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World economy set for weak inflation-plagued recovery, OECD warns

The global economy is set for a weak recovery from the shocks of Covid and Russia’s war in Ukraine, dogged by persistent inflation and the restrictive policies of major central banks seeking to contain price pressures, the organisation for Economic Co-operation and Development (OECD) said. The OECD forecasts a 2.7% expansion of world output this year and only a modest pickup to 2.9% in 2024. (www.bloomberg.com 07/06/23)

Eurozone consumer inflation expectations down ‘significantly’

Consumer inflation expectations in the Eurozone “decreased significantly” in April, according to data released by the European Central Bank on June 6. The median 12 months ahead inflation expectations declined from 5% in March to 4.1% in April. (www.centralbanking.com 06/06/23)

ECB has ‘more ground to cover’ on rates, Schnabel tells de Tijd

The European Central Bank hasn’t finished increasing borrowing costs as core inflation proves stubborn, Executive Board member Isabel Schnabel told De Tijd. “We have more ground to cover,” she was cited as saying. “It will depend on the incoming data by how much more rates will have to increase.” (www.bloomberg.com 07/06/23)

US Treasury’s \$1tn borrowing drive set to put banks under strain

A \$1tn US government borrowing spree is set to increase the strain on the country’s banking system as Washington returns to the markets in the aftermath of the debt ceiling fight. Following the resolution of that dispute, the Treasury department is seeking to rebuild its cash balance, which last week hit its lowest level since 2017. (www.ft.com 07/06/23)

China's foreign trade up 4.7% in first five months

China's total imports and exports expanded 4.7% year on year to ¥16.77tr in the first five months of 2023. Exports grew 8.1% year on year while imports rose 0.5% in the first five months, it added. In US dollar terms, total foreign trade came in at \$2.44tr in the period, down 2.8% year on year, according to the General Administration of Customs. In May alone, foreign trade increased 0.5% year on year. (www.xinhuanet.com 07/06/23)

China exports decline during May in setback to post-Covid rebound

Chinese exports contracted more than expected in May, in a further blow to the country’s hopes for a strong economic rebound from the Covid-19 pandemic. Exports contracted 7.5% compared with the same period a year earlier, behind the forecast of analysts who expected a contraction of 0.4%. (www.ft.com 07/06/23)

UK house prices book first annual contraction in decade

UK house prices registered the first annual contraction in a decade in the month of May as prospective buyers are hit by higher mortgage rates, according to mortgage provider Halifax. Property prices were 1% down last month compared with May 2022, the first annual fall since December 2012. (www.ft.com 07/06/23)

German industrial output rises slightly less than expected in April

German industrial output rose less than expected in April, darkening the outlook for the euro zone's largest economy following weak new orders data earlier this week. Production increased by 0.3% in the previous month, the Federal statistical office has said. In a Reuters poll, analysts had pointed to an increase of 0.6%. (www.reuters.com 07/06/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2409	(1.2431)	1.2410	(1.2432)
+USD/EUR	1.0687	(1.0709)	1.0688	(1.2432)
*GHS/USD	10.9714	(10.9665)	10.9824	(10.9775)
*GHS/GBP	13.6144	(13.6325)	13.6291	(13.6472)
*GHS/EUR	11.7265	(11.7450)	11.7371	(11.7567)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 07/06/23 (Rates for 06/06/23 in brackets)

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Australian economy grows at slowest pace since 4th quarter of 2021

The Australian economy grew at its slowest pace since the third quarter of 2021 in the first three months of this year, crimped by sustained high inflation and a consumer spending crunch. Gross domestic product increased 0.2% compared with the final three months of last year. (www.ft.com 07/06/23)

Spain industrial production falls

Spain's industrial production declined unexpectedly in April, as output in all sectors contracted except capital goods, preliminary data from the statistical office INE shows. Industrial production declined by an adjusted 0.9% year-on-year in April, reversing a 4.1% gain in March. (www.rttnews.com 06/06/23)

Cambodia's insurance industry records 5.6% growth in Q1

Cambodia's insurance industry recorded a total premium of \$93.3m in the first quarter (Q1) of 2023, up 5.6% from \$88.3m in the same period last year, a report shows. The growth was generated from 18 general insurers, 14 life insurers, seven micro-insurance companies and one reinsurance firm, the report of the Insurance Regulator of Cambodia (IRC) said. (www.xinhuanet.com 06/06/23)

Dutch inflation rises to 6.1% as estimated

The Netherlands' consumer price inflation accelerated for the second straight month in May, as initially estimated, the latest data from the Central Bureau of Statistics showed Tuesday. The consumer price index rose 6.1% year-on-year in May, faster than the 5.2% increase in April. (www.rttnews.com 06/06/23)

Romania PPI lowest in 2 years

Romania's producer price inflation slowed for an eighth month in a row to reach its lowest level in two years, data from the National Institute of Statistics shows. The PPI increased 11.6% year-on-year in April, after a 13.6% growth in March. The latest inflation was the lowest since May 2021, when prices rose 10.38%. (www.rttnews.com 06/06/23)

Oil prices edge higher as Saudi cut outweighs bearish backdrop

Oil prices edged higher on Wednesday as Saudi Arabia's surprise weekend pledge to deepen output cuts outweighed weak Chinese export data and rising United States fuel stocks. Brent crude futures were up 36 cents, or 0.5%, at \$76.65 a barrel by 0949 GMT. (www.reuters.com 07/06/23)

SA skirts recession as mining, industrial rally

South Africa's economy escaped recession in the first quarter and is once again bigger than before the coronavirus pandemic hit, as most sectors grew. GDP expanded 0.4% in the 3 months through March, after contracting a revised 1.1% in the previous quarter, Statistics South Africa has said. (www.bloomberg.com 06/06/23)

Egypt faces external debt reckoning after borrowing spree

Egypt faces an increasingly tough task raising cash for foreign debt repayments after external borrowing quadrupled over the past eight years to help fund a new capital, build infrastructure, buy weapons and support an overvalued currency. Few of its grand projects are generating additional hard currency inflows. (www.reuters.com 06/06/23)

Kenya economic growth to edge up this year, WB says

Kenya's economy is expected to grow at a slightly faster pace this year, the World Bank has said, underpinned by a recovery in the key agriculture sector. Kenya's economy will expand by 5.0% in 2023, the bank said in its latest biannual Kenya Economic Update report, inching up from 4.8% last year. (www.reuters.com 07/06/23)

Ghana sends debt rework proposal to official creditors: sources

Ghana has sent a debt restructuring proposal to its official creditors, two sources with direct knowledge of the matter said, as the West African country battles to escape its worst economic crisis in a generation. (www.reuters.com 06/06/23)

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