



Central Bank Weekly - 27th February 2026

Note, this research note will be merged with the Newsquawk Week Ahead report from the 13th of March 2026. Please tick the box under the Week Ahead in the [Research Suite](#) to receive this in your inbox.

Previewing ECB Minutes; Reviewing PBoC LPR and BoK

PREVIEWS

ECB MINUTES (THU): The ECB will publish the Monetary Policy Accounts from the 5 February meeting, at which the Governing Council left rates unchanged, and reiterated a data-dependent stance. At that meeting, President Lagarde said disinflation was broadly on track, with headline inflation projected to average around 1.9% in 2026, but flagged that services inflation remains elevated and wage growth must moderate further before policy can be eased more decisively. The accounts will be scrutinised for the degree of confidence in the disinflation process amid recent EUR moves, internal debate over services price stickiness, and how close policymakers believe they are to cutting rates. Markets will also watch for discussion of wage dynamics, the transmission of past tightening, and whether the Council sees risks as balanced ahead of the 19 March meeting, which will include updated staff projections.

REVIEWS

PBOC LPR REVIEW: PBoC maintained China's benchmark Loan Prime Rates, keeping the one-year LPR at 3.00%, on which most new loans are based, and the five-year LPR at 3.50%, the reference rate for mortgages. The move was widely expected and marks a ninth consecutive month in which benchmark lending rates have been held at record lows. Consensus for no change followed a recent liquidity injection ahead of the Lunar New Year and Spring Festival holidays, which the central bank has since begun to drain this week after returning from the break. It also recently conducted a CNY 600bn Medium-term Lending Facility operation, resulting in a CNY 300bn net injection and a 12th consecutive month of increased rollovers under the facility. As such, immediate adjustments are viewed as unnecessary, particularly amid improving US-China relations, with US President Trump set to visit Beijing on March 31-April 2. However, experts cited by China Securities Journal said China could see lower rates from Q2.

BOK REVIEW: Bank of Korea kept its base rate unchanged at 2.50%, as expected, marking a sixth consecutive meeting on hold, with the decision taken unanimously. It said policy would support a recovery in economic growth and that growth momentum would remain favourable, underpinned by robust chip exports. The BoK added that housing prices around Seoul had slowed and stressed the need for caution over risks linked to housing, household debt and FX volatility. It raised its 2026 GDP growth forecast to 2.0% from 1.8% and projected 2027 growth at 1.8%. The bank also lifted its 2026 CPI forecast to 2.2% from 2.1% and sees 2027 CPI at 2%. Projections showed that 16 of 21 board members expect the policy rate to remain at 2.50% over the next six months, one sees it at 2.75% and four at 2.25% over that period. Governor Rhee said the conditional projection for a 25bps cut by one board member assumed the local property market would stabilise within six months, and that no board member expects rates to be raised in three months' time.

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