



Thursday 29th January 2026

Euro rally to \$1.20 spurs buying and a headache for the ECB

The euro's ascent to its strongest level since 2021 is creating a problem for the European Central Bank. Driven largely by dollar weakness, the common currency pushed through the closely watched \$1.20 level this week and options markets suggest more gains are coming. Short-term bets are near their most euro-bullish since April, while longer-dated pricing is the most positive in almost six years. (www.bloomberg.com 28/01/26)

Federal Reserve signals no rush to cut interest rates as US economy powers ahead

The Fed has kept interest rates on hold for the first time since July, as chair Jay Powell said the US central bank was in no rush to cut them despite Trump's relentless campaign to drastically lower borrowing costs. The Fed on Wednesday [28/01] left its main interest rate at a range of 3.5 to 3.75%, following 3 straight quarter-point reductions. (www.ft.com 28/01/26)

US Treasury chief says spoke at length with Trump about Fed chair candidates

Treasury Secretary Scott Bessent on Wednesday [28/01] said he had spoken at length with President Donald Trump about the nomination of a successor for Federal Reserve Chairman Jerome Powell, saying there were still four "great" candidates in the running. (www.reuters.com 29/01/26)

Fed holds rates as window for another Powell cut begins to close

Jerome Powell has two more opportunities to adjust interest rates before his term as Fed chair ends and he may not need them. After the Fed kept borrowing costs on hold Wednesday, Powell talked up a "clear improvement" in the US outlook and said the job market shows signs of steadying. Fed saw nothing in the latest data to suggest more are needed to prop up the economy. (www.bloomberg.com 29/01/26)

Chinese regions cut GDP goals in sign nationwide target may drop

Over a dozen Chinese provinces have reduced their economic growth targets for 2026, pointing to a likely downgrade of the national goal for the first time in four years. Most of the 20 regions that have so far made their plans public are setting out lower targets for expansion in gross domestic product from last year. (www.bloomberg.com 29/01/26)

German consumer sentiment to improve in February

German consumer confidence is set to improve in Feb. driven by strong rebounds in income expectations and willingness to buy, survey data published jointly by NIQ/GfK and the Nuremberg Institute for Market Decisions showed Wednesday [28/01]. The forward-looking consumer climate indicator rose more-than-expected to -24.1 from -26.9 in Jan. The score was expected to climb to -25.5 in Feb. (www.rttnews.com 29/01/26)

Japan consumer confidence rises to 21-month high

Japan's consumer sentiment improved in Jan. to the highest level in nearly two years, survey data from the Cabinet Office show today. The seasonally adjusted consumer confidence index rose to 37.9 in Jan from 37.2 in Dec. Meanwhile, economists had forecast the index to rise to 38.0. (www.rttnews.com 29/01/26)

BOJ set to make progress on balance sheet cuts with CPs at zero

The Bank of Japan is set to hit a milestone in its quest to shrink its massive balance sheet, as its commercial paper holdings head toward zero. The outstanding amount of CPs on the central bank's books has dropped to ¥29.9bn (\$196m) as of Jan. 20. It could hit zero in the coming weeks, as what remains is about a quarter of the size of the average monthly decline over the past year. (www.bloomberg.com 29/01/26)

EXCHANGE RATES OF SELECTED CURRENCIES

| CURRENCIES | BUYING | | SELLING | |
|------------|---------|-----------|---------|-----------|
| +USD/GBP | 1.3776 | (1.3751) | 1.3777 | (1.3752) |
| +USD/EUR | 1.1933 | (1.1950) | 1.1934 | (1.1951) |
| *GHS/USD | 10.9145 | (10.8946) | 10.9255 | (10.9055) |
| *GHS/GBP | 15.0359 | (14.9332) | 15.0520 | (14.9492) |
| *GHS/EUR | 13.0260 | (12.9583) | 13.0377 | (12.9722) |

+SOURCE: BOG INTERNAL TRANSACTION RATES: 29/01/26 (Rates for 28/01/26 in brackets)

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Italy consumer confidence rises slightly; business morale hits 2-year high

Italy's consumer confidence improved somewhat for the second straight month in Jan, while composite business confidence strengthened to the strongest level in 2 years, the statistical office Istat said on Wednesday [28/01]. Consumer sentiment rose to 96.8 in Jan. from 96.6 in the previous month. (www.rttnews.com 28/01/26)

BoC holds as governor says Fed independence affects Canada

The Bank of Canada has held its policy rate at 2.25%, as its governor Tiff Macklem warned about the potential impact on the country from tariffs and threats to the US Fed's independence. Macklem said it was "too early to tell how well the Canadian economy will adjust to current tariffs and ongoing uncertainty". (www.centralbanking.com 28/01/26)

India economy to grow 6.8%-7.2% in 2026-27, government forecasts

India's economy will grow between 6.8% and 7.2% in the fiscal year that starts in April, the government forecast today. The forecast in the annual economic survey represents a slowdown from this fiscal year's 7.4% projection. (www.reuters.com 29/01/26)

Swedish GDP growth eases in Q4

Sweden's economy expanded for the third straight quarter in the three months ending in December, though at a slower-than-expected pace, preliminary data from Statistics Sweden showed today. GDP rose 0.2% sequentially in the fourth quarter, following a 1.1% growth in Q2. (www.rttnews.com 29/01/26)

Chile holds rates at 4.5%

The Bank of Chile on Jan. 27 unanimously voted to hold its policy rate at 4.5%. The bank said a scenario of "greater momentum" had been "taking shape" externally. Growth in the US, it said, was slightly higher than market projections. The bank noted the price of copper Chile's main export had increased compared with the previous meeting. (www.centralbanking.com 28/01/26)

Oil prices gain 1.5% on increasing concerns of Iran attack

Oil prices rose more than 1.5% in Asian trade, extending gains for a third day today, on increasing concerns the U.S. may carry out a military attack on key Middle Eastern producer Iran that could disrupt supply from the region. Brent crude futures rose 99 cents to \$69.39 a barrel by 0436 GMT. (www.reuters.com 29/01/26)

Gold and Copper lead metals rally, dollar weakens: markets wrap

The record-breaking rally in commodities gained fresh momentum as gold, copper and silver hit all-time highs amid a weaker dollar and rising geopolitical tensions. Gold climbed 2.4% to \$5,550 an ounce, boosting this month's gain to about 28%. Silver extended this year's advance to 65%, after surging 148% in 2025. (www.bloomberg.com 29/01/26)

South Africa's hold or cut-rate decision a close call: Day Guide

The South African Reserve Bank has divided opinion over whether it will cut interest rates again today or stay on hold to reinforce its commitment to its 3% inflation target. Economists expect Governor Lesetja Kganyago's monetary policy committee to keep the benchmark rate at 6.75. (www.bloomberg.com 29/01/26)

Uganda says to cut budget support by 84% in next financial year

Uganda plans to cut external budget support by 84.2% year-on-year in the next financial year starting July, the finance ministry said late on Wednesday [28/01], amid efforts to ramp up domestic revenues. In a post on social media platform X, the finance ministry said. (www.reuters.com 29/01/26)

Bank of Ghana sees inflation near target, strong GDP Growth in 2026

Ghana's headline inflation is projected to align closely with the medium-term target, while economic growth is expected to remain strong in 2026, Bank of Ghana Governor Johnson Asiamah told a news conference on Wednesday [28/01]. (www.reuters.com 28/01/26)

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