



Friday, 12th April 2024

Central banks’ profit distribution widely agreed with governments

Over nine-tenths of central banks participating in the Governance Benchmarks 2024 say they have a profit distribution agreement with government. The question received responses from 42 central banks. Among these, 38 (90.5%) say they have profit-sharing distribution agreements with their governments. 5 (11.9%) respondents picked other entities. A further 2 (4.8%) indicated that they have an agreement with private shareholders. (www.centralbanking.com 10/04/24)

Most high-income central banks lack formal recapitalisation agreements

Over half of high-income central banks lack a formal agreement on recapitalisation with their governments, the Governance Benchmarks 2024 find. 13 (56.5%) out of 23 high income respondents say they do not have such arrangements. Only 10 (43.5%) say they have one with the state. Half (50%) of six lower-middle income respondents say they have none. (www.centralbanking.com 11/04/24)

Euro falls to five-month low as ECB-Fed divergence looms large

The euro fell to its lowest level this year as the European Central Bank looks set to cut interest rates before the Federal Reserve. The common currency dropped as much as 0.5% to \$1.0676 on Friday [12/04], the weakest since November. It’s on track to its biggest weekly decline against the dollar in nearly a year, down 1.5%. (www.bloomberg.com 12/04/24)

ECB survey shows inflation to slow to 2% target in 2025

The European Central Bank will meet its inflation target next year, according to its quarterly poll of professional forecasters. They expect price growth in the 20-nation euro zone to hit 2% in 2025, after easing to 2.4% this year. (www.bloomberg.com 12/04/24)

ECB’s Kazaks says on track to cut interest rates in June

The European Central Bank is on track to start lowering borrowing costs in June, according to Governing Council member Martins Kazaks. “If we are really in the direction of our goal 2%, then to my mind we are really close to a turning point when these rates can be lowered step by step,” he told Latvia’s TV3 channel. “If really nothing changes then June will be the month where we see the first rate cut.”

(www.bloomberg.com 12/04/24)

Low growth threatens to reverse living standards – IMF

The International Monetary Fund says low growth globally is likely to affect living standards and widen economic inequalities between countries. In an early-release chapter of its World Economic Outlook report, the IMF says the global growth rate has slowed steadily since the global financial crisis of 2008–09 and calls for policy intervention to reverse the trend.

(www.centralbanking.com 11/04/24)

IMF officials warn cyber risks are growing

The risk of “extreme losses” from cyber-attacks is on the rise, International Monetary Fund officials have warned. Fabio Natalucci, Mahvash Qureshi, and Felix Suntheim argue the financial sector is particularly vulnerable. Spillovers, reputational damage and disruptions in critical infrastructure could threaten economic and financial stability.

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

If Fed hikes spurred rent inflation, markets should relax

The idea that the Fed's steep interest rate rises actually made U.S. inflation stickier has more merit than it first sounds, not among U.S. central bank researchers themselves. The oft-lampooned notion that interest rate rises actually spur inflation usually receives short shrift. (www.reuters.com 12/04/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2533	(1.2669)	1.2535	(1.2670)
+USD/EUR	1.0732	(1.0854)	1.0733	(1.0854)
*GHS/USD	12.9643	(12.9528)	12.9773	(12.9658)
*GHS/GBP	16.2482	(16.4099)	16.2670	(16.4276)
*GHS/EUR	13.9135	(14.0592)	13.9284	(14.0720)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 12/04/24 (Rates for 10/04/24 in brackets)

* BOG INTERNAL TRANSACTION RATES: 12/04/24 (Rates for 10/04/24 in brackets)

China to strengthen capital market regulation, risk prevention

China's State Council has released a guideline on strengthening regulation, forestalling risks and promoting the high-quality development of the capital market. The country should aim at building a secure, regulated, transparent, open, dynamic and resilient capital market, the guideline noted. (www.xinhuanet.com 12/04/24)

UK economy grew by 0.1% in February

The UK economy grew for the second month in a row in February, driven by expansion in manufacturing, raising hopes the UK is emerging from a technical recession. Gross domestic product rose 0.1% between January and February, the Office for National Statistics said on Friday [12/04]. That was in line with analysts' expectations. (www.ft.com 12/04/24)

French inflation confirmed at 2.4% in March

Consumer prices in France, rose 2.4% year on year in March, statistics office INSEE said on Friday [12/04], confirming preliminary data. Inflation in March was caused mainly by a seasonal increase in manufactured goods prices and a slight increase in tobacco prices, INSEE reported. (www.reuters.com 12/04/24)

BOK's Rhee flags potential rate cut, inching toward neutral

Bank of Korea Governor Rhee Chang-yong flagged the possibility of an interest-rate cut later this year should inflationary pressure ease as expected, joining global policymakers in opening a path toward a policy easing. The board believes a rate cut in the second half "can't be ruled out" if inflation slows to 2.3% at the end of this year.

(www.bloomberg.com 12/04/24)

Singapore keeps monetary policy tight as price risks linger

Singapore's central bank kept its monetary policy unchanged for a fourth straight time on still-elevated price pressures, a decision seen by some economists as indicative that tight settings will probably stay in the months ahead. (www.bloomberg.com 12/04/24)

European shares poised for higher open

European stocks look set to open higher on Friday [12/04], though overall gains may remain limited somewhat due to heightened geopolitical tensions in the Middle East, uncertainty around Fed easing and growing U.S.-China tensions. Investors also keenly await first-quarter earnings results from the largest U.S. lenders. (www.rttnews.com 12/04/24)

Oil futures settle notably lower

Crude oil prices dropped from 5-month highs on Thursday [11/04] amid concerns the Federal Reserve will keep interest rates higher for a longer period due to inflationary pressures. West Texas Intermediate crude oil futures for May ended down by \$1.19 at \$85.02 a barrel. Brent crude futures were down \$0.51 or 0.56% at \$89.97 a barrel.

(www.rttnews.com 11/04/24)

Gold subdued after us inflation data

Gold prices were subdued on Thursday [11/04] as signs of sticky inflation in the U.S. and the release of minutes of the Fed's March meeting highlighting upside risks around inflation forecasts dented hopes for a June rate cut. Spot gold slipped 0.2% to \$2,328.90 per ounce while U.S. gold futures were marginally lower at \$2,347.45. (www.rttnews.com 11/04/24)

Ethiopia faces tough devaluation decision to secure IMF bailout

Ethiopia may have to decide on a big currency devaluation sooner rather than later to secure a rescue loan from the IMF, which left the country last week without reaching a much-needed deal with authorities. East Africa's most populous country, already struggling with high inflation, became the third African state in as many years to default on its debt in December. (www.reuters.com 12/04/24)

Ghana's battered cedi pushes inflation to four-month high

Ghana's inflation rate climbed to a four-month high in March as a slump in the currency pushed up the prices of imports such as fuel and food. Annual inflation accelerated to 25.8% from 23.2% in February.

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

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