



Wednesday, 3rd April 2024

ECB's Holzmann warming to June rate cut but keeping an eye on Fed

ECB could start cutting interest rates in June as inflation may fall quicker than expected but should not get too far ahead of its U.S. counterpart, as that diminishes the potency of easing, Austrian policymaker Robert Holzmann said. Euro area inflation has tumbled over the past year and economic growth stalled, shifting the debate to just how quickly and how far the ECB should move in reversing a record string of rate hikes.

(www.reuters.com 03/04/24)

ECB needs to stop subsidizing banks, Holzmann says

The European Central Bank needs to stop subsidizing commercial banks and should cut interest payments on the piles of cash lenders got from the central bank on the cheap, Austrian central bank Governor Robert Holzmann said. Commercial banks are sitting on 3.2 trillion euros worth of excess liquidity.

(www.reuters.com 03/04/24)

Fed officials say three rate cuts a reasonable baseline for 2024

Two Federal Reserve officials who vote on monetary policy decisions this year said they still expect the US central bank to cut rates three times in 2024, though they're in no rush to begin lowering borrowing costs. San Francisco Fed President Mary Daly said the three rate cuts penciled in by Fed officials last month are a reasonable expectation.

(www.bloomberg.com 02/04/24)

U.S. job openings little changed from downwardly revised level in Feb

Job openings in the U.S. came in little changed from a downwardly revised level in the month of February, according to a report released by the Labor Department on Tuesday.

(www.rttnews.com 02/04/24)

China's central bank adds liquidity via reverse repos

China's central bank conducted 2 billion yuan (about 281.89 million U.S. dollars) of seven-day reverse repos at an interest rate of 1.8%. The move aims to keep liquidity in the banking system reasonable and ample, the People's Bank of China said in a statement. A reverse repo is a process in which the central bank purchases securities from commercial banks through bidding, with an agreement to sell them back in the future.

(www.xinhuanet.com 03/04/24)

Chinese yuan strengthens to 7.0949 against USD

The central parity rate of the Chinese currency renminbi, or the yuan, strengthened 8 pips to 7.0949 against the U.S. dollar Wednesday, according to the China Foreign Exchange Trade System. In China's spot foreign exchange market, the yuan is allowed to rise or fall by 2 % from the central parity rate each trading day.

(www.xinhuanet.com 03/04/24)

BoE plans upgrades to data collection process

The Bank of England (BoE) will test new technology that aims to improve how it collects data from financial firms, it said on March 28. The BoE plans to trial new validation tools as part of an ongoing "holistic review" of regulatory data collection by the Prudential Regulation Authority (PRA).

(www.centralbanking.com 2/03/24)

Japan's economy recovers to full capacity, keeps alive BOJ rate hike prospects

Japan's economic output recovered to full capacity for the first time in about four years in the October-December quarter, a positive sign that may allow the central bank to raise interest rates again.

(www.reuters.com 03/04/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2572	(1.2628)	1.2573	(1.2629)
+USD/EUR	1.0767	(1.0796)	1.0768	(1.0797)
*GHS/USD	12.9006	(12.8706)	12.9136	(12.8834)
*GHS/GBP	16.2187	(16.2529)	16.2362	(16.2705)
*GHS/EUR	13.8906	(13.8962)	13.9044	(13.9100)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 03/04/24 (Rates for 02/04/24 in brackets)

* BOG INTERNAL TRANSACTION RATES: 03/04/24 (Rates for 02/04/24 in brackets)

Dutch inflation rises in March

Dutch inflation accelerated in March after slowing a month ago, the preliminary estimate from the Central Bureau of Statistics showed. Consumer prices logged an annual increase of 3.1 % in March after a 2.8 % gain. Final data for March will be released on April 9. Inflation based on the Harmonized Index of Consumer Prices, or HICP, accelerated to 3.1 % from 2.7 % in February. (www.rttnews.com 03/04/24)

Turkey inflation nears 70% in March despite rate hikes

Turkey's inflation rate rose for a fifth straight month, edging closer to 70% despite a series of aggressive interest-rate hikes. Consumer inflation quickened to 68.5% in March, up from 67.1% in February. The median estimate in a Bloomberg poll of economists was 69.1%. (www.bloomberg.com 03/04/24)

Spain unemployment declines sharply in March

Spain's unemployment decreased notably to hit the lowest figure for the month of March since 2008, data from the labor ministry showed on Tuesday. The number of unemployed fell by 33,405 from a month ago to 2.73m. This was the lowest March level since 2008. (www.rttnews.com 02/04/24)

Singapore private sector PMI slips to 55.7 - S&P global

The private sector in Singapore continued to expand in March, albeit at a slower rate, the latest survey from S&P Global revealed on Wednesday, with a PMI score of 55.7. That's down from 56.8 in February, although it remains well above the boom-or-bust line of 50 that separates expansion from contraction. (www.rttnews.com 02/04/24)

India manufacturing growth hits 16-year high

India's manufacturing activity expanded at the fastest pace in sixteen years in March, underpinned by the quickest upturns in output and new orders. The growth in new order inflows was attributed to buoyant demand conditions both in the domestic and export markets. (www.rttnews.com 02/04/24)

European stocks little changed on caution ahead of inflation data

European shares see-sawed in a tight range on Wednesday as investors stayed on the sidelines ahead of a crucial inflation report that could sway expectations on the timing of the ECB's first rate cut. The continent-wide STOXX 600 (.STOXX), opens new tab was down 0.1% by 0829 GMT. Rate-sensitive real estate stocks (.SX86P), opens new tab lost 0.9%, while banks (.SX7P), opens new tab gained 0.6%. (www.reuters.com 03/04/24)

BofA raises 2024 oil forecasts, sees prices peaking at \$95/bbl

Bank of America Global Research raised its 2024 Brent and WTI crude forecasts to \$86 and \$81 per barrel respectively, with prices expected to peak at \$95 this summer. The bank expects improving demand to help push global oil markets into a deficit in the second and third quarters of 2024 of roughly 450,000 barrels per day. (www.reuters.com 03/04/24)

Kenya set to keep rates on hold as inflation cools, shilling rallies

Kenya is likely to leave the benchmark interest rate unchanged at a 12-year high on Wednesday, giving more time for inflationary pressures to ease before it loosens up on its steepest tightening cycle in more than a decade. (www.bloomberg.com 03/04/24)

IMF, Ethiopia to extend aid talks in Washington later this month

Ethiopia and the IMF will continue talks later this month about a bailout program that would help clear the way for the country to restructure its debts. A two-week visit to Ethiopia by IMF staff "made substantial progress towards establishing how the IMF could support the authorities' economic program," Mission Chief Alvaro Piris said. (www.bloomberg.com 02/04/24)

Nigeria to cut electricity subsidy to ease pressure on public finances

Nigeria plans to axe an electricity subsidy for 15% of consumers to reduce its 3.3 trillion-naira (\$2.6 bn) cost, part of a series of reforms to ease pressure on public finances. (www.reuters.com 02/04/24)

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