



11th September 2020  
This week's highlights

<b>ECB</b> Stays oh hold	<b>EUR/\$</b> Little changed	<b>Sterling</b> Slumps	<b>US CPI</b> 1.3% y/y in Aug
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**Euro Area**

- The euro rose to over \$1.19 immediately after ECB's latest policy announcement before falling back to \$1.18
- ECB says will closely assess developments in the euro exchange rate regarding their implications for inflation
- GDP forecast to fall by 8% this year according to ECB's updated projections, before increasing by 5% in 2021

**UK**

- Pound falls to almost 93p against the euro as government's Internal Market Bill throws cat among the pigeons
- GDP increased for a third consecutive month in July and on track to rebound strongly in Q3 after Q2 plunge
- RICS survey points to ongoing recovery in housing market with strong rise in new buyer enquiries in August

**US**

- Equity markets lost ground for a second week in a row with the S&P 500 shedding more than 2%
- Benchmark 10-year yields about 5bps lower at 0.67% as they continue to trade in a relatively tight range
- The annual rate of CPI inflation came in at 1.3% in August, up from 1.0% in July and a low of 0.1% in May

**Ireland**

- GDP fell by 6.1% quarter-on-quarter in Q2 and was down 3.0% on the corresponding quarter in 2019
- Globalised sectors (e.g. pharma-chemicals) shored up industry in Q2 but some domestic sectors took a big hit
- The COVID-19 adjusted unemployment rate fell again in August, down to 15.4% from peak of 29.1% in April

Monday	EA Industrial Production
Tuesday	IRL Goods Exports & Imports, Agricultural Prices; EA Labour Costs, ZEW Index; US Industrial Production
Wednesday	IRL Residential Property Prices; EA Trade Balance; US Retail Sales, Fed Meeting
Thursday	EA CPI, Construction Output; US Housing Starts, Jobless Claims
Friday	IRL Planning Permissions; EA Current Account; US Consumer Confidence

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