

Weekly Round Up

15th November 2019
This week's highlights

Sterling

Firmer

Bond Yields

Ease back

Germany

Avoids recession

US Inflation

Edges up

Euro Area

- The euro was little changed against the dollar this week following last week's losses, trading at just over \$1.10
- Bond yields reversed some of the previous week's jump, with German 10-year yields 8bps lower at -0.34%
- Germany narrowly avoided recession with GDP increasing by 0.1% in Q3 after falling by 0.2% in Q2

UK

- The Brexit Party's decision not to contest Tory-held seats in the forthcoming election gave the pound a boost
- Sterling strengthened to 85.5p against the euro, within a whisker of its 2019 to date high (under 85p in March)
- GDP rebounded in Q3, rising by 0.3%, but the economy ended the quarter on a soft note (contracting in Sept)

US

- Fed Chair Powell reiterates that the economy is in a 'good place' but also warns that downside risks remain
- The annual rate of CPI inflation ticked up to 1.8% in October while the core rate edged down to 2.3%
- 10-year yields ease back on the week, falling by around 10bps to 1.83%, but remain well off recent lows

Ireland

- Residential property prices rose by 1.1% y-o-y in September, with Dublin down 1.3% and ex-Dublin up 3.6%
- New dwelling completions totalled 4,645 in Q3, up 22% y-o-y, and 14,764 for the first three quarters (+18%)
- Irish bond yields lower, broadly in line with developments elsewhere, with 10-year yields down 5bps to 0.07%

The week ahead

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|-----------|---|
| Monday | UK Rightmove House Prices; US Housing Market Index |
| Tuesday | IRL Labour Force Survey (Q3); EA Construction Output; UK CBI Industry Survey; US Housing Starts |
| Wednesday | UK Labour Costs; US Fed Meeting Minutes |
| Thursday | EA Consumer Confidence; UK Public Sector Borrowing; US Jobless Claims, Existing Home Sales |
| Friday | IRL Wholesale Prices; EA Flash PMIs; US Flash PMIs, Consumer Confidence |

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