



Friday, 26<sup>th</sup> May 2023

### Central banks should abandon floor systems – BIS’s Borio

Central banks should stop using floor systems to set policy, as it can cause distortions in key financial markets, Claudio Borio argues. Borio, head of the monetary and economic department at the Bank for International Settlements, says floor systems have widespread impacts on the financial sector and economy. ([www.centralbanking.com](http://www.centralbanking.com) 25/05/23)

### Decentralized int'l financial system beneficial for global economy: Putin

A shift towards a decentralized international financial system will be useful for the global economy, Russian President Vladimir Putin said at the plenary session of the second Eurasian Economic Forum in Moscow. He said developing economies are shifting towards the use of national currencies in all settlements. ([www.xinhuanet.com](http://www.xinhuanet.com) 25/05/23)

### US GDP grows more than previously estimated in Q1

Economic growth in the US slowed less than previously estimated in the first three months of 2023, according to revised data released by the Commerce Department on Thursday. The Commerce Department said gross domestic product climbed by 1.3% in the first quarter. ([www.rttnews.com](http://www.rttnews.com) 25/05/23)

### US debt ceiling talks progress as deadline approaches

President Joe Biden and Republican House speaker Kevin McCarthy have moved closer to a two-year deal to limit government spending and avert a US debt default, raising hopes of an end to the fiscal stand-off in the world’s largest economy. People familiar with the potential agreement said that negotiators were looking to finalise the agreement in the coming days. ([www.ft.com](http://www.ft.com) 26/05/23)

### China's digitalized service sector bolsters consumption, employment

China's digitalized service sector has played a more prominent role in stimulating consumption and creating jobs amid the country's steady push for the integration of digital technologies and the real economy. The scale of China's digital economy reached ¥50.2tr (about \$7.12tr) in 2022, accounting for 41.5% of the GDP. ([www.xinhuanet.com](http://www.xinhuanet.com) 25/05/23)

### UK seeks to revive post-Brexit trade links with Latin America

The UK hopes its accession to an Asia-Pacific trade treaty will open markets for British business in Latin America, part of a wider effort to revive links with a region long neglected by London. Secretary James Cleverly said trade levels with Brazil were “not as high as they should be”, because of a lack of understanding. ([www.ft.com](http://www.ft.com) 25/05/23)

### Japan producer prices climb 1.6% on year in April

Producer prices in Japan were up 1.6% on year in April, the Bank of Japan said on Friday. That exceeded expectations for an increase of 1.4% following the upwardly revised 1.7% gain in March (originally 1.6%). On a monthly basis, producer prices rose 0.2% easing from the 0.6% gain in the previous month. ([www.rttnews.com](http://www.rttnews.com) 25/05/23)

### France manufacturing confidence calls to 99, lowest in 26 months

French manufacturers' confidence decreased further in May to reach its lowest level in more than two years as the trend in past production and the level of overall order books worsened, survey results from the statistical office Insee show. The manufacturing confidence index dropped to 99 in May from 101 in April of contraction. ([www.rttnews.com](http://www.rttnews.com) 25/05/23)

#### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2338	(1.2376)	1.2339	(1.2377)
+USD/EUR	1.0727	(1.0759)	1.0728	(1.0760)
*GHS/USD	10.7747	(10.7720)	10.7855	(10.7828)
*GHS/GBP	13.2938	(13.3314)	13.3082	(13.3459)
*GHS/EUR	11.5589	(11.5905)	11.5693	(11.6021)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 26/05/23 (Rates for 25/05/23 in brackets)

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### **TCB keeps policy rate unchanged at 8.50%**

Turkey's central bank maintained its key interest rate for the third straight time at its May meeting on Thursday, and policymakers assessed that the current monetary policy stance is adequate to support the necessary recovery from the outcome of the earthquake by maintaining price stability and financial stability. ([www.rttnews.com](http://www.rttnews.com) 25/05/23)

### **India keeps forecast for normal monsoon, easing inflation fears**

India maintained its forecast for a normal monsoon this year, tempering concerns about weather risks to inflation. Rainfall during the June-September season may reach 96% of a long-term average, according to the India Meteorological survey department said in an online briefing on Friday. The latest prediction matches with its previous forecast in April.

([www.bloomberg.com](http://www.bloomberg.com) 26/05/23)

### **Tokyo overall inflation rises 3.2% on year**

Overall consumer prices in the Tokyo region of Japan were up 3.2% on year in May, the Ministry of Internal Affairs and Communications said. That was shy of expectations for an increase of 3.9% and was down from 3.5% in the month of April.

([www.rttnews.com](http://www.rttnews.com) 25/05/23)

### **Malaysia's inflation eases to near 1-year low amid rate hike**

Malaysia's consumer prices rose at the slowest pace in 11 months, as it unexpectedly raised its benchmark interest rate by a quarter point earlier this month amid lingering price pressures. April numbers rose 3.3% from a year earlier, matching the median estimate in a Bloomberg survey. Core inflation, registered a 3.6% increase, down from 3.8% in the previous month. ([www.bloomberg.com](http://www.bloomberg.com) 26/05/23)

### **Sweden unemployment rate falls to 7.5%**

The Swedish unemployment rate decreased for the second straight month in April, figures from Statistics Sweden show on Wednesday. The unadjusted jobless rate dropped to a 4-month low of 7.5% in April from 7.7% in the previous month. In the corresponding month last year, the unemployment rate was 8.2%.

([www.rttnews.com](http://www.rttnews.com) 25/05/23)

### **Oil broadly steady amid OPEC+ supply cut uncertainty, demand worries**

Oil prices were broadly stable on Friday, as the market weighed in on conflicting messages on supply from Russia and Saudi Arabia ahead of the next OPEC+ policy meeting, a stronger US dollar and worries of weaker-than-expected demand growth. Brent crude was up 6 cents to \$76.32 a barrel at 0627 GMT.

([www.reuters.com](http://www.reuters.com) 26/05/23)

### **SA lifts interest rates to 14-year high to fight inflation**

South Africa's central bank raised its main interest rate on Thursday to a 14-year high, a move Governor Lesetja Kganyago described as "bitter medicine" needed to tame inflation. The bank lifted rates by 50 basis points to 8.25% as it raised its inflation forecasts for this year. ([www.reuters.com](http://www.reuters.com) 25/05/23)

### **Egypt defers payments for wheat imports amid dollar crunch**

Egypt has deferred payments for its large wheat purchases, in some cases by months, according to a government official and traders, as the country grapples with a shortage of hard currency. ([www.reuters.com](http://www.reuters.com) 25/05/23)

### **Zimbabweans turn towards black market as inflation rises**

Zimbabweans are feeling the wrath of high inflation. The rate of inflation now stands at 131.7% in the month of May. Locals are now helpless as they are now forced to search for cheaper products as a way to survive the overpriced goods at major supermarkets.

([www.africanews.com](http://www.africanews.com) 26/05/23)

### **BoG: We're ready to provide liquidity support to banks**

The Bank of Ghana has reiterated that it stands ready to provide emergency liquidity support for banks in the country in line with their rules for liquidity assistance. According to the BoG, no bank has applied for liquidity support from the central bank currently, it has put in place measures to ensure the banking sector remains solvent and strong to support economic growth. ([www.citibusinessnews.com](http://www.citibusinessnews.com) 26/05/23)