



18th December 2020  
This week's highlights

<b>EUR/\$</b> Firmer again	<b>Sterling</b> Gains ground	<b>BOE</b> On hold	<b>Retail Sales</b> Dip in Nov
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**Euro Area**

- The euro advanced further against the dollar, rising to a more than two and a half year high of over \$1.2250
- The Composite PMI recovered ground in December but it was still in contractionary territory at 49.8
- Annual CPI inflation remained at -0.3% in November with the core rate also holding steady at 0.2%

**UK**

- As the UK-EU trade talks go down to the wire "big differences" remain, especially in relation to fisheries
- The BOE left interest rates and the size of its bond purchases programme unchanged at this week's meeting
- Sterling gained around 3 cents to \$1.35 against the dollar and was about 1p firmer against the euro at 90.5p

**US**

- Fed's bond purchases to continue until there's "substantial progress" towards its employment & inflation goals
- Retail sales fell for the second month running in November, declining by more than 1% from October
- Government bond yields rose on the week with benchmark 10-year yields about 5bps higher at 0.95%

**Ireland**

- The value of goods exports fell by 15% y-o-y in October, with goods imports also down 15% on Oct 2019
- The annual rate of decline in residential property prices eased to -0.4% in October from -0.8% in September
- Government 10-year bond yields rose by about 5bps from last Friday's all time low of -0.33%

Monday	EA Consumer Confidence; UK CBI Retail Sales, Lloyds Business Barometer
Tuesday	IRL Wholesale Prices; UK GDP (Q3); US Consumer Confidence, GDP (Q3)
Wednesday	US PCE Inflation, Consumer Spending, Durable Goods Orders
Thursday	ECB Monthly Bulletin
Friday	Christmas Day

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