

## Bank of Canada seen on hold even as economy accelerates

TORONTO, April 9 (Reuters) - The Bank of Canada is expected to take in stride surprising recent economic strength and leave interest rates unchanged at its meeting on Wednesday, pinning its hopes on activity cooling as higher borrowing costs sink in, analysts said.

Last month, the Bank of Canada became the first major global central bank to pause its rate-hiking campaign, after lifting its benchmark rate to a 15-year high of 4.50%. It said no further tightening would be needed if the

economy slows, or even moves into a slight recession, as it expects.

While inflation has cooled in recent months, other economic indicators are pointing to an economy that is picking up pace from a sluggish fourth quarter.

Preliminary data last week showed that gross domestic product (GDP) rose by 0.3% month-over-month in February, building on a stronger-than-expected 0.5% gain in January. Employment data for March showed a seventh consecutive job gain.

"The economy is showing renewed momentum, with more people working and seeing their incomes rise," said James Orlando, a senior economist at TD Economics. "They are out spending again. This will carry through to higher economic growth."

That is welcome news for most, but not for Bank of Canada (BoC) Governor Tiff Macklem, as it could call into question his decision to announce a conditional rate pause in January.

Macklem is seeking to rebuild public trust after ..... [SOURCE](#)



## IMF: UK economy to toy with recession this year – and fall to the bottom of global growth leaderboard

Britain is steering toward the bottom of the G7 economic growth table this year and will toy with a recession for most the year, the world's economic watchdog warned today.

UK gross domestic product is tipped to shrink 0.3 per cent per

cent per cent in 2023, the weakest performance of any economy in the group of rich nations, which includes the US, Germany and France, among others, according to the International Monetary Fund (IMF).

While a sharp..... [SOURCE](#)

## Wall Street has found something else to worry about

New York CNN — Persistent inflation remains the Federal Reserve's No. 1 concern, even as the banking sector remains on edge after two big bank failures last month. This week's Consumer Price Index, due to be announced Wednesday at 8:30 am ET, could determine whether the central bank raises rates again in May.

That means it will also weigh on markets, especially now that Wall Street's focus has shifted from the financial system to the economy.

"Inflation is no less relevant than it has been for the past two years," wrote Greg McBride, chief financial analyst at Bankrate. "The Consumer Price Index remains the most-watched..... [SOURCE](#)