



Wednesday, 20th March 2024

ECB is planning to give investors a glimpse of key wage indicators

The European Central Bank is planning to routinely publish internal pay measures being used by officials to gauge inflation risks as they consider when to cut interest rates. The so-called wage trackers, which are designed to deliver data on salaries in a speedy manner and are often cited by policymakers in speeches, will be made openly available “later this year,” according to a spokesperson. (www.bloomberg.com 20/03/24)

Fed to give fresh clues on path of interest-rate cuts

The Fed will likely avoid signaling an imminent rate cut this week, staying focused on stubborn inflation while keeping one eye on a slowly rising jobless rate. The Federal Open Market Committee is poised to keep rates in a range of 5.25% to 5.5% at its two-day policy meeting, a two-decade high first reached in July. (www.bloomberg.com 19/03/24)

China's loan prime rates remain unchanged

China's one-year loan prime rate (LPR), a market-based benchmark lending rate, came in at 3.45% Wednesday, unchanged from the previous month. The over-five-year LPR, on which many lenders base their mortgage rates, also remained unchanged from the previous reading of 3.95%, National Interbank Funding Center says. (www.xinhuanet.com 20/03/24)

UK inflation drops to lowest level in over 2 years

Inflation fell to 3.4% in February, down from 4% in Jan. and edging closer to the Bank's target of 2%. The drop means the cost of living is rising at its slowest pace since September 2021, when it stood at 3.1%. Inflation, the rate at which prices rise over time, has been gradually falling since it hit 11.1% in Oct 2022, its highest rate for 40 years. (www.bbc.com 20/03/24)

German economic confidence highest in over 2 years

Germany's economic sentiment strengthened more than expected to its highest level in just over two years in March amid increasing investor expectations that the European Central Bank will cut interest rates in the coming months, data from the think tank ZEW reveals. The ZEW indicator of economic sentiment rose markedly to 31.7 in March from 19.9 in Feb. (www.rttnews.com 19/03/24)

IMF says it reaches a staff level agreement with Pakistan to disburse \$1.1bn

Pakistan and the International Monetary Fund has reached a staff level agreement which, if approved by its board, will disburse \$1.1bn for the debt-ridden South Asian economy, the global lender said. The funds are the final tranche of a \$3bn last-gasp rescue package Pakistan had secured last summer, which averted a sovereign debt default. (www.reuters.com 20/03/24)

EU agrees to extend trade benefits to Ukraine as farmers protest

The European Union got closer to extending trade support for Ukraine for another year, while creating stronger safeguards to prevent imports of certain products getting too high. Representatives of EU governments and the bloc's parliament made an agreement to renew the suspension of import duties and quotas on Ukrainian exports to the EU until June 2025. (www.bloomberg.com 20/03/24)

Indonesia to hold key rate in busy week for monetary decisions

Indonesia's central bank will probably leave its benchmark interest rate unchanged for a fifth straight month to support the rupiah, with policymakers seen unlikely to move until a monetary easing by the US becomes clearer. Economists expect board to maintain the BI-Rate at 6%. (www.bloomberg.com 19/03/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2706	(1.2727)	1.2707	(1.2728)
+USD/EUR	1.0855	(1.0888)	1.0856	(1.0889)
*GHS/USD	12.7018	(12.6547)	12.7146	(12.6673)
*GHS/GBP	16.1390	(16.1056)	16.1564	(16.1230)
*GHS/EUR	13.7893	(13.7796)	13.8030	(13.7921)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 20/03/24 (Rates for 19/03/24 in brackets)

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NZ will have scope to cut cash rate this year, IMF says

New Zealand will have scope to start cutting interest rates later this year as inflation returns to its target band, the International Monetary Fund said in a staff report that contrasts with the central bank's view. Staff expect a gradual easing of monetary policy starting toward the end of 2024. (www.bloomberg.com 20/03/24)

Italy industrial output shrinks 1.2%, exceeds forecast

Italy's industrial production declined more-than-expected at the start of the year, data from the statistical office ISTAT revealed on Wednesday. Industrial output fell 1.2 % month-on-month in January, reversing a 1.2 % recovery in December. Economists had forecast production to drop 0.5%. (www.rttnews.com 20/03/24)

Dutch consumers less negative in March

Dutch consumers remained less pessimistic in March as their opinions about the economic climate and willingness to buy improved, data from the Central Bureau of Statistics showed on Wednesday. The consumer confidence index rose to -22 in March from -27 in February. However, the indicator in March was well below the 20-year average of -10 points. (www.rttnews.com 19/03/24)

Malaysia central bank forecasts GDP growth to improve moderately

Malaysia's economy is projected to log a slightly faster growth this year on household spending and investment, the Bank Negara Malaysia said in its Economic and Monetary Review. The central bank forecast the economy to grow in the range of 4% to 5 % this year after rising 3.7% in 2023. (www.rttnews.com 20/03/24)

ICB keeps key rate at 14-year high

Iceland's central bank left its key interest rate unchanged at its highest level since 2010 as inflation remains persistent. The Monetary Policy Committee of the Central Bank of Iceland, chaired by Governor Asgeir Jonsson, decided to hold the rate on seven-day term deposits at 9.25%. (www.rttnews.com 19/03/24)

World shares bounce, yen slides after landmark BOJ shift

Global shares edged higher and the yen slid past 150 to the dollar on Tuesday after the Bank of Japan met market expectations by ending 8 years of negative interest rates, likely the highlight of a busy week for central banks. Investors will now turn their focus to the US Fed's monetary policy meeting that ends on Wednesday. (www.reuters.com 19/03/24)

Oil retreats from multi-month highs, strong dollar dents demand

Oil prices edged lower on Wednesday, as a stronger dollar curbed investor appetite while traders took some money off the table after benchmarks rallied to multi-month highs in the previous session. Brent crude futures for May delivery fell 16 cents, or 0.2%, to \$87.22 a barrel by 0407 GMT. (www.reuters.com 20/03/24)

Experts meet in Kenya to boost climate finance in Africa

Experts began a two-day meeting in the Kenyan capital of Nairobi on Tuesday to discuss ways to increase climate finance in Africa. The first Climate Change Global Business Summit on Africa brought together more than 200 participants from around the world. (www.xinhuanet.com 20/03/24)

South Africa's inflation heats up

South Africa's consumer inflation increased in February, with the Consumer Price Index (CPI) rising to 5.6 % from 5.3 % in January, data released by the Statistics South Africa. Factors contributing to the rise in the inflation rate in February included housing and utilities, miscellaneous goods, and services. (www.xinhuanet.com 20/03/24)

Ghana's economic stability path will be painful – IMF boss

The International Monetary Fund (IMF) has signaled that Ghana's path to economic stability will be a painful one, but remains optimistic about the country emerging resilient from the current challenges. The Fund has, therefore, encouraged Ghanaians to be moderate with their expectations of the government. (www.ghanaweb.com 19/03/24)