



Thursday, 24<sup>th</sup> February 2022

## **Governments should prepare to restructure, liquidate badly scarred firms - IMF**

Governments across the world should beef up their insolvency systems and prepare to restructure or liquidate badly scarred firms as they withdraw massive support provided during the height of the COVID-19 crisis, the IMF said. ([www.reuters.com](http://www.reuters.com) 23/02/22)

## **Half of fintech benchmarks respondents use AI/ML tools**

Artificial intelligence (AI) and machine learning (ML) used by central banks has the potential to transform internal processes, as well as help fulfil regulatory and supervisory mandates, by moving beyond traditional model constraints. Half of central banks participating in the Fintech Benchmarks 2022 said they use AI/ML tools. Of the 29 central banks that answered this question, respondents were weighted towards central banks from higher income countries.

([www.centralbanking.com](http://www.centralbanking.com) 23/02/22)

## **ECB has space to gradually normalize policy**

The European Central Bank should start to gradually normalize monetary policy given building inflationary pressures, Slovenian Central Bank Chief Bostjan Vasle said in a magazine article. ([www.reuters.com](http://www.reuters.com) 23/02/22)

## **EU ready to impose export controls if Russia enters more Ukrainian territory**

The European Union will be ready to launch a second package of sanctions against Russia, including export controls, if Russian troops move beyond the Ukrainian regions held by Russian-backed separatists, European Commission Executive Vice President told Reuters. ([www.reuters.com](http://www.reuters.com) 23/02/22)

## **US announces initial financial sanctions on Russia**

The US Federal government announced sanctions on Russia's financial sector, including a ban on secondary market transactions in the country's sovereign debt, on Feb; 22. Russian President Vladimir Putin ordered Russian troops into eastern Ukraine on Feb; 21, and has hinted that he may attempt to invade the entire country. In response, US President Joe Biden outlined what he called "a first tranche of sanctions to impose costs on Russia". ([www.centralbanking.com](http://www.centralbanking.com) 23/02/22)

## **Fed officials debate risks of a 'hot economy'**

Senior Federal Reserve officials past and present debated the benefits and potential costs of running the US economy hot during an event on Feb; 18. Anil Kashyap, an Economics Professor at the University of Chicago, told the US Monetary Policy Forum that the chance of a reversal in credit conditions is high right now. ([www.centralbanking.com](http://www.centralbanking.com) 23/02/22)

## **IMF urges Bank of England to be clear about stimulus plans**

The International Monetary Fund told the Bank of England on Wednesday to be clear about its plans to withdraw stimulus for Britain's economy, following criticism of the central bank's communications in recent months. ([www.reuters.com](http://www.reuters.com) 23/02/22)

## **BoE's Bailey sees clear risk of inflation sticking at high level**

Bank of England Governor, Andrew Bailey said on Wednesday a risk "very clearly" existed that inflation, which is running at a 30-year high, gets embedded in Britain's economy if a cycle of higher prices keeps pushing up wages. ([www.reuters.com](http://www.reuters.com) 23/02/22)

### **EXCHANGE RATES OF SELECTED CURRENCIES**

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3567	(1.3556)	1.3568	(1.3557)
+USD/EUR	1.1325	(1.1334)	1.1326	(1.1334)
*GHS/USD	6.4470	(6.4193)	6.4534	(6.4257)
*GHS/GBP	8.7466	(8.7020)	8.7560	(8.7113)
*GHS/EUR	7.3016	(7.2820)	7.3082	(7.2892)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 24/02/22 (Rates for 23/02/22 in brackets)

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### **China's central bank conducts ¥200bn of reverse repos**

China's central bank conducted ¥200bn (about \$31.6bn) of reverse repos to maintain liquidity in the banking system. The interest rate for the 7-day reverse repos was set at 2.1%. ([www.xinhuanet.com](http://www.xinhuanet.com) 24/02/22)

### **Russian central bank to start FX intervention as rouble skids to record low**

The Russian central bank will start intervention on the currency market, it said on Thursday, as the rouble crashed to an all-time low after President Vladimir Putin authorised what he called a special military operation in Ukraine. ([www.reuters.com](http://www.reuters.com) 24/02/22)

### **Rouble weakens as investors take stock of new Western sanctions on Russia**

The Russian rouble weakened, reversing gains made the previous day and heading back towards 80 to the dollar as investors took stock of Western sanctions imposed on Russia for ordering troops into eastern Ukraine. ([www.reuters.com](http://www.reuters.com) 23/02/22)

### **Turkish lira weakens 2.6% to two-month low over Ukraine tensions**

The Turkish lira weakened as much as 2.6% against the dollar to a two-month low, as Russian forces fired missiles at several Ukrainian cities. ([www.reuters.com](http://www.reuters.com) 24/02/22)

### **Thai fiscal, monetary policy to help ensure full recovery in 2024**

Thailand's fiscal and monetary policy are still operating together to achieve 4% economic growth this year and ensure a full economic recovery, its Finance Minister said. ([www.reuters.com](http://www.reuters.com) 24/02/22)

### **Bank of Korea maintains key rate as expected**

South Korea's central bank maintained its key interest rate after two back-to-back rate hikes, amid rising geopolitical risks and surging coronavirus infections. The MPC of the Bank of Korea decided to leave its base rate unchanged at 1.25%, as expected. ([www.rtnnews.com](http://www.rtnnews.com) 24/02/22)

### **European shares likely to see gap-down opening**

European stocks are seen opening sharply lower on Thursday after Russian President Vladimir Putin officially announced a military operation in Ukraine in a televised address early Thursday in Moscow. The S&P 500 shed 1.8% and the tech-heavy Nasdaq Composite index fell as much as 2.6% to reach their lowest closing levels in eight and nine months, respectively, while the Dow dropped 1.4% to hit a nearly eleven-month closing low. ([www.rtnnews.com](http://www.rtnnews.com) 24/02/22)

### **Oil futures settle modestly higher**

Crude oil futures settled modestly higher, with investors weighing the impact of the Russia-Ukraine crisis on oil supplies, the likelihood of Iranian crude to the market, and the latest data on US crude inventories. West Texas Intermediate Crude oil futures ended higher by \$0.19 or about 0.2% at \$92.10 a barrel. ([www.rtnnews.com](http://www.rtnnews.com) 23/02/22)

### **Africa: Market reforms to trigger increased investment flows to continent**

A study by the Standard Bank Group, has revealed that 53% of global investors believe reforms in the continent's markets will trigger increased investment inflows to the continent. Per the study, investors mainly want reforms undertaken in the continent's capital markets particularly in the areas of pension funds, mutual funds and hedge funds management as well as private equity and venture capital. ([www.norvanreports.com](http://www.norvanreports.com) 23/02/22)

### **SA's medium-term economic forecast remains sluggish and uneven**

S. Africa's economic growth could potentially weather the Covid-19 storm and recover back to pre-pandemic levels this year, but medium-term forecasts remain sluggish below levels required to spark a jobs and investment renaissance. Finance Minister Enoch Godongwana yesterday warned that the pace of economic recovery could slow, as risks beyond anyone's control threaten to topple the current rebound. ([www.iol.co.za](http://www.iol.co.za) 24/02/22)

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