



Monday, 5th February 2024

OECD raises global growth outlook on US strength

The global economy is on course to hold up better this year than expected only a few months ago as an improved outlook in the United States offsets euro zone weakness, the OECD said. World economic growth is expected to ease from 3.1% in 2023 to 2.9% this year, better than the 2.7% expected in November in the Organisation for Economic Cooperation and Development's last outlook. (www.reuters.com 05/02/24)

Euro zone economy showing some signs of recovery

The euro zone economy showed tentative signs of recovery at the start of the year, which showed rising inflationary pressures, bolstering the European Central Bank's case for keeping interest rates at record highs. HCOB's composite PMI for the bloc, compiled by S&P Global and seen as a good guide of overall economic health, rose to 47.9 in January from December's 47.6, matching a preliminary estimate. (www.reuters.com 05/02/24)

Powell says Fed can be 'prudent' in weighing rate cuts -- CBS '60 Minutes'

The US Federal Reserve can be "prudent" in deciding when to cut its benchmark interest rate, with a strong economy allowing central bankers time to build confidence inflation will continue falling, Fed chair Jerome Powell told the CBS news show. (www.reuters.com 05/02/24)

Dollar hits two-month high as Fed rate cut bets recede

The dollar rose to a two-month high against its major peers as traders clawed back bets for aggressive rate cuts by the Federal Reserve this year. The Fed repricing has followed Friday's blockbuster US jobs report that far exceeded market expectations and sent US bond yields soaring, boosting the country's currency. (www.reuters.com 05/02/24)

Why China's national team won't save spiralling markets

For a second day running state-backed buying likely scraped Chinese stocks from multi-year lows. Investors doubt the support will last and warn it leaves markets unbalanced and unstable. Formed in response to a market crash in 2015, the so called "national team" of Chinese state-backed investors poured \$17bn into index-tracking funds last month and were piling in on Friday and Monday as markets fell, analysts say. (www.reuters.com 05/02/24)

China securities regulator vows to prevent risks from pledged stocks

China's securities regulator said it will closely monitor and take forceful measures to prevent risks from pledged shares as the stock market plunged to five-year lows. The slump has led to many big shareholders of listed companies who borrowed against their stocks facing margin calls. (www.reuters.com 05/02/24)

UK unemployment rate much lower than thought in late 2023

Britain's unemployment rate was much lower late last year than previously thought, the Office for National Statistics said, citing re-weighted survey results that might add to the Bank of England's caution about cutting interest rates quickly. (www.reuters.com 05/02/24)

Most UK firms need to hike prices further after energy crisis

Four out of five UK businesses say that high energy bills will force them to raise prices in the next two years, signaling that the impact for households from Europe's crisis has yet to subside. A survey conducted by PricewaterhouseCoopers showed 81% of companies plan to raise the price tag on their products or services, slightly higher than the share of firms that reported doing so over the last two years. (www.bloomberg.com 05/02/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2642	(1.2685)	1.2643	(1.2686)
+USD/EUR	1.0792	(1.0830)	1.0792	(1.0831)
*GHS/USD	12.0476	(12.0296)	12.0596	(12.0416)
*GHS/GBP	15.2305	(15.2595)	15.2470	(15.2760)
*GHS/EUR	13.0020	(13.0290)	13.0138	(13.0419)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 05/02/24 (Rates for 02/02/24 in brackets)

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China's central bank adds liquidity via reverse repos, RRR cut

China's central bank conducted ¥100bn (about \$14bn) of 14-day reverse repos at an interest rate of 1.95% Monday. The People's Bank of China (PBOC) on the same day reduced the reserve requirement ratio (RRR) for financial institutions by 0.5 percentage points, which is set to unleash about ¥1tr of long-term liquidity. (www.xinhuanet.com 05/02/24)

RBA set to hold rate at 12-year high as bank overhaul begins

Australia's central bank is widely expected to hold interest rates at a 12-year high at its first meeting of the year, with investors zeroing in on the future path of policy under a revamped communications regime. Economists unanimously expect the Reserve Bank will keep its cash rate at 4.35% and probably maintain a hawkish stance given inflation. (www.bloomberg.com 04/02/24)

Taiwan says trade not being much affected by Red Sea disruptions

Taiwanese companies are not being affected much by disruptions to the key shipping lane of the Red Sea as it has coincided with the traditional low season in demand for exporters, Economy Minister said on Monday. Some shipping companies have suspended transit along the Red Sea route to avoid being attacked by Yemen's Iranian-backed Houthi group. (www.reuters.com 05/02/24)

India services growth strongest in 6 months in robust demand

India's service sector expanded at the fastest pace in six months in January amid buoyant demand from domestic and external clients, survey data from S&P Global showed on Monday. (www.rttnews.com 05/02/24)

Indonesia 2023 GDP growth slows to 5.1% on falling commodity prices

Indonesia's annual economic growth fell slightly but remained solid at 5.05% last year, as falling commodity prices hit exports and tight monetary policy dampened demand. (www.reuters.com 05/02/24)

European shares flat as dashed rate cut hopes outweigh upbeat earnings

European shares pared earlier gains to be nearly flat as upbeat corporate reports were outweighed by broader subdued sentiment as investors reassessed their interest rate cut expectations. The pan-European STOXX 600 index (.STOXX), opens new tab was unchanged at 483.87 points, as of 0922 GMT. (www.reuters.com 05/02/24)

Oil steady as Mideast strikes compete with rate cuts caution

Oil prices were steady following sharp falls last week, after Washington pledged to launch further strikes on Iran-backed groups in the Middle East and a strong US job report dampened hopes of swift rate cuts. Brent crude futures fell 18 cents, or 0.2%, to \$77.15 a barrel by 1003 GMT, while US West Texas Intermediate futures were at \$72.04 a barrel, down 24 cents. (www.reuters.com 05/02/24)

European Commission, AfDB unlock new funding for African infrastructure

On the sidelines of this week's Italy-Africa Summit, the EC and the African Development Bank Group have formalised a new Financial Framework Partnership Agreement to boost investments in infrastructure projects in Africa. (www.guardian.ng 05/02/24)

South African rand flat ahead of mining conference and president's address

The South African rand was little changed early on Monday after dropping sharply at the end of last week as a US jobs report boosted the dollar. The rand traded at 18.9050 against the dollar at 0701 GMT, close to its Friday close of 18.9025. (www.reuters.com 05/02/24)

Egypt January non-oil business shrinks on inflation, Gaza

Non-oil private sector activity in Egypt shrank for a 38th month in January as inflation pressure and the conflict in Gaza continued to weigh on demand. The S&P Global PMI for Egypt edged down to 48.1 from 48.5 in December, remaining below the 50.0 threshold. (www.reuters.com 05/02/24)

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