



Wednesday 18th January 2023

‘Geo-economic fragmentation’ could cut GDP by 12%, says IMF

The International Monetary Fund laid out the dangers of “geo-economic fragmentation” on Jan. 15, warning that “the deeper the fragmentation, the deeper the costs”. “We are facing the specter of a new Cold War that could see the world fragment into rival economic blocs,” IMF managing director Kristalina Georgieva has said. The IMF estimates global GDP could suffer losses ranging between 0.2% and 7%. (www.centralbanking.com 17/01/23)

US consumers in 'good shape' as wages grow: BofA CEO

U.S. consumers are still in "pretty good shape" and their wages are growing even as the Federal Reserve continues to withdraw excess liquidity from the system, Bank of America (BAC.N) Chief Executive Officer Brian Moynihan said on the sidelines of the World Economic Forum's annual meeting at Davos. (www.reuters.com 17/01/23)

China's FDI inflow up 6.3% in 2022

Foreign direct investment (FDI) in the Chinese mainland, in actual use, expanded 6.3% year on year to ¥1.23tr in 2022, the Ministry of Commerce said Wednesday. In U.S. dollar terms, the FDI inflow went up 8% year on year to \$189.13bn. The manufacturing industry saw FDI inflow increase by 46.1% year on year to ¥323.7bn in 2022. (www.xinhuanet.com 18/01/23)

PBoC adds liquidity via reverse repos

China's central bank continued to inject funds into the financial system through open market operations on Wednesday. The People's Bank of China said on its website that it has conducted ¥133bn (about \$19.67bn) of seven-day reverse repos at an interest rate of 2%, and ¥447bn of 14-day reverse repos at an interest rate of 2.15%. (www.xinhuanet.com 18/01/23)

UK jobless rate stable at 3.7%

The UK unemployment rate remained unchanged in three months to Nov. and wage pressures intensified, data from the Office for National Statistics revealed Tuesday. The ILO jobless rate held steady at 3.7% in three months to Nov. as expected. Average earnings including bonuses grew 6.4% annually in three months to Nov. faster than economists' forecast of 6.2%. Economists had forecast an increase of 6.3%. (www.rttnews.com 17/01/23)

BoE governor warns of Truss hangover effect

There is still a "hangover effect" from the financial instability seen during the prime ministership of Liz Truss, the Bank of England governor has said. Andrew Bailey told MPs that the cost of government borrowing, which soared after the mini-budget, had normalised. But he said international investors were still wary about lending money to the UK government. (www.bbc.com 17/01/23)

German economy minister: recession threatening Europe manageable

Germany's economy minister said that easing gas prices give hope that a recession threatening Europe, and Germany, can be managed and even reduced, and underscored the need to establish more critical infrastructure to create a more resilient economy. (www.reuters.com 17/01/23)

BOJ defies market bets for policy tweaks, sending yen tumbling

The Bank of Japan has maintained ultra-low interest rates, including a bond yield cap it was struggling to defend, defying market expectations it would phase out its massive stimulus programme in the wake of rising inflationary pressure. The surprise decision sent the yen skidding against other currencies. (www.reuters.com 18/01/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2280	(1.2198)	1.2282	(1.2200)
+USD/EUR	1.0836	(1.0820)	1.0837	(1.0821)
*GHS/USD	10.3410	(10.3305)	10.3514	(10.3409)
*GHS/GBP	12.6988	(12.6012)	12.7136	(12.6159)
*GHS/EUR	11.2051	(11.1782)	11.2162	(11.1892)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 18/01/23 (Rates for 17/01/23 in brackets)

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Italy inflation eases slightly to 11.6% as estimated

Italy's consumer price inflation eased slightly as initially estimated in Dec. from a more than thirty-eight year high in Nov. primarily due to a moderation in energy prices, data from the statistical office shows. The CPI climbed 11.6% year-over-year in Dec. following an 11.8% rise in Nov. which was the strongest inflation rate since March 1984. (www.rttnews.com 17/01/23)

Canada annual inflation rate falls to 6.3% in December on gasoline

Canada's annual inflation rate eased to 6.3% in Dec. slightly lower than expected, mainly due to slower yearly growth in gas prices, Statistics Canada has said. Analysts had expected the headline inflation number to fall to 6.4% from 6.8% in Nov. Month-over-month, inflation was down 0.6%. (www.reuters.com 17/01/23)

Turkey's inflation seen at 42.5% in 2023, GDP growth at 3%

Turkey's inflation is expected to fall to 42.5% this year, much higher than an official forecast, while GDP growth is seen far below the official forecast at 3%, a Reuters poll shows. The results cast doubt on President Tayyip Erdogan's programme of slashing interest rates to support economic growth. (www.reuters.com 17/01/23)

Malaysia trade surplus shrinks as export growth slows to 6%

Malaysia's trade surplus increased in Dec. as export growth eased sharply, data from the statistical office showed on Wednesday. The trade surplus dropped to MYR 27.76bn in Dec. from MYR 31.48bn in the same month last year. (www.rttnews.com 18/01/23)

Netherlands export growth slows in Nov

Dutch export growth eased in Nov. while imports declined, the statistical office CBS has said. Exports rose 4.8% year-on-year in Nov. after a 9.2% growth in Oct. The volume of imports also dropped 0.9% in Nov. after a 7.8% growth in the preceding month. (www.rttnews.com 17/01/23)

Oil prices surge around 1% on optimism over China's recovery

Oil prices extended early gains to rise around 1% on Wednesday, on optimism that the lifting of China's strict COVID-19 curbs will lead to a recovery in fuel demand in the world's top oil importer. Brent crude futures climbed 76 cents, or 0.88%, to \$86.68 a barrel by 0721 GMT, following a 1.7% rally in the previous session. (www.reuters.com 18/01/23)

Gold futures settle lower as dollar advances

Gold prices drifted lower on Tuesday as the dollar recovered after a mid morning setback. Weak GDP data from China contributed to the drop-in demand for the yellow metal. The dollar index, which dropped to 101.94 after staying firm in the Asian session, climbed to 102.51 a little past noon, and was last seen at 102.43, up 0.22% from the previous close. (www.rttnews.com 17/01/23)

Tunisia sees sharp rise in tourism revenues: ministry statement

Tunisia's tourism revenues grew by 110.4% during the first 10 days of 2023, compared to the same period last year, said the Tunisian Ministry of Tourism and Handicrafts. "In the first 10 days of this year, the number of tourists visiting Tunisia is up 147.9% compared to the same period in 2022," said a ministry statement. (www.xinhuanet.com 18/01/23)

Zimbabwe's gold coin price surges 10%

The price of Zimbabwe's biggest denomination of the gold coin, launched in July last year, has risen 10.36% to 2,012.85 US dollars, according to trading data released by the Reserve Bank of Zimbabwe, the country's central bank, Tuesday. Zimbabwe's central bank launched the gold coins as a store of value, and in Nov. last year. (www.xinhuanet.com 18/01/23)

BoG Governor expresses confidence in stability of cedi amid recent fluctuations

The governor of the Bank of Ghana, Dr. Ernest Addison, has expressed confidence that the country's currency, the cedi, will remain stable despite recent fluctuations. The cedi has been on a steady rise against the US dollar in recent weeks. (www.norvanreports.com 17/01/23)

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