



Friday, 23<sup>rd</sup> February 2024

### Global trade rift widening as Ukraine war passes two-year mark

Two years after Russia's invasion of Ukraine, there are clear signs that the global economy is fragmenting into two separate blocs and that multilateral trade rules that have underpinned commerce for nearly 30 years are under threat. Rising geopolitical tensions, including in the Middle East, and concerns over economic security are leading to sanctions.

([www.reuters.com](http://www.reuters.com) 23/02/24)

### Nearly all central banks see CBDC as environmentally friendly

Central bank digital currency (CBDC) is viewed as ecologically favourable by almost all institutions participating in the Fintech Benchmarks 2024. Thirty-six central banks addressed the question, with the vast majority (97.2%) answering that CBDC can be more environmentally friendly than cash.

([www.centralbanking.com](http://www.centralbanking.com) 22/02/24)

### Eurozone inflation softens as estimated

Eurozone inflation softened in Jan as initially estimated, largely due to the falling energy prices, final data from Eurostat revealed on Thursday. The harmonized index of consumer prices rose 2.8% on a yearly basis, slightly slower than the 2.9 % increase in Dec. The rate came in line with the estimate released on Feb 1. ([www.rttnews.com](http://www.rttnews.com) 22/02/24)

### PBoC tries to catch markets off guard with surprise easing

Constrained on all sides, China's central bank is aiming to squeeze more value out of its policy actions by catching markets unaware with surprise easing aimed at putting a floor under the struggling economy. A record cut to a key lending rate earlier this week announced by the Bank of China was the latest move since Governor Pan Gongsheng took office.

([www.bloomberg.com](http://www.bloomberg.com) 23/02/24)

### UK GfK consumer confidence falls in Feb

UK consumer confidence dropped in Feb. on weak economic conditions, survey data from GfK showed on Friday. The consumer sentiment index fell to -21 in Feb. from -19 in Jan. The score was seen at -18. Four of the five components of the index registered a decline in Feb. The index of personal financial expectations stagnated, while assessment about past financial situation weakened.

([www.rttnews.com](http://www.rttnews.com) 23/02/24)

### BoE's Dhingra says restrictive policy risks 'scarring' economy

The Bank of England (BoE) risks "scarring" the UK economy if it keeps interest rates at their current level, Swati Dhingra has warned. The monetary policy committee (MPC) member was the sole policy-maker to vote for a rate cut at the BoE's February meeting.

([www.centralbanking.com](http://www.centralbanking.com) 22/02/24)

### German private sector downturn deepens

Germany's private sector posted another sharp contraction in Feb. S&P Global reveals. The composite output index dropped to a four-month low of 46.1 in Feb. from 47.0 in Jan. The expected reading was 47.5. At 48.2, the services Purchasing Managers' Index climbed from 47.7 in Jan. The score was also above forecast of 48.0. The manufacturing PMI slid to a four-month high of 42.3 from 45.5 a month ago. ([www.rttnews.com](http://www.rttnews.com) 22/02/24)

### France private sector shrinks at slower pace

France's private sector activity contracted at a slower pace in Feb. data from S&P Global shows. The composite output index rose to a nine-month high of 47.7 in Feb. from 44.6 in Jan. The score was also above economists' forecast of 45.0 but below the neutral 50.0 indicating contraction. At 48.0, the services Purchasing Managers' Index increased from 45.4 in Jan. ([www.rttnews.com](http://www.rttnews.com) 22/02/24)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2621	(1.2611)	1.2623	(1.2612)
+USD/EUR	1.0814	(1.0807)	1.0815	(1.0808)
*GHS/USD	12.3815	(12.3766)	12.3939	(12.3890)
*GHS/GBP	15.6267	(15.6081)	15.6448	(15.6250)
*GHS/EUR	13.3905	(13.3769)	13.4037	(13.3890)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 23/02/24 (Rates for 22/02/24 in brackets)

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### **Italy inflation unrevised at 0.8%**

Italy's consumer price inflation increased slightly, as initially estimated in Jan. data from the statistical office, ISTAT, showed on Thursday. The consumer price index rose 0.8% year-over-year in Jan. slightly faster than the 0.6% gain in the previous month, which was the slowest inflation rate since Feb. 2021. That was in line with the flash data published on Feb. 1. ([www.rttnews.com](http://www.rttnews.com) 22/02/24)

### **Turkey maintains policy rate at 45% under new Governor**

The Turkish central bank left its benchmark rate unchanged at the first policy meeting under the governorship of Fatih Karahan after a slew of rate hikes and signalled that the rate will be maintained at the current level or will be tightened further in case of persistent deterioration in the inflation outlook. ([www.rttnews.com](http://www.rttnews.com) 22/02/24)

### **RBI challenges IMF's call for larger fiscal consolidation**

Officials from India's central bank have rejected a call by the International Monetary Fund (IMF) for the government to make significant cuts to the national budget. The six economists, including the deputy governor of Bank of India (RBI) Michael Patra, ran their own simulations of the country's fiscal outlook. ([www.centralbanking.com](http://www.centralbanking.com) 22/02/24)

### **SK and Indonesian central banks hold rates**

The central banks of South Korea and Indonesia have both kept their policy rates unchanged. The monetary policy board at the Bank of Korea (BoK) on Feb 22 unanimously decided to hold the base rate at 3.5% for the ninth consecutive meeting. ([www.centralbanking.com](http://www.centralbanking.com) 22/02/24)

### **Brazil forecasts 1.68% growth in economy in 2024**

Brazil's financial market forecasted a 1.68% growth in the country's GDP in 2024 and a 2% growth in 2025, the Central Bank of Brazil said Thursday. Analysts modified the inflation forecast, from 3.82% to 3.81% in 2024, and from 3.51% to 3.52% in 2025. ([www.xinhuanet.com](http://www.xinhuanet.com) 23/02/24)

### **Global stocks set for gains, not fireworks, in months ahead - Reuters poll**

The recent rally in global stocks has only a little further to go given last year's unexpectedly sharp run-up, according to equity strategists who were evenly split on whether there will be a correction in the next three months. Starting in late 2023, the rally has pushed many indices close to lifetime highs. ([www.reuters.com](http://www.reuters.com) 23/02/24)

### **Oil falls after US Fed governor says no rush to cut interest rates**

Oil prices fell on Friday after a U.S. Fed official said interest rate cuts should be delayed at least two more months, but indications of healthy demand and concerns over supplies could boost prices in the coming days. Brent crude futures were down 38 cents, or 0.5%, at \$83.29 a barrel at 0524 GMT. ([www.reuters.com](http://www.reuters.com) 23/02/24)

### **IMF sees progress on Egypt loan program amid Gaza pressures**

Talks with Egypt to boost its International Monetary Fund loan program are making excellent progress, the IMF said on Thursday, saying that Egypt needs a "very comprehensive support package" to deal with economic challenges, including pressures from the war in Gaza. ([www.reuters.com](http://www.reuters.com) 23/02/24)

### **IMF says hoping for 'speedy resolution' in Senegal to ensure stability**

The International Monetary Fund is actively monitoring the situation in Senegal and hopes for a "speedy resolution" to ensure continued stability in the country, IMF spokesperson Julie Kozack said on Thursday. ([www.reuters.com](http://www.reuters.com) 22/02/24)

### **Zambia's kwacha is Africa's best performing currency in 2024**

Zambia's kwacha is Africa's best performing currency against the U.S. dollar so far this year after the central bank sharply tightened monetary policy, but analysts said it would strengthen sustainably only if the country attracts more foreign investment. The kwacha has rallied 13.8% to 22.8 against the greenback in 2024. ([www.reuters.com](http://www.reuters.com) 22/02/24)

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