



Wednesday 1<sup>st</sup> February 2023

## IMF says Global economy may be at a 'turning point'

The International Monetary Fund made a cautious improvement to its global growth outlook suggesting the world may be nearing a "turning point", even as major risks remain. The fund upped its 2023 global growth forecast by 0.2 percentage points relative to the Oct. projection. It now expects growth to expand by 2.9%, down from an estimated 3.4% in 2022. ([www.centralbanking.com](http://www.centralbanking.com) 31/01/23)

## Eurozone economy unexpectedly grows in Q4 but weak 2023 looms

The Eurozone eked out growth in the final three months of 2022, managing to avoid a recession even as sky-high energy costs, waning confidence and rising interest rates took a toll on the economy that is likely to persist into this year. GDP across the bloc expanded by a tiny 0.1% in the fourth quarter. ([www.reuters.com](http://www.reuters.com) 31/01/23)

## US consumer confidence ebbs in January

US consumer confidence unexpectedly fell in Jan. as households continued to worry about the economy's prospects over the next six months, a survey shows. The Conference Board said its consumer confidence index slipped to 107.1 this month from 109.0 in Dec. Economists forecast the index at 109.0. ([www.reuters.com](http://www.reuters.com) 31/01/23)

## Fed poised to move down to quarter-point rate rise as inflation eases

The Fed is set to lift its benchmark rate by a quarter of a percentage point on Wednesday, marking a shift down to a more traditional pace of monetary tightening amid easing inflation. At the end of its first two-day gathering of the year, the Fed Open Market Committee is expected to raise the fed funds rate to a new target range of between 4.5 % and 4.75%. ([www.ft.com](http://www.ft.com) 01/02/23)

## China's central bank continues to add 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 ¥155bn (about \$22.97bn) of seven-day reverse repos at an interest rate of 2%. The move is aimed at keeping liquidity reasonable and ample in the banking system, according to the central bank. ([www.xinhuanet.com](http://www.xinhuanet.com) 01/02/23)

## UK mortgage approvals at 31-month low

UK mortgage approvals declined to the lowest level in more than two years in Dec. as the cost of living crisis and the rising interest rate took its toll on the property market. The number of mortgages approved for house purchases fell to 35,600 in Dec. from 46,200 in Nov. data from the Bank of England revealed Tuesday. ([www.rtnnews.com](http://www.rtnnews.com) 31/01/23)

## German unemployment steady at 5.5%

Germany's unemployment rate remained unchanged at a low level at the start of the year despite the economy showing signs of a recession. The rate held steady at 5.5% in Jan. the Fed Labor Agency reported. The rate also matched economists' expectations. The number of people out of work decreased unexpectedly by 22,000 in Jan after a drop of 13,000 in Dec. ([www.rtnnews.com](http://www.rtnnews.com) 31/01/23)

## France inflation accelerates to 6.0%

Inflationary pressures in the French economy continued unabated at the start of the year as consumer price inflation and the EU harmonized rate accelerated in Jan. and producer price growth remained strong, even as the economy narrowly escaped a recession in the fourth quarter, The CPI rose 6.0% year-on-year following a 5.9% rise in Dec. figures from the statistical office INSEE showed. ([www.rtnnews.com](http://www.rtnnews.com) 31/01/23)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2302	(1.2373)	1.2303	(1.2374)
+USD/EUR	1.0857	(1.0886)	1.0858	(1.0887)
*GHS/USD	10.7943	(10.7945)	10.8051	(10.8053)
*GHS/GBP	13.2791	(13.3560)	13.2935	(13.3705)
*GHS/EUR	11.7203	(11.7519)	11.7320	(11.7636)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 01/02/23 (Rates for 31/01/23 in brackets)

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### **Italy's first GDP contraction in nearly 2 years sparks recession worries**

Italian economy shrank marginally in the fourth quarter of 2022 after expanding in the previous seven quarters, led by weaker domestic demand and lackluster industrial and farm sector performance, preliminary data from the statistical office Istat showed on Tuesday, triggering fears of a mild recession. ([www.rttnews.com](http://www.rttnews.com) 31/01/23)

### **Norway's \$1.3tn oil fund bounces back after worst year since 2008**

Norway's \$1.3tn oil fund has staged a recovery in the first month of 2023 after its worst year since the global financial crisis, underscoring the strong rally in global markets in the opening month of 2023. The world's biggest sovereign wealth fund has gained 5% so far in 2023. ([www.ft.com](http://www.ft.com) 31/01/23)

### **Brazil's financial market raises 2023 inflation forecast to 5.74%**

Brazil's financial market raised the inflation forecast for the end of 2023 from 5.48 percent to 5.74%, and for 2024, from 3.84% to 3.90%, the Central Bank of Brazil said. Central bank officials have set target inflation at 3.25% for 2023 and at 3% for next year. ([www.xinhuanet.com](http://www.xinhuanet.com) 31/01/23)

### **Portugal GDP growth eases on lower domestic demand**

Portugal's economic growth moderated for the third straight quarter in the three months ended Dec. amid a deceleration in the growth of domestic demand due to a decrease in private consumption and investment, GDP advanced 3.1% year-on-year in the Dec. quarter, slower than the Sept. quarter's increase of 4.9%. ([www.rttnews.com](http://www.rttnews.com) 31/01/23)

### **NZ Q4 jobless rate edges up to 3.4%, just above historic lows**

New Zealand's jobless rate held just above historic lows and wage inflation hit a three-decade high but there are signs that the labour market is easing, adding to expectations that the central bank will pull back on the size of its interest rate hike this month. ([www.reuters.com](http://www.reuters.com) 01/02/23)

### **US crude oil inventories up: API**

The American Petroleum Institute (API) on Tuesday reported an increase of 6.33m barrels of crude oil in US inventories for the week ending Jan. 27. Analysts had expected a drop of 1m barrels for this week. The API reported a surge of 3.378m barrels in the previous week. Oil prices ended mixed on Tuesday as traders awaited a key policy decision from the Fed and latest data on US fuel stockpiles. ([www.xinhuanet.com](http://www.xinhuanet.com) 01/03/23)

### **SA posts R5.43bn rand trade surplus in Dec**

South Africa recorded a trade surplus of R5.43bn (\$311.39m) in Dec. down from a revised surplus of R7.30bn in Nov. revenue service figures showed on Tuesday. Exports fell 5.1% month on month to R163.27bn in Dec. while imports were down 4.2% at R157.83bn, the South African Revenue Service said. ([www.reuters.com](http://www.reuters.com) 31/01/23)

### **Kenya's inflation slows further to 9.0% yr/yr in January**

Kenya's inflation (KECPI=ECI) slowed to 9.0% year-on-year in January from 9.1% a month earlier, the statistics office said. It is the third straight month that Kenya's inflation has fallen. ([www.reuters.com](http://www.reuters.com) 30/01/23)

### **Multilateral financial institutions, commercial creditors keys to ease Zambia's debt burden: Chinese spokesperson**

The key to easing Zambia's debt burden lies in the participation of multilateral financial institutions and commercial creditors in the debt relief efforts, a Chinese Foreign Ministry spokesperson has said. Spokesperson Mao Ning said at a daily press briefing in response to a query regarding Zambia's debt restructuring. ([www.xinhuanet.com](http://www.xinhuanet.com) 31/01/23)

### **Nigeria's lower house approves extra \$2.2bn central bank loans to government**

Nigeria's lower house of parliament has approved President Muhammadu Buhari's request to borrow an extra \$2.2bn in temporary advances from the country's central bank to help plug gaps in last year's budget, lawmakers said on Tuesday. ([www.reuters.com](http://www.reuters.com) 31/01/23)

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