

Weekly Round Up

25th October 2019
This week's highlights

Sterling

A touch softer

EUR/\$

A little lower

ECB

Stays on hold

EA PMIs

Still weak

Euro Area

- The euro drifted gradually lower against the dollar over the course of the week to trade at around \$1.11
- The ECB left policy on hold at Thursday's meeting but said downside risks to the outlook remain 'prominent'
- The composite PMI was little changed in October at 50.2, pointing to positive but very modest economic growth

UK

- PM Johnson will give MPs time to debate Brexit deal provided they support a general election on 12th Dec
- Sterling drifts lower against both the euro and the dollar to trade at around 86.5p and \$1.2825 respectively
- Business confidence falls sharply in October, according to the CBI's latest survey, amid ongoing uncertainty

US

- Benchmark 10-year yields marginally higher at 1.77%, which is some 20bps off their levels in early October
- The manufacturing PMI rose for a 2nd month in a row in October, to 51.5, pointing to some relief for this sector
- Fed meets next week (Tue & Wed) with the market expecting it to cut rates by 25bps for a 3rd time in 3 months

Ireland

- 10-year bond yields unchanged at about 0.04% with the differential over German yields steady (at circa 40bps)
- Trips to Ireland by overseas residents rose by 2.1% y-o-y in September (and by 2.2% for the Jan-Sep period)
- Trips by residents of Great Britain increased by 6.0% y-o-y last month but were up just 0.6% in Jan-Sep

The week ahead

Monday	EA Money Supply; UK CBI Retail Sales Survey; US Chicago Fed National Activity Index
Tuesday	IRL Economic Pulse, Retail Sales; UK Nationwide House Prices, Mortgage Approvals; US Consumer Confidence
Wednesday	EA Economic Sentiment Indicator; UK Consumer Confidence; US GDP (Q3), Fed Meeting, ADP Employment
Thursday	EA GDP (Q3), CPI, Unemployment Rate; US Consumer Spending, PCE Inflation, Jobless Claims, ECI
Friday	IRL and UK Manufacturing PMIs; US Employment Report, ISM Manufacturing Index, Construction Spending

Contact Us at economics@boi.com

www.Corporate-Economy.BankofIreland.com

Disclaimer

This document has been prepared by the Economic Research Unit at The Governor and Company of the Bank of Ireland ("BOI") for information purposes only and BOI is not soliciting any action based upon it. BOI believes the information contained herein to be accurate but does not warrant its accuracy nor accepts or assumes any responsibility or liability for such information other than any responsibility it may owe to any party under the European Communities (Markets in Financial Instruments) Regulations 2007 as may be amended from time to time, and under the Financial Conduct Authority rules (where the client is resident in the UK), for any loss or damage caused by any act or omission taken as a result of the information contained in this document. Any decision made by a party after reading this document shall be on the basis of its own research and not be influenced or based on any view or opinion expressed by BOI either in this document or otherwise. This document does not address all risks and cannot be relied on for any investment contract or decision. A party should obtain independent professional advice before making any investment decision. Expressions of opinion contained in this document reflect current opinion as at 25th October 2019 and is based on information available to BOI before that date. This document is the property of BOI and its contents may not be reproduced, either in whole or in part, without the express written consent of a suitably authorised member of BOI.

The Governor and Company of the Bank of Ireland is regulated by the Central Bank of Ireland. In the UK, The Governor and Company of the Bank of Ireland is authorised by the Central Bank of Ireland and the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority and regulation by the Financial Conduct Authority are available from us on request. The Governor and Company of the Bank of Ireland is incorporated in Ireland with limited liability. Registered Office - 40 Mespil Road, Dublin 4, Ireland.

Registered Number - C-1.

[Update My Preferences](#)

If you'd rather not receive future e-mails from us, please [opt-out here](#).