



Tuesday, 23rd April 2024

ECB's Guindos says June cut looks like set deal if no surprises

The European Central Bank is on course to lower interest rates at its June meeting, according to Vice President Luis de Guindos. "If things move in the same direction as they have in recent weeks, we will loosen our restrictive monetary policy stance in June," (www.bloomberg.com 22/04/24)

ECB governors stick to plan for multiple rate cuts despite global headwinds

European Central Bank officials are sticking to plans to cut interest rates multiple times this year, even as higher US inflation delays a pivot to looser policy by the US Federal Reserve and tensions in the Middle East keep oil prices high. (www.reuters.com 22/04/24)

Euro zone business in services-led bounce in April, PMI survey shows

Overall business activity in the euro zone expanded at its fastest pace in nearly a year this month as a buoyant recovery in the bloc's dominant service industry more than offset a deeper downturn in manufacturing, a survey found. The divide between services firms and factories was also evident in the country breakdown for Germany and France, the bloc's two biggest economies and the only ones to publish preliminary readings of the survey. (www.reuters.com 23/04/24)

US consumers on lower incomes face loan stress while banks pull back

US borrowers on lower incomes are increasingly struggling to keep up with their loan payments, prompting banks to become more cautious about dishing out credit cards and car loans. A growing number of Americans have seen their savings dwindle as rising prices squeeze budgets while interest rates stay high. (www.reuters.com 22/04/24)

Where king dollar is causing pain the most

A dollar surge propelled by a strong economy, sticky inflation and geopolitical tensions have unnerved policymakers from Tokyo to Beijing and Stockholm. The dollar is at its highest since November against other major currencies, poised for a fourth straight month of gains. Its latest rally, following stronger-than-expected March inflation numbers that pushed back US rate cut bets even further. (www.reuters.com 23/04/24)

China's military spending concerning given 'failing economy', US admiral says

The increase in China's defence spending is concerning given its economy is "failing", the head of the US Indo-Pacific Command said. Speaking to reporters in Tokyo, Admiral John Aquilino said China's economy had been battered by turmoil in its real estate sector and asserted that its official growth rates were "not real". (www.reuters.com 23/04/24)

UK budget deficit overshoots, turning fiscal screw on Sunak government

Britain's government borrowed more than expected in the 2023/24 financial year, in bad news for Prime Minister Rishi Sunak who hopes to woo back voters with tax cuts ahead of a national election. (www.reuters.com 23/04/24)

Bank of England looks to shine a light on private equity leverage

Regulators need to shine a light on the \$8tr global private equity sector, as opaque leverage makes it hard to get a picture of the risks it poses to financial stability, jobs and growth, a Bank of England official said. Private equity funds, part of wider market based finance, use pools of capital, largely from institutional investors, to invest in non-publicly traded companies. (www.reuters.com 22/04/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2336	(1.2383)	1.2338	(1.2384)
+USD/EUR	1.0644	(1.0647)	1.0644	(1.0648)
*GHS/USD	13.0601	(13.0472)	13.0731	(13.0606)
*GHS/GBP	16.1109	(16.1563)	16.1296	(16.1738)
*GHS/EUR	13.9007	(13.8919)	13.9145	(13.9046)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 23/04/24 (Rates for 22/04/24 in brackets)

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Australia's treasurer says MidEast tensions compound worries about global economy

Australia's treasurer warned on Monday that events in the Middle East are fueling concerns for the global economy and will shape the government's budget in May, with near-term outlook downgrades for its major trading partners. (www.reuters.com 22/04/24)

Italy posts highest 2023 budget deficit in EU by far in latest revision

Italy last year posted by far the highest budget deficit-to-GDP ratio in the EU, the bloc's statistics arm Eurostat reported, after Rome's 2023 fiscal gap widened to 7.4% of GDP from a 7.2% estimate issued in March. (www.reuters.com 22/04/24)

Japan finance minister says groundwork laid to take appropriate FX action

Japan Finance Minister Shunichi Suzuki said on Tuesday's [23/04/24] trilateral meeting with his US and South Korean counterparts likely laid the groundwork for Tokyo to take appropriate action in the foreign exchange market. (www.reuters.com 23/04/24)

BOJ will hike rates if trend inflation accelerates, gov Ueda says

The Bank of Japan will raise interest rates again if trend inflation accelerates toward its 2% target as expected, governor Kazuo Ueda said, keeping alive market expectations of a further withdrawal of monetary support later this year. (www.reuters.com 23/04/24)

Rupee recovery likely to be challenged by importers, Fed view

The Indian rupee is expected to open little changed on expectations that importers will take advantage of the mini recovery on the currency and bets that Federal Reserve rate cuts are not imminent. (www.reuters.com 23/04/24)

Pakistan eyes new IMF loan by early July, finance minister says

Pakistan could secure a staff-level agreement on a new long-term larger loan with the IMF by early July, its finance minister said. (www.reuters.com 23/04/24)

European shares may see cautious gains at open

European stocks may open slightly higher as easing geopolitical tensions and a soft inflation outlook bolstered hopes that the ECB will soon start cutting interest rates. The German DAX gained 0.7% and France's CAC 40 edged up 0.2% while the UK's FTSE 100 added 1.6% to notch a record close on optimism that the Bank of England will cut interest rates twice this year. (www.rttnews.com 23/04/24)

Oil prices inch higher as dollar slips

Oil prices were seeing modest gains on Tuesday as the dollar slipped amid improvement in investors' risk appetite. Benchmark Brent crude futures rose about half a percent to \$87.42 a barrel while WTI crude futures were up half a percent at \$82.27. (www.rttnews.com 23/04/24)

South African rand trades lower as metal prices retreat

South Africa's rand edged lower in early trade on Tuesday, with analysts pointing to a decline in metal prices as the reason for the currency's weakness. At 0715 GMT, the rand traded at 19.2400 against the dollar, 0.2% weaker than its previous close. (www.reuters.com 23/04/24)

Ugandan shilling flat as charity inflows offer support

The Ugandan shilling was flat against the dollar, with some inflows of hard currency from non-governmental organisations (NGOs) helping provide support, traders said. 0856 GMT commercial banks quoted the shilling at 3,810/3,820, same level as Monday's close. (www.reuters.com 23/04/24)

Nigeria seeking up to \$2.25bn in World Bank loans

Nigeria is seeking up to \$2.25bn in World Bank loans and expects the bank's board to approve the request in June, the government said in a statement following the IMF/World Bank spring meetings in Washington, D.C. Nigeria also aims to issue diaspora bonds later this year. (www.reuters.com 22/04/24)

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