



Wednesday, 17th April 2024

Global regulators want to better prepare funds for margin calls

Global regulators proposed a package of measures to ensure hedge funds and other investors from outside the banking sector are better able to cope with margin and collateral calls in times of market stress. The Financial Stability Board published draft recommendations for improving the liquidity preparedness of such participants in centrally and non-centrally cleared derivatives and securities markets. (www.bloomberg.com 17/04/24)

Central banks need caution in easing policy, IMF says

Central banks should be careful when easing monetary policy, according to the IMF World Economic Outlook, published Monday [15/04]. “Most indicators continue to point to a soft landing,” the report says. It cites “the fading of energy price shocks and a striking rebound in labour markets supported by strong immigration”, as drivers behind the improved global outlook. (www.centralbanking.com 16/04/24)

IMF sees slow, steady 2024 global growth; China, war escalation pose risks

The global economy is set for another year of slow but steady growth, the International Monetary Fund said with US. strength pushing world output through headwinds from lingering high inflation, weak demand in China and Europe, and spillovers from two regional wars. (www.reuters.com 16/04/24)

IMF cuts South Africa’s 2024 GDP growth projections

The International Monetary Fund (IMF) has projected that South Africa’s Gross Domestic Product (GDP) growth will be 0.9% for 2024. The organisation said that in October 2023 SA’s GDP growth was projected to be 1.8% in 2024, then in January the fund said it had decreased to a mere 1%, now it has dropped to less than 1%. (www.iol.co.za 17/04/24)

ECB policymakers stick with June rate cut plan

European Central Bank policymakers continued to make the case for an interest rate cut in June as inflation remains on course to ease back to 2% by next year, even if the path for prices still proves bumpy. The ECB held rates at a record high last week but opened the door wide open to a June rate cut, batting back doubts about its resolve after market expectations retreated on unexpectedly high US. inflation figures. (www.reuters.com 16/04/24)

The ECB is seen forgiving Italy its fiscal sins, if needed

Investors who have snapped up high-yielding Italian bonds over the last year on the assumption they were protected from risk by the European Central Bank are now taking a close look at the ECB's rulebook to gauge whether their investment is safe. The central bank presented its Transmission Protection Instrument (TPI) in mid-2022 as a tool to counter any "unwarranted" widening of bond spreads. (www.reuters.com 17/04/24)

US regional banks seen booking more commercial property losses, loan sales

US regional banks are expected to set aside more money to cover potential commercial real estate losses and sell more property loans as the sector remains under pressure a year after the collapse of Silicon Valley Bank and Signature Bank. Most multifamily loans are made by regional banks. (www.reuters.com 17/04/24)

China's cycle of dollar hoarding and weakening yuan gets vicious

Chinese businesses are hoarding dollars because they expect their own currency to weaken, and that in turn is exacerbating a slide in the yuan that has been driven by wobbly stock markets. (www.reuters.com 17/04/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2433	(1.2466)	1.2434	(1.2467)
+USD/EUR	1.0626	(1.0644)	1.0626	(1.0644)
*GHS/USD	12.9907	(12.9907)	13.0037	(13.0037)
*GHS/GBP	16.1513	(16.1942)	16.1688	(16.2117)
*GHS/EUR	13.8046	(13.8270)	13.8171	(13.8420)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 17/04/24 (Rates for 16/04/24 in brackets)

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China's central bank adds liquidity via reverse repos

China's central bank conducted 2 bn yuan (about 281.6m U.S. dollars) of seven-day reverse repos at an interest rate of 1.8%. The move aims to keep liquidity reasonable and ample in the banking system, 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. (www.xinhuanet.com 17/04/24)

UK lags G7 as labour market 'inactivity' hits eight-year high

Four years since the outbreak of the COVID-19 pandemic, Britain remains beset by a persistent rise in working-age people who do not have a job and are not seeking one, a trend that sets it apart from its peers. Britain is the only Group of Seven economy where the share of working-age people outside the workforce remains higher than before the pandemic, slowing its growth and boosting inflation. (www.reuters.com 17/04/24)

UK inflation slows its fall, pushing back rate cut bets

Britain's inflation rate slowed by less than expected in March, according to official figures published adding to signs that a first interest rate cut by the Bank of England could be further off than previously thought. British consumer prices rose by an annual 3.2%, down from a 3.4%. (www.reuters.com 17/04/24)

Japan has y366.5 bn trade surplus

Japan posted a merchandise trade surplus of 366.5 billion yen in March, the Ministry of Finance said on Wednesday [17/04]. That beat forecasts for a surplus of 107.4 bn yen following the upwardly revised 377.8 bn yen deficit in February (originally -379.4 bn yen). (www.rttnews.com 17/04/24)

Indonesian retail sales growth remains strong

Indonesia's retail sales grew for the tenth successive month in March, though at a slower pace compared to February, preliminary data from the Bank Indonesia showed on Wednesday [17/04]. (www.rttnew.com 17/04/24)

European shares seen higher at open

European stocks may open slightly higher after reports that the United States and the European Union are planning to impose new sanctions on Iran, following its weekend attack on Israel. Israel has vowed to retaliate against Iran, but officials haven't said how or when they might strike. Israel's Foreign Minister Israel Katz said a diplomatic offensive against Iran would be carried out alongside Israel's military response. (www.rttnews.com 17/04/24)

Oil prices decline on demand concerns

Oil prices fell due to concerns over global oil demand. Benchmark Brent crude futures dipped 0.8% to \$89.32 a barrel in European trade, while WTI crude futures were down 0.8% at \$84.66. Demand concerns returned to the fore after China reported mixed March data and more Fed officials warned about rates staying higher for longer. (www.rttnews.com 17/04/24)

Gold hovers near record high as fed officials warn on inflation

Gold consolidated near record highs on Wednesday in the wake of deepening Middle East tensions, with the United States warning about sanctions on Iran in response to their missile and drone attack on Israel. Spot gold rose 0.4 % to \$2,391.77 per ounce, while U.S. gold futures were little changed at \$2,408.20. (www.rttnews.com 17/04/24)

South Africa inflation slows but rate cuts not seen yet

South Africa's consumer inflation fell slightly more than expected in March, but analysts said the central bank was unlikely to start cutting interest rates for some months yet. Headline inflation fell to 5.3% year on year from 5.6% in February. (www.reuters.com 17/04/24)

IMF extends Kenya \$4.43 billion program talks to Washington

An IMF review of Kenya's \$4.43 bn funding program will continue in Washington following a staff mission to the East African nation. The review of the IMF's loans to Kenya was expected to unlock more than \$1 billion. (www.bloomberg.com 17/04/24)

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