



Wednesday, 8<sup>th</sup> May 2024

## Rents set to be last domino to fall in global inflation battle

Surging rents across many developed economies are proving to be a stubborn hurdle for central banks as they struggle to nail down inflation once and for all this tightening cycle. In the US, UK, Canada and Australia, rising housing costs which have a hefty weighting in consumer price index baskets are preventing inflation from declining closer to central banks' targeted levels. ([www.bloomberg.com](http://www.bloomberg.com) 07/05/24)

## Asean+3 to launch new financing facility

The "Asean+3" governments, consisting of China, Japan, South Korea, and members of the Association of Southeast Asian Nations, have agreed to launch a new financing facility. Asean's members are Thailand, Vietnam, Indonesia, Cambodia, Brunei, Myanmar, Malaysia, Laos, the Philippines, and Singapore. ([www.centralbanking.com](http://www.centralbanking.com) 07/05/24)

## BdF Governor: 'We will need a CBDC'

Central banks would need both wholesale and retail digital currencies, the Banque de France's (BdF) governor said on May 6. They needed to take risks, rather than wait for "absolute certainty" on new technology, said François Villeroy de Galhau. He told an event at the Bank for International Settlements (BIS) that central banks in Europe shouldn't "lag behind" on technology such as tokenisation. ([www.centralbanking.com](http://www.centralbanking.com) 07/05/24)

## US rents climbed 1.5 times faster than wages in last four years

Rents in most major US metropolitan areas have risen some 1.5 times faster than wages in the last four years, according to an analysis by Zillow Group Inc. Nationwide, rents climbed 30.4% while incomes expanded 20.2% from 2019 to 2023, data from Zillow, StreetEasy and the Bureau of Labor Statistics show. ([www.bloomberg.com](http://www.bloomberg.com) 08/05/24)

## Hunt may net £10 billion for tax cut if BOE shifts on asset sales

UK Chancellor Jeremy Hunt would have an extra £10 billion a year for tax cuts if the Bank of England stopped selling the bonds it bought over more than a decade under quantitative easing, according to BOE disclosures. The UK central bank is winding down a portfolio of assets that reached £895 bn during its efforts to protect the economy. ([www.bloomberg.com](http://www.bloomberg.com) 08/05/24)

## BOJ's Ueda tweaks Yen remarks in possible rate hike hint

Bank of Japan Governor Kazuo Ueda fired a clear warning shot to financial markets about a potential policy move as he beefed up his language on the weak yen a day after meeting with Prime Minister Fumio Kishida. "Foreign exchange rates make a significant impact on the economy and inflation," Ueda said in response to questions in parliament Wednesday [08/05]. ([www.bloomberg.com](http://www.bloomberg.com) 08/05/24)

## Canada's Ivey PMI shows activity accelerating in April

Canadian economic activity expanded at a faster pace in April as measures of employment and inflation pressures climbed, Ivey Purchasing Managers Index data showed. The seasonally adjusted index rose to 63.0 from 57.5 in March. A reading above 50 indicates an increase in activity. The Ivey PMI measures the month-to-month variation in economic activity. ([www.reuters.com](http://www.reuters.com) 07/05/24)

## India sees no 'nasty' upside to inflation, government adviser says

India does not see any nasty upside to inflation now and expects its economy to expand by more than 7% in the current fiscal year. The government's chief economic adviser. Annual retail inflation rate eased in March to a five-month low of 4.85%, helped by a drop in fuel prices. ([www.reuters.com](http://www.reuters.com) 08/05/24)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2549	(1.2572)	1.2550	(1.2573)
+USD/EUR	1.0778	(1.0778)	1.0779	(1.0779)
*GHS/USD	13.4915	(13.4641)	13.5049	(13.4775)
*GHS/GBP	16.9304	(16.9270)	16.9487	(16.9453)
*GHS/EUR	14.5413	(14.5122)	14.5545	(14.5266)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 08/05/24 (Rates for 07/05/24 in brackets)

\* BOG INTERNAL TRANSACTION RATES: 08/05/24 (Rates for 07/05/24 in brackets)

### **Taiwan inflation slows to 1.95%**

Taiwan consumer price inflation eased more-than-expected in April, data released by the Directorate General of Budget, Accounting, and Statistics showed on Tuesday [07/05]. The consumer price index, or CPI, rose 1.95% year-on-year in April, slower than the 2.15% rise in March. Economists had forecast inflation to moderate fractionally to 2.10%.

([www.rttnews.com](http://www.rttnews.com) 07/05/24)

### **Philippine inflation rises to 4-month high**

The Philippines' consumer price inflation rose slightly in April to the highest level in four months, largely driven by increased food costs, data from the Philippine Statistical Authority showed on Tuesday [07/05]. The consumer price index, or CPI, climbed 3.8% year-over-year in April, after a 3.7% rise in March. Economists had forecast inflation to rise to 4.1%. ([www.rttnews.com](http://www.rttnews.com) 07/05/24)

### **DNB surveys Dutch consumers on CBDC use**

The early adopters of central bank digital currency (CBDC) would most likely be well-educated men under 35, new research by the Netherlands Bank (DNB) found. The DNB surveyed 2,496 people to find out what would trigger consumer adaptation of a CBDC.

([www.centralbanking.com](http://www.centralbanking.com) 07/05/24)

### **Chile central bank says economy recovering but some sectors lag**

Chile's central bank said in a report on Tuesday that the economy is broadly recovering, though some sectors have lagged and financial market depth has not yet returned to levels seen before the coronavirus pandemic. The bank pointed to the South American country's commercial, construction and real estate sectors as having fallen behind. ([www.reuters.com](http://www.reuters.com) 07/05/24)

### **Sweden expected to cut rates in test of divergence from Fed**

Sweden's central bank will announce whether it will start cutting interest rates in an early test of whether European monetary policymakers are prepared to diverge from the US even if it puts their currencies under immense pressure.

([www.ft.com](http://www.ft.com) 08/05/24)

### **Oil slips on rising US stockpiles, cautious supply expectations**

Oil prices fell in early Asian trade on Wednesday as industry data showed a pile up in both crude and fuel inventories in the U.S., a sign of weak demand, and cautious supply expectations emerged ahead of an OPEC+ policy meeting next month. Brent crude oil futures fell 30 cents, or 0.36%, to \$82.86 a barrel by 0348 GMT. ([www.reuters.com](http://www.reuters.com) 08/05/24)

### **Egypt's non-oil business shrinks for 41st straight month, PMI shows**

Egypt's non-oil private sector continued to shrink in April despite a \$35 billion investment deal signed with the United Arab Emirates in February and an \$8bn IMF agreement in March, a survey showed on Wednesday [07/05]. The S&P Global Purchasing Managers' Index (PMI) for Egypt edged down to 47.4 in April from 47.6 in March. ([www.reuters.com](http://www.reuters.com) 08/05/24)

### **Zambia's kwacha hits record low against U.S. dollar**

Zambia's kwacha currency hit a record low against the U.S. dollar on Wednesday [07/05], touching 27.30 to the dollar amid hard currency shortages and a punishing drought that has led to power cuts in the southern African copper producer. ([www.reuters.com](http://www.reuters.com) 08/05/24)

### **Angola agrees deal with Chinese state bank to ease debt crunch**

Angola is using an unusual deal with China to relieve a debt crunch in Africa's second-biggest oil producer by unlocking cash from a Chinese-controlled account to pay interest on a crucial loan, its finance minister said. Vera Daves de Sousa told the Financial Times the southern African nation had agreed with the China Development Bank. ([www.ft.com](http://www.ft.com) 08/05/24)

### **BoG vows continued oversight of financial institutions**

The Bank of Ghana (BoG) has reiterated its commitment to closely monitoring and regulating financial institutions in the country, emphasising the importance of maintaining stability and integrity in the banking sector.

([www.myjoyonline.com](http://www.myjoyonline.com) 08/05/24)

**DISCLAIMER:** This information has been compiled by the Communications Department of Bank of Ghana for general reference purposes only. While every effort is made to ensure that the information is accurate, the Bank of Ghana does not guarantee nor does it accept any responsibility or liability for the accuracy or completeness of the content or for any loss which may arise from reliance on information contained in this document.