

Economic Research Unit



4th December 2020
This week's highlights

Dollar Under pressure	EUR/\$ New 2020 high	US Yields Up on the week	US Jobs +245k in Nov
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Euro Area

- The euro rose by more than 2 cents against the dollar and in the process set a new 2020 high of almost \$1.22
- Equity markets were broadly flat on the week, while German 10-year yields were about 5bps higher at -0.55%
- The annual rate of CPI inflation remained in negative territory for a 3rd month in a row in November at -0.3%

UK

- Pound gained more than 2 cents against the dollar to trade at \$1.35; largely unchanged versus the euro at 90p
- Talks on the post-transition relationship with the EU reaching the end-game with hopes a deal may be imminent
- BOE member Saunders says a rate cut and additional QE may be appropriate if further stimulus is necessary

US

- The dollar was under pressure for much of the time, setting fresh 2020 lows against a number of currencies
- Benchmark 10-year bond yields rose by almost 15bps on the week to reach a nine-month high of 0.96%
- Employment rose by a further 245k in November, bringing the cumulative rebound from April's trough to c.12m

Ireland

- The Economic Pulse rose to 67.0 in November, with consumer and business confidence both up on the month
- GDP rebounded in Q3 2020, increasing by 11.1% q-o-q after falling 3.2% in Q2, and was up 8.1% year-on-year
- Exchequer recorded a deficit of €8,919 million for Jan-Nov period, versus \$3,355 million surplus in Jan-Nov'19

Monday	IRL Industrial Production; US Consumer Credit
Tuesday	IRL Services Index; EA GDP, Employment; UK BRC Retail Sales; US Small Business Optimism Index
Wednesday	IRL New Vehicle Licenses; US Job Openings
Thursday	IRL CPI; ECB Meeting; European Council; UK GDP, RICS Housing Survey; US CPI, Jobless Claims
Friday	IRL Planning Permissions; US PPI, University of Michigan Consumer Confidence

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