



Friday, 10th March 2023

ECB deposit rate to peak at 3.75% or higher as inflation stays sticky

The peak for European Central Bank interest rates will be much higher than thought only a month ago, according to economists polled by Reuters, and they added that stubbornly high inflation would push policymakers to be more aggressive. (www.reuters.com 10/03/23)

ECB to test banks for cyber resilience, Enria says

The ECB plans to test the cyber resilience of the euro zone's top banks after a sharp rise in cyberattacks, including after Russia's invasion of Ukraine, ECB supervisory chief Andrea Enria told a Lithuanian newspaper. (www.reuters.com 09/03/23)

Banknote themes in motion

Banknote themes have hit headlines recently. The ECB expects to select the designs of the third euro banknote series by 2024. Correspondingly, the politically much-debated redesign of US dollar notes will be scheduled gradually from 2026. Furthermore, in the UK, the death of Elizabeth II has created debate in many countries on their banknote themes. (www.centralbanking.com 09/03/23)

Dollar demand picks up sharply as turmoil in banks rattles investors

Demand for U.S. dollars in the currency derivative markets surged to its highest since mid-December, after a meltdown in U.S. banking stocks ignited a wave of investor risk aversion. (www.reuters.com 10/03/23)

US job gains set to slow in February from robust pace

US jobs growth is expected to have moderated in Feb. from the previous month's breakneck pace, but remain elevated enough to keep pressure on the Fed to reconsider bigger interest rate increases. (www.ft.com 10/03/23)

US housing prices are moderating, says Fed chair

Federal Reserve chairman Jerome Powell told both houses of Congress that US rent prices are already moderating, which he said would help significantly reduce inflation. On March 7, Powell testified before the Senate's committee on banking, housing and urban affairs. The next day, he spoke to the House of Representatives' financial services committee. (www.centralbanking.com 09/03/23)

Return to school unexpectedly boosts UK economy in January

Children returning to school after an illness-ravaged December provided an unexpected, one-off boost to Britain's economy in January, when growth in output exceeded forecasts, data showed. (www.reuters.com 10/03/23)

China's inflation remains tame in February

China's inflation remained tame last month with a mild year-on-year consumer price increase and a slight drop in costs for goods at the factory gate, official data shows. China's CPI, rose 1% year on year in Feb. has said the National Bureau of Statistics (NBS). (www.xinhuanet.com 09/03/23)

China's PPI down 1.4% in February

China's producer price index (PPI), which measures costs for goods at the factory gate, went down 1.4 percent year on year in February, the National Bureau of Statistics (NBS) said Thursday. The decrease expanded by 0.6 percentage points from that registered in January. (www.xinhuanet.com 09/03/23)

Japan producer prices sink 0.4% in Feb

Producer prices in Japan were down 0.4% on month in Feb. the BoJ has said. That was beneath expectations for a decline of 0.3% following the flat reading in Jan. On a yearly basis, producer prices climbed 8.2% (www.rttnews.com 09/03/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.1929	(1.1845)	1.1928	(1.1846)
+USD/EUR	1.0580	(1.0564)	1.0581	(1.0565)
*GHS/USD	11.0082	(11.0079)	11.0192	(11.0189)
*GHS/GBP	13.1284	(13.0388)	13.1437	(13.0530)
*GHS/EUR	11.6469	(11.6294)	11.6584	(11.6389)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 10/03/23 (Rates for 09/03/23 in brackets)

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BoJ stands pat on ultra-loose policy

BOJ opted to maintain its ultra-easy monetary policy despite rising inflation and the yen's recent weakness. In the last meeting chaired by Governor Haruhiko Kuroda, the BOJ decided to keep short-term interest rates at minus 0.1 % and guide 10-year Japanese government bond yields to around zero %. The BOJ also said its yield on 10-year Japanese government bonds would be kept at a range of plus and minus 0.5 % (www.xinhuanet.com 10/03/23)

Sweden GDP, industrial production expands in January

Sweden's economy expanded in January after contracting in the prior three months, boosted by growth in household consumption and exports along with rising general government production, data from Statistics Sweden showed on Thursday. (www.rttnews.com 09/03/23)

Malaysia Central Bank holds rate steady for second session

Malaysia's central bank left its key interest rate unchanged for a second policy meeting in a row in order to assess the impact of the past interest rate hikes on the economy. The Monetary Policy Committee of Bank Negara Malaysia decided to keep the Overnight Policy Rate unchanged at 2.75 %. (www.rttnews.com 09/03/23)

Saudi Arabia gives Turkish central bank \$5 billion

The government of Saudi Arabia gave the Central Bank of the Republic of Turkey (CBRT) \$5 bn on March 6. The state-owned Saudi Fund for Development said the money was a demonstration of its "commitment to supporting Turkey's efforts to strengthen its economy". (www.centralbanking.com 09/03/23)

Mexico's core prices slow more than expected in February

Mexico's core consumer prices slowed by more than expected in the year to Feb., data from statistics agency showed, providing some relief as Latin America's second-largest economy grapples with high inflation and interest rates. (www.rttnews.com 09/03/23)

Gold futures settle higher as dollar turns weak

Gold futures settled higher on Thursday, regaining ground after posting losses in the previous two sessions, as the dollar turned weak. The dollar, which surged higher following hawkish remarks from Fed Chair Jerome Powell who said in his testimony before the congress that the central bank will likely raise interest rates to continue the fight against inflation, turned easy today. (www.rttnews.com 09/03/23)

Oil extends losses on demand worries

Oil prices fell for a fourth day running on Friday and were set for steep weekly losses amid concerns that aggressive rate hikes by the Federal Reserve could slow growth and dent demand for fuel. Benchmark Brent crude futures dropped 0.4 percent to \$81.26 a barrel, while WTI crude futures were down half a percent at \$75.32. The dollar held steady in European trade, helping cap the downside to some extent. (www.rttnews.com 10/03/23)

SA suffers first current-account deficit in three years

South Africa posted a current-account deficit for the first time in three years in 2022 as imports increased and power shortages and rail constraints curbed exports, heightening the nation's vulnerability to external shocks. The balance on the current account, the broadest measure of trade in goods and services, swung to a deficit of 0.5% of gross domestic product, or R31.8billion, from a surplus of 3.7% in 2021. (www.news24.com 09/03/23)

Africa's average GDP growth to stabilise in 2023-2024, despite recent headwinds — AfDB new report

African economies remain resilient with a stable outlook in 2023-2024 despite the tightening global financial conditions, the African Development Bank has projected in a new report. The report estimates Africa's average GDP to stabilise at 4 % in the next two years, up from 3.8 % in 2022. (www.thebftonline.com 10/03/23)

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