



8th January 2021
This week's highlights

<p>Brexit</p> <p>Deal done</p>	<p>Sterling</p> <p>Little changed</p>	<p>Bond yields</p> <p>Higher</p>	<p>US Payrolls</p> <p>-140k in Dec</p>
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Euro Area

- The euro rose to an intra-week high of over \$1.23 against the dollar before slipping back a little
- Stocks start 2021 on a positive note, gaining 3%, while German 10-year yields rose by 5bps to almost -0.50%
- The annual rate of CPI inflation remained at -0.3% for a fourth consecutive month in December

UK

- The UK reached a trade deal with the EU just before the end of the Brexit transition period on 31st Dec
- Pound little changed against the euro though at 90p, a touch weaker against the dollar at around \$1.36
- Mortgage approvals for house purchase rose to a 13-year high of circa 105,000 in November

US

- Bond yields surge at the beginning of 2021 with 10-year yields almost 20bps higher at close to 1.10%
- Democrats win both seats in Georgia Senate elections and now control the two chambers of Congress
- Employment fell by 140k in December though the unemployment rate held steady at 6.7%

Ireland

- The Economic Pulse came in at 70.2 in December, up 3.2 from November but down 12.8 on December 2019
- The COVID-19 adjusted unemployment rate dipped to 20.4% in December from 21.0% the previous month
- The volume of retail sales fell by 12.8% in November from October and were down 4.7% on Nov 2019

Monday	-
Tuesday	IRL Industrial Production, New Vehicles Licenses; UK BRC Retail Sales; US Job Openings
Wednesday	EA Industrial Production
Thursday	IRL CPI, Residential Property Prices; UK RICS Housing Survey; US Jobless Claims, Import Prices
Friday	IRL Goods Exports & Imports; EA Trade Balance; UK GDP (Nov); US Retail Sales, Industrial Production

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