



Tuesday, 7th May 2024

Central banks need digital currencies to stay relevant, Nagel says

The technological innovation of the past years puts a question mark over central banks' future and officials must "speed up" adaptation including digital currencies, according to Bundesbank President Joachim Nagel. "If you would have asked me 20 years ago if the central bank business model" were "destroyable or not, I would have said no". he said in Basel.

(www.bloomberg.com 06/05/24)

ECB's Simkus expects June rate cut to be followed by others

The European Central Bank's initial interest rate cut in June will likely be followed by other moves as long as the economy continues to develop as expected, Lithuanian policymaker Gediminas Simkus said. Simkus, who sits on the ECB's rate-setting Governing Council, said he earlier expressed support for three rate cuts this year and that the economy continued to develop along the lines the ECB had outlined in its last projections. (www.reuters.com 06/05/24)

China's foreign exchange reserves fall to 3.2 trillion USD in April

China's foreign exchange reserves fell to 3.2tr U.S. dollars at the end of April, down 1.38 percent from the end of March, the State Administration of Foreign Exchange said on Tuesday [07/04]. (www.xinhuanet.com 07/05/24)

Bank of England should tailgate the ECB, not the Fed

The Bank of England's policy meeting on Thursday [09/04] is unlikely to deliver any change in monetary policy. Policymakers are likely to prepare the ground for a 25 bp cut from 5.25% at their June 20 meeting, adopting the playbook the ECB established to effectively promise a reduction in euro rates next month. While central bank moves aren't coordinated, they prefer not to operate in isolation.

(www.bloomberg.com 07/05/24)

Sterling slips as markets add to 2024 BoE rate cut bets

The British pound edged lower against the U.S. dollar on Tuesday before the BoE's policy announcement as markets moved to fully price in two quarter-point rate cuts this year. A survey of economists expects the BoE to keep interest rates unchanged when it announces its decision this week, but analysts expect the central bank to leave the door open to lower interest rates as early as June.

(www.reuters.com 07/05/24)

Japan services sector accelerates in April - Jibun

The services sector in Japan continued to expand in April, and at a faster pace, the latest survey from Jibun Bank revealed on Tuesday [07/05] with a services PMI score of 54.3. That's up from 54.1 in March and it moves further above the boom-or-bust line of 50 that separates expansion from contraction.

(www.rtfnews.com 06/05/24).

French trade gap narrows in March

France's trade deficit decreased in March as exports rose faster than imports, data released by the customs office showed on Tuesday [07/05]. The trade deficit dropped to €5.47bn in March from €5.61bn in February. In the same period last year, the deficit totalled €8.1bn. The energy balance improved by €0.1bn, driven largely by the increase in volumes of energy products traded. (www.rtfnews.com 07/05/24)

Australia Central Bank keeps key rate unchanged

The Reserve Bank of Australia left its benchmark interest rates unchanged, as widely expected, on Tuesday [07/05]. The policy board of the RBA, led by Governor Michele Bullock, decided to maintain the cash rate target at 4.35%. The board also retained the interest rate paid on Exchange Settlement balances at 4.25%. (www.rtfnews.com 07/05/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2572	(1.2551)	1.2573	(1.2552)
+USD/EUR	1.0778	(1.0772)	1.0779	(1.0772)
*GHS/USD	13.4641	(13.4094)	13.4775	(13.4228)
*GHS/GBP	16.9270	(16.8301)	16.9453	(16.8483)
*GHS/EUR	14.5122	(14.4452)	14.5266	(14.4596)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 07/05/24 (Rates for 06/05/24 in brackets)

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Spain unemployment lowest since 2008

Spain's unemployment declined sharply in April to the lowest level since September 2008, data from the labour ministry revealed on Monday [06/05]. The number of people out of work totalled 2.67m in April. The decrease in unemployment was 60,503 compared to the previous month. Compared with the same month of last year, unemployment decreased by 121,870 or 4.4%. (www.rttnews.com 06/05/24)

Indonesia GDP growth exceeds expectations

Indonesia's economy grew more than expected in the first quarter on robust government spending, official data revealed on Monday [06/05]. Gross domestic product (GDP) posted an annual growth of 5.11% in the first quarter after rising 5.04% in the fourth quarter of 2023. GDP was expected to grow 5.0 %.

(www.rttnews.com 06/05/24)

Philippines inflation still at risk from food supply strain

Philippine inflation quickened for a third straight month in April, and the continued strain on food supply may keep prices under pressure and prompt the central bank to hold its key rate at a 17-year high. Consumer prices rose 3.8% on-year last month, according to government data released on Tuesday [07/05].

(www.bloomberg.com 07/05/24)

Dutch inflation confirmed at 2.7%

Dutch inflation moderated in April to the lowest level in four months as initially estimated, the latest estimate from the Central Bureau of Statistics shows. Consumer prices logged an annual increase of 2.7% in April, slower than the 3.1% gain in March. That was in line with the flash data published on April 30. (www.rttnews.com 07/05/24)

Swiss jobless rate falls to 2.3%

Switzerland's unemployment rate decreased marginally in April to the lowest level in four months, the State Secretariat for Economic Affairs, or SECO, said on Tuesday [07/05]. The unadjusted unemployment rate edged down to 2.3% in April from 2.4% in March. In the corresponding month last year, the jobless rate was 2.0%. (www.rttnews.com 07/05/24)

Global shares rally on rate cut hopes, yen weakens

A gauge of global stock markets rallied on Monday [06/05] on optimism that major central banks will cut interest rates this year, while the yen weakened against the dollar after a surge last week from Japan's suspected currency intervention. (www.reuters.com 06/05/24)

Oil climbs after Israel strikes Gaza, truce talks continue

Oil prices edged higher on Tuesday after Israel struck Rafah in Gaza, while negotiations for a ceasefire with Hamas continued without resolution. Brent crude futures were up 23 cents, or 0.28%, at \$83.56 per barrel at 0400 GMT, while U.S. West Texas Intermediate (WTI) crude futures rose 24 cents, or 0.31%, to \$78.72 a barrel. (www.reuters.com 07/05/24)

Rwanda to increase spending by 11% in 2024/25, finance minister says

Rwanda plans to increase its overall spending by 11% to 5.69tr Rwandan francs (\$4.43bn) next financial year starting in July, its finance minister said Monday [06/05]. A total of 1.32tr francs in the draft 2024/25 budget would come from external loans, Finance Minister Uzziel Ndagijimana said. (www.reuters.com 06/05/24)

Zimbabwe will convert annual budget to reflect new currency

Zimbabwe will convert its annual budget to its gold-backed currency, the ZiG, which went into circulation last month, Finance Minister Mthuli Ncube said. "That should be ready at the end of the month, beginning of next month we will be able to show you the ZiG equivalent of the budget." (www.bloomberg.com 06/05/24)

Ghana: Maintain tight monetary policy — IMF cautions Central Banks

The International Monetary Fund (IMF) has cautioned countries like Ghana, which still have inflation above its central bank's target range, to continue to maintain a very tight monetary policy. The International Monetary Fund indicated that although inflation in such countries may have been on a consistent decline in recent months, it was still too early to relax their monetary policy rates. (www.graphic.com.gh 07/05/24)

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