

Weekly Round Up

18th October 2019
This week's highlights

Brexit
Deal agreed

Parliament
MPs to decide

Sterling
Extends gains

EUR/\$
Up on week

Euro Area

- The euro advances against the dollar to trade at over \$1.11, which is its best level since mid- to late August
- Bond yields in the core markets move up again, with German 10-year yields rising by about 6bps to -0.39%
- Some relief for the industrial sector in August, as output increases (+0.4%) having fallen in both June and July

UK

- Against the odds, the UK and EU agree a Brexit deal, now goes to a vote in Parliament on Saturday (Oct 19th)
- DUP says it won't support the deal, so Government relying on ex-Tory rebels and would-be Labour dissenters
- It was a good week for sterling, which strengthened to 86p against the euro and to almost \$1.29 versus dollar

US

- The US and China agree a 'phase one' trade deal, helps to push stocks up on the week (by circa 1%)
- Benchmark 10-year bond yields marginally higher after last week's big jump, now trading at around 1.75%
- Retail sales dip in September but up strongly in the third quarter as a whole, rising by 1.7% from Q2

Ireland

- The value of goods exports rose by 2% year-on-year (y-o-y) in August while imports (value) fell by 10% y-o-y
- Goods exports have performed strongly in 2019 to date, increasing by 11% y-o-y in January-August
- 10-year bond yields are little changed on the week but the differential over German yields is about 5bps tighter

The week ahead

Monday	UK Rightmove House Prices
Tuesday	IRL Wholesale Prices; UK CBI Industry Survey; US Existing Home Sales
Wednesday	EA Consumer Confidence
Thursday	IRL Overseas Travel; EA Flash PMIs, ECB Meeting; US Durable Goods Orders, Jobless Claims, Flash PMIs
Friday	EA ECB Survey of Professional Forecasters; US Consumer Confidence

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