

Tuesday 31st January 2023**Central banks prepare to lift interest rates to 15-year highs as investor jitters grow**

The world's leading central banks are poised to raise interest rates this week to their highest levels since the financial crisis, stoking anxiety among some investors that this month's record bond market rally underestimates the growing evidence of persistent inflation. Bond prices have rapidly rebounded since the start of the year from last year's historic sell-off. (www.ft.com 30/01/23)

EU to relax curbs on tax credits in response to US green subsidies

The EU is planning to hit back at the US's \$369bn Inflation Reduction Act with looser state aid rules on tax credits for green investment. Under a draft plan seen by the Financial Times, the European Commission will further loosen the rules to support investment into new production facilities in green sectors, including via the creation of tax benefits. (www.ft.com 30/01/23)

IMF projects China's economic growth to reach 5.2% in 2023

The International Monetary Fund (IMF) on Monday projected China's economy will grow by 5.2% in 2023, 0.8 percentage points higher than October 2022 forecast. "Growth is expected to pick up in China with the full reopening in 2023," the IMF said in the newly released update to its World Economic Outlook report. (www.xinhuanet.com 30/01/23)

China's services trade up 12.9% in 2022

China's services trade value grew 12.9% year on year in 2022, the Ministry of Commerce has said. The total trade value stood at ¥5.98tr (about \$884.29bn), according to the data. Exports of services expanded 12.1% year on year to around ¥2.85tr in the period, while imported services totaled ¥3.13tr, up 13.5% from a year ago. (www.xinhuanet.com 30/01/23)

IMF forecasts UK recession despite other leading economies growing

Britain is the only leading economy likely to slide into recession this year, the IMF has said, predicting that UK household spending would falter under the weight of high energy prices, rising mortgage costs and increased taxes. The fund upgraded its forecasts for most leading economies and said the global outlook had brightened. (www.ft.com 30/01/23)

France GDP growth slows to 0.1% on weaker consumption

French economic expansion slowed in the fourth quarter of 2022, in line with economists' expectations, on the back of a slump in domestic demand that was led by a steep fall in household consumption and weaker investments. Gross domestic product (GDP, grew 0.1% quarter-on-quarter following a 0.2% increase in the third quarter. This was in line with the Bank of France forecast. (www.rttnews.com 31/01/23)

Japan jobless rate holds steady at 2.5% in December

The unemployment rate in Japan came in at a seasonally adjusted 2.5% in Dec. the Ministry of Internal Affairs and Communication said on Tuesday. That was in line with forecasts and unchanged from the November reading. The participation rate was 62.3%, missing forecasts for 62.4%, which would have been unchanged. (www.rttnews.com 30/01/23)

Australia private sector credit up 0.3% in Dec

Private sector credit in Australia was up 0.3% on month in Dec. the Bank of Australia has said shy of expectations for 0.5% which would have been same. On a yearly basis, private sector credit climbed 8.3%. Individually, housing credit rose 0.3% on month and 6.5% on year. (www.rttnews.com 30/01/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2373	(1.2385)	1.2374	(1.2387)
+USD/EUR	1.0886	(1.0869)	1.0887	(1.0870)
*GHS/USD	10.7945	(10.7946)	10.8053	(10.8054)
*GHS/GBP	13.3560	(13.3691)	13.3705	(13.3846)
*GHS/EUR	11.7519	(11.7324)	11.7636	(11.7450)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 31/01/23 (Rates for 30/01/23 in brackets)

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IMF projects growth rate of 6.1% for India
The International Monetary Fund (IMF) projected a growth rate of 6.1% for the Indian economy during the next financial year from April 2023 to March 2024, and 6.8% in the subsequent financial year. It indicated that a resilient domestic demand in India will help in maintaining such growth rates in the country during the next two financial years. (www.xinhuanet.com 31/01/23)

Taiwan exports orders fall 23.2%
Taiwan's export orders declined at a slower-than-expected rate at the end of the year, the Ministry of Economic Affairs has said. Export orders fell sharply by 23.2% year-on-year in Dec. Economists had expected a decline of 25.4%. Bookings for optical, photographic, cinematographic apparatus decreased 40.9% annually in Nov. (www.rttnews.com 31/01/23)

Philippines PPI slows to 5.1%
The Philippines' producer price inflation eased to the lowest in ten months and prices grew in 2022 after a fall in the previous year, from the Philippine Statistics Authority has said. The producer price index increased 5.1% year-on-year in Dec following a 6.2% growth in Nov. This was the lowest rate since Feb. when it was 4.3%. (www.rttnews.com 31/01/23)

Dutch retail sales rise 11%
The Netherlands' retail sales rose at the fastest pace in eight months in Dec. data published by the Central Bureau of Statistics has said. Retail turnover adjusted for shopping days grew 11.0% yearly in Dec. following a 5.9% rise in Nov. The latest annual growth was the biggest since April, when sales rose 8.3%. (www.rttnews.com 31/01/23)

Swiss retail sales fall most in 8 months
Switzerland's retail sales decreased for a third month in row in Dec. and at the fastest pace since April, despite Christmas holidays as households cut back on spending amid high inflation, the Fed Statistical Office has said. Total retail sales decreased 2.8% year-on-year following a revised 1.4% slump in Nov. Economists had expected the pace of decline to moderate to 0.7%. (www.rttnews.com 31/01/23)

Oil slips on rate hike worries, Russian export flows
Oil prices fell on Tuesday as the threat of further interest rate increases and ample Russian crude flows outweighed demand recovery expectations from China. March Brent crude futures declined 25 cents to \$84.65 per barrel by 0715 GMT. The March contract expires on Tuesday and the more heavily traded April contract fell by 38 cents, or 0.45%, to \$84.12. (www.reuters.com 31/01/23)

AfDB approves \$50m and €50m to develop agricultural value chains, improve food security
A \$50m and €50m dual-currency trade finance line of credit for the ECOWAS Bank for Investment and Development (EBID) has been approved by the Board of Directors of the African Development Bank Group. The People's Bank of China (PBOC) will provide an extra \$30m in co-financing for the credit line via the Africa Growing Together Fund (AGTF). (www.myjoyonline.com 30/01/23)

IMF and Cameroon reach \$74.6 mln staff-level agreement - statement
The International Monetary Fund and Cameroon have reached a staff-level agreement that will give the country access to around \$74.6m once the Board formally completes the review, the IMF said in a statement on Monday. (www.reuters.com 30/01/23)

Kenya central bank holds its benchmark lending rate at 8.75%
Kenya's central bank held its benchmark lending rate steady at 8.75% on Monday, its monetary policy committee said, saying its last hike in Nov. was still working its way through the economy. (www.reuters.com 30/01/23)

Ethiopia's economy to grow 7.5% in current fiscal year: minister
Ethiopia's economy will grow 7.5% during the current 2022/2023 Ethiopian fiscal year that started July 8, state-run Ethiopian News Agency (ENA) reported Monday, quoting the Minister of Planning and Development Fitsum Assefa. (www.xinhuanet.com 31/01/23)

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