



20th March 2020  
This week's highlights

<b>ECB</b> More QE	<b>BOE</b> Rate cut & QE	<b>Fed</b> Cuts by 100bps	<b>Sterling</b> Big swings
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**Euro Area**

- Central banks were busy this week with the ECB launching a new temporary EUR 750bn QE programme
- ECB's action helped Italian bonds reverse course, 10-year yields falling by 90bps from their intra-week highs
- The euro was under pressure against the dollar, declining to a fresh low of <\$1.07 before recovering a little

**UK**

- In a second inter-meeting move, the BOE cut interest rates by 15bps to 0.1% and announced QE of £200bn
- Governor Bailey says acted in light of impact of Covid-19 on global & domestic economy & financial markets
- Sterling strengthened post the BOE move, rising to 91p against the euro from a mid-week low of over 94p

**US**

- Fed cuts interest rates aggressively, by 100bps to effectively 0%, and announces a \$700bn QE programme
- Says it remains "prepared to use its full range of tools to support flow of credit to households and business"
- Equity markets volatile with S&P 500 off its early week lows; 10-year yields marginally higher at around 1%

**Ireland**

- 10-year yields rise for a second consecutive week, increasing by almost 10bps to just under 0.25%
- Stocks bounce at the end of the week but ISEQ still down around 10% from last Friday's close
- The value of goods exports rose by 9% y-o-y in January 2020 while the value of goods imports fell by 6%

Monday	EA Consumer Confidence; US Chicago Fed National Activity Index
Tuesday	Flash PMIs for EA, UK & US; US New Home Sales
Wednesday	UK CPI, House Prices, CBI Retail Sales Survey; US Durable Goods Orders
Thursday	IRL Overseas Travel; EA M3; UK Retail Sales, BOE Meeting; US Trade Balance, GDP (Q4, final est.)
Friday	IRL Retail Sales; US Personal Income & Spending, PCE Inflation, Consumer Confidence

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