



5th February 2021  
This week's highlights

<b>EUR/\$</b> Loses ground	<b>Sterling</b> Firmer v euro	<b>EA GDP</b> Falls in Q4	<b>US Payrolls</b> +49k in Jan
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**Euro Area**

- The euro lost more ground to the dollar this week, shedding almost 1.5 cents to trade at \$1.20
- Economy contracted in Q4 2020 with GDP falling by 0.7% from Q3 and down 5.1% on same quarter in 2019
- Annual CPI inflation rate jumped to 0.9% in January from -0.3% in Dec, core rate up to 1.4% from 0.2%

**UK**

- Pound strengthened by a penny against the euro to 87.5p; unchanged on the week against dollar at \$1.37
- BOE left interest rates unchanged at 0.1% and indicated that a cut into negative territory not imminent if at all
- House prices fell by 0.3% in January from December according to Nationwide, still up 6.4% on January 2020

**US**

- Employment only partially rebounded in January, increasing by 49k after a fall of 227k in December
- The unemployment rate fell to 6.3% last month (from 6.7% in Dec), compares to a peak of 14.8% last April
- Benchmark 10-year bond yields reverse course, increasing by around 10bps to circa 1.15%

**Ireland**

- The COVID-19 adjusted unemployment rate rose to 25.0% in January as tighter restrictions kicked in
- New dwelling completions totalled 20,676 for 2020 as a whole, down just 1.9% on 2019
- Industrial production rose by 4.3% year-on-year in 2020, following an increase of 2.8% in 2019

<b>Monday</b>	IRL New Vehicles Licenses
<b>Tuesday</b>	UK BRC Retail Sales; US Job Openings
<b>Wednesday</b>	UK RICS Housing Survey; US CPI, Real Weekly Earnings
<b>Thursday</b>	US Jobless Claims; European Commission Economic Forecasts Update
<b>Friday</b>	IRL Residential Property Prices; UK GDP (Q4 2020), Industrial Production, Trade Balance; US Consumer Confidence

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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