May 22-26, 2023

**Important Economic Events**

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22 May – the People’s bank of China (PBOC) maintained the 1 year loan prime rate (LPR, policy rate) at 3.65% (10 year lowest level). This decision came after PBOC increased liquidity in the economy by rolling over medium term loans with higher cash offerings. Analysts are considering at least a cut of the LPR to stimulate the economy in 2023.

23 May – New Home Sales-Units. 683k new homes were sold in April which represents the highest level in 1 year. That figure shows the confidence in US economy despite the recent banking crisis.

24 May – UK CPI data : UK Inflation still high. UK CPI was released higher than expected at 8.6% YoY. Now investors are expecting more tightening from BOE in the incoming months even if the inflation came (8.6% YoY in April) lower than in March (10.1%). To recall, the BOE rose the base rate to 4.5% (after 3 hikes in 2023) from 3.5% at the beginning of the year.

25 May – Initial Jobless Claim was 229 k last week (20 May). This data is lower than expected. This demonstrates the resilience of US economy.

25 May – Q1 US GDP. US economy grew by 1.3 % during the first quarter of 2023(led by a significant increase in consumer spending) vs +2.6 % the last quarter of 2022. But we should be cautious with those figures as using the profits (or income) we find out that economic output contracted at 2.3% during the first quarter of 2023

UK pension plan reform: The idea is to invest the benefit pension plans in the UK business through emerging companies (UK start-ups and fast growing businesses). That ingestion of money/liquidity can drive the market in the near future if the reform goes well.