



Thursday, 9th May 2024

Central banks prepare for the rise of AI

Chia Der Jiun, managing director of the Monetary Authority of Singapore (MAS), and Eddie Yue, chief executive of the Hong Kong Monetary Authority (HKMA), discussed risks central banks face from artificial intelligence (AI) on May 7. (www.centralbanking.com 08/05/24)

Bundesbank's Nagel: central bank business models are changing

Central bank business models are being forced to change as the economy digitalises, Joachim Nagel, Deutsche Bundesbank governor, said. "If you would have asked me 20 years ago, is the central bank model destroyable?" Nagel told the Bank for International Settlements' (BIS) Innovation Summit in Basel. Nagel told the Bank for International Settlements' (BIS) Innovation Summit in Basel, "I would have said no. (www.centralbanking.com 08/05/24)

Fed's Collins says economy may need to weaken to get 2% inflation

Federal Reserve Bank of Boston President Susan Collins said on Wednesday that the U.S. economy needs to cool off as an avenue toward getting inflation back to the central bank's 2% target. "A slowdown in activity will be needed to ensure that demand is better aligned with supply for inflation to return durably" to the official target. (www.reuters.com 08/05/24)

Stocks and bonds wobble as global economy throws off mixed signals

Investors have gone from bracing for a U.S. recession to positioning for the world's biggest economy to keep chugging along. European growth is also better than anticipated a few months ago, a challenge for traders trying to divine how much central bankers will lower interest rates. (www.reuters.com 08/05/24)

China's central bank adds liquidity via reverse repos

China's central bank conducted 2bn yuan (about 281.6m U.S. dollars) of seven-day reverse repos at an interest rate of 1.8%. The move aims to keep liquidity reasonable and ample in the banking system, the People's Bank of China said in a statement. (www.xinhuanet.com 09/05/24)

Bank of England moves closer to first rate cut since 2020

The Bank of England took another step towards lowering interest rates, as a second official backed a cut and Governor Andrew Bailey said he was "optimistic that things are moving in the right direction". The BoE said its Monetary Policy Committee voted 7-2 to keep rates at a 16-year high of 5.25% after Deputy Governor Dave Ramsden joined Swati Dhingra in voting for a cut to 5%. (www.reuters.com 08/05/24)

Sterling slips ahead of BoE rate decision

Sterling edged lower against the dollar ahead of a Bank of England policy meeting, with the central bank expected to hold rates steady but flag when it intends to lower the cost of borrowing. According to LSEG data, money markets are pricing in an almost 95% chance that the BoE will hold its benchmark interest rate at 5.25% - the highest since 2008, but investors will be watching for signs of when the first interest rate cut in four years will come as inflation falls. (www.reuters.com 08/05/24)

BOJ's board turned hawkish in April, steady rate hikes now in view

Bank of Japan board members turned overwhelmingly hawkish at their April policy meeting with some seeing the chance of interest rates rising faster than anticipated, a summary of opinions at the meeting showed on Thursday [09/05]. (www.reuters.com 08/05/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2491	(1.2549)	1.2492	(1.2550)
+USD/EUR	1.0745	(1.0778)	1.0745	(1.0779)
*GHS/USD	13.5447	(13.4915)	13.5583	(13.5049)
*GHS/GBP	16.9187	(16.9304)	16.9370	(16.9487)
*GHS/EUR	14.5537	(14.5413)	14.5682	(14.5545)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 09/05/24 (Rates for 08/05/24 in brackets)

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S.Korea president calls for tax incentives for corporate reform

South Korean President Yoon Suk Yeol called for tax incentives to encourage corporate participation in the government's reform programme as well as detailed measures to improve corporate governance, his office said. Yoon said the "Corporate Value-up Programme" needed to move forward given the high level of interest from domestic and foreign investors. (www.reuters.com 09/05/24)

Poland to keep interest rates steady despite softening economy

Poland's central bank is expected to keep borrowing costs unchanged despite latest signs of economic weakness as policymakers are wary of inflation accelerating later in the year. The Monetary Policy Council will leave the benchmark rate at 5.75% for a seventh consecutive meeting on Thursday [09/05/]. (www.bloomberg.com 09/05/24)

Sri Lanka considers new bonds linked to GDP and governance

Debt-stricken Sri Lanka is in talks with its international bondholders to restructure its debt to link it to its economic performance and potentially also to anti-corruption reforms. Creditors have proposed a new bond of \$9bn, with payments adjusted based on the performance of Sri Lanka's GDP in 2028. (www.centralbanking.com 08/05/24)

Weak demand restrains Philippine Q1 growth, rates likely on hold

The Philippine economy accelerated less than expected in the first quarter as weaker consumer spending restrained growth, reinforcing expectations that the central bank will leave interest rates unchanged next week, despite rising inflation. (www.reuters.com 09/05/24)

India's 2023/24 fiscal deficit seen slightly better than projected

India's fiscal deficit for the year ending March 2024 is expected to be slightly better than the government's projection of 17.35tr rupees (\$207.81bn), a government source told Reuters on Thursday [09/05/]. (www.reuters.com 09/05/24)

Europe's STOXX 600 pauses after recent rally; BBVA weighs on Spain

Europe's benchmark index retreated from a recent rally, with a handful of heavily weighted stocks trading ex-dividend, while shares of Spanish bank BBVA slumped after announcing a hostile takeover bid for smaller rival Sabadell. The pan-European STOXX 600 (.STOXX), opens new tab edged 0.1% lower by 0830 GMT, after jumping 2.5% over the past four sessions and posting record closing highs for two straight days. (www.reuters.com 09/05/24)

Oil rises on US crude storage draw, China imports show year-on-year gain

Oil prices rose as falling U.S. crude inventories amid rising refinery intake and a year-on-year increase in Chinese imports last month supported higher demand expectations for the world's two largest crude consuming nations. Brent crude futures for July rose 27 cents to \$83.85 a barrel by 0650 GMT. (www.reuters.com 09/05/24)

SA's economic activity picks up in April

South Africa's economic performance has improved in April as an official index measuring interbank transactions reached to the highest level in eight months. BankservAfrica, the country's largest clearing house, said that the BankservAfrica Economic Transactions Index hit 134.2 in April. (www.xinhuanet.com 09/05/24)

Egypt's foreign debt rises \$3.5bn in last quarter of 2023

Egypt's foreign debt climbed by \$3.5bn in the three months to the end of December, according to central bank data released. Total foreign debt rose to \$168.0 billion from \$164.5bn at the end of September and \$162.9bn at the end of December 2022. (www.reuters.com 09/05/24)

IMF and DR Congo reach agreement on final review of loan deal

The IMF said it had reached a staff-level agreement with Democratic Republic of Congo on the final review of a \$1.5bn loan programme, noting the need for Congo to manage properly funds from a revised mining deal. (www.reuters.com 08/05/24)

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