



Tuesday, 7th March 2023

Roubini fears hard landing amid persistent global inflation

Economist Nouriel Roubini warned that the global economy is at risk of a “hard landing” due to central bank efforts to gain control over persistently high inflation in advanced economies. Central banks will have to raise interest rates much higher than originally expected to bring inflation back down to targets, Roubini said Tuesday at a business summit held by the Australian Financial Review. (www.bloomberg.com 07/03/23)

Eurozone investor confidence slumps on weaker expectations - Sentix

Euro area investor confidence decreased more than expected in March as expectations deteriorated sharply despite receding fears of a recession, survey results from the behavioral research institute Sentix showed Monday. The Sentix economic index dropped to -11.1 from -8.0 in Feb. Economists had forecast a score of -6.3. (www.rttnews.com 06/03/23)

ECB’s top economist says core inflation suggests more rate hiking needed

European Central Bank will probably need to raise borrowing costs again after an increase already penciled in for next week, according to Chief Economist Philip Lane. “The current information on underlying inflation pressures suggests that it will be appropriate to raise rates further beyond our March meeting,” he said in a speech. (www.bloomberg.com 06/03/23)

Global minimum tax could eat up US green subsidies, say companies

The Biden administration’s subsidies for companies investing in green technologies could be grabbed by foreign governments under global minimum tax rules, in a “massive” transfer of US tax dollars overseas, a group of multinationals is warning. (www.ft.com 06/03/23)

Easing supply chain pressures could bring US inflation below 4%

If global supply chain pressures ease, US inflation could fall as low as 3.8% this year, authors with the Fed of New York find. The analysis, published on Feb. 22, also warns a new oil shock could leave US CPI near 6% at the end of the year. Economists find that the New York Fed’s Global Supply Chain Pressure Index (GSCPI) is strongly associated with rises in both consumer and producer prices. (www.centralbanking.com 06/03/23)

China sets modest growth target ahead of leadership reshuffle

China set a relatively modest economic growth target of around 5% for this year, as it prepared to shake up the leadership of its financial system. The goal, announced by outgoing premier Li Keqiang in his last work report to the annual session of the National People’s Congress (NPC), was at the lower end of expectations. (www.centralbanking.com 06/03/23)

German banks accused of short-changing savers with low rates

German banks are exploiting their market power to unfairly cash in on tens of billions of Euros by not passing on higher interest rates to retail depositors, says the head of the continent’s largest retail deposit broker, Raisin. While Eurozone lenders can now earn 2.5% by depositing liquidity overnight at the European Central Bank. (www.ft.com 06/03/23)

Germany to face severe economic losses due to climate change: study

Germany is set to lose up to €900bn (\$960bn) by 2050 due to climate change damages to its economy, according to the Germany’s Ministry for Economic Affairs and Climate Action and the Ministry for the Environment, Nature Conservation, and Consumer Protection. (www.xinhuanet.com 07/03/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.1976	(1.1935)	1.1978	(1.1936)
+USD/EUR	1.0600	(1.0602)	1.0601	(1.0603)
*GHS/USD	11.0083	(11.0088)	11.0193	(11.0198)
*GHS/GBP	13.1835	(13.1390)	13.1989	(13.1532)
*GHS/EUR	11.6699	(11.6729)	11.6815	(11.6835)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 07/03/23 (Rates for 03/03/23 in brackets)

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Volatility risks rise as era of BOJ's Kuroda ends

It's far too easy to declare the end of an era, but in Japan it really looks as though momentous change is afoot. Later this week before the US reveals Feb. unemployment, Haruhiko Kuroda will preside over his last meeting as governor of the Bank of Japan. He has been a force of stability in a country that has arguably had too much of it. (www.bloomberg.com 07/03/23)

SK inflation below 5%, lowest in 10 months

South Korea's consumer price inflation eased further in Feb. to the lowest level in nearly a year amid a slowdown in rental and oil prices, giving relief to the Bank of Korea to go ahead with its wait-and-watch policy stance, Statistics Korea says. The CPI rose 4.8% year-over-year in Feb. (www.rttnews.com 06/03/23)

Australia has A\$11.688bn trade surplus

Australia posted a seasonally adjusted merchandise trade surplus of A\$11.688bn in Jan, the Australian Bureau of Statistics said on Tuesday. That missed expectations for a surplus of A\$12.500bn and was down from A\$12.237bn in Dec. Exports were up 1.4% on month to A\$58.847bn, driven by metal ores and minerals. (www.rttnews.com 06/03/23)

Ukrainian gov't downgrades 2023 GDP forecast to 1%

The Ukrainian Economy Ministry slashed its forecast for the country's GDP growth this year to 1% from 3.2% estimated earlier, the Interfax-Ukraine news agency reported. The forecast has been downgraded due to the assumption that the Russia-Ukraine conflict had been expected to end in mid-2023. (www.xinhuanet.com 07/03/23)

Estonia's average wages and salaries rise 8.9% in 2022

Estonia's average gross wages and salaries increased at a faster pace in 2022, yet people's purchasing power remains low as real wages decreased compared to last year, data from Statistics Estonia shows. The average monthly gross wages and salaries grew 8.9% to €1.685bn in 2022. (www.rttnews.com 06/03/23)

Oil prices decline on China concerns

Oil prices were moving lower on Monday after top consumer China set a modest annual growth target for 2023. Benchmark Brent crude futures fell 0.9% to \$85.03 per barrel, while WTI crude futures were down 0.8% at \$79.05. China set a moderate growth target of around 5.0% for this year at the annual legislative session on Sunday in line with a global slowdown. (www.rttnews.com 06/03/23)

European stocks rise as traders search for interest rate hints

European stocks rose at the open on Monday, extending a short rally, as investors awaited economic data and comments from central banks to provide more evidence on the future path for interest rates. The benchmark Stoxx 600 rose 0.1% in the first hours of trade, with Germany's Dax up 0.3%. (www.ft.com 06/03/23)

Kenya to repay \$7.1bn Eurobond debt until 2048: Treasury

Kenya's Eurobond debt stands at Ks914.2bn (about \$7.1bn) and the country would repay it by 2048, the Treasury reveals. The largest of the debt, \$2bn, taken in 2014, will mature in June 2024, according to the Treasury in debt report. (www.xinhuanet.com 07/03/23)

Morocco asks IMF for \$5bn precautionary credit line

Morocco asked the International Monetary Fund for a \$5bn credit line, with the institution's chief planning to recommend approval based on the nation's strong policy frameworks and track record. The IMF executive board met in an informal session on Monday to discuss the request. (www.norvanreports.com 07/03/23)

Namibia announces third oil discovery

Namibia's state-owned oil company NAMCOR announced Monday a third oil discovery with joint venture partners Shell and TotalEnergies after drilling the Jonker-1X deep-water exploration well in the red-hot Orange Basin. The well is located in Block 2913A and 2914B (PEL 0039), 270 km offshore of southern Namibia. (www.xinhuanet.com 06/03/23)

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