



24th July 2020  
This week's highlights

<b>Euro</b> Solid gains	<b>Bond Yields</b> Drift lower	<b>EA &amp; UK PMIs</b> Back above 50	<b>Retail Sales</b> Increase in UK
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**Euro Area**

- The euro gains more ground against the dollar, strengthening by 2 cents to \$1.16, highest level since Oct 2018
- EU agrees €750bn recovery fund, split €390bn / €360bn) in grants / loans to be distributed to member states
- Composite PMI returns to expansionary territory in July at 54.8, both services and manufacturing above 50

**UK**

- Sterling marginally lower against the euro at just over 91p, but strengthens to over \$1.27 against the dollar
- Composite PMI rises to 57.1 in July, while retail sales increase for 2nd month running in June (+13.9% vs May)
- Government spokesperson says Brexit negotiations currently balanced between breakdown and breakthrough

**US**

- Dollar generally on the back foot this week, while benchmark 10-year bond yields about 5bps lower at 0.58%
- Number of continuing jobless benefit claims fell through first half of July, points to further gains in employment
- The Fed holds a two-day monetary policy meeting next week (Tues / Wed) but likely to stay on hold once again

**Ireland**

- GDP rose by 5.1% y-o-y in Q1 2020 (revised from 4.6%), while GNP increased by 6.7% (revised from 5.5%)
- Government announces stimulus package of circa €5bn, incl. temporary VAT cut, incentive to “stay & spend”
- 10-year bond yields move further into negative territory, falling by around 5bps on the week to about -0.07%

Monday	IRL Economic Pulse; EA Money Supply; US Durable Goods Orders
Tuesday	IRL Retail Sales, Air & Sea Travel Statistics; UK CBI Retail Sales Survey; US Consumer Confidence, House Prices
Wednesday	UK Mortgage Approvals, Consumer Credit; US Trade Balance, Fed Meeting
Thursday	EA Economic Sentiment Indicator, Unemployment Rate; US GDP (Q2), Jobless Claims,
Friday	EA GDP (Q2), CPI; UK Consumer Confidence; US Consumer Spending, PCE Inflation, Employment Cost Index

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