



Tuesday, 27<sup>th</sup> February 2024

## Legislation needed to break non-bank deadlock – BIS’s Borio

A full macro-prudential framework for the non-bank sector will “remain beyond reach” unless securities regulators are given a financial stability mandate in law, Claudio Borio said on Feb. 26. The head of the Bank for International Settlements’ monetary and economic department said efforts by the Financial Stability Board to develop non-bank regulation had failed to fully address the vulnerability of the non-bank sector.

([www.centralbanking.com](http://www.centralbanking.com) 26/02/24)

## Eurozone bond markets mimic Treasuries, pushing correlations to record

Eurozone bonds are trading more in sync with their US peers than ever before, as investors ignore the slowdown in Europe and remain laser-focused on inflation and interest rates, driving correlations between the two markets to a record high in recent weeks. Although the enormous US bond market typically exerts a big influence. ([www.reuters.com](http://www.reuters.com) 27/02/24)

## Yellen credits Bidenomics-Fueled US for Brighter Global Outlook

The strength of the US economy has been a key driver of global economic resilience, Treasury Secretary Janet Yellen plans to say Tuesday ahead of meetings with her counterparts from the world’s top economies. “Over the past year, global growth has been resilient and stronger than predicted,” Yellen said. ([www.bloomberg.com](http://www.bloomberg.com) 27/02/24)

## China's forex market transactions total \$3.47tr in January

The Chinese foreign exchange market recorded transactions worth a total of ¥24.67tr (\$3.47tr) in Jan. according to the State Administration of Foreign Exchange. The transaction volume of the client market was ¥3.76tr and that of the interbank market was ¥20.91tr. ([www.xinhuanet.com](http://www.xinhuanet.com) 26/02/24)

## UK should resist tax cuts without detailing spending pain, IFS says

British finance minister Jeremy Hunt should not announce further pre-election tax cuts in his budget next week unless he can explain the painful spending cuts needed to pay for them, a leading economic think tank said on Tuesday. Hunt and Prime Minister Rishi Sunak have said they want to lower Britain's tax burden which is on course to hit its highest since World War 2. ([www.reuters.com](http://www.reuters.com) 27/02/24)

## BoE builds 'proactive case' to regulate non-banks

Regulators need broader oversight of financial firms to prevent a crisis in the vast non-bank sector turning into a credit crunch and wreaking havoc on the economy, Britain's central bank said. The Bank of England was forced to step in and buy UK government bonds in Sept. 2022 after Prime Minister Liz Truss unveiled unfunded tax cuts.

([www.reuters.com](http://www.reuters.com) 26/02/24)

## German consumer sentiment to rise in March: GfK

Consumer confidence in Germany is set to improve slightly in March, survey results from the market research group GfK shows. The forward-looking consumer sentiment index rose to -29.0 in March from -29.6 in Feb. The score matched economists' expectations. The income expectations index advanced 15.2 points to -4.8 in Feb. ([www.rttnews.com](http://www.rttnews.com) 27/02/24)

## Bundesbank and DNB announce large losses

The central banks of Germany and the Netherlands reported large annual losses on February 23, saying this was driven by interest rates’ impact on securities. The Deutsche Bundesbank reported a loss of around €20.3bn (\$22bn) in 2023, while the Netherlands Bank (DNB) said it had lost almost €3.5bn.

([www.centralbanking.com](http://www.centralbanking.com) 26/02/24)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2680	(1.2678)	1.2681	(1.2679)
+USD/EUR	1.0850	(1.0810)	1.0850	(1.0820)
*GHS/USD	12.3843	(12.3815)	12.3967	(12.3939)
*GHS/GBP	15.7033	(15.6973)	15.7202	(15.7142)
*GHS/EUR	13.4377	(13.3970)	13.4511	(13.4092)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 27/02/24 (Rates for 26/02/24 in brackets)

\* BOG INTERNAL TRANSACTION RATES: 27/02/24 (Rates for 26/02/24 in brackets)

### **French consumer confidence unexpectedly weakens**

France's consumer confidence unexpectedly weakened in Feb. survey results from the statistical office INSEE shows. The consumer sentiment index fell to 89 from 91 in Jan. The score was forecast to improve to 92. Consumers' outlook regarding their financial situation deteriorated with the index dropping 3 points to -11. ([www.rttnews.com](http://www.rttnews.com) 27/02/24)

### **Japan's inflation tops forecasts, supporting BOJ rate hike bets**

Japan's benchmark inflation topped estimates in Jan, supporting the case for the central bank to scrap its negative interest rate in the coming months. Bond yields jumped after consumer prices excluding fresh food rose 2% from a year ago, in line with the Bank of Japan's inflation target. ([www.bloomberg.com](http://www.bloomberg.com) 27/02/24)

### **Malaysian Central Bank says ringgit 'ought to' trade higher**

Malaysia's central bank said the ringgit is undervalued and should be stronger given the nation's positive economic outlook. "The ringgit ought to be traded higher," Abdul Rasheed Ghaffour, Bank Negara Malaysia's governor, said in a statement Tuesday. ([www.bloomberg.com](http://www.bloomberg.com) 27/02/24)

### **Philippine central bank launches sustainable finance taxonomy**

The Central Bank of the Philippines (BSP) has approved the use of a new sustainable finance taxonomy for banks. The BSP said that banks could use the Philippine Sustainable Taxonomy Guidelines (STFG) to identify whether an economic activity was environmentally and socially sustainable. ([www.centralbanking.com](http://www.centralbanking.com) 26/02/24)

### **Taiwan export orders rebound 1.9%**

Taiwan's export orders increased unexpectedly in Jan. after falling sharply in the previous month, according to the Ministry of Economic Affairs. Export orders rose 1.9% year-over-year in Jan. reversing a 16.0% plunge in Dec. which was the fastest fall in five months. Meanwhile, orders were expected to decrease by 3.6%. ([www.rttnews.com](http://www.rttnews.com) 27/02/24)

### **Global equities index sluggish with inflation in focus, oil climbs**

A global equities index fell slightly on Monday after hitting record highs last week, as investors took a breather ahead of the next batch of US economic data, while oil prices rallied on concerns about shipping disruptions. US Treasury yields rose after the dollar fell slightly against a basket of currencies including the Euro. ([www.reuters.com](http://www.reuters.com) 26/02/24)

### **Oil prices rise on uncertainty over Gaza ceasefire hopes**

Oil prices rose on Tuesday as the market focused on uncertainty over a potential Gaza ceasefire and some expectations that producer group OPEC+ will extend voluntary supply cuts in March. Brent crude futures rose 50 cents, or 0.61%, to \$83.03 a barrel by 1442 GMT. U.S. ([www.reuters.com](http://www.reuters.com) 27/02/24)

### **Nigeria restarts cash transfers to cushion hardship caused by reforms**

Nigeria has approved the immediate resumption of cash transfers to 12m vulnerable households, Minister of Finance Wale Edun said, amid a cost-of-living crisis and calls by labour unions to cushion hardship caused by reforms. ([www.reuters.com](http://www.reuters.com) 26/02/24)

### **CBN chief faces biggest test yet in rate call**

Nigerian central bank Governor Olayemi Cardoso faces a critical test when he delivers his first interest-rate decision since taking office, with investors craving bold action amid public fury over the surging cost of living. The naira has plunged almost 70% against the dollar and inflation is near a three-decade high. ([www.bloomberg.com](http://www.bloomberg.com) 27/02/24)

### **Ghana: Maiden 3i Africa summit launched, BoG Governor calls for investment in African Fintechs**

The maiden 3i Africa Summit launched in Accra on Monday, 26 Feb. 2024. Governor of the Bank of Ghana, Dr Ernest Addison cautioned on the potential negative impact a lack of requisite investments in African FinTechs could have on innovations and scalability of solutions in achieving the desired impact. ([www.classfonline.com](http://www.classfonline.com) 26/02/24)

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