



Tuesday, 6<sup>th</sup> June 2023

### **Eurozone investor confidence sinks on recession concerns - Sentix**

Euro area investor confidence dropped sharply in June, led by the "problem-child" Germany that already entered a technical recession in the first quarter, as fears of a severe economic downturn intensified, results survey by the behavioural research institute Sentix shows. The Sentix investor confidence index weakened for a second month in a row and dropped to -17.0 from -13.1 in May.

([www.rttnews.com](http://www.rttnews.com) 05/06/23)

### **ECB says consumer inflation expectations fell significantly**

Consumer expectations for euro-zone inflation eased significantly in April, adding to the case for the European Central Bank's historic ramp-up in interest rates to conclude this summer. Expectations for the next 12 months fell to 4.1% from 5% in March, the ECB said Tuesday in its monthly survey.

([www.bloomberg.com](http://www.bloomberg.com) 06/06/23)

### **US service sector growth slows in May**

Service sector activity in the US saw only modest growth in the month of May, according to the Institute for Supply Management's reports, with the index of activity in the sector falling by more than expected. The ISM said its services PMI fell to 50.3 in May from 51.9 in April, although a reading above 50 still indicates growth in the sector.

([www.rttnews.com](http://www.rttnews.com) 05/06/23)

### **China's pursuit of unified domestic market beneficial for foreign investors: MOC**

China's pursuit of a unified domestic market provides various market entities and foreign-invested enterprises, with better environment and a bigger arena. "The unified domestic market we are constructing will be global-oriented and fully open market" a Ministry official said.

([www.xinhuanet.com](http://www.xinhuanet.com) 05/06/23)

### **UK service sector keeps strong momentum**

The United Kingdom service sector continued to expand at a solid pace in May amid robust rises in output and new business despite mounting inflationary pressures fueled by higher wage costs, survey data from S&P Global reveals. The final Chartered Institute of Procurement & Supply services Purchasing Managers' Index dropped to 55.2 in May from 55.9 in April.

([www.rttnews.com](http://www.rttnews.com) 05/06/23)

### **German factory orders fall less than expected in April**

Germany's manufacturing orders decreased further in April, but the fall was less severe than expected, led by decline in the manufacture for machinery and equipment and a massive slump in demand for vehicles such as ships and aircraft, preliminary data from the statistical office Destatis shows. Factory orders fell a seasonally and calendar adjusted 0.4% month-on-month.

([www.rttnews.com](http://www.rttnews.com) 05/06/23)

### **Japan household spending sinks 4.4% on year in April**

The average of household spending in Japan was down 4.4% on year in April, the Ministry of Communications and Internal Affairs said, coming in at ¥303,076, missing expectations for an increase of 0.4% after sinking 1.9% in March. On a monthly basis, household spending fell 1.3% shy of expectations for an increase of 1.5%.

([www.rttnews.com](http://www.rttnews.com) 05/06/23)

### **Canada's economy is proving surprisingly immune to higher interest rates**

Canada's economy hasn't buckled under the weight of higher borrowing costs. On the contrary: strong growth has more economists predicting the central bank will resume raising interest rates soon. Thirteen economists said the Canadian economy is proving less sensitive to higher rates than previously believed.

([www.bloomberg.com](http://www.bloomberg.com) 06/06/23)

#### **EXCHANGE RATES OF SELECTED CURRENCIES**

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2431	(1.2474)	1.2432	(1.2475)
+USD/EUR	1.0709	(1.0726)	1.0710	(1.0727)
*GHS/USD	10.9665	(10.9654)	10.9775	(10.9764)
*GHS/GBP	13.6325	(13.6783)	13.6472	(13.6930)
*GHS/EUR	11.7450	(11.7622)	11.7567	(11.7739)

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

\* BOG INTERNAL TRANSACTION RATES: 06/06/23 (Rates for 05/06/23 in brackets)

### **RBI draining liquidity signals its intent to quash inflation**

The Reserve Bank of India intensified its operations to remove cash from the banking system, showing it wants to keep liquidity tight to rein in inflation. The central bank said Tuesday it drained 323.8bn rupees via a 3-day reverse repo auction at a cutoff rate of 6.49%. That was after it drained a combined 1.2tr rupees over two previous occasions this month. ([www.bloomberg.com](http://www.bloomberg.com) 06/06/23)

### **Russia's GDP to grow by 1% through 2023**

Russia's GDP is projected to grow by 1% this year, accompanied by an anticipated increase in real income for the population, Russian Finance Minister Anton Siluanov said. "Russia fully complies with its budgetary obligations," Siluanov said. "In terms of the economy, we expect growth within 1%, plus or minus." ([www.xinhuanet.com](http://www.xinhuanet.com) 06/06/23)

### **Indonesia's inflation returns to target earlier than expected**

Indonesia's inflation returned within the central bank's 2%-4% goal in May, well ahead of forecasts. Consumer prices increased 4% last month from a year ago, settling right on the upper end of Bank Indonesia's target band and marking its smallest rise in a year. ([www.bloomberg.com](http://www.bloomberg.com) 06/06/23)

### **Swiss inflation eases to 2.2%, lowest in 15 months**

Switzerland's consumer price inflation eased as expected in May to the lowest level in more than a year amid a slowdown in prices for a broad number of categories, the Fed Statistical Office reported on Monday. The CPI, climbed 2.2% year-on-year in May, slower than the 2.6% gain in April. ([www.rttnews.com](http://www.rttnews.com) 05/06/23)

### **Philippine inflation eases to 6.1%, lowest in 11 months**

The Philippines' consumer price inflation eased for the fourth straight month in May to the lowest level in nearly a year, largely driven by a slowdown in prices for food products along with a fall in transport costs, data from the Philippine Statistical Authority showed on Tuesday. ([www.rttnews.com](http://www.rttnews.com) 06/06/23)

### **Oil falls as global economic backdrop outweighs Saudi output cut**

Oil prices edged lower early on Tuesday, coming off gains made the previous day as concerns about the global economic backdrop outweighed supply worries raised when Saudi Arabia announced its biggest output cut in several years. Brent crude futures slipped 51 cents to \$76.20 a barrel by 0506 GMT. ([www.reuters.com](http://www.reuters.com) 06/06/23)

### **S. African food producer Premier Group posts almost 40% jump in annual profit**

South African food producer, Premier Group posted a near 40% jump in annual profit despite increasing commodity prices and rising inflation. The company reported a headline earnings per share, the main profit measure in South Africa of 634 cents for the year ended March 31, up from 453 cents a year earlier. ([www.reuters.com](http://www.reuters.com) 06/06/23)

### **SA dodges recession as economy grows 0.4% in Q1**

South Africa narrowly avoided a recession as the economy grew marginally in the first quarter, with manufacturing and finance holding up relatively well despite crippling power cuts. Africa's most industrialised economy grew 0.4% in quarter-on-quarter terms in the first three months of 2023, and 0.2% year on year. ([www.reuters.com](http://www.reuters.com) 06/06/23)

### **Egypt non-oil activity contracts for 30th month as prices rise-PMI**

Non-oil private sector activity in Egypt contracted for the 30th straight month in May, weighed down by continued high inflation and weak demand. The S&P Global Egypt Purchasing Managers' Index (PMI) strengthened to 47.8 in May from 47.3 in April. ([www.xinhuanet.com](http://www.xinhuanet.com) 05/06/23)

### **Kenya private sector activity falls in May**

Kenya's private sector activity fell in May, but at a slower pace than a month earlier, helped by improved performance in agriculture and construction but hurt by rising fuel prices and a weakening shilling, a survey showed on Tuesday. ([www.reuters.com](http://www.reuters.com) 06/06/23)

**DISCLAIMER:** This information has been compiled by the Communications Office of Bank of Ghana for general reference purposes only. While every effort is made to ensure that the information is accurate, the Bank of Ghana does not guarantee nor does it accept any responsibility or liability for the accuracy or completeness of the content or for any loss which may arise from reliance on information contained in this document.