



15th January 2021
This week's highlights

EUR/\$ Lower	Sterling Gains ground	UK GDP Falls in Nov	US Inflation 1.4% in Dec
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Euro Area

- The euro shed around a cent against the dollar to close out the week trading at around \$1.21
- Stocks were about 1% lower, while German 10-year yields edged down to almost -0.55%
- Industrial output rose for a 7th consecutive month in November, increasing by 2.4% from October

UK

- Sterling gained ground against the euro to trade below 89p; also firmer against the dollar at \$1.36
- The economy contracted in November amid tighter public health restrictions with GDP falling by 2.6%
- BOE's Bailey sees 'issues' with negative interest rates e.g. complicates banks' ability to earn a rate of return

US

- 10-year bond yields largely unchanged at 1.11% but well off intra-week high of close to 1.20%
- The annual rate of CPI inflation nudged up to 1.4% in December while the core rate was steady at 1.6%
- Joe Biden proposes a \$1.9 trillion stimulus package for the economy - equivalent to about 9% of GDP

Ireland

- The annual rate of inflation remained in negative territory in December at -1.0% (after -1.1% in November)
- New private cars licensed rose by 41.6% y-o-y in December but down 25.6% for 2020 as a whole (at 84,309)
- 10-year bond yields were marginally lower on the week at almost -0.25%

Monday	UK Rightmove House Prices
Tuesday	IRL Residential Property Prices; EA Construction Output, ZEW Index; UK Unit Labour Costs
Wednesday	EA CPI; UK CPI, PPI, House Prices; US NAHB Housing Market Index
Thursday	EA Consumer Confidence, ECB Meeting; US Jobless Claims, Housing Starts
Friday	IRL Wholesale Prices; Flash PMIs EA,UK,US; UK Retail Sales, Consumer Confidence; US Existing Home Sales

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