



12th February 2021
This week's highlights

EUR/\$ A touch firmer	Sterling Gains v Dollar	UK GDP Up in Dec	US CPI Inflation 1.4% in Jan
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Euro Area

- The euro recovered some ground against the dollar to trade back above the \$1.21 level again
- German 10-year bond yields rose a little further this week, edging up to around -0.42%
- European Commission sees economy growing by 3.8% this year following a decline in GDP of 6.8% last year

UK

- GDP partially recovered in December as restrictions were eased, rising by 1.2% after a fall of over 2% in Nov
- For 2020, the economy posted a record contraction of 9.9% reflecting the impact of the COVID-19 shock
- Pound little changed against the euro at circa 87.5p, strengthens to over \$1.38 against the dollar

US

- Annual CPI inflation remained at 1.4% in January, core rate nudged down to 1.4% from 1.6% in December
- Fed's Powell says supportive monetary policy needed for some time to return economy to full employment
- 10-year bond yields rose by a further 5bps or so to 1.19%, highest level since last March

Ireland

- The annual rate of residential property price inflation nationally picked up in December, rising to 2.2%
- In January, 16,948 new private cars were licensed, a drop of 18.0% from the same month in 2020
- Government 10-year bond yields increased again to -0.09% (now up 20bps since the end of last year)

Monday	IRL Goods Exports & Imports; EA Industrial Production; UK Rightmove House Prices
Tuesday	EA GDP & Employment (Q4)
Wednesday	EA Construction Output; UK CPI, House Prices; US Retail Sales, Industrial Production, Fed Minutes
Thursday	IRL CPI; EA Consumer Confidence; US Jobless Claims, Housing Starts
Friday	Flash PMIs in EA, UK, US; UK Retail Sales, Consumer Confidence

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