



Wednesday 17 June 2026

C ECB wage tracker shows muted pay pressure despite war inflation

Euro zone negotiated wage growth appears to be slowing as predicted, ECB data showed today, offering policymakers relief that the Iran-war-induced inflation surge has not set off a fresh round of pay demands. The ECB fears workers will demand compensation for rapid inflation, much like in 2022, triggering a self-reinforcing cycle that can only be tamed through higher borrowing costs. (www.reuters.com 17/06/26)

ECB will be proactive against high inflation even after Iran deal, Lane says

The ECB will continue to be "proactive" in its fight against high inflation even after a deal between the United States and Iran brought down energy prices, the ECB's chief economist Philip Lane said. The ECB raised interest rates for the first time in nearly three years last week and left the door open to more tightening to prevent a surge in fuel costs caused by the Iran war from spreading to other prices (www.reuters.com 16/06/26)

ECB's Simkus sees 'at least one more' interest-rate increase

ECB policymaker Gediminas Simkus predicted that officials will increase borrowing costs at least one more time. "A week ago, there was a 25 basis-point increase, if you were to ask me if that's enough, if that's the end of it, I think that this increase would be too small to close the issue of inflation growth," the Lithuanian governor said. (www.bloomberg.com 17/06/26)

ECB officials say Iran deal isn't enough to fix energy shock

European Central Bank officials are signaling that a US-Iran peace accord won't necessarily stop them lifting interest rates further, even if it prevents a more pronounced overshoot in inflation. (www.bloomberg.com 17/06/26)

Euro-zone wage growth to quicken in second half of this year

Euro-area pay growth is set to accelerate in the second half of this year, while remaining far below previous peaks, the European Central Bank said as it gauges inflation risks from the Iran war. The ECB's wage tracker predicts salaries will rise by an annual 2.6% in the third and Q4. That's stronger than the projection for the first six months, but still way below 2024's 5.2% peak (www.bloomberg.com 17/06/26)

ECB's Escriva says energy disruption will persist despite deal

ECB Governing Council member Jose Luis Escriva warned that complications over energy supplies are likely to persist, despite an agreement to re-open the Strait of Hormuz. The US-Iranian pact has sent oil prices lower as investors see the more than three-month conflict ending. (www.bloomberg.com 16/06/26)

Trump's Iran war weighs on G7 economies, but don't expect hard talk in France

Rising inflation and a 30% jump in oil prices are dampening global growth, but leaders of the world's top economies are unlikely to blame US President Trump for the war-driven slowdown when they meet in France to discuss the economy today. G7 leaders, already bruised by US tariffs and conflicts over NATO and Greenland, have publicly criticized Trump's decision not to consult them before the US and Israel launched the war with Iran in late February. (www.rttnews.com 17/06/26)

UK inflation unexpectedly sticks at 13-month low before BoE rate decision

British inflation held at 2.8% in May, unchanged from April's 13-month low and below forecasts from both economists and the BoE, official figures showed today, a day before the central bank's next interest rate decision. (www.reuters.com 17/06/26)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3431	(1.3432)	1.3432	(1.3433)
+USD/EUR	1.1614	(1.1604)	1.1614	(1.1604)
*GHS/USD	11.1474	(11.0945)	11.1586	(11.1056)
*GHS/GBP	14.9721	(14.9021)	14.9882	(14.9181)
*GHS/EUR	12.9472	(12.8744)	12.9588	(12.8860)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 17/06/26 (Rates for 16/06/26 in brackets)

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How Brexit is estimated to have hit the UK economy

Britain's economy has seen weak growth overall since it left the European Union at the start of 2020, though disentangling the effects of Brexit from the COVID-19 pandemic which hit Europe weeks later has been hard for analysts. Brexit reduced UK GDP by 6%-8% by 2025 compared with if Britain had remained in EU. (www.reuters.com 17/06/26)

China's central bank hints at shift that aligns it more with fed

China has taken the next step in its quest to put its financial markets on a par with the US and make the yuan a global reserve currency. PBOC Governor Pan Gongsheng unveiled measures today aimed at upgrading the central bank's toolkit and making yuan-denominated assets more attractive to overseas investors. (www.bloomberg.com 17/06/26)

PBOC Launches Tool to Boost Yuan Use by Other Central Banks

China announced new money-market measures to broaden the use of its currency among entities like foreign central banks and sovereign wealth funds. The PBOC will use the Foreign and International Monetary Authorities repurchase agreement facility to provide yuan liquidity to overseas central bank-type institutions, according to a statement on its website. (www.bloomberg.com 17/06/26)

French central bank cuts economic growth outlook as energy prices bite

France's economy is growing more slowly than expected after a sluggish start to the year with the Middle East conflict weighing on activity, the central bank said on Tuesday, warning the outlook was hostage to geopolitical developments. (www.reuters.com 16/06/26)

Sweden holds rate at 1.75% and signals higher chance of hike

Sweden's central bank held borrowing costs steady for a sixth straight meeting while shifting its guidance to indicate it's ready to tighten policy this year if the Iran war triggers a rise in inflation. (www.bloomberg.com 17/06/26)

Oil slides on Iran supply hopes; bond yields pushed lower before Warsh debut

Crude prices fell today on news that Iranian fuel may soon hit the world's markets, bringing inflation relief and pushing bond yields lower, while stocks and currencies were quiet ahead of Kevin Warsh's debut as Federal Reserve chair. Brent crude futures dove below \$80 and are down more than a third from recent peaks following reports that the US will waive sanctions on Iranian oil, under a deal to end the war. (www.reuters.com 17/06/26)

Gold little changed as markets eye Warsh's Fed debut, US-Iran deal details

Gold prices were little changed today, with market participants focused on the Federal Reserve's first policy decision under new chair Kevin Warsh and details of the US-Iran peace agreement. Spot gold was at \$4,332.07 per ounce by 1053 GMT, after gaining in the previous four sessions. (www.reuters.com 17/06/26)

European shares set for softer opening ahead of FED decision

European stocks are seen opening on a cautious note on Wednesday as investors seek more clarity on the U.S.-Iran interim peace deal and await the U.S. Federal Reserve's interest-rate decision later in the day for new insights on policy signals under the new Fed Chair. (www.rttnews.com 17/06/26)

South Africa inflation rises less than expected, another rate hike less likely

South African inflation rose by less than expected in May, which analysts said reduced the likelihood of another central bank interest rate hike next month. Headline consumer inflation quickened to 4.5% year on year from 4.0% in April. (www.reuters.com 17/06/26)

BoG warns IMTOs: Register by July 31 or cease operations

Namibia's central bank raised its main interest rate for the first time in three years today and revised its inflation forecasts upwards because of higher oil prices. The Bank of Namibia raised its repo rate by 25 basis points to 6.75%. "The MPC noted rising global and domestic inflationary pressures over the near term. (www.reuters.com 16/06/26)

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