



Monday, 19th February 2024

Cracks start to emerge in Global Central bank synchronicity

The four-year synchronization among developed-world central banks might be about to weaken as domestic drivers take over from global trends in determining price outlooks. A pioneer of inflation targeting in the early 1990s, New Zealand has a knack of setting trends in monetary policy. It may do so again by snapping the policy uniformity, with traders pricing the possibility of an interest-rate hike that economists say could come as soon as Feb. 28. (www.bloomberg.com 18/02/24)

Lagarde's trump warning paves way for EU capital markets drive

Engulfed in a prolonged economic slowdown and facing the prospect of Donald Trump returning to the White House, the European Union is planning to unite its disparate capital markets. The so-called Capital Markets Union, or CMU, has long been on the to-do list for officials trying to deepen the EU's single market and secure stronger investment and economic growth. (www.bloomberg.com 17/02/24)

Escaping the structural liquidity trap

The economic performance of the US and other major developed economies in the 21st century has been poor, whether the comparison is made with the period of nearly 80 years that have passed since World War II or with the rest of the world over the past two decades. (www.centralbanking.com 19/02/24)

Dollar holds steady after strong US data dents rate-cut hopes

The dollar held steady after ticking higher for a fifth straight week on the back of strong inflation data, while the yen traded near the psychologically important 150 level. US markets are closed for the Presidents' Day holiday, with trading volumes likely to be low throughout the day. (www.reuters.com 19/02/24)

China reports current account surplus in 2023

China's current account surplus amounted to \$264.2bn in 2023, the country's foreign exchange regulator said on Sunday. The current account surplus to GDP ratio was 1.5% last year, which is within a reasonable and balanced range, according to the State Administration of Foreign Exchange. (www.xinhuanet.com 18/02/24)

China seen cutting mortgage reference rate for first time since June

China is widely expected to trim its benchmark mortgage reference rate at a monthly fixing on, as banks' improving net interest margins give authorities some leeway to use monetary stimulus to shore up faltering economy growth. The loan prime rate (LPR) normally charged to banks' best clients is calculated each month after 20 designated commercial banks submit proposed rates to the central bank. (www.reuters.com 19/02/24)

China central bank leaves key policy rate unchanged under shadow of Federal Reserve

China's central bank left a key policy rate unchanged as expected on Sunday when rolling over maturing medium-term loans, with uncertainties around the timing of an easing by the Federal Reserve limiting Beijing's room to manoeuvre on monetary policy. Beijing is striking a delicate balancing act to support the economy at a time when signs of persistent deflationary pressure call for more stimulus measures. (www.reuters.com 18/02/24)

BOE risks deepening UK's recession, former chief economist warns

The Bank of England risks deepening the UK's recession if it doesn't pivot to interest-rate cuts soon, its former chief economist Haldane warned. (www.bloomberg.com 19/02/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2591	(1.2592)	1.2592	(1.2594)
+USD/EUR	1.0773	(1.0783)	1.0773	(1.0784)
*GHS/USD	12.2003	(12.1754)	12.2125	(12.1876)
*GHS/GBP	15.3614	(15.3313)	15.3780	(15.3491)
*GHS/EUR	13.1440	(13.1295)	13.1559	(13.1294)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 19/02/24 (Rates for 16/02/24 in brackets)

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German wholesale prices rise for first time in 4 months

Wholesale prices in Germany rose for the first time in 4 months in January though they continued to fall compared to the same month last year mainly due to the decline in prices of mineral oil products, data from the statistical office Destatis show. (www.rttnews.com 16/02/24)

France cuts 2024 growth forecast as outlook darkens

French Finance Minister Bruno Le Maire said the government had lowered its forecast for 2024 GDP growth to 1% from 1.4% as war in Ukraine and Gaza and a slowdown at top trading partners Germany and China darkened the outlook. In an interview, he said state spending would be cut by €10bn (\$10.8bn) across all departments and agencies. (www.reuters.com 18/02/24)

Economists maintain Malaysia's economic growth forecast in 2024

Economists have maintained Malaysia's economic growth forecast in 2024, although the fourth quarter growth slipped below estimates. Hong Leong Investment Bank said in a note that it maintained its expectation for Malaysia to grow at a faster pace of 4.8% year on year. (www.xinhuanet.com 19/02/24)

Malaysia's economy grows slower than estimated on exports

Malaysia's economy grew slightly slower than expected last year as tepid global demand hurt its exports and manufacturing activity. GDP expanded 3.7% last year, compared with the 3.8% advance estimate and median forecast in a Bloomberg survey of analysts. (www.bloomberg.com 16/02/24)

Thailand PM's rate-cut case gets boost from GDP growth miss

Thailand's economy grew slower than expected in the fourth quarter, hurt by weaker consumption and investment, bolstering the case for Prime Minister Srettha Thavisin to renew his calls for the central bank to cut rates. GDP in the three months through December rose 1.7% from a year earlier. (www.bloomberg.com 19/02/24)

Asia shares sputter as China returns with low energy

Asian shares struggled to make much ground on Monday as fading chances for early rate cuts globally soured the mood and Chinese markets returned from holiday with only muted gains. A holiday for US markets also made for thin trading, while the latest surge in tech stocks is set to be tested by results from AI diva Nvidia. (www.reuters.com 19/02/24)

Oil falls as sticky US inflation heightens demand concerns

Oil prices fell as investor attention returned to the demand outlook after reports of higher producer prices in the US, the world's biggest oil user, stoked worries that sticky inflation and higher interest rates would limit fuel consumption growth. Brent crude futures were down 61 cents, or 0.7%, at \$82.86 a barrel at 0440 GMT. (www.reuters.com 19/02/24)

South African rand firms as markets await budget speech

The South African rand firmed in early trade as investors awaited the finance minister's budget speech. The rand traded at 18.8725 against the dollar by 0700 GMT, 0.12% stronger than its previous close. The dollar was last trading down about 0.067% against a basket of global currencies. (www.reuters.com 19/02/24)

Nigeria to automate export permit process to boost FX liquidity

The Minister of Industry, Trade and Investment, is working closely with the Customs Service, Central Bank of Nigeria (CBN) and Ministry of Finance to automate the export permit process to drive transparency and ensure that export proceeds are accurately repatriated. (www.norvanreports.com 18/02/24)

Niger misses debt payment, default up to almost \$520m

Niger last week missed a debt payment of 13.4bn CFA francs (\$22m), the West African debt management agency said on Monday, bringing the total default to some \$519m since a July coup and its suspension from regional financial markets. (www.reuters.com 19/02/24)

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