



29th May 2020
This week's highlights

Euro Breaks higher	Sterling Mixed	US GDP -1.3% in Q1	US Inflation Lower again
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- Euro Area**
 - The euro broke decisively through the \$1.10 level against the dollar towards end of the week to trade at \$1.11
 - Equity markets put in another solid performance with Euro Stoxx 50 gaining a further 5% (after +5% last week)
 - European Commission proposes a EUR 750bn recovery fund to help countries most affected by COVID-19
- UK**
 - Sterling had a mixed week, slipping to 90p against the euro but strengthening to over \$1.23 against the dollar
 - BOE's Bailey says central bank willing to do more to support economy, negative rates an option to consider
 - Lloyds Business Barometer broadly steady in May, remains at depressed level after big decline in March-April
- US**
 - The economy contracted by 1.3% quarter-on-quarter in Q1 with the annual rate of growth slowing to 0.2%
 - Number of new jobless claimants up just over 2m last week, brings cumulative increase since March to 40m
 - Consumer spending fell by 13.2% month-on-month in April, while annual PCE inflation slowed to just 0.5%
- Ireland**
 - The Economic Pulse was off its record low but still weak in May (at 44.0) as COVID-19 concerns persisted
 - The volume of retail sales fell by 35.4% month-on-month in April, following a decline of 12.5% in March
 - 10-year bond yields 5bps lower at just under 0.1%; differential versus German yields 10bps tighter at 50bps

Monday	Manufacturing PMIs EA, UK, US; US Construction Spending, ISM Manufacturing Index
Tuesday	IRL Manufacturing PMI; UK Mortgage Approvals, Nationwide House Prices
Wednesday	IRL Monthly Unemployment; Services PMIs UK & US; EA Unemployment; US ISM Non-Manufacturing Index
Thursday	IRL Construction Output, Services PMIs IRL & EA; ECB Meeting; UK Construction PMI; US Jobless Claims
Friday	IRL Quarterly National Accounts (Q1 2020), Live Register; UK Consumer Confidence; US Employment Report

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