



Friday, 17th March 2023

ECB continues tightening despite risks

The European Central Bank tightened monetary policy at its meeting on March 16 despite growing financial turmoil in the banking sector. The ECB's governing council again increased interest rates by 50 basis points, taking the key deposit rate to 3%. The deposit rate was at -0.5% as recently as July, before the ECB began its sharpest tightening cycle since the Euro's creation. (www.centralbanking.com 16/03/23)

Lagarde says ECB determined to bring inflation back to 2%

European Central Bank President Christine Lagarde said the central bank is determined to bring inflation back to the 2% target and reaffirmed that policymakers stand ready to provide liquidity support when needed in the backdrop of the recent financial market turmoil triggered by the banking sector crisis. (www.rttnews.com 16/03/23)

ECB's Guindos told Ministers some EU banks may be vulnerable on rates

European Central Bank Vice President Luis de Guindos told finance ministers that some European Union banks could be vulnerable to financial strain due to rising interest rates. Elaborating on the state of the financial industry after the collapse of Silicon Valley Bank, Guindos said lenders in the region are much less exposed than their US counterparts. (www.bloomberg.com 16/03/23)

US weekly jobless claims fall; housing finding bottom

The number of Americans filing new claims for unemployment benefits fell more than expected last week, pointing to continued labor market strength, though financial market turmoil is casting a shadow over the economy. Other data also struck a fairly upbeat note on the economy. (www.reuters.com 16/03/23)

BoE may have 'too much to do' - experts

UK governments have given the Bank of England secondary objectives that risk undermining its core mandates, experts told a parliamentary committee. David Aikman, a professor at King's College London, said "far more weight" has been placed on secondary objectives in recent years. "It could risk diverting the bank's attention from its primary mandates," David Aikman said. (www.centralbanking.com 16/03/23)

BOJ, Japan officials to meet on markets after SVB collapse

Japanese officials from the central bank, finance ministry and financial regulator plan to meet Friday afternoon to discuss international markets following the recent turmoil in the global banking industry. Senior government officials have so far played down the likely impact of the failure of regional US banks including SVB. (www.bloomberg.com 17/03/23)

Italy inflation eases to 9.1% than estimated

Italy's consumer price inflation eased more than initially estimated in Feb. data from the statistical office ISTAT shows. The CPI climbed 9.1% year-on-year in Feb. slower than the 10.0% surge in Jan. In the flash report, the rate of inflation was 9.2%. According to the agency, a slowdown in energy prices was primarily responsible for the decrease in inflation. (www.rttnews.com 16/03/23)

Australia will raise rates further, IFM says,

Australia's financial stability is sound as its banks remain well capitalized, allowing the Australian central bank to stick with policy tightening, according to Alex Joiner, chief economist at one of the nation's biggest asset managers. "I don't think that the problems we are seeing overseas will emerge in the Australian banking sector by any stretch". (www.bloomberg.com 17/03/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2098	(1.2057)	1.2099	(1.2058)
+USD/EUR	1.0606	(1.0536)	1.0607	(1.0537)
*GHS/USD	11.0086	(11.0084)	11.0196	(11.0194)
*GHS/GBP	13.3182	(13.2728)	13.3326	(13.2872)
*GHS/EUR	11.6775	(11.6011)	11.6871	(11.6106)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 17/03/23 (Rates for 16/03/23 in brackets)

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Turkish currency breaks record low threshold against US dollar

The Turkish currency sank to a record low against the US dollar on Thursday, trading at over 19 Turkish Lira amid local and global uncertainties. After surpassing the resistance level of 19, one dollar stood at 19.01 liras at 2:00 p.m. local time (1100 GMT). The currency has lost about 70% of its value against the greenback since the beginning of 2022. (www.xinhuanet.com 16/03/23)

Hyperinflation Argentina is ready to bloom

Inflation is running at over 100 per cent a year, the government is funding itself by printing money and crippling exchange controls mean a black-market dollar is worth almost double the official rate. Cut off from international markets after its ninth default in 2020 and suffering a severe drought. (www.ft.com 16/03/23)

Spain trade gap narrows to €3.96bn

Spain's foreign trade deficit decreased notably in January from a year ago, as exports grew more rapidly than imports, data from the Economy Ministry shows. The trade deficit dropped to €3.96bn in Jan from €6.52bn in the corresponding month last year. Energy deficit also narrowed to €2.58bn from €3.36bn a year ago. (www.rttnews.com 16/03/23)

HK jobless rate lowest since late 2019

Hong Kong's unemployment rate decreased further to the lowest level in more than three years, the labor force statistics from the Census and Statistics Department showed on Thursday. The seasonally adjusted unemployment rate fell slightly to 3.3% in the Dec. to Feb. period from 3.4% in the Nov. to Jan. period. (www.rttnews.com 16/03/23)

Ireland inflation rises to 8.5%

Ireland's consumer price inflation accelerated for the first time in four months in Feb. largely led by higher costs for utilities and food, the Central Statistics Office has said. The CPI climbed 8.5% year-over-year in Feb. faster than the 7.8% increase in Jan. EU harmonized inflation also rose to 8.1% in Feb from 7.5% in the prior month. (www.rttnews.com 16/03/23)

Oil rebounds 1% as investors take stock of banking crisis

Oil prices rebounded by about 1% on Friday after a meeting between Saudi Arabia and Russia calmed markets amid strong China demand expectations, after a banking crisis sparked a sell-off in global financial and oil markets this week. Brent crude futures rose by 81 cents to \$75.51 a barrel by 0400 GMT. (www.reuters.com 17/03/23)

Global shares gain as banking sector lifelines bolster confidence

Global equities rose on Thursday on news that a large group of banks were infusing cash into US lender First Republic Bank and as a lifeline from the Swiss National Bank to Credit Suisse eased fears of a global banking crisis. European and US bond yields were also higher, as oil snapped a three-day rout. (www.reuters.com 16/03/23)

SA firms see inflation quickening before rate decision

South African inflation expectations rose at the start of 2023, suggesting the central bank may keep interest rates higher for longer. Average inflation expectations for the year increased to 6.3% in the first quarter from 6.1% previously. The rate of price-growth for 2024 is now seen at 5.8%, and will probably slow to 5.5% a year later. (www.news24.com 16/03/23)

Kganyago warns SA against reliance on mining windfalls

South Africa's central bank chief cautioned the government against relying on windfall taxes from high commodity prices to help service state debt and fund other short-term commitments. The tax take in South Africa is on course to exceed estimates for a third consecutive year. (www.bloomberg.com 16/03/23)

Ghana pays \$75m of \$1.7bn debt owed IMF

Ghana's outstanding loans to the IMF remained steady at SDR 1.278bn, equivalent to \$1.708bn, as at end of Jan. 2023. The country still ranks as the number one debtor in Africa to the Bretton Wood institution. This ranking has remained unchanged from Oct. 2022. (www.norvanreports.com 16/03/23)

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