



5th June 2020  
This week's highlights

<b>Euro</b> Gains v \$	<b>ECB</b> Increases QE	<b>US Payrolls</b> Up 2.5m in May	<b>US Jobless</b> Rate at 13.3%
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**Euro Area**

- The euro was on the front foot this week, rising by more than 2 cents against the dollar to trade at \$1.13
- ECB increases size & extends duration of emergency bond purchases, by €600bn and to Jun'21 respectively
- GDP expected to contract by 8.7% this year according to ECB's forecasts, before increasing by 5.2% in 2021

**UK**

- Sterling gained more than 3 cents against dollar to about \$1.27; slightly firmer against the euro at 89p
- Composite PMI rises to 30.0 in May from April's all-time low (13.8), but still consistent with declining activity
- Mortgage approvals plunged in April according to BOE, while Nationwide says house prices fell 1.7% in May

**US**

- Friday's payrolls report showed an increase in employment of 2.5m in May following a decline of 20.7m in April
- The unemployment rate fell to 13.3% from 14.7% in April (having stood at multi-decade low of 3.5% in Feb)
- Benchmark 10-year bond yields backed up by 25bps to 0.90%, as equity markets advanced again this week

**Ireland**

- The economy grew by 4.6% y-o-y in GDP terms in the first quarter of this year, after expanding by 6.2% in Q4
- COVID-19 impacts were at play though, with consumer spending falling by 4.7% in Q1 from Q4 2019
- Exchequer deficit totals just over €6bn in Jan-May, compares to broadly balanced position in same period in '19

Monday	IRL Industrial Production, Services Index, Vehicle Licenses; UK BRC Retail Sales
Tuesday	IRL Earnings & Labour Costs (Q1); EA GDP/Employment (Q1); UK BRC Retail Sales
Wednesday	US CPI, Fed Meeting; OECD Economic Outlook
Thursday	IRL CPI; UK RICS Housing Survey; US Jobless Claims, Producer Prices
Friday	IRL Planning Permissions; EA Industrial Production; UK GDP (May); US Consumer Confidence, Import Prices

Contact Us at [economics@boi.com](mailto:economics@boi.com)

[www.Corporate-Economy.Bankofireland.com](http://www.Corporate-Economy.Bankofireland.com)

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