



Monday, 29<sup>th</sup> April 2024

### Europe's debt is rising again as politics erodes budget resolve

Some of Europe's most indebted governments are heading for a painful reckoning this year as their ambitions to cut down on borrowing collide with political reality. After years of a no-limits approach to spending when the continent navigated pandemic shutdowns and surging energy prices, 2024 was meant to mark a sign in repairing public finances from France to the UK. ([www.bloomberg.com](http://www.bloomberg.com) 29/04/24)

### Economic surprises are messing with the market's favourite recession predictor

A bond market anomaly that has reliably predicted a U.S. recession in the past may normalize this year in a highly unusual manner. It's a worry for markets. The market signal, called a yield curve, has been upside down since early July 2022, with investors getting less to lock up their money for longer periods than they are for shorter durations. ([www.reuters.com](http://www.reuters.com) 29/04/24)

### Fed rate doubts have options traders covering both hikes and cuts

Treasury options traders are protecting against everything from multiple interest-rate cuts this year to a hike ahead of the U.S. Fed meeting this week. Recent data has remained stronger than had been expected, dimming expectations that the central bank will cut rates any time soon. ([www.bloomberg.com](http://www.bloomberg.com) 28/04/24)

### Inflation-wary U.S. rate options market cautiously prices for 2024 Fed hike

Options on Secured Overnight Financing Rate (SOFR) futures are showing a higher probability that the Federal Reserve could hike interest rates a quarter percentage point this year and next as U.S. inflation and the labour market remain resilient. ([www.reuters.com](http://www.reuters.com) 29/04/24)

### PBOC expands warning on bond investments to regional banks

China's central bank has advised some regional lenders to curtail their ultra-long bond investments to mitigate risks, people familiar with the matter said. City and rural commercial banks in at least two eastern provinces were instructed in recent weeks to avoid significant exposure to these securities. ([www.bloomberg.com](http://www.bloomberg.com) 29/04/24)

### Germany's economy shows signs of life but industry is struggling

Germany's economic prospects are looking up after two grueling years of near-zero growth. The consumer-led revival, though, papers over enduring industrial weakness for which there's no quick fix. Data this week signaled the fledgling recovery in Europe's largest economy is gaining momentum — especially in service sectors like tourism and hospitality. ([www.bloomberg.com](http://www.bloomberg.com) 27/04/24)

### Japan's yen surges against dollar on suspected intervention

Japan's currency surged as much as 5 yen against the dollar on Monday [29/04/24], with traders citing heavy dollar-selling intervention by Japanese banks for the first time in 18 months after the yen hit fresh 34-year lows earlier in the day. ([www.reuters.com](http://www.reuters.com) 29/04/24)

### Why has the Japanese yen been so weak?

Japan's yen hit a three-decade low on Monday before rebounding in a move currency traders suspected was official intervention. Support for the currency follows a years-long slide that even Japan's first interest rate hike since 2007 and broad optimism about the economy has failed to arrest. In real terms, the yen has been at its weakest since at least the 1970s. ([www.reuters.com](http://www.reuters.com) 29/04/24)

#### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2466	(1.2493)	1.2467	(1.2494)
+USD/EUR	1.0687	(1.0719)	1.0688	(1.0720)
*GHS/USD	13.1928	(13.1683)	13.2060	(13.1815)
*GHS/GBP	16.4461	(16.4512)	16.4639	(16.4690)
*GHS/EUR	14.0999	(14.1163)	14.1139	(14.1292)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 29/04/24 (Rates for 26/04/24 in brackets)

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### **History of Japan's intervention in currency markets**

Japan's yen strengthened sharply on Monday [29/04/24] in a move market participants said pointed to yen-buying intervention from Japanese authorities to stabilise the sliding currency. After trading at its weakest level in 34 years at 160.245 per dollar in the Asian morning, the yen jumped from around 159.5 per dollar to 155.2 over an hour of one-way trade. ([www.reuters.com](http://www.reuters.com) 29/04/24)

### **Spain inflation rises to 3.3%, less than forecast**

Spain's consumer price inflation rose less than expected in April to the highest level in three months, the flash estimate from the statistical office INE revealed on Monday [29/04/24]. Consumer price inflation increased slightly to 3.3% from 3.2% in the previous month. ([www.rttnews.com](http://www.rttnews.com) 29/04/24)

### **Rupee likely in narrow range in week with key U.S. data, Fed policy decision**

The Indian rupee is expected to open little changed on Monday [29/04/24] and likely to remain in a narrow range through the week as the market focuses on the Federal Reserve's interest rate decision and important U.S. data. ([www.reuters.com](http://www.reuters.com) 29/04/24)

### **Taiwan's economy seen expanding 5.6% in first quarter on strong exports**

Taiwan's trade-dependent economy likely grew faster in the first quarter, supported by a rebound in exports amid upbeat demand for the technology that powers artificial intelligence (AI) applications, a Reuters poll showed on Monday [29/04/24]. ([www.reuters.com](http://www.reuters.com) 29/04/24)

### **Swedish economy contracts further**

Sweden's economy shrank for the fourth consecutive quarter in the three months ending March, preliminary data from Statistics Sweden showed. GDP decreased 0.1% sequentially in the first quarter, the same as in the fourth quarter. That was in line with expectations. ([www.rttnews.com](http://www.rttnews.com) 29/04/24)

### **Oil prices fall 1% on Israel-Hamas ceasefire talks, U.S. inflation concerns**

Oil prices were down 1% on Monday [29/04/24], erasing gains from Friday as Israel-Hamas peace talks in Cairo eased fears of a wider conflict in the Middle East and U.S. inflation data further dimmed the prospects of interest rate cuts anytime soon. Brent crude futures fell by as much as 98 cents. ([www.reuters.com](http://www.reuters.com) 29/04/24)

### **Gold slips after brisk U.S. inflation quells rate-cut expectations**

Gold edged higher after a weekly drop, before a Federal Reserve meeting midweek where policymakers are expected to reaffirm their stance for higher-for-longer interest rates. Bullion rose as much as 0.3% after losing more than 2% last week. ([www.bloomberg.com](http://www.bloomberg.com) 29/04/24)

### **African leaders seek record World Bank financing to combat climate change**

African leaders on Monday [29/04/24] called for rich countries to commit record contributions to a low-interest World Bank facility for developing nations that they rely on to help fund their development and combat climate change. ([www.reuters.com](http://www.reuters.com) 29/04/24)

### **AfDF to provide €200m partial credit guarantee to support financing of green and sustainable initiatives in Rwanda**

The Board of Directors of the African Development Fund, the concessional lending arm of the African Development Bank Group, has approved a partial credit guarantee to support Rwanda's mobilisation of financing to implement green and social initiatives. ([www.norvanreports.com](http://www.norvanreports.com) 29/04/24)

### **Kenya urges record \$120bn in pledges for World Bank arm**

Kenyan's William Ruto urged World Bank members to make record contributions to the organization's concessional lending arm in the coming funding round to effectively deal with multiple crises facing developing economies. ([www.norvanreports.com](http://www.norvanreports.com) 29/04/24)

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