



Friday 29 May 2026

### EU Euro-Zone consumer price expectations may rise more, ECB warns

The Iran war may push medium-term inflation expectations among euro-area consumers higher, according to an ECB blog post that appears to underpin the case for hiking interest rates. The chances that households will anticipate more rapid increases in prices have also increased after the 2022 price spike that followed Russia’s invasion of Ukraine and earlier geopolitical tensions left a “double scar.” ([www.reuters.com](http://www.reuters.com) 29/05/26)

### Iran war impact could 'doubly scar' euro zone consumers, ECB research finds

Euro zone consumers, already scarred by the Ukraine war, have changed their attitudes more quickly as a result of the upheaval of the Iran war, ECB research showed today, meaning the economic hit could be deeper and faster. ([www.reuters.com](http://www.reuters.com) 29/05/26)

### Europe faces biggest food price shock in G7 from hotter world

A global food crunch due to extreme weather would boost prices more in the euro area than in Group of Seven economies, according to Oxford Economics. A “severe” shock to food prices from climate events could raise food prices in countries sharing the currency by 1.6 percentage points a year, the economic adviser said in a report. ([www.bloomberg.com](http://www.bloomberg.com) 29/05/26)

### ECB will act to head off persistent inflation, Panetta says

The ECB will act in a "timely and measured manner" to prevent the current energy shock from turning into persistent inflation, governing council member Fabio Panetta said. Panetta, the governor of the Bank of Italy, was speaking at the Italian central bank's annual assembly in Rome. ([www.reuters.com](http://www.reuters.com) 29/05/26)

### ECB picks former aide to Lagarde and Draghi to lead policy

The ECB said it had picked Roland Straub, a former adviser to current President Lagarde and her predecessor Mario Draghi, to lead its monetary policy work. Straub, who recently took over as the second in command at the ECB's market operations, will replace another close Draghi aide, Massimo Rostagno, who recently retired ([www.reuters.com](http://www.reuters.com) 29/05/26)

### Fed’s Cook touts use of AI in financial stability analysis

AI has helped the US Federal Reserve conduct research work on financial stability with its ability to analyse complex data at scale, a member of the central bank’s board of governors has said. At an event hosted by the SIEPR, Lisa Cook outlined how the Fed system had been deploying AI to better deliver its mandate. ([www.centralbanking.com](http://www.centralbanking.com) 28/05/26)

### Key US inflation measure posts largest annual increase in three years

US inflation increased at its fastest pace in three years in April, driven by higher energy prices due to the Iran war and cementing economists' views that the Federal Reserve would hold interest rates unchanged well into next year. ([www.reuters.com](http://www.reuters.com) 28/05/26)

### Fed’s Kashkari says it’s too early to call time for rate hikes

Federal Reserve Bank of Minneapolis President said it’s too early to conclude that interest rates need to rise, while arguing that the central bank should keep all options on the table. “I think it’s premature for me to conclude we need to be raising rates right away,” Kashkari said at an event at Korea University in Seoul. ([www.bloomberg.com](http://www.bloomberg.com) 29/05/26)

#### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3441	(1. 3476)	1.3442	(1. 3477)
+USD/EUR	1.1653	(1. 1638)	1.1654	(1. 1638)
*GHS/USD	11.7176	(11. 6810)	11.7294	(11. 6926)
*GHS/GBP	15.7497	(15. 7413)	15.7666	(15. 7582)
*GHS/EUR	13.6562	(13.5947)	13.6685	(13. 6081)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 29/05/26 (Rates for 28/05/26 in brackets)

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### **BOJ may heed calls to pause bond taper next year**

Bond market volatility is boosting the case for Japan's central bank to pause the unwinding of its massive debt holdings next fiscal year, which would give Prime Minister Sanae Takaichi some relief amid growing investor concerns about her spending plans.

([www.reuters.com](http://www.reuters.com) 29/05/26)

### **French and Spanish prices jump, boosting case for ECB hike**

Inflation in France and Spain accelerated to the fastest level since 2024, backing the case for the ECB to raise interest rates. Popelled by the war-induced surge in energy costs, consumer prices rose 2.8% from a year ago in May in France and by 3.6% in Spain, data showed. The former was slightly below expectations, while the latter was in line. ([www.bloomberg.com](http://www.bloomberg.com) 29/05/26)

### **Polish inflation unexpectedly drops, cooling rate hike pressure**

Polish inflation unexpectedly declined in May, easing pressure on policymakers to quickly adjust policy to the global spike in prices. The consumer price index increased 3.1% in May from a year ago, compared with 3.2% in April and 2.1% before the Iran war started, according to preliminary data published today.

([www.bloomberg.com](http://www.bloomberg.com) 29/05/26)

### **Finland's economy grows at fastest pace in almost five years**

Finland's economy clocked in broad-based growth in Q1, providing some relief to a country that has struggled with rising public debt after years of low growth. Finland's GDP expanded 0.9% in the first quarter from the previous three months, the fastest pace since 2021. ([www.bloomberg.com](http://www.bloomberg.com) 29/05/26)

### **Sweden's faltering economy bolsters Riksbank rate hold plan**

Sweden's economy shrank for the first time in a year as analysts expected, likely reassuring the nation's central bank that it can wait before raising interest rates. GDP fell 0.2% in the three months through March from the previous quarter when output grew a revised 0.8%.

([www.bloomberg.com](http://www.bloomberg.com) 29/05/26)

### **Oil falls more than 1% on reports of possible US-Iran ceasefire deal**

Oil futures fell more than 1% and were on track for their steepest weekly decline since early April, following reports that the US and Iran had reached a potential deal to extend a ceasefire. Brent crude futures for July fell 1.32% or \$1.24 to \$92.47 a barrel at 0656 GMT. US oil futures fell \$1.38, or 1.55%, to \$87.52 a barrel. Brent plunged to 10.5% this week - the steepest fall since the week that ended on April 6, while WTI has dropped 9.2% - the biggest weekly loss since the week that ended on April 13. 9. ([www.reuters.com](http://www.reuters.com) 29/05/26)

### **Gold on track for third straight monthly loss; traders assess US-Iran ceasefire reports**

Gold was headed for a third straight monthly loss as the US-Israeli war on Iran kept concerns around inflation and U.S. rate hikes elevated. Spot gold rose 0.5% to \$4,514.19 per ounce by as investors assessed reports on reports of an extension to the US-Iran ceasefire extension.

([www.reuters.com](http://www.reuters.com) 29/05/26)

### **European shares set for firm opening on Hormuz deal hopes**

European stocks are seen opening broadly higher today after reports suggested that the US and Iran have reached a temporary agreement to extend their ceasefire by 60 days, resume unrestricted shipments through the Strait of Hormuz, and begin negotiations over Tehran's nuclear programme. ([www.rtfnews.com](http://www.rtfnews.com) 29/05/26)

### **South Africa's central bank moves early to hike rates over Iran war**

South Africa's central bank raised its main lending rate opens new tab for the first time in three years on Thursday [28/05], joining only a handful of other emerging market central banks to have tightened policy during the Iran war.

([www.reuters.com](http://www.reuters.com) 28/05/26)

### **Kenya inflation rises sharply for second month, driven by fuel**

Kenya's inflation opens new tab rose sharply for the second month running in May, hitting its highest in more than two years largely due to fuel price hikes linked to the Iran war. Inflation accelerated to 6.7% year-on-year from 5.6% in April. ([www.reuters.com](http://www.reuters.com) 29/05/26)

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