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Major central banks linger in uneasy calm in April

Interest rates at major central banks remained static in April as the prospect of higher-for-longer U.S Federal Reserve rates exerted some pressure on policymakers, especially in emerging markets, where Indonesia delivered a surprise hike. (www.reuters.com 03/05/24)

ECB isn't pre-committing to particular rate path, Lane says

The European Central Bank (ECB) is taking a meeting-by-meeting approach for its next steps on monetary policy, according to Chief Economist Philip Lane. "We are not pre-committing to a particular rate path," Lane said at the Stanford Graduate School of Business on Thursday [02/05/24]. (www.bloomberg.com 02/05/24)

ECB's Stournaras sees just three rate cuts in 2024 on strong growth

The European Central Bank is "most likely" to cut interest rates just three times this year as stronger-than-expected economic growth supports inflation, ECB policymaker Yannis Stournaras said in an interview with a Greek media outlet. The ECB has all but promised to start lowering borrowing costs from their current, record highs in June but the path further ahead has become more uncertain in recent weeks. (www.reuters.com 03/05/24)

Former head of PBoC's digital currency arm under investigation

Chinese authorities are investigating Yao Qian, a key figure behind China's central bank digital currency (CBDC) project, for suspected "violations of discipline and law". The Central Commission for Discipline Inspection confirmed the investigation on April 26. (www.centralbanking.com 02/05/24)

BOE's pandemic stimulus behind £115bn hit to UK taxpayer

The Bank of England's effort to stimulate the economy during the pandemic is responsible for all £115bn (\$144bn) of the net losses on quantitative-easing that UK taxpayers will have to cover. Bloomberg analysis indicates that the BOE is on track to lose at least £120bn on the bonds it bought under QE during Covid in 2020 and 2021. (www.bloomberg.com 02/05/24)

UK banks earn over £9bn interest on reserves with BoE

Four major lenders in the UK earned a total of £9.3bn (\$11.6bn) in interest from their reserves with the Bank of England (BoE) last year, a parliamentary committee reveals. The figure represents a 135% increase compared with 2022. The central bank pays interest on the reserves held with it by commercial banks at the current bank rate of 5.25%. (www.centralbanking.com 02/05/24)

Sterling gives back some Fed-inspired gains, eyes on local elections

The British pound slipped against the dollar, having risen the day before after the Federal Reserve's policy meeting, while investors were playing down the impact UK local elections on Thursday [02/05/24] might have on the currency. (www.reuters.com 02/05/24)

BoC says there's a limit to how far U.S. and Canada rates can diverge

There is a limit to how far U.S. and Canadian interest rates can diverge but "certainly we're not close to that limit", Bank of Canada Governor Tiff Macklem told the House of Commons Finance Committee. Macklem reiterated that the central bank was waiting to see whether recent drops in underlying inflation would be sustained before starting to cut rates. (www.reuters.com 02/05/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2504	(1.2523)	1.2505	(1.2525)
+USD/EUR	1.0705	(1.0690)	1.0705	(1.0691)
*GHS/USD	13.3667	(13.2673)	13.3801	(13.2805)
*GHS/GBP	16.7137	(16.6146)	16.7318	(16.6339)
*GHS/EUR	14.3097	(14.1823)	14.3239	(14.1976)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 03/05/24 (Rates for 02/05/24 in brackets)

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Turkish inflation jumps again as Central Bank hopes peak is near

Turkey's inflation rate, already one of the world's highest, rose again in April, as government policies such as wage hikes counter aggressive interest rate increases over the past year. Consumer inflation quickened to 69.8% year-on-year, slightly less than expected by analysts, but up from 68.5% in March. (www.bloomberg.com 02/05/24)

Yen's wild week has bears wary

A more dovish-than-expected Federal Reserve meeting and an eye-watering \$110 billion share buyback programme from Apple, have boosted risk sentiment ahead of the crucial U.S. nonfarm payrolls report later on Friday [03/05/24]. (www.reuters.com 03/05/24)

Norway keeps rates on hold, may extend tight policy

Norway's central bank kept interest rates on hold at 4.50%, as unanimously expected by analysts, and said a tight monetary policy stance may be needed for somewhat longer than planned to curb inflation. The central bank said in March that it could start cutting rates in September from the current 16-year high. (www.reuters.com 03/05/24)

Hong Kong March retail sales down 7%, snapping 15 months of growth

Hong Kong's March retail sales fell 7% from a year earlier, partly due to a high base of comparison for visitor spending and the Easter holidays, government data showed on Friday [03/05/24]. Sales decreased to HK\$31.2bn (\$3.99bn), snapping 15 consecutive months of growth. (www.reuters.com 03/05/24)

Rupee to rise on Asia rally heading into U.S. jobs report

The Indian rupee is expected to march higher at open on Friday [03/05/24], like its Asian peers, fuelled by the drop in U.S. Treasury yields before the U.S. jobs report. Non-deliverable forwards indicate the rupee will open at 83.35 to the U.S. dollar, compared with its close of 83.47 in the previous session. (www.reuters.com 03/05/24)

European shares climb on bank earnings cheer, tech boost

European shares rose as investors cheered earnings from French banks, Societe Generale and Credit Agricole, while the technology sector got a boost from Apple's upbeat results and a record share buyback. The pan-European STOXX 600 index, rose 0.3% by 0830 GMT. However, it was set for a weekly decline, as investors navigated the earnings season in full drive and the ECB's policy outlook beyond June. (www.reuters.com 03/05/24)

Oil set for steep weekly loss on demand concerns

Oil prices were marginally higher on Friday [03/05/24] but were set for their steepest weekly loss in three months amid easing Middle East tensions and signs of weak U.S. demand. Benchmark Brent crude futures were up 0.1% at \$83.75 a barrel while WTI crude futures were up 0.1% at \$79.04. (www.rttnews.com 03/05/24)

S.A factory activity improves in April - Absa PMI

South African manufacturing activity improved in April, a Purchasing Managers' Index survey showed on Thursday [02/05/24], helped by there being no rolling power cuts for last month. The seasonally-adjusted PMI rose to 54.0 points in April from 49.2 in March. (www.reuters.com 02/05/24)

South African rand weaker ahead of U.S. jobs data

The South African rand was weaker early on Friday [03/05/24], ahead of U.S. jobs data that could hint at the Federal Reserve's future interest rate path. At 0721 GMT, the rand traded at 18.6000 to the dollar, about 0.2%. (www.reuters.com 03/05/24)

Looted gold, royal treasures go on show back home in Ghana

Gold neck discs, a sword, a royal chair and dozens of other treasures looted during British colonial rule went on show in Ghana this week for the first time since their historic return. (www.reuters.com 02/05/24)

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