



Friday, 5th April 2024

Central bank independence usually safeguarded by law

A majority of central banks believe that their governing laws sufficiently protect their independence, the Governance Benchmarks 2024 reveals. Nearly nine-tenths (87%) of 46 respondents expressed this confidence in their answers. By contrast, a minority (13%) say their laws do not sufficiently protect their independence. Additionally, some 15.6% of 45 central banks fear certain factors could weaken their independence in future.

(www.centralbanking.com 05/04/24)

Long-term inflationary pressure set to rise, research finds

Central banks are likely to find it tougher to keep inflation low as structural forces change, new research by Kenneth Rogoff and others finds. The paper, presented at the Brookings Institution on March 29, weighs into the debate on whether inflation will return to central bank targets in the long term, or will end up persistently overshooting.

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

A new climate of change

Central banks and financial regulators have taken an increasingly active role in addressing the risks associated with climate change across the regulatory, investment and monetary policy fields. The scale of interest is reflected by the growth in the membership of the Network for Greening the Financial Sector.

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

ECB seen cutting interest rates once a quarter starting in June

The ECB will embark in June on a steady-yet-gradual path of interest-rate cuts that'll run at least through the end of next year, according to economist surveyed by Bloomberg. Respondents anticipate a first quarter-point reduction in the deposit rate, currently at a record 4%.

(www.bloomberg.com 05/04/24)

ECB's new framework tools may already arrive in 15 months

The European Central Bank may only be 15 months away from introducing new longer-term loans and a permanent bond portfolio to ensure the euro-area economy is sufficiently funded according to a Bloomberg survey. Half the respondents say they expect the ECB's balance sheet to start growing alongside the economy by the third quarter of next year.

(www.bloomberg.com 05/04/24)

European real estate is being used to launder money, EU says

Over a third of the most-threatening criminal networks in the European Union are laundering their profits through real estate, according to a report on organized crime across the region. Europol, the EU agency for law enforcement cooperation, found that among the criminal groups that pose the most serious threat, 41% used property to launder their illicit proceeds.

(www.bloomberg.com 05/04/24)

Slight majority of US consumers 'warm' to CBDC, survey says

A slight majority of US consumers are "warm" to the idea of a central bank digital currency (CBDC), a new survey finds. The survey, conducted by the Federal Reserve Bank of Philadelphia, sought to find out what barriers might prevent widespread adoption of a CBDC.

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

Yellen says China is too big to export its way to rapid growth

U.S. Treasury Secretary Janet Yellen said on Friday that China is too large to try to export its way to rapid growth and would benefit by reducing excess industrial capacity that is pressuring other economies. Yellen said in remarks to an American Chamber of Commerce during a visit to China.

(www.reuters.com 05/04/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2668	(1.2629)	1.2669	(1.2630)
+USD/EUR	1.0866	(1.0822)	1.0867	(1.0823)
*GHS/USD	12.9067	(12.9006)	12.9197	(12.9136)
*GHS/GBP	16.3503	(16.2922)	16.3679	(16.3098)
*GHS/EUR	14.0249	(13.9620)	14.0389	(13.9747)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 05/04/24 (Rates for 04/04/24 in brackets)

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UK house prices fall for first time in 6 months as rates stay high

British house prices fell 1.0% in March, their first drop since September 2023, figures from mortgage lender Halifax showed on Friday, contrasting with the more upbeat picture from other housing data earlier in the week. Halifax, part of Lloyds Banking Group, Britain's largest mortgage lender, said the drop was not entirely unexpected after price rises in the previous five months and continued high interest rates. (www.reuters.com 05/04/24)

German import prices fall further in February

Germany's import prices continued to decline in Feb, largely due to cheaper energy costs, data showed. Import prices dropped 4.9% year-on-year in Feb; though slower than the 5.9% decline in January. The expected decrease was 4.6%. Prices have been falling since March 2023. (www.rttnews.com 05/04/24)

French industrial output rebounds 0.2%, less than forecast

France's industrial production expanded less-than-expected in Feb; after falling in the previous month, data from the statistical office INSEE showed on Friday. Industrial output rose 0.2% on a monthly basis, following January's 0.9% decline. The expected growth rate was 0.5%. (www.rttnews.com 05/04/24)

Swiss consumer confidence rises to -38.0

Swiss consumer confidence improved in March to the highest level in eight months, survey results from the State Secretariat for Economic Affairs, or SECO, showed Friday. The consumer confidence index rose to -38.0 in March from -42.3 in the previous month. (www.rttnews.com 05/04/24)

RBI sticks to hawkish line, saying inflation job not done

India's central bank stuck to its hawkish policy tone as warnings of a coming heat wave renewed fears of an inflation spike. The MPC voted five-to-one to keep the benchmark repurchase rate at 6.5% for a seventh straight meeting, a move predicted by all of the 39 economists. (www.bloomberg.com 05/04/24)

European shares slide to two-week low on hawkish Fed comments, geopolitical worries

European stocks fell to a more than two-week low on Friday, tracking a global skittishness in sentiment following hawkish comments from some U.S. Federal Reserve officials and a spike in tensions in the Middle East. The continent-wide STOXX 600 fell 1.2%, on track for its worst day since mid-Oct; 2023. Benchmark indexes across all major European economies also fell over 1% each. (www.reuters.com 05/04/24)

Oil futures settle higher for 5th straight day

Oil prices moved higher extending recent gains, amid concerns about supply disruptions due to geopolitical tensions, and possible surge in demand from some of the largest consumers of oil, such as the U.S. and China. West Texas Intermediate Crude oil futures for May ended higher by \$1.16 or about 1.4% at \$86.59 a barrel, gaining for a fifth straight session. (www.rttnews.com 04/04/24)

World Bank loans Ethiopia \$1.72bn for power, water supply expansion

The World Bank and Ethiopia have signed loan agreements totaling \$1.72 bn to enhance electricity and water supply, as well as to facilitate the movement of food to markets, the Finance Ministry said on Friday. The bank will allocate \$523 m to expand the Horn of Africa nation's electricity network. (www.reuters.com 05/04/24)

South African rand firms against dollar

South Africa's rand held onto its recent gains against the dollar early on Friday in the absence of major local economic data releases. At 0859 GMT, the rand traded at 18.6350 against the dollar, 0.44% stronger than its previous close. The dollar index was last trading up about 0.04% against a basket of currencies. (www.reuters.com 05/04/24)

Zimbabwe's new central banker tasked to fix 77% currency crash

John Mushayavanhu, Zimbabwe's new central bank governor, has a gargantuan task ahead of him, restore credibility of an institution better known for printing \$100 tr bills. (www.bloomberg.com 04/04/24)

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