



Monday, 22nd May 2023

ECB's de Cos still sees 'some way to go' on policy tightening

The ECB still needs to raise its interest rates further and then leave them in restrictive territory for a while to bring inflation down to its medium-term goal of 2%, ECB policymaker Pablo Hernandez de Cos said. "The process of tightening our monetary policy is well underway, although, based on the information currently available to us, we have some way to go. (www.reuters.com 22/05/23)

UN chief says its time to reform Security Council, Bretton Woods

UN Secretary-General Antonio Guterres said on Sunday that it was time to reform both the Security Council and Bretton Woods to align with the "realities of today's world". "The global financial architecture became outdated, dysfunctional and unfair," he said. "In the face of the economic shocks from the COVID-19 pandemic and the Russian invasion of Ukraine. (www.reuters.com 21/05/23)

US economy headed for downturn in second half of 2023, Forecasters say

Forecasters see the US economy continuing to cool in the current quarter before a further slowdown in consumer spending and pullback in business investment cause the economy to shrink in the second half of the year. GDP is seen rising an annualized 0.5% in the second quarter. (www.bloomberg.com 19/05/23)

US household debt passes \$17tr

US households had total debts of \$17.05tr in the first quarter of 2023, according to the Fed of New York. The figure represents a 0.9% increase from the last quarter of 2022. Total US household debt equals nearly 65% of the country's GDP, according to data from the Bureau of Economic Analysis. (www.centralbanking.com 19/05/23)

China's commercial banks see decline in bad loan ratio in Q1

The non-performing loan ratio of China's commercial banks fell to 1.62% by the end of the first quarter (Q1) of this year, with the quality of these banks' credit assets generally stable, official data showed. The figure edged down 0.01 percentage points from the ratio seen at the end of 2022, according to the National Financial Regulatory Administration. (www.xinhuanet.com 22/05/23)

China's loan prime rates remain unchanged

China's one-year loan prime rate (LPR), a market-based benchmark lending rate, came in at 3.65% Monday, unchanged from the previous month. The over-five-year LPR, on which many lenders base their mortgage rates, also remained unchanged from the previous reading of 4.3%, according to the National Interbank Funding Center. China lowered the one-year rate by 5 basis points to 3.65% in Aug. 2022. (www.xinhuanet.com 22/05/23)

BoE pins its hopes on falling inflation easing wage growth

Bank of England officials hope the ratchet between higher prices and wages will soon moderate as official figures are set to show a large drop in the headline inflation rate. The central bank is expecting the annual rate of consumer price inflation to drop almost 2 percentage points from 10.1% in March to 8.4% in April. (www.ft.com 22/05/23)

German economic recovery not yet in sight

For lack of clear growth in economic indicators and the uncertainty in international economic development, experts failed to find evidence for an economic rebound in Germany. A new study assumed that the central bank's rapid interest rate hikes will dampen inflation. (www.xinhuanet.com 22/05/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2482	(1.2400)	1.2483	(1.2401)
+USD/EUR	1.0824	(1.0765)	1.0825	(1.0766)
*GHS/USD	10.8074	(10.8289)	10.8182	(10.8397)
*GHS/GBP	13.4898	(13.4278)	13.5044	(13.4423)
*GHS/EUR	11.6997	(11.6581)	11.7103	(11.6697)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 22/05/23 (Rates for 19/05/23 in brackets)

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Post-Brexit UK investments drive FDI in Germany to record level

Germany received record levels of foreign direct investment last year, official statistics show, with the boom driven by a rise in UK companies setting up operations in Europe's largest economy to keep a post-Brexit foothold in the EU. Officials expect the total volume of FDI to decline this year. (www.ft.com 22/05/23)

HKMA launches retail CBDC pilots

The Hong Kong Monetary Authority has launched a pilot programme for a retail central bank digital currency called e-HKD, it said on May 18. In the next few months, the HKMA and 16 private firms will run a series of pilots to test various use cases for e-HKD. The participants include major banks and technology and payment companies. (www.centralbanking.com 19/05/23)

Brazil's economic activity up 2.41% in Q1

Brazil's economic activity registered a growth of 2.41% in the first quarter of this year, compared to the last three months of 2022, according to the Central Bank of Brazil. According to the economic activity index, a leading indicator of GDP, it was Brazil's highest quarterly advance since the fourth quarter of 2020. (www.xinhuanet.com 19/05/23)

Taiwan jobless rate falls to 3.50%

Taiwan's unemployment rate decreased in April after rising slightly in the previous month, the Directorate General of Budget Accounting and Statistics showed on Monday. The jobless rate fell marginally to an unadjusted 3.50% in April from 3.56% in March. This was the lowest unemployment rate in three months. (www.rttnews.com 22/05/23)

Belgium consumer confidence weakens in May

Belgian consumer confidence decreased in May after improving in the previous month, though slightly, survey data from the National Bank of Belgium showed on Monday. The consumer confidence indicator dropped to -9 in May from -6 in the previous month. (www.rttnews.com 22/05/23)

Oil subdued as US debt ceiling talks continue

Oil prices traded flat to slightly lower on Monday as investors kept an eye on US debt ceiling talks and fretted about China's economic recovery. Benchmark Brent crude futures slipped 0.2% to \$75.48 a barrel, while WTI crude futures were down 0.1% at \$71.59. (www.rttnews.com 22/05/23)

WB extends \$150m to Mozambique to aid Cyclone Freddy recovery

The World Bank has moved \$150m of the funds it has earmarked for Mozambique projects to help fund the southern African nation's efforts to recover from the aftermath of Cyclone Freddy. It said the money would aid the Mozambican government in restoring transport infrastructure and provide services including on water supply, sanitation, health and education. (www.reuters.com 19/05/23)

Kenyan President nominates ally as Governor despite scandal

Kenya's President William Ruto has nominated his adviser Kamau Thugge as the next Central Bank Governor, despite his implication in a financial scandal. Thugge was arrested in 2019 on corruption charges. (www.centralbanking.com 19/05/23)

Botswana to focus on improving quality of goods, service: official

Botswana's Ministry of Trade and Industry has announced a plan to improve the quality of Botswana-produced goods and services in an effort to foster economic growth. This follows the approval of the National Quality Policy by the parliament of the southern African country in 2022. (www.xinhuanet.com 21/05/23)

Ghana: Financial sector recovery strategy ready by end-June – IMF

The Ministry of Finance and Bank of Ghana (BoG), together with the International Monetary Fund (IMF), are formulating a robust strategy to revive the country's financial sector that will be unveiled by end of June this year. (www.thebftonline.com 22/05/23)

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