

JPM's Dimon: Let's avoid 'whack-a-mole' response to SVB banking crisis

JPMorgan Chase CEO Jamie Dimon told shareholders in his annual letter that it's unlikely that tighter regulations would have stopped the deposit run at Silicon Valley Bank, urging caution as federal officials consider how oversight of the industry should change in the wake of the second-largest bank failure in U.S. history.

"It is extremely important that we avoid knee-jerk, whack-a-mole or politically motivated responses that often result in achieving the opposite of what people intended," he said.

Small banks across the country lost more than \$100 billion in deposits over the course of one week.

Most of the risks now roiling the banking world, he said, were "hiding in plain sight," including the effect that rising interest rates would have on bonds banks hold as investments. The sudden flight of depositors from Silicon Valley Bank, including \$42 billion in one day, was "an unknown risk" and "it is unlikely that any recent change in regulatory requirements would have made a difference in what followed."

The California lender was seized by regulators on March 10, setting off a panic that required a pledge from federal regulators to cover all depositors at Silicon Valley Bank [SOURCE](#)

UK 2023 economic outlook brightens but 'big gaps' remain, Deutsche Bank says

The UK's economy will to flatline rather than contract in 2023, according to analysts from Deutsche Bank, as last week's upgrade to GDP for the final quarter of 2022 will likely have a positive knock-on effect for the remainder of this year.

The ONS revised its initial GDP reading for the fourth quarter of 2022 last week, upgrading it by 0.1pp on the back of strong private consumption.

Senior economist at Deutsche Bank Sanjay Raja said that this revision will have a "positive carry

over" into 2023, helping the economy to avoid contraction this year.

"In updating our GDP models, we now see 2023 GDP no longer contracting," Raja wrote in a research note published today.

This is the third upward growth revision Deutsche Bank has posted this year. The bank had previously expected the economy to contract 0.2 per cent over the course of the year.

Markets expect the UK's economy to shrink 0.4 per cent in 2023, but [SOURCE](#)



Sterling breaks above \$1.25 for first time since June

LONDON, April 4 (Reuters) - Sterling surged on Tuesday, breaking above \$1.25 for the first time since June as traders turned bullish on a currency still trading well below 2016 levels, despite a Bank of England (BoE) policymaker suggesting rate cuts may soon be on the cards.

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After falling 10.6% in 2022, sterling is the best performing G10 currency this year, up 3.4%, despite a bleak economic outlook for Britain. But it is still 15.5% below its 2016 levels, before Britain voted to leave the European Union. [SOURCE](#)