



Friday, 19<sup>th</sup> April 2024

### Fed's rate-cut foot-dragging grates on global peers at IMF meetings

Finance chiefs from economies large and small are scrambling to keep pace with the Federal Reserve's rapid resetting of rate-cut expectations as U.S. inflation data roils markets from London to Brazil. All insist they are setting policy independently of the Fed and basing it on local conditions. But those conditions are now being buffeted by a sudden likelihood of U.S. interest rates staying higher. ([www.reuters.com](http://www.reuters.com) 19/04/24)

### IMF tells Asian central banks not to follow Fed too closely

The International Monetary Fund urged Asian central banks to focus on domestic inflation and avoid tying their policy decisions too closely to anticipated moves by the U.S. Federal Reserve. Receding expectations for a near-term interest cut by the Fed have fed steady dollar gains that have pushed down some Asian currencies such as the Japanese yen and the South Korean won. ([www.reuters.com](http://www.reuters.com) 18/04/24)

### Battle for development cash heats up at IMF/World Bank meetings

Development agencies gathering in Washington this week face one of their toughest battles in years: getting a rich world worried about wars abroad and elections at home to commit more cash to the world's poorest countries. The poor world's development is backsliding at an historic rate. ([www.reuters.com](http://www.reuters.com) 18/04/24)

### Eurozone Current Account Surplus Shrinks

The euro area current account surplus decreased to a 3-month low in February, the European Central Bank reported. The current account surplus dropped to EUR 29.0 bn in February from EUR 39.0 bn in January. This was the lowest surplus since November last year. ([www.rttnews.com](http://www.rttnews.com) 18/04/24)

### ECB could replace central forecast scenario

The European Central Bank (ECB) may no longer rely on a central forecast scenario if it makes greater use of scenario analysis in future, executive board member Isabel Schnabel said. Despite being relatively accurate over the 2013–19 period of low interest rates, forecasts since then have often been erroneous and “created a false sense of precision” Schnabel said. ([www.centralbanking.com](http://www.centralbanking.com) 18/04/24)

### ECB clear on June rate cut but views diverge on July

The European Central Bank made it clear that an interest rate cut is coming in June but policymakers continued to differ on moves thereafter or how low interest rates can go before once again starting to stimulate the economy. The ECB put a June rate cut on the table last week and has spent the past week reinforcing that guidance, despite rising oil prices. ([www.reuters.com](http://www.reuters.com) 18/04/24)

### ECB flags concern over UniCredit management turnover risk under CEO Orcel, sources say

The European Central Bank has raised concerns with UniCredit, opens new tab about a high turnover of top managers, after a string of changes at Italy's No.2 bank under Chief Executive Andrea Orcel, two people with knowledge of the matter said. UniCredit has seen a series of top departures since Orcel joined in April 2021. ([www.reuters.com](http://www.reuters.com) 18/04/24)

### US to spend \$1 billion on food aid abroad amid global hunger crisis

The U.S. Department of Agriculture and the U.S. Agency for International Development will distribute \$1 bn in U.S. commodities to countries with high hunger rates, the agencies said. The countries that will receive the aid - including the DR. of Congo, and Haiti. ([www.reuters.com](http://www.reuters.com) 18/04/24)

#### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2459	(1.2428)	1.2460	(1.2429)
+USD/EUR	1.0657	(1.0638)	1.0658	(1.0639)
*GHS/USD	13.0035	(12.9980)	13.0165	(13.0110)
*GHS/GBP	16.2011	(16.1539)	16.2186	(16.1714)
*GHS/EUR	13.8589	(13.8280)	13.8727	(13.8406)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 19/04/24 (Rates for 18/04/24 in brackets)

\* BOG INTERNAL TRANSACTION RATES: 19/04/24 (Rates for 18/04/24 in brackets)

### **UK wage growth and services inflation too high for rate cut, BoE's Greene says**

Britain's latest wage growth and services price inflation data is too high for the Bank of England to consider cutting interest rates, BoE policymaker Megan Greene said on Thursday. "The numbers that we're seeing in terms of wage growth and services inflation just aren't consistent with a sustainable 2% (consumer price) inflation target," she said. ([www.reuters.com](http://www.reuters.com) 18/04/24)

### **UK financial sector seeks stronger accountability of regulators**

A new sector-wide body could help ensure that Britain's financial regulators fully comply with their new remit of aiding international competitiveness when writing rules, an industry lobby group said. Tougher competition in financial services - including from the European Union following Brexit, and from New York attracting UK company listings. ([www.reuters.com](http://www.reuters.com) 18/04/24)

### **China's c.bank signals caution over credit boost as demand weakens**

There is still room for China's central bank to take steps to support the economy, but efforts are needed to prevent cash from sloshing around the banking system as real credit demand weakens, senior officials at the bank said on Thursday. ([www.reuters.com](http://www.reuters.com) 18/04/24)

### **China's top lenders face \$221 bln loss-absorbing capital shortfall by 2025, Fitch estimates**

China's five globally systemically important banks would have a shortfall in their total loss absorption capital of 1.6 trillion yuan (\$221 bn) by January 2025, Fitch Ratings estimates, indicating huge strains on the lenders' capital buffers. ([www.rttnews.com](http://www.rttnews.com) 18/04/24)

### **German finance minister rejects Brazil's proposal to tax super-rich**

German Finance Minister Christian Lindner rejected Brazil's proposal to tax the super-rich. "We do not think it is suitable," he said in a panel discussion alongside Bundesbank President Joachim Nagel in Washington DC. "We have an appropriate taxation of income." ([www.reuters.com](http://www.reuters.com) 18/04/24)

### **German government slightly raises 2024 GDP forecast to 0.3%, source says**

The German government will raise its economic growth forecast for this year to 0.3%, from a previous forecast of 0.2%, a source told Reuters. In 2025, the government expects GDP to grow by 1.0%, according to the source. Inflation is expected to fall faster than previously expected, going down to 2.4% this year. The government had forecast 2024 inflation at 2.8%. ([www.reuters.com](http://www.reuters.com) 19/04/24)

### **Greek economy surges after decade of pain**

A decade ago, Greece was in the throes of a devastating debt crisis marked by years of austerity, hardship and unrest. Now, officials and investors say 2024 could be the year its rebound is finally complete. The Greek economy is forecast to grow nearly 3% this year, approaching its pre-crisis size. ([www.reuters.com](http://www.reuters.com) 18/04/24)

### **Inflation softens in March, but interest rates to remain high**

Consumers should brace for a prolonged period of elevated cost of living as the South African Reserve Bank is unlikely to temper its monetary policy after headline inflation remained stubborn on the back of rising education fees. Data from Statistics SA showed the rate of annual CPI softened to 5.3%. ([www.iol.co.za](http://www.iol.co.za) 18/04/24)

### **Gold gains on dollar weakness**

South Gold prices traded higher on Thursday on the back of a weaker dollar and reports about strong central bank purchases. Rising geopolitical tensions in the Middle East also offered some support. Spot gold jumped 0.8 percent to \$2,380.85 per ounce while U.S. gold futures were up 0.3 percent at \$2,395.30. ([www.rttnews.com](http://www.rttnews.com) 18/04/24)

### **Fitch bullish about Ghana's upstream oil production for 2024**

Fitch Solutions says it is bullish about Ghana's upstream petroleum sector as it anticipates a 5% increase in crude oil production for this year - 2024. This is mainly contingent on the Pecan oil field. ([www.norvanreport.com](http://www.norvanreport.com) 18/04/24)

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