



22nd January 2021  
This week's highlights

<b>EUR/\$</b> Recovers ground	<b>Sterling</b> Firmer versus \$	<b>EA &amp; UK PMIs</b> Weak in Jan	<b>UK Inflation</b> Nudges up in Dec
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**Euro Area**

- The euro recovered some ground against the dollar after last week's decline, rebounding to around \$1.22
- Stocks were largely flat on the week, while German 10-year yields edged up to about -0.50%
- The composite PMI remained below 50 in January (47.5), suggests economy contracted at the start of 2021

**UK**

- Sterling ended a touch lower against the euro at 89p; but slightly firmer against the dollar at just over \$1.3650
- The services PMI fell further into contractionary territory in January to 38.8, weakest reading since May 2020
- Annual CPI inflation ticked up to 0.6% in December from 0.3% in November; core rate up to 1.4% from 1.1%

**US**

- Stocks benefit from a "Biden boost" perhaps, with the S&P 500 setting a new all-time high on Thursday
- Benchmark 10-year bond yields nudged up to 1.10%, still off last week's high of almost 1.20%
- The Composite PMI rose in December, remaining in expansionary territory at 58.0

**Ireland**

- Annual rate of residential property price inflation nationally up to 0.2% in November from -0.5% in October
- The Central Bank sees GDP expanding by 3.8% this year following estimated growth of 2.5% in 2020
- Government 10-year bond yields increased by around 5bps on the week to about -0.20%

<b>Monday</b>	IRL Economic Pulse; US Chicago Fed National Activity Index
<b>Tuesday</b>	UK Labour Market Report, CBI Retail Sales Survey; US Consumer Confidence, House Prices; IMF WEO Update
<b>Wednesday</b>	US Durable Goods Orders, Fed Meeting
<b>Thursday</b>	IRL Retail Sales; EA Economic Sentiment Indicator; US GDP (Q4), Jobless Claims, Trade Balance, New Home Sales
<b>Friday</b>	EA Money Supply (M3); UK Lloyds Business Barometer; US Consumer Spending, PCE Inflation

Contact Us at [economics@boi.com](mailto:economics@boi.com)

[www.Corporate-Economy.BankofIreland.com](http://www.Corporate-Economy.BankofIreland.com)

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