

Weekly Round Up

24th January 2020
This week's highlights

Stocks

Under pressure

Bond Yields

Lower

ECB

Stays on hold

UK PMIs

Rise in Jan

Euro Area

- Core bond yields fall on the week as concerns about the coronavirus weigh on international equity markets
- ECB stays on hold at its first meeting of 2020 and formally launches its monetary policy strategy review
- The Composite PMI remains at 50.9 in January, which is consistent with positive but modest growth in GDP

UK

- Composite PMI rises to 52.4 in January, its highest level since September 2018, helped by reduced uncertainty
- Expectations for Jan 30th BOE rate cut pared back but market still sees close to a 60% chance of 25bps move
- Sterling is firmer on the week against both the euro (at just over 84p) and the dollar (at around \$1.31)

US

- 10-year bond yields fall by around 10bps and at 1.72% are about 20bps lower than at end-December 2019
- Composite PMI rises to 53.1 in January driven by the services index, which increased for a 3rd month in a row
- Fed meets next Tuesday/Wednesday but is set to again keep its key interest rate unchanged (at 1.5% -1.75%)

Ireland

- The general election campaign is now well up and running with voting taking place on Saturday, 8th February
- 10-year bond yields 10bps lower on week (matching the fall in German yields) and negative again at -0.06%
- Factory gate prices fell by 3.2% y-o-y in December 2019 (following an annual decline of 2.9% in November)

Monday	IRL Economic Pulse; US New Home Sales
Tuesday	IRL Retail Sales, Overseas Travel; UK CBI Retail Sales Survey; US Consumer Confidence, Capital Goods Orders
Wednesday	EA M3; US Fed Meeting, Trade Balance
Thursday	EA ESI, Unemployment; UK Consumer Confidence, BOE Meeting; US GDP (Q4'19), Jobless Claims
Friday	EA GDP (Q4'19), CPI ; UK Mortgage Approvals, Consumer Credit; US PCE Inflation, Consumer Spending, ECI

Contact Us at economics@boi.com

www.Corporate-Economy.Bankofireland.com

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