



23rd October 2020
This week's highlights

EUR/\$ Rebounds	Sterling Firmer vs dollar	Retail Sales Up again in UK	PMIs Mixed bag
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Euro Area

- Having been somewhat on the back foot recently, the euro gained ground against the dollar rising to over \$1.18
- German government 10-year bond yields rebounded from an intra-week low of -0.63% to finish at -0.55%
- Composite PMI dipped below 50 in October according to flash reading, suggests economy may be contracting

UK

- The pound gained more than a cent against the dollar to over \$1.31; little changed against the euro at circa 91p
- Retail sales rose again in September; Composite PMI dipped in October but still in expansionary territory (52.9)
- After a brief hiatus, negotiations with the EU have resumed and are to intensify over the coming weeks

US

- House Speaker Nancy Pelosi says may be close to agreeing another stimulus package for the economy
- The Composite PMI rose in October (led by services) to 55.5, which is the strongest reading since Feb 2019
- Benchmark government 10-year bond yields rose by around 10bps to a more than 4-month high of 0.85%

Ireland

- Government 10-year bond yields rose for the first week in six, increasing by around 7bps to about -0.20%
- Entire country moved to Level 5 restrictions, which is not quite as stringent as the "shutdown" earlier this year
- The general government deficit amounted to €10.2bn in H1 2020, compares to a deficit of €0.8bn in H1 2019

Monday	US New Home Sales
Tuesday	IRL Economic Pulse; EA Money Supply; UK CBI Retail Sales Survey; US Consumer Confidence, House Prices
Wednesday	IRL Retail Sales; US Trade Balance
Thursday	EA Economic Sentiment Indicator, ECB Meeting; UK Mortgage Approvals; US GDP (Q3), Jobless Claims
Friday	EA GDP (Q3), CPI, Unemployment Rate; UK Lloyds Business Barometer; US Consumer Spending, PCE Inflation

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