



Thursday, 1<sup>st</sup> June 2023

### Low-income countries to be left behind without action on jobs, ILO says

A global employment divide between high-income and low-income countries is worsening as rising debt levels hit developing countries disproportionately, the International Labour Organisation (ILO) has said. While global unemployment is expected to fall below pre-pandemic levels to 191m this year, a rate of 5.3%, low-income countries lag in the recovery process. ([www.reuters.com](http://www.reuters.com) 31/05/23)

### Major central banks set out CBDC policy debates

The Bank for International Settlements and seven leading central banks outlined key policy debates around issuing central bank digital currency in a published paper. While they are at different stages of CBDC development, the central banks agree on a need to ensure ongoing retail access to central bank money. ([www.centralbanking.com](http://www.centralbanking.com) 31/05/23)

### Common deposit insurance essential for financial stability, says ECB

The Eurozone needs to complete the banking union in order to preserve financial stability, the European Central Bank said on May 31. The central bank's financial stability review stresses, although banks have remained resilient following the collapse of Silicon Valley Bank. ([www.centralbanking.com](http://www.centralbanking.com) 31/05/23)

### BoJ policy shift risks causing eurozone bond turmoil, warns ECB

Eurozone bond markets are at risk of a sell-off caused by a sudden retreat of Japanese investors if the Bank of Japan ends its ultra-loose monetary policy, the European Central Bank has warned. If the Bank of Japan decides to normalise its policy, this might influence the decisions of Japanese investors who have a large footprint in global financial markets. ([www.ft.com](http://www.ft.com) 31/05/23)

### Top Fed official sees no 'compelling' reason to wait for fresh rate rise

A top official at the Federal Reserve said there was no "compelling" reason to wait before implementing another interest rate rise should economic data confirm that more must be done to bring US inflation under control. Loretta Mester, President of the Cleveland Fed, pushed back against recent suggestions from some policymakers who argued the US central bank should forego a rate rise. ([www.ft.com](http://www.ft.com) 31/05/23)

### China's faltering outlook for growth

China's economic rebound is faltering and Jamie Dimon, the JPMorgan chair, is not the only one concerned. Dimon, who spoke at a Shanghai banking conference, called youth unemployment rates in China "scary". He added that economic uncertainty had been "somewhat caused" by the Chinese government. ([www.ft.com](http://www.ft.com) 31/05/23)

### China's weak recovery is turning off foreign investors

The sudden and immediate reopening of the Chinese economy after three years of zero-Covid policies on Dec. 8 last year was accompanied by a rapid positive turn in foreign investors' sentiment, leading to a surge in portfolio flows, especially equities. ([www.ft.com](http://www.ft.com) 31/05/23)

### UK house prices slip, market to struggle with higher rates-Nationwide

British house prices edged down in May and the country's housing market faces headwinds in the months ahead after a recent jump in borrowing costs, mortgage lender Nationwide said on Thursday. Nationwide's measure of house prices fell by 0.1% in May from April after a monthly 0.4% rise in April. ([www.reuters.com](http://www.reuters.com) 01/06/23)

#### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2385	(1.2332)	1.2386	(1.2334)
+USD/EUR	1.0662	(1.0708)	1.0662	(1.0709)
*GHS/USD	10.9660	(10.9700)	10.9770	(10.9810)
*GHS/GBP	13.5814	(13.5282)	13.5961	(13.5440)
*GHS/EUR	11.6920	(11.7473)	11.7036	(11.7600)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 01/06/23 (Rates for 31/05/23 in brackets)

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### **Falling German and French inflation lifts hopes of an end to eurozone rate rises**

Inflation in Germany and France has fallen faster than economists had expected, hitting the lowest levels for at least a year and boosting hopes that cooling price pressures will allow monetary policymakers to stop raising Eurozone interest rates soon. ([www.ft.com](http://www.ft.com) 31/05/23)

### **France: Macron's debt cut plans look ambitious amid downgrade threat**

Emmanuel Macron's economic transformation of France is starting to show cracks as the country's massive debt burden casts a shadow over his plans. The president's reliance on growth-enhancing reforms to curb borrowing and his frequent recourse to crisis spending are meeting increasing skepticism from ratings firms. ([www.bloomberg.com](http://www.bloomberg.com) 01/06/23)

### **Inflation down, Q1 GDP up 0.6% in Italy: ISTAT**

Energy prices in Italy were down sharply in May, pushing the overall inflation rate lower to reverse a recent trend, the country's National Institute of Statistics (ISTAT) reported on Wednesday. In a separate release, ISTAT also said the country's product (GDP) grew by 0.6% in the first quarter (Q1) of the year. ([www.xinhuanet.com](http://www.xinhuanet.com) 01/06/23)

### **IMF reaffirms HK's role as major int'l financial center**

The International Monetary Fund (IMF) has affirmed Hong Kong's status as a major international financial center in a staff report. The staff report, released by the IMF Board, said Hong Kong has robust institutional frameworks, substantial capital and liquidity buffers. ([www.xinhuanet.com](http://www.xinhuanet.com) 31/05/23)

### **CBSL reduces key rates amid slow inflation**

The Monetary Board of the Central Bank of Sri Lanka (CBSL) decided to reduce the Standing Deposit Facility Rate and the Standing Lending Facility Rate by 250 basis points to 13.00% and 14.00%, respectively, the CBSL said in a statement on Thursday. ([www.xinhuanet.com](http://www.xinhuanet.com) 01/06/23)

### **Oil extends losses on China data**

Oil prices fell over 1% on Wednesday to extend steep losses from the previous session as weaker-than-expected China data offset signs of progress on the US debt limit deal. Benchmark Brent crude futures fell 1.1% to \$72.87 a barrel, while WTI crude futures were down 1.3% at \$68.59. ([www.rttnews.com](http://www.rttnews.com) 31/05/23)

### **Kenya central bank lowers 2023 growth forecast to 5.5%**

Kenya's central bank has lowered its economic growth projection for this year to 5.5%, a presentation by the bank's Governor Patrick Njoroge shows. The bank had said in March that the economy would expand by 5.8%. The economy expanded by 4.8% last year. ([www.reuters.com](http://www.reuters.com) 31/05/23)

### **Nigeria's tax-to-GDP ratio rises to 10.86%**

Nigeria's Federal Inland Revenue Service (FIRS) revealed that as of the end of 2021, Nigeria's tax-to-GDP ratio grew to 10.86% from 6%, accounting for tax revenues from other government agencies apart from the FIRS. This was disclosed by the FIRS on Wednesday, after the new ratio was messaged to it. ([www.norvanreports.com](http://www.norvanreports.com) 31/05/23)

### **Nigeria: Anger over high fuel prices, shortages**

Expensive and in short supply. Angry Nigerians criticized their new government as they lined up to buy fuel in major cities in the country. Pump prices have doubled, even tripled in some areas following an announcement by President Bola Tinubu that a subsidy which kept prices down was coming to an end. ([www.africanews.com](http://www.africanews.com) 01/06/23)

### **Zimbabwe sees exchange rate converging with black market**

Zimbabwe's central bank sees "near convergence" of the country's official and black-market foreign-exchange rates, after a currency rout led to a 58% slump against the US dollar this month. Measures announced by Finance Minister Mthuli Ncube this week are expected to help provide stability to the exchange rate. ([www.bloomberg.com](http://www.bloomberg.com) 31/05/23)

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