



Thursday, 8<sup>th</sup> June 2023

### Central banks’ pandemic interventions averaged 6% of GDP

New International Monetary Fund research published on June 2, details the scope and management of central bank interventions in the pandemic. The work finds central bank balance sheets grew far more during 2020–21 than during the global financial crisis. The paper Quasi-Fiscal Implications of Central Bank Crisis Interventions examined a sample of sixty-seven (67) central banks. ([www.centralbanking.com](http://www.centralbanking.com) 07/06/23)

### US trade deficit widens significantly as exports slump, imports jump

A report released by the Commerce Department shows US trade deficit widened significantly in the month of April. The Commerce Department said the trade deficit increased to \$74.6bn in April from a revised \$60.6bn in March. Economists expected trade deficit to jump to \$75.2bn from the \$64.2bn originally reported for the previous month. ([www.rttnews.com](http://www.rttnews.com) 07/06/23)

### Fed contemplates rate hike or ‘skip’

Members of the US Federal Open Market Committee are open to raising rates at their next meeting, but have signalled they could also let economic conditions develop without tightening. The next rate announcement from the FOMC will be on June 14. ([www.centralbanking.com](http://www.centralbanking.com) 07/06/23)

### China's foreign trade shows resilience amid sustained growth

China's total imports and exports expanded 4.7% year on year to ¥16.77tr in the first five months of 2023, showing continued resilience amid sluggish external demand. Exports grew 8.1% year on year while imports rose 0.5% in the first five months, the General Administration of Customs (GAC) said on Wednesday. ([www.xinhuanet.com](http://www.xinhuanet.com) 07/06/23)

### UK wage growth accelerates despite cooling labour market

Wage growth accelerated in the UK in May even as the job market cooled according to real-time data that highlights the challenge the Bank of England faces in bringing inflation back to target. The median wage cited in UK job adverts was 7.2% higher last month than a year earlier, the fastest pace seen in data stretching back to 2019. ([www.ft.com](http://www.ft.com) 07/06/23)

### Japan’s growth speeds up with greater corporate spending

Japan’s economy grew faster than initially expected in the first quarter as corporate spending picked up on the back of robust earnings. Gross domestic product grew at an annualised rate of 2.7% in the January to March quarter, compared with a 1.6% gain in preliminary figures released last month. ([www.ft.com](http://www.ft.com) 08/06/23)

### Japan overall bank lending rises 3.4% on year in May

Overall bank lending in Japan was up 3.4% on year in May, the Bank of Japan said, coming in at ¥602.335tr. That exceeded expectations for an increase of 3.1% and was up from 3.2% in April. Excluding trusts, lending climbed an annual 3.8% to ¥525.376tr accelerating from 3.5% in March. ([www.rttnews.com](http://www.rttnews.com) 07/06/23)

### BoC hikes rates to 22-year high, more increases expected

The Bank of Canada on Wednesday hiked its overnight rate to a 22-year high of 4.75%, markets and analysts immediately forecast another increase next month to ratchet down an overheating economy and high inflation. The central bank had been on hold since January to assess the impact of previous hikes after raising borrowing costs eight times since March 2022 to a 15-year high of 4.50%. ([www.reuters.com](http://www.reuters.com) 07/06/23)

#### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2459	(1.2409)	1.2460	(1.2410)
+USD/EUR	1.0705	(1.0687)	1.0706	(1.0688)
*GHS/USD	10.9714	(10.9714)	10.9824	(10.9824)
*GHS/GBP	13.6693	(13.6144)	13.6841	(13.6291)
*GHS/EUR	11.7454	(11.7265)	11.7571	(11.7371)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 08/06/23 (Rates for 07/06/23 in brackets)

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### **Taiwan trade surplus grows to \$4.89bn**

Taiwan's trade surplus increased notably in May from a year ago, as exports fell much slower than imports, preliminary figures from the Ministry of Finance revealed. The trade surplus climbed to \$4.89bn in May from \$2.12bn in the corresponding month last year. However, the surplus shrank from \$6.71bn in April. ([www.rttnews.com](http://www.rttnews.com) 07/06/23)

### **Brazil's inflation eases to 3.94%, lowest in 31 months**

Brazil's consumer price inflation eased further in May to reach its lowest level in just over two-and-a-half years, figures from the Brazilian Institute of Geography and Statistics, or IBGE, show. The CPI climbed 3.94% year-on-year in May, slower than the 4.18% rise in April. ([www.rttnews.com](http://www.rttnews.com) 07/06/23)

### **EU's fastest inflation slows more than seen on Hungary recession**

Hungarian inflation slowed than estimated in May as a deepening recession limited the room for further price increases across the economy. The annual inflation rate dropped for a fourth month to 21.5%, still by far the fastest pace in the European Union, from 24% in April, the Budapest-based statistics office said. ([www.bloomberg.com](http://www.bloomberg.com) 08/06/23)

### **Serbia to hold rate as inflation starts to ease**

Serbia will probably hold borrowing costs at an eight-year high after unexpectedly pausing a tightening cycle last month and inflation started to ease. The National Bank of Serbia will leave the one-week repurchase rate at 6% on Thursday, according to 14 out of 18 economists in a Bloomberg survey. ([www.bloomberg.com](http://www.bloomberg.com) 08/06/23)

### **Estonia inflation at 16-month low**

Estonia's consumer price inflation eased for the fourth straight month in May to the lowest level in a year, though it remained strong overall, preliminary figures from Statistics Estonia showed on Wednesday. The consumer price index rose 11.3% year-on-year in May, which was slower than the 13.5% gain in April. ([www.rttnews.com](http://www.rttnews.com) 07/06/23)

### **Oil eases as weaker demand outlook returns to focus**

Oil prices dipped on Thursday as demand concerns tied to a global economic slowdown overshadowed a pending fall in supply with Saudi Arabia's pledged output cuts. Brent crude futures fell 21 cents to \$76.74 a barrel at 0415 GMT, while US West Texas Intermediate crude futures eased 21 cents to \$72.32 a barrel. ([www.reuters.com](http://www.reuters.com) 08/06/23)

### **WTO Chief urges African governments to increase trade, agric investment**

The Director-General of the World Trade Organization (WTO), Dr Ngozi Okonjo-Iweala, has called on African countries to create opportunities and increase investment in agriculture to address food security in Africa. ([www.citibusinessnews.com](http://www.citibusinessnews.com) 07/06/23)

### **Use of single currency will promote African economic integration - Dr Yeo**

Dr Dossina Yeo, a Financial Economist from the Ivory Coast has stated that a single African currency will promote economic integration, facilitate trade and investment and create a more stable and prosperous Africa. Dr Yeo stated this during the seventh Ghana International Trade and Finance Conference (GITFiC) in Senchi in the Eastern Region. ([www.ghanaweb.com](http://www.ghanaweb.com) 07/06/23)

### **SA's business confidence index falls further in second quarter, survey shows**

South Africa's business confidence fell in the second quarter of 2023 to the lowest in three years, dragged down by persistent power outages, rising interest rates and cost pressures weighing on profitability, a survey results show. ([www.reuters.com](http://www.reuters.com) 07/06/23)

### **WB maintains 1.6% growth rate for Ghana in 2023**

The World Bank has maintained its 1.6% GDP growth forecast for Ghana in 2023, far lower than the expected 3.2% for Sub-Saharan Africa. This places it in the 42nd position in Sub-Saharan Africa. The IMF also projected a 1.6% growth rate for Ghana in 2023. ([www.myjoyonline.com](http://www.myjoyonline.com) 07/06/23)

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