



Friday 3<sup>rd</sup> February 2023

### Central banks hike rates again, but a pause is coming

Major central banks are steadily moving closer to a pause in their aggressive interest rate hiking campaigns. The US Federal Reserve has just implemented its smallest rise of its tightening cycle so far. The European Central Bank and the Bank of England raised rates on Thursday, but markets suspect a peak is nearing. ([www.reuters.com](http://www.reuters.com) 02/02/23)

### US weekly jobless claims fall; layoffs surge in January

The number of Americans filing new claims for unemployment benefits unexpectedly fell last week as the labor market remained resilient despite higher borrowing costs and mounting fears of a recession. Initial claims for state unemployment benefits dropped 3,000 to a seasonally adjusted 183,000 for the week ended Jan. 28, the Labor Department said. ([www.reuters.com](http://www.reuters.com) 02/02/23)

### China service sector recovers in January

China's service sector expanded for the first time in five months at the start of the year with the rollback of pandemic related restrictions, survey results from S&P Global has shown. The Caixin services Purchasing Managers' Index (PMI) climbed to 52.9 in Jan. from 48.0 in Dec. The score exceeded the neutral 50.0 mark for the first time since Aug. ([www.rttnews.com](http://www.rttnews.com) 03/02/23)

### Hong Kong central bank raises base rate by 25 bps

The Hong Kong Monetary Authority tightened its monetary policy, in tandem with the decision of the US Fed. The HKMA adjusted the Base Rate upwards to 5.00 % from 4.75 % with immediate effect. The Federal Reserve had raised the target range for the federal funds rate by 25 basis points to 4.50 to 4.75% ([www.rttnews.com](http://www.rttnews.com) 02/02/23)

### German exports fall sharply in weak global demand

Germany's exports declined sharply in Dec. taking the trade surplus down as the global demand remained weak amid inflation concerns and recession worries. Exports registered a monthly decline of 6.3% in Dec. reversing a 0.1% rise a month ago. Shipments were forecast to fall moderately by 3.3%. At the same time, the decline in imports deepened to 6.1% from 3.2%. ([www.rttnews.com](http://www.rttnews.com) 02/02/23)

### Deutsche Bank delays buyback decision as annual profits hit 15-year high

Deutsche Bank pushed back a decision on new share buybacks this year and missed analyst expectations in the fourth quarter despite reporting bumper results for 2022. In 2022, Deutsche's net profit more than doubled to €5.7bn, exceeding analyst expectations by more than €1bn and setting a 15-year record. ([www.ft.com](http://www.ft.com) 02/02/23)

### Spain unemployment lowest in 15 years

Spain reported a sharp growth in the number of jobless in Jan. reflecting the usual trend of rising unemployment at the start of the year, but the overall total of those without jobs was the lowest for the month since 2008. The number of registered unemployed increased by 70,744 persons from Dec. the labor ministry has said. ([www.rttnews.com](http://www.rttnews.com) 02/02/23)

### Saudi Arabia appoints new governor

Ayman Alsayari was appointed governor of Saudi Arabia's central bank on Feb. 2. He was previously vice-governor for investment and research at the Saudi Central Bank. Before his most recent post, to which he was appointed in July 2022, Alsayari was deputy governor for investment from 2013, and a vice-governor from 2019. He has an MBA from George Washington University in the US. ([www.centralbanking.com](http://www.centralbanking.com) 02/02/23)

#### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2263	(1.2306)	1.2264	(1.2307)
+USD/EUR	1.0920	(1.0914)	1.0921	(1.0915)
*GHS/USD	10.7938	(10.7941)	10.8046	(10.8049)
*GHS/GBP	13.2364	(13.2832)	13.2508	(13.2976)
*GHS/EUR	11.7877	(11.7811)	11.7984	(11.7928)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 03/02/23 (Rates for 02/02/23 in brackets)

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### **Russia service sector dip softens in Jan**

Russia's service sector deterioration eased at the end of the year, as both output and new orders fell only marginally despite the weaker demand conditions in domestic and foreign markets, survey results from S&P Global showed on Friday. The Services Purchasing Managers' Index, or PMI, rose to 48.7 in Jan. from 45.9 in the previous month. ([www.rttnews.com](http://www.rttnews.com) 03/02/23)

### **Turkish CPI slows to 57.68%**

Turkey's consumer price inflation eased for a third month in a row in Jan. but remained strong, the statistical office Turkstat has said. The consumer price index, or CPI, rose 57.68% year-on-year following a 64.27% increase in Dec. Economists had forecast 53.5% inflation. ([www.rttnews.com](http://www.rttnews.com) 03/02/23)

### **HK's private sector expands in Jan - S&P Global**

The private sector in Hong Kong moved back into expansion territory in January, the latest survey from S&P Global showed on Friday with a PMI score of 51.2. That's up from 49.6 in Dec. and it moves above the boom-or-bust line of 50 that separates expansion from contraction. ([www.rttnews.com](http://www.rttnews.com) 03/02/23)

### **Uruguay's exports up 2% in January**

Uruguay's exports registered a year-on-year increase of 2% in Jan. totaling \$852m, including free-trade zones, the country's export promotion agency Uruguay XXI said. The "slight increase" was credited to "the growth in exports of cellulose, dairy products, rice and other foods, as well as the sustained decline in beef exports," the agency said. ([www.xinhuanet.com](http://www.xinhuanet.com) 02/02/23)

### **Brazil continues to hold rates despite president's objections**

The Central Bank of Brazil's (BCB) board held its policy rate at 13.75% for the fourth consecutive meeting on Feb 1. The board voted unanimously to keep rates unchanged despite complaints from Brazil's president that its policies are too contractionary. The bank raised the benchmark Selic rate from 2% in early 2021 to the rate over 18 months. ([www.centralbanking.com](http://www.centralbanking.com) 02/02/23)

### **Oil weakens as market awaits signs of China demand recovery**

Oil prices eased on Friday, with major benchmarks headed for their second straight week of losses, as the market awaited further signs of fuel demand recovery in China to offset looming slumps in other major economies. Brent crude futures fell 34 cents, or 0.4%, to \$81.83 a barrel by 0740 GMT. ([www.reuters.com](http://www.reuters.com) 03/02/23)

### **Four West African nations get \$311m from WB for renewables**

The World Bank has signed an agreement with four West and Central African nations worth \$311m to fund renewable energy projects. The funds will finance around 106 megawatts (MW) of solar power generation capacity with battery energy and storage systems, and 41 MW expansion of hydroelectric capacity. ([www.reuters.com](http://www.reuters.com) 02/02/23)

### **Nigeria disagrees with 'surprise' Moody's downgrade - finance minister**

Nigeria's finance minister said on Thursday she disagreed with what she called a "surprise" downgrade of the country's credit rating by Moody's, insisting the government was already addressing the agency's concerns. Moody's downgraded Nigeria last week to Caa1 from B3. ([www.reuters.com](http://www.reuters.com) 02/02/23)

### **Zimbabwe cuts policy rate to 150% after inflation falls**

Zimbabwe's central bank has cut its policy rate by 50 percentage points to 150%, it said in a statement on Thursday, driven by a downward trend in inflation since late last year. Monthly inflation fell to 1.1% in Jan. from 2.4% in Dec. while yearly inflation dipped to 229.8% from 243.8%. ([www.reuters.com](http://www.reuters.com) 02/02/23)

### **RBoM keeps policy rate at 18%**

Malawi's central bank has kept its benchmark lending rate at 18%. "The economic outlook has materially improved, after a sharper-than expected slowdown last year, due to the expected recovery in the agricultural sector and an improvement in (the) policy environment," the Reserve Bank of Malawi has said. ([www.reuters.com](http://www.reuters.com) 02/02/23)

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