



Thursday, 4th April 2024

Most central banks have policy independence

The majority of central banks providing data to the Governance Benchmarks 2024 say they have independence in matters of monetary policy and financial stability. Forty-one (93.2%) of 44 respondents in the sample say they have independence in matters of monetary policy. Similarly, 43 (95.6%) of 45 central banks say they have independence in matters of financial stability.

(www.centralbanking.com 4/04/24)

Middle income central banks lag on diversity and green policies

The majority of middle-income central banks lack diversity and inclusion or sustainability policies, the Governance Benchmarks 2024 finds. The statistics show that just 5 (38.5%) of 13 upper-middle income respondents have a policy on diversity and inclusion. In the lower-middle income section, only two (28.6%) of seven institutions do.

(www.centralbanking.com 3/04/24)

Eurozone inflation expected to ease to 2.4 pct in March

Annual inflation in the Eurozone is expected to drop to 2.4 % in March, down from 2.6 % in Feb, according to a preliminary estimate released by Eurostat. The core inflation rate, which excludes volatile elements such as energy, food, alcohol and tobacco, cooled to 2.9 % in March, reaching a two-year low.

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

Long shadow of Fed will fall on ECB after Lagarde's first cut

The European Central Bank insists it won't take any cues from the Federal Reserve as it prepares to start cutting interest rates first, but its subsequent policy path may well be shaped by what happens in the US all the same.

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

Powell says Fed has time to let data inform policy decisions

Federal Reserve Chair Jerome Powell reiterated during remarks at Stanford University that the central bank is not in a hurry to begin lowering interest rates. Powell pointed to higher inflation data over Jan; and Feb; as a reason for the Fed to be cautious but acknowledged it is "too soon to say whether the recent readings represent more than just a bump." (www.rttnews.com 03/04/24)

Monetary policy may have counterintuitive housing price effects - US

Monetary policy's effects on US housing prices are ambiguous and may be counterintuitive, research published by the Federal Reserve Bank of Dallas argues. Easy monetary policy tends to make mortgage rates fall which causes housing demand to rise, Alexander Richter and Xiaoqing Zhou say. Higher demand then in turn raises housing prices. (www.centralbanking.com 3/04/24)

China's central bank to enhance implementation of monetary policies

China's central bank has pledged efforts to enhance the implementation of a slew of monetary policies in order to effectively stimulate the economy. The bank will appropriately increase the relending and rediscount quota for small enterprises and the agriculture sector. (www.xinhuanet.com 03/04/24)

Britain's falling money supply clouds chance of a brisk rebound

The UK's broad measure of money supply continued to fall at the start of 2024, leaving economists who follow the measure warning against any brisk bounce back from a recession that hit last year. BoE data showed that a closely watched measure of M4 money supply declined. (www.bloomberg.com 04/04/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2629	(1.2572)	1.2630	(1.2573)
+USD/EUR	1.0822	(1.0767)	1.0823	(1.0768)
*GHS/USD	12.9006	(12.9006)	12.9136	(12.9136)
*GHS/GBP	16.2922	(16.2187)	16.3098	(16.2362)
*GHS/EUR	13.9620	(13.8906)	13.9747	(13.9044)

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

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Digital payments in Saudi Arabia rise to 70% of retail transactions

Digital payments reached 70% of all retail transactions in Saudi Arabia last year, up from 62% in 2022, the Saudi Central Bank (Sama) said. Transactions by digital means processed through national payment systems grew by 24% annually to 10.8 bn payments. Saudi Arabia has been promoting electronic payments as part of its financial sector development programme.

(www.centralbanking.com 3/04/24)

BOJ downgrades biggest number of regional economies in two years

The Bank of Japan downgraded its economic assessments for seven of nine regions, the most cuts since April 2022, underscoring the economic recovery's fragility after the bank's first interest rate hike since 2007 last month.

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

Swiss inflation unexpectedly slows, vindicating SNB rate cut

Swiss inflation unexpectedly eased vindicating the central bank's surprise interest-rate cut last month and suggesting more might be coming. Consumer prices rose 1% from a year ago in March, the statistics office said Thurs. That's the lowest reading in 2 1/2 years.

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

India isn't expected to stop Russian oil imports, us official says

The US never expected India to stop importing Russian oil as it's in Washington's interest to keep energy flowing to prevent any supply shocks caused by the Ukraine war, US Treasury Assistant Secretary for Economic Policy Eric Van Nostrand said.

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

India services growth improves on robust demand

India's service sector activity expanded at one of the strongest paces in thirteen-and-a-half years, led by healthy demand conditions, flash survey data from S&P Global showed. The flash HSBC services purchasing managers' index rose to 61.2 in March from 60.6 in February. (www.rttnews.com 04/04/24)

European shares tick higher as services PMI improves

European stocks were flat to slightly higher on Thursday after revised data showed economic activity in the eurozone's private sector expanded for the first time in ten months in March. The eurozone services PMI improved to 51.5 from 50.2 in Feb. The pan European STOXX 600 was marginally higher at 510.51 after rising 0.3% in the previous session.

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

Oil prices little changed as OPEC+ keeps output policy steady

Oil prices were little changed on Thursday after data showed an unexpected increase in U.S. crude inventories in the week ended March 29. A combination of tightening supply/demand fundamentals and heightened geopolitical tensions continued to underpin sentiment, helping limit any major downside.

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

Gold dips from record high

Gold prices dipped slightly on Thursday, after having surpassed \$2300 for the first time ever on the back of a weaker dollar and falling Treasury yields. Spot gold dipped 0.3 % to \$2,292.85 per ounce, while U.S. gold futures were down 0.1 % at \$2,312.45. The downside remained capped amid bets that policymakers at the Fed, ECB and BOE will cut rates at their June meetings. (www.rttnews.com 04/04/24)

Kenya opts to cut spending by 12% to achieve budget balance

In line with the Kenyan president's plan for its national budget, Kenya has opted to lower its expenditure plan for the fiscal year beginning this July by 12% to Ksh3.7 tr (\$28.35 bn). The president, William Ruto noted that initiatives like this would help in balancing the country's budget. (www.norvanreports.com 04/04/24)

Paris Club extends Ethiopia's IMF deal deadline to June

The Paris Club of mostly developed country creditors is said to have extended a deadline for Ethiopia to reach a preliminary bailout deal with the IMF by three months to the end of June. (www.norvanreports.com 04/04/24)

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