



Thursday, 1<sup>st</sup> February 2024

### ECB paper examines household inflation differences

Heterogeneity in German and French households' experience of inflation is largely driven by product choice, a working paper published by the European Central Bank finds. In Inflation heterogeneity across households, Regina Kiss and Georg Strasser look at certain kinds of consumer purchases from 2008 to 2018 in France and Germany.

([www.centralbanking.com](http://www.centralbanking.com) 31/01/24)

### Wall Street explores novel ways to repackage bank loan risk

A financial product that enables banks to shed risk from loan portfolios is gaining more popularity among lenders in the US, with investors and lawyers devising new structures to broaden its appeal. In deals known as credit risk transfers, banks effectively buy insurance from hedge funds and other investors against the risk of losses from loans. The deals can free up precious capital for lenders, while producing juicy returns for investors.

([www.reuters.com](http://www.reuters.com) 01/02/24)

### Inflation-focused Fed shoots down Wall Street's hopes of March cut

Investors hoping for imminent rate cuts by the Federal Reserve received a sobering reminder of the US central bank's focus on fighting inflation, after Powell poured cold water on bets policymakers would lower borrowing costs in March.

([www.reuters.com](http://www.reuters.com) 01/02/24)

### Fed's Powell sees lower rates on the horizon as inflation ebbs, economy bounces ahead

Federal Reserve Chair Jerome Powell, in a sweeping endorsement of the US economy's strength, said on Wednesday that interest rates had peaked and would move lower in coming months, with inflation continuing to fall and an expectation of sustained job and economic growth.

([www.reuters.com](http://www.reuters.com) 01/02/24)

### US rural economies are 'main losers from employment trends'

Research from the Federal Reserve has found "relatively large, negative employment effects" in rural areas of the US. The paper states that high levels of unemployment could stem from the historic concentration of manufacturing in these areas.

([www.centralbanking.com](http://www.centralbanking.com) 31/01/24)

### China's fiscal revenue growth picks up in 2023

China's fiscal revenue rose 6.4% in 2023 from a year earlier, picking up significantly from a 0.6% increase in COVID-hit 2022, China's Vice Finance Minister Wang Dongwei told a press conference in Beijing on Thursday. China's economy has been stuck in an uneven and sputtering post-COVID recovery last year, with persistent deflationary pressures, a prolonged housing downturn and geopolitical challenges keeping alive calls for more policy support.

([www.reuters.com](http://www.reuters.com) 01/02/24)

### China's general public budget revenue tops ¥21 tr in 2023

China's general public budget revenue increased 6.4% year on year to exceed 21tr yuan (about 2.96tr US dollars) in 2023, official data showed.

([www.xinhuanet.com](http://www.xinhuanet.com) 01/02/24)

### China moves to stimulate business vitality to promote high-quality development

China is implementing measures to stimulate the vitality of business entities and promote high-quality economic development. These measures include deepening reforms and innovation, promoting fair competition, enforcing the law in a strict, standard and fair manner, improving the assistance offered to business entities, and standardizing market order, said vice head of the State Administration for Market Regulation.

([www.xinhuanet.com](http://www.xinhuanet.com) 31/01/24)

#### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2714	(1.2687)	1.2715	(1.2688)
+USD/EUR	1.0847	(1.0845)	1.0847	(1.0846)
*GHS/USD	12.0296	(12.0066)	12.0416	(12.0186)
*GHS/GBP	15.2944	(15.2328)	15.3109	(15.2492)
*GHS/EUR	13.0487	(13.0217)	13.0606	(13.0346)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 01/02/24 (Rates for 31/01/24 in brackets)

\* BOG INTERNAL TRANSACTION RATES: 01/02/24 (Rates for 31/01/24 in brackets)

### **Bank of England to keep rates on hold as investors look for rate cut hints**

Britain's central bank looks set to keep interest rates at their highest in nearly 16 years, but the prospect that inflation may soon be back at the Bank of England's 2% target will leave investors looking for hints of rate cuts to come. Sharp falls in energy prices since the BoE published its last forecasts on Nov. 2 mean many economists now expect inflation - which was 4% in December - to be on target as soon as April, far earlier than the BoE's forecast of late 2025. ([www.reuters.com](http://www.reuters.com) 01/02/24)

### **BoJ policy-makers signal end to negative rates**

A summary of opinions expressed during the most recent meeting of the Bank of Japan (BoJ) policy board, released January 31, suggests the bank is moving towards ending its negative rates policy. The summary of the meeting, which occurred on January 22–23, shows that several board members said the chances of a virtuous cycle between wages and prices had continued to increase. ([www.centralbanking.com](http://www.centralbanking.com) 31/01/24)

### **Thai central bank says rates cannot fix sluggish economy amid easing calls**

Monetary policy cannot fix structural problems holding back Thailand's economy, the central bank said, as the government is pressing for a rate cut to help revive flagging growth. Southeast Asia's second-largest economy slowed down in December and the fourth quarter as tourist spending and exports softened due to subdued global demand and structural restraints, which negatively affected manufacturing production and private investment. ([www.reuters.com](http://www.reuters.com) 31/01/24)

### **India narrows budget gap in pre-election budget; pledges reforms to spur growth**

India will reduce its budget gap sharply in 2024-25 and focus on infrastructure and long-term reforms to drive growth, Finance Minister Nirmala Sitharaman said on Thursday as the government presented its last budget before a national election due by May. ([www.reuters.com](http://www.reuters.com) 01/02/24)

### **European shares to drift lower in cautious trade; BOE meeting eyed**

European stocks may drift lower at open after the US Federal Reserve signaled openness to future rate cuts, adding a March rate cut is unlikely. The pan European STOXX 600 finished marginally higher as investors reacted to inflation figures from Germany and France as well as dovish comments from ECB officials. ([www.rttnews.com](http://www.rttnews.com) 01/02/24)

### **Oil futures settle sharply lower after unexpected jump in crude inventory**

Oil prices fell, weighed down by data showing an unexpected jump in US crude inventories in the week ended January 26th. West Texas Intermediate Crude oil futures for March ended down \$1.97 or about 2.5% at \$75.85 a barrel. ([www.rttnews.com](http://www.rttnews.com) 31/01/24)

### **One in every 10 extremely poor people live in Nigeria, says World Bank**

It is estimated that about 70.92m Nigerians are in extreme poverty, according to the World Poverty Clock. The figure translates to 11% of the world's extreme poor. This means that, at least, one out of every 10 extremely poor people live in Nigeria. ([www.guardian.ng](http://www.guardian.ng) 01/02/24)

### **Nigeria seeks to resolve disputed oilfield issues, denies criminal liability**

Nigeria wants to resolve outstanding issues around the disputed OPL 245 oil block as it seeks to attract investment to its oil and gas industry and has held talks with Shell and Eni to discuss the matter, its oil minister said. ([www.reuters.com](http://www.reuters.com) 31/01/24)

### **Burkina Faso may quit West African currency union, but not Mali**

Mali said it was not planning to leave West Africa's currency zone while Burkina Faso indicated it would do so after they and Niger announced their withdrawal from the region's political bloc in protest. In a blow to hard-fought regional integration, the three military-led nations, among the world's poorest, are planning to quit the 15-member ECOWAS after being criticised for their respective coups. ([www.reuters.com](http://www.reuters.com) 01/02/24)

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