



BANK OF GHANA NEWS BRIEF

News Summaries from Foreign and Local Media

Friday, 10th May 2024

Europe's rush for rate cuts shifts global market power away from US

The Bank of England has sent a new signal that borrowing costs will fall earlier and further across Europe than in the United States, setting markets up for major shifts as investors play a monetary policy divide opening up across the Atlantic. (www.reuters.com 10/05/24)

Europe sees two-speed IPO recovery as smaller deals lag

A string of stock listings this year has infused new life into Europe's anaemic market for initial public offerings, but for some smaller companies it may take longer to open up, bankers told Reuters. (www.reuters.com 10/05/24)

Fed's Bostic says economy likely slowing, though rate-cut timing uncertain

The U.S. central bank likely remains on track to cut interest rates this year even if the timing and extent of the policy easing is uncertain and further declines in inflation come only slowly. (www.reuters.com 10/05/24)

Why China's tolerance for a cheaper currency may be temporary

Currency markets are reading subtle signals from Chinese authorities as an indication they are slowly nudging the yuan lower to regain export competitiveness, but analysts say protracted yuan weakening is neither the intent nor desirable. (www.reuters.com 10/05/24)

Chinese companies hit with US trade restrictions over spy balloon incident

The Biden administration added 37 Chinese entities to a trade restriction list including some for allegedly supporting the spy balloon that flew over the United States last year, heightening tensions between Beijing and Washington. (www.reuters.com 10/05/24)

UK exits recession with fastest growth in two years

Stronger than expected growth at the start of the year saw the UK's economy emerge from recession. The economy grew by 0.6% between January and March, the fastest rate for two years, official figures showed. The UK had fallen into recession last year after the economy contracted for two three-month periods in a row. The chancellor said the economy was "returning to full health", but Labour said this was no time for a "victory lap".

(www.bbc.com 10/05/24)

BoE and markets fall into line over prospect of June rate cut

After several months in which the Bank of England and markets have been at loggerheads over the direction of interest rates with the US Federal Reserve more powerful in shaping expectations than words from the UK central bank they have now fallen roughly into line. (www.bloomberg.com 09/05/24)

May rescued by jobless jump, BoE shift, HK surge

World stock indexes (.MIWD000000PUS), opens new tab have shaken off a month of doubts to come back within 0.5% of record highs on signs of a loosening U.S. labor market, falling European interest rates and another Hong Kong (.HSI), opens new tab surge. (www.reuters.com 10/05/24)

Japan's consumer spending extends declines, clouding outlook for BOJ rate hikes

Japan's consumer spending fell for the 13th straight month in March, creating challenges for policymakers who are seeking to drive stronger real wage growth, a prerequisite for additional central bank rate hikes. (www.reuters.com 10/05/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2510	(1.2491)	1.2511	(1.2550)
+USD/EUR	1.0776	(1.0745)	1.0776	(1.0779)
*GHS/USD	13.6584	(13.5447)	13.6720	(13.5049)
*GHS/GBP	17.0866	(16.9187)	17.1051	(16.9487)
*GHS/EUR	14.7184	(14.5413)	14.7331	(14.5545)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 10/05/24 (Rates for 09/05/24 in brackets)

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Turkish central bank raises inflation forecast

The Turkish central bank forecasts inflation will fall to 38% by the end of this year, up from an earlier projection of 36%, indicating the stickiness of price growth in the country's economy. In its second inflation report this year, the Central Bank of the Republic of Turkey (CBRT) pointed to high services inflation, food prices and rents as reasons for the increase in forecast.

(www.centralbanking.com 09/05/24)

Japan economy expected to shrink in Q1 due to weak consumption

Japan's economy likely contracted an annualised 1.5% in the January-March quarter as all key drivers of growth slumped due to an uncertain outlook, which will probably set back Bank of Japan efforts to raise interest rates.

(www.reuters.com 10/05/24)

Brazil markets fall as central bank split decision triggers concern about dovish turn

Brazil's markets fell after the central bank cut rates in a split decision that saw appointees of the current government advocating for a larger reduction, sparking concerns of a forthcoming dovish monetary policy influenced by politics. The Brazilian real weakened over 1% against the dollar while the yield curve on interest rate futures steepened, with longer-term futures jumping as much as 30 basis points.

(www.reuters.com 10/05/24)

Malaysia holds key rate amid low inflation, ringgit measures

Malaysia kept its benchmark interest rate unchanged on Thursday, saving its policy ammunition for later amid looming risks to inflation and ongoing measures to defend the ringgit.

(www.bloomberg.com 09/05/24)

Norway inflation slows less than expected, cooling rate bets

Norway's underlying inflation rate fell less than analysts expected last month, likely reducing expectations that the central bank will deliver its first interest-rate cut this year.

(www.bloomberg.com 10/05/24)

Europe's STOXX 600 hits record high on earnings, rate cut optimism

Europe's benchmark stock index hit a record high on Friday, on track for its biggest weekly gain since late January, as risk appetite was bolstered by growing bets of interest rate cuts in the region and a strong earnings season. The pan-European STOXX 600 (.STOXX), opens new tab climbed 0.8%, as of 0830 GMT, with Germany's benchmark index (.GDAXI), opens new tab also touching a record high.

(www.reuters.com 10/05/24)

Oil benchmark Brent above \$84 on perky US, China demand signals

Global benchmark Brent hovered above \$84 a barrel on Friday after data this week signalled growing demand in the U.S. and China, the world's two largest crude users, while festering conflict in the Middle East added support. Brent futures were up 51 cents to \$84.39 a barrel at 0956 GMT. U.S. West Texas Intermediate crude was up 57 cents to \$79.83.

(www.reuters.com 10/05/24)

SA's manufacturing output contracts in Q1

South Africa's manufacturing production, one of the country's pillar industries, contracted in the first quarter (Q1) of this year, dragged down by the production of motor vehicles, iron and steel, as well as related products, official data showed on Thursday [09/05]. In Q1, seasonally adjusted manufacturing production decreased by one percent compared with the fourth quarter last year.

(www.xinhuanet.com 10/05/24)

Zimbabwe to fine businesses not using official new exchange rate

Zimbabwe will fine businesses using inflated exchange rates as the government battles to maintain the value of its newly introduced gold-backed currency, the Zimbabwe Gold (ZiG).

(www.reuters.com 10/05/24)

Ghana: 3i Africa Summit receives support from 3000 global fintech leaders

The highly anticipated 3i Africa Summit has garnered endorsement from key players in the fintech industry, with over 3,000 industry leaders from 78 countries participating.

(www.myjoyonline.com 10/05/24)

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