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QE helped smooth sovereign bond yields, ECB paper finds

Sovereign bond purchases by Eurosystem central banks under the quantitative easing programme helped smooth out yields, a working paper published by the European Central Bank finds. In Central bank asset purchases and auction cycles revisited: new evidence from the euro area, Federico Maria Ferrara notes that studies of sovereign bond markets describe an “auction cycle”. (www.centralbanking.com 14/05/24)

Strong services fan US producer inflation in April

US producer prices increased more than expected in April amid strong gains in the costs of services like portfolio management and hotel accommodation, indicating that inflation remained stubbornly high early in the second quarter. The Labor Department said wholesale goods prices rose last month, though the cost of food declined. (www.reuters.com 15/05/24)

US inflation data to show small step in right direction for Fed

Forecasters expect a monthly report on US consumer prices to show inflationary pressures moderated in April after three straight worse-than-anticipated readings to start the year. The figures, will probably show a key gauge of prices excluding food and energy advanced 0.3% last month. (www.bloomberg.com 15/05/24)

PBOC rolls over policy loan with growth, currency on mind

China’s central bank extended a key policy loan at the same borrowing cost, signaling an intention to aid a nascent economic recovery without adding pressure on the yuan. The Bank of China offered 125 ¥bn (\$17.3bn) via its medium-term lending facility matching the amount of such loans maturing this month. (www.bloomberg.com 15/05/24)

German ZEW investor confidence improves more than expected

Investor sentiment in Germany grew for a tenth month and at a faster than expected pace in May to its highest level in over two years, on hopes of an interest rate cut by the European Central Bank in June and an increase in export demand from China, results of a survey revealed Tuesday. The ZEW Indicator of Economic Sentiment for Germany climbed to 47.1 from 42.9 in April. (www.rttnews.com 14/05/24)

German inflation confirmed at 2.2%.

Germany’s consumer price inflation held steady as initially estimated in April, final data from Destatis revealed Tuesday [14/05]. Consumer price inflation stood at 2.2% in April, the same as in March. That was in line with the flash data published on April 29. The current 2.2% inflation rate is the lowest since May 2021. On the other hand, EU harmonised inflation rose slightly to 2.4% from 2.3%, as estimated. (www.rttnews.com 14/05/24)

French inflation confirmed at 31-month low

France’s consumer price inflation eased further to the lowest level in just over two-and-a-half years, as initially estimated in April, the latest data from the statistical office INSEE showed on Wednesday [15/05]. The CPI posted an annual increase of 2.2% in April, slightly slower than the 2.3% rise in March. (www.rttnews.com 15/05/24)

Australia Q1 wage growth slows, soothes inflation worries

Australian wage growth unexpectedly slowed from 15-year highs in the first quarter, data shows, likely marking the peak for this cycle and another sign the labour market was finally starting to loosen. Crucially, the pullback should soothe long-running concerns about a potential price-wage spiral and lessen pressure for a further rate rise from the Bank of Australia. (www.reuters.com 15/05/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2583	(1.2561)	1.2584	(1.2562)
+USD/EUR	1.0815	(1.0796)	1.0816	(1.0797)
*GHS/USD	13.7161	(13.7161)	13.7299	(13.7299)
*GHS/GBP	17.2590	(17.2288)	17.2777	(17.2475)
*GHS/EUR	14.8350	(14.8090)	14.8497	(14.8238)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 15/05/24 (Rates for 14/05/24 in brackets)

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HKMA creates tokenisation advisory group

The Hong Kong Monetary Authority (HKMA) has created an advisory group to come up with suggestions and industry standards for the city's growing tokenisation market. Members of the group include the Securities and Futures Commission of Hong Kong and the Hong Kong centre of the Bank for International Settlements' (BIS) Innovation Hub. (www.centralbanking.com 14/05/24)

Argentina cuts interest rate for sixth time to 40% as inflation slows

Argentina cut its benchmark interest rate for a sixth time under President Javier Milei as his government sees inflation edging lower while it shrinks the central bank's balance sheet. The monetary authority lowered its key rate to 40% from 50%, according to a statement published on its website. (www.bloomberg.com 15/05/24)

Indonesia posts narrowing trade balance surplus of \$3.56bn in April

Indonesia posted a sloping trade balance surplus that narrowed to \$3.56bn in April from the previous month's \$4.47bn, Statistics Indonesia reveals. "The surplus mainly came from the non-oil and gas sector of \$5.1bn but was reduced by a deficit in the oil and gas sector of \$1.61bn." (www.xinhuanet.com 15/05/24)

Dutch economy shrinks 0.1% in Q1

The Dutch economy contracted in the first quarter after recovering in the previous quarter, preliminary data from the Central Bureau of Statistics showed on Wednesday. Gross domestic product dropped 0.1% sequentially in the March quarter, reversing a 0.3% rise in the fourth quarter. (www.rttnews.com 15/05/24)

Riksbank's Thedéen to be next Basel Committee chair

Sveriges Riksbank governor Erik Thedéen will take over as chair of Basel Committee on Banking Supervision, the committee's oversight body said. Group of Governors and Heads of Supervision (GHOS) appointed Thedéen to a 3-year term, starting June 11. The Swedish governor replaces Pablo Hernández de Cos, who has chaired the committee since 2019. (www.centralbanking.com 14/05/24)

World stock index set for record high, dollar dips after PPI, Powell

MSCI's gauge of stocks across the globe was set for a record high close on Tuesday [14/05], while the U.S. dollar edged lower as investors digested U.S. producer prices data and comments from Federal Reserve Chair Jerome Powell. Major U.S. stock indexes also climbed, with the Nasdaq posting a closing all-time high. (www.reuters.com 14/05/24)

Oil prices rise on US inventories drawdown expectations, CPI focus

The President of the African Development Bank (AfDB) Group, Dr Akinwumi Adesina, has pleaded for more balanced media coverage of Africa and its development, noting it was critical for changing false narratives.. (www.graphic.com.gh 14/05/24)

SA rand slips as Q1 unemployment rate climbs

South Africa's rand weakened on Tuesday after local data showed the country's unemployment rate rose in the first quarter and local mining output fell in March. At 1338 GMT, the rand traded at 18.4175 against the dollar, about 0.3% weaker than its previous close. The dollar last traded about 0.13% stronger against a basket of global currencies. (www.reuters.com 14/05/24)

Nigeria suspends cybersecurity levy amid cost of living crisis

Nigeria has suspended a planned levy on domestic money transfers to fund cybersecurity, Information Minister Mohammed Idris said on Tuesday, amid widespread public criticism of the scheme as the cost of living rises and the naira currency falls. (www.reuters.com 14/05/24)

Ghana now the fastest growing mobile money market in Africa – Veep Bawumia

The Vice President of Ghana, Dr Mahamadu Bawumia has averred Ghana is now the fastest-growing mobile money market in Africa. Ghana, currently also ranks as number one in Africa in terms of access to financial inclusion. According to the IMARC Group, the Ghana mobile money market size reached \$161.3m in 2023. (www.novanreports.com 14/05/24)

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