



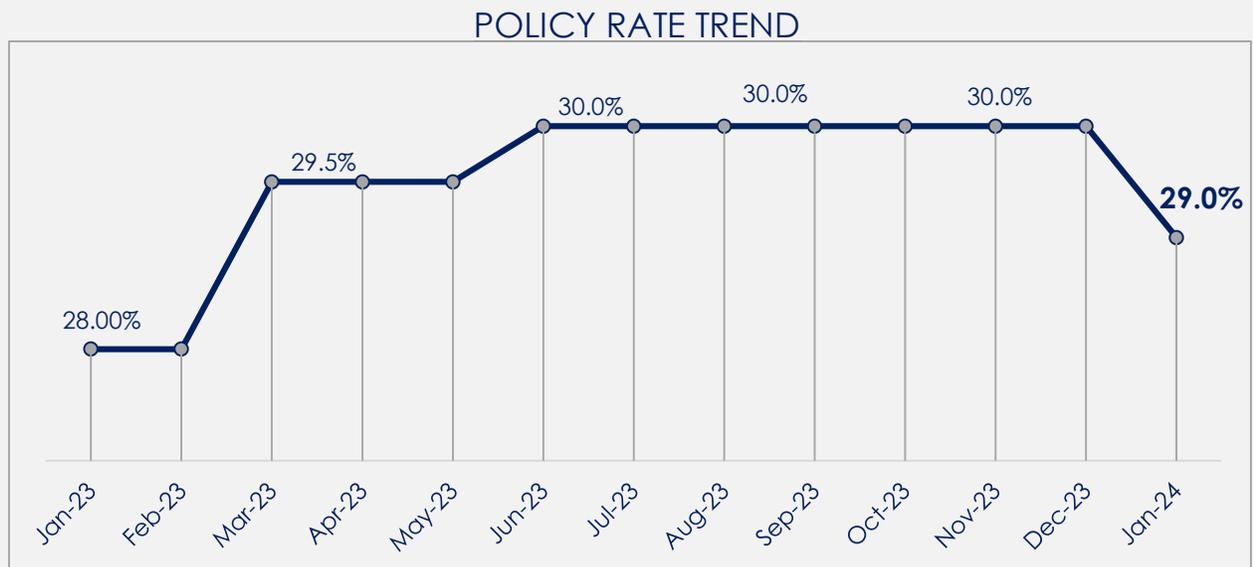
The Bank of Ghana reduces Rate in January 2024; MPR drops to 29.00%

The Monetary Policy Committee (“MPC” or “the Committee”) of the Bank of Ghana (BoG) fell the benchmark policy rate to 29.0% at the January 2024 MPC meeting.

The MPC's decision to reduce the policy rate is on the back of sustained easing of inflationary pressures for the greater part of 2023, with headline inflation falling cumulatively by 30 percentage points over the course of last year. This was largely driven by monetary policy tightening, relatively stable exchange rate, and declining international crude oil prices which have allowed ex-pump petroleum prices to be adjusted downwards.

Also, forex inflows from the IMF-ECF disbursements, receipt of the cocoa syndicated loan and expected funding from the World Bank's Development Policy Operations are expected to improve foreign exchange inflows. This will in turn strengthen The Bank's forex interventions to keep inflation tamed as well as maintain relative exchange rate stability.

Private Sector credit growth slowed to 10.7 percent in December 2023 from 31.8 percent in December 2022 due to the tight monetary stance and increased risk aversion of bank as a result of rising credit risks.



The next MPC meeting is scheduled for March 20th – 22nd, 2024. The meeting will conclude on Monday, March 25, 2024 with the announcement of the policy decision.

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