



Monday, 13th March 2023

Central banks’ digital currency plans face public backlash

About 85 central banks are engaged in projects to create digital currencies, according to the Bank for International Settlements. Among them is the Bank of England, which said last month it was “likely” that the UK would eventually need one. Cheaper and faster payments, more financial inclusion and the crowding out of cryptocurrencies and Big Tech are the aims. (www.ft.com 13/03/23)

ECB gathers amid growing dissonance over trajectory for rates

When the European Central Bank sets interest rates on Thursday, attention will be on the increasingly acrimonious path that lies ahead. Despite its insistence on decisions being taken “meeting by meeting,” investors have grown accustomed to getting a preview of where borrowing costs are likely to head in the ensuing weeks and even months. (www.bloomberg.com 13/03/23)

ECB to run cyber-attack stress test for Eurozone banks

The European Central Bank will run cyber attack stress tests for eurozone lenders next year after a major rise in hacking attempts, its chief supervisor said. The exercise “will try to test how banks are able to respond to and recover from a successful cyberattack,” Fabio Panetta told Lithuanian newspaper Verslo žinios. (www.centralbanking.com 10/03/23)

Money in failed US bank is safe - US gov’t

People and businesses who have money deposited with failed US bank Silicon Valley Bank (SVB) will be able to access all their cash from Monday, the US government has said. A statement from the US Treasury, the Federal Reserve and Fed Deposit Insurance Corporation (FDIC) said depositors would be fully protected. (www.bbc.com 13/03/23)

Fed flies blind on monetary policy with rising risk of a 6% rate

The Fed is flying blind as it tries to bring down inflation without breaking the financial system or crashing the US into a recession. Ahead of a crucial meeting later this month, policymakers are wrestling with an economy that’s proven surprisingly resilient to their rapid-fire interest-rate increases and an investor class that’s grown jittery about the health of the financial system after the collapse of Silicon Valley Bank. (www.bloomberg.com 13/03/23)

China to step up policy support for employment: premier

China will continue to pursue an employment-first strategy and increase government support to boost job creation, Premier Li Qiang has said. In particular, support will be heightened in terms of employment services and technical training, while multiple steps will be taken to stabilize and expand employment, Li said. (www.xinhuanet.com 13/03/23)

UK economy back with 0.3% growth in Jan

The UK economy grew at the start of the year, after contracting in the previous month, led by the strong recovery in the services sector, the Office for National Statistics has said. Monthly gross domestic product rose 0.3% from Dec when it shrank 0.5%. That beat economists' expectations for a modest 0.1% growth. (www.rttnews.com 10/03/23)

German inflation stable at 8.7%

Germany's consumer price inflation held steady in Feb. as initially estimated, the latest data from Destatis shows. The consumer price index climbed 8.7% year-over-year in Feb. the same increase as in Jan. That was in line with the flash data published on March 1. In Feb. a slowdown in energy prices was offset by an acceleration in the price growth of food items, the agency said. (www.rttnews.com 10/03/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2108	(1.1926)	1.2110	(1.1928)
+USD/EUR	1.0686	(1.0580)	1.0687	(1.0581)
*GHS/USD	11.0086	(11.0082)	11.0196	(11.0192)
*GHS/GBP	13.3292	(13.1284)	13.3447	(13.1437)
*GHS/EUR	11.7645	(11.6469)	11.7751	(11.6584)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 13/03/23 (Rates for 10/03/23 in brackets)

* BOG INTERNAL TRANSACTION RATES: 13/03/23 (Rates for 10/03/23 in brackets)

BoJ maintains monetary easing at Kuroda's final policy meeting

The Bank of Japan kept its ultra-loose monetary policy unchanged at outgoing governor Haruhiko Kuroda's last policy meeting on March 10. The BoJ's nine-member policy board unanimously decided to leave the central bank's short-term interest rates unchanged at -0.1%. It also kept its target for yields on 10-year Japanese government bonds at around 0%. (www.centralbanking.com 10/03/23)

French trade gap narrows to €12.9bn

France's foreign trade deficit decreased at the start of the year as imports fell faster than exports, the customs office has said. The trade deficit dropped to €12.9bn in Jan from €14.7bn in Dec. In the same month of 2022, the deficit totalled €8.6bn. Exports decreased 2.2% from the previous month, and the fall in imports was 4.5%. (www.rttnews.com 10/03/23)

Italy PPI at 19-month low on lower energy costs

Italy's producer price inflation eased at the start of the year to the lowest level in just over one-and-a-half years amid a sharp slowdown in energy prices, figures from the statistical office Istat show. The PPI climbed 11.1% year-over-year in Jan. much slower than the 31.7% rise in Dec. (www.rttnews.com 10/03/23)

Israel's current account surplus down to \$19.8bn in 2022: report

Israel's current account surplus totaled \$19.8bn in 2022, said the country's Central Bureau of Statistics on Sunday. This is a decrease of \$1.6bn compared to the surplus registered in 2021, and of \$2.9bn compared to 2020, it said in an annual balance of payments report. (www.xinhuanet.com 12/03/23)

Pakistan debt moratorium inevitable without IMF Funds, BofA say

Crisis-hit Pakistan will need to pause debt repayments if it isn't able to secure funding from the IMF quickly enough, according to Bank of America. "Unless the payout comes through soon, a state of moratorium looks unavoidable" economists including Kathleen Oh have said. (www.bloomberg.com 13/03/23)

Oil prices tick up on China demand and weaker dollar

Oil prices ticked up in Monday Asian late morning trade, reversing a weak start as a recovery in Chinese demand and a weaker dollar provided support to a market rattled by the prospect possible further US interest rate increases. After initially slipping, Brent crude futures were up to 19 cents, or 0.23%, to \$82.97 per barrel by 0410 GMT. (www.reuters.com 13/03/23)

Investors flooding out of SA

International investors have had enough of South Africa and are taking large sums of their money out of the embattled country. The City Press reports that over R100bn in South African shares and bonds have been sold by international investors since the start of 2023. JC Louw, the CEO of DFM Global, said this is a clear signal of investor sentiment turning for the worst. (www.norvanreports.com 13/03/23)

Kenya's Ruto appoints second central bank deputy governor

Kenya's President William Ruto has appointed Susan Koech, a career banker who has also worked in top government posts, to be the second deputy governor of the central bank, his spokesperson said. (www.reuters.com 11/03/23)

Morocco must adapt to growing climate threat, warns finance minister

Morocco's finance minister said the country must adapt its economy to meet the escalating threat from climate change, with more frequent droughts requiring investment in water technologies and an acceleration of its push into growth sectors such as car manufacturing. Morocco's economy grew 1.2% in 2022, the World Bank has said. (www.ft.com 12/03/23)

Algeria, Uganda lift economic cooperation

Algeria and Uganda have signed a number of agreements to boost their economic cooperation, during a visit by Ugandan President Yoweri Museveni to Algiers. The two countries signed two memoranda of understanding in the field of energy, as well as agreements in the sectors of agriculture, tourism, and trade. (www.xinhuanet.com 13/03/23)

DISCLAIMER: This information has been compiled by the Communications Office of Bank of Ghana for general reference purposes only. While every effort is made to ensure that the information is accurate, the Bank of Ghana does not guarantee nor does it accept any responsibility or liability for the accuracy or completeness of the content or for any loss which may arise from reliance on information contained in this document.