



Friday, 3<sup>rd</sup> March 2023

### IMF appoints western hemisphere head

The International Monetary Fund has appointed a former Chilean finance minister as head of its western hemisphere department, it announced on Feb 28. Rodrigo Valdés will take office on May 1. Valdés previously worked at the IMF as a deputy director in the same department between 2009 and 2011. He was then deputy director in the European department between 2011 and 2013. ([www.centralbanking.com](http://www.centralbanking.com) 02/03/23)

### Eurozone inflation exceeds expectations at 8.5%

Eurozone inflation fell less than many economists forecast in Feb. fuelling expectations that the European Central Bank will raise interest rates significantly higher this year. Consumer price growth for the region dipped slightly to 8.5% in the year to Feb. from 8.6% in Jan. the EU statistics agency said on Thursday. ([www.ft.com](http://www.ft.com) 02/03/23)

### ECB's Wunsch sees 4% rates possible if inflation stays high

European Central Bank Governing Council member Pierre Wunsch said market bets for interest rates to reach a 4% peak may prove accurate if underlying price pressures remain elevated. How far borrowing costs must rise “depends very much on the evolution of core inflation,” the Belgian central bank chief said. ([www.bloomberg.com](http://www.bloomberg.com) 03/03/23)

### Lagarde says ECB rate hikes may need to continue past March

European Central Bank President Christine Lagarde said interest-rate increases may need to persist beyond a planned half-point move in two weeks' time. “At this point in time, it's possible that we continue on that path,” Lagarde said in television show Espejo Publico. ([www.bloomberg.com](http://www.bloomberg.com) 02/03/23)

### US jobless claims unexpectedly edge down to 190,000

A report released by the Labor Department on Thursday unexpectedly showed a modest decrease in first-time claims for US unemployment benefits in the week ended Feb 25th. It said initial jobless claims edged down to 190,000, a decrease of 2,000 from the previous week's unrevised level of 192,000. Economists had expected jobless claims to inch up to 195,000. ([www.rttnews.com](http://www.rttnews.com) 02/03/23)

### China service sector gains strength in Feb

China's service sector activity gained strength in Feb. with strong support from new business and employment after the easing of pandemic-related restrictions, S&P Global has said. The Caixin services Purchasing Managers' Index picked up to 55.0 in Feb. from 52.9 in Jan. The reading was slightly above economists' forecast of 54.7 and the threshold 50.0. ([www.rttnews.com](http://www.rttnews.com) 03/03/23)

### BoE's Huw Pill says UK economy is stronger than forecast

Bank of England Chief Economist Huw Pill said the UK economy has proved “slightly stronger than expected” over the past month and wage growth stickier than thought. Pill's comments suggest he may be concerned that stronger demand than projected in the BOE's Feb. forecast will keep inflation high. ([www.bloomberg.com](http://www.bloomberg.com) 02/03/23)

### German Finance Chief faces €12bn shortfall in 2024 budget

German Finance Minister Christian Lindner is faced with a shortfall of €12bn (\$12.7bn) in his budget for next year, raising the prospect of a fight within the three-party ruling coalition over the allocation of funds. Lindner, who heads the business-friendly Free Democrats and portrays himself as a guardian of stable

#### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.1935	(1.1992)	1.1936	(1.1994)
+USD/EUR	1.0602	(1.0656)	1.0603	(1.0656)
*GHS/USD	11.0088	(11.0090)	11.0198	(11.0200)
*GHS/GBP	13.1390	(13.2020)	13.1532	(13.2174)
*GHS/EUR	11.6729	(11.7309)	11.6835	(11.7425)

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

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### **Japan services sector accelerates in Feb. - Jibun**

The services sector in Japan continued to expand in Feb. and at a faster pace, survey from Jibun Bank has revealed with a services PMI score of 54.0. That's up from 52.3 in Jan. and it moves further above the boom-or-bust line of 50 that separates expansion from contraction. ([www.rttnews.com](http://www.rttnews.com) 02/03/23)

### **Italy inflation slows to 9.2% on lower energy prices**

Italy's consumer price inflation eased further in Feb. amid a slowdown in energy costs, the statistical office ISTAT has said. The consumer price index rose 9.2% year-on-year in Feb. slower than the 10.0% surge in Jan. Meanwhile, core inflation that excludes prices of energy and unprocessed food climbed to 6.4% from 6.0%. ([www.rttnews.com](http://www.rttnews.com) 02/03/23)

### **RBA outlines retail CBDC pilot projects**

The Reserve Bank of Australia will work with major banks to test a retail central bank digital currency (CBDC), the bank announced this on March 2. The RBA has selected 14 CBDC use cases for live pilot tests over the coming months. It received more than 140 submissions from firms ranging from established banks to fintech companies. ([www.centralbanking.com](http://www.centralbanking.com) 02/03/23)

### **Spain unemployment up marginally in Feb**

Joblessness in Spain increased marginally in Feb. suggesting a stable trend in the labor market, the labor ministry said Thursday. The number of people out of work increased by 2,618, or 0.1%, in Feb. from the previous month. Nonetheless, unemployment totaled 2.91m in Feb. the lowest for the month since 2008. ([www.rttnews.com](http://www.rttnews.com) 02/03/23)

### **Pakistan raises interest rates to 20%, the highest in Asia**

Pakistan's central bank has raised lending rates by 300 basis points to 20%, the highest of any country in Asia, as it struggles to contain rising prices and a deepening financial crisis. The announcement on Thursday came after the rupee fell more than 6% against the US dollar. ([www.ft.com](http://www.ft.com) 02/03/23)

### **Oil set for weekly gain as China demand optimism trumps recession fears**

Oil prices fell on Friday, but were poised for a weekly gain as renewed optimism on China's demand recovery overrode recession worries brought by growing crude inventories in the U.S. and tightening monetary policy in Europe. Brent crude futures dipped 18 cents, or 0.2%, to \$84.57 a barrel at 0739 GMT. ([www.reuters.com](http://www.reuters.com) 03/03/23)

### **SA: Central banks in rich countries can learn from poorer counterparts: Kganyago**

South Africa's central bank governor urged monetary authorities in advanced economies to take a cue from the resolve shown by their emerging-market counterparts as they face political pressure for increasing interest rates to tackle the fastest inflation in a generation. ([www.news24.com](http://www.news24.com) 02/03/23)

### **Morocco issues \$2.5bn bonds on int'l market**

Morocco has issued \$2.5bn in bonds on the international financial market, the official Moroccan news agency MAP reported on Thursday. Moroccan Minister of Economy and Finance Nadia Fettah Alaoui said the bonds were divided into two tranches of \$1.25bn, the first of which was a five-year bond with a rate of 6.22%. ([www.xinhuanet.com](http://www.xinhuanet.com) 02/03/23)

### **South Sudan secures \$114.8m USD from IMF in emergency financing**

The International Monetary Fund (IMF) has approved \$114.8m in emergency financing to support South Sudan, a government official confirmed Thursday. South Sudanese Minister of Finance and Planning Dier Tong Ngor said the disbursement will help the country address food insecurity. ([www.xinhuanet.com](http://www.xinhuanet.com) 02/03/23)

### **Malawi 2023/24 budget deficit seen at 8.7% of GDP - finance minister**

Malawi's budget deficit for the 2023/24 fiscal year is seen at 1.32 trillion kwacha (\$1.30 bn), or 8.7% of GDP, Finance Minister Sosten Gwengwe said in a budget speech to parliament. ([www.reuters.com](http://www.reuters.com) 02/03/23)

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