



Friday, 8<sup>th</sup> March 2024

## ECB holds rates again, cuts inflation projections

The European Central Bank (ECB) governing council held its policy rates on March 7 and revised downwards its inflation projections for the coming year. The bank's president, Christine Lagarde, hinted that any decision to cut rates was likely to come at the council's June meeting, rather than in April. She stressed there would be far more economic data, especially on wages and profits, at the later meeting. ([www.centralbanking.com](http://www.centralbanking.com) 07/03/24)

## Markets see clearer ECB rate-cut roadmap as inflation fog lifts

Investors are increasingly confident the European Central Bank may lead global peers with a rate cut in June as new economic projections put on-target inflation in sight. Markets took Thursday's ECB revisions as further confirmation that interest rate cuts would start soon. ([www.reuters.com](http://www.reuters.com) 08/03/24)

## Lagarde signals ECB cut in June with 2% inflation in sight

European Central Bank President Christine Lagarde indicated policymakers may be in a position to lower interest rates in June as fresh projections showed inflation hitting the 2% target in 2025. Speaking after policymakers left the deposit rate at 4% for a fourth straight meeting. Lagarde said there's a definite slowdown in consumer prices. ([www.bloomberg.com](http://www.bloomberg.com) 07/03/24)

## ECB's Nagel sees rising chance of rate cut before summer break

The European Central Bank might be able lower borrowing costs before policymakers break for the summer, according to Bundesbank President Joachim Nagel. "The probability is increasing that we could see an interest-rate cut before the summer break," Nagel said. ([www.bloomberg.com](http://www.bloomberg.com) 08/03/24)

## US consumer borrowing exceeds forecast on non-revolving credit

US consumer borrowing in January exceeded forecast as non-revolving credit climbed the most in seven months. Total credit rose \$19.5bn after a revised \$919m gain in Dec. according to Federal Reserve data released Thursday. The median estimate in a Bloomberg survey of economists called for a \$10bn increase. ([www.bloomberg.com](http://www.bloomberg.com) 07/03/24)

## Fed is 'not far' from confidence needed to cut rates, Powell says

Federal Reserve Chair Jerome Powell suggested the central bank is getting close to the confidence it needs to start lowering interest rates. "We're waiting to become more confident that inflation is moving sustainably at 2%," Powell said Thursday while answering questions from the Senate Banking Committee. ([www.bloomberg.com](http://www.bloomberg.com) 08/03/24)

## China exports growth exceeds expectations

China's exports growth accelerated more than expected in the first two months of this year on the back of improving global demand despite the geopolitical tensions. Exports registered an annual increase of 7.1% in the Jan. to Feb. period after expanding 2.3% in Dec. Shipments were expected to gain 1.9%. Likewise, the increase in imports advanced to 3.5% from 0.2%. ([www.rttnews.com](http://www.rttnews.com) 07/03/24)

## 'Fiscal fiction' underpins UK's pre-election budget, economists say

The assumptions underpinning British finance minister Jeremy Hunt's new pre-election budget plan stretch the bounds of credulity and leave urgent questions about the future of public services unaddressed, economists said. Billed as a "Budget for Long-Term Growth", Hunt cut taxes for workers without running afoul of his government's fiscal rules. ([www.reuters.com](http://www.reuters.com) 07/03/24)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2786	(1.2725)	1.2787	(1.2726)
+USD/EUR	1.0925	(1.0869)	1.0926	(1.0869)
*GHS/USD	12.5285	(12.4991)	12.5411	(12.5117)
*GHS/GBP	16.0190	(15.9052)	16.0363	(15.9223)
*GHS/EUR	13.6891	(13.5860)	13.7015	(13.5984)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 08/03/24 (Rates for 07/03/24 in brackets)

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### **Indian gov't approves \$1.25bn investment in AI projects**

The Indian government on Thursday approved a \$1.25bn investment in artificial intelligence (AI) projects, officials said. "In furtherance to the vision of Making AI in India and Making AI Work for India, the cabinet chaired by Prime Minister Narendra Modi has approved the comprehensive national-level India AI mission with a budget outlay of \$1.25bn.

([www.xinhuanet.com](http://www.xinhuanet.com) 08/03/24)

### **Taiwan inflation rises to 3.08%, highest in 19 months**

Taiwan consumer price inflation accelerated in Feb. to the highest level in just over one-and-a-half years, data released by the Directorate General of Budget, Accounting, and Statistics showed on Thursday. The CPI rose 3.08% year-on-year in Feb. faster than the 1.80% rise in Jan. ([www.rttnews.com](http://www.rttnews.com) 07/03/24)

### **SK has \$3.05bn surplus in January**

South Korea had a current account surplus of \$3.05bn in Jan. the Bank of Korea said down from \$7.41bn in Dec. The goods account recorded a \$4.24bn surplus as exports increased annually by 14.7% to \$55.22bn and as imports decreased by 8.1% to \$50.98bn, both compared to one year earlier.

([www.rttnews.com](http://www.rttnews.com) 07/03/24)

### **Pakistan's forex reserves fall by \$54m**

The State Bank of Pakistan (SBP) said its foreign exchange reserves had decreased by \$54m. During the week ending on March 1, the total foreign exchange reserves of the bank fell to around \$7.9bn, the SBP said in a statement on Thursday. The decrease occurred "due to debt repayments," the statement said.

([www.xinhuanet.com](http://www.xinhuanet.com) 07/03/24)

### **Swiss jobless rate falls to 2.4%**

Switzerland's unemployment rate decreased for the first time in four months in Feb. though slightly, the State Secretariat for Economic Affairs, or SECO, said on Thursday. The unadjusted unemployment rate edged down to 2.4% in Feb. from 2.5% in January. In the corresponding month last year, the jobless rate was 2.1%. ([www.rttnews.com](http://www.rttnews.com) 07/03/24)

### **Oil stable as investors digest rate cut signals**

Oil prices were little changed on the day on Friday, as investors digested hints of looming interest rate cuts in the United States and Europe. Brent crude futures were up 0.24%, or 20 cents, at \$83.16 a barrel by 1018 GMT. U.S. West Texas Intermediate crude futures rose 0.28%, or 22 cents, to \$79.15.

([www.reuters.com](http://www.reuters.com) 08/03/24)

### **SA's current account deficit widens sharply in fourth quarter**

South Africa's current account deficit widened sharply in the fourth quarter of 2023 to 2.3% of gross domestic product (GDP) from a revised 0.5% of GDP in the third quarter. The South African Reserve Bank (SARB) said the current account deficit was 1.6% of GDP for 2023. ([www.reuters.com](http://www.reuters.com) 07/03/24)

### **Egypt's Outlook Raised to Positive by Moody's on Lending Deals**

Egypt's credit outlook was raised to positive by Moody's Ratings as the nation unlocks fresh funding from the IMF and bilateral lenders. The credit-rating company changed Egypt's outlook to positive from negative, while affirming the Caa1 rating, according to a statement. ([www.bloomberg.com](http://www.bloomberg.com) 07/03/24)

### **Tanzania's financial sector remains stable amid global aftershocks: VP**

Tanzanian Vice President Philip Mpango said that the country's financial sector has remained stable against the backdrop of prevailing global aftershocks. Mpango said Tanzania's financial sector has posted a stellar performance, growing by 22.2% in 2022/2023. ([www.xinhuanet.com](http://www.xinhuanet.com) 08/03/24)

### **Sudan's economy on brink of collapse following nearly a year of war**

Largely ravaged productive sectors, stagnating exports, severely devalued national currency, and plummeting public revenues. The nearly one year of war in Sudan has pushed the country's economy to the brink of paralysis. "According to official estimates, there has been a significant contraction of 40% in the gross domestic product (GDP)."

([www.xinhuanet.com](http://www.xinhuanet.com) 08/03/24)

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