



Wednesday, 10th April 2024

Few central banks have recapitalization deals

Only a few central banks have a formal framework governing how the institution may be recapitalised, a survey published by the Bank of England finds. Many central banks have formal frameworks to remit money to the national treasury, authors Jamie Long and Paul Fisher note in a working paper. But of the 70 jurisdictions they review, only 20 have a formal agreement governing the reverse: injections of capital from the treasury to the central bank. (www.centralbanking.com 09/04/24)

Two-thirds of central banks report profit in last fiscal year

Majority of the central banks participating in the Governance Benchmarks 2024 posted a profit in the past fiscal year. 27 (65.9%) of 41 central banks says they reported a profit. However, 14 (34.1%) respondents say they did not. In a separate question, over nine-tenths (91.1%) of 45 central banks say that they have the resources they need to carry out their operations. (www.centralbanking.com 09/04/24)

March inflation data to prolong drama around Fed rate-cut timing

A monthly report on consumer prices due Wednesday [10/04] is unlikely to settle the debate around the timing of Federal Reserve interest-rate cuts, with forecasters expecting some moderation following elevated inflation readings at the start of the year. (www.bloomberg.com 10/04/24)

Fitch cuts China's ratings outlook on growth risks

Fitch cut its outlook on China's sovereign credit rating to negative on Wednesday [10/04], citing risks to public finances as the economy faces increasing uncertainty in its shift to new growth models. The outlook downgrade follows a similar move by Moody's in December. (www.reuters.com 10/04/24)

China says Fitch rating outlook downgrade "regrettable"

China's Ministry of Finance said Wednesday [10/04] that it is regrettable to see Fitch Ratings' move to downgrade the country's sovereign credit rating outlook. Fitch's rating system has failed to effectively reflect the positive effects of China's fiscal policies on boosting economic growth and stabilizing the macro leverage ratio in a forward-looking manner, the Ministry said in a statement. (www.xinhuanet.com 10/04/24)

UK survey shows signs of cost of living crisis easing for some

Britain's cost of living crisis is showing signs of easing, an FCA survey showed on Wednesday [10/04], with a year-on-year fall in the number of people struggling to pay bills and credit repayments in January and a rise in those coping well or very well. The Financial Conduct Authority's latest financial lives survey estimated that 7.4m Britons were struggling to pay bills and credit repayments, from 10.9m in January 2023. (www.reuter.com 10/04/24)

BOJ's Ueda rules out responding to weak Yen with rate hike

Bank of Japan Governor Kazuo Ueda said the central bank would not directly respond to currency moves in setting monetary policy, brushing aside market speculation that the yen's sharp falls could force it to raise interest rates. But Ueda maintained his optimism on the wage outlook. (www.reuters.com 10/04/24)

Bank of Canada to hold as it debates when to start easing rates

The Bank of Canada is likely to leave interest rates unchanged and avoid signalling that cuts are imminent, as officials continue to assess the right moment to launch into easier monetary policy. Markets expect policymakers to hold the benchmark overnight rate at 5%. (www.bloomberg.com 09/04/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2669	(1.2644)	1.2670	(1.2645)
+USD/EUR	1.0854	(1.0852)	1.0854	(1.0853)
*GHS/USD	12.9528	(12.9528)	12.9658	(12.9658)
*GHS/GBP	16.4099	(16.3775)	16.4276	(16.3952)
*GHS/EUR	14.0592	(14.0580)	14.0720	(14.0707)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 10/04/24 (Rates for 09/04/24 in brackets)

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Hong Kong set to approve its first spot bitcoin ETFs in April, sources say

Spot bitcoin exchange-traded funds could be launched in Hong Kong this month with the first approvals likely to be announced next week, two people familiar with the matter said. That timeline would make Hong Kong Asia's first city to offer the popular ETFs and is much faster than industry expectations of launches sometime this year.

(www.reuters.com 10/04/24)

New Zealand central bank holds key rate as widely expected

New Zealand's central bank left its benchmark rate unchanged for the sixth straight session as widely expected, as higher rates help to bring inflation to the target range. The MPC of the Reserve Bank of New Zealand, decided to hold the Official Cash Rate at 5.50%.

(www.rttnews.com 10/04/24)

SNB to explore wCBDC settlement for monetary operations

The Swiss National Bank is exploring how wholesale central bank digital currency (wCBDC) can be used in monetary operations, chairman Thomas Jordan said on April 8. The SNB has been trialing wCBDC through Project Helvetia, which entered a third phase in December. (www.centralbanking.com 09/04/24)

Thai central bank holds rate, deepening rift with government

Thailand's central bank left interest rates unchanged, underlining the limits of monetary policy to support economic growth especially when fiscal settings are loose. The MPC voted 5-2 to maintain the one-day repurchase rate steady at a decade-high 2.50%, as predicted by 17 of the 24 economists surveyed by Bloomberg. (www.bloomberg.com 10/04/24)

Philippine central bank holds rate

Central Bank of the Philippines (BSP) kept its policy rate unchanged for the fourth straight meeting on April 8, following a recent uptick in headline inflation. The BSP's monetary board held its target reverse repurchase rate at 6.5%, unchanged since October 2023.

(www.centralbanking.com 09/04/24)

Shares gain, treasuries steady ahead of all-important U.S. inflation

World stocks traded higher and bonds and currencies steadied on Wednesday [10/04], largely unfazed by ratings agency Fitch downgrading its China outlook, while traders awaited crucial U.S. inflation data due later in the day. Europe's broad STOXX 600 index rose 0.6% (.STOXX), recovering after a drop the day before. (www.reuters.com 10/04/24)

Oil rises as Middle East worries offset U.S. crude stock buildup

Oil prices rose after two straight days of losses, as the deadlock in Gaza ceasefire talks renewed uncertainty about the security of supplies from the Middle East, offsetting a bigger-than-expected build in U.S. crude inventories. Brent crude futures were up 25 cents at \$89.67 per barrel.

(www.reuters.com 10/04/24)

Ugandan foreign exchange reserves drop 12% due to debt payments

Uganda's foreign exchange reserves fell by about 12% between June 2023 and January this year because of external debt payments and the central bank's inability to buy foreign currency due to a slide in the Ugandan shilling. Reserves dropped from \$4.07bn in June to about \$3.58 bn at the end of January.

(www.reuters.com 09/04/24)

South African rand slips before U.S. CPI release

South Africa's rand was slightly weaker in early trade on Wednesday [10/04], as the U.S. dollar held firm ahead of a key inflation report later in the day. At 0710 GMT, the rand traded at 18.4800 against the dollar, about 0.1% weaker than its previous close, after having gained around 1% the previous day.

(www.reuters.com 10/04/24)

Africa's CMA revamps cross-border payments over AML fears

Countries in southern Africa's Common Monetary Area are changing how cross-border payments are processed, after the system triggered concerns over money laundering.

(www.centralbanking.com 09/04/24)

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