



Friday, 2<sup>nd</sup> February 2024

### Global inflation progress "could be reversed" amid Red Sea tensions

An IMF official has warned that geopolitical tensions, especially with increased attacks on ships in the Red Sea, could spur global inflation again, reversing the hard-won progress. "We had a positive surprise where growth went up and inflation came down. Part of that is because supply-side issues improved, leading to reduced delivery times for goods." ([www.xinhuanet.com](http://www.xinhuanet.com) 02/02/24)

### US money market assets top \$6tr for the first time

US money market assets topped \$6tr for the first time, Investment Company Institute has said. Assets in short-term money funds, which predominantly hold gov't debt, have continued to rise in the 2024 after claiming inflows of more than \$1tr in 2023. ([www.ft.com](http://www.ft.com) 01/02/24)

### Debtor nations face 'long-term pain', BdF research finds

Debt issued by France and the US under high inflation and interest rates means the countries will go from "short-term gain into long-term pain", new research argues. Higher inflation and rates from 2021 to 2022 had a positive short-term impact on the countries' net international investment position (NIIP). ([www.centralbanking.com](http://www.centralbanking.com) 01/02/24)

### US weekly jobless claims unexpectedly rise to 224,000

With the more closely watched monthly jobs report looming, the Labor Department showing a modest increase in first-time claims for US unemployment benefits in the week ended Jan. 27th. It said initial jobless claims rose to 224,000, an increase of 9,000 from the previous week's revised level of 215,000. ([www.rttnews.com](http://www.rttnews.com) 01/02/24)

### Chinese yuan strengthens to 7.1006 against USD Friday

The central parity rate of the Chinese currency renminbi, or the yuan, strengthened 43 pips to 7.1006 against the US dollar on Friday, according to the China Foreign Exchange Trade System. In China's spot foreign exchange market, the yuan is allowed to rise or fall by 2% from the central parity rate each trading day. ([www.xinhuanet.com](http://www.xinhuanet.com) 02/02/24)

### BoE holds rates and cuts 2024 growth forecast to 0%

The Bank of England (BoE) held its policy rate at 5.25% on Feb 1 for the fourth consecutive meeting. The MPC decided by six votes to three to keep the rate at its current level – the highest it has been since 2008. Swati Shingra voted to lower it to 5% – the first time an MPC member has done so since 2021. ([www.centralbanking.com](http://www.centralbanking.com) 01/02/24)

### Germany's battered coalition is heading for next budget disaster

Germany's parliament is about to pass a hard-fought budget for 2024, but that will probably offer little respite in what has become a protracted national argument about money. The bill to be approved on Friday will settle the most pressing dispute sparked by a legal ruling in mid-November on government borrowing. ([www.bloomberg.com](http://www.bloomberg.com) 02/02/24)

### Japan monetary base advances 4.8% on year in Jan

The monetary base in Japan was up 4.8% on year in January the Bank of Japan said on Friday - coming in at ¥668.019tr. That was well shy of expectations for an increase of 7.5% and down from 8.2% in December. Banknotes in circulation fell 0.4% on year. ([www.rttnews.com](http://www.rttnews.com) 01/02/24)

#### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2685	(1.2714)	1.2686	(1.2715)
+USD/EUR	1.0830	(1.0847)	1.0831	(1.0847)
*GHS/USD	12.0296	(12.0296)	12.0416	(12.0416)
*GHS/GBP	15.2595	(15.2944)	15.2760	(15.3109)
*GHS/EUR	13.0290	(13.0487)	13.0419	(13.0606)

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

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### **Japan economy likely returned to growth in Q4, but remains fragile**

Japan's economy likely swung back to growth in the October-December period, helped by a slight pickup in external demand, though analysts warned private consumption remains fragile, a Reuters poll showed on Friday. The expected return to expansion, albeit modest, would come at a time when the Bank of Japan is debating the likelihood of a near-term exit from its massive stimulus programme, and is closely monitoring upcoming wage talks and consumer spending. ([www.reuters.com](http://www.reuters.com) 02/02/24)

### **Australia producer prices add 0.9% on quarter in Q4**

Producer prices in Australia were up 0.9 percent on quarter in the fourth quarter of 2023, the Australian Bureau of Statistics said. That was shy of expectations for an increase of 1.9% following the 1.8% gain in the previous 3 months. ([www.rttnews.com](http://www.rttnews.com) 01/02/24)

### **S.Korea inflation softens to six-month low, policymakers remain wary**

South Korea consumer inflation slowed to a six-month low in January, official data showed on Friday, but policymakers warned of an uptick amid price pressures from heightened geopolitical tensions in the Middle East. ([www.reuters.com](http://www.reuters.com) 02/02/24)

### **India's budget adequate for ratings upgrade, top adviser says**

India's plan to rein in its budget deficit should be enough to raise the nation's credit rating, the country's top economic adviser to the government said, even though the major rating companies said they're not ready to do so. ([www.bloomberg.com](http://www.bloomberg.com) 02/02/24)

### **Romania producer prices continue to fall**

Romania's producer prices declined for the sixth successive month in Dec. data from the National Institute of Statistics showed. The producer price index fell 3.4% year-over-year in Dec. faster than the 2.6% decline in Nov. Prices in the domestic market declined 5.0% annually in Dec. ([www.rttnews.com](http://www.rttnews.com) 02/02/24)

### **European shares jump as earnings continue to impress**

European shares rose on Friday as traders assessed a flurry of upbeat corporate updates from the region and as the index mirrored overnight gains on Wall Street after softer economic data and upbeat tech results. The pan-European STOXX 600 (STOXX), opens new tab was up 0.6%, as of 0926 GMT and hovered near two-year highs scaled earlier in the week. ([www.reuters.com](http://www.reuters.com) 02/02/24)

### **Oil gains after OPEC+ maintains output cuts, but heads for weekly losses**

Oil prices rose slightly on Friday after the OPEC+ group's decision to keep its production policy unchanged, but benchmarks remained on track for weekly losses on China demand growth fears. Brent crude futures were up 27 cents, or 0.3%, at \$78.97 a barrel by 1215 GMT and US West Texas Intermediate crude futures gained 23 cents, or 0.3%, to \$74.05. ([www.reuters.com](http://www.reuters.com) 02/02/24)

### **US invests \$160m to support AfCFTA, trade facilitation**

The US government said it has contributed \$160m to support the African Continental Free Trade Area (AfCFTA) and expand trade in goods and services between the US and Africa. The United States Mission Commercial Counselor to Nigeria, Julie LeBlanc, stated this in her keynote address at the Business Day Africa Trade and Investment Summit titled: "AGOA, AfCTA, top US programmes and priorities for Africa and Nigeria," held in Lagos. ([www.guardian.ng](http://www.guardian.ng) 02/02/24)

### **Benin aims for \$750m in first US dollar bond issuance**

Benin is aiming to raise around \$750m this month in its inaugural dollar-denominated bond sale, according to three sources. Benin policymakers, led by Finance Minister Romuald Wadagni, are holding in person and virtual meetings with investors, with a road show trip to London and New York focused on the country's first ever US dollar issuance. ([www.reuters.com](http://www.reuters.com) 02/02/24)

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