



1st May 2020
This week's highlights

EUR/\$ Firmer	Sterling Gains vs \$	EA GDP Big fall in Q1	US GDP Declines in Q1
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Euro Area

- Euro gained ground against the dollar, rising to almost \$1.10; German 10-year yields fell by 10bps to -0.60%
- The economy contracted in Q1 with GDP down almost 4% q-o-q and almost 3.5% lower on an annual basis
- ECB left rates & size of emergency bond purchases unchanged, further incentivised banks to increase lending

UK

- Sterling strengthened to over \$1.25 against the dollar but was little changed against the euro at around 87.5p
- The manufacturing PMI fell to 32.6 in April according to final reading, pointing to a sharp contraction in activity
- The number of mortgage approvals for house purchase fell to circa 56k in March, down almost 24% from Feb

US

- Economy contracted by 1.2% q-o-q in the first quarter of the year but much larger decline in GDP in store in Q2
- New jobless claimants rose by a further 3.8m last week, while consumer spending fell by 7.3% m-o-m in March
- Fed left policy on hold but said it remains committed to doing everything necessary to support the economy.

Ireland

- Economic Pulse fell to series low in April (34.3) with confidence plummeting as country went into full lockdown
- The volume of retail sales fell by 11.1% year-on-year in March, while excluding cars the decline was 0.6%
- Almost 35% of enterprises have let staff temporarily go according to CSO COVID-19 Business Impact survey

Monday	EA Manufacturing PMI; US Factory Orders
Tuesday	EA PPI; UK Services PMI; US ISM Non-Manufacturing Index, Trade Balance
Wednesday	IRL Industrial Production; EA Services PMI, Retail Sales; UK Construction PMI; US ADP Employment
Thursday	IRL New Dwelling Completions, Services Index; European Commission Forecasts; UK BOE Meeting
Friday	IRL Live Register; US Employment Report

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