



3rd July 2020  
This week's highlights

<b>EUR/\$</b> Little changed	<b>Sterling</b> A touch firmer	<b>EA Inflation</b> Ticks up	<b>US Jobs</b> Further rise
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**Euro Area**

- The euro traded in a narrow range around the \$1.12 level against the dollar over the course of the week
- Equities advanced with Euro Stoxx 50 gaining around 3.5%, while German 10-year yields up 5bps to -0.43%
- The annual rate of headline inflation nudged up to 0.3% in June, but core rate dipped to 15-month low of 0.8%

**UK**

- Sterling was a touch firmer this week, regaining ground against both the euro (90p) and the dollar (\$1.25)
- House prices fell for 2nd month in a row in June according to Nationwide, leaving the y-o-y change at -0.1%
- David Frost says this week's talks with EU "comprehensive and useful (but) significant differences still remain"

**US**

- Employment up again in June, rising by 4.8 million to bring the cumulative increase over May and June to 7.5m
- The ISM index of manufacturing activity rose further in June to 52.6, pointing to a rebound in output in the sector
- 10-year bond yields were marginally higher on the week at 0.67%, while the S&P 500 gained around 4%

**Ireland**

- Economic Pulse up again in June (to 56.3), so far has recouped just under half of its COVID-19 related losses
- Retail sales volumes rebounded in May, increasing by 29.5% from April (though still down 26.6% on May 2019)
- Exchequer recorded a deficit of €5.3bn for first 6 months of 2020, compared to surplus of €0.3 in Jan-Jun 2019

Monday	IRL Industrial Production; EA Retail Sales; UK Construction PMI; US ISM Non-Manufacturing Index, Services PMI
Tuesday	UK Unit Labour Costs; US Job Openings
Wednesday	IRL New Vehicle Licenses; US MBA Mortgage Applications, Consumer Credit
Thursday	IRL CPI; UK RICS Housing Survey; US Jobless Claims
Friday	US Producer Prices

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