



Thursday, 9<sup>th</sup> March 2023

### **Blanchard and Summers say higher inflation likely to persist**

Even if central banks bring an end to the current bout of high inflation, price rises and interest rates are likely to remain higher than before the Covid-19 pandemic, Olivier Blanchard and Larry Summers argue. The two economists weighed up the forces likely to affect neutral interest rates in the years ahead, during remarks at Peterson Institute on March 7. ([www.centralbanking.com](http://www.centralbanking.com) 08/03/23)

### **Eurozone economy stagnates in Q4**

Euro area economy stagnated in the fourth quarter, following a downward revision, as positive contributions from the government consumption and foreign trade were offset by contractions in household spending and investment. GDP remained flat sequentially in the fourth quarter after expanding 0.4% in the preceding period. ([www.rttnews.com](http://www.rttnews.com) 08/03/23)

### **US trade deficit widens less than expected to \$68.3bn in January**

The US trade deficit saw a modest increase in the month of Jan. according to the Commerce Department. The Commerce Department said the trade deficit widened to \$68.3bn in Jan from a revised \$67.2bn in Dec. Economists had expected the trade deficit to climb to \$68.9bn from the \$67.4bn reported for the previous month. ([www.rttnews.com](http://www.rttnews.com) 08/03/23)

### **Fed hurtles towards tough call on size of next interest rate rise**

The US Fed is hurtling towards one of the toughest calls of its monetary tightening campaign as it decides whether to switch back to more aggressive rate rises at a time of acute economic uncertainty. This week, chair Jay Powell warned that the central bank might have to return to half-point rate rises at the conclusion of its next meeting on March 22. ([www.ft.com](http://www.ft.com) 09/03/23)

### **China to overhaul financial regulatory system**

China has proposed a raft of changes to its financial regulatory system, including replacing its existing banking regulator with a new financial regulator with expanded powers. The Chinese government submitted the draft plan to its ongoing annual parliamentary meeting, which ends on March 13. The National People's Congress is to vote on the draft. ([www.centralbanking.com](http://www.centralbanking.com) 08/03/23)

### **Japan GDP unchanged in Q4**

Japan's gross domestic product was flat on a seasonally adjusted quarterly basis in the fourth quarter of 2022. That was shy of expectations for an increase of 0.2% following the 0.3% contraction in the third quarter. On an annualized basis, GDP rose 0.1% also missing forecasts for a gain of 0.8% following the 1.0% decline in the three months prior. ([www.rttnews.com](http://www.rttnews.com) 08/03/23)

### **France payroll employment increases in Q4**

France's payroll employment increased in the fourth quarter reflecting the improvement in the private sector job creation, final data from the statistical office INSEE shows. Overall payroll employment grew 0.2% or 44,000 in the fourth quarter. However, this was slower than the 0.3% or 84,100 jobs created in the third quarter. ([www.rttnews.com](http://www.rttnews.com) 09/03/23)

### **Italian central banker criticises hawkish ECB colleagues as rift over rates widens**

The head of Italy's central bank has exposed a growing rift at the European Central Bank by criticising comments from fellow Eurozone rate-setters about how much higher interest rates will need to rise to tame inflation. Ignazio Visco said that he did not "appreciate statements made by my colleagues about future and prolonged interest rate hikes". ([www.ft.com](http://www.ft.com) 08/03/23)

#### **EXCHANGE RATES OF SELECTED CURRENCIES**

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.1845	(1.1898)	1.1846	(1.1900)
+USD/EUR	1.0564	(1.0603)	1.0565	(1.0604)
*GHS/USD	11.0079	(11.0081)	11.0189	(11.0191)
*GHS/GBP	13.0388	(13.0974)	13.0530	(13.1127)
*GHS/EUR	11.6294	(11.6733)	11.6389	(11.6838)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 09/03/23 (Rates for 08/03/23 in brackets)

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### **BoC keeps rates on hold, says inflation slowing as expected**

The Bank of Canada has left its key overnight rate on hold at 4.50% as expected, becoming the first major central bank to suspend its campaign against spiking inflation, given price pressures are easing as forecast. Over the past year, the bank raised rates eight times in a row by a total of 425 basis points to tame inflation. ([www.reuters.com](http://www.reuters.com) 08/03/23)

### **IMF: Ukraine war will have ‘devastating’ consequences for Russia’s economy**

The International Monetary Fund has drawn criticism for forecasting that Russia will see stronger economic growth this year than either the United Kingdom or Germany, despite rising pressure from Western sanctions. But Kristalina Georgieva, the IMF’s managing director has said. ([www.cnn.com](http://www.cnn.com) 08/03/23)

### **Malaysia's jobless rate stable at 3.6%**

Malaysia's unemployment rate held steady for the fourth consecutive month in January, data from the Department of Statistics showed on Thursday. The jobless rate came in at 3.6% at the start of the year, the same rate as in the previous four months. In the corresponding month last year, the unemployment rate was 4.2%. ([www.rttnews.com](http://www.rttnews.com) 09/03/23)

### **Indonesia consumer confidence remains strong in Feb**

Indonesian consumers maintained strong confidence in Feb. despite easing slightly from January, supported mainly by households' improved assessment of the current economic conditions, survey data from the Bank Indonesia shows. The CCI dropped to 122.4 in Feb. from 123.0 in the previous month. ([www.rttnews.com](http://www.rttnews.com) 08/03/23)

### **Bulgaria's economic growth steady at 0.6%**

Bulgaria's economy expanded at a stable pace in the final quarter of 2022, revised slightly higher than the initial estimate, the latest figures from the statistical office showed on Wednesday. GDP advanced 0.6% sequentially in the fourth quarter, the same expansion as in the third quarter. ([www.rttnews.com](http://www.rttnews.com) 08/03/23)

### **Gold falls on Fed's aggressive rate hike expectation**

Gold futures on the COMEX division of the New York Mercantile Exchange fell on Tuesday as investors digested remarks of Fed Chair Jerome Powell. The most active gold contract for April delivery fell 34.60 U.S. dollars, or 1.87%, to close at 1,820 dollars per ounce. ([www.xinhuanet.com](http://www.xinhuanet.com) 08/03/23)

### **S&P downgrades SA's outlook**

S&P Global unexpectedly downgraded South Africa's credit rating outlook to stable from positive on Wednesday evening. In an unscheduled announcement, the US credit rating agency cautioned that South Africa's economic growth is facing increasing pressure from severe electricity shortages. ([www.news24.com](http://www.news24.com) 09/03/23)

### **S&P global sees Ethiopia IMF deal within reach, paving way for debt relief**

An International Monetary Fund loan for Ethiopia is “definitely back on the table,” according to S&P Global Ratings, a key step to restart the Horn of Africa nation’s delayed debt-restructuring plans. Ethiopia requested debt relief under the Group of 20’s Common Framework more than two years ago. ([www.bloomberg.com](http://www.bloomberg.com) 08/03/23)

### **Kenya MPs back new central bank deputy before leadership change**

Kenyan lawmakers approved the nomination of Susan Jemtai Koech as deputy governor of the central bank, as the monetary authority prepares for a change of its top leadership. Koech’s appointment comes 3 months before Governor Patrick Njoroge’s and sole deputy governor Sheila M’Mbijewe’s second four-year terms end. ([www.bloomberg.com](http://www.bloomberg.com) 08/03/23)

### **Ghana's loan request to go to IMF executive board by end of March - president**

International Monetary Fund staff will present Ghana's request for a loan programme to its executive board by the end of the month, the country's President Nana Akufo-Addo said on Wednesday during an annual state-of-the-nation address. ([www.reuters.com](http://www.reuters.com) 08/03/23)

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