



13th March 2020  
This week's highlights

<b>Stocks</b> Crushed	<b>US bonds</b> Volatile	<b>Dollar</b> Rebounds	<b>Sterling</b> Weaker again
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**Euro Area**

- Equity markets had a torrid week with the Euro Stoxx 50 shedding 15%, leaving it down 26% year to date
- ECB announces increased funding for banks and temporary increase in QE but leaves deposit rate at -0.50%
- German 10-year yields swing quite a bit but about 15bps higher at -0.58% (almost 30bps off intra-week low)

**UK**

- The BOE cuts interest rates by 50bps to 0.25% and announces liquidity support for the economy (via banks)
- Sterling loses more ground to the euro and the dollar, weakening to over 89p and under \$1.25 respectively
- The economy stagnated in the 3-months to January, with GDP flat compared with the three months to October

**US**

- Bond yields very volatile with 10-year yields 20bps higher at 0.95% (and some 40bps of intra-week low)
- Fed announces sizeable liquidity injections to address "unusual disruptions in Treasury financing markets"
- Dollar rebounds against the euro over the week, strengthening to \$1.11 from a low of over \$1.14 on Monday

**Ireland**

- 10-year yields return to positive territory, rising by 30bps to 0.10% (differential over Germany widens again)
- The annual rate of CPI inflation eases a touch in February to stand at 1.1% (after 1.3% in January)
- The y-o-y increase in residential property prices picks up in January to 1.8% from 0.5% in December

Monday	IRL Goods Exports & Imports; UK Rightmove House Prices; US Empire Manufacturing Index
Tuesday	EA Labour Costs, ZEW Index; UK Labour Market Report; US Retail Sales, Industrial Production
Wednesday	EA CPI, Trade Balance; US Fed Meeting, Housing Starts
Thursday	EA Construction Output; US Current Account, Jobless Claims
Friday	IRL Wholesale Prices, UK Public Sector Borrowing; US Existing Home Sales

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