

Stears FX Forecast 2024: African Currencies to Find Stability, Signalling Appreciation

African currencies set for stability, poised to appreciate against USD with reduced volatility and strategic reforms.

LAGOS, NIGERIA, February 26, 2024 /EINPresswire.com/ -- [Stears](#), a leading provider of economic data and insights, predicts a year of reduced volatility and appreciation for several African currencies against the US dollar, marking a significant shift from the depreciation observed in 2023.



Stears Pan-African FX Forecast

Stears' FX Forecast predicts diminished volatility for African exchange rates throughout 2024 as the gap between US interest rates and those of emerging markets, particularly in Africa, narrows. This anticipated trend is expected to result in fewer depreciations, with several African currencies strengthening against the US dollar.

Lead Economist at Stears, Tokunbo Afikuyomi, emphasises the role of strategic reforms in bolstering specific currencies. "The Nigerian Naira, for instance, is expected to find stability after a difficult 2023," he states. "Despite a tough start to the year, FX reforms aimed at improving dollar liquidity and anticipated slowdown in inflation due to base effects are pivotal factors contributing to this," he highlighted, anticipating "a gradual cooling of the market by the third quarter of 2024" for the Naira.

Similarly, Ghana is forecasted to experience a more favourable economic climate in 2024, with anticipated improvements in growth and inflation. IMF reforms are expected to restore confidence in the economy, strengthening the Ghanaian Cedi and potential appreciation against the US dollar.

"Positive market sentiment is also boosting the Kenyan Shilling. The recent \$1.50 billion eurobond issuance on February 12th injected a dose of optimism," notes Afikuyomi. "Improved dollar liquidity, recent inflows from the IMF, and the Central Bank of Kenya's commitment to

intervene in the FX market contribute to the positive outlook for the Shilling."

"Our forecast reflects a cautiously optimistic view of the stability of African currencies in the face of global economic challenges. The anticipated improvements in key economies and strategic reforms position these currencies for resilience and appreciation," concludes Afikuyomi.

The Stears FX forecast encompasses a diverse array of currencies featured on its [Africa FX monitor](#), including the Angolan Kwanza, Ghanaian Cedi, Kenyan Shilling, Nigerian Naira, Rwandan Franc, South African Rand, and Ugandan Shilling. Through these forecasts, fund managers, investors and decision-makers are provided with valuable exchange rate estimates that can facilitate financial projections and assist in evaluating the value of their investments.

About Stears

For global organisations making investments or operating in African markets, Stears is the macro insights and analytics provider that enables quick, accurate decisions for both financial and operational opportunities. Stears offers exclusive economic forecasts, indices, in-depth market analysis, and a wealth of insights driven by our deep local market expertise.

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