



Monday, 5th June 2023

More than 80% of central banks are investigating CBDC

83% of central banks are working on projects investigating central bank digital currency (CBDC) for retail payments purposes, data from the Payments Benchmark 2023 shows. Eighteen central banks said they were in the research phase of CBDC development. Another three said they were in the proof-of-concept phase while one was in the pilot phase. (www.centralbanking.com 02/06/23)

New WB chief under pressure as ‘Bridgetown initiative’ seeks \$100bn

The World Bank is under increasing pressure to reform, following a call for \$100bn in fresh capital to drive climate and development finance ahead of a summit in Paris to be co-hosted by the leaders of Barbados and France. The proposal for extra capital and \$100bn in foreign exchange guarantees are central to a big update. (www.ft.com 05/06/23)

Biden signs bill to raise US debt limit

US President Joe Biden signed Fiscal Responsibility Act of 2023 into law Saturday afternoon so as to avoid a historic default on government debt. The bipartisan act suspends the public debt limit through January 1, 2025, and increases the limit to the actual debt level on January 2, 2025. According to Goldman Sachs, a global investment bank, US total federal government debt would exceed \$35tr by January 2025. (www.xinhuanet.com 04/06/23)

Hot jobs market piles on the Fed to raise rates later this summer

Unexpectedly strong hiring across the US economy has piled pressure onto the Fed to raise interest rates later this summer if it skips an increase at its forthcoming policy meeting this month. Payrolls growth boomed in May, with nearly 340,000 positions added to a broad swath of sectors. (www.ft.com 03/06/23)

China's financial market opening-up continues to gather steam

The steady opening up of China's financial market has invigorated foreign investors seeking to expand their investment and business horizons in the country, financial experts said at the just-concluded 2023 Global Investor Conference in Shenzhen. Global investors can now invest in China's capital market through more channels in a more convenient way. (www.xinhuanet.com 03/06/23)

China's services activity picks up in May on improved demand- Caixin PMI

China's services activity picked up in May, a private-sector survey showed on Monday, as a rise in new orders shored up a consumption-led economic recovery in the second quarter. The Caixin/S&P Global services purchasing managers' index (PMI) rose to 57.1 in May from 56.4 in April. (www.reuters.com 05/06/23)

£9bn in old UK banknotes and coins not cashed in

Almost £9bn in old banknotes have not been cashed in across the UK, even though paper £20 and £50 stopped being legal tender in October. Paper banknotes have been replaced with plastic notes with a series of security features. The Bank of England said the withdrawn banknotes could still be deposited or exchanged. There are also £87m of old £1 coins that have not been returned, according to the Royal Mint. (www.bbc.com 04/06/23)

Japan's service activity expands at record pace in May

Japan's service sector activity expanded at a record pace in the month of May, results of a private-sector survey showed on Monday, thanks to a recovery in overseas demand and a surge in the number of local and foreign tourists as pandemic restrictions were eased further. (www.reuters.com 05/06/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2474	(1.2535)	1.2475	(1.2536)
+USD/EUR	1.0726	(1.0755)	1.0727	(1.0755)
*GHS/USD	10.9654	(10.9654)	10.9764	(10.9764)
*GHS/GBP	13.6783	(13.7451)	13.6930	(13.7600)
*GHS/EUR	11.7622	(11.7933)	11.7739	(11.8051)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 05/06/23 (Rates for 02/06/23 in brackets)

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Australia rate outlook up in the air with inflation untamed

Economists and money markets are divided over which way Australia's central bank will move as lingering price pressures and recovering home prices suggest a hike may be needed while weaker activity and unemployment argue for a pause. Economists expect the Bank will raise its cash rate to 4.1% on Tuesday. (www.bloomberg.com 04/06/23)

India c.bank deputy urges banks to address gaps in governance framework

The boards of Indian banks should address gaps in governance frameworks, including ensuring appropriate risk management practices and adhering to acceptable customer and market conduct, a deputy governor of the Bank of India said. (www.reuters.com 05/06/23)

Turkish inflation slows below 40% after Erdogan's gas giveaway

Turkey's inflation decelerated to the slowest since 2021 as President Recep Tayyip Erdogan made good on a pre-election promise to give natural gas to households for free last month. Consumer prices rose 39.6% in May from a year earlier, slightly less than forecast and compared with 43.7% in the previous month. (www.bloomberg.com 05/06/23)

Bank of Mexico to maintain tight policy, minutes say

The Bank of Mexico's (Banxico) board plans to maintain a tight monetary policy, according to minutes of its last meeting. The board forecast inflation will remain a challenge through the forecast horizon with upward risks, minutes of the May 18 policy meeting show. (www.centralbanking.com 02/06/23)

Ireland GDP shrinks 4.6% in Q1

Ireland's economy contracted more than initially estimated in Q1 of 2023, driven by weaker performance in the multi-national-dominated industry sector, latest figures from the statistical office CSO showed on Friday. GDP fell a seasonally adjusted 4.6% sequentially in the March quarter. (www.rttnews.com 02/06/23)

Oil up \$1 on Saudi plan to deepen output cuts from July

Oil prices were up \$1 a barrel on Monday after top global exporter Saudi Arabia pledged to cut production by another 1m barrels per day from July, counteracting the macroeconomic headwinds that depressed markets. Brent crude futures were at \$77.21 a barrel, up \$1.08 at 0515 GMT after earlier hitting a session-high of \$78.73 a barrel. (www.reuters.com 05/06/23)

Asia stocks follow Wall Street higher as oil prices rise

Asian equities broadly followed Wall Street higher on Monday, buoyed by signs of economic resilience in the US, while oil futures climbed after Saudi Arabia announced new output cuts in an attempt to shore up crude prices. (www.ft.com 05/06/23)

SA business activity falls to almost two-year low – PMI

South African private sector economic activity contracted for a third consecutive month in May as rolling power cuts and inflationary pressures continued to weigh on business, a survey show. The S&P Global South Africa Purchasing Managers' Index (PMI) fell to 47.9 in May, the lowest level since July 2021, from 49.6 in April. (www.reuters.com 05/06/23)

Algeria extends oil output cut in line with OPEC+ decision

Algeria will maintain the current reduction of 48,000 barrels per day in oil production until late Dec. 2024, said the Ministry of Energy and Mines. This decision comes as part of the country's collaboration with the Organization of the Petroleum Exporting Countries and its allies. (www.xinhuanet.com 05/06/23)

Nigeria's central bank auctions FX at 645 naira, weaker than spot rate

Nigeria's central bank has sold the dollar at N645 at its latest auction, results showed on Friday, lower than N465 where the currency is trading on the official secondary market. Nigeria operates multiple exchange rates, which the central bank has used to manage demand. (www.reuters.com 05/06/23)

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