



BANK OF GHANA NEWS BRIEF

News Summaries from Foreign and Local Media

Thursday, 23rd May 2024

Improved business activity casts doubt over rate cuts

Businesses across the globe broadly enjoyed an improved performance this month with activity picking up across parts of Asia and Europe, surveys showed, giving central banks room to potentially defer cutting interest rates. Borrowing costs were raised following the COVID-19 pandemic to combat rampant inflation but the talk has now turned as to how soon and by how much they will fall.

(www.reuters.com 23/05/24)

PMIs to lead as central banks wait on rates

Flash Purchasing Managers Index (PMI) figures in the euro zone, the UK and the United States take centre stage on Thursday [23/05], and investors will be on the lookout for whether the global growth narrative is showing signs of change. (www.reuters.com 23/05/24)

Business activity and wage data support the euro

The euro rose after data showed euro zone business activity expanded at its fastest pace in a year this month, while the pound was steady near a two-month high on the dollar unmoved by the announcement of a British election. The European common currency was last up 0.22 per cent at \$1.08450 after the preliminary composite Purchasing Managers' Index for the currency bloc came in above the 50-level separating growth from contraction for the third month in a row. (www.reuters.com 23/05/24)

China outlines measures to reduce business costs

China's National Development and Reform Commission and three other state agencies announced a series of measures on Thursday to lower business costs nationwide this year.

(www.xinhuanet.com 23/05/24)

Growth across UK business dips in May, in early blow to Sunak, PMI survey shows

Growth across British businesses has cooled noticeably this month and by more than any economist polled by Reuters had predicted, a survey showed on Thursday, in an early blow for Prime Minister Rishi Sunak's election campaign. (www.reuters.com 23/05/24)

French private sector activity unexpectedly contracts in May, PMI shows

France's private sector unexpectedly shrank in May after expanding in April, with the dominant services industry joining manufacturing in reporting a contraction in activity. The HCOB flash purchasing managers index for the services sector fell to 49.4 from 51.3 the month before. (www.reuters.com 23/05/24)

Bank of Israel to offer banking licence to credit card companies

The Bank of Israel is preparing a programme that will provide bank licences to new entities, including credit card companies, supervisor of banks Daniel Hahiasvili said on May 21. The programme will enable the companies to accept deposits and provide credit. The newly licensed firms will be subject to "more lenient" regulations, the supervisor said.

(www.centralbanking.com 22/05/24)

Food prices keep Indian inflation up – RBI

Food prices remain high in India and may keep inflation elevated, researchers from the Bank of India (RBI) said in a latest 'state of the economy' report. Prices of vegetables, cereals, pulses, meat and fish continue to rise rapidly, making inflation likely to be closer to 5% in the near-term. This comes despite a fall in fuel prices and softening core inflation in the country. (www.centralbanking.com 22/05/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2733	(1.2722)	1.2734	(1.2723)
+USD/EUR	1.0837	(1.0859)	1.0837	(1.0860)
*GHS/USD	13.9000	(13.8687)	13.9140	(13.8825)
*GHS/GBP	17.6989	(17.6437)	17.7180	(17.6628)
*GHS/EUR	15.0642	(15.0608)	15.0779	(15.0745)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 23/05/24 (Rates for 22/05/24 in brackets)

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BOJ's Ueda sticks to economic recovery view, keeps alive rate hike chance

Bank of Japan Governor Kazuo Ueda said on Thursday [23/05] the economy was on track for a moderate recovery, suggesting a slump in first-quarter GDP alone would not keep the central bank from raising interest rates in coming months. But Ueda said the outlook for the U.S. economy was among key risks to growth that will likely be discussed at the G7 meetings. (www.reuters.com 23/05/24)

South Korea holds rates, signals tight policy to stay over short term

South Korea's central bank held interest rates at a 15-year high and struck a balanced policy tone while reiterating risks around inflationary pressures in the wake of stronger-than-expected economic growth. Governor Rhee Chang-yong said for now the Bank of Korea will continue to keep policy restrictive at the current 3.50% benchmark rate amid sticky inflation and the surprise first-quarter growth performance. (www.reuters.com 23/05/24)

BOK's Rhee keeps rate cut hopes alive even as economy heats up

Bank of Korea Governor Rhee Chang-yong kept alive speculation over a possible policy easing later this year by highlighting a steady outlook for inflation even as economic growth picks up. The bank's policy board voted unanimously to hold the benchmark interest rate at 3.5% for an 11th consecutive time. (www.bloomberg.com 23/05/24)

Singapore posts fastest growth in 18 months as outlook improves

Singapore's economy grew 2.7% year-on-year in the first quarter of 2024, the quickest pace in 18 months, data showed as the government said it expected manufacturing and trade-related sectors to improve over the course of 2024. The growth matched a preliminary estimate released last month and was stronger than the 2.5% forecast by economists in a Reuters poll. It was the fastest pace since the economy grew 4.1% on a year-on-year basis in the third quarter of 2022. (www.bloomberg.com 23/05/24)

European shares rise as chipmakers bounce on Nvidia forecast

European stocks rose after strong forecasts from AI darling Nvidia lifted global chipmakers, while surveys pointing to improving business activity in the euro zone prompted traders to scale back bets of interest rate cuts this year. The pan-European STOXX 600 index (.STOXX), was up 0.2%, with the tech index (.SX8P), rising 1.4% to lead sectoral gains. (www.reuters.com 23/05/24)

Oil recovers after three days of losses

Oil prices recovered some ground after falling for three straight session on demand concerns. Benchmark Brent crude futures rose half a percent to \$82.30 a barrel after the U.S. Energy Information Administration confirmed a small crude inventory build for the week to May 17. (www.rttnews.com 23/05/24)

African firms slow to digitalise beyond mobile, digital payments – IFC

The International Finance Corporation (IFC) of the World Bank has revealed that firms in Africa are slow to digitalise beyond mobile and digital payments. Again, almost two-thirds of firms that adopted advanced digital payment systems have not yet adopted other advanced digital technologies to perform business functions. (www.myjoyonline.com 22/05/24)

AfDB's Adesina highlights Africa as the world's best investment destination

Africa's human, land, mineral resource and cross-border trade endowments combine to make it the world's most promising investment destination, now and well into the future, African Development Bank Group President Dr Akinwumi Adesina has said. (www.norvanreports.com 22/05/24)

SA rand weaker after Fed meeting minutes

The South African rand was weaker in early trade on Thursday, after Federal Reserve meeting minutes released on Wednesday hinted that interest rates will remain higher for longer in the world's biggest economy. (www.reuters.com 23/05/24)

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