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Global economy risks slump on prolonged Iran conflict, OECD says

The fate of the global economy hinges on the conflict in the Middle East that has already stifled growth and could yet trigger recessions and significantly stronger inflation, the OECD said. Price pressures and weakened demand are set to be felt for some time and may even worsen beyond a potential reopening of the Strait of Hormuz, the Paris-based organization said in its latest economic outlook. (www.bloomberg.com 03/06/26)

Euro zone business wilts in May as war-driven inflation surges

Euro zone private sector activity shrank at the fastest rate in 18 months in May as waning demand for goods and services — a key gauge of economic health — dragged output lower for a second month while cost pressures hit their highest level in more than three years, a survey showed. (www.reuters.com 03/06/26)

EU risks losing more than 1 million jobs over global pressures

The EU is at risk of losing more than 1 million jobs this year over the Iran war's economic fallout and rising global competition, the bloc's executive warned. According to an EC analysis, around 560,000 jobs could be cut this year due to the energy costs, while around 600,000 jobs are under pressure in the automotive industry. (www.bloomberg.com 03/06/26)

Euro 'more appealing' for both invoicing and reserves, ECB finds

The euro is being used more as a central bank reserve asset and for trade invoicing, the ECB's latest annual report on the international use of the currency has found. The report, published on Tuesday [02/06], draws on public data, as well as Central Banking's benchmarking service and Reserve Management Trends 2026 to analyse international currency trends. (www.centralbanking.com 02/06/26)

Remote working drove US youth unemployment – NY Fed study

The rise of remote working explains most of the increase in youth employment in the US since the pandemic, according to a study published by the Federal Reserve Bank of New York. In a blogpost published on June 1, NY Fed economist Natalia Emanuel and academics Emma Harrington and Amanda Pallais say remote working can explain 64% of the post-Covid rise in unemployment among young graduates. (www.centralbanking.com 02/06/26)

BoE to hold rates this year and cut in 2027, OECD forecasts

The BoE will keep interest rates on hold this year despite rising inflation because the energy shock will be "transitory" while a weak UK jobs market constrains price pressures, the OECD expects. (www.bloomberg.com 03/06/26)

Bank of England faces calls from UK lawmakers to ease stablecoin plans

British lawmakers urged the BoE to soften planned rules on stablecoins, warning that overly strict requirements could hinder the development of a nascent sterling-backed market. A cross-party House of Lords committee said the central bank should reconsider proposals to cap the amount of stable coins held by individuals and businesses and require issuers to back tokens with non-interest-bearing deposits. (www.reuters.com 02/06/26)

BoE's Greene says case for rate rise grows the longer Iran conflict lasts

BoE policymaker Megan Greene said today that she saw a growing case for raising interest rates as the Iran war drags on and boosts the chance of wide-ranging rises in prices across the economy. Greene was part of the 8-1 majority on the BoE's Monetary Policy Committee who voted to keep interest rates unchanged at 3.75%. (www.reuters.com 02/06/26)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.3467	(1.3443)	1.3468	(1.3444)
+USD/EUR	1.1628	(1.1620)	1.1629	(1.1621)
*GHS/USD	11.7699	(11.7441)	11.7817	(11.7559)
*GHS/GBP	15.8505	(15.7876)	15.8676	(15.8046)
*GHS/EUR	13.6867	(13.6465)	13.7002	(13.6600)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 03/06/26 (Rates for 02/06/26 in brackets)

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Bank of England's Bailey says public must be given confidence in 2% inflation target

BoE Governor Andrew Bailey said it was important to get UK inflation back to target and give households confidence about the central bank's ability to do so. Asked if having inflation above 2% for most of the 2020s meant the BoE had to rethink its price-targeting framework, Bailey said: "We have to focus more on how we manage the path back to target, and ... ultimately get there because we've got to give the public confidence that the target is for real." (www.reuters.com 02/06/26)

German services activity shrinks again in May as energy costs weigh, PMI shows

Germany's service sector contracted for a second straight month in May as subdued demand and high energy and other costs due to the war in the Middle East weighed on activity, a survey showed today. The final HCOB Germany Services Purchasing Managers' Index, rose to 48.1 in May from 46.9 in April, slightly above a preliminary reading of 47.8. (www.reuters.com 03/06/26)

India central bank says report on selling gold is incorrect

The Reserve Bank of India today denied a Bloomberg News report that said the central bank likely sold gold reserves worth roughly \$12 billion in the two weeks through May 22. The RBI said in a statement its physical stock of the precious metal remains unchanged at 880.52 tonnes. (www.reuters.com 03/06/26)

Ueda Says BOJ needs to keep raising rates to contain inflation

The BoJ needs to keep raising interest rates in response to developments in the economy and inflation, Governor Kazuo Ueda said in his final scheduled speaking event ahead of a closely watched policy meeting. (www.bloomberg.com 03/06/26)

Bank of Thailand governor sees no need to raise rates 'for now'

Bank of Thailand Governor said the current policy rate remains "appropriate" even as inflation accelerates and some central bank peers turn more hawkish in response to higher energy prices. (www.bloomberg.com 02/06/26)

Oil extends advance as US-Iran peace talk progress stalls

Oil rose for a third day on pessimism over the prospects of the US and Iran reaching a peace deal and as fresh fighting flared up in the Middle East. Brent climbed toward \$97 a barrel, while WTI was near \$95 after adding more than 7% in the week's first two sessions. US forces intercepted Iranian ballistic missiles and drones aimed at neighboring Middle East countries. (www.bloomberg.com 03/06/26)

Gold eases as Middle East tensions lift oil, US economic data in focus

Gold prices slipped today, as renewed hostilities in the Middle East pushed crude higher and stalled US-Iran talks, while investors awaited upcoming U.S. economic data. Spot gold fell 0.5% to \$4,460.36 per ounce by 0702 GMT, after rising more than 1% in the previous session. (www.reuters.com 03/06/26)

European shares seen tad lower at open

European stocks are seen opening a tad lower today as investors weigh AI optimism against mounting economic concerns. Markets now see an European Central Bank rate hike next week after Eurozone inflation rose to the highest since 2023 in May, driven by energy and services. (www.rttnews.com 03/06/26)

Central Bank of Nigeria announces high-level reshuffle

The CBN has redeployed its deputy governors to new roles in a reshuffle. The bank's website has been updated to reflect the changes, which according to Business Day, took effect on June 1. Muhammad Sani Abdullahi has moved from heading the economic policy directorate to leading corporate services. (www.centralbanking.com 02/06/26)

Ghana's president calls for fairer debt restructuring tools

Ghana's President today told a conference in London that debt restructuring mechanisms need improvements and that the UK's approach to Africa should focus on investment, rather than aid. Ghana's economy is on the mend after a 2022 debt default that required restructuring of the government's external and domestic debt. (www.reuters.com 03/06/26)

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