



Thursday, 15<sup>th</sup> February 2024

### Legal mandates for CBDC issuance remain rare among central banks

The number of institutions with a legal mandate to issue central bank digital currencies (CBDCs) remains low, the Fintech Benchmarks 2024 finds. 65.7% of 35 central banks say such laws are lacking in their jurisdictions. ([www.centralbanking.com](http://www.centralbanking.com) 14/02/24)

### ECB's Nagel says history suggests worse to cut rates too early

History suggests that it's worse to loosen monetary policy too soon than too late, according to ECB Governing Council member Joachim Nagel. "From past experience, it was often more painful if you lowered interest rates too early and then possibly ran into another phase in which prices rose and you then had to take countermeasures," the Bundesbank chief told Bloomberg on the sidelines of an event in the east German city of Leipzig. ([www.bloomberg.com](http://www.bloomberg.com) 15/02/24)

### ECB policy has been effective in credit markets, paper finds

Eurozone credit markets have been reacting as expected to changes in monetary policy over recent years, according to research published by the Bank of Estonia. Natalia Levenko, an economist at the Bank of Estonia, examined the credit markets of 15 eurozone countries between 2005 and 2022. ([www.centralbanking.com](http://www.centralbanking.com) 14/02/24)

### 'Bumpy' path to 2% inflation means soft landing jury still out

Hotter-than-expected inflation in January shows that the United States' path back to 2% inflation "may be a bumpy one," Fed Vice Chair for Supervision Michael Barr said on Wednesday, adding it was too early to be assured price stability will be restored without a significant blow to jobs or economic growth. ([www.reuters.com](http://www.reuters.com) 14/02/24)

### US SEC proposes to update definition of 'qualifying' VC funds

Wall Street's top watchdog on Wednesday proposed new rules that would raise the dollar threshold for venture capital funds to be covered by a principal statute regulating investment companies. The US Securities and Exchange Commission said this was called for under a 2018 congressional mandate, which called for adjustments for inflation every five years. ([www.reuters.com](http://www.reuters.com) 14/02/24)

### Persistent US services inflation threatens soft landing

Persistent price rises by US service sector businesses have underscored the stickiness of inflation and pushed back expectations for interest rate reductions in 2024, jeopardising hopes for a successful soft landing. Traders now expect overnight interest rates to decline by 75 basis points before the end of the year, with the first cut not until May or probably June. ([www.reuters.com](http://www.reuters.com) 14/02/24)

### UK fell into technical recession in second half of last year

Britain's economy fell into a recession in the second half of 2023, a tough backdrop for Prime Minister Rishi Sunak who has promised to boost growth ahead of an election expected later this year. GDP contracted by a worse-than-expected 0.3% in the three months to December, having shrunk by 0.1% between July and September, official data showed. ([www.reuters.com](http://www.reuters.com) 15/02/24)

### Germany to slash 2024 economic growth forecast to 0.2%, source says

The German government will slash its economic growth forecast for this and next year to just 0.2% and 1% respectively in a report due to be published next week, according to two sources with knowledge of the matter. ([www.reuters.com](http://www.reuters.com) 14/02/24)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2588	(1.2588)	1.2589	(1.2589)
+USD/EUR	1.0715	(1.0715)	1.0716	(1.0716)
*GHS/USD	12.1564	(12.1549)	12.1686	(12.1671)
*GHS/GBP	15.3025	(15.3006)	15.3190	(15.3171)
*GHS/EUR	13.0267	(13.0251)	13.0386	(13.0370)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 15/02/24 (Rates for 14/02/24 in brackets)

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### **Australia unemployment hits 2-year high as jobs growth sputters**

Australian employment was surprisingly weak in January, while the jobless rate climbed to a two-year high in another sign the labour market was loosening in the face of a slowing economy and subdued consumer demand. ([www.reuters.com](http://www.reuters.com) 15/02/24)

### **Belgian governor calls for rethink of EU climate policy**

EU countries must re-think their approach to climate change, National Bank of Belgium governor Pierre Wunsch has said. EU political leaders were downplaying the likely costs of transition to a lower-carbon economy, Wunsch said. ([www.centralbanking.com](http://www.centralbanking.com) 14/02/24)

### **Japan is at last stage of beating deflation, official says**

A senior Japan Cabinet Office official said the nation is at the final corner before declaring victory over deflation, a comment that suggests the government is largely aligned with the Bank of Japan. The government is at the stage of discerning whether there remains any risk of returning to deflation, the official told reporters ahead of the release of economic growth figures. ([www.bloomberg.com](http://www.bloomberg.com) 15/02/24)

### **Singapore revises 2023 growth downward on manufacturing slump**

Singapore's economy expanded by a slightly more modest pace than initially expected in 2023, as manufacturing activity contracted and services growth slowed. The final 1.1% GDP reading from the Ministry of Trade and Industry compares with the 1.2% advanced estimate and the 1.1% median forecast. ([www.bloomberg.com](http://www.bloomberg.com) 15/02/24)

### **Philippine central bank may issue wholesale CBDC in two years**

The Central Bank of the Philippines (BSP) may issue a wholesale digital currency within two years. Eli Remolona said the BSP would develop a wholesale central bank digital currency (CBDC) with banks being the only counterparties, media reported. ([www.centralbanking.com](http://www.centralbanking.com) 14/02/24)

### **European shares seen up as yields dip after mixed fed remarks**

European stocks are seen opening higher after robust earnings helped Wall Street's main indexes end a volatile session sharply higher overnight. The pan European STOXX 600 inched up half a percent. The German DAX rose 0.4%, while France's CAC 40 and the UK's FTSE 100 both added around 0.7% ([www.rttnews.com](http://www.rttnews.com) 15/02/24)

### **Oil futures snap 7-day winning streak**

Oil futures settled lower on Wednesday, snapping a seven-day winning streak, as data showed a big increase in crude inventories in the US in the week ended February 9th. West Texas Intermediate Crude oil futures for March ended down \$1.23 or about 1.6% at \$76.64 a barrel. ([www.rttnews.com](http://www.rttnews.com) 14/02/24)

### **Nigerian E-payments eclipse South Africa's 2022 GDP in latest surge**

When the Nigerian Central Bank introduced newly designed currency notes in November 2022 and a month later put a cap on the maximum amount of hard cash that individuals and corporations could withdraw, the idea was to tame money laundering in the country. ([www.norvanreports.com](http://www.norvanreports.com) 14/02/24)

### **Kenyan central bank buys dollars to curb volatility as shilling rallies**

Kenya's central bank bought dollars on the foreign exchange market on Thursday to curb volatility, traders said, as the shilling rocketed to its strongest level since June 2023. The central bank says it only intervenes to smooth out volatility when the shilling is moving too fast in either direction and that it has no preferred level for the currency. ([www.reuters.com](http://www.reuters.com) 15/02/24)

### **Senegal 'better positioned than some' to navigate investor concern, says IMF**

Senegal's diversified funding sources mean it could be better placed than some countries to navigate investor concerns sparked by political uncertainty, after President Macky Sall delayed a presidential election, the IMF said. ([www.reuters.com](http://www.reuters.com) 15/02/24)

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