attack on Qatar, Trump's Russia tariff push**

Oil prices rose today after Israel attacked Hamas leadership in Qatar and US President Trump asked Europe to impose tariffs on buyers of Russian oil buyers, though a weak market outlook capped further gains. Brent crude futures were up 61 cents, or 0.92%, at \$67 a barrel as of 0620 GMT. ([www.reuters.com](http://www.reuters.com) 10/09/25)

### **Kenya plans pioneering \$1bn 'debt-for-food' swap**

Kenya aims to carry out a pioneering \$1bn debt-for-food security swap by March next year, a Finance Ministry document showed on Tuesday [09/09]. The plan is expected to work in a similar way as so-called debt-for-nature swaps carried out by several countries in recent years that offered lower interest rates in exchange for nature protection. ([www.reuters.com](http://www.reuters.com) 09/09/25)

### **Nigeria delays new tax law to 2026 amid fears of worsening living costs**

Nigeria's new tax law, including a contentious 5% fuel surcharge, will not take effect until January 1, Finance Minister Wale Edun said on Tuesday [09/09], seeking to calm fears over rising living costs amid widespread economic hardship. ([www.reuters.com](http://www.reuters.com) 09/09/25)

### **International buyers advance over \$4bn for Ghana's cocoa purchase**

Some international buyers of Ghana's cocoa have started advancing part of more than \$4bn to COCOBOD for cocoa bean purchases for the 2025/2026 crop season. JoyBusiness has learned that the full amount will not be released at once but spread over a period. However, a significant portion is expected before the end of this year. ([www.myjoyonline.com](http://www.myjoyonline.com) 10/09/25)

### **Ghana: GoldBod exports 66.7 tonnes of gold worth \$6.3bn in 8 months**

The Chief Executive Officer of the Ghana Gold Board (GoldBod), Samuel Gyamfi, has revealed that the country exported a total of 66.7 tonnes of gold between January and August 2025 under the government's new gold export framework with small scale mining companies. ([www.myjoyonline.com](http://www.myjoyonline.com) 09/09/25)

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