



29th January 2021
This week's highlights

EUR/\$ A little lower	Bond Yields Flat	US GDP +1.0% in Q4	US Inflation 1.3% in Dec
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Euro Area

- The euro fell to an intra-week low of almost \$1.2050 against the dollar before recovering to over \$1.21
- ECB concerned market underestimating possibility of a cut in interest rates, according to central bank sources
- The annual rate of CPI inflation in Germany jumped to 1.6% in January from -0.7% in December

UK

- The pound was marginally firmer against the euro and the dollar at about 88.5p and \$1.37 respectively
- Employment fell by 88,000 (-0.3%) in Sep-Nov from Jun-Aug and the unemployment rate ticked up to 5%.
- Business groups tell Minister Gove UK companies facing "substantial" difficulties in post-Brexit trading with EU

US

- GDP rose again in Q4 2020, increasing by 1% from Q3, though it was still 2.5% lower than in Q4 2019
- The annual rate of PCE inflation ticked up to 1.3% in December while the core rate came in at 1.5%
- Fed left policy on hold at this week's meeting; benchmark 10-year bond yields end largely flat at 1.09%

Ireland

- The Economic Pulse came in at 61.6 in January, down 8.6 from December and 24.5 lower than in Jan 2020
- Retail sales rebounded in December, increasing by 14.3% following a decline of 12.2% in November
- DoF says Debt/GNI* expected to have risen by 12% points to 108% in 2020, equivalent to €219bn

Monday	Manufacturing PMIs in IRL, EA, UK & US; EA Unemployment; UK Mortgage Approvals; US ISM Manufacturing Index
Tuesday	IRL Exchequer Returns; EA GDP (Q4 2020); UK Nationwide House Prices
Wednesday	Services PMIs in IRL, EA, UK & US; IRL Unemployment; EA CPI; US ISM Services Index, ADP Employment
Thursday	IRL Industrial Production, New Dwelling Completions; EA Retail Sales; UK BOE Meeting; US Jobless Claims
Friday	US Employment Report, Trade Balance, Consumer Credit

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