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EU watchdog sets out blueprint for first real-time bond tape

Securities trading inside banks will have to meet new clock synchronisation requirements under rules proposed on Thursday [23/05] for Europe's first real-time record of bond prices, the European Union's markets watchdog has said. (www.reuters.com 23/05/24)

ECB won't cut in September after June move, Danske says

Danske Bank no longer predicts the European Central Bank will lower interest rates in September, citing sticky inflation and the strong start to 2024 by the Eurozone economy. Policymakers will cut borrowing costs in June, as widely expected, and again in December, analysts led by Piet Christiansen said in an emailed note. (www.bloomberg.com 24/05/24)

Rising U.S. debt burden spooks some bond investors ahead of November election

Investors are bracing for a flood of U.S. government debt issuance that over time could dwarf an expected rally in bonds, as they see no end in sight for large fiscal deficits ahead of this year's presidential election. While bond markets so far this year have been driven mostly by bets on how deeply the Federal Reserve will be able to cut interest rates, fiscal concerns are expected to become more prominent as the November 5 election nears. (www.reuters.com 24/05/24)

US's Yellen expresses concern over rising living costs

U.S. Treasury Secretary Janet Yellen expressed concern over substantial increases in living costs, the Financial Times says. In an interview on Friday [24/05], Yellen said although wages had gone up, there were substantial price increases important to people, as such increases in a relatively short period of time were very noticeable. (www.reuters.com 24/05/24)

Global equity funds see strong weekly inflows on U.S. rate cut hopes

Global equity funds secured robust inflows in the week ended May 22, driven by optimism over slowing inflation and expectations of U.S. Federal Reserve rate cuts in the latter half of the year. According to Lipper data, global equity funds attracted \$11.1bn in inflows, a 22% increase from the previous week. (www.reuters.com 24/05/24)

China's \$538bn deposit exodus supercharges rally in bond

China's efforts to bolster economic growth by reducing the allure of bank deposits has driven a record exodus from cash, with a big proportion of that going into bonds and wealth management products. The nation's total deposits slumped by ¥3.9tr (\$538bn), or 1.3%, in April as investors looked for higher returns elsewhere and policymakers cracked down on companies that took advantage of preferential deposit rates to park cash at banks. (www.bloomberg.com 23/05/24)

UK household energy price cap to fall 7%

UK household energy bills are set to fall in the summer after energy regulator Ofgem said it would lower the price cap by 7% following falling wholesale energy prices. Ofgem has set the cap for the July to September period at a level that will see typical households pay £1,568 a year, 7% lower than the current £1,690 a year. (www.ft.com 24/05/24)

Bailey predicts 'significant increase' in BoE repo operations

Andrew Bailey has indicated that repos will play a larger role in the Bank of England's monetary operations in future, as the bank grapples with questions over its balance sheet. The BoE Governor noted repo demand has already ticked up as the central bank shrinks its balance sheet. (www.centralbanking.com 23/05/24)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2718	(1.2733)	1.2719	(1.2734)
+USD/EUR	1.0825	(1.0837)	1.0825	(1.0837)
*GHS/USD	13.9225	(13.9000)	13.9365	(13.9140)
*GHS/GBP	17.7067	(17.6989)	17.7258	(17.7180)
*GHS/EUR	15.0721	(15.0642)	15.0871	(15.0779)

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

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German economy grew 0.2% in Q1, Stats Office confirms

The German economy grew by 0.2% in the first three months of 2024, the Statistics Office reported on Friday [24/05], confirming preliminary data. "After GDP declined at the end of 2023, the German economy started 2024 with positive growth," said Ruth Brand, President of the Statistics Office.

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

Japan's inflation cools as BOJ waits for wage gains to kick in

Japan's inflation cooled for a second month while staying above the Bank of Japan's price target as the yen's recent depreciation fuels concerns that cost-push inflationary pressures may be here to stay.

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

RBI payout to Indian government more than doubles

The Reserve Bank of India (RBI) is set to transfer ₹2.1tr (approximately \$25bn) in dividends to the country's government, more than double the amount from last year. The figure represents a 141% increase year-on-year and will come as welcome news for a new government that will take office after the current marathon elections end on June 1.

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

Pakistan PM office says UAE has committed \$10 bn in investments

The United Arab Emirates (UAE) committed \$10bn to invest in promising economic sectors in Pakistan, Islamabad said. Pakistan has been pushing for foreign investment in a bid to shore up its \$350 billion economy, which has struggled with high inflation and low growth as it navigates a tough reforms mandated by the IMF. (www.reuters.com 23/05/24)

IMF says Iceland's path is clear to easing rates

The IMF has recommended that the Central Bank of Iceland (CBI) gradually start cutting rates, while paying close attention to bank supervision and the housing market. Iceland's monetary policy authority has taken the right steps to combat inflation.

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

European stocks on track for weekly drop as rate worries resurface

European stocks lost ground, putting them on course for weekly declines, as signs of persistent U.S. price pressures and a recovering euro zone economy dashed hopes of several interest rate cuts from major central banks this year. The pan-European STOXX 600 index (.STOXX), dipped 0.5%, with rate-sensitive tech stocks (.SX8P), retreating after Thursday's [23/05] big gains.

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

Gold extends losses on rate worries

Gold pulled back further from record highs on Thursday [23/05] and the dollar held near one-week high on concerns that the Fed may hold interest rates higher for longer. Spot gold dipped 0.6% to \$2,363.94 per ounce, Demand for bullion waned after the minutes of the April 30-May 1 Fed meeting revealed discussions of a further tightening of interest rates if inflation remained sticky. (www.rttnews.com 23/05/24)

West Africa can add \$45.7bn to global exports by 2027 – ECOWAS

The Economic Community of West African States (ECOWAS) has said with the right tools, West Africa can add \$45.7bn to global exports by 2027. One such tool is the West African Competitiveness Observatory, an online tool aimed to help track trade competitiveness among West African countries and find new international business opportunities.

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

South African rand flat after strong U.S. data, election next week

The South African rand was little changed in early trade on Friday[24/05] after robust economic data out of the U.S. raised bets that the Federal Reserve might only cut interest rates later this year. (www.reuters.com 24/05/24)

AfDB announces \$1.44 billion investment for Nigeria's infrastructure development

The African Development Bank (AfDB) has announced an investment of \$1.44bn to aid the development of energy and power, transport, water, and sanitation infrastructure in Nigeria. (www.norvanreports.com 24/05/24)

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