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Eurozone’s reserve-rich banks less sensitive to rate hikes, paper finds

Recent monetary tightening in the Eurozone has had a lower impact on credit supply than could have been expected, research published by the Bundesbank finds. This is because reserve-rich banks have been able to sustain lending, Daniel Fricke, Stefan Greppmair and Karol Paludkiewicz say in a discussion paper. (www.centralbanking.com 13/02/24)

Monetary policy shocks ‘amplified by financial integration’

The interconnectedness of financial systems can amplify the effects of monetary shocks, researchers with the Bank of Canada (BoC) find. The effect is especially pronounced when it comes to the buying and selling of government bonds and other securities. (www.centralbanking.com 13/02/24)

US consumer prices rise 0.3% in January, slightly more than expected

A highly anticipated report released by the Labor Department on Tuesday showed consumer prices in the US increased by slightly more than expected in the month of January. The Labor Department said its consumer price index rose by 0.3% in January after inching up by 0.2% in December. Economists had expected consumer prices to edge up by 0.2%. (www.rttnews.com 13/02/24)

China's SMEs report better performance in January

China's small and medium-sized enterprises (SMEs) reported an improvement in business performance in January, an industry index shows. The Small and Medium Enterprises Development Index, based on a survey of 3,000 SMEs from eight major industries, came in at 89.2 last month up from 89 in the previous month. (www.xinhuanet.com 14/02/24)

UK unemployment rate falls in Q4

The UK jobless rate declined in the fourth quarter, figures from the Office for National Statistics showed on Tuesday. The ILO unemployment rate fell to 3.8% in the fourth quarter from 3.9% in the prior period. The rate was also below economists' forecast of 4.0%. In three months to December, average earnings including bonus rose 5.8 % annually, slower than the 6.7% rise in November. (www.rttnews.com 13/02/24).

UK wage growth slows less than expected; jobless rate down

UK pay growth eased at a slower than expected pace in the fourth quarter and created a bumpy road ahead for an interest rate cut as the Bank of England awaits more signs of easing in the labor market. In the three months to December average earnings including bonuses rose at a slower pace of 5.8% annually, after the 6.7% gain in November. (www.rttnews.com 13/02/24)

German economic confidence at 1-year high

German economic sentiment strengthened more than expected to its highest level in a year in February as market experts foresee interest rate reductions in the coming six months as inflation slows, survey data from the think tank ZEW revealed Tuesday. (www.rttnews.com 13/02/24)

Ueda mulls rate hike in rare case of BOJ facing scant opposition

Governor Kazuo Ueda is in a rare, sweet spot for Japanese monetary officials as he weighs a historic policy move with virtually no political opposition, in sharp contrast to the experiences of his Bank of Japan predecessors. Ueda’s BOJ has signaled clearly in speeches and minutes from board meetings that it intends to raise rates for the first time since 2007. (www.bloomberg.com 14/02/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2588	(1.2612)	1.2589	(1.2613)
+USD/EUR	1.0715	(1.0762)	1.0716	(1.0763)
*GHS/USD	12.1549	(12.1549)	12.1671	(12.1671)
*GHS/GBP	15.3006	(15.3298)	15.3171	(15.3039)
*GHS/EUR	13.0251	(13.0823)	13.0370	(13.0702)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 14/02/24 (Rates for 13/02/24 in brackets)

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The BoJ's possible path to positive rates

Amid the normalisation efforts undertaken by many central banks worldwide over the past two to three years, the Bank of Japan has stood out as an outlier due to the continuation of massive monetary easing. In practice, however, the BoJ has been gradually altering its monetary easing policy for some time. (www.centralbanking.com 13/02/24)

France jobless rate stable at 7.5% in Q4

France's unemployment rate held steady in the fourth quarter after rising in the previous two quarters, the statistical office INSEE reported. The ILO unemployment rate stood at 7.5% in the fourth quarter, the same as in the previous quarter, which was revised up slightly from 7.4%. (www.rttnews.com 13/02/24)

EU isolates frozen Russian central bank interest

The European Union's governments have ordered central securities depositories to put the interest on Russian central bank assets into special accounts. The move, ordered on February 12, applies to all institutions holding more than \$1 million in frozen Bank of Russia assets, and bars them from using the profits. (www.centralbanking.com 13/02/24)

Turkey's current account deficit narrows in December

Turkey's current account deficit decreased somewhat in December largely due to positive developments in primary and secondary income accounts, according to data published by the Central Bank of the Republic of Turkey. The current account deficit decreased to \$2.09bn from \$2.77bn in November. (www.rttnews.com 13/02/24)

Bulgaria unveils euro coin designs after central bank act amended

The Bulgarian National Bank unveiled the design of its euro coins on February 12 as it continues its preparations to join the single currency. "This is the next important step that the institution took in preparing for our country's full membership in the Eurozone," the central bank said. Bulgaria joined the EU in 2007. (www.centralbanking.com 13/02/24)

Oil rises as producers forecast demand growth, US fuel stockpiles drop

Oil prices rose on Wednesday, reversing earlier losses, as major producer group OPEC kept to their relatively strong forecast for demand growth this year and an industry report showed a sharp decline in US fuel stockpiles amid a refinery outage. Brent futures climbed 16 cents to \$82.93 a barrel at 0808 GMT. (www.reuters.com 14/02/24)

Kenya raises \$1.5bn in Eurobond buyback plan

Kenya said Tuesday that it had successfully raised \$1.5bn from its Eurobonds buyback offer initiated on February 7, reducing the chance of defaulting payment on its \$2bn debt that is due in June. The Eurobond issuance was priced at 9.75% and would be due in 2031. (www.xinhuanet.com 14/02/24)

Zambia to hike again to support bruised currency

Zambia's central bank is poised to raise interest rates for the fifth consecutive time to contain inflation and support its bruised currency. The monetary policy committee will increase the benchmark rate by 100 basis points to 12%, according to most analysts. (www.bloomberg.com 14/02/24)

Nigeria's Naira sinks to record low after liquidity shrinks

The naira plunged to a record low against the dollar as availability of the US currency in Nigerian markets declined sharply, adding pressure on the central bank to raise rates to attract foreign-exchange inflows at its policy meeting the week after next. (www.bloomberg.com 13/02/24)

Ethiopia's first stock exchange on horizon as it begins licensing investment banks

Ethiopia has entered the final stage of its first stock exchange launch, as the country's Capital Market Authority begins to on-board foreign investment banks from the second week of February. The regulator announced that it will start issuing investment bank licenses from February 12th 2024. (www.norvanreports.com 13/02/24)

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